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Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, SECOND SESSION

SENATE

MONDAY, AUGUST 21, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty and eternal God our Father, we pause in this moment dedicated to the elevating of our thoughts and motives to Thy presence. Look upon them, we pray Thee, that, as we face this new day, we may be blest to use them to their fullest and best intent. We thank Thee that Thou hast set in our hearts a dream of life without futility, of faith without fear, of freedom without folly. Arise Thou within us as strength and healing and victory, overcoming all confusion of purpose, all haunting failure, and all that keeps us from the best to which Thou callest us. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 18, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 11, 1950:

S. 2655. An act for the relief of Mrs. Evelyn M. Kryniak.

On August 19, 1950:

S. 1853. An act to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 101) relative to the reenrollment of the bill (S. 3059) for the relief of John J. Sebenick.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 250) for the correction of the enrollment of the bill (H. R. 2854) for the relief of Wade H. Noland, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 815. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.;

S. 816. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.;

S. 1064. An act to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.;

S. 1457. An act to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.;

S. 3039. An act to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania; and

H. R. 6000. An act to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Morse
Brewster	Humphrey	Mundt
Bricker	Hunt	Murray
Bridges	Ives	Myers
Butler	Jenner	O'Conor
Byrd	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Darby	Kilgore	Smith, Maine
Donnell	Knowland	Smith, N. J.
Douglas	Langer	Sparkman
Dworshak	Leahy	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tobey
George	McClellan	Tydings
Gillette	McFarland	Watkins
Graham	McKellar	Wherry
Green	McMahon	Wiley
Gurney	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Attorney General of the United States, transmitting, pursuant to law, copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each subject and the reasons for granting the applications (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Attorney General of the United States, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law in each case and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF AIR FORCE

A letter from the Assistant Secretary of the Air Force, transmitting, pursuant to law, a report of tort claims paid by the Department, for the fiscal year 1950 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by Patton-Bataan Post, No. 1534, Veterans of Foreign Wars, Los Angeles, Calif., favoring the enactment of legislation providing universal military training; to the Committee on Armed Services.

A letter from the Assistant Secretary of State, transmitting a letter from the Philippine Ambassador, together with a resolution adopted by the Provincial Board of Bataan, at Balanga, Philippine Islands, relating to a special appropriation for Bataan; to the Committee on Foreign Relations.

RESOLUTIONS OF EXECUTIVE COMMITTEE, THE AMERICAN LEGION, DEPARTMENT OF NORTH DAKOTA, FARGO, N. DAK.

Mr. YOUNG. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the body of the RECORD, several resolutions adopted by the department executive committee, the American Legion, Department of North Dakota, meeting at Fargo on August 13, 1950. The resolutions concern assistance to State-owned soldiers' homes, an extension to the veterans' farm-training program, the extension of some veterans' benefits to those participating in the combat operations in Korea, urging adoption of a military-training program, and urging requirement of loyalty oaths from people in all governmental positions and those holding responsible positions in educational institutions and political organizations.

It is my opinion that the resolutions reflect the constructive thinking of American Legion posts throughout the country, and particularly of the very active and helpful Legion organization that we have in North Dakota.

There being no objection, the resolutions were ordered to be printed in the RECORD and referred, as indicated:

To the Committee on Labor and Public Welfare:

"Whereas the North Dakota Soldiers' Home at Lisbon is one of the finest State institutions of its kind in America both as to the facilities available and as to the services rendered its members; and

"Whereas one of the main sources of revenue needed to maintain this high standard of care so necessary to the proper function of a home of this type is Federal aid received under existing laws; and

"Whereas present allowances from the Federal Government for each eligible veteran amount to $500 per annum but are to be reduced to $300 per annum after July 1, 1951: Now, therefore, be it

"Resolved by the department executive committee, the American Legion, Department of North Dakota, meeting at Fargo, N. Dak., August 13, 1950, That the national legislative commission of the American Legion obtain amendatory legislation in the session of Congress opening in January 1951 to continue Federal aid after July 1, 1951, to State institutions such as the North Dakota Soldiers' Home, at its present rate; and be it further

"Resolved, That this amendatory legislation stipulate that such aid be effective on the date the veteran is admitted to the State home rather than on the date the Veterans' Administration approves his eligibility."

"Whereas present provisions of the GI bill of rights make it necessary for veterans to enter farm training by July 25, 1951, and to remain in continuous training in order to take advantage of the law's benefits; and

"Whereas many veteran farmers of North Dakota have been unable to take advantage of their entitlements under the GI bill of rights because of the failure of the Veterans' Administration to provide the qualified instructors necessary to carry on a successful program of training as outlined by the Veterans' Administration which would be of value to the enrollees; and

"Whereas because of these situations an injustice would be forced upon the veterans of our State: Now, therefore, be it

"Resolved by the department executive committee, the American Legion, Department of North Dakota, meeting at Fargo, N. Dak., August 13, 1950, That the National Legislative Commission of the American Legion obtain amendatory legislation in the session of Congress opening in January 1951 to extend the deadline for entering farm training under the GI bill of rights at least 1 year."

To the Committee on Armed Services:

"Whereas American military, naval, and air forces are now engaged in combat operations in Korea which have attained the proportions of a full-scale war as far as these fighting forces are concerned; and

"Whereas casualties suffered in this armed conflict are no different from those suffered in a fully declared state of war so far as their effects upon the fighting men and women and their families and dependents are concerned: Now, therefore, be it

"Resolved by the department executive committee of the American Legion, Department of North Dakota, meeting at Fargo, N. Dak., August 13, 1950, That the American Legion's national legislative commission obtain enactment in the Congress of the United States such legislation that will extend by law to the members of the Armed Forces now in the field or who may hereafter be ordered to active duty during the present emergency, the status of veterans for the purpose of assuring them and their dependents the same death, disability, and dependency benefits now available to veterans of World Wars I and II."

"Whereas members of the American Legion throughout this Nation for the third time in 34 years are again being called to leave their businesses, their homes, and their loved ones to offer their lives in the defense of their form of government, a government that guarantees to each of its citizens the right of life, liberty, and the pursuit of happiness; and

"Whereas thousands of disabled veterans of World War I and II are still confined in Government medical, mental, and tubercular institutions as a direct result of the battles they fought, paying the penalty for our country's unwillingness to recognize the dangers of an inadequate national defense program; and

"Whereas their voices, voices of those who know the drudgery of warfare, have been raised time after time to Congress and to the people of the United States in an effort to prevent what is now taking place in Korea, where thousands of untrained, inadequately equipped American boys are being forced into battle to be slaughtered on the altar built for their country by foreign agents who were allowed to come to our shores as teachers in our schools and colleges and whose definite assignment by the governments they represented was to sell a foreign philosophy and to sabotage completely our own democratic system; and

"Whereas these saboteurs, assisted by other foreign agents allowed to enter our country because of laxity in our immigration laws, were able to secure key positions in our labor, industrial, business, church, and youth organizations, and through fear of political power were able to obtain highly important positions in our Federal Government where the story of peace at any price was effectively sold to the American people; and

"Whereas the program of these foreign agents was for the elimination of all types of training for the youth of this Nation, both physical and military, and for the constant barrage of correspondence by their fellow-traveler organizations upon Members of Congress and their State legislatures urging opposition to the appropriation of any funds designed for the purpose of developing our national security program, at the very time the countries they represented were building great war machines for the avowed purpose of ovrthrowing our form of democratic government; and

"Whereas now that the pattern designed by these foreign agents in this country unfolds, the American people must now realize that their failure to support a sound national defense program has cost the lives of thousands of American citizens and has almost wrecked the economy of this Nation because of the tremendous cost we now have to bear as the result of our failure to set up a sound defense training program for our youth and our negligence to provide an intelligent year-by-year development of the necessary implements to safeguard our national security; and

"Whereas the American Legion since its inception has advocated a youth training program under civilian direction that would, if put into effect, discourage international bandits from perpetrating acts of violence that make necessary the drafting of American sons into the fighting forces; and

"Whereas it is the cold experience of veterans of all our past wars that the trained soldier lives and the untrained soldier dies: Now, therefore, be it

"Resolved, That the department executive committee of the North Dakota Department of the American Legion on this 13th day of August 1950 call upon all the patriotic citizens of this great State to immediately write their Congressmen and Senators to support a civil training program in this session of Congress to the end that this Nation, by so doing, will demonstrate to the world that we are willing to protect the rights and privileges of a free and peace-loving people."

To the Committee on the Judiciary:

"Whereas our country is again engaged in armed hostilities on foreign soil through no choice of its own, but solely in accordance with its duty and mandate under the United Nations Charter; and

"Whereas there are in our country today many persons who are literally agents of an unfriendly foreign power who are engaged in a program of subversive activities directed against the welfare of our country: Now, therefore, be it

"Resolved, That the department executive committee of the American Legion, Department of North Dakota, recommends and urges that the necessary steps be taken to require a loyalty oath from all persons holding positions or offices in our Government, local, State, and National, and from all persons holding responsible positions in educational institutions and in organizations which participate in political activity or attempt to influence political action or public opinion."

RESOLUTIONS OF NATIONAL AFFAIRS COMMITTEE OF MILWAUKEE ASSOCIATION OF COMMERCE

Mr. WILEY. Mr. President, I have received today from the distinguished manager of the public affairs division of the Milwaukee Association of Commerce a series of resolutions which were adopted at a meeting of the national affairs committee of the association on August 11. I believe that the comments of the committee are particularly appropriate in connection with matters which we are considering right now before the Senate, namely, our foreign policy, home-front mobilization, and antisubversive legislation.

I ask unanimous consent, therefore, that the text of the three resolutions on these vital subjects sent to me by Dan McNally be appropriately referred and printed in the RECORD at this point, to be followed thereafter by a list of the membership of the national affairs committee and of its staff.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, together with a list of the membership

of the national affairs committee, as follows:

4. INTERNATIONAL RELATIONS

Favored negotiation of peace terms and the execution of treaties with Germany and Japan on an immediate, and relatively the same, basis as we have done in the case of Italy, with or without Russian participation. This reaffirms previous association position as the committee believes the subject is particularly urgent now in view of the world situation. It is believed that the necessity of supplying foreign aid would be considerbly reduced if our State Department would take necessary action implementing the efforts of war-torn countries to build a self-sustaining economy.

It is imperative that, in addition to the consummation of peace treaties with Germany and Japan, trade treaties with other countries of the world be reviewed in the light of the impact on free world trade resulting from the growing sterling bloc and the influence of such bloc on other countries of the world.

We are presently operating under treaties of friendship and commerce in some cases 30 and 40 years old. When these treaties are reviewed, tariff policies will come up for discussion. The committee believes that the best way to arm our State Department with information affecting tariffs is through the utilization of the United States Government Tariff Commission before whom hearings can be had upon petition by businesses or industries affected by such tariffs.

In connection with the war in Korea, with casualties mounting and the whole expense so far on the United States in manpower and money, the committee recommends that our State Department insist upon a greater degree of cooperation from other nations and that a demand be made for more manpower as well as military facilities.

5. ECONOMIC AND MILITARY MOBILIZATION FOR WAR EFFORT

Favored the adoption of the following as a statement of policy in connection with mobilization, controls, and war financing.

We are now being threatened with dictatorial economic controls, and these controls would erect mountain road blocks of red tape at every strategic production intersection. They would regiment our daily lives needlessly.

The basic arguments presented in favor of such new regimentation are that economic controls would prevent a runaway inflation and would assure availability of material for military purposes.

It should be remembered that in existing laws the President already has all of the power he needs to assure military production. The Selective Service Act alone authorizes the President to mobilize the manpower of factories and the materials needed to fight the Korean War or to make necessary "peace offensives" elsewhere.

Inflation cannot be prevented by controls. The evil effects of inflation are only postponed unless the causes are removed. These causes are not connected with controls. The primary cause is the creation of new credit by Government printing press money and the issuance of bonds.

It is therefore recommended that we view the situation realistically and be cognizant of the fact that inflation has followed every war in our history because we have not paid our way as we went. The committee recommends the following policy:

1. Pay as you go for all expenses of the Government including military.

2. That Congress increase taxes on an equitable, nondiscriminatory basis immediately.

3. That Congress and Government agencies make drastic cuts in less-essential governmental expenditures.

4. That Congress invoke limited credit controls.

5. That Congress provide for a government-sponsored, industry-administered plan of allocation of certain basic materials.

6. That all business organizations, social groups and individuals pledge to exercise voluntary restraint in any matter that would affect our wartime economy, such as hoarding, creating gray or black markets, and in other words inducing inflation. Only if the emergency grows and voluntary restraints fail should consideration be given to the imposition of economic controls.

7. SUBVERSIVE ACTIVITIES

Favored S. 2311 which has as its purpose the protection of the United States against subversive activities. It is believed that this bill, with its carefully worded definitions, its registration requirements, its attempt to guard against impulsive libeling and accusation without full and adequate hearing, its protection of classified Government materials and its attempt to prevent the employment by the Government of people of doubtful loyalty, is highly essential legislation at this juncture in our history. It is believed that the bill would not impair the freedom of liberty of any loyal American whether in speech or other activity.

The committee recommends that Congress continue to investigate communism and other subversive activities in and out of government and that sessions be open hearings to the press and the public in all instances where security of the country is not involved.

The list of the membership of the national affairs committee and its staff is as follows:

MILWAUKEE ASSOCIATION OF COMMERCE, NATIONAL AFFAIRS COMMITTEE

Walter Harnischfeger, chairman, Harnischfeger Corp.; James B. Morrison, Wisconsin Telephone Co.; Robert W. Baird, Robert W. Baird & Co.; John P. Boynton, Boynton Cab Co.; William H. Brandt, Chain Belt Co.; James O. Kelley, Medical Society of Milwaukee County; William R. Pate, Pate Oil Co.; Arthur M. Sells, Wisconsin Electric Power Co.; Charles F. Wehr, Wehr Steel Co.; Thomas W. Korb, counsel, Harnischfeger Corp.

Staff: Chris R. Isely, assistant executive director; Ray A. Niemitz, manager, research bureau; Daniel J. McNally, secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Post Office and Civil Service:

S. 3672. A bill to amend section 3 (c) of the Civil Service Retirement Act so as to make the exclusion from such act of temporary employees of the Senate and House of Representatives inapplicable to such employees with one or more years of service; with amendments (Rept. No. 2373).

By Mr. McCLELLAN, from the Committee on Public Works:

H. R. 6339. A bill to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.; without amendment (Rept. No. 2374).

DEPENDENTS ASSISTANCE ACT OF 1950—REPORT OF A COMMITTEE

Mr. TYDINGS. Mr. President, from the Committee on Armed Services, I report an original bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, and I submit a report (No. 2372).

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, reported by Mr. TYDINGS, from the Committee on Armed Services, was read twice by its title, and placed on the calendar.

Mr. TYDINGS. Mr. President, I should like to make a short statement of about 3 minutes so that Members of the Senate may understand the purpose of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland? The Chair hears none, and the Senator from Maryland may proceed.

Mr. TYDINGS. Mr. President, with the unanimous approval of the members of the Armed Services Committee I am reporting to the Senate a bill to provide additional allowances for the dependents of enlisted members of the Armed Forces. This bill has received the diligent attention of the committee for the past 10 days and when placed in operation will make available to the dependents of enlisted personnel funds to meet their living expenses in a fixed amount and on a regular basis.

Consideration was given to a bill with provisions similar to World War II Dependent's Allowance Act but in view of the liberal increases in pay granted to enlisted members, particularly those in the higher grades since 1942, such a bill did not suit present needs. The committee adopted the procedure of amending, on a temporary basis, the Career Compensation Act of last year. These temporary amendments authorize allowances, varying according to the number of dependents, for those members in the lower grades and small increases in allowances for those members in the higher grades with over two dependents. Payments to dependents consist of the authorized allowance plus a required allotment from the pay of the member. The minimum payments made to dependents are one dependent $85, two dependents $107.50, and with over two dependents $115.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CONNALLY. Does that amount include the allotment from the soldier?

Mr. TYDINGS. That is the allotment by the soldier with the help of the Government combined. It shows what the dependents get.

Payments to those in the higher grades are increased by larger allowances and allotments. In all cases sufficient pay is left to the man in service to meet his needs.

While increased allowances have been provided for those having more than two dependents, it is the considered sense of the committee that it is not in the national interest at this time to induct or order into the service enlisted men, particularly in the lower grades, with more than three dependents. This policy is set forth in the bill.

Less than 1 month ago, on July 31 to be exact, some of the Members of the Senate may have witnessed a small unit of marines moving up Constitution Avenue preceded by a band. At the Senate Office Building they turned toward the railroad station. Instead of the dress blues, they wore field uniforms with knapsacks on their back and carbines slung from their shoulders. This was the Washington Reserve marine battalion reporting for active duty. Crowds did not line the streets, but there was a group of women and children that followed the line of march to the station. Within the past few weeks and in the weeks to come, this scene has and will be repeated in many communities in every State of the United States. Some of those who marched to the railroad station on that day left home and their families for many months—and perhaps forever—because some from that unit are at this very moment on their way to the fighting area. Mr. President, this is a drastic action, but only drastic action has saved the day in Korea.

Prompt action on this bill by the Congress will lessen the worry and burden of those with family responsibilities in the Armed Forces as well as the members of their families. I urge that this bill be made the unfinished business of the Senate at the earliest possible moment.

I have had prepared a table showing the payments to be made to dependents under the provisions of this bill. I ask that the table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Allowances			Minimum monthly pay	Allotted from pay	Amount to dependents			Left for member
	1 dependent	2 dependents	Over 2 dependents			1 dependent	2 dependents	Over 2 dependents	
Pay grade 7	$67.50	$67.50	$75	$198	$80	$147.50	$147.50	$155	$118
Pay grade 6	67.50	67.50	75	169	80	147.50	147.50	155	89
Pay grade 5	67.50	67.50	75	139	60	127.50	127.50	135	79
Pay grade 4	67.50	67.50	75	117	60	127.50	127.50	135	57
Pay grade 3	45.00	67.50	75	95	40	85.00	107.50	115	55
Pay grade 2	45.00	67.50	75	82	40	85.00	107.50	115	42
Pay grade 1	45.00	67.50	75	[1]80	40	85.00	107.50	115	40

[1] With over 4 months' service.

NOTE.—Amount to dependents is made up of allotment from pay plus authorized allowance in accord with the number of dependents. Allotments from pay shown are minimum required. Examples: (1) A wife and child of an enlisted member in grade E-1 will receive $107.50, leaving $40 for the member; (2) a wife, child, and dependent mother of an enlisted member in grade E-6 will receive $155, leaving a balance of $89 for the man; (3) a dependent child and a dependent mother of an enlisted member in grade E-5 will receive $127.50, leaving a balance of $79 for the man.

Mr. THYE. Mr. President, it came to my attention last week that there was a tightening up of credit, not only insofar as it related to home loans, but with regard to any young man who is subject to call for military service.

I received information from Minnesota last week that agencies which deal with credit, home loans, and the like, were already asking, "Are you apt to be called into service in the near future?" If the applicant was likely to be called, then he would not be held qualified for a loan.

I mention this because if there is that tendency, we should check it as relates to credit agencies having to do with home loans especially.

Mr. TYDINGS. Mr. President, I am glad to have had the Senator's observation.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 21, 1950, he presented to the President of the United States the following enrolled bills:

S. 815. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.;

S. 816. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.;

S. 1064. An act to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.;

S. 1320. An act for the relief of Mrs. Barbarita Romero;

S. 1457. An act to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.;

S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi; and

S. 3099. An act to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

(Mr. TYDINGS, from the Committee on Armed Services, reported an original bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. STENNIS (for Mr. EASTLAND):

S. 4072. A bill for the relief of Ella Stufka and her son;

S. 4073. A bill for the relief of Guenter Wicke; and

S. 4074. A bill for the relief of Pamela Bentley; to the Committee on the Judiciary.

AMENDMENT OF FEDERAL-AID ROAD ACT—AMENDMENTS

Mr. DOUGLAS submitted amendments intended to be proposed by him to the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, which were ordered to lie on the table and to be printed.

WADE H. NOLAND—REENROLLMENT OF BILL

The VICE PRESIDENT laid before the Senate House concurrent resolution (H. Con. Res. 250), which was considered by unanimous consent and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is requested to return to the Senate the enrolled bill (H. R. 2854) for the relief of Wade H. Noland. If and when said bill is returned by the President, the action of the Presiding Officers of the two Houses in signing said bill shall be deemed rescinded; and the Clerk of the House is authorized and directed, in the reenrollment of said bill, to make the following correction: Page 1, line 4, of the House engrossed bill before the name "Wade" insert "the estate of" and amend the title to read "For the relief of the estate of Wade H. Noland."

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. McMAHON, from the Senate members of the Joint Committee on Atomic Energy:

Thomas Keith Glennan, of Ohio, to be a member of the Atomic Energy Commission for the term of 5 years, expiring June 30, 1955, vice Lewis L. Strauss, resigned.

PROCEEDINGS ON OCCASION OF DEDICATION AT WEST POINT OF A MONUMENT TO GEN. GEORGE S. PATTON, JR.

[Mr. LODGE asked and obtained leave to have printed in the RECORD the proceedings in connection with the dedication at the United States Military Academy at West Point on August 19, 1950, of a monument to Gen. George S. Patton, Jr., which appears in the Appendix.]

OUR MILITARY SITUATION IN EUROPE—ARTICLE FROM BOSTON HERALD

[Mr. LODGE asked and obtained leave to have printed in the RECORD an article entitled "We Have Had Our Pearl Harbor, but We May Still Be Asleep," written by Edgar Ansel Mowrer, and published in the Boston Herald on August 19, 1950, which appears in the Appendix.]

NORTH AMERICAN SECURITY—ADDRESS BY GEN. A. G. L. McNAUGHTON

[Mr. WITHERS asked and obtained leave to have printed in the RECORD an address on the subject North American Security, delivered by Gen. A. G. L. McNaughton to the Canadian Manufacturers' Association in Toronto, May 25, 1950, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING—EDITORIAL COMMENT

[Mr. MARTIN asked and obtained leave to have printed in the RECORD editorials published in several Pennsylvania newspapers dealing with the subject of universal military training, which appear in the Appendix.]

THE BIG SLEEP—EDITORIAL FROM WALL STREET JOURNAL

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "The Big Sleep," published in the Wall Street Journal August 15, 1950, which appears in the Appendix.]

OVERHAULING OF STATE DEPARTMENT NEEDED—LETTER FROM MRS. A. D. LANGE

[Mr. JENNER asked and obtained leave to have printed in the RECORD a letter written by Mrs. A. D. Lange, of New Augusta, Ind., published in the Indianapolis Times for August 13, 1950, which appears in the Appendix.]

CONTROL OF FLOODS ON THE CONNECTICUT RIVER

[Mr. BENTON asked and obtained leave to have printed in the RECORD a letter written by George C. Waldo, chairman of the Connecticut State Park and Forest Commission, proposing a plan for control of floods on the Connecticut River, which appears in the Appendix.]

APPOINTMENT OF FRANCIS S. MURPHY TO CONNECTICUT AERONAUTICS COMMISSION

[Mr. BENTON asked and obtained leave to have printed in the RECORD an editorial entitled "Mr. Aviation," published in a recent issue of the Bridgeport (Conn.) Post, which appears in the Appendix.]

INTELLIGENCE AS AN INSTRUMENTALITY OF NATIONAL SECURITY—SPEECH BY COL. WALTER L. FURBERSHAW

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a speech entitled "Intelligence as an Instrumentality of National Security in Peace and War," delivered by Col. Walter L. Furbershaw, and reprinted in the June 1949 issue of Men and Events, which appears in the Appendix.]

THIS MAY BE EXTREME—BUT!—EDITORIAL FROM THE GRANITE STATE NEWS

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "This May Be Extreme—But!" published in the Granite State News of August 4, 1950, which appears in the Appendix.]

GOP OPPORTUNITY—EDITORIAL FROM CLEVELAND PLAIN DEALER

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "GOP Opportunity," published in the Cleveland (Ohio) Plain Dealer of August 4, 1950, which appears in the Appendix.]

EMPLOYMENT OF THE PHYSICALLY HANDICAPPED—ADDRESS BY SECRETARY OF LABOR

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an address delivered by Hon. Maurice J. Tobin, Secretary of Labor, at the National Employ the Physically Handicapped Week meeting on August 9, 1950, which appears in the Appendix.]

MONDAY QUARTERBACKS — EDITORIAL FROM THE BOSTON POST

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "Monday Quarterbacks," published in the Boston Post of August 15, 1950, which appears in the Appendix.]

LETTER BY SENATOR GREEN RECOMMENDING POSTPONEMENT OF TORQUAY TARIFF CONFERENCE

Mr. BREWSTER. Mr. President, I ask unanimous consent that I may proceed for 2 minutes in praise of the senior Senator from Rhode Island [Mr. GREEN]. I have advised the Senator I was going to make this request.

The VICE PRESIDENT. Without objection, the Senator is permitted to praise the Senator from Rhode Island for 2 minutes. [Laughter.]

Mr. BREWSTER. Mr. President, while we are in the midst of enacting legislation which will mean the end of "business as usual" in this country for perhaps many years to come, I take this opportunity to commend the distinguished senior Senator from Rhode Island [Mr. GREEN] for his very realistic action in writing a letter to Secretary of State Acheson, dated August 11, 1950, urging that the tariff negotiations scheduled to commence next month at Torquay, England, be postponed.

Mr. President, I ask unanimous consent, with the consent of the Senator from Rhode Island, that at this point his letter, dated August 11, be incorporated in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 11, 1950.

The SECRETARY OF STATE,
Washington, D. C.

MY DEAR MR. SECRETARY: I am concerned about the possibility that tariff concessions may be made at the meeting to be held in Torquay, England, next September which may affect certain particular industries in our country adversely. I note in particular that several new countries have been listed to participate in the meeting and that Korea is one of these countries.

Since the conclusion of the public hearings held by the Committee for Reciprocity Information, at which time representatives of the industry presented their views regarding proposed negotiations, the Korean situation has developed, and it seems to me a survey should be made immediately relative to the postponement or cancellation of the Torquay meeting.

I fully appreciate the importance of this conference in furthering the objectives of our Government's economic and foreign policy. However, since the hearings have been completed by the Committee for Reciprocity Information developments in the international situation deem it advisable, in my opinion, to postpone the proposed negotiations.

As you know, I have been a firm supporter of legislation furthering reciprocal trade agreements and have voted consistently for legislation supporting and extending the Trade Agreements Act of 1934. I am convinced, however, that because of the unsettled world conditions it would be in the best interest, not only of the United States but of all other participating countries, that the proposed meeting be postponed until the international situation is more stable.

I would appreciate your comments on my suggestion.

Yours sincerely,

THEODORE FRANCIS GREEN.

Mr. BREWSTER. Mr. President, this action by the Senator from Rhode Island is especially significant and praiseworthy in view of his consistent support for the reciprocal-trade agreements program. It seems to me that under present world conditions this is a statesmanlike proposal which should receive the most careful consideration of the Secretary of State.

I hope my colleagues on both sides of the aisle will agree that while our economy is in a state of complete or semimobilization, our home markets should not be turned over to foreign producers or manufacturers who, for the most part, will be carrying on business as usual. I urge my colleagues to make known their views to Mr. Acheson and to the President in the hope that the scheduled negotiations will be postponed until a more settled or normal period.

It is inconceivable that on the one hand we should be greatly increasing taxes, imposing priorities, allocations, and other emergency measures upon our entire economy, while on the other hand we are negotiating further tariff reductions with foreign countries.

I fully appreciate that some expense has already been incurred by our Government in connection with the Torquay conferences and that many bags are practically packed and ready to go, but I am convinced that the proposal of the Senator from Rhode Island is sound and right.

I again commend the Senator for his very realistic attitude as evidenced by his letter. If, Mr. President, we are to follow a bipartisan foreign policy, then I submit that the Senator's request for a postponement should be granted as a tangible indication that such a bipartisan policy is a two-way street and not a one-way street.

In line with the proposal of the Senator from Rhode Island, I call attention also to the resolution of the executive committee of the National Labor Management Council on Foreign Trade Policy, representing the membership of thousands of members of over 15 national labor unions and the industries vitally affected, urging the postponement of the Torquay conference until the present international crisis has passed.

I ask unanimous consent that this report of the National Labor Management Council on Foreign Trade Policy be incorporated in the RECORD at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF THE CHAIRMAN, ADOPTED UNANIMOUSLY BY THE EXECUTIVE COMMITTEE OF THE NATIONAL LABOR-MANAGEMENT COUNCIL ON FOREIGN TRADE POLICY, AUGUST 15, 1950

The outbreak of hostilities in Korea on June 25 of this year precipitated far-reaching measures of political and military action, and set in motion economic changes the full magnitude and effects of which are not yet visible.

The national and international economic implications of our military preparation and defense effort can at this time only be perceived in dim and tentative outlines. No one can foresee the extent of military operations necessary for the attainment of our objectives and no one can know how far we must go in order to fulfill our international political commitments and responsibilities.

Great changes in the course of international trade are implicit in the program that has already been launched in response to the Korean crisis. Already the dollar-gap question has lost its urgency as one of the great problems facing the world. Quite

conceivably the trade-balance of the United States may be reversed in the course of the next few years. In any case, it is not known to what extent and in exactly what quarters our imports and exports will be affected.

As a step toward elimination of the dollar-gap and for other purposes, the Department of State some months before the Korean outbreak announced the opening of multilateral negotiations on September 28, 1950, in Torquay, England, to carry out a third round of tariff reductions under the General Agreement on Tariffs and Trade.

To that end public hearings were held during May on a long list of items which were to be considered for concessions. Hundreds of witnesses, speaking for the many and various industries and groups affected, appeared at these hearings to protest any further duty reductions at this time. The effects of previous concessions, particularly those made in Geneva in 1947, had only begun during the past year to make themselves felt. The war-torn countries were regaining their productive powers and the period of postwar shortages in this country had reached its end in many lines of production.

This combination of imports and growing surpluses within this country bade fair a year ago to precipitate a dangerous recession. The problem of deflation and of unemployment loomed with a growing menace on the horizon. Yet, quite definitely the total potential impact of previous duty reductions upon the domestic economy had not yet delivered its total force when another round of trade agreements was announced.

Now, between the preparations for the Torquay Conference and its actual assemblage, has arisen this overriding emergency, neither the end nor consequences of which are yet clearly visible. Once more normal international trade will be disrupted. Once more our domestic economy will be subject to controls. Many peacetime projects are being abandoned and others will undoubtedly be set aside. The public has given early evidence of its readiness to abandon "business as usual," all to the end that we may be most effective in meeting our national and international responsibilities.

This council has no desire to raise above first consideration of our country any question that is and should be subordinate thereto. We have felt constrained because of the troubled international conditions now prevailing to withhold various representations and to subordinate our interests to national considerations. The State Department should under present circumstances relinquish its own pursuits in a field where, because of vastly changed conditions in course, it has no possible way of measuring the most probable peacetime consequences of its action.

It will be recalled that this council was formed only a few months ago in response to widespread alarm felt over the course of foreign competition in this country. The council does not now, and did not in the beginning, object to imports if they are placed on competitive parity in this country. It is fully cognizant of, and recognizes the functions of imports in our economy. This country needs imports; it needs them in large volume; but it is not necessary that such imports should disrupt our wage standards, our employment, and our price structure in a buyer's market. It is neither necessary nor desirable that the smaller miscellaneous industries in this country be put in jeopardy as a means of maintaining an abnormal level of exports.

Convening of a tariff-cutting conference under the present circumstances cannot be justified on any ground other than the theoretical one that tariff reduction is of itself and quite exclusive of other considerations, a desirable consummation. Business is not as usual today in the United States, and it is unseasonable to treat our international trade as being as usual under such conditions. Postponement of the Torquay Conference until the present international crisis has passed would permit future consideration of the tariff at a time when more sound and accurate estimates could be made of the wisdom of particular concessions. The full time and energies of the State Department should be devoted at this time to a solution of the international emergency.

This council should urge the President of the United States to bring about a postponement of the Torquay Conference. It is not likely that adverse international repercussions would ensue since such action would conform closely with the dictates of universal common sense.

Respectfully submitted.

O. R. STRACKBEIN,
Chairman.

PLANNING FOR KOREA—EDITORIAL FROM THE NEW YORK TIMES

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks an editorial entitled "Planning for Korea," published in the New York Times of this morning, in which it is pointed out that the suggestion for a trusteeship in Korea is ill-timed, inasmuch as there already exists a government of the Republic of Korea established under United Nations auspices.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PLANNING FOR KOREA

The discussion of Korea's future is necessary and timely. There are certain obvious obligations that the United Nations must assume, and it will serve a good purpose if they are clearly understood and clearly stated. Manifestly, if the United Nations is ready, by force of arms, to defend the freedom of Korea against the present assault, it must also be ready and willing to guarantee the security of the republic against other such assaults in the future. Likewise, there will be a massive job of relief and rehabilitation to be done, and this should properly be a United Nations project.

On the political side the United Nations is already fully committed to the establishment of a freely elected government for all of a united, independent and democratic Korea. Such a government has already been set up, under United Nations observation, in as much of Korea as could be entered by United Nations representatives. That government has been recognized as the lawful government of Korea by the United Nations, and the only lawful government. The Korean Republic, moreover, has reserved seats in its freely elected legislative bodies for the representatives of districts in which the observed elections were not allowed.

As Ambassador Chang pointed out yesterday, the objective of the Korean people is no more than the restoration of the independence that they enjoyed for 4,000 years before they were overrun by the Japanese. The Korean people and all the United Nations except the Soviet bloc have, therefore, the same objective, the rebuilding of a free, unified state. Fortunately, the political framework for that state has already been laid, and the United Nations will, quite naturally, wish to sustain what came into existence under its own clear auspices.

Under those conditions it is unfortunate that the word "trusteeship" has been allowed to come back into the Korean discussions, if only in a limited application. It has a bad connotation in this case and should be avoided. At the time of the liberation of Korea from the Japanese it was tentatively proposed that there might be an interim "trusteeship" until a democratic government could be set up. All the major political groups in Korea immediately voiced objection, declaring that they wanted an independent democracy at the earliest possible moment. The one group that did not so declare was the Korean Communists.

The Soviet Union thereupon made this the rock on which to wreck the negotiations for a unified Korea. The Russians insisted that no Koreans should be consulted about the establishment of a government who had ever expressed their opposition to "trusteeship." This meant, of course, that no Koreans should be heard except Korean Communists. Thus the word "trusteeship" has the connotation of disunity for the Koreans.

Even more important, a fully independent government has already been set up in Korea and recognized by the United Nations. To the Koreans, quite naturally, any idea of a "trusteeship" at this stage would certainly suggest a backward political step—and a long one.

The United Nations will have to assume large responsibilities in Korea. It is important that they be assumed under terms that are satisfactory to the Koreans and that are explicit to other peoples in Asia.

COPPER—A SYMBOL

Mr. MALONE. Mr. President, the brass fabricating companies currently fronting for free trade on raw copper, which constitutes their major raw material, are also insisting that the 15 to 65 percent ad valorem tariff on their own brass fabricated products is necessary for them to pay American wages and stay in business.

These same companies may be seriously jeopardizing their very existence by attacking the principle upon which their own business structure depends.

VENTURE CAPITAL VERSUS FREE TRADE

On July 27, the junior Senator from Nevada made a statement before the Senate Finance Committee covering the whole field of free trade versus the tariff or import-fee principle in the development of foreign trade, and demonstrated at that time that copper was only a symbol and that almost every other American business is in exactly the same situation—it is only a matter of degree.

On August 8, a summary of the statement appears in the CONGRESSIONAL RECORD.

The whole principle of free trade stems back to the State Department's "one economic world" program under the 1934 Trade Agreements Act—through which the Congress of the United States transferred its constitutional responsibility to regulate foreign trade to the industrially inexperienced executive branch of the Government.

WRECK NATIONAL ECONOMY UNDER COVER OF WAR

The State Department is even now planning to complete the job of wrecking the national economy of this Nation under cover of war—through the international conference at Torquay, England, where the tariffs and import fees on several thousand American products will be further lowered without regard to the differential of cost of production between this Nation and in the competitive countries, due mostly to the difference in the wage living standards.

AMERICAN WORKER VERSUS SWEATSHOP LABOR

It will complete the removal of the floor under wages and investments—and put American workers in direct competi-

tion with the sweatshop labor of Europe and Asia.

SENATE FINANCE COMMITTEE TABLED FREE-TRADE PROPOSAL

On July 31 the Senate Finance Committee tabled House Joint Resolution 502, calling for the extension of free trade on copper.

It has been amply shown that the tariff is not paid by the Government, and in the case of a company manufacturing material containing copper for Government consumption, the tariff or import fee is paid to the Government in the first instance and then charged back to it when the processed material is delivered; it is simply a bookkeeping arrangement.

It has also been amply shown that the only decrease in foreign imports possible by virtue of the tariff is the increased domestic production through the tariff protection of venture capital—and that such increase in production is a national security safeguard.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a letter addressed to Senator BUTLER, Nebraska, by Mr. George Adams Ellis, chairman of the board of the Vermont Copper Co., Inc., together with my answer to the letter. Mr. Ellis's type of operation is the hope of the future copper supply of this Nation, its national security.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

VERMONT COPPER CO., INC.,
Bennington, Vt., August 12, 1950.

Hon. HUGH BUTLER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: Your vote in favor of the restoration of the copper tariff is most encouraging to those like myself who, at the instigation of the Government, have opened up old, abandoned mines and are trying to develop them in the national interest. These old Vermont mines were first opened in 1793 and saw their heyday between 1870 and 1880, before the very rich Michigan and Montana ores were fully developed.

In 1942, with the acute copper shortage, I was urged, and in fact begged, by Government officials to take the lead in opening up these old mines, although I had no interest whatsoever in them. The result was that I secured a million and a half of private moneys. And $550,000 from the Government, and later another $150,000, all of which has been paid back with interest.

The Bureau of Mines and all impartial engineers who have studied the situation agree that it is very important, in the public interest, to develop an eastern copper mining district and fully to explore the 15-mile copper zone practically all of which is now owned by this company.

This company is privately owned by a few individuals and has had no contact with any of the big copper interests. We are producing at the rate of about 8,000,000 pounds of copper a year from the Elizabeth mine at the southerly end of this copper zone but have done nothing to open up the old Ely mine 6 miles farther north, nor the Union and Eureka mines still farther north; nor has but little work been done on exploration of the intervening area which the geologists claim must contain additional copper-bearing ore.

I have had some relations with various phases of the copper industry for the past 25 years and practically wrote the copper code under the NRA for General Johnson. In my opinion the labor differential between foreign and domestic copper is very much more than the proposed 2-cent tariff and probably averages over 4 cents. It is a fact that at the present time the 2-cent tariff will not have the slightest effect on the price of copper in this country; nor will it affect by 1 pound the amount of copper that comes into the country. According to my information the great Chilean copper mines will give up about 1 cent less to the Chilean Government, or perhaps 4 cents instead of 5 cents, and Kennecott and Anaconda—who own the principal Chilean mines—will receive 1 cent less profit, or perhaps 7 cents instead of 8 cents. I cannot vouch for these exact figures, but they bear some approximation to the actual figures and the principle at least is correct.

However free copper as a permanent policy eventually will close up every smaller mine in this country and, in the long run, will be the death knell of the American copper industry.

I am very happy to see that there is a substantial group of Senators who have not been taken in by the specious arguments in favor of free copper.

Very truly yours,

GEORGE ADAMS ELLIS.

AUGUST 21, 1950.

Mr. GEORGE ADAMS ELLIS,
Chairman of the Board,
Vermont Copper Co., Inc.,
Bennington, Vt.

DEAR MR. ELLIS: My good friend, HUGH BUTLER, who is, in my opinion, one of the soundest men on the Senate floor, has referred your letter of August 12 to me since I have led the fight against the whole free trade theory, the "one economic world" that the State Department has been slowly bringing about under the 1934 Trade Agreements Act.

I am, of course, intensely interested in the principle as applied to copper although copper is merely a symbol as I emphasized in my statement before the Senate Finance Committee, copy of which I am enclosing.

You are exactly right—two cents tariff is not sufficient—but the principle is important and I stood on the Senate floor for 5 hours in September 1949 trying to substitute the flexible import fee principle in place of the extension of the 1934 Trade Agreements Act. This argument was made on September 12 and 15, 1949, and if you have the CONGRESSIONAL RECORDS for those dates I would appreciate your reading them. Also, on August 8, 1950, I summarized my arguments on the copper question and inserted it in the RECORD on that date.

There is no question in my mind but what the administration or someone advising the administration is out to wreck the economic structure of this country through the free trade principle. In that connection I am enclosing a copy of the debate on the Senate floor, May 27 and 31, 1949. It also contains the bill and I would be very happy if you would review my statement before the committee and also my suggestion of substituting the flexible import fee principle for the 1934 Trade Agreements Act and write me, in some detail, a critical, constructive letter together with your suggestions.

Your statement as an operating engineer is very interesting to me. They say I am the only practicing engineer who was ever elected to the United States Senate and I find it very hard sometimes to rationalize what we do. We say we have certain objectives but often our procedures defeat these objectives.

Everyone admits that we need an adequate stockpile of strategic minerals and materials and a going-concern mining industry to fight a war, as I said in my statement before the Senate Finance Committee—under the administration's free-trade program, we have neither.

I intend to use your letter on the Senate floor and hope you will furnish me other materials because your kind of mining and development is the kind we must encourage—as well as other fields of business.

Due, I think, in a large measure to my testimony, the Senate Finance Committee voted 9 to 4 to table the proposed extension of the free trade on copper, but the proponents of such legislation insist they are going to bring it to the Senate floor as an amendment to the scrap-copper bill which would admit free of any duty the scrap copper throughout the world, mostly World War II American scrap. To that I am not objecting, but if they attempt to tie the extension of the free trade on copper ore to it, when it comes to the Senate floor I intend to debate it at some length.

We need men like you to make their position clear to their own Senators.

I shall look forward to hearing from you again.

Sincerely,

GEORGE W. MALONE.

RELEASE FROM OFFICE OF SENATOR MALONE

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a release from my office on the subject, dated today, clarifying the real issue of free trade against venture capital investment, the administration scheme of Government financing as against private investors, and the national security of this Nation.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

STATEMENT OF UNITED STATES SENATOR GEORGE W. MALONE (REPUBLICAN, OF NEVADA), ANSWERING ATTACK ON COPPER TARIFF

A statement has just been issued by a brass fabricating company which presents a distorted viewpoint of the copper tariff question. The statement, which involves a far-reaching principle, is particularly dangerous for the reason that it would appear to the unwary to be objective. As a matter of fact, it is biased in favor of a very small segment of industry to the detriment of the American industry as a whole, and offers a threat to American workers and investors.

A listing of the facts in this matter gives an entirely different picture from that conveyed by the brass fabricator. The facts are:

1. Three large copper corporations control 75 percent to 80 percent of all brass fabrication production. It is an integrated business.

2. Two of these corporations control the copper mining in Chile, from which country we receive most of our imported copper.

3. The brass fabricating company which issued the statement in question has an interlocking directorate with one of these corporations, and is the mouthpiece for them in this instance.

4. Brass fabricators want free trade on the copper products they must buy, while demanding 15 to 65 percent ad valorem tariff on brass fabricated products which they sell. They are right in demanding a tariff on what they sell, to protect their employees and investors against foreign slave-labor products, but are inconsistent in demanding tariffs on the products they make and free trade on the material they buy. Their selfish position is understandable but not defensible. There never was a consistent free trader.

5. The claim that free trade on copper is a war measure is entirely wrong. A tariff, or import fee, representing the differential between American wages and standard of living and those of foreign countries, does not retard imports, but instead brings them in on a basis equitable with our own wages and standard of living.

6. As a matter of fact, a tariff with special reference to strategic minerals, which includes copper, is a national security measure. An enemy submarine could make valueless the two copper-mining projects in Chile, as all production there is on the coast. In World War II enemy submarines stopped the shipping into America of 70 to 90 percent of all strategic metals for a considerable time. In the present emergency we could be thrown on our own production. Therefore, our mining industry here should be built up to its maximum strength. Mining cannot be expanded on a moment's notice. To keep closed mines in a stand-by condition is very expensive and frequently impossible. Exploration and development must go on all the time. This can be done only with venture capital, and venture capital will not go in where there is no protection; under a free trade policy, capital would be destroyed when the emergency is over. Free trade is a constant threat to all investments, while, on the other hand, tariff produces venture capital and protects the American workers, and thus builds up industry. A tariff, then, is a national security measure.

Any fabricating company which now advances a lopsided argument for free trade on what it must buy, while asking for a tariff on what it must sell, is attacking, indirectly but nonetheless destructively, the American standard of living, for free trade removes the floor under wages and investments, and such a campaign for free trade offers a threat to our national security.

The principle involved in the copper tariff is the same principle which affects practically all imports, and consequently the whole American economy.

Mr. MALONE. Mr. President, copper is merely a symbol in the fight to destroy the workingmen and investors in this country.

Textiles, petroleum, precision instruments, lumber and wood products, zinc, lead, mercury, tungsten, crockery, watches, agricultural products, and many other American products are in exactly the same position—it is only a matter of degree.

Mr. President, I wish to say that the tariff principle, as it affects the copper industry—and copper is only an example—affects every other industry in the United States of America.

ACCOMPLISHMENT OF AMERICAN NEGRO TROOPS IN KOREA

Mr. O'CONOR. Mr. President, among the many tales of valor by American troops in Korea, it is most gratifying to learn that the American Negro troops not only are carrying their share of the burden but are doing it particularly well.

An Associated Press news dispatch appearing in the Baltimore Sunday Sun of yesterday gives an interesting account of the accomplishments of these American Negro troops and of the resultant splendid psychological effect throughout the world.

This latter point is one that deserves the utmost consideration, because the Communists have attempted, with small success, it may be noted, to use the racial-discrimination and dissension charge against the United States to win converts to its cause.

I ask unanimous consent that the article from the Baltimore Sunday Sun be inserted in the CONGRESSIONAL RECORD along with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEGRO TROOPS HELP REBUT PROPAGANDA—SERVICE IN KOREA IS REPLY TO "WHITE MAN'S WAR" CLAIM

WASHINGTON, August 19.—American Negro troops fighting under the United Nations flag in Korea are helping to win more than strategic hilltops in the struggle with communism.

In the opinion of Washington psychological warfare experts they are also helping to win the battle against Communist propaganda. They are dramatic proof that the war to smash Red aggression in Korea is not a white man's war.

This is an extremely important point for the non-Communist alliance, and one which will shortly be bolstered by the addition to United Nations field forces of native Asian troops. The Philippines are sending 5,000 men and Thailand 4,000.

NON-COMMUNIST SPLIT IS AIM

To understand why these forces are so important aside from the additional military strength they furnish, it is necessary to take a look at the aims and methods of Communist propaganda as it is now being laid down in a steady barrage from Moscow, Peiping (Red China), and Pyongyang (Red Korea).

The major aim of this propaganda is to split the non-Communist world and particularly to split off the nations of Asia from the Western powers.

In striving for this objective the Communists have used two major weapons—(1) the claim that the United Nations forces in Korea are really the tools of Yankee imperialism, and (2) the arguments of racism; that is, that the white man's guns and bombs are once more slaughtering the people of Asia in a drive for new colonial oppressions.

ESTABLISHED SOVIET METHOD

Broadly, therefore, the Communists are trying to draw a color line in the struggle. This is a timely application of an established Soviet method of attack on the United States that goes back far beyond the beginning of the Korean war.

Even during World War II, when Moscow-Washington relations were at their best, there was a story in the Russian capital that dramatized the point.

An American visitor was on a guided tour through one of the Soviet aircraft factories. He was shown first the manufacture of airframes and engines, then taken through an assembly section and finally escorted to an enclosure where finished planes were lined up. Though the Russian guide said they were complete they had no propellers.

The American pointed this out and asked, "Where are the propellers?"

HARP ON "NEGRO PROBLEM"

"Oh, yes," said the Russian, "and what about the Negro problem in the United States?"

The Russians have always harped on the "Negro problem" when they wanted to cover their own confusion or shortcomings, when they hoped to drive a wedge among the people in this country or when they wanted to draw a color line unfavorable to the United States abroad.

This has recently cropped up in their intensified world-wide campaign centering around the Korean crisis, according to State Department informants.

The Department has adopted a policy covering its counter-propaganda. That is simply to tell the truth about Negroes in the United States, but to be sure it is the whole truth, and to emphasize their political, social, and economic advances in a country where, unlike Russia, there is opportunity for members of minority groups to take independent action in their own self-interest.

EMPHASIZED BY "VOICE"

The participation of Negroes in American international enterprises is considered one of the most effective ways of meeting the Soviet attacks. Hence the "Voice of America," one of the main instruments of American propaganda abroad, is paying special attention to the achievements of the Negro Twenty-fourth Infantry Regiment in Korea.

It can also be expected to spotlight the impending appointment of Mrs. Edith Sampson, Chicago Negro lawyer, as a member of the United States delegation to the United Nations—just as it once played up the outstanding record of Ralph Bunche, Negro diplomat, when he served as United Nations mediator in Palestine.

BACKED IN POLITICAL FIELD

The final answer to Russian charges that Americans are slaughtering Asiatics in a new outburst of Yankee imperialism, of course, is the support which non-Communist Asiatic states themselves give to the United Nations fight in Korea.

In the political field this support has been extensive. India has joined the United Nations Security Council majority in branding the North Korean Communists as the aggressors.

But in the military field American troops have been carrying the weight of ground combat and this has been an undeniable handicap propagandawise. This situation will shortly come to an end when Filipino and Thai soldiers, as well as 4,500 Turkish officers and men and units from Britain, New Zealand, and Australia, move to the battlefront.

The international character of the United Nations Army, as reflected in daily war reports, will then become clear. It will be the answer to Communist propaganda.

THE LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, the Members on the Democratic side of the aisle held a conference this morning with respect to the program we feel is necessary to accomplish before the question of a recess can be considered. Obviously we will continue with the defense production bill, S. 3936, under the unanimous-consent agreement, and vote on it at 1 o'clock today.

Following that, under the unanimous-consent agreement which was entered into while I was away last week, the Senate will proceed to vote on the highway bill, H. R. 7941, tomorrow.

Following the disposition of the highway bill we will then proceed to the consideration of what is known as the family allowance bill, Senate bill 4071, reported a few moments ago by the senior Senator from Maryland [Mr. TYDINGS].

The able Senator from Georgia [Mr. GEORGE], who is chairman of the Finance Committee, advised the conference this morning that the tax bill, H. R. 8920, will be ready for consideration on Wednesday of this week. We will proceed to the consideration of the tax bill following the disposition of the family allowance bill.

Following that we will then proceed to take up the McCarran anti-Communist bill, Senate bill 4037, at which time all the different phases of the internal security question, as represented by the various bills now pending on the calendar, can be discussed pro and con and disposed of.

That is the program, Mr. President, I desire to announce. That is the program which has been agreed upon by the

conference of the Democrats this morning. I thought I should make the announcement to the Senate and the country.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Does the majority leader feel that when the bills to which he has referred have been disposed of that will complete the contemplated program, and that a recess will be in order, or will there be a further announcement later, after the work outlined has been concluded, which might extend the session?

Mr. LUCAS. In reply to the Senator from Nebraska, I should add to my statement that in discussing the situation with the Senator from Tennessee [Mr. McKELLAR], the chairman of the Appropriations Committee, in the conference this morning, he advised me that he thought probably within a very short while the conferees would be able to agree upon the omnibus appropriation bill, and to submit a report. Of course if they do not, how soon we may reach a recess will depend in great measure upon how fast the conference reports are returned to the Senate and upon how fast they are agreed to by both the Senate and the House.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. LUCAS. I yield.

Mr. WHERRY. In the event that the appropriation bill conference report is acted upon expeditiously when the so-called internal security proposed legislation is completed, would it then be the intention of the Senator from Illinois to have the Senate take a recess, rather than to take up other proposed legislation?

Mr. LUCAS. The Senator's conclusion is correct. However, if we remain here, a number of other bills can be considered. I am still interested in the bills providing statehood for Alaska and for Hawaii, and in other measures; but Senators on our side of the aisle—and I think the feeling is mutual throughout the Senate—feel that we should reach a conclusion of the session as soon as possible, when we are able to dispose of the measures which involve the security and the defense of the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I should like to ask a question of the able majority leader. In the list of measures he mentioned, unless I missed it, he omitted the bill for additional aid in connection with the arms implementation. I wonder if that was an oversight or whether the Senator has included that bill as a part of the urgent legislation.

Mr. LUCAS. No; it is my understanding that that matter will come up by means of a deficiency appropriation. There will not be any question about it; it obviously is included. Any measures which involve the defense of the country, growing out of the Korean situation, obviously will be included.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. WHERRY. Of course the distinguished majority leader also meant to include, in listing the conference report on the appropriation bill and other measures, the additional appropriations, such as supplemental and deficiency appropriations; did he not?

Mr. LUCAS. That is correct.

Mr. WHERRY. They might take a little more time, of course.

I appreciate very much the announcement the Senator from Illinois has made. I understand now that if the conference reports on all appropriations bills are concluded by the time action on the so-called McCarran internal security bill has been concluded one way or the other, unless something else of like nature comes up, it is the intention of the distinguished majority leader to have the Senate take a recess or an adjournment then.

Mr. LUCAS. The Senator's understanding is correct.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HOLLAND. I should like to ask the majority leader whether it was understood this morning in the discussion at the Democratic conference, upon report by the Senator from Maryland [Mr. TYDINGS], that the family allowance bill was coming out of the Armed Services Committee with a unanimous report by the committee, and that it was felt that very little debate would be required or very little time would be consumed in the disposition of that measure?

Mr. LUCAS. That is the substance of the statement which was made in the conference this morning by the Senator from Maryland.

Mr. HOLLAND. I thank the Senator.

I should like to ask further if this is the case: That the action taken by the Democratic conference this morning was not designed to state the full agenda of measures to be taken up between now and the recess, but rather, to fix the order of priority in such a way as to give to Senators on both sides of the aisle complete assurance that at a very early date, subject only to the disposition of the family allowance bill and of the revenue measure, both of which were regarded as "musts" in connection with the defense program, a definite and certain setting might be counted upon for disposal of either the McCarran bill or the so-called Mundt-Ferguson-Johnston bill, or some other measure deemed by the Senate to be acceptable, dealing with the control of Communists and Communist-front organizations in the domestic area of the United States?

Mr. LUCAS. That is what I tried to make plain to the Senate a while ago. The Senator from Florida has reiterated the position taken by the conference this morning.

Mr. HOLLAND. To make the matter doubly clear, I wish to say that it was at least my understanding that it was not the effort of the caucus this morning to state an all-inclusive agenda by any means, but simply to give positive assurance to the country and to Senators on both sides of the aisle who do want a strong antisubversive and anti-Communist measure enacted, that such a measure would be taken up at an early date, subject only to the priorities just mentioned—which, at least to me, seemed to be reasonable priorities—so that when that Communist control or antisubversive measure came up as a proposed amendment to the control bill, to be considered today, Senators might have definite assurance of early and certain consideration of the proposed antisubversive legislation.

I thank the Senator.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCARRAN. I would suggest that perhaps the majority leader clarify his statement. As I understood it, if the tax bill is not ready to be presented to the Senate, then the bill (S. 4037) to protect the internal security of the United States, and for other purposes, is to come up.

Mr. LUCAS. I think that is correct; and that was the discussion and more or less the agreement this morning.

However, in talking to the Senator from Georgia since that time, he advises me that he is positive that the tax bill will be ready by Wednesday of this week.

Mr. President, I do not wish the statement of the Senator from Florida to contradict what I said a moment ago. There might be a small bill here and there, which is not highly controversial, which could be taken up. However, so far as I am concerned, I am not willing to have considered bills which I know will take a week or 2 weeks to debate. That is what I have referred to. There may be some minor bills which are important to the national defense—the Senator from New York spoke to me about one a moment ago; and there may be others—which would take only a short time to dispose of; and in such case, we shall consider them.

I wish to state that the Senate will remain in session today until we finish all the amendments to the control bill, even if that means running into a night session.

Mr. HUNT. Mr. President, will the majority floor leader yield to me?

Mr. LUCAS. I yield to the Senator from Wyoming.

Mr. HUNT. I should like to remind the majority floor leader of a bill, to be reported tomorrow, making it possible for the Military Establishment to draft physicians and dentists. There is an extreme shortage of physicians in the Air Force today; the Air Force is losing physicians more rapidly than they are being obtained.

So I hope the majority floor leader will find a time for the consideration of that measure.

Mr. LUCAS. I thank the Senator from Wyoming, and I assure him that, of course, a measure of that kind will be given consideration.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. The majority leader said the Senate would remain in session tonight until we finish the amendments. I assume that he means until we finish the entire bill.

Mr. LUCAS. Yes; both the amendments and the bill.

DEVELOPMENT OF VOICE OF AMERICA

Mr. BENTON. Mr. President, last week, when I was in Connecticut, 28 Senators asked President Truman to open, by a great expansion of United States propaganda facilities, a psychological and spiritual offensive against the Kremlin.

Of course, I welcome this letter and I congratulate the 27 Senators who joined with the Senator from Vermont [Mr. FLANDERS] in signing it. However, there is in the letter what I would call a lopsided quality which I wish to point out to the Senate. In one sense, I think the letter illustrates a common fallacy under which we in the United States labor, a fallacy that we in the United States can, by some method—perhaps by some easy or quick method—reach and influence the minds of the Russian people. I now quote a paragraph from the letter:

Let us explain to the Russians the grim necessity of the western world for arming ourselves when we have seen their rulers sweep over nation after nation, destroying their freedom and enslaving their peoples—

And so forth. Further:

We need the message to be continuously and indefinitely reiterated—

To the Russian people.

Mr. President, I think we should recognize that this effort, so far as the Russian people are concerned, is a very long-term and an exceedingly difficult one, as is illustrated by the jamming by the Russians of our radio broadcasts.

I shall go further and say that if we in the United States were exceedingly successful in reaching and influencing the Russian people today, in our very success there might be an element of danger for the people of the United States. The Russian rulers, like all rulers all through history, would vastly prefer a foreign war to a civil or domestic war. The success of our efforts in stirring up the Russian people today to the kind of revolt which we may perhaps hope is ultimately indicated within that country and by that great people could invite their autocratic rulers who have complete control of the Russian armies into open assault against western Europe.

I suggest to the Senate that the urgent and immediate problem today is not the hard core of Russia. The real problem is on the outside, and we should be working from the outside inward, instead of from the inside outward. Let us start with the free peoples of the world themselves. We now have an example in South Korea. A recent poll in South Korea showed that one-third of the South Koreans thought that they indeed did attack the North Koreans. Here we see the power of the big lie as reiterated in the Soviet propaganda. We have plenty of evidence of the need with the French people.

We have evidence yesterday in the New York Times, an extraordinary report from New Delhi, headed "Battle of propaganda," by Mr. Robert Trumbull, reporting the need for a psychological peace offensive with the Indian people. Mr. Trumbull writes:

Korea's hot war has its counterpart in the Asian battle of propaganda. Like our troops in Korea, Americans fighting the propaganda war have un uphill task and need more manpower and heavier equipment to halt the enemy's offensive.

Mr. Trumbull's report states later:

The United States Information Service, principal medium for disseminating the American point of view abroad, does not lack either ability or energy.

Mr. President, I will say parenthetically that the letter to the President to which I have referred rather unjustly criticized the United States Information Service. Mr. Trumbull says:

What it does lack is funds to hire personnel and buy material required for more effective programs.

I ask unanimous consent to insert Mr. Trumbull's report in its entirety in the RECORD at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

BATTLE OF PROPAGANDA: REPORTS FROM TWO POSTS IN ASIA—NATIVE COMMUNISTS, SPREADING IDEAS THAT REACH THEM FROM MOSCOW, HOLD A GREAT ADVANTAGE OVER THE UNITED STATES—SOVIET HAS INDIA'S EAR

(By Robert Trumbull)

NEW DELHI, August 19.—Korea's hot war has its counterpart in the Asian battle of propaganda. Like our troops in Korea, Americans fighting the propaganda war have an uphill task and need more manpower and heavier equipment to halt the enemy's offensive.

Russian propaganda, coupled with the existing anti-American feeling, is of undoubted effectiveness in India. The Russians' task is easy because so many Asians have always resented "enslavement by a foreign power." Russians are able to play upon this emotion to such an extent that today's creeping enslavement by Moscow is largely overlooked.

The United States Information Service, principal medium for disseminating the American point of view abroad, does not lack either ability or energy. What it does lack is funds to hire personnel and buy material required for more effective programs.

MILLIONS OF PARTISANS

It is not any reflection upon the United States Information Service to say that Soviet propagandists are enjoying considerable success with a less elaborate organization. In India, for instance, there are now nearly 100,000 card-carrying Communists and millions of fellow travelers. Each one is an unpaid propagandist for Russia. The United States can hardly hope to raise such an active force of partisans.

It is only reasonable to suppose that widespread Indian opposition to Prime Minister Nehru's support of the United Nations in Korea has been sharpened if not created by Soviet propaganda. Although the Indian Parliament is on record as having unanimously approved Nehru's actions regarding Korea, this is most misleading. Close observers of Parliament feel that had a free vote been taken without the stern exercise of Congress party discipline, Nehru would have had little more than a 50–50 chance of winning.

When the Russians trumpet that the United States is the real aggressor in Korea, they are only saying what the passionately antiwestern Asians are too willing to believe.

RUSSIANS WELL AHEAD

Nehru's policy of friendship for Communist China and opposition to Bao Dai in Indochina—if not open support for the Communist Ho Chi-minh there—is of real help to Soviet propagandists while his condemnation of Communist Party tactics in India and southeast Asia does a minimum of harm to the Soviet's major objectives on this continent.

On the whole, therefore, it can be estimated that Soviet propaganda is gaining ground in the number of new voices speaking up against United States policy. United States propaganda is also gaining, but so far the Russians are well ahead.

Very few of India's 400,000 radio sets—one for every 8 persons—are ever tuned in on the Voice of America. It is not because listeners don't want to hear the American broadcasts. The fact is quite to the contrary. Indians are anxious to hear both sides, but so far as radio propaganda is concerned, the Soviet Union and its satellites have a virtual monopoly on the Indian air waves.

This situation exists simply because the Voice of America has no transmitter near enough or with a sufficiently powerful beam to be heard at favorable hours, whereas the powerful Russian stations can be received with moderately priced sets virtually around the clock. The Voice of America is heard best in India late at night when few persons are listening in this early-rising country.

Also, the Voice of America's wave length is so close to that of All-India Radio, the Soviet stations and the big transmitter in Ceylon, that it suffers constant interference aside from Soviet jamming.

LOSING BY DEFAULT

So we are letting the radio war go by default. If it is not possible to build a transmitter sufficiently close, or to penetrate the wall of interference, the next best proposition is to purchase time on Radio Ceylon, which is heard clearly in this whole area. This is under consideration.

The friendliness of Indian newspapers needs to be cultivated by personal contact with editors. Without more of this, most of the voluminous press material supplied by the USIS meets the usual fate of hand-outs that are heaped on every editor's desk. They go into the waste basket.

The USIS is now mailing American news bulletins to many media, and it is hoped to improve this service when a new budget permits expansion of the staff. Lack of personnel, which means lack of money, prevents the USIS from doing many things that might be done to win the propaganda war.

Recently the USIS distributed 20,000 copies of the American white paper on Korea and saw that one was handed to every member of Parliament before the Indian legislative body held its debate on Korea.

LITERATURE TOO EXPENSIVE

USIS libraries in the major cities are popular, but American literature is scarce on the bookstalls while Soviet books and pamphlets are plentiful everywhere. The Communists charge for all their reading matter, although only a few cents. This seems to make it more valuable than the free American material. Conversely, commercially published American literature is far too expensive for the average Indian.

An effective means of putting across the American point of view is now being exploited here—the exchange program financed under the Fulbright and Smith-Mundt Acts. Indian editors, scholars and others sent to the United States under the various categories of this program usually return here impressed and friendly. Journalists and speakers who have personally

experienced the American way of life are often powerful vehicles—of their own accord—for spreading our point of view.

We suffer another disability in this propaganda war that the Russians do not. Indians do not like to feel that they are being propagandized. Therefore, American operations in this field are suspect and sometimes have an effect opposite to the one intended. But somehow the Russians get away with it. Probably that is due partly to innate leftist tendencies in the Asians. Closely related to this is an underprivileged people's resentment of American prosperity. Our demonstration of the benefits of free enterprise must be handle with extreme tact.

What is needed to deal more effectively with the Communist propaganda legions here is to make America's story available to more people through radio and inexpensive literature, which should be made plentiful everywhere in the local languages.

Mr. BENTON. Mr. President, starting with the free nations, to which we have reasonable access—and in the free nations all it takes is manpower, leadership, money, and ideas—we should then work through into the peripheral countries, the satellite countries where we have a major chance today to capitalize on those elements which still look toward the West and which are eager for our encouragement and leadership.

I should again like to ask my colleagues in the Senate why, with the evidence piling up all around us, we have been so slow to move in this field? I should like to read from the New York Times of yesterday, from its admirable survey of the news of the week and of the arguments for universal military training. The Times summarized the arguments as follows:

Universal military training is necessary to build up a permanent reservoir of trained men against a national emergency. It should be enacted right away, mainly for psychological reasons. In the first place it will impress Russia with the seriousness of America's determination to mobilize. In the second place it will impress the American people with the fact that national security is a universal concern and that the burdens should be shared fairly.

Mr. President, universal military training—at a cost of, perhaps $1,000,000,000 a year, or even $1,500,000,000 a year, and not only a monetary cost, but the tearing of our boys away from their homes, from their schools, from their universities—universal military training is being urged upon us for psychological reasons. Without arguing whether universal military training is now needed or not needed, as that is manifestly a most important question of national policy, I should like to emphasize that there are many other important ways to take the psychological offensive which are far less costly, though indeed not so orthodox. We may be turning to the idea of universal military training largely because it is orthodox, it is traditional, it is what we are accustomed to, and it is the first thing a great country always considers in a crisis of this kind. its psychological impact was the first thing a country considered before the advent of the motion pictures, before the coming of the radio, before television was invented; and of course many of our people naturally think along that same orthodox line, and I am not now saying they are wrong. I am merely saying there are other ways—new and powerful ways.

This morning in the New York Times Mr. Hanson W. Baldwin, who is regarded by many as our leading military writer, wrote an extraordinarily compelling story headed "Spirit as a War Factor," from which I shall read a paragraph. I may say that his article reminded me of General Eisenhower's eloquent testimony before the Thomas committee, in which he pointed out that an army, no matter how large, is valueless and worthless without morale. Mr. Baldwin concludes his article:

But no such happy result—

That is, victory and peace in Korea—

can be achieved unless the population of Korea is convinced that we do not come merely to bring devastation, unless these simple, primitive and sometimes barbaric peoples are convinced that we—not the Communists—are their friends and offer the hope of a better life.

The truth is that what we are promising, or should be promising, to the peoples of the world—as I pointed out yesterday on a University of Chicago Round Table broadcast with Gen. David Sarnoff, of the Radio Corp. of America, and Dr. Harold Laswell, of Yale—what we are and should be promising is exactly what the Communists are promising. We are promising a better life for the peoples of the world, a better economic condition, and better security. We and the U. S. S. R. have exactly the same things to offer, the happiness of people everywhere in terms of their peace, prosperity, and sense of security.

A thing which is not understood by most of the American people about the Communist propaganda—and which explains its devastating effect throughout the world—is that it ties itself to the legitimate hopes, aims, and aspirations of the peoples to whom it is addressed. They believe it because they have little to lose and they want to believe it. We on our part must tie our story, or propaganda, to these legitimate aims and aspirations. We must show that we in the United States are not satisfied on our part, that we, too, want them to improve themselves. We, too, offer peace, security, and a better life for the suffering people of the world.

Mr. ROBERTSON rose.

Mr. BENTON. I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, will the distinguished Senator from Connecticut agree with me that even though the letter signed by certain Senators and sent last Friday to the President might not have represented a perfect approach to the question of presenting to the Russian people our viewpoint concerning peace it served a useful purpose of centering the minds of the American people on what might be accomplished through the medium of adequate broadcasts?

Mr. BENTON. I wholly agree. I congratulate the authors of the letter. I am merely pointing out that it covered only one facet of the problem, one that is the easiest perhaps to emphasize, and thus perhaps the easiest for the American people to understand. Our people can easily see that they want the Russian people to understand us and our peaceful aims. It is more difficult for them to see the importance of the people of India or Korea or other nations throughout the world understanding us and our objectives.

Mr. ROBERTSON. Does not the Senator likewise think there might be some people in this country who are impressed by the fact that we appropriated last year funds for the erection of two broadcasting stations, to be located in Europe or Africa, and that those stations are not yet in operation? I understand we do not have a major Voice of America broadcasting station in operation in either Europe or Africa.

Mr. BENTON. Mr. President, our radio voice is a thin, tiny peep. That is all it is. I have occasionally looked back with some misgivings to my days in the State Department, when I took up this phrase, "Voice of America," and played my part in publicizing it. The phrase gives to many of our people a false illusion that we have a voice. It is a voice without a tongue or palate in many areas of the world.

Mr. ROBERTSON. I have heard it reported by some persons who have been stationed in Germany that our voice messages are not heard in Germany.

Mr. BENTON. It was not long ago, Mr. President, that I was told by Mr. Harry Martin—president of the American Newspaper Guild and our labor expert attached to Ambassador Katz, ECA office in Paris—that even in France not 50 percent of the people ever heard one friendly word about the United States, its aims, policies, its hope for peace, and for a better life for the French people—not a word. You may be sure they hear plenty from the U. S. S. R.

Mr. President, I ask unanimous consent to insert Mr. Hanson W. Baldwin's splendid article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPIRIT AS A WAR FACTOR—ITS POWER MUST BE RECOGNIZED, FOR IT CAN BE THE BALANCE OF VICTORY OR DEFEAT

(By Hanson W. Baldwin)

As the war in Korea enters its ninth week, there are more and more demands for what Woodrow Wilson called force, force to the utmost, force without stint, force without limit.

But it is precisely at this time, when we still are far from future victory and somewhat groggy from past defeat, that we must bear in mind one of the most profound sayings of one of history's great captains—Napoleon.

"There are only two powers in the world—the sword and the spirit," Napoleon said. "In the long run the sword is always defeated by the spirit."

This dictum, so applicable to Napoleon's time, is even more pertinent today when the enemy is Communist ideology, as well as Russian military power.

Yet at home and abroad we forget too often the things of the spirit in our dependence upon the materialism of physical force.

OVEREMPHASIS A DANGER

At home there is danger that we may concentrate too much on military mobilization to the detriment of other aspects of national strength. The Korean crisis must be kept in perspective as another crisis in the time of troubles, through which we are passing. We have been engaged in a world-wide conflict with the U. S. S. R. and international communism ever since the end of World War II, but, until Korea, the battles as far as United States manpower was concerned, were political, economic, and psychological.

The cold war has been punctuated by a series of little and not so little hot wars, in which the manpower of our friends and allies is involved—Greece, the militant Communist strikes, that at times almost approached civil war in France and Italy, China, French Indochina, and Malay. In Korea, where United States troops now are engaged, a more naked form of aggression than in the past has been used, but Korea remains another chapter in a world-wide struggle that still will be decided by all elements of national strength, not by military force alone.

It is, of course, possible that Korea may lead quickly to a general war. It is perhaps more probable that the "cold-hot" war with its recurrent crises may long continue. But in either case we cannot win victory by the sword alone. We must, therefore, emphasize in our world-wide campaign the power of the spirit, the political ideal of democracy, the moral ideal of western civilization, the economic ideal of equal opportunity. The national mobilization program must not be unbalanced in favor of military might alone.

A BATTLE OF WORDS

The importance of the spirit, or of the ideological must be recognized in fighting zones such as Korea, as well as in areas where the battle still is not with bullets, but with words. We have not done this too well in Korea. Strategic bombing against North Korean communications and transportation centers and industries undoubtedly has reduced the flow of supplies to the Communist invaders, and in time may reduce it further. But tactical bombing—the use of fighter bombers to hit specific targets such as trains or bridges—is more effective against communications targets.

Strategic bombing also is a two-edged sword. Inevitably we kill and maim civilians, including women and children, for civilians live near freight yards and industrial areas. We are indignant, and rightly so, about North Korean atrocities against our prisoners. Yet as North Koreans, would we not be equally indignant against Americans if our women and children were slain by American bombs?

The effect of these bombings already has helped to arouse considerable anti-American sentiment in India, and even a British newspaper has commented adversely. How immense will be our task in Korea, if we finally win there, after we have ravaged the land? Bombs are a bad way to win friends and influence people.

Yet it is certain that we rarely have considered before having undertaken strategic bombing the things of the spirit. Certainly in Korea we have not weighed the political and moral disadvantages of strategic bombing against the military advantages. Nor has the power of the spirit been assayed properly in the Korean battleground.

Some of our chief military problems in Korea stem from three factors—the superior battlefield intelligence of the enemy, the presence of guerrillas and Communist sympathizers behind our lines, and infiltration through our lines, often in the guise of refugees, of enemy soldiers.

PEOPLE'S SUPPORT LACKING

We would suffer from none of these disadvantages if we had the full, enthusiastic support of the Korean population—something that obviously is lacking. In part, of course, the lack of support is bred by fear—fear of a Communist victory and the natural human desire of the noncombatant to pick the winning side. When and if the tide turns in Korea and the Communist forces are in retreat, there will not be so many Communist sympathizers behind our lines. Nevertheless the problem of the convinced fanatic will remain, and he can be dealt with effectively only if the civilian population is for us.

In their extensive war against Russian partisans the Germans found that the only answer to guerrillas, saboteurs, and spies in the combat zone of a foreign country was "to win friends and influence people" among the civilian population. The actual pacification of the country means just that. The power of the spirit, not the power of the gun, wins the cooperation of civilians. When that cooperation comes the work of the spy, saboteur, or guerrilla finally becomes unsupportable; instead of help, he finds each man's hand against him.

But no such happy result can be achieved unless the population of Korea is convinced that we do not come merely to bring devastation unless these simple, primitive, and sometimes barbaric peoples are convinced that we, not the Communists, are their friends and offer the hope of a better life.

From top command to the individual GI the power of the spirit, which Napoleon stressed, must be recognized. It can be the balance that means victory instead of defeat. But so far we have not proved our case in Korea—or for that matter, in the world.

Mr. BENTON. I should like to invite the attention of the Senate to an illustration which shows how far ahead the American people have been in their recognition of the importance of the area I am discussing, of their administration and their legislators. Here is another story in which the people themselves are away ahead of us here in Washington, as they were on the subject of aviation as a potential major arm of our military forces.

Mr. President, I ask unanimous consent to insert in the RECORD the Gallup poll of July 29, headed "Vote for Greatly Expanded Voice of America Program Jumps Sharply Since Korea"; and "Proportion for Benton Plan is 7 to 4 Among All Voters; 3 to 1 Among Best Informed."

Here we have, Mr. President, a fine example of how the people themselves respond to an important issue which confronts them at a critical time. It is a good commentary, I submit, on the intelligence and the alertness of the American public.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

VOTE FOR GREATLY EXPANDED VOICE OF AMERICA PROGRAM JUMPS SHARPLY SINCE KOREA—PROPORTION FOR BENTON PLAN IS 7 TO 4 AMONG ALL VOTERS; 3 TO 1 AMONG BEST INFORMED

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N. J., July 29.—The move in Congress for a greatly expanded program to tell America's story abroad is getting increasing support from the public.

Before the Korean war began, the vote in favor of the Benton proposal to step up our information program abroad stood at 5 to 4 in a survey by the American Institute of Public Opinion. Today it is 7 to 4 in favor. And among those persons who already know something about the present activities of the Voice of America, the vote for a greatly enlarged effort is substantial, nearly 3 to 1.

The Senate resolution sponsored by Senator WILLIAM BENTON, of Connecticut, includes a proposal for a network of long-wave, medium-wave, and short-wave radio stations capable of reaching every receiver in the world, as part of a vast increase in an American propaganda of truth.

The resolution has been supported by many leaders, including Gen. Dwight D. Eisenhower. President Truman has said that "unless we get the real story across to people in other countries, we will lose the battle for men's minds by default."

The reaction of the general public to an expanded information program was tested in a survey in April and again last week. Here is the trend:

"Some people believe the United States should spend a great deal more money than we are now spending to offset Russian propaganda (information) and to tell our side of the story to Europe and the world. Do you agree or disagree?"

	April	Today's survey
	Percent	*Percent*
In favor of more expenditure	47	52
Against	38	29
No opinion	15	19
Total	100	100

In order to record the views of the better informed voters—those who are aware that the State Department has been operating the Voice of America broadcasts to foreign lands, the survey asked each person, "Have you ever read or been told anything about the Voice of America broadcasts?

Those who have heard about it vote as follows today, as compared to April, on enlarging the program:

Vote of persons aware of Voice of America broadcasts

	April	Today's survey
	Percent	*Percent*
In favor of more expenditure	53	64
Against	35	24
No opinion	7	12
Total	100	100

By contrast, here is the vote of those who were not aware of the existence of the Voice broadcasts. It shows how much more favorable the informed opinion is than the uninformed—thus demonstrating the value, from the State Department point of view at least, of publicizing throughout the United States the work which the Voice is doing.

Vote of persons not aware of Voice of America broadcasts

	April	Today's survey
	Percent	*Percent*
In favor of more expenditure	35	39
Against	41	34
No opinion	24	27
Total	100	100

Mr. BENTON. Mr. President, may I conclude with a few suggestions, because this subject seems to me of such crucial national urgency? The distinguished majority leader did not refer to it as a separate problem for the Senate to consider before we adjourn, but I earnestly hope we shall consider it before we leave Washington, as a part of the appropriations bill. It will be recalled that I previously pointed out to the Senate that

Ambassador Dulles, in the hearings on my Senate Resolution 243, stated that he thought our success in meeting the Soviet propaganda meant the difference between war and peace within a matter of months. If there is a chance in five that Ambassador Dulles is correct, indeed, if there is a chance in 25 that he is correct, we should not and cannot leave Washington until we have provided adequate funds to take care of this crucial area in our foreign policy, on which our very lives may depend. The $89,000,000 for which the Department of State is now asking as an increase in this area, through our Appropriations Committees, is an estimate made up long before Korea. Months ago this estimate ground through the mechanics of the Government departments. Of that amount, $41,000,000 will go to build the facilities referred to by the distinguished Senator from Virginia [Mr. ROBERTSON]. Another seven or eight million dollars will go for other long-term facilities that take a year or 2 years to build. Thus not over half of this $89,000,000 is for actual operations.

Mr. President, I would point out to those who heard the questions of the Senator from Virginia that General Sarnoff estimated in the hearings on Senate Resolution 243 that $200,000,000 is required to provide the United States with an adequate world-wide network. Yet the State Department is asking for only $41,000,000.

Mr. President, this pre-Korean request for $89,000,000 has been cut very substantially by the House. I urge upon the Senate a restoration of the amounts cut. Any cut would be extremely bad judgment at this time and would not meet with the approval of the American people, as the Gallup poll demonstrates. Further, the sum should be greatly increased. I hope we can cooperate with the Department of State in insuring a great increase in activity in this area. We should not adjourn until this is done and I hope we can get the leadership for it. I do not think $300,000,000 for operations this year would be a bit too much. It is approximately one or one and a half to 2 percent of what we propose to spend on our military policy. I have previously given to the Senate several ideas on how extra money can productively be spent.

Mr. President, there is one other newsstory I should like to bring to the attention of the Senate. This appears in this morning's papers. It is further evidence of the kind that is piling up all around us, wherever we look, every day. The front page of the New York Times this morning has a story headed, "British labor asks world mutual aid to succeed ECA." Two paragraphs of this story are as follows:

FOE IS "POVERTY EVERYWHERE"

The object of the plan, according to the policy statement, would be "to attack poverty everywhere in developed and undeveloped countries alike."

It would amalgamate the efforts already being made by the United States, Britain, and the United Nations, to assist underdeveloped territories. Participating countries would contribute to its cost according to their abilities.

I ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH LABOR ASKS WORLD MUTUAL AID TO SUCCEED ECA—PLAN TO COMBAT COMMUNISM AND FASCISM IN UNDEVELOPED AREAS IS URGED BY PARTY—WOULD ENLARGE POINT 4—NATIONAL COMMITTEE TRANSFERS EMPHASIS FROM DOMESTIC GAINS TO PERIL ABROAD

(By Clifton Daniel)

LONDON, August 20.—A world plan for mutual aid to sustain the prosperity of the industrial nations and to combat communism and fascism in underdeveloped areas was proposed today by the national committee of the British Labor Party in its 1950 statement of policy and principles.

This plan, which would be undertaken by the free nations and would succeed the European recovery program in 1952, is similar to proposals already made by various individual statesmen, but it is the first of its kind to be advanced by the governing party of any major country. It is in effect a magnification of President Truman's point 4 program for aid to underdeveloped areas.

Morgan Phillips, secretary of the Labor Party, said that the plan was not a formal commitment on the Labor government to act on specified lines because any action would have to be preceded by discussion with the British Commonwealth, western Europe, and the United States. But the party's research organization, he said, has already been working on the problem.

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While the western democracies must be strong enough to resist aggression, the labor statement said, armed strength is not enough.

"Rising standards of living," it declared, "are the strongest defense against infiltration by communism and fascism."

As the undeveloped areas mostly require technical and scientific assistance, the statements said, the British Government would establish a technical service to provide knowledge, experience, and skill for those areas—an agency comparable to the United States point 4 organization.

The mutual aid plan was outlined in a 39-page pamphlet called "Labor and the New Society," which the party's executive committee began pondering last May, after the election set-back that almost cost it control of the House of Commons and the Government. The pamphlet is not an election platform, but will form the basis for the platform that will be written when the date of the next general election is known. It will be discussed throughout the party and debated in October at the Labor Party's annual conference.

Drafting of the statement was completed after the start of the Korean war and the drive to rearm western Europe.

"Paying for defense is bound to limit the money available for social services or tax reduction," the policy statement warned.

GAINS TIED TO PRODUCTIVITY

Major advances in the social services, it added, will be possible only through increased productivity. Moreover, in the face of obviously hostile or indifferent public opinion as manifested in the election returns, the Labor Party leaders conspicuously soft-pedaled their plans for nationalization of further segments of business and industry.

Industrial insurance, cement, sugar, and minerals, all of which had been scheduled for nationalization in the last year's policy statement, were not mentioned in the 1950 version. Mr. Phillips said they were eligible for consideration but that the committee "did not think it wise at this stage to tie the party to a timetable for nationalization."

The statement said only that water supply would become a public service and that the Labor government would put into effect the legislation already enacted to nationalize the iron and steel industry.

As for other industries, it said that the Monopolies Commission would be strengthened and that "monopolies will be transferred to public ownership if they cannot be dealt with in any other way." Also, the Labor Government may "use its existing powers to take over concerns which fail the Nation" and establish public enterprises to compete with private firms that "are not pulling their weight," the statement said.

Mr. BENTON. Mr. President, the British Labor Party has taken over, in this recommendation, our point 4 program and has projected it at a high level of the British policy and, I hope, at a high level of international policy. Point 4 is designed to show people everywhere that we in the United States share the hopes, aims, and aspirations of the poverty-stricken and suffering peoples of the world, and that we are determined to help them solve the problems and secure a richer and happier life.

Point 4 is an answer to the Russian propaganda. Other facets of American foreign policy show also that we are not satisfied with the world as it is and that we shall devote our resources to the improvement of the suffering world; that we shall, in line with the recommendations of the senior Senator from Connecticut [Mr. MCMAHON], if we can achieve success in reducing our armaments, take billions of dollars saved out of the field of armament, into which we are unhappily forced, and devote them to the improvement of the peoples of the world upon whose understanding and good will, Mr. President, our very future may depend.

EXPANSION OF RESERVE COMPONENTS OF THE NATIONAL MILITARY ESTABLISHMENT

Mr. BYRD. Mr. President, Senate bill 960 provides for the construction, rehabilitation, expansion, conversion, and joint utilization of buildings, structures, utilities, and other facilities, including the acquisition of land, for the Reserve components of the National Military Establishment of the United States, and for other purposes. It was passed by the Senate on June 16. The House did not consider the Senate bill, but passed a bill of its own. There are differences between them.

I ask unanimous consent that the Senate proceed to consider the House bill, which is H. R. 8594, and amend it by striking out all after the enacting clause and substituting Senate bill 960, thus permitting the bill to go to conference.

The VICE PRESIDENT. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R.

8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administrating and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

The VICE PRESIDENT. Without objection, the language of the House bill after the enacting clause will be stricken out, and the language of Senate bill 960 inserted in lieu thereof.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BYRD, Mr. HUNT, and Mr. SALTONSTALL conferees on the part of the Senate.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The VICE PRESIDENT. The hour of 1 o'clock having arrived, under the terms of the unanimous-consent agreement entered into the time is divided equally between the proponents and opponents of any amendment that may be offered.

Mr. MAYBANK. Mr. President, if I may have the attention of Senators, I appreciate that perhaps some Senator may wish to have a quorum call at this time. If not, I may say that some 10 amendments submitted by various Senators, most of whom I see in the Chamber, have been agreed upon. I ask that I may, with unanimous consent, if necessary, call those amendments up and get them out of the way.

The VICE PRESIDENT. There is no amendment now pending.

Mr. MAYBANK. Mr. President, several amendments have been agreed upon. For instance, the distinguished minority leader and the Senator from Alabama [Mr. SPARKMAN] worked out an amendment together. There is also an amendment by the junior Senator from Ohio [Mr. BRICKER], and another one by the Senator from Kentucky [Mr. CHAPMAN]. There is also one which was submitted by the Senator from Florida [Mr. HOLLAND], although I do not see him present.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. My understanding is that the distinguished chairman of the committee would like to proceed by taking up the amendments to which there will be no objection and on which there apparently will be no controversy.

Mr. MAYBANK. That is correct.

Mr. WHERRY. When those amendments are out of the way, a quorum call will be had.

Mr. MAYBANK. Yes.

Mr. WHERRY. Will these amendments necessitate a vote?

Mr. MAYBANK. I do not think so.

Mr. WHERRY. If not, I have no objection to proceeding without a quorum call.

Mr. MAYBANK. Of course, it will necessitate a vote to agree to the amendments. Mr. President, I send to the desk an amendment which I ask to have stated.

The VICE PRESIDENT. The Secretary will state the amendment.

Mr. WHERRY. I understand the Senator wants to take up the amendment which I offered on behalf of myself and the Senator from Alabama. I therefore send the amendment to the desk. It is amendment B.

The VICE PRESIDENT. The Secretary will state the amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. I suggest that when the Secretary reads an amendment he read the author of the amendment and the letter appearing at the bottom of the amendment, so that we may identify them. A great number of amendments have been submitted.

The LEGISLATIVE CLERK. Amendment B, offered by Mr. WHERRY and Mr. SPARKMAN:

On page 66, between lines 7 and 8, it is proposed to insert the following:

"(c) Whenever the President invokes the powers given him in this act to allocate, or approve agreements allocating, any material, to an extent which the President finds will result in a dislocation of the normal distribution in the civilian market, he shall do so in such manner as to assure each individual business in the normal channel of distribution of such material of its fair share of the available civilian supply based, insofar as practicable, on the share received by such business during a representative period preceding June 24, 1950."

The VICE PRESIDENT. The Senator from Nebraska is recognized for 5 minutes.

Mr. WHERRY. Mr. President, for the benefit of Senators I should like to state that amendment B was originally offered as amendment I. The only difference between the two amendments is that in the original amendment I there is added after the word "material" the following: "to an extent which the President finds will result in a dislocation of the normal distribution in the civilian market." The remainder of amendment B is exactly as offered originally as amendment I.

Mr. President, I spoke at some length on this amendment when it was offered on August 15.

Since that date, I have added perfecting language to the amendment, which in no way takes away from, or modifies its original purpose, but which may serve to clarify the conditions by which the President shall be required to put civilian allocations into effect.

It was thought by some that if the President acted under title III and made allocations it would be imperative to allocate and distribute through normal channels of trade the balance of the civilian supply even though there might not be a dislocation. The amendment would leave it up to the President at that time. If and when he puts allocations into effect under titles I, II, and III of the act, and if in military use or in the interest of national defense he finds there is a dislocation, and a severe one, the amendment would become applicable.

I think it is a good amendment, and it was suggested by the distinguished Senator from Alabama [Mr. SPARKMAN]. I do not think I could conceive of its becoming applicable unless there was a dislocation. This makes it perfectly clear.

Mr. President, we all know it is certain that the President will move immediately into the application of voluntary agreements for the distribution of strategic materials.

We also know that sufficient of those materials must be assured for military and defense production, irrespective of civilian needs.

It is also possible that the progression from voluntary to mandatory allocations will be rapid, depending upon the results obtained by voluntary agreements, or the necessity for more rigid allocations and priorities possible only under mandatory controls.

This amendment deals only with the distribution of available civilian supply, after military and national defense commitments have been made. It deals particularly with the survival of small and independent business in such distribution.

The pending bill pays a great deal of lip service to small business. In it are several references to creating a desirable atmosphere for small business. Such wishful thinking in behalf of small business has been included in previous legislation, some of which is still in effect, but I can assure the Senate that little or nothing has been done to effectuate such provisions.

Mr. President, there is no provision in this bill—and I have been over it with a fine-tooth comb—that assures to small and independent business a fair and equitable position in the distribution of allocated materials.

To accomplish this purpose—and I am sure it is an important purpose to all the Members of the Senate—the amendment provides that any allocation contemplated under this bill must utilize the normal channels of trade.

In order to get rid of the black market we must see to it that production goes through normal channels of trade. Otherwise the independents will be crowded out of the picture and they will be the ones to rush immediately to new sources of supply in order to pass their supply on to their trade.

America became great as a result of the independence of action afforded the small business segment of our economy. In a free economy, independent business can purchase supplies from integrated business and still sell in competition with

its larger competitors, and on many fronts favorably so.

In a controlled economy, however, this one weapon of freedom of movement is no longer available to independent business, because the very essence of controls means elimination of freedom of action. If, at the same time, we also destroy or divert the supply from the normal channels of distribution we sound the death knell of independent business.

Therefore, this amendment provides that whenever the President invokes allocation powers with respect to any material and he finds such allocation will result in a dislocation of normal distribution in the civilian market, the President shall allocate in such manner as to assure each individual business its fair share in the normal channel of distribution of such material.

The use of normal channels of distribution must be required; it must not be left to chance or to discretion.

However, complete flexibility as to the base upon which the President shall determine the fair share is contained in the last three lines of the amendment.

The President determines the fair share based, insofar as practicable, upon the share received by such business during a representative period, preceding June 24, 1950, and this determination is to be made by the President.

The words "insofar as practicable" give full latitude to the President or the Administrator to determinte an applicable base period prior to June 24, 1950. Or the amendment permits the President to determine another practicable base period, depending upon the circumstances affecting the particular industry.

Mr. President, I believe the purpose of this amendment is clear. I believe it is consistent with the objectives of the Banking and Currency Committee, namely, to protect American small business.

The VICE PRESIDENT. The time of the Senator from Nebraska has expired.

Mr. MAYBANK. Mr. President, this amendment would require the President, in allocating materials, or in approving voluntary programs or agreements allocating materials, to assure a fair share of the supply to businesses in the normal channels of distribution.

The amendment is designed to help in solving a real problem—the tendency of integrated producers to discontinue supplying their independent nonintegrated customers, and to give all the available supply to their subsidiaries and branches. This obviously is unfair and harmful to independent business, particularly small business.

Questions have been raised as to the feasibility of establishing a formula of the kind proposed. We must be careful not to tie the hands of the President in the use of the powers given to him under the bill. The amendment has been modified to meet these problems, as far as seems possible without interfering with the objective. The requirement does not apply unless the allocations will result in a distortion of the normal civilian distribution, so that the President will not be required to undertake extensive allocations unnecessarily.

The shares of the businesses in the normal channels of distribution, which are to be assured under the provision, are to be fair shares, based so far as practicable on a pre-Korea base. There is, of course, no assurance that this will be sufficient to meet the full needs of the business, or even to keep it in operation. Under present and foreseeable conditions, no such assurance can be given. Furthermore, I understand it is not the intention or effect of the provision to interfere or affect the requirements of the military or essential civilian or defense needs.

In the light of these changes, and with the understanding that consideration will be given to any changes which may prove necessary after experience with the provision, I see no objection to the amendment, aud urge that it be approved.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] for himself and the Senator from Alabama [Mr. SPARKMAN].

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I send to the desk an amendment marked "8–15–50 K," on behalf of the Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 56, line 21, before the period, it is proposed to insert a comma and the words "or compromise with the seller the liability which might be assessed against the seller in such an action."

On page 56, line 21, after the word "instituted", insert a comma and the words "or such liability is compromised."

On page 57, line 2, before the word "under" insert "or a compromise."

Mr. MAYBANK. Mr. President, I understand that the purpose of the amendment is to permit the President to settle triple-damage actions against sellers violating ceiling regulations. As chairman of the committee, I have no objection to the amendment.

Mr. WHERRY. Mr. President, I would like to have my statement with regard to the amendment printed in the RECORD at this point.

The VICE PRESIDENT. Is there objection?

There being no objection, Mr. WHERRY's statement was ordered to be printed in the RECORD, as follows:

This amendment gives the President the right to compromise any liability for an over-ceiling sale, which might be assessed against the seller, if the buyer involved in the transaction fails to bring suit within 30 days of the sale.

The amendment provides further that if the President does compromise such liability, the compromise shall be a bar to further damage actions arising out of the over-ceiling sale.

As the bill now reads, the President has the right only to bring an action for treble damages, if the buyer has not done so within 30 days. It provides further that a judgment on such action will be a bar to any additional damage action by the President or by the buyer.

The amendment would allow the President to compromise as well as bring suit—and provides that a compromise would be just as effective a bar to further suits as a judgment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I send to the desk an amendment on behalf of the Senator from Colorado [Mr. JOHNSON].

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

(e) When in his judgment it will aid the national defense, the President is authorized to install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities now owned by the United States Government.

The VICE PRESIDENT. Without objection——

Mr. TAFT. Mr. President, what amendment is this, and what is the purpose of it?

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. MAYBANK. It is an amendment marked "7–21–50–A," offered by the Senator from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Colorado?

Mr. MAYBANK. I yield.

The VICE PRESIDENT. The Senator from Colorado is recognized for 5 minutes.

Mr. JOHNSON of Colorado. Mr. President, I have no personal interest in this amendment. Its application is in the State of New Jersey. In explanation of the amendment and how it would apply, I shall read a report by Lewis Sanders, as follows:

RINGWOOD IRON MINES—PLANCOR 662 (ALAN WOOD STEEL CORP.), PASSAIC COUNTY, NORTHERN NEW JERSEY

This property was purchased by the United States Government in 1943. The Government expended just under $4,000,000 in its acquisition and the construction of a concentrating mill with a capacity of 100 tons of crude ore per hour, enlarging the mine hoistways, equipping the mines, and rebuilding a 7½-mile standard-gage railway. The property includes dwelling units for 115 families.

The ore deposits include two developed mines, the Peters and Cannon, and a number of undeveloped ore bodies. Ground owned in fee 878 acres, and mineral rights on an additional 174 acres.

Ore in sight between 400,000 and 600,000 tons. Geological probabilities, based on the characteristics of both the developed mines and similar adjacent mines, favorable to substantial additional tonnages. Probable maximum possibilities of the district that can be served by the plant, 20,000,000 tons.

The Government did not complete the plant in time for operation during World War II. It was declared surplus and the Government has tried in vain since 1945 to find someone who would purchase and operate the property.

A year ago the property was brought to the attention of the undersigned. I have made a thorough engineering examination and report on the property and found that it was capable of profitable commercial operation.

I organized a group that agreed to provide the capital necessary to place the mines in operating condition and also furnish working capital. When it was attempted to close

contracts for the sale of the product it was found that the blast furnaces would no longer buy the grade of concentrates which the Ringwood mill had been designed to produce as they are too high in phosphorus.

I have made a further investigation and report which shows that by installing additional ball mills, classifiers and filters in the concentrating mill a Bessemer grade iron concentrate running 69 percent iron and unusually low in silica can be produced.

Also that by installing pelletizing furnaces, for which natural gas has just become available, a very superior product, ready for the blast furnace, can be produced. This product would be readily salable and should command a premium.

The cost of the additional grinding equipment and the pelletizing furnaces would be about $800,000. It has proved impossible to induce private capital to make this additional investment.

Unless the Government will make the required additions to the plant it appears to be impossible to induce anyone to undertake its purchase and operation. If the present plant is cannibalized the ore deposits are probably permanently lost.

In my judgment the national situation in regard to iron ore reserves makes it important to mine all the small deposits possible before a major emergency arises. This will conserve the Great Lakes deposits which must constitute our reserves for an all-out war since only here can production be expanded with sufficient rapidity to meet our needs for steel.

Experience has shown that it is not practicable to exploit these small iron deposits after an emergency has arisen. Scarce manpower and critical materials have to be diverted from immediate military equipment while the product of the mine does not become available for use until too late to be of real importance.

However, although the future situation in regard to iron ore reserves may become quite critical, there is no warrant, in my opinion, for mining iron ore at a loss, subsidizing its production or maintaining iron mines in a standby condition, at considerable expense, awaiting an emergency. I fully concur in the refusal of the Munitions Board to designate the Ringwood iron mines as part of the national reserve.

I would recommend the completion of the Ringwood plant by the Government only on the basis that the Bureau of Mines finds that there is sufficient ore in sight to enable the Government to recoup the added investment. Also that a contract be obtained with an operator which will repay the Government's new investment within 6 years in addition to payments on account of the purchase price of the existing property.

The completed plant could produce, on two-shift operation and a 5-day week, 250,000 tons a year of iron ore pellets of Bessemer grade running 69 percent iron and only 1 percent silica.

The economic results of the operation are estimated to be: Annual payrolls, over $700,000; annual supplies, power, $600,000; annual to railroad for freight, $500,000; annual pay, United States Government, $95,000; annual income taxes, $165,000; annual net earnings, $175,000; annual depletion reserves, $345,000.

LEWIS SANDERS.

The author of this statement is Lewis Sanders, as I have said. During World War II he was a colonel, and was assigned to the Committee on Military Affairs, and is known to all the members of that committee who served on it during World War II. Mr. Sanders is a mining engineer.

The VICE PRESIDENT. The time of the Senator from Colorado has expired.

Mr. MAYBANK. Mr. President, I ask unanimous consent that a statement prepared by me with regard to the amendment be inserted in the RECORD at this point.

There being no objection, Mr. MAYBANK's statement was ordered to be printed in the RECORD, as follows:

This amendment would authorize the President to install additional equipment, facilities, processes, or improvements to plants or other industrial facilities now owned by the Government.

I recommend the adoption of the amendment.

The Government now has authority, under Public Law 883, Eightieth Congress (the National Industrial Reserve Act), to make improvements to plants designated as part of the national industrial reserve. The Government also has authority, under Public Law 152, to complete, rehabilitate, or convert surplus or excess plants owned by it but not in the industrial reserve.

The amendment would merely clarify the power of the Government to make improvements and additions to plants owned by it, whether or not in the industrial reserve.

However, I am a little uncertain as to the point at which the Senator would have his amendment go into the bill. In his printed amendment it is proposed that there be inserted at the proper place a new subsection (e). The amendment would seem to belong somewhere in title III but I find no appropriate place for a new subsection (e) in that title except in section 301 dealing with guaranties, and that would not appear to be the proper place. I wonder if the Senator would object to having his amendment made a new subsection (d) in section 303, to be inserted after line 14 on page 36. In that event the operations under the amendment would be covered by the borrowing power provided in section 304. If it is desired to have these operations covered by appropriated moneys the amendment could be added as a new section 306 at the end of the title. In either event the amendment would not, I suppose, preclude the use of any moneys otherwise available for these purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I now send to the desk an amendment on behalf of the Senator from Florida [Mr. HOLLAND] marked "8-16-50 A."

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 31, lines 20 and 21, it is proposed to strike out "where the amount involved does not exceed $10,000," and insert "without regard to whether the amount involved exceeds $10,000."

Mr. MAYBANK obtained the floor.

Mr. HOLLAND. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield?

Mr. MAYBANK. I yield to the Senator from Florida.

The VICE PRESIDENT. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, the amendment just read will merely provide that in the event any property is taken for defense purposes——

The VICE PRESIDENT. The Senator will suspend until the Senate is in order. The Chair has frequently called to the attention of the Senate the difficulty of hearing in this room. The slightest conversation creates confusion. The Chair hopes Senators and their employees, and employees of the Senate, will cooperate in an effort to keep order in the Chamber. If anyone must converse with a Senator, call the Senator out. If it is not necessary to have a conversation, do not converse.

Mr. HOLLAND. I thank the Presiding Officer. Mr. President, the bill contains a provision under which property may be seized for defense purposes, and very properly so. It provides that in the event of a failure on the part of the seizing Federal agency and the citizen to agree on price, 75 percent of the appraised price shall be paid in cash, and that litigation must be brought by the aggrieved citizen for the balance of the purchase price of the property.

As now drawn, the provision is that up to $10,000 the citizen can maintain a suit in the district court of the district where he lives, but if the claim goes beyond $10,000, then he must come to the Court of Claims in the District of Columbia. The purpose of the amendment is simply to give the citizen the option in each case, whether it is above $10,000 or not, of bringing his suit in the district court where he resides. I understand the amendment is accepted by the committee.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CORDON. Would not exactly the same result be obtained by striking the language that is now in the bill?

Mr. HOLLAND. No; I would say that the same result would not be so obtained. I asked the Legislative Counsel very much the same question, and they told me that the same result would not be obtained, because under standing law applicable to general litigation the $10,000 limitation does throw citizens into the Court of Claims when they have cases against the Federal Government growing out of ordinary transactions. It was the thought of the Senator from Florida, and as I understand, now of the committee, that in this kind of case, where the Government is taking property for defense or war purposes, the citizen should have the economic right to proceed in his own district, and I have heard no objection to that conclusion.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK] on behalf of the Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I ask that a statement of the committee regarding the amendment be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This amendment affects persons whose property has been requisitioned and who do not agree with the amount of the award made by the President. Under these conditions they may take 75 percent of the award and sue for what they consider should be the balance due. Under the bill as reported, such a person could bring suit in either the local district court or in the Court of Claims in Washington if the amount involved were under $10,000. Under the bill, if the claim were over $10,000, the suit could be brought only in the Court of Claims. This is consistent with the provisions of the Judicial Code.

The amendment proposed by the Senator from Florida would permit a person whose property had been requisitioned to bring suit in his local district court, regardless of the amount.

I can see no objection to this amendment, and much merit in permitting suits in local courts. Accordingly, I recommend the approval of this amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River, in Arizona, California, and Lower California, Mexico;

S. 2491. An act providing for the conveying of land and buildings at Fort Phillip Kearney Military Reservation to the State of Rhode Island;

S. 2868. An act to incorporte the Future Farmers of America, and for other purposes;

S. 3698. An act to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work; and

S. J. Res. 174. Joint resolution granting the consent of Congress to the entry, by the State of Missouri and by the State of Illinois, into a compact or agreement between the State of Missouri and the State of Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan District.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 100) providing for the printing of proceedings at the unveiling of the statue of Brigham Young.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 8112) to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States.

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1320. An act for the relief of Mrs. Barbarita Romero; and

S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. MAYBANK. Mr. President, I send to the desk an amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL], which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 70, line 20, after the word "Government", it is proposed to insert: "who shall be appointed by the President by and with the advice and consent of the Senate, or who shall be an official required to be appointed by and with the advice and consent of the Senate."

Mr. SALTONSTALL. Mr. President, on last Tuesday, August 15, the Senate agreed to an amendment proposed by the junior Senator from Ohio [Mr. BRICKER] which struck out all of section 708 beginning on line 7, of page 73, and substituted new language.

I have proposed an amendment which would add a provision in subsection (c) of section 708 and I would like now to offer that amendment. I realize that to do this it will be necessary to reconsider the vote by which the amendment of the Senator from Ohio was adopted.

I now formally make that motion.

The VICE PRESIDENT. Without objection, the vote by which the amendment was agreed to will be reconsidered.

The Senator from Massachusetts can now offer his amendment to the amendment; and, without objection, the amendment to the amendment will be agreed to, and without objection, the amendment, as amended, will be agreed to.

Mr. SALTONSTALL. Mr. President, I thank the Vice President for putting the question on the amendment so quickly, but the amendment has got to be offered now in a slightly different form, and I should like to have the amendment in that different form stated.

The VICE PRESIDENT. The vote by which the amendment was agreed to will again be reconsidered.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. TAFT. What amendment is it?

Mr. SALTONSTALL. It is the amendment dated "8–17–50," lettered "J."

Mr. TAFT. Very well.

Mr. SALTONSTALL. Mr. President, in making the motion I have two purposes in view: First, I want to submit the amendment, which I have had printed, and which requires that the official approving voluntary agreements or programs be an official appointed by the President by and with the advice and consent of the Senate. In the second place, I find that subsection (c) as agreed to could be clarified by rearrangement of the language, and I think that should be done.

I may say that I have discussed this matter with the Senator from Ohio and he has no objection to reconsideration.

The VICE PRESIDENT. Is that the amendment in a different form from the one previously reported at the desk?

Mr. SALTONSTALL. Yes; it is in a different form.

The VICE PRESIDENT. The amendment, as changed, will be stated.

The legislative clerk read as follows:

(c) The authority granted in subsection (b) shall be delegated only (1) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (2) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than 10 days before making any request or finding thereunder. For the purpose of carrying out the objectives of title I of this act, the authority granted in subsection (b) of this section shall not be delegated except to a single official of the Government.

Mr. SALTONSTALL. Mr. President, I have talked with the Senator from Ohio and the Senator from South Carolina and they both agree to the amendment. I hope it will be adopted.

The VICE PRESIDENT. Without objection, the amendment to the amendment is agreed to, and without objection, the amendment, as amended, is agreed to.

Mr. MAYBANK. Mr. President, on behalf of the Senator from Wyoming [Mr. O'MAHONEY] I send to the desk an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 35, line 9, after the word "materials", it is proposed to insert a comma and the words "including the exploration, development, and mining of strategic and critical metals and minerals."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WHERRY. Mr. President, I notice the Senator from Wyoming was on his feet, and was ready to make an explanation. I wish the Senator would tell us what the amendment will do.

The VICE PRESIDENT. The amendment of the Senator from Wyoming has already been agreed to.

Mr. O'MAHONEY. Mr. President, if the Senator from South Carolina will yield for a moment I will state that I appeared before the Committee on Banking and Currency when the measure was under consideration. I suggested an amendment to sections 302 and 303 to make certain that the development of domestic minerals, strategic and critical minerals and metals, would be within the scope of the bill. I suggested that the amendment be inserted in both sections. It came out of the committee in section 303, but it did not appear in section 302. Section 302 is the section which authorizes Government loans, and I felt that it was merely an inadvertence that the language "including the exploration, development, and mining of strategic and critical metals and minerals" was dropped from the section which authorizes loans, and that is the understanding.

Section 303 is the one which provides for assistance in carrying out the objectives of this act by authorizing the President to make provision for the purchase or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, and so forth, and also authorizing him to make provision for the exploration, development, and mining of critical and strategic minerals and metals. In other words, this amendment merely brings these minerals within the scope of loans as well as purchase and exploration.

Mr. MAYBANK. Mr. President, the statement by the Senator from Wyoming is exactly correct.

The VICE PRESIDENT. The amendment has already been agreed to.

Mr. MAYBANK. Mr. President, I send to the desk an explanation of the amendment which has just been agreed to, which I ask to have printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I have discussed the subject matter of this amendment with the Senator from Wyoming. I believe he understands that in agreeing to an amendment to an amendment in section 303 (a), clause (2), the committee was attempting in general terms to afford the President a broad power to make provision for the exploration, development, and mining of strategic minerals and metals. With that in mind I have no objection to the amendment of the Senator from Wyoming which proposes to include in section 302, relating to loans to private business enterprises, the same language as the committee put in section 303.

Mr. MAYBANK. Mr. President, I send to the desk an amendment which I ask to have stated, and also ask that the clerk read a brief statement in respect to the amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 38, line 1, it is proposed to strike out "S. 3520" and insert in lieu thereof "Public Law 683."

The VICE PRESIDENT. The statement will be read.

The legislative clerk read as follows:

This corrects a reference to the abacá bill which has now become law and should therefore be identified by its public law number.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. IVES. Mr. President, I send to the desk an amendment which I ask to have stated and considered immediately, and then I desire to make a short statement with respect to the amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 45, line 16, it is proposed to insert:

Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however,* That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

Mr. IVES. Mr. President——

The VICE PRESIDENT. The Senator from New York is recognized for 5 minutes.

Mr. IVES. Mr. President, this amendment is required because of a misunderstanding concerning the provisions of Senate bill 3936 with respect to the marketing of milk.

It had been assumed that all milk producers would receive the same kind of treatment under the terms of this bill as presently written.

Actually, such is not the case. Only milk producers covered by Federal milk-marketing orders would be so protected.

The purpose of this amendment is to insure that fluid milk prices in different areas of the country which are not covered by Federal milk-marketing agreements would be fixed in the same ratio as that which prevailed in the pre-Korean base period.

At present the bill contains a provision of this nature which pertains only to the 150,000 farm families who now are subject to Federal milk-marketing orders. This amendment would remedy the inequity brought about as a result of disregarding the more than 700,000 farm families who are not covered by Federal milk-marketing agreements.

The amendment merely provides that in fixing milk prices the ratio between prices in different areas must be maintained. Since milk prices in different areas have been determined in the first instance by differences in milk quality and costs of feed, this amendment would simply direct the Administrator to take these various factors into consideration.

It is further provided that whenever the Secretary of Agriculture may decide that this formula would not be in the best interest of a given area, it need not be applied.

Because this amendment would insure a steady milk supply by guaranteeing equitable treatment to the more than 80 percent of farm families who are not covered by Federal milk-marketing agreements, its inclusion now would be in the best interest of both the farmers and the milk-consuming public.

I urge adoption of the amendment.

Mr. LEHMAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from New York has 5 minutes.

Mr. IVES. I am glad to yield to my colleague from New York, certainly.

Mr. LEHMAN. I thank the Senator very much.

The VICE PRESIDENT. Has the senior Senator from New York concluded?

Mr. IVES. I may or may not have concluded. However, I now yield to my colleague from New York.

The VICE PRESIDENT. The junior Senator from New York is recognized.

Mr. LEHMAN. Mr. President, I wish to associate myself with my colleague, the senior Senator from New York. This amendment would simply place all producers of milk on the same basis, whether they are protected by Federal orders or not.

I heartily favor adoption of the amendment.

Mr. MAYBANK. Mr. President, has the Senator from New York concluded his amendment?

Mr. IVES. Yes.

Mr. MAYBANK. I wish to submit an amendment to the amendment of the Senator from New York. I now send to the desk an amendment which I offer to his amendment, and ask that it be stated.

I may say that after long consultation with the Department of Agriculture and others——

Mr. IVES. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. IVES. Is the amendment of the Senator from South Carolina to my amendment in the form of a substitute?

Mr. MAYBANK. It is.

Mr. President, I ask that my amendment in the nature of a substitute for the amendment of the Senator from New York be stated.

The LEGISLATIVE CLERK. On page 45, line 16, after the period, it is proposed to add the following:

Whenever the Secretary of Agriculture finds that the minimum ceiling prices prescribed herein to producers of milk used for distribution for fluid milk in any marketing area not under a marketing agreement or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect milk supply and demand for milk and its products in any such marketing area, he shall determine such minimum ceiling prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

The VICE PRESIDENT. The question is on agreeing to the substitute amendment offered by the Senator from South Carolina to the amendment of the Senator from New York.

Mr. MAYBANK. Mr. President, let me say that last week I had a discussion with the Senator from New York about his amendment. I then took up the matter with the Department of Agriculture, and also had a lengthy conversation with Mr. Trigg, of the Department of Agriculture.

This morning I stated that the substitute I have now submitted had been suggested as a way to administer this measure in the interest of the people and in the way the Senator from New York wants it administered.

I told him that when he presented his amendment I would offer this amendment to it as a modification or a substitute which Mr. Trigg and others in the Department of Agriculture have approved and feel is feasible.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. Has the committee considered the amendment?

Mr. MAYBANK. No.

Mr. TAFT. Do the other members of the committee favor it?

Mr. MAYBANK. I cannot answer that question.

Mr. TAFT. Is it not true that the whole subject of price controls in this respect has not been studied or given consideration by the committee? Is not milk only one of a thousand different commodities, the price of which would be fixed by the measure now under consideration?

Mr. MAYBANK. Mr. President, the Senator from New York will have to answer the Senator from Ohio on that point. The Senator from New York brought in his amendment recently and I said I would discuss it, and I did.

Mr. TAFT. I have not the slightest objection to either amendment; I simply do not know anything about them. I merely call attention to the fact that neither does any other Member of the Senate of the United States.

Mr. IVES. Mr. President, do I have any time at this point?

The VICE PRESIDENT. The Senator from New York will have 5 minutes to speak on the amendment in the nature of a substitute offered by the Senator from South Carolina to the amendment of the Senator from New York.

Mr. IVES. I should like to take 5 minutes, or a part thereof.

The VICE PRESIDENT. Has the Senator from South Carolina concluded?

Mr. MAYBANK. I yield.

The VICE PRESIDENT. The Senator does not have to yield; the Senator from New York is entitled to 5 minutes in his own right, at this time.

Mr. IVES. Mr. President, I should like to state that although I would prefer the amendment which I myself have submitted, nevertheless I realize the problem which has been stated so well by the distinguished Senator from South Carolina. The amendment I have offered may not be workable. That being the case, I am perfectly willing to go along with the substitute amendment now offered by the Senator from South Carolina for my amendment.

In this instance, however, I would point out that the amendment I have offered is identical with a provision on this subject, now contained in the House bill.

Therefore, if the substitute amendment now offered by the Senator from South Carolina is adopted, after the Senate bill is passed and when a conference is had, the conferees will have an opportunity to consider both the amendment proposed by the Senator from South Carolina as a substitute for my amendment and the provisions of the amendment I have submitted, which are identical with the provisions of the House bill in this respect.

For this reason, I am perfectly willing to join with the Senator from South Carolina in favoring the adoption of his amendment in the nature of a substitute for my amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from South Carolina to the amendment of the Senator from New York.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the amendment of the Senator from New York, as amended.

The amendment, as amended, was agreed to.

Mr. MAYBANK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 34, beginning with the comma in line 19, it is proposed to strike out through line 21 and insert a period and the following: "After consultation with the Board of Governors of the Federal Reserve System, the guaranteeing agencies may prescribe the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guaranties."

Mr. MAYBANK. Mr. President, this amendment rises from a recommendation contained in a letter from the Secretary of Defense, Mr. Johnson, dated August 11, relative to section 301 (c), page 34, lines 19 to 21, wherein the Federal Reserve Board is authorized "to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guaranties." Secretary Johnson in his letter to the chairman of the committee pointed out that this language is not in accordance with the practice which prevailed and which was successful in World War II. He states:

> It appears to permit the agent to prescribe to its principal the forms and procedures which both principal and agents shall use, notwithstanding that it will be the principal's funds which are committed, and it is a complete reversal of the authority and practice which prevailed so successfully in World War II under the V-loan program.

Because of the need of coordination on this matter, I discussed the matter with Mr. Joseph P. McMurray, of the committee staff, and also with the counsel for the Federal Reserve Board and with representatives of the Defense Department. The discussions resulted in complete agreement on the desirability of this amendment. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the letter from Louis Johnson, the Secretary of Defense, dated August 11, 1950.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, August 11, 1950.

Hon. BURNET R. MAYBANK,
Chairman, Banking and Finance Committee, United States Senate.

MY DEAR SENATOR: It has just been brought to my attention that section 301 (c) of S. 3936 as reported by your committee contains an amendment which may have serious implications. This is the provision which would leave to the Board of Governors of the Federal Reserve System, rather than to the President as in an earlier draft of the bill, or to the guaranteeing agencies as in Executive Order 9112, authority "to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guaranties" (p. 34, lines 19–21, of committee draft).

There can be no objection to that portion of the quoted language which requires uniformity, and indeed there is now being prepared in this Office a directive designed to insure this feature. However, the language seems objectionable in two respects. It appears to permit the agent to prescribe to its principal the forms and procedures which both principal and agent shall use, notwithstanding that it will be the principal's funds which are committed, and it is a complete reversal of the authority and practice which prevailed so successfully in World War II under the V-loan program.

It would, for example, make the agent, rather than the guarantor, the arbiter of important matters relating to the latter's financial commitment such as the form of the guaranty agreement, the extent to which the guarantor might review and prescribe protective terms for guaranteed loans or might require reports with respect to loans outstanding, and the terms upon which the guarantor must purchase the loans. Clearly, the authority of the Board should be confined to the operations of the Reserve banks and should not extend to such activities and obligations of the guaranteeing agencies.

Accordingly, I recommend either that the language quoted above be deleted from the bill or revised as suggested in the attached memorandum or that the language of the earlier draft giving this authority to the President be reinstated.

Sincerely,

LOUIS JOHNSON.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina lettered "N."

The amendment was agreed to.

Mr. CAPEHART. Mr. President, in line with what has just happened, and in accordance with it, I should like to propose an amendment, which I do not have printed, having just learned of the occasion for it this morning. The amendment is on page 32, under title III, after line 19, to strike out lines 20, 21, and 22, and insert "any single agency of government, or may create a new agency." I desire to state the problem that is involved, and I read from section 302 in order that Senators may get an idea of what I think should be done:

> In order to expedite production and deliveries under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement for the national defense as he may designate.

That is simply a duplication, with four or five agencies trying to do the very same thing. It would create chaos. I happen to know that a gentleman who was called here by the Secretary of Defense last week and who was asked to head up the agency which might well handle the loan turned it down flatly, because he said the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and half a dozen other agencies were all going to have their fingers in it. So he would not take the position, and turned it down.

All my amendment would do would be simply to permit the President to designate a single agency of government, or to create a new agency if he so desired, in order that the loan business might all be concentrated in one agency. As written, the Department of the Army will be handling loans, the Department of the Navy will be handling loans, the Department of the Air Force will be handling loans, the Department of Commerce will be doing the same thing, as will any other agency engaged in the procurement of goods. The result will be that it will cost 10 times as much as it would if it were done by 1 small agency which would handle all loans made by the Government. I recommend that the Senate accept the amendment.

Mr. MAYBANK. Section 303 (c), on page 34, provides:

All actions and operations of such fiscal agents, under authority of or pursuant to this section, shall be subject to the supervision of the Board of Governors of the Federal Reserve System.

Mr. CAPEHART. That is correct.

Mr. MAYBANK. We included the provision regarding the Board of Governors of the Federal Reserve System at the request of members of the committee. I do not know which members, but the Board of Governors is given complete authority. I should hesitate to accept an amendment which had not been printed, particularly in view of the fact that the Board of Governors of the Federal Reserve System is supposed to have complete authority.

Mr. CAPEHART. The able Senator has missed the point entirely. The Federal Reserve Board will continue to act.

Mr. MAYBANK. I may have missed the point. It is rather difficult to understand an amendment which the distinguished Senator has stated he did not have printed. The legislative counsel and myself have been examining the provision, and we find that the Board of Governors of the Federal Reserve System will have complete authority.

Mr. CAPEHART. I want to say again that the amendment I propose has nothing to do with the Federal Reserve Board, which will continue to do everything that it is now doing under the law. Under the provision of the pending bill a half dozen agencies would be set up to do what could better be handled by one agency. The provision now in the bill would make for chaos and greatly increased expenditures. As I stated a moment ago, one of the finest men in the United States was called in last week and asked to take the job of doing the work called for by the bill, in respect to loans, to act simply as the agent, having nothing to do with the Federal Reserve Board. He said, "Absolutely not. I will not do it." He said, "No one else can do it and make it work, if each of these agencies is going to be dictating to the individual who is to be asked to administer this portion of the act." I am merely trying to be helpful to the President of the United States.

Mr. MAYBANK. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from South Carolina is recognized for 5 minutes.

Mr. MAYBANK. I appreciate the helpfulness of my friend from Indiana, who has been helpful in connection with many of the amendments. In committee we adopted several of them. But the Federal Reserve Board has the right to prescribe regulations in the interest of uniformity. In World War II the matter was handled under the Board of Governors of the Federal Reserve System, and we made a similar provision in this bill.

Mr. CAPEHART. The Federal Reserve Board still has all the power. The Senator is missing the point entirely in respect to what we are trying to do. My suggestion is that instead of having the matter handled by a half dozen different departments, we have the matter handled by one man or one agency, under the supervision of the Federal Reserve System.

Mr. MAYBANK. It was done this way in World War II. I am not missing the point. Federal Reserve legislation and OPA legislation and many other kinds of legislation are attempted to be written into the bill on the floor. The power is lodged in the Federal Reserve System, and was handled successfully in the last war by the Board of Governors.

Mr. CAPEHART. The various agencies handled it in World War II, and it was a very complicated matter. It did not work properly. If the Senator will consult the Secretary of Defense, he will learn that the Secretary prefers the matter to be handled as I have suggested.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. What is the amendment? I have not heard the amendment read.

The VICE PRESIDENT. It has been stated.

Mr. TAFT. I suggest that the Senator from Indiana might very well take up the matter with the chairman of the committee to see what can be accomplished. What has been adopted would not coordinate this procedure. It merely provides that after consultation with the Board of Governors, the guaranteeing agencies may prescribe forms and procedures to be utilized. It does not say they shall coordinate the actual loans after the forms have been prescribed. It seems to me something might be accomplished along the line suggested by the Senator from Indiana if he would write an amendment.

The VICE PRESIDENT. Debate having been exhausted, the question is on agreeing to the amendment offered by the Senator from Indiana, as it is.

Mr. CAPEHART. I should be very happy to withdraw it. It makes no difference to me. If the Senator from South Carolina will consult with the Secretary of Defense, he will find that the Secretary prefers to have it handled in the manner I have suggested.

Mr. MAYBANK. If I were to consult each of the secretaries, as the committee knows, each of them would have a different idea. We followed the law which was in effect during World War II, and we believe that the proper way to handle it is under the regulations of the Federal Reserve Board.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Indiana.

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. AIKEN. Mr. President, may I suggest——

The VICE PRESIDENT. The Chair cannot recognize the Senator from Vermont, because the time now is controlled by the two Senators.

Mr. AIKEN. Mr. President, I should like to know what Senators in the front row are saying. When they face the Vice President, we who are seated in the rear of the Chamber are unable to hear what they are saying. We just voted on an amendment, and I do not know what explanation of it was made by either Senator, because when a Senator faces the Chair, we are unable to hear him, though we are seated but three rows back of him.

The VICE PRESIDENT. The Chair regrets that condition, but there is not much the Chair can do about it, unless he insists that Senators either raise their voices or turn around. It is not so essential that the Chair hear the discussion as it is that Senators hear it, although the Chair, of course, is always interested. The bill is open to further amendment.

Mr. MAYBANK. I send to the desk my amendment "O," dated August 18, 1950, respecting V-loan guaranties.

The VICE PRESIDENT. The Secretary will state the amendment.

The legislative clerk read the amendment as follows:

On page 32, line 18, after "deliveries" insert "or services."

On page 33, line 13, after the word "deliveries" insert "or services."

On page 33, line 14, after the word "materials" insert "or the performance of services."

On page 35, line 3, after "deliveries", insert "or services."

On page 35, line 4, after "materials" insert "or the performance of services."

On page 35, line 7, after "enterprises" insert the following: "(including research corporations not organized for profit)."

The VICE PRESIDENT. The Senator from South Carolina is recognized for 5 minutes.

Mr. MAYBANK. Mr. President, I have a letter from the Secretary of Defense on this subject. I understand it was the feeling of the Armed Services Committee that this was the thing to do. I have here an explanation of the amendment, which I send to the desk.

The VICE PRESIDENT. The Secretary will read the explanation.

The Chief Clerk read as follows:

This amendment would extend the V-loan-type guaranty provided for in section 301 of the bill and the direct loans provided for in section 302 of the bill to contracts and operations providing for the performance of services. Those sections now apply only to contracts or operations providing for the production and delivery of materials. I do not believe that the committee intended to exclude contracts and operations involving the

performance of services from those provisions. Service contracts which this amendment would provide for would include contracts for the transportation of military personnel or of goods previously delivered, management contracts, surveying and mapmaking contracts, and research contracts. I think the importance of expediting such contracts is obvious, and I hope that the amendment will be adopted.

The amendment would also make it clear that contracts with nonprofit research corporations would be covered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I send to the desk another amendment which I offer on behalf of myself, the Senator from Virginia [Mr. ROBERTSON], and the Senator from Kentucky [Mr. CHAPMAN].

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 44, line 11, it is proposed to strike out "higher of the two" and insert in lieu thereof "highest of the."

On page 44, line 20, to strike out "differentials; and no" and insert the following: "differentials, or, (iii) in the case of any commodity for which the market was not active during the period May 24 to June 24, 1950, the average price received by producers during the most recent representative period prior to May 24, 1950, in which the market for such commodity was active as determined and adjusted by the Secretary of Agriculture to a level in line with the level of prices received by producers for agricultural commodities generally during the period May 24 to June 24, 1950, and adjusted by the Secretary for grade, location and seasonal differentials, or (iv) in the case of fire-cured tobacco a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 75 percent of the parity price of Burley tobacco of the corresponding crop, and in the case of dark air-cured tobacco and Virginia sun-cured tobacco, respectively, a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 66⅔ percent of the parity price of Burley tobacco of the corresponding crop. No."

On page 44, line 25, to strike the word "higher" and insert in lieu thereof "highest."

On page 45, line 10, before the period, to insert a semicolon and the following: "and in establishing the ceiling (1) for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this act and for which different areas have different periods of marketing during such season or (2) for any agricultural commodity produced for the same general use as a commodity described in (1), the President shall give due consideration to affording equitable treatment to all producers of the commodity for which the ceiling is being established."

Mr. MAYBANK. Mr. President, this amendment is designed to facilitate realistic and equitable administration of agricultural commodity ceilings.

Senate bill 3936 as reported by the committee and amended on the floor prohibits the establishment of any ceiling on agricultural commodities below (1) the parity price of such commodity or (2) the price received by producers during the period May 24 to June 24, 1950. There are a number of agricultural commodities which because of their seasonal nature were not marketed during this period, hence the effective minimum ceiling prices for those commodities would be the parity price. The provision contained in the amendment adding section 402 (e) (3) (iii) establishes an additional minimum ceiling price which will be applicable to these commodities for which the market was not active during the specified period. Such price will be the average price received by producers during the most recent representative period prior to May 24, 1950, as determined by the Secretary of Agriculture, in which the market for such commodity was active, adjusted to a price in line with the level of prices received by producers for agricultural commodities generally during the period May 24 to June 24, 1950.

This will tend to assure an equality in treatment between producers whose commodities were not marketed during the period May 24 to June 24, 1950, and producers of commodities which were marketed during the specified period.

Under existing law the price of fire-cured tobacco is mandatorily supported at 75 percent of the loan rate of Burley tobacco of the corresponding crop, and the prices of dark air-cured tobacco and Virginia sun-cured tobacco are mandatorily supported at 66⅔ percent of the loan rate of Burley tobacco. The provision contained in the amendment adding section 402 (e) (3) (iv) would insure minimum ceiling prices for these commodities which would be the same percentage above the support price as the minimum ceiling for Burley tobacco is above the support price for Burley.

The second part of the amendment requires the President in establishing maximum prices for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this act and for which different areas have different periods of marketing during such season to give due consideration to affording equitable treatment to all producers of such agricultural commodity in the areas.

Some agricultural commodities have already been marketed at prices above the minimum ceiling prices specified in this section. The proposed amendment would require that due consideration be given to the establishment of ceiling prices on these commodities at levels which will afford producers in all marketing areas an opportunity to receive the prices obtained by the producers who marketed such commodities in areas prior to the enactment of this act. This paragraph also requires that due consideration be given to affording similar equitable treatment to producers of commodities that are similar to and produced for the same general purpose as commodities for which the marketing season began prior to the enactment of this act. This provision is limited to ceilings which may be established only during the 1950 marketing season and, therefore, may prove to be of limited applicability.

I urge that the amendment be adopted.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. These changes were in the former OPA law, were they not?

Mr. MAYBANK. I understand that was the case.

Mr. ROBERTSON. The House bill contains a provision which is rather vague in its meaning. It is similar to this proposal, except that it takes care of all types of tobacco except Burley tobacco, which has a different marketing season from that of the other varieties of tobacco.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. Mr. President, the Senator has a provision in his amendment which I do not understand. I do not think it is in the old act. It provides that the administrator shall take the average price received by producers during the most recent representative period in which the market was active, and then that it shall be adjusted to a level in line with the level of prices received by producers of agricultural commodities generally during the period May 24 to June 24, 1950.

What does that mean?

Mr. MAYBANK. It means that if a commodity was not being sold between May 24 and June 24, its price shall be fixed so as to correspond with the general price level during that period.

The VICE PRESIDENT. The time of the Senator from South Carolina has expired.

Mr. CAPEHART. Mr. President——

Mr. THYE. Mr. President, I desired to be recognized.

The VICE PRESIDENT. The Chair could not recognize the Senator from Minnesota because the time is under the control of the Senator from South Carolina and the Senator from Indiana.

Mr. CAPEHART. Mr. President, I shall be happy to yield to the Senator.

Mr. THYE. Mr. President, I should like to make a comment relating to dairy products. I could not quite understand whether dairy products would have parity or whether the prices which prevailed in the section involved would be the prices for dairy products.

Mr. MAYBANK. Does the Senator ask me that question?

Mr. THYE. Yes, I do.

Mr. MAYBANK. As I remember, only four products were above parity, and it was understood that in general parity would be considered, but the price would be parity or the market price whichever was the highest. Special provisions are made for milk, to be consistent with the Agricultural Marketing Agreement Act.

Mr. THYE. Prices of dairy products were exceedingly low in the month of June.

Mr. MAYBANK. They are seasonal products.

Mr. THYE. Likewise eggs.

Mr. MAYBANK. They are a seasonal product.

Mr. THYE. Would they receive parity?

Mr. MAYBANK. Yes; the ceiling could not be fixed below parity.

Mr. THYE. Dairy products and eggs would receive parity, because for them the prices were below parity in the month of June.

Mr. MAYBANK. That is my understanding, Mr. President.

The VICE PRESIDENT. The Chair recognizes the Senator from Indiana.

Mr. THYE. Mr. President——

Mr. MAYBANK. Mr. President, may I conclude my statement to the Senator from Minnesota?

The VICE PRESIDENT. The Senator from Indiana has the floor.

Mr. MAYBANK. Will the Senator yield?

Mr. CAPEHART. I will yield only for half a minute.

Mr. MAYBANK. It was my definite understanding as to dairy products and eggs, because they were seasonal operations at that time, that parity would be the effective price for them.

Mr. CAPEHART. I do not know whether it is a good amendment or a bad amendment. I doubt whether any Senator on the floor knows whether it is a good or bad amendment. This matter should have been handled by the Department of Agriculture. It is another reason why we should have held a public hearing on the bill. We are trying to write an OPA law on the floor of the Senate. I certainly cannot advise anyone as to whether it is a good amendment or a bad amendment.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes.

Mr. THYE. Do I understand that there is a provision in the bill which provides that no regulation or price can be imposed without first having a hearing at which interested persons may appear and testify as to how it would affect the economy?

Mr. CAPEHART. The committee had no hearings on this subject. The Senator from Minnesota knows as much about it as members of the committee know about it. All that has been said on the matter has been said here in the past 5 minutes.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. THYE. I understood and was informed by the chairman of the committee at an earlier time that while a hearing had not been held, any regulation imposed upon an industry or a producer could not be put into effect until such time as a public hearing had been held and the interested parties had had an opportunity to be heard.

Mr. CAPEHART. That is not a correct statement. The bill does not require it.

Mr. THYE. Then I should like to suggest that the Senators who are in charge of the time, the Senator from South Carolina [Mr. MAYBANK] and the Senator from Indiana [Mr. CAPEHART], settle their differences, because I notice the Senator from South Carolina is nodding his head in approval, and the Senator from Indiana says no.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SALTONSTALL. I thank the Senator from Indiana. I should like to ask the Senator from South Carolina a question. The amendment considers tobacco, and would control the price of tobacco as one of the agricultural products mentioned in it. Will the Senator from South Carolina at the proper time, if this title of the bill becomes law, accept an amendment including fish and processing of fish? That industry suffered greatly during OPA days.

Mr. MAYBANK. This amendment was drawn and discussed with the Agriculture Committee, and also with Mr. Trigg. It was discussed for several days last week. It was suggested that this would be the only way in which to deal equitably with products which had no marketing season in that period.

The VICE PRESIDENT. The time of the Senator has expired. All time for debate on this amendment has expired.

Mr. WILLIAMS. Mr. President, I send to the desk a substitute for the amendment offered by the Senator from South Carolina.

The VICE PRESIDENT. The Senator from Delaware offers a substitute in lieu of the amendment proposed by the Senator from South Carolina, which will be stated.

The LEGISLATIVE CLERK. On page 44, beginning in line 11 with the word "higher", it is proposed to strike out through line 16; on page 44, line 25, to strike out the word "higher"; on page 45, beginning in line 10 with the word "nothing", to strike out through line 16; and on page 43, line 24, beginning with the comma, to strike out through the word "subsection."

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Delaware is recognized for 5 minutes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. WHERRY. I understand the mover of an amendment is recognized for 5 minutes, and he is in control of that time under the unanimous-consent agreement.

The VICE PRESIDENT. The Senator is correct.

Mr. WHERRY. Therefore, the mover of a substitute is in control of that time.

The VICE PRESIDENT. He is in control of 5 minutes on the substitute.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. Mr. President, when the Senator who moves an amendment has concluded his remarks, then——

The VICE PRESIDENT. The chairman of the committee is then entitled to 5 minutes on the amendment.

Mr. WILLIAMS. Mr. President, the purpose of the amendment offered by the Senator from South Carolina is to exempt tobacco along with certain other agricultural commodities from any prospective rollback of prices. If we are to consider the purpose of this legislation as being to control prices, it is absurd to start exempting a series of different commodities. If we are going to exempt agricultural commodities, we must also exempt wages. If we are to exempt both wages and prices, what are we talking about? The amendment I offer as a substitute would strike out not only the provisions of the amendment offered by the Senator from South Carolina, but also strikes out all other provisions in the bill which exempts any agricultural commodity from a prospective rollback in prices.

Mr. MAYBANK. Mr. President, the amendment I sent to the desk was not a rollback amendment. It was an amendment on which the Department of Agriculture and several Senators conferred at length, because there was no marketing season for such commodities. I should like to refer to the Senator's amendment, if I may. In the amendment a provision is included which reads:

> Notwithstanding any other provision of this act, whenever the President decides that either price ceilings or wage stabilization is necessary, he must simultaneously declare both into effect as of the same base period, such base period being a 30-day period selected prior to June 24, 1950.

Mr. WILLIAMS. My modification omitted that paragraph. I intend to offer that later provision as a separate amendment. It will be included in a separate amendment.

Mr. MAYBANK. Will the Senator tell me what his amendment consists of?

Mr. WILLIAMS. It is amendment 8–18–50–F, with the exception of the first paragraph, which will be offered as a separate amendment.

Mr. MAYBANK. I apologize to the Senator from Delaware. When he mentioned his amendment 8–18–50–F, I thought the amendment which he had offered was the one he referred to.

Mr. WILLIAMS. The amendment which I am offering now strikes out the proposed exemption for certain agricultural products. The effect, if accepted, would be that all agricultural products would be treated on a basis of equality with wages. If prices and wages are rolled back to some date prior to June 24, no exceptions would be provided for any agricultural commodity.

Mr. MAYBANK. The second part of the amendment proposes to limit the ceiling on agricultural commodities to the average price received by producers on June 15, 1950. Provisions of the bill with respect to parity and minimum prices for milk under the Agricultural Marketing Agreement Act are the result of long and careful study by the Congress designed to bring agricultural producers fair prices for their products. This principle should be recognized in this bill. Many amendments have been proposed which are designed to undo what the Committee on Agriculture and the Department of Agriculture has done for years. We have an 80-percent parity amendment proposed to this bill. I do not know whether such amendments are germane, but I, for one, will not undertake in connection with this bill to legis-

late on subjects over which the Committee on Agriculture has jurisdiction instead of the Committee on Banking and Currency.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. KEM. I understood the Senator to say a minute ago that the amendment is one that he had offered and had been discussed with the Committee on Agriculture.

Mr. MAYBANK. I said Department of Agriculture.

Mr. KEM. As a matter of fact it has not been taken up with the Committee on Agriculture.

Mr. MAYBANK. The Senator is correct. The Senator from Virginia [Mr. ROBERTSON] and the Senator from Kentucky [Mr. CHAPMAN], and Mr. Trigg were present, and Mr. Trigg said this was the only way it could be worked out.

Mr. KEM. Were any hearings held in which people who were interested in agriculture were given an opportunity to present their views?

Mr. MAYBANK. Yes. Mr. O'Neil was there. The Farm Bureau was represented. There were present many who are interested in agriculture, outside of the Committee on Agriculture and Forestry.

Mr. CAPEHART. I am not going to let that statement go unchallenged. No one testified on this amendment in the Committee on Banking and Currency.

Mr. MAYBANK. I did not say anyone had.

Mr. CAPEHART. What did the able Senator just say?

Mr. MAYBANK. Let us keep the record straight. The Senator from Missouri asked if anyone appeared before the committee who was favorable to agriculture. I said that of course some had appeared in favor of agriculture. The Grange appeared. The Senator was present when Mr. Goss appeared, and we had a statement by him. Mr. Kline appeared. But I never said they appeared in behalf of this amendment.

Mr. CAPEHART. They appeared, but not in behalf of this amendment.

Mr. MAYBANK. I did not say they did. I said no one appeared except the Senators who talked to me, and it was not a committee amendment. Mr. Trigg, of the Department of Agriculture, and others suggested that the amendment proposed a fair and equitable way of handling the matter. But there was no hearing on this amendment, and it is not a committee amendment. That is why it is offered with the names "MAYBANK-CHAPMAN-ROBERTSON" on it.

Mr. CAPEHART. No one appeared before the committee in open hearing on title 4 or 5, or upon the subject we are discussing at the moment.

Mr. MAYBANK. Mr. President, I cannot agree with the Senator from Indiana that no one appeared on titles 4 and 5, because we had before us the Farm Bureau, the Grange, the Farmers' Union, and many others. Representatives of the cotton people also appeared on the matters dealt with by those titles.

Mr. CAPEHART. When those gentlemen appeared, titles 4 and 5 had not been written and had not even been discussed; they were not even in existence.

Mr. MAYBANK. Of course titles 4 and 5 were not there, but we needed the advice of other people——

The VICE PRESIDENT. The time of the Senator has expired. All time for debate on the substitute has expired. The question is on agreeing to the substitute offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment, in the nature of a substitute to the amendment, was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. JOHNSON of Colorado. Mr. President——

The VICE PRESIDENT. All time on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK] for himself and the Senator from Virginia [Mr. ROBERTSON] and the Senator from Kentucky [Mr. CHAPMAN]. [Putting the question.] The Chair is in doubt.

Mr. MAYBANK. I ask for a division.

On a division, the amendment was agreed to.

Mr. GILLETTE. Mr. President, I call up an amendment I have at the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 65, between lines 2 and 3, it is proposed to insert the following:

SEC. 606. (a) To assist in carrying out the purposes of this act, each commodity exchange, whether or not designated as a contract market under the Commodity Exchange Act, shall take all action reasonable and necessary to prevent excessive speculation on margins in commodities traded in for future delivery on such commodity exchange. For the purpose of this section, excessive speculation shall mean (1) speculative trading in a volume in excess of the volume reasonably necessary to absorb hedging trades, or (ii) speculative trading of a character which causes or tends to cause unreasonable fluctuations or unwarranted changes in price.

(b) In furtherance of the purpose of this section the Secretary of Agriculture shall, whenever he has reason to believe there is, or is danger of, excessive speculation in any commodity traded in for future delivery on any commodity exchange, inform the appropriate control committee or officer of such commodity exchange, stating his reasons.

(c) For the purpose of this section, "commodity" shall mean and include any and all agricultural and forest products and byproducts, whether or not produced in the United States.

On page 63, line 15, strike out "section 601 or 602" and insert in lieu thereof "section 601, 602, or 606."

Mr. GILLETTE obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. MAYBANK. The original bill contained section 411 which made it mandatory for the various commodity exchanges of the country to come under the authority of the President or whomsoever the President might appoint. The committee rejected that provision, believing that we should not legislate on agricultural business. Then it was suggested that such an amendment might be proposed, and it was discussed with me. I said that the Committee on Banking and Currency was not trying to rewrite the commodity and exchange laws of the country.

The Senator from Iowa has been a diligent student and an able and capable member of the Committee on Agriculture and Forestry in trying to rewrite the laws relating to the commodity exchanges. I have discussed the amendment with him this morning, and he tells me the amendment provides for purely voluntary action on the part of the exchanges, giving them some authority to police themselves. He says there is nothing mandatory about it, that it does not put the exchanges under the Secretary of Agriculture, any more than they are now under him, or under the President, but that it makes it purely voluntary for the exchanges to police themselves. If I am mistaken, I wish the Senator would correct me.

Mr. GILLETTE. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). The Senator from Iowa.

Mr. GILLETTE. The distinguished chairman of the committee is entirely correct. Section 411 was in both bills, the House version and the pending bill. It provided for policing of the commodity exchanges by governmental agencies, just as the Securities and Exchange Commission polices the stock exchanges. But because of the fact that there was a feeling that this was amendatory of the Commodity Exchange Act, which is legislation of long standing, and should not be adopted as a part of this bill, the House eliminated it by a vote of 198 to 194, and the Senate committee eliminated it from the Senate version of the bill, the bill now pending, for the same reason, I believe, the chairman has just stated.

In order to meet a situation which has developed in the last 2 or 3 weeks, when prices of commodities and dealing in commodities on the exchanges have run hog-wild——

Mr. THYE. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. THYE. Have they not authority to so police themselves now?

Mr. GILLETTE. Oh, yes; definitely they have that authority now.

Mr. THYE. Will not this amendment confuse? Will it not put fear into someone that it is mandatory? So long as they have the authority now and can do everything the amendment proposes, would we not be confusing the issue?

Mr. GILLETTE. I am sure the amendment will not confuse the issue, for the reason that they have the right to police themselves, but they are not compelled to police themselves.

Mr. THYE. Does this amendment compel them?

Mr. GILLETTE. It compels them to the extent that the Department of Agriculture can give them notice, if it thinks they are not adopting reasonable regulations, and under the penalizing provisions of the bill they will be brought under the law. A district court will have jurisdiction, and will determine whether or not the regulations are reasonable. The amendment will give that much control over them; but the policing will be entirely voluntary.

I am sorry the amendment could not be offered in time so that Senators could read it, but the Department of Agriculture sent it to me this morning, and this is the first I have seen it.

If it develops that housewives have a few extra pounds of sugar we are holding them responsible, and yet without any regulation at all we are letting the gamblers and speculators operate in thousands and thousands of pounds.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from North Dakota.

Mr. LANGER. If the amendment were agreed to, would it stop the selling of phantom wheat and other commodities, commodities which do not exist?

Mr. GILLETTE. Oh, no; it would not stop trading in futures. Trading in futures, of course, is in effect dealing in commodities which do not exist, because the transactions are not completed. It will ask the exchanges to regulate themselves, and will subject them to be brought under the jurisdiction of the courts, if they do not adopt reasonable regulations.

Mr. SPARKMAN. Mr. President, I wanted to ask the able Senator from Iowa that very question. It seems to me the action set forth here is wholly voluntary. In other words, it is voluntary policing.

Mr. GILLETTE. It is.

Mr. SPARKMAN. But in the very last provision the Senator makes violators subject to the penalty clause contained in section 603 of the bill.

Mr. GILLETTE. Yes.

Mr. SPARKMAN. I do not see who, under the provision of the first three paragraphs, would be answerable to that penalty except the Secretary of Agriculture. It seems to me the only person who is directed to do something is the Secretary of Agriculture. He shall report these things. It seems to me that if he fails to report he would be subject to the penalty. I do not see how anyone else can be subject to the penalty. I ask that for information, because I think the Senator is aiming at a very good objective.

Mr. GILLETTE. Mr. President, I read from the amendment:

> To assist in carrying out the purposes of this act, each commodity exchange, whether or not designated as a contract market under the Commodity Exchange Act, shall take all action reasonable and necessary to prevent excessive speculation on margins in commodities traded in for future delivery on such commodity exchange.

It would fix margins at 100 percent, which would eliminate trading on margins. This will never be necessary. But if an exchange fails to take reasonable action when necessary, it and its officers and agents are subject to fine and imprisonment under section 603. A fine of $5,000 would not make much difference to a commodity exchange. But under section 706 of the bill, the district courts of the United States are given jurisdiction over violations of the act generally and may enjoin any violation. So that with the provision that they are required to police themselves with reasonable regulation, if they do not, it would be a question of fact for the district court.

Mr. MAYBANK. What would be reasonable regulations? Very frankly I will say the first I saw of this amendment was about an hour ago. As I understand, its provision is purely voluntary.

Mr. GILLETTE. Definitely.

Mr. MAYBANK. I understand that the only person who could violate it would be the officers of an exchange.

Mr. GILLETTE. Yes.

Mr. MAYBANK. How could they violate a voluntary agreement?

Mr. GILLETTE. The question, under the penalizing clause, would be determined by the district court which has jurisdiction to determine whether they are carrying out the injunction to police themselves reasonably. It would be a question of fact for the district court.

Mr. MAYBANK. What would the fine be?

Mr. GILLETTE. Five thousand dollars is the fine. I may say to the distinguished Senator from South Carolina, who said he saw the amendment only an hour or so ago, that I saw it only a few hours ago.

Mr. AIKEN. Mr. President, will the Senator from South Carolina yield to me so I may ask the Senator from Iowa a question?

Mr. MAYBANK. I yield.

Mr. AIKEN. Who determines whether the commodity exchanges have complied with the purpose or the letter of the law, assuming that the amendment might be written into the law?

Mr. GILLETTE. Under the penalty clause it would be the district court that would have jurisdiction.

Mr. AIKEN. And what is the penalty if they do not comply?

Mr. GILLETTE. A fine of $5,000.

Mr. AIKEN. In other words, they offer voluntary compliance, but if they do not comply they are subject to a fine.

Mr. GILLETTE. Yes.

Mr. AIKEN. And that is a single fine of $5,000?

Mr. GILLETTE. It brings them under the penalty clause that is contained in the bill.

Mr. MAYBANK. For everything.

Mr. SPARKMAN. Mr. President, will the Senator yield so I may ask the Senator from Iowa a question?

Mr. MAYBANK. I yield.

Mr. SPARKMAN. This provision, as I understand, has to do with general policing, and is not subject to the weakness that section 411 was subject to, which sought to control merely by controlling margins.

Mr. GILLETTE. That is true. Section 411 was amendatory to the Commodity Exchange Act. This is not. But the control sought under the original section 411 was purely one of defining the margins across the board, which I thought was one of the weaknesses, because it hit the legitimate trader as well as one who was merely speculating. This calls for self-policing in every way it may be done, and particularly safeguards legitimate trading in the commodity.

Mr. GILLETTE. Under reasonable regulations.

Mr. SPARKMAN. And as to punishment, that would have to be in a case where there simply had been willful disregard of the entire policing, would it not?

Mr. GILLETTE. Should the district court so find on the facts presented.

Mr. SPARKMAN. Yes. In other words, the amendment does not lay down specific things to be done and not to be done and make them subject to penalty?

Mr. GILLETTE. Not at all.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have one-half minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, if the amendment is strictly 100 percent voluntary and there is nothing mandatory in it, then why does it come under the criminal section?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. TAFT. I move to strike out the last two lines of the amendment of the Senator from Iowa, which are as follows:

> On page 63, line 15, strike out sections 601 and 602 and insert in lieu thereof sections 601, 602, or 606.

That would mean that any person who willfully violated the provisions of section 606 could be fined not more than $1,000. Now what is the crime? It is a violation of the provision that they shall take all action reasonable and necessary to prevent excessive speculation. In subsection (b) it is provided that "the Secretary of Agriculture shall, whenever he has reason to believe there is, or is danger of, excessive speculation in any commodity traded in for future delivery on any commodity exchange, inform the appropriate control committee or officer of such commodity exchange, stating his reasons."

The Secretary of Agriculture, I take it, determines what action is necessary to prevent excessive speculation, namely to raise the margin from 30 to 60 percent. I have no strong feeling about the section, but this is a restatement of the provision the committee struck out. I do not object to the voluntary provision, but if this is supposed to be a voluntary proposal, let us make it a voluntary proposal. As a matter of fact, as it is, it gives more discretion to the Secretary of Agriculture to determine what is reasonable action than the original section did.

Mr. MAYBANK. Mr. President, how much time do I have left?

The PRESIDING OFFICER. None.

Mr. MAYBANK. The Senator from Iowa offered an amendment. Is it agreeable to the Senator to accept the amendment suggested by the Senator from Ohio [Mr. TAFT], to strike out the last two lines of the amendment, and make the provision purely voluntary, with the hope that the Secretary of Agriculture and the commodity exchanges can get together and straighten out the situation by themselves?

Mr. GILLETTE. I cannot accept that amendment, because then we would simply request them to police themselves. There would be no authority behind the

request. There would be no way to hold them responsible. That would be an entirely different provision.

Mr. THYE. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. THYE. Mr. President, I should like to make a comment on the statement made by the able Senator from Iowa, because it was the exact answer I received when I previously raised the question, first, that it was entirely a voluntary policing. But when we study and digest the amendment we find the penalties, and the full effect of the penalties written into the amendment. Therefore the two answers I received simply do not coincide or jibe, because one was that it was a voluntary policing, and the other one emphasized a $5,000 penalty.

Mr. MAYBANK. Mr. President, I ask unanimous consent to be recognized for 5 minutes in my own time.

Mr. WHERRY. How much time does the Senator from Ohio have? Is it 5 minutes?

Mr. TAFT. Mr. President, does the Senator from Minnesota desire any time? I shall be glad to yield the Senator 2 minutes.

Mr. MAYBANK. Mr. President, I have 5 minutes. I yield to the Senator from Minnesota to ask the Senator from Iowa a question.

Mr. THYE. Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. THYE. Mr. President, I asked the question whether this is a voluntary policing operation on the part of the trade. I was informed it was strictly voluntary. Then as we began to examine the proposed amendment we found that the penalty provision of $5,000 is written into the amendment, and that $5,000 can be imposed without any question whatsoever. Until such time as we definitely are certain that it is a voluntary policing operation and authorization under the act, I certainly do not feel that I can justifiably vote in favor of the amendment or agree to accept it.

Mr. GILLETTE. I regret very much that I was unable to make the matter clear. As I see it, section 411 provided authority for a governmental agency to issue regulations for commodity exchanges. If that provision had been adopted, the penalizing provision would have applied to a violation of the regulations.

However, section 411 has been stricken out, and now this amendment proposes that in lieu of having the governmental agency issue regulations, the commodity exchanges shall be asked voluntarily to police themselves with reasonable regulations.

The first provision of the amendment states that they are directed to police themselves and to apply reasonable regulations. The question of whether the regulations are reasonable is one for the district court to determine. At no point is there a governmental regulation, if this amendment is adopted.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. BRICKER. Is not the contrary true, namely, that the Secretary of Agriculture can notify the commodity exchange as to the appropriate controls which he thinks ought to be imposed in order to take reasonable action to prevent excessive speculation; and if that is not complied with and if excessive speculation is not prevented, then, in the words of the Secretary of Agriculture, the commodity exchange can be haled into court and prosecuted and penalized under section 606. If the provision does not mean that, I do not see that it has any meaning at all.

Mr. GILLETTE. Mr. President, I think the Senator is incorrect. The amendment suggests that the Secretary of Agriculture, with the reports and the information he has, can call attention——

Mr. BRICKER. Mr. President, "inform" is the word that is used—a positive direction to the commodity exchange in regard to what is reasonable and necessary in order to prevent excessive speculation. If the language does not mean that, then there is no meaning at all to it.

Mr. GILLETTE. No; he would inform them as to the facts. They are to police themselves by means of regulations which they regard as reasonable. They adopt the regulations after the facts they obtain are before them and after the facts brought to their attention by the Secretary of Agriculture are before them. If the regulation they adopt then is unreasonable, they will be subjected to the penalty clause. No regulation is issued by any governmental agency whatsoever.

Mr. BRICKER. But the information given them by the Secretary of Agriculture fixes the standards upon which they must determine whether there is excessive speculation.

Mr. GILLETTE. It is undoubtedly a fact that a district court would take into consideration if it was determining the reasonableness or unreasonableness of the regulations issued.

Mr. BRICKER. Then under the amendment there will be three paragraphs of indefinite premises, finally leading up to a provision that the Secretary of Agriculture shall inform the commodity exchange what it will have to do if it is not to be subjected to a penalty of $5,000 for failure to comply.

Mr. GILLETTE. But the alternative is to leave them with no regulation whatsoever, free to proceed hog-wild, and thus permit speculation to force up commodity prices.

Mr. BRICKER. Is the Senator of the opinion that there is an influence on prices as a result of the operations of commodity exchanges?

Mr. GILLETTE. Definitely.

Mr. BRICKER. Then the Senator is of an opinion different from that of the Joint Committee on the Economic Report, which says there is no effect on the prices of commodities as a result of such trading or operations.

Mr. GILLETTE. When was that report issued?

Mr. BRICKER. About 6 months ago.

Mr. GILLETTE. The situation has changed, and in the last 6 weeks prices have run wild.

Mr. BRICKER. What is the nature of the report of the Senator's committee?

Mr. GILLETTE. We have made parts of the report, which now is pending; and we are continuing our investigation.

Mr. BRICKER. Does not the Senator agree that we should have that information before we give a blanket endorsement to a proposal of this kind, when we do not know what it means? Should not we have that information before we provide a penalty of $5,000, by way of fine, for each violation of an order of the Secretary of Agriculture?

Mr. GILLETTE. Mr. President, I wish it were possible to obtain the information. We are bending every effort to obtain it.

In the meantime, the only alternative is to leave the matter wide open and permit these persons to run away with the situation.

Mr. BRICKER. Mr. President, I am not in favor of leaving the situation wide open, but I think we should have before us first the facts bearing on the matter.

The PRESIDING OFFICER. All time has expired.

Mr. SPARKMAN. Mr. President, is the pending question on agreeing to the amendment of the Senator from Ohio [Mr. TAFT] to the amendment of the Senator from Iowa [Mr. GILLETTE]?

The PRESIDING OFFICER. That is correct. To the amendment of the Senator from Iowa [Mr. GILLETTE], the Senator from Ohio has offered an amendment to strike out the penalty provision.

The question now is on agreeing to the amendment of the Senator from Ohio to the amendment of the Senator from Iowa. [Putting the question.]

Mr. WHERRY. Mr. President, I ask for a division.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I call up my amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 29, in line 13, after "SEC. 101", it is proposed to insert "(a)"; and on page 29, after line 24, it is proposed to insert the following new subsection:

(b) Except as provided in section 403, the authority conferred upon the President under this section shall be exercised by the Secretary of Commerce.

Mr. JOHNSON of Colorado. Mr. President, the amendment which I have offered is a very simple one; but if we are to profit by the mistakes we made in the last war, I submit that its adoption is of vital importance. The amendment provides in substance that the exercise of the authority under section 101, title I,

of the pending bill, entitled "Priorities and Allocations," be conferred upon the Secretary of Commerce, with the exception of consumer rationing, which is dealt with separately in the bill under section 403.

During the rearmament period which preceded the last war, our efforts to prepare ourselves were seriously hampered by the dispersion among several agencies of authority for the control and production of scarce materials. Many of these agencies were new and inexperienced. Their functions were not clearly delineated. As a result of interagency rivalries and conflicting policies, it was necessary time after time for the President to issue new reorganizing Executive orders. To bring order out of chaos, agencies were succeeded by super-agencies, and in turn by ultra-super-agencies.

The pending bill keeps priorities and allocations in one package in the Government. We cannot separate priorities and allocations and still have a good job done. However, more than that, we should keep both of them together and should keep the entire matter in one agency of Government. That is the purpose of my amendment.

Mr. MAYBANK, Mr. SALTONSTALL, and other Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Colorado yield; and if so, to whom?

Mr. JOHNSON of Colorado. I am sorry that I do not now have time to yield. I wish to complete my statement before I yield. After I have completed my statement, perhaps I shall have time to yield to Senators who wish to ask questions.

Mr. President, unless we are prepared to resign ourselves to a sad repetition of that period of administrative confusion, the Senate should see to it today that the over-all authority relating to priorities and allocations is exercised through one agency, and, in particular, an agency which already is an established executive department of the Government, with sufficient facilities and staff to be able to do the job.

I should like to emphasize that the problems of priorities and allocations are intertwined and interdependent. They are Siamese twins, and they should not be separated. Performance depends, of course, on the ability to procure the necessary materials. Allocations are exercised efficiently only when the materials are distributed to those who need them to fill the orders which have been given preference in the interest of national defense. We cannot afford to have these two functions working at cross-purposes. It is futile for one agency to require a person to accept and carry out and perform a preference order when he may be denied, through the action of another agency, the very means of fulfilling it. There can be no dispute on this point.

Moreover, the problem of allocation in itself requires the utmost coordination of materials and facilities. The nature of the materials is not the basic test for conferring the authority. I say this without any reflection on other agencies. What I am trying to say is that we cannot afford to have the questions of distribution of materials determined by two or more different agencies, with no one agency to determine the inevitable conflict of demands. Our experience from World War II has shown that it is no solution to form one super-agency over another to resolve these conflicts. Such establishments serve only to interpose one more layer of insulation between promise and fulfillment, in the hope that somewhere along the line the contestants will get tired and drop out. And in the meantime everybody is kept waiting.

We should keep in mind that the Department of Commerce has all the facilities and know-how for handling this authority. It is a going concern. The Department took over the residual functions of the War Production Board and the OPA and it performed them well. In so doing, it built up a vast reservoir of valuable experience. Remember, also, that the Department administered the voluntary cooperation program of allocations under Public Law 395 of the Eightieth Congress. The Department has a fine and efficient Office of Industry and Commerce; it is experienced in controls. For years it has had the responsibility for export controls. Through its Census Bureau it is enabled to gather important statistics and other data in a minimum space of time; and its Office of Business Economics keeps in close and constant touch with all segments of industry. The Department of Commerce is an integrated, informed, and well-coordinated agency.

Let me not be misunderstood. I realize only too well the needs of agriculture, of industry, of the military and civilian portions of our Nation. I want them to have all the materials necessary for their existence.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. JOHNSON of Colorado. I ask unanimous consent that the remainder of my remarks may be printed in the RECORD at this point.

There being no objection, the remainder of the statement of Senator JOHNSON of Colorado was ordered to be printed in the RECORD, as follows:

But I do not want to have our boys in Korea shot at by tanks, exposed to heavy artillery fire, and be unable to answer in kind. I don't want to see our tanks and trucks in Korea held up because the fuel they need is being unnecessarily used in civilian automobiles, or in pleasure trains. I don't want to see our boys lack guns and ammunition and explosives because the steel or grain that should have been used for these materials has been absorbed for building race tracks and other emporiums of pleasure and to provide cold storage for the hoarders of scarce goods.

I know there will be those who say that we should give the President the over-all authority and let him, in his discretion, parcel it out. I admire and respect the President and I want him to get every authority necessary to help our country. But I realize at the same time, that he is only human, and that he cannot give his personal attention to these things.

Congress should take upon itself the responsibility of channeling this authority through one agency. I think we must do it in an unequivocal manner. I know very well that the moment this bill is passed, the President will be deluged with pressing requests from patriotic agencies with good intentions for consideration in the handling of the allocations program. And I also know that the line of least resistance will be to divide this authority among two or more agencies. In normal times, this would be proper, but these are not normal times. Until this present crisis at least has passed, we live in a state of dire emergency.

If we agree that this authority should be handled by one agency, why not say so in the bill? After all, we have done a similar thing in section 708 (b) which provides that the authority to waive antitrust laws relating to allocations may be delegated by the President to but a single official. I repeat that the one agency to be entrusted with priorities and allocations should be the Department of Commerce. I know of no other one Department which in the performance of its official functions is so close to all segments of industry, small business, labor, and agriculture, I know of no other one Department which can correlate and reconcile all the conflicting demands and claims that will inevitably arise under this section of the bill.

To all intents and purposes, the Department was the War Production Board during the transition period. It has the staff, the facilities, and the experience. I cannot urge too strongly that this Congress should say in plain language that it wants the priorities and allocation authority vested in the Department of Commerce. That will settle all doubts and it will better enable the President to exercise the authority conferred upon him in the bill.

This is a matter over and above personalities, but I do want to say that the Secretary of Commerce, Charles Sawyer, has amply demonstrated his ability to handle this complex authority. But beyond this is the overriding principle of coordination and one head. I do not want to see the priorities and allocations program bog down into a series of interdepartmental skirmishes. There is only one real place for fighting now, and that in Korea, where our boys are defending themselves, and us, from a worldwide menace. It is not enough that the Congress is united against aggression; we must make certain that the powers conferred upon the executive branch to defend ourselves are also united. I earnestly and sincerely urge the adoption of this amendment.

Mr. MAYBANK. Mr. President, this amendment would require the priority and allocation authority to be exercised by the Secretary of Commerce.

The President may delegate this authority to the Secretary of Commerce under the bill, and I certainly would have no objection to Secretary Sawyer administering substantially all of these controls. However, the President should be the authority responsible for directing the administration of these controls to the best interests of the national defense; and if, in the light of all of the circumstances and the purposes to be accomplished, it appears to him that any other agency would be a more suitable agency to administer a particular control, I think he should be free to use that agency. I do not think we should restrict the President from selecting in any case the very best agency possible. I will therefore have to object to this amendment.

I want it definitely understood that in doing so I would have no personal objection to the delegation of this authority to Mr. Sawyer. As a matter of fact I would expect, and I suppose that most members of the committee would expect,

that a large part of these controls would be handled by Mr. Sawyer, who was one of our principal witnesses. My objection goes to the question of leaving the President with flexible authority so that if he felt it necessary in the interest of national defense that any particular type of allocation or priority authority should be delegated to some other agency in the Government he would be perfectly free to make the delegation to that agency.

In other words, this amendment would direct the President of the United States to turn over to the Secretary of Commerce all questions regarding allocations and priorities of agricultural commodities.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. Is it not a fact that the Secretary of Commerce testified before our committee that he expected to handle the voluntary allocations of steel?

Mr. MAYBANK. That is correct.

Mr. ROBERTSON. His department is the Department which is specifically charged with the duty of looking out for the little fellow in this war effort, to see that the little fellow gets a fair break, is it not?

Mr. MAYBANK. I am in thorough accord with the Senator from Virginia. I know that he expects that steel and other commodities would be turned over to the Secretary of Commerce. But, I may ask, how about something that concerns the armed services.

Mr. ROBERTSON. Mr. President, if the Senator will yield, the Secretary of Agriculture wants to allocate all the steel that the Department may use. The Secretary of Commerce wants to allocate the steel for oil pipelines and gas pipelines and many other things pertaining to the interior. Does the Senator think that if this were divided up among the departments the steel people would know to whom to go, or that the little fellow who wanted a fair break in regard to allocations would get the consideration to which he was entitled?

Mr. MAYBANK. I may say to the Senator that is begging the question. In my statement I distinctly referred to steel. That should not be an issue in connection with the amendment. The Senator from Colorado has discussed the application of the amendment to the Department of Commerce, the Interior Department, REA, and all the others.

Mr. DOUGLAS. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. DOUGLAS. Does the Senator agree with me that there are two theories as to how the controls shall be administered; one theory being to have them operated through existing departments; the other, that there is a possibility that it may be necessary to create a new agency, such as a new War Production Board, to control all these matters? Would not the amendment of the Senator from Colorado compel the President to use existing departments?

Mr. MAYBANK. No; to use the Secretary of Commerce only.

Mr. DOUGLAS. May not the situation be sufficiently serious that it will be necessary to establish a new board, with more vigorous personnel brought in from the outside, to manage it?

Mr. MAYBANK. The Senator is entirely correct.

Mr. DOUGLAS. And the amendment offered by the Senator from Colorado would prevent that from being done, would it not?

Mr. MAYBANK. I have not thought of it from that standpoint. I have thought of it from the standpoint of the Secretary of Commerce exercising all the controls. I am in favor of the Secretary of Commerce exercising the controls on steel. He has exercised such controls and has done a wonderful job. I do not see why we should tie the President's hands by saying that, if it is necessary to allocate wool, or something else about which Senators are concerned, the Secretary of Commerce shall do it. The Secretary of Agriculture might do it.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Colorado. With the exception of consumer rationing——

The PRESIDING OFFICER. All time has expired.

Mr. TAFT and other Senators asked for the yeas and nays.

The yeas and nays were not ordered.

Mr. MAYBANK. I suggest the absence of a quorum.

Mr. JOHNSON of Colorado. Mr. President, may I have but one second in order that I may correct a misstatement which has been made?

The PRESIDING OFFICER. The Chair advises the Senator that, according to Senate time, we are unable to measure seconds. But is there objection to permitting the Senator from Colorado to address a question to the chairman of the committee? The Chair hears none.

Mr. JOHNSON of Colorado. This amendment does not deal with consumer rationing, which is dealt with separately in the pending bill under section 403; is not that correct?

Mr. MAYBANK. I beg the Senator's pardon. I never suggested consumer rationing. I said priorities and allocations. In connection with certain allocations, it might be that the Secretary of Agriculture would possess knowledge which the Secretary of Commerce did not possess. We might have to allocate cotton or oil or other things of that sort. I do not think the Senator means that Secretary Sawyer should do all of that. His office, Department of Commerce, is not set up to do it.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield, if I have the floor.

The PRESIDING OFFICER. Without objection, the Senator from South Carolina may yield to the Senator from Illinois for a question.

Mr. TAFT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Has not all the time expired?

The PRESIDING OFFICER. All time has expired. The regular order has been demanded. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Anderson	Holland	Morse
Benton	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	O'Conor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Capehart	Johnston, S. C.	Robertson
Chapman	Kefauver	Russell
Chavez	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Darby	Kilgore	Smith, Maine
Donnell	Knowland	Smith, N. J.
Douglas	Langer	Sparkman
Dworshak	Leahy	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tobey
George	McClellan	Tydings
Gillette	McFarland	Watkins
Graham	McKellar	Wherry
Green	McMahon	Wiley
Gurney	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young
Hill	Maybank	

The PRESIDING OFFICER (Mr. HOEY in the chair). A quorum is present.

Mr. LUCAS. Mr. President, I ask unanimous consent that I may speak for 2 minutes.

Mr. TAFT. Mr. President, I suggest that the Senator from Colorado [Mr. JOHNSON] also have 2 minutes.

The PRESIDING OFFICER. Without objection, each side is granted 2 minutes.

The Senator from Illinois is recognized.

Mr. LUCAS. Mr. President, I sincerely hope that the Senate will not adopt this amendment. If the Senate of the United States desires to put the Secretary of Commerce over the President of the United States, it can be done with this amendment. We are looking into the future. No one knows what is going to happen. The Korean situation is improved at the present time. No one knows what may happen tomorrow, but certainly the President of the United States should not be tied down with an amendment of this kind which tells him that everything in the way of allocation in connection with the control bill must come under the authority of the Secretary of Commerce. Surely the Senate of the United States will not adopt this kind of an amendment. Surely the Senate will give to the President a framework which is flexible. We are giving to the President much more than he has asked for. If we are going to give him stand-by controls, something which he did not ask for in the beginning, the Senate certainly should not tie his hands to the point where he will not be able to determine what agency of Government ought to handle this or that situation.

It seems to me, Mr. President, we shall be doing a foolish thing if we adopt this amendment, not knowing what the future may bring forth. Let us leave it to the President of the United States. It may be that he will never have to use

these stand-by controls. I certainly hope he will never have to use them. But if we are going to lodge all this power in the hands of the Secretary of Commerce, we are going to give the Secretary of Commerce more power than we are giving to the President of the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator's time has expired.

Mr. JOHNSON of Colorado. Mr. President, there must be two tests before this amendment becomes effective. First, goods must be scarce; second, they must be strategic goods.

The object of the amendment is to put in one place priorities and allocations, as they should be, instead of having them scattered all over the lot. The Senator from Illinois has said that we do not know what is in the future. That is the reason we have proposed this amendment. When the time comes when we shall create a War Production Board, we shall not have to reach out into half a dozen different agencies and pick up the things which should all be in one place. We should not separate priorities and allocations; they should be kept together. The whole thing should be kept together.

As for giving the Secretary of Commerce more power than we grant to the President, that argument is positively ridiculous. Suppose we create a War Production Board and Congress tells that Board what it can and cannot do: Would we then be giving the War Production Board greater power than we are giving the President? Of course not.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. TAFT. This amendment applies only to one section dealing with allocations and priorities, does it not?

Mr. JOHNSON of Colorado. That is correct.

Mr. TAFT. It does not deal with prices or wage control or any other things under the bill.

Mr. JOHNSON of Colorado. It specifically eliminates section 403 and provides that the authority conferred under that section shall be exercised by the Department of Commerce.

Mr. TAFT. It refers only to the power conferred under that section.

Mr. JOHNSON of Colorado. That is correct.

Mr. TAFT. Is it not also true that the Secretary of Commerce operated these powers before, and is familiar with the machinery of allocations?

Mr. JOHNSON of Colorado. That is correct.

Mr. SPARKMAN. And that includes priorities?

Mr. JOHNSON of Colorado. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON].

Mr. WHERRY and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Texas [Mr. CONNALLY] is detained on official business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from West Virginia [Mr. NEELY] is paired on this vote with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Washington would vote "yea."

I announce further that if present and voting, the Senator from Texas [Mr. CONNALLY], the Senator from California [Mr. DOWNEY], and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate, is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Washington would vote "yea," and the Senator from West Virginia would vote "nay."

The result was announced—yeas 47, nays 42, as follows:

YEAS—47

Aiken	Gurney	Mundt
Brewster	Hendrickson	Robertson
Bricker	Hickenlooper	Russell
Bridges	Hoey	Saltonstall
Butler	Ives	Schoeppel
Byrd	Jenner	Smith, Maine
Capehart	Johnson, Colo.	Smith, N. J.
Chapman	Kem	Taft
Cordon	Knowland	Thye
Darby	Lodge	Tobey
Donnell	McCarran	Watkins
Dworshak	McCarthy	Wherry
Ecton	McClellan	Wiley
Ferguson	Malone	Williams
Flanders	Martin	Young
George	Millikin	

NAYS—42

Anderson	Johnson, Tex.	Maybank
Benton	Johnston, S. C.	Morse
Chavez	Kefauver	Murray
Douglas	Kerr	Myers
Ellender	Kilgore	O'Conor
Frear	Langer	O'Mahoney
Fulbright	Leahy	Pepper
Gillette	Lehman	Sparkman
Graham	Long	Stennis
Green	Lucas	Taylor
Hill	McFarland	Thomas, Okla.
Holland	McKellar	Thomas, Utah
Humphrey	McMahon	Tydings
Hunt	Magnuson	Withers

NOT VOTING—7

Cain	Eastland	Vandenberg
Connally	Hayden	
Downey	Neely	

So the amendment of Mr. JOHNSON of Colorado was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. WHERRY. Mr. President, I move to lay on the table the motion to reconsider.

Mr. LUCAS and Mr. MYERS addressed the Chair.

The VICE PRESIDENT. The Senator from Colorado moves that the vote by which the amendment was agreed to be reconsidered. The Senator from Nebraska moves that that motion be laid on the table.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. The Senator from Nebraska has made no such motion.

Mr. WHERRY. Yes; I did.

Mr. LUCAS. Was the Senator from Nebraska recognized?

The VICE PRESIDENT. The Chair recognized the Senator.

Mr. LUCAS. The Chair recognized the Senator from Colorado, and the Senator made a motion to reconsider the vote by which the amendment was agreed to.

The VICE PRESIDENT. Yes.

Mr. LUCAS. The Senator from Pennsylvania [Mr. MYERS] and I were on our feet.

The VICE PRESIDENT. Three or four Senators were on their feet at the same time.

Mr. MYERS. Is the motion debatable?

The VICE PRESIDENT. A motion to reconsider is debatable, with 5 minutes allotted to each side.

Mr. WHERRY. I thought the Chair had recognized me.

The VICE PRESIDENT. The Chair did recognize the Senator. However there seems to be some controversy, and although the Senator moved to lay the motion on the table, the Chair thinks in fairness to all, since only 5 minutes of debate is allowed on each side, the Chair ought to recognize the Senator from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. President, I should like to have an explanation of the effect of the amendment to which the Senate has just agreed, from a member of the Committee on Banking and Currency, and I will ask the Senator from Alabama if he will explain the effect of the amendment. I ask unanimous consent that I may yield to the Senator from Alabama for that purpose.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I believe this is perhaps the most far-reaching amendment that has been offered to the bill. I believe that undoubtedly some Senators voted for it without realizing the extent to which it went to the heart of the bill. The effect of the amendment is to give all power over priorities and allocations to the Secretary of Commerce.

Let us see what some of those priorities and allocations might be. Most of the time they have been with reference to steel, but steel is only one item. It is possible that electric power will have to be allocated. It is possible that someone will have to say how much power the rural-electric cooperatives will get. The amendment would turn it over to the Department of Commerce to decide that question, instead of the department which, under the law passed by the Congress, has the right to distribute electric power generated at Government-built dams, namely, the Department of the Interior.

The amendment would turn over to the Secretary of Commerce the right to establish priorities; and listen to what that

means. Suppose the Secretary of Defense decides that certain war plants ought to be built, and that a system of priorities ought to be provided as among those war plants. The amendment would give to the Secretary of Commerce the right to override the Secretary of Defense and say what the priorities shall be.

I heard members of the Committee on Armed Services vote for the amendment. I could not believe they knew what they were taking away from the Secretary of Defense, namely, the right to say what materials and equipment of war should go to one plant or another, taking away from the Secretary of Defense the right to channel goods to one particular airplane plant, and, instead, delegating that authority to the Secretary of Commerce, who knows nothing about it, and has no reason to know.

During the war we built the atomic plant at Oak Ridge, Tenn., the Manhattan project, one of the great programs of power allocation we had during the war, and the power was used in allocating top priorities to the Manhattan project. Who did it? It was done under the direction of the officials who had charge of building that plant, and not the Secretary of Commerce. The amendment would give to the Secretary of Commerce the power to make priorities and to make allocations.

It did become necessary during the war to allocate electric power. Under the amendment the Secretary of Commerce, who has no connection whatsoever with the distribution of power, according to an act of Congress, would be called upon to say what areas should "brown out," what industries, what defense industries, what war plants, the various plants under the direct supervision of the Secretary of Defense, should or should not be able to get power, and whether or not the rural cooperatives in the communities of Members of this body should be able to get power. According to the amendment, that would be under the direction of the Secretary of Commerce, and taken out of the hands of those to whom we have previously given the responsibility.

Under the bill as it is written, the President has the right and the power to call upon anyone he desires to call upon, any agency he wants to call upon, to utilize the existing agencies, or to create, if necessary, a new agency to do the job. Here it is proposed that that power be taken away from him, and the amendment provides that one man in the Government, and one man alone, shall carry on this tremendous program of priorities and allocations, and that that man shall be the Secretary of Commerce.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. WHERRY and Mr. MAYBANK addressed the Chair.

The VICE PRESIDENT. Under the unanimous-consent agreement, the mover of a motion is entitled to 5 minutes, and the chairman of the Committee on Banking and Currency is entitled to 5 minutes. But the Senator from Pennsylvania [Mr. MYERS] was recognized, and yielded his time to the Senator from Alabama. The Chair feels that the only time left is the time allotted to the mover of the motion, and recognizes the Senator from Colorado.

Mr. JOHNSON of Colorado. Mr. President, as I stated before, the amendment deals only with materials which are, first, scarce, and, second, strategic. The Senator from Alabama has recited what happened in World War II. We had a War Production Board at that time to do the allocating, and to handle the functions which are given to the Secretary of Commerce, in part, in the amendment I have offered. Did any great disaster happen to the country because the power was placed under the War Production Board?

Mr. TAFT. If the Senator will yield, was not the allocation of power, as well as everything else, under the War Production Board?

Mr. JOHNSON of Colorado. Exactly.

Mr. TAFT. If we do not have it in one person, the man who has to build a plant will have to go to one department for priority for power, to another for steel, to another for wool, perhaps.

Mr. JOHNSON of Colorado. The very purpose of the amendment is to keep all these things together, to keep the tail with the hide, if you please, to keep them all in one place, so that when and if a War Production Board is created, those interested can go there and get their priorities in one parcel and in one package.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Virginia.

Mr. ROBERTSON. Is it not true that if the war effort reaches the proportions suggested by the distinguished Senator from Alabama, we will then have price controls, wage controls, and rationing, and go from under this section to section 403, and that the amendment specifically says it shall not apply to section 403, which relates to a situation in which we have all-out mobilization, with price-fixing and wage controls?

Mr. JOHNSON of Colorado. That is correct. Section 403 is specifically exempted from my amendment by the amendment itself.

Mr. President, I do not agree that the Secretary of Commerce is an enemy. One would think it was Joe Stalin we were talking about. The amendment proposes to keep priorities and allocations together in one piece, and put them in one department. Perhaps we could have put them in some other departments, but the Department of Commerce, as I said in my opening statement, is naturally in charge of this sort of thing, so it was placed in that Department.

I assure any Senators who think otherwise that the Secretary of Commerce is not an enemy of this country. He is a patriotic member of the President's Cabinet, and I feel very certain that if the President knew about this amendment he would be for it.

Mr. LUCAS. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Illinois.

Mr. LUCAS. I can tell the Senator now that the President of the United States is not for the amendment.

Mr. JOHNSON of Colorado. Has he told the Senator he is not for it?

Mr. LUCAS. I am telling the Senator he is not for this amendment.

Mr. JOHNSON of Colorado. I was told today that the President was for this amendment.

Mr. LUCAS. The President of the United States is not for this amendment. It is a serious amendment, and what I cannot understand is why the Senator from Colorado believes that the Secretary of Commerce is in a better position to make a determination of the question of allocations and priorities than is the President of the United States.

Mr. JOHNSON of Colorado. I think Congress still has some rights. Congress is writing this bill.

Mr. LUCAS. Certainly Congress has rights, but the President of the United States is to execute the bill, and he should have some rights, too, instead of having his hands tied and the Secretary of Commerce put over the President.

Mr. JOHNSON of Colorado. This is a matter of execution. Congress is writing the law, and if Congress has to write the law, Congress should state in the law just where the tremendous powers the Senators have talked about are placed, and where they are to be handled, instead of having them distributed all over the Government, in half a dozen places, as has been suggested by those who are opposing the amendment.

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield to the Senator from California.

Mr. KNOWLAND. Would not the Senator agree that the statement that this puts the Secretary of Commerce over the President has no validity whatever, because the President of the United States, if he were not satisfied with the action being taken, could change the Secretary of Commerce?

Mr. JOHNSON of Colorado. Of course, it has no validity at all.

Mr. WHERRY. Mr. President——

Mr. JOHNSON of Colorado. I yield.

Mr. WHERRY. I want time in my own right. I should like to be recognized to make a motion.

The VICE PRESIDENT. There are 10 seconds left.

Mr. WHERRY. Will the Senator from Colorado yield the 10 seconds to me?

Mr. JOHNSON of Colorado. I yield.

The VICE PRESIDENT. It is not necessary to yield to the Senator. A motion that is privileged can be made. It cannot be debated, however.

Mr. WHERRY. I should like to move——

The VICE PRESIDENT. The Chair has not recognized the Senator. The Chair wishes to apologize to the Senate for a mistake he made a while ago.

The Senator from Pennsylvania was not entitled to recognition under the unanimous-consent agreement. The Senator from Colorado was entitled to 5 minutes as the mover of the motion to reconsider, and the Senator from South Carolina, as chairman of the committee,

was entitled to 5 minutes on the other side. The Chair made a mistake in recognizing the Senator from Pennsylvania. The time on a motion is controlled just as it is on an amendment. The Chair is very sorry he made the mistake and apologizes.

Mr. LUCAS. Mr. President, I wish to present a parliamentary inquiry based on a hypothetical case. Let us assume the mover of the motion refuses to take the 5 minutes.

The VICE PRESIDENT. He can yield the time to some other Senator.

Mr. LUCAS. Assuming he does not yield the time to some other Senator.

The VICE PRESIDENT. The Chair cannot substitute another Senator for the chairman of the committee, if the chairman refuses to use the time.

Mr. LUCAS. But do Senators in opposition have a right to 5 minutes?

The VICE PRESIDENT. Under a strict interpretation of the agreement only the two Senators involved, the chairman of the committee, and the mover of the motion, are entitled to time.

Mr. MYERS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MYERS. Is it possible to have the yeas and nays on the vote on the motion of the Senator from Nebraska to table?

Mr. WHERRY. Mr. President, I am asking for recognition.

The VICE PRESIDENT. The Chair feels that if the Senator from Nebraska, who has been on his feet seeking recognition, desires to be recognized to make a motion which is not debatable, he is entitled to be recognized.

Mr. MYERS. The Senator from Pennsylvania has been on his feet also.

The VICE PRESIDENT. Not so long as has the Senator from Nebraska.

Mr. MYERS. Maybe not so long.

The VICE PRESIDENT. The motion is not debatable, either way the vote is taken, so what is the difference?

Mr. WHERRY. I move that the motion made by the Senator from Colorado [Mr. JOHNSON] be laid on the table.

Mr. MYERS. On that motion I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Chair will state that those who favor tabling the motion to reconsider will vote "yea." Those who are opposed to tabling will vote "nay." The Secretary will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Delaware [Mr. FREAR] is unavoidably detained on official business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from West Virginia [Mr. NEELY] is paired on this vote with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Washington would vote "yea."

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Delaware [Mr. FREAR], and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Washington would vote "yea," and the Senator from West Virginia would vote "nay."

The result was announced—yeas 47, nays 42, as follows:

YEAS—47

Aiken	Gurney	Mundt
Brewster	Hendrickson	Robertson
Bricker	Hickenlooper	Russell
Bridges	Hoey	Saltonstall
Butler	Ives	Schoeppel
Byrd	Jenner	Smith, Maine
Capehart	Johnson, Colo.	Smith, N. J.
Chapman	Kem	Taft
Cordon	Knowland	Thye
Darby	Lodge	Tobey
Donnell	McCarran	Watkins
Dworshak	McCarthy	Wherry
Ecton	McClellan	Wiley
Ferguson	Malone	Williams
Flanders	Martin	Young
George	Millikin	

NAYS—42

Anderson	Johnson, Tex.	Maybank
Benton	Johnston, S. C.	Morse
Chavez	Kefauver	Murray
Connally	Kerr	Myers
Douglas	Kilgore	O'Conor
Ellender	Langer	O'Mahoney
Fulbright	Leahy	Pepper
Gillette	Lehman	Sparkman
Graham	Long	Stennis
Green	Lucas	Taylor
Hill	McFarland	Thomas, Okla.
Holland	McKellar	Thomas, Utah
Humphrey	McMahon	Tydings
Hunt	Magnuson	Withers

NOT VOTING—7

Cain	Frear	Vandenberg
Downey	Hayden	
Eastland	Neely	

So Mr. WHERRY's motion to lay on the table the motion of Mr. JOHNSON of Colorado to reconsider was agreed to.

Mr. BRICKER. Mr. President, I call up my amendment E, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 35, in line 13, it is proposed to change the period at the end of the line to a colon, and add the following proviso: *"Provided,* That in the consideration of any loan in the amount of or exceeding $100,000, the lending, participating, or guaranteeing agency shall consult with and be advised by the Federal Reserve Board."

Mr. BRICKER. Mr. President——

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

Mr. BRICKER. Mr. President, one of the important functions of this entire bill relating to priorities and allocations——

Mr. FULBRIGHT. Mr. President, let me inquire what amendment the Senator is discussing.

Mr. BRICKER. It is my amendment lettered "E," and it would require consultation and advice on the part of the Federal Reserve Board before a Government loan in excess of $100,000 is made under the provisions of this bill.

I was about to say that one of the principal purposes of the bill which provides for stepped-up production and Government priorities and control of production, is that there shall not be an extraordinary increase in prices; in other words, that there will not be price inflation.

Mr. President, the most inflationary money which I think can be spent at the present time is Government money. A balancing of the government's budget will go further toward preventing inflation than anything else which could occur.

The Federal Reserve Board already has tremendous power over the credit of the country, through the regulatory functions of the Board, especially as applied to the control of credit and controls of other kinds and characters.

This amendment provides for control over installment credit and control over real estate credit, insofar as the latter concerns new construction. In order to give the Federal Reserve Board complete control or in order to provide complete recognition of its authority in the field of inflation, I think we should include a requirement that the Federal Reserve Board shall be consulted and its advice shall be obtained in the case of all Government loans in excess of $100,000. I think such a provision is entirely proper. It would be practical, and I think it would help effectuate one of the fundamental purposes of the bill, namely, the control of inflation.

Mr. SPARKMAN. Mr. President——

The VICE PRESIDENT. The Senator from Alabama is recognized.

Mr. SPARKMAN. The chairman of the committee is temporarily out of the Chamber, and he has asked me to substitute for him at this time.

The VICE PRESIDENT. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, as the Senator from Ohio has explained, his amendment would require consultation with the Federal Reserve Board, prior to the making of any production loan in excess of $100,000 under section 302.

So far as the jurisdiction of the Federal Reserve Board is concerned, I think everyone will agree that throughout this bill we have made provision quite freely for using the services of the Board.

This amendment would place upon the Board an additional responsibility, and would mean that after the agency primarily concerned with the loan had considered the matter and had determined that the loan was necessary in connection with the national defense, the loan would have to be delayed until the Federal Reserve Board, which already has many duties to perform under this bill, could become acquainted with the facts and could make its recommendation.

Thus, the amendment would cause unnecessary delay in connection with essential defense projects, and would require duplication of effort, without commensurate increase in protection to the Government.

The matter received some discussion in the committee. I do not remember that the exact amount was named; but I have had some discussion in regard to whether or not the Federal Reserve Board should be called upon to pass upon these loans. It was the feeling of a majority of the committee that such a provision would slow down the entire program, and that the agency directly concerned with the loaning activity is the one which should pass upon the loans.

For that reason, the committee voted against giving this power to the Federal Reserve Board.

I regret that the Senator from Ohio has offered the amendment at this time. I wish he would not insist upon offering it.

However, inasmuch as he does offer it, I express the hope that the amendment will be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. BRICKER. Mr. President, have I any time left?

The VICE PRESIDENT. The Senator from Ohio has 1½ minutes remaining.

Mr. SPARKMAN. Mr. President, at this time I reserve any time remaining to me.

Mr. BRICKER. Mr. President, the argument the Senator from Alabama is using in regard to this amendment—namely, that it would delay the program—is one which might well have been used, and he might well have accepted it, in regard to the proposal requiring consultation with the Federal Trade Commission and the Attorney General before there is action under the antitrust laws. I argued that that function belongs to the Attorney General and that in that connection there should not be a provision requiring consultation with the Federal Trade Commission.

In this field the Federal Reserve Board is primarily charged with jurisdiction over matters pertaining to inflation and credit. It should have control over the spending of Government money, which is the most inflationary money which can be spent. Under present conditions, such money would amount to some billions of dollars.

Therefore, the Federal Reserve Board should at least have some responsibility in connection with this matter and at least should be advised with and consulted before such a loan is made by the Government.

Mr. President, I think we have a right to submit the amendment. I am not going to withdraw it, and I think we should have a vote on it.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. The Senator from South Carolina has 3½ minutes, if he wishes to use them.

Mr. MAYBANK. Mr. President, in view of the statement previously made when the Chair inadvertently overlooked me and recognized the Senator from Pennsylvania, I simply wish to state that I have no quarrel with the Chair on that account.

A moment ago I was on the telephone. I wish to state that the President of the United States told me that he hoped the bill, including sections 1, 2, and 3, which he originally recommended and submitted to us, would be passed in the form in which it was sent to us.

There have been consultations for weeks with the Secretary of Commerce, Mr. Sawyer, and with Chairman Symington. Mr. Sawyer never asked for the power the Senate voted him, although, of course, the Senate has the privilege of voting to have him use such power; but the President of the United States himself would not be a party to that provision.

Although I have the greatest respect for the distinguished Senator from Colorado, I wish to make clear, in connection with the consideration of the amendment he has submitted, that neither the President nor Mr. Sawyer want any such provision included in this bill, for such a provision would hamstring the operations under the act.

The Senator has said that he spoke to the President; but I wish to say that I, also, have spoken to the President.

I know that Senators desire to write many provisions into this bill. I have had to oppose many of the suggestions which have been made.

Mr. President, no one has any greater affection for the Senator from Ohio [Mr. BRICKER] than have I; but in my judgment, if we provide a limit of $100,000 in this connection, such a provision will interfere with everything the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Minnesota [Mr. THYE] have had included in the bill, particularly in connection with the production of taconite and other commodities.

I am sure that any provision requiring consultation with the Federal Reserve Board in the case of loans in excess of $100,000, loans coming out of the $2,000,000,000, would be a bad provision. Therefore, I oppose the amendment requiring consultation with the Federal Reserve Board in regard to such loans. Such a provision would interfere with and delay operations under the bill.

Mr. BRICKER. The amendment covers direct loans.

Mr. MAYBANK. Of course; in the case of the matter to which the Senator from Minnesota [Mr. HUMPHREY] and his colleague, Mr. THYE, have referred, direct loans in the case of the production of taconite would be covered. The Senator from Wyoming [Mr. O'MAHONEY] has an amendment which also would be affected.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. HUMPHREY. Mr. President, it appears to me that the functions of the Federal Reserve Board are in regard to broad areas of policy, not in connection with matters of specific detail.

This particular amendment will, as the chairman of the committee has so well stated, place on the Federal Reserve Board the duty of going into infinite detail, and such an amendment could hold up the processes of development and expansion which would be needed in very critical areas.

As the Senator from South Carolina has stated, the development of the production of critical materials, such as taconite, which is covered under the amendment my colleague and myself have placed before the committee, could be most adversely affected. This amendment, if adopted, would cause a great deal of delay in that connection and would place upon the Federal Reserve Board a duty which I think it is not set up to handle.

Of course, it is proper for the Federal Reserve Board to have jurisdiction over the broad areas of Government credit control and finance control; but the amendment now before us relates to a different kind of lending problem, one which is beyond the active workings of the Federal Reserve Board.

Therefore I think the amendment should be rejected.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, I wish to say that I think he is quite correct in saying that the Federal Reserve Board is not equipped to pass on individual loans at the present time, whereas it is equipped to handle matters of policy, to which I shall refer later in connection with an amendment of my own.

I wish to call attention to the fact that the bill already contains a provision in regard to power or control in the mortgage field. That field is within the jurisdiction of the Federal Reserve Board, and it is able to handle that matter, but not the matter covered by this amendment.

Mr. HUMPHREY. I agree entirely with the Senator from Arkansas.

The VICE PRESIDENT. All time has expired.

The question is on agreeing to the amendment of the Senator from Ohio [Mr. BRICKER]. [Putting the question.]

The "noes" appear to have it.

Mr. WHERRY. I ask for a division.

On a division, the amendment was rejected.

Mr. TAFT. I offer an amendment. It is my amendment Y, slightly amended.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 36, it is proposed to strike out lines 20 to 25 and on page 37, lines 1 to 20, and insert the following:

(b) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of section 303, and pending the making of such appropriations, any department, agency, official, or corporation utilized pursuant to this section is authorized subject to the approval of the President to borrow from the Treasury of the United States such sums of money as may be necessary to carry out its functions under this title, provided that the total amount so borrowed under the provisions of this section by all such borrowers shall not exceed an aggregate of $100,000,000 at any one time.

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

Mr. FERGUSON. Mr. President, will the Senator from Ohio yield for a brief statement?

Mr. TAFT. I ask unanimous consent that, without losing time, I may permit the Senator from Michigan to make a brief statement withdrawing an amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. FERGUSON. Mr. President, I ask unanimous consent that we may withdraw the subversives-control amendment offered by me and Senator MUNDT, of South Dakota.

The VICE PRESIDENT. The Chair advises the Senator from Michigan that it is unnecessary to do that, since the amendment has never been offered, but has merely been ordered to be printed and to lie on the table.

Mr. FERGUSON. Mr. President, if I may be permitted, I should like to make this statement: After a conference with the senior Senator from Nevada I ask permission for myself and on behalf of the Senator from South Dakota [Mr. MUNDT] and the Senator from South Carolina [Mr. JOHNSTON] to withdraw and not to propose or ask to be voted upon, as an amendment, the Mundt-Ferguson-Johnston bill. It has been agreed that the Senator from Nevada will accept certain amendments to his bill which substitutes the identical language of the Mundt-Ferguson-Johnston bill, and, therefore, there will be a vote, under the agreement of the senior Senator from Illinois, upon that particular bill (S. 2311). The sponsors of the amendment are satisfied with that agreement. It was the desire of the sponsors of S. 2311, the subversives-control bill, to have an early vote on that bill. This procedure will now assure such a vote.

The VICE PRESIDENT. The Senator from Michigan announces that the Mundt-Ferguson-Johnston bill will not be offered as an amendment to the pending bill.

Mr. FERGUSON. That is correct.

The VICE PRESIDENT. The Senator from Ohio is recognized.

Mr. McCARRAN. Mr. President, will the Senator yield for about a minute, that I may make a brief statement in connection with the statement made by the Senator from Michigan?

Mr. TAFT. I ask unanimous consent that I may yield to the Senator from Nevada, without having the time charged to me.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. McCARRAN. Mr. President, the situation is simply this: In drafting my bill (S. 4037) I made certain changes in the language of the Mundt-Ferguson-Johnston bill, primarily for the purpose of integrating the provisions of that bill with the provisions of other measures which were included. My purpose was not to weaken or change in any material respect the provisions of the Mundt-Ferguson-Johnston bill, but to carry them forward into the omnibus measure.

In two or three respects the Senators whose names appear on the Mundt-Ferguson-Johnston bill have expressed the desire that changes which I made should be eliminated so as to conform the language of my bill precisely to the language of the Mundt-Ferguson-Johnston bill. Since my objective, with respect to those provisions of my bill which were, as I have openly asserted, taken from the Mundt-Ferguson-Johnston bill, has been the same objective as that of the Senators whose names appear on the Mundt-Ferguson-Johnston bill, I have been happy to agree to accept the proposed amendments when my bill comes up in the Senate.

Let me stress the fact that none of these proposed amendments will in any way weaken the bill, and that the net effect of these amendments will be to have my omnibus bill include the text of the Mundt-Ferguson-Johnston bill, more precisely in conformity with the text of that bill as it was reported from the Committee on the Judiciary and as it now stands on the Senate Calendar.

The VICE PRESIDENT. The Chair wishes to state that, once an amendment is offered to the pending bill, the question of accepting it is one for the Senate. However, a Senator may modify his own amendment, without unanimous consent. If it is a question of agreeing to an amendment which is not a part of the bill, it would have to be acted upon by the Senate.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. TAFT. Mr. President, I ask unanimous consent that, for the same purpose, I may yield to the Senator from South Dakota, without having the time charged to me.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, I simply want to express my appreciation to the chairman of the Judiciary Committee for working, along with the Senator from Michigan, the Senator from South Carolina [Mr. JOHNSTON] and myself, to effect this agreement, whereby, under the schedule announced by the majority leader today, the Senate will have an opportunity to vote on the provisions of Senate bill 2311, precisely as they will now be included as title 1 of S. 4037. We all believe that this will be a better arrangement than to try to limit debate to 5 minutes to each side on a measure so important as subversive activity control legislation. I am completely satisfied with the agreement that has been effected.

Under terms of the agreement just reached with the chairman of the Judiciary Committee [Mr. McCARRAN] the exact text of the Mundt-Ferguson-Johnston bill is to be substituted for the language in title 1 of S. 4037. Thus the Senate is now assured of an opportunity to vote on the provisions of S. 2311 as part of that omnibus security bill and there no longer is reason to insist upon a vote today on our amendment which would have added it to the pending measure. It is with this understanding that we are now withdrawing our amendment.

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

Mr. TAFT. Mr. President, one of the most extreme powers given in this bill is that which permits the President, under section 303, to go into any business he chooses, and to borrow up to $2,000,000,000 to support such business. Personally I questioned whether it was necessary, whether we should not specify the particular things the Government itself might go into. Personally it seemed to me there were enough private facilities available to manufacture what might be required. It is claimed, however, that, as was the case in World War II in connection with the building of synthetic rubber plants, there may be things which the Government must do. So, while I am not suggesting that we change this power, nevertheless it is an extreme power. It seems to me that it ought to be not the subject of borrowing by the President up to $2,000,000,000, but it ought to be the subject of appropriation. So, the amendment which I offer, amendment Y, in which a typographical error occurred in the printing and which has been corrected, provides:

There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of section 303—

There is no limitation which Congress may appropriate—

and pending the making of such appropriations, any department, agency, official, or corporation utilized pursuant to this section is authorized subject to the approval of the President to borrow from the Treasury of the United States such sums of money as may be necessary—

Which shall not exceed the sum of $100,000,000 at any one time. That is the provision which we placed in certain acts such as the ECA, in order that there may be no delay while the Senate or the Congress is considering the appropriation.

That seems to be a reasonable provision. I cannot understand why this tremendous power should be given. As written, and once the bill is passed, the President may spend $2,000,000,000 for any purpose, on anything he wants, without ever coming back to Congress. He is authorized to borrow it from the Secretary of the Treasury. The Treasury is authorized to purchase the obligations and to use as a public-debt transaction the proceeds of the sale of any securities issued under the Second Liberty Loan Act. It seems to me that the $2,000,000,000, assuming that it is necessary to have it, certainly ought to be subject to appropriation by Congress. My amendment is not a cutting down, I say, of the $2,000,000,000 to $100,000,000. It simply puts in that convenient provision which has been in the ECA and other acts, in order that the delay in the appropriation may not completely stop the process.

It seems to me, Mr. President, that there should be no reasonable objection to the amendment. It gives authority for Congress to appropriate any amount it sees fit to appropriate, but the agency will have to come to Congress to present

its projects. If huge projects requiring $30,000,000,000 are required for the Army, and that matter is subject to appropriation, why not the $2,000,000,000 required for the construction of plants?

Mr. MAYBANK. Mr. President, we have given consideration to the amendment. I know that my colleague and friend from Ohio will agree that the amendment changes the method of obtaining funds for the lending and procurement activities under sections 302 and 303.

Under the bill as reported the agencies which would act under these sections would be authorized to borrow up to $2,000,000,000 from the Treasury for these purposes. No appropriations would be required.

Under the amendment, no special provision would be made for loans under section 302, and these could presumably be made only out of moneys hereafter appropriated for the purpose. The amendment would also require the general use of appropriated moneys for activities under section 303. However, a special $100,000,000 fund would be provided, to be borrowed from the Treasury, pending the making of appropriations.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. Mr. President, I have no objection to inserting section 302 to carry out the purposes of that section, and section 303, and, with the Senator's permission, I shall modify my amendment for that purpose. It was not an intentional omission.

Mr. MAYBANK. I appreciate the statement of the Senator.

Time is of the essence in the defense effort. We cannot afford to delay the start of increases in production and productive capacity until appropriations are granted, either in any amount under section 302 or, under section 303, for more than $100,000,000. To do so would only retard the defense effort and increase inflationary pressures during the period of delay.

I digress for a moment, Mr. President, to say that, as a member of the Appropriations Committee, I appreciate that many Members on the other side of the aisle have done more than I have done to expedite the omnibus appropriation bill. But that bill is not here. Requests have not yet been heard in connection with the deficiency bill. It is almost the first of September. No one has a greater respect for the committee than I have, especially for its distinguished chairman. The conference on the bill has not yet been concluded, and I do not know how long it will take.

The public interest would be preserved through the activities of the special committee established under this bill. I count upon this committee to study the programs and to advise the Congress if the intention of the Congress is not being carried out.

For this reason, Mr. President, and because I am a member of the Appropriations Committee and have the deepest appreciation of the difficulties confronting the committee in its one-package bill, I am not certain that the amendment is a wise one.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. KNOWLAND. Does not the able Senator from South Carolina agree that when we are placing in the hands of the executive branch vast powers in the wartime emergency with which we are faced, the people expect Congress, at least, to keep control of the purse strings, and inasmuch as we are going to have an additional supplemental appropriation bill before us, why is not the administration in as competent a position to ask for what it can justify before the committee, instead of asking for a blank check which requires no legislative action whatever?

Mr. MAYBANK. Mr. President, that is a very good statement for the Senator from California to make, and I appreciate his sincerity and honesty in making it. He has asked me a double-barreled question in his statement. We have given the President the right to keep the boys in the Army for 1 year longer than the period for which they signed. We have given the Commander in Chief the right to call out the National Guard or any other organization, and we have given certain rights in all these matters. I hope the $2,000,000,000 can be scrutinized and carefully looked after, rather than to have to wait for the Senate and the House of Representatives to act. I say that with the deepest respect. I was not a supporter of the one-package appropriation bill. It takes forever to get through with it. We have passed joint resolutions extending appropriations from June 30 to July 31 and from July to August, and I am not at all certain that the appropriation bill will be finished in September, in spite of all the efforts of the Senator from California [Mr. KNOWLAND], the Senator from Nebraska [Mr. WHERRY], and the Senator from Tennessee [Mr. MCKELLAR] to get it through.

The VICE PRESIDENT. The time of the Senator has expired.

The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT], as modified. [Putting the question.] The "noes" seem to have it.

Mr. WHERRY and other Senators asked for a division.

The VICE PRESIDENT. On the division, there is a tie vote, and the amendment is not agreed to.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The Chair has announced the result. The request of the Senator comes too late.

Mr. HUNT. Mr. President, I wish to call up my amendment which is designated "8–17–50–H," and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment offered by the Senator from Wyoming.

The LEGISLATIVE CLERK. On page 37, line 24, beginning with the word "tin," it is proposed to strike out through the first comma in line 1, on page 38.

Mr. HUNT. Mr. President, this amendment simply deletes the word "tin" in section 305. I suggest that deletion because only a few days ago, less than 10 days ago, we sent to the President, and he has signed, a bill providing for an extension of 5 years wherein the tin smelter plant will be under the jurisdiction of the RFC.

Mr. President, I do not think section 305, as a whole, has any proper place in this bill. This is a control bill; it is not a reorganization bill.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. JOHNSON of Texas. I agree with the statement made by the Senator. I was hoping that he would broaden his amendment to strike out the entire section as the Senator from Wyoming has stated, this is not a reorganization bill. There is a critical situation in rubber and tin. The rubber and tin production programs are being well administered at this time by the Reconstruction Finance Corporation and there is no earthly reason for confusing the whole situation at this time by reorganizing and transferring these functions elsewhere.

I hope the chairman of the committee will accept the amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. MAYBANK. Mr. President, I should like to use some of my time, so that I shall not interfere with the Senator from Wyoming.

The VICE PRESIDENT. The Senator will be entitled to recognition when the Senator from Wyoming has concluded.

Mr. HUNT. Mr. President, the junior Senator from Wyoming is agreeable to accepting the amendment to my amendment suggested by the Senator from Texas, if he cares to submit such an amendment. Does the Senator care to have my amendment so modified?

Mr. JOHNSON of Texas. Yes; I should like to do so.

The VICE PRESIDENT. The Senator from Wyoming may modify his own amendment, if he so desires.

Mr. HUNT. I shall accept the amendment offered by the Senator from Texas as a modification of my amendment.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from Wyoming yield for a parliamentary inquiry?

Mr. HUNT. I yield.

The VICE PRESIDENT. The Senator will state it.

Mr. CAPEHART. Are we now considering striking all of section 305?

Mr. HUNT. Yes. I am addressing myself particularly to the matter of tin. As I stated a short time ago it is no more than 10 days ago that we sent to the White House, and it is now an act, a bill providing for a 5-year extension for the tin smelter plant. We are all aware of the fact that by a voice vote we defeated Reorganization Plan No. 24, which would have done exactly what section 305 is designed to do. To the best of my

knowledge the RFC is doing a splendid piece of work in connection with the tin smelter plant, and I can see no reason whatsoever for this section of the bill.

Mr. President, I think this section is a sort of meat ax approach to the matter, in an attempt to do by indirection what the Senate has refused to do directly only recently.

Mr. MAYBANK. Mr. President, has the Senator concluded?

The VICE PRESIDENT. Does the Senator yield?

Mr. HUNT. I yield.

Mr. MAYBANK. As I understand, perhaps a month ago or 3 weeks ago the Committee on Banking and Currency referred to the Committee on Armed Services a bill with respect to tin, which the Committee on Armed Services handled, and which the distinguished Senator from Ohio looked at before the bill was finally approved by the Senate. I understand it went to the President for signature.

Mr. HUNT. Yes.

Mr. MAYBANK. That bill extended the period for 5 years.

Mr. HUNT. Yes.

Mr. MAYBANK. As I understand, there are certain other Government agencies and corporations which are under RFC. I appreciate that certain criticism has been directed against the RFC, but such criticism has nothing to do with the matter involved here. I am hopeful that the entire section will be stricken. I discussed the subject with the chairman of the RFC subcommittee, the Senator from Arkansas [Mr. FULBRIGHT], and I think he will agree with me that rubber, tin, and the other materials should not be in the bill.

Mr. FULBRIGHT. This principle was proposed under Reorganization Plan No. 24. I understood the administration to be particularly interested in it, but I have no feeling about it. I think it would be quite agreeable to leave it where it is. Although I sponsored the amendment in committee, I do not think it important enough to have it stay in the bill. It grew out of Reorganization Plan No. 24. I assume there were worthy reasons for it, although I see no particular reason for objecting to its being taken out.

The VICE PRESIDENT. The Senator from Wyoming [Mr. HUNT] modifies his amendment to provide for striking out section 305. The question is on agreeing to the amendment offered by the Senator from Wyoming, as modified.

The amendment, as modified, was agreed to.

Mr. TAFT. Mr. President, I move to reconsider the vote by which my amendment "Y" was rejected.

The VICE PRESIDENT. The question is on the motion of the Senator from Ohio to reconsider the vote by which the amendment he offered a short time ago was rejected.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. Will there be any debate on the motion to reconsider?

The VICE PRESIDENT. Five minutes is allowed to each side.

Mr. TAFT. There was one misunderstanding with regard to the amendment which I wish to correct. Many Senators thought that I was cutting the $2,000,000,000 to $100,000,000. That is not what the amendment proposes to do. It simply says that this particular spending of $2,000,000,000, or any amount of it, for the purpose of having the Government go into business to build, construct, and operate plants shall be subject to appropriations made by the Committee on Appropriations. There is no limitation provided in the amendment as to what the Committee on Appropriations may appropriate. They may appropriate any amount they wish to appropriate. The $100,000,000 figure simply relates to money which may be borrowed temporarily in case there is a delay in the Committee on Appropriations in making appropriations, as the Senator from South Carolina has indicated there may be. It seems to me that the Senate might well accept this amendment. There is no change in the general principle of control or the general principle involved in the bill.

Mr. MAYBANK. I should like to make one point clear.

The VICE PRESIDENT. The Senator from Ohio has not yielded.

Mr. TAFT. It seems to me perfectly clear that if the Committee on Appropriations can appropriate $30,000,000,000 for the armed services, it can appropriate $2,000,000,000 more for the purpose of enabling the Government to go into business. I can see no reason why a distinction should be made.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MAYBANK. Unfortunately this year we had a single-package appropriation bill. Previously we had separate appropriation bills.

Mr. TAFT. If there is an emergency, Congress could act fast. We will get estimates. We have already received estimates from the President for $16,000,000,000 additional being required for military purposes. The committee would act in such a case, and both Houses would act, within 2 weeks from the time the President sent those estimates in. Why could we not do the same thing in this situation?

Mr. FULBRIGHT. Is it not a matter of Congress taking a look at what is going to be spent before it is spent?

Mr. TAFT. The Senator is correct. I see no reason why we should exempt this particular sum from action by the Committee on Appropriations. That is what this section now does.

Mr. WHERRY. Mr. President, we would not only take a look at the authorization, but it would go through legislative committee which are set up for that very purpose. It would come to the Committee on Appropriations, where it rightfully should come. If this amendment is not adopted we would be bypassing the legislative committees which are set up for the purpose of considering appropriations.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ANDERSON. The Senator made the statement that his amendment would not cut the $2,000,000,000. The last three lines of his proposed amendment read:

> *Provided*, That the total amount so borrowed under the provisions of this section by all such borrowers shall not exceed an aggregate of $100,000,000 at any one time.

Mr. TAFT. Under the original bill it was all borrowed. There was no provision which would let it go to the Appropriations Committee. Once we pass the bill we never hear any more about it. The President can borrow and spend $2,000,000,000 without coming back to Congress. My amendment changes the whole theory. It says that Congress must appropriate for this section, just as it must appropriate for every other purpose or section. The $100,000,000 is provided so that if there is a delay in the appropriation, and an emergency exists, the President can borrow up to $100,000,000 to be repaid when the appropriation comes through. That is the only reason for providing the $100,000,000. The appropriation authority is unlimited. There is no limit on the appropriation authority, but we do retain in the Committee on Appropriations the right to say whether the Government may go ahead and construct the large synthetic-rubber program, or a large program for the manufacture of gasoline, airplanes, or some other program. It seems to me there should be such a check upon the Government before it goes into business. It is a very slight check.

Mr. MAYBANK. As the Senator from Ohio knows——

Mr. TAFT. I wonder if the Senator would not take the amendment to conference. It is really a matter of procedure more than anything else.

Mr. MAYBANK. The Senator's statement is absolutely accurate. We have already gotten together on section 203. I wonder if the Senator believes that $100,000,000, in the event that we are involved in a real emergency, is not a rather low figure.

Mr. TAFT. I would be willing to raise it to $250,000,000, or something in that neighborhood. This represents only what would be spent. It is hardly possible to spend $100,000,000 in a hurry. This is only money which would be spent while the Committee on Appropriations was acting on an emergency request.

Mr. MAYBANK. Why not make it $300,000,000?

Mr. TAFT. Three hundred million dollars. Very well.

Mr. MAYBANK. I have no right to speak for anyone except myself.

Mr. TAFT. Mr. President, I modify my amendment to strike out "$100,000,000" and insert "$300,000,000."

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Ohio [Mr. TAFT] to reconsider the vote by which his amendment "Y" was rejected.

The motion was agreed to.

Mr. TAFT. Mr. President, I modify my amendment in accordance with my understanding with the Senator from South Carolina. I modify my amendment by striking out "$100,000,000", and inserting in lieu thereof "$300,000,000."

The VICE PRESIDENT. The clerk will state the amendment as modified.

The LEGISLATIVE CLERK. On page 36, it is proposed to strike out lines 20 to 25 and on page 37, lines 1 to 20 and insert the following:

(b) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of section 303 and pending the making of such appropriations. Any department, agency, official, or corporation utilized pursuant to this section is authorized subject to the approval of the President to borrow from the Treasury of the United States such sums of money as may be necessary to carry out its functions under this title, provided that the total amount so borrowed under the provisions of this section by all such borrowers shall not exceed an aggregate of $300,000,000 as any one time.

The VICE PRESIDENT. The question is on agreeing to the amendment, as modified, offered by the Senator from Ohio.

The amendment, as modified, was agreed to.

Mr. MAYBANK. Mr. President, will the Senator from Ohio state whether there has been agreement on the other amendment?

Mr. BRICKER. I shall not call up the amendment covering the same subject.

Mr. MAYBANK. The amendment, as amended, retains sections 302 and 303, does it not?

Mr. TAFT. Sections 302 and 303; yes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio, as modified.

The amendment, as modified, was agreed to.

Mr. KEM. Mr. President, I call up my amendment B.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 46, between lines 18 and 19, it is proposed to insert the following:

(k) No rule, regulation, order, or price schedule issued under this act shall require any seller of materials or property to limit, average, or apportion his sales among price ranges on the basis of any average or apportionment of sales made at any prior time.

Mr. KEM. Mr. President, the purpose of the amendment is to forbid what has been known as the maximum average pricing, or the so-called MAP, that was put into effect by the War Production Board and the OPA under the old law. This program requires each seller of merchandise to sell exactly the same amount or quantity of merchandise in each price range to each customer as the seller had done in the base period.

When this regulation was proposed under the OPA there was immediate protest all over the country. A House committee, under the chairmanship of Representative HOWARD W. SMITH of Virginia, held extensive hearings, and recommended that the pricing program be forbidden. Later a Senate committee also held hearings, as the result of which in the second session of the Seventy-ninth Congress a bill was passed to prevent this program being put into effect.

Of course, the result of the proposal is very plain. Its effect can be illustrated by an example. In 1945 great numbers of white shirts accumulated in the hands of manufacturers. They were unable to sell the shirts and put them into channels of trade because they were unable to manufacture shirts of cheaper quality which would meet the necessities of the maximum average pricing.

It has been suggested that under the bill as drawn, maximum average pricing would be possible, and the purpose of the amendment is to restore to the bill the provision which was adopted by the Congress with respect to the old OPA law.

Mr. MAYBANK. Mr. President, I understood that the very able Senator from Missouri had reference to an old OPA law, as I talked with him once about the amendment. He did not tell me that, of course, but I checked, and I should like to state what the result would be. If the Senator differs with me, I should like to have him tell the Senate. One thing I do not think we can do on the Senate floor is to legislate OPA regulations into the bill. The Senator himself said that the amendment was an amendment against an OPA regulation.

Mr. KEM. No; I failed to make myself clear. I am asking the Senate to do exactly what the Senate and House did in the second session of the Seventy-ninth Congress with reference to the previous OPA law. There is no difference at all. We passed this as a law once.

Mr. MAYBANK. It was a regulation.

Mr. KEM. No; it was a law, a law passed by both Houses of Congress and signed by the President.

Mr. MAYBANK. Mr. President, this amendment would prevent the President from issuing a regulation which would prohibit a seller from shifting his average price line or from keeping the same proportion of sales in various price lines. For example, a seller might long have been selling shirts in the $2 to $5 range, perhaps a quarter of his sales being at each of the prices $2, $3, $4, and $5. It might be found advisable to prevent him prom shifting his buisness to the $5 line, abandoning the cheaper lines.

Such a shift would not be a direct violation of the price ceiling established on the $5 shirt, but the effect on the consumer would be much worse than an increase to $2.50 in the price of the $2 shirt.

Regulations of this sort could not, of course, require a person to sell if he did not want to. That is the complaint I have. Section 406 of the pending bill, I say to the distinguished Senator from Missouri, expressly prohibits any requirement of making a sale. But such regulations could prevent a person from so changing his line of business as to defeat the purpose of the bill.

In other words, Mr. President, the Senator's intention is absolutely commendable, and I admire his purpose, but from the legal standpoint, such regulations could prevent a person from so changing his line of business as to defeat the purposes of the bill.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from New Mexico.

Mr. ANDERSON. Does the Senator remember that this is the provision which caused us more difficulty in the OPA regulations than any other? A manufacturer of farm machinery would paint a stripe around a piece of material and put it into a wholly different category from that it was previously in. He was therefore permitted to go into all sorts of new price schedules. It was an amendment adopted at the time when we were nearing the end of OPA and were working out of regulation.

Mr. MAYBANK. The interpretation of it and the way it worked was what led to difficulties.

Mr. ANDERSON. It led to all sorts of difficulties all the way through, and would again.

Mr. KEM. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield to the Senator from Missouri.

Mr. KEM. I desire to ask the Senator from South Carolina if it is not true that the regulation as put into effect by the OPA was found to be entirely unworkable, and if Congress did not intervene and pass a law to prevent the regulation being carried out, as the result of experience, careful investigation, and painstaking consideration of the whole situation?

Mr. MAYBANK. The Senator is absolutely correct. Many of the orders issued by the OPA were unworkable. But it would be incumbent that those affected be consulted before any such regulations could be put into effect again. The Senator from New Mexico has explained the difficulties experienced, and he was at the head of the Department of Agriculture at the time, a Cabinet officer. I believe that what the Senate from Missouri desires to have done cannot be done. I know that merchants would put an extra stripe in a collar and change the brand, and, as the Senator from New Mexico suggested, farm machinery could be painted with a red line instead of a black line.

Mr. KEM. I should like to ask the Senator from New Mexico whether when he was in the President's Cabinet he presented his view about this matter to the House committee and the Senate committee, which had extensive hearings on it, and, after careful consideration, decided that the maximum average pricing plan was not workable, and forbade it being used.

Mr. ANDERSON. I am sure that trying to handle this question by legislation certainly proved to be extremely difficult all the way through.

Mr. KEM. Did it not prove to be extremely difficult when the OPA undertook to make it work?

Mr. ANDERSON. Yes; I think it was very difficult for everybody.

Mr. KEM. Is it not better to withdraw the matter from the realm of impossibility by taking it to conference?

The VICE PRESIDENT. The Senator's time has expired. All time has expired.

Mr. KEM. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Missouri [Mr. KEM].

The amendment was rejected.

Mr. THYE. Mr. President, while the Senator from Colorado [Mr. MILLIKIN] is getting himself into place to speak, may I ask a question?

The VICE PRESIDENT. The Senator from Colorado is in place.

Mr. THYE. To save time, may I ask a question of the able Senator from South Carolina, the chairman of the committee?

The VICE PRESIDENT. Will the Senator from Colorado displace himself momentarily and yield for that purpose?

Mr. MILLIKIN. Yes.

Mr. THYE. The able Senator from South Carolina again has referred to a provision of the bill under which hearings must be held, at which interested parties can be heard before any regulation is imposed. My question of the Senator from South Carolina is: Is the provision to which he referred to be found on page 74, under section 709?

Mr. MAYBANK. That, I think, is one provision. There are several provisions.

Mr. THYE. There has been considerable question in the minds of many with respect to this provision. Some feel that it is so vague that the section could be put aside and not considered; that no hearings would be required under it on the part of the administrator at which the related industries could appear, before regulations would be imposed. My only reason for asking the question is in the attempt clearly to define whether the provision of the bill found on page 74 under section 709 is the provision with respect to which the Senator from South Carolina stated to the Senate that under a provision in the bill the administrator must hold hearings and permit the interested parties to be heard.

Mr. MAYBANK. The Senator has asked me a question which would take quite a little time to answer. I do not know whether the time is now being charged against the Senator from Colorado.

The VICE PRESIDENT. It is. He soon will have no time left.

Mr. MAYBANK. Three answers can be found to the question. I shall be glad to discuss the matter with the Senator from Minnesota when we may have 5 minutes of our own to do so, and not take the time of the Senator from Colorado now.

Mr. THYE. I thank the distinguished Senator from South Carolina.

Mr. MILLIKIN. Mr. President, I call up my amendment dated August 18, 1950, lettered "P" which I offer and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. MILLIKIN. Mr. President, unless some Senator wishes to hear the amendment read in full, I ask unanimous consent that the remainder of the amendment not be read, but that the amendment be printed in the RECORD in full at this point.

The VICE PRESIDENT. The Senator from Colorado has asked unanimous consent that the reading of the amendment be waived and that the amendment be printed in the RECORD in full at this point. Is there objection? The Chair hears none, and it is so ordered.

Mr. MILLIKIN's amendment is as follows:

On page 32, between lines 16 and 17, insert "Subtitle A—General Expansion."

On page 35, line 23, before the period, insert a colon and the following: "*Provided further*, That the provisions of this section shall be without prejudice to, and shall be administered consistently with, subtitle B of this title."

On page 36, line 21, after the word "section", insert the following: "or pursuant to subtitle B of this title."

On page 38, between lines 9 and 10, insert the following:

"SUBTITLE B—METALS AND MINERALS

"SEC. 311. (a) It is the policy of the Congress that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States, and that every effort be made to encourage the development and maintenance of sources of these metals and minerals within the United States in order to decrease and prevent, wherever possible, a dangerous and costly dependence by the United States upon foreign nations for supplies of such materials. To this end it is the further policy of the Congress that every effort be made to maintain a sound and active mining industry within the United States; to expand exploration for those ores and other mineral substances which are essential to the common defense or the industrial needs of the United States; and to prevent the discontinuance of mine operations under such circumstances as to make it probable that production would not or could not be resumed when needed for the national economy or security.

"(b) In carrying out these policies small mining enterprises shall be encouraged to apply for aid under this subtitle, and for this purpose the Secretary of the Interior shall provide small mining enterprises with full information concerning this subtitle, and shall make special provision for expeditious handling of applications from small mining enterprises.

"SEC. 312. A Minerals Conservation Board, consisting of the Secretary of the Interior, the Secretary of Defense, the Secretary of Commerce, and the Secretary of the Treasury, is hereby established. The Secretary of the Interior shall be the executive chairman of the Board. The members of the Board may delegate their powers, functions, and duties, including those relating to appeals, to suitable officers of their respective agencies.

"SEC. 313. To carry out the policy of this subtitle, the Board shall by regulation determine—

"(a) the amount of money to be allocated to the aid of exploration, on the one hand, and to the aid of conservation, on the other hand;

"(b) the amount of money to be allocated to the aid of exploration for any metal or mineral or group of metals or minerals, as specified by the Board;

"(c) the amount of money to be allocated to the aid of conservation of any metal or mineral or group of metals or minerals, as specified by the Board;

"(d) the maximum price or the minimum price, or both, which may be paid for the purchase of any metal or mineral for conservation: *Provided*, That adequate allowance shall be made for depletion and depreciation in computing costs of operation or maintenance;

"(e) the maximum amount or the minimum amount, or both, which may be paid on account of participation in the costs of maintenance for conservation with respect to any metal or mineral;

"(f) the maximum amount or the minimum amount, or both, which may be paid to any producer or class of producers on account of exploration for any metal or mineral or group of metals or minerals, and the ratio which the Government's contribution for exploration shall bear to the contribution of any producer or class of producers for exploration;

"(g) the particular metals or minerals or ores thereof and specifications therefor that shall be eligible for aid for conservation;

"(h) the particular metals or minerals that shall be eligible for aid for exploration; and

"(i) the time limits or dates within which contracts for aid for conservation shall terminate.

"SEC. 314. (a) The Board shall promulgate such rules and regulations as may be necessary to carry out its functions and duties under this subtitle, and to provide fair and equitable treatment for all applicants for aid.

"(b) The Secretary, subject to the rules and regulations of the Board, may prescribe rules and regulations for carrying out the provisions of this subtitle and which must be complied with by applicants for contracts under the provisions of this subtitle.

"(c) The Secretary may delegate any of his functions under this subtitle.

"(d) All rules and regulations issued under the authority contained in this section shall be published in the Federal Register.

"SEC. 315. (a) Any producer may file with the Secretary an application for financial aid in carrying out a specified project for exploration or financial aid to conserve a deposit of ores or minerals. An application to conserve may be either for aid by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit. The application and the project for aid disclosed by the application must conform to the express policy and provisions of this subtitle and with the rules and regulations of the Board and of the Secretary: *Provided, however*, That simple contracts covering exploration projects shall be awarded upon application to small base metal mines and such contracts shall provide for the payment by the United States of one-half of the total reasonable costs of all tunnels, shafts, winzes, and raises in such a mine if the application or examination discloses that there is a reasonable promise of developing unknown or undeveloped sources of metals or minerals. All contracts covering exploration projects shall contain provisions for repayment to the United States of sums paid by the United States pursuant thereto, liability for such repayment to be limited to payment of a reasonable portion of profits accruing from production resulting from such exploration.

"(b) The Secretary shall cause qualified mining engineers, geologists, and any other necessary technicians to make examination of and to report on each application, and to certify it to the Secretary either for acceptance, as presented or subject to speci-

fied modifications, or for rejection. In the case of a project for exploration, the examining experts shall certify whether the project offers reasonable promise of discovering known or undeveloped sources of metals or minerals. In the case of a project for aid to conserve a deposit of ores or minerals, either by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit, the examining experts, considering economic and practical factors, shall certify whether the project offers reasonable promise of maintaining in stand-by condition or in production, as the case may be, a property the production from which would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances as to make it probable that for economic or technical reasons such production would not or could not be resumed when needed for the national economy or security.

"(c) The Secretary shall either accept and approve the application, subject to any modification therein which he may require, or he shall reject it: *Provided*, That if the Secretary's action on the application conflicts with the recommendation and certification of the examining experts, he shall refer the application to the Board; and the Board shall either confirm and approve the action of the Secretary, or shall reverse it, or shall direct the Secretary to reconsider it. Confirmation or reversal of the Secretary's action by the Board shall be final, and direction to reconsider shall place the application in the same status it was in before action upon it by the Secretary. If the Secretary accepts the application, either in its original or modified form, the terms of the application and acceptance shall be merged in a formal, written contract. Any applicant who is dissatisfied with the decision of the Secretary upon his application, may at any time within 30 days after receipt of notice of the decision, unless further time is granted by the Board, appeal to the Board, and the Board, as expeditiously as possible, shall review the entire matter, make its findings thereon, and notify the applicant of its decision, which shall be final.

"(d) All metals or minerals purchased under the provisions of this section, or such equivalent quantities thereof as may be permitted by the contract with the producer, shall be delivered by the producer to and shall be received and paid for by the Administrator of General Services at such places and times as may be provided in the contract. The Administrator shall from time to time, and in any event before selling them in the open market, notify the Munitions Board of the inventory of metals or minerals held by him under the provisions of this subtitle and shall continue to hold all metals or minerals received by him under this subtitle until at least 60 days after he has given the Munitions Board notice that they are so held. The Munitions Board may, as long as any such metals or minerals are held by the Administrator, (1) direct the Administrator to transfer any of them to the national security stockpile in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act, as amended (53 Stat. 811, 60 Stat. 596), or (2) within 60 days after such notice from the Administrator direct him to hold any such metals or minerals listed in the notice until 60 days after the next succeeding appropriation for purchases for the stockpile has become available. Unless notified by the Munitions Board to either transfer any of such metals or minerals or to continue to hold them as provided in this subsection, the Administrator shall sell them in the open market if and when open-market prices will return to the Government at least the approximate average price paid by the Government for the metals or minerals, and only in such quantities as will not materially depress the market. No metal or mineral shall be transferred into the national security stockpile under the provisions of this subtitle unless the material has been found to be strategic and critical as provided in the Strategic and Critical Materials Stock Piling Act, and meets established specifications as to quality and degree of refinement or processing, and unless such transfer is consistent with the current stockpiling procurement program of the Munitions Board. Any transfer of metals or minerals to the national security stockpile shall be covered by a transfer of funds from appropriations available for purchases for the stockpile to the Administrator in amounts approximating what the cost of the metals or minerals would have been if purchased in the open market at the time of transfer.

"(e) Contracts entered into under the provisions of this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes, as amended, or other provisions of law prescribing the manner of making contracts on behalf of the United States.

"(f) No contracts shall be entered into under the provisions of this section for a period exceeding 2 years.

"SEC. 316. As used in this subtitle—

"(a) 'Secretary,' standing by itself, means the Secretary of the Interior.

"(b) 'Administrator' means the Administrator of General Services.

"(c) 'Board' means the Minerals Conservation Board.

"(d) 'Exploration' means exploration in the United States for unknown or undeveloped sources of metals or minerals, including undeveloped extensions of known deposits, conducted from the surface or underground, by surface trenching, core or churn drilling, tunnels, raises, winzes, or shafts, including recognized and sound procedures for obtaining pertinent geological information, and including metallurgical research on processes for the production of such metals or minerals.

"(e) 'Production' means the production of ores or minerals from mines in the United States, or from tailings, dumps, slags, or residues of such mines, which the Secretary determines would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances with respect to each particular mine as to make it probable that for economic or technical reasons such production would not or could not be resumed promptly when needed for the national economy or security.

"(f) 'Small base metal mines' means mines or deposits of ores primarily producing or which in the course of conducting an exploration project primarily produce lead, zinc, or copper ores, or ores containing a combination of such metals, the average aggregate monthly production of which does not exceed 100 tons of lead, zinc, and copper metal combined.

"(g) 'Producer' means any person or persons or legal entity by whom or for whose account and interest exploration, maintenance, or production is to be or is being performed.

"(h) 'United States,' when used in a geographical sense, means the United States and its Territories and possessions.

"SEC. 317. This subtitle shall not be construed as superseding or amending the Atomic Energy Act of 1946 (60 Stat. 755), as amended."

Mr. MAYBANK. Mr. President, may I speak for a moment in the time of the Senator from Colorado?

The VICE PRESIDENT. The Senator from Colorado has not yet begun his statement.

Mr. MILLIKIN. Does the Senator from South Carolina wish to speak now before I have begun to present my case?

Mr. MAYBANK. I should like to make a statement.

Mr. MILLIKIN. The Senator can do so on his own time.

The VICE PRESIDENT. The Senator from Colorado is recognized.

Mr. MILLIKIN. Mr. President, the proposed amendment, with the exception of minor changes to bring it within the structure of the bill, is in the exact language of Senate bill 2105, which passed this body after considerable debate on October 6, 1949, and which went to the House Committee on Public Lands, where it was approved with amendments. A vote in the House was blocked by the House Rules Committee. Efforts to override the Rules Committee and pass the bill required a two-thirds vote, which was not secured, although more than a majority of those voting favored such action.

Senate bill 2105, from which this amendment is taken, was worked out in cooperation with the Secretary of the Interior, the Bureau of the Budget, and with the Munitions Board. It was the best bill that could be worked out considering all the varying opinions on the subject.

Very briefly, the purpose of the amendment is Federal aid to decrease and prevent wherever possible a dangerous and costly dependence by the United States on foreign nations for supplies of strategic, critical, and essential metals and minerals.

To further this objective there is provision for a Mineral Conservation Board consisting of the Secretaries of Interior, Defense, Commerce, and Treasury, with the Secretary of Interior as Executive Chairman of the Board.

Two kinds of activity are contemplated—one to aid exploration and the development of new sources of such minerals in this country; the other to aid in the conservation of known mineral deposits in existing mines in this country and to make such deposits available when needed.

The Board is given appropriate powers for putting these programs into effect and for the disposition of the mineral supplies which may result.

By specific provision the terms of this amendment are integrated into the whole program for expansion of productive capacity and supply contained in title III of the pending bill.

The present language in section 303 having to do with the supply of minerals does not spell out specific and adequate programs for developing such supply or the maximum feasible amount thereof within the limits of the United States and that is the main reason for this amendment.

Let me emphasize that the President will not be hampered by the amendment in any efforts which he determines should be made to secure foreign supplies of strategic minerals, or domestic supplies thereof unaffected by the amendment. He is not hampered in any program he may establish for doing preclusive buying to keep foreign minerals

out of enemy hands. The amendment strengthens the hand of the President as Commander in Chief of our military forces.

The Board and the President will determine the size and the cost of the program under the amendment, and the method of financing it will come under the other provisions of the pending bill either through the borrowing route provided in section 304 (b) or by appropriations authorized in section 711.

This amendment does not cripple or tend to cripple anything except our unsound dependence upon foreign strategic minerals. It fits within the general structure of the pending bill. It simply requires that among all the other choices of action open to the President under the bill, attention shall be given to exploration and development of our domestic mineral resources.

I wish time permitted me to discuss our stockpile situation, permitted me to develop the alarming scope of our dependence upon foreign minerals. I will simply remind the Senate of the facts of public record that this Nation is supplying only 74 percent of its copper consumption, 68 percent of its zinc production, 74 percent of our lead consumption; that practically speaking we are not producing in this country any tungsten, manganese, chrome, mercury, or a large number of other badly needed minerals.

A single well-placed bomb can destroy our principal foreign source of uranium. Submarines can destroy the carriers of the foreign strategic minerals on which we are dependent.

The passage last year of the bill from which this amendment is taken was a belated effort to plug a large loophole in our defenses. Adoption of the amendment at the present time is emergently and crucially needed.

Therefore I hope the amendment will be adopted.

The VICE PRESIDENT. The time of the Senator from Colorado has expired.

Mr. MAYBANK. Mr. President, there is no one who appreciates more than does the chairman of the committee the importance of the subject matter of the amendment. I have spoken about it to the distinguished Senator from Colorado and to Senators on this side of the aisle.

As the Senator from Colorado has said, the subject matter of the amendment was before us last year, and I voted in favor of it then. I understand that the bill on that subject is tied up in the House Rules Committee.

Mr. MILLIKIN. That is correct.

Mr. MAYBANK. However, I am fearful that adoption of the amendment as a part of the bill would precipitate in the conference a situation which would jeopardize the prompt enactment of the bill.

If the Senator from Colorado wishes to have me agree to take the amendment to conference, I shall be most happy to do so, although I call attention to the fact that the amendment covers the substance of a bill which we have already passed, but which is bottled up in the House Rules Committee.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MILLIKIN. I wish to say that this matter was handled under the leadership of the distinguished senior Senator from Wyoming [Mr. O'MAHONEY].

Mr. MAYBANK. Oh yes.

Mr. MILLIKIN. I was glad to assist in that connection, insofar as I could.

The House committee approved the bill, but was unable to obtain a rule in regard to consideration of the bill by the House. A majority of the members of the committee favor enactment of the bill.

Mr. MAYBANK. Mr. President, I appreciate what the Senator from Colorado has said, and I appreciate what the Senator from Wyoming has done in connection with this matter.

I shall not object if they wish to have the amendment accepted and taken to conference; but I should like to have it understood that in the conference I will not insist on inclusion of the amendment, because this subject is now before the House Rules Committee, in connection with another measure.

Mr. MILLIKIN. Mr. President, I am not making a gesture. I hope the distinguished chairman of the committee will give his strongest personal support to the amendment. It goes to a vital part of our defenses.

Mr. MAYBANK. I will, just as I did last year in regard to the other measure.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LANGER. I should like to call attention to the fact that we are short of antimony. Unless the amendment is adopted, we shall be faced with a very difficult situation; because in connection with the manufacture of steel, approximately 20 percent of the material used is antimony.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. JOHNSON of Colorado. This amendment contains many of the provisions which were in the act passed by the Congress during the last war, and which enabled us to obtain metals which helped in the winning of the war. So I think we should begin on this program now.

Mr. MILLIKIN. Mr. President, I ask for the yeas and nays on the question of adoption of the amendment.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. All time on the amendment has expired. The Chair cannot recognize at this time a Senator unless he is yielded to by the Senator in charge of the time; and the Senator in charge of the time has not yielded.

The question is on agreeing to the amendment of the Senator from Colorado [Mr. MILLIKIN].

The amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I call up my amendment lettered "F," and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 59, in line 10, it is proposed to strike out the words "Such regulations" and insert in lieu thereof the following:

Such regulations may, notwithstanding any other provision of law, include provisions relating to any real estate construction credit extended, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended. Regulations issued under this section.

On page 62, it is proposed to strike out lines 12 to 19, inclusive.

COL. GEORGE W. COOMBS

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that I may yield to the Senator from Maryland [Mr. TYDINGS], without having the time he uses charged against the time available to me.

The VICE PRESIDENT. Only 5 minutes can be used by any Senator in connection with any amendment.

The Senator from Arkansas asks unanimous consent that he be permitted to yield the floor temporarily to the Senator from Maryland.

Mr. TYDINGS. For 1 minute only.

The VICE PRESIDENT. The request is that unanimous consent be given for this purpose, to permit the Senator from Maryland to proceed for 1 minute.

Is there objection? The Chair hears none, and the Senator from Maryland may proceed for 1 minute.

Mr. TYDINGS. Mr. President, while we are here today trying to preserve the best that civilization has produced, in the face of very threatening dangers, I should like to call attention to a circumstance which I think warrants a brief comment.

Col. George W. Coombs, of Kentucky, today is finishing his forty-second year on the staff of the Baltimore Sun. For 33 years continuously he has been a member of the Press Gallery, and for many years he has been treasurer of the National Press Club. He is getting along toward the sunset of life.

All of us know him very well. He is a gentleman, a scholar, and a fine American citizen.

I wish to pay to him this brief tribute, which I am sure is shared by the large number of acquaintances and friends he has on Capitol Hill, and to wish him many years of happiness, good health, and contentment.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, the purpose of the amendment may be stated very briefly. Under the bill as now written, the Federal Reserve Board has control of the regulation of credit in connection with new construction in the mortgage field, wherever private institutions participate. However, all construction credit in the governmental field—in other words, under the Government building programs, in connection with FHA and housing construction for veterans—is not subject to control by the Federal Reserve Board. That part of the field comprises roughly one-half of the whole field.

The big difference is that under existing banking law the national banks will not lend more than 60 percent in the case of private mortgages. In other words, they require a 40-percent down payment, whereas, as we know, the down payments required under the Government program are very small. Recently, approximately a month or so ago, the President by means of Executive order increased the down payments by 5 percent. They still range from 5 percent to not more than 20 percent, I believe. So an inflationary influence exists in the field of governmental insured housing construction credit.

I think from a reading of the bill many persons receive the mistaken impression that the Federal Reserve Board has real power over governmental housing construction credit, whereas the fact of the matter is that the Federal Reserve Board does not have such power.

It is inconceivable to me that we should permit a down payment of 40 percent to be required in the case of private credit, but would leave governmental credit subject to the requirement of a down payment of as little as 5 percent, or sometimes ranging up to 20 percent. Of course the result of such a situation is to drive all the mortgages into the Government agencies.

So I think either we should take the Federal Reserve Board out of this field—because this field already is covered by the National Banking Act—or else the Federal Reserve Board should be given authority over the mortgages which are insured and guaranteed by Federal agencies.

This amendment simply gives to the Federal Reserve Board the power to determine the amount of down payment to be made, and the regulations to be imposed in that connection, in the field of mortgages guaranteed or insured by Government agencies.

This amendment was considered by the committee, and the committee turned it down. The reason for that, as the chairman will state, was I think the great concern that there might be some interference with the housing program on the part of the Federal Reserve Board. Of course there will be. Of course there should be. If we are serious at all about inflation, the only place we can make any impression upon it is in the field of Government construction; that is, construction loans guaranteed by the Government. If we are not serious about it, then I say we ought to delete the whole thing from the bill. I think it is entirely meaningless as now written. So, in order to be honest about it, I think we ought to adopt this amendment to extend the power of the Federal Reserve Board to the setting up of regulations in this field. I may say that the Joint Committee on the Economic Report specifically said in so many words that the over-all coordination of our fiscal policy ought to be in the hands of the Federal Reserve Board. The report of the Banking and Currency Committee leaves the impression that the Board ought to have this basic responsibility. It then proceeds to state, however, on page 47, that the primary responsibility in the field of mortgage credit is in the Housing and Home Finance Agency. I think it certainly ought to be clarified, and I offer this amendment in order to give the Federal Reserve Board the authority which I think we all would like it to have, to try to do something about credit, as I see it, in the tax field. That is the basic field so far as combating inflation is concerned. The next most basic one is the credit field.

The control bill as it relates as such to prices, about which we have argued so much, does not at all affect the real problem of inflation, but simply postpones its evil effects. In effect, I think it ultimately increases the evil effects of inflation, by reason of the very fact that they are postponed. But the field of credit control, along with taxes, is the field which is really and basically effective when it comes to the control of inflation.

I certainly hope the Senate will adopt this amendment. It would give an agency in which we all have confidence, I believe, really substantial power to do something in the field of mortgage credit.

The VICE PRESIDENT. The time of the Senator from Arkansas has expired.

Mr. MAYBANK. Mr. President, this amendment would authorize the Board of Governors of the Federal Reserve System to issue regulations relating to the extension of real estate construction credit, or the insurance or guaranty of such credit, by any Federal agency.

Under the bill as reported the President could issue such regulations, in spite of the provisions of existing law, with respect to such Government loans or insurance, after consultation with the Board of Governors. The amendment would transfer this authority from the President to the Board.

The committee considered and did not accept this proposal and I urge that the Senate reject it.

The Board of Governors of the Federal Reserve System have been given many new tasks under this bill, including the V-loans under section 301, consumer credit controls under section 601, and controls over private real estate construction credit under section 602. I question the wisdom of saddling them with an additional and extensive task.

Furthermore, it does not appear to me either necessary or appropriate to give the Board of Governors control over the credit functions of such executive agencies as the Veterans' Administration and the Housing and Home Finance Agency. These functions are not based solely on credit policies and problems, and should not properly be withdrawn from the control of the President.

Accordingly, I urge that this amendment be rejected.

I think the Senator from Arkansas will agree with me that the amendment would transfer authority from the President to the Board of Governors.

Mr. FULBRIGHT. That is correct. In actual effect, of course, I assume the Housing Authority would be the Agency which would act under the present authorization.

Mr. MAYBANK. If the Senator will bear with me, the committee considered but did not accept this proposal, and, of course, as the chairman of the committee, I would naturally oppose it, because we desired to leave as much authority with the President as possible.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Alabama?

Mr. MAYBANK. I shall yield in a moment.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield.

Mr. FULBRIGHT. Is it not true that the control of consumer credit, which is with the Board of Governors of the Federal Reserve System, and which I think no one questions, is given here, yet there is no real substance to the power which we have given them over operating the field of mortgage credit, for the simple reason that the existing banking law already requires a minimum of 40 percent down payment? I do not think anyone would say that that is seriously inflationary, neither do I think anyone contemplates that we are going to increase the down payment in the near future, when we have got it so far out of line with the requirements of each public housing bill. That is the only point. There is not, in substance, so much given to the Federal Reserve Board under this bill, although the Board is mentioned in several instances.

Mr. MAYBANK. Mr. President, I differ with my distinguished friend from Arkansas in thinking that we give the Federal Reserve System a great deal of power. But the Senator also knows that we give the Federal Reserve Board power over the Veterans' Administration and the Housing and Home Finance Agency. I do not think the Government agencies which have been functioning so well, agencies such as the Housing and Home Finance Agency, under the direction of Mr. Foley, Mr. Richards, and others, ought to be placed under the Federal Reserve System.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, the whole objective is not the promotion of building. I agree they have been functioning well. But the objective here is controlling inflation, and controlling a much greater extension of credit. That has not been

even the objective of the Housing and Home Finance Agency. I do not want this amendment to be understood as casting any reflection upon or making any criticism of the Housing and Home Finance Agency.

Mr. MAYBANK. I do not suggest that.

Mr. IVES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from New York?

Mr. MAYBANK. I yield.

Mr. IVES. The Senator from New York happens to be one of those who were inclined to favor this amendment when it was before the committee. Since that time, the Senator from New York has gone into this matter to a considerable extent and has discovered that this amendment, if it should happen to be adopted, would mean that there would in all likelihood be no VA or FHA housing during the coming year.

Mr. MAYBANK. The Senator is correct.

Mr. FULBRIGHT. That is on the assumption that the administration of the proposed act will be wholly arbitrary. I do not know how the Senator from New York could arrive at any such conclusion.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I shall yield presently to the Senator from Alabama the few remaining moments I may have. But I want to say that the American Legion and other agencies have been in touch with me by telephone and telegraph, and they are fearful that this amendment will do exactly what the Senator from New York has said.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Does the Senator from South Carolina yield to the Senator from Illinois?

Mr. MAYBANK. I yield to the Senator for a question, after which I shall yield the remainder of my time to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from South Carolina has remaining 30 seconds only.

Mr. DOUGLAS. Is it not true that in spite of the virtues of the Federal Reserve Board it has a distinct blind spot so far as veterans' housing is concerned and so far as public housing is concerned, and that to place this authority in the hands of the Federal Reserve Board would mean the guillotine?

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. KERR. Mr. President, I ask unanimous consent that the Senator from South Carolina be given an additional minute.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, I have no objection, except that if anyone on the other side of the debate wants another moment, I think he ought to be given it likewise.

Mr. KERR. I agree with that.

The PRESIDING OFFICER. Without objection, the Senator from South Carolina is recognized for one additional moment.

Mr. MAYBANK. I yield my remaining one moment to the Senator from Alabama, to whom I yielded some time ago.

Mr. SPARKMAN. Mr. President, the Senator from New York brought out the very point I wanted to suggest. It is that in the high-percentage Government-aid programs mentioned by the Senator from Arkansas we provide for veterans' loans, and we provide for a type of low-cost housing. In other words, we regulate the type, whereas so much of the conventional loan types which come under the Federal Reserve Board, and the 60 percent loans mentioned by the Senator from Arkansas, go into what might well be termed the luxury type of house. I do not believe that to get an adequate housing program we can afford to place an across-the-board limitation on it. In other words, the regulation must be such that it will look after the housing needs, while at the same time controlling the inflationary aspects of the program. For that reason, I believe that the committee arrived at a wise decision in trying to attain the balance by giving to the Federal Reserve Board control over the conventional type of private building, while retaining in the President, and, presumably, in the Housing and Home Finance Agency, but requiring consultation with the Federal Reserve Board, the type of housing for which Congress has provided under a definite housing policy.

Mr. FULBRIGHT. Mr. President——

Mr. KNOWLAND. Mr. President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. The answer to the question may influence my vote on this amendment. Is it the Senator's interpretation that the Federal Reserve Board would have discretionary power to act differently in the case of low-cost housing mentioned by the Senator from Alabama or in the case of higher-cost housing which might not be so essential at the moment?

Mr. FULBRIGHT. Certainly. There is nothing in the amendment or in the bill which would restrict the making of allowances, but the housing agencies want no interference whatever. If our objective is to promote housing, of course, we should not have this amendment at all; there should not be anything about it in the bill. I assumed our objective was to try to exercise some control over inflation. There can be no question that inflation in the mortgage credit field is great, and that is the field in which the Government has insured mortgages. We cannot have our cake and eat it, too. As much was said in the committee regarding the prices of lumber and building materials as on any other one item, with the exception of meat, perhaps. I do not think we should assume that the Federal Reserve Board would act completely arbitrarily. The Board has some good judgment, I think.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT]. [Putting the question.] The "ayes" seem to have it.

Mr. MAYBANK and other Senators requested a division.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Millikin
Anderson	Hoey	Morse
Benton	Holland	Mundt
Brewster	Humphrey	Murray
Bricker	Hunt	Myers
Bridges	Ives	O'Conor
Butler	Jenner	O'Mahoney
Byrd	Johnson, Colo.	Pepper
Capehart	Johnson, Tex.	Robertson
Chapman	Johnston, S. C.	Russell
Chavez	Kefauver	Saltonstall
Connally	Kem	Schoeppel
Cordon	Kerr	Smith, Maine
Darby	Kilgore	Smith, N. J.
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Dworshak	Lehman	Taft
Ecton	Lodge	Taylor
Ellender	Long	Thomas, Okla.
Ferguson	Lucas	Thomas, Utah
Flanders	McCarran	Thye
Frear	McCarthy	Tobey
Fulbright	McClellan	Tydings
George	McFarland	Watkins
Gillette	McKellar	Wherry
Graham	McMahon	Wiley
Green	Magnuson	Williams
Gurney	Malone	Young
Hendrickson	Martin	
Hickenlooper	Maybank	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] and the Senator from Kentucky [Mr. WITHERS] are unavoidably detained on official business.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Kentucky [Mr. WITHERS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The result was announced—yeas 34, nays 54, as follows:

YEAS—34

Brewster	Fulbright	Millikin
Bricker	George	Mundt
Bridges	Gurney	Russell
Butler	Hickenlooper	Saltonstall
Byrd	Hoey	Smith, N. J.
Capehart	Jenner	Taft
Cordon	Kem	Watkins
Darby	Knowland	Wherry
Donnell	Langer	Wiley
Dworshak	McClellan	Williams
Ecton	Malone	
Ferguson	Martin	

NAYS—54

Aiken	Ives	Morse
Anderson	Johnson, Colo.	Murray
Benton	Johnson, Tex.	Myers
Chapman	Johnston, S. C.	O'Conor
Chavez	Kefauver	O'Mahoney
Connally	Kerr	Pepper
Douglas	Kilgore	Robertson
Ellender	Lehman	Schoeppel
Flanders	Lodge	Smith, Maine
Frear	Long	Sparkman
Gillette	Lucas	Stennis
Graham	McCarran	Taylor
Green	McCarthy	Thomas, Okla.
Hendrickson	McFarland	Thomas, Utah
Hill	McKellar	Thye
Holland	McMahon	Tobey
Humphrey	Magnuson	Tydings
Hunt	Maybank	Young

NOT VOTING—8

Cain	Hayden	Vandenberg
Downey	Leahy	Withers
Eastland	Neely	

So Mr. FULBRIGHT's amendment was rejected.

Mr. SALTONSTALL. Mr. President, I offer my amendment 8-17-50-I.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 45, between lines 16 and 17, it is proposed to insert the following:

(4) No ceiling shall be established or maintained for any fishery commodity below the higher of the two following prices: (i) A price determined by the Secretary of the Interior to be generally representative of those received by fishermen for such commodity during the calendar year 1946, adjusted by the Secretary of the Interior for grade location, and seasonal differentials, or (ii) a price for such commodity determined by the Secretary of the Interior to be generally representative of the prevailing prices received by fishermen for such commodity during the period from May 24, 1950, to June 24, 1950, inclusive, or in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal marketing conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the Secretary of the Interior, they are generally representative, with adjustments by the Secretary of the Interior for grade, location, and seasonal differentials. No ceiling shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any fishery commodity below a price which will reflect to fishermen producing such fishery commodity a price for such fishery commodity equal to the higher price thereof specified above: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of fishery commodities a generally fair and equitable margin shall be allowed for such production, processing, and marketing. The President from time to time shall adjust ceiling prices for fishery commodities, and commodities processed or manufactured in whole or substantial part therefrom, in order to make appropriate allowances for unusual increases in costs of production, processing, and marketing, and factors which result from the hazards occurring in connection with the production, processing, and marketing of such fishery commodities. The President shall stabilize salaries, wages, or other compensation of those fishermen whose compensation is customarily based upon shares of amounts procured from the sale of fishery commodities or products thereof in such manner as to preserve the customary relationship between such compensation and the amounts so procured, without regard to the provisions of paragraph (2) of this subsection.

Mr. SALTONSTALL. Mr. President, this amendment endeavors to recognize the importance of the fishing industry as a source of food and endeavors to recognize that it has certain hazards similar in nature to some of those faced by agriculture.

The bill as it now stands on pages 44 and 45 applies certain principles to agriculture in an endeavor to try to avoid as best we can some of the pitfalls which took place during the OPA administration during the recent war which made almost unprocurable at any price certain agricultural commodities.

The amendment endeavors to set up a criterion by which a fair price shall be established for fish. It sets up for this purpose the higher of the two following prices: First, a price determined by the Secretary of the Interior to be generally representative of prices received by fishermen for such commodity during the calendar year 1946 to a year when the price of fish was both under and without control, adjusted by the Secretary of the Interior for grade, location, and seasonal differentials; or, second, a price for such commodity determined by the Secretary of the Interior to be generally representative of the prevailing prices received by fishermen for such commodity during the period from May 24, 1950, to June 24, 1950, inclusive, or in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal marketing conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the Secretary of the Interior, they are generally representative, with adjustments by the Secretary of the Interior for grade, location, and seasonal differentials. No ceiling shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any fishery commodity below a price which will reflect to fishermen producing such fishery commodity a price for such fishery commodity equal to the higher price thereof specified.

The amendment also provides for a generally fair and equitable margin, not only for production, but for processing and marketing. In addition to this, it recognizes the fact that many fishermen work on what is called "shares." That is, their wages are determined by the total price received by the ship for their total catch. It can be clearly seen from this that the fishermen's wages are tied directly to the ceiling price of fresh fish landed at fish piers. There was considerable trouble in facing this actual fact during the OPA administration. This amendment seeks to clarify this point, which is of exceeding importance to the men who make their living going to sea and fishing.

We in New England want the agricultural communities to recognize the fact that fish is an exceedingly important source of food. It is important throughout our country and I hope that no ceilings will be placed through any provisions of this bill that will do serious or permanent injury to all the people depending upon fishing for their livelihood and at the same time be fair to the consumers. That, Mr. President, is the real basis for this amendment. I am perfectly willing to admit that in the preparation of this amendment speed was of the essence and the language may not be the best that can be provided in order to accomplish the purpose which I have outlined.

Mr. President, I hope the chairman of the Committee on Banking and Currency will take the amendment to conference and so perfect it that it will accomplish the purpose desired, if it is not in proper form as I have offered it.

I yield the rest of my time to my colleague the junior Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. Mr. President, I have received a brief from the Atlantic Fishermen's Union. I should like to ask my colleague whether the amendment covers what they desire.

Mr. SALTONSTALL. I believe it covers the principles suggested by the fishermen's union. I think it also covers the principles suggested by the processors and by others interested in the fishing industry. We have tried to make it cover all the classes.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I have yielded the remainder of my time to my colleague.

Mr. LODGE. Mr. President, I should like to make a brief statement, and then I shall be glad to yield to the Senator from Minnesota, although I do not think there is much time.

I should like to add my expression of hope to that of my colleague that the amendment will be adopted, for the reason that fish is a very important article of food, and is entitled to be the beneficiary of the same type of philosophy we adopt for other food producers.

I call the attention of the Senate to the fact that Public Law 548, Seventy-ninth Congress, chapter 671, second session, House Joint Resolution 371, a joint resolution extending the effective period of the Emergency Price Control Act of 1942, contained a provision in section 7 reading as follows:

SEC. 7. Section 2 (i) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(i) For the purposes of this act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section

3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942."

Mr. President, I mention this to show that there is precedent for the Senate taking the kind of action requested. Congress has on another occasion come to the same conclusion, after deliberation and study. It seems to me this is a further reason why it is justifiable to urge the adoption of the amendment.

I yield to the Senator from Minnesota.

The VICE PRESIDENT. The junior Senator from Massachusetts cannot yield.

Mr. SALTONSTALL. Mr. President, I yield to the Senator for a question.

Mr. THYE. Mr. President, the amendment relates to all commercial fishing, or commercial fish prices, whether salt or fresh fish, does it?

Mr. SALTONSTALL. It does; there is no distinction.

The VICE PRESIDENT. The Senator's time has expired.

Mr. MAYBANK. Mr. President, this is a typical example of trying to legislate OPA regulations on the floor of the Senate. With all my respect and deep appreciation for the junior Senator from Massachusetts and the senior Senator from Massachusetts, I wish to make a statement about the amendment.

The wage portion of this amendment would, in effect, exempt fishing from normal wage-stabilization policy and establish a rigid method of acting upon wages in sea-fishing operations where fishermen typically are paid a fixed share of the proceeds of the sale of the catch. This would be done by stabilizing the sharing ratio, regardless of the effect of this action upon fishermen's earnings. If the catches are large, earnings may rise without limit, leaving earnings behind in other industries where rates are stabilized and in other parts of the fishing industry where workers are paid by the day or the piece. If the catches are small, earnings will fall, and it will be impossible for the board or agency administering the wage-stabilization program to make any kind of equitable adjustment designed to support earnings. No such rigid standard is set in the bill for any other industry or situation.

I agree with what the junior Senator from Massachusetts said in part. But we have not had time to study the fishing industry and we do not have enough information to provide special treatment for this industry. Since we are unable to do the same thing for many other industries, and since the bill does provide the flexibility essential for a fair and equitable treatment of all industries and their employees, I do hope the Senate will reject this amendment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator mentioned one of the provisos. There are two provisos in the bill. The other proviso would allow the Secretary of the Interior to study the prices for fish for the same period and to suggest treatment such as is accorded some other agricultural commodities. There are hazards in the fishing industry which are different from those encountered in the production of agricultural commodities.

I hope the Senator will take the amendment to conference and that some appropriate provision can be drafted, because I believe it is not fair to fishermen that the bill should contain no provision concerning them, when we are taking care of poultry raisers and producers of various other agricultural commodities. I hope the Senator will take the amendment to conference, and if it is not in proper form I shall be glad to cooperate in working it out in proper form. I repeat, I hope the Senator will take it to conference.

Mr. MAYBANK. Mr. President, I thoroughly agree that the Senator speaks the thoughts of many fishermen, but the amendment does not include those who fish for crabs or shrimp or other types of fish, or oysters, or others interested in what comes out of Chesapeake Bay. The Congress spent much time in developing support programs, but it did not see fit to include fishing products.

I deeply sympathize with the Senator and the plight of the New England fishermen, and other fishermen, those of the South Atlantic and those on the west coast. Neverthless, I do not see how we could take the suggested action relating to fish unless we did the same thing for the crab men and the shrimp men.

Mr. SALTONSTALL. Mr. President, I point out in answer to the Senator from South Carolina this amendment is drawn in order to cover shrimp, oysters, any fresh-water fish, or any other sea food. When the Senator is taking care of agricultural products, it seems to me fair to take care of fish.

Mr. MAYBANK. Let me say to the Senator that I am not taking care of any agricultural products. The only agricultural amendment I have offered was by request.

The VICE PRESIDENT. The time of the Senator has expired. All time on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL]. [Putting the question.] The "ayes" seem to have it.

Mr. MAYBANK. I ask for a division.

On a division, the amendment was rejected.

Mr. McCLELLAN. Mr. President, on behalf of the Senator from Mississippi [Mr. STENNIS] and myself, I call up an amendment which we have at the desk, which we offer and ask to have stated. The amendment is dated 8-10-50-D.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 68, line 10, after the word "act," it is proposed to insert a comma and the words, "and the heads of regional or State offices of such agency."

The VICE PRESIDENT. The Senator from Arkansas is recognized for 5 minutes.

Mr. McCLELLAN. Mr. President, I will try not to consume the entire 5 minutes.

Subsection (b) on page 68, to which the amendment applies, provides:

> The head of any independent agency created to administer the authority conferred by title IV of this act shall be appointed by the President, by and with the advice and consent of the Senate.

Our amendment simply broadens that language or extends it to include the administrators of regional offices, and also of the State offices who administer the new agencies which the President is given the power to create.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BRICKER. Will the amendment also include the assistant director or assistant administrator?

Mr. McCLELLAN. No, not as we have prepared it. I will be glad to modify the amendment to include the national assistant director. I do not think we should go as far as to include the assistant State director.

The VICE PRESIDENT. Will the Senator please state his modification?

Mr. McCLELLAN. The language of the bill is "The head of any independent agency created to administer," and so forth. After the word "head" I modify the amendment by inserting "and assistant head."

The VICE PRESIDENT. The Senator from Arkansas has modified the amendment.

Mr. McCLELLAN. Mr. President, I wish to make merely a brief statement. Senators feel they are burdening themselves by increasing the number of appointees they must confirm. But I say the bill is far reaching in its scope. I do not know to what extent these powers may go once we put into effect these controls and set up these agencies. These men are going to have powers far beyond the power of a United States district attorney or a United States marshal, whom the Senate insists upon confirming. I say we will secure better administrators if their nominations are submitted to the Senate for confirmation. I want the confirmation under this bill extended to include the State administrators.

Mr. President, I wish to say that my good friend and colleague the Senator from Mississippi [Mr. STENNIS] joined with me in the amendment, and I shall be very happy to yield to him for a statement.

Mr. STENNIS. Mr. President, I am sure all of us have been impressed during the progress of this debate with the tremendous powers granted by the bill which will be vested in these administrators. Tremendous powers reside not only in the top man nationally, but in every one of the State administrators. It can develop that they will become virtually dictators of the economy of the States in which they serve. I think it is our duty to provide that the names of the appointees shall be channeled through the Senate, so that we may pass

on the attitude the appointees have with respect to our economy, and their responsibility to public law. I therefore am especially in favor of the amendment.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield the remainder of my time to the Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The Senator from Nebraska is recognized for 1 minute.

Mr. WHERRY. The distinguished Senator from Arkansas has accepted a modification which provides that not only the regional directors and State directors, but also the assistant national head, as well as the national head, shall be confirmed by the Senate. The amendment, as modified, takes care of an amendment I have presented, dated 8–15–50–J. The modified amendment would accomplish the purposes sought by my amendment. The amendment the Senator from Arkansas has offered extends confirmation even beyond the assistant national head, to the heads of regional offices and also to the State administrators. I think it is an amendment which ought to be adopted unanimously by the Senate, because under the bill tremendous power is granted, and as the distinguished Senator has already mentioned, when that power will terminate, of course, is a matter of speculation. Therefore, as long as the bill is in operation certainly we ought to have something to say about those who are to administer all the allocations and controls over the people of our States.

Mr. MAYBANK. Mr. President, I speak now not for myself but for the committee. The question of Senate confirmation of the heads of the regional or State offices of the independent agency administering title IV was raised in committee and rejected. If I remember correctly, only three members voted in favor of the proposal. The committee felt that it was sufficient if the head of this agency should be confirmed by the Senate. He will be the officer responsible for the administration of the whole program and his regional and State officers should be under his direct control and supervision and responsible to him. The operations of this agency will be carefully watched by the special committee and it will be the responsibility of the head thereof to account to that committee for any acts of his subordinates.

The committee was overwhelmingly in favor of rejecting the amendment. As a member of the committee, and as one who holds certain beliefs with respect to certain matters, I will say frankly that I voted for the amendment in the committee, but the committee was overwhelmingly against it. I trust the Senate will follow the wishes of the committee.

Mr. WHERRY. Mr. President, on page 67, line 21 of the bill, we find the following language: "The President is authorized to appoint heads and assistant heads" of any such new agencies.

Mr. MAYBANK. The Senator from Nebraska has an amendment which he says is covered by the amendment of the Senator from Arkansas, as modified. I am speaking solely with respect to the amendment sponsored by the Senator from Arkansas and the Senator from Mississippi.

Mr. WHERRY. The amendment of the Senator from Nebraska provides that assistant national heads shall be included in the language of subsection (b) on page 68. It seems to me that inasmuch as the committee wrote the language that the President is authorized to appoint heads and assistant heads, confirmation should be had in both cases.

Mr. MAYBANK. I may say that the committee felt that those who are appointed to be national heads should be confirmed. In other words, an individual is appointed to a position in the Federal Government in Washington, as a national officer. The committee believed such an appointee should be confirmed by the Senate. But the committee did not believe that those persons appointed to be State heads should be confirmed. Under the bill, of course, the governor of the State would make the local appointments.

Mr. WHERRY. The Senator would not object, would he, to the amendment of the Senator from Nebraska which provides for confirming the assistant national head as well as the national head of the organization?

Mr. MAYBANK. I would not want to embarrass the distinguished Senator from Arkansas. I went as far as he did.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MYERS. Do I understand the amendment provides that the State administrators——

Mr. MAYBANK. The State directors.

Mr. MYERS. And the assistant State directors must have Senate confirmation? Does it occur to the Senator that that is the easiest way to throw this whole thing into politics, and that unless the individual is politically pleasing, he is not going to be confirmed.

Mr. MAYBANK. I have no such amendment, I will say to the Senator from Pennsylvania.

Mr. MYERS. I know the Senator has not, but does he not agree with the Senator from Pennsylvania, that such procedures would throw the whole thing into the field of politics?

Mr. MAYBANK. Of course that occurred to the committee. I have my own ideas on the subject.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. McCLELLAN. As the amendment is drawn, it does not apply to confirmation of the assistant heads of the State agencies, but does apply to confirmation of the State administrators. If that is putting the matter into politics, then we need a little more politics in this country.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I promised the Senator from Pennsylvania that I would yield to him next. I yield to him at this time.

Mr. MYERS. I thank the Senator.

Mr. President, let me say that perhaps we need a little more of that kind of politics, as the Senator has said——

Mr. MAYBANK. I never said that. [Laughter.]

Mr. MYERS. I am replying to the Senator from Arkansas in making the statement I just made. In reply to the Senator from Arkansas, I say to the Senator from South Carolina that perhaps we need this kind of politics; but God help the United States if we get this kind of politics in connection with the administration of an agency engaged in developing the national defense of our country.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. McCLELLAN. What I mean is that when we are going to delegate the tremendous powers which will be delegated by means of this bill, it behooves the Senate of the United States to have something to say about those who are going to administer those powers.

Mr. WHERRY. That is correct.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. The chairman of the committee will recall, Mr. President, that in the committee I proposed that we permit the Governor of each State to appoint the State director.

Mr. MAYBANK. Yes.

Mr. ROBERTSON. However, a majority of the committee did not seem to favor that proposal.

Then by a rather large majority the committee voted in favor of a provision requiring confirmation by the Senate.

Mr. MAYBANK. No; in the committee we rejected that proposal.

The VICE PRESIDENT. The time of the Senator has expired; all time on the amendment has expired.

The question is on agreeing to the amendment of the Senator from Arkansas. [Putting the question.]

The amendment was agreed to.

Mr. YOUNG. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

Mr. HICKENLOOPER. Mr. President, what is the number of the amendment?

The VICE PRESIDENT. The amendment has not been printed.

The amendment will be stated at this time.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

In order to assure adequate supplies of agricultural commodities for defense purposes, the Secretary of Agriculture is authorized and directed to make available through loans, purchases, or other operations, price supports of basic farm commodities at not less than 90 percent of parity, and may support any nonbasic farm commodity at not less than 90 percent of parity if he deems it necessary to do so for defense purposes, providing such support of any given commodity does not, in the judgment of the Secretary of Agriculture, result in the production of excessive supplies of said commodity.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MAYBANK. I should like to ask the Senator if copies of the amendment are available?

Mr. YOUNG. The amendment has not been printed. The one I had printed and which I intended to offer has been considerably modified but would still extend the present 90 percent price support program for farm commodities.

Price supports under the Anderson Act are due to drop from 90 percent to 80 percent for the 1951 crop.

Mr. MAYBANK. I have just been handed a copy of the amendment, but I do not believe copies of the amendment are available to Members of the Senate generally.

Mr. YOUNG. Mr. President, is the time taken by the Senator from South Carolina at this point charged to the time available to me?

The VICE PRESIDENT. It is.

Mr. YOUNG. Mr. President, I wish to proceed, and I refuse to yield.

Let me say that the amendment is very simple. It is on the order of the Steagall amendment, which was in effect during the last war; but this amendment is not nearly as rigid as the Steagall amendment was.

My amendment provides that the Secretary of Agriculture shall support the prices of basic agricultural commodities, at levels not less than 90 percent of parity, if he deems it necessary in the war effort, in order to provide the necessary stocks of commodities for the war effort. If the Secretary of Agriculture finds that excessive stocks are on hand, he can reduce the support price.

Mr. President, fluctuations in the prices of agricultural commodities cause them to be entirely different in this respect from other commodities. Presently and during the past 2 or 3 years, the prices of basic agricultural commodities have been almost exactly the prices set by the price-support program.

Normally a 250,000,000-bushel carry-over of wheat is all that is necessary. The critical world situation, however, with the possibility of a major war, makes it necessary that we maintain rather sizable stocks in reserve of all major farm commodities. This carry-over, or reserve, is a very depressing factor on market prices. Building up this necessary reserve means there is no possibility of the prices of these farm commodities going above support level. Because of these and other reasons farmers who are being asked to increase production should be entitled to at least the present price level. If prices fall to 80 percent of parity, as they are scheduled to under the Anderson Act, the farmer will be penalized. With a 600,000,000-bushel carry-over of wheat as may be necessary, there would be no chance that wheat ever would rise in price above price-support level, even if that level were only 60 percent of parity.

This amendment does not increase the price-support level—it merely prevents a drop. In other words the amendment merely provides that the 10-percent reduction in the prices of basic farm commodities, which is supposed to go into effect next year, will be postponed if the Secretary of Agriculture deems it advisable to support the prices at a higher level in order to encourage greater production.

I should like to point out that since 1947 the prices of the farm commodities have dropped drastically. In 1947 the net income to farmers was $17,800,000,000. In 1950 it is estimated to be only $13,000,000,000. This drop in farm income was during a period when wages to labor and the prices charged by industry increased greatly.

I should also like to point out that in the case of the basic farm commodities, after 17 years of the operation of this support program up to date there is presently a net profit of $50,000,000. I think that fact often is overlooked. Let me repeat that after 17 years of the operation of the price-support program, so far as basic commodities are concerned, as of today we still have a $50,000,000 profit.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. RUSSELL. Do I correctly understand that the Senator's amendment provides that the provision of 90 percent of parity in the case of basic commodities—which provision is in effect for this crop year—shall be extended into the next crop year, and that the Secretary of Agriculture shall have authority to fix that as the support program for nonbasics which are necessary to the war effort?

Mr. YOUNG. That is correct.

Mr. RUSSELL. I see no objection to the amendment.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. WILLIAMS. I merely wish to ask the Senator from North Dakota, in connection with his statement that the support program has made a profit of $50,000,000 during the past 17 years, whether he is aware that that situation comes about only as a result of the fact that the Commodity Credit Corporation has been listing as profits nearly $4,000,000,000 of appropriated funds.

Mr. YOUNG. The $4,000,000,000 the Senator speaks of was for consumer subsidies during the last war charged to the Commodity Credit Corporation. They had nothing to do with the price-support program to farmers. The Commodity Credit Corporation is selling some of its stock of cotton at the present time at a very handsome profit. Spring wheat, too, has been selling at a little above the support price, for a considerable length of time. But when we have a 400,000,000- or 500,000,000-bushel wheat surplus—and we have to have a surplus of about that much or more in view of the present critical world situation—there is little chance that wheat ever will rise in price above any support level whether it be at 90 percent, 70 percent, or 60 percent of parity. For example, when wheat marketing is exceptionally heavy in the fall, there would never be a price above the support level, even if the support level were only 60 percent of parity.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. HUMPHREY. Would the amendment provide, for example, that in the case of a shortage of linseed oil or of any other flax product, the support price would be no more than 90 percent of parity?

Mr. YOUNG. No; the Secretary of Agriculture can go above 90 percent. The amendment does not change the provisions of law which would apply in that situation at all. There is a provision in the Agricultural Act itself which allows the Secretary to support at any level above 90 percent if he deems it necessary to provide the increased production to meet an emergency situation. Should this amendment be defeated I believe the Secretary of Agriculture can support farm-commodity prices at 90 percent of parity although it is not mandatory. I hope he will do so at least during this war situation. Since this amendment was offered in the Senate last week the Secretary has announced that he may support basic commodities at 90 percent of parity for next year. I hope he will do so even though it isn't mandatory under the existing legislation.

Mr. HUMPHREY. But in the case of the nonperishables, the Secretary of Agriculture could permit the price to go up to at least 90 percent of parity; is that correct?

Mr. YOUNG. That is correct.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CAPEHART. What the Senator from North Dakota really is proposing is the Steagall amendment of World War II. Is that not correct?

Mr. YOUNG. Yes; except this amendment is somewhat milder. I would offer an amendment exactly the same as the Steagall amendment if I thought there was any chance of passage.

Mr. CAPEHART. Mr. President, I think the amendment is splendid, and I shall support it.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. LANGER. The distinguished Senator is proposing to protect the farmers of the United States, is he not?

Mr. YOUNG. Yes. Personally, I should like to go further than the amendment goes, but I have compromised somewhat in order to obtain more farm organizational support. I understand that the Farmers' Union is in favor of the amendment but would prefer an even higher level. I understand that the Grange is completely in support of the amendment as written.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a letter I have received today from J. T. Sanders, legislative counsel of the National Grange.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GRANGE,
Washington, D. C., August 21, 1950.

Hon. MILTON R. YOUNG,
Senate Office Building,
Washington, D. C.

DEAR SENATOR YOUNG: We understand that you intend to propose today the following amendment to the Defense Production Act of 1950:

"In order to assure adequate supplies of agricultural commodities for defense purposes the Secretary of Agriculture is authorized and directed to make available through loans, purchases, or other operations, price supports of basic farm commodities at not less than 90 percent of parity, and may support any nonbasic farm commodity at not less than 90 percent of parity if he deems it necessary to do so for defense purposes, providing such support of any given commodity does not, in the judgment of the Secretary of Agriculture, result in the production of excessive supplies of said commodity."

We believe this amendment would be a very useful change in the act and heartily recommend its passage for the following reasons:

1. It would remove much of the uncertainty which would adversely affect production, and would assure the Nation the necessary supplies of defense farm products.

2. The provision would insure the preservation of the principle of flexibility of support if supply of any commodity threatened to become excessive.

Thus with the reasonable double assurance of adequate supplies and that excessive supplies will be avoided, we would greatly facilitate the maximum nonwasteful contribution of farmers to defense preparation.

Sincerely yours,

J. T. SANDERS,
Legislative Counsel.

The VICE PRESIDENT. The time of the Senator from North Dakota has expired.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ANDERSON. Without encroaching upon the time of the chairman of the committee, is it not possible for me to rise to speak against the amendment on the ground that it is not germane to the bill?

The VICE PRESIDENT. Such a point of order can be made at any time.

Mr. ANDERSON. Mr. President, I make the point of order that the amendment is not germane to the bill. I shall be glad to discuss the point of order, if the Vice President desires that I do so.

The VICE PRESIDENT. The Chair will be glad to hear the Senator briefly. The Chair supposes that the 5-minute limitation applies in connection with a point of order, as well as in connection with any other procedure at this time.

Mr. ANDERSON. Mr. President, I call attention to the fact that section 402 of the Agricultural Act of 1949 permits the Secretary of Agriculture to raise agricultural prices to any level which may be necessary. It gives him full authority to do anything he may wish to do in that connection.

The purpose of the pending bill is to prevent inflation, preserve the value of the national currency, insure that defense appropriations are not dissipated by means of excessive costs and prices, and so forth. Those purposes are stated at various places in the bill.

Under the amendment now proposed, the Secretary of Agriculture would be required arbitrarily to raise commodity prices to 90 percent of parity and to hold them there as long as the bill remained on the statute books, I suppose. Under the amendment, the Secretary of Agriculture would be required to hold the prices of agricultural commodities to 90 percent of parity, not to 60 percent of parity, if there were a shortage.

Mr. President, we have a shortage of tung nuts; it is impossible to obtain a sufficient supply in the United States. This amendment would require the setting of a price level of 90 percent rather than 60 percent. Honey is under a 60 percent category. We are not suddenly going to increase the number of bees or the number of flowers from which they can get honey. But this proposal would require 90 percent on honey, because it could not be excessive. Dairy products are at 75 percent, potatoes at 60 percent, and so on through the list. I submit that this amendment is not designed to preserve the purchasing power by the present dissipation of individual savings. All the way through the whole theory of the bill is to prevent excessive prices, and the only point in this proposal is to try to make sure that the farm prices are raised.

The Secretary of Agriculture has agreed for the year 1951 that certain agricultural commodities shall be supported at 90 percent. He has done that under authority of the existing act, and I submit it is all wrong suddenly to compel him to carry things through the years the present emergency which now seems to be confronting us may continue.

I believe the amendment is absolutely not germane to the bill. I think any complete examination and study of it in connection with section 402 of the present law will show that it is not germane at all to the pending bill. If it were only for the purpose of making it possible to try to develop production, then it falls of its own weight, because section 402 goes much further than this proposal goes. It is purely a device to saddle 90 percent supports back on the war crops, as has been done by other legislation. We are still holding 90 percent supports on potatoes, because of that, and many people realize——

Mr. BREWSTER. Mr. President, if the Senator will yield, does he intend to say that potatoes are supported at 90 percent?

Mr. ANDERSON. They are supported at 60 percent, but we are still holding potatoes because of the original provision written into the law that we had to maintain under the Steagall legislation prices for a period of 2 years after the war, and it is only because we have fought situations of that nature that we have excessive costs all the way up and down the line.

Mr. BREWSTER. Will the Senator make it clear that potatoes——

Mr. ANDERSON. Next year, as the law stands, there will be no support price on potatoes whatever. And what was it that destroyed support prices on potatoes? The level became too high. Instead of permitting the Secretary of Agriculture to have any discretion or to make any move, tung nuts went up to 90 percent, where they did not belong; wool, to 90 percent; honey, to 90 percent; dairy products, to 90 percent; and so on down through the list. The Congress spent a long time trying to work out a flexible system of price supports. I submit this is not possible in accordance with the terms of the amendment. If Senators will look at a section of the bill, page 40, subparagraph b, they will find the words, "establishing ceiling or ceilings on the price." This amendment establishes floors, not ceilings.

Mr. WHERRY and Mr. CAPEHART addressed the Chair.

The VICE PRESIDENT. Does the Senator from New Mexico yield, and if so, to whom?

Mr. ANDERSON. I yield to the Senator from Nebraska.

Mr. WHERRY. Does not that make it germane, though?

Mr. ANDERSON. The fact that it establishes floors, when the bill is designed to hold down the cost of living?

Mr. WHERRY. I see the point which the Senator makes relative to the merits of the proposal.

Mr. ANDERSON. The amendment is just the opposite of the bill.

Mr. WHERRY. But from the fact that in the very section mentioned by the Senator the bill proposes ceilings, why is it not germane if it also proposes floors?

Mr. ANDERSON. Because the objective of the bill is to control the cost of living.

Mr. WHERRY. I understand.

Mr. ANDERSON. This amendment is designed to raise the cost of living.

Mr. WHERRY. When title IV was added to the bill, probably after the policy was determined, it resulted in providing everything there is in the way of handling prices. There are ceilings, ceilings, ceilings. Now, it is desired to establish a floor. On that basis, I think the amendment is germane.

Mr. ANDERSON. I call attention to the fact that the bill starts with proposals "to protect consumers, wage earners, persons with relatively fixed and limited incomes." Is this amendment designed to protect them. No; it is designed to take as much away from them as possible, and it is a complete reversal of what the bill is supposed to do.

Mr. HOLLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Florida?

Mr. ANDERSON. I am happy to yield to the Senator from Florida.

Mr. HOLLAND. I wonder whether the Senator from New Mexico has given consideration to what this general language would accomplish with reference to doing away with limitations on the acreage of such crops as cotton and peanuts, which are a very definite part of the price-support program, but which

under this title might or might not remain such, under the sole judgment of one man?

Mr. ANDERSON. I do not know what would be the effect of it from that standpoint, I may say to the Senator from Florida. I simply say the amendment is contrary to everything that is in the bill. The bill says it is designed to protect wage earners, to conserve the savings of persons with limited means, and a Senator proposes an amendment which does just the reverse, for it says that the farmers of the country—and I certainly have fought to obtain for them decent prices—shall have 90 percent on nonbasics. I call attention to the fact that under the amendment the Secretary "may support any nonbasic farm commodity at not less than 90 percent of parity, if he deems it necessary for defense purposes, providing such support does not result in the production of excessive supplies of said commodity."

Mr. MAYBANK. Mr. President, how much time have I left?

The VICE PRESIDENT. The Senator's time has expired. The Senator from South Carolina may have 5 minutes on the point of order.

Mr. MAYBANK. Mr. President, I do not want 5 minutes on the point of order. I merely want to make a brief statement on behalf of the committee.

Mr. CAPEHART. Mr. President, will the Senator yield so that I may read a telegram which I received from the president of the Indiana Farm Bureau?

The VICE PRESIDENT. All this argument now is on the point of order.

Mr. MAYBANK. Mr. President, I do not desire to discuss the point of order, but I do want to say, in discussing this amendment, that it is within the province of the Committee on Agriculture and Forestry, which has spent many months during the past 3 years on this subject matter. It is not an amendment which should be adopted without most careful consideration. Its purpose is to keep prices up, and that is contrary to title IV, in my judgment.

I now yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I desire to read a telegram that I just received from the president of the Indana Farm Bureau, Inc., and it might be well if each Senator would pay close attention to it. It reads:

INDIANAPOLIS, IND., *August 21, 1950.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Attempt will be made today to attach to defense production bill an amendment providing 90-percent rigid mandatory price supports on basic commodities. This amendment sponsored by Senator YOUNG and similar to Young-Russell amendment defeated by narrow margin year ago. 1949 Agricultural Act provides wide discretion for Secretary to set support levels up to 90 percent any time and above that in national emergency. No need of or justification for considering this matter at this time. Senate approval this amendment would label farmers as selfish interest seeking special privilege in war bill and would dramatically reduce our ability to work effectively on major issues involved this bill. In view letter Brannan sent Senator THOMAS on July 28 endorsing permanent 90-percent supports, confident Brannan will support this effort to destroy flexible support authority in 1949 act. Urge you use your influence in defeating this amendment.

HASSIL E. SCHENCK,
President, Indiana Farm Bureau, Inc.

Mr. YOUNG. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator does not have any time to yield.

Mr. YOUNG. I ask unanimous consent that I may have one-half minute to answer the Senator.

The VICE PRESIDENT. The argument that is now being engaged in is supposed to be on the point of order, and to have nothing to do with the merits of the amendment.

Mr. YOUNG. Mr. President, may I discuss the point of order?

The VICE PRESIDENT. In the case of an appropriation bill, under the rule, whenever a point of order is made against an amendment on the ground of germaneness, the Chair is required to submit to the Senate the question of the germaneness of the amendment. Whenever an amendment is offered, under the cloture procedure, the Chair passes on the germaneness of the amendment, which, of course, is subject to appeal. The Chair cannot split the difference.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. RUSSELL. Under the order which obtains and under which the Senate is now acting, is not the Senator from North Dakota entitled to time in which to debate the point of order that has been raised by the Senator from New Mexico? It would seem to me that under the point of order he would have 5 minutes.

The VICE PRESIDENT. Under the agreement, it is provided that the proponent of the amendment or motion shall have 5 minutes, and the chairman of the committee, the Senator from South Carolina, would have 5 minutes. As the Chair interpreted the point of order made by the Senator from New Mexico, it entitled him to 5 minutes on his point of order. The agreement is rather rigid that the other 5 minutes is to be taken by the chairman of the committee.

Mr. RUSSELL. That does not give the proposer of the amendment much chance.

The VICE PRESIDENT. He had 5 minutes on the merits of the amendment.

Mr. MAYBANK. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. One minute.

Mr. MAYBANK. I yield that 1 minute to the Senator from North Dakota.

Mr. YOUNG. I thank the distinguished Senator from South Carolina for this extra minute. Mr. President, I wanted to point out that the original Steagall amendment was an amendment to the Stabilization Act during the past war, which ought to make this amendment germane to this Price-Control and Stabilization Act. The telegrams received here by so many Senators, sponsored by the Farm Bureau, refer to the original amendment I proposed and had printed. That is not the amendment I now offer. The original amendment would go further in making 90-percent supports more rigid and mandatory. The only reason I am not offering it now is that it would stand less chance of passage than my present amendment, which retains some flexibility. There is nothing in the bill, as I see it, to increase the prices of commodities to the poor people of the Nation, as indicated by the Senator from New Mexico [Mr. ANDERSON]. It merely provides that present levels of support be continued.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the Senator from North Dakota may have four additional minutes.

The VICE PRESIDENT. Does the Senator want that time? The Chair is prepared to rule.

This is obviously not an appropriation bill. Therefore, a provision that a point of order on the question of germaneness shall be submitted to the Senate, does not apply. It is not a procedure under cloture where the Chair passes on the germaneness of an amendment. Therefore, under the practice which has been more or less generally followed, the question of the germaneness of the amendment is submitted to the Senate. The Chair is willing to pass on the point of order if the Senate wishes. An appeal may be taken in either case.

The Chair is of the opinion that the amendment is in order. On page 42 of the bill it is provided that no ceiling shall be established on any agricultural commodity except in two cases. In the first instance, it shall not be below parity, and in the second instance, it shall not be below the average price on June 15, 1950. It seems to the Chair that the amendment offered by the Senator from North Dakota is germane to those provisions. That is the theme running through the whole chapter on agricultural products. The Chair, therefore, overrules the point of order.

The question is on agreeing to the amendment offered by the Senator from North Dakota.

Mr. LANGER and other Senators requested the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. [Putting the question.] The "noes" seem to have it.

Mr. YOUNG. Mr. President, I ask for a division.

On a division the amendment was rejected.

Mr. MAYBANK. Mr. President, I yield to the Senator from Oklahoma.

Mr. KERR. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is offered on behalf of the Senator from Texas [Mr. CONNALLY] and myself.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 35, line 18, after "(2) for", it is proposed to insert "the encouragement of."

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. The Senator from Oklahoma is entitled to the floor.

Mr. KERR. Mr. President, I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, this amendment merely asks for encouragement. I do not know whether the Senator has discussed it with the minority leader or the majority leader, but I see no objection to the word "encouragement" being inserted.

The VICE PRESIDENT. Does the Senator from Oklahoma want to consume his time, in view of that statement?

Mr. BRICKER. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. BRICKER. It is a question of oil, is it not?

Mr. KERR. No; it has to do with minerals. The amendment is to insert after the word "for" the words "the encouragement of."

Mr. BRICKER. Is it for the encouragement of resale?

Mr. KERR. No; it is for the encouragement of exploration of strategic minerals and metals.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. KERR].

The amendment was agreed to.

Mr. BRICKER. Mr. President, I call up my amendment "I" and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Ohio.

The LEGISLATIVE CLERK. On page 43, it is proposed to insert the following new sentence at the end of line 21:

In no event, however, shall the President select a base period for the stabilization of the component wage, salary, or other compensation of any material, service, or property different from that selected for the ceiling price of that material, service, or property.

Mr. BRICKER. Mr. President, this amendment would require that in the stabilization of wages the President may accept or use as a base period for such stabilization program substantially the same base period that he uses in fixing prices. The same base period that would be used in the control of wages is selected for price control in a general wage-control and price-control program. This would eliminate the possibility that the President could choose 1950 prices and 1951 wages for a base period for any given commodity. Where prices have risen and wages have not increased, the President could, under this authority, roll back prices to the period in which he fixed the basic wage formula of stabilization, or of freezing, whichever it might be, of the wages for that period.

Some Senators have mentioned the fact that if we stabilize prices, we should stabilize wages as of the same general period; that we should not go into a period of wage increases now without commensurate price increases to meet the wage increases; that we should not permit price increases without responsibility for increasing wages to meet them. If the period is fixed prior to the Korean episode, I think prices and wages ought to be stabilized and fixed as of the same general period.

Mr. MAYBANK. Mr. President, speaking for myself, and, I trust, for some of the Members on this side of the aisle, and, I hope, for all members of the committee, the amendment of the Senator from Ohio would require the President to use the same base period in controlling wages in any industry that he uses in controlling prices in that industry. The only provision in the bill for the use of a base period is the provision contained in section 402 (d) requiring the President to give consideration to comparable prices and wages in the period May 24, 1950, to June 24, 1950, inclusive. This provision is applicable to wages as well as prices. There is some doubt, therefore, as to the effect of this amendment. If it is intended to require that the President fix wages and prices at exactly the same levels as they were during some base period, we believe it is too inflexible and is inconsistent with the provisions of the bill which require him to take many other factors into consideration in fixing wage and price controls. Furthermore, wages are usually changed at infrequent intervals and reflect market conditions of an earlier period, so that an inflexible rule requiring the use of a base period might well produce many inequities.

I should like to say in connection with the amendment of the Senator from Ohio that the committee considered at great length the question of the relationship between prices and wages, including the question of the wages of the General Motors Co. and of other corporations which agreed to raise wages several times. If we were to roll back wages which had been raised, interfering with contracts which had been agreed to, we would be in a difficult situation. While I should like to see wages and prices frozen, and frozen at the same date, I do not see how we can very well do it. I say that because, as the Senator knows, we had quite a discussion in the committee, particularly with reference to large contracts in the Detroit area and other areas, and with reference to situations in different industries, where wages might be high in relation to prices or prices might be high in relation to wages. Freezing prices and wages as of the same date would give a producer an unfairly small margin in the first case, an unfairly large margin in the second case.

Mr. BRICKER. But there is no fixed formula by which we can assure absolutely equitable treatment both of wages and prices at the same time. There is no date that can be taken which would assure absolute fairness to all.

Mr. MAYBANK. I do not see how it can be done, because inequities must be considered and other elements must be considered, including contracts. Requiring freezing of wages and prices at the same period would increase these inequities.

Mr. BRICKER. The amendment would require the same general base period. It would not require a rollback of any wages fixed by contract, and it would not require the rollback of any prices, but if there was a fixing of prices on a general base period, the same base period would have to be used for the fixing of wages.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAYBANK. I should like to refer the Senator to page 42 of the bill. He will agree with me, I think, that under the subsection beginning at line 9, if the President roll wages back he must take that fact into consideration.

Mr. BRICKER. But the President is not required to roll them back.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. DOUGLAS. Is it not correct to say that if the amendment proposed by the Senator from Ohio were adopted, and the President should roll prices back to July 15, he would be compelled to freeze wages at the July 15 level? On the other hand, it is true that prices would have increased up to July 15, whereas wages would not have increased, and the result would be to give windfalls to the employers and hold labor back to the conditions which prevailed before hostilities began.

Mr. MAYBANK. Yes; and not only that, but certain contracts would have been entered into. The Senator from Illinois has studied the subject very thoroughly, and he knows that certain contracts in the big industrial areas provide for certain automatic wage increases.

Mr. DOUGLAS. That is correct.

Mr. BRICKER. There is nothing in the bill which would require the President to fix the date of July 15. He must take into consideration prices which prevailed prior to the Korean episode, when prices started to increase.

Mr. DOUGLAS. He is not compelled to take that date; but suppose he should take July 15. That would give the benefit of the price increases to the employers. Therefore the result of the adoption of the amendment would be a decrease in the real wages.

Mr. BRICKER. It might also work the other way.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER].

[Putting the question.]

Mr. BRICKER and other Senators requested a division.

On a division, the amendment was rejected.

Mr. HILL. Mr. President, I call up an amendment and ask for the clerk to read it.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 46, line 7, it is proposed to strike out the period and insert the following proviso: "*Provided*, That no common carrier or other public utility shall, at any time after the President shall have issued any stabilization regulations and orders under subsections (b) and (c), make any general increase in its rates or charges prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, unless it first gives 30 days' notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase."

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MAYBANK. I ask unanimous consent that I may ask the distinguished majority leader and the distinguished minority leader some questions with reference to the unfinished business, the time not to be taken from the time allotted to the Senator from Alabama.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina?

Mr. HILL. Reserving the right to object, the Senator means that the time would not come out of my 5 minutes.

Mr. MAYBANK. That is correct.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAYBANK. I should like to make a statement. Several Senators have come to me and asked how long the Senate will remain in session. Everyone is familiar with the fact that at 1:30 tomorrow we begin voting on the road bill. The minority leader and the majority leader determined this morning that today we would finish consideration of all amendments to the pending bill and the bill itself. That was the understanding. I merely wanted to know, for the benefit of other Senators, what we are to do now. There are approximately 35 more amendments to be considered, or at least they are pending. I do not know whether the Senate wishes to take a recess until 7 o'clock and then return and finish the consideration of the bill and amendments. I do not believe that the remaining 35 amendments will take so long to consider as the amendments which we have disposed of. However, there are 35 amendments still pending. I should like to ask the majority leader and the minority leader what their wishes are so that we may accommodate the other Senators. I ask the question because of the position into which the distinguished majority leader and minority leader have put me because I am in charge of the bill and I have been asked these questions.

Mr. LUCAS. Mr. President, insofar as the majority leader is concerned, I think we should go ahead and see if we cannot finish consideration of all the amendments. I presume that we shall not take 10 minutes on each amendment. Some of them undoubtedly we can finish in a hurry. We should be able to finish all the amendments within a few hours. If we take an hour out for dinner now I am afraid we shall be here until about midnight, because the minute we get some fuel into us the inclination is to talk more and more. I do not want to cut off anyone in debate, but I do believe that if we sit for a few hours we can finish with all amendments and the bill. At least we must finish at some time tonight.

Mr. MAYBANK. There are 35 amendments still pending.

Mr. WHERRY. I am quite sure that not all the amendments will be offered. Although we could recess for an hour or so, I believe that if we sat through we would save some time in the end, and we would facilitate consideration of the unfinished business. I hope we can go right on and vote on all amendments. I am sure that all 35 of them will not be offered.

Mr. HILL. Mr. President, as to the pending amendment, let me say that the bill very properly exempts from any control by the President or any Federal agency whatever the fixing of rates by any utility commission on any carrier or any public utility of any kind. The amendment would provide that before there could be a general increase in utility rates, notice would have to be given to the President or such agency as he designated, if and when he does provide for the controls which the bill empowers him to provide, and that the President or such agency should have the right to appear before the particular regulatory body and present whatever facts the agency may see fit to present, if it desired to do so. In other words, it simply gives to the agency of the Federal Government the opportunity to show what a proposed general increase in rates might amount to, or what the impact of it might be.

The amendment is exactly similar to a provision in the Stabilization Act of 1942. The act carried a provision which the amendment now provides for. Experience showed that the provision in the Stabilization Act of 1942 was invaluable, particularly to REA co-ops in making sure there was no general increase in their rates without an opportunity being given for the agency to come forward and state the facts.

I offer the amendment on behalf of myself and the Senator from Minnesota [Mr. HUMPHREY]. It would give to REA co-ops the same protection which they enjoyed under the Stabilization Act of 1942. We wish to have them receive the maximum amount of power they need in order that they may carry on their agricultural production. We know how great and how fine that production was during the last war. All we ask is the same protection for them during this emergency that they had during the last war.

Mr. President, if I may have the attention of the distinguished chairman of the committee, the Senator from South Carolina, I hope very much he will agree to take this amendment to conference.

Mr. MAYBANK. Mr. President, I know of the experience during the last war, and I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. HILL].

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I send an amendment to the desk and ask to have it stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 38, after line 9, strike out all of title IV.

The VICE PRESIDENT. The Senator from Indiana is recognized for 5 minutes.

Mr. CAPEHART. Mr. President, if we adopt this amendment we can possibly go home a couple of hours earlier.

Title IV, which I suggest be stricken out, is the title which has to do with rationing, wage control and price control, something which the President of the United States did not ask for, something which the Committee on Banking and Currency did not hold any public hearings on, and in my opinion as a member of the committee, it gave very little attention to what we are trying to do on the floor of the United States Senate with title IV, namely, to write an OPA measure. I am in favor of the Congress writing a standby price and wage control and rationing bill, to go into effect when this Nation goes to war. But we ought to spend days and days listening in public hearings to the testimony. We ought to call in all those who had experience in World War II and we ought to write a comprehensive bill. We ought to give much thought and study to it.

The bill about ready to be passed tonight is a monstrosity. There is no one who can administer the bill with the amendments which have been offered and adopted on the floor of the Senate. I strongly urge that title IV be eliminated, that we pass the remainder of the bill, and that then Congress prepare a standby price and wage control and rationing bill, and give it the consideration it should have.

The President has not asked for this particular type of legislation. That which he has requested is in the other three titles of the bill. I believe the other three titles, generally speaking, constitute excellent legislation. There is much in those three titles which the President needs at the moment in order to prosecute the Korean war. I believe we need a law on the books to give the President standby controls if and when the Nation goes to war. The President says we are not at war, he says the present difficulty is a police action. He refuses to declare a national emergency. He says he does not need title IV and that he does not want it. If he does not need it and does not want it, he certainly will not use it, and if he is not going to use it, why should we pass a piece of legislation which is most unsatisfactory? It cannot possibly be satisfactory as it has been handled.

I repeat, the committee listened to no witnesses, no one was called before the committee who had any experience whatsoever in World War II in respect to this matter. The bill is a hodgepodge. In my opinion it will be impossible of administration, and it seems to me the President will be forced to veto the bill, with the hodgepodge contained in title IV.

Mr. President, I urge the Senate to strike out title IV and that a new bill covering the subject be introduced, and that the Senate Committee on Banking and Currency be given all the time necessary to consider it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Vermont.

Mr. AIKEN. The Senator from Indiana is aware of the fact, I am sure, that we have all been deluged by telegrams, letters and telephone calls from farm people all over the country expressing fear lest price controls be put into effect on farm commodities, and that

wage and salary and other controls be left out, and urging that the bill be amended in such a way that if controls are put into effect on farm commodities, they will be put into effect on everybody, so that the farmers will not run the risk of having only farm commodities and possibly certain other selected commodities controlled. Does the Senator from Indiana know whether there is any provision in the bill now that if controls are put into effect on, let us say, farm commodities, they must be put into effect on all other categories?

Mr. CAPEHART. The nearest the bill comes to that is in title IV, where it is provided that if controls are put on generally, then wages and prices must be controlled, but it is not specific, and I doubt if any two men would give the same interpretation to the language.

Mr. WHERRY. Mr. President, an amendment will be offered to cover the point the distinguished Senator from Vermont has mentioned. There is nothing in the bill that accomplishes what the Senator suggests.

Mr. CAPEHART. The Senator is raising the point I am trying to make, namely, that title IV should be stricken from the bill, and that title IV should be a completely new bill, controlling prices and wages and rationing if and when an emergency arises.

Mr. BRICKER. Mr. President, I offer my amendment H before the vote is taken on the motion to strike out title IV. It has to be called up at this time.

Mr. CAPEHART. A parliamentary inquiry. Does that completely take me off my feet?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). The amendment of the Senator from Ohio takes precedence of the amendment of the Senator from Indiana. The amendment of the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all of subsection (b) of section 402 beginning on line 5 on page 40, through line 8 on page 41. To amend lines 9, 10, and 11 on page 41 so as to read as follows: "(b) Where the objectives of this title cannot be attained by action under subsection (a), the President may issue regulations and orders"; on line 4 on page 42, to insert the word "not" after the word "may" and strike the word "either"; on line 6 on page 42, to strike the word "or", and insert in lieu thereof: "but may be taken only"; on lines 7 and 8 on page 42, to strike the language: "and in either event may include retail sales for household or personal use" and insert in lieu thereof: "subject to the exceptions provided hereafter in subsection (e) of this section or provided by the President under the authority contained in subsection (f) of this section"; on lines 12 and 13 of page 42, to strike the language: "comprising a substantial part of all sales at retail and materially affecting the cost of living" and insert in lieu thereof the word "generally"; on line 14 of page 42, to change "(d)" to "(c)". On line 22 of page 43, to change "(e)" to "(d)". On line 17 of page 45, to change "(f)" to "(e)". On line 8 of page 46, to change "(g)" to "(f)". On line 17 of page 46, to insert a period after "(b)" and to strike the word "or"; and to strike all of line 18 on page 46.

Mr. BRICKER. Mr. President, this amendment eliminates from the bill selective controls. We debated this back and forth in the committee time and time again. First it was in, and then it was out.

In the judgment of the Senator from Ohio selective controls simply cannot operate. The whole productive system and price system of our economy throughout the country is so intricate, so involved, and so interconnected that immediately price control is put on one commodity or one segment of the economy, immediately it is necessary to put it on some other. So it is impracticable and impossible, in the judgment of the Senator from Ohio, to administer selective price controls.

If we do have selective price controls, then the question further arises whether we are going to have selective wage controls with respect to the same commodities. The President has full power to select prices and wages that are necessary to be controlled, or which, if controlled, might hinder the war effort. So we are not curbing the authority of the President in any way, but we are requiring in this amendment that when wage and price controls are applied under the section as amended, they must be applied generally and not selectively, and they must be applied concurrently to prices and to wages at the same time.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. FLANDERS. I should like to say that I am going to vote for the amendment, and by so doing I have completely changed my position from the time I voted to report the bill favorably from the Committee on Banking and Currency. I have become more and more impressed with the fact that in dealing with price controls and wage controls on a selective basis we are succumbing to a creeping control which would give us a false sense of security, because we are dealing with symptoms only and by treating these symptoms we are very liable to find ourselves enmeshed in a credit expansion which finally will burst through all these controls of symptoms.

We need much heavier taxation than at present is in prospect. We need excess profits taxation well considered and well worked out. We need to make sure that we deny to the Treasury access to bank credit. There are a number of other things which we should do which we will not do if for a period this creeping control seems to be successful. We always have the reserve under the proposed amendment of the over-all control if the real emergency should arise.

Mr. WHERRY. Mr. President, will the Senator yield for a modification?

Mr. BRICKER. I yield.

Mr. WHERRY. On page 41, subparagraph (2) reads as follows:

(2) stabilizing wages, salaries, and other compensation paid to or received by any person for any type of employment; and regulations prohibiting increases in wages, salaries, and other compensation, except when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever—

Will the Senator accept after the word "whenever" the words "ceilings are imposed under paragraph (1) of this subsection" and add a period there and strike the remainder of the language in that paragraph, page 41, down to and including the first three lines on page 42? The reason I ask the question is that it seems to me it is going to be very difficult to explain what is meant by stabilizing wages.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. As I understand, the Senator from Indiana [Mr. CAPEHART] has proposed that title IV be stricken out. As I understand, the Senator from Ohio [Mr. BRICKER] has amended the proposal made by the Senator from Indiana.

Mr. WHERRY. No.

Mr. BRICKER. My amendment is to be considered and voted upon prior to the motion to strike.

Mr. MAYBANK. And then, as I understand, the Senator from Nebraska [Mr. WHERRY] will offer an amendment to the amendment of the Senator from Ohio.

Mr. BRICKER. He is proposing to modify my amendment.

Mr. MAYBANK. Therefore there would be available to Senators desiring to speak in opposition to the various proposals, 5 minutes on the motion of the Senator from Indiana [Mr. CAPEHART] to eliminate title IV, 5 minutes on the amendment of the Senator from Ohio [Mr. BRICKER], on his amendment which is to be acted upon before action is taken on the motion of the Senator from Indiana, and 5 minutes on the proposed modification of the Senator from Nebraska. Several Senators on this side desire to speak.

Mr. WHERRY. I think the Senator from South Carolina is incorrect. The Capehart amendment does not come into the picture at this time. The amendment under consideration is the one offered by the Senator from Ohio. The Senator from Nebraska has asked the Senator from Ohio if he will accept a modification of his amendment. So there will be no amendment offered by the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Indiana [Mr. CAPEHART] has consumed his 5 minutes on his amendment.

Mr. MAYBANK. Then we have 5 minutes on the so-called Capehart amendment.

The PRESIDING OFFICER. The Senator from South Carolina has 5 minutes on that amendment. The Senator from Ohio has the floor on his amendment, and the Senator from South Carolina is entitled to 5 minutes in answer to that. The Senator from Nebraska has merely suggested a modification of the amendment of the Senator from Ohio.

Mr. BRICKER. I accept the proposed modification. I modify my amendment

to conform with the request of the Senator from Nebraska.

Mr. WHERRY. Since the Senator from Ohio has accepted the modification, the Senator from Nebraska will not offer his amendment lettered "C" which he submitted some days ago. I should like Members of the Senate to know that the amendment of the Senator from Ohio, as modified, would accomplish exactly what the Wherry amendment lettered "C" would accomplish.

The PRESIDING OFFICER. The time of the Senator from Ohio [Mr. BRICKER] has expired.

Mr. WHERRY. Mr. President, I send to the desk an amendment as a substitute.

Mr. MAYBANK. Mr. President, that would give us 15 minutes in all in reply.

Mr. WHERRY. No; it is an amendment in the second degree, which I am entitled to propose.

Mr. MAYBANK. No, Mr. President. I want to be certain that Senators on this side shall have full opportunity to be heard.

The PRESIDING OFFICER. The Chair understands that the Senator from Ohio accepted the suggestion by the Senator from Nebraska to modify his amendment.

Mr. WHERRY. I wanted to have a chance to say a word about that modification. I was about to offer a substitute, but I will not do so. I will not impose upon the Senate to that extent.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska has already in effect been accepted by the Senator from Ohio in modifying his amendment.

Mr. WHERRY. Does the Senator from Nebraska have any time left?

The PRESIDING OFFICER. He has no time left. The Senator from South Carolina is recognized for 10 minutes.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. What is the amendment, as modified? May we have it read?

Mr. MAYBANK. Mr. President, none of this comes out of my time, does it?

The PRESIDING OFFICER. No. Request has been made that the amendment of the Senator from Ohio, as modified, be stated. That will not come out of the time of the Senator from South Carolina. The amendment will be stated.

The LEGISLATIVE CLERK. To the amendment offered by him, Mr. BRICKER has accepted the following modification:

On page 41, line 23, strike the language commencing with the word "an" down to and including line 3 on page 42, and insert in lieu thereof the words "ceilings are imposed under paragraph (1) of this subsection."

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 10 minutes.

Mr. MAYBANK. I shall make only a brief comment.

Mr. TAFT. Mr. President, a point of order. Why is the Senator from South Carolina recognized for 10 minutes?

The PRESIDING OFFICER. Because the Senator has 5 minutes remaining to speak in opposition to the amendment of the Senator from Indiana [Mr. CAPEHART] and 5 minutes in opposition to the amendment of the Senator from Ohio [Mr. BRICKER].

Mr. MAYBANK. Mr. President, I should like to ask the Senator from Nebraska what his amendment does? Does it eliminate any possibility of ceilings?

Mr. WHERRY. Mr. President, I appreciate the question. It gives me an opportunity to explain the amendment. On page 41, line 23, after the word "whenever" I have proposed to insert the words "ceilings are imposed under paragraph (1) of this subsection." Paragraph (1) is immediately above paragraph (2), the language of which we are now considering. Then I propose to strike out the remainder of the language in paragraph (2) beginning with the words "an increase" on line 23, down to and including line 3 on page 42. That makes the requirement in subsection (b) that if ceilings are established under paragraph (1), stabilization of wages is also established under subsection (2), and it is done automatically at the same time.

Mr. MAYBANK. What effect would that have on the paragraph beginning in line 9, on page 42? Would that be stricken?

Mr. WHERRY. The first three lines on page 42 would be stricken. That is the remainder of the paragraph.

Mr. MAYBANK. No, I am speaking about the paragraph beginning in line 9 on page 42. What effect would the Senator's language have upon that?

Mr. WHERRY. It would have the very effect the distinguished Senator from Ohio just mentioned; that wages would automatically be stabilized under paragraph (2) when price ceilings are imposed under paragraph (1).

Mr. MAYBANK. That strikes out selective control?

Mr. WHERRY. I would say that that is exactly what it does. Voluntary controls are still provided under section 402 (a) but it provides controls clear across the board with respect to wages and prices when mandatory controls are applied.

Mr. MAYBANK. Mr. President, I now yield 5 minutes to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, as I understand the two amendments, their effect, considered together, would be, when stated in simple terms, to do away with selective controls.

Mr. WHERRY. That is correct; let us be frank about it.

Mr. SPARKMAN. Mr. President, the committee discussed this matter rather at length, and decided that it was feasible to insert provision for selective controls. The committee recognizes the fact that there were a few items which have had runaway price increases since the beginning of the Korean war, and that instead of imposing price controls all the way across the board, it might very well be possible for the President to select particular items, for the time being, and control their prices.

Of course, there has always been some controversy over the question of whether selective price controls would work. In the days of the old OPA, similar questions arose. Some persons argued in favor of selective price controls, and others argued that they would not be workable.

The Joint Committee on the Economic Report, in the Eightieth Congress, under the chairmanship of the senior Senator from Ohio [Mr. TAFT], went into this question, and submitted a report recommending selective controls, and said it was believed that a system to selective controls would work, and the committee recommended them. I refer to the report of the Joint Committee on the Economic Report, of May 18, 1948, pages 6 and 7, at the time when the committee was under the chairmanship of the distinguished senior Senator from Ohio [Mr. TAFT], and the able Senator from Vermont was also a very able and conscientious member of the committee.

Mr. President, that is just what we are recommending now; we are following the lead of the Joint Committee on the Economic Report, under the chairmanship, at that time, of the distinguished senior Senator from Ohio, when that committee recommended a system of selective controls, back in the Eightieth Congress. We have simply reached in and taken a page out of their book, and have decided that now, when we are faced with increasing prices—although they are still not as high as they were in the 1940's.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. The Joint Committee on the Economic Report recommended no such thing. It said that if Congress were asked to provide authority to control a particular item, Congress might provide such authority, but that Congress should provide no powers whatsoever beyond that.

There are, perhaps, a few items which could be controlled selectively.

The Joint Committee on the Economic Report never recommended the provision of any general discretionary power on the part of the President to control the economy or to fix prices or wages. However, if the President wanted to deal with a particular commodity and wanted to ask Congress for authority to do so, the Joint Committee on the Economic Report recommended that Congress consider granting such authority.

Mr. SPARKMAN. Mr. President, I have only a short time available to me.

Of course the Senator from Ohio is correct in his statement, and it is in accordance with what I said before his return to the Chamber.

The President did recommend selective controls; and the Joint Committee on the Economic Report, under the chairmanship of the able Senator from Ohio, said that could be done, but said it did not believe such controls could be extended over a wide field without going into general controls.

Selective controls are what we are recommending now.

During the time this bill has been under consideration, I think we have

seen it have a helpful effect by reason of the suggestion that we were about to provide for selective controls. We saw prices run away in the case of a few items—for instance, prices on certain grades and classes of lumber and on certain cuts of meat, and on hides, rubber, tin, and a few other articles; but there has not been a stiff increase all the way across the board.

Mr. Ewan Clague, Director of the Bureau of Labor Statistics, testified before the committee that the cost-of-living index has risen very little, but that in a certain number of outstanding items there has been a very sharp increase in price.

That is why we voted in favor of giving the President the power to impose selective controls.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield, but only briefly, because my time is so limited.

Mr. SALTONSTALL. Will the Senator explain how it is fair to a steel worker in Pittsburgh, for instance, to have his wages controlled, if the wages of an aluminum worker in the same city are not controlled?

Mr. SPARKMAN. The Senator has asked a question which I cannot answer in a short time but I am sure the Senator from Massachusetts can see that there could be occasions when it would not be necessary to control the wages of labor in one particular field, but would be necessary to control the wages of labor in another field, or that there could be cases where prices in one field would not need to be controlled, but where prices in another field would need to be controlled.

However, the question is whether there are to be selective controls of any kind, both price controls and wage controls. We are simply following the lead of the Joint Committee on the Economic Report, in its report to the Eightieth Congress, in which it said that selective controls could be effectively imposed. After all, we do not have to have a total control of all prices and wages just because we want to control the price of meat or rubber. What we want to be able to do is to prevent high prices for a few items and prevent them from spilling over into the rest of the economy and kindling the fires of an all-out inflation.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. WHERRY. Mr. President, has all time expired?

The PRESIDING OFFICER. No; the Senator from South Carolina has 5 minutes.

Mr. SPARKMAN. Mr. President, the Senator from South Carolina said that he would yield that time to the Senator from Illinois.

The PRESIDING OFFICER. Very well.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. DOUGLAS. Mr. President, the salient passage is on page 40.

Mr. WHERRY. Mr. President, will the Senator yield, to permit me to propound a parliamentary inquiry?

Mr. DOUGLAS. Provided the time required for that purpose is not taken from my time.

Mr. WHERRY. Of course I suppose it must be taken from someone's time.

Mr. DOUGLAS. I do not yield, if the time required for that purpose is to be taken from my time.

Mr. President, the proposal is that the President of the United States exercise controls only in cases where there has been an excessive and an inflationary rise in the price of materials. In other words, the selective controls are proposed to be limited to cases where there have been run-away prices.

If we consider the 28 commodities which are traded on the commodity exchanges, we find that the records for those commodities show an average price increase of 16 percent in the first month following the invasion of Korea. In the case of the 980 commodities, the increase was only 6 percent; and the increase in the cost of living was only from 2 to 3 percent.

In other words, the increase in prices had been confined to a small number of commodities. We find that of the 28 commodities traded on the commodity exchanges, a large increase in prices occurred in the case of rubber, tin, cocoa, coffee, sugar, zinc, meat, and lumber.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I do not have the time to yield.

Mr. President, if we consider the situation in the case of the commodities I have just mentioned, we find that two-thirds of them were imported commodities, which really involve no domestic problem whatsoever.

It seems to me that particularly in the case of the imported commodities which are purchased by us from countries where cartels control the price, it might be possible for the President of the United States to impose price ceilings, and thus hold down the wholesale price level and the level of the cost of living, and possibly prevent the need for general price controls.

The proposal to give to the President the power to impose selective controls is really a means of reducing the necessity for and the danger of having general price controls.

So I hope very much that the amendment of the Senator from Ohio will be rejected.

Mr. WHERRY. Mr. President, is any time left?

Mr. MAYBANK. Mr. President, has all my time been used?

The VICE PRESIDENT. The Senator from South Carolina has 2½ minutes remaining.

Mr. WHERRY. Mr. President, will the Senator yield to me very briefly?

Mr. MAYBANK. Mr. President, it seems that the sentiment of the Senate is to vote on this question, judging from the expressions I have heard. However, I yield now to the Senator from Nebraska.

Mr. WHERRY. I thank the Senator from South Carolina; I appreciate very much his courtesy.

Mr. MAYBANK. I must inform the Senator that I am going to vote against the amendment.

Mr. WHERRY. That is perfectly all right.

Mr. President, I wish to say to the Senate that on the basis of years of experience with OPA as applied to meat and after long experience with the so-called selective control system, we found that there cannot be an effective Price Control Act unless we control the prices of all products and unless we control wages.

If Senators really wish to do a thorough job and really wish to give standby powers to the President, so as to permit him to control prices and prevent inflation, that is the only way to do it.

For instance, consider meat. We controlled the price of meat at the consumer level, but we did not control it at the producer level. For a long time we did not control the price of corn. If the price of meat is controlled, it is necessary to control the price of corn. If the price of corn is controlled, it is necesasry to control the price of wheat. If the price of wheat is controlled, it is necessary to control the prices of all the cereal grains. If the price of meat is controlled, it is necesasry to control the price of poultry. It is merely silly to stand on the Senate floor and think that anyone can do the job of controlling prices in this country, particularly the prices of food and wages in industry, unless we go clear across the board. That is the only way to have an effective price control act. That is the way it should be, if we want to have the job done.

The same thing can be done with every other commodity mentioned by the distinguished Senator from Illinois. Steel can be included, and if it is, then it will become necessary to include all subsidiaries of the big steel companies, all the way through, otherwise gray markets will spring up which cannot be policed. It would be impossible to employ enough people to police them. It is necessary to go one way or the other. I should like to see this done voluntarily, but if it cannot be done that way, the President then says that in order to protect the national security and to get production and keep inflation down, he wants controls. When that happens, we should be sure that price ceilings and wage controls are applied simultaneously. I want to thank the distinguished Senator for the 2½ minutes.

Mr. MAYBANK. I am always happy to yield to my friend from Nebraska. But, unfortunately, the Senator points to the dark side of the picture. I should like to think we will not be required to use these controls at all. The committee was hopeful that in providing for selective controls it would be unnecessary to go into all-out controls, which, as the Senator from Nebraska says, may become necessary. We are hopeful that that will be unnecessary.

Mr. WHERRY. That is also my hope.

Mr. MAYBANK. I agree thoroughly

with what the Senator from Alabama and the Senator from Illinois have said. Some of their remarks I did not hear.

The PRESIDING OFFICER. The Senator's time has expired. All time has expired. The question is on agreeing to the amendment of the Senator from Ohio [Mr. BRICKER], as modified.

Mr. WHERRY and other Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Anderson	Hill	Maybank
Benton	Hoey	Millikin
Brewster	Holland	Morse
Bricker	Humphrey	Mundt
Bridges	Hunt	Murray
Butler	Ives	Myers
Byrd	Jenner	O'Conor
Capehart	Johnson, Colo.	O'Mahoney
Chapman	Johnson, Tex.	Pepper
Chavez	Johnston, S. C.	Robertson
Connally	Kefauver	Saltonstall
Cordon	Kem	Schoeppel
Darby	Kerr	Smith, Maine
Donnell	Kilgore	Smith, N. J.
Douglas	Knowland	Sparkman
Dworshak	Langer	Stennis
Ecton	Leahy	Taft
Ellender	Lehman	Taylor
Ferguson	Lodge	Thomas, Utah
Flanders	Long	Thye
Frear	Lucas	Tobey
Fulbright	McCarran	Watkins
George	McCarthy	Wherry
Gillette	McClellan	Wiley
Graham	McFarland	Williams
Green	McMahon	Withers
Gurney	Magnuson	Young
Hendrickson	Malone	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment of the Senator from Ohio, as modified.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Carolina will state the inquiry.

Mr. MAYBANK. Am I correct in my understanding that the amendment of the Senator from Nebraska was accepted by the Senator from Ohio as a modification of the amendment offered by him?

Mr. WHERRY. It was accepted by the Senator from Ohio.

Mr. MAYBANK. As I understood, the Senator from Nebraska, in answer to a question of mine, answered that if this amendment were agreed to selective price controls would, of course, be done away with.

Mr. WHERRY. That is correct.

Mr. MAYBANK. So that is the issue. I merely wanted to emphasize the issue.

Mr. WHERRY. Mr. President, since the Senator has raised the question, I should like to have 10 seconds for a reply. The amendment of the Senator from Ohio, as now modified by the amendment of the Senator from Nebraska, does exactly what the Senator has said. Of course, it is still a stand-by power, but if it goes into effect it will go clear across the board.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Ohio [Mr. BRICKER], as modified.

Mr. BRICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRICKER. Am I correct that the vote is on the amendment of the Senator from Ohio, as modified on the suggestion of the Senator from Nebraska, and that the question is not on the amendment of the Senator from Nebraska?

The PRESIDING OFFICER. That is correct. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Tennessee [Mr. MCKELLAR] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Georgia [Mr. RUSSELL] is unavoidably detained on official business, and if present would vote "yea."

The Senator from Maryland [Mr. TYDINGS] is unavoidably detained on official business.

I announce that on this vote, the Senator from West Virginia [Mr. NEELY] is paired with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Washington would vote "yea."

I announce further that if present and voting, the Senator from California [Mr. DOWNEY] and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate, is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Washington would vote "yea" and the Senator from West Virginia would vote "nay."

The result was announced—yeas 50, nays 36, as follows:

YEAS—50

Aiken	George	Martin
Brewster	Gillette	Millikin
Bricker	Gurney	Mundt
Bridges	Hendrickson	Saltonstall
Butler	Hickenlooper	Schoeppel
Byrd	Hoey	Smith, Maine
Capehart	Hunt	Smith, N. J.
Chapman	Ives	Stennis
Cordon	Jenner	Taft
Darby	Johnson, Colo.	Thye
Donnell	Johnson, Tex.	Tobey
Dworshak	Kem	Watkins
Ecton	Knowland	Wherry
Ellender	Lodge	Wiley
Ferguson	McCarthy	Williams
Flanders	McClellan	Young
Frear	Malone	

NAYS—36

Anderson	Graham	Kefauver
Benton	Green	Kerr
Chavez	Hill	Kilgore
Connally	Holland	Langer
Douglas	Humphrey	Leahy
Fulbright	Johnston, S. C.	Lehman
Long	Maybank	Pepper
Lucas	Morse	Robertson
McCarran	Murray	Sparkman
McFarland	Myers	Taylor
McMahon	O'Conor	Thomas, Utah
Magnuson	O'Mahoney	Withers

NOT VOTING—10

Cain	McKellar	Tydings
Downey	Neely	Vandenberg
Eastland	Russell	
Hayden	Thomas, Okla.	

So Mr. BRICKER's amendment, as modified, was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to strike out title IV.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Has the time expired?

The PRESIDING OFFICER. The time has expired.

Mr. CAPEHART. Mr. President, I move that the Senate reconsider the vote by which the amendment of the Senator from Ohio [Mr. BRICKER], as modified, was agreed to.

Mr. WHERRY. Mr. President, I move that that motion be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion of the Senator from Indiana that the Senate reconsider the vote by which the amendment of the Senator from Ohio, as modified, was agreed to.

The motion to lay on the table was agreed to.

Mr. CAPEHART. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Will the Chair state the question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana, which would strike out title IV.

Mr. CAPEHART and other Senators requested the yeas and nays.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. For what purpose does the Senator from Delaware rise?

Mr. WILLIAMS. I wish to offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Delaware.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert the following:

Notwithstanding any other provision of this act, whenever the President decides that either price ceilings or wage stabilization is necessary, he must simultaneously declare both into effect as of the same base period, such base period being a 30-day period selected prior to June 24, 1950.

Beginning on page 40, in line 23, with the word "regulations", strike out through page 41, line 8 and insert the following:

Whenever a ceiling is established for any material, service, or property, the President

shall prohibit any increase in any wage, salary, or other compensation paid by any seller of such material, service, or property.

Beginning on page 41, in line 19, with the word "regulations", strike out through page 42, line 3, and insert the following:

Whenever a ceiling is established for any material, service, or property, the President shall prohibit any increase in any wage, salary, or other compensation paid by any seller of such material, service, or property.

Mr. WILLIAMS. Mr. President——

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. Has this amendment been submitted and printed prior to this hour?

Mr. WILLIAMS. Mr. President, I can explain it very easily——

Mr. MAYBANK. I did not ask that.

The PRESIDING OFFICER. There is no rule which requires that an amendment be submitted and printed prior to this time.

Mr. WILLIAMS. Mr. President, my amendment is in the same situation as is the amendment regarding tobacco, which was passed on earlier in the day.

Mr. MAYBANK. Mr. President, I had nothing to do with the tobacco amendment. The Committee on Agriculture and Forestry suggested that amendment.

Mr. WILLIAMS. Mr. President, we have just adopted an amendment offered by the junior Senator from Ohio which provides that if the President shall decide to put into effect either price or wage controls he must put them both into effect. But it does not provide that they must be computed as of the same base period. My amendment provides that if the President decides to take action which freezes either prices or wages, he must select for both the same base period, and it must be some 30-day period prior to the outbreak of the Korean hostilities. Under the bill the President would have power, notwithstanding any future wage freeze, to order wage increases in any industry which in his opinion could absorb such wage increases without corresponding price increases. In my opinion there is no such thing as a wage increase which does not result in a commensurate price increase in the manufactured product. My amendment strikes out that elective power of the President, and it says that if he is to establish either price or wage ceilings he must establish both of them as of the same date, using as a base some 30-day period prior to June 24 or the beginning of the Korean hostilities. He would be allowed to make no exception except as the Board makes exceptions to correct certain inequities.

Mr. MAYBANK. Mr. President, I do not want to take much time on the amendment. However, the amendment which the Presiding Officer, the Senator from Virginia, and I offered was printed, and a statement was made. I have not seen any statement on this amendment. I do not know how far the amendment goes. I want it understood that the other amendment was printed and was lying on the table.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. FLANDERS. I should like to know whether the Senator is proposing a roll-back of both wages and prices to some period prior to June 25.

Mr. WILLIAMS. Not necessarily. I am proposing that whatever date is selected for prices and wages must be applicable to both, and whatever base period is selected must be a 30-day period prior to the outbreak of the Korean hostilities. Otherwise, any base period selected this side of June 24 would be the equivalent of paying a premium to any retailer or manufacturer who jumped the gun, and made unnecessary increases in his prices as well as any union that now rushed forward to obtain wage increases.

Mr. FLANDERS. It does not require an automatic roll-back?

Mr. WILLIAMS. No; it merely provides that both the wage earner and farmer be treated alike.

Mr. TYDINGS. I could not hear everything the Senator from Delaware said. Did I understand him to say that if a date is decided upon, it must be a date prior to the outbreak of the Korean hostilities?

Mr. WILLIAMS. Yes. Whatever base period for establishing wage or price ceilings is selected it must be some period prior to the beginning of hostilities.

Mr. TYDINGS. Unless that is done, we would have a situation where prices have gone up and wages have not gone up. Unless there is a roll-back to a date prior to the beginning of hostilities, it would not be fair to all.

Mr. WILLIAMS. I agree, and that is why I am offering my amendment. I may also point out that this amendment would automatically repeal the provisions in the bill exempting certain agricultural products from any special consideration. That should be done in fairness to all agriculture.

Mr. MAYBANK. So far as I can gather, without reading all of the amendment, it is identical with the amendment we have already voted on. I yield 2 minutes to the Senator from Illinois.

Mr. DOUGLAS. I do not have before me a copy of the amendment offered by the Senator from Delaware, which indicates the difficulty under which we are operating.

However, as I listened to its reading it seemed to be identical with the proposal made by the Senator from Ohio [Mr. BRICKER], which was recently defeated, namely, to require wages and prices to be stabilized as of the same date. If that is true—and I think it is true—the same objection holds, namely, that if we stabilize prices as of a given period, we would allow for price increases, which go to an employer. However, since wages lag behind prices we would not give to the workingman an opportunity to have his wages catch up with the increase in prices. Therefore, the effect of such a proposal would be to decrease the standard of living of the workers while giving speculative increases in prices to the employers.

Mr. TAFT. The base period must be prior to June 24, the date set out in the amendment. The Koreans attacked on the 25th.

Mr. DOUGLAS. That takes care of any increase since that date. However, there was a rise in prices during the preceding month. Prices had been going up, and wages had not been rising. So the amendment is a proposal to let the pre-Korean increase go to the holders of commodities but not to the workingmen themselves.

Mr. BRICKER. Under the amendment I think the President could go back previous to the increase in the month before the Korean outbreak.

Mr. DOUGLAS. It speaks of an average of a 30-day period.

Mr. THYE. May I ask a question of the author of the amendment?

Mr. WILLIAMS. I yield.

Mr. THYE. Am I to understand that the producer of a commodity which was not up to parity as of June 15th or 25th, to whichever date reference is made, would have his price frozen at the price which prevailed at that time?

Mr. WILLIAMS. Not necessarily, but it would make it possible to freeze it as of that date. Do not forget this bill is supposed to protect the consumer against unnecessary price increases. It would repeal that provision as I said before—and I want it clearly understood—that Senators in voting for the amendment would be voting for the repeal of the special exemption which was placed in the bill earlier this afternoon whereby basic agricultural commodities would be entitled to special consideration. I do not think that other amendment should have passed. We cannot allow 10 percent increases in certain agricultural commodities and then consider freezing all other commodities without a corresponding increase.

Mr. THYE. I am sure that the Senator from Delaware is aware of the fact that certain producers were not at parity. In fact, certain producers were far below parity. If it is the intent of the Senator from Delaware to freeze those commodities at below parity, I do not believe the amendment should be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware.

Mr. WILLIAMS and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Georgia [Mr. RUSSELL] is unavoidably detained on official business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Georgia [Mr. RUSSELL] would vote "nay."

Mr. SALTONSTALL. The Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from South Dakota [Mr. GURNEY], and the Senator from Indiana [Mr. JENNER] are detained on official business.

The result was announced—yeas 11, nays 74, as follows:

YEAS—11

Bricker	Ecton	Martin
Bridges	Frear	Taft
Byrd	Kem	Williams
Cordon	Knowland	

NAYS—74

Aiken	Humphrey	Morse
Anderson	Hunt	Mundt
Benton	Ives	Murray
Brewster	Johnson, Colo.	Myers
Butler	Johnson, Tex.	O'Conor
Capehart	Johnston, S. C.	O'Mahoney
Chapman	Kefauver	Pepper
Chavez	Kerr	Robertson
Connally	Kilgore	Saltonstall
Darby	Langer	Schoeppel
Donnell	Leahy	Smith, Maine
Douglas	Lehman	Smith, N. J.
Dworshak	Lodge	Sparkman
Ellender	Long	Stennis
Ferguson	Lucas	Taylor
Fulbright	McCarran	Thomas, Utah
George	McCarthy	Thye
Gillette	McClellan	Tobey
Graham	McFarland	Tydings
Green	McKellar	Watkins
Hendrickson	McMahon	Wherry
Hickenlooper	Magnuson	Wiley
Hill	Malone	Withers
Hoey	Maybank	Young
Holland	Millikin	

NOT VOTING—11

Cain	Gurney	Russell
Downey	Hayden	Thomas, Okla.
Eastland	Jenner	Vandenberg
Flanders	Neely	

So Mr. WILLIAMS' amendment was rejected.

The VICE PRESIDENT. The question now recurs on the motion of the Senator from Indiana [Mr. CAPEHART] to strike out title IV. The yeas and nays have been ordered.

Mr. MAYBANK. Mr. President, there was so much confusion I could not hear what the Chair announced. As I understand, the yeas and nays have been ordered on the motion of the Senator from Indiana to strike out entirely title IV.

The VICE PRESIDENT. The Senator is correct.

Mr. WILLIAMS. Mr. President, I have one further amendment which I should like to offer at this time.

The VICE PRESIDENT. The Senator will send it to the desk, and it will be stated.

The CHIEF CLERK. On page 46, between lines 18 and 19, it is proposed to insert the following:

(h) Whenever any wage, salary, or other compensation is stabilized pursuant to the provisions of this section, the President shall, notwithstanding any other provision of law, prohibit any step-increase or other increase in the wage, salary, or other compensation payable to any employee in any branch, department, or agency of the United States, other than an increase by reason of transfer or promotion to an existing position which has become vacant or to a new position which has been created because of an increased work load in such branch, department, or agency.

Mr. WILLIAMS. Mr. President, this amendment provides that at the time the President declares price and wage controls in effect he must, at the same time, freeze the wages and salaries and other compensation of all civilian Government employees.

During the last war this provision was not in effect, and we had the unfair situation where Government employees were receiving salary increases through in-grade promotions while at the same time wages in private industry were frozen.

If under S. 3936 we are going to authorize the President to freeze wages in private industry, I think we have no alternative other than to make it mandatory that the Government, the largest employer, comply with its own regulation.

We are proposing to freeze the prices of all agricultural products. If we do this, and thereby freeze the cost of living to the Government employee, it is only fair that he in turn should expect his own salary frozen along with other incomes.

Unless this amendment is adopted whereby Government employees are subjected to the same rules as will apply to other workers the bill will be unfair and will not work.

This bill has been loaded with so many amendments providing special exemptions for practically every pressure group that unless we are very careful it will in its final form be worse than no legislation at all. We have completely forgotten the American consumer.

We have—

First. Provided special exemptions for the farmers producing wheat, corn, cotton, peanuts, and tobacco protecting them against any prospective roll-back in prices to the level prevailing prior to the Korean outbreak.

Second. The Senate has accepted an amendment providing a special subsidy to the mining industry amounting to about $100,000,000 annually. This is the same subsidy proposal which was rejected in 1948 and again in 1949. It has nothing to do with price controls.

Third. The Senate has rejected the amendment proposing that all nonessential Government construction be suspended for the duration of the emergency. This would release many strategic materials for our defense plants and at the same time reduce Government expenditures.

Fourth. Under an amendment which has been accepted, the Senate has empowered the President that (notwithstanding the fact that wage ceilings might be in effect) he can authorize wage increases in an industry which he thinks can absorb such increase without necessitating corresponding price increases in their products. We all know full well that there is no such thing as a wage increase without price increases.

Fifth. The amendment which I am now offering will eliminate one inequity in that it will strike out that provision in the bill which now proposes to exempt Government employees from future wage freeze. Why should Government employees be exempted from the provisions of this bill?

Mr. President, I think we need both wage and price controls provided they could be enacted in a bill which would treat all groups on a basis of equality and I had announced my intention to vote for such controls. We also need to confer upon the President the power to allocate certain materials which are needed for our national defense as well as give him certain powers to control credit. This is essential not only to rebuild our military machine but also to check a very real inflationary threat.

But this bill will not protect the American housewife. This bill actually encourages higher prices for practically every commodity. It is loaded with so many special exemptions through attempts to take care of the different pressure groups that it will just not work.

It is most unfortunate that with American boys dying in Korea and with our country facing one of its most serious crises that the Congress will not forget politics long enough to enact the proper legislation. Every Member of Congress knows what legislation is needed and all that is required to enact that legislation would be for the Members of Congress to forget politics and stop trying to buy the 1950 elections under the guise of a national emergency. I am sorry that we are failing so completely to cope with this emergency. There is no such thing as half control, it must be all or none.

Mr. MAYBANK. Mr. President, I yield to my colleague from South Carolina [Mr. JOHNSTON].

Mr. JOHNSTON of South Carolina. As I understand the amendment, it would prevent automatic increases being made in various departments.

Mr. WILLIAMS. Yes.

Mr. JOHNSTON of South Carolina. And stop pay increases?

Mr. WILLIAMS. Yes.

Mr. JOHNSTON of South Carolina. Those are matters which we have already regulated by law. At any time further regulation is found to be necessary such regulation can be made by act of Congress at any time, or action can be taken in connection with an appropriation bill, or by provision for a change in the existing system. Therefore I bitterly oppose the amendment on the ground that it deals with what we have already provided by act of Congress.

Mr. WILLIAMS. I might say that the whole bill does a great many things that have been done previously.

Mr. MAYBANK. Mr. President, I have no desire to read the statement I have which deals with the amendment. I ask for a vote on the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS]. [Putting the question.] The "noes" seem to have it. The "noes" have it.

Mr. WILLIAMS. I ask for a division.

The VICE PRESIDENT. The Senator asks for a division a little late, but it will be given to him.

Mr. WILLIAMS. Mr. President, I ask for the yeas and nays.

Mr. MAYBANK. Let us have the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. A division has been requested.

On a division Mr. WILLIAMS' amendment was rejected.

The VICE PRESIDENT. The question now is upon the motion of the Senator from Indiana [Mr. CAPEHART] to strike out title IV, upon which the yeas and nays have been ordered. The Secretary will call the roll.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOUGLAS. What is the motion before the Senate?

The VICE PRESIDENT. The motion is that of the Senator from Indiana [Mr. CAPEHART] to strike out title IV. The Secretary will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Georgia [Mr. RUSSELL] is unavoidably detained on official business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Georgia [Mr. RUSSELL] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Oregon [Mr. CORDON], the Senator from Vermont [Mr. FLANDERS], the Senator from South Dakota [Mr. GURNEY], the Senator from Indiana [Mr. JENNER], the Senator from Nevada [Mr. MALONE], and the junior Senator from New Hampshire [Mr. TOBEY] are detained on official business.

The result was announced—yeas 6, nays 75, as follows:

YEAS—6

Bricker	Ecton	Taft
Capehart	Kem	Williams

NAYS—75

Aiken	Frear	Johnson, Tex.
Anderson	Fulbright	Johnston, S. C.
Benton	George	Kefauver
Brewster	Gillette	Kerr
Butler	Graham	Kilgore
Byrd	Green	Knowland
Chapman	Hendrickson	Langer
Chavez	Hickenlooper	Leahy
Connally	Hill	Lehman
Darby	Hoey	Lodge
Donnell	Holland	Long
Douglas	Humphrey	Lucas
Dworshak	Hunt	McCarran
Ellender	Ives	McCarthy
Ferguson	Johnson, Colo.	McClellan
McFarland	Myers	Stennis
McKellar	O'Conor	Taylor
McMahon	O'Mahoney	Thomas, Utah
Magnuson	Pepper	Thye
Martin	Robertson	Tydings
Maybank	Saltonstall	Watkins
Millikin	Schoeppel	Wherry
Morse	Smith, Maine	Wiley
Mundt	Smith, N. J.	Withers
Murray	Sparkman	Young

NOT VOTING—15

Bridges	Flanders	Neely
Cain	Gurney	Russell
Cordon	Hayden	Thomas, Okla.
Downey	Jenner	Tobey
Eastland	Malone	Vandenberg

So Mr. CAPEHART's motion was rejected.

Mr. BYRD. Mr. President, I call up the amendment marked "8–11–50–R," which I offer. The amendment is offered on behalf of myself, the Senator from Michigan [Mr. FERGUSON], and the Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 82, in line 9, it is proposed to strike out "June 30, 1952" and insert in lieu thereof "June 30, 1951"; on page 32, line 8, to strike out "June 30, 1952" and insert in lieu thereof "June 30, 1951"; on page 37, lines 7 and 8, to strike out "June 30, 1952" and insert in lieu thereof "June 30, 1951"; on page 77, lines 17 and 18, to strike out "June 30, 1952" and insert in lieu thereof "June 30, 1951."

Mr. BYRD. Mr. President——

The VICE PRESIDENT. The Senator from Virginia is recognized for 5 minutes.

Mr. BYRD. When the control bill was passed by the House of Representatives, a provision was added to have it expire on June 30, 1951. This amendment, if it is adopted, will make the Senate bill conform to the House bill.

I think this amendment is very important because at this time no one can foretell the extent of the emergency with which we are dealing. It may be much greater than we now think, or it may not be so great.

This amendment will give the Congress an opportunity to review this measure and to reenact such parts of it as Congress may see fit to reenact, or to make this measure stronger, or to do whatever Congress may think best to be done under the circumstances existing at that time.

I imagine that Congress will be in virtually constant session throughout the spring of next year, and certainly until June 30, although it may be that thereafter there will be a recess from time to time. The amendment will give us a chance to see where we are going—which is more than we are able to tell now.

I congratulate the committee for doing such fine work in a very brief period. Necessarily this measure was prepared in a very short time.

I think this bill confers on the President the greatest power ever conferred on a President of the United States in time of peace. I think the Senate should retain the right, under the expiration date now proposed—which will conform with that provided by the House of Representatives—to review the measure next spring and see what should be done further.

Mr. President, I yield 1 minute of my remaining time to the Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The Senator from Nebraska is recognized for 1 minute.

Mr. WHERRY. Mr. President, I am a cosponsor of the amendment. I wish to endorse everything which has been said by the senior Senator from Virginia.

Possibly it is because I am a member of the Appropriations Committee that I feel that reviews are very desirable in connection with legislative enactments and the regulations and controls which go with them.

If at the end of a year the situation confronting us is worse than is the present situation, certainly there will be no difficulty about extending these controls. On the other hand, as the distinguished Senator from Virginia and other Senators already have said this afternoon, this bill provides a great deal of power. If the bill is administered constructively, certainly a review would reveal that, and the chances are that then there would be no difficulty in continuing the powers now proposed in the bill.

Certainly one way to find out about that situation and to correct any inequities is to have a review made. The best way to provide for the making of a review is to provide a termination date for the granting of the authority and the powers. I insisted upon having that done in the case of the selective service bill.

I believe that at the end of 1 year is a good time at which to have a review made, and then to determine whether to extend the powers or to withdraw them.

The VICE PRESIDENT. The time of the Senator from Nebraska has expired.

Mr. BYRD. Mr. President, I yield 1 minute to the Senator from Michigan [Mr. FERGUSON].

The VICE PRESIDENT. The Senator from Michigan is recognized for 1 minute.

Mr. FERGUSON. Mr. President, I have joined in sponsoring the amendment to limit this legislation to 1 year, to August 31, 1951, because I believe we are facing an emergency; otherwise no such legislation is necessary. I am of the belief that if we take this firm stand and prepare for any emergency, indicating to the Soviet Union and the other countries of the world that we are determined to prepare for the worst that could happen and to stop aggressions which may become a third world war, we may be able to stave off and prevent such a war.

I believe that if we limit the operations under this bill by providing that the authority granted under it shall expire next year, that will make it possible for Congress to review the entire proceedings under the bill and to do so during the first part of the next session of Congress.

In this measure we are granting great power, exceptional power, to the Executive; we are doing so on the basis of the facts we have before us today. If it was only to take care of the crisis in Korea, we would not need these controls.

We must be prepared for a greater emergency if it comes, and as it looks now it may come at any time; but we should look at the facts as they will appear after the next session of Congress begins in January 1951, and determine what controls we then need to prevent inflation and prepare for this national security.

The VICE PRESIDENT. The time of the Senator from Michigan has expired.

Mr. BYRD. Mr. President, I yield 1 minute to the Senator from California [Mr. KNOWLAND].

The VICE PRESIDENT. The Senator from California is recognized for 1 minute.

Mr. KNOWLAND. Mr. President, I desire to support the amendment. For the reasons which have been stated by the Senator from Virginia [Mr. BYRD], the Senator from Michigan [Mr. FERGUSON], and other Senators, I think it is important that we provide this restriction on the power granted to the executive branch of the Government. If that is done, then after we return, following November, we shall have a chance to review the operations under this measure.

Mr. CAPEHART. Mr. President, I should like to ask the Senator from Virginia to consider making a modification of his amendment.

The VICE PRESIDENT. The time of the Senator from Virginia has expired.

Mr. CAPEHART. Then, Mr. President, I offer an amendment in the nature of a substitute, to provide that wherever the date "June 30, 1951" appears in the amendment, it be changed to "August 31, 1951."

The effect of my substitute will be to make the bill a 12-month bill. I have had such an amendment at the desk.

The VICE PRESIDENT. The Senator from Indiana is recognized for 5 minutes.

Mr. CAPEHART. I wonder whether the able Senator from Virginia is willing to accept the August 31 date.

Mr. BYRD. I will accept it.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I am glad to yield.

Mr. SALTONSTALL. What is the opinion of the Senator from Indiana or what is the opinion of the Senator from Virginia as to the ability to obtain men to operate the central agency if the powers are to be provided for a short time only. Will it be possible to set up the agency in a satisfactory way, in such case?

Mr. BYRD. The bill itself provides that it can be terminated by means of a concurrent resolution. Certainly this amendment would not provide much more than that, because under the bill as it now stands, the powers could be terminated by means of a concurrent resolution, which does not require the signature of the President.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. The Senator from South Carolina is recognized for 5 minutes.

Mr. MAYBANK. Mr. President, on three different occasions the Senator from Indiana [Mr. CAPEHART] brought up the same amendment in the committee, and on three separate occasions the committee voted down the amendment. In some instances I think there was only one vote in favor of the amendment, and at other times I think there were three votes in favor of the amendment.

When we were in executive session, we heard from General Bradley and also Secretary Symington. They begged and pleaded with us not to tie the hands of those whom they might employ to work under contract for an indefinite period, perhaps 10 months, possibly less. We have gone as far in this bill as it is possible for us to go. If Senators will refer to page 82 of the bill, they will find this language:

> This act and all authority conferred hereunder shall terminate June 30, 1952, or at such earlier time as the Congress by concurrent resolution or the President may designate.

We further amended it by an amendment offered by the Senator from Ohio, to the effect that the Congress may annul any section of whatever bill we may pass. That is the situation with which we are faced. By concurrent resolution, we can annul titles I, II, III, and so forth. The members of the committee heard General Bradley and Secretary Symington and the heads of various other agencies in executive session, who begged and pleaded that there be no such limitation because of the condition suggested by the Senator from Massachusetts a few moments ago. The bill, if passed, would for example confer the right upon the President to employ men from industry. We have given full opportunity to all who desire to be heard before the committee. The Senator from Indiana [Mr. CAPEHART] himself brought this up three times. Am I correct in that?

Mr. CAPEHART. That is correct.

Mr. MAYBANK. It was voted down each time.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. MAYBANK. I am glad to yield for a question.

Mr. FERGUSON. Does the Senator believe that, if there is no emergency requiring legislation of this kind, we should create jobs for those who might fill them temporarily, while we determine whether we need them?

Mr. MAYBANK. Mr. President, there were many amendments which I did not vote for, which were added by the committee. But if I did not believe there was an emergency, I should not be here tonight even to vote for this bill. The Senator knows that well.

Mr. FERGUSON. I join with the Senator. I would not be voting for it either.

Mr. MAYBANK. I want the Senate to know that the Congress can terminate any section of the act through a concurrent resolution, whenever it desires. General Bradley and Secretary Symington asked us to make the life of the law 2 years. I agree with the distinguished Senator from Virginia that the House did cut it down, but I am not certain that the House heard the remarks of General Bradley or of Secretary Symington and their reasons for asking what they did. I yield a moment of my time to the Senator from Alabama, if I have that much time left.

The VICE PRESIDENT. The Senator has a minute and a half.

Mr. SPARKMAN. Mr. President, I desire to endorse what the chairman of the committee has said. It seems to me there is a psychological argument in favor of having this control measure last for a period of time, particularly when we consider the manner in which it has been safeguarded. The committee included a provision which would give the Congress the right, through a concurrent resolution, to terminate the entire act at any time it desired. On the floor of the Senate we adopted another amendment authorizing the Congress to terminate any section at any time it desired. It seems to me that if we want to do a full job, psychologically speaking, we should go into this thing as though we intend to do it. The agencies cannot get started under the bill within the 9-month period proposed by the amendment. In addition to the inability to get people to leave their work and come here and try to get the program going, I believe that psychologically the longer period is preferable.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield.

Mr. LUCAS. Is it not about time that the Congress recognized some of the prophecies and some of the requests that General Bradley has been making over the past 2 or 3 years?

Mr. SPARKMAN. I certainly think it is, and, as the chairman of the committee has so well pointed out, there was rather strong sentiment in the committee in favor of shortening the time, until we heard General Bradley in executive session. The committee then overwhelmingly and almost unanimously voted against shortening the period provided in the bill.

Mr. AIKEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator's time has expired. All time has expired. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD], as modified.

Mr. BYRD. I ask that the amendment, as modified, be read.

The VICE PRESIDENT. The clerk will read the amendment, as amended.

The CHIEF CLERK. On page 32, line 8, it is proposed to strike out "June 30, 1952" and insert "August 31, 1951"; on page 37, line 7, strike out "June 30, 1952", and insert "August 31, 1951"; on page 77, line 17, strike out "June 30, 1952", and insert "August 31, 1951"; and on page 82, line 9, strike out "June 30, 1952", and insert "August 31, 1951."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Virginia, as modified.

Mr. BYRD. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are necessarily absent.

I announce that on this vote the Senator from West Virginia [Mr. NEELY] is paired with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Washington would vote "yea."

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Washington would vote "yea" and the Senator from West Virginia would vote "nay."

The Senator from Vermont [Mr. FLANDERS] and the Senator from South Dakota [Mr. GURNEY] are detained on official business.

The result was announced—yeas 38, nays 48, as follows:

YEAS—38

Brewster	Hickenlooper	O'Conor
Bricker	Jenner	Saltonstall
Bridges	Johnson, Colo.	Schoeppel
Butler	Kem	Taft
Byrd	Knowland	Thye
Capehart	Lodge	Tobey
Cordon	McCarran	Tydings
Donnell	McCarthy	Watkins
Dworshak	McClellan	Wherry
Ecton	Malone	Wiley
Ferguson	Martin	Williams
Fulbright	Millikin	Young
Hendrickson	Mundt	

NAYS—48

Aiken	Holland	McMahon
Anderson	Humphrey	Magnuson
Benton	Hunt	Maybank
Chapman	Ives	Morse
Chavez	Johnson, Tex.	Murray
Connally	Johnston, S. C.	Myers
Darby	Kefauver	O'Mahoney
Douglas	Kerr	Pepper
Ellender	Kilgore	Robertson
Frear	Langer	Russell
George	Leahy	Smith, Maine
Gillette	Lehman	Smith, N. J.
Graham	Long	Sparkman
Green	Lucas	Stennis
Hill	McFarland	Taylor
Hoey	McKellar	Thomas, Utah

NOT VOTING—10

Cain	Gurney	Vandenberg
Downey	Hayden	Withers
Eastland	Neely	
Flanders	Thomas, Okla.	

So Mr. BYRD's amendment, as modified, was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. BENTON. Mr. President, I send to the desk an amendment and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The CHIEF CLERK. On page 69, lines 7 and 8, and page 60, line 2, it is proposed to delete "construction,"; on page 62, line 1, to delete "construction"; on page 62, line 5, to delete "new construction on"; on page 62, lines 5 and 6, to delete "or real property on which there is new construction" and to delete the remainder of line 6 and from line 7 to and including "1950." in line 10; and on page 62, line 13, to delete "construction."

Mr. BENTON. Mr. President, these various changes add up to just one thing. This amendment authorizes the Federal Reserve Board to control credit over all privately financed real estate, and not merely over new construction. The bill as introduced contained such authority for the President. While my amendment does not propose to take the field from the Federal Reserve Board, it does expand the proposed power of the Federal Reserve Board in order to plug a loophole so transparently big that the proposed credit controls may be largely ineffective in controlling inflation in real estate.

It may be recalled that the President specifically mentioned this needed power in his recent letter to the President of the Senate regarding the bill. If the authority called for in this amendment is not included in the bill, I fear lack of credit controls over presently existing buildings will result in a severe inflationary boom in that field, as in the last war, should it become necessary to control credit on new construction. I think we are all familiar, Mr. President, with the issue involved in this subject, and I do not think I can contribute enlightenment by any further discussion on my part.

I urge the adoption of the amendment.

Mr. MAYBANK. Mr. President, I merely wish to say that I appreciate what the Senator from Connecticut has said, but I regret that because the amendment was defeated in committee, I cannot, as chairman of the committee, accept it. I would have to oppose it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BENTON]. [Putting the question.]

The amendment was rejected.

Mr. WATKINS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The CHIEF CLERK. On page 43, line 21, at the end of section 402 (d), it is proposed to insert the following:

Nothing in this subsection shall be construed to prohibit ceilings designed to allow a seller his normal percentage, cash, or other margin of profit; and ceilings shall be designed to allow sellers whose margin of profit is normally determined by the application of a percentage discount, mark-up, or other basis their normal margin of profit so determined.

Mr. WATKINS. Mr. President, an amendment, proposed by the Senator from Delaware [Mr. WILLIAMS], adopted by the Senate in its consideration of Senate bill 3936, Defense Production Act, is of some concern. That amendment provides that no ceiling price shall be established to allow a seller a "margin of profit greater than his average margin of profit" on sales of commodities and service during the representative period.

The retail automobile industry operates on a discount basis in purchasing automotive products from the manufacturer. The manufacturer suggests a retail list price, and the dealer buys his motor vehicles at an established discount from that list price. This method of doing business has been established over the years, and prices have moved downward, as well as upward, during that period.

During the last war OPA, in several instances, authorized price increases to the manufacturer on the basis of increased costs, and the dealer's discount remained the same. In the latter days of OPA that organization attempted to reduce the historic discount in the industry. This was resisted, and the Congress in 1946 adopted an amendment to the Emergency Price Control Act preventing OPA from changing this historic discount arrangement, section 10 (q), Price Control Extension Act of 1946.

Should price controls be reinstated, and the governmental agency in charge permit the manufacturer either to increase or decrease the list price, this would result in an increase or decrease in the dealer's dollar income.

If the words "margin of profit" were construed by the Administrator, after authorizing an increase in the list price, to place a ceiling on the dealer's dollar return, then this would have the effect of lowering the dealer's historic discount. If the prices of the manufacturer should go up because of costs, then likewise the retail industry has also increased costs, and the discount should remain the same, although it would produce additional dollar income. Conversely, should the price of the manufacturer be reduced, the retail industry would want the historic discount maintained even though it would mean a reduced dollar income. Thus, it is not the dollar income which is important but the maintenance of the discount rate. The words "margin of profit" might be constructed by an administrative agency to bring about a change in the retail dealer's historic discount.

The amendment is made necessary by the adoption of the amendment offered by the Senator from Delaware. It seems to me inasmuch as Congress once before acted upon this very problem and in 1946 passed the act, making this construction, that the Senate should adopt the amendment so that there will be no doubt about the fact that the historic practice will be approved and will not be the subject of argument back and forth. I suggest that the chairman of the committee take the amendment to conference.

Mr. MAYBANK. While I understand the desire of the Senator from Utah with respect to carrying the amendment to conference, I wish to point out there are still so many amendments pending which must be considered——

Mr. WATKINS. The subject of the amendment is pretty well known.

Mr. MAYBANK. The amendment was not printed. The Senator from Indiana advises that he has five amendments to offer. Am I correct?

Mr. CAPEHART. That is correct.

Mr. MAYBANK. The Senator from Indiana has five amendments. There are several amendments that will be offered from this side of the aisle. I do

not know whether the Senator from Ohio [Mr. TAFT] intends to offer his amendment with respect to title V. I have the greatest affection for the Senator from Utah, but, as I said to the Senator from Connecticut, I simply do not have the capacity to understand all these amendments that come in at the last minute. They have not been presented before, and I have not had a chance to read them. I should like to do it, but shall simply have to be firm in saying—and I speak only for myself—that we should not accept any more amendments which have not been printed. We have many amendments before us. Title V and title VI have not been reached, and then there is the bill itself. It is now 5 minutes after 8. I will stay as long as it is necessary to stay, but I do not have anything more to say on this amendment.

Mr. WATKINS. May I inquire of the Senator, the chairman of the committee, if he is acquainted with the act passed in 1946? Was not that act taken into consideration by the committee in drafting the bill?

Mr. MAYBANK. Yes; I am familiar with the 1946 act. As the Washington Post said, it may be defined as a decontrol OPA Act. In my judgment it was a mistake. I was very well acquainted in 1941 and 1942 with the act at that time. If we attempt to write an OPA Act on the Senate floor, I do not think we shall get very far. We have very many amendments before us. I understand the minority leader has five amendments to offer. The Senator from Ohio has an amendment to title V. I am not in a position to accept any other amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. WATKINS].

The amendment was rejected.

Mr. CAPEHART. Mr. President, I send an amendment to the desk and ask the clerk to state it.

The CHIEF CLERK. On page 43, at the end of line 21, it is proposed to insert the following:

The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title, and the method of controlling prices shall be based on the historical pricing practice and experience of the seller.

Mr. CAPEHART. The first portion of the amendment is an insertion taken from the bill which was passed by the House. It is essentially in the language which appears in section 2 (b) of the original Price Control Act. If we adopt the amendment we would be adopting what is already in the House bill.

Mr. MAYBANK. Since it is already in the House bill, it would be in conference. The distinguished Senator from Indiana, who is the Republican leader so far as this bill is concerned in the absence of the Senator from New Hampshire [Mr. TOBEY], would be one of the conferees. I trust he will not press his amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

Mr. MAYBANK. Will the Senator withhold his suggestion of the absence of a quorum?

Mr. CAPEHART. Yes.

Mr. MAYBANK. I have no right to presume, but I suppose the issue before us is title V. Would I be incorrect in assuming that?

Mr. WHERRY. If the Senator is directing the question to me, I would say yes. A few minutes ago the distinguished acting majority leader, the chairman of the committee, stated that the minority leader had five or six amendments to offer.

Mr. MAYBANK. I meant to say the Senator from Ohio [Mr. TAFT]. The Senator from Indiana told me he had five amendments too.

Mr. CAPEHART. Yes; I have some more amendments.

Mr. WHERRY. I agree that the amendment to title V is a very important amendment. I think we can have a quorum call and——

Mr. MAYBANK. I appreciate the fact that the Senator who rises and is recognized by the Chair has the floor. However, I wonder if we could get to title V, because I think several Senators wish to retire, or have other engagements.

Mr. WHERRY. I suggest to the acting majority leader that we go ahead with the quorum call and immediately thereafter take up the four or five amendments. In the meantime, the Senator from Ohio will be here to present his amendment to title V.

Mr. CAPEHART. Mr. President, I had intended to offer four other amendments which would simply clarify title IV of the bill, which is the OPA title. They are amendments which experience in World War II would suggest should be written into this bill.

I shall not offer the amendments, because I can see that the Senate will not accept them. All of which again proves that when we write title IV into the bill, which is an OPA title, and calls for the President of the United States to set up price control, wage control, and rationing, without holding any hearings whatsoever, and without calling in anyone who had any experience in World War II with respect to OPA, rationing, price control, or wage control, we are going to pass a bill which the President does not want—and he has said he did not want it and does not now want it—and we shall send the bill to the President of the United States and say to him, "There it is." I would say that there is not one Senator on the floor who understands the implications of title IV.

I am not going to offer the amendments. They are purely clarifying amendments. They are amendments which would have gone into the bill if we had had hearings and had invited to appear those who had had a world of experience in running the OPA and other activities. I am not going to offer the amendments because I do not believe the Senate is in any mood to take them.

The VICE PRESIDENT. Debate is out of order at the present time. There is no amendment pending on which a Senator may speak 5 minutes.

Mr. CAPEHART. Mr. President, I send an amendment to the desk, and I ask unanimous consent that the reading of the amendment be waived.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the amendment will not be read.

Mr. CAPEHART'S amendment is as follows:

In line 16, on page 43, before the word "Any", insert the following: "No adjustment of the ceiling with respect to wages, salaries, or other compensation for any type of employment shall be conditioned upon an agreement by the person for whom such employment is performed that such adjustment will not be used as justification for adjustment of the ceiling with respect to materials, services, or property sold by such person."

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD numerous telegrams and letters I have received on the subject I have been discussing.

The VICE PRESIDENT. Is there objection?

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

EVANSVILLE, IND., *August 19, 1950.*

HOMER CAPEHART,
Senate Building, Washington, D. C.:

We are opposed to price controls at present. In case of price controls, it must not be selective but should apply to all commodities and wages.

PAUL NIEHAUS,
Chairman, Vanderburgh County Farm Bureau, Inc.

MADISON, IND., *August 19, 1950.*

Senator CAPEHART,
Washington, D. C.:

We are opposed to price controls unless same applied to all commodities and wages.

HARTLEY C. STEIN,
President, Jefferson County Farm Bureau.

WARSAW, IND., *August 21, 1950.*

Senator HOMER CAPEHART,
Washington, D. C.:

We are definitely opposed to price control at present. But when necessary they should apply to all commodities and wages.

MILO ROBBINS,
President, Kosciusko County Farm Bureau.

CROWNPOINT, IND., *August 19, 1950.*

Senator CAPEHART:

The Lake County Farm Bureau opposes price control at present. In event of price controls, they must not be selective, but should apply to all commodities and wages.

WILLIAM A. BECKER,
President, Lake County Farm Bureau, Inc.

MITCHELL, IND., *August 21, 1950.*
Senator CAPEHART,
Washington, D. C.:
Indiana Farm Bureau, seventh district, wishes to go on record opposing price controls at present. In event of price controls, we recommend it apply to all commodities and wages.
WAYNE M. MANN,
Seventh District Director, Indiana Farm Bureau, Orleans, Ind.

BLOOMINGTON, IND., *August 19, 1950.*
Senator HOMER CAPEHART,
Washington, D. C.:
Concerning production bill coming up for Senate vote Monday, we oppose price controls at present. In event of price controls must not be selective but should apply to all commodities and wages.
MONROE COUNTY FARM BUREAU, INC.,
CECIL L. MOORE, *President.*

GREENSBURG, IND., *August 19, 1950.*
Senator HOMER CAPEHART,
Washington, D. C.:
Decatur County farmers are opposed to price controls at present. In event of price controls they must not be selective but should apply to all commodities and wages. We solicit your support in this matter.
DECATUR COUNTY FARM BUREAU,
RALPH P. ONSLER, *President.*

GREENCASTLE, IND., *August 19, 1950.*
Senator HOMER E. CAPEHART,
United States Senate Building,
Washington, D. C.:
We, the Putnam County Farm Bureau, oppose price controls at present. If they must be should apply to all commodities and wages.
EVERETT WALLACE,
County President, Coatesville, Ind.

TERRE HAUTE, IND., *August 19, 1950.*
Senator HOMER CAPEHART,
Washington, D. C.:
Definitely not in favor farm-price controls without controlling labor and everything.
FRED MORGAN,
Hog Feeder.

LA FAYETTE, IND., *August 19, 1950.*
Senator HOMER CAPEHART,
Senate Building, Washington, D. C.:
We urge opposition to price controls at present. In event of price controls they should apply to commodities and wages.
MARTIN L. GALEMA,
President, Tippecanoe County Farm Bureau.

LA PORTE, IND., *August 20, 1950.*
Senator HOMER E. CAPEHART,
Washington, D. C.:
Strongly urge your effort on defense production bill 3936, that if price ceilings be imposed Congress make it mandatory that price and wage controls be applied simultaneously.
CLAYTON L. RHOADE, *Vice President,*
Indiana Cattle Feeders Association.

TERRE HAUTE, IND., *August 21, 1950.*
Senator CAPEHART:
I have discussed with a number of people the defense production bill S. 3936. We believe that for the best interest of our Nation, if and when price and wage controls are necessary, they would be applied across the board at the same time.
WILLARD JONES.

LOGANSPORT, IND., *August 21, 1950.*
Senator CAPEHART,
Senate Office Building,
Washington, D. C.:
Not in favor of price and wage ceiling at present time but if necessary it should not be selected but should all be affected.
WILBER BURROUS,
Cass County Farm Bureau Chairman.

WAYNETOWN, IND., *August 19, 1950.*
Senator HOMER CAPEHART,
United States Senate:
Strongly oppose controls at this time re defense production bill.
RUSSELL MOFFETT,
Fountain County Farm Bureau.

COLUMBUS, IND., *August 19, 1950.*
The Honorable Senator HOMER CAPEHART,
Senate Office Building:
Farmers generally are expressing themselves as feeling that price and rationing controls are not necessary at this time. I hope you have a similar feeling and that you will oppose any legislation that might institute such controls.
GEORGE DOUP,
Columbus, Ind.

NORTH VERNON, IND., *August 19, 1950.*
HOMER CAPEHART,
Indiana Representative,
Senate Building, Washington, D. C.:
The Jennings County Farm Bureau Corp. wishes to express our views on the price control bill now being considered. We believe such a bill is uncalled for at the present time. In case of all-out war our view would be different. I am expressing the views of 755 Farm Bureau families of Jennings County which represent approximately 2,265 votes, respectively.
OVAL MARTIN, *President.*

NEW CASTLE, IND., *August 18, 1950.*
Hon. HOMER E. CAPEHART,
United States Senator,
Senate Office Building,
Washington, D. C.:
Representing 1,549 farm families of Henry County we are opposed to price control at this time and to selective price control at any time. It is our considered judgment that the military clique, bureaucratic advocates, and domineering labor chiefs may use the present incident to further their interests.
HENRY COUNTY FARM BUREAU,
STANLEY WARNER, *President.*

LA FAYETTE, IND., *August 21, 1950.*
Senator CAPEHART,
Senate Office Building,
Washington, D. C.:
Respectfully urge opposition to price controls. Rationing farm products now. When necessary place controls on wages, commodities, and farm prices simultaneously.
LARRY BRANDON.

TIPTON, IND., *August 18, 1950.*
Senator CAPEHART:
Tipton County Farm Bureau oppose price control at present, in event of price control must not be selective but should apply to all commodities and wages.
TIPTON COUNTY FARM BUREAU,
IMEL MILLER, *President.*

HARTFORD CITY, IND., *August 18, 1950.*
Senator HOMER CAPEHART,
Congressional Building,
Washington, D. C.:
Blackford County Farm Bureau, 580 members, oppose price controls at present. Should such be necessary, we insist they be on all commodities and wages, not farmers only.
COUNTY FARM BUREAU,
WALTER L. KNOX,
Chairman.

GOSHEN, IND., *August 18, 1950.*
Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:
We oppose price supports at present. In event of price supports they must not be selective, but should apply to all commodities and wages.
GEORGE G. NEFF,
President, Elkhart County Farm Bureau.

SULLIVAN, IND., *August 18, 1950.*
Senator CAPEHART,
Washington, D. C.:
We wish to express our opposition to price supports at present. If price control is necessary it should cover all commodities and wages.
RUSH DAVIS,
President, Sullivan County, Ind., Farm Bureau.

BRAZIL, IND., *August 18, 1950.*
HOMER CAPEHART,
Senator from Indiana,
Washington, D. C.:
Am opposed to price control at present, in event of price control must not be selective, should apply to all commodities.
GORDON JACKSON,
President, Clay County Farm Bureau.

WABASH, IND., *August 18, 1950.*
Senator CAPEHART,
Washington, D. C.:
In regard to defense production bill we are voicing opposition to price control at present. In event of price controls they must not be selective but should apply to all commodities and wages.
ALBERT CARR,
President, Wabash County Farm Bureau, Inc.

HUNTINGTON, IND., *August 18, 1950.*
Hon. Senator HOMER E. CAPEHART,
Washington, D. C.:
Opposed to price control at present, in event of price control must not be selective but should apply to all commodities and wages.
HARRY COUCH,
President, Well County Farm Bureau.

MARION, IND., *August 18, 1950.*
Senator HOMER E. CAPEHART,
Washington, D. C.:
We are opposed to price controls at present; in event of controls must not be selective but should apply to all commodities and wages.
THE GRANT COUNTY FARM BUREAU.

WAVELAND, IND., *August 18, 1950.*
Senator CAPEHART,
United States Senate, Washington, D. C.:
Opposed to price control at present. If price control comes it should apply to all commodities and wages.
CARL PORTER,
President, Parke County Farm Bureau.

COLUMBIA CITY, IND., *August 18, 1950.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:
The 1,000 Whitley County farmers, which I represent, demand price controls must not be selective, but apply to all commodities and wages. Why pick on farm people? We

oppose all controls at present and solicit your support in opposition. We ask that you see that all groups get controls at the same time.

MERLIN HINDBAUGH,
President, Whitley County Farm Bureau, Inc.

FORT WAYNE, IND., *August 18, 1950.*
Senator HOMER E. CAPEHART,
Senate Chambers,
Washington, D. C.:

The Allen County Farm Bureau is strongly opposed to price controls at this time. In the event controls become necessary we will support only when full control is enforced on both commodities and wages simultaneously.

BRICE B. SMITH, *President.*

INDIANAPOLIS, IND., *August 18, 1950.*
Senator HOMER E. CAPEHART,
Senate, Washington, D. C.:

Urgently request support for Wherry amendment to S. 3936, which would require the President if and when price controls are used to impose simultaneous price and wage controls over the entire economy.

INDIANA IMPLEMENT DEALERS ASSOCIATION.

ROCHESTER, IND., *August 18, 1950.*
Senator HOMER E. CAPEHART,
United States Senate Office Building,
Washington, D. C.:

Oppose price controls at present. In event of price controls they should apply to all commodities and wages.

JOHN H. DAWALD, *President,*
Fulton County Farm Bureau.

CORYDON, IND., *August 18, 1950.*
Hon. CAPEHART,
United States Senate Office Building,
Washington, D. C.:

Urge you vote against defense production bill, oppose price controls at present in event of price control, must not be selective, should apply to all commodities and wages.

EDMUNT GREEN, *President,*
Harrison County Farm Bureau, Inc.

FRANKFORT, IND., *August 18, 1950.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Price control bill unfair farmer. Urge vote against. Wages and other prices should be controlled same time.

FRANK KIRKPATRICK, *President,*
Clinton County Farm Bureau.

WILLIAMSPORT, IND., *August 18, 1950.*
Hon. HOMER CAPEHART,
Care United States Senate,
Washington, D. C.:

Warren County Farm Bureau urges no selective price control. If price control legislation is enacted it should apply to all commodities and wages.

EDWIN MAGEE, *President,*
Warren County Farm Bureau.

SCOTTSBURG, IND., *August 18, 1950.*
Senator CAPEHART,
Senate Office Building,
Washington, D. C.:

Our Scott County Farm Bureau unanimously favor price control, all commodities and wages, but no selective price control.

HAROLD CHRISTIE, *President,*
Scott County Farm Bureau.

INDIANAPOLIS, IND., *August 18, 1950.*
HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

In re defense production bill, S. 3936, do not feel price ceiling necessary at this time. If price ceilings are to be imposed strongly urge you make it mandatory that price and wage controls be applied simultaneously straight across the board.

F. VERNE OSBORN,
Manager, Producers Marketing Association.

SWITZ CITY, IND., *August 18, 1950.*
Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.:

In event price controls are absolutely necessary we favor them to apply to all commodities and wages and not selective groups.

OWEN YORK,
President, Green County Farm Bureau, Inc.

RUSHVILLE, IND., *August 18, 1950.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Rush County Farm Bureau opposes defense production bill. In event price control they must not be selective, but should apply to commodities and wages.

GLEN A. RETHERFORD,
President, Rush County Farm Bureau.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selective but should apply to all commodities and wages.

Very truly yours,
H. ROLAND MOESNER,
Vice Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selective but should apply to all commodities and wages.

Very truly yours,
ALFRED WARNER,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
LEO A. LUEBBEHUSEN,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
HENRY MOESNER,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
BERNARD WAGNER,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
LOUIS ESCHE,
County Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
LEROY FLEENER,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
MRS. ARTHUR FISCHER.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
OTTO MARKET,
General Insurance Agent.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
EDWIN HEINSOHN,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
VIRGIL GERHARDT,
Secretary-Treasurer.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
EZRA EBRECHT,
Township Chairman.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. In connection with the remarks the able Senator from In-

diana has just made with reference to writing title IV into the bill, I suppose he would include title V, and the Senator would like to have the RECORD show, I am sure, that the Committee on Banking and Currency voted almost unanimously to include those titles. In fact, as I recall, there was only one negative vote in the committee against including titles IV and V in the bill.

Mr. CAPEHART. Mr. President, I do not deny that what the Senator says is accurate, but I want the RECORD to show—and I have said it I do not know how many times on the floor of the Senate—that there were no public hearings held, and there were no witnesses before the committee, with respect to title IV, under which the very lifeblood of the Nation will be controlled. That section covering wage and price controls and rationing, which takes the people by the throat and controls their very lives, was adopted, without any hearing. Then the bill comes to the floor of the Senate, and numerous amendments are offered which Senators themselves do not understand, and we are going to send that sort of a bill to the President of the United States.

Mr. President, I am not going to offer the amendments which I have prepared, and I withdraw the one I have just offered.

The VICE PRESIDENT. The Senator withdraws the amendment.

Mr. MAYBANK. Mr. President, I appreciate what the distinguished Senator from Indiana has said about title IV, but the Senator himself offered amendment after amendment in the committee to freeze prices and wages.

Mr. CAPEHART. Mr. President, I never once offered an amendment to freeze wages.

The VICE PRESIDENT. In the absence of an amendment, debate is out of order.

Mr. MAYBANK. I understood the Senator offered an amendment.

The VICE PRESIDENT. The Senator withdrew his amendment.

Mr. CAPEHART. I rise to a point of order, and ask that the Senator from South Carolina retract his statement that I ever offered an amendment to freeze wages.

Mr. MAYBANK. Prices and wages.

Mr. CAPEHART. I never offered an amendment to freeze prices and wages. I offered an amendment to freeze prices.

Mr. MAYBANK. Naturally, I construed it, as did the members of the committee, as an amendment to freeze prices and wages. I say, in justice to the Senator from Indiana, that I did not hear him say "freeze wages."

Mr. CAPEHART. Of course, I never said it. That is why the able Senator did not hear it.

Mr. MAYBANK. The Senator certainly suggested freezing prices, on several occasions.

Mr. CAPEHART. That is an entirely different matter. I still maintain that the Congress of the United States should pass such a law the very minute the Nation goes to war. It would automatically freeze all prices at all levels in the United States.

Mr. MAYBANK. It is not possible to freeze all prices at all levels without freezing all wages.

Mr. CAPEHART. That is the Senator's opinion. I think it can be done.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. TAFT. Mr. President, I move to strike out title V.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum, because we are about to vote on a very important amendment.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Maybank
Anderson	Holland	Millikin
Benton	Humphrey	Morse
Brewster	Hunt	Mundt
Bricker	Ives	Murray
Bridges	Jenner	Myers
Butler	Johnson, Colo.	O'Conor
Byrd	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kefauver	Robertson
Chavez	Kem	Russell
Connally	Kerr	Saltonstall
Cordon	Kilgore	Schoeppel
Darby	Knowland	Smith, Maine
Donnell	Langer	Smith, N. J.
Douglas	Leahy	Sparkman
Dworshak	Lehman	Stennis
Ecton	Lodge	Taft
Ellender	Long	Thomas, Utah
Ferguson	Lucas	Thye
Frear	McCarran	Tobey
Fulbright	McCarthy	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Green	McMahon	Williams
Hendrickson	Magnuson	Withers
Hickenlooper	Malone	Young
Hill	Martin	

The VICE PRESIDENT. A quorum is present. The Senator from Ohio [Mr. TAFT] is recognized for 5 minutes on his motion to strike out title V.

Mr. TAFT. Mr. President, frankly I do not know what title V means or why it is in the bill. First, section 501 provides:

> It is the intent of Congress, in order to provide for effective price and wage stabilization * * * that there be effective procedures for the settlement of labor disputes affecting national defense.

That is merely a statement of intention. That is what we have done already with all the procedures we have had in connection with the setting up of mediation boards, mediation commissioners, and the general methods provided in the Taft-Hartley law, even without this title. There are methods prescribed for the settlement of labor disputes. I cannot see what is meant unless it is wished to go further and impose compulsory arbitration. Does the language mean that?

Section 502 provides:

> The national policy shall be to place primary reliance upon the parties to any labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement in the national interest.

That is what the present law does. In fact that is what the present law says. It says that sound, stable peace can most satisfactorily be arrived at by the settlement of issues between employers and employees through the process of conference and collective bargaining.

This is language which is difficult to interpret and which seems to me to be exceedingly dangerous.

On page 58 we find the language:

> The President is authorized, after consultation with labor and management, to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting national defense.

What does that mean? Does it mean that the President can draft the men into the Army as he proposed some years ago? Or does it mean that he can impose compulsory arbitration on labor and management in the settlement of their disputes? What does it mean? What is the theory of the language:

> And to take such action as he deems appropriate for the settlement of labor disputes affecting national defense, including the designation of such persons, boards, or commissions as he may deem appropriate to carry out the provisions of this title.

We have set up a conciliation service. We have seen quite an effort on the part of the President to transfer that service to the Labor Department, to transfer the whole conciliation business to the Labor Department. That effort has been defeated by the Congress, I think, twice.

I read again:

> Including the designation of such persons, boards or commissions.

If the President is only going to fix wages he has full power under title IV to appoint commissions to fix wages, if that is what he is going to do. What are these commissions going to do that the Mediation and Conciliation Service cannot already do?

At the end of section 5 we find the following language:

> Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, other Federal labor standards statutes, the Labor-Management Relations Act, 1947, and with other applicable laws.

There are many things that can be done which are not inconsistent. That language prescribes one procedure. Under it, apparently, compulsory arbitration can be imposed, or apparently any other procedure that is desired can be adopted.

Mr. President, I never have seen such a wide open grant of authority. I may say that this title was in the House bill. It was stricken out by the House by a vote of nearly two to one after a debate on the subject which was of considerably greater length than we can hope to have here now.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield.

Mr. BREWSTER. As I understand, from what the Senator has said, title V either means something or it means nothing. If it means something no one knows what it means.

Mr. TAFT. Either it is a reaffirmation of the statutes we have, or it goes very much further and authorizes the President to impose practically any terms he wants to impose in the settlement of

labor disputes. If it is desired to impose compulsory arbitration in time of war—and it is perfectly possible that such a desire exists—then it seems to me that purpose ought to be spelled out. But the language is completely ambiguous, and appears to me to have no possible justification for being placed in the bill.

Mr. MAYBANK. Mr. President, as chairman of the committee I will say I am opposed to any amendment striking out title V of the bill. Everyone will recognize that it is imperative that we do everything necessary to prevent any interruption of national defense production by labor disputes. This title can have tremendous value as an expression of the intent of Congress that price and wage stabilization and maintenance of uninterrupted production may depend in large measure upon adequate provision for settlement of labor disputes affecting the national defense.

Under title V a board or commission similar to the National War Labor Board, which did much in promoting peaceful settlement of labor disputes during World War II, could be established by the President. This board could consult with labor and management, call a national labor management conference, and endeavor to obtain a voluntary no-strike-no-lockout pledge from labor and management, under which labor and management would voluntarily agree to submit their problems to a board or commission established by the President after consultation with labor and management.

It will be observed that the title requests the President to consult with labor and management in establishing principles and procedures under these provisions and requires that any action taken will be consistent with the Fair Labor Standards Act of 1938, the Labor Management Relations Act, 1947, and other applicable laws.

There has been some question raised respecting the Taft-Hartley law. The subject was raised in the committee, of which the Senator from Ohio is not a member. I want it to be clearly understood that the committee had in mind that the title requests the President to consult with labor and management in establishing principles and procedures under these provisions and requires that any action taken must be consistent with the Fair Labor Standards Act of 1938, the Labor-Management Relations Act, 1947, and other applicable laws. It will also be observed that this title gives the President no legal or compulsory authority over labor or management.

I make reference further along in the statement to the fact that the members of the committee heard Mr. Cyrus S. Ching in executive session on August 14, 1950. I have a letter from Mr. Ching, Director, Federal Mediation and Conciliation Service, from which I wish to read as follows:

DEAR SENATOR MAYBANK: Previously, I submitted a memorandum on title IV of Senate bill S. 3936 which expresses my ideas on the necessity of voluntary action on the part of labor and industry in the setting up of a board for the settlement of labor disputes in a wartime emergency. Title V of the same bill declares the intent of Congress to provide effective procedures for the settlement of labor disputes affecting national defense.

I appreciate that my time is short. How much time have I left, Mr. President?

The VICE PRESIDENT. Two minutes.

Mr. MAYBANK. I have not read all of Mr. Ching's letter. I yield now 1 minute to the Senator from New York [Mr. IVES], who attended the executive session when Mr. Ching appeared, and then I will yield 1 minute to the Senator from Alabama [Mr. SPARKMAN].

Mr. IVES. Mr. President, I think it would have been very well if the Senator from South Carolina had placed the entire letter from Mr. Ching in the RECORD. I will read the remainder of the letter which the Senator did not read, as follows:

The same title authorizes the President, after consultation with labor and management, to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting national defense, including the designation of such persons, boards, or commissions as he may deem appropriate to carry out the provisions of this title. In my opinion, this language provides a sufficient degree of flexibility to enable the President to establish such machinery as the representatives of labor and management may agree upon for the settlement of their mutual problems during a period of national defense.

In order to insure the full support of both labor and management in the defense effort, it is essential that they participate in the formulation of the policy and procedures and agree upon the type of organization to be established to carry out that policy. Any attempt to impose any rigid requirements by law as to the type of machinery so set up would defeat the purpose. Again I emphasize the importance of having the highest degree of flexibility possible in this legislation until the time comes when it is deemed necessary to proceed in setting up an emergency board.

Sincerely yours,

CYRUS S. CHING,
Director, Federal Mediation and Conciliation Service.

Mr. Ching stands highest in this country in this particular field, and in this matter I take his word above that of all others. If he feels that this part of the bill is necessary—and I know he does—certainly I feel that title V should be preserved in the bill.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. We discussed this question fully in the committee. The arrangement proposed is a voluntary one, on the order of the arrangment used in the case of the War Labor Board. Under this proposal, management and labor can get together, agree to a machinery, boards, and so forth, as a means of settling disputes and strikes.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. What would be voluntary about the President's right to establish principles and procedures and to take such action as he might deem to be appropriate?

Mr. ROBERTSON. The whole concept under title V is that there is not to be compulsion. It has been said that this provision of the bill might be used to repeal the Taft-Hartley Act, but such a belief is very erroneous.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. TAFT and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Idaho [Mr. TAYLOR] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] and the Senator from South Dakota [Mr. GURNEY] are detained on official business.

The result was announced—yeas 29, nays 57, as follows:

YEAS—29

Brewster	Ecton	Saltonstall
Bricker	Ferguson	Schoeppel
Bridges	Hickenlooper	Smith, N. J.
Butler	Jenner	Taft
Byrd	Kem	Thye
Capehart	McCarthy	Watkins
Cordon	Malone	Wherry
Darby	Martin	Wiley
Donnell	Millikin	Williams
Dworshak	Mundt	

NAYS—57

Aiken	Hunt	McMahon
Anderson	Ives	Magnuson
Benton	Johnson, Colo.	Maybank
Chapman	Johnson, Tex.	Morse
Chavez	Johnston, S. C.	Murray
Connally	Kefauver	Myers
Douglas	Kerr	O'Conor
Ellender	Kilgore	O'Mahoney
Frear	Knowland	Pepper
Fulbright	Langer	Robertson
George	Leahy	Russell
Gillette	Lehman	Smith, Maine
Graham	Lodge	Sparkman
Green	Long	Stennis
Hendrickson	Lucas	Thomas, Utah
Hill	McCarran	Tobey
Hoey	McClellan	Tydings
Holland	McFarland	Withers
Humphrey	McKellar	Young

NOT VOTING—10

Cain	Gurney	Thomas, Okla.
Downey	Hayden	Vandenberg
Eastland	Neely	
Flanders	Taylor	

So Mr. TAFT's amendment was rejected.

The VICE PRESIDENT. The question is on the committee amendment, as amended.

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be

no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading.

Mr. TOBEY. Mr. President, I wish to offer an amendment.

The VICE PRESIDENT. The Chair advises the Senator from New Hampshire that it is now too late to offer an amendment.

MOTION TO RECOMMIT THE BILL

Mr. MALONE. Mr. President, I move that the bill be recommitted.

The VICE PRESIDENT. The Senator from Nevada moves that the bill be recommitted.

Mr. MALONE. Mr. President, do I have the floor?

The VICE PRESIDENT. The Senator from Nevada is recognized for 5 minutes.

Mr. MALONE. That will be ample time.

Mr. TOBEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from New Hampshire?

Mr. MALONE. For what purpose?

Mr. TOBEY. I merely wish to offer a very brief amendment.

Mr. MALONE. I do not yield for that purpose, since I am moving to recommit the bill itself.

The VICE PRESIDENT. The Senator declines to yield.

PUBLIC DISTURBED

Mr. MALONE. Mr. President, many of us are disturbed about this situation of rushing into controls, a public straitjacket before any international policy has been announced or adopted by the President of the United States, and especially we are disturbed about the type of administration to which we are giving full control of a bewildered and confused public. Many of us voted for economy in government, but we have never had any success with the administration in paring down the taxes during a peacetime economy.

There is little integrity in government—under the present administration—and public confidence is severely shaken.

Congress is within 24 hours of the Capitol at all times, therefore should retain its last vestige of control over the economy of this Nation.

In the opinion of the junior Senator from Nevada, in order to show good faith, the first thing to be done would be for the President to remove the security risks from the Government—at least to remove the ones responsible for our present position in world affairs.

SENATOR BYRD AND KOREA

If a genuine cooperative effort is desired, it would be very helpful for the administration to show themselves cooperative and open to debate on the Senate floor. This they have never done—it must conform to the State Department program.

I wish to call attention to the fact that the distinguished senior Senator from Virginia has said that if Russia declares war, we shall abandon Korea. We are fighting a battle to regain an area once relinquished, and which would be abandoned at the first sign of opposition from Russia—that is what the American boys are dying for in Korea according to that authentic information, without taking the time of the Senate to read the dispatch, I ask unanimous consent to have it inserted at this point in the RECORD.

Mr. LUCAS. Mr. President, reserving the right to object——

Mr. MALONE. I trust the Senator is speaking on his own time.

Mr. LUCAS. Reserving the right to object, I do not know how much material the Senator proposes to place in the RECORD, but it looks quite formidable.

Mr. MALONE. I expect that some of it is going to be very illuminating, considering the lack of any coherent foreign policy by the administration.

Mr. LUCAS. Whatever the Senator puts in the RECORD is illuminating.

Mr. MALONE. I shall read it, if the Senator desires me to do so. But the time is limited.

Mr. LUCAS. I am not going to object, but we have a habit here of putting everything in the RECORD, it does not make much difference what it is.

Mr. MALONE. The senior Senator from Virginia is the father of most of this dispatch, and to me, has stature in the Senate which is very gratifying to the junior Senator from Nevada.

Mr. President, may I have an extra moment on account of the interruption?

The VICE PRESIDENT. The Senator cannot have an extra moment, except by unanimous consent.

Mr. WHERRY. I ask unanimous consent that the Senator from Nevada be given another minute.

The VICE PRESIDENT. The Senator from Nevada still has some time left.

Mr. LUCAS. I ask unanimous consent that the Senator from Nevada may have 2 minutes more.

Mr. MALONE. Mr. President, do I have permission to submit this material and place it in the RECORD?

The VICE PRESIDENT. So far as the Chair is concerned, the Senator has permission. Without objection, he may proceed.

Mr. MALONE. I ask unanimous consent to have inserted in the RECORD at this point an editorial entitled "The Goal in Korea" from the Times-Herald of August 21, which states, in part:

In stating before the United Nations Security Council that any settlement in the war must envision a free and united Korea, Warren R. Austin, the American delegate, made it plain that the goal of American forces is to drive to Korea's northern border, behind which stand Red China and Russia.

Mr. President, I ask unanimous consent to have the editorial appear in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE GOAL IN KOREA

In stating before the United Nations Security Council that any settlement in the war must envision a free and united Korea, Warren R. Austin, the American delegate, made it plain that the goal of American forces is to drive to Korea's northern border, behind which stand Red China and Russia. Mr. Austin didn't say that in so many words, but the implication was clear.

Before the invasion of the Republic of South Korea by the Communist north, the country had been split at the thirty-eighth parallel, and it hitherto had been the understanding, given out by both Mr. Truman and UN, that American military action would be confined to driving the Reds back over that line. In fact, the UN resolutions on the subject convey the impression that if pursuit extended beyond the thirty-eighth parallel that would be no less an act of aggression than the original invasion.

Mr. Austin, instead of making a positive declaration of intention, cast his statement in speculative and tentative form by suggesting certain questions to which UN must find answers. But he went on to say that Korea could not exist half slave and half free, or even one-third slave and two-thirds free. The only way to eradicate the slavery is, of course, by the military eradication of the North Korea Communist regime.

The effects of this policy are:

1. The United States has laid out a course of action which exceeds, and to that degree is in conflict with, the declared policy of UN to that extent, the United States has reduced to a farce the fiction of action by international agreement, as well as the whole concept of "collective security."

2. The military task confronting the United States (nominally UN, for American forces are supposed to be acting for UN) has been greatly enlarged. A limited assignment has been transformed into an all-out job of clearing the whole country. The cost in lives and dollars will rise.

3. But, even if this task is accomplished, the hazards confronting the United States will hardly be diminished. Rather, it is highly likely that they will be enlarged. On the northern border of Korea—if our forces get there—we shall be face to face with the hordes of Russia and Red China. This new line will be more explosively dangerous than the thirty-eighth parallel ever was. Will Russia tolerate American forces only 50 miles from its naval base at Vladivostok? Will Russia and Chinese Communists accept with equanimity the presence of American forces on their frontier?

Korea, like the Chinese box, which, when opened, presents still another box, and another, and another, confronts the United States with an endless series of problems and of risks. Mr. Austin's declaration opens up a prospect the end of which cannot be foreseen. Mr. Truman's original decision committing American forces to the war in Korea was a snap decision, hastily improvised. The Administration continues to improvise.

Let us all hope that, in feeling their way from one unknown to another, the improvisors do not cause the Nation to fall into another great war.

Mr. MALONE. Mr. President, I ask unanimous consent to insert in the RECORD at this point the statement by Senator BYRD, of Virginia, on the Korea situation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BYRD SAYS UNITED STATES WOULD PULL OUT OF KOREA IF RUSSIA DECLARES WAR—SENATOR ASSERTS HE HAS SEEN PLANS FOR MOVE; AVERS PENINSULA HAS NO MILITARY VALUE

(By Robert C. Rollings)

If Russia declares war on the United States our troops will evacuate Korea because it has no military value, Senator BYRD, Democrat, of

Virginia, told the Virginia American Legion convention in Alexandria today.

Senator BYRD said he has seen plans prepared for this eventuality and did not think he was revealing any secrets in making his statement.

Senator BYRD said the Korean fighting has done nothing to settle the situation that confronts us.

He said the war may develop into side-line wars and that the country is faced with dangerous inflation at home. He charged that Congress is mystified by the complete breakdown of the United States intelligence.

"I say to you the intelligence service of our Government should be completely reorganized," Senator BYRD asserted.

His remark brought loud applause from the several hundred Legionnaires assembled in the Virginia Theater.

Senator BYRD termed the intelligence service the "first basis of our defense."

He said the war Russia is conducting against America is a war of economic attrition. He said a dozen side-line wars may occur without Russia showing her hand.

"She need not fire a Russian gun or lose a Russian soldier," he asserted.

"We have committed ourselves to these side-line wars."

SHOULD CONSERVE STRENGTH

Declaring the time is coming when the democratic people of the world must fight those who believe in totalitarian government, he said that when that time arrives we must be strong. We must not let our resources be depleted in preliminary skirmishes, he said.

"The Korean situation has opened up the whole question of attempting to arm small nations all over the world, when we have no knowledge, no confidence that they will fight when the time comes."

Senator BYRD declared he does not believe the European nations can withstand a Russian invasion.

"To my way of thinking, the only way to stop Russia's march over Europe, when it starts, is to keep in Europe from 3,000,000 to 5,000,000 American soldiers."

ASKS IF UNITED STATES IS WILLING

A round of applause followed this statement, and then Senator BYRD asked:

"Are the American people willing for an indefinite period to keep that large a standing army outside our continent?"

He termed the situation in Formosa critical and said six weeks ago the United States decided it would stay out but now it has changed its stand and has said it will fight the Chinese Communists if they attack Formosa.

He said in this event the United States might find itself in the position of having as an enemy a nation which had been recognized by the United Nations. He pointed out that the UN is divided on recognizing Communist China.

Senator BYRD's statement that fiscal solvency is the very foundation of national security drew applause. He said he had never advocated economy, however, at the expense of defense.

Senator BYRD charged that 60 percent of the draftees are rejected, about half of them for physical reasons.

He said "many of our boys are going to the Korean fighting without any training."

WOULD CURB REDS AT HOME

"If we are going to fight communism abroad, why don't we fight it at home?" Senator BYRD asked.

He declared 375 employees have been dismissed from the armed services for security reasons, and that 106 have been permitted to resign.

At this point a member of the audience shouted, "Lock 'em up, Mr. Senator, lock 'em up."

"I would do it if I could," the Senator replied.

"The Korean war will be a long- drawn-out affair," Assistant Defense Secretary Paul Griffith warned today.

Mr. Griffith said "the United States has sufficient men and equipment on the way to Korea to do the job, but this accomplishment will not come today, tomorrow, or next week."

Declaring the United States can expect a similar incident anywhere else in the world, Mr. Griffith said the Korean fighting "may be just the beginning of a series."

He defended Secretary Johnson's conduct of the Department and assured the Legionnaires "our defenses are in good hands."

"Nothing has happened in the Korean affair to indicate we would not be able to ward off an attack by any enemy," Mr. Griffith asserted.

AMERICAN LEGION SAYS IMPEACH ACHESON

Mr. MALONE. I also ask unanimous consent to insert in the RECORD at this point in my remarks a dispatch from Kingman, Ariz., by Associated Press, dated August 12, under the headline "Arizona Legion meet demands ouster of Secretary of State Acheson," to show the public opinion of the administration to which we are giving absolute power over the American public. This demand was made through an official resolution adopted in their department's convention, that the congressional delegation work on the immediate dismissal of Secretary of State Dean Acheson, and, if necessary, his impeachment.

I ask unanimous consent to have that dispatch printed in the RECORD at this point as part of my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

ARIZONA LEGION MEET DEMANDS OUSTER OF SECRETARY OF STATE ACHESON

KINGMAN, ARIZ., August 12.—Arizona's Legionnaires demanded today the Arizona congressional delegation work for the immediate dismissal of Secretary of State Dean Acheson or if necessary his impeachment.

Delegates to Arizona's thirty-second annual Legion convention told United States Senator ERNEST W. MCFARLAND, Democrat of Arizona, and Representative HAROLD PATTEN, Democrat, of Arizona, to go back to Washington and press for impeachment if Acheson is not dismissed.

The action, unparalleled in Arizona Legion history, came late last night after MCFARLAND in a speech to more than 500 delegates stressed the need for forgetting our past mistakes in international diplomatic relations with Russia and other countries and concentrating on the immediate future.

At the conclusion of MCFARLAND's talk, Ed Gibbons, Los Angeles, editor of the anti-Communist publication Alert, and California State Senator Jack Tenney, who formally headed that State's un-American activities committee, called for the immediate dismissal of Acheson.

At this point the delegates jumped to their feet and shouted their approval of Gibbons' and Tenney's remarks.

Mr. MALONE. Mr. President, the California Department of the American Legion has adopted a resolution, which amounts to practically the same as what I have just said with reference to the Arizona Legion.

This resolution by the California department also demands the removal of Mr. Acheson even if it is necessary to impeach him.

I ask unanimous consent to have this dispatch printed in the RECORD, at this point in my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

CALIFORNIA LEGION DEMANDS ACHESON OUSTER, BY IMPEACHMENT IF NECESSARY

SACRAMENTO, August 15.—The California Department of the American Legion called today for the ouster of Secretary of State Dean Acheson—by impeachment, if necessary—and also:

1. Outlawing the Communist Party in the United States.

2. Withdrawal of United States recognition of Soviet Russia.

3. Expulsion of Russia and her satellites from the United Nations.

The actions came in a series of resolutions adopted by the Legion's State convention.

The delegates yesterday heard two well-known retired military figures warn that the Nation faces grave peril from within and without.

Retired Admiral William H. Standley, wartime Ambassador to Russia, compared Korea to Pearl Harbor which he said was the result of our failure to keep our military readiness in step with our foreign policy.

POWERFUL ENEMY

Lt. Gen. Ira C. Eaker, retired commander of the Eighth Air Force, said we have the most powerful enemy that we have ever had. He warned against a fifth column more powerful than that which existed in Czechoslovakia before that nation turned Communist.

"It's time to call a spade a spade, a Communist a Communist, and a traitor a traitor," Eaker said.

Admiral Standley again expressed his belief that we will not have a shooting war with Russia unless we initiate it. He said he believes Russia feels she is accomplishing her ends without engaging in a shooting war.

FEARS INFLATION

He criticized deficit financing which he said is leading to inflation and depression just as the Russians wish.

"As I view our administration," he declared, "the party in power is no different, as to purpose, than the communistic party in Moscow. They are both making every effort to perpetuate control of the Government by their party. The difference is in method only."

Standley said the practice of appointing special ambassadors and representatives responsible to the President is undermining the regular Foreign Service of the United States.

"It is no wonder," he said, "that the President vacillates and frequently reverses himself on foreign policy and it is a wonder that any Secretary of State will continue to serve under those conditions."

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Is this going into the body of the RECORD, or into the Appendix?

Mr. MALONE. In the body of the RECORD.

The VICE PRESIDENT. The Senator asked unanimous consent that it be placed in the body of the RECORD, and, without objection, it has been ordered to be printed in the body of the RECORD.

Mr. LUCAS. I am going to object to all these things going into the body of the RECORD.

Mr. MALONE. It has already been ordered printed in the body of the RECORD; does the Senator desire to bring it up on a motion, to remove it from the RECORD?

Mr. LUCAS. Go right ahead.

Mr. MALONE. Now, Mr. President, I wish to say also that for 25 years the American Legion has been trying to secure universal military training. I joined with the distinguished Senator on the opposite side of the aisle in introducing a universal military-training bill in February 1948.

The VICE PRESIDENT. The Senator's time has expired.

UNIVERSAL MILITARY TRAINING

Mr. MALONE. I ask to have these two dispatches appear as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The two dispatches which were ordered to be printed in the RECORD, are as follows:

VETS BACK UMT PLEA

Veterans' organizations here were quick to give their support today to the Truman administration's demand for universal military training.

Maurice Stember, State adjutant of the American Legion, declared:

"The matter should be given top priority on the legislative program of Congress. It is vitally necessary.

"The American Legion feels that universal military training is particularly needed now.

"We sent raw, untrained men into war. Had UMT been enacted years ago when we recommended it, those men would have been trained."

Stember pointed out that the Legion advocated UMT "practically since we were organized."

A spokesman for the Catholic War Veterans called attention to the testimony in favor of universal military training given by CWV members at congressional hearings.

It was understood that policy statements on UMT were in preparation by other organizations of veterans.

HARRY PUTS DAMPER ON UMT DRIVE

WASHINGTON, D. C., August 17.—President Truman today told a press conference he is fully back of a universal military training law but he won't press this controversial issue personally at this session of Congress. He indicated he is far more interested in other parts of his emergency program to meet the Korean emergency.

The President thus backed away from the UMT drive some 2 hours after Chairman MILLARD TYDINGS, Democrat, of Maryland, of the Senate Armed Services Committee introduced the administration bill requiring a year's service for 17-year-olds. TYDINGS made the pitch for immediate passage of the UMT law on a stand-by basis in an impassioned 2-hour speech.

VERY CONTROVERSIAL

The Senator warned his colleagues: "It is my candid belief that the countries of western Europe are far from the military efficiency required for them to discharge their job in our dual undertaking. In my judgment we may have to consider strengthening the ground forces in western Europe."

The bill proposed by TYDINGS was sent to him yesterday by Defense Secretary Louis Johnson, who said he was acting with full approval of the White House.

Truman told the press conference that while he has consistently advocated UMT since 1945, he had not requested enactment of the bill at the current session of Congress because he did not want to project himself into what he considered a very controversial issue. He wants other emergency legislation passed quickly, Truman said, and he saw no reason to clutter up Congress with the UMT deal.

MATTER OF SURVIVAL

There was no explanation for his okay to Johnson to ask for immediate enactment of the law.

Mr. MALONE. Mr. President, if the administration had not stopped the enactment of the universal training bill early in 1949, then we might not be murdering green American troops in Korea now.

I thank the Chair for his consideration. I assume that the motion to recommit is before the Senate.

The VICE PRESIDENT. It is. The Senator from South Carolina has 5 minutes.

Mr. LUCAS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Illinois?

Mr. MAYBANK. I yield.

Mr. LUCAS. I ask unanimous consent that, following the remarks made by the Senator from Nevada, there be incorporated in the body of the RECORD an editorial from the Wall Street Journal, as of this date, under the title, "A Party Bankrupt."

Mr. MALONE. Reserving the right to object, is this a request to place the editorial in the body of the RECORD or in the Appendix?

The VICE PRESIDENT. The Senator from South Carolina yielded to the Senator from Illinois to make a unanimous-consent request.

Mr. MALONE. Reserving the right to object, is this a request to place an article in the body of the RECORD?

The VICE PRESIDENT. It is a request that it go in the body of the RECORD.

Mr. MALONE. I object.

Mr. LUCAS. Mr. President, I can read it within the 5 minutes, if the Senator will yield.

Mr. MAYBANK. I yield.

Mr. LUCAS. The editorial reads as follows:

A PARTY BANKRUPT

Within a short time there will be passed by Congress a bill to give President Truman wide powers over production and trade; powers as great as those which Washington attempted to exercise in World War II.

There is hope and some possibility that President Truman will not have to exercise those powers and that he will be wise enough to refrain from doing so.

But the prospects are that the mere existence of the powers will result in their use, that the anticipation of their use will create the dislocations that the controls are supposed to remedy. Probably few will be used at first, but the first use will lead to others, and there will be repeated the very thing against which the American people finally rebelled in 1946.

When that happens we will no doubt have a group of Republicans smugly pointing a finger at the Democratic administration and saying that it was all the administration's fault; we had such a spectacle the other day when Republicans condemned foreign policy for which they were partly responsible.

At such time it will be our pleasure to point out where lies the responsibility for the chaos. Without Republican support and inspiration controls could not be enacted. Partly because they sought to use a war situation to gain a political advantage, partly because they were in panic, the Republicans plumped for this business before any need was apparent, and as the need grows more remote the Republicans can find no way to retreat.

On the other hand, it may be merely academic to put the blame where it belongs. By the time the situation which we foresee develops, it is not improbable that the Republican Party will be speeding toward oblivion so fast that it will be charitable to withhold another kick.

The Republican Party has no program; despite the valiant efforts of a few men, among whom Senator TAFT is outstanding; it can do nothing but improvise from day to day. That is bad enough. What is worse is that its representation in Congress lacks the intelligence and character to distinguish between expediency and principle.

It can do nothing but dig holes from which it cannot extricate itself.

Mr. BRICKER. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. The Senator from South Carolina has the floor.

Mr. MAYBANK. Mr. President, how much time have I remaining?

The VICE PRESIDENT. Two minutes.

Mr. BRICKER. Mr. President, will the Senator from Illinois yield?

The VICE PRESIDENT. The Senator from Illinois does not have the floor. The Senator from South Carolina has the floor.

Mr. MALONE. Mr. President, a point of order. Mr. President, to keep the record straight—I so thoroughly disagree with the entire philosophy of the senior Senator from Illinois that there is no room for compromise or agreement. There is little integrity left in our Government—the public must be the judge.

The VICE PRESIDENT. The Senator from South Carolina has the floor, unless he yields.

Mr. MAYBANK. I do not intend to yield, Mr. President.

Mr. MALONE. Mr. President, how long do 5 minutes last?

The VICE PRESIDENT. Five minutes.

Mr. MAYBANK. Mr. President, I shall not ask to have two more minutes. That much time was granted by unanimous consent to my good friend from Nevada. I hope this bill will not be recommitted. We have labored long and have done the best we could. Some persons think we have done a poor job in not having granted more powers, and some other persons seem to think that we have done a bad job by providing too big a bill for the President. I have faith in the President of the United States and the Commander in Chief of our Armed Forces——

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MAYBANK. I refuse to yield. I have only one and a half minutes' time remaining.

The VICE PRESIDENT. The Senator does not have that much time now.

Mr. MAYBANK. How much time do I have, Mr. President?

The VICE PRESIDENT. Half a minute.

Mr. MAYBANK. I hope we can have a final vote on the bill so that we may take a recess and be prepared tomorrow to consider the public-roads bill.

The VICE PRESIDENT. The Senator's time has expired. All time has expired on the motion.

Mr. TOBEY. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. MALONE. Mr. President——

The VICE PRESIDENT. The Chair is addressing the Senator from New Hampshire.

Mr. TOBEY. Mr. President, I do not ask the indulgence and kindness of the Senate, because I think that what I shall have to say will find a responsive chord.

The VICE PRESIDENT. The committee amendment has already been agreed to and no other amendment is in order. The motion before the Senate is that the vote by which the amendment was agreed to be reconsidered.

Mr. TOBEY. Mr. President, I ask unanimous consent to be given 2 minutes' time.

Mr. LUCAS. Mr. President, I hope that time will be granted the Senator.

Mr. MAYBANK. Mr. President, so far as I am concerned, I trust the Senator from New Hampshire, the ranking Republican member of the Banking and Currency Committee, may have 2 minutes.

The VICE PRESIDENT. Regardless of the fact that the Senate has agreed to the Senate committee amendment, the Senator from New Hampshire asks unanimous consent to offer an amendment and that he be granted 2 minutes' time to speak upon it. Is there objection? The Chair hears none.

Mr. TOBEY. Mr. President, I offer the following amendment:

Beginning on page 64 with line 3, strike out through page 65, line 2, and insert the following:

"SEC. 605. To assist in carrying out the objectives of this act, the President may, at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers the President shall preserve the relative credit preferences accorded veterans under existing law."

I am referring to the specific directive to the President in the proviso at the end of section 502 of the Defense Production Act of 1950 as passed by the House on August 10. This proviso directs the President to preserve the relative credit preferences accorded to veterans under existing law.

In Senate bill 3936, at the bottom of page 64, we find at the end of section 605 a proviso which is permissive instead of mandatory.

Also of value in considering a mandatory directive to the President is a survey of the relationship of the GI loan program to the total residential-construction program as made by the Veterans' Administration. The figures in this survey are provided in the CONGRESSIONAL RECORD, August 10, page 12216. The table appearing at the bottom of the first column of that page shows that the percent of private residential building financed with GI loans amounted to only 19.1 percent of the total private residential construction in the United States for the 6 months ending May 1950. The table also shows that the GI home-financing program was only 8.3 percent of the total new construction of the country during those 6 months.

These figures should be ample evidence that the preservation of the credit preferences of veterans would not be any undue burden at this time because the GI loan program is such a relatively small part of the whole. The credit controls contemplated in both the Senate and House bills could be imposed in an adequate and practical fashion regardless of the preservation of the relative credit preferences accorded to veterans under existing law.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. MAYBANK. Mr. President, at this late hour, bringing up an amendment of that kind might precipitate some debate. The bill will be in conference, and of course the senior Senator from New Hampshire will be one of the conferees. As chairman of the committee I want to say that I shall join him in trying to bring out the House version, but I hope the Senator does not press his amendment at this late hour.

Mr. TOBEY. I thank the Senator for his indulgence, and we shall join, hand in hand, and put this thing through.

Mr. MAYBANK. The Senator is correct.

Mr. TOBEY. It is a trade.

Mr. MAYBANK. It is always a pleasure to trade with the Senator from New Hampshire.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada to recommit the bill to the Committee on Banking and Currency.

The motion was rejected.

The VICE PRESIDENT. The question is now on the third reading of the bill.

Mr. MAYBANK. Mr. President, I move that the Senate proceed to the consideration of House bill 9176.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. MAYBANK. Mr. President, I move that the House bill be amended by striking out all after the enacting clause and inserting the Senate bill, as amended.

The motion was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is on the final passage of the bill.

Mr. MAYBANK and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

I announce further that if present and voting the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Oklahoma [Mr. THOMAS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] is detained on official business and if he were present he would vote "yea."

The result was announced—yeas 85, nays 3, as follows:

YEAS—85

Aiken	Hoey	Millikin
Anderson	Holland	Morse
Benton	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	O'Conor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Capehart	Johnston, S. C.	Robertson
Chapman	Kefauver	Russell
Chavez	Kem	Saltonstall
Connally	Kerr	Schoeppel
Cordon	Kilgore	Smith, Maine
Darby	Knowland	Smith, N. J.
Donnell	Langer	Sparkman
Douglas	Leahy	Stennis
Dworshak	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Utah
Frear	Lucas	Thye
Fulbright	McCarran	Tobey
George	McCarthy	Tydings
Gillette	McClellan	Watkins
Graham	McFarland	Wherry
Green	McKellar	Wiley
Gurney	McMahon	Withers
Hendrickson	Magnuson	Young
Hickenlooper	Martin	
Hill	Maybank	

NAYS—3

Ecton	Malone	Williams

NOT VOTING—8

Cain	Flanders	Thomas, Okla.
Downey	Hayden	Vandenberg
Eastland	Neely	

So the bill (H. R. 9176) was passed.

The VICE PRESIDENT. Without objection, Senate bill 3936 is indefinitely postponed.

Mr. MAYBANK. I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MAYBANK, Mr. TAYLOR, Mr. FULBRIGHT, Mr. ROBERTSON, Mr. SPARKMAN, Mr. TOBEY, Mr. CAPEHART, Mr. FLANDERS, and Mr. BRICKER conferees on the part of the Senate.

Mr. MAYBANK. I ask that the bill be printed with the amendments of the Senate numbered.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAYBANK. I ask that the clerk be permitted to make the necessary changes of a technical and clerical character.

The VICE PRESIDENT. Without objection, it is so ordered.

BUDGET AND ACCOUNTING PROCEDURES ACT OF 1950—CHANGE IN CONFEREE

The VICE PRESIDENT. At the request and suggestion of the Senator from Arkansas [Mr. MCCLELLAN], the chairman of the Committee on Expenditures in the Executive Departments, the Chair appoints as a conferee on the part of the Senate the Senator from Kansas [Mr. SCHOEPPEL] in place of the Senator from Wisconsin [Mr. MCCARTHY] on the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes.

AMENDMENT OF WAR CONTRACTORS RELIEF ACT RELATING TO CERTAIN HARDSHIP CLAIMS—VETO MESSAGE (S. DOC. NO. 203)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

To the United States Senate:

I return herewith, without my approval, S. 3906, to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes.

S. 3906 was passed as a substitute for H. R. 3436, Eighty-first Congress, which I was compelled to disapprove on June 30, 1950. It is said that the bill meets the objections I interposed to H. R. 3436. I regret to inform the Congress that it does not.

When the provisions of this bill are read in the light of the statements respecting their purpose which appear in the committee reports (S. Rept. No. 2052, H. Rept. No. 2782) and also in the RECORD (96 CONGRESSIONAL RECORD 9972, 11066), I think it clear that they serve to transform the War Contractors Relief Act into a general statute of indemnification against loss on Government contracts held during the war years, and do not merely obviate what the Congress regards as "technicalities" that have arisen in the course of administering the act. It was this same undesirable purpose that mainly prompted my disapproval of H. R. 3436.

While it is evident that an attempt has been made to adopt certain of the clarifying amendments to the War Contractors Relief Act which I suggested, it is likewise evident that no attempt has been made to limit their scope to claims or requests for relief that would have been granted under the First War Powers Act of 1941 but for the termination of hostilities with Japan on August 14, 1945. Indeed, the committee reports negative the possibility of any such restricted interpretation of the amendments. The bill, moreover, would not preclude the reopening of an indeterminate number of cases that have been settled under the First War Powers Act or the Contract Settlement Act of 1944.

In the absence of these limitations, the provisions of the present measure and their legislative background are quite sufficient to accomplish what I consider to be a total departure from the intent and scope of the War Contractors Relief Act. I refer particularly to the proposed "definition of a request for relief" in paragraph (2), which greatly relaxes the existing requirement that claims be founded upon a specific application for the extraordinary relief which was allowable under the First War Powers Act, and to the similar language in paragraph (3) relating to the claims of subcontractors.

It was not the purpose of the First War Powers Act to relieve contractors because of loss, or to indemnify them against loss. On the contrary, that act authorized the granting of relief because it would assist in obtaining needed war production and thereby "would facilitate the prosecution of the war." In my opinion, the sole objective of the War Contractors Relief Act was to afford a basis for the continued processing of those relatively few requests for First War Powers Act relief which were still pending on August 14, 1945, and could not be handled by the war agencies after that date without additional statutory authority. I am plainly supported in this opinion by the legislative history of the War Contractors Relief Act, to which I expressly invite the attention of the Congress (S. Rept. No. 1669, H. Rept. No. 2576, 79th Cong.; 92 CONGRESSIONAL RECORD 9092).

In the veto message on H. R. 3436 (H. Doc. No. 629, 81st Cong.) my position in this matter was clearly stated, as follows:

> I cannot accept the contention that the purpose of the War Contractors Relief Act * * * was other than to provide a basis for relief to those contractors whose cases would have been handled under the First War Powers Act if war had not ended. Had I believed there was a broader purpose, I would not have issued the kind of regulations which were promulgated in Executive Order 9786. These regulations were a faithful attempt to interpret the language of the act as affording nothing more than a statutory basis for the continued processing of written applications for relief under the First War Powers Act which were pending and undisposed of on August 14, 1945. * * *
>
> H. R. 3436, and the reports recommending its enactment, would radically change the basic purpose of the original War Contractors Relief Act. I believe that in spite of any administrative interpretation which might be made to limit the effects of the bill, its provisions not only require reconsideration of all claims originally filed, but might also be construed to permit reopening of an unknown number of cases settled under the First War Powers Act and the Contract Settlement Act.

I further stated that the net effect of a bill which would relax the requirements for filing notice contained in the War Contractors Relief Act and the regulations thereunder, permit the granting of relief beyond that afforded by the First War Powers Act, and exclude the finality of settlement made under the First War Powers Act and the Contract Settlement Act of 1944 "would be to write into law the principle of Government insurance against all wartime net losses incurred by contractors providing goods and services to the Government."

Endowed as it is with a legislative history that makes the fact obvious, it is beyond question that these comments are equally pertinent to S. 3906.

Some time ago I informed the Congress of my belief that it would be a grave error to introduce this principle of insurance against loss on Government contracts; its implications "are profound, both with respect to our finances and with respect to our free-enterprise system"; and it would involve "reopening the entire program of financing the war, with incalculable effects upon our finances." I reiterated these views in the veto message on H. R. 3436. Considering the even greater demands upon our finances necessitated by the international developments that have occurred since then, it seems to me that their rightness is not even debatable at present. I therefore adhere to them.

Aside from the matter of finances I should like to add, also, that I cannot subscribe to the notion apparently held in some quarters that legislation of this kind is required to assure contractors of fair and equitable treatment at the hands of their Government. The well-known record of Government contracting during World War II is, in my opinion, monumental evidence that contractors were accorded eminently fair treatment, by all known standards of law and equity. I am confident they do not expect, or want, the Government to now embark upon a program of underwriting the element of risk that is a normal incident of any contractual undertaking for profit. Such a program, among other things, would destroy the existing system of competitive bidding which is an integral part of our free-enterprise economy, and it would virtually annihilate any incentive to perform efficiently.

For the foregoing reasons, I am constrained to withhold my approval from S. 3906.

HARRY S. TRUMAN.

THE WHITE HOUSE,
August 21, 1950.

FEDERAL-AID HIGHWAY ACT OF 1950

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. It is my understanding that when the Senate convenes tomorrow at noon the time is not divided between 12 and 1:30, and any Senator can speak on any subject during that time.

The VICE PRESIDENT. No division of time is provided.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the Executive Calendar.

RECESS

Mr. LUCAS. As in legislative session, I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 9 o'clock and 8 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 22, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, August 21 (legislative day of July 20), 1950:

DIRECTOR OF CENTRAL INTELLIGENCE

Walter Bedell Smith, lieutenant general, United States Army, to be Director of Central Intelligence.

IN THE NAVY

Rear Adm. Jerauld Wright, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander, Amphibious Force, Atlantic Fleet.

CONFIRMATIONS

Executive nominations confirmed by the Senate, August 21 (legislative day of July 20), 1950:

POSTMASTERS

CALIFORNIA

Emaline M. Korba, Apple Valley.
Frank A. Salman, Colton.

HAWAII

Arthur C. Lum, Waimanalo.

KANSAS

Raymond W. Harold, Weskan.

MONTANA

Joseph Kelly, Glendive.

NEW YORK

Frederick G. MacCollum, Elbridge.
George M. Miller, Guilford.

OKLAHOMA

Raymond F. Frizzell, Weatherford.

SOUTH DAKOTA

Norman W. Vernlund, Toronto.

TENNESSEE

Walter L. Wildridge, Cedar Grove.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 21, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our creator and benefactor, whose resources of grace and wisdom transcend our greatest needs, may this moment of prayer be one of penitence and praise, of supplication and intercession, of commitment and consecration.

May we now give ourselves in all humility and earnestness to the fulfillment of that blessed time when the kingdoms of this earth shall be the Kingdom of our Lord and Saviour.

Grant that we may be motivated by an all-consuming passion to hasten the coming of that day when men everywhere shall daily walk in fellowship with the Prince of Peace.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, August 17, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 101. Concurrent resolution relative to the reenrollment of the bill (S. 3059) for the relief of John J. Sebenick.

The message also announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 1320. An act for the relief of Mrs. Barbarita Romero;

S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi; and

S. Con. Res. 97. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2233) entitled "An act for the relief of Ewa Plantation Co., a Hawaiian corporation," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WITHERS, Mr. EASTLAND, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Senator from Arizona, Mr. HAYDEN, be excused as conferee on chapter IX of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and the Senator from Louisiana, Mr. ELLENDER, be appointed in lieu; be it further

Ordered, That the Senator from Arizona, Mr. HAYDEN, be excused as conferee on chapter X–A of the above-entitled bill and the Senator from Wyoming, Mr. O'MAHONEY, be appointed in lieu.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6000) entitled "An act to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes."

JOHN J. SEBENICK

Mr. DENTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 101.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is requested to return to the Senate the enrolled bill (S. 3059) for the relief of John J. Sebenick. If and when said bill is returned by the President, the action of the presiding officers of the two Houses in signing said bill shall be deemed rescinded; and the Secretary of the Senate is authorized and directed, in the reenrollment of said bill, to make the following correction:

On page 2, line 2, following the word "received", insert the words "by any agent or attorney on account of services rendered."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

WADE H. NOLAND

Mr. DENTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 250 asking for recall from the White House of the bill H. R. 2854.

The Clerk read the House concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is requested to return to the Senate the enrolled bill (H. R. 2854) for the relief of Wade H. Noland. If and when said bill is returned by the President, the action of the presiding officers of the two Houses in signing said bill shall be deemed rescinded; and the Clerk of the House is authorized and directed, in the reenrollment of said bill, to make the follow-

ing correction: Page 1, line 4, of the House engrossed bill, before the name "Wade", insert "the estate of" and amend the title to read "For the relief of the estate of Wade H. Noland."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The House concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HOW COME?

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I have just received a letter from Harry Colvin, F. D. Kneebone, Edward Shea, C. W. Potter, Charles Foote, Charles Goddard, Jr., Walter Freshman, Wallace O'Brien, R. J. Edwards, P. K. Ramsey—all of Butte, Mont., and all of whom I know well. I have either been partners of, gone to school with, or worked under these friends of mine, and I share their feelings on the matter I am calling to the attention of the House today.

How come that waivers can be granted permitting aliens resident in the United States to escape military service while enjoying a safe haven in this country? How come that a displaced person can refuse to report to a draft board? How come that these people can even claim draft exemption? How come that these people can enjoy all the advantages, but in time of grave peril cannot be called to serve the country in which they breathe freedom's air?

How come, Mr. VINSON, chairman of the House Armed Services Committee? How come, General Hershey, Director of Selective Service?

I intend to find the answers to these questions because I am angry that such a situation exists, and I intend to do what I can to rectify the situation which these friends of mine have called to my attention, and I in turn am calling to the attention of the Congress of the United States. I am sure that the membership of this body will not allow this "draft dodging" situation to continue.

Mr. Speaker, under unanimous consent, I am including with my remarks, the letter previously mentioned and the editorial from the Butte Daily Post of Butte, Mont.:

BUTTE, MONT., *August 15, 1950.*

The Honorable MIKE MANSFIELD,
United States Congress,
Washington, D. C.

DEAR MIKE: How come?

[From the Butte (Mont.) Daily Post]

"CURRENT COMMENT

"A DP WHO WON'T FIGHT

"Draft authorities have disclosed the existence of a waiver permitting aliens resident in the United States to escape military service while enjoying a safe haven in this country. The exemption came to light when a 25-year-old Polish displaced person named Tadeus Wyrwa announced that he would refuse to report to his draft board for a preinduction physical examination.

"Wyrwa, living in Chicago, said that he had no intention of fighting for the United States, but wanted to stay here, even though he had no desire to become a citizen. If he fought for anybody, he said, it would be Poland.

"Col. Paul G. Armstrong, State draft director, said that Form 130 permits aliens to escape military service, but that, in claiming the exemption, they are barred from ever becoming citizens. The exemption, however, does not subject the signer to deportation or any other penalty. Inasmuch as Wyrwa has no intention of becoming a citizen, he is not sacrificing a single thing.

"It is difficult to see how the Government can sanction a system that confers all of the benefits upon aliens and demands all of the sacrifices from American citizens. Wyrwa was brought to this country from Europe at the expense of the taxpayers. He escaped the tyranny of his own country, the possible threat of being swept up in a new war in Europe, and, at best, a rootless existence. He was allowed shelter, safety, and the opportunities of American citizens when he was allowed to enter this country, and public funds were expended to give him a new start.

"In return, he offers the United States nothing. It is all right with him if young Americans are sent off to die to protect his sheltered existence. He does not want citizenship which would entail responsibilities. He simply wants the privileges of an American without any of the responsibilities. The Government gives him what he wants on his own terms."

Harry W. Colvin, F. D. Kneebone, Edward P. Shea, C. W. Potter, Charles S. Foote, Charles C. Goddard, Jr., Walter Freshman, W. A. O'Brien, R. J. Edwards, P. K. Ramsey.

OUTLAWING COMMUNIST PARTY

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, I think the country is interested in knowing and has the right to know how individual Members of this body feel on the question of outlawing the Communist Party. There are a number of bills dealing with the subject now in the Committee on the Judiciary, but it is not certain that that committee will find it possible to take up consideration of any of these measures before we reach the point of taking 3-day recesses. I would like to call the attention of the Members to the fact, however, that the Committee on Un-American Activities will this morning introduce a bill on the subject which will be referred to the Committee on Rules. I think it important that quick action be taken, and therefore I hope the Committee on Rules will give immediate consideration and report the bill to the floor of the House where Members may have an opportunity to show their hands.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include an article.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[Mr. JENSEN addressed the House. His remarks appear in the Appendix.]

THE RAILROAD STRIKE

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, in today's issue of the Washington News we see two items that are of much interest to me and I think to all of you. First of all, we see a picture of a hole in the ground where lie 36 Americans, who were butchered after being captured by the Reds. Turn over to the next page and there is a news item stating that three railroad groups in the United States are going out on strike this morning. It is my belief that any labor organization or any group that strikes today is unpatriotic in view of the fact that Americans boys are dying at this very minute over in Korea. I think, Mr. Speaker, that steps should be taken immediately to prohibit and prevent any group of workmen, whether in industry or in agriculture, from going out on strike during time of war. This is the least we can do to back up the boys at the front.

SPECIAL ORDER GRANTED

Mr. ANGELL asked and was given permission to address the House for 30 minutes today, following the legislative program and any special orders heretofore entered.

PERMISSION TO ADDRESS THE HOUSE

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. WILSON of Indiana addressed the House. His remarks appear in the Appendix.]

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. McDONOUGH addressed the House. His remarks appear in the Appendix.]

KOREA AND THE UNITED NATIONS

Mr. CLEVENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Speaker, it is puzzling to me in this hour when our soldiers are fighting almost single-handed to support the decision of the United

Nations to intervene in Korea when another member of the United Nations—Nationalist China—offers twice as many soldiers for the aid of our troops in Korea as all of the other members have presently offered up to date. I wonder whether the United Nations itself declined these soldiers, or whether our Government declined, as the press reports, on its own. And if they did, I just wonder how they have the power to deny to another member of the United Nations its offer of troops in this good hour. If we could have some explanation of that, I would appreciate it greatly.

The SPEAKER. The time of the gentleman from Ohio has expired.

HON. WALTER THURSTON, AMBASSADOR TO MEXICO

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, the American diplomatic service has no brighter star or more trusted and distinguished servant than the United States Ambassador to Mexico, the Honorable Walter Thurston. For more than a score of years he has patiently and efficiently served this country in Latin America. His knowledge of the Spanish language and his real and cordial affection for the Mexican people have done much to overcome Mexican suspicion and hostility toward this country.

Current news reports indicate that Ambassador Thurston is soon to be replaced in Mexico City by Mayor O'Dwyer, of New York City, as the envoy of the United States in that important and critical area. Without disrespect to Mr. O'Dwyer's capabilities there are many who doubt the wisdom of the new appointment at this time. In any event we hope that the Department of State will insure the continued service of Ambassador Thurston within the Western Hemisphere where his intimate knowledge of political and economic conditions can be best utilized by the American people.

Men of the caliber of Walter Thurston are not easy to find. His genuine human warmth and his deep sincerity in spirit and deed have long since stamped him one of America's finest gentlemen and ablest diplomats. His sure and easy touch will be missed by Mexicans and Americans alike as he quits a post to which he has brought human understanding and unusual ability.

GEN. DOUGLAS MACARTHUR

Mr. GUILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GUILL. Mr. Speaker, last week one of our colleagues saw fit to criticize the leadership in Korea. I want to rise to defend the man whom I think he may be criticizing, Gen. Douglas MacArthur. There are many who resent the publicity given General MacArthur, but I served under him during the last war and made several amphibious landings under his leadership. I want to say this: The man can do more with less and save more men's lives than probably any general in the United States Army today.

Let me say furthermore, however, that whenever an opposing team—and it works in warfare the same as on the field of sports—when an opposing team makes a play to the left, even though it may be going well, sometimes the offensive decides to go to your left as a surprise movement. That may have been the reason why the marines and a portion of the Army were withdrawn from the Chinju area.

We must remember that we have a tough opponent—capable—well armed—and one who outnumbers us—three or four to one. I, for one, think we should concentrate on correcting the errors at home, which caused General MacArthur to be underarmed and undermanned in the Far East, rather than attack General MacArthur, who has done the best he can under adverse circumstances.

SOCIAL SECURITY

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, two of the important fundamentals of life are security and happiness. I am proud to be a Member of this Congress that has seen fit to increase the benefits under the social-security law. This important legislation will extend a measure of security to a group of people who have never had any assurance that when old age came they would be housed, fed, and clothed.

In the beginning social security was based on faith—a faith that has now been justified by what has been done already under the limited provisions of the present law.

One group of workers who have had no protection of social security is the nearly 5,000,000 employees of State and municipal governments. Now this group too can look forward to the benefits of this law. Under the new amendments, all such employment which is not under an existing retirement system can be covered through voluntary agreements between the States and the Federal Security Administrator. Many States have already enacted legislation in order that they can participate in this program. I am mighty happy to state that West Virginia is one of the States which had the foresight to anticipate the passage of this law and has prepared itself to take advantage of the provisions therein almost immediately.

This bill makes great strides in meeting the needs for improvement in our social-insurance system. The requirements for becoming eligible for insurance are being modified in a manner that makes it possible for the people being brought under the program to qualify for benefits within a reasonable length of time. It not only strengthens the protection of the American worker and his family but is sound in principle. This system offers the soundest solution, most in keeping with our American traditions, to one of the most pressing issues of our times.

Basically the Social Security Act has just one simple goal, and that is to prevent American families from becoming destitute, and keep them provided with the essentials of life. The working people of this country will always be confronted with the great economic hazards of old age, death, periods of unemployment, sickness, and physical disability. This Social Security Act is devised to provide means of protecting the American family against the full impact of such losses of earnings. It sets up two lines of defense against hardship. One is the contributory social-insurance system, financed by both employers and employee, and the other public assistance, which is financed out of general tax revenues.

I have constantly had in mind since coming to Congress the need of increased benefits under the Social Security Act, and as I said before, I am certainly proud that this Congress has seen fit to go along and enact this legislation. I am happy to be able to speak in behalf of this measure and to have voted for it, as it will help so many millions of our citizens.

EXTENSIONS IN THE APPENDIX OF THE RECORD

Mr. JACOBS. Mr. Speaker I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. Mr. Speaker, I apologize for taking this time. I do so because of the interest that has been raised in regard to the articles that I placed in the RECORD this morning. Now I know about the district which the gentleman from Indiana [Mr. WILSON] represents. It is a part of my southern Indiana home country. There are many newspapers published down there and a lot of them carry the columns of Fulton Lewis, Jr., Pegler, Pearson, and Winchell, the analysis of which I placed in this RECORD. And the United States mails carry those newspapers practically free, and the gentleman's good taxpaying constituents pay the bill, and the cost of carrying just these columns, not the balance of the paper, will cost much more just in the Ninth Indiana District than $1,025.

Now it is interesting to note how some of the folks who might register objection to the Members of this Congress seeing these analyses of Westbrook Pegler, Drew Pearson, Walter Winchell, and Fulton Lewis, Jr.—it might be interesting for all of you to note how those voted the other day when we ordered the Postmaster General to reinstate dual mail deliveries that would cost $77,000,000;

and upon the very day that we eliminated a $50,000,000 authorization for building of facilities to shelter our sons who are training in the Reserves of our Armed Forces.

The taxpayers are getting a ribbing all right, from the rear—by those who cry economy, but who vote otherwise.

Whatever the cost of printing these analyses may be, I have asked that it be done openly, not obscurely when no one is looking.

I am doing what I do in the open, and I thought the expense justified. I leave my views to the judgment of the House and the people. At least it is all out in the open where it should be.

PERMISSION TO ADDRESS THE HOUSE

Mr. BATTLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

[Mr. BATTLE addressed the House. His remarks appear in the Appendix.]

EXTENSIONS IN THE APPENDIX OF THE RECORD

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it is useless for the Members to get excited about the cost of printing the material in the RECORD. The only extra cost is the paper and the ink it takes, for the people are already on the payroll to do the work. So it is an exaggeration to say it costs so much when as a matter of fact it costs only the paper necessary to carry it and the ink necessary to print it.

But I arose to support the gentleman from Georgia [Mr. COX] in his demand that the Committee on Rules give us a rule immediately on a bill to stop the enemies within our gates from undermining this Government. You just had a den of traitors caught here who have been giving away the atomic secrets—atomic spies. Every one of them belonged to that racial minority that is in control of both Russia and Poland.

It is time for the American people to wake up. Decent white Americans are not going to stand for these aliens pouring in here by the millions to be undermining and destroying this Government that it has taken us so long to build up. The time has come to tear off the veil of pretense behind which they hide and clean house from one end of this country to the other.

Let us save America for Americans.

The SPEAKER. The time of the gentleman from Mississippi has expired.

PLAQUE HONORING STEPHEN COLLINS FOSTER

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 385) to provide for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. LECOMPTE. Mr. Speaker, reserving the right to object, and I shall not, there are a number of bills, Senate resolutions, and concurrent resolutions from the Committee on House Administration, of which the very distinguished gentlewoman from New Jersey is chairman—I think 11 in number. Most of them are not controversial, and I assume the House will be willing to approve them very quickly.

If I may be indulged for just a minute I will speak about the group of resolutions to come from this committee. I note that there are two Senate resolutions which I assume the House will want to adopt in the interest of good relations and amity between this body and the other body; I note that there is one resolution for the customary funeral expenses and gratuity in the case of the death of a respected employee of the House. There are two or three printing bills and the resolution which has just been called up for the acceptance of a memorial plaque in memory of Stephen Collins Foster, the great song writer. There are two or three resolutions that are for historical monuments without expense to the Federal Government, and one bill for printing the proceedings of the Girl Scouts of America as we have been doing for the Boy Scouts. There is also a resolution providing the money for the investigation by special committee of adulterated foods—much less than the committee asked, and this investigation was ordered by the House.

There is also a resolution which is highly controversial, providing for an increase in the amount of stationery allowed to the extent of $300 for each Member of the House. My own personal feeling in the matter is that this measure should be defeated. The Members of the Eighty-first Congress have had $1,200 for stationery, and inasmuch as we are engaged in a war that is going to take the Federal budget skyward, it is in the interest of all taxpayers to see that we economize. We may well begin by economizing on our own expenses. I feel certain the country will approve of economy and especially economy in our own expenses. I am unalterably opposed to House Resolution 687, which is in the list of resolutions to be called up and at the proper time I shall oppose the resolution. This resolution will cost over $120,000, which is of considerable importance even in these lush days.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That the Secretary of the Interior is authorized to accept on behalf of the United States a memorial plaque to the memory of the distinguished song writer, Stephen Collins Foster, the gift of the Stephen Foster Memorial Committee, on a suitable site in the District of Columbia, the design and location to be approved by the National Commission of Fine Arts: *Provided*, That the United States shall be put to no expense in or by the erection of the memorial: *Provided further*, That unless the erection of this memorial is begun within 5 years from and after the date of passage of this joint resolution the authorization hereby granted is revoked.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMITTING THE NATIONAL GRANGE TO ERECT MARKER ON FEDERAL LAND IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 519 to permit the National Grange to erect a marker on Federal land in the District of Columbia.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That the Secretary of the Interior be, and he is hereby, authorized to grant permission to the National Grange to erect a marker, at an appropriate place on public ground of the United States in the vicinity of the intersection of Madison Street and Fourth Street Northwest, District of Columbia, in commemoration of the founding of the National Grange: *Provided*, That the design of the marker and the plan for the treatment of the grounds connected with its site and its adequacy and propriety for the site designated shall be approved by the National Park Service, the Commission of Fine Arts, and the National Capital Park and Planning Commission, and that it shall be erected under the supervision of the Secretary of the Interior; that all funds necessary to carry out its erection and the necessary landscaping of the site shall be supplied by the National Grange in time to permit the completion and erection of the marker not more than 1 year after the exact site has been determined; and the United States shall be put to no expense in or by the erection of the said marker.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTING ADDITIONAL COPIES OF HEARINGS ENTITLED "STUDY ON MONOPOLY POWER" BEFORE COMMITTEE ON THE JUDICIARY

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 202 and ask for its immediate consideration.

The Clerk read the House concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on the Judiciary of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 5,000 additional copies of serial 14, part 4,

and 1,000 additional copies of serial 14, part 6, of the hearings held before said committee, entitled "Study of Monopoly Power," authorized by House Resolution 137, Eighty-first Congress, first session.

With the following committee amendments:

Page 1, line 6, strike out "five" and insert "two."

Page 1, line 7, after the comma, insert "and 1,000 additional copies of serial 14, part 6."

The committee amendments were agreed to.

The House concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING AND BINDING OF REVISED EDITION OF CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I call up House Joint Resolution 518 and ask for its immediate consideration.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That there shall be printed and bound for the use of the House 1,500 copies of Cannon's Procedure in the House of Representatives, by CLARENCE CANNON, to be printed under the supervision of the author and to be distributed to the Members by the Speaker.

SEC. 2. That, notwithstanding any provision of the copyright laws and regulations with respect to publications in the public domain, Cannon's Procedure in the House of Representatives shall be subject to copyright by the author thereof.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANUSCRIPT COMPRISING REPORTS FROM FEDERAL SCIENTIFIC AGENCIES IN NATURAL RESOURCES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 695 and ask for its immediate consideration.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That the manuscript comprising reports from Federal Scientific Agencies in Natural Resources relative to accelerated mapping and water resources basic-data programs, prepared by the Legislative Reference Service, Library of Congress, be printed with illustrations, as a House document, size 9⅛ by 11⅜ inches.

With the following committee amendment:

Page 1, line 6, after "document" insert "and that 1,000 additional copies be printed for the use of the Committee on Public Lands."

The committee amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTING OF ANNUAL REPORTS OF THE GIRL SCOUTS OF THE UNITED STATES OF AMERICA

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I ask unanimous consent for the immediate consideration of the bill (H. R. 9291) to authorize the printing of the annual reports of the Girl Scouts of the United States of America as separate House documents.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the annual report of the Girl Scouts of the United States of America shall be printed each year, with accompanying illustrations, as a separate House document of the session of the Congress to which such report may be submitted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTING OF PROCEEDINGS IN CONNECTION WITH UNVEILING OF STATUE OF BRIGHAM YOUNG

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I call up Senate Concurrent Resolution 100 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed, with illustrations, and bound in such form and style as may be directed by the Joint Committee on Printing, 6,000 copies of the proceedings held in connection with the unveiling of the statue of Brigham Young in the rotunda of the Capitol Building, Washington, D. C., on June 1, 1950, together with such other matter as may be relevant thereto, of which 2,000 copies shall be for the use of the Senate, 2,000 copies for the use of the House of Representatives, and 2,000 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Utah.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ARTHUR HALL

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I present a privileged resolution (H. Res. 744) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to the estate of Arthur Hall, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $350 toward defraying the funeral expenses of the said Arthur Hall.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FUNDS FOR INVESTIGATION AND STUDY AUTHORIZED BY HOUSE RESOLUTION 323

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I submit a privileged resolution (H. Res. 739) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigation and study to be conducted by the select committee created by House Resolution 323, not to exceed $50,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

With the following committee amendment:

Page 1, line 3, strike out "$50,000" and insert "$30,000."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TRANSFER TO STATES OF REPLICAS OF STATE SEALS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8112) to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 17, insert:

"SEC. 3. With respect to any other materials of historical interest, removed or to be removed from the Senate and House Chambers during their renovation and which are not to be reused, the Architect of the Capitol is authorized to dispose of the same in such manner as may be directed and approved by the special Senate and House Roof and Chamber Committees, appointed under Public Law 155, Seventy-ninth Congress, acting separately with regard to their respective Chambers."

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. COX. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Georgia.

Mr. COX. It is known to all that the gentlewoman from New Jersey [Mrs. NORTON] severs her official relationship with this House at the end of the present year and because of that I would like to now publicly say that the gentlewoman is one of the most extraordinary people

I have ever known. She has been a faithful and diligent public servant. Her statesmanship is of a very high order. My respect and my admiration for her are very genuine, and it is with regret that I see her go.

Mrs. NORTON. Mr. Speaker, may I say that I am deeply grateful to my good friend from Georgia [Mr. Cox] for his very kind remarks. Whatever I have done in the Congress in my 26 years of service I hope has been for the benefit not only of my own district, but for the country. That has always been uppermost in my mind. But at this time, I would like to express to the Members of the House on both sides of the aisle my grateful appreciation for the remarkable cooperation that I have had during all of those years. It is something that I shall carry with me throughout my lifetime, and it is going to make a very bright page in my book of happy memories. I do not think that any woman has ever had fairer treatment anywhere, in any legislative body, than I have had in the Congress of the United States. I have served on three committees: The Committee on the District of Columbia from 1930 to 1937; the Committee on Labor from 1937 to 1947, and the Committee on House Administration in this last Congress. May I say that in all of that service, while many of us differed on legislation, particularly during those war years when, due to necessity, it was urgent to bring out various controversial bills, nevertheless, I can safely say and from the bottom of my heart, that you have been remarkably fair and just. And I hope I shall be remembered as having tried to be fair and just in my dealings with all of the Members with whom I have worked. There is much more I would like to say to you but I think you will understand how difficult it is to express what is in my heart. It has been a great privilege to serve with you and I am deeply grateful to the people of my district who have supported me through the years and are responsible for making that service possible. It has been a soul-satisfying experience.

Thank you again Mr. Speaker, and my colleagues for all that you have meant to me—for your friendship, your loyalty, your cooperation, and your faith in me.

HON. MARY T. NORTON

Mr. McCORMACK. Mr. Speaker, may I be recognized at this time to say a few words about our beloved colleague, the gentlewoman from New Jersey.

The SPEAKER. Without objection, the gentleman may proceed.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I am glad that my friend, the gentleman from Georgia [Mr. Cox] made the observations he did about our colleague, MARY NORTON. It was the intention to take occasion at a later date to avail ourselves of the opportunity to express our feelings of high regard for the gentlewoman from New Jersey, but since this seems to be a most appropriate occasion, I cannot let this moment go by without paying tribute to her and expressing the feeling that I know all Members of Congress entertain for the gentlewoman from New Jersey [Mrs. NORTON] and paying her the tribute which she so richly deserves.

Mr. Speaker, it has been one of the highlights of my life to have met and known MARY NORTON. There are some people who wield great influence upon the lives of those they meet in their journey through life. MARY NORTON is an outstanding lady—she is an outstanding person. Her work and her influence for good go way beyond mere individuality or the fact that she is a woman. She is a lady, kind and humane. At the same time she is a great legislator and a great fighter for the things she believes to be right. MARY NORTON has made her contribution in the history of our country. It has been a great contribution, a constructive contribution, and a progressive contribution.

I join with my friend, the gentleman from Georgia [Mr. Cox] in his expression of regard for MARY NORTON. We regret to see MARY NORTON leave these Halls. If there is one trait that MARY NORTON possesses which, to me, is a most important trait, and which governs and determines the possession of all other fine and noble characteristics of the soul and of the mind, it is the trait and element of loyalty.

Mr. Speaker, MARY NORTON stands convicted beyond all doubt of being loyal—loyal to her friends and loyal all along the line. If there is one trait in people which I admire, it is the trait of loyalty, because when I find a person who is loyal, I find a person who is sincere—a person who is charitable and a person who possesses those other elements which go to make up nobility of character and the possession of a fine mind.

Mr. Speaker, I regret very much that Mary is leaving here as a colleague of mine. But time passes. In the life of all of us, there will come a time when we must leave these Halls. There have been great Members of the House of Representatives in the past, but the Congress of the United States must always go on. MARY NORTON has made her great contribution and she can now leave with the knowledge that she has played her part in a great and important way in writing and making the history of our country during one of its most crucial periods, not only in the economic and social rehabilitation of our country following the depression, but in meeting the dangers from abroad during the pre-Hitler days before World War II, and in meeting the dangers during that great conflict and afterward, as we are struggling to meet them today.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. LECOMPTE. Mr. Speaker, the determination of the very able gentlewoman from New Jersey to retire from the House of Representatives after 25 years of distinguished service I note with real sadness because I think I have never known in my life a woman of such very great character. She possesses all the grace and beauty and charm of a woman with all the firmness and courage of a great legislator. She has honored the House of Representatives by her presence here for 26 years and has served as chairman of three great committees. I have had the opportunity to observe how carefully and meticulously she conducts her committee. I have noted that she never resorts to any smallness or trickery. She always has courage and fairness and honesty and, as the gentleman from Massachusetts has said, loyalty to her friends.

The House of Representatives will long remember the gentlewoman from New Jersey, MARY NORTON.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MICHENER. Mr. Speaker, I want to concur with the others in all the laudatory things they have said about the gentlewoman from New Jersey [Mrs. NORTON] here today. At the moment, my vocabulary fails me in finding additional adjectives that will not be repetitious.

I remember well when the gentlewoman from New Jersey [Mrs. NORTON] first joined us. She has been an influential, a consistent, and a determined, yet always courteous, advocate of the legislation which she sponsored and the policies which she espoused. Indeed, she is one of those rare women who can disagree with mortal man on any occasion and still never be disagreeable in doing it.

As I recall, the gentlewoman from New Jersey [Mrs. NORTON] was the first woman chairman of one of the standing committees of the House. She did her task in stride and was a successful chairman. That was on the District of Columbia Committee. Today she is chairman of the Committee on House Administration, where she has done a commendable job.

Those who have served with the gentlewoman from New Jersey, MARY NORTON, and return to the Eighty-second Congress will miss her much. Mrs. NORTON, here is wishing for you every good thing possible in the days that are to come.

Mr. McCORMACK. Mr. Speaker, in conclusion, I know I express the sentiments of all my colleagues when I say to MARY NORTON that one of the pleasures of life has been in having met and known her. God has blessed her during her life up to now; we trust that God will continue to shower His blessings upon her for many, many years to come.

Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD on the character and service of our beloved colleague, the gentlewoman from New Jersey [Mrs. NORTON], and also that all Members may have five legislative days in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. RABAUT. Mr. Speaker, after this session of Congress, the House will not be honored by the presence of the very able gentlewoman from New Jersey, MARY T. NORTON, due to her voluntary retirement after 26 years of loyal service to the Nation and to the great State of New Jersey. She is known to her many friends on the Hill and in the

Government departments as "Aunt Mary," and she will long be remembered for her fine record in Congress and her many acts of kindness. I have had the privilege of knowing my colleague for 15 years and I will always value her friendship, for her life bespeaks understanding, courage, ability, loyalty, and wit. In parting, I join with her many friends and wish her God's choicest blessings.

CALLING OF PRIVATE CALENDAR ON FRIDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Private Calendar to be called on Friday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERICDIC CENSUS OF GOVERNMENTS

Mr. MURRAY of Tennessee submitted a conference report and statement on the bill (H. R. 7265) to provide for the conduct of a periodic census of governments.

EXTENSION OF REMARKS

Mr. THOMPSON asked and was given permission to extend his remarks and include a newspaper article.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks and include an article relating to the origin of the CCC, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $287.

Mr. JACOBS asked and was given permission to extend his remarks and include articles appearing in the Providence (R. I.) Journal and Bulletin analyzing the columns and broadcasts of Drew Pearson, Walter Winchell, Westbrook Pegler, and Fulton Lewis, Jr., notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $1,025.

Mr. BURDICK asked and was given permission to extend his remarks and include an article appearing in the Washington Post.

Mr. FORD asked and was given permission to extend his remarks in two instances and include miscellaneous matter.

Mr. CUNNINGHAM asked and was given permission to extend his remarks and include an editorial appearing in the Des Moines Register.

Mr. HILL asked and was given permission to extend his remarks and include an editorial.

Mr. GAMBLE asked and was given permission to extend his remarks in four instances, in each to include editorials and extraneous matter.

Mr. COUDERT (at the request of Mr. JENNINGS) was given permission to extend his remarks in two instances and include newspaper articles.

Mr. HOPE asked and was given permission to extend his remarks and include extraneous matter.

Mr. MICHENER asked and was given permission to extend his remarks and include a release concerning available electric power in Michigan.

Mr. HARVEY asked and was given permission to extend his remarks and include an editorial.

Mr. MACK of Washington asked and was given permission to extend his remarks in two instances and include editorials.

Mr. BROOKS asked and was given permission to extend his remarks and to include extraneous matter.

Mr. STAGGERS asked and was given permission to extend his remarks in two instances and include in each an editorial, one dealing with the suppression of communism and the other with the drafting of doctors.

Mr. VURSELL asked and was given permission to extend his own remarks in two separate instances.

Mr. BENNETT of Florida asked and was given permission to extend his remarks and include an article.

Mr. FERNANDEZ asked and was given permission to extend his remarks and include an editorial from the Washington Post.

Mr. DONDERO (at the request of Mr. MICHENER) was given permission to extend his remarks.

Mr. MURDOCK asked and was given permission to extend his remarks and include extraneous matter.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PRESERVING COMPENSATION AND LEAVE BENEFITS

The Clerk called the bill (H. R. 8711) relating to the compensation and leave benefits of officers and employees in the custodial service of the Post Office Department transferred to the General Services Administration under Reorganization Plan No. 18 of 1950.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISSEMINATION OF TECHNOLOGICAL, SCIENTIFIC, AND ENGINEERING INFORMATION

The Clerk called the bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes.

Mr. BYRNES of Wisconsin. Mr. Speaker, a rule has been granted on this bill. I therefore ask that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FILLING VACANCY IN OFFICE OF DISTRICT JUDGE FOR THE DISTRICT OF DELAWARE

The Clerk called the bill (H. R. 6836) to repeal the prohibition against the filling of a vacancy in the office of the district judge for the district of Delaware.

Mr. CUNNINGHAM. Mr. Speaker, this bill is scheduled to come up later in the week under a rule. I therefore ask unanimous consent that it may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ADDITIONAL DISTRICT JUDGE, THIRD DIVISION, DISTRICT COURT, ALASKA

The Clerk called the bill (H. R. 3775) to provide for an additional district judge for the third division of the District Court for the District of Alaska.

Mr. CUNNINGHAM. Mr. Speaker, this bill is scheduled to come up later in the week under a rule. I therefore ask unanimous consent that it may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING SECTION 17 OF THE CONTRACT SETTLEMENT ACT OF 1944

The Clerk called the bill (H. R. 8883) to amend section 17 of the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENDING TIME FOR APPROPRIATING AND EXPENDING FUNDS TO CARRY OUT FEDERAL AIRPORT ACT

The Clerk called the bill (S. 2875) to extend for a period of 5 years the time for appropriating and expending funds to carry out the Federal Airport Act.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ADDITIONAL ASSISTANT SECRETARIES OF AGRICULTURE AND ADMINISTRATIVE ASSISTANT SECRETARY OF AGRICULTURE

The Clerk called the bill (H. R. 8850) to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, this bill is also scheduled to be called up later in the week under a rule. I therefore ask unanimous consent that it may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

REVISION AND CODIFICATION OF FOOD AND DRUGS LAWS

The Clerk called the bill (H. R. 9158) to revise, codify, and enact into law, title

21 of the United States Code, entitled "Food and Drugs."

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. ALLEN of California. Mr. Speaker, I object to the request and also to its consideration.

Mr. PHILLIPS of California. I also object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PHILLIPS of California, Mr. ANDERSON of California, and Mr. ALLEN of California objected.

Mr. DOYLE. Mr. Speaker, I object to the present consideration of the bill. I have prepared an amendment to this act which I placed in the Appendix of the RECORD and which appears on page A5924. I objection to its present consideration.

IMPLEMENTATION OF THE TUNA CONVENTIONS

The Clerk called the bill (H. R. 8945) to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City, January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, will my friend explain why he submits this request? I understand this is a matter of great importance. Of course, if the gentleman insists I will not argue the point, but I am just reserving my objection to inquire.

Mr. FORD. I may say to the distinguished majority leader that so far as I personally am concerned I have no objection, but I was asked to object by another Member.

Mr. McCORMACK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan that the bill be passed over without prejudice?

There was no objection.

AMERICAN-FLAG SHIPPING ON THE GREAT LAKES

The Clerk called the bill (H. R. 8847) to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 12 (a) of the Merchant Ship Sales Act of 1946, as amended, is amended by inserting after "in commercial services", in the first sentence thereof the words "and to convert for operation on the Great Lakes, including the St. Lawrence River and Gulf, and their connecting waterways,".

SEC. 2. Section 12 of the Merchant Ship Sales Act of 1946, as amended, is further amended by adding at the end thereof the following:

"(e) The Secretary of Commerce is authorized, without regard to the provisions of the last paragraph of section 3 (d) of this act, to make the allowances provided for by this subsection to purchasers of not more than 10 vessels sold pursuant to this act for exclusive use on the Great Lakes, including the St. Lawrence River and Gulf and their connecting waterways. The allowances authorized by this subsection shall be allowances for (1) the fair and reasonable installed value, based on the domestic war cost, as computed by the Secretary, of such equipment on said vessels as is not required for their operation on the Great Lakes, and the cost of the removal thereof, (2) the fair and reasonable cost, as determined by competitive bids from shipyards located on the Great Lakes, of converting, altering, modifying, and equipping such vessels for use as package freight, passenger, and combination freight and passenger vessels, in accordance with plans and specifications prepared by the purchasers thereof and approved by the Secretary, (3) the cost of moving and preparing to move said vessels to the shipyards located on the Great Lakes where such conversion, alteration, modification, and equipping will be accomplished: *Provided, however*, That the total allowances on any vessel made by the Secretary pursuant to this subsection shall not exceed the amounts expended by the purchaser in altering, modifying, converting, equipping, moving, and preparing to move such vessel, plus the allowances provided for in clause (1) of this subsection, and in no event shall such allowances exceed 90 percent of the unadjusted statutory sales price: *Provided further*, That the purchaser shall be required to accept delivery of such vessel at the reserve-fleet site or such other place as may be designated by the Secretary."

SEC. 3. Contracts for the sale of vessels for exclusive use on the Great Lakes, including the St. Lawrence River and the Gulf and their connecting waterways, may be made until December 31, 1950. Such contracts shall require that transfer to the Great Lakes of such vessels by the buyers shall be completed by December 31, 1951.

SEC. 4. (a) Section 1104 (a) (2) of the Merchant Marine Act of 1936, as amended, is amended by inserting after the word "advance" a comma and the following: "or, in the case of vessels purchased pursuant to the Merchant Ship Sales Act of 1946, as amended, for exclusive use on the Great Lakes, involve an obligation in a principal amount which does not exceed 75 percent of the net purchase price of such vessels plus the amounts expended for altering, modifying, converting, equipping, moving, and preparing to move such vessels in excess of that purchase price."

(b) Section 1104 (a) (7) of the Merchant Marine Act of 1936, as amended, is amended by inserting after "maintenance", the following: "purchase of a vessel for use on the Great Lakes pursuant to the Merchant Ship Sales Act of 1946, as amended,".

(c) Section 1104 (a) (8) of the Merchant Marine Act of 1936, as amended, is amended by inserting after the word "financing" the following: "the purchase by citizens of the United States of vessels for use on the Great Lakes pursuant to the Merchant Ship Sales Act of 1946, as amended, or."

With the following committee amendments:

Page 2, lines 13 and 14, after the hyphenated word "shipyards" delete the following "located on the Great Lakes."

Page 2, lines 18 and 19, after the hyphenated word "Secretary", delete the comma and the language up to the colon preceding the proviso in line 22.

Page 2, line 25, after the word "converting," insert the word "and."

Page 2, line 25, delete the comma following the word "equipping", and page 3, line 1, delete the words "moving, and preparing to move", which words precede the word "such" in this line.

Page 3, lines 6 and 7, delete the phrase "may be designated by the Secretary" and insert in lieu thereof "such vessel may be located at the time of purchase."

Page 3, line 10, delete the word "the" which appears as the first word in this line.

Page 3, line 22, following the word "converting," insert the word "and."

Page 3, lines 22 and 23, delete the comma after the word "equipping" and delete the following words "moving, and preparing to move."

Page 3, line 23, strike out "'price.'" and insert in lieu thereof "'price'.".

Page 4, line 1, strike out "'maintenance'," and insert in lieu thereof "'maintenance,'."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, House Resolution 817 was laid on the table.

PROHIBITING INTERSTATE TRANSPORTATION OF GAMBLING DEVICES

The Clerk called the bill (S. 3357) to prohibit transportation of gambling devices in interstate and foreign commerce.

Mr. POULSON. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice, inasmuch as a rule has been granted for its consideration.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

WILDLIFE MANAGEMENT AREA IN THE FLORIDA KEYS

The Clerk called the bill (H. R. 7524) to authorize the establishment of a wildlife management area in the Florida Keys, Fla., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to acquire such lands and interests therein in townships 65 and 66 south, ranges 28, 29, and 30 east, Monroe County, Fla., as are suitable for the conservation and management of the Key deer and other wildlife. He is further authorized to do all things and make all expenditures necessary to secure a safe title in the United States to such lands, including the payment of expenses incidental to the location, examination, and survey of such lands and the acquisition of title thereto, but no payment shall be made for any such lands until the title thereto shall be approved by the Attorney General. The acquisition of such lands by the United States shall in no case be defeated because of rights-of-way, easements, exceptions, and reservations which, in the opinion of the Secretary of the Interior, will not interfere with the use of the area so encumbered for the purposes of this act.

SEC. 2. Any and all lands acquired pursuant to the provisions of this act shall be administered in accordance with and shall be subject to the provisions of sections 4, 7, and 8 of the act of August 14, 1946 (60 Stat. 1080).

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

PUBLIC AIRPORT IN THE VICINITY OF THE DISTRICT OF COLUMBIA

The Clerk called the bill (S. 456) to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BEALL. Mr. Speaker, I object.

AMENDING THE RAILWAY LABOR ACT

The Clerk called the bill (H. R. 7789) to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carriers' employees for certain purposes and under certain conditions.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

AID IN REPATRIATING NEEDY AMERICAN NATIONALS

The Clerk called the bill (H. R. 8927) to authorize aid to needy American nationals in connection with their repatriation from foreign countries, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CHESAPEAKE AND OHIO CANAL PARKWAY

The Clerk called the bill (H. R. 8534) to authorize the acceptance of donations of land to supplement present parkway lands along the line of the Chesapeake and Ohio Canal between Great Falls and Cumberland, Md.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to accept on behalf of the United States donations of land and interests in land in the State of Maryland as additions to present parkway lands along the line of the Chesapeake and Ohio Canal, between Great Falls and Cumberland, Md. The lands to be acquired shall be sufficient to increase the present parkway width to an average of 100 acres per mile for the entire length of the parkway. The title of real property acquired pursuant to this act shall be satisfactory to the Attorney General of the United States.

SEC. 2. The Secretary is also authorized to accept land and interests in land for the parkway and, in his discretion, to convey in exchange therefor former Chesapeake and Ohio Canal property now under his administrative jurisdiction or other property accepted by him for the purposes of this act. In any land exchanges consummated pursuant to this act, the value of the federally owned property conveyed shall not exceed the value of the property accepted by the Secretary.

SEC. 3. All property acquired pursuant to this act shall be administered by the Secretary in accordance with the provision of the act of August 25, 1916 (39 Stat. 535; 16 U. S. C., 1946 edition, secs. 1–3), entitled "An Act to establish a National Park Service, and for other purposes."

With the following committee amendment:

Page 2, line 14, strike out the word "provision" and insert in lieu thereof the word "provisions."

The committee amendment was agreed to.

BI-STATE METROPOLITAN DEVELOPMENT DISTRICT BETWEEN THE STATES OF MISSOURI AND ILLINOIS

The Clerk called the joint resolution (H. J. Res. 424) granting consent of Congress to an agreement or compact entered into between the State of Missouri and the State of Illinois for the creation of the Bi-State Metropolitan Development District and the establishment of the Bi-State Development Agency for the comprehensive development of the metropolitan St. Louis area.

The SPEAKER. Is there objection to the present consideration of the House joint resolution?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 174 granting the consent of Congress to the entry, by the State of Missouri and by the State of Illinois, into a compact or agreement between the State of Missouri and the State of Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan District, which is an identical bill to the one just passed.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Whereas, pursuant to Senate bill No. 99, Senate bill No. 100, and section 10.420 of House bill No. 433, each of which three bills is included in the Laws of Missouri, 1949; and Senate bill No. 179, Senate bill No. 180, and House bill No. 299, each of which three last-mentioned bills is included in the Laws of Illinois, 1949, the States of Missouri and Illinois entered into a compact or agreement which is as follows:

"COMPACT BETWEEN MISSOURI AND ILLINOIS CREATING THE BI-STATE DEVELOPMENT AGENCY AND THE BI-STATE METROPOLITAN DISTRICT

"The States of Missouri and Illinois enter into the following agreement:

"ARTICLE I

"They agree to and pledge each to the other faithful cooperation in the future planning and development of the Bi-State Metropolitan District, holding in high trust for the benefit of its people and of the Nation the special blessings and natural advantages thereof.

"ARTICLE II

"To that end the two States create a district to be known as the 'Bi-State Metropolitan Development District' (hereinafter referred to as 'The District') which shall embrace the following territory: The city of St. Louis and the counties of St. Louis and St. Charles and Jefferson in Missouri, and the counties of Madison, St. Clair, and Monroe in Illinois.

"ARTICLE III

"There is created the Bi-State Development Agency of the Missouri-Illinois District (hereinafter referred to as the Bi-State Agency) which shall be a body corporate and politic. The Bi-State Agency shall have the following powers:

"1. To plan, construct, maintain, own, and operate bridges, tunnels, airports and terminal facilities and to plan and establish policies for sewage and drainage facilities;

"2. To make plans for submission to the communities involved for coordination of streets, highways, parkways, parking areas, terminals, water supply, and sewage and disposal works, recreational and conservation facilities and projects, land-use pattern and other matters in which joint or coordinated action of the communities within the areas will be generally beneficial;

"3. To charge and collect fees for use of the facilities owned and operated by it;

"4. To issue bonds upon the security of the revenues to be derived from such facilities; and, or upon any property held or to be held by it;

"5. To receive for its lawful activities any contributions or moneys appropriated by municipalities, counties, State or other political subdivisions or agencies; or by the Federal Government or any agency or officer thereof;

"6. To disburse funds for its lawful activities, and fix salaries and wages of its officers and employees;

"7. To perform all other necessary and incidental functions; and

"8. To exercise such additional powers as shall be conferred on it by the legislature of either State concurred in by the legislature of the other or by act of Congress.

"No property now or hereafter vested in or held by either State, or by any county, city, borough, village, township, or other political subdivision, shall be taken by the Bi-State Agency without the authority or consent of such State, county, city, borough, village, township, or other political subdivision, nor shall anything herein impair or invalidate in any way any bonded indebtedness of such State, county, city, borough, village, township, or other political subdivision, nor impair the provisions of law regulating the payment into sinking funds of revenues derived from municipal property, or dedicating the revenues derived from any municipal property to a specific purpose.

"Unless and until otherwise provided, it shall make an annual report to the Governor of each State, setting forth in detail the operations and transactions conducted by it pursuant to this agreement and any legislation thereunder.

"Nothing contained in this compact shall impair the powers of any municipality to develop or improve terminal or other facilities.

"The Bi-State Agency shall from time to time make plans for the development of the district; and when such plans are duly approved by the legislatures of the two States, they shall be binding upon both States with the same force and effect as if incorporated in this compact.

"The Bi-State Agency may from time to time make recommendations to the legislatures of the two States or to the Congress of the United States, based upon study and analysis, for the improvement of transportation, terminal, and other facilities in the district.

"The Bi-State Agency may petition any interstate commerce commission (or like body), public service commission, public utilities commission (or like body), or any other Federal, municipal, State, or local au-

thority, administrative, judicial, or legislative, having jurisdiction in the premises, for the adoption and execution of any physical improvements, change in method, rate of transportation, system of handling freight, warehousing, docking, lightering, or transfer of freight, which, in the opinion of the Bi-State Agency, may be designed to improve or better the handling of commerce in and through the district, or improve terminal and transportation facilities therein. It may intervene in any proceeding affecting the commerce of the district.

"ARTICLE IV

"The Bi-State Agency shall consist of 10 commissioners, 5 of whom shall be resident voters of the State of Missouri and 5 of whom shall be resident voters of the State of Illinois. All commissioners shall reside within the Bi-State district, the Missouri members to be chosen by the State of Missouri and the Illinois members by the State of Illinois in the manner and for the terms fixed by the legislature of each State except as herein provided.

"ARTICLE V

"The Bi-State Agency shall elect from its number a chairman, a vice chairman, and may appoint such officers and employees as it may require for the performance of its duties, and shall fix and determine their qualifications and duties.

"Until otherwise determined by the legislatures of the two States no action of the Bi-State Agency shall be binding unless taken at a meeting at which at least three members from each State are present, and unless a majority of the members from each State present at such meeting shall vote in favor thereof. Each State reserves the right hereafter to provide by law for the exercise of the veto power by the Governor thereof over any action of any commissioner appointment therefrom.

"Until otherwise determined by the action of the legislatures of the two States, the Bi-State Agency shall not incur any obligations for salaries, office, or other administrative expenses, prior to the making of appropriations adequate to meet the same.

"The Bi-State Agency is hereby authorized to make suitable rules and regulations not inconsistent with the Constitution or laws of the United States or of either State, or of any political subdivision thereof, and subject to the exercise of the power of Congress, for the improvement of the district, which when concurred in or authorized by the legislatures of both States, shall be binding and effective upon all persons and corporations affected thereby.

"The two States shall provide penalties for violations of any order, rule, or regulation of the Bi-State Agency, and for the manner of enforcing same.

"ARTICLE VI

"The Bi-State Agency is authorized and directed to proceed with the development of the district in accordance with the articles of this compact as rapidly as may be economically practicable and is vested with all necessary and appropriate powers not inconsistent with the Constitution or the laws of the United States or of either State, to effectuate the same, except the power to levy taxes or assessments.

"It shall render such advice, suggestion, and assistance to all municipal officials as will permit all local and municipal improvements, so far as practicable, to fit in with the plan.

"ARTICLE VII

"In witness thereof, we have hereunto set our hands and seals under authority vested in us by law.

"(Signed).

"In the presence of:

"(Signed)."

Whereas said compact or agreement has been signed by each commissioner of the State of Missouri and by the Attorney General of the State of Missouri and has been signed and sealed by each commissioner of the State of Illinois and has been signed by the Attorney General of the State of Illinois; and

Whereas said compact or agreement has been filed in the Office of the Secretary of State of each said State: Therefore be it

Resolved, etc., That the consent of Congress is hereby given to the entry, by the State of Missouri and by the State of Illinois, into the compact or agreement set forth above, and to said compact or agreement and to each and every term and provision thereof: *Provided*, That any obligations issued and outstanding, including the income derived therefrom, under the terms of the compact or agreement, and any amendments thereto, shall be subject to the tax laws of the United States: *And provided further*, That nothing herein contained shall be construed to affect, impair, or diminish any right, power, or jurisdiction of the United States or of any court, department, board, bureau, officer, or official of the United States, in, over, or in regard to the territory which is embraced in the district created by the aforesaid compact or agreement or any navigable waters, or any commerce between the States or with foreign countries, or any bridge, railroad, highway, pier, wharf, or other facility or improvement, or any other person, matter, or thing, forming the subject matter of the aforesaid compact or agreement; or otherwise affected by the terms thereof: *And provided further*, That no power or powers shall be exercised by the Bi-State Agency under that certain portion of article III of such compact which reads:

"8. To exercise such additional powers as shall be conferred on it by the legislature of either State concurred in by the legislature of the other or by act of Congress."

unless and until such power or powers shall have been conferred upon the Bi-State Agency by the legislature of one of the States to the compact and concurred in by the legislature of the other and shall have been approved by an act of Congress: *And provided further*, That the right to alter, amend, or repeal this resolution is hereby expressly reserved.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A similar House joint resolution (H. J. Res. 424) was laid on the table.

A motion to reconsider was laid on the table.

GENOA INDIAN SCHOOL

The Clerk called the bill (H. R. 7677) to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to the State of Nebraska all right, title, and interest of the United States in and to the following-described lands, together with the improvements thereon, heretofore known and designated as the Genoa Indian School, situated in Nance County, Nebraska: The northeast quarter of section 13, township 17 north, range 4 west; the northwest quarter of section 18, township 17 north, range 3 west; and the northeast quarter of section 29 and the northwest quarter of section 28, township 18 north, range 4 west, sixth principal meridian.

With the following committee amendment:

Page 1, line 4, after the word "deed" insert the words "to the State of Nebraska."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CITY OF RICHMOND, CALIF.

The Clerk called the bill (H. R. 6355) to provide for the conveyance of certain real property to the city of Richmond, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Maritime Commission is authorized for $1 and other consideration to convey to the city of Richmond, of Contra Costa County, Calif., all right, title, and interest of the United States in and to that strip of land in sections 13 and 24, township 1 north, range 5 west, Mount Diablo base and meridian, Contra Costa County, Calif., being an improved roadway running a distance of about 1 mile from Cutting Boulevard, city of Richmond, to the Maritime-Richmond Shipyard No. 3 and described as follows:

Beginning at a point where the southerly prolongation of the east line of Esmeralda Street intersects the south line of Cutting Boulevard; thence westerly thereon forty-eight and five-tenths feet to the true point of beginning, said true point of beginning also being distant easterly on said south line of Cutting Boulevard seven hundred thirty-one and five-tenths feet from the northwest corner of parcel numbered 1 as shown on that certain map entitled "Map of Harbor Tract," which map was filed on February 28, 1933, in the office of the Recorder of Contra Costa County, State of California, in volume 22 of maps, page 619, said south line of Cutting Boulevard being also the north line of parcel numbered 1; all of which as shown on a map entitled "Map Numbered 1, the Canal Subdivision," being a portion of the final partition of the San Pablo Rancho, Contra Costa County, Calif., filed July 6, 1907, in map book 1, page 8, in the office of said county recorder.

Thence starting at the true point of beginning and running as follows: South no degrees thirteen minutes thirty seconds west a distance of one thousand two hundred fifty-nine and sixteen one-hundredths feet to the start of a curve to the left having a central angle of fifty-seven degrees twenty-eight minutes eleven seconds a radius of six hundred sixteen and three hundred five one-thousandths feet and a distance along the arc of six hundred eighteen and eighteen one-hundredths feet; thence south fifty-seven degrees fourteen minutes forty-one seconds east tangent to said curve a distance of one thousand five hundred forty-five and sixty one-hundredths feet to the start of a curve to the right of having a central angle twenty-five degrees fifty-three minutes fifteen seconds a radius of five hundred ninety-one and three hundred five one-thousandths feet a distance along the arc of two hundred sixty-seven and sixteen one-hundredths feet; thence south thirty-one degrees twenty-one minutes twenty-six seconds east tangent to said curve a distance of one thousand three hundred forty and fifty-nine one-hundredths feet to the north boundary of Maritime-Richmond Shipyard. Said north boundary of shipyard being northly boundary of parcel described as parcel 4 of Condemnation Proceeding 22127R; thence westerly along said north boundary of shipyard

a distance of one hundred sixteen and ninety-seven one-hundredths feet; thence north thirty-one degrees twenty-one minutes twenty-six seconds west a distance of one thousand two hundred seventy-nine and sixty-five one-hundredths feet to the start of a curve to the left having a central angle twenty-five degrees fifty-three minutes fifteen seconds a radius of four hundred ninety-one and three hundred five one-thousandths feet, and a distance along the arc of two hundred twenty-one and ninety-eight one-hundredths feet; thence north fifty-seven degrees fourteen minutes forty-one seconds west tangent to said curve a distance of one thousand five hundred forty-five and sixty one-hundredths feet to the start of a curve to the right having a central angle of fifty-seven degrees twenty-eight minutes eleven seconds, a radius of seven hundred sixteen and three hundred five one-thousandths and a distance along the arc of seven hundred eighteen and forty-eight one-hundredths feet; thence north no degrees thirteen minutes thirty seconds east tangent to said curve a distance one thousand two hundred fifty-nine and sixteen one-hundredths feet to the southerly side of Cutting Boulevard; thence along said southerly side of Cutting Boulevard south eighty-nine degrees forty-six minutes thirty seconds east a distance of one hundred feet to the true point of beginning.

There shall be reserved to the United States in the conveyance of the land described all oil, gas, coal, and other mineral deposits in the land, including all materials determined pursuant to section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat. 761), to be peculiarly essential to the production of fissionable material, together with the right to prospect for, mine, and remove the same.

SEC. 2. The land conveyed pursuant to the provisions of this act shall be used only as a public highway and for no other purpose, and the conveyance herein authorized shall be made upon the express condition that if the land is abandoned for such use for a period of 6 months or more or if the land shall be used for other purposes, the conveyance shall be held to be forfeited and the title shall revert to the United States.

SEC. 3. The conveyance authorized herein shall include all right and title of the Maritime Commission in and to that certain personalty now installed within the bed of the said Central Drive, to wit: Approximately 3,700 feet of 12-inch steel pipe, being a water main; and approximately 5,090 feet of 6-inch steel pipe, being a gas main.

SEC. 4. In consideration of the conveyance authorized in section 1 thereof, the city of Richmond at all times will maintain the said public highway to provide and permit perpetual access to the said Maritime-Richmond Yard No. 3 via said highway for all purposes.

With the following committee amendments:

Page 1, line 3, after the word "the", delete the words "United States Maritime Commission" and insert in lieu thereof the words "Secretary of Commerce."

Page 5, line 2, insert before the word "and" in said line the words "except as the said land may otherwise be encumbered on the date of conveyance to the city of Richmond hereunder."

Page 5, line 7, after the word "the", delete the words "United States." and insert in lieu thereof the words "United States:", and add the following proviso: "*Provided*, That in the event it becomes necessary for the United States to reacquire title to the lands herein conveyed, for the defense and security of the United States, the United States may reacquire such title by payment to the city of Richmond or its successor to such title the sum of $1 plus the fair and reasonable value to the United States of such improvements as may later be made upon such lands by the city of Richmond or its successor to such title."

Page 5, line 9, after the word "the", delete the words "Maritime Commission" and insert in lieu thereof the words "Secretary of Commerce."

Page 5, line 19, before the period, insert a comma and the following: "and will perpetually provide and permit a continuous and uninterrupted adequate supply of water and gas to the said Maritime-Richmond Yard No. 3 in such quantities and in such volumes as shall from time to time be required in the maintenance, operation, and use of said yard by the Secretary of Commerce, his lessees, successors and assigns via said pipes and pipelines underlying said highway as the same now are and are now located or as the same may hereafter be replaced or hereafter located."

At the end of the bill, add a new section to read as follows:

"SEC. 5. In the event that the city of Richmond transfers or conveys or otherwise disposes of the right, title, and interest in and to the aforesaid personalty or permits the use thereof to others, whether by lease, permit, or otherwise, the city of Richmond shall bind itself, its successors and assigns, its lessees and permittees to perpetually provide, in the event of such conveyance, or to provide throughout the full term of such lease or permit, or other use by others, a continuous and uninterrupted adequate supply of water and gas to the said Maritime-Richmond Yard No. 3 in such quantities and in such volumes as shall from time to time be required in the maintenance, operation, and use of said yard by the Secretary of Commerce, his lessees, successors, and assigns via said pipes and pipelines underlying said highway as the same now are and are now located or as the same may hereafter be replaced or hereafter located."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF COMMERCE TO PROVIDE WAR RISK AND CERTAIN MARINE AND LIABILITY INSURANCE

The Clerk called the bill (H. R. 6061) to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Merchant Marine Act, 1936, as amended, is amended by adding thereto a new title to read as follows

"TITLE XII—WAR RISK INSURANCE

"SEC. 1201. As used in this title—

"(a) The term 'American vessels' includes any vessel registered, enrolled, or licensed under the laws of the United States and any undocumented vessel owned or chartered by or made available to the United States or any department or agency thereof and any tug or barge or other watercraft (documented or undocumented) owned by a citizen of the United States used in essential water transportation or in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(b) The term 'transportation in the water-borne commerce of the United States' includes the operation of vessels in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(c) The term 'war risks' includes to such extent as the Commission may determine all or any part of those losses which are excluded from marine insurance coverage under a 'free of capture and seizure' clause, or analogous clauses.

"(d) The term 'citizen of the United States' includes corporations, partnerships, and assocations existing, authorized, or organized under the laws of the United States or any State, district, Territory, or possession thereof.

"SEC. 1202. (a) The Commission, with the approval of the President, and after such consultation with interested agencies of the Government as the President may require, may provide insurance and reinsurance against loss or damage by war risks in the manner and to the extent provided in this title, whenever it appears to the Commission that such insurance adequate for the needs of the water-borne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States.

"(b) Any insurance or reinsurance issued under any of the provisions of this act shall be based, insofar as practicable, upon consideration of the risk involved.

"SEC. 1203. The Commission may provide the insurance and reinsurance authorized by section 1202 with respect to the following persons, property, or interest:

"(a) American vessels, including vessels under construction, foreign-flag vessels owned by citizens of the United States or engaged in transportation in the water-borne commerce of the United States or in such other transportation by water or such other services as may be deemed by the Commission to be in the interest of the national defense or the national economy of the United States, when so engaged.

"(b) Cargoes shipped or to be shipped on any such vessels, including shipments by express or registered mail; cargoes owned by citizens or residents of the United States, its Territories or possessions; cargoes imported to, or exported from, the United States, its Territories or possessions, and cargoes sold or purchased by citizens or residents of the United States, its Territories or possessions, under contracts of sale or purchase by the terms of which the risk of loss by war risks or the obligation to provide insurance against such risks is assumed by or falls upon a citizen or resident of the United States, its Territories or possessions; cargoes shipped between ports in the United States, or between ports in the United States and its Territories and possessions, or between ports in such Territories or possessions.

"(c) The disbursements, including advances to masters and general average disbursements, and freight and passage moneys of such vessels.

"(d) The personal effects of the masters, officers, and crews of such vessels, and of other persons transported on such vessels.

"(e) Masters, officers, members of the crews of such vessels and other persons employed or transported thereon against loss of life, injury, detention by an enemy of the United States following capture.

"(f) Statutory on contractual obligations or other liabilities of such vessels or of the owner or charterer of such vessels of the nature customarily covered by insurance.

"SEC. 1204. Whenever the Commission shall insure any risk included under subsection (d), (e), or (f) of section 1203, insofar as it concerns liabilities relating to the masters, officers, and crews of such vessels or to other persons transported thereon, the insurance on such risks may include risks other than war risks to the extent that the Commission determines to be necessary or advisable.

"SEC. 1205. (a) Any department or agency of the United States may, with the approval

of the President, procure from the Commission any of the insurance as provided for in this title, except as provided in sections 1 and 2 of the act of July 8, 1937 (50 Stat. 479).

"(b) The Commission is authorized with such approval to provide such insurance at the request of the Secretary of Defense, and such other agencies as the President may prescribe, without premium in consideration of the agreement of the Secretary of Defense or such agency to indemnify the Commission against all losses covered by such insurance, and the Secretary of Defense and such other agencies are authorized to execute such indemnity agreement with the Commission.

"SEC. 1206. The Commission is authorized during any time the United States is at war or during any period of emergency declared to exist by the President of the United States, to provide insurance for any person who performs services or provides facilities for or with respect to any American- or foreign-flag vessel, public or private, against legal liabilities that may be incurred by such person in connection with the performance of such services or the providing of such facilities. Such insurance shall not be issued against liability to employees in respect of employers' liability or workmen's compensation. No such insurance shall be provided unless, in the opinion of the Commission, such insurance is required in the prosecution of the war effort or in connection with national defense and cannot be obtained at reasonable rates or upon reasonable conditions from approved companies authorized to do insurance business in any State of the United States.

"SEC. 1207. (a) To the extent that it is authorized by this title to provide marine, war risk, and liability insurance, the Commission may reinsure, in whole or in part, any company authorized to do an insurance business in any State of the United States. The Commission may reinsure with, or cede or retrocede to, any such company any insurance or reinsurance provided by the Commission in accordance with the provisions of this title.

"(b) Reinsurance shall not be provided by the Commission at rates less than the rates established by the Commission on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured whichever is the higher, except that the Commission may make to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as it deems reasonably to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on account of solicitation for or stimulation of insurance business.

"SEC. 1208. (a) The Commission may create an insurance fund to enable it to carry out the provisions of this title. Moneys appropriated by Congress to carry out the provisions of this title and all moneys received from premiums, salvage, or other recoveries and all receipts in connection with this title shall be deposited to the credit of such fund. Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this title shall be made from such fund.

"(b) Such sums as may be necessary to carry out the provisions of this title are authorized to be appropriated to such fund.

"SEC. 1209. (a) The Commission, in the administration of this title, may issue such policies, rules, and regulations as it deems proper and may adjust and pay losses, compromise and settle claims, whether in favor of or against the United States and pay the amount of any judgment rendered against the United States in any suit, or the amount of any settlement agreed upon, in respect of any claim under insurance authorized by this title, but with respect to any vessel which is insured under the provisions of this act, the amount of the claim adjusted, compromised, settled, adjudged or paid shall not exceed the amount which the Commission would determine to be just compensation under the provisions of section 902 of this act. Such adjustments, compromises, settlements, and payments hereunder shall be final and conclusive, and except upon a showing of fraud or malfeasance, or misrepresentation of a material fact, shall not be reopened, modified, or disregarded by any officer, agent, or employee of the United States.

"(b) The Commission may prescribe and change forms and policies, and fix, adjust, and change the amounts insured and rates of premium provided for in this title.

"(c) The Commission, in administering this title, may exercise its powers, perform its duties and functions, and make its expenditures, in accordance with commercial practice in the marine insurance business. Except as authorized in subsection (d) of this section, no insurance broker or other person acting in a similar intermediary capacity shall be paid any fee or other consideration by the Commission by virtue of his participation in arranging any insurance wherein the Commission directly insures any of the risk thereof.

"(d) The Commission may, and whenever it finds it practical to do so shall, employ companies or groups of companies authorized to do a marine-insurance business in any State of the United States, to act as its underwriting and settling agent, and may allow such companies or groups of companies fair and reasonable compensation for servicing insurance written by such companies or groups of companies as underwriting agent for the Commission. Such compensation may include an allowance for expenses reasonably incurred by such agent, but such allowance shall not include any payment by such agent on account of solicitation for or stimulation of insurance business.

"(e) The Commission without regard to the laws, rules, or regulations relating to the employment of employees of the United States, may appoint and prescribe the duties of such number of experts in marine insurance as it deems necessary under this title.

"(f) The Commission with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this title.

"SEC. 1210. This title shall not affect rights of seamen under existing law.

"SEC. 1211. The Commission shall include in its annual report to Congress a detailed statement of all activities and of all expenditures and receipts under this title for the period covered by such report.

"SEC. 1212. Upon disagreement as to a loss insured under this title, suit may be maintained against the United States in admiralty in the district in which the claimant or his agent resides, and this remedy shall be exclusive of any other action by reason of the same subject matter against any agent or employee of the United States employed or retained under this title. If the claimant has no residence in the United States, suit may be brought in the district court of the District of Columbia or in such other district court in which the Attorney General of the United States agrees to accept service. Such suits shall be heard and determined under the provisions of an act entitled 'An act authorizing suits against the United States in admiralty, suits for salvage services, and providing for the release of merchant vessels belonging to the United States from arrest and attachment in foreign jurisdiction, and for other purposes,' approved March 9, 1920, as amended (known as the Suits in Admiralty Act). All persons having or claiming or who might have an interest in such insurance may be made parties either initially or upon the motion of either party. In any case where the Commission acknowledges the indebtedness of the United States on account of such insurance, and there is a dispute as to the persons entitled to receive payment, the United States may bring an action in the nature of a bill of interpleader against such parties, in the district court for the District of Columbia, or in the district court of the district in which any such person resides. In such actions any party, if not a resident of or found within the district, may be brought in by order of court served in such reasonable manner as the court directs. If the court is satisfied that persons unknown might assert a claim on account of such insurance, it may direct service upon such persons unknown by publication in the Federal Register. Judgment in any such suit shall discharge the United States from further liability to any parties to such action, and to all persons when service by publication upon persons unknown is directed by the court. The period within which suits may be commenced contained in said Suits in Admiralty Act. shall, if claim be filed therefor within such period, be suspended from such time of filing until the claim shall have been administratively denied by the Commission and for 60 days thereafter: *Provided, however,* That such claim shall be deemed to have been administratively denied if not acted upon within 6 months after the time of filing, unless the Commission for good cause shown shall have otherwise agreed with the claimant."

With the following committee amendments:

Page 2, lines 10, 18, and 23; page 3, lines 6 and 14; page 4, lines 19 and 24; page 5, lines 3, 6, 11, 14, and 15; page 6, lines 2, 10, 12, 14, 16–17, 17–18, and 20; page 7, lines 3 and 15; page 8, lines 8, 11, 17, 19, and 21; page 9, lines 3, 8, 13, and 21; page 10, line 20; and page 11, lines 15 and 19, strike out in each case the word "Commission" and insert in lieu thereof the word "Secretary."

Page 2, after line 17, add the following new subsection:

"(e) The term 'Secretary' shall mean the Secretary of Commerce."

Page 6, line 8, after the word "that" delete the word "it" and insert in lieu thereof the word "he."

Page 6, line 17, after the word "than" insert the words "nor obtained by the Secretary at rates more than."

Page 6, line 20, after the word "is" delete the words "the higher" and insert in lieu thereof the words "most advantageous to the Secretary."

Page 6, line 23, after the word "as" delete the word "it" and insert in lieu thereof the word "he."

Page 7, line 3, delete the word "may" and insert in lieu thereof the word "shall."

Page 7, line 4, after the word "fund" insert the words "in the Treasury."

Page 7, line 4, after the word "enable" delete the word "it" and insert in lieu thereof the word "him."

Page 7, line 8, after the word "deposit" insert the words "in the Treasury."

Page 7, line 11, after the word "fund" and before the period insert the words "through the Division of Disbursement, Treasury Department."

Page 7, line 12, after the word "as" delete the word "may" and insert in lieu thereof the word "shall."

Page 7, line 17, after the word "as" delete the word "it" and insert in lieu thereof the word "he."

Page 7, line 25, strike out beginning with the word "amount" through the word "Act" in line 2, page 8, and insert before the period the words: "vessel's fair and reasonable value as determined by the Federal Maritime Board."

Page 8, line 2, strike out beginning with the word "Such" through the words "United States." appearing in line 7.

Page 8, line 12, after the word "exercise" delete the word "its" and insert in lieu thereof the word "his"; and after the word "perform" delete the word "its" and insert in lieu thereof the word "his."

Page 8, line 13, after the word "make" delete the word "its" and insert in lieu thereof the word "his."

Page 8, line 21, after the word "whenever" delete the word "it" and insert in lieu thereof the word "he."

Page 8, line 22, after the word "employ" insert the word "domestic," and after the word "of" insert the word "domestic."

Page 8, line 24, after the word "as" delete the word "its" and insert in lieu thereof the word "his."

Page 8, line 25, delete the first two words of the line "and settling"; delete the comma following the word "agent" and insert in lieu thereof a period; delete the word "and" and insert the words "The Secretary."

Page 9, line 3, before the word "Such" insert a new sentence reading as follows: "The services of such underwriting agents may be utilized in the adjustment of claims under insurance provided by this title, but no claim shall be paid unless and until it has been approved by the Secretary."

Page 9, line 11, after the word "as" delete the word "it" and insert in lieu thereof the word "he."

Page 9, line 16, after the word "avail" delete the word "itself" and insert in lieu thereof the word "himself."

Page 9, line 21, after the word "in" delete the word "its" and insert in lieu thereof the word "his."

Page 9, line 24, after the word "report" and before the period insert the words: "and in addition make quarterly progress reports to the Congress with reference to contracts entered into, proposed contracts, and the general progress of his insurance activities."

Page 11, line 20, delete the word "claimant." " and insert in lieu thereof the word "claimant."

Page 11, after line 20, insert the following:

" 'SEC. 1213. A person having an insurable interest in a vessel may, with the approval of the Secretary, insure with other underwriters in an amount in excess of the amount insured with the Secretary of Commerce, and in that event the Secretary of Commerce shall not be entitled to the benefit of such insurance.

" 'SEC. 1214. The authority of the Secretary to provide insurance and reinsurance under this title shall expire 5 years from the date of enactment of this title'."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of Commerce to provide war risk and certain marine and liability insurance."

A motion to reconsider was laid on the table.

BOARD OF COUNTY COMMISSIONERS OF SEDGWICK COUNTY, KANS.

The Clerk called the bill (H. R. 7854) to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Board of County Commissioners of Sedgwick County, Kans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims to hear, determine, and render judgment upon, notwithstanding any law to the contrary, the claim of the Board of County Commissioners of Sedgwick County, Kans., against the Government of the United States on account of delinquent real-estate taxes for the tax years 1944, 1945, 1946, and 1947 (together with penalties, interest, and charges) assessed and levied against three tracts of land in sections 11 and 14 of township 28 south, range 1 east, of the sixth principal meridian, in Sedgwick County, Kans., constituting the aircraft factory and grounds owned in such years by the Defense Plant Corporation and the Reconstruction Finance Corporation and leased to the Boeing Airplane Co. and transferred on or about February 25, 1948, by the Reconstruction Finance Corporation to the United States subject to unpaid taxes for said 4 years. Such court shall determine the amount of said taxes, penalties, interest, and charges and render judgment in favor of said Board of County Commissioners of Sedgwick County, Kans., and against the United States for the amount of any such taxes, penalties, interest, and charges which such court may find and adjudge to have been lawfully assessed against such real estate and remaining due and unpaid. The court shall have such jurisdiction if suit is instituted within 60 days after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUTURE FARMERS OF AMERICA

The Clerk called the bill (S. 2868) to incorporate the Future Farmers of America, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following persons: William T. Spanton, Washington, D. C.; Dudley M. Clements, College Park, Md.; Herbert B. Swanson, Washington, D. C.; R. Edward Naugher, Arlington, Va.; Elmer J. Johnson, Arlington, Va.; Rodolph D. Anderson, Columbia, S. C.; Earl H. Little, Concord, N. H.; Bert L. Brown, Olympia, Wash.; and Ralph A. Howard, Columbus, Ohio, are hereby created a body corporate by the name of Future Farmers of America (hereinafter referred to as the "corporation") and by such name shall be known and have perpetual succession and the powers and limitations contained in this act.

SEC. 2. The persons named in the first section of this act are authorized to meet to complete the organization of the corporation by the selection of officers, the adoption of regulations and bylaws, and the doing of such other acts as may be necessary for such purpose.

SEC. 3. The objects and purposes of the corporation shall be—

(1) to create, foster, and assist subsidiary chapters composed of students and former students of vocational agriculture in public schools qualifying for Federal reimbursement under the Smith-Hughes Vocational Education Act or the Vocational Education Act of 1946 (Public Law 347, 64th Cong., and Public Law 586, 79th Cong.), and associations of such chapters in the several States and Territories of the United States;

(2) to develop character, train for useful citizenship, and foster patriotism, and thereby to develop competent, aggressive rural and agricultural leadership;

(3) to create and nurture a love of country life by encouraging members to improve the farm home and its surroundings, to develop organized rural recreational activities, and to create more interest in the intelligent choice of farming occupations;

(4) to encourage the practice of thrift;

(5) to procure for and distribute to State associations, local chapters, and members all official Future Farmers of America supplies and equipment;

(6) to publish an official magazine and other publications for the members of the corporation;

(7) to strengthen the confidence of farm boys and young men in themselves and their work, to encourage members in the development of individual farming programs, and to promote their permanent establishment in farming by (a) encouraging improvement in scholarship; (b) providing prizes and awards to deserving students who have achieved distinction in vocational agriculture, including farm mechanics activities on a local, State, or national basis; and (c) assisting financially, through loans or grants, deserving students in all-day vocational agriculture classes and young farmers under 30 years of age who were former students in all-day vocational agriculture classes in becoming satisfactorily established in a farming occupation; and

(8) to cooperate with others, including State boards for vocational education, in accomplishing the above purposes; and to engage in such other activities, consistent with the foregoing purposes, determined by the governing body to be for the best interests of the corporation.

SEC. 4. The corporation shall have power—

(1) to sue and be sued, complain, and defend in any court of competent jurisdiction;

(2) to adopt, use, and alter a corporate seal;

(3) To choose such officers, managers, agents, and employees as the business of the corporation may require;

(4) to adopt and alter bylaws and regulations, not inconsistent with the laws of the United States or any State in which such corporation is to operate, for the management of its property and the regulation of its affairs, including the establishment and maintenance of local chapters and State associations of chapters;

(5) to contract and be contracted with;

(6) to take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the objects and accomplishing the purposes of the corporation, subject to applicable provisions of law of any State (A) governing the amount or kind of real and personal property which may be held by, or (B) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State;

(7) to transfer and convey real or personal property;

(8) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, subject to all applicable provisions of Federal or State law;

(9) to use the corporate funds to give prizes, awards, loans, and grants to deserving students and young farmers for the purposes set forth in section 3;

(10) to publish a magazine and other publications;

(11) to procure for and distribute to State associations, local chapters, and members all official Future Farmers of America supplies and equipment;

(12) to adopt emblems and badges; and

(13) to do any and all acts and things necessary and proper to carry out the objects and purposes of the corporation.

SEC. 5. The headquarters and principal offices of the corporation shall be located in the District of Columbia, but the activities of the corporation shall not be confined to that place but may be conducted throughout the various States, Territories, and possessions of the United States. The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation, such designation to be filed in the office of the clerk of the United States District Court

for the District of Columbia. Notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed sufficient notice or service upon the corporation.

SEC. 6. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this act, be determined according to the bylaws of the corporation. In the conduct of official business of any local chapter each member shall have one vote. In the conduct of the official business of any State association each qualified delegate of a local chapter shall have one vote.

SEC. 7. (a) The national officers of the corporation shall be a student president, four student vice presidents (one from each of four regions of the United States established in the bylaws for purposes of administration of the corporation), a student secretary, an executive secretary, a treasurer, and a national adviser.

(b) The national student officers of the corporation shall comprise a board of student officers. It shall be the duty of such board to advise and make recommendations to the board of directors with respect to the conduct of the activities and business of the corporation.

(c) The national officers of the corporation shall be elected annually by a majority vote of the delegates assembled in the annual national convention from among qualified members of the corporation, except that the national adviser shall be the Chief of the Agricultural Education Service, Office of Education, Federal Security Agency, the executive secretary shall be a member of that Service, and the treasurer shall be an employee or member of a State agency that directs or supervises a State program of agricultural education under the provisions of the Smith-Hughes Vocational Education Act or the Vocational Education Act of 1946 (Public Law 347, 64th Cong., and Public Law 586, 79th Cong.).

(d) In the conduct of the business of the annual national convention each qualified delegate shall have one vote.

SEC. 8. (a) The governing body of the corporation, which shall exercise the powers herein granted to the corporation, shall be a board of directors composed of: (1) the Chief of the Agricultural Education Service, Office of Education, Federal Security Agency, who shall act as chairman; (2) four staff members in the Agricultural Education Service, Office of Education, Federal Security Agency; and (3) four State supervisors of agricultural education.

(b) The terms of office of members of the board and the method of selection of such members, other than ex officio members, shall be prescribed by the bylaws of the corporation.

(c) The board shall meet at least once each year at such time and place as may be prescribed by the bylaws. The annual report of the board shall be presented at such meeting. Special meetings of the board may be called at any time by the chairman.

(d) The board may designate the chairman and two members of his staff as a governing committee which, when the board is not in session, shall have and exercise the powers of the board subject to its direction and have the power to authorize the seal of the corporation to be affixed to all papers which may require it.

(e) The board of directors which shall serve until the first board is selected as provided in this act shall be composed of the nine persons named in the first section of this act.

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director, or be distributable to any such person except upon dissolution and final liquidation of the corporation as provided in section 15 of this act.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation, and any officer who participates in the making of such a loan shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

(c) This section shall not preclude prizes, awards, grants, or loans to student officers and members meeting the criteria established by the board of directors for selecting recipients of such benefits.

SEC. 10. The corporation, and its members, officers, and directors, as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

SEC. 12. The corporation shall have no power to issue any shares or stock, or to declare or pay any dividends, its objects and purposes being solely educational.

SEC. 13. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, the board of directors, and committees having any authority under the board of directors; and it shall also keep a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member or his agent or attorney at any reasonable time.

SEC. 14. (a) The financial transactions shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than January 15 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds.

SEC. 15. Upon final dissolution or liquidation of the corporation and after the discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation shall be used by the board of directors for the benefit of students of vocational agriculture, or be transferred to some recognized educational foundation.

SEC. 16. The corporation, and its duly authorized chapters and associations of chapters, shall have the sole and exclusive right to use the name of Future Farmers of America and the initials FFA as representing an agricultural membership organization and such seals, emblems, and badges as the corporation may lawfully adopt.

SEC. 17. As a condition precedent to the exercise of any power or privilege granted to the corporation under this act, the corporation shall file in the office of the secretary of State, or similar officer, in each State and in each Territory or possession of the United States in which subordinate associations or chapters are organized the name, and post office address of an authorized agent in such State, Territory, or possession upon whom legal process or demands against the corporation may be served.

SEC. 18. The United States Commissioner of Education, with the approval of the Federal Security Administrator, is authorized to make available personnel, services, and facilities of the Office of Education requested by the board of directors of the corporation to administer or assist in the administration of the business and activities of the corporation. The personnel of the Office of Education shall not receive any compensation from the corporation for their services, except that travel and other legitimate expenses as defined by the Commissioner of Education and approved by the board of directors of the corporation may be paid. The Commissioner, with the approval of the Administrator, is also authorized to cooperate with the State boards for vocational education to assist in the promotion of the activities of the corporation.

SEC. 19. The corporation may acquire the assets of the Future Farmers of America, a corporation organized under the laws of the State of Virginia, and of the Future Farmers of America Foundation, Inc., a corporation organized under the laws of the District of Columbia, upon discharging or satisfactorily providing for the payment and discharge of all of the liabilities of such corporations.

SEC. 20. The provisions of this act shall take effect on the filing, in the office of the clerk of the United States District Court for the District of Columbia of affidavits signed by the incorporators named in the first section of this act to the effect that the Virginia corporation known as the Future Farmers of America has been dissolved in accordance with law, but only if such affidavits are filed within 1 year from the date of enactment of this act.

SEC. 21. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PLANT AND ANIMAL INSPECTION SERVICE

The Clerk called the bill (S. 3698) to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized to pay employees of the United States Department of Agriculture performing inspection or quarantine services relating to imports into and exports from the United States, for all overtime, night, or holiday work performed by them at any place where such inspection and quarantine services are performed, at such rates as he may determine, and to accept from persons for whom such work is performed reimbursement for any sums paid out by him for such work.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO ACT ENTITLED "AN ACT TO ESTABLISH A UNIFORM SYSTEM OF BANKRUPTCY THROUGHOUT THE UNITED STATES"

The Clerk called the bill (H. R. 9284) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States" approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

There being no objection, the Clerk read the bill, as follows:

Be it amended, etc., That paragraph (8) of section 606 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, is amended to read as follows:

"(8) 'Wage earner' shall mean an individual who works for wages, salary, or hire at a rate of compensation which, when added to his other income, does not exceed $5,000 per year."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTABLISHING A NEW GRAND TETON NATIONAL PARK (WYO.)

The Clerk called the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was on objection.

OSAGE INDIANS, OKLAHOMA

The Clerk called the bill (S. 2423) to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 7 of the act of February 27, 1925 (43 Stat. 1008, 1011), which imposes an inheritance restriction with relation to lands and funds of the Osage Indians, is amended by inserting after the comma following the word *"Provided"* the following additional restriction: "That (except in cases where a person claiming as such heir is a party to judicial proceedings pending on the date of the enactment of this proviso in which the claimant has filed a formal pleading alleging Indian blood) no claim of heirship shall be recognized unless the claimant shall establish that he is a citizen of the United States and is enrolled on a membership, census, or other roll prepared under the direction of the Secretary of the Interior, or has a lineal Indian ancestor so enrolled."

With the following committee amendments:

Page 1, line 6, strike out the word "inserting" and insert in lieu thereof the following: "striking out the portion of said section."

Page 1, line 7, strike out the words "the following additional restriction" and insert in lieu thereof the following: "and inserting in lieu thereof the following."

Page 2, line 5, strike out the quotation mark and period and insert the following: "That this section shall not apply to spouses under marriages existing on February 27, 1925."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT PHILLIP KEARNEY MILITARY RESERVATION, R. I.

The Clerk called the bill (S. 2491) providing for the conveying of land and buildings at Fort Phillip Kearney Military Reservation to the State of Rhode Island.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Housing and Home Finance Administrator is authorized and directed to convey upon receipt of consideration from the Board of Trustees of State Colleges of the State of Rhode Island equivalent to 50 percent of the appraised value of United States property hereinafter described by quitclaim deed to the Board of Trustees of State Colleges of the State of Rhode Island all right, title, and interest of the United States in and to so much of the land, constituting the site of an existing stone house and a former dock, located in the northeast corner of the former Fort Phillip Kearney Military Reservation, Narragansett, R. I., which site is generally described as follows: Lying east of a line beginning at a point in the northerly boundary of said reservation due south of the southwest corner of a tract of land presently owned by the Board of Trustees of State Colleges and extending due south for 300 feet; and north of a line extending eastwardly from the southerly end of said 300-foot line in a line parallel to the northerly boundary of said reservation for a distance of approximately 690 feet to Narragansett Bay; together with all improvements thereon excepting therefrom the pump house and water, sewer, and electric systems, together with necessary easements therefor: *Provided*, That the Board of Trustees of State Colleges of the State of Rhode Island shall within 120 days of the enactment of this Act furnish the Public Housing Administration with a survey satisfactory to said Administration of said lands and easements.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO SECTION 5192 OF THE REVISED STATUTES

The Clerk called the bill (H. R. 7340) to amend section 5192 of the Revised Statutes, with respect to the reserves of certain national banks.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, may I inquire of the gentleman from Alaska about this bill and request him to explain it?

Mr. BARTLETT. Mr. Speaker, this bill was introduced by me at the request of some of the national banks in Alaska. Although they are not members of the Federal Reserve System, these banks are required to maintain as reserve at least 15 percent of the aggregate amount of deposits. But whereas national banks generally can keep up to four-fifths of their reserves with other national banks approved by the Comptroller of the Currency, national banks within the Territories must keep in their own vaults two-fifths of the total reserves. The law so requiring was enacted in 1864 because of the remoteness in point of travel time of the Territories; it was felt that they should have greater reserves available for immediate use in event of emergency. If that need did exist, it has long since passed. Money can be shifted back and forth by airplane quickly and with ease. So enactment of this bill would recognize changed circumstances and would enable the national banks in the Territories to put money which must be kept in the vaults now to constructive use.

Mr. CUNNINGHAM. The passage of this bill will put them in the same position as banks in the States?

Mr. BARTLETT. I believe that is true.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5192 of the Revised Statutes of the United States, as amended (12 U. S. C. 144), is hereby amended to read as follows:

"SEC. 5192. Four-fifths of the reserve of 15 percent which a national bank located in Alaska or in a dependency or insular possession or any part of the United States outside of the continental United States, and not a member of the Federal Reserve System, is required to keep, may consist of balances due such bank from associations approved by the Comptroller of the Currency and located in any one of the central reserve or reserve cities as now or hereafter defined by law or designated by the Board of Governors of the Federal Reserve System."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHANKS VILLAGE VETERANS' TEMPORARY-HOUSING PROJECT

The Clerk called the bill (H. R. 8458) authorizing the Housing and Home Finance Administrator to release the trustees of Columbia University, in the city of New York, and the Citizens' Veterans Homes Association of Rockland County, Inc., from obligations under their contracts for operation of veterans' temporary housing project, NY–V–30212.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of any other law, the Housing and Home Finance Administrator is authorized and directed—

(a) upon the request of the trustees of Columbia University, in the city of New York, to release said trustees from any and all covenants and obligations under contract No. HA (V–30212) mph 20, dated August 1, 1946, entered into between said trustees and the Federal Public Housing Authority, and all amendments thereto; and

(b) upon the request of the Citizens' Veterans Homes Association of Rockland County, Inc., a nonprofit corporation, to release said corporation from any and all covenants and obligations under contract No. HA (VN–30293) mph 1, dated March 14, 1947, entered into between said corporation and the Federal Public Housing Authority, and all amendments thereto;

both of which contracts are in connection with the operation of veterans' temporary housing project No. NY–V–30212, known as Shanks Village and located in Rockland County, N. Y.: *Provided*, That the said trustees or the said corporation, as the case may be, release the United States from any and all liability under their respective contracts and return to the United States title to any buildings, equipment, or other property which may have passed to the said trustees or the said corporation under their contracts: *And provided further*, That payments, if any, to which the United States may be entitled on the basis of periodic settlements under the contracts, shall continue to accrue to the end of the month in which the release by the Administrator is made and

settlement therefor shall be made by the said trustees or the said corporation, as the case may be, within 60 days after such release.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILITARY CHAPLAINS ASSOCIATION OF THE UNITED STATES

The Clerk called the bill (H. R. 5941) to incorporate the Military Chaplains Association of the United States of America.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Alva J. Brasted, of Virginia; Henry Darlington, of New York; Simpson B. Daugherty, of Pennsylvania; Monroe Drew, Jr., of California; Clifford M. Drury, of California; Harold G. Elsam, of Illinois; Edward L. R. Elson, of California; Ira S. Ernst, of the District of Columbia; Joshua L. Goldberg, of New York; Augustus S. Goodyear, of New York; Cecil H. Lang, of Texas; Daniel Lynch, of Massachusetts; Arlington A. McCallum, of the Ditrict of Columbia; John W. McQueen, of Alabama; Cyrus W. Perry, of New York; Frederick C. Reynolds, of Maryland; George F. Rixey, of Missouri; Patrick J. Ryan, of California; Harris E. Starr, of Connecticut; Gustav Stearns, of Wisconsin; Edward J. Smith, of Iowa; Francis V. Sullivan, of Massachusetts; John M. Thomas, of Vermont; Edmund W. Weber, of Minnesota; Robert J. White, of Maine; Julian E. Yates, of the District of Columbia; Nils M. Ylvisaker, of Minnesota; and their successors, who are, or who may become, members of the Military Chaplains Association of the United States of America, a national association of chaplains and former chaplains of the armed services, and such national associations are hereby created and declared to be a body corporate by the name of "the Military Chaplains Association of the United States of America."

SEC. 2. That said persons named in section 1, and such other persons as may be selected from among the membership of the Military Chaplains Association of the United States of America, a national association of chaplains and former chaplains of the armed services, are hereby authorized to meet to complete the organization of said corporation by the selection of officers, the adoption of a constitution and bylaws, and to do all other things necessary to carry into effect the provisions of this act, at which meeting any person duly accredited as a delegate from any area, State, or local chapter of the organization of the existing national association known as the Military Chaplains Association of the United States of America, shall be permitted to participate in the proceedings thereof.

SEC. 3. That the purpose of this corporation shall be: (a) To safeguard and to strengthen the forces of faith and morality of our Nation; (b) to perpetuate and to deepen the bonds of understanding and friendship of our military service; (c) to preserve our spiritual influence and interest in all members and veterans of the Armed Forces; (d) to uphold the Constitution of the United States; and (e) to promote justice, peace, and good will.

SEC. 4. That the corporation (a) shall have perpetual succession; (b) shall have power to make its own organization, including its constitution, bylaws, rules, and regulations; (c) may adopt a corporate seal and alter it at pleasure; (d) may establish and maintain offices for the conduct and transaction of its business; (e) may appoint or elect officers and agents; (f) may authorize the executive committee to conduct the business and exercise the powers of the corporation; (g) may publish a magazine or other publications; (h) may charge and collect membership dues, subscription fees, and receive contributions of money or property to be devoted to the carrying out of the purposes of the organization; (i) may acquire by purchase, devise, bequest, gift, or otherwise, and hold, encumber, convey, or otherwise dispose of, such real and personal property as may be necessary or appropriate for its corporate purposes; (j) may sue and be sued; and (k) generally may do any and all lawful acts necessary or appropriate to carry out the purposes for which the corporation is created.

SEC. 5. That said corporation may acquire any or all assets of the existing national association known as the Military Chaplains Association of the United States of America upon discharging or satisfactorily providing for the payment and discharge of all liabilities.

SEC. 6. That said corporation and its area, State, and local chapters shall have the sole and exclusive right to have and to use in carrying out its purpose the name "the Military Chaplains Association of the United States of America."

SEC. 7. That the corporation shall, on or before the 1st day of September in each year, transmit to Congress a report of its proceedings for the preceding calendar year, including the full and complete statement of its receipts and expenditures. Such reports shall not be printed as public documents.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCORPORATING THE AMERICAN SOCIETY OF INTERNATIONAL LAW

The Clerk called the bill (H. R. 7990) to incorporate the American Society of International Law, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. H. CARL ANDERSEN. Mr. Speaker, reserving the right to object, may we have some information as to who this Society of International Law is?

Mr. HOBBS. Mr. Speaker, it is a group of distinguished international lawyers such as Mr. Justice Robert H. Jackson of the Supreme Court.

The need for such an organization grows out of the necessity for contact with the Bar of the Hague and other similar institutions dealing with international law. We believe that there is a necessity in a very real sense to continuing conferences among international lawyers of the world in a peace movement at this time. We believe there should be more interest in international law, particularly since our last two Presidents have requested consideration of the nations of the earth of treaties with reference to the continental shelf and the problems growing out of that part of the bed of the seas littoral to so many nations.

We think that the agreements reached between the great minds of international lawyers that preceded the Nuremberg trials established a new principle of international law by virtue of which the leaders of aggressor nations in war could be condemned as criminals, was a most valuable aid to the cause of world peace. There are many such points that may be added to the list of achievements of the International Law Bar of the World. It is a national and an international organization without cost to our Government, and it will give its members that recognition which they deserve.

Mr. H. CARL ANDERSEN. Mr. Speaker, in view of the explanation of the distinguished gentleman from Alabama, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following persons, citizens of the United States and members of the executive council of the unincorporated association known as the American Society of International Law, to wit: Manley O. Hudson, of Cambridge, Mass., president of the said society; Dean G. Acheson, of Washington, D. C., honorary president of the same; George A. Finch, of Chevy Chase, Md.; Edwin D. Dickinson, of Philadelphia, Pa.; and Philip C. Jessup, of New York, N. Y.; vice presidents of the same; Philip Marshall Brown, of Washington, D. C.; Frederic R. Coudert, of New York, N. Y.; William C. Dennis, of Richmond, Ind.; Charles G. Fenwick, of Washington, D. C.; Cordell Hull, of Washington, D. C.; Charles Cheney Hyde, of New York, N. Y.; Robert H. Jackson, of McLean, Va.; Arthur K. Kuhn, of New York, N. Y.; George C. Marshall, of Leesburg, Va.; Henry L. Stimson, of New York, N. Y.; Elbert D. Thomas, of Salt Lake City, Utah; Charles Warren, of Washington, D. C.; George Grafton Wilson, of Cambridge, Mass.; and Lester H. Woolsey, of Chevy Chase, Md.; honorary vice presidents of the said society; Edward Dumbauld of Uniontown, Pa., secretary, and Edgar Turlington, of Chevy Chase, Md., treasurer of the same; Edward W. Allen, of Seattle, Wash.; Mary Agnes Brown, of Washington, D. C.; Florence Brush, of Bronxville, N. Y.; Kenneth S. Carlston, of Urbana, Ill.; Ben M. Cherrington, of Denver, Colo.; Percy E. Corbett, of New Haven, Conn.; Willard B. Cowles, of Lincoln, Nebr.; William S. Culbertson, of Washington, D. C.; John S. Dickey, of Hanover, N. H.; Alwyn V. Freeman, of Los Angeles, Calif.; Ernest A. Gross, of Manhasset, N. Y.; Stanley K. Hornbeck, of Washington, D. C.; A. Brunson MacChesney, of Chicago, Ill.; William Manger, of Washington, D. C.; Charles E. Martin, of Seattle, Wash.; John Brown Mason, of Oberlin, Ohio; Myres S. McDougal, of New Haven, Conn.; Hans J. Morgenthau, of Chicago, Ill.; Durward V. Sandifer, of Chevy Chase, Md.; Francis B. Sayre, of Washington, D. C.; Carl B. Spaeth, of Palo Alto, Calif.; Robert B. Stewart, of Medford, Mass.; and Albert C. F. Westphal, of Albuquerque, N. Mex.; and such other persons as are now members of the said society, and their successors, are hereby created and declared to be a body corporate, by the name of the American Society of International Law.

PURPOSES

SEC. 2. The purposes of the corporation are and shall be to foster the study of international law and to promote the establishment and maintenance of international relations on the basis of law and justice. The corporation shall not be operated for profit, and no part of its income or assets shall inure to any of its members, or its officers or other members of its executive council, or be distributable thereto otherwise than upon dissolution or final liquidation of the corporation. The corporation, and its officers and other members of its executive council shall not, as such, contribute to or otherwise support or assist any political party or candidate for elective public office.

EXECUTIVE COUNCIL AND OFFICERS

SEC. 3. The governing board of the corporation, subject to the directions of the corporation at its annual meetings and at such other meetings as may be called pursuant to

the provisions of its constitution, bylaws, and regulations, hereinafter mentioned, shall be an executive council consisting of a president, an honorary president, a number of vice presidents and honorary vice presidents to be determined by the constitution of the corporation, a secretary, a treasurer, and not less than 24 additional persons. The officers of the corporation and one-third of the other members of the executive council shall be elected at each annual meeting of the corporation: *Provided, however,* That the executive council may be authorized by the constitution of the corporation to elect the secretary and the treasurer of the corporation for specified terms and to fill vacancies until the next annual meeting of the corporation. The number of members of the executive council shall initially be 44, and the members of the said council shall initially be the persons whose names and addresses are set forth in section 1 hereof.

PRINCIPAL OFFICE AND ACTIVITIES

SEC. 4. The corporation shall have its principal office in the District of Columbia and shall have the right to conduct its activities in the said District and at any other place or places in the United States.

CORPORATE SUCCESSION AND POWERS

SEC. 5. The corporation shall have succession by its corporate name and shall have power to sue and be sued, complain and defend in any court of competent jurisdiction; to adopt, use, and alter a corporate seal; to choose such officers, managers, and agents as its business may require; to adopt, amend, apply, and administer a constitution, bylaws, and regulations, not inconsistent with the laws of the United States of America or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs; to contract and be contracted with; to take and hold by lease, gift, purchase, grant, devise, or bequest, in full title, in trust, or otherwise, any property, real or personal, necessary for attaining the objects and carrying into effect the purposes of the corporation, subject however, to applicable provisions of law of any State (A) governing the amount or kind of real and personal property which may be held by, or (B) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State; to transfer and convey real or personal property; to borrow money for the purposes of the corporation, and issue bonds therefor, and secure the same by mortgage subject in every case to all applicable provisions of Federal or State laws; to publish a journal and other publications, and generally to do any and all such acts and things as may be necessary and proper in carrying into effect the purposes of the corporation.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS; SERVICE OF PROCESS

SEC. 6. The corporation shall be liable for the acts of its officers and agents. It shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

ISSUES OF STOCK, DECLARATION AND PAYMENT OF DIVIDENDS, LOANS TO OFFICERS AND MEMBERS OF EXECUTIVE COUNCIL PROHIBITED

SEC. 7. The corporation shall not issue shares of stock, nor declare or pay dividends, nor make loans or advances to its officers or members of its executive council or any of them. Any member of its executive council who votes for or assents to the making of a loan or advance to an officer of the corporation or to a member of its executive council, and any officer or officers participating in the making of any such loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan or advance until the repayment thereof.

BOOKS AND RECORDS

SEC. 8. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its members, executive council, and committees having any of the authority of the said council. It shall also keep at its principal office a record giving the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member or his agent or attorney, for any proper purpose, at any reasonable time.

ANNUAL AUDIT

SEC. 9. There shall be an annual audit of the financial transactions of the corporation and of the pertinent books and records of the corporation by a certified public accountant, at the expense of the corporation, and the said audit shall be filed with the General Accounting Office.

DURATION

SEC. 10. The duration of the corporation shall be perpetual.

ACQUISITION OF ASSETS OF EXISTING AMERICAN SOCIETY OF INTERNATIONAL LAW

SEC. 11. The corporation may and shall acquire all of the assets of the existing unincorporated association known as the American Society of International Law, subject to any liabilities and obligations of the said association.

RESERVATION OF RIGHT TO ALTER, REPEAL, OR AMEND

SEC. 12. The right to alter, repeal, or amend this act is hereby expressly reserved to Congress.

With the following committee amendment:

Page 7, line 20, strike out "General Accounting Office" and insert "Congress."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES OLYMPIC ASSOCIATION

The Clerk called the bill (H. R. 9111) to incorporate the United States Olympic Association.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following persons, to wit:

Avery Brundage, New York City, N. Y.; Kenneth L. Wilson, Chicago, Ill.; Asa S. Bushnell, Princeton, N. J.; Owen V. Van Camp, Chicago, Ill.; Gustavus T. Kirby, Bedford Hills, N. Y.; John T. McGovern, New York City, N. Y.; J. Lyman Bingham, Chicago, Ill.; Daniel J. Ferris, New York City, N. Y.; Thomas J. Hamilton, Pittsburgh, Pa.; Thomas W. Herren, Washington, D. C.; Willis O. Hunter, Los Angeles, Calif.; Jeremiah T. Mahoney, New York City, N. Y.; T. Nelson Metcalf, Chicago, Ill.; Charles L. Ornstein, New York City, N. Y.; James A. Rhodes, Columbus, Ohio; Albert Sigal, Atherton, Calif.; H. Jamison Swarts, Philadelphia, Pa.; Albert F. Wheltle, Baltimore, Md.; Robert A. Fetzer, Chapel Hill, N. C.; Karl E. Leib, Iowa City, Iowa; Frank G. McCormick, Minneapolis, Minn.; Alfred R. Masters, Stanford University, Calif.; E. L. Romney, Salt Lake City, Utah; E. Joseph Aronoff, Washington, D. C.; Richard E. Cross, Detroit, Mich.; Charles L. Diehm, New York City, N. Y.; Ralph Furey, New York City, N. Y.; Harry D. Henshel, New York City, N. Y.; John B. Kelly, Sr., Philadelphia, Pa.; Richard C. Larkins, Columbus, Ohio; Fred C. Matthael, Detroit, Mich.; Col. Frederick R. Weber, West Point, N. Y.; Hugh C. Willett, Los Angeles, Calif.; Lawrence J. Johnson, Boston, Mass.; Patrick J. Kelly, New York City, N. Y.; R. Max Ritter, Jenkintown, Pa.; Fred L. Steers, Chicago, Ill.; Williard N. Greim, Denver, Colo.; Gen. Douglas MacArthur, Tokyo, Japan; Joseph E. Raycroft, Princeton, N. J.; Frederick W. Rubien, Manhasset, N. Y.; John J. Raskob, New York City, N. Y.; Frank P. Callahan, Schenectady, N. Y.; William S. Haddock, Pittsburgh, Pa.; J. W. Mitchell, Little Rock, Ark.; William F. Bailey, High Point, N. C.; Herman J. Fischer, Chicago, Ill.; R. J. H. Kiphuth, New Haven, Conn.; Edward Rosenblum, Washington, D. C.; Ben York, West Palm Beach, Fla.; Seymour Leiberman, Houston, Tex.; Paul Jordan, Indianapolis, Ind.; Mrs. Lillian Y. Whiting, Des Moines, Iowa; A. Wood Hardin, New Albany, Ind.; Douglas F. Roby, Detroit, Mich.; Marion H. Miller, Kansas City, Mo.; Edwin F. Schaefer, Buffalo, N. Y.; James A. Lee, Cleveland, Ohio; Robert C. Greenwade, Blackwell, Okla.; Charles Gevecker, St. Louis, Mo.; Roscoe C. Torrance, Seattle, Wash.; Louis G. Wilke, Denver, Colo.; Dr. Barry J. Barrodale, Houma, La.; Larry Houston, Los Angeles, Calif.; C. W. Striet, Jr., Birmingham, Ala.; Norton G. Pritchett, Charlottesville, Va.; Dernell Every, New York City, N. Y.; Vaughn S. Blanchard, Detroit, Mich.; Maj. Gen. Guy V. Henry, Chevy Chase, Md.; George Edwards, Columbia, Mo.; John J. Fox, Larchmont, N. Y.; Harold R. Gilbert, State College, Pa.; Frank Small, Bayside, Long Island, N. Y.; Col. John T. Cole, Bell Haven, Alexandria, Va.; Miguel de Capriles, Pleasantville, N. Y.; Alexis Thompson, New York City, N. Y.; Henry M. Beatty, Cleveland, Ohio; Roy E. Moore, New York City, N. Y.; Mrs. Roberta Bonniwell, Philadelphia, Pa.; Harry Hainsworth, Buffalo, N. Y.; Maj. Gen. William C. Rose, Washington, D. C.; Maj. Gen. M. A. Edson, Montpelier, Vt; Clifford Goes, New York City, N. Y.; Joseph J. Barriskill, New York City, N. Y.; Senator Peter J. Miller, Chicago, Ill.; Charles O. Roeser, Lansdowne, Pa.; Mrs. Elsie Veits Jennings, New York City, N. Y.; William C. Ackerman, Los Angeles, Calif.; Robert J. Kane, Ithaca, N. Y.; Mrs. Irvin Van Blarcom, Wichita, Kans.; Jay Ehret Mahoney, New York City, N. Y.; John Terpak, York, Pa.; Eric F. Pohl, San Antonio, Tex.; Thomas F. Lennon, New York City, N. Y.; Dietrich Wortmann, New York City, N. Y.; Reaves E. Peters, Kansas City, Mo.; John M. Harmon, Boston, Mass.; George E. Little, New Brunswick, N. J.; Arthur E. Eilers, St. Louis, Mo.; James H. Stewart, Dallas, Tex.; Harry N. Keighley, Evanston, Ill.; Dr. G. Randolph Manning, New York City, N. Y.; Harold T. Friermood, New York City, N. Y.; Earl R. Yeomans, Philadelphia, Pa.; and their associates and successors, are hereby created a body corporate by the name of "United States Olympic Association" (hereinafter referred to as the "corporation"). The corporation shall maintain its principal offices and national headquarters in the city of Washington, D. C., and may hold its annual and special meetings in such places as the said incorporators shall determine.

SEC. 2. A majority of the persons named in the first section of this act, or their successors, are hereby authorized to meet to complete the organization of the corporation by the adoption of a constitution and bylaws, the election of officers, and by doing all things necessary to carry into effect the provisions of this act.

SEC. 3. The objects and purposes of the corporation shall be—

(1) to arouse and maintain the interest of the people of the United States in, and to obtain their support of, creditable and sportsmanlike participation and representation of the United States in the Olympic Games and the Pan-American Games;

(2) to stimulate the interest of the people, particularly of the youth, of the United States, in healthful, physical, moral and cultural education through sportsmanlike participation in competitions in accordance with amateur rules;

(3) to exercise exclusive jurisdiction, either directly or through its constituent members or committees, over all matters pertaining to the participation of the United States in the Olympic Games and in the Pan-American Games, including the representation of the United States in such games, and over the organization of the Olympic Games and the Pan-American Games when celebrated in the United States;

(4) to select and obtain for the United States the most competent amateur representation possible in the competitions and events of the Olympic Games and of the Pan-American Games;

(5) to maintain the highest ideals of amateurism and to promote general interest therein, particularly in connection with the Olympic Games and the Pan-American Games;

(6) to instill and develop in the youth of America the qualities of courage, self-reliance, honesty, tolerance, and like virtues; and

(7) to promote and encourage the physical, moral, and cultural education of the youth of the United States to the end that their health, patriotism, character, and good citizenship may be fully developed.

SEC. 4. The corporation shall have perpetual succession and power—

(1) to organize, select, finance, and control the representation of the United States in the competitions and events of the Olympic Games and of the Pan-American Games and to appoint committees or other governing bodies in connection with such representation;

(2) to sue and be sued;

(3) to make contracts;

(4) to acquire, hold, and dispose of such real and personal property as may be necessary for its corporate purposes;

(5) to accept gifts, legacies, and devices in furtherance of its corporate purposes;

(6) to borrow money to carry out its corporate purposes, issue notes, bonds, or other evidences of indebtedness therefor, and secure the same by mortgage, subject in each case to the laws of the United States or of any State;

(7) to establish, regulate, and discontinue subordinate organizations, and to receive and expel as members of the corporation such existing organizations of a patriotic, educational, civic, or athletic character, as may be deemed desirable and proper to carry out the corporate purposes;

(8) to adopt and alter a corporate seal;

(9) to adopt and alter a constitution and bylaws not inconsistent with the laws of the United States or of any State;

(10) to establish and maintain offices for the conduct of the affairs of the corporation;

(11) to publish a newspaper, magazine, or other publication consistent with its corporate purposes; and

(12) to do any and all acts and things necessary and proper to carry out the purposes of the corporation.

SEC. 5. Eligibility for membership in the corporation shall be determined in accordance with the constitution and bylaws of the corporation.

SEC. 6. The corporation shall be nonpolitical and, as an organization, shall not promote the candidacy of any person seeking public office.

SEC. 7. The corporation shall have no power to issue capital stock or to engage in business for pecuniary profit or gain.

SEC. 8. The corporation may acquire any or all of the assets of the existing unincorporated association, known as "The United States Olympic Association," upon discharging or satisfactorily providing for the payment and discharge of all the liabilities of such unincorporated association.

SEC. 9. That from and after the passage of this act it shall be unlawful for any person within the jurisdiction of the United States to falsely or fraudulently hold himself out as or represent or pretend himself to be a member of or an agent for the United States Olympic Association or its subordinate organizations for the purpose of soliciting, collecting, or receiving money or material; or for any person to wear or display the insignia thereof for the fraudulent purpose of inducing the belief that he is at such time a member of or an agent for the United States Olympic Association or its subordinate organizations. It shall be unlawful for any person, corporation, or association, other than the United States Olympic Association or its subordinate organizations and its duly authorized employees and agents for the purpose of trade, theatrical exhibition, athletic performance, and competition or as an advertisement to induce the sale of any article whatsoever or attendance at any theatrical exhibition, athletic performance, and competition or for any business or charitable purpose to use within the territory of the United States of America and its exterior possessions, the emblems of the United States Olympic Association consisting of an escutcheon having a blue chief and vertically extending alternate red and white bars on the base with five interlocked rings displayed on the chief, or any other sign or insignia made or colored in imitation thereof, or the words "Olympic", "Olympiad", or "Citius Altius Fortius" or any combination of these words: *Provided, however,* That any person, corporation, or association that actually used, or whose assignor actually used, the said emblem, sign, insignia, or words for any lawful purpose prior to the effective date of this act, shall not be deemed forbidden by this act to continue the use thereof for the same purpose and for the same class or classes of goods to which said emblem, sign, insignia, or words had been used lawfully prior thereto. If any person violates the provision of this section, he shall be deemed guilty of a misdemeanor, and upon conviction in any Federal court shall be liable to fine of not less than $100 or more than $500 or imprisonment for a term not exceeding 1 year, or both, for each and every offense.

SEC. 10. As a condition precedent to the exercise of any power or privilege granted or conferred under this act, the corporation shall file in the office of the secretary of state, or similar officer, in each State the name and post-office address of an authorized agent of the corporation in such State upon whom local process or demands against the corporation may be served.

SEC. 11. The right to alter, amend, or repeal this act at any time is hereby expressly reserved.

With the following committee amendment:

At the end of the bill add the following new section:

"SEC. 12. The corporation shall, on or before the 1st day of September in each year, transmit to Congress a report of its proceedings for the preceding calendar year, including the full and complete statement of its receipts and expenditures. Such reports shall not be printed as public documents."

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I notice that there are four bills of this kind on the calendar, to incorporate the Future Farmers of America, Military Chaplains of the United States, American Society of International Law, and the United States Olympic Association. I favored all of them, and I waited until the last one was reached and unanimous consent granted to express my views in a temperate way, but views of keen disappointment, that the committee did not act favorably on the bill that I introduced (H. R. 4979) to authorize the incorporation of the Army and Navy Legion of Valor of the United States of America. It is not any personal feeling of disappointment, but disappointment that the committee, which in its wisdom reported out these other four bills, and which wisdom I think was properly exercised and the committee is to be commended for the judgment that it used and the wisdom that it exercised in reference to those four bills, did not act favorably on H. R. 4979. I am keenly disappointed that an organization consisting only of men who received the Congressional Medal of Honor, the Navy Cross, the Distinguished Service Cross, has not had legislation permitting the incorporation of such an organization comprised of the living outstanding heroes of our several wars, and to be given a congressional charter. I might say that on January 5, 1950, Peyton Ford, Assistant to the Attorney General, in a report to the chairman of the Committee on the Judiciary on this bill, making several minor suggestions in relation to amendments which were perfectly all right, said:

Subject to the foregoing comments this Department has no objection to the enactment of the bill.

We know from experience that that is a favorable report. When a report like that is received from a department, there is no objection to the passage of a bill; it is tantamount to a favorable report from the department. The Army and Navy Legion of Valor recently had a convention in Boston. As I said previously, the only ones eligible for membership are those who have had conferred upon them the Congressional Medal of Honor, the Navy Cross, or the Distinguished Service Cross; those who have been signally honored by our country for outstanding bravery over and beyond the line of duty in time of war. I commend the committee for the action taken on the four bills that passed today but I am keenly disappointed that they overlooked reporting a bill for such outstanding heroes of our country. I would welcome any comment from any member of the committee, particularly if the comment is a determination to have the committee act favorably on this bill before the present session is over, and more particularly in view of the fact that the bill of last January received a favorable report from the Department of Justice.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Alabama.

Mr. HOBBS. Mr. Speaker, we are always grateful to the distinguished majority leader for his sapient words of advice or counsel. But I would like to

say in answer to his strictures upon the action of our committee and his congratulation on some of the legislation, that we appreciate both. I would like to remind the distinguished gentleman from Massachusetts that there were many of us on the Committee on the Judiciary who agreed with him and with our colleagues who had similar bills of absolute merit.

But at the time we were considering his bill about a year ago, which has been reintroduced in the Eighty-first Congress, after it was turned down by the full committee action in the first session, we felt at this late date we did not have the right to reopen the cases that had already received adequate consideration and which have been turned down under the general rule adopted by the full committee.

Now then, we may have been wrong. We apologize, and so far as I am concerned—and several of us share that opinion—yours was one of the bills which should have been passed.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. HOBBS. Mr. Speaker, I move to strike out the last word and ask unanimous consent to speak on a subject not in relation to this bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, I know the House will be interested in my remarks. Our friend the gentleman from New York, Hon. RALPH A. GAMBLE, introduced a bill for the incorporation of the American Olympic Association. Not only because of the many good reasons advanced for the granting of such a charter, there was a personal pull for the Gamble bill because of the wonderful athletic record of our colleague. He has for many years been actively interested in the American Olympic Association and the international Olympic Games. He was a member and captain of the Princeton track team representing that university in intercollegiate track meets, running the 100- and 220-yard dashes, and the 220-yard hurdles. We wish to congratulate our friend on his prowess as an athlete, the many track triumphs which were his, the contribution he made and is still making to the purity of amateur athletics.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLORADO RIVER LEVEE SYSTEMS

Mr. ENGLE of California. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1140) to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood-protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, this has been cleared and screened, and I just want the RECORD to show that the gentleman from California [Mr. ENGLE] has conferred with the minority members on his committee, and with the minority leadership. He is asking for consideration of the bill as a result of screening it through the leadership and the members of his committee, and it is agreeable to the leadership on both sides.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of relieving certain public agencies of the United States of costs heretofore incurred or paid relating to the construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico, there is hereby authorized:

(a) The transfer by the Secretary of the Interior from the account for the Yuma and Yuma auxiliary irrigation projects to the accounts for the Colorado River front work and levee system project, of all construction, operation, and maintenance costs, other charges and credits relating to the construction and operation and maintenance of the Colorado River front work and levee system adjacent to the Yuma Federal irrigation project in Arizona and California; and

(b) A credit to and on behalf of Imperial Irrigation District of California to be applied against the next succeeding annual payments as the same become due and payable from said district to the United States under any repayment contract by and between Imperial irrigation district and the United States in an amount not greater than 80 percent of such items of construction, operation, and maintenance costs heretofore paid or incurred by said district for flood-protection works, including among others, levees, railroads, quarries, river rectification works for flood-control purposes, and appurtenant works and facilities, in, along, or adjacent to the Colorado River in Arizona, California, and Lower California, Mexico, as shall be determined and found to be equitable by the American Commissioner of the International Boundary and Water Commission, United States and Mexico, but in no event shall the total credit exceed $3,000,000.

SEC. 2. Any other costs and charges allocable or assignable to the Yuma project and not repayable under existing contracts, under watertight applications heretofore or hereafter filed, not otherwise recoverable, all as may be determined from time to time in any instance by the Secretary of the Interior shall, less applicable credits, be nonreimbursable, and the Secretary, in his discretion, may declare any lands temporarily suspended from a paying status at the date of this enactment to be permanently unproductive, and may adjust the balance of individual construction charge accounts accordingly: *Provided,* That such adjustment shall not include any refund or credit for payment theretofore made on account of lands so declared permanently unproductive.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING TITLE 46, UNITED STATES CODE, SECTION 251

Mr. HART. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 9134) to amend title 46, United States Code, section 251, which is No. 707 on the Consent Calendar. I may say that this has likewise been screened with the Members of the minority.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That title 46 of the United States Code, section 251, be amended as follows:

After the word "fisheries" add: "Except as otherwise provided by treaty or convention to which the United States is a party, no foreign-flag vessel shall, whether documented as a cargo vessel or otherwise, land in a port of the United States its catch of fish or fish products, or any fish or fish products taken on board such vessel on the high seas from a vessel engaged in fishing operations or in the processing of fish or fish products."

With the following committee amendments:

Line 9, after the word "fish", where it first appears in line 9, insert the following: "taken on board such vessels on the high seas."

Line 9, after the word "products" and prior to the comma, insert the words "processed therefrom."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING AGRICULTURAL ACT OF 1949

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 810, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9313) to amend the Agricultural Act of 1949. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. RAMSAY], who asks unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

POINT OF NO QUORUM

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to withdraw my point of order.

The SPEAKER. The gentleman from Iowa withdraws the point of order.

AMENDING AGRICULTURAL ACT OF 1949

The SPEAKER. The gentleman from West Virginia [Mr. RAMSAY] is recognized.

LET'S OUTLAW COMMUNISM NOW BEFORE WE RECESS OR ADJOURN

Mr. RAMSAY. Mr. Speaker, Americans have always recognized that Congress should be careful in its zeal to suppress the insidious evils of communism for fear that we should destroy some of our dearly bought basic liberties, guaranteed to us by the Constitution.

But now we face the grave danger to our country and its institutions, unless we pass some kind of legislation that will suppress the activities of those who teach and preach communism and the destruction of the American form of government, its way of life, and its religious liberties.

Of course, I am not unmindful of the first amendment to the Federal Constitution, which prohibits Congress from enacting any law abridging the freedom of speech.

The Communists and their followers declare, that by reason of this constitutional provision, Congress cannot adopt any legislation designed to limit or curb their acts and denunciations against our form of government.

An investigation of the decisions of our Supreme Court will show that fortunately the decisions of this Court have not been so literal.

The late Justice Holmes has said that when there is a clear and present risk of a substantive danger, which Congress has a right to prevent, then Congress may pass legislation, which but for the presence of the clear and present danger would otherwise be invalid.

Our courts have further held that attacks against our Government and Constitution amount to verbal acts that are not protected by the first amendment to the Constitution.

The question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and present danger that will bring about the substantive evils that Congress has a right to prevent.

In other words, Communists cannot hide behind the constitutional guaranty of freedom of speech contained in the first amendment to the Federal Constitution, and in so doing seek to overthrow our Government, which is the first and highest duty of Congress to preserve, by whatever kind and character of legislation may become necessary.

Freedom of speech cannot and should not be used and prostituted in any manner, so as to eliminate the basic freedom of our country, that is guaranteed by the same Constitution that contains the said amendment No. 1.

Freedom of speech is freedom to tell the truth and comment fairly on facts, and not a license to spread damaging falsehoods about the Government with the intent to overthrow and destroy its principles.

We all know the spread of communism constitutes a clear and present danger, not only to our war efforts in Korea, but is also a threat and menace to our country and its people. Therefore its disciples are not protected by the letter and the spirit of our Constitution in the promulgation of their cause.

I am of the opinion that Congress can safely legislate on this matter, and we should do it now before we recess or adjourn.

We all must realize we are engaged in a struggle to the death with dangerous and sinister enemies who will stop at nothing to realize their objective.

To permit such a force, freedom of action in our society is comparable to arming the enemy we seek to destroy.

I am fully aware that such a course will involve serious encroachments on our basic civil liberties, guaranteed by the Constitution. But treasonable utterances are a part of treasonable acts, and therefore not entitled to protection under our Constitution.

The American people will never sanction an interpretation of their organic law that will give aid and comfort to those who seek to destroy our form of government.

Note: Cases cited: *Schenk* v. *United States* (249 U. S. 47), *Frohwerk* v. *United States* (249 U. S. 204).

Mr. COX. The gentleman from West Virginia has made a very excellent statement, one which the Members will profit much through reading.

Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] if he sees fit to use any time whatever. This is not a controversial matter; this is simply a bill to broaden the scope of section 416 of the Agricultural Act of 1949 in order to facilitate the disposal of perishable agricultural commodities acquired by the Commodity Credit Corporation under price-support programs.

I have no requests for time, Mr. Speaker. If the gentleman from Ohio has any, I now yield to him.

Mr. BROWN of Ohio. Mr. Speaker, I appreciate the customary courtesy of yielding time to the minority. I do have requests for time, and I do desire to use some time in my own right.

First, I yield 3 minutes to the gentleman from California [Mr ANDERSON].

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, this might be called the mysterious question of mistaken identity. For the last couple of weeks in that portion of the Washington Post usually reserved for Drew Pearson, a column has been published by members of his staff, one Tom McNamara and one Jack Anderson. I want the Members of the House to know that the Jack Anderson indicated there is not the Representative of the Eighth Congressional District of California. That Jack Anderson apparently works for Mr. Drew Pearson.

I may also add, in connection with all of this wire tapping that we are hearing about, that on three different occasions since the 1st of January I have received mysterious telephone calls from various parts of the United States with information not intended for my ears to hear. I am aware of my responsibility as a Member and I do not like to eavesdrop on conversations not intended for me. In the first two instances I indicated that the gentleman on the other end of the line probably had the wrong Jack Anderson, at which point the conversation was immediately terminated.

About 3 months ago I received a call from somewhere in the Middle West. Someone asked, "Is this Jack Anderson?" I said, "Yes." He said, "I have a juicy tidbit for you. It appears that the Army at Government expense is flying a dozen Army officers back to Washington to testify in a rather spicy divorce case." I thought at first that perhaps the information was being given me as a member of the Armed Services Committee. However, it soon became apparent that this was not so.

I said, "Are you sure you have the right person?" He said, "Are you Jack Anderson?" I said, "Yes; this is JACK ANDERSON, Representative of the Eighth Congressional District of California."

There was a dull thud at the other end of the line, the receiver was hung up, and the conversation ended at that point.

I want the Members of the House to know that I am not writing a column for the Washington Post, nor any other paper. Furthermore, I am not recording phone conversations not intended for me. Mr. Pearson and his staff need have no fear of any competition as far as I am concerned. I can only express the hope that hereafter those who phone in information intended for the Washington Merry-Go-Round will be more careful about getting hold of the right man.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, as the gentleman from Georgia has so well explained, H. R. 810 makes in order under an open rule the consideration of H. R. 9313 with general debate limited to 1 hour.

The bill H. R. 9313 in simple terms permits the Commodity Credit Corporation to pay the expenses of delivering surplus food commodities to any organization which may receive them free of charge. In other words, it permits the Federal Government to give this food free to organizations such as the school lunch program, the Bureau of Indian Affairs for use of indigent Indians, Federal, State, and local public welfare organizations, for the use of penal institutions, nonprofit hospitals, private welware organizations, and for the benefit of needy persons anywhere in the United States, its Territories or possessions.

The author of the bill, the gentleman from Utah [Mr. GRANGER], and the other members of the Committee on Agriculture appeared before the Rules Committee in support of this rule. At that time

the question was brought up as to a rather bad practice which had apparently developed in recent years in connection with the distribution of these surplus food commodities, to wit, the practice of certain organizations which purchase surplus food at a nominal, or at practically no cost at all, of selling the containers, such as sacks used for the transportation of surplus potatoes, at far more than they paid for the potatoes, sacks and all. So that some of these concerns made a handsome profit on these surplus food products.

At the suggestion of some of the members of the Rules Committee, the gentleman from Utah [Mr. GRANGER], the author of this legislation, who agreed with our condemnation of this practice, offered to present on the floor of the House with the support of the Committee on Agriculture, an amendment which would provide for the recapture of any compensation or benefits anyone might obtain from the sale of the containers in which these surplus foods would be shipped.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Nebraska.

Mr. STEFAN. This is a bill to give the Commodity Credit Corporation authority to dispose of certain food. I have been told very, very authoritatively that a large amount of our surplus food is being offered to the Russian satellite countries, such as Czechoslovakia, Poland, and Yugoslavia. For instance, there is butter at 15 cents a pound. I do not object to our surplus food going to American institutions. Is there anything in this bill to continue giving aid and comfort to Communist countries that are our potential enemies today?

Mr. BROWN of Ohio. This bill provides, as I understand it, that all these surplus foods shall first be offered to the various charitable and other relief organizations and public institutions, I have mentioned within the United States or its Territories. Then if there is any surplus food still left, it can be donated, in such manner and under such terms as the Secretary of Agriculture may provide, for distribution to the needy of foreign countries, but that each package or each shipment shall be accompanied by a written statement in the language of the recipient country showing that such food is a gift from the people of the United States. However, I do not see any provision in the bill that would prohibit the transportation or the giving of this surplus food to any Russian satellite country. I have been rather shocked by some of the information which has reached me that surplus meat and some other surplus foods have been offered for sale to foreign countries, including satellite nations, at a nominal price, 5 cents a pound, for instance, for canned beef, but it cannot be sold to any person in the United States for that price. I hope that situation will be corrected.

Mr. STEFAN. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I yield.

Mr. STEFAN. It seems strange that here we are, fighting communism abroad, and we have a bill offered us here which will permit the distribution of this food to potential enemies. Will the gentleman accept an amendment to the bill precluding the shipment of any of this surplus food to satellite nations?

Mr. BROWN of Ohio. I would be very happy to see such an amendment offered. Of course, I am not in control of the bill itself. I would like to make it clear that this bill, as written, does not provide for the shipment of these foods to those countries, but it does not preclude, it does not restrict, the Secretary from sending such food to satellite countries, which I believe the gentleman feels and I feel should be prohibited.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Georgia.

Mr. COX. I simply want to say to the gentleman that the amendment proposed by the gentleman from Utah [Mr. GRANGER] in behalf of the Committee on Agriculture, has been approved; it has received the endorsement of the committee, and as soon as the House goes into the Committee of the Whole it will be offered. With the adoption of that amendment will not all the main objections to the bill have been met?

Mr. BROWN of Ohio. I have read the amendment to be submitted by the gentleman from Utah [Mr. GRANGER] and it is in complete accordance with the agreement which he made before the Committee on Rules. The amendment does deal with the recapture of any benefits which may be derived from the sale of surplus food containers. But I do not think it touches on the particular subject referred to by the gentleman from Nebraska. However, I feel certain the Committee on Agriculture, when the House goes into the Committee of the Whole, will be willing to accept an amendment which would preclude the delivery of these very foods to the governments of satellite nations. We may at some time or other decide it is very wise to give some of this food to some of the people of some of these nations. For instance, I can understand how a situation might develop whereby we might want to give some agricultural foodstuffs to some citizens of some satellite countries, especially if they do what I would like to see them do, revolt against their masters.

Mr. COX. Mr. Speaker, if the gentleman will yield further, the gentleman will, of course, agree that the Committee on Agriculture has not appeared stiffnecked.

Mr. BROWN of Ohio. Oh, no.

Mr. COX. But on the other hand has manifested a disposition to be reasonable and sensible about the matter.

Mr. BROWN of Ohio. I would like to agree with the gentleman from Utah [Mr. GRANGER] and the gentleman from Georgia [Mr. Cox] that the Committee on Agriculture has been most cooperative and most willing to put this bill exactly in the form the House wishes to protect in every instance the taxpayers of the United States.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. GROSS. I want to commend the gentleman from Nebraska for his statement. It seems strange to me that we should sell potatoes to Stalin at 1 cent a hundred pounds and bail him out of a hopeless situation.

Mr. BROWN of Ohio. I do not know of any potatoes that have been sold to Mr. Stalin. Personally I would rather throw them at him than sell them to him.

Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, away back in January the gentleman from Massachusetts [Mr. HESELTON] and the gentleman from Minnesota now addressing the House attempted to get something of this nature done. I think it very essential that this be done. The House will recall when the appropriation bill for Agriculture was on the floor a provision was in the bill giving the Secretary the right to use section 32 funds for this purpose. That provision was struck out on a point of order by the gentleman from Georgia [Mr. PACE] who at that time promised that he would see to it, if possible, that legislation from the proper legislative committee, the Committee on Agriculture, would come before us and be considered. The sole purpose of my getting up at this time is to compliment that great committee for doing just that and giving the House an opportunity to see to it that all these perishable foods be distributed throughout the Nation, to people who can consume them, rather than to see that food go into the discard and bring our price-support program into disrepute.

I want to ask the chairman of the Committee on Agriculture one question. How many cities in each State can be designated as a depot, so to speak, for disbursal of these perishable commodities?

Mr. COOLEY. There is no limitation placed upon the number of depots or receiving stations which may be established in each State. That is entirely within the discretion of the Secretary of Agriculture. When we first discussed designating one receiving station in each of the 48 States, and when we realized the fact that in a great State like Texas it might not be sufficient, we authorized him to establish receiving points at different places within the State.

Mr. H. CARL ANDERSEN. Then it is definite in the bill that more than one point can be established?

Mr. COOLEY. That is right.

Mr. HESELTON. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Massachusetts, who has worked so hard trying to obtain a solution to this problem.

Mr. HESELTON. On that point I would like to ask the chairman of the Committee on Agriculture if he would answer this question. I find on page 3, line 17, this language: "but the payment

of any such transportation and handling costs shall be limited to the movement of such commodities to the nearest port for their delivery to a designated agency within a State, Territory, or possession of the United States, at a central delivery point."

When I read the bill I thought that was limited language to one central delivery point.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield further to the gentleman so that his question may be answered.

Mr. COOLEY. If the gentleman will notice the report on page 3, which contains an analysis of the bill, he will find the following language:

> In delivering commodities to agencies within the United States and its Territories and possessions, the Secretary may pay transportation costs only to the extent of delivering bulk shipments of a commodity to a designated agency at a central point within the State. It is not the intention of the committee to restrict in any manner the localities into which such shipments may be made but merely to limit the responsibility of the Corporation for transportation costs to delivery, in the case of each separate shipment of the commodities in bulk to a designated agency at one single locality within the State, and to make it clear that the section does not authorize the Corporation to pay distribution costs within the State.

Mr. HESELTON. I wonder if the gentleman would consider this in terms of the language of the report, which I agree makes it clear that there can be more than one, if it is deemed wise, in a State which is as large as Texas, for example. Would it not be better for the committee to consider whether they could make that language read "to a designated agency within a State, Territory, or possession of the United States at delivery points" rather than "a central delivery point"?

Mr. COOLEY. There would not be any objection to that. But I think, in view of the language of the report, there could not be any controversy about the proper interpretation; and since the gentleman has brought the question up, after this discussion, it seems to me that it is perfectly clear.

Mr. BROWN of Ohio. Mr. Speaker, the colloquy that has taken place on the floor demonstrates there is great and widespread interest in this legislation.

In conclusion, I would like to state it seems to most of us that instead of permitting this food to remain in warehouses and spoil completely, it is much better that it be used for relief of the needy in public institutions, as provided in this legislation.

I wish to congratulate the Committee on Agriculture and the bill's author for preparing this legislation, for bringing it to the floor of the House, and for being willing to work out all of the details. I commend the gentlemen who have shown great interest in this. Mr. H. CARL ANDERSEN and Mr. HESELTON, who are not members of the Committee on Agriculture, are entirely satisfied with the legislation. The gentleman from Iowa [Mr. GROSS] has also been very much interested in this legislation and the questions it involves.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9313) to amend the Agricultural Act of 1949.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9313) with Mr. DURHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, I do not think this bill is going to take all the time allocated for its consideration under the rule.

The gentleman from Georgia [Mr. COX] and the gentleman from Ohio [Mr. BROWN], in discussing the rule, gave the major points of the legislation and the need for it. They indicated it was the subject of considerable interest, which it is.

I want to call to the attention of the House the number of bills which have been introduced on this subject by Members of the House: One by Mr. LARCADE, one by Mr. SCOTT, Mr. CORBETT, Mr. HESELTON, Mr. KEATING, Mr. PERKINS, Mr. FORD, Mr. JACKSON of California, Mr. NIXON, Mr. CUNNINGHAM, Mr. ANGELL, Mr. GOODWIN, Mr. HAGEN, Mr. HOEVEN, Mr. LANE, and Mr. BENNETT, Mr. FORAND, Mr. VAN ZANDT, Mr. WERDEL, Mr. BEALL, Mr. TAYLOR.

Mr. Chairman, that indicates there was considerable concern about the problem of acquiring perishable foods and storing them with no visible means of getting rid of them.

So I want to pay my compliments to the Members who have introduced this legislation and who have been working with the committee to get something done on this important problem. Especially do I refer to my colleague, the gentleman from Massachusetts [Mr. HESELTON], who I suppose has made more speeches and sent more telegrams than any other Member of the House in support of this legislation. I hope he now feels that his efforts have borne fruit and that the expense he went to in sending telegrams has finally paid off.

Also, I want to congratulate the distinguished gentlewoman from California [Mrs. DOUGLAS] for her support in getting this bill before the Committee. She has been in the forefront over a long period of time in support of this legislation. She has always, in season and out of season, advocated that these surplus foods should be given to needy people rather than have them spoil. I personally want to thank her for the great contribution she has made to this bill.

As has been indicated, the bill is very simple. It is an amendment to the act of last year, which provided for the giving away of these commodities, providing the agency would come to the place of storage and pay the freight. Wide publicity was given throughout the country that these commodities were available, but very little, if any, have been distributed to the people because of various questions raised by the States. Some of them had no funds available for the purpose of paying the freight, and inasmuch as they were in large quantity they had no facilities to repack them and distribute them.

This bill, as indicated, authorizes the Secretary of Agriculture to repack in packages that can be delivered to needy clientele, and pay the freight to certain points within a State where the State agency will have the responsibility of distributing these commodities to the people who need them.

I am in hopes that this legislation will broaden the school-lunch program to the extent that a great portion of it may be used in the school-lunch program, because this material should be made available to all children of grade-school and high-school ages. There are limitations upon the present school-lunch program under present law. The bill under consideration disregards those limitations.

In the foreign field, it provides that this material can be sent abroad, that freight may be paid to the port of shipment but it does not provide for repackaging. The Department can pay the freight to the shipside to be distributed by private organizations and in some cases by agencies of the various governments throughout the world.

Mr. GROSS. Mr. Chairman, will the gentleman yield at that point?

Mr. GRANGER. I yield.

Mr. GROSS. Would the gentleman be opposed to an amendment that would prohibit the shipping of surplus food to Russian-dominated territories?

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman from Utah four additional minutes.

Mr. GRANGER. Personally I would have no objection to it, but it may prohibit something that could be used very advantageously for propaganda purposes. It is contemplated under this bill that each and every one of these packages delivered to a clientele in foreign territory shall be marked in the language of that particular country that it is a gift from the people of the United States. That might have tremendous potential possibilities for favorable propaganda. I understand the countries to which the gentleman is referring would not like that kind of stuff to go into their countries and probably would not want it.

If there is any real reason why such an amendment should be adopted I would not have any objection to it, but for the reasons I have stated it seems

to me we would likely be doing something we would not want to do.

Mr. GROSS. Does not the gentleman think we are the losers when we bail Stalin out as we did by selling him 50,000 tons of potatoes at a cent a hundred pounds to feed the people of eastern Germany?

Mr. GRANGER. I do not know anything about that; I did not know that we had sold him that many potatoes.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. KEATING. Does the gentleman have any figures, or does any member of the committee have figures indicating the dollar volume of these perishable commodities which are on hand?

Mr. GRANGER. I do not have it in the papers before me but the figures are available. It is a considerable sum of money.

Mr. KEATING. I take it that it is many many times the possible cost of this program, is it not?

Mr. GRANGER. Yes; it will be very much more than the cost of distributing the commodities. We figure that if we distribute every pound that we have of surplus commodities it will take about $44,000,000.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. COOLEY. I do not want to take the gentleman's time, but I may say to the gentleman from New York that we have the information here and it will be made available.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. AUGUST H. ANDRESEN. I just want to suggest to the gentleman that the amount tied up in perishable commodities is very insignificant compared to the total amount tied up in all other commodities.

Mr. GRANGER. That is true.

Now, with relation to the amendment that was spoken of by the gentleman from Georgia [Mr. COX] and the gentleman from Ohio [Mr. BROWN] we did prepare an amendment to meet what I think is a reasonable criticism in that where potatoes have heretofore been sold or given away at 1 cent a bag, actually the bags themselves were worth from 15 to 25 cents. This amendment provides that wherever there is any salvage value in any of these containers, be they bags, sacks, or something else, the recipient will be required to pay the salvage value of the container. So that will take care of that criticism which I think is a just one.

Another thing, an amendment will be offered to make available these funds at the present time. This legislation authorizes the Commodity Credit Corporation when this bill is passed to furnish the money to carry out the provisions of the bill and to make these commodities available to the public at the earliest possible date. I trust that there will not be too much time spent on general debate and that this bill will be passed, because I believe it will meet with almost unanimous support.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, there is much discussion in Congress these days about mobilizing our economy for war. I have noted, however, that in these debates little attention is given to the problems of agriculture in the months ahead. Too many Congressmen are assuming that since food prices are now rising, there is no need for additional legislation to protect the farmer.

The facts show just the opposite. Farm income has fallen 20 percent during the last 2 years, while the cost of farm equipment has remained at peak levels. A few figures will demonstrate this unfavorable price-cost relationship. The cash income from seven and one-half steers would buy a tractor in 1948—today it takes nine and one-half steers to buy a tractor. Income from 25 hogs—225 pounds average—or 612 bushels of corn would purchase a tractor 2 years ago, but today a tractor represents 54 hogs or 1,600 bushels of corn. Receipts from 600 10-gallon cans of milk would buy a tractor 2 years ago—today it takes 750 cans of milk.

This price-cost patterr which has depressed farm income is now being further distorted by the inflation resulting from the Korean war. The cost of farm equipment is rising rapidly today. While food prices are advancing, the farmer is not profiting from them. Since food crops have already left the farm, only the processors are benefiting from higher food prices. It seems certain that inflation will hurt the farmer badly during the next few months unless Congress gets busy on the necessary legislation.

There has been too much "I'm a friend of the farmer" oratory in Congress during the last 4 years, but not enough positive and constructive action. Everyone knows that the Eightieth Congress betrayed the farmer—the GOP hatchetmen cut agriculture and REA appropriations to the bone, passed the Hope-Aiken Act with its lower flexible price supports, and increased railroad rates on farm produce through enactment of the Reed-Bulwinkle bill.

I regret to say that the record of the Eighty-first Congress on farm legislation is far from impressive. The repeal of the oleomargarine tax was a stab in the back of the dairy farmer. While the Hope-Aiken Act was repealed last year, the present price-support program is far from satisfactory. On the positive side, the Eighty-first Congress has approved the CCC charter amendments, the rural telephone bill, the Crop Insurance Expansion Act, the International Wheat Agreement, the Forest Practices Act, and increased appropriations for REA. These measures represent minor advances, but together they hardly constitute a comprehensive farm program.

It is my contention that Congress should throw off its lethargy and seek ways and means of guaranteeing permanent prosperity for the 28,000,000 people living on the 6,000,000 farms across the Nation. They have been neglected too long, and now is the time for action.

THE PROBLEM OF FARM INCOME

Legislation to halt the present downward slide in farm income is today a matter of top priority. Gross annual farm income has fallen from $30,600,000,000 in 1948 to about $25,000,000,000 today, a reduction of 20 percent. Yet the cost of farm machinery, railroad transport, and other cost-of-production items has remained at 1948 levels, and these costs are now rising, due to the war situation. In short, the farmer is today being squeezed between falling prices on his crops and rising monopoly prices on machinery and transport. This unfavorable price-cost relationship must be reversed.

Our experience during the New Deal demonstrated that the way to stabilize farm income is through a sound and realistic price-support program. As Secretary of Agriculture Brannan has stated:

> Price supports are the farmer's equivalent of the laboring man's minimum wage, social security, and collective-bargaining agreements.

However, the existing price-support program has proven itself completely outmoded and needs revision. For example, flaxseed—which is essential to national defense—and potatoes are now supported at only 60 percent of parity; eggs at 75 percent; dairy products at about 80 percent; and wheat and corn supports will "flex" downward next year to 80 percent if actual supply exceeds normal supply.

To stabilize farm income at full parity, three steps are required:

First. Congress should adopt a price-support program similar to the Brannan plan, which would stabilize prices at 100 percent parity through production payments on all crops, and at the same time give the consumer a break by lowering food prices.

Second. The monopoly price structure in the farm-machinery field should be broken by vigorous antitrust action, and railroad freight rates rolled back to fair levels.

Third. Marketing cooperatives should be encouraged—today the farmer is receiving only 48 percent of the food dollar, and cooperative marketing is the only method available to reduce the 52 percent middleman take.

FARM SURPLUSES

Today the Federal Government has about $3,500,000,000 worth of farm surpluses in storage, and there is much talk of "overproduction in agriculture." This idea of overproduction is a myth. Instead of overproduction we have underconsumption, because many families still lack the purchasing power to buy the food they require. This explains why we have millions of undernourished people on one hand and farm surpluses on the other.

The obvious solution to this so-called problem of agricultural overproduction is to increase the consumption of food. Passage of a program similar to the Brannan plan would lower food prices while maintaining farm income, and thus increase food consumption. But it would not guarantee an adequate diet to

unemployed workers and low-income families. Such a program needs to be supplemented by legislation which will funnel all farm surpluses onto the tables of undernourished low-income families with a minimum of trade interference.

In 1947 the Department of Agriculture prepared a blueprint for a national food stamp plan designed to place a floor under food consumption and guarantee an adequate diet to every citizen. This plan called for the issuance of free food stamps to all families whose food budget is below a given minimum, which would be accepted by the grocer for food purchases and later redeemed by the Government. Such a plan would do much to eliminate the problem of farm surpluses, and at the same time pay off in terms of better health and living standards for our people. This proposal has my full endorsement, and Congress should give it every consideration.

ENCOURAGE THE FAMILY-SIZE FARM

Every farmer wants to own his farm, and experience shows that the family-size farm is the greatest strength of community life and the strongest bulwark of democracy. Farm ownership means greater independence to the farmer and security for his family. Unlike the profits of corporate absentee farming, which are drained off from the community, family farming means that farm income contributes to the local economy.

It is my firm conviction that encouragement of the family-size farm should be a basic policy of our Government. Such a policy requires acceptance of the following legislative proposals:

First. A liberal farm ownership loan program to enable tenants and veterans to become farm owners, plus expansion of existing farm credit programs to provide low-interest loans for general farm improvements.

Second. Direct payments to farmers for soil conservation practices, and greater Federal effort relative to flood control.

Third. Expansion of the REA program to make electricity available to every farm in America.

Fourth. A comprehensive farm security program embracing broader crop insurance coverage, special loans for low-income farmers, resettlement of marginal farmers, cooperative rural health projects, and better rural housing; and

Fifth. Federal action to provide greater opportunity for off-farm employment for subsistence and part-time farmers—the extension of forestry practices programs with emphasis upon wood-lot forestry, tree planting and technical forestry assistance to farmers would be especially important to my district, where over half of all rural families secure part of their income from forestry.

Mr. Chairman, the proposals that I have made constitute the legislative framework for a basic program for agriculture. Such a program would stabilize farm income at 100 percent parity, eliminate farm surpluses, maintain soil fertility, and create the conditions under which the family-size farm would thrive and prosper. These goals are fundamental—their implementation is necessary to secure permanent abundant production for agriculture both in war and in peace, and to achieve farm prosperity and rural welfare.

I urge the Congress to discard its do-nothing approach to agriculture and fulfill its obligations to the Nation's farmers. A stable, thriving, and expanding agriculture is essential to a sound and prosperous national economy, and to neglect the welfare of the farmer means that Congress has ignored the welfare of the entire Nation.

Mr. HOPE. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I do not believe it is necessary to take very much time in a discussion of this bill. It has been discussed—that is, the ideas embodied in this bill have been discussed—at great length on previous occasions in the House, and, as far as I know, there is no opposition to the measure.

The bill is the culmination, it might be said, of various efforts that have been made in recent weeks and months to amend the provisions of existing law with respect to the transportation of surplus agricultural commodities. The distinguished gentleman from Utah, who certainly deserves a great deal of credit for the hard work he has done in getting agreement upon this measure and in pushing it through the committee and bringing it to the floor of the House in a perfected form, has already mentioned the fact that many Members of the House have introduced similar bills. He paid a deserved tribute to the gentleman from Massachusetts [Mr. HESELTON], who has for many weeks and months conducted a real fight to provide that these surplus commodities be distributed in such a way as to benefit the people of this country who need them.

It will be recalled also that when the agricultural appropriation bill was before the House, there was a provision in that bill offered in committee by the distinguished gentleman from Minnesota [Mr. H. CARL ANDERSEN], providing for an expansion in the distribution of these commodities through payment of transportation and other costs, and while that amendment was clearly not germane and was ruled out on a point of order, discussion of it at that time did result in accelerating the formulation and the reporting of this bill by the Committee on Agriculture.

So this bill is the result of the work of a great many Members of the House of Representatives. It has the support of the Secretary of Agriculture and the Commodity Credit Corporation. There are a great many agencies throughout the country engaged in public and private relief which are very much interested in its enactment.

The bill in the form which it will be after a committee amendment is offered by the gentleman from Utah [Mr. GRANGER] is adopted will provide for a much wider distribution of perishable surplus commodities and it will provide also for the safeguarding of this distribution in such a way as to prevent it from interfering with the support-price program.

There may be amendments offered in good faith to include other agencies in the provisions of this legislation which if adopted might interfere with the support-price program. It has been suggested that the United States Army and other governmental agencies should secure their supplies through this provision. If we do that we will have to channel the distribution of a lot more commodities through the Commodity Credit Corporation and take them out of the normal channels of trade. I do not think we want to do that. If there are such amendments offered, I hope they will be voted down. The bill in its present form does adequately take care of the need and, at the same time, protects the price-support program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman does not condone the continued shipment of surplus foods to Communist-dominated countries, does he?

Mr. HOPE. I do not know what the gentleman is referring to at this time. Will the gentleman be a little more explicit?

Mr. GROSS. Yes. I have reference to cotton shipped to Poland and potatoes shipped to eastern Germany. How do we know that those potatoes are not going into commercial alcohol? How do we know that the cotton shipped into Poland is not going into high explosives? We know that the cotton shipped to Poland is not going into sheets for hospital beds.

Mr. HOPE. Let me call the gentleman's attention to one of the provisions of the bill which says that these commodities shall not be made available or donated for the relief of needy persons outside of the United States, its Territories, and possessions, unless the agency accepting such commodities satisfies the Secretary that each article if packaged shall carry a statement on the package, and if not packaged shall be accompanied by a written statement in the language of the country in which the article is distributed, showing that the food is a gift from the people of the United States.

I do not believe any of this food will go into Communist-dominated countries under those circumstances, but, if it does, and it is distributed as a gift from the people of the United States, I think we would be doing more to overthrow communism in those countries than we can do in any other way.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. It is a fact that the bill now under consideration does not deal with cotton. It only deals with perishable agricultural commodities.

Mr. HOPE. That is correct.

Mr. GROSS. What assurances do we have that the Government would not immediately take the sacks off the potatoes, for instance, and the beneficiaries who get the food products would never know it came from the United States?

Mr. HOPE. Of course, before commodities are sent to foreign countries the Secretary of Agriculture must be satisfied that they will be distributed in a certain way. I do not believe that the Secretary of Agriculture would be a party to the distribution of commodities in Communist-dominated countries without having the assurance that these terms and conditions would be carried out. I do not think it will be done at all except under conditions where the assurances are very definite.

Mr. COOLEY. On August 1, 1950, a release from the Department of Agriculture indicates that no potato shipments were made. It does not disclose or indicate that any gifts of any kind have been made to Russian satellite countries. I do not know what the gentleman is referring to when he indicates that we were giving potatoes to Russia. I had not heard that story until now.

Mr. HOPE. I think it would be of interest to the committee if the gentleman from Iowa would advise us of his information on this point.

Mr. GROSS. Well, I cannot give exact dates, but we did sell 50,000 pounds at 1 cent a hundred pounds to the Russian Government, sold through the New York brokers. I tried my best to find out what the New York brokers made on the transaction. But they shipped them to Stalin through the New York brokers. They wanted 100,000 pounds of potatoes, but he could not fill the order. They got them for 1 cent a hundred pounds through the New York brokers. If you can find out what the New York brokers got in dollars from the Russian Government, I would like to know that, too, because I have been trying to find out.

Mr. HOPE. The gentleman is referring to potatoes shipped to eastern Germany, I take it.

Mr. GROSS. That is right.

Mr. COOLEY. I wonder if the gentleman could give us some more information as to the time of that transaction.

Mr. GROSS. I will be glad to. I cannot do it at this moment, but I will get it as quick as I can.

Mr. COOLEY. Of course, it is entirely possible that some sales transaction was consummated which we would not know about, because this bill does not deal with sales, but only donations.

Mr. GROSS. I will get the gentleman some information on that.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman indicated that he would be adverse to turning any of this food over to the Army. I believe we are aware of the fact that the Army is feeding hundreds of thousands and probably several million people in South Korea, which is strictly a relief proposition. Does not the gentleman feel that rather than the Army buying this food, going out on the open market and bidding for those perishable items, that it would have been just as well to turn over some of these perishable commodities to the Army for relief distribution in South Korea?

Mr. HOPE. I believe that it could be done under the present provisions of the bill, because the bill is very broad in its language in that respect. The Secretary of Agriculture cannot only turn these things over to the Army, but he can pay the transportation to the seaboard. The fact that the Army is the distributor would not make any difference, but I do not believe that these commodities should be turned over to the Army, for use of the Army feeding our fighting forces.

Mr. COOLEY. Should we authorize the delivery of these commodities to the Army, the effect would be only to make the agricultural program carry the cost of fighting the war in Korea. As the gentleman from Kansas has pointed out, certainly all of these commodities are available to the Army or the Navy or any other branch of the Armed Forces and, further, if you notice on page 2—and I am sure both of the gentlemen are familiar with the fact—we did provide that these commodities might be donated to governmental, intergovernmental, private and public welfare organizations for the assistance of needy persons outside of the United States. So it will only be necessary to create a welfare organization.

Mr. AUGUST H. ANDRESEN. I appreciate that is in the bill, but I think that there ought to be something mandatory in the bill to require them to do so, as long as they have several million people—I do not know how many, maybe 5,000,000 people on relief, who have been turned out of their homes in Korea.

Mr. COOLEY. I think that we all would be impressed with the gentleman's suggestion but for the fact that even now the Secretary has to find that the donations will not interfere with the normal trade channels within the United States. I do not think that a gift to Korea for the relief of suffering there would in any way interfere with the normal trade channels.

Mr. AUGUST H. ANDRESEN. This is a new relief load that has come to us. The gentleman agrees that it would be advisable, even though we turned it over to the Army, so the Army would not have to spend its own money to feed these people, if we have the supplies here.

Mr. COOLEY. I am just interested that the farm program does not have to carry the financial burdens of foreign relief, domestic relief, or police action or whatnot.

Mr. AUGUST H. ANDRESEN. I agree that the money comes out of the taxpayers' pockets eventually.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Utah.

Mr. GRANGER. The gentleman has always been in favor of having these commodities handled so that they would not interfere with normal channels of trade. Now, today, from what the gentleman says, if you are going to give it to the Army, there is any amount of people you could give it to, but it would interfere with the normal channels of trade, and to do that you are doing just what we do not want to do. If this were the last of it, if you were through with your commodities now, maybe there would be some logic to it, but when you are buying them every day, what would be the sense in giving these to the Army and then having the Commodity Credit Corporation buy them back and repackage them and go through all these steps that we are going through? That is what we want to get rid of. I certainly would not be in favor of disrupting the normal market any more than we possibly could.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Nebraska.

Mr. STEFAN. I merely want to state that under the GARIOA program the Army has been taking considerable of the surplus foods as related to Mexican meat, for instance. I believe they are in the program of getting that from the Commodity Credit Corporation now, are they not?

Mr. HOPE. Well, I think so. Of course, this is not new legislation; this is merely amendatory of existing legislation and it does not in any way interfere with any programs that may be in effect now. It simply broadens and expands those programs.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CASE of South Dakota. I am pleased to see the committee bring this bill in. I think it was 2 years ago when I offered an amendment to the appropriation bill permitting the Indian Service to use this money for the welfare of Indians and to pay freight on potatoes which at that time they were not able to do. This will simplify the procedure. However, I hope the passage of this legislation will not make the Commodity Credit Corporation feel that they must repackage these foods.

Last winter, for example, needy persons and Indians who wanted potatoes in quantities of 100-pound sacks, and were willing to take them in that quantity, were told that there was a regulation of the Commodity Credit Corporation to the effect that they could not have them unless they took them in lots of 35 pounds or less, which meant that they had to make that many more trips in the middle of winter to get these potatoes. We got a temporary modification of that rule. This bill proposes to authorize the Commodity Credit Corporation to pay packaging costs. Does that mean in the gentleman's estimation that they will go back to the idea of saying that they will give these potatoes out only in quantities of 35 pounds or less?

Mr. HOPE. I do not think so. Certainly there was no intention on the part of the committee that this should apply to a commodity like potatoes. I have never heard that discussed in the committee. As to the packaging the discussion concerned commodities like dried eggs, which are put up in large barrels or dried milk, which is packed in large containers, and butter, which may be packed in tubs, and other commodities of that kind where such packaging might be necessary in order to make in-

dividual distribution. I do not think this in any way is going to change the distribution so far as potatoes are concerned, although theoretically it would be possible.

Mr. CASE of South Dakota. The gentleman knows that a gunny sack full of potatoes runs around 100 pounds, and that that is a convenient way of distributing potatoes without having to repackage them when they are to go to a client who can use that quantity.

Mr. HOPE. Of course the problem of packaging potatoes is probably the least important problem of all, because any paper bag can be used as a container for potatoes. I will say to the gentleman that there was no intention, certainly, on the part of the committee as expressed in any of its deliberations to change the policy to which the gentleman has referred.

Mr. CASE of South Dakota. Or to require them to issue potatoes only in small lots?

Mr. HOPE. No, I am sure there was no intention of that kind.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield such time as he may require to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, I would like to add to what the gentleman from Kansas [Mr. HOPE] had to say relative to the good work of the gentleman from Utah [Mr. GRANGER] in furthering this legislation and bringing it to the House floor. I think it is very worth while. I recall when Mr. Brannan was before our subcommittee in January, I asked him, in substance, this one question: "Mr. Brannan, there are hundreds of thousands of old people on old-age assistance today throughout America who could certainly use a peck of potatoes once a month or perhaps a few dozen eggs or a pound of butter, in addition to the meager living they secure from our entirely inadequate assistance to our aged. Just what could we do to arrive at some method of distribution so that these particular perishables, instead of becoming spoiled, and being a load for the Government to carry, could be made available for consumption by these people who undoubtedly could use them?"

Of course, Mr. Brannan rightfully replied that the thing was a difficult proposition, and that he did not have the authority to do as I suggested under present law. That discussion last January 12 was, however, the beginning of action along this line proposed today.

My amendment, as contained in the appropriation bill for agriculture, was removed on a point of order by the gentleman from Georgia [Mr. PACE], but the present bill before us constitutes the replacement which Mr. PACE assured me would come from the legislative committee. Today we are helping people in our own country who, in many cases, do not have enough to eat at a time when many complain of our surpluses. Again I express my appreciation to the Committee on Agriculture for bringing to completion a project which should do much for the people of America.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am supporting this measure. I regret when it comes to distributing surplus foods distributing costs are very heavy. It appears, whenever the Government has anything to do with it, costs are two or three times more than if some private agency outside of the Government were doing it.

I do not see that this legislation is going to furnish much relief in the Midwest section of the United States because of the regulations which are issued by the Secretary of Agriculture in distributing the food to needy people. We were definitely told in our committee that a recipient of this food had to use the relief food to supplement the existing diet. If a needy person was receiving potatoes or butter or some other perishable commodity like eggs and they were accustomed to receiving them, they would not be eligible to receive such a relief food from the Government. So I do not think our section of the country will receive very much of this food. However, I noticed some time ago, and it appears in the testimony, that several hundred thousand pounds of butter was distributed in the State of Illinois. I never have been able to find out the exact amount, but it was a couple of months ago and the Department claimed that the distribution of that butter was very satisfactory and that it came at an appropriate time in that State. Whether they intend to distribute more butter in the State of Illinois in the next 6 or 7 weeks, I do not know, but certainly it should not be all confined to the State of Illinois. If butter is to be distributed, it should go into other State where there are difficulties probably comparable to those in the State of Illinois.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. DOLLIVER. Does this bill contemplate distribution of some of these surplus commodities free to foreign nations—for example, in the Orient?

Mr. AUGUST H. ANDRESEN. It provides that the food can be distributed to foreign countries. I had not thought about the Orient. I assume it would include the Orient if we could get into those countries. But this bill contemplates paying the cost of transportation to shipside so that it can be loaded on boats to be sent to the recipient countries.

Mr. DOLLIVER. Who makes the decision as to what countries shall be the recipients?

Mr. AUGUST H. ANDRESEN. That is largely in the hands of the Secretary of Agriculture. That is a matter of collaboration with the State Department, I assume, which has been running our foreign policy for several years.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SCUDDER. I have noticed recently that the Tariff Commission has served notice of their intention to lower the tariff on apples again. Because of the large crop and the short demand for apples last year we had to ask for relief for the growers of our own country. Then I call the gentleman's attention to the fact that last year we brought in great quantities of foreign butter. Is the gentleman or the committee giving consideration to the question of whether or not we shall be able to support the markets of the world under our support program?

Mr. AUGUST H. ANDRESEN. I am glad the gentleman brought that up because somebody has given him erroneous information. No butter was imported into the United States last year because of an embargo against the imports of butter and other fats and oils. The duty on butter was cut from 14 cents to 7 cents a pound, and foreign butter can be laid down in the markets, duty and transportation paid, at less than 50 cents a pound. I do not assume that the President is going to use his discretionary power to lift the embargo before November 7. What he will do after November 7 I do not know, but I certainly do not think he is going to permit those 60,000,000 pounds of butter to come in before November 7.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. LECOMPTE. Could not some of these perishable commodities be transferred to the armed services from the Commodity Credit or the Agriculture Department?

Mr. AUGUST H. ANDRESEN. Personally, I would favor that. Members of my committee are in disagreement with me on that, however.

Mr. LECOMPTE. I am just offering it as a suggestion. I do not know, because I have not had a chance to go into it, but the armed services have to have a large amount of food.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOPE. Mr. Chairman, I yield three additional minutes to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The money that is used in the support program, of course, comes from American taxpayers; and while it is charged to the farm program, nevertheless the commodities that the Army buys or Navy buys would be paid also by money collected from American taxpayers. I think it is being paid for double. I would gladly turn surplus food over to the Armed Forces, especially at a time when we have an inflationary price rise and even though we had to reimburse the Commodity Credit Corporation. Now, of course, we have local and seasonal surpluses of perishable commodities.

Mr. LECOMPTE. But that is not the permanent surpluses that are piled up.

Mr. AUGUST H. ANDRESEN. No. In the dairy field we are now experiencing a seasonal shortage which will exist from now until the end of the year. Even this last week Commodity Credit sold 800,000

pounds of surplus butter that it had on hand. The CCC got 63 cents a pound for it, 3 cents above what they paid for it. I would rather have seen them sell it at 60 cents, the support price, and put it back into the channels of trade in this country without losing any money rather than see the butter spoil and lose the entire 60 cents.

The method proposed in this bill to distribute it for relief purposes is the way we will get it into the hands of the needy people of this country. But I believe I am right when I say I think there will not be very many people in the State of New York or out through the Midwest who will get these potatoes for they are already eating potatoes and they probably do not need butter. They might substitute oleomargarine for butter, which I regret very much, but if they use butter to supplement their present diet then they will be eligible for some of it.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. KEATING. I feel sure that in the State of New York, to which the gentleman referred, there would be among needy people a very great desire to get some of this butter that is on hand. I am as concerned as the gentleman has expressed he is about the distribution of these commodities. Is there anything in the bill to indicate any criterion or standard which the Secretary of Agriculture shall use in the distribution? How are we going to avoid this Illinois situation to which the gentleman has referred?

Mr. AUGUST H. ANDRESEN. The local or State relief agencies will make the determination.

I hope that the bill will be approved and properly administered at the lowest possible cost to the taxpayers. We should not permit this food to spoil.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, I do not rise for the purpose of making any argument in favor of the bill for the reason that I believe that no argument is necessary. It seems to me that all of us will support this bill. I know, of course, there may be some amendments but surely the bill will pass. I just want to express to the Chairman of the Committee on Agriculture and the Members thereof my deep and sincere appreciation for their having brought this bill to our attention. I want also to express my appreciation to the author of the bill, the gentleman from Utah [Mr. GRANGER], and to the other Members of the House who have filed bills dealing with this same subject matter. I want to express my appreciation to each and every one who has had any part in bringing this bill to our attention.

We all recognize the fact that needy people usually can find some way, somehow, to get clothes to wear that are decent. Unfortunately, needy people are required quite often to wear the same clothes for a number of years. Sometimes their clothes are far from what they should have. But as long as the clothes are clean, ordinarily, needy people can get along very well as far as their clothes are concerned. Also, usually people can find shelter of some kind. But we all recognize the fact that a number of our people, even in this great land of ours, where the ordinary situation is that people have sufficient food, on many occasions cannot obtain sufficient food and must go hungry. We recognize the fact further that a number of our people do not have sufficiently good food to maintain proper health.

At this time I can think of no bill of any kind in the way of providing for those who need assistance in life that is quite as good as this one is. It is a shame, it is little short of criminal, in my judgment, for any of us to willfully waste foodstuffs. Now we are presented a bill here that will take surplus commodities of a perishable nature that might be destroyed or that might rot or deteriorate and be wasted and we are channeling that food to the people who need it to decently live. Heretofore the law has been such that the Commodity Credit Corporation could donate these foods to charitable and governmental organizations, and so forth, but those organizations usually were too poor or else it was not economical for them to pay the transportation charges. This bill provides that those foods may not only be furnished but the transportation charges may be paid as well.

This, to my mind, presents one of the finest things that could be done by a great government like ours.

As I say, I rose, not for the purpose of making an argument in favor of the bill—I certainly would do so if I thought it needed my argument—but to say to these gentlemen I have mentioned that, as one Member of this House, I wish to express my deep and sincere appreciation for their presenting this proposed legislation. I hope it will become public law in the next few days.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I rise in support of H. R. 9313, and I also call attention to the fact that H. R. 9313, which we are presently discussing, and H. R. 9141, which will follow on the calendar, are steps toward a leadership which is just as important as the field in which we already have a leadership—that is, production. This Nation has been able to produce, to invent, to develop equipment, to develop seeds, plants, trees, hybrids, all of the factors which have made us a great agricultural nation, but, in spite of increased production, increase in distribution has not kept pace with production. Both of these bills are steps in the direction in which I myself have worked for a great many years. I want to commend particularly the members of the House Committee on Agriculture for bringing out not only H. R. 9313 but also H. R. 9141, the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], the author of the present bill, the gentleman from Utah [Mr. GRANGER], and, in addition to that, the administrative assistants, Mr. Parker and Mr. Heimburger, and the head of the Marketing Facilities Section of the Department of Agriculture, Mr. Crow. We see in this bill the combination of efforts of all those gentlemen which are noteworthy, and I am glad to support both bills.

Mr. HOPE. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I appreciate very much the courtesy of the ranking minority member in granting time to me. I want to utilize it first to express my appreciation to the chairman and ranking member, as well as all members, of the Committee on Agriculture for their many courtesies in trying to work out a solution to this problem. I also want to express my appreciation to the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and to all my colleagues who have taken an active and vigorous part in bringing this bill to us today.

Next, I do want to ask some questions about the legislation itself. Perhaps I can ask the chairman of the committee. I will try to do that later, because there is not time enough to do it fully and completely at this time.

I want to go back to that point I discussed briefly while we were debating the rule. I recognize that there is clarification in what has been said. I am sure that the committee does not mean to limit the possibility of a successful distribution in areas where there are long distances between one end of the State and the other. I have in mind Texas, for instance, or New York, or my own State of Massachusetts. I note in the committee report it is stated:

> It is not the intention of the committee to restrict in any manner the localities into which such shipments may be made but merely to limit the responsibility of the Corporation for transportation costs to delivery, in the case of each separate shipment, of the commodities in bulk to a designated agency at one single locality within the State.

The language of the bill itself is "to a central locality."

I realize if we are going to have a law, we have to get the bill through the two bodies in a hurry. All I want to do is repeat for emphasis my understanding that the committee does not intend to limit the Secretary to establishment of but one central receiving locality within a State.

Mr. COOLEY. I would have no objection to the bill being amended so as to make it clear that we do intend that more than one delivery point might be established in a State if the Secretary deems it necessary. I would be willing to accept it so far as I am personally concerned.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COOLEY. Mr. Chairman, I would like to make a few observations about the pending bill. I think that 27 Members of the House introduced bills dealing with this subject. Each author was accorded an opportunity to appear be-

fore the committee and to present his views fully. After the committee had conducted extensive hearings and had accorded to all the authors of bills the privilege of presenting their views, this bill was prepared and introduced by the gentleman from Utah [Mr. GRANGER].

During the course of our hearings we not only heard Members of Congress, but we also heard representatives of more than 50 welfare or relief organizations. I do not recall that anybody appeared in opposition to the general objectives sought to be accomplished by this measure. I think that all of the people of this Christian Nation will approve of the objectives which this bill seeks to achieve, and that is that these perishable commodities be channeled into proper use by the human family either at home or abroad rather than be permitted to rot and deteriorate in storage here in this country.

I think that our international situation is such at the moment that our people would not be willing to limit our charity only to the continental limits of this great country. So, we do provide that these commodities might be made available to relief agencies at home and also abroad. Unfortunately, local welfare and relief agencies have no funds in their budgets which will permit them to pay the cost of transportation from the place of storage to the place of delivery within the State. So, we have authorized the Secretary of Agriculture to defray the transportation cost to centrally located receiving stations within the several States.

As I said just a moment ago in my discussion of the matter, it is clearly the purpose of the committee that where the Secretary deems it advisable to do so, he has a perfect right under the language of this bill to establish more than one receiving station within a State. We did, however, want to be cautious about taking over the full burden and responsibility of distribution within the State, because you can easily see how through this effort we might usurp and take over the functions of State and local relief agencies, and we would put the Federal Government too much into the picture of direct relief.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. PACE. It seems to me we should be rather specific on the point the gentleman is mentioning because I am sure it needs to be made clear that "central receiving station" does not mean a central place in each county and that the committee would not intend that there be over two, and certainly in a great State like Texas over three receiving stations.

Mr. COOLEY. The gentleman is entirely correct. The suggestion was made that in a State the size of Texas there should be more than one, perhaps two or three, whereas in some other States only one station might be sufficient.

Mr. PACE. But the chairman agrees with me that under no circumstances do we contemplate that there be more than two in any one State unless it be the State of Texas.

Mr. COOLEY. I do not know that I could say that. The committee had no understanding about it, but generally speaking the gentleman is correct. I do not know whether a great, long State like California might want and need one station at one end and one at the other end of it and one in the middle of the State. But, I know that the gentleman is correct in saying that we certainly do not intend that these commodities should be delivered to each of the counties in which they will be consumed.

In connection with the observation of the gentleman from Minnesota in regard to the relief which might be afforded in his immediate section of the country, I should like to say a word while it is, of course, entirely possible that there will not be a great demand for the return of these commodities to his locality, the fact remains that according to a statement which I have, and it is the last one made available by the Department of Agriculture, a substantial part of the perishable commodities involved here consist of dairy products. We had on the date of this publication $17,697,963.29 invested in butter; in cheese we we had $3,209,342.46 invested; in dried milk we had $8,242,976.75 invested, and in dried eggs we had $10,507,583.09 invested. They are some of the commodities which are considered perishable.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. I did not mean to complain of the treatment that we were receiving out there, but the point I wanted to make is that the regulation of the department heretofore has provided that the additional food, whether it was butter or some other item, had to supplement the existing diet, and could not replace it.

Mr. COOLEY. I think the gentleman is correct. I think just for that obvious reason you would not expect butter, cheese, skim milk, or dried milk to be distributed in the gentleman's community because perhaps there is an abundance of such commodities there already.

Mr. AUGUST H. ANDRESEN. No; the people who are on relief have been using their funds to buy potatoes and I hope they are buying some butter, and eggs, and they are getting those now. They could not get any from the outside, from this source, as long as they have that as a part of their diet. That is the point I want to make.

Mr. COOLEY. I think the gentleman has a point there. That is true. But the gentleman does not think it is unfortunate that we do not have a greater variety of these commodities, I am sure. What we want to do now is to get rid of these commodities which we have on hand and see to it that they are consumed by the human family somewhere.

Mr. AUGUST H. ANDRESEN. I think we are going to get rid of quite a few of them. We are in a sort of inflationary spiral now. Butter, for instance, has gone up to 63 cents wholesale. The Commodity Credit Corporation distributed over 800,000 pounds to one concern last week.

Mr. COOLEY. I am sure the gentleman would look with favor upon the profitable disposition of all these commodities by the Commodity Credit Corporation.

Mr. AUGUST H. ANDRESEN. I think that had they offered it at 60 cents, instead of selling only 800,000 pounds, they probably would have sold several million pounds.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KEATING. The gentleman has given us the figures on butter, cheese, dried milk, and dried eggs. Does not the gentleman think it would be desirable, if it is convenient, to insert at this point in the RECORD, if we are not given it here, the dollar value of other perishable commodities which are on hand? Could the gentleman give us the total of those to see what is involved in this legislation?

Mr. COOLEY. May I say to my friend I believe I called off a list of all of the commodities which are regarded as perishable. You may regard turkeys as perishable. But we only have $171,854.07 invested in turkeys.

Mr. KEATING. Does the gentleman mean that butter, cheese, dried milk, and dried eggs are the only perishable commodities on hand?

Mr. COOLEY. That is just about it.

Mr. KEATING. There is no substantial amount of potatoes on hand now?

Mr. COOLEY. No, not according to this report. Only $1,676.76 are invested in potatoes. I think the reason for that is that the Government actually has not been buying and taking possession of potatoes because they are so highly perishable.

Mr. KEATING. The total dollar value of the items the gentleman read is about $40,000,000, and I had the impression that there was a very much larger amount than that involved.

Mr. COOLEY. I suppose you might classify raisins or prunes or some of these other commodities as perishables, but frankly I am not in a position to say to what extent they are to be classified as perishable.

Mr. KEATING. There was some evidence given by some gentleman—I believe it was the gentleman from Utah—to the effect that if all the perishable commodities were packaged and shipped it would cost about $44,000,000.

Mr. COOLEY. That figure must have included the money which is now being expended in the potato program, because we do not have any potatoes in storage, as I understand it. But I think the Secretary said if he moved all of the commodities under this bill, the aggregate cost might reach the figure which the gentleman mentioned.

Mr. KEATING. And that was at a time when there was a large amount of potatoes on hand?

Mr. COOLEY. Actually, I do not think we have ever had a very large quantity of potatoes on hand. We do not anticipate that the disposition of these

commodities under this program will exceed $10,000,000, $12,000,000, or $15,000,000, and perhaps not that much.

Mr. KEATING. I thank the gentleman.

I want to commend the gentleman and the members of his committee for bringing before us a piece of legislation such as this.

Mr. COOLEY. I thank the gentleman very much.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. REES. What is the approximate amount of dried milk which we have on hand at the present time?

Mr. COOLEY. As of May 31—I have the figures here—the quantity of dried milk was 311,065,022 pounds.

Mr. REES. And what is the amount of dried eggs?

Mr. COOLEY. As of this report we had $10,507,853.09 invested in dried eggs.

The CHAIRMAN. The time of the gentleman from North Carolina has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 416 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 416. It is the policy of Congress to prevent the loss of food commodities acquired by the Commodity Credit Corporation through price-support operations or under the authority of Public Law 8, Eightieth Congress, which are found to be in danger of waste through deterioration or spoilage before they can be disposed of in the normal domestic trade channels without impairment of the price-support program and to permit such disposition of these commodities as will not significantly affect normal domestic trade channels or the reasonable normal expenditures for food commodities. In order to effectuate this policy, the Commodity Credit Corporation is authorized (a) upon application of any Federal agency to make such commodities available to such agency for use in making payment for commodities not produced in the United States in sufficient quantity or desired quality, and (b) to donate any such commodities to school-lunch programs carried out on a nonprofit basis by schools of high-school grade or under, to the Bureau of Indian Affairs, and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons, to penal institutions and nonprofit hospitals, and to private welfare organizations for the assistance of needy persons within the United States, including its Territories and possessions. Any such commodities which are not disposed of pursuant to the foregoing sentence may be donated to governmental, intergovernmental, and private welfare organizations for the assistance of needy persons outside the United States, its Territories, and possessions. Commodities shall be made available or donated hereunder in such manner and upon such terms and conditions as the Secretary determines necessary or appropriate to effectuate the purposes of this section, but no commodity shall be made available or donated for the relief of needy persons outside the United States, its Territories, and possessions unless the agency accepting such commodities satisfies the Secretary that each article if packaged shall carry a statement on the package, and if not packaged shall be accompanied by a written statement in the language of the country in which the article is distributed, showing that the food is a gift from the people of the United States. The Commodity Credit Corporation is authorized to pay, out of funds specifically appropriated for the relief of needy persons, the costs of transportation and handling and the costs of packaging the commodities donated for consumption in the United States, or such portion thereof as the Secretary determines necessary to effectuate the purposes of this section, but the payment of any such transportation and handling costs shall be limited to the movement of such commodities to the nearest port or their delivery to a designated agency within a State, Territory, or possession of the United States at a central delivery point. There is hereby authorized to be appropriated such sums as may be necessary to provide the distribution of commodities to needy persons authorized by this section."

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, and that the bill be open for amendment at any point.

Mr. STEFAN. Mr. Chairman, reserving the right to object, will that preclude amendments being offered?

Mr. COOLEY. No. I ask that the entire bill be open for amendment.

Mr. STEFAN. At any point?

Mr. COOLEY. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. GRANGER. Mr. Chairman, I offer a committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GRANGER: Page 3, line 21, strike out the period and insert in lieu thereof a colon, and add the following: "*Provided*, That for the fiscal year ending June 30, 1951, the Commodity Credit Corporation is authorized to pay out of funds of the Corporation such costs of transportation, handling, and packaging, or such portion thereof as the Secretary determines necessary to effectuate the purposes of this section. Whenever any commodity donated under subdivision (b) hereof for consumption in the United States is packaged in sacks, bags, or other containers having a second-hand resale value, the Secretary, as a condition to the donation of the commodity, shall require the donee to pay or refund an amount equivalent to the salvage value of the packaging material as determined by the Secretary."

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the second committee amendment, which is at the Clerk's desk, be acted on at the same time.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

Committee amendment: Page 3, line 23, strike out the period and add the following: "and to reimburse the Commodity Credit Corporation for all such cost incurred under the foregoing proviso."

The CHAIRMAN. The gentleman from Utah [Mr. GRANGER] is recognized.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. COX. Mr. Chairman, these are the two amendments which the author of the bill, the gentleman from Utah [Mr. GRANGER] promised to submit to the committee. It was thought at the time that these amendments met all the objections that have been raised; I still think they do meet the objections. I am wondering if the committee is not willing in the interest of time—there are other resolutions which we want to dispose of today—will not be willing to accept them without contest?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, reserving the right to object, I think the chairman of the committee should explain the last amendment and possibly that there should be a little explanation by the gentleman from Utah.

The CHAIRMAN. The gentleman from Utah [Mr. GRANGER] is recognized.

Mr. GRANGER. Mr. Chairman, this amendment simply directs the Commodity Credit Corporation to expend its funds and to make them available at the present time for the carrying out of this program. If we do not do that, of course, we would have to get an appropriation to make the funds available. This simply authorizes the funds to be appropriated for the fiscal year ending June 30, 1951.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. AUGUST H. ANDRESEN. As I understood the amendment at the time it was read, it proposes that the Commodity Credit Corporation is to be reimbursed from funds out of an appropriation to be made in the future.

Mr. GRANGER. From some future appropriation; yes. That is the amendment; and the other part of it, as has been explained here, is to require payment for any containers or sacks that have a resale value.

The CHAIRMAN. The question is on the amendments.

The amendments were agreed to.

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON:

Page 3, line 19, after the word "to" strike out the word "a", and strike out the word "agency" and insert the word "agencies."

Page 3, line 20, strike out the word "a" after the word "at."

Page 3, line 21, strike out the word "point" and insert the word "points."

Mr. HESELTON. Mr. Chairman, I submitted this amendment to the chairman and the ranking minority member of the committee and they are in accord that it cannot possibly harm the legislation but that it will clarify the committee's intention by providing simply that payment of any such transportation and handling shall be limited to the movement of such commodities to the nearest port for their delivery to designated agencies—plural instead of singular—within a State, Territory, or possession of the United States at central delivery points—plural rather than singular.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. KEATING. It seems to me this is a very desirable amendment.

Mr. Chairman, I shall support the gentleman's amendment. Certainly in a large State there should be more than one agency designated to receive delivery of these commodities and more than one central delivery point from which they may be distributed. In the State of New York, for instance, at a minimum there should be a down-State and up-State distribution center.

This legislation is necessary in order to prevent good food from rotting and going to waste or being destroyed. Surely it is better for the Government to spend a small additional amount in transporting and packaging it so as to get it into the hands of those who need it rather than to continue to pay storage on it and eventually have to pay people to destroy it. But it is ironic that we appropriate year after year large sums to support the prices on these food commodities and then are placed in the position of being required to make still further appropriations to get rid of the very foods that we have accumulated.

These surpluses now on hand may have to be considered as water over the dam, no matter how they are handled. The international situation may conceivably take care of future surpluses for a time. But in the final analysis we must arrive at some more sensible and less hit-and-miss method of handling the farm problem than the present system which has led to our present rather ridiculous predicament.

Figures given me show that carrying charges, including storage, insurance charges, transportation and handling costs are a staggering percentage of our present outlay for supporting agricultural prices. They amounted to $105,000,000 for just the first 6 months of the last fiscal year, or $25,000 an hour, or $400 per minute. It is my understanding that they are running at an even higher rate now. For that reason, we can well afford to advance this money to put these excess foodstuffs to some productive use instead of letting them rot in storage while deserving people starve.

Most of these foods will deteriorate in storage if they are not used immediately. They should be distributed as soon as possible. For instance, under ideal conditions, I am told, flour will keep only 6 to 8 months; evaporated milk, 2 years; dried milk, 2 years; fresh butter, 3 to 10 months; shell eggs, 6 to 8 months; powdered eggs, 1 year.

The two sets of statistics, one showing the number of people who need this food and rely in part on public or private welfare organizations and the other showing the millions of pounds of this or that kind of food now stored in Government warehouses and the millions of dollars represented by that food, should be more closely integrated since they are more than statistics. They are people and food. It is criminal to destroy this food or to let it deteriorate until it is useless when there are millions who can use it and need it badly.

In summary, we should never be in this predicament, but now that short-sighted policies have brought us to our present plight, the only sensible solution is to adopt legislation similar to that now before us.

Before I leave this subject, however, I must refer to the subject of dried eggs, which the chairman of the committee has indicated comprise about one-quarter of the dollar volume of foods on hand. During the very time our Government has been buying up and hoarding dried eggs in caves and warehouses it has refused to take any action to bar the import of dried eggs from Communist China. In fact, it has been disclosed that the administration is actually encouraging these imports by granting bargain-basement, cut-rate import duties to a government which we have never recognized.

In 1931, the Tariff Commission set import duties at 27 cents per pound for dried eggs. In 1947, the State Department at Geneva negotiated a trade agreement with the Chinese Nationalist Government in which the duty on dried eggs was reduced to 17 cents per pound. This spring, however, the Chinese Nationalist Government notified the State Department that it was revoking the trade agreement as of May 5, 1950, so that there exists no trade agreement whatever even with the Chinese Nationalists. Yet we are told by the State Department that it cannot raise the duty back to 27 cents per pound without consultation with some 58 nations, none of whom sell us dried eggs.

My information is that imports of Chinese eggs during May set a new record—approximately 800,000 pounds of dried eggs—all from Red China.

Now that we have spent huge sums to buy dried eggs for Government account and by this legislation are forced to appropriate further funds to package and ship these dried eggs to prevent them from spoiling and get them to the point where they will be used, apart from the political considerations involved in supporting the Communist regime in China, it sounds like compounding foolishness to accept into this country large shipments of dried eggs from Red China.

Mr. HESELTON. I hope it will be the pleasure of the Committee to adopt the amendment. I do not want to take further time of the Committee for I realize that there are other matters that should come before us this afternoon. I want to ask just one more question of the Committee.

Basically this establishes the policy of Congress to prevent the loss of food commodities acquired by the Commodity Credit Corporation during price support operations or under the authority of Public Law No. 8 to prevent waste, deterioration, spoilage, and so forth. In my study of this matter some of these food commodities could very readily be classified as consumable such as butter, milk, dried milk, dried eggs, and so forth, but there are others which would have to be processed, such as wheat, corn, and so forth. Is it the intention of the Committee—and when I was before the committee there was some discussion as to how far the provisions of a law such as this could go beyond the directly consumable items of surplus food—is it the intention of the Commitee that if there is more than an adequate supply of these surplus foods on hand requiring substantial carrying charges, that the Secretary if he determines that they are in danger of waste can provide them also in processed form?

Mr. COOLEY. Certainly. I think that even though we have these eggs in processed form, and the milk is in processed form, certainly they will not continue to be edible for any great length of time, and I could easily see that he could say that they are even now in danger of deterioration and put them in line for distribution.

Mr. HESELTON. So that anything that is held by the Commodity Credit Corporation in storage of sufficient supply that meets these conditions and is in danger of spoiling he would have the authority to move into these channels?

Mr. COOLEY. If they were in danger of deterioration. That is my understanding.

I may add, Mr. Chairman, that personally I have no objection to the gentleman's amendment which is in the interest of clarity only, because I think that the purpose of the committee has been clearly indicated heretofore.

Mr. HESELTON. I thank the gentleman.

I hope that this bill can become law in the very near future. I regret that when the suggestion was first made on February 2, with the filing of H. R. 7135, 7136, 7137, and 7138, the Secretary did not make a report upon the bills until his letter of March 21, the day before the hearings opened, and that he then opposed them, stating, "We do not believe, however, that it would be administratively feasible for this Department or the State to operate the program under the cost provisions proposed in H. R. 7135." It is gratifying that the Secretary did on July 17, recommend this action as urgently necessary. It is unfortunate that probably something in excess of $13,000,000 has been spent between February 2 and the present date for wholly unnecessary carrying charges.

During the Secretary's testimony before the committee, he gave the latest available figures as to the amount of inventories, and I understand from that statement, up to July 17.

At that date the Commodity Credit Corporation had approximately 192,000,000 pounds of butter and was then currently accumulating more at the average rate of about 36,000,000 pounds per month.

It had an inventory of 322,000,000 pounds of dried milk and this commodity was then being accumulated at a rate of approximately 45,000,000 pounds per month.

It had stocks of cheese in storage amounting to approximately 80,000,000 pounds and these stocks were then accumulating at the rate of about 23,000,000 pounds per month.

I have been unable to secure from the Department of Agriculture, although I have repeatedly requested information on the Commodity Credit Corporation's financial condition and operations as of

June 30. An August 16 I addressed a letter to the Secretary pointing out that current information should be available to the House during the consideration of this bill, and further pointed out that at that time 47 days had elapsed with no information furnished. I asked specifically to have the ending inventory in quantity and the carrying charges on certain items as of June 30. These included: butter, cheese, dried milk, dried eggs, Irish potatoes, prunes, raisins, dried beans, dried peas, rice, turkeys, canned Mexican meat, soybeans, peanuts, sweet potatoes, grain sorghum. I have had no acknowledgment or reply.

I regret that I cannot discuss this based on any factual information other than the statement made by the Secretary on July 24 before the Committee on Agriculture. But one conclusion is inevitable. It is that the Government is piling up these surpluses at a far greater rate than it can possibly dispose of them. I even question whether at this late date the Department of Agriculture can effectively dispose of certain of these surpluses before they spoil. I have been wholly unable to obtain accurate information as to the amounts of spoilage or destruction but I am confident that the Committee on Agriculture and the Appropriations Subcommittee on Agriculture will insist on having this information and making it available to the American people. Certainly they are entitled to the facts and we should have them as a basis upon which further legislation can be enacted.

This bill before us can only deal with a current condition. I do not think it addresses itself satisfactorily to future conditions. I do believe this underlying and fundamental problem will have to be met before long. I am sure that the American people will not tolerate a repetition of what has happened this year involving the threat, if not the actual fact, of substantial spoilage and the completely indefensible waste of the taxpayers' money for unnecessary storage charges.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: Strike out the period in line 20 on page 2, insert a comma and add the following language: "*Provided*, That none of such commodities shall be donated or sold to any person or organization for distribution to a country operating under a Communist or Communist-dominated government."

Mr. DAVIS of Georgia. Mr. Chairman, I realize, of course, that the committee has considered all the features of this bill. I realize also that ordinarily it is unsatisfactory and sometimes risky to undertake to write legislation on the floor of the House or in the Committee of the Whole; however, I have heard the discussion about the possibility of these items getting to what are known as the iron-curtain countries or Communist-dominated countries. I think Congress should provide that these commodities cannot be sent there to help the Communist forces of the world promote their doctrine and their philosophy.

The committee and those who support that provision of the bill seem to have the idea that we may create some good will for the United States by letting these items go to these iron-curtain countries. I do not think so. I do not think anything of this nature will create any good will for the United States. These dictators are too realistic and too hard boiled to ever let anything like that happen through this kind of a measure. It would be a simple thing if these goods could be packaged and have a statement printed on them, even in the language of the country where it is distributed, that "This is a gift of the people of the United States" for a realistic dictator to accumulate a vast pile of these articles, get some people with a big paint brush, daub black paint on the packages, and obliterate the statement as fast as the packages can be picked up and laid down. That would eliminate that possibility. He could also tear the label off. There are many ways in which that effort to acquaint the people of the country with the fact that we are giving them something to eat could be frustrated. I do not think we can accomplish that purpose with a realistic dictator.

We have had instances where our good nature has done us harm. We have only to think of the scrap iron that we shipped to Japan, which came back to us in the form of bombs and bullets and killed our boys. We have only to think that Russia right now is using ships that we furnished her to further her own ends, thinking we were doing the right thing. We have hurt ourselves by undertaking to do good deeds in that direction.

They say that the Secretary of Agriculture will have authority under the terms of this bill to take proper steps to see that nothing like that happens. That is, when a shipment gets to a wrong place he can see to it then that no other shipment will reach that same sphere. But here is what I think about that. The Congress has a responsibility, as well as the Secretary of Agriculture. One of our responsibilities is to canvass these possibilities and do what is necessary in our judgment to prevent anything being done that is going to foster communism and help them in their effort to perpetuate communism throughout the world. Mr. Brannan may be all right to trust with that. On the other hand, Mr. Brannan is very much in favor of the Brannan plan. I am not. He may have different ideas about this than my ideas. Therefore, I think our duty as Members of Congress is to fix it as we think it should be, and not leave it to Mr. Brannan to attend to. And while I am on my feet may I say that I think the people of the United States have come to the conclusion that the Congress ought to assume its own responsibility all up and down the line. If we do not do it, the people are doing to replace us with some who will.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from North Carolina.

Mr. COOLEY. Who would be required to make the determination authorized and required by the gentleman's amendment?

Mr. DAVIS of Georgia. The people who administer the act.

Mr. COOLEY. Who would they be, does the gentleman know?

Mr. DAVIS of Georgia. My understanding is they will be in large part under the Secretary of Agriculture.

Mr. COOLEY. The Secretary of Agriculture is the very man the gentleman is not willing to trust, but you want to fix this program for him and give him responsibilities he has not heretofore exercised.

Mr. DAVIS of Georgia. I may say to the gentleman that I am not willing to trust anybody to perform a duty that belongs to me.

Mr. COOLEY. What is the gentleman's duty with regard to the disposition of these commodities, could he tell the committee?

Mr. DAVIS of Georgia. My duty, as I see it, with reference to this is to introduce the amendment which I did introduce and do what I can to get it adopted, and I am performing that duty right now.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia.

Mr. Chairman, at the outset I want to say that the great State of Georgia is ably and well represented on the House Committee on Agriculture.

Mr. DAVIS of Georgia. I agree with the gentleman on that.

Mr. COOLEY. I do not know of a more distinguished Member of this body than the vice chairman of my committee, STEVE PACE, of Georgia.

Now we are confronted here on the floor of the House with an amendment offered by a Member, of course, who has the right to offer an amendment but who unfortunately is not listed among the authors of any of the bills dealing with this subject which were considered by our committee, numbering more than 25. He has no idea as to the far-reaching effect of his amendment.

The effect of it is to require somebody to determine first which countries are Communist or which countries are communistically controlled; then to place a restriction upon perishable commodities, to provide in effect that they cannot be used as weapons of peace to bring about a more friendly relationship among the nations of the earth.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Is there any question at all about what countries are communistically dominated?

Mr. COOLEY. Yes, there is a question. We have people in high places, people in both Houses of Congress, cursing communism on every hand. We talk about satellites, we talk about Russia, yet we are entertaining them in glorious fashion right here in our own Capital City. We have not broken any relationships with them. They have their embassies, they have their ambassadors,

they have their emissaries right here in the Capital City. Yes; there is great doubt concerning communistic domination of several nations. Should one department be authorized to make a determination which might be contrary to another department of the Government, which also is authorized to determine the matter? Would we rather permit food to deteriorate and rot than to give it to somebody who is unfortunately behind the iron curtain? Frankly, I could not imagine a better weapon for peace than food to starving people, if we could take all of this food and mark with indelible print that this is a gift from the American people to the unfortunate people of Bulgaria, Rumania, and Yugoslavia, or any of the other nations referred to as satellites, and thereby bring something to the hungry stomachs of those people, I believe it would be in the interest of peace.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. How does the gentleman know whether these food products and this cotton, and so forth, is going to feed the hungry and provide clothing for them, or whether it is going to be used for high explosives?

Mr. COOLEY. This bill does not deal with cotton. Cotton is not a perishable commodity. I can show the gentleman a bale of cotton 85 years old that could well be used in a textile mill even now. The amendment offered by the gentleman from Georgia makes reference to sales of commodities. This bill does not deal with selling commodities. We are trying to accelerate the gift and contribution of commodities that are likely to deteriorate and spoil.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. What assurance is there that if we send these commodities to Bulgaria and Romania and the rest of them that we will not keep right on going further east?

Mr. COOLEY. It is not contemplated that Congress would designate the ultimate destination. The fact is, I suppose, that most of these commodities can be properly utilized right here in this country. But, if, by chance, we cannot dispose of them domestically we are authorizing only the payment of transportation cost to the shipside. Ocean freight must be defrayed by the recipient countries or from some other source rather than from our own Treasury.

Mr. SMITH of Wisconsin. We had this kind of an amendment tacked onto many pieces of legislation. I can see no harm in it. I will support the amendment.

Mr. COOLEY. The gentleman is perfectly within his rights in supporting the amendment, but why should we gobble up something that we do not know anything about. The author of the amendment obviously does not trust the Secretary of Agriculture. Yet by his amendment he would charge the Secretary with the responsibility of making certain findings and determinations concerning matters which do not ordinarily come to his attention in the regular course of events.

Mr. SMITH of Wisconsin. That is still a legislative function.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. There is nothing in this amendment which definitely fixes the responsibility upon anyone. Why should we legislate in any such fashion as this. Look at the amendment. It says: *"Provided,* That none of these commodities shall be donated or sold to an organization or agency for distribution in a country operating under a Communist or communistic-dominated government." Who is to determine all of that?

Mr. SMITH of Wisconsin. Why, the Secretary of Agriculture, of course.

Mr. COOLEY. Nothing in the amendment says so.

Mr. SMITH of Wisconsin. Is he not administering the rest of the order?

Mr. COOLEY. He is administering this law.

Mr. SMITH of Wisconsin. Sure.

Mr. COOLEY. But the law does not now say that this food shall not go into countries unless such countries are free from communistic domination.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. There are other restrictions in the bill, are there not, the same as this, which he will have to administer? Does it designate them any more than this one does?

Mr. COOLEY. I do not regard the Secretary of Agriculture with the same grave apprehension that the author of this amendment regards him.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. HESELTON. The American Friends Society is very much interested in this as well as a great many religious organizations. Those people are doing some work, as I understand, actually within some of these satellite countries. It occurred to me that we might be cutting off a source of building up good will.

Mr. COOLEY. I do not think any one of us wants to do anything to strengthen communism anywhere on this earth, but at the same time I do not think we should place such restrictions on the use of deteriorating food.

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the position taken by the gentleman from North Carolina [Mr. COOLEY], chairman of the committee, astounds me. His contentions amounts to the continuation of the policy of appeasement as regards Russia, which is responsible for the plight in which we find ourselves at the present time. You have observed elsewhere, I am sure, that the advocates of appeasement are giving ground very reluctantly. Among them is not the gentleman from North Carolina, which makes the more surprising the position he now takes.

This question of communism is one that we ought to meet in the open and deal with firmly, and when a question of the character of that now proposed arises there should be no hesitation whatever in demonstrating the position I should take on the matter. To defeat this amendment will convict the membership of this House of soft-pedaling on the question of control of communism. The gentleman from North Carolina says that the amendment raises a question about which we know nothing. Well, we ought to know that we are now in a death struggle with communism. The policy that we have been following as regards Russia is indefensible—we took a third- or fourth-class nation and built it into a colossal giant that now stands astride the world. Do the objectors to this amendment contend that we do not know enough about the subject of communism to deal with it intelligently?

We ought to know enough about it to know that we are against it. This is an opportunity for the House to put itself on record as regards the taking of the substance of the people of this country and donating it to the relief of people under the domination of Communist Russia. If this amendment is thrown out, then this bill itself should be returned to the Committee on Agriculture for the examination of the question raised by my friend, the gentleman from Georgia [Mr. DAVIS].

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield.

Mr. COOLEY. Could the gentleman tell us whether or not for instance Yugoslavia is communistically dominated?

Mr. COX. The amendment would put the responsibility upon the Department of Agriculture to determine what country is under the control of communism.

Mr. COOLEY. If the gentleman will yield further, suppose the Department of Agriculture makes one determination, and the State Department makes another determination? That is exactly the situation I want to avoid.

Mr. COX. I would say in the instant case the responsibility would be upon the Department of Agriculture. God prevent its being put in the hands of the State Department to determine any question where communism is involved. I do not trust the State Department, nor do I believe many people in the country trust it.

I say to you the question having arisen, you cannot afford to cast down this amendment because if you do you will leave the House open to severe condemnation.

Mr. GUILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to this amendment. First, I believe I probably despise communism as much as anyone, the gentleman from Georgia included, and if I may inject a little bit of levity here, I think it might be good for them to have to eat those dried eggs over there, but I certainly would not want to start a war over them.

But, Mr. Chairman, in all seriousness, I, as one individual Member in this House, would like to start trusting somebody. I have heard everybody cussed and discussed so much in the short time that I have been here that I am looking forward to meeting a true statesman. I am not in favor of the Brannan plan. That is my privilege, and the privilege of the gentleman from Georgia. But I think the Secretary has enough sense to know what to do with these surplus commodities and not give them to our potential enemies behind the iron curtain or any other place. The majority of these commodities will be used in the United States. We are helping to pay the transportation for the benefit of the Friends Organization and CARE, and these other organizations so that they can send them overseas. I for one hope the amendment is defeated, because, as I say again, I just want to trust somebody. In this case I trust Mr. Brannan to take care of the situation.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GUILL. I yield.

Mr. SMITH of Wisconsin. Would the gentleman trust good old Uncle Joe Stalin?

Mr. GUILL. Is there any relation between the two, sir?

Mr. SMITH of Wisconsin. I would like to call your attention to the fact that the good old United States has been dealing with Russia and its satellites in the sending of critical materials, machinery, and so forth, which ultimately is going to be used against our boys who are today fighting.

Mr. GUILL. As I say, I do not know too much about Mr. Brannan, but I know more about him than I do about old Joe, and from what I read, I do not believe that Mr. Brannan is going to send these commodities over there.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GUILL. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman knows that we have had many millions of pounds of dried eggs coming here from China, which is now controlled by Russia. Of course maybe some of these eggs that are coming here from China and sold here may get into the hands of the Department and we may have to buy at least additional surpluses in this country. But maybe we can fix it so in this bill that we would not get these eggs from Communist China.

Undoubtedly the Russians get the dollar exchange for it.

Mr. GUILL. Then the gentleman from Minnesota means to say that we should put an amendment here that will not take these eggs in. I will agree with you on that, sir. I am not particularly worried about shipping this stuff over there.

Mr. AUGUST H. ANDRESEN. I know the gentleman will agree with me, because he is a very distinguished and able legislator, and knows about agriculture and food, and I hope he is with us here for a long, long time, but it is quite obvious that we should not be a party to accepting any food or any other merchandise from some of these other countries now fighting to destroy our freedom and our form of government.

Mr. GUILL. I agree with the gentleman on that, sir; but not exactly on all points with the gentleman from Georgia.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GUILL. I yield.

Mr. COOLEY. Is it not still doubtful in diplomatic circles as to whether or not even China is communistically dominated, in view of our relationship with Chiang Kai-shek? That is a question where we may have the Secretary of Agriculture saying, "Oh, yes, it is dominated by communism," and our State Department saying, "It is not yet dominated by communism."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GUILL. I yield.

Mr. AUGUST H. ANDRESEN. I am rather surprised to hear my distinguished chairman make a statement of that kind. He is a man who has had more experience and more world knowledge than pretty nearly any man in the House of Representatives. Surely he knows that the Communists from Russia have taken over China, and they are directing affairs there, and that we do not have any chance whatsoever there.

Mr. COOLEY. The gentleman is correct, of course, but I was talking about the legalistic aspects of it, and the diplomatic implications involved.

Mr. AUGUST H. ANDRESEN. Well, so far as the diplomatic implications involved—since June 27 of this year our foreign policy has been changed from an appeasement policy to a policy of fighting.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. GUILL. I yield.

Mr. KEATING. In justice to the gentleman from North Carolina, I think it should be said he realizes his point is that the State Department is not yet aware that the Communists have taken over China.

Mr. AUGUST H. ANDRESEN. If that is the case, then I apologize for everything that I have said.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier this afternoon the distinguished Chairman of the Committee on Agriculture asked for further details concerning my assertion that this Government had made available to Russia 50,000 tons of potatoes. I am now prepared to give him all of the information that I have.

In a deal quietly consummated on June 8, 1950, 50,000 tons of surplus potatoes were made available to Stalin. I immediately launched an inquiry through the Department of Agriculture, through the Department of State, the Treasury Department, and the Bureau of Internal Revenue in order to ascertain the facts, including who was the export-import broker, the date, the profit made by the broker, and other factors. I was able to determine that the broker was the David Zetland Corp. of Flushing, N. Y., but I was unable to find any agency of the Federal Government that knew or thought it had authority to learn the amount of profit the broker made. These agencies knew only that the currency exchange probably took place in Switzerland through private channels. Through my investigation I learned that a similar cent-a-hundred-pound deal was negotiated through a broker with Dictator Franco, of Spain, at about the same time for 50,000 tons of American potatoes, and certain officials reported that 15,000 tons of potatoes were sold to Israel for a cent a hundred pounds, f. o. b. Maine, but that these potatoes were shipped direct with no broker's fingers in the deal.

I should like to read a news article from the Des Moines (Iowa) Register. It is headed "Red zone is getting United States spuds—50,000 tons (cheap) belie 'potato-bug war' charge."

This article is datelined Frankfurt, Germany, by the Associated Press.

RED ZONE IS GETTING UNITED STATES SPUDS—50,000 TONS (CHEAP) BELIE "POTATO BUG WAR" CHARGE

FRANKFURT, GERMANY.—East Germany was caught holding the bag Saturday—and the bag was filled with American potatoes.

Two weeks ago east German Communist authorities complained in loud and aggrieved tones that the United States was scattering potato bugs from airplanes to destroy the east German potato crop. American officials just shook their heads in amazement.

Saturday it came out that east Germany had concluded a secret deal for the purchase of 50,000 tons of surplus American potatoes for $10,000.

That's a good price; a penny a hundredweight. Housewives in New York pay between 5 and 6 cents a pound.

CROP SHORTAGE

This seemed to back up an American theory propounded after the potato-bug story started—that east Germany is facing a severe crop shortage in what once was Germany's lushest farm country and is trying to cover up.

(In Washington, officials of the Agriculture Department confirmed that a sale of 1,000,000 bags of surplus potatoes, of 100 pounds each, has been made through a New York exporter for delivery in Germany.

(However, these officials said that so far as their connection with the deal is concerned, delivery in Hamburg, Germany, ends the matter. Any shipment to east Germany, they said, is a State Department and occupation administration matter.

(The Agriculture officials said that Department approval was obtained for the sale.)

STANDING OFFER

(The price was 1 cent a bag under a standing offer to sell surplus potatoes at that price to any commercial exporter who can find an approved outlet abroad.)

The potato purchase appeared to be a delicate matter with the east German trade

ministry in Berlin. They would not deny that the deal had been made, but here was no one around there who would say he knew anything about it.

But Arthur Stroh, trade expert in the American high commissioner's Berlin office, announced that it had been made and that delivery already has begun.

FIRST SHIPMENTS

Hamburg port officials said two ships, the *Kastor* of Greek registry and the *Farnwood* of Norwegian registry, unloaded 13,500 tons of potatoes in the first shipment. All of these have been sent east.

Other consignments also have been received until now some 40,000 tons have been shipped by road and barge to the Soviet zone. The British ship *Starstone* was due Saturday night with the final load.

Stroh said the east German potato shortage originally was disclosed by the failure to deliver 100,000 tons of potatoes to west Berlin under the 1950 interzonal trade agreement.

In other words the Russians could not carry out their agreement to supply a hundred thousand tons, so we helped bail them out with 50,000 tons.

In Moscow, the Communist party newspaper Pravda published a new motive Saturday for the alleged United States potato bug warfare. The paper said the bugs were dropped not only to ruin the potato crop but to boost sales of a new insecticide, invented in Germany and owned by an American firm.

Mr. Chairman, I heartily commend the gentleman from Georgia [Mr. DAVIS], for his amendment to this bill, and I hope the House will adopt it.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. COX. If we could take a roll call vote on this amendment there would not be 50 votes against it.

Mr. GROSS. The gentleman is absolutely right and I thank him for his statement of fact.

Mr. GRANGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think there is none of us who would want to do anything that would in the end be detrimental to our country, but it seems to me that we are going pretty far afield when we anticipate that any great amount of these commodities will be shipped overseas. I am in hopes and I believe it will be a very, very small amount in any case.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. DAVIS of Georgia. Would the gentleman think it was going far afield to take a simple precaution to prevent supplies from this country supporting a Communist country or a Communist-dominated country?

Mr. GRANGER. The gentleman has interpreted what I said in a way I did not intend. What I mean to say is that there will not be any great quantity of these materials go to any country that would be dangerous to the same extent, as in the case the gentleman referred to of scrap iron, sufficient to be shot back at us. Agricultural products do not fall into that category at all.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. COOLEY. Does the gentleman think that the Secretary of Agriculture would do anything consciously or unconsciously, directly or indirectly, to strengthen the arm of an enemy?

Mr. GRANGER. No; I do not think so.

This is one point I want to call to your attention. I want to call your attention to what you are doing here if you adopt this amendment. There are private organizations, charity organizations, church organizations and organizations such as CARE and the Society of Friends, who have done the major part of distributing these foods in foreign countries. They have been distributing to individuals in countries that I consider Communist-dominated. If we pass this amendment the doors to those people who have done a splendid job, and all the evidence we have had before the committee is that they have done a tremendously good job, would be closed and I just want the House to know it. That is what we would do in this instance if we adopt this amendment.

Mr. HESELTON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, like the gentleman who preceded me and others who have spoken in opposition to this amendment, I hate and detest communism and all it stands for. My record has been clear on that from the time I knew anything about it. However, I am concerned about the effect of the pending amendment.

I have here in the RECORD at page 2954 something that supports what the gentleman from Utah and the gentleman from North Carolina have said. There is what is known as the American Council of Voluntary Agencies for Foreign Services, Inc., that is carrying on work in 68 countries in the world. This is a charitable work. It works with and for needy people. This bill addresses itself to the sort of thing a patriotic American organization can and will do under the terms of this bill. As I understand it, the amendment would limit that.

That organization advised the committee in this memorandum that if this sort of legislation could be passed it could distribute a minimum of 39,000 tons of food in a 6-month period. If it was not passed they would be confined to only 4,000 tons of food. Such food would go to children, to women, because they work with people in those countries who are friendly to us.

As the gentleman from Utah said, if by any chance we cut off and shut the door against the magnificent work of this kind of people, who are patriotic Americans, who believe in what we believe in, who are devoted to this country, who are trying to help those people who want to work with us in some effective way to make others in their countries understand what we are fighting for against the propaganda of Malik and all the rest of the crew that is trying to destroy them, then I think we would have made a great and grave error.

I want you to consider before you vote on it the names of the organizations:

Adventist Relief Agency for General Conference for Seventh-Day Adventists.
American Aid to France.
American Baptist Relief.
American Committee OSE.
American Foundation for the Overseas Blind.
American Friends of France.
American Friends Service Committee.
American Friends for Czechoslovakia Refugees.
American Hungarian Relief.
American Jewish Joint Distribution Committee.
American Middle East Relief.
American National Committee To Aid Homeless Armenians.
Americans Ort Committee.
American Relief for Germany.
American Relief for Poland.
American Relief for Austria.
Boys Republic for Italy, Inc.
Boy Scouts of America, World Friendship of.
Brethren Service Committee.
Church World Service.
Committee on Christian Science Wartime Activities of the Mother Church.
Congregational-Christian Service Committee.
CARE.
Cooperative League and United States Freedom Fund.
CROP.
Foster Parents Plan for War Children.
Girl Scouts of America.
Greek War Relief Association.
HIAS.
International Rescue Committee.
International Social Service.
Iran Foundation.
Labor League for Human Rights, A. F. of L.
Lutheran Resettlement Service.
Lutheran World Relief.
Mennonite Central Committee.
National Council of Jewish Women.
Near East Foundation.
Paderewski Testimonial Fund.
Russian Fund Welfare Society.
Salvation Army.
Save the Children Federation.
Self-Help of Emigrees of Central Europe.
Tolstoy Foundation.
United Service to China.
United Lithuanian Relief Fund.
United Palestine Appeal.
United Service for New Americans.
Unitarian Service Committee.
United States Committee for the Care of European Children.
United Ukrainian Relief Committee.
United Yugoslav Relief Fund of America.
War Relief Service, National Catholic Welfare.
World Student Service Fund.
YWCA, national board.

In many instances they are the only Americans who get behind the iron curtain. I hope before we vote on this we will realize that we may be shutting the door on the very effective work that patriotic Americans have been doing in these countries and still could do if we permitted them to go ahead. As the gentleman from Utah has said, in any event what these American organizations might distribute to hungry, even starving, people in any of these countries, will only be a very small portion of the food commodities involved.

Another point I would like to make is this: When I received that memoranda a fine Christian minister came to my office. He is head of a Chinese missionary organization. He told me that if

we could get a shipment of rice into China through their missionaries they would see it got to Christian Chinese who hate communism as we do, who in turn would spread the news all over China that Russia took the rice away from China, Russia was starving the Chinese, and it was America that was sending the rice into China for those who have fought and will fight the Communists in China. It is that sort of possibility we should take into consideration before we vote on this amendment.

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Wisconsin.

Mr. BIEMILLER. In addition to the very fine work that has been described by the gentleman from Massachusetts, I think it is worthy to note for the RECORD that some of these organizations bring food supplies behind the iron curtain under cover, surreptitiously. They are bringing them to people who are fighting our battle behind the iron curtain. I would hate to see us prevent the sending of food to those people behind the iron curtain who are fighting our battle.

Mr. HESELTON. I am sure it would not give very much aid and comfort to the Communists if we could get some food over to a few of those people. But the main consideration should be, I believe, that some of these fine organizations have done, are doing and will continue to do magnificent work in translating the great principles for which this Government stands into action. They have a truly patriotic record no one will dare to challenge or indict.

If this amendment should prevail, and I know it is intended to be constructive, I am concerned that it might be interpreted as condemnation of the work these organizations are doing. I wish that those who support this amendment, and I know they do so with the utmost honesty, sincerity, and conviction, could have had the privilege of discussing the work of this Council of Voluntary Agencies for Foreign Service. If they had had this opportunity, as I have had, I am certain that they would hesitate to advocate legislation which might hamper and even jeopardize this great work. In any event, I believe that since this amendment has the possibility of even some impairment of their efforts, we should grant them the right of explaining before the proper committee the nature and scope of their work with a view to a calm, sound decision on the merits.

Certainly this bill before us now is not addressed to that problem, if it be a problem. Certainly the members of the House Committee on Agriculture had no reason to anticipate that this matter would be involved in this legislation. Certainly no one in or out of this body will challenge the complete patriotism and devotion to this country of any member of that committee. It seems to me the part of wisdom to accept the advice of that committee, from both sides of the aisle, to reject this amendment so that those who may believe that there is a problem involved in goods shipped and services rendered in any of these 68 countries can place that matter promptly before the proper committee of this House. And in particular I urge that the representations of these 54 organizations made up of millions of good, patriotic American men, women, boys, and girls be given a fair opportunity to be heard.

Mr. BECKWORTH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the Committee on Agriculture is to be commended for undertaking to do something about surpluses including the potato situation. I merely want to call attention to the fact when we talk about subsidies helping directly the potato farmer, if we think of potato farmers en masse we are certainly mistaken in our thinking. I think the figures will show, when we talk about aiding directly with a support price the potato farmers, that we are probably not aiding directly more than 5 percent of our potato farmers, perhaps even less. It is remarkable indeed that a program that is costing the millions of dollars it is results in aiding directly such a small percentage of those who are engaged in the activity of growing potatoes. I repeat again we probably are not aiding more than about 5 percent of the farmers who grow potatoes. That is not good in my opinion.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Georgia.

Mr. COX. What is the gentleman's position on the amendment offered by the gentleman from Georgia [Mr. DAVIS] to the effect that none of this free food shall be given to Communist-dominated countries?

Mr. BECKWORTH. The gentleman speaking is just as interested in preventing food from going to Communist Russia or to anybody controlled by Communist Russia as any Member of the House. To this end I have worked and will continue to work. I have always fought and opposed communism; I have always supported the House Un-American Activities Committee and money for it. Too, I have voted for every measure for 12 years to strengthen and keep strong our country. I voted to aid Korea last January when the measure failed to pass the House. I voted to aid Korea in February when the measure did pass the House. The gentleman realizes, of course, there is a difficulty that is confronted by the departments trying to administer this act. Of course, the gentleman is on the floor and he will vote when he gets to that matter. I repeat it is my purpose just as it is the purpose of you and the gentleman from Georgia, Representative DAVIS, to prevent any of this food from going to Russia or the countries she controls.

I want to emphasize again there is too small a percentage of those who grow potatoes who are eligible for and who get this support money. I saw an article recently to the effect that we are destroying these potatoes while at the same time the Armed Forces are paying what might be termed a substantial amount per hundred pounds for potatoes. That is a situation which in my opinion the American people do not like. It should be corrected. It certainly is my hope that the legislation now before us will have a wholesome result in correcting some of the unfavorable features of the potato program.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 6, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letters of February 11 and February 17 regarding the potato-price-support program.

We do not have records which show all the information in the detail you request. Answers to your specific questions are as follows, based on our available data and estimates:

1. Potatoes were produced on about one and three-fourths million farms in 1948 and 1949. About 80 percent of these farms grew 1 acre or less of potatoes primarily for home use, about 15 percent grew from 1 to 3 acres, and about 5 percent grew over 3 acres. The 1950 agricultural census will supply more reliable, current information concerning the number and size of potato farms.

2. There were about 32,000 farms fully eligible for price support in 1948 and 1949, or 40 percent of the commercial potato farms. As stated in our letter of May 19, 1949, we do not have records to indicate the number of such farms which actually sold potatoes to the Government.

3. It is believed that the great majority of all potato growers received average prices equal to or higher than the support level regardless of whether or not they sold potatoes to the Government.

4. It is believed that the majority of potato growers who planted less than 1 acre normally do not sell any potatoes. At present, there probably are 1,200,000 to 1,500,000 of such growers.

5. There are enclosed copies of the 1948 and the 1949 operating reports which show the purchases by States for the 1948 crop and through January 31, 1950, for the 1949 crop. Purchases from the 1948 crop were made in 43 States and in 44 States during the present 1949 crop season. The concentration of potatoes within States depends largely on the location of the production areas. In some States, most of the production is concentrated in a few counties while in other States it is rather widely scattered. About 50 percent of the purchases in Texas from the 1949 crop were in the lower valley, 45 percent in the Panhandle, and 3 percent in the central part of the State.

It is hoped that this material will supply the desired information on the potato price support program.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

DEPARTMENT OF COMMERCE,
BUREAU OF CENSUS,
Washington, January 6, 1950.

Mr. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

MY DEAR MR. BECKWORTH: This is to confirm answers to the questions you discussed yesterday with Mr. Ray Hurley, Chief, Agriculture Division of this Bureau.

According to the 1945 Census there were 601,273 farms with 9 acres or less of cotton harvested. These farms with 9 acres or less of cotton harvested produced a total of

2,386,668 bales of cotton or an average of 3.97 bales per farm. If these farms were limited to a maximum production of 4 bales each, then the maximum total cotton production on such farms would be 2,405,092 bales. As we have pointed out, we do not know how many of these 601,273 farms produced more than 4 bales of cotton in 1944. If it could be assumed that there are now 1,500,000 farms producing cotton and that the same proportion of these 1,500,000 farms as in 1944 grew 9 acres or less of cotton, then 740,700 farms would have 9 acres or less of cotton. If each of these 740,700 farms were limited to a maximum production of 4 bales each, the maximum total production of such farms would be 2,962,800 bales.

According to the United States Department of Agriculture, approximately 32,200 farmers producing Irish potatoes were eligible for the price support program in 1948. In 1944 there were 2,105,757 farmers producing Irish potatoes. The 32,200 farmers eligible for the price support program is equivalent to .5 percent of all farmers harvesting potatoes in 1944. It should be noted that a large number of farmers producing potatoes grew them for use only on the farm. In 1944 only 432,923 farmers reported 1 acre or more of potatoes harvested.

Please let us know if we can be of further assistance.

Sincerely yours,

PHILIP M. HAUSER,
Acting Director, Bureau of the Census.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 17, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of February 13 enclosing a letter and newspaper clipping concerning the importation of Canadian potatoes into this country, and the egg-price-support program.

The General Agreement on Tariffs and Trade provides that a yearly quota of 1,000,000 bushels of table stock and 2,500,000 bushels of certified seed potatoes may be imported into this country at a duty of 37½ cents per hundredweight. Any importations in excess of such quotas carry an import duty of 75 cents per hundredweight.

Virtually all of the imports of potatoes into this country come from Canada. The farm-price relationship between Canada and the United States this year is such that both quotas were filled early in the marketing season and Canadian potatoes are still being imported in considerable quantities at the full rate of duty. The current farm price of potatoes in Canada is very low because there is a heavy surplus in that country and they do not have a price-support program.

It is generally recognized that it is to our long-term best interests to encourage international trade, and in this respect it is necessary to appraise our position from an over-all trade viewpoint. Canada is our best customer, and normally purchases four or five times as much fruit and vegetables from us as we buy from her. In view of this situation, possible restrictions on potato imports must be carefully weighed, inasmuch as such action might provoke a situation which would injure us more than it would benefit.

We have no intention of encouraging abnormal imports of agricultural commodities through the protection afforded in periods of surplus by our price-support program. However, the problem of integrating our domestic and international programs requires thorough study of its many aspects in order to adopt the approach which is in our best long-term economic interests.

A summary of the 1950 egg price-support program is being enclosed in connection with the newspaper clipping on Government purchases of eggs. Egg prices are being supported in 1950 in accordance with the Agricultural Act of 1949.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

CANADIAN POTATOES IMPORTED AS UNITED STATES DUMPS ITS SURPLUS

NEW ORLEANS, February 7.—A million pounds of potatoes imported from Canada were unloaded from a boat today while the Government, with a lapful of price-supported spuds, offered its surplus to farmers for 1 cent a hundred pounds.

J. Segari, New Orleans food broker and consignee of the Canadian potatoes, said the economics of the dilemma were too deep for him.

"I don't know why I can buy choice potatoes from Canada and have them shipped down here cheaper than I can buy them from Maine or Idaho—but I know I can do it," he said.

Segari said except for the taxes involved it was almost comical.

"I'm not alone in importing the less expensive Canadian potatoes. Why, a boatload comes into Savannah, Ga., Tampa, Fla., Jacksonville, Fla., and other places about every 2 weeks," he said.

The situation sketched by Segari was something like this:

The Government guarantees the American farmer a certain price for potatoes. The farmer can't match this price on the open market, so he sells them to the Government. Meanwhile, the brokers go to Canada for their stocks. Then the Government, stuck with its right-priced surplus, offers them back to the farmer at a giveaway price for stock food.

Segari said he planned to sell the potatoes on the open market.

He added that brokers were not allowed to buy the Government's surplus, which is sold only to farmers for livestock feed.

"In fact," Segari said, "the potatoes sold back to farmers are dyed so they cannot be used for human food."

GOVERNMENT TO BUY MORE EGGS AS $100,000,000 NOT AMPLE

WASHINGTON, February 7.—The Government announced today it will keep buying eggs although it already has around $100,000,000 worth and doesn't know what to do with them.

The Agriculture Department said it will buy through March to support egg prices so producers will be guaranteed an average of 25 cents a dozen on the farm. This also means the Government will pay producers of dried eggs around 96 cents a pound.

"Hens are laying their fool heads off," was one official's explanation.

In the last 2 years the Government has accumulated about 73,000,000 pounds of dried eggs. About one-fourth of these are stored in a gigantic cave near Atchison, Kans.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SOLICITOR,
Washington, D. C., May 4, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: You have inquired about the way in which the small farmer is geared into the potato price-support program of this Department. A farm on which less than 3 acres is planted to potatoes is considered a small farm for the purpose of the program. It is technically called a noncommercial farm, although some of its production may at times be sold commercially. The Department does not fix any acreage allotment for such a farm. The farmer who operates it is automatically considered to be in compliance with the acreage allotment regulations of the Department. This is expressed in section 648.168 of the enclosed regulations dealing with the 1950 potato acreage allotments (15 Fed. Reg. 701) which provides that the 1950 acreage allotment for any noncommercial farm shall be the smaller of the 1950 planted acreage or 2.9 acres.

If the farmer wishes to participate in the price-support program, he submits, like any other farmer, an application for a certificate of eligibility, a copy of which is enclosed, in effect promising to comply with the provisions of the price-support program and pays a small service charge to the PMA county committee. This charge is based on 1 cent per hundredweight of the estimated yield of his farm, and the minimum charge is $3 for the application. After his application has been approved, Commodity Credit Corporation stands ready to purchase his potatoes when he offers them in accordance with the purchase announcement issued in his State, governing the purchases of potatoes by CCC under the price-support program. If he does not wish to participate in the program, he does not apply for a certificate of eligibility and is free to sell his potatoes to anybody he pleases but CCC will not buy his potatoes.

If a farmer does not receive notice as to his farm acreage allotment, he may assume that his allotment is for a noncommercial farm, that is, for less than 3 acres. If he believes that he is entitled to a greater allotment, he may appeal in accordance with section 648.172 of the regulations.

Sincerely yours,

W. CARROLL HUNTER,
Solicitor.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SOLICITOR,
Washington, D. C., May 18, 1950.

Subject: Time of application for certificate of eligibility.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: You have inquired as to when a small farmer has to apply for a certificate of eligibility under the 1950 potato price support program. Generally, such applications have to be made by farmers, small or otherwise, prior to harvest, the exact dates being determined by the State PMA committee. On the assumption that you are interested in the date applicable to your congressional district, we have caused an inquiry to be made of the State PMA committee in Texas as to such date, and we shall notify you as soon as we receive the information. In accordance with your request your file on this matter is returned.

Sincerely yours,

W. CARROLL HUNTER,
Solicitor.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 26, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: With reference to the test of what potatoes are considered as produced for commercial sale within the meaning of S. 2634, which was the subject of your inquiry of May 17, 1950, it should be noted that the bill defines a commercial farm as "any farm planting three or more acres of potatoes or such smaller acreage of potatoes as the Secretary determines to constitute the production of potatoes primarily for commercial purposes."

The Secretary has not had occasion as yet to issue any regulations or reach any determinations as to the circumstances under which he would consider the potatoes from an acreage of less than 3 acres to be produced for commercial purposes. In the event that the legislation is adopted, we feel sure that a reasonable workable test can be adopted which will protect the rights of the growers and, at the same time, avoid the waste of Government funds and excessive administrative difficulty.

As you requested, we are returning our letters of May 2 and May 9, 1950.

Sincerely yours,

WESLEY MCCUNE,
Executive Assistant to the Secretary.

Potato tabulation sheet, compiled for the National Potato Council, Washington, D. C.

	Harvested acreage (1,000 acres)						Yield per acre (bushels)						Production (1,000 bushels)					
	1945	1946	1947	1948	1949 [1]	Average 1945–49	1945	1946	1947	1948	1949 [1]	Average 1945–49	1945	1946	1947	1948	1949 [1]	Average 1945–49
United States	2,700.2	2,598.5	2,100.9	2,109.3	1,901.3	2,282.0	155	186	185	216	211	191	418,765	[2] 484,174	389,048	454,654	401,962	429,721
Maine	209.0	219.0	184.0	193.0	149.0	191.0	261	358	350	385	450	361	54,549	78,402	64,400	74,305	67,050	67,741
New York, Long Island	72.0	72.0	61.0	61.0	54.0	64.0	270	330	330	310	230	294	19,440	23,760	20,130	18,910	12,420	18,932
New York, up-State	110.0	104.0	81.0	85.0	76.0	91.0	100	185	160	225	240	182	11,000	19,240	12,960	19,125	18,240	16,113
Pennsylvania	137.0	127.0	109.0	105.0	103.0	116.0	121	158	165	185	186	163	16,577	20,066	17,985	19,425	19,158	18,642
Michigan	164.0	149.0	118.0	109.0	104.0	129.0	110	123	105	150	165	131	18,040	18,327	12,390	16,350	17,160	16,454
Wisconsin	128.0	113.0	96.0	87.0	80.0	101.0	95	105	105	150	170	125	12,160	11,865	10,080	13,050	13,600	12,151
Minnesota	174.0	151.0	121.0	108.0	100.0	131.0	110	115	140	160	160	137	19,140	17,365	16,940	17,280	16,000	17,345
North Dakota	170.0	150.0	128.0	125.0	109.0	136.0	138	125	160	160	170	151	23,460	18,750	20,480	20,000	18,530	20,244
South Dakota	31.0	29.0	23.0	22.0	18.0	25.0	95	98	85	125	56	92	2,945	2,842	1,955	2,750	1,008	2,300
Nebraska	69.0	67.0	52.0	53.0	52.0	58.0	170	175	155	195	170	173	11,730	11,725	8,060	10,335	8,840	10,138
Montana	17.0	17.0	13.0	16.0	15.0	16.0	125	130	145	160	140	140	2,125	2,210	1,885	2,560	2,100	2,176
Idaho	200.0	178.0	130.0	150.0	144.0	160.0	225	255	220	300	240	248	45,000	45,390	28,600	45,000	34,560	39,710
Wyoming	13.5	12.4	10.5	12.0	11.0	12.0	175	205	195	190	170	187	2,362	2,542	2,048	2,280	1,870	2,220
Colorado	91.0	86.0	74.0	78.0	66.0	79.0	195	230	250	275	275	245	17,745	19,780	18,500	21,450	18,150	19,125
Utah	18.0	18.0	13.5	15.1	15.4	16.0	180	185	185	210	195	191	3,240	3,330	2,498	3,171	3,003	3,049
Nevada	3.8	3.2	2.3	1.8	1.8	3.0	200	210	210	200	190	202	760	672	483	360	342	523
Washington	38.0	44.0	35.0	40.0	36.0	38.0	240	230	280	315	280	269	9,120	10,120	9,800	12,600	10,080	10,344
Oregon	52.0	52.0	38.0	41.0	41.0	45.0	237	260	250	310	290	269	12,324	13,520	9,500	12,710	11,890	11,989
California, late	46.0	38.0	34.0	41.0	45.0	41.0	290	345	350	365	360	342	13,340	13,110	11,900	14,965	16,200	13,903
18 surplus, late	1,743.3	1,629.6	1,323.3	1,342.9	1,220.2	1,452.0	169	204	204	243	238	212	295,057	333,016	270,594	326,626	290,201	303,099
New Hampshire	6.8	6.1	4.7	4.5	4.3	5.0	150	205	190	215	225	197	1,020	1,250	893	968	968	1,020
Vermont	9.8	8.7	7.2	7.0	6.1	8.0	125	160	150	185	185	161	1,225	1,392	1,080	1,295	1,128	1,224
Massachusetts	22.3	21.2	16.3	16.5	13.9	18.0	130	170	195	215	205	183	2,899	3,604	3,178	3,548	2,850	3,216
Rhode Island	7.2	8.1	6.3	6.8	5.8	7.0	185	215	240	215	200	211	1,332	1,742	1,512	1,462	1,160	1,441
Connecticut	19.9	18.3	14.6	14.6	12.8	16.0	175	240	250	225	230	224	3,482	4,392	3,650	3,285	2,944	3,551
West Virginia	29.0	26.0	25.0	22.0	20.0	24.0	100	110	135	95	100	108	2,900	2,860	3,375	2,090	2,000	2,645
Ohio	59.0	54.0	42.0	41.0	38.0	47.0	119	140	130	165	165	144	7,021	7,560	5,460	6,765	6,270	6,615
Indiana	29.0	28.0	25.0	23.0	20.0	25.0	135	160	150	180	195	164	3,915	4,480	3,750	4,140	3,900	4,037
Illinois	19.0	18.0	12.0	11.0	10.0	14.0	95	98	88	103	100	97	1,805	1,764	1,056	1,133	1,000	1,352
Iowa	25.0	24.0	13.0	13.0	11.0	17.0	110	120	75	110	100	103	2,750	2,880	975	1,430	1,100	1,827
New Mexico	4.5	4.0	3.6	3.0	3.0	4.0	75	85	85	90	82	83	338	340	306	270	246	300
11 other late	231.5	216.4	169.7	162.4	144.9	185.0	124	149	149	162	163	149	28,687	32,264	25,235	26,386	23,566	27,228
29 late States	1,974.8	1,846.0	1,493.0	1,505.3	1,365.1	1,637.0	164	198	198	234	230	205	323,744	365,280	295,829	353,012	313,767	330,327
New Jersey	71.0	68.0	58.0	59.0	47.0	61.0	177	207	233	231	182	206	12,567	14,076	13,514	13,629	8,554	12,468
Delaware	3.5	3.4	3.2	3.0	3.5	3.0	90	104	105	96	140	107	315	354	336	288	490	357
Maryland	17.9	17.0	14.1	15.0	13.8	15.0	107	132	148	131	115	127	1,915	2,244	2,087	1,965	1,587	1,959
Virginia	68.0	68.0	63.0	63.0	54.0	63.0	129	157	150	183	169	158	8,772	[2] 10,676	9,450	11,529	9,126	9,910
Kentucky	38.0	37.0	34.0	31.0	30.0	34.0	99	103	99	82	91	96	3,762	3,996	3,366	2,542	2,730	3,279
Missouri	26.0	26.0	20.0	23.0	19.0	23.0	100	129	106	136	128	120	2,600	3,354	2,120	3,128	2,432	2,727
Kansas	17.0	16.0	12.0	12.0	11.6	14.0	82	102	99	123	96	100	1,394	1,632	1,188	1,476	1,114	1,361
Arizona	6.0	6.8	6.0	5.3	4.3	6.0	255	270	290	330	295	288	1,530	1,836	1,740	1,749	1,268	1,625
8 intermediate	247.4	242.2	210.3	211.3	183.2	219.0	133	158	161	172	149	155	32,855	[2] 38,168	33,801	36,306	27,301	33,686
North Carolina	72.0	83.0	68.0	70.0	61.0	71.0	122	152	130	149	129	136	8,784	[1] 12,616	8,840	10,430	7,869	9,708
South Carolina	21.0	24.0	20.0	16.0	15.0	19.0	122	149	122	88	110	118	2,562	3,576	2,440	1,408	1,650	2,327
Georgia	22.0	23.0	18.0	16.0	18.0	19.0	78	83	79	64	72	75	1,716	1,909	1,422	1,024	1,296	1,473
Florida	35.0	39.3	26.6	23.7	23.0	29.0	151	159	123	158	236	165	5,285	6,249	3,272	3,745	5,428	4,796
Tennessee	35.0	37.0	30.0	27.0	25.0	31.0	90	92	96	86	90	91	3,150	3,404	2,880	2,322	2,250	2,801
Alabama	47.0	46.0	37.0	35.0	32.0	40.0	105	101	90	104	104	101	4,935	4,646	3,330	3,640	3,432	3,997
Mississippi	26.0	27.0	20.0	17.0	16.0	21.0	72	80	73	71	70	73	1,872	2,160	1,460	1,207	1,120	1,564
Arkansas	38.0	37.0	28.0	26.0	26.0	31.0	72	89	90	91	90	84	2,736	3,293	2,520	2,366	2,080	2,599
Louisiana	42.0	40.0	31.0	24.0	21.0	32.0	61	57	53	59	59	58	2,562	2,280	1,643	1,416	1,239	1,828
Oklahoma	18.0	20.0	15.0	14.0	11.0	16.0	55	75	69	73	74	69	990	1,500	1,035	1,022	814	1,072
Texas	49.0	53.0	42.0	44.0	38.0	45.0	86	111	108	99	97	100	4,214	5,883	4,536	4,356	3,686	4,535
California, early	73.0	81.0	62.0	80.0	65.0	72.0	320	410	420	405	455	402	23,360	33,210	26,040	32,400	30,030	29,008
12 early	478.0	510.3	367.6	392.7	353.0	426.0	130	158	149	166	172	155	62,166	[2] 80,726	59,418	65,336	60,894	65,708

[1] December, 1949 crop estimate.
[2] Estimates include 125,000 bushels from 455 acres in Virginia, and 1,379,000 bushels from 4,470 acres in North Carolina unharvested but purchased by the Government under the price-support program.
Source of data: U. S. Department of Agriculture.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Fort Collins, Colo., March 1, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Congress of the United States,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: Your inquiry concerning the potato price-support program in Colorado was forwarded to our office today from the State Department of Agriculture in Denver, Colo. We are pleased to supply you with the following information:

1. At how many places or points did the Government purchase potatoes in Colorado?

We have three separate areas of production in Colorado; namely, the northern district comprising the counties of Morgan, Otero, Sedgwick, Larimer, and Weld; the western slope comprising the counties of Delta, Garfield, Eagle, Mesa, Montrose, and Pitkin; and the San Luis Valley, comprising the counties of Alamosa, Conejos, Costilla, Rio Grande, and Saguache. Purchases were made at all shipping points within each of the above counties.

2. About how many farmers or producers sold potatoes to the Government in Colorado?

There were 3,075 potato farms measured in 1949. Of this number, 1,830 qualified for price support by planting within their goals and paying the service fee. We do not have the actual number of growers since the problem of landlords and tenants is involved. Of the eligible potato farms, practically all of the 1,830 farms sold some potatoes to the Government under the price-support program. No potatoes were purchased from ineligible farms or producers.

3. Of those producers not selling potatoes to the Government, how many do you feel got as much as the Government paid?

We have no accurate figures on which to base our answer to this question. However, we believe most ineligible growers who pro-

duced intermediate potatoes obtained an equivalent of the support price for the U. S. 1 grades and better quality potatoes up to January 1, 1950. At the present time, the ineligible late potato growers are selling their potatoes, U. S. No. 1, at prices ranging from 5 to 50 cents below the announced support price. The eligible growers are still obtaining the equivalent of the announced support price for their U. S. No. 1 potatoes on the commercial market and the Government is buying the U. S. 1, size B, and U. S. No. 2 potatoes as a price-supporting measure. Many ineligible growers are forced to destroy their 1 B's and 2's, which represent a total loss to them.

We still have a sizable stock of potatoes from the 1949 crop stored under private ownership in Colorado. Present indications are that we will be forced to purchase quite a few of these potatoes from the eligible producers as a price-supporting measure. To this date the Colorado State committee has not purchased a single sack of U. S. 1, size A potatoes. All these better-quality potatoes have found an outlet through the regular commercial markets. It is possible we may have to purchase some of the better grades as a price-supporting measure before the season ends. However, a sizable quantity of the top quality and better grades of potatoes have moved into commercial channels without assistance from the Government support program.

We do feel the announcement of a support price tends to establish the market price, and as a result the ineligible growers benefit indirectly from the potato price-support program.

In accordance with your request, we are returning herewith the tabulation sheet which you forwarded to this office from Washington on February 25. If we can be of further service, kindly advise us accordingly.

Very truly yours,

LEWIS T. SHARP,
Acting Chairman, Colorado State Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Hartford, Conn., March 2, 1950.

To: LINDLEY BECKWORTH, Member of Congress.
From: Connecticut State PMA Committee.
Subject: Potato inquiry.

Question 1. Cannot tell exactly without spending considerable time going over tabulation but in general points of shipments were from warehouses of eligible growers by local pickup.

Question 2. About 85 growers sold potatoes. There are about 115 eligible growers or 285 growers for whom goals were established.

Question 3. Do not know but in general commercial market prices have been below support.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Newark, Del., March 3, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your inquiry of February 22, 1950.

In 1949, potatoes were purchased at two points in Delaware: Millsboro and Dover. Only 2,016 hundredweight, consisting entirely of low grades, were purchased from seven producers. We estimate that there were 86 commercial growers (growers having three or more acres) in 1949.

We were informed by several of the larger growers that they received average prices considerably above support levels. The fact that none of the eligible growers offered the Government U. S. No. 1 potatoes would indicate that quality grades generally commanded prices above support levels. Undoubtedly some low-grade potatoes moved at less than support prices; however, we have no data to support this and we believe such sales would involve only very limited quantities accumulated by grower in regular grading operations.

Very truly yours,

ERNEST S. MATTIFORD,
Acting Chairman, Delaware PMA State Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Gainesville, Fla., March 1, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: The following information with respect to potatoes is furnished you for Florida in accordance with your memorandum on the attached tabulation:

1. How many places or points did the Government purchase potatoes in Florida? Answer: Five in 1949.

2. About how many farmers or producers sold potatoes to the Government in Florida? Answer: 192 in 1949.

3. How many did not sell potatoes to the Government in Florida? Answer: 178.

4. Of those farmers or producers not selling potatoes to the Government, how many do you feel got as much as the Government paid? Answer: (a) Approximately 15 in South Florida with extra early winter harvested potatoes (small acreage); (b) about 20 located in various parts of the State with relatively small plantings marketed locally in nearby large towns or cities; (c) about 15 whose crop matured during a short, very favorable, market for new potatoes; total, approximately 50.

The above, of course, applies to commercial potato farms only (3 acres or more). These account for nearly 95 percent of the Florida production.

It should also be pointed out that the number of farms shown in item 2 above had by actual measurement 72 percent of the commercial acreage of the State, and we estimate that these farms made in excess of 80 percent of the commercial production. Also, only 5.4 percent of the Florida production was purchased in 1949 by the Government. The Florida producers made all possible efforts to merchandise their potatoes through commercial channels before offering them to the Government and in no instance that I know of was a high percentage of any grower's crop sold to the Government.

If we can be of further service to you, please advise.

Yours very truly,

R. S. DENNIS,
Executive Officer.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Boise, Idaho, March 2, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: In answer to your request of February 22, 1950, relative to the potato program in Idaho, there were approximately 6,800 potato farms in Idaho on which the acreage planted to potatoes was within the potato goal. In addition to these 6,800, there were approximately 2,500 potato farms on which the acreage planted to potatoes was in excess of the potato goal.

It is regretted that we are unable to give you the information on the number of Idaho farmers who have sold potatoes to the Government, as we do not have this information tabulated at the present time. It is estimated that a majority of the farmers eligible for price support sold their U. S. No. 1 size B grade potatoes to the Government. Under the marketing agreement in Idaho, growers are not permitted to ship potatoes out of the State less than 2 inches in diameter.

To date the Government has purchased in excess of 700,000 hundredweight of potatoes in Idaho. Nearly all of these potatoes were size 1 B or U. S. No. 2. In the early part of the season the price of potatoes was above support, and, therefore, the potatoes purchased were nearly all U. S. No. 1 size B. Lately, however, the commercial price of U. S. No. 2's has dropped below support, and we have been buying potatoes of this grade. The price of U. S. No. 1 size A potatoes has been above support, and both eligible producers and ineligible producers have been selling these potatoes on the commercial market. There is some indication that the price of U. S. No. 1 size A may drop below support, and some of these grade potatoes may be offered to the Government.

Ineligible growers did not receive as much for their U. S. No. 1 size B grade potatoes as eligible growers, as the only outlet for this grade potatoes for ineligible growers was for livestock feed or processing. Ineligible growers have been receiving the cull price for potatoes under 2 inches in diameter.

Attached you will find the potato tabulation sheet which you submitted to us. It is sincerely hoped that the above information will be of value to you.

Very truly yours,

HARRY C. BRANDT,
Member, Idaho State PMA Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Des Moines, Iowa, March 3, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This is in reply to your inquiry of February 22, 1950, in reference to the 1949 potato purchase program in Iowa.

The listing sheets in this office indicate there are 50 potato producers in Iowa. Twenty of these producers executed certificates of eligibility under the 1949 program. Up to the present time seven of these eligible growers have offered and sold potatoes to the Government.

All potatoes purchased in Iowa up to the present time have been distributed to section 32 or section 416 outlets. We do not anticipate we will be required to purchase potatoes which will not be distributed to these outlets.

We cannot accurately determine how many eligible producers not offering potatoes to the Government received as much as support price for the potatoes they sold commercially. In some instances growers probably felt they could not grade their potatoes in accordance with Federal inspection procedure. It must be borne in mind that some producers in Iowa only produce one or two carloads and consequently are not aware of the Federal inspection procedure.

If we can be of further assistance, we shall be glad to have you get in touch with us.

Very truly yours,

H. E. HAZEN,
Chairman, Iowa PMA Committee.

KANSAS STATE
BOARD OF AGRICULTURE,
Topeka, February 27, 1950.

The Honorable LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: I have the summary of your potato statistical data which you mailed to me on February 22, with the notations of certain information that you would like to have.

Your first question, "At how many points did the Government purchase potatoes in Kansas?" The Government purchased potatoes at 18 different shipping points.

The second question, "How many farmers sold potatoes to the Government in Kansas?" Twenty-five farmers sold potatoes to the Government in 1949.

The third question, "How many did not sell to the Government?" Sixty-one growers did not sell potatoes to the Government.

Of the growers not selling potatoes to the Government most of them received approximately the same price as paid by the Government. The prevailing price was in most instances that offered by the Government. During the early part of the season growers did receive a great deal more than support price for their potatoes. According to our records the Government purchased 133 cars of potatoes in Kansas during the 1949 growing season.

If there is any other information that you would like please feel free to call upon us.

Most sincerely yours,
KIMBALL L. BACKUS,
Director of Marketing.

KANSAS STATE
BOARD OF AGRICULTURE,
Topeka, March 7, 1950.

The Honorable LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: Thank you for your letter of March 2 requesting information. The following is a list of shipping points in which potatoes were purchased in Kansas during the 1949 growing season.

1. Midland.
2. Kansas City.
3. Rex Switch.
4. Lawrence.
5. Topeka.
6. Armourdale.
7. Turner.
8. Noria Switch.
9. Willard.
10. Morriss.
11. Menaken Switch.
12. Shorey Switch.
13. Morse.
14. Edwardsville.
15. Bonner Springs.
16. Muncie.
17. Lake View.
18. Linwood.

You asked for the names of the companies that purchased the potatoes for the Government. All of the potatoes that were purchased in Kansas were purchased by the State PMA office, whose headquarters are in Manhattan, Kans. Each car was inspected and the number of sacks of potatoes were certified by our office.

If there is any other information that you would like to have please do not hesitate in contacting our office.

Sincerely,
KIMBALL L. BACKUS,
Director of Marketing.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Lexington, Ky., March 3, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: Your request with regard to the price-support program on Irish potatoes, including the potato-tabulation sheet which was compiled for the National Potato Council, Washington, has been received.

I am happy to give you the figures as we have them here in Kentucky. We had potato goals established in five counties in Kentucky on 216 farms amounting to 3,150 acres. The planted acreages on the goal farms measured was 2,024.4. Of the 216 farms, only 38 availed themselves of the privilege of becoming eligible for price support. Planted acreages on these 38 farms amounted to 654.4 acres.

Of these 38 farms, 32 sold potatoes to the Government. They delivered 3,220 bags at a price of $5,909.

You can determine from the fact of these 216 eligible farms that 184 did not sell potatoes to the Government. It is possible that a few of these did not grow potatoes, but a very few. We have reason to believe that these people received at least support price for their potatoes which were sold on the open market.

We also have reason to believe that if it had not been for the support price potatoes would have brought less in Kentucky than they did.

It is our hope that this information is what you have requested, and we also stand ready and willing to supply you and other Members of Congress with any information we have.

Very truly yours,
R. O. WILSON,
Chairman, State PMA Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Baton Rouge, La., February 28, 1950.

Mr. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This will acknowledge your request of February 22, 1950, concerning Louisiana Irish potatoes.

Please be advised that no purchases of Irish potatoes were made under the 1949 Irish potato price-support program in Louisiana. Arrangements were made for the purchase of one carload of United States No. 1, size B, potatoes from four producers at New Roads, La.; however, the shipment was rejected at destination because of excessive deterioration and the purchase was not completed. We are of the opinion that practically all Louisiana Irish potato growers received prices equivalent to or better than the support price for potatoes produced in 1949.

If additional information is needed or if we can be of further assistance to you please advise us.

Very truly yours,
L. A. MULLIN,
Chairman, State PMA Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Park, Md., March 2, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: In reply to your request for information on the Maryland 1949 Irish potato support program, we wish to advise that we had two purchase offices established in our State for the 1949 support period—one of these located in Pocomoke City, Md., served the counties of Dorchester, Wicomico, Somerset, and Worcester; the other purchase office established in Hagerstown, Md., served the counties of Washington, Carroll, and Frederick. After acreages had been measured it was determined that 201 Maryland farmers were eligible for price support on their 1949 crop and of these about half sold potatoes to the Government. A very small percentage of our total crop was sold to the Government. The purchases were confined entirely to potatoes grading U. S. No. 1 size B, and U. S. No. 2 and our total purchases were 42,158 hundredweight. This represented approximately 100 carloads. The figure of 100 producers selling to the Government is an estimate which we have made at this office since our purchases were from dealers who certified that they had paid the support price or above to the eligible growers. In order for us to determine the actual number of producers whose potatoes were handled by the Government it would be necessary for us to secure figures from each of the dealers, rule out duplicates, etc.

For your information when our potato program began in 1946 we purchased approximately 1,300 carloads of potatoes. This purchase figure has decreased every year until 1949 when our purchases were listed as above. In this last year our growers were able to dispose of all of their potatoes of U. S. No. 1 grade 1⅞-inch minimum diameter to commercial outlets.

As requested in your note we are returning herewith the tabulation sheet which you sent to us.

Very truly yours,
JOS. H. BLANDFORD,
Chairman, Maryland PMA State Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
St. Paul, Minn., February 28, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: We have received your copy of the potato tabulation sheet compiled for the National Potato Council and have noted your questions on one corner of same. We are returning same herewith.

No doubt, you appreciate that the marketing season for 1949 potatoes in this State is at its peak now and will not be completed for some weeks so it is impossible to give you complete answers to the questions listed. However, we wish to advise you that we are purchasing potatoes in the main points of production which are the Red River Valley, Hollandale, Princeton, and Aitkin. The number of producers selling potatoes to the Government cannot be accurately given because many of the eligible producers have marketed their potatoes to certified dealers who, in turn, may offer them to the Government. As you know, there is a marketing agreement in effect in this area which controls the marketing of low-grade potatoes, therefore, the producers who are eligible to sell to the Government have, in most cases, taken advantage of their eligibility and have marketed their low grades through Government channels.

There is a considerable number of growers who did not meet the eligibility requirements and, therefore, could not market their potatoes through Government channels. These growers are putting on pressure to force the Government to purchase larger quantities from the eligible producers so they can obtain a better market for ineligible potatoes. The market for good-quality potatoes,

washed and waxed, has been above the Government support so that we have purchased very few potatoes of the best grades.

Very truly yours,

CHAS. W. STICKNEY,
State PMA Chairman.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION
Jackson, Miss., March 1, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: Reference is made to information requested on the enclosed form.

1. No potatoes were purchased in Mississippi under the 1949 Irish potato price support program.

2. No producers sold potatoes to the Government in this State in 1949.

3. Irish potato allotments were established for 51 farms in 1949.

4. We feel that all producers in this State received at least support level for Irish potatoes last year.

Mississippi is not an extensive potato-producing State. In 1949 only 10 producers made application and paid the necessary service fee in order to be eligible to participate in the price-support program. Our State acreage allotment for commercial Irish potatoes was 500 acres for 1949 and 400 acres for 1950.

Very truly yours,

T. M. PATTERSON,
Executive Officer.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Bozeman, Mont., March 7, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
Washington, D. C.

DEAR MR. BECKWORTH: We have your request of February 22 for information on the potato price-support program in Montana. The 1949 potato crop in Montana has not all moved to market at this date so that we cannot give you final information on the crop.

In 1949 potato goals were determined for 565 farms in the State. Of this number 235 farmers planted within their goals and made themselves eligible for price support by paying the required fee. Many of those who did not pay the eligibility fee did not plant in excess of their farm potato goals.

At the present time we have 11 purchase representatives operating in 12 counties in the State of Montana. Up to the present time we have purchased 23,901 hundredweight of potatoes in the State. We are sure that additional purchases will be made, particularly of lower grade potatoes. All purchases made up to date have been either U. S. No. 2 or U. S. No. 1 size B potatoes since up until very recently the market price for No. 1 potatoes was above the support level.

At this time we cannot give you an accurate estimate of the number of farmers who sold or who will sell potatoes to CCC under the 1949 price-support program. The market season for Montana potatoes normally extends until April 30 or May 15, since many of the potatoes produced here are in demand for use as seed. After that date we will be able to give you further information about the program if you wish it at that time.

Yours very truly,

DWIGHT F. MASSEY,
Acting for Montana State PMA Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Reno, Nev., March 3, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: Enclosed is your copy of a potato tabulation sheet.

The answers to your request for information concerning Nevada potatoes are as follows:

Nineteen hundred and forty-nine crop potatoes are being purchased by Commodity Credit Corporation in three counties in Nevada. At the present time we have purchased potatoes from 10 different growers, and it is expected that we may have to purchase potatoes from as many as 25 growers before the marketing season for 1949-crop potatoes is over.

Commercial potato allotments were established on approximately 180 farms in Nevada. Of these about 40 of the larger growers applied for and received eligibility certificates for price support. The other growers did not apply for various reasons. However, approximately 60 percent of all potatoes produced in Nevada are grown by the 40 growers who received eligibility certificates.

The 140 growers who did not apply for price-support eligibility probably felt that local markets would be able to take all of their potatoes at or above support prices. This was apparently true for all potatoes sold between harvest time, October 1949 and January 31, 1950. However, now many of the noneligible growers are selling potatoes at slightly less than support rates in order to dispose of the remainder of their crop.

Very truly yours,

EDWARD C. REED,
Executive Assistant.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Durham, N. H., March 6, 1950.

Hon. LINDLEY BECKWORTH,
Congress of the United States,
Washington, D. C.

DEAR MR. BECKWORTH: I will try to answer your questions on our potato purchases as clearly as possible.

I think you should know that the bulk of our potatoes are grown in the northern part of the State where climate and soils are most suitable, and the marketing centers are largely in the southern part of the State. This places these growers in the northern part of New Hampshire at a disadvantage, freightwise, with some growing areas in Maine.

We do have a few growers scattered over the central and southern part of the State who are in a favorable competitive position with Maine growers.

We have purchased potatoes at 22 different points in the State and will likely purchase them from 4 or 5 additional points. To date we have purchased potatoes from 42 growers and will likely purchase from 6 or 7 additional growers.

We have 24 eligible growers from whom we have not purchased potatoes. These growers are located near centers of population and generally have a special arrangement with local stores. We may have to purchase lower grades of potatoes from some of these growers. We are encouraging these grower-dealer arrangements where possible. We have 99 growers who, for one reason or another, did not become eligible and who grow three or more acres, from whom we have not and will not purchase potatoes. Some of these growers did not plant within their acreage allotment, and others did not make application for eligibility.

The growers near our cities have generally gotten the support price when they sold direct to retail distributors.

Growers at a distance from cities who sell through commission handlers have not generally gotten the support price.

Most sincerely yours,

J. RALPH GRAHAM,
Chairman, PMA State Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
New Brunswick, N. J., March 1, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: In 1949 we had purchase representatives under the potato-purchase program in Freehold, Monmouth County; New Brunswick, Middlesex County; Trenton, Mercer County; Mount Holly, Burlington County; and Bridgeton, Cumberland County. The areas covered made it possible for any eligible potato producer to have the opportunity to receive price support.

Most of the potatoes purchased in New Jersey are handled by dealers, so it is impossible to report from the State office the number of producers from whom potatoes were purchased. A total number of 770 producers were fully eligible, representing 26,495 acres; 865 producers planted within their goal, covering 27,059 acres; 290 producers overplanted their goal and planted 10,816 acres. Many of the producers planted in excess of their goal, others ineligible are small growers selling their potatoes retail at stands or at summer resorts. Growers outside the program in 1949 did not receive as nearly the Government support price as in other years, since many early potatoes were small and graded as size B. From talking with different ones in the potato trade, dealers and producers, potatoes sold outside Government support at times brought 30 or 40 cents under support. It is sometimes felt that if potatoes were allowed to find their own price level, not having market support. that potatoes would have sold at about half support price—of course, this is only different persons' belief, there is no proof that this statement is true.

Your request for this information was sent to Trenton, and our office is at the College Farm, New Brunswick.

Sincerely,

H. EARL PROPST,
Executive Officer.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Columbus, Ohio, February 28, 1950.

Re 1949 potato price support program.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This is to advise that we are in receipt of the Potato Tabulation Sheet—compiled for the National Potato Council, Washington, D. C., showing the 1949 production as 6,270,000 bushels of potatoes for Ohio.

The following is in answer to your penciled notations on the tabulation sheet bearing the date February 22, 1950:

Question. At how many places or points did the Government purchase potatoes in Ohio?

Answer. The Ohio PMA Committee purchased potatoes from eligible growers from the outset of the 1949 potato-support program to February 28, 1950, at 38 points in Ohio.

Question. About how many farmers or producers sold potatoes to the Government in Ohio?

Answer. During the course of the 1949 potato-price-support program there were 38 eligible potato growers who sold eligible potatoes to Commodity Credit Corporation.

Question. How many did not?

Answer. There were approximately 1,162 potato growers in Ohio who did not sell potatoes to the Commodity Credit Corporation under the 1949 potato-price-support program. Some of these growers included in this figure were eligible growers. However, the majority overplanted their potato goal and consequently were not eligible for price support.

Question. Of those farmers or producers not selling potatoes to the Government, how many do you feel got as much as the Government paid?

Answer. Up until approximately January 10, 1950, the commercial price for U. S. No. 1 potatoes in Ohio was on the average more than the support price. Consequently, U. S. No. 1 potatoes were not offered by eligible growers and both the eligible growers and those growers not eligible for price support received approximately the same for their potatoes. However, the off-grade potatoes were offered by eligible growers and were purchased in some small quantity which probably brought somewhat larger returns to the eligible grower for his off-grade potatoes than if he had sold those grades in the open market.

Since February 10, 1950, it is our estimate that growers not selling U. S. No. 1 potatoes to CCC realized somewhere between 20 and 30 cents per hundredweight less than those growers selling potatoes under the price-support program, after taking into consideration the cost of trucking from the grower's farm to the market. It is only fair to point out that this is an estimate only since, as you may know, the State of Ohio is in the fortunate position of having several available markets within the State for potatoes producted in Ohio.

We hope this information is sufficient for your needs.

Very truly yours,
OHIO STATE PMA COMMITTEE.
By DALE R. WILLIAMS.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Harrisburg, Pa., March 10, 1950.

The Honorable LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: Because of my extended absence from the office your communication has remained unanswered. In reply please accept this belated report:

1. Potato purchases at approximately 400 points.

2. We have 6,134 commercial potato growers in Pennsylvania (that is, growing over 3 acres).

3. Only 643 of these commercial growers were certified as eligible for price support under the 1948 program. All purchases were confined to these 643, but naturally a protected market for less than 1,000,000 bushels pegged the price for the noncooperator as well as the eligible producer.

4. I believe most of the potato growers in the State were able to sell at the support level. A very small minority moved into the market at less than support.

We are very glad that we have been able to move most of our Pennsylvania potatoes in the local market.

Cordially yours,
JOHN A. SMITH,
Secretary, State PMA Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Providence, R. I., March 1, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This will acknowledge receipt of the potato tabulation sheet—compiled for the National Potato Council, Washington, D. C., with circled 1949 yield figure for Rhode Island.

The tabulation sheet is being returned to you as requested. Answers to your questions are as follows:

Nineteen hundred and forty-nine potatoes have been or are being purchased at approximately 63 points in Rhode Island. This is based on the fact that purchases are made at the storages of the eligible producers. These points are in 10 township areas in 3 counties.

Eligible producers number 63, and there are approximately 111 other commercial producers. The total of eligible producers is 36.2 percent of the commercial growers in the State. When it is said that there are approximately 111 other producers it is meant that 111 commercial growers received acreage allotments who did not comply with the regulations of the 1949 support price program. Every known commercial producer received an acreage allotment. However, there are probably a few individual producers who came into potato production in 1949 for the first time and without an acreage allotment.

Your question relative to how many of the ineligible producers who sold potatoes for as much as Government support price is a little difficult to answer in positive terms. Early in the harvest season, and in Rhode Island the harvest starts in August, it is felt that most producers received Government support price or higher. This condition continued for some time. In the late fall, however, the situation was reversed.

In our considered opinion the majority of potatoes harvested in Rhode Island have been selling and will sell for anywhere from 15 to 30 cents per hundredweight below published support price. It is also felt that the market in general would have been down to $1 per hundredweight without any price support.

Respectfully yours,
OSCAR R. HALLENE,
Chairman, State PMA Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Nashville, Tenn., March 6, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: We are returning the potato tabulation sheet sent to us by you requesting certain information on the potato purchase program.

In Tennessee less than one-fourth of the total estimated production of potatoes is grown on commercial farms or farms which sell potatoes. For instance, we had 554 commercial producers in Tennessee in 1949. These farms produced approximately 500,000 bushels of potatoes. You will note that the total production estimated by the BAE was 2,250,000 bushels. The remaining 1,750,000 bushels was grown all over the State in garden patches by thousands of producers.

Out of the commercial producers above mentioned, 60 producers delivered potatoes under the price-support program, furnishing a total of 2,450 hundredweight. We believe that practically all of the remaining commercial producers sold their potatoes at or above the support price. Of course, the noncommercial producers consumed their potatoes.

Please feel free to call on us for information at any time.

Very truly yours,
CARL FRY,
Chairman, State PMA Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., February 27, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: We want to thank you for your letter of February 23 in the interest of Mr. C. E. Kennedy, route 2, Pittsburg, Tex.

We are enclosing a copy of letter sent to Mr. Kennedy which is self-explanatory. We are also enclosing potato tabulation sheet as requested and also purchase announcements on programs in the Lower Rio Grande Valley, San Antonio, and west Texas area.

The following answers are approximate. During 1949 there were nine buying stations. PMA representatives purchased the potatoes. Those shipped to school lunch and institutions were paid for out of section 32 funds while the stockfeed potatoes were paid for from CCC funds. The Government purchased during 1949, 220,327 hundredweight, of which 26,100 hundredweight was shipped for school lunch and institutions. Fifty-four thousand three hundred hundredweight were shipped to processing plants. It is estimated that production in Texas of Irish potatoes for 1949 was 1,843,833 hundredweight. This would include all potatoes produced. We have no figures on the number of potatoes that were sold commercially or the price they brought. We regret that we are unable to give you the exact figures.

Again thanking you for your cooperation, we are,

Yours very truly,
B. F. VANCE,
Chairman, State PMA Committee.
By DENNIS M. POE,
Purchase Representative.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 9, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of February 24, requesting information on recent recommendations that have been presented to the Congress by this Department concerning changes in the authority provided in section 416 of the Agricultural Act of 1949.

We have recently received a request from the Honorable HAROLD D. COOLEY for legislative reports on five bills that have been introduced in the House to amend section 416 or to provide additional authority for the donation of surplus commodities to certain needy groups. We are now reviewing the various changes proposed in these bills, which include changes in the provisions on costs to be borne by the recipient agency.

We are hoping to complete our analysis and to forward our comments and recommendations to the House Committee on Agriculture in the very near future.

Sincerely yours,
K. T. HUTCHINSON,
Acting Secretary.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., March 22, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,

DEAR MR. BECKWORTH: In reply to your letter of March 13 referring to my letter of Feb-

ruary 27, 1950, we wish to advise that potatoes were bought in nine different counties in the State which are as follows: Cameron, Willacy, Hidalgo, Bexar, Lubbock, Hale, Swisher, Deaf Smith, and Baylor Counties. The PMA administrative officers in the various counties buy potatoes and deliver them to feeders locally. All carload shipments are handled through a central point. I am purchase representative for Texas and all records are cleared through our office.

In the lower Rio Grande Valley we set up an office at San Benito, Tex., and from this office we handle all reports from the three buying points in the area. Each county might have as many as five or six loading points.

In the San Antonio area there are three counties involved: Medina, Atascosa, and Bexar. We only purchased in Bexar County last year.

In the west Texas area we set up an office in Amarillo and we purchased from the following counties: Lubbock, Hale, Swisher, Deaf Smith, and Baylor counties. In these counties there are from one to eight loading points. The administrative officer in the county offices acts as assistant purchase representative.

It is regretted that I am not in a position to give you the breakdown of how many potatoes were bought at each locality as I explained in my letter of the 27th. I can furnish you figures by areas.

For your information we are buying sweet potatoes in the Pittsburg area involving 10 counties. The potatoes are coming in very, very slow. There seems to be a lack of interest by the growers and shippers here. The last 2 days have improved. We have only purchased 19 cars. Washington allocated the area 75 cars. It is hoped that the growers will take advantage of this opportunity as many have potatoes stored on their farms.

Your very truly,

DENNIS M. POE,
Purchase Representative.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., June 23, 1950.

Subject: Closing dates applicable to eligibility under 1950 potato price support program.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: Mr. S. R. Smith, Director of Fruit and Vegetable Branch, Washington, D. C., has requested that we furnish you a list of the counties in Texas that set closing dates for payment of fees in determining eligibility for farmers under the 1950 Irish potato price support program.

The following counties are the only counties in the State of Texas that set closing dates in accordance with the regulations. Closing dates in all instances are to be set 15 days prior to beginning of harvest:

COUNTY AND CLOSING DATE

Atascosa County, May 1, 1950.
Bailey County, July 1, 1950.
Bastrop County, May 15, 1950.
Bexar County, May 17, 1950.
Cameron County, March 24, 1950.
Camp County, May 25, 1950.
Castro County, June 1, 1950.
Crosby County, May 15, 1950.
Deaf Smith County, June 15, 1950.
Fort Bend County, June 30, 1950.
Franklin County, May 20, 1950.
Hale County, June 16, 1950.
Hardin County, June 15, 1950.
Harris County, May 15, 1950.
Hidalgo County, May 1, 1950.
Hopkins County, May 15, 1950.
Lamar County, May 15, 1950.
Lamb County, June 15, 1950.
Leon County, May 26, 1950.
Lubbock County, June 20, 1950.
Medina County, May 10, 1950.
Milam County, May 12, 1950.
Parmer County, June 15, 1950.
Swisher County, June 20, 1950.
Wharton County, May 1, 1950.
Willacy County, March 24, 1950.
Wood County, June 10, 1950.

Trusting that this is the information desired, we are,

Very truly yours,

B. F. VANCE,
Chairman, Texas State PMA Committee.
By DENNIS M. POE,
Purchase Representative.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington, D. C., August 2, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in further regard to your recent inquiries concerning the established procedure for a producer to follow if he desired to participate in the 1950 Irish-potato price-support program in Texas.

An Irish-potato producer was required to plant within the acreage allotment established for his farm, submit an application for a certificate of eligibility in which he agreed to abide by certain program requirements, and pay a nominal service charge.

Individual allotments were issued only to those farms where history and other pertinent factors indicated an allotment of three or more acres was justified, while smaller farms were regarded as being in compliance with their allotment so long as their planted acreage did not exceed 2.9 acres. Producers were requested to apply for the individual allotments but such application was not essential because county records of planted acreages in previous years are maintained and all old farms on which a record was available was given consideration in issuing the 1950 potato allotments. Of course, no application for allotments from the farms producing less than three acres was necessary.

Specific closing dates for filing applications for certificates of eligibility were established in the 22 counties in Texas where it was known that there was some possibility that potato producers would desire to avail themselves of the 1950 price-support program. However, the program was publicized in the other counties and growers were given an opportunity to file an application for a certificate of eligibility. Any producer who applied to his county PMA office a reasonable period prior to harvest would have received consideration. After application and remittance of the service charge the producer's planted acreage would have been measured and, if it was within his established allotment or less than three acres, a certificate of eligibility would have been issued. It is believed that all Irish-potato producers are informed of the support program because of information furnished by the State and county PMA offices and because of the widespread general publicity which the program has received. Therefore, all interested growers could have contacted their county PMA offices to establish their eligibility status even though a specific closing date might not have been established in their particular county.

After a producer receives a certificate of eligibility, he may offer eligible potatoes to the purchase representative of the Commodity Credit Corporation in his county if he cannot sell them commercially at the market price. The 1950 Irish-potato crop in Texas has been marketed with considerable success and surplus purchases to date have been nominal.

It is hoped that this explanation will outline the procedure which was followed in order for a producer to participate in the 1950 Irish-potato price-support program in Texas.

Sincerely yours,

FRANK K. WOOLLEY,
Deputy Administrator.

UNITED STATES DEPARTMENT
OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Burlington, Vt., February 28, 1950.

Mr. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR SIR: As of March 1, 1950, the Vermont PMA has purchased potatoes from 50 of its 72 eligible 1949 growers. These were purchased at some 31 different points. Vermont's commercial-acreage allotment in 1949 was 2,200 acres.

It is only a guess, but I would expect the majority of our 22 eligible growers who did not offer potatoes to the Government received an equal price in the regular channels.

This would not be true of those growers who did not qualify for certificates of eligibility or were not otherwise eligible for support prices or interested in same. In this outside group are many small growers who dump their potatoes into consumer channels at digging time in the fall, or who peddle from house to house during October and November because they do not have storage. We know of many who did this as low as $1.50 per hundredweight, and so forth.

I expect we will move at least 150,000 hundredweight or more of Vermont potatoes for livestock feed before the purchases cease. We have had a continuing demand for same and no Vermont potatoes will be dumped or wasted.

Recently, buyers have been reticent to pay even support prices, but they'll kick when farmers offer them for livestock feed. We have also taken care of all eligible school lunch and institutional demands.

Trust this will answer your inquiry. I am returning your potato tabulation sheet.

Very truly yours,

THOMAS H. BLOW,
Administrative Officer.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Richmond, Va., February 27, 1950.

Hon. LINDLEY BECKWORTH,
The Congress of the United States,
House of Representatives, Washington, D. C.

DEAR MR. BECKWORTH: This is in reference to your note of February 22, 1950, requesting additional information on potato production in Virginia.

The total production of 9,126,000 bushels is the BAE 1949 crop estimate for this State, of which 6,785,000 bushels, or 74.3 percent, was the production in our commercial area.

Our commercial area is comprised chiefly of two counties on the Eastern Shore of Virginia and four counties in the vicinity of Norfolk, Va. The commercial production in 1949 may be divided between these two areas as follows—Eastern Shore area, 5,357,000 bushels; Norfolk area, 1,428,000 bushels.

In the operation of the Government purchase program, we have two purchase offices, one located on the Eastern Shore at Onley, Va., and the other in the city of Norfolk.

It is difficult to determine just how many farmers sold potatoes to the Government in Virginia, since, except in the case of a few

very large growers, the bulk of the crop was offered through dealer organizations. However, there were about 677 potato farms in the commercial area who were eligible to offer potatoes to the Government under the allotment program. It is reasonable to assume that potatoes from a large percentage of these farms reached the Government by virtue of the fact that Virginia's commercial area operated under a marketing agreement program which restricted from commercial channels all potatoes but those grading U. S. No. 1 or better. Except to processing firms, the only outlet for potatoes below U. S. No. 1 grade was to the Government.

Of Virginia's total 1949 production of 9,126,000 bushels, Government purchases amounted to 651,740 bushels or 7.1 percent of the total.

An idea of how much growers received for potatoes not sold to the Government may be derived from study of the following figures. The Government purchases, 651,740 bushels, amounted to $634,200, or an average price of 97.3 cents per bushel. BAE gives a figure of $1.45 per bushel as the average price for the entire 1949 Virginia crop. From this, it would appear that the 93 percent of the crop that did not go to the Government averaged from 45 to 50 cents above the support price. It must be remembered, however, that the potatoes which moved commercially were of top grade; whereas, 92 percent of those purchased by the Government were below U. S. No. 1 grade.

It is hoped that this information is what you want and will be of some value to you. Please call on us if we can be of further assistance.

Very truly yours,

R. B. BRIDGFORTH,
Chairman, Virginia PMA State Committee.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND
MARKETING ADMINISTRATION,
Richmond, Va., March 7, 1950.

Hon. LINDLEY BECKWORTH,
The Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: In reference to your request of March 2, we enclose a list of the certified dealer organizations through whom Government potato purchases were made in Virginia last year.

Also enclosed is a list of shipping points. Note that these are broken down between the Norfolk area and the Eastern Shore area. The single largest shipping point in the State was Euclid, located just east of the city of Norfolk, where Mr. Guy W Capps operates a very large washing and grading platform on the Norfolk Southern Railroad and from which we shipped on occasions in excess of 200 cars per day. The Toano shipping point is the only one included in the Norfolk area not located in the immediate vicinity of Norfolk. Toano is 40 miles southeast of Richmond in James City County.

The Eastern Shore shipping points are located along the Pennsylvania Railroad, north to south in the order named. The largest of these is Exmore. Our purchase office on the Eastern Shore was located at Onley, which is a central point and the headquarters for the largest Eastern Shore dealers.

Very truly yours,

R. B. BRIDGFORTH,
Chairman, Virginia PMA
State Committee.

STATE OF WEST VIRGINIA,
DEPARTMENT OF AGRICULTURE,
Charleston, February 27, 1950.

The Honorable LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR SIR: Recently you requested information on the potato program in West Virginia. To my knowledge no farmers in the State of West Virginia have ever sold potatoes to the Government. This is not only true in 1949 but in previous years as well. The chairman of the State Agricultural Conservation Committee made a similar statement recently. According to the recent figures published by the United States Department of Agriculture, only 330,000 bushels will be sold from the 1949 crop. Consumption of potatoes in West Virginia far exceeds the production. We encourage farmers to sell their production at harvest time.

There are about 60,000 farms producing potatoes in West Virginia, but out of these we have only a few who can sell a car or more at one time. Farmers who grade their potatoes to meet the Government requirements are able to obtain market price or above for their crop. Therefore, practically all the potatoes which are sold bring a price above the Government-support price.

If I can be of any further assistance to you, kindly advise.

Yours sincerely,

J. B. MCLAUGHLIN,
Commissioner of Agriculture.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND
MARKETING ADMINISTRATION,
Madison, Wis., February 27, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR MR. BECKWORTH: Received your potato tabulation sheet—compiled for the National Potato Council, Washington, D. C., and you were inquiring as to the number of places or points that CCC purchased potatoes in 1949. This is 70 different places, that is concentration places where potatoes were inspected.

The next question, the number of farmers or producers that sold potatoes to CCC in 1949 was 123 farmers.

Number 3, farmers or producers who did not sell to CCC in 1949. We take it that you mean farmers or producers that were eligible to sell and if you take those who were eligible to sell and did not, that was 691 farmers.

The fourth question as to whether I thought farmers who did not sell to CCC got price support is a rather difficult one to answer as we have no way of knowing whether they did or not. We do know that they got more for their potatoes because the price of all potatoes under the present system is supported.

I hope that this answers your questions and if there is anything further that we can help you with we will be very happy to do so.

Yours very truly,

WALTER F. KATTERHENRY,
Chairman, Wisconsin PMA Committee.

Mr. SASSCER. Mr. Chairman, I would like to pause for a moment to pay respects to one of the most esteemed members of the Press Gallery, Mr. George W. Combs, who today is celebrating his forty-second anniversary of service with the Baltimore Sun. Mr. Combs has been a member of the Press Gallery for 33 years continuously. If this is not the record it is close to it. During those 33 years he has enjoyed the esteem, confidence, and admiration of the Members of this body who have regarded him as an outstanding gentleman and journalist. Mr. Combs has been treasurer of the National Press Club for eight terms without opposition, receiving the last time the biggest vote the Press Club has ever polled.

Mr. MORRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not believe there is any person in this House who is more opposed to communism than I am. I might not agree with some of my colleagues as to the best method of combating communism, but certainly no one could possibly be more opposed to it than I. But, I call your attention to the fact that as to this particular bill, if it is properly administered—and I have reason to believe, naturally, that it will be—that we have a great many people in this country who are needy and will be from time to time, and I should think that most of the food will go to furnish supplies for the school lunches and for other charitable uses, and I would not think that a great deal would go overseas at all. Certainly, we have many of our own people at this time who need food as well as among our allies. And, I might call your attention to the fact that it could easily occur that some of these so-called satellite nations might start breaking away from the domination of Russia, and we might be very anxious to afford them a further incentive to break away and might want to furnish some food to them so as to do a Christian act and to further ingratiate ourselves in their hearts; and then further, my friends, I can think of nothing that would make America more beloved by any individual person, regardless of who he might be, than by furnishing him something to eat. Although I believe that almost none of this food would ever find its way into countries that might be such satellite countries, yet if some of it should I think it would do far more good for us than it would harm. So, certainly, I do not believe that the Secretary of Agriculture should have his hands tied by this amendment.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. The gentleman said that if we would send this food behind the iron curtain it might cause them to break away from Russia. Does not the gentleman think they would break away much more quickly if they got hungry than they would if we cut them off and they remained under the domination of Russia?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the gentleman know that the plan of the Communists in China right now is to starve the people of China into submission? People do not revolt because they are hungry, they submit because they are hungry; they follow the dictators because they are hungry and to say now that we should let them become hungry in the hope that they will fall in our arms is just too absurd.

Mr. DAVIS of Georgia. Does that mean it places the burden on us to feed all of China so that they will not starve in accordance with Russian plans?

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Georgia.

Mr. COX. Will not the gentleman agree that it is this same policy of appeasement that has gotten our head into the lion's mouth?

Mr. MORRIS. I will say to the distinguished gentleman from Georgia that this is certainly not a matter of appeasement. There is no appeasement in this that I can see in any sense of the word, so I disagree with the gentleman as much as I admire him and his ability.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. Does not the gentleman think that if this food is shipped into countries that are dominated by the Communists that it is not going to be the poor people who need the food that get it, but the Communists who will get it?

Mr. MORRIS. As I said a moment ago, I think almost none of it will find its way over there, but if a little bit does, I think it would do far more good than harm for us.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that we have gone quite a ways afield from the subject matter of the legislation that is before us. The Committee on Agriculture brought in a bill here that relates to the distribution of surplus foods that the United States now owns. That committee confined itself to a method of distributing those foods. An amendment has been offered here which greatly appeals to me. It may or may not be sound public and foreign policy but I do not think that it was the province of the Committee on Agriculture to pass upon the foreign policy of the United States. I think had that committee brought in a bill with provisions in it relating to the foreign policy of this country, some of the very gentlemen who have supported this amendment would be rising here questioning the propriety of the Committee on Agriculture setting themselves up as experts in foreign relations.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Georgia.

Mr. COX. Does the gentleman not agree that it is the right of Congress to form the policy of the United States?

Mr. POAGE. I do.

Mr. COX. And this is an effort on the part of the House, the branch of the legislative department, to do just that very thing?

Mr. POAGE. There is no question about that. But, I doubt the propriety of doing it as a rider on an agriculture bill. However appealing the proposal, it seems to me to be of sufficient importance to justify serious committee consideration.

Mr. COOLEY. Mr. Chairman, will gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. The House has the right to pass a tax bill if it wants to do it.

Mr. POAGE. That is right. But, we have been repeatedly told that we have not got the right to put a tax bill on a price-control measure.

We have brought in a bill here which relates solely to the handling of agricultural surpluses. It does not establish any foreign policy one way or the other. It seems to me to be a rather dangerous practice to try to establish foreign policy in such a haphazard method. Surely the question raised by the gentleman from Georgia is of sufficient importance to justify careful drafting and detailed committee consideration. This amendment has not had this kind of consideration. I agree, and everyone agrees that we should not help the spread of communism. I recognize there is a great deal of merit to the proposal, but I also recognize that there are many practical difficulties in the way of writing the kind of proposal that he has written. For instance, how would you determine a Communist or Communist-dominated country. I do not know just what countries they are. Is Finland Communist-dominated? Is India a Communist country?

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. DAVIS of Georgia. The gentleman heard the gentleman from Iowa——

Mr. POAGE. No, unfortunately I did not hear him, but the gentleman may proceed.

Mr. DAVIS of Georgia. He just gave the House an instance of where 50,000 tons of Irish potatoes went into Russian territory at a cent a hundred pounds. I am sure the gentleman is not in favor of that, and when we have an opportunity, as we have here today, to enact legislation to prevent that sort of thing, does not the gentleman think we should do it?

Mr. POAGE. I think this bill does prevent exactly that sort of thing, if it happened, and I want to say to the gentleman I do not believe there ever were any 50,000 tons of Irish potatoes which went into anybody's country at a cent a hundred pounds even though I do not doubt that the gentleman from Iowa may have seen such a story in print. I say that for this reason. I realize that the present law allows the Secretary to sell those potatoes at a cent a hundred pounds, or any other price, which amounts to practically nothing if they are taken out of the ordinary channels of trade in the United States which included the export business.

But it so happened that I was in France, and I talked with those who told me that they were present and saw two shiploads of American Irish potatoes pumped—I did not say unloaded, I said pumped—into LeHavre harbor. I know that you cannot ship Irish potatoes without proper refrigeration over long distances except in the dead of winter. I know it is not economical to transport Irish potatoes to Europe. I know that our Army officials and our food experts have testified that you can buy wheat at $3—not $2, not at the present price, but you can buy wheat even at $3 a bushel—and ship it to Europe and deliver more calories of food for less money than you can by shipping Irish potatoes that are given to you free.

I do not believe the Communists are foolish enough to come to the United States and buy Irish potatoes, even at a cent a hundred or a cent a shipload, and ship them over there when it is going to cost them more to lay them down than it does to lay down wheat at $3 a bushel. Under those circumstances, I simply believe that the gentleman's information is as incorrect as a great deal of the information we get from the newspapers of the country. With that background, knowing that it is not economical to ship Irish potatoes, I think it is a mistake for us to try to pass upon legislation here with no better information on which to base it than some kind of rumor in somebody's funny paper. I just do not think that the exploits of Buck Rogers are a sufficient basis to justify legislation in this Congress. We do have sufficient information to justify the Committee on Agriculture in bringing in a bill saying that we want a practical means of disposing of surplus food commodities through recognized charitable institutions here and abroad who will be using the food to relieve human suffering.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. This bill as reported by the Agriculture Committee does not attempt to judge the desirability of giving food to China, Finland, or any other country. It provides for the giving of surplus food for charitable purposes only. I believe that when the Committee on Agriculture has gone that far that is just about as far as you can expect that committee to go. If you want to decide as a matter of fact that it is unsound for the United States to try to make friends of the Chinese people, then bring that question in here as a separate and distinct problem, I could agree instantly that we should not let our food be used to spread communism, but I would certainly want to be sure that that was what I was doing. Maybe that is all the amendment does. On the other hand, it may prevent us from using food as a weapon. No one wants to send food to Russia at this time, but there is much difference of opinion about sending it to China, for instance. I do not know just what the gentleman's amendment would do, but it is surely of such importance that it should have the consideration of the House. It is surely of enough importance to stand on its own feet and not simply come along as the tail of a kite to some legislation which was brought in for an entirely different purpose. If you are going to tie one of these riders onto every piece of legislation which comes before the House, you will completely destroy the purpose of reporting legislation to the House, because you can tie this kind of legislation onto a transportation bill, or you could tie it onto a health bill, or you could tie it onto a financial bill, or anything else that comes before the House of Representatives. Maybe that ought to be law, but I think

it ought to be handled in a distinct piece of legislation which could receive orderly consideration, that we may not hereafter wake up and find that we have done something we did not intend.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COX. What I would like to know of the gentleman is: What information is needed in order to make a determination as to why food in this country should not be furnished to the enemy? What is the objection? What is the objection to tying onto every piece of legislation passed here a rider to the effect that the substance of our country should not be donated to the support of a Communist-ridden people?

Mr. POAGE. I do not think there is any objection to doing what the gentleman from Georgia just now suggested. The question is, Does the proposed amendment do what the gentleman has suggested? This rider does not say anything about giving food to the enemy. This rider says that you cannot send a package of food through a charitable organization like CARE, to a needy relative in Yugoslavia, if it has any of this Government food in it. That, at least, is what it appears to say. If I am correct I am sure the gentleman from Georgia would want to change the wording. In any event there should be no uncertainty.

Mr. DAVIS of Georgia. It says "Communist or Communist-dominated country."

Mr. POAGE. I understand, but if there is any nation in this world which is Communist-dominated, it is Yugoslavia, and its leaders go further to proclaim their belief in communism than anybody in the world, and yet we have loaned Yugoslavia $20,000,000, because Yugoslavia is opposed to Russian communism. Are you sure that we want to exclude Yugoslavia?

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. Does not what the gentleman has just said indicate a ridiculous position we may put ourselves in?

Mr. POAGE. Exactly.

Mr. COOLEY. Here we have loaned $20,000,000 to Yugoslavia on the one hand, knowing she is communistically dominated, and then we are refusing to give some poor starving person, who is perhaps in need of food, the benefits of this act.

Mr. POAGE. Exactly. The gentleman from Georgia has shown that he himself is not certain how far his amendment goes or just what its effect may be in various countries of the world should we accept it.

Mr. COOLEY. Other than that he expects us to support the amendment, blindly accept the amendment because he waves the Communist bugaboo and says that if we do not adopt the amendment we are playing with the Communists.

Mr. POAGE. Certainly if this bill were a proposition, as the gentleman from Georgia has suggested, of providing food to support our enemies it would be unthinkable. On the contrary the bill is a simple proposition to donate surplus foods to charitable organizations, with the specific requirement, which I suggested in the committee, that whenever any of this food is distributed abroad that it shall be labeled in the native language as being the gift of the American people. I think such a provision may make this an effective instrument of good will for the United States. On the other hand there is no one who can tell us that as written this amendment may not deny a charitable organization such as the Quakers, Red Cross, or CARE, the right to send a package of food to needy people in some nation which may at some future time have a government oppressing many of the people.

The gentleman from Massachusetts made it very plain here that one of the most effective things we could do would be to show people in some of these Communist-dominated lands that America is making a sincere effort to be the friend of the people the world over regardless of what we may think of their governments.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. GROSS. The gentleman questioned the statement I made earlier with respect to the potato deal.

Mr. POAGE. I questioned the correctness of the statement that there had been 50,000 tons of potatoes delivered in Communist countries.

Mr. GROSS. That, of course, was the whole thing.

Mr. POAGE. I do not doubt that the gentleman read it somewhere.

Mr. GROSS. No; I went further than just reading the figure. My remarks are in the record.

Mr. POAGE. What did the gentleman do besides read the figures quoted?

Mr. GROSS. I made several telephone calls to Government departments.

Mr. POAGE. I do not question the gentleman's sincerity, but as I heretofore explained I do question the accuracy of the article the gentleman read.

Mr. POTTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is one of the most sickening debates I have heard in a long time. How anyone can justify sending food or anything else to a Communist country is more than I can understand. Whether you call it police action or not, we are at war against communism and we probably will be for some time. If this were brought to the American people, and the American people were allowed to decide whether we should send our foodstuffs to any country that is dominated by the Communists, you know that they would turn it down 9 to 1. I sincerely hope that this Committee will support the amendment offered by the gentleman from Georgia. You do not gain friends by coddling the enemy.

Mr. HOPE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think this debate has taken up a good deal more time than was justified, and yet I am not satisfied after all that has been said to let the matter go by without calling attention to the fact that if we are going to adopt in this bill the idea that under no circumstance shall any of these surplus perishable foods be sent to a country which someone may decide is Communist-dominated, then we should go further and adopt it as a national policy that none of the agencies which are sending food abroad, such as CARE, CROP, the American Friends Aid Society, and a numbers of others, should be permitted to send food into any country which someone may decide is Communist-dominated.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield briefly.

Mr. DAVIS of Georgia. This amendment does not restrict CARE or any other charitable or religious organization from sending food as they have done or as they are now doing.

Mr. HOPE. I am only saying that if we are going to be logical and if it is the right thing to do, then we ought to establish it as a national policy and prohibit CARE or any other organization from sending food to such countries.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield briefly.

Mr. COX. What, in the gentleman's opinion, is the right thing to do under the present circumstances?

Mr. HOPE. I think the bill itself takes care of the situation very well when it says that no commodity shall be made available or donated for relief of needy persons outside of the United States, its Territories or possessions, unless the agency accepting such commodities satisfies the Secretary of Agriculture that each article if packaged shall carry a statement on the package, and if not packaged, shall be accompanied by a written statement in the language of the country in which the article is distributed, saying that the food is a gift from the people of the United States.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield at that point?

Mr. HOPE. I will yield after I have proceeded further with my statement.

I do not agree with the gentleman from Michigan [Mr. POTTER] that any great harm is going to come to this country or to the world if we permit a charitable organization to take some of this food and feed hungry children in a country where the government temporarily happens to be Communist.

I recall that I was in Russia in 1945 as a member of the Colmer committee, and one thing that impressed everyone in that party, as I remember, was the fact that the Russian people, no matter what

the attitude of the Government might be, were exceedingly friendly to America and Americans. We made a lot of inquiries as to why that situation existed. We thought it might be due to our help during the war. The people of whom we inquired, veteran newspapermen, members of our Embassy, and others said: "No. That is not the reason, because they do not know what we contributed during the war. Their Government has not permitted them to have that information."

The best answer we could get was that this friendly feeling existed because of the work of the Hoover Commission which was sent to Russia during the earlier 1920's to distribute food to the hungry, starving children of Russia during a time of famine. In 1945, almost 25 years later, the Russian people still remembered this mission of mercy and because of it they felt a real friendship for the American people. Who knows but what the distribution of some of this food by church and relief organizations as a gift from the American people to children and to hungry and sick people behind the iron curtain may not convey a message of friendship and hope today which in the end will pave the way for a better understanding.

Mr. SMITH of Wisconsin. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I hope the boys who are fighting in Korea will not get a newspaper report or dispatch of some kind as a result of the colloquy that is going on here today. We talk about the confusion that exists at home and back in our districts. I am wondering about the confusion that exists here.

We are hearing today the same kind of argument we heard when we were going through that period debating as to whether or not we should continue to send our supplies and our largess through UNRRA all over the world. Do you remember UNRRA? We know what has happened.

This is a simple question that the pending amendment presents, as I see it. It is whether or not we in this House should perform our legislative function by saying how or where these surplus goods should go. That is the only question we have to consider. In days gone by we have been too eager to give our responsibility to agencies of Government instead of making that decision here. I for one want to assume my responsibility this afternoon.

I am for giving relief wherever we can, but I am not for giving it to Communist-dominated countries or to any satellite country.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Iowa.

Mr. GROSS. Does not the gentleman think the Committee on Agriculture might well look into the potato deal since it doubts the authenticity of the information given? Look into it and find out what has been happening and then apprise the House what has been going on.

Mr. SMITH of Wisconsin. I think so, but I still think it is our function this afternoon to say where this is going and how it is going.

Mr. GROSS. Precisely.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Michigan.

Mr. POTTER. Does not the gentleman believe it will do much greater good for world peace if we give these surplus perishable foods to our friendly neighbors of the world rather than to our enemies?

Mr. SMITH of Wisconsin. Of course.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does the gentleman understand the amendment we are about to vote on? It cuts clear across our foreign policy for the very reason that it provides not only that we cannot give these commodities away but that we cannot sell these commodities. We can sell Russia everything under God's sun and we are trading with Russia. We are trading with Russian satellite countries. Yet we come along and take the ridiculous position here that although we have an abundance of food, we cannot even sell it. If I were faced with the situation of settling diplomatic relations with Russia and all the Russian satellites, that would be one thing, but we have no right to use this agricultural bill to deal with such an important matter.

Mr. SMITH of Wisconsin. I cannot agree with the gentleman on that.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Georgia.

Mr. COX. Does not the gentleman agree that the time has come that pussyfooting and soft pedaling on the Communist question should end and that we ought to meet this question at this time like responsible men?

Mr. SMITH of Wisconsin. Yes, and that is exactly the sentiment I found when I was back home over the week end.

Mr. Chairman, I want to tell you something else. On the train going into Chicago I became engaged in a conversation at the breakfast table. A gentleman sitting beside me said that he had been over to Europe on a trip as the representative of this Government. I said, "What did you find in Europe?" He said, "I will tell you very frankly what I found. I can tell you we are not making any friends and I think that we are just damn fools."

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. The gentleman from North Carolina, the distinguished chairman of the Agriculture Committee, referred to selling goods to Russia. Is it not a fact that the term "sale" under this bill is a mere fiction and that everything which is distributed under the bill in fact is going as a gift?

Mr. SMITH of Wisconsin. Why, of course. We sold to satellite countries of Russia and to Russia last year, the year 1949, over $201,000,000 worth of war potentials.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from New York.

Mr. KEATING. The argument has been made here that to send these goods behind the iron curtain might make some friends for us there among the people. If that were true I might be inclined to think it was a good thing. But as a practical matter, from the gentleman's experience does he not know that if these goods are sent behind the iron curtain the dictators who control those countries will as soon as they get there immediately change the labels and fix it so that anyone who ever gets the goods will not know one bit of it came from this country?

Mr. SMITH of Wisconsin. Right, and we should have learned that lesson long ago, and surely by this time.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from North Carolina said that this amendment cuts right across our foreign policy. I would like to know what our foreign policy is. What is our foreign policy?

Mr. SMITH of Wisconsin. I do not know.

Mr. BENNETT of Florida. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida to the pending amendment: After the word "countries" strike out the remainder of the amendment and insert the words "not supporting the United Nations' efforts against aggression in Korea."

Mr. BENNETT of Florida. Mr. Chairman, I favor the amendment which has been introduced by the gentleman from Georgia [Mr. DAVIS], but I have heard some remarks made here on the floor that might indicate that some people may have some technical reason for voting against that amendment because they feel that it is difficult to define, as a matter of legal terminology, what is a Communist-dominated country. It seems to me that the amendment I have offered will give clarification and put all Members in a position where they do not have to worry about that legal terminology question. I am in favor of the amendment offered by the gentleman from Georgia whether it has my amendment attached to it or not, but it does seem that the amendment I have offered will make a clear-cut proposition where

you can vote on the matter and not be involved in technicalities of definitions.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from North Carolina.

Mr. COOLEY. I think the gentleman's amendment is just as objectionable from the standpoint of ambiguity, and lack of accurate interpretation, as the other amendment.

Mr. BENNETT of Florida. I think not.

Mr. COOLEY. What does the gentleman mean by "supporting the United Nations"? Is India supporting the United Nations?

Mr. BENNETT of Florida. It is not "supporting the UN in Korea" if my memory is correct, but I am not sure. The records of the UN will show the facts.

Mr. COOLEY. Then you would deny any relief to India just merely because she is not supporting the United Nations.

Mr. BENNETT of Florida. That may hurt the gentleman's conscience; it does not hurt my conscience one iota.

Mr. COOLEY. I have not said anything about my conscience. I am trying to see if the gentleman understands the effect of his amendment.

Mr. BENNETT of Florida. I think I do, sir.

Mr. COOLEY. Well, the gentleman has not made it very clear to me. Who will determine who is supporting the United Nations?

Mr. BENNETT of Florida. They took a vote as to what countries are going to support the position of the United Nations in Korea. Those countries are definite countries. I think India is not among them; it may be among them, but I do not know whether it is or not. The records of the UN will show the facts.

Mr. COOLEY. Suppose they supported the United Nations' effort on one vote and did not support them on the next vote.

Mr. BENNETT of Florida. There was an original basic vote which they took, which I think is reliable and definite; and I know of no country which changed its position.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Georgia.

Mr. COX. The ingenious suggestion of the gentleman offers the objectors to the Davis amendment a way out, but they seem to be still opposed to doing anything of that character; therefore, it is agreeable to me that the amendment offered by the gentleman from Florida be voted down and the amendment of the gentleman from Georgia be voted up. We might just as well meet this thing here, Mr. Chairman.

Mr. BENNETT of Florida. I am in favor of the Davis amendment even without this, but I think this does clarify it. My amendment is more restrictive than Mr. DAVIS' amendment, so I would not call it a way out. It will exclude every country that is excluded by the Davis amendment. It is a strengthening amendment, not a weakening amendment. Why should we help those who will not stand by us in supporting the United Nations?

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Wisconsin.

Mr. BIEMILLER. May I call the attention of the gentleman to the fact that the only vote taken on the Korean question was in the Security Council, 11 nations. The other nations have not had a chance to vote.

Mr. BENNETT of Florida. There are some other nations that supported the action of the United Nations by furnishing troops.

Mr. BIEMILLER. That is true, but there has been no chance for all of the other United Nations governments to take affirmative action.

Mr. BENNETT of Florida. There has been a plea by the Secretary, Mr. Lie, and by the other officials of the United Nations, for assistance, and I think the response to that plea will show very clearly those who have backed the United Nations action at any particular date.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from New York.

Mr. KEATING. The President of the United States has announced the names of 53 out of the 59 nations who are supporting our action, and for this purpose I think all of us would be prepared to accept the position of the President of the United States.

Mr. BENNETT of Florida. I think so, too.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment. I will, however, be very brief as I am anxious to have it voted.

This amendment is objectionable for the same reasons that the amendment of the gentleman from Georgia is objectionable. Why should the Secretary of Agriculture, or for that matter even the Secretary of State, be charged with the responsibility of making the determinations which would be required by either of the pending amendments? Both of these amendments cut across foreign policy. If we are to decide the very important matters of policy proposed in these amendments, why should we not do so after the proper legislative committee has conducted appropriate hearings and after those in charge of foreign policy have had an opportunity to express their views in the proper forum? This bill was considered at length and carefully by the members of our committee and now we are suddenly faced with the proposition embodied in amendment from the floor. The gentleman from Georgia apparently has not even read the bill to which he has offered the amendment.

Mr. DAVIS of Georgia. I will speak for myself on that.

Mr. COOLEY. If the gentleman read the bill, he apparently does not understand its provisions.

Mr. DAVIS of Georgia. I have read it and understand it also. The gentleman may be the smartest man in the House; I would not deny that he is.

Mr. COOLEY. I do not yield further.

Mr. DAVIS of Georgia. I will speak for myself as to whether I read the bill or not.

Mr. COOLEY. If the gentleman did read the bill, I say frankly I do not believe he understands it, because there is nothing in the bill that deals with the sale either at home or abroad of these commodities. I do not think the gentleman understands his own amendment because he uses the word "sale" in his amendment or, rather, "sold"—"Nothing shall be donated or sold"—and now he says that "sold" is pertinent to what he is trying to do. Why does he not propose that we will prohibit the sale of everything to Russia or any of her satellites? His failure to do so shows that we are cutting across the foreign policy of this Government. I am not willing to take a position on that proposition on the meager hearings that we have had on the amendment now under consideration. That just shows again how bad it is for us to attempt to legislate here on the floor of the House especially when somebody sets up a bugaboo about communism. I do not believe there is a single Member of this House who wants to strengthen the arms of communism anywhere on this earth, and yet in this debate we are placed in a position of being friendly to communism if we vote against this amendment.

I hate and despise communism just as much as everybody in the State of Georgia put together can hate and despise it. But I do have some regard for the deliberations of this body and of my committee. I say the committee is well represented by a cross section of this country. Heaven only knows what nations are supporting the United Nations. I do not know who is supporting the United Nations. Some nation might support it by its vote, yet fail to provide a single gun or other evidence of support.

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BIEMILLER. I think another point ought to be made about the Bennett amendment is that one of the areas of the world where we hope that this bill will be helpful is in the republic of western Germany. That is not a part of the United Nations, and hence could not qualify for the benefits under this bill.

That is further proof of the absurdity of the amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. Ireland is involved here. Spain is involved. This amendment would bar any relief in many directions. I know the gentleman from Florida has offered the amendment in good faith, but so far as his amendment is concerned, I think he ought to consider just how far reaching it is if it is confined only to those nations helping the United Nations. For example, several countries have been trying to get into the United Nations, but the Soviet Union through its veto power has prevented those nations from getting into the organization.

Mr. COOLEY. All of this debate indicates that a matter of great importance is presented by these amendments. We

should have full information concerning the possible world-wide political effects which such action on our part would involve.

Mr. McCORMACK. I know that the Soviet Union has exercised her veto power on two or three occasions against the admission of Ireland into the United Nations.

Mr. COOLEY. In other words you would have a situation where if a Nation is denied the right to come into the United Nations, then we withhold the hand of charity because they could not get in.

Mr. McCORMACK. I believe the Members of the House would be enlightened if the gentleman would state what was the intention of the committee in the event that any of this surplus food should go outside of the United States. I think that would be interesting.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. I cannot conceive of anyone even remotely having in mind that any of these surplus foods for example would get into the hands of persons or governments opposed to freedom as we understand it.

I can understand the observation made by my good friend on the other side about the labeling of these commodities. We know that the dictators, if they could get any food, have used it and given it to those who played their game and denied it to others who might have needed it. I understand there is no such intention as that. Will the gentleman explain that?

Mr. COOLEY. It is not contemplated that one dollar's worth of these commodities will be delivered to any dictator or to any government. These commodities are to be delivered only to charitable and eleemosynary organizations which are operating in an effort to relieve human distress and suffering. These are the organizations that came before our committee, dozens in number. I said a moment ago that we had 27 bills introduced by Members of this body which we considered in our committee. Then we adopted Mr. GRANGER's bill and are now presenting it to you for your approval.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. COX. If it is contemplated that none of this food shall get into the hands of people of an enemy country or an enemy-dominated country, then what is the objection to saying that none of it can get into such countries?

Mr. McCORMACK. May I state to my friend, the gentleman from Georgia, that that is a pertinent question. But if we know it is not intended to do that, and if we put in a prohibition that it shall not be done, then you are making a contribution toward further ill will and making it more difficult for those handling our foreign affairs to perform their duties.

There is not only an action, but there is a reaction to consider. We have to consider the problem so as not to go out of our way to directly offend.

Mr. COX. May I say to the gentleman that the people of the country will question our sound Americanism and will despise our cowardice if we turn down this amendment.

Mr. COOLEY. All right. Let me say that in your efforts, and your very zealous efforts, to help your colleague, the gentleman from Georgia, put this amendment over, perhaps the American people are denouncing us for continuing to trade with Russia. Yet we are trading with Russia and trading with Russian satellites. Whether we should do that or not is a matter that the Congress should determine. I am willing to stand up and be counted. I am willing for the roll to be called. I am willing to take my position on that, but I am not willing in this slipshod fashion to legislate about a matter which I know so little about and have had opportunity to learn little about.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. EBERHARTER. Can the gentleman tell me how the amendment offered by the gentleman from Florida would affect the countries of Norway, Sweden, and Denmark? They are friendly countries. But I do not think they have taken any action so far as the Security Council vote is concerned. I do not think they have taken any action so far as the Korean situation is concerned. His amendment would probably deny us the right to sell them surplus perishable goods.

Mr. COOLEY. That is correct.

Mr. EBERHARTER. Yes.

Mr. COOLEY. That is right.

Mr. BENNETT of Florida. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BENNETT of Florida. I get a little tired of this situation where apparently if we do not give things to people they are not going to be our friends. Here we are disposing of surplus commodities. If we want to give them all to Cuba, we have every right to do that. If these countries want to come in and assist they can give assistance in whatever way they can to the United Nations' position in Korea. But I get a little peeved sometimes to thing that our diplomacy must be based on how much they are going to get.

Mr. COOLEY. Then you are putting our foreign policy on this basis. If Ireland wants some powdered eggs, then let her send an army to Korea. If Norway wants some powdered milk, then let her send some guns to Korea. We cannot conduct our foreign policy in any such fashion as that. Here, by your amendment, and I do not question your good faith or sincerity one moment, you are trying to influence the foreign policy of the United States. We are considering an agricultural bill, and you are trying to influence the decisions of governments everywhere. It will be said here and elsewhere that we have eggs of doubtful vintage that we want to give away in order to get other nations to help us to fight in Korea.

Mr. BENNETT of Florida. I thought we were trying to influence people to win an international war.

Mr. COOLEY. Not by the gifts of these commodities.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it was not my purpose to get into a controversy or to say any mean things about anybody when I introduced my amendment. I wish to preface my remarks with the statement that I have great respect for the Committee on Agriculture, and it is never my policy to undertake to engage in personalities when I support or oppose anything on the floor of this House; I do not support or oppose legislation on that basis.

The distinguished chairman of the Committee on Agriculture has attributed a great deal of ignorance to me on more than one point; he has assumed for himself a great deal of knowledge and understanding. In his own remarks, however, he has attributed to himself more ignorance than he attributes to me. He says in one breath that I did not read the bill. Well, of course, I hardly need comment that I did read the bill. He tell you that I did not understand the bill. I am not going to say about that; somebody else can determine that. But here is what he said about himself. He said: "God knows who is supporting the United States in its action against Korea." I think that he confesses there to more ignorance than he charges to me, that and what he has said about me; and I think that is a question very easy to determine. If he does not know it, he is probably the only Member of the House who does not know it. I have heard nobody else confess to that.

Now, with reference to the amendment offered by the gentleman from Florida, let me first cover this point that the gentleman made. He says that I through my failure to understand the purpose of this bill have brought in the question now of sales, and that the bill does not relate to sales. The gentleman from Iowa [Mr. GROSS] has given us in considerable detail the facts about 50,000 tons of Irish potatoes that went into Russian hands at 1 cent per hundred pounds. That is a fictional sale, and I will say for the benefit of the gentleman from North Carolina that that is the reason I changed the amendment as I had originally drawn it, to take care of just such situations as were brought to our attention by the gentleman from Iowa relating to the 50,000 tons of potatoes we gave to Russia under the fiction of a sale—and that is what occurred.

The gentleman said that if we wanted to send some eggs to Ireland that Ireland would first have to send some men to Korea, but I ask in answer to the gentleman: "In the name of God what are we sending men to Korea for?" We are not sending them there to get eggs; we are not sending them there to get anything; we are sending them there to uphold what we believe is right. Why cannot Ireland do that? Why cannot any country of this world that believes in the

things we believe in send some men to Korea to help our boys who when taken prisoner have their hands and feet bound and are then shot in the back?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. No; I do not yield.

What is the reason Ireland cannot send her men there? Or these other countries? Why is it our burden and ours alone to send our money, our boys, and our substance to far-off corners of the world to support liberty and freedom and then say we cannot afford to make that a condition of sending some eggs to Ireland?

One more point: He says that this cuts across our foreign policy and that it will affect our foreign policy, and that Congress ought not to do anything to affect our foreign policy. Let me say that the people of the United States are fed up to the neck with the foreign policy of this country and with the man who heads the State Department also. I get letters in my mail every day asking me: "Why do you not introduce a resolution to impeach him? Why does not Congress do something to get him out of office?" So, whatever blunders and bungles we may make, if any, on the foreign policy of the country, in my opinion it would not make it any worse than it is now and has been.

Mr. O'SULLIVAN. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a consent request?

Mr. O'SULLIVAN. I yield.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. O'SULLIVAN. Mr. Chairman, I think that most of our debate here today, that is that part of it which I have heard to date, has thrown more heat than light on this subject.

I want to assure the Members of the Committee of the Whole that a number of us who are members of the Committee on Agriculture specifically asked relief organization heads who testified before us the direct questions as to whether or not any of this surplus, stored food supply would go to foreign countries where communism is the order of the day, or be distributed to Communists. We were assured that none of it would go, knowingly, into the hands of Communist governments or sympathizers.

Many of these fine organizations, such as CARE, and the Friends, and others, sponsored by religious and other most worthy organizations, which testified before our committee through their representatives, said that distribution of these food supplies to the various recipients would be carefully checked and screened, and that this aid was not to be given to foreign countries but was to be given to people—needy people who could qualify and who were entitled to this aid. Now, I do not think that we need to fret and to worry about large, ready-to-spoil food stocks, which we intend to dispose of by this bill, finding their way to any Communist government. It will go to the people in countries who are needy and whom the Communists are now endeavoring to starve to death or win over to their cause by gifts of food; it will go to children and the aged, and other people in the helpless and perhaps hopeless category.

My good friend from Georgia [Mr. DAVIS] made quite an oration about Ireland sending her soldiers to Korea as a gesture of charitable gratitude. I do not believe that Ireland needs charity since she broke away from English misrule. What he forgot to think about is that the struggle to the death in Korea is not our war, or the independent military effort of any one country, and we therefore have no moral or other right to offer to give our surplus foods in exchange for military help in Korea.

In Korea it is an action by the United Nations, and we are not there in Korea by virtue of our own initiative or choice. We as a member of the United Nations are there in Korea to stop the North Korean aggressor and to determine whether or not the United Nations is potent, and has the strength and the will to stop breaches of the international peace before a World War III engulfs us, and also to demonstrate that the United Nations is something more than a juvenile debating society. The United States of America to its great credit responded first to the call of the United Nations. I can answer the gentleman's question very decisively by saying that Ireland, not by her own design, however, is not a member of the United Nations and therefore she could not send any troops to Korea without being guilty of aggression herself. All the troops which can go to Korea, as I understand it, are troops which go through the United Nations from member nations.

This is not our war in Korea. It is a police action of the United Nations—remember that—a police action to determine whether or not the United Nations is something more than just another helpless and hopeless debating society and whether it is something more than the old League of Nations which would not stop the aggressor forces of Hitler and Mussolini when they were guilty of their first aggressions and before they got diabolically bold.

Mr. Chairman, I want to say to the members of this Committee that we members of the Committee on Agriculture considered this bill, H. R. 9313, very carefully, under the able and splendid leadership of the gentleman from North Carolina [Mr. COOLEY] and a number of other experienced members of the Committee on Agriculture who know really what this is all about, and, after careful consideration, it was our unanimous thought and opinion that it would be better to have this food go to the needy people of our own country and to those in suffering countries than to let it rot here at home. We believed earnestly that there was something rather sacred about food. As has been stated heretofore, 27 Members of this House of Representatives offered bills along the same line as H. R. 9313. Their authors presented their bills and they explained and discussed them at length.

I say to you in conclusion that the question to be determined here in passing upon the bill H. R. 9313 is whether or not we shall dispose of these agricultural surpluses as a nation under God should, by giving this food to needy people to eat, or let this food rot in the warehouses of our Government. I am willing to stand up and to be counted in support of this very proper legislation. I do not believe that my vote for this bill will be registered by thinking, God-loving, and God-fearing people as a vote for communism. I am against communism first, last, and all the time. I feel that some Members, reputable and honorable Members, of this Committee here today, if they knew what the hearings really showed, and it is unfortunate that they have not been published yet, they would view this food-disposal problem in a different light.

I am for this bill and I am against these crippling amendments, and I am willing to cast my vote along that line, and no one can truthfully challenge my true Americanism for so doing, because the performing of one of the corporal works of mercy, to feed the hungry, is the obligation of Christianity and Judaism and all right-thinking religions, and not a tenet of beastly and irreligious communism.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Florida to the amendment offered by the gentleman from Georgia.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were ayes 21, noes 28.

Mr. DAVIS of Georgia. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. DAVIS of Georgia. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman withdraws his point of order that a quorum is not present?

Mr. DAVIS of Georgia. I do not withdraw it. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Georgia. Was my point of order that a quorum is not present in order?

The CHAIRMAN. The gentleman can make the point of order that a quorum is not present.

Mr. DAVIS of Georgia. Mr. Chairman, I make that point of order, then.

The CHAIRMAN. The Chair will count.

Mr. DAVIS of Georgia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Georgia. Mr. Chairman, if I insist on the point of order, will I then have an opportunity to have a roll-call vote on this question?

The CHAIRMAN. Not in Committee of the Whole, no.

Mr. DAVIS of Georgia. Mr. Chairman, another parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Georgia. Mr. Chairman, if I withdraw the point or order and ask for tellers, can I then obtain tellers if a sufficient number rises?

The CHAIRMAN. The gentleman is correct.

Mr. COX. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. COX. If the gentleman insists upon his point of no quorum, what action can he get on the part of the Committee on this amendment with a quorum present?

The CHAIRMAN. With a quorum present, the Chair cannot say.

Mr. DAVIS of Georgia. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Georgia. Can the motion for tellers be made after a quorum is present?

The CHAIRMAN. Yes.

Mr. DAVIS of Georgia. Mr. Chairman, I insist on the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-one Members are present, not a quorum.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DURHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9313) to amend the Agricultural Adjustment Act of 1949, had come to no resolution thereon.

TERRITORY OF ALASKA

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 133) to amend section 2 of the act approved June 20, 1936, entitled "An act to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes," with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 2, strike out "each year" and insert "for the fiscal year ending June 30, 1952, and each year thereafter."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman explain the Senate amendment?

Mr. COOLEY. The bill now uses the language "each year" and this is just a clarifying amendment so as to make it perfectly clear what we mean when we use the term "each year." In lieu of the words "each year" the Senate amendment provides that "for the fiscal year ending June 30, 1952, and each year thereafter," so it is actually a clarifying amendment and it does not change substantially the bill in any respect.

Mr. HOPE. It does not in any way affect the substance of the legislation?

Mr. COOLEY. No; I understand it does not.

Mr. HOPE. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SPECIAL ORDER

The SPEAKER. Under previous order of the House the gentleman from Oregon [Mr. ANGELL] is recognized for 30 minutes.

(Mr. ANGELL asked and was given permission to revise and extend his remarks and include extraneous matter.)

THE HOUR HAS STRUCK—AMERICAN SOLDIERS ARE FIGHTING AND DYING ON FOREIGN BATTLEFIELDS

Mr. ANGELL. Mr. Speaker, the hour has struck. American soldiers are again fighting and dying on foreign battlefields. Time alone will tell whether we are in a third world war. Let us give full support to the President's program to meet this crisis. Let us build to full strength forthwith our national defenses to protect our soldiers overseas and to stop the Communist aggressors and to win the war. Let us crack down on price gougers, war profiteers, and black marketers. Let us put only loyal Americans on guard here at home, oust the Reds, subversives, bureaucratic blunderers, and spendthrifts from our own Government and restore honesty and sanity and save our own freedoms. There are still too many Reds and Communist sympathizers of the Alger Hiss type in key departments of Government. Unfortunately, the administration has coddled these enemies within the gates and as a result we find the Nation on the defensive in a world battle between freedom and communism. If the Soviet Union has the atomic bomb it is due to these subversives within our own house selling out their country.

In this time of the Nation's peril we should follow the sage words of Herbert Hoover:

Pray hard, work hard, sleep hard, and play hard. Do it courageously and cheerfully. We have a cause to win.

With 52 other members of the United Nations we are fighting in Korea to prevent its subjugation by the Red hordes from the north, aided and abetted by the Soviet Union, which threatens to overrun and communize the world, including the United States. As stated by J. Edgar Hoover:

The acceptance of communism as liberalism, as freedom, can mean but one thing: The utter destruction of the spirit of free inquiry, and thereby the motive power for the growth of democracy. The soul of America would be entombed; her body disemboweled. Communism is tyranny, naked, brutal, and terrifying. The Communist myth, stripped of its beguiling and ersatz clothes, is a wicked, foul, hateful story. The individual, in Communist society, is a pawn, subject to the whims of the ruling elite. Civil rights are nonexistent; concentration camps the symbol of justice; terror the order of the day. Communism is cynically immoral, an abject disillusionment—all the more so because it professes to be the savior of mankind, the architect of an alluring paradise where injustice, misery, and war will be abolished. The years ahead, without question, will be years of critical decision, deep strain, and serious thought. At times the going will be rough, the destination dimly lighted, the motive power weak. But to surrender to compromise in the least iota with an alien philosophy is to forfeit the past and to betray the future. America's best, and only, hope lies in an intelligent and well-informed public opinion—conscious of the evils of communism and dedicated to the validity and sanctity of the democratic tradition. Democracy, like life itself, must be conquered anew each day.

The House passed a bill, which I supported, to facilitate the deportation of aliens. There are between 1,500 and 5,000 criminals, subversives, and like characters subject to deportation, roaming about freely in the Nation. The Attorney General will have power to speed deportation and to detain these objectionable aliens. The time is long past to be gentle with foreign Communists stirring up trouble in the United States.

Mr. Speaker, I am receiving many letters from home asking who blundered in the Korean blitzkrieg and why our American boys are fighting and dying 7,000 miles from home against great odds with little support and without adequate equipment and having to retreat to a beachhead. I can only answer that President Truman without consulting the Congress made the decision and our troops were ordered to Korea first and Congress advised afterward. This decision by the President was a complete right-about reversal of American foreign policy with reference to the Far East. It has been repeatedly announced by administration officials that Korea and Formosa would not be defended, which was a direct invitation to the Red forces to take over, which they are now attempting to do with the resulting loss of many American lives. Brave Americans in pitifully small numbers have been ordered to stand or die on a small corner of Korea. Many of them are paying the supreme sacrifice. They are dying because their country blundered and was not able to provide modern tanks, guns and other weapons and reinforcements and air and naval support adequate to equip them for the mission on which it sent them.

The blame for unpreparedness did not lie with the Congress as shown by the following comparison:

Approved by Congress	*Allowed by the President*
Super aircraft carrier	Scrapped
70 Army air groups	48
Armed Forces personnel of—	
2,005,882	1,507,000
Army, 837,000	630,000
Navy, 666,882	461,000
Air, 502,000	416,000
Organized Reserves:	
1,977,000	522,000
Army, 520,000	250,000
Navy, 1,103,000	204,000
Air, 354,000	68,000

Of the $50,000,000,000 appropriated by the Congress in the last 4 years for national defense only seven billions was spent by the administration for war equipment.

It was recently reported by David Lawrence:

It is now admitted by all our high officials that we had to intervene in Korea lest we "lose face" throughout the world and lest the Communists persuade the peoples in Italy, France, Greece, and Turkey and in southeast Asia that we would not protect them against aggressors. We have been wrong, therefore, on two major counts—we have failed on the psychological front and we have blundered even in applying our own military doctrines.

Why, for instance, have we put nearly all of the Navy's 100 or more aircraft carriers into "mothballs"? Why have we allotted just three aircraft carriers to the entire Pacific Why are all our 71,000 marines—the best expeditionary force of ground-air troops in the world—encamped in continental United States? Why have European-minded heads of our armed services imagined that the Communists would start a war only in the places where we choose to meet them? We have had all along the ships and the equipment to create an "area of strength" in the Far East. We could have prevented a Communist march into Korea if we had kept a couple of aircraft-carrier task forces patrolling Korean waters. We have known for months it was a trouble area.

As for propaganda and psychology, our Department of State has spent a lot of time denouncing the Chinese Nationalists and edging up to the Chinese Communists. We read on April 3 last that far eastern experts like Owen Lattimore had advised the Department of State to abandon Korea. The chairman of our Senate Foreign Relations Committee, as late as the interview in our May 5 issue, intimated that Korea might have to be forsaken. Why, in the face of all this, shouldn't the Communists start marching across the thirty-eighth parallel? We have been giving them psychological invitations for many months.

We have also failed to make better use of moral force and particularly of idea-penetration into the satellite states—where the Moscow regime would feel the harassment keenly. We are letting the Soviets take and keep the initiative while we sit back in a defensive attitude and wait for the next kick in the pants.

In connection with Mr. Lawrence's statement it may not be out of place to quote the late Woodrow Wilson when he said:

We do not need less criticism in time of war, but more. Better unfair attack than autocratic repression. Honesty and competence require no shield of secrecy.

Many questions have arisen in connection with war legislation as to what became of the billions authorized by the Congress in the last 4 years. Fifty billion dollars has been appropriated in that time for our military establishment. This is more than twice the cost of the First World War. Yet we in the Congress are now told by military experts that we need $10,000,000,000 more now for this war. Only $1 in $7 since the war has been spent on arms of any kind; $1 in $16 has gone for equipment other than aircraft. Out of $50,000,000,000 about $4,000,000,000 was invested in aircraft, $3,100,000,000 for all other equipment—guns, ships, trucks, radar, new weapons, machinery, and noncombat equipment such as furniture, typewriters, and passenger automobiles. The money has been spent for salaries of military and civilian employees and for supplies and other services which did not prepare us for this conflict. In fact it is estimated that of the $50,000,000,000, more than thirty billions were expended for services, twelve and one-half billions for supplies and overhead costs, and as I have said, only about seven billions actually went into war equipment which would prepare us for a conflict such as the one in which we are now engaged. As a result it is found that we must now appropriate these additional billions of dollars and impose restrictions and allocations of material, equipment and plants for war economy to put us in shape to carry on a successful war. As a result of this unpreparedness and the bungling of the foreign policy by the administration, our soldiers were thrown into the conflict in Korea without adequate preparation, with meager and outmoded military equipment and with insufficient military strength and air and naval support to meet the well organized and trained opposition. Our GI's are sloshing through the rice paddies, pine woods, and granite hills of Korea making a record of heroism in keeping with the fine traditions of our military forces, notwithstanding they are poorly equipped, are outgunned and outnumbered sometimes as badly as 20 to 1. Many of them are green troops, mere boys with meager combat training. They are overwhelmed by hordes of hardened trained Communist troops, many of whom have had long service in actual combat. Yes, we will eventually win but in the meantime many more American soldiers will die. It is the old, old story of too little and too late.

Lt. Daniel H. Hopping, who was killed in action in Korea, August 13, just shortly before his death wrote his father, Brigadier General Hopping, Chief of the Quartermaster Corps, Supply Division, saying with reference to the boys in the Korean conflict:

Somebody has to take care of these boys and I want to do it. These boys are just kids. Over 50 percent of them are under 21.

While Russia has not participated openly in this conflict it is clear that the driving force behind the Korean Communists is the Soviets. The conflict is a camouflage on the part of the Russians in an endeavor to determine how far the United States and the United Nations will go in defending the small, free, Asiatic and European nations against Communist aggression. No doubt the Russian bear is hoping to get the United States and its allies embroiled in a war with China and other Soviet satellites so that we may be compelled to exhaust our resources and manpower while Russia itself stands on the side lines waiting to jump in with fresh Russian hordes when we are exhausted.

The position of the United Nations and the United States in the Korean conflict was clearly stated August 18 before the United Nations Security Council by United States Delegate Warren R. Austin when he said:

The United Nations is engaged in a struggle to give a small nation the right to live in liberty and independence, free from political pressure from any side. United Nations forces are not fighting in Korea and mobilizing their resources all over the world in order to further the political or military interests of any country. They are doing so because they believe, if they protect one small country, they are protecting all countries, great and small, from political oppression and military invasion.

The United States, like almost every member of the United Nations, wishes to live in peace, in tolerance, and in productive cooperation with its neighbors in the world community. The United States is determined to support the efforts of the United Nations to insure that all countries, small and great, may be free from aggression. The United States believes that, if aggression is stopped in Korea, it is less likely to break out elsewhere. The United States believes that the restoration of peace in Korea by the United Nations will strengthen peace everywhere.

The United States has no designs on Korea as a military base. Events have made that very clear. We hope some day to see it agreed that no great power will try to dominate a unified Korea. There would be no American troops—no forces of any of the other United Nations—in Korea today if the North Korean authorities had exercised the restraint which the Soviet Union was in the position to suggest to them.

If now, the Soviet Union would exercise its influence, the breach of the peace would be ended forthwith. If now, the Soviet Union would decide to respect the independence of its neighbors and live in true friendliness with the rest of the world, if it would prove its words by deeds, the fear that now grips the world would disappear. If that were done, the United Nations then could concentrate its entire effort on bettering the lot of mankind—and waste less of its energies and resources in coping with such situations as that we face now in Korea.

Mr. Speaker, now that we are at war we must, without regard to the blunders which have brought the crisis about, support the war effort and forget that the vast sums appropriated for national defense have not been used to prepare our Nation for such an emergency. I join with every loyal American wholeheartedly, without partisan or political considerations, in giving full and unstinted support to the President and his program to bring our military forces to full strength and to give every protection to our fighting men on the battle fronts. The Congress is enacting legislation to protect our economy at home, to prevent retail prices from skyrocketing, to provide the necessary controls over credit, markets, and other operations sufficient to meet the emergency which faces us and insure against war profiteering. Having sent the young men of the Nation to the battle fronts to sacrifice their lives, we on the home front should be, and I am sure are, willing to make every sacrifice essential not only to equip and support our military forces but to bring to an end this great crisis as soon as possible without permanently subjecting our own economy to a totalitarian strait-jacket.

We must, so far as possible, finance the war on a pay-as-you-go basis without adding to the enormous public debt, and to prevent war profiteering, price gouging, and hoarding, and spread the burden and sacrifices of the war equally among all our citizens. Let us not add to the staggering war debt of $257,500,-

000,000 but tighten our belts and keep the war debt at the lowest possible figure and bring all of our resources into play to win once and for all this great conflict.

As recommended by 65 leading economists of our country, Communist aggression requires that free men and women expand military forces and supplies to a much higher level for a long time ahead. Enlarged outlays for defense superimposed on a boom will, unless offset, cause inflation. Inflation is a grave wrong and danger. It hurts most the most helpless members of society, the widows, the orphans, the aged, the pensioners, the annuitants, the disabled. It causes dissension and diminishes the incentive to work; it weakens the productive system and so impairs both economic and military power. It imperils economic stability and progress in the peace for which we struggle. It is an unmitigated tragedy. The United States need not suffer this abomination of inflation. This economy can provide a very high standard of living and a very large increase in military outlay without degradation of the dollar. Failure to take action to prevent inflation would be inexcusable. The necessary action is clear and unmistakable. There may be differences over details, but there can be none over the major requirements. Taxes must be increased, at once, to cover the rise in expenditures fully and to balance the budget. Adequate control powers over consumer finance and construction finance should be added to existing monetary authority. Payment of Government expenses out of income instead of the printing press, and monetary restraint on civilian consumption, together, can protect the country from the woes of inflation and thus conserve its strength for use against the evils of aggressive tyranny.

Mr. Speaker, the blunders of our national leadership are not limited to our foreign policy but much of our domestic policy is honeycombed with waste and extravagance. Hundreds of millions, if not billions of dollars, have been wasted by profligate spending. A glaring example is the price support program for eggs, potatoes, and other agriculture products.

Our Government's egg program is a mess. Uncle Sam is sitting on millions of eggs, none of which will hatch. We are buying millions of eggs here in America under the support program and at the same time are permitting eggs to be imported from Red China. The Commodity Credit Corporation bought 57 million dollars' worth of eggs during the first 6 months of 1950. On July 17 we had in storage in the United States 107,000,000 pounds of dried eggs and Uncle Sam is at his wits' end to know what to do with them as some of them are about to spoil.

Recently in the Agriculture Committee office near mine in the House Office Building, Secretary Brannan met with the House Agriculture Committee on the problem of the disposition of these surplus eggs as well as other surplus agricultural commodities. Under the 23-nation general agreement on tariffs and trade, to which the Chinese Nationalists agreed but which Red China has repudiated, we are still permitting Chinese eggs to be brought into America to undersell the American product. Chinese eggs sell in New York for 77 cents a pound, nearly 30 cents under the United States dried-egg cost. In the meantime, United States farmers are selling their eggs to the Government for 96 cents a pound dried. To add insult to injury we shipped last May 80,000 pounds of dried eggs back to Hong Kong to be given to needy persons in China when the Red leaders will permit. If you can get any sense out of this program of the administration with reference to eggs, you can do better than I can.

While the Federal Government through the support program is buying millions of pounds of foodstuffs, much of which is later destroyed, allowed to go to waste, or is disposed of at a nominal sum, the other departments of Government are buying similar products on the open market to meet daily needs. The Armed Forces during the past 4 weeks needed 23½ million pounds of potatoes. The military buyers went into the open market and bought their supplies at the rate of $2.95 a hundred pounds. At the same time, the Agriculture Department was buying No. 1 potatoes in North Carolina for $1.68 a hundred and reselling them to farmers for fertilizer at 1 cent a bag.

Everyone in the country knows of the great stocks of surplus foods that have been accumulated by Agriculture Secretary Brannan. Furthermore, there is a public law, No. 434, that specifically authorizes the Secretary of Agriculture to turn over to the Armed Forces any of these surplus-food commodities. This was designed to save the taxpayers as much as possible by drawing from surplus holdings. During the last 4 weeks the armed services spent $6,000,000 for the purchase of food which could have been turned over to them by Secretary Brannan. The armed services bought in the open market 4,910,350 dozen eggs at 40 cents a dozen, a total cost of $1,950,204; 4,131,022 pounds of butter at a cost of $2,508,267; 954,664 pounds of cheese at a total cost of $331,727.

The administration is still continuing with the muddled, wasteful potato price-support program. The Department of Agriculture reports that 75,000,000 bushels, or about one-sixth of all potatoes grown in the United States this year, will be bought by the Government and left on the farms where they were raised. These will cost about a dollar a bushel. In 1949 about $90,000,000 was plowed in the ground under the potato program. One of the biggest potato crops in history is prophesied for this year and the Federal Government under the program pays the farmers for raising the potatoes and then either gives them back to the farmer to be used as feed or destroys them or disposes of them for uses other than food at a nominal price as low as 1 cent a bushel.

The administration's potato program from its inception has cost almost one-half billion dollars, namely, $495,169,000 for the period 1943 to 1949. The administration has further bungled the problem by importing large quantities of Canadian potatoes which are underselling the American potatoes and thereby cutting the throats of American producers as well as mulcting Uncle Sam for heavy payments under the support program.

In addition to potatoes the Commodity Credit Corporation is holding 465,000,000 bushels of wheat, which is about 40 percent of last year's total crop, valued at approximately $1,000,000,000. Its estimated holdings of corn total 510,000 bushels, or 13.5 percent of the 1949 crop, valued at almost three-fourths billion dollars. It holds 6,000,000-plus bales of cotton, which is 27.45 percent of the 1949 crop, valued approximately at $1,000,000,000. In addition the Commodity Credit Corporation is holding the following:

	Amount	Costs
Dried milk.....pounds..	254,490,784	$31,615,535.72
Dried eggs.....do....	49,445,878	98,645,444.68
Butter.....do....	98,675,801	61,003,323.06
Cheese.....do....	23,935,157	8,030,266.80
Prunes.....do....	49,985,455	5,006,203.64
Raisins.....do....	22,972,380	2,210,133.26
Edible dried beans hundredweight..	4,850,795	42,859,926.40
Rice.....do....	431,820	2,936,252.60
Turkeys.....pounds..	725,480	309,173.80
Canned Mexican meat pounds..	49,445,878	12,468,074.26

This involves some 277,480 tons of surplus commodities costing $265,000,000. These huge Government surpluses of edible products were reported last February and are mounting day by day, and the total holdings are much larger today.

It is reprehensible to destroy nourishing, edible foods which have been produced by American farmers and paid for by American taxpayers. I therefore introduced, on February 8, 1950, a bill, H. R. 7208, prohibiting the destruction of these surplus foods and making it mandatory on the Federal Government to make surplus food products available to charitable institutions, schools, welfare agencies, and thousands of needy Americans who are receiving starvation allotments from welfare agencies. The administration has turned thumbs down on my proposal, but now at long last the House leadership is considering such legislation.

The immediate problem is the disposition of the huge surpluses which the Government now is holding, which have been purchased with the hard-earned tax dollars of the American public. We are confronted with a condition and not a theory. It would be a scandalous procedure to dump or destroy those edible foods and not make them available to American citizens in need. However, the larger problem is the maladministration of the Federal Government under its present controls in failing to solve this great industrial and agricultural problem—the production and distribution of the necessities of life without piling up huge surpluses paid for by taxes.

It is well known that potatoes may be successfully converted into alcohol, which is now in short supply and at a high price. A year ago alcohol was 30 cents a gallon, now it is quoted at 75 cents a gallon. Alcohol is being imported from Cuba, Finland, and Mexico while this

great source of alcohol is being dumped or destroyed. In 1948 much of the potato surplus was converted into alcohol.

Mr. Speaker, while we are denouncing hoarders and calling upon the taxpayers of this country to submit to increased burdens of taxation to carry on the war effort and are calling upon everyone to make every sacrifice possible to meet the emergency, is it not time that Uncle Sam, himself the greatest spendthrift and hoarder of all time, tighten his own belt and prevent this enormous waste in destruction of needed foods and the expenditure of tax dollars on such crackpot projects to boost the cost of foods to American consumers? Would it not be infinitely better for this great and prosperous Nation to use these huge food surpluses in caring for the elderly people of America, many thousands of whom in their declining years are eking out a miserable existence, underfed, poorly clothed and housed?

During the 12 years I have been a Member of Congress, I have labored for the enactment of an adequate old-age-security program that would bring social-security protection to all of the elderly people of America 60 years of age and over who are in need of their Government's protection, as well as dependent widows, orphans, and the disabled.

While the bill amending the social-security law recently passed by the Congress provides necessary and needed amendments to the existing social-security law, it fails in one major respect, in that no substantial aid is provided in it for the aged of America who are not able to qualify as insured employees and therefore are without the protection of social security. A much more equitable solution would have been to provide Nation-wide Federal annuities for the aged of America who are unable to be absorbed as employees in America's workshop and who by reason thereof are without the means to provide a minimum of food, shelter, and medical attention to keep them from want in their old age.

Mr. Speaker, this is America's hour of destiny. The fate of our civilization is at stake. We are on the brink of another world war if, indeed, we are not already in it. World War II, which we boasted of winning, left more than 400,000 dead and 670,000 wounded of our American boys who sacrificed their lives or health to bring peace to the world, they were told. We won the war but we have lost the peace.

Over $330,000,000,000 were expended in the conflict, much of it still unpaid. With a public debt of $257,545,844,230 and a proposed budget for 1951 of over $60,000,000,000 we are financially unprepared for another conflict. We are fighting to defend freedom throughout the world and we are in danger of losing it here at home. We are wasting our immense resources here at home and abroad on enterprises which are leading to bankruptcy. For 1927 the total cost of Government was $2,761,000,000, whereas now our budget for 1951, as I have said, is over sixty billions. We are entering a war with a public debt in excess of $257,500,000,000 which means $6,800 for every American family. This debt is greater than our total national income, 10 times greater than all the gold in Fort Knox, 5 times greater than all United States money in circulation and held in the Treasury, more than all United States life insurance in force, greater than three full years of American peak industrial production, greater than all the deposits in our banks by $100,000,000,000 and is enough to buy the food for nine full years for every individual in the United States.

In the four peacetime years, 1946 to 1949, inclusive, the United States spent $177,000,000,000; in the 152 years from the inauguration of George Washington in 1789 to the beginning of World War II in 1940 the Government spent only $167,000,000,000. In a single month this year the United States Government during peacetime spends as much as the total cost of Government in the 4 years of the Civil War, namely, $3,350,000,000. There is a bottom to Uncle Sam's Treasury, and unless we curtail the wasteful and reckless spending, balance the budget, and conserve our resources the financial stability of the country will be doomed. The time has arrived to stop, look, and listen and reappraise our over-all, long-range governmental program.

With the money owing to the United States for loans unpaid from the First World War, and with the expenditures overseas since, Uncle Sam has taken from the American taxpayers for foreign aid over $92,000,000,000. Since the war ended we have contributed to these countries over $30,000,000,000 alone. Milo Perkins, formerly Assistant to the Secretary of Agriculture and wartime Director of the Board of Economic Warfare, in an article in Harper's magazine, December 1949, said:

> It is slowly dawning on us here in the United States that we cannot buy world-wide recovery with a checkbook. Since the end of the war we have put some $23,000,000,000 into various foreign-aid programs. We have authorized nearly $10,000,000,000 more. But economic recovery on a self-sustaining basis in most of the world is not in sight.

How true today are the words of the late Franklin Delano Roosevelt, who said in 1932:

> Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuance of that habit means the poorhouse.

Mr. Speaker, one of the major issues before the American people today is the issue between radicalism, regimentation, all-powerful bureaucracy, class exploitation, deficit spending, and machine politics, as against our belief in American freedom for the individual under just laws fairly administered for all, preservation of local home rule, efficiency and pay-as-you-go economy in Government, and the protection of the American way of life against either Fascist or Communist trends.

I repeat what I said in beginning these remarks, the hour has struck, let us build to full strength forthwith our national defenses and thereby protect our soldiers overseas and stop the Red aggressors and win the war; let us put only loyal Americans on guard, oust the Reds, subversives, bureaucratic blunderers, and spendthrifts from our own Government and restore honesty and sanity and save human liberties.

There is much merit in the urge for world peace in the proposal made by 28 Senators last week to President Truman for an all-out crusade to convince the Russian people that America wants peace. This bipartisan group in urging an expansion of the Voice of America and other Government facilities said:

> But more than money we need a new vigor, a new imagination, a new directness and plainness of speech. We need the message to be continuously, indefinitely reiterated. We need to use means new and old, thought of and unthought of, traditional and revolutionary. The program—

The Senators said—

> might soften and erode the foundations of the Politburo, escape the appalling expenditure of life and treasure with which we are faced, and thus escape the totalitarian control of our lives which neither you, we, nor the American people can contemplate without dismay. Let us tell the Russian people that we want to live in peace with them and hope that their rulers will not compel us to fight them. We would like to help them get a better life from their rich soil, forests, and mines.

Woodrow Wilson believed that America was established to vindicate the rights of man. He said:

> We did not name any differences between one race and another. We did not set up any barriers against any particular people. We said, "This independence of ours is not a selfish thing for our own exclusive use. It is for everybody to whom we can find the means of extending it." Nothing can make America great except her ideals. I hope we shall never forget that we created this nation not to serve ourselves but to serve mankind. * * * America marches with its eyes not only forward, but with its eyes lifted to the distances of history, to the great events which are slowly culminating, in the providence of God, in the lifting of civilization to new levels and new achievements. That is what makes us Americans.

The United States is a Christian nation. We believe in the promises of a just God. We cling to the efficacy of prayer. As I have said on this floor before, Are we not overlooking the admonitions of the Sermon on the Mount and the great spiritual values of life and placing our dependence on material things, the war engines of destruction, and the atomic bomb?

> For heathen heart that puts her trust
> In reeking tube and iron shard—
> All valiant dust that builds on dust,
> And guarding calls not Thee to guard.

The Great Architect of the Universe has been good to America. He has given us the greatest country on earth. It is rich in natural resources; we have great fertile fields, broad rivers charged with almost boundless hydroelectric power, great forests, an industrial system with skilled workmen, the greatest and most productive for human welfare and needs in all history and a garden spot in which to spend our days during the short span we are permitted here on earth.

We have, indeed, a wonderful world to live in, yet we are spending most of our

time in petty, intolerant jealousies, selfish grasping for wealth and power, and in waging world-wide wars, preparation for war, or the sordid business of cleaning up the mess after death and devastation wrought by war. We need in America and the world today more good will among men and less war, more of the spirit of cooperation, brotherly love, and fellow feeling and less of selfishness, hatreds, animosity, and jealousies which are abroad in the world.

There is deep significance in the words of John Foster Dulles, when he said:

Something has gone wrong with our Nation, or we should not be in our present plight and mood. It is not like us to be on the defensive and to be fearful. That is new in our history. * * * What we lack is a righteous and dynamic faith. Without it, all else avails us little. The lack cannot be compensated for by politicians, however able; or by diplomats, however astute; or by scientists, however inventive; or by bombs, however powerful. * * * Our greatest need is to regain confidence in our spiritual heritage. * * * There is no use having more and louder Voices of America unless we have something to say that is more persuasive than anything yet said.

SPECIAL ORDER GRANTED

Mr. JENKINS asked and was given permission to address the House for 10 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. ENGLE of California asked and was given permission to extend his remarks.

Mr. WHITE of Idaho. Mr. Speaker, previous to my absence I received permission to extend my remarks in the RECORD, but due to the fact that I was absent, I did not have time to prepare the material. I ask unanimous consent that I may renew those permissions to extend my remarks in four instances.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. LARCADE asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. SMITH of Wisconsin. Mr. Speaker, on last Thursday I asked and received unanimous consent to further revise and extend my remarks of July 18, beginning on page 10537. The Public Printer advises me that I did not present it in proper form. I wish to renew my unanimous-consent request that I may further revise and extend my remarks of July 18, 1950, beginning at page 10537, to be added at the end of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HOFFMAN of Michigan (at the request of Mr. POTTER) was given permission to extend his remarks and include extraneous matter.

Mr. BIEMILLER (at the request of Mr. PRIEST) was given permission to extend his remarks in two instances and include extraneous matter.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6000. An act to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 815. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.;

S. 816. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.;

S. 1064. An act to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.;

S. 1320. An act for the relief of Mrs. Barbarita Romero;

S. 1457. An act to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.;

S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi; and

S. 3099. An act to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On August 17, 1950:

H. R. 627. An act for the relief of Southern Fireproofing Co., of Cincinnati, Ohio;

H. R. 6958. An act authorizing the Secretary of the Interior to issue a patent in fee to Francis Lee Edwards; and

H. R. 7439. An act to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes.

On August 18, 1950:

H. R. 7155. An act to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest-land owners, and for other purposes; and

H. R. 7209. An act authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources.

On August 21, 1950:

H. R. 6000. An act to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 44 minutes p. m.) the House adjourned until tomorrow, Tuesday, August 22, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1641. A letter from the Assistant Secretary of the Air Force, transmitting a report of claims paid by the Department of the Air Force pursuant to section 2673 of the Federal Tort Claims Act, as amended and codified (28 U. S. C.), for the fiscal year 1950; to the Committee on the Judiciary.

1642. A letter from the Attorney General, transmitting copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence filed by the subjects of such orders; to the Committee on the Judiciary.

1643. A letter from the Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. NORTON: Committee on House Administration. House Joint Resolution 385. Joint resolution to provide for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes; without amendment (Rept. No. 2960). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Joint Resolution 519. Joint resolution to permit the National Grange to erect a marker on Federal land in the District of Columbia; without amendment (Rept. No. 2961). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Concurrent Resolution 202. Concurrent resolution authorizing the Committee on the Judiciary of the House of Representatives to have printed 5,000 additional copies of serial 14, part 4, of the hearings held before said committee entitled "Study of Monopoly Power," authorized by House Resolution 137, Eighty-first Congress, first session; with amendment (Rept. No. 2962). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Joint Resolution 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author; without amendment (Rept. No. 2963). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 695. Resolution authorizing the printing of the manuscript relative to accelerated mapping and water resources basic-data programs be printed as a House document; with amendment (Rept. No. 2964). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. H. R. 9291. A bill to authorize the printing of the annual reports of the Girl Scouts of the United States of America as separate House documents; without amendment (Rept. No. 2965). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. Senate Concurrent Resolution 100. Concurrent resolution providing for the printing of proceedings at the unveiling of the statue of Brigham Young; without amendment (Rept. No. 2966). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 744. Resolution granting 6 months' salary and $350 funeral expenses to the estate of Arthur Hall, late an employee of the House of Representatives; without amendment (Rept. No. 2967). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 739. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 323; with amendment (Rept. No. 2968). Ordered to be printed.

Mr. MURRAY of Tennessee: Committee of conference. H. R. 7265. A bill to provide for the conduct of a periodic census of governments; without amendment (Rept. No. 2969). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 986. An act for the relief of Carlos Riggenbach, without amendment (Rept. No. 2970). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 4365. A bill for the relief of Fe'R. Dumaguing; with amendment (Rept. No. 2971). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5022. A bill for the relief of Henry Leonard Hoffmann; with amendment (Rept. No. 2972). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 6106. A bill for the relief of Daniel Kokal; with amendment (Rept. No. 2973). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 6990. A bill for the relief of Christina Karamanos Demas and Antonia Karamanos Demas; with amendment (Rept. No. 2974). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 7095. A bill for the relief of Rosette Selina Romano, a minor; with amendment (Rept. No. 2975). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 8136. A bill for the relief of Joseph Umberto Montalban-Troy; with amendment (Rept. No. 2976). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 9144. A bill for the relief of Mrs. Olga Kowalik and Czeslawa Kowalik; with amendment (Rept. No. 2977). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 9434. A bill for the relief of Christina Shalfeieff; without amendment (Rept. No. 2978). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS:

H. R. 9477. A bill to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes; to the Committee on Armed Services.

By Mr. CELLER:

H. R. 9478. A bill to amend the Public Health Service Act to support research and training in poliomyelitis, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIS of Wisconsin:

H. R. 9479. A bill to amend the Selective Service Act of 1948 to provide for the deportation of certain citizens of foreign countries relieved from liability for training and service; to the Committee on Armed Services.

By Mr. ELLSWORTH:

H. R. 9480. A bill to amend part I of the Interstate Commerce Act so as to make provision for an adequate reserve supply of railroad freight cars to supplement the normal supply in time of temporary shortage or national emergency; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD:

H. R. 9481. A bill to amend the act of September 16, 1942, as amended, so as to facilitate voting by members of the Armed Forces, and certain others, absent from their places of residence; to the Committee on House Administration.

H. R. 9482. A bill to amend the Selective Service Act of 1948 to provide for the deportation of certain citizens of foreign countries relieved from liabilities for training and service; to the Committee on Armed Services.

By Mr. HAGEN:

H. R. 9483. A bill to provide for a preliminary examination and survey of all streams in the State of Minnesota flowing into the Lake of the Woods, for flood-control purposes; to the Committee on Public Works.

By Mr. KEE:

H. R. 9484. A bill to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States Armed Forces during World War II in violation of neutral rights; to the Committee on Foreign Affairs.

By Mr. McDONOUGH:

H. R. 9485. A bill to authorize the Secretary of Defense to establish and conduct an effective program of research and development to increase the effectiveness of the measures for the protection of the civil population of the United States in the event of military attack, and for other purposes; to the Committee on Armed Services.

By Mr. WOODRUFF:

H. R. 9486. A bill to amend the Selective Service Act of 1948 to provide for the deportation of certain citizens of foreign countries relieved from liability for training and service; to the Committee on Armed Services.

By Mr. BENNETT of Florida:

H. R. 9487. A bill to provide for the common defense by establishing a universal training program, and for other purposes; to the Committee on Armed Services.

By Mr. BATTLE:

H. R. 9488. A bill to establish a United States Peace Academy; to the Committee on Education and Labor.

By Mr. HOBBS:

H. R. 9489. A bill to provide the means of increased fire protection for occupants of hotels and apartment houses in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. WOOD:

H. R. 9490. A bill to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes; to the Committee on Un-American Activities.

By Mr. MOULDER:

H. Con. Res. 251. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. BATTLE:

H. Res. 822. Resolution favoring an increased educational program by the United States in combating communism in foreign countries; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. KING:

H. R. 9491. A bill for the relief of Slavko Nikola Bjelajac; to the Committee on the Judiciary.

By Mr. LIND:

H. R. 9492. A bill for the relief of the AV-Equip Manufacturing Co.; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 9493. A bill for the relief of Thomas G. Fabinyi; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 9494. A bill for the relief of Dr. Tin-Yu-Kwong; to the Committee on the Judiciary.

By Mr. THOMPSON:

H. R. 9495. A bill for the relief of Middleton J. Watts; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2339. By the SPEAKER: Petition of Dominador L. Quiroz, secretary, Provincial Board of Bataan, Balanga, Philippine Islands, requesting a suitable special appropriation for Bataan; to the Committee on Foreign Affairs.

2340. Also, petition of Jose Cestero Guardiola, secretary, Legislature of Puerto Rico, San Juan, P. R., condemning the Communist aggression against southern Korea and expressing the solidarity of the people of Puerto Rico with the stand taken by the United States of America and the United Nations for the defense of democracy; to the Committee on Foreign Affairs.

SENATE

TUESDAY, AUGUST 22, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Look upon us, our Father, with Thy favor as now, at noontide, we seek to realize Thy presence. May we learn as so many have done before us that the time of prayer is a time of renewal, when doubt is dispelled, hope revived, and faith quickened and confirmed. Hear us in our intercessions. Forgive us for our pessimism and despair, our impatient questioning of Thy goodness, our absorption in the routine of life, our self-love and self-pity, our readiness in taking offense and carelessness in causing it, our misuse of Thy gifts and deafness to Thy calls. Forgive us these and all our offenses. Use them to humble our pride and soften our hearts. And with true penitence grant us the desire for amendment that we may rise on stepping stones of our dead selves to higher and better things.

We pray, and would work as we pray, for good government and just laws, for sound education and a clean press, for sincerity and honesty in our relations

with one another and with all nations, and, above all, for a spirit of service which will abolish pride of place and give equal opportunity to all. We ask it in the name of that One who is the servant of all. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 21, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 21, 1950, the President had approved and signed the following acts:

S. 3613. An act for the relief of certain Chinese stewards of the United States Navy; and

S. 3666. An act to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry.

CALL OF THE ROLL

Mr. McFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Morse
Brewster	Humphrey	Mundt
Bricker	Hunt	Murray
Bridges	Ives	Myers
Butler	Jenner	O'Conor
Byrd	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Darby	Kilgore	Smith, Maine
Donnell	Knowland	Smith, N. J.
Douglas	Langer	Sparkman
Dworshak	Leahy	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tobey
George	McClellan	Tydings
Gillette	McFarland	Watkins
Graham	McKellar	Wherry
Green	McMahon	Wiley
Gurney	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXPRESSION OF THANKS OF PRESIDENT OF REPUBLIC OF INDONESIA ON FIFTH ANNIVERSARY OF INDEPENDENCE OF INDONESIA

The VICE PRESIDENT laid before the Senate a telegram from the President of the Republic of Indonesia, expressing the thanks of his government for the cordial greetings extended to Indonesia by the Senate on the fifth anniversary of Indonesian independence, which was ordered to lie on the table and to be printed in the RECORD, as follows:

AUGUST 22, 1950.

THE SENATE OF THE UNITED STATES OF AMERICA,
Washington, D. C.:

On behalf of the people of the Republic of Indonesia I take great pleasure in thanking the Senate of the United States of America for the cordial greetings and felicitations extended to myself and to the Indonesian people on the occasion of the fifth anniversary of the Indonesian independence. We in Indonesia remember with gratitude the many occasions in the past 5 years on which we received the understanding sympathy and the encouraging support of the American people in our efforts to realize our ideals of freedom and democracy. In the process of development that is taking place in Indonesia the people have found inspiration and sustenance in the wisdom and achievements of the founding fathers of the United States. I hope that the future relations with the American people will stand out as a record of mutual good will and cordial friendship, and in that hope I am expressing the sentiments of the Indonesian people toward the people of America.

SOEKARNO,
President of the Republic of Indonesia.

CURTAILMENT OF MAIL SERVICE—RESOLUTION OF FEDERATION OF LABOR, AUBURN, N. Y.

Mr. LEHMAN. Mr. President, the Senate will shortly have before it the bill recently passed by the House for the countermanding of the Postmaster General's order cutting mail deliveries. In this connection I ask unanimous consent to have printed in the RECORD a resolution on this subject adopted by the federation of labor of Auburn, N. Y.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas we believe the present curtailment of mail service is crippling the postal system of our country, and handicapping the normal transaction of business, thereby actually costing our people several times more than any apparent saving made at the expense of postal employees' salaries; and

Whereas for our Government to spend huge sums of money to develop high speed transmission of mail by air only to have this same mail held up at its destination by horse-and-buggy delivery on the ground, appears to be at the very least, a ridiculous example of false economy; and

Whereas the deficit in the operation of our postal system is clearly a result of the enormous subsidies granted periodicals, common carriers, and such practices as the continuance of the penny government post card which alone constitutes a tremendous subsidy to the business firms who are its principal users; and

Whereas even a slight curtailment of the above subsidies would result in a considerably larger saving than the present restriction of our mail service; and

Whereas present postal rulings serve to deprive an estimated 55,000 temporary postal employees of their livelihood, thereby creating an undue and unjustified hardship on a conscientious and hard-working group of our fellow citizens; therefore be it

Resolved, That this body go on record as strongly urging a prompt and complete restoration of normal and efficient mail delivery; and be it further

Resolved, That copies of this resolution be respectfully brought to the attention of Senator HERBERT LEHMAN, Senator IRVING IVES and Congressman JOHN TABER and released to the press.

AUBURN FEDERATION OF LABOR,
THOMAS H. BROGAN, *Secretary.*

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 8975. A bill to amend the Synthetic Liquid Fuels Act, as amended; without amendment (Rept. No. 2376).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

RESERVATION OF CERTAIN LANDS IN OKLAHOMA FOR CHEYENNE-ARAPAHO TRIBES OF INDIANS—MINORITY VIEWS (PT. 2 OF REPT NO. 2246)

Under authority of the order of the Senate of August 9, 1950,

Mr. BUTLER, as a member of the Committee on Interior and Insular Affairs, submitted his minority views on the bill (H. R. 6114) to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HENDRICKSON:

S. 4075. A bill to permit Roger H. Glennon Charlier to answer a call to active duty as a reserve officer in the Belgian Army without losing his United States citizenship; to the Committee on the Judiciary.

(Mr. LEHMAN introduced Senate bill 4076, to authorize aid to needy American nationals in connection with their repatriation from foreign countries, and for other purposes, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

By Mr. MYERS:

S. 4077. A bill for the relief of Mrs. Bessie K. Neary; to the Committee on Post Office and Civil Service.

By Mr. CHAPMAN:

S. 4078. A bill to designate the Tomb of the Unknown Soldier of the American Revolution; to the Committee on Interior and Insular Affairs.

By Mr. MARTIN:

S. 4079. A bill for the relief of Sister Maria Urbana Cihovics (also known as Sister M. Urbana Cihovics); and

S. 4080. A bill for the relief of Sister Anna M. Alzbeta Sijarto-Hajdukova (also known as Sister M. Elizabeth); to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. J. Res. 200. Joint resolution to authorize additional expenditures in connection with the investigation ordered by S. Res. 202, Eighty-first Congress, approved May 17, 1950; to the Committee on Rules and Administration.

AID TO NEEDY AMERICAN NATIONALS IN THEIR REPATRIATION FROM FOREIGN COUNTRIES

Mr. LEHMAN. Mr. President, I send to the desk for appropriate reference a bill authorizing certain expenditures by the State Department to help repatriate needy United States nationals and members of their families stranded abroad, and I ask unanimous consent that a brief statement explaining this bill be printed in the RECORD at this point.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from New York will be printed in the RECORD. The Chair hears no objection.

The bill (S. 4076) to authorize aid to needy American nationals in connection with their repatriation from foreign countries, and for other purposes, introduced by Mr. LEHMAN, was read twice by its title, and referred to the Committee on Foreign Relations.

The explanatory statement presented by Mr. LEHMAN is as follows:

STATEMENT BY SENATOR LEHMAN

The bill I am introducing today is analogous to H. R. 8927, now on the House Calendar. This bill would authorize the State Department to assist, by grants, loans, and other financial aids, in the repatriation of needy United States nationals and members of their families who are stranded abroad. Most of the Americans so stranded are in the iron-curtain countries.

Under the further provisions of this bill, the Federal Security Agency is "authorized to render assistance to such needy persons for a temporary period after their repatriation to the United States."

The sole purpose of this bill is to help bring back to this country many American nationals who have found themselves without funds, as a result of events associated with the current world struggle.

The State Department has estimated that there are approximately 20,000 American nationals thus requiring repatriation, of whom 17,000 are in countries behind the iron curtain. The greatest number of these are in Poland.

FURTHER INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON BANKING AND CURRENCY

Mr. MAYBANK, from the Committee on Banking and Currency, reported the following original resolution (S. Res. 333), which, under the rule, was referred to the Committee on Rules and Administration:

Resolved, That the Committee on Banking and Currency hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, $5,000 in addition to the amount, and for the same purposes specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, as increased by Senate Resolution 175, Eighty-first Congress, agreed to October 13, 1949, and as increased by Senate Resolution 208, Eighty-first Congress, agreed to February 1, 1950.

INCREASE IN LIMIT OF EXPENDITURES BY SPECIAL COMMITTEE ON CRIME INVESTIGATON

Mr. KEFAUVER submitted the following resolution (S. Res. 334), which was referred to the Committee on Rules and Administration:

Resolved, That the committee established by Senate Resolution 202, agreed to May 3, 1950 (creating a special committee to investigate interstate gambling and racketeering activities), is hereby authorized to expend from the contingent fund of the Senate $100,000 in addition to the amount heretofore authorized for the same purposes.

REDUCTION OF EXCISE TAXES—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which was ordered to lie on the table and to be printed.

THE DEFENSE OF WESTERN EUROPE—ADDRESS BY HON. JOHN SHERMAN COOPER

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Defense of Western Europe," delivered by Hon. John Sherman Cooper, former Senator from Kentucky, on August 19, 1950, at the reunion of the Third Army Association in New York City, which appears in the Appendix.]

OUTSTANDING RELIGIOUS BOOKS OF THE YEAR

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article from the Milwaukee Journal of August 19, listing the outstanding religious books of the year, which appears in the Appendix.]

BROADCAST IN HONOR OF 55 MEMBERS OF THE JAPANESE DIET VISITING THE UNITED STATES

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a broadcast on August 6, 1950, from Los Angeles, Calif., in honor of 55 members of the Japanese Diet visiting the United States, which appears in the Appendix.]

THE ANTI-COMMUNIST BILLS—EDITORIAL FROM THE NEW YORK TIMES

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "The Anti-Communist Bills," published in the New York Times of August 22, 1950, which appears in the Appendix.]

REGISTRATION AND CONTROL OF COMMUNISTS

[Mr. MUNDT asked and obtained leave to have printed in the RECORD a letter addressed to him by Harold Russell, National Commander, AMVETS, which appears in the Appendix.]

WE ARE STILL ARMING RUSSIA—EDITORIAL FROM JOPLIN (MO.) GLOBE

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "We Are Still Arming Russia," published in the Joplin (Mo.) Globe of August 19, 1950, which appears in the Appendix.]

MERGER CONTROL—EDITORIAL FROM THE WASHINGTON POST

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an editorial entitled "Merger Control," published in the Washington Post of August 22, 1950, which appears in the Appendix.]

THE KOREAN WAR—EDITORIAL BY JOSEPH E. RAY

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD an editorial regarding the Korean war written by Joseph E. Ray, editor of the Blackfoot (Idaho) Bulletin, and published in that newspaper, which appears in the Appendix.]

PROPOSED ARMING OF GERMANY—EDITORIAL BY R. S. TOFFLEMIRE

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD an editorial with respect to the arming of Germany, written by R. S. Tofflemire, editor of the Twin Falls (Idaho) Times News, and published in that newspaper, which appears in the Appendix.]

TRIBUTE TO SENATOR BENTON—ADDRESS BY MRS. ANNE O'HARE McCORMICK

[Mr. McMAHON asked and obtained leave to have printed in the RECORD the address delivered by Mrs. Anne O'Hare McCormick, at the UNESCO tribute dinner to Senator BENTON held in April 1950, which appears in the Appendix.]

UNIVERSAL TRAINING

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Universal Training," published in the Harrisburg Evening News of August 18, 1950, which appears in the Appendix.]

EXTENSION OF TIME TO FILE CERTAIN ADMIRALTY SUITS—NOTICE OF HEARING ON H. R. 483

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 24, 1950, at 10 a. m., in room 424, Senate Office Building, on H. R. 483, to extend the time limit within which certain suits in admiralty may be brought against the United States. Persons desiring to be heard should notify the committee by Tuesday, August 22, 1950, so that a schedule can be prepared for those who wish to appear and testify. The subcommittee consists of the Senator from Washington [Mr. MAGNUSON], chairman, the Senator from West Virginia [Mr. KILGORE], and the Senator from Wisconsin [Mr. WILEY].

MILITARY APPROVAL OF CERTAIN SHIPMENTS TO COUNTRIES BEHIND THE IRON CURTAIN

Mr. LODGE. Mr. President, during the debate on appropriations for ECA, I expressed my conviction that the extremely grave character of the world situation made it necessary for the ECA to require military approval of any shipments, for which it had responsibility, to countries behind the iron curtain. I made it clear that I wanted no repetition of the events which occurred before World War II when we sent scrap iron to Japan which was later thrown back at us in the form of shells and bullets. I also stated that it was essential to maintain trade behind the iron curtain in articles of a clearly nonmilitary character so that when the time came for their liberation and restoration to the family of free nations, we should have the political influence that

would come from this economic relationship. This last might be of decisive importance.

On August 2, I addressed a letter to William Foster, the Acting Economic Cooperation Administrator, asking him to adopt this position. I have now received two letters from him in reply. This matter is of such great interest to the country and to the Members of the Senate that I ask unanimous consent that my letter to Mr. Foster and his reply to me be published in the body of the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 2, 1950.

Hon. WILLIAM FOSTER,
Acting Economic Cooperation Administrator, Economic Cooperation Administration, Washington, D. C.

DEAR MR. ADMINISTRATOR: In connection with the whole question of exports from Marshall-plan nations to satellite countries, I wish to set down now my conviction that, due to the extremely grave nature of the world situation, ECA (insofar as it lies within its power) should not authorize any such shipments unless they are approved by competent military authorities.

I believe that we should continue shipping articles of clearly nonmilitary character to these countries so that when the time comes for their liberation and restoration to the family of free and democratic nations we will have the political influence that comes from this economic relationship. In fact, it is probably the most effective potential rallying-point in those countries for pro-American sentiment.

But it is absolutely essential that there be no repetition of the events which occurred prior to World War II, when we sent large quantities of scrap iron to Japan which subsequently was thrown back at us in the form of shells and bullets.

It should be possible to have trade in nonmilitary items with the iron-curtain countries, at the same time making absolutely sure that no article of military character is shipped. This matter is so important that ECA should not, alone, make the decision as to what is or what is not a military item. In my judgment, all these decisions should only be taken after receiving the approval of competent military experts.

The great and justifiable public interest in this subject prompts me to tell you that I plan to make public a copy of this letter and your reply, as soon as your reply reaches me.

Very sincerely yours,

HENRY CABOT LODGE, Jr.,
United States Senator.

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., August 16, 1950.

Hon. HENRY CABOT LODGE, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR LODGE: Before exlaining the matters referred to in your letter of August 2, I should state quite frankly that no explanation can be complete or entirely satisfactory, because most of the material is of a highly classified nature and disclosure would not be in our national interest, except of course, before committees of Congress in executive session. ECA has already fully explained its activity in such sessions and stands ready to do so whenever called upon.

I should make clear at the beginning that ECA does not "authorize" any shipments at all. The United States export control mechanism has been placed in the Department of Commerce which decides whether or not any given item is of sufficient military importance to justify a complete embargo on shipments from this country to undesirable destinations or whether, the item not being quite so important, shipments should be limited in quantity but not completely embargoed. This decision is arrived at after the Department of Commerce has consulted with and obtained the views of the Departments of State, Defense, Agriculture, and Interior, and of ECA, National Security Resources Board, Atomic Energy Commission, and the Central Intelligence Agency. As you can see, considerable technical knowledge is brought to bear upon this question.

It is not, however, always easy to arrive at a decision as to the military value of many items and it is not unusual to find that technicians disagree among themselves, at least at the beginning of a discussion. This often occurs in any field involving judgment.

One source of misapprehension as to the extent of trade between eastern and western Europe involving strategic items stems from the use of such expressions as "war material" and "military items." It does not seem to be generally understood that there is a difference between a strategic and a nonstrategic item and, consequently, many members of the public jump to the conclusion that strategic items are being shipped when they see, for example, reference to many thousands of dollars' worth of "machinery and vehicles" and "chemicals and related products" being sent to eastern Europe. The United States itself has shipped such items to four Russian satellites within recent months, but I can assure you that none of them were strategic.

After the technical aspects of the item in question have been considered by the various agencies, including the military, and after a decision is made by the Department of Commerce that an item should be embargoed, ECA begins to function under section 117 (d), which provides that the Administrator shall not finance any commodity which goes into the manufacture, for a nonparticipating country, of an item which cannot be shipped to such a market from this country. Of course the ECA programs for particpating countries do include many strategic items but these, as well as non-ECA-financed articles, require an export license and not only are such shipments subjected to scrutiny by the various agencies of this Government before they are shipped, but the ECA controllers abroad pick up the shipments on arrival and trace them, on a spot check basis, to the ultimate destination to see that there has been no diversion.

The other part of the problem of controlling trade in strategic items lies in the field of the production by participating nations of such items where ECA financing is not involved, ECA having therefore no direct influence in the situation.

I may, however, refer to the fact that, beginning about two years ago, ECA began discussing this problem with the various participating nations individually. This is a field which I obviously cannot fully explain in a letter, but I will say that, as of the present, we know that most of the items on our embargo list are also either embargoed or very strictly controlled by most of the manufacturing participating nations.

It should be borne in mind that East-West trade is not similar to the shipment of scrap iron to Japan prior to World War II. The United States then received from Japan nothing which increased our war or industrial potential and the advantage was all one way. In the case of East-West trade, however, chrome and manganese, coal, timber, food and feed are essentials which help to strengthen the economy of the West, which is the foundation upon which military security is being built. Therefore it should be realized that our goal is to increase the strength of the West relative to that of the East. This, of course, is a limited objective, somewhat similar to the objective of military security, as to which General Bradley stated before the Senate Committee on Foreign Relations: "I have chosen the word 'reasonable' to describe the security goal that we strive for, because the alternative—absolute security—is unattainable."

Thus we must judge East-West trade in terms of what best secures a net advantage for western Europe in the light of its economic and political welfare, which always underlies its ability to play its part in defending our mutual security interests. Any alternative course of action, which might result in completely shutting down as distinguished from controlling such trade, would necessarily require the American taxpayer to advance additional dollars to continue recovery in Europe.

The problem of East-West trade is further complicated by the highly desirable psychological effect of keeping before the oppressed peoples in the satellite countries the fact that only the free and independent nations of the West are able to produce and supply certain essential goods. You mentioned this in the second paragraph of your letter and I am in full agreement with your conclusion. However, this merely presents us with our problem in slightly different form.

Basic in ECA's thinking from the very beginning has been the realization that the economic recovery and revitalization (which includes morale) of western Europe is the sine qua non of any plan to halt the Communist plan of world conquest—people must have something to fight for if they are to be effective in opposing the evil which they must fight against. The recovery brought about so far is now the foundation upon which technical military security is being built and within 48 hours after the news of the Korean invasion was received, reorientation of ECA's activity was initiated and under way to include the additional task of helping to strengthen our friends in Europe against aggression from the outside.

I would not, however, have you believe that ECA is satisfied with progress made so far, because such is not the fact. Many things remain to be done, and done speedily, both by the United States and the participating nations.

I would have you believe that ECA is fully conscious of the fact that the problem consists of three parts—recovery, military security, and international relations, which includes coordinated activities. No single part of this problem can have any real existence separated from the other two and consequently ECA's decisions are based upon a consideration of all three parts, after consultation, when appropriate, with other agencies.

Sincerely yours,

WILLIAM FOSTER,
Acting Administrator.

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., August 18, 1950.

Hon. HENRY CABOT LODGE, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR LODGE: Since my reply to your letter of August 2, I have received a number of inquiries with respect to newspaper articles reporting the shipment by Italy to Russia of 60 industrial locomotives of 35 tons each. It occurred to me that here is a specific example of why East-West trade differs from the prewar shipment of scrap-iron from the United States to Japan.

It is true that these locomotives were included in a trade agreement executed between Italy and Russia in December 1948, but under the same trade agreement Russia

is shipping to Italy, among other items, the following:

	Tons
Iron ore	200,000
Manganese	20,000
Asbestos	2,500
Pig iron	100,000
Steel ingots	75,000
Petroleum	100,000
Copper	3,000
Nickel	800
High-grade wheat	300,000

I may add that the following is a partial list of items which eastern Europe as a whole has been supplying to western Europe—lead, zinc, chrome, bauxite, manganese ore, ferromanganese, iron ore, steel ingots, pig iron, sheet iron, iron and steel plate, galvanized sheets, copper, nickel, seamless and welded tubes, machine tools, Diesel generators, electro-Diesel engines, electrical equipment, tractors, locomotives, freight cars, tank cars, crude oil, benzol, gasoline, coal and coke, as well as large quantities of food and feed.

I trust this additional information will be helpful.

Sincerely yours,

WILLIAM FOSTER,
Acting Administrator.

COL. GEORGE W. COMBS

Mr. O'CONOR. Mr. President, long and meritorious service in any capacity is always deserving of recognition and commendation. For this reason I am happy to bring to the attention of the Senate the fact that Col. George W. Combs has just rounded out 42 years of service on the staff of the Baltimore Sunpapers. Continuously, during 33 of those years, he has been a member of the Press Gallery, and has been honored by the National Press Club for years past through selection as treasurer of the club.

Certainly it would be difficult to find a more capable, conscientious representative of the great American press, or a finer gentleman or citizen. It is a pleasure and a tribute to him on this occasion to express the hope that his splendid service of past years will be crowned with many years of increasing distinction.

AMERICAN-MEXICAN TREATY ACT OF 1950

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3934) to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary, which were, to strike out all after the enacting clause and insert:

That this act may be cited as the "American-Mexican Treaty Act of 1950."

TITLE I—AUTHORIZATIONS FOR CARRYING OUT TREATY PROJECTS

SEC. 101. That the Secretary of State, acting through the United States Commissioner, International Boundary and Water Commission, United States and Mexico (herein referred to as the "Commission"), in connection with any project under the jurisdiction of the United States Section, International Boundary and Water Commission, United States and Mexico, is authorized: (a) to purchase, or condemn, lands, interests, or interests in lands, for relocation of highways, roadways, railroads, telegraph, telephone, or electric transmission lines, or any other properties whatsoever, the relocation of which, in the judgment of the said Commissioner, is necessitated by the construction or operation and maintenance of any such project, and to perform any or all work involved in said relocations on said lands, or interests in lands, other lands, or interests in lands, owned and held by the United States in connection with the construction or operation and maintenance of any such project, or properties not owned by the United States; (b) to enter into contracts with the owners of the said properties whereby they undertake to acquire any, or all, property needed for said relocation, or to perform any, or all, work involved in said relocations; and (c) for the purpose of effecting completely said relocations, to convey, or exchange Government properties acquired or improved under clause (a) above, with or without improvements, or other properties owned and held by the United States in connection with the construction or operation and maintenance of said project, or to grant term or perpetual easements therein or thereover. Grants or conveyances hereunder shall be by instruments executed by the Secretary of State without regard to provisions of law governing the patenting of public lands.

SEC. 102. The United States Commissioner is authorized to construct, equip, and operate and maintain all access roads, highways, railways, power lines, buildings, and facilities necessary in connection with any such project, and in his discretion to provide housing, subsistence, and medical and recreational facilities for the officers, agents, and employees of the United States, and/or for the contractors and their employees engaged in the construction, operation, and maintenance of any such project, and to make equitable charges therefor, or deductions from the salaries and wages due employees, or from progress payments due contractors, upon such terms and conditions as he may determine to be to the best interest of the United States, the sums of money so charged and collected or deducted to be credited to the appropriation for the project current at the time the obligations are incurred.

SEC. 103. There are hereby authorized to be appropriated to the Department of State for the use of the Commission, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of the treaty of February 3, 1944, and other treaties and conventions between the United States of America and the United Mexican States, under which the United States section operates, and to discharge the statutory functions and duties of the United States section. Such sums shall be available for construction, operation and maintenance of stream gaging stations, and their equipment and sites therefor; personal services and rent in the District of Columbia and elsewhere; services, including those of attorneys and appraisers, in accordance with the provisions of section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), at rates for individuals not in excess of $100 per diem and the United States Commissioner is hereby authorized, notwithstanding the provisions of any other act, to employ as consultants by contract or otherwise without regard to the Classification Act of 1923, as amended, and the civil-service laws and regulations, retired personnel of the Armed Forces of the United States, who shall not be required to revert to an active status, and who shall be entitled to receive, as compensation for such temporary service, the difference between the rates of pay established therefor and their retired pay during the period or periods of such temporary employment; travel expense, including, in the discretion of the Commissioner, expenses of attendance at meetings of organizations concerned with the activities of the Commission which may be necessary for the efficient discharge of the responsibilities of the Commission; hire, with or without personal services, of work animals, and animal-drawn and motor-propelled (including passenger) vehicles and aircraft and equipment; acquisition by donation, purchase, or condemnation of real and personal property, including expenses of abstracts, certificates of title, and recording fees; purchase of ice and drinking water; inspection of equipment, supplies and materials by contract or otherwise; drilling and testing of foundations and dam sites, by contract if deemed necessary; payment for official telephone service in the field in case of official telephones installed in private houses when authorized under regulations established by the Commissioner; purchase of firearms and ammunition for guard purposes; and such other objects and purposes as may be permitted by laws applicable, in whole or in part, to the United States section: *Provided*, That, when appropriations have been made for the commencement or continuation of construction or operation and maintenance of any such project, the United States Commissioner, notwithstanding the provisions of sections 3679, 3732, and 3733 of the Revised Statutes or any other law, may enter into contracts beyond the amount actually appropriated for so much of the work on any such authorized project as the physical and orderly sequence of construction makes necessary, such contracts to be subject to and dependent upon future appropriations by Congress.

SEC. 104. The United States Commissioner, in order to comply with the provisions of articles 12 and 23 of the treaty of February 3, 1944, between the United States and Mexico, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande below Fort Quitman, Tex., is authorized to acquire, in the name of the United States, by purchase or by proceedings in eminent domain, the physical properties owned by the Imperial Irrigation District of California, located in the vicinity of Andrade, Calif., consisting of the Alamo Canal in the United States, the Rockwood Intake, the Hanlon Heading, the quarry, buildings used in connection with such facilities, and appurtenant lands, and to reconstruct, operate and maintain such properties in connection with the administration of said treaty.

SEC. 105. Funds heretofore appropriated to the Department of State under the heading "International Boundary and Water Commission, United States and Mexico" shall be available for the purposes of this title: *Provided*, That authorizations under this title shall apply only to projects agreed upon by the two Governments in accordance with the treaty of February 3, 1944.

TITLE II—DOUGLAS-AGUA PRIETA SANITATION PROJECT

SEC. 201. That the Secretary of State is authorized, subject to the conditions provided in this title, to enter into an agreement with the appropriate official or officials of the United Mexican States for the operation and maintenance by the city of Douglas, Ariz., of the Douglas-Agua Prieta sanitation project, located at Douglas, Ariz., and Agua Prieta, Sonora, Mexico, heretofore constructed by the International Boundary and Water Commission, United States and Mexico, which agreement shall contain such provisions relating to a division between the two Governments of the costs of such operation and maintenance, or of the work involved therein, as may be recommended by said Commission and approved by the Government of Mexico and by the Secretary of State on behalf of the Government of the United States: *Provided*, That no such agreement shall be entered into until the governing body of the city of Douglas, Ariz., has given assurances satisfactory to the Secretary of State that it will operate and maintain said project and contribute an equitable proportion of the cost of such operation and maintenance allocated to the United States, so long as said agreement between the two Governments remains in force.

SEC. 202. There is authorized to be appropriated to the United States Section, International Boundary and Water Commission, United States and Mexico, such sums as may be necessary to defray such costs as may

accrue to the United States arising out of any such agreement for the operation and maintenance of such project: *Provided,* That funds heretofore appropriated to the Department of State under the heading "International Boundary and Water Commission, United States and Mexico," shall be available for expenditure for the purposes of this title: *Provided further,* That any moneys received from the United Mexican States under the terms of any such agreement shall be available for expenditure in connection with any appropriations which may be available or which may be made for the purposes of this title: *And provided further,* That moneys received from the city of Douglas, Ariz., pursuant to the provisions of this title shall be available for expenditure in connection with any appropriations which may be available or which may be made available for the purposes of this title.

TITLE III—CALEXICO-MEXICALI SANITATION PROJECT

SEC. 301. That the Secretary of State is authorized, subject to the conditions provided in this title, to enter into an agreement with the appropriate official or officials of the United Mexican States for the construction by the International Boundary and Water Commission, United States and Mexico, of a sanitation project for the cities of Calexico, Calif., and Mexicali, Lower California, Mexico, which agreement shall contain such provisions relating to a division between the two Governments of the cost of such construction and operation and maintenance, or of the work involved therein, as may be recommended by the said Commission and approved by the Government of Mexico and by the Secretary of State on behalf of the Government of the United States: *Provided,* That no such agreement shall be entered into until the governing body of the city of Calexico, Calif., has given assurances satisfactory to the Secretary of State that it will operate and maintain such project and will contribute an equitable proportion of the cost of such construction, operation, and maintenance as is allocated to the United States so long as said agreement between the two Governments shall remain in force.

SEC. 302. There is authorized to be appropriated to the United States section, International Boundary and Water Commission, United States and Mexico, such sums as may be necessary to defray such costs as may accrue to the United States arising out of any such agreement for the construction, operation, and maintenance of such project: *Provided,* That funds heretofore appropriated to the Department of State under the heading "International Boundary and Water Commission, United States and Mexico," shall be available for expenditure for the purposes of this title: *Provided further,* That any moneys received from the United Mexican States under the terms of any such agreement shall be available for expenditure in connection with any appropriation which may be available or which may be made available for the purposes of this title: *And provided further,* That moneys received from the city of Calexico, Calif., pursuant to the provisions of this title shall be available for expenditure in connection with any appropriations which may be available or which may be made available for the purposes of this title.

And to amend the title so as to read: "A bill to facilitate compliance with the treaty between the United States of America and the United Mexican States signed February 3, 1944."

Mr. CONNALLY. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. CONNALLY, Mr. THOMAS of Utah, Mr. FULBRIGHT, Mr. SMITH of New Jersey, and Mr. LODGE conferees on the part of the Senate at the conference.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 2423) to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 133) to amend section 2 of the act approved June 20, 1936, entitled "An act to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes."

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAWSON, Mr. HOLIFIELD, Mr. KARSTEN, Mr. RICH, and Mr. LOVRE were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. MONRONEY, Mr. WOLCOTT, Mr. GAMBLE, and Mr. KUNKEL were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 5941. An act to incorporate The Military Chaplains Association of the United States of America;

H. R. 6355. An act to provide for the conveyance of certain real property to the city of Richmond, Calif.;

H. R. 7340. An act to amend section 5192 of the Revised Statutes, with respect to the reserves of certain national banks;

H. R. 7524. An act to authorize the establishment of a wildlife management area in the Florida Keys, Fla., and for other purposes;

H. R. 7677. An act to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School;

H. R. 7854. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Board of County Commissioners of Sedgwick County, Kans.;

H. R. 7990. An act to incorporate the American Society of International Law, and for other purposes;

H. R. 8458. An act authorizing the Housing and Home Finance Administrator to release the trustees of Columbia University, in the city of New York, and the Citizens' Veterans Homes Association of Rockland County, Inc., from obligations under their contracts for operation of veterans' temporary housing project, NY-V-30212;

H. R. 8534. An act to authorize the acceptance of donations of land to supplement present parkway lands along the line of the Chesapeake & Ohio Canal between Great Falls and Cumberland, Md.;

H. R. 8847. An act to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes;

H. R. 9111. An act to incorporate the United States Olympic Association;

H. R. 9134. An act to amend title 46, United States Code, section 251;

H. R. 9284. An act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 9291. An act to authorize the printing of the annual reports of the Girl Scouts of the United States of America as separate House documents;

H. J. Res. 385. Joint resolution to provide for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes;

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author; and

H. J. Res. 519. Joint resolution to permit the National Grange to erect a marker on Federal land in the District of Columbia.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 202) authorizing the Committee on the Judiciary of the House of Representatives to have printed 2,000 additional copies of serial 14, part 4, and 1,000 additional copies of serial 14, part 6, of the hearings, held before said committee entitled "Study of Monopoly Power," authorized by House Resolution 137, Eighty-first Congress, first session, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 133. An act to amend section 2 of the act approved June 20, 1936, entitled "An act to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes; and

H. R. 8112. An act to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bills and joint resolutions were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 5941. An act to incorporate The Military Chaplains Association of the United States of America;

H. R. 7854. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Board of County Commissioners of Sedgwick County, Kans.;

H. R. 7990. An act to incorporate the American Society of International Law, and for other purposes;

H. R. 9111. An act to incorporate the United States Olympic Association; and

H. R. 9284. An act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

H. R. 6355. An act to provide for the conveyance of certain real property to the city of Richmond, Calif.; and

H. R. 7524. An act to authorize the establishment of a wildlife management area in the Florida Keys, Fla., and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 7340. An act to amend section 5192 of the Revised Statutes, with respect to the reserves of certain national banks; and

H. R. 8458. An act authorizing the Housing and Home Finance Administrator to release the Trustees of Columbia University, in the city of New York, and the Citizens' Veterans Homes Association of Rockland County, Inc., from obligations under their contracts for operation of veterans' temporary housing project, NY–V–30212; to the Committee on Banking and Currency.

H. R. 7677. An act to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School;

H. R. 8847. An act to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; and

H. R. 9134. An act to amend title 46, United States Code, section 251; ordered to be placed on the calendar.

H. R. 8534. An act to authorize the acceptance of donations of land to supplement present parkway lands along the line of the Chesapeake and Ohio Canal between Great Falls and Cumberland, Md.; and

H. J. Res. 519. Joint resolution to permit the National Grange to erect a marker on Federal land in the District of Columbia; to the Committee on Interior and Insular Affairs.

H. R. 9291. An act to authorize the printing of the annual reports of the Girl Scouts of the United States of America as separate House documents;

H. J. Res. 385. Joint resolution to provide for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes; and

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author; to the Committee on Rules and Administration.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "STUDY OF MONOPOLY POWER" BEFORE HOUSE COMMITTEE ON THE JUDICIARY

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 202, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on the Judiciary of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 2,000 additional copies of serial 14, part 4, and 1,000 additional copies of serial 14, part 6, of the hearings held before said committee, entitled "Study of Monooply Power," authorized by House Resolution 137, Eighty-first Congress, first session.

Mr. GREEN. Mr. President, I ask for the immediate consideration of the concurrent resolution.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Reserving the right to object, I should like to ask the distinguished Senator from Rhode Island whether this is the regular procedure in connection with such concurrent resolutions?

Mr. GREEN. Yes; and it is customary to act very promptly.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

FEDERAL-AID HIGHWAY ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Massachusetts [Mr. LODGE] and other Senators, which will be stated.

The amendment, offered by Mr. LODGE (for himself, Mr. GREEN, Mr. MCMAHON, Mr. NEELY, Mr. FREAR, Mr. TAFT, Mr. FERGUSON, Mr. SMITH of New Jersey, Mr. SALTONSTALL, Mr. KNOWLAND, Mr. BRICKER, Mr. IVES, Mr. MARTIN, Mr. WILLIAMS, Mr. HENDRICKSON, Mr. TOBEY, Mr. FLANDERS, Mr. DOUGLAS, Mr. AIKEN, and Mr. LEHMAN), was on page 20, beginning with the word "The" in line 4, to strike out all down to and including "funds." in line 7, and insert in lieu thereof the following: "The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the population of each State bears to the total population of all States as shown by the latest available United States census, but no State shall receive less than three-fourths of 1 percent of the sum authorized to be appropriated for each year under this subsection."

Mr. LODGE obtained the floor.

The VICE PRESIDENT. If the Senator from Massachusetts will permit, the Chair would like to remind Senators that at 1:30 o'clock, under the agreement entered into last week, the Senate will begin consideration of amendments, with the time limited to 5 minutes on each side. There is no limitation up until 1:30 o'clock, and no control of the time.

Mr. LODGE. Mr. President, I desire to say a few words in support of the amendment which is now the pending question, offered by myself and a number of other Senators.

On July 13, 1950, a resolution was unanimously adopted by the conference of northeastern region highway officials, representing the States of Massachusetts, New Hampshire, Vermont, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, and Maryland.

The text of the resolution is as follows:

Whereas the pending Federal-aid highway legislation has established tentative formulas for the allocation of funds to be appropriated for highway purposes; and

Whereas it is to the interest of better Nation-wide highway transportation that such allocations be established in respect to predominate needs: Be it therefore

Resolved, That in the authorization of Federal-aid highway funds, and in the allocation of such funds to the various States that the Congress of the United States give full consideration to the needs of the more populous States where the need for such highways is the greatest, the cost of construction is the highest, and where the traffic load is the heaviest; and be it further

Resolved, That the amendments proposed by the Senate of the United States, Committee of Public Works, to the Federal Aid Highway Act of 1950, are utterly contrary to the transportation and highway needs of the Nation.

The commissioner of public works of Massachusetts has informed me that the principal objection which the Public Works Commission has to H. R. 7941 is in the method of apportioning the funds for improvement of the national system of interstate highways, set forth in section 5 (b). So the amendment does not go to the question of primary roads or secondary roads. It is aimed entirely at that section of the bill which deals with interstate highways, and for which, as I understand, $70,000,000 is authorized.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. CHAVEZ. I may inform the Senator from Massachusetts that he is correct, that his amendment would apply only to the interstate roads. A new recommendation in that respect has been made by the Committee on Public Works. After the chairman of the committee received the letter from the President giving us his views in reference to the pending bill, the committee took certain action, and I can inform the Senator that on his desk there now lies a proposed amendment, to be submitted by the committee, which will completely do away with the $70,000,000 for interstate roads.

Mr. LODGE. I am very glad to hear that.

Mr. CHAVEZ. As a matter of fact, there is no particular reason for the

amendment of the Senator from Massachusetts at this time.

Mr. LODGE. I shall certainly examine that amendment. I appreciate the Senator from New Mexico telling me about the amendment. I was not aware of it, and I will examine it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. I should like to ask the Senator from New Mexico if he will identify the amendment which he says is printed, so we may examine it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. IVES. The Senator from New York has not seen the amendment, but he rises to inquire if the amendment the committee will offer would eliminate more than the amount of money involved?

Mr. CHAVEZ. It eliminates the language in question. The amendment is dated 8–18–50—I.

Mr. LODGE. Does the Senator from New Mexico refer to the proposal to strike the words "and subsection (b) of section 5" on page 21, lines 22 and 23?

Mr. CHAVEZ. I am now referring to page 19, beginning in line 21, through page 21. In other words, it strikes out subsection (a) and subsection (b).

Mr. LODGE. I shall certainly look that up at once. On page 19 after "section 5 (a)" it strikes out "For the purpose of expediting the construction * * * of the national system of interstate highways", and so forth. As I read the amendment of the Senator from New Mexico it strikes out all the language to which the Public Works Commissioners from the Northeastern States object, and therefore I see no use in pressing the amendment which I, in common with many other Senators, am sponsoring.

Mr. CHAVEZ. Mr. President, will the Senator yield further?

Mr. LODGE. I yield.

Mr. CHAVEZ. Of course, we appreciate the Senator's statement. I may tell the Senator from Massachusetts that the committee has not changed its mind whatsoever as to the necessity at this moment for that particular language. But, in view of the President's letter and because of the fact that we held the hearings long before the Korean situation arose, we thought it advisable at this time to take the action we have taken, and we struck all that language from the bill.

Mr. LODGE. I should like to ask the Chair whether those of us who are sponsoring the amendment on which my name is printed, can withhold this amendment until we see whether the amendment of the Senator from New Mexico is agreed to. If the committee amendment is agreed to then we will not need to offer our amendment.

The VICE PRESIDENT. The amendment may be temporarily withdrawn pending the action on other matters, and reoffered later, if need be.

Mr. LODGE. Yes. I assume, inasmuch as the Senator from New Mexico, as chairman of the committee, is submitting the amendment, that undoubtedly it will be adopted.

Mr. CHAVEZ. I hope so; not that I am for it spiritually.

Mr. LODGE. I understand the Senator is not spiritually for it, but I also know that he is a man of great influence in the Senate.

Mr. CHAVEZ. I thank the Senator for that statement.

Mr. LODGE. And when he is for a thing, whether spiritually or not, it carries a very great amount of weight. So, for that reason, Mr. President, I shall not extend my remarks very long.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. I would deeply appreciate it if the Senator from Massachusetts would give his interpretation of his amendment, because whatever the amendment accomplishes would also have a bearing on the committee amendment. I wish he would give the interpretation for the benefit of the Senate. I would like to know what the Senator's amendment would accomplish.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. CHAVEZ. I also would appreciate it if the Senator would proceed with an explanation of his amendment because if the amendment proposed by the committee should have the effect that is intended by the committee, that amendment, or the amendment of the Senator from Massachusetts, would completely change a procedure which has been in existence in connection with the distribution of Federal funds, since 1916. I should like to have every Senator from every State be informed as to the effects of the amendment, if it were to be offered and if it had not been withdrawn.

Mr. KERR. Mr. President, will the Senator yield, to permit me to ask a question of the chairman of the committee, in line with the discussion?

Mr. LODGE. I yield, if I may obtain unanimous consent for that purpose.

The VICE PRESIDENT. Without objection, consent is granted.

Mr. KERR. Mr. President, I should like to ask the Senator from New Mexico if it is a fact that the amendment of the Senator from Massachusetts and his colleagues has to do with the language which would distribute the $70,000,000 to be allocated for the so-called interstate highway system.

Mr. CHAVEZ. That is correct.

Mr. LODGE. Yes, that is correct.

Mr. KERR. I should like to ask further if that is a new allocation in the bill this year, one which has not been in similar bills heretofore.

Mr. CHAVEZ. Yes.

Mr. KERR. Let me also ask if it is true that when the House provided language for that purpose, it provided a formula for the distribution of those funds, which formula is changed by the recommendation of the Senate Committee on Public Works.

Mr. CHAVEZ. Yes; the formula provided by the House was an entirely new one, never before used in connection with road bills or the work on roads.

Mr. KERR. Let me also ask if it is a fact that the new language proposed by the Senate Committee on Public Works would delete the allocation of $70,000,000 and the language coming to the Senate from the House of Representatives with reference to that item.

Mr. CHAVEZ. Yes; that is in accordance with my understanding.

Mr. KERR. Is it correct that that is the language which is referred to and sought to be changed by the amendment of the Senator from Massachusetts?

Mr. CHAVEZ. I have stated that in my discussion with the Senator from Massachusetts.

Mr. LODGE. Yes; that is correct.

Mr. President, I appreciate the courtesy of the Senator from New Mexico in suggesting that there might be some justification for my making the argument for this amendment, even though it is apparent that it may not be necessary to press for its adoption.

I do not dispute the Senator's assertion that this proposal does change a formula which we have had for a long time; but I should like to point out that the formula we have had for a long time deals with primary and secondary roads, whereas the only type of road work at which my amendment aims is a comparatively new type of highway construction which has been brought about by new traffic developments and new living conditions and the whole growth of the automobile traffic in our large cities.

The reason why this matter did not come up earlier is that the huge congestion in our metropolitan centers is a comparatively recent development. One of the things which makes the congestion in the metropolitan centers such a unique problem is the great cost of the land in those areas. The question of taking land and buying rights-of-way in those areas is a difficult one, for the land is tremendously expensive. I noted that the Senator from Illinois [Mr. DOUGLAS] said the other day that the cost of 1 mile of road in Delaware is approximately 30 times the cost of a mile of national highway in Wyoming.

I would be the last Senator ever to dispute the need and justification for the development of the West and of the large areas of our country. That is one of the great purposes of the American Government. I think the reason why George Washington located the Capital in Washington was that the Chesapeake and Ohio Canal began here, and it was the best road west, and he wanted the Members of the House and the Senate to be constantly thinking of westward expansion. When we expand and develop the West, we help everyone, because the boy from Massachusetts moves to Oklahoma; and that kind of migration has been going on all through our history.

So I am not undertaking to argue against the area formula which we have had for primary and secondary roads for so many years. But my contention is that the great metropolitan centers—for instance, Chicago, Detroit, Boston, New York, Philadelphia—which are also national problems, which also affect the man in Oklahoma and the man in New Mexico, require a little different treatment and a little specialized treatment, and that where there are the huge centers of population, it is justifiable to set up a formula which is based on population.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. LODGE. I yield.

Mr. KERR. Do I correctly understand that the Senator from Massachusetts is addressing his remarks primarily to the allocation of funds to the so-called interstate highway, if that allocation were retained in the bill or if at a future date it were to be included in a highway bill?

Mr. LODGE. That is correct. The interstate highway is what I am talking about.

Mr. KERR. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield, now that he has been interrupted?

Mr. LODGE. I yield.

Mr. WHERRY. I did not quite understand the observation of the distinguished Senator from Oklahoma, which was put in the form of a question. It seemed to me that he was saying that the $70,000,000 would be a new allocation.

Does the Senator mean that this is the first time an allocation has ever been recommended for interstate highways?

Mr. KERR. If I may answer, let me say that as I understand the matter, this is the first highway bill which has had a fourth general allocation in the main body of the bill. Heretofore the allocations have been, first, for primary roads; second, for secondary roads; third, for urban projects. But as I understand the matter, the allocation for urban projects has been in the bill only since 1944.

Now, for the first time, as I understand, when the bill came from the House of Representatives this time it contained a fourth general allocation, designated as the interstate highway allocation.

As I have brought out, and as the Senator has confirmed, in providing that fourth allocation, the House set up a new formula for the distribution of those funds.

The action of the Senate Committee on Public Works, as indicated by their amendment, will take out both that fourth allocation and the language by which it would have been distributed.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. LODGE. I yield.

Mr. WHERRY. I deeply appreciate the answer the Senator from Oklahoma has given.

Now I should like to address this question to the Senator from Massachusetts, so that I shall clearly understand what is proposed to be done by means of this amendment.

As I understand, the new allocation, which we might call the allocation for the super highway or for the interstate highway, is something new. I understand that the House wrote a new formula in that connection.

I further understand that when the bill came to the Senate, the Senate committee voted to change the formula; and now, as I understand, the committee amendment seeks to strike out not only the formula but also the allocation going along with it. If that is done, we shall be right back where we started, with the highway system and the roads we have had, and the formula in that respect would not be changed one iota. Is that correct?

Mr. CHAVEZ. That is correct.

Mr. WHERRY. In other words, if these provisions go out of the bill, there will be no change at all in the highway system or the road allocations, because if the amendment of the distinguished Senator from Massachusetts carries, it will strike out not only the formula but also the allocation of $70,000,000; is that correct?

Mr. LODGE. No; the amendment I have offered would retain the $70,000,000, but would change the basis of allocation.

As I understand the amendment of the Senator from New Mexico, it does precisely what my amendment does.

Mr. KERR. Mr. President, if I may interrupt, let me say it goes beyond that. The amendment of the Senator from Massachusetts would retain the $70,000,000 allocation, but would change the formula for its distribution, as written by the Senate committee.

The amendment of the Senator from New Mexico and the Senate committee not only would strike from the bill the language of the new formula, but also the new $70,000,000 allocation.

Mr. LODGE. I should like to ask the Senator from New Mexico whether that is accurate, namely, that his amendment strikes out the entire $70,000,000 allocation.

Mr. CHAVEZ. We have an amendment which strikes out certain language and also one striking out completely the $70,000,000 allocation.

Mr. LODGE. But does the amendment which strikes out the matter on page 19, beginning at line 21, strike out the whole allocation of $70,000,000? If so, of course I would be opposed to that. I should like to retain the $70,000,000 and allocate it on a population basis.

Mr. WHERRY. Mr. President, if the Senator will yield, that is the point I was about to attempt to make by my questions, because I understood that the two amendments were alike, and that they would strike out both the allocation and the formula. What the Senator seeks to do now is to preserve the $70,000,000, but to distribute it through a new program; is not that correct?

Mr. LODGE. That is correct.

Mr. WHERRY. The committee amendment would strike not only the allocation but the formula.

Mr. LODGE. I should like to retain it the way it came from the House, by which $70,000,000 is allocated for interstate highways on a population basis, that formula applying only to that amount.

Mr. CHAVEZ and Mr. McCLELLAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Massachusetts yield, and if so, to whom?

Mr. LODGE. I yield first to the Senator from New Mexico.

Mr. CHAVEZ. The committee itself, of course, would like to keep the $70,000,000, but not as it came from the House, so far as distribution is concerned. We had the old formula for the distribution of that money. But I made the statement heretofore—I think the Senator was present—that, in view of the fact that the President had written a letter to the chairman of the Committee on Public Works, suggesting that inasmuch as the committee had taken action alloting $70,000,000 for this purpose prior to the Korean situation, we should review it. So we did that, not because we do not favor the $70,000,000, but because economy-minded people, here and elsewhere, said we should cut $120,000,000, and, since the $70,000,000 item is a new one, we cut it out.

Mr. LODGE. This is an authorization, is it not?

Mr. CHAVEZ. It is.

Mr. LODGE. We authorize things, after which the Appropriations Committee usually decides how much we can afford to appropriate for them.

Mr. CHAVEZ. I may say to the Senator from Massachusetts that if the $70,000,000 is retained, the committee certainly is going to insist on its formula of distribution.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LODGE. In a moment. If I may comment on the last statement of the Senator from New Mexico it seems to me that his amendment striking out the whole $70,000,000 pretty well defeats the purpose which I and other Senators are trying to achieve. We do not care what the formula is, if we are not going to get any money—that does not do us any good. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I merely want to clarify the situation. Since reporting the bill, the President submitted a letter to the chairman requesting a reduction in these authorizations. The committee met and went over the items, and, because this was a new item and because every road that would be affected by the $70,000,000 comes under either urban roads or primary roads, we took out the $70,000,000, to help bring the amount of the bill down to what the President wanted and recommended.

If the amendment is agreed, which will be offered by the committee, to strike out the $70,000,000—and there is nothing else at issue—as a matter of course, the other amendment, to strike out the language applying a formula to it, should be adopted. If the Senate fails to strike out the $70,000,000 item as the committee has recommended, we shall then have the issue of which kind of formula we shall apply to it.

Mr. LODGE. Could the Senator furnish a copy of the President's letter, in which he singled out this particular item for reduction?

Mr. McCLELLAN. I did not say he singled out this particular item. I said that, in order to get the amount of the authorizations down——

Mr. LODGE. Could the Senate have the benefit of the full text of the President's letter on this subject?

Mr. CHAVEZ. Certainly. It was inserted in the CONGRESSIONAL RECORD last Thursday.

Mr. LODGE. Mr. President, if we are going to continue to do any road work during the war, it seems to me that this is a very essential type of road work. When we consider the estimate that one atomic bomb dropped on the city of Chicago at the rush hour would entail 540,000 casualties—I think that is correct, although I am quoting from memory—and corresponding casualties in other crowded population centers, it makes one realize that a network of roads which enables circulation and traffic to take place in the cities, is a more pressing need in the light of the possibilities of war than it ever was before. Frankly, I cannot follow the reasoning that we should focus especially on this $70,000,000 item.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Arkansas.

Mr. McCLELLAN. It must be borne in mind that while this undertook to provide special treatment for interstate highways—which is something new—every road that is affected by the amendment is still in the bill, so far as the prospect of getting money to be expended on it is concerned. Every mile of every interstate highway would either be in the urban system or in the primary system, so that if we do not get the $70,000,000, which is a new item, if we are to make the reduction, it would be necessary to make it in the primary or in the urban system; so it all balances up to the same thing.

Mr. CHAVEZ. The interstate system is composed of primary, secondary, and, now, urban roads.

Mr. LODGE. Yes.

Mr. CHAVEZ. The only thing that would result from striking out the $70,000,000 would be that we would not have so much money for that particular purpose as we would like. But there is still plenty of money left for the purposes the Senator has in mind.

Mr. LODGE. Yes; but allocated on an entirely different formula. I believe I am correct in that, am I not?

Mr. CHAVEZ. That is correct.

Mr. McCLELLAN. It would be allocated on the basic formula which we have been following for those items.

Mr. LODGE. So, I believe I am correct in stating that if the $70,000,000 is eliminated, we go on with primary, secondary, and urban construction on the basis of the old formula, but we do not engage in this new work on a population basis in the crowded areas; which I think is vitally necessary not only because peacetime traffic has increased so much, but also because of the threats of the military situation.

Mr. CHAVEZ and Mr. KERR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Massachusetts yield; and if so, to whom?

Mr. LODGE. I yield first to the Senator from New Mexico, and then I shall yield to the Senator from Oklahoma.

Mr. CHAVEZ. If the Senator from Massachusetts will investigate the formula used for the distribution of the urban-road moneys, he will find out that it is based on population only.

Mr. LODGE. Yes, I understand that. The House, as I understand, however, in addition to the urban-road amount, which is based on population only, decided on $70,000,000 for interstate highways, because the Members of the House were impressed, as I am, with the very difficult situation in our big cities. I yield to the Senator from Oklahoma.

Mr. KERR. Mr. President, I was going to ask the Senator whether he did not know what the Senator from New Mexico has now said, which is that there is in the bill an authorization of $125,000,000 strictly for roads affecting urban populations to cover just what the Senator has in mind, and whether he would not feel that in order to reach the matter of which he speaks, particularly with reference to the metropolitan areas, his amendment should be one to increase the amount allocated to the urban development? Would not that be the way to reach the problem the Senator has in mind?

Mr. LODGE. I do not think that is the only consideration we have in connection with this matter. I have a brief statement here on this interstate highway concept, which I think is pertinent and which I should like to read, in view of certain of the questions which have been asked. It was prepared for me by my staff, and is based on information from official sources:

> The system of interstate highways was selected and adopted by the Federal Government to provide for a basic network of the most important roads in the Nation which serve the greatest proportionate volume of traffic.

An example of that is Route 1, which runs all the way from Maine to Florida.

> This 1 percent system of approximately 37,000 miles serves over 20 percent of the traffic. Of this mileage, the Federal Government's own studies show that the heaviest volumes and the most important parts of this network from the standpoint of national transportation need are in the heavily populated States. These are the States where the costs for construction are the greatest for the reason that higher traffic volumes demand construction to standards much greater than in the less heavily populated States where, in most cases, low traffic volumes are encountered. Equally important, because of the heavy concentration of population, more of the construction of this network of roads is in urban and suburban areas where construction costs are higher, costly designs must be used to avoid wholesale acquisition of expensive rights-of-way and the number of intersecting arteries which must be bridged is greater.
>
> Under the bill as it is now before us, the Northeastern States for example, because of their high population but smaller areas, would be reduced in their share of this Federal aid from almost $20,000,000 to only $11,000,000. This represents a reduction of almost 50 percent. This change in the apportionment will mean severe curtailment of the various States' plans for improvement of the interstate system.
>
> I have been advised that while Massachusetts, for example, contributes to the Federal Government in all its imposts on auto and truck transportation a sum of approximately $30,000,000, it receives but $10,000,000 in Federal aid for our highways. This disparity will be increased by the Senate amendment. The same variance holds for all industrial areas. While these States contribute in the various automotive taxes the sum of $290,000,000, they receive for highway purposes from the Federal Government only $93,000,000.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. LODGE. I yield.

Mr. KERR. The $30,000,0000 which the Senator mentioned as having been paid by the State of Massachusetts is from all motor-vehicle taxes paid, is it not?

Mr. LODGE. Automobile and truck taxes.

Mr. KERR. Is it not also from gasoline, lubricating oils, motor vehicles, and parts?

Mr. LODGE. I think that is correct.

Mr. KERR. I think the Senator mentioned $290,000,000 which he said went to a certain group of States. How much had those States paid in?

Mr. LODGE. I did not mention any amount going to other States.

Mr. KERR. I thought the Senator mentioned a group of States that——

Mr. LODGE. The Senator is thinking of someone else.

Mr. KERR. What was the last statement the Senator made?

Mr. LODGE. The Senator is trying to trip me up on my argument. I said that while these States contribute in the various automotive taxes the sum of $290,000,000, they receive for highway purposes from the Federal Government only $93,000,000. I was not talking about States which received a great deal and contributed little. I was about to read the names of the States when the Senator started to question me.

Mr. KERR. I beg the Senator's pardon. I was listening with interest.

Mr. LODGE. I am glad the Senator was listening with interest. He is always delightful, and an astute debater.

I shall read the names of the States. They are as follows:

California, Connecticut, Delaware, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Vermont, and West Virginia.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. CHAVEZ. How many are there?

Mr. LODGE. Eighteen. These are the States which contribute from various automotive taxes $290,000,000 and receive for highway purposes from the Federal Government only $93,000,000.

I do not stand on the floor of the Senate and argue that Federal tax

money should be distributed on the basis of where it came from. But here we have a question that is national in scope. I think Highway No. 1 from Maine to Florida is a matter of national interest. The American people like to travel. In the State of Massachusetts we see, in the summer, license plates from every State in the Union.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. LODGE. I yield.

Mr. KERR. How does the Senator think Highway No. 1 rates in comparison with the highway from San Francisco to Los Angeles?

Mr. LODGE. I am not familiar with that highway, but I would say it is a very important highway.

Mr. KERR. I thank the Senator.

Mr. LODGE. I have been in every State in the Union, and, the Senator from Oklahoma will never find me taking a narrow-minded view of these questions.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. ROBERTSON. In referring to what certain States pay, does the Senator from Massachusetts know of any accurate formula to ascertain who actually pays the taxes which are collected in a given State?

Mr. LODGE. No; I do not think there is an accurate formula. I think there are some States credited with an immense Federal tax contribution. As I remember, North Carolina is credited with an immense Federal tax contribution because of the stamp taxes paid on cigarettes. There are all sorts of factors involved which make it very difficult to define the figures in any detail.

Mr. ROBERTSON. Is it not a fact that everyone who uses the product of a corporation which pays a tax on its earnings helps to pay that tax, because it is passed on to him? A shoe manufacturer in Massachusetts does not sell shoes only to the people of Massachusetts. Many people in the South wear shoes these days.

Mr. LODGE. Yes, for some little time, I will say to the Senator; ever since I can remember.

Mr. ROBERTSON. The American Tobacco Co. used to pay $200,000 in tax money on cigarettes every day it operated. The amount is greater in these days. The Lucky Strike cigarette goes all over the United States, and the man who buys that cigarette is the man who actually pays the tax on it, but it is collected through the excise tax imposed on the manufacturer.

Mr. LODGE. That is exactly what I was saying. The Senator has substantiated my contention that the figures of tax collections in certain States do not furnish a very dependable basis, but they do furnish a rough indication. But I am arguing for the formula because I think it is very definitely in the national interest to complete interstate highways and to take them through great metropolitan centers. I think that is a thing which has grown essential in time of peace because of the advances in automotive traffic, and I believe the world situation and the possibility of hostilities make it even more necessary that we take steps which will improve traffic and improve circulation in the great population centers. I find it difficult to understand how, if we are going to cut down authorizations for road construction, that we should cut down this kind of road-building program more than we cut down road building out in the country, in the woods, and in the fields.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. TAFT. I wondered if any calculations had been made on the basis of the distribution and collection of gasoline taxes. I understand the gasoline tax is sufficient to pay the entire road appropriation. Roughly speaking, therefore, the taxes must come in proportion to the population, because, after all, they are paid by the people using the roads, by the people who have automobiles, and I should think that the distribution of the gasoline tax would indicate that, as a matter of fact, it is paid largely in proportion to the population.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LODGE. I shall be glad to yield to the Senator from New Mexico in a moment.

There is a table on page 12787 of the RECORD of August 18 which shows, for example, that the State of Ohio would receive 3.87 percent of the authorization under House bill 7941, and that it paid 5.88 percent of the total Federal gas tax paid.

Mr. TAFT. The payment of this tax is very largely in the place where the roads are used.

Mr. LODGE. I understand that in a number of States, and I know it is true in Massachusetts, the gas-tax receipts are earmarked for highway work and cannot be spent for anything else. I believe that is true of other parts of the country.

Mr. CHAVEZ. Generally speaking, that is correct.

Mr. LODGE. To use such receipts as a yardstick for allocating Federal highway funds is, I think, clearly justifiable, though it might be argued that we should not use general tax receipts for such a purpose.

I now yield to the Senator from New Mexico.

Mr. CHAVEZ. It should not be a criterion in all instances, for the reason that in Ohio it is true that there is a larger population than there is in New Mexico, but there are more people from Ohio now living in New Mexico than there are people from New Mexico living in Ohio. The gasoline bought in Ohio is not necessarily all bought by Ohio people. There is more gasoline, possibly, bought in New York City by people from New Jersey than is bought by New York City people.

Mr. TAFT. I would say that the taxes are paid almost exactly in proportion to the places where the roads are used. On the average that is where it must be paid. It must be paid where the roads are used. So it is not only the length of the roads. It is also the density and volume of traffic which must be taken into consideration in the matter of gasoline taxes.

Mr. LODGE. It does not matter of what State an individual is a citizen. It is a fundamental American proposition. It is impossible to separate the highways from the people who use them.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. What is the difference between a primary highway and a so-called interstate highway? As I understand, prior to this time primary highways have included the class of highway the distinguished Senator is discussing. Is that correct? What is the difference?

Mr. LODGE. I think that is true.

Mr. WHERRY. Who is to determine that question? I can see that it would be possible to make an allocation on the basis of gasoline taxes or on the basis of some other formula which might be developed. However, who determines what is an interstate highway and what is a primary highway in this new allocation?

Mr. LODGE. I think the Senator is correct that an interstate highway embraces primary, secondary, and urban roads. If I am incorrect, the Senator from New Mexico will correct me. Who it is that decides what is an interstate highway, I do not know. Perhaps the Senator from New Mexico may be able to tell us.

Mr. CHAVEZ. A primary road is a through road, but does not have the top priority that an interstate road has.

Mr. WHERRY. Who determines that question? One highway, No. 40, runs through Maryland. There are many highways in this vicinity. Are all those highways included in the new allocation?

Mr. CHAVEZ. All roads are included in the new allocation.

The determination as to what is a primary road and what is an interstate road is made by the States, remembering that the States have the final say as to allocation, and so forth, with the cooperation and understanding of the Bureau of Public Roads.

Mr. WHERRY. Before the new allocation was suggested certainly the primary roads included the so-called interstate highways.

Mr. CHAVEZ. Primary roads, secondary roads, and even urban roads make up an interstate road.

Mr. WHERRY. If that be correct, who determines what an interstate highway is, and where the allocations go? I know that in the State of Nebraska, which is a sparsely settled State as compared with some other States, we have Highway No. 30 going through the State from one end to the other. We have United States Highway No. 6 going through the State from one end to the other. We have Highway No. 20, which goes through the State from one end to the other, east and west. Going north and south we have other United States highways. What I am asking is: Are any of the roads which heretofore have been considered largely primary roads included in the highway allocation which the distinguished Senator is talking about?

Mr. LODGE. Mr. President, I should like to yield the floor.

Mr. CHAVEZ. The Bureau of Public Roads and the States themselves determine the importance of the roads.

Mr. LODGE. Mr. President, I should like to yield the floor. I have taken half an hour. There is only a half hour left, and I think it is only fair for the Senator from Arkansas and the Senator from New Mexico to have some time. Before I do so, I should like to inquire from the Chair whether I am correct in understanding that the amendment which I offered is the pending amendment.

The PRESIDING OFFICER (Mr. GEORGE in the chair). It is the pending amendment. Of course, the Senator may withdraw it.

Mr. LODGE. I think the orderly procedure to follow would be to go ahead and vote on the amendment, because it sets up a formula. Then we can decide whether to strike out the whole item.

Mr. President, I yield the floor. I thank the Senator from Arkansas [Mr. MCCLELLAN] and the Senator from New Mexico [Mr. CHAVEZ] for their forbearance.

Mr. HICKENLOOPER. Mr. President, does the Senator refer to his amendment 7-28-50—D, which was introduced by a number of sponsors?

Mr. LODGE. That is correct.

Mr. McCLELLAN. Mr. President, out of deference to other members of the committee who may wish to make some remarks, and in view of the limitation of time, I shall be very brief in my remarks. As chairman of the subcommittee of the Subcommittee on Public Works, which processed the bill, I wish first of all to express my appreciation to my colleagues on the subcommittee for the splendid attendance, interest, and cooperation which they gave in the development of the proposed legislation.

Mr. President, my recollection is that after the subcommittee had finished its work, after holding what I regard as rather extensive hearings, in which we gave to every interested party who wanted to appear before the committee and give his views regarding the highway problem the opportunity to be heard, and after we had finished our work and reported to the full committee, the full committee voted unanimously to report the pending bill. At the time we started the hearings on the measure I think every member of the committee had generally an open mind as to what we should finally do. We undertook to develop the facts and information which were pertinent to guide us in our deliberations. We are faced with the dilemma, and it became more pointed as the hearings progressed, of the need of highway construction in view of the accelerated burden of traffic upon our roads and the neglect which had occurred to the highway construction program during the war. It made a strong appeal to us to report a bill with much larger authorizations than we finally reported.

Yet, we were also confronted with a necessity of trying to economize, in view of our heavy expenditures abroad and our operating at a deficit here at home. Of course, at that time the Korean war had not started. We developed the bill in the light of what we may term peace conditions, although the peace is unstable, as we know.

However, taking into account the tremendous need for road construction in America today, in order to keep pace with traffic conditions and demands, we reported a bill authorizing $748,500,000, which is nearly $100,000,000 in excess of the bill passed by the House, and somewhat more than that in excess of the Budget Bureau's recommendation. Between the time the House passed its bill and the Senate committee reported its measure, some $45,500,000 had been added by Budget recommendation. I modify that statement with one exception. We placed in the bill some $25,000,000 for access roads, which is $15,000,000 in excess of the Budget Bureau's recommendations, but the other items had been subsequently recommended by the Bureau of the Budget, and that accounted in some measure for our bill being greater.

Mr. President, following the letter of the President to the chairman, the committee has met, and, in an effort to comply with the President's suggestions, we have reconsidered the bill and recommended a reduction of $120,000,000 under the amount as originally reported. Amendments will be offered by the chairman of the committee to effectuate those reductions.

There are two things in the bill which may be controversial. The first is the formula which the Senator from Massachusetts has been discussing, and has an amendment to change. If the committee's recommendations with respect to reductions, and the amendment that will be offered to strike out of the bill the $70,000,000, are agreed to, that will remove any controversy about formula. So I think that insisting on voting on the formula, and having the argument on that now, is getting the cart a bit ahead of the horse. If the committee recommendations are followed, there will actually be no issue and it occurs to me that the amendment properly to be voted on would be the one to strike out the $70,000,000. That would be the more orderly procedure.

I can appreciate that differences of opinion arise as to what is a proper formula, and I was interested in the discussion here a few moments ago, because this involves interstate highways, and what the distinguished Senator from Massachusetts was discussing primarily was the urban problem, the problem involving the territory around the congested centers. There cannot be an interstate highway unless the highway goes somewhere, goes into another State. It matters not how much we spend at a big city, if the highway goes no further, we have not solved the problem. The arguments the able Senator from Massachusetts makes in support of the formula to which he has addressed himself primarily are more pertinent to the urban provisions of the bill, and not to the interstate provisions, because if a road is not constructed to its destination across State lines, there is not an interstate system.

I will not take the time to go into it, but there was some discussion about how this interstate system was developed. A chart was submitted by the Bureau of Public Roads, and I have handed it to the Senators interested to show how the system was developed.

Mr. President, I must hurry on. In his letter the President indicated that he thought $25,000,000 for access roads was more than was needed, and we have reduced it to $10,000,000.

The other item which might be controversial—and I assume we will have to deal with it—is the provision written into the bill with reference to the secondary highway system. There are those who are objecting to the policies which have been written into the bill with reference to that system. Let me state what we are confronted with in respect to that.

In the very conception of the Federal-aid highway program the primary purpose was to build post roads.

Mr. WHERRY. Mr. President, will the Senator yield for one question?

Mr. McCLELLAN. Briefly; I do not have much time.

Mr. WHERRY. The $70,000,000 is one item making up the reduction of one-hundred-and-twenty-some million dollars, is it not?

Mr. McCLELLAN. Yes, because it is new, and because every road to which it would apply is in the Federal and urban system.

Mr. WHERRY. What is the other item?

Mr. McCLELLAN. There are a number of items. We reduced the authorization for secondary roads by $25,000,000. We reduced that for access roads by two or three million, and there are two or three other small reductions included in the $120,000,000 figure.

Mr. BYRD. Mr. President, if the Senator will yield, will he state how much more this bill carries, as amended, compared with the expenditures for the past year?

Mr. McCLELLAN. For the past year there was a total of $513,000,000 in authorizations, as I recall, and the pending bill, with the amendment which will be offered by the committee, will bring the amount for this year to $628,500,000.

Mr. BYRD. There is actually an increase of $112,000,000; is there not?

Mr. McCLELLAN. That is true, and let me say, in connection with that, although I want to hurry along because other Senators desire to speak, that it is shown that with the traffic increases upon our highways, and the road conditions due to our inability to carry out a satisfactory program, and to keep pace with the demands during the war, it would take today $11,000,000,000 to place the primary highway system of the Nation in a satisfactory condition, or a condition of development commensurate with the needs of the country, and would take about $41,000,000,000 to put all the systems within the Federal highway group in a proper condition to meet the demands.

Mr. CHAVEZ. Mr. President, in order that the Senator from Virginia may not be confused, I may say that heretofore authorization bills have been for roads which are primary, secondary, and, of late, urban, but it happens now that all

the authorization for other road items come within the pending bill, too. For instance, there are forest highways and forest roads.

Mr. BYRD. I understand that, but these figures are comparable. I have the same information the Senator from Arkansas has, showing that the present expenditure is $513,500,000, but the pending bill provides for $628,500,000.

I call the attention of the Senator from Arkansas to the tremendous increase in the money available for roads in the States. It has increased threefold since 1945, according to the figures I have. The States have available for highway expenditure three times as much as they had 5 years ago.

Mr. McCLELLAN. Mr. President, let me say a word in conclusion, with reference to the secondary-highway system. First, I want to correct an impression which was made here the other day that it was only the South that was here begging for something. The same condition of need for aid is found in all the Western States, and even as to those their representatives came asking the committee to go much further than it went in the direction of providing aid. The purpose is to try to get a little more money in the places where there has definitely been neglect, and as to which the road legislation, when it was initiated, was primarily intended to give the greatest service.

Mr. President, there is one other thing, in conclusion, to which I want to call attention, namely, subparagraph (b), on page 32 of the bill, where the committee has undertaken to meet any emergency situation by providing that—

> In the event of a national emergency declared by the Congress or by the President, the Secretary of Commerce, notwithstanding other provisions of the law, may utilize any unexpended balances of the amounts authorized and apportioned under the Federal highway legislation for all of the cost of road projects certified as essential to the national defense, by any agency of the Government designated by the President to make such certification.

Mr. President, it may well develop that all these appropriations may not be controlled primarily by any formula at all as we go into the 2 years ahead of us. If that situation develops, the appropriations, or most of them, will be controlled, I am certain, by the certifications provided for.

Mr. STENNIS. Mr. President, I shall be very brief, but I do desire to call the attention of the Senate to the provisions of the bill with reference to the secondary highway funds.

It has been mistakenly stated on the floor of the Senate that the portion of the bill having to do with secondary highways relates to roads capable of accommodating 15, 20, or 30 vehicles a day. That is entirely a mistake. The bill contains a protective provision under which before any project can be approved for Federal funds it has to clear through the Bureau of Public Roads in Washington. Of course, the Bureau is not going to accept any absurd plan involving the approval of projects unless the roads carry a reasonable amount of traffic. There exists a reasonable amount of safeguard.

In 1936 the Congress set up the farm-to-market road program, and practically every year since there has been additional legislation enacted in connection with that program. That was so in 1944 and also in 1948. But the hard facts are, Mr. President, that in many of the States far too much of this money has been spent, as a practical matter, in building a few miles of very high-priced roads. Therefore, the money is really not getting to the people for whom it was originally intended.

In speaking of the amendment, I am referring now to language, not to dollars. We ought to enact this language, or repeal the words "farm-to-market" and the words "rural-road routes and school-bus routes", because those words are a misnomer and are misleading to the people. I am not talking through my hat when I say that. I have before me the testimony of Mr. MacDonald, the man who perhaps knows more about this subject from a national standpoint than does anyone else. He testified before the committee that he thought far too much of this money had been going to expensive projects and that more of it ought to be channeled on down to other roads. I will read his exact words. I read from near the top of page 504 of the hearings before a subcommittee of the Committee on Public Works of the Senate:

> Senator STENNIS. What was your observation, though?
>
> Mr. MACDONALD. Personally, though, I would be very glad to see the use of the secondary funds largely limited to the roads under county jurisdiction or which have been taken over by the States since the 1944 act. That may not be very popular, but I think it is right.

Mr. MacDonald means that it might not be so very popular with some of the engineer departments in some of the States, but, he says, "I think it is right." Other evidence along the same line was given by the same witness. I do not have time to read more of it. Mr. D. C. Greer, president, American Association of State Highway Officials, agrees with Mr. MacDonald in that statement. Mr. Greer is an outstanding man. He is State highway engineer of the State of Texas. Mr. F. R. White, chief engineer, Iowa State Highway Commission, also agrees with Mr. MacDonald. Mr. White has done a very fine piece of work over a period of a quarter of a century. Mr. MacDonald's position is approved by the subcommittee that heard all the testimony. It is approved by the full committee. The argument is simply mistakenly made that the provision would extend Federal aid to roads on which there is no traffic.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. WHERRY. I do not want to interfere with the Senator in making his statement. I agree wholeheartedly with him on this particular point; but I should like to ask him one question. The Senator from Massachusetts [Mr. LODGE] presented an argument on the basis of a new formula for interstate highways, based primarily, I take it, on population. I should like to ask if any evidence was submitted by Mr. MacDonald or others, to the effect that interstate highways should participate on a basis other than that of population? It seems to me that if we are to have interstate highways to serve the United States of America from one coast to the other, the decision with respect to them must be arrived at on some different basis. Population may be included in the basis for selection.

Mr. STENNIS. There are other Senators far better prepared to speak on that subject than I am. I should like to make simply a closing remark. Then I will occupy no more time.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. WATKINS. I ask the Senator from Mississippi if it is not true that when it comes to dollar expenditures in building rural roads, if the standards required are not of the expensive type, as suggested by the Bureau of Public Roads, we will have many more miles of road to serve more people at no greater cost?

Mr. STENNIS. The Senator from Utah is entirely correct. The Bureau of Public Roads has announced a policy of liberality with reference to these standards, because it wants to serve more people.

In deference to other Senators who desire to speak, I yield the floor.

Mr. HOLLAND. Mr. President, I see that only a few minutes remain, and I shall try to deal with a point which I think may have been troubling both the Senator from Nebraska and the Senator from Massachusetts. That has to do with just exactly what is involved in this $70,000,000 proposed appropriation for the interstate system which came over from the House and still remains on a basis of 75 percent participation by Federal money and 25 percent by State money, and on a basis for distribution between States wholly on a population level, but it was changed in our committee to the traditional three-way distribution.

Mr. President, let me say in the first place that the interstate system has on it not a single mile of highway except mileage that is on either the primary-aid system in the several States or the urban-aid system. It does not have secondary system mileage, nor does it have mileage that does not appear on either the primary or the urban. Let me say that it is not chosen on the basis of population at all, but on the basis of linking up in a vital way, through trunk highways, which are to be arterial avenues of travel, all portions of the Nation, and in the very nature of things much more of the mileage of the interstate system is through the large States of sparse population than through the small but congested States, and anyone who has a contrary idea simply has not looked at the map.

Let me say also, Mr. President, that if every mile of the urban system was on the interstate system there would still be a great preponderance of rural mileage on the interstate system.

For the information of the Senate, let me say that the whole urban system at the present time is composed of about 14,000 miles only, whereas the interstate system authorized by statutes passed by Congress is 40,000 miles, of which, I am advised, some 38,000 miles have already been selected and designated. So that if every mile of the urban mileage was on that interstate system—and it is not—the urban mileage would be greatly in the minority as compared with rural mileage on the interstate system. So, Mr. President, it seemed very clear to the Senate Committee on Public Works—and I think we were entirely together on this—that it was illusory to try to apply a population basis of distribution to appropriations for the interstate system, and that it would be entirely unfair to do so.

Now we are completely in accord with applying the population basis to the urban system as such, and that, of course, is set out in subsection (c) of section 4 of the Federal Highway Act of 1944, and if Senators are interested they may read it and see how it works out. But to apply the population basis of distribution to the interstate system would be entirely in error, and entirely illusory, and I do not see how anyone could ever have gotten his own consent to attempt to do that.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HOLLAND. I should like to conclude, briefly, and then I shall be glad to yield.

Mr. President, the second point is that in trying to make this reduction the committee was unanimously of the opinion that the $70,000,000 was by all means the first item to come off. Why? Because, first, every mile of the interstate system is already represented in the whole system which is the beneficiary of our appropriations, that is, it is either on the primary-aid system or on the urban system of the several States.

In the next place, we felt that the $70,000,000 should come off because already in the authorizations as proposed by the bill we were stepping up—and I ask Senators to follow this—we were already stepping up materially the authorization for the primary-aid system from two hundred and two and a half million dollars as it now is, to two hundred and twenty-five million dollars, or twenty-two and a half million dollars, and we were stepping up, or proposing to step up, the authorization for the urban system from one hundred and twelve and a half million to one hundred and twenty-five million dollars, or twelve and and a half million dollars, meaning a total of thirty-five million dollars a year of increased authorizations for the primary and urban systems out of which all of the interstate system must come.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WHERRY. All the super interstate highways would get the aid that would probably be given under this new formula.

Mr. HOLLAND. Certainly.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WATKINS. Is it not true with respect to the interstate roads that if we divided the money on the population basis and distributed it in that way, many of the roads in the West, in the areas where there is no population at all, would never be built?

Mr. HOLLAND. I regret to say that that is the case.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LODGE. Is it not quite true that interstate roads may happen to go through thinly populated States, and the larger the population at either end of the roads, the more construction there will be in the thinly populated States, or in the desert between the populated areas?

The PRESIDING OFFICER. The hour of 1:30 having arrived, debate now is limited to 10 minutes on each amendment, to be equally divided between the proponent of the amendment and the chairman of the committee.

Mr. CHAVEZ. Mr. President, the chairman of the committee now submits committee amendment lettered "I."

The PRESIDING OFFICER. Another amendment already is pending.

Mr. WHERRY. Mr. President, a parliamentary inquiry: Let me suggest to the distinguished occupant of the chair that the unanimous-consent agreement provides that debate be limited beginning at 1:30 p. m. Let me inquire whether the chairman of the committee feels a quorum call should be had at this time, so that all Senators will be on notice that we are about to begin to vote.

Mr. HOLLAND. Mr. President, I believe it was the chairman of the committee who offered the amendment in regard to the $70,000,000 authorization.

The PRESIDING OFFICER. Let the Chair state that in the absence of unanimous consent to have a quorum call, the Senate must, under the previous agreement, proceed to consider the amendments. There is a pending amendment, namely, that of the Senator from Massachusetts; and in that connection the Senator from Massachusetts is recognized for 5 minutes at this time.

Mr. KERR. Mr. President, a point of order: I understood that the distinguished Senator from Massachusetts withdrew his amendment.

Mr. LODGE. No; I considered doing so, but I did not withdraw it, because I think the orderly way to deal with this matter is to have a vote taken on the question of including the formula, and to have it voted up or down.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Chair cannot recognize any Senator at this time except the Senator from Massachusetts.

Mr. KERR. Mr. President, I rise to a point of information or to propound a parliamentary inquiry.

Mr. LODGE. I ask the Senator to permit me to finish my sentence, please.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield for the purpose stated?

Mr. LODGE. I would like to finish my sentence.

I shall begin it again, Mr. President: To my mind, the orderly way for us to proceed is to have a vote taken on the formula and vote it up or down. Thereafter we can vote on the question of cutting down the amount authorized in the bill, and we can do so in several different ways.

One way which is proposed would, as I gather, make most of the burden of the reduction come on the interstate highway. I understand that another method which is proposed would place the burden of the reduction more or less evenly.

So it seems to me that is the way for us to proceed; and I am glad that the amendment which I and other Senators are sponsoring is the pending question.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. Mr. President, I ask unanimous consent that the colloquy involving the question of procedure not be charged to either side, but that a quorum call be had, and that thereafter 10 minutes of debate be allowed on each amendment, following the quorum call, and when the Members of the Senate are on the floor.

The PRESIDING OFFICER. Is there objection?

Mr. KERR. Mr. President, reserving the right to object, do I correctly understand that in all other respects the unanimous-consent agreement heretofore in effect will remain in effect?

Mr. WHERRY. Oh, certainly.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the Senator from Nebraska? The Chair hears none. Without objection, it is so ordered; and the Clerk will call the roll for the development of a quorum.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Malone
Anderson	Hill	Martin
Benton	Hoey	Maybank
Brewster	Holland	Millikin
Bricker	Humphrey	Morse
Bridges	Hunt	Mundt
Butler	Ives	Murray
Byrd	Jenner	Myers
Capehart	Johnson, Colo.	O'Conor
Chapman	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Connally	Kefauver	Saltonstall
Cordon	Kem	Schoeppel
Darby	Kerr	Smith, Maine
Douglas	Kilgore	Smith, N. J.
Dworshak	Knowland	Sparkman
Ecton	Langer	Stennis
Ellender	Leahy	Taft
Ferguson	Lehman	Taylor
Flanders	Lodge	Thye
Frear	Long	Tobey
Fulbright	Lucas	Tydings
George	McCarran	Watkins
Gillette	McCarthy	Wherry
Graham	McClellan	Wiley
Green	McFarland	Williams
Gurney	McKellar	Withers
Hendrickson	McMahon	Young

The PRESIDING OFFICER. A quorum is present.

Has the Senator from Massachusetts finished his statement?

Mr. LODGE. Mr. President, I shall sum up the statement I previously made. I shall do so now for the benefit of the Members of the Senate who were not present at that time.

This is an amendment to insert into the bill a population formula for the allocation of funds for interstate highways. This formula was included in the bill as passed by the House of Representatives, and it applies only to the $70,000,000 which is authorized for interstate highways. The interstate highway is a highway which runs from one urban center to another, and of course in so doing it goes through a great deal of country. U. S. No. 1, which runs from Maine to Florida, is an example of an interstate highway. It is a matter of national concern.

The growth of the population centers and the increase in traffic which has occurred in connection with their growth present a new problem in road construction, one which is not adequately met by the old formula we have had for primary and secondary roads. The existence of this new problem is recognized by this population formula, which was inserted in the bill as passed by the House of Representatives.

This is not simply a matter which interests the 18 States, although of course it affects them more directly; but it seems to me that it is a matter of national import and national advantage to have traffic flow easily in and out of these centers and along the interstate highways.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. IVES. I should like to inquire of the Senator from Massachusetts whether it is a fact that mileage itself has nothing whatever to do with the cost of highways. In the course of the debate, much has been made about the vast amount of mileage outside the cities and urban areas themselves. I believe the facts show that the cost of highways in cities is 8½ times as great as the cost of highways outside of cities; so the matter of mileage has nothing whatever to do with the question of cost.

Mr. LODGE. I think the Senator has well stated that fact.

Mr. President, in the course of the debate, statement has been made by the Senator from New Mexico that he would move to strike out the entire $70,000,000 allocation, in accordance with a letter from the President, pointing out the need of reducing nondefense spending. I am in favor of reducing nondefense spending, but I think the proposal to do so by means of striking out the entire $70,000,000 allocation would, if adopted by the Senate, place an undue burden on the interstate highway.

It seems to me that the best procedure is, first, to vote on the pending amendment, which deals with the formula, and then, having voted it up or down, we can confront the question of how we want to reduce nondefense spending on roads, in case we want to do that. That, I think, seems to be the argument on this amendment.

Mr. SALTONSTALL. Mr. President, will my colleague yield for a question?

Mr. LODGE. I yield.

Mr. SALTONSTALL. Is it not true, also, that the interstate highways, regarding which a change of formula is suggested, become relatively more important in an emergency than other types of roads? In other words, if we were to eliminate the $70,000,000 entirely, we should be eliminating an item that is of great advantage in these difficult times—more so than some of the other items which, if reduced across the board, might effect a greater saving?

Mr. LODGE. I think it is true that it would be much more just and much more in the national interest to make a percentage cut on all types of road authorizations. Of course, wars have always been fought on and around and about roads. There is nothing of greater military significance than roads. The possibility of war being carried to civilian population centers makes the necessity of eliminating traffic hazards even more vital than it ever was before.

The VICE PRESIDENT. The Senator's time has expired.

Mr. CHAVEZ. Mr. President, the Senate should defeat the amendment of the Senator from Massachusetts for several reasons. In the first place, it would apply to the new item of $70,000,000 which the Senate committee placed in the original bill. In view of the President's letter, and as a result of the unpleasantness in Korea, the committee is submitting to the Senate an amendment to eliminate the $70,000,000; hence there is no particular reason to have a formula, if there is no money to be spent under it.

Second, the Senator from Massachusetts is discussing urban problems only. He talks about population. It is true Boston has a large population and that New York has a large population; but without a road between New York and San Francisco there could not be an interstate system. We are allowing $125,000,000 for urban roads and the distribution of that urban road money is based upon population. The interstate highway money originally proposed to be authorized is based on the formula which has been in existence since the time of the passage of the original bill, in 1916.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Arkansas?

Mr. CHAVEZ. I yield.

Mr. McCLELLAN. Is it not true that the urban road program calls for an authorization of money to be allocated on the basis of population, and that all the remarks of the able Senator from Massachusetts addressed to the subject are pertinent to urban roads?

Mr. CHAVEZ. That is correct.

Mr. McCLELLAN. But they are not pertinent to interstate highways which connect cities.

Mr. CHAVEZ. That is correct.

Mr. McCLELLAN. That calls for a difference in the formula.

Mr. CHAVEZ. If a person resided in Washington, how could one go from Washington to Baltimore if there were no road crossing the District line into Maryland? As a practical proposition, if the amendment offered by the Senator from Massachusetts should prevail, then the Senate should retain the $70,000,000. The States would lose under that system; it would not be urban, but interstate. Among the States that would lose are Alabama, Arizona, Arkansas, Colorado, Georgia, Idaho, Iowa, Kansas, Kentucky, Maine—even Maine—Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas—Tennessee would lose $1,380,000, Texas would lose $3,214,000—Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

If the Senate wants to adopt that system, and to say that it is necessary to protect the urban population, which is now being protected under this bill, rather than to protect the interstate system of highways, it is up to the Senate. But I hope the amendment will be defeated.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Massachusetts [Mr. LODGE] for himself and other Senators.

Mr. LODGE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are detained on official business.

The Senator from Florida [Mr. PEPPER] is detained on official business conducting hearings as chairman of a subcommittee of the Committee on the District of Columbia, and if present would vote "nay."

I announce further that if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The result was announced—yeas 27, nays 58, as follows:

YEAS—27

Aiken	Green	McMahon
Benton	Hendrickson	Martin
Bricker	Ives	Myers
Bridges	Jenner	O'Conor
Capehart	Knowland	Saltonstall
Douglas	Leahy	Smith, N. J.
Ferguson	Lehman	Taft
Flanders	Lodge	Tobey
Frear	Lucas	Williams

NAYS—58

Anderson	Hoey	Millikin
Brewster	Holland	Morse
Butler	Humphrey	Mundt
Byrd	Hunt	Murray
Chapman	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Schoeppel
Cordon	Kefauver	Smith, Maine
Darby	Kem	Sparkman
Donnell	Kerr	Stennis
Dworshak	Kilgore	Taylor
Ecton	Langer	Thye
Ellender	Long	Tydings
Fulbright	McCarran	Watkins
George	McCarthy	Wherry
Gillette	McClellan	Wiley
Graham	McFarland	Withers
Gurney	McKellar	Young
Hickenlooper	Malone	
Hill	Maybank	

NOT VOTING—11

Cain	Magnuson	Thomas, Okla.
Downey	Neely	Thomas, Utah
Eastland	O'Mahoney	Vandenberg
Hayden	Pepper	

So Mr. LODGE's amendment, offered for himself and other Senators, was rejected.

The VICE PRESIDENT. The Chair understands that the Senator from New Mexico, the chairman of the committee, has a series of amendments in the nature of committee amendments, and they should first be disposed of.

Mr. CHAVEZ. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 13, line 10 it is proposed to strike out "$200,000,000" and insert in lieu thereof "$175,000,000."

Mr. DOUGLAS. Mr. President, I offer a substitute——

The VICE PRESIDENT. Will the Senator wait a moment? Does the Senator from New Mexico wish to be recognized on this amendment?

Mr. CHAVEZ. I do.

The VICE PRESIDENT. The Senator from New Mexico is recognized for 5 minutes.

Mr. CHAVEZ. Mr. President, this amendment reduces the item of $200,000,000 for the secondary roads, as it now appears in the bill, to $175,000,000, amounting to a reduction of $25,000,000. The reduction is offered, together with other reductions which will be taken care of by other amendments, in view of a letter written by the President to the committee several days ago suggesting that the committee consider reducing the amount by $120,000,000. By accepting this amendment and the other amendments which will be submitted, the Senate will have reduced the amount of the bill by $120,000,000. This is being done not for the reason that the committee did not feel that roads were needed, that the money could not be well spent, and that it was unnecessary to continue the program, but, because of the Korean situation as we now know it, the committee is recommending this amendment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. SALTONSTALL. Will the Senator tell me if I am correct when I say that there is at the present time $200,000,000 for secondary roads that is not under contract? In other words, has the Commissioner of Public Roads available $200,000,000 at the present time which is not under contract for secondary roads?

Mr. CHAVEZ. I believe the information of the Senator from Massachusetts is not correct, but I shall be glad to answer the Senator more fully a little later.

Mr. SALTONSTALL. I bring it up because it involves the question as to how much we should cut on secondary roads in comparison with other roads.

Mr. CHAVEZ. Will the Senator propound his question again, if he will be so kind?

Mr. SALTONSTALL. Mr. President, my question is, Is there in the hands of the Commissioner of Public Roads, available for contract, $200,000,000 for secondary roads that is not under contract?

Mr. CHAVEZ. My understanding is that that is for the fiscal year 1951, but this authorization is for 1952 and 1953.

Mr. SALTONSTALL. That is correct; but, certainly, with $200,000,000, we can consider that figure in connection with the reduction in 1952 and 1953.

Mr. CHAVEZ. Of course it can be considered, but if the Senator will investigate a little further he will find that the $200,000,000 about which he is speaking will all be taken up by the States and the Bureau of Public Roads within the period of 1951.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. I yield.

Mr. WHERRY. I think now that the Senate is ready to vote we should be informed what the effect of the amendments would be. I refer to the amendments which the chairman expects to offer and which would bring about a reduction of $120,000,000. I understand the $70,000,000 refers to the amount allocated for a new interstate highway. I understand that we are to vote on that figure.

Mr. CHAVEZ. I shall be glad to give the Senator an explanation.

Mr. WHERRY. Does the $25,000,000 refer to secondary roads?

Mr. CHAVEZ. That is correct.

Mr. WHERRY. The $25,000,000 reduction refers to secondary roads?

Mr. CHAVEZ. Yes.

Mr. WHERRY. What would the figure be with reference to interstate highways?

Mr. CHAVEZ. The next reduction would be $70,000,000 for such highways.

The VICE PRESIDENT. Senators and others will please discontinue this buzzing noise at the right and left of the Senate Chamber. It is utterly impossible to transact business in the midst of all this confusion.

Mr. CHAVEZ. The $125,000,000 is made up as follows: $25,000,000 from the secondary roads item; $70,000,000 from the interstate highway item; $4,000,000 from the Indian roads item; $2,000,000 from the emergency funds item; $2,000,000 from the Inter-American Highway item; $2,000,000 from the Rama Road item; and $15,000,000 from the item for access military roads.

Mr. WHERRY. The question of the formula which was raised by the Senator from Massachusetts [Mr. LODGE] applies only to the $70,000,000, which is a new allocation for interstate highways?

The VICE PRESIDENT. The Senator's time has expired.

Mr. WHERRY. Mr. President, in view of the fact that the mover of the amendment is giving this information to the Senate, could 5 minutes more be granted to him from time allotted to the opposition?

The VICE PRESIDENT. The agreement did not make provision for it, but the Chair will take the bull by the horns and recognize the Senator from Nebraska.

Mr. WHERRY. I think it shows a great deal of wisdom on the part of the Chair to do so, because in the next 5 minutes we should get all the information we can. With the vote on the formula out of the way there is no question of a formula involved in the remainder of the amendments to be offered. It is merely a question of whether we wish to cut the authorizations in the sum of $120,000,000.

Mr. CHAVEZ. That is correct.

Mr. WHERRY. The first amendment to be offered deals with the secondary highway system, and it is proposed to cut the figure by $25,000,000?

Mr. CHAVEZ. Yes. It is the difference between the House figure and the Senate figure. The House allowed $150,000,000. The Senate committee originally suggested $200,000,000. By this amendment the amount would be reduced to $175,000,000.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. KNOWLAND. On that point, Mr. President, I think the Senate should have as much information as possible in order to vote intelligently on the amendment. Could the Senator indicate in each instance what the allocated amount is in the present year?

Mr. CHAVEZ. Yes.

Mr. KNOWLAND. We should like to know what the actual amounts are this year.

Mr. CHAVEZ. I will give the amounts item by item for the information of Senators. The 1948 authorization act provided $202,500,000 for primary roads. The bill as passed by the House provided $225,000,000. The Senate committee recommended $225,000,000.

Secondary: Current authorization, $135,000,000. Passed by the House, $150,000,000. The Senate committee recommended $175,000,000.

Urban: 1948 act, $112,500,000.

Mr. KERR. Mr. President, will the Senator yield?

Mr. CHAVEZ. Yes.

Mr. KERR. The amendment does not effect an increase, but actually decreases the amount as reported by the committee. It decreases the amount from $200,000,000 to $175,000,000.

Mr. CHAVEZ. That is correct.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. HENDRICKSON. Is it not true that the appropriation for the past 2 years has been $135,000,000?

Mr. CHAVEZ. That is correct.

Mr. HENDRICKSON. When we need so much money for defense and security, why is it necessary at this time to appropriate $175,000,000?

Mr. CHAVEZ. Because the committee felt that not only was $175,000,000 justified, but they felt justified in recommending $200,000,000. However, in view of the unpleasantness which the Senator from New Jersey has in mind, the committee reduced the item by $25,000,000.

Mr. WATKINS. Is it not also correct to say that road-building costs have advanced tremendously compared to the costs of other years?

Mr. CHAVEZ. Almost as much as groceries.

Interstate system: That is out of the way.

Forest highways: The current authorization, the amount passed by the House, and the amount recommended by the Senate are the same, $20,000,000.

Forest roads and trails: In the 1948 act $17,500,000 was provided. The bill as passed by the House contains $17,500,000. The Senate committee recommended $20,000,000.

Park roads and trails: $10,000,000. That is the amount in the 1948 act, in the House bill, and as recommended by the Senate committee.

Parkways: Current authorization, $10,000,000. As passed by the House, $13,000,000. The Senate kept the $13,000,000.

Indian roads: $6,000,000 according to the 1948 act. The House bill provides for $6,000,000. The Senate committee recommended $10,000,000. By committee amendment the $10,000,000 would be cut to $6,000,000.

Emergency fund: We did not have the emergency fund in 1948. As passed by the House we would have $10,000,000. The Senate committee amendment now reduces the recommended $10,000,000 to $8,000,000.

Inter-American Highway is a new item, which was recommended on the basis of investigations. The Bureau of the Budget had approved $10,000,000. The Senate committee recommended $8,000,000. In view of the letter we reduced the amount by $2,000,000, to $6,000,000.

Access roads: The Senate committee thought the amount was absolutely necessary. It was not done in a hurry or emotionally. After we heard the Army engineers and national defense officials we felt justified in recommending $25,000,000. The President said he thought it was a little too much. We cut it down to $10,000,000.

Mr. DOUGLAS. Mr. President, I wish to offer a substitute amendment on behalf of the junior Senator from New Jersey [Mr. HENDRICKSON] and myself. The amendment would strike out the figure "$175,000,000" on line 10, page 13, of the committee amendment, and substitute the figure "$75,000,000."

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. If either the amendment offered by the Senator from Illinois or that offered by the Senator from New Mexico should be agreed to, what would be the effect of a 10-percent across-the-board amendment later on if it should be offered? Would a 10-percent cut across the board be effective when a committee amendment has been amended and that amendment has been agreed to?

The VICE PRESIDENT. Does the Senator inquire as to the legal effect of the amendment?

Mr. SALTONSTALL. I meant to inquire as to the parliamentary situation.

The VICE PRESIDENT. The Senator's question is not precisely a parliamentary question. However, the Chair is glad to give the Senator the benefit of his opinion. A 10-percent across-the-board cut, if such an amendment were agreed to, would affect all items in the bill as they were at the time the 10-percent amendment was offered.

Mr. SALTONSTALL. I do not believe I made my question clear. A 10-percent cut across the board might be a further amendment to the pending amendment, and would that be an amendment in the second degree, and not effective?

The VICE PRESIDENT. It is the Chair's opinion that it would be effective as to this item, just as it would be effective if the item had not been amended at all. If a 10-percent cut across the board is agreed to, it affects the appropriation bill as it is at the time the 10-percent amendment is offered.

Mr. SALTONSTALL. Even though a special item has already been amended?

The VICE PRESIDENT. Yes, unless the 10-percent amendment exempted the items which had already been dealt with.

Mr. SALTONSTALL. My point is that such an amendment would be in order even if the amendment of the Senator from New Mexico or the amendment of the Senator from Illinois should be agreed to.

The VICE PRESIDENT. The amendment would be in order as applicable to all the items in the bill.

Mr. DOUGLAS. Mr. President——

The VICE PRESIDENT. The Senator from Illinois is recognized for 5 minutes.

Mr. DOUGLAS. I think we should get a view of the general situation of which these specific amendments are merely parts.

A few weeks ago we voted to appropriate for the fiscal year 1950–51 $385,000,000 for aid to the States for road purposes. The committee in its report recommended total appropriations of $620,000,000, which is now reduced to the figure originally suggested by the Bureau of the Budget—namely, to a total of $500,000,000—to throw the major portion of the cut, or $70,000,000 or 100 percent on interstate highways, and made a cut of only $25,000,000 or only 12 percent on secondary highways.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DOUGLAS. I have only 5 minutes, and I should like to complete my argument, if I may.

The amendment which the junior Senator from New Jersey and I are offering is only one of a series which I intend to offer, which would cut the total authorizations for primary, secondary, urban, and interstate highways, to $310,000,000, and effect a total saving of $190,000,000 from the present figure of the committee for these purposes. I shall then offer other amendments to other items in the bill which will amount to savings of about $40,000,000.

It seems to me that in view of the very serious military and financial situation in which the country is placed, we should not spend as much money on Federal aid for roads during 1951–52 as we appropriated for the current year. We can look forward to a very hard future. Yet, the proposal of the committee for $500,000,000 is an increase of $115,000,000 above the current appropriations, or an increase of 30 percent. The amendments which we intend to offer would effect a total reduction of $75,000,000 below the pending bill, or a little less than 20 percent.

Mr. KNOWLAND. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield to the Senator from California.

Mr. KNOWLAND. I should like to ask the Senator from Illinois if it is not his judgment that, based on the added cost of the defense program, the $5,000,000,000 tax bill being presented by the Finance Committee either this afternoon or tomorrow is just a drop in the bucket compared to the new taxes we will have to levy on the American people, for undoubtedly it will be at least twice that amount to hold even with our present deficit, and unless we double the taxes, and perhaps impose an excess-profits tax to boot, we will not be keeping even.

Mr. DOUGLAS. I agree with the Senator from California. It seems to me that at the moment we can look forward to added military expenditures of at least $10,000,000,000 a year, and possibly even $15,000,000,000. That is the first point I want to make. The second is that in preparing the amendments we have made more severe cuts in the secondary-road appropriations than in the interstate- and urban-road figures, for the reason that, whatever case can be made for secondary roads, it is, to my mind, much less pressing than the case for primary roads or interstate roads, because in their nature the secondary roads will either be feeder roads or local roads running out from county seats, and therefore of much less importance nationally than primary roads.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. SALTONSTALL. The fact that $200,000,000 is available now for secondary roads not under contract would be an added argument, would it not, for cutting this amount to $75,000,000?

Mr. DOUGLAS. That is my view. I thank the Senator from Massachusetts for furnishing this additional argument.

Mr. President, it is always hard to cut, but we must make a beginning somewhere, and I hope very much we can make the reduction proposed.

Let me say that this does not mean stopping the road-building program, because, of the three and a half billion dollars which is spent annually on public roads, only about $400,000,000, or less than 15 percent, comes from the Federal Government at the present time. The

main portion of the roads now being constructed are State and local roads, and that would still continue to be the case. The States and localities are, as a matter of fact, in better financial condition than is the Federal Government. The proposal is merely one to reduce Federal expenditures on roads, in view of the grave financial condition in which the Federal Government is placed.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield to the Senator from Nebraska.

Mr. WHERRY. I ask this question in all seriousness: Would the Senator extend the cut to the same type of roads outside the United States?

Mr. DOUGLAS. Yes; I am going to propose reductions in those appropriations, too. If the Senator is fearful of my orthodoxy on this point, I say to him that I am going to propose a cut in the appropriations for the Inter-American Highway.

Mr. WHERRY. What about ECA roads?

Mr. DOUGLAS. I am not aware that ECA is involved.

Mr. WHERRY. It certainly is. There are the same type of roads involved.

Mr. DOUGLAS. The Senator reminds me of Mr. Dick in Dickens' novel, David Copperfield. Mr. Dick could never discuss any subject without his bringing up the subject of King Charles' head. I no sooner rise to propose an amendment than the Senator from Nebraska brings up the ECA. That is his equivalent of King Charles' head.

The VICE PRESIDENT. The time of the Senator from Illinois has expired.

Mr. CHAVEZ. Mr. President, I wish to say only that the Senator from Illinois appears to have it in for any roads which do not take care of big cities like Chicago. Let me tell the Senator from Illinois that we might cut out the whole $275,000,000, but I would not like to think of what would happen to some big cities if there were not the interstate roads and primary roads. They are the ones which, after all, make the big cities. Of course, we can cut. The Senator from Illinois uses another argument, that the appropriation for the 1951 item for roads is only three-hundred-and-some-million dollars. But the authorization is $450,000,000. This bill does not appropriate any money.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. CHAVEZ. Not for the moment.

The VICE PRESIDENT. The Senator declines to yield.

Mr. CHAVEZ. The pending bill only authorizes a certain appropriation, not for this year, but for 1952–53. Of course, if later the Congress does not want to appropriate the money which the bill authorizes, it can cut the appropriation down two or three hundred million dollars, and I am sure that if there is any emergency the Congress will do its duty, as it always has done.

Let me say once more that if we stop the construction of the proposed roads, we punish the people who work in the country, and there will not be any United States for the Senator——

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CHAVEZ. No; I do not yield. I yield the remainder of my time to the Senator from Oklahoma.

Mr. KERR. Mr. President, in order to clear up one question, with reference to the unused part of the present allocations, asked by the distinguished Senator from Massachusetts, when he inquired about the $244,000,000 unexpended, let me say that the record shows that $78,000,000 of that is for primary, $80,000,000 for secondary, and $86,000,000 for urban roads. The amount is unexpended only because it has not been contracted for, and not been utilized, but the information is that it will be.

The statement has been made by the distinguished Senator from Illinois that appropriations or authorizations for 1951 should be less than those for 1948, and that in spite of the fact that the use of the highways is up 25 percent for the fiscal year for which these authorizations are made, as compared with what it was in 1948.

He has attacked the secondary-road authorization, which is the authorization which provides all that the Federal Government will provide for farm-to-market roads and roads off the primary system.

Mr. President, the entire system of Federal aid for highways is based on the provision in the Constitution that Congress shall have the power to establish post offices and post roads. The original legislation provided:

Be it enacted, etc., That the Secretary of Agriculture is authorized to cooperate with the States, through their respective State highway departments, in the construction of rural roads.

The part of the bill we are considering goes to the farming areas of the Nation. This is the portion of the bill that goes to that part of the Nation upon which the economy of the entire Nation rests. Mr. President, the greatest tragedy that could happen to the bill would be to make a drastic cut in the authorization for the roads in the rural areas.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. AIKEN. Would not the effect of the adoption of an amendment providing for a large cut in the appropriation be to relieve the very wealthy States of the Union of a part of the cost of building our roads which they have borne, and throw that burden back onto the poorer States of the Union?

Mr. KERR. Onto the rural areas of the Nation. But in response to the Senator I would say that every State receiving an allocation from this authorization pays annually to the Federal Government more money in road-user taxes than will come back to it even under the increased authorization.

Mr. AIKEN. Would not the effect of the amendment providing for a large cut be to relieve the wealthier States and place a greater part of the burden on the poorer States?

Mr. KERR. Indeed, it would, and I am amazed that the representatives of the great industrial areas of the Nation are seeking to cut the heart out of this bill insofar as the rural areas are concerned. Their progress, Mr. President, and their prosperity is as much dependent upon those areas which will be assisted under this authorization as are the areas themselves.

The VICE PRESIDENT. The time of the Senator from Oklahoma has expired.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS], for himself and the Senator from New Jersey [Mr. HENDRICKSON], to the amendment of the Senator from New Mexico [Mr. CHAVEZ], on page 13, line 10, to strike out "$175,000,000" and insert "$75,000,000."

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOUGLAS. I should like to inquire whether it would be a violation of the rules of debate if I pointed out that I also intended to cut the appropriation for the urban roads.

The VICE PRESIDENT. It is not a violation of the rules.

Mr. KERR. Mr. President, would it be a violation of the rules if the Senator said he intended to cut them, or offered an amendment that they be cut?

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Illinois to the amendment of the Senator from New Mexico.

Mr. DOUGLAS. On that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, are we voting on the amendment offered by the Senator from Illinois?

The VICE PRESIDENT. Yes.

The Secretary will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from Wyoming [Mr. HUNT], and the Senator from Oklahoma [Mr. THOMAS] are detained on official committee business.

The Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are detained on official business.

I announce further that if present and voting, the Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from West Virginia [Mr. NEELY], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay".

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from Maine [Mr. BREWSTER], the Senator from South Dakota [Mr. GURNEY], and the Senator

from Nevada [Mr. MALONE] are detained on official business. If present and voting, the Senator from Nevada [Mr. MALONE] would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is detained on official business of the Committee on Crime Investigation.

The result was announced—yeas 26, nays 54, as follows:

YEAS—26

Benton	Frear	Martin
Bricker	Hendrickson	O'Conor
Bridges	Ives	Robertson
Butler	Jenner	Saltonstall
Byrd	Knowland	Smith, N. J.
Capehart	Lehman	Taft
Douglas	Lodge	Tydings
Ecton	Lucas	Williams
Ferguson	McMahon	

NAYS—54

Aiken	Humphrey	Mundt
Anderson	Johnson, Colo.	Murray
Chavez	Johnson, Tex.	Myers
Connally	Johnston, S. C.	O'Mahoney
Cordon	Kem	Pepper
Darby	Kerr	Russell
Donnell	Kilgore	Schoeppel
Dworshak	Langer	Smith, Maine
Ellender	Leahy	Sparkman
Fulbright	Long	Stennis
George	McCarran	Taylor
Gillette	McCarthy	Thomas, Utah
Graham	McClellan	Thye
Green	McFarland	Watkins
Hickenlooper	McKellar	Wherry
Hill	Maybank	Wiley
Hoey	Millikin	Withers
Holland	Morse	Young

NOT VOTING—16

Brewster	Gurney	Neely
Cain	Hayden	Thomas, Okla.
Chapman	Hunt	Tobey
Downey	Kefauver	Vandenberg
Eastland	Magnuson	
Flanders	Malone	

So the amendment offered by Mr. DOUGLAS for himself and Mr. HENDRICKSON to Mr. CHAVEZ' amendment was rejected.

Mr. BYRD. Mr. President, I offer an amendment to reduce this item from $175,000,000, as contained in the amendment of the Senator from New Mexico, to $135,000,000. That will provide exactly the amount the secondary roads are receiving for the year 1951.

I wish to say, in reference to my vote for the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the amendment of the Senator from New Mexico, I do not think I have ever cast a vote to reduce the authorization for an item in which I have been more interested throughout my entire public career. I have been very deeply interested in secondary roads. I was elected a State senator in Virginia as an advocate of the improvement of the farm-to-market roads. I served for 10 years as chairman of the road committee of the Virginia State Senate. My colleague, the junior Senator from Virginia [Mr. ROBERTSON] and I were patrons of the legislation which established the first State highway in Virginia. When I was elected Governor of Virginia, one of the main features of my platform was the improvement of the farm-to-market roads.

However, Mr. President, I feel it is absolutely imperative that we reduce all possible expenses, in view of the present emergency confronting us. We must not overlook the fact that when we began World War I, we had a debt of $1,000,000,000; when we began World War II, we had a debt of $50,000,000,000; and now we have a debt of $260,000,000,000, with another war appearing on the horizon.

So I was compelled to vote as I did on the amendment proposed by the Senator from Illinois to the amendment of the Senator from New Mexico. I wish to have the Senator from New Mexico know that I am a farm-to-market-road man, and have been all my life. However, I think it is necessary that authorizations for the things in which we are interested should be cut, as well as the authorizations for the things in which we are not interested.

I have heard so many Members of the Senate say, "I am for economy, but—" They stop at "but"; they favor economy in the case of other things, but not in the case of the things in which perhaps they are very much interested.

Mr. President, we must have economy straight down the line if we are to save the fiscal solvency of the Government of the United States.

The administration already has asked for $57,000,000,000 for this year; and I predict that before this fiscal year is over, the administration will ask for $60,000,000,000 or $70,000,000,000 or perhaps $75,000,000,000. That figure is not pulled out of the air; I have reason to believe that will be the figure finally requested in this fiscal year.

Mr. ROBERTSON. Mr. President, will my colleague yield?

Mr. BYRD. I yield.

Mr. ROBERTSON. Is it not a fact that when we pass a road-authorization bill, we are actually passing an appropriation bill, because we authorize the Bureau of Roads to allocate in advance and to make moral commitments which the Appropriations Committee then is under an obligation to ratify legally?

As I understand the senior Senator from Virginia, he has said that now we are about to vote for secondary roads what amounts to an appropriation—and to do so in a period of crisis which may eventuate in calling for the use of all our productive enterprises for our defense—equal to the amount being spent for secondary roads this year, which was presumed to be a peacetime year.

Mr. BYRD. Mr. President, I wish to call attention to the fact that State expenditures for highways have been increased from $833,000,000 in 1945 to more than $3,000,000,000. The Federal Government is putting up 15 percent of the total cost of road construction in this country. I think it is time for the States to undertake to do their part of this work; and they can do it, for nearly every State of the Union has a balance in its treasury.

So I offer this amendment on behalf of myself and the Senator from New Hampshire [Mr. BRIDGES]. If the amendment is adopted, the amount provided for this purpose for the fiscal year 1951 will not be reduced by $1, in making the authorization for the coming fiscal year.

Despite the fact that I am entirely in favor of aiding and improving the farm-to-market roads, I think a $40,000,000 reduction, which would not reduce the current rate of spending, should be made in this item. This would continue this item at $135,000,000 a year. This amount would be the same as the authorization item carried for this purpose in the bill for the present fiscal year, instead of the $175,000,000 which has been recommended by the committee.

Mr. BRIDGES. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield.

Mr. BRIDGES. Mr. President, how much time is available?

The VICE PRESIDENT. The time of the Senator from Virginia has expired.

Mr. BYRD. Mr. President, the Senator from New Hampshire is a copatron of the amendment. I ask unanimous consent that an additional minute be made available, inasmuch as I did not realize I had used all the 5 minutes.

Mr. CHAVEZ. Mr. President, I yield 1 minute to the Senator from New Hampshire.

The VICE PRESIDENT. The Senator from New Hampshire is recognized for 1 minute.

Mr. BRIDGES. I thank the Senator very much.

Mr. President, the distinguished Senator from Virginia [Mr. BYRD] and I, in offering this amendment, are trying to hit at the heart of the problem which faces the Senate in connection with authorization bills, because it is so difficult for the Appropriations Committee to make cuts after an authorization has been made; and, furthermore, so many persons, including some Senators, regard an authorization as an obligation to make a corresponding appropriation.

I think this amendment is in line with today's thinking in regard to defense matters, and, in my judgment, the adoption of the amendment will not result in working a hardship on anyone. It seems to me that the amendment is a sound one, and should be supported.

Mr. CHAVEZ obtained the floor.

Mr. HENDRICKSON. Mr. President, will the Senator yield 1 minute to me?

Mr. CHAVEZ. I should be very glad to do so, but I simply cannot, for I have only 4 minutes remaining, and I must yield to other Senators on our side of this question.

Mr. President, everyone agrees with the Senator from Virginia that we should be careful about these matters. It was for that reason that the committee recommended a cut, and did not go further in recommending authorizations.

From taxes which pay for the items for roads, the Government obtains a revenue of approximately $1,250,000,000. The recommendations of the committee amount to only $628,000,000.

By the committee amendment we increase the amount of the current authorization by only $40,000,000. Would the Senator from Virginia state to the Senate now that the cost of constructing a road anywhere would be the same today as it was in 1948? Of course no Senator would say that the costs today are the same.

So I hope the Senate will go along with the figure submitted and recommended by the committee.

Mr. President, I yield the remainder of my time to the Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, I was interested in the remarks of the distinguished Senator from Virginia [Mr. BYRD], for whom I have a great regard—that he had heard many Senators say that they were in favor of economy, "but."

Mr. President, I have heard many men say they were in favor of rural farm-to-markets roads, "but." I wish to congratulate the Senator from Virginia on his great record of running for office on a program of building more farm-to-market roads. I, too, ran for office on the same program. The difference seems to be that I believe we should do something about it.

Mr. BYRD. Mr. President, if the Senator from Oklahoma will go to Virginia, he will see that we have done something about it, too. We have good roads.

Mr. KERR. Mr. President, in response to a question from his colleague, the Senator from Virginia said that in voting on this authorization bill the Senate will in effect be voting on an appropriation bill; and the Senator said that if this amount is authorized now, it will subsequently be appropriated. Yet I believe he was joint author of an amendment recently which cut all appropriations, including those for public roads, by 10 percent.

Mr. BYRD. Mr. President, the Senator is mistaken. It does not apply to roads. As a Federal grant, it was excluded from the 10-percent reduction.

The VICE PRESIDENT. Is the Senator from Oklahoma yielding to the Senator from Virginia?

Mr. KERR. Under coercion, Mr. President, by reason of the cooperation of the Chair, not by reason of any volition on the part of the Senator from Oklahoma. [Laughter.]

The VICE PRESIDENT. The Senator has absolute control of the time he has, while he is on his feet, and he does not have to yield unless he wants to. The Chair is trying to protect the Senator from Oklahoma.

Mr. KERR. I appreciate the remarks of the Chair, even though they are made at the expense of the time of the Senator from Oklahoma. [Laughter.]

The VICE PRESIDENT. The Chair will yield to the Senator enough time to make up for what the Chair has taken.

Mr. KERR. Mr. President, the emergency which confronts the Nation makes a greater demand upon us for roads, not less. We have a greater use of the highways, not less. We have a higher cost of roads, not less. I remind Senators that of the $1,300,000,000 road-user tax paid into the Federal Treasury, farmers of the Nation pay between 26 and 30 percent of it. They surely do not get that percentage of the allocation of road money in return. I submit that the amendment should be voted down, and that the amendment of the committee fixing the figure at $175,000,000 should be approved.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Virginia [Mr. BYRD] for himself and the Senator from New Hampshire [Mr. BRIDGES] to the amendment of the Senator from New Mexico [Mr. CHAVEZ].

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SALTONSTALL rose.

The VICE PRESIDENT. All time has expired.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. If this substitute is adopted, applying to an amount in this section of the bill, will an amendment, not changing the figures, but applying merely to the language of the same section, later be in order?

The VICE PRESIDENT. It would be in order, to any part of the text not included within the committee amendment. This amendment applies only to the figures. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Kentucky [Mr. CHAPMAN], and the Senator from Wyoming [Mr. HUNT] are detained on official committee business.

The Senator from Washington [Mr. MAGNUSON] is detained on official business.

I announce further that if present and voting, the Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], and the Senator from West Virginia [Mr. NEELY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from South Dakota [Mr. GURNEY], and the Senator from Nevada [Mr. MALONE] are detained on official business. If present and voting the Senator from Nevada [Mr. MALONE] would vote "nay."

The result was announced—yeas 47, nays 37, as follows:

YEAS—47

Benton	Hendrickson	Martin
Brewster	Hickenlooper	Maybank
Bricker	Hoey	Myers
Bridges	Humphrey	O'Conor
Butler	Ives	Robertson
Byrd	Jenner	Saltonstall
Capehart	Johnson, Tex.	Schoeppel
Donnell	Kefauver	Smith, N. J.
Douglas	Kem	Taft
Dworshak	Knowland	Thye
Ecton	Leahy	Tobey
Ferguson	Lehman	Tydings
Frear	Lodge	Wherry
George	Lucas	Wiley
Gillette	McCarthy	Williams
Green	McMahon	

NAYS—37

Aiken	Kerr	Pepper
Anderson	Kilgore	Russell
Chavez	Langer	Smith, Maine
Connally	Long	Sparkman
Cordon	McCarran	Stennis
Darby	McClellan	Taylor
Ellender	McFarland	Thomas, Okla.
Fulbright	McKellar	Thomas, Utah
Graham	Millikin	Watkins
Hill	Morse	Withers
Holland	Mundt	Young
Johnson, Colo.	Murray	
Johnston, S. C.	O'Mahoney	

NOT VOTING—12

Cain	Flanders	Magnuson
Chapman	Gurney	Malone
Downey	Hayden	Neely
Eastland	Hunt	Vandenberg

So the amendment offered by Mr. BYRD for himself and Mr. BRIDGES to the amendment of Mr. CHAVEZ was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the amendment of the Senator from New Mexico, as amended.

The amendment, as amended, was agreed to.

Mr. CHAVEZ. Mr. President, I send to the desk another amendment and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 19, line 13, it is proposed to strike out "$10,000,000" and insert in lieu thereof "$6,000,000."

Mr. CHAVEZ. Mr. President, this amendment reduces the item of $10,000,000 to $6,000,000. As compared with the House figure, it is the same.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

Mr. CHAVEZ. Mr. President, I send to the desk another amendment and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment offered by the Senator from New Mexico.

The LEGISLATIVE CLERK. On page 19, beginning at line 21, through page 21, line 2, it is proposed to strike out all of subsection (a) and subsection (b);

On page 21, line 3, to strike out the letter "(c)";

On page 21, lines 11 and 12, to strike out the words "and subsection (a) of section 5"; and

On page 21, lines 22 and 23, strike out the words "and subsection (b) of section 5."

Mr. HOLLAND. Mr. President, this is an amendment which seeks to strike out of the bill a brand new item for a completely new type of Federal aid with reference to the so-called interstate highway system. It was brand new as it came from the House, though as now changed by the adoption of a committee amendment already agreed to, it is nothing in the world but an increase and enlargement of the primary-aid system and the urban aid system.

I want to make that very clear, Mr. President. There is not a single mile of road on the interstate highway system that is not also on either the primary aid system or the urban aid system. The

committee, as we think, rather generously took care of both the primary system and the urban system. It was recommended by the committee, and also approved by the House, that $225,000,000 be authorized for primary aid roads. In connection with urban roads, there was provided by the House, and approved by the committee, an authorization of $125,000,000. In each case that is some increase over the prior authorization. In the case of primary roads, it is an increase of twenty-two and one-half million dollars a year. In the case of urban roads, it is an increase of twelve and one-half million dollars a year, or a total increase of $35,000,000. With that increase, a rather generous one, already provided for the primary road system and the urban road system, it seemed to us that, logically, this $70,000,000 should be the item which should be stricken, which was nothing but an enlargement of those two systems as changed from the form in which it appeared in the House bill.

I may say before taking my seat, Mr. President, that the committee felt it was logical that this item be cut out because it proposed a new plan of matching 75 percent of Federal funds against 25 percent of State funds, which means that in cutting this out we are really cutting out less mileage than if we should apply the same amount of reduction against the Federal aid and urban aid.

I hope the committee amendment offered by the Senator from New Mexico will be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CHAVEZ].

The amendment was agreed to.

Mr. CHAVEZ. Mr. President, I send to the desk a further amendment and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 24, line 4, it is proposed to strike out the figure "$10,000,000" and insert in lieu thereof the figure "$8,000,000."

Mr. CHAVEZ. Mr. President, this refers to the emergency fund, an item in the highway bill. The emergency fund is that fund which is used in case of disaster. A flood takes place in the Missouri Valley, for example, destroying local roads, Federal-aid roads, and so forth. The people cannot wait for an appropriation, and they have to do something about it. We have reduced to $8,000,000 the item which was originally approved by the budget and by the House.

Mr. DOUGLAS. Mr. President, I offer a substitute for the amendment, to strike out "$8,000,000" and substitute "$5,000,000." I believe this is a new item in the road budget. There was no similar authorization, and, therefore, it constitutes a net increase, and we can economize and, instead of spending $8,000,000, spend only $5,000,000.

Mr. CHAVEZ. Mr. President, the last time the money was appropriated was 10 years ago, and they have had that money up to the present time. They are now running out of it.

Mr. DOUGLAS. But there was no such authorization in the last two authorization bills.

Mr. CHAVEZ. There have been no authorizations in the last two authorization bills for the simple reason that they took such good care of the fund that they had no need for a further authorization. They had not spent the money. But they do want to be ready in case something happens in any particular part of the country.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CHAVEZ. Certainly.

Mr. HICKENLOOPER. Does the Senator have any reliable figures as to how much emergency money has been needed in the past, of the type this authorization is intended to cover, and whether such money has been appropriated?

Mr. CHAVEZ. The information I have is that this money has been appropriated for the past 30 years, and within that time approximately $20,000,000 has been used. It is a continuing fund.

Mr. HICKENLOOPER. The average would be approximately $1,500,000 a year?

Mr. CHAVEZ. Probably $750,000 a year. Twenty million dollars has been appropriated up to this time, and it has continued for approximately 30 years.

Mr. HICKENLOOPER. Twenty million dollars a year?

Mr. CHAVEZ. No; for the entire 30-year period.

Mr. HICKENLOOPER. If the history has been what the Senator says it has been, is $8,000,000 or $5,000,000 or $10,000,000 necessary?

Mr. CHAVEZ. An ounce of prevention is worth a pound of cure. In some instances they probably spent $3,000,000 at some particular time, when possibly the history of that period would indicate that they spent only $100,000 a year. The fund is for disaster purposes. It is a continuing fund and is used for disaster purposes only. It cannot be used for any other purpose.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LONG. The reason why we are not appropriating $750,000 is that it is possible that there may be a real disaster and $8,000,000 may be needed. Is that correct?

Mr. CHAVEZ. That is correct. We hope they will not have to use it.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. KNOWLAND. Under the circumstances, with the factual record before us, would not the Senator agree that the amendment offered by the Senator from Illinois is a generous amendment?

Mr. CHAVEZ. No; I do not agree. We cannot figure that anything will happen as it has happened in the past. For many years we had not contemplated that there would be a Johnstown, Pa., flood, but all of a sudden it came. For many years there were no great floods on the Mississippi, but several years ago such floods suddenly occurred there. It is the nature of the appropriation that makes it necessary.

Mr. KNOWLAND. Is not this to take care of smaller emergencies that might accumulate? If there were a major disaster, the Congress of the United States would be prepared to act forthwith.

Mr. CHAVEZ. Yes; but we are all anxious to quit here on Labor Day, and we shall all go away, and if something happens in California, for instance, and Congress is not in session, how is Congress going to appropriate for a major disaster or even for a small disaster?

Mr. WHERRY. I do not wish to be confused. Does not the President also have an emergency fund which could be used for floods and for roads into flooded areas?

Mr. CHAVEZ. Yes. Several agencies could help out in such a situation. I am not saying that the world will end if we do not provide the appropriation, but I think it would be an exercise of sound judgment for this body to provide a modest appropriation which might last for 10 years, but which might also be needed next week.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. Certainly.

Mr. HICKENLOOPER. By what yardstick does the committee arrive at the figure of $8,000,000, or by what yardstick does the Senator from Illinois arrive at $5,000,000? I think we are asked to appropriate money for undetermined purposes, the happening of which is not at all certain, and the precedents for which do not exist.

Mr. CHAVEZ. The yardstick used heretofore is that something might happen and something did happen. That situation started the authorization. Inasmuch as it is a continuing fund, it is reduced as it is used. The fund is about exhausted. When the budget was being made up, the Bureau of Public Roads went before the Bureau of the Budget, and of course the Bureau examined the record for the past few years. Ten million dollars had been spent, and they requested that much of the Bureau of the Budget.

The VICE PRESIDENT. The Senator's time has expired. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS], to the amendment offered by the Senator from New Mexico [Mr. CHAVEZ]. [Putting the question.]

The "ayes" appear to have it.

Several Senators requested a division.

On a division, the amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CHAVEZ], as amended.

The amendment, as amended, was agreed to.

Mr. CHAVEZ. I offer another amendment.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 26, line 2, it is proposed to strike out the figure "$8,000,000" and insert in lieu thereof the figure "$6,000,000."

Mr. CHAVEZ. Mr. President, this is a brand-new item in which the State Department is deeply interested. A showing was made before the committee by representatives of the State Department. This is an emergency matter, and is possibly of military importance. As the Senate knows, during our late unpleasantness with Germany, German submarines roamed all over the Atlantic, and some were over in the Pacific. Some of the submarines came into the Gulf of Mexico and were sinking American ships and Allied ships almost up to New Orleans. The situation was so serious that the means of getting important raw materials, which were actually needed in order to carry out the war purposes, were limited, as a result of which the State Department and Congress authorized the expenditure of money, in cooperation with countries in Central America, to construct an inter-American highway. The highway runs as far as the Panama Canal. If anything should happen to the Panama Canal, we would be in a serious situation. I assume Senators have read the article this morning in the newspapers to the effect that in case of war the possibilities of damage or destruction to the Panama Canal are present. This money would be spent in cooperation with the peoples of various countries of Central America down to the Panama Canal, for the purpose of building a highway from the American border to Panama.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. WHERRY. The authorization is for $7,000,000?

Mr. CHAVEZ. The authorization was cut to $6,000,000.

Mr. WHERRY. For how many years?

Mr. CHAVEZ. It is for 8 years. It would be $64,000,000. The total amount remaining of the so-called commitment which was made by the State Department is $64,000,000.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. FERGUSON. Does the Senator know how much has already been appropriated and spent on the highway?

Mr. CHAVEZ. Thirty-three million dollars.

Mr. FERGUSON. Does the Senator know how great a proportion of the highway has been built for the $33,000,000?

Mr. CHAVEZ. I do not know the proportion, but I do know that Mr. Bennett, of the State Department; Mr. Miller, of the State Department; Mr. MacDonald, of the Bureau of Public Roads; and a representative of the Bureau of the Budget appeared before the committee and testified and justified the authorization of this amount.

Mr. FERGUSON. Does the Senator know that this amount will not be sufficient to complete the highway, or anywhere near it?

Mr. CHAVEZ. This particular amount will not.

Mr. FERGUSON. I mean the full 8-year amount.

Mr. CHAVEZ. Of course, we must depend on the testimony of those who are engineers and those who know about construction work.

Mr. FERGUSON. Does the testimony show that this amount would be sufficient to complete the entire highway?

Mr. CHAVEZ. The testimony shows that $64,000,000 would be sufficient to complete the highway.

Mr. DOUGLAS. Mr. President, I wish to offer a substitute amendment.

The VICE PRESIDENT. The Senator from New Mexico has the floor.

Mr. CHAVEZ. I have concluded my remarks.

The VICE PRESIDENT. Does the Senator yield the floor?

Mr. CHAVEZ. I yield the floor.

Mr. DOUGLAS. I wish to offer a substitute for the amendment of the Senator from New Mexico. In line 2, page 26 of the bill, I propose to strike out the figure "$6,000,000", as proposed by the committee, and substitute the figure "$4,000,000", thus cutting the original appropriation of $8,000,000 in half. I know this proposed amendment will bring great joy to the junior Senator from Nebraska [Mr. WHERRY], who is always inquiring about the readiness of the junior Senator from Illinois to cut appropriations for foreign purposes. I wish to call the attention of my good friend from Nebraska to the fact that I am proposing to cut the appropriations for the Inter-American Highway in half, just as I wished to cut appropriations for internal roads. I know this will be very pleasing to my good friend.

Mr. WHERRY. I wish to thank the Senator for his generosity. I should like to ask him a question. I do not understand why it is necessary to make this authorization until 1958, in view of the circumstances which confront us now. I am wondering if the distinguished Senator from Illinois would not modify his amendment to make the appropriation on a year-to-year basis. I do not know why it is necessary to authorize an expenditure of this money until 1958.

Mr. DOUGLAS. I would be willing to modify my amendment so that the authorization would run to June 30, 1954, or to cut the authorization by 4 years.

Mr. WHERRY. I should like to have the Senator make it 1952. At that time we could review the situation.

Mr. DOUGLAS. I am always anxious to cooperate with my dear friend from Nebraska, but I think that is about as far as I could go.

Mr. CHAVEZ. I should like to suggest that I am interested in reviewing the situation in order to find out what kind of job we are doing. We have not had the opportunity to do it. Whether we authorize $2,000,000, $4,000,000, or $8,000,000, we should know exactly what is going on. The committee has not had any opportunity to review the situation, but I do not believe that under present circumstances the committee could get the information which it could submit to the Senate with respect to how the work is progressing.

Mr. FERGUSON. Does the Senator know why we should appropriate $3,000,000 of this money which would not be matched?

Mr. DOUGLAS. Because of the poverty of Latin-American countries.

Mr. FERGUSON. What would it be immediately? Would $3,000,000 be used without matching by foreign countries? Where would the $3,000,000 come from?

Mr. DOUGLAS. I would be willing to modify my amendment so as to strike out "$3,000,000" on line 12, page 26 of the bill, and substitute in lieu thereof "$2,000,000."

Mr. FERGUSON. Would that be for every year?

Mr. DOUGLAS. For every year for which the authorization holds.

Mr. WHERRY. The Senator is modifying it to apply to 1952, is he not?

Mr. DOUGLAS. No; not 1952, but 1954.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Illinois [Mr. DOUGLAS] to the amendment of the Senator from New Mexico [Mr. CHAVEZ]. [Putting the question.] The "noes" appear to have it.

Mr. FERGUSON. I ask for a division.

On a division, the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the amendment of the Senator from New Mexico as amended.

The amendment, as amended, was agreed to.

Mr. JOHNSON of Colorado. Mr. President, may I offer an amendment?

Mr. CHAVEZ. I suggest to the Senator that we are about through with the committee amendments.

Mr. JOHNSON of Colorado. Very well.

Mr. CHAVEZ. Mr. President, I send an amendment to the desk and ask to have it stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 29, line 21, it is proposed to strike out "$4,000,000" and insert in lieu thereof "$2,000,000."

Mr. CHAVEZ. Mr. President, this amendment also affects a country in Central America, namely, the Republic of Nicaragua.

It appears that during the late war representatives of the United States went to Nicaragua with reference to the contemplated Nicaraguan canal, which would tie the Pacific and the Atlantic Oceans. Nicaragua readily agreed that the United States could do whatever was necessary with reference to the canal. Nothing was done about it, but the United States did make a commitment to Nicaragua for military reasons.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CHAVEZ. I will yield in a moment. I know Senators are having a Roman holiday, and I refuse to yield at the moment.

The VICE PRESIDENT. The Senator from New Mexico declines to yield.

Mr. CHAVEZ. As a result, it appears that this country solemnly said to Nicaragua, "As long as we cannot comply and spend the many millions of dollars which would be necessary in

order to build the canal from the Atlantic to the Pacific, we propose and suggest to you that you accept the construction of a road from the Pacific Ocean to the Atlantic Ocean."

Possibly the Senator from Michigan would want to save the $2,000,000, but if anything should happen to the Panama Canal, if anything should happen either on the Atlantic or the Pacific so that we could not transport by water from one ocean to the other, it would be absolutely necessary, we are told by the State Department, to fulfill this commitment which we solemnly made. Of course, we do not have to comply with any commitments to Nicaragua. She could not force us to do so. But, after all, when we are so big and powerful, when we are able to spend billions upon billions of dollars to help humanity, I believe the dignity of our Nation demands that commitments solemnly made shall be kept, such as a commitment for a little bit of an item like this.

Mr. President, I hope the Senate will accept the committee amendment.

Mr. FERGUSON. Mr. President——

Mr. CHAVEZ. I yield.

Mr. FERGUSON. I should like some time on this amendment, because I was a member of the Truman committee when this highway was investigated. This is not a part of the Inter-American Highway at all.

Mr. CHAVEZ. That is correct.

Mr. FERGUSON. No commitments were made. It was really discovered that this road was being built out of the President's emergency fund during the war.

The committee went to Managua, saw this highway running off to the east, and discovered for the first time that there were $4,000,000 of the President's funds being used to build the highway. Not only did they discover that, but they found 26 miles of highway leading up to the farm of the President of Nicaragua, which had no connection whatever with the Inter-American Highway.

Mr. President, this is the kind of a road for which there was never a commitment. It was built during the war. Another million dollars was spent to build a highway around a lake in one of the Central American countries. This is the way money is being spent, not on the Inter-American Highway, but on boondoggling in Central America, and this amount should not be expended, not one dollar of it.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I am glad to yield.

Mr. CHAVEZ. I have the floor.

The VICE PRESIDENT. The Senator from New Mexico is supposed to have had the floor and yielded.

Mr. FERGUSON. I thought I was recognized.

The VICE PRESIDENT. Under the agreement the Chair would feel that he must recognize some Senator on the other side on the Public Works Committee. The time on this amendment is divided between the proponents and the opponents.

Mr. CHAVEZ. How much time have I left?

The VICE PRESIDENT. The Senator has 1 minute left.

Mr. CHAVEZ. The Senator from Michigan can proceed in his own time.

Mr. FERGUSON. Mr. President——

Mr. CHAVEZ. I yielded to the Senator and he made a speech in my time. I think I shall take what is left of my minute.

The Senator went to Central America with the Truman committee, but it happens that the man who was the head of that committee is now the President of the United States. The President and the Department of State support the proposed appropriation.

The Rama Road takes its name from the town of Rama, Nicaragua. In 1942 our Government agreed to build a road between the town of San Benito, in western Nicaragua, and the town of Rama on the Escondido River, which is navigable from the town to the Atlantic Ocean.

In 1914 a treaty was signed in Washington by Secretary of State William Jennings Bryan and Gen. Emiliano Chamorro, representative of Nicaragua. By this treaty the United States was granted perpetual rights to construct a canal across Nicaragua. No action has been taken to implement the treaty.

In 1939 the President of Nicaragua pointed out to President Roosevelt the economic needs of his country, and asked the United States to undertake the canalization anticipated by the 1914 treaty. Shortly before those conversations the War Department had recommended against canalization. The President of Nicaragua then suggested that a barge canal be dug from the Atlantic along the San Juan River into Lake Nicaragua and across the lake to connect with Managua, the capital city. The War Department pointed out the costliness of such a project, and President Roosevelt agreed with President Somoza on construction of the road from San Benito to Rama as a substitute benefit.

So there was a commitment.

The PRESIDING OFFICER (Mr. WITHERS in the chair). The Senator's time has expired.

Mr. FERGUSON. Mr. President, I propose, as a substitute for the amendment, that the entire appropriation of $4,000,000 be stricken out.

Mr. WHERRY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Does not the amendment of the Senator from New Mexico call for a reduction of $2,000,000?

Mr. CHAVEZ. Yes.

Mr. WHERRY. So that the amount the Senator from Michigan attempts to strike out is $2,000,000?

Mr. FERGUSON. No, I want to strike out the whole amount, the $4,000,000.

Mr. CHAVEZ. It is only $2,000,000 now.

Mr. FERGUSON. Was the amendment of the Senator from New Mexico agreed to?

Mr. CHAVEZ. Not yet.

Mr. FERGUSON. What is the amount now?

The PRESIDING OFFICER. Four million dollars.

Mr. FERGUSON. The motion I make is to strike out the entire amount of $4,000,000.

The PRESIDING OFFICER. Is the Senator offering that amendment?

Mr. FERGUSON. I am offering it as a substitute.

Mr. BYRD. It is to section 12, known as the Rama Road provision.

Mr. CHAVEZ. That is correct.

Mr. FERGUSON. I propose to strike out all of section 12.

Mr. CHAVEZ. My amendment is to strike out $4,000,000 and insert $2,000,000.

Mr. FERGUSON. I offer as a substitute for that an amendment to strike out all of section 12.

The PRESIDING OFFICER. The question is on the original amendment——

Mr. CHAVEZ. No.

The PRESIDING OFFICER. All in favor of the amendment of the Senator from New Mexico to reduce the amount to $2,000,000 will say "aye." Those opposed will say "no." The "ayes" have it and the amendment is agreed to.

Mr. BYRD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BYRD. If the amendment is adopted, it is not subject to further amendment, is it?

Mr. McCLELLAN. Mr. President, should not the substitute amendment be voted on first, and then the original amendment?

The PRESIDING OFFICER. The Parliamentarian states that the amendment by the Senator from New Mexico [Mr. CHAVEZ], to reduce, has priority over the other amendment.

Mr. McCLELLAN. That is the very point I am making. As I understand the way the question was put, however, we were voting on the other amendment first.

The PRESIDING OFFICER. No. The amendment of the Senator from New Mexico is to reduce the original amount. Now the Sentor from Michigan is offering an amendment to reduce it further.

Mr. McCLELLAN. I understand the Senator from Michigan offered that as a substitute.

Mr. FERGUSON. Yes, as a substitute; to strike out the whole section.

Mr. BYRD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BYRD. If the amendment of the Senator from New Mexico is adopted, is it subject to further amendment?

The PRESIDING OFFICER. It is subject to the amendment to strike the whole amount.

Mr. WHERRY. Has the distinguished occupant of the chair announced the result of the vote on the amendment offered by the Senator from New Mexico?

The PRESIDING OFFICER. Yes. The amendment of the Senator from New Mexico was agreed to.

Mr. WHERRY. That was the announcement made by the Chair?

The PRESIDING OFFICER. Yes.

Mr. FERGUSON. I now ask for a vote on the motion to strike out the entire section.

The PRESIDING OFFICER. The entire section?

Mr. FERGUSON. Yes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Michigan [Mr. FERGUSON]. [Putting the question.]

Mr. FERGUSON. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. CHAVEZ. Mr. President, I offer another amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Amendment dated 8-18-50—G.

On page 32, line 10, it is proposed to strike out "$25,000,000" and insert in lieu thereof "$10,000,000."

Mr. CHAVEZ. That, Mr. President, reduces the access road item from $25,000,000 to $10,000,000.

Mr. BYRD. That is for the defense access roads?

Mr. CHAVEZ. Yes.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. I yield.

Mr. WHERRY. What was the amount of the 1948 appropriation for access roads?

Mr. CHAVEZ. We had none in 1948.

Mr. WHERRY. This is a new item?

Mr. CHAVEZ. A new item, yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

Mr. CHAVEZ. That completes the committee amendments.

Mr. McCARRAN. Mr. President, there is an amendment offered on behalf of myself, the Senators from Utah [Mr. THOMAS and Mr. WATKINS] and the Senator from Oklahoma [Mr. KERR] on page 25 which I should like to call up because I am obliged to leave the Chamber.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Amendment dated 8-18-50—U.

On page 25, line 19, it is proposed to strike out the period and insert in lieu thereof a colon and the following:

Provided further, That $2,500,000 of the sum authorized for the fiscal year ending June 30, 1951, shall be available for contract immediately upon the passage of this act.

Mr. McCARRAN. Mr. President, the bill carries an item of $5,000,000 to cover the construction of public highways through public domain where nothing exists excepting the public domain. The amendment would advance $2,500,000 of the $5,000,000 so that it may be immediately available in order that certain links in certain transcontinental highways may be constructed. We have in mind one special highway, Highway 6, which extends from the Atlantic to the Pacific, and is one of the essential transcontinental highways. Of that highway there is an uncompleted link in the State of Utah in the open public domain of the United States.

Under the law that link can be constructed only by money provided under the terms of existing statutes. It is essential that the link be immediately completed so that Highway 6, which is otherwise completed, may be available for transcontinental travel.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield.

Mr. LANGER. Does the amendment provide, for example, 100 percent Federal aid in connection with Indian lands?

Mr. McCARRAN. It provides solely for use of the money in connection with Government-owned land. That is in compliance with the law which has been in existence for many years.

The PRESIDING OFFICER. Does the Senator from New Mexico desire to be recognized?

Mr. CHAVEZ. No. I will accept the amendment.

The PRESIDING OFFICER. The question in on agreeing to the amendment offered b ythe Senator from Nevada [Mr. McCARRAN].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I wish to offer an amendment, in line 8, on page 13, to strike out the figure "$225,000,000" for projects on the Federal-aid highway system, and to insert the figure "$112,500,000." It is a proposal to cut the appropriations for primary roads approximately in half. I think this cut is needed because of the financial position of the Government. The deficit is $4,000,000,000 even without the extraordinary war expenditures. The added war expenditures will be at least $10,000,000,000 or possibly $15,000,000,000. Despite the failure to make great cuts thus far, I think we should press on. I hope very much that this authorization may be cut in half.

Mr. McCLELLAN. Mr. President, I merely wish to say that there was a question in the minds of all of us about what lies ahead of us with respect to how great sacrifices the country will have to make for its survival or for winning in another military conflict. Some cuts have already been made. I am very much inclined in all matters of this kind, particularly on the domestic front at home, to be economical. But let me remind my colleagues that our ability to survive is going to be measured also by our ability to maintain a sound and vigorous economy. We can keep cutting and slashing these items which directly affect an efficient and capable transportation system in the Nation until, when we break that down, we will not be able to carry through in the other essentials of military effort and of national defense.

The roads covered by the provision in question are more or less vital. There is ample provision in the bill to have all the moneys that are being authorized by the bill concentrated on the construction of those highways which are certified as being vital to national defense.

Mr. President, this bill can be crippled too much. I like to see general reductions made in it. Reductions should be made because of the pressing needs for defense. But if we are to keep our transportation system in proper condition to meet the demands that will be made upon it, we had better not cripple it too much.

I believe we should leave the item in the bill. I think a little more money should have been left in the bill for the secondary highways. I was very conservative in trying to develop the bill. But we are met with the actual condition that our transportation system generally is deteriorating in proportion to the increase in traffic demands made upon it. I say we had better use a little judgment in making cuts. It is a fine thing to apply the ax where we can. But after all, these are authorizations. We may need these authorizations. If we do not find it advisable or necessary to spend the money, we do not have to appropriate the money. I trust we still have enough confidence in ourselves to believe that we will meet the issue on the basis of the facts, when the time comes that the issue has to be met.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

Mr. JOHNSON of Colorado obtained the floor.

Mr. BYRD. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield to the Senator from Virginia because he has another amendment in regard to the same item.

Mr. BYRD. Yes, it is on the same item. I thank the Senator for yielding to me.

Mr. President, on behalf of the Senator from New Hampshire [Mr. BRIDGES] and myself, I offer an amendment on page 13, in line 8, to strike out "$225,000,000" and insert "$202,500,000," thus restoring the item to the same amount carried in the bill for the present fiscal year.

Mr. President, we already have reduced the item for the secondary roads to the amount of the item carried in the bill for the present fiscal year. I fear that I shall have to take issue with my very fine friend, the Senator from Arkansas, when he says that an authorization with respect to roads is not equivalent to an appropriation. I have found that it is, because the contracts are made by the States and are incorporated into the appropriations made by the States. I happen to know that, because I have served as Governor of Virginia. Under the circumstances, an authorization is just the same as an appropriation, when we make an authorization whereby the States are permitted to make contracts in accordance with the sums authorized.

I think it would be very incongruous for us to reduce by $40,000,000 the authorization for the secondary roads, but not to reduce by $22,500,000 the authorization for the primary roads. The previous reduction of $40,000,000 for the secondary roads and the reduction proposed by this amendment in the authorization for the primary roads will reduce both

items to the amounts of the authorizations carried in the bill for the present fiscal year. Neither amendment would reduce by 1 cent the amounts of the authorizations for these items as carried in the bill for the fiscal year 1951.

Mr. President, I now yield to my colleague, the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I think the amendment offered by the distinguished Senator from Virginia and myself is sound. I would reduce this item to the amount for this purpose carried in the bill for the current year.

In view of the unusual expenditures now required—and no one knows the figure to which they will rise—certainly we are not justified in exceeding the current level of expenditures for highways or any other public works.

Therefore, I join with the Senator from Virginia in proposing the amendment, and I hope it will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia, on behalf of himself and the Senator from New Hampshire.

Mr. WHERRY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HOLLAND. Mr. President, does there remain any time in which Senators who oppose the amendment may speak?

The PRESIDING OFFICER. Does the Senator from Florida desire to speak in opposition to adoption of the amendment?

Mr. HOLLAND. I do.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. HOLLAND. Mr. President, I am sorry to have to part company on this question with my distinguished friends the Senator from Virginia and the Senator from New Hampshire, because I was one who joined with them in behalf of their amendment for the 10 percent reduction straight across the board, in the case of the recent omnibus appropriation bill, and I hoped to be able to stay with them in their various efforts to reduce expenses.

However, in the case of this particular amendment I think we would be penny-wise and pound foolish if we made the reduction now proposed. I call attento the fact that we already have stricken out, on the motion of the committee itself, the item of $70,000,000 which was voted by the House of Representatives and was designed to be spent on primary and urban-aid road systems. So that authorization has already been stricken from the bill.

Furthermore, I wish to call attention to the fact that the primary road system is the one which is in worst repair and which most needs construction and reconstrutcion at this time. Anyone who thinks the primary road systems in the various States have been returned to normal condition since the end of the Second World War, simply is not familiar with the existing facts.

The committee felt—and very properly so, I think—that an increase is required in the interest of sound economy and the conservation of the very heavy investments made on the part of the Federal Government and the States in the primary road system.

Therefore I hope the amendment will be rejected.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WATKINS. Is it not true that the authorization made for the last 2 years by the Eightieth Congress was based largely on the fact that the States were not then in a position to match any larger authorizations or appropriations?

Mr. HOLLAND. That is correct. The authorization in 1948, which was reported by a subcommittee of which I was a member, was less than the amount requested by the Federal agencies and the State agencies; it was less than that amount by a great deal, because none of the States were then in a position to build or repair or reconstruct at full blast.

However, the present situation is different. Today we need to reconstruct and place into excellent condition the Federal-aid highway system, the primary road system of every State in the Union.

So I hope the reduction proposed by this amendment will not be made.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HUMPHREY. Is it not true that the repair and maintenance of these highways and the making of the improvements which are needed in them in order to make it possible to handle the traffic, are far behind schedule, as was testified to by the respective highway engineers?

Mr. HOLLAND. The Senator is eminently correct. I do not recall the amount, but several billion dollars will be required in order to bring the Federal-aid road system back to an effective and satisfactory condition.

Mr. HUMPHREY. Is it not also true that truck traffic on these highways is constantly increasing and always is tied in with the industrial production and the shipment of goods and materials between the key industrial centers?

Mr. HOLLAND. That is entirely correct.

Furthermore, Mr. President, the production of passenger automobiles and trucks has been at an all-time high for the last 2 years. The number of automobiles and trucks now on the highways is greatly in excess of the number on the highways 2 years ago.

This item is a must, if we are to keep the primary road systems of the States in proper condition.

Mr. HUMPHREY. I should like to ask, further, whether the primary highway system, which is truly the costly system, requiring heavier road beds and extra heavy concrete or asphalt in order to be able to handle the heavy traffic, constitutes the main burden on the States in terms of the dollars spent for roads. That is true, is it not?

Mr. HOLLAND. That is correct.

Mr. WATKINS. Mr. President, will the Senator yield to me at this time?

Mr. HOLLAND. I yield.

Mr. WATKINS. I wish to be associated with my colleagues on the committee in opposing this amendment.

We have gone carefully into the matter of taking care of our primary roads; we have studied that matter at great length. All the evidence indicates that in all sections of the United States where there have been defense plants, the roads have taken a terrific beating and we are away behind schedule in restoring them to proper condition. To my mind, the program of restoring them to proper condition is a "must" in connection with the national defense.

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD], on behalf of himself and the Senator from New Hampshire [Mr. BRIDGES]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Kentucky [Mr. CHAPMAN], and the Senator from Wyoming [Mr. HUNT] are detained on official committee business.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], and the Senator from Tennessee [Mr. KEFAUVER] are detained on official business.

I announce that if present and voting, the Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from South Dakota [Mr. GURNEY] is detained on official business.

The result was announced—yeas 36, nays 47, as follows:

YEAS—36

Benton	Hoey	Myers
Brewster	Ives	O'Conor
Bricker	Jenner	Robertson
Bridges	Johnson, Tex.	Saltonstall
Butler	Kem	Schoeppel
Byrd	Knowland	Smith, N J.
Capehart	Lehman	Taft
Douglas	Lodge	Thye
Ferguson	Lucas	Tobey
Frear	McCarthy	Tydings
George	McMahon	Wherry
Hendrickson	Martin	Williams

NAYS—47

Aiken	Fulbright	Kilgore
Anderson	Gillette	Langer
Chavez	Graham	Leahy
Connally	Green	Long
Cordon	Hickenlooper	McCarran
Darby	Hill	McClellan
Donnell	Holland	McFarland
Dworshak	Humphrey	McKellar
Ecton	Johnson, Colo.	Magnuson
Ellender	Kerr	Malone

Millikin	Russell	Thomas, Utah
Morse	Smith, Maine	Watkins
Mundt	Sparkman	Wiley
Murray	Stennis	Withers
O'Mahoney	Taylor	Young
Pepper	Thomas, Okla.	

NOT VOTING—13

Cain	Gurney	Maybank
Chapman	Hayden	Neely
Downey	Hunt	Vandenberg
Eastland	Johnston, S. C.	
Flanders	Kefauver	

So the amendment offered by Mr. BYRD for himself and Mr. BRIDGES was rejected.

Mr. BYRD. Mr. President, I have an amendment along this same line, and I should like to finish with it.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. LUCAS. Mr. President, I ask unanimous consent that I may address the Senate for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. LUCAS. Mr. President, I first want to advise the Senate that, after discussing with the chairman of the Finance Committee the question of taking up the tax measure tomorrow, the Senator from Georgia [Mr. GEORGE] advises me that it cannot be done, and that it will be Thursday before we are able to proceed to the consideration of the tax measure.

I should like to notify the Senate that tomorrow we shall proceed to call the calendar. That was agreed upon by the Democratic policy committee today.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield.

Mr. WHERRY. Does that mean that there will be a call of the calendar of bills as to which there is no objection, beginning where the Senate left off the last time, or does it mean that we shall go back to the beginning of the calendar?

Mr. LUCAS. We shall call the calendar of unobjected-to bills.

Mr. WHERRY. And is it contemplated that the calendar will be called from where we left off the last time?

Mr. LUCAS. The Senator is correct in his understanding.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HENDRICKSON. I merely want to warn Senators that if we follow this procedure tomorrow there may be many bills near the end of the calendar which will be objected to, because the committee reports on the bills are not available.

Mr. LUCAS. I presume that is true.

Mr. HENDRICKSON. Could we have an understanding about that?

Mr. LUCAS. Obviously, if there is no report, we shall not take up the bill.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Maryland.

Mr. TYDINGS. I should like to ask the Senator this question, since I could not hear him from where I was. Was provision made that, after the road bill is out of the way, the family-allowance bill shall be taken up?

Mr. LUCAS. Yes. As soon as the road bill is out of the way, we shall take up the family-allowance bill.

Mr. TYDINGS. I thank the Senator.

REVISION OF SENATORIAL REMARKS

Mr. LUCAS. Mr. President, also, while I am on my feet, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. I should like to know how far a Senator is permitted to go in changing the remarks that are made on the floor of the Senate.

The PRESIDING OFFICER. A Senator is not supposed to make any substantial change in his remarks.

Mr. LUCAS. Yesterday, after I read an editorial under the caption "A party bankrupt," as shown by page 12909 of the RECORD, third column, the following occurred:

> Mr. BRICKER. Mr. President, will the Senator yield for a question?
>
> The VICE PRESIDENT. The Senator from South Carolina has the floor.
>
> Mr. MAYBANK. Mr. President, how much time have I remaining?
>
> The VICE PRESIDENT. Two minutes.
>
> Mr. BRICKER. Mr. President, will the Senator from Illinois yield?
>
> The VICE PRESIDENT. The Senator from Illinois does not have the floor. The Senator from South Carolina has the floor.
>
> Mr. MALONE. Mr. President, a point of order.

Following the making of a point of order by the Senator from Nevada, the RECORD shows that the Vice President said:

> The Senator from South Carolina has the floor, unless he yields.

The Senator from South Carolina did not yield, but the Senator from Nevada wrote in the following, in his own handwriting, following the point of order:

> Mr. President, to keep the record straight—I so thoroughly disagree with the entire philosophy of the senior Senator from Illinois that there is no room for compromise or agreement. There is little integrity left in our Government—the public must be the judge.

I merely invite the attention of the Senate to what can go on if we do not watch our own remarks once in a while.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. LUCAS. Every Senator has the right to edit his remarks, and we all do it—at least, I do—to take care of split infinitives, grammatical errors, and changes of meaning here and there. But this is a completely new sentence which has been added. I was satisfied when I read the RECORD that the Senator did not make that statement on the floor. I merely invite the attention of the Senate to what is going on. I hope we shall all obey the rules of the Senate with respect to the editing of remarks. There is nothing very serious in the remark itself, but if we go that far and do not watch, how much further will Senators go in writing something into the RECORD? It was a question of a point of order, and the Senator from South Carolina [Mr. MAYBANK] refused to yield. Then it was that the Senator from Nevada proceeded to write in this argument condemning me specifically and condemning many things by implication and indirectly. It gives us no chance, unless we watch the next day, to reply to such statements if we want to.

I now yield to the Senator from Nevada.

Mr. MALONE. Mr. President, I said substantially that in the confusion prevailing at that time, and I did write in what I had said during the confusion of the debate, because I saw it was not in the RECORD. If the senior Senator from Illinois wishes to debate it now, I should be glad to go into his philosophy with him.

Mr. President, I rise to a point of special privilege.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. What is the pending business?

Mr. LUCAS. Mr. President, I asked for 2 minutes, and I presume my time has expired.

Mr. CHAVEZ. If we are going to get into a debate——

Mr. LUCAS. We are not going to get into a debate, I will say to my friend.

Mr. WHERRY. Mr. President, I ask unanimous consent to be granted 2 minutes in order that I may make an observation concerning the RECORD.

Mr. CHAVEZ. Mr. President, in order to attend the funeral of the road bill, I object.

Mr. WHERRY. Mr. President, will the Senator withhold his objection so that I may say a word or two?

Mr. CHAVEZ. I should like to accommodate my good friend from Nebraska.

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. CHAVEZ. So long as we have proceeded to do justice to the people of the United States by cutting down secondary-road money and approving the expenditure of primary-road money, I want to get through with it.

Mr. KERR subsequently said:

Mr. President, I ask unanimous consent that the Senator from Nebraska may have 2 minutes in which to discuss a matter which arose a little while ago.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, I thank the distinguished Senator from Oklahoma for his courtesy and his display of fair play. I merely want to say, in reference to the observations made by the majority leader—and I say this in all kindliness—that it is very difficult to take down all the remarks that are made by Senators when there is confusion such as that which prevailed yesterday.

No Senator is prouder of our official reporters than I am. I think they are the greatest set of men we have, and they do their level best. However, it is very difficult at all times to catch every word said by a Senator. During the remarks of the distinguished majority leader, and for a few minutes thereafter, several Senators have said to me that they did hear the distinguished Senator from Nevada say what the distinguished majority leader, the Senator from

Illinois, has said is not now in the RECORD. I know no Senator is accorded more respect for fair play than is the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WHERRY. Yes.

Mr. SALTONSTALL. All I wish to say is that at the time I was sitting about as far away as where the page is now sitting. I do not agree with what the Senator from Nevada said; I do not agree with him at all, but I did hear him say, "There is little integrity left in our Government—the public must be the judge." There is no question in my mind that I heard him say it.

Mr. LUCAS. I refer the Senator from Massachusetts and others Senators to page 12907 of the RECORD, in the first column where the Senator from Nevada is reported as having said:

> There is little integrity in Government—under the present administration—and public confidence is severely shaken.

What I referred to was what appeared to have been written in later. Undoubtedly the Senator from Nevada said it in one part of his address. If the reporters are incorrect, I certainly wish to apologize to the Senator from Nevada for bringing up the matter. The only thing I am trying to do—and I say it in the best spirit—is to warn the Senate and to suggest that sometimes in editing our remarks we are inclined to slop over, so to speak. The question is how far one can go. I bring the matter up merely for the purpose of advising Senators. If I am wrong, and the Senator from Nevada said it, I did not hear him say it. If the reporters made that kind of mistake, it is a rare occurrence.

Mr. WHERRY. Mr. President, I did not intend to yield all of my time to the distinguished majority leader. I am certainly not blaming the reporters. I want that distinctly understood. I am saying that in this room, where the acoustics are not good at all, and especially where there is so much confusion, it is very difficult to take down in running debate all the remarks that a Senator may make. I know the Senator from Nevada. I know he has a good deal of courage. I know he wants to appear in the RECORD what he says on the floor. I believe he intended to say it, and I should like to give him credit for it.

Mr. President, I should like to make one further observation. I am not sure just what can be done with the RECORD. I know that remarks have been deleted. In some cases I think it was best that they were deleted. I know of one occasion when the distinguished Senator from West Virginia, for whom I have the highest respect, wanted to delete all of the kindly remarks made about me and some other Senators. He withheld his remarks for 30 days. I found that I could not get the remarks into the RECORD unless I made the remarks myself. I think the majority leader has brought up a very important question. Perhaps the Committee on Rules and Administration should go into it, in order to find out what can be done about it, what can be deleted, and what cannot be deleted from the RECORD. At least the Senator from West Virginia said he wanted to touch up his grammar, which is a very good reason, especially for home consumption.

Mr. LUCAS. But the Senator from Nebraska did not think it should take 30 days to do it.

Mr. WHERRY. He kept his remarks out of the RECORD for 30 days. I insisted that they be put into the RECORD. I could not get them even for the newspapers. Finally, because of the good sportsmanship of the Senator from West Virginia, he printed them in the RECORD exactly as the words had been spoken. In the meantime I had obtained a copy of the transcript. The point is: What can be done about it? If remarks are withheld for more than 30 days, they are never printed. How far can one go? The majority leader has touched on a point which is very far reaching indeed. I wish to conclude by saying that in view of what was said the Senator from Nevada certainly meant what he said. In fact, I believe if he had said all he wanted to say on the subject it would have made a voluminous record on the point at issue.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. All time for debate has expired.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may have the floor for one-half minute in order that I may propound a question to the distinguished minority leader.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Did I understand the Senator to say that, under the rules of the Senate, a Senator can withhold a colloquy between himself and another Senator, and if he withholds it for 30 days, it is never printed in the RECORD?

Mr. WHERRY. That is correct.

Mr. KNOWLAND. I think the rule ought to be changed, if that is the rule.

Mr. WHERRY. I am not saying it is the rule. It may be a precedent. At least I do not want to complain about the distinguished Senator from West Virginia. He was a good sport about it, and I want to give him credit for it. However, on looking into the matter I found that he could withhold his remarks, and he did so. It has been done in the House and it has been done in the Senate. If a speech is withheld for 30 days, it does not have to be printed at all.

Mr. MALONE. Mr. President, I rise to a question of personal privilege.

The PRESIDING OFFICER. Does the Senator from New Mexico yield?

Mr. CHAVEZ. The regular order, Mr. President.

Mr. MALONE. I rise to a question of personal privilege.

Mr. CHAVEZ. How long does the Senator intend to speak?

Mr. MALONE. One minute. Mr. President, I know that in the heat of debate things are said sometimes which perhaps would be stated in different language if we had a little more time to consider. As I remember, the debate yesterday evening was quite heated.

Mr. KEM. Mr. President, will the Senator speak louder?

Mr. MALONE. I remember that the debate last evening was quite heated. At least two Senators refused to yield after something had been said. However, the junior Senator from Nevada certainly did not intend to violate any rule of the Senate.

I, too, wish to compliment the reporters. They rarely miss anything. How they get as much as they do is a mystery to me. Certainly, with more time I might have used different language in saying that there was little integrity left in Government.

However I did not have the time then and I do not have the time now to make the speech on the subject that I would like to make.

Perhaps opportunity will be offered later when I may really go into the question of how little integrity I believe there remains in Government at this time, with illustrations. If I offended the distinguished senior Senator from Illinois in any way I am sorry, but I did consider it necessary for my remarks, as I said them, to appear in the RECORD.

Mr. LUCAS. Will the Senator yield?

Mr. MALONE. I yield.

Mr. LUCAS. The Senator did not offend me at all. I merely called the matter to the attention of the Senate, with the hope that in the future all of us may be a little more careful in editing our remarks.

Mr. MALONE. Since the distinguished senior Senator from Illinois saw fit to bring the subject up at all, and since he understands that the words were actually said, the subject is closed. They were said for the RECORD during the debate. All I am concerned with now is to establish that fact. Since the question has been raised, and since the distinguished Senator from Massachusetts [Mr. SALTONSTALL] and at least one other Senator heard the remark, I think that ought to complete the discussion of the subject. So far as I am concerned it is completely and finally closed.

FEDERAL-AID HIGHWAY ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. BYRD. Mr. President, I offer an amendment to strike out "$125,000,000" and insert "$112,500,000" on page 14, line 3, of the bill. It would give to the urban type of road exactly what is now being given.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. BYRD. I cannot yield at this time. I want to make an explanation of my amendment.

Mr. President, the amendment would provide for that type of road exactly what is being provided at this time. The Senate adopted an amendment to reduce the appropriation for secondary roads and declined to reduce the appropriation for the primary system. I think we certainly should not spend more on

the road system in this emergency than we are spending at this time.

I ask that the reduction be made. It amounts to $12,500,000 with reference to the urban type of road.

Mr. HOLLAND. Mr. President, I hope the Senate will see fit to reject this amendment. The amendment seeks to do for the urban system exactly what was sought to be done through the amendment recently voted down by the Senate in the case of the primary-aid system. In the case of the primary roads, the amendment sought to reduce the appropriation of $225,000,000 to $202,500,000. In each case the committee raised the amount by 1.9 percent of the amount of authorization which had heretofore prevailed, but in the case of the primary-aid system the Senate refused to cut off that amount, believing, I am sure, that the wear and tear on the roads made it necessary that the highways be not disturbed but be more generously supported than heretofore. The urban-aid system couples up with the primary-aid system to make extensive roads running not only to the cities, but through the cities and out on the other side. I think it would be most unreasonable to make this cut in the urban aid after we have declined to make exactly the same cut for the primary aid system, which is only that part of the system which is outside the great cities.

Mr. President, without debating the matter at length, there is exactly the same point applicable in exactly the same degree to the urban-aid system that was proposed a while ago to the primary-aid system.

I hope the Senate will stand by the action just taken and continue to conserve and provide for the construction of trunk highways, and that we shall complete the job by declining to adopt this particular amendment.

Mr. BYRD. Mr. President, I think it is far fetched to say that a reduction of $12,500,000 in a total expenditure for roads of more than $3,000,000,000 will have any great effect on the American road system.

In 1945 the States made expenditures on the highways amounting to $833,000,000. They have now expended more than $3,000,000,000. That is an increase of nearly four times in 4 years. These figures are from 1945 to 1949.

Mr. President, the States and localities have got to do something for themselves. I do not know of a State in the Union running at a deficit today. There may be some, but I do not know of any. The Federal Government is operating on a deficit. The deficit may be as much as $10,000,000,000, $15,000,000,000, or even $20,000,000,000. No one knows what it will be. It will depend on how much we spend in this emergency.

I cannot agree with my distinguished colleague that this reduction will have any very serious effect. As a matter of fact, I think, very frankly, that the figures can be reduced in even greater amounts. I again emphasize that the expenditures of the States for roads have increased four times in 4 years. That is a large increase. The money will have to come from sources other than the Federal Government, because the Federal Government has very great burdens upon it which States, cities, counties, and localities do not have.

I hope the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD].

Mr. BYRD. I ask for the yeas and nays.

The yeas and nays were ordered, and the roll was called.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. CHAPMAN], and the Senator from Wyoming [Mr. HUNT] are detained on official committee business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Tennessee [Mr. KEFAUVER] is detained on official business.

The Senator from Pennsylvania [Mr. MYERS] is detained on official business, and if present would vote "yea."

The Senator from Florida [Mr. PEPPER] is detained on official business, holding hearings as chairman of a subcommittee of the District of Columbia Committee, and if present would vote "nay."

I announce further that if present and voting, the Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from South Dakota [Mr. GURNEY] and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business.

The result was announced—yeas 50, nays 32, as follows:

YEAS—50

Aiken	Hendrickson	O'Conor
Benton	Hickenlooper	Robertson
Brewster	Hoey	Russell
Bricker	Humphrey	Saltonstall
Bridges	Ives	Schoeppel
Butler	Jenner	Smith, Maine
Byrd	Johnson, Tex.	Smith, N. J.
Capehart	Kem	Taft
Donnell	Knowland	Thye
Douglas	Langer	Tobey
Dworshak	Lehman	Tydings
Ecton	Lodge	Watkins
Ferguson	Lucas	Wherry
Frear	McMahon	Wiley
Fulbright	Malone	Williams
George	Martin	Young
Gillette	Maybank	

NAYS—32

Anderson	Johnston, S. C.	Morse
Chavez	Kerr	Mundt
Connally	Kilgore	Murray
Cordon	Leahy	O'Mahoney
Darby	Long	Sparkman
Ellender	McCarran	Stennis
Graham	McClellan	Taylor
Green	McFarland	Thomas, Okla.
Hill	McKellar	Thomas, Utah
Holland	Magnuson	Withers
Johnson, Colo.	Millikin	

NOT VOTING—14

Cain	Gurney	Myers
Chapman	Hayden	Neely
Downey	Hunt	Pepper
Eastland	Kefauver	Vandenberg
Flanders	McCarthy	

So Mr. BYRD's amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I offer an amendment, and ask that it be stated.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to add the following new section:

SEC. —. No funds authorized to be appropriated by this act shall be paid to, or on behalf of, any State, Territory, county, or municipality, for the construction, reconstruction, improvement, or maintenance of any highway unless the Secretary of Commerce shall have received satisfactory assurances that no vehicle or combination of vehicles, unladen or with load, will be permitted upon such highway when the gross weight on the road surface through any axle of such vehicle or combination of vehicles exceeds 18,000 pounds. The provisions of this section shall not be applicable with respect to any State or Territory, or any political subdivision of such State or Territory, until the end of the first regular session of the legislature of such State or Territory convening after the enactment of this act.

Mr. JOHNSON of Colorado. Mr. President, we have been dealing with amendments for several hours offered in an effort to reduce the appropriations for highways. The amendment I offer I think is a more sensible approach, because it reduces the need for highway funds.

Mr. President, the purpose of my amendment is to bring about the adoption of a uniform 18,000-pound axle load limit in the 48 States. That is the maximum load limit now fixed by the laws of 34 States, and in 2 of those States, Illinois and Virginia, the maximum is 16,000 pounds, with a permissible axle load of 18,000 pounds on certain major highways. West Virginia's maximum is also 16,000, with exceptions permitting 22,000-pound axle loads on major highways in metropolitan areas. Only one State, Vermont, has no statutory maximum load limit. The remaining 13 States have statutory limitations varying from 19,000 to 22,400 pounds. I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks a tabulation showing the axle-load limitations in the various States.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. JOHNSON of Colorado. Mr. President, in recent testimony before the Senate Interstate and Foreign Commerce Committee, our Commissioner of Public Roads, in a well-documented statement, pointed out that in road planning and construction the principal factor that is used to determine supporting capacity is the axle load of vehicles. Irrespective of their particular type of construction or design, all roads are definitely limited in their axle load supporting capacity, and trucks are being overloaded.

Mr. President, the country's highways are being pounded to pieces by overweight and overloaded trucks. The evidence and research clearly disclose that excessive axle-loads cause serious damage to expensive highway construction.

As Commissioner MacDonald stated:

The useful life of most of the surfaced roads of the United States is shortened by axle loading in excess of 18,000 pounds. The laws of a large majority of the States fix 18,000 pounds as the maximum limit of permissible axle loading and roads have been built for the accommodation of the legally permissible load.

The American Association of State Highway Officials has recommended that axle loads be legally limited at 18,000 pounds. The Bureau of Public Roads subscribes to that recommendation.

I heard it stated on the floor of the Senate a few moments ago that Mr. MacDonald is the Nation's foremost road expert, and I believe that to be true.

Commissioner MacDonald made it plain that the 18,000-pound limit is not a limit arbitrarily selected. It was not picked out of thin air. It is a limit based upon the mathematical theories of highway design, confirmed by tests carefully conducted several years ago at Bates, Ill., and Arlington, Va. It is based on facts that are grounded in extensive research and experimentation and has been accepted as a proper and reasonable limit by most highway authorities. I want to point out again that the American Association of State Highway Officials are very much in favor of an 18,000-pound axle load limitation for all the States.

The testimony before our committee clearly demonstrated what I believe every Senator knows to be a fact, namely, that there is a decided upward trend in the gross weight of trucks traveling our highways. Not only are the trucks getting bigger and hauling larger loads, but the relative increase in the number of heavy trucks as against lighter trucks is very significant. For example, in 1936–37 vehicles with a gross weight of 20,000 pounds comprised approximately 25 percent, or an increase of more than 100 percent. And this relative increase skyrockets as the size of the truck increases. At 30,000 pounds the increase from 4 percent in the 1936–37 period to 15 percent in 1949 amounted to nearly 400 percent. The increase at 40,000 pounds was approximately 800 percent, and the increase in percentage of trucks in the 50,000-pound class shot up tenfold.

Mr. President, these are facts that we can no longer ignore if we are going to make any effort at all to maintain, preserve, and develop our highway system.

The chief executives of the several States and State highway officials are alarmed and worried over the rapid deterioration of our highways. If we do not stop that deterioration, those reductions in appropriations which have been suggested here today will, of course, be out of the picture for a long time to come.

The American Association of State Highway Officials in a resolution adopted at its October 1949 meeting, declared that the "ruinous practice of overloading our roads is destroying our primary highways faster than we can rebuild or replan them."

I say, Mr. President, that they are being destroyed faster than we can vote appropriations to replace them.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I cannot yield. I do not have time.

Mr. Samuel C. Hadden, chairman of the Indiana Highway Commission, in a speech delivered on July 26, 1949, said:

A greatly augmented and still increasing number of heavy trucks and trailers, operating for long distances at high speeds, is destroying our roads faster than we can find the money with which to replace them.

N. E. Lant, chief engineer of the Louisiana Department of Highways, in an article in the December 1949 issue of Louisiana Highways, stated:

Louisiana limits its trucks to 18,000 pounds per axle, under a recently enacted law. That weight is just about the top limit that most of our present roads can bear, most engineers agree. It is even possible that 18,000 pounds may be too high.

The Illinois Highway and Traffic Problems Commission, in its report on a highway-improvement program for Illinois, submitted in February 1949 to the Illinois General Assembly, said:

The disastrous effect of excessive loads on the highways is illustrated vividly by a test section on Illinois route 83 from United States route 66 south to the Santa Fe Railroad, that has been under observation by the division of highways for a number of years. This section is a concrete pavement that was built in 1933. The road regularly carries trucks heavily loaded with petroleum products on its north-bound lane from Lockport and Lemont to Chicago, these trucks returning empty on the south-bound lane. Petroleum trucks constitute about 30 percent of the truck traffic. Surveys made in August of 1944 and 1945 showed that over half of the loaded trucks on the north-bound lane exceeded both the allowable gross load and the axle load limit of 18,000 pounds.

I want Senators to listen to this. This is what happened on this very test:

There have been more structural failures of every type in the northbound lane than in the southbound lane, and in 1944 it was necessary to replace 1,400 feet of the northbound lane as compared to a replacement of 52 feet of the southbound lane.

Governor Duff, of Pennsylvania, gave a specific example of the damage that these highway freighters are causing. Addressing the Governors' Conference at Colorado Springs in June 1949, the Governor said:

We have been trying to find out in Pennsylvania, as accurately as we can, what damage has been done to our highways by heavy trucks. Here is one example that our highway department has cited to me of a prominent road that meets our Pennsylvania Turnpike.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the RECORD the remainder of my address.

The PRESIDING OFFICER. Without objection, it is so ordered.

The remainder of the statement of Mr. JOHNSON of Colorado is as follows:

The Governor of Pennsylvania continued:

"This road leads to Harrisburg in one direction, and to a city by the name of Carlisle in the other. I might say that this route, known as route No. 11, was built at one time, by one contractor, under identical road specifications. As the truck traffic and the heavy traffic from the Turnpike goes over this highway toward Harrisburg, the upkeep of the highway department is $4,900 per mile per year, and on another part of the same road, which has ordinary traffic—built at the same time and by the same contractor—the upkeep is $350 per mile per year. In other words, the ratio is about 16 to 1.

"On the Turnpike itself, where the heavy vehicles use the outside lane, the deterioration of the Turnpike on those lanes is marked as compared with the inside lanes.

"On the other end of the Pennsylvania Turnpike as it goes toward Pittsburgh—to show that there was nothing strange about the eastern extension where it goes into Harrisburg—we have the same experience with reference to deterioration when it carries the immense traffic from the Turnpike.

"Our highway department is definitely of the opinion that overloaded trucks are unqualifiedly producing a major deterioration to our highways, even the first-class highways."

Think of it. Maintenance costs of $4,900 per mile per year for the portion of the highway that is used by these huge trucks as against $350 per mile per year for that part of the road which accommodates normal traffic. There is a limit, Mr. President, to what the taxpayers of the country can endure in the way of taxes to build and maintain highways. The Federal Government should not continue to send highway money into those States that have neglected or failed to set up some reasonable standards to limit the axle loads of these mammoth highway freighters. The present system with its lack of uniformity is unfair to the great majority of States that have realized the danger and have established the 18,000 pound standard, and it is unfair to the taxpayers generally who are footing the bill.

In conclusion, Mr. President, let me summarize the reasons why this amendment should be adopted: It will eliminate State barriers in the way of conflicting regulations on axle loads and bring the 14 States with greater limits into line with the 34 States that now have an identical axle load limit, thus permitting free movement of interstate commerce by motor vehicle. It will afford some measure of protection for existing highways and bridges, with lessened maintenance and replacement costs. It will help the States to withstand the pressure and demands for highways that would require extremely expensive construction and inordinate maintenance costs if truck limits go unchecked. Lastly, it will add to the public safety.

To those who would say that this is a State problem and that the Federal Government should not interfere, I say that interstate commerce is national in concept and it must be treated as such, with due regard for the rights of the several States. I am convinced that for the good of all the States the amendment which I have proposed should be adopted. As the late Chief Justice Stone pointed out in his Fifty Years of Work of the Supreme Court:

"Great as is the practical wisdom exhibited in all the provisions of the Constitution, and important as were the character and influence of those who secured its adoption, it will, I believe, be the judgment of history that the commerce clause and the wise interpretation of it, perhaps more than any other contributing element have united to bind the several States into a Nation."

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed at this point in the RECORD two newspaper articles dealing with the subject under consideration.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

NOW TRUCKERS BATTLE UNIFORM LOAD LAWS

(By James Daniel, Rocky Mountain News Washington correspondent)

WASHINGTON, August 15.—The trucking industry is being offered something it has cried for for a generation.

And now it doesn't want it.

Ever since highway truckers began to compete with the railroads for the heavy traffic of industry, their lobbyists have called for national uniformity in regard to weight and size regulations.

Senator ED C. JOHNSON (Democrat, Colorado), chairman of the Interstate and Foreign Commerce Committee, now proposed to give it to them through an amendment to the pending $550,000,000 Federal aid to highways bill.

It would deny United States road funds to any State which cannot convince the Secretary of Commerce that it is enforcing a limit of 18,000 pounds on every truck axle.

THEY WANTED UNIFORMITY

The 18,000-pound limitation was recommended prior to the war by the American Association of State Highway Officials.

And the American Trucking Association, which is Washington headquarters for the big commercial truck lines, has been fighting it ever since.

Now, the truckers carried on during the thirties and forties a Nation-wide campaign for uniform laws, so the same truck loaded with the same weight of goods could roll from coast to coast without getting in trouble with any State's highway police.

Actually, they campaigned for State laws raising the load limits.

ONLY WAY, JOHNSON SAYS

As a result, four States now permit axle loads of 22,000 pounds, 4,000 pounds above what the vast majority of the Nation's highways are estimated to stand.

Senator JOHNSON figures his amendment is the only way left to hold the trucks in check, and preserve the Nation's investment in highways. The alternative, he said today, is to build very much more expensive highways.

[From Transport Topics, truckers' house organ, August 21, 1950]

RECENT NEW JERSEY TRUCK LEGISLATION DRAWS ATTACK FROM ASSOCIATION LEADER

NEW YORK.—Recent legislation adopted in New Jersey involving truck transportation is sharply criticized as damaging to truckers and shippers in an article by Barclay W. Fox, president of the New Jersey Motortruck Association and New Jersey vice president of American Trucking Associations, appearing in the current issue of Babaco News, released last week by Babaco Alarm Systems of New York.

The new law, which becomes effective January 1, constitutes a three-pronged attack on motor transportation, according to Mr. Fox.

"It increases license fees an average of 25 percent, imposes severe axle-weight limitations, and provides severe fines for overloading which compel many operators and shippers to install expensive weighing equipment," he asserts.

"The combined effect of these three major changes in the motor-vehicle law will be to compel both public and privately owned carriers to make many changes in their operating programs that will unquestionably so increase costs that they cannot be absorbed by the industry, but eventually will have to be passed on in the form of higher tariff and delivery costs," is the conclusion of Mr. Fox, who is affiliated with Anchor Motor Freight Corp.

Mr. Fox says the New Jersey action is particularly unfortunate coming as it does just as the NJMTA was launching its new long-range public-relations program. He said this program is continuing and will be expanded. Part of it is a road service designed to check and report irresponsible or dangerous driving practices and operate as a self-policing machinery on the part of truck operators. When expanded, this road-patrol service will cover all major State highways, two-way radio making it doubly effective.

EXHIBIT A

AXLE-LOAD LIMITS PRESENTLY PRESCRIBED BY STATE LAWS

The 18,000-pound axle-load limit is prescribed as the maximum in the following 34 States: Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wyoming.

West Virginia permits 22,000 pounds on major highways in metropolitan areas.

One State, Vermont, has no statutory maximum load limit. The remaining 13 States have limits in excess of 18,000 pounds, as follows: Connecticut, 22,400; Delaware, 20,000; Maine, 22,000; Maryland, 22,400; Massachusetts, 22,400; New Hampshire, 22,000; New Jersey, 22,400; New York, 22,400; Ohio, 19,000; Pennsylvania, 20,000; Rhode Island, 22,400; South Carolina, 20,000; Wisconsin, 19,000.

(The limit in the District of Columbia is 22,000 pounds.)

Mr. TOBEY. Mr. President, may I ask the Senator from Colorado from whose statement he was reading when I asked him to yield?

Mr. McCLELLAN. Mr. President, by the agreement under which we are operating who has the right to the floor?

The PRESIDING OFFICER. The Senator from New Mexico [Mr. CHAVEZ].

Mr. CHAVEZ. Mr. President, I yield time to the Senator from Arkansas [Mr. McCLELLAN].

Mr. McCLELLAN. Mr. President, I gladly yield to the Senator from New Hampshire for a question.

Mr. TOBEY. Mr. President, I do not have a question to ask. I have a 2-minute speech to deliver, and it is a good speech.

Mr. JOHNSON of Colorado. Mr. President, the Senator from New Hampshire asked me from whose statement I was reading. I will say to the Senator it was that of N. E. Lant, chief engineer of the Louisiana Department of Highways.

Mr. TOBEY. Mr. President, I ask the Senator from Colorado: Does the distinguished Senator realize that the railroads of the country are opposed to this legislation?

Mr. JOHNSON of Colorado. I do not know anything about that.

Mr. TOBEY. I am telling the Senator they are, or ought to be.

Mr. JOHNSON of Colorado. I have not talked to any representatives of the railroads about it.

Mr. TOBEY. I am telling the Senator they are or ought to be.

Mr. JOHNSON of Colorado. I do not know anything about that.

Mr. McCLELLAN. Mr. President, I decline to yield further at this time.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. How much time remains for those opposed to the amendment?

The PRESIDING OFFICER. The Chair understands that 5 minutes remain to those opposed to the amendment.

Mr. McCLELLAN. Mr. President, I am not familiar with the amendment. The subcommittee had nothing of this character before it. We have held no hearings on it. The matter was not presented, and therefore the committee is hardly in a position to judge. Some Senators of their own personal knowledge may know enough about the subject to pass on its merits.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question or a brief statement?

Mr. McCLELLAN. Yes.

Mr. SALTONSTALL. Does the Senator from Arkansas know that during the war—I happen to know it because I was on the executive committee of the Governors' Conference—all 48 States got together and presented an agreement respecting load limits to the Federal Government, as a result of which there was no stoppage of the Army trucks, no stoppage of Federal military trucks because of the different weight limits and the different regulations in the various States? That action was taken by the 48 States, without any action on the part of the Federal Government. It was done through cooperation, with the idea of getting together on this problem. Is that not the way to do it, rather than to have the Federal Government dictate to the States?

Mr. McCLELLAN. That probably is true.

Mr. THYE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am sorry I cannot yield because of the limitation of time. I will read a telegram, and give as much information as I have to give respecting the subject matter. The telegram is addressed to me under date of August 22, 1950, as follows:

WASHINGTON, D. C., *August 22, 1950.*

Hon. JOHN L. McCLELLAN,
Senate Office Building,
Washington, D. C.:

Re Senator JOHNSON, Colorado, amendment H. R. 7941, Federal-aid road bill limiting axle load 18,000 pounds all Federal-aid roads, urge you oppose on grounds more than dozen States have permitted by law somewhat greater axle loads and present vehicles operating have been designed to operate lawfully. This amendment gives no grandfather right and this equipment must be operated at reduced efficiency if at all with resultant depriving owners of return on their investment made under existing law but of greater importance is fact these States mainly in Northeast where bulk of Nation's industrial capacity vital to defense production in present precarious international situation is located. They will have truck transport capacity reduced when vitally needed. No broad hearings have been held on this

amendment. Roads Commissioner MacDonald testified under resolution 50, Senate Interstate Commerce Committee, giving opinions based tests made dates road Illinois and Arlington Farms 29 years ago with World War I Packard Army trucks with solid tires. Meanwhile States now undertaking new tests spending $500,000, half Federal money. See my statement sent you last week. MacDonald testified recent meeting State governors council, White Sulphur Springs, adopted his recommendation in report submitted by their staff. This is gross misstatement as governors did not adopt report but referred to separate States for study.

JOHN V. LAWRENCE,
American Trucking Associations.

Mr. President, I yield 1 minute to the Senator from New Hampshire. First, however, I wish to say that if this amendment is adopted, it will simply have to be studied in conference. I do not know whether the amendment will be the best thing or the wise thing in regard to the highways.

Now I yield to the Senator from New Hampshire.

Mr. TOBEY. Mr. President, I shall take only a minute.

This amendment is unreasonable, Mr. President. We favor the position of the American Highway Association. The Senate should let this matter be handled on the basis of the maximum gross weight for highway use. New Hampshire has a limit of 22,000 pounds per axle, and New Hampshire has the administrative right to do anything that is needed for its roads.

So, Mr. President, we should permit each State to stand on its own feet in this connection. We should not permit this matter to be regulated by the Federal Government. Let the States exercise the power to regulate this matter in accordance with their own best judgment. That is what we in New Hampshire and what all those in New England wish to have done. Let the rest of the country follow New England and act accordingly.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a telegram and a letter which bear on these matters.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

MANCHESTER, N. H.,
August 19, 1950.

Senator CHARLES W. TOBEY,
Senate Office Building,
Washington, D. C.:

Your urgent study of Johnson amendment to H. R. 7941, Senate consideration Tuesday, requested. Eighteen thousand pounds axle limitation at this time would be an unreasonable and dangerous deterrent to overland transportation. All New England carriers by State laws are geared to higher axle loads. Your opposition to the Johnson amendment is imperative to New England economy and emergency effort.

NEW HAMPSHIRE TRUCK OWNERS ASSOCIATION.

NEW HAMPSHIRE TRUCK
OWNERS' ASSOCIATION, INC.,
Manchester, N. H., August 21, 1950.

CHARLES W. TOBEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Reference is made to our recent telegram in the matter of Senate consideration of H. R. 7941, and specifically the Johnson amendment (Senator ED JOHNSON of Colorado).

Your attention is called to the evidence submitted to you by the American Trucking Associations on the subject, and particularly the direct impact of the Johnson amendment on the New England States, including New Hampshire.

It is to be remembered that States with an 18,000-pound axle limitation invariably permit longer vehicles with multiple axles and a resultant greater gross load.

Relatively short over-all lengths are a mechanical necessity in New England, due to congestion in our cities and because of antiquated loading facilities at shipping points.

It would appear that even in normal times the Johnson amendment would impose an economic hardship on New England. Today, when we are faced with a serious emergency, it most emphatically appears that Senator JOHNSON has been ill-advised and the amendment calls for your most exacting scrutiny.

We have not forgotten the many unnecessary and utterly nonsensical restrictions that were placed on this industry in World War II.

We urgently suggest that motor transportation be not hampered in the present emergency.

Very truly yours,
NEW HAMPSHIRE TRUCK OWNERS' ASSOCIATION, INC.,
A. J. STABY, *Secretary-Manager.*

Several Senators addressed the Chair.

Mr. McFARLAND. Mr. President, what kind of record is being made here? Senators must proceed one at a time.

I ask unanimous consent that the Senator from Louisiana [Mr. ELLENDER] and the Senator from Pennsylvania [Mr. MYERS] be permitted to make insertions in the RECORD at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I am in full agreement with the statement made by the distinguished Senator from New Hampshire [Mr. TOBEY] that this matter should be left to the States. I am opposed to the amendment of the Senator from Colorado.

Mr. President, in this connection, I ask unanimous consent that a letter addressed to my by James P. Babington, secretary-manager of the Louisiana Motor Transport Association, at Baton Rouge, La., under date of August 21, 1950, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LOUISIANA MOTOR TRANSPORT ASSOCIATION, INC.,
Baton Rouge, La., August 21, 1950.

Hon. ALLEN J. ELLENDER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Senator JOHNSON of Colorado has filed an amendment to H. R. 7941, the Federal aid road bill, now pending before the Senate. The amendment provides that Federal aid be denied any State, Territory, county or parish, or municipality for construction, improvements or maintenance of any highway on which axle loads of more than 18,000 pounds are permitted.

I understand this bill has already passed the House and will come before the Senate very shortly.

Louisiana authorizes 16,000 pounds on all tandem axles, and 18,000 pounds on single axles. This, of course, is gross weight. The total gross weight on any trailer shall in no event exceed 36,000 pounds, regardless of the number of axles under it. Nor shall the total gross weight on the rear or loaded carrying axles on a truck or semitrailer exceed 18,000 pounds in any event; nor shall in any event the total gross weight on the rear or load carrying axle of a tandem truck semi-trailer exceed 32,000 pounds where the axles are less than 8 feet apart, nor exceed 36,000 pounds where they are more than 8 feet apart.

Louisiana does, however, permit the issuance of an overload permit up to 24,000 pounds per axle, this is done so a truck operator can move equipment such as drag lines, bull dozers, oil field drillings rigs, boilers, and other heavy equipment used in road construction work, etc.

Any type of legislation that would interfere with the movement by truck of the type equipment just mentioned, would certainly curtail, even shut down entirely the discovery, development, and productions of natural gas and petroleum within the State of Louisiana. You, of course, know that our great State depends largely on these natural resources for revenue.

I might mention that the railroads have never and cannot render the type of service required for this heavy equipment. Even though they might be sponsoring this amendment, in the same manner as they do with respect to any legislation which might affect truck and water service, even though they cannot perform this service themselves.

The Louisiana Motor Transport Association, representing approximately 100,000 trucks in Louisiana, urges your serious consideration with reference to this amendment and ask that you vigorously support the defeat of this amendment.

Thanking you for the courtesies extended in the past, I remain,

Yours very truly,
JAMES P. BABINGTON,
Secretary-Manager.

Mr. MYERS. Mr. President, let me now read the list of States which have——

Mr. CHAVEZ. Mr. President——

Mr. JOHNSON of Colorado. Mr. President——

The PRESIDING OFFICER. The Senate will be in order. The Official Reporter is unable to hear when several Senators insist upon speaking at the same time.

Mr. CHAVEZ. Mr. President, what time is available?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senator from Pennsylvania be permitted to make an insertion in the RECORD at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MYERS. Mr. President, I desire to place in the RECORD a list of the names of the States which now permit an axle limit in excess of the 18,000-pound limit provided in the pending amendment. Those States are Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire——

Mr. CHAVEZ. Mr. President, I do not mind having insertions made in the RECORD, but I should like to yield to my colleague for at least 10 seconds.

Mr. MYERS. Massachusetts is also included in the list, Mr. President.

The PRESIDING OFFICER. Without objection, the matter referred to will be printed at this point in the RECORD.

Mr. MYERS. Mr. President, I have not finished reading the list, and I have the floor.

Mr. JOHNSON of Colorado. Mr. President, a point of order: I have already placed in the RECORD the identical material the Senator from Pennsylvania now is attempting to read into the RECORD. That material was placed in the RECORD a few minutes ago.

Mr. CHAVEZ. Mr. President, all this is happening in time which should be devoted to something else.

Mr. MYERS. Mr. President, the time available on the amendment has expired, and the Senator from Arkansas obtained unanimous consent for me to read this material into the RECORD, after the time on the amendment had expired.

Mr. WHERRY. Oh, no.

Mr. CHAVEZ. Oh, no; the consent which was obtained was that the matter referred to be placed in the RECORD.

Mr. President, how much time is available?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. ANDERSON. Mr. President——

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. THYE. Mr. President, I ask unanimous consent that I may be allowed to proceed for 1 minute, and during that minute I will state the reason why I make the request.

The PRESIDING OFFICER. The Chair has recognized the Senator from New Mexico, but will recognize the Senator from Minnesota thereafter.

Mr. ANDERSON. Mr. President, I ask unanimous consent that I may be absent from the session for the remainder of this afternoon and for the remainder of this week.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. THYE. Mr. President, I ask unanimous consent that I may be permitted to proceed for 1 minute in connection with the pending amendment.

Mr. MYERS. Mr. President, reserving the right to object, I should like to finish reading the names I was endeavoring to state. I was about half way through the list, and then I was taken off the floor.

The PRESIDING OFFICER. If the Senator wishes to ask unanimous consent for the purpose he has stated, he may make such a request.

Mr. CHAVEZ. Mr. President, if the Senator from Pennsylvania reads the names and also obtains unanimous consent to have the list of names placed in the RECORD, they will appear twice in the RECORD. Certainly that is unnecessary.

The PRESIDING OFFICER. Is the Senator from Pennsylvania making a unanimous-consent request?

Mr. MYERS. Mr. President, I ask unanimous consent that I may read the list of the names of the States which come in the category to which I was referring.

The PRESIDING OFFICER. Is there objection?

Mr. CHAVEZ. Mr. President, let us understand what the situation will be from now on. I can be just as patient as anyone else can be, but I do not like to have my patience abused. From now on I shall object, even if my good friend requests unanimous consent for some purpose which would be of assistance in connection with his reelection.

Mr. MYERS. Mr. President, let me inquire whether the Senator from New Mexico objects to the request I have made.

Mr. CHAVEZ. I am not objecting now, but I should like to have the Senate complete action on this bill, instead of having Senators take time to advertise something.

Mr. WHERRY. Mr. President, reserving the right to object, let me say I shall not object to the request for unanimous consent, as submitted by the Senator from Pennsylvania, provided that 1 minute is allowed the Senator from Minnesota.

Thereafter, if the Senator from New Mexico will insist on the maintenance of the position he has stated, I shall support him in it.

The PRESIDING OFFICER. Does the Senator from Nebraska so request?

Mr. WHERRY. Yes, in behalf of the Senator from Minnesota, in view of the fact that an extra minute is being allowed the Senator from Pennsylvania, to permit him to insert certain names into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

At this time the Senator from Pennsylvania may proceed for not more than 1 minute.

Mr. MYERS. Mr. President, let me advise the official reporter that I am completing reading the list of the names of the States which now permit an axle load in excess of 18,000 pounds. Those States are as follows: Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, and Wisconsin—in all, 14 States and the District of Columbia.

Mr. THYE. Mr. President——

The PRESIDING OFFICER. In accordance with unanimous consent previously given, the Senator from Minnesota is recognized for 1 minute.

Mr. THYE. Mr. President, this afternoon, at about 2 o'clock, I received a telephone call from the Northwest, informing me that in the Northwest it is impossible to obtain sufficient grain boxcars on either of the railroads going into the Northwestern States of the Dakotas, Montana, and western Minnesota. I communicated with Colonel Johnson, chairman of the Interstate Commerce Commission, and also with Mr. King, of the Interstate Commerce Commission. Of course, Colonel Johnson was in charge of transportation during the war years.

Colonel Johnson informs me that at no time during World War II was there so great a shortage of boxcars in connection with the movement of grain as the shortage which exists at the present time, and he also informs me that he can see no relief in sight in the immediate future, or even during the present year, in view of the fact that more boxcars are being taken out of service than are coming into service.

Mr. President, in view of the shortage of boxcars and the fact that grain is being dumped on the ground in the Northwest at the present time, where undoubtedly the grain will spoil, it is obvious that it is not possible to impose a limit on the loads of trucks using the highways, because if in that way we restrict the movement of freight by truck, we shall throw a greater burden on the railroads, but the railroads are not now equipped to move either all the freight or all the grain which they are being asked to move.

So, Mr. President, I say that if we impose such a restriction in regard to truck axle loads, we shall create a difficulty even greater than the one now confronting us.

I thank the Senate for hearing me.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. JOHNSON].

The amendment was rejected.

Mr. SALTONSTALL. Mr. President, on behalf of my colleague [Mr. LODGE] and myself, I offer the amendment identified as "8–3–50—B," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 21, beginning in line 19 with the word "approved", it is proposed to strike out through the word "Roads" in line 20 and insert in lieu thereof the following: "which meet the standards required under the Federal Highway Act at the time such facility is constructed."

Mr. SALTONSTALL. Mr. President, this is an amendment on page 21, line 19. It is a very simple amendment. At the present time the States cannot obtain funds or contributions from the Federal Government unless their roads meet the specifications of the Federal Government. The bill as it is now drafted would require approval by the Commissioner of Public Roads in advance of construction. I am informed by the commission of public works of Massachusetts that the Federal Government contributes toward extending the sections of our State roads, and that it requires from 1 to 3 years to obtain the necessary permit. If permission were required in advance, then we should have to hold up for a period of anywhere from 1 to 3 years construction of some roads, portions of which are to be built by the State. That would delay the construction of an entire new section of highway.

We are perfectly agreeable to having the Federal Government set standards and to comply with such standards, as required by the present law; but we hope the law will not be changed to require approval in advance.

So I trust this very simple amendment will be adopted. It will not be detrimental to the Federal system in any way, and it will facilitate the building

of roads in the States, a thing which we all want.

Mr. HENDRICKSON. Mr. President, I wish to call up my amendment 8-18-50—S, as a substitute for the amendment of the Senator from Massachusetts.

Mr. McCLELLAN. Let me first answer the argument of the Senator from Massachusetts in order that we may preserve the proper proportion of time. If a substitute is permitted to be offered now, we would be entitled to 5 minutes also on the substitute. For the moment, therefore, I desire to proceed for 5 minutes in opposition to the original amendment.

The PRESIDING OFFICER. The Senator from Arkansas is recognized. The Senator from New Jersey may offer his amendment later.

Mr. McCLELLAN. Mr. President, this bill provides, with reference to the bond provision, that when any State or county issues bonds, and so forth, Federal-aid funds may be used to retire such bonds. It then says:

Provided, That payment of Federal funds on the principal indebtedness of such bonds shall be made only on account of any such facility that is constructed in accordance with plans and specifications approved in advance of construction by the Commissioner of Public Roads.

Unless we are simply going to remove all supervision, control, and restriction with reference to these Federal funds, I think the provision should be retained in the bill. As I understand the amendment, it is desired to change it a little, by saying, "which meet the standards required under the Federal Highway Act at the time such facility is constructed." The bill presently requires that payment of Federal funds be made only on account of such facility, if it is constructed in accordance with the plans approved. In other words, if Federal aid is desired, it is necessary to obtain approval before construction. We certainly do not want to open up the back door to Federal funds by permitting the construction of roads which do not have Federal approval.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. SALTONSTALL. As I understand, my amendment merely proposes to return to the present provision of the law. It does not propose a change in the present law, which provides that a State shall not receive payments unless the road complies with the Federal requirements.

Mr. McCLELLAN. Is the Senator trying to make it applicable retroactively, that is, to make it apply to roads constructed in the past, on which bonds have been issued? This provision of the bill simply provides that in the future, if the Federal-aid money is expected to be used for the retirement of bonds, the construction must be approved by the engineers and must be in accordance with plans.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr McCLELLAN. I am glad to yield.

Mr. SALTONSTALL. I am informed by the Public Works Commission of Massachusetts that the approval sometimes takes from 1 to 3 years. There may be a section of road as to which we have Federal funds, and there will be another section where we have only State funds. We want to be in a position to go ahead.

Mr. McCLELLAN. The Senator is misinformed, because no Federal-aid highways or roads are constructed with Federal money unless the plans are approved in advance. A road may be constructed with State money, allocated to the particular road, but if Federal aid is desired, the plans must be submitted by the highway department of the State, and approved in advance. That is all the bill would require.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. SALTONSTALL. Under the present law a State cannot obtain any funds unless the road meets the specifications. In other words, the State lays down its own specifications. If those specifications do not meet the Federal requirements, then the State cannot get the money. If they do meet the Federal requirements, the State can get the money. All we want to do is to be able to go ahead.

Mr. McCLELLAN. That is exactly what this provides for, in my opinion.

Mr. SALTONSTALL. No; because at the present time no roads can be built until the plans have been approved in advance by the Commissioner of Public Roads.

Mr. McCLELLAN. That is correct. That is the way we operate now on all the systems. Federal-aid highway money is not obtainable on any project until the plans are submitted and approved and the allocation made. Money is not even allocated to any particular road project until the plans have been submitted to the State highway department and approved by the Bureau of Public Roads. Let us keep it that way, for this and all other purposes.

Mr. HENDRICKSON. Mr. President, I now desire to call up my amendment S, which is in the nature of a substitute.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. Beginning on page 21, line 3, it is proposed to strike out through page 22, line 5.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Jersey as a substitute for the amendment offered by the Senator from Massachusetts.

Mr. McCLELLAN. That proposes to strike out all of paragraph (c), does it not?

Mr. HENDRICKSON. That is correct.

Mr. President, the purpose of this amendment is to strike out in toto subsection (c) of section 5 of the committee amendment. This provision, as approved by the committee, allows the States to accept Federal-aid road funds for the purpose of retiring bonded indebtedness incurred by them for the construction of federally approved road projects. To my mind, this section of H. R. 7941 not only permits, but even encourages profligate State and local borrowing for the purpose of highway construction and holds out an implied Federal promise to dole out moneys to them in the future. While I recognize that this subsection specifically states that it "shall not be construed as a commitment or obligation on the part of the United States," I submit that actions speak louder than words and the net effect of this provision will be as I have described it.

Mr. President, I am not alone in this belief. In his testimony before the committee on S. 3424, Elmer B. Staats, Assistant Director of the Bureau of the Budget, said:

The Bureau of the Budget believes that this provision raises serious problems. * * * The highway program is, of necessity, a continuing one which will require a sustained level of expenditures for many years to come. The use of Federal funds to retire highway bonds would have a double effect. On the one hand, it would permit States to increase at this time their construction program to meet current highway needs. On the other hand, unless increased Federal funds were made available at a future date, this provision could seriously hamper the ability of States to meet their actual construction needs in the future, since Federal-aid funds at that time would be used for retiring bonds rather than for actual construction.

Mr. Staats continued:

This provision also could be interpreted as an implied commitment on the part of the Federal Government to maintain future Federal highway aid at a level adequate to assure the retirement of bond issues.

Mr. President, Mr. Albert S. Goss, master of the National Grange, also appeared to oppose this provision for three separate reasons: First, because it would encourage the States to issue bonds on the dangerous assumption that Federal funds will be forthcoming; second, because it would guarantee a tremendous annual or biannual pressure drive on Congress by the States to maintain a high level of Federal-aid funds to safeguard their obligations; and last, because a pay-as-you-go course is the only safe one in this field, where so much yet remains to be learned.

While the State highway department in my own State of New Jersey does not oppose this provision, there is a definite feeling that only the most careful use of this provision should be made by any State lest they completely foreclose future construction by committing themselves in advance under this section of H. R. 7941.

Incidentally, the leading claim made in support of this provision is that it will speed up the construction of vitally needed highways. With that object, Mr. President, I am in full accord, but I feel that there is an easier solution to this problem if speed and haste are desired.

I would eliminate the extension provisions in this subsection and throughout the bill which require that all State plans for highway construction must be approved in detail in advance by the Federal Bureau of Public Roads. All of us who have been active in State affairs remember the long and costly delays in our State plans while awaiting Federal approval. On this matter, however, my

esteemed colleague from Massachusetts [Mr. SALTONSTALL] has already spoken.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I gladly yield.

Mr. SALTONSTALL. Does not the Senator agree with me entirely that under the present law, whether it be a bond issue or cash that is involved, the State goes ahead with its specifications, and if those specifications are lived up to, it receives the money, and if they are not lived up to, it does not get the money?

Mr. HENDRICKSON. That is correct.

Mr. President, I strongly urge the adoption of my amendment.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HENDRICKSON. I yield.

Mr. WHERRY. Does the State or municipality have to have its construction approved in advance, or does it build the highways, and then if they meet the Federal specifications, use the money to retire the bonds?

Mr. HENDRICKSON. I think it could operate either way.

Mr. WHERRY. They now have to get the construction approved in advance of receiving the money?

Mr. HENDRICKSON. That is what I understand.

Mr. WHERRY. And the Senator wants to keep it that way?

Mr. HENDRICKSON. Yes. I do not want to allow a new provision to become law which will encourage States to borrow more and more money.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. There is no time to yield.

Mr. WHERRY. Mr. President, this was a substitute amendment, and the mover has used his 5 minutes. Does not the opposition receive 5 minutes in which to reply?

Mr. FERGUSON. Mr. President, will the Senator yield 1 minute in order that I may speak in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Massachusetts offered an amendment to the bill.

Mr. FERGUSON. That is correct.

The PRESIDING OFFICER. And the Senator from New Jersey proposed to strike the portion of the bill to which the amendment of the Senator from Massachusetts applied. The amendment of the Senator from Massachusetts takes precedence over the amendment of the Senator from New Jersey.

Mr. McCLELLAN. Mr. President, it is not a question of which takes precedence. The question is whether it permits two arguments for the proponents of the amendment, and we have 5 minutes to oppose the substitute amendment.

I yield 1 minute to the Senator from Michigan.

Mr. FERGUSON. Mr. President. I should like to give my judgment on this question. The city of Detroit, the city of Grand Rapids, and other cities need access highways. If Senators could come to the city of Detroit today they would see that the city is attempting to build access highways at the rate of one mile a year. In other words, we dig holes in the ground and are unable to construct the road because we cannot get enough money. If we can submit our plans in advance and have them passed on, we can use the money as it comes in the regular course of business, and can build highways. In case of an atomic-bomb attack, unless we have access highways in cities like Detroit, the people will not be able to get out and there will be a great calamity because of the lack of access highways. It would take us 14 years to build a 14-mile highway, whereas, under the bill, we can do it in 3 years, and the United States Government will not be committed to the expenditure of one dollar, because the bill provides specifically that it shall not be construed as a commitment or an obligation on the part of the United States to provide the funds.

Mr. McCLELLAN. Mr. President, I was very reluctant to support this provision in the bill during the course of the committee's consideration of it, but I became convinced that there were many areas, particularly in urban localities, where this provision would enable them to do their construction immediately by issuing bonds, whereas those projects can hardly be constructed on a piecemeal basis. That is the problem before us. It enables the States to pledge their funds and have money to match Federal funds and carry on their programs.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. AIKEN. I am wondering if it would be possible for a State administration to spend highway money or tie it up.

Mr. McCLELLAN. They cannot tie up Federal funds, but the administration would not have to apply the funds.

Mr. AIKEN. Under some circumstances they might have to.

Mr. McCLELLAN. I do not mean by compulsion of law. I should hate to see the first amendment prevail, because the fact that the Federal Government is providing a part of the money should make no more difference as far as concerns approving the projects and paying the money than in the case of the other highway programs.

I earnestly insist, Mr. President, that the first amendment submitted by the able Senator from Massachusetts [Mr. SALTONSTALL] be defeated, and certainly, if he wants this particular character of construction in urban areas, which need to issue bonds, we should defeat the substitute amendment. I hope both amendments will be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL]. [Putting the question.] The "noes" seem to have it.

Mr. SALTONSTALL. Mr. President, I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from New Jersey [Mr. HENDRICKSON]. [Putting the question.] The "noes" seem to have it.

Mr. HENDRICKSON. Mr. President, I ask for a division.

On a division, the amendment was rejected.

Mr. GRAHAM. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from North Carolina.

The LEGISLATIVE CLERK. On page 17, line 24, beginning with the colon, it is proposed to strike out down through "Secretary of Commerce" on page 18, line 12.

On page 18, line 17, to strike out "$13,000,000" and insert "$16,000,000"; and in line 18, commencing with the colon, to strike out down through *"Provided further"* in line 4 on page 19, and insert *"Provided."*

Mr. GRAHAM. Mr. President, this amendment would accomplish, as we see it, three desirable objectives. First, it would eliminate the provision for dual administration of parkway projects by the Interior Department and the Department of Commerce. It would keep the administration of such projects in the Interior Department, where such projects have always been. Such concentration of responsibility is in accordance with plan No. 3, providing for the reorganization of the Department of the Interior. The Department of the Interior has long experience and first-hand knowledge regarding park and parkway projects which have to be integrated with other developments, such as road construction, recreation grounds, camp areas, and other public uses which are part of the master plan for each parkway and park area. These are related to the scenic and scientific resources which the law makes the responsibility of the Secretary of the Interior to maintain.

The amendment would keep the responsibility where it has historically and legally long belonged—under the single and unified direction of the Secretary of the Interior.

Mr. CHAVEZ. Mr. President, I wonder if the Senator from North Carolina would be willing to divide his amendment into two parts. One would change the control from the Bureau of Public Roads to the Interior Department; the other part is a question of appropriation.

Mr. GRAHAM. That is correct.

Mr. CHAVEZ. In view of the action of the Senate this afternoon, I should be willing to take to conference that part of the amendment that would follow the idea of the Senator from North Carolina to leave the matter within the Department of the Interior.

I do not know whether I would be willing to go along with the item of appropriation.

Mr. GRAHAM. We will divide it into two parts.

The PRESIDING OFFICER. Will the Senator divide it into two parts in accordance with the request of the Senator from New Mexico?

Mr. GRAHAM. I agree that the amendment may be divided, in accordance with the Senator's request.

The National Park Service of the Interior Department and the Bureau of the Public Roads of the Commerce Department have had a good working arrangement for 25 years. The amendment would keep it so, and it would keep the responsibility, and the final responsibility, in the Department of the Interior.

The amendment provides for less restrictive legislation regarding amounts for maintenance and minor projects for road construction. It has not been the practice in authorization acts to specify detailed limitations 2 or 3 years ahead of their actual use. The detailed amounts cannot be calculated that far ahead. Weather conditions, floods, slides, and so forth, often change the picture. Moreover, the proportion of funds to be used for minor projects cannot be specified several years in advance. It is more businesslike to specify such details at the time of the appropriation.

That is the first part of the amendment, Mr. President.

I should like to emphasize that the second part is a matter of real economy. It is a matter of real economy to fill in the gaps in that great parkway, which leads into an area where live 7,000,000 people. The Government has put a great amount of money into the project. However, there are two or three gaps which impair the value of the Government's investment, and in some respects even nullify the value of the investment. Our proposal is to add $3,000,000 as a part of the over-all program for these six parkways, which would also take account of the Baltimore-Washington Parkway, and meet the original appropriation of the House, which was $13,000,000. When we add the Baltimore-Washington Parkway, it makes the total amount $16,000,000.

The addition by the Senate committee of a contract authorization clause for $3,000,000 to permit contracts to be advertised for work on the Baltimore-Washington Parkway has the effect of reducing to $10,000,000 the amount voted by the House for the six already authorized parkways. This amendment would restore this reduction and provide for the Baltimore-Washington Parkway and still be $4,000,000 less than recommended by the budget and the President.

We in North Carolina, Virginia, and in eastern America are interested especially in completing the gaps in the Blue Ridge Parkway between the Shenandoah and the Great Smokies. These gaps are in roads which are part of a system which connects with an area in which live 70,000,000 Americans. By this amendment these millions could have direct and unbroken connection with some of the most beautiful recreational areas in the country. This is a protected roadway along the backbone of eastern America, and would also serve the interest of our national defense. The Nation has made heavy investments in making accessible for motor travel the magnificent scenery of the Appalachians and the wholesome recreational grounds. The parkway also connects with such strategic centers as the veterans' hospital at Oteen, the TVA, and the great Oak Ridge laboratories. The few gaps in the parkway impair, and in some respects nullify, the usefulness of this heavy investment. It is like unto a man who has a costly overcoat which lacks buttons to give it its full value. The gaps in the roads are comparable to the buttons missing on a valuable overcoat. Let us put the buttons on and prevent waste of a valuable, significant, and strategic investment and still be $4,000,000 under the $20,000,000 recommended by the budget and the President.

This is not an appropriation but an authorization, subject to scrutiny and review by the Congress and subject to future developments and world conditions when appropriation bills are presented.

I suggest that the chairman of the committee accept the amendment and take it to conference. The chairman may be able to work it out on a proportionate basis.

Mr. CHAVEZ. If the economizers in the Senate will agree to it, since the Senator has divided the amendment into two parts, the committee would be willing to accept them and take them to conference.

The PRESIDING OFFICER. Will the Senator state which part he has accepted?

Mr. CHAVEZ. We accept both parts. We believe a separation should be made for the reason that we may have to yield on one and not on the other.

The PRESIDING OFFICER. Will the Senator state for the RECORD how they should be separated?

Mr. WHERRY. If the amendments are accepted, would the amount of the appropriation be raised?

Mr. CHAVEZ. By $3,000,000. That is why I said it would depend on whether the economizers would go along.

Mr. WHERRY. I do not know whether I would qualify, not being on the committee, but I believe the amount ought to be the subject of a vote. I do not want to increase any amounts.

Mr. CHAVEZ. We could have a vote on the first branch of the amendment. The bill now provides that the Secretary of Commerce shall have jurisdiction over the policy. The amendment of the Senator from North Carolina would do away with that and place the responsibility on the shoulders of the National Park Service of the Interior Department.

Mr. WHERRY. I offer a substitute amendment to provide that the amount authorized shall be the same as that appropriated in 1948.

Mr. HOLLAND. Mr. President, I hope the Senator from Nebraska will withhold his substitute amendment for the part of the amendment which has to do with the formula because it seems to me it is important that the traditional method of handling be preserved, instead of changed. The bill provides for the first time that the Bureau of Public Roads shall have joint responsibility with the Department of the Interior in deciding where roads shall be built, when they shall be built, and so forth. Heretofore the Department of the Interior has had complete responsibility and simply called on the Bureau of Public Roads to furnish engineering assistance and help in the actual construction.

Mr. WHERRY. In view of the statement that what the Senator wants to do now is have a determination on the formula, I withhold my amendment temporarily to see what the vote will be on the formula.

Mr. HOLLAND. I hope the traditional method of handling the subject by the Interior Department and the Bureau of Parks will be preserved and restored by the adoption of the first portion of the amendment.

Mr. O'MAHONEY. Mr. President, my attention has been called to the amendment, and I heard the chairman of the committee say he would be very willing to accept the amendment if it were divided into two parts. I take it that there is no objection at all by any Senator to the part of the amendment which strikes out the reference to the Secretary of Commerce, and makes an additional amendment on line 4, page 19, and that the only change that the Senator from Nebraska pointed to was that which had to do with the fund. I wonder if it cannot be agreed that all of the amendment, with the exception of that having to do with the amount, may be accepted. That is what I understood the Senator to say.

Mr. HOLLAND. That would be wholly acceptable to the Senator from Florida. The Senator from New Mexico has returned to the floor.

Mr. O'MAHONEY. Immediately before the Senator from Nebraska rose, I understood the Senator from New Mexico to say that he would be willing to accept the amendment, provided it was divided into two parts. His purpose was to separate the provision concerning the amount of money from the rest of the amendment.

Mr. CHAVEZ. That is correct.

Mr. O'MAHONEY. The suggestion of the Senator from Nebraska had to do only with the lines in the amendment dealing with the fund. I am asking whether it is agreeable to the Senator from New Mexico to accept all of the amendment save that which has to do with the fund. That could be worked out later with the Senator from Nebraska.

Mr. CHAVEZ. For the moment, in order to clear the record and to get ahead, I shall accept the amendment dealing with matters other than the fund.

Mr. WHERRY. Inasmuch as the distinguished Senator has accepted the language, which is the formula, I shall be glad to modify my amendment to make the figure read "$13,000,000." That is what the House allowed. They must have been justified in inserting that figure.

Mr. CHAVEZ. Does the Senator object to the amount?

Mr. WHERRY. I do not wish to object to it if the Senator will accept it.

Mr. CHAVEZ. How can I accept it? We already have $13,000,000 in the bill.

The PRESIDING OFFICER. The Senator desires a separate vote on the two parts?

Mr. CHAVEZ. We have already accepted one part. We are voting now to change the figure from $13,000,000 to $16,000,000.

The PRESIDING OFFICER. The Senate would have to vote on the amendment which the committee accepts.

Mr. WHERRY. I ask for a vote.

Mr. GRAHAM. Mr. President, in view of the fact that I did not use all my time, may I make a few observations?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. GRAHAM. I stand for good business. The Government has made a great investment in this parkway. There are two or three gaps in it which nullify the value of the great investment. My proposal is to fill in those gaps so that the people of the whole eastern area can use the parkway. It also leads into the area of the Oak Ridge laboratories and the Oteen Veterans' Hospital. Many of our people who use Fords and Chevrolets would like to have that throughway to Asheville.

They would also like to use the recreational facilities.

Mr. CORDON. Mr. President, it would be equivalent to building a primary highway financed by the Federal Government 100 percent.

Mr. GRAHAM. Of course, the State has invested a great deal of money in this project. In fact, all three States—Tennessee, Virginia and North Carolina—have done so. It is just good business to fill in a few gaps in a good investment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WHERRY. Mr. President, I desire to offer an amendment.

Mr. O'MAHONEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Inasmuch as the chairman of the Committee on Public Roads has accepted all this amendment with the exception of those lines dealing with the fund, and inasmuch as it appears that there is no objection to that, would it not be proper now, since the amendment is divided, to have the portion which the chairman has agreed to accept, and then take up the question of the amount?

The PRESIDING OFFICER. The question is on agreeing to the part of the amendment offered by the Senator from North Carolina which deals with the formula.

The formula portion of the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the part of the amendment raising the amount from $13,000,000 to $16,000,000. [Putting the question.] The "noes" have it.

Mr. CHAVEZ. Division, Mr. President.

Mr. WHERRY. The Chair announced the decision.

Mr. CHAVEZ. No, he did not.

Mr. WHERRY. I thought he did.

The PRESIDING OFFICER. The Chair had announced the decision. The Chair said the portion of the amendment relating to the increase in the amount was rejected.

Mr. SALTONSTALL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 13, beginning in line 12, with the word "Said", it is proposed to strike out through page 14, line 2.

Mr. SALTONSTALL. Mr. President, this amendment, if adopted, would leave the law as it now is. The committee has inserted some new language in the law which makes it very difficult for us in Massachusetts and New England generally to operate.

Mr. President, in New England the counties do not amount to very much in doing business. We have the city, town, and State governments. Under the language the committee has inserted, a State cannot proceed with any State highway without getting the approval of and proceeding in cooperation with the county officials.

In Massachusetts, for instance, we have today a principal highway going to Newburyport from Boston, which is one of our principal highways, route 1. The road is being rebuilt in another location and will become a Federal primary road. The old road will become a secondary road, but it is completely a State road. The county has nothing to do with it. There could be no money spent with Federal cooperation on that road unless every county and unless every town involved gave its permission.

We have no objection to the secondary-road funds as the law now exists, but if the language inserted by the committee prevails, it will make it almost impossible for the State to get Federal funds for the ordinary secondary roads in Massachusetts. I believe I speak for all of New England, as well as Massachusetts.

Mr. CORDON. Mr. President——

Mr. SALTONSTALL. I yield a minute to my colleague from Oregon.

Mr. CORDON. Mr. President, first I ask the sponsor of the amendment whether he would consent to having his amendment amended so as to strike out the period in line 12 and add the words "as amended" in lieu of what is stricken, so as to make the full effect of the amendment the elimination of the provisions of the committee amendment, and the full application of his amendment to the law as it now stands.

Mr. SALTONSTALL. Mr. President, I have looked up that matter, and I modify my amendment as the Senator suggests.

Mr. CORDON. Mr. President, I support the amendment of the Senator from Massachusetts, because I believe it is essential for the orderly development of the highways of the United States under the National Highway Act. The Highway Act of 1944 gives to the Public Roads Administration discretion to expend money on secondary roads and on post roads, and all school bus roads, and, by the 1948 amendment, also on county and township roads. The committee amendment makes it mandatory to expend all secondary funds on rural roads unless there be a finding that it is impractical to do that.

I do not understand how such a finding could be made. It would seem to me that all portions of the United States will be better served if we proceed under the law of 1944, with the 1948 amendment, which leaves discretion in the highway commissions and the Public Roads Administration to reach all types of public roads in every State with the secondary road money.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, have I any time left?

The VICE PRESIDENT. The Senator has 3 minutes.

Mr. SALTONSTALL. Mr. President, the provision of the bill I seek to strike out seems to us in New England an unwise discrimination. It is unwise because it cuts down the use of Federal funds, or changes the manner in which they may be best spent in cooperation with the State governments to improve the State highway systems. If this provision is adopted in its present form, it will practically eliminate any Federal funds helping out in many of our secondary highways.

Mr. President, I trust that the committee will accept the amendment, or at least take it to conference.

Mr. STENNIS. Mr. President, the Senator from New Mexico has placed me in charge of the time, and I yield 2 minutes to the Senator from Oklahoma.

Mr. KERR. Mr. President, the Highway Act of 1944 contains this language with reference to the item in the bill now being discussed:

> One hundred and fifty million dollars for projects on the principal secondary and feeder roads, including farm-to-market roads, rural free delivery mail and public-school bus routes, either outside of municipalities or inside of municipalities of less than 5,000 population.

This bill provides that the funds shall be expended only on country roads or county roads, roads of that type, unless the State highway department finds on a factual basis in any State that it will be impracticable to expend such funds, and in that event the funds shall be spent in that State, for such percentage as the State highway department shall certify, on other secondary roads or secondary highways, including State highways in said States.

All this does is to provide for spending the money on farm roads, and the States which do not have farm roads can spend the money otherwise. It merely carries out the spirit of the farm-to-market road law which has been written on the books from the very start, but which has never been followed.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. WHERRY. What the Senator means is that it is mandatory that the money be spent for construction of farm-to-market roads, unless the State makes a finding otherwise.

Mr. KERR. That it is not practical to do so; yes.

Mr. WHERRY. So without such a finding the money cannot be diverted from construction of farm-to-market roads?

Mr. KERR. It means that the farm-to-market money will be spent on farm-to-market roads.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KERR. The Senator from Massachusetts has had his time in which to present his position.

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG. Mr. President, there is more need for this provision in the Midwest and the Northwest than probably in any other area in the United States. We need this type of road there not only to get us out of the mud but to get us out of the snow. The provision is supported by all three major farm organizations. It is supported by the governors of our States. It is made more necessary because of the fact that our farming is now more mechanized. We have done away with the horse who used to get us out of the mud and get us through the snow. As a result of being more mechanized and making greater use of automobiles, the farmers are paying a higher percentage of the gas tax than they ever did before.

I thank the Senator from Mississippi for yielding me time to make this statement.

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from Minnesota.

Mr. THYE. Mr. President, this provision is offered in order that the township roads and the farm-to-market roads will have some consideration. In all the years of Federal-aid to highways the primary or the secondary roads have had most of the attention and all the construction, and the farmer has been too often plowing through the mud or he has been shoveling himself out of snowdrifts, rather than having had the advantage of good highways in his community on which to get to and from his farm. So I say, Mr. President, that if ever there was a need for legislation of this kind it is now, when the farmer is faced with the need for increasing his production and increasing the efficiency of his farm units. He can greatly increase that efficiency providing he has a stable road on which to travel to market with his loads of grain, milk, and livestock, and on which the school bus which is trying to serve the community, can travel with safety.

Mr. STENNIS. Mr. President, how much time have I left?

The VICE PRESIDENT. The Senator from Mississippi has 1 minute left.

Mr. STENNIS. I wish to assure the membership of the Senate that the language which is now in the bill will not permit any Federal money to be spent on any kind of a project until it has first been approved by the Federal Bureau of Public Roads. That certainly excludes the idea of being able to parcel this money out on so-called trails.

The next point is that in my opinion the State of Massachusetts has a perfect right to apply the money to roads in that State, because the language on page 13 expressly provides that if this policy is impractical in any State or in any part of a State, then all that has to be done is to certify that fact, which releases the money to be spent on a major-type road.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I have only seconds left. Will the Senator be very brief?

Mr. SALTONSTALL. I shall be extremely brief. The proviso the Senator has mentioned and which the Senator from Oklahoma has mentioned that when the appropriate local officials certify that——

Mr. STENNIS. I beg the Senator's pardon. Not the local officials. It is the State officials, the State highway commissioner and the Bureau of Public Roads.

The third point is that this matter has been very carefully worked out. It has the approval of Mr. MacDonald, the Commissioner of Public Roads. It has the approval of the president of the American Association of State Highway Officials. It has the approval of Mr. White, of Iowa, a man nationally recognized as an authority on roads of this type. It has the unanimous support of the subcommittee which handled the bill. It has the unanimous support of the entire Public Works Committee. I submit the amendment on its merits.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. SALTONSTALL], for himself and his colleague [Mr. LODGE], as modified.

Mr. SALTONSTALL. On the amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, will the Chair state the question?

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL], for himself and his colleague, as modified.

Mr. CHAVEZ. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Knowland
Benton	Gillette	Langer
Bricker	Graham	Lehman
Bridges	Green	Lodge
Butler	Hendrickson	Long
Byrd	Hickenlooper	Lucas
Chapman	Hill	McCarran
Chavez	Hoey	McCarthy
Connally	Holland	McClellan
Cordon	Humphrey	McFarland
Darby	Ives	McKellar
Donnell	Jenner	McMahon
Douglas	Johnson, Colo.	Magnuson
Dworshak	Johnson, Tex.	Malone
Ellender	Johnston, S. C.	Martin
Ferguson	Kem	Maybank
Flanders	Kerr	Millikin
Fulbright	Kilgore	Morse
Mundt	Smith, N. J.	Tydings
Myers	Sparkman	Watkins
O'Conor	Stennis	Wherry
Pepper	Taft	Wiley
Russell	Taylor	Williams
Saltonstall	Thomas, Utah	Withers
Schoeppel	Thye	Young
Smith, Maine	Tobey	

The VICE PRESIDENT. A quorum is present.

The question is on the amendment of the Senator from Massachusetts [Mr. SALTONSTALL] for himself and for his colleague, as modified. On this amendment the yeas and nays have been ordered. Those favoring the amendment will answer "yea" when their names are called. Those who oppose the amendment will answer "nay" when their names are called.

Mr. SALTONSTALL. Mr. President, may the amendment as modified be read at this time.

The VICE PRESIDENT. Without objection, the amendment as modified will be stated.

The CHIEF CLERK. On page 13, line 12, beginning with the period, it is proposed to strike out all down to and including line 2 on page 14, and insert the words "as amended."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL] for himself and his colleague [Mr. LODGE], as modified.

On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Wyoming [Mr. HUNT] is absent on official committee business.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Rhode Island [Mr. LEAHY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business.

I announce further that if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], the Senator from Montana [Mr. ECTON], and the Senator from South Dakota [Mr. GURNEY] are detained on official business.

The result was announced—yeas 21, nays 56, as follows:

YEAS—21

Aiken	Green	Morse
Benton	Hendrickson	Saltonstall
Bricker	Ives	Smith, Maine
Bridges	Kem	Smith, N. J.
Cordon	Lehman	Taft
Ferguson	Lodge	Tobey
Flanders	McMahon	Williams

NAYS—56

Butler	Jenner	Millikin
Byrd	Johnson, Colo.	Mundt
Chapman	Johnson, Tex.	Myers
Chavez	Johnston, S. C.	O'Conor
Connally	Kerr	Pepper
Darby	Kilgore	Russell
Donnell	Knowland	Schoeppel
Douglas	Langer	Sparkman
Dworshak	Long	Stennis
Ellender	Lucas	Taylor
Fulbright	McCarran	Thomas, Utah
George	McCarthy	Thye
Gillette	McClellan	Tydings
Graham	McFarland	Watkins
Hickenlooper	McKellar	Wherry
Hill	Magnuson	Wiley
Hoey	Malone	Withers
Holland	Martin	Young
Humphrey	Maybank	

NOT VOTING—19

Anderson	Frear	Neely
Brewster	Gurney	O'Mahoney
Cain	Hayden	Robertson
Capehart	Hunt	Thomas, Okla.
Downey	Kefauver	Vandenberg
Eastland	Leahy	
Ecton	Murray	

So the amendment as modified, offered by Mr. SALTONSTALL for himself and Mr. LODGE, was rejected.

Mr. MAYBANK, Mr. SALTONSTALL, and Mr. DOUGLAS addressed the Chair.

Mr. DOUGLAS. Mr. President, I have an amendment.

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. MAYBANK. Mr. President, I have an amendment at the desk, which I ask to have read.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 33, between lines 19 and 20, it is proposed to insert the following new section and renumber all succeeding sections accordingly:

SEC. 16. (a) The definitions of the terms "bridge" and "bridge owner" contained in section 1 of the act of June 21, 1940, entitled "An act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes" (54 Stat. 497; 33 U. S. C. 511), are amended to read as follows:

"The term 'bridge' means a lawful bridge over navigable waters of the United States, including approaches, fenders, and appurtenances thereto, (a) which is used and operated for the purpose of carrying railroad traffic, or both railroad and highway traffic, and (b) if a State, a political subdivision thereof, or a municipality is the owner or a joint owner thereof, which is used and operated for the purpose of carrying highway traffic.

"The term 'bridge owner' means any corporation, association, State, municipality, or other political subdivision, partnership, or individual owning any bridge, and, when any bridge shall be in the possession or under the control of any trustee, receiver, trustee in bankruptcy, or lessee, said term shall include both the owner of the legal title and the person or entity in possession or control of such bridge."

(b) Section 13 of such act of June 21, 1940 (54 Stat. 502; 33 U. S. C. 523), is amended by striking out the words "used for railroad traffic."

Mr. MAYBANK. Mr. President, I merely desire to state that the amendment simply defines the word "bridge." It asks for no appropriation, no authorization.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. MAYBANK. If the Senator does not mind, I should like to continue my statement first. There has been some controversy in the Department of the Army, in connection with condemning railroad bridges and having railroad bridges repaired, under the so-called Truman-Hobbs Act, and in condemning State highway bridges. There happens to be one bridge in my State. There happens to be a bridge in Boston over the Chelsea River; another, over the Fore River, at Portland, Maine. I note the Senator from Maine is not present at the moment. There happens to be another bridge over Indian River, at Winter Beach, Fla.; a highway swing bridge over lower Main Avenue, in the city of Cleveland, Ohio; and a bridge over the Illinois River, at Peoria, Ill., for which the Appropriations Committee made an appropriation.

This amendment is not for the purpose of asking any funds. All that I am asking is that the Truman-Hobbs Act be so interpreted that, as well as paying for railroad bridges, State highway bridges can be paid for. I have a brief statement which I ask to have printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

My amendment supplements the provisions of the Truman-Hobbs Act. This act applies only to railroad bridges, or to bridges that are used for both highway and railway traffic, but does not apply in any way in the case of a bridge devoted solely to highway traffic.

The purpose of my amendment is twofold:

First, it would redefine the term "bridge over navigable waterways so as to include a bridge used exclusively for highway traffic. Secondly, my amendment would also redefine the term "bridge owner" so as to include a bridge owned by a State, municipality, or other political subdivision.

No specific appropriation will be needed to carry out the purposes of my amendment since the Truman-Hobbs Act carries sufficient authorization for the appropriation of such sums as may be necessary to carry out its provisions.

A brief history of the operation of the Truman-Hobbs Act will still further indicate the necessity of approving my amendment. Since the Truman-Hobbs Act became public law, a total of 9 orders have been issued by Secretary of the Army for bridge alterations involving railway traffic. All orders have been completed at a cost of $2,417,200 to the bridge owners and $11,217,800 to the Government. However, in the case of highway bridges not covered under the Truman-Hobbs Act, a total of six orders have been issued for alteration but only three have been completed. In one of the three instances where the work has been completed, the project was delayed for several years. The Congress finally appropriated $25,000 for the removal of the bridge by the United States (Public Law 374, 79th Cong.).

Whether we judge the merits of this amendment on the basis of the operation of the Truman-Hobbs Act, or upon the projected operations under this amendment to the act, it would seem desirable to include highway bridges owned by States, counties, or municipalities. This is the sole purpose of my amendment and I urge its prompt approval.

Mr. MAYBANK. When I have concluded, I shall yield to the Senator from Michigan for a question. Whether we judge the merits of this amendment on the basis of the operation of the Truman-Hobbs Act, or upon the projected operations under this amendment to the act, it would seem desirable to include highway bridges owned by States or counties. This is the sole purpose of the amendment. In other words, if the Army engineers order something to be done with a railroad bridge, it must be done out of the funds we appropriate. If they order something done in connection with a State highway system, or in connection with a county highway system, the State or county must wait until the funds are made available by the Appropriations Committee, or by someone else. I now yield to the Senator from Michigan.

Mr. FERGUSON. Is this amendment applicable only to condemnation procedures?

Mr. MAYBANK. It is applicable only to condemnation procedures by the Army; that is correct.

Mr. FERGUSON. The Defense Department now has power to condemn railroad bridges, has it not?

Mr. MAYBANK. It has.

Mr. FERGUSON. The Senator wants to make this applicable to State, county, municipal and other subdivisions, is that correct?

Mr. MAYBANK. That is correct.

Mr. FERGUSON. And it would be used for the national defense?

Mr. MAYBANK. That is correct.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. The distinguished Senator from Maine [Mr. BREWSTER] apparently is off the floor at the moment, but I know that if he were present he would ask Members of the Senate to vote favorably on this amendment. He wanted to associate himself with the remarks of the distinguished Senator from South Carolina.

Mr. CHAVEZ. Mr. President, the chairman of the committee is willing to take this amendment to conference, but I think the Senate should be advised as to what the situation is. This would change the basic law. Of course, the amendment is subject to a point of order, which the Senator from New Mexico is not going to make. But I think the Senate should be advised, so there will be no misapprehension as to what is being done. When the Army engineers condemn a tract of land for a railroad, the railroad now pays only for that part

which is beneficial to the railroad; the remainder is supposed to be paid by the Federal Government. The change that will be brought about if the amendment of the Senator from South Carolina is adopted is that it will apply to other classes of transportation facilities. It affects railroads, instead of bridges. That is not within the present law, so it will change the law. We are willing to accept the amendment and take it to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

The amendment was agreed to.

Mr. MAYBANK. Mr. President, for the benefit of the conferees, I ask that the letter from the Department of the Army, Corps of Engineers, be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
Washington, June 28, 1950.

Hon. BURNET R. MAYBANK,
United States Senate,
Washington, D. C.

DEAR SENATOR MAYBANK: Reference is made to telephone request of June 27, 1950, by Mr. Douglas, of your office, in connection with orders to alter bridges issued by the Secretary of the Army under the provisions of the act of Congress of June 21, 1940, for alteration of obstructive railroad and combined railroad and highway bridges, and under the provisions of the River and Harbor Act of March 3, 1899, for other obstructive bridges.

Since the passage of the act of Congress of June 21, 1940, there have been orders to alter issued on nine railroad bridges. The enclosed tabulation shows the year in which the order was issued, along with the estimated cost to the bridge owner and the United States. In addition, two railroad bridges which were ordered to be altered prior to 1940 came under the retroactive provisions of the act. These bridges were the Kansas City Southern Railway Co. bridge, and Texas & New Orleans Railroad Co. bridge, both across the Neches River at Beaumont, Tex. The cost to the railroads was about $228,000, and the Government about $653,000.

In connection with highway bridges ordered altered under the provisions of the River and Harbor Act of March 3, 1899, there are six bridges for which orders have been issued since 1939.

1. Johns Island Highway Bridge over the Intracoastal Waterway, South Carolina, issued to the South Carolina State Highway Department in 1950, requires the bridge to be altered to provide a horizontal clearance of not less than 100 feet normal to the channel at the present location, and not less than 80 feet if located at least 1,000 feet from the bend.

2. Meridian Strcet Bridge over the Chelsea River at Boston Harbor, Mass., issued to the city of Boston in 1940 requires the bridge to be altered to provide a drawspan affording a horizontal clearance of 175 feet. Subsequent extensions have been given, the latest in 1950 requires that by July 31, 1950, a section of the existing bridge shall be removed to provide a clear horizontal opening of 175 feet.

3. Vaughan River Bridge across Fore River at Portland Harbor, Maine, issued to Portland Bridge District in 1939 requires the bridge to be altered to provide a drawspan affording a horizontal clearance of not less than 100 feet normal to the axis of the channel, provided that plans therefor shall have the prior approval of the Chief of Engineers and the Secretary of the Army. Subsequent extensions have been given, the latest in 1950 was issued to the State highway commission as the bridge district is no longer in existence.

4. Winter Beach Bridge over Indian River at Winter Beach, Fla., issued to the Board of County Commissioners, Indian River County, Vero, Fla., in 1947 required the bridge to be partially removed within 5 months from date of service of the order, and completely removed within 2 years. An examination made at the end of the 2-year period revealed that the structure had been removed in accordance with the order.

5. Lower Maine Avenue Highway Swing Bridge over Cuyahoga River at Cleveland, Ohio, issued to the city of Cleveland in 1944 required the bridge to be removed riverward of the established dock lines; the piers and protection to be removed to a minimum depth of 30 feet below low water datum. The war emergency period and industrial strikes delayed the work. However, it was satisfactorily completed on December 12, 1947.

6. Peoria Upper Free Bridge over the Illinois River at Lorentz Avenue, Peoria, Ill., issued to the city of Peoria, Ill., in 1943 required the removal of the swing span, center pier, and the center pier fender protection, the pier and protection to be removed to a depth of 10½ feet below Pool Stage, elevation 440.2. The work was delayed and on May 2, 1946, Congress, by Public Law 374, Seventy-ninth Congress, appropriated $25,000 for removal of the bridge by the United States.

Sincerely yours,

W. E. POTTER,
Colonel, Corps of Engineers, Acting Assistant Chief of Engineers for Civil Works.

Orders issued for bridge alterations under act of June 21, 1940

Bridge	Order issued	Estimated cost	
		By bridge owner	By Government
1. Central R. R. of New Jersey, Hackensack River, Kearny, N. J.	1941	$5,000	[1] $45,000
2. Seaboard Air Line R. R., Savannah River, Savannah, Ga.	1946	168,000	1,564,000
3. Southern Ry. Co., Tombigbee River, Jackson, Ala.	1947	758,000	1,212,000
4. Beaufort & Morehead R. R. Co., Newport River, Morehead City, N. C.	1947	41,200	373,800
5. Norfolk & Portsmouth Belt Line R. R., Elizabeth River, Norfolk, Va.	1947	296,000	1,518,000
6. Seaboard Air Line R. R., Kingsley Creek, Fernandina, Fla.	1948	28,000	480,000
7. Chicago, Milwaukee, St. Paul & Pacific R. R., Mississippi River, Hastings, Minn.	1948	366,000	1,225,000
8. Staten Island Rapid Transit Ry. Co., Arthur Kill, Elizabethport, N. J.	1949	750,000	4,700,000
9. Chicago, Great Western R. R. Missouri River, Leavenworth, Kans.	1950	5,000	100,000
		2,417,200	11,217,800

[1] Railroad granted permission by ICC to abandon line.

Mr. SALTONSTALL. Mr. President, I send to the desk an amendment, which I ask to have read.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 14, beginning with line 23, it is proposed to strike out through page 15, line 18, and to amend section designations and references to sections accordingly.

Mr. SALTONSTALL. Mr. President, I have two more minor amendments. I hope the distinguished Senator from New Mexico, who is my friend, will look with a little more favor on them than he has on the others. This is a very simple amendment.

Mr. CHAVEZ. Mr. President, will the Senator yield for a question?

Mr. SALTONSTALL. I yield, if it will not take too long.

Mr. CHAVEZ. It will not take long. If the Senator from Massachusetts will help us and will cooperate with us in our efforts to protect the farmer, in the matter of the reconsideration of the vote by which the amendment that took away the money from the secondary roads was adopted, I would look most favorably and sympathetically upon the new suggestions.

Mr. SALTONSTALL. I may say most sympathetically to the Senator from New Mexico that I shall do my best, but will make no agreement. The amendment which I now offer simply calls for striking out the language which would force each highway department to set up a secondary road division before it could get any Federal funds for assistance on secondary roads.

It is a direct intrusion into the method by which State governments handle their affairs with relation to highways. I have been in the executive department of my State government. I believe in the Hayden-Cartwright law; it works well. But under the Hayden-Cartwright law, if we try to tell the State governments how they shall operate their own administrative establishments, I believe we are going too far.

I do not think this provision of the bill has application only to New England, New York, or the East; it applies all over the country. It may be that some highway departments now have secondary-road divisions but to require the State highway department to establish such a division before it can receive any funds seems to me to be absolutely wrong, because it gets the Federal Government more and more into State affairs. One thing we have been trying to do in the past 3 or 4 years is to make it possible for States to get aid from the Federal Government when we believe they should get it, but not to have the Federal Government intrude into the administration of State and local matters.

I hope the amendment will be adopted.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Missouri.

Mr. DONNELL. Does the Senator not think that an added argument in favor of his position is found in lines 3 and 4 on page 15, where it is required that the department "shall be suitably organized to discharge to the satisfaction of the Secretary of Commerce the duties herein required"?

Mr. SALTONSTALL. I agree with the Senator. I thank him for making my point even more emphatic.

Mr. CHAVEZ. Mr. President, the committee devoted many days in trying

to arrive at the proper kind of a bill to submit to the Senate, and it had in mind at all times allowing the Senate to have something to say about the question. That is why we opposed a little while ago the amendment of the Senator from Massachusetts, because he was hitting the very people whom he says he is now trying to protect.

I yield the remainder of my time to the Senator from Mississippi [Mr. STENNIS], who has devoted hours to the subject.

Mr. STENNIS. Mr. President——

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. STENNIS. I am sorry I cannot yield.

Mr. President, in my opinion, this is one of the most beneficial provisions which has ever been written into a highway bill for the benefit of our rural people who do a great deal of work on their roads, but it is not scientifically done.

The amendment would do the same thing that was done in 1916, when we passed a law requiring the States to establish highway commissions that could function with the Bureau of Public Roads with reference to Federal money. During all those years, although there has been a secondary-road program and a feeder-road and farm-to-market road program in the law, only a few States have been charged with responsibility of working out a program for the rural population. They have set up special departments, and we find from the testimony that in the States in which there is a bureau of roads, they are able to work out their program. It is a matter of coordination and cooperation. This does not cost 1 penny. There is nothing dictatorial about it. What is wanted is a coordinated cooperative system of getting the money down to the level where it belongs.

I yield the balance of my time to the Senator from Oklahoma.

The VICE PRESIDENT. The Senator has 1 minute.

Mr. KERR. Mr. President, when the farm-to-market road bill was being considered, which provided that the money appropriated for farm-to-market roads would be carried down to the local level, the Commissioner of Public Roads said he was against the bill because there was an absence of engineering ability at the county level. So, in conjunction with the Commissioner of Public Roads, the committee concluded that in order to make the program workable there should be a provision making it mandatory for the State highway departments to have engineering ability either at the State level or at the county level, providing that any county or group of counties having engineering ability and equipped to the satisfaction of the State highway department can supervise the construction and maintenance of a county unit. This provision in the bill fixes it so that the farm-to-market road program will, for the first time, really work.

The VICE PRESIDENT. The Senator's time has expired. All time has expired.

The question is on agreeing to the amendment offered by the Senator from Massachusetts. [Putting the question.] The "ayes" seem to have it.

Mr. CHAVEZ. Mr. President, I ask for a division.

The Senate proceeded to divide.

Mr. STENNIS and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Louisiana [Mr. ELLENDER], the Senator from Wyoming [Mr. HUNT], the Senator from Colorado [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Oklahoma [Mr. THOMAS] are absent on official business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

I announce further that if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business.

The result was announced—yeas 37, nays 41, as follows:

YEAS—37

Aiken	Hendrickson	Morse
Benton	Hickenlooper	Mundt
Bricker	Ives	Russell
Bridges	Jenner	Saltonstall
Butler	Kem	Smith, Maine
Cordon	Knowland	Smith, N. J.
Donnell	Leahy	Taft
Dworshak	Lehman	Tobey
Ferguson	Lodge	Watkins
Flanders	Long	Wiley
Fulbright	McMahon	Williams
Green	Martin	
Gurney	Millikin	

NAYS—41

Chapman	Johnston, S. C.	O'Conor
Chavez	Kerr	O'Mahoney
Connally	Kilgore	Pepper
Darby	Langer	Schoeppel
Douglas	Lucas	Sparkman
Ecton	McCarran	Stennis
George	McClellan	Taylor
Gillette	McFarland	Thomas, Utah
Graham	McKellar	Thye
Hill	Magnuson	Tydings
Hoey	Malone	Wherry
Holland	Maybank	Withers
Humphrey	Murray	Young
Johnson, Tex.	Myers	

NOT VOTING—18

Anderson	Eastland	Kefauver
Brewster	Ellender	McCarthy
Byrd	Frear	Neely
Cain	Hayden	Robertson
Capehart	Hunt	Thomas, Okla.
Downey	Johnson, Colo.	Vandenberg

So the amendment offered by Mr. SALTONSTALL on behalf of himself and Mr. LODGE was rejected.

Mr. SALTONSTALL. Mr. President, I send an amendment to the desk and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The CHIEF CLERK. On page 33 it is proposed to strike out lines 8 through 12.

Mr. SALTONSTALL. This is a very simple amendment, and I shall take only a few minutes to explain it. I appreciate the time and attention which the Senate is giving to my presentation of these amendments. The amendment would strike out section 14 of the bill, on page 33. The section represents another interference with States' rights. The section, if allowed to remain in the bill, would require a highway department which submits plans for a Federal-aid highway project involving the by-passing of any city, town, or village to certify to the Commissioner of Public Roads that the department had held a public hearing and considered the economic effects of such a location. Mr. President, why should any State build a road which will interfere economically with any city or town, and why should a State highway department be required to submit a certificate that it has done a very simple thing, which it would do ordinarily anyway in the interest of its own State.

Mr. President, this is a small matter, but it represents one more step of interference by the Federal Government with local administration. No State highway department would do a thing like this unless it were going to help its own State.

I do not wish to take any more time. If Senators want the Federal Government to continue to intrude on local State administration, they should vote for the bill as it now reads. If not, we have a very simple way of eliminating one more intrusion by the Federal Government.

Mr. CHAVEZ. The Senator from Massachusetts is in closer agreement with the committee's recommendation than he realizes at the moment. The amendment was sponsored by the chairman of the committee, and I shall tell the Senator why he sponsored it. Highways are supposed to serve the people as a whole. The very thing that gives us the authority to legislate, namely, Federal money, in order to help with the construction of highways, is the very thing that makes this necessary. It has been the purpose of departments right along to build a highway, but we have noticed all through the years—and I know it happens in Massachusetts and I know it happens in my State, as well as in every other State of the Union—that the Bureau of Public Roads and the engineers of a State highway department select the right-of-way in 1938, for example, which they consider to be the best right-of-way in the world. They submit plans and specifications, and build a highway. All of a sudden a change of administration locally will bring in a new engineer, who may think there should be a brand-new right-of-way. Little towns have grown up, probably one old town had been there for 200 years. As a result of the highway

that had been built there, the local citizen has invested his $3,000, or $5,000, or $10,000, and out of a clear sky some new engineer says, "We have to have a new right-of-way," and changes the right-of-way to a location 2 or 3 miles from there. Should the little towns have a hearing, or should we consider the people who travel on the roads through the communities?

The bill protects the little towns, the villages. There is not a State in the Union which has not this problem. Little towns and villages are being ruined because every 2 or 3 years an engineer has an idea that the automobiles going to the next town should be able to reach it 5 minutes sooner. We should consider the economy of the folks living along the highway.

Mr. President, let me give an example. Even this year on Highway No. 66, which goes from Chicago to the coast through my State, there was a desire to change the highway. The officials wanted to bypass the little town of San Jon, which is a one main street town, with possibly two or three other streets, with a population of from 800 to 1,000 people. Whatever the people have is practically all on that one street. In order to save 4 miles in 500 miles, the authorities would move the road 2½ miles, and save $38,000. Do Senators think that as a matter of fair play and doing justice they should subject citizens to that kind of treatment? The provision sought to be amended is the one which will take care of the little fellows.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. CHAVEZ. I yield.

Mr. KERR. Is the effect of the language in the bill that the State highway department shall certify that they have given the folks affected an opportunity to have a hearing?

Mr. CHAVEZ. That is all that is asked. At least let them have a day in court.

Mr. KERR. Does that interfere with States' rights?

Mr. CHAVEZ. It gives States' rights.

Mr. KERR. Does it interfere with local rights?

Mr. CHAVEZ. It gives the local citizens rights.

Mr. KERR. Is the local right it gives them the right to be heard?

Mr. CHAVEZ. Yes; the right to be heard.

Mr. SALTONSTALL. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. I yield.

Mr. SALTONSTALL. Let us assume that a State highway department has a certain fund of its own for use in its own bailiwick with regard to the location of a road. Would not the intrusion of the Federal Government be in effect an interference with the State's rights?

Mr. CHAVEZ. No; we insist that the local people have a right to be heard.

Mr. KERR. The only thing that is required is that the officials certify that that have given the people a chance to be heard, is it not?

Mr. CHAVEZ. We do not even ask that they agree with them, but they should be heard. Now they say, "We are going to change this highway," and the folks of the community have nothing to say about it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. I ask for a division.

On a division, the amendment was rejected.

Mr. DOUGLAS. Mr. President, I send to the desk an amendment and ask that it be read.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 15, lines 22 and 23, it is proposed to strike out $20,000,000" and insert "$10,000,000"; on line 25, to strike out "$20,000,000" and insert "$10,000,000."

On page 16, line 4, to strike out "$35,500,000" and insert "$1,750,000."

On page 17, line 22, to strike out "$10,000,000" and insert "$5,000,000"; and beginning with the word "That" in line 24, to strike out everything down to and including the comma on page 18, line 4; and

On page 25, line 11, to strike out "$5,000,000" and insert "$2,500,000."

Mr. DOUGLAS. Mr. President, this series of amendments, which I am submitting en bloc, proposes to cut in half the proposed appropriation for roads, highways, and trails in the national forests, in the national parks, and in the national domain. If agreed to in its entirely, it would result in savings of $29,250,000.

Mr. President, I have traveled through the national parks and to some degree through the national forests, and I have been struck, on the whole, with the excellence of the existing roads and trails. I can see some pain on the faces of Senators from the West caused by that remark, but I have felt that the roads were quite adequate in the parks and forests, and in view of the national emergency, I believe we could save a great deal of money by reducing the proposed appropriations.

Therefore, Mr. President, I hope that the amendment will be agreed to.

Mr. CHAVEZ. Mr. President, just one word of explanation. It was only a short time ago, I think it was in the Congress before this one, that the New England Senators were deeply concerned about a forest fire in New England, I believe it was in Maine.

Forest roads and trails mean fire protection. If the desire is to protect billions of dollars of property that belongs to American taxpayers, the forest roads and trails should be preserved. Senators could agree, of course, to take the whole appropriation out, and could save that much money, but it would be penny-wise and pound-foolish.

Mr. President, I hope the amendment will be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

The VICE PRESIDENT. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question now is on the passage of the bill.

Mr. CHAVEZ. Mr. President, before the bill is passed, I ask unanimous consent that the clerks be authorized to make the necessary technical changes, including changes in totals, due to the amendments which were agreed to this afternoon to the amendment of the committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The question now is on the passage of the bill.

The bill (H. R. 7941) was passed.

Mr. CHAVEZ. Mr. President, I move that the Senate insist on its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on behalf of the Senate.

The motion was agreed to; and the Vice President appointed Mr. CHAVEZ, Mr. MCCLELLAN, Mr. SPARKMAN, Mr. KERR, Mr. WATKINS, and Mr. KEM conferees on the part of the Senate.

DEPENDENTS ASSISTANCE ACT OF 1949

Mr. TYDINGS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 4071, to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, and I shall not object, I should like to ask the distinguished Senator if he contemplates finishing the bill tonight?

Mr. TYDINGS. I should like to say to the Senator that the bill comes from the Armed Services Committee unanimously. I do not think it will involve more than 15 or 20 minutes of explanation, and I shall be surprised if it is not passed by the Senate unanimously.

Mr. WHERRY. I know that all the members of the Armed Services Committee on the minority side are in favor of the bill. I have been told by most of the minority members of the committee that they felt there possibly would not be any controversy over the bill. Does the Senator contemplate that there shall be a vote on the passage of the bill tonight?

Mr. TYDINGS. Yes, a voice vote.

Mr. WHERRY. Are there any amendments to the bill?

Mr. TYDINGS. Only one amendment, of a minor nature.

Mr. WHERRY. Because of the lateness of the hour, I ask if there is any reason—and I simply ask the question constructively, because I am not going to object if the Senator feels that the emergency demands immediate action—why he cannot make the bill the unfinished business, and complete action on it tomorrow before the calendar is called?

Mr. TYDINGS. I should like to have the bill passed tonight, because there are many places in the country where the National Guard has been called up, and while substantially one day does not seem to make any difference, I think it would be a good thing if we could pass the bill tonight and send it to the House so it may be enacted into law as quickly as possible, because the families of the men who were called out on the 1st of July have been without adequate money. For that reason, if we could pass the bill in 15 or 20 minutes, I believe it would be a very fine thing for us to do.

Mr. WHERRY. Mr. President, so far as the junior Senator from Nebraska is concerned, I will not object to the immediate consideration of the bill. I feel, however, in view of the fact that the Senate has had two very full days of work, that if the bill should precipitate an argument, we should within a reasonable time take a recess until tomorrow with the understanding that the bill be completed tomorrow before the calendar is called.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S.4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes.

The bill is as follows:

Be it enacted, etc., That for the duration of this act that part of the second sentence of section 102 (g) of the act of October 12, 1949 (Public Law 351, 81st Cong.), which reads "* * * and actually resides in the household of said member" is suspended: *Provided,* That the dependency of the father or mother as required by said section 102 (g) shall be determined on the basis of an affidavit submitted by such father or mother, and such other evidence as the Secretary concerned may deem necessary under such regulations as he may prescribe, and no such father or mother shall be deemed dependent unless—

(1) the member of the uniformed services claiming such dependency has provided over one-half of the support of such father or mother for such period of time as the Secretary concerned may prescribe; or

(2) in the case of claimed dependency arising by reason of changed circumstances after the entrance of such member into active service subsequent to the effective date of this act, such father or mother becomes in fact dependent upon such member for over one-half of his or her support.

SEC. 2. For the duration of this act the proviso in section 302 (a) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is suspended.

SEC. 3. For the duration of this act, section 302 (f) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by striking out that portion of the table appearing therein which prescribes monthly basic allowances for quarters for enlisted members in pay grades E–1 to E–7, inclusive, and inserting in lieu thereof the following new table:

	Not over 2 dependents	Over 2 dependents
E–7	$67.50	$75
E–6	67.50	75
E–5	67.50	75
E–4	67.50	75

	1 dependent	2 dependents	Over 2 dependents
E–3	$45	$67.50	$75
E–2	45	67.50	75
E–1	45	67.50	75

SEC. 4. Section 302 of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by adding the following new subsections:

"(g) Subject to the provisions of this section, enlisted members without dependents shall be entitled to a basic allowance for quarters at the rate of $45 per month.

"(h) The payment of the basic allowance for quarters provided in subsection (f) of this section for enlisted members with dependents shall be made only for such period as such enlisted member has in effect an allotment of pay not less than the sum of the basic allowance for quarters to which he is entitled plus $40 (or in the case of enlisted members in pay grades E–4 and E–5, $60; or in the case of enlisted members in pay grades E–6 and E–7, $80), for the support of the dependent or dependents on whose account the allowance is claimed. No such allotment shall be required (1) for the calendar month in which such member enters on active duty in a pay status if the allotment is effective from the following month; (2) for the calendar month in which such member is discharged, if not immediately reenlisted; (3) for the calendar month in which such member is released from active duty; (4) for the calendar month in which dependency ceases; or (5) for the calendar month in which dependency commences if the allotment is effective from the following month. Any such allotment may in special cases be initiated, continued, modified, or discontinued in accordance with such regulations as may be prescribed by the Secretary concerned. The minimum allotment required for any month shall be based on the lowest rate of basic allowance for quarters to which the member is entitled and the lowest pay grade in which the member is serving during such month.

"(i) The allotment required by subsection (h) of this section shall be paid to or on behalf of such dependent or dependents as may be specified in accordance with such regulations as the Secretary concerned may prescribe.

"(j) Any delay in initiating an allotment as required by this section shall not invalidate entitlement to basic allowance for quarters, provided that such allotment is made retroactive for such period as the member may elect to claim the allowance for his dependent or dependents.

"(k) The entitlement to the basic allowance for quarters provided for by this act shall be substantiated in such manner and in accordance with such regulations as the Secretary concerned may prescribe."

SEC. 5. Notwithstanding any other provision of law, the basic allowance for quarters to which a member may be entitled as a member with dependents shall not be contingent on pay accruing to such member for such period as the Secretary concerned may prescribe.

SEC. 6. The Secretary concerned may, at his discretion, with or without the consent of the enlisted member concerned, authorize and direct the payment of the basic allowance for quarters and the establishment and payment of such allotment as he shall determine to be in conformity with the provisions of this act, for any enlisted member with dependents in any case in which such member does not claim such allowance.

SEC. 7. Notwithstanding any other provision of law, the provisions of this act shall not apply to enlisted members on training duty, to enlisted men entitled to pay and allowances pursuant to the provisions of section 507 of the act of October 12, 1949 (Public Law 351, 81st Cong.), to any member of the Samoan Native Guard or band of the Navy, or the Samoan Reserve Force of the Marine Corps. Such persons shall continue to be entitled to the appropriate allowances prescribed by section 302 of the act of October 12, 1949 (Public Law 351, 81st Cong.), on the day prior to the effective date of this act.

SEC. 8. For the purposes of this act, personnel enumerated in sections 527 and 528 of the act of October 12, 1949 (Public Law 351, 81st Cong.), with dependents as defined in section 102 (g) of said act, as amended, shall be entitled to a basic allowance for quarters under the conditions and at the rates prescribed for members in pay grade E–4.

SEC. 9. For the duration of this act, the fourth proviso of section 515 (b) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended to read as follows: "*Provided further,* That when a member is furnished Government quarters adequate for himself and his dependents, the total sum saved for him by this subsection shall be reduced at the rate of $45 per month for members in pay grades E–1, E–2, E–3, and E–4 (less than 7 years' service), and $67.50 per month for members in pay grades E–4 (over 7 years' service), E–5, E–6, and E–7."

SEC. 10. The Secretaries concerned are authorized to prescribe such regulations for the administration of this act as may be deemed necessary to enable them to carry out the provisions of this act, and such regulations shall, as far as practicable, be uniform. All waivers and determinations, including determinations of dependency and relationship, shall be made by the Secretary concerned or such other person or persons as he may designate, and the Secretary concerned or his designee is authorized to delegate, or redelegate such authority: *Provided,* That the authority granted in this section to the several Secretaries concerned may by joint agreement be exercised by any one of such Secretaries for any Department or all Departments concerned.

SEC. 11. Any determinations or waivers made under this act shall be final and conclusive for all purposes and shall not be subject to review in any court or by any accounting officer of the Government. The Secretary concerned may at any time on the basis of new evidence or for other good cause reconsider or modify any such determination, and may waive the recovery of any money erroneously paid under this act whenever he finds that such recovery would be against equity and good conscience.

SEC. 12. The General Accounting Office shall not refuse to allow credit in the accounts of any disbursing officer for any erroneous payment or overpayment made by him in carrying out the provisons of this act unless such erroneous payment or overpayment was made by him as the result of his gross negligence or with the intent to defraud the United States, and no recovery shall be made from any officer authorizing any erroneous payment or overpayment under this act unless such payment was authorized by him as the result of his gross negligence or with the intent to defraud the United States.

SEC. 13. Notwithstanding the provisions of section 515 (c) of the Career Compensation Act of 1949, the heads of the departments concerned, or such subordinates as they may designate, may from and after October 1, 1949, waive indebtednesses growing out of erroneous payments of, and may make any and all necessary determinations and redeterminations as to entitlement to, allowances under the authority of the Servicemen's Dependents Allowance Act of 1942, as amended, and make payments based thereon, on applications filed by enlisted and former enlisted members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, or their dependents, and not finally acted upon prior to October 1, 1949, and all such waivers and determinations shall be final and conclusive: *Provided*, That in cases where no deductions have been made from the pay of enlisted or former enlisted members the allowances paid hereunder may be limited to the amount of the Government's contribution to such allowances: *And provided further*, That appropriations available for current pay of enlisted members of the services concerned shall be available for payments authorized to be made hereunder.

SEC. 14. It is the sense of the Congress that it is not in the national interest for men to be inducted, enlisted, recalled to active duty, or retained in the Armed Forces who have more than three dependents when such inductions, enlistments, recalls, or retentions in the service would impose severe financial hardship upon such dependents. The Secretaries concerned and the Director of Selective Service shall take cognizance of the provisions of this act in establishing policies under which inductions, enlistments, calls and recalls to active duty, reliefs from active duty, and discharges, will be effected. To the greatest practicable extent consistent with the needs of the several armed services, the Secretaries thereof shall refrain from employing in active service any person in any enlisted grade below that for which pay of grade E–4 is provided if such person (a) has more than three dependents, as dependents are defined in section 102 (g) of the Career Compensation Act of 1949, and (b) does not have means which, when included with the service pay and allowances to which he is or would be entitled on active duty, would enable him to provide adequate support for such dependents.

SEC. 15. This act shall be effective from July 1, 1950, except that the allotment requirements of this act shall not be a condition precedent to the entitlement to a basic allowance for quarters prior to the second month following the month in which this act is enacted.

SEC. 16. This act shall terminate on April 30, 1953.

SEC. 17. This act may be cited as the "Dependents Assistance Act of 1950."

Mr. TYDINGS. Mr. President, this is not a complicated bill. If Senators will give me their attention for not more than 10 minutes, I can give them a complete picture of what the bill does.

In the enlisted strength of the Army, Navy, and Air Force, there are seven grades running from recruit, which is grade 1, up to master sergeant or its equivalent, the latter being the highest grade shown on the chart, and the former being the lowest grade shown on the chart.

The Career Compensation Act passed some months ago provided that when a man became a corporal, or a sergeant, or a master sergeant, he would receive an allowance of $37.50 a month if it was not possible to take care of him on the military reservation where he was stationed. If there were quarters on the reservation he did not receive the allowance. If he was on recruiting duty and away from the station he received the allowance for his quarters.

In the three lowest grades, as Senators will see on the chart, there was no allowance for quarters, because men who were first class privates, privates, and recruits, were ostensibly enlisted men, and they were sent to camp, and quarters were provided them there by the Government. So much for this column which explains the allowance for quarters.

If the man had a wife he received $67.50. If he had a wife and one child he received $67.50. That was the arrangement made with respect to allowance for quarters.

When the Career Compensation Act was passed some months ago, in order to draw men into the armed services new pay scales were adopted based on the increased cost of living, and in order to encourage men to remain in the service. The minimum for the highest grade, grade 7, of a master sergeant with 13 years' service, was $198.45, whereas when a man first came into the service he received $75 only. The pay scales were designed to keep a man in the service, and induce him to make a career of the Army.

When we came to taking care of the wife, or the wife and one child, or the wife and two children, we hit upon a very simple formula, and here is all there is to the family allowance bill. If a man goes into the service, a drafted man, we will say, and he has a wife, for the first 4 months he receives only $75 a month pay, and he leaves his wife at home, because he is sent to camp, and there are no quarters for his wife. So that in the case of the private the $45 allowed him for quarters goes to his wife. Of the $75 which he earns in pay, $40 goes to his wife, and these two sums added together make $85 that the wife receives. That leaves him $35 of his $75. He has given $40 to his wife and he receives $45 for quarters, as shown in the column of the chart here, which makes $85. I am going over that again in a minute, because it may be a little hard to get the first time, but the second time I think everyone will understand it.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LUCAS. Does the $85 go direct to the wife, or does it go through the soldier?

Mr. TYDINGS. It goes direct to the wife.

Now let us take the case of a sergeant of the higher grade with more years experience; we will say about 10 years experience. He is receiving $139.65 a month. That is his pay based on longevity and his rank. Let us assume that he has a wife and one child, or two dependents. First we give to his wife and child, as shown on the chart, the $67.50 that he now receives for quarters, because he is in Career, we will assume. His wife and child receive the allowance for quarters. We take from the pay of the man $60, and we add that to the $37.50. That means that the wife and child receive $127.50 a month, by taking $60 from his pay and taking his allowance for his quarters and adding them together; that makes $127.50 a month. There is left to the man $79.65 to spend, or he can send it back to his wife or he can buy liberty bonds, or he can do what he wants to do with it.

The whole idea of the bill is this: We have made the pay in the armed services in 1950 higher than it used to be, with the idea of attracting men to the service, and giving to those who remain inducements to stay in the service. What we have done in this bill is to provide that when a man leaves his post to go to war, we give his wife his allowance for quarters, and we take a certain percentage of his pay and give that to the wife, as shown on the chart. Adding the two together is the family allowance.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Maryland yield to the Senator from Arkansas?

Mr. TYDINGS. I yield.

Mr. McCLELLAN. This applies to enlisted men only?

Mr. TYDINGS. This applies to enlisted men only.

Mr. McCLELLAN. The bill applies to enlisted men only.

Mr. TYDINGS. That is correct.

Mr. McCLELLAN. Is there another bill applying to the officers?

Mr. TYDINGS. No, there is no provision for the officers in cases of this kind, except the routine, normal laws. This is a special law to deal with an emergency.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LUCAS. In the case of grade No. 5, the example the Senator cited a moment ago, there is $79.65 left to the man.

Mr. TYDINGS. Yes.

Mr. LUCAS. One hundred and twenty-seven dollars and fifty cents goes to the wife?

Mr. TYDINGS. Yes.

Mr. LUCAS. With respect to the $79.65, does any part of that go for quarters, or to any other account into which he has to pay while serving in the Army?

Mr. TYDINGS. No.

Mr. LUCAS. Or is the $79.65 clear?

Mr. TYDINGS. It is clear money. He can allot additional amounts to his wife from that sum, if he desires to. This is the minimum, as shown on the chart, that he must give to his wife and child.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. Are those figures based upon the present amount of pay that goes to an enlisted man, or do they represent an increase in pay over what the man is now receiving, plus what he receives for his family, and so forth?

Mr. TYDINGS. This column shows the amount of pay he was getting before the Korean situation developed; and still is getting.

The only addition we have proposed is in the case of those who serve in the

lower grades, who had no allowance at all for quarters. In such cases we propose the amount of $45. When that is added to the amount taken out of the pay of the men in those grades, the two, when put together, constitute what the wives of the men in those grades will receive.

Mr. WHERRY. So, for the first, second, and third classes an additional amount is to be paid for quarters; but for the grades above the first, second, and third grades, there will be no difference under this bill as compared to the present pay, except for the way in which the distribution is made. Is that correct?

Mr. TYDINGS. There is no difference in the pay at all.

Mr. WHERRY. I did not mean, by the questions I asked, to indicate that I am not in favor of the increases provided in the bill; I simply wished to ascertain the situation.

Mr. TYDINGS. I understand.

Mr. SALTONSTALL. Mr. President, will the Senator describe the situation with respect to a man with three dependents?

Mr. TYDINGS. Yes. Senators will note on the chart the designations "W–1," "W–2," and "W–3." "W–1" means a man with one dependent, namely, his wife; "W–2" means a man with two dependents, his wife and one child. "W–3" means a man with three dependents, namely, his wife and two children.

The committee proposes that there be written into the law a provision that a man who has more dependents than a wife and two children shall not be inducted, unless he has sufficient means to support his extra dependents. We take that position because if the average man who has a wife and three or four minor children is called into active service and is killed, that will mean, first of all, that his family will be left without a breadwinner, in which case the Government will have to take care of the wife and the children for possibly 20 or 25 years. So we have tried to write a measure which achieves the results desired, but with the least ultimate cost, as well as the least present cost, to the Government.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. HICKENLOOPER. I realize the difficulty involved in setting up an equitable arrangement under all the circumstances. Of course, I desire to support any reasonable measure on this subject. This bill is undoubtedly in the nature of an emergency measure—in other words, to meet the emergency caused by the present situation.

It occurs to me that the preponderant number of men involved are men who will be taken—either by selective service or otherwise—out of private life. They will not be sergeants or corporals, but will be privates, ordinary recruits. They may have one or two children, just as a sergeant or a corporal may have one or two children.

I wonder whether the committee canvassed the situation in regard to the possibility of providing a method by which, in the case of those who are inducted into the service and who leave at home the same number of dependents—in other words, those who have the same family responsibilities that corporals or sergeants may have—and who in many cases leave civilian jobs of equal responsibility, there can be a better equalization of benefits or pay. I refer to men who have no chance of becoming sergeants for a considerable length of time, and therefore for some time have no chance to reach the higher pay brackets and the higher send-home pay. I realize the difficulties involved, but I wonder whether the committee has canvassed the possibilities in connection with that situation.

Mr. TYDINGS. Yes, we have. First of all, the man who is only a recruit is paid, in the first 4 months, only $75 a month; and after 4 months he receives $80 a month. Even though he is receiving only $75 a month or $80 a month, if he has a wife and two children, she is receiving $115 a month.

Does that answer the Senator's question in part?

Mr. HICKENLOOPER. I am aware of the figures, for I have been looking at them on the chart. My point is this: If a private has a wife and two children, his dependency responsibility is just as great, dollar-wise, insofar as living expenses are concerned, as is that of a sergeant who has the same number of dependents.

Mr. TYDINGS. That is not the case, for the reason that a man who is a sergeant has had 13 or 14 or 15 years in the service. If he has a wife and two children, those children have reached a period in their development when it costs more to support them, for they have to be educated, and their clothes cost more than do the clothes of younger children. All the expenses in connection with older children are greater than those in connection with younger children, of course.

The age limit is such that when a man is drafted and is in the lower grades, he is young; he has not matured; he is not 35 or 40 or 45 years of age.

A man in the National Guard who is called into active service may be a sergeant, but a man who is drafted cannot be anything more than a recruit until his status is changed at a subsequent time. That is where there is a slight difference between the pay scales.

Mr. HICKENLOOPER. I can understand the situation in the case of the National Guard, where older men may be called to active service and may have attained a certain rank. However, the sergeants in the Regular service, who have been in the service for some time, are the ones about whom I wish to ask now. Does this bill propose a change in their status?

Mr. TYDINGS. Not one dollar of Federal contribution is in any of the figures I now indicate on the chart. They represent the provisions of the present law. The only change we propose will be in the case of the grades I now indicate on the chart, on down.

Mr. HICKENLOOPER. I understand now.

Mr. TYDINGS. That is the point.

Mr. HICKENLOOPER. I thank the Senator for the contribution.

My whole point is that the great mass of men coming into the service have no chance now to reach the higher grades; but in many cases their dependency problems may be just as great as those of men in the higher grades who have been in the service for a longer time.

Mr. TYDINGS. Yes. I understand that situation, and I should like to say to the Senator, to reinforce his observation—because he has brought up an interesting point——

Mr. HICKENLOOPER. Mr. President, I think the Senator has explained it to my satisfaction. He did so when he called attention to the fact that in the upper brackets no addition is proposed to be made, but the changes are to be made in the pay in the lower brackets.

Mr. TYDINGS. I was trying to say that this bill compels a man to take from the pay he receives a certain minimum amount to be given to his wife and children.

Mr. HICKENLOOPER. I understand, and I thank the Senator.

Mr. O'MAHONEY. Mr. President, a moment ago the Senator from Maryland said to the Senator from Iowa that in the case of grades 4 to 7, the figures shown on the chart represent the provisions of the present law.

Mr. TYDINGS. That is correct.

Mr. O'MAHONEY. I understood the Senator to say, further, that in the case of grades of 1 to 3, the figures shown on the chart represent the provisions of the new law, now proposed for the purpose of taking care of those who may be inducted at this time.

Mr. TYDINGS. That is correct.

Mr. O'MAHONEY. What about the case of the sergeant who is in the National Guard and who now is called from private life to active duty? Is there to be a change for him?

Mr. TYDINGS. No, because under the present law when the sergeant is called to active service, the law provides that he will receive $67.50 for quarters, whereas the men in the bracket to which I now point on the chart will receive nothing for quarters.

Furthermore, if the sergeant is called at that time, he will receive pay of $169.05. When the two amounts are added, we find that he is receiving over $200 a month, for both quarters and his pay.

Mr. O'MAHONEY. Does the present law require that in such case there shall be a division of the pay with the wife and the other dependents?

Mr. TYDINGS. No. We have proposed that provision in order to take care of the wife and children, because heretofore when such a man has been called to service, as the Senator from Wyoming well knows, he has been called to service for 2 weeks or 4 weeks of training.

Mr. O'MAHONEY. That is correct.

Mr. TYDINGS. Therefore his family was at home, and accordingly, he did not receive such an allowance.

But now that he is called to active service, that much allowance belongs to him, properly.

Mr. O'MAHONEY. What the Senator's bill does, then, is to take a portion of the compensation which the men in the upper grades of the National Guard now receive in accordance with law, and assign it to the dependent. Is that correct?

Mr. TYDINGS. That is correct. A man in that category can give more than that to his dependents, if he wishes to do so, but he must give that much to the dependents he leaves at home.

In the case of those who are in the lower grades, we include this provision, so that although their pay is smaller, there will be an adequate sum, not far different from that in the case of the experienced men, to take care of the dependents.

Mr. O'MAHONEY. Do I correctly understand that this measure applies to all enlisted men in the service?

Mr. TYDINGS. That is correct.

Mr. O'MAHONEY. Does it apply to the Army, the Navy, the National Guard, and the reservists, or whatever they may be?

Mr. TYDINGS. It does.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. HUMPHREY. I should like to ask the chairman of the committee the basis for arriving at the figure of $45 as a quarters allowance for a new recruit, a private or a corporal, as compared to $67.50 for a sergeant or a master sergeant, when in fact the dependency problem is identical, regardless of whether a man happens to be a master sergeant or a corporal or a private. Why was that figure selected? What is there the differential of $22.50 in such a case?

Mr. TYDINGS. First of all, as I said a moment ago, the present Army and Navy and Air Force Career Act provides no quarters allowance for a man who is a recruit or is a private or is a first-class private, for the reason that men who have just enlisted or men who come into the Regular Military Establishment in normal times live on the post. However, as men stay in the Army a long time, there is a desire for them to have their own houses, off the post. So, as a part of the career service attraction, this quarters allowance was provided by the law.

So that when they are called out, the only men who get an increase in salary are those who come in from civilian life, and we provide for it, camouflaged—I use the word, not well chosen—as an allowance for quarters, so as to make enough with what they draw to give the wife and child a fair chance to live.

Mr. HUMPHREY. I asked the question because it appears to me that insofar as the Government's responsibility for dependency allowance or allotment is concerned, the Government has just as much responsibility to the buck private, if he is called out and sent overseas as it has to the others.

Mr. TYDINGS. No. The Senator would be correct, except that the man in the higher grades is getting more, not because he is called out, but because he has served say, 13 years in the Army. The allowance for quarters is given as an inducement. It is given to the man simply because he is called out, so that his pay and allowance together will give his family enough to exist on. Let me say that this is a better bill than the law we had in 1942. Living costs have gone up, so that we have tried to be realistic along the very lines that impel the Senator's question.

Mr. HUMPHREY. I should like one other question. I notice that reference is made on the chart, to the wife as one dependent, and there is the same figure for the wife, entered as "one dependent," as for the wife and one child. Would it not be possible to provide more—let us say, an additional $8, $10, or $15 a month—for the child?

Mr. TYDINGS. Yes, but we make it up over here [indicating on chart]. This is the wife with one child, and here is the wife with no child.

Mr. HUMPHREY. But I notice on the chart, merely for the wife, $147.50, and for a wife and one child, $147.50, and when it comes to two children, there is an extra allowance of $7.50. That does not go very far.

Mr. TYDINGS. In that case the man has $118.45 left in his pocket. This is a minimum requirement so as to make sure that the soldiers' dependents will not become Government charges. He can give all but $18 to his wife, if he wants to. What we had to do was to keep in mind that these are career men. All of them are old-line noncoms.

Mr. HUMPHREY. They may not all be old-line noncoms. Many a man is being called up now as a sergeant.

Mr. TYDINGS. But he will be a career man, if he gets this pay.

Mr. HUMPHREY. But the Army is calling up noncommissioned officers. What about them?

Mr. TYDINGS. They are career men.

Mr. HUMPHREY. Are they technically classified as career men?

Mr. TYDINGS. Yes.

Mr. HUMPHREY. Even though they come in, let us say, for the duration?

Mr. TYDINGS. If they have arrived at a noncom rank and have gone into the Organized Reserve——

Mr. HUMPHREY. Of into the Inactive Reserve?

Mr. TYDINGS. Or into the Inactive Reserve, to keep contact, so they can be, let us say, career men on inactive service; when they come back, they may take the same status as other men in the same grade.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from South Dakota.

Mr. GURNEY. I should like to assist the chairman a little bit, if I could, because he stated that no change had been made above the lower three grades.

Mr. TYDINGS. Of course, for half of grade four, there was a change. Is that what the Senator means?

Mr. GURNEY. The point I wanted to make was that because some of the men who are called in might have more than two dependents, we raise all grades, in connection with the Government's contribution, where there are two dependents, or more, $75, which is a raise of $7.50 over the present law.

Mr. TYDINGS. The Senator is correct. In the old law it was $67.50, $67.50, $67.50, but in order to equalize it, we put the $75 in this column [indicating].

Mr. MORSE and Mr. FERGUSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I promised to yield to the Senator from Michigan.

Mr. FERGUSON. None of these amounts are subject to income tax, I take it. That has been taken care of, has it not?

Mr. TYDINGS. I would not say that is so, because if a man has an income of $10,000 a year from investments, I imagine this would be added to it.

Mr. FERGUSON. Of course, he would not be in the higher brackets?

Mr. TYDINGS. I would not want to answer that pragmatically, one way or the other.

Mr. FERGUSON. These sums are allowed as assistance to dependents, are they not?

Mr. TYDINGS. Yes.

Mr. FERGUSON. So that the man does not receive them, but the dependents receive them, is not that correct?

Mr. TYDINGS. That is correct. The amounts go automatically to the dependents.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. MORSE. I merely wanted to help clear the matter up as a matter of legislative history. As the chairman knows, I voted for this bill. I think it is very important that it pass tonight. There has been raised today with me by an official of the Air Corps a problem, in regard to which he thought a question ought to be asked on the floor of the Senate, for the purpose of legislative history, and also for the purpose of notice that we may have a problem in regard to certain other legislation which needs to be passed.

He pointed out to me that there are a great many men to be called up because of the Korean crisis who have loans under the GI bill, particularly housing loans. Of course, while they are in the service, those housing loans will be suspended, but the moment they come out of the service such housing loans will not be suspended and they will not be in any position to pay the back loan payments which will be due. Some of them will not be in position for some months thereafter to pay the loans which will be immediately due. He said there was a great deal of concern and, in fact, consternation within the ranks of GI's who were being called back into the service as to what protection they are going to have in keeping their houses immediately after they come out of the service.

So there are two questions I now put to the chairman of the committee: Number 1, is there anything in the language of this bill at the present time which would protect the servicemen in regard to payments which may be due the Government after they come out of the

service, by way of a continued suspension of payments for a reasonable time?

Mr. TYDINGS. I think the answer is "No."

Mr. MORSE. Number 2, in the opinion of the chairman, does he think there might be a possibility in the conference, within the same words of this bill, of working out some protection for those men?

Mr. TYDINGS. My thought would be—and the Senator and I have discussed this matter two or three times—that the better way to do it would be to have a separate bill. In my judgment, that bill ought to go to the Banking and Currency Committee, where it would dovetail in with the HOLC and the other general credit plans which have been devised from time to time. This is the bill to deal with 2,500,000 men who soon will be in our Army, Navy, and Air Force. It does not deal with the lateral questions of credit that arise in connection with the draft or UMT, or in connection with any way of getting men into the service.

Mr. MORSE. I agree with the chairman; therefore, this final question: Does not the consideration of this bill, however, show the need for some supplementary legislation to really protect the men whom we are calling into the service from losing their homes immediately after they come out of the service, because of payments which will be due on their homes at that time?

Mr. TYDINGS. I think the Department of Defense would be well advised to study the question raised by the Senator from Oregon, and send a bill to the Congress. I should be glad to introduce it and to have my committee consider it. But, to be fair about it, I think the bill should be referred to the Committee on Banking and Currency.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. HOLLAND. Am I correct in my understanding that under this proposal the Government will give allowances for quarters for the first three grades in the armed services of $45 a month, if there is a wife and no child?

Mr. TYDINGS. That is correct.

Mr. HOLLAND. And will give an allowance of $67.50 a month for quarters for persons in those same three grades if there is a wife and one child?

Mr. TYDINGS. That is correct.

Mr. HOLLAND. And an allowance of $75 a month in each of those grades if there is a wife and two children?

Mr. TYDINGS. That is correct.

Mr. HOLLAND. Am I correct in my understanding that in each of those cases a compulsory allotment of $40 a month out of the pay will be required?

Mr. TYDINGS. That is correct.

Mr. HOLLAND. Am I correct in my understanding that the allowance for quarters in each case, plus the compulsory allotment, will be paid to the wife?

Mr. TYDINGS. That is correct.

Mr. HOLLAND. And that the total amount in those first three grades will be $85 a month in the case of a wife without a child, $107.50 in the case of a wife with one child, and $115 in the case of a wife with two children?

Mr. TYDINGS. That is correct.

Mr. HOLLAND. And in each of those cases those amounts are not now provided by law?

Mr. TYDINGS. That is correct.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. HUMPHREY. I notice that section 14 of the bill states that it is not in the national interest for men to be inducted, enlisted, recalled to active duty, or retained in the Armed Forces who have more than three dependents.

Mr. TYDINGS. That is correct.

Mr. HUMPHREY. I understood the Senator to say that that is why there is no additional allowances provided.

Mr. TYDINGS. That is correct.

Mr. HUMPHREY. But there may be instances in the National Guard, the active Reserve, or the inactive Reserve, in which a man who has four or five children may be called. Does it not seem appropriate that we should at least consider a few extra dollars for such a man?

Mr. TYDINGS. That would be a hardship case, and he would not serve.

Mr. HUMPHREY. Is that now the law?

Mr. TYDINGS. That is what we are attempting to do—to prevent him from serving unless he has independent means sufficient to support a family of more than two children.

Mr. HUMPHREY. Is it the opinion of the Senator that if a man with more than three dependents does have to serve his country some provision should be made? What would happen to his family?

Mr. TYDINGS. Under the law it will not happen. We will not take him in, and those who are already in will be discharged as hardship cases. General Hershey agreed to the policy which I myself suggested.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LONG. I should like to ask the Senator his opinion about the type of fighting man who actually wants to fight for his country and may have two or three children.

Mr. TYDINGS. He cannot fight for his country unless he can take care of his children at the same time.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CAPEHART. Mr. President, the question I want to ask the chairman of the Armed Services Committee is this: Has any consideration been given to the Government's paying the premiums on the life insurance policies of men in the Korean war? In industry—I know at least one industry in which this is the case—we pay 60 percent of the premium. Many industries pay all of the premium. Is any consideration being given to the Government's paying a portion of the $6.50 a month the men are now charged for life insurance?

Mr. TYDINGS. I will let my colleague, the former chairman of the Armed Services Committee, answer that question.

Mr. GURNEY. Mr. President, this is a bill to take care of dependents. In World War II proposed legislation to give soldiers some help on insurance and house payments came in separate bills. This bill was necessary quickly to take care of dependents, and it is designed only for that purpose.

Mr. CAPEHART. I understand that, but my question was whether the Government should not give some consideration to treating the boys who are fighting for us as well as industry treats its employees in respect to paying all or a portion of the premiums on their life-insurance policies.

Mr. TYDINGS. Wherever a man is drafted or volunteers and it comes to the attention of the Armed Services Committee that undue hardship is the result of his action, as rapidly as those cases occur, such as the case cited by the Senator from Oregon [Mr. MORSE], it will be our endeavor to find a remedy for the problem.

Mr. CAPEHART. The problem is that the boys who are now fighting are paying $6.50 a month for their insurance. In industry the employer is paying, in many instances, the entire premium, and in many other instances half or more of it. I am suggesting that we might well consider paying either all the premium or at least a part of it. We ought to do as well by the boys who are fighting in Korea, with respect to their life-insurance premiums, as industry does in the United States.

Mr. HOEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. HOEY. Mr. President, I should like to know whether or not, in addition to provision for a wife and child, there is any further provision made?

Mr. TYDINGS. There is provision for a father and mother in certain circumstances, which we have tightened up so that it is more difficult to get than it was in World War II. We tried to be humane and at the same time to be wise.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. TYDINGS. Mr. President, there is one small amendment, which is not coming from the committee, but which I am offering myself because this situation has come to my attention: Some men who have contracts enlisted before the Korean situation, and the Bureau of the Budget would like an amendment, which we think is unnecessary, to clarify the administrative process. So I send an amendment to the desk.

I now yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I want to say to the Senator from Indiana [Mr. CAPEHART] that consideration will be given to the Government's bearing a part of the cost of insurance. I know of a number of cases which have come to my attention, some from the State of Florida, in which the veteran or the one in service requested a blank from the insurance section of the Armed Forces, and because they did not have a blank, in some cases, or because there was some technical difficulty, the serviceman lost the benefit of the insurance he should have had.

I respectfully suggest that the able chairman of the Armed Services Committee give consideration to a form so that the soldier can simply sign his name, indicate the amount he wants, and the beneficiary.

I should also like to know whether it might be considered that a deduction should be made from his pay, so that it will be really compulsory insurance for the benefit of his dependents.

Mr. TYDINGS. I think it is recognized by many of us that when we took insurance—it used to be the case in my day, at least—the amount taken would be deducted from the pay of the soldier. There used to be an old song called All We Do Is Sign the Payroll, because after a man bought some Liberty bonds, made an allotment, bought his insurance, and paid for his laundry, he wound up, as the song said, with—"We don't have a damn cent left."

We have tried in this instance to adjust the pay, not to the $15 a month that used to prevail when I was a private, but to start out with $80, which is a great deal more in proportion to the cost of living than prevailed 20 or 25 years ago. The whole pay scale is made attractive, and not simply something we brought out in time of war. We are hoping to keep men in the service and make it attractive. One of the big inducements is the amount of money a man receives.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, there is so much interest developing that if we are going to continue asking questions we shall have to carry over until tomorrow.

Mr. TYDINGS. We have been discussing things that are not in the bill. This is a family-allotment bill. Insurance and all those other things are matters for separate legislation. I should like to confine my remarks to what we ought to do tonight.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Maryland.

The LEGISLATIVE CLERK. On page 8, lines 9 through 22, it is proposed to strike out all before the proviso and insert in lieu thereof the following:

Notwithstanding the provisions of section 515 (c) of the Career Compensation Act of 1949, the Comptroller General, upon the recommendations of the heads of the departments concerned, or such subordinates as they may designate, and a showing that collection would be against equity and good conscience, may waive indebtednesses growing out of erroneous payments of allowances under the authority of the Servicemen's Dependents Allowance Act of 1942, as amended, and authorize payments based thereon, on applications filed by enlisted and former enlisted members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, or their dependents, and not finally acted upon prior to October 1, 1949.

Mr. TYDINGS. The act would be made retroactive to the 1st of July, when the first men were called up. The amendment is purely an administrative amendment, sent up by the Comptroller General, Mr. Warren, to make certain that the actual administration of the act is in accordance with existing law.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 4071) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MARTIN. Mr. President, in connection with the bill under discussion, I present for proper reference a petition signed by Harold B. Klein and sundry other enlisted men with dependents of Company F, One Hundred and Tenth Infantry Regiment, Twenty-eighth Division, of Indiana, Pa., requesting my cooperation in reinstating family allowances-dependency benefits to their families in view of the present emergency which entails the call to active duty of Americans and fellow Pennsylvanians.

The PRESIDING OFFICER. The petition will be received and lie on the table.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the reserve components of the Armed Forces of the United States, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. KILDAY, Mr. SHORT, and Mr. ARENDS were appointed managers on the part of the House at the conference.

REVENUE ACT OF 1950—AUTHORITY FOR FINANCE COMMITTEE TO REPORT BILL (S. REPT. 2375)

Mr. GEORGE. Mr. President, I ask unanimous consent that the Committee on Finance may be permitted to report the bill (H. R. 8920) to reduce excise taxes, and for other purposes, during the recess following today's session, and to submit a report thereon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

INTERNAL SECURITY OF THE UNITED STATES—AMENDMENT

Mr. MUNDT. Mr. President, I send to the desk, for the purpose of having it printed, an amendment to Senate bill 4037, to protect the internal security of the United States, and for other purposes, which is the internal security bill introduced by the Senator from Nevada [Mr. MCCARRAN]. I am submitting the amendment on behalf of myself, the Senator from Michigan [Mr. FERGUSON], and the Senator from South Carolina [Mr. JOHNSTON]. It carries out the agreement reached yesterday, as shown at page 12876 of the CONGRESSIONAL RECORD, that when we reach the consideration of internal security legislation, instead of having three bills to consider, we shall have only two. The amendment would conform the McCarran bill to the exact language of the Mundt-Ferguson-Johnson bill.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

AUDIT OF FUNDS OF THE TERRITORY OF ALASKA

Mr. BUTLER. Mr. President, mention was made a few days ago in the Senate of an audit of the funds of the Territory of Alaska which resulted in the former treasurer of Alaska being sent to prison for embezzlement and disclosing 20 other violations of Alaska law in the handling of the people's money by the present administration of the Territory.

The audit, it was noted, was delayed for 2 years by the administration through the "freezing" or blocking of the appropriation which had been made by the legislature in 1947 to finance the examination of the Territorial books. This is a fact of record and bears no contradiction.

An audit was finally made last year only at the firm insistence of two members of the legislature comprising a bipartisan audit committee, especially created for that purpose.

Mr. President, I have here a statement by one of the members of that committee who tells the story in detail of the difficulties encountered by the legislative branch of the Territorial government in trying to induce the executive branch to adhere to the Territorial law which requires an audit of the Alaska books each biennium.

It is a significant statement which merits the attention of my distinguished colleagues. For this reason, I ask that the statement which was made by Mr. John Butrovich, of Fairbanks, a member of the Alaska Senate, be made a part of my remarks and that it be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY TERRITORIAL SENATOR JOHN BUTROVICH, OF FAIRBANKS, ALASKA, AT THE ALASKA REPUBLICAN CONVENTION ON MARCH 27, 1950

Mr. Chairman, fellow delegates, when I came down here from Fairbanks on Monday I was informed that I would be one of the speakers. Fortunately for me my topic has been picked. This talk which I am giving now will I hope cover the activities of the Territorial auditing committee in the last Territorial audit.

There are several phases of the audit, and if I seem to be rambling a little bit, I hope you will excuse me, but in order to have the entire picture I feel it is necessary to go back and give you a history of past Territorial audits. I have a few dates that I obtained from the auditors office.

It appears to me that many of the citizens of Alaska seem to think that there is something unusual about an audit. To me the unusual part of it is that we did not have an audit. An audit to me is just a normal consequence of any business and certainly operating the Territory of Alaska is a big business, so I am going back to 1916 to 1922, a six-year period.

On February 10, 1923, Eli Morehouse & Co., of Seattle, registered c. p. a.'s, presented

to Gov. Scott C. Bone an audit covering the Territory of Alaska for the 6-year period, 1916–22. The date of delivery, February 10, 1923, at which time the legislature was in session; nothing unusual about that. On January 29, 1925, W. O. Atwood & Co., c. p. a.'s of Seattle, Wash., presented to Governor Bone an audit covering the years 1923 to 1924. Apparently nothing unusual about that.

On the 31st of January 1927, W. O. Atwood & Co., c. p. a.'s of Seattle, presented to Governor Parks an audit covering the years 1925–26. Nothing unusual about that. On the 25th of January 1929, W. O. Atwood & Co., c. p. a.'s of Seattle, presented to Governor Parks an audit covering the years 1927–28. Nothing unusual about that. On the 18th of February 1931, Wallace S. George & Co., c. p. a.'s of Juneau, presented to Governor Parks an audit covering the years 1929–30. Nothing unusual about that. On February 1, 1933, Wallace S. George & Co., c. p. a.'s of Juneau, presented to Governor Parks an audit covering the years 1931–32. Nothing unusual about that.

On the 19th of January 1935, Wallace S. George & Co., c. p. a.'s of Juneau, presented to Governor Troy an audit covering the years 1933–34. Nothing unusual about that. On February 23, 1937, James C. Cooper & Co., c. p. a.'s of Juneau, presented to Governor John W. Troy an audit covering the years 1935–36. Nothing unusual about that. On March 6, 1939, James C. Cooper & Co., c. p. a.'s of Juneau, presented to Governor Troy an audit covering the years 1937–38. Nothing unusual about that.

On March 3, 1941, Archie B. Betts, public accountant, Juneau, Alaska, presented to Governor Gruening an audit covering the years 1939–40. Nothing unusual about that. On February 1, 1945, A. J. Stern, public accountant, Juneau, Alaska, submitted to Governor Gruening an audit covering the years January 1, 1941, to September 30, 1944. There is something unusual about that. On July 15, 1949, Arthur Anderson & Co., accountants and auditors, an international firm, submitted to the Governor an audit covering the biennium, 1947–48. There was something unusual about that. On September 26, 1949, the same firm, Arthur Anderson & Co., an international firm, submitted to Frank A. Boyle, auditor of Alaska, an audit of the treasurer's office covering the period, April 1, 1935, to May 7, 1949. A very unusual audit.

Now I have gone through those audits, probably boring you, but nevertheless, trying to show you the picture a matter of regular procedure in the laws of the Territory, written into the law, calling for an audit every 2 years through Republican administrations, through Democratic administrations and nothing unusual about—just a matter of good business procedure.

Now, I suppose I had best go back to the session of 1945. As far as I know the legislature of 1945 did not see the audit prepared by A. J. Stern as of September 30, 1944, which, according to law, should have been presented to the legislature within 10 days after its convening in 1945. At that time there was considerable talk about an audit. What the reasons advanced for not presenting an audit which had been made are, I do not know. I did not know we had an audit until our last investigation of 1949. I repeat again. I did not see that audit. I was a member of the senate of 1945. If anyone saw the audit, they kept very quiet about it.

We get down to the legislative session of 1947 at which time there was plenty said about an audit. Ten days after the session, we did not receive an audit. We were told that there were no funds for an audit although the business of the Territory had increased a hundredfold. There was still no money for an audit.

At that session the legislature appropriated $20,000 for an audit, and we left Juneau feeling that when we came back in 1949 most certainly an audit would be available. The members of the senate and of the house, I speak about the senate mainly because I was a member of the senate and knew pretty much what was going on there, were very much interested in this audit. After we convened it was just a matter of days until we were discussing the audit on the floor of the senate and we were informed that we had no audit because the funds, $20,000, had been frozen by the board of administration. The members of the senate who are here now—Senator Nerland, Senator Garnek, Senator Jones, and perhaps many more of you will recall that on several occasions the matter of the audit was discussed in the senate. I was keenly interested in the matter and began running back and forth between the senate and the auditor's office and the governor's office trying to get something definite.

In 1947 the law which requires an audit had been amended. Previously the audit had been under the direction of the governor and the board of administration. In 1947 this law was amended so that the auditor was required to have an audit made of the territorial books, said audit to be presented to the governor for delivery to the legislature within 10 days after it convened.

I had forgotten about the change in law and after several trips to the auditor's office and to the governor's office I had a showdown with the governor. I went up to his office and told him that I had brought the matter up on the floor of the senate, that members of the senate were unanimous in requiring an audit.

Regardless of party affiliation, I felt when I went to see the Governor that 16 members of the senate were behind me.

The Governor said, "Well, the funds were frozen by the board."

I said, "Governor Gruening, that is no excuse for not having an audit." I was trying to press my point home.

He said, "Well, after all, why don't you see Frank Boyle. It is up to him to have an audit made."

He had me stopped, so I checked the law and found out that we had changed it, so I went and saw the auditor. He assured me that he would have an audit. I asked him to go see the Governor with me and he did. The Governor said in the presence of the auditor that he had no objection to an audit, and I thought it was settled, but time dragged on and it looked like the session would end without anything being done. I decided that perhaps we had better do something about the law so that if the auditor couldn't have an audit made, someone else could. I prepared an amendment to the act requiring the chairman of the senate finance committee and the chairman of the ways and means committee of the house and the auditor of Alaska to act as an interim committee to secure an audit either during the session or between sessions for presentation to the next session of the legislature.

I took this to the Governor and showed him what I had and told him that I would not introduce it unless I felt certain that he would sign it. Time was running out. He assured me that he would sign it. It was put through the senate and put through the house and he did sign it. As soon as he had his name on the bill, Jim Nolan, chairman of the ways and means committee of the house and I got together and called on Mr. Boyle. We told him that we desired to get busy on an audit before the legislature adjourned.

In the meantime, Arthur Anderson & Co. had been hired by the veterans' board to make an audit of veterans' affairs, so I suggested to Mr. Boyle that he call Arthur Anderson & Co. to see if they were interested in making an audit of the Territory. He suggested that I call them; so I did. I talked to Mr. Simpson down at Arthur Anderson Co., and Mr. Ray Holland, and told them that I had nothing definite to offer them in a way of commitment, but if they were interested in an audit we would like to talk to them. They said they would see us tomorrow. They flew to Juneau.

In the meantime, Mr. Griffiths, of Griffiths, Wilds & Hagelbarger, of Seattle, another auditing firm, had been invited to Juneau by the auditor or by someone else to discuss the matter of the Territorial audit. The auditing committee was faced with the proposition of discussing the audit with two firms. We found that auditing firms were not particularly interested in bidding on an audit. They did not know what they would get into and did not know how long it would take. They had hourly rates of pay, and it was just a question in the final analysis as to which firm might be more advantageous for us to hire.

Mr. Nolan and I were of the opinion that since Arthur Anderson & Co. had been in the Territory and were more or less familiar with the Territorial routine, that they were a natural for the job. The auditor favored the other company, but he did accord us the privilege that would be accorded a majority, and after meeting with the two firms, we arranged with Arthur Anderson & Co. to go ahead with the audit. When we were satisfied that it was finally a reality, we forgot about the matter for the time being, then adjourned and went home.

I do not have the exact date, but it was not very long after that I had a phone call from Ray Holland, field man for Arthur Anderson & Co., asking me to come to Juneau. I told him I would be down the next day and I bought a ticket and came down. When I was getting out of the cab at the Baranof Hotel, I met Jim Nolan who had also had such a call and had immediately come to Juneau.

You will recall probably about the time the session ended the governor went back to Washington. He was still in Washington when we arrived in Juneau to discuss the findings of the auditing firm. Mr. Holland met with Mr. Nolan, the auditor of Alaska, and myself in the auditor's office the day after we arrived in Juneau and told us that they had found discrepancies in the office of the treasurer which required our presence and required some action on the part of the territorial administration. They had talked to the auditor of Alaska and had not been able to get very far.

Mr. Holland presented evidence to the auditing committee which convinced me beyond any doubt at all that the treasurer should be removed from office in order to protect the taxpayers and in order to protect the bonding companies and certainly in order to protect the auditor of Alaska. We attempted to bring the treasurer in to discuss the matter with us after we had convinced the auditor that it was the beginning of the end. We could not find the treasurer. He left word he would see us at 1 o'clock that day. He didn't show up. We sat around all afternoon and finally decided, along about 5 o'clock to call in the attorney general. We brought him down, showed him what we had, and he assured us that he would produce the treasurer.

Next morning we had a meeting scheduled for 8 o'clock. We arrived at the auditor's office. The attorney general came in and said that he was unable to find the treasurer. We suggested then that the Acting Governor be brought in. We called him. We met in the Governor's office, and the conversation went something like this:

Mr. Holland handed the information to the Acting Governor. He looked it over and said,

"Well, looks like bookkeeping errors." He said, "I don't see anything here to get excited about. Nothing criminal here."

And I was holding on to my chair. The conversation kind of lagged, picked up, and finally we told him that unless he produced the treasurer we were going to produce the United States marshal.

The attorney general asked the committee to retire to the anteroom while he talked to the Acting Governor. And we did.

The attorney general came out in a few minutes and he said, "Gentlemen, we'll see that your request is complied with. We'll either produce the treasurer or we'll produce a letter of resignation and the key to his office."

About that time we were concerned about what we were going to do when the bonding company found out there was a shortage. I hope you can all put yourself in the position of the auditing committee. It was easy for me. I happen to be a Republican. But it was not quite so easy for the other members of the auditing committee James Nolan of Wrangell. He happened to be a Democrat. We were both confronted with a rather incredible situation, something that auditors most certainly do not expect to find in a normal audit.

A little later that day we received a letter of resignation from the treasurer. We sent a wire to the bonding companies, notifying them that an apparent shortage existed, and seized all records that were available, put them in a safe in the auditor's office.

All this time we saw no evidence of the treasurer. The auditing firm was directed to proceed with the audit. There was nothing further that we could do in Juneau and we went on about our business. I believe it was in July—July 15—we were called to Juneau again by the auditing firm to receive the audit. We had instructed the auditing company that we were to receive the audit in person. And we did.

When I arrived in Juneau, Mr. Nolan was there. We rode to the auditor's office—the auditor of Alaska's office, and the auditing company presented us with the audit for the biennium 1947, 1948. We ordered 50 copies of the audit made for each member of the legislature and for the press. And in the course of the meeting we asked the auditing company if in going back through the records they had reached the end of the shortages. And they said no, that they seemed to continue all through the biennium.

There we were with not too much authority wondering how far we should audit and, frankly, we assumed a little authority that we did not have and ordered the auditing firm to go back to the date that the treasurer took office and audit his records up to May 7, when he was removed from office. We could not conceive that the next legislature would not agree with what we had done. It seemed the only logical way to try and actually find out how much money had been stolen. The auditors told us what it was costing—it was costing a lot of money—but we were pretty much in agreement that that was what should be done, and they proceeded with the audit. And finally, in September of 1949 we got the entire picture.

Now the audit is available. It is a matter of public record. The report of the auditing committee will be most certainly submitted to the next session of the legislature. This is in the nature of an off-the-record report. I question seriously whether I would be here today, talking on this particular topic, if the door had not been opened, in my opinion, by the Governor of Alaska himself.

Most of you in my division will recall on Thomas Jefferson's birthday anniversary, the Governor delivered an address to a Democratic gathering at Fairbanks. I listened on the radio quite intently to everything the Governor had to say, and wondered whether the audit would be mentioned. His speech was not a birthday speech. It was a campaign speech. And it was delivered in an area where I'm sure the Governor felt it would do the most good.

In the course of his speech—I'm not going to try to give it to you word for word; he gave a copy of the speech to the press, but the effect of it was this—and he called the treasurer by name—I have not.

The Governor in his speech at Fairbanks said in effect, "It is deplorable that the treasurer of Alaska is serving a prison term for stealing public funds. But," he said, "the Democratic Party is not to blame." He said, "It is the people who elected the treasurer who are to blame." He said, "If Alaska were a State and I were the governor, I would appoint the treasurer. Then the blame would be on myself and the party."

That, ladies and gentlemen, was the text of the Governor's talk concerning the Territorial audit. If he had said nothing, I could understand it. I can't understand the chief executive trying to whitewash a member of the party which he represents.

To get back to the audit, the beginning of the audit. The Governor was in Washington, D. C. He knew before he left Juneau that we were going to have an audit. That was one thing he was sure of. We assured him there would be an audit. I look on the Governor as the commander in chief. And when there's a battle on, I figure the Governor should be here. If he doesn't want to be here to defend his lieutenants, at least he should be here to try and extend a little confidence to the taxpayers. Most certainly they need it.

The Governor did not return to Alaska until the celebration at the university. I don't know when that was, but it was quite some time later.

When the auditing committee was in Juneau in July we completed our business with the auditors, we instructed them to go ahead with the audit of the treasurer's office back to the beginning of his term, and we were ready to leave Juneau again to go back to our homes. I had a call from the Governor at the hotel about 8:30 the night before we left. He said, "Can you and Mr. Nolan come out to the house?" He said, "I have Mr. Roden, the auditors, and the attorney general out here." I saw Jim Nolan, and he said, "Well, what do you think?" I said, "Sure we'll go out." And we went out.

I was inclined to take issue of the board of administration for not getting together to see that these audits were done in a businesslike manner without being beat on the head and forced to do it. The Governor, meanwhile, was trying to defend the board.

I put the question to him. I said, "Governor, how often do you have a board of administration meeting?" He said, "Well, I think about once a month." And I said to him, "Well, don't you think that in times as trying as these that once a week would not be too often?" To which he replied, "Well," he said, "half the time I couldn't get them all together." He said, "The treasurer was in the habit of not showing up." And I said, "Well, I don't live in Juneau, Governor, but from what I've been able to learn when I am in Juneau, the people around here tell me that his habits are much improved over what they used to be." And he agreed. He said, "I believe that's right."

The point I was trying to get at, and I think he got it, was that in 1946 he had campaigned for the treasurer. In 1942 he had campaigned for the treasurer. The treasurer betrayed the confidence of the people. He was not only elected once, he was reelected. His habits, they admitted, had not improved. Still they campaigned for him. They shoved him on the people because he was an incumbent, his name was well known on every voucher, authorized or uauthorized, and hard to defeat, especially by a minority party.

Now the Governor says the auditor should have had an audit made. When was the auditor elected last—1948, in 1944, in 1940, in 1936? The Governor is right. The law is very specific. Why didn't the auditor have the audit made? Guess it's his fault. It's somebody's fault. He said they wouldn't let him. They've spent a lot of money on the development board these last 2 years. I told the Governor. I said, "$28,000 was spent by the development board, during the same time when $20,000 was not available—for an audit. If you think it's incredible, you should have been working on it.

Now, some of you might think that this is a campaign talk. It isn't. I'm not running for any office, and perhaps I won't be. I have the backing of every member of the senate on this deal. I served with Jim Nolan—a Democrat—on the auditing committee. And, believe me, he is a good man.

This is strictly a job that would have been done by any member of the senate had they been in my position, or by any member of the house had they been in Mr. Nolan's position. The reason we were picked to do it is because we had to have somebody do it. I tried to dream up something that would force them to act, and so I decided, "Well, what would be more natural than to have the chairman of the finance committee of the senate and the chairman of the ways and means committee of the house act as a committee?"

That just about covers the picture. What is done between now and the next session of the legislature will have a great bearing on what the legislature does with the audit report. The audit has not been forgotten. There were many discrepancies revealed by the audit. There were some $27,000 worth of liquor stamps that were not accounted for. And if I never do anything else, I'm going to see that that matter is brought to a conclusion.

MR. GOODWIN'S CHANGE OF POLITICAL AFFILIATION

Mr. BUTLER. Mr. President, I ask unanimous consent to insert immediately following my remarks a letter addressed to the editors of numerous newspapers throughout the country by Mr. William J. Goodwin, a noted leader of the Democratic Party in New York City.

In this letter Mr. Goodwin announces his decision to affiliate with the Republican Party and to break his ties with the Democratic Party in which he has taken such an active part in the past.

Mr. President, in 1934 Mr. Goodwin was elected a member of the executive committee of the Democratic Party in Queens County, New York City, and was reelected to that office in 1936, 1938, and 1940. Each time he ran for reelection to that office he opposed the socialistic tendencies that he discerned in the New Deal and was opposed by the regular Democratic city and State officials, but he was reelected nevertheless.

In 1940 after Roosevelt's nomination for a third term, Mr. Goodwin opposed the reelection of the President, with the result that Queens County swung dramatically over to the Republican column. This was the only case in the United States where a large city swung from the Democratic to the Republican column in 1940.

In 1944 he was treasurer of the American Democratic National Committee which was largely instrumental in blocking the renomination of Henry Wallace for Vice President. In the years since

then, I believe his sympathies have been with the Republican Party, and I am now glad to announce that he has made a sharp break with the Democratic Party and has decided to affiliate with the Republican Party. His record is the record of a Democrat who has fought socialism and communism from within his own party without success for many years. He now feels it his patriotic duty to change his party affiliation.

I believe the Republican Party will welcome Mr. Goodwin to its ranks. His patriotism and sincerity certainly cannot be questioned. Although our party may not agree with and accept every one of his recommendations, I am certain we are glad to have them and especially glad to enlist Mr. Goodwin's energy and enthusiasm in the fight against socialism and communism.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *August 22, 1950.*

DEAR EDITOR: This fall I shall register as a Republican and support the Republican Party candidates, especially for national office, for the reasons given below:

The battles of World War I were won by the Armed Forces, not by a political party. The Democratic administration did, however, lose the peace.

The battles of World War II were won by the Armed Forces, but the fruits of victory were lost by the Democratic administration at the conferences of Yalta and Potsdam.

With the help of God, our Armed Forces will win this current war, but we the people can no longer entrust the making of peace to an administration which under one President permitted the Communists to conquer half of Europe and under another President permitted the Communists to conquer half of Asia.

Under Republican leadership the United States in the 1860's dedicated itself to the freedom of the black man. In the 1950's the Republican Party will, I hope, dedicate itself to the freedom of all men, wherever they may be enslaved by the bloody Red monster of Moscow, regardless of color, creed, or nationality.

The Republican Party will I hope advocate the A-bombing of the gangsters in the Kremlin. This will mean saving the lives of our boys, yes of all boys, and will save from long suffering and misery the mothers, fathers, wives, and children of our land and of other lands. It will free the 800,000,000 people now living in slavery, in the shadow of fear and death, under cruel, crushing Communist tyranny.

I am confident that thousands of Democrats in New York City and New York State will join with me in putting country before party, in putting peace and humanity before profits and politics.

WM. J. GOODWIN.

GENOCIDE CONVENTION

Mr. McMAHON. Mr. President, today in the press there appears a dispatch from Lake Success, written by John G. Rogers dealing with the Genocide Convention, which is now awaiting ratification by the Senate. The convention is before the Committee on Foreign Relations. I am the chairman of the subcommittee which has reported favorably on the convention. I hope we shall be able to have it considered by the Senate and have it ratified at an early date. Mr. Rogers states that 700,000 Christians in Red Korea are threatened with mass destruction. We ought to consider the convention without delay. I ask unanimous consent that the article by Mr. Rogers, published in today's issue of the New York Herald Tribune, be printed in the body of the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of August 22, 1950]

SOUTH KOREANS BID UN SPEED GENOCIDE PACT—ASK QUICK RATIFICATION AS MORAL HELP FOR 700,000 CHRISTIANS IN RED KOREA

(By John G. Rogers)

LAKE SUCCESS, August 21.—South Korea has asked the United States and 56 other countries for speedy ratification of the United Nations genocide convention as a moral gesture aimed at deterring persecution of 700,000 Christians said to be in danger in Communist-controlled Korea.

Dr. John M. Chang, South Korean Ambassador to the United States, it was disclosed today, made the appeal by letter early this month, urging fast approval of the UN convention which seeks to make the crime of genocide—the mass extermination of peoples—a crime in international law.

To date, 14 countries have ratified or acceded to the convention, and it comes formally into force 90 days after the twentieth ratification or accession. Ratification by the United States is still pending in Congress.

SUPPLIED ANTI-RED LEADERS

The Chang letter, it was understood, said there are 400,000 Protestants and 300,000 Catholics in Communist-controlled Korea, and that these Christians are in potential danger because they constitute a group of Koreans that has supplied a principal part of the country's western-minded and anti-Communist leaders.

Meanwhile, the United Nations Security Council members held another closed meeting here today at the request of Soviet Delegate Yakov A. Malik, Council president for August. The meeting lasted just over half an hour and it produced no result.

Mr. Malik, apparently wishing to create the impression that he is working diligently to achieve an agreement in the Council, simply repeated once again his compromise proposal to invite representatives of both South and North Korea to the Council table at the same time.

The proposal has been rejected several times before by the Council majority, both in public and private meeting.

Arne Sunde, of Norway, was the only Council member who bothered to reply to Mr. Malik today. Then the meeting adjourned for lack of any other speakers, and Mr. Malik issued the following statement:

"On August 21 there took place an informal exchange of opinions between the members of the Security Council on the question of the invitation to representatives of North and South Korea. No agreement on this question was achieved."

COUNCIL HAD INVITED CHANG

The actual position is that the Council regularly invited Dr. Chang, as South Korean representative, to its table up until August 1, when Mr. Malik became president. Since then, the Soviet delegate refuses to honor the previous decision and refuses to invite Dr. Chang because the majority will not have a North Korean Communist invader at the table.

Today the UN received three communications on the Korean problem from Communist countries. The first came from Chou En-lai Foreign Minister of Communist China, who accused the United States of aggression against Korea and also against China, through the fact of American protection of Formosa, which he said is Chinese territory.

The other two communications came from William Siroky, Deputy Foreign Minister of Czechoslovakia. He supported all Russian arguments and asked that American bombing in Korea cease immediately.

REDUCTION OF EXCISE TAXES

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks a brief statement which I have prepared relative to an amendment I shall offer to House bill 8920, to reduce excise taxes, and for other purposes.

There being no objection, the statement of Mr. WILLIAMS was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAMS

Mr. President, when H. R. 8920, the bill which proposes a substantial increase in the rate of taxation for both corporations and individuals is considered by the Senate, I shall introduce from the floor my amendment 7-5-50-A, the purpose of which is to repeal the present unfair tax exemption which is being enjoyed by certain type cooperative organizations.

At a time when we are considering increasing taxes on private corporations by as much as 20 percent it is essential that this inequity be removed, otherwise we will force out of business many small private corporations who cannot compete with these tax-exempt enterprises.

I know of no better way to emphasize the importance of doing this now at a time when we are considering increasing taxes than to quote from a speech made by Mr. A. G. Black, former governor of the Farm Credit Administration, before the American Institute of Cooperatives in 1942, at which time the Congress was considering the enactment of a tax schedule for World War II:

"Farmer cooperatives, as such, have been given by the people, through their Congress, some very important advantages—advantages not accorded to privately or corporately owned business. If no changes are made in the laws relating to these advantages, they are going to bulk larger and larger. For example, tax exemption under certain conditions, if there is no change, will result in a tremendous advantage to the cooperative form of organization. As taxes on private and corporate business increase that advantage to cooperatives becomes greater. Under conditions of low taxes, of course, it is of some advantage, but when taxes are absorbing a large part of the earnings of private business, the cooperative form of business really provides an enormous advantage."

I am sorry that the Senate Finance Committee did not see fit to correct some of the existing inequities in our existing tax law rather than to pass all of the increased cost of our rearmament program on to those business organizations which are already paying more than their fair proportion of the cost of Government.

I will discuss this amendment at greater length when it is offered.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have printed in the RECORD a copy of the amendment intended to be proposed by me to the tax bill.

There being no objection, the amendment intended to be proposed by Mr.

WILLIAMS was ordered to be printed in the RECORD, as follows:

At the end of the bill it is proposed to insert the following:

"SEC. . Income-tax treatment of cooperative corporations.

"(a) Repeal of exemption of cooperatives from income tax on corporations: Section 101 (12) and (13) of the Internal Revenue Code are repealed.

"(b) Imposition of income tax and computation of income:

"(1) Technical amendment: Section 4 of the Internal Revenue Code is amended by inserting at the end thereof a new subsection reading as follows:

"'(m) Cooperative Corporations—Supplement V.'

"(2) Taxation of cooperatives: Chapter 1 of the Internal Revenue Code is amended by inserting after section 421 a new supplement reading as follows:

"'Supplement V—Cooperative Corporations

"'SEC. 431. Tax of cooperative corporations.

"'(a) In general:

"'(1) Cooperative corporation: For the purposes of this chapter the term "cooperative corporation" means a corporation (A) that calls itself a "cooperative" or "co-op", or (B) that represents to any persons or classes of persons which deal with it that their patronage will or may entitle them (i) to the payment, either actually or constructively, of patronage dividends, or (ii) to an equity interest in any of the corporation's assets, or (C) that is otherwise operated for the mutual benefit of persons or classes of persons that deal with it; but such term does not include a mutual insurance company or any corporation exempt under section 101.

"'(2) Net income: In computing the net income of a cooperative corporation there shall be excluded patronage dividends paid or payable to patrons, but only if—

"'(A) The activities of such corporation during the whole of the taxable year did not extend beyond—

"(i) marketing commodities acquired solely from members, and transactions ordinarily and necessarily incident to such marketing, or (ii) selling goods or commodities to, or performing services for, members, and transactions ordinarily and necessarily incident to such sales or services;

"'(B) The patronage dividends are paid in money exclusively not later than 60 days after the close of the taxable year, and there are no conditions either precedent or subsequent as to the application or use of such money by the members;

"'(C) Such patronage dividends are derived exclusively from marketing commodities acquired from members, or the sale of goods or commodities to, or performance of services for, members, or from transactions ordinarily and necessarily incident to such marketing, sales, or services; and

"'(D) Such patronage dividends are paid to each member solely on the basis of the amount of commodities acquired from such member or the amount of goods or commodities sold to, or services performed for, such member, as the case may be; and are not denied to any member because of the limited extent of his transactions, or conditioned upon his retaining or presenting evidences of his transactions.

"'(3) Gross receipts: The gross receipts from the sales of goods or services used in computing the gross income of a cooperative corporation shall be determined without the exclusion or subtraction of any patronage dividends, paid or payable to patrons.

"'(4) Cost of products bought from producers: In determining the cost to a cooperative corporation of products sold to it by a producer for resale (whether or not in their original form), only amounts, other than patronage dividends, paid or payable to such producer on account of such sales shall be used in computing such cost unless under regulations prescribed by the Commissioner with the approval of the Secretary, the corporation establishes that the application of this paragraph would more clearly reflect income, in which case the prevailing market price on sales of such products by producers, or the amounts, including patronage dividends, paid or payable in money on account of such sales, whichever is the lesser, shall be used in determining the cost to the corporation of such products so sold to it for resale.

"'(5) Patronage dividend: For the purposes of this chapter the term 'patronage dividend' means an allocation or a distribution paid or payable (whether or not in money, and whether described as a refund, rebate, price adjustment, or payment of a balance due under a marketing agreement) to member patrons or to member and nonmember patrons on some basis related to their sales to or purchases from the corporation during the taxable year, if (A) the allocation or distribution is conditional (i) upon profits or margins being earned by the corporation from all its operations or a class of its operations during its fiscal year, or (ii) upon income attributable to the resale of the producer's product along with products or a class or classes of products of some other producers less any deductions determination of which is within the discretion of the corporation, or (B) the amount of the allocation or distribution can be determined only with reference to the amount of the profits, margins, or income earned, or (C) the amount of the allocation or distribution can be determined only after declaration or payment of dividends on any class of stock of the corporation or only after the fixing of sums to be transferred to capital, reserves, or surplus.

"'(6) Member of cooperative corporation: For the purposes of this chapter, a person shall be considered a member of a cooperative corporation only if such person is entitled to exercise voting rights and meets such requirements for membership as are prescribed by the cooperative.'

"(c) Information returns required of cooperatives: The Internal Revenue Code is amended by inserting between sections 148 and 149 a new section as follows:

"'SEC. 148A. Information by cooperatives.

"'(a) Payments of patronage dividends, refunds, or rebates: Every association organized and operated as a cooperative shall, when required by the Commissioner, render a correct return, duly verified under oath, of its payments of patronage dividends, rebates, or refunds, stating the name and address of each member in the association, and the amount of payments paid to each member and patron.

"'(b) Accumulated earnings and profits: When requested by the Commissioner, every association organized and operated as a cooperative shall forward to him a correct statement of accumulated earnings and profits, including patronage dividends, rebates, or refunds allocated to, but not paid in cash to, members and patrons, and the names and addresses of members and patrons who would be entitled to the same if divided or distributed, and the amounts that would be payable to each.'

"(d) Taxable years to which applicable: The amendments and repeals made by this section shall be applicable only with respect to taxable years beginning after December 31, 1948.

EXECUTIVE SESSION

Mr. MYERS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. STENNIS) laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Labor and Public Welfare.

AGREEMENT AND PROTOCOL FOR FACILITATING INTERNATIONAL CIRCULATION OF VISUAL AND AUDITORY MATERIALS—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER. The Chair lays before the Senate Executive V, Eighty-first Congress, second session, an agreement for facilitating the international circulation of visual and auditory materials of an educational, scientific, and cultural character, and also a certified copy of a related protocol of signature, which were open for signature at Lake Success from July 15, 1949, until December 31, 1949. Without objection, the ban of secrecy is removed from the agreement and protocol, and the agreement and protocol, together with the President's message of transmittal, will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD.

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of an agreement for facilitating the international circulation of visual and auditory materials of an educational, scientific, and cultural character, and also a certified copy of a related protocol of signature, which were open for signature at Lake Success from July 15, 1949, until December 31, 1949.

The purposes of the agreement are explained in the report of the Secretary of State which is transmitted herewith for the information of the Senate.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 22, 1950.*

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of agreement for facilitating the international circulation of visual and auditory materials of an educational, scientific, and cultural character; (3) certified copy of protocol of signature.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

Clarence J. McCormick, of Indiana, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Albert J. Loveland, resigned.

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

Carlton Skinner, of Connecticut, to be Governor of Guam.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

ATOMIC ENERGY COMMISSION

The Chief Clerk read the nomination of Thomas Keith Glennan to be a member of the Atomic Energy Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

RECESS

Mr. MYERS. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 7 o'clock and 6 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 23, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 22 (legislative day of July 20), 1950:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of acceptance

Edgar L. Hawk	Paul M. Duffy
Clyde H. Steffee, Jr.	George F. Cameron, Jr.
Thomas J. Kennedy, Jr.	William van Herick
	Robert C. Jackson
Paul H. Ohliger	Everett C. Sutter
Marvin Lillian	H. Wayne Glotfelty
Charles F. Naegele	

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance

Donald E. Love	Byron C. Hollenback
Robert N. Philip	John D. Goss, Jr.
Ira L. Myers	Harry F. Brumbach, Jr.

To be senior assistant dental surgeons (equivalent to the Army rank of captain), effective date of acceptance

Robert C. Likins	Oswald Spence
Quentin M. Smith	Fredric A. Ledward
Robert W. Bonds	Hubert Fields, Jr.
Charles G. Sleichter, Jr.	John W. Heck
	Harry V. Borg

To be assistant dental surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance

Richard L. Hayes	Harold R. Stanley, Jr.
Paul C. Reid	Norman W. Littleton
William D. Sterrett, Jr.	Viron L. Diefenbach
Dorrance I. Anderson	James E. Kelly

CONFIRMATION

Executive nomination confirmed by the Senate August 22 (legislative day of July 20), 1950:

ATOMIC ENERGY COMMISSION

Thomas Keith Glennan to be a member of the Atomic Energy Commission for the term of 5 years, expiring June 30, 1955.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 22, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou divine spirit, who alone canst lead forlorn and faltering humanity out of dark and devious ways into the radiant paths of a brighter and better day, Thou knowest the deepest yearnings of our hearts.

We pray that we may look upwardly unto Thee, placing our hands in Thine and heeding Thy voice as Thou dost say, "This is the way, walk ye therein."

Grant that the chosen representatives of our beloved country may be blessed with clear minds and courageous hearts. We pray that, as leaders in a Christian nation, they may be fearless in meeting the demands of the most difficult problems and decisions with the claims and the confidence of the spirit of the Prince of Peace.

Hear us in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 250. Concurrent resolution for the correction of the enrollment of the bill (H. R. 2854) for the relief of Wade H. Noland.

The message also announced that the Senate had ordered that the Senator from Wisconsin, Mr. McCARTHY, be excused as conferee on the bill H. R. 9038, "An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes," and the Senator from Kansas, Mr. SCHOEPPEL, be appointed in his stead.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9176. An act to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. TAYLOR, Mr. FULBRIGHT, Mr. ROBERTSON, Mr. SPARKMAN, Mr. TOBEY, Mr. CAPEHART, Mr. FLANDERS, and Mr. BRICKER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8594. An act to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. HUNT, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3934) entitled "An act to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CONNALLY, Mr. THOMAS of Utah, Mr. FULBRIGHT, Mr. SMITH of New Jersey, and Mr. LODGE to be the conferees on the part of the Senate.

NATIONAL BUDGET AND GOVERNMENTAL ACCOUNTING AND AUDITING PROCEDURES

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, with an amendment of the Senate thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DAWSON, HOLIFIELD, KARSTEN, RICH, and LOVRE.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, with an amendment of the Senate thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, MONRONEY, WOLCOTT, GAMBLE, and KUNKEL.

ANNOUNCEMENT

The SPEAKER. The Chair will recognize Members for unanimous-consent requests to extend their remarks, but in view of the legislative program before the House, the Chair trusts Members will not ask to address the House for 1 minute.

WAR RISK AND MARINE AND LIABILITY INSURANCE

Mr. HART. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2484) to authorize the Secretary of Commerce to provide war risk and certain marine and liability insurance.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Merchant Marine Act, 1936, as amended, is amended by adding thereto a new title to read as follows:

"TITLE XII—WAR RISK INSURANCE

"SEC. 1201. As used in this title—

"(a) The term 'American vessels' includes any vessel registered, enrolled, or licensed under the laws of the United States and any undocumented vessel owned or chartered by or made available to the United States or any department or agency thereof and any tug or barge or other watercraft (documented or undocumented) owned by a citizen of the United States used in essential water transportation or in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(b) The term 'transportation in the water-borne commerce of the United States' includes the operation of vessels in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(c) The term 'war risks' includes to such extent as the Secretary may determine all or any part of those losses which are excluded from marine insurance coverage under a 'free of capture and seizure' clause, or analogous clauses.

"(d) The term 'citizen of the United States' includes corporations, partnerships, and associations existing, authorized, or organized under the laws of the United States, or any State, district, Territory, or possession thereof.

"(e) The term 'Secretary' shall mean the Secretary of Commerce.

"SEC. 1202. (a) The Secretary, with the approval of the President, and after such consultation with interested agencies of the Government as the President may require, may provide insurance and reinsurance against loss or damage by war risks in the manner and to the extent provided in this title, whenever it appears to the Secretary that such insurance adequate for the needs of the water-borne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States.

"(b) Any insurance or reinsurance issued under any of the provisions of this act shall be based, insofar as practicable, upon consideration of the risk involved.

"SEC. 1203. The Secretary may provide the insurance and reinsurance authorized by section 1202 with respect to the following persons, property, or interest:

"(a) American vessels, including vessels under construction, foreign-flag vessels owned by citizens of the United States or engaged in transportation in the water-borne commerce of the United States or in such other transportation by water or such other services as may be deemed by the Secretary to be in the interest of the national defense or the national economy of the United States, when so engaged.

"(b) Cargoes shipped or to be shipped on any such vessels, including shipments by express or registered mail; cargoes owned by citizens or residents of the United States, its Territories or possessions; cargoes imported to, or exported from, the United States, its Territories or possessions, and cargoes sold or purchased by citizens or residents of the United States, its Territories or possessions, under contracts of sale or purchase by the terms of which the risk of loss by war risks or the obligation to provide insurance against such risks is assumed by or falls upon a citizen or resident of the United States, its Territories or possessions; cargoes shipped between ports in the United States, or between ports in the United States and its Territories and possessions, or between ports in such Territories or possessions.

"(c) The disbursements, including advances to masters and general average disbursements, and freight and passage moneys of such vessels.

"(d) The personal effects of the masters, officers, and crews of such vessels, and of other persons transported on such vessels.

"(e) Masters, officers, members of the crews of such vessels and other persons employed or transported thereon against loss of life, injury, detention by an enemy of the United States following capture.

"(f) Statutory or contractual obligations or other liabilities of such vessels or of the owner or charterer of such vessels of the nature customarily covered by insurance.

"SEC. 1204. Whenever the Secretary shall insure any risk included under subsection (d), (e), or (f) of section 1203, insofar as it concerns liabilities relating to the masters, officers, and crews of such vessels or to other persons transported thereon, the insurance on such risks may include risks other than war risks to the extent that the Secretary determines to be necessary or advisable.

"SEC. 1205. (a) Any department or agency of the United States may, with the approval of the President, procure from the Secretary any of the insurance as provided for in this title, except as provided in sections 1 and 2 of the act of July 8, 1937 (50 Stat. 479).

"(b) The Secretary is authorized with such approval to provide such insurance at the request of the Secretary of Defense, and such other agencies as the President may prescribe, without premium in consideration of the agreement of the Secretary of Defense or such agency to indemnify the Secretary against all losses covered by such insurance, and the Secretary of Defense and such other agencies are authorized to execute such indemnity agreement with the Secretary.

"SEC. 1206. The Secretary is authorized during any time the United States is at war or during any period of emergency declared to exist by the President of the United States, to provide insurance for any person who performs services or provides facilities for or with respect to any American- or foreign-flag vessel, public or private, against legal liabilities that may be incurred by such person in connection with the performance of such services or the providing of such facilities. Such insurance shall not be issued against liability to employees in respect of employers' liability or workmen's compensation. No such insurance shall be provided unless, in the opinion of the Secretary, such insurance is required in the prosecution of the war effort or in connection with national defense and cannot be obtained at reasonable rates or upon reasonable conditions from approved companies authorized to do insurance business in any State of the United States.

"SEC. 1207. (a) To the extent that it is authorized by this title to provide marine, war risk, and liability insurance, the Secretary may reinsure, in whole or in part, any company authorized to do an insurance business in any State of the United States. The Secretary may reinsure with, or cede or retrocede to, any such company any insurance or reinsurance provided by the Secretary in accordance with the provisions of this title.

"(b) Reinsurance shall not be provided by the Secretary at rates less than the rates established by the Secretary on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured whichever is the higher, except that the Secretary may make to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as it deems reasonably to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on account of solicitation for or stimulation of insurance business.

"SEC. 1208. (a) The Secretary may create an insurance fund in the Treasury to enable it to carry out the provisions of this title. Moneys appropriated by Congress to carry out the provisions of this title and all moneys received from premiums, salvage, or other recoveries and all receipts in connection with this title shall be deposited in the Treasury to the credit of such fund. Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this title shall be made from such fund through the Division of Disbursement, Treasury Department.

"(b) Such sums as may be necessary to carry out the provisions of this title are authorized to be appropriated to such fund.

"SEC. 1209. (a) The Secretary, in the administration of this title, may issue such policies, rules, and regulations as it deems proper and may adjust and pay losses, compromise and settle claims, whether in favor of or against the United States and pay the amount of any judgment rendered against the United States in any suit, or the amount of any settlement agreed upon, in respect of any claim under insurance authorized by this title, but with respect to any vessel which is insured under the provisions of this act, the amount of the claim adjusted, compromised, settled, adjudged or paid shall not exceed the amount which the Secretary would determine to be just compensation under the provisions of section 902 of this act.

"(b) The Secretary may prescribe and change forms and policies, and fix, adjust, and change the amounts insured and rates of premium provided for in this title.

"(c) The Secretary, in administering this title, may exercise its powers, perform its duties and functions, and make its expenditures, in accordance with commercial practice in the marine insurance business. Except as authorized in subsection (d) of this section, no insurance broker or other person acting in a similar intermediary capacity shall be paid any fee or other consideration by the Secretary by virtue of his participation in arranging any insurance wherein the Secretary directly insures any of the risk thereof.

"(d) The Secretary may, and whenever it finds it practical to do so shall, employ companies or groups of companies authorized to do a marine insurance business in any State of the United States, to act as its underwriting and settling agent, and may allow such companies or groups of companies fair and reasonable compensation for servicing insurance written by such companies or groups of companies as underwriting agent for the Secretary. Such compensation may include an allowance for expenses reasonably incurred by such agent, but such allowance shall not include any payment by such agent on account of solicitation for or stimulation of insurance business.

"(e) The Secretary, in accordance with the laws, rules, and regulations relating to the employment of employees of the United States, may appoint and prescribe the duties of such number of experts in marine insurance as it deems necessary under this title.

"(f) The Secretary with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this title.

"SEC. 1210. This title shall not affect rights of seamen under existing law.

"SEC. 1211. The Secretary shall include in its annual report to Congress a detailed statement of all activities and of all expenditures and receipts under this title for the period covered by such report.

"SEC. 1212. Upon disagreement as to a loss insured under this title, suit may be maintained against the United States in admiralty in the district in which the claimant or his agent resides, and this remedy shall be exclusive of any other action by reason of the same subject matter against any agent or employee of the United States employed or retained under this title. If the claimant has no residence in the United States, suit may be brought in the district court of the District of Columbia or in such other district court in which the Attorney General of the United States agrees to accept service. Such suits shall be heard and determined under the provisions of an act entitled 'An act authorizing suits against the United States in admiralty, suits for salvage services, and providing for the release of merchant vessels belonging to the United States from arrest and attachment in foreign jurisdiction, and for other purposes,' approved March 9, 1920, as amended (known as the Suits in Admiralty Act). All persons having or claiming or who might have an interest in such insurance, may be made parties either initially or upon the motion of either party. In any case where the Secretary acknowledges the indebtedness of the United States on account of such insurance, and there is a dispute as to the persons entitled to receive payment, the United States may bring an action in the nature of a bill of interpleader against such parties, in the District Court for the District of Columbia, or in the district court of the district in which any such person resides. In such actions any party, if not a resident of or found within the district, may be brought in by order of court served in such reasonable manner as the court directs. If the court is satisfied that persons unknown might assert a claim on account of such insurance, it may direct service upon such persons unknown by publication in the Federal Register. Judgment in any such suit shall discharge the United States from further liability to any parties to such action, and to all persons when service by publication upon persons unknown is directed by the court. The period within which suits may be commenced contained in said Suits in Admiralty Act shall, if claim be filed therefor within such period, be suspended from such time of filing until the claim shall have been administratively denied by the Secretary and for 60 days thereafter: *Provided, however,* That such claim shall be deemed to have been administratively denied if not acted upon within 6 months after the time of filing, unless the Secretary for good cause shown shall have otherwise agreed with the claimant.

"SEC. 1213. The authority of the Secretary to provide insurance and reinsurance under this title shall expire 5 years from the date of enactment of this title."

Mr. HART. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HART: Strike out all after the enacting clause of S. 2484 and insert the provisions of H. R. 6061, as follows:

"That the Merchant Marine Act, 1936, as amended, is amended by adding thereto a new title to read as follows:

"TITLE XII—WAR RISK INSURANCE

"SEC. 1201. As used in this title—

"(a) The term 'American vessels' includes any vessel registered, enrolled, or licensed under the laws of the United States and any undocumented vessel owned or chartered by or made available to the United States or any department or agency thereof and any tug or barge or other watercraft (documented or undocumented(owned by a citizen of the United States used in essential water transportation or in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(b) The term 'transportation in the water-borne commerce of the United States' includes the operation of vessels in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(c) The term 'war risks' includes to such extent as the Secretary may determine all or any part of those losses which are excluded from marine insurance coverage under a 'free of capture and seizure' clause, or analogous clauses.

"(d) The term 'citizen of the United States' includes corporations, partnerships, and associations existing, authorized, or organized under the laws of the United States or any State, district, Territory, or possession thereof.

"(e) The term 'Secretary' shall mean the Secretary of Commerce.

"SEC. 1202. (a) The Secretary, with the approval of the President, and after such consultation with interested agencies of the Government as the President may require, may provide insurance and reinsurance against loss or damage by war risks in the manner and to the extent provided in this title, whenever it appears to the Secretary that such insurance adequate for the needs of the water-borne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States.

"(b) Any insurance or reinsurance issued under any of the provisions of this act shall be based, insofar as practicable, upon consideration of the risk involved.

"SEC. 1203. The Secretary may provide the insurance and reinsurance authorized by section 1202 with respect to the following persons, property, or interest:

"(a) American vessels, including vessels under construction, foreign-flag vessels owned by citizens of the United States or engaged in transportation in the water-borne commerce of the United States or in such other transportation by water or such other services as may be deemed by the Secretary to be in the interest of the national defense or the national economy of the United States, when so engaged.

"(b) Cargoes shipped or to be shipped on any such vessels, including shipments by express or registered mail; cargoes owned by citizens or residents of the United States, its Territories or possessions; cargoes imported to, or exported from, the United States, its Territories or possessions, and cargoes sold or purchased by citizens or residents of the United States, its Territories or possessions, under contracts of sale or purchase by the terms of which the risk of loss by war risks or the obligation to provide insurance against such risks is assumed by or falls upon a citizen or resident of the United States, its Territories or possessions; cargoes shipped between ports in the United States, or between ports in the United States and its Territories and possessions, or between ports in such Territories or possessions.

"(c) The disbursements, including advances to masters and general average disbursements, and freight and passage moneys of such vessels.

"(d) The personal effects of the masters, officers, and crews of such vessels, and of other persons transported on such vessels.

"(e) Masters, officers, members of the crews of such vessels and other persons employed or transported thereon against loss of life, injury, detention by an enemy of the United States following capture.

"(f) Statutory on contractual obligations or other liabilities of such vessels or of the owner or charterer of such vessels of the nature customarily covered by insurance.

"SEC. 1204. Whenever the Secretary shall insure any risk included under subsection (d), (e), or (f) of section 1203, insofar as it concerns liabilities relating to the masters, officers, and crews of such vessels or to other persons transported thereon, the insurance on such risks may include risks other than war risks to the extent that the Secretary determines to be necessary or advisable.

"SEC. 1205. (a) Any department or agency of the United States may, with the approval of the President, procure from the Secretary any of the insurance as provided for in this title, except as provided in sections 1 and 2 of the act of July 8, 1937 (50 Stat. 479).

"(b) The Secretary is authorized with such approval to provide such insurance at the request of the Secretary of Defense, and such other agencies as the President may prescribe, without premium in consideration of the agreement of the Secretary of Defense or such agency to indemnify the Secretary against all losses covered by such insurance, and the Secretary of Defense and such other agencies are authorized to execute such indemnity agreement with the Secretary.

"SEC. 1206. The Secretary is authorized during any time the United States is at war or during any period of emergency declared to exist by the President of the United States, to provide insurance for any person who performs services or provides facilities for or with respect to any American- or foreign-flag vessel, public or private, against legal liabilities that may be incurred by such person in connection with the performance of such services or the providing of such facilities. Such insurance shall not be issued against liability to employees in respect of employers' liability or workmen's compensation. No such insurance shall be provided unless, in the opinion of the Secretary, such insurance is required in the prosecution of the war effort or in connection with national defense and cannot be obtained at reasonable rates or upon reasonable conditions from approved companies authorized to do insurance business in any State of the United States.

"SEC. 1207. (a) To the extent that he is authorized by this title to provide marine, war risk, and liability insurance, the Secretary may reinsure, in whole or in part, any company authorized to do an insurance business in any State of the United States. The Secretary may reinsure with, or cede or retrocede to, any such company any insurance or reininsurance provided by the Secretary in accordance with the provisions of this title.

"(b) Reinsurance shall not be provided by the Secretary at rates less than nor obtained by the Secretary at rates more than the rates established by the Secretary on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured whichever is most advantageous to the Secretary, except that the Secretary may make to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as he deems reasonably to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on acccunt of solicitation for or stimulation of insurance business.

"SEC. 1208. (a) The Secretary shall create an insurance fund in the Treasury to enable him to cary out the provisions of this

title. Moneys appropriated by Congress to carry out the provisions of this title and all moneys received from premiums, salvage, or other recoveries and all receipts in connection with this title shall be deposited in the Treasury to the credit of such fund. Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this title shall be made from such fund through the Division of Disbursement, Treasury Department.

"(b) Such sums as shall be necessary to carry out the provisions of this title are authorized to be appropriated to such fund.

"SEC. 1209. (a) The Secretary, in the administration of this title, may issue such policies, rules, and regulations as he deems proper and may adjust and pay losses, compromise and settle claims, whether in favor of or against the United States and pay the amount of any judgment rendered against the United States in any suit, or the amount of any settlement agreed upon, in respect of any claim under insurance authorized by this title, but with respect to any vessel which is insured under the provisions of this act, the amount of the claim adjusted, compromised, settled, adjudged or paid shall not exceed the vessel's fair and reasonable value as determined by the Federal Maritime Board.

"(b) The Secretary may prescribe and change forms and policies, and fix, adjust, and change the amounts insured and rates of premium provided for in this title.

"(c) The Secretary, in administering this title, may exercise his powers, perform his duties and functions, and make his expenditures, in accordance with commercial practice in the marine insurance business. Except as authorized in subsection (d) of this section, no insurance broker or other person acting in a similar intermediary capacity shall be paid any fee or other consideration by the Secretary by virtue of his participation in arranging any insurance wherein the Secretary directly insures any of the risk thereof.

"(d) The Secretary may, and whenever he finds it practical to do so shall, employ domestic companies or groups of domestic companies authorized to do a marine insurance business in any State of the United States, to act as his underwriting agent. The Secretary may allow such companies or groups of companies fair and reasonable compensation for servicing insurance written by such companies or groups of companies as underwriting agent for the Secretary. The services of such underwriting agents may be utilized in the adjustment of claims under insurance provided by this title, but no claim shall be paid unless and until it has been approved by the Secretary. Such compensation may include an allowance for expenses reasonably incurred by such agent, but such allowance shall not include any payment by such agent on account of solicitation for or stimulation of insurance business.

"(e) The Secretary without regard to the laws, rules, or regulations relating to the employment of employees of the United States, may appoint and prescribe the duties of such number of experts in marine insurance as he deems necessary under this title.

"(f) The Secretary with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail himself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this title.

"SEC. 1210. This title shall not affect rights of seamen under existing law.

"SEC. 1211. The Secretary shall include in his annual report to Congress a detailed statement of all activities and of all expenditures and receipts under this title for the period covered by such report and in addition make quarterly progress reports to the Congress with reference to contracts entered into, proposed contracts, and the general progress of his insurance activities.

"SEC. 1212. Upon disagreement as to a loss insured under this title, suit may be maintained against the United States in admiralty in the district in which the claimant or his agent resides, and this remedy shall be exclusive of any other action by reason of the same subject matter against any agent or employee of the United States employed or retained under this title. If the claimant has no residence in the United States, suit may be brought in the District Court of the District of Columbia or in such other district court in which the Attorney General of the United States agrees to accept service. Such suit shall be heard and determined under the provisions of an act entitled 'An act authorizing suits against the United States in admiralty, suits for salvage services, and providing for the release of merchant vessels belonging to the United States from arrest and attachment in foreign jurisdiction, and for other purposes,' approved March 9, 1920, as amended (known as the Suits in Admiralty Act). All persons having or claiming or who might have an interest in such insurance may be made parties either initially or upon the motion of either party. In any case where the Secretary acknowledges the indebtedness of the United States on account of such insurance, and there is a dispute as to the persons entitled to receive payment, the United States may bring an action in the nature of a bill of interpleader against such parties in the District Court for the District of Columbia, or in the district court of the district in which any such person resides. In such actions, any party, if not a resident of or found within the district, may be brought in by order of court served in such reasonable manner as the court directs. If the court is satisfied that persons unknown might assert a claim on account of such insurance, it may direct service upon such persons unknown by publication in the Federal Register. Judgment in any such suit shall discharge the United States from further liability to any parties to such action, and to all persons when service by publication upon persons unknown is directed by the court. The period within which suits may be commenced contained in said Suits in Admiralty Act shall, if claim be filed therefor within such period, be suspended from such time of filing until the claim shall have been administratively denied by the Secretary and for 60 days thereafter: *Provided, however*, That such claim shall be deemed to have been administratively denied if not acted upon within 6 months after the time of filing, unless the Secretary for good cause shown shall have otherwise agreed with the claimant.

"SEC. 1213. A person having an insurable interest in a vessel may, with the approval of the Secretary, insure with other underwriters in an amount in excess of the amount insured with the Secretary of Commerce, and in that event the Secretary of Commerce shall not be entitled to the benefit of such insurance.

"SEC. 1214. The authority of the Secretary to provide insurance and reinsurance under this title shall expire 5 years from the date of enactment of this title."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings by which the House bill, H. R. 6061, was passed were vacated and that bill was laid on the table.

ALGER HISS

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. REED of Illinois. Mr. Speaker, the Department of Justice recently asked the Federal court in New York City to revoke the bonds of the 11 convicted Communist leaders. The Department of Justice also asked the Federal court in San Francisco to revoke the bond of labor leader Harry Bridges, convicted of perjury.

In both instances I fully agree with the action they have taken. It is not my intention to defend or speak in behalf of the convicted Communists, nor of Harry Bridges. I am, however, curious and concerned about the consistency of the administration's policy with respect to these two cases and the case of Alger Hiss.

Alger Hiss, long a high-placed Government official, was tried and found guilty of perjury, a technical charge. Actually, his trial established him a traitor. The country has turned its back on this man Hiss, though some administration leaders feel justified in openly defending and protecting him. Is that the reason he is permitted to be free on bail?

EXTENSION OF REMARKS

Mr. HERLONG asked and was given permission to extend his remarks and include extraneous material.

Mr. SABATH (at the request of Mr. GORDON) was given permission to extend his remarks in four instances and include an article in each.

Mr. BUCHANAN asked and was given permission to extend his remarks and include an editorial.

Mr. FUGATE asked and was given permission to extend his remarks and include a resolution by the VFW post of Big Stone Gap.

Mr. CHESNEY asked and was given permission to extend his remarks and include an article from the Chicago Sun-Times.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in two instances and include excerpts in each.

Mr. WITHROW asked and was given permission to extend his remarks.

Mr. COUDERT (at the request of Mr. MICHENER) was given permission to extend his remarks and include extraneous matter.

Mr. WOLVERTON asked and was given permission to extend his remarks and include extraneous matter.

AMENDING AGRICULTURAL ACT OF 1949

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9313) to amend the Agricultural Act of 1949.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further

consideration of the bill H. R. 9313, with Mr. DURHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday afternoon a division vote had been taken on the amendment offered by the gentleman from Georgia [Mr. DAVIS], and the vote was objected to on the ground that a quorum was not present.

Without objection, the Clerk will again read the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: Strike out the period in line 20 on page 2, insert a comma and add the following language: "*Provided*, That none of such commodities shall be donated or sold to any person or organization for distribution to a country operating under a Communist or Communist-dominated government."

The CHAIRMAN. The question now before the House is on the amendment offered by the gentleman from Georgia.

Mr. DAVIS of Georgia. Mr. Chairman, in view of the fact that on yesterday only a few Members of the House were present when this amendment was under consideration I ask unanimous consent that before the amendment is voted on that there may be 10 minutes of debate, five for the proponents of the amendment and five for those opposed to it, in order that the membership may be informed what the amendment contains and its purpose.

Mr. WILSON of Indiana. Mr. Chairman, reserving the right to object, does the gentleman believe there are more Members present now to hear the debate than there were yesterday?

Mr. DAVIS of Georgia. I doubt it.

Mr. WILSON of Indiana. What, then, would be the advantage of further debate now?

Mr. COX. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-nine Members are present, not a quorum.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 246]

Abbitt	Cole, N. Y.	Green
Addonizio	Corbett	Gregory
Allen, Ill.	Cotton	Gwinn
Barrett, Pa.	Coudert	Hagen
Barrett, Wyo.	Crawford	Hale
Bates, Ky.	Curtis	Hall,
Bentsen	Davenport	Edwin Arthur
Blackney	Davies, N. Y.	Hall,
Boggs, La.	Davis, Tenn.	Leonard W.
Bolling	Deane	Halleck
Bolton, Md.	Delaney	Hand
Bonner	D'Ewart	Hare
Bosone	Dingell	Harrison
Breen	Dollinger	Hays, Ark.
Brehm	Dondero	Hays, Ohio
Bryson	Donohue	Hébert
Buckley, N. Y.	Douglas	Hedrick
Bulwinkle	Engel, Mich.	Heffernan
Burton	Fallon	Heller
Byrne, N. Y.	Feighan	Herter
Canfield	Fellows	Hinshaw
Cannon	Fernandez	Hoffman, Mich.
Carlyle	Flood	Jackson, Wash.
Carnahan	Fogarty	Javits
Carroll	Forand	Jenison
Cavalcante	Gamble	Johnson
Celler	Garmatz	Jones, Mo.
Chatham	Gavin	Jones, N. C.
Christopher	Gillette	Judd
Chudoff	Gilmer	Karst
Clemente	Gorski	Kearney
Keefe	Noland	Shafer
Kelly, N. Y.	Norrell	Sheley
Keogh	Norton	Sikes
Kilburn	O'Brien, Mich.	Sims
King	O'Hara, Ill.	Smathers
Kirwan	O'Neill	Smith, Kans.
Klein	O'Toole	Smith, Ohio
Kunkel	Patterson	Stanley
Lane	Pfeifer,	Stefan
Latham	Joseph L.	Stigler
LeFevre	Pfeiffer,	Taber
Linehan	William L.	Tauriello
Lodge	Philbin	Taylor
Lucas	Phillips, Tenn.	Teague
Lynch	Plumley	Tollefson
McGrath	Powell	Velde
McGregor	Quinn	Vorys
McMillen, Ill.	Rabaut	Vursell
McSweeney	Reed, N. Y.	Wagner
Macy	Regan	Walsh
Marcantonio	Ribicoff	Werdel
Martin, Iowa	Richards	Whitaker
Martin, Mass.	Riehlman	Wickersham
Mason	Robeson	Wier
Merrow	Rodino	Williams
Miles	Roosevelt	Willis
Morgan	Sabath	Wilson, Tex.
Morrison	Sadlak	Winstead
Morton	Sadowski	Wood
Multer	St. George	Woodhouse
Murphy	Scott, Hardie	Yates
Murray, Wis.	Scott,	
Nelson	Hugh D., Jr.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DURHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9313) to amend the Agricultural Act of 1949, and finding itself without a quorum, he had directed the roll to be called, when 244 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. DAVIS of Georgia. Mr. Chairman, I renew my unanimous-consent request that there be 10 minutes of debate on this amendment, 5 minutes for the proponents and 5 minutes for the opponents.

Mr. COOLEY. Mr. Chairman, reserving the right to object, will the gentleman add to his motion a provision to the effect that the Committee may offer one substitute to the pending amendment to the end that both the pending amendment and the substitute might be discussed in the 10 minutes requested.

Mr. DAVIS of Georgia. With the same limitation as to debate?

Mr. COOLEY. Five minutes for the gentleman; 5 minutes for the committee.

Mr. DAVIS of Georgia. Yes; I will add that.

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from Georgia [Mr. DAVIS], as amended by the gentleman from North Carolina [Mr. COOLEY]?

There was no objection.

Mr. COOLEY. Mr. Chairman, I offer a substitute amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Substitute amendment offered by Mr. COOLEY to the amendment offered by Mr. DAVIS of Georgia: On page 2, line 20, strike out the period and insert in lieu thereof a comma, and add the following: "*Provided*, That none of these commodities shall be donated for distribution in any country if the President determines that distribution in any such country would aid communism or otherwise be inimical to the interests of the United States."

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. DAVIS of Georgia. Mr. Chairman, the amendment which I offered on yesterday reads as follows:

Provided, That none of such commodities shall be donated or sold to any person or organization for distribution to a country operating under a Communist or Communist-dominated government.

Mr. Chairman, that is a forthright declaration which makes a definite statement as to the distribution of these commodities and does not leave it as a discretionary matter to anybody. It differs in one respect from the committee substitute in that it would cover such an incident as was related to us yesterday by the gentleman from Iowa [Mr. GROSS], involving the sale of 50,000 tons of Irish potatoes which found their way into Russia at the fictional sale price of 1 cent per hundred pounds. The committee substitute would not cover an instance of that kind. This amendment of mine simply commits us to a policy of not sustaining Communist countries or Communist-dominated countries with food that is bought and paid for with the money of the taxpayers of this country.

Mr. COX. Mr. Chairman, will the gentleman yield to me?

Mr. DAVIS of Georgia. I yield to the gentleman from Georgia.

Mr. COX. Can the gentleman imagine any patriotic reason as to why the language of his amendment should be watered down with cover-up language such as is contained in the committee substitute?

This is a question that we might as well meet face to face and make a decision on it. We are either against communism or we are not.

The amendment offered by the gentleman from Georgia is, as he states, a forthright statement of the whole question, and that is that none of this surplus food belonging to the Commodity Credit Corporation shall go for the support of people of Communist or Communist-dominated countries. I can see no reason in the world, I can imagine no patriotic reason, as to why any Member of this House should resist the adoption of this amendment.

Mr. DAVIS of Georgia. I thank the gentleman for his observation.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. Very briefly.

Mr. JENSEN. We all know that in the case of any material we send to any Communist-dominated country, the American labels will be taken off and their own labels put on.

Mr. DAVIS of Georgia. I so stated yesterday. The gentleman is quite correct.

Mr. JENSEN. And we will get no credit.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. GROSS. The gentleman is absolutely right. The substitute amendment offered by the gentleman from North Carolina will not do the job.

Mr. COX. It is a cover-up.

Mr. DAVIS of Georgia. It will not do the job in my opinion. Some argument has been advanced that this amendment would affect the operations of CARE, the Red Cross, and similar organizations. It will not; it does not touch them. They send merchandise which is bought and paid for by private donations. This merchandise has been paid for by the taxpayers of the country and not by people who send donations to CARE, which is the program that CARE operates. CARE will still continue to operate under its program if this amendment is adopted.

It is said that it might affect the foreign policy of this country. If the foreign policy of this country at this moment is not a policy that is opposed to the support of communism, then it is high time such a policy were established by this country, and this amendment will establish it.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. McDONOUGH. The gentleman a moment ago referred to the foreign policy of the United States. Can the gentleman give the House any information as to what the foreign policy of the United States is at the present time?

Mr. DAVIS of Georgia. If the foreign policy of this country has not as yet been established as being in uncompromising opposition to the support of Communist countries or Communist-dominated countries, then it is high time that we adopted such policy here today.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. SMITH of Wisconsin. As a matter of fact is not the Truman doctrine a policy of containing communism? Am I right?

Mr. DAVIS of Georgia. The gentleman is correct, and this amendment is not in opposition to that policy; it is in support of it.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Chairman, as I said yesterday, I hate and despise communism about as much as any person can possibly hate and despise it.

I have no real objection to the objectives sought to be accomplished by the author of the amendment, the gentleman from Georgia [Mr. DAVIS], and that is to prevent the aiding of the Communist anywhere on this earth. I do, however, object to the method by which he seeks to accomplish his objective, and that is to tie a rider onto a bill from the Committee on Agriculture, to put it right up to the Secretary of Agriculture to make these determinations as to whether or not a particular nation is Communist-dominated or otherwise. I have no objection if the determination is made by those who, under our Constitution, are charged with the responsibility of defining our foreign policy, and I do not care to go into any discussion about whether the foreign policy of this country is established or not. It seems to me that all the world knows what the foreign policy of our Nation is with regard to communism. Why, right at this very moment our countrymen are being maimed and murdered by the hundreds and thousands on the battlefields of Korea. Why? Because they are trying to resist the aggression inspired by communism. Why should we call on the Secretary of Agriculture to make these determinations?

My friend from Georgia spoke a moment ago as if all we had to do was to pass a Federal law, pass this act of Congress, and nobody thereafter would be called upon to make any determinations at all.

Now, to show you that the committee is acting in good faith about the matter—and I am not offering this as a committee substitute, I offered it as chairman of the committee and I dare say no member of the committee will oppose it—we provide in this amendment that if the President determines the distribution in any such country would aid communism then he stops it. After all, Mr. Chairman, he is the Chief Executive, he is the man who is charged with administering our laws. Why should we take it away from him and the State Department and give it to Mr. Brannan?

Let me emphasize one other point. The gentleman said yesterday he had lack of confidence in Mr. Brannan. It is not important whether we have confidence in him or not. I think we are dealing here with something that might have world-wide repercussions and we are dealing with it in a haphazard fashion and on a bill that comes from the Agricultural Committee dealing with deteriorating commodities.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. HOPE. It seems to me that the gentleman's substitute gets at the real question involved here in a better way than the original amendment. The sending of food to hungry individuals in Communist countries may or may not affect those governments. It may be detrimental to the governments of those countries. If it is going to result in aiding communism we want it stopped. On the other hand if the effect of it would be to defeat communism, why should we stop it? The gentleman's amendment will permit a determination to be made on that point and I think it is, therefore, more to the point than the original amendment.

Mr. COOLEY. I thank the gentleman.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. RICH. The other day I saw an article in the paper where we had millions and millions of pounds of butter and Secretary Brannan wanted to sell that butter to foreign countries for 15 cents a pound when the people of this country have to pay 70 cents a pound for it. Why do we not help Americans instead of trying to help people all over the world?

Mr. COOLEY. The gentleman misunderstood Mr. Brannan's plan. He wants to sell commodities to the people of this country and subsidize the difference between the prevailing price and a fair price.

Mr. RICH. No. He wanted to sell it to foreign countries for 15 cents a pound.

Mr. COOLEY. I will give recent figures regarding the value of stocks on hand. I ask unanimous consent to include such information.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. WHITE of California. May I call attention to the fact that the substitute amendment would prevent the transshipment of these commodities whereas the amendment offered by the gentleman from Georgia would not prevent that.

Mr. COOLEY. I agree with the gentleman. I think my amendment will accomplish the objective much better than the amendment offered by the gentleman from Georgia.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. COX. Is it the gentleman's opinion that his amendment is stronger than the Davis amendment?

Mr. COOLEY. I think it is.

The CHAIRMAN. All time has expired. The question is on the substitute offered by the gentleman from North Carolina [Mr. COOLEY] for the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 61, noes 60.

Mr. DAVIS of Georgia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. COOLEY and Mr. DAVIS of Georgia.

The Committee again divided, and the tellers reported that there were—ayes 85, noes 70.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS], as amended by the substitute.

The amendment as amended was agreed to.

Mr. BIEMILLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIEMILLER: Page 3, line 21, after the period insert the following sentence: "In the case of commodities made available or donated under this section which are to be transported by water to any place outside the United States, such commodities shall be made available or donated only on condition that they will be so transported from the port (including Great Lakes ports) nearest the place in the United States where the commodities are located, and for the purposes of this sentence the term 'United States' means the several States and the District of Columbia."

Mr. McCORMACK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Mr. Chairman, I make the point of order against the amendment that it relates to transportation, direction as to where the commodities will be transported from, and this bill has nothing at all to do in relation to transportation.

Mr. Chairman, I reserve my point of order for the present.

Mr. BIEMILLER. Mr. Chairman, before commenting briefly on my proposed amendment, I want to take just a moment to congratulate the chairman and all of the members of the Committee on Agriculture for bringing this bill before the House. This is a bill that has been wanted very badly by the people of the State of Wisconsin, and I know they are pleased that we are taking action on it.

The amendment I propose is simply a clarifying amendment. The bill as it now is written on page 3, beginning with line 16, reads:

> But the payment of any such transportation and handling costs shall be limited to the movement of such commodities to the nearest port or their delivery to a designated agency within a State, Territory, or possession of the United States at a central delivery point.

The amendment that I am proposing simply makes it clear that the goods to be transported overseas must be moved to the port nearest the warehouse from which they are taken and transported from that port, whether that port be San Francisco, New Orleans, Boston, Cleveland, or Milwaukee. It is simply, I repeat, a clarifying amendment to make sure that we really do mean the nearest port. It will mean a considerable saving in the transportation charge.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Does the gentleman refer to ports on the Great Lakes and on the Mississippi River, and wherever they may be?

Mr. BIEMILLER. The amendment reads, in part, "that such commodities shall be made available or donated only on condition that they will be so transported from the port (including Great Lakes ports) nearest the place in the United States where the commodities are located." That is exactly the purport of the amendment.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Is it not true that at the present time a considerable number of commodities are being transported by vessels and the gentleman's amendment merely insures that in the future that particular means will be applied and used?

Mr. BIEMILLER. Before yielding further may I comment briefly on the remarks that my colleague from Wisconsin just made? He has stated precisely the purpose of the amendment, and the amendment is very similar to one he had in mind, which would accomplish the same objective.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Texas.

Mr. POAGE. But many of these commodities are in Kansas, in storage. Of course, the Great Lakes ports are nearer to Kansas than Baltimore or New York or any of the Atlantic ports. You would have them transported to Chicago, which is closer; they would not go to Milwaukee, for instance.

Mr. BIEMILLER. They would go to the nearest Great Lakes port, or possibly Houston.

Mr. POAGE. They might go to Houston or Chicago; they would not go to any of the eastern seaports, or even going to the Orient, they would not go to the Pacific coast. How much would it cost to bring them to the Great Lakes and transship them from lake vessels into ocean vessels? How much would it cost by way of transportation if you first had to ship them to the Great Lakes ports?

Mr. BIEMILLER. The gentleman errs in assuming there would be any transshipment. Oceangoing vessels now operate on the Great Lakes, and we have already shipped numerous cargoes overseas out of Chicago, Milwaukee, Cleveland, and other Great Lakes ports.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not true that some of the Great Lakes ports are frozen up part of the year? If the gentleman restricts shipments to the nearest ports on the Great Lakes, just what would happen?

Mr. BIEMILLER. That would be for a period of 3 months only when those ports are frozen.

Mr. COOLEY. That would be important, too.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. The intention of the amendment is not to have a lot of long-distance shipping by freight where it can be shipped more economically by lake or harbor transportation.

Mr. BIEMILLER. The gentleman from Minnesota is correct. This is definitely an economy amendment to save money in the transshipment of these goods.

Mr. McCORMACK. Mr. Chairman, I withdraw my point of order.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am for the spirit and purpose of the amendment, but it seems to me it would be entirely impracticable to require that these surplus commodities be shipped by boat transportation, especially in the next 6 months. Within 2½ months the navigation season on the Mississippi River will be over and the navigation on the Great Lakes closes on November 15, and does not open up again until along about the middle of April. A good many people would starve to death for want of getting some of these powdered eggs and butter and other things. Furthermore, we have some men who are working on the railroads who would probably be out of work because they would not get to haul these commodities.

So if we are going to give these commodities to needy people, not only in this country, but in friendly countries throughout the world, it occurs to me we should give them as quickly as possible and before they spoil.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. McCORMACK. I am in agreement with the views of the gentleman. It is very seldom that I disagree with our colleague, the gentleman from Wisconsin [Mr. BIEMILLER], but I must say on this occasion I think the views expressed by the gentleman from Minnesota are absolutely correct. Furthermore, the probabilities are that this would cost more money to the Government where transportation charges are paid by the Government.

Mr. AUGUST H. ANDRESEN. I do not know about that, but so far as the spirit and principle of the amendment advocated by the gentleman, I am in agreement, but we have a practical situation here which we must recognize. If we are interested in getting this food to the people before it spoils, we had better send it out as quickly as possible.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. O'HARA of Minnesota. I would also like to call to the attention of the committee the fact that we have a very serious shortage of boxcars in the Middle West. There is also a strike in the yards in St. Paul or Minneapolis. I am anxious to have this food distributed in the most economical and quickest way; therefore, is it not possible to amend the amendment offered by the gentleman from Wisconsin so as to give consideration both to harbor facilities as well as to rail transportation facilities?

Mr. AUGUST H. ANDRESEN. Is the gentleman indicating that it might not be advisable to permit strikes in the transportation industry?

Mr. O'HARA of Minnesota. I am hopeful that we will not have any—let us put it that way.

Mr. AUGUST H. ANDRESEN. Certainly we should not have any right now.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. REES. Is this matter sort of resolving itself into a fight between the railroads and water transportation interests, or vice versa? Is that the problem involved here?

Mr. AUGUST H. ANDRESEN. I hope not, but the Mississippi River runs the full length of my district on the east side, and naturally I would like to see some transportation there. But I am more interested in getting this surplus food to hungry people in this country, including the ones who are living in Kansas, than I am in having it spoiled.

Mr. REES. I commend the gentleman.

Mr. AUGUST H. ANDRESEN. If we are going to have to wait until the navigation season opens up next year, a lot of this food may spoil.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. POTTER. Yesterday we passed a bill which will allow the Great Lakes operators to purchase vessels to expand our shipping on the Great Lakes, and if the other body takes similar action, certainly we will have plenty of vessels to carry these commodities in line with the amendment offered by the gentleman from Wisconsin.

Mr. AUGUST H. ANDRESEN. Yes; but you may have difficulty in getting big enough ice breakers to keep the channel open after it freezes up.

Mr. Chairman, I hope the amendment will be defeated.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 10 minutes, with 3 minutes reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. RICH. Mr. Chairman, reserving the right to object, I am on the floor asking for recognition.

Mr. ZABLOCKI. Mr. Chairman, reserving the right to object, I was on the floor seeking recognition.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Mr. Chairman, will not the arrangement, if the unanimous-consent request is granted, permit 7 minutes to be utilized among other Members, and since three Members are on their feet seeking recognition to speak at this time, that will allow a little more than 2 minutes to each Member, with 3 minutes for the committee?

Mr. RICH. Mr. Chairman, if I am only going to get 2 minutes, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 10 minutes, with 2 minutes to be reserved to the committee.

Mr. KEATING. Mr. President, a point of order. I make the point of order that the reservation of time for the committee is out of order.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI to the amendment offered by Mr. BIEMILLER: On line 6 of the amendment offered by Mr. BIEMILLER, after the colon, insert the words "whenever such shipment is economically and otherwise practicable."

Mr. ZABLOCKI. Mr. Chairman, I had drafted an amendment similar to the one submitted by my colleague, the gentleman from Wisconsin. The amendment I am proposing to his amendment, I think, will answer in many respects some of the objections to the amendments that have been proposed to this piece of legislation. My amendment would add, "when economically and otherwise practicable." In other words, it would insure that where goods or commodities are being shipped by vessels today, that those commodities will be shipped in like manner in the future. That is all we are asking for in our amendments. I hope the amendments will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, you get 2½ minutes to try to bury up some of the things this administration is doing. You know what you have been doing here, trying to get the people of this country in the position they are now, with all these surplus foods that you have and you do not know what to do with them.

You have paid subsidies and subsidies and subsidies to the farmers of this country to raise prices so that the poor people of this country cannot buy them. Now you have them on your hands and you want to distribute them. What do you want to do? What are you trying to do? You are trying to give them to some foreign countries so our people cannot get them. If that is not just about the poorest thing for legislators to try to do, to smother our own people, then I do not know. I think sometimes that we ought to have some psychiatrists around here to make a mental examination of the Members. I think that would be the best thing that could possibly be done. In my 2 minutes, Mr. Chairman, let me say that I think we ought to add an amendment to this bill that will get the psychiatrists in here right away quick.

The CHAIRMAN. The gentleman from Minnesota [Mr. BLATNIK] is recognized.

Mr. BLATNIK. Mr. Chairman, the amendment offered by the gentleman from Wisconsin [Mr. BIEMILLER] is a good one. Its purpose is to clarify the original intent of the bill. Objection was raised that in some instances the nearest ports might be frozen, as many are on the Great Lakes during winters. That is not the intent of this amendment, to make an arbitrary, fast rule that only the nearest port must be used. This is satisfactorily cleared up by the amendment offered by the gentleman from Wisconsin [Mr. ZABLOCKI] that these products should be shipped to the nearest port only when economically and otherwise practicable. One port may be a few miles nearer than another but the loading facilities so poor that it would increase the cost of loading. The amendment offered by the gentleman from Wisconsin [Mr. ZABLOCKI] adequately clarifies this.

The records will show that shipments of grain made from ports on the western end of the Great Lakes, such as Chicago, Milwaukee, or Duluth and Superior, sent by water nonstop to Liverpool will be laid down at Liverpool at a substantial saving of transportation costs over the same amount of grain shipped the same distance when the first part of the shipment is by rail from the central Midwest to the east coast, then loaded, then sent across the ocean.

This is a good amendment and will provide for economical handling and for savings in the shipment of these surplus commodities.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Chairman, earlier in the debate I quoted figures indicating the value of some of the perishable commodities on hand as of several weeks ago. I gave the House the benefit of the best information which I had at the time. I now have more accurate information which indicates that the amount of money now invested in perishable commodities is substantially more than the first figures indicate. The estimates as of August 18, 1950, are as follows: Milk, 358,000,000 pounds, cost, $46,500,000; cheese, 104,000,000 pounds, $35,300,000; butter, 191,000,000 pounds, cost, $120,500,000; eggs, 109,000,000 pounds, cost, $121,800,000; total cost, $324,100,000.

If the gentleman from Pennsylvania will read the bill he will observe that it is not the purpose of this legislation to give these commodities to needy people in foreign countries until after all of the needy people in America have had full opportunity to take advantage of the donations which the Secretary of Agriculture is authorized to make. The language on page 2 sets forth in detail the agencies eligible for such donations. Only after the people of America are given an opportunity to obtain the commodities and only after they have failed to apply for and obtain them are they made available for shipment abroad.

The Zablocki amendment to the Biemiller amendment should be defeated and the Biemiller amendment should likewise be defeated. The language used in the bill now under consideration was taken from the 1949 act. The "nearest port" certainly means the most economically advantageous port. If the amendments now before the House are adopted those in charge of administering this act might be delayed by many difficulties which might arise, and conceivably perishable commodities of great value might deteriorate, or the Government might be put to even greater expense if those in charge of administration are required to use only the nearest port available.

Since the statement was made here yesterday that a tremendous quantity of potatoes had been sold to eastern Germany, I have made some inquiries about the matter and I am advised that the exporter had certified that the destination of the potatoes was Hamburg, in the western zone of Germany, but that unfortunately some part of the shipment did get through into the eastern zone of Germany. We are now trying to ascertain what remedies, if any, are available to the Government in dealing with the exporter who apparently violated his certification with regard to the ultimate destination.

I again urge the committee to vote down the two pending amendments and I do so sincerely believing that the most economically advantageous port will be used in the final exportation of such perishable commodities as may be exported pursuant to the authority herein conferred.

The CHAIRMAN. The time of the gentleman from North Carolina has expired. All time has expired.

The question is on the Zablocki amendment to the Biemiller amendment.

The amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Wisconsin [Mr. BIEMILLER].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DURHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9313) to amend the Agricultural Act of 1949, pursuant to House Resolution 810, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the ingrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ALLOWANCES FOR DEPENDENTS OF ENLISTED MEMBERS OF THE UNIFORMED SERVICES

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to file a report on the bill H. R. 9477.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Thursday next to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill H. R. 9477, to provide allowances for dependents of enlisted members of the uniformed services, and so forth; that there be not to exceed 2 hours' general debate, one-half to be controlled by the gentleman from Louisiana [Mr. BROOKS] and one-half to be controlled by the gentleman from Missouri [Mr. SHORT]. At the end of the general debate the bill shall be read for amendment under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MICHENER. Mr. Speaker, reserving the right to object, all this unanimous-consent request does, is to waive the formality of a rule?

Mr. VINSON. That is correct.

Mr. MICHENER. And the request, if granted, would place the House in exactly the same position it would be after spending an hour considering and adopting a rule?

Mr. VINSON. The gentleman from Michigan is absolutely correct.

Mr. MICHENER. There are members of the Rules Committee present on the floor. If no member of the Rules Committee objects I do not believe there will be objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

IMPROVEMENT AND DEVELOPMENT OF MARKETING FACILITIES FOR HANDLING PERISHABLE AGRICULTURAL COMMODITIES

Mr. COX. Mr. Speaker, I call up House Resolution 809 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9141) to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, this resolution, if adopted, would make in order the consideration of H. R. 9141 which is intended to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities. The Committee on Agriculture has conducted a study of the subject covering a period of several years. What they are seeking to do is to improve these facilities in the interest of the consumer who pays the cost of the presently inefficient handling of commodities that go to the great centers.

I do not believe there is any controversy about the rule. There may be a little about the bill.

Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I favor the adoption of the rule for consideration of this legislation which is of special interest to the farmers and the merchants of food commodities throughout the country.

I have no requests for time on this side.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9141) to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9141, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill H. R. 9141, which I introduced on July 17, 1950, is a measure to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities and actually is the result of several studies and investigations, the most recent of which was made by the House Committee on Agriculture during the last 2 years.

As far back as 1917 the matter was of such deep concern as to cause the President of the United States to direct the Federal Trade Commission to make an investigation of the wholesale marketing of food. The Commission in its report dated June 3, 1919, concludes that the buildings and other facilities for the marketing of perishable foods in the vast majority of wholesale receiving centers were entirely inadequate, were generally poorly located with reference to terminal storage and retailers, and were often congested and were invariably ill adapted in construction and arrangement for economic marketing.

Some of the other observations of the Commission are shown by excerpts from the Commission's report, which are also contained in the committee report.

The matter was again brought to the attention of the public in 1921 by a Joint Commission of Agricultural Inquiry established by the Sixty-seventh Congress. That Joint Commission found and reported that much unnecessary waste and expense in food distribution could be eliminated through the development of adequate, organized, and correlated terminal markets. Further reference to that particular study and investigation is also contained in the committee report. I call the attention of the Members to that report. The Federal Trade Commission in 1919 made a further investigation of the matter. But, bringing it a little nearer to the present day, this House has, for the past 6 or 8 years, authorized the House Committee on Agriculture to study the problems of marketing, and our committee over a period of years has made studies. Recently, during the last session of Congress, I appointed a subcommittee of the House Committee on Agriculture, and it visited the principal produce terminals of the Nation and made on-the-spot studies.

The real justification for this legislation is the fact that these markets are impressed very definitely with a public interest. If we consider only the Washington Street market in New York City, produce from 40-odd States of this Union find its way into the Washington Street market, and after reaching the Washington Street market in New York City it is finally consumed in several States

adjoining the great State of New York. These big terminal markets actually influence the price of produce throughout the entire Nation. Eggs on the markets of New York and Chicago and Philadelphia determine the price of eggs in Raleigh, N. C., and Richmond, Va., and Savannah, Ga., and other places. Farmers going into these inadequate facilities are subjected to loss of time and their products to great waste and spoilage. While I am perfectly willing to admit that we have the best distribution system in the world, I must frankly confess that it is too expensive; it is actually a burden on the consuming public, and the purpose of this bill is to shorten the distance between the producer of agricultural commodities and the ultimate consumer. I think about 10 percent of all the produce of this country goes to the Washington Street market, and 20 percent of that comes from far distant places, even from the west coast and from down on the Gulf of Mexico. So, you find farmers from all over America trading in that one market in New York City, and the same is more or less true in Philadelphia, Chicago, and in other important centers. Therefore, if the farmers of 40-odd States are to trade in these markets, then I say that the farmers of the 40-odd States have some sort of an interest in the operation of these markets. If the consumers of all the States of America are to have their prices influenced by the prices fixed in these great terminal markets, then certainly the consumer has a great interest in the adequacy and in the economic operation of the markets themselves.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I am wondering if the bill would narrow the gulf now between what the consumer must pay and what the producer gets for, say, eggs or meat, and other products?

Mr. COOLEY. That is the real purpose of this bill, to shorten that distance. Evidence before our committee indicated that 50 percent of the housewife's dollar in upper New York State attaches to the produce after it reaches the corporate limits of the city of New York.

Mr. MILLER of Nebraska. Did the committee have any evidence of lower prices in the Washington Street market in New York City compared to what it might be down in Savannah, Ga., or Omaha, Nebr., where they do not have a public market?

Mr. COOLEY. If you could go to the Washington Street Market as our committee did and stay there throughout the long hours of an entire night, you would see the greatest congested area, perhaps, in the world; trucks lined up by the dozens and by the hundreds.

Mr. MILLER of Nebraska. I know that, sir, but I am wondering about the price the consumer must pay at this Washington Street Market compared to some chain store in some other area where the consumer goes to buy. Is there not at the present time in this market a rigging of the price so that there is no real lowering of the price of the food to the consumer?

Mr. COOLEY. I do not know that I would be justified in saying there was any sort of rigging of the price, but the public, the consumer, and the producer must pay the bill which results from all of this loss and spoilage and waste in these markets being operated in ordinary rat holes, and I mean literally rat holes, and the multiplicity of the number of operations involved in taking the produce from the farm to the consumer's table.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from West Virginia.

Mr. BURNSIDE. If you will turn to page 13 of the bill, you will find the answer to that question. There it says: "That the market facility will reduce the cost of distribution of perishable agricultural commodities." That is one of the major purposes of the bill.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. COX. The gentleman gave an instance of his committee visting the market in Philadelphia, which illustrated what he has in mind, where some of these warehouses could only be served by trucks, and others by railroad; none by both trucks and railroad.

Mr. COOLEY. The situation is perhaps worse in New York City, where all the produce coming into the city must be handled many times between the time it reaches the river and the time it reaches the wholesale and retail merchant. I do not have the actual figures, but my recollection is it costs more than $100 to unload a car of produce when, as a matter of fact, we visualize the building of modern facilities which will be readily available to motor and train transportation, so that a train can run right in and unload into a warehouse, and trucks might do likewise. As it is now there is a tremendous amount of time wasted.

I want to call attention to estimated savings in the city of Boston alone. In this one market estimated savings would amount to about $4,000,000 per year. Our report, and the records will show that the savings will be tremendous if we only enact this bill and the people will take advantage of it.

Just to give you a little something about the purposes of the bill—we first authorized in the bill direct loans and insured loans. We had recommendations from the Department of Agriculture. Upon further consideration, and I think at the suggestion of the ranking minority member on our committee, the gentleman from Kansas [Mr. HOPE] we eliminated direct loans. The capital to build these markets will be supplied from local credit sources and will be underwritten by the Government, and the loan will be amortized over a long period of years at a reasonably low interest rate. The rents derived from the operation of these markets will be sufficient to amortize the loans over a period of years and to defray the cost of maintenance.

As a result of these markets the consumer will be better served and the farmers will be better served. Both will profit by better markets.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JONAS. In Chicago we have a modern, up-to-date market, and probably the subcommittee has visited it and knows something about it. I am in full accord with what the gentleman is submitting to the House about the loss of time and the increase in cost because of the fact it takes so long to get the produce to this one single terminal or to these single facilities. Does your bill contemplate in addition to the large facilities such as we have in Chicago at the Eighteenth Street Terminal that you will build terminals further away from the parent terminal so that the farmers can bring their produce to these outlying terminals and thereby get their produce to market more quickly to the outlying districts in the city? Is that what is contemplated?

Mr. COOLEY. The bill, of course, is not limited to any particular area or to any particular situation.

Mr. JONAS. I understand that.

Mr. COOLEY. But wherever the facilities are antiquated or out of date, then a loan may be made or insured, rather, and a new facility may be erected at a centrally located place outside of the congested area so that the wholesale merchants can go out with more ease and load their trucks and go to the uptown stores and thus operate far more efficiently than they do now.

Mr. JONAS. I get the point, but in Chicago ours is a cooperative proposition. Would your bill contemplate that if the produce people in Cook County wanted a terminal built 10, 12, or 15 miles away from the original terminal now existing, they could obtain the money from the Government to build it? Is that the purpose?

Mr. COOLEY. Not with the idea of competing with the existing terminal.

Mr. JONAS. No.

Mr. COOLEY. But in order to facilitate the operation I think that would be entirely proper.

Mr. JONAS. I thank the gentleman.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. COX. Was not the gentleman's committee unanimous in reporting this bill?

Mr. COOLEY. My recollection is that the committee was unanimous.

Mr. COX. Does the gentleman know of any opposition anywhere to the bill?

Mr. COOLEY. I do not know of any opposition anywhere to it in the House.

Mr. COX. If we are all in agreement with reference to the matter, why does the gentleman take the time to discuss it, why would not the gentleman be content to let us proceed to a vote on the bill?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I would be very glad to accept the suggestion of my colleague from Georgia [Mr. Cox] if I were permitted to do so, but I must yield to my colleague from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I might say to my friend from Georgia that I am in agreement on the need for legislation of this kind, and the need for improving facilities. But for myself I question the advisability of going into a tremendous expenditure of this kind when building costs have tripled in the last 10 years. There is no question about the need, but this may not be just exactly the right time.

Mr. COX. Are there any prospects of the cost going down in the near future? It seems that they may continue to rise.

Mr. AUGUST H. ANDRESEN. No, I think building costs have gone up tremendously in the last 6 months. But I think it is timely now to consider this. It is doubtful, however, whether it will be enacted into law at this session of the Congress.

Mr. COOLEY. The gentleman knows, of course, that our committee worked diligently in the preparation of this bill and in a study of the problems involved in this situation.

Mr. AUGUST H. ANDRESEN. That is true, and I know that there is need for it. I have been on the committee.

Mr. COOLEY. Yes.

Mr. AUGUST H. ANDRESEN. But I question that this is the proper time to begin financing extensive construction of this sort.

Mr. COOLEY. At least we can provide the machinery for the granting of these insured loans so that we will have it on the books and ready when the time is propitious to undertake this construction.

Mr. AUGUST H. ANDRESEN. That is right. I favor the passage of the bill.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BURNSIDE. It is true that the cost of building is high, but the high building costs will more than be offset by the savings in the cost of handling.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. REES. I would like to ask the gentleman two questions. One question is: Did the committee study the problem to see whether the ordinary purchaser of groceries could buy for less at this terminus wholesale, or this city market, than, let us say, at the Safeway Stores?

Mr. COOLEY. Oh, yes. It would be a more direct movement of the produce.

Mr. REES. I was wondering whether the consumer will get the groceries cheaper.

Mr. COOLEY. Yes; the consumer will get a tremendous benefit; that is the reason I think this bill should be approved by both consumers as well as producers.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. The purpose of this act is not to establish a retail market but a wholesale market.

Mr. COOLEY. But that will facilitate retail sales and should cheapen the commodities and increase the volume sold.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. REES. Who would operate the market?

Mr. COOLEY. Some local marketing authority. It may have to be created. It may be the municipality or some other organization.

Mr. REES. The city may do it, or it may be done by some organization other than the municipality.

Mr. COOLEY. That is corect.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

I merely desire to compliment the committee for bringing up this past-timely legislation; I think it is long past due, and I am hopeful that it will be enacted.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself one additional minute.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JENSEN. The gentleman, of course, appreciates, as the comittee does, and every Member of Congress, that this is finally going to cost the Government some money; that is, we are going to have to make a lot of money available, we are going to have to guarantee the private lending institutions.

Mr. COOLEY. No; it will be a public-marketing facility.

Mr. JENSEN. But the Government is going to have to guarantee the loans.

Mr. COOLEY. But on the question of operation or administration of the act I think you will find that the hearings will indicate that it will not cost very much money to administer the act because we already have a Bureau of Marketing Facilities, the Marketing Research Administration, and a considerable number of people employed in other agencies within the Department of Agriculture.

Mr. JENSEN. But lending institutions are going to furnish the money and the Government is going to guarantee the loans under this bill. Is not that right? Now, my question is: Did the committee try to ascertain whether or not these concerns that make the money available with which to build these markets and these facilities will have their loans guaranteed by the Government?

Mr. COOLEY. They probably cannot arouse enough local interest to do it because of the mere fact that these markets are used by so many people from so many different places.

Mr. JENSEN. I realize the congested conditions in a lot of these markets such as Faneuil Hall in Boston. I was on that street not very long ago and I have seen just such conditions.

Mr. COOLEY. The Boston market——

Mr. JENSEN. But the program carried out as proposed will be of benefit to everybody.

Mr. COOLEY. Yes; we feel that it is absolutely necessary.

These three pictures of the Dock Street Market in Philadelphia show that that market has undergone no change for many years. Markets in most of the large cities have likewise undergone no improvement over a long period of time despite growth of population, increased per capita consumption, tremendous increases in the volume going into the markets, the invention of the railroad and later of motortrucks, and tremendous improvements in most all other lines of economic activity.

The Faneuil Hall Market in Boston is the principal market in that city for the wholesale handling of fruits, vegetables, meats, poultry, eggs, and other perishable foods. The market was established in this location more than 200 years ago and has long been inadequate to meet the needs of the city. While this photograph was taken around noon on Saturday when the business of the week was practically completed, the congestion is apparent. The facilities in this market are grossly inadequate to meet present-day requirements.

The model of the proposed new market for Boston would combine in one location the wholesaling of perishables which is now carried on in seven widely scattered areas, thus eliminating much cross-hauling of merchandise. The proposed market would be constructed on a 150-acre plot about 1½ miles from the Faneuil Hall Market. It would contain about 460 wholesale houses with direct rail connections to each. In it about 1,000 railroad cars could be placed for unloading at one time and there would be parking space for 2,500 trucks at one time. The total cost of the proposed facility, including land, would be about $14,000,000, which could be amortized from rents charged for the use of the facilities and still leave annual savings in handling costs in excess of $4,000,000. It should be noted that in this proposed market there are not only adequate facilities to meet all present requirements, but additional space has been provided for expansion to take care of future growth.

The picture of produce piled high on sidewalks and trucks is typical of the old markets in most of our large cities where the stores are inadequate to handle the volume of business that moves through the area. The products must be piled high which is costly, cutting down the sidewalk and aisle space which makes the movement difficult and in some cases extending beyond the curb into the street which is not only not a good place to display products but adds to the congestion of the area. It is not unusual for products that have crossed the country under refrigeration to be stacked on sidewalks exposed to the elements for relatively long periods of time.

The Washington Street Market in New York is the principal street in the wholesale produce district of New York City which is located in the shadow of the skyscrapers of lower Manhattan. There are not rail connections in this market and it costs more than $100 a carload to get perishables from the rail car into the wholesale houses. Stores are small and improperly equipped, streets are narrow, and traffic congestion is very serious.

This legislation is rather universally supported. Hearings will indicate that many witnesses appeared, who traveled

great distances to express their interest and to emphasize the need for a program such as is contemplated by the bill now before you. To avoid boring you further, I direct your attention to the hearings.

In conclusion, I urge your approval of this very important measure, which I believe to be in the interest of the producers and consumers of our Nation. These two great groups actually embrace all the people of our country.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Chairman, recently an incident happened in my old home town of Oak Hill, Ohio, which was described by Mr. Dan T. Davis, the able editor of the home town paper as follows: "The affair has shocked this community as no other event has since its first settlement."

In view of the fact that this incident is thought to be so important and that it is of a political nature, I think the Congress and all the people in my district will be interested in it.

Last year the Ohio Legislature passed a new law providing for the use in Ohio of the Massachusetts ballot. At that time, it was pointed out that the new law would permit independent candidates to file for all offices and that their names would appear in the same group with the candidates nominated in the party primaries. Heretofore the law provided that the names of independent candidates should appear in a column by themselves and be properly designated.

The governor was requested to call a special session of the legislature to remedy the situation. He declined to do so claiming that there might not be many independent candidates take advantage of this loophole. I think he has now changed his mind.

I was renominated in the Republican primary on May 2, 1950. The Democrats also nominated a man.

The law provides that an independent candidate could get his name on the ballot if he filed his petition before 6:30 p. m. on August 9, 1950. In our congressional district nominating petitions for independent candidates for Congress must be filed with the board of elections in Lawrence County.

Now the story begins. At 6:15 p. m. on August 9 a man, a stranger in the Ironton community, presented a nominating petition to the Board of Elections of Lawrence County in its office in the courthouse, and left immediately refusing even to give his name. His demeanor was very strange. The petition alleged to be the petition of one Thomas B. Jenkins. I use the word "alleged" because subsequent events proved it to be worse than alleged.

On its face the petition plainly showed that the names of many persons appearing thereon had not been written by those persons.

Subsequent events proved the petition to be grossly and shockingly fraudulent in many ways and later it was ignominiously rejected.

Through this story runs a thread of cowardly and disgraceful conduct. I am glad to say that there are few men in our congressional district, or anywhere else, who would do what these men tried to do.

They searched our congressional district comprising six counties to find a man by the name of Thomas Jenkins, who could be induced to become an independent candidate for Congress, thereby wilfully intending to mislead the voters. They located a fine old gentleman, 72 years of age, whose real name is Thomas Ira Jenkins but who is commonly known as Thomas Bradley Jenkins. This man, who had worked at hard labor all his life is now retired and lives in a very modest rented house and lives on his social-security payments which are very small. He had had no political experience whatever. He had no educational advantages in early life and can hardly read or write. He was approached by two men who deceived him into signing a petition nominating him as an independent candidate for Congress. One of these men took the old fellow's hand into his own hand and wrote the old gentleman's name which was hardly legible.

It is reliably reported that the old gentleman said that those who imposed upon him paid $25 in cash and promised him $1,000 more if he would permit them to use him and his name.

When the old gentleman understood how he had been duped, his innate honesty asserted itself and he sought his trusted friends to get him out of his trouble. He was taken by one of the leading citizens of his neighborhood before the board of elections where the deceivers had filed the fraudulent petition. He demanded that his name be withdrawn from the petition and the board from the force of the circumstances was bound to grant his demand. The old gentleman, wanting to be honest and not knowing the legal effect of his action, offered the board officials the $25 which had been paid to him.

These political highbinders, who had perpetrated this cruel and disgraceful hoax, not abashed by their disgraceful and perfidious conduct, when they found that their quarry had escaped them proceeded immediately to find another Thomas Jenkins upon whom they could practice their deceitful chicanery. It is reported that they had located two Thomas Jenkinses and through emissaries had offered one of them a sum much larger than they had offered Thomas B. but he rejected their proposals. The other was reached by his friends before these political shysters were able to reach him. When advised that he had been marked for contact his indignation was that of any honest man. It would not have been safe for any of these political skunks to have approached him after he was aware of their purpose.

Practically every newspaper in the district without regard to politics has condemned this action in strong and sometimes lurid language.

Mr. Dan T. Davis, editor of the Oak Hill Press, says in part:

It is sad to contemplate that there are such moral degenerates that would stoop so low as to take advantage of a retired workingman, gentle and friendly, who made a modest living in the hard way, and who never harmed any man intentionally, and make him the instrument of such a dirty plot.

Mr. John Sylvester, the oldest active newspaperman in the district, says editorially:

Never before in this part of Ohio has anyone attempted so crudely to deceive the people and cause so many to lose their votes by a bald-faced fraud. Of course the whole scheme misfired, and everybody is angry about it. Some 700 petitioners thought they were signing for Congressman TOM JENKINS.

The Jackson Sun Journal in a forceful editorial says in part:

However, the clever schemer who devised the plan has endeavored to destroy what Americans have fought for since 1776. If he is apprehended, it is the sincere wish of this newspaper that he is severely punished. His actions have aroused the emotions of every voter in this district, and despite his inability to complete the scheme, his nefarious act should serve as a stern warning to the free-thinking people of this Nation that the privilege of voting is a cherished duty.

Mr. Kenneth Barron, the editor of the Ironton Tribune, one of the largest newspapers in the district, says in part:

We are speaking of the indicated "trickery" attached to the filing of an "independent" petition by a Jackson County man for Congress. After an interview with Mr. Thomas B. Jenkins we are confident he has no intention of conducting a campaign for the office, that he has no serious intention of being elected. Certainly those responsible for his entry hold no such thought.

Mr. Dann O. Taber, a very reputable newspaper correspondent of long experience, after interviewing the aged Thomas B. Jenkins, has written several articles about the matter. The following are excerpts from his writings:

The Oak Hill route No. 4 man opposes Representative THOMAS A. JENKINS, Republican, of Ironton, and William J. Curry, Democrat candidate. The post all seek is Congressman from the Tenth District.

The subject has been placed informally before the secretary of state's office by private sources, not authorized by the present Congressman.

In making the statement of being offered $1,000, Thomas B. Jenkins said the proposal came from a veteran he did not know and from a second man whom he at first said he did not know. He later identified the second man by name. Publication of this man's name is not permitted.

And in a second article by the same writer, he says:

Thomas B. Jenkins had told Messenger Correspondent Dann O. Taber Friday afternoon that he wanted to get out of the race. He said, "They promised me money and did not give it to me." Turning to the reporter, he asked, "Did you find out who that fellow was yet?" He was referring to a veteran who, he said, promised him the $1,000. Jenkins says he did not know the veteran. Jenkins also named another man.

When the boards of election in the several counties of the district canvassed the petitions circulated in their respective counties, several of them found the petitions defective and fraudulent and rejected many names illegally written on the petitions. The secretary of state of Ohio, being the chief election official of the State, shocked and incensed at the whole disgraceful mess, threatened a severe investigation.

As a result of all these activities, the board of elections of Lawrence County, with which the petition was first filed, could not withstand the indignation of the whole people and dismissed the petition, thereby placing the brand of rascality on all those who perpetrated this cheap, foul-smelling fraud.

Who are these culprits who have been thwarted in their nefarious efforts? I do not know and I make no accusations directly or by innuendo. It is a safe assumption that they must be persons who expected to profit by the election of someone other than myself or any other Thomas Jenkins. They surely would not do what might lead them into the hands of the criminal laws of our State and what every honest, decent man would condemn unless they were forced to do so by some higher-up political boss or they expected to profit by their conduct in some way. In other words, they felt that they must defeat me and elect someone else in my place before their plan would do them any good.

This disgraceful conduct has aroused the wrath and indignation of every honest and fair-minded person who knows about it. I am proud to say that I think that not a single honorable Democrat had anything to do with this shameful plot. I know the Democratic leaders quite generally condemned it. Likewise, I know that the Republicans condemn this incident and consider it as a slam on the character of the people of our district who play their politics in the traditional American way.

Mr. Chairman, the people of our district, without regard to political affiliations, resent the unfavorable notoriety that this disgraceful incident has brought upon our section and upon our people. Everybody has sympathy for the poor old gentleman who was so cowardly and shamefully mistreated. I am in favor of a real investigation of this whole slimy incident. Those who promised to pay such exorbitant sums should be required to tell whose money they were promising. Those who signed the names of persons without their knowledge and consent should be called upon to explain. Those who willfully and clandestinely deceived some of the notaries public into innocently violating their legal duties in administering oaths and affixing official notarial seals should be exposed.

Free and untrammeled elections are absolutely necessary if we are to maintain our republican form of government.

Mr. HOPE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as the distinguished chairman of our committee, the gentleman from North Carolina [Mr. COOLEY], has already stated, this bill is the result of a long period of study and investigation by the Committee on Agriculture. In the course of that investigation we found that as far as the marketing of fresh fruits and vegetables was concerned there was a great deficiency of marketing facilities, that is, adequate marketing facilities, in all the large cities of this country. I think we have made great progress in the marketing of some types of agricultural commodities. In the case of grains and cotton, we have a marketing system which has been developed to a point where it is quite efficient. I think in the case of livestock marketing that our system is working very well. But that certainly cannot be said for the marketing of fresh fruits and vegetables. There is not time now to go into any extended discussion of the way those commodities are marketed, but I think anyone who made any investigation of the subject would agree with me that it has been and is quite unsatisfactory.

The committee, in the course of its investigations, which go back as far as the Seventy-eighth Congress, as I recall, found that in many of our large cities the marketing facilities were inadequate, they were scattered, they were poorly managed, they were obsolescent, they were insanitary, and in every way were inefficient and ineffective for the marketing of farmers' products and getting them into the hands of the ultimate consumer.

I want to take just a minute to describe the situation in Philadelphia, which, I think, is fairly typical of the unsatisfactory markets in our larger cities; some may be worse, some are considerably better. Some cities have met this problem fairly well, but in Philadelphia we have a situation something like this: There is a large, modern, up-to-date terminal built a few years ago by the Pennsylvania Railroad Co., but that terminal handles only produce which comes in carload lots on the Pennsylvania Railroad. The B. & O. also has a fairly new, modern terminal, but it handles only the produce that comes in over the B. & O. Down on Dock Street there is a large market which handles produce which is trucked into the city,, and there is another small truck market—I do not recall the name just now—in another part of the city. If a shipment of fruit or vegetables comes into Philadelphia over the Pennsylvania Railroad—comes into that terminal—it cannot be handled or purchased, as I understand, in that terminal by a retailer in Philadelphia who desires to deal in that commodity, but it must first be trucked down to the Dock Street market, and it is in that market that the retailers and distributors come in and make their purchases.

The same thing is true of the market which the B. & O. Railroad maintains. The truckers who haul their produce into Philadelphia, of course, haul it to the two truck markets. But there is no central market in which the producers and the distributors of fresh fruits and vegetables can get together in Philadelphia except this one Dock Street Market and the smaller market. Anything shipped by rail it must be retrucked to this market.

If you could see that market you would realize how inadequate it is to take care of the needs of a large city like Philadelphia. It is built along a very narrow street, so narrow, in fact, that it is impossible for large trucks to back up to the building for unloading without blocking the entire street. In many cases, as the committee found when we visited the market, produce has to be hauled in little hand trucks or carried by men from the truck in the street into the building or on the sidewalk. Certainly in this day and age that is a most inefficient operation. Yet we are told by reliable people who are engaged in the business in Philadelphia that at the present time there exists no possibility of financing, either through private enterprise or through municipal facilities, a better type of market in Philadelphia.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California who is a large producer of fruit and very familiar with the problem.

Mr. ANDERSON of California. As the gentleman knows, I have a very deep interest in this particular problem. I have been through most of these obsolete markets in Philadelphia, New York, and Boston. It seems to me what the gentleman mentioned as to the number of times produce has to be handled also indicates that every time it is handled there is another handling charge which the consumer ultimately has to pay. Under the terms of this legislation, as I understand it, by modernizing these facilities we can greatly reduce the number of times that the various boxes of fruit and crates of vegetables have to be handled, thereby reducing the cost to the ultimate consumer, is that not true?

Mr. HOPE. There is no question about that. That is the objective of the legislation and an objective, I believe, that can be attained.

Mr. ANDERSON of California. One of the small producers in my area expressed the fear that this particular bill might tend to set up a monopoly which would squeeze out a small producer who may have his own little facility in a city like San Francsico, New York, or Boston. Does the gentleman feel that these small producers who also sell their own produce are properly protected under the terms of this legislation?

Mr. HOPE. Yes; I am sure they are. Under the terms of the legislation it would be impossible to set up a monopoly because in any of these market facilities to be built the bill provides that equal opportunity in the way of facilities within the market must be offered to all who come and deal on the market.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. PHILLIPS of California. It seems to me that this bill contains two factors which are a protection against monopoly: The first is the one that the gentleman from Kansas [Mr. HOPE] has already mentioned. The other is that the present

situation, confining a market operation to an old, antiquated market, usually inadequate in size, tends to give a monopoly to those presently in the market. The result was very evident in the city which the gentleman from Kansas has mentioned as an illustration, Philadelphia. That is, because of the age of the market and the inadequacy of the market, the larger groups of handlers, such as the chain stores, were bypassing the market and putting their own storage facilities in the outskirts of the city. While I believe that the chain stores have been very advantageous in marketing produce, they handle largely items that they want to handle that will make a certain profit and they are not so apt to handle in a free market like this the different perishables, fruits and vegetables, to which the gentleman from California is referring. So it is my considered opinion as a member of the committee which first investigated this matter in the Committee on Agriculture that this is a protection against monopoly rather than an invitation to monopoly.

Mr. HOPE. I thank the gentleman from California for his observations which are made as the result of a great deal of work and study which he has put in on this question. I do not believe there is any Member of the House who has devoted as much time to studying this particular situation as the gentleman from California [Mr. PHILLIPS] or who is as well informed on the subject generally.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. KEATING. I feel sure that the gentleman from Kansas shares the feeling I have that we would not want to take any steps here which would put the Government in business needlessly. Could the gentleman enlighten us on the result of the hearings as to a canvass of the possibilities of these marketing facilities being financed through private capital rather than through the Government?

Mr. HOPE. Well, of course, that entered into the decision of the committee to eliminate the provision which was in the original bill for direct Government loans. When the bill was originally introduced it had a provision for direct Government loans and also a provision for insured loans. It was felt by a good many members of the committee that it was not necessary to have a provision for direct Government loans and that in practically all cases these projects could be financed locally with the aid of Government insurance. In some cases I am sure they can be financed locally perhaps without the insurance. It was felt if we simply made a straight Government loan there would be little effort in the local communities to finance the operation locally. If they come in for an insured loan it will be necessary, of course, for them to work out their financial arrangements in the community, find some place to borrow the money before they can apply for insurance, so that as the situation stands now, I believe in every case that efforts will be made to exhaust all possibilities of local financing, and they will not resort to insured loans except in cases where it is not possible to handle the financing locally through normal channels.

The gentleman will appreciate, I am sure, that a loan on a project like this will need to be amortized over a period longer than local financial institutions can ordinarily make a loan which is not insured. I call the attention of the gentleman also to the fact that the loans are insured only up to the amount of 85 percent, and that in no case must the builder of the facility, the borrower, invest less than $45,000 of his own money.

Mr. KEATING. Does that mean there will always be participation on the part of local capital up to 15 percent?

Mr. HOPE. Up to 15 percent; or it might be more than that in the case of a smaller facility, because the borrower must always put up $45,000, which could be more than 15 percent.

Mr. KEATING. In this measure, as it is now before us, there is no provision for direct Government loans.

Mr. HOPE. No; there is no provision for direct Government loans.

Mr. KEATING. I think the committee is to be commended for approaching this problem through the method of mortgage insurance. If we must get the Government into this at all—which I regret to see—but if we must, then I think perhaps the best way is through the method of mortgage insurance.

Mr. HOPE. I am of the opinion that in many cases where local communities feel that they may not be able to finance the matter except through Government assistance, that when they go to investigating the situation and arrange for the local financing which is to be insured, they may find it possible to proceed entirely on their own without the insurance. But, in the event that they do need the insurance, it will be made available.

I just want to refer briefly to another provision which the committee put in the bill which was not in the original bill, and that is the provision that the Department of Agriculture must handle this new set-up through present agencies in the Department. There is at the present time a very fine agency there dealing with this question of public markets for the marketing of fresh fruits and vegetables, under the direction of Mr. W. C. Crow, who is the head of that section, and who has done splendid work in studying the markets of this country. He has impressed the committee very much with his wide knowledge in this field. There is no reason, as I see it, why this section, which is already in operation in the Department, cannot go ahead and handle all of the transactions that may come up by reason of this legislation, with very little and possibly no additional personnel. In any event, the House can be assured that under the terms of this bill it will not be possible to set up a new bureau, but that the existing agencies will continue to handle this type of enterprise.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Illinois.

Mr. JONAS. I am somewhat concerned about the effects of this bill insofar as they apply to these many and numerous road stands. I take it that the gentleman from Kansas is familiar with the fact that around congested areas there are literally hundreds and hundreds of stands on these arterial highways that sell vegetables. It is probably not well known, but Cook County is probably one of the largest truck farming areas in the Middle West. Many of these truck farmers—because of the fact that the rails get the right-of-way at the Eighteenth Street Market—are compelled to take part of their produce back because they have not the proper facilities to take care of it, and they sell this produce to the road stands. Will the bill put all of those road stands out of business? If it does. it takes away from the truck farmer the ability or the possibility of getting rid of his surplus that he has to take back from the market, that he cannot unload.

Mr. HOPE. In reply to the gentleman's question I will say that I cannot see how this legislation could possibly affect the road stands adversely. It might be of some assistance to them.

The facilities affected by this bill are wholesale markets, and I know of no way by which the measure would affect the little retail markets which are maintained by those who operate the road stands.

Mr. JONAS. Does this bill compel the produce man to sell to these terminals or unload at the terminals if there are no other facilities or outlets?

Mr. HOPE. No; it does not affect that situation in any way. It simply sets up a facility which, under the terms of the bill, must be open to all who care to use it.

Mr. JONAS. That answers my question.

Mr. HOPE. It compels no one to use the facility.

Mr. JONAS. I thank the gentleman.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kansas.

Mr. REES. I want to observe that it is quite refreshing for the distinguished gentleman from Kansas [Mr. HOPE], the ranking minority member on this committee, to tell us that we can go along without the necessity of setting up another bureau or agency by reason of the approval of this legislation. I trust that his prophecy with regard to this matter will materialize and become true.

Mr. HOPE. I thank the gentleman for his observation. Under the terms of the legislation the Department must use this agency which is already in existence and which, as I said, will certainly require very little, if any, expansion as far as personnel is concerned.

Mr. Chairman, unless there are some further questions I do not care to take more time on this measure which, I might say, has received practically universal approval on the part of the farm organizations of the country, that is, the general farm organizations, and many, if not all of the commodity organizations of this country appeared before the committee and endorsed this legislation. In fact, I cannot recall for

many years having had as unanimous support from farm organizations for any measure as was given this measure when it was heard by the committee. Its passage is not going to solve all the problems of marketing fresh fruits and vegetables, but I believe over a period of years it will have a very beneficial and salutary effect in bringing together the producers and consumers of these perishable commodities, the marketing of which has always constituted a very serious problem.

Now, Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I want to express my further views with regard to the legislation considered today that provides for distribution of perishable food commodities acquired by the Commodity Credit Corporation.

The particular comment I want to make is that I wonder why the agency responsible for the handling of these commodities waited so long before making a move to dispose of this food that has been purchased by funds from the Federal Treasury, much of which has been permitted to deteriorate because of long standing.

I am informed that as recently as 2 months ago, the Government had in storage, and for which it was paying rental, 192,000,000 pounds of butter, 322,000,000 pounds of dried milk, 321,000,000 dozen dried eggs, as well as millions of pounds of dried fruits and other commodities. Of course these foods should be distributed among the welfare agencies who are presently buying these items at market prices.

It is pretty difficult to understand also why the taxpayers of this country should be required to pay millions of dollars for storage of these commodities when they should have been distributed to governmental and charitable institutions that are presently paying market prices for them.

It is pretty hard to explain, too, why Government-supported institutions across the country, and there are thousands of them, should be paying market prices for potatoes, while at the same time the Government is dumping them at the rate of 1 cent per pound. Only recently the Army bought several million dollars' worth of potatoes at high prices for the use of the Armed Forces. During the same week we had spent $70,000,000 for potatoes that were either destroyed or sold for 1 cent per pound, subject to penalty that it not be resold for food.

Why not let our Government hospitals have the surplus potatoes for the use of their patients and personnel, rather than dump them in the gutter, rather than set them on fire, or dispose of them to some concern for almost nothing? As I have said on other occasions, the thing just does not make sense.

Mr. GRANT. Mr. Chairman, I yield such time as he may require to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Chairman, I wish to speak briefly on a topic which I have discussed on previous occasions and one which I believe to be of increasing significance to all the people of this country—Federal aid to education.

Today we are mobilizing for war. But are we overlooking the true strength of America by neglecting the potential intelligence of our people?

I want to point out to you Members of the House one of the most alarming situations that has come to my attention since I came to Congress—the fact that only 15 out of 61 who took the examination recently for the Army in the District of Columbia were able to pass the physical and mental tests.

The true strength of America has always been the minds of our men and women—our American know-how. Are other nations catching up with us in this know-how in the development of the intellect of their people? If so, what are we going to do about it?

The United States of America, the richest nation on earth, is rich only because we have had adequate capabilities to take advantage of the material wealth God has given us in the form of natural resources.

During the last war many thousands of teachers left the teaching profession of this country for better paying jobs and many of them never returned. In the last few days 10 teachers resigned from the schools in my home county, one of the small counties of West Virginia. This is an unhealthy condition. Teachers are going to continue to leave, because of the more attractive pay they can receive in the industrial world.

In order to maintain our leadership in the world we must do so intelligently and to do so intelligently we must educate all our people. And in order to educate all our people we must have Federal aid to education. A bill without any Federal strings attached to it, which the present proposed measure certainly does not have, or I would be definitely opposed to it.

Again I say, the strength of America has been in the minds of our people. This strength has given us the know-how to accomplish our goals. If we are victorious in our present struggle, but neglect the education of our men and women, then we have gained a shallow victory.

From many sources, from educators, from laymen, from departments and bureaus of this Government have come reports concerning conditions of our schools. Conditions of such serious consequence to hundreds of thousands of our people that it should cause us to provide for immediate relief. On countless occasions, when we have been informed of a crisis confronting a part of our people, or the peoples of other lands—whether caused by fire, by flood, by famine, by earthquake, by disease or war, we have acted promptly and effectively to meet the needs of people to provide for their hunger, to relieve their pain, to make possible their rehabilitation and aid them to be self-sustaining.

There has been little quibbling over the cost of such relief to those in need. There has been no suggestion that those in distress be ignored. That would not be in keeping with the principles of America. While this has been true in the past it appears to me that in one of the most serious crises that could and does confront hundreds of thousands of our people we have shown a dereliction of duty which would be most difficult to defend before the citizens of this land.

Let us examine the reports to see if we can agree that a crisis exists:

First. The increased birth rate during and since the war has resulted in there being hundreds of thousands of children of school age for whom there are no adequate rooms, or instructional materials, or teachers.

Second. The exodus from the teaching profession of hundreds of thousands of teachers during and since the war leaves thousands of classrooms with emergency teachers who cannot meet certification requirements. This is particularly true in the elementary fields and more particularly in the primary departments where a qualified teacher is most needed.

Third. The tendency of teachers to retire early.

Fourth. The teachers colleges are now supplying but a fractional part of the teachers needed for normal replacement, and again this is especially true in the elementary field, where the load will continue to increase for years.

Do these factors add up to a crisis? Let us envision the children of the Members of this House of Representatives being denied the opportunity of attending school in a room which would provide for their comfort and health where there are to be found books and materials necessary for effective work, where there is a teacher qualified through training and experience to efficiently guide children in their preparation for living. This supposition would affect but a few hundred children. Would it be interpreted as something of sufficient seriousness to be termed a crisis demanding immediate and emergency action. The answer is, of course, in the affirmative.

We have been told, and no one has questioned the truth of the report, that hundreds of thousands of our children will be denied this rightful heritage this September and for many Septembers to come under present conditions.

A bill, already passed by the Senate, designed to help meet these needs of our children has been allowed to languish, to be pushed aside, to be hidden through machinations of committee debate and selfish effort.

We have shown ourselves willing and able to meet the crisis of needy peoples of western Europe and other parts of the world. We have responded to the threat presented by those who are opposed to our philosophy of life. Are these crises, which we have met, of graver danger or greater significance than those to be presented by hundreds of thousands of our own people who are denied the opportunity of adequate schools to

prepare them to contribute to the maintenance of our democracy?

Are we so lacking in material resources that we cannot afford to pay for good schools in this land? Should we be satisfied with anything less than a good school for every boy and girl—yours and mine—and those of the parents who live in the remote hills and valleys, the streets and the alleys, of your districts and mine? Are we lacking in the appreciation of the importance of each boy and girl? "As you have done unto the least of these, so you have likewise done it unto me."

If we in America falter and lose sight of the dignity and importance of the rights of the individual, only God in his infinite mercy and power can save our world. All too often has it been true that "Full many a flower is born to blush unseen, and waste its sweetness on the desert air." This is a wasteful extravagance which even we cannot afford among our youth if caused by the lack of honest effort to provide satisfactory schools.

I wish to make a plea on behalf of all of those boys and girls, who otherwise will be denied the opportunity of having their lives guided and enriched by the efforts of a sincere able teacher, that the decision of this problem be made on the floor of this Chamber by all the Members of this House during this session.

May it be the privilege of the Members of this Congress to recall that they individually contributed to all of the youth a greater opportunity, "To strive, to seek, to find, and not to yield," by inaugurating Federal aid to the public schools.

Again I say, the teachers of this Nation, next to home training, have the most important job in preparing all of us for our journey through life; and they also have a deep responsibility to all civilization in seeing that America stays strong and true to the ideals which have made our Statue of Liberty a mecca to people all over the world.

Mr. GRANT. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, I wish to compliment the committee on the excellent work they have done on this bill. I have gone over it very carefully, section by section. It is the exact copy of a bill I introduced. They have worked out quite a commendatory piece of work in this bill. I also wish to commend Mr. William Crow, who has done a most outstanding job for the Department of Agriculture. I have heard Mr. Crow explain just this type work which we are taking up today. I have also heard him explain it to the farmers, truckers, wholesalers, teamsters, consumers, chambers of commerce, and retailers. I might say that back in Huntington, W. Va., there was a unanimous vote by the wholesalers, farmers, retailers, truckers, local truck associations, the workers for those truck associations, chambers of commerce, and the consumers. When you get a unanimous vote from all those people from different walks of life, you indeed must have an excellent bill. A Government servant like Mr. William Crow adds much to the efficiency of our governmental administration. Indeed he does materially add to the service rendered.

I have also heard the consumer in another way express his interest in this bill. For instance, look at the congestion here—pointing to illustrations of Boston and New York City markets. Let us consider a farmer going to a market like this with fresh vegetables. If you will go to the nutritionists, and I have gone to them, about this bill, they will tell you that the farm produce such as fresh lettuce, water cress, broccoli, or cabbage, or any of those different leafy products, if kept out on the road a long time or kept in a congested market such as this, with flies swarming on them, will certainly lose their food value. Not only will they lose their food value, but they will have dust and disease germs on them which we do not want to have on our food. So if you have a market such as they have envisioned and which you can see from this drawing, you will notice that the trucks can back up to these market buildings and can unload goods without bruising them. If you have ever been to a wholesale or retail market such as the ones pictured here and watch them dumping out the food products, watch the lettuce and other leafy vegetables being bruised, and we do not want to have bruised lettuce on our plates, or any other type of bruised vegetable such as tomatoes which readily spoil. As I was saying, these trucks can load them off on the same level as the back of the truck. The same thing is true with the railway cars.

Another very important consideration is that this does not just apply to the big cities. Unfortunately my colleague did not take up the point that I am very much interested in, the middle-sized cities and the small cities. They are interested in these markets. It is a place where the farmers can get rid of their surplus foods. Let us consider the Ohio Valley, the Kanawha and Little Kanawha Valleys, for example, where we raise large quantities of tomatoes, leafy vegetables, roasting ears, eggs, and so forth. Now, suppose there is a glut on the logical market and they cannot sell these tomatoes. They even invite the people to come in and pick all the tomatoes they want, and large quantities of tomatoes decay in the fields.

This market facility is a place where the farmers can bring their surplus tomatoes. Then they can load them into these trucks and into the boxcars and send them to the cities. This is almost all profit for the farmer. The consumer himself will get lower prices on the tomatoes, and certainly the farmers will get a price for those tomatoes which would ordinarily spoil in the field.

I was talking to a few of our colleagues a few moments ago about fresh corn. The same thing is true about fresh corn. They can send that corn to these markets. If the shipments of corn stay around for quite a while the corn dries out and does not taste good. It will be delayed under conditions such as exist in these illustrations. Not only that, but you do not get the proper vitamins in your corn, that you should get from fresh corn. This then is a place where the farmers can go to the smaller cities as well as to the larger cities. Shipments can be transshipped much more advantageously under this bill from the small to the large cities. This bill then expedites shipments and cuts down on cost for the consumer.

The farmer can bring his wife to a place like this, which she or he will not be ashamed of. Unfortunately some of the markets which we now have are in parts of the city which are not the kind of environment that a farmer would like to take his wife. They will have rest centers in these markets, where the wives can go.

So, Mr. Chairman, here we have a most unusual situation, where we have the support of the consumer. It is ideal for the consumer. It is ideal for the wholesaler and the retailer. I might say, too, that the wholesale grocery companies and the retail small stores are not opposed to this bill. They voted unanimously for it in two of my cities. They are in favor of this type of market.

I repeat again we have the unusual situation where we can vote for a project which will lead to better goods for the consumer, healthier citizens and better prices for the consumer because of better handling methods. At the same time, the farmer can sell his produce so that he can get a good price for it, which produce might ordinarily be lost. So Members of this great body, you can readily see this is a most unusual situation. I ask for a unanimous vote on this overdue legislation.

Mr. GRANT. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, California produces a very large percentage of the Nation's fresh fruits and vegetables. Therefore, as one of the representatives of that great State in the House of Representatives, I take this occasion to point out the many good features of the bill which we are now considering.

The California Farm Bureau Federation has put on a campaign to narrow the spread between the price the farmer gets for his product and the price the consumer pays. I know the California Farm Bureau endorses this piece of legislation as a part of that program, and I feel sure that any farmer in the United States who sells fresh vegetables or other perishable produce will likewise be heartily in accord with this legislation.

Mr. Chairman, I sincerely hope that every Member of this body will vote in support of this bill.

Mr. Chairman, I yield back the balance of my time.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, it has been mentioned here that this is a farmers' bill. I have been a member of the Committee on Agriculture and a member of this subcommittee. It is my opinion that the bill is for the primary purpose of reducing the cost of food to the consumers; so it is actually more of a consumers' bill than a farmers' bill.

There are two factors that make up the high cost of living: One is the high cost of government, because the consumers of the country pay for the cost of government—the other item is transportation and handling charges on food and other items transported in interstate commerce which finally reach the consumer. This bill is designed to lower the handling charges at least on perishable items sold in these markets and to bring the food to the consumers at a lower price with the hope that the retailer will give the consumers the advantage of it. It also provides a more expeditious manner for the farmers to bring their produce either by rail or truck into the market and dispose of it quickly rather than to stand around all day in a congested street waiting for an opportunity to unload to some wholesaler. We hope that it will work out so that the consumers will get the benefit of it.

Let us return for a moment to the first item I mentioned which made up the high cost of living, the high cost of government. I think it is a more potent factor in our economy than even the legislation we are considering here. Stop and consider that if you are wearing a $60 suit of clothes approximately $20 of it represents the cost of government, or taxes. You may not know that you are paying it, you may say: "Let us put on an excess-profits tax on the corporation that makes the suit of clothes." If you do the company will just pass the tax back to you and other consumers. It was very aptly illustrated about a week ago when the oil companies raised the price of gasoline half a cent a gallon. What happened? The retail price went up 1 cent a gallon and it was immediately passed on to the consumer. The price of cigarettes was raised a very small amount, less than a cent a package, but immediately the price of cigarettes went up a cent a package to the consumer. Today in the District of Columbia you are paying 12 cents a package tax on the cigarettes that you buy. And so it is with everything you buy. Instead of the corporations paying the taxes, they simply act as tax collectors and you, Mr. Citizen, whether you buy groceries, perishable items, clothing, cigarettes, or luxuries, are paying in hidden taxes for the high cost of government. When the people of this country wake up to the fact they are paying for the high cost of Government why, then, we will have more economy in government and we will probably also have better government.

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I wish to compliment the committee for having brought out this bill. The gentlemen from Kansas stated earlier that this is a subject in which I have been interested for a very long time. As the gentleman from Indiana [Mr. HARVEY] said, perhaps the bill is overdue, but my observation has been that when by investigation on the part of committees, subcommittees and special committees, when after hearings and such discussion as is taking place on the floor today, we do bring out a bill of this kind, it is much more apt to have had squeezed out of it the parts which might cause confusion and that might later require correction.

This will be of very great benefit especially in the eastern area where the marketing of fresh fruits and vegetables has been tied to antiquated markets which are no longer suitable for their locations. I congratulate the committee, I support the bill and I hope it will receive a unanimous vote.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted etc., That this act may be cited as the "Marketing Facilities Improvement Act."

DECLARATION OF POLICY

SEC. 2. It is found and declared that the marketing of perishable agricultural commodities affects the public welfare and is a matter of grave national concern; that vast quantities of fruits, vegetables, and other perishable agricultural commodities shipped from various producing areas located throughout the United States and foreign countries pass through and are handled in public marketing facilities located in large consuming areas which are in most instances inadequate and obsolete; that the handling of perishable agricultural commodities in such facilities is attendant with many uneconomic practices, greatly increasing costs and causing undue losses, excessive waste, spoilage, and deterioration, which result in producers receiving prices far below the reasonable value of their products, in unduly and arbitrarily enhancing costs of operations in such markets, and increasing the price of food to consumers; that the prices of all perishable farm commodities are directly affected by the prices made on these public markets and are adversely affected by the unduly burdensome costs resulting from obsolescent and inadequate facilities; that obsolete and antiquated facilities create such an undue restraint and unjust burden on interstate commerce as to make it imperative that appropriate measures be taken to free such commerce from such burdens and restraints and to protect producers and consumers against oppressive costs resulting from the use of such facilities; that modern facilities would make possible the saving of millions of dollars annually by removing the cause of many of the unnecessary costs and burdens; that in spite of the great need for improved facilities, efforts in the past have failed to bring about a satisfactory solution to the problem; that this failure has been due largely to the inability of farmers, dealers, brokers, commission merchants, and others, individually or collectively, to obtain through regular financial channels the relatively large amounts of capital necessary for the construction of modern facilities. In consequence of the conditions referred to above, it is hereby declared to be the policy of Congress through the powers herein conferred upon the Secretary of Agriculture, to aid in the establishing of such public marketing facilities for the wholesale handling of fresh fruits and vegetables, poultry, eggs, dairy products, other perishable agricultural commodities and sea food as will be conducive to orderly and efficient distribution, increased consumption, and a reduction in the spread between prices paid by consumers and those received by farmers.

GENERAL PURPOSE

SEC. 3. It is the purpose of this act to facilitate, encourage, and assist municipalities and political subdivisions of States, public agencies, and instrumentalities of one or more States or municipalities, public corporations and boards, and private enterprise in the creation and development of modern and efficient public wholesale markets for the handling of perishable agricultural commodities in areas where such markets are found to be needed and where Federal assistance is requested and authorized as prescribed in this act, to the end that unnecessary costs and burdens attendant with the marketing of perishable agricultural commodities caused by inadequate or obsolete facilities may be eliminated and that the spread between the amount received by producers and the amount paid by consumers may be reduced.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 2, at the end of line 7, strike out the word "for" and insert in lieu thereof the word "far."

The amendment was agreed to.

Mr. POAGE. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to proceed for five additional minutes and to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman, in our defense effort there are three necessary factors. They are money, machines, and men. Of the three, men are by far the most vital and the most precious. If we can save our men by the use of our money and our machines, we are determined to do so. This is one of the vital differences between the American and the communistic attitude toward war. The Communists will use human lives to save money or materials. Our American military leaders are taught to use money and materials to save men. War is, therefore, far more costly, in dollars, to us than to the Communists.

Unfortunately, with all the progress which has been made in the field of death-dealing machines, no nation has been able to completely eliminate the need for men. Nor have we found it possible to eliminate danger to the men who serve in the Armed Forces. Our people have tried to treat all men—the natives of other lands as well as our own—with a dignity and humanity that is utterly foreign to the practice of some other countries. We have, and do, accord the most humane treatment to a captive foe. We do not believe that the men of any land should be expected to suffer unnecessarily. Neither do I believe that the people of other nations should expect our people of the United States to do all the fighting and the dying for freedom and democracy. Our boys have fought in every land and on every sea that people everywhere might be free. We have expended our billions, and have supplied the world with our machinery. We shall continue to work and even die for freedom for all the world. Is it too much to ask that the direct beneficiaries of our struggle should supply whatever they can?

Today it is clear that communistic aggression must be resisted in both Europe

and Asia. America is committed to assisting in each area, but let us make it a cooperative undertaking. Let each nation contribute within the limits of its resources. To defend our own shores, we must require the services of great additional numbers of our young men. There is a limit beyond which we cannot strain our manpower without reducing our ability to supply the machines of defense needed by the rest of the world. There is a limit to the expenses we can incur without reducing the monetary aid we can render abroad. Today, we are not only putting more money into defense than all the rest of the world—we are devoting a larger part of our income than anyone else. Of course, we are supplying the bulk of the machinery of defense for all the noncommunistic world. Under these circumstances, can we be criticized when we ask others to contribute manpower to the defense effort? I think not.

About a year ago, I suggested that the United States should arm and train, as a part of the United States Army, approximately 25 divisions of Germans to serve in Germany and western Europe, and about a like number of Japanese to serve in Japan and the Far East. I pointed out that in each instance the primary purpose of these troops would be to defend their respective homelands from communistic attack. While members of the House Committee on Armed Services gave me such a favorable hearing that I was encouraged to hope that that committee would frame appropriate legislation of its own, I did receive considerable criticism from portions of the public press. After becoming discouraged at the failure of the committee to act, I introduced a bill of my own (H. R. 9360) authorizing the recruitment of individuals, not citizens of the United States, including specifically nationals of Germany and Japan. This bill is still pending before the House committee. The committee has not yet given it any serious consideration. I feel that before we embark on a program of drafting American boys to go out and die for the defense of distant lands we should at least give the natives of these other lands a chance to join the forces that are assigned to protect their homes.

Neither West Germany nor Japan can establish armies for their own defense. Doubtless this is a sound precaution which must be carried out in order to protect the world from any possible revival of German or Japanese militarism. I would not suggest that these peoples be entrusted with this power for harm so shortly after its misuse by the former German and Japanese leaders. On the other hand, so long as we do not allow these people to arm their own men we must send American boys to protect them. This is not fair to our boys and it is not sound from a business standpoint. There is no need for America to supply all three of the essential elements of defense. For some time to come we will doubtless be compelled to supply the money and to a lesser extent the machines, but surely Germany and Japan can and would be glad to supply the men.

Let us consider the case of West Germany: Everyone knows that unless the defenses of western Europe are not materially strengthened very quickly, we will see a repetition of the Korean tragedy. Everyone knows that in the absence of a much stronger, hard core of ground troops, Western Germany is just as vulnerable to attack by the Communists of East Germany as South Korea was to the attack of the trained troops from North Korea. Everyone knows that our only plan of resistance in western Europe relies on long-range strategic bombing of Russian targets. Everyone knows that if West Germany is invaded by East German Communists it will be in the name of German "unity" and "peace"; just as it was in Korea. Everyone knows that under these circumstances our strategic Air Force will be without effective targets, just as it has been in Korea. Everyone knows that there are no neighboring democracies who are able to go to the aid of West Germany and we will have to carry the load, just as in Korea. Everyone knows that with our present military strength, we would be pushed out of most if not all of West Germany with serious losses, just as we suffered in Korea. Everyone knows that the way to prevent a Communist push into West Germany is to have a sufficiently well-trained and well-equipped ground troop force to repel it. It will probably never come if we are ready for it. Weakness but invites aggression. What then is the answer? To me it is very simple.

Recruit 25 divisions of German nationals. Many of them will be veterans. All will make good solid soldiers. Let their company officers be Germans, but make their field officers Americans. Equip them with American machines. Give them but a few days' supply of ammunition. Keep the ammunition reserves in France or even in England, as assurance that they will never turn on our friends. Pay them in German money purchased with dollars from the West German Government. Feed and clothe them on the standard of American soldiers. Possibly give them a distinctive feature of the uniform for identification. Do not confer any rights of citizenship or veterans' benefits. Always remember that they are not recruited to defend America directly and are not, therefore, entitled to the same veterans' benefits that are given to American boys. Remember that these troops are the first line of defense for their own homes and that the United States is exhibiting extreme generosity—even though it is helpful to us—to provide the money and the material of this German defense. We cannot, therefore, in good conscience be called upon to grant citizenship to these troops as we have often granted citizenship to foreign nationals who fought for the United States. These troops will be contributing to the defense of the Western World just as we will be contributing to it with our money and our machines, but first and above all else, they will be defending themselves. They have no right to call on us for special rewards for doing this.

It must be self-evident that such a force in cooperation with our Air Force is an effective answer to the Communist threat to West Germans and as far as I know, it is the only effective answer that has been proposed. Are we going to take steps to convert this program into a real fighting force, or are we going to pull back from any decisive action until it is again too late? We know we have too little in Europe now to stop even the East German Communists. Let us not combine this "too little" force with an indecision that will result in any action being also "too late". Let us use the manpower of both Germany and Japan to its own defense, and thereby save Americans as well as Japanese and Germans.

The Clerk read as follows:

DEFINITIONS

SEC. 4. For the purposes of this act—

(a) "Market facility" means all the facilities used in connection with the operation of a public wholesale market, including the land, buildings, fixtures, equipment, and other appurtenances necessary or incidental to the operation of a public wholesale market for perishable agricultural commodities constituting a single integrated market located in a substantially contiguous area, not including public cold-storage warehouses of more than 10,000 cubic feet capacity, or facilities for handling livestock.

(b) "Public wholesale market" means a place which serves as the major source of supply of perishable agricultural commodities consumed in a large consuming area and which is operated primarily for the purpose of selling or otherwise disposing of perishable agriculture commodities at wholesale for resale to others.

(c) "Perishable agricultural commodities" means agricultural commodities and products thereof, consisting principally of fresh fruits and vegetables, handled alone or in combination with poultry, eggs, meats, seafood, and dairy products.

(d) "Mortgage" means a first mortgage on real estate, in fee simple or on a leasehold under a lease for not less than 99 years; and the term "first mortgage" means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

(e) "Mortgagee" means the original lender under a mortgage, and his successors and assigns approved by the Secretary.

(f) "Mortgagor" means the original borrower under a mortgage and his successors and assigns approved by the Secretary.

(g) "Maturity date" means the date on which the mortgage or loan indebtedness would be extinguished if paid in accordance with periodic payments provided for in the mortgage or credit instrument.

(h) "United States" includes the several States of the United States, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

(i) "Secretary" means the Secretary of Agriculture.

(j) "Eligible borrower" means any municipality or political subdivision of a State, public agency, or instrumentality of one or more States or municipalities, public corporation or board, or private corporation engaging in, or which will engage in, the operation of a public wholesale market facility which meets the eligibility requirements of this act.

MARKET RESEARCH AND ANALYSIS

SEC. 5. In order to effectuate the objectives of this act and assist in the development of proper, adequate, and efficient marketing fa-

cilities in the United States, the Secretary under the authority of, and with funds made available pursuant to the Agricultural Marketing Act of 1946, shall undertake, and disseminate the results of, research relating to design, plans, location, methods of operation, materials, use, equipment, and other similar research and analysis, consistent with the needs for the improvement and development of proper, adequate, and efficient marketing facilities for handling perishable agricultural commodities.

REVOLVING FUND

SEC. 6. (a) There is hereby created a fund to be known as "the marketing facility mortgage insurance fund" (referred to in this act as the "insurance fund"), which shall be used by the Secretary to make insurance payments under section 9 of this Act and to meet the expenses incurred in connection with the acquisition, operation, and disposal of market facilities acquired pursuant to the provisions of the insurance contracts in the event of default by the borrower, except that no part of such fund shall be used for administrative expenses incurred in carrying out this act. There is authorized to be appropriated the sum of $25,000,000 to constitute such fund which sum shall remain available until expended.

(b) The money in the fund created under this section not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed as to principal and interest by the United States.

(c) The Secretary shall make an annual report which shall include a complete statement with respect to the status of the insurance fund.

INSURANCE LIMIT

SEC. 7. The amount of any insurance contract which may be made under this Act shall not exceed an amount equivalent to 85 per centum of the total cost of the market facility as determined by the Secretary: *Provided*, That in no case shall the borrower invest less than $45,000 of the total cost: *And provided further*, That the investment by the borrower shall always be a claim subordinate to the claim of the United States arising out of an insurance contract under the authority of this act.

INSURANCE OF MORTGAGES

SEC. 8. (a) The Secretary is authorized, upon application of a prospective mortgagor or mortgagee under a first mortgage eligible for insurance under this act on a market facility, to insure such mortgage and to make commitments for the insurance of any such mortgage prior to the date of its execution.

(b) The aggregate amount of principal obligations outstanding at any one time on all mortgages insured under this act, and on all mortgages with respect to which commitments to insure have been made, shall not exceed $100,000,000.

(c) In order for mortgage on a market facility to be eligible under this act—

(1) the person obligated to pay thereunder shall be an eligible borrower;

(2) the market facility mortgage shall be one which is determined by the Secretary to be eligible for mortgage insurance;

(3) the mortgage shall be made to and be held by a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(4) the principal obligation (and fees and other charges chargeable under subsection (d) of this section) shall be in such amounts not in excess of the amounts specified in section 7 of this act as may be necessary to enable the borrower to establish the market facility;

(5) the mortgage shall have a maturity satisfactory to the Secretary but not to exceed 40 years from the date the mortgage is insured;

(6) the mortgage shall bear interest at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any one time; and

(7) the mortgage instruments shall—

(A) provide for the repayment of the principal obligation, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary; and

(B) contain such provisions with respect to insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may prescribe.

(d) The Secretary shall require the payment by the mortgagor or mortgagee of such initial fees for inspection, appraisal, and other similar charges as he finds necessary and such amounts may be included in the principal obligation of the mortgage. The proceeds of such fees and charges shall be deposited in the insurance fund (created by section 6 (a)).

(e) For insurance granted pursuant to this act the Secretary shall collect from the mortgagee, upon insurance of the mortgage, an initial charge of one-half of 1 percent of the principal obligation of the mortgage and annually thereafter a charge of one-half of 1 percent of the principal obligation remaining unpaid at the time the charge becomes due, without taking into account delinquent payments or prepayments. The proceeds of such charges shall be deposited in the insurance fund.

(f) Any contract of insurance executed by the Secretary under this section shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation of which such mortgagee has actual knowledge.

(g) The mortgagee may, with the approval of the Secretary, assign any mortgage insured under this act, together with the accompanying note and contract of insurance, and the assignee thereof shall thereupon become entitled to all the benefits of such contract of insurance.

PAYMENT OF INSURANCE

SEC. 9. (a) If the mortgagor under a mortgage insured under section 8 is in default for more than 12 months and the mortgagee, in accordance with regulations prescribed by the Secretary, (1) forecloses, or with the Secretary's consent otherwise acquires the property from the mortgagor after default, (2) conveys title and gives possession of the property to the Secretary, and (3) assigns all his claims against the mortgagor or others arising out of the mortgage transaction or foreclosure proceedings (except claims released with the Secretary's consent) to the Secretary, the Secretary shall pay to the mortgagee, in cash, the value of the mortgage. The Secretary shall make such payments within 1 year after the date the mortgagee makes the conveyance required in the first sentence or the date he makes the assignments required in the first sentence, whichever is the later date.

(b) For the purposes of this section, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Secretary, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount of all unpaid interest; the amount of all payments which have been made by the mortgagee for taxes, special assessments, water rates, and other payments in discharge of liens which are prior to the mortgage, and insurance on the property mortgaged; and a reasonable amount for necessary expenses incurred by the mortgagee in acquiring title to the property and conveying it to the Secretary; and by deducting from such total amount any amount received on account of the mortgage indebtedness after such default.

(c) If there should not be sufficient money in the insurance fund to enable the Secretary to make payments to mortgagees as provided in subsection (a) of this section, the Secretary may make and issue notes to the Secretary of the Treasury to obtain funds to make such payments. Such notes shall be signed by the Secretary or by his duly authorized representatives and shall be negotiable. Such notes shall bear interest, payable semiannually, at a rate equal to the average rate of interest, computed to the end of the calendar month next preceding the date of issue, borne by all interest-bearing obligations of the United States then forming a part of the public debt, and shall have such maturities as the Secretary may determine with the approval of the Secretary of the Treasury.

(d) The Secretary of the Treasury is authorized and directed to purchase any notes issued by the Secretary pursuant to this section and any renewals thereof, and for such purchases may use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such act, as amended, are hereby extended to include any such purchases. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public-debt transactions of the United States.

(e) In any case in which the mortgagor violates any covenant or condition of his mortgage, the Secretary may require the mortgagee to assign such mortgage, together with the incidents thereto, upon payment of the value of the mortgage determined in accordance with this section.

ELIGIBILITY REQUIREMENTS

SEC. 10. To be eligible for the benefits of this act, a borrower must show to the satisfaction of the Secretary that the facility is needed and that the location, design, method of financing, method of operation, and such other requirements as the Secretary may determine necessary to effectuate the purposes of this act will be met, including the following:

(a) That the market facility will reduce the cost of distribution of perishable agricultural commodities and handle a sufficient volume of business to enable the loan to be amortized within the period specified at the time the loan is made.

(b) That the market will be so located and designed as to make possible the direct loading and unloading of rail and truck receipts into or from the buildings of handlers receiving substantial quantities of perishable agricultural commodities by such methods of transportation, and that no restrictions will be imposed which will prevent access to the facility of supplies handled by any rail or truck transportation company.

(c) That sufficient land is included as a part of the facility to meet the needs of the initial construction, plus a reasonable amount of land for expansion of the market facility, and in no case shall the land available for future expansion be less than one-fourth of the acreage utilized in the initial construction.

(d) That not more than one-third of the total cost of the market facility, including the land set aside for future expansion, is to be expended for the acquisition of land, graded and placed in condition for construction.

(e) That the market facility will not be operated in a manner which would discriminate against any perishable agricultural commodity on account of geographical origin of such commodity or prevent any producer, seller, or buyer from utilizing the market facility because of his organization, business methods (if not unfair or unlawful), membership or nonmembership in any organization, or on account of the method of transportation of the products.

(f) That the rentals and other charges for the use of the market facility will be established at reasonable levels approved by the Secretary and designed to meet the obligations, defray the costs of maintaining and operating the market facility, and provide reasonable reserves.

(g) That any substantial alterations of the market facility will be made only with the approval of the Secretary.

(h) That reports will be made to the Secretary at such intervals and giving such information concerning the market facility as the Secretary may require, and that the books and records of the market facility will be available for examination by the Secretary at its offices at any time during business hours.

(i) That the title to the market facility, or any part thereof, will not be transferred or encumbered, or leased for any purpose not related to the operation of the market, and that any of the vacant land of the market facility will not be leased for a period longer than 1 year (including the period of any renewals or extensions of such lease), except with the approval of the Secretary.

MAXIMUM CHARGES

SEC. 11. If mortgage insurance is extended by the Secretary under this act, to aid in financing the construction of a market facility, the maximum charges which may be received for the use of the market facility shall be subject to the approval of the Secretary during the period between the date the assistance is extended and the maturity date originally specified in the mortgage instruments. The Secretary shall approve such maximum charges if he determines they are reasonable and nondiscriminatory.

DEFAULT

SEC. 12. Whoever knowingly demands or receives a charge in excess of the applicable maximum charges approved under section 11 or violates any covenant or condition arising out of a mortgage insurance contract, other than a default in payment, shall be liable to a penalty of not more than $2,000 for each such offense. Each distinct violation shall be a separate offense, and in the case of a continuing violation each day shall be deemed a separate offense. Such penalty shall accrue to the United States and may be recovered in a civil action brought by the United States.

ACQUISITION, OPERATION, AND DISPOSAL

SEC. 13. In the event of default, and conveyance of the property to the Secretary under the applicable provisions of this act, the Secretary is authorized to accept title to such property; to maintain and operate (but not including engaging in the business of buying or selling perishable agricultural commodities) or lease such property for such period as may be necessary to protect the interest of the United States therein and to sell or otherwise dispose of such property at public or private sale to the highest responsible bidder on such terms and on such conditions as the Secretary deems feasible. All net amounts realized from the operation or disposal of any property acquired under this section shall be deposited in the insurance fund. The insurance fund shall be available to defray expenditures in connection with the acquisition, maintenance, operation, and disposal of any such properties without regard to the provisions of section 3709 of the Revised Statutes.

FEES AND COMMISSIONS

SEC. 14. No officer or employee of the Department of Agriculture shall directly or indirectly be the beneficiary of or receive any fee, commission, gift, or other consideration for, or in connection with, any transaction or business under this act other than such salary, fee, or other compensation as he may receive as such officer or employee. Any person violating any provision of this section shall upon conviction thereof be punished by a fine of not more than $2,000 or imprisonment for not more than 2 years, or both.

ADMINISTRATIVE PROVISIONS

SEC. 15. (a) The Secretary is authorized to promulgate such rules and regulations as may be necessary for the administration of this act.

(b) The Secretary shall administer this act by agencies within the Department of Agriculture presently engaged in investigating and developing plans for improved market facilities.

ADMINISTRATIVE EXPENSES

SEC. 16. There is authorized to be appropriated such sums as Congress may from time to time determine to be necessary to enable the Secretary to carry out the provisions of this act, except that any expenses in connection with marketing facility research, development of plans for market facilities, determination of the need for market facilities, and methods of operation of market facilities shall be financed from funds made available pursuant to the Agricultural Marketing Act of 1946 and the "marketing farm products" item in the Department of Agriculture Appropriation Act.

Mr. COOLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that it be printed in the RECORD at this point and be open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I have been a member of the Committee on Agriculture of the House of Representatives during my years of service in Congress. I have specialized in matters dealing with the welfare of American farmers, because I sincerely believed that prosperity for the entire country depends, to a large extent, upon a prosperous agriculture. The farmers of the United States are the only segment in our economy to produce an annual crop of new wealth from the same soil that finds its way into the bloodstream of American business and life. Labor, business, industry, and profession all profit from a prosperous agricultural economy.

I have refused to play politics with the welfare of American farmers in the consideration of farm problems. I have severely criticized those who do so. Until the beginning of the present Democratic Eighty-first Congress, all members of the committee, Democrats and Republicans alike, consistently considered and drafted farm legislation on a nonpolitical basis. We all agreed that problems involving the welfare of agriculture were economic and not political. However, I regret to say that in the present Eighty-first Democratic-controlled Congress high officials in the Truman administration joined with certain labor leaders to play politics with the farm problem and the future of American farmers. This political manipulation can only result in great injury to the men and women who produce the food for the Nation, and I will fight such political schemes to the limit of my ability.

My remarks today deal exclusively with the production and marketing of agricultural products.

Finding a workable and sound method to dispose of national and local farm surpluses continues to be the problem confronting American agriculture. While many proposals to accomplish this purpose have been suggested or tried out during the past 25 years, the problem remains largely unsolved for a peacetime economy.

For the immediate future, with the United States again mobilizing for an all-out war effort, it is vital to the economy of the country to secure maximum production of all essential farm products. Abundant production of food will help win the war and also materially curb a run-away price inflation. However, to secure full production for the emergency, satisfactory price-support floors should be provided to protect producers of both basic crops and vital perishable commodities from drastic market declines. No one can predict the length of the present war emergency or the demand that will be made on American farmers for food and other farm products to win the war and take care of domestic needs.

Congress should now study and prepare legislation for a sound and permanent long-range farm program. Such action is vital to the future economy of our country. Instead of following unsound agricultural proposals to solve the farm problem, I propose that we correct the objectionable features of the present farm program, and proceed to repeal administration policies that work to the detriment of agriculture. This should be our first goal. There are many desirable features in the present farm program, which I helped to enact, which should be retained and improved. In connection with this action, I am proposing changes in the long-range farm program. The development of this program should be free from political manipulation. My proposal contemplates equality in economic opportunity for the men and women who produce the food and fiber for the Nation.

If parity means anything, the farmer should receive parity prices in the market place, and not be made dependent on the Government for a substantial portion of his annual income. With less than 20 percent of our population engaged in agriculture, one does not need to be an expert to figure out that any farm program will be a complete failure when its success depends on securing billions of dollars in annual appropriations to be used as production payments to farmers. If appropriations fail, farmers particularly engaged in the production of dairy products, poultry products, livestock, and other perishable commodities would be left holding the bag and headed for bankruptcy. These farmers produce the bulk of American farm income, and if they go into an

economic tailspin depression will overtake the entire country.

As a ranking minority member of the Committee on Agriculture in the House of Representatives, I am proposing the following changes in existing agricultural laws and policies to remove inequities against Midwest farmers. I am also proposing certain improvements in production and marketing practices, and an expansion in the soil-conservation program by providing adequate technical aid and assistance for the Soil Conservation Service to prevent soil erosion and flood damage. I am also outlining for study and development a self-financed system to dispose of national and local farm surpluses.

REMOVAL OF DOMESTIC TRADE BARRIERS

Domestic trade barriers which stop or retard the free flow of quality farm products between various areas in the United States, should be abolished. Such action is vital to the future welfare of Midwest dairy farmers, who are now stopped from selling their milk and cream in 36 of the large consuming areas of the United States under the Milk Marketing Agreement Act of 1937, and because of local and State regulations.

Under the Milk Marketing Agreement Act which established local milksheds around large consuming areas, the Secretary of Agriculture fixes the minimum price to be received by local milk producers within the area, which in many instances is more than twice the amount received by Midwest farmers. The price fixed by the Secretary of Agriculture for producers within the milk-marketing area, encourages increased production within the area and stops Midwest farmers from shipping their cream to these large consuming areas. I am proposing the adoption of a national sanitary standard for milk and other dairy products, as established by the United States Public Health Service to supersede local and State regulations to restore normal marketing of all dairy products in interstate commerce. Again I repeat, there should be no trade barriers between areas within the United States for quality farm products produced in any section of the country, when such products meet the requirements of Federal law.

I fought the Milk Marketing Act in 1937 when it was first proposed, because I believed then as we have found out now, that such a law would work to the detriment of dairy farmers residing in surplus milk producing areas.

When the bill came up for consideration in Congress in 1937, I offered an amendment which sought to give Midwest dairy farmers access to all consuming markets in the United States. The amendment was adopted and is now the law of the land. However, the Secretary of Agriculture has ignored this section of the Milk Marketing Act, and dairy farmers in Minnesota and other Midwest States are stopped from shipping their milk and cream to most of the large consuming areas of the country. Consequently, the surplus milk produced in the Midwest must be manufactured into butter and cheese, which brings a smaller income return.

The Andresen amendment reads as follows:

SEVENTH UNITED STATES CODE 608 (C)

(G) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof produced in any production area in the United States.

RESTORE TO BUTTER ITS HISTORIC YELLOW COLOR

For the past 60 years the oleomargarine industry has tried to steal the natural yellow color of butter to be used in coloring oleomargarine so that this synthetic product would look like butter. During this period a Federal law has prohibited the coloring of oleomargarine in imitation of butter without the payment of a 10 cent per pound tax.

Since the beginning of the Democratic Roosevelt Administration in 1933, the oleomargarine industry intensified its drive to repeal this Federal law. Until the Eighty-first Democratic Congress, this onslaught was successfully stopped by groups representing dairy farmers and Congressmen from dairy States. The repeal of the tax was never an issue. The fight was over the color "yellow."

However, in the Eighty-first Democratic-controlled Congress, the Democratic Party joined hands with the oleomargarine industry and succeeded in passing a law that legalized the coloring of oleomargarine yellow in imitation of butter. President Harry S. Truman signed and approved this law on March 16, 1950. The law went into operation on July 1, 1950, and I am convinced that it will do untold damage to dairy farmers in the Midwest butter-producing States. It will also permit fraud and deception on the consuming public.

In the past 10 years butter consumption has decreased from 17 pounds to 10 pounds per capita, and oleomargarine consumption has gone from 2 pounds to around 6 pounds per capita. The law repealing the tax on oleomargarine should stand, but I insist and will fight to repeal the law which permits oleomargarine to be colored yellow in imitation of butter for shipment in interstate commerce.

IMPORTS OF COMPETITIVE FARM PRODUCTS

Parity tariffs on competitive imports of farm products should be established to protect American farmers. Imports of pork products, butter, cheese, eggs, fresh fruits, and vegetables and other competitive farm products of which a sufficient amount is produced in this country to meet domestic requirements, can only serve to break the domestic price structure, destroy the support program, and work great injury to American farmers.

In January 1950, President Truman reduced the duty on imported butter from 14 to 7 cents per pound and fixed the annual quota of butter imports at 60,000,000 pounds. Congress enacted a law authorizing the President to place an embargo on the importation of butter and other fats and oils, which is in operation at the present time. Since the authority contained in this law leaves it at the discretion of the President to continue the embargo, it is assumed that President Truman for political reasons would not permit imports of butter to come into this country until after the congressional elections on November 7, 1950.

The support price on butter is now 60 cents per pound and nearly 200 million pounds of butter is in the hands of the Government under the support program. Butter from foreign countries that have devalued their money by as much as 30 percent can now ship butter into the United States, if the President removes the embargo, including tariff duty and transportation paid, at less than 50 cents per pound. Imports of butter would completely destroy any program devised to protect the integrity of the American dairy farmer who generally operates a so-called family-sized farm. It is our duty to protect American producers, and when we do so, we safeguard the entire economy of the country.

FAMILY-TYPE FARM

Special recognition should be given to encourage farm-home ownership for the development of the family-sized farm.

CONSERVATION OF SOIL AND WATER RESOURCES

It is vital to the future welfare and security of the American people to conserve the fertility of our soil. Soil-conservation practices should be encouraged in every manner under the appropriate programs now in operation. These programs can be improved for the benefit of our economy.

Soil erosion and devastating damage caused by floods is a problem that demands the immediate attention of Congress and the country. With the limited funds that have been made available by the Federal Government, the soil-conservation districts through farmer cooperation have done magnificent work. Funds should be substantially increased to provide the required technical help for the soil-conservation districts, and also inducement should be provided under the Service for terracing of land, and planting of trees and grasses, where floods cause soil erosion and other damages due to the topography of the land.

A well-rounded soil-conservation program must take into consideration the following farm practices:

Contour farming, strip cropping, pasture improvement, seeding pasture, wildlife-area improvement, woodland management, tree planting, terraces, field diversions, farm drainage, tiling, field windbreaks, prevention of grazing damage, fence-row management and streambank management.

It will cost considerable money to provide the technical aid and engineering services to accomplish the objectives of such a program. Congress has appropriated $52,400,000 to carry on the work of the Soil Conservation Service until June 30, 1951. This is an increase over last year. However, with growing interest on the part of farmers and the public as to the need for soil conservation, Federal appropriations should be increased to meet the growing demand for expansion of the Soil Conservation Service. I have been one of the sponsors of the Soil Conservation Service program since its inception in 1935.

In addition, I believe it highly desirable to have a course in our public schools on soil conservation. Every citizen has a stake in the future of the soil, as the economy of the Nation depends upon it for maintenance of life.

Conservation of our forests is vital to the future security of the country. Special inducement should be made for every farmer to plant a tree plot on his farm.

Conservation of wildlife can be expanded in conjunction with a proper soil conservation program. A more effective program to rid our streams and lakes from pollution should be adopted.

CROP INSURANCE

The over-all crop insurance program should be strengthened on a sound actuarial basis to afford Nation-wide crop coverage to American farmers on a voluntary plan.

RESEARCH IN AGRICULTURE

Research programs for greater efficiency and high quality in production of farm products should be intensified. Research in finding new uses in industry for farm products, and for the production of new crops not heretofore produced in the United States, should be expanded. It is also of vital concern to increase research to improve our marketing system for food products, which will assure a larger return to producers and lower food costs to consumers.

TRANSPORTATION COSTS

Consumers living in large cities and at long distances from the source of production, rightly complain about the high cost of perishable commodities. In this field we have fresh fruits and vegetables, dairy and poultry products, meat, and other perishable items. The high retail cost of these commodities is generally due to excessive high transportation and handling charges. To remedy this situation and to provide greater supplies and lower prices to consumers for perishable commodities, transportation costs from distant points of production should be materially reduced. Such a program would be for the benefit of all of the people, and particularly those who live in large consuming areas at distant points from producing sections.

SELF-FINANCED SYSTEM TO DISPOSE OF AGRICULTURAL SURPLUSES

The development of a long-range farm program with the objective of affording farmers full parity price in the market place for agricultural commodities, by creating a producer-financed agency to dispose of agricultural surpluses in domestic and foreign markets is desirable and necessary for the future welfare of American agriculture. Products held by the agency would be disposed through normal channels of trade, but undisposable surpluses would be sold at reduced prices under a two-price system in world markets and to Government-sponsored domestic and foreign relief programs.

TRADING AMERICAN SURPLUSES FOR FOREIGN CRITICAL PRODUCTS

To remove burdensome surpluses, authorization should be given to trade American farm surpluses for foreign-produced critical commodities that are not produced in the United States.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I am delighted to yield.

Mr. McCORMACK. In an effort to enter into a compatible relationship mentally with my friend, I want to join with him on this occasion in his most appropriate remarks made about our distinguished friend from Michigan, one of the great men of the House of Representatives. He is one of the finest men I have ever met. He has rendered 30 years of constructive and honorable service to his district, his State, and his country; and I, as a Member of the House of Representatives, and as a member of the Democratic Party, as majority leader, want the people of his district, as well as the gentleman from Michigan, to know he enjoys the confidence, respect, and friendship of all of us. We all recognize in our distinguished friend one of the greatest Americans we have ever met.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the distinguished gentleman from Michigan who is completing 30 years of outstanding service in the House of Representatives. The gentleman is leaving this body after a long and distinguished career of service to his constituents and the country. I will miss him. All of us will miss him and his daily presence on this floor. The gentleman from Michigan is a statesman, and man of character and integrity, and an outstanding American. When he takes his leave at the end of this Congress, we all wish him many years of good health and happiness. I am very happy to yield to him.

Mr. MICHENER. The gentleman is very generous. But what I intended to say is that the insertion of the discussion with the gentleman from Iowa [Mr. JENSEN] into the heart of the gentleman's most germane speech was not of his own doing.

Mr. AUGUST H. ANDRESEN. I thank the gentleman for his statement. While the remarks of the gentleman from Iowa were most pertinent, I advised him that I did not intend to include our colloquy as a part of these remarks. I am dealing specifically with proposed changes in our national agricultural policy and it is my desire to make a full and complete statement without the injection of other matter, however pertinent. I am sure the gentleman from Iowa will understand.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9141) to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities, pursuant to House Resolution 809, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

SPECIAL ORDERS GRANTED

Mr. HOLIFIELD asked and was given permission to address the House for 10 minutes on today, on Wednesday, and on Thursday of this week after the legislative program of the day and any special orders heretofore entered.

Mr. MITCHELL asked and was given permission to address the House for 25 minutes on Thursday of this week following the legislative program of the day and any special orders heretofore entered.

RESCINDING ORDERS OF POSTMASTER GENERAL ON MAIL DELIVERIES

Mr. FURCOLO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FURCOLO. Mr. Speaker, I just want to take a few minutes to call attention of the Members, and the country, to what I believe is one of the most significant votes we have had in this Congress. I refer to passage of the bill rescinding the order of the Postmaster General on residential mail deliveries.

The significance lies in the fact that passage of that bill by a vote of 264 to 108 indicates that most Congressmen believe the people of America are unwilling to make even the smallest sacrifice to win the war in Korea—a war that may determine whether America survives or perishes. I cannot believe that anyone would prefer an extra residential delivery of mail to saving American lives.

The question was whether to spend $70,000,000 a year for one extra mail delivery to residential areas or to spend it for ammunition for Americans fighting in Korea. Boiled down to essentials, that was the question, no matter how it might be camouflaged.

Opponents of the bill said it would cost $70,000,000. Those who favored the bill said it would only cost $15,000,000 a year. The amount does not matter, in my opinion. If it only cost $25, this emergency demands that that money be spent to protect our fighting men. One more mail delivery a day is not a matter of life and death. One more bullet in a GI's gun may save a life.

When the question is to provide either two mail deliveries to a home or to give our boys fighting in Korea the equipment they need, I see no choice. In that situation, it is incredible to me that anyone could vote for an extra mail delivery.

I favored an extra mail delivery up to the Korean emergency. I regret that most Members of Congress seem to feel that business as usual must go on even in the face of the Korean emergency.

I have no desire to antagonize the postal workers. Like all of you, I am aware that they are the most powerful organization in America, because mail carriers go into every home. Some of them have already begun spreading the word that my vote is obviously wrong because I am the only Member of Congress from New England of either party who voted against the bill. I was fully aware that that would happen when I voted. I can only repeat that, in my view of it, I could not conscientiously do other than I did.

Do you want that extra delivery of mail? The cost may be your son's life.

There is only so much money. It can be used either to give you the convenience of a second delivery of mail a day or it can be used to help save your son's life. How would you vote if you had to make the decision?

SCHOOL CONSTRUCTION IN AREAS AFFECTED BY FEDERAL ACTIVITIES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 812, providing for the consideration of S. 2317, a bill to authorize grants to the States for surveying their need for elementary- and secondary-school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2317) to authorize grants to the States for surveying their need for elementary- and secondary-school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without intervention of any point of order the substitute committee amendment recommended by the Committee on Education and Labor now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and any member may demand a separate vote in the House on any amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, and such motion to recommit may contain instructions germane to the bill or committee substitute.

CALL OF THE HOUSE

Mr. HOEVEN. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 247]

Abbitt	Hall,	O'Brien, Mich.
Addonizio	Edwin Arthur	O'Hara, Ill.
Allen, Ill.	Hall,	O'Neill
Barrett, Pa.	Leonard W.	O'Toole
Barrett, Wyo.	Halleck	Patterson
Bates, Ky.	Hand	Pfeifer,
Battle	Hare	Joseph L.
Bentsen	Harris	Pfeiffer,
Blackney	Harrison	William L.
Boggs, La.	Hart	Philbin
Bolling	Hays, Ark.	Phillips, Tenn.
Bonner	Hays, Ohio	Plumley
Breen	Hébert	Powell
Brehm	Hedrick	Quinn
Bryson	Heffernan	Reed, Ill.
Buckley, N. Y.	Heller	Reed, N. Y.
Bulwinkle	Herter	Regan
Burton	Hinshaw	Rhodes
Byrne, N. Y.	Hoffman,	Ribicoff
Canfield	Mich.	Rich
Carlyle	Jackson, Calif.	Richards
Carnahan	Jackson, Wash.	Richman
Carroll	Javits	Robeson
Cavalcante	Jenison	Rodino
Celler	Jennings	Rogers, Fla.
Chatham	Johnson	Roosevelt
Chesney	Jones, Mo.	Sabath
Christopher	Jones, N. C.	Sadlak
Chudoff	Judd	Sadowski
Clemente	Karst	St. George
Cole, N. Y.	Kearney	Scott, Hardie
Corbett	Keefe	Scott,
Cotton	Kelly, N. Y.	Hugh D., Jr.
Coudert	Keough	Shafer
Crawford	Kilburn	Shelley
Curtis	King	Sikes
Davenport	Kirwan	Simpson, Ill.
Davies, N. Y.	Klein	Simpson, Pa.
Davis, Tenn.	Kunkel	Sims
Dawson	Lane	Smathers
Deane	Latham	Smith, Kans.
Delaney	LeFevre	Smith, Ohio
D'Ewart	Linehan	Stanley
Dingell	Lodge	Stigler
Dollinger	Lucas	Taber
Dondero	Lynch	Tauriello
Donohue	McGrath	Taylor
Douglas	McGregor	Teague
Eberharter	McMillen, Ill.	Thomas
Engel, Mich.	McSweeney	Tollefson
Fallon	Macy	Vorys
Feighan	Marcantonio	Wagner
Fellows	Martin, Iowa	Walsh
Fogarty	Martin, Mass.	Werdel
Gamble	Mason	Whitaker
Garmatz	Merrow	Wickersham
Gavin	Miles	Wier
Gillette	Miller, Calif.	Williams
Gilmer	Morgan	Willis
Gorski	Morrison	Wilson, Ind.
Green	Morton	Wilson, Tex.
Gregory	Multer	Winstead
Guill	Murphy	Wood
Gwinn	Murray, Wis.	Woodhouse
Hagen	Nelson	Yates
Hale	Norton	

The SPEAKER. On this roll call 235 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

SCHOOL CONSTRUCTION IN AREAS AFFECTED BY FEDERAL ACTIVITIES

Mr. COX. Mr. Speaker, this rule is granted on what is commonly referred to as the school bill, reported by the Committee on Education and Labor.

The purpose of the bill is to assist local communities to meet needs for school facilities attributable to Federal activities, and to reimburse those communities which have already made expenditures for construction purposes to serve like needs.

I know of no opposition to the bill in my committee.

Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, House Resolution 812 makes in order the bill S. 2317 after 1 hour of general debate, following which the bill is to be read for amendment under the 5-minute rule.

Mr. Speaker, this is one of the most important pieces of legislation, as far as the children of the Nation are concerned, which has come before this House for some time. It is a companion bill to H. R. 7940, a measure reported by the House Committee on Labor and Education and passed practically unanimously by the House some time ago. H. R. 7940, you will remember, provided for the operational costs of schools in areas where there has been an impact from Federal installations, especially defense installations. The bill before us, S. 2317, as a companion measure, was introduced in the Senate and moved here from that side. But when it reached this body it was found to contain some provisions that in the opinion of the committee—and certainly in my opinion—were rather broad. As a result the House Committee on Education and Labor rewrote the bill and struck out a portion of the original Senate measure, and in my opinion brought in a much better piece of legislation.

In the very beginning I want to congratulate the Committee on Education and Labor of the House for the work it has done in this particular instance. Certainly the committee was very zealous in protecting the pocketbooks of the taxpayers, while at the same time attempting to provide for the legitimate needs of the school children and the school districts in these affected areas.

You will notice the title of the bill S. 2317 reads:

An act to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes.

The House Committee on Education and Labor struck out the first provision of the title. This bill, as amended, does not carry any authority, or any grant or provision for grants, to the States to make any survey of the need for elementary and secondary school facilities, and for planning State-wide programs for school construction, so this bill gets entirely away from this question of Federal aid to local education. Instead we have before us the simple proposal of whether the Federal Government is to meet its obligation, in these areas where we have great defense installations, by paying the Government's share, or at least a portion of the Government's

share, of the cost of educating the children who are on Government installations or Government military establishments, or are brought into the school districts because of them. I want to make clear, if I can: Here are the circumstances under which a school district may become eligible for assistance in the construction of needed school facilities to house and educate these children where the Federal Government has moved in, has taken perhaps half of a school district's taxable property, so that there is a smaller property base left to tax to support the schools remaining in that area, and have dumped perhaps thousands of youngsters into a school district—as I know they have in Cleveland in your district, Mrs. BOLTON—for the remaining taxpayers to support, with the result that neither the youngsters who are brought in, nor the children of the property owners who are left in the school districts have the school facilities or can obtain the kind of education they should have.

Mrs. BOLTON of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mrs. BOLTON of Ohio. The gentleman is making a very fine statement which is most helpful to all of us who really have had very serious problems confronting us for some years. I thank the gentleman very much for his clear and illuminating statement.

Mr. BROWN of Ohio. In preparing this bill the committee has leaned backward to make certain the Government is not giving aid it should not give to some school district. Actually this measure does not provide for the Federal Government paying its full share of the cost, as a corporation would have to pay the full share if it moved into an area and put an industrial plant or establishment there. If it were a privately owned installation every dollar invested in that school district by such an establishment would be subject to tax to help support the local schools.

In this bill, the Committee on Education and Labor provides that where there are at least 15 children or 5 percent of the school population, who are either the children of persons located on a Federal reservation or establishment, or whose parents are employed there, the Federal Government shall aid that school district up to the amount of 70 percent of the average cost of needed housing for all pupils in the district. If you and I, in our own home school districts, where we do not have this situation, have to build a new school building we pay 100 percent of the cost of the building cost based on the number of children we are to house; but under the bill before us the Federal Government is to pay only 70 percent of the cost. The local school district still bears 30 percent of the cost of furnishing housing facilities for the children the Government brought into the district and has housed on or near these Government reservations.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. JENKINS. In the great State of Ohio, of which the gentleman and I are proud, we have as fine a school system as any State in the Nation. Here is what our State will contribute: We will contribute management, we will educate these children who really belong to the Government and will provide them with educational facilities administered by the finest teachers that can be found anywhere in the finest school system.

Mr. BEALL. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Maryland.

Mr. BEALL. Will this bill apply to suburban Washington where the great majority of the parents of the children are employed by the United States Government?

Mr. BROWN of Ohio. No, I do not think it would apply because there must be a defense establishment created on or after January 1, 1939. It would not apply here.

Mr. GOLDEN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Kentucky.

Mr. GOLDEN. Would the bill apply to a district that a dam has flooded more than 50 percent of the school district and the property has been taken away from the local taxpayers?

Mr. BROWN of Ohio. I am sorry I cannot answer that question definitely. Personally, I doubt it would apply unless it was a part of a defense establishment constructed since January 1939.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Is there any provision in the bill to apply to a situation where the Federal Government comes in and takes over a large area of rural land or a country school, from which the local officials get the taxes to run the school, then the Government moves out but still owns the land?

Mr. BROWN of Ohio. If the Federal Government owns the land it ought to pay like any other landowner.

Mr. MILLER of Nebraska. Does this cover that?

Mr. BROWN of Ohio. I think it would be required to help meet the cost of operating the schools, under provisions of H. R. 7940.

Mr. MILLER of Nebraska. I thought this was based on the number of children in school?

Mr. BROWN of Ohio. No, I think the provisions of the other bill will take care of that situation.

Mr. BEALL. In communities like Montgomery and Prince Georges Counties, Md., the Government has established factories or laboratories.

Mr. BROWN of Ohio. If it is connected with the defense, in all probability it will come under the bill. I cannot answer in detail as to every possible situation because I do not know the details of the bill that well. The members of the House Committee on Labor and Education have spent months and months on this bill attempting to work out a formula which will be absolutely fair and still protect the taxpayers of the country.

I want to mention quickly one or two other situations under which this bill operates. One is where the children have moved there as a result of a Federal activity. They may not live directly on the installation or their parents directly connected with the defense effort, but if there are at least 20 such children involved, as a correlated or 10 percent of the total enrollment, either one, then the Government may contribute as much as 45 percent of the average pupil cost for new construction. In other words, the local people must still carry a great portion of the burden. In these few instances, instead of 70 percent the Government gives only 45 percent in that situation.

There is one other provision in the bill I think I should mention, and that is where there is no school at all on or near a new Government installation which has been started. Under this law the Commissioner of Education, in order to see that the children on that Government installation shall receive an education, may establish a school under Federal supervision.

Also in this bill is the proviso, very wisely written into the measure, as to temporary facilities, where the defense installations are to be purely temporary. In that case the Government gives no aid on permanent construction, but through the Commissioner of Education simply assists in furnishing temporary school buildings to meet the temporary situation.

This bill is also limited to a life of 3 years, so is an emergency and temporary measure. All of this construction has to be done within a 3-year period.

Mr. McKINNON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. McKINNON. I understand from what the gentleman says that the intention of this bill is to discharge an obligation created by the United States, is that true?

Mr. BROWN of Ohio. That is true. We are probably morally, if not legally, obligated to do so.

Mr. McKINNON. There is no charity in this bill?

Mr. BROWN of Ohio. Oh, no. The fact of the matter is, this bill is letting the Federal Government off much easier, as far as its obligation is concerned, than we would a private business concern, because under this legislation the Federal Government pays only 70 percent of the cost of the school project on a pupil basis, where private industry would have to pay 100 percent.

Mr. McKINNON. The question I cannot understand is why we then draw a line and say that a community with more than 35,000 students does not become eligible under the same set of conditions. That is found on page 16. It seems to me if this is an honest discharge of our responsibility we should not draw a line and say to one community, "You shall be eligible" and to another, larger community, "You shall not become eligible," when the same condition prevails.

Mr. BROWN of Ohio. The gentleman is correct, if the school attendance is more than 35,000 pupils.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from North Carolina.

Mr. BARDEN. I will say to the gentleman that that presented a very difficult problem to the committee. We found it necessary to proceed on the theory of the smaller unit, otherwise we would find ourselves in the position where you would take in, maybe, a whole State. But, the real object was to remove from this bill the large cities on the theory that where there is a large city, then you would have your industrial activities, you would have your business establishments, you would have your manufacturing enterprises and all of the other things that make their normal contribution to the maintenance of the school system, and it can be absorbed over areas of that kind, whereas you might take a community where there were maybe a thousand children or 500 children when virtually all of the source of taxes was eliminated by the Federal Government, and there the emergency existed. And, if you have more than 35,000 children, then you are into the large city proposition, and if you do not fix a limit of that kind, you find yourself entering into the field of general Federal aid to education.

Mr. BROWN of Ohio. That is, within the school district, 35,000 students is the limit.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from North Dakota.

Mr. BURDICK. Does the gentleman know the reason why the committee based the Government's liability at 70 percent instead of 100 percent?

Mr. BROWN of Ohio. No; I do not. The only reason I believe it was done was as an effort to lean backward to be so fair no one can say it is a raid on the Federal Treasury, and to make it clear that the local school district will not want to take advantage of this law unless it becomes absolutely necessary. I cannot imagine any school district wanting to put up even 30 percent of the cost to take care of somebody else's children, unless it was compelled to do so. That is why the committee did that.

Mr. DURHAM. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from North Carolina.

Mr. DURHAM. I want to ask the chairman of the committee as to why the date 1952 was placed in this bill. Does that correspond with the Draft Act or correspond with the other necessary legislation coming up now on an emergency basis?

Mr. BARDEN. Well, we tried to fit it into the general legislative program and then, another thing, we did not want it as a permanent proposition, and we had to fix a date for its termination. Another thing is that I personally, and others, hope that when the House is passing such legislation as housing legislation hereafter, that there will be some provision in the appropriations or some provision with reference to the distribution of rents that will take care of the education of the children in those nontaxable areas, otherwise we are going to create another emergency and we will be confronted with the same proposition.

Mr. DURHAM. I understood the gentleman from Ohio to say it was 1953, and I should think that is because it would correspond with emergency legislation, like the Draft Act and the other defense measures which have a definite termination date.

Mr. BARDEN. This is not in the Draft Act class; as a matter of fact, this is something which should have been done in 1940 or 1941.

Mr. DURHAM. Then it is an emergency piece of legislation and it is not a permanent thing, I hope.

Mr. BARDEN. It is in the nature of emergency, yet it is in the nature of doing the just and proper thing.

Mr. DURHAM. Is it permanent legislation?

Mr. BARDEN. No. An application must be filed for this construction, let me say to the gentleman from North Carolina.

Mr. DURHAM. For its construction?

Mr. BARDEN. If the need exists, and if the situation has been created, then they must file their application prior to June 30, 1952, and we feel that is far enough for it to go, and that will take care of the situation.

Mrs. BOLTON of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentlewoman from Ohio.

Mrs. BOLTON of Ohio. Does this include the possibility of an addition to the sewers, if that addition is necessary so far as the school is concerned?

Mr. BROWN of Ohio. It is my understanding that if it is a part of the school facility it would be a normal part of the construction cost and would apply to such costs as well. For instance, if it would be necessary to run a line out to the sewer system or something like that, it would be part of the cost of the construction of the building.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Let us assume, for instance, that a veterans' hospital was built in 1925 and subsequent, however, to 1939, it was added to by additions so that today it is 40 percent larger than it was prior to 1939, and as a result of those additions the school population has increased to the point where the town is unable to take care of the children, then how would this bill apply?

Mr. BROWN of Ohio. I cannot give the gentleman a definite answer as to that; I do not know whether any member of the committee can.

Mr. CUNNINGHAM. I have that situation in my own district.

Mr. BROWN of Ohio. I imagine if there was a new influx of Federal construction and employees which placed a new burden, since 1939, probably it would be considered under the purview of this act. But, I leave that question up to the committee.

Mr. Speaker, may I conclude by pointing out these facts: No. 1, this bill is not giving anybody anything. The Federal Government, under the provisions of this bill, will be paying only 70 percent of the construction expenses for taking care of the children the Federal Government is responsible for bringing into a school district.

Unless that is done, we are not going to have proper housing for the school children of the parents who are employed in these Government facilities, or who are serving in the Armed Forces, and we are not going to have proper school facilities for the local children who may still be left in the school district where the Government establishes these new Federal installations.

In many of these school districts, today, and this affects about 160 different congressional districts in the United States, where you will find these Government installations, the school buildings are entirely inadequate. The local school districts have taxed themselves to the limit; they have passed extra tax levies and bond issues. They are limited by State law, so they cannot bond themselves further. Many of these school districts are running two classes a day, starting some youngsters at 8 o'clock in the morning and teaching them until 12 o'clock; and then another class from 1 o'clock until 5 o'clock. In many of these school districts they have moved in trailers and are using them as classrooms. I know one district where they are teaching classes in old abandoned streetcars. The Federal Government is responsible for this situation. Now the question is whether the Federal Government is going to pay its share of the cost of correcting such situations.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. CHELF. The gentleman from Ohio is eminently correct. The report of the subcommittee states that they made a thorough investigation, and they report that children are being taught in school busses, old shacks, unsafe firetrap buildings, deserted barracks, and in one instance in a chicken coop, a coal bin, in a locker, and in shower rooms. This is a horrible situation; our children deserve better treatment. I am wholeheartedly for this legislation.

Mr. BROWN of Ohio. I think that is entirely correct. Let me add at this point that a subcommittee of the Committee on Education and Labor traveled throughout the United States and spent months studying this problem, and in trying to draft legislation which would be airtight. Incidently, not a member of the subcommittee has any of these installations in his own district, so each has been entirely unselfish in recommending the legislation.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. ELSTON. May I ask the gentleman from Ohio who retains title to the

school facilities in the event these conditions, which it has been explained are temporary conditions, no longer prevail?

Mr. BROWN of Ohio. Unless they are temporary buildings, I am sure that they will belong to the school districts, but they will mean much to the school districts if they do not have any children to use them, and would probably be glad to get rid of them. But certainly, being real property, such buildings would belong to the school district if the school district had the responsibility of conducting and operating a school therein.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mrs. ROGERS of Massachusetts. Has the gentleman the list of the 160 installations which he mentioned?

Mr. BROWN of Ohio. No; I do not have the list. I think the subcommittee probably has in its file or in its report on the bill.

Mr. Speaker, I hope this rule will be adopted. I certainly hope the bill will be passed, because I believe it is only fair and decent that the Federal Government live up to its responsibility in these situations just as we would expect any private business concern to live up to its responsibility. If it were General Motors, or some other big corporation, which started one of these facilities, they would be made to pay their share of the local school cost. We ought to be willing at least to see to it, as the committee has requested, that the Federal Government pay 70 percent of the cost of taking care of the children, for whom the Federal Government is responsible, in these school districts.

Mr. COX. Mr. Speaker, the gentleman from Ohio having concluded his address, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. BARDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2317) to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2317, with Mr. JONES of Alabama in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. BARDEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I do not propose to go into any extensive argument on this bill. The gentleman from Ohio has made a very fine statement in connection with the bill. There are, however, one or two statements that he made which I would like to clarify a little.

I want to say the committee as a whole did a great deal of work on this bill. The subcommittee did quite a bit of traveling and secured much information. Most of you know that it was purely an unselfish proposition with them. They were attempting to bring about much needed relief to the communities that had been and are now carrying a burden that should be carried by the Federal Government.

The last bill we reported to the House came with the unanimous approval of the Committee on Education and Labor. We probably slipped a little bit this time because this comes to you with unanimous approval with the exception of one voting "present." That is about as close as we could get to unanimity.

But the committee has gone into every angle of the bill. So far as I understand there is no opposition in the House to the bill.

The bill, in the eyes of some, probably is not perfect, and probably does not take care of every possible situation that could arise. But we certainly did our best to cover the most of it.

The gentleman from Ohio [Mr. BROWN] made a statement that is approximately correct; it is correct under one category, but where there is a school inside a base and on Government property, then 95 percent is provided because, as a matter of fact, that is a Government operation.

We had to put in a clause to take care of the situation in some States. For instance, to give you some idea of the problem we were up against, some States prohibit the expenditure of funds on any land owned by any agency or any person other than the State or local government itself, and therefore we had to take care of that situation.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. DAVIS of Georgia. Is that the difference between subsection (a) and subsection (b) under section 2, that one is on a Government installation and the other is not?

Mr. BARDEN. That is right. We had to make three categories and the last category was to take care of some instances where there were Government activities but the Government activities moved away and the people still live there in the houses that are left; the children are there. This is a bill that is figured and estimated on the basis of the child rather than the taking of Federal property.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. MILLER of Nebraska. I have been unable to find in the bill a provision to take care of the situation presented by the case of the school which is on a military installation, where the military installation folded up and the children moved away but about 50 percent of the land in the school district is owned by the Federal Government. Who takes care of the children remaining, children of the people who live in the community?

Mr. BARDEN. If the children have moved away there is no problem; if the children remain then insofar as they are on Government-owned property or connected with the Government they do have it. But we tried to take care of your loss of taxes in the original maintenance and operation bill.

Mr. MILLER of Nebraska. You have a loss of taxes because perhaps 50 percent of the school children live outside the military installation but the local people must keep up the school.

Mr. BARDEN. The gentleman has missed a little bit the objective of this bill. We dealt with that problem in the maintenance and operation bill; but in this there is no effort made to replace tax losses by virtue of Federal activities.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield?

Mr. BROOKS. My criticism of the previously passed legislation along this same line was that it contained a requirement that the local school board certify that it had overspent its funds before it could make application for relief. Under the laws of the State of Louisiana it was a violation of the law for the school board to overspend its funds and, therefore, no application could ever be filed. There is no such prohibition in this legislation.

Mr. BARDEN. No; and I may say to the gentleman that I saw to it that it was not in this bill.

Mr. BROOKS. We thank the gentleman for that.

Mr. BARDEN. That condition prevails in my district. There are about 500 children there at one base. I thought they were taken care of in the Wier bill, but when the Administrator defined the term "deficit" we did not get a penny. It was a case similar to that mentioned by the gentleman from Louisiana.

Mr. BROOKS. Under the local law, as I interpret it, a school board superintendent would have been subject to punishment before he was eligible to file an application for funds under the law.

Mr. BARDEN. I am glad there is one more State in the Union that does not believe in deficit spending.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. DURHAM. In a case like Camp Lejeune, which is entirely military, I believe the bill provides 95 percent aid. Who pays the other 5 percent? The State or who? The reason I ask that question is that at Los Alamos, Hanford, and at Oak Ridge we pay 100 percent.

Mr. BARDEN. I think this formula will take care of it. We just must tighten the belt, that is all.

Mr. DURHAM. Why should we have a policy of paying 100 percent in one instance, and 95 percent in another?

Mr. BARDEN. We found, upon actual investigation, I may say to the gentleman from North Carolina, that we have had some students coming to those schools from outside areas.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. H. CARL ANDERSEN. I have been informed that the cost of this legislation will be about $220,000,000. Is that correct?

Mr. BARDEN. I have never heard any such figure as that.

Mr. H. CARL ANDERSEN. Has the gentleman any estimate as to its cost?

Mr. BARDEN. The best we could figure was that, estimating about what will happen in the circumstances necessary to be taken care of, it may run somewhere in the neighborhood of $150,000,000. We have got to take into consideration the fact that in the allocation of these funds, buildings that were constructed under the Lanham Act are to be appraised and their appraisal value deducted from the amount that is to be allocated to those local school districts.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. CHELF. I have been informed, and I wish the gentleman would state whether or not my information is correct, that out of approximately 410 school districts that are involved insofar as this bill is concerned have approximately increased their present facilities to the extent of some 38 percent, but, notwithstanding that fact, they have spent $138,000,000, or better, but are still in the red to the tune of about 66 percent; in other words, that many more children are there than they can possibly accommodate. Is that information correct or not?

Mr. BARDEN. I cannot vouch for that. I have had the same information, but I cannot vouch for the accuracy of it.

Mr. CHELF. I cannot help but congratulate the chairman and the full committee and especially this subcommittee that worked so long and so hard on this problem. They came down into my district of Kentucky in which Fort Knox is located and I want you to know they made a conscientious study there and have done a great job, in my opinion. I want to congratulate them and congratulate the entire committee.

Mr. BARDEN. I thank the gentleman.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Indiana.

Mr. DENTON. I also want to congratulate the committee. I have one of these so-called Federal impact areas in Charlestown in my district where the Government built a powder and bagloading plant. It took 12,000 acres of land, which was about 40 percent of the taxable property in the district. The school enrollment increased 300 percent, from 500 to 1,500. There was no way they could build a school because of the tax limitation laws we have in the State of Indiana. As an emergency measure, the children are going to school in the administration building of the powder plant. This committee came into my district, they saw the evidence first hand and I think this is only doing justice. The Government is simply a good taxpayer and a good citizen, doing what it should do in the various communities.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from South Carolina.

Mr. RIVERS. Like the distinguished gentleman from Indiana I also represent Charleston, but it is the original Charleston. We, too, have been overrun by the Government, with the navy yard and other installations. We, too, had the opportunity to see this distinguished subcommittee come down to our area. They did an outstanding job. It is gratifying to me to see that committee present to this Congress such a fine piece of legislation to comprehend a condition which the Federal Government itself brought about.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Kentucky.

Mr. GOLDEN. While this famous committee did not come to my district, I have a problem which I wish to present to the chairman. Several thousand acres have been removed from the tax roll by a very large dam. It has so reduced the tax base that several of the school districts cannot support themselves. Would the formula in this bill cover that situation?

Mr. BARDEN. I believe I would rather have the gentleman from Ohio [Mr. BURKE] discuss that when he takes the floor. In my opinion, the replacement of taxes was taken care of in the maintenance and operation bill. Your problem is not this type of problem. It is maintenance and operation which the gentleman has in mind.

Mr. GOLDEN. In some instances the school sites were flooded and they had to move out, and also in some instances the enrollment was increased.

Mr. BARDEN. Frankly, that is a rather unusual situation, but I will look into it. It is possible that we do not have the relief in here that the gentleman would like, but I may say to the gentleman we did the very best we could to take care of every situation that might arise in the United States. But I am afraid the only relief that the gentleman might be entitled to would be in the maintenance and operation bill. I am going to yield to the gentleman from Ohio to discuss that.

Mr. BURKE. The relief that the gentleman suggests is contained in H. R. 7940. The flooding of the school site should have been taken care of, if it was not, under the original act which provided for the building of the dam and the acquiring of land for the backing up of the waters in the reclamation project.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Tennessee.

Mr. EVINS. While these gentlemen are speaking about one project in their district, I would like to say there are two in my district. I have an air base which has created a tremendous impact due to the bringing in of troops and members of their families. There is also an engineering development center in my district. I want to say that there is no complaint as far as the people are concerned in having these great projects in the district. We are pleased that this legislation can be considered at this time and I wish to commend the committee for bringing it forward.

Mr. BARDEN. I thank the gentleman.

Mr. Chairman, I do want to mention one thing that is a little aside from this bill, yet has contributed toward the necessity for this very piece of legislation, and that is in the future when the House considers housing legislation I sincerely hope that those who take part in the drafting and in the planning of these programs will take into consideration the impact that these housing programs have on the local communities. There should be some provision in that legislation whereby either a percentage of the rent collected on that property should go for the maintenance of the schools of that district or there should be some provision in the construction program. It is not right that we continue to create these impacts and hardships on those communities because representatives have been going out from the Housing Administration to towns, as they did in mine, and say: "Here is some Federal money. If you do not get it, somebody else will. We are going to give it to you." Then proceed to take more land off the tax books, which cuts down the available revenue for the school districts, and the first thing you know you are in the situation we are in now. I drop that suggestion as being one of the things that came to our mind very forcibly in the handling of this particular piece of legislation.

Any Federal housing program set in motion should take care of its own troubles—let it make provision for payments to the local schools districts, in lieu of taxes, sums of money sufficient to pay the school expenses of the children living on that nontaxable property. That is exactly what a private individual must do when he lives in his own home, and if the Federal Government does not do its part, then the homeowners' taxes go up.

Mr. McCONNELL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise to strongly support this bill, S. 2317.

The over-all losses and dislocations from war are stupendous. The destruction of human life and of property are terrible enough to contemplate, but war's evil effects do not stop there; they permeate all society. The bill we are considering today deals with a problem which has been greatly accentuated by wars—past, present, and future.

The children in many areas of America who are crowded together in inadequate, unsanitary, and unsafe buildings are some of the victims. They are feeling the results of activities devoted to the all-embracing demands of war.

We are endeavoring by means of this bill—S. 2317—to alleviate some of these hardships as they affect the children in various communities of America. Several weeks ago we made the first attack on this desperate problem by passing a

bill to provide maintenance and operation assistance to various local educational agencies adversely affected by defense activities of the Federal Government. The bill before us now is a companion bill which will provide school-construction assistance also. It will cost money—at least $150,000,000—but wars are expensive, and we must realize that fact as we seek to face the grim realities of their results.

There can be no real quarrel with the objectives of this bill. When the Federal Government deprives a community of taxable property, and then imposes on it the task of educating additional children, the just thing to do is to provide that district with assistance. The Federal Government by not paying local taxes is, in reality, taking a privileged free ride. We are seeking to have the Government assume obligations just like any other resident citizen of a particular community. The members of the Committee on Education and Labor, regardless of party affiliation, recognize the necessity of providing Government assistance for the construction of schools, as well as for current expenses in areas suffering an impact from increased enrollment due to Federal activities.

The subcommittee visited some schools in which none of the children were able to enjoy a full day's schooling until they reached junior high school, as a result of the crowded facilities. During the other half of the day the children are on the streets—an encouragement to juvenile delinquency. In other instances children were found to be attending classes in buildings which, through no fault of the local educational agencies, were unsafe and unhealthful—due to the fact there just was no other space available. It is hard to visualize the conditions under which some American children are attending classes in an effort to obtain an education. One of the classrooms visited by the subcommittee was located in a ramshackle building situated in the midst of a trailer-camp village on Fairfield-Suisun Air Base, Calif. You might recall that just a short time ago a plane loaded with explosives, endeavoring to take off from the adjacent runway, plunged into the trailer camp, causing a large loss of life from the resultant fire and explosion. If it had struck the school while in session, the results would have been horrifying. Another example of where the lives of many children rest with fate was pointed out to our subcommittee at Tinker Field, Okla. Here the only available school building for some 500 children, whose parents are stationed or employed on the installation, is a firetrap located just beyond the runway where jet planes take off and land—zooming just over the roof top.

The foregoing are but a few examples to demonstrate the immediate need for school buildings in areas impacted by Federal activities. The obligation for alleviating these situations rests with the Federal Government which has caused this overburdening of local school facilities. We point with pride to the imposing new post-office buildings which have been constructed within recent years throughout the length and breadth of our country; but has there not been far greater need for the Government to construct adequate school buildings where overcrowded and dangerous conditions prevail as a result of Federal activities?

There are three main types of categories which cause varying degrees of hardship to local educational agencies. A percentage amount of aid is provided to meet these situations:

First. Where the local educational agency has children to educate who reside on Federal property with a parent employed on Federal property, and if such children total at least 15, and at least 5 percent of the estimated number of all children in average daily attendance during the current fiscal year; then the formula in the bill provides that the agency will be entitled to receive aid not to exceed the amount obtained by multiplying the number of eligible children by 95 percent of the average per pupil cost of constructing school facilities in the State in which the agency is situated.

Second. Where the local educational agency of a State has children to educate who either reside on Federal property, or who reside with a parent employed on Federal property, part or all of which is situated in that State, and if such children total at least 15, and at least 5 percent of the estimated number of all children in average daily attendance during the current fiscal year; then the formula in the bill provides that the agency will be entitled to receive aid not to exceed the amount obtained by multiplying the number of eligible children by 70 percent of the average per pupil cost of constructing school facilities in the State in which the local educational agency is situated.

Third. Where the local educational agency has children to educate whose attendance results from activities of the United States—carried on either directly or through a contractor—and if such children total at least 20, and at least 10 percent of the estimated number of all children in average daily attendance during the current fiscal year, and if the construction of additional school facilities to take care of such children has imposed or will impose an undue financial burden on the taxing and borrowing authority of the school district; then the formula in the bill provides that the agency will be entitled to receive aid not to exceed the amount obtained by multiplying the number of eligible children by 45 percent of the average per-pupil cost of constructing school facilities in the State in which the local educational agency is located.

In determining eligibility and amounts of payment under the third category, only activities of the United States carried on after June 30, 1939, shall be taken into account. Those activities carried on in connection with real property used for services to local areas, labor supply centers, labor homes, labor camps for migratory farm workers, and certain low-rent housing projects shall not be taken into account.

If two or more of the three categories apply to a child the local educational agency can elect which one shall apply.

No local educational agency shall be entitled to receive payment under the bill if the number of children in average daily attendance in the public schools of such agency during the fiscal year ending June 30, 1950, exceeded 35,000.

Certain deductions from the total amount for which a local agency may be entitled to receive assistance are set forth in the bill. These deductions are as follows:

First. Where the United States has constructed or has assisted in the construction of school facilities in the district under any law other than a law relating to the disposal of surplus property, and,

Second. The construction was completed after June 30, 1939, and,

Third. The agency has title to such school facilities, or has the right to use them.

The amount to be deducted shall be determined on the basis of the actual cost to the Government minus the percentage depreciation applied to the cost for the period beginning with the completion of such facilities and ending on June 30, 1951, and minus so much of the cost to the United States as has been recovered by the Government.

Provision is made that where the Government has constructed school facilities prior to the enactment of this bill, and where such facilities are available to the agency on the date of enactment of this bill, the right, title, and interest remaining therein, shall be transferred to the local educational agency. In cases where the impact is of a temporary nature, the Commissioner is directed to provide temporary facilities or make available the necessary funds to the agency to provide temporary facilities.

The bill also deals with situations where local school districts are not permitted to expend funds of their own or in which no tax revenues of the State may be expended for the education of children residing on Federal property. In such cases the Commissioner is required to provide, as far as practicable, school facilities comparable to those provided for children in comparable communities of the State. Such provisions do not apply to children residing on the Atomic Energy Commission property or to Indian children attending federally operated Indian schools.

The bill provides in respect to an application for aid by a local educational agency, certain assurances and conditions for establishing eligibility and entitlement to payment under the act.

The application must be filed with the Commissioner before July 1, 1952. Such application may be for a contemplated project or for reimbursement of facilities already constructed to accommodate children covered by this act.

There is also the requirement that the project is not inconsistent with over-all State plans for school construction.

The Commissioner is directed to act on applications within a reasonable time.

The bill provides for a lump-sum payment to a local school district which has provided, or under the provisions of this act will provide, adequate school facili-

ties for children for whose education financial assistance is granted under this bill. Such lump-sum payment is only granted after assurances that the school facilities will be or are available to such children on the same terms, in accordance with the State law, as they are available to other children in that local district.

A lump-sum payment shall not exceed the amount expended from local sources for school construction since June 30, 1939.

The bill prohibits the Commissioner from disapproving an application under the act until he has afforded the local agency an opportunity for a hearing.

Provision is made for the lump-sum reimbursement where the agency has already provided adequate facilities.

Funds not used or expended for the purposes for which paid are to be repaid to the Treasury of the United States.

Should insufficient funds be avaliable to meet all the requirements of the Act, the Commissioner may certify payments under the bill to meet construction costs of approved applications in order of relative urgency. He is, in such cases, directed to give priority to applications for new construction over applications for lump-sum reimbursements.

The bill provides that the act shall be administered by the United States Commissioner of Education and further forbids that any department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.

We have heard statements earlier here about the provision that eliminates any aid under this bill that a district can receive if there are more than 35,000 pupils in average daily attendance in public schools of that district. Primarily the purpose of this bill is to aid the smaller communities of America who have been seriously and adversely affected by the impact of Federal activities. It was felt that the larger communities, larger cities, are able to absorb the cost of Federal impact. It is not as large a percentage ratio of the over-all problem as it is in a small district. For instance, we saw small communities where prior to the impact of Federal activities there were 50 pupils and then suddenly the Government came in there and took over a large airfield, took away most of the taxable property and brought in twelve or fifteen hundred pupils to educate. It is an impossible situation for the district to handle, and for that reason we have sought to aid the smaller communities in America.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Kentucky.

Mr. CHELF. The gentleman is certainly correct in the statement he has made. I just noticed in the report this language, and this to me is one of the most unusual things I have ever read. The number of children residing on Federal property increased by 153,392 from the last normal year to the 1949–50 school year, or over 2,000 percent, and the number whose parents are employed on nontaxable Federal projects increased by 113,000 or 480 percent.

That is one of the most amazing things I have ever seen or heard about. So far as this situation is concerned, I knew it was bad, but I certainly did not know it was that bad.

Mr. McCONNELL. I thank the gentleman for his contribution.

It is anticipated that many of these situations will be clear by 1953. However, we have to face the fact that we probably are entering some type of large armament production activity and also that the smaller war may become a larger war. So I hesitate to say that this bill will actually terminate in 1953.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. H. CARL ANDERSEN. Did the committee take into account the advantage to a given community as a result of the huge payroll brought into that community when the defense plants were established there?

Mr. McCONNELL. Yes, that is recognized by the varying percentages of aid given. You see, under certain conditions the formula provides 95-percent help, or 70-percent aid, and under other conditions we give 45-percent aid. It is anticipated that the local body, State, or local school district will take care of the balance, and will be able to do so because of this extra business which is brought into the area. But there again we find that in very small communities they do not receive as great a gain as you might anticipate. Much of the shopping and so on is done in the larger cities adjacent to the smaller communities. People will go miles to the stores in the larger cities and as a result the local communities do not get the gain that you might expect at first sight.

Mr. H. CARL ANDERSEN. Does the gentleman agree with the statement made by the gentleman from North Carolina [Mr. BARDEN] that the cost of this bill will not exceed $50,000,000 a year?

Mr. McCONNELL. Of course, we have to recognize that wars are costly. This problem has been created by wars past, present, and future. We are preparing for future conflict. It will be costly. These children are the victims of war. There is no getting around that. I do not know exactly what the full cost will be. It is estimated that it will be at least $150,000,000. That seems like a good deal of money, but when you consider the conditions of the children who are absolutely affected, through no fault of their own, as a result of activities of the Federal Government, and when you consider that it could be thought of as a part of the over-all heavy cost of war, I do not think we can quibble too much at the moment about the cost. Whether it will be $150,000,000 or not, I should say that it would be $150,000,000 at least, and then I would be on sounder ground because we are rapidly activating defense areas again, and there will be crowded conditions in many districts to take care of.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. EVINS. In connection with the statement of the gentleman from Minnesota [Mr. H. CARL ANDERSEN], it might be well to point out that many of the States give the Federal Government thousands of acres of land where these installations are located. Therefore the Federal Government is receiving a benefit as well as the States. It is a two-way proposition. The States are the losers, rather than the Federal Government.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. CHELF. I might cite, for instance, as a concrete example, the situation at Fort Knox, Ky., in Hardin County, which is about 32 miles from Louisville. All the money that the people make in Fort Knox seems to be spent in Louisville. Hardin County, Bullitt County, and Meade County, in my district, which carries the bulk of the load of educating these youngsters, have taxed their people to their legal limit. They are doing the best they can to cope with a miserable situation that has been more or less brought about by the United States Government cutting into their local revenues by the acquisition of thousands of acres of land which have been taken over by Fort Knox. In the future, if additional land is acquired for the fort, it will cut them down even to a greater extent. Therefore, any little town, like Vine Grove or Rineyville, in Hardin County, Ky., is certainly not getting any benefit from the moneys that might be paid out to these so-called war or Government workers.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. SCUDDER. Near Hamilton Field in California there is a 500-house project going to be built, and the people who will occupy the housing will be employed at Hamilton Field. Will this give relief to that area which is going to have this impact of extra population?

Mr. McCONNELL. I believe that is Wherry-Spence housing, and it would be included under this bill.

Mr. BURKE. Wherry-Spence housing would be included under the terms of this bill. That is Wherry-Spence military housing. However, it might be well to point out that the other eligibility requirements would have to be present in order to make the determination whether that particular area would come under it or not. The chances are with 500 units that it would.

Mr. McCONNELL. I am glad the gentleman has mentioned that. With all of these questions being asked on the floor, a yes-or-no answer is almost impossible to give because there are various conditions of entitlement. Many of the questions asked are difficult for us to answer definitely as to whether a particular project may be in or out, unless the complete facts are known about the situation.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. CASE of South Dakota. I think the record should be definitely clear on this matter of Wherry-Spence housing. I have one such situation where the prospective Wherry-Spence housing will be located in one county and the school the children have to attend is in another county of a rural school district. If this place is built, the rural school district under the State laws, applying to bonded indebtedness, will not even have the benefit of the increased valuation and certainly would not be able to issue bonds to construct a school building which would serve the children residing near this project, adjacent to the air base. So it ought to be definitely clear that this will be applicable to children who may live in Wherry-Spence housing.

Mr. McCONNELL. Wherry-Spence housing is included. There are other requirements that may not bring them under the bill.

Mr. CASE of South Dakota. I rather think this instance will. The facts of the case are that it is a rural school district away from a town. There is no commercial development whatsoever, so the school district which the children will attend cannot get any benefit whatsoever from the payroll revenue of the people who live at the base.

Mr. McCONNELL. I would like to say that they will have the attendance feature to consider. If it totals at least 15 and at least 5 percent of the estimated number of all children who will be in average daily attendance at public schools in the district, during a current fiscal year, then they will meet that one requirement.

Mr. CASE of South Dakota. This involves a project where there will be over 300 families, and the impact is on a school district which normally has less than 35 pupils.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. McCONNELL. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, I sincerely and earnestly hope that the House will give this bill the same strong support that was given to the maintenance and operation bill, H. R. 7940, which passed this House a few weeks ago.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. KEATING. I would be interested in the gentleman's view as to why school districts with more than 35,000 people are excluded.

Mr. McCONNELL. I covered that a little earlier. I do not know whether the gentleman was present or not.

Mr. KEATING. The gentleman covered that earlier in his remarks?

Mr. McCONNELL. Yes; I covered it earlier in my remarks. The benefit provided in this bill is primarily intended for the smaller communities in America which have been very seriously affected by the Federal impact. The committee felt that the larger areas were more able to take care of the situation because it represented a smaller percentage of impact on the entire school problem. Also, we have found that the smaller communities do not receive as much benefit from the influx of Federal activities, that is, added business, and so on, as do the larger communities. Much of the bigger buying of the people seems to go to the larger areas surrounding the small communities; in other words, as a result they do not share like the bigger areas and we are very anxious to be sure that the smaller districts get the major help in this problem because they are the ones most seriously affected.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. CASE of South Dakota. I should like to comment on the question raised by the gentleman from New York. I think the need for this bill is illustrated by the case of an ordnance depot I know of where the depot wanted to go out in an isolated area where there was no town. They went into a place which was 10 or 15 miles away from the nearest town. There was only one store or post office in the school district. There were only five families to send children to school in the district. When they came there and suddenly added over 500 children obviously there was no expectation that the 5 families could support a school district for over 500 children.

Mr. BARDEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BURKE].

Mr. BURKE. Mr. Chairman, before I discuss the elements and the reasoning that went into the development of the formula of this bill, I should like to take a little time to mention the outstanding work of my colleagues on the subcommittees and the entire Committee on Education and Labor on this bill. The hearings, the field investigations, the many pages of arithmetical statistics, the weighing of evidence and the balancing of all elements relative to the ultimate purpose made this job a tedious and painstaking one. Real tribute is due to these conscientious men for their intensive application to the job at hand. I want especially to mention the hard work put in by the two subcommittees under the leadership of our colleague from West Virginia, the Honorable CLEVELAND BAILEY, also the individual members of the subcommittees, the Honorable LEONARD IRVING, of Missouri, the Honorable TOM STEED, of Oklahoma, the Honorable ROY WIER, of Minnesota, the Honorable CARL PERKINS, of Kentucky, and our ranking minority members, the Honorable SAM MCCONNELL, of Pennsylvania, the Honorable THRUSTON MORTON, of Kentucky, the Honorable RICHARD NIXON, of California, and the Honorable THOMAS WERDEL, of California.

In setting out to accomplish the ultimate purpose of this bill, the meeting of Federal responsibility to local school agencies because of the burden placed on these agencies by the establishment of Federal installations in their territory, we found that it was necessary to develop a formula, objective as possible, to provide for the orderly discharge of the responsibility of the Federal government. In the development of this formula we had three main factors for consideration and the committee studies and statistical data had to serve as our gages for balancing the formula in its proper relation with each of these factors.

The three factors were:

First. A determination had to be made as to the degree of Federal responsibility in each case and our formula had to be so arranged as to provide a fair and objective method of making this determination.

Second. A Federal installation, though nonproductive of local tax revenue in itself, does cause some benefits to accrue to the local community in increased payroll and resultant increased commercial activity. This factor, admittedly intangible and difficult to define, nevertheless had to be compensated for in all fairness to the general Federal taxpayer.

Third. Since the bill has as its purpose the contribution by the Federal Government to the construction of additional school facilities, the Government is contributing to capital expenditures and there would be a residual capital value even in the event of the removal of the Federal installation. This also had to be compensated for in an objective manner in the formula. This, too, is a difficult factor to measure because it is never easy to project our vision into the future and accurately predict what will occur.

The first factor, determination of degree of Federal responsibility, is amply provided for in two ways. First, by the categorical grouping of the formula. Second, by the per pupil percentage of cost of construction in setting the Federal contribution. Briefly we divide the degree of Federal responsibility into three categories: (a) Children who live on and whose parents are employed on—including military personnel—Federal property. This category includes those who are a total Federal responsibility and the Federal contribution rate is set at 95 percent of the per-pupil cost of construction. (b) Children who live on private property and whose parents are employed on the installation; this also includes some few cases where the children live on Federal property but whose parents are not employees of the Federal Government. The degree of Federal responsibility in this category is approximately the same as would be the tax revenue for this purpose from the installation if it were privately owned. The Federal contribution rate in this category is set at 70 percent of per pupil cost of school construction. (c) Children who are present because of a tremendous increase of population due to Federal activity not necessarily in the immediate geographic proximity of the local school agency which bears the burden of increase. The Federal responsibility in this category is entirely brought about by the suddenness of the impact of population increase and is therefore of a much lesser degree than the other two categories. The rate of Federal contribution in this category is set at 45 percent of per pupil cost of construction.

The second and third factors were considered and compensated for in the

eligibility requirements in each category and also in the over-all 35,000 average attendance minimum. In the (a) and (b) categories the eligibility requirement is set at 10 children and 5 percent of average daily attendance. In (c) category, eligibility is set at 20 children and 10 percent of average daily attendance.

The 35,000 average daily attendance minimum is based on the premise that a local school agency with that many or more pupils in average daily attendance before impact has absorption power great enough to meet the increased demand. This absorption power is further enhanced by the fact that the benefits accruing from increased payrolls and commercial activity resulting from the Federal activity in a densely populated urban area are much greater and of more direct value than in a rural area which suffers disarrangement and even a change of community characteristic in many instances.

The Committee on Education and Labor feels that its exhaustive studies on this subject have been productive of a formula by which Federal responsibility can be recognized, defined, and compensated for in an orderly and scientific manner and as fairly as is humanly possible.

Mr. McCONNELL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Chairman, I rise in support of this legislation because I keenly feel the need of it. Probably I would be the most critical man on the committee if I did not approve of it.

During the years 1947 and 1948 I visited a number of these projects, not as a committee member but as an individual interested in education, to find out just what our Federal Government was doing on these projects in terms of education. I found in many instances the conditions to be deplorable. So I would like to bring the Members of the House back to the first session of the Eighty-first Congress. I happened to be a member of a conference at about 3:30 in the morning when we met to consider an appropriation of money that was needed to carry out the maintenance needs of these Federal-impact areas. I recall well Senator THOMAS and Senator MORSE, along with others of the minority and majority, felt that this situation should be put in more of a permanent status rather than a temporary status.

In other words, after the war we went on as a matter of fact, feeling that these conditions were something that was left after the grand parade. Here were boys and girls of men who were making their livelihood in these particular areas with little or no educational provisions. So I think the best way to portray this situation to you is through the realization that you come from a community where you have a fine school system. In that community you have a very fine mechanic who is needed very badly in an air field to supervise or provide the instruction that might be needed there to take care of the war impact at that particular field. He is lifted out of any community in the United States where his children were enjoying the environment of a fine school system. Immediately those children are dumped into a building that would be called semipermanent, with a coal stove in the center of the room, with the teacher coming in at 6:30 or 7 in the morning starting a fire. The children come in there after having left the marble halls and the fine class rooms of a city school, where they had vocational training, a gymnasium, an auditorium, and many extra curricular subjects, finding themselves back in a one-room schoolhouse.

So in enacting this legislation for construction I trust the Members will bear in mind that this does not deal with maintenance. We are trying to better the building conditions in these impact areas. I hope Members should also be highly cognizant of the realization that in many areas today during the present crisis that the Federal Government will move many, many more men, and inasmuch as the amount is not stipulated in this bill, it may go on to greater amounts than we visualize at this time; yet it seems to me to be the duty of each and every member of this committee to realize that we as Members of Congress should view sympathetically these areas that have to stand the burden of this impact.

Let me use as an example a township—and this is a real example—where they had an enrollment of 600 pupils in the entire township. During World War II into that little school area some 2,200 additional students were enrolled. The tax dollar was not there. The township was in utter bewilderment as to what to do in providing the funds to educate those children. So the Federal Government, although it was a part of it, although it was absolutely responsible for those children being there, ran away from its responsibility. In this particular legislation the Members of Congress can go back to their districts all over the United States and say that we not only want them to have good instruction but we do think also that the boys and girls in these areas should have schoolhouses that are respectable, safe, and good.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In addition to what the gentleman said in reference to the case of the 2,200 children, the State law made it mandatory that those children attend school and that their parents have them attend school?

Mr. KEARNS. Yes.

Mr. McCORMACK. There is a mandatory obligation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BARDEN. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, in urging the adoption of S. 2317, I want most of all to plead the cause of a half million or more American boys and girls, who through no fault of their own, find themselves not only educationally handicapped, but educationally displaced. They may not bear the actual scars of war as do the boys and girls of Europe who are presently the beneficiaries of our munificence, but they certainly bear the marks of governmental maladministration and governmental neglect.

As chairman of a special subcommittee on education, I have the honor to have sponsored pending legislation which is a companion bill to H. R. 7940.

Like H. R. 7940, this legislation does not in any way venture in the field of Federal aid to education. On the other hand, it merely is an honest attempt to discharge the Government's obligation growing out of the activities of many governmental units in the field of national defense, conservation, reclamation and atomic-energy research.

The purpose of this bill is to assist local communities to meet the backlog of need for school facilities arising since June 30, 1939, and attributable to Federal activities, and to reimburse, to the extent provided in the bill, those communities which have already, out of their own resources, wholly or partly met the need by building additional facilities since that date.

On July 13, 1950, the House approved H. R. 7940, a bill to provide Federal assistance for operating expense purpose to school districts overburdened by Federal activities. S. 2317, as amended by the committee, complements H. R. 7940 and provides Federal assistance for the construction of school buildings in districts impacted by Federal activities.

Under the authorization, known as the Lanham Act program of 1942, assistance was provided for construction of school facilities and maintenance and operation of schools in overburdened areas from 1941 through the fiscal year ending June 30, 1946. Assistance for construction was discontinued as soon as possible after the surrender of Japan. It was anticipated, in taking this action, that rapid demobilization of the Armed Forces, discontinuance or curtailment of production for war purposes, and the readjustment to peacetime conditions would eliminate the need for this help. This readjustment, however, took place much more slowly than was anticipated and in some cases the communities have not returned to normal but have remained as centers of Federal activity. Because of the shortage of housing generally, war housing projects have remained at capacity levels. Many people did not return to their homes, but have remained in the areas to which they came for war production or military training. A substantial amount of property still remains under Federal ownership, thus depriving communities of local tax revenue.

As the result of these conditions, a number of school districts have remained as overburdened and need Federal help for school construction as urgently as they did at any time during the war. In other cases, new Federal projects have created serious problems for other communities.

INVESTIGATION OF THE PROBLEM BY HOUSE EDUCATION AND LABOR COMMITTEE

This entire matter was brought to the attention of the House Committee on Education and Labor at the first session of the Eighty-first Congress and several

bills were introduced to provide needed school plant facilities in these federally affected areas and also to provide for Federal assistance for current operating expenses on a uniform and permanent basis. The committee considered these various bills and the results of these investigations convinced the committee members that there was not sufficient information available on the nature and extent of the problems that existed for the committee to take definite action on an over-all Federal policy regarding this matter. As a result, the committee appointed two subcommittees to study this entire problem and make their recommendations to the full committee early in the second session.

These subcommittees held hearings in Washington, D. C., with interested Federal agencies and with school officials in the metropolitan area of Washington, giving testimony during the week of October 10. Subsequently, the subcommittees conducted field investigations and received testimony from approximately 600 witnesses from 42 States. The witnesses included representatives from the local offices of the Federal agencies concerned, the local officials whose school districts were affected, representatives of the State departments of education, and representatives of other interested organizations. Factual data were presented by these witnesses on a very substantial sample of the affected school districts in the Nation and included all types of problems created by the various activities of the Federal Government. The hearings have been printed in two volumes and are now available.

STATISTICAL INFORMATION OBTAINED BY THE SUBCOMMITTEES

In order to obtain more complete information concerning the number of school districts affected, the number of children involved, and the extent of the need, the subcommittees supplemented their field investigations by a statistical study conducted through the State departments of eduction, with the data being supplied by the local officials in the school districts affected by these activities. The data obtained in this manner were tabulated and analyzed and included in the report to the full committee.

The Education and Labor Committee of the House voted unanimously for favorable action on S. 2317 and similar action was taken by the Rules Committee. I sincerely hope my months of labor in the preparation of this needed legislation will not go unrewarded and that the House will adopt the pending rule.

Estimate of amount of Federal funds required by S. 2317 to provide Federal assistance for school construction in areas overburdened by Federal activities

OVER-ALL ESTIMATE BY CATEGORIES OR SECTIONS

Sec. 2 (a), children living on Federal property:	
Number of children	126,000
Cost	$91,020,000
Sec. 2 (b), children living with a parent employed on Federal property:	
Number of children	152,900
Cost	$85,624,000
Sec. 2 (c), children resulting from Federal activities generally:	
Number of children	80,600
Cost	$29,016,000
Sec. (3), where effect of Federal activities will be temporary:	
Number of children	5,000
Cost	$2,000,000
Sec. (4), children for whom local educational agencies are unable to provide education:	
Number of children	4,000
Cost	$3,200,000
TOTAL	
Number of children	368,500
Cost	$210,860,000
Deduction for recovery on facilities already provided	55,000,000
Estimated net cost	155,860,000

DETAIL OF ESTIMATE

SECTION 2 (A), CHILDREN LIVING ON FEDERAL PROPERTY

The National Defense Establishment reported to the subcommittee that there would be 77,481 children living on Federal reservations under its jurisdiction at the beginning of the 1950–51 school year and that an additional 10,351 children would be living on Federal property during the year as a result of construction of Wherry housing units. It is believed that approximately 10,000 of these children are living in areas where no local educational agency is able to provide education for these children. These 10,000 would come under the provisions of section 4 of the bill.

National Defense Establishment 77,800

The Department of Interior reported to the subcommittee that approximately 13,000 children would be living on Federal property under its jurisdiction during the 1950–51 school year and attending public schools in adjacent communities. These are distributed among its various bureaus as follows: Bureau of Indian Affairs (non-Indian children), 9,579; Bureau of Reclamation, 2,750; Bureau of Mines, 160; Fish and Wildlife Service, 250; and National Park Service, 333.

Department of the Interior 13,000

The Public Housing Administration reports that there are 310,000 Public Housing units still under Federal jurisdiction and that 293,000 of these are still occupied. On the basis of data showing ratio of school children per unit, it is believed that there will be 200,000 school children living in Federal Public Housing projects during the 1950–51 school year. It is further estimated that only 40 percent of the wage earners living in Federal Public Housing Projects work for the Federal Government, leaving 80,000 of these covered by section 2 (a) of the bill and 120,000 covered by section (B).

Federal Public Housing Authority 80,000

Total children covered by section 2 (a), 170,800.

The bill provides payments based on average daily attendance, not total children. Average daily attendance averages about 18 percent less than total enrollment. Deduct 18 percent, or 30,744, from 170,800, leaves 140,056 children in average daily attendance. It is believed that 10 percent can be deducted for districts ineligible under the terms of the bill, leaving 126,050 children in average daily attendance.

The bill provides for payment of 95 percent of the cost per child of constructing complete school facilities. The best information available indicated that it takes an average of $800 per child for construction of complete school facilities. Thus, the amounts involved under this section are 95 percent $800×126,000 children equals $91,020,000.

Summary for sec. 2 (a):

Children in average daily attendance	126,000
Cost at 95 percent of $800×126,000 equals	$91,020,000

SECTION 2 (B), CHILDREN WHOSE PARENTS ARE EMPLOYED ON FEDERAL PROPERTY

Federal agencies were not able to report the number of their employees who had children attending public schools. The school districts reported to the subcommittee that they had 130,000 school children whose parents worked for the Federal Government. These reports were considered from two-thirds to three-fourths complete and the figure of 200,000 children was used in this category for the estimates of cost for H. R. 7940. That estimate is considered reliable. Add 120,000 children living in Federal public housing projects, but whose parents do not work for the Federal Government, making a total of 320,000.

Deduct 18 percent, or 57,000, for conversion from total children to average daily attendance, leaving 262,400. It is believed another 20 percent can be deducted for children whose parents are employed in those Federal agencies not eligible under the bill. That would be 52,480, leaving 209,920. It is estimated that 30,000 children can be deducted for those whose parents work for the Federal Government in another State, leaving 179,920. It is further estimated that 10 percent can be deducted for children living in ineligible districts and another 5 percent can be deducted for duplication in reporting between section 2 (a) and 2 (b), leaving a net of 152,932 children under the bill.

Estimated total children in average daily attendance covered by section 2 (b)	152,900
The rate of payment for section 2 (b) is 70 percent of the cost per child of complete school facilities. That would be 70 percent of $800, or $560×152,900 children	$85,624,000

Summary for section 2 (b):

Children in average daily attendance	152,900
Cost	$85,624,000

SECTION 2 (C), CHILDREN RESULTING FROM FEDERAL ACTIVITIES GENERALLY

The school districts reported 88,000 children in this category. Considering these reports to be from two-thirds to three-fourths complete, the total would be approximately 100,000. Add 30,000 that were removed from section 2 (b) because the parents of the children worked for the Federal Government in another State, making a total of 130,000. Eligibility requirements are higher in this than in the two preceding sections. It is believed 20 percent can be deducted for ineligibility and 18 percent for conversion from total children to average daily attendance. This deduction would leave approximately 80,600 children.

The ratio of payment for this section is 45 percent of the cost per child. This would be 45 percent of $800, or $360×80,600 children equals $29,016,000.

Summary for section 2 (c):

Number of children	80,600
Cost $360 per child equals	$29,016,000

SECTION 3, WHERE EFFECT OF FEDERAL ACTIVITIES WILL BE TEMPORARY

It is believed that the above figures given for the different Federal agencies for the 1950–51 school year would cover this category for this school year. It is further estimated that there may be 5,000 children in this category in the next 2 years, at a cost of $2,000,000.

Summary for section 3:

Number of children	5,000
Cost at $400 per child	$2,000,000

SECTION 4, CHILDREN FOR WHOM NO LOCAL EDUCATIONAL AGENCY IS ABLE TO PROVIDE EDUCATION

The evidence indicates that there are 10,000 children in this category. It is believed that ample provision is already made for 6,000 of these children and that provision will have to be made for 4,000. The full cost per child will be required for these 4,000 children that would be $800 per child × 4,000 children equals $3,200,000.

Summary for section 4:

Total children	4,000
Cost at $800 per child	$3,200,000

Over-all summary:

Estimated total children for whom payments are to be made	368,500
Estimated costs	$210,860,000
Estimated deduction for facilities already provided from Federal funds	55,000,000
Estimated net cost	155,860,000

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I want to congratulate the gentleman and his committee on bringing in this wonderful piece of legislation. I want to say that I have in my district, the Gosnell school district, which has been taken over by the Blytheville Army Air Base, and due to the impact, the great number of children there, that has been brought about by this Government project it is very necessary that we have additional school facilities as well as maintenance there. I appreciate the gentleman bringing this legislation to the House.

Mr. BAILEY. I thank the gentleman.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Georgia.

Mr. LANHAM. I am very much in favor of this legislation and I want to congratulate the committee on the fine work it has done and the prodigious amount of work it has done in surveying this whole situation and in bringing this solution of the problem before us.

Mr. BAILEY. I thank the gentleman.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Georgia.

Mr. CAMP. I wish to commend the committee and state that in my district, where the impact has increased the school population more than 600 percent in one instance, that without this legislation we cannot care for them. We have been helped in the past through various pieces of legislation, but this is the first time that a school-building program has been brought about, which is needed very greatly in my section. I am very thankful that the gentleman has brought this measure to the floor, and I hope it will pass.

Mr. BAILEY. I thank the gentleman.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Louisiana.

Mr. BROOKS. I want to commend the gentleman for his interest in this work. I have discussed the matter with him repeatedly. I know he is an old school man with years of experience in school work, and that he was personally deeply interested in building up this type of legislation. I want to commend him as well as the whole committee for its efforts in this respect, and I want to say that so far as I am concerned, it is excellent legislation and I am going to support it.

Mr. BAILEY. I thank the gentleman.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Georgia.

Mr. PRESTON. I would like to say this: I think in my district we have a situation that is perhaps typical. It points out the very need for this most important legislation. I may say further that I think this is one of the most important bills we will consider during this session. I have a camp of 280,000 acres in my district, which takes in nearly all of four counties, and it has just about ruined their tax base. There is one little town of 1,500 population right outside of the boundary of the camp. Now the camp has been reactivated, and they will dump from 20,000 to 25,000 soldiers there in the next year. The proposition is hopeless for the local community. This bill and the other bill that the gentleman referred to are the only assets available to meet that serious problem. I am very proud of the work the gentleman has done personally, as well as the other members of the committee, to bring this legislation to the House.

Mr. BAILEY. I thank the gentleman.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I thank the gentleman from West Virginia for the careful study he has made of this problem and his interest to meet our problem which arose at Mid-City to correct the extremely dangerous condition under which several hundred small children had to be educated in a firetrap at an airplane take-off location. We reached the end of our limits. We levied special assessments and received voluntary contributions and everything else, but to no avail. I sincerely hope that this bill will remedy our situation.

Mr. BAILEY. I thank the gentleman.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Oklahoma.

Mr. MORRIS. I wish to sincerely commend the distinguished gentleman who now has the floor and his committee and everyone who has had any part in bringing this legislation before us. It is fair to the Federal Government and certainly it will bring about a situation in the districts where these various impacts have occurred that will be fair to the local authorities.

Mr. BAILEY. I thank the gentleman.

Mr. BARDEN. Mr. Chairman, I yield 4 minutes to the gentleman from Oklahoma [Mr. STEED].

Mr. STEED. Mr. Chairman, I served as a member of one of the subcommittees that helped prepare this legislation. There is a point or two that has not been covered that the House will find of general interest, and that is this. As we traveled throughout the country last fall holding hearings and inspecting these impacted areas I was impressed, as I think all the members of the subcommittee were impressed, with the effort that these local communities we are today trying to help have made on their own hook to meet this problem without first coming to the Government for aid. I was impressed by the fact that in some instances these communities have literally bankrupted themselves trying to meet this problem on their own, and I think that the Members of the House ought to take into consideration the fact that this is not the usual cry of the local localities for aid from Washington. This is a cry for help that has come after they have exhausted in almost every instance their own efforts and their own abilities to help themselves. There are some very serious situations existing throughout the country. I wish it had been possible for all Members of the House to have seen some of the conditions that we found. It was rather strange to find children going to school in school buses and then going to basements and old warehouses and firetraps, and all sorts of places. It shows a lot of ingenuity on the part of people and the communities to try to meet the situation, but it is a long way from the sort of thing I feel most of us want our school children to have to tolerate. Unless this bill is passed conditions in these approximately 600 school districts that we are talking about just will not be improved, because the people at home in most instances have already done all they can do.

The bill you have before you today is a bill that was written in committee. It was not handed to us by any department or anyone else. We drafted it ourselves. This is probably the last of 20 drafts of the bill. We had to take into consideration the various State laws and the amazingly different types of Federal activities involved. It has been a quite difficult task. There have not been any differences amongst us but rather the highly technical problems that have presented themselves have been the most serious thing.

There is another point I think you would like to know about. We tried to put in this bill a proviso which will help us carry out this building program without the necessity of hiring any more new people or creating any new Government agency. We are following this through the United States Office of Education and in section 9 we provide that the Commissioner of Education shall utilize already existing Federal securities. For instance, we know, because of our field inspection, that the Community Facilities Agency has done a great deal of this work under the wartime emergency Lanham Act. We know that they now have the field staff and the engineering

staff and the architects and everything else needed to carry out this part of the program. So it is not going to require any additional Government agency to be built up to do this work.

Mr. WILSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield.

Mr. WILSON of Oklahoma. I feel the committee should be highly commended for the very manner in which they have gone about this program. I think the membership of the House should also know that the gentleman from Oklahoma who is now addressing us is to be commended for the fine and unselfish manner in which he has gone into the minute details of this very fine legislation. He has been very, very helpful in its formulation and generous in the giving of his time on this worthy program.

Mr. McCONNELL. I yield 4 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I too wish to commend every member of the committee for this meritorious piece of legislation, which is very much in the interest of humanity.

I have three questions which I would like to propound to the members of the committee, which the gentleman from Ohio [Mr. BROWN] told me he was unable to answer. They revolve around the wording in lines 2, 3, and 4 on page 15. I shall preface my questions with this statement. At Knoxville, Iowa, there is a veterans' hospital, a large one, originally established about 25 years ago. Additions have been added to it from time to time. Since June 30, 1939, several wings have been added. Probably 30 percent to 40 percent of its present size has been added since that time. As a result of the location of that hospital there, the school population has increased tremendously, particularly during the past 10 years. The city of Knoxville for its grade school has a building more than 60 years old. It is entirely inadequate. It is too small. It is a fire hazard. They are actually holding classes, and they have been for some years, in the corridors and on the stairways. The town is, as was referred to by the gentleman from Ohio [Mr. BROWN] like many which under State law have a limit to their bonded indebtedness. It is up to that limit and has been for some time. They cannot build a new school building, although they are willing to, because they cannot float a bond issue. My questions therefore, are: First, whether, under the wording in lines 2, 3, and 4 of this bill, this community with a veterans' hospital, under the provisions of this bill would be eligible.

Mr. BURKE. This covers all activities, whether they are expansions of facilities, which existed prior to 1939, or new facilities built since 1939.

Mr. CUNNINGHAM. And it applies to veterans' facilities?

Mr. BURKE. That is right, it is entirely dependent, of course, upon the eligibility requirements within the formula itself as to whether a given facility would be eligible.

Mr. CUNNINGHAM. As I understand this particular case, the present hospital is a going concern and is an activity functioning today larger than ever, and if it otherwise meets the qualifications the community will come under the provisions of this measure?

Mr. BURKE. That is correct. It is generally open for consideration and filing of application. Whether the application will be approved or not depends upon whether it meets the eligibility requirements of the 15 or more children, and so on.

Mr. CUNNINGHAM. I thank the gentleman. I again wish to commend the committee.

I now yield to the gentleman from Idaho [Mr. WHITE], if he has a statement to make.

Mr. WHITE of Idaho. I too want to commend the committee for bringing in this very constructive legislation. We have a very serious problem in Idaho, which is of importance to the great State of Idaho. Particularly in the communities where operations with respect to the atomic bomb are getting started. It will mean a great deal because those people have bonded themselves to the limit and they cannot meet this problem. This is the only solution.

Mr. CUNNINGHAM. I am very glad to yield to the gentleman from Idaho because I understand that he got his start in the great State of Iowa.

Mr. Chairman, since my first question has been answered in the affirmative it is unnecessary to ask the other two. I yield back the balance of my time.

Mr. McCONNELL. Mr. Chairman, I yield the balance of the time remaining on this side to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, we have listened to many Members, on both sides of the aisle, all in favor of this bill, who want to help the taxpayers of their district which is their privilege of course. Now it might be in order to say a few words for all the taxpayers of America. You know, there are a mighty lot of school districts that will not get any benefit at all under the provisions of this bill, but they will have the privilege of paying the bill. Being the only Member who has not spoken in high praise of this bill today, I, of course, realize that my words will be like a voice crying in the wilderness.

Mr. Chairman, we are treading on new ground in the consideration of this bill today; we are embarking on a course, the end of which none of us can foresee. A similar bill was before this House under suspension of the rules in the dying days of the first session of the Eighty-first Congress. It was a very loosely drawn bill, and had had very little consideration by the committee. I raised some questions about the bill and another Member objected to the bill, so it was taken off the calendar at that time. This bill has had much more consideration, much more study, and much more time given to the problem than the bill which was presented last year; hence it is a much better bill in every instance. But yet no one can tell us whether it will cost 100 million or a billion dollars.

I recognize the need and the justification for such school facilities, mostly paid for by the Government in many places, but I do want to call to the attention of the House that in most every case these Government facilities were invited and urged no end to be located in the towns and districts by the Congressmen, chambers of commerce, and other civic groups, and because these war plants are there the businessmen of many of these areas have received a lot of good profitable business from which they should be willing to pay their just share of taxation for the additional business which they have received without asking for Federal aid such as this bill provides. Mr. Chairman, a privately owned factory can move into a school district, a factory which possibly produces entirely for the war effort, but the people of that school district must furnish all of the school facilities even though that factory may manufacture their goods exclusively for the war effort. It is true, of course, that that kind of business will be taxed and the revenue will go into the school fund to help pay for the running of the school. But when these big Government facilities move in, the people are relieved to some degree of their tax load, which I admit is justified in certain cases, but unless we are very careful—and I want to just put out this little warning, my colleagues—if we are not very careful the people of too many school districts will be inviting tax-free Government facilities such as war plants and Government facilities of every kind to come into their towns and school districts instead of private industry so their taxpayers can get the benefit of this bill if it becomes law. Where will it all lead? If it is good business for the Government to pay this bill, meaning that all the American taxpayers will be taxed to pay the bill for a few hundred school districts, then sooner or later all the taxpayers may be forced to let the Government take over the grocery stores, the factories, and the farms of America. My colleagues, I plead in all seriousness, let us be very careful and cautious during this crisis in seeing to it that in trying to help where help is absolutely needed that we fully understand the danger of too much of this kind, and every kind of Federal aid from a bankrupt Federal Treasury.

Mr. BARDEN. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. IRVING].

Mr. IRVING. Mr. Chairman, as a member of the subcommitee which gave a great deal of time and study to this legislation I want to rise now and wholeheartedly support that legislation. I think there is little I can add. I think there is apparently very little opposition, if any at all, to this legislation.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. IRVING. I yield.

Mr. ANDREWS. I wish to take this occasion to thank the gentleman from Missouri and the other members of the committee for bringing in this fine piece of legislation which is so badly needed.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. IRVING. I yield.

Mr. MURDOCK. I, too, would like to thank the committee and to compliment them for the splendid work they have done.

Mr. MITCHELL. Mr. Chairman, I urge favorable action on S. 2317 which has been reported by the Education and Labor Committee. While it does not meet all of the school housing needs of the Nation, it meets most of the Federal responsibility in those areas where school populations have been swelled by war and defense work.

It is this increased population called into the State of Washington to take war jobs which is largely responsible for the fact that my State now has about 80,000 school children attending school in makeshift facilities and on half-day sessions. This situation will be much worse unless the Federal Government, through this type of legislation, promptly extends a helping hand to push schoolroom constructoin. By 1960 an estimated 200,000 additional children will be seeking an education. These children cannot be properly educated for our increasingly complex civilization in half-day sessions in makeshift school buildings.

This bill is designed, primarily, to meet the most urgent needs. It is not designed to meet all of the school construction needs. For this reason, I hope that the next Congress can enact legislation along the lines of my bill (H. R. 5718), which would survey all school construction needs with the view of determining the responsibility of the Federal Government to assist toward the building of a minimum school plant in every section of the Nation.

Today we are passing, I hope, a measure which will allow the Federal Government to begin paying a part of its fair share of the education cost in those districts where school population has greatly increased in the last 10 years.

The State of Washington, and the First Congressional District, qualify. My State has 48 districts affected by the activities of the Federal Government where students from federally employed families are in excess of 10 percent of the school population. In the last normal year, our school enrollment was 118,484 as compared to the 1949–50 school population of 190,321. Those with parents living on Federal property jumped from 1,186, in the same period, to 25,763, those employed on Federal property from 3,821 to 20,513; and those due to other Federal activities, from 1.530 to 14,899.

It is the design of this legislation to take care of the most needy cases first. The committee proposes that the funds appropriated be used first to improve the worst schools. Certainly there are many districts in the State of Washington which, under this program, will have the highest priority.

One of these districts will be South Kitsap where the present school population of 3,254 consists of 41 percent children from families employed in navy yard activities. Because the navy yard activities are not taxed, this district must seek to educate these children on the pitifully low base of taxable property which amounts to only $1,412.64 per pupil. Any school expert knows that it can't be done.

To these districts, where the educational job just cannot be done otherwise, Federal money will go first. I agree that this is proper even though I offered an amendment in committee which would have stricken out an amendment limiting Federal aid to those districts having an average daily attendance of under 35,000. It was my contention that a Federal governmental obligation was no less an obligation where the school population was greater than 35,000. This amendment was defeated on the grounds that the Federal Government could not afford to help districts which were now able to do a creditable job. Seattle is such a district and it is doing a creditable job in the education of 60,000 students, of whom about 10,000 are chargeable to the Federal Government in one form or another.

While it is a partial answer to say that the large city gains more from Federal installations because of its broader business base, this is only part of the answer. Seattle could give a better education to the whole 60,000 if it were allowed a share of this Federal-aid fund. The committee chairman, the gentleman from North Carolina [Mr. BARDEN], has assured me that this question will be given further consideration in the conference committee deliberations and I hope that the final bill can be more equitable to all districts.

But let me say again that this bill should be passed so that the Federal Government may start paying part of its obligation to eradicate crowded, obsolete, and makeshift school buildings and double-shift teaching.

Mr. BARDEN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.—

DECLARATION OF POLICY

SECTION 1. In recognition of the impact which certain Federal activities have had on the school construction needs in the areas in which such Federal activities have been or are being carried on, the Congress hereby declares it to be the policy of the United States to bear the cost of constructing school facilities in such areas in the manner and to the extent provided in this act.

PAYMENTS TO LOCAL EDUCATIONAL AGENCIES

SEC. 2. (a) A local educational agency shall be eligible under this subsection for payment with respect to children who reside on Federal property with a parent employed on Federal property, if the estimated number of such children who will be in average daily attendance at the schools of such agency during the current fiscal year (as defined in paragraph (6) of section 10) is at least 15 and is at least 5 percent of the estimated number of all children who will be in average daily attendance at the schools of such agency during the current fiscal year. Each such local educational agency shall be entitled to receive an amount not to exceed such estimated number of children with respect to whom it is eligible for payment under this subsection, multiplied by 95 percent of the average per pupil cost of constructing complete school facilities in the State in which the school district of such agency is situated.

(b) A local educational agency of a State shall be eligible under this subsection for payment with respect to children who reside on Federal property, or who reside with a parent employed on Federal property part or all of which is situated in such State, if the estimated number of such children who will be in average daily attendance at the schools of such agency during the current fiscal year is at least 15 and is at least 5 percent of the estimated number of all children who will be in average daily attendance at the schools of such agency during the current fiscal year. Each such local educational agency shall be entitled to receive an amount not to exceed such estimated number of children with respect to whom it is eligible for payment under this subsection, multiplied by 70 percent of the average per pupil cost of constructing complete school facilities in the State in which the school district of such agency is situated.

(c) A local educational agency shall be eligible under this subsection for payment with respect to children whose attendance results from activities of the United States (carried on either directly or through a contractor) if in the judgment of the Commissioner of Education—

(1) the estimated number of such children who will be in average daily attendance at the schools of such agency during the current fiscal year is at least 20 and is at least 10 percent of the estimated number of all children who will be in average daily attendance at the schools of such agency during the current fiscal year; and

(2) the construction of additional school facilities to take care of the children whose attendance results from such activities of the United States has imposed or will impose an undue financial burden on the taxing and borrowing authority of the agency.

Each such local educational agency shall be entitled to receive an amount not to exceed such estimated number of children with respect to whom it is eligible for payment under this subsection, multiplied by 45 percent of the average per pupil cost of constructing complete school facilities in the State in which the school district of such agency is situated. In determining eligibility and maximum amounts of payment under this subsection, the Commissioner (A) shall take into account only activities of the United States carried on after June 30, 1939; and (B) shall not take into account activities of the United States carried on in connection with real property which has been excluded from the definition of Federal property by the last sentence of paragraph (1) of section 10.

(d) If two or more of the first three subsections of this section apply to a child, the local educational agency shall elect which of such subsections shall apply to such child.

(e) Notwithstanding the preceding provisions of this section, the total number of

children for whom a local educational agency is entitled to receive payment under this act shall not exceed—

(1) except where the determination of the maximum amount is based in whole or in part on entitlement under subsection (c), the estimated number of all children in average daily attendance at the schools of such agency during the current fiscal year, minus the number of all children in average daily attendance at the schools of such agency during the fiscal year ending June 30, 1939; and

(2) where the determination of the maximum amount is based in whole or in part on entitlement under subsection (c), the estimated number of all children in average daily attendance at the schools of such agency during the current fiscal year, minus 110 percent of the number of all children in average daily attendance at the schools of such agency during the fiscal year ending June 30, 1939.

No local educational agency in the continental United States shall be entitled to receive payment under this act if the number of children in average daily attendance at the schools of such agency during the fiscal year ending June 30, 1950, exceeded 35,000.

(f) (1) Where—

(A) under any law other than a law relating to the disposal of surplus property, the United States constructed, or assisted in the construction of, school facilities in the school district of any local educational agency;

(B) such construction was completed after June 30, 1939; and

(C) either such agency has title to such school facilities, or, in the judgment of the Commissioner of Community Facilities Service, there is reasonable assurance that such agency will have the right to use such facilities for the remainder of the estimated usable life of such facilities,

then the Commissioner of Community Facilities Service, in accordance with regulations prescribed by him, shall determine the amount which equals the actual cost to the United States of constructing or assisting in the construction of such school facilities, minus (i) percentage depreciation applied to such cost for the period beginning with the completion of the construction of such facilities and ending on June 30, 1951 (the rate of such depreciation to be based on the estimated usable life of such school facilities for the school purposes of such agency), and (ii) so much of the actual cost to the United States of constructing or assisting in the construction of such facilities as has been recovered by the United States. The Commissioner of Community Facilities Service shall certify to the Commissioner of Education the amount so determined; and the Commissioner of Education shall reduce the maximum amount which such agency is otherwise entitled to receive under this section in accordance with such certification.

(2) Where—

(A) under the act of October 14, 1940, entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," as amended, the United States has prior to the enactment of this act constructed school facilities in the school district of a local educational agency; and

(B) such school facilities are available to such agency on the date this act is enacted, the head of the Federal department or agency having custody of such facilities shall forthwith transfer to such local educational agency all right, title, and interest remaining in the United States in and to such facilities and the land being used in connection with the operation of such facilities.

WHERE EFFECT OF FEDERAL ACTIVITIES WILL BE TEMPORARY

SEC. 3. Notwithstanding the provisions of section 2, whenever the Commissioner determines that part or all of the attendance with respect to which any local educational agency is entitled to receive payment under such section will be of temporary duration only, such agency shall not be entitled to receive such payment with respect to the attendance so determined to be of temporary duration only. Instead, the Commissioner shall make available to such agency such temporary school facilities as may be necessary to take care of such attendance; except that he may, where the local educational agency gives assurance that adequate school facilities will be provided to take care of such attendance, pay (on such terms and conditions as he deems appropriate to carry out the purposes of this act) to such agency for use in constructing school facilities an amount equal to the amount which he estimates would be necessary to make available such temporary facilities.

CHILDREN FOR WHOM LOCAL AGENCIES ARE UNABLE TO PROVIDE EDUCATION

SEC. 4. In the case of children who reside on Federal property—

(1) if no tax revenues of the State or any political subdivision thereof may be expended for the free public education of such children; or

(2) if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children,

the Commissioner shall make such arrangements for constructing or otherwise providing school facilities as may be necessary for the education of such children. To the maximum extent practicable school facilities provided under this section shall be comparable to the school facilities provided for children in comparable communities in the State. This section shall not apply (A) to children who reside on Federal property under the control of the Atomic Energy Commission, and (B) to Indian children attending federally operated Indian schools. Whenever it will be necessary for the Commissioner to provide school facilities for children residing on Federal property under this section, no local educational agency shall be entitled to receive payment under section 2 with respect to the attendance of such children.

APPLICATIONS

SEC. 5. (a) No local educational agency shall be entitled to payment of any part of the maximum amount established for such agency by the formula contained in section 2 except upon application therefor submitted through the appropriate State educational agency and filed before July 1, 1952, with the Commissioner of Education in accordance with regulations prescribed by him. Any such application may either set forth a project for the construction of school facilities for such agency, in accordance with subsection (b), or may contain a request for a reimbursement payment, in accordance with subsection (c). The Commissioner of Education shall take final action with respect to the approval or disapproval of any such application within a reasonable time.

(b) (1) Each application by a local educational agency setting forth a project for the construction of school facilities for such agency shall contain or be supported by—

(A) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

(B) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain such school facilities on such site for a period of not less than 20 years after the completion of the construction;

(C) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when needed;

(D) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

(E) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing wage rates for similar work as determined in accordance with Public Law No. 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended;

(F) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this act on the same terms, in accordance with the laws of the State in which such school district is situated, as they are available to other children in such school district; and

(G) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

(2) The Commissioner shall approve the application if he finds (A) that the proposed Federal share of the cost of the project does not exceed so much of the maximum amount which such agency is entitled to receive under section 2 as has not been expended or obligated for payment of the Federal share of the cost of projects of such agency theretofore approved, (B) that the requirements of paragraph (1) of this subsection have been met, and (C) after consultation with the State and local educational agency, that the project is not consistent with over-all State plans for the construction of school facilities.

(c) (1) If, and only if, a local educational agency has provided (or, by reason of a project or projects under this act, will provide) adequate school facilities for the school children for whose education contributions are provided in this act, such agency may file an application containing a request for a reimbursement payment of so much of the maximum amount which such agency is entitled to receive under section 2 as has not been expended or obligated for payment of the Federal share of the cost of the projects of such agency under this act. Any such application shall also contain assurance that the school facilities of such agency will be available to such children on the same terms, in accordance with the laws of the State in which such school district is situated, as they are available to other children in such school district. In no event shall the reimbursement payment under this subsection exceed the amount expended fom local sources since June 30, 1939, for the construction of the school facilities of the local educational agency.

(2) The Commissioner shall approve any application of a local educational agency if he finds that the requirements of paragraph (1) of this subsection have been met.

(d) No application under this act shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

CERTIFICATION AND PAYMENT

SEC. 6. (a) Upon approving the application of any local educational agency under section 5 (b), the Commissioner of Education shall certify to the Secretary of the Treasury for payment to such agency an amount equal to 10 percent of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall certify to the Secretary of the Treasury for payment to such agency, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, the remainder of the Federal share of the cost of the project.

(b) Upon approving the application of any local educational agency under section 5 (c), the Commissioner of Education shall certify to the Secretary of the Treasury for payment to such agency an amount equal to the maximum amount which such agency is entitled to receive under section 2 less any amount which such agency has received or will receive under subsection (a) of this section.

(c) For each fiscal year the Commissioner of Education shall determine the portion of the funds appropriated to carry out the purposes of this act which shall be available for carrying out the provisions of sections 3 and 4. The remainder of such funds shall be available for making payments to local educational agencies for which applications have been approved under subsections (b) and (c) of section 5.

(d) If the Commissioner of Education determines for any fiscal year that the funds which will be available therefor will not be sufficient to pay in full the amounts which all local educational agencies would otherwise be entitled to receive during such year under this act, he may by regulations prescribe (1) a date or dates before which all applications for payments out of such funds shall be filed, and (2) the order in which the certifications required by subsections (a) and (b) of this section will be made. The order so prescribed shall be based on relative urgency of need and shall give applications under section 5 (b) priority over applications under section 5 (c).

(e) The Secretary of the Treasury shall pay to each local educational agency in accordance with the certification of the Commissioner. Any funds paid to a local educational agency and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

WITHHOLDING OF CERTIFICATION; APPEALS

SEC. 7. (a) Whenever the Commissioner of Education, after reasonable notice and opportunity for hearing to a local educational agency, finds (1) that there is a substantial failure to comply with the drawings and specifications for the project, (2) that any funds paid to a local educational agency under this act have been diverted from the purposes for which paid, or (3) that any assurance given in an application is not being or cannot be carried out, the Commissioner may forthwith notify the Secretary of the Treasury and such agency that no further certification will be made under this act until there is no longer any failure to comply or the diversion or default has been corrected or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

(b) (1) If any local educational agency is dissatisfied with the Commissioner's disapproval of part or all of its application under this act, or if it is dissatisfied with the Commissioner's action with respect to it under subsection (a) of this section, such agency may appeal to the United States Court of Appeals for the circuit in which such agency is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and record on which he based his action.

(2) The findings of fact by the Commissioner, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner for further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

(3) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States as provided in section 1254 of title 28 of the United States Code.

ADMINISTRATION

SEC. 8. (a) In the administration of this act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.

(b) The Commissioner of Education shall administer this act, and he may make such regulations and perform such other functions as he finds necessary to carry out the provisions of this act.

(c) The Commissioner shall include in his annual report to the Congress a full report of the administration of his functions under this act, including a detailed statement of receipts and disbursements.

(d) With respect to compliance with an enforcement of the prevailing wage provisions of section 5 (b) (1) (E), the Secretary of Labor shall prescribe appropriate standards, regulations, and procedures, which shall be observed by the agencies administering such provisions, and shall cause to be made by the Department of Labor such investigations as he deems desirable.

USE OF OTHER FEDERAL AGENCIES; TRANSFER AND AVAILABILITY OF APPROPRIATIONS

SEC. 9. (a) In carrying out his functions under this act, the Commissioner of Education may utilize the facilities and services of any Federal department or agency and may delegate the performance of any of his functions to any officer or employee of any Federal department or agency. The Commissioner of Education shall exercise the authority contained in the preceding sentence whenever such exercise will avoid the creation within the Office of Education of a staff and facilities which duplicate existing available staffs and facilities. Any such utilization or delegation shall be pursuant to proper agreement with the Federal department or agency concerned; and payment to cover the cost thereof shall be made either in advance or by way of reimbursement, as may be provided in such agreement.

(b) All Federal departments or agencies administering Federal property on which children reside, and all such departments or agencies principally responsible for Federal activities which may give rise to a need for the construction of school facilities, shall to the maximum extent practicable comply with requests of the Commissioner for information he may require in carrying out the purposes of this act.

(c) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1951, and for each of the two succeeding fiscal years, such sums as may be necessary to carry out the provisions of this act, including the administration thereof.

(d) Such portion of the appropriations of any other department or agency for the fiscal year ending June 30, 1951, as the Director of the Bureau of the Budget determines to be available for the same purposes as this act, shall, except to the extent necessary to carry out during such year contracts made prior to the enactment of this act, be transferred to the Commissioner for use by him in carrying out such purposes.

(e) No appropriation to any department or agency of the United States, other than an appropriation to carry out this act, shall be available during the period beginning July 1, 1951, and ending June 30, 1953, for the same purpose as this act, except that nothing in this subsection or in subsection (d) of this section shall affect the availability during such period of appropriations (1) for the construction of school facilities on Federal property under the control of the Atomic Energy Commission, or (2) the construction of school facilities which are to be federally operated for Indian children.

DEFINITIONS

SEC. 10. For the purposes of this act—

(1) The term "Federal property" means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia. Such term includes real property leased from the Secretary of the Army, Navy, or Air Force under section 805 of the National Housing Act, as amended, for the purpose of title VIII of such act. Such term also includes real property held in trust by the United States for individual Indians or Indian tribes, and real property held by individual Indians or Indian tribes which as subject to restrictions on alienation imposed by the United States. Such term does not include (A) any real property used by the United States primarily for the provision of services to the local area in which such property is situated, (B) any real property used for a labor supply center, labor home, or labor camp for migratory farm workers, or (C) any low-rent housing project held under title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the United States Housing Act of 1937, the act of June 28, 1940 (Public Law 671 of the Seventy-sixth Congress), or any law amendatory of or supplementary to any such acts.

(2) The term "child" means any child who is within the age limits for which the applicable State provides free public education.

(3) The term "parent" includes a legal guardian or other person standing in loco parentis.

(4) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

(5) Average daily attendance shall be determined in accordance with State law. In making any such determination, children who are not provided free public education (as defined in clause (4)) shall not be counted.

(6) The term "current fiscal year" means (A) with respect to an application approved before July 1, 1951, the fiscal year ending June 30, 1951, and (B) with respect to an application approved after June 30, 1951, the fiscal year ending June 30, 1952.

(7) The average per pupil cost of constructing complete school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner of Education on

the basis of contracts entered into during the fiscal year preceding the fiscal year in which the application is approved. If the Commissioner finds that the information available for the State concerned for such preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency.

(8) Estimates of average daily attendance during a current fiscal year, and all other determinations with respect to eligibility and maximum amount of payment, shall be made as of the time of the approval of the application for which made, and shall be made on the basis of the best information available at the time of such approval.

(9) The terms "construct", "constructing", and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(10) The term "school facilities" includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadia, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public. Except as used in sections 3 and 4, such term does not include interests in land and off-site improvements.

(11) School facilities shall be deemed adequate for a given number of children if, under applicable State standards, they are adequate for the full-time education of such number of children.

(12) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education.

(13) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(14) The term "State" means a State, Alaska, Hawaii, Puerto Rico, or the Virgin Islands.

(15) The terms "Commissioner of Education" and "Commissioner" mean the United States Commissioner of Education.

Mr. BARDEN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that it be printed in the RECORD and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. Mr. Chairman, there are three committee amendments at the desk which I offer and ask to have considered at this time.

The Clerk read as follows:

Committee amendment: Page 25, line 1, strike out "will" and insert "may"; line 3, strike out "during such year under this act he may" and insert "under applications approved before the end of such year he shall."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 29, line 8, after the period insert a new sentence as follows:

"The sum so appropriated plus sums appropriated for administration shall remain available until expended."

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to recount for the committee all of the areas I know this bill would apply to, but I do know of a great many of them. So, I realize it is a very complicated problem, and feel that the committee has done an excellent job in meeting various situations.

The amendment which has just been offered by the committee proposes to make funds available for projects without regard to the lapse of the fiscal year in which they are appropriated. Probably that is essential because the local communities will be making commitment of funds as they go along for their portion of the costs. Once started, the projects should be completed.

The section which immediately follows that to which the committee has offered its amendment proposes to transfer funds that are already appropriated to other agencies to the Commissioner for the purposes of the act during the fiscal year ending June 30, 1951.

Ordinarily, of course, that would be subject to a point of order because it is clearly reappropriation of funds.

Under the existing parliamentary situation at this stage of the session, I do not personally see how the Act could operate this year unless we permit that to go by. There would be no time for holding hearings on the estimate that would be necessary for the balance of 1951 and unless we waive the point of order the act would be inoperable for this year.

So, as far as I am concerned, although it is against the general practice, I will not raise a point of order on the paragraph.

There is, however, one question I would like to raise with the committee and that is with respect to subparagraph (e) which also deals with appropriations. It provides that—

No appropriation to any department or agency of the United States, other than an appropriation to carry out this act, shall be available during the period beginning July 1, 1951.

I am thinking of the funds appropriated for community facilities for advance planning of projects. The law governing that provides that communities may borrow money for advance planning of projects which will be repayable if and when the project is constructed. If I read correctly the language of this bill before us, it requires a community or school district to ask for this aid and to submit plans. During the balance of this year it would be possible for a school district or a community to get advance planning money from community facilities, but, apparently, after July 1, 1951, it would not be possible to borrow this money for advance planning because the language cited prohibits the use of money appropriated to any other agency for the purposes of this act.

What provision does the bill make for advance planning of districts? You require the districts to submit a plan, you define preparation of plans as part of construction. What provision do you make after July 1, 1951, for planning money?

Mr. BARDEN. I may say to the gentleman that detailed plans are not required. This does not involve detailed plans. Secondly, there is made available 10 percent for this work. It was anticipated that they would need some funds for it and 10 percent is made available for that purpose.

Mr. CASE of South Dakota. Then the language in section 5 which requires a support of the application by a description of the project and the site therefor, with preliminary drawings of school facilities, is interpreted to mean just a preliminary sketch and not detailed plans?

Mr. BARDEN. Yes. If the gentleman will refer to section 6, page 23, it is provided:

Upon approving the application of any local educational agency under section 5 (b), the Commissioner of Education shall certify to the Secretary of the Treasury for payment to such agency an amount equal to 10 percent of the Federal share of the cost of the project.

Mr. CASE of South Dakota. But for this current year there is nothing to prohibit them from using money lent or advanced by community facilities? I have in mind a school district that was notified recently that it had an advance of $3,000 made available to it for planning purposes. Assuming they came under the requirements of this bill in other respects, they could still go ahead and use that money in this current fiscal year?

Mr. BARDEN. The gentleman may be correct.

Mr. CASE of South Dakota. I am assuming that the gentleman has in mind the language on page 29, subparagraph (e) which merely places restriction on funds after July 1, 1951; so I would assume they could use the planning money for the balance of the year.

Mr. BARDEN. I think the gentleman is correct.

Mr. CASE of South Dakota. I thank the gentleman. Mr. Chairman, I shall support this bill because it is very much needed legislation.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 29, line 25, after "(2)" insert the word "for"; and in line 2, page 30, strike out the period, insert a comma and the following: "or (3) for the construction of school facilities under the Alaska Public Works Act approved August 24, 1949."

Mr. BARDEN. Mr. Chairman, we found there was a possibility of conflict with the Department of the Interior in the handling of the construction pro-

gram in Alaska. That is why this amendment is offered.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. What does the amendment do in connection with the Independent Offices Appropriation Act now in conference? The House provided that the Alaska public works construction fund should be available only when a certain case was made by the Secretary of Defense that it is essential to the defense program. Will there be any conflict between that and what the gentleman is now proposing?

Mr. BARDEN. This is designed to remove the possibility of a conflict, not to create one. That is one big school district. The Interior Department has its construction program which this bill would not fit at all.

Mr. CASE of South Dakota. So that this amendment takes it out from that?

Mr. BARDEN. That is actually the effect of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BARDEN].

The amendment was agreed to.

Mr. McKINNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McKINNON: Page 16, line 11, after "exceeded," strike out "35,000" and insert "50,000."

Mr. McKINNON. Mr. Chairman, I want to pay my compliments to the members of the subcommittee of the Committee on Education and Labor that visited San Diego and inspected our community. They made a fine impression in my district. They found that in San Diego we do have an impact area that deserved the cooperation that this bill extends.

Now, the good gentleman from Ohio, a few minutes ago when he was explaining the bill, pointed out that this bill seeks to discharge an obligation and is not in any sense of the word a charitable proposition. This bill does not say "we will give you help simply because you need help." This bill says, "we have created a situation in a certain district that we feel is our responsibility, and for that reason we are going to cooperate with the community to the extent of paying 70 percent of the new school building costs in that impacted area." In setting the 35,000 figure it was felt that it would cover most of these impact areas, and the chairman of the subcommittee, the gentleman from West Virginia [Mr. BAILEY], tells me that it was the intention of the subcommittee to cover the community of San Diego. When I showed him that we had 44,771 students enrolled in 1947–48 in San Diego, he was surprised to find that the figures were that high. I do not think that generally there will be any opposition to this amendment which will include the community of San Diego and another area in Montgomery, Ala., and other communities of about 400,000. In San Diego, Calif., we have the eleventh district naval headquarters, but the eleventh district naval headquarters does not do much of its buying in San Diego; it has its buying office located in Los Angeles. So, our community of San Diego finds itself in the situation of not being the buying metropolis for this area, and getting comparatively few benefits. But, we are carrying the impacted school load just the same. Therefore, because it was the intention of the subcommittee to include San Diego in the scope of this impact area bill, I hope that this committee will go along with me in increasing this figure from 35,000 to 50,000. In talking over the figures with those familiar with what its cost will be, I am told that it will not entail an awful lot more money than originally contemplated in this bill.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I say in opposition to the amendment, in the first place, I think this is a bad place to try to reach up into the air and pick out figures to remedy a situation for a particular city. It was the desire and the intention of the committee to try to take care of school districts that really felt the impact from Government activities. I am not familiar with the city of San Diego and I am not familiar with a lot of cities in the United States, but most of the cities of the size that have over 35,000 population have their normal commercial activities, their normal industries, their normal property values, so when it is absorbed it amounts to a very small portion; it is just a question of how far they want to go up on the list. I do not know the number of children the gentleman has in the city to which he refers.

Mr. McKINNON. I will give the gentlemar the figures.

Mr. BARDEN. I would like to have the gentleman give me the figures.

Mr. McKINNON. Forty-four thousand seven hundred and seventy-one.

Mr. BARDEN. I do not know where the gentleman got the figures. Where did he get them from?

Mr. McKINNON. I got these figures from the National Educational Association. They are accurate figures.

Mr. BARDEN. I, of course, will have to take the gentleman's word because I do not know where the National Educational Association obtained those figures. But, if we take 44,771 and we jump to 50,000, it is just a question whether the committee wants to up the figures to take care of cities that come in between. The committee has tried to be rather conservative and yet fair to the Government and fair to the communities.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. I think we could compare this request pretty much like we could our grown problem in school. For instance, we say that a child becomes 6 years of age after a certain date like, say, after the 6th, and that then they are not entitled to enroll in that coming school term. And, you have to make that set and be forceful about that enrolling date, otherwise you will have Mr. and Mrs. coming to the superintendent and say, "I want my boy or girl enrolled." This figure of 35,000 was arrived at by careful research by this commitee, and I say, Mr. Chairman, I do not know how we could ever accept the amendment.

Mr. BARDEN. I will say to the gentleman that in a city of that size, if the impact is not as much as 5 percent, there is not very much impact there. But, I frankly say to you I do not believe the committee is in a position to pass on that at this time. Of course, this bill will go to conference and virtually everything in the bill will be different from the Senate bill, and therefore it would be subject to treatment by the conference committee. I want to be just as fair to the gentleman's community and city as anyone else. I will say to him that one of my sections got hit pretty hard by reason of one of the provisions in this bill, but we simply had to fit it to the Nation as a whole.

Mr. McKINNON. Mr. Chairman, if the gentleman will yield further, I would not have brought this amendment in had I not been told that it was the intention of the subcommittee to include the community of San Diego as an impact area in this bill, and that it was some sort of a slip-up, unintentionally, I know, that they did not include San Diego and give it credit for the number of children it had.

Mr. BARDEN. I want to say that the 35,000 figure was the recommendation of the subcommittee that reported to the full committee, and after we investigated it, there is where we drew the line. I still say I do not want to be unfair to the gentleman, and if the impact is there, and the responsibility of the Government is there, why, then O. K.

But this is a rather bad way to put it into the bill, because I do not believe anybody knows much about what this upping of the number from 35,000 to 50,000 will mean.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. McCONNELL. I personally feel this is a bad way to approach this type of legislation. We do not know how much money is involved, and we do not know what extra districts will come under the bill. There is only one thing I would like to ask the gentleman from California: Did the subcommittee as a body inform him that San Diego would be included in this bill?

Mr. McKINNON. I think the gentleman from West Virginia could answer that better than I could. I would like to refer the gentleman to Mr. BAILEY for that question.

Mr. BAILEY. I will answer the gentleman by saying that I did advise the people of San Diego that they would be included under the provisions of this bill. I found 16,400 Federal housing units in the city of San Diego, and they are badly impacted there. I want to say to the gentleman, while the figure of 35,000 was placed in the bill, I still feel there are cities that should be taken care of, if we are going to treat them equally, and San Diego is one of them.

Mr. McCONNELL. May I ask our Chairman whether he recalls that we discussed this at any great length in the

committee hearings. I was out undergoing an operation in the hospital and I was not present during all of the hearings, or all of the executive sessions.

Mr. BARDEN. It was discussed in the committee a good bit. I am going to call on the gentleman from Ohio [Mr. BURKE], who is very familiar with the activities of the subcommittee.

Mr. BURKE. The figure 35,000 was arrived at, if you remember, by virtue of our consideration of some break-off point between where the Federal responsibility was actually a burden and the point where the Federal impact or the existence of the installation became of value to the community rather than a burden. That is where the absorptive power of the community was great enough to take care of the added impact, and with the added commercial values and additional payrolls and so on, could take care of the problem.

Mr. McCONNELL. And it was decided by majority vote in the subcommittee?

Mr. BURKE. Yes; that 35,000 would be the break-off point.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MCKINNON].

The question was taken; and on a division (demanded by Mr. MCKINNON) there were—ayes 14, noes 29.

So the amendment was rejected.

The CHAIRMAN. The question is on the committee substitute, as amended.

The committee substitute amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JONES of Alabama, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2317) to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes, pursuant to House Resolution 812, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "An act relating to the construction of school facilities in areas affected by Federal activities."

A motion to reconsider was laid on the table.

ESTABLISHING ADDITIONAL OFFICES IN THE DEPARTMENT OF AGRICULTURE

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 819, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8850) to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, when gentlemen of the Committee on Agriculture appeared before the Committee on Rules on an application for a rule on this bill, H. R. 8850, there was considerable discussion of the provisions of the bill. In the hearings there developed opposition to that provision of the bill which provides for an administrative assistant.

I understand that the committee sponsoring the measure on further consideration have reached the conclusion that they would offer a committee amendment striking that provision out of the measure and making it acceptable, as I understand, to gentlemen who have heretofore expressed opposition.

At least, Mr. Speaker, I think we might accept the rule and get into the committee where members of the Committee on Agriculture who have given careful consideration to the matter may explain all of the provisions of the measure to interested members, and that means, of course, the entire House.

Will the gentleman from Ohio use some of his time now?

Mr. BROWN of Ohio. I have no requests for time.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the resolution be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file minority views on the bill S. 784, for the relief of the First, Second, and Third National Steamship Cos.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FACILITIES FOR ADMINISTRATION AND TRAINING OF UNITS OF RESERVE COMPONENTS OF THE ARMED FORCES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8594, "To provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes," with the Senate amendments thereto, disagree to the amendments, and ask a conference with the Senate on the disagreeing votes of the two Houses.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? (After a pause.) The Chair hears none and appoints the following conferees: Messrs. VINSON, BROOKS, KILDAY, SHORT, and ARENDS.

AGUA CALIENTE INDIAN RESERVATION

Mr. MORRIS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 9272) to amend the act of October 5, 1949 (Public Law 322, 81st Cong.), so as to extend the time of permits covering lands located on the Agua Caliente Indian Reservation.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain what this is all about?

Mr. MORRIS. Yes; I shall be glad to explain it. The Indian Affairs Subcommittee of the Committee on Public Lands has been studying the general problem concerning the Agua Caliente Indian Tribe in California for a long period of time and has held lengthy hearings both here and out in California. Our duties are such that it has been utterly impossible to write a comprehensive bill such as will be necessary to take care of the situation. We hope to be able to do so sometime in the future, but it is utterly impossible to do it now.

Mr. POULSON. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. POULSON. This bill merely extends for another year a period which has already been extended to take care of the matter.

Mr. MORRIS. That is right. In the meantime, this is emergency legislation to permit the people who have permits on the restricted Indian land there to remain in status quo until we can settle the whole problem. We first set the expiration date as December 31, 1950, but it is now apparent that we cannot possibly settle the whole problem that soon

and it is necessary to extend the date another year.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes", approved October 5, 1949, is amended by striking out "December 31, 1950" and inserting in lieu thereof "December 31, 1951."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. HUBER asked and was given permission to address the House for 10 minutes today following the legislative business and any special orders heretofore entered.

AMERICAN LEGION RECOMMENDATIONS ON COMMUNISM

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks, and to include as part of my remarks an editorial from the Lowell Sun of last Friday.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I addressed the American Legion in Masschusetts on Friday last. I told the American Legion that if their program for preparedness and maintaining the peace had been maintained that in my opinion we would not today be at war in Korea.

Mr. Speaker, the American Legion from the very time of its formation fought against communism and subversive activities. From its very beginning it fought for a strong national defense, a strong Army, a strong Navy, a strong Marine Corps, and a strong Air Force. It advocated a 70-group air force. It advocated airplane carriers for the Navy and all that went to make the Navy and Marines strong. Also the American Legion advocated universal military training.

If the United States had had today universal military training, in my opinion, and had followed the suggestions of the American Legion, we would not be fighting today in Korea with ill-prepared and poorly equipped soldiers, and our dead would not be lying in Korea and our wounded in our hospitals in America.

The following editorial appeared in the Lowell Sun:

MILITARY TRAINING—NOW

The best means of providing defense and security for this Nation of ours—and for commanding the respect of all other lands at all times—is through universal military training, the most essential factor in any plan for national security on a long-term basis.

The question of military training for American youth has come up again and again in Washington since the end of World War II. It has been generally kicked around as professional politicians refused to face the issue. They felt that the American people, tired by the sacrifices of the war that ended in 1945, were in no mood to accept universal military training, so they pigeonholed their better judgment.

President Truman has from time to time urged passage of at least a modified universal military training bill so that the country might claim some respectable degree of preparedness. But the men whom he has chosen to hold positions of special importance in relation to the Nation's military program have failed in their mission. The result has been that military training has been bypassed, placed on file, given leave to withdraw, postponed to the next session or otherwise exposed to political sabotage.

There is no longer any time left for juggling this vital measure. The Korean war is blazing in Asia, and American fighting men are dying. The White House, the Department of Defense, Congress, and all other responsible agencies and individuals in the Government must awaken to the immediate need for universal military training.

Congress can no longer disregard commentaries of military men who argue for military training. It must listen henceforth to men like General Omar Bradley, who appeared on Capitol Hill last October and informed the House of Representatives that Russia had 175 combat divisions in service and could raise this figure to 300 divisions in 60 days and 500 divisions within a few months.

Could the United States hope to come close to matching these figures in the given time? Of course not. Even now, with the United States concentrating upon the Korean campaign—hoping to be able to send enough men and material over there before another Dunkirk is recorded at Pusan—the length of time required to put this country on a strong military footing is necessarily long. Had the country had universal military training since 1945, its Armed Forces would now be at a respectable strength—and the ugly, disappointing developments in Korea could have been averted.

The Korean Reds would never have been able to penetrate so deeply into South Korea because American forces, thoroughly trained, would be on hand in adequate numbers to prevent such a major aggression.

There are still many Americans who refuse to reconcile themselves to universal training. Some of these objectors are honest but misguided Americans, while others are mouthpieces for subversive organizations.

The American Legion has led the postwar fight for military training, and despite its wide national influence, it has as yet failed to secure legislation that it has repeatedly recommended on this subject.

The Legion, founded after World War I, is composed of men who understand that the United States was caught napping on two critical occasions, when only the barriers of the wide oceans gave this country the chance to prepare itself for participation. Those barriers no longer exist in a military sense; an enemy air force, carrying enormous bomb loads, can now span the Atlantic in a matter of hours and unload its cargo of death and destruction upon the larger cities in the east. Or another air armada may come through the Aleutians and Alaska and attack the major cities on the west coast. For the first time in its 175 years, the United States is vulnerable and exposed to attack.

As George Washington said long ago: "A free people ought not only to be armed but disciplined. If we desire peace, it must be known that we are ready for war."

So here we are on the threshold of a new international era, one that appears to be fraught with trouble. We are now aware of the menace to our security and are hastening to build the defenses that we permitted to drop to such a low ebb in the years since the end of the last war.

Probably the man or the woman who most violently objected to universal military training a scant few months ago may have had a change of heart and of mind. It is a virtual certainty that the next time this proposed legislation comes up before Congress it will go through both Houses in record-breaking manner.

Congress cannot blind itself to the need for universal military training, nor can it honestly attempt to delay the issue. This is a mighty critical period for the United States, and the sooner the military training legislation is enacted, the better the Nation's future will look.

Military training should be made a lasting part of the American way of life. Any legislation which is now put through in this time of uncertainty and danger, should be written on a long-range basis—to last for generations.

EXTENSION OF REMARKS

Mr. FULTON. Mr. Speaker, I ask unanimous consent to extend my remarks to state that I voted for S. 2317 that passed the House today, and also to include a telegram from J. A. Allard on that subject.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 20 minutes on Thursday and Friday next following the legislative program and any special orders heretofore entered.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 10 minutes.

CALIFORNIA REPUDIATES COLUMBIA RIVER DIVERSION PLAN

Mr. HOLIFIELD. Mr. Speaker, reports continue to be circulated, both in Congress and in the northwestern United States, that California is back of a plot to take away water from the Columbia and Snake Rivers.

Let me state at once, emphatically and without equivocation, that California has no part whatever in such a plot, and that California has not proposed or endorsed any such plan.

This is not the first time the Columbia River diversion scheme has been repudiated by responsible California officials, and no doubt it will not be the last time. Yet, I note in newspaper stories and in correspondence that the fear persists in certain sections of the Northwest that California has designs on northwestern waters.

Let me assure my colleagues and the people of the Northwest that California has no such designs, and that reports to the contrary are propaganda disseminated by those who would injure California.

The proposal to divert water from the Columbia and Snake Rivers to the Southwest is the brain child of the Bureau of Reclamation and the opponents of California's fight to protect its legal share of the Colorado River.

The proposal was designed for the purpose of aiding Arizona in taking an enormous share of Calfornia's Colorado River water. The strategy behind the Columbia River diversion scheme is to give Congress and the Nation the impression that California does not need its Colorado River water because water will be available to California from the Northwest.

This is a serious matter. It should be exposed and clarified in all details.

In my inquiry of the issue, I find that the Bureau of Reclamation is now conducting various studies on bringing Northwest water into southern California. I have a letter dated August 18, 1950, from Reclamation Commissioner Michael W. Straus setting forth this fact.

In his letter, Mr. Straus states that the studies were undertaken pursuant to congressional and California requests, directions, and authorizations.

"Further," writes Mr. Straus, "in this instance, a specific congressional resolution requesting this investigation is at hand."

He identifies this legislation as House Resolution 244, Eightieth Congress, first session.

This resolution was not passed by Congress. It was introduced in the House Public Lands Committee, at the request of the Reclamation Bureau, on June 12, 1947, by the late Representative Richard J. Welch, Republican chairman of the committee. The resolution was strenuously objected to by both Republican and Democrat members from California. Mr. Welch ignored the objections of his California colleagues and of his State, and forced the resolution out of committee with a favorable report.

That was as far as the resolution got. California Members objected to it on the floor, and it died.

Thus, I find no specific resolution at hand which authorizes the Reclamation Bureau to conduct the studies of the Columbia River diversion plan. Certainly, House Resolution 244, which never passed Congress, provides no authorization. California Representatives opposed this resolution in committee, and continued to oppose it until they killed it.

Mr. Straus mentions that the Columbia studies were undertaken pursuant to California requests.

So far as I can learn, the only so-called California request came from the late Representative Welch in the Eightieth Congress. He was opposed by his California colleagues, by the California State government, and by innumerable officials, engineers, and attorneys of California water agencies, such as the metropolitan water district of southern California and the Colorado River board of California, a State body appointed by the Governor.

Let me make it plain once again that neither the State of California nor any responsible water, reclamation, or power officials of California, nor the California Members of Congress, have in any manner supported or endorsed the Columbia River diversion proposal.

California has a water plan now being formulated, but it does not contemplate utilization of any water from the Northwest. This assurance comes to me in a statement from T. R. Simpson, principal hydraulic engineer of the California State Division of Water Resources.

Here is Mr. Simpson's statement:

> The Federal Government is presently conducting a preliminary investigation to determine the feasibility of bringing water from the Columbia River to supplement California's supplies. The (California) State-wide water investigation is only partially completed at this time. * * * However, on the basis of the inventory of (California) water resources and estimates of ultimate requirements so far made, it is indicated that adequate water supplies can be developed and regulated from California's water resources, including California's right in and to the waters of the Colorado River * * * to meet probable water requirements of the State without resort to importation from the Columbia River.

From James H. Howard, general counsel of the metropolitan water district of southern California, I have received a statement soundly denouncing the Columbia River diversion scheme. The metropolitan water district includes Los Angeles and San Diego and 26 other cities and areas in southern California, with a population of nearly 4,000,000 persons.

> In advancing the Snake and Columbia River diversion surveys, the Reclamation Bureau is considering a plan that would take water away from Oregon, Washington, and Idaho. It is important that the people of those States realize the true sources of the scheme to divert water outside their State boundaries.
>
> It is a program that originated with, and is sponsored by, the Reclamation Bureau. The people of California are not parties to this proposal. California has no aspiration to any water belonging to Washington, Oregon, or Idaho, or any other State.

The lists of protests from California representatives and officials against the Columbia scheme is long and impressive. It certainly should give assurance to the representatives of the people of the Northwest that California has no part in, and does not endorse, such a proposal.

The facts of the matter are this: The people of southern California, at their own expense, have built dams, aqueducts, and canals costing more than half a billion dollars to bring their legal share of Colorado River water to their cities and farms. Southern California was awarded this Colorado River water in contracts with the Federal Government, approved by the Congress.

Now the State of Arizona and the Reclamation Bureau want to take an enormous part of California's share of Colorado River water for a fantastic, unfeasible project in Arizona. The proposed Arizona project would cost more than a billion dollars to build, and would mean a loss in interest to the Nation's taxpayers of an additional $2,000,000,000.

There is no Colorado River water available for this Arizona project. So the Reclamation Bureau, with no doubt, the support of Arizona, has proposed the Columbia River diversion. This, they say, would give California her vitally needed water, and then Arizona could have California's share of the Colorado River.

That is the scheme. California is having none of it. California believes that its legal share of Colorado River, if protected, will be adequate for California's foreseeable needs and California will fight to preserve those legal rights against any attack. California is not looking to the Columbia and Snake Rivers for additional water.

Mr. POULSON. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. POULSON. Is it not true, in in addition to the fact that we are not a party to any such plan, that we have also paid for all of the water which we are receiving and which we expect to receive? We paid for the aqueduct.

Mr. HOLIFIELD. That is right.

Mr. POULSON. We paid for all of the facilities of the dam, but this project would be so unfeasible, impracticable, and absolutely fantastic that it is beyond comprehension.

Mr. HOLIFIELD. Which project is the gentleman referring to, the Columbia River project or the Arizona project?

Mr. POULSON. The project would even be worse than that fantastic project. The Columbia River project would cost at least 10 to 12 billion dollars, whereas the Arizona project would cost only $2,000,000,000.

Mr. HOLIFIELD. Of course, the engineering difficulties are tremendous, we realize that, and then, too, there are the great number of miles over which the water would have to be carried.

Mr. POULSON. Some 1,200 miles.

Mr. HOLIFIELD. Sometime in the future it might be that such a thing might become necessary, but at this time California says that we want to protect that which we legally believe to be ours; we want to be sure that we get that which is ours and we do not want to have any type of scheme raised which will throw up a smoke screen and will indicate that California is trying to grab something which is far beyond her borders, across even another State, across the State of Oregon into Washington.

Mr. POULSON. Is it not true that the great Northwest has a great need for all of this power and water? There are great undeveloped areas of land out there.

Mr. HOLIFIELD. At the present time there is a great deal of surplus water going down the Columbia into the ocean, but it is so far away from California that the Colorado River water is the thing we are interested in now.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Indiana.

Mr. JACOBS. Of course, I do not know anything about the controversy between Arizona and California, but I have an interest in it in this respect, that I have

a publisher in my district who publishes two large daily newspapers in Arizona.

Mr. POULSON. Mr. Pulliam, is it not?

Mr. JACOBS. Yes, Mr. Eugene Pulliam. On April 11 of this year Mr. Pulliam attacked me for favoring a Federal bill to provide $4,000,000 for educational facilities for physically handicapped children. Now, the same Mr. Pulliam owns two newspapers in Arizona.

Mr. POULSON. The two largest newspapers.

Mr. JACOBS. The two largest newspapers is correct. And, being sort of a mean sort of an individual I subscribe to his papers down there and read what he says about the central Arizona project.

Mr. POULSON. Is he not also for economy?

Mr. JACOBS. He is not only for economy; he is opposed to the Federal Government spending any money in local situations. Now, the reason I know that, he says so himself, in Indiana. I am anxious to know, in comparison with this $4,000,000 we were going to provide for the education of physically handicapped children, how much it is estimated that the central Arizona project which he is supporting out there will cost. Can the gentleman answer that question?

Mr. HOLIFIELD. I am sure my colleague from California, Mr. POULSON, who is a member of the committee, can answer that.

Mr. POULSON. The interest alone which the Government will not recover over the 85-year period will amount to more than $2,000,000,000, in the exact words given by the Secretary of the Interior. Now, I will be very glad to furnish the gentleman with that information, and to show how much the State of Indiana pays for the interest of Mr. Pulliam.

Mr. JACOBS. I would like to get it.

The SPEAKER. The time of the genman from California has expired.

COLORADO RIVER VERSUS COLUMBIA RIVER WATER

Mr. WHITE of California. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITE of California. Mr. Speaker, I want to say that the gentleman from California [Mr. HOLIFIELD] has my deepest respect, but in the instance to which he has just referred, in which he mentioned on several occasions that California felt such-and-such a way, and California did not want Columbia River water, let me say that the gentleman speaks for himself so far as I am concerned, because I feel that California must have a large supply of additional water. The State of California is critically short of water both above and below the Tehachapi Mountains.

The San Joaquin Valley in which I live, and a large part of which I represent, is drawing out of the ground more than 3,000,000 acre-feet of water per year in excess of the amount which nature puts back. Unless we get more water, about half of our farming industry is going to perish.

I noticed in the San Francisco Chronicle of last Sunday's edition where the great Santa Clara Valley is in the same fix as we are. They are having a terrible time providing enough water for domestic purposes and for the farmers, since both the farmers and the domestic water company are drawing so heavily out of the ground-water supply. They say they need at least twice as much water as they now have available. And they are talking about coming over into my district above Modesto and taking away the water through the Hetch Hetchy project, which my people need for irrigation. Yet the gentleman from southern California comes along here and tries to complicate this water and public-power scrap that they are in down in southern California and tie in the two issues. There is absolutely no connection between the issue in southern California as between California and Arizona on the Colorado River water, and the proposed Columbia River project. One of these days we are going to have so many people in California that it will be impossible to supply enough water from the streams and underground supplies we now have available.

Mr. HAVENNER. Mr. Speaker, will the gentleman yield?

Mr. WHITE of California. I yield.

Mr. HAVENNER. As the gentleman knows, I have supported my colleagues from southern California in their fight to acquire what they believe to be their fair share of the waters of the Colorado River. However, I regret that my colleague and very good friend from southern California [Mr. HOLIFIELD] saw fit in reading his prepared statement to read some criticisms of our late colleague, former Representative Richard Welch.

Mr. WHITE of California. I join with my colleague in deploring that.

Mr. HAVENNER. Richard Welch is not here to defend himself. I am not going to inject myself at this moment into this controversy, but I deplore it very much. I would like to say to the gentleman from southern California, if he does not know it, that there are others in northern California who are deeply interested in the proposal to bring water across California-Oregon divide out of the Columbia River Basin, and they are not actuated by any sympathy whatever with the Arizona side of this controversy with southern California over the division of the Colorado River water. They are actuated by a genuine desire to bring additional water into the Central Valley project.

Mr. WHITE of California. I agree with the gentleman.

Mr. HAVENNER. I would like to say to my colleagues from southern California that I hope they will show a little reciprocity for the support they have invariably received from those of us who represent the northern part of the State in their endeavors. Let us not start a fight on this proposal before we know more about it than we do now.

Mr. WHITE of California. I commend the gentleman for his remarks. They are very timely and quite correct. May I say in connection with our late colleague, Richard Welch, that I certainly intend to carry on the fight he has fought over these many years.

I think he was one of the greatest statesmen of all time. He did not look at this thing as a matter of private versus public power. He looked at it over-all, from the point of view of the long-time interest of the State of California.

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. HUBER] is recognized for 10 minutes.

RETAIL MERCHANTS SHOULD BE REPRESENTED ON THE NSRB MOBILIZATION POLICY BOARD

Mr. HUBER. Mr. Speaker, on Thursday, August 10, this House passed H. R. 9176, the Defense Production Act of 1950 by a near record vote of 383 to 12.

That vote mirrored the sincere desire of the House to provide the necessary congressional authorization to enable the President to exercise whatever powers are needed to mobilize the domestic economy to assure victory in Korea and to be prepared for any emergency which may face the free peoples of the world.

That vote, Mr. Speaker, also reflected the temper of the American people. It has been said, and rightly, that both the President and the Congress have lagged behind the people in their sober awareness of the needs of the present moment.

American consumers—the laborer in our factories, the farmer preparing to harvest his crops, the countless varieties of other productive workers in trades, services, and professions—know the perils of inflation. Millions of consumers have lived through two wars and recall how the ravages of inflation affected their own individual lives by adding to their cost of living. They are mindful too that their Government, like them, must pay the price of inflation in terms of higher cost of everything it requires to bring its mobilization and defense programs to a successful conclusion.

But mere laws, granting the President the powers to do what is necessary, are not enough. Authorization for priorities and allocations, to requisition, to control consumer credit, and to establish price and wage ceilings and rationing, if and when necessary, are meaningless in themselves, without the complete cooperation of the American people.

Indeed, no enforcement agency could be set up with sufficient manpower and resourcefulness to make these controls effective if they are unacceptable to the people, and if the people were unwilling to conform.

However, one of the greatest sinews of our democracy is its reliance on voluntary cooperation and the manner in which our citizens join hands in times of crisis. We speak of our productive resources as having turned the tide in World War II. And yet, Mr. Speaker,

the magnitude of our production was simply a reflection of the ability of our citizens, of labor and management, to work together and sacrifice together toward a common objective.

This fact, the vital importance of voluntary cooperation on the part of our citizens in the Government's mobilization programs, devolves grave responsibilities on Government and on the Congress.

Every control necessary to successful mobilization and victory must be imposed. But equally true and important, every unnecessary control and restriction must be avoided at all costs.

In addition, Government, through its administrative agencies, must take our citizens into its confidence so that the necessary controls will be understood in terms of what they are intended to accomplish.

To a considerable degree, H. R. 9176, as passed by the House, takes cognizance of these essentials in winning and holding the confidence—and full cooperation—of our people in making effective whatever controls are needed.

The bill provides for the establishment of advisory committees representative of all segments of the economy to assist the administrative agencies in the formulation of programs and regulations. That provision will do much to create the mutual understanding between Government and the domestic economy which is so essential.

During the past few days I have had numerous communications from my district requesting that this principle be embodied at the highest policy level—the National Security Resources Board. Hon. W. Stuart Symington, Chairman of the Board, has created a 12-member mobilization policy committee, drawn from labor, agriculture, industry, and the public, to advise the NSRB in its programs.

The make-up of this important committee is excellent—as far as it goes. However, merchants of my district point out that the great field of distribution, which is second only to manufacturing in number of employees, is not represented on this committee.

An appraisal of the committee confirms in my mind that this complaint is justified—and well taken. Certainly no Member of this House need be reminded how important the retail counter is in effectively carrying out price control and rationing, if and when they are necessary.

During World War II, the retail and service trades were the major contacts Government had with consumers. Not only were they effective in carrying out the procedures of controls, but of equal value were their efforts in disseminating information through advertising, which bolstered morale and made war bond and conservation campaigns successful.

In my district, the distributive industry comprises 9,417 retail, wholesale, and service establishments, with combined sales and receipts of more than $1,000,000,000 and providing employment for 52,500 persons, according to the latest Census of Business.

These consumer contact points are clustered everywhere our citizens live. Indeed, the retail store, and other establishments retail in character, are the front lines in all such control programs. Without proper pricing practices, the posting and display of price ceilings, and the equitable dispensing of available consumer goods, there could be no effective price control and rationing.

Numbering more than two and one-half million establishments, employing twelve and one-half million persons, the vast, essential distributive industry in all justice should be represented on the NSRB Mobilization Policy Committee.

I have called this to the attention of Secretary Symington and will do so again in the conviction that representation for our distributive system will redound in benefits to the entire economy. The retail counter is an essential link in the effort to create public understanding of whatever controls are necessary, and the voluntary cooperation so essential to making these controls effective.

CALIFORNIA WATER SITUATION

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, there is more than one issue involved here, which has been raised by the remarks of the gentleman from California [Mr. HOLIFIELD]. I want to say something about that idea of bringing water to California. Just recently I had occasion to look up the 3-year-old files of the Committee on Public Lands brought about after reading the extension of remarks of one of the gentlemen from California [Mr. POULSON], August 17, pertaining to this very matter of the proposal to import into California water from the Columbia River. It was not my proposal but I approved the study in 1947.

I recall I was on the Public Lands Committee—in fact I have been on the Committee on Public Lands ever since I have been a Member of the House, for the last 14 years—I remember I was a member of the Committee on Public Lands in the Eightieth Congress which had as its chairman, the Honorable Richard J. Welch of California. I had many conversations with the chairman, both before he became chairman, and afterward. I know what his attitude was toward the water situation in California. However, I had no advance notice of his House Resolution 244, which he introduced on June 12, 1947. The chairman of the Public Lands Committee that same day made a speech in the House—I did not happen to hear the speech, but I read it later in the RECORD—favoring his resolution. This was a simple House Resolution requesting the Secretary of the Interior through the Bureau of Reclamation to make a study of the feasibility of tapping the Columbia River and bringing the water into California.

I recall distinctly on June 23, 1947, Chairman Welch first brought his resolution to the attention of the Committee on Public Lands. I recall distinctly, and I have just read the transcript a few hours ago—I am sorry, by the way, that the transcript of those two days' hearings was not printed, and I think it ought to be printed even at this late date, if this matter is going to be revived—I recall distinctly on June 23, 1947, when House Resolution 244 was first brought before the committee by Chairman Welch, that the next ranking Republican member, the gentleman from Michigan [Mr. CRAWFORD], received it enthusiastically, and said he favored it and made what amounts to a two-page speech for it in the committee transcript.

Then I recall distinctly, aided by having read the 3-year-old RECORD recently, that the ranking Democratic Member, J. HARDIN PETERSON, of Florida, said: "I think the resolution is a good one. If it is in order, I would like to move its adoption."

And I recall that the gentleman from California [Mr. POULSON] immediately said, "I second the motion."

At that moment, however, two or three Members from the Northwest said, "Wait a moment. We are not quite ready to act on this. Where are you going to take this water out of the Columbia River? If you take it out at the headwaters, we will be interested." And I think there were at least three Members from the Pacific Northwest who raised that question at that time. Whereupon, Chairman Welch said, "Well, now, gentlemen, this is merely a resolution for study." In effect, he said: "If there is going to be any objection, we will just lay this thing over."

That occurred on June 23, 1947. One week later, on July 1, Congressman Welch again brought his resolution before the committee, and after considerable discussion, engaged in by both of the gentlemen from California, the matter was put to a vote and by a voice vote it carried without a single "nay" vote indicated.

Mr. POULSON. Indicated?

Mr. MURDOCK. Without a single "nay" vote voiced. At that point, however, three or four Members, I believe including the gentleman from California [Mr. POULSON] said, "I want to be recorded as withholding my vote." That is my memory. There were two or three others who did the same thing.

But the point I want to make is that that resolution of Chairman Welch, House Resolution 244, was reported out of the committee by voice vote unanimously, the record showing, I believe, four gentlemen who wished to have their votes withheld. I think that is a fair thing to say.

I did not say very much in that discussion excepting that on July 1, when it was implied that somebody had hatched this thing up to aid Arizona in her fight for Colorado River water, Chairman Welch always fair-minded, high-minded gentleman that he was, said: "When I prepared this resolution I did not consult the gentleman from Arizona [Mr. MURDOCK]." And, of course, that was exactly the truth. He had not talked the matter over with me at all. This

was on July 1. He had introduced his resolution on June 12.

I think Chairman Welch, the Honorable Richard A. Welch, was one of the best-informed men on the West, one of the best and stanchest defenders of the rights of California we ever had in the House. I think he knew California both north of the Tehachapi and south of the Tehachapi and all the water needs of California. I do know he did mention southern California and spoke of the dry situation all the way south from the Bay of San Francisco to Mexico.

Certainly on the floor of the House on June 12 as shown by the RECORD, and again in the committee on June 23, showed he was distressed that the southern portion of California from the Golden Gate to the Bay of San Francisco was in need of water. That was in 1947 at the time of the worst drought.

Now, hear me. I want to disclaim any part in hatching a scheme, then or later, to drag water from the Columbia River into California or any place else in order to give my own Arizona claims for water a little advantage. I have had no part in that. I am sure my colleagues from those States know it. I do not know whether anybody else has or not; I cannot speak for them but I do make that assertion for myself and I am sure Chairman Welch had no such part.

Mr. WHITE of California. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. WHITE of California. I wish to call the gentleman's attention to the fact that a group of Congressmen from California called on the President of the United States the other day in connection with a certain matter; and, much to their surprise the President, when he had finished the first matter, asked them what they were going to do about the water shortage in California. They said: "We are working on it, Mr. President." And again to their surprise the President pulled out a folder and went into the proposition of bringing Columbia River water to California in such a manner and with such remarks as to leave no doubt about his being in favor of the project. So the gentleman from Arizona is entirely innocent of any conniving to help his proposition in Arizona. The water is needed not only in southern California, but in the central and coastal valleys of California as well, and I for one am going to do my best to have our water supply increased.

Mr. MURDOCK. I thank the gentleman. I am positive that even after we have gone further a hundred years hence to the extent of developing the great Central Valley of California to the full, as we hope to do—maybe not in my lifetime or yours, but as we hope to do—even when we have developed every drop of water that is available in the great Central Valley of California and prevented the escape of 30,000,000 acre-feet of fresh water through the Golden Gate, even then there will be dry acres within the Central Valley. I am talking now about the region north of the Tehachapi.

So I do not regard tapping the Columbia River near its mouth as a wild scheme by any means. That is what Dick Welch wanted to do in this study.

I am glad to hear authoritatively from south of the Tehachapi that they do not need more water imported, that they now have water rights and developments that will be sufficient including what you regard as your legal right in the Colorado River. I believe that that is true. I believe if California observes her solemn covenant in her Self Limitation Act of March 4, 1929, and stays within her limit of apportioned water, she will have enough south of the Tehachapi Mountains.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK. I am sorry. Let me finish my statement. I agree that California is entitled to about 4,400,000 acre-feet annually but you have contracts for much more water. The Legislature of California, obeying the behest of the Act of Congress of 1928, covenanted in her act of March 4, 1929, placed a ceiling upon water to be taken by California from the Colorado River, which amount almost entirely is 4,400,000 acre-feet of water under section 3 (a) of the Colorado River compact. Your total contracts for 5,362,000 acre-feet are far beyond your legal share. They are not firm contracts and the high court will not recognize them as such. I pray for a final and definite decision by the Supreme Court. Now, you are legally entitled to 4,400,000 acre-feet of firm water in California from the Colorado River but you have contracts signed by Secretary Ray Lyman Wilbur in 1932 totaling 5,362,000 acre-feet. Those are your so-called contract rights, but they are subject to being scaled down by law and they total more than southern California needs from the Colorado River.

The SPEAKER. The time of the gentleman from Arizona has expired.

CALIFORNIA REPUDIATES COLUMBIA RIVER DIVERSION PLAN

Mr. POULSON. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from California.

Mr. HOLIFIELD. I would like to say that I am very sorry my colleague from California [Mr. HAVENNER] thought that anything I said in my remarks cast any reflection on our late esteemed colleague, Mr. Richard Welch. A careful perusal of my words tomorrow will show there was nothing in the world in those remarks except straight facts. I merely stated the fact that the committee had reported this resolution and that the House had taken no action on it, that the Reclamation Department of the Department of the Interior was using that as an authorization to make a survey. Personally, I am not quarreling with that. I just want the facts to remain very clear and plain. I cast no aspersion on my late friend, Mr. Welch.

Mr. POULSON. I think we all understand that. I know I feel the same way. I want to say to my esteemed colleague from Arizona [Mr. MURDOCK] that I never, and I know the gentleman from California [Mr. HOLIFIELD] never accused the gentleman of entering into any plot. Personally, if I were to make any accusation I would say it probably originated with Mr. Straus in trying to influence something along that line.

Mr. HOLIFIELD. I want to join with my colleague in that remark.

Mr. POULSON. I may also say to the gentleman from Arizona [Mr. MURDOCK] that he is correct. It is not right to take water from someone else the water belonged to, especially until we knew they had completed their developments up there; therefore it was out of line for the State of California to do that because the water authorities of southern California have told us we will have sufficient water provided we get the water which we are legally entitled to in the Colorado River.

TRIBUTE TO REAR ADM. ROSCOE H. HILLENKOETTER, DIRECTOR OF CENTRAL INTELLIGENCE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, Rear Adm. Roscoe H. Hillenkoetter was born in St. Louis, Mo., in 1897, and was appointed to the Naval Academy from that State. As a midshipman he served with the Atlantic fleet in the First World War, and was graduated from Annapolis with distinction, twentieth in his class, in June 1919. Admiral Hillenkoetter made steady progress in grade, and was promoted to rear admiral on November 28, 1946. He has served in all types of naval craft, including submarines, and was the executive officer of the battleship *West Virginia* when she was attacked and sunk at Pearl Harbor. After the cessation of hostilities, Admiral Hillenkoetter assumed command of the battleship *Missouri* and was in command when the *Missouri* transported the body of the Turkish Ambassador back to Turkey, as well as on its subsequent Mediterranean tour.

Admiral Hillenkoetter has had a long and distinguished career in the field of intelligence. From 1933 until 1935 he was the assistant naval attaché in Paris, and resumed that post in April 1938 with additional duty as assistant naval attaché in Madrid and Lisbon. He served as naval attaché under Admiral Leahy in Vichy, France, until 1941. During the war Admiral Hillenkoetter was chief intelligence officer on the staff of Admiral Nimitz, commander in chief, Pacific ocean areas. In 1946 he returned to Paris as the naval attaché, and served

in that position until assuming the directorship of the Central Intelligence Agency on May 1, 1947.

Admiral Hillenkoetter assumed the directorship of CIA just as the law was being drafted which established that Agency out of the old Central Intelligence Group. Thus, he has been its Director through its formative and most difficult years. His appearances before the House Expenditures Committee which drafted the legislation establishing the Agency, as well as the Armed Services and Foreign Affairs Committees of the House, have always been very well received, for the admiral has felt a particularly close relationship with the Congress which has given his Agency such wide powers and discretion.

In some comments which have been directed on occasions at the Agency, people have tended to lose sight of the immense difficulties encountered in building America's first permanent intelligence organization in the short period of 3 years. The intelligence organizations of other countries have been in existence for literally hundreds of years, and it has fallen upon the admiral's shoulders to build an American system which is second to none. Those of us who have known of the development of the Central Intelligence Agency under his regime realize the strides that have been made and the credit which is due to Admiral Hillenkoetter for his great contribution to the national security. We have also known that he was long desirous of returning to his naval career; and while it was with the greatest reluctance that the President was prevailed upon to permit him to do so, he has now announced that the admiral is to take command of a cruiser division.

To succeed Admiral Hillenkoetter the President has selected Lt. Gen. Walter Bedell Smith, an officer of the greatest distinction. General Smith came up through the ranks in the First World War, and served during the Second World War as Chief of Staff to General Eisenhower in Europe. After his return to this country in 1946, he was selected to be Ambassador to Moscow and served for 3 years in that position. He is now the commanding general of the First Army in New York.

Admiral Hillenkoetter has rendered outstanding service to our country as the Director of Central Intelligence, and he will continue to render outstanding service to our country as the commanding officer of the Cruiser Division of the Navy to which he has been assigned.

Admiral Hillenkoetter has lived up to the highest traditions of the United States Naval Service, both as an officer and a citizen.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to extend his remarks and include extraneous matter.

Mr. SUTTON (at the request of Mr. PRIEST) was given permission to extend his remarks and include an editorial.

Mr. McCORMACK asked and was given permission to extend his remarks and include an article.

Mr. McDONOUGH asked and was given permission to extend his remarks and include extraneous matter.

Mr. CASE of South Dakota asked and was given permission to extend his remarks and include extraneous matter.

Mr. WHITE of California asked and was given permission to extend his remarks and include extraneous matter.

Mr. RABAUT asked and was given permission to extend his remarks and include extraneous matter.

Mr. CUNNINGHAM asked and was given permission to extend his remarks and include a letter from a constituent.

Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and to include pertinent extraneous material.

Mr. DOYLE asked and was given permission to extend his remarks and include appropriate material.

Mr. JACOBS asked and was given permission to extend his remarks and include part of a transcript of a legal proceeding before Judge Donald E. Long, judge of the circuit court of Portland, Oreg., in reference to a support case.

Mr. JACOBS asked and was given permission to extend his remarks and include a letter by the League of Women Voters of Indianapolis, Ind., to the Indianapolis Star, pertaining to an editorial in the Indianapolis Star which was inserted in the Appendix of the RECORD on August 10, 1950, at page A5772.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include two letters from the American Legion.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. KEARNEY (at the request of Mr. ARENDS), indefinitely, on account of illness.

To Mr. WAGNER, for 2 days, on account of illness in family.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 133. An act to amend section 2 of the act approved June 20, 1936, entitled "An act to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes."

H. R. 8112. An act to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, August 23, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

1644. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting supplemental and revised deficiency estimates of appropriation for the fiscal year 1951 and prior fiscal years, involving an increase of $129,338.44 for the District of Columbia (H. Doc. No. 692), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 2609. An act to provide a system for the treatment and rehabilitation of youth offenders, to improve the administration of criminal justice, and for other purposes; without amendment (Rept. No. 2979). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOOD: Committee on Un-American Activities. H. R. 9490. A bill to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes; without amendment (Rept. No. 2980). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. H. R. 9320. A bill to amend the Civil Aeronautics Act of 1938, as amended; with amendment (Rept. No. 2981). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Armed Services. H. R. 9477. A bill to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes; with amendment (Rept. No. 2982). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JENNINGS: Committee on the Judiciary. Part II, minority views on S. 784. An act for the relief of the First, Second, and Third National Steamship Cos. (Rept. No. 2135.) Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JACKSON of California:

H. R. 9496. A bill to amend the act of September 16, 1942, as amended, so as to facilitate voting by members of the Armed Forces, and certain others, absent from their places of residence; to the Committee on House Administration.

By Mr. WEICHEL:

H. R. 9497. A bill to stop damage to certain industries and prevent lowering the standard of living of American workmen; to the Committee on Ways and Means.

By Mr. ANDREWS:

H. R. 9498. A bill to amend the Selective Service Act of 1948 to provide that certain individuals who engaged in strikes while occupationally deferred shall be made immediately available for military service; to the Committee on Armed Services.

By Mr. DOYLE:

H. R. 9499. A bill to extend certain benefits now provided by law for veterans of

World War II to personnel on active service with the Armed Forces of the United States of America during the military, naval, and air operations in Korea or other places while serving under the flag of the United States of America and the United Nations, or under the flag of the United States of America alone, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RIVERS:

H. R. 9500. A bill to provide hospitalization and medical care for dependents of members of the uniformed services, and for other purposes; to the Committee on Armed Services.

By Mr. HARE:

H. R. 9501. A bill to authorize the training and procurement of doctors of medicine and doctors of dentistry for the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. CELLER:

H. R. 9502. A bill to protect the internal security of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. CROSSER:

H. R. 9503. A bill to amend section 22 of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN of South Carolina:

H. R. 9504. A bill to authorize the Commissioners of the District of Columbia to issue regulations as to keeping domestic animals in the District of Columbia; to the Committee on the District of Columbia.

By Mr. GRANAHAN:

H. Res. 823. Resolution granting 6 months' salary and $350 funeral expenses to Mrs. Carolyn Muldowney; to the Committee on House Administration.

By Mr. KEE:

H. Res. 824. Resolution providing for the consideration of the bill (H. R. 8945) to give effect to the convention for the establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City, January 25, 1949, by the United States of America and the United Mexican States, and the convention for the establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAMBLETT:

H. R. 9505. A bill for the relief of Mrs. Ura Mae Sahara; to the Committee on the Judiciary.

By Mr. BUCHANAN:

H. R. 9506. A bill for the relief of Kashiku Tamaki and William Tamaki; to the Committee on the Judiciary.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, Seventy-ninth Congress, title III, Regulation of Lobbying Act, section 308 (b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received for the second calendar quarter of 1950.

REGISTRATIONS

The following registrations were submitted on the new composite form for the second calendar quarter 1950:

(Note—In order to reduce space, the composite form used for registration is reproduced below. Questions are not repeated, only the answers are printed and are indicated by their respective letter and number.)

File two copies with the Secretary of the Senate and file two copies with the Clerk of the House of Representatives:
This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.
Place an "X" below the appropriate letter or figure in the box at the right of the "Report" heading below:
"PRELIMINARY" REPORT: To "register," place an "X" below the letter "P" and fill out page 1 only.
"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.
Fill in the year in the box at the left of the "Report" heading below.

Year: 19----	REPORT PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT	P	1	2	3	4

A. ORGANIZATION OR INDIVIDUAL FILING—State name, business address, and nature of business:

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None." (If the work is done in the interest of one person, but payment therefor is made by another, list both persons as employers.)

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If legislative interests have terminated with the current quarter: Please explain, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known.

3. In the case of each publication which the person filing has issued or caused to be issued in connection with legislative interests, set forth: (*a*) description, (*b*) quantity published, (*c*) date of publication, (*d*) name of printer.

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. NOTE.—If this is a "Preliminary" Report, in addition to the other data in the space above, state: (*a*) whether compensation is to be paid by the day, by the month, or by the year; (*b*) what the rate of compensation is to be; (*c*) what the approximate period of employment will be; (*d*) what the nature and amount of anticipated expenses will be.

AFFIDAVIT

[Omitted in printing]

PAGE 1

A. Lynn Adams. (See quarterly report listing.)

A. Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America, A. F. of L., 1214 Griswold Street, Detroit, Mich.; A. L. Spradling, international president, same address.

B. Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America, A. F. of L., address as shown above, is the employer, and will be represented by its international president and other international officers and representatives.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association and its officers and representatives are in legislation which may effect the members and families represented in the association, which is an unincorporated labor organization. At the present moment the association is interested in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and amendments which may be offered thereto.

C. (3) The association publishes its monthly official organ, The Motorman, Conductor and Motor Coach Operator, and its weekly official journal of the organized street railway, rapid transit, and bus employees of the Chicago, Ill., area, The Union Leader. These publications are not primarily concerned with legislative interests, but they have contained in the past and will contain in the future news stories, reports and recommendations involving pending or suggested legislation—local, State, and National.

C. (4) (a) Officers and employees of the association are paid salaries for their regular work; no additional compensation will be paid for legislative work; (b) none additional; (c) indefinite; (d) travel, hotel, meals, taxi fares, etc.

A. American Paper & Pulp Association, 122 East Forty-second Street, New York, N. Y.; unincorporated, nonprofit association, consisting of a group of trade associations representing the various divisions of the paper and pulp industry throughout the United States.

C. (1) Legislative interests will probably continue, as need arises, during the continuance of the association as an organization.

C. (2) The legislative interests of the association will be generally any legislation affecting the paper and pulp industry in any of its properties, operations, or practices. Such legislation will vary to such extent and so from time to time that no specific description can be given in advance.

C. (3) Publications to be issued by the association will normally be confined to selfmimeographed or duplicated letters, bulletins, and reports issued as necessary to the members of the industry, consisting of approximately 400 and such others as may be interested, the number of whom cannot be estimated.

C. (4) (a) The association does not receive "compensation" as such. Its activities are financed entirely by dues and assessments contributed annually by the several separate trade associations of which it is composed; (b) the sums spent on legislative matters will be only the amount appropriated from time to time from the general funds of the Association to the extent necessary to defray the variable expenses described below. There will be no constant "rate"; (c) the association is not "employed" in the ordinary sense of that term; (d) there is no period of "employment"; (e) the expenses of the association, as presently anticipated, will be the compensation of such agents and employees as may be selected, from time to time, to represent it, their hotel, living, and transportation expenses, their expenses for entertainment, if any, their expenses for offices, supplies, and services, and such other miscellaneous and incidental charges as their activities on occasion may necessarily and properly require. In addition, there may be expenses, from time to time, in connection with literature and publicity. Because of the variable nature and extent of prospective activities, no accurate estimate of the amount of such expenses can be made in advance. This report and all statements herein contained are made in the belief that no activities of the association are or will be lawfully subject to the Federal Regulation of Lobbying Act and the association expressly reserves all rights to challenge, in any way and upon any grounds, any and all provisions of the said act or its application in any way to any past, present, or future activities of the association.

A. American Veterinary Medical Association,[1] 600 South Michigan Avenue, Chicago, Ill.; professional association.

C. The only appearances made before committees of the Congress by officers of executive board members and other members of the American Veterinary Medical Association are in connection with matters affecting the veterinary personnel and veterinary services of the United States particularly in times of national emergency; usually these appearances are upon invitation by certain committees of the Congress who desire information about veterinary personnel and veterinary services in relation to control of animal diseases, relation of animal diseases to public health, the qualifications and advisability of veterinary graduates for service in the Armed Forces and similar matters. The association occasionally requests an opportunity to be heard on certain items of proposed legislation affecting the subjects mentioned. We do not have or employ any legislative consultant to represent the association in legislative matters of the Congress.

A. Robert Ash, 550 Munsey Building, Washington, D. C.; lawyer.

B. Connecticut Association of Public Accountants, 15 Broadway, New Haven, Conn.

C. (1) Duration of services indefinite.

C. (2) To protect the interests of public accountants in connection with certain coverage sections of H. R. 6000, a bill to amend the Federal Social Security Act.

A. Attapulgus, Clay Co. (See quarterly report listing.)

A. Barnes, Dechert, Price, Myers & Clark, Packard Building, Philadelphia, Pa.; lawyer.

B. Petit Anse Co., Avery Island, La.; owner of oil rights, stock of subsidiary, etc.

C. (1) Indefinite.

C. (2) This firm is tax counsel to Petit Anse Co., and as such is required to inquire as to the status of tax legislation or propose amendments to the Internal Revenue Code which might be helpful to the company or its stockholders or aid the tax-free liquidation of the company.

A. Bigham, Englar, Jones & Houston, 99 John Street, New York, N. Y. A partnership, all of whose members are attorneys and counselors at law. Paul H. Lacques, a member of this firm, has been registered continuously.

B. The firm represents companies engaged in the business of marine insurance and as members of the American Institute of Marine Underwriters, the Association of Marine Underwriters of the United States, American Cargo War Risk Reinsurance Exchange, American Marine Hull Insurance Syndicate.

C. (1) Indefinite. Within the scope of their services as general counsel the firm have over many years kept these organizations advised concerning legislative and administrative developments which might affect the conduct of their business of marine insurance.

C. (2) General questions affecting the insurance of ships and their cargoes against marine risks, reparations, subrogation; (a) Merchant Marine Act, 1936; (b) H. R. 6061 and S. 2484, dealing with marine war risks; H. R. 6053, a private bill for relief based on subrogation.

C. (4) (a) Over a long period of years this firm has submitted bills for services of a general character on an annual basis; (b) the extent of compensation has depended upon the nature and volume of the services rendered; (c) indefinite; (d) the firm has always been reimbursed for its out-of-pocket disbursements, such as traveling expenses, telephone and telegraph charges, which vary from year to year.

A. William Rhea Blake, 162 Madison Avenue, Memphis, Tenn.; executive vice president and secretary.

B. National Cotton Council of America, post-office box 18, Memphis, Tenn.; nonprofit welfare organization to promote the consumption of American-grown cotton, cottonseed, and products thereof.

C. (1) Indefinitely.

C. (2) Any legislation affecting the raw-cotton industry.

C. (4) (a) Compensation will be made monthly; (b) no compensation, as such, received for performance of legislative duties performed on behalf of the National Cotton Council. Compensation is received for all duties performed by me for the council, only an incidental portion of which duties relate to legislative matters. Consequently, during each quarter, from the total compensation received by me, there will be allocated that portion attributable to legislative activities and this sum will be reported on quarterly reports filed hereafter pursuant to section 308 of the statute; (c) the proximate period of employment is indefinite; (d) the nature and amount of the expenses will be those entirely incidental to the performance of any legislative matters and include such matters as travel, per diem, etc.

A. Chester F. Bletch, field representative, 1756 K Street NW., Washington, D. C.

B. Maryland and Virginia Milk Producers Association, Inc., 1756 K Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Dairy legislation.

C. (3) House organ, Market News.

A. Board of Trade of Kansas City, Mo., Tenth and Wyandotte Streets, Kansas City, Mo.; a voluntary nonprofit association, governing body of the grain exchange of Kansas City.

C. (1) Indefinite.

C. (2) Legislation affecting grain exchanges; trading in grain; price-support plans; Commodity Credit Corporation.

A. Eric Calamia. (See quarterly report listing.

A. T. C. Carroll, president, Brotherhood of Maintenance of Way Employees, 61 Putnam Avenue, Detroit, Mich.

C. (1) Temporary.

C. (2) H. R. 7789 and S. 3296, to amend the Railway Labor Act and authorize agreements providing for union membership, etc.

A. Henderson H. Carson. (See quarterly report listing.)

A. Cleary, Gottlieb, Friendly & Cox, attorneys, 224 Southern Building, Washington, D. C.

B. Caracas Chamber of Commerce, Sur 2, No. 30, Altos Caracas, Venezuela. Nature of business: Promotion of domestic and foreign private business and commercial interests of its members.

C (1). Indefinite.

C (2). Any legislation designed to restrict, tax, or impose quotas on imports of petroleum products, S. 2667, S. 3334, S. 3236, H. R. 6469, H. R. 6360, H. R. 6251, H. R. 6047, H. R. 5724, H. R. 6773, H. R. 7624, H. R. 7748, H. R. 7749, H. R. 7996.

C (3). None issued or caused to be issued.

C (4). (a) By the day; (b) compensation is to be paid direct to Cleary, Gottlieb, Friendly & Cox on the basis of the number of days required by such work; the amount received will also depend on the number of employees of the firm who work on legal business for this client; (c) indefinite; (d) indefinite.

A. C. Fred Coleman, Lewisville, Ark.

B. St. Louis Southeastern Railway Co. as division special agent, with headquarters at Lewisville, Ark. My principal duties are the investigation of claims of all types and such work as is necessary to protect the property of the company.

C (1). Intermittent and casual.

C (2). Registrant is employed to perform duties as outlined under B. As legislative interests are intermittent and casual, registrant will receive a per diem of $14 per day while working on Federal legislative matters of interest to his employers. Therefore, since legislative interests are casual and only a small part of his duties, registrant is of the opinion that he is not subject to the provisions of the Lobbying Act. However, this registration is filed to avoid criticism or misunderstanding on the part of anyone, and further, that the Congress may be informed of his activities respecting Federal legislative matters. In view of the casual interest in Federal legislative matters, regular reports will only be filed covering those periods during which any activity is had on Federal legislative matters.

A. R. A. Colgas, Jr.,[1] 1319 Eighteenth Street NW., Washington, D. C., trade association executive.

B. National Lumber Manufacturers Association, 1319 Eighteenth Street NW., Washington, D. C. trade association.

C (1). Continuing.

C (2). Any legislation affecting the interests of the lumber manufacturing industry of the United States.

C (3). I am executive vice president of the National Lumber Manufacturers Association and as such, it might be argued that I caused to be issued all of the publications of the association. For that reason, I list below the publications of the association issued in re-

[1] Registration with the Clerk only.

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cent months dealing with matters which are or might become the subject of action before Congress: Statistical yearbook, Lumber Industry Facts, 12,500 copies, published May 1950, Darby Printing Co., Washington, D. C.; house organ, National Lumber News, 4,500 copies, published approximately monthly, Darby Printing Co., Washington, D. C.; reprint of article Bromides and Folklore in Forest Economics, approximately 1,500 copies, June 1950, multilithed in association office; current news bulletins and letters, 20 to 3,000 copies each, issued periodically or occasionally to association members, officers, committee members, etc., mimeographed; current news releases to trade journals, newspapers, etc., 60 to 2,200 copies each, issued from time to time mimeographed.

C (4). No compensation for any legislative activity I may engage in. Any such activities are merely incidental to my general duties of executive vice president of the association. I receive reimbursement of any necessary and proper expenses. Expenses in connection with legislation are expected to be insignificant.

A. Arthur D. Condon, attorney, 1000 Vermont Avenue NW., Washington, D. C.

B. Amana Refrigeration, Inc., Amana, Iowa.

C. (1) Cannot be estimated at present.

C. (2) Excise-tax bill, House.

A. Cooperative League of the United States of America Association, Inc. (See quarterly report listing.)

A. Bernard Cushman, lawyer, 1029 Vermont Avenue NW., Washington, D. C.

B. O. David Zimring, lawyer, 1029 Vermont Avenue NW., Washington, D. C., is my employer and will pay me my regular salary for such legislative work. Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 1214 Griswold Street, Detroit, Mich., is the secondary employer and will pay O. David Zimring.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of labor organizations, their members and families, and especially the interests of Mr. Zimring and the above-named association. At the present moment the primary legislative interest is in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and amendments which may be offered thereto. There will be interest in other bills affecting organized labor and particularly the above-named unincorporated association.

C. (3) The association publishes the Union Leader, a weekly journal for its members in the Chicago, Ill., area; also the Motorman, Conductor, and Motor Coach Operator, a monthly journal for its members in the United States and Canada. These publications are not primarily concerned with legislative interests but have contained in the past and will publish in the future news stories, reports, and recommendations involving pending or suggested bills.

C. (4) I am employed on annual salary by O. David Zimring, handling legal and organizational duties, such as labor arbitrations; (a) my legislative work will be incidental to my regular employment and there will be no additional compensation therefor; (b) no additional wage, fee, or salary; (c) indefinite; (d) actual traveling expenses, hotel, restaurant meals, taxi fares, etc.

A. B. B. Derrick, 1756 K Street NW., Washington, D. C.; secretary-treasurer.

B. Maryland and Virginia Milk Producers' Association, 1756 K Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Dairy legislation.

C. (3) House organ, Market News.

A. Raoul E. Desvernine, attorney at law, the Mayflower, Washington, D. C.

B. No employer; acting as special representative of National Mines Corp., Weirton, W. Va.

C. (1) Legislative interests are to continue approximately 3 years.

C. (2) Interested in harbors and rivers; especially the improvement of the Monongahela River.

C. (3) No publication has been issued, directly or indirectly.

C. (4) (a) Compensation is to be paid by the month; (b) compensation is to be $500 per month; (c) representation will continue approximately 3 years; (d) no items of expense have been determined. It is anticipated that expenses will be nominal.

A. Raoul E. Desvernine, attorney at law, the Mayflower, Washington, D. C.

B. No employer; acting as special representative of Stran Steel Division of Great Lakes Steel Corp., Tecumseh Road, Ecorse, Detroit, Mich.

C. (1) Legislative interests are to continue approximately 3 years.

C. (2) Interested in Government and Armed Forces appropriation bills as such bills may relate to the purchase of quonset huts and buildings.

C. (3) No publication has been issued, directly or indirectly.

C. (4) (a) Compensation is to be paid by the month; (b) compensation is to be $500 per month; (c) representation will continue approximately 3 years; (d) no items of expense have been determined. It is anticipated that expenses will be nominal.

A. Dorothy Detzer, Post War World Council, 112 East Nineteenth Street, New York, N. Y.; in support of an appeal for universal disarmament under effective international supervision and control.

B. Post War World Council, 112 East Nineteenth Street, New York, N. Y.; Norman Thomas, chairman; James Wood Johnson, treasurer; nature of organization's business: Foreign policy.

C. (1) Indefinite. Definite until June 1, 1950.

C. (2) Seeking introduction and support of legislation for universal disarmament under effective international supervision and control.

C. (4) (a) By week; (b) $150 a week; (c) indefinite. Definite until June 1, 1950; (d) anticipated expenses approximately $25 a week including telephone, telegraph, travel, supplies, desk space, Washington.

A. Division 241, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 1608 West Van Buren Street, Chicago, Ill.; Daniel J. McNamara, recording secretary, division 241, same address.

B. Division 241, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., same address, is the employer and will be represented by Daniel J. McNamara, recording secretary, and other officers and representatives of division 241, which is a division of an unincorporated labor organization with international headquarters at 1214 Griswold Street, Detroit, Mich.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association and its officers, and representatives are in legislation which may affect the members and families of the association in the Chicago, Ill., area. At the moment the association is interested in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and any amendments which have or may be offered.

C. (3) The association publishes its weekly official journal of the organized street railway, rapid transit, and bus employees of the Chicago area, the Union Leader. It also publishes its monthly official organ, the Motorman, Conductor, and Motor Coach Operator, which is distributed generally to all members in the United States and Canada. These publications are not primarily concerned with legislative interests, but they have contained in the past, and will contain in the future, news stories, reports, and recommendations involving pending or suggested legislation—local, county, State, and National.

C. (4) (a) Daniel J. McNamara is paid a regular salary for his work. No additional compensation will be paid for his legislative work; (b) none additional; (c) indefinite; (d) necessary actual travel expense, meals, lodging, taxi fare, and minor incidentals.

A. Division 589, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 100 Boylesston Street, Boston, Mass.; John C. Carey, president, same address.

B. Division 589, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., same address as shown above, is the employer, and will be represented by its president, its business agent, and other officers and representatives.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association and its officers and representatives are in legislation which may affect the members and families represented in the association, which is an unincorporated labor organization. At the present moment the association is interested in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and amendments which may be offered thereto.

C. (3) The association publishes its monthly official organ, the Motorman, Conductor, and Motor Coach Operator, and its weekly official journal of the organized street railway, rapid transit, and bus employees of the Chicago, Ill., area, the Union Leader. These publications are not primarily concerned with legislative interests, but they have contained in the past, and will contain in the future, news stories, reports, and recommendations involving pending or suggested legislation—local, State, and National.

C. (4) (a) Officers and employees of the association are paid salaries for their regular work; no additional compensation will be paid for legislative work; (b) none additional; (c) indefinite; (d) travel, hotel, meals, taxi fare, etc.

A. Division 589, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 100 Boylesston Street, Boston, Mass.; Joseph P. Fahey, business agent (same address).

B. Division 589, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., address as shown above, is the employer, and will be represented by its president, its business agent, and other officers and representatives.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association and its officers and representatives are in legislation which may affect the members and families represented in the association, which is an unincorporated labor organization. At the present moment the association is interested in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and amendments which may be offered thereto.

C. (3) The association publishes its monthly official organ, the Motorman, Conductor, and Motor Coach Operator, and its weekly official journal of the organized street railway, rapid transit, and bus employees of the Chicago, Ill., area, the Union Leader. These publications are not primarily concerned with legislative interests, but they have contained in the past and will contain in the future, news stories, reports, and recommendations involving pending or suggested legislation—local, State, and National.

C. (4) (a) Officers and employees of the association are paid salaries for their regular work; no additional compensation will be paid for legislative work; (b) none additional; (c) indefinite; (d) travel, hotel, meals, taxi fare, etc.

A. Joseph L. Dwyer, Oil Trade Association, American Petroleum Institute, 1625 K Street NW., Washington, D. C.

B. American Petroleum Institute, 50 West Fiftieth Street, New York, N. Y.

C. (1) Indefinitely.

C. (2) Petroleum legislation. S. 1498, Senate Resolution 50, and various petroleum bills before House Interstate Commerce Committee, current tax bill.

A. Erbe, Maybruck Associates, Inc.,[1] 595 Madison Avenue, New York, N. Y.; public relations counsel.

B. Cigar Manufacturers Association of America, Inc., 350 Fifth Avenue, New York, N. Y.

C. (1) Approximately 6 months.

C. (2) To bring to public attention as public relations counsel the interests of the cigar industry regarding matters affecting the Federal excise tax.

C. (4) Compensation payable monthly at $1,500 per month for a period of 3 to 6 months. No expenses anticipated. Applicant submits that it is not subject to the Federal Regulation of Lobbying Act and that this report is not required. However, it is being filed for the purpose of putting on record the engagement therein referred to without in any way acknowledging the application to such engagement of the said Federal Regulation of Lobbying Act.

A. First Kentucky Co., Fifth and Court Place, Louisville, Ky.; investing in securities.

C. (1) Indefinite.

C. (2) The right to continue in business in its present relationship to the First National Bank of Louisville and the Kentucky Trust Co.; (a) Bank Holding Company Act of 1950; (b) S. 2318 and S. 3547.

C. (4) (a) No agreement as to compensation; (b) No agreement as to compensation; (c) indefinite; (d) customary expenses such as hotel, telephone, telegraph, transportation, and other usual travel and office expenses; amount, indefinite.

A. George H. Frates, 1163 National Press Building.

B. National Association of Retail Druggists, a trade association devoted to the interests of retail drug-store owners throughout the country.

C. (1) The duties of the undersigned, as the Washington representative of the employer, is to represent and correspond with the members of the association in their dealings with the various Federal bureaus and departments located in Washington, D. C.

C. (2) When pending national legislation affects the interests of the members of the association, upon their inquiry, the undersigned from time to time, through the association's fortnightly journal or by individual correspondence, reports to the members the progress of such pending legislation. Presently the members of the association are interested in the outcome of Senate bill 1008, and the anticipated congressional action on the reduction of Federal excise taxes, as well as the pending House bill, H. R. 4203, which seeks to amend the Federal Food, Drug, and Cosmetic Act.

C. (3) The publication through which the undersigned reports the progress of pending Federal legislation which may affect the retail druggists of the country from time to time is the N. A. R. D. Journal, published on the first and third Mondays of each month by the National Association of Retail Druggists at Chicago, Ill., and mailed upon publication to approximately 34,000 members located in every State in the Union.

C. (4) The undersigned, in the employ of the National Association of Retail Druggists for the past 7 years as its Washington representative, receives an annual salary of $11,200 per annum, plus the costs of operating the Washington office which consists of rent at $1,374 per annum; a stenographer at $225 per month, and the necessary costs of postage, stationery supplies, phone, and other office incidentals which average approximately $105 per month. The undersigned receives no additional compensation, gifts, or loans from the employer or other persons for reporting the progress of pending legislation which may from time to time affect the interests of the Nation's retail druggists; nor, expends any increased substantial amounts on account of expenditures enumerated when corresponce with members relative to pending legislation becomes necessary.

A. Freidin & Littauer, 598 Madison Avenue, New York, N. Y.; attorneys.

B. American Federation of Musicians of the United States and Canada, 570 Lexington Avenue, New York, N. Y.; labor union.

C. (1) Registrant renders professional services for the American Federation of Musicians of the United States and Canada. Registrant does not believe it is subject to the provisions of the Federal regulation of Lobbying Act. It cannot be stated in advance for what period interest in the legislation referred to in (2) will continue.

C. (2) Registrant is interested in so much of section 104 (a) of H. R. 6000, as passed by the House of Representatives, as would have amended section 210 (k) (2) of title II of the Social Security Act.

C. (3) Registrant has not filed or caused to be filed any printed matter. On several occasions, typewritten memoranda were submitted to Members of Congress and members of their staffs.

C. (4) Of the total fees paid for all professional services rendered, the portion which may be considered attributable to registrant's legislative activities cannot be determined in advance. Registrant will be reimbursed for out-of-pocket expenses incurred by members or associates of the firm. The reimbursements will be those customary in legal work.

A. Gardner, Morrison & Rogers, 1126 Woodward Building, Washington, D. C.; law firm.

B. The Oceanic Steamship Co., 215 Market Street, San Francisco, Calif.; engaged in steamship transportation.

C. (1) Indefinite.

C. (2) (a) Appropriation in payment of balance of compensation due for requisition and use of vessels owned by Oceanic Steamship Co. during World War II; (b) H. R. 8470, to amend Merchant Marine Act of 1936.

C. (4) Registrant is employed as attorney at law to represent client on legislative matters listed above and general legal matters, and will be paid reasonable value of all service rendered, and will be reimbursed for routine and necessary out-of-pocket expenditures including telephone, telegraph, travel, and other incidental expenses, which are expected to be nominal. Period of employment is indefinite and there is no agreement as to amount of compensation or time of payment.

A. Helen Gervais, secretary, Flour Millers' Export Association, National Press Building, Washington, D. C.; trade association.

B. Flour Millers' Export Association.

C. (1) As long as the association is in existence.

C. (2) Anything affecting export of wheat flour. (a) Export Trade Act; (b) House Joint Resolution 236 (ITO Charter).

C. (3) No publications. Members are informed only through letters or mimeographed circulars.

C. (4) Compensation is not paid for legislative activities; such activities are only incidental to the conduct of the office; (a) Paid semimonthly; (b) $400 monthly; (c) indefinite; (d) nature: cost of taxicabs to attend congressional hearings, few telephone calls, etc., a maximum of $25 a year.

A. Don B. Goodloe. (See quarterly report listing.)

A. Cassius B. Gravitt, Jr., assistant legislative representative, National League of District Postmasters, 1110 F Street NW., Washington, D. C.; postmasters' service organization.,

B. National League of District Postmasters, 1110 F Street NW., Washington, D. C.; postmasters' service organization.

C. (1) Permanently.

C. (2) Any legislation which affects postmasters.

C. (a) The Postmasters' Advocate, a monthly magazine; (b) varies according to membership; (c) monthly; (d) Fleet-McGinley, Inc., Baltimore, Md.

C. (4) Compensation $5,000 per year, paid by the month. Employment permanent.

A. Charles D. Hamel, 1000 Shoreham Building, Washington, D. C.; attorney.

B. M. H. Sherman Co., 3670 Wilshire Boulevard, Los Angeles, Calif.; management and investments.

C. (1) Legislative interests may continue indefinitely.

C. (2) Legislative interests are concerned generally with internal-revenue legislation.

C. (3) No publication is involved.

C. (4) Registrant is a partner in the law firm of Hamel, Park & Saunders, 1000 Shoreham Building, Washington, D. C. This law firm is employed by the employer in connection with various matters in Washington, including legislative matters. Compensation is provided for at the rate of $150 per day and the period of employment is indefinite. Out-of-pocket expenses will be reimbursed, but are expected to be negligible.

A. Fowler Hamilton,[1] (assisted by James G. Johnson, Jr., and L. M. Boykin), attorneys, 224 Southern Building, Washington, D. C. Fowler Hamilton is a partner in Cleary, Gottlieb, Friendly & Cox.

B. Caracas Chamber of Commerce, Sur 2, No. 30, Altos, Caracas, Venezuela; promotion of domestic and foreign private business and commercial interests of its members.

C. (1) Indefinite.

C. (2) Any legislation designed to restrict, tax, or impose quotas on imports of petroleum products; (b) S. 2667, S. 3334, S. 3236, H. R. 6469, H. R. 6360, H. R. 6251, H. R. 6047, H. R. 5724, H. R. 6773, H. R. 7624, H. R. 7748, H. R 7749, H. R. 7996.

C. (3) None issued or caused to be issued.

C. (4) (a) By the day; (b) compensation is to be paid direct to Cleary, Gottlieb, Friendly & Cox on the basis of the number of days required by such work. The amount received will also depend on the number of employees of the firm who work on legal business for this client; (c) indefinite; (d) indefinite.

A. Joseph J. Hammer, 26 Broadway, New York, N. Y.

B. Socony-Vacuum Oil Co., Inc., 26 Broadway, New York 4, N. Y.; production, manufacturing, distribution and marketing of petroleum products.

C. (1) Indeterminate.

C. (2) Interested in matters affecting the petroleum industry such as regulatory measures, taxation, social security. The following is an indication of those matters in which the registrant is interested, mainly for the purpose of keeping the company fully informed on subjects which could affect its operations. (a) House Interstate and Foreign Commerce Committee, hearings by Harris Oil Subcommittee on all phases and problems of American oil picture, including supply and demand, as well as consideration of the Harris bill, H. R. 6047, to establish a national fuel policy; House Small Business Committee, hearings by Keogh Oil Subcommittee with respect to subject of oil imports; House Judiciary Committee, hearings by Celler subcommittee on subject of monopolies generally, as well as consideration of H. R. 2734 and H. R. 6679; Special House Lobby Committee, Buchanan investigation of subject of lobbying, authorized by passage of

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House Resolution 298; (b) H. R. 4402, H. R. 5139, House Joint Resolution 218, H. R. 4003, H. R. 2167, S. 571, S. 572, S. 573, S. 1709, S. 640, H. R. 1412, H. R. 5690, H. R. 5691, S. 10, H. R. 5, S. 1498, H. R. 1758, S. 11, House Resolution 298, H. R. 5748, H. R. 4406, H. R. 2963, S. 1074, House Resolution 307, Senate Resolution 38, House Resolution 400, House Concurrence Resolution 151, House Resolution 466, House Resolution 442, House Joint Resolution 423, Senate Resolution 239, H. R. 6773, H. R. 6780, H. R. 6251, H. R. 6902, H. R. 6469, H. R. 6360, H. R. 6027, H. R. 5724, S. 1965, S. 2667, H. R. 7748, H. R. 7749, H. R. 7624, H. R. 7996, S. 3236, S. 3334, S. 1944, S. 1928, H. R. 4446, H. R. 514, H. R. 5527, H. R. 5615, H. R. 5594, H. R. 6026, S. 2197, S. 1093, H. R. 7346, H. R. 6835, H. R. 6834, H. R. 566, S. 6, H. R. 3537, H. R. 4825, S. 402, S. 457, S. 2172, H. R. 5386, H. R. 990, H. R. 3627, H. R. 4, S. 247, H. R. 4846, S. 868, S. 543, H. R. 1340, H. R. 4450, S. 1652, H. R. 4051, H. R. 3291, H. R. 5346, H. R. 3190, S. 35, H. R. 1230, H. R. 5312, H. R. 1265, H. R. 842, H. R. 3866, H. R. 4798, S. 2518, S. 1910, H. R. 7905, S. 1008, H. R. 6110.

C. (4) (a) The registrant, in addition to his duties of following Federal legislation, is also charged with many other duties not relating to Federal legislation. (b) $4,500 represents the estimated portion of the registrant's entire annual remuneration as is attributable to the performance of duties which are subject to the Lobbying Act, which is payable monthly. (c) Indeterminate. (d) No stated amount; only reimbursement for normal traveling expenses such as railroad and taxi fare, hotel, meals, telegraph, telephone, postage, stationery, stenographic expenses.

A. Robert C. Handwerk, 815 Fifteenth Street NW., Washington, D. C.; Frank E. Scrivener, 815 Fifteenth Street NW., Washington, D. C.; attorneys at law, under firm name of Scrivener & Handwerk.

B. Verde River irrigation and power district, Phoenix, Ariz., operating an irrigation district.

C. (1) One year.

C. (2) S. 75, Eighty-first Congress, second session, authorizing the construction, etc., of a dam and incidental works in the main stream of the Colorado River at Bridge Canyon, etc.

C. (3) No publication.

C. (4) Compensation is to be paid by the year at $500 per year. The approximate period of employment is 1 year. It is anticipated that there will be actual office expenses, transportation, telephone, and miscellaneous expenses amounting to approximately $100.

A. Leo J. Heer. (See quarterly report listing.)

A. Thurman Hill, 1025 Connecticut Avenue NW., Washington, D. C.; attorney.

B. Kansas Independent Oil and Gas Association, 613 Beacon Building, Wichita, Kans.

C. (1) Approximately August 15, 1950.

C. (2) To oppose imports of crude oil into the United States in excess of 5 percent of the market demand.

A. John L. Hoen, 415 Mayflower Office Building; Washington representative for Eastern Steamship Lines, Inc., and American-Hawaiian Steamship Co.

B. Eastern Steamship Lines, Inc., 40 Central Street, Boston, Mass., and American-Hawaiian Steamship Co., 90 Broad Street, New York, N. Y.

C. This amends my declaration of April 1, at which time I was solely employed by Eastern Steamship Lines, Inc. There is no change in my salary to be reported at this time, but it is to be apportioned between the two corporations listed above.

A. George Hurley, 105 Grosvenor Building, Providence, R. I.; lawyer.

B. National Association of Mutual Savings Banks, 60 East Forty-second Street, New York, N. Y.; trade association.

C. (1) 1950.

C. (2) Tax revision program now pending before the House Ways and Means Committee.

C. (4) The rate and terms of compensation not yet determined. Travel and subsistence expenses are to be reimbursed.

A. Laurence A. Knapp, 921 Seventeenth Street NW., Washington, D. C.; lawyer.

B. Countess Carmencita von Plettenberg, Count Walther von Plettenberg, Bremen, Germany.

C (1). Legislative interests will continue while proposed legislative action is pending.

C. (2) The legislative interests of the undersigned pertain to S. 3459 and H. R. 8422, Eighty-first Congress, second session.

C. (4) The rate of compensation is undetermined, since it may be governed by provisions of the bills referred to.

A. Alfons Landa, attorney, 1000 Vermont Avenue NW., Washington, D. C.

B. Amana Refrigeration, Inc., Amana, Iowa.

C. (1) Cannot be estimated at present.

C. (2) Excise tax bill, House.

A. Ivan Lebedeff, 8888 Appian Way, Hollywood, Calif.; educational organization on economic subjects.

B. National Economic Council, Inc., 350 Fifth Avenue, New York, N. Y.

C. (1) Indefinite.

C. (2) Interests will be such as directed by employer from time to time.

C. (3) Publications put out by employer.

C. (4) (a) Monthly; (b) $500; (c) 1 year; (d) travel and entertainment, amount indefinite.

A. Gordon D. McKinney. (See quarterly report listing.)

A. Walter H. Maloney, attorney at law, 526–530 Continental Building, Washington, D. C.; associated with David G. MacDonald, Esq., Continental Building, Washington, D. C., as counsel.

B. Refrigerated Carriers Association, 511 Continental Building, Washington, D. C.

C. (1) Services will continue until final disposition of H. R. 7547.

C. (2) H. R. 7547 is a proposed amendment to section 203(b)(6) of the Interstate Commerce Act. (No Senate number at this time.)

C. (3) Nothing issued to date.

C. (4) Compensation is to be on the fee basis only: $250 retainer; no monthly or yearly payments; maximum fee, $500. No expense is anticipated.

A. Maryland and Virginia Milk Producers' Association, 1756 K Street NW., Washington, D. C.

B. Maryland and Virginia Milk Producers' Association, 1756 K Street, NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Dairy legislation.

C. (3) House organ, Market News.

A. Mrs. Edson R. Mattice, The American Parents Committee, 132 Third Street SE., Washington, D. C.

B. The American Parents Committee, 132 Third Street SE., Washington, D. C.

C. (1) Indefinitely.

C. (2) National school health services bill H. R. 3942; public-school construction bill, H. R. 5718; national child research bill, S. 904, H. R. 4465; Federal aid for education; Local public health units, H. R. 5865; social-security revisions, H. R. 6000; physically handicapped children's education bill, S. 3102, H. R. 7396; school-lunch appropriation; Children's Bureau appropriation.

C. (3) Washington Report on Legislation Affecting Children, 500 mimeographed monthly by Parents' Institute, Inc., Bergenfield, N. J.

C. (4) Compensation $70 per week; term of employment, indefinite; anticipated expenses, undetermined.

A. Jean R. Myer, an employee of Posner, Berge, Fox & Arent, 1002 Ring Building, Washington, D. C. The firm of Posner, Berge, Fox & Arent is retained by Associated Third Class Mail Users, 1010 Vermont Avenue, Washington, D. C.

C. (1) Legislative interests are to continue to October 3, 1950.

C. (2) H. R. 2945 and Senate bill 1103.

A. Justus R. Moll, lawyer, 1029 Vermont Avenue NW., Washington, D. C.

B. O. David Zimring, lawyer, 1029 Vermont Avenue NW., Washington, D. C., is my employer and will pay me my regular salary for such legislative work. Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, A. F. of L., 1214 Griswold Street, Detroit, Mich., is the secondary employer and will pay O. David Zimring.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of labor organizations, their members and families, and especially the interests of Mr. Zimring and the above-named association. At the present moment the primary legislative interest is in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680 and amendments which may be offered thereto. There will be interest in other bills which may affect organized labor and particularly the above-named unincorporated association.

C. (3) The association publishes the Union Leader, a weekly journal for its members in the Chicago, Ill., area; also the Motorman, Conductor, and Motor Coach Operator, a monthly journal for its members in the United States and Canada. These publications are not primarily concerned with legislative interests but have contained in the past and will continue to publish in the future news stories, reports, and recommendations involving pending or suggested bills, resolutions, constitutional amendments, and other legislation.

C. (4) I am employed on annual salary by O. David Zimring, handling statistical, legal, and organizational duties, such as labor arbitrations. My legislative work will be incidental to my regular employment and there will be no additional compensation therefor. (b) No additional wage, fee, or salary. (c) Indefinite. (d) Actual traveling expenses, hotel, meals, taxi fares, etc.

A. Morgan and Calhoun, attorney at law, 412 Washington Building, Washington, D. C.

B. Arnold Haskell, Los Angeles, Calif.; M. H. Sherman Co., Los Angeles, Calif.

C. (1) Until final action on the pending tax bill, H. R. 8920.

C. (2) H. R. 8920.

C. (4) Reasonable compensation for the period involved.

A. Gerald D. Morgan and Leonard J. Calhoun, a law partnership, 412 Washington Building, Washington, D. C.

B. Western Oil and Gas Association, California Manufacturers Association, Merchants and Manufacturers Association of Los Angeles.

C. (1) During pending social-security legislation.

C. (2) Social Security Act amendments of 1949, H. R. 6000.

C. (3) No publications.

C. (4) Compensation to be reasonable fee mutually agreed upon at conclusion of services. Anticipated period, pendency of current Federal social-security legislation. No expenses anticipated.

A. Fred Morrell, 711 Fourteenth Street NW., Washington, D. C., Washington representative of American Paper & Pulp Association.

B. American Paper & Pulp Association, 122 East Forty-second Street, New York, N. Y., unincorporated, nonprofit trade association.

C. (1) Legislative interests will continue during employment.

C. (2) The general legislative interests will be those of the employer, namely, any legislation affecting the paper and pulp industry in any of its properties, operations, or practices.

C. (4) (a) Compensation is to be paid monthly; (b) compensation will represent such proportion of registrant's annual salary of $9,000 as his time spent on legislative matters bears to his total working time; (c) employment will be at the pleasure of the board of governors of American Paper & Pulp Association; (d) the nature of registrant's expenses, as presently anticipated, will be hotel, transportation, and living expenses while absent from Washington, entertainment expenses, if any, and such other miscellaneous and incidental charges as his activities on occasion may necessarily and properly require. Because of the variable nature and extent of prospective activities no accurate estimate of such expenses can be made in advance. This report and all statements herein contained are made in the belief that no activities of registrant are or will be lawfully subject to the Federal Regulation of Lobbying Act and registrant expressly reserves all rights to challenge, in any way or upon any grounds, any and all provisions of said act or its application in any way to any past, present, or future activities of registrant.

A. D. P. Murphy, 1408 Enquirer Building, 617 Vine Street, Cincinnati, Ohio, labor representative.

B. International Brotherhood Firemen and Oilers (labor organization), 330 South Wells Street, Chicago, Ill.

C. (1) Indefinite.

C. (2) H. R. 7789 to amend the Railway Labor Act, S. 3295, amend Railway Labor Act; S. 3463, amend Railway Labor Act; generally interested in all legislation affecting labor, especially railroad labor.

A. F. Weaver Myers, 1000 Shoreham Building, Washington, D. C., attorney.

B. M. H. Sherman Co., 3670 Wilshire Boulevard, Los Angeles, Calif., management and investments.

C. (1) Legislative interests may continue indefinitely.

C. (2) Legislative interests are concerned generally with internal-revenue legislation.

C. (3) No publication is involved.

NOTE.—Registrant is a partner in the law firm of Hamel, Park & Saunders, 1000 Shoreham Building, Washington, D. C. This law firm is employed by the employer in connection with various matters in Washington, including legislative matters. Compensation is provided for at the rate of $150 per day and the period of employment is indefinite. Out-of-pocket expenses will be reimbursed, but are expected to be negligible.

A. National Committee to Limit Federal Taxing Powers, 1737 K Street NW., first floor, Washington 6, D. C., social welfare organization.

C. (1) Indefinite.

A. National Guard Association of the United States. (See quarterly report listing.)

A. National Organization for Public Health Nursing,[1] 1790 Broadway, New York, N. Y.

The purposes of the National Organization for Public Health Nursing are to—

1. Stimulate responsibility for the health of the community by furthering the establishment and extension of public health nursing and the education of the nurses in public health.

2. Develop standards and techniques in public health nursing.

3. Facilitate efficient cooperation between nurses and health officials, physicians, boards of trustees, other agencies, and persons interested in public health.

4. Establish and maintain a central bureau for information, field-advisory service, and reference and assistance in matters pertaining to public health nursing.

5. Stimulate responsibility for the health of the community by furthering the establishment and extension of public health nursing, and the education of nurses in public health.

The NOPHN functions through (1) a board of directors which includes nurses and nonnurses in a working partnership; (2) an advisory council of 15 members; (3) special and standing committees and councils; (4) State branches; (5) sections. The board of directors delegates certain technical aspects of the work of the organization, which are the responsibility of professional nurses only, to the education committee, the committee on nursing administration, and other special committees.

The NOPHN accomplishes its objectives through—

1. Analyzing existing community public health nursing services, upon request, to determine how they can best be organized for economy and efficiency and for the greatest good to the greatest number of people.

2. Fostering the establishment of well-coordinated public health nursing services and educational programs in areas that need them.

3. Promoting public understanding and use of public health nursing services.

4. Helping in the recruitment of public health nurses and their equitable distribution to areas of greatest need.

5. Collecting information and answering questions about public health nursing.

6. Advising on current public health nursing problems perplexing communities, nurses and their employing agencies.

7. Publishing up-to-the minute information on the latest developments in all fields of public health nursing—by means of a monthly magazine, quarterly bulletin for all members, periodic bulletins for member agencies, studies, surveys, committee reports. Handbooks and manuals on various aspects of public health nursing, such as tuberculosis, public relations, and on citizen participation are also published as needed.

8. Studying, evaluating, and making recommendations about public health nursing education. Current activities are studies of content of undergraduate and graduate education in public health nursing and its special fields, such as school nursing, tuberculosis, orthopedics, maternity and child health, mental hygiene, study of qualifications of teaching personnel in public health nursing.

9. Cooperating with other national nursing organizations in such programs as joint orthopedic nursing advisory service, joint tuberculosis nursing advisory service, joint committee on nursing in medical care plans.

10. Cooperating with Federal and National nursing services such as the Public Health Service, Children's Bureau, Veterans' Administration, American Red Cross, Metropolitan Life Insurance Co., John Hancock Mutual Life Insurance Co., for the improvement and advancement of public health and other community health services.

11. Participating in and contributing financially to the support of joint programs of concern to all six national nursing organizations, such as unification of accreditation activities; study of the structure of national nursing organizations, recruitment, national, regional, and local planning for nursing education and service.

12. Cooperating with other national health, education, and welfare organizations such as the American Council on Education, the National Health Council, National Social Welfare Assembly, community chests and councils, the American Public Health Association, in national movements for the improvement of the education, health and welfare of the American people.

C. (1) No legislative interests as described. All activities seem to be exempt under section 308 of Lobbying Act.

C. (2) No individual employee of this organization has done more than appear before a congressional committee. One employee so appeared during 1949. None for four previous years according to available records. Four statements have been filed by the organization in past 4 years as follows: (1) Statement of nursing draft filed at hearing of the House Military Affairs Committee, February 7, 1945; (2) statement filed at hearings of National Health Act of 1945 (S. 1606), April 24, 1946; (3) statement regarding title VII of Senate bill 545 (on medical care), May 19, 1947; (4) statement filed at hearing on S. 1679 and S. 1581 (on Federal aid to education for health professions) by the Subcommittee on Health of the Senate Committee on Labor and Public Welfare, June 8, 1949.

C. (3) Reports of bills on health and welfare are published periodically in official organ, Public Health Nursing, for information of readers only.

Under date of July 17, 1934, we were informed by L. K. Sunderlin of the Treasury Department, that the National Organization for Public Health Nursing is exempt from income tax under the provisions of section 103 (6) of the Revenue Act of 1928 and that this ruling is applicable under the Revenue Acts of 1932 and 1934.

A. National Retail Furniture Association. (See quarterly report listing.)

A. Blake T. Newton, Jr., 725 Thirteenth Street NW., Washington, D. C.; attorney, the Chesapeake & Potomac Telephone Co.

B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.; communications.

C. (1) Temporary for indefinite period.

C. (2) Matters affecting communications; (a) no specific bills; (b) no specific bills; (c) no specific bills.

C. (4) Registrant is an attorney at law, and is now and has been since December 1, 1948, employed by the Chesapeake & Potomac Telephone Co., subsidiaries of American Telephone & Telegraph Co. Registrant holds the position of attorney of the Chesapeake & Potomac Telephone Cos. Registrant is temporarily loaned to American Telephone & Telegraph Co. during the absence of its Washington attorney, Mr. Frank Quigley, because of illness. It is not the principal purpose of registrant or of American Telephone & Telegraph Co. to aid in the passage or defeat of any legislation by the Congress of the United States, or to influence, directly or indirectly, the passage or defeat of any such legislation. By filing this registration or any subsequent quarterly report registrant does not concede that the Federal Regulation of Lobbying Act applies to him or to American Telephone & Telegraph Co. Registrant is furnished office space and facilities in American Telephone & Telegraph Co. general offices in Washington, D. C., and is temporarily engaged in procuring and furnishing to American Telephone & Telegraph Co. information and documentary material and advising with respect to proposed or pending congressional legislation which may affect the interests of the telephone companies of the Bell System, and in representing those companies as occasion arises in matters pending before governmental departments or agencies. Registrant is also continuing to perform certain of his primary duties as attorney for the Chesapeake & Potomac Telephone Cos. As the occasion arises, when specifically authorized to do so, registrant presents to Members of Congress information about the business of the Bell telephone companies or the views of those companies in connection with proposed legislation, or arranges for the appearance of representatives of the Bell System at hearings before congressional committees, but these services comprise only a minor part of his duties and consume only a very small part of his time. Registrant is paid a salary of $12,500 per year by the Chesapeake & Potomac Telephone Cos. and is reimbursed for out-of-pocket business expenses upon voucher submitted therefor, covering such items as transporta-

[1] Registration with the Clerk only.

tion, travel expense, and cost of publications, etc. The compensation received by registrant is not apportioned as between the different services performed.

A. O. L. Norman, 1200 Eighteenth Street NW., Washington, D. C.; registrant is assistant to the president of the National Association of Electric Companies, a trade association whose members are 100 operating electric companies.

B. National Association of Electric Companies, 1200 Eighteenth Street NW., Washington, D. C.; the National Association of Electric Companies is a trade association whose members are operating electric companies. The preamble of its articles of association describe the functions to be engaged in by the association as follows: "In order to further the interests of the electric-utility companies that are members of this association and their investors, employees and customers; to maintain the integrity and credit of the industry; to present to the public the essential facts about the industry to the end that there may be a better understanding between the utility companies and the public and a better appreciation of utility progress, achievements, and problems; to coordinate regional activities among member companies; to furnish member companies information, reports, and statements concerning various phases of electric-utility operations and developments; to further cooperation with all agencies and organizations interested in the supply and purchase of electric light and power; to furnish such agencies and organizations with information, reports, and statements concerning member companies and the electric-utility industry; to present the facts to the public concerning the public benefits resulting from the operation of electric-utility companies by businessmen under governmental regulations and, generally, to engage in those practices recognized as being legal and proper to further said ends, certain electric-utility companies do hereby establish a national association which shall be adequately qualified and empowered to act in every lawful way when concert of policy and action would be helpful."

Thus the association functions for the following principal purposes: (1) to keep member companies informed of Washington developments affecting them as operating businesses, including information and analyses of governmental hearings, orders, and regulations, both legislative and administrative; (2) to keep the public, including employees, consumers, and investors, informed concerning the accomplishments of the industry, its achievements in serving the public, and the plans of this industry for the future; (3) to furnish—and aid in furnishing—technical information to the instruments of Government and to provide a readily available contact between Government and the industry; (4) to provide the members of the association with a medium through which they can exchange ideas on problems of mutual concern and interest in order to better serve the public; (5) to act for the member companies in matters of common and national concern.

C. (1) Of indefinite duration.

C. (2) Registrant is assistant to the president of the National Association of Electric Companies. One of the purposes of this association as set forth in previous registrations and reports filed pursuant to title 3 of the Legislative Reorganization Act of 1946 is to provide its members with a medium through which they can develop and exchange ideas and take appropriate action on problems of mutual concern and interest, including matters involving legislation. The association, therefore, is generally interested in all developments in and of Federal legislation that might affect its members as going electric utilities, including, but not limited to, the following bills and statutes and amendments thereto: H. R. 7786, a bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; Internal Revenue Code (53 Stat. 1); TVA Act (48 Stat. 58); Federal Power Act (49 Stat. 803); Rural Electrification Act of 1936 (49 Stat. 1363); Reclamation Acts (25 Stat. through 45 Stat.); Flood Control Act, 1944 (58 Stat. 887); Administrative Procedure Act (60 Stat. 237).

For specific details concerning the policy position of the National Association of Electric Companies see the document entitled "Opinions, Recommendations, and Answers to the Power Policies Questionnaire, 1948," filed with the Secretary of the Senate and the Clerk of the House by the National Association of Electric Companies. A similar document now being prepared in response to a request of the Chairman of the President's Commission on Water Resources Policy dated March 2, 1950, requesting the association's views on certain policy questions will be forwarded to the Clerk of the House of Representatives and the Secretary of the Senate by the association when it is completed.

C. (4) (a) Year; (b) $15,000; (c) indefinite; (d) no specific amount. All traveling and incidental expenses.

A. Eli L. Oliver, 1029 Vermont Avenue NW., Washington, D. C.; economist.

B. O. David Zimring, lawyer, 1029 Vermont Avenue NW., Washington, D. C., is my employer and will pay me my regular salary for such legislative work. Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 1214 Griswold Street, Detroit, Mich., is the secondary employer and will pay O. David Zimring.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of labor organizations, their members and families, and especially the interests of Mr. Zimring and the above-named association. At the present moment the primary legislative interest is in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680 and amendments which may be offered thereto. There will be interest in other bills affecting organized labor and particularly the above-named unincorporated association.

C. (3) The association publishes the Union Leader, a weekly journal for its members in the Chicago, Ill., area; also the Motorman, Conductor, and Motor Coach Operator, a monthly journal for its members in the United States and Canada. These publications are not primarily concerned with legislative interests, but have contained in the past and will publish in the future news stories, reports, and recommendations involving pending or suggested bills.

C. (4) (a) I am employed on annual salary by O. David Zimring, handling legal and organizational duties, such as labor arbitrations. My legislative work will be incidental to my regular employment and there will be no additional compensation therefor. (b) No additional wage, fee, or salary. (c) Indefinite. (d) Actual traveling expenses, hotel, restaurant meals, taxi fares, etc.

A. Gerald R. O'Melveny, 703 Paulsen Building, Spokane, Wash.; attorney-at-law.

C. (1) 1 year.

C. (2) Reserve army legislation.

A. Lovell H. Parker, 614 Colorado Building, Washington, D. C.; tax consultant.

B. Self-employed. (Retained as a consultant by National Coal Association, Washington, D. C., on tax matters.)

C. (1) Indefinite.

C. (2) Tax legislation affecting the bituminous coal industry.

C. (4) (a) and (b) No compensation to be received for legislative activities as such; (c) indefinite; (d) none anticipated.

A. Frank M. Porter, 50 West Fiftieth Street, New York, N. Y.; president, national trade organization.

B. American Petroleum Institute, 50 West Fiftieth Street, New York, N. Y.; national trade organization.

C. The registrant is president of the American Petroleum Institute (the institute), a national trade association of the petroleum industry. He was elected on April 3, 1950, and assumed office on May 1, 1950. The registrant has been advised by counsel and believes that he is not subject to the provisions of the Federal regulation of Lobbying Act (the act), and that he is not required to register or file any reports under the act. He files this registration because the Department of Justice has expressed the view that his predecessor was subject to the act and he anticipates that his duties will be similar to those of his predecessor. By filing this registration, however, the registrant does not admit that he is subject to the provisions of the act or that he is required to register. The registrant has not engaged himself for pay for the purpose of attempting to influence the passage or defeat of any legislation by the Congress of the United States. He is elected to serve until the next annual meeting of the institute and receives an annual salary to perform all of the duties of his office as chief executive and administrative officer of the institute. To the extent that he may deal with Federal legislative matters, he will do so only as an incident to the performance of his over-all responsibilities as directing head of the institute. Since the registrant's salary is received to perform all the duties of his office, it is his view that he is not paid any sum for the purpose of attempting to influence Federal legislation. His annual salary is $60,000, payable semimonthly. Since there is no way he can determine in advance the proportion of his business time, if any, which he may devote to Federal legislation, it is not possible at this time for him to apportion such salary upon the basis of time so expended. Based upon the experience of his predecessor, however, the registrant anticipates that only a very small portion of his time will be spent on Federal legislative matters. For the purposes of filing subsequent periodic reports, the registrant intends to apportion a part of his annual salary to Federal legislative purposes on the basis of his best estimate of the proportion of time actually spent by him during the period on matters relating to Federal legislation. The making of any such apportionment in subsequent reports is not to be construed as an admission that the registrant is employed for the purpose of influencing Federal legislation. No fixed sum is allowed the registrant by the institute for expenses incurred in the performance of his duties. His actual expenses relating to Federal legislation, if any, will be set forth in subsequent periodic reports. The expenses for which the registrant expects to be reimbursed in the event he incurs any such expenses are of a character similar to those customarily incurred by the managing head of an organization in the discharge of his official duties. In general, such expenses would cover travel, sustenance, and communication. To the extent that the registrant does concern himself with legislative matters in the future, his interest will be in legislation affecting the petroleum industry, and he may become interested in such legislation at any time during his tenure of office. The specific matters with which he may become concerned cannot be predicted now but may include the specific matters set forth in the report of the institute under the act for the first quarter of 1950.

A. Mr. Hiram Robbins, Klamath Agency, Oreg.

B. Klamath Tribe of Indians of Oregon.

C. (1) Indefinitely.

C. (2) I am interested in legislation affecting the status of Indian tribes, especially the Klamath Tribe of Oregon. I am instructed to oppose enactment of S. 186, S.

188, S. 764, S. 765, S. 766, H. R. 1537, and H. R. 2724.

A. L. R. Sanford. (See quarterly report listing.)

A. John L. Schroeder, 541 Washington Building; attorney.

B. Lathrom & Jenkins, 541 Washington Building; lawyers.

C. (1) Indefinitely.

C. (2) (b) H. R. 5724, H. R. 6251, H. R. 6360, H. R. 6469, H. R. 7748, H. R. 6773, H. R. 7669.

A. Nathaniel H. Seefurth.[1] (See quarterly report listing.)

A. Bernard W. Stern, International Union of Mine, Mill, and Smelter Workers, 431 South Dearborn, Chicago, Ill.; research director.

B. International Union of Mine, Mill, and Smelter Workers, 431 South Dearborn, Chicago, Ill.; a trade union.

C. (1) Indefinite.

C. (2) Bills pertaining to mining industry (specifically H. R. 8221 at present) and other bills of general interest to members of organized labor.

C. (3) Occasional mimeographed releases to local union officials.

C. (4) Affiant is regularly employed as research director of organization at bimonthly rate of $198. It is anticipated that not more than one-twentieth of time during year will be spent in connection with legislative interests. Anticipated expenses covering transportation to and from Washington, hotel, and telephone should not exceed $150.

A. Sullivan, Bernard & Shea, 914 Ring Building, Washington, D. C.; lawyers.

B. Beneficial Management Corp., 15 Washington Street, Newark, N. J.; loan and finance business.

C. (1) Indefinite, until enactment of H. R. 6073, or end of Eighty-first Congress.

C. (2) H. R. 6073 to amend section 501 (b) (6) of the Internal Revenue Code.

C. 4. (b) Will be paid a fee of $15,000 upon enactment of H. R. 6073; (d) no expenses anticipated.

A. Sullivan, Bernard & Shea, 914 Ring Building, Washington, D. C.; lawyers.

B. Southern Pacific Co., 65 Market Street, San Francisco, Calif.

C. (1) Indefinite.

C. (2) Proposed revenue revision bill amendment to section 117 (j) of the Internal Revenue Code relating to gains or losses on property used in the trade or business.

(4) (b) Reasonable fee to be determined upon termination of employment for this purpose; (d) nominal expenses for telephone and telegraph.

A. John P. Sutherland, assistant legislative representative, Veterans of Foreign Wars of the United States, 1026 Seventeenth Street NW., Washington, D. C.

B. Veterans of Foreign Wars of the United States.

C. (1) Legislative interests to continue indefinitely, because of yearly program.

C. (2) Legislation affecting all veterans and their dependents in relation to employment, hospitalization, rehabilitation, pensions, disability compensation, and housing; welfare of servicemen of the Armed Forces and their dependents; matters relating to the national security, immigration and naturalization, the combating of subversive activities; and the furtherance of a sound foreign policy; other matters included in the resolutions adopted by the national encampment and the national council of administration.

C. (3) VFW Foreign Service, monthly magazine, 1,250,000 circulation; VFW Legislative Newsletter, monthly, 1,000 circulation.

A. Manning Taylor, Broadalbin, N. Y.

[1] Registration with the Clerk only.

B. Economy Smokeater, Inc., 79 Allen Street, Buffalo, N. Y.

C. (1) Indefinitely.

C. (2) Any legislation that might directly or indirectly affect the sale of our product.

C. (4) (a) Monthly; (b) no additional compensation other than regular payment as vice president and general sales manager; (c) continuous; (d) small.

A. Arthur P. Tiernan. (See quarterly report listing.)

A. Earl W. Tinker, 122 East Forty-second Street, New York, N. Y., executive secretary of American Paper and Pulp Association.

B. American Paper and Pulp Association, 122 East Forty-second Street, New York, N. Y.; unincorporated, nonprofit trade association.

C. (1) Legislative interests will continue during employment.

C. (2) The general legislative interests will be those of the employer, American Paper and Pulp Association, namely, any legislation affecting the paper and pulp industry in any of its properties, operations, or practices. No specific description can be given.

C. (4) (a) Compensation is to be paid monthly; (b) compensation will represent such proportion of the registrant's annual salary of $25,000 as his time spent on legislative matters bears to his total working time; (c) employment will be at the pleasure of the board of governors of American Paper and Pulp Association; (d) the nature of registrant's expenses, as presently anticipated, will be hotel, living, and transportation expenses, entertainment expenses, if any, and such other miscellaneous and incidental charges connected with his activities as the occasion may necessarily or properly require. Because of the variable nature and extent of prospective activities no accurate estimate of the amount of such expenses can be made in advance.

This report and all statements herein contained are made in the belief that no activities of registrant are or will be lawfully subject to the Federal Regulation of Lobbying Act and registrant expressly reserves all rights to challenge, in any way or upon any grounds, any and all provisions of the said act or its application in any way to any past, present, or future activities of registrant.

A. Trailer Coach Manufacturers Association, 20 North Wacker Drive, Chicago, Ill.; trade association, representing trailer coach (house trailers) industry; Edward L. Wilson, managing director.

C. (1) Indefinitely.

C. (2) General interest in excise-tax matters or other bills affecting the industry.

A. Joseph P. Tumulty, Jr., 1317 F Street NW., Washington, D. C.; attorney at law.

B. Mihail Marinescu, 14 Wall Street, New York, N. Y.

C. (1) Probable minimum of 3 months, maximum of 2 years.

C. (2) Displaced-persons legislation in general and House Concurrent Resolution 181 in particular.

C. (3) No publications. Compensation, in the nature of an attorney's fee, is to be $1,500 for services to be rendered. The nature of expenses will be postage, telegraph, telephone, and taxicab charges, not likely to exceed $25.

A. Horace Walker, 913 Union Trust Building, Washington, D. C.; public-relations counsel.

B. District of Columbia Pharmaceutical Association, 913 Union Trust Building, Washington, D. C.

C. (1) Indefinite.

C. (2) Pharmacy, pharmaceutical, general drug industry.

C. (3) The Masthead, monthly publication, published and edited by self in interest of boating.

A. Glen A. Wilkinson, 744 Jackson Place NW., Washington, D. C.; attorney.

B. Registrant is associated in practice of law with Ernest L. Wilkinson, who is general counsel for the National Council of Farmer Cooperatives, 744 Jackson Place, Washington, D. C. This registration covers work contemplated on behalf of that organization.

C. (1) Until enactment of H. R. 6000.

C. (2) Interested in assuring that nonfarm employees of farmer cooperatives are covered by the Social Security Act.

C. (4) Registrant's firm is paid an annual retainer by the National Council of Farmer Cooperatives. No additional compensation will be requested for this activity.

A. Woven Wire Products Association,[1] 1721 West School Street, Chicago, Ill.

A. Wyatt, Grafton & Grafton, Marion E. Taylor Building, Louisville, Ky.; practice of law.

B. First Kentucky Co., Fifth and Court Place, Louisville, Ky.; investing in securities.

C. (1) Indefinite.

C. (2) To preserve the right of the First Kentucky Co. to continue in business in its present relationship to the First National Bank of Louisville and the Kentucky Trust Co.; (a) Bank Holding Company Act of 1950; (b) S. 2318 and S. 3547.

C. (4) (a) and (b) No agreement as to compensation; (c) indefinite; (d) customary expenses such as hotel, telephone, telegraph, transportation, and other usual travel and office expenses; indefinite amount.

A. O. David Zimring, an individual, 1029 Vermont Avenue NW., Washington, D. C. (also has business address at 11 South La Salle Street, Chicago, Ill.); lawyer.

B. Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, A. F. of L., 1214 Griswold Street, Detroit 26, Mich., an unincorporated labor organization headed by A. L. Spradling, its International president.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association in legislation which may affect the members of the association and their families. At the present moment the primary legislative interest is in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and amendments which may be offered thereto. There is and will be interest in other bills affecting organized labor employed in urban, suburban and over-the-road transportation and other industries.

C. (3) The association publishes the Union Leader, a weekly journal for its members in the Chicago area; also the Motorman, Conductor, and Motor Coach Operator, a monthly journal for its members in the United States and Canada. These publications are not primarily concerned with legislative interests, but have contained in the past and will publish in the future news stories, reports, and recommendations involving pending or suggested legislation.

C. (4) (a) Compensation will be paid by the day, (b) $200 per day, (c) at odd intervals, probably will average not to exceed a day or two per month; (d) actual traveling expenses; hotel, restaurant meals, taxi fares, etc.

[1] Registration with the Clerk only.

QUARTERLY REPORTS

The following quarterly reports were submitted on the new composite form for the second calendar quarter 1950:

(NOTE.—In order to reduce space, the composite form used for quarterly reports is reproduced below. Questions are not repeated, only the answers are printed and are indicated by their respective letter and number.)

File two copies with the Secretary of the Senate and file two copies with the Clerk of the House of Representatives:
This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.
Place an "X" below the appropriate letter or figure in the box at the right of the "Report" heading below:
"PRELIMINARY" REPORT: To "register," place an "X" below the letter "P" and fill out page 1 only.
"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.
Fill in the year in the box at the left of the "Report" heading below.

Year: 19____	REPORT PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT	P	1	2	3	4

A. ORGANIZATION OR INDIVIDUAL FILING—State name, business address, and nature of business:

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write 'None." (If the work is done in the interest of one person, but payment therefor is made by another, list both persons as employers.)

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If legislative interests have terminated with the current quarter: Please explain, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known.

3. In the case of each publication which the person filing has issued or caused to be issued in connection with legislative interests, set forth: (*a*) description, (*b*) quantity published, (*c*) date of publication, (*d*) name of printer.

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. NOTE.—If this is a "Preliminary" Report, in addition to the other data in the space above, state: (*a*) whether compensation is to be paid by the day, by the month, or by the year; (*b*) what the rate of compensation is to be; (*c*) what the approximate period of employment will be; (*d*) what the nature and amount of anticipated expenses will be.

AFFIDAVIT

[Omitted in printing]

PAGE 1

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS) (from which Expenditures are made, or will be made, in connection with legislative interests):

Receipts (other than loans)
1. $_____Dues and assessments
2. $_____Gifts of money
3. $_____Printed or duplicated matter received as a gift
4. $_____Receipts from sale of printed or duplicated matter
5. $_____Received for services, i. e., salary, fee, per diem, etc.
6. $_____Other contributions received
7. $_____TOTAL for this Quarter (Add items "1" through "6")
8. $_____Received during previous Quarters of calendar year
9. $_____TOTAL from Jan. 1 through this Quarter (Add "7" and "8")

Loans Received
Section 302 (a). "The term 'contribution' includes a . . . *loan* . . ."
10. $_____TOTAL now owed to others on account of loans
11. $_____Borrowed from others during this Quarter
12. $_____Repaid to others during this Quarter

Contributors of $500 or More
(from Jan. 1 through this Quarter)
13. Have there been such contributors?
Please answer "yes" or "no": _____
14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last day of this Quarter, total of $500 or more:
Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor ("Period" from Jan. 1 through _____, 19____)*
$1,500.00	John Doe, 1621 Blank Bldg., New York, N. Y.
1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Expenditures (other than loans)
1. $_____Public relations and advertising services
2. $_____Wages, salaries, fees, commissions (other than Item "1")
3. $_____Gifts or contributions made during Quarter
4. $_____Printed or duplicated matter, including distribution cost
5. $_____Office overhead (rent, supplies, utilities, etc.)
6. $_____Telephone and telegraph
7. $_____Travel, food, lodging, and entertainment
8. $_____All other expenditures
9. $_____TOTAL for this Quarter (add "1" through "8")
10. $_____Expended during previous Quarters of calendar year
11. $_____TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others
Section 302 (b). "The term 'expenditure' includes a . . . *loan* . . ."
12. $_____TOTAL now owed to person filing
13. $_____Lent to others during this Quarter
14. $_____Repayments received during this Quarter

15. $_____If there is an employer, state what amount of the Expenditures for this Quarter has been or will be defrayed by such employer.

16. Recipients of Expenditures of $10 or More
In the case of expenditures made during this Quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following headings: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates*	*Name and Address of Recipient—Purpose*
$1,750.00	7–11	Roe Printing Co., 3214 Blank Ave., St. Louis, Mo. Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7–15, 8–15, 9–15	Britten & Blatten, 3127 Gremlin Bldg., Washington, D. C. Public relations service at $800.00 per month.
$4,150.00	TOTAL	

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A. Lynn Adams, National Committee for Mental Hygiene, 1790 Broadway, New York, N. Y.; Washington representative.

B. National Committee for Mental Hygiene, Inc., 1790 Broadway, New York, N. Y.

C. (1) Present session of Congress.

C. (2) (a and b) H. R. 7786 (general appropriation bill), S. 3102 (Federal aid for special education of physically handicapped children), deficiency appropriation Veterans' Bureau, 9–9–50.

D. (2) $5,000; (7) $5,000; (9) $5,000.

E. (1) $600; (2) $3,997.24; (4) $605.22; (5) $739.65; (6) $1,152.60; (7) $664.20; (8) $142.69; (9) $7,901.60; (11) $7,901.60; (12) $2,901.60.

A. J. Carson Adkerson, 976 National Press Building, Washington, D. C.; mining engineer.

C. (1) Indefinite.

C. (2) Strategic minerals, including manganese; (a) minerals bills, (b) H. R. 834, H. R. 8883, H. R. 2767, H. R. 2777, S. 1223.

D. (6) $100; (7) $100; (8) $825; (9) $925; (13) no.

E. (4) $11.77; (5) $6.68; (6) $7.75; (7) $79.95; (8) $111.65; (9) $217.80; (10) $617.69; (11) $835.49.

A. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D. C., national trade association of the aircraft manufacturing industry.

C. (1) Indefinite.

C. (2) Association is generally interested in any legislation which will affect the welfare of the aircraft industry. Specific bills: S. 2113, to amend the Interstate Commerce Act; S. 3504, to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof.

D. (1) $5,396.37; (7) $5,396.37; (8) $790.80; (9) $6,187.17; (13) yes.

DISCLAIMER

In the opinion of Aircraft Industries Association, the purposes and activities of the association do not fall within the provisions of Public Law 601, Seventy-ninth Congress; no substantial part of the activities of the association consists of carrying on propaganda or otherwise attempting to influence legislation; no contributions are solicited, collected, or received by the association to be used principally for the purposes set forth in section 307 (a) and (b) of the said law; no contributions, solicited, collected, or received by the association, are used principally for such purposes, nor is it the principal purpose of the association to aid in the accomplishment of such purposes. In the opinion of the association, any activities or purposes which might be deemed to fall within the description set forth in section 307 (a) and (b) would be merely incidental to the activities and purposes of the association. In view, however, of the uncertainty as to the proper interpretation of Public Law 601, Seventy-ninth Congress, Aircraft Industries Association hereby submits the following data consisting of items which it deems to be merely incidental to its activities and purposes:

D. (14) (period from Jan. 1 through June 30, 1950) $552.96, Avco Manufacturing Corp., 420 Lexington Ave., New York, N. Y.; $3,357.58, Boeing Aircraft Corp. East Central Ave., Wichita, Kans.; $1,158.09, Bell Aircraft Corp., P. O. Box 1, Buffalo, N. Y.; $13,530.14, Bendix Aviation Corp., Fisher Bldg., Detroit, Mich.; 699.14, The B. G. Corp., 136 W. 52d St., New York, N. Y.; $23,960, Boeing Airplane Co., Box 3107, Seattle, Wash.; $1,269.16, Cessna Aircraft Co., 5800 Franklin Rd., Wichita, Kans., $2,561.03, The Cleveland Pneumatic Tool Co., 3781 East Seventy-seventh St., Cleveland, Ohio; $858.10, Continental Motors Corp., 203 Market St., Muskegon, Mich.; $19,869.70, Consolidated-Vultee Aircraft Corp., San Diego, Calif.; $21,390.08, Curtiss-Wright Corp., Wood-Ridge, N. J.; $21,308.08, Douglas Aircraft Co., Inc., Santa Monica, Calif.; $11,020.76, Fairchild Engine & Airplane Corp., Hagerstown, Md.; $2,791.39, The Garrett Corp., AIResearch Mfg. Co. Div., 9851 Sepulveda Bldg., Los Angeles, Calif.; $3,531.20, General Motors Corp., Aeroproducts Div., P. O. 1047, Municipal Airport, Dayton, Ohio; $41,706.55, General Motors Corp., Allison Division, Speedway, Indianapolis, Ind.; $860.85, General Tire & Rubber Co., 322 Irwindale Ave., Azusa, Calif.; $2,412.60, Hughes Aircraft Corp., Culver City, Calif.; $773.32, Kollsman Instrument Division, The Square D Co., 80–08 Forty-fifty Avenue, Elmhurst, N. Y.; $3,757.39, McDonnell Aircraft Corp., P. O. Box 516, St. Louis, Mo.; $10,461.71, The Glenn L. Martin Co., Baltimore, Md.; $900.50, Minneapolis-Honeywell Regulator Co., 2747 Fourth Avenue S., Minneapolis, Minn.; $19,569.43, North American Aviation, Inc., Los Angeles International Airport, Los Angeles, Calif.; $5,661.09, Northrop Aircraft, Inc., Northrop Field, Hawthorne, Calif.; $640, Piasecki Helicopter Corp., Morton, Pa.; $842.56, Pioneer Parachute Co., Manchester, Conn.; $707.42, Piper Aircraft Corp., Lock Haven, Pa.; $697.67, Radioplane Co., P. O. Box 511, Van Nuys, Calif.; $9,231.44, Republic Aviation Corp., Farmingdale, L. I., N. Y.; $700, Reynolds Metals Co., 2500 S. 3d St., P. O. Box 1800, Louisville, Ky.; $2,054.82, The Ryan Aeronautical Co., Lindbergh Field, San Diego, Calif.; $2,199.24, Sperry Gyroscope Co., Division of The Sperry Corp., Great Neck, Long Island, N. Y.; $750.84, Sundstrand Machine Tool Co., Hydraulic Divisioin, 2531 Eleventh Street, Rockford, Ill.; $7,900.06, Thompson Products, Inc., 23555 Euclid Ave., Cleveland, Ohio; $23,960, United Aircraft Corp. 400 S. Main St., East Hartford, Conn.; $6,576.60, Westinghouse Electric Corp., Aviation Gas Turbine Division, Lester Branch P. O., Philadelphia, Pa.

All of the above receipts are dues paid to the association. No other receipts are reported because no part of them was or will be used for purposes connected with legislation.

The amount shown in line 1 of schedule D is 2.284 percent of the total dues received during the period. This percentage was determined as follows: (a) total expenditures under schedule E, $3,782.09; (b) total expenditures for all purposes, $185,129.63; (c) less expended on behalf of others from funds already collected or to be collected (no legislative activity involved), $19,536.65; (d) net expended for our own account, $165,592.98; (e) percentage of (a) to (d), 2.284 percent.

NOTE.—In addition to Mr. Goss there are registered under Public Law 601, Seventy-ninth Congress, our president and general manager, DeWitt C. Ramsey; the director of our traffic service, Harry R. Brashear; and our general counsel, Spence, Hotchkiss, Parker & Duryee. Their salaries and retainers are paid for their services without any regard to any services in connection with legislation and consequently no part thereof was paid for legislative activities. Their activities of a legislative character during the quarter have been:

Mr. Ramsey appeared and testified in favor of S. 3504.

Mr. Brashear filed a statement in opposition to S. 2113.

E. (1) $3,249.99; (4) $532.10; (9) $3,782.09; (10) $3,417.51; (11) $7,199.60.

A. Nels Peter Alifas, room 303, Machinists Building, Washington, D. C., legislative representative of District Lodge No. 44, International Association of Machinists.

B. District No. 44, International Association of Machinists.

C. (1) Until my present term of office expires December 31, 1951, or earlier if I retire.

C. (2) Lobbying, i. e., supporting or opposing as the case may be, legislation affecting working conditions of Government employees and incidentally organized labor in general. Not more than 20 percent of my time was spent on this work during second quarter of 1950. For further particulars see page 3 under C (2) hereto attached.

C. (3) I do not recall having any material printed bearing on legislation during the second quarter of 1950, other than mimeographed circular letters mailed to approximately 510 persons, and individual letters imparting information about the status of legislation; and answering inquiries relating to legislation; and perhaps suggesting in response to inquiries that they write their Senators and Congressmen.

D. (5) $1,999.98; (6) $30; (7) $2,029.98; (8) $2,024.98; (9) $4,054.96; (13) No.

E. (7) $30; (9) $30; (10) $25; (11) $55; (15) $30.

A. W. L. Allen,[2] 5913 Georgia Avenue NW., Washington, D. C., international president, Commercial Telegraphers' Union, International (AFL).

B. The Commercial Telegraphers' Union, International (AFL), 5913 Georgia Avenue NW., Washington, D. C., labor organization.

C. (1) I cannot give any definite date. It will continue for as long as I am in office as president of the labor organization referred to, and for as long as legislation may be introduced, repealed, or modified, which may affect the interests of this organization, of allied or affiliated organizations, or other labor organizations concerned.

C. (2) My general legislative interest is the interest of the labor organizations referred to. As such I am interested in any legislation which will or may affect the members thereof, such as the Labor-Management Relations Act, 1949, the wage-and-hour law, etc.

C. (3) I have not issued or caused to be issued any publication in connection with legislative interests. The Commercial Telegraphers' Union, International (AFL), does have a monthly publication known as the Commercial Telegraphers' Journal, which is devoted to matters of general union interest, and which thus includes stories having to do with legislation affecting union interests.

D. (13) No.

A. W. L. Allen, 5913 Georgia Avenue NW., Washington, D. C., international president, Commercial Telegraphers' Union, International (AFL).

B. The Commercial Telegraphers' Union, International (AFL), 5913 Georgia Avenue NW., Washington, D. C., labor organization.

C. (1) No definite date. It will continue for as long as I am in office as president of the labor organization referred to, and for as long as legislation may be introduced, repealed, or modified, which may affect the interests of this organization, of allied or affiliated organizations, or other labor organizations concerned.

C. (2) My general legislative interest is the interest of the labor organizations referred to. As such I am interested in any legislation which will or may affect the members thereof, such as the Labor-Management Relations Act, 1949; the wage-and-hour law, etc. During the second quarter of 1950 I did not engage in any activity concerning these legislative interests.

C. (3) I have not issued or caused to be issued any publication in connection with legislative interests. The Commercial Telegraphers' Union, International (AFL) does have a monthly publication known as the Commercial Telegraphers' Journal, which is devoted to matters of general union interest, and which thus includes stories having to do with legislation affecting union interests.

D. (13) No.

A. R. G. Allman, attorney, resident agent, 927 Fifteenth Street NW., Washington, D. C.

C. (1) Until section 8 of the War Claims Act of 1948 is passed.

D. (13) No.

[2] Filed for first quarter, 1950.

E. (5) $30; (6) $20; (7) $50; (9) $100, approximately; (10) $100, approximately; (11) $100.

A. Ellsworth C. Alvord, 1200 Eighteenth Street NW., Washington, D. C.; attorney.

B. Committee of American Contractors Engaged in Foreign Work, 140 Cedar Street, New York, N. Y.

C. (1) During Eighty-first Congress, second session.

C. (2) Taxation of American employees engaged in foreign work.

E. (6) $2.88; (8) $0.40; (9) $3.28.

A. Ellsworth C. Alvord, 1200 Eighteenth Street NW., Washington, D. C.; attorney.

B. Victor L. Brown, president, Motors Acceptance Co., First Wisconsin National Bank Building, Milwaukee, Wis.; as chairman of a committee representing companies similarly interested.

C. (1) Eighty-first Congress, second session.

C. (2) Amend section 502, Internal Revenue Code, regarding personal holding-company income.

E. (6) $20.27; (8) $5.20; (9) $25.47.

A. Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 1214 Griswold Street, Detroit, Mich.; A. L. Spradling, international president, same address.

B. Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, A. F. of L., same address as shown above, is the employer and is represented by its international president and other international officers and representatives.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association and its officers and representatives are in legislation which may affect the members and families represented in the association, which is an unincorporated labor organization. During the second quarter, 1950, its principal interest was in H. R. 6000 as found in Senate Report 1669, and amendments offered thereto.

C. (3) The association publishes its monthly official organ, the Motorman and Conductor and Motor Coach Operator, national in distribution to members; also its official weekly journal of the organized street railway, rapid transit and bus employees of the Chicago, Ill., area, the Union Leader. These publications are not primarily concerned with legislative interests but they have contained in the past and will contain in the future news stories, reports and recommendations involving pending or suggested legislation—local, State, and National.

C. (4) (a) Officers and employees of the association are paid salaries or wages for their regular work; no additional compensation has been paid during second quarter 1950 for legislative work; (b) none additional; (c) indefinite; (d) travel expense, hotel, meals, taxi fares and minor items such as clothes pressing, shoe shines, laundry and tips.

D. There were no receipts made or will be made in connection with legislative interests. The association receives per capita dues and initiation fees for use in maintaining and operating its activities as a labor union, but there have been no additional receipts, contributions, or loans made or will be made in connection with legislative interests; (13) no.

E. Wages and salaries were the normal salaries which would have been paid if no legislative work had been performed. None additional was paid for legislative work. Later on, Mr. Zimring and staff will be paid for their work when bill is rendered. Expense of travel, food, lodging, taxis and minor incidentals will be reimbursed but payment for second quarter, 1950, will be made during third quarter. Other association business was transacted, and the legislative expense will be apportioned.

A. American Association of University Women, 1634 Eye Street NW., Washington, D. C.; an educational nonprofit organization promoting higher education for women.

C. (1) Legislative interests are continuing and are within framework of a program voted by membership at biennial convention.

C. (2) Federal aid to education, S. 246 (except sec. 6), H. R. 7160; ECA and point 4 programs, S. 3304 and H. R. 7797; Reorganization Plan No. 27, as regards the Office of Education only; equal rights amendment, Senate Joint Resolution 25 as amended; strengthening the United Nations, Senate Concurrent Resolution 72; school construction and teachers' pay.

C. (3) Mimeographed materials on status of current legislation being supported by the association, sent to State legislative program chairman.

E. (4) $55.14; (6) $5.38; (9) $60.52; (10) $149.24; (11) $209.76.

A. American Butter Institute, 110 North Franklin Street, Chicago, Ill.; national trade association for the butter-manufacturing industry.

C. (1) Continuous observation of general farm legislation affecting the butter and dairy industry.

C. (2) H. R. 2023, H. R. 6000, wage-hour law and all appropriation bills.

D. It is not possible to report contributions received for the purposes designated in "expenditures" since no solicitation for funds is made by the American Butter Institute for these purposes. The income of the institute is derived from annual membership dues and is received in contemplation of supporting all of the programs and activities of the institute. These programs and activities are not principally related to proposed legislation.

E. (1) $10,489.89; (2) $1,037.60; (4) $234.36; (6) $189.99; (8) $179.93; (9) $12,131.77.

A. American Civil Liberties Union, Inc.,[3] 170 Fifth Avenue, New York, N. Y.; Independent, nonpolitical organization devoted to the preservation and promotion of civil liberties.

C. (1) As long as the American Civil Liberties Union continues to exist.

C. (2) We are interested in all legislation in any way affecting civil liberties. Among specific bills of present concern are: Antilynching (S. 91, H. R. 4683); antipoll tax (S. 1727, H. R. 3199); omnibus civil rights (S. 1725, H. R. 4682); FEPC (S. 1728, H. R. 4453); displaced persons (H. R. 4567); Convention on Genocide; bills for establishing fair procedures for congressional committees (S. Con. Res. 2, H. J. Res. 20 et al); home rule for the District of Columbia (S. 1527); the Mundt-Ferguson-Johnston bill (S. 2311) and the Nixon bill (H. R. 7595); several bills affecting immigration and naturalization; several bills affecting American Indians.

C. (3) None. (See covering letter.[4])

D. (1) $171.92; (2) $50.53; (4) $2.77; (6) $3.18; (7) $228.40; (13) Yes; (14) $47,640.22, estate of Betsy B. Davis, care of Kurzman & Frank, 25 Broad Street, New York 4, N. Y.; $500, estate of Ann D. Geller, care of City Bank Farmers Trust Co., 22 William Street, New York, N. Y.; $1,000, estate of Trautman, care of Charles E. Beardsley, Esq., 601 Rowan Building, Los Angeles 13, Calif.; $2,000, estate of Oswald Garrison Villard, care of Sullivan & Cromwell, 48 Wall Street, New York 5, N. Y.; total, $51,140.22.

E. (2) $186.85, (5) $25.93; (6) $15.62; (9) $228.40.

A. American Civil Liberties Union, Inc.,[3] 170 Fifth Avenue, New York City, N. Y.; independent, nonpolitical organization devoted to the preservation and promotion of civil liberties

C. (1) As long as the American Civil Liberties Union continues to exist.

C. (2) We are interested in all legislation in any way affecting civil liberties. Among specific bills of present concern are: Antilynching (S. 91, H. R. 4683); antipoll tax (S. 1727, H. R. 3199); omnibus civil rights (S. 1725, H. R. 4682); FEPC (S. 1728, H. R. 4453); displaced persons (H. R. 4567); Convention on Genocide; bills for establishing fair procedures for congressional committees (S. Con. Res. 2, H. J. Res. 20, and others); home rule for the District of Columbia (S. 1527); the Mundt-Ferguson-Johnston bill (S. 2311); and the Nixon bill (H. R. 7595); several bills affecting immigration and naturalization; several bills affecting American Indians.

C. (3) None. (See covering letter.[4])

D. Percentage considered to have been paid for influencing legislation, 1.9 percent; (1) $388.10; (2) $208.72; (4) $9.80; (6) $10.30; (7) $616.92; (14) $1,000, estate of Clara E. Grueninger, 22 Glenwood Apartments, Cincinnati 24, Ohio; $500, estate of Fay Lewis, care of Illinois Bank & Trust Co., 228 South Main Street, Rockford, Ill.; total, $1,500.

E. (2) $355.24; (5) 55.51; (6) $146.17; (7) $60; (9) $616.92; (11) $616.92.

A. American Coalition, Southern Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) American Coalition is a patriotic, nonprofit organization representing organizations of like character, the purpose of which is to promote patriotism and a better understanding of the American form of government and to preserve it against attack. This report is being filed to avoid any question as to the duty of American Coalition to file reports under the statute and is not to be deemed an admission that the statute requires it to file such a report.

D. (2) $2,080; (8) $2,724.13; (9) $4,804.13; (13) Yes; (14) H. S. Richardson, Greensboro, N. C., $1,000, January 13, 1950; John B. Trevor, 11 East Ninety-first Street, New York City, $500, April 10, 1950; John B. Trevor, 11 East Ninety-first Street, New York City, $1,000, June 9, 1950.

E. (2) $750; (4) $92.61; (5) 415.97; (6) $98.87; (7) $33; (9) $1,390.45; (10) $4,272.97; (11) $5,663.42.

A. American Council on Human Rights, Elmer W. Henderson, director, 1130 Sixth Street NW., Washington, D. C.; to further the cause of human and civil rights.

B. American Council on Human Rights, 1130 Sixth Street NW., Washington, D. C.

C. (1) Duration of Congress.

C. (2) Civil rights and social welfare legislation; S. 1728, FEPC, H. R. 4493, FEPC.

C. (3) (a) FEPC Digest (copy attached); (b) 4,000 copies; (c) January 10, 1950; (d) Metro Press.

D. (7) $4,375; (9) $4,375; (13) yes; (14) the American Council on Human Rights is a cooperative program of the seven collegiate fraternities and sororities listed below. Its purpose is to further the cause of human and civil rights. In connection with its program the council supports or opposes legislation, both State and Federal, and its director makes occasional contacts with Congressmen and Senators and appears before congressional committees. The council's total budget is $17,500 per year, which is made up from equal contributions by the organizations listed below. We are listing the director's salary and our printing bill as specific expenditures for legislative purposes. We are also attaching a copy of our treasurer's report for 11½ months ending March 15, 1950. $625, Alpha Kappa Alpha Sorority,

[3] Filed for first quarter, 1950.

[3] Filed for fourth quarter, 1949.

[4] Not printed. Filed in the Secretary's office.

[4] Not printed. Filed in the Clerk's office.

Mrs. Laura T. Lovelace, president, 1303 Burdette Avenue, Cincinnati, Ohio; $525, Alpha Phi Alpha Fraternity, Mr. Belford V. Lawson, Jr., president, 2001 Eleventh Street NW., Washington, D. C.; $525, Delta Sigma Theta Sorority. Miss Dorothy I. Height, president, 600 Lexington Avenue, New York, N. Y.; $625, Kappa Alpha Psi Fraternity, Mr. J. Ernest Wilkins, president, 180 West Washington Street, Chicago, Ill.; $625, Phi Beta Sigma Fraternity, Dr. R. O. Johnson, president, 634 Beckwith Street SW., Atlanta, Ga.; $625, Sigma Gamma Rho Sorority, Mrs. Sallie Nuby Edwards, president, 4259a Enright Avenue, St. Louis, Mo.; $625, Zeta Phi Beta Sorority, Dr. Nancy B. Woolridge, president, Box 213, Hampton Institute, Hampton, Va.

E. (2) $1,750; (4) $65; (9) $1,815; (16) $1,750, bimonthly, Elmer W. Henderson, salary; $65, March 31, 1950, Metro Publishers, printing FEPC Digest.

A. American Council of Style and Design, Inc., 60 East Forty-second Street; New York, N. Y.; trade association.

C. (1) Indeterminate.

C. (2) No specific interest in any statutes or bills now before the House or Senate. Interest of council is in securing adequate legislation to protect original commercial styles and designs on textile fabrics and other commodities.

A. American Farm Bureau Federation, 221 North La Salle Street, Chicago, Ill.; 261 Constitution Avenue NW., Washington, D. C.; the American Farm Bureau Federation is a general farm organization with a membership of farm families in 45 States and the insular possession of Puerto Rico. It has approximately 1,400,000 farm-family members. As a general farm organization it carries on an educational program involving the interests of farmers of a social, educational and economic character.

C. (1) The legislative interests of the American Farm Bureau Federation have been existent since its organization early in 1920 and no doubt will continue during the coming years.

C. (2) The general legislative interests of the American Farm Bureau Federation cover primarily the fields of legislation affecting agriculture directly.

C. (3) The American Farm Bureau Federation publishes periodically two publications—one is known as the Nation's Agriculture, with a circulation of approximately 1,400,000, issued monthly to all of its members of record. In addition to the Nation's Agriculture it publishes a news weekly. This is published weekly and has a circulation of approximately 29,000. This is circulated among the officers and directors primarily of the State farm bureaus and the county farm bureaus. The Nation's Agriculture is published by the Cable Bros. Co., of Mount Morris, Ill., and the news weekly is published by the Prairie Press, 1230 West Washington, Chicago, Ill.

D. (1) Collections from State organizations, $97,566.33; income from investments, $12,984.01; news-letter subscriptions, $2,143.24; miscellaneous, $322.30; total income, $113,015.88.

E. (1) Total expense, $212,121.77.

NOTE: No part of the foregoing disbursements was made to any person to influence legislation except as the registered persons in the employment of the association are needed to meet salaries and travel and sustenance expenses. There were no gifts or loans made to anyone.

A. American Federation of Labor, 901 Massachusetts Avenue NW., Washington, D. C.; federation of trades and labor unions.

C. (1) Indefinitely.

C. (2) Legislation affecting the interests of working people.

C. (3) American Federationist, organization journal; quantity, 140,600 per month, published monthly; printed by Ransdell, Inc.

D. (1) $29,420.50; (4) $320.45; (7) $29,740.95; (8) $31,003.93; (9) $60,744.88. During the period of this report, April 1, 1950, to June 30, 1950, the American Federation of Labor did not receive funds which were earmarked for the purpose designated in subparagraph (a) or (b) of section 307 of the Legislative Reorganization Act. Item D (1), "Dues and assessments," represents 4.1 percent of total receipts; item 4 represents 12½ percent of total receipts.

E. (9) $28,085.08; (10) $30,643.79; (11) $58,728.87.

A. American Federation of the Physically Handicapped, 1370 National Press Building, Washington, D. C.; an organization composed primarily of handicapped citizens, concerned with development of ameliorative national and local programs of benefit to physically handicapped people.

B. American Federation of the Physically Handicapped; addressed and purpose listed under A.

C. (1) Continuous.

C. (2) S. 1066 and H. R. 3095 and identical House bills, to establish a Federal Commission (Agency) on services for the physically handicapped; S. 458 and H. R. 3937, survey (census) of handicapped; S. 1538 and H. R. 1729 and identical House bills, to establish the National Cerebral Palsy Act; S. 659 and H. R. 3893, National Epilepsy Act; S. 2761 and H. R. 5234, National Leprosy Act; Senate Concurrent Resolution 37 and House Concurrent Resolution 143, to repeal Interstate Commerce Commission rule prohibiting amputees from driving trucks or busses in interstate commerce. The foregoing are all our own bills. We have given publicity to them by bulletins, correspondence, etc., as that part of the work of this federation on national level.

C. (3) Bulletins are issued from time to time, by the American Federation of the Physically Handicapped, containing status of pending legislation. Are beginning publication of our official organ Valor. (b) Quantity printed varies. (d) National Publishing Co., Washington Planograph Co.

D. (14) $2,500, International Ladies Garment Workers Union, New York, January 1 through March 31, 1950; $500, Brotherhood of Locomotive Firemen & Enginemen, Cleveland, Ohio, January 1 through March 31, 1950; $2,500, United Mine Workers of America, Washington, D. C., small percentage of dues are used, but much of work is for promotion of employment of handicapped; $2,500, United Steel Workers of America, Pittsburgh, Pa., April 1 through June 30, 1950; $500, International Association of Bridge, Structural & Ornamental Iron Workers, St. Louis, Mo., April 1 through June 30, 1950; $500, Amalgamated Clothing Workers of America, New York, April 1 through June 30, 1950; $2,000, Brotherhood of Maintenance of Way Employees, April 1 through June 30, 1950; $2,500, United Mine Workers of America, Washington, D. C., April 1 through June 30, 1950.

E. (2) $600; (4) $580; (7) $265.23; (8) $335; (9) $1,785.23; (10) $1,626.10; (11) $3,411.33; (15) $1,735.23.

A. American Hospital Association, 18 East Division Street, Chicago 10, Ill.; an association whose membership includes most of the hospitals of the Nation and the Blue Cross plans.

C. (1) Continuing interest.

C. (2) (b) The American Hospital Association is concerned about all legislation which may affect hospital care for the American people or which may affect the ability of hospitals to continue to render good care. Specific legislative interests are set forth as follows: S. 5, House Joint Resolution 7, Senate Concurrent Resolution 7, H. R. 12, Senate Resolution 16, Senate Concurrent Resolution 17, House Concurrent Resolution 29, Senate Concurrent Resolution 92, Senate Joint Resolution 126, S. 132, Senate Resolution 147, Senate Resolution 184, H. R. 184, H. R. 185, S. 205, House Concurrent Resolution 213, S. 231, S. 247, S. 249, S. 249 amendment, H. R. 258, H. R. 267, Senate Resolution 273, H. R. 311, H. R. 323, House Resolution 343, H. R. 345, H. R. 359, H. R. 363, House Joint Resolution 403, H. R. 447, House Joint Resolution 455, S. 522, H. R. 536, S. 614, S. 653, S. 659, S. 704, S. 753, H. R. 782, H. R. 783, H. R. 785 H. R. 809, S. 859, S. 870, S. 904, H. R. 991, S. 1066, S. 1106, H. R. 1258, H. R. 1402, S. 1415, S. 1453, S. 1456, S. 1538, S. 1581, S. 1591, S. 1592, S. 1651, S. 1679, S. 1679 amendment, H. R. 1721, H. R. 1729, S. 1765, H. R. 1779, S. 1805, H. R. 1845, S. 1953, S. 1969, S. 1970, S. 2008, H. R. 2018, H. R. 2023, H. R. 2032, H. R. 2033, H. R. 2045, S. 2060, S. 2060 amendment, S. 2116, H. R. 2175, H. R. 2176, S. 2211, S. 2228, S. 2272, H. R. 2297, H. R. 2308, S. 2352, H. R. 2371, S. 2404, H. R. 2497, H. R. 2524, H. R. 2525, H. R. 2526, H. R. 2567, S. 2581, S. 2584, S. 2591, S. 2642, H. R. 2645, S. 2697, H. R. 2751, S. 2761, H. R. 2870, H. R. 2892, H. R. 2893, S. 2940, H. R. 2976, S. 2978, H. R. 3025, H. R. 3033, H. R. 3070, H. R. 3089, H. R. 3147, H. R. 3228, H. R. 3258, H. R. 3296, H. R. 3515, H. R. 3645, H. R. 3647, H. R. 3737, H. R. 3828, H. R. 3893, H. R. 3894, H. R. 3929, H. R. 3937, H. R. 3943, H. R. 3983, H. R. 3984, H. R. 4030, H. R. 4089, H. R. 4114, H. R. 4126, H. R. 4135, H. R. 4147, H. R. 4157, H. R. 4215, H. R. 4240, H. R. 4244, H. R. 4245, H. R. 4272, H. R. 4290, H. R. 4291, H. R. 4297, H. R. 5312, H. R. 4313, H. R. 4348, H. R. 4352, H. R. 4384, H. R. 4396, H. R. 4426, H. R. 4465, H. R. 4596, H. R. 4618, H. R. 4620, H. R. 4660, H. R. 4725, H. R. 4763, H. R. 4771, H. R. 4784, H. R. 4811, H. R. 4815, H. R. 4840, H. R. 4841, H. R. 4846, H. R. 4874, H. R. 4876, H. R. 4914, H. R. 4918, H. R. 4919, H. R. 4920, H. R. 4921, H. R. 4922, H. R. 4923, H. R. 4924, H. R. 4925, H. R. 4926, H. R. 4927, H. R. 4928, H. R. 4929, H. R. 4930, H. R. 4931, H. R. 4944, H. R. 5046, H. R. 5087, H. R. 5162, H. R. 5175, H. R. 5182, H. R. 5234, H. R. 5284, H. R. 5393, H. R. 5504, H. R. 5567, H. R. 5625, H. R. 5669, H. R. 5830, H. R. 5835, H. R. 5856, H. R. 5865, H. R. 5903, H. R. 5940, H. R. 5965, H. R. 5969, H. R. 6000, H. R. 6034, H. R. 6084, H. R. 6200, H. R. 6201, H. R. 6202, H. R. 6253, H. R. 6297, H. R. 6324, H. R. 6566, H. R. 6634, H. R. 6727, H. R. 6766, H. R. 6819, H. R. 6981, H. R. 6982, H. R. 7325, H. R. 7418, H. R. 7617, H. R. 8369, H. R. 8647, H. R. 8674.

C. (3) (a, b, c, and d) Publications issued in connection with legislative interests are as follows: 1. Copies of letter of John H. Hayes, chairman, Council on Government Relations, to Hon. OLIN D. JOHNSTON, chairman, Senate Post Office and Civil Service Committee, and JOHNSTON'S answering letter regarding the increased rate on post cards, with covering letter; sent to officers of the association, April 1950; dittoed in Washington office (30 copies, mailing, $9). 2. Letter from John H. Hayes, chairman, Council on Government Relations, to institutional members concerning old-age and survivors benefits under H. R. 6000; sent to all institutional members, April 28, 1950; mimeographed in Chicago office (4,000 copies, mailing, $87.52). 3. Copies of Representative KEEFE'S speech on Hospital Survey and Construction Act appropriation, with covering letter from George Bugbee, executive director of the American Hospital Association; sent to all institutional members, May 1950; Monarch Printing Co., Chicago (4,000 copies of Bugbee letter mimeographed, $16; 4,000 copies Representative KEEFE'S speech, $70.75; mailing, $42.07). 4. Communication regarding labeling of margarine, enclosing folder the New Federal Law on Serving Yellow Margarine, published by the National Association of Margarine Manufacturers; sent to all institutional members, June 8, 1950; Monarch Printing Co., Chicago (4,000

copies, $15.75; mailing $41.83). 5. Letter from John H. Hayes regarding social-security benefits for hospital employees under H. R. 6000; sent to all institutional members, June 1950; Premier Printing Co., Chicago (4,000 copies, $53.40; mailing, $104.06; total, $440.38).

D. (1) $6,845.87; (7) $6,845.87; (8) $6,637.63; (9) $13,483.50; (1) No.

E. (2) $3,756.26; (4) $452.64; (5) $629.05; (6) $255.68; (7) $863.22; (8) $889.02; (9) $6,845.87; (10) $6,637.63; (11) $13,483.50.

A. American Hotel Association, 221 West Fifty-seventh Street, New York, N. Y.; a trade association.

C. (1) Indefinitely.

C. (2) All bills and statutes of interest to the hotel industry.

C. (3) No publications except bulletins to State hotel associations and to members thereof. (Not sent to nonmembers of general public.)

D. (1) $99,753.88; (6) $19,257.65; (7) $119,011.53; (8) $132,484.20; (9) $251,495.73.

E. (9) $7,203.96.

A. American Institute of Accountants, 270 Madison Avenue, New York, N. Y.

C. Tax settlement bill, H. R. 2983; tax court bill, H. R. 3113; administrative practitioners bill, H. R. 8201.

A. The American Legion National Headquarters, 777 North Meridian Street, Indianapolis, Ind; classified as Civic League for Social Welfare.

C. (1) Indefinitely.

C. (2) Below is set forth a statement showing the general legislative interests of the American Legion and the work performed in connection therewith: The American Legion and all veterans of World War I and World War II and their dependents on all matters affecting their care, rehabilitation, hospitalization, reeducation and housing; all matters affecting the general welfare of our country with regard to national defense. Americanism, included in which is opposition to all subversive activities, with particular attention to our immigration and naturalization laws. Child welfare, not only for children of veterans but for all children; aid and assistance to veterans in agriculture development; matters dealing with our foreign policy and foreign relations; the development of sound civil aviation programs and policies, and the development of sound and progressive programs for the employment and reemployment of veterans in civilian pursuits and in civil service; legislation which would eliminate all improper discriminations and be of benefit to the men and women who are still in our armed services, and all other matters included in the mandates and programs of the American Legion as adopted and approved by the National Convention of the American Legion and/or by its national executive committee, which are the ruling and policy-making bodies of the American Legion; (a) due to the nature and extent of the work involved, it is impossible to specify the titles of statutes and bills; (b) the House and Senate numbers of bills; or (c) the citations of statutes.

C. (3) The legislative commission of the American Legion prepares an article on legislation pending before Congress, which is inserted in the American Legion magazine once a month. The American Legion magazine is distributed to all members of the American Legion. The only publication issued by the American Legion legislative commission is the Legislative Bulletin, which is issued once a week while Congress is in session; (a) the American Legion magazine is a magazine of interest to veterans, and as above stated, is sent to all members who have paid dues and is part of the consideration for payment of dues. The Legislative Bulletin is issued to subscribers and also to certain officers of the American Legion who receive same without paying any consideration therefor. Paid subscribers are charged $3 per congressional session; (b) during the past year slightly in excess of 3,000,000 copies of the American Legion magazine were published, and at the present time approximately 4,000 copies of the Legislative Bulletin are issued; (c) the American Legion magazine is issued the early part of each month. The Legislative Bulletin is issued on Tuesday of each week while Congress is in session; (d) the American Legion magazine is printed by C. T. Dearing Printing Co., and the Legislative Bulletin is printed by the Law Reporter Printing Co.

D. (1) $11,860; (2) $4,366.90; (4) $189; (7) $16,415.90; (8) $118,814.06; (9) $135,229.96; (13) Have there been such contributors? Please answer "yes" or "no": yes; (14) $500, H. D. Hudson Co., 589 East Illinois Street, Chicago, Ill, January 1 through March 31, 1950.

E. (1) $1,775.06; (2) $11,376.11; (4) $3,100.97; (5) $1,239.29; (6) $674.05; (7) $2,352.75; (8) $89.11; (9) $20,607.44; (10) $46,632.18; (11) $67,239.62.

A. American Library Association, 50 East Huron Street, Chicago, Ill..

C. (1) Indefinitely.

C. (2) (a) H. R. 6000, social security; (b) H. R. 2945, S. 1103, postal rates; (c) H. R. 7057, S. 2909, land-grant college restrictions; (d) H. R. 5939, teachers' salaries.

C. (3) Mimeographed news letter issued irregularly at least 12 times a year; quantity, between 300 and 400; mimeographed by American Library Association.

D. (2) $976.05; (4) $78.50; (7) $1,054.55; (8) $6,661.85; (9) $7,716.40; (13) Yes; (14) $500, Public Library Division of the American Library Association, 50 East Huron Street, Chicago, Ill.; $700, Library Extension Division of the American Library Association, 50 East Huron Street, Chicago, Ill.; total, $1,200.

E. (2) $2,277.88; (4) $65.17; (5) $758.31; (6) $241.17; (7) $1,780; (8) $17; (9) $5,139.53; (10) $4,767.06; (11) $9,906.59.

A. American Medical Association, a corporation, 535 North Dearborn Street, Chicago, Ill.; to promote the science and art of medicine.

C. (1) Indefinitely.

C. (2) The general legislative interest of the American Medical Association is to advance the science and art of medicine.

1. Federal assistance to establish local public health units: S. 522, a bill to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, and for other purposes. And all similar bills including S. 132, H. R. 785, H. R. 5830, H. R. 5865, and H. R. 6981.

2. Amendments to Hospital Survey and Construction Act: S. 614, a bill to amend the Hospital Survey and Construction Act, to extend its duration and provide greater financial assistance in the construction of hospitals, and for other purposes. Similar legislation, includes S. 1765, H. R. 323, H. R. 3025, H. R. 3070, H. R. 3515, H. R. 3737, H. R. 991, H. R. 2175, H. R. 2176, H. R. 2567, H R. 3025, H. R. 3070, H. R. 3515, H. R. 3737, H. R. 4126, H. R. 4215, and H. R. 4771.

3 Physically handicapped: S. 1066, to establish a Federal Commission on Services for the Physically Handicapped, to define its duties, and for other purposes. Similar bills including S. 458, S. 1066, S. 2273, S. 3465, H. R. 3095, H. R. 3937, H. R. 4348, H. R. 6084, and H. R. 7801.

4. School health services: S. 1411, to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions. Similar bills including H. R. 3942, H. R. 4089, H. R. 4114, H. R. 4135, H. R. 4147, H. R. 4157, H. R. 4240, H. R. 4245, H. R. 4291, H. R. 4297, H. R. 4352, H. R. 4660, H. R. 4784, and H. R. 5284.

5. Social Security Act in particular relation to aid to the permanently or totally disabled: H. R. 6000, to extend and improve the Federal Old Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes. All similar bills including H. R. 1258, H. R. 3983, H. R. 6297, and H. R. 7617.

6. National Science Foundation Act: S. 247 to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes. Similar bills including H. R. 12, H. R. 185, H. R. 311, H. R. 359, H. R. 1845, H R. 2308, H. R. 2751, and H. R. 4846.

7. Health programs: S. 1679, to provide a program of national health insurance and public health and to assist in increasing the number of adequately trained professional and other health personnel, and for other purposes, and other bills proposing the same type of medical care program including S. 1106, S. 1456, S. 1581, S. 1805, S. 1970, S. 2940, H. R. 345, H. R. 4312, H. R. 4313, H. R. 6766, H. R. 6982, and H. R. 8746.

8. Medical research: Numerous bills proposing Federal aid in medical research projects, including S. 102, S. 659, S. 704, S. 1538, S. 1651, S. 2211, S. 2591, H. R. 62, H. R. 1729, H. R. 3929, H. R. 3943, H. R. 4030, H. R. 4738, H. R. 4840, H. R. 4973, H. R. 5046, H. R. 5073, H. R. 5234, H. R. 6324, and House Concurrent Resolution 29.

9. Federal aid to medical education: S. 1453, to amend the Public Health Service Act to provide grants and scholarships for education in the medical, dental, dental hygiene, public health, nursing, and sanitary engineering professions, and for other purposes. Similar bills including H. R. 1779, H. R. 3894, H. R. 5940, and H. R. 8886.

10. Executive Department of Health, Education, and Security, and similar legislation: The bill to establish a Department of Welfare, Education, and Security failed enactment by the Eighty-first Congress but the association will continue its interest in legislation of this type, such as Reorganization Plan No. 27, S. 2060.

11. Industrial health and safety: H. R. 1247, to provide for cooperation with State agencies administering labor laws in establishing and maintaining safe and proper working conditions in industry and in the preparation, promulgation, and enforcement of regulations to control industrial health hazards. Other similar bills, including H. R. 3283 and H. R. 4075.

12. Federal income-tax deductions in relation to expenses for medical care: S. 1969, to provide for the deduction of subscription charges to certain prepayment health service plans for the purposes of the Federal income tax. Other similar legislation, including H. R. 440, H. R. 2442, H. R. 4926, H. R. 4927, H. R. 4928, H. R. 4929, H. R. 4930, H. R. 4931, H. R. 5162, H. R. 6727, H. R. 6819, H. R. 7418, and H. R. 8905.

13. Amendments to Food, Drug and Cosmetic Act: S. 1867, to amend the Federal Food, Drug, and Cosmetic Act by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bacatarcin, or any derivate thereof. Other bills proposing amendments to this act, including H. R. 160, H. R. 922, H. R. 2969, H. R. 3151, H. R. 4203, and H. R. 8904.

14. Legislation proposing a United Medical Administration: H. R. 5182, to consolidate certain hospital, medical, and public health functions of the Government in a United Medical Administration, and its companion bill in the Senate, S. 2008.

15. Miscellaneous legislation and other bills relating to health including H. R. 857, H. R.

1000, H. R. 1512, H. R. 2018, H. R. 3001, H. R. 4384, H. R. 5870, H. R. 6566, H. R. 6634, H. R. 7235, S. 758, S. 936, S. 1687, S. 2025, S. 2272, S. 2584, Senate Resolution 204, and Senate Concurrent Resolution 17.

C. (3) Informational bulletins, 4,500 capies, irregular intervals, Washington office of the American Medical Association.

D. (1) $277,350; (7) $277,350; (8) $218,338; (9) $495,688; (13) No.

E. (1) $150,000; (2) $23,429.65; (5) $4,442.96; (6) $688.13; (7) $1,562.46; (8) $7,333.28; (9) $187.456.48; (10) $160,119; (11) $347,575.48.

A. American National Live Stock Association, 515 Cooper Building, Denver, Colo.

C. (2) The proposed legislation supported or opposed: Federal beef grades; capital gains (amendment to sec. 117 (j) of the Internal Revenue Code); Internaitonal Trade Organization Charter; reciprocal-trade program; Forest Service matters.

D. (1) $20,420.74; (7) $20,420.74; (8) $36,417.26; (9) $$56,838.

E. (2) $4,500; (6) $22.30; (7) $385.09; (8) $41.97; (9) $4,949.36; (10) $7,043.70; (11) $11,993.06.

A. American Nurses' Association, 1790 Broadway, New York, N. Y., professional organization of graduate registered professional nurses in the United States, Territories, and possessions.

C. (1) Legislative interests will continue so long as legislation relating to nurses, nursing or health is pending or needed (i. e., indefinitely).

C. (2) The general legislative interest of the American Nurses' Association is in legislation relating to nurses, nursing or health. The specific legislative interests of the American Nurses' Association include: H. R. 6000 (a bill to extend and improve the Federal old-age and survivors insurance system, etc.), S. 1453 (an act to amend the Public Health Service Act and the Vocational Education Act of 1946, etc.), and S. 249 (the National Labor Relations Act of 1949). Also legislation to authorize the commissioning of men nurses in the armed services (no bill introduced as yet).

C. (3) The American Journal of Nursing is the official publication of the American Nurses' Association. It is published monthly. Its circulation is approximately 108,000 copies. It is printed by Cuneo Eastern Press, Philadelphia, Pa. (formerly by Kable Printing Co., Mount Morris, Ill.).

D. (1) $196,205.25; (7) $196,205.25; (8) $231,338.50; (9) $477,543.75.

E. (6) $1.50; (7) $3.56; (8) 1.92; (9) $6.98; (10) $13.61; (11) $20.59.

A. American Optometric Association, Inc., development fund, care of Dr. Samuel L. Brown, 111 East North Street, Fostoria, Ohio.

C. (1) Continuing interest in legislation in the health field affecting the optometry.

C. (2) Amendments to the social-security bill, H. R. 6000; bill to amend the District of Columbia optometric law, H. R. 4237; bill to provide out-patient for veterans, H. R. 5210; school health bill, S. 1411; aid to health education bill, S. 1452 and H. R. 8886; all bills pertaining to the health insurance program; and all bills pertaining to the purposed Health Department for the Federal Government.

E. (6) $46.42; (7) $198.51; (9) $244.93; (10) $3,055.74; (11) $3,300.67.

A. American Parents Committee, 132 Third Street SE., Washington, D. C.; 52 Vanderbilt Avenue, New York, N. Y.

C. (1) Indefinitely.

C. (2) National school health services bill, H. R. 3942; public school construction bill, H. R. 5718; National child research bill, S. 904, H. R. 4465; Federal aid for education; local public health units, H. R. 5865; social-security revisions, H. R. 60000; physically handicapped children's education bill, S. 3102, H. R. 7396; school-lunch appropriation; Children's Bureau appropriation.

C. (3) Washington report on legislation affecting children, 500 mimeographed monthly by Parents' Institute, Inc., Bergenfield, N. J.

D. (2) $10,760.50; (7) $13,203.26; (8) $347.03; (9) $13,550.29; (13) yes.

Name and address of contributors (period January 1 through June 30, 1950): National Committee on the Observance of Mother's Day, 52 Vanderbile Avenue, New York, N. Y., $5,000; National Foundation for Infantile Paralysis, 120 Broadway, New York, N. Y., $5,000; total, $10,000.

E. (2) $2,743.18; (4) $91.58; (5) $225.48; (6) $101.89; (7) $196.96; (8) $786.43; (9) $4,145.52; (10) $4,086.35; (11) $8,231.87.

A. American Petroleum Institute, 50 West Fiftieth Street, New York, N. Y.; national trade organization.

C. (1) Indefinitely.

C. (2) Legislation affecting the petroleum industry.

D. (1) $1,424; (4) $0.66; (7) $1,490; (8) $21,308; (9) $22,798; (13) yes; (14) the institute does not receive any contributions for the purposes designated in subparagraph (a) or (b) of section 307 of the act. Its revenues are received from annual membership dues, from the sale at cost of its publications, and from contributions from individuals or companies engaged in the oil and allied industries. Some of the contributions received are earmarked for specific purposes, such as research projects, but no contributions are earmarked for the purposes designated in subparagraph (a) or (b) of section 307. To the extent that any of the funds of the institute may be deemed to be expended for such purposes, such expenditures are made out of the general funds of the institute, that is out of unearmarked funds collected for the general management and operation of the institute and its over-all functions. In view of item 2 (c) of the instructions issued March 31, 1950, relating to receipts of multipurpose organizations, 1.5 percent of the general dues and contributions received during the period of this report is shown in item D. (1) and 1.5 percent of the receipts from sale of printed matter during such period is shown in item D. (4). This percentage represents the ratio of the expenditures shown in the institute's reports filed under the act for the year 1949 to the total general receipts of the institute in that year. It is contemplated that reports filed in the year 1951 will use a similar ratio based on 1950 figures. In accordance with the last sentence of item 2 (c) of the instructions, there is listed in the schedule furnished in compliance with item D. (14) the name of every person who contributed a total of $500 or more to the institute's general funds during the applicable period even though such persons did not make their contributions solely for legislative purposes. The amount set forth opposite the name of each such contributor is 1.5 percent (the percentage used in items D. (1) and D. (4) of his total contribution during such period: $142.20, Amerada Petroleum Corp., New York, N. Y.; $7.50, Anderson-Prichard Oil Co., Oklahoma City, Okla.; $14.40, Argo Oil Co., Denver, Colo.; $45, Ashland Oil & Refining Co., Ashland, Ky.; $30, Asiatic Petroleum Corp., New York, N. Y.; $344.26, Atlantic Refining Co., Philadelphia, Pa.; $7.50, Atlatl Royalty Corp., Dallas, Tex.; $4680, Aurora Gasoline Co., Detroit, Mich.; $7.50, Axelson Manufacturing Co., Los Angeles, Calif.; $30, Barnsdall Oil Co., Tulsa, Okla.; $10.80, Baroid Sales Division, National Lead Co., Los Angeles, Calif.; $7.50, Bridwell Oil Co., Wichita Falls, Tex.; $36, British-American Producing Co., Tulsa, Okla.; $33.30, Buckeye Pipe Line Co., New York, N. Y.; $204, Carter Oil Co., Tulsa, Okla.; $15, Chanslor-Canfield Midway Oil Co., Chicago, Ill:; $428.55, Cities Service Co., New York, N. Y.; $7.50, Clark Bros. Co., Inc., Olean, N. Y.; $7.50, Continental Can Co, New York, N Y; $270, Continental Oil Co, Ponca City, Okla.; $7.50, Continental Supply Co., Dallas, Tex.; $18, Cosden Petroleum Corp., Big Springs, Tex.; $12, Cox & Hamon, Dallas, Tex.; $7.50, Crane Co., Chicago, Ill.; $112.50, Creole Petroleum Corp., New York, N. Y.; $18.38, Deep Rock Oil Corp., Tulsa, Okla.; $7.50, Derby Oil Co., Wichita, Kans.; $7.50, Devonian Co., Tulsa, Okla.; $56.25, duPont de Nemours & Co., Inc., E. I., Wilmington, Del.; $7.50, East Ohio Gas Co., Cleveland, Ohio; $1,359, Esso Standard Oil Co., New York, N. Y.; $165, Ethyl Corp., New York, N. Y.; $14.40, Forest Oil Corp., Bradford, Pa.; $9.90, Frontier Refining Co., Denver, Colo.; $18, Fullerton Oil Co., Los Angeles, Calif.; $64.80, Globe Oil & Refining Co., Wichita, Kans.; $7.50, Guiberson, Jr., S. A., Dallas, Tex.; $2,061.95, Gulf Oil Corp., Pittsburgh, Pa.; $72,Honolulu Oil Co., San Francisco, Calif.; $23.40, Houston Oil Co. of Texas, Houston, Tex.; $31.65, Hughes Tool Co., Houston, Tex.; $1.667.10, Humble Oil & Refining Co., Houston, Tex.; $16.20, Husky Refining Co., Cody, Wyo.; $7.50, International Harvester Co., Chicago, Ill.; $60.30, Interstate Oil Pipe Line Co., Tulsa, Okla.; $9, Jones & Laughlin Supply Co., Tulsa, Okla.; $11.75, Kanotex Refining Co., Arkansas City, Kans.; $15, Kellogg Co., M. W., New York, N. Y.; $12.60, Kewanee Oil Co., Philadelphia, Pa.; $21.60, Lane-Wells Co., Los Angeles, Calif.; $9, Leonard Refineries, Inc., Alma, Mich.; $37.50, Lion Oil Co., El Dorado, Ark.; $19.50, Lone Star Producing Co., Dallas, Tex.; $11.25, Louisiana Land & Exploration Co., Houma, La.; $7.50, McKee & Co., Arthur G., Cleveland, Ohio; $7.50, Marine Transport Lines, Inc., New York, N. Y.; $30, National Supply Co., Pittsburgh, Pa.; $7.50, National Tank Co., Tulsa, Okla.; $45, National Tube Co., Pittsburgh, Pa.; $382.20, Ohio Oil Co., Findlay, Ohio; $7.50, Pacific Western Oil Corp., Los Angeles, Calif.; $25.20, Pennzoil Co., Oil City, Pa.; $722.25, Phillips Petroleum Co., Bartlesville, Okla.; $19.80, Placid Oil Co., Dallas, Tex.; $30, Plantation Pipe Line Co., Atlanta, Ga.; $268.05, Pure Oil Co., Chicago, Ill.; $7.50, Reed Roller Bit Co., Houston, Tex.; $7.50, Republic Steel Corp., Cleveland, Ohio; $7.50, Rockwell Manufacturing Co., Pittsburgh, Pa.; $9, Saltmount Oil Co., Denver, Colo.; $48.60, Seaboard Oil Co. of Delaware, New York, N. Y.; $16.50, Shamrock Oil & Gas Co., Amarillo, Tex.; $1,670.10, Shell Oil Co., New York, N. Y.; $51.84, Signal Oil & Gas Co., Los Angeles, Calif.; $1,074.30, Sinclair Oil Corp., New York, N. Y.; $7.50, Smith Corp., A. O., New York, N. Y.; $2,206.20, Socony-Vacuum Oil Co., Inc., New York, N. Y.; $50.40, South Penn Oil Co., Bradford, Pa.; $12, Spang-Chalfant Division, National Supply Co., Pittsburgh, Pa.; $1,676.40, Standard Oil Co. of California, San Francisco, Calif.; $1,033.65, Standard Oil Co. of Indiana, Chicago, Ill.; $25.20, Standard Oil Co. of Kentucky, Louisville, Ky.; $198.30, Standard Oil Co. of New Jersey, New York, N. Y.; $409.50, Standard Oil Co. of Ohio, Cleveland, Ohio; $401.10, Sun Oil Co., Philadelphia, Pa.; $15, Sunray Oil Corp., Tulsa, Okla.; $15.30, Taylor Refining Co., Taylor, Tex.; $1,936.36, Texas Co., New York, N. Y.; $7.50, Texas Gulf Producing Co., Houston, Tex.; $9, Texas Pacific Coal & Oil Co., Fort Worth, Tex.; $247.50, Tide Water Associated Oil Co., San Francisco, Calif.; $450, Union Oil Co. of California, Los Angeles, Calif.; $64.80, Union Producing Co., Shreveport, La.; $15, Union Sulphur Co., Inc., New York, N. Y.; $37.50, Union Tank Car Co., Chicago, Ill.; $7.50, Universal Oil Products Co., Chicago, Ill.; $22.80, Warren Petroleum Corp., Tulsa, Okla.; $7.50, Worthington Pump & Machinery Corp., Harrison, N. J.; $7.50, Wyatt Metal & Boiler Works, Dallas, Tex.

NOTE.—The above schedule sets forth the names and addresses of each company which

has contributed a total amount of $500 to the institute's general fund even though the contribution was not made solely for legislative purposes. The amounts of contributions set forth in the above list represent 1.5 percent of the total contribution made by each such company, such percent being the percent used in computing the amounts shown in items D. (1) and D. (4) of this report.

E. (2) $5,245; (4) $337; (5) $3,500; (6) $881; (6a) $830; (7) $422; (9) $11,215; (10) $18,411; (11) $29,626.

A. American Pulpwood Association, 220 East Forty-second Street, New York, N. Y.; unincorporated nonprofit trade assocation.

C. (1) Legislative interests will continue while organization exists.

C. (2) Legislative interests are those affecting the pulpwood industry, its properties, operations, and practices; presently interested in H. R. 2000.

C. (3) Bulletins to membership; booklet on H. R. 2000, 5,000 copies, June 7, 1950, Trucraft Printing Co., New York City.

D. (1) $1,269.39; (7) $1,269.39; (8) $897.58; (9) $2,166.97; (13) no.

E. (2) $224; (4) $459; (6) $39.81; (7) $179.38; (8) $367.20; (9) $1,269.39; (10) $897.58; (11) $2,166.97.

A. American Relief for Germany, Inc., 2627 West Fond du Lac Avenue, Milwaukee 6, Wis., voluntary agency for foreign relief—member of CRALOG (Council of Relief Agencies Licensed for Operation in Germany).

(C) 1. To the end of the second session of the Eighty-first Congress.

C. (2) Legislation pertaining to German relief and rehabilitation and resettlement of expellees. (a) Displaced Persons Act of 1948, Public Law 774, Eightieth Congress; (b) H. R. 4567, House Resolution 238, H. R. 188, S. 3101, Agricultural Act of 1949, section 416.

D. (1) $1,239.68; (7) $1,239.68; (8) $2,482.10; (9) $3,721.78; (13) no.

E. (2) $525; (5) $13.82; (6) $35.03; (7) $616.78; (8) $49.05; (9) $1,239.68; (10) $2,482.10; (11) $3,721.78.

A. American Retail Federation, 1627 K St. NW., Washington, D. C.; retail trade association.

C. (1) Indefinitely.

C. (2) Registrant is generally interested in all legislation and legislative proposals affecting the retail industry, including the industry's relations with the Federal Government, with its suppliers, with its employees, and with its customers. Specifically at this time: Taxation—General revisions; excise tax relief, no specific bills. Hoover Commission recommendations—general principles; Reorganization Plans Nos. 6 and 12 of 1950. Postal rates—H. R. 2945, S. 1103, postal rate increases. Social security—Social security amendments, H. R. 6000; health insurance, S. 5, S. 1679; temporary disability insurance, H. R. 2893; unemployment compensation, H. R. 8059. Labor—Fair Labor Standards Act, 29 U. S. C. 201–219; National Labor Relations Act, 49 Stat. 449; Fair Employment Practices Act bills, S. 1728, H. R. 4453. Trade practices, consumer protection, labeling—cotton labeling bill, S. 124; fiber labeling bill, S. 283; fur labeling bill, H. R. 5187; flammable fabrics bill, S. 403; Wool Labeling Act, 15 U. S. C. 68 et seq.

C. (3) April 11, 1950, Reorganization Plans Nos. 6 and 12, bulletin, 900 published; April 19, 1950, Reorganization Plans Nos. 6 and 12, bulletin, 900 published; May 12, 1950, Reorganization Plan No. 6, 900 published; May 26, 1950, excise tax relief, bulletin, 900 published; June 8, 1950, excise tax relief, bulletin, 900 published; June 15, 1950, excise tax relief, bulletin, 900 published. Above mimeographed and mailed from office of American Retail Federation.

D. (1) $37,818.37; (7) $37,818.37; (8) $37,055.29; (9) $74,873.66; (13) yes; (14) $604.18, Abraham & Straus, Inc., Brooklyn 1, N. Y.; $3,031.77, Allied Stores Corp., 1440 Broadway, New York City; $1,250, B. Altman & Co., Fifth Avenue and Thirty-fourth Street, New York City; $3,150, Associated Dry Goods Corp. of New York, 366 Fifth Avenue New York City; $500, L. S. Ayres & Co., Indianapolis, Ind.; $650, Carson Pirie Scott & Co., Chicago, Ill.; $500, Dayton Co., Minneapolis, Minn.; $1,300, Edison Bros. Stores, Inc., St. Louis, Mo.; $5,960.78, Federated Department Stores, Inc., Cincinnati, Ohio; $650, William Filene's Sons Co., Boston, Mass.; $2,475, Gimbel Bros., Inc., Broadway at Thirty-third Street, New York City; $2,775, W. T. Grant Co., 1441 Broadway, New York City; $1,000 Hecht Co., Washington, D. C.; $5,000, Kroger Co., Cincinnati, Ohio; $6,766.18, R. H. Macy & Co., Inc., New York City; $1,800, Marshall Field & Co., Chicago, Ill.; $2,013, Melville Shoe Corp., 25 West Forty-third Street, New York City; $534.29, National Department Stores Corp., 112 West Thirty-eighth Street, New York City; $5,000, J. C. Penney Co., Inc., 330 West Thirty-fourth Street, New York City; $575, Rich's, Inc., Atlanta, Ga.; $10,000, Sears, Roebuck & Co., Chicago, Ill.; $2,500, Spiegel, Inc., Chicago Ill.; $600, Stern Bros., 41 West Forty-second Street, New York City; $5,000, F. W. Woolworth Co., New York City; $815.67, Western Auto Supply Co., Kansas City, Mo.; total, $64,450.87.

E. (2) $2,625; (4) $348.64; (6) $17.01; (7) $402.51; (9) $3,393.16; (10) $3,322.89; (11) $6,716.05.

A. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D. C.

C. (1) Continuous.

C. (2) See legislative program in detail filed with Secretary of the Senate and Clerk of the House along with Form C for last quarter 1949.

D. (1) $1,392.96; (7) $1,392.96; (8) $1,592.19; (9) $2,985.15; (13) no.

E. (2) $250; (5) $412.50; (6) $22.30; (7) $708.16; (9) $1,392.96; (10) $1,592.19; (11) $2,985.15.

A. The American Tariff League,[2] 19 West Forty-fourth Street, New York, N. Y.; a membership organization with research and educational program.

C. (1) Legislative interests at any one time depend upon legislation introduced or general hearings held on tariff or related subjects. Hence, such interests are continuing in general.

C. (2) House Joint Resolution 236 is the only specific bill in which the league had any interest in the first quarter, but the bill was not activated in any way.

C. (3) To the best of our belief, attempting to interpret the meaning of the words "issued or caused to be issued in connection with legislative interests," the league has issued the following: (a) An Analysis of the ITO; (b) 3,000 (reprint); (c) February 28, 1950; (d) Ranno Printing Co.; (a) Tariff Reductions, No Remedy for Dollar Gap; (b) 7,000 (reprints); (c) March 31, 1950; (d) Commercial and Financial Chronicle.

D. (1) $14,850; (7) $14,850.

E. (2) $8,396; (3) $2; (4) $2,744.59; (5) $898.46; (6) $196.43; (7) $803.88; (8) $1,236; (9) $14,277.36.

A. The American Tariff League, 19 West Forty-fourth Street, New York, N. Y.; a membership organization with research and educational program.

C. (1) Legislative interests at any one time depend upon legislation introduced or general hearings held on tariff or related subjects. Hence, such interests are continuing in general.

C. (2) House Joint Resolution 236 and H. R. 8304 were the two specific bills in which the league had an interest during the second quarter. The second, however, was not activated in any way.

C. (3) League has not issued or caused to be issued any publications during the second quarter.

D. (1) $13,525; (6) $950; (7) $14.475; (8) $14,850; (9) $29,325.

E. (2) $8,954.21; (4) $953.14; (5) $1,090.32; (6) $291.36; (7) $803.76; (8) $763.59; (9) $12,856.38; (10) $14,277.36; (11) $27,133.74.

A. American Trucking Associations, Inc., 1424 Sixteenth Street NW., Washington, D. C.; national trade association of the trucking industry.

C. (1) Legislative interests are continuing in nature.

C. (2) General legislative interests of American Trucking Association, Inc., include all bills, resolutions, and investigations affecting the trucking industry. Particular bills and resolutions in which we are currently interested are typified by the following: S. 126, national transportation policy; S. 248 (H. R. 2033), Fair Labor Standards Act, amendment; S. 249 (H. R. 2032), Labor-Management Relations Act, amendment; S. 402 (H. R. 306), Department of Transportation; S. 487 (H. R. 2948), National Motor Vehicle Theft Act, amendment; S. 526 (H. R. 2361), reorganization of Government agencies; S. 746 (H. R. 1566), practitioners before Government agencies; S. 822, repeal of 3 percent transportation tax; S. 1008, basing-point pricing; S. 1095 (H. R. 103), Federal Traffic Bureau; S. 1728 (H. R. 4453), Fair Employment Practices Commission; S. 2073, Government reorganization, independent offices, Interstate Commerce Commission; S. 2113 (H. R. 5967), Freight Forwarders Act, amendment; S. 2626, section 216 (c), part II, Interstate Commerce Act; S. 3357, transportation of gambling devices; Senate Resolution 50, investigation of transportation; Senate Resolution 253, disapproval of Reorganization Plan No. 7; H. R. 104, repeal Reed-Bulwinkle Carrier Agreements Act; H. R. 1540, gasoline tax repeal; H. R. 1656, ICC member from New England; H. R. 1730, illuminated motor-vehicle license plates; H. R. 1954, prohibits transportation of obscene literature; H. R. 2269, prohibits transportation of false and defamatory statements; H. R. 2428, prohibits transportation of alcoholic beverage advertisements; H. R. 2779, prohibits transportation of fighting bulls; H. R. 2978, Motor Carrier Claims Commission; H. R. 3654, prohibits transportation of psittacine birds; H. R. 3908, regulates transportation of anti-Semitic and Negro propaganda; H. R. 3938, prohibits transportation of imitation cheese; H. R. 3939, prohibits transportation of imitation ice cream; H. R. 4149, prohibits transportation of combustible fabrics; H. R. 4177, independent offices appropriations bill; H. R. 4489, repeal of Federal automotive excise taxes; H. R. 5094, review of ICC orders by courts; H. R. 5237, extend jurisdiction of Interstate Commerce Commission; H. R. 6000, Social Security Act of 1949; H. R. 6351, using for-hire motor vehicles in postal service; H. R. 6812, transportation of household goods for Government; H. R. 6898, excise taxes on tires and tubes; H. R. 7301, Administrative Procedure Act, amendment; H. R. 7428, transportation and traffic management; H. R. 7547, Motor Carrier Act, agricultural exemption; H. R. 7637, Federal regulation of motor-vehicle sizes and weights; H. R. 7767, uniform auto registrations; H. R. 7941, Federal Aid Road Act, amendment and supplement; H. R. 7983, transportation of goods; House Joint Resolution 61, St. Lawrence waterway, agreements; House Joint Resolution 196, lobbying joint committee; House Joint Resolution 410, Federal Motor Vehicle Commission; House Resolution 516, veto of Presidential Reorganization Plan No. 12.

[2] Filed for first quarter, 1950.

C. (3) During the first quarter of 1950, the following publications were isued:

ATA SPECIAL LEGISLATIVE BULLETINS

Description	Date of publication	Quantity	Mimeographed by—
No. 8	Feb. 2, 1950	2,254	ATA.
No. 9	Feb. 24, 1950	233	ATA.
No. 10	Mar. 10, 1950	150	ATA.
No. 11	Mar. 17, 1950	248	ATA.

ATA WEEKLY SERVICE LETTERS

Description	Date of publication	Quantity	Multilithed by—
No. 703	Jan. 5, 1950	2,075	ATA.
No. 704	Jan. 11, 1950	2,075	ATA.
No. 705	Jan. 18, 1950	2,075	ATA.
No. 706	Jan. 25, 1950	2,075	ATA.
No. 707	Feb. 1, 1950	2,075	ATA.
No. 708	Feb. 8, 1950	2,075	ATA.
No. 709	Feb. 15, 1950	2,075	ATA.
No. 710	Feb. 23, 1950	2,075	ATA.
No. 711	Mar. 1, 1950	2,075	ATA.
No. 712	Mar. 8, 1950	2,075	ATA.
No. 713	Mar. 15, 1950	2,075	ATA.
No. 714	Mar. 22, 1950	2,075	ATA.
No. 715	Mar. 29, 1950	2,075	ATA.

TRANSPORT TOPICS (WEEKLY NEWSPAPER)

Description	Date of publication	Quantity	Printed by—
No. 751	Jan. 2, 1950	17,103	Ransdell, Inc.
No. 752	Jan. 9, 1950	17,083	Do.
No. 753	Jan. 16, 1950	41,079	Do.
No. 754	Jan. 23, 1950	17,414	Do.
No. 755	Jan. 30, 1950	17,597	Do.
No. 756	Feb. 6, 1950	17,464	Do.
No. 757	Feb. 13, 1950	17,609	Do.
No. 758	Feb. 20, 1950	40,997	Do.
No. 759	Feb. 27, 1950	17,824	Do.
No. 760	Mar. 6, 1950	17,941	Do.
No. 761	Mar. 13, 1950	17,887	Do.
No. 762	Mar. 20, 1950	40,917	Do.
No. 763	Mar. 27, 1950	18,083	Do.

The publications listed above are distributed as follows: Legislative bulletins are sent to members of our executive committee, State asociations, and to members of special committees interested in particular legislation.

The ATA Weekly Service Letter is a special news service sold to subscribers at the rate of $15 per year. It analyzes and attempts to forecast general trends (including legislative developments) of interest to the motor-carrier industry. Transport Topics is a newspaper of general circulation. It is sold to subscribers at the rate of $5 per year, and while it covers legislation of interest to motor carriers more thoroughly than most newspapers, it is issued in connection with legislative interests only if that term is given the broadest application.

D. (1) $9,244.86; (7) $9,244.86; (9) $9,244.86; (13) yes; (14) Pennsylvania Motor Truck Association, Telegraph Building, Harrisburg, Pa., $646.67.

E. (2) $4,130.70; (4) $39.95; (5) $137.25; (6) $30.37; (7) $165.06; (9) $4,503.33; (11) $4,503,33.

A. Paul A. Amudsen, secretary-treasurer, the American Association of Port Authorities, 815 Washington Building, Washington, D. C.

B. The American Association of Port Authorities, 815 Washington Building, Washington, D. C.; development of State and municipal ports of United States.

C. (1) Continuous.

C. (2) Legislation involving submerged lands, shipping, Panama Canal tolls, foreign trade zones, river and harbor developments, etc.

D. (5) $900; (7) $900; (8) $900; (9) $1,800; (13) no.

A. Angelina & Neches River Railroad Co., Keltys, Tex.; Burlington, Rock Island Railroad Co., Houston, Tex.; the Chicago, Rock Island & Pacific Railway Co., Fort Worth, Tex.; Fort Worth & Denver City Railway Co., Fort Worth, Tex.; Gulf, Colorado & Santa Fe Railway Co., Galveston, Tex.; the Kansas City Southern Railway Co., Kansas City, Mo.; Louisiana & Arkansas Railway Co., Kansas City, Mo.; International-Great Northern Railroad, Houston, Tex.; Missouri-Kansas-Texas of Texas, Dallas, Tex.; New Orleans, Texas & Mexico Railway Co., Houston, Tex.; Panhandle & Santa Fe Railway Co., Amarillo, Tex.; Paris & Mount Pleasant Railroad Co., Paris, Tex.; Quannah, Acme & Pacific Railway Co., Quanah, Tex.; St. Louis, San Francisco & Texas Railway Co., Fort Worth, Tex.; St. Louis, Southwestern Railway Co. of Texas, St. Louis, Mo.; Southern Pacific Co., San Francisco, Calif.; Texas & New Orleans Railroad Co., Houston, Tex.; Texas South-Eastern Railroad Co., Diboll, Tex.; The Texas & Pacific Railway Co., Dallas, Tex.; the Texas Mexican Railway Co., Laredo, Tex.; the Union Terminal Co., Dallas, Tex.; Wichita Falls & Southern Railroad Co., Wichita Falls, Tex.; the Wichita Valley Railway Co., Fort Worth, Tex.

B. (See A.)

C. (1) Through 1950.

C. (2) Generally, legislation affecting Texas railroads. Specifically: St. Lawrence seaway, Senate Resolution 99; House Joint Resolution 61; rivers, harbors, and flood control, H. R. 5472; appropriations, H. R. 7785; transportation investigation, Senate Resolution 50; operating rules bills, H. R. 378 and S. 238; ICC jurisdiction over motor carriers, H. R. 5237; railway mail bill, S. 1596; postal rate increases, H. R. 2945; union shop, H. R. 7789 and S. 3295; Kilday motor carrier bill, H. R. 7786; separation of air-mail subsidies, H. R. 2908; Inland Waterways Corporation, H. R. 4978 and S. 211; Panama Canal tolls investigation, House Resolution 44; excise tax cut before Ways and Means Committee; venue bill, H. R. 7550; basing point, S. 1008.

E. (2) $3,000; (7) $2,345.15; (9) $5,345.15; (10) $4,124.84; (11) $9,469.99.

A. Richard H. Anthony,[2] secretary, American Tariff League, 19 West Forty-fourth Street, New York, N. Y.

B. The American Tariff League, 19 West Forty-fourth Street, New York, N. Y.

C. (1) Legislative interests at any one time depend upon legislation introduced or general hearings held on tariff or related subjects. Hence, such interests are continuing in general.

C. (2) House Joint Resolution 236 is the only specific bill in which the league had an interest in the first quarter, but the bill was not activated in any way.

C. (3) Do not issue publications personally.

D. (5) $3,125; (6) $3,125.

E. (7) $99.29; (9) $99.29.

A. Richard H. Anthony, secretary, American Tariff League, 19 West Forty-fourth Street, New York, N. Y.

B. The American Tariff League, 19 West Fourty-fourth Street, New York, N. Y.

C. (1) Legislative interests at any one time depend upon legislation introduced or general hearings held on tariff or related subjects. Hence, such interests are continuing in general.

C. (2) House Joint Resolution 236 and H. R. 8304 were the two specific bills in which the league had an interest during the second quarter. The second, however, was not activated in any way.

C. (3) Do not issue publications personally.

D. (5) $3,125; (8) $3,125; (9) $6,250.

E. (7) $141.21; (9) $141.21; (10) $99.29; (11) $240.50.

A. Lawrence S. Apsey, Raytheon Manufacturing Co., Foundry Avenue, Waltham, Mass.

B. Raytheon Manufacturing Co., Foundry Avenue, Waltham, Mass.

C. (1) Until final action on H. R. 577.

[2] Filed for first quarter, 1950.

C. (2) (a) An act to correct possible inequity in the case of a certain application for letters patent of William R. Blair; (b) H. R. 577.

D. (5) Only regular salary as general attorney (see registration statement); (13) no.

E. (6) $2.44; (7) $34.84; (9) $37.28; (10) $123.17; (11) $160.45; (15) $37.28.

A. Hector M. Aring, 826 Woodward Building, Washington, D. C.; Washington representative.

B. Johns-Manville Corp., 22 East Fortieth Street, New York, N. Y.; construction materials.

C. (1) During present session of Congress.

C. (2) Tax legislation, labor legislation, amendments to the Clayton Act, merchant-marine bill, price basing-point bill.

D. (5) $833.33; (6) $958; (7) $1,791.33; (8) $1,791.33; (9) $3,582.66.

E. (8) $958; (9) $958; (10) $958; (11) $1,916.

A. Arnold, Fortas & Porter, 1200 Eighteenth Street NW., Washington, D. C.; attorneys.

B. The Western Union Telegraph Co., 60 Hudson Street, New York, N. Y.

C. (1) Western Union as the principal telegraph system of the country will continue to have matters involving legislative policy before Congress and the appropriate committees thereof. It is therefore difficult to state a definite period. The company's full-time representatives will doubtless require continuing legal counsel and analysis on a variety of legislative problems affecting the company's operations.

C. (2) Any legislation involving the company's operations, particularly measures repealing the 25-percent excise tax on domestic telegraph messages.

A. W. C. Arnold, 200 Colman Building, Seattle, Wash., managing director, Alaska Salmon Industry, Inc.

A. The Alaska Salmon Industry, Inc., of which I am managing director, is a trade organization composed of concerns and individuals engaged in the taking and processing of salmon in the waters of the Territory of Alaska. The organization maintains offices in Seattle, Wash., Juneau and Ketchikan, Alaska, all of which are under my direction. The principal function of the organization and one which consumes approximately 75 percent of my personal time and effort and a still greater portion of the time and effort of the organization is the negotiation of labor agreements and the handling of labor relations with the approximately 30 unions and 15,000 employees and fishermen who participate in the Alaska operations. The second principal function of the organization and one which consumes more than 50 percent of its income is the financing and coordination of scientific and biological investigation carried on with respect to the Alaska salmon fisheries under a joint agreement between the Alaska Salmon Industry, Inc., and the Fisheries Institute of the University of Washington at Seattle. The organization also concerns itself with the general operating problems which arise in Alaska in connection with the seasonal production of canned salmon, such as transportation by land, air, and water, conservation regulations, consumable supplies, etc. When, from time to time, the Congress of the United States has under consideration legislation affecting the salmon industry, I appear before committees of the Congress, either in Alaska or in Washington, D. C., for the purpose of presenting information and stating the views of the industry on the legislation under consideration. Less than 5 percent of my time is spent in such activity, but during the quarter ended June 30, 1950, I spent 17 days in Washington, D. C., the major portion of which time was in connection with legislation pending before Congress.

B. Alaska Salmon Industry, Inc., 200 Colman Building, Seattle, Wash.

C. (1) The legislative hearing held during the quarter just ended was in connection with H. R. 331, a bill to admit Alaska as a State of the Union. The hearing was held before the Senate Committee on Interior and Insular Affairs commencing April 24, 1950, and ending April 29, 1950.

C. (2) The nature of this interest is H. R. 331, a bill to admit Alaska as a State of the Union, which is now pending before the Senate Committee on Interior and Insular Affairs.

C. (3) No publications have been issued or are in the process of issuance, and none are contemplated in the future.

C. (4) General: I have filed reports pursuant to the Lobbying Act since the law was passed because, from time to time, possibly once each year, I have desired to appear before a congressional committee, either in Washington, D. C., or in Alaska, with respect to legislative matters in which I have been interested or the salmon industry has been interested.

A. The Associated General Contractors of America, Inc., Munsey Building, Washington, D. C.; trade association.

C. (1) This association is continuously interested in all types of legislation affecting the construction industry. No funds are received or expended solely for the purpose of attempting to influence legislation.

C. (2) The association does not believe that its activities fall within the provisions of the Lobbying Act. (See detailed statement of activities set forth in letter filed under date of January 3, 1947, and letter filed under date of February 24, 1949, both incorporated herein by reference.) The association follows closely developments in the legislative field (including appearance before congressional committees) for the purpose of reporting the facts fully to its membership at frequent intervals. Mr. Burt L. Knowles of the association is assigned to follow legislative developments while Congress is in session, and it is estimated that possibly two-thirds of his time is devoted to this assignment. During the second quarter of 1950 it is estimated that $1,350 might be apportioned to this particular activity. It is estimated that expenses, other than Mr. Knowles' salary, based on the time of the staff employees required for the analysis and dissemination of the many types of legislation, existing or proposed, on behalf of the membership in the second quarter would approximate $3,750.

C. (3) A bulletin is sent to the membership by the association at intervals, setting forth pertinent developments in the construction field. This deals with all phases of its activities, including legislative reference.

D. (See answer to C.)

E. (See answer to C.)

A. Association of American Railroads, 929 Transportation Building, Washington, D. C. The Association of American Railroads is an unincorporated, nonprofit organization composed of member railroad companies operating in the United States and Canada and in Mexico. It is a joint agency of its member railroads, and its activities cover a wide range having to do with such matters as research, operations, car service, traffic, public relations, accounting, statistics, law, Federal legislation, ets., insofar as they require joint handling in the interest of adequate and efficient railroad service. See also appendix I filed with the report of the association for the first quarter of 1948.

B. None. (See D (14) for list of full member roads, A. A. R.[4])

C. (1) Indefinitely.

C. (2) The association represents its full members with respect to all legislation affecting the railroad industry. In general, it opposes measures which are deemed to be against the interests of the railroads and against the public interest in a sound national transportation system, and supports measures which are believed to be in the interests of the railroad industry and in the public interest in a sound national transportation system. Besides the bills which may be supported or opposed by the association, numerous other bills are considered, distributed within the industry, and studied, with respect to which the association may take no action by way of support or opposition. The expenditures of the association in connection with its acivities, including appearances at hearings before congressional committees and preparation therefor, with respect to bills falling in all three categories are included in the report of expenditures made herein.

The association maintained a continuing interest during the second quarter of 1950 in bills listed in C (2) to the report of the association for the first quarter of 1950, which bills are incorporated in this rider by reference. In addition, the legislative activities during the second quarter of 1950 included activities with respect to the following measures which were supported or which it is contemplated will be supported by the association: S. 3463, Railway Labor Act, amendment, antistrike; S. Res. 253, to reject Reorganization Plan No. 7, 1950; S. Res. 265, to reject Reorganization Plan No. 21, 1950; H. R. 3550, customs employees overtime; H. R. 8677, Panama Canal tolls; and H. Res. 545, to reject Reorganization Plan No. 7, 1950; and with respect to the following measures which were opposed or which it is contemplated will be opposed: S. 1596, postal service, switching; H. R. 8320, agricultural marketing facilities; H. R. 8920, general tax bill (many provisions); and H. J. Res. 53, St. Lawrence waterway. The legislative activities of the association during the second quarter of 1950 include activities also with respect to a number of measures which were neither supported nor opposed, as for example: S. 237, S. 426, S. 2301, S. 2984, S. 3504, and S. 3507, air prototype bills; S. 2875, Federal Airport Act, extend; S. 3357, gambling devices in interstate commerce; S. Res. 274, unemployment investigation; S. 3383, Bituminous Coal Commission; H. R. 7786, general appropriations, 1951; H. R. 7993, Bituminous Coal Commission; H. R. 8350, gambling devices in interstate commerce. In numerous instances there are bills identical with or similar to those listed above which have not been separately enumerated.

C. (3) (a) Pamphlet entitled "Shall Railroad Workers Be Compelled to Join Unions," a commentary in opposition to H. R. 7789 and S. 3295; (b) 676,000 copies; (c) April 1950; May 1950; (d) Sauls Lithograph Co., Washington, D. C.; and Allen, Lane & Scott, Philadelphia, Pa.

C. (3) (a) Advertisement entitled "Railroads and the Mail," dealing with an issue involved in S. 1596; (b) 1,350 copies; (c) June 8, 1950; (d) A. C. Mellichampe, Washington, D. C.

D. (1) $73,632.52; (7) $73,632.52; (8) $35,211.69; (9) $158,844.21; (13) yes; (14) See D (14).[4]

E. (1) $835.47; (2) $49,231.68; (3) $5,000; (4) $7,777.59; (5) $6,664.31; (6) $652.11 (7) $558.12; (8) $2,913.24; (9) $73,632.52; (10) $85,211.69; (11) $158.844.21.

A. Association of American Ship Owners, 90 Broad Street, New York, N. Y.; trade association.

B. The registrant is an unincorporated association. For a statement as to the nature of its business, reference is hereby made to paragraph 2 of registrant's registration statement on Form B, which paragraph is hereby made a part hereof.

C. (1 and 2) For a statement as to the interests of the registrant reference is hereby made to paragraph 2 of the registrant's registration statement on Form B, which paragraph is hereby made a part hereof.

C. (3) The registrant did not cause any article or editorial to be published during the quarter for which this report is filed.

D. No money has been received by the registrant for activities in furtherance of any object necessitating registration under Public Law 601. The registrant did, however, in the regular course of its business, receive payment of dues of its members.

E. During the quarter for which this report is filed, no expenditure has been made by or on behalf of the registrant to any person for any amount or value in furtherance of any object necessitating registration, except that registrant has paid salaries to and expenses of George W. Morgan, its president, and Joseph H. Ball, its vice president. For the extent, if any, to which salaries and expenditures have been applied to activities in furtherance of any object necessitating registration, reference is hereby made to the reports being currently filed by such officers and such reports are hereby made a part hereof.

A. Association of Casualty and Surety Companies, 60 John Street, New York, N. Y.

B. See the attached list of member companies.[4]

C. (1) Indefinite.

C. (2) Legislation affecting casualty and surety companies. Specific legislative interests: H. R. 6000, amending the Social Security Act; S. 2408, amending the Securities Exchange Act of 1934; bills relating to Government payment of premiums on Federal official bonds and bills creating a bonding fund for Federal officials.

C. (3) The association publishes the Casualty and Surety Journal. Also issues releases to insurance trade press and to papers and periodicals of general circulation, such releases being mainly concerned with accident prevention problems. The association has issued no publications in connection with legislative interests.

D. (1) $6,431.11; (7) $6,431.11; (8) $6,576.42; (9) $13,007.53; (13) Yes; (14) $782.76, Aetna Casualty & Surety Co., 151 Farmington Avenue, Hartford, Conn.; $624.37, Fidelity & Casualty Co. of New York, 60 Maiden Lane, New York, N. Y.; $981.57, Hartford Accident & Indemnity Co., 690 Asylum Avenue, Hartford, Conn.; $509.54, Maryland Casualty Co., Maryland Casualty Building, Baltimore, Md.; $635.72, Travelers Indemnity Co., 700 Main Street, Hartford, Conn.; $ 42.43, Travelers Insurance Co., 700 Main Street, Hartford, Conn.; $815.10, United States Fidelity & Guaranty Co., Calvert and Redwood Streets, Baltimore, Md.; total, $5,091.49.

E. (2) $1,104,61; (3) $5,000; (4) $11.50; (5) $120.02; (6) $24.05; (7) $41.01; (8) $129.92; (9) $6,431.11; (10) $6,576.42; (11) $13,007.53; (15) All.

A. Association of Petroleum Rerefiners, 2201 North Oak Street, Arlington, Va.

C. (1) Through end of present session.

C. (2) H. R. 5648 and S. 2172, also interested in excise-tax proposals on lubricating and rerefined oils.

C. (3) Mimeographed statement to Members of Senate and House of Representatives.

D. (1) $835; (7) $835; (8) $6,135; (9) $6,970; (13) No.

E. (2) $1,275.59; (4) $49.03; (5) $89.58; (9) $1,414.20; (10) $1,563.98; (11) $2,978.18; (15) $1,414.20.

A. The Association of Western Railways, 474 Union Station Building, Chicago, Ill.; see report filed for first quarter of 1950 and documents therein referred to.

C. (1) This association is interested in any and all Federal legislative proposals

[4] Not printed; filed in the Clerk's office.

[4] Not printed; filed in the Clerk's office.

which do or may affect the western railroads. It may or may not engage in activity in connection therewith but desires to be in a position to do so and it expects to report its expenditures and otherwise comply with the law in the event it engages in such activity. Its legislative interests are to continue indefinitely.

C. (2) During the second quarter of 1950 this association did not engage in any activity concerning Federal legislation which is subject to the regulation of Lobbying Act. An officer of this association testified before a committee of the Senate but took no further action in connection therewith or any other matters subject to the Lobbying Act.

C. (3) During the second quarter of 1950 this association did not issue or cause to be issued any publication dealing with Federal legislative matters.

D. (13) No.

A. The Atlantic Refining Co., 260 South Broad Street, Philadelphia, Pa.; petroleum products.

C. (1) Through current session of the Congress.

C. (2) Proposed amendments to Internal Revenue Code (sec. 114 (b) (4) to include fuller's earth in those minerals entitled to percentage depletion, and possibly the amendment of H. R. 7622 so as to include fuller's earth therein.

C. (4) The reporting corporation pays to J. H. Walter, a member of its legal staff, an annual salary and the expenditure shown in item E-2 constitutes an allocation of such salary to the 2 days estimated to have been spent by such person in connection with the legislative interests mentioned in this report. The reporting corporation also furnishes J. H. Walter with the usual employee's business office, secretarial assistance, office stationery, and supplies, etc.

D. (13) No.

E. (2) $92.30; (5) Usual; (9) $92.30; (11) $92.30.

A. Atlantic Union Committee, Inc., 537 Fifth Avenue, New York, N. Y., political action.

D. (1) $14,558.97; (2) $12,998.15; (4) $168.90; (6) $6,025; (7) $33,751.02; (8) $30,623.23; (9) $64,374.25; (13) Yes; (14) Mr. John Mitchell, John E. Mitchell Co., Dallas, Tex., $500; Mr. James McDonnell, president, McDonnell Aircraft Corp., box 516, St. Louis, Mo., $1,000; Mr. J. C. Dellinger, 810 West Sixth Street, Los Angeles 14, Calif., $1,000; Mr. Hugh Moore, Twenty-fourth Street and Dixie Avenue, Easton, Pa., $1,000; Mr. Craig Moore, Dixie Cup Co., Twenty-fourth Street and Dixie Avenue, Easton, Pa., $600; Mr. Fred Florence, Republican National Bank of Dallas, Dallas 2, Tex., $500; Mr. Edward B. Burling, 701 Union Trust Building, Washington, D. C., $500; Mrs. Berenice Moore, Twenty-fourth Street and Dixie Avenue, Easton, Pa., $1,000; Mr. Henry C. Flower, Jr., J. Walter Thompson Co., 420 Lexington Avenue, New York, N. Y., $1,000; Mr. A. W. Schmidt, 525 William Penn Place, Pittsburgh 30, Pa., $500; Mr. Fulton Cutting, 15 East Eighty-eighth Street, New York 28, N. Y., $1,000; Mrs. St. John Garwood, 2703 Steel Street, Houston, Tex., $4,000; Mrs. Charles B. G. Murphy, 158 East Sixty-third Street, New York 21, N. Y., $500; Hon. Will L. Clayton, Anderson, Clayton & Co., Houston, Tex., $6,025; Hon. John Nicholas Brown, 50 South Main Street, Providence, R. I., $500; Mr. J. Kirby McDonough, president, The Murray Co. of Texas, Dallas, Tex., $500.

E. (2) $13,821.89; (4) $8,612.65; (5) $1,412.50; (6) $1,361.64; (7) $4,755.91; (8) $2,499.22; (9) $32,463.81; (10) $26,186.63; (11) $58,650.44.

A Attapulgus Clay Co., 210 West Washington Square, Philadelphia 5, Pa.; producers and marketers of adsorbents (fullers earth).

C. (1) Through current session of Congress.

C. (2) Application of percentage depletion to fuller's earth—House Ways and Means Committee included the provision in revenue legislation submitted to the House for consideration (H. R. 7622).

C. (4) Registrant's report covers salaries paid to R. H. Hubbell, Jr., its vice president, and W. E. Sawyer, Jr., its secretary-treasurer, who are paid respectively on an annual basis. The amounts indicated for salary represent 1 day and 3 days respectively, time estimated to have been assigned to the functions covered by this report. Annual salaries are prorated accordingly on the basis of a 5-day week.

E. (2) $200; (7) $92.16; (8) $359.83; (9) $651.99; (11) $651.99.

A. H. Thomas Austern, 701 Union Trust Building, Washington, D. C.; lawyer.

B. British Columbia Packers, Ltd., Vancouver, British Columbia, Canada; fish packers.

C. (1) Representation terminated end of first quarter of 1950.

C. (2) H. R. 221, to amend the Jones Act to allow Canadian ships to carry products from Alaska for transshipment to the United States over Canadian rail routes; H. R. 6110, to authorize Canadian vessels to land halibut in Alaskan ports [Public Law 718 (80th Cong.)]; H. R. 2339, to provide for the construction of a railroad from Prince George, British Columbia, to Fairbanks, Alaska; H. R. 2362, to amend the Economic Cooperation Act to authorize the appropriation of additional funds; H. R. 1211, to extend the Reciprocal Trade Act; House Concurrent Resolution 14, to authorize the President to begin negotiations with the Canadian Government to extend the existing railroad system from Prince George, British Columbia, to Fairbanks, Alaska; House Resolution 147, to authorize the Secretary of State to investigate the effect of fishery imports on the domestic fishing industry; House Resolution 174, to authorize the Secretary of State, the Secretary of Commerce, and the Tariff Commission to jointly investigate the effect of fishery imports on the domestic fishing industry; H. R. 4830, to provide for the appropriation of funds to carry out the provisions of the Economic Cooperation Act; S. 2080, to make effective the International Convention for the Regulation of Whaling.

D. (5) $100; (7) $100; (9) $100; (13) no.

A. Awalt, Clark & Sparks, a law partnership, consisting of the following partners: F. G. Awalt, Samuel O. Clark, Jr., Raymond Sparks, and W. V. T. Justis; 822 Connecticut Avenue NW., Washington, D. C.

B. National Association of Electric Companies, 1200 Eighteenth Street NW., Washington, D. C. The National Association of Electric Companies is a trade association whose members are 100 operating electric companies. The preamble of its articles of association describe the functions to be engaged in by the association as follows: "In order to further the interests of the electric utility companies that are members of this association and their investors, employees, and customers; to maintain the integrity and credit of the industry; to present to the public the essential facts about the industry to the end that there may be a better understanding between the utility companies and the public and a better appreciation of utility progress, achievements, and problems; to coordinate regional activities among member companies; to furnish member companies information, reports, and statements concerning various phases of electric utility operations and developments; to further cooperation with all agencies and organizations intrested in the supply and purchase of electric light and power; to furnish such agencies and organizations with information, reports, and statements concerning member companies and the electric utility industry; to present the facts to the public concerning the public benefits resulting from the operation of electric utility companies by businessmen under governmental regulations and, generally, to engage in those practices recognized as being legal and proper to further said ends, certain electric utility companies do hereby establish a national association which shall be adequately qualified and empowered to act in every lawful way when concert of policy and action would be helpful." Thus, the association functions for the following principal purposes: (1) To keep member companies informed of Washington developments affecting them as operating businesses, including information and analyses of governmental hearings, orders, and regulations, both legislative and administrative; (2) to keep the public, including employees, consumers, and investors informed concerning the accomplishments of the industry, its achievements in serving the public, and the plans of this industry for the future; (3) to furnish, and aid in furnishing, technical information to the instruments of government and to provide a readily available contact between Government and the industry; (4) to provide the members of the association with a medium through which they can exchange ideas on problems of mutual concern and interest in order to better serve the public; (5) to act for the member companies in matters of common and national concern.

C. (1) The life of the association is of indefinite duration.

C. (2) One of the purposes of the National Association of Electric Companies as set forth in previous registrations and reports filed pursuant to title 3 of the Legislative Reorganization Act of 1946, is to provide its members with a medium through which they can develop and exchange ideas and take appropriate action on problems of mutual concern and interest, including matters involving legislation. The association, therefore, and the registrant are generally interested in all developments in and of Federal legislation that might affect the association and its members as going electric utilities, including, but not limited to, the following bills and statutes and amendments thereto: H. R. 7786, a bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; S. 3376, a bill to provide for the organization of interstate water and power users' associations for the purpose of entering into contracts for the repayment of the costs of water and power projects on interstate streams and for the ownership, operation, and maintenance of such projects, and for other purposes; S. 3657, a bill to provide for the carrying out of certain of the recommendations of the Commission on Organization of the Executive Branch of the Government relating to the Department of the Interior; Internal Revenue Code (53 Stat. 1); TVA Act (48 Stat. 58); Federal Power Act (49 Stat. 803); Rural Electrification Act of 1936 (49 Stat. 1363); reclamation acts (25 Stat. through 45 Stat.); Flood Control Act 1944 (58 Stat. 887); Administrative Procedure Act (60 Stat. 237). For specific detail concerning the policy position of the association, see the document entitled, "Opinions, Recommendations, and Answers to the Power Policies Questionnaire of the Staff of the Committee on Appropriations, House of Representatives, January 1948," filed with the Secretary of the Senate and the Clerk of the House of Representatives by the National Association of Electric Companies. A similar document was prepared in response to a request of the Chairman of the President's Commission on Water Resources Develop-

ment dated March 2, 1950, requesting the association's views on certain policy questions and forwarded by the National Association of Electric Companies to the Secretary of the Senate and the Clerk of the House of Representatives.

D. (5) This registrant received during the second quarter of 1950 the sum of $8,333.33 from the National Association of Electric Companies on account of retainer fee as general counsel of the association; also the sum of $32.66 in reimbursement of out-of-pocket expenses, which were included in the expenditures for the previous quarter. In addition, reimbursement was received for $152.47 for out-of-pocket expenses.

A. Charles E. Babcock, Junior Order United American Mechanics of the United States of North America, route 4, box 73, Vienna, Va.; chairman, national legislative committee.

B. National council, Junior Order United American Mechanics of the United States of North America; 3025–3029 North Broad Street, Philadelphia, Pa.; a beneficial, patriotic fraternity, operated under the lodge system.

C. (1) Indefinitely.

C. (2) (a and b) Even though now a law, we are still interested in displaced-persons matters; S. 2311 (Mundt-Ferguson bill, Federal aid to education), S. 2605 (Neely bill on cancer reports), H. R. 6000 (social security).

C. (3) Publication of literature is conducted by the national council

D. (4) $249.99; (5) $249.99; (7) $249.99; (8) $249.99; (9) $499.98; (13) no.

E. (6) $8.89; (7) $42.22; (9) $51.11; (10) $53.39; (11) $104.50.

A. C. Lloyd Bailey; 1000 Eleventh Street NW., Washington, D. C.; educational-legislative work in Washington and among members of the Society of Friends (a religious body) throughout the country.

B. Friends Committee on National Legislation; 1000 Eleventh Street NW., Washington, D. C.; nature of business, same as listed above.

C. (1) An indefinite time; the organization was established on a permanent basis.

C. (2) (a) Working for legislation including the admission of displaced persons, relief of Arab refugees, programs of relief and recovery (ECA, point IV), Federal aid to education, extension of civil rights (FEPC, anti-poll-tax, antilynching), and more support of the United Nations and its specialized agencies; opposition to conscription, the militarization of America, and the shipment of arms abroad.

C. (3) (a) The Washington Letter, a four- or eight-page publication issued approximately once a month; (b) an average of 10,000 each issue; (c) April 10, May 2, June 1, June 26; (d) Drake Press.

D. (5) $1,075; (7) $1,075; (8) $1,075; (9) $2,150; (13) no.

E. (7) $247.83; (9) $247.83; (10) $217.26; (11) $465.09; (15) $247.83.

A. Frazer A. Bailey, 1809 G Street NW., Washington, D. C.; president, National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.

B. National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) Legislation affecting the steamship industry, including: H. R. 7786, omnibus appropriation bill, subsidy provision; S. 3571, H. R. 8491, continuation of authority of Secretary of Commerce under Ship Sales Act; S. 2786, H. R. 5346, long-range bill, amend Merchant Marine Act, 1936; H. R. 8964, S. 3687, require armed services to use private shipping; H. R. 8677, S. 3649, S. 3650, Panama Canal tolls; S. 3109, H. R. 7474, sale of vessels under Ship Sales Act for Great Lakes; H. R. 6719, tramp shipping; S. J. Res. 167; enhancement clause; S. 2484, H. R. 6061, war-risk insurance; H. R. 4567, amendment of Displaced Persons Act of 1948; S. 3304, amendment of ECA Act of 1948.

D. (5) $3,750; (7) $3,750; (9) $3,750; (13) yes, employer.

A. Mary Alice Baldinger, Washington representative, American Civil Liberties Union, 4607 Connecticut Avenue, NW., Washington, D. C.

B. American Civil Liberties Union, 170 Fifth Avenue, New York, N. Y. The American Civil Liberties Union is an independent voluntary organization devoted to the preservation and promotion of civil liberties.

C. (1) As long as I continue to work with the American Civil Liberties Union.

C. (2) We are interested in all legislation in any way affecting civil liberties. Among specific bills of present concern are: Antilynching (S. 91; H. R. 4683); anti-poll-tax (S. 1727; H. R. 3199); omnibus civil rights (S. 1725; H. R. 4682); FEPC (S. 1728; H. R. 4453); Convention on Genocide; bills for establishing fair procedure rules for congressional committees (S. Con. Res. 2; H. J. Res. 20, et al.); home rule for the District of Columbia (S. 1527); the Mundt-Ferguson-Johnston and Nixon bills (S. 2311 and H. R. 7595); several bills affecting immigration and naturalization; several bills affecting American Indians.

D. (5) $207.20; (7) $207.20; (8) $357.05; (9) $564.25.

E. (5) $7.25; (6) $8.58; (8) $40.95; (9) $56.78; (10) $60.11; (11) $116.89.

A. Baldwin and Mermey, 205 East Forty-second Street, New York, N. Y.

B. Bureau of Education on Fair Trade, 205 West Wacker Drive, Chicago, Ill.

C. (2) Retention of fair trade laws.

C. (3) Fair trade newsletter published monthly; Koppel Printing Co., Inc., 225 West Thirty-ninth Street; 12,000 copies each month. Various news releases; mimeographed.

D. (5) $6,000; (6) $19,887.72; (7) $25,887.72; (8) $20,635.32; (9) $46,523.04.

E. (1) $6,000; (2) $6,321.70; (4) $10,483.79; (5) $703.61; (6) $284.94; (7) $2,093.68; (9) $25,887.72; (15) $25,887.72.

A. Joseph H. Ball, 1713 K Street NW., Washington, D. C.; executive.

B. Association of American Ship Owners, 90 Broad Street, New York, N. Y.

C. (1) The duration of registrant's employment is indefinite.

C. (2) The registrant is employed as vice president of the above-named employer and is not employed to support or oppose any specific legislation. During the period for which this report is filed, the registrant did, however, support, advocate, or oppose S. 2786, H. R. 8677, S. 3649, S. 3650, S. 2484, S. 3687, H. R. 483, excise-tax legislation, and tramp-shipping proposals.

C. (3) The registrant did not cause any article or editorial to be published during the quarter for which this report is filed.

D. During the quarter for which this report is made, the registrant received and is to receive only his salary and expenses. The portion of registrant's salary that may have been applicable to activities in furtherance of any object necessitating registration under Public Law 601 is estimated to be less than $1,250. The portion of the registrant's expenses that may have been applicable to activities in furtherance of any such object is estimated to be less than $100.

E. During the quarter for which this report is made, the registrant has paid only an amount estimated to be less than $100 on account of that portion of his transportation, meals, and similar out-of-pocket expenditures as may have been applicable to activities in furtherance of any object necessitating registration.

A. Hartman Barber, 10 Independence Avenue SW., Washington, D. C., legislative agent of organization listed below.

B. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; a railway labor organization, 1015 Vine Street, Cincinnati, Ohio.

C. (1) Legislative interests will continue indefinitely.

C. (2) S. 1103, H. R. 2945, S. 3295, H. R. 7789. These are bills in which we are interested, but their listing should not be construed as confining our activities merely to them as this brotherhood is interested in all legislation affecting labor, especially railroad labor.

D. (5) $1,392; (7) $1,392.

A. Harry S. Barger, 606 National Union Building, Washington, D. C., as the Washington representative of National Economic Council, Inc., 7501 Empire State Building, New York, N. Y.

B. National Economic Council, Inc., an organization interested in the maintenance of the Republic, and sound, constitutional government.

C. (1) Uncertain.

C. (2) Have made no appearances during this quarter.

C. (3) No publications isued by the undersigned. I am employed on a salary basis, with reimbursement of petty expenditures. During this quarter, I received salary at $666.66 a month, a total of $1,999.98, and I am to be reimbursed for miscellaneous petty expenses of $14.46 for the quarter. None of the other information called for by this form is applicable to me, because I received no contributions, and made no sales or loans of any kind.

A. James M. Barnes, 1025 Connecticut Avenue NW., Washington, D. C., attorney.

B. Advance Aluminum Castings Corp. et al; see original registration statement containing names of 18 companies.

C. (1) No fixed termination date.

C. (2) Extension of social security to all gainfully employed including a method of covering the self-employed appropriately.

D. (5) $2,900; (7) $2,900; (8) $2,250; (9) $5,150; (13) yes; or no: see attached sheet; $250, Progress Tailoring Co., 500 Throop Street, Chicago, Ill.; $250, The J. R. Watkins Co., Winona, Minn.; $250, Wallace Brown, Inc., 225 Fifth Ave, New York, N. Y.; $250, J. B. Simpson, Inc., 831 West Adams Street, Chicago, Ill.; $150, Morton Manufacturing Co., Lynchburg, Va.; $200, Charis Corp., 735 Lyndon Street, Allentown, Pa.; $250, Fashion Frocks, Inc., 3301 Colerain Avenue, Cincinnati, Ohio; $200, Hoover Manufacturing & Sales Co., 251 West Nineteenth, New York, N. Y.; $200, Spirella Co., Inc., 2600 Main Street, Nigara Falls, N. Y.; $50, Morton Manufacturing Co., Lynchburg, Va.; $100, the C & D Co., 333 Commerce Avenue, S. W., Grand Rapids, Mich.; $100, American Hosiery Mills, 741 East North Street, Indianapolis, Ind.; $250, Mason Shoe Mfg. Co., Chippewa Falls, Wis.; $100, Advance Aluminum Castings Corp., 2742 West Thirty-sixth Place, Chicago, Ill.; $100, the George Master Garment Corp., Ligoniere, Ind.; $100, the Stayform Co., 4325 Ravenswood Avenue, Chicago, Ill.; $100, Zanol Products, 1111 Richmond Street, Cincinnati, Ohio; total, $2,900.

A. James M. Barnes, 1025 Connecticut Avenue NW., Washington, D. C.; attorney.

B. Lehigh Valley Railroad Co., Kingsland Underwriters Group, Agency of Canadian Car & Foundry Co., Ltd.

C. (1) December 31, 1952.

C. (2) To provide for completion of payments to Americans holding adjudicated awards of the Mixed Claims Commission.

A. Arthur R. Barnett, 1200 Eighteenth Street NW., Washington, D. C.; registrant is the secretary-treasurer and director of research of the NAEC, a trade association whose members are 101 operating electric companies. Mr. Arthur R. Barnett, secretary, treasurer, and research director of the National Association of Electric Companies, is filing this form for the information of the

Congress of the United States under title 3 of the Legislative Reorganization Act of 1946, but questions whether and to what extent that act applies to him. This form has been prepared without the benefit of official interpretations of that statute. The amount stated in item (D) of the form is the total salary registrant receives as secretary, treasurer, and research director of the association in the performance of all his duties as they arise in carrying out the purposes and activities of the association.

B. National Association of Electric Companies, 1200 Eighteenth Street NW., Washington, D. C. The National Association of Electric Companies is a trade association whose members are 101 operating electric companies. The preamble of its articles of association describes the functions to be engaged in by the association as follows: "In order to further the interests of the electric utility companies that are members of this association and their investors, employees, and customers; to maintain the integrity and credit of the industry; to present to the public the essential facts about the industry to the end that there may be a better understanding between the utility companies and the public and a better appreciation of utility progress, achievements, and problems; to coordinate regional activities among member companies; to furnish member companies information, reports, and statements concerning various phases of electric utility operations and developments; to further cooperation with all agencies and organizations interested in the supply and purchase of electric light and power; to furnish such agencies and organizations with information, reports, and statements concerning member companies and the electric utility industry; to present the facts to the public concerning the public benefits resulting from the operation of electric utility companies by businessmen under governmental regulations and, generally, to engage in those practices recognized as being legal and proper to further said ends, certain electric utility companies do hereby establish a national association which shall be adequately qualified and empowered to act in every lawful way when concert of policy and action would be helpful." Thus the association functions for the following principal purposes: (1) To keep member companies informed of Washington developments affecting them as operating businesses, including information and analyses of governmental hearings, orders, and regulations, both legislative and administrative; (2) to keep the public, including employees, consumers, and investors, informed concerning the accomplishments of the industry, its achievements in serving the public, and the plans of this industry for the future; (3) to furnish—and aid in furnishing—technical information to the instruments of Government and to provide a readily available contact between Government and the industry; (4) to provide the members of the association with a medium through which they can exchange ideas on problems of mutual concern and interest in order to better serve the public; (5) to act for the member companies in matters of common and national concern.

C. (1) Of indefinite duration.

C. (2) Registrant is secretary, treasurer, and director of research of the National Association of Electric Companies. One of the purposes of this association as set forth in previous registrations and reports filed pursuant to title 3 of the Legislative Reorganization Act of 1946 is to provide its members with a medium through which they can develop and exchange ideas and take appropriate action on problems of mutual concern and interest, including matters involving legislation. The association, therefore, is generally interested in all developments in and of Federal legislation that might affect its members as going electric utilities, including, but not limited to, the following bills and statutes and amendments thereto: (a) H. R. 7786, a bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; S. 3376, a bill introduced in the Senate of the United States April 10, 1950, to provide for the organization of interstate water and power users' associations for the purpose of entering into contracts for the repayment of the costs of water and power projects on interstate streams and for the ownership, operation, and maintenance of such projects, and for other purposes; (c) Internal Revenue Code (53 Stat. 1); TVA Act (48 Stat. 58); Federal Power Act (49 Stat. 803); Rural Electrification Act of 1936 (49 Stat. 1363); Reclamation acts (25 Stat. through 45 Stat.); Flood Control Act, 1944 (58 Stat. 887); Administrative Procedure Act (60 Stat. 237). For specific details concerning the policy position of the National Association of Electric Companies, see the document entitled "Water Resources, Electric Power, and National Policy," prepared in response to an invitation of the Chairman of the President's Commission on Water Resources Policy dated March 2, 1950, to state the association's views on certain policy questions and filed with the Secretary of the Senate and Clerk of the House by the National Association of Electric Companies.

D. (5) $3,875; (7) $3,875; (8) $3,875; (9) $7,750; (13) no.

E. (6) $0.45; (7) $328.03; (8) $109.32; (9) $447.80; (10) $327.45; (11) $775.25; (15) $447.80.

A. A. K. Barta, 810 Eighteenth Street NW., Washington, D. C.; secretary of the Ethanol Committee.

B. The Ethanol Committee, 810 Eighteenth Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Bills affecting use of ethyl alcohol in nonbeverage products. Specifically, section 141 of H. R. 8920.

C. (3) No publications.

D. (5) $330.49; (7) $330.49; (8) $100; (9) $430.49; (13) no.

E. (7) $330.49; (9) $330.49; (10) $100 (11) $430.49; (15) $330.49.

A. A. K. Barta, 810 Eighteenth Street NW., Washington, D. C.; secretary-treasurer, the Proprietary Association.

B. The Proprietary Association, 810 Eighteenth Street NW., Washington, D. C.; a trade organization.

C. (1) Indefinite.

C. (2) Measures affecting the proprietary medicines industry. Nothing specific pending.

C. (3) Mimeographed news bulletin, issued weekly to approximately 260 companies, consisting of approximately 40 pages annually which carry comment on pending Federal legislation.

D. (6) $125; (7) $125; (8) $75; (9) $200; (13) no.

E. (7) $125; (9) $125; (10) $75; (11) $200; (15) $125.

A. John Stanton Bartlett (legislative representative), as an individual; National Association of Federal Career Employees, 712 Jackson Place NW., Washington, D. C.; an association of Federal career employees associations.

B. National Association of Federal Career Employees, 712 Jackson Place NW., Washington, D. C. Employer's report should be filed by Monroe S. Sykes, Jr., financial secretary and treasurer, 2310 Airline Boulevard, Portsmouth, Va.

C. (1) This is my final report. I have severed all connections with the National Association of Federal Career Employees as of June 27, 1950.

C. (2) H. R. 5181 and other legislation designed to modify section 12 of the Veterans' Preference Act of 1944, unemployment compensation and relief for displaced career employees of the United States.

D. (7) Salary reported received was as president to March 31, 1950, and not wholly for legislative activities; (8) $1,700; (9) $1,700; (13) no.

E. (12) $3,371.28.

A. Frank E. Bass, assistant secretary, Tennessee Education Association, 321 Seventh Avenue North, Nashville, Tenn.

B. Tennessee Education Association (an organization affiliated with but not a part of the National Education Association of the United States), 321 Seventh Avenue North, Nashville, Tenn.

C. (1) Indefinite.

C. (2) Bills pending before the Eighty-first Congress relating to public education. Primary interest in S. 246, H. R. 5939, H. R. 7160.

E. (7) $96.33 (reimbursed by the National Education Association of the United States); (9) $96.33; (10) $411.65: (11) $507.98.

A. J. A. Beirne, president, Communications Workers of America, CIO, 1808 Adams Mill Road NW., Washington, D. C.

B. Communications Workers of America, CIO, 1808 Adams Mill Road NW., Washington, D. C.; union.

C. (1) Indefinitely.

C. (2) Legislative matters affecting the interests of the membership of the union.

D. (8) $219.40; (9) $219.40.

E. (10) $219.40; (11) $219.40.

A. C. Jasper Bell; 904 Bryant Building, Kansas City, Mo.; attorney at law.

B. Anderson T. Herd, West Palm Beach, Fla.; S. A. Markel, care of Market Services, Richmond, Va.; Mrs. Rose Porter Carden and Geo. A. Carden, Jr., administrators of the estate of George A. Carden, Sr., deceased, care of O. M. Ruebhausen, 30 Exchange Place, New York, N. Y.

C. (1) This session of Congress;

C. (2) (b) Representing employers in connection with certain claims of George A. Carden and Anderson T. Herd against the United States and seeking passage of H. R. 4064 (81st Cong., 1st sess.);

C. (3) No publications issued.

D. (8) $1,250; (9) $1,250; (13) no; (14) $1,250, S. A. Markel, care of Markel Services, Inc., Richmond, Va.

E. (10) $1,188.72; (11) $1,188.72.

A. C. Jasper Bell, 904 Bryant Building, Kansas City, Mo.; attorney at law.

B. Philippine-American Committee, 1025 Connecticut Avenue NW., 412A (Stoneleigh Court), Washington, D. C.

C. (1) For this session of Congress.

C. (2) A bill to amend further the Philippine Rehabilitation Act of April 1946, as amended; (a) H. R. 7600, introduced in the House of Representatives, March 7, 1950, by Congressman MILLER, of California; (b) S. 3220, introduced in the Senate on March 8, 1950, by Senator KEFAUVER, of Tennessee.

D. (7) $2,535.88; (9) $29,257.91; (13) yes; (14) $1,000, Atlantic, Gulf & Pacific Co. of Manila, Manila, Philippine Islands; $5,000, Balatoc Mining Co., Manila, Philippine Islands; $5,000, Benguet Consolidated Mining Co., Manila, Philippine Islands; $2,500, California Packing Corp., 101 California Street, San Francisco, Calif.; $1,000, S. Frieder & Sons Tobacco Co., Third and Spruce Streets, Philadelphia, Pa.; $1,350, Heald Lumber Co., Manila, Philippine Islands; $1,000, Insular Lumber Co., 1405 Locust Street, Philadelphia, Pa.; $3,500, Manila Electric Co., 61 Broadway, New York, N. Y.; $2,000, Philippine Refining Co., 50 Broad Street, New York, N. Y.; $1,000, Procter & Gamble Trading Co., Cincinnati 1, Ohio; $11,350, Marsman Development Co., United Paracale Mining Co., Suyoc Consolidated Mining Co., Coco Grove, Inc., San

Mauricio Mining Co., Philippine Smelting Co., Inc., Paladan-Suyoc Deep Level Tunnel Co., Marsman & Co., Inc., Marsman Trading Corp., Itogon Mining Co., Insular Drug Co., Manila Machinery Co., Manila, Philippine Islands; $11,350, Andre Soriano Philippine Interests, Manila, Philippine Islands; $2,500, Victorias Milling Co., Inc., Manila, Philippine Islands; total, $48,550. The following received refunds of $500 each: Benguet Consolidated Mining Co., Manila, Philippine Islands ($500); Marsman Trading Corp., Manila, Philippine Islands ($500); Andre Soriano Philippine Interests, Manila, Philippine Islands ($500).

E. (7) $2,535.88; (9) $2,535.88; (10) $1,722.03; (11) $4,257.9 (15) $2,535.88.

A. Ernest H. Benson, national legislative representative, 10 Independence Avenue, SW., Washington, D. C.; handle legislative matters affecting my organization.

B. Brotherhood of Maintenance of Way Employees, 61 Putnam Avenue, Detroit, Mich.

C. (1) Indefinitely.

C. (2) H. R. 378 and S. 238 requiring railroads to install and maintain communication systems to promote safety of employees and travelers; H. R. 7769 and S. 3295 to amend Railway Labor Act authorizing agreements for union shops, etc.; H. R. 5785 amending Interstate Commerce Act with respect to carriers by conveyor belts, etc. All other legislation affecting railroad employees and labor in general.

D. (5) $3,000; (7) $3,000; (13) no.

A. Judd C. Benson, president, the National Association of Life Underwriters, 11 West Forty-second Street, New York, N. Y.

B. None. The president, vice president, secretary, treasurer, trustees, and committee chairman of this association serve without compensation.

C. (1) Legislative interests will continue indefinitely.

C. (2) Amendments to the Social Security Act, H. R. 6000; amendments to the Internal Revenue Code, H. R. 8920.

C. (3) (a) Life Association News; (b) 55,000; (c) monthly; (d) Hamilton Printing Co., Albany, N. Y.

D. (13) No.

E. (4) $36.93; (6) $533.43; (7) $172.54; (8) $40.00; (9) $782.90; (10) $738.12; (11) $1,521.02; (15) $782.90.

A. Wendell Berge, attorney at law, Posner, Berge, Fox & Arent, 1002 Ring Building, Washington, D. C.

B. Associated Third Class Mail Users, Inc., 1010 Vermont Avenue NW., Washington, D. C.

C. (1) Legislative interest to continue to October 19, 1950.

C. (2) H. R. 2945 and Senate 1103.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) See report of Associated Third Class Mail Users, Inc.

E. (4) $24.26; (6) $35.68; (8) $11.10; (9) $71.04; (10) $89.82; (11) $160.86; (15) all.

A. Preston B. Bergin, 1627 K Street NW., Washington, D. C.; trade association.

B. American Retail Federation, 1627 K Street NW., Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) Registrant is generally interested in all legislation and legislative proposals affecting the retail industry, including the industry's relations with the Federal Government, with its suppliers, with its employees, and with its customers. Specifically at this time: Taxation—general revisions, excise tax relief, no specific bills; Hoover Commission recommendations—general principles, Reorganization Plans Nos. 6 and 12; postal rates—H. R. 2945, S. 1103, postal rate increases; social security—social-security amendments, H. R. 6000, health insurance, S. 5, S. 1679, temporary disability insurance, H. R. 2893, unemployment compensation, H. R. 8059; labor—Fair Labor Standards Act (29 U. S. C. 201-219), National Labor Relations Act (49 Stat. 449), Fair Employment Practices Act bills, S. 1728, H. R. 4453; trade practices, consumer protection, labeling—cotton labeling bills (S. 124), fiber labeling bill (S. 283), fur labeling bill (H. R. 5187), flammable fabrics bill (S. 403), Wool labeling act (16 U. S. C., 68 et seq.)

D. (5) $625; (7) $625; (8) $625; (9) $1,250; (13) from employer. Yes—salary.

E. (7) $35.54; (9) $35.54; (10) $24.27; (11) $59.81; (15) $35.54.

A. William S. Bernard, 303 Lexington Avenue, New York, N. Y.; secretary.

B. Citizens Committee on Displaced Persons, 303 Lexington Avenue, New York, N. Y.; legislative organization.

C. (1) Until passage of H. R. 4567.

C. (2) H. R. 4567.

C. (3) None other than publications issued by Citizens Committee on Displaced Persons. This will be the last report as legislative interests have terminated with the passage of Public Law 555. The committee will continue its existence for several months for the purpose of preparing a report of its work and in an endeavor to clear up certain indebtedness.

D. (5) $2,505; (7) $2,505; (8) $2,505; (9) $5,010; (13) Not applicable.

E. (8) $2,571.80; (9) $2,571.80; (10) $4,442.57; (11) $7,014.37; (15) $2,571.80.

A. Charles A. Bethge, 511 South Paulina Street, Chicago, Ill.

B. Aldens, Inc., 511 South Paulina Street, Chicago, Ill.; mail-order house.

C. (1) Indefinite.

C. (2) Postal bills H. R. 2945 and S. 1103.

C. (3) Assisted in preparation of statement filed with Senate Post Office and Civil Service Committee in reference to H. R. 2945.

D. (6) $655.75; (7) $655.75.

E. (6) $40.67; (7) $615.08; (9) $655.75; (10) $242.53; (11) $898.28.

A. Bigham, Englar, Jones & Houston, 99 John Street, New York, N. Y.

B. American Institute of Marine Underwriters; the Association of Marine Underwriters of the United States; American Cargo War Risk Reinsurance Exchange; and American Marine Hull Insurance Syndicate.

C. (1) Indefinite. Within the scope of their services as general counsel the firm has over many years kept these organizations advised concerning legislative and administrative developments which might affect the conduct of their business of marine insurance.

C. (2) General questions affecting the insurance of ships and their cargoes against marine risks; reparations; subrogation; (a) Merchant Marine Act, 1936; (b) H. R. 6061 and S. 2484, dealing with marine war risks; H. R. 6053, a private bill for relief based on subrogation.

D. (13) No.

E. (6) $26.60; (7) $482.10; (9) $508.70; (10) $379.54; (11) $888.24; (15) $508.70.

A. Robert J. Bishop, 537 Fifth Avenue, New York, N. Y.; executive director.

B. Atlantic Union Committee, Inc., 537 Fifth Avenue, New York, N. Y.

C. (1) Until September 1950.

C. (2) Passage of Atlantic Union resolution, Senate Concurrent Resolution 57, House Concurrent Resolutions 107 to 111.

C. (3) None, except routine correspondence.

D. (5) $2,250; (6) $1,034.77; (7) $3,284.77; (8) $858.95; (9) $6,393.72.

E. (7) $1,034.77; (9) $1,034.77; (10) $858.95; (11) $1,893.72.

A. James C. Black, 1625 K Street NW., Washington, D. C.; manager, Republic Steel Corp.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio.

C. (1) Activities only on behalf of employer. I do not consider that I come under the act.

C. (2) Only insofar as legislation affects my employer.

D. (5) $600; (7) $600; (8) $600; (9) $1,200; (13) no.

E. (7) $500; (9) $500; (10) $500; (11) $1,000; (15) $500.

A. William Rhea Blake, 162 Madison Avenue, Memphis, Tenn.; executive vice president and secretary.

B. National Cotton Council of America, P. O. Box 18, Memphis, Tenn. Nonprofit welfare organization to promote the consumption of American-grown cotton, cottonseed, and products thereof.

C. (1) Indefinitely.

C. (2) Any legislation affecting the raw-cotton industry.

D. (5) $967.58; (7) $967.58; (9) $967.58.

E. (7) $342.58; (9) $342.58; (11) $342.53; (15) $342.58.

A. Helen Blanchard, 1034 Warner Building, Washington, D. C.; legislative representative, Amalgamated Clothing Workers of America, CIO.

B. Amalgamated Clothing Workers of America, 15 Union Square, New York, N. Y., an affiliated union of the CIO.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity, and general welfare; oppose legislation detrimental to these objectives.

C. (3) I have not individually issued or caused to be issued any publication as above described.

D. (5) $1,100; (7) $1,940; (8) $1,833.81; (9) $3,833.81.

E. (7) $840; (9) $840; (11) $840; (15) $840.

A. C. B. Blankenship,[2] legislative director, CWA Southern Division No. 49, Birmingham, Ala.

B. Communications Workers of America, Southern Division No. 49, 23 Broad Street SW., Atlanta, Ga.; union.

C. (1) Indefinitely.

C. (2) Legislative matters affecting the interests of the membership of this division.

D. (5) $490; (7) $490.

E. (2) $250; (7) $240; (9) $490.

A. C. B. Blankenship, legislative director, CWA-CIO, 1808 Adams Mill Road NW., Washington, D. C.

B. Communications Workers of America, CIO, 1808 Adams Mill Road NW., Washington, D. C.; union.

C. (1) Indefinitely.

C. (2) Legislative matters affecting the interests of the membership of this union.

D. (5) $2,027.87; (7) $2,027.87; (8) $490; (9) $2,517.87.

E. (2) $1,045.83; (6) $61.98; (7) $734.64; (8) $185.42; (9) $2,027.87; (10) $490; (11) $2,517.87.

A. Bleakley, Platt, Gilchrist & Walker, 120 Broadway, New York, N. Y.; law firm.

B. Mrs. Elisabeth von Elverfeldt, Hotel New Weston, Madison Avenue and Fiftieth Street, New York, N. Y.

C. (1) Legislative interests are to continue until the passage of H. R. 1848 or S. 1292 or substantially similar legislation.

C. (2) The person filing has no legislative interests other than promoting favorable consideration of H. R. 1848 and S. 1292 or substantially similar legislation.

C. (3) The person filing has neither issued nor caused to be issued any publication in connection with legislative interests, other than a statement in 50 copies which was made before a subcommittee of the House Interstate and Foreign Commerce Committee on June 15, 1950.

D. (6) $143.06, cash reimbursement of expenditures; (7) $143.06; (9) $143.06; (13) no.

E. (4) $38.76; (6) $1.25; (7) $103.71; (8) $2; (9) $145.72; (10) $143.06; (11) $288.78; (15) $145.72.

[2] Filed for first quarter, 1950.

A. Charles J. Bloch, 614–618 Persons Building, Macon, Ga.

B. Attapulgus Clay Co., 210 West Washington Square, Philadelphia, Pa.; production of and marketing of fuller's earth.

C. (1) Through current session of the Congress.

C. (2) Proposed amendments to Internal Revenue Code (sec. 114 (b) (4)) to include fuller's earth in those minerals entitled to percentage depletion, and possibly the amendment of H. R. 7622 so as to include fuller's earth therein.

C. (4) Attapulgus Clay Co's. plant is at Attapulgus, Ga. Registrant, from time to time, handles legal matters for it on a fee basis for each matter handled. The services here contemplated will be compensated for on a reasonable basis depending upon the amount of time devoted to the work, probably at the rate of $100 per day for time actually devoted. The nature and amount of the anticipated expenses will be solely traveling expenses to and from Washington, and subsistence, telephone, and telegraph expense, taxicabs, etc., while in Washington. It is not anticipated that the period of employment will be more than 10 days from time to time during the current session of Congress.

D. (5) $359.83; (7) $359.83; (13) no.

E. (7) $109.83; (9) $109.83; (15) $109.83.

A. D. A. Bodary, national legislative and general representative, 10 Independence Avenue SW., Washington, D. C.; handle legislative matters and handle and progress grievances and other activities of my organization.

B. Brotherhood Railway Carmen of America; 4929 Main Street, Kansas City, Mo..

C. (1) Indefinitely.

C. (2) H. R. 378 and S. 238 requiring railroads to install and maintain communication systems to promote safety of employees and travelers. H. R. 7789 and S. 3295 amending Railway Labor Act to authorize agreements for union shops, etc. H. R. 5785 to amend ICC Act with respect to carriers by conveyor belts, etc. All other legislation affecting railroad employees and labor in general. NOTE.—60 percent of my time spent in legislative work and 40 percent in general work other than legislation, for benefit of carmen belonging to our brotherhood. Salary as noted under receipts covers combined legislative work and general work for Brotherhood Railway Carmen of America.

D. (5) $1,250; (6) $1,080 ($12 per diem for expenses, hotels, etc.); (7) $2,330; (13) no.

A. Morton Bodfish, 221 North La Salle Street, Chicago, Ill.

B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.; Nation-wide trade association with membership of 3,700 savings and loan associations and cooperative banks.

C. (1) Continuous.

C. (2) Support all legislation favorable to thrift and home ownership and particularly helpful to savings and loan associations and cooperative banks in carrying out their thrift and home-financing objectives, and oppose legislation detrimental to home ownership and these institutions. During the current quarter legislative activities confined to study of the tax status of mutual savings institutions.

C. (3) (a) Article in American Affairs entitled "The Public Roof Over Britain"; (b) quantity published unknown; (c) April 1950; (d) National Industrial Conference Board quarterly publication.

D. (5) $1,250 (it is estimated that 25 percent of total salary of $5,000 is for legislative work); (7) $1,250; (9) $1,250; (13) no.

E. (6) $14.47; (7) $254.29; (9) $268.76; (11) $268.76; (15) $268.76.

A. John N. Bohannon, 75 Macon Avenue, Asheville, N. C. (when in Washington, 1028 Connecticut Avenue NW., Washington, D. C.); natural gas business.

B. Consolidated Natural Gas Co., 30 Rockefeller Plaza, New York, N. Y.

C. (1) Temporary, or part-time retainer basis as to any activities which might be deemed to fall within the scope of the Federal Regulation of Lobbying Act.

C. (2) Legislation materially affecting business in general and particularly any advocated changes in public policy concerning fuels—coal, oil, and natural gas—or any legislative action which might affect supply, production, gathering transportation, sales, or the distribution of natural gas and the demand therefor by consumers. Specific legislative interests of the above-named individual include: (a) and (b) National fuel policy; House Resolutions 307, 466, 442, House Concurrent Resolution 151, H. R. 7496, Senate Resolution 239; coal-price maintenance, S. 3383; petroleum policy, House Joint Resolution 423, H. R. 6047; regulation of oil imports, H. R. 6773, H. R. 7748, H. R. 7749, H. R. 7996, S. 3236, S. 3334; natural gas policy, H. R. 982 and other proposed amendments to the Natural Gas Act, such as H. R. 79, H. R. 1758, H. R. 4001, H. R 4028, H. R. 5306, H. R. 5703, S. 1498, S. 1831, S. 2746, S. 2964, and other amendments that subsequently may be offered, introduced, or considered by the Eighty-first Congress.

D. (5) $4,500; (7) $4,500; (8) $4,500; (9) $9,000; (13) no.

E. (5) $450; (6) $146.10; (7) $1,124.57; (9) $1,720.67; (10) $1,959.57; (11) $3,680.24.

A. Sanford H. Bolz,[2] 927 Fifteenth Street NW., Washington, D. C.; attorney.

B. American Jewish Congress, Inc., 1834 Broadway, New York, N. Y., charitable and educational corporation.

C. (1) Indefinite.

C. (2) General: To oppose anti-Semitism and racism in all its forms, e. g., most of the President's civil-rights program; to keep separate church and state; to liberalize immigration laws; to defend civil liberties incident thereto; to investigate denazification and democratization policy in Germany. Specific: (a) and (b) FEPC, S. 1728, H. R. 4453; comprehensive civil-rights bill, S. 1725, H. R. 4682; antilynching bill, S. 91, H. R. 4683; Genocide Convention ratification; group-libel bill, H. R. 2269; Federal aid to education, H. R. 7160; displaced-persons bill, H. R. 4567; Hobbs bill, H. R. 10; denazification and democratization of Germany, Senate Resolutions 125 and 260.

C. (3) Washington Post, letter to editor re Unequal Schools, published February 26, 1950; Civil Liberties Bulletin for January and February 1950, issued by National Civil Liberties Clearing House; two articles on H. R. 10. Quantities and printer unknown.

D. (5) $125; (7) $125; (9) $125.

E. (6) $9.40; (7) $19.20; (8) $1.46; (9) $30.06; (11) $30.06; (15) $30.06.

A. Sanford H. Bolz, 927 Fifteenth Street NW., Washington, D. C.; attorney.

B. American Jewish Congress, Inc., 1834 Broadway, New York, N. Y.; charitable and educational corporation.

C. (1) Indefinite.

C. (2) General: To oppose anti-Semitism and racism in all its forms, e. g., most of the President's civil-rights program; to keep separate church and state; to liberalize immigration laws; to defend civil liberties incident thereto; to investigate denazification policy in Germany. Specific: (a) and (b) FEPC, S. 1728, H. R. 4453; comprehensive civil-rights bill, S. 1725, H. R. 4682; antilynching bill, S. 91, H. R. 4683; Genocide Convention ratification; group-libel bill, H. R. 2269; Federal aid to education, H. R. 7160; displaced-persons bill, H. R. 4567; Hobbs bill, H. R. 10; denazification and democratization of Germany, Senate Resolutions 125 and 260; repeal of section 404 (c) Nationality Act of 1940, H. R. 8268; relief of certain Shanghai displaced persons, Senate Joint Resolution 184.

D. (5) $125; (7) $125; (8) $125; (9) $250.

E. (6) $0.80; (7) $23.55; (8) $2.52; (9) $26.87; (10) $30.06; (11) $56.93; (15) $26.87.

A. Sanford H. Bolz,[2] 927 Fifteenth Street NW., Washington, D. C.; attorney.

B. Fraser, Morris & Co., Inc., and British-American Trading Corp., 119 West Fifty-seventh Street, New York, N. Y., and 437 Eleventh Avenue, New York, N. Y.; exporters of food and gift parcels.

C. (1) No activity this quarter. Probably will not continue beyond end of 1950.

C. (2) Legislation affecting export controls and governmental subsidies in connection with shipment of relief and gift parcels abroad; (a) ECA authorization and appropriation bills (bills to provide foreign economic assistance and foreign-aid appropriations); (b) S. 3304 and H. R. 7797; (c) Economic Cooperation Act, section 117 (c).

C. (3) None in connection with these legislative interests.

A. Sanford H. Bolz, 927 Fifteenth Street NW., Washington, D. C.; attorney.

B. Fraser, Morris & Co., Inc., 119 West Fifty-seventh Street, New York, N. Y., and British-American Trading Corp., 437 Eleventh Avenue, New York, N. Y.; exporters of food and gift parcels.

C. (1) No activity this quarter. Probably will not continue beyond end of 1950.

C. (2) Legislation affecting export controls and governmental subsidies in connection with shipment of relief and gift parcels abroad; none at present.

C. (3) None in connection with these legislative interests.

A. Joseph Borkin, 1017 Ring Building, Washington, D. C.; attorney.

B. A number of incandescent-lamp manufacturers: Wabash Appliance Corp., Brooklyn, N. Y.; Jewel Products, Inc., Bloomfield, N. J.; Duro Test Corp, North Bergen, N. J.; Republic Co., Hoboken, N. J.; Solar Electric Co., Warren, Pa.; Pennsylvania Illuminating Co., Scranton, Pa.; Elram Lamp Works, Hoboken, N. J.; Carlton Lamp Corp., Newark, N. J.; Dura Electric Lamp Co., Newark, N. J.; Save Electric Co., Toledo, Ohio.

C. Same as previous statement.

A. James L. Bossemeyer, executive vice president, Natonal Association of Travel Officials, 1424 K Street NW., Washington, D. C. This is a full-time, salaried position; the duties are to conduct a program to accomplish the objectives outlined in paragraph B below.

B. National Association of Travel Officials, 1424 K Street NW., Washington, D. C. This is a nonprofit organization, dedicated to the promotion, improvement, and expansion of the travel business through the cooperative efforts of its members, comprising individuals, firms, and associations engaged in the sale, promotion, and conduct of recreational travel.

C. (1) A continued interest will be maintained in legislation affecting the welfare of the travel industry.

C. (2) See attached set of resolutions, particularly resolutions Nos. 1, 2, 3, and 7, as passed at the last annual convention of the association, held in Denver, Colo., in October 1949 (filed with preliminary report).

C. (3) No printed publications dealing with legislation have been issued. Occasional mimeographed bulletins have been sent to the membership (there are at this time 334 members).

C. (4) (a) Compensation paid by the month; (b) $833 per month, which covers all activities of the association of which legislation is only a part; (c) the period of employment is continuous; (d) no expenses are anticipated other than the portion of Mr. Bossemeyer's time devoted to legislation and

[2] Filed for first quarter, 1950.

[2] Filed for first quarter 1950.

the cost of special bulletins issued to members on this subject.

D. (1) $2,350; (7) $2,350; (9) $2,350; (13) no.

E. (2) $230.32; (4) $22.01; (5) $45; (6) $15; (9) $312.33.

A. Clarence J. Bourg, 510 Union Trust Building, Washington, D. C.; keeping members informed with regard to legislation and action taken in the Department of Agriculture and other agencies.

B. American Sugar Cane League, New Orleans, La.; Farmers & Manufacturers Beet Sugar Association, Saginaw, Mich.

C. (1) Permanently.

C. (2) H. R. 6567 (to increase the borrowing power of CCC).

C. (3) Sugar Bulletin—bimonthly (American Sugar Cane League). Sugar Beet Journal—monthly (Farmers & Manufacturers Beet Sugar Association). Both publications sent to entire membership.

E. (8) $242.85. Above sum expended in connection with legislation and other contacts with the Government, not exceeding one-fourth expended in connection with legislation, such as taxicab fares and an occasional lunch when Congress is in session.

A. Benjamin Edward Bowden, Room 313, Labor Building, 10 Independence Avenue SW., Washington 4, D. C.; legislative representative (temporary), American Train Dispatchers Association.

B. American Train Dispatchers Association, 10 East Huron Street, Chicago, Ill.; a labor organization.

C. (1) Unable to determine how long my activities will continue as it is depending on the action of the Congress upon the legislation in which we are interested.

C. (2) All legislation affecting railroad labor, particularly H. R. 7789 and S. 3295, known as union-security legislation.

C. (3) No publication issued or caused to be issued as a result of my activities.

C. (4) Preliminary report filed on April 6.

D. (5) $1,027; (7) $1,027; (13) no.

E. (8) $574.90; (10) $574.90.

A. R. B. Bowden, 608 Hibbs Building, Washington, D. C., or 100 Merchants' Exchange, St. Louis, Mo.; executive vice president of national trade association organized in 1896.

B. The Grain & Feed Dealers National Association, 100 Merchants' Exchange, St. Louis, Mo.

C. (1) Indefinitely; trade association office maintained for many years.

C. (2) Legislation affecting the grain and feed trade of the United States. During past quarter have been interested in tax bill—equal taxation of exempt cooperatives. Interested in proposals for Brannan plan legislation. No active lobbying on it.

C. (3) Our St. Louis office issues a weekly Newsletter, in which comment is made on various legislative proposals; trade rules; arbitration reports; committee action, etc. Approximately 1,500 copies per issue, sent to dues-paying members.

D. Amounts received, second quarter of 1950; Salary, $3,750 before taxes; none user for business purposes. Income: From annual dues, $11,282.50; from affiliated associations, dues, $684.14; total, $11,966.64; refunded from arbitration-fee deposits, $230; total, $11,736.64. Expense accounts: $312.44 in refunds from employer, covering train travel and subsistence while making regular semimonthly trips between Washington and St. Louis offices; trips visiting affiliated associations in the field at their annual conventions. Receipts of approximately $500 came from affiliated associations in covering all or part of expense to attend their conventions as speaker on trade matters. Not used for purposes of lobbying.

E. Expenditures: Salaries, $10,109.36; rentals, $1,410; office supplies, $80.59; telephone and teletype, $447.27; telegraph, $36.22; postage and express, $793.68; printing, $459.86; taxes, $116.44; dues paid others, $23; capital expenditures, $546.68; traveling expenses, officers-employees, $1,559.97; professional services (refund), $125; miscellaneous expenses, $186.52; total, $15,644.59.

A. H. B. Boyd, 1001 Tower Building, Washington, D. C.; secretary and treasurer, United States Beet Sugar Association.

B. United States Beet Sugar Association, 1001 Tower Building, Washington, D. C.; beet sugar trade association.

C. (1) Indefinite.

C. (2) Interested in any legislation affecting sugar, particularly the Sugar Act of 1948, and related legislation.

A. Joseph E. Brady, 2347 Vine Street, Cincinnati, Ohio.

B. International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers of America, 2347 Vine Street, Cincinnati, Ohio.

C. (1) As long as registrant holds present office and legislation affecting interest of employing organization is pending.

C. (2) All legislation involving or in the direction of national prohibition, taxation of malt beverages and alcoholic beverages, etc.; (a) Langer bill, S. 1847.

C. (3) None by registrant except reports to employing organization which have been published in the official union publication, the Brewery Worker.

D. (5) $180.42; registrant receives, in addition, an annual salary for his position as coordinator of State councils of the above-named labor organization; (7) $180.42; (8) $344.22; (9) $524.64; (13) no.

E. (6) $18.78; (7) $161.64; (9) $180.42; (10) $344.22; (11) $524.64; (15) $180.42.

A. Harry R. Brashear, 610 Shoreham Building, Washington, D. C.; director of traffic service, Aircraft Industries Association.

B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D. C., national trade association of the aircraft manufacturing industry.

C. (1) No definite period. During pendency of bill mentioned in (2).

C. (2) Registration was filed to permit me to appear for my employer in opposition to S. 2113, to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers.

D. Registrant's only legislative activity during this quarter was the filing of a statement in opposition to S. 2113. Nothing received except salary and expenses, no part of either having been paid in connection with legislative interests.

A. John H. Bream, secretary and general counsel, Pennsylvania Associated Businessmen, Inc., 701 Blackstone Building, Harrisburg, Pa., seeking tax equality for independent businessmen.

B. Pennsylvania Associated Businessmen, Inc., 701 Blackstone Building, Harrisburg, Pa.; seeking tax equality for independent businessmen.

C. (1) Indefinite.

C. (2) Seeking general tax equality; interested in H. R. 5064 and H. R. 3905.

D. (1) $2,397; (7) $2,397; (9) $2,397.

E. (1) $1,025.10; (3) $1,510; (4) $528.50; (5) $662.98; (6) $60.49; (9) $3,787.07.

A. Arthur H. Breed, Jr., and James D. Hahn, associates, 1111 Jackson Street, Oakland, Calif.

B. Pacific American Steamship Association, 16 California Street, San Francisco, Calif.

C. (1) Indeterminate.

C. (2) Panama Canal toll legislation.

D. (5) $5,523.12; (7) $5,523.12; (8) $5,064.74; (9) $10,587.86.

E. (5) $7.49; (6) $56.48; (7) $2,857.15; (8) $2.; (9) $2,923.12; (10) $2,464.74; (11) $5,387.86; (15) $2,923.12.

James W. Brewbaker, Investment Building, Washington, D. C. Letter received and filed in Clerk's Office. National Association of Manufacturers.

A. O. O. Bright, 1302 18 Street NW., Washington, D. C.; lumber.

B. Southern pine Industry Committee, New Orleans, La.

C. Legislation affecting the lumber manufacturing industry.

D. (5) $1,200; (7) $1,200; (8) $1,200; (9) $2,400.

E. (7) $35.50; (9) $35.50; (10) $52.58; (11) $88.08; (15) $1,235.50.

A. Melvin H. Brightman, 1112 Barr Building, Washington, D. C.; executive secretary.

B. Dairy Industry Committee, 1112 Barr Building, Washington, D. C.; information and promotional organization.

C. (1) Indefinitely.

C. (2) Any legislation affecting the dairy industry.

C. (3) A weekly newsletter to members mentioning legislative items when occasion arises.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000.

A. H. E. Brinckerhoff, 220 East Forty-second Street, New York, N. Y.; executive secretary of American Pulpwood Association.

B. American Pulpwood Association, 220 East Forty-second Street, New York, N. Y.; unincorporated non-profit trade association.

C. (1) Legislative interests will continue during employment.

C. (2) Legislative interests are those of employer, namely, those affecting the pulpwood industry in its properties, operations or practices. Presently interested in H. R. 2000.

D. (5) $224; (6) $217.19; (7) $441.19; (8) $570.07; (9) $1,011.26; (13) No.

E. (6) $39.81; (7) $166.53; (8) $12.85; (9) $219.19; (10) $294.07; (11) $513.26; (15) 219.19.

A. David F. Brinegar, 510 Goodrich Building, Phoenix, Ariz.; public relations.

B. Central Arizona Project Association, 510 Goodrich Building, Phoenix, Ariz.; civic association formed to further Central Arizona project.

C. (1) Indefinitely.

C. (2) S. 75, H. R. 934, and H. R. 935; Central Arizona project bill.

D. (5) $1,500; (6) $2,410.65; (7) $3,910.65; (8) $4,600; (9) $8,510.65.

E. (7) $2,410.65; (9) $2,410.65; (10) $3,100; (11) $5,510.65; (15) $5,510.65.

A. Eugene W. Brockenbrough, 1025 Vermont Avenue NW., Washington, D. C.; president, Institute of Shortening and Edible Oils, Inc.

B. Institute of Shortening and Edible Oils, Inc., 1025 Vermont Avenue NW., Washington, D. C.; institute is trade association in edible fats and oils industry.

C. (1) Indefinitely; see Form B filed May 2, 1949.

C. (2) In general, legislation which concerns or affects fats and oils; see Form C's filed quarterly since May 2, 1949. No specific legislative interests and such information not required under the existing statute (see sec. 308 (a)).

C. (3) No publication, papers, periodicals, or magazines issued.

D. (13) No. Registrant receives an annual salary as reported on Form B filed May 2, 1949. Registrant engaged in no legislative activities during the period covered by this report and therefore no part of the salary paid to him can be attributed to legislative activities.

A. Milton E. Brooding, 101 California Street, San Francisco, Calif.; food processing.

B. California Packing Corp., 101 California Street, San Francisco, Calif.; food processing.

C. (1) Indefinitely.

C. (2) General legislation affecting food processing and related activties, including specifically: Antitrust laws, monopolies, H. R. 2734; antitrust penalties under Sherman

and Clayton Acts, H. R. 6679 and H. R. 7827; freight absorption, S. 1008; drawback, H. R. 4612; food and drug exports, H. R. 562; legislation implementing United States-Mexican and United States-Costa Rican Tuna Treaties, H. R. 6204 and S. 2633; marketing agreements and orders, S. 1464; reorganization of Government departments: Plan No. 12.

D. (5) $1,800; (7) $1,800; (8) $1,200; (9) $3,000; (13) no. An annual salary is received by registrant from the employer, California Packing Corp., for all duties performed by him, of which, not to exceed about $4,000 per annum, is devoted to activities covered by the Lobbying Act. The allocable portion of this amount, applying to the second quarter, 1950, is estimated to be about $1,800.

E. (3) $25; (6) $50; (7) $450; (9) $525; (10) $400; (11) $925; (15) $525.

A. William F. Brooks, executive secretary, 604 Hibbs Building, Washington, D. C.

B. National Grain Trade Council, 604 Hibbs Building, Washington, D. C.; trade association.

C. (1) Uncertain. The nature of my employment requires me to be interested in legislation affecting agriculture in general and the grain trade in particular.

C. (2) During the period covered by this report I have been interested in pending legislation to amend the basic agriculture law; to amend the Commodity Credit Corporation charter; to amend the basic tax law, and to continue the European recovery program. Specifically these bills are numbered as follows: S. 1971 and S. 2826; H. R. 8920 and H. R. 7378.

C. (3) The only publication I have issued or caused to be issued in connection with the afore-mentioned legislative interests were statements filed with or presented to the Senate Agriculture Committee and the House Committee on Banking and Currency.

D. (9) $3,437.48, salary before tax deductions; $737.74, reimbursement of actual expenses incurred; total, $4,175.23.

E. (9) My only expenditures in connection with legislative interests have been incurred for local transportation and do not exceed $5. All have been for cab fares, no one of which was in excess of $1.

A. Brotherhood of Locomotive Engineers, 1118 B. of L. E. Building, Cleveland, Ohio, a labor organization.

B. Same as (A) above.

C. (1) Continuously.

C. (2) We support or oppose legislation directly and indirectly affecting the interests of labor.

C. (3) Our official publication is the Locomotive Engineers Journal. It is issued monthly and occasionally discusses legislation.

D. (1) The membership of the Brotherhood of Locomotive Engineers pay dues, on a monthly basis, in an amount determined by their employment status at the 1st day of each month, as for example: $2 if actually employed as a locomotive engineer; $1.35 if demoted; 70 cents if firing and not having been promoted; nothing if not earning at least $120 per month. The average amount of dues and assessments received varies, but will probably average $100,000 per month.

A. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; Henry P. Schmidt, legislative representative, room 301, 10 Independence Avenue SW., Washington, D. C.

B. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees (a railway labor organization), 1015 Vine Street, Cincinnati, Ohio.

C. (1) Legislative interests will continue indefinitely.

C. (2) S. 1103, H. R. 2945, S. 3295, H. R. 7789; these are bills in which we are interested, but their listing should not be construed as confining our activities merely to them as this brotherhood is interested in all legislation affecting labor, especially railroad labor.

D. (5) $961; (7) $961.

A. C. R. Brown, room 311, Labor Building, 10 Independence Avenue SW., Washington, D. C.; railroad brotherhood (labor union).

B. Brotherhood of Maintenance of Way Employees, 61 Putnam Avenue, Detroit, Mich.; railroad brotherhood (labor union).

C. (1) Indefinite.

C. (2) S. 3295 and H. R. 7789, to amend Railway Labor Act; S. 328 and H. R. 378, to amend section 25 of the Interstate Commerce Act; general interest in all legislation affecting labor, especially railroad labor.

D. (5) $1,300; (6) $709.89; (7) $2,009.89; (9) $2,009.89; (13) no.

A. Mrs. Ethel G. Brown,[2] 1134 North Orange Drive, Los Angeles, Calif., chairman of the standing committee on legislation of the National Congress of Parents and Teachers.

B. National Congress of Parents and Teachers, 600 South Michigan Boulevard, Chicago, Ill.; the national congress is a nonprofit corporation of the District of Columbia.

C. (1) The legislative interests of the organization will continue indefinitely.

C. (2) The general legislative interests of the national congress are concerned with measures which affect the welfare of children and youth in fields of education; social and economic well-being; child labor and environmental situations; Federal research agencies in education, health, juvenile protection, and homemaking; world understanding and peace among nations. The national congress may support or oppose specific statutes and bills which relate to the area of its general legislative interests.

C. (3) The legislative interests of the national congress are reported upon from time to time in National Parent-Teacher, the official magazine of the National Congress of Parents and Teachers.

D. The individual making this report received, during the period from January 1 to March 31, 1950, from the National Congress of Parents and Teachers the total sum of $250 to defray the out-of-pocket expenses of the chairman of the standing committee on legislation and the chairman of the Washington committee on legislation in connection with the legislative activities of the national congress.

E. Of the $250 received by the chairman of the standing committee on legislation from the national congress, $28.91 was used by her to reimburse herself for out-of-pocket expenses incurred by her in connection with the legislative activities of the national congress. Such expenses included telegrams, telephone, postage, and similar items, including the following: Telephone and telegraph, $28.91. Of the said $250, $221.09 was paid by the chairman of the standing committee on legislation, during the period from January 1 to March 31, 1950, to Mrs. Edna Callaghan, 2032 Belmont Road NW., Washington, D. C., chairman of the Washington committee on legislation of the national congress, in reimbursement for the out-of-pocket expenses of Mrs. Callaghan.

A. Mrs. Ethel G. Brown, 1134 North Orange Drive, Los Angeles, Calif.; chairman of the standing committee on legislation of the National Congress of Parents and Teachers.

B. National Congress of Parents and Teachers, 600 South Michigan Boulevard, Chicago, Ill.; the national congress is a nonprofit corporation of the District of Columbia.

C. (1) The legislative interests of the organization will continue indefinitely.

C. (2) The general legislative interests of the national congress are concerned with measures which affect the welfare of children and youth in fields of education; social and economic well-being; child labor and environmental situations; Federal research agencies in education, health, juvenile protection, and homemaking; world understanding and peace among nations. The national congress may support or oppose specific statutes and bills which relate to the area of its general legislative interests.

C. (3) The legislative interests of the national congress are reported upon from time to time in National Parent-Teacher, the official magazine of the National Congress of Parents and Teachers.

D. The individual making this report received, during the period from April 1, 1950, to June 30, 1950, from the National Congress of Parents and Teachers the total sum of $250 to defray the out-of-pocket expenses of the chairman of the standing committee on legislation and the chairman of the Washington committee on legislation in connection with the legislative activities of the national congress.

E. Of the $250 received by the chairman of the standing committee on legislation from the national congress, $110.62 was used by her to reimburse herself for out-of-pocket expenses incurred by her in connection with the legislative activities of the national congress. Such expenses included telegrams, telephone, and postage, as follows:

Telephone and telegraph, $107.12; postage, $3.50. Of the said $250, $81.42 was paid by the chairman of the standing committee on legislation, during the period from April 1, 1950, to June 30, 1950, to Mrs. Edna Callaghan, 2032 Belmont Road NW., Washington, D. C., chairman of the Washington committee on legislation, in reimbursement for the out-of-pocket expenses of Mrs. Callaghan.

A. Brown, Lund & Fitzgerald, Washington Loan & Trust Building, Washington, D. C.; attorneys at law. Wendell Lund, a partner in this firm, performs no service under this arrangement, and does not participate in the fee.

B. National Association of Electric Companies, Ring Building, Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) Any legislation that might affect the members of NAEC; (a) H. R. 7786, 1951 appropriations bill, H. R. 8472, rivers and harbors bill, Internal Revenue Code (53 Stat. 1), TVA Act (48 Stat. 58), Federal Power Act (49 Stat. 803), REA Act of 1936 (49 Stat. 1363), reclamation acts (25 Stat. through 45 Stat.), Flood Control Act of 1944 (58 Stat. 887), Administrative Procedure Act (60 Stat. 237).

D. (5) $7,500; (6) $49.72; (7) $7,549.72; (8) $7,548.65; (9) $15,098.37; (13) no.

E. (2) $5,991.66; (5) $375; (6) $12.81; (7) $179.44; (8) $24.55; (9) $6,583.46; (10) $7,248.65; (11) $13,832.11; (15) $583.46.

A. Paul W. Brown, 925 South Homan Avenue, Chicago, Ill.

B. Sears, Roebuck & Co., 925 South Homan Avenue, Chicago, Ill.

C. Postal rate legislation.

E. (6) 20 cents; (7) $308.47; (9) $308.67; (10) $203.56; (11) $512.23; (15) $308.67.

A. Russell B. Brown, 1110 Ring Building, Washington, D. C.; general counsel, Independent Petroleum Association of America.

B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D. C.; trade association.

C. Legislative interests are continuing. I am not employed to support or oppose any specific legislation. My duties include that of maintaining surveillance of legislation that might affect the petroleum industry and taking such action with respect to such legislation as directed by the association. My normal duties include periodic reporting to members of the association on pending legislation.

D. (5) As previously reported.

E. (8) $59; (15) $59.

[2] Filed for first quarter 1950.

A. Jack Bryson, 1600 I Street NW., Washington, D. C.; motion-picture industry.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D. C.; motion-picture industry trade association.

C. (1) Indefinite.

C. (2) Any legislation affecting the motion-picture industry when introduced in the Congress.

NOTE.—In connection with my duties as director of the division of legislation and government of the Motion Picture Association, I have charge of furnishing information as to legislative happening involving not only the Congress but also the 48 State legislatures. My compensation as always reported is the full amount for services rendered in performing both of the above functions. It is impractical to allocate in dollars the amount paid me for services in connection with the Federal Regulation of Lobbying Act. Approximately 30 percent of my time is spent on such matters.

D. (5) $6,280.79; (7) $6,280.79; (8) $6,280.79; (9) $12,561.58; (13) no.

E. (8) $600; (9) $600; (10) $600; (11) $1,200; (15) $600.

A. Thomas G. Buchanan, Jr., 930 F Street NW., room 514, Washington, D. C.; public relations.

B. National Committee to Defeat the Mundt Bill, 930 F Street NW., room 514, Washington, D. C.; opposition to S. 2311, H. R. 7595, and similar legislation.

C. (1) Legislative interests of the individual filing this report terminated May 27, 1950, upon completion of his employment by the National Committee to Defeat the Mundt Bill.

C. (2) Defeat of S. 2311 and H. R. 7595 (Subversive Activities Control Act of 1950) and similar legislation.

(C) (3) None by the individual filing this report.

D. (5) $525; (7) $525; (8) $225; (9) $750.

A. Henry H. Buckman, consulting engineer, 405 Dorset Avenue, Chevy Chase, Md.

B. Florida Inland Navigation District, Citizens Bank Building, Bunnell, Fla.

C. (1) For an indefinite term.

C. (2) Generally interested in all legislation relating to river and harbor works, flood control, and other water use and conservation. Specifically interested in H. R. 7786, general appropriations bill, 1951.

D. Pro rated; (5) $1,350; (6) $42.64; (7) $1,392.64; (8) $1,481.39; (9) $2,874.03; (14) all receipts from employer named above.

E. Pro rated; (8) $42.64; (9) $42.64; (10) $131.39; (11) $174.03; (15) $42.64.

A. Henry H. Buckman, consulting engineer, 405 Dorset Avenue, Chevy Chase, Md.

B. The Vulcan Detinning Co., Sewaren, N. J.

C. (1) For an indefinite term.

C. (2) Potentially interested in general in all legislation affecting tin, tin smelting, detinning, steel scrap, and related subjects. Specific legislative interest includes: H. J. Res. 324 to encourage exploration of tin ore resources of the United States, etc.; H. R. 3524, to strengthen national security by providing for domestic tin smelting industry; also companion bill, S. 1432; H. R. 8569 and H. R. 3666, companion bills, to extend for 5 years the authority for the Texas City tin smelter operations.

D. Pro rated; (5) $2,000; (6) $97.38; (7) $2,097.38; (8) $37; (9) $2,134.38; (14) all receipts from employer named above.

E. Pro rated; (6) $22.68; (9) $22.68; (10) $102.61; (11) $125.29; (15) $22.68.

A. George Bugbee, 18 East Division Street, Chicago, Ill.; executive director.

B. American Hospital Association, 18 East Division Street, Chicago, Ill.; an association whose membership includes most of the hospitals of the Nation and the Blue Cross plans.

C. Identical with information reported by the American Hospital Association for this same quarter.

D. (5) $1,343.75; (7) $1,343.75; (9) $1,343.75; (13) No.

E. (7) $178.06; (9) $178.06; (10) $415.93; (11) $593.99.

A. Building Products Institute, 1032 Shoreham Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) Proposals which may affect the producers of building materials.

The Building Products Institute is an organization devoted to economic research and analysis of trends in construction, disseminating its findings to those interested in the construction industry and to the public. However, in view of certain provisions of the regulation of Lobbying Act of 1946 concerning what constitutes "principal purpose" and the phrase "to influence directly or indirectly the passage or defeat of any legislation," etc. we are filing this form giving a full disclosure of the information required under the act.

D. (13) No.

E. (6) $25.71; (8) $2; (9) $27.71; (10) $76.90; (11) $104.61.

A. William J. Bulow, Jr., Munsey Building, Washington, D. C.; lawyer.

B. American Nurses Association, 1790 Broadway, New York, N. Y.

C. (1) Indefinite.

C. (2) Legislation relating to nurses, nursing, or health, in which the American Nurses Association is interested.

D. (13) No.

E. (6) $8.15; (9) $8.15; (10) $11.75; (11) $19.90; (15) $8.15.

A. William J. Bulow, Jr., Munsey Building, Washington, D. C.; lawyer.

B. National Postal Committee for Books, 62 West Forty-seventh Street, New York, N. Y.

C. (1) Indefinite.

C. (2) Postal-rate legislation, H. R. 2945, S. 1103.

D. (13) No.

E. (6) $57.25 and cab fares; (9) $57.25; (10) $82.05; (11) $139.30; (15) $57.25.

A. Fred Burchfield, 406 Church Street, Logan, Ohio.

B. Legislative-Federal Relations Division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington 6, D. C.

C. (1) Approximately 40 weeks—April 15 to May 15, 1950.

C. (2) Federal aid to education: S. 246, H. R. 5939, or similar bills.

D. (5) $420; (7) $420; (8) $420.

E. (7) $145.86; (9) $145.86; (11) $145.86.

A. George J. Burger, retained by Burger Tire Consultant Service and vice president in charge, Washington office, National Federation of Independent Business, 250 West Fifty-seventh Street, New York, N. Y., or 714 Bond Building, Washington, D. C.

B. Burger Tire Consultant Service, 250 West Fifty-seventh Street, New York, N. Y. (consultant service for benefit of independents in rubber-tire industry); National Federation of Independent Business, 714 Bond Building, Washington, D. C. (national trade association representing interests of independent business).

C. (1) Interested in rubber-tires bill, basing-point bill (S. 1008), antitrust-law legislation, all legislation affecting independent small business.

D. (5) $2,659.98.

D. (14) January 1 through June 30, 1950.

E. (7) Necessary travel expenses from New Rochelle, N. Y., to Washington; ordinary living expenses in hotel in Washington.

A. Burley and Dark Leaf Tobacco Export Association, Post Office Box 860, Lexington, Ky.; promotion of tobacco exports (lobbyist, Hugh W. Taylor, 1507 M Street NW., Washington, D. C.)

B. Burley and Dark Leaf Tobacco Export Association employs Mr. Taylor.

C. No legislation or publications.

D. (1) $3,071.72; (7) $3,071.72; (8) $4,837.50; (9) $7,909.22; (13) no; (14) $31.50, Eastern Dark Fired Tobacco Association, Springfield, Tenn., dues for one-half year; $267, Stemming District Tobacco Association, Henderson, Ky., dues for one-half year; $691.50, Tennessee Burley Tobacco Association, Columbia, Tenn., dues for one-half year; $75.75, Virginia Dark Fired Tobacco Association, Farmville, Va., dues for one-half year, $12.75, Virginia Burley Tobacco Asscciation, Abingdon, Va., dues for one-half year; $633, Western Dark Fired Association, Murray, Ky., dues for one-half year; $2.22, insurance refund; $1,250, Burley Leaf Tobacco Dealers Association, Louisville, Ky., dues for one-half year; $3,071.72, total dues collected during quarter.

E. Disbursements made to maintain office in Washington and office in Lexington, Ky.; no moneys used for legislative interests. Salaries: H. W. Taylor, $2,226.75; Kathleen V. Allen, $575.70 (Mr. Taylor's secretary); Margaret Adair, $296.50 (office in Lexington to pay bills); total, $3,097.96. Office overhead (Washington and Lexington), $1,463.57. Total expenditures, $4,561.53. Nonprofit organization to promote export of tobacco, dues based on budget of $20,000 a year, supplied by dues from member organizations, composed of dealer organizations, warehouse organizations, and farmer cooperatives.

A. George B. Burnham, 111 First Street NE., Washington, D. C.; chemicals.

B. Numerous stockholders of the Burnham Chemical Co., 5653 College Avenue, Oakland, Calif.; chemicals.

C. (1) To the end of the Eighty-first Congress or possibly longer.

C. (2) Strengthening the antitrust laws. (a) To amend the Sherman and Clayton Acts to provide a uniform period of limitations within which treble-damage actions may be instituted under the antitrust laws. (b) Bills S. 1910 and H. R. 4985. (c) Sherman Act (26 Stat. 210), Clayton Act (38 Stat. 731, as amended; 15 U. S. C. 15).

D. (2) $1,140.15; (7) $1,140.15; (8) $578; (9) $1,718.15.

E. (2) $200; (3) $521.84; (7) $418.31; (9) $1,140.15; (10) $578; (11) $1,718.15; (15) $1,140.15.

A. Robert M. Burr, 155 East Forty-fourth Street, New York, N. Y.

B. National Electrical Manufacturers Association, 155 East Forty-fourth Street, New York, N. Y.

C. (1) Duration not predictable.

C. (2) Legislation to remove excise taxes on electric refrigerators, electric ranges, electric water heaters, domestic electric appliances, commercial electric cooking equipment, and electric fans.

D. (5) $65.85; (7) $65.85; (8) $304.79; (9) $370.64; (13) no.

E. (10) $69.65; (11) $69.65.

A. Orrin A. Burrows, 1200 Fifteenth Street NW., Washington, D. C., assistant to the international president (IBEW) for matters affecting Government employees.

B. International Brotherhood of Electrical Workers, A. F. of L., 1200 Fifteenth Street NW., Washington, D. C. International labor union; affiliate of the American Federation of Labor.

C. (1) Indefinitely.

C. (2) All legislation affecting the Electrical Workers (AFL) in particular and labor in general.

C. (3) I, personally, edit no publication. The Electrical Workers Journal is published by the IBEW and deals with general subjects interesting to members of the electrical trade, but this publication does not deal specifically with legislative matters.

D. (5) $2,067; (7) $2,067; (8) $2,067; (9) $4,134; (13) no.

A. Mr. Sherman E. Burt, attorney, 1523 L Street NW., Washington, D. C.

B. Sagamor Coal Co., Post Office Box 198, Knoxville, Tenn.

C. (1) Indefinite.

C. (2) Legislation affecting interest of the coal industry, such as S. 3383.

A. Carl Byoir and Associates, Inc., 10 East Fortieth Street, New York, N. Y.; public relations.

B. Schenley Industries, Inc., 350 Fifth Avenue, New York, N. Y.; producers and distributors, chiefly of alcoholic beverages.

C. (1) Legislative interests expected to continue intermittently for duration of retention of Carl Byoir & Associates, Inc., as general public relations counsel for Schenley Industries, Inc., under yearly contract.

C. (2) For the quarter covered by this report, the undersigned worked with Schenley in opposing the present rate of Federal excise tax on distilled spirits, as part of full-time work on general public relations for which Carl Byoir & Associates, Inc., is retained by Schenley. (a) Revenue Act of 1943; (b) H. R. 3587 (78th Cong.).

E. (1) $9,000; (2) $11,007; (4) $354 (included in fee); (6) $66; (7) $237; (8) $760; (9) $21,424; (10) $23,287; (11) $44,711; (15) all.

A. C. G. Caffrey, 1026 Seventeenth Street NW., Washington, D. C.; Washington representative for the American Cotton Manufacturers Institute, Inc.

B. The American Cotton Manufacturers Institute, Inc., 203-a Liberty Life Building, Charlotte, N. C.; trade association work.

C. (1) So long as Congress is in session.

C. (2) (a) Frear amendment; (b) S. 2408.

E. (7) $75; (9) $75; (11) $75; (15) $75.

A. Eric Calamia, managing director, trade association official, 26 Platt Street, New York, N. Y.

B. Retail Tobacco Dealers of America, Inc., trade association, 26 Platt Street, New York, N. Y.

C. (1) Occasional appearances before congressional committees.

C. (2) Legislation affecting retail tobacco trade: Match tax, cigar tax, cigarette tax.

D. (5) $1,750; (7) $1,750; (9) $1,750; (13) no.

A. Mrs. Edna Callaghan, 3032 Belmont Road NW., Washington, D. C.; chairman of the Washington committee on legislation of the National Congress of Parents and Teachers.

B. National Congress of Parents and Teachers, 600 South Michigan Avenue, Chicago, Ill.; the national congress is a nonprofit corporation of the District of Columbia.

C. (1) The legislative interests of the organization will continue indefinitely.

C. (2) The general legislative interests of the national congress are concerned with measures which affect the welfare of children and youth in fields of education; social and economic well-being; child labor and environmental situations; Federal research agencies in education, health, juvenile protection, and homemaking; world understanding and peace among nations. The national congress may support or oppose specific statutes and bills which relate to the area of its general legislative interests.

C. (3) The legislative interests of the national congress are reported upon from time to time in National Parent-Teacher, the official magazine of the National Congress of Parents and Teachers.

D. During the period from April 1, 1950, to June 30, 1950, the individual making this report received from Mrs. Ethel G. Brown, chairman of the standing committee on legislation of the national congress, the sum of $110.97 in reimbursement for out-of-pocket expenses incurred in connection with legislative activities of the national congress.

E. The $110.97 above reported as having been received from the chairman of the standing committee on legislation was used by the chairman of the Washington committee on legislation to reimburse herself for out-of-pocket expenses.

A. Wallace J. Campbell, 726 Jackson Place NW., Washington, D. C.; director, Washington office.

B. Cooperative League of the United States, 343 South Dearborn Street, Chicago, Ill.; a federation of consumer and purchasing cooperatives.

C. (1) The general purpose of the Washington office is to provide an information center on cooperatives and to provide our member associations with information on Washington developments. However, our interest in legislative matters is a continuing interest.

C. (2) Legislative matters make up only a part of our activities. The specific legislation of interest to us in the last few months has been S. 1805, providing loans for health facilities in areas of shortage; S. 2246 and H. R. 7402, for middle-income housing; and S. 1008, the so-called basing-point bill.

C. (3) No regular periodical publications. The Washington office does, however, provide news coverage for cooperative and other periodicals through the Cooperative News Service.

A. Canal Zone Central Labor Union and Metal Trades Council, Post Office Box 471, Balboa Heights, Canal Zone; labor union.

C. All bills affecting welfare of Canal Zone employees.

D. (1) $3,173.30; (7) $3,173.30; (8) $1,966.50; (9) $5,139.80; (13) no.

E. (2) $1,800; (7) $325.44; (9) $2,125.44; (10) $2,740; (11) $4,685.44.

A. John L. Carey, 270 Madison Avenue, New York, N. Y.; executive director, American Institute of Accountants.

C. (2) Tax settlement bill, H. R. 2983; Tax Court bill, H. R. 3113; administrative practitioners bill, H. R. 8201.

A. Henderson H. Carson, 640 Shoreham Building, Washington, D. C.; engaged in the general practice of law.

B. East Ohio Gas Co., 1405 East Sixth Street, Cleveland, Ohio.

C. (1) Unknown.

C. (2) All legislation affecting the natural gas industry.

D. (5) $3,000, second quarter retainer; (6) $494.42; (7) $3,494.42; (8) $3,298.30; (9) $6,792.72.

E. (1) $74, court opinions, statements and records; (6) $8.07, postage; (7) $290.29, travel; (8) $122.06, food and entertainment; (9) $494.42; (10) $298.30; (11) $792.72.

A. Albert E. Carter, 1026 Sixteenth Street NW., Washington, D. C.; attorney at law.

B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.; public utility.

C. (1) Indefinite.

C. (2) Retained to represent the company before administrative agencies and commissions and on legislative matters affecting company's interest.

C. (2) (b) H. R. 7786, H. R. 5264.

D. (5) $3,000; (6) $779.16; (7) $3,779.16; (8) $4,114.40; (9) $7,893.56.

E. (5) $525; (6) $80.01; (7) $77.37; (9) $682.38; (10) $1,114.40; (11) $1,796.78; (15) $682.38; (16) $525, April 1; May 1; June 1; Munsey Trust Co., rent; $80.01, April 13; May 13; June 13, C & P Telephone Co; Pacific Telephone Co., telephone; $77.37, April 10; May 10; June 10; Statler hotel, meals.

A. Asa L. Carter, 325 Ashland Avenue, Pittsburgh, Pa.; B Line Abutters. (Form C filed in Clerk's office.)

A. Clarence B. Carter, Post Office Box 798, New Haven, Conn.; secretary-treasurer and lobbyist for Railroad Pension Conference (no salary for this work).

B. Railroad Pension Conference, Post Office Box 798, New Haven, Conn.

C. (1) Length of legislative work unknown.

C. (2) For enactment of 30-year, half-pay railroad retirement legislation based on the five highest years of earnings, maximum annuity $150 per month.

E. (7) $94.21; (15) $94.21, paid by Railroad Pension Conference.

A. Leslie O. Carver, 1500 Rhode Island Avenue NW., Washington, D. C.; associate general counsel for trade association.

B. National Paint, Varnish & Lacquer Association, Inc., 1500 Rhode Island Avenue NW., Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) We are interested in legislation that more or less specifically affects our industry, such as import duties or price supports on fats and oils. During the calendar quarter ending June 30 we were interested in the Commodity Credit Corporation bill (now Public Law 579) and the import controls bills affecting fats and oils.

C. (3) We have issued no publication for the purpose of influencing the passage or defeat of any legislation proposed in either House of Congress.

E. (8) $3.71.

A. Ralph H. Case, 889 National Press Building, Washington, D. C.; attorney at law.

B. Sioux Tribe of Indians, Cheyenne River Reservation, S. Dak., under attorney's contract approved May 20, 1948, by Commissioner of Indian Affairs, Oahe Dam project. Address: Cheyenne Agency, S. Dak.

C. S. 1488, and H. R. 5372, an act to authorize the negotiation and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes. Legislative interests will continue until termination of attorney's contract. There are no publications.

D. (8) $1,000; (9) $1,000.

A. Ralph H. Case, 889 National Press Building, Washington, D. C.; attorney at law.

B. Sioux Tribe of Indians, Standing Rock Reservation, N. Dak. and S. Dak., under attorney's contract approved May 12, 1949, by Commissioner of Indian Affairs, Oahe Dam project. Address: Fort Yates, N. Dak.

C. S. 1488, H. R. 5372, an act to authorize the negotiation and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes. Legislative interests will continue until termination of attorney's contract and purposes accomplished. There are no publications.

D. (8) $1,000; (9) $1,000.

A. Ralph H. Case, 889 National Press Building, Washington, D. C.; attorney at law.

B. Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., under attorney's supplemental contract approved December 10, 1946, by Commission of Indian Affairs, Garrison Dam project, Elbowoods, N. Dak.

C. S. 3303, a bill to amend the act of October 29, 1949, Public Law 437, Eighty-first Congress, entitled "An act to vest title to certain lands of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., in the United States, and to provide compensation therefor," and to add to said act certain supplemental provisions. Interest will continue until close of this Congress. There is no publication.

D. (5) $1,000; (7) $1,000; (8) $1,000; (9) $2,000; (13) no.

A. D. E. Casey, vice president-secretary, American Taxpayers Association, Inc., 419 Munsey Building, Washington, D. C.

B. American Taxpayers Association, Inc., 419 Munsey Building, Washington, D. C.; tax educational.

C. Elected to office annually to serve for 1 year or until successor is chosen.

D. (13) No.

A. Joseph E. Casey, 1025 Connecticut Avenue, Washington, D. C.; attorney.

B. Radio Manufacturers Association, 1317 F Street NW., Washington, D. C.; an association of radio manufacturers and makers of parts.

C. (1) For the remainder of the calendar year.

C. (2) General legislative interest is opposition to the proposal to impose new 10-percent excise tax on television.

D. (5) $3,664.84; (7) $3,664.84; (8) $6,000; (9) $9,664.84; (13) no.

E. (2) $999; (9) $999; (10) $1,333.33; (11) $2,332.33.

A. Joseph E. Casey, 1025 Connecticut Avenue, Washington, D. C.; attorney.

B. Committee for Equalization of Tobacco Taxes, 1025 Connecticut Avenue, Washington, D. C.; a committee of cigarette makers formed to change the present inequitable flat tax on cigarettes to an ad valorem or graduated tax.

C. (1) Unknown.

C. (2) General legislative interest is legislation for a fair and equitable tax on cigarettes depending upon the price at which these cigarettes are sold. H. R. 2016, a bill to amend section 2000 (c) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products.

D. (8) $10,000; (9) $10,000; (13) no.

A. William E. Chace; the National Fertilizer Association, 616 Continental Building, Washington, D. C.; chief of publicity of the association.

B. The National Fertilizer Association, 616 Continental Building, Washington, D. C.

C. (1) Legislative interests are very minor and are only incidental to principal activities. No term has been fixed for continuance of legislative interests—presumably such interests will continue if and as occasion may arise.

C. (2) Any legislation that might affect the manufacture or distribution of fertilizer or the general agricultural economy, including such bills in the Eighty-first Congress as H. R. 2756, to implement the established national policy of promoting maximum employment, production, and purchasing power, and for other purposes; H. R. 855, to regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce, and for other purposes; and H. R. 2045, to regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce, and for other purposes.

D. (5) $20; (7) $20; (13) no.

A. Chamber of Commerce of the United States of America, 1615 H Street NW., Washington, D. C.; federation of chambers of commerce and trade associations.

C. (1) Indefinitely.

C. (2) Listed below are bills in which the chamber has legislative interests: S. 2111, personal policy; H. R. 331, Alaska statehood; H. R. 49, Hawaii statehood; S. 3295, compulsory unionism on the railroads; Senate Resolution 265, Reorganization Plan No. 21; H. R. 7789, compulsory unionism on the railroads; H. R. 7797, point 4; H. R. 7905, triple damages; H. R. 797, H. R. 1584, and H. R. 2438, equal pay for women; H. R. 6826, selective service; H. R. 8083, guarantee United States investments; H. R. 8923, Post Office Department; S. 3424, Federal-aid highway program; Senate Resolution 248, Reorganization Plan No. 12; House Joint Resolution 226, International Trade Organization; S. 3424, Federal-aid highway program; H. R. 5182, United Medical Administration; S. 2875, airport authorizations; H. R. 8925, personal policy; H. R. 7786, appropriations.

C. (3) Publications of the Chamber of Commerce of the United States which might be construed as issued in connection with legislative interests fall generally into two categories. (a) The first is the legislative reporting service of the department of governmental affairs. This service is basically built around the Legislative Daily, which has been distributed to Members of Congress. This is a two-page summary of developments in Congress of interest to businessmen. It is supplemented by an occasional bill digest summarizing new bills introduced which affect the business community. In addition, there is the Legislative Outlook, which gives a biweekly prediction of the legislative picture. Then there is the special number, issued several times a year, which gives in the layman's language the basic issues in a specific bill. All four of these are designed for the use of, and are distributed to, the membership of the chamber. (b) Other publications are issued occasionally by the chamber's various service departments to present a specialized or technical point of view on pending legislation.

Listed below are publications which might be construed as issued in connection with legislative interests:

(a) Title	(b) Quantity	(c) Date	(d) Name of printer
Governmental Affairs, Legislative Daily, vol. 7, Nos. 64 through 126, 63 issues.	45, at 17,800 18, at 17,900	Daily during sessions of Congress.	Judd & Detweiler, Inc.
Governmental Affairs, Legislative Daily, special number on social security, What Kind?, vol. 7, No. 70.	300,000	Apr. 14	Do.
Legislative Outlook, 7 issues	23,000 each	Apr. 1, 15, 29; May 13, 27; June 10, 24.	Do.
Business Action, 13 issues, vol. 7, Nos. 4 through 16.	6 issues, 62,000 4 issues, 62,500 1 issue, 63,000 1 issue, 63,750 1 issue, 63,600	Weekly	Do.
American Economic Security, 1 issue, vol. 7, No. 3.	2,600	April-May	Do.
Economic Intelligence, 3 issues, Nos. 21, 22, and 23.	15,500 each	April, May, June.	Do.
7 Doors to Socialism	50,000 reprints	June 3, April	Do.
Government by Authorities	40,000 reprints	Apr. 12, May 22	Do.
The Growing Challenge	5,000 reprints	Apr. 11	Sauls Lithograph Co. and Chamber of Commerce of the United States.
You and Socialized Medicine	5,000 reprints	June 5	Judd & Detweiler, Inc.
Statements in Opposition to Federal Aid to Education.	5,000 each of 9 pages.	Not dated. Duplicated Mar. 2.	Chamber of Commerce of the United States.
Letter from Norfolk, Neb., re Federal Aid to Education.	400	Apr. 18	Do.
A Multibillion Dollar Opportunity	4,000 reprints	Apr. 14	Judd & Detweiler, Inc.

D. (7) $713,745.49; (8) $810,069.56; (9) $1,523,815.05.

E. (9) $27,181.04; (10) $44,073.36; (11) $61,254.40.

A. Walter Chamblin, Jr., Investment Building, Washington, D. C.; National Association of Manufacturers. (Letter filed in Clerk's Office.)

A. The Chase National Bank of the City of New York, 18 Pine Street, New York, N. Y.

C. (1) Indefinite.

C. (2) Proposed Federal tax legislation affecting the interests of the Chase National Bank of the City of New York.

D. (13) No.

E. See statement attached.

A. The Christian Amendment Movement, 914 Clay Street, Topeka, Kans.

B. The Christian Amendment Movement, 914 Clay Street, Topeka, Kans.; a voluntary association of citizens promoting a Christian amendment to the Constitution of the United States. Expenses underwritten by the board of trustees of the synod of the Reformed Presbyterian Church of North America, 209 Ninth Street, Pittsburgh, Pa.; Chester R. Fox, acting treasurer.

C. (1) Continuing until legislative action is secured.

C. (2) Promoting House Joint Resolution 181, a proposed Christian amendment to the Constitution of the United States.

C. (3) The Christian Patriot, a four-page monthly magazine; 3,000 copies monthly; issued first of each month; printed by Service Print Shop 1121 Buchanan Street, Topeka, Kans.

D. (2) $14; (4) $182; (5) $120; (6) $285.60; (7) $601.60; (8) $868.80; (9) $1,470.40; (13) No.

E. (2) $2,260.36; (4) $1,540.83; (5) $170.56; (6) $2.33; (7) $290.30; (9) $4,264.38; (10) $5,350.88; (11) $9,615.26; (15) $4,264.38.

A. Citizens Committee on Displaced Persons, 303 Lexington Avenue, New York City.

C. (1) and (2) This will be the last report, as legislative interests have terminated with the passage of Public Law 555. The committee will continue its existence for several months for the purpose of preparing a report of its work and in an endeavor to clear up certain indebtedness.

C. (3) (a) Screened for Survival; (b) 58,000; (c) April 1950; (d) Packers Press. Also reprints of materials originally released prior to April 1950.

D. (1) $11,074; (7) $11,074; (8) $77,980.78; (9) $89,054.78; (10) $522,000; (11) $20,000; (13) Yes; $1,000, W. L. Clayton, Box 2538, Houston, Tex.; $1,000, Albert Mayer, 31 Union Square West, New York City; $1,000, John J. Raskob, Empire State Building, New York City; $500, Mrs. Edna Pope, Apple Lane Farm, Pontiac, Mich.; $3,500, total contributions of $500 or over; $7,574, contributions under $500; $11,074, total contributions received April 1 to June 30, 1950.

E. (1) $1,961.32; (2) $11,071; (4) $7,278.57; (5) $2,308.71; (6) $5,115.16; (7) $3,550.17; (8) $3,239.72; (9) $1,524.65; (10) $50,465.35; (11) $81,990.

A. David R. Clarke, attorney, 120 South La Salle Street, Chicago, Ill.

B. National Metal Trades Association, 122 South Michigan Avenue, Chicago, Ill.

C. (1) Indefinitely.

C. (2) All legislation affecting industry in general.

A. Classroom Periodical Publishers' Association, old address, 124 East Third Street, new address, 38 West Fifth Street, Dayton, Ohio; trade association of publishers of classroom periodicals.

C. (1) Expect legislative interest to last till July 31, 1950.

C. (2) General interest in second-class postal rates; particular interest in S. 1103 and H. R. 2945 (to readjust postal rates).

D. (1) $1,616.77; (7) $1,616.77; (8) $1,100.47; (9) $2,717.24; (13) no.

E. (2) $1,500; (8) $116.77; (9) $1,616.77; (10) $1,100.47; (11) $2,717.24.

A. Clear Channel Broadcasting Service (CCBS), Suite 532, Shoreham Building, Washington, D. C.; an informal organization of 15 licensees of class I–A standard broadcast stations.

C. (1) As long as S. 491 and H. R. 4004, or similar bills are pending before the Congress.

C. (2) CCBS opposes any proposed legislation (such as S. 491 and H. R. 4004) calling for the duplication of class I–A (clear channel) frequencies or the limitation of the power of class I–A standard broadcast stations.

D. (1) $11,020.04; (7) $11,020.04; (8) $39,000.13; (9) $50,020.17; (13) Clear Channel Broadcasting Service (CCBS) is an informal organization of 15 licensees of class I–A (clear channel) standard broadcast stations. The 15 members are set out in the registration statement of Ward L. Quaal filed February 21, 1949. CCBS receives all of its revenues from dues and assessments paid by the 15 member stations. These funds are not collected to be expended solely or principally for the purpose of attempting to influence legislation. All full-time member stations (i. e., stations operating full-time on their respective clear-channel frequencies) share equally in the expenses of CCBS, and member stations sharing their particular clear-channel frequencies pay an amount equal to one-half that paid by full-time member stations. During the second quarter of 1950, CCBS received from its member stations the amount set forth in response to question D–1. This money was not received or expended solely or principally for the purposes set out in section 307 of the Lobbying Act. In response to question E, all expenditures made in connection with the employment of the director of CCBS, Ward L. Quaal, are set out although only a portion of these expenditures was made in connection with activities coming within the purview of the Lobbying Act. No other expenditures came within the purview of the Lobbying Act.

E. (2) $4,770.52; (3) $66.17; (4) $14.22; (5) $765.95; (6) $639.62; (7) $776.74; (9) $7,033.22; (10) $6,626.19; (11) $13,659.41; (15) not applicable.

A. W. F. Clucas, 1105 K Street NW., Washington, D. C.; executive secretary.

B. National Association of Master Plumbers, 1105 K Street NW., Washington, D. C.

C. (1) Permanent.

C. (2) No specific legislation at present.

A. Coal Exporters Association of the United States, Inc., 802 Southern Building, Washington, D. C.; development and encouragement of export market for American coals.

C. (1) Indefinitely.

C. (2) All legislation, either introduced or to be introduced of interest to and affecting the exporters of American coals. Main interest at present is the ECA Appropriations Act.

C. (3) No publications issued; only printed matter is letters and other communications.

D. (1) $3,300; (7) $3,300; (8) $1,200; (9) $4,500; (13) no.

E. (4) $22; (5) $4; (6) $18; (9) $44; (11) $44.

A. Marcus Cohn, 1420 New York Avenue NW., Washington, D. C.

B. The American Jewish Committee, 386 Fourth Avenue, New York, N. Y.; nonprofit organization.

C. (1) Indefinitely.

C. (2) Immigration, the President's civil-rights program, Federal aid to education, FEPC, Genocide Convention.

C. (3) I have supplied information to the general press on immigration and other matters in which the American Jewish Committee is interested.

E. During a typical week, the registrant devotes a maximum of 5 percent of his time to matters which may possibly be regarded as embraced in section 308 (a) of Public Law 601, Seventy-ninth Congress. The figures set forth below are based upon that percentage; (2) $9.76; (5) $58.13; (6) $11.47; (7) $6.17; (9) $169.52; (10) $144.84; (11) $314.36.

A. C. Fred Coleman, Lewisville, Ark.

B. St. Louis Southwestern Railway Company, as division special agent, with headquarters at Lewisville, Ark.

C. (1) Intermittent and casual.

C. (2) H. R. 7789 and S. 3295 known as the union-shop bill.

D. (5) $210; (7) $210; (9) $210.

E. (7) $461.80; (9) $461.80; (11) $461.80; (15) $461.80.

A. Russell Coleman, National Fertilizer Association, 616 Continental Building, Washington, D. C.; president of the association.

B. National Fertilizer Association, 616 Continental Building, Washington, D. C.

C. (1) Legislative interests are very minor and are only incidental to principal activities. No term has been fixed for continuance of legislative interests. Presumably, such interests will continue if and as occasion may arise.

C. (2) (a and b) Any legislation that might affect the manufacture or distribution of fertilizer or the general agricultural economy, including such bills in the Eighty-first Congress as H. R. 2756, "To implement the established national policy of promoting maximum employment, production, and purchasing power, and for other purposes"; H. R. 855, "To regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce, and for other purposes"; and H. R. 3045, "To regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce, and for other purposes."

D. (5) $50; (7) $50; (13) No.

A. Marvin J. Coles, Ingoldsby & Coles, 813 Washington Building, Washington, D. C.; attorney at law (amounts received by registrant are in payment of legal services).

B. Committee for the Promotion of Tramp Shipping Under the American Flag in Foreign Commerce, 80 Broad Street, New York, N. Y. This committee is composed of a number of companies operating tramp ships under the American flag.

C. (1) Indefinite.

C. (2) (b) The committee is interested in amending existing shipping legislation in order to extend operating and construction differential subsidies to American-flag vessels engaged in so-called tramp trades. A bill to this effect has been introduced in the House as H. R. 5346.

D. (8) $12,000; (14) We have received an annual retainer in the amount of $10,000 to cover all legal services to the committee, including those services which might fall within the scope of the Lobbying Act. In addition, we have received the sum of $2,000 for the payment of necessary out-of-pocket expenses in connection with work done for the committee, such as telephone charges, travel, lunches, etc. The committee has received contributions from companies operating tramp vessels and have furnished a list of such companies and the amount of such contributions in its registration under the Lobbying Act and in its quarterly statements. We do not have a copy of the statements and are unable to list the names of contributing companies.

E. (4) $178.90; (6) $22.33; (7) $202.60; (9) $403.83; (10) $162.17; (11) $566.

A. Marvin J. Coles, Ingoldsby & Coles, 813 Washington Building; attorney at law (amounts received by registrants are in payment for legal services).

B. Employed by committee of attorneys and accountants representing Keystone Shipping Co., Lykes Bros. Steamship Co., Inc.; American President Lines, Ltd.; Grace Line, Inc.; Mississippi Shipping Co., Inc.; Moore-McCormack Lines, Inc.; Paco Tankers; Socony-Vacuum Oil Co., Inc.; United Mail Steamship Co. Registrant does not directly represent any of these companies and does not have addresses.

C. (1) Indefinite.

C. (2) (a and b) The committee by which registrant is retained as attorney is seeking clarification of the effect of section 9 of the Merchant Ship Sales Act of 1946 in computing the depreciation base for vessels affected by that section. The bill clarifying this problem is H. R. 3419.

D. (13) No.

E. (6) $22.32; (7) $89.30; (9) $111.62; (10) $10.75; (11) $122.37; (15) We expect to be reimbursed for out-of-pocket expenditures.

A. Marvin J. Coles, Ingoldsby & Coles, 813 Washington Building, Washington, D. C.; attorney at law (amounts received by registrant are for legal services).

B. New York Foreign Freight Forwarders and Brokers Association, 10 Pearl Street, New York, N. Y. This association is an organization of business concerns engaged in supplying forwarding and customs brokers' services to export and import shipments.

C. (1) We have a general legal retainer from the association which is renewable each year. We have not engaged in activities for the association which fall under the Lobbying Act for a substantial period of time, but have continued this registration since originally presenting to Congress information regarding the use of American freight forwarders under the Economic Cooperation Act.

C. (2) As attorneys for the association, we have a general interest in legislation affecting the forwarding of export and import cargoes. There is no specific legislation in which the association is interested at this time.

D. (5) $600; (6) $85.29; (7) $685.29; (8) $480.75; (9) $1,166.04; (13) no.

E. (6) $14.88; (7) $70.41; (9) $85.29; (10) $80.75; (11) $166.04.

A. Marvin J. Coles, Ingoldsby & Coles, 813 Washington Building, Washington, D. C.; attorney at law (amounts received by registrant are in payment for legal services).

B. Wisconsin & Michigan Steamship Co., 2489 Detroit National Bank Building, Detroit, Mich.; operators of vessels on the Great Lakes.

C. (1) Indefinite.

C. (2) (a and b) Wisconsin & Michigan Steamship Co. is interested in legislation amending the Ship Sales Act of 1946 to provide for the purchase of vessels by Great Lakes operators. This bill is S. 3109; approximately 33 similar bills have been introduced in the House.

D. (5) $1,862.50; (6) $33.24; (7) $1,895.74; (8) $537.50; (9) $2,433.24.

E. (6) $3.69; (7) $29.55; (9) $33.24; (10) $21.50; (11) $54.74.

A. Howard O. Colgan, Jr., 15 Broad Street, New York, N. Y.; partner, law firm of Milbank, Tweed, Hope & Hadley.

B. (See A.)

C. (1) Indefinite.

C. (2) Proposed Federal tax legislation affecting the interests of the Chase National Bank of the city of New York.

D. (13) No.

A. Howard O. Colgan, Jr., 15 Broad Street, New York, N. Y.; partner, law firm of Milbank, Tweed, Hope & Hadley.

B. (See A.)

C. (1) Indefinite.

C. (2) Proposed Federal tax legislation affecting the interests of the New York Stock Exchange and its members.

D. (5) $369; (6) 57.21; (7) $426.21; (9) $426.21; (13) no.

E. (7) $57.21; (9) $57.21; (11) $57.21.

A. M. H. Collet, 230 Park Avenue, New York, N. Y.; employed as a full-time forestry engineer and assistant to a vice president in employer's wood department.

B. West Virginia Pulp & Paper Co., 230 Park Avenue, New York, N. Y.; manufacturer of pulp, paper, and related products.

C. (1), (2), and (3) I will be interested in legislation affecting my employer's wood procurement and other woods operations as long as I am employed in its wood department. I am not employed to oppose or support any legislation and my salary is not dependent upon or related to any activity involving legislative interests. During the quarter covered by this report I was interested in the employee definition in H. R. 6000 as it might affect the operations of my employer. I have not issued or caused to be issued during the period covered by this report any publication connected with legislative interests.

D. (13) No.

E. (6) $7.60; (7) $88.43; (9) $96.03; (10) $223.36; (11) $319.39; (15) all.

A. Colorado Associated Businessmen, Inc., 334 Symes Building, Denver, Colo.; an association of individuals conducting businesses in the State of Colorado whose general purpose is through its membership, to acquaint businessmen with date relative to taxation, economy, and Government, social legislation, labor relations, etc., to assist in effectuating a program of tax equality.

C. (1) Length of time the association will have legislative interests is indefinite.

C. (2) General legislative interests of the group is the taxing of competitive business on the same basis without regard to exemptions under section 101 of the present Internal Revenue Code. Specific bills in which it is presently interested are H. R. 5064, known as the Mason bill; the amendment to H. R. 3905 proposed by Senator WILLIAMS; and H. R. 7343, proposed by Congressman DAVIS.

C. (3) On May 9, 1950, Laman Letter Shop, Denver, Colo., mailed out 313 Washington reports of the National Associated Businessmen, Inc. On June 15, Laman Letter Shop mailed 152 letters to our Denver members urging that they contact JOHN A. CARROLL, Congressman from Colorado, a member of the House Ways and Means Committee giving their opinions concerning the necessity of taxing the cooperatives on an equal basis with competing businesses in this time of need for additional revenue.

D. (1) $660; (3) $6; (7) $666; (8) $617; (9) $1,283.

E. (1) $200; (4) $18.76; (5) $25.10; (6) $25.26; (8) $305.26; (9) $574.38; (10) $778.07; (11) $1,352.45.

A. The Colorado Railroad Legislative Committee, 615 C. A. Johnson Building, Denver, Colo., consisting of attorneys of the following-named railroad companies, contributing the shares following their names: Atchison, Topeka & Santa Fe Railroad Co., 16 percent; Chicago, Burlington & Quincy Railroad Co., 10 percent; Chicago, Rock Island & Pacific Railroad Co., 5 percent; Colorado & Southern Railway Co., 14 percent; Denver & Rio Grande Western Railroad Co., 30 percent; Missouri Pacific Railroad Co., 5 percent; Union Pacific Railroad Co., 20 percent. (See explanation in first report of June 14, 1948.)

B. Railroad companies as stated above.

C. (1) Indefinitely.

C. (2) Basing-point legislation, communications or operating rules bills; railway mail pay bills, transportation excise taxes, St. Lawrence seaway; Federal barge lines, parcel-post rates, repeal of Reed-Bulwinkle Act, bills changing authority of the Interstate Commerce Commission, and Senate resolution 50, investigation of surface transportation by Senate Committee on Interstate and Foreign Commerce.

D. (13) no.

E. (2) $70; (7) $217.92; (9) $287.92; (10) $305; (11) $592.92; (15) $287.92, paid by railroads listed under A.

A. Colorado River Association, 306 West Third Street, Los Angeles, Calif.; citizens organization for presentation of public information concerning Colorado River water matters.

C. (1) Indefinite.

C. (2) Opposing S. 75 and H. R. 934; favoring passage of Senate Joint Resolution 4 and House Joint Resolution 3.

C. (3) (a) Twenty-four-page booklet, the Nation's Most Fantastic Project; (b) 100,000; (c) January 6 and March 3, 1950; (d) Wayside Press.

C. (3) (a) Four-page pamphlet, Why the Colorado River Problem Is Your Problem; (b) 50,000; (c) January 13, 1950; (d) Wolfer & Marleau.

D. (18 $25; (9) $25; (13) yes; (14 $36,690, Los Angeles Department of Water and Power, 207 South Broadway, Los Angeles, Calif.; $56,258, Metropolitan Water District of Southern California, 306 West Third Street, Los Angeles, Calif.; $23,460; Imperial Irrigation District, El Centro, Calif.; $2,446, San Diego County Water Authority, San Diego, Calif.; $118,854, total.

E. (1) $1,190.62; (2) $10,760.01; (3) $374.94; (4) $4,955.19; (5) $2,405.35; (6) $1,741.86; (7) $3,325.95; (9) $24,753.92; (10) $37,127.02; (11) $61,880.94.

A. Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York, N. Y.

C. This committee was incorporated March 5, 1941. Its purposes, as stated in its certificate of incorporation, are: "To uphold constitutional government and the system of free enterprise, with equal opportunity for all, which the Constitution establishes, by nonpartisan educational efforts reaching citizens throughout the United States regardless of their political affiliations." Since its incorporation in 1941, this committee has, now does, and will continue to educate the citizens of the United States, regardless of their political affiliations, in the principles of constitutional government and free enterprise, establish by our Constitution, and in sound economic principles in general. When issues involving constitutional principles and/or the free-enterprise system are publicly raised, this committee distributes the best available material (books, pamphlets, leaflets, news letters) to its supporters and leadership individuals across the country, urging them to study the principles involved and to raise their voices for constitutional government and free enterprise and sound economic policies. If these issues reach the stage of proposed legislation, then committee supporters who express their views to their Representatives in Washington may, in the broadest sense of the term, be said to have "legislative interests." No one is employed by the committee mainly for the purpose of influencing legislation. The committee takes no stand with reference to the private interest of any group or individual in pending legislation. It seeks to uphold the basic principles of economics and of personal and economic freedom, as established by the Constitution. The committee offers the results of its research to the general public and sometimes to the Members of Congress. The committee's activities during 1950 were in accordance with its objectives and its long-established procedures.

D. (2) $55,903.27; (4) $129,084.69; (5) $13,427.71; (7) $198,415.67; (8) $282,534.35; (9) $480,950.02; (13) no.

E. (1) $796.64; (2) $66,995.61; (3) $150; (4) $111,602.23; (5) $27,748.61; (6) $4,172.52; (7) $14,454.96; (9) $225,920.57; (10) $291,659.62; (11) $517,50.19.

A. Commitee to Defend America by Aiding Anti-Communist China, 843 General Motors Building, 1775 Broadway, New York, N. Y.; presenting the facts on the China problem to Congress, the administration, the press, and radio, and the public.

C. (1) Until adequate aid for anti-Communist China is assured.

C. (2) Support of bills for helping anti-Communist China by economic aid and military equipment, such as the "China" amendments to ECA and MAP appropriations.

C. (3) (a) Sent possible supporters copies of folder The Truth About China by Dean Roscoe Pound of Harvard; (b) 250; (c) April 15, 1950; (d) Family Bible League Press, 6652 Odell Avenue, Chicago, Ill.

C. (3) (a) Sent possible supporters four-page mimeographed statement Why the United States should not Recognize Communist China; (b) 500; (c) May 1, 1950; (d) Krauss Letter Services, 1775 Broadway, New York, N. Y.

C. (3) (a) Sent possible supporters five-page mimeographed statement on necessity of opposing communism; (b) 500; (c) May 15, 1950; (d) Krauss Letter Services, 1775 Broadway, New York, N. Y.

C. (3) (a) Sent select list copies of May 22 issue of Time, pages 30 and 31, article on China; (b) 100; (c) June 10, 1950; (d) Time, Inc., 9 Rockefeller Plaza, New York, N. Y.

D. (2) $1,446; (7) $1,446; (8) $1,327; (9) $2,773; $610, Frederick C. McKee, 2324 Oliver Building, Pittsburgh, Pa.; $550, Hon. Charles Edison, Thomas A. Edison, Inc., West Orange, N. J.; $600, Dr. Fred A. Tooker, 34 Hobart Avenue, Summit, N. J.

E. (2) $1,278.30; (4) $239.18; (5) $278.10; (6) $149.54; (7) $224.56; (9) $2,169.63; (10) $1,178.79; (11) $3,348.47.

A. Committee for the International Trade Organization, 816 Twenty-first Street NW., Washington, D. C. The Committee for the ITO was launched in March 1949 to cooperate with all those who are interested in developing understanding of and support for the Havana Charter (H. J. Res. 236 providing for membership and participation by the United States in the International Trade Organization).

C. (1) Summer, 1950.

C. (2) In support of House Joint Resolution 236, providing for membership and participation by the United States in the International Trade Organization.

C. (3) (1) Statement of objectives (attached), 10,000, Manhattan Printing Co., New York City, May 1949, $1,001; reprinted, 3,500 copies, Gibson Printing Co., Washington, D. C., February 1950, $254.80; (2) Information Bulletin, five issues, approximately 2,250 copies each. Plymouth Printing & Duplicating, Washington, D. C., November 1, 15; December 14; January 12; April 10. Cost per issue ranged from $98 to $127; (3) Testimony of William L. Batt before the House Foreign Affairs Committee, April 27, 1950; 500 copies. Batt, Bates & Co., Washington, D. C., $180.54.

D. (2) $1,225; (7) $1,225; (8) $8,817.77; (9) $10,042.77; (13) yes; (14) $500, Graeme K. Howard, president, Ford International, Inc., 445 Park Avenue, New York, N. Y.; $500, Everett R. Cook, Cook & Co., Memphis, Tenn.; total, $1,000; total contributions less than $500, $225; grand total of all contributions received April 1 to June 30, 1950, $1,225.

E. (1) $1,050; (2) $3,558.51; (4) $410.76; (5) $554.81; (6) $303.14; (7) $104.87; (9) $5,984.71; (10) $6,841.44; (11) $12,826.15.

A. Committee for the Marshall Plan To Aid European Recovery, care of Hugh Moore, treasurer, Twenty-fourth Street and Dixie Avenue, Easton, Pa.

C. (1) There has been no activity whatsoever of the committee since the latter part of 1948. However, since the committee has a small balance of unused funds it remains in existence in case its efforts may be required in furthering the purpose of its formation.

C. (2) See answer to 1.
C. (3) See answer to 1.
D. (13) No.

A. Committee for Pipe Line Companies, Box 1349, Tulsa 2, Okla., Joseph L. Seger, treasurer.

C. (1) Indefinite.

C. (2) The Committee for Pipe Line Companies was organized and functions to protect the legitimate interests of petroleum pipelines, including, when necessary, legislative matters. At this time the only pending legislation affecting petroleum pipelines in which the committee is interested is S. 571 to which the committee is opposed.

D. (1) $136; (7) $136; (8) $46,055; (9) $46,191; (13) yes; (14) $3,747, Humble Pipe Line Co., Drawer 2220, Houston, Tex.; $1,549, the Texas Pipe Line Co., 720 San Jacinto Street, Houston 1, Tex.; $1,087, Texas-New Mexico Pipe Line Co., 720 San Jacinto Street, Houston, Tex.; $1,651, Great Lakes Pipe Line Co., P. O. Drawer 2239, Kansas City, Mo.; $3,843, Magnolia Pipe Line Co., Box 900, Dallas, Tex.; $1,208, the Buckeye Pipe Line Co., 30 Broad Street, New York, N. Y.; $2,391, the Texas-Empire Pipe Line Co., Philtower Building, Tulsa, Okla.; $1,610, Plantation Pipe Line Co., P. O. Box 1743, Atlanta, Ga.; $1,102, Atlantic Pipe Line Co., 260 South Broad Street, Philadelphia, Pa.; $1,652, Interstate Oil Pipe Line Co., P. O. Box 1349, Tulsa, Okla.; $1,165, Standard Oil Co. of California, Standard Oil Building, San Francisco, Calif.; $921, Ajax Pipe Line Corp., P. O. Box 1349, Tulsa, Okla.; $912, Phillips Petroleum Co., Bartlesville, Okla.; $539, Phillips Pipe Line Co., Bartlesville, Okla.; $7,409, Stanolind Pipe Line Co., P. O. Box 591, Tulsa, Okla.; $1,812, the Ohio Oil Co., Findlay, Ohio; $639, Sohio Pipe Line Co., Midland Building, Cleveland, Ohio; $2,966, Shell Pipe Line Corp., Shell Building, Houston, Tex.; $4,424, Gulf Refining Co., P. O. Drawer 2100, Houston, Tex.; $549, Standard Oil Co. (Indiana), 910 South Michigan Avenue, Chicago, Ill.; total, $41,176.

E. (2) $8,973.76; (5) $733.42; (6) $461.63; (7) $1,382.52; (8) $858.11; (9) $12,409.44; (10) $6,707.73; (11) $19,117.17.

A. Committee for Promotion of Tramp Shipping Under American Flag in Foreign Commerce, 80 Broad Street, New York, N. Y.

C. (1) Indefinite.

C. (2) The committee is interested in amending existing shipping legislation in order to extend operating and construction differential subsidies to American-flag vessels engaged in so-called tramp trades. A bill to this effect has been introduced in the House as H. R. 5346.

D. (1) $500; (7) $500; (8) $7,750; (9) $8,250; (13) yes; (14) April 1–June 30, 1950, $500, Clifton Steamship Corp., 80 Broad Street, New York, N. Y.

E. (1) $400; (4) $510.86; (7) $390.89; (8) $212.94; (9) $1,514.69; (10) $13,619; (11) $15,133.69.

A. Committee on National Affairs, 100 East Fiftieth Street, New York, N. Y.; engaged in action to strengthen national and international organization for security, freedom, and justice.

C. (1) Indefinite.

C. (2) Various items of interest.

D. (2) $1,511; (7) $1,511; (8) $1,183; (9) $2,694; (13) yes; (14) $500, Lessing J. Rosenwald, Jenkintown, Pa.

E. (3) $1,400; (4) $123.67; (5) $39.78; (8) $300; (9) $1,863.45; (10) $743.57; (11) $2,607.02.

A. Committee for the Nation's Health, Inc., 1416 F Street NW., Washington, D. C. This committee was incorporated in 1946 as a nonprofit organization to promote through education and legislative activities passage of national health insurance—basic feature of the President's national health plan. The committee opposes "socialized medicine"; restrictive laws preventing consumers, farmers, workers, and others from organizing health insurance plans.

C. (1) Legislative interests will continue until the passage of national health insurance as stated in attachment A.

C. (2) Legislative interests: President Truman's national health plans embodied in (a) S. 1679, H. R. 4312–13—national health insurance and the Public Health Act; separate bills incorporating the first six titles of S. 1679. Also in opposing various substitute bills such as, the Taft bill, S. 1581; the Hill bill, S. 1456; the Flanders-Herter bill, S. 1970.

C. (3) No printed material has been issued; the following has been reprinted: April 12, 1950, The Case for National Health Insurance, reprinted from the New York Times, 5,000; April 30, 1950, Opinion Leaders Strongly Favor Truman Health Plan, reprinted from American Druggist, 10,000. The following were mimeographed in the offices of the Committee for the Nation's Health, Inc.: April 20, summary of new bills (200), Hunt bill (200), Keating bill (200), Bosone bill (200); May 4, British Medical Journal Debunks Mr. Stassen (400); May 4, Was It Cancer? (300); May 5, National Health Insurance and the Patient (500); May 12, "The Granny Racket" (200); May 16, The Medical Lobby's Real Motto (350); May 26, Know Your Medical ABC's (1,000); June 1, Letter and notice to members (1,000); June 8, Statistics on Blue Shield Medical Insurance (1,000); June 13, Appeal Mailing (2,000); June 29, Doctors in Politics (1,000); Dr. Sanders' Statement (500); How Voluntary Health Insurance Failed an Average American Family (150).

D. (2) $8,550; (3) $100; (4) $123; (7) $8,773.96; (8) $32,731.58; (9) $67,505.56; (13) yes; (14) $6,000, Mrs. Marion R. Ascoli, 23 Gramercy Park South, New York, N. Y.; $6,000, Mrs. Adele R. Levy, 300 Park Avenue, New York, N. Y.; $6,000, Mr. Lessing J. Rosenwald, Jenkintown, Pa.; $6,000, Mr. and Mrs. Edgar B. Stern, 11 Garden Lane, New Orleans, La.; $3,000, Mr. Leigh B. Block, 1260 Astor Avenue, Chicago, Ill.; $3,000, Mrs. Leigh B. Block, 1260 Astor Avenue, Chicago, Ill.; $6,000, Mr. and Mrs. Sidney F. Brody, 603 North Canon Drive, Beverly Hills, Calif.; $6,000, Mr. and Mrs. Edward Lasker, 136 South Carmelina Avenue, Los Angeles, Calif.; $5,833.33, Mr. and Mrs. Albert Lasker, Chrysler Building, New York, N. Y.; $3,500, Miss Loula Lasker, Hotel Pierre, New York, N. Y. (these donations were received to repay loans obtained by the Committee for the Nation's Health in 1949); $1,500, Mr. Chat Paterson, 9700 Euclid Avenue, Cleveland, Ohio (loan made during 1949 was converted by Chat Paterson into a contribution); $2,000, United Steelworkers-CIO, 1500 Commonwealth Avenue, Pittsburgh, Pa.; $5,000, American Federation of Labor, 901 Massachusetts Avenue, Washington, D. C.; $1,000, International Association of Machinists, Ninth and Mount Vernon Place, Washington, D. C.; $500, Congress of Industrial Organizations, 718 Jackson Place NW., Washington, D. C.; $1,000, District of Columbia Democratic Women's Day Committee, Ring Building, Washington, D. C.; $500, Amalgamated Clothing Workers of America, 15 Union Square, New York, N. Y.; $62,833.33, total.

E. (2) $5,904.05; (4) $402.48; (5) $1,972.88; (6) $254.44; (7) $213.68; (8) $60.05; (9) $8,807.58; (10) $7,283.53; (11) $16,091.11; (14) $101.78.

A. Committee of a Small Number of Educational and Religious Magazines, room 404, 52 Vanderbilt Avenue, New York, N. Y.; working for the elimination of discriminatory provision in H. R. 2945.

C. (1) Probably until the Eighty-first Congress adjourns.

C. (2) Working for the elimination of discriminatory provision in H. R. 2945.

C. (4) Expenses at about $2,000; travel and public relations counsel.

D. (2) $2,000; (7) $2,000; (9) $2,000; (13) yes; (14) $2,000, the Parents' Institute, Inc., 52 Vanderbilt Avenue, New York, N. Y.

E. (2) $2,000; (9) $2,000; (11) $2,000.

A. Communications Workers of America, CIO, 1808 Adams Mill Road NW., Washington, D. C.; union.

C. (1) Indefinitely.

C. (2) Legislative matters affecting the interests of the membership of the union.

C. (3) CWA News, the official publication of the union occasionally carries items of a legislative nature. Published monthly in Washington, D. C., 250,000 copies by Mercury Press. The CWA Newsletter published weekly, 10,000 copies in Washington, D. C., by Darby Press, occasionally carries items of a legislative nature.

D. (1) $325,176.37; (7) $325,176.37; (8) $295,552.60; (9) $620,728.97.

E. (2) $1,107.98; (6) $61.98; (7) $734.64; (8) $202.42; (9) $2,107.02; (10) $503.40; (11) $2,610.42.

A. R. C. Compton.

B. I am employed by the National Association of Manufacturers. The home office address of my employer is 14 West Forty-ninth Street, New York 20, N. Y. I am reporting as an individual in compliance with section 308 of the Lobbying Act. My salary for the second quarter was $3,750. My expenses for the second quarter amounted to $753.80, all reimbursed by my employer. These are expenses incurred in the normal course of business, such as meeting and conference expenses and travel. They were paid to hotels, restaurants, clubs, taxicabs, telephone company, trade associations for dues, and railroads. I am not employed to support or to oppose specific bills in Congress. My principal responsibility in connection with legislation is to answer inquiries and to analyze and to report on important legislation affecting industry, including proposals involving appropriations, regulation of business, social security, labor policy, taxation, securities regulation, and Federal subsidies and controls.

A. Boyd Comstock, legislative assistant, legislative-Federal relations division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington, D. C.

B. Legislative-Federal relations division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Bills pending before the Eighty-first Congress relating to public education. Primary interest in S. 246, H. R. 5939, H. R. 7160, H. R. 1551.

D. (5) $721.88; [1] (7) $721.88; (8) $990; (9) $1,711.88.

E. (7) $33.05; (9) $33.05; (10) $69.62; (11) $102.67 .

A. Arthur D. Condon, 1000 Vermont Avenue NW., Washington, D. C.

B. Amana Refrigeration, Inc., Amana, Iowa.

C. (1) Cannot be estimated at present.

C. (2) Excise-tax bill.

A. Arthur D. Condon, attorney, 1000 Vermont Avenue NW., Washington, D. C.

B. Chamber of Commerce of Panama and Colon.

C. (1) Not known.

C. (2) As reported in previous report.

D. (5) $1,000; (6) $1,000.

A. D. C. Cone, Brotherhood of Railroad Signalmen of America, 10 Independence Avenue, Washington, D. C.; vice president of labor organization.

B. Brotherhood of Railroad Signalmen of America, 503 Wellington Avenue, Chicago 14, Ill.

[1] Full salary for calendar quarter, $962.50. Estimated for legislative service, 75 percent, or $721.88. On leave without pay May 22 to June 21, 1950, both inclusive.

C. (1) Indefinitely.

C. (2) H. R. 378 and S. 238, to amend section 25 of the Interstate Commerce Act; H. R. 7789 and S. 3295, to amend the Railway Labor Act; and all legislation directly and indirectly affecting the interests of labor, generally, and employees of carriers under the Railway Labor Act in particularly.

D. (5) $350; (7) $350; (8) $500; (9) $850; (13) no.

A. John C. Cone, care of Pan American World Airways, Inc., 815 Fifteenth Street NW., Washington, D. C.; Pan American World Airways, Inc.; airline executive.

B. Pan American World Airways, Inc., 815 Fifteenth Street NW., Washington, D. C.; international airline operator.

C. (1) Indefinite.

C. (2) Very infrequently interested in any legislation, but may be interested in supporting or opposing any aviation legislation that might have a bearing on the operation of Pan American World Airways, Inc.

C. (3) Have not been, and do not expect to be, concerned with any publication to be issued in connection with legislation. Was not, and am not, employed for legislative purposes, but, as an executive of the company, may be called upon to discuss, support, or oppose legislation affecting the company.

D. In reply to items (1) to (14), there have been no contributions, loans, gifts, or any other items except regular salary and expenses as full-time executive of the above company, commencing June 1937.

E. In answer to items (1) to (14), there have been no expenditures in connection with legislative interests.

A. Conference of American Small Business Organizations, Inc., Mr. Fred A. Virkus, chairman, 407 South Dearborn Street, Chicago, Ill.; a nonprofit organization devoted to the legislative and related interests of small business.

C. (1) Permanent.

C. (2) Legislative interests, etc. For Robertson bill (S. 2912), Reed bill (H. R. 3262), O'Mahoney bill (S. 1008), Mundt bill (S. 2311), Dondero bill (H. R. 7375). Against Frear bill (S. 2408), Spence bill (H. R. 2756), Regional Valley bills (S. 1645, H. R. 894), ITO ratification, safety bills (H. H. 378, S. 238), acquisition-of-assets bill (H. R. 2734), Brannan plan, Morse bill (S. 110), Spence bill (H. R. 8565), Maybank-Lucas bill (S. 3625).

C. (3) Only on H. R. 8565 (Spence), S. 3625 (Maybank-Lucas); letter and bulletin; 3,680; May and June 1950; Buckley-Dement Advertising Corp., Chicago.

D. (1) $5,643; (2) $5,403.90; (7) $11,046.90; (8) $20,690.20; (9) $31,737.10; (13) yes; (14) $500, United States Gypsum Co., 300 West Adams Street, Chicago, Ill.

E. (1) $2,245; (2) $5,573.04; (4) $1,239.10; (5) $1.508.61; (6) $180.25; (7) $1,958; (8) $1,929.27; (9) $14,633.27; (10) $19,715.20; (11) $34,348.47.

A. Congress of Industrial Organizations, 718 Jackson Place NW., Washington, D. C.; a federation of labor organizations.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, property, and general welfare; oppose legislation detrimental to these objectives.

C. (3) (a) "Legis-letter," report of current congressional activities; (b) about 3,200 published; (c) usually weekly; (d) mimeographed by CIO.

D. (7) $7,920.35; (8) $8,946.11; (9) $16,866.46; (13) no.

E. (2) $1,517.79; (3) $2,750; (4) $1,290.33; (5) $1,005; (6) $900; (7) $19.46; (8) $437.77; (9) $7,920.35; (10) $8,946.11; (11) $16,866.46.

A. CIO Maritime Committee, 132 Third Street SE., Washington, D. C.; legislative office.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to merchant seamen, to the national peace, security, democracy, prosperity, and general welfare. Oppose legislation detrimental to these objectives.

D. (1) $6,120; (7) $6,120; (9) $6,120; (13) yes; (14) from January 1 through March 31, 1950, $5,040, National Maritime Union, 346 West Seventeenth Street, New York, N. Y.; $600, National Marine Engineers Beneficial Association, 132 Third Street SE., Washington, D. C.

E. (2) $2,257.37; (5) $877.45; (6) $314.90; (7) $1,170.32; (9) $4,620.04; (11) $4,620.04.

A. Donald D. Conn, Transportation Association of America, 130 North Wells Street, Chicago, Ill.; executive vice president.

B. Transportation Association of America, 130 North Wells Street, Chicago, Ill.

C. (1) Legislative interests are to be continued permanently.

C. (2) I am interested in all legislation having anything to do with transportation including pending bills before the House and Senate.

C. (3) During this quarter, I have caused to be issued several documents, publications, and statements before the Committee on Expenditures in the Executive Departments of the House of Representatives and the United States Senate, which are set forth in detail in the separate report which you will receive from the association.

D. (7) $8,775.74; (8) $8,093.68; (9) $16,869.42.

E. (7) $1,275.74

A. Julian D. Conover, Ring Building, Washington, D. C.; mining engineer.

B. American Mining Congress, Ring Building, Washington, D. C.; technical and educational organization of individuals and companies in the mining field.

C. (1) Indefinitely.

C. (2) Measures affecting mining, such as income taxation, social security, public lands, stockpiling, monetary policy, etc.

D. (5) $1,875; (7) $1,875; (9) $1,875; (13) no.

E. (6)$10.14; (7) $12.80; (9) $22.94; (11) $22.94; (15) $22.94.

A. Cooper and Griffin, a law firm of which the partners are J. Milton Cooper and Jerry N. Griffin, room 544, Washington Building, Washington, D. C.

B. National Coal Association, Southern Building, Fifteenth and H Streets NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Legislative interests are general in character and we are interested in any legislation which affects the coal industry.

D. This is the usual attorney and client relationship. It is difficult to allocate what part of this employment may be subject to the act and, therefore, the entire compensation for the quarter is reported, to wit, $3,000.

E. No expenditures in connection with legislative activities. Other expenditures are those incident to operation of a law office.

A. J. Milton Cooper, attorney at law, room 544, Washington Building, Washington, D. C.

B. Thomas D. Griffin, 105 West Madison Street, Chicago, Ill., acting for an informal group of licensed small loan companies affected by section 501 (b) (6) of the Internal Revenue Code.

C. (1) Indefinite.

C. (2) H. R. 6073.

D. No receipts. Reasonable fee to be determined and paid when employment is terminated.

E. No expenditures in connection with legislative interests.

A. J. Milton Cooper, attorney at law, 544 Washington Building, Washington, D. C.

B. National Lime Association, 927 Fifteenth Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) H. R. 2537.

D. Receipts for second quarter, 1950, $1,500. Additional reasonable fee to be determined and paid when employment is terminated.

E. No expenditures in connection with legislative interests.

A. Cooperative League of the United States of America Association, Inc., 343 South Dearborn Street, Chicago, Ill.; an educational and informational agency in the nature of a business association whose purpose is to disseminate knowledge of and interest in cooperatives throughout the United States, to defend in accordance with basic principles of cooperation the general public interest of all the people, and to encourage the use of voluntary cooperative methods on the part of the people as a means of solution of their problems.

C. (1) Legislative interests of the Cooperative League are incidental to its main purposes as stated above. However, such legislative interests are continuing ones, since they concern the over-all problem of agriculture and the preservation of the family-sized farm, defense of the general public interest of the American people, and representation of the interest of the people as consumers, and the defense of the right of any group of people voluntarily to organize cooperative business enterprises without discrimination against them on the part of Government, and the securing of such enabling legislation for this purpose as may from time to time be necessary, conservation of natural resources, and the extension of true economic freedom and the combating of monopoly.

C. (2) Specific legislative interests of the past few months have been Senate bill 1805, providing loans for health facilities in areas of shortage, Senate bill 2246, and House bill 7402 for middle-income housing, and taxation.

C. (3) The Cooperative League issues no regular periodical publication. It does publish pamphlet literature on various subjects dealing with cooperation. It also provides to newspapers and magazines the Cooperative News Service, which carries news of cooperative developments generally and which occasionally makes references to a legislative matter.

D. (1) $4,800; (2) $120; (4) $200; (13) yes; (14) the following organizations contributed $500 or more in dues payments to the Cooperative League between January 1 and June 30, 1950: Associated Cooperatives, Inc., 351 Second Street, Oakland, Calif.; Central Cooperative Wholesale, 1901 Winter Street, Superior, Wis.; Central States Cooperatives, 1119 Belvidere Street, Waukegan, Ill.; Consumers Cooperative Association, 318 East Tenth Street, Kansas City, Mo.; Consumers Cooperative Associated, 1517 East Third Street, Amarillo, Tex.; Eastern Cooperatives, Inc., Grand and West Ruby, Palisades Park, N. Y.; Farm Bureau Cooperative Association, 245 North High Street, Columbus, Ohio; Farm Bureau Mutual Automobile Insurance Co., 246 North High Street, Columbus, Ohio; Midland Cooperative Wholesale, 739 Johnson Street NE., Minneapolis, Minn.; Mutual Service Insurance Cos., 1923 University Street, St. Paul, Minn.; Utah Cooperative Association, 526 West Eighth South, Salt Lake City, Utah.

E. (2) $825; (5) $250; (6) $150; (7) $325; (11) $1,550.

A. John M. Costello, 2737 Devonshire Place NW., Washington, D. C.; attorney.

B. American League for an Undivided Ireland, care of Charles T. Rice, 122 East Forty-second Street, New York City, N. Y.; business is to promote the reunification of all Ireland.

C. (1) Legislative interest will continue indefinitely.

C. (2) (b) Any legislation which may help to effectuate the unification of all Ireland; House Resolution 270 and Senate Resolution 240.

D. (5) $750; (6) $103.65; (7) $853.65; (8) $900.57; (9) $1,754.22; (13) yes; (14) $853.65, American League for an Undivided Ireland.

E. (6) $22.60; (7) $81.05; (9) $103.65; (10) $150.57; (11) $254.22.

A. John T. Corbett, 10 Independence Avenue SW., Washington, D. C.; national legislative representative and assistant grand chief engineer, BLE.

B. Brotherhood of Locomotive Engineers (labor union).

C. (1) As assistant grand chief engineer and national legislative representative, Brotherhood of Locomotive Engineers, covering all services rendered, including services entirely unrelated to legislation and legislative matters. Employed also to support or oppose legislation directly and indirectly affecting the interest of labor.

C. (3) Undersigned has issued no publications.

D. (5) $3,295.56; (6) $775; (7) $4,070.56; (9) $4,070.56; (13) no.

E. (2) $3,295.56; (5) $250.02; (6) $36; (7) $360; (8) $775; (9) $4,716.58; (11) $4,716.58; (15) paid by Brotherhood of Locomotive Engineers.

A. Frank W. Cortright, 1028 Connecticut Avenue NW., Washington, D. C.; executive vice president, National Association of Home Builders.

B. National Association of Home Builders, 1028 Connecticut Avenue NW.; trade association.

C. (1) Indefinitely.

C. (2) I am not employed to support or oppose any legislation, but as executive vice president of the National Association of Home Builders, the trade association of the home building industry. My employment is not dependent upon rendition of services which might be considered lobbying within the meaning of the Regulation of Lobbying Act. I have been advised by counsel and believe that I am not subject to that act, but this report is filed under protest and as a matter of personal precaution in view of the indefiniteness of the act and the lack of judicial interpretation thereof. This filing is not intended in any way to constitute an admission by me that I am subject to the act. This report is filed because I supervise, among other things, the work of that association's legislative department. In that supervisory capacity, I am interested in all legislation affecting the home-building industry. During the quarter covered by this report, such legislation included: S. 2246 (Public Law 475), Housing Act of 1950; H. R. 7846 (Public Law 498), a bill to amend title VIII of the National Housing Act, as amended, to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Forces installations, and for other purposes; S. 2440 (Public Law 564), a bill to authorize certain construction at military and naval installations, and for other purposes; S. 3181 (Public Law 574), a bill to extend for 1 year the Housing and Rent Act of 1947, as amended; S. 3746, H. R. 8924, a bill to authorize the creation of private mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guarantied residential mortgages; H. R. 7786, making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, with respect to the VA budget; H. R. 8567 (Public Law 583), containing deficiency appropriation for VA.

C. (3) Although not published in connection with legislative interests, the association publishes a weekly news letter called the Washington Letter and a monthly magazine, the Correlator, each of which contains material of interest to the membership, including, as occasion requires, information on legislative matters. During the quarter eight issues of the Washington Letter were published, on the following dates: April 6, 18, and 26; May 4, 12, and 22; June 6 and 21. Approximately 19,000 copies of each issue were printed by Packwood Printing Co., Washington, D. C. With respect to the Correlator, 22,000 copies were run in April, May, and June, by the Darby Printing Co., Washington, D. C. I also write an article each month for the American Builder, a monthly trade publication devoted to the interests of the housing industry. (Publisher: Simmonds Boardman Publishing Co., Chicago and New York.) News releases are from time to time sent to the Associated Press, INS, UP, and other national newspaper wire services by the association for publication in subscriber papers and magazines, some of which releases may contain material which might be considered as affecting legislation directly or indirectly. Neither the association nor I have any means of ascertaining a complete list of the publications utilizing such releases. In the course of the operations of the association numerous inquiries are received from representatives of various newspapers, magazines, and other publications for information and material to be used in the preparation of articles concerning housing and, in some cases, pending legislation. I do not understand that the furnishing of such information or material constitutes "causing such article to be published" within the meaning of the act. Therefore, and because of the physical impossibility of keeping an accurate account of such situations, no detailed report thereof is made.

D. (5) $1,513.42; (7) $1,513.42; (8) $1,461.75; (9) $2,975.17; (13) no; with respect to reported receipts (item D), the amount reported represents by best estimate of the maximum proportion of my total salary and per diem which might conceivably be considered, on the basis of time, as allocable to legislative interests. My total compensation during the quarter was salary, $5,416.68; per diem, $637; total, $6,053.68.

E. (7) $375.93; all of which was reimbursable to me by the association. Since none of these was specifically in connection with legislative interests, but were incurred in connection with my general duties as executive vice president, the expenditures reported under E represent 25 percent of the total which is my best estimate of the maximum proportion of my time which might be considered allocable to legislative interests, as explained in the note to item D. The expenditures reported do not include items paid by the association directly as part of its administrative budget (such as secretary's salary, telephone, rent) and reported by it; (8) $39.62; (9) $415.55; (10) $226.01; (11) $641.56; (15) $415.55.

A. Harold B. Corwin, 1616 I Street NW., Washington, D. C.; assistant legal counsel.

B. Retired Officers Association, Inc., 1616 I Street NW., Washington, D. C. Preamble: To inculcate and stimulate love of our country and the flag; and to defend the honor, integrity, and supremacy of our National Government and supremacy of our National Government and the Constitution of the United States; to foster fraternal relations between all branches of the various services from which our members are drawn; to aid the retired personnel of the various services from which our members are drawn in every proper and legitimate manner; and to present their rights and interests when service matters are under consideration, we unite to form the Retired Officers Association.

C. (1) Indeterminate.

C. (2) Any and all legislation pertinent to the rights, benefits, privileges, and obligations of retired officers, male and female, Regular and Reserve, and their dependents and survivors, of whatever nature, dealing with personnel matters, pay and retirement benefits and pensions, studying and analyzing bills, preparing statements for presentation to the cognizant committees, and drafting amendments where indicated, appearing before committees of Congress, principally the Committees on Armed Services, the Committees on Veterans' Affairs, and the committees dealing with various privileges, opportunities, and obligations of the personnel involved.

C. (3) The Retired Officers Association Bulletin. (a) An informational bulletin covering all the activities of the association; (b) 20,000 per issue; (c) 15th of March, June, September, and December; (d) Graphic Arts Press, Inc.

D. (5) $900; (7) $900; (8) $900; (9) $1,800; (13) no.

A. Council for Clarification of Pricing Practices, Room 3500, 1 North LaSalle Street, Chicago, Ill.

C. Registrant was interested in S. 1008, the O'Mahoney freight absorption bill, which is no longer pending. It is not interested in any legislation, but has substantial unpaid bills which it hopes to pay through contributions to be hereafter received.

D. (2) $400; (7) $400; (8) $1,500; (9) $1,900; (13) no.

E. (5) $14.50; (9) $14.50; (10) $1,600.65; (11) $1,615.15.

A. Council of State Chambers of Commerce, Board of Trade Building, Indianapolis, Ind.

C. (1) Indefinite.

C. (2) Federal taxation, Federal expenditures, social security, and labor relations.

C. (3) Federal spending facts bulletins: Bulletin No. 67, How "Pork Barrel" Construction Costs Grow, informative, 3,525, April 11, 1950; Bulletin No. 68, Over 300 Federal Aid Measures Flooding Congress, informative, 3,800, April 28, 1950; Bulletin No. 69, Results of House Action on 1951 Appropriation Bill (H. R. 7786), informative, 4,000, May 18, 1950; Bulletin No. 70, The Case of the 16,000 Unneeded VA Hospital Beds, informative, 4,200, June 1, 1950; Bulletin No. 71, Cutting the Half-Billion-Dollar Postal Deficit, informative, 4,000, June 28, 1950. Federal spending facts features for weekly newspapers, Feature No. 1, $70,000,000 Federal Budget Seen by 1960, informative news release, 8,000, May 8, 1950; Feature No. 2, Hike Taxes or Cut Costs Is Uncle Sam's Problem, informative news release, 7,600; May 22, 1950; Feature No. 3, New Taxes Would Hit Low-Income Groups, informative news release, 8,000, June 5, 1950; Feature No. 4, Survey Reveals Business Taxes Fall on Public, informative news release, 8,000, June 19, 1950; Feature No. 5, United States "Foot-in-Door" Easy Spending Found Costly to Taxpayers, informative news release, 8,000, July 3, 1950. Federal tax facts bulletin No. 11, Synopsis of the Revenue Act of 1950 (H. R. 8920), informative, 150, June 23, 1950. NOTE.—All the above publications were printed by Ace Letter Service, The Realty Building, 1424 K Street NW., Washington, D. C.

D. (1) $24,805; (4) $1,486.70; (7) $26,291.70; (8) $13,130.57; (9) $39,422.27; (13) yes.

Name and address of contributor, period January 1 through June 30, 1950: $1,375, Connecticut State Chamber of Commerce, Hartford, Conn.; $5,500, Indiana State Chamber of Commerce, Indianapolis, Ind.; $6,250, Ohio Chamber of Commerce, Columbus, Ohio, $6,500, Pennsylvania State Chamber of Commerce, Harrisburg, Pa.; $1,300, West Virginia State Chamber of Commerce, Charleston, W. Va.; $1,450, Wisconsin State Chamber of Commerce, Madison, Wis.; $5,400, Chamber of Commerce, Delaware, Inc., Wilmington, Del.; $1,500, Illinois State Chamber of Commerce, Chicago, Ill.; $5,000, New Jersey State Chamber of Commerce, Newark, N. J.; $500, Virginia State Chamber of Commerce, Richmond, Va.; total, $34,775.

E. (2) $11,575; (4) 5,420.76; (5) $2,678.23; (6) $548.98; (7) $1,349.15; (8) $98.95; (9) $21,671.07; (10) $12,128.24; (11) $33,799.31.

A. Donald M. Counihan, 1420 New York Avenue NW., Washington, D. C.; attorney at law.

B. Classroom Periodical Publishers' Association, 124 East Third Street, Dayton, Ohio; trade association of publishers of classroom periodicals.

C. (1) Expect legislative interest to last till July 31, 1950.

C. (2) General interest in second-class postal rates; particular interest in S. 1103 and H. R. 2945 (to readjust postal rates).

D. (5) $1,616.77; (7) $1,616.77; (8) $1,100.47; (9) $2,717.24; (13) no.

E. (2) $1,500; (8) $116.77; (9) $1,616.77; (10) $1,100.47; (11) $2,717.24.

A. Donald M. Counihan, 1420 New York Avenue NW., Washington, D. C.; attorney at law.

B. Harnischfeger Corp., Milwaukee, Wis.; heavy equipment and prefabricated houses manufacturer.

C. (1) Indefinite.

C. (2) General interest in all housing legislation. Specific interest in S. 2246, H. R. 7402, S. 3181, H. R. 7846, Public Law 498, and Reorganization Plan No. 23.

D. (5) $1,310.31; (7) $1,310.31; (8) $1,216.41; (9) $2,526.72; (13) no.

E. (2) $1,050; (8) $260.31; (9) $1,310.31; (10) $1,216.41; (11) $2,526.72.

A. John J. Courtney, 843 Continental Building, Washington D. C.; lawyer.

B. John Ii Estate, Ltd., Honolulu, T. H.

C. (1) Until judgment is paid.

C. (2) H. R. 4928 is a private bill to appropriate money due claimant under a judgment rendered in its favor against the United States for property taken by the Government.

D. (13) No.

A. Nathan E. Cowan, 718 Jackson Place NW., Washington, D. C.; legislative director of the Congress of Industrial Organizations.

B. Congress of Industrial Organizations, 718 Jackson Place NW., Washington, D. C.; a Federation of Labor organization, and United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa., affiliated union of the CIO.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity, and general welfare; oppose legislation detrimental to these objectives.

C. (3) I have not individually issued or caused to be issued any publication as above described. Any such publications issued by the CIO are listed on the CIO report.

D. (5) $1,875; (6) $929.46; (7) $2,804.46; (8) $2,984.11; (9) $5,788.57.

E. (7) $929.46; (9) $929.46; (10) $1,109.11; (11) $2,038.57; (15) $929.46.

A. W. W. Coxe, 801 North Jefferson Street, Roanoke, Va.; general solicitor.

B. Norfolk & Western Railway Co., 801 North Jefferson Street, Roanoke, Va.

C. (1) Can't say with certainty.

C. (2) Proposed canalization of Big Sandy River and its tributaries in States of Kentucky and West Virginia.

D. (5) As general solicitor I am paid a salary by the Norfolk & Western Railway Co. to do legal work. I do not and will not receive any extra compensation for doing legislative work. (13) no.

A. Charles J. Crampton, 700 Insurance Building, San Antonio, Tex.; attorney at law.

B. State Tax Association, P. O. Box 2559, Houston, Tex.; a voluntary association of taxpayers organized to promote tax equalization between the community-property and common-law States.

C. (1) A continuous study of Federal tax legislation and administrative rulings and court decisions in tax matters affecting community-property taxpayers inequitably.

C. (2) General purpose: To bring about constructive cooperation between community-property and common-law States for the development of a plan of tax equalization which will afford an equitable basis for income, estate, and gift taxation in the Federal tax structure. To support complete retroactive repeal of the 1942 estate- and gift-tax amendments as they apply to community-property States in an unfair, discriminatory, inequitable manner. To support the elimination of Federal estate taxes and restore estate taxation to the several States. We have supported and will continue our support of the American Bar Association's recommendations for tax equalization.

D. (5) $329.36; (8) $5,500; (9) $5,829.36; (13) no.

E. (10) $329.36; (11) $329.36.

A. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.; a nonprofit corporation made up of credit-union leagues and credit unions.

C. (1) Indefinitely.

C. (2) Legislation affecting credit unions.

D. (1) $66,275.04; (7) $56,275.04; (8) $39,636.12; (9) $105,911.16; (13) yes; (14) contributors to dues and assessments, January 1, 1950, through June 30, 1950: $1,357.92; Alabama Credit Union League, Mr. Clyde C. Parker, managing director, post-office box 2634, Birmingham, Ala.; $5,000, California Credit Union League, Mr. C. E. Murphy, managing director, 1307 Harrison Street, Oakland, Calif.; $2,041.33, Colorado Credit Union League, Mr. Clyde Dwyer, managing director, 5721 Saulsbury Street, Arvada, Colo.; $3,000, Connecticut Credit Union League, Mr. L. R. Nixon, managing director, 46 Hillcrest Avenue, New Britain, Conn.; $2,237.42, D. C. Credit Union League, Mr. Hubert M. Rhodes, managing director, 3308 Fourteenth Street NW., Washington, D. C.; $3,288.34, Florida Credit Union League, Mr. F. L. Andrews, managing director, post-office box 4167, Jacksonville, Fla.; $7,500, Illinois Credit Union League, Mr. J. S. DeRamus, managing director, 309 West Jackson Boulevard, Chicago, Ill.; $3,500, Indiana Credit Union League, Mr. C. E. Oldham, managing director, 3861 North Delaware Street, Indianapolis, Ind.; $515.57, Iowa Credit Union League, Mr. H. W. Vetter, managing director, 220 Securities Building, Des Moines, Iowa; $1,750, Kentucky Credit Union League, Mr. W. L. Vandenburgh, managing director, 1296 Starks Building, Louisville, Ky.; $2,224.76, Louisiana Credit Union League, Mr. Edgar L. Fontaine, managing director, 717 Carondelet Building, New Orleans, La.; $671.91, Maine Credit Union League, Mr. Boris Blumenthal, managing director, room 205, post office, Portland, Maine; $2,000, Maryland Credit Union League, Mr. J. D. M. Marquette, managing director, 707 Munsey Building, Baltimore, Md.; $3,678.47, Massachusetts CUNA Association, Inc., Miss Agnes C. Gartland, managing director, 5 Park Square, Boston, Mass.; $7,500, Michigan Credit Union League, Mr. Al Marble, managing director, 404 Transportation Building, Detroit, Mich.; $4,820.42, Minnesota League of Credit Unions, Mr. R. E. Archer, managing director, 2642 University Avenue, St. Paul, Minn.; $875, New Jersey Credit Union League, Mr. Henry Stricker, Jr., managing director, 421 Morris Avenue, Elizabeth, N. J.; $4,375, New York State Credit Union League, Mr. Sidney Stahl, managing director, 254 West Thirty-first Street, New York, N. Y.; $1,158.56, North Carolina Credit Union League, Mr. B. L. Webster, managing director, post-office box 537, Greensboro, N. C.; $865.46, North Dakota Credit Union League, Mr. John P. Hillerson, managing director, box 628, Jamestown, N. Dak.; $5,000, Ohio Credit Union League, Mr. Robert Kloss, managing director, 20 South Third Street, Columbus, Ohio; $1,104.87, Oklahoma Credit Union League, Mr. Ralph Bendel, managing director, 107 Albany Hotel, Tulsa, Okla.; $765.11, Oregon Mutual Credit League, Inc., Mr. A. J. Gulley, managing director, 730 Mead Building, Portland, Oreg.; $7,500, Pennsylvania Credit Union League, Mr. W. W. Pratt, managing director, 1522 Cherry Street, Philadephia, Pa.; $2,480.34, Tennessee Credit Union League, Miss Corinne St. Johns, office manager, 242 Chamberlain Building, Chattanooga, Tenn.; $6,500, Texas Credit Union League, Mr. J. M. Barry, managing director, 410 Southland Building Annex, Dallas, Tex.; $792.30, Utah Credit Union League, Mr. Karl S. Little, managing director, 1064 Lincoln Street, Salt Lake City, Utah; $1,666.54, Virginia Credit Union League, Mr. G. K. Keeling, managing director, route 6, White Oak Drive, Lynchburg, Va.; $1,200, Washington Credit Union League, Mr. Francis White, managing director, 726 Twenty-second Avenue North, Seattle, Wash.; $1,441.38, Hawaii Credit Union League, Mr. Charles Hudson, managing director, post-office box 2632, Honolulu, T. H.; $862.61, Credit Union League of Alberta, Mr. G. A. Swales, secretary-treasurer, 20 Alberta Block, Calgary, Alberta; $380.40, Credit Union Federation of Manitoba, Mr. D. G. Reimer, manager, post-office box 192, Winnipeg, Manitoba; $681.07, Brunswick Credit Union Federation, Ltd., Mr. H. M. Daley, secretary-treasurer, post-office box 221, St. John, New Brunswick; $2,000, Nova Scotia Credit Union League, Mr. Rod MacMullin, managing director, Antigonish, Nova Scotia; $3,293.93, Ontario Credit Union League, Ltd., Mr. John M. Hallinan, general manager, 30 Bloor Street West, Toronto, Ontario; $7,500, Wisconsin Credit Union League, Mr. Fabian Monroe, managing director, 624 North Twenty-seventh Street, Milwaukee, Wis.

A. Edward B. Crosland, 1245 Hurt Building, Atlanta, Ga.; 725 Thirteenth Street NW., Washington, D. C.; general attorney, Southern Bell Telephone & Telegraph Co.

B. Southern Bell Telephone & Telegraph Co., 1245 Hurt Building, Atlanta, Ga. Served temporarily in Washington on behalf of American Telephone & Telegraph company and other Bell System companies.

C. (1) Legislative interests terminated with current quarter.

C. (2) Matters affecting communications; (a), (b), and (c), no specific bills.

D. (5) $2,475, quarter; (6) $2,393.16, out-of-pocket expense; (7) $4,868.16; (9) $4,868.16; (13) no.

E. (7) $2,393.16; (9) $2,393.16; (11) $2,393.16. From 80 to 90 percent of out-of-pocket expenses reported covered costs of maintaining registrant and his family in Washington during quarter.

A. Frederick T. M. Crowley, 1424 K Street NW., Washington, D. C.; attorney at law.

B. Associated in general practice of law with Douglas L. Hatch, who is also registered under this act as counsel for James Stewart & Co., Inc.

C. (1) Indefinitely.

C. (2) H. R. 6095.

A. Leo J. Crowley, 922 Equitable Building, Denver, Colo:; attorney at law.

B. Colorado Legislative Committee, 615 C. A. Johnson Building, Denver, Colo. This committee consists of the general or State attorneys representing the following named railroad companies in Colorado: Atchison, Topeka & Santa Fe Railway Co., Chicago, Burlington & Quincy Railroad Co., Chicago, Rock Island & Pacific Railway Co., Colorado & Southern Railway Co., Denver & Rio Grande Western Railroad Co., Missouri Pacific Railroad Co., and the Union Pacific Railroad Co. The primary purpose of said committee is to look after legislation, taxes, and legal matters of common interest to said railroad companies in the State of Colorado, and secondary to give attention to matters pending before Congress of common interest to said companies.

C. (1) As stated under B, my primary interests are in connection with State matters and secondary matters pending in Congress, so that the time during which my Federal legislative interests will continue is indefinite. My experience has been that in many quarters I do not participate in the

consideration of Federal legislation and make no expenditures during these quarters.

C. (2) I am interested in all legislation, both general and special, that affects the railroads I represent. There are many specific measures pending in Congress among which are the following: Basing-point legislation; communications or operating rules bills; railway mail-pay bills; transportation excise taxes; the St. Lawrence seaway; the Federal Barge Lines; parcel-post rates; repeal of the Reed-Bulwinkle Act; bills changing the authority of the Interstate Commerce and Senate Resolution 50, the investigation of surface transportation by the Senate Committee on Interstate and Foreign Commerce.

D. (5) $287.92; (7) $287.92; (8) $305; (9) $592.92; (13) no.

E. (2) $70; (7) $217.92; (9) $287.92; (10) $305; (11) $592.92; (15) $287.92.

A. Leo P. Cullinane, 1025 Vermont Avenue NW., Washington, D. C.

B. National Associated Businessmen, 1025 Vermont Avenue NW., Washington, D. C., chiefly engaged in the dissemination of economic and political information, which member groups translate into action at grass roots, when and if they desire.

C. (1) Until tax equality is achieved.

C. (2) Measures that would levy a tax on certain tax-exempt organizations. Specifically H. R. 7343, H. R. 5064, and H. R. 8920, all of which would impose taxes on cooperative organizations.

D. (5) $1,866; (7) $1,866; (8) $1,866; (9) $3,732.

E. (7) $289.57; (9) $289.57; (10) $166.60; (11) $456.17; (15) $289.57.

A. Cummings, Stanley, Truitt & Cross, attorneys and counselors, 1625 K Street NW., Washington, D. C.

B. Kansas City Board of Trade, Board of Trade Building, Kansas City, Mo.

C. (1) Terminated as of June 30, 1950.

C. (2) H. R. 6567, S. 2826, a bill to increase the borrowing power of the Commodity Credit Corporation.

D. (5) $4,000; (7) $4,000; (9) $4,000; (13) no.

E. (6) $21.56; (7) $73.12; (8) $11.67; (9) $106.35; (10) $305.90; (11) $412.25.

A. Cummings, Stanley, Truitt & Cross, attorneys and counselors, 1625 K Street NW., Washington, D. C.

B. New Process Co. (merchandisers by mail), Warren, Pa.

C. (1) Unknown, but probably until end of current session of Congress.

C. (2) Postal rate legislation, H. R. 2945 to readjust postal rates; S. 1103 to readjust postal rates.

D. (5) $3,000; (7) $3,000; (9) $3,000; (13) no.

E. (4) $8.57; (6) $1.08; (9) $9.65; (10) $88.61; (11) $98.26.

A. Cummings, Stanley, Truitt & Cross, attorneys and counselors, 1625 K Street NW., Washington, D. C.

B. United States Lines, 1 Broadway, New York; Farrell Lines, Inc., 26 Beaver Street, New York; American President Lines, 311 California Street, San Francisco; American Export Lines, 25 Broadway, New York; Grace Lines, Inc., 10 Hanover Square, New York, N. Y.; Lykes Bros. Steamship Co., Inc., 203 Franklin Street, Tampa, Fla.

C. (1) Undetermined, but probably until end of current session of Congress.

C. (2) All proposed legislation relating to maritime and shipping matters: Merchant Marine Act, 1936, as amended; H. R. 5346; S. 2786; H. R. 6719, H. R. 3337, H. R. 3930, H. R. 4190, H. R. 3291, H. R. 3419, H. R. 6061, H. R. 4450, H. R. 3122, H. R. 4847, S. 402, Senate Resolution 50, H. R. 1251.

D. (5) $10,800; (7) $10,800; (9) $10,800; (13) no.

E. (2) $2,850; (5) $750; (6) $6.38; (7) $66.73; (8) $13.10; (9) $3,686.21; (15) $3,686.21; $36.21 to be defrayed by employer.

A. John C. Cuneo, Post Office Box 1054, Modesto, Calif.; California representative for Townsend Plan, Inc.

B. The Townsend Plan, Inc., 6875 Broadway Avenue, Cleveland, Ohio.

C. (1) Indefinite.

C. (2) H. R. 2135, H. R. 2136, S. 2181, the Townsend Plan bills.

D. (5) $1,794.55; (7) $1,794.55; (8) $3,357.53; (9) $5,152.08; (14) $1,794.55, employer (commission paid by the Townsend Plan, Inc., 6875 Broadway Avenue, Cleveland, Ohio). NOTE.—I should like to explain that the total commissions received, which I am reporting in total, are deposited for the use in California by the Townsend State office. Of the amount of income reported, the registrant draws $60 per week, which makes a total of $780 having been drawn for my personal income. The balance is retained for future operations in the State of California.

E. (5) $588.01; (6) $214.31; (7) $476.06; (9) $1,278.38; (10) $1,045.37; (11) $2,323.75.

A. Ralph E. Curtiss, 944 Washington Building, Washington, D. C.; attorney at law.

B. National Licensed Beverage Association, 420 Seventh Street, Racine, Wis.; a national trade association of owners of taverns, restaurants, and carbarets.

C. (1) Indefinitely.

C. (2) Any legislation affecting the tavern and restaurant industry; i. e., H. R. 6000, revenue bills, Federal Alcohol Administration Act.

D. (7) $300; (8) $1,350; (9) $1,650; (13) no.

E. (10) $33.12; (11) $33.12.

A. Bernard Cushman, 1029 Vermont Avenue NW., Washington, D. C.; lawyer and labor relations consultant.

B. My principal duties for the employer are without legislative interest. O. David Zimring, lawyer, 1029 Vermont Avenue NW., Washington, D. C., is my employer and will pay my regular salary during such legislative work. Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 1214 Griswold Street, Detroit, Mich., is the secondary employer and will pay my employer, O. David Zimring.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of labor organizations, their members and families, and especially the interests of Mr. Zimring and the above-named association. At the time of my primary registration and during June 1950 the primary legislative interest was in H. R. 6000, Senate Report 1669, and proposed amendments thereto. There will be interest in other bills affecting organized labor and particularly the above-named unincorporated association.

C. (3) The association publishes the Union Leader, a weekly journal for its members in the Chicago, Ill., area; it also publishes the Motorman, Conductor, and Motor Coach Operator, a monthly journal for its members in the United States and Canada. These publications are not primarily concerned with legislative interests but have contained in the past and will publish in the future news stories, reports, and recommendations involving pending or suggested bills, resolutions and constitutional amendment proposals.

C. (4) I am employed on annual salary by O. David Zimring and I handle labor relations consultations, organizational duties, economic statistics, the presentation and preparation of labor arbitrations, and other matters such as presentations before the Interstate Commerce Commission, etc. My legislative work is incidental to my regular employment and there will be no additional compensation therefor; (b) no additional wage, fee, or salary; (c) indefinite; (d) actual traveling expenses, hotel, meals, taxi fares, etc.

D. There were no receipts made or will be made in connection with legislative interests. The association receives per-capita dues and initiation fees for use in maintaining and operating its activities as a labor union, but there have been no additional receipts, contributions, or loans made or will be made in connection with legislative interests; (13) no.

E. (2) My salary was the normal salary which would have been paid to me if no legislative work had been performed; none additional was paid for legislative work; (7) expense of travel, food, lodging, taxis, and minor incidentals will be reimbursed, but none was received during the second quarter, 1950; payment will be made for such items during third quarter. Other nonlegislative business was transacted and the legislative expense will be apportioned; (15) none has been defrayed by the employer during second quarter, 1950, but any such items will be defrayed during the third quarter, 1950.

A. Dairy Industry Committee, 1112 Barr Building, Washington, D. C.; information and promotional organization.

C. (1) Indefinitely.

C. (2) Any legislation affecting the dairy industry.

C. (3) A weekly newsletter to members mentioning legislative items when occasion arises.

D. (1) $9,000; (7) $9,000; (8) $9,000; (9) $18,000.

E. (9) $3,000; (10) $3,000; (11) $11,000.

A. William L. Daley, 911 Continental Building, Washington, D. C. (Washington representative, National Editorial Association.)

B. Newspaper Publishers Association, National Editorial Association, 222 North Michigan Avenue, Chicago, Ill.

C. (1) Indefinitely.

C. (2) H. R. 2945, H. R. 4237, H. R. 5387, H. R. 7438, H. R. 6000, H. R. 7491, H. R. 7575, H. R. 7619, H. R. 7621, H. R. 8023, S. 1103, S. 1847, S. 3118, S. 2126.

C. (3) The Publishers Tab (approximately 6,000 circulation), tabloid newspaper, published monthly around the 10th, printed by Times-Press, Hartford, Wis. The National Publisher (approximately 6,000 circulation), associational magazine published monthly around the 25th, printed by the Times-Press, Hartford, Wis. Also other publishing trade publications, including bulletins of all State newspaper associations.

D. (5) $1,108.43; (7) $1,108.43; (8) $1,011.05; (9) $2,119.48; (14) $1,108.43, National Editorial Association, 222 North Michigan Avenue, Chicago 1, Ill.; total, $1,108.43.

E. (4) $45.73; (5) $47.02; (6) $53.46; (7) $237.22; (9) $383.43; (10) $186.05; (11) $569.48; (15) $383.43.

A. William V. Dameron, Machinists Building, Washington, D. C.; labor union representative.

B. Indefinite. (See report filed by International Association of Machinists.)

A. Eugene J. Damon, assistant general attorney, St. Louis-San Francisco Railway Co.; chairman, Missouri Railroad Committee, 906 Olive Street, St. Louis, Mo. (See appendix A to fir t quarter report, 1950.)

B. St. Louis-San Francisco Railway Co., 906 Olive Street, St. Louis, Mo. (See appendix A to first quarter report, 1950.)

C. (1) Continuous.

C. (2) Railroads generally.

D. (5) Estimated, $120; (7) Estimated, $120; (8) Estimated, $180; (9) Estimated, $300; (13) no.

E. (7) $90.69; (9) $90.69; (10) $122.30; (11) $212.99; (15) $90.69. (See appendix A to first quarter report, 1950.)

A. John A. Danaher, attorney at law, offices at 50 State Street, Hartford, Conn., and 1625 K Street NW., Washington, D. C.

B. My client is the Fuller Brush Co., Hartford, Conn., engaged in the manufacture and

distribution of brushes and household products. The company is interested in extending social security to cover all gainful employment and has appeared in favor of a method of covering the self-employed.

C. (1) While H. R. 6000 is under consideration.

C. (2) Review of legislative history of social-security legislation; examination of decided cases construing the law; preparation of legal memoranda concerning position of my client with reference thereto; preparation of statement with reference to H. R. 6000 and particularly subsection (k) of section 210, and subsection (d) of section 206, thereof.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) yes; (14) $1,000 per month, total $3,000 for second quarter paid by my client, the Fuller Brush Co., Hartford Conn.

E. (6) $4.19; (9) $4.19; (10) $64.78; (11) $68.97.

A. John A. Danaher, attorney at law, offices at 50 State Street, Hartford, Conn., and 1625 K Street NW., Washington, D. C.

B. My clients are the B. F. Goodrich Co. and the Firestone Tire & Rubber Co., both of Akron, Ohio.

C. (1) While H. R. 1412, H. R. 5690, H. R. 5691, and S. 640 are under consideration.

C. (2) Bills listed deal with distribution of motor-vehicle tires and prevention of manufacturers from selling goods at retail. Study of Federal legislation re same; examination of reported cases concerning constitutionality of proposed bills; preparation of legal memoranda and briefs re same; study of economic data and preparation of hearings.

D. (5) $1,800; (7) $1,800; (8) $1,800; (9) $3,600; (13) yes; (14) $300 per month, total $1,800 for second quarter; $900 paid by each client, the B. F. Goodrich Co. and the Firestone Tire & Rubber Co., both of Akron, Ohio.

A. John A. Danaher, attorney at law, offices at 50 State Street, Hartford, Conn., and 1625 K Street NW., Washington, D. C.

B. My client is Revere Copper & Brass, Inc., 230 Park Avenue, New York City, engaged in the fabrication of copper and in the manufacture of copper products.

C. (1) While H. R. 5327 and H. R. 7151 are under consideration.

C. (2) Study of import tax legislation affecting copper; compilation of statistics and economic data; preparation of material for hearings concerning suspension of the import tax on copper contemplated by H. R. 7151 and in opposition to repeal of the present suspension as contemplated by H. R. 5327.

D. (5) $3,000; (7) $3,000; (8) $18,000 as previously reported; (9) $21,000; (13) yes; (14) $6,000, fees in re legislative activity; $15,000 general retainer covering legal matters, and representation in Washington; both paid by my client Revere Copper & Brass, Inc.

E. (6) $27.63; (7) $25.19; (9) $52.82; (10) $3.88; (11) $56.70.

A. Paul J. Daugherty, legislative affairs department, Ohio Chamber of Commerce, 820 Huntington Bank Building, Columbus, Ohio.

B. Ohio Chamber of Commerce, 820 Huntington Bank Building, Columbus, Ohio.

C. (1) I assume legislative interests refer to Federal legislation—such interest is sporadic and indefinite as to future duration.

C. (2) As an employee of the Ohio Chamber of Commerce, such matters affecting business and commerce in Ohio as are referred to me from time to time by the Ohio Chamber of Commerce; e. g., proposals in the fields of taxation, appropriations, old-age and survivors insurance, unemployment compensation, industrial development, and other management problems. Present specific interests, H. R. 6000, H. R. 8059, H. R. 8920, attention has been given during the period covered by this report.

C. (3) During period covered by report private service bulletins to members were issued as follows: (a) H. R. 8059, bill analysis and comments; (b) approximately 5,000; (c) April 12, 1950; (d) OCC mimeographed. (a) H. R. 6000, bill analysis and comments; (b) approximately 5,000; (c) April 27, 1950; (d) OCC mimeographed. (a) H. R. 6000, bill analysis and comments; (b) approximately 5,000; (c) June 2, 1950; (d) OCC mimeographed. (a) H. R. 6000; bill analysis and comments; (b) approximately 5,000; (c) June 23, 1950; (d) OCC mimeographed.

D. (5) $2,574.99, this was received for all services and was principally on matters other than Federal legislation; (7) $2,574.99; (8) $2,499.99; (9) $5,074.98; (13) no.

E. (4) $575.87; (9) $575.87; (11) $575.87; (13) all.

A. Aled P. Davies, 59 East Van Buren Street, Chicago, Ill.

B. American Meat Institute, 59 East Van Buren Street, Chicago, Ill.

C. (1) Indefinitely.

C. (2) Legislation affecting the meat packing industry.

D. (13) No.

A. John H. Davis, 744 Jackson Place NW., Washington, D. C., executive secretary, National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C.

B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C.; a trade organization for farmer cooperatives marketing farm products and/or purchasing farm supplies.

C. (1) Indefinitely.

C. (3) Washington situation, a weekly mimeographed house organ summarizing developments in Washington which are of interest to our organization (approximately 1,000), published in mimeographed form.

D. (5) $3,300; (7) $3,300; (8) $3,300; (9) $6,600.

E. (7) $551.55; (9) $551.55; (10) $417.70; (11) $969.25; (15) $551.55.

A. Sherlock Davis, general counsel, 1117 Barr Building, 910 Seventeenth Street NW., Washintgon, D. C.

B. United States Cuban Sugar Council, 30 Pine Street, New York, N. Y.; a group of companies owning or operating sugar properties in Cuba, the stockholders of which are predominantly United States citizens.

C. (1) During the preceding calendar quarter registrant has not engaged in any activities covered by section 308 (a) of the Federal Regulation of Lobbying Act and, accordingly, has received no funds and made no disbursements for the purposes covered by the act, but is filing this report for purposes of record. (Annual salary reported on Form B.)

C. (2) General legislative interest: anything which pertains to sugar or trade with Cuba. Specific legislative interest: the Sugar Act of 1948 (Public Law 388, 80th Cong) and any proposed amendments thereto, including House Joint Resolution 426.

D. See C above.

E. See C above.

A. Bourbon A. Dawes, executive secretary, Hotel Association of Washington, D. C., Inc., 312, 1331 G Street NW., Washington, D. C.

B. Hotel Association of Washington, D. C., Inc., 312, 1331 G Street NW., Washington, D. C. A trade association of hotels located in the District of Columbia.

C. (1) Indefinite.

C. (2) Continuing interest in District of Columbia legislation affecting local hotels; (a) and (b) H. R. 5912, ABC law; H. R. 6353, ABC law; H. R. 6669, rent control; H. R. 6779, ABC law; H. R. 7360, ABC law; S. 3257, unemployment compensation; S. 3779, rent control.

D. (5) $1,875; (7) $1,875; (8) $1,875; (9) $3,750.

E. (7) $43, transportation; (9) $43; (10) $31; (11) $74; (15) $43.

A. Clarence E. Dawson, 821 Fifteenth Street NW., Washington, D. C.; partner, law firm of Milbank, Tweed, Hope & Hadley.

C. (1) Indefinite.

C. (2) Proposed Federal tax legislation affecting the interests of the Chase National Bank of the City of New York.

A. Clarence E. Dawson, 821 Fifteenth Street NW., Washington, D. C.; partner, law firm of Milbank, Tweed, Hope & Hadley.

C. (1) Indefinite.

C. (2) Proposed Federal tax legislation affecting the interests of the New York Stock Exchange and its members.

A. William I. Denning, 1518 K Street NW., Washington, D. C.; lawyer.

B. National Association of Magazine Publishers, 232 Madison Avenue, New York, N. Y.; trade association.

C. (1) For general legal representation in Washington.

C. (2) Activities limited to advising association in connection with postal-rate matters.

D. (5) $1,875; (7) $1,875; (8) $1,875; (9) $3,750.

A. William I. Denning, 1518 K Street NW., Washington, D. C.; lawyer.

B. South Atlantic Steamship Co., Savannah, Ga.; ship operator.

C. (1) Do not know. I am not employed for this specific purpose.

C. (2) Operating-differential subsidies in item of appropriation for United States Maritime Commission, H. R. 7786.

A. Dorothy Detzer, Post War World Council, 112 East Nineteenth Street, New York, N. Y.; consultant and legislative representative.

B. Post War World Council, 112 East Nineteenth Street, New York, N. Y.; Norman Thomas, chairman; James Wood Johnson, treasurer, foreign policy.

C. (1) Until passage of legislation identified in 2 below.

C. (2) General legislative interest: Passage of Senate Concurrent Resolution 94 and House Concurrent Resolutions Numbered 216, 217, 218, and 219.

D. (5) $1,650; (7) $1,650; (8) $1; (9) $1,650; (13) yes; (14) for period, Lenore G. Marshall, 30 West Fifty-fourth Street, New York City, $500; Norman Thomas, 39A Grammercy Park, New York City (from special fund), $750; total, $1,250.

E. (5) $57.55; (6) $13.77; (7) $52.85; (9) $124.17; (15) $124.17.

A. Leo A. Diamond, 25 Broadway, New York, N. Y.; employee of law firm and engaged in general practice of tax law.

B. Chadbourne, Wallace, Parke & Whiteside, 25 Broadway, New York, N. Y.; engaged in the general practice of law and general counsel of the American Tobacco Co., 111 Fifth Avenue, New York, N. Y.

C. (1) Legislative interests are expected to continue until tax legislation is passed extending the 85 percent dividends-received credit to dividends received from resident foreign corporations to the extent that such resident foreign corporations derive income from United States sources.

C. (2) See (1) above. The proposed legislation was contained in section 120 of H. R. 6712 which was passed by the House of Representatives, second session, Eightieth Congress.

C. (3) No publications issued or caused to be issued.

D. Affiant, as employee of Chadbourne, Wallace, Parke & Whiteside, general counsel of the American Tobacco Co., is paid a regular monthly salary for services rendered to the law firm, which services include such services as may be required from time to time on behalf of the interests of the American Tobacco Co. in connection with the proposed

legislation interests described in paragraph C of this report.

A. John M. Dickerman, 1028 Connecticut Avenue NW., Washington, D. C.; legislative director, National Association of Home Builders.

B. National Association of Home Builders, 1028 Connecticut Avenue NW., Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) As director of the legislative department of the National Association of Home Builders of the United States, the trade association of the home building industry, I am interested in all legislation affecting the home building industry. During the quarter covered by this report, such legislation included S. 2246 (Public Law 475), Housing Act of 1950; H. R. 7846 (Public Law 498), a bill to amend title VIII of the National Housing Act, as amended, to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes; S. 2440 (Public Law 564), a bill to authorize certain construction at military and naval installations, and for other purposes; S. 3181 (Public Law 574), a bill to extend for 1 year the Housing and Rent Act of 1947, as amended; S. 3746 (H. R. 8924), a bill to authorize the creation of private mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guaranteed residential mortgages; H. R. 7786, making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, with respect to the VA budget; H. R. 8567 (Public Law 583), containing deficiency appropriation for VA.

C. (3) Although not published "in connection with legislative interests," the association publishes a weekly news letter called the Washington Letter and a monthly magazine, the Correlator, each of which contains material of interest to the membership, including, as occasion requires, information on legislative matters. During the quarter eight issues of the Washington Letter were published, on the following dates: April 6, 18, and 26; May 4, 12, and 22; June 6 and 21. Approximately 19,000 copies of each issue were printed by Packwood Printing Co., Washington, D. C. With respect to the Correlator, 22,000 copies were run in April, May, and June, by the Darby Printing Co., Washington, D. C. News releases are from time to time sent to the Associated Press, INS, UP and other national newspaper wire services by the association for publication in subscriber papers and magazines, some of which releases may contain material which might be considered as affecting legislation directly or indirectly. Neither the association nor I have any means of ascertaining a complete list of the publications utilizing such releases. In the course of the operations of the association numerous inquiries are received from representatives of various newspapers, magazines and other publications for information and material to be used in the preparation of articles concerning housing and, in some cases, pending legislation. I do not understand that the furnishing of such information or material constitutes "causing such article to be published" within the meaning of the act. Therefore, and because of the physical impossibility of keeping an accurate account of such situations, no detailed report thereof is made.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) no.

E. (7) $340.34; (8) $3; (9) $343.34; (10) $213.57; (11) $556.91; (15) $343.34.

A. A. W. Dickinson, Ring Building, Washington, D. C.; mining engineer.

B. American Mining Congress, Ring Building, Washington, D. C.; technical and educational organization of individuals and companies in the mining field.

C. (1) Indefinitely.

C. (2) Measures affecting mining, such as income taxation, social security, public lands, stockpiling, monetary policy, etc.

D. (5) $1,375; (7) $1,375; (9) $1,375; (13) no.

E. (7) $28.65; (9) $28.65; (11) $28.65; (15) $28.65.

A. Disabled American Veterans, a congressionally chartered veterans' organization, National Headquarters, 1423 East McMillan Street, Cincinnati, Ohio; Washington office, 1701 Eighteenth Street NW., Washington, D. C.

C. (1) The national legislative division of the DAV is a permanent division. This division performs only a minor part of DAV activities. The major part is our national claims service.

C. (2) The DAV is interested in all legislation affecting war veterans, their dependents, and survivors of deceased veterans. The largest number of bills in which we are interested are referred to: Senate Finance Committee, Senate Labor and Public Welfare, House Veterans' Affairs Committee, the two Committees on Post Office and Civil Service, and the two Armed Services Committees.

C. (3) Articles pertaining to pending legislation in which the DAV is interested are published in our own newspaper: The DAV semimonthly. This newspaper is published semimonthly at our national headquarters, Cincinnati, Ohio, and is mailed to every DAV member. The membership varies and as of June 15, 1950, was 155,894. Legislative articles are carried as news items for DAV members.

E. (2) $4,371.05 after taxes; (7) $202.39; (8) $48; (9) $4,621.44; (10) $3,340.46; (11) $7,961.90.

A. Walter L. Disbrow, 900 F Street NW., room 314, Washington, D. C.; employee representative.

B. Retirement Federation of Civil Service Employees of the United States Government, 900 F Street NW., room 314, Washington, D. C.; Federal civilian employees' organization.

C. (1) Legislative interests are expected to continue indefinitely.

C. (2) General legislative interests are: Retention and improvement of the Civil Service Retirement and United States Employees Compensation Acts. Short titles and numbers of bills of specific interest include: S. 2715 and H. R. 6293, to amend the Civil Service Retirement Act of May 29, 1930, as amended; S. 2716 and H. R. 5985, to provide for retirement of certain Government employees in cases of reductions in force; S. 2717 and H. R. 6295, to provide for the continuance of family benefits to civil-service employees separated after 5 years' service; S. 2718 and H. R. 5640, to provide for the continuance of family benefits to civil-service employees separated after 20 years' service; S. 2719 and H. R. 998, to provide reduced annuities at age 55 after 5 years of civilian service for persons involuntarily separated from the Federal service not by removal for cause; H. R. 4501, to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for those civilian employees engaged in hazardous occupations in any branch of the Federal service, and for other purposes; S. 3564, to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who are involuntarily separated after having rendered 20 years of service.

C. (3) No publication in connection with legislative interests has been issued within the past year and none is expected to be issued in the near future.

D. (5) $1,313.57; (6) $115.05; (7) $1,428.62; (8) $1,293.24; (9) $2,721.86; (13) yes; employer.

E. (7) $115.05; (9) $115.05; (10) $167.31; (11) $282.36; (15) $115.05.

A. Wesley E. Disney, 434 Southern Building, Washington, D. C.

B. Eastern Magnesia Talc Co., 206 Bank Street, Burlington, Vt.

C. (1) Indefinitely.

C. (2) Specific legislation employed for is percentage depletion.

D. (5) $1,500; (7) $1,500; (9) $1,500; (13) no.

A. Wesley E. Disney, 434 Southern Building, Washington, D. C.

B. Independent Natural Gas Association, 1700 I Street NW., Washington, D. C. Nonprofit corporation organized and existing for the purposes of promoting and advancing the welfare, progress, and development of the natural-gas industry in the United States.

C. (1) I am employed permanently as general counsel for the association.

C. (2) General legislative interests include any matters affecting the natural-gas industry. Specific current legislation includes tax bill.

D. (5) $1,250; (7) $1,250; (9) $1,250; (13) yes; (14) employer.

E. (6) $15.67; (7) $20.55; (9) $36.22; (11) $36.22; (15) $36.22.

A. Wesley E. Disney, 434 Southern Building, Washington, D. C.

B. W. H. Lomis Talc Co., Gouverneur, N. Y.

C. (1) Indefinitely.

C. (2) Specific legislation employed for is percentage depletion.

D. (5) $1,500; (7) $1,500; (9) $1,500; (13) no.

A. Wesley E. Disney, 434 Southern Building, Washington, D. C.

B. National Building Granite Quarries Association, 114 East Fortieth Street, New York, N. Y.

C. (1) Indefinitely.

C. (2) Specific legislation employed for is percentage depletion.

D. (5) $1,500; (7) $1,500; (9) $1,500; (13) yes; (14) employer.

A. Wesley E. Disney, 434 Southern Building, Washington, D. C.

B. Western Oil and Gas Association, 510 West Sixth Street, Los Angeles, Calif., trade association.

C. (1) I am employed indefinitely as Washington counsel to represent this organization generally.

C. (2) General legislative interests include matters affecting oil and gas. Specific legislative interests include percentage depletion.

D. (5) $1,500; (7) $1,500; (9) $1,500; (13) Yes.

E. (6) $42.14; (7) $33.60; (9) $75.74; (11) $75.74; (15) $75.74.

A. District of Columbia Petroleum Industries Committee, 1625 K Street NW., Washington, D. C.; trade association for petroleum industry in District of Columbia.

C. (1) Indefinite.

C. (2) Legislation affecting the sale or distribution of petroleum products in the District of Columbia.

D. (1) $475.47; (7) $475.47; (8) $403.44; (9) $878.91.

E. (2) $300; (8) $175.47; (9) $475.47; (10) $403.44; (11) $878.91.

A. District Lodge, No. 44, International Association of Machinists, room 303, Machinists' Building, Washington, D. C.; labor union, representing interest of Government employees who are members of the I. A. of M.

B. District Lodge No. 44 is subject to the direction of the international president and the general executive council of the I. A. of M. and subject to the will of the membership of District Lodge No. 44 as outlined at conventions and as embodied in its bylaws.

C. (1) Its legislative interests will continue without date of termination.

C. (2) Lobbying, i. e., supporting or opposing, as the case may be, legislation affecting working conditions of Government employees and, incidentally, organized labor in general. Not more than 15 percent of its time and resources was spent on this work

during the second quarter of 1950. During the second quarter of 1950, a part of the personnel and resources of District No. 44 was used in an attempt to keep tract of the status of H. R. 4964, the purpose of which is to assign certain overhaul and repair work for the Navy to private contractors which formerly has been performed in Government establishments, such as naval shipyards, with a view to oppose its enactment. The personnel and resources of District No. 44 has been used to keep tract of the status of S. 2862 and H. R. 6827, the purpose of which are to repeal or modify certain sections of the Vinson-Trammell Act of March 27, 1934, so that the Navy Department be not required to perform certain work in its own establishments, but that the work may be let to private contractors, with a view to oppose them. The personnel and resources of District No. 44 has participated in opposing certain sections of the general appropriations act, H. R. 7786, which would, from its point of view, unfavorably amend the annual-leave laws, prohibit the filling of vacancies in the Federal service with certain exemptions, and reduce the total appropriations contained in the act by upward to 10 percent with various percentage reductions designated for certain agencies. District No. 44 has urged incorporation in the general appropriations act, H. R. 7786, a section which would prohibit use of certain funds for conducting elemental stop-watch time study, the payment of premiums and bonuses, and the requirement that work of the Navy be performed in naval industrial establishments and arsenals under certain limitations. District No. 44 is expected to oppose or support, as the case may be, any other bills or legislative proposals that affect either favorably or unfavorably the working conditions of Government employees. District Lodge No. 44 has no record of any printed material bearing upon legislation having been printed during the second quarter of 1950. District Lodge No. 44 has issued mimeographed circular letters, mailed to approximately 510 persons, and individual letters have been written imparting information about the status of legislation, answering inquiries relating thereto, and a few letters and telegrams have been written suggesting that letters or telegrams be sent Senators and Congressmen on legislative matters at interest.

D. (1) $6,633.05; (2) $750; (6) $675.73; (7) $3,058.78; (8) $9,702.13; (9) $17,760.91; (13) yes.

Explanation of item D: (1) District Lodge, No. 44, I. A. of M., derives its principal revenue from a monthly per capita tax received from 58 local lodges based upon the number of members paying their dues each month. Only two of these local lodges have paid in more than $500 each during the second quarter of 1950. (2) The so-called grand lodge of the I. A. of M. pays into the treasury of District Lodge No. 44 $250 a month to help support one business representative. (6) The $600 of this total of $675.73 consists of $200 per month paid in by Nels P. Alifas, which consists of the monthly annuities due from an insurance policy which the organization purchased for him, but which monthly payments do not go to him personally until after his retirement; $40 of this amount consists of interest received from bonds and bank accounts of District Lodge No. 44, and $35.73 of this amount consists of a refund from Mount Vernon Mortgage Corp. which was billed to District Lodge No. 44 in error. (14) Two of the fifty-eight local lodges which pay per capita tax into District Lodge No. 44 in an amount which exceeded $500 during the second quarter of 1950, and the monthly allotment received from the grand lodge of the I. A. of M. are in amounts as follows: $1,788.04, Nicholas Smedile, financial secretary, Lodge No. 174, room 3, Naval Lodge Building, Washington, D. C.; $559.22, J. L. Briggs, financial secretary, Lodge No. 441, 88 Oregon Avenue, Portsmouth, Va.; $750, Grand Lodge, I. A. of M., Machinists' Building, Washington, D. C. These amounts are not in addition to the receipts for dues and assessments and gifts, as noted in item D-1 and item D-2, but are a part thereof.

E. (2) $5,532.26; (4) $90; (5) $599.19; (6) $83.37; (7) $322.60; (8) $905.06; (9) $7,532.48; (10) $7,167.15; (11) $14,699.63.

A. Division 241, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, A. F. of L., 1608 West Van Buren Street, Chicago, Ill.; Daniel J. McNamara, recording secretary, division 241, same address.

B. Division 241, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, A. F. of L., same address, is the employer, represented by Daniel J. McNamara, recording secretary, and other officers and representatives of division 241, which is a division of an unincorporated labor organization with international headquarters at 1214 Griswold Street, Detroit 26, Mich.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association and its officers and representatives are in legislation which may affect the members and families of the association in the Chicago, Ill., area. At the moment the association is interested in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and any amendments which have or may be offered.

C. (3) The association publishes its weekly official journal of the organized street railway, rapid transit, and bus employees of the Chicago area, the Union Leader. It also publishes its monthly official organ, the Motorman, Conductor and Motor Coach Operator, which is distributed generally to all members in the United States and Canada. These publications are not primarily concerned with legislative interests, but they have contained in the past and will contain in the future, news stories, reports, and recommendations involving pending or suggested legislation, local, county, State, and national.

C. (4) (a) Daniel J. McNamara is paid a regular salary for his work. No additional compensation will be paid for his legislative work. (b) None additional. (c) Indefinite. (d) Necessary actual travel expense, meals, lodging, taxi fare, and minor incidentals.

D. There were no receipts (including contributions and loans) from which expenditures were made or will be made in connection with legislative interests. The association receives per capita dues and initiation fees for use in maintaining and operating its activities as an unincorporated labor union, but there have been no additional receipts, contributions, or loans in connection with legislative interests. (13) No.

E. (2) My salary was the normal salary which would have been paid to me if no legislative work had been performed. None additional was paid for legislative work; (6), (7), (8), (9) expense of travel, food, lodging, taxis, and minor incidentals will be reimbursed but none was received by me during the second quarter, 1950. Payment will be made during third quarter; (15) none has been defrayed by the employer during second quarter, 1950, but will be paid during third quarter, 1950.

A. Division 589, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, A. F. of L., 100 Boylesston Street, Boston, Mass.; Joseph P. Fahey, business agent, same address.

B. Division 589, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, A. F. of L., address as shown above, is the employer, and will be represented by its president, its business agent, and other officers and representatives.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association and its officers and representatives are in legislation which may affect the members and families represented in the association, which is an unincorporated labor organization. At the moment the association is interested in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and any amendments offered thereto.

C. (3) The association publishes its monthly official organ the Motorman, Conductor and Motor Coach Operator, and its weekly official journal of the organized street railway, rapid transit and bus employees of the Chicago, Ill., area, the Union Leader. These publications are not primarily concerned with legislative interests, but they have contained in the past and will contain in the future news stories, reports, and recommendations involving pending or suggested legislation, local, State, and national.

C. (4) (a) Officers and employees of the association are paid salaries for their regular work; no additional compensation will be paid for legislative work. (b) None additional. (c) Indefinite. (d) Travel, hotel, meals, taxi fare, etc.

D. There were no receipts (including contributions and loans) from which expenditures are made or will be made in connection with legislative interests. The association receives per capita dues and initiation fees for use in maintaining and operating its activities as an unincorporated labor union, but there have been no additional receipts, contributions, or loans in connection with legislative interests. (13) No.

E. (2) My salary was the normal salary which would have been paid to me if no legislative work had been performed. None additional was paid for legislative work; (6) $10; (7) $585; (8) $25; (9) $620; (11) $620.

A. Division 589, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 100 Boylesston Street, Boston, Mass.; John C. Carey, president, same address.

B. Division 589, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., same address as shown above, is the employer, and will be represented by its president, its business agent, and other officers and representatives.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association and its officers and representatives are in legislation which may affect the members and families represented in the association, which is an unincorporated labor organization. At the present moment the association is interested in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and amendments which may be offered thereto.

C. (3) The association publishes its monthly official organ the Motorman, Conductor, and Motor Coach Operator, and its weekly official journal of the organized street railway, rapid transit, and bus employees of the Chicago, Ill., area, the Union Leader. These publications are not primarily concerned with legislative interests, but they have contained in the past and will contain in the future news stories, reports, and recommendations involving pending or suggested legislation, local, State, and national.

C. (4) (a) Officers and employees of the association are paid salaries for their regular work; no additional compensation will be paid for legislative work; (b) none additional; (c) indefinite; (d) travel, hotel, meals, taxi fares, etc.

D. There were no receipts (including contributions and loans) from which expenditures are made or will be made in connection with legislative interests. The association received per capita dues and initiation fees for use in maintaining and operating its activities as an unincorporated labor union,

but there have been no additional receipts, contributions, or loans in connection with legislative interests. (13) no.

E. (2) My salary was the normal salary which would have been paid to me if no legislative work had been performed. None additional was paid for legislative work; (6) $10; (7) $465; (8) $25; (9) $500; (11) $500; (15) $500.

A. Homer Dodge, 1244 National Press Building, Washington, D. C.; correspondent.

B. Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York City; engaged in educational and propaganda publication work for the purpose of upholding the Constitution of the United States.

C. (1) Indefinitely.

C. (2) Any proposed legislation or policies involving a constitutional question.

C. (3) My duties consist in sending news and other material to the head office. I have no direction over what is done with the material. I occasionally distribute statements to the press at Washington.

D. (5) $645; (7) $645; (9) $1,290.

E. (9) $225; (10) $225; (11) $450.

A. Philip F. Dodson, 729 Fifteenth Street NW., Washington, D. C.; lawyer.

B. Paul W. Sampsell, trustee of Shannahan Bros., Inc., bankrupt, 111 West Seventh Street, Los Angeles, Calif.

C. (1) Legislative interest should continue until appropriate bill becomes law or is finally rejected.

C. (2) The bankrupt suffered loss under war contracts and has a war-contract hardship claim. (a) H. R. 3436, an act to amend section 3 of the Lucas Act.

D. (13) no.

A. W. J. Donald, 155 East Forty-fourth Street, New York, N. Y.

B. National Electrical Manufacturers Association, 155 East Forty-fourth Street, New York, N. Y.

C. (1) Duration not predictable.

C. (2) Legislation to remove excise taxes on electric refrigerators, electric ranges, electric water heaters, domestic electric appliances, commercial electric cooking equipment, electric fans, and legislation with respect to amendment of the Labor-Management Relations Act.

D. (5) $17.50; (7) $17.50; (8) $93.54; (9) $111.04; (13) no.

A. James L. Donnelly, 120 South La Salle Street, Chicago, Ill.

B. Illinois Manufacturers' Association, 120 South La Salle Street, Chicago, Ill.

C. (1) Indefinitely.

C. (2) All legislation of general interest to manufacturers.

C. (3) Industrial Review and miscellaneous bulletins.

D. (5) An annual salary for all services rendered of which not over $5,000 per year can reasonably be allocated to activities under Lobbying Act; (13) no.

E. (7) $197.55; (9) $197.55; (10) $559.50; (11) $757.05; (15) $197.55.

A. Thomas J. Donovan, Tax Counsel of the Alcoholic Beverage Industries, Inc., 10 East Fortieth Street, New York, N. Y.

C. (1) Indefinite.

C. (2) Legislation affecting excise taxes on alcoholic beverages.

D. (2) $21,618.80; (7) $21,618.80; (9) $21,618.80; (10) $17,895.09; (11) $4,469.12; (13) yes; (14) Period January 1 to June 30, 1950: Loan, $17,895.09, Licensed Beverage Industries, Inc., 10 East Fortieth Street, New York City; $375, Glenmore Distilleries Co., Inc., 660 South Fourth Street, Louisville, Ky.; $6,875, National Distillers Products Corp., 120 Broadway, New York City; $7,775, Schenley Industries, Inc., 350 Fifth Avenue, New York City; $5,100, Hiram Walker & Sons, Inc., Penobscott Building, Detroit, Mich.

E. (4) $4,371.19; (7) $85.98; (8) $11.95; (9) $4,469.12; (10) $13,425.97; (11) $17,895.09.

A. J. Dewey Dorsett, Association of Casualty and Surety Companies, 60 John Street, New York, N. Y.

B. Association of Casualty and Surety Companies, 60 John Street, New York, N. Y.

C. (1) Indefinite.

C. (2) Legislation affecting casualty and surety companies. No specific legislative interests during the second quarter of the year.

C. (3) Registrant has issued no publications in connection with legislative interests.

D. (5) $75; (7) $75; (8) $75; (9) $150; (13) No.

A. C. L. Dorson, 900 F Street NW., room 314, Washington, D. C. Employee representative.

B. Retirement Federation of Civil Service Employees of the United States Government, 900 F Street NW., room 314, Washington, D. C. Federal Civilian Employees' Organization.

C. (1) Legislative interests and publications: Legislative interests are expected to continue indefinitely.

C. (2) General legislative interests are: Retention and improvement of the Civil Service Retirement and United States Employees' Compensation Acts. Short titles and numbers of bills of specific interest include: S. 2715 and H. R. 6293, to amend the Civil Service Retirement Act of May 29, 1930, as amended; S. 2716 and H. R. 5985, to provide for retirement of certain Government employees in cases of reductions in force; S. 2717 and H. R. 6295, to provide for the continuance of family benefits to civil-service employees separated after 5 years' service; S. 2718 and H. R. 5640, to provide for the continuance of family benefits to civil-service employees separated after 20 years' service; S. 2719 and H. R. 998, to provide reduced annuities at age 55 after 5 years of civilian service for persons involuntarily separated from the Federal service not by removal for cause; H. R. 4501, to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for those civilian employees engaged in hazardous occupations in any branch of the Federal service, and for other purposes; S. 3564, to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who are involuntarily separated after having rendered 20 years of service.

C. (3) No publication in connection with legislative interests has been issued within the past year and none is expected to be issued in the near future.

D. (5) $1,203.46; (6) $70.20; (7) $1,273.66; (8) $1,151.77; (9) $2,425.43; (13) Yes; employer.

A. John E. Dougherty, 211 Southern Building, Fifteenth and H Streets NW., Washington, D. C. The Pennsylvania Railroad Co.

B. The Pennsylvania Railroad Co., 1740 Broad Street Station Building, Philadelphia, Pa.

C. (1) Indefinitely.

C. (2) Any legislation affecting the interest of the Pennsylvania Railroad Co., including: (a) and (b) Senate Resolution 50, transportation investigation; S. 238, H. R. 378, H. R. 530, railroad communications and operating rules; S. 211, H. R. 4978, Federal Barge Lines; S. 2113, H. R. 5967, freight forwarders; S. 3295, H. R. 7789, Railway Labor Act; Senate Joint Resolution 99, St. Lawrence seaway; S. 1596, H. R. 4271, mail pay bill; S. 1008, basing point; S. 3109, H. R. 8847, package freight, Great Lakes; S. 2091, H. R. 8320, produce terminals; S. 3463, railroad antistrike; H. R. 8920, taxes.

D. (5) Salary, $665.81 per month, which is paid for all the services rendered to the Pennsylvania Railroad Co., only a part of which have to do with legislation; (13) no.

E. (8) $173.30 was expended by me as expense money, during the second quarter of 1950, for taxicabs, meals, automobile expenses, and incidentals. In addition to this amount, I also received $346.80 for expenses incurred in connection with other duties performed for the Pennsylvania Railroad Co., which have no relation to the purposes covered by this act; (15) amounts stated in answer to (8) above have been reimbursed by the employer.

A. Robert E. Dougherty, 1319 Eighteenth Street NW., Washington, D. C.

B. National Lumber Manufacturers Association, 1319 Eighteenth Street NW., Washington, D. C.; nature of business: trade association.

C. (1) Indefinite.

C. (2) All legislation affecting the interests of the lumber-manufacturing industry. Impractical to state names of specific bills and statutes because of broad basis of interests.

D. (5) $2,250.34 (includes all moneys received from employer, only part of which related to legislative activities); (7) $2,250.34; (8) $2,094.33; (9) $4,344.67; (13) no.

E. (6) $1.10; (7) $247.15; (9) $248.25; (10) $173.65; (11) $421.90; (15) $248.25.

A. Fayette B. Dow, attorney, Munsey Building, Washington, D. C.

B. American Petroleum Institute, 50 West Fiftieth Street, New York, N. Y.

C. (1) Not determined.

C. (2) Legislative interest related to excise tax on lubricating oils only.

D. (5) I am senior partner in the law firm, Dow, Lohnes & Albertson, Munsey Building, Washington, D. C. I am a special representative of the American Petroleum Institute in Washington, D. C., without general authority to act for the institute but with authority to act only in connection with specific subject matters. The institute is interested in, and is opposed to, a continuation of the existing excise tax on lubricating oils. For that purpose I have been assisted by Donald C. O'Hara who is connected with my office and who appeared before the Ways and Means Committee at a public hearing in opposition to the continuation of the tax on lubricating oils. There was substantially no other activity on his part or on my part in connection with this particular tax and, under the circumstances, the sum of $600 would be ample for all services rendered by Mr. O'Hara or myself for the period January 1, 1950, to June 30, 1950, both inclusive, in that connection.

A. Fayette B. Dow, attorney, Munsey Building, Washington, D. C.

B. Committee for Pipe Line Companies, Tulsa, Okla.

C. (1) Not determined.

C. (2) The Committee for Pipe Line Companies is interested in, and is opposed to S. 571, which, if enacted, would divorce pipelines that are subject to the Interstate Commerce Act from their existing owning companies.

D. (5) I am senior partner in the law firm, Dow, Lohnes & Albertson, Munsey Building, Washington, D. C. I am general counsel for the Committee for Pipe Line Companies, Tulsa, Okla. This is a committee whose representatives are connected with pipeline companies that are subject to the jurisdiction of the Interstate Commerce Commission under the Interstate Commerce Act. The Committee for Pipe Line Companies has made a report of receipts and disbursements for the quarter ending June 30, 1950, to which reference is made. Attention is called to the fact that this report is a complete report of all receipts and disbursements for the quarter stated. It therefore covers all of the activities of the Committee for Pipe Line Companies. In other words, it is the current budget of the committee covering all of its activities, including any, but not confined to, activities affecting legislation. The pipelines that are subject to the Inter-

state Commerce Act have no trade association organization such as those which represent other media of transportation. They are, however, represented by a committee composed of individuals that represent the regulated pipeline companies. I am general counsel for that committee and as such have the responsibilities of an attorney for all the activities of the committee including those, if any, which may involve Federal legislation. The Committee for Pipe Line Companies is interested in, and is opposed to the enactment of S. 571, which, if enacted, would result in the divorcement of pipeline companies from the companies which have constructed and owned them. No hearings have been held on S. 571 during the quarter ended June 30, 1950, and I have engaged in no activities in connection with this proposed legislation or any other legislation and have not engaged in any activities for the Committee for Pipe Line Companies which fall within the provisions of the so-called Lobbying Act. The amount of my time devoted to consideration of S. 571 in any respect whatever would be amply covered by the compensation of $500.

A. M. J. Dowd, consulting engineer, Imperial Irrigation District, El Centro, Calif.; full-time consultant to district on irrigation, drainage, power, and general administrative problems.

B. Imperial Irrigation District, El Centro, Calif., a public agency organized under State law for the development and distribution of water for irrigation purposes and electric power for all purposes.

C. (1) Indefinite. Legislative interests are incidental to activities as engineering consultant.

C. (2) Conferences and reports to district on legislation affecting its interests including Senate Joint Resolution 4 and House Joint Resolution 3, and counterparts (Colorado River litigation resolutions); S. 75, H. R. 934, and H. R. 935 (Central Arizona project); H. R. 1770 and H. R. 7351 (amendment, reclamation law), S 3001 and H. R. 7220 (rehabilitation of reclamation projects); H. R. 7786 (1951 appropriation bill); S. 1140, H. R. 2210, and H. R. 6031 (lower Colorado River levee system); S. 2444 and H. R. 6031 (Calexico sanitation project); H. R. 6000 (Social Security Act amendments); H. R. 5472 (rivers and harbors); H. R. 7934 (Joshua Tree Monument, boundary revision).

D. (5) $2,880; (6) $1,382.81; (7) $4,262.81; (8) $3,597.71; (9) $7,860.52; (14) Imperial Irrigation District, El Centro, Calif., $7,860.52; the above represents total amount received from district, only a portion of which is related to legislative interests. Segregation not possible as such is only a part of and incidental to my work as full-time consulting engineer on various district problems.

E. (7) $1,382.81; (9) $1,382.81; (10) $717.71; (11) $2,100.52; (15) $1,382.81.

NOTE.—Amounts shown under "E" on form are total received from district for actual and necessary traveling expenses. Portion chargeable to legislative interests cannot be segregated as such work is only a part of and incidental to my work as full-time consulting engineer on various district problems.

A. Stephen M. DuErul, 11-162 General Motors Building, Detroit, Mich.; employed by General Motors Corp. as executive in charge of business research staff.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.; manufacturers of automobiles and other products.

C. (1) See registration statement.

C. (2) See statement under (5) of quarterly report, sworn to on April 11, 1949. Thereunder registrant supported H. R. 516 and S. 248.

E. (1) $463.13.

A. Margaret Dudley, 132 Third Street SE., Washington, D. C.; advocacy of measures to strengthen and support the United Nations.

B. (1) Foreign Affairs Research Council, United World Federalists, Inc., 7 East Twelfth Street, New York, N. Y.; to strengthen United Nations with powers limited but adequate to assure peace.

C. (1) Legislative interests will continue indefinitely.

C. (2) The general legislative interests covered by this submission are measures relating to United States participation in the United Nations; specifically House Concurrent Resolution 64, Senate Concurrent Resolution 56, and H. R. 7797.

D. (5) $523.68; (7) $523.68; (9) $523.68.

E. (7) $17.43; (15) $17.43.

A. Read Dunn, Jr., 1832 M Street NW., Washington, D. C.; director of foreign trade.

B. National Cotton Council of America, post-office box 18, Memphis, Tenn.; nonprofit welfare organization to promote the consumption of American-grown cotton, cottonseed, and products thereof.

C. (1) Indefinitely.

C. (2) Any legislation affecting the raw-cotton industry.

D. (5) $214.75; (7) $214.75; (9) $214.75.

E. (7) $46; (9) $46; (11) $46.

A. William M. Dunn, 1808 Adams Mill Road NW., Washington, D. C.; assistant to the president, Communications Workers of America, CIO.

B. Communications Workers of America, CIO, 1808 Adams Mill Road NW., Washington, D. C.; union.

C. (1) Indefinitely.

C. (2) Legislative matters affecting the interests of the membership of the union.

D. (5) $62.15; (6) $17; (7) $79.15; (8) $284; (9) $363.15.

E. (7) $62.15; (8) $17; (9) $79.15; (10) $284; (11) $363.15.

A. Matthew Dushane, Washington representative, Seafarers International Union of North America (A. F. of L.). The registrant represents the union in dealing with Government agencies and departments on matters of interest to the union, and with employer and labor groups.

B. Seafarers International Union of North America (A. F. of L), 450 Harrison Street, San Francisco, Calif.

C. (1) At the pleasure of the union's executive board.

C. (2) S. 2196 and H. R. 5008.

D. (5) $485; (6) $41.25; (7) $526.25; (8) $526.25; (9) $1,052.50.

E. (2) $485; (5) $41.25; (6) $5; (7) $85; (8) $14; (9) $630; (10) $1,294.90; (15) $526.25.

A. Joseph L. Dwyer, Oil Trade Association, American Petroleum Institute, 1625 K Street NW., Washington, D. C.

B. American Petroleum Institute, 50 West Fiftieth Street, New York, N. Y.

C. (1) Indefinitely.

C. (2) Petroleum legislation; S. 1498, Senate Resolution 50, and various petroleum bills before House Interstate Commerce Committee, current tax bill.

D. (5) $3,000; (9) $3,000; (13) no.

E. (7) $230.70; (9) $230.70; (15) $230.70.

A. John B. Eccles, Royal Typewriter Co., Inc., 1105 D Street, SW., Washington, D. C., typewriter business.

B. Royal Typewriter Co., Inc., No. 2 Park Avenue, New York, N. Y.

C. (1) Approprimately 2 years.

C. (2) Typewriter legislation embodied in the Independent offices.

C. (3) None issued.

D. (5) Salary exclusively derived from acting in the capacity of district sales manager. No extra compensation for lobbying.

A. John W. Edelman, 910 Warner Building, Washington, D. C., Washington representative of the Textile Workers Union of America.

B. Textile Workers Union of America, 99 University Place, New York, N. Y., a labor union organization affiliated with the Congress of Industrial Organizations.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, and general welfare, oppose legislation detrimental to these objectives. Supported H. R. 6000, H. R. 8374, S. 3707, rent control, S. 2246, H. R. 7402, H. R. 6618, FLSA, District home rule, Brannan plan, point 4, S. 110, H. R. 1380, Reorganization Plan 12. Opposed: Mundt-Nixon bill, Knowland amendment to H. R. 6000, Kerr gas bill, Taber-Thomas amendment.

C. (3) Mimeographed bulletins from time to time on legislative issues which are mailed to members of the Textile Workers Union of America.

D. (5) $1,499.94; (6) $565.95; (7) $2,065.89; (8) $1,734.95; (9) $3,800.84.

E. (7) $565.95; (9) $565.95; (10) $350.39; (11) $916.34.

A. Herman Edelsberg, director, Washington regional office of the Anti-Defamation League of B'nai B'rith, 1003 K Street, NW., Washington, D. C.

B. Anti-Defamation League of B'nai B'rith, 212 Fifth Avenue, New York, N. Y.; the ADL is an educational organization whose primary purpose is to promote understanding and better human relations among Americans.

C. (1) Indefinitely.

C. (2) Incidental to its basic educational purpose, registrant supports legislation which promotes the civil rights of all Americans, and opposes undemocratic discrimination against any Americans; more specifically, the program of the President's Committee on Civil Rights.

D. (5) 5 percent of salary, approximately $140; (7) $140; (13) no.

E. (7) $15; (9) $15; (11) $15; (15) all.

A. Joseph H. Ehlers, 1026 Seventeenth Street NW., room 409, Washington, D. C.; field representative.

B. American Society of Civil Engineers (professional engineering society), 33 West Thirty-Ninth Street, New York, N. Y., "The objective of the society shall be the advancement of the science and profession of engineering." Activities deal primarily with scientific and technical matters.

C. (1) The legislative interests are continuous but not a significant function of society.

C. (2) The society and also engineers joint council (a conference group of five leading engineering societies) has appeared at hearings in support of legislation. In the present session an appearance was made by a voluntary committee on the National Science Foundation bill, S. 247, H. R. 4846. There have been communications to the Appropriation Committees on the Army organization bill, S. 2334, H. R. 5794; the District of Columbia engineers registration bill, H. R. 1188; and on an appropriation bill with reference to per diem fees for consulting engineers. I have assisted in the above matters. I also prepare a monthly column entitled "From the Nation's Capital" for Civil Engineering, the monthly magazine of the society, reporting among other matters on legislative developments. This publication circulates primarily to the society's own members. I deal with technical problems, routine assistance to members, visits to local sections, reporting for the magazine and contacting the executive departments of Government. Activity relating to legislation generally represents less than one-fifth of my activities. My assignment is on a variable part-time basis with total reimbursements from $300 to $750 per month, depending on the amount of time necessary to spend on the work.

D. (5) $2,100 (less than one-fifth of this related to legislative services); (6) $30.50.

E. (5) $3; (6) $10.50; (8) $20 (expenses attributed to legislative work, principally taxi fare and postage).

A. Courleigh W. Eliason, 9-252 General Motors Building, Detroit, Mich., employed by General Motors Corp., business research staff.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich., manufacturers of automobiles and other products.

C. (1) See registration statement.

C. (2) See statement under (5) of quarterly report, sworn to on January 9, 1950; thereunder registrant supported H. R. 516 and S. 248.

E. (7) $1,030.32.

A. John Doyle Elliott, 305 Pennsylvania Avenue SE., Washington, D. C.; employed by Townsend Plan, Inc. For purposes of research, contacting with view to persuasion citizens, organizations, Members of Congress in the interest of the Townsend plan.

B. Townsend Plan, Inc., 6875 Broadway Avenue, Cleveland, Ohio. Nature of business, to further the interests of the Townsend plan.

C. (1) Indefinitely.

C. (2) Furtherance of the Townsend plan (H. R. 2135 and S. 2181) in the Eighty-first Congress.

D. (5) $910; (7) $910; (8) $910; (9) $1,820; (13) no.

E. (9) $122; (10) $10.25; (11) $132.25; (12) $122; (14) $10.25; (15) $122.

A. Clyde T. Ellis, 1303 New Hampshire Avenue NW., Washington, D. C.; executive manager, National Rural Electric Cooperative Association (a trade association).

B. National Rural Electric Cooperative Association, 1303 New Hampshire Avenue NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) Supporting legislation, including necessary appropriations to extend and improve the electrification of rural America, particularly as provided by (a) the Rural Electrification Act of 1936, as amended, and (b) by appropriation items in the general appropriation bill (H. R. 7786) for fiscal 1951 affecting the Rural Electrification Administration and power developments, which in turn would aid the rural-electrification program. Also opposed to provisions of S. 2882 and H. R. 6782.

C. (3) (a) Rural Electrification magazine, a monthly trade publication; (b) 12,957; (c) approximately the first day of each month; (d) Fleet-McGinley, Inc., Baltimore, Md. (This publication, however, is not published primarily for the purpose of influencing legislation.)

D. (5) $4,422.30; (7) $4,422.30; (8) $4,374.72; (9) $8,797.02; (13) no.

A. Newell W. Ellison, Union Trust Building, Washington, D. C.; lawyer.

B. R. W. Britton, 1416 Cherry Street, Erie, Pa.; foundry business.

C. (1) Work will continue while proposals to amend provisions of Internal Revenue Code relating to partnerships are pending.

C. (2) H. R. 516, H. R. 4939, H. R. 6060, H. R. 7738, and S. 514.

E. (6) $5.31; (11) $5.31.

A. Northcutt Ely, 1209 Tower Building, Washington, D. C.; counsellor at law.

B. American Public Power Association, 1757 K Street SW., Washington, D. C.; association membership is comprised of officials of publicly owned electric utility systems and concerns itself with matters affecting public power.

C. (1) Indefinite.

C. (2) Services have not involved legislative matters.

E. (8) $22.97; (9) $22.97; (11) $22.97; (15) $22.97.

D. (1) Services as special counsel to American Public Power Association are donated as a public service without compensation.

A. Northcutt Ely, 1209 Tower Building, Washington, D. C.; counsellor at law.

B. Department of Water and Power of the City of Los Angeles, 207 South Broadway, Los Angeles, Calif.; employer is a department of the city of Los Angeles, Calif.

C. (1) Indefinite.

C. (2) Conferences and reports to clients on legislation affecting its interest in the Colorado River and other matters, including Senate Joint Resolution 4, House Joint Resolution 3, and counterparts (Colorado River litigation resolutions); S. 75, H. R. 934 and 935 (central Arizona project bills); H. R. 1770 and H. R. 7351 (amend Reclamation Project Act); (H. R. 7786 (consolidated general appropriation bill); H. R. 5472 (rivers and harbors bill); H. R. 6000 (Social Security Act amendments); S. 1140, H. R. 2210, and H. R. 3709 (flood protective levee system lower Colorado River); S. 3376 (interstate water and power project policy).

D. (5) $1,600; (6) $4.05; (7) $1,604.05; (8) $2,603.09; (9) $4,207.14; (13) yes; (14) period from April 1 through June 30, 1950, $1,604.05, Department of Water and Power of the City of Los Angeles, 207 South Broadway, Los Angeles, Calif. Of this amount $4.05 represents reimbursement of expenses.

E. (8) $4.05; (9) $4.05; (10) $7.14; (11) $11.19; (15) $4.05.

A. Northcutt Ely, 1209 Tower Building, Washington, D. C.; counselor at law.

B. Imperial Irrigation District, El Centro, Calif. A public agency organized under State law which operates and maintains canals and distribution systems furnishing water for irrigation and which develops and distributes electric power.

C. (1) Indefinite.

C. (2) Conferences and reports to clients on legislation affecting Imperial Irrigation District's rights in the Colorado River and other matters including Senate Joint Resolution 4 and House Joint Resolution 3, and counterparts (Colorado River litigation resolutions); S. 75 and H. R. 934 and H. R. 935 (central Arizona project); H. R. 1770 and H. R. 7351 (amend Reclamation Project Act); H. R. 7786 (consolidated general appropriation bill); S. 1140, S. 3497, H. R. 2210, H. R. 3709, and H. R. 8414 (flood protective levee system lower Colorado River); S. 2444 and H. R. 6031 (Calexico sanitation project); H. R. 6000 (Social Security Act amendments); H. R. 5472 (rivers and harbors); H. R. 4116 and H. R. 7934 (Joshua Tree boundary revision).

D. (5) $2,100; (7) $2,100; (8) $2,244.90; (9) $4,344.90; (13) yes; (14) (period from April 1, 1950, through June 30, 1950, $2,100, Imperial Irrigation District, El Centro, Calif.

E. (10) $11.86; (11) $11.86; (15) $13.86.

A. Northcutt Ely, 1209 Tower Building, Washington, D. C.; counselor at law.

B. Six Agency Committee and Colorado River Board of California, 315 South Broadway, Los Angeles, Calif. Colorado River Board is an agency of the State of California created by act of the legislature charged with the duty of protecting interests of California in waters of the Colorado River. Six Agency Committee is composed of representatives of public agencies of California having Colorado River water and power rights.

C. (1) Indefinite.

C. (2) (a and b) Conferences and reports to clients on legislation affecting California's rights in the Colorado River, and other matters, including Senate Joint Resolution 4 and House Joint Resolution 3, and counterparts (Colorado River litigation resolutions); S. 75 and H. R. 934 and H. R. 935 (central Arizona project); H. R. 1770 and H. R. 7351 (Reclamation Project Act amendments); H. R. 7786 (consolidated general appropriation bill); S. 1140, H. R. 2210, and H. R. 3709 (flood-protective levee system Colorado River); H. R. 6000 (Social Security Act amendments); and H. R. 5472 (rivers and harbor and flood-control authorizations). S. 3376 (interstate water- and power-project policy); H. R. 7220, Public Law 451 (reclamation project, rehabilitation); and S. 3657 (reorganization of the Interior Department).

D. (5) $10,090; (6) $391.60; (7) $10,481.60; (8) $11,599.32; (9) $22,080.92; (13) yes; (14) $1,000, Colorado River Board of California, 315 South Broadway, Los Angeles, Calif.; $9,481.60, Six Agency Committee, 315 South Broadway, Los Angeles, Calif. (of this amount, $391.60 represents reimbursement of out-of-pocket expenses); total, $10,481.60; April 1, 1950, to June 30, 1950, inclusive

E. (4) $34.79; (5) $234.15; (7) $64.94; (8) $26.05; (9) $359.93; (10) $347.31; (11) $707.24.

A. Northcutt Ely, 1209 Tower Building, Washington, D. C.; counselor at law.

B. Water Project Authority of the State of California, Sacramento, Calif. Authority is the official agency of the State of California representing the State of California in the Central Valley project.

C. (1) Indefinite.

C. (2) (a and b) Conferences and reports to client on legislation affecting the Central Valley project and legislation of interest to it, including H. R. 5264, H. R. 6919, and H. R. 803 (Kings River Basin development); H. R. 7915 (Kings River water rights); H. R. 1770 and H. R. 7351 (amendments to Reclamation Project Act); H. R. 7786 (consolidated general appropriation bill); Senate Joint Resolution 4 and House Joint Resolution 3, and counterparts (Colorado River litigation resolutions); S. 75 and H. R. 934 and H. R. 935 (central Arizona project); H. R. 6000 (Social Security Act amendments); H. R. 7220 (rehabilitation work on reclamation projects); S. 3038 (United States Government land records); H. R. 7979 (authorize development of Feather River Basin); and H. R. 8031 (additional power-generating facilities Central Valley project).

D. (5) $1,500; (6) $71,19; (7) $1,571.19; (8) $1,500; (9) $3,071.19; (13) yes; (14) $1,500, Water Project Authority of the State of California, Sacramento, Calif.; April 1, 1950, to June 30, 1950, inclusive.

E. (10) $71.19; (11) $71.19; (15) $71.19.

A. Northcutt Ely, 1209 Tower Building, Washington, D. C.; counselor at law.

B. Water Resources Board of the State of California, Sacramento, Calif. Official agency of the State of California.

C. (1) Indefinite.

C. (2) H. R. 5472 (Rivers and Harbors); H. R. 7786 (consolidated general appropriation bill); S. 3333 (investigation feasibility multipurpose tunnel, Laguna Mountains).

D. No receipts. Services as special counsel are loaned by the Water Project Authority of the State of California, which pays a fee of $500 per month. See registration under that employment.

A. Emergency Committee of Small and Medium-size Magazine Publishers, 400 Madison Avenue, New York, N. Y.

C. (1) Legislative interests to continue during tenure of Eighty-first Congress.

C. (2) Interested in postal rate legislation, particularly H. R. 2945, and S. 1103.

C. (3) (a) Made 4 mailings of circular letters to list of Small and Medium-size Publishers. Mailing No. 1, 2,000, March 10, mailing No. 2, 1,750, March 28, mailing No. 3, 1,650, April 20, mailing No. 4, 1,650, May 1. All material for these mailings were printed and multigraphed by Parents' Institute, 52 Vanderbilt Avenue, New York, N. Y. (b) Mimeographed 100 copies of statements made on May 4 before Senate postal hearing of David Frederick and Lawrence W. Bell. Mimeographed by After Five Secretarial Service Co., 1621 Connecticut Avenue, Washington, D. C.

D. (2) $1,810; (7) $1,810; (8) $5,092.50; (9) $6,902.50; (13) yes; (14) $1,000; Weekly Publications, Inc., 152 West Forty-second Street, New York, N. Y.

E. (2) $3,681.03; (4) $707.11; (7) $200; (9) $4,788.14; (11) $4,788.14.

A. Leon J. Engel, chairman jewelry industry tax committee, 20 Hopkins Place, Baltimore, Md., wholesale jewelry.

C. (1) Indefinite.

C. (2) Excise taxes.

E. (6) $33; (7) $50; (9) $83; (10) $65; (11) $148.

A. The Equitable Life Assurance Society of the United States, 393 Seventh Avenue, New York, N. Y.

C. (1) Indefinite.

C. (2) Proposed Federal tax legislation affecting the interests of the Equitable Life Assurance Society of the United States.

E. (10) $827.33; (11) $827.33.

A. O. F. Erickson, 1105 K Street NW., Washington, D. C.; assistant executive secretary.

B. National Association of Master Plumbers, 1105 K Street NW, Washington, D. C.

C. (1) Permanent.

C. (2) No specific legislation at present.

A. The Ethanol Committee, 810 Eighteenth Street NW., Washington, D. C.; engaged in study of problems confronting users of ethyl alcohol in nonbeverage products.

C. (1) Indefinite.

C. (2) Bills affecting use of ethyl alcohol in nonbeverage products. Specifically, section 141, of H. R. 8920.

C. (3) No publications.

D. (9) $4,828.25; (13) no.

E. (7) $330.49; (8) $475.06; (9) $805.55; (10) $153; (11) $958.55.

A. Excise Tax Committee of the Office Equipment Manufacturers Institute (OEMI), 1903 N Street NW., Washington, D. C.; the Office Equipment Manufacturers Institute is a nonprofit trade association devoted to the general industrial problems and interests of the office equipment manufacturers' industry. See supplemental statement filed with report for first quarter 1950.

C. (1) Present legislative interests will terminate with the enactment of legislation terminating the Federal excise tax on business and store machines. Such legislation reducing this tax is now pending before Congress.

C. (2) Repeal or reduction of the Federal excise tax on business and store machines imposed by section 3406 (a) (6) of the Internal Revenue Code; (b) H. R. 8920 (now pending in the Senate).

C. (3) Regular information bulletin which is issued weekly by the OEMI to members. This bulletin reports information on many subjects of interest to members of the institute. While reference is made occasionally to legislative items this bulletin is not issued or caused to be issued in connection with legislative interests; (b) 225 copies; (c) published weekly; (d) bulletin is multigraphed by OEMI staff. Not printed.

D. (1) $491.18; (7) $491.18; (8) $3,751.35; (9) $4,242.53; (13) yes.

E. (2) $238; (5) $10; (6) $171.50; (7) $69.68; (8) $2; (9) $491.18; (10) $3,751.35; (11) $4,242.53.

A. Herman Fakler, National Press Building, Washington, D. C.; vice president, Millers' National Federation.

B. Millers' National Federation, 309 West Jackson Boulevard, Chicago, Ill.; the national trade association of the wheat flour milling industry of the United States.

C. (1) Indefinitely, but I engage in legislative activities only intermittently as legislation of direct interest to this industry is proposed and only as an activity incidental to my employment as an officer of the Millers' National Federation.

C. (2) Legislation dealing with wheat and wheat flour. During the quarter for which this report is made by interest was limited to (a) the Foreign Economic Assistance Act of 1950; (b) H. R. 7797.

C. (3) (a) Two articles in regular association bulletin reporting on status of H. R. 7797; (b) approximately 500 copies; (c) April 3, 1950, and May 10, 1950; (d) printed by Millers' National Federation, Chicago, Ill.

D. (5) $55; (7) $55; (8) $55; (9) $110.

I am not employed specifically to support or oppose legislation. Such activity is incidental to my employment as an officer of the Millers' National Federation. During the quarter for which this report is made, I spent not to exceed 1 percent of my time in such activity, and I have allocated my salary received on that basis.

E. (6) $4; (7) $0.80; (9) $4.80; (10) $20.31; (11) $25.11; (15) $4.80.

A. Charles J. Farrington, Defense Building, 1026 Seventeenth Street NW., Washington, D. C.; assistant to the president, NADA.

B. National Automobile Dealer's Association, Defense Building, 1026 Seventeenth Street NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) All small-business committee legislation; funds for public roads; highway safety legislation.

D. (5) 5,208.33; (7) $5,208.33; (9) $5,208.33.

E. (7) $565.51; (9) $565.51; (11) $565.51.

A. Donald D. Farshing, Management Planning of Washington, Inc., 1025 Connecticut Avenue NW., Washington, D. C.

B. Management Planning of Washington, Inc, 1025 Connecticut Avenue NW., Washington, D. C.; management consultants.

C. (1) Indefinitely.

C. (2) No specific legislation.

D. (5) $1,300; (7) $1,300; (8) $1,300; (9) $2,600; (13) no.

E. (7) $105.20; (9) $105.20; (10) $121.15; (11) $226.35. (15) 105.20.

A. Abner H. Ferguson, 1139 Shoreham Building, Washington, D. C.; lawyer.

B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.; a trade association of savings and loan associations.

C. (1) My employment is indefinite.

C. (2) All legislation affecting savings and loan associations and general mortgage lending; Housing Act of 1950; act amending Homer Loan Act.

C. (3) Have issued no publications.

D. (5) $750; (7) $750; (9) $1,500.

E. (6) $3.10; (7) $6.40; (9) $9.50; (10) $8.49; (11) $57.99; (15) $9.50.

A. John A. Ferguson, Independent Natural Gas Association of America, 1700 I Street NW., Washington, D. C., room 305; executive director.

B. Independent Natural Gas Association of America, 1700 I Street NW., Washington, D. C., room 305, trade association.

C. (1) The association is a nonprofit corporation organized and existing for the purpose to promote and advance the welfare, progress, and development of natural gas, and therefore one of its major duties is to keep its membership informed regarding all matters of interest to the natural-gas industry.

C. (2) Current legislation the association is concerned with is S. 1498, H. R. 1758, H. R. 5306, H. R. 4028, and other matters.

C. (3) The association publishes each week a bulletin which is distributed to its members and which contains factual information of current interest obtained from all departments of the Federal Government and courts. This bulletin is not issued or caused to be issued in connection with the influencing of legislation.

D. (5) $3,125; (7) $3,125; (8) $3,125; (9) $6,250.

E. (7) $239.90; (9) $239.90; (10) $546.53; (11) $786.43; (15) $239.90.

A. Muriel Ferris, 726 Jackson Place NW., Washington, D. C.; congressional secretary.

B. League of Women Voters of the United States; to promote political responsibility through informed and active participation of citizens in government.

C. (1) Indefinitely.

C. (2) See program attached.[4]

D. (5) $1,208.52; (7) $1,208.52; (9) $1,208.52; (13) no.

E. (7) $21; (9) $21; (11) $21; (15) $21.

A. Russell Fifer, 110 North Franklin Street, Chicago, Ill.; executive secretary for national trade association.

B. American Butter Institute, 110 North Franklin Street, Chicago, Ill.; national trade association for the butter-manufacturing industry.

C. (1) Continuous observation of general farm legislation affecting the butter and dairy industry.

C. (2) H. R. 2023, H. R. 6000, wage-hour law and all appropriation bills.

D. Salary only—on file with Secretary of Senate and Clerk of House.

E. (7) $464.36; (11) $464.36; (15) all.

A. Forrest E. Finley, 211 National Press Building, Washington, D. C.; public relations.

B. Committee of a Small Number of Educational and Religious Magazines, room 404, 52 Vanderbilt Avenue, New York, N. Y.

C. (1) Probably until the Eighty-first Congress adjourns.

C. (2) Working for the elimination of discriminatory provision in H. R. 2945.

C. (4) For the period March to June 1950; $2,000.

A. Forrest E. Finley, 211 National Press Building, Washington, D. C.; public relations counsel.

B. Oglebay Norton & Co., the Hanna Building, Cleveland Ohio; engineering and ore sales.

C. (1) Undetermined.

C. (2) Any legislation affecting the development of iron-ore deposits.

C. (3) No publications contemplated.

C. (4) (a) Compensation to be $740 monthly; (b) $740; (c) undetermined.

A. James Finucane, 1013 Eighteenth Street NW., Washington, D. C., representative.

B. National Council for Prevention of War, 1013 Eighteenth Street NW., Washington, D. C., a nonprofit, educational organization, incorporated in District of Columbia.

C. (1) Legislative interests expected to continue indefinitely.

C. (2) (a) Bills affecting world peace; (b) such as the ECA bill, military assistance program, the convention to ratify the Genocide Convention, the DP bill, military training and service legislation, legislation affecting war crimes procedures, proposals leading to the drafting of peace treaties, point 4 bills, Senator Tydings' disarmament resolution (S. Res. 236); Representative Walter's resolution to help the expellees (H. Con. Res. 188), postage subsidies for relief packages, manpower registration legislation; (c) amending the Trading with the Enemy Act, to give the effect of a peace treaty with Germany and with Japan; bills for educational exchange.

D. (5) $1,000; (7) $1,000; (8) $1,000; (9) $2,000.

E. (7) $100; (8) $37.58; (9) $137.58; (10) $166.15; (11) $303.73; (15) $303.73.

A. First Kentucky Co., Fifth and Court Place, Louisville, Ky.; nature of business, Investing in securities.

C. (1) Indefinite.

C. (2) The right to continue in business in its present relationship to the First National Bank of Louisville and the Kentucky Trust Co.; (a) Bank Holding Company Act of 1950; (b) S. 2318 and S. 3547.

E. (7) $91.17; (9) $91.17; (11) $91.17.

A. Lewis H. Fisher, 1416 F Street NW., Washington, D. C., attorney at law, serving under a monthly retainer as vice president and general counsel of the National Association of Retired Civil Employees, including incidental service as a legislative agent.

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[4] Not printed. Filed in the Clerk's office.

Formerly Chief Retirement Division, Civil Service Commssion.

B. National Association of Retired Civil Employees, 1246 Twentieth Street NW., as set forth in the certificate of incorporation the objects and purposes of this organization are as follows: To sponsor and support legislation, rules, and regulations beneficial to annuitants of the civilian public service. 2. To oppose legislation, rules, and regulations inimical to the interest of annuitants and potential annuitants. 3. To promote the general welfare of annuitants and potential annuitants of the civilian public service. 4. To serve and advise retired officers and employees with respect to their rights under civil retirement law. 5. To cooperate with other organizations and associations in furtherance of the general objectives of this corporation. 6. To carry on the affairs of this corporation in any State, Territory, or possession of the United States including establishment of homes for retired civilian employees. 7. To authorize chapters or branches of the corporation in any State, Territory, or possession of the United States.

C. (1) Indefinitely.

C. (2) All bills and laws affecting the retirement interests and welfare of actual and potential annuitants. Some pending bills are H. R. 5032, H. R. 5096, and S. 2640, several bills exempting annuities from taxation, Public Law 426, Eightieth Congress.

C. (3) The NARCE publishes The Annuitant quarterly. Between quarterly issues, the NARCE publishes and issues Newsletters to its chapters in the United States of America, the Canal Zone, and the Philippine Islands.

D. (5) $17; employer receives dues of $1.50 a year from each member. Has no contributors. Amount given is the estimated percentage allocated to lobbying services, of the total quarterly payment of $675 for fees and services; (7) $170; (8) $340.

A. Bernard M. Fitzgerald, Washington Loan & Trust Building, 900 F Street NW., Washington, D. C.; attorney at law.

B. National Association of Electric Companies, Ring Building, 1200 Eighteenth Street NW., Washington, D. C.; trade association. Brown, Lund & Fitzgerald, Washington Loan & Trust Building, 900 F Street NW., Washington, D. C.; attorneys at law.

C. Only a portion of the activities of this registrant might properly be considered within the purview of the Lobbying Act.

C. (1) Indefinitely.

C. (2) Any legislation that might affect the members of the NAEC. H. R. 7786, 1951 appropriations bill; H. R. 5472, rivers and harbors bill; Internal Revenue Code (53 Stat. 1); TVA Act (48 Stat. 58); Federal Power Act (40 Stat. 803); REA Act of 1936 (49 Stat. 1363); Reclamation Acts (25 Stat. through 45 Stat.); Flood Control Act of 1944 (59 Stat. 887); Administrative Procedure Act (60 Stat. 237).

D. (5) $1,350; (7) $1,350; (8) $1,400; (9) $2,750; (13) No.

E. (15) and (16) See report of employer, Brown, Lund & Fitzgerald.

A. Stephen E. Fitzgerald, doing business as the Stephen Fitzgerald Co., 502 Park Avenue, New York, N. Y.; and Raymond C. Baker, as employee.

B. National Association of Electric Companies, 1200 Eighteenth Street NW., Washington, D. C.

C. (1) We are retained by the NAEC on a continuing basis.

C. (2) Our function is a general one; the assignment is to assist the NAEC in articulating and expressing its point of view with respect to general legislative matters which affect the interests of electric light and power companies. We are a public-relations firm and do not engage in lobbying in the usual sense of that term.

C. (3) We do not issue publications. From time to time we may issue press releases which are matters of public record; we have recently been preparing a series of letters for newspaper editors and others explaining high lights of the electric power situation; from time to time we assist NAEC officials in arranging meetings with press representatives, etc. Since our previous report, we have assisted the NAEC in preparation of a statement on power policy requested by the Water Resources Policy Commission and also in the preparation of a summary of the document's contents for the information of the press.

D. (5) $12,500; (6) $5,168.18; (7) $17,669.18; (8) $16,120.98; (9) $33,789.16. With reference to item D the amount of money listed under (5) $12,500, represents a fee paid to me by NAEC. The amount listed under (6), $5,168.18, represents reimbursement for expenditures we have made for travel, mimeographing of press releases, etc., as indicated below.

E. This quarterly report indicates that we have received during April, May, and June a grand total of $17,668.18, of which $12,500 was fee an $5,168.18 represented reimbursement for expenditures. All compensation for Stephen E. Fitzgerald and Raymond C. Baker, including an indeterminate amount for office overhead, was paid out of the fee.

A. F. Stuart Fitzpatrick, manager, construction and civic development department, Chamber of Commerce of the United States, Washington, D. C.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D. C.

C. (1) Continue indefinitely. Particularly interested in legislation in the general field of public works, city planning, urban redevelopment, and housing.

C. (2) S. 2246 and H. R. 7402, Public Law 475, Eighty-first Congress, second session, to amend National Housing Act, and for other purposes, approved April 20, 1950; S. 3746, to authorize the creation of private mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guaranteed residential mortgages.

D. (5) $3,875; (7) $3,875; (8) $3,875; (9) $7,750.

E. (7) $27.50; (9) $27.50; (10) $27.50; (11) $55; (15) $27.50.

A. David A. Fleming, 610 Ring Building, Washington, D. C.

B. National Electrical Contractors Association, Inc., 610 Ring Building, Washington, D. C.; National Trade Association.

C. (1) Indefinite.

C. (2) Nothing specific.

A. Roger W. Fleming, American Farm Bureau Federation, 261 Constitution Avenue NW., Washington, D. C.

B. American Farm Bureau Federation, 221 North La Salle Street, Chicago, Ill.

C. (1) Indefinite.

C. (2) (a) In accordance with the annual meeting resolutions adopted by the American Farm Bureau Federation, proposed legislation on the following matters has been supported or opposed; appropriations for the fiscal year 1951; Commodity Credit Corporation; section 22 of the Agricultural Adjustment Act; cotton, wheat, peanut, and rice quotas and allotments; wheat-marketing certificate program; commercial corn-producing areas; marketing quotas for cigar wrapper tobacco; potato-marketing quotas; sugar quotas; extension of Agricultural Marketing Agreements Act of 1937; foreign economic assistance; displaced persons; point 4 program; Foreign Economic Commission; import controls; educational exchange; trade policy with Communist countries; customs regulations; oil imports; agricultural credit; Rural Electrification Act amendment; brucellosis; Government reorganization; rural roads taxation; social security; education; postal rates; farm labor; rural housing; farm program; marketing facilities for perishables; tenant purchase, production, and subsistence loans; extension of civil service; Farm Bureau-Extension Service relationships; Cooperative Forest Management Act; Central Valley, Calif., projects; antitrust.

C. (3) See report filed for American Farm Bureau Federation.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) No.

E. (7) $1,049.47; (9) $1,049.47; (10) $1,656.60; (11) $2,706.07; (15) $1,049.47.

A. W. G. Flinn, Machinists Building, Washington, D. C.; labor-union representative.

B. International Association of Machinists, Machinists Building, Washington, D. C.; labor union.

C. Indefinite. (See report filed by International Association of Machinists.)

A. Florida Inland Navigation District, Citizens Bank Building, Bunnell, Fla.

C. (1) For an indefinite term.

C. (2) (a and b) Generally interested in all legislation relating to river and harbor works, flood control, and other water use and conservation. Specifically interested in H. R. 7786, general appropriation bill, 1951.

E. (2) $1,350; (8) $42.64; (9) $1,392.64; (10) $1,481.39; (11) $2,874.03.

A. E. F. Forbes, Western States Meat Packers Association, Inc., 604 Mission Street, San Francisco, Calif.; E. F. Forbes serves as president and general manager of this trade association.

B. Western States Meat Packers Association, Inc., 604 Mission Street, San Francisco, Calif.; nonprofit trade association.

C. (1) The association's legislative interests are expected to continue indefinitely.

C. (2) Interested in legislation affecting livestock and meat-packing industries: (a) Support of H. R. 4538 bill, to amend Agricultural Act of 1948 by adding thereto provision to establish an average parity price for fats and oils and to aid in maintaining such parity price to producers; (b) Support of an amendment to H. R. 7786 bill (appropriations bill) which would restrict the Department of the Army in making offshore purchases of meat for United States troops.

D. (5) $5,000.04; (7) $5,000.04; (9) $5,000.04; (13) No.

A. Mrs. J. A. Ford, 305 Pennsylvania Avenue SE., Washington, D. C.

B. The Townsend Plan, Inc., 6875 Broadway, Cleveland, Ohio.

C. (1) Unknown.

C. (2) H. R. 2135, H. R. 2136, S. 2181; to provide every adult citizen in the United States with equal basic Federal insurance, permitting retirement with benefits at age 60, and also covering total disability, from whatever cause, for certain citizens under 60; to give protection to widows with children; to provide an ever-expanding market for goods and services through the payment and distribution of such benefit in ratio to the Nation's steadily increasing ability to produce, with the cost of such benefits to be carried by every citizen in proportion to the income privileges he enjoys.

C. (3) Comments — Townsend National Weekly, 6875 Broadway, Cleveland, Ohio.

D. (5) $80 per week; (7) Allowed approximately $30 per week for travel and hotels while away from own home; convention fare travel to Denver.

E. (15) All.

A. John B. Ford, 1809 G Street NW., Washington, D. C.

B. National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C., a trade association.

C. (1) Perpetual.

C. (2) Legislation affecting shipping, including H. R. 7786, omnibus appropriation bill, subsidy provisions; S. 3571, H. R. 8491, continuation of authority of Secretary of Commerce under Ship Sales Act; S. 2786, H. R. 5346, long-range bill, amend Merchant Ma-

rine Act, 1936; H. R. 8964, S. 3687, require armed services to use private shipping; H. R. 8677, S. 3649, S. 3650, Panama Canal tolls; S. 3109, H. R. 7474, sale of vessels under Ship Sales Act for Great Lakes; S. 2484, H. R. 6061, war-risk insurance; H. R. 8920, Revenue Act of 1950.

D. (5) $300; (6) $14.75; (7) $314.75; (8) $300; (9) $614.75; (13) yes; (14) I believe that a fair estimate of the portion of my salary allocable to lobbying is $300; $300, National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.; $314.75, National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.; total, $614.75.

E. (7) $14.75; (9) $14.75; (11) $14.75; (15) $314.75.

A. Forest Farmers Association Cooperative, box 692, Valdosta, Ga.; association of timberland owners to promote and protect private forestry interests.

C. (1) Indefinitely as there is legislation introduced on forestry matters.

C. (2) H. R. 6000, Social Security Act Amendments of 1949; H. R. 7155, S. 3399, Cooperative Forestry Management Act; H. R. 7786, general appropriations (USDA—forestry items).

C. (3) No specific publications—occasional news releases and articles in association's monthly magazine, The Forest Farmer.

D. (5) $157.27; (7) $157.27; (8) $322.66; (9) $479.93; (13) no.

E. (2) $312.50; (5) $35; (6) $15.40; (7) $396.51; (9) $759.41; (10) $963.53; (11) $1,722.94.

A. J. Carter Fort, Association of American Railroads, 929 Transportation Building, Washington, D. C.; vice president and general counsel.

B. Association of American Railroads, Transportation Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) Generally to support all legislation which the railroad members of the Association of American Railroads believe to be in their interest and in the interest of a sound national transportation policy and to oppose all legislation which they believe to be contrary to such interest. In addition to the support of and opposition to particular measures, the legislative activities during the quarter included the study and analysis of measures which were neither supported nor opposed, in an effort to determine their possible effect on transportation. For reference to particular measures see the answer to item (5) in registrant's Form C report covering the third quarter of 1949, and the answer to item C (2) in registrant's report covering the first quarter of 1950 which by reference are incorporated into this report. Additional measures which were supported, in whole or in part, during the second quarter of 1950, or which it was contemplated would or might be supported if occasion arose, included S. 3463, the Railway Labor Act amendment, antistrike; H. R. 3550, custom employees' overtime; H. R. 8677, Panama Canal bill; Senate Resolution 253 and House Resolution 595, to reject Reorganization Plan No. 7, 1950; Senate Resolution 265, to reject Reorganization Plan No. 21, 1950. Additional measures which were opposed, in whole or in part, during the second quarter of 1950, or which it was contemplated would or might be opposed if occasion arose, included S. 1596, postal service, switching; H. R. 8320, agricultural commodities facilities; H. R. 8920, general tax bill, certain provisions thereof; House Joint Resolution 53, St. Lawrence waterway. Among the bills which were studied but as to which no position of support or opposition was taken were S. 2875, Federal airport bill, extend; S. 3357 and H. R. 8350, gambling devices, interstate commerce; S. 3383 and H. R. 7993, Bituminous Coal Commission. See also report of the Association of American Railroads for the second quarter, 1950.

D. (5) $8,279.56; (7) $8,279.56; (8) $7,368.46; (9) $15,648.02. For all services rendered to the Association of American Railroads, legislative and nonlegislative, as outlined in Registration Form B, filed December 1946, registrant received salary during the second quarter of 1950 at the rate shown in such registration, as amended by the supplement thereto filed January 10, 1948, and received in addition $301.16 as reimbursement for all traveling expenses in connection with such services while away from Washington and all reimbursable business expenses in Washington, such as cab fares, business meals, etc. Of the salary received, $8,137.50 is estimated to be assignable or allocable to legislative activities. Of the aforesaid expenses, $142.06 is estimated to be assignable or allocable to legislative activities.

E. (7) $142.06; (9) $142.06; (10) $139.29; (11) $281.35; (15) $142.06.

A. Charles E. Foster, 1701 Eighteenth Street NW., Washington, D. C.; assistant national legislative director, Disabled American Veterans.

B. Disabled American Veterans, National Headquarters, 1423 East McMillan Street, Cincinnati, Ohio; congressionally chartered veteran organization.

C. (1) The national legislative division of the DAV is a permanent division. This division performs only a minor part of DAV activities. The major part is our national claims service.

C. (2) The DAV is interested in all legislation affecting war veterans, their dependents, and survivors of deceased veterans. The largest number of bills in which we are interested are referred to Senate Finance Committee, Senate Labor and Public Welfare, House Veterans' Affairs Committee, the two Committees on Post Office and Civil Service, and the two Armed Services Committees.

C. (3) (a, b, c, and d) articles pertaining to pending legislation in which the DAV is interested are published in our own newspaper: The DAV Semi-Monthly. This newspaper is published semimonthly at our national headquarters, Cincinnati, Ohio, and is mailed to every DAV member. The membership varies and as of June 15, 1950, was 155,894. Legislative articles are carried as news items for DAV members.

E. (2) $1,819.69 (after taxes); (7) $185.84; (9) $2,005.53; (10) 1,293.12; (11) $3,298.65.

A. Melvin J. Fox, Committee for the International Trade Organization, 816 Twenty-first Street NW., Washington, D. C., program director. The Committee for the ITO was launched March 1949, to cooperate with all those who are interested in developing understanding of and support for the Habana Charter (H. J. Res. 2).

B. Committee for the International Trade Organization, 816 Twenty-first Street NW., Washington, D. C.

C. (1) Summer 1950.

C. (2) (b) In support of House Joint Resolution 236, providing for membership and participation by the United States in the International Trade Organization.

C. (3) (a, b, c, and d) Statement of objectives, 10,000, Manhattan Printing Co., New York City, May 1949, $1,001; reprinted 3,500 copies, Gibson Printing Co., Washington, D. C., February 1950, $254.80. Information bulletin, five issues, approximately 2,250 copies each, Plymouth Printing & Duplicating, Washington, D. C.; November 1, 15, December 14, January 12, April 10; cost per issue ranged from $98 to $127. Testimony of William L. Batt before the House Foreign Affairs Committee, April 27, 1950, 500 copies, Batt, Bates & Co., Washington, D. C., $180.54.

D. (2) $1,225; (7) $1,225; (8) $8,817.77; (9) $10,042.77; (13) yes; (14) $500, Graeme K. Howard, president, Ford International, Inc., 445 Park Avenue, New York, N. Y.; $500, Everett R. Cook, Cook & Co., Memphis, Tenn.; total, $1,000, April 1 to June 30, 1950.

E. (1) $1,050; (2) $3,558.51; (4) $410.76; (5) $554.81; (6) $303.14; (7) $104.87; (9) $5,984.71; (10) $6,841.44; (11) $12,826.15.

A. Dr. John H. Frederick, Transportation Association of America, Ring Building, Washington, D. C.; consultant.

B. Transportation Association of America, 130 North Wells Street, Chicago, Ill.

C. (1) Legislative interests are to be continued permanently.

C. (2) I am interested in all legislation having anything to do with transportation including pending bills before the House and Senate.

C. (3) See report of TAA.

D. Retainer fee for period April 1 to June 30, 1950, $1,200; expense accounts for period April 1 to June 30, 1950, $124.86 (advanced $500 June 27, 1950, for July travel expense will be reported next quarter); total for this quarter, $1,324.86; received during previous quarter, $1,317.13; total from January 1 through June 30, 1950, $2,641.99.

E. (7) $124.86; (10) $117.13; (11) $241.99.

A. Fred J. Fredrickson, Washington representative Greater North Dakota Association, Fargo, N. Dak., and State Water Conservation Commission, Bismarck, N. Dak. Washington, D. C. address: Hotel Lafayette.

B. Employed by North Dakota Resources Board, Fargo, N. Dak., as the Washington representative of the Greater North Dakota Association, and also employed by North Dakota State Water Conservation Commission, Bismarck, N. Dak., as its Washington representative.

C. (1) Indefinite.

C. (2) Person filing is interested in legislation affecting the development and utilization of land, water, and other natural resources of the State of North Dakota, including authorizations and appropriations therefor. H. R. 7452, H. R. 7786, and other bills in any way affecting the work engaged in.

D. (5) $1,650; (6) $1,739.60; (7) $3,389.60; (8) $3,070.16; (9) $6,459.76; (13) no.

E. (5) $275.90; (6) 252.80; (7) $1,210.90; (9) $1,739.60; (10) $1,420.16; (11) $3,159.76; (15) $1,739.60.

A. Freidin & Littauer, 598 Madison Avenue, New York, N. Y.; attorneys.

B. American Federation of Musicians of the United States and Canada, 570 Lexington Avenue, New York, N. Y.; labor union.

C. (1) Registrant renders professional services for the American Federation of Musicians of the United States and Canada. Registrant does not believe it is subject to the provisions of the Federal Regulation of Lobbying Act. It cannot be stated in advance for what period interest in the legislation referred to in (2) will continue.

C. (2) Registrant is interested in so much of section 104 (a) of H. R. 6000, as passed by the House of Representatives, as would have amended section 210 (k) (2) of title II of the Social Security Act.

C. (3) Registrant has not filed or caused to be filed any printed matter. On several occasions, typewritten memoranda were submitted to Members of Congress and members of their staffs.

D. (5) $250; (7) $250; (9) $250; (13) no.

E. (6) $6.60; (7) $42.53; (9) $49.13; (11) $49.13; (15) $49.13.

A. Friends Committee on National Legislation, 1000 Eleventh Street NW., Washington, D. C.; educational-legislative work in Washington and among members of the Society of Friends (a religious body) throughout the country.

C. (1) An indefinite time; the organization was established on a permanent basis.

C. (2) Working for legislation including the admission of displaced persons, relief of Arab refugees, programs of relief and recovery (ECA, point 4), Federal aid to education, extension of civil rights (FEPC, antipoll tax, antilynching), and more support of

the United Nations and its specialized agencies. Opposition to conscription, the militarization of America, and the shipment of arms abroad.

C. (3) (a) The Washington Letter, a four- or eight-page publication issued approximately once a month; (b) an average of 10,000 each issue; (c) April 10, May 2, June 1, June 26; (d) Drake Press.

D. (2) $14,484.44; (4) $128.76; (7) $14,613.20; (8) $12,386.50; (9) $26,999.70; (13) Yes; (14) Mrs. Lenora G. Marshall, 30 West Fifty-fourth Street, New York, N. Y., $2,500; Mrs. S. Emlen Stokes, 129 Chester Avenue, Moorestown, N. J., $2,000; Yarnall-Waring Co., 102 East Mermaid Lane, Philadelphia, Pa., $3,000.

E. (2) $5,792.28; (4) $1,580.77; (5) $1,274.30; (6) $260.01; (7) $864.42; (9) $9,791.78; (10) $11,392.43; (11) $21,184.21.

A. George M. Fuller, 1319 Eighteenth Street NW., Washington, D. C.

B. National Lumber Manufacturers Association, 1319 Eighteenth Street NW., Washington, D. C.; lumber manufacturing trade association.

C. (1) Indefinite.

C. (2) No particular bills, but any legislation inimical to the interests of the lumber industry, American industry, and free enterprise.

D. (5) $3,450; (7) $3,450; (8) $3,450; (9) $6,900; (13) No.

E. (7) $1,058.58; (9) $1,058.58; (10) $416.23; (11) $1,474.81.

A. Wallace H. Fulton, executive director, National Association of Securities Dealers, Inc., 1625 K Street NW., Washington, D. C.

B. National Association of Securities Dealers, Inc., a registered national securities association pursuant to section 15A of the Securities Exchange Act of 1934, as amended.

C. (1) Legislative interest will continue so long as S. 2408, known as the Frear bill, remains before the Congress.

C. (2) (a) The Frear bill; (b) S. 2408; (c) a proposed amendment to various sections of the Securities Exchange Act of 1934.

C. (3) The National Association of Securities Dealers, Inc., periodically (two to three times a year) publishes a house organ of interest to members of the association which goes to all the approximately 2,750 members, their branch offices, and some officers, partners, and employees. The last such issue was published in March 1950 and 6,000 copies were printed. The Frear bill was commented upon and the statement of the association's representatives before the Senate Subcommittee on Banking and Currency was included. The name of the printer is Byron S. Adams, 512 Eleventh Street NW., Washington, D. C.

D. (5) $625; (7) $625. (Based on estimate; see item 4 of original registration Form B. See letter of January 18, 1950, addressed to the Secretary of the Senate and the Clerk of the House of Representatives signed by Wallace H. Fulton in connection with the registration of Messrs. Wallace H. Fulton and John W. Lindsey.

A. Fyffe & Clarke, attorneys, 120 South La Salle Street, Chicago, Ill.

B. Illinois Manufacturers' Association, 120 South La Salle Street, Chicago, Ill.

C. (1) Indefinitely.

C. (2) All legislation affecting the manufacturing industry.

D. It is estimated that less than $500 net of annual retainer is apportionable to Federal lobby work for the Illinois Manufacturers' Association.

A. Charles E. Gage, agricultural consultant, 927 Fifteenth Street NW., room 904, Washington, D. C.

B. The American Tobacco Co., Inc., 111 Fifth Avenue, New York, N. Y. .

C. (1) Affiant receives an annual salary from the American Tobacco Co., in the amount of $10,000 per annum as agricultural consultant. He will receive no compensation in addition to his regular salary for any activities with respect to legislation covered by the act which he may perform, and any such activities would be only occasional and incidental to his regular duties with no portion of his salary allocated thereto.

C. (2) Any legislation affecting a company engaged in the manufacture and sale of tobacco products.

D. (5), (6), (7), (8) (see par. C above); (13) No.

A. M. J. Galvin, 207 Union Depot Building, St. Paul, Minn.; attorney for Minnesota railroads, as shown on registration.

B. All of the undersigned's clients as listed on his registration have paid the expenses reported herein and the undersigned's salary on the ratio of the mileage which they have within the State of Minnesota. Amount paid is the same as that shown expended.

C. (1) Expect to be permantly interested.

C. (2) Interested in all matters effecting railroads. No titled now familiar with except those affecting repeal of excise taxes on transportation.

D. $400, Minnesota railroads, from April 1 through June 30, 1950; total, $400. For Minnesota railroads, see list as shown on affiant's registration. All of the expenses and all of the affiant's salary are paid by the railroads operating in Minnesota in proportion to their mileage as shown on the registration; approximately 10 percent of affiant's time is devoted to matters of Federal legislation.

E. (7) $96.07.

A. Earl H. Gammons, 801 Warner Building, Washington, D. C.; vice president and director of the Washington office of Columbia Broadcasting System, Inc.

B. Columbia Broadcasting System, Inc., 485 Madison Avenue, New York, N. Y.; radio and television broadcasting and the operation of a network service.

C. (1) Refer to letter filed with registration and registration Form B currently on file.

C. (2) Legislation applicable to or affecting the radio and/or television industry, including S. 1973, H. R. 7310, and H. R. 6949.

D. (13) no.

E. (7) $87.50; (9) $87.50; (10) $125; (11) $212.50; (15) $87.50.

A. Gardner, Morrison & Rogers, 1126 Woodward Building, Washington, D. C.; law firm.

B. The Lehigh Valley Railroad Co., 143 Liberty Street, New York, N. Y.; agency of Canadian Car & Foundry Co., Ltd., 30 Broad Street, New York, N. Y.; and other holders of awards of Mixed Claims Commission, United States and Germany, World War I.

C. (1) Indefinite.

C. (2) Legislation relating to World War I awards of the Mixed Claims Commission, United States and Germany, such as H. R. 6074, Eighty-first Congress.

C. (3) Memorandum in support of H. R. 6074, Eighty-first Congress, dated March 1, 1950; have had 100 copies printed by Charles B. Young, printer, New York.

D. (13) no.

E. 6) $8.73; (7) $68.68, of which $30.77 was for rail fares on Baltimore & Ohio Railroad; (9) $77.41; (10) $179.50; (11) $256.91; (15) $77.41.

A. Marion R. Garstang, 1731 I Street NW., Washington, D. C.; counsel for National Milk Producers Federation.

B. National Milk Producers Federation, 1731 I Street NM., Washington, D. C.; national farm organization.

C. (1) Indefinitely.

C. (2) Any legislation that may affect milk producers or the cooperatives through which they act together to process and market their milk.

C. (3) The names of any papers, periodicals, magazines, or other publications in which the person filing has caused to be published any article or editorial: News for dairy co-ops, 700, weekly, federation. Legislative letter, 1,200, irregular, federation.

D. (5) $1,999.98; (6) $35.35; (7) $2,035.33; (8) $2,022.03; (9) $4,057.36; (10) no loans as contributions within the meaning of the Federal regulation of Lobbying Act; (13) salary only.

E. (8) $35.35; (9) $35.35; (10) $22.05; (11) $57.40; (13) all.

A. Gas Appliance Manufacturers Association, Inc., 60 East Forty-second Street, New York, N. Y.; trade association.

C. (1) Indefinitely.

C. (2) Repeal or modification of the manufacturer's excise tax imposed by Internal Revenue Code [1] 3406 on gas-fired appliances and accessories.

C. (3) None other than bulletins prepared and distributed to members of this association in the regular course of its functions.

D. (1) $2,455.10; (7) $2,455.10; (8) $2,669.45; (9) $5,144.55; (13) Yes. (14) Affiliated Gas Equipment, Inc., 17877 St. Clair Avenue, Cleveland, Ohio, $5,832; Airtemp Division, Chrysler Corp., 1600 Webster Street, Dayton, Ohio, $761.17; American Furnace Co., 2725 Delmar Boulevard, St. Louis, Mo., $772.50; American Meter Co., Erie, Pa., $3,588.39; American Radiator & Standard Sanitary Corp., post office box 1223, Pittsburgh, Pa., $4,055.80; American Stove Co., 1641 South Kingshighway Boulevard, St. Louis, Mo., $5,301.04; Armstrong Furnace Co., 851 West Third Avenue, Columbus, Ohio, $925.70; Armstrong Products Corp., post office box 940, Huntington, W. Va., $517.23; Autogas Co., 2153 West Fullerton Avenue, Chicago, Ill., $894.43; Bastian-Morley Co., Inc., 200 Truesdell Avenue, La Porte, Ind., $2,020.39; Caloric Stove Corp., Widener Building, Philadelphia, Pa., $3,777.75; Clayton & Lambert Manufacturing Co., 1701 Dixie Highway, Louisville, Ky., $929.95; The Cleveland Heater Co., 2310 Superior Avenue, Cleveland, Ohio, $1,230.16; The Coleman Co., Inc., Second Street and St. Francis Avenue, Wichita, Kans., $2,814.34; Combustion Engineering-Superheater, Inc., post office box 1749, Chattanooga, Tenn., $1,303.78; Cribben & Sexton Co., 700 North Sacramento Boulevard, Chicago, Ill., $3,176.66; Crown Stove Works, 4627-35 West Twelfth Place, Chicago, Ill., $985.88; Detroit Brass & Malleable Works, 100 South Campbell Avenue, Detroit, Mich., $571.95; Detroit-Michigan Stove Co., post office box 2059, Detroit, Mich., $3,778.27; Dixie Foundry Co., Inc., King Edward Avenue, Cleveland, Tenn., $2,080.09; Duo-Therm Division, Motor Wheel Corp., 701-735 East Saginaw Street, Lansing, Mich., $791.85; Empire Stove Co., 918 Freeburg Avenue, Belleville, Ill., $750; Estate Stove Co., Subsidiary of Noma Corp., Hamilton, Ohio, $1,960.78; Everhot Heater Co., 5241 Wesson Avenue, Detroit, Mich., $657.08; Florence Stove Co., 205 School Street, Gardner, Mass., $4,712; General Electric Co., 5 Lawrence Street, Bloomfield, N. J., $1,376; General Gas Light Co., 202 North Park Street, Kalamazoo, Mich., $627.20.

Glenwood Range Co., 330 West Water Street, Taunton, Mass., $986.50; Grand Industries, Inc., 2323 East Sixty-seventh Street, Cleveland, Ohio, $1,908.38; Handley Brown Heater Co., 2501 Brooklyn Road, Jackson, Mich., $592.15; The Hostream Heater Co., 2363 East Sixty-ninth Street, Cleveland, Ohio, $1,236.86; Kalamazoo Stove & Furnace Co., Rochester Avenue, Kalamazoo, Mich., $1,223.93; Koppers Co., Inc., Empire State Building, New York, N. Y., $1,000; Lennox Furnace Co., Inc., 400 North Midler Avenue, Syracuse, N. Y., $2,325; Malleable Steel Range Manufacturing Co., Jefferson Boulevard and Cherry Street, South Bend, Ind., $559.93; Mayflower Air-Conditioners, Inc., Duluth Avenue and East Seventh Street, St. Paul, Minn., $509.78; Milwaukee Gas Specialty Co., 730 North Jackson Street, Milwaukee, Wis., $2,163.80; Minneapolis-Honeywell Regulator Co., 2747 Fourth Avenue South, Minneapolis, Minn.,

$1,500; The Moore Division, Conlon-Moore Corp., 105 East Benton Street, Joliet, Ill., $1,095; Morrison Steel Products, Inc., 601 Amherst Street, Buffalo, N. Y., $546.14; L. J. Mueller Furnace Co., 2005 West Oklahoma Avenue, Milwaukee, Wis., $1,269.21; The Murray Corp. of America, 6911 Lorain Avenue, Cleveland, Ohio, $1,589.61; The National Radiator Co., 221 Central Avenue, Johnstown, Pa., $735.40; Norge Division, Borg-Warner Corp., 670 Woodbridge Street, Detroit, Mich., $2,176.82; Norman Products Co., 1150 Chesapeake Avenue, Columbus, Ohio, $790.68; Odin Stove Manufacturing Co., 342 West Twelfth Street, Erie, Pa., $1,439.42; The Ohio Foundry & Manufacturing Co., 629 Slack Street, Steubenville, Ohio, $1,100; The C. A. Olsen Manufacturing Co., Filbert Street, Elyria, Ohio, $1,733.94; Peerless Manufacturing Corp., Inc., 1400 West Ormsby Street, Louisville, Ky., $907.98; Pennsylvania Furnace & Iron Co., 316 Pine Street, Warren, Pa., $582.30; Perfection Stove Co., 7609 Platt Avenue, Cleveland, Ohio, $1,020; Reynolds Gas Regulator Co., 1416 Lincoln Street, Anderson, Ind., $581.88; Reznor Manufacturing Co., Mercer, Pa., $2,259.85; Rheem Manufacturing Co., 570 Lexington Avenue, New York, N. Y., $4,023.29; Richmond Radiator Co., 19 East Forty-seventh Street, New York, N. Y., $853.67; The Roberts Brass Manufacturing Co., 5435 Fort Street West, Detroit, Mich., $574.84.

Roberts-Gordon Appliance Corp., 137 Arthur Street, Buffalo, N. Y., $1,545.73; Robertshaw-Fulton Controls Co., 110 East Otterman Street, Greensburg, Pa., $4,823.28; Rockwell Manufacturing Co., 400 North Lexington Avenue, Pittsburgh, Pa., $4,250.30; Ruud Manufacturing Co., 2934 Smallman Street, Pittsburgh, Pa., $2,890.75; Samuel Stamping & Enameling Co., Manufacturers Road, Chattanooga, Tenn., $760.48; Security Manufacturing Co., 1620 Oakland Avenue, Kansas City, Mo., $1,875; Selas Corp. of America, Erie Avenue and D Street, Philadelphia, Pa., $825; Servel, Inc., 119 North Morton Avenue, Evansville, Ind., $6,706; A. O. Smith Corp., post office box 28, Kankakee, Ill., $4,342.07; Spencer Thermostat Co., 34 Forest Street, Attleboro, Mass., $744.45; The Stove Works, Inc., 131 South Union Street, Middletown, Pa., $554.99; Surface Combustion Corp., post office box 907, Toledo, Ohio, $3,997.55; The Titan Valve & Manufacturing Co., 9913 Elk Avenue, Cleveland, Ohio, $636.30; The Wilcolator Co., 1001 Newark Avenue, Elizabeth, N. J., $540; John Wood Co., Conshohocken, Pa., $2,304.89; Wrought Iron Range Co., 5661 Natural Bridge Avenue, St. Louis, Mo., $753.46; Continental Water Heater Co., 1801 Pasadena Avenue, Los Angeles, Calif., $693.70; Domestic Thermostat Co., 8775 Mettler Street, Los Angeles, Calif., $662.89; General Controls Co., 801 Allen Avenue, Glendale, Calif., $850; General Water Heater Corp., Front and Magnolia, Burbank, Calif., $802.65; James Graham Manufacturing Co., Newark, Calif., $1,599; Holly Manufacturing Co., 875 South Arroyo Parkway, Pasadena, Calif., $1,211.94; Hoyt Heater Co. of Northern California, 926 High Street, Oakland, Calif., $645.10; Hoyt Heater Co., 2146 East Twenty-fifth Street, Los Angeles, Calif., $544.13; Mahl Manufacturing Co., 3081 Slauson Avenue, Huntington Park, Calif., $979.48; Mission Appliance Corp., box 577 Hyde Park Station, Los Angeles, Calif., $2,383.41; O'Keefe & Merritt Co., 3700 East Olympic Boulevard, Los Angeles, Calif., $3,950.70; Royal Heaters, Inc., 1024 Westminster Avenue, Alhambra, Calif., $761.78; Southern Heater Corp., box 629, Compton, Calif., $741.81; Utility Appliance Corp., 4851 South Alameda Street, Los Angeles, Calif., $2,309.27; Ward Heater Co., 1800 West Washington Boulevard, Los Angeles, Calif., $633.35; Western Stove Co., Inc., 8536 Hays Street, Culver City, Calif., $2,086.40; Minneapolis-Honeywell Regulator Co., 2747 Fourth Avenue South, Minneapolis, Minn., $1,500; Dresser Manufacturing Division, 41 Fisher Avenue, Bradford, Pa., $525.39; United Engineers & Constructors, Inc., 1401 Arch Street, Philadelphia, Pa., $682.96. In addition to the foregoing this association had 317 members who paid less than $500 in dues during the period from January 1 to June 30, 1950.

E. (1) $2,180.77; (2) $87.06; (4) $149.21; (5) $26.06; (6) $12; (9) $2,455.10; (10) $2,689.45; (11) $5,144.55.

A. Edward Page Gaston,[2] 1311 G Street NW., Washington, D. C.

C. (1) Permanently.

D. (2) $5; (7) $5; (9) $5; (10) $250; (13) no.

E. (4) $42.50; (7) $200; (9) $5.

A. Bond Geddes, 1317 F Street NW., Washington, D. C.

B. Radio Manufacturers Association, 1317 F Street NW., Washington, D. C.; trade association of radio-electronic industry.

C. (1) In opposition to Treasury Department recommendation for an excise tax of 10 percent on television.

C. (2) Same as C (1).

D. (13) no.

A. General Federation of Women's Clubs, 1734 N Street NW., Washington, D. C.

B and C. The General Federation of Women's Clubs is a national and international organization, with an affiliated membership of some 11,000,000. One-half of the members are in the United States, the Territories, and possessions, and in 14 affiliated national organizations. The general federation does not represent or dictate the policies of these national organizations.

The object of the general federation is "to unite the women's clubs and like organizations throughout the world for the purpose of mutual benefit, and for the promotion of their common interest in education, philanthropy, public welfare, moral values, civics, and fine arts." The general federation is nonpartisan and nonpolitical.

The major interests of the clubs are along educational and welfare lines—to provide adequate educational opportunities for children and adults; to promote better care for the mentally and physically ill; to conserve natural resources; to further interest in music, literature, and art; and to foster better international relations.

The General Federation of Women's Clubs employees no professional lobbyist. What active interest the organization takes in legislation at any time is only incidental to the general policies. Authority for supporting or opposing legislation is provided through the adoption of a resolution in national convention.

During the first quarter of 1950 the general federation submitted statements in support of ERA, forest conservation, the International Trade Organization appropriations, and Alaska statehood.

No formal statements have been submitted during the second quarter.

The department of legislation is one of the eight departments of the general federation. This department, together with divisions and committee, the Council of International Clubs and the junior clubs, receives supervision, counsel, and aid from the president. Much of the president's time is necessarily spent visiting State organizations. In the interest of international good will the general federation sends representatives to visit groups in other countries.

The general federation president and the chairman of legislation are volunteer workers.

For all the activities of the general federation the operating income—received mainly from dues—was approximately $162,000 for the fiscal year ending March 1950. The general federation received no contributions to be used for lobbying. It is impossible to evaluate how much of the income is used for the comparatively small amount expended in submitting statement to Congress, for telegrams, postage, and miscellaneous.

A. J. M. George, H. K. Brehmer, and C. S. McMahon, constituting the partnership of George, Brehmer & McMahon, attorneys, 165 Center Street, Winona, Minn.

B. The Inter-State Manufacturers Association, 163–165 Center Street, Winona, Minn.; a trade association composed of nine members, carrying on general activities for its members.

C. (1) Until legislation referred to in (2) hereof is disposed of.

C. (2) H. R. 2945, S. 1103, H. R. 6000.

D. (5) $1,500 per quarter is the retainer paid by the afore-mentioned association to this firm for general legal services. This retainer is paid regardless of whether or not any services are rendered by us with respect to Federal legislation; (7) $1,500; (8) $1,500; (9) $3,000; (13) no.

E. (15) The only expenses incurred are for travel, food, lodging, etc., and these expenses are paid by the employer and reported in said employer's report.

A. J. M. George, H. K. Brehmer, and C. S. McMahon, constituting the partnership of George, Brehmer & McMahon, attorneys, 165 Center Street, Winona, Minn.

B. National Association of Direct Selling Companies, 163–165 Center Street, Winona, Minn.; a general trade association functioning for the direct selling of distribution.

C. (1) Until legislation referred to in column (2) hereof, is disposed of.

C. (2) H. R. 2945, S. 1103, H. R. 6000.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) no.

E. (15) The only expenses incurred are for travel, food, lodging, etc., and these expenses are paid by the employer and reported in said employer's report.

A. Harry J. Gerrity, suite 1001, Hill Building, Washington, D. C.; lawyer.

B. Oregon-Washington Bridge Co., 301 Security Building, Olympia, Wash.; operation of a toll bridge.

C. (1) Duration of Eighty-first Congress.

C. (2) Endeavoring to obtain passage of legislation for benefit of client, S. 786 and H. R. 4280. To authorize improvement of navigation facilities on the Columbia River and completion of alterations to the Hood River Bridge, made necessary by Bonneville Dam, and for other purposes.

D. (13) No.

A. Ernest Giddings, 1201 Sixteenth Street NW., Washington, D. C.; assistant director, Legislative-Federal Relations Division of the National Education Association of the United States.

B. Legislative-Federal Relations Division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Bills pending before the Eighty-first Congress relating to public education. Primary interest in S. 246, H. R. 5939, H. R. 7160, H. R. 1551.

D. (5) $1,146.25; (7) $1,146.25; (8) $1,130.63; (9) $2,276.88. Full salary for calendar quarter, $1,528.34. Estimated for legislative service, 75 percent, or $1,146.25.

E. (7) $220.99; (9) $220.99; (10) $36.40; (11) $307.39.

A. William Glazier, 930 F Street NW., Washington, D. C.; trade-union representative.

B. International Longshoremen's and Warehousemen's Union, 150 Golden Gate Avenue, San Francisco, Calif.; trade-union. National Union of Marine Cooks and Stewards, 86 Commercial Street, San Francisco, Calif.; trade-union.

C. (1) Legislative interests continue while Congress is in session.

C. (2) General interest in legislation affecting trade-unions and their members and maritime industry. Specifically, H. R. 8491 on chartering, H. R. 49 on statehood for

[2] Filed for first quarter, 1950.

Hawaii, H. R. 6000 on social security, S. 3687 (H. R. 8964) military in shipping, and China trade.

C. (3) This office prepares a one-page semimonthly report on legislative developments which is mimeographed and mailed out by the national offices of both unions to the locals. A run of about 250 copies of each report is made on the average.

D. (5) $411.68; (6) $600; (7) $1,011.68; (8) $1,011.68; (9) $2,023.36; (13) yes; (14) $900, International Longshoremen's and Warehousemen's Union, 150 Golden Gate Avenue, San Francisco, Calif.; $300, National Union of Marine Cooks and Stewards, 86 Commercial Street, San Francisco, Calif.; total, $1,200.

E. (2) $281.66; (4) $23; (5) $102; (6) $81.21; (7) $43.33; (8) $20.10; (9) $551.30; (10) $589.31; (11) $1,140.61.

A. Goldfield Consolidated Mines Co., a mining corporation, 1 Montgomery Street, San Francisco, Calif.

B. Goldfield Consolidated Mines Co., 1 Montgomery Street, San Francisco, Calif.; Graves, Kizer & Graves, 1224 Old National Bank Building, Spokane, Wash.

C. (1) Legislative interests terminated with the last quarter of 1949. Present report covers payments for fees and reimbursement of expenses in connection with services rendered through September 1949. No further services have been rendered since that date and therefore no further quarterly reports will be filed.

C. (2) General and specific legislative interests were in H. R. 1326 and S. 639, both entitled "A bill to encourage the development of new domestic sources of zinc ores by amending the Tariff Act of 1930, as amended.

D. (5) Reimbursement of expenditures; (7) $1,444.63; (9) $1,444.63; (14) $1,444.63. Goldfield Consolidated Mining Co., 1 Montgomery Street, San Francisco, Calif. (In accordance with arrangements between Graves, Kizer & Graves and Cleary, Gottlieb, Friendly & Cox, the above payment was made to Cleary, Gottlieb, Friendly & Cox on March 20, 1950.)

A. Don B. Goodloe, post-office box 2025, Washington, D. C.; the purpose is promotion of legislation for the benefit of American teachers and for the solution of national problems, in which the educational profession is interested.

B. None; for purposes of this act, the registrant is self-employed. The registrant does not think his activities come under the purview of the Lobbying Act. He is registering, therefore, only to make sure that he is complying with the law.

C. (1) The registrant expects to continue these activities indefinitely. As the registrant is self-employed for purposes of this act, he receives no regular compensation for these activities. At times, however, he has been reimbursed for incidental expenses, by organizations with which he has worked.

C. (2) The registrant has, at times, appeared before congressional committees. He supported H. R. 4902 in 1948. He testified against H. R. 4381 in the Eighty-first Congress, which bill was passed as Public Law 353, by the same Congress. He also supported Public Law 151 by Eighty-first Congress. As a member of the Maryland Beekeepers' Association he has supported conservation legislation in that State.

C. (3) The registrant has published letters in Washington, D. C., daily newspapers in behalf of the legislation he has advocated. He also published articles in the American Teacher, December 1948, and in the Jersey Teacher, June 1950.

D. (6) $20; (8) $30; (9) $30; (13) no.

E. (4) $10; (6) $5; (7) $40; (10) $55; (11) $55.

A. Leo Goodman, director, CIO National Housing Committee, 1129 Vermont Avenue NW., Washington, D. C.

B. Congress of Industrial Organizations; trade-union.

C. (1) Indefinite.

C. (2) Rent control, housing, and community development.

C. (3) CIO News, weekly, approximately 250,000, Mercury Press.

D. (5) $2,807.38; (7) $2,807.38.

A. Spencer Gordon, Union Trust Building, Washington, D. C., lawyer.

B. American Institute of Accountants, 270 Madison Avenue, New York, N. Y., professional organization of certified public accountants.

C. (1) Work will continue indefinitely. Have been counsel for the institute for many years.

C. (2) Bills having to do with the accounting profession. H. R. 4446, administrative practitioners bill; H. R. 3113, Tax Court bill; H. R. 2983, Tax Settlement Board bill.

D. No receipts during quarter. Usually send annual bill on reasonable service basis.

E. (10) $17.28; (11) $17.28.

A. Elmer J. Gorn, care of Raytheon Manufacturing Co., Waltham, Mass., patent attorney.

B. Raytheon Manufacturing Co., Waltham, Mass., manufacturer of electronic equipment.

C. (1) As long as Blair bill, H. R. 577, is pending.

C. (2) Blair bill, H. R. 577.

D. (13) No.

A. Albert S. Goss, 744 Jackson Place NW., Washington, D. C.

B. The National Grange, 744 Jackson Place NW., Washington, D. C., farm fraternity.

C. (1) and (2) I am not employed to support or oppose any specific legislation. As master of the National Grange, however, it is my duty to support or oppose legislation in conformity with the policies of the National Grange.

C. (3) As editor in chief of the National Grange Monthly write monthly editorials but are not necessarily on legislation.

D. (5) I received $1,875 in salary for the quarter which is my total compensation for all my services as master of the National Grange, of which legislation activities form only a part. I paid out none of it.

A. Bert C. Goss, 610 Shoreham Building, Washington, D. C., public relations counsel.

B. Hill & Knowlton, Inc., public relations counsel to the Aircraft Industries Association, a national trade association for the aircraft manufacturing industry.

C. (1) Indefinite.

C. (2) Am generally interested in legislation affecting aviation, the steel industry, dairying, and other industries which may be clients of Hill & Knowlton. During the past quarter I have been particularly interested in S. 3504, a bill to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof.

C. (3) During the past quarter I supervised the issuance of press releases and other publications dealing with aviation problems and the general subject of air power, but none of these applied specifically to any particular bill now pending before the Congress, except for two press releases dealing with the bill S. 3504.

D. (5) During the past quarter I estimate that less than 10 percent of my time was spent in compiling reports on legislative developments for distribution to the members of the Aircraft Industries Association. Therefore, less than 10 percent of the salary paid by the Aircraft Industries Association to Hill & Knowlton, Inc., for my services for this period of time (or approximately $325) is being reported.

E. (7) Less than $100, of which $10 or more was never paid to anyone.

A. L. L. Gourley, 902 Shoreham Building, Washington, D. C., lawyer.

B. Retainer, American Osteopathic Association, 212 East Ohio Street, Chicago, Ill.

C. (1) Indefinitely.

C. (2) Bills affecting the public health, e. g., Emergency Professional Health Training Act, H. R. 5940; Social Security Act amendments, H. R. 6000; physically handicapped services, S. 1066, S. 2273, and S. 3465; GI medical training, H. R. 7235; and other bills affecting the public health.

D. (5) $337.50, or 10 percent of retainer; (7) $337.50; (8) $337.50; (9) $675.

A. Government Employees' Council, American Federation of Labor, 900 F Street NW., Washington, D. C.; a council of labor unions.

C. (1) Legislative interests will continue indefinitely.

C. (2) All legislation that affects Government employees is of interest to this council.

C. (3) (a, b, c, d) Weekly news letter prepared and duplicated in office; mailing list approximately 250 to member unions.

D. (1) $5,067.12; (6) $100; (7) $5,167.12; (9) $5,167.12; (13) no.

E. (2) $2,956.32; (4) $500; (5) $612.26; (6) $191.21; (7) $1,519.90; (9) $5,579.69.

A. Grand Lodge of the Brotherhood of Locomotive Firemen & Enginemen, 318-418 Keith Building, Cleveland, Ohio; unincorporated labor and fraternal organization.

C. (1) Indefinite.

C. (2) To promote general interests of locomotive firemen and enginemen.

E. (2) $4,856.55; (5) $28.60; (6) $133.31; (7) $2,428.10; (9) $7,846.56; (10) $6,523.49; (11) $14,370.05.

A. Robert A. Grant,[5] 624 Associates Building, South Bend, Ind.; attorney.

B. The Ethanol Committee, 810 Eighteenth Street NW., Washington, D. C.; an industry committee represented by various members of the pharmaceutical industry.

C. (1) Through the Eighty-first Congress.

C. (2) (b) Bills seeking relief from the taxes presently applied to the nonbeverage use of alcohol (medicinal and proprietary preparations), including H. R. 3978 and H. R. 6477 and H. R. 8920.

D. (13) No.

E. (6) $26.86; (7) $198.37; (9) $225.23; (10) $354.13; (11) $579.36.

A. Robert A. Grant,[5] 624 Associates Building, South Bend, Ind.; attorney.

B. Grant, Ploeser, Dixon & Murphy, Chicago Title & Trust Building, 111 West Washington Street, Chicago, Ill.; public relations.

C. (1) Through Eighty-first Congress.

C. (2) The good of the musical-instruments industry generally and specifically the relief from the presently existing manufacturer's excise tax on musical instruments.

D. (13) No.

E. (6) $2.25; (9) $2.25; (10) $141.93; (11) $144.18.

A. Grant, Ploeser, Dixon & Murphy,[5] Chicago Title & Trust Building, 111 West Washington Street, Chicago, Ill.; public relations.

B. An industry committee made up of manufacturers and distributors of musical instruments.

C. (1) Through Eighty-first Congress.

C. (2) The good of the music instruments industry generally, and specifically the relief from the presently existing manufacturer's excise tax on music instruments.

D. (8) $5,000; (9) $5,000; (13) No.

E. (6) $2.25; (9) $2.25; (10) $236.82; (11) $239.07.

A. Cassius B. Gravitt, Jr.,[5] National League of District Postmasters, 1110 F Street NW., Washington, D. C.; assistant legislative representative, service organization for postmasters.

B. National League of District Postmasters, 1110 F Street NW., Washington, D. C.; service organization for postmasters.

C. (1) Permanently.

C. (2) Any legislation which affects postmasters.

C. (3) (a) The Postmasters' Advocate, monthly magazine; (b) 20,000 and up; (c)

[5] Filed with the Clerk only.

15th of month; (d) Fleet-McGinley, Inc., Baltimore, Md.

D. (5) $833.33; (7) $833.33; (9) $833.33.

E. (2) $833.33; (9) $833.33; (11) $833.33.

A. David G. Gray, executive assistant, Humble Oil & Refining Co., Houston, Tex.

B. Humble Oil & Refining Co., Houston, Tex.

C. (1) Probably until recess or adjournment of Eighty-first Congress.

C. (2) I do not believe my work falls within the scope of activity covered by the Lobbying Act. I registered as a precaution against possible unintentional violation. My part-time duties are to observe and report progress of all pending legislation affecting business in general, which included practically every important measure before Congress.

D. (5) $1,500; (7) $1,500; (9) $1,500. That portion of my salary that might be attributed to legislative activity.

E. (6) $50; (7) $2,687.58; (9) $2,737.58; (15) $2,737.58.[2]

A. Great Lakes-St. Lawrence Association, trade association; N. R. Danielian, Mayflower Office Building, economic research.

B. Great Lakes-St. Lawrence Association, Mayflower Office Building, trade association.

C. (1) Unknown.

C. (2) St. Lawrence legislation.

D. (1) $400; (6) $11,313.83; (7) $11,713.83; (8) $13,075; (9) $24,788.83; (13) yes; (14) $21.00; Hanna Coal & Ore Co.; $812.37, St. Lawrence County, N. Y.; $2,000, Ford Motor Co.

E. (1) $367.24; (2) $7,098.17; (4) $482; (5) $792.82; (6) $233.78; (7) $600.05; (8) $272.77; (9) $9,846.83; (10) $9,873.98; (11) $19,720.81; (15) all.

A. Abner Green, 23 West Twenty-sixth Street, New York, N. Y.

B. American Committee for Protection of Foreign Born, 23 West Twenty-sixth Street, New York, N. Y.; immigration and naturalization.

C. (1) Indefinitely.

C. (2) (a) Immigration and naturalization legislation, (b) S. 3455 and H. R. 8346.

D. (13) No.

A. Ernest W. Greene, vice president, Hawaiian Sugar Planters' Association, 731 Continental Building, Washington, D. C.: agricultural association.

B. Hawaiian Sugar Planters' Association, Post Office Box 2450, Honolulu, T. H.

C. (1) I am not employed to support or oppose any legislation.

D. No.

A. M. F. Greenstreet, 1917 Claremont Avenue, Independence, Mo.; secretary.

B. Greenback Party, Indianapolis, Ind.

C. (1) Greenback Party favors money and pension reform.

C. (2) Stopping report second quarter because the party so far has sponsored no special bill.

C. (3) Equalitarian Bulletin, Los Angeles, Calif.; circulation 1,000 copies monthly.

D. (1) $3.05; (3) $7.15; (4) $1; (7) $11.20; (8) $2; (9) $13.20; (13) no.

E. (1) $3; (4) $14.75; circulars, $6.10; postage, $8.65; (5) $2.80; envelopes and paper; (8) $1; (9) $20.55; (10) $14.10; (11) $34.65.

A. Weston B. Grimes, 436 Bowen Building, Washington, D. C.; lawyer.

B. Cargill, Inc., 200 Grain Exchange, Minneapolis 15, Minn.; grain, feed, seeds, etc.

C. (1) Indefinitely.

C. (2) Agriculture and the processing and transportation of the products thereof, title 7 U. S. C. A., etc., Public Laws 471, 146, 579, H. R. 8920, H. R. 8304, H. R. 5345, H. R. 6000, S. Res. 50.

D. (5) $6,250.02; (6) $2,936.93; (7) $9,186.95; (8) $8,731.09; (9) $17,918.04.

E. (10) $4; (11) $4.

[2] Estimated.

A. P. Irving Grinberg, executive vice chairman, Jewelers Vigilance Committee, 17 West Forty-fifth Street, New York, N. Y.

B. Jewelers Vigilance Committee, trade association.

C. (1) As long as efforts are necessary to secure relief from the retail excise tax on jewelry.

C. (2) To secure relief from retail excise tax on jewelry.

C. (3) Issue no publications.

D. (5) $5,250; duties include various activities besides lobbying.

E. (7) $188.50; (15) $188.50.

A. Group of institutional investors holding first and refunding mortgage bonds of Missouri Pacific Railroad Co., care of E. J. Conroy, secretary, 763 Broad Street, Newark, N. J.; Protection of interests of members in Missouri Pacific reorganization.

B. The members of the group are listed under D.

C. (1) The activities of the group during the quarter covered by this report are exempt under the Lobbying Act for the reason that all such activities related to the appearance by a representative of the group before the Senate Committee on Interstate and Foreign Commerce at the hearings of that committee on Senate Resolution 241 proposing an investigation of the Missouri Pacific reorganization. This report is therefore not a registration of the group under the Lobbying Act, but merely a report of expenditures in connection with that appearance pursuant to section 264 of title 2 of the United States Code.

D. (1) $2,084.13; (14) companies sharing in expenses are: Metropolitan Life Insurance Co., 1 Madison Avenue, New York, N. Y., insurance, 31.93 percent; The Prudential Insurance Co. of America, 763 Broad Street, Newark, N. J., insurance, 18.77 percent; Insurance Co. of North America, 1600 Arch Street, Philadelphia, Pa., insurance, 3.56 percent; New England Mutual Life Insurance Co., 501 Boylston Street, Boston 17, Mass., insurance, 8.44 percent; Provident Mutual Life Insurance Co., Philadelphia, Pa., insurance, 1.01 percent; New York Life Insurance Co., 51 Madison Avenue, New York, N. Y., insurance, 25.98 percent; The First National Bank of the City of New York, 2 Wall Street, New York, N. Y., banking, 6.93 percent; The Mutual Benefit Life Insurance Co., P. O. Box 359, Newark, N. J., insurance, 3.38 percent. Prior to July 1, 1949, the Northwestern Mutual Life Insurance Co., John Hancock Mutual Life Insurance Co., and Bank of New York and Fifth Avenue Bank withdrew from membership in the group. The amount shown in item D of this report was not actually received by the group. It is reported for the reason that the members of the group are liable in proportion to the percentages set opposite their names above for the expenses incurred by the group. At the end of each fiscal year of the group, June 30, each member of the group is assessed in proportion to its holdings of first and refunding mortgage bonds of Missouri Pacific R. R. Co. for the expenses incurred by the group during the fiscal year. The holdings of the members of the group as of July 1, 1950, are not available at the time of filing this report. Accordingly, the percentages shown above are based on the holdings as of July 1, 1949. It is believed that there has been no substantial change in holdings during the last fiscal year.

E. (2) $1,675; (4) $123; (6) $54.29; (7) $231.54; (8) $0.30; (9) $2,084.13; (11) $2,084.13.

A. James S. Gunn, 10 Independence Avenue, Washington, D. C.; railroad labor representative.

B. Brotherhood of Locomotive Firemen and Enginemen, 318 Keith Building, Cleveland, Ohio; railroad brotherhood.

C. (1) Until June 30, 1950; this concludes my lobbying activities.

C. (2) S. 3295 and H. R. 7789, identical bills, to amend the Railway Labor Act; S. 238 and H. R. 378, identical bills, to amend section 25 of the Interstate Commerce Act; oppose S. 3463, the Donnell bill, to amend the Railway Labor Act; interested in all other legislation affecting the interests of the Brotherhood of Locomotive Firemen and Enginemen.

D. (5) $1,245; (6) $1,021; (7) $2,266; (8) $1,456; (9) $3,722; (13) No.

A. John Gunther, 1740 K Street NW., Washington, D. C.

B. Americans for Democratic Action, 1740 K Street NW.; political organization, general public interest group.

C. (1) Indefinitely.

C. (2) I work on all bills which come before Congress.

C. (3) I am in no way involved with the publication of material.

A. Violet M. Gunther (formerly registered as Violet Megrath), 1740 K Street NW., Washington, D. C.

B. Americans for Democratic Action, 1740 K Street NW., Washington, D. C.; political organization, general public interest group.

C. (1) Indefinitely.

C. (2) All bills covered by convention, adopted program of organization.

C. (3) Periodic legislative news letter to chapters; column in monthly organizational paper, ADA World, published by Mercury Press; news letter to 185 chapters; paper to 24,000 members.

A. David J. Guy, manager of natural resources department, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D. C.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) CVA (Columbia Valley Authority), S. 1645, by Magnuson; Kerr bill; Natural Gas Act; S. 1498, H. R. 1758.

D. (5) $2,950 [1]; (7) $2,950; (8) $2,950; (9) $5,900; (13) No.

E. (7) $19.75; (9) $19.75; (10) $7.65; (11) $27.40.

A. Frank E. Haas, business address, 204 South Canal Street, Chicago, Ill.; special representative, the Association of Western Railways.

B. The Association of Western Railways, 474 Union Station Building, being an association of railroads (see report filed by that organization).

C. (1) This registrant is interested in any and all Federal legislative proposals which may or do affect western railroads. Activity in connection with such matters is by no means his principal purpose and he only occasionally engages in such activity. However, he desires to be in a position to do so and will file reports and otherwise comply with the law in such event. His potential interest in such matters is continuing.

C. (2) During the second quarter of 1950 there were no Federal legislative matters in connection with which this registrant engaged in any activity.

D. (13) No.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D. C.; executive secretary.

B. CIO Maritime Committee, 132 Third Street SE.; legislative office.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to merchant seamen, to the national peace, security, democracy, prosperity, and general welfare. Oppose legislation detrimental to these objectives.

D. (5) $1,560; (7) $1,560; (9) $1,560; (13) No.

[1] One-fourth of salary.

E. (6) $71.39; (7) $1,129.39; (9) $1,200.78; (11) $1,200.78; (15) $1,200.78.

A. Samuel P. Haines, 4407 Sixteenth Street NW., Washington, D. C.; nature of business: Special representative before the Congress.

B. Twenty Percent Cabaret Tax Committee, 171 West Randolph Street, Chicago, Ill.; nature of business: Committee of hotel owners and operators to present excise tax facts to Congress to bring about reduction or repeal of 20 percent cabaret tax.

C. (1) Employed for necessary time required to bring about reduction or repeal of 20 percent cabaret tax.

C. (2) Interested in all bills that are germane to excise tax field and will assist in bringing about a reduction or repeal of 20 percent cabaret tax.

C. (3) (1) (a) Mimeographed statement to House committee; (b) one copy; (c) May 17, 1950; (d) AAA Letter Service, Washington, D. C. (2) (a) Printed statement to House committee; (b) one copy; (c) May 22, 1950; (d) the Bureau of National Affairs, Inc., Washington, D. C. (3) (a) Letters to members of Ways and Means Committee; (b) 30 copies; (c) June 10, 1950; (d) AAA Letter Service, Washington, D. C.

D. (5) $4,000; (7) $4,000; (8) $1,550; (9) $5,550.

E. (2) $1,035; (4) $34.45; (6) $14.08; (7) $668.22; (8) $14.68; (9) $1,766.43; (10) $1,553.50; (11) $3,319.93; (12) $3,700; (15) $1,766.43.

A. William C. Hale, Tennessee Eastman Corp., Kingsport, Tenn.; assistant comptroller.

B. Tennessee Eastman Corp., Kingsport, Tenn.; manufacturing.

C. (2) Revisions in the Tariff Act, drawback regulation, H. R. 4612.

D. (13) No.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill.; to amend for clarification purposes section 3403 (c) of the Internal Revenue Code.

B. By hundreds of small automotive concerns who are held to be liable for excise tax on repaired, rebuilt, and reconditioned automotive parts when sold as such.

C. (1) This session of Congress.

C. (2) Amend section 3403 (c) of Internal Revenue Code.

D. (2) $91.54; (7) $91.54; (8) $175; (9) $266.54; (13) No.

E. (4) $36.94; (6) $25.27; (7) $681.03; (9) $793.24; (10) $547.50; (11) $1,340.74.

A. Hugh F. Hall, American Farm Bureau Federation, 261 Constitution Avenue NW., Washington, D. C.

B. American Farm Bureau Federation, 221 North La Salle Street, Chicago, Ill.

C. (1) Indefinite.

C. (2) In accordance with the annual meeting resolutions adopted by the American Farm Bureau Federation, proposed legislation on the following matters has been supported or opposed: appropriations for the fiscal year 1951; Commodity Credit Corporation; section 22 of the Agricultural Adjustment Act; cotton, wheat, peanut, and rice quotas and allotments; wheat marketing certificates program; commercial corn-producing areas; marketing quotas for cigar wrapper tobacco; potato marketing quotas; sugar quotas; extension of agricultural marketing Agreement Act of 1937; foreign economic assistance; displaced persons; point 4 program; Foreign Economic Commission; import controls; educational exchange; trade policy with Communist countries; customs regulations; oil imports; agricultural credit; Rural Electrification Act amendment; brucellosis; Government reorganization; rural roads; taxation; social security; education; postal rates, farm labor; rural housing; farm program; marketing facilities for perishables; tenant purchase, production and subsistence loans; extension of civil service; Farm Bureau-Extension Service relationships; Cooperative Forest Management Act; Central Valley (Calif.) projects; antitrust.

C. (3) See report filed for American Farm Bureau Federation for this information.

D. (5) $1,750.04; (7) $1,750.04; (8) $1,750; (9) $3,500.04; (13) no.

E. (7) $16.89; (9) $16.89; (10) $332.91; (11) $349.80; (15) $16.89.

A. Radford Hall, 515 Cooper Building, Denver, Colo.; assistant executive secretary.

B. American National Live Stock Association, 515 Cooper Building, Denver, Colo.

D. (5) $1,500; (7) $1,500; (8) $1,950; (9) $4,250.

E. (10) $405.99; (11) $405.99.

A. E. C. Hallbeck, 711 Fourteenth Street, NW., Washington, D. C.; legislative representative.

B. National Federation of Post Office Clerks, 711 Fourteenth Street NW., Washington, D. C.; trade-union.

C. (1) Indefinitely.

C. (2) All legislation pertaining to the postal service and the welfare of postal and Federal employees.

C. (3) Federation News Service bulletin: (a) weekly news bulletin; (b) 10,900; (c) April 7, 14, 21, 26, 28; May 5, 12, 19, 26; and June 2, 9, 16, 23, 30; (d) Ransdell, Inc.

D. (5) $2,000.06; (7) $2,000.06; (8) $2,333.31; (9) $4,333.37; (13) no.

E. (7) $2,327.44; (9) $2,327.44; (10) $933.89; (11) $3,261.33; (15) $2,327.44.

A. James B. Hallett, general counsel, National Association of Life Underwriters, 11 West Forty-Second Street, New York, N. Y.

B. National Association of Life Underwriters, 11 West Forty-Second Street, New York, N. Y.; trade association.

C. (1) Legislative interests will continue indefinitely.

C. (2) General legislative interests pertain to social-security legislation, revision of the International Revenue Code and/or regulations which affect policyholders of members of employer association. H. R. 6000 and H. R. 8920.

C. (3) (a) Life Association News; (b) 55,000; (c) monthly; (d) Hamilton Printing Co., Albany, N. Y.

D. (5) $191.80; (7) $191.80; (8) $438.40; (9) $630.20; (13) no.

E. (6) $2.10; (7) $131.03; (9) $133.13; (10) $284.08; (11) $417.21; (15) $133.13.

A. Lloyd C. Halvorson, 744 Jackson Place NW., Washington, D. C.

B. The National Orange, 744 Jackson Place NW., Washington, D. C.

C. (1) My legislative work will vary according to how it is assigned to me by Dr. J. T. Sanders of the National Grange.

C. (2) My legislative work, if any, will be in farm legislation, health, and social security.

C. (3) I have not had any statement published relating to legislative work in the past quarter.

D. (5) $1,500.

E. (7) $4.65; (9) $4.65; (11) $4.65; (15) $4.65.

A. Harry G. Hamlet, 1616 I Street NW., Washington, D. C.; president.

B. Retired Officers Association, Inc., 1616 I Street NW., Washington, D. C.; Preamble—to inculcate and stimulate love of our country and the flag; and to defend the honor, integrity, and supremacy of our National Government and the Constitution of the United States; to foster fraternal relations between all branches of the various services from which our members are drawn; to aid the retired personnel of the various services from which our members are drawn in every proper and legitimate manner; and the present their rights and interests when service matters are under consideration, we unite to form the Retired Officers Association.

C. (2) Indeterminate.

C. (2) Any and all legislation pertinent to the rights, benefits, privileges, and obligations of retired officers, male and female, Regular and Reserve, and their dependents and survivors, of whatever nature, dealing with personnel matters, pay and retirement benefits, and pensions, studying and analyzing bills, preparing statements for presentation to the cognizant committees, and drafting amendments where indicated, appearing before committees of Congress, principally the Committees on Armed Services, the Committee on Veterans' Affairs, and the committees dealing with various privileges, opportunities, and obligations of the personnel involved.

C. (3) The Retired Officers Association Bulletin. (a) An informational bulletin covering all of the activities of the association; (b) 20,000 per issue; (c) 15th of March, June, September, and December; (d) Graphic Arts Press, Inc.

D. (5) $750; (7) $750; (8) $750; (9) $1,500; (13) no.

A. Joseph J. Hammer, 26 Broadway, New York, N. Y.

B. Socony-Vacuum Oil Co., Inc., 26 Broadway, New York, N. Y.; production, manufacturing, distribution, and marketing of petroleum products.

C. (1) Indeterminate.

C. (2) Same as set forth in detail in preliminary report of registration dated June 5, 1950.

D. (5) $1,125, this represents one-quarter of so much of registrant's annual remuneration as is attributable to the performance of duties which are subject to the Lobbying Act; (6) $237.61, reimbursement for traveling expenses; (7) $1,362.61; (9) $1,362.61; (13) no.

E. (5) Occupy space in company's general office; (6) $5.04; (7) $232.57; (9) $237.61; (11) $237.61; (15) $237.61.

A. Robert C. Handwerk, 815 Fifteenth Street NW., Washington, D. C.; attorney at law.

B. Tampa Shipbuilding Realty Corp., 3301 Bayshore Boulevard, Tampa, Fla. (not in business).

C. (1) Two months.

C. (2) H. R. 7479, Eighty-first Congress, second session.

A. William A. Hanscom,[2] 1700 I Street NW., room 406, Washington, D. C.; legislative representative for the Oil Workers International Union, CIO.

B. Oil Workers International Union, CIO, 1840 California Street, Denver, Colo.; labor union affiliated with the Congress of Industrial Organizations.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity, and general welfare; oppose legislation detrimental to these objectives.

C. (3) See Oil Workers' report.

D. (5) $1,500; (6) $135; (7) $1,635; (9) $1,635.

E. (7) $135; (9) $135; (10) $135; (15) $135.

A. William A. Hanscom, 1700 I Street NW., room 406, Washington, D. C.; legislative representative for the Oil Workers International Union, CIO.

B. Oil Workers International Union, CIO, 1840 California Street, Denver, Colo.; labor union affiliated with the Congress of Industrial Organizations.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity, and general welfare; oppose legislation detrimental to these objectives.

C. (3) See Oil Workers' report.

D. (5) $1,500; (6) $135; (7) $1,635; (8) $1,635; (9) $3,270.

E. (7) $135; (9) $135; (10) $135; (11) $270; (15) $135.

A. Murray Hanson, 1625 K Street NW., Washington, D. C.; general counsel, Investment Bankers Association of America.

[2] Filed for first quarter, 1950.

B. Investment Bankers Association of America, 1625 K Street NW., Washington, D. C.; also, 33 South Clark Street, Chicago, Ill.

C. (1) Indefinitely.

C. (2) Legislation affecting the securities business; (a) S. 2408, Eighty-first Congress, first session; (b) H. R. 7005, Eighty-first Congress, second session; (c) tax legislation generally.

C. (3) (a) IBA Washington Bulleti , which is sent to members and their branch offices; (b) 2,128, one issue; (c) April 12, 1950; (d) Huff Duplicating Co., Inc. (a) Letter to members and enclosure; (b) approximately 1,641; (c) April 6, 1950; (d) Huff Duplicating Co., Inc. (a) Report to members re IBA board meeting; (b) approximately 1,641; (c) June 9, 1950; (d) Huff Duplicating Co., Inc.

D. (5) $600; (7) $600; (8) $600; (9) $1,200. An estimate; see item (4) of my registration on Form B, dated January 24, 1950, for method of computation.

E. (2) $80; (4) $564.02; (5) $128.33; (6) $42.45; (7) $51.33; (9) $866.13; (10) $604.77; (11) $1,470.90; (15) $866.13.

A. Ralph W. Hardy, 1771 N Street NW., Washington, D. C.; director, Government relations department (liaison with foreign governments, international organizations, and committees relating to broadcasting, including international allocation of frequencies and flow of information, and with branches and departments of local, State, and Federal Governments, and activity in areas of standards and education).

B. National Association of Broadcasters, 1771 N Street NW., Washington, D. C.; a national trade association.

C. (1) General statement: Registrant is interested in any legislation, local, State, Federal, or international, which affects the broadcasting industry. As outlined above under A, registrant will continue to have a legislative interest as long as he occupies his present position with his employer.

C. (2) (b) As stated above, registrant has general interest in radio legislation, and particular interest during the past quarter in McFarland bill (S. 1973), Sadowski bill (H. R. 6949), Sheppard bill (H. R. 7310), duty-on-tape-recordings bills (H. R. 5887, H. R. 8726), President's Reorganization Plan No. 11, and Senate Resolution 256, horse-race bill (S. 3358), and joint House and Senate recording facilities (H. J. Res. 332).

C. (3) During the period immediately preceding May 17, registrant was active, in conjunction with general counsel's office, enlisting the support of broadcasters in various parts of the country to urge their Senators to defeat Reorganization Plan No. 11. See D (9).

D. (9) The registrant does not fill in D and E hereof because of the ambiguous phrase "in connection with legislative interests." The registrant is of the opinion and has been advised that the Federal Regulation of Lobbying Act of 1946 is not applicable to him. However, he has registered to show his good faith and in order that no question will be raised by any person concerning the propriety of his performing any act respecting Federal legislation. Any activities from time to time of registrant relating to the passage or defeat of any legislation by the Congress of the United States are incidental to his broad duties and activities briefly set forth under A, above. The registrant does not directly or indirectly solicit or receive money or other thing of value to aid, nor is the principal purpose of registrant to aid, in the accomplishment of the passage or defeat of any legislation by the Congress of the United States, or to influence, directly or indirectly, the passage or defeat of any legislation by the Congress of the United States. The total money received and expended by the registrant during the second quarter of 1950 is $4,759.13 received as salary for performance of all his activities, and $384.11 received for expenses relating thereto for same period. The approximate cost of activity listed under C (3) was $43.75.

A. L. James Harmanson, Jr., 744 Jackson Place NW., Washington, D. C.; administrative counsel, National Council of Farmer Cooperatives.

B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C.; a trade organization for farmer cooperatives marketing farm products and/or purchasing farm supplies.

C. (1) Indefinite.

C. (2) General legislative interests: Legislation in field of transportation and pertaining to legal and tax matters of interest to farmer cooperatives. Specific legislative interests: H. R. 8920, Revenue Act of 1950; H. R. 5064, to tax cooperatives and other exempt corporations; H. R. 7547, to amend section 203 (b) (6) of part II of Interstate Commerce Act, tax revision legislation, 1950; H. R. 7637, regulation of sizes and weights of motor vehicles in interstate or foreign commerce.

C. (3) Contribute from time to time news reports and other material sometimes of legislative significance, to the Washington Situation, the weekly newsletter of the National Council of Farmer Cooperatives. This weekly newsletter is mimeographed and has an approximate distribution of 1,000 copies to National Council members and others on the mailing list.

D. (5) $2,025; (7) $2,025; (8) $2,025; (9) $4,050.

E. (7) $80.63; (9) $80.63; (10) $75.81; (11) $156.44; (15) $80.63.

A. Miss Elsie Dorothy Harper, secretary for national public affairs, Young Women's Christian Association of the United States of America, National Board, 600 Lexington Avenue, New York, N. Y.

B. Young Women's Christian Association of the United States of America, National Board, 600 Lexington Avenue, New York, N. Y.

C. (1) Indefinite; work on current specific pieces of legislation continues throughout the triennium between national conventions.

C. (2) (i) Amendment to the Displaced Persons Act; (ii) amendment to the Fair Labor Standards Act; (iii) grants-in-aid for local public health departments; (iv) civil-rights bills; (v) Federal aid to education; (vi) ratification of the Genocide Convention of the United Nations; (vii) opposition to equal-rights amendment; (viii) point 4; (b) (i) H. R. 4567; (ii) H. R. 5856; (iii) H. R. 5865; (iv) H. R. 4453; (v) H. R. 4643; (vi) no actual bill on ratification of the convention regarding genocide; (vii) equal-rights bill; (viii) S. 2917.

C. (3) One publication has been issued entitled "Taking a Hand in International Relations" in 1950; it did not deal with legislation; public affairs pamphlets (printed) are issued four times a year; they are not issued to promote specific pieces of legislation but are designed primarily as citizenship education; occasional news letters are issued; these are mimeographed and at times give information on specific bills; they, too, are intended primarily for citizenship education.

C. (4) (a) Compensation is by the month; (b) rate is approximately $160 a month for the person registering and a secretary; (c) legislative work is only a minor part of the work of the public affairs secretary; (d) expenses amount to approximately $120 a month for stenographic help, travel, mimeographing, stationery, postage, telephone, telegraph.

A. Robert E. Harper, managing director, 1001 Fifteenth Street NW., suite 39, Washington, D. C.

B. National Business Publications, Inc., 1001 Fifteenth Street NW., suite 39, Washington, D. C.; an association of publishers of trade, technical, scientific, and professional periodicals.

C. (1) Until action is consummated on pending postal legislation.

C. (2) That which affects postal rates of controlled-circulation periodicals published by members of the above-named association.

C. (3) Official association newsletter circulated approximately every 2 weeks to association members.

NOTE.—Such activity is but a small portion of his year-round duties as managing director of the above-named association.

D. (5) Salary, $15,000 per annum, for year-round services as executive head of the above-named association.

E. (7) Robert E. Harper, managing director of the above-named association on a year-round annual salary basis; for such ordinary expenses as cabs to and from Capitol Hill, luncheons, and other courtesies, $9.30; (9) total for this quarter, $9.30; (10) expended during previous quarters of calendar year, $169.60; (11) total from January 1 through this quarter, $178.90; (15) $9.30.

A. Winder R. Harris, vice president, in charge of the Washington office of the Shipbuilders Council of America, 441 Washington Building, Washington, D. C.

B. Shipbuilders Council of America, 21 West Street, New York, N. Y.; trade association representing shipbuilding and ship-repair industry.

C. (1) Indefinite.

C. (2) Legislation affecting the American merchant marine, S. 2786 and H. R. 5346, companion long-range shipping bills; Reorganization Plan 21, dealing with United States Maritime Commission.

NOTE.—Not employed primarily nor principally for legislative work. Whatever is done along this line is incidental to other major duties.

E. (5) $106.40; (7) $161.90; (9) $268.30.

A. Merwin K. Hart, president, National Economic Council, Inc., 7501 Empire State Building, New York, N. Y.

B. National Economic Council, Inc., 7501 Empire State Building, New York, N. Y.; educational organization, not for profit.

C. (1) Indefinite.

C. (2) As president of the council, I appeared once before the House Committee on Foreign Affairs in opposition to ratification of the ITO Agreement; I have made statements in council letters 236–241, both inclusive, copies of which are being furnished by the National Economic Council in its current lobbying report.

D. (5) $316.75 (33⅓ percent); (7) $316.75; (8) $1,681.44; (9) $1,998.19.

E. (7) $44.45; (13) $500 lent to council during this quarter; (14) $500 repayments received during this quarter; (15) $44.45.

A. Stephen H. Hart, 350 Equitable Building, Denver, Colo.

B. National Livestock Tax Committee, Cooper Building, Denver, Colo.; committee representing livestock associations listed on attached letterhead.[4]

C. (1) Employment.

C. (2) Interested in general livestock tax matters, including specifically proposed amendments to the Internal Revenue Code concerning capital gains on sale of breeding livestock and deduction of soil conservation, brush control, and other ranching expenditures. Bills H. R. 8920, H. R. 7470, H. R. 3087, H. R. 1713, H. R. 1399.

3. Articles in Oregon Farmer and Wyoming Woolgrower concerning H. R. 8920.

D. (5) During the quarter the National Livestock Tax Committee paid to me a per diem of $50 for office work and $100 per diem out of town for actual time spent in study, advice, conferences, and correspondence concerning general livestock tax questions, including the analysis of the present provisions

[4] Not printed. Filed in the Clerk's office.

of the Internal Revenue Code and current rulings and decisions concerning Federal taxation of livestock operators. Such activities also included work in connection with the position of the National Livestock Tax Committee toward amendments to the Internal Revenue Code concerning capital gains on sale of breeding livestock and the deduction of ranching expenditures. It is impossible to determine what part of my services relate to this legislative problem, but it is my opinion that little, if any, of my activities during the preceding quarter could be interpreted as lobbying. During the quarter a total of $2,835 for legal services was paid to me for all my activities and services. I was also reimbursed for out-of-pocket expenses for telephone, telegraph, mimeographing, travel, food, and lodging in the amount of $1,127.30.

A. Dow W. Harter, 412–414 Washington Building, Washington, D. C.; attorney at law.

B. The B. F. Goodrich Co., Akron, Ohio; rubber manufacturer.

C. (1) It is impossible to state how long legislative interests are to continue. My interest and that of the B. F. Goodrich Co. doubtless will not be terminated with the current quarter.

C. (2) I am interested on behalf of my client, the B. F. Goodrich Co., in legislation relating to the maintenance of facilities for the production of an ample supply of man-made domestic rubber in the United States for commercial and national defense purposes. I am also interested on behalf of my client in the repeal or reduction of present excise taxes on tires and tubes, and in certain other changes in our tax structure, and, generally, in other legislative proposals relating to tire manufacturers which may come before Congress from time to time.

D. (5) $1,875;[1] (6) $272.25; (7) $2,147.25; (8) $2,107.50; (9) $4,254.75; (13) no.

A. Douglas L. Hatch, 1424 K Street NW., Washington, D. C.; attorney at law.

B. James Stewart & Co., Inc., general contractors.

C. (1) Indefinitely.

C. (2) H. R. 6095.

A. Paul M. Hawkins, 1405 K Street NW., Washington, D. C.

B. American Hotel Association, 221 West Fifty-seventh Street, New York, N. Y.

C. (1) Indefinitely.

C. (2) Any and all bills and statutes of interest to the hotel industry.

D. (5) $2,050; (7) $2,050; (8) $2,050; (9) $4,100.

E. (7) $270.71; (9) $270.71; (10) $260.96; (11) $531.67; (15) $270.71.

A. Kit H. Haynes, 744 Jackson Place NW., Washington, D. C., director of information services, National Council of Farmer Cooperatives.

B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C.; a trade organization for farmer cooperatives marketing farm products and/or purchasing farm supplies.

C. (1) Indefinitely.

C. (2) General agricultural and farmer cooperative legislation. Less than 5 percent of my time is devoted to legislative activities.

C. (3) Assist in preparation of the Washington Situation (a) a weekly news letter of the National Council of Farmer Cooperatives, sent to council affiliates, news services, radio networks and stations, and miscellaneous persons who have requested to be placed on the mailing list; (b) approximately 1,000 copies; (c) every Friday; (d) mimeographed in council office. News Behind the Washington Situation; (a) an analytical news release dealing with some event or development of too great significance to be included in regular news letter. It is distributed with the regular news letter at irregular intervals; (b) approximately 1,000; (c) June 30, 1950; (d) mimeographed in council office. Also prepare farm news releases and special reports at irregular intervals for distribution to national council affiliates, news services, radio stations and networks. Contribute monthly article to symposium conducted by the National County Agent and VO–AG Teacher on a current question of national interest to farmers. This contribution is made at the request of the publisher, and all major farm organizations have been invited to participate in the symposium. The National County Agent and VO–AG Teacher is published monthly at Philadelphia, Pa., by Ware Bros. Co., 317 North Broad Street, Philadelphia, Pa., Sam L. Veitch, publisher.

D. (5) $1,875; (7) $1,875; (8) $1,875; (9) $3,750.

E. (7) $44.69; (8) $28.95; (9) $73.64; (15) $28.95.

A. Joseph H. Hays; business address, 204 South Canal Street, Chicago, Ill. He is a lawyer and is counsel for the Association of Western Railways. For a more detailed statement of the nature of his business see the report filed for the first quarter of 1950 together with documents therein referred to.

B. The Association of Western Railways, 474 Union Station Building, being an association of railroads (see report filed by that organization).

C. (1) This registrant is interested in any and all Federal legislative proposals which may or do affect western railroads. Activity in connection with such matters is by no means his principal purpose and he only occasionally engages in such activity. However, he desires to be in a position to do so and will file reports and otherwise comply with the law in such event. His potential interest in such matters is continuing.

C. (2) During the second quarter of 1950 there were no Federal legislative matters in connection with which this registrant engaged in any activity.

D. (13) No.

A. John C. Hazen, National Retail Dry Goods Association (trade association), Suite 808 Kass Building, 711 Fourteenth Street NW, Washington, D. C.

B. National Retail Dry Goods Association (trade association), 100 West Thirty-first Street, New York, N. Y.

C. (1) Indeterminately.

C. (2) H. R. 2945, postal bill; H. R. 810, LIFO; H. R. 6000, social security; H. R. 8920, Revenue Act of 1950.

C. (3) NRDGA Washington News Letter, 2,500 copies, June 29, 1950, offset in our New York office.

D. (5) $7,500; (13) No.

E. (6) $19.96; (8) $2; (9) $21.96; (10) $31.93; (11) $53.89; (15) $21.96.

A. Felix Hebert, general counsel for Associated Factory Mutuals, 602 Turks Head Building, Providence, R. I.

B. Associated Factory Mutual Fire Insurance Companies, Turks Head Building, Providence, R. I.

C. (1) Indefinitely.

C. (2) Amendment to Internal Revenue Code, section 207.

A. K. W. Heberton, room 101, 1405 G Street NW., Washington, D. C.; communications.

B. Western Union Telegraph Co., 60 Hudson Street, New York, N. Y.; communications.

C. (1) My interest in legislation affecting the telegraph company will continue during tenure of my position as assistant vice president in Washington.

C. (2) General legislative interests cover primarily tax legislation and any other legislative proposal affecting the interests of the telegraph company. Currently interested in excise-tax revisions of 1950.

D. (13) No.

E. (7) $172.25; (9) $172.25; (10) $203.70; (11) $375.95; (15) $172.25.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N. Y. (publishing); 132 Third Street SE., Washington, D. C. (without salary).

B. American Parents' Committee, 132 Third Street SE., Washington, D. C.

C. (1) Indefinitely.

C. (2) National school health services bill, H. R. 3942; public school construction bill, H. R. 5718; national child research bills, S. 904, H. R. 4465; Federal aid for education; local public health units, H. R. 5865; social-security revisions, H. R. 6000; physically handicapped children's education bills, S. 3102, H. R. 7296; school-lunch appropriation; Children's Bureau appropriation.

C. (3) Washington report on legislation affecting children, 500 mimeographed monthly by Parents' Institute, Inc., Bergenfield, N. J.

D. (6) $48.70, travel expenses, etc.; (7) $48.70; (9) $48.70.

E. (7) $48.70; (9) $48.70; (11) $48.70.

A. Leo J. Heer, 666 Lake Shore Drive, Chicago, Ill.

B. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.; trade association.

C. (1) Sporadic.

C. (2) Excise tax proposals. Segments of reorganization plan. Taxes.

C. (3) (a) Association bulletins; (b) approximately 6,000; (c) legislative matters given sporadic mention; (d) mimeographed on premises.

(a) National Furniture Review (comes within exemption of statute).

C. (4) Allocation of salary $1,000 annually. Paid semimonthly. Anticipated expenses not to exceed transportation and accommodations at committee hearing.

NOTE.—It is the opinion of NRFA legal counsel that the activities of NRFA and its registered representative are of such a nature and limited extent as to exclude both NRFA and its representative from provision of the act. But registration is being undertaken on the advice of counsel as evidence of good faith in conforming to the act should any later development occasion a change in interpretation.

D. (5) $250; (7) $250; (8) $250; (9) $500; (13) some members of the association pay dues in excess of $500 per year but the names of such members are not listed because such funds are not paid for the purposes covered by the act.

A. Robert B. Heiney, assistant to secretary, National Canners Association, 1133 Twentieth Street NW., Washington, D. C.

B. National Canners Association, 1133 Twentieth Street NW., Washington, D. C.; the association is the national trade association of the food-canning industry and engages in scientific research, statistical, home economics and claims work, and carries on other typical trade-association activity.

C. (1) Indefinite.

C. (2) H. R. 562 (food and drug exports); S. 1464 (citrus marketing orders); S. 1008 (freight absorption); H. R. 1343, H. R. 5091, H. R. 6677 (waste disposal); and generally all measures directly affecting the food-canning industry.

D. (5) $1,937.49; (13) no.

E. (7) $39.40; (15) $39.40.

A. Robert E. Hensel, 25 Broadway, New York, N. Y.; employee of law firm and engaged in general practice of tax law.

B. Chadbourne, Wallace, Parke, & Whiteside, 25 Broadway, New York, N. Y.; engaged in the general practice of law and general counsel of the American Tobacco Co., 111 Fifth Avenue, New York, N. Y.

C. (1) Legislative interests are expected to continue until tax legislation is passed extending the 85 percent dividends received credit to dividends received from resident

[1] Impossible to separate fee received into legal services and those connected with legislative interests.

foreign corporations to the extent that such resident foreign corporations derive income from United States sources.

C. (2) See (1) above. The proposed legislation was contained in section 120 of H. R. 6712, which was passed by the House of Representatives, second session, Eightieth Congress.

C. (3) No publications issued or caused to be issued.

D. Affiant, as employee of Chadbourne, Wallace, Parke & Whiteside, general counsel of the American Tobacco Co. is paid a regular monthly salary for services rendered to the law firm, which services include such services as may be required from time to time on behalf of the interests of the American Tobacco Co. in connection with the proposed legislative interests described in paragraph (C) of this report.

E. (10) $12.88; (11) $12.88.

A. Maurice G. Herndon, Washington representative, National Association of Insurance Agents, 1002 Washington Loan & Trust Building, Washington, D. C.

B. National Association of Insurance Agents, 80 Maiden Lane, New York, N. Y.; 1002 Washington Loan & Trust Building, Washington, D. C.; voluntary unincorporated membership association comprised of 27,000 local agencies who are members thereof of affiliated State associations.

C. (1) Indefinitely.

C. (2) Any legislation which affects either directly or indirectly the interests of local agents; (a) social security, H. R. 6000 (only interested in definition of employee); (b) omnibus appropriation bill, H. R. 7786.

C. (3) From time to time articles on legislative matters and position of National Association of Insurance Agents in regard thereto appear in its own publication, the American Agency Bulletin; (a) publication is devoted to the interest of local property insurance agents; (b) approximately 27,923; (c) approximately first day of month; (d) Mail & Express Printing Co., Inc., 160 Varick Street, New York, N. Y.

D. (6) $199.42; (7) $199.42; (8) $172.50; (9) $371.92; (13) no.

E. (7) $199.42; (9) $199.42; (10) $172.50; (11) $371.92.

A. Ewart A. Hester, law offices of Clinton M. Hester, 432 Shoreham Building, Washington, D. C.; please see supplemental statement filed by me with preliminary report, April 25, 1950.

B. Law offices of Clinton M. Hester, 432 Shoreham Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) Any proposed legislation affecting the brewing industry such as: H. R. 6111, a bill to amend the Federal Alcohol Administration Act; H. R. 2428, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; S. 1847, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; any proposed legislation affecting the wool industry.

D. (5) $2,500; (7) $2,500; (8) $2,500; (9) $5,00[illegible] (13) no.

A. M. F. Hicklin, secretary, Iowa Railway Committee, 507 Bankers Trust Building, Des Moines, Iowa.

B. Iowa Railway Committee, 507 Bankers Trust Building, Des Moines, Iowa.

C. (1) The Iowa Railway Committee is a voluntary organization composed of the State attorneys for Iowa of all class I railroads operating within Iowa. All expenses of the committee and expenditures made by the committee, including salary of the secretary of the committee, M. F. Hicklin, are paid over to the committee by the railroads represented on the committee; the amount paid by the several railroads being determined upon a prorated basis according to the taxable valuation and gross revenue in Iowa. The represented railroads are as follows: Chicago, Rock Island & Pacific; Chicago, Great Western; Chicago, North Western; Chicago, Milwaukee, St. Paul & Pacific; Chicago, Burlington & Quincy; Illinois Central; Great Northern; Atchison, Topeka & Santa Fe; Davenport, Rock Island & North Western; Wabash; Union Pacific; Minneapolis & St. Louis; Chicago, St. Paul, Minneapolis & Omaha. None of the above made a contribution of $500 in any one quarter for the purpose of influencing the passage or defeat of Federal legislation. The committee is organized for the purpose of handling matters of common interest to all of the railroads within the State of Iowa. The secretary of the committee is employed full time and is paid on an annual basis. Occasionally, the secretary engages in activities directed toward the passage or defeat of Federal legislation and such activity is only incidental and occasional. No additional compensation is paid to the secretary over and above his annual salary for activities relating to Federal legislation. His actual expenses incurred in connection with his duties including actual expenses incurred in connection with activities relating to Federal legislation are paid by the committee. No railroad represented on the committee has either directly or indirectly contributed any money to the committee which is earmarked to be used for the accomplishment of the purposes defined by the Lobbying Act. No specific amount of time is devoted to activities connected with Federal legislation. The secretary receives an annual salary of $8,700 which, on a basis of 310 working days, amounts to $28 per day. Therefore, in computing any salary received by the secretary, the actual time spent in Washington, D. C. and traveling to and from, will be computed at the figure of $28 per day.

C. (2) The committee is not interested in any specific act of the Congress but is interested generally in the acts of Congress which pertain to legislation affecting the railroad industry as a whole and the acts affecting the railroad industry in particular.

C. (3) No publications in connection with Federal legislation are issued or published by this committee or any of its employees.

E. (2) $224; (7) $333.88; (9) $557.88; (10) $354.35; (11) $912.23.

A. H. C. Hicks, 2201 North Oak Street, Arlington, Va.

B. Association of Petroleum Re-refiners, 2201 North Oak Street, Arlington, Va.

C. (1) Until end present session.

C. (2) H. R. 5648, S. 2172, and excise tax proposals.

D. (5) $500; (7) $500; (8) $543.63; (9) $1,043.63; (13) No.

E. (7) $47; (9) $47; (10) $60.31; (11) $107.31; (15) $47.

A. Mary Higgins, secretary-treasurer, Philippine-American Committee, 1025 Connecticut Avenue, Washington, D. C.

B. Philippine-American Committee, 1025 Connecticut Avenue, Washington, D. C.

C. (1) For this session of Congress.

C. (2) A bill to amend further the Philippine Rehabilitation Act of April 1946, as amended; (a) H. R. 7600, introduced in the House of Representatives March 7, 1950, by Congressman MILLER of California; (b) S. 3220, introduced in the Senate on March 8, 1950, by Senator KEFAUVER, of Tennessee.

D. (6) $3,000; (7) $3,000; (8) $45,550; (9) $48,550; less refunds in the amount of $1,500; see below; (13) Yes; (14) List of contributors to the Philippine-American Committee from April 1, 1950, to June 30, 1950: Procter & Gamble Trading Co., Cincinnati, Ohio, $500; Victorias Milling Co., Inc., Manila, Philippine Islands, $2,500; total received in this quarter, $3,000. Less $1,500; balance, $1,500. The following received refunds of $500 each; Benguet Consolidated Mining Co. ($500), Manila, Philippine Islands; Marsman Trading Corp. ($500), Manila, Philippine Islands; Andre Soriano Philippine Interests ($500), Manila, Philippine Islands. Amount of contributions reported March 31, 1950, $45,550; less refunds, $1,500; total, $44,050. Plus amount received this quarter, $3,000; total contributions as of this date, $47,050.

E. (2) $1,793.95; (4) $315.89; (5) $610.16; (6) $229; (7) $1,177.51, $1,358.37; (8) $1,500; (9) $6,984.88; (10) $38,554.21; (11) $45,-539.09; (15) $6,984.88.

A. Herbert R. Hill, trustee, The National Association of Life Underwriters, 11 West Forty-second Street, New York, N. Y.

B. None; the president, vice president, secretary, treasurer, trustees, and committee chairmen of this association serve without compensation.

C. (1) Legislative interests will continue indefinitely.

C. (2) Amendments to the Social Security Act, H. R. 6000.

C. (3) (a) Life Association News; (b) 55,000; (c) Monthly; (d) Hamilton Printing Co., Albany, N. Y.

D. (13) No.

E. (6) $34.54; (7) $111.63; (9) $146.17; (10) $214.64; (11) $360.81; (15) $146.17.

A. Justin Hinders, 1737 K Street NW., Washington, D. C.; public relations, National Association of Real Estate Boards, trade association.

B. National Association of Real Estate Boards, 22 West Monroe Street, Chicago, Ill.; trade association.

C. (1) Indefinite.

C. (2) Any legislation affecting the real-estate industry.

C. 3. Attached is a list[4] of news releases issued during the quarter which bear on legislative subjects. Complete information as to the extent to which these were published or the dates of publication is not available. Mailing list for these news releases is attached.[4] Mimeographing was done in our Washington office.

D. (5) $1,155.31; (7) $1,155.31; (8) $1,217.80; (9) $2,373.11 (50 percent of time for which salary is included is devoted to legislative activities); (13) No.

E. (7) $5.31; (9) $5.31; (10) $67.80; (11) $73.11; (15) $5.31.

A. Ray C. Hinman, 26 Broadway, New York, N. Y.

B. Socony-Vacuum Oil Co., Inc., 26 Broadway, New York, N. Y.; production, manufacturing, distribution and marketing of petroleum products.

C. (1) Indeterminate.

C. (2) Same as set forth in detail in first quarterly filing for 1950.

D. (5) $1,250 (this represents one-quarter of so much of registrant's annual remuneration as is attributable to the performance of duties which are subject to the Lobbying Act); (6) $417.36 (reimbursement for traveling expenses); (7) $1,667.36; (8) $1,733.37; (9) $3,400.73; (13) no.

E. (5) (Occupy space in company's general office); (6) $10.68; (7) $406.68; (9) $417.36; (10) $483.37; (11) $900.73; (15) $417.36.

A. Mr. L. S. Hitchner, Barr Building, 910 Seventeenth Street NW., Washington, D. C.; business is to further interests of firms producing agricultural chemicals for pest control.

B. National Agricultural Chemicals Association, 910 Seventeenth Street NW., Barr Building, Washington, D. C.

C. I have an interest in H. R. 323, Sabath resolution, passed June 20, 1950, and a possible interest in S. Res. 158, Hickenlooper resolution, if passed.

A. John L. Hoen, 1741 De Sales Street NW., Washington, D. C.

B. American-Hawaiian Steamship Co.; 90 Broad Street, New York, N. Y.; Eastern Steamship Lines, Inc., 40 Central Street, Boston, Mass.

C. (1) Indefinite.

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[4] Not printed. Filed in the Clerk's office.

C. (2) All legislative matters pertaining to the American merchant marine.

This statement shows my total compensation from the above-named employers. Only an undeterminable portion of my time is devoted to legislative matters.

D. (5) $3,750; (7) $3,750; (8) $3,416.67; (9) $7,166.67.

E. (6) $101.80; (7) $58; (8) $191.31; (9) $351.11; (10) $464.63; (11) $815.74.

A. Mr. Frank N. Hoffmann, 718 Jackson Place NW., Washington, D. C.; legislative representative, United Steelworkers of America.

B. United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa.; labor organization affiliated with the Congress of Industrial Organizations.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity, and general welfare. Oppose all legislation detrimental to these objectives.

C. (3) I have not individually issued or caused to be issued any publication as above described. Any such publications issued by the CIO are listed in the CIO report.

D. (5) $1,999.98; (6) $2,609.20; (7) $4,609.18; (8) $4,849.98; (9) $9,459.16.

E. (7) $2,609.20; (9) $2,609.20; (10) $2,350; (11) $5,459.20; (15) $2,609.20.

William J. Holloway, 804 First National Building, Oklahoma City, Okla.; Oklahoma Gas & Electric Co. (Form C received and filed in the Clerk's office.)

A. Charles W. Holman, 1731 I Street NW., Washington, D. C.; secretary for National Milk Producers Federation.

B. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.; national farm organization.

C. (1) Indefinitely.

C. (2) Any legislation that may affect milk producers or the cooperatives through which they act together to process and market their milk.

C. (3) The names of any papers, periodicals, magazines, or other publications in which the person filing has caused to be published any articles or editorials: (a) News for Dairy Co-ops; (b) 700; (c) weekly; (d) Federation. (a) Legislative Letter; (b) 1,200; (c) irregular; (d) Federation.

D. (5) $4,125; (6) $337.60; (7) $4,462.60; (8) $5,294.75; (9) $9,757.35; (10) no loans as contributions within the meaning of the Federal Regulation of Lobbying Act; (13) salary only.

E. (6) $37.85; (7) $230; (8) $69.75; (9) $337.60; (10) $1,169.75; (11) $1,507.35; (12) no loans as expenditures within the meaning of the Federal Regulation of Lobbying Act; (15) all.

A. Oscar W. Holste, room 301, 10 Independence Avenue SW., Washington, D. C.; temporary legislative representative of organization listed below.

B. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees (a railway labor organization), 1015 Vine Street, Cincinnati, Ohio.

C. (1) Legislative interests will continue indefinitely.

C. (2) S. 3295, H. R. 7789, and any other legislation pertaining to labor, railroad labor particularly.

D. (5) $1,280; (7) $1,280.

A. J. M. Hood, president, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D. C.

B. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D. C.

C. (1) Continuous.

C. (2) See complete legislative program filed with employer's return for last quarter 1949.

D. (5) $250; (6) $94.52; (7) $344.52; (8) $403.46; (9) $747.98; (13) no.

E. (7) $94.52; (9) $94.52; (10) $153.46; (11) $247.98; (15) $153.43.

A. Mrs. Hiram Cole Houghton, president, General Federation of Women's Clubs, 1734 N Street NW., Washington, D. C.

B. Not employed for pay; the president of the General Federation of Women's Clubs supports or opposes legislation, and asks the organization membership to do likewise, when authority for such action has been provided through the adoption of a resolution in national convention.

C. (1) Term of office as president of the General Federation began with election on June 1, 1950.

C. (2) The General Federation of Women's Clubs is a national and international organization, with an affiliated membership of some 11,000,000. One-half of the members are in the United States, the Territories and possessions, and in 14 affiliated national organizations. The General Federation does not represent or dictate the policies of these national organizations. The object of the General Federation is "to unite the women's clubs and like organizations throughout the world for the purpose of mutual benefit, and for the promotion of their common interest in education, philanthropy, public welfare, moral values, civics, and fine arts." The General Federation is nonpartisan and nonpolitical. The major interests of the clubs are along educational and welfare lines—to provide adequate educational opportunities for children and adults; to promote better care for the mentally and physically ill; to conserve natural resources; to further interest in music, literature, and art; and to foster better international relations. The General Federation of Women's Clubs employs no professional lobbyist. What active interest the organization takes in legislation at any time is only incidental to the general policies. Authority for supporting or opposing legislation is provided through the adoption of a resolution in national convention. During the first quarter of 1950 the General Federation submitted statements in support of ERA, forest conservation, the International Trade Organization appropriations and Alaska statehood. No formal statements have been submitted during the second quarter. The department of legislation is one of the eight departments of the General Federation. This department, together with divisions and committees, the Council of International Clubs and the junior clubs, receives supervision, counsel, and aid from the president. Much of the president's time is necessarily spent visiting State organizations. In the interest of international good will the General Federation sends representatives to visit groups in other countries. The General Federation president and the chairman of legislation are volunteer workers. For all the activities of the General Federation the operating income—received mainly from dues—was approximately $162,000 for the fiscal year ending March 1950. The General Federation receives no contributions to be used for lobbying. It is impossible to evaluate how much of the income is used for the comparatively small amount expended in submitting statements to Congress, for telegrams, postage, and miscellaneous.

D. (7) $350; (9) $350 (travel and miscellaneous expense in connection with the work of the General Federation). The president of the General Federation receives no salary or fees. A nominal amount is allowed for travel and miscellaneous expense in connection with the over-all activities of the organization.

A. Jesse V. Horton, post-office box 2013, Continental Hotel, Washington, D. C.

B. National Association of Postal Supervisors, post-office box 2013, Washington, D. C.

C. (1) Permanent.

C. (2) All legislation affecting supervisors in the postal field service and the postal service.

C. (3) Our monthly magazine, the Postal Supervisor, issued on the 1st of each month, 17,000 copies, printed by Ransdell, Inc., Washington, D. C. Semimonthly news matters to membership, about 7,000 each issue, mimeographed by Bates Duplicating Co., Washington, D. C.

D. (5) $1,875; (7) $1,875; (8) $1,875; (9) $3,750; (13) no.

E. (7) $669.50; (9) $669.50; (10) $180; (11) $849.50; (15) $669.50. All.

A. Robert B. House, Jr., 1625 K Street NW., Washington, D. C.; attorney and counselor.

B. Cummings, Stanley, Truitt & Cross, 1625 K Street NW., Washington, D. C.; New Process Co., Warren, Pa., merchandisers by mail.

C. (1) Unknown, but probably until end of current session of Congress.

C. (2) Postal rate legislation, H. R. 2945, to readjust postal rates; S. 1103, to readjust postal rates.

D. (9) No specific compensation for these services. Covered by general contract of employment as associate counsel with Cummings, Stanley, Truitt & Cross. Compensation under said contract will not be increased or affected by these services or this registration; (13) no.

A. S. H. Howard, 1514 Walters Avenue, Millvale, Pittsburgh, Pa.; grand-lodge representative of labor organization.

B. Brotherhood of Railroad Signalmen of America, 503 Wellington Avenue, Chicago, Ill.

C. (1) Indefinitely.

C. (2) H. R. 378 and S. 238 to amend section 25 of the Interstate Commerce Act; H. R. 7789 and S. 3295 to amend the Railway Labor Act, and all legislation directly and indirectly affecting the interests of labor generally, and employees of carriers under the Railway Labor Act in particular.

D. (5) $100; (6) $65; (7) $165; (8) $165; (9) $330; (13) no.

A. Harold K. Howe, 2480 Sixteenth Street NW., Washington, D. C.; manager, Washington office, American Institute of Laundering.

B. American Institute of Laundering, Joliet, Ill.; national trade association for power-laundry industry.

C. (1) Indefinitely.

C. (2) I am interested in legislation affecting the laundry industry and the members thereof. My primary function as to legislation is to report status, prospects, etc., to my employer above. See also letter attached to registration Form B which is made part hereof.

D. (5) $1,500; (7) $1,500; (8) $1,500; (9) $3,000; (13) no.

E. (7) $410.04; (9) $410.04; (10) $511.41; (11) $921.45; (15) $410.04.

A. Robert E. Howe, Jr., 1435 K Street NW., Washington, D. C.; legislative representative.

B. United Mine Workers of America, 900 Fifteenth Street NW., Washington, D. C.; labor organization.

C. (1) Indefinitely.

C. (2) Any and all legislation construed to be directly or indirectly beneficial or detrimental to the United Mine Workers of America and its members; H. R. 3023, H. R. 7599, H. R. 3342, H. R. 7996, H. R. 7748, H. R. 7749, H. R. 2693, H. R. 3095, H. R. 7786, S. 1031, S. 3178, S. 2311, S. 3236, S. 1066.

D. (5) $3,046; (7) $3,046; (8) $3,040; (9) $6,086; (13) no.

A. John L. Howland, care of Rathbone, Perry, Kelly & Drye, 70 Broadway, New York, N. Y.; attorney.

B. Gisela Kuenzel, 1831 de la Vina Street, Santa Barbara, Calif.; no business.

C. (1) Until specific legislation is enacted.

C. (2) S. 1292 and H. R. 1848, bills to amend the Trading With the Enemy Act. On behalf of Mrs. Kuenzel, an American citizen, and as her attorney, I filed a claim for return of property vested under the Trading With the Enemy Act by the Office of Alien Property and this claim was disallowed. The bills would permit allowance of her claim. If Congress amends the Trading With the Enemy Act Mrs. Kuenzel will pay us a fee not exceeding the 10 percent permitted by statute upon the allowance of her claim, otherwise she will merely reimburse expenses.

C. (3) Although it is doubtful that the Lobbying Act intends to cover this type of activity, this report is filed for my protection and for the protection of the firm with which I am associated.

D. (13) No.

E. (5) $1.56; (6) $14.23; (7) $115.04; (9) $130.83; (10) $69.86; (11) $200.69. (15) $130.83.

A. R. H. Hubbell, Jr., 210 West Washington Square, Philadelphia, Pa.; vice president of Attapulgus Clay Co.

B. Attapulgus Clay Co., 210 Washington Square, Philadelphia, Pa., producers and marketers of adsorbents (fuller's earth).

C. Through current session of Congress.

C. (2) Proposed amendments to Internal Revenue Code (sec. 114 (b) (4) to include fuller's earth in those minerals entitled to percentage depletion, and possibly the amendment of H. R. 7622 so as to include fuller's earth therein.

D. (7)$50; (9) $50; (13) no.

E. (2) $50; (9) $50; (11) $50; (15) $50.

A. W. T. Huff, 806 Connecticut Avenue NW., Washington, D. C.

B. Trans World Airlines, Inc. (formerly Transcontinental & Western Air, Inc.), 101 West Eleventh Street, Kansas City, Mo.; airline operation.

C. (1) Indefinitely.

C. (2) Legislation generally favorable to economic development of airline operation at home and abroad.

D. (5) $1,785; (7) $1,785.

E. (7) $248.93; (9) $248.93.

A. Carroll B. Huntress, 17 Battery Place, New York, N. Y.; (vice president, Republic Coal & Coke Co.).

B. National St. Lawrence Project Conference, 843 Transportation Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) Any legislation with reference to the St. Lawrence waterway and power project.

C. (3) General publicity issued by the conference.

D. Carroll B. Huntress, vice president, Republic Coal & Coke Co., 17 Battery Place, New York, N. Y., acting as chairman for the National St. Lawrence Project, without compensation and for reimbursement of expences.

E. (6) $53.67; (7) $1,103; (9) $1,162.57; (15) $56.57, New York Telephone Co., New York phone bill re St. Lawrence; $1,042, various railroads, hotels, travel; $64, various luncheon meetings.

A. George Hurley,[5] 105 Grosvenor Building, Providence, R. I.

B. National Association of Mutual Savings Banks, 60 East Forty-second Street, New York, N. Y.; trade association.

C. (1) 1950.

C. (2) For an indeterminate time in connection with tax revision program which was pending before the House Ways and Means Committee in May 1950.

D. (13) No.

E. (7) $218.06; (9) $218.06; (11) $218.06; (15) $218.06.

A. Henry A. Huschke, managing director, Agricultural Limestone Institute, 1415 Elliot Place NW., Washington, D. C.

B. Agricultural Limestone Institute, 1415 Elliot Place NW., Washington, D. C. The Agricultural Limestone Institute is a trade association engaged in the various activities designed to promote the welfare of the agricultural limestone industry.

C. (1) Indefinitely.

C. (2) H. R. 7786, H. R. 8920, S. 2635.

C. (3) (a) April 28, 1950, letter to members on appropriations for United States Department of Agriculture (H. R. 7786); May 22, and 24, June 7, 9, 23, and 29, letter to members on tax revision bill (H. R. 8920); (b) about 300 copies of each; (c) see above; (d) mimeographed on own equipment.

D. (5) $400; (7) $400; (8) $200; (9) $600; (13) no.

A. William C. Hushing, 901 Massachusetts Avenue NW., Washington, D. C.; chairman, national legislative committee, American Federation of Labor.

B. American Federation of Labor, 901 Massachusetts Avenue NW., Washington, D. C.; Federation of Trades and Labor Unions.

C. (1) Indefinitely.

C. (2) Legislation affecting the interests of working people.

D. (5) $2,816.49 and actual expenses.

E. (11) The only expenditures I have are actual expenditures for taxies, messengers, phones (when away from office) and minor miscellaneous expenses. They all average about $20 per week. For the second quarter of 1950, these expenses were $246.49.

A. Edgar S. Idol, 1424 Sixteenth Street NW., Washington, D. C.; general counsel.

B. American Trucking Associations, Inc., 1424 Sixteenth Street NW., Washington, D. C.; National trade association of the trucking industry.

C. (1) See report of American Trucking Associates, Inc.

D. (5) $3,904.46; (7) $3,904.46; (9) $3,904.46; (14) $3,904.46, American Trucking Associations, Inc.; January 1 to March 31, 1950.

E. (7) $154.46; (9) $154.46; (11) $154.46.

A. Illinois Associated Businessmen, Inc., room 1025, 231 South La Salle Street, Chicago, Ill.; association of businessmen formed to promote and protect the interests of business and to develop a long-term program for the protection of interests of business.

C. (1) Indefinitely.

C. (2) (b) The association's general legislative interests relate to labor legislation, Government regulation of business, and taxation. Association is specifically interested in H. R. 3905, H. R. 7343, H. R. 5064, and H. R. 8920.

C. (3) (a) National Associated Businessmen's Bulletin; (b) 600; (c) May 1, 1950; (d) received from National Associated Businessmen, Inc. (a) Reprint Reader's Digest April 1950 issue Uncle Sam's Untapped Tax Millions, by Noah Mason, M. C.; (b) 600; (c) June 1, 1950; (d) received from National Associated Businessmen, Inc.

D. (1) $60; (7) $60; (8) $150; (9) $210.

E. (2) $30; (4) $15; (6) $9.70; (9) $54.70.

Illinois Manufacturers' Association (James L. Donnelly), 120 South La Salle Street, Chicago 3, Ill. (Form A was submitted and was filed in the Clerk's office.)

A. Independent Bankers Association, Sauk Centre, Minn., a seminational bankers' association, interested primarily in the preservation of independent banking.

C. (1) Legislative interest to continue indefinitely.

C. (2) Interested in all legislation favorable or detrimental to independent banking. This quarter the association has supported S. 2822, an amendment to the Federal Deposit Insurance Act, and S. 2318, the bankholding bill.

C. (3) We haven't any publication, we circulate mimeographed letters from time to time to members of the banking fraternity.

D. (1) $29,357.60; (8) $29,357.60.

As secretary of the Independent Bankers Association, while a registered lobbyist, only part of my time is spent on legislative matters. The attached statement forms part of this report. The association operates from the money it receives from its membership dues, each bank as a member of the association pays $10 per year. Financial statement of receipts and expenditures for the second quarter is attached hereto. On April 21 our executive council member, Mr. W. L. Gregory, St. Louis, Mo., was paid $120 which covered expenses incurred the first week in March as a witness in favor of S. 2318. During this quarter I was in Washington twice—I left Sauk Centre May 9 and returned May 14. I spent most of my time in connection with the holding-company bill. The total cost of this trip including transportation, hotel, and sustenance amounted to $238.02. On June 16 I went to Washington by the way of Anniston, Ala., to testify in support of the FDIC bill before the House Banking and Currency Committee; returned to Sauk Centre June 22 and the total cost of this trip was $368.20.

My salary as secretary of the Independent Bankers Association is $8,500 per year and my traveling expenses are paid by the association. We hope this statement furnishes the information desired.

E. (11) $20,368.45.

A. Independent Natural Gas Association of America, Room 305, 1700 I Street NW., Washington, D. C.

B. The Independent Natural Gas Association of America is a nonprofit corporation organized and existing for the purposes to promote and advance the welfare, progress, and development of the natural-gas industry in the United States. The membership of the association is composed of natural-gas producers, pipeline companies, distributing companies, and royalty owners.

C. (1) The association is a perpetual corporation for the purposes as outlined in B above. One of the duties of this organization is to keep its membership informed regarding legislation which affects any or all phases of the natural-gas industry.

C. (2) The current legislation the association is concerned with is S. 1498, H. R. 1758, H. R. 5306, H. R. 4023, and other matters pertaining to natural gas.

C. (3) The association publishes each week a bulletin which is distributed to its members and which contains factual information of current interest obtained from all departments of the Federal Government and courts. This bulletin is not issued or caused to be issued in connection with the influencing of legislation.

D. (1) $8,045; (7) $8,045; (8) $36,635.21; (9) $14,740.21; (13) Yes; (14) This tabulation shows the yearly annual dues paid the association to make up its budget for all purposes. Listed by name are all members of the association whose annual dues for the year 1950 amounted to $500 or more and which have been paid in the second quarter of 1950. The total amount is set forth and no allocation is made for the purpose of this report because no part of these dues is specifically paid directly or indirectly to influence legislation (April 1, 1950, through June 30, 1950): Natural Gas Pipeline Co. of America, 20 North Wacker Drive, Chicago, Ill., $5,000; Amarillo Oil Co., post office box 151, Amarillo, Tex., $1,500; Total $8,500.

E. (2) $5,136; (5) $129; (6) $324.64; (7) $562.79; (9) $3,124.10; (10) $6,663.89; (11) $12,767.99.

A. Indiana Tax Equality Committee, Inc., second floor, Board of Trade Building, Indianapolis, Ind.; purpose of business: Promotion of tax equality.

C. (1) Until tax equality issue is resolved.

C. (2) Bills affecting equality of taxation—example, the Mason bill, H. R. 5064.

D. (1) $1,572.50; (7) $1,572.50; (8) $700; (9) $2,272.50; (13) No.

E. (3) $623.75; (5) $752.96; (8) $6.04; (9) $1,382.75; (10) $247.79; (11) $1,630.54.

[5] Filed with the Clerk only.

A. Indians of California, Inc., 1078 University Avenue, Berkeley, Calif. local address, 2838 Twenty-eighth Street NW., Washington, D. C.; the purpose of the organization is to secure remedial legislation from State and Federal Governments and to assist in litigation for the benefit of the Indians of California.

B. Indians of California, Inc.

C. (1) Legislative interests to continue over a period of years.

C. (2) H. R. 8340, H. R. 4584, and other congressional bills affecting Indians of California.

C. (3) Appendix of the CONGRESSIONAL RECORD, page A4852.

D. (6) $2,122.20.

E. (9) $1,691.33.

A. William Ingles, 1624 I Street NW., Washington, D. C.; labor relations counsel and legislative representative.

B. Self-employed.

C. (1) Indefinite.

C. (2) Legislation affecting industry; (b) S. 110, S. 249, S. 546, S. 706, S. 1031, S. 1318, S. 1728, S. 2819, S. 1439, S. 1992, S. 1868; H. R. 4453, H. R. 6681, H. R. 5591, H. R. 6718, H. R. 1380, H. R. 1584, H. R. 3853, H. R. 1247, H. R. 4997, H. R. 4326, H. R. 2213, H. R. 3651, H. R. 6000, H. R. 3023, H. R. 6666, H. R. 6628, H. R. 1852, H. R. 21, H. R. 61.

D. (5) $6,784; (7) $6,784; (8) $7,753; (9) $14,537; (13) Yes; (14) $1,800, Allis-Chalmers Manufacturing Co., Milwaukee, Wis.; $1,000, Acme Steel Company, Chicago, Ill.; $950, Armstrong-Blum Manufacturing Co., Chicago, Ill.; $1,800, J. I. Case Co., Racine, Wis.; $1,800, Falk Corp., Milwaukee, Wis.; $500, Kensington Steel Co., Chicago, Ill.; $600, Clayton Mark & Co., Evanston, Ill.; $500, United Specialties Co., Chicago, Ill.; Total $8,950.

E. (2) $750; (5) $427.12; (6) $105.22; (7) $704.97; (8) $360; (9) $2,347.31; (10) $2,263,-34; (11) $4,610.65.

A. The Insurance Institute of America, Inc., 80 John Street, New York, N. Y.; insurance education.

C. (1) The institute does not now and never has been active in influencing legislation. For that purpose it has received no funds and has expended none.

D. (13) No.

A. International Association of Machinists, Machinists Building, Washington, D. C.

B. Independent report of organization.

C. (1) Continuing legislative interest.

C. (2) The filing organization is interested in substantially all legislation affecting the socioeconomic and political interests of the American workingman including all pending legislation dealing with social security, national health, aid to physically handicapped, labor relations, displaced persons, etc.

D. (1) $3,596; (7) $3,596; (8) $1,650; (9) $5,246.

E. (2) $2,240; (4) $250; (5) $150; (6) $200; (7) $756; (9) $3,596; (10) $1,650; (11) $5,246.

A. International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers, Room 311–222 East Michigan Street, Indianapolis, Ind.; labor organization.

C. (1) When occasion requires.

C. (2) General interest is in Federal and State legislation affecting the interest and welfare of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, including its affiliate local unions and members.

D. (7) $3,750, total dues and initiation fees for quarter. This represents less than 0.005 percent; (13) no.

E. (1) $3,750; (9) $3,750; (10) $3,750; (11) $7,500.

A. International Chiropractors Association, 838 Brady Street, Davenport, Iowa; association of doctors of chiropractic, comprising 48 States, Provinces of Canada, etc.

C. (1) Indefinitely.

C. (2) (a) Legislation effecting the chiropractic profession and those it serves. National health plan, Federal aid to medical education, chiropractic care for veterans, school health bill, etc.; (b) S. 3501, S. 1679, S. 2025, S. 1453, S. 1411, H. R. 1512, H. R. 4312, etc.

D. (2) $748; (7) $748; (9) $748; (13) no.

E. (2) $1,200; (4) $803.14; (5) 202.47; (6) $50.10; (9) $2,255.71; (11) $2,255.71.

A. Inter-State Manufacturers Association, 163–165 Center Street, Winona, Minn.; a trade association composed of nine members, carrying on general activities for its members.

C. (1) Until legislation referred to in column 2 hereof is disposed of.

C. (2) H. R. 2945, S. 1103, H. R. 6000.

C. (3) We issued no publication, as such. We sent our members 10 bulletins.

D. (1) $2,854.37; (7) $2,854.37; (8) $2,760.27; (9) $5,614.64; (13) no. The amount of dues which we have shown in item No. 1 represents the total receipts from dues received from our members during this quarter. All such dues are used principally for other purposes than influencing legislation. No contributions are received or allocated for such purposes.

E. (4) $25.07; (5) $2.16; (7) $116.43; (8) $0.79; (9) $144.45; (10) $335; (11) $479.45. This association has one stenographer, receiving a monthly salary of $150. A fair allocation of reportable time spent by her is included in the various specific expense items. The law firm of George, Brehmer & McMahon, 165 Center Street, Winona, Minn., is paid an annual retainer of $6,000. This retainer is paid regardless of whether or not this firm does anything in respect to Federal legislation. On the average throughout the year less than 2 percent of their time is given to reportable matters.

A. Japanese American Citizens League Anti-Discrimination Committee, Inc., 406 Beason Building, Salt Lake City, Utah; nature: Promoting welfare of persons of Japanese ancestry in the United States.

C. (1) This is determined at annual convention held biennially. Next convention is to be held in Chicago, September 28–October 2, 1950.

C. (2) To promote the welfare of persons of Japanese ancestry in the United States (legislation is a part of this activity); (a) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence to make immigration quotas available to Asian and Pacific peoples, and for other purposes; other legislation affecting persons of Japanese ancestry; (b) House Joint Resolution 238, H. R. 199.

D. (2) $11,560; (7) $11,560; (8) $8,965; (9) $20,525; (13) yes; (14) period from April 1–June 30, 1950: $10,000, Kikaken Kisei Domei of Northern California, 2031 Bush Street, San Francisco, Calif.; $750, Ogden JACL, care of Ken Miya, route 3, box 428, Layton, Utah; $600, Pacific Goldfish Farm, post office box 57, Westminster, Calif.; $11,-350, total.

E. (1) $17.86; (2) $583; (3) $2.83; (4) $81.79; (5) $244.24; (6) $160.40; (7) $103.03; (8) $10.63; (9) $1,203.78; (10) 1,422.28; (11) $2,626.06.

A. Peter Dierks Joers, Dierks Lumber & Coal Co., Mountain Pine, Ark.; lumber business.

B. Dierks Lumber & Coal Co., 1006 Grand Avenue, Kansas City, Mo.; lumber business.

C. (1) Indefinite.

C. (2) Flood Control Act of 1945—Millwood Dam. Legislation affecting lumber industry.

D. (13) No.

A. Johns-Manville Corp., 22 East Fortieth Street, New York, N. Y.; construction materials.

C. (1) During present session of Congress.

C. (2) Tax legislation, labor legislation, amendments to the Clayton Act, merchant marine bill, price basing-point bill.

E. (2) $833.33; (3) $958; (9) $1,791.33; (10) $1,791.33; (11) $3,582.66. See original registration statement of Hector M. Aring, Washington representative.

A. Elmer Johnson, 1246 Twentieth Street NW., Washington, D. C.; president, National Association of Retired Civil Employees.

B. National Association of Retired Civil Employees, 1246 Twentieth Street NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) Legislation affecting retired civil employees. At present H. R. 5032, H. R. 5096, H. R. 1722, and various bills to provide for exemption of annuities from taxation, also S. 878 and H. R. 4295.

C. (3) (a) The Annuitant, a publication issued quarterly (January, April, July, October), furnishing information on legislation and various other matters of interest to the membership of the National Association of Retired Civil Employees; also a brief news letter sent monthly, with the exception of January, April, July, and October, to the 36 or more chapters of the national association; (b) 60,000; (c) April 1950; (d) Trades Unionist. ((a), (b), and (c) apply to the Annuitant.)

D. (5) $187.50; (7) $187.50; (8) $187.50; (9) $375; estimated percentage of salary, amounting to $250 per month, actually received in connection with lobbying activities.

E. (7) $177.80; (9) $177.80; (10) $95.90; (11) $273.70; (15) $365.30.

A. Gilbert R. Johnson, 1208 Terminal Tower, Cleveland, Ohio; attorney at law. As legal counsel for Lake Carriers' Association, I render service with respect to many matters. Among other things, I review and analyze numerous bills pending in the Congress and give attention to legislation relating to Great Lakes shipping. I do not consider that I am engaged for the purpose of attempting to influence legislation and this report is made without prejudice to that position.

B. Client in whose interest I am registered is: Lake Carriers' Association, 905 Rockefeller Building, Cleveland, Ohio, which is a voluntary association of owners and operators of vessels engaged in transportation of commodities between ports on the Great Lakes.

C. (1) As legal counsel for Lake Carriers' Association I am elected for term of 1 year usually commencing about April 1.

C. (2) During this quarter I have given attention to legislation relating to Great Lakes shipping. I am unable to enumerate the bills and other legislative matters considered by me in connection with my work as legal counsel for Lake Carriers' Association.

C. (3) During this quarter about the first day of each month I prepared for Lake Carriers' Association and its members a memorandum written digest of some of the bills and legislative matters which were reviewed by me during the preceding month and which, in my judgment, would be of interest to the association and its members. All matters so reviewed were within the purview of my professional work for the association referred to in item A above.

D. (5) $2,700; (7) $2,700; (9) $2,700; (13) no; quarterly pro rata of annual retainer received direct from Lake Carriers' Association for all professional services described in item A above. No attempt is made in this report to prorate retainer between services pertaining to legislative matters and other matters.

E. (7) $139.10; (9) $139.10; (11) $139.10; it is impossible to estimate proportion of law

office salaries and overhead attributable to services rendered Lake Carriers' Association.

A. J. P. Johnson, Terminal Refrigerating & Warehousing Corp., Washington, D. C.; vice president and general manager.

B. National Association of Refrigerated Warehouses.

C. (1) Indefinitely.

C. (2) Brannan plan; CCC borrowing power, H. R. 6567; Farm Market Facilities Finance Act, H. R. 2380, S. 2091; to protect trade and commerce from unreasonable restraints by labor organizations; S. 2912; social security, H. R. 6000; foreign-trade zones, H. R. 4723, etc.

D. (13) No.

A. Vernon A. Johnson, Lockheed Aircraft Corp., 1000 Vermont Avenue NW., Washington, D. C.; public-relations representative.

B. Lockheed Aircraft Corp., Burbank, Calif.; aircraft manufacturer.

C. (1) Indefinite period.

C. (2) All legislation affecting aviation.

D. (5) $3,000; (6) $604.58, expenses; (7) $3,604.58; (8) $3,245.58; (9) $6,850.16.

E. (7) $604.58; (9) $604.58; (10) $245.58; (11) $850.16; (15) $604.58.

A. W. D. Johnson, vice president and national legislative representative, Order of Railway Conductors, 10 Independence Avenue, Washington, D. C.

B. Order of Railway Conductors, O. R. C. Building, Cedar Rapids, Iowa.

C. (1) Indefinitely.

C. (2) H. R. 378 and S. 238, to amend section 25 of the Interstate Commerce Act, H. R. 7789 and S. 3295, to amend the Railway Labor Act, and all legislation directly and indirectly affecting the interests of labor, generally, and employees of carriers under the Railway Labor Act in particular.

D. (5) $8,500, annual salary; (13) no.

A. Walter R. Johnson, 917 District National Building, 1406 G Street NW., Washington, D. C.

B. National Association of Attorneys General, 917 District National Building, Washington, D. C.

C. (1) Indefinite.

C. (2) (a) To confirm and establish title in the States to lands beneath navigable waters within State boundaries; (b) S. 1545, H. R. 8137, and similar bills.

D. (5) $4,500; (6) $761; (7) $5,261; (8) $10,957.14; (9) $16,218.14.

E. (4) $45; (7) $610; (8) $106; (9) $761; (10) $1,957.14; (15) $761.

A. Willard Johnson, general secretary, United States Committee for a United Nations Genocide Convention, 56 Brook Manor, Pleasantville, N. Y.

C. (1) Legislative interests will continue until Senate ratifies genocide convention. It is hoped that the matter will come before the Senate at this present session. No publication prepared since last report.

D. (2) $662; (7) $662; (8) $30; (9) $692; (13) no.

E. (4) $551; (9) $551; (10) $1,392.70; (11) $1,943.70.

A. Jones, Day, Cockley & Reavis, a partnership engaged in the general practice of law, with offices at 1759 Union Commerce Building, Cleveland, Ohio, and 1135 Tower Building, Washington, D. C.

B. The M. A. Hanna Co., Leader Building, Cleveland, Ohio.

C. (1) During pendency of legislation described in (2), unless otherwise instructed by client.

C. (2) Senate Joint Resolution 99 and House Joint Resolution 271, to authorize the St. Lawrence seaway and power project.

C. (3) (a) New Sources of Iron Ore for the American Steel Industry, a statement by the M. A. Hanna Co. on iron-ore reserves, beneficiation, new discoveries in Labrador and Venezuela, the St. Lawrence waterway, and the national defense; (b) 4,500 copies; (c) May 1, 1950; (d) the Judson Co., Cleveland, Ohio.

E. (4) $853.81; (6) $214.18; (7) $407.95; (8) $448; (9) $1,923.94; (10) $1,414.48; (11) $3,338.42; (15) $1,923.94.

A. J. M. Jones, executive secretary, National Wool Growers Association (service organization), 414 Pacific National Life Building, Salt Lake City, Utah.

B. National Wool Growers Association (service organization), 414 Pacific National Wool Growers Association, Sale Lake City, Utah.

C. (1) Continuous and indefinite.

C. (2) H. R. 5839, forest omnibus bill; S. 1165, Basque aliens; increasing purchasing power of CCC; and any other legislation generally affecting the sheep and wool industry.

C. (3) Washington activities are sometimes reported in the National Wool Grower, official monthly publication (magazine) of the National Wool Growers Association.

E. (2) $2,100; (7) $1,093.81; (9) $3,193.81; (10) $2,961.37; (11) $6,155.18; (15) $6,155.18.

A. L. Dan Jones, 1110 Ring Building, attorney, Independent Petroleum Association of America.

B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D. C.; trade association.

C. (1) Legislative interests are continuing. I am not employed to support or oppose any specific legislation. My duties include that of maintaining surveillance of legislation that might affect the petroleum industry and taking such action with respect to such legislation as directed by the association. My normal duties include periodic reporting to members of the association on pending legislation.

D. (5) As previously reported.

E. (8) $18; (15) $18.

A. Rowland & Jones, Jr., 1627 K Street NW., Washington, D. C.; president, American Retail Federation.

B. American Retail Federation, 1627 K Street NW., Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) Registrant is generally interested in all legislation and legislative proposals affecting the retail industry, including the industry's relations with the Federal Government, with its suppliers, with its employees, and with its customers. Specifically at this time: Taxation—General revisions, excise-tax relief; no specific bills. Hoover Commission recommendations—General principles. Reorganization Plans Nos. 6 and 12—Postal rates—H. R. 2945. S. 1103, postal-rate increases. Social security—Social-security amendments, H. R. 6000; health insurance, S. 5, S. 1679; temporary-disability insurance, H. R. 2893; unemployment compensation, H. R. 8059. Labor—Fair Labor Standards Act (29 U. S. C. 201–219); National Labor Relations Act (49 Stat. 449); Fair Employment Practices Act, bills S. 1728, H. R. 4453. Trade practices, consumer protection, labeling—Cotton labeling bill, S. 124; fiber labeling bill, S. 283; fur labeling bill, H. R. 5167; flammable fabrics bill, S. 403; Wool Labeling Act (15 U. S. C. 68, et seq.).

D. (5) $1,000; (7) $1,000; (8) $1,000; (9) $2,000; (13) yes.

E. (7) $327.98; (9) $327.98; (10) $259.37; (11) $587.35; (15) $327.98.

A. John E. Kane, 1625 K Street NW., Washington, D. C.

B. American Petroleum Institute, 50 West Fiftieth Street, New York, N. Y.; petroleum industry trade association.

C. (1) Indefinite.

C. (2) Legislation affecting the petroleum industry and its customers; Federal automotive excise taxes; percentage depletion allowance; Natural Gas Act amendment.

D. (5) $1,800; (7) $1,800; (8) $1,500; (9) $3,300.

E. (7) $448.38; (9) $448.38; (10) $474.18; (11) $922.56; (15) $448.38.

A. John E. Kane, 1625 K Street NW., Washington, D. C.

B. District of Columbia Petroleum Industries Committee, 1625 K Street NW.; trade association for petroleum industry of District of Columbia.

C. (1) Indefinite.

C. (2) Legislation affecting sale and distribution of petroleum products in the District of Columbia.

D. (5) $300; (7) $300; (8) $300; (9) $600.

E. (7) $93.27; (8) $82.20; (9) $175.47; (10) $103.44; (11) $278.91; (15) $175.47.

Thomas J. Keefe, 1319 F Street NW., Washington, D. C.; American Road Builders' Association (Form C received and filed in the Clerk's office).

A. Francis V. Keesling, Jr.

B. City and county of San Francisco, The City Hall, San Francisco, Calif.

C. Legislation of interest to the city and county of San Francisco, including civil functions appropriation, social security, payment in lieu of taxes, airports, maritime, national-defense appropriations, civilian defense, housing and slum clearance.

E. (5) $825; (6) $188.77; (7) $1,303.90; (8) $70; (9) $2,297.67; (10) $2,121.19; (11) $4,418.86. (Some of these funds are properly allocable to nonlegislative projects and items, i. e., projects involving executive departments, but no allocation is made because of the difficulty of separation.)

A. Moss H. Kendrix, legislative assistant, Legislative-Federal Relations Division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington, D. C.

B. Legislative-Federal Relations Division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Bills pending before the Eighty-first Congress relating to public education. Primary interest in S. 246, H. R. 5939, H. R. 7160, H. R. 1551.

D. (5) $600; (7) $600; (8) $600; (9) $1,200. Full salary for calendar quarter, $1,200; estimated for legislative service, 50 percent, or $600.

E. (7) $158.02 (reimbursed by employer); (9) $158.02; (10) $158.97; (11) $316.99.

A. Harold L. Kennedy, 203 Commonwealth Building; attorney.

B. The Ohio Oil Co., Findlay, Ohio; engaged in the production, transportation, refining, and marketing of petroleum and petroleum products.

C. (1) Legislative interests will continue indefinitely.

C. (2) Generally interested in all legislative matters that would affect the oil and gas industry; specifically interested in (a) amendments to Natural Gas Act of 1938 (H. R. 1758, H. R. 5306, S. 1498, S. 2746, etc.); (b) tidelands legislation (H. R. 8137, etc.); (c) any tax bill that would affect the oil and gas industry; (d) social-security legislation (H. R. 6000); (e) antitrust legislation, i. e., bills seeking to amend Sherman Act, Clayton Act, Robinson-Patman Act; (f) so-called basing-point bill, S. 1008; and (g) et cetera.

D. (5) $500; (7) $500; (8) $500; (9) $1,000; (13) no.

E. (2) $123.75; (5) $67.50; (6) $30; (7) $25; (8) $20; (9) $266.25; (10) $247.25; (11) $513.50; (15) all.

A. James A. Kennedy, 67 Broad Street, New York, N. Y.; vice president and general attorney of American Cable & Radio Corp., and subsidiaries. My principal functions are as an attorney.

B. American Cable & Radio Corp., 67 Broad Street, New York, N. Y., and subsidiaries, All-America Cables & Radio, Inc., The Commercial Cable Co., and Mackay Radio & Telegraph Cos. These said subsidiaries are engaged in the international telegraph communications business.

C. (1) Six to nine months.

C. (2) I am interested in legislation which would permit the merger of international telegraph companies. No legislation is now pending although a subcommittee of the Committee on Interstate and Foreign Commerce of the Senate has an investigation on the subject under way. Also the President has appointed a Communications Policy Board to study and recommend on the same subject.

D and E. This statement is intended to supply the information requested in D (5), (7), (8), (9), and E (6), (7), (9), (11), and (15). I have been for several years vice president and general attorney of American Cable & Radio Corp. and its subsidiaries, The Commercial Cable Co., All-American Cables & Radio, Inc., and Mackay Radio & Telegraph Co.—All engaged in the international telegraph business. In said capacity, a part of my regular duties has always been to appear in hearings, conferences, and other meetings before Government departments and agencies in Washington. Some time ago my company directed me, purely as an incidental part of my duties to speak with Members of Congress and other Government agencies in favor of legislation which would permit the merger of telegraph companies engaged in international business. My salary for the past several years has been $2,500 per annum, which is payment for all of my services and no part of which is for the purpose of influencing legislation. In addition to my salary, my railroad fare, hotel and incidental expenses incurred in trips to and from New York, my headquarters, and Washington are paid by my employer, no part of which, however, is expended for the purpose of influencing legislation. Likewise, occasionally I have Government officials for luncheon or dinner and call them over the telephone. I would say that all of these total incidental expenses do not run over $100 per month.

A. Miles D. Kennedy, care of the American Legion (a chartered organization of war veterans), 734 Fifteenth Street NW., Washington, D. C.

B. The American Legion, 777 North Meridian Street, Indianapolis, Ind.

C. (1) On a yearly basis.

C. (2) Below is set forth a statement showing the general legislative interests of the American Legion and the work performed in connection therewith: The American Legion and all veterans of World War I and World War II and their dependents on all matters affecting their care, rehabilitation, hospitalization, reeducation, and housing; all matters affecting the general welfare of our country with regard to national defense; Americanism, included in which is opposition to all subversive activities, with particular attention to our immigration and naturalization laws; child welfare, not only for children of veterans but for all children; aid and assistance to veterans in agriculture development; matters dealing with our foreign policy and foreign relations; the development of sound civil-aviation programs and policies; the development of sound and progressive programs for the employment and reemployment of veterans in civilian pursuits and in civil service; legislation which would eliminate all improper discriminations and be of benefit to the men and women who are still in our armed services; and all other matters included in the mandates and programs of the American Legion as adopted and approved by the national convention of the American Legion and/or by its national executive committee, which are the ruling and policy-making bodies of the American Legion. (*a*) Due to the nature and extent of the work involved, it is impossible to specify the titles of statutes and bills, (*b*) the House and Senate numbers of bills, or (*c*) the citations of statutes.

C. (3) The legislative commission of the American Legion prepares an article on legislation pending before Congress, which is inserted in the American Legion magazine once a month. The American Legion magazine is distributed to all members of the American Legion. The only publication issued by the American Legion legislative commission is the Legislative Bulletin, which is issued once a week while Congress is in session. (*a*) The American Legion magazine is a magazine of interest to veterans, and, as above stated, is sent to all members who have paid dues and is part of the consideration for payment of dues. The Legislative Bulletin is issued to subscribers and also to certain officers of the American Legion who receive same without paying any consideration therefor. Paid subscribers are charged $3 per congressional session. (*b*) During the past year slightly in excess of 3,000,000 copies of the American Legion magazine were published, and at the present time approximately 4,000 copies of the Legislative Bulletin are issued. (*c*) The American Legion magazine is issued the early part of each month. The Legislative Bulletin is issued on Tuesday of each week while Congress is in session. (*d*) The American Legion magazine is printed by C. T. Dearing Printing Co., and the Legislative Bulletin is printed by the Law Reporter Printing Co.

D. (5) $3,168.34; (7) $3,168.34; (8) $3,175.12; (9) $6,343.46.

E. (7) $168.34; (9) $168.34; (10) $175.12; (11) $343.46; (15) $168.34.

A. Ronald M. Ketcham, 1757 K Street NW., Washington, D. C., Washington representative, Los Angeles Chamber of Commerce.

B. Los Angeles Chamber of Commerce, 1151 South Broadway, Los Angeles, Calif.

C. (1) Registrant is employed on a full-time basis, such employment to continue indefinitely.

C. (2) See statement filed with first quarterly report for 1950.

D. (5) $2,325; (7) $2,325; (8) $2,325; (9) $4,650.

E. (2) $2,325; (9) $2,325; (10) $2,325; (11) $4,650; (15) $2,325. Includes $2,025 regular compensation, plus $300 Washington expense allowance.

A. Omar B. Ketchum, legislative director, Veterans of Foreign Wars of the United States, Wire Building, 1000 Vermont Avenue NW., Washington, D. C.

B. Veterans of Foreign Wars of the United States.

C. (1) Legislative interests to continue indefinitely, because of yearly program.

C. (2) Legislation affecting all veterans and their dependents in relation to employment, hospitalization, rehabilitation, pensions, disability compensation, and housing; welfare of servicemen of the Armed Forces and their dependents; matters relating to the national security, immigration and naturalization, the combating of subversive activities; and the furtherance of a sound foreign policy; other matters included in the resolutions adopted by the national encampment and the national council of administration.

C. (3) VFW Foreign Service, monthly magazine, 1,250,000 circulation. VFW Legislative Newsletter, monthly, 1,000 circulation.

D. (5) $3,000 received for services, i. e., salary, fee, per diem, etc.; (7) $3,000; (9) $3,000; (13) no.

E. (7) $96.50; (9) $96.50; (10) $91.50; (11) $188; (15) $96.50.

A. Joseph T. King, 302 Ring Building, Washington, D. C.; legislative counsel for National Retail Lumber Dealers Association.

B. National Retail Lumber Dealers Association, 302 Ring Building, Washington, D. C.; trade association.

C. (1) Indefinite.

C. (2) (a, b, and c) General and legislative interest directly or indirectly affecting the retail building supply dealers, such as Fair Labor Standards Act (52 Stat. 1069); housing legislation (Public Law 479, 73d Cong., and Public Law 171, 81st Cong.); Reorganization Act of 1949 (Public Law 109, 81st Cong.); amendments to Federal Trade Commission Act (S. 1008); rent control (H. R. 8276); amendments to antitrust laws (S. 2912); amendments to Social Security Act (H. R. 6000); amendments to tax laws (H. R. 8920); small-business legislation (S. 3625 and H. R. 8565).

C. (3) (a, b, c, and d) National Affairs Bulletins, 1,060 in quantity, January 24, 1950, February 10, 1950, February 16, 1950, March 7, 1950, March 8, 1950, March 31, 1950, April 4, 1950, May 12, 1950, May 24, 1950, May 29, 1950, June 1, 1950, June 30, 1950, July 6, 1950, National Affairs Reports, 1,060 in quantity, February 1, 1950, March 16, 1950, March 28, 1950, April 10, 1950, May 24, 1950, June 21, 1950. Printing done in office of National Retail Lumber Dealers Association.

D. (5) $2,100; (6) $419.43; (7) $2,519.43; (8) $2,487.17; (9) $5,006.50.

E. (7) $419.43; (9) $419.43; (10) $387.17; (11) $806.50; (15) $419.43.

A. Karl V. King,[2] 409 Boston Building, Salt Lake City, Utah; Washington mailing address: P. O. Box 75, Benjamin Franklin Station, Washington, D. C.; attorney at law, sponsoring private bills in behalf of sheep industry and Basque sheepherders.

B. Members of Eastern Nevada Wool Growers Association; members of Southern Idaho Wool Growers Association; members of Oregon Wool Growers Association; members of Washington Wool Growers Association; members of California Wool Growers Association; members of Rocky Mountain & Plains Wool Growers Association.

C. (1) Legislative interests to continue until legislation is enacted.

C. (2) (b) Senate bills 1165 and 1192.

D. (9) employed on contingent basis; no money received.

E. (1) $20; (2) $973.10; (3) $120.21; (4) $6; (5) $205.98; (6) $555.82; (7) $2,389.71; (8) $69.15; (9) $4,339.97.

A. Karl V. King, 409 Boston Building, Salt Lake City, Utah; mailing address in Washington, post-office box 75, Benjamin Franklin Station, Washington, D. C.; attorney at law, sponsoring private bills in behalf of sheep industry and Basque sheepherders.

B. Members of Eastern Nevada Wool Growers' Association, members of Southern Idaho Wool Growers' Association, members of Oregon Wool Growers' Association, members of Washington Wool Growers' Association, members of California Wool Growers' Association, members of Rocky Mountain and Plains Wool Growers' Association.

C. (1) Legislative interests to continue until legislation is enacted.

C. (2) (b) Senate bills 1165 and 1192.

D. (5) $576.28; (7) $576.28; (9) $576.28; (13) No; (14) $576.28, April 1, 1950, G. Mendiburu, route 1, box 570, M & R Sheep & Cattle Co., Bakersfield, Calif. (See item 5.)

E. (2) $1,123; (3) $130.30; (4) $102.46; (5) $140.73; (6) $419.65; (7) $2,597.93; (8) $167.95; (9) $4,682.02; (10) $4,339.97; (11) $9,021.99.

A. Rufus G. King, Jr., attorney at law, law offices, Norman M. Littell, 1422 F Street NW., Washington, D. C.

B. Seventeen bands of Mission Indians of California; address, care of Adam Castillo, president, Mission Indian Federation, San Jacinto, Calif.; under contract No. I-1-IND-42161, approved by the Commissioner of Indian Affairs on February 18, 1949.

C. (1) Legislative interests and all legislation pertaining to the Mission Indians will continue through life of contract as attorney for the various bands.

C. (2) The recent legislation of interest was H. R. 7473 (introduced by Congressman McKINNON) and S. 3197 (introduced by Senator DOWNEY), both to extend the personal rights and duties of the Indians of California;

[2] Filed for first quarter, 1950.

and also the Department of the Interior appropriations bill making appropriations for fiscal year ending June 30, 1951, H. R. 7786.

C. (3) No publications.

D. (13) No.

E. (2) Receives a salary as an associate in the law offices of Norman M. Littell.

A. Williford I. King, room 300, 205 East Forty-second Street, New York, N. Y.

B. Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York, N. Y.; business, educating public on and securing acceptance of sound economic principles.

C. (1) Indefinitely.

C. (2) Favor all constitutional legislation according with sound economic principles.

C. (3) I write a column published by some newspapers. This is also distributed as Paul Revere letters. I write occasional magazine articles, letters to editor, etc.

A. C. W. Kitchen and Alan T. Rains, executive vice president and secretary, respectively, United Fresh Fruit and Vegetable Association, 2017 S Street NW., Washington, D. C.; trade association.

B. United Fresh Fruit and Vegetable Association, 2017 S Street NW., Washington, D. C.

C. (1) Continuing.

C. (2) Interested in any legislation affecting marketing and distribution of fresh fruits and vegetables, directly or indirectly. Specifically, during last quarter, H. R. 8920 (tax), H. R. 5511, and S. 2034 (7 U. S. C., sec. 499–A).

C. (3) Brief comments in weekly bulletin sent to about 2,000 members (Plymouth) and press releases in trade papers (Packer and Produce News).

E. (6) $210.34; (9) $210.34; (11) $210.34.

A. Clifton Kirkpatrick, 162 Madison Avenue, Memphis, Tenn., director of field service.

B. National Cotton Council of America, post-office box 18, Memphis, Tenn., nonprofit welfare organization to promote the consumption of American-grown cotton, cottonseed, and products thereof.

C. (1) Indefinitely.

C. (2) Any legislation affecting the raw-cotton industry.

D. (5) $276.47; (7) $276.47; (9) $276.47.

E. (7) $21.47; (9) $21.47; (11) $21.47; (15) $21.47.

A. W. H. Kittrell, Empire Bank Building, Dallas, Tex.; public relations counselor.

B. Melben Oil Co., Benedum & Trees Building, Pittsburgh, Pa., oil producers.

C. (1) Employed on monthly basis. No set term.

C. (2) The Melben Oil Co. owns large interests in the submerged lands off the Texas coast, better known as tidelands.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000.

E. (6) $387.77; (7) $1,648.96; (9) $2,032.63; (10) $2,372.37; (11) $4,415; (15) $2,032.63.

A. Robert E. Klepinger, 1720 M Street NW., Washington, D. C., lawyer.

B. Jewelers Vigilance Committee, Inc., 17 West Forty-fifth Street, New York, N. Y. Nature of business: To protect the interests of jewelry industry, particularly retail distributors; to maintain fair competition within the industry; to maintain trade standards; assist in prosecution of violators of marking and advertising laws; and to assist the Government in protection against smuggling.

C. (1) To end of Eighty-first Congress.

C. (2) Repeal of excise taxes (H. R. 8920).

D. (5) $750; (9) $750.

E. (6) $3.62; (9) $3.62; (11) $3.62.

A. Allan B. Kline, president and chief executive, American Farm Bureau Federation, 221 North La Salle Street, Chicago, Ill., 261 Constitution Avenue NW., Washington, D. C.

B. American Farm Bureau Federation.

C. (1) The legislative interests of the employer are on matters affecting agriculture. No legislative contact service was performed for any person other than the American Farm Bureau Federation. Allan B. Kline has been president of the organization since December 15, 1947, and it is anticipated he will continue in that capacity at least during his present elected term which will run until December of 1951.

C. (2) The legislative interests of the president of the American Farm Bureau Federation cover only the legislative matters in which American Farm Bureau Federation is interested, primarily matters affecting directly American agriculture.

C. (3) Allan B. Kline gets out no publication of any kind. The only publications that are used are the publications of the employer, the American Farm Bureau Federation, namely, the Nation's Agriculture, a monthly house organ, and the newsweekly published weekly.

C. (4) (a) The only compensation received by Allan B. Kline from his employer is his annual salary, paid in semimonthly installments. The only expenses incurred are the nominal expenses of travel and sustenance while traveling; (d) the only expenses incurred by Allan B. Kline are expenses of travel and sustenance connected with his duties as president of the American Farm Bureau Federation. There are no expenditures made by Allan B. Kline that are made for the purpose for himself or for his organization, the American Farm Bureau Federation, that are used in any way to affect Federal legislation as defined within the provisions of the Federal Lobbying Act.

D. (5) One-fourth of $15,000 per annum, $3,750; (7) $3,750 as salary; (8) $3,750 as salary; (9) $7,500 as salary; (13) none.

A. Leon F. Kneipp, part-time service as executive officer of the Organization of Professional Employees of the United States Department of Agriculture; 3700 Massachusetts Avenue NW., Washington, D. C.

B. One employer only, namely, the Organization of Professional Employees of the United States Department of Agriculture, Postoffice Box 381, Washington, D. C., which as an organization has as of this same date filed full information as to the nature of its business and its activities during this same quarter.

C. (1) As stated in section B above, affiant has no legislative interests and engages in no legislative activities except in his part-time capacity as executive officer of the Organization of Professional Employees of the United States Department of Agriculture—the legislative interests, publications, expenditures, etc., of said organization during the current quarter being fully set forth in report of even date as filed by said organization.[1]

D. (5) $60; (7) $60; (8) $150; (9) $210; (13) no.

E. (10) $3.75; (11) $3.75.

A. Burt L. Knowles, Munsey Building, Washington, D. C.; employee of trade association.

B. The Associated General Contractors of America, Inc., Munsey Building, Washington, D. C.; trade association.

C. (1) Employed by the Associated General Contractors of America, Inc., in a general capacity, including assignment to follow and report on legislative developments of interest to association members. Registrant is a full-time employee of the association and has been for the past several years. Matters of Federal legislation are not the principal purpose of registrant's employment, and he is not paid any stated or determinable amount in connection therewith. See also registration reports filed by the Associated General Contractors of America, Inc.

A. Robert M. Koch, 1424 K Street NW., Washington, D. C.; trade association executive.

B. National Agricultural Limestone Association, 1424 K Street NW., Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) All legislation which directly or indirectly affects the interests of agricultural limestone producers.

C. (3) The only publications utilized are letters to members which are issued as the occasion arises.

D. (1) $1,947.65; (7) $1,947.65; (8) $1,932.88; (9) $3,880.53.

E. (2) $1,500; (4) $71.04; (5) $340.91; (7) $35.70; (9) $1,947.65; (10) $1,932.88; (11) $3,880.53; (15) $1,947.65.

A. Alfred U. Krebs, counsel, National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.

B. National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) Legislation affecting the steamship industry, including H. R. 7474, sale of vessels for use on Great Lakes; H. R. 7954 and H. R. 7377, commercial operation of obsolete vessels on Great Lakes; S. 3357, H. R. 6736, H. R. 8350, prohibit transportation of gambling devices; H. R. 6000, amend Social Security Act; H. R. 6512, remission of duty on dunnage; H. R. 6536, S. 3771, transportation on Canadian vessels to points in Alaska; S. 2786 and H. R. 5346, long-range bill, amend Merchant Marine Act of 1936; H. R. 5472, River and Harbor Act of 1949; S. 3244, S. 3245, S. 3246, implementation of ILO conventions; H. R. 7717, H. R. 7718, H. R. 7719, ILO conventions; H. R. 6808, S. 2872, War Claims Act; H. R. 3111, amendment to Bankruptcy Act; S. 3455, revision of immigration laws; S. 2484 and H. R. 6061, war-risk insurance; H. R. 8497, H. R. 8624, S. 3597, S. 3161, Longshoremen's and Harbor Workers' Compensation Act.

D. (5) $500 (allocable to legislative interests); (7) $500; (9) $500; (13) yes (employer).

A. Oscar R. Kreutz, 907 Ring Building, Eighteenth and M Streets NW., Washington, D. C.

B. National Savings and Loan League, 907 Ring Building, Eighteenth and M Streets NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) Support of bills to improve facilities of savings and loan associations for encouragement of thrift and home financing. Oppose legislation inimicable to interests of savings and loan industry: H. R. 6743, savings and loan bill; S. 2822, FDIC; S. 2774, FBI investigation of robbery.

C. (3) National letter, approximately 1,200 on each of the following dates: April 10, 1950; May 1, 8, 12, 18, 1950; June 5, 7, 8, 12, 23, 28, 1950; printed and distributed by: Batt, Bates & Co., Washington, D. C.

D. (5) $2,500; (7) $2,500; (8) $2,000; (9) $4,500; (13) yes; (14) $2,000, National Savings and Loan League, Washington, D. C., first quarter; $2,500, National Savings and Loan League, Washington, D. C., second quarter.

E. (7) $14; (9) $14; (10) $107.87; (11) $115.87.

A. A. H. Krueger, 847 National Press Building, Washington, D. C.; employee of a trade association.

B. Millers' National Federation (a trade association incorporated under laws of Illinois), 309 West Jackson Boulevard, Chicago, Ill.

[1] The aforesaid Leon F. Kneipp terminated his services as executive officer of the Organization of Professional Employees of the United States Department of Agriculture on June 30, 1950, and such action as he hereafter may take on behalf of said organization will be purely as an individual member thereof and not as a paid officer or employee. In view of this fact, this present report is the final one to be submitted by said Leon F. Kneipp and none other will be received by your office.

C. (1) I am not specifically employed to support or oppose any legislation. In connection with services performed for my employer, most of which are not related to activities described in section 307, title 3, I keep my employer informed of legislation, if any, that may affect the wheat flour milling industry. Specific legislation observed during past quarter related to section 112 (c), Public Law 472, Eightieth Congress, as amended, and proposed amendment relating thereto contained in H. R. 7797, H. R. 6567, H. R. 6000, and House Resolution 323. I did not issue any publication nor take action for or against the above proposals.

D. (7) $135 second quarter; (8) $107.50 first quarter; (9) $242.50 total. With reference to receipts paragraph D concerning legislative interests: During the quarter April–June 1950, I was paid my regular salary (plus small annual bonus) by my employer, the Millers' National Federation (trade association), for various services most of which are not related to the activities described in section 307, title 3, Public Law 601, Seventy-ninth Congress. Section 307 activities, if any, would be incidental in relationship to my regular employment. I estimate that legislative interests, principally reporting, required less than 5 percent of my time; accordingly 5 percent of my salary for the quarter, or $135, is allocated for the purpose of this report.

E. (10) $2.10; (11) $2.10; (15) $2.10.

A. Herman C. Kruse, 245 Market Street, San Francisco, Calif.; employee.

B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.; public utility.

C. (1) Indefinitely.

C. (2) Legislation affecting water and power projects, flood control and reclamation; (a) omnibus appropriation bill; (b) H. R. 7786, bill to authorize the Secretary of the Interior to undertake the North Fork Kings River development, California, as an integral part of the Central Valley project, and for other purposes; (b) H. R. 5264.

D. (5) $3,000; (7) $3,000; (9) $3,000; (13) no.

E. (7) $1,513.47; (8) $776; (9) $2,289.47; (11) $2,289.47; (15) $2,289.47.

LAKE CARRIERS' ASSOCIATION,
Cleveland, Ohio, July 10, 1950.

CLERK, *House of Representatives,*
Washington, D. C.

DEAR SIR: This letter is being transmitted to you in lieu of statement entitled "Report Pursuant to Federal Regulation of Lobbying Act" for the reason that the formal statement is not suited to this association's comments concerning its expenditures. This letter constitutes the report made by Lake Carriers' Association for the period April 1–June 30, 1950.

This association has numerous activities which are carried on in behalf of its member companies, all of whom operate ships on the Great Lakes. Its expenses are defrayed from general assessments made against the companies included in its membership. There is no allocation in an assessment for the expense of any particular activity.

As one of its activities, the association reviews legislation pertaining to the Great Lakes maritime industry. In this pertaining to the Great Lakes maritime industry. In this connection, bills are analyzed, reports are made to member companies. On occasion, appearances are made on behalf of the association before, and statements and briefs are filed with, legislative committees, and communications are addressed to Members of Congress.

In preparing this report, the association has endeavored, without prejudice to its position stated below, that it is not subject to the regulatory provisions of the Lobbying Act (Public Law 601, 79th Cong.) to allocate fairly the expenses which it incurred in connection with such legislative activity. On the basis of this allocation, the proportionate share of assessments made against any one member company for the expenses involved in such legislative activity did not amount to as much as $500 for the period covered by this report. Further, on the basis of the foregoing allocation, the association's expenses incident to the reviewing of legislation for the period were as follows:

Total quarterly expense attributable to legislation

Expense classification:	
Salaries and retainer of persons registered under Lobbying Act	$594.00
Salaries of others participating in preparation of legislative material	300.80
Traveling expenses	218.98
Legislative service	0
Incidentals: postage, telephone, mimeographing, printing, rent, office supplies, stationery	94.40
Total	1,208.18

These expenditures were paid as salaries to officers and employees, as retainer to counsel for the association, and for proportion of general office expense.

The association is advised and accordingly asserts that, within the meaning of the regulatory provisions of the Lobbying Act, the association (1) does not solicit or receive contributions to any organization or fund for the purpose of aiding in the passage or defeat of any legislation by the Congress or influencing directly or indirectly the passage or defeat of any legislation by the Congress; or (2) receive contributions or expend any money for any such purpose; or (3) either directly or indirectly in any manner whatsoever solicit, collect, or receive money or anything of value to be used principally to aid in the accomplishment of any such purpose; or (4) engage in any activity which brings the association within the regulatory provisions of the Lobbying Act. This report is made without prejudice to such position.

Respectfully submitted.

LAKE CARRIERS' ASSOCIATION,
By LYNDON SPENCER,
Executive Vice President.

A. Alfons B. Landa, 1000 Vermont Avenue NW., Washington, D. C.; attorney.

B. Amana Refrigeration, Inc., Amana, Iowa.

C. (1) Cannot be estimated at present.

C. (2) Excise tax bill.

A. Fritz G. Lanham, Woodley Park Towers, 2737 Devonshire Place NW., Washington, D. C.; serve in an advisory capacity.

B. American Fair Trade Council, Inc., 11 East Forty-Fourth Street, New York, N. Y.; a nonprofit organization principally educational with reference to advantages of fair trade laws to producers, dealers, and consumers. I serve in an advisory capacity and keep organization advised concerning legislative proposals and governmental programs.

C. (1) No stated termination date of service.

C. (2) Advise organization of proposals affecting fair trade.

C. (3) He neither issued nor caused to be issued any publication.

D. (5) $1,000; (7) $1,000; (8) $1,000; (9) $2,000; my service is individual and involves only retainer paid me.

A. Fritz G. Lanham, Woodley Park Towers, 2737 Denvonshire Place NW., Washington, D. C.;; serve in an advisory capacity.

B. National Patent Council, Inc., 1434 West Eleventh Avenue, Gary Ind.; a nonprofit organization principally educational with reference to importance of American patent system and its incentive and protection as basis of discoveries underlying our progress. I serve in an advisory capacity and keep organization advised concerning legislative proposals and governmental programs.

C. (1) No stated termination date of service.

C. (2) Advise organization as above outlined.

D. (5) $1,500; (7) $1,500; (8) $1,500; (9) $3,000. My service is individual and involves only retainer paid me.

E. (11) I make no expenditures except small sums for postage and office supplies.

A. Fritz G. Lanham, Woodley Park Towers, 2737 Devonshire Place NW., Washington, D. C.; served in an advisory capacity.

B. Trinity Improvement Association, Inc., 1308 Commercial Standard Building, Fort Worth, Tex.; a nonprofit organization principally educational with reference to importance and proper development of Trinity River and its watershed. I serve in an advisory capacity and keep organization advised concerning legislative proposals and governmental programs.

C. (1) No stated termination date of service.

C. (2) Advise organization as above outlined.

D. (5) $900; (7) $900; (8) $750; (9) $1,650. My service is individual and involves only amount paid me for expenses, etc.

E. (11) I make no expenditures except small sums for postage and office supplies, and amounts necessary for travel, rent, garage, etc.

A. La Roe, Brown & Winn (Wilbur La Roe, Jr., Frederick E. Brown, Arthur L. Winn, Jr., and Samuel H. Moerman), Continental Building, Washington, D. C.; a partnership engaged in the general practice of law.

B. Eastern Meat Packers Association, Statler Hotel, New York, N. Y. This is an incorporated association of independent meat packers.

C. (1) Indefinite.

C. (2) (a and b) President's reorganization plan; plan affecting USMC, ICC, and NLRB; H. R. 7786, H. R. 8573, S. 2713, S. 3055, H. R. 6000, S. 3387, S. 2905, H. R. 7952, the Brannan plan, S. 1594, H. R. 4538.

D. (5) $1,500 (7) $1,500; (8) $1,500; (9) $3,000; (13) no.

E. (5) $2,262.88; (7) $61.82; (9) $2,324.70; (10) $2,557.49; (11) $4,882.19; (15) $61.82. I am senior partner in a law firm of La Roe, Brown & Winn. Our firm has the same difficulty which other law firms presumably must have under the act in making reports which will not be misleading. The facts as to the work of the members of our firm are as follows: I am counsel for Eastern Meat Packers Association, which was formed primarily not to influence legislation but to advance generally the interests of its members. The association has some 30 members located in the Northeastern States. The association's primary purpose is to look after the interests of its members by scheduling meetings, keeping them informed as to their liability under the Packers and Stockyards Act and other laws; aiding members as to transportation and similar purposes; handling their subsidy claims, if any, against the Government; and representing the association in any legislation that may affect the membership. The only office in which I work for the association is my own law office, which represents so many other clients and has so much other work that it would be impossible to make a segregation. My annual salary as counsel is $6,000, which goes to the law firm. The work of our firm for Eastern Meat Packers Association parallels the work which we do for National Independent Meat Packers Association. A quarterly report covering our work for National Independent Meat Packers Association has been filed. The interest of the members of Eastern Meat Packers Association is in practically all respects the same as the interest of the members of NIMPA. Work of a legislative nature done for members of

NIMPA inures to the benefit of members of Eastern Meat Packers Association, many of which are also members of the national organization. In the report filed for NIMPA I described the work of our firm for the meat packers as quoted: "I estimate that 20 percent of the time of one of my partners, Arthur L. Winn, Jr., is spent in helping me with association work, and that only 5 percent of this time is on legislative matters. I estimate that the percentage of my whole time which is devoted to legislative work is less than 4 percent. I estimate that 20 percent of the time of two secretaries is devoted to association work and that only 4 percent of this time is devoted to legislative work, probably less. As to the telephone, telegraph, and other like overhead of the office, I estimate that not over 1 percent is devoted to legislative work. In other words, we are a law office and any legislative work is simply incidental. The salaries of my two secretaries combined are $6,768. I should think that it would be fair to allocate 1½ percent of our office overhead to legislative work. Our office rent is $357.20 per month. Our total overhead for the second quarter, including rent, was $2,262.88, of which not more than $33.94 can fairly be assigned to Eastern Meat Packers Association. Neither Mr. Brown nor Mr. Moerman does any legislative work for National Independent Meat Packers Association. This is also true as to Eastern Meat Packers Association). Neither Mr. Winn nor I have spent any money for lobbying during the period covered by this report except taxi fare occasionally to and from the Capitol and less than $100 for special stenographic service, stationery, and postage. We receive no gifts for lobbying and do no entertaining for lobbying. We employ no person for lobbying and pay no gratuities and make no gifts for such purpose." These figures include time spent and work done also for members of Eastern Meat Packers Association. The figures $3,000 and $4,682.19 shown under sections D and E of the report do not represent sums received or spent in legislative work and must not be so used.

A. La Roe, Brown & Winn, a partnership engaged in the general practice of law, consisting of the following partners: Wilbur La Roe, Jr., Frederick E. Brown, Arthur L. Winn, Jr., and Samuel H. Moerman, with offices in the Continental Building, Washington, D. C.

B. The National Independent Meat Packers Association, 740 Eleventh Street NW., Washington, D. C. This is an incorporated association of independent meat packers.

C. (1) Indefinite.

C. (2) President's reorganization plan; plans affecting USMC, ICC, and NLRB; H. R. 7786 (meat inspection); omnibus appropriation bill; H. R. 8573; S. 2713; S. 3055; H. R. 6000; S. 3387; S. 2905; H. R. 7952; the Brannan plan; H. R. 4538; S. 1594.

D. (5) $4,500; (7) $4,500; (8) $4,500; (9) $9,000; (13) no.

E. (5) $2,262.88; (6) $22.62; (7) $128.79; (9) $2,414.29; (10) $2,459.21; (11) $4,873.50; (15) $151.41. I am senior partner in a law firm of La Roe, Brown & Winn. Our firm has the same difficulty which other law firms presumably must have under the act in making reports which will not be misleading. The facts as to the work of the members of our firm are as follows: I am general counsel for National Independent Meat Packers Association, which was formed primarily not to influence legislation, but to advance generally the interests of its members. The association has some 600 members scattered throughout the United States. The association's primary purpose is to look after the interests of its members by scheduling meetings, keeping them informed as to their liability under the Packers and Stockyards Act and other laws; aiding members as to transportation and similar problems; handling their subsidy claims, if any, against the Government; and representing the association in any legislation that may affect the membership. The only office through which I work for the association is my own law office which represents so many other clients and has so much other work that it would be impossible to make a segregation. My salary as general counsel is $18,000, which goes to the law firm. I estimate that 20 percent of the time of one of my partners, Arthur L. Winn, Jr., is spent in helping me with association work and that only 5 percent of this time is on legislative matters. I estimate that the percentage of my whole time which is devoted to legislative work is less than 4 percent. I estimate that the 20 percent of the time of two secretaries is devoted to association work and that only 4 percent of this is devoted to legislative work, probably less. As to the telephone, telegraph, and other like overhead of the office, I estimate that not over 1 percent is devoted to legislative work. In other words, we are a law office and any legislative work is simply incidental. The salaries of my two secretaries combined are $6,768. I should think that it would be fair to allocate 1½ percent of our office overhead to legislative work. Our office rent is $357.20 per month. Our total overhead for the second quarter, including rent, was $2,262.88, of which not more than $33.94 can fairly be assigned to legislative work for the association. Neither Mr. Brown nor Mr. Moerman does any legislative work for National Independent Meat Packers Association. Neither Mr. Winn nor I have spent any money for lobbying during the period covered by this report except taxi fare occasionally to and from the Capitol and less than $100 for special stenographic service, stationery, and postage. We receive no gifts for lobbying and do no entertaining for lobbying. We employ no person for lobbying and pay no gratuities and make no gifts for such purpose. The figures $9,000 and $4,873.50 shown as totals under sections D and E of the report do not represent sums received or spent in legislative work and must not be so used.

A. R. R. Laugherty, 10 Independence Avenue SW., Washington, D. C.; legislative representative.

B. Railway Employees' Department, A. F. of L., room 1308, 608 South Dearborn Street, Chicago, Ill.

C. (1) Indefinitely.

C. (2) H. R. 378 and S. 238, to amend section 25 of the Interstate Commerce Act; H. R. 7789 and S. 3295; to amend the Railway Labor Act; and all legislation directly and indirectly affecting the interests of labor, generally, and employees of carriers under the Railway Labor Act in particular.

D. (5) $1,500; (6) $750; (7) $2,250; (8) $2,250; (9) $4,500.

A. William V. Lavelle, 718 Jackson Place NW., Washington, D. C.; assistant legislative director of the Congress of Industrial Organizations.

B. Congress of Industrial Organizations, 718 Jackson Place NW., Washington, D. C. (a federation of labor organizations), and United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa. (an affiliated union of the CIO).

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity, and general welfare; oppose legislation detrimental to these objectives.

C. (3) We have not individually issued or caused to be issued any publication as above described. Any such publications issued by the CIO are listed on its report.

D. (5) $1,750; (6) $1,670.84; (7) $3,420.84; (8) $3,463.25; (9) $6,884.09.

E. (7) $1,670.84; (9) $1,670.84; (10) $1,713.25; (11) $3,384.09; (15) $1,670.84.

A. John V. Lawrence, American Trucking Association, Inc., 1424 Sixteenth Street NW., Washington, D. C.

B. American Trucking Association, Inc., 1424 Sixteenth Street NW., Washington, D. C.

C. See report of American Trucking Association, Inc.

D. (5) $5,625; (7) $5,625; (8) $5,625; (9) $11,250; 20.3 percent of time ($1,141.88 of salary) devoted to legislation, as reported by American Trucking Associations, Inc.

E. (7) $12.95; (9) $12.95; (10) $11.30; (11) $24.25; (15) $12.95; (16) no item of $10 or more expended; above expenses are for lunches and taxis.

A. Joseph S. Lawrence, M. D., 1523 L Street NW., Washington, D. C.; administrative (Washington office).

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.; scientific medicine.

C. (1) Indefinite.

C. (2) All bills relating to health and practice medicine.

C. (3) (a) Information bulletin (multilith); (b) 4,500 copies; (c) irregular intervals; (d) Washington office, AMA.

D. (5) $4,663.22; (7) $4,663.22; (8) $4,792.59; (9) $9,455.81; (13) no.

E. (7) $913.22; (9) $913.22; (10) $1,042.59; (11) $1,955.81; (15) $913.22.

A. A. Alvis Layne, Jr., 1002 Ring Building, Washington, D. C.; attorney at law, Posner, Berge, Fox & Arent.

B. Associated Third-Class Mail Users, Inc., 1010 Vermont Avenue NW., Washington, D. C.

C. (1) Legislative interest to continue to October 19, 1950.

C. (2) H. R. 2945 and S. 1103.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) see report of Associated Third-Class Mail Users, Inc.; (14) see report of Associated Third-Class Mail Users, Inc.

E. (4) $24.26; (6) $35.68; (8) $11.10; (9) $71.04; (10) $89.82; (11) $160.86; (15) all.

A. Clarence F. Lea, director of governmental relations, Transportation Association of America, Ring Building, Washington, D. C.

B. Transportation Association of America, 130 North Wells Street, Chicago, Ill.

C. (1) Legislative interests are to be continued permanently.

C. (2) I am interested in all legislation having anything to do with transportation including pending bills before the House and Senate.

C. (3) See report of T. A. A.

D. Receipts and expenses in connection with the administration of my duties in the Washington information office of the Transportation Association of America. Retainer fee for period April 1 through June 30, 1950, $1,500; expense accounts, April 1 through June 30, 1950, $295.98; total for this quarter, $1,795.98; received during previous quarter, $1,591.91; total from January 1 through June 30, 1950, $3,387.89.

E. Travel, food, lodging, and entertainment this quarter, $295.98; expended during previous quarter, $91.91; total from January 1 through June 30, 1950, $387.89.

A. League of Women Voters of the United States,[3] 726 Jackson Place NW., Washington, D. C.; to promote political responsibility through informed and active participation of citizens in government.

C. (1) Indefinitely.

C. (2) See program attached.[4]

C. (3) Publications: "ERP in Midpassage"; brief pamphlet on the European recovery program; published 18,000; in March 1950; Fraternity Press. "Moves To Strengthen the UN"; brief pamphlet describing the various proposals that have been offered to strengthen the UN; 25,000; in February 1950; Fraternity Press. "Have You Heard About the ITO?" throw-away explaining the ITO; 100,000; in February 1950; National Lithograph. "Trends in Government"; biweekly news letter about developments in government; 10,600 January 9, 1950; 11,000 January

[3] Filed for first quarter, 1950.

[4] Not printed. Filed in the Clerk's office.

23, 1950; 10,600 February 6, 1950; 11,000 February 20, 1950; 10,800 March 6, 1950; 11,100 March 20, 1950; Judd & Detweiler. "Action"; every-member magazine; 94,000; March 31, 1950; Judd & Detweiler.

D. (1) $1,550.34; (2) $46.75; (4) $634.15; (7) $2,231.24; (13) No.

E. (2) $1,208.52; (4) $360.13; (6) $5.67; (9) $1,574.32; (11) $1,574.32.

A. League of Women Voters of the United States, 726 Jackson Place NW., Washington, D. C.; to promote political responsibility through informed and active participation of citizens in government.

B. (1) Indefinitely.

C. (2) See program attached.[4]

C. (3) Publications: "Broadside—You Make the Government"; one page flyer; published 50,000 April 1950; National Lithograph. "Trends in Government"; biweekly news letter about developments in government; 10,700 April 17, 1950; 11,400 May 1, 1950; 10,900 May 11, 1950; 11,400 May 29, 1950; 11,400 June 12, 1950; 11,700 June 26, 1950; Judd & Detweiler. "Action"; every-member magazine; 94,000 June 1950.

D. (1) $185.84; (2) $253.75; (4) $74.77; (7) $514.36; (8) $2,231.24; (9) $2,745.60; (13) Yes; (14) $25,000, National American Woman Suffrage Association, care of Mrs. F. Louis Slade, 49 East Sixty-seventh Street, New York, N. Y.

E. (4) $345.46; (6) $8.45; (9) $353.91; (10) $1,574.32; (11) $1,928.23.

A. Ivy Lee & T. J. Ross, 405 Lexington Avenue, New York, N. Y., public relations. Registrant disclaims that Public Law 601 has any application to it but is filing this form in the event that the act may be deemed to be applicable to it.

B. United States Cuban Sugar Council, 30 Pine Street, New York, N. Y., a group of companies owning or operating sugar properties in Cuba, stockholders of which are predominantly United States citizens, formed to assure a continuing supply of sugar for the American consumer at a reasonable price by maintaining an adequate flow of Cuban sugar into the United States market, and to demonstrate the value of a close relationship between the United States and Cuba in promoting trade between the two countries.

C. (1) Indefinitely.

C. (2) General: Legislation affecting the importation by the United States of sugar produced in Cuba. Sugar Act of 1948; Trade Agreements Act; tariff acts; House Joint Resolution 426 to amend the Sugar Act of 1948.

C. (3) Bulletin of United States Cuban Sugar Council for May 1950; 45,000 copies, May 1950; J. C. Dillon Co., Inc., 227 East Forty-fifth Street, New York, N. Y. News articles based on council's bulletin, 2,355; May 19, 1950; multilithed by Select Multigraphing Service, 76 Ninth Avenue, New York, N. Y. Statement to Committee for Reciprocity Information, 60 copies, May 15, 1950; mimeographed by Ivy Lee & T. J. Ross, 405 Lexington Avenue, New York, N. Y. Oral statement to Committee for Reciprocity Information, 125 copies, May 25, 1950; mimeographed by Ivy Lee & T. J. Ross, 405 Lexington Avenue, New York, N. Y.

D. (5) $5,749.98; (6) $1,392.29; (7) $7,142.27; (8) $7,223.04; (9) $14,365.31; (13) yes; (14) April 1 through June 31, 1950: $3,750, United States Cuban Sugar Council, 30 Pine Street, New York, N. Y., fee for 3 months at the rate of $15,000 per year (item 5); $1,999.98, United States Cuban Sugar Council, 30 Pine Street, New York, N. Y., salary of council secretary for 3 months of April, May, and June 1950 (item 5); $1,392.29, United States Cuban Sugar Council, 30 Pine Street, New York, N. Y., for out-of-pocket expenses incurred in April, May, and June 1950 (item 6); $7,142.27, total.

E. (4) $2,135.92; (5) $159.30; (6) $8.42; (8) $89.25; (9) $1,392.29; $1,473.06; (11) $2,865.35.

[4] Not printed. Filed in the Clerk's office.

A. James R. Lee, 731 National Press Building, Washington, D. C.; public relations.

B. Gas Appliance Manufacturers Association, Inc., 60 East Forty-second Street, New York, N. Y.; trade association.

C. Interest to continue indefinitely.

C. (2) Concerned with any legislation affecting members of the Gas Appliance Manufacturers Association, particularly elimination of wartime manufacturers' excise tax.

C. (3) None, other than office prepared bulletins of information on progress of legislation dealing with excise taxes.

D. (5) $1,618.27; (7) $1,618.27; (8) $1,673; (9) $3,291.27.

E. (2) $89.70; (5) $135; (6) $59.99; (7) $137.30; (8) $71.28; (9) $493.27; (10) $548.99; (11) $1,042.26; (15) $493.27.

A. Legislative-Federal relations division of the National Education Association of the United States (R. B. Marston, director, 1201 Sixteenth Street NW., Washington, D. C.)

C. (1) Indefinite. May be materially affected by the enactment of legislation relating to public education.

C. (2) Bills pending before the Eighty-first Congress relating to public education. Primary interest in S. 246, H. R. 5939, H. R. 7160, H. R. 1551.

C. (3) (a) Legislative News, information, approximately 14,000 copies each issue, April 12, May 25, June 9; (b) The Truth About Federal Aid to Education, 50,000 copies, information about Federal aid; (c) Who Will Teach Them? 25,000 copies, information about public education.

D. (6) $11,849.75 (an allocation received from the NEA, see E); (7) $11,849.75; (8) $25,582.28; (9) $37,432.03.

E. (2) $4,415.43; (4) $3,370.88; (5) $484.11; (6) $529.75; (7) $3,049.58; (9) $11,849.75; (10) $25,582.28; (11) $37,432.03.

A. George B. Lester, Oliver & Donnally, 110 East Forty-second Street, New York, N. Y.; partner in law firm of Oliver & Donnally.

B. Legal services rendered to National Association of Mutual Savings Banks, 60 East Forty-second Street, New York, N. Y. Approximately 5 percent of work done on behalf of the National Association of Mutual Savings Banks was for purposes mentioned in the Lobbying Act.

C. (1) Legislative interests will continue indefinitely.

C. (2) The general legislative interests consist of any legislation which the mutual savings banks have a legitimate interest in supporting or opposing. Specific legislative interests: Middle-income housing bill, S. 2246, H. R. 7902; FDIC bill, S. 2822; tax revision hearings before House Ways and Means Committee.

D. (5) $93.75; (7) $93.75; (9) $93.75.

E. (7) $37.62; (9) $37.62; (10) $125.08; (11) $162.70; (15) $37.62.

A. George J. Lewis, attorney, Union Station, Lexington, Ky.

B. Kentucky Railroad Association (for fuller details see Form B filed by me on June 3, 1947), Union Station, Lexington, Ky.

C. (1) Indefinite.

C. (2) Legislation affecting the railroad industry generally.

D. (5) Compensation increased, effective October 1, 1949, from $2,000 to $5,000 per annum; however, only a small portion of time is devoted to national legislation; (13) no.

E. (6) $175; (7) $425; (9) $600; (10) $125; (11) $725.

A. Frederick J. Libby, executive secretary, National Council for Prevention of War, 1013 Eighteenth Street NW., Washington, D. C.

B. National Council for Prevention of War, 1013 Eighteenth Street NW., Washington, D. C.; nonprofit, educational peace organization.

C. (1) Indefinitely.

C. (2) Bills affecting world peace, such as the ECA bill, the convention to ratify the genocide convention, the DP bill, military training and service legislation, legislation affecting war crimes procedures, proposals leading to the drafting of peace treaties, point 4 bills, Senator TYDINGS' disarmament resolution (S. Res. 236), Representative WALTER'S resolution to help the expellees (H. Con. Res. 188), postage subsidies for relief packages, manpower registration legislation; amending the Trading With the Enemy Act to give the effect of a peace treaty with Germany and with Japan. Bills for educational exchange, military aid bill.

D. (5) $2,153.11; (7) $2,153.11; (8) $1,418.86; (9) $3,571.97; (13) no.

E. (7) $364.52; (9) $364.52; (10) $218.86; (11) $583.38.

A. John G. Liebert,[5] attorney, Dupont Circle Building, Washington, D. C.

B. The Peoples Committee of the Seneca Nation of Indians, Allegheny and Cattarugas Reservations, N. Y.

C. (1) It is anticipated that interest in this legislation will continue until the end of the present session of Congress.

C. (2) I have been retained by the Peoples Committee to assist the Indians in presenting their desires in the matter of S. 192 to the Congress and to secure acceptable amendments to the proposed legislation.

C. (4) Compensation at the rate of $10 per hour and expenses will be charged. No retainer fee or any money has been received to July 10, 1950. It is anticipated that a retainer fee of approximately $200 will be paid before the hearing, but will not be demanded. Should any money be paid a supplementary statement will be filed.

A. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.; trade association. Filed for first quarter, 1950.

C. (1) Continuous.

C. (2) Legislation which might affect the welfare of policyholders and annuitants, for example H. R. 6000, House Joint Resolution 371, S. 2408.

D. (14) $8,778.23, Aetna Life Insurance Co., Hartford, Conn.; $505.29, American United Life Insurance Co., Indianapolis, Ind.; $236.01, Atlas Life Insurance Co., Tulsa, Okla.; $271.33, The Baltimore Life Insurance Co., Baltimore, Md.; $124.23, The Bankers Health & Life Insurance Co., Macon, Ga.; $2,337.37, Bankers Life Co., Des Moines, Iowa; $457.55, Bankers Life Insurance Co. of Nebraska, Lincoln, Neb.; $618.68, Berkshire Life Insurance Co., Pittsfield, Mass.; $250.99, Boston Mutual Life Insurance Co., Boston, Mass.; $969.59, Business Men's Assurance Co. of America, Kansas City, Mo.; $1,-054.09, California-Western States Life Insurance Co., Sacramento, Calif.; $255.35, The Capitol Life Insurance Co., Denver, Colo.; $503.37, Central Life Assurance Society, Des Moines, Iowa; $291.69, Central Life Insurance Co. of Illinois, Chicago, Ill.; $342.79, The Colonial Life Insurance Co. of America, East Orange, N. J.; $499.62, The Columbian National Life Insurance Co., Boston, Mass.; $478.32, Commonwealth Life Insurance Co., Louisville, Ky.; $4,576.34, Connecticut General Life Insurance Co., Hartford, Conn.; $3,487.96, The Connecticut Mutual Life Insurance Co., Hartford, Conn.; $363.07, Continental American Life Insurance Co., Wilmington, Del.; $152.46, Empire State Mutual Life Insurance Co., Jamestown, N. Y.; $1,717.28, Equitable Life Insurance Co. of Iowa, Des Moines, Iowa; $305.46, Federal Life Insurance Co., Chicago, Ill.; $1,098.52, The Fidelity Mutual Life Insurance Co., Philadelphia, Pa.; $143.19, Guaranty Income Life Insurance Co., Baton Rouge, La.; $1,341.44, The Guardian Life Insurance Co. of America, New York, N. Y.; $128.21, Home Friendly Insurance Co. of Maryland, Baltimore, Md.; $1,507.33, Home Life Insurance Co., New York, N. Y.; $233.57, Illinois Bankers Life Assurance Co., Mon-

[5] Filed with the Clerk only.

mouth, Ill.; $1,653.39, Jefferson Standard Life Insurance Co., Greensboro, N. C.; $12,248.83, John Hancock Mutual Life Insurance Co., Boston, Mass.; $149.24, Kentucky Central Life & Accident Insurance Co., Anchorage, Ky.; $464.74, Liberty National Life Insurance Co., Birmingham, Ala.; $385.91, Life Insurance Co. of Georgia, Atlanta, Ga.; $1,423.05, Life Insurance Co. of Virginia, Richmond, Va.; $3,292.16, The Lincoln National Life Insurance Co., Fort Wayne, Ind.; $518.56, The Manhattan Life Insurance Co., New York, N. Y.; $5,226.76, Massachusetts Mutual Life Insurance Co., Springfield, Mass.; $37,852.91, Metropolitan Life Insurance Co., New York, N. Y.; $1,103.19, The Minnesota Mutual Life Insurance Co., St. Paul, Minn.; $5,473.76, The Mutual Benefit Life Insurance Co., Newark, N. J.; $6,629.98, The Mutual Life Insurance Co. of New York, New York, N. Y.; $155.42, Mutual Savings Life Insurance Co., St. Louis, Mo.; $604.45, Mutual Trust Life Insurance Co., Chicago, Ill.; $1,535.42, The National Life & Accident Insurance Co., Nashville, Tenn.; $2,098.48, National Life Insurance Co., Montpelier, Vt.; $5,123.87, New England Mutual Life Insurance Co., Boston, Mass.; $17,577.92, New York Life Insurance Co., New York, N. Y.; $230.01, North American Life & Casualty Co., Minneapolis, Minn.; $355.05, North American Reassurance Co., New York, N. Y.; $1,066.20, Northwestern National Life Insurance Co., Minneapolis, Minn.; $238.15, Occidental Life Insurance Co., Raleigh, N. C.; $2,868.25, Occidental Life Insurance Co. of California, Los Angeles, Calif.; $759.03, The Ohio National Life Insurance Co., Cincinnati, Ohio; $387.28, The Ohio State Life Insurance Co., Columbus, Ohio; $1,798.77, Pacific Mutual Life Insurance Co., Los Angeles, Calif.; $495.11, The Paul Revere Life Insurance Co., Worcester, Mass.; $4,577.48, The Penn Mutual Life Insurance Co., Philadelphia, Pa.; $2,532.85, Phoenix Mutual Life Insurance Co., Hartford, Conn.; $532.12, Protective Life Insurance Co., Birmingham, Ala.; $1,359.81, Provident Life & Accident Insurance Co., Chattanooga, Tenn.; $2,268.88, Provident Mutual Life Insurance Co., Philadelphia, Pa.; $32,093.44, The Prudential Insurance Co. of America, Newark, N. J.; $111.19, Puritan Life Insurance Co., Providence, R. I.; $1,593.41, Reliance Life Insurance Co. of Pittsburgh, Pittsburgh, Pa.; $289.26, Republic National Life Insurance Co., Dallas, Tex.; $165.52, Scranton Life Insurance Co., Scranton, Pa.; $503.95, Security Mutual Life Insurance Co., Binghamton, N. Y.; $133.86, Service Life Insurance Co., Omaha, Nebr.; $263.09, Shenandoah Life Insurance Co., Inc., Roanoke, Va.; $1,827.41, State Mutual Life Assurance Co., Worcester, Mass.; $311.96, Sun Life Insurance Co. of America, Baltimore, Md.; $8,834.70, The Travelers Insurance Co., Hartford, Conn.; $2,307.39, The Union Central Life Insurance Co., Cincinnati, Ohio; $352.81, The Union Labor Life Insurance Co., New York, N. Y.; $175.03, Union Life Insurance Co., Little Rock, Ark.; $552.82, Union Mutual Life Insurance Co., Portland, Maine; $652.17, The United States Life Insurance Co., New York, N. Y.; $327.26, The Volunteer State Life Insurance Co., Chattanooga, Tenn.; $434.52, Western Life Insurance Co., Helena, Mont.; $1,630.23, The Western & Southern Life Insurance, Co., Cincinnati, Ohio; 0, The Equitable Life Assurance Society, New York, N. Y.; $542.70, The Canada Life Assurance Co., Toronto, Ontario, Canada; $166.20, Confederation Life Association, Toronto, Ontario, Canada; $780.17, The Great-West Life Assurance Co., Winnipeg, Manitoba, Canada; $127.94, The Imperial Life Assurance Co. of Canada, Toronto, Ontario, Canada; $100, The London Life Insurance Co., London, Ontario, Canada; $711.84, The Manufacturers Life Insurance Co., Toronto, Ontario, Canada; $100, The Mutual Life Assurance Co. of Canada, Waterloo, Ontario, Canada; $2,357.89, Sun Life Assurance Co. of Canada, Montreal, Quebec, Canada; $213,465.12, total. Of the total receipts of $213,465.12 shown above, $3,223.19, or 1.5 percent, was used for lobbying activities.

E. (2) $1,704.76; (5) $969.02; (6) $80.26; (7) $469.15; (9) $3,223.19; (11) $3,223.19.

A. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.; trade association.

C. (1) Continuous.

C. (2) (b) Legislation which might affect the welfare of policyholders and annuitants; e. g., H. R. 6000, House Joint Resolution 371, S. 2408.

D. (14) Total annual dues and contributions of members, second quarter, 1950: $16,901.03, Aetna Life Insurance Co., Hartford 15, Conn.; $600.79, American United Life Insurance Co., Indianapolis 6, Ind.; $196.09, Atlas Life Insurance Co., Tulsa 1, Okla.; $308.49, Baltimore Life Insurance Co., Baltimore 1, Md.; $44.27, Bankers Health & Life Insurance Co., Macon, Ga.; $3,971.55, Bankers Life Co., Des Moines 7, Iowa; $565.07, Bankers Life Insurance Co. of Nebraska, Lincoln 8, Nebr.; $767.88, Berkshire Life Insurance Co., Pittsfield, Mass.; $284.69, Boston Mutual Life Insurance Co., Boston 10, Mass.; $1,573.75, Business Men's Assurance Co. of America, Kansas City 10, Mo.; $1,908.23, California-Western States Life Insurance Co., Sacramento 4, Calif.; $184.77, Capitol Life Insurance Co., Denver 1, Colo.; $734.81, Central Life Assurance Society, Des Moines 6, Iowa; $293.77, Central Life Insurance Co. of Illinois, Chicago 6, Ill.; $384.13, Colonial Life Insurance Co. of America, East Orange, N. J.; $695.80, Columbian National Life Insurance Co., Boston 12, Mass.; $720.20, Commonwealth Life Insurance Co., Louisville 2, Ky.; $8,031.53, Connecticut General Life Insurance Co., Hartford 15, Conn.; $5,875.36, Connecticut Mutual Life Insurance Co., Hartford 15, Conn.; $474.05, Continental American Life Insurance Co., Wilmington 99, Del.; $61.36, Empire State Mutual Life Insurance Co., Jamestown, N. Y.; $59,661.54, Equitable Life Assurance Society, New York 1, N. Y.; $2,831.04, Equitable Life Insurance Co. of Iowa, Des Moines 6, Iowa; $360.56, Federal Life Insurance Co., Chicago 1, Ill.; $1,532.46, Fidelity Mutual Life Insurance Co., Philadelphia 1, Pa.; $65.01, Guaranty Income Life Insurance Co., Baton Rouge 2, La.; $2,139.42, Guardian Life Insurance Co. of America, New York 3, N. Y.; $57.01, Home Friendly Insurance Co. of Maryland, Baltimore, Md.; $1,390.13, Home Life Insurance Co., New York 8, N. Y.; $258.57, Illinois Bankers Life Assurance Co., Monmouth, Ill.; $2,429.03, Jefferson Standard Life Insurance Co., Greensboro, N. C.; $23,165.37, John Hancock Mutual Life Insurance Co., Boston 17, Mass.; $75.30, Kentucky Central Life & Accident Insurance Co., Anchorage, Ky.; $863.50, Liberty National Life Insurance Co., Birmingham 2, Ala.; $561.69, Life Insurance Co. of Georgia, Atlanta 2, Ga.; $2,214.75, Life Insurance Co. of Virginia, Richmond 9, Va.; $4,718.16, Lincoln National Life Insurance Co., Fort Wayne 1, Ind.; $802.60, Manhattan Life Insurance Co., New York 19, N. Y.; $9,978.54, Massachusetts Mutual Life Insurance Co., Springfield 1, Mass.; $64,437.39, Metropolitan Life Insurance Co., New York 10, N. Y.; $1,308.27, Minnesota Mutual Life Insurance Co., St. Paul 1, Minn.; $8,635.30, Mutual Benefit Life Insurance Co., Newark 1, N. J.; $10,707.86, Mutual Life Insurance Co. of New York, New York 19, N. Y.; $936.27, Mutual Trust Life Insurance Co., Chicago 3, Ill.; $2,440.24, National Life & Accident Insurance Co., Nashville 3, Tenn.; $2,876.38, National Life Insurance Co., Montpelier, Vt.; $8,304.75, New England Mutual Life Insurance Co., Boston, Mass.; $29,195.78, New York Life Insurance Co., New York 10, N. Y.; $298.49, North American Life & Casualty Co., Minneapolis 5, Minn.; $450.67, North American Reassurance Co., New York 17, N. Y.; $1,672.74, Northwestern National Life Insurance Co., Minneapolis 4, Minn.; $218.31, Occidental Life Insurance Co., Raleigh, N. C.; $5,151.31, Occidental Life Insurance Co. of California, Los Angeles 54, Calif.; $1,105.93, Ohio National Life Insurance Co., Cincinnati 1, Ohio; $467.50, Ohio State Life Insurance Co., Columbus 15, Ohio; $2,622.55, Pacific Mutual Life Insurance Co., Los Angeles 55, Calif.; $627.07, Paul Revere Life Insurance Co., Worcester 2, Mass.; $7,494.14, Penn Mutual Life Insurance Co., Philadelphia 5, Pa.; $3,651.73, Phoenix Mutual Life Insurance Co., Hartford, Conn.; $809.82, Protective Life Insurance Co., Birmingham 2, Ala.; $2,377.29, Provident Life & Accident Insurance Co., Chattanooga 2, Tenn.; $3,328.06, Provident Mutual Life Insurance Co., Philadelphia 1, Pa.; $55,923.42, Prudential Insurance Co. of America, Newark 1, N. J.; $15.51, Puritan Life Insurance Co., Providence 1, R. I.; $2,179.65, Reliance Life Insurance Co. of Pittsburgh, Pittsburgh 22, Pa.; $571.92, Republic National Life Insurance Co., Dallas 8, Tex.; $112.34, Scranton Life Insurance Co., Scranton 3, Pa.; $780.65, Security Mutual Life Insurance Co., Binghamton 63–C, N. Y.; $58.18, Service Life Insurance Co., Omaha 2, Nebr.; $253.75, Shenandoah Life Insurance Co., Inc., Roanoke 15, Va.; $3,017.59, State Mutual Life Assurance Co., Worcester 8, Mass.; $365, Sun Life Insurance Co. of America, Baltimore 2, Md.; $16,765.96, Travelers Insurance Co., Hartford 15, Conn.; $3,665.79, Union Central Life Insurance Co., Cincinnati 2, Ohio; $531.37, Union Labor Life Insurance Co., New York 22, N. Y.; $111.31, Union Life Insurance Co., Little Rock, Ark.; $757.14, Union Mutual Life Insurance Co., Portland 6, Maine; $702.35, United States Life Insurance Co., New York 7, N. Y.; $382.38, Volunteer State Life Insurance Co., Chattanooga, Tenn.; $511.98, Western Life Insurance Co., Helena, Mont.; $2,726.29, Western & Southern Life Insurance Co., Cincinnati 1, Ohio; $490.16, Canada Life Assurance Co., Toronto 1, Ontario, Canada; $214.02, Confederation Life Association, Toronto 1, Ontario Canada; $1,318.31, Great-West Life Assurance Co., Winnipeg, Manitoba, Canada; $43.08, Imperial Life Assurance Co. of Canada, Toronto 1, Ontario, Canada; [blank], London Life Insurance Co., Ontario, Canada; $865.78, Manufacturers Life Insurance Co., Toronto 5, Ontario, Canada; [blank], Mutual Life Assurance Co. of Canada, Waterloo, Ontario, Canada; $3,524.43, Sun Life Assurance Co. of Canada, Montreal 2, Quebec, Canada. Of the total receipts of $412,803.76 shown above, $5,043.20, or 1.2 percent, was used for lobbying activities.

E. (2) $2,361.39; (5) $2,275.15; (6) $20.62; (7) $386.04; (9) $5,043.20; (10), $3,223.19; (11) $3,266.39.

A. Life Insurance Policyholders Protective Association, 116 Nassau Street, New York, N. Y.; a nonprofit, nonstock membership association of life-insurance policyholders.

C. (1) Indefinite.

C. (2) General education concerning the effect of inflation on the purchasing power of life insurance as it relates to Federal policies or measures which are deemed to be inflationary in character; (a) omnibus appropriation bill; national health plan; Brannan farm plan.

C. (3) Sample attached hereto;[4] (b) 180,000; April 1, 1950, to June 30, 1950; (d) Process Printing Co., New York, N. Y.

D. (2) $6,259.17; (6) $335; (7) $6,594.17; (8) $16,158.13; (9) $22,752.30; (10) $265.47; (12) $69.53; (13) yes; (14) $1,000, Lammot du Pont, du Pont Building, Wilmington, Del.; $663, Daggett Chocolate Co., 400 Main Street, Cambridge, Mass.; total, $1,663.

[4] Not printed. Filed in the Clerk's office.

E. (2) $1,760.86; (4) $2,697.84; (5) $637.93; (6) $22.50; (7) $3,688.79; (8) $2,197.72; (9) $11,055.64; (10) $7,572.77; (11) $18,628.41.

A. L. Blaine Liljenquist, Western States Meat Packers Association, Inc., 1415 K Street NW., Washington, D. C.; trade association of independent meat-packing companies in nine Rocky Mountain and Pacific Coast States.

B. Mr. E. F. Forbes, Western States Meat Packers Association, Inc., 604 Mission Street, San Francisco, Calif.; Mr. E. F. Forbes is the president and general manager of this trade association.

C. (1) The association's legislative interests are expected to continue indefinitely.

C. (2) I am interested in legislation affecting the livestock and meat-packing industries. During the second quarter 1950 I supported the Magnuson amendment to the CCC bill, H. R. 6567; the Granger bill, H. R. 4538, to maintain parity prices to producers of fats and oils by equalizing imports and exports; H. R. 8677, to reduce the Panama Canal tolls on commercial shipping; H. R. 8573, establishing procedures for the payment of livestock slaughter subsidies; S. 3550 and H. R. 8737, extending import controls on fats and oils; and 7786 (the appropriations bill) regarding the items covering Federal meat inspectors; and the amendment on offshore purchases of meat by the Quartermaster for the feeding of United States troops overseas.

C. (3) Published material in the weekly bulletins of the Western States Meat Packers Association, Inc.

D. (5) $2,187.48; (6) $883.73; (7) $3,071.21; (8) $3,970.17; (9) $7,041.38; (13) no.

E. (2) $149.03; (4) $6.34; (7) $8.15; (8) $0.50; (9) $164.02; (10) $51.64; (11) $215.66; (15) $164.02.

A. John W. Lindsey, counsel, National Association of Securities Dealers, Inc., 1625 K Street NW., Washington, D. C.

B. National Association of Securities Dealers, Inc. (a registered national securities association pursuant to section 15A of the Securities Exchange Act of 1934, as amended).

C. (1) Legislative interest will continue so long as S. 2408, known as the Frear bill, remains before the Congress.

C. (2) (a) The Frear bill; (b) S. 2408; (c) a proposed amendment to various sections of the Securities Exchange Act of 1934.

C. (3) The National Association of Securities Dealers, Inc., periodically (two to three times a year) publishes a house organ of interest to members of the association which goes to all the approximately 2,750 members, their branch offices, and some officers, partners, and employees. The last such issue was published in March 1950 and 6,000 copies were printed. The Frear bill was commented upon and the statement of the association's representatives before the Senate subcommittee on Banking and Currency was included. The name of the printer is Byron S. Adams, 512 Eleventh Street NW., Washington, D. C.

D. (1) See letter of January 18, 1950, addressed to the Secretary of the Senate and the Clerk of the House of Representatives signed by Wallace H. Fulton in connection with the registration of Messrs. Wallace H. Fulton and John W. Lindsey; (5) $375; (7) $375 (based on estimate—see item 4 of original registration form B).

A. Robert G. Litschert, 1200 Eighteenth Street NW., Washington, D. C.; registrant is an employee of the National Association of Electric Companies, a trade association whose members are 101 operating electric companies; Mr. Robert G. Litschert, an employee of the National Association of Electric Companies, is filing this form for the information of the Congress of the United States under title 3 of the Legislative Reorganization Act of 1946 but questions whether and to what extent that act applies to him. This form has been prepared without the benefit of official interpretations of that statute. The amount stated in item D of the form is the total salary registrant receives as an employee of the association in the performance of all his duties as they arise in carrying out the purposes and activities of the association.

B. National Association of Electric Companies, 1200 Eighteenth Street NW., Washington, D. C.; the National Association of Electric Companies is a trade association whose members are 101 operating electric companies. The preamble of its articles of association describe the functions to be engaged in by the association as follows: In order to further the interests of the electric utility companies that are members of this association and their investors, employees, and customers; to maintain the integrity and credit of the industry; to present to the public the essential facts about the industry to the end that there may be a better understanding between the utility companies and the public and a better appreciation of utility progress, achievements, and problems; to coordinate regional activities among member companies; to furnish member companies information, reports and statements concerning various phases of electric utility operations and developments; to further cooperation with all agencies and organizations interested in the supply and purchase of electric light and power; to furnish such agencies and organizations with information, reports, and statements concerning member companies and the electric utility industry; to present the facts to the public concerning the public benefits resulting from the operation of electric utility companies by businessmen under governmental regulations and, generally, to engage in those practices recognized as being legal and proper to further said ends, certain electric utility companies do hereby establish a national association which shall be adequately qualified and empowered to act in every lawful way when concert of policy and action would be helpful. Thus the association functions for the following principal purposes: (1) To keep member companies informed of Washington developments affecting them as operating businesses, including information and analyses of governmental hearings, orders, and regulations, both legislative and administrative; (2) to keep the public, including employees, consumers, and investors, informed concerning the accomplishments of the industry, its achievements in serving the public, and the plans of this industry for the future; (3) to furnish—and aid in furnishing—technical information to the instruments of Government and to provide a readily available contact between Government and the industry; (4) to provide the members of the association with a medium through which they can exchange ideas on problems of mutual concern and interest in order to better serve the public; (5) to act for the member companies in matters of common and national concern.

C. (1) Of indefinite duration.

C. (2) Registrant is Robert G. Litschert, an employee of the National Association of Electric Companies. One of the purposes of this association as set forth in previous registrations and reports filed pursuant to title 3 of the Legislative Reorganization Act of 1946 is to provide its members with a medium through which they can develop and exchange ideas and take appropriate action on problems of mutual concern and interest, including matters involving legislation. The association, therefore, is generally interested in all developments in and of Federal legislation that might affect its members as going electric utilities, including, but not limited to, the following bills and statutes and amendments thereto: H. R. 7786, a bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; S. 3376, a bill introduced in the Senate of the United States April 10, 1950, to provide for the organization of interstate water and power users' associations for the purpose of entering into contracts for the repayment of the costs of water and power projects on interstate streams and for the ownership, operation, and maintenance of such projects, and for other purposes; Internal Revenue Code (53 Stat. 1); TVA Act (48 Stat. 58); Federal Power Act (49 Stat. 803); Rural Electrification Act of 1936 (49 Stat. 1363); Reclamation Acts (25 Stat. through 45 Stat.); Flood Control Act, 1944 (58 Stat. 887); Administrative Procedure Act (60 Stat. 237). For specific details concerning the policy position of the National Association of Electric Companies, see the document entitled "Water Resources, Electric Power, and National Policy," prepared in response to an invitation of the Chairman of the President's Commission on Water Resources Policy dated March 2, 1950, to state the association's views on certain policy questions and filed with the Secretary of the Senate and Clerk of the House by the National Association of Electric Companies.

D. (5) $2,500; (7) $2,500; (8) $2,500; (9) $5,000; (13) no.

E. (6) $11.60; (7) $935.44; (8) $121.50; (9) $1,068.54; (10) $639.10; (11) $1,707.64; (15) $1,068.54.

A. Norman M. Littell, 1422 F Street NW., Washington, D. C.; attorney at law.

B. The Navajo Tribe of Indians, residing in Arizona, New Mexico, Utah, and Colorado; address of the superintendent, Window Rock, Ariz.

C. (1) Legislative interests and all legislation pertaining to the Navajos will continue through life of contract as tribal attorney. However, since, the passage of the Navajo rehabilitation bill (S. 2734), no further interest is anticipated in this Congress.

C. (2) The recent legislation of interest was S. 2734, a bill for the rehabilitation of the Navajo and Hopi Tribes of Indians, and the Department of the Interior appropriations bill.

D. (5) $1,875; (7) $1,875; (9) $1,875; (13) No.

E. (6) $39.55; (7) $542.12; (8) $16.23; (9) $597.90; (10) $654.11; (11) $1,252.01; (12) $597.90 for reimbursable expenses, $1,875 for fees under attorney contract; (14) $606.08; (15) $597.90.

A. Norman M. Littell, 1422 F. Street NW., Washington, D. C.; attorney at law.

B. Seventeen bands of Mission Indians of southern California; address, care of Adam Castillo, president, Mission Indian Federation, San Jacinto, Calif., under contract No. I–1–Ind–42161, approved by the Commissioner of Indian Affairs on February 18, 1949.

C. (1) Legislative interests and all legislation pertaining to the Mission Indians will continue through life of contract as attorney for the various bands.

C. (2) The recent legislation of interest was H. R. 7473 (introduced by Congressman McKINNON) and S. 3197 (introduced by Senator DOWNEY), both to extend the personal rights and duties of the Indians of California; and also the Department of the Interior appropriations bill making appropriations for fiscal year ending June 30, 1951, H. R. 7786.

D. (13 No.

E. (6) $24.25; (7) $76.10; (8) $8.60; (9) $108.95; (10) $616.57; (11) $725.52; (12) $725.52 in reimbursable expenses, $6,250 as fees under contract, total, $6,975.52.

A. Walter J. Little, 510 West Sixth Street, Los Angeles, Calif.; attorney at law.

B. Southern Pacific Co., Northwestern Pacific Railroad Co., 65 Market Street, San Francisco.; Atchison, Topeka & Santa Fe Ry. Co., 121 East Sixth Street, Los Angeles, Calif.; The Western Pacific Railroad Co., 526 Mission Street, San Francisco, Calif.; Union Pacific Railroad Co., 422 West Sixth Street, Los Angeles, Calif.

C. (1) Indefinitely.

C. (2) All legislation affecting the railroads, H. R. 7789 and S. 3295, the so-called union shop bills.

D. (5) $1,422.24; (7) $1,422.24; (8) $1,244.46; (9) $2,666.70; (13) No.

E. (6) $128.06; (7) $640.51; (8) $48.89; (9) $817.46; (10) $600.62; (11) $1,418.08; (15) $817.46.

A. John M. Littlepage, 832 Continental Building, Fifteenth and K Streets NW., Washington, D. C., attorney at law.

B. The American Tobacco Co., Inc., 111 Fifth Avenue, New York, N. Y.; manufacture and sale of tobacco products.

C. (1) Registrant is a partner in the law firm of Littlepage & Littlepage, which has been receiving for a number of years retainer from the American Tobacco Co. in the amount of $18,000 per annum for a variety of professional services rendered. Neither the registrant nor his law firm will receive compensation in addition to the annual retainer for any activities with respect to legislation covered by the act. Any activities which may be performed will be occasional and incidental, and will comprise only a small part of registrant's duties. No amount of the retainer is allocated to any such activities. The firm of Littlepage & Littlepage will be reimbursed by the American Tobacco Co. for any actual out-of-pocket expenses incurred by any member or associate of the firm for the usual actual disbursements customary in legal work.

C. (2) Any legislation affecting a company engaged in the manufacture and sale of tobacco products, and specifically H. R. 2016.

D. (13) No.

A. Gordon C. Locke, 643 Munsey Building, Washington, D. C.; attorney at law, executive secretary and associate counsel for Committee for Pipe Line Companies.

B. Committee for Pipe Line Companies, box 1349, Tulsa, Okla.; unincorporated organization whose function is to act for petroleum pipe line companies that are subject to the Act to Regulate Interstate Commerce in regard to matters in which cooperative action is desirable.

C. (1) Indefinite.

C. (2) My general legislative interests are those of the Committee for Pipe Line Companies, which is opposed to proposed legislation as any inimical to the petroleum pipe line industry. Especially, the Committee for Pipe Line Companies and myself are opposed to S. 571, a bill to prohibit interstate common carrier pipe lines from transporting commodities in which such carriers have any interest. No action, in the nature of public hearings or otherwise has been taken in connection with S. 571, consequently, I have taken no action in connection with S. 571 or other legislation, which would be covered by the provision of the Lobbying Act, during the period covered by this report.

D. (7) $3,750; (8) $3,750; (9) $7,500; Received for services, i. e., salary, fee, per diem, and so forth. I am executive secretary and associate counsel for the Committee for Pipe Line Companies, which was organized to represent and act for interstate petroleum pipe line companies most of which are subject to the Interstate Commerce Act, and to the jurisdiction of the Interstate Commerce Commission. The form, to which this is attached, states that the committee is opposed to enactment of S. 571, but that no action has been taken by the committee or myself, during the period covered by this report, in connection with that bill; therefore, no service has been rendered by me which falls within the terms of the Lobbying Act, although I have kept the committee informed from time to time of the status of S. 571. The amount of my time devoted to that purpose has been so negligible that I feel justified in reporting that none of my salary, which totaled $3,750, for all my services during the period involved should be attributed to services covered by the Lobbying Act. (See report of Committee for Pipe Line Companies.)

A. F. S. Lodge, the National Fertilizer Association, 616 Continental Building, Washington, D. C.; assistant to the president.

B. The National Fertilizer Association, 616 Continental Building, Washington, D. C.

C. (1) Legislative interests are very minor and are only incidental to principal activities. No term has been fixed for continuance of legislative interests. Presumably, such interests will continue if and as occasion may arise.

C. (2) Any legislation that might affect the manufacture or distribution of fertilizer or the general agricultural economy, including such bills in the Eighty-first Congress as H. R. 2756, to implement the established national policy of promoting maximum employment, production, and purchasing power, and for other purposes; H. R. 855, to regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce, and for other purposes; and H. R. 3045, to regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce, and for other purposes.

D. (5) $25; (7) $25; (13) no. Of salary received by me during the quarter, $25 may be allocable to legislative interests.

A. Lord, Day & Lord, 25 Broadway, New York, N. Y.; 1216 Tower Building, Washington, D. C.; attorneys.

B. Agency of Canadian Car & Foundry Co., Ltd., 30 Broadway, New York, N. Y.

C. (1) Indefinite.

C. (2) Legislation having relation to World War I claims.

A. Rufus M. Lovelady, care of AFGE, 900 F Street NW., Washington, D. C.; legislative representative.

B. (1) American Federation of Government Employees, 900 F Street NW., Washington, D. C.; a Federal employee labor union. (2) Lodge No. 14, AFGE, Box 1703, Balboa, C. Z.; a constituent lodge of this federation.

C. (1) Indefinitely.

C. (2) Of general interest are such matters as retirement, leave, compensation, and any other legislation affecting Federal employees. I am to support beneficial legislation and oppose that which adversely affects our employees.

D. (5) $2,400; (7) $2,400; (8) $1,359.90; (9) $3,759.90; (13) no; (14) American Federation of Government Employees, $1,375; Lodge No. 14, AFGE, $1,025; total, $2,400.

E. (3) $8.75; (4) $30; (5) $5; (6) $23; (7) $570; (8) $900; (9) $1,536.75; (10) $626.03; (11) $2,162.78; (15) $1,536.75.

A. James C. Lucas, 1627 K Street NW., Washington, D. C.; retail trade association.

B. American Retail Federation, 1627 K Street NW., Washington, D. C.; retail trade association.

C. (1) Indefinitely.

C. (2) Registrant is generally interested in all legislation and legislative proposals affecting the retail industry, including the industry's relations with the Federal Government, with its suppliers, with its employees, and with its customers. Specifically at this time: Taxation, general revisions, excise-tax relief, no specific bills; Hoover Commission recommendations, general principles, Reorganization Plan Nos. 6 and 12; (a) H. R. 2945, S. 1103, postal rate increases; social-security amendments, H. R. 6000; health insurance, S. 5, S. 1679; temporary disability insurance, H. R. 2893; unemployment compensation, H. R. 8059; (b) labor, Fair Labor Standards Act (29 U. S. C. 201–219); National Labor Relations Act (49 Stat. 449); Fair Employment Practices Act bills, S. 1728, H. R. 445; trade practices, consumer protection, labeling, cotton labeling bill, S. 124; fiber labeling bill, S. 283; fur labeling bill, H. R. 5187; flammable fabrics bill, S. 403; Wool Labeling Act (15 U. S. C., 68 et seq.).

D. (5) $500; (7) $500; (8) $500; (9) $1,000; (13) yes, salary from employer.

E. (7) $24.05; (9) $24.05; (10) $12.80; (11) $36.85; (15) $24.05.

A. Dr. Carl E. Lunn, owner Lunn-Lodge in the Desert, Tonopah, Ariz.; volunteer acting State manager for Townsend plan.

B. Townsend National Insurance Plan, Inc., 6375 Broadway, Cleveland, Ohio.

C. (1) Until Townsend plan is enacted into a law.

C. (2) Townsend plan, or H. R. 2135.

D. (5) $124.01; (7) $124.01; (8) $211.20; (9) $335.21; (13) No.

A. Rufus S. Lusk, 1830 Jefferson Place NW., Washington, D. C.; real estate statistician and analyst.

B. Joint Committee for the Decontrol of District of Columbia Rents, 1830 Jefferson Place NW., Washington, D. C.

C. (1) For the duration of District of Columbia rent control hearings.

C. (2) Any legislation concerning District of Columbia rent control.

C. (3) The following are names of papers, magazines, periodicals, etc. to which news releases have been sent. Registrant has no information as to the utilization of this material: Washington Times-Herald, Washington Post, Washington Daily News, Washington Evening Star.

D. (5) $1,000; (7) $1,000; (9) $1,000.

E. (2) $784.25; (5) $152.54; (9) $936.79; (11) $936.79.

A. A. L. Lynn, vice president, Island Creek Coal Co., Pond Creek Pocahontas Co., Huntington, W. Va.

C. (1) Of a continuing nature.

C. (2) I am not employed to support or oppose specific legislation. I am interested generally in all legislation affecting the coal industry, such as taxes, transportation, Government controls, Government expenditures, hearings concerning monopolistic practices, hearings in re S. 2912, and hearings during the past quarter relative to impact of imports on domestic economy.

D. (5) $4,990; (7) $4,990; (8) $4,990; (9) $9,980; (13) no; (14) For all services rendered the companies listed below I received the following salaries during the last calendar quarter: Island Creek Coal Co., $3,750; Pond Creek Pocahontas Co., $1,240. Although the above salaries are not paid for the purpose of influencing legislation, they are reported in full for the reason that I am unable to determine what part, if any, of my services come within the scope of Public Law 601, Seventy-ninth Congress.

E. (7) $70; (9) $70; (10) $150; (11) $220; (15) all.

A. John C. Lynn, American Farm Bureau Federation, 261 Constitution Avenue NW., Washington, D. C.

B. American Farm Bureau Federation, 221 North La Salle Street, Chicago, Ill.

C. (1) Indefinite.

C. (2) In accordance with the annual meeting resolutions adopted by the American Farm Bureau Federation, proposed legislation on the following matters has been supported or opposed: Appropriations for the fiscal year 1951; Commodity Credit Corporation; section 22 of the Agricultural Adjustment Act; cotton, wheat, peanut, and rice quotas and allotments; wheat marketing certificate program; commercial corn-producing areas; marketing quotas for cigar wrapper tobacco; potato marketing quotas; sugar quotas; extension of Agricultural Marketing

Agreements Act of 1937; foreign economic assistance; displaced persons; point 4 program; Foreign Economic Commission; import controls; educational exchange; trade policy with Communist countries; customs regulations; oil imports; agricultural credit; Rural Electrification Act amendment; brucellosis; Government reorganization; rural roads; taxation; social security; education; postal rates; farm labor; rural housing; farm program; marketing facilities for perishables; tenant purchase, production and subsistence loans; extension of civil service; Farm Bureau-Extension Service relationships; Cooperative Forest Management Act; Central Valley California projects; antitrust.

C. (3) See report filed for American Farm Bureau Federation for this information.

D. (5) $2,250; (7) $2,250; (8) $2,250; (9) $4,500; (13) no.

E. (7) $738.09; (9) $738.09; (10) $573; (11) $1,311.09; (15) $738.09.

A. A. E. Lyon, executive secretary, Railway Labor Executives' Association, 10 Independence Avenue SW., Washington, D. C.

B. Employer listed above.

C. (1) Indefinitely.

C. (2) Legislative activities are a minor part of my work and they are estimated to comprise not more than 20 percent of the total. (a) S. 3295 and H. R. 7789, to amend Railway Labor Act. (b) H. R. 378 and S. 328, to amend section 25 of Interstate Commerce Act; (c) generally interested in all legislation affecting labor, especially railroad labor.

D. (5) $600; (6) $130.05; (7) $730.05.

A. Jonas A. McBride, vice president, national legislative representative, 10 Independence Avenue, Washington, D. C.; railroad labor organization representative.

B. Brotherhood of Locomotive Firemen and Enginemen, 318 Keith Building, Cleveland, Ohio; railroad labor organization.

C. (1) Indefinite.

C. (2) S. 3463, the Donnell bill, to amend the Railway Labor Act. (Our brotherhood is opposed to this bill.) We are interested in all legislation which would affect the interests of the Brotherhood of Locomotive Firemen and Enginemen.

D. (5) $2,499.99; (6) $1,377.10; (7) $3,877.09; (8) $3,555.58; (9) $7,432.67; (13) no.

A. Richard McCann, president, Local 802, American Federation of Musicians, 1267 Sixth Avenue, New York, N. Y.

B. American Federation of Musicians, 570 Lexington Avenue, New York, N. Y.

C. (1) Indefinitely.

C. (2) Twenty-percent cabaret tax.

D. (5) $60; (7) $60.

A. John A. McCart, room 716, AFGE, 900 F Street NW., Washington, D. C.; legislative representative.

B. American Federation of Government Employees, room 716, 900 F Street NW., Washington, D. C.; AFL Government Employees' Union.

C. (1) Permanently.

C. (2) All bills of interest to Federal Government employees and District of Columbia government employees.

D. (5) $1,346.10; (7) $1,346.10; (9) $1,346.10.

E. (7) $21.20; (9) $21.20; (11) $21.20; (15) $21.20.

A. Frank J. McCarthy, 211 Southern Building, Fifteenth and H Streets NW., Washington, D. C.; the Pennsylvania Railroad Co.

B. The Pennsylvania Railroad Co., 1740 Broad Street Station Building, Philadelphia, Pa.

C. (1) Indefinitely.

C. (2) Any legislation affecting the interest of the Pennsylvania Railroad Co., including Senate Resolution 50, transportation investigation; S. 238, H. R. 378, H. R. 530, railroad communications and operating rules; S. 211, H. R. 4978, Federal barge lines; S. 2113, H. R. 5967, freight forwarders; H. R. 7789, S. 3295, Railway Labor Act; Senate Joint Resolution 99, St. Lawrence seaway; S. 1596, H. R. 4271, mail pay bill; S. 1008, basing point; S. 3109, H. R. 8847, package freight, Great Lakes; H. R. 8320, S. 2091, produce terminals; S. 3463, railroad antistrike; H. R. 8920, taxes.

D. (5) $1,600; (13) no.

E. (5) $120; (8) $272.25.

A. J. L. McCaskill, associate secretary, department of higher education, National Education Association, 1201 Sixteenth Street NW., Washington, D. C.

B. Department of higher education, National Education Association, 1201 Sixteenth Street NW., Washington, D. C.

C. (1) The Department of higher education is interested in national legislation that directly relates to the operation of colleges and universities.

C. (2) The general legislative interests are identical with those mentioned in item (1). Specifically, the department has been interested in the following legislation during the second session of the Eighty-first Congress: S. 2246 and H. R. 6070, providing long-term loans for college and university housing; S. 1453, grants-in-aid for construction and facilities in connection with health education; H. R. 6000 which includes extension of social-security benefits to employees of educational institutions; S. 247 which provides for the establishment of a national science foundation.

C. (3) The activities in connection with legislative interests include the collection of facts with regard to the status of legislation and the dissemination of information concerning status of legislation to the membership of the department of higher education. The dissemination of information is through two media. First, the monthly publication of the department entitled "College and University Bulletin," a copy of which is attached, and legislative memoranda to key members, which is sent to one person on each college and university campus who has been designated the key member of the department of higher education. Copy of legislative memoranda is attached. (One copy only, see original report.)

D. The department of higher education is the college and university division of the National Education Association. No separate dues are charged for membership in the department of higher education. Any National Education Association member who is employed full time in higher educational work is eligible for a membership in the department of higher education. The membership at the time of the filing of this report is approximately 16,000. The only receipts for the department of higher education are those budgeted in the general budget of the National Education Association. Since the legislative activities of the department are entirely incidental to the program, there is no separate budget for legislative items. No contributions of any kind are received for legislative or other purposes.

E. Since the legislative services are entirely incidental services, expenditures in this area cannot be broken down into the categories listed under section E. The quarterly salary of the person making this report is $1,820. Not more than $250 of this salary could be allocated for legislative purposes. The only other expenditure would include approximately $25 for cab fare and miscellaneous.

A. Bryson deHaas McCloskey, 1316 L Street NW., Washington, D. C.

B. No payment made to me by any other person or firm for or on behalf of any of the interests or publications stated herein.

C. (1) Legislative interests are planned to continue until the purposes accomplished.

C. (2) To inspire legislation (a) requiring all philanthropies and nonprofit organizations to make yearly detailed reports of all funds they receive and expend; (b) instigating an investigation of the methods employed by "big business" and their "paid agents" to prevent the manufacture of a low-priced auto for the people and, with impending war, for the military; (c) instigating investigation of philanthropies as "big business" controlled monopolies; (d) instigating investigation of the United States Post Office Inspection Department as an agent of "big business" and its "paid agents" and to determine the prevalency of unethical "frame up" methods; (e) instigating investigation of the Federal Housing Administration to determine its discrimination against veterans; (f) instigating investigations and actions to protect "small business."

C. (3) (a) Tabloid newspaper, Public Patriot; (b) 5,000 copies; (c) June 1949; Washington Printers. A copy of the first issue is on file attached to previous reports.

D. (5) Working voluntarily without compensation; (13) No.

E. (8) $0.30; (9) $0.30; (10) $0.12; (11) $0.42.

A. Warren C. McClure, southwestern representative, Mississippi Valley Association, Box 207, Camden, Ark.

B. Mississippi Valley Association, 511 Locust Street, St. Louis, Mo.; Mid-Continent Association of Industrial, Commercial, and Agricultural Interests.

C. (2) Legislation relating to soil conservation and flood control.

D. (5) $900.

A. Rev. A. J. McFarland, 126 North Eighth Street, Sterling, Kans.; field secretary, the Christian Amendment Movement, 914 Clay Street, Topeka, Kans.

B. The Christian Amendment Movement, 914 Clay Street, Topeka, Kans.

C. (1) Legislative interests will continue through this year, probably longer.

C. (2) We are seeking for a Christian amendment to the Constitution of the United States. The bill is House Joint Resolution 181.

C. (3) The Christian Patriot is the publication of the movement. I have nothing to do with its publication.

D. (5) $750; (6) $750; (13) no.

E. (7) $478; (9) $478.

A. Richard McGough, 515 Hoge Building, Seattle, Wash.

B. Employers as listed in original registration (Northern Pacific Railway Co., et al).

C. (1) Employment indefinite. (See statement in original registration.)

C. (2) Legislation affecting transcontinental railroads operating in the State of Washington.

D. (8) $601.85; (9) $601.85.

E. (10) $318.52; (11) $318.52.

T. Thomas Edward McGrath, 4012 Fourteenth Street NW., Washington, D. C.; Federal lobbying.

B. Taxpayers, U. S. A.

D. (5) $180; (7) $180; (8) $180; (9) $360: (13) no.

A. M. C. McKercher, O. R. T. Building, St. Louis, Mo.; employee of a labor organization.

B. The Order of Railroad Telegraphers, ORT Building, St. Louis, Mo.; a labor organization.

C. (1) Indefinitely.

C. (2) Legislation affecting the welfare of railroad employees.

D. (5) $1,230; (9) $1,230; (13) no.

A. Royce B. McKinley, 604 Hibbs Building, 725 Fifteenth Street NW., Washington, D. C.; counsel.

B. National Grain Trade Council, 604 Hibbs Building, 725 Fifteenth Street NW., Washington, D. C.; trade association.

C. (1) Indefinite.

C. (2) (a) Legislation pertaining to general agricultural program; Commodity Credit Corporation Charter; Economic Cooperation Administration; Tax Revision; (b) S. 1971; S. 2826; H. R. 6567; H. R. 7378; H. R. 8920.

C. (3) No publications other than contributions to weekly newsletter published by

employer with trade circulation—in part, reports legislative developments.

D. (5) $1,350; (6) $12; (7) $1,362; (8) $1,200; (9) $2,562.

E. (8) $12; (9) $12; (10) $10; (11) $22.

A. Gordon D. McKinney, actuary, the National Association of Life Underwriters, 11 West Forty-second Street, New York, N. Y.

B. The National Association of Life Underwriters, 11 West Forty-second Street, New York, N. Y.; trade association.

C. (1) Legislative interests will continue indefinitely.

C. (2) Government operations subcommittee hearings on national service life insurance; H. R. 8035.

C. (3) (a) Life Association News, (b) 55,000, (c) monthly, (d) Hamilton Printing Co., Albany, N. Y..

C. (4) (a) Semimonthly, (b) $10,000 annually, (c) permanent, (d) unknown, but no large expenses anticipated.

D. (5) $602.80; (7) $302.80; (9) $602.80; (13) no.

E. (7) $415.45; (9) $415.45; (11) $415.45; (15) $415.45.

A. Joseph V. McLaughlin, general auditor, 923 Chestnut Street, Chattanooga, Tenn.

B. Railway Express Agency, Inc., 230 Park Avenue, New York, N. Y.

C. (1) As general auditor of the Railway Express Agency, am devoting part of my time to two bills to readjust postal rates, i. e., H. R. 2945 and S. 1103. Regular salary as general auditor for full quarter $3,000. On Washington assignment intermittently $1,000. No expenditures except personal for hotel, pullman, meals, taxicabs, etc. For this quarter $462.29, for which I am reimbursed.

D. (5) $1,000; (7) $1,000.

E. (7) $462.29; (9) $462.29.

A. Robert E. McLaughlin, Mayflower Office Building, Washington, D. C.

B. National Association of Storekeeper-Gaugers, as unincorporated association of Federal employees.

C. (1) Indefinite period.

C. (2) Legislation affecting Federal Government employees in general, and storekeeper-gagers of the ATU in particular. Only appearance this year on H. R. 3702.

D. (5) $350; (7) $350; (8) $350; (9) $700; (13) no.

E. (4) $6; (9) $6; (11) $6; (15) all.

A. W. H. McMains, 1135 National Press Building, Washington, D. C.; trade association representative.

B. Distilled Spirits Institute, 1135 National Press Building, Washington, D. C.; a trade association.

C. (1) Indefinitely.

C. (2) Any legislation affecting the domestic distilling industry; specifically during the first quarter of 1950, H. R. 5486, a bill to amend certain provisions of the Internal Revenue Code and S. 1847, a bill to prohibit transportation in interstate commerce advertisements of alcohol beverages.

D. Only a very minor portion of my time is devoted to activities covered under Public Law 601, Seventy-ninth Congress. No expenses have been authorized or incurred for the purposes listed under the act.

A. Robert W. McMillan, 1025 Connecticut Avenue NW., Washington, D. C.; consultant.

B. Management Planning of Washington, Inc., 1025 Connecticut Avenue NW., Washington, D. C.; business advisory corporation.

C. (1) Termination as of June 30, 1950.

C. (2) Keeping employer informed of matters relating to Federal taxes and other measures generally affecting business organizations.

D. (5) $2,182.80; (7) $2,182.80; (8) $2,314.50; (9) $4,497.30; (13) none, except as in No. 5.

E. (7) $82.80; (9) $82.80; (10) 136.95; (11) $219.75; (15) $82.80.

A. Geneva F. McQuatters, 1917 I Street NW., Washington, D. C.; woman's organization.

B. The National Federation of Business and Professional Women's Clubs, Inc., 1819 Broadway, New York, N. Y.; woman's organization.

C. (1) Indefnite.

C. (2) The general legislative interests of the National Federation of Business and Professional Women's Clubs, Inc., are those which affect favorably or adversely the interests of women in business and the professions; (a) the following bills were supported or opposed in the Eighty-first Congress:

Supported: Women's Bureau appropriation, the equal rights amendment (S. J. Res. 25 and H. J. Res. 68); equal pay for equal work (S. 706 and H. R. 1584); Federal aid to education (S. 246); amendment to Displaced Persons Act (H. R. 4567); International Trade Organization (H. J. Res. 236); ECA; Genocide Convention; Social Security Act (H. R. 6000); raise the rank of heads of women's services (H. R. 7152).

Opposed: Women's status bill (S. 1430 and H. R. 2396); bill to prohibit both spouses from Government employment (H. R. 6871); Government health insurance (S. 1679 and S. 1970).

C. (3) (a) The Independent Woman is a monthly magazine, the subscription price of which is included in the national dues; it goes to each member of the organization and usually contains backbround information on legislative items as one of its many articles; (b) quantity, 125,000; (c) monthly; (d) Fleet-McGinley, Baltimore.

D. (5) $833.32.

E. (5) $238.70; (6) $68.70; (8) $46.73; (9) $1,187.45.

A. Joseph P. McSparron, Machinists' Building, Washington, D. C.; railway labor representative.

B. International Association of Machinists (labor union), Machinists' Building, Washington, D. C.

C. (1) Interested in substantially all legislation affecting the socio-economic and political interests of the American workingman including all pending legislation dealing with railroad matters.

C. (2) Bills to amend the Railway Labor Act to provide for a union shop (H. R. 7789, S. 3295).

D. (5) $800; (7) $800; (9) $800; (13) no.

A. Mr. William P. MacCracken, Jr., 1152 National Press Building, Washington, D. C.

B. See below under C (2) for name and address of clients.

C. (1) Legislative interests for the clients listed under C (2) hereof will continue for an indefinite period.

C. (2) On behalf of the American Optometric Association, Inc., Development Fund, Wilmac Building, Minneapolis, Minn., the following bills: Social-security bill, H. R. 6000; bill to provide out-patient care for veterans, H. R. 5210; school health bill, S. 1411; aid to health education bills, S. 1453 and H. R. 8886; all bills in connection with the health-insurance program; all bills pertaining to the proposed Health Department for the Federal Government, and bill to amend the District of Columbia optometric law, H. R. 4237; on behalf of the District of Columbia Optometric Association, bill to amend the District of Columbia optometric law, H. R. 4237; on behalf of Ruth Obre Dubonnet, 26 East Sixty-third Street, New York City, bill to reacquire American citizenship, S. 2458; on behalf of Vera Sarah Keenan, Franton Court, Green Farms, Conn., bill to permit permanent residence in the United States, S. 2306.

D. (8) $2,850; (9) $2,850; (13) no.

E. (6) $21.68; (7) $61.70; (9) $33.33; (10) $97.15; (11) $180.53.

A. James E. Mack, manager, Washington office, National Confectioners' Association, 1028 Connecticut Avenue NW., Washington, D. C.; trade association.

B. National Confectioners' Association, 1 North La Salle Street, Chicago, Ill.; trade association.

C. During the preceding quarter interest was maintained in S. 3550 and other similar fats and oils bills. The legislative interests in this connection ceased on June 30, when S. 3550 became law. There are no legislative interests at this writing. The salary reported below is the total remuneration received, of which only a small undetermined part could be construed as paid in connection with legislative interests.

D. (5) $2,083.33; (7) $2,083.33; (8) $2,000; (9) $4,033.33.

A. Lachlan Macleay, president, Mississippi Valley Association, 511 Locust Street, St. Louis, Mo.

B. Mississippi Valley Association, 511 Locust Street, St. Louis, Mo., midcontinent association of industrial, commercial, and agricultural interests.

C. (1) Not over 10 percent of time devoted to matters relating to river and harbor maintenance and improvement, the American merchant marine, soil conservation, flood control, regulation of domestic transportation.

D. (5) $4,500.

E. (7) $896.88.

A. W. Bruce Macnamee, executive assistant, National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.

B. National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C., trade association.

C. (1) Indefinitely.

C. (2) Legislation affecting the steamship industry, including S. 2786, long-range bill; H. R. 7786, omnibus appropriation bill, subsidy provision; Senate Joint Resolution 167, enhancement clause; S. 3357, prohibit transportation of gambling devices.

D. (5) $1,050; (7) $1,050; (9) $1,050; (13) yes (employer).

E. (7) $70.17; (9) $70.17; (11) $70.17; (15) $70.17.

A. James B. Madaris, general chairman, Brotherhood Railway Carmen of America, 220 South Alfred Street, Alexandria, Va.

B. Brotherhood Railway Carmen of America, labor organization, 4929 Main Street, Kansas City, Mo.

C. (1) Indefinitely.

C. (2) H. R. 7789 and S. 3295 both having to do with amending the Railway Labor Act.

D. (5) $798.88; (7) $798.88; (9) $798.88.

A. Mrs. Margie Sornson Malmberg, Hotel Congressional, Washington, D. C.

B. American Library Association, 50 East Huron Street, Chicago, Ill.; professional organization of librarians.

C. (1) Interested throughout session.

C. (2) H. R. 874, library demonstration bill (defeated); identical bills H. R. 1411 and 6059; S. 130 is identical to H. R. 874; interested in H. R. 6000 as it affects librarians; postal bills H. R. 2945 and S. 1103 as they affect librarians.

C. (3) ALA Washington Newsletter, 3 issues of 350 copies, mimeographed.

E. (2) $1,350; (4) $4.15; (5) $94.10; (6) $3; (7) $615.12; (9) $2,066.37.

A. Carter Manasco, 3611 Greenway Place, Alexandria, Va.; public-relations and legislative representative.

B. National Business Publications, Inc., 1001 Fifteenth Street NW., Washington, D. C.

C. (1) All legislation affecting controlled business publications. Interest to continue indefinitely.

D. (5) $2,400; (7) $2,400; (8) $2,400; (9) $4,200.

E. (6) $5.90; (7) $64.60; (9) $70.50; (10) $105.30; (11) $175.80.

A. Carter Manasco, 3611 Greenway Place, Alexandria, Va.; public relations and legislative representative.

B. National Coal Association, Southern Building, Washington, D. C.; trade association for bituminous-coal industry.

C. All legislation affecting the bituminous-coal industry. Interest to continue indefinitely.

D. (5) $2,600; (7) $2,600; (8) $2,600; (9) $5,200.

E. (6) $5.90; (7) $64.60; (9) $70.50; (10) $105.30; (11) $175.80.

A. Mrs. Olya Margolin, 1637 Massachusetts Avenue NW., Washington, D. C.; women's civic organization.

B. National Council of Jewish Women, 1819 Broadway, New York, N. Y.

C. (1) Not employed for any particular period.

C. (2) Not employed specifically to support or oppose any legislation, but for the purpose of securing information to be transmitted to headquarters for the preparation of educational and other material.

D. (5) $1,305; (7) $1,305; (9) $1,305.

E. (8) $72.21; (9) $72.21; (11) $72.21; (15) $72.21.

A. James Mark, Jr., 1435 K Street NW., Washington, D. C.; legislative representative.

B. United Mine Workers of America, 900 Fifteenth Street NW., Washington, D. C.; labor organization.

C. (1) Indefinitely.

C. (2) (b) Any and all legislation construed to be directly or indirectly beneficial or detrimental to the United Mine Workers of America and its members; H. R. 3023, H. R. 7599, H. R. 3342, H. R. 7996, H. R. 7748, H. R. 7749, H. R. 2893, H. R. 3095, H. R. 7786, S. 1031, S. 3178, S. 2311, S. 3236, S. 1066.

D. (5) $3,046; (7) $3,046; (8) $3,040; (9) $6,086; (13) no.

A. Baird H. Markham, 50 West Fiftieth Street, New York, N. Y.; executive of national trade organization.

B. American Petroleum Institute, 50 West Fiftieth Street, New York, N. Y.; national trade organization.

C. (1) Indefinitely.

C. (2) Legislation affecting the petroleum industry.

D. (5) $145.83; (7) $145.83; (8) $6,187.26; (9) $6,333.09.

E. (10) $1,499.76; (11) $1,499.76.

A. Raymond E. Marks, 43 Sierra Street, Reno, Nev.; secretary-manager, Nevada Railroad Association.

B. Nevada Railroad Association, 43 Sierra Street, Reno, Nev.

C. (1) Continuing.

C. (2) All Senate and House bills and resolutions affecting the interests of Nevada railroads; (a) signal-inspection bill; railroad union-shop bill; and any other bills affecting Nevada railroads; (b) H. R. 378, S. 238, H. R. 7789, and other bills affecting Nevada railroads.

D. (5) $93.31; (6) $177.55; (7) $270.86; (8) $439.27; (9) $710.13; (13) no.

E. (2) $93.31; (6) $2.50; (7) $175.05; (9) $270.86; (10) $439.27; (11) $710.13; (15) $270.86.

A. Donald J. Marran, 25 Broadway, New York, N. Y.; employee of law firm and engaged in general practice of tax law.

B. Chadbourne, Wallace, Parke & Whiteside, 25 Broadway, New York, N. Y.; engaged in the general practice of law and general counsel of the American Tobacco Co., 111 Fifth Avenue, New York, N. Y.

C. (1) Legislative interests are expected to continue until tax legislation is passed extending the 85 percent dividends received credit to dividends received from resident foreign corporations to the extent that such resident foreign corporations derive income from United States sources.

C. (2) See (1) above. The proposed legislation was contained in section 120 of H. R. 6712 which was passed by the House of Representatives, second session, Eightieth Congress.

C. (3) No publications issued or caused to be issued.

D. Affiant, as employee of Chadbourne, Wallace, Parke & Whiteside, general counsel of the American Tobacco Co., is paid a regular monthly salary for services rendered to the law firm, which services include such services as may be required from time to time on behalf of the interests of the American Tobacco Co. in connection with the proposed legislative interests described in paragraph C of this report.

E. (10) $38.50; (11) $38.50; (15) $38.50.

A. Donald J. Marran, 25 Broadway, New York, N. Y.; employee of law firm and engaged in general practive of tax law.

B. Chadbourne, Wallace, Parke & Whiteside, 25 Broadway, New York, N. Y.; engaged in the general practice of law and receives an annual retained from Chile Exploration Co. for professional services.

C. (1) Legislative interests are expected to continue until tax legislation is passed amending section 116 (a) and section 1621 of the Internal Revenue Code, pertaining to United States citizens earning income from sources outside the United States and withholding required on such income.

C. (2) See (1) above.

D. (9) Affiant, as employee of Chadbourne, Wallace, Parke & Whiteside, is paid a regular monthly salary for services rendered to the law firm, which services include such services as may be required from time to time on behalf of the interests of Chile Exploration Co. in connection with the proposed legislative interests described in paragraph C of this report.

A. Winston W. Marsh, 1302 Eighteenth Street NW., Washington, D. C.; general manager of trade association.

B. The National Association of Independent Tire Dealers, Inc., 1302 Eighteenth Street NW., Washington, D. C.; trade association of independent tire dealers.

C. (1) Such legislative interests as I have are expected to continue indefinitely.

C. (2) (b) I have a general legislative interest in statutes or bills which affect the interests of the independent tire dealers. At the time I filed by preliminary report, I had a specific legislative interest in S. 1008, to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices. That interest has now terminated and at present I have no specific legislative interest.

C. (3) (a, b, c. and d) The association of which I am general manager neither issues nor causes to be issued any publication solely in connection with legislative interests. The association does publish a weekly printed Dealer News, averaging about 8 small-size pages per issue, as a part of its regular membership service. The Dealer News discusses subjects of all kinds of interest to members, and in that connection occasionally mentions a statute or bill of Congress of particular concern to independent tire dealers and also in even fewer instances may suggest that members take a position on the matter with their legislative representatives. While it is the association which issues the Dealer News, I as general manager have partial responsibility for its publication and in some instances write or edit the articles appearing therein. Approximately 1,700 copies of each issue of the Dealer News are printed each week by McArdle Printing Co., 2201 M Street NW., Washington, D. C.

D. (5) $135.20; (7) $135.20; (9) $135.20; (13) no.

E. (8) $10.20; (9) $10.20; (11) $10.20; (15) all.

A. R. B. Marston, director, Legislative-Federal Relations Division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington, D. C.

B. Legislative-Federal Relations Division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Bills pending before the Eighty-first Congress relating to public education. Primary interest in S. 246, H. R. 5939, H. R. 7160, H. R. 1551.

C. (3) As head of the Legislative-Federal Relations Division, I approve issuance of published materials for the first calendar quarter as noted under C. (3) in the report of the Legislative-Federal Relations Division of the National Education Association of the United States, filed June 30, 1950.

D. (5) $1,680.63; (7) $1,680.63; (8) $1,665; (9) $3,345.63.

E. (7) $253.54; (9) $253.54; (10) $141.12; (11) $394.66.

A. Guy Martin and Robert A. Saltastein, attorneys at law, 1015 Ring Building, Washington, D. C.

B. Emergency Committee of Small and Medium-Size Magazine Publishers, 400 Madison Avenue, eleventh floor, New York, N. Y.

C. (1) Approximately August 31, 1950.

C. (2) Interested in postal-rate legislation, particularly H. R. 2945 and S. 1103.

C. (3) Client circulated letters to list of magazine publishers (see emergency committee report). No other publications.

D. (5) $3,000; (7) $3,000; (9) $3,000.

E. (1) $46.06; (6) $160.18; (7) $674.69; (9) $880.93; (11) $880.93; (15) $880.93.

A. J. Elmer Martin, secretary-treasurer, local No. 40, 847 North Eutaw Street, Baltimore, Md.

B. American Federation of Musicians, 570 Lexington Avenue, New York, N. Y.

C. (1) Indefinitely.

C. (2) Twenty percent cabaret tax.

A. Robert F. Martin, executive secretary, Vitrified China Association, Inc., 312 Shoreham Building, Washington, D. C.

B. Vitrified China Association, Inc., 312 Shoreham Building, Washington, D. C.; trade association.

C., D., and E. Same as reported first quarter, 1950.

A. Mrs. Etsu M. Masaoka, 300 Fifth Street NE., Washington, D. C.; promoting welfare of persons of Japanese ancestry in the United States (legislation is a part of this activity).

B. Japanese-American Citizens League Anti-Discrimination Committee, 406 Beason Building, Salt Lake City, Utah.

C. (1) This is determined at national convention held biennially. Next convention is to be held in Chicago September 28 to October 2, 1950.

C. (2) To promote the welfare of persons of Japanese ancestry in the United States (legislation is a part of this activity); (a) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence; to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence, to make immigration quotas available to Asian and Pacific peoples, and for other purposes; other legislation affecting persons of Japanese ancestry; (b) House Joint Resolution 238, H. R. 199.

D. (5) $250; (7) $250; (9) $250. The other information requested in sections D., and E., will be sent in by our national headquarters, 406 Beason Building, Salt Lake City, Utah.

A. Mike M. Masaoka, 300 Fifth Street NE., Washington, D. C.; nature of business: Promoting welfare of persons of Japanese ancestry in the United States (legislation is a part of this activity).

B. Japanese-American Citizens League Antidiscrimination Committee, 406 Beason Building, Salt Lake City, Utah.

C. (1) This is determined at national convention held biennially. Next convention is

to be held in Chicago September 28 to October 2, 1950.

C. (2) To promote the welfare of persons of Japanese ancestry in the United States (legislation is a part of this activity); (a) To provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence; to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence, to make immigration quotas available to Asian and Pacific peoples, and for other purposes; other legislation affecting persons of Japanese ancestry; (b) House Joint Resolution 238, H. R. 199.

D. (5) $333; (7) $333; (9) $333. Rest of the information requested in section D will be sent in by our national headquarters, 406 Beason Building, Salt Lake City, Utah.

E. The information requested in section E will be sent in by our national headquarters, 406 Beason Building, Salt Lake City, Utah.

A. Will Maslow, 1834 Broadway, New York, N. Y.; general counsel for American Jewish Congress.

B. American Jewish Congress, Inc., 1834 Broadway, New York, N. Y.; charitable and educational corporation.

C. (1) Indefinite.

C. (2) (a) To oppose anti-Semitism and racism in all its forms, e. g., most of President Truman's civil rights program; to keep church and state separate, and to defend civil liberties incident thereto; (b) Displaced persons bill, H. R. 4567, Genocide Convention, denazification of Germany, S. Res. 260.

D. (5) $112.50; (7) $112.50.

E. (7) $30; (15) $30.

A. Walter J. Mason, 901 Massachusetts Avenue NW., Washington, D. C.; member, national legislative committee, American Federation of Labor.

B. American Federation of Labor, 901 Massachusetts Avenue NW., Washington, D. C.; Federation of Trades and Labor Unions.

C. (1) Indefinitely.

C. (2) Legislation affecting the interests of working people.

D. (5) $2,466.

E. The only expenditures I have are actual expenditures for taxies, messengers, phones (when away from office) and minor miscellaneous expenses. They all average about $20 per week. For the second quarter of 1950, these expenses were $256.

A. John Clifford Mathews, 914 Clay Street, Topeka, Kans.; clergyman.

B. Christian Amendment Movement, 914 Clay Street, Topeka, Kans.; a voluntary association of citizens promoting a Christian amendment to the Constitution of the United States. Expenses underwritten by the board of trustees of Reformed Presbyterian Church of North America, 209 Ninth Street, Pittsburgh, Pa.

C. (1) Continuing until legislative action is secured.

C. (2) Promoting House Joint Resolution 181, a proposed Christian amendment to the Constitution of the United States.

C. (3) The Christian Patriot, a 4-page monthly magazine, 3,000 copies monthly, issued first of each month, printed by Service Print Shop, 1121 Buchanan Street, Topeka, Kans.

D. (6) $870; (7) $870; (8) $890; (9) $1,760; (13) no.

E. (7) $1.58; (8) $46.35; (10) $105.33; (11) $153.26; (15) $47.93.

A. P. H. Mathews, Association of American Railroads, Transportation Building, Washington, D. C.; assistant to vice president.

B. Association of American Railroads, Transportation Building, Washington, D. C.

C. (1) Legislative interest is continuing.

C. (2) Generally to support all legislation which the railroads believe to be their interest of a sound national transportation policy and to oppose all legislation which they believe to be contrary to such interest. Bills opposed: S. 1596, railway mail pay; S. 238, H. R. 378, operating rules bill; H. R. 7789, S. 3295, Amendment to Railway Labor Act; H. R. 7550, amendment to title 28, United States Code, section 1404; H. R. 4978, S. 211, to increase capitalization of Federal Barge Lines; House Joint Resolution 53, St. Lawrence seaway; H. R. 8320, to construct produce terminals; H. R. 8920, general tax bill, certain provisions; S. 3650, Panama Canal tolls; S. 3109, to aid shipping on the Great Lakes. Bills supported: S. 1008, basing point; House Resolution 545, Senate Resolution 253, resolution disapproving Reorganization Plan No. 7; S. 3463, amendment to Railway Labor Act; H. R. 2945, postal rate increases; H. R. 8677, Panama Canal tolls; H. R. 7786, appropriations, 1951, in support of amendment affecting the Railroad Retirement Board.

C. (3) See report of Association of American Railroads.

D. (5) $4,272.05; (7) $4,272.05; (8) $4,247.91; (9) $8,519.96.

E. (7) $272.06; (9) $272.06; (10) $247.92; (11) $519.98; (15) $272.06.

A. Cyrus Maxwell, M. D., 1523 L Street NW., Washington, D. C.; administrative (Washington office).

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.; scientific medicine.

C. (1) Indefinite.

C. (2) All bills relating to health and practice medicine.

C. (3) (a) Informational bulletin (multilith); (b) 4,500 copies; (c) Irregular intervals; (d) Washington office, American Medical Association.

D. (5) $2,547.49; (7) $2,547.49; (8) $582.73; (9) $3,130.22; (13) no.

E. (7) $47.50; (9) $47.50; (10) $5.80; (11) $53.30; (15) $47.50.

A. Holland E. Meacham, 808 Continental Building, Washington, D. C.; vice president of Slick Airways, Inc.

B. Slick Airways, Inc., post-office box 6568, San Antonio, Tex.; certificated all-freight air carrier.

C. (1) Legislative interests will continue approximately through June 1950.

C. (2) Amendments to the Civil Aeronautics Act of 1938, Air Mail Act of 1949, H. R. 2908, and S. 1431.

E. (2) $63.50; (5) $60; (6) $45; (7) $210.47; (9) $378.97; (11) $378.97; (15) $378.97.

A. The Medical Society of the District of Columbia, a corporation promoting and disseminating medical and surgical knowledge, 1718 M Street NW., Washington, D. C.

C. (1) Society's interest is continuous in legislation affecting the public health.

C. (2) Interested in legislation pertaining to the practice of medicine and all related services and that affecting the public health, including extension of social security into the field of the practice of medicine.

C. (3) (a) Medical Annals of the District of Columbia; (b) 2,000 per month; (c) monthly, second or third week of each month; (d) the Waverly Press.

D. (1) $4,175; (7) $4,175; (8) $16,175; (9) $20,350; (13) no.

E. (8) $4,175; (9) $4,175; (10), $16,175; (11) $20,350.

A. E. A. Meeks, National League of District Postmasters, 1110 F Street NW., Washington, D. C.; legislative representative, service organization for postmasters.

B. National League of District Postmasters, 1110 F Street NW., Washington, D. C.; service organization for postmasters.

C. (1) Permanently.

C. (2) Any legislation which affects postmasters.

C. (3) (a) The Postmasters' Advocate, monthly magazine; (b) 20,000 and up; (c) 15th of month; (d) Fleet-McGinley, Inc., Baltimore, Md.

D. (5) $1,500; (7) $1,500; (8) $1,500; (9) $3,000.

E. (2) $1,500; (9) $1,500; (10) $1,500; (11) $3,000.

A. Edward W. Mehren and American Institute for Intermediate Coinage, 202 South Hamilton Drive, Beverly Hills, Calif.; nonprofit corporation conducting research and public relations in the interests of intermediate coinage.

C. (1) Legislative interests concluded on June 30, 1950.

C. (2) (b) Have been interested in minting of 7½-cent and 2½-cent coins, Senate bills S. 2787 and S. 3152.

C. (3) (a, b, c, and d) The Intermediary, 3,000 copies per issue, dated April 3, 1950, April 11, 1950, April 18, 1950, and April 25, 1950; mimeographed by Executive Services, Inc., 1111 Seventeenth Street NW., Washington, D. C.

D. (1) $2,144.25; (2) $191.64; (4) $93.50; (6) $10,595.37; (9) $13,024.76; (10) $9,307.25; (11) $6,829.04; (12) $215; (13) yes; (14) $6,614.04 (loan), Edward W. Mehren, 202 South Hamilton Drive, Beverly Hills, Calif.; $500, Pepsi-Cola Co., 3 West Fifty-seventh Street, New York, N. Y.; $3,981.33, Squirt Co., 202 South Hamilton Drive, Beverly Hills, Calif.; total, $11,095.37; January 1, 1950, to June 30, 1950.

E. (1) $4,050.43; (2) $409.38; (4) $2,385.18; (5) $263.33; (6) $707.29; (7) $4,590.23; (8) $1,921.55; (11) $14,328.09.

A. Lucien H. Mercier, Esq., 402 Metropolitan Bank Building, Washington, D. C.; lawyer.

B. Am not being compensated by anyone in connection with my endeavors, as heretofore reported. I am general counsel in the United States for Benguet Consolidated Mining Co., Balatoc Mining Co., and Heald Lumber Co., all Philippine companies; and my regular monthly compensation would be paid to me whether or not I interest myself in the pending legislation. I am also chairman of the executive committee of the Philippine-American Committee, 1035 Connecticut Avenue NW., Washington, D. C., which committee will file a quarterly report through its secretary.

C. (1) Until end of present session.

C. (2) Am interested in the passage by Congress of legislation to amend further the Philippine Rehabilitation Act of April 30, 1946, as amended. The bills now pending, which are identical, are S. 3220 and H. R. 7600.

C. (3) I have not issued or caused to be issued any publications pertaining to this legislation.

D. (13) no.

E. (6) $261.33; (9) $261.33; (11) $266.33.

A. James Messer, Jr., 404 Midyette-Moor Building, Tallahassee, Fla.; attorney at law, also counsel and executive secretary, Florida Railroad Association.

B. Florida Railroad Association, 404 Midyette-Moor Building, Tallahassee, Fla., an association composed of Atlantic Coast Line Railroad Co., Seaboard Air Line Railroad Co., Louisville & Nashville Railroad Co., Southern Railway System, and Florida East Coast Railway Co.

C. (1) Indefinite. My legislative work before the Congress is only intermittent and infrequent.

C. (2) Proposed legislation of interest to members of Florida Railroad Association set forth above under B. (a) At present time I am interested in H. R. 378, known as communications bill, and union-shop and check-off bills, knowns as H. R. 7789 and S. 3295.

D. (1) $2,512.50; (6) $2,512.50; (7) $2,512.50; (9) $5,025; (13) yes; (14) April 1 through June 30, 1950, Atlantic Coast Line Railroad Co., Wilmington, N. C., $1,068.06; Seaboard Air Line Railroad Co., Norfolk, Va., $889.17; total, $1,957.23.

E. (10) $159.38; (11) $159.38.

A. Jean R. Meyer, an employee of Posner, Berge, Fox & Arent, 1002 Ring Building,

Washington, D. C. The firm of Posner, Berge, Fox & Arent is retained by Associated Third Class Mail Users, Inc., 1010 Vermont Avenue, Washington, D. C.

B. The registrant is an employee of Posner, Berge, Fox & Arent and is paid a salary as such employee. The duties of the registrant as such employee are to represent clients of the firm in connection with a number of matters, including litigation and other representation. No segregation of the salary paid to the registrant is made by Posner, Berge, Fox & Arent on account of any work done for the Associated Third Class Mail Users, Inc.

C. (1) Legislative interests are to continue to October 1, 1950.

C. (2) H. R. 2945 and Senate bill 1103.

E. Any information called for by section E, items 1 through 11, or loans, items 12–14, or item 15, are paid direct by the employer of registrant, Posner, Berge, Fox & Arent, a law firm, which is in turn reimbursed by the Associated Third Class Mail Users, Inc. These will be reflected in the report of Mr. Wendall Berge, a member of the firm of Posner, Berge, Fox & Arent.

A. Michigan Associated Businessmen, Inc., 1516 Olds Tower Building, Lansing, Mich.

C. (1) Indefinite. Until objective hereinafter set forth is accomplished.

C. (2) Legislation designed to have all business corporations taxed in the same manner and on the same basis, such as the Mason bill (H. R. 5064).

C. (3) No publications issued or caused to be issued.

D. (8) $2,335; (9) $2,335; (13) no.

E. (2) $146; (4) $6.43; (5) $4.96; (6) $8.55; (7) $32.75; (9) $198.69; (10) $1,730.14; (11) $1,928.83.

A. P. Harvey Middleton, 38 South Dearborn Street, Chicago, Ill. (president of Railway Business Association, a national organization of manufacturers and other concerns engaged in furnishing the railways with material, equipment, and supplies).

B. No money was received or expended by me for legislative activities in the quarter ended June 30, 1950.

A. Mr. Clarence R. Miles, 1615 H Street NW., Washington, D. C.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) S. 2111, personal policy; H. R. 331, Alaska statehood; H. R. 49, Hawaii statehood; S. 3295, compulsory unionism on the railroads; Senate Resolution 265, Reorganization Plan No. 21; H. R. 7789, compulsory unionism on the railroads; H. R. 7797, point 4; H. R. 7905, triple damages; H. R. 797, H. R. 1584, and H. R. 2438, equal pay for women; H. R. 6826, selective service; H. R. 8083, guarantee United States investments; H. R. 8923, Post Office Department; S. 3424, Federal-aid highway program; Senate Resolution 248, Reorganization Plan No. 12; House Joint Resolution 236, International Trade Organization; S. 3424, Federal-aid highway program; H. R. 5182, United Medical Administration; S. 2875, airport authorizations; H. R. 8925, personnel policy; H. R. 7786, appropriations.

D. (5) $1,218.25; (7) $1,218.25; (8) $1,218.25; (9) $2,436.50.

E. (6) $112.43; (7) $226.03; (9) $338.46; (10) $309.42; (11) $647.88.

A. Harold M. Miles, 65 Market Street, San Francisco, Calif.; special representative, Southern Pacific Co.

B. Southern Pacific Co., 65 Market Street, San Francisco, Calif.

C. (1) Continuing.

C. (2) (a) Railroad union shop bill; (b) H. R. 7789.

D. (5) $21.66; (7) $21.66; (8) $259.92; (9) $281.58; (13) no.

A. Milk Industry Foundation, 1001 Fifteenth Street NW., Washington, D. C.; trade association of milk dealers.

C. (1) Such "legislative interests" as the foundation has are expected to continue indefinitely.

C. (2) The foundation has a "general legislative interest" in statutes or bills which affect the interests of milk distributors. It has no "specific legislative interests" at present.

C. (3) The foundation issues no publications solely in connection with "legislative interests." It issues a biweekly mimeographed News Letter averaging about 4 or 5 pages per issue as a part of its regular membership service. The News Letter discusses subjects of all kinds of interest to members, and on extremely rare occasions mentions an act or bill of Congress of particular concern to milk dealers with the suggestion that members take a position on the matter with their legislative representatives. Approximately 1,500 copies of each issue are mimeographed by J. A. Want Organization, Inc., 122 Fifth Avenue, New York City.

D. (1) $1,500; (7) $1,500; (8) $1,529.15; (9) $3,029.15.

Explanation of item (1) under paragraph D: The Milk Industry Foundation is a nonprofit membership corporation supported by dues paid by its members. It has over 1,100 members whose dues range from a minimum of $50 per year upward, based on the number of retail and wholesale milk sales routes operated by each member. The dues are not earmarked for any specific purpose. The principal functions of the foundation, as they appear in article II of its bylaws, are set out in an attachment to the foundation's statement for the last quarter of 1949 previously filed with the Clerk of the House of Representatives. The foundation's activities, if any, in connection with "legislative interests" are extremely minor incidental. It is impossible to say, therefore, that any part of the dues paid by a member is contributed or received for such purposes. In preparing this report, however, we have assumed that the total amount of money expended for those purposes has been contributed by the members for such purposes. Consequently, that figure, taken from paragraph E (9), is stated here as representing the total sum of the contributions made to the foundation for such purposes.

E. (3) $1,500; (9) $1,500; (10) $1,529.15; (11) $3,029.15.

A. Charles C. Miller, public relations director, the Rubber Manufacturers Association, Inc., 715 Ring Building, Washington, D. C.

B. The Rubber Manufacturers Association, Inc., 444 Madison Avenue, New York, N. Y.

C. (1) Through this session of Congress.

C. (2) H. R. 7579, Rubber Act of 1950; H. R. 6898, excise tax on tires and tubes; H. R. 8304, Customs Simplification Act. Any legislation relating to the Habana Charter for an International Trade Organization.

C. (3) I (*a*) Letter to Congress re industry position on ITO; (*b*) 500; (*c*) April 26, 1950; (*d*) Haimes Litho Laboratory.

II. (*a*) Letter to Members of House of Representatives covering industry position on tire and tube excise taxes; (*b*) 500; (*c*) June 18, 1950; (*d*) Haimes Litho Laboratory.

III. (*a*) One-page news release covering industry statement to Foreign Affairs Committee on ITO; (*b*) 1,000; (*c*) April 26, 1950; (*d*) mimeographed by RMA.

D. (5) $550; (6) $458.30; (7) $1,008.30; (8) $2,736.90; (9) $3,745.20; (13) employer; (14) Rubber Manufacturers Association, Inc., 444 Madison Avenue, New York, N. Y., January 1 through July 10, 1950, $3,745.20.

E. (4) $211.10; (5) $29.70; (7) $171.46; (8) $46.04; (9) $458.30; (10) $1,170.90; (11) $1,629.20; (15) all. Rent of $610 for quarter and telephone and telegraph paid directly by New York office.

A. Dale Miller, Mayflower Hotel, Washington, D. C.; Washington representative of B. Dallas Chamber of Commerce, Dallas, Tex.; the Dallas Chamber of Commerce maintains a Washington representative to assist its members in their business relations with manifold Federal agencies, to report on economic and political trends, and to promote the growth of Dallas and Texas through personal and industrial contacts. Legislative interests are minor and incidental.

C. (1) At will of employer.

C. (2) General legislation affecting Dallas and Texas, such as appropriations and revenue bills.

C. (3) Monthly article in Dallas magazine, regular publication of Dallas Chamber of Commerce.

Receipts and expenditures listed herewith include all salary and business expenses, only a small portion of which would come within the purview of the act.

D. (5) $1,500; (7) $1,500; (9) $1,500; (13) By employer only.

E. (2) $130; (5) $50.99; (6) $20.13; (7) $512.13; (8) $36.75; (9) $750; (10) $750; (11) $1,500; (15) $750.

A. Dale Miller, Mayflower Hotel, Washington, D. C.; public relations.

B. William J. Goodwin, Roslyn, N. Y.

C. (1) No definite term of employment.

C. (2) Affiant represents employer on departmental matters only, and has no legislative interests of any kind.

D. (5) $500; (7) $500; (9) $500; (13)) by employer only.

A. Dale Miller, Mayflower Hotel, Washington, D. C.; executive vice president of B.

B. Intracoastal Canal Association of Louisiana and Texas, Second National Bank Building, Houston, Tex.; the Intracoastal Canal Association is a nonprofit, nonpolitical association of public-spirited citizens of Louisiana and Texas who for 45 years have fostered the development of the Gulf coast through water transportation.

C. (1) At will of employer.

C. (2) River and harbor authorizations and appropriations, such as H. R. 7786 and H. R. 5472.

Receipts and expenditures listed herewith include all salary and business expense, only a small portion of which would come within the purview of the act.

D. (5) $1,500; (7) $1,500; (9) $1,500; (13) by employer only.

E. (5) $16.04; (6) $23.18; (7) $144.21; (8) $14.53; (9) $197.96; (10) $270.80; (11) $468.76; (15) $197.96.

A. Dale Miller, Mayflower Hotel, Washington, D. C.; public relations.

B. Texas Gulf Sulphur Co., Newgulf, Tex.; and New York, N. Y.

C. (1) At will of employer.

C. (2) Tax legislation.

C. (4) Receipts and expenditures listed herewith include all salary and business expenses, only a small portion of which would come within the purview of the act.

D. (5) $1,500; (7) $1,500; (9) $1,500; (13) by employer only.

E. (2) $65; (5) $630; (6) $72.21; (7) $279.68; (8) $35.50; (9) $1,082.39; (10) $930.07; (11) $2,012.46; (15) $1,082.39.

A. Millers' National Federation, 309 West Jackson Boulevard, Chicago, Ill.; the national trade association of the wheat flour milling industry of the United States.

C. See individual reports of Herman Fakler and A. H. Krueger, both of Millers' National Federation's Washington office located at National Press Building, Washington, D. C.

E. (2) $190; (6) $4; (7) $0.80; (9) $194.80; (10) $184.91; (11) $379.71.

A. Mississippi Associated Businessmen, Inc.,[2] 301–303 Millsaps Building, post-office box 1329, Jackson, Miss.; association represents the interests of its members to ascertain pending legislation affecting them to obtain beneficial legislation.

[2] Filed for first quarter, 1950.

C. (1) Until objectives are reached.

C. (2) Legislation relating to Government economy, Government regulation of business, labor, and taxation.

C. (3) Number of publications published. Distributed the following: 750 Washington reports; 750 A. & P. Bulletins; 1,025 You Can Ride to Coast; 125 Tax Bags; 1,000 The Road Ahead, published by Reader's Digest; 1,000 United States Untapped Millions, reprint from American Magazine; these publications received as gifts, with exception of the Road Ahead, which was purchased from Reader's Digest.

D. (1) 1,387.50; (3) $25; (7) $1,412.50; (9) $1,412.50; (13) no.

E. (1) $40; (2) $347.36; (4) $164.19; (5) $226.03; (6) $54.59; (7) $77.60; (8) 11.28; (9) $921.05; (11) $921.05.

A. Mississippi Associated Businessmen, Inc., 301-303 Millsaps Building, post-office box 1329, Jackson, Miss.; association represents the interests of its members to ascertain pending legislation affecting them to obtain beneficial legislation.

C. (1) Until objectives are reached.

C. (2) Legislation relating to Government economy, Government regulation of business, labor, and taxation, such as Mason bill, H. R. 5064, amendment to Senator WILLIAMS' H. R. 8905, Congressman DAVIS' H. R. 7343.

C. (3) No publications published. Distributed the following: 750 Washington Reports, a bulletin from National Associated Businessmen, Inc., relating Washington affairs; 2,000 United States Untapped Millions, reprint from Reader's Digest; these publications received as gifts.

D. (1) $2,882.50; (3) $10; (7) $2,892.50; (8) $1,412.50; (9) $4,305; (13) no.

E. (2) $492.82; (4) $207.50; (5) $166.28; (6) $70.46; (7) $100.75; (8) $60.58; (9) 1,098.48; (10) $921.05; (11) $2,019.50.

A. Justus R. Moll, lawyer and labor-relations consultant, 1029 Vermont Avenue NW., Washington, D. C.

B. My principal duties for the employer are without legislative interest. O. David Zimring, lawyer, 1029 Vermont Avenue NW., Washington, D. C., is my employer and will pay me my regular salary during such legislative work. Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 1214 Griswold Street, Detroit, Mich., is the secondary employer and will pay my employer, O. David Zimring.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of labor organizations, their members and families, and especially the interests of Mr. Zimring and the above-named association. At the time of my primary registration and during June 1950 the primary legislative interest was in H. R. 6000, Senate Report No. 1669, and proposed amendments thereto. There will be interest in other bills affecting organized labor and particularly the above-named unincorporated association.

C. (3) The association publishes the Union Leader, a weekly journal for its members in the Chicago, Ill., area; it also publishes the Motorman, Conductor, and Motor Coach Operator, a monthly journal for its members in the United States and Canada. These publications are not primarily concerned with legislative interests but have contained in the past and will publish in the future news stories, reports, and recommendations involving pending or suggested bills, resolutions, and constitutional amendment proposals.

C. (4) I am employed on annual salary by O. David Zimring and I handle labor-relations consultations, organizational duties, economic statistics, the presentation and preparation of labor arbitrations, and other matters such as presentations before the Interstate Commerce Commission, etc. My legislative work is incidental to my regular employment and there will be no additional compensation therefore. (b) No additional wage, fee, or salary. (c) Indefinite. (d) Actual traveling expenses, hotel, meals, taxi fares, etc.

D. There were no receipts made or will be made in connection with legislative interests. The association receives per capita dues and initiation fees for use in maintaining and operating its activities as a labor union, but there have been no additional receipts, contributions, or loans made or will be made in connection with legislative interests. (13) No.

E. (2) My salary was the normal salary which would have been paid to me if no legislative work had been performed. None additional was paid for legislative work; (7) expense of travel, food, lodging, taxis, and minor incidentals will be reimbursed, but none was received during the second quarter 1950; payment will be made for such items during third quarter. Other nonlegislative business was transacted and the legislative expense will be apportioned; (9) expense of travel, food, lodging, taxis, and minor incidentals will be reimbursed, but none was received during the second quarter 1950; payment will be made for such items during third quarter. Other nonlegislative business was transacted and the legislative expense will be apportioned; (15) none has been defrayed by the employer during second quarter 1950, but any such items will be defrayed during the third quarter 1950.

A. F. E. Mollin, executive secretary, 515 Cooper Building, Denver, Colo.

B. American National Livestock Association, 515 Cooper Building, Denver, Colo.

C. Proposed legislation supported or opposed: Federal beef grades; capital gains (amendment to section 117 (j) of the Internal Revenue Code); International Trade Organization charter; reciprocal trade program; Forest Service matters.

D. (5) $3,000; (7) $3,000; (8) $4,000; (9) $7,000.

E. (6) $22.30; (7) $385.09; (8) $41.97; (9) $449.36; (10) $687.71; (11) $1,137.07; (15) $1,137.07.

A. Donald E. Montgomery, 1129 Vermont Avenue NW., Washington, D. C.; director of Washington office, International Union, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO).

B. International Union, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO), 411 West Milwaukee Avenue, Detroit, Mich., labor organization.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity, and general welfare; oppose legislation detrimental to these objectives

C. (3) Have not individually issued or caused to be issued any publication as above described. Any such publications issued by the International Union, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO) are listed on its report.

D. (5) $2,351.05; (7) $2,351.05; (13) no.

E. (6) $6.50; (7) $95.25; (9) $101.75; (11) $101.75; (15) $101.75.

A. William W. Mooney, 406 Bernice Building, Tacoma, Wash.; field representative for the Townsend Plan, Inc., in the States of Washington and Idaho.

B. The Townsend Plan, Inc., 6875 Broadway, Cleveland, Ohio; promoting the Townsend plan in United States Congress.

C. (1) Depends on action in Congress.

C. (2) Townsend plan bills, H. R. 2135, H. R. 2136, and S. 2187.

C. (2) Send items and notices to Townsend National Weekly, George B. Fritz for Dr. Francis E. Townsend; (d) printed at 6875 Broadway, Cleveland, Ohio.

D. (5) $1,007.59; (7) $1,007.59; (8) $1,332.58; (9) $2,340.17; (13) no.

E. (3) $11; (7) $340.51; (9) $351.51; (10) $301.74; (11) $653.25.

A. Raymond H. Moran, Machinists Building, Washington, D. C., railway labor representative.

B. International Association of Machinists (labor union), Machinists' Building, Washington, D. C.

C. (1) Interested in substantially all legislation affecting the socio-economic and political interests of the American workingman including all pending legislation dealing with railroad matters.

D. (5) $1,146; (7) $1,146; (9) $1,146.

E. (2) $690; (7) $456; (9) $1,146; (11) $1,146; (15) $1,146.

A. George W. Morgan, 90 Broad Street, New York, N. Y., lawyer and executive.

B. Association of American Ship Owners, 90 Broad Street, New York, N. Y.

C. (1) The duration of registrant's employment is indefinite.

C. (2) The registrant is employed as president of the above-named employer and is not employed to support or oppose any specific legislation. During the period for which this report is filed, the registrant did, however, support, advocate, or oppose S. 2786, S. 2480, S. 3687, and tramp-shipping proposals.

C. (3) Copy of the only issue of any publication in which the registrant caused any article or editorial to be published during the quarter for which this report is filed is annexed hereto and made a part hereof.[4]

D. During the quarter for which this report is made, the registrant received and is to receive only his salary and expenses. The portion of registrant's salary that may have been applicable to activities in furtherance of any object necessitating registration under Public Law 601 is estimated to be less than $1,250. The portion of the registrant's expenses that may have been applicable to activities in furtherance of any such object is estimated to be less than $160.

E. During the quarter for which this report is made, the registrant has paid only an amount estimated to be less than $160 on account of that portion of his transportation, meals, and similar out-of-pocket expenditures as may have been applicable to activities in furtherance of any object necessitating registration.

A. Gerald D. Morgan and Leonard J. Calhoun, constituting the firm of Morgan & Calhoun, attorneys at law, 412 Washington Building, Washington, D. C.

B. Aluminum Research Institute, 20 North Wacker Drive, Chicago, Ill.

C. (1) Until the end of the Eighty-first Congress.

C. (2) H. R. 5327, to extend to June 30, 1950, the suspension of duties and import taxes on metal scrap.

D. (13) No.

E. (6) $10.88; (9) $10.88; (10) $7.38; (11) $18.26; (15) $10.88.

A. Gerald D. Morgan and Leonard J. Calhoun, constituting the firm of Morgan & Calhoun, attorneys at law, 412 Washington Building, Washington, D. C.

B. Avon Products, Inc., 30 Rockefeller Plaza, New York, N. Y.; Beauty Counselors, Inc., 17108 Mack Avenue, Grosse Pointe, Mich.; Better Brushes, Inc., Palmer, Mass.; Stanley Home Products, Inc., Westfield, Mass.; C. H. Stuart & Co., Newark, N. Y.

C. (1) Indefinite, but estimated through 1950.

C. (2) Legislation providing for extending social-security coverage to all persons gainfully employed, and in connection therewith to advocate and support coverage of the self-employed persons who market a company's products, as self-employed persons. H. R. 6000, Social Security Act amendments of 1949.

[4] Not printed. Filed in the Clerk's office.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; $600 received from each of five companies listed.

A. Gerald D. Morgan and Leonard J. Calhoun, constituting the firm of Morgan & Calhoun, attorneys at law, 412 Washington Building, Washington, D. C.

B. National Tax Equality Association, 231 South LaSalle Street, Chicago, Ill.

C. (1) Indefinite. Will continue through 1950.

C. (2) Firm retained as Washington counsel for all legal matters affecting NTEA, including legal aspects of various legislative proposals relating to taxation of cooperatives and other corporations enjoying tax exemptions or special privileges.

D. (5) $2,000; (7) $2,000; (8) $1,000; (9) $3,000; (13) no.

A. Gerald D. Morgan and Leonard J. Calhoun, constituting the firm of Morgan & Calhoun, attorneys at law, 412 Washington Building, Washington, D. C.

B. The Toilet Goods Association, Inc., 9 Rockefeller Plaza, New York, N. Y.

C. (1) Indefinite, but estimated through 1950.

C. (2) Legislation providing for relief from the existing 20 percent retail tax on toilet preparations.

D. (5) $925.; (7) $925; (8) $500; (9) $1,425; (13) no.

E. (10) $11.45; (11) $11.45.

A. Gerald D. Morgan and Leonard J. Calhoun, a law partnership, 412 Washington Building, Washington, D. C.

B. Western Oil & Gas Association; California Manufacturers Association; Merchants and Manufacturers Association of Los Angeles.

C. (1) During pending social-security legislation.

C. (2) Social Security Act amendments of 1949; H. R. 6000.

D. (5) $2,500; (7) $2,500; (9) $2,500.

A. The Morris Plan Corp., of America, 103 Park Avenue, New York, N. Y. Bank holding company.

C. (1) Until final determination of S. 2318 and H. R. 5744 of the Eighty-first Congress or similar legislation.

C. (2) (a) Bank holding company bill; (b) S. 2318 and H. R. 5744.

C. (3) None in second quarter of 1950.

D. (13) No.

E. (7) $54.74; (9) $54.74; (10) $11,629.32; (11) $11,684.06.

A. Donald S. Morrison, 90 Broad Street, New York, N. Y., vice president.

B. American-Hawaiian Steamship Co., 90 Broad Street, New York, N. Y.; shipping.

C. (1) The employer is interested in legislation affecting the maritime industry and more particularly common carriers by water in intercoastal commerce.

C. (2) The employer's interest in shipping legislation during the past quarter related principally to amendments to the Merchant Ship Sales Act, 1946. Bills pending in the Congress on this subject were H. R. 8491 and S. 3571 (Public Law 591, 81st Cong.).

C. (3) No publication has been issued or caused to be issued by the undersigned during the period covered by this report in connection with such legislative interests.

D. (5) $3,666.67; (1) $3,666.67; (8) $5,499.99; (9) $9,166.66. The compensation shown in item 5 above represents salary received by the undersigned for all services rendered to the employer and its subsidiaries during the last quarter in his capacity as financial vice president. Services rendered in connection with legislative matters referred to under C above were only incidental to the registrants general employment.

E. (7) $97.80; (9) $97.80; (10) $277.22; (11) $375.02; (15) $97.80.

A. Giles Morrow, Freight Forwarders Institute, 1220 Dupont Circle Building, Washington, D. C.; executive secretary and general counsel; Transportation Trade Association.

B. Freight Forwarders Institute.

C. (1) Indefinitely.

C. (2) S. 2113 and H. R. 5967, freight forwarder bills, any other legislation affecting part IV of the Interstate Commerce Act.

D. (5) $3,750; (6) $446.12; (7) $4,196.12; (8) $3,334.06; (9) $7,530.18.

E. (5) $23.61; (6) $7.89; (7) $22.31; (9) $53.81; (10) $48.67; (11) $102.48; (15) $53.81.

A. Harold G. Mosier, Shoreham Hotel, Washington, D. C.; Washington, D. C., representative of employer.

B. The Glenn L. Martin Co., Baltimore, Md.; aircraft manufacturing.

C. (1) Indefinitely.

C. (2) Legislation in the aircraft field, with specific reference to the following as current examples: S. 65, S. 223, S. 426, S. 527, S. 1928, S. 1944, S. 2301, S. 2437, S. 2862, Senate Resolution 50, H. R. 73, H. R. 448, H. R. 1437, H. R. 4446, H. R. 6827, H. R. 7724, H. R. 7786, H. R. 7797, House Resolution 831.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) Yes, employer—salary.

E. (6) $135.31; (7) $1,549.82; (8) $3.25; (9) $1,688.38; (10) $629.78; (11) $2,318.16; (15) $1,683.38.

A. William J. Mougey, 200 Hill Building, Washington, D. C.; manager, Washington office, General Motors Corp.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.; manufacturer of automotive and other products.

C. (1) See registration statement.

C. (2) See quarterly report sworn to January 10, 1950.

A. Howard E. Munro, room 607, A. F. of L. Building, 901 Massachusetts Avenue NW., Washington, D. C.; legislative representative.

B. The Canal Zone Central Labor Union and the Metal Trades Council, post office box 471, Balboa Heights, C. Z.

C. (1) February to December 1950, inclusive.

C. (2) Appropriation bills H. R. 7786 and H. R. 8567; amend Classification Act of 1949, H. R. 7888 and S. 3413; alien retirement, H. R. 4121, H. R. 8114, and S. 3453; prevent military personnel from replacing civilian workers, H. R. 7127 and others; provide for uniforms for employees of the United States Government, H. R. 7305 and others; severance pay, H. R. 7328 and others; reduce excise taxes, and for other purposes, H. R. 8920; extend internal revenue laws to Territories, H. R. 900, H. R. 7690, and others; provide for the maintenance and operation of the Panama Canal, H. R. 8677 and S. 3649; all bills pertaining to annual leave for Federal employees; all other bills pertaining to the Canal Zone working conditions.

D. (5) $2,125.44; (7) $2,125.44; (8) $1,740; (9) $3,865.44; (13) yes.

E. (2) $956; (4) $21.10; (5) $70.01; (6) $21.68; (7) $975.56; (8) $9.88; (9) $2,054.23; (10) $1,644.74; (11) $3,698.97; (15) $2,054.23.

A. Mr. Walter J. Munro.

B. Brotherhood of Railroad Trainmen, 130 Third Street SE., Washington, D. C., railroad labor union.

C. (4) No money received or expended in connection with legislation.

A. Daniel S. Murph, the National Fertilizer Association, 616 Continental Building, Washington, D. C.; secretary and treasurer of the association.

B. The National Fertilizer Association, 616 Continental Building, Washington, D. C.

C. (1) Legislative interests are very minor and are only incidental to principal activities. No term has been fixed for continuance of legislative interests—presumably such interests will continue if and as occasion may arise.

C. (2) Any legislation that might affect the manufacture or distribution of fertilizer or the general agricultural economy, including such bills in the Eighty-first Congress as H. R. 2756, to implement the established national policy of promoting maximum employment, production, and purchasing power, and for other purposes; H. R. 855, to regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce, and for other purposes; and H. R. 3045, to regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce, and for other purposes.

D. (5) $20; (7) $20; (13) no.

A. D. P. Murphy, 1408 Enquirer Building, 617 Vine Street, Cincinnati, Ohio; labor representative.

B. International Brotherhood of Firemen and Oilers, 330 South Wells Street, Chicago, Ill.; labor organization.

C. (1) Indefinite.

C. (2) H. R. 7789, to amend the Railway Labor Act; S. 3295, amend Railway Labor Act; S. 3463, amend Railway Labor Act; generally interested in all legislation affecting labor, especially railroad labor.

A. Dr. Emmett J. Murphy, 5737 Thirteenth Street NW., Washington, D. C.; Washington representative of National Chiropractic Insurance Co., Inc., Webster City, Iowa.

B. National Chiropractic Insurance Co., Webster City, Iowa (insures chiropractors against malpractice suits); activities also benefit the National Chiropractic Association, Inc., but no salary or other compensation is paid by that organization for such activities.

C. (1) Permanent.

C. (2) Insurance coverage of employer is restricted to chiropractors. Legislative interest of employer is to promote the welfare of its policyholders and prevent discrimination against the chiropractic profession; (b) House Resolution 422, H. R. 1512, S. 2025.

D. (5) $300; (7) $300; (8) $300; (9) $600.

E. (8) $300; (10) $300; (11) $600; (15) $300.

A. Ray Murphy, general counsel, Association of Casualty and Surety Companies, 60 John Street, New York, N. Y.

B. Association of Casualty and Surety Companies, 60 John Street, New York, N. Y.

C. (1) Indefinite.

(2) Legislation affecting casualty and surety companies. Specific legislative interests: H. R. 6000, amending the Social Security Act, and S. 2408, amending the Securities Exchange Act of 1934.

C. (3) Registrant has issued no publications in connection with legislative interests.

D. (5) $75; (7) $75; (8) $75; (9) $150; (13) no; registrant does not receive funds earmarked for purposes set forth in this act. Registrant has estimated, however, that $75 received by registrant during the second quarter of 1950 might come within scope of act, as registrant understands act has been interpreted by the Department of Justice.

A. National Associated Businessmen, Inc., 1025 Vermont Avenue NW., Washington, D. C.; nature of business: Chiefly engaged in the dissemination of economic and political information, which member groups translate into action at grass roots, when and if they desire.

C. (1) Indeterminate. (2) NAB is generally interested in laws affecting businessmen, particularly with relation to taxation, labor, Government regulation of business, social security, and tax-privileged corporations in business. Specifically: H. R. 6000, social security; H. R. 5064, H. R. 7343, H. R. 8905, taxation; H. R. 848, banks for cooperatives, and H. R. 8920, taxation.

C. (3) (a) Washington Report (published by National Associated Businessmen); (b) 30,000 each issue; (c) February 1, March 1, April 1 through June 1, 1950.

D. (6) $13,561.09; (7) $13,561.09; (8) $11,509.98; (9) $25,071.07; (10) $2,254.93; (13) yes; (14) North Dakota Tax Equality Committee, Inc., 11½ Broadway, Fargo, N. Dak.; Pennsylvania Associated Businessmen, Inc., 112 Market Street, Harrisburg, Pa.; Nebraska

Tax Equality Committee, Inc., 714 Stuart Building, Lincoln, Nebr.; Wisconsin Associated Businessmen, Inc., 231 West Wisconsin Avenue, Milwaukee, Wis.; New York Associated Businessmen, Inc., Sherburne, N. Y.; Minnesota Associated Businessmen, Inc., 520 Endicott Building, St. Paul, Minn.; Colorado Associated Businessmen, Inc., Symes Building, Denver, Colo.; Illinois Associated Businessmen, Inc., 231 South LaSalle Street, Chicago, Ill.; Maryland Associated Businessmen, Inc., 1508 Fidelity Building, Baltimore, Md.; Oklahoma Associated Businessmen, Inc., 135 Northwest Second Street, Oklahoma City, Okla.; Virginia Associated Businessmen, Inc., Travelers Building, Richmond, Va.; Michigan Associated Businessmen, Inc., 1516 Olds Tower Building, Lansing, Mich.; Associated Businessmen of Eastern Missouri, Inc., Paul Brown Building, St. Louis, Mo.; Iowa Associated Businessmen, Inc., post-office box 542, Ames, Iowa; Indiana Tax Equality Committee, Inc., 310 Board of Trade Building, Indianapolis, Ind.; Ohio Associated Businessmen, Inc., 198 South High Street, Columbus, Ohio; New Jersey Associated Businessmen, Inc., 112 Bowers Street, Jersey City, N. J.; total, $22,868.24.

E. (2) $8,590.95; (5) $998.21; (6) $163.24; (7) $289.57; (8) $393.29; (9) $10,435.26; (10) $9,337.26; (11) $19,772.52.

A. National Association for the Advancement of Colored People,[2] 20 West Fortieth Street, New York, N. Y.

C. The National Association for the Advancement of Colored People was organized in 1909 and incorporated under the laws of New York in 1911 as a nonprofit membership corporation. The principal objectives of the corporation are set out in the certificate of incorporation as follows: "The principal objects for which the corporation is formed are voluntarily to promote equality of rights and eradicate caste or race prejudice among the citizens of the United States; to advance the interest of colored citizens; to secure for them impartial suffrage; and to increase their opportunities for securing justice in the courts, education for their children, employment according to their ability, and complete equality before the law. To ascertain and publish all facts bearing upon these subjects and to take any lawful action thereon; together with any and all things which may lawfully be done by a membership corporation organized under the laws of the State of New York for the further advancement of these objects." The main purpose of the association is to enforce existing constitutional provisions and the existing legislation, i. e., thirteenth, fourteenth, and fifteenth amendments to the United States Constitution and the civil rights statutes of the United States and the several States. Throughout the 40 years of its existence, the NAACP has through legal action protected the rights of Negroes in an effort to secure fair and impartial trials, the removal of all forms of governmentally imposed racial segregation and discrimination, to secure the right to register and vote without racial discrimination, and equal educational opportunities. Through a campaign of education and legal action, the main drive of the association has been to remove all barriers which have prevented Negro Americans from privileges and rights enjoyed by other Americans. The association has 1,025 branches with approximately 250,000 members paying a basic membership of $2 per year in 45 States and the District of Columbia. There is a national board of directors consisting of 48 members and a national staff conisting of 25 executives and 29 clerical employees. There is a Washington bureau consisting of an administrative assistant, a labor secretary, and 1 clerical worker. The administrative assistant in the Washington bureau keeps records of Congressmen's votes on legislation affecting the rights of Negroes, testifies before congressional committees, and makes periodic reports to the branches of the progress of this legislation. In addition to its other work, the association issues to its branches and gives publicity to the voting records of Congressmen and Senators on legislation affecting Negroes and other minority groups. From time to time the branches of the association are urged to write their Congressmen and Senators in support or against legislation affecting Negroes and other minority groups. From time to time staff members testify before congressional committees on such bills. However, this portion of the program of the association consumes not more than 5 percent of the total funds of the corporation and its branches. The proposed legislation which this association is presently interested in is as follows: Fair employment practices legislation (S. 1728; H. R. 4453); Anti-poll-tax bill (S. 119, S. 97; H. R. 3199); Anti-lynching legislation (S. 1404; H. R. 795, H. R. 4683); Omnibus civil rights bill (S. 1725; H. R. 4682); Antifilibuster resolution (S. Res. 12); Anti-Jim Crow travel (S. 852; H. R. 22). Attached hereto are the following: (1) Financial report for the year 1949 which is in the process of being audited; (2) financial report for the first quarter of 1950; (3) financial report of the Washington bureau for the year 1949; (4) financial report of the Washington bureau for the first quarter of 1950; (5) list of contributors of the association of $500 and more.

D. National Association for the Advancement of Colored People—income statement for January, February, and March 1950: Memberships and other funds from branches, $31,256.33; memberships at large and contributions, $6,538.10; contributions: civil rights, mobilization, $707.15; Christmas seals (net) $4,600.73; interest and dividends, $1,294.15; branch contributions, to travel, $261.69, to civil rights mobilization, $721.70; crisis subscriptions (at $1.50) $4,189.30; annual conference assessments, $5; miscellaneous income, $337.36; total, $49,911.51. NAACP contributors of $500 and above, 1940; E. Snell Hall, Jamestown, N. Y., $500; Herbert H. Lehman, New York, N. Y., $1,000; Amalgamated Clothing Workers of America, New York, N. Y., $5,000; Hotel and Restaurant and Bartenders International Union, Cincinnati, Ohio, $1,000; United Steel Workers of America, New York, N. Y., $2,500; Stephen Crary, New Haven, Conn., $500; Amalgamated Meat Cutters and Butchers of North America, Chicago, Ill., $1,000; Laundry Workers Joint Board of Greater New York (ACWA), $5,000; United Auto Workers, CIO, W. Reuther, president, Detroit, Mich., $2,500; total, $19,000.

E. (9) $89,503.68.

A. National Association of Attorneys General, Suite 917, 1406 G Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) (a) to confirm and establish title in the States to lands beneath navigable waters within State boundaries; (b) S. 1545, H. R. 180, 8137, and similar bills.

D. (2) $4,000; (7) $4,000; (8) $21,000; (9) $25,000; (13) yes; (14) period ending June 30, 1950; 2,000, city of Long Beach, Long Beach, Calif.; $1,000, State of Louisiana, Baton Rouge, La.; $1,000, State of Massachusetts, Boston, Mass.

E. (2) $5,150.54; (4) $45; (5) $459.10; (6) $274.38; (7) $716; (8) $901.91; (9) $7,546.93.

A. National Association of Direct Selling Companies, 163–165 Center Street, Winona, Minn.; we are a general trade association functioning for the direct selling of distribution.

C. (1) Until legislation referred to in column 2 hereof, is disposed of.

C. (2) H. R. 2945, S. 1103, H. R. 6000.

C. (3) We issued no publication, as such; we sent our members 10 bulletins.

D. (1) $11,237.50; (7) $11,237.50; (8) $10,100; (9) $21,337.50; (13) no. The amount of dues which we have shown in item No. 1 represents the total receipts from dues received from our members during this quarter. All such dues are used principally for other purposes than influencing legislation. No contributions are received or allocated for such purposes.

E. (4) $113.69; (5) $4.36; (6) $53.22; (7) $366.10; (8) $5.02; (9) $542.48; (10) $921.40; (11) $1,463.88. This association has two stenographers, each receiving a monthly salary of $150. A fair allocation of reportable time spent by both is included in the various specific expense items. The law firm of George, Brehmer & McMahon, 165 Center Street, Winona, Minn., is paid an annual retainer of $12,000. This retainer is paid to them regardless of whether or not this firm does anything in respect to Federal legislation. On the average throughout the year a very small part of their time is given to reportable matters.

A. National Association of Electric Companies, 1200 Eighteenth Street NW., Washington, D. C. The National Association of Electric Companies is a trade association whose members are 101 operating electric companies. The preamble of its articles of association described the functions to be engaged in by the association as follows: "In order to further the interests of the electric utility companies that are members of this association and their investors, employees, and customers; to maintain the integrity and credit of the industry; to present to the public the essential facts about the industry to the end that there may be a better understanding between the utility companies and the public and a better appreciation of utility progress, achievements and problems; to coordinate regional activities among member companies; to furnish member companies information, reports, and statements concerning various phases of electric utility operations and developments; to further cooperation with all agencies and organizations interested in the supply and purchase of electric light and power; to furnish such agencies and organizations with information, reports, and statements concerning member companies and the electric utility industry; to present the facts to the public concerning the public benefits resulting from the operation of electric utility companies by business men under governmental regulations and, generally, to engage in those practices recognized as being legal and proper to further said ends, certain electric utility companies do hereby establish a national association which shall be adequately qualified and empowered to act in every lawful way when concert of policy and action would be helpful." Thus the association functions for the following principal purposes: (1) To keep member companies informed of Washington developments affecting them as operating businesses, including information and analyses of governmental hearings, orders, and regulations, both legislative and administrative. (2) To keep the public, including employees, consumers, and investors, informed concerning the accomplishments of the industry, its achievements in serving the public, and the plans of this industry for the future. (3) To furnish, and aid in furnishing, technical information to the instruments of government and to provide a readily available contact between government and the industry. (4) To provide the members of the association with a medium through which they can exchange ideas on problems of mutual concern and interest in order to better serve the public. (5) To act for the member companies in matters of common and national concern.

C. (1) The life of the association is of indefinite duration.

C. (2) One of the purposes of the National Association of Electric Companies as set forth

[2] Filed for first quarter, 1950.

in previous registrations and reports filed pursuant to title 3 of the Legislative Reorganization Act of 1946 is to provide its members with a medium through which they can develop and exchange ideas and take appropriate action on problems of mutual concern and interest, including matters involving legislation. The association, therefore, is generally interested in all developments in and of Federal legislation that might affect its members as going electric utilities, including, but not limited to, the following bills and statutes and amendments thereto: H. R. 7786, a bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; S. 3376, a bill introduced in the Senate of the United States April 10, 1950, to provide for the organization of interstate water and power users' associations for the purpose of entering into contracts for the repayment of the costs of water and power projects on interstate streams and for the ownership, operation, and maintenance of such projects, and for other purposes; Internal Revenue Code (53 Stat. 1); TVA Act (48 Stat. 58); Federal Power Act (49 Stat. 803); Rural Electrification Act of 1936 (49 Stat. 1363); reclamation acts (25 Stat. through 45 Stat.); Flood Control Act 1944 (58 Stat. 887); Administrative Procedure Act (60 Stat. 237). For specific details concerning the policy position of the National Association of Electric Companies, see the attached document[4] entitled, "Water Resources, Electric Power and National Policy," prepared in response to an invitation of the chairman of the President's Commission on Water Resources Policy dated March 2, 1950, to state the association's views on certain policy questions.

C. (3) During the last quarter we had printed the above-mentioned document, "Water Resources, Electric Power and National Policy." Ten thousand copies were printed by the D'Arcy Printing & Lithographing Corp., 132 White Street, New York City. The document was printed for release May 29, 1950.

D. (1) $53,254.95; (6) $12,499.98; (7) $65,754.93; (8) $19,408.64; (9) $95,163.57; (13) yes; (14) The amounts stated in sections D and E of the form are all our receipts from January 1, 1950, to the end of the quarter and all our expenditures for the quarter and are for all the purposes and activities of the association. The expenditures would be considerably less if it were practical to make an allocation or division of time and general expenditures, as between legislative matters (whether or not within the purview of the act) and many other activities of the association. Printed or duplicated matter received as a gift: 100 copies, 17-page pamphlet entitled "Teenage Drivers" received from Lumbermen's Mutual Casualty Co., Chicago, Ill., value unknown; 19-page pamphlet entitled, "The Use of Coal," received from Detroit Edison Co., 500 copies, value unknown; June 1950 issue the Electrical Workers Journal received from IBEW, 200 copies, value unknown. This material, none of which relates to legislative matters, was distributed to member companies. The following schedule lists the members of the National Association of Electric Companies who have to June 30, 1950, paid dues for the calendar year 1950. Dues paid cover all the purposes and activities of the association. It is further to be noted that article 9 of the articles of association expressly provides that "The association is not the agent of any member unless specifically authorized on a specific matter." $6,409.30, Alabama Power Co., Alabama Power Co. Building, Birmingham, Ala.; $647.16, Arkansas-Missouri Power Co., Blytheville, Ark.; $8,186.66, Arkansas Power & Light Co., Little Rock, Ark.; $1,095.30, Birmingham Electric Co., 2100 First Avenue, Birmingham, Ala.; $526.30, California-Pacific Utilities Co., 405 Montgomery Street, San Francisco, Calif.; $4,584.10, Carolina Power & Light Co., 336 Fayetteville Street, Raleigh, N. C.; $1,262.38, Central Arizona Light & Power Co., Phoenix, Ariz.; $1,927, Central Hudson Gas & Electric Corp., Poughkeepsie, N. Y.; $1,853.64, Central Illinois Light Co., 316 South Jefferson Avenue, Peoria, Ill.; $4,195.02, Central Illinois Public Service Co., Illinois Building, Springfield, Ill.; $386.02, Central Ohio Light & Power Co., 120 North Main Street, Findlay, Ohio; $3,040, Central Power & Light Co., 120 North Chaparral Street, Corpus Christi, Tex.; $2,034.44, Central Vermont Public Service Corp., Rutland, Vt.; $8,088.08, Cleveland Electric Illuminating Co., 75 Public Square, Cleveland, Ohio; $4,070.42, Columbus & Southern Ohio Electric Co., 215 North Front Street, Columbus, Ohio; $4,582.84, Connecticut Light & Power Co., 36 Pearl Street, Hartford, Conn.; $1,710.40, Connecticut Power Co., 266 Pearl Street, Hartford, Conn.; $12,303.20, Consumers Power Co., Jackson, Mich.; $3,794.10, Dayton Power & Light Co., the, 25 North Main Street, Dayton, Ohio; $1,519.93, Delaware Power & Light Co., 600 Market Street, Wilmington, Del.; $15,000, Detroit Edison Co., The, 2000 Second Avenue, Detroit, Mich.; $8,085.70, Duquesne Light Co., 435 Sixth Avenue, Pittsburgh, Pa.; $701.54, Eastern Shore Public Service Co. of Maryland, 114 North Division Street, Salisbury, Md.; $164.56, Eastern Shore Public Service Co. of Virginia, 114 North Division Street, Salisbury, Md.; $985.23, El Paso Electric Co., 213–215 North Stanton Street, El Paso, Tex.; $1,297.75, Empire District Electric Co., the, 602 Joplin Street, Joplin, Mo.; $5,953.54, Florida Power & Light Co., Ingraham Building, Miami, Fla.; $3,110.04, Georgia Power Co., Electric Building, Atlanta, Ga.; $939.56, Gulf Power Co., Pensacola, Fla.; $3,815.90, Gulf States Utilities Co., Beaumont, Tex.; $1,835.68, Hartford Electric Light Co., The, 266 Pearl Street, Hartford, Conn.; $2,114.30, Idaho Power Co., Boise, Idaho; $3,198.98, Indianapolis Power & Light Co., Indianapolis, Ind.; $2,568.96, Iowa Power & Light Co., Des Moines, Iowa; $2,008.82, Kansas Gas & Electric Co., Wichita, Kans.; $2,878.14, Kansas Power & Light Co., 808 Kansas Avenue, Topeka, Kans.; $3,300, Kentucky Utilities Co., Inc., 159 West Main Street, Lexington, Ky.; $2,513.64, Louisiana Power & Light Co., 142 Delaronde Street, New Orleans, La.; $850.72, Lynn Gas & Electric Co., 90 Exchange Street, Lynn, Mass.; $244.66, Marietta Electric Co., The, Watson Building, Fairmont, W. Va.; 218.20, Menominee & Mariette Light & Traction Co., 1029 North Marshall Street, Milwaukee, Wis.; $3,057.24, Metropolitan Edison Co., 412 Washington Street, Reading, Pa.; $1,315.68, Minnesota Power & Light Co., 30 West Superior Street, Duluth, Minn.; $1,489.26, Mississippi Power Co., Gulfport, Miss.; $2,350.78, Mississippi Power & Light Co., Lampton Building, Jackson, Miss.; $225.24, Missouri Gas & Electric Service Co., 1108 Main Street, Lexington, Mo.; $1,159.70, Missouri Power & Light Co., 106 West High Street, Jefferson City, Mo.; $784.46, Missouri Public Service Corp., Hout Building, Warrensburg, Mo.; $3,082.60, Monongahela Power Co., Watson Building, Fairmont, W. Va.; $2,244.92, the Montana Power Co., 40 East Broadway, Butte, Mont.; $10.98, Monterey Utilities Corp., Fairmont, W. Va.; $2,000, Mountain States Power Co., 236 Lyon Street, Albany, Oreg.; $1,485.86, New Jersey Power & Light Co., 9 West Blackwell Street, Dover, N. J.; $3,205.06, New Orleans Public Service, Inc., New Orleans, La.; $462.90, Northern Arizona Light & Power Co., Prescott, Ariz.; $3,710.74, Northern Indiana Public Service Co., 5265 Hohman Street, Hammond, Ind.; $690.30, Northern Pennsylvania Power Co., Towanda, Pa.; $399.86, Northern Virginia Power Co., Hagerstown, Md.; $8,153.24, Ohio Edison Co., 47 North Main Street, Akron, Ohio; $262, Old Dominion Power Co., 159 West Main Street, Lexington, Ky.; $15,000, Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.; $2,750.42, Pacific Power & Light Co., Public Service Building, Portland, Oreg.; $6,028.36, Pennsylvania Electric Co., 222 Levergood Street, Johnstown, Pa.; $1,404.28, Pennsylvania Power Co., 19 East Washington Street, New Castle, Pa.; $9,929.12, Pennsylvania Power & Light Co., Ninth and Hamilton Streets, Allentown, Pa.; $15,000, Philadelphia Electric Co., 1000 Chestnut Street, Philadelphia, Pa.; $4,399.40, Portland General Electric Co., Electric Building, Portland, Oreg.; $1,251.80, Potomac Edison Co., Hagerstown, Md.; $5,324.38, Potomac Electric Power Co., 929 E Street NW., Washington, D. C.; $535.20, Potomac Light & Power Co., Hagerstown, Md.; $3,749.66, Public Service Co. of Colorado, Denver, Colo.; $5,630, Public Service Co. of Indiana, Inc., 110 North Illinois Street, Indianapolis, Ind.; $2,402.36, Public Service Co. of New Hampshire, Manchester, N. H.; $3,625.42, Public Service Co. of Oklahoma, 600 South Main Street, Tulsa, Okla.; $15,000, Public Service Electric & Gas Co., 80 Park Place, Newark, N. J.; $4,920.30, Puget Sound Power & Light Co., 860 Stuart Building, Seattle, Wash.; $3,255, Rochester Gas & Electric Corp., 89 East Avenue, Rochester, N. Y.; $819.44, Rockland Light & Power Co., 10 North Broadway, Nyack, N. Y.; $3,338.28, San Diego Gas & Electric Co., Postoffice Box 1831, San Diego, Calif.; $898.86, Savannah Electric & Power Co., 27 West Bay Street, Savannah, Ga.; $1,270.32, South Carolina Power Co., Post Office Box 952, Charleston, S. C.; $257.40, South Penn Power Co., Hagerstown, Md.; $15,000, Southern California Edison Co., Ltd., Edison Building, Los Angeles, Calif.; $1,224.84, Southern Indiana Gas & Electric Co., 20 Northwest Fourth Street, Evansville, Ind.; $2,776.06, Southwestern Gas & Electric Co., 428 Travis Street, Shreveport, La.; $3,400.16, Texas Electric Service Co., Electric Building, Fort Worth, Tex.; $890.68, Tide Water Power Co., 126 Princess Street, Wilmington, N. C.; $9,331.58, Union Electric Co. of Missouri, 315 North Twelfth Boulevard, St. Louis, Mo.; $3,022.72, Utah Power & Light Co., Kearns Building, Salt Lake City, Utah; $9,800.82, Virginia Electric & Power Co., Richmond, Va.; $2,278.44, the Washington Water Power Co., 825 Trent Avenue, Spokane, Wash.; $47, the West Maryland Power Co., Watson Building, Fairmont, W. Va.; $5,994.16, West Penn Power Co., 14 Wood Street, Pittsburgh, Pa.; $1,718.94, West Texas Utilities Co., Third and Cypress Streets, Abilene, Tex.; $887, Western Light & Telephone Co., Inc., Huron Building, Kansas City, Kans.; $2,482.66, Western Massachusetts Electric Co., 45 Federal Street, Greenfield, Mass.; $6,493.14, Wisconsin Electric Power Co., Public Service Building, Milwaukee, Wis.; $1,949.34, Wisconsin Gas & Electric Co., Public Service Building, Milwaukee, Wis.; $1,167.68, Wisconsin Michigan Power Co., Public Service Building, Milwaukee, Wis.; $3,443, Wisconsin Power & Light Co., 122 West Washington Avenue, Madison, Wis.; $2,797.26, Wisconsin Public Service Corp., 1029 North Marshall Street, Milwaukee, Wis.; $356,638.61, total. $3,525, National City Bank of New York, interest on amount held in escrow; $24,999.96, withdrawals from salary contract escrow account created in August 1945; $28,524.96, total other receipts.

E. (1) $11,229.96; (2) $56,049.56; (4) $3,043.32; (5) $4,058.34; (6) $2,353.85; (7) $6,772.32; (8) $3,324.82; (9) $86,832.17; (10) $97,476.06; (11) $84,308.23.

A. National Association of Home Builders of the United States, 1028 Connecticut Avenue NW., Washington, D. C., nature of business: trade association.

C. (1) Indefinitely.

[4] Not printed. Filed in the clerk's office.

C. (2) The National Association of Home Builders is a trade association conducting typical trade association activities, only a small part of which could in any sense be regarded as involving "legislative interests." The employees of the association whose principal duties might be regarded as involving "legislative interests" have registered and regularly report under the Regulation of Lobbying Act. In view of widespread confusion as to appropriate interpretation of the act and our inability to determine the exact meaning and intent of the statute as it applies to trade associations, this report is made under protest. Subject thereto, the association has a "general legislative interest in all legislation affecting the home-building industry which, during the quarter covered by this report, included: S. 2246 (Public Law 475), Housing Act of 1950; H. R. 7846 (Public Law 498), a bill to amend title VIII of the National Housing Act, as amended to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes; S. 2440 (Public Law 564), a bill to authorize certain construction at military and naval installations, and for other purposes; S. 3181 (Public Law 574), a bill to extend for 1 year the Housing and Rent Act of 1947, as amended; S. 3746, H. R. 8924, a bill to authorize the creation of private mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guaranteed residential mortgages; H. R. 7786, making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes with respect to the VA budget; H. R. 8567 (Public Law 583), containing deficiency appropriation for VA.

C. (3) Although not published "in connection with legislative interests," the association publishes a weekly news letter called the Washington Letter and a monthly magazine, the Correlator, each of which contains material of interest to the membership, including, as occasion requires, information on legislative matters. During the quarter eight issues of the Washington Letter were published, on the following dates: April 6, 18, and 26; May 4, 12, and 22; June 6 and 21. Approximately 19,000 copies of each issue were printed by Packwood Printing Co., Washington, D. C. With respect to the Correlator, 22,000 copies were run in April, May, and June by the Darby Printing Co., Washington, D. C. News releases are from time to time sent to the Associated Press, INS, UP, and other national newspaper wire services by the association for publication in subscriber papers and magazines, some of which releases may contain material which might be considered as affecting legislation directly or indirectly. The association has no means of ascertaining a complete list of the publications utilizing such releases. In the course of the operations of the association numerous inquiries are received from representatives of various newspapers, magazines, and other publications for information and material to be used in the preparation of articles concerning housing and, in some cases, pending legislation. We do not understand that the furnishing of such information or material constitutes "causing such article to be published" within the meaning of the act. Therefore, and because of the physical impossibility of keeping an accurate account of such situations, no detailed report thereof is made. All of the above information is contained in the reports of Frank W. Cortright, executive vice president, and John M. Dickerman, legislative director, employees of the association.

D. (1) $5,930.22; (4) $2,967.55; (6) $3,452.58; (7) $2,350.35; (8) $11,571.90; (9) $23,922.25; total receipts of the association for the quarter, as set forth on the books of the association, were $124,454.82. Sources thereof were: (a) membership dues, including dues of sustaining members; (b) subscription to the Correlator, monthly magazine of the association; (c) sales of space in Builders Buying Guide (advertising section of the Correlator); and (e) various nominal amounts from such miscellaneous activities as sales of Land Planning Book, NAHB design service, etc. The stated total constitutes the general funds of the association. Not included are (a) income from the home builders' education fund, no part of which is to be used in connection with legislative interests, and (b) receipts in connection with the annual convention and exposition operation of the association, which operation is run separate and apart from the association. The total receipts reported under D (9), as made in connection with legislative interests represents the same proportion of receipts of the general fund as the item of estimated expenses made in connection with legislative interests (item E (11)) bears to total general expenses of the association. (13) No part of the funds of the association used in connection with legislative interests are derived from contributions of $500 or more. While some contributions to the special home builders education fund of the association have been in the amount of $500 or more, they are not listed in this report since no part of that fund is to be used in connection with legislative interests.

E. (1) $2,255.28; (2) $6,390.41; (4) $4,476.82; (5) $498.98; (6) $1,509.12; (7) $898.26; (8) $1,006.65; (9) $17,037.52; (10) $14,020.13; (11) $31,057.65. The expenditures reported include (a) all of the expenditures of the legislative department of the association, plus (b) an estimated percentage of such of the other expenditures of the association which may conceivably be considered as in connection with legislative interests. The total expenditures of the association for the quarter were $167,829.53. Such total includes expenditures in connection with (a) the general operation of the association; (b) the Correlator and Builders Buying Guide; and (c) the home builders educational campaign. Said total does not include expenditures of the annual convention and exposition operation of the association for convention and exposition purposes which, as previously explained, is run separate and apart from the association.

A. National Association of Independent Tire Dealers, Inc., 1302 Eighteenth Street NW., Washington, D. C.; trade association of independent tire dealers.

C. (1) Such legislative interests as the association has are expected to continue indefinitely.

C. (2) (b) The association has a general legislative interest in statutes or bills which affect the interests of independent tire dealers. During the second quarter of 1950 the association had a specific legislative interest in S. 1008, to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices. That interest has terminated and the association has no specific legislative interest at present.

C. (3) (a, b, c, and d) The association neither issues nor causes to be issued any publication solely in connection with legislative interests. It publishes a weekly printed Dealer News averaging about eight small-size pages per issue as a part of its regular membership service. The Dealer News discusses subjects of all kinds of interest to members, and in that connection occasionally mentions a statute or bill of Congress of particular concern to independent tire dealers and in even fewer instances suggests that members take a position on the matter with their legislative representatives. Approximately 1,700 copies of each issue of the Dealer News are printed each week by McArdle Printing Co., 2201 M Street NW., Washington, D. C.

D. (1) $427; (7) $427; (8) $141.44; (9) $568.44; (13) no. Explanation of item 1 under paragraph D: The National Association of Independent Tire Dealers, Inc., is a nonprofit membership corporation supported primarily by dues paid by its members. The dues range from $12 to $240 per year, based on the annual volume of business done by the member. The association also receives minor amounts of income from advertisements in its Dealer News, advertisements in its yearbook, and display-space rentals at its annual convention. No part of the dues or other money received by the association is earmarked for any specific purpose. More particularly, none of the association receipts are allocated to legislative interests, nor is any money so budgeted. The purpose of the association, as shown by its bylaws, is "to advance and safeguard the business interests of the independent tire dealers and tire renewers, and to promote a cooperative relationship between the tire manufacturers, tire dealers, tire renewers, and the buying public." The association's activities, if any, in connection with legislative interests are extremely minor and incidental. It is impossible to say, therefore, that any part of the dues paid by a member is contributed or received for such purposes. The same is true in the case of other association income. In preparing this report, however, we have assumed that the total amount of money expended for those purposes has been contributed by the members for such purposes. Consequently, that figure, taken from paragraph E (9), below, is stated here as representing the total sum of the contributions made to the association for such purposes. The entire amount so expended has been attributed to receipts in the form of dues, since it is obvious that none of the other association income could possibly have been contributed or received for such purposes.

E. (2) $125; (4) $231.80; (6) $60; (8) $10.20; (9) $427; (10) $141.44; (11) $568.44.

A. National Association of Insurance Agents, 80 Maiden Lane, New York, N. Y.; a voluntary unincorporated membership association comprised of some 27,000 local insurance agencies who are members thereof through affiliated State associations (see explanatory letter attached hereto and made a part hereof.[4]

B. See exhibit A,[4] attached hereto and made a part hereof.

C. (1) Indefinitely.

C. (2) Any legislation which affects, directly or indirectly, local property insurance agents: Social security (H. R. 6000); surety bonding (H. R. 7913, S. 1692, H. R. 2943, etc.); Commodity Credit Corporation (S. 2826); Holland-Pepper bill (S. 2973); lobbying (House Concurrent Resolution 62); tares (H. R. 5064, H. R. 7343, etc.).

C. (3) From time to time articles on legislative matters and position of National Association of Insurance Agents in regard thereto appear in its own publication, the American Agency Bulletin.

D. (1) $2,576.25; (7) $2,576.25; (8) $2,576.25; (9) $5,152.50; (13) Yes; (14) January 1 through June 30, 1950: $1,490.50, Alabama Association of Insurance Agents, 2026 First Avenue North, Birmingham, Ala.; $1,207, Arkansas Association of Insurance Agents, 240 Hall Building, Little Rock, Ark.; $7,779, California Association of Insurance Agents, 1404 Franklin Street, Oakland, Calif.; $2,436.50, Connecticut Association of Insurance Agents, 99 Pratt Street, Hartford, Conn.; $2,003, Florida Association of Insurance Agents, Lykes Building, 203 Franklin Street, Tampa, Fla.; $1,682.50, Georgia Association of Insurance Agents, 314 Trust Co. of Georgia

[4] Not printed. Filed in the Clerk's office.

Building, Atlanta, Ga.; $3,918, Illinois Association of Insurance Agents, 2132 Insurance Exchange, Chicago, Ill.; $3,890, Indiana Association of Insurance Agents, 501 Chamber of Commerce Building, Indianapolis, Ind.; $2,151, Iowa Association of Insurance Agents, 650 Insurance Exchange Building, Topeka, Kans.; $1,625, Kansas Association of Insurance Agents, Capitol Federal Building, Topeka, Kans.; $2,127, Kentucky Association of Insurance Agents, 469 Starks Building Louisville, Ky.; $1,560.50, Louisiana Association of Insurance Agents, Louisiana National Bank Building, Baton Rouge, La.; $3,720, Massachusetts Association of Insurance Agents, 79 Milk Street, Boston, Mass.; $3,810.50, Michigan Association of Insurance Agents, 516 Tussing Building, Lansing, Mich.; $2,562.50, Minnesota Association of Insurance Agents, 550 Builders Exchange, Minneapolis, Minn.; $3,042, Missouri Association of Insurance Agents, 112 North Fourth Street, St. Louis, Mo.; $1,231, Nebraska Association of Insurance Agents, 854 Stuart Building, Lincoln, Nebr.; $3,864.50, New Jersey Association of Insurance Agents, 24 Commerce Street, Newark, N. J.; $7,535, New York State Association of Insurance Agents, 1025 Marine Trust Building, Buffalo, N. Y.; $2,161.50, North Carolina Association of Insurance Agents, postoffice box 1630, Raleigh, N. C.; $6,111.50, Ohio Association of Insurance Agents, 8 East Long Street, Columbus, Ohio; $2,291, Oklahoma Association of Insurance Agents, 426 Insurance Building, Oklahoma City, Okla.; $1,444, Oregon Association of Insurance Agents, 713 Board of Trade Building, Portland, Oreg.; $7,152.50, Pennsylvania Association of Insurance Agents, 212 North Third Street, Harrisburg, Pa.; $1,024, South Carolina Association of Insurance Agents, 1010 Palmetto Building, Columbia, S. C.; $1,829.50, Tennessee Association of Insurance Agents, 720 Nashville Trust Building, Nashville, Tenn.; $5,671, Texas Association of Insurance Agents, Century Building, Fort Worth, Tex.; $1,901.50, Virginia Association of Insurance Agents, 507 Atlantic Life Building, Richmond, Va.; $1,837.50, Washington Association of Insurance Agents, 668 Dexter Horton Building, Seattle, Wash.; $2,628, Wisconsin Association of Insurance Agents, 207 East Michigan Street, Milwaukee, Wis.

E. (2) $2,909.96; (5) $574.94; (6) $289.65; (7) $199.42; (8) $58.25; (9) $4,032.22; (10) $4,206.18; (11) $8,238.40.

A. The National Association of Life Underwriters, 11 West Forty-second Street, New York, N. Y.; trade association.

C. (1) Legislative interests will continue indefinitely.

C. (2) General legislative interests of the National Association of Life Underwriters pertain to social-security legislation, revision of the Internal Revenue Code, and/or regulations which affect policyholders of members of this association, National Service Life Insurance; (a) H. R. 6000, H. R. 8920, H. R. 8035.

C. (3) (a) Life Association news; (b) 55,000; (c) monthly; (d) Hamilton Printing Co., Albany, N. Y.

D. (1) $3,218.29; (7) $3,218.29; (8) $2,697.40; (9) $5,915.69; (13) No.

E. (2) $794.60; (4) $321.85; (6) $723.22; (7) $1,338.62; (8) $40; (9) $3,218.29; (10) $2,697.40; (11) $5.915.69.

A. National Association of Margarine Manufacturers, 1028 Munsey Building, Washington, D. C.; this is a nonprofit research and educational organization to develop, coordinate, and supply the public with accurate information about margarine.

C. (1) Only when legislation concerning margarine is pending.

C. (2) During period January–March, concerned with H. R. 2023 (Public Law 459, 81st Cong., 2d sess., approved March 16, 1950). Also interested in H. R. 330 and H. R. 4358, which contain proposed amendments to the Navy Ration Statute, 34 U. S. C. 902a. Generally interested in any margarine legislation.

D. (1) $441.48; (7) $441.48; (8) $15,854.93; (9) $16,296.41; (13) See statement attached to item 1.[4]

E. (1) $441.48; (9) $441.48; (10) $15,854.93; (11) $16,296.41.

A. National Association of Mutual Savings Banks, 60 East Forty-second Street, New York, N. Y. Trade association of mutual savings banks. The National Association of Mutual Savings Banks is a trade organization for the mutual savings banks. The association is supported by the payment of regular dues by the member banks on a schedule basis to carry on all the activities of the association. This statement is filed by the association although it is believed that the law does not require the filing of such a statement, inasmuch as the legislative activities of the association comprise only a small part of its general activities and are not the principal purpose of the association. The association's functions are, among other things, to encourage thrift, to bring about better lending practices on the part of the institutions, to examine and to assist in the rehibilitation of corporations in which the member banks have a substantial financial interest, to encourage generally sound banking practices through committees of the association, to disseminate information helpful to the operation of the savings banks generally, and to participate in a proper way before committees of Congress on legislation in which the mutual savings banks have a legitimate interest. In order, however, that there may be no question about the propriety of failing to file these financial statements, the executive committee of the association has instructed that they be filed. The total dues collected during the period for which this report is made amount to $101,955.50, of which amount $55,160 was the total amount of dues of $500 or more paid by the members of the association. See list of banks (par. D (14)) which have paid dues of $500 or more, and the amount so paid. Of the total amount of $101,955.50 received during the quarter only $3,285.96 was used for legislative purposes and the dues received have been reported on this basis. In addition, the sum of $1,350 was received by general counsel for the association from dues collected and reported for the first quarter as explained in paragraph A of the report for the first quarter.

C. (1) Legislative interests will continue indefinitely.

C. (2) The general legislative interests consist of any legislation which the mutual savings banks have a legitimate interest in supporting or opposing. Specific legislative interests in period April 1 to June 30, 1950, have been: Rent control bill, S. 3181; tax revision hearings before House Ways and Means Committee, H. R. 8920; FDIC bill, S. 2822; Federal savings and loan conversion bills, S. 1175, H. R. 5806; bank holding company bills, S. 2318, S. 3547.

D. (1) $3,285.96; **(7)** $3,285.96; (8) $6,600; (9) $9,885.96; (13) yes; (14) There follows a list of the member banks which have paid in the period April 1 to June 30, 1950, dues in the amount of $500 or more: $735, Society for Savings, Hartford, Conn.; $1,145, Boston 5¢ Savings Bank, Massachusetts; $905, Provident Institution for Savings, Boston, Mass; $860, Farmers & Mechanics Savings Banks, Minneapolis, Minn.; $835, Howard Savings Institution of Newark, N. J.; $500, Albany Savings Bank, New York; $555, Bay Ridge Savings Bank, Brooklyn, N. Y.; $815, Brooklyn Savings Bank, Brooklyn; $3,015, Dime Savings Bank of Brooklyn; $1,655, East New York Savings Bank, Brooklyn; $730, Greater New York Savings Bank, Brooklyn; $765, Green Point Savings Bank, Brooklyn; $1,890, Lincoln Savings Bank, Brooklyn; $680, Roosevelt Savings Bank, Brooklyn; $685, So. Brooklyn Savings Inst., Brooklyn; $2,685, Williamsburgh Savings Bank, Brooklyn; $1,265, Buffalo Savings Bank; $995, Erie County Savings Bank, Buffalo, N. Y.; $920, Jamaica Savings Bank; $845, Long Island City Savings Bank; $1,420, Bank for Savings, New York; $4,660, Bowery Savings Bank, New York; $705, Bronx Savings Bank, New York; $2,155, Dollar Savings Bank, New York; $1,780, Dry Dock Savings Bank, New York; $1,695, East River Savings Bank, New York; $3,225, Emigrant Industrial Savings Bank, New York; $510, Excelsior Savings Bank, New York; $950, Franklin Savings Bank, New York; $1,570, Greenwich Savings Bank, New York; $1,255, Harlem Savings Bank, New York; $990, Manhattan Savings Institution, New York; $1,175, Seamen's Bank for Savings, New York; $1,400, Union Dime Savings Bank, New York; $605, Ridgewood Savings Bank, New York; $565, Rochester Savings Bank; $545, Onondaga County Savings Bank, Syracuse, N. Y.; $1,150, Society for Savings in Cleveland, Ohio; $545, Beneficial Saving Fund Society, Philadelphia, Pa.; $3,245, Philadelphia Saving Fund Society, Pennsylvania; $975, Western Saving Fund Society, Philadelphia, Pa.; $575, Providence Institution for Savings, Rhode Island; $965, Washington Mutual Savings Bank, Seattle, Wash.; $55,160, total.

E. (2) $1,950; (4) $64.78; (5) $15.72; (6) $547.51; (7) $2,044.63; (8) $3.37; (9) $1,803.40; (10) $1,681.76; (11) $6,485.16; general counsel is to be paid an annual compensation of $36,000 a year for the calendar year 1950. This covers all legal services rendered to the association. General counsel's office assumes its own office overhead. There are three members of the general counsel's office who regularly do legal work for the association. There is one other who performs infrequently some legal work of the association but not connected with legislative activities. An estimate has been made by the general counsel's office of the proportion of their time allocable to purposes designated in subparagraphs (a) and (b) of section 307 of the act. It is their judgment that approximately 10 to 15 percent of their legal work has to do with such legislative activities and consequently, to be conservative, they have advised the national association that $5,400, or 15 percent of their total compensation, should be allocated for that purpose for the year 1950 in this return which includes their office overhead attributable to the work. For the preceding calendar quarter there should be included one-fourth of the annual compensation, or $1,350.

A. National Association of Postal Supervisors, post-office box 2013, Washington, D. C.

C. (1) Permanently.

C. (2) All legislation affecting supervisors in the postal field service and the postal service.

C. (3) Our monthly magazine, The Postal Supervisor, issued on the 1st of each month, 17,000 copies, printed by Ransdell, Inc., Washington, D. C. Semimonthly news letters to membership, about 7,000 each issue, mimeographed by Bates Duplicating Co., Washington, D. C.

D. (1) $5,625; (7) $5,625; (8) $5,625; (9) $11,250; (13) No.

E. (2) $1,875; (4) $1,987; (5) $225; (6) $30; (7) $669.50; (9) $4,786.50; (10) $4,681; (11) $9,467.50.

A. National Association of Real Estate Boards, its public-relations department and its Realtors' Washington Committee, 22 West Monroe Street, Chicago, Ill.; 1737 K Street NW., Washington, D. C.; trade association.

C. (1) Unknown.

C. (2) (a) The National Housing Act (FHA); the United States Housing Act; rent-control sections of the OPA Act of 1942, as amended; tax legislation, including treatment for income-tax purposes of income from the sale of owner-occupied homes and depreciation allowances on owner-occupied homes;

[4] Not printed. Filed in the Clerk's office.

taxation for purposes of the social-security and the unemployment-compensation programs, particularly as it affects real-estate salesmen who are independent contractors operating on a purely commission basis. (b) H. R. 7583, S. 434, extension of rent control; S. 2246, H. R. 6070, H. R. 6618, H. R. 6742, amendments to National Housing Act; H. R. 6000, amend Social Security Act and others; Senate Resolution 299.

C. (3) Attached is a list of news releases [4] issued during the quarter which bear on legislative subjects. Complete information as to the extent to which these were published or the dates of publication is not available. Mailing list for these news releases is attached.[4] Mimeographing was done in our Washington office; 3,000 copies of pamphlet printed May 1950, American Publishing Co., offset division, 1825 K Street NW., Washington, D. C., subject, Public Housing: Handbook for Local Communities.

D. (1) $9,827.60; (2) $30,966.25; (7) $40,793.85; (8) $52,913.75; (9) $93,707.60; (13) Yes.

D. (1) No dues are for this specific purpose. Expenditures amounting to $9,827.60 were made from the general funds of the National Association of Real Estate Boards. These expenditures represent approximately 9 percent of the dues collected during this calendar quarter.

D. (14) January 1 through June 30, 1950: $500, Des Moines Real Estate Board, 511 Fifth Avenue, Des Moines, Iowa; $1,380, Boston Real Estate Board, 7 Water Street, Boston, Mass.; $520, Grand Rapids Real Estate Board, 227 Ottawa Avenue NW., Grand Rapids, Mich.; $1,000, Cleveland Real Estate Board, 108 The Arcade, Cleveland, Ohio; $510, Washington Real Estate Board, 1417 K Street NW., Washington, D. C.; $500, Delaware County Real Estate Board, 214 East Sixty-ninth Street, Upper Darby, Pa.; $600, Buffalo Real Estate Board, 1106 Morgan Building, Buffalo, N. Y.; $565, Dallas Real Estate Board, 1101 Commerce Street, Dallas, Tex.; $1,000, St. Louis Real Estate Board, 100 Missouri Insurance Building, St. Louis, Mo.; $500, Columbus Real Estate Board, 42 East Gay Street, Columbus, Ohio; $2,225, Real Estate Board of New York, 12 East Forty-first Street, New York, N. Y.; $735, Real Estate Board of Baltimore, Md., 7 St. Paul Street; $1,000, Denver Board of Realtors, 710 Seventeenth Street, Denver, Colo.; $569, Sacramento Real Estate Board, 809 Jay Street, Sacramento, Calif.; $970, Philadelphia Real Estate Board, southeast corner Thirteenth and Locust Streets, Philadelphia, Pa.; $530, Tulsa Real Estate Board, 1325 Hunt Building, Tulsa, Okla.; $500, Real Estate Board of Rochester, 25 Exchange Street, Rochester, N. Y.; $687.50, Indianapolis Real Estate Board, 704 Inland Building, Indianapolis, Ind.; $500, Omaha Real Estate Board, 734 Keeline Building, Omaha, Nebr.; $820, Pittsburgh Real Estate Board, William Penn Hotel, Pittsburgh, Pa.; $300, Louisville Real Estate Board, 610 West Jefferson, Louisville, Ky.; $500, Dayton Real Estate Board, suite 300, Biltmore Hotel, Dayton, Ohio; $500, Richmond Real Estate Board Exchange, 722 East Main Street, Richmond, Va.; $1,250, Detroit Real Estate Board, 1980 Penobscot Building, Detroit, Mich.; $500, Wichita Real Estate Board, 201 Bitting Building, Wichita, Kans.; $551, San Francisco Real Estate Board, 105 Montgomery Street, San Francisco, Calif.; $555, Cincinnati Real Estate Board, 612 Mercantile Library Building, Cincinnati, Ohio; total, $20,267.50.

E. (1) $594.67; (2) $14,912.99; (4) $3,865.87; (5) $4,737.16; (6) $3,931.12; (7) $4,702.18; (8) $956.37; (9) $33,700.36; (10) $28,444.52; (11) $62,144.88.

A. National Association of Refrigerated Warehouses, 608 Tower Building, Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) Brannan plan; CCC borrowing power, H. R. 6567; Farm Market Facilities Finance Act, H. R. 2380, S. 2091; to protect trade and commerce from unreasonable restraints by labor organizations, S. 2912; social security, H. R. 6000; foreign-trade zones, H. R. 4723, etc.

(3) (a) One page mimeographed membership bulletins; (b) 500 each; (c) May 5, 1950; (d) National Association of Refrigerated Warehouses.

D. (13) No.

E. (4) $15; (9) $19; (11) $19.

A. National Association of Retail Druggists, 201 West Wacker Drive, Chicago, Ill.; George H. Frates, Washington representative, 1163 National Press Building.

B. National Association of Retail Druggists.

C. (1) Indefinitely.

C. (2) To oppose legislation detrimental to independent retail druggists and further legislation favorable to the profession; S. 1068, basing-point bill; H. R. 8920, excise taxes; H. R. 8904, to amend the Food, Drug and Cosmetic Act.

C. (3) NARD Journal, a magazine issued twice a month to our members, about 35,000, first and third Monday.

D. (5) $2,800; (8) $2,800.

E. (5) $1,242; (6) $73; (9) $1,315; (15) $4,115.

A. National Association of Retired Civil Employees, 1246 Twentieth Street NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) Legislation affecting retired civil employees. At present, H. R. 5032, H. R. 5096, H. R. 1722, and various bills to provide for exemption of annuities from taxation; also, S. 878 and H. R. 4295.

C. (3) (a) The Annuitant, a publication issued quarterly (January, April, July, and October), furnishing information on legislation and various other matters of interest to the membership of the National Association of Retired Civil Employees; also, a brief newsletter sent monthly, with the exception of January, April, July, and October, to the 36 or more chapters of the national association; (b) 60,000; (c) April 1950; (d) Trades Unionist. ((a), (b), and (c) apply to the Annuitant.)

D. (1) $535.30; (7) $535.30; (8) $453.40; (9) $988.70. Estimated percentage of dues and assessments applicable to lobbying activities.

E. (2) $357.50; (7) $177.80; (9) $535.30; (10) $453.40; (11) $988.70. The association receives nominal dues from its members, most of which is spent in the interest of retired Federal employees, such as the adjustment of retirement claims, changes of address, publication of the Annuitant, improvement of retirement regulations and procedures, and incidentally sponsoring of legislation which benefits retired Federal employees.

A. National Association of United States Storekeeper-Gaugers, John A. Cranage, national secretary-treasurer, 4543 North Hicks Street, Philadelphia, Pa.; Federal employees organization.

C. (1) Indefinitely.

C. (2) All legislation affecting Federal classified employees, and that in particular which would affect our position, United States storekeeper-gaugers.

C. (4) (a) Compensation is paid to our attorneys quarterly, on a yearly contract; (b) $2,000 annually, paid $500, first day of February, May, August, and November; (c) contract is signed for a 1-year period, with option of renewal.

D. (1) $834.90; (7) $834.90; (8) $626.70; (9) $1,461.60.

E. (2) $500; (9) $500; (10) $500; (11) $1,000; (16) $500, May 1, Robert E. McLaughlin and Francis M. Sullivan, legal representation and advice, care of Robert & McInnis, Mayflower Office Building, Connecticut Avenue and De Sales Street NW., Washington, D. C.

A. National Board of Fur Farm Organizations, Morgan, Utah; nonprofit cooperative association for fur farmers organization.

C. (1) Indefinitely.

C. (2) All and any legislation pertaining to the interest of fur farming industry of the United States.

C. (3) Reports from time to time are furnished the following monthly publications: Black Fox magazine, American Fur Breeder, National Fur News, Fur Journal.

D. (1) $4,887; (7) $4,887; (8) $4,105; (9) $8,992; (13) no.

E. (2) $2,500; (5) $625; (6) $92; (7) $1,670; (9) $4,887; (10) $4,105; (11) $8,992; (15) all.

A. National Business Publications, Inc., 1001 Fifteenth Street NW., Suite 39, Washington, D. C.; an association of publishers of trade, technical, scientific and professional periodicals.

S. (1) Until action is consummated on pending postal legislation.

C. (2) That which affects postal rates of controlled-circulation periodicals published by members of the above-named association.

C. (3) Official association newsletter circulated approximately every 2 weeks to association members.

D. The above-named association is not financed by contributions, but by membership dues determined on a formula basis. There are, then, no specific contributions for legislative expense. A list of association members was attached to Form A filed on April 13, 1949.

E. (2) $2,400; Carter Manasco, retained as legislative counsel on month-by-month basis for the purpose of assisting the association in connection with postal legislation affecting controlled circulation periodicals, published by its members; for the months of April, May, and June; (7) $9.30; Robert E. Harper, managing director of the above-named association on a year-round annual salary basis; for such ordinary expenses as cabs to and from Capitol Hill, luncheons and other courtesies; (9) $2,409.30; (10) $2,569.60; (11) $4,978.90.

A. National Coal Association, 802 Southern Building, Washington, D. C.; the National Coal Association is a nonprofit organization comprised of owners and operators of coal mines representing approximately 70 percent of the commercial production of bituminous coal in the United States. Its main objectives are to foster the general welfare of the industry through programs to increase safety, efficiency, and production as well as to encourage the development of new uses and markets for bituminous coal through the media of economic and scientific research; to keep its members informed of developments of interest and consequence; to engage in advertising and other public relations activities on behalf of the industry, and in general to act as spokesman and representative of the industry in matters of national concern. Legislative activity is confined to the expression of a point of view on matters of industry concern.

C. (1) Indefinite.

C. (2) All measures affecting bituminous coal industry.

C. (3) (a) Attached pamphlet entitled "The Dangers of Foreign Oil;" [4] (b) 90,000 distributed; (c) April 1950; (d) Kirby Lithograph Co., Washington, D. C.

D. All funds received are paid into the general fund of the organization and are derived from the voluntary contributions of its constituent members on the basis of a fixed formula related to coal production. No attempt has been made herein to set forth the names and addresses of the individual

[4] Not printed. Filed in the Clerk's office.

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contributing members inasmuch as none of the funds received during the period from April 1, 1950, through June 30, 1950, have been earmarked either by the contributor or the association for any of the purposes designated in subparagraph (a) or (b) of section 307, title III, Legislative Reorganization Act of 1946. Total receipts of the National Coal Association for the period from April 1, 1950, through June 30, 1950, derived from the sources indicated in the paragraph above, $436,535.87.

E. $36,469.63, representing the estimated proportion of the expenditures of the association which may be regarded as related to legislative activity, is 8.4 percent of the total receipts of the association for the quarter.

A. National Committee To Defeat the Mundt Bill, 930 F Street NW., Washington, D. C.; a temporary legislative committee to defeat the Mundt bill in any form.

C. (1) Legislative interest continues while Mundt bill or any similar bill is before Congress or a congressional committee.

C. (2) General legislative interest of committee is in defeat of bills aimed at proscribing or limiting the constitutional liberties of the American people, specifically the Subversive Activities Control Act, S. 2311 and H. R. 7595.

C. (3) The committee issues legislative bulletins on the status of the bills as occasion demands, in quantity of about 1,300. It has published a 16-page analysis of the Mundt-Ferguson-Nixon bills in pamphlet form, called Hey Brother! There's a Law Against You! in quantity of 50,000, printed by Kaufman Press, Inc., March 1950. In addition, the committee distributes printed matter on the bills issued by others.

D. (2) $4,987.03; (6) $12.50; (7) $4,999.58; (8) $2,013.99; (9) $7,013.57; (13) yes; (14) January 1 through June 30, 1950; $500, Mrs. Luke I. Wilson, 8080 Rockville Pike, Bethesda, Md.; $750, New York Committee To Defeat the Mundt Bill, 11 West Forty-second Street, New York, N. Y.; $1,250, total.

E. (1) $525; (2) $1,685; (4) $1,117.30; (5) $351.07; (6) $667.24; (7) $805.99; (8) $104.13; (9) $5,255.73; (10) $1,768.91; (11) $7,024.64.

A. National Committee To Limit Federal Taxing Powers, 1737 K Street NW., first floor, Washington, D. C.; social welfare organization.

C. (1) Indefinite.

C. (3) (a) Copy attached (not printed, filed in the Clerk's office); (b) 7,000; (c) May 10, 1950; (d) Byron S. Adams.

D. (6) $2,234; (7) $2,234; (8) $1,187.50; (9) $3,421.50; (13) no.

E. (2) $440; (4) $716.79; (5) $1,092.17; (6) $35.18; (7) $3.80; (8) $4.20; (9) $1,292.14; (11) $1,292.14.

A. National Committee for Repeal of Wartime Excise Taxes, 60 East Forty-second Street, New York, N. Y.; a national committee of business executives organized for the purpose of seeking the repeal of the wartime excise taxes (except those on alcohol, tobacco, and gasoline). (See attached. Not printed. Filed in the Clerk's office.)

C. (1) Probably through the third quarter of 1950.

C. (2) Repeal of the excise taxes (other than those on alcohol, tobacco, and gasoline) enacted or increased in 1941, 1942, and 1943.

C. (3) (a) Booklet discussing the "how" and "when" of wartime excise tax repeal; (b) 2,995 copies; (c) January 12, 1950; (d) Dependable Printing Co., Inc.; (e) Washington Post and Times-Herald of January 30, 1950; Daily News and Evening Star of January 31, 1950.

D. (1) $16,750; (7) $16,750; (8) $41,000; (9) $57,750; (13) yes; (14) period from January 1, through June 30, 1950: $2,500, Coro, Inc., 47 West Thirty-fourth Street, New York, N. Y; $2,500, the Hotstream Heater Co., 2363 East Sixty-ninth Street, Cleveland, Ohio; $2,500, the J. L. Hudson Co., Detroit, Mich.; $2,500, the Lambert Co., 930 Newark Avenue, Jersey City, N. J.; $2,500, Office Equipment Manufacturers Institute, 1903 N Street NW., Washington, D. C.; $1,250 Affiliated Gas Equipment, Inc., 17877 St Clair Avenue, Cleveland, Ohio; $1,250, Air Transport Association of America, 1107 Sixteenth Street, Washington, D. C.; $1,250, Allied Stores Corp., 1440 Broadway, New York, N. Y.; $1,250, American Airlines, Inc., 100 East Forty-second Street, New York, N. Y.; $1,250, Baker & Co., Inc., 113 Astor Street, Newark, N. J.; $1,250, Capital Airlines, Inc., National Airport, Washington, D. C.; $1,250, the Dayton Rubber Co., 27 William Street, New York, N. Y.; $1,250, Decca Records, Inc., 50 West Fifty-seventh Street, New York, N. Y.; $1,250, Delta Airlines, Atlanta Municipal Airport, Atlanta, Ga.; $1,250, Edison Bros. Stores, Inc., 315 Washington Avenue, St. Louis, Mo.; $1,250, Elgin National Watch Co., Elgin, Ill.; $1,250, Federated Department Stores, Inc., Federated Building, Cincinnati, Ohio; $1,250, General Electric Co., 570 Lexington Avenue, New York, N. Y.; $1,250, A. Hollander & Son, Inc., 143 East Kinny Street, Newark, N. J.; $1,250, the League of New York Theaters, Inc., 234 West Forty-fourth Street, New York, N. Y.; $1,250, Luggage & Leather Goods Manufacturers Association of America, 220 Fifth Avenue, New York, N. Y.; $1,250, the May Department Stores Co., Seventh and Olive Streets, St. Louis, Mo.; $1,250, Nash-Kelvinator Corp., 14250 Plymouth Road, Detroit, Mich.; $1,250, National Fur Tax Committee (Julius Green Fur Co.), 330 Seventh Avenue, New York, N. Y.; $1,250, National Piano Manufacturers Association of America (Jesse French & Sons), Elkhart, Ind.; $1,250, New York State Safe Deposit Association, 25 Broad Street, New York, N. Y.; $1,250, North American Fur Auctions Association, Inc., 132 West Thirty-first Street, New York, N. Y.; $1,250, Parker House-G. J. Sherrard Co., Parker House Hotel, Boston, Mass.; $1,250, the Philco Corp., Philadelphia, Pa.; $1,250, the Pullman Co., 222 West North Bank Drive, Chicago, Ill.; $1,250, Robertshaw-Fulton Controls Co., 110 East Otterman Street, Greensburg, Pa.; $1,250, Scruggs, Vandervoort-Barney, Inc., 921 Olive Street, St. Louis, Mo.; $1,250, Stix-Baer & Fuller Co., Sixth and Washington Avenue, St. Louis, Mo.; $1,250, Transcontinental & Western Air, Inc., 630 Fifth Avenue, New York, N. Y.; $1,250, United Air Lines, Inc., 5959 South Cicero Avenue, Chicago, Ill.; $1,250, United Paramount Theaters, Inc., 1501 Broadway, New York, N. Y.; $1,250, United States Independent Telephone Association, 411-17 Munsey Building, Washington, D. C.; $1,000, Radio Corp. of America, 30 Rockefeller Plaza, New York, N. Y.; $1,000, Speidel Corp., 70 Ship Street, Providence, R. I.; $500, Admiral Corp., 3800 Cortland Street, Chicago, Ill.; $500, Bristol-Myers Co., 630 Fifth Avenue, New York, N. Y.; $500, Columbia Records, Inc., 1473 Barnum Avenue, Bridgeport, Conn.; $500, the W. A. Green Co., Dallas, Tex.; $500, Hotels Statler Co., Inc., Thirty-third and Seventh Avenue, New York, N. Y.; $500, the Mennen Co., 2 Broad Street, Bloomfield, N. J.; $57,500, total.

E. (2) $1,829.36; (4) $246.15; (5) $113.19; (6) $1,166.17; (7) $78.31; (8) $34.17; (9) $3,467.35; (10) $58,799.38; (11) $62,266.73.

A. National Committee for Strengthening Congress, 1135 Tower Building, Washington, D. C.; as indicated by title of committee.

C. (1) Legislative interests will continue indefinitely.

C. (2) Legislative interests include any and all legislation dealing with the organization of the Congress.

C. (3) No publications have been issued.

D. (13) No.

E. (10) $120.69; (11) $120.69.

A. National Cotton Compress and Cotton Warehouse Association, 586 Shrine Building, Memphis, Tenn.; 1037 Woodward Building, Washington, D. C.

C. (1) Indefinite.

C. (2) Any matters affecting the cotton compress and warehouse industry.

C. (3) None, other than mimeographed bulletins and newsletters to membership.

D. (1) $574.03; (7) $574.03; (8) $585.74; (9) $159.77; (13) no.

E. (2) $446.39; (4) $95.37; (6) $32.27; (9) $574.03; (10) $585.74; (11) 1,159.77.

A. National Cotton Council of America, post office box 18, Memphis, Tenn.; nonprofit welfare organization to promote the consumption of American-grown cotton, cottonseed, and products thereof.

C. (1) Indefinitely.

C. (2) Any legislation affecting the raw-cotton industry.

C. (3) Not applicable.

D. (1) $6,845.07; (7) $6,845.07; (8) $2,603.74; (9) $9,448.81; (13) No such contributions received for legislative purposes.

A. National Council Against Conscription, 1013 Eighteenth Street NW., Washington, D. C. The council is a nonprofit organization which exists chiefly for the research, publication, and distribution of literature in the field of militarism, universal disarmament, and peacetime conscription. Its only legislative interest is opposition to peacetime conscription.

C. (1) While peacetime conscription legislation is pending.

C. (2) Its only legislative interest is opposition to peacetime conscription and opposition to extension of the selective-service law. This legislative activity consumes less than one-fifth of the time and money of the organization.

C. (3) (a) Conscription News, four-page news letter; (b) about 2,500; (c) twice a month. (d) Drake Press, 916 New York Avenue NW., Washington D. C. (a) The Indispensable Ingredient of Peace—Disarmament, eight pages; (b) 10,000; (d) Sowers Printing Co., Lebanon, Pa. (a) Who Rules America? one-page flyer on draft extension; (b) 10,000; (d) Fellowship Publications, 21 Audubon Avenue, New York City. (a) The Case Against U. M. T., eight pages; (b) 10,000; (c) Sowers Printing Co., Lebanon, Pa.

D. (2) $2,696.82; (4) $1,527.55; (7) $4,224.37; (8) $3,571.67; (9) $7,796.04; (13) no.

E. (2) $419.74; (4) $5,488.35; (5) $331; (6) $40.84; (7) $547.12; (8) $44.36; (9) $6,756.47; (10) $5,112.88; (11) $11,869.35.

A. National Council on Business Mail, Inc., 105 West Monroe Street, Chicago, Ill.; a nonprofit organization devoted to dispensing information about the postal service to its membership.

C. (1) Indefinite.

C. (2) Interested in any legislation affecting the postal service and postal rates. H. R. 2945.

C. (3) (a) Circular letter; (b) 35,000; (c) May 2, 1950; (d) Gregg-Moore Co., 180 North Wacker, Chicago, Ill.

D. (1) $3,136.38; (7) $3,136.38; (8) $3,782.17; (9) $6,918.55; (13) yes.

(14) Contributions of $500 or more for period of January 1 to June 30, 1950 (accumulated, these amounts include amounts reported in previous quarter of this year): $1,120, Aldens, Inc., 511 South Paulina Street, Chicago, Ill.; $600, Walter Field Co., 600 West Fulton, Chicago, Ill.; $7,000, Sears, Roebuck & Co., 925 South Homan, Chicago, Ill.; $1,000, Spiegels, Inc., 1061 West Thirty-fifth Street, Chicago, Ill.; total, $9,720.

E. (1) $2,499.99; (4) $568.92; (5) $2.50; (6) $12.73; (7) $52.24; (9) $3,136.38; (10) $3,782.17; (11) $6,918.55; (15) not applicable.

A. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C.; a trade organization for farmer cooperatives marketing farm products and/or purchasing farm supplies.

C. For information under items 1, 2, and 3 see reports filed by members of staff—John H. Davis, John J. Riggle, L. James

Harmanson, Jr., Kit H. Haynes, and George S. Pear.

D. (1) $26,335; (3) $589.71; (7) $26,924.71; (8) $27,791.84; (9) $54,716.55; (14) $612.50, American Cotton Cooperative Association, Memphis, Tenn.; $552.50, American Rice Growers Cooperative Association, Lake Charles, La.; $565, California Fruit Exchange, Sacramento, Calif. (February, $282.50, April, $282.50); $1,372.50, California Fruit Growers Exchange, Los Angeles, Calif.; $725, California Prune & Apricot Growers Association, San Jose, Calif. (February, $362.50, April, $362.50); $865, California Walnut Growers Association, Los Angeles, Calif. (February, $432.50, April, $432.50); $722.50, Consumers Cooperative Association, Kansas City, Mo.; $1,662.50, Cooperative GLF Exchange, Inc., Ithaca, N. Y.; $1,330, Dairymen's League Cooperative Association, Inc., 100 Park Avenue, New York City; $942.50, Eastern States Farmers Exchange, Inc., West Springfield, Mass.; $722.50, Farm Bureau Cooperative Association, 245 North High Street, Columbus, Ohio; $625, Farm Bureau Services, Inc., 221 North Cedar Street, Lansing, Mich. (February $312.50, May $312.50); $685, Farmers Cooperative Exchange, Raleigh, N. C. (February, $342.50; April, $342.50); $765, Fruit Growers Supply Co., Los Angeles, Calif. (February, $382.50; April, $382.50); $562.50, Indiana Farm Bureau Cooperative Association, Indianapolis, Ind.; $785, Maine Potato Growers, Inc., Presque Isle, Maine (February, $392.50; April, $392.50); $595, California Lima Bean Growers Association, Oxnard, Calif. (February, $292.50; April, $302.50); $575, Mutual Orange Distributors, Redlands, Calif. (February, $282.50; April, $282.50); $745, National Wool Marketing Corp., Boston, Mass. (February, $372.50; April, $372.50); $665, Ohio Farmers Grain & Supply Association, Fostoria, Ohio (February, $332.50; April, $332.50); $705, Pennsylvania Farm Bureau Cooperative Association, Harrisburg, Pa. (February, $352.50; April, $352.50); $565, Poultrymen's Cooperative Association of Southern California, Los Angeles, Calif. (February, $282.50; April, $282.50); $672.50, Missouri Farmers Association, Columbia, Mo.; $752.50, Southern States Cooperative, Inc., Richmond, Va.; $565, Sun-Maid Raisin Growers, Fresno, Calif. (February, $282.50; April, $282.50); $685, Utah Poultry & Farmers Cooperative, Salt Lake City, Utah (February, $342.50; April, $342.50); $592.50, Washington Co-Operative Farmers Association, Seattle, Wash.; $1,662.50, National Live Stock Producers Association, 139 North Clark Street, Chicago, Ill.; $585, Florida Citrus Canners Cooperative, Lake Wales, Fla. (February, $292.50; April, $292.50); $705, Pacific Supply Cooperative, Walla Walla, Wash. (February, $352.50; April, $352.50); $825, Indiana Grain Cooperative, Indianapolis, Ind.; $565, Rice Growers Association of California, Sacramento, Calif. (February, $282.50; April, $282.50); total $24,955; less $5,975. (this amount was included in item 1 "D" of January 1 to March 31, 1950, report as contributions of less than $500 received during that quarter); $18,180.

E. (2) $14,937.49; (4) $1,007.23; (5) $1,617.34; (6) $534.94; (7) $2,726.93; (8) $2,132.50; (9) $20,823.93; (10) $28,297.65; (11) $49,121.58.

A. National Council Junior Order United American Mechanics, 3027 North Broad Street, Philadelphia, Pa.; a secret, patriotic fraternal organization.

C. (1) Indefinitely.

C. (2) Patriotic legislation for protection of American citizens; restriction of immigration; support of American free school system; suppression and control of communism; (b) S. 2311 Subversive Activities, Control Act of 1950; Report S. 1358, S. 2605; to make cancer reportable S. 1858, and report 1878, provisions relating to admission of aliens, H. R. 4567 displaced persons.

C. (3) Junior American, official organ of corporation furnished 70,000, printed by Kable Bros., Mount Morris, Ill.

E. (3) $451.82; (9) $451.82; (10) $249.99; (11) $701.81.

A. National Council for a Permanent FEPC, 930 F Street NW., room 812, Washington, D. C.

B. A. Philip Randolph, cochairman.

C. (1) Until such time as S. 1728 becomes a law.

C. (2) (a) Federal Fair Employment Practice Act; (b) H. R. 4453; S. 1728.

D. (2) $5,890; (6) $450; (7) $6,340; (8) $2,868.42; (9) $9,208.42; (10) $950; (11) $450; (12) $500; (13) yes; (14) $1,000, David Dubinsky, 170 Broadway, New York, N. Y.; $1,000, Edward S. Miller, 530 Walnut Street, Cincinnati, Ohio; $1,000, Nelson Rockefeller, 30 Rockefeller Plaza, New York, N. Y.; $500, Girl Friends, Inc., 1006 Edmondson Avenue, Baltimore, Md.; $500, American Federation of Musicians, Box B, Astor Station, Boston, Mass.

E. (2) $3,109.90; (4) $254.21; (5) $638.60; (6) $258.28; (7) $2,107.62; (8) $820.64; (9) $7,186.25.

A. National Council for Prevention of War, 1013 Eighteenth Street NW., Washington, D. C.; peace organization.

C. (1) Indefinitely.

C. (2) Bills affecting world peace, such as the ECA bill, the convention to ratify the Genocide Convention, the DP bill, military training and service legislation, legislation affecting war crimes procedures, proposals leading to the drafting of peace treaties, point 4 bills, Senator Tydings' disarmament resolution (S. Res. 236), Representative Walter's resolution to help the expellees (H. Con. Res. 188), postage subsidies for relief packages, manpower registration legislation; amending the Trading With the Enemy Act, to give the effect of a peace treaty with Germany and with Japan. Bills for educational exchange; military aid bill.

C. (3) "Peace Action"; (a) 4-page printed bulletin; (b) 10,000; (c) monthly about middle of month; (d) National Publishing Co.

D. (1) $414.65; (2) $2,740.40; (3) $142.40; (4) $748.41; (5) $51.06; (6) $5,439.52; (7) $9,536.44; (8) $11,568.82; (9) $21,105.26; (13) yes; (14) $1,000, William H. Regnery, Chicago, Ill., April 1950.

E. (2) $5,670.44; (4) $1,624.66; (5) $1,445.96; (6) $193.08; (7) $1,201.57; (8) $1,331.22; (9) $11,466.93; (10) $10,966.01; (11) $22,432.94; (14) $75.

A. National Economic Council, Inc., Empire State Building, New York, N. Y.; educational organization, not for profit.

C. (1) Indefinite.

C. (2) General legislative proposals and policies on which we have taken a position: Various measures before the Congress affecting the preservation of private enterprise, private property, and individual initiative, and affecting the preservation of American independence. These measures are the Kem amendment, point 4 in the ECA bill, and the proposal to ratify the ITO agreement. We have recommended also in our publications that left-wingers be got out of the State Department; that nothing be done that would lead to the nationalization of the steel industry. We have urged the Congress to stop attacks by the administration on big business, and we have dealt with activities of the House Lobbying Committee, and we have urged against the ratification by the Congress in any way of any world-government measure. Other measures may have been mentioned in our publication, copies of all which we enclose herewith. And it is possible that we have uttered something either for or against other measures in the course of our activities during this quarter, though at the present time we canot recall them.

C. (3) (a, b, c, and d) Council Letter No. 236, Clean Up the State Department, 13,000, April 1, 1950, Brooklyn Eagle Press; Council Letter No. 237, Thou Shalt Not Steal, 14,000, April 15, 1950, Brooklyn Eagle Press; Council Letter No. 237–A, Emergency, 5,000, April 15, 1950, Brooklyn Eagle Press; Council Letter No. 238, The Raid on Steel, 17,000, May 1, 1950, Brooklyn Eagle Press; Council Letter No. 239, Stockholders, 13,000, May 15, 1950, Brooklyn Eagle Press; Council Letter No. 241, Those Communist-Inspired Smears, 11,500, June 15, 1950, Brooklyn Eagle Press.

D. (1) $3,635.50; (2) $15,800.34; (4) $8,244.38; (7) $27,380.22; (8) $13,259.13; (9) $40,939.35; (10) $5,000; (11) $5,500; (12) $500; (13) Yes; (14) It seems impossible to fill out items 1 to 9 under item d of the lobbying report in a way that will reflect what goes on in our organization. In our report for the first quarter of 1950, we arbitrarily set forth 33⅓ percent of all our receipts. Even this did not correctly reflect what had taken place; because, for instance, none of the "dues" can be said to be used for lobbying. Accordingly, in this report and in future reports, we will set forth the complete money received by us under each of the nine items and then will estimate what approximate sum can said to have been used for lobbying purposes. We can think of no better way to reflect what actually is taking place. Ella Mabel Clark, Normandy Park, Morristown, N. J.; Craig F. Cullinan, Petroleum Building, Houston, Tex.; Irénée du Pont, Wilmington, Del.; Joseph R. Grundy, Bristol, Pa.; Merwin K. Hart, Empire State Building, New York, N. Y.; Lone Star Cement Corp., 100 Park Avenue, New York, N. Y.; Charles S. Payson, 30 Rockefeller Plaza, New York, N. Y.; Mrs. Geoffrey G. Whitney, 75 Highland Street, Milton, Mass.; Mrs. Lammot du Pont, du Pont Building, Wilmington, Del.; January 1 to June 30, 1950, inclusive. This does not include sale of literature subscriptions, lecture fees, and contributions to lecture fund.

E. (2) $3,780.78; (4) $2,102.74; (5) $629.43; (6) $137.98; (7) $41.51; (8) $484.74; (9) $7,177.18; (10) $13,211.29; (11) $20,388.47.

A. National Education Campaign—American Medical Association, 1 North La Salle Street, Chicago, Ill.; national education campaign.

B. American Medical Association, 535 North Dearborn, Chicago, Ill.; medical association.

C. (1) Indefinite.

C. (2) Any legislation for compulsory health insurance, S. 1679, S. 1456, S. 1581, S. 1970, H. R. 345, H. R. 4312.

C (3) (b) 4,621,728, The Voluntary Way Is the American Way; 2,635,915. Your Medical Program * * * Compulsory or Voluntary?; 15,000. It's Your Crusade, Too; 3,957,625, Profit or Freedom?; 10,542,000, stickers, blue, The Voluntary Way Is the American Way; 10,542,000, stickers, orange, The Voluntary Way Is the American Way; 5,000, Second National Conference, National Education Campaign; 187,080, Medical Poverty or Medical Progress?; 186,170, 1949 Progress—1950 Objectives; 172,750, Plan of Campaign for 1950; 302,150, American Protestant Hospital Association resolution; 190,548, Doctors Are Citizens; 7,000, Is the Welfare State the Farewell State?; 9,000, letter re Leftist Minority Woos Future Doctors; 169,500, letter re 1950 Objectives and Campaign Material; 168,580, letter re Reader's Digest article, Here's Health—the Voluntary Way. Quantities hereinabove stated represent the total quantity of each publication issued during this quarter whether by the National Education Campaign, American Medical Association, Clem Whitaker or Leone Baxter Whitaker.

D. (5) $149,546.61; (6) $149,546.61; (7) $42,594.72; (7) $192,141.33; (13) Yes; (14) $149,546.61, American Medical Association, 535 North Dearborn, Chicago, Ill.

E. (1) $20,161.77; (4) $129,384.84; (9) $149,546.61; (10) $42,594.72; (11) $192,141.33; (15) $149,546.61.

A. National Electrical Contractors Association, Inc., national trade association, 610 Ring Building, Washington, D. C.

C. (1) Indefinite.

C. (2) Nothing specific.

A. National Electrical Manufacturers Association, 155 East Forty-fourth Street, New York, N. Y., trade association.

C. (1) Indefinite.

C. (2) Legislation to remove excise taxes on electric refrigerators, electric ranges, electric water heaters, domestic electric appliances, commercial electric cooking equipment, and legislation with respect to amendment of the Labor-Management Relations Act.

D. (8) $2,500; (9) $2,500; (13) no.

E. (2) $151.62; (4) $41.40; (5) $36.72; (6) $12.08; (7) $75.08; (8) $63.37; (9) $380.27; (10) $1,113.74; (11) $1,494.01.

A. National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C. (trade association).

B. None. But members are: American Merchant Marine Institute, Inc., 11 Broadway, New York, N. Y. (trade association); Pacific American Steamship Association, 16 California Street, San Francisco, Calif. (trade association); Shipowners' Asscciation of Pacific Coast, 16 California Street, San Francisco, Calif. (trade association).

C. (1) Perpetual.

C. (2) Legislation affecting shipping, including: H. R. 7954, H. R. 7377, commercial operation of obsolete vessels on Great Lakes; S. 3357, H. R. 6736, H. R. 8350, prohibit transportation of gambling devices; H. R. 6000, amend Social Security Act; H. R. 6536, S. 3771, transportation on Canadian vessels to points in Alaska; H. R. 6512, remission of duty on dunnage; H. R. 6719, tramp shipping; H. R. 5472, River and Harbor Act of 1949; Senate Joint Resolution 167, enhancement clause; S. 3244, S. 3245, S. 3246, H. R. 7717, H. R. 7718, H. R. 7719, implementation of ILO conventions; H. R. 4567, amendment of Displaced Persons Act of 1948; H. R. 6808, S. 2872, War Claims Act; S. 3304, amendment of ECA Act of 1948; H. R. 3111, amendment to Bankruptcy Act; H. R. 8497, H. R. 8624, S. 3597, S. 3161, Longshoremen and Harbor Workers Compensation Act; S. 3455, revision of immigration laws; H. R. 7786, omnibus appropriation bill, subsidy provisions; S. 3571, H. R. 8491, continuation of authority of Secretary of Commerce under the Ship Sales Act; S. 2786, H. R. 5346, long-range bill, amend Merchant Marine Act, 1936; H. R. 8964, S. 3687, require armed services to use private shipping; H. R. 8677, S. 3649, S. 3650, Panama Canal tolls; S. 3109, H. R. 7474, sale of vessels under Ship Sales Act for Great Lakes; S. 2484, H. R. 6061, war-risk insurance; H. R. 8920, Revenue Act of 1950.

C. (3) Has sent out press releases from time to time; supplied data for publication in press generally; has reproduced a pamphlet in April 1950 entitled "Summary of Report and Recommendations of the Bureau of the Budget," 1,500 copies; printer, Guthrie Lithograph Co., 1150 First Street NW., Washington, D. C.

D. (9) Membership contributions for 1950 have been received during the quarter from the American Merchant Marine Institute, 11 Broadway, New York, N. Y., the Pacific American Steamship Association, 16 California Street, San Francisco, Calif., and the Shipowners' Association of the Pacific Coast, 16 California Street, San Francisco, Calif. Contributions which have been received are for all federation purposes; they are contributions to general federation surplus and no portion thereof is earmarked or otherwise segregated for lobbying purposes. Lobbying expenses are paid from these funds. The amount of such funds allocable to lobbying for the second quarter is the amount shown as expenditures on page 2 under E.

E. (2) $6,350; (4) $81.32; (5) $1,500; (6) $400.98; (7) $374.67; (9) $8,706.97; (10) $28,865.64; (11) $37,572.61; (13) $2,500; (14) $3,000; (15) expenditures for the quarter have been and will be defrayed from federation surplus, including contributions to such surplus through dues and assessments of members.

A. The National Federation of Business and Professional Women's Clubs, Inc., 1819 Broadway, New York, N. Y.

C. (1) Indefinite.

C. (2) The general legislative interests of the National Federation of Business and Professional Women's Clubs, Inc., are those which affect favorably or adversely the interests of women in business and the professions; (a) The following bills were supported or opposed in the Eighty-first Congress: Supported: Women's Bureau appropriation, the equal rights amendment (S. J. Res. 25 and H. J. Res. 63); equal pay for equal work (S. 706 and H. R. 1584); Federal aid to education (S. 246); amendment to Displaced Persons Act (H. R. 4567); International Trade Organization (H. J. Res. 236); ECA; Genocide Convention; Social Security Act (H. R. 6000); raise the rank of heads of women's services (H. R. 7152). Opposed: Women's status bill (S. 1430 and H. R. 2396); bill to prohibit both spouses from Government employment (H. R. 6871); Government health insurance (S. 1679 and S. 1970).

C. (3) (a) The Independent Woman is a monthly magazine, the subscription price of which is included in the national dues. It goes to each member of the organization and usually contains background information on legislative items as one of its many articles; (b) quantity, 125,000; (c) monthly; (d) Fleet-McGinley, Baltimore.

D. (1) $24,395.20; (13) no.

E. (2) $833.32; (4) $471.40; (5) $238.70; (6) $68.70; (8) $46.73; (9) $1,658.85; (11) $1,658.85.

A. National Federation of Post Office Clerks, 711 Fourteenth Street NW., Washington, D. C.; a trade union.

C. (1) Indefinite.

C. (2) All matters pertaining to the postal service or the welfare of postal or Federal employees.

C. (3) The Union Postal Clerk: (a) Monthly journal; (b) April, 101,000; May, 102,700; June, 104,100; (c) first of each month; (d) Ransdell, Inc. Federation News Service Bulletin: (a) Weekly news bulletin; (b) 10,900; (c) April 7, 14, 21, 26, 28; May 5, 12, 19, 26; June 2, 9, 16, 23, 30; (d) Ransdell, Inc.

D. (1) $128,452; (2) $103.60; (7) $128,555.90; (8) $136,155.85; (9) $264,711.75; (10) $25,000; (12) $7,500; (13) yes; (14) $601.20, Local No. 303, Birmingham, Ala.; $656.10, Local No. 93, Phoenix, Ariz.; $606.60, Local No. 189, Little Rock, Ark.; $709.65, Local No. 543, Long Beach, Calif.; $6,361.40, Local No. 64, Los Angeles, Calif.; $1,541.70, Local No. 78, Oakland, Calif.; $718.20, Local No. 731, Pasadena, Calif.; $852.50, Local No. 66, Sacramento, Calif.; $1,049.40, Local No. 197, San Diego, Calif.; $3,553.35 local No. 2, San Francisco, Calif.; $2,190.15, Local No. 229, Denver, Colo.; $947.70, Local No. 147, Hartford, Conn.; $675, Local No. 237, New Haven, Conn.; $2,589.50, Local No. 140, Washington, D. C.; $674.80, Local No. 148, Washington, D. C.; $798.75, Local No. 138, Jacksonville, Fla.; $1,066.95, Local No. 172, Miami, Fla.; $1,296, Local No. 32, Atlanta, Ga.; $533.25, Local No. 162, Honolulu, T. H.; $12,150, Local No. 1, Chicago, Ill.; $2,168.10, Local No. 130, Indianapolis, Ind.; $782.55, Local No. 44, Des Moines, Iowa; $1,016.35, Local No. 4, Louisville, Ky.; $1,292.10, Local No. 83, New Orleans, La.; $1,785.15, Local No. 181, Baltimore, Md.; $5,720.10, Local No. 100, Boston, Mass.; $637.20, Local No. 497, Springfield, Mass.; $4,321.10, Local No. 295, Detroit, Mich.; $3,042.45, Local No. 125, Minneapolis, Minn.; $1,197.90, Local No. 65, St. Paul, Minn., $3,152.95, Local No. 67, Kanasas City, Mo.; $3,457.60, Local No. 8, St. Louis, Mo.; $1,172.25, Local No. 11, Omaha, Nebr.; $596.80, Local No. 483, Jersey City, N. J.; $2,160, Local No. 190, Newark, N. J.; $648, Local No. 390, Albany, N. Y.; $5,287.95, Local No. 251, Brooklyn, N. Y.; $1,360.80, Local No. 374, Buffalo, N. Y.; $1,080, Local No. 1022, Jamaica, N. Y.; $21,425.85, Local No. 10, New York, N. Y. $1,021.50, Local No. 215, Rochester, N. Y.; $984.15, Local No. 257, Syracuse, N. Y.; $549, Local No. 375, Charlotte, N. C.; $650.70, Local No. 120, Akron, Ohio; $2,141.10, Local No. 104, Cincinnati, Ohio; $4,128.75, Local No. 72, Cleveland, Ohio; $917.10, Local No. 232, Columbus, Ohio; $924.75, Local No. 252, Dayton, Ohio; $771.30, Local No. 170, Toledo, Ohio; $550.60, Local No. 86, Oklahoma City, Okla.; $502.65, Local No. 1348, Tulsa, Okla.; $2,132.55, Local No. 128, Portland, Oreg.; $5,458.05, Local No. 89, Philadelphia, Pa.; $1,555.20, Local No. 81, Pittsburgh, Pa.; $1,053, Local No. 387, Providence, R. I.; $542.70, Local No. 96, Memphis, Tenn.; $856.35, Local No. 5, Nashville, Tenn.; $1,305.90, Local No. 732, Dallas, Tex.; $562.50, Local No. 98, Fort Worth, Tex.; $1,147.50, Local No. 185, Houston, Tex.; $781.65, Local No. 195, San Antonio, Tex.; $766.10, Local No. 6, Salt Lake City, Utah; $523.80, Local No. 262, Norfolk, Va.; $753.50, Local No. 199, Richmond, Va.; $1,893.60, Local No. 28, Seattle, Wash.; $563.85, Local No. 338, Spokane, Wash.; $4,390.20, Local No. 3, Milwaukee, Wis. E. (2) $5,519.81; (4) $28,984.13; (5) $380; (6) $5,947.03; (7) $3,676.44; (8) $2,197.45; (9) $46,704.86; (10) $33,983.20; (11) $80,688.06.

A. National Federation of Post Office Motor Vehicle Employees, 112 C Street NW., Washington, D. C.; this is an employees' association.

C. (1) Indefinitely.

C. (2) All legislation of interest to post-office motor-vehicle employees.

3. (a) Rotor; (b) $4,800; (c) 15th of each month; (d) Rzoncki's Printery.

D. (1) $1,539.42; (7) $1,539.42; (8) $1,134.24; (9) $2,673.66; (13) no.

E. (2) $300; (4) $261.44; (5) $45.00; (6) $272.22; (7) $131.75; (8) $225; (9) $1,235.41; (10) $1,134.24; (11) $2,369.65.

A. National Federation of Private School Associations, 2601 Sixteenth Street NW., Washington, D. C.; a federation of private-school associations.

C. (1) Indefinitely.

C. (2) All legislative proposals that affect private (non-tax-supported schools); (a) relating to education or training of veterans under title II of the Servicemen's Readjustment Act; (b) S. 2596.

D. (1) $3,895; (2) $100; (8) $2,308; (9) $6,303.

E. (2) $5,488.12; (4) $651.90; (5) $322.50; (6) $208.64; (7) $155.77; (8) $391.63; (9) $7,218.56; (10) $10,937.70; (11) $18,136.22.

A. National Food Brokers Association, 527 Munsey Building, Washington, D. C.; trade association.

C. (1) Indefinite.

C. (2) Opposing S. 2190, a bill to amend the brokerage section of the Robinson-Patman Act; S. 1008, a bill to amend the Robinson-Patman Act.

D. (1) $8.50; (7) $8.50; (8) $1,807.36; (9) $1,815.86; (13) no.

E. (4) $6; (5) $2.50; (9) $8.50; (10) $1,807.36; (11) $1,815.86.

A. National Grain Trade Council, 604 Hibbs Building, Washington, D. C.; trade association.

C. (1) It is uncertain how long this organization will retain any legislative interests. This organization is interested in legislation affecting agriculture in general and the grain trade in particular.

C. (2) During the period covered by this report this organization has been interested

in pending legislation to amend the basic agriculture law; to amend the Commodity Credit Corporation charter; to amend the basic tax law and to continue the European recovery program. Specifically these bills are numbered as follows: S. 1971, S. 2826; H. R. 8920, and H. R. 7378.

C. (3) The only publication this organization has issued or caused to be issued in connection with its legislative interests were statements filed with or presented to the Senate Committee on Agriculture and the House Committee on Banking and Currency.

D. (1) $15,837.50, this is the total income of the organization during the quarter. It is all derived from dues and assessments that are paid and received to defray the general expenses of the organization. No dues and assessments are paid or received with the understanding that any part of them will be used to enable the council to engage in activities covered by and requiring reports under the Federal Regulations of Lobbying Act. Any council activities that might be regarded as falling within the provisions of this act are incidental to other activities and are not of a substantial nature.

E. $17,698.82, included in this figure are salaries and actual expenditures of the two employees of this organization who are reglistered pursuant to the provisions of the Federal Regulations of Lobbying Act, but whose salaries cannot be divided or allocated to cover legislative activity.

A. The National Grange, 744 Jackson Place NW., Washington, D. C.; farm fraternity.

D. (1) $46,387.49; $5,272.29, sale of supplies to Granges; (7) $51,659.78; (8) $58,645.10; (9) $110,304.88. Only a very small portion of this amount is conceivably allocable to legislative work.

A. National Guard Association of the United States, 400 Sixth Street NW., Washington, D. C.; nature of business is to foster the best interests of national defense and the National Guard.

C. (1) Indefinitely.

C. (2) Legislation concerning military appropriations, universal military training, selective service as it affects the National Guard, organization and composition of the Reserve components, and national defense are of interest to the National Guard Association.

D. (1) $4,500.79; (4) $2,042.40; (7) $6,543.19; (8) $17,330.90; (9) $23,874.09.

E. (2) $6,937.47; (4) $2,756.69.

A. National Live Stock Tax Committee, 515 Cooper Building, Denver, Colo.

D. (6) $50; (7) $50; (8) $380; (9) $430.

E. During the quarter, the National Live Stock Tax Committee paid to Stephen H. Hart, tax counsel, a per diem of $50 for office work and $100 per diem out of town for actual time spent in study, advice, conferences, and correspondence concerning general livestock tax questions including the analysis of the present provisions of the Internal Revenue Code and current rulings and decisions concerning Federal taxation of livestock operators. Such activities also included work in connection with the position of the National Live Stock Tax Committee toward amendments to the Internal Revenue Code concerning capital gains on sale of breeding livestock and the deduction of ranching expenditures. It is impossible to determine what part of his services related to this legislative problem, but it is our opinion that little, if any, of his activities during the preceding quarter could be interpreted as lobbying. During the quarter a total of $1,635 for legal services was paid to him for all his activities and services. He was also reimbursed $668.41 for out-of-pocket expenses; total $2,303.41. During the first quarter $2,108.09 ($1,650 for legal services and $458.89 for expenses) was expended, so that total expenditures from January 1 through the quarter ending June 30 are: Legal services, $3,285; expenses, $1,127.30; grand total, $4,412.30.

A. National Lumber Manufacturers Association, 1319 Eighteenth Street NW., Washington, D. C.; trade association.

C. (1) Continuing.

C. (2) All legislation affecting the interests of the lumber-manufacturing industry.

C. (3) (a) National Lumber News, a house organ; (b) 4,500 copies; (c) approximately monthly; (d) Darby Printing Co., Washington, D. C.

D. (1) $36,644.22; (7) $36,644.22; (8) $12,670.93; (9) $48,315.15; (13) yes; (14) Appalachian Hardwood Manufacturers, Inc., 414 Walnut Street, Cincinnati, Ohio; Hardwood Dimension Manufacturers Association, Heybrun Building, Louisville, Ky.; Hardwood Plywood Institute, 616 South Michigan Boulevard, Chicago, Ill.; Maple Flooring Manufacturers Association, 46 Washington Boulevard, Oshkosh, Wis.; National Hardwood Lumber Association, 59 East Van Buren Street, Chicago, Ill.; National Oak Flooring Manufacturers Association, 814 Sterick Building, Memphis, Tenn.; National Lumber Exporters Association, Sterick Building, Memphis, Tenn.; Northeastern Lumber Manufacturers Association, 271 Madison Avenue, New York, N. Y.; Northern Hemlock and Hardwood Manufacturers Association, Oshkosh, Wis.; Northern Pine Manufacturers Association, 4329 Oakland Avenue, Minneapolis, Minn.; Southern Cypress Manufacturers Association, 507 Barnett National Bank Building, Jacksonville, Fla.; Southern Hardwood Producers, Inc., 805 Sterick Building, Memphis, Tenn.; Southern Pine Association, 520 Canal Building, New Orleans, La.; the Veneer Association, 600 South Michigan Avenue, Chicago, Ill.; West Coast Lumbermen's Association, 1410 Southwest Morrison Street, Portland, Oreg.; Western Pine Association, Yeon Building, Portland, Oreg.

E. (2) $8,734.30; (4) $1,292.05; (5) $635.88; (6) $285.56; (7) $2,757.90; (8) $1,483.48; (9) $15,189.17; (10) $8,665.58; (11) $23,854.75.

A. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.; national farm organization.

C. (1) Indefinitely.

C. (2) Any legislation that may affect milk producers or the cooperatives through which they act together to process and market their milk.

C. (3) The names of any papers, periodicals, magazines, or other publications in which the federation has caused to be published any articles or editorials; News for Dairy Co-ops; 700; weekly; federation; Legislative Letter; 1,200; irregular; federation; miscellaneous irregular pamphlets or circulars.

D. (1) $49,310.26; (2) $3,923.57; (4) $7.22; (7) $53,241.05; (8) $75,118.47; (9) $128,359.52; (13) yes.

E. (1) $8,642.79; (2) $24,454.68; (4) $2,137.48; (6) $1,234.50; (7) $1,620.91; (8) $3,561.64; (9) $41,652; (10) $66,756.25; (11) $108,408.25.

A. National Paint, Varnish, and Lacquer Association, Inc., 1500 Rhode Island Avenue NW., Washington, D. C.; trade association for the paint, varnish, and lacquer industry.

C. (1) Indefinitely.

C. (2) We are interested in legislation that more or less specifically affects our industry, such as import duties or price supports on fats and oils. During the calendar quarter ending June 30 we were interested in the Commodity Credit Corporation bill (now Public Law 579) and the import controls bills affecting fats and oils.

C. (3) We have issued no publication for the purpose of influencing the passage or defeat of any legislation proposed in either House of Congress.

E. (8) $3.71.

A. National Postal Committee for Books, room 305, 62 West Forty-seventh Street, New York, N. Y.; the business of the committee is to oppose unfair increases in postal rates and discrimination in postal rates.

C. (1) Legislative interests will continue so long as postal rate bills are pending before Congress or so long as unfair or discriminatory postal rates are in effect.

C. (2) The general legislative interest of the committee is bills to readjust postal rates. The specific legislative interest is a bill to readjust postal rates, H. R. 2945 and S. 1103.

C. (3) The committee caused an article to be published in the May 20, 1950, issue of Publishers' Weekly; quantity published: Circulation is approximately 15,300; name of printer: Periodicals Press, Philadelphia, Pa.

D. (2) $21,056.05; (7) $21,056.05; (8) $25; (9) $21,081.05; (13) yes; (14) $500, Bantam Books, 1107 Broadway, New York; $597.80, Walter J. Black, Inc., 1 Park Avenue, New York; $1,300, Book-of-the-Month Club, 385 Madison Avenue, New York; $576.19, Dodd-Mead & Co., Inc., 432 Fourth Avenue, New York; $1,300, Doubleday & Co., Inc., 14 West Forty-ninth Street, New York; $519, E. P. Dutton & Co., Inc., 300 Fourth Avenue, New York; $500, Grosset & Dunlap, Inc., 1107 Broadway, New York, $500, Harcourt Brace & Co., Inc., 383 Madison Avenue, New York; $500, Harper & Bros., 49 East Thirty-third Street, New York; $1,000 Houghton Mifflin Co., 432 Fourth Avenue, New York; $1,300, McGraw-Hill Book Co., Inc., 330 West Forty-second Street, New York; $1,300, The Macmillan Co., 60 Fifth Avenue, New York; $650, New American Library of World Literature, 245 Fifth Avenue, New York; $1,300, Oxford University Press, Inc., 114 Fifth Avenue, New York; $500, Rinehart & Co., Inc., 232 Madison Avenue, New York; $727.13, John Wiley & Sons, Inc., 440 Fourth Avenue, New York; $500, Ginn & Co., 70 Fifth Avenue, New York; $500, American Book Co., 88 Lexington Avenue, New York; $1,000, W. B. Saunders Co., West Washington Square, Philadelphia, Pa.; $500, Scott, Foresman & Co., 114 East Twenty-third Street, New York; $500, National Association of College Stores, 33 West College Street, Oberlin, Ohio; $16,070.12 total.

E. (4) $72.75; (9) $72.75; (10) $6.02; (11) $78.77.

A. National Reclamation Association, 1119 National Press Building, Washington, D. C.; promotion of the development, control, conservation, preservation, and utilization of the water resources of the 17 reclamation States.

C. (1) Indefinite period.

C. (2) (a) Reclamation Act, 1902 (53 Stat. 1187, 43 U. S. C. 485), and all amendatory and supplementary acts thereto. All other statutes relating to water and land conservation measures; (b) H. R. 7351, H. R. 5991, H. R. 7268, H. R. 7786, S. 3376, and all other bills relating to reclamation, flood control as related to reclamation, and water and land conservation.

C. (3) (a) Bulletin; (b) 4,400; (c) no specific date of publication; published every 4 to 6 weeks, dependent upon legislative developments; (d) Franks Duplicating Service, 1001 National Press Building, Washington, D. C.

D. (1) $19,408.67; (7) $19,408.67; (8) $3,431.17; (9) $22,839.84; (13) yes; (14) $1,000, Arizona State Reclamation Association, Phoenix, Ariz.; $1,350, Department of Public Works, Sacramento, Calif.; $666.67, Idaho State Reclamation Association, Boise, Idaho; $2,700, Montana Reclamation Association, Billings, Mont.; $2,230, Utah Water and Power Board, Salt Lake City, Utah; $650, Oregon Reclamation Association, Portland, Oreg.; $1,395, State of Wyoming, Cheyenne, Wyo.; $1,200, Chicago, Burlington & Quincy Railroad, Chicago, Ill.; $1,200, Atchison, Topeka & Santa Fe Railroad, San Francisco, Calif.; $1,200, Northern Pacific Railway Co., Seattle, Wash.; $1,200, Union Pacific Railroad Co.,

Omaha, Nebr.; $1,200, Great Northern Railway Co., Seattle, Wash.; $1,200, Chicago, Milwaukee, St. Paul & Pacific Railroad, Seattle, Wash.; $600, Chicago & North Western Railroad, Chicago, Ill.; $1,200, Southern Pacific Co., San Francisco, Calif.; $18,991.67 total.

E. (2) $5,400; (4) $2,696.33; (5) $1,983.08; (6) $236.48; (7) $1,862.23; (8) $146.22; (9) $12,324.34; (10) $12,740.

A. National Rehabilitation Association, 1025 Vermont Avenue NW., Washington, D. C.; E. B. Whitten, executive-director; nonprofit association dedicated to welfare of handicapped persons.

C. (1) Interests in legislation are continuous.

C. (2) Promoting H. R. 5577 (S. 2273) National Services for the Handicapped Act. Opposing certain provisions of H. R. 3035 (S. 1066) and H. R. 7801.

C. (3) Journal of Rehabilitation—six time per year. Circulation 15,000. A professional journal; news letter—six times per year, circulation 12,000, informational service.

D. (1) $231.65; (7) $231.65; (8) $714; (9) $945.60; 10 percent of collections estimated to be spent for legislative purposes.

E. (2) $195; (5) $125; (6) $20; (7) $959; (9) $1,299; (10) $714; (11) $2,013.

A. National Renderers Association, 1424 K Street NW., Washington, D. C.; an unincorporated, nonprofit organization of approximately 275 domestic producers of inedible animal fats.

C. (1) Probably as long as the organization remains in existence.

C. (2) Any legislation which would specifically have an effect upon the production, consumption, import, export, or taxation of any animal or vegetable fat or oil as well as all legislation generally affecting business, particularly small business.

C. (3) In behalf of the association, there is issued from its Washington office periodical informational bulletins to the approximately 275 members covering among other things, the fields mentioned in item (2) above. All work done in connection with such releases is carried on at the offices of the association.

D. (1) $3,000; (7) $3,000; (8) $14,500; (9) $17,500; (14) May 1, Fifth Regional Area Renderers Association, Jacksonville, Ill., total 1940–50 area dues, $3,000.

E. (2) $806; (4) $78.97; (5) $108.71; (6) $53.85; (7) $165.73; (8) $26.36; (9) $1,239.62; (10) $929.21; (11) $2,168.83.

A. National Retail Dry Goods Association, 100 West Thirty-first Street, New York, N. Y.; business trade association for department and specialty stores.

C. (1) As of the end of the second quarter of the year 1950, the association is interested in those legislative matters indicated in item 2, below.

C. (2) (a and b) Tax bill, H. R. 8920; postal legislation, H. R. 2945; the President's reorganization plans of 1950; fur labeling, H. R. 5167; Securities Exchange Act, S. 2408; unemployment compensation; Fair Labor Standards Act of 1938, as amended; excess-profits tax; H. R. 3527; LIFO, H. R. 810. Old-Age and Survivors Insurance, H. R. 6000.

C. (3) (a, b, c, and d) NRDGA special bulletin, periodic report to the trade on new developments of interest to department and specialty stores; issue No. 501, April 6, 1950; issue No. 502, April 13, 1950; issue No. 503, April 28, 1950; issue No. 504, May 3, 1950; issue No. 508, June 23, 1950; issue No. 505, May 19, 1950; 6,700 copies each issue printed, published and distributed by NRDGA. NRDGA Washington News Letter, periodic report on the current picture on the legislative front; issue published June 29, 1950; 3,000 copies printed, published, and distributed by NRDGA.

D. (8) $19,250; (9) $19,250; (13) The NRDGA received no single contribution of $500 or more specifically for legislative purposes from January 1, 1950, through the quarter ending June 30, 1950. Association income is derived principally from membership dues and subscriptions and is used to conduct all of the purposes and activities of the association, of which the influencing of legislation is a very minor activity. Members pay dues based upon their respective total annual sales volume for the preceding year in return for which the association services them in all phases of retail operations. None of the payments is designated or otherwise earmarked for any special purpose or activity; nor are such contributions used principally to influence the passage or defeat of legislation; nor is the influencing of legislation the principal purpose of the NRDGA. All income, except as hereafter indicated, is commingled, and budgetary appropriations are allocated annually therefrom by the board of directors to the various operational groups and divisions which comprise the association. Included in such annual appropriation is a specific sum to be used in connection with legislative activities, which for the year 1950 is $18,500, as previously reported. On occasion, the board of directors of the association may invite voluntary contributions from members specially interested in specific legislation. In that event, the legislative budget is supplemented by any contributions so received, and such contributions and their disbursement are fully disclosed in appropriate reports under this act.

E. (2) $1,875; (4) $1,399.82; (5) $479.11; (6) $22.65; (8) $2; (9) $3,778.58; (10) $3,919.09; (11) $7,697.67.

A. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.; trade association.

C. (1) Sporadic.

C. (2) Excise-tax proposals; segments of reorganization plan; taxes.

C. (3) (a) Association bulletins; (b) approximately 6,000; (c) legislative matters given sporadic mention; (d) mimeographed on premises. (a) National Furniture Review (comes within exemption of statute). It is the opinion of NRFA legal counsel that the activities of NRFA and its registered representative are of such a nature and limited extent as to exclude both NRFA and its representatives from provisions of the act. But registration is being undertaken on the advice of counsel as evidence of good faith in conforming to the act should any later development occasion a change in interpretation.

D. (13) Some members of the association pay dues in excess of $500 per year, but the names of such members are not listed because such funds are not paid for the purposes covered by the act.

E. (2) $250; (4) $400; (5) $100; (6) $100; (9) $850; (10) $850; (11) $1,700.

A. National Rivers and Harbors Congress, 1720 M Street NW., Washington, D. C.; an organization to promote the sound and orderly development of our water and land resources.

C. (1) Indefinitely.

C. (2) All matters pertaining to river and harbor development, flood control, navigation, irrigation and reclamation, soil and water conservation, and related subjects. (See index to the Congressional Record for information called for by (a), (b), and (c).)

C. (3) Reprint from Congressional Record: (a) Proceedings of fortieth annual convention; (b) 10,000; (c) May 26, 1950; (d) the Public Printer. Program, fortieth convention: (a) program and revised program, fortieth annual convention; (b) 2,500; (c) March 1, 15, 20, 1950; Ransdell, Inc. Folder: (a) National Rivers and Harbors Congress—What It Is—What It Does; (b) 2,000; (c) March 3, 1950; (d) Ransdell, Inc. Testimonial: (a) Retirement from Congress of Hon. W. M. Whittington; (b) one; (c) April 24, 1950; (d) Ransdell, Inc.

D. (1) $560; (4) $16; (7) $576; (8) $15,922; (9) $16,498; (11) yes; (14) January 1 through June 30, 1950; $500, Department of Public Works, State of Louisiana, Baton Rouge, La.

E. (1) $100; (2) $1,827.06; (3) $20; (4) $1,032.83; (5) $417.85; (6) $74.85; (7) $1,984.68; (8) $728.55; (9) $6,185.82; (10) $6,160.17; (11) $12,345.99.

A. National Rural Electric Cooperative Association, 1303 New Hampshire Avenue NW., Washington, D. C. (trade association).

C. (1) Legislative interests are to continue indefinitely.

C. (2) Legislation which will further the country's rural electrification program, resulting from the REA Act, as amended, including REA administration and loan funds for rural electrification and for rural telephones (H. R. 7786); funds for the construction of multipurpose dams (H. R. 7786); funds for transmission and related facilities to deliver Federal hydropower to rural electric load centers (H. R. 7786); proposed legislation providing for surveys and development of water resources (H. J. Res. 271 and S. 3707).

C. 3 (a) Pamphlet entitled "Generation vs. Exploitation" discussing the issues arising from power companies objections to the electric co-ops generating part of their own electricity; (b) 30,000; (c) April 1950; (d) Fleet-McGinley, Baltimore, Md.

D. (1) $10,796.58; (7) $10,796.58; (8) $7,762.42; (9) $18,559; (13) yes; (14) $558.90, Anoka County Cooperative Light & Power, Benson, Minn.; $571.30, Covington Electric Cooperative, Andalusia, Ala.; $532.50, Forked Deer Electric Cooperative, Halls, Tenn.; $878.90, Tallahatchie Valley Electric Cooperative, Batesville, Miss.; $600, Northwestern Rural Electric Cooperative, 264 Main Street, Cambridge Springs, Pa.; $848.10, Warren Rural Electric Cooperative, 826 State Street, Bowling Green, Ky.; $1,524.50, Volunteer Electric Cooperative, Decatur, Tenn.; $1,023.20, the Colquitt County Rural Electric Association, Moultrie, Ga.; $885.30, Woodruff Electric Cooperative, Forest, Ark.; $1,124.30, Lower Colorado River Electric Cooperative, San Marcos, Tex.; $656.30, Southwest Central Rural Electric Cooperative, Indiana, Pa.; $600, Tri-County Electric Cooperative, Rushford, Minn.; $856.50, Green River Rural Electric Cooperative, 321 St. Ann Street, Owensboro, Ky.; $680, Lake Region Cooperative Electric, Pelican Rapids, Minn.; $573, Rutherford Electric Membership Corp., Forest City, N. C.; $506.60, Cimarron Electric Cooperative, 411 North Main Street, Kingfisher, Okla.; $517.10, Shelby Electric Cooperative, Shelbyville, Ill.; $633.90, Cotton Electric Cooperative, Walters, Okla.; $850, Central Electric Power Association, Carthage, Tenn.; $572.30, Caney Forks Electric Cooperative, McMinnville, Tenn.; $553.30, Davidson Electrict Membership Corp., Lexington, N. C.; $656.30, Hart County Electric Membership Corp., Hartwell, Ga.; $535.20, Lumbee River Electric Membership Corp., Red Springs, N. C.; $822.10, Mechlenburg Electric Cooperative, Chase City, Va.; $895.30, Arkansas Valley Electric Cooperative, Ozark, Ark.; $1,905.80, Gibson County Electric Membership Corp., Trenton, Tenn.; $831.30, Pedernales Electric Cooperative, Johnson City, Tex.; $944.10, French Broad Electric Membership Corp., Marshall, N. C.; $604.50, Fruit Belt Electric Cooperative, Cassopolis, Mich.; $1,471.90, Craighead Electric Cooperative, Jonesboro, Ark.; $24,222.60, total.

E. (1) $875.03; (2) $3,466.60; (4) $1,779.95; (5) $1,270.17; (6) $620.36; (7) $394.92; (8) $339.55; (9) $10,796.58; (10) $7,762.42; (11) $18,559.

A. National St. Lawrence Project Conference, 843 Transportation Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) Any legislation with reference to the St. Lawrence waterway and power project.

C. (3) General publicity.

D. (6) $6,351; (7) $6,351; (8) $12,249; (9) $18,600; (13) yes; (14) January 1 through June 30, 1950: $15,000, Association of American Railroads, Washington, D. C.; $1,095, members of Foreign Commerce Club of New York, 39 Broadway, New York; $780, Maritime Association, Port of New York, 80 Broad Street, New York; $16,875, total.

E. (1) $125; (2) $4,303.25; (4) $2,076.53; (5) $1,161.86; (6) $346.49; (7) $1,106; (8) $112.50; (9) $9,231.63; (10) $7,654.51; (11) $16,886.14.

A. National Savings and Loan League, 907 Ring Building, Eighteenth and M Streets NW., Washington, D. C.

B. Member associations of the league.

C. (1) Indefinitely.

C. (2) Support of bills to improve facilities of savings and loan associations for encouragement of thrift and home financing. Oppose legislation inimical to interests of savings and loan industry; H. R. 6743, savings and loan bill; S. 2822, FDIC; S. 2774, FBI investigation of robbery.

C. (3) (a) National letters; (b) approximately 1,200 on each of the following dates: (c) April 10, 1950; May 1, 8, 12, 18, 1950; June 5, 7, 8, 13, 23, 28, 1950; (d) printed and distributed by Batt, Bates & Co., Washington, D. C.

D. (1) $2,006.26; (7) $2,006.26; (8) $122,786.60; (9) $124,792.86; (13) yes; (14) First Federal Savings and Loan Association, Phoenix, Ariz., $711.19; First Federal Savings and Loan Association, Altadena, Calif., $1,027.24; Glendale Federal Savings and Loan Association, Glendale, Calif., $1,359.68; Hollywood Savings and Loan Association, Hollywood, Calif., $530.44; Peoples Federal Savings and Loan Association, Inglewood, Calif., $575.32; Long Beach Federal Savings and Loan Association, Long Beach, Calif., $1,501.55; Home Building and Loan Association, Los Angeles, Calif., $967.22; Los Angeles Federal Savings and Loan Association, Los Angeles, Calif., $1,102.27; Metropolitan Federal Savings and Loan Association, Los Angeles, Calif., $641.23; Standard Federal Savings and Loan Association, Los Angeles, Calif., $924.44; First Federal Savings and Loan Association, Pasadena, Calif., $619.80; Pasadena Building and Loan Association, Pasadena, Calif., $809.53; San Diego Federal Savings and Loan Association, San Diego, Calif., $867.29; Danielson Federal Savings and Loan Association, Danielson, Conn., $620.82; Hartford Federal Savings and Loan Association, Hartford, Conn., $553.33; First Federal Savings and Loan Association, Washington, D. C., $1,405.71; First Federal Savings and Loan Association, Miami, Fla., $2,200.10; Miami Beach Federal Savings and Loan Association, Miami Beach, Fla., $1,308; First Federal Savings and Loan Association of St. Petersburg, St. Petersburg, Fla., $1,168.60; Hawthorne Club Savings and Loan Association, Cicero, Ill., $562.31; Oak Park Federal Savings and Loan Association, Oak Park, Ill., $668.89; Security Federal Savings and Loan Association, Springfield, Ill., $529.08; Bell Savings and Loan Association, Chicago, Ill., $3,023.04; Chicago Federal Savings and Loan Association, Chicago, Ill., $859.62; Fairfield Savings and Loan Association, Chicago, Ill., $535.05; Home Federal Savings and Loan Association, Chicago, Ill., $1,538.39; Lawn Savings and Loan Association, Chicago, Ill., $834.76; St. Paul Federal Savings and Loan Association, Chicago, Ill., $773.14; Kentucky Enterprise Federal Savings and Loan Association, Newport, Ky., $550.11; Union Savings and Loan Association, New Orleans, $628.45; First Federal Savings and Loan Association of Shreveport, Shreveport, La., $563.06; Loyola Federal Savings and Loan Association, Baltimore, Md., $1,158.81; Boston Federal Savings and Loan Association, Boston, Mass., $1,007.52; Home Owners Federal Savings and Loan Association, Boston, Mass., $957.91; Brookline Federal Savings and Loan Association, Brookline, Mass., $766.63; Natick Federal Savings and Loan Association, Natick, Mass., $726.02; Waltham Federal Savings and Loan Association, Waltham, Mass., $844.99; Worcester Federal Savings and Loan Association, Worcester, Mass., $2,309.29; Ann Arbor Federal Savings and Loan Association, Ann Arbor, Mich., $688.92; First Federal Savings and Loan Association, Detroit, Mich., $2,464.93; First Federal Savings and Loan Association, Jackson, Miss., $685.02; Farm, Home Savings and Loan Association, Nevada, Mo., $2,712.94; Manchester Federal Savings and Loan Association, Manchester, N. H., $902.39; First Federal Savings and Loan Association, Fair Lawn, N. J., $809.98; Suffolk County Federal Savings and Loan Association, Babylon, N. Y., $1,092.96; Home Federal Savings and Loan Association, Brooklyn, N. Y., $1,035.80; South Brooklyn Savings and Loan Association, Brooklyn, N. Y., $711; Ninth Federal Savings and Loan Association, New York, N, Y.. $2,253.21; Franklin Society for Home Building and Savings, New York, N. Y., $1,898.04; South Side Federal Savings and Loan Association, Cleveland, Ohio, $639.51; Women's Federal Savings and Loan Association, Cleveland, Ohio, $781.99; First Federal Savings and Loan Association of Columbus, Columbus, Ohio, $677.10; Citizens Federal Savings and Loan Association, Dayton, Ohio, $797.86; Local Federal Savings and Loan Association, Oklahoma City, Okla., $1,229.24; First Federal Savings and Loan Association, Upper Darby, Pa., $858.15; Home Building and Loan Association, Philadelphia, Pa., $662.63; James W. Baird Building Association, Philadelphia, Pa., $580.84; Dallas Federal Savings and Loan Association, Dallas, Tex., $1,004.81; Metropolitan Building and Loan Association, Dallas, Tex., $637.73; First Federal Savings and Loan Association, Spokane, Wash., $662.70; total, $61,508.58.

E. (2) $2,500; (4) $1,015.28; (6) $138.34; (9) $3.653.62; (10) $2.515.07; (11) $6,178.69.

A. National Small Business Men's Association, 163 North Union Street, Akron, Ohio; information service for small-business men.

C. (1) Continued indefinitely.

C. (3) Monthly bulletin to membership.

D. (1) $38,471.25; (2) $37.50; (4) $206.74; (6) $40; (7) $38,755.49; (8) $43,511.71; (9) $82,267.20; (13) no.

E. (1) $5,839.71; (2) $16,021.26; (4) $6,067.65; (5) $4,542.26; (6) $329.95; (7) $1,416.16; (8) $32,559.92; (9) $66,776.91; (10) $52,721.26; (11) $119,498.17; (13) $23.25; (14) $23.25.

A. National Society of Professional Engineers, 1121 Fifteenth Street NW., Washington, D. C.; a national professional association representing the various interests of professional engineers.

C. (1) Indefinitely.

C. (2) All legislation affecting the welfare of professional engineers, current interests covering the following: Taft-Hartley Act, social security revision (H. R. 6000); Fair Labor Standards Act; Professional Engineers' Registration Act (H. R. 1188); Army Organization Act of 1949 (S. 2334, H. R. 5794); Earned Income Tax Adjustment Act of 1949 (H. R. 3224); dissemination of engineering information (S. 868); amendments to Walsh-Healey and Davis-Bacon Acts (H. R. 7425, H. R. 7426, S. 3119, S. 3120); transfer of civil functions of Corps of Engineers and creation of Board of Engineering Analysis (H. R. 6920 and related bills); Small Business Act of 1950 (title V only).

C. (3) (a) Legislative Bulletin, containing reports on status of legislation of interest to professional engineers, (b) approximately 4,600 per month, (c) first week in each month, (d) Colortone Press, Washington, D. C. American Engineer, official publication of the society, (b) approximately 25,500 per month, (c) last week of each, (d) Fleet-McGinley Printing Co., Baltimore, Md.

D. (1) $67,898.07; (7) $67,898.07; (8) $51,449.15; (9) $119,347.22; (13) no.

E. (2) $1,166.66; (4) $286.09; (9) $1,452.75; (10) $2,595.06; (11) $4,047.81.

A. National Tax Equality Association, Inc., 231 South LaSalle Street, Chicago, Ill.; nature of business, that of a business league organized to promote the interests of the particular business groups that are placed at a competitive disadvantage because of tax disparities.

C. (1) Until such time as all commercial corporations pay corporate income taxes in the same manner and on the same basis.

C. (2) General legislative interests relate to corporate income-tax legislation. Specific legislative interest is H. R. 5064 and the Revenue Act of 1950 recently drafted by the House Ways and Means Committee.

C. (3) (a) Reprint of article on taxes published in April 1950 issue of Reader's Digest; (b) 600,000; (c) May 1950; (a) 20-page 5½ x 8½ booklet, about the Federal income taxes paid by mutual fire and casualty insurance companies; (b) 35,000; (c) June 1950; (a) 8½ x 11, 2-page bulletin, on tax-exempt competitors of banks; (b) 15,000; (c) June 1950; (a) 8½ x 11, 1-page bulletin on tax-exempt competitors of finance companies; (b) 15,000; (c) June 1950; (a) reprint of editorial published in November 30, 1949, issue of the Christian Century; (b) 175,000; (c) January 1950; (a) reprint of article entitled "Uncle Sam's Untapped Millions" published in February 1950 issue of the American Magazine; (b) 50,000; (c) March 1950; (a) 8½ x 11, 2-page bulletin on hearings before Ways and Means Committee on taxing commercial income of tax-exempt corporation; (b) 25,000; (c) February 1950; (a) 8½ x 11, 2-page bulletin on how big tax-exempt co-ops put small-business men out of business; (b) 1,000; (c) April 1950; (a) 25-pound paper bag on side of which is printed request that wartime excise taxes be repealed and the revenue loss made up by taxing the commercial income of tax-exempt corporations; (b) 22,000,000; (c) May 1950; (d) paper bags were printed by International Paper Co., New York, and Southern Advance Bag & Paper Co., New York, Union Bag & Paper Co., New York, and the E-Z Opener Bag Co., Tuscaloosa, Ala. Imprints on other items were made by association with its own equipment.

D. (1) $15,583.27; (7) $15,583.27; (8) $33,691.20; (9) $49,274.47; (13) Yes.

B. Receipts (including contributions and loans) from which expenditures are made, or will be made, in connection with legislative interests: Contributions are made to support the research, publicity, and other activities of the National Tax Equality Association. The funds received are not earmarked to be expended solely for the purpose of attempting to influence legislation. The percentage of the general fund which is used for purposes that might fall within the scope of the Federal Regulation of Lobbying Act during the second quarter of 1950 has been found to be approximately 16.2 percent. The contributions are, therefore, reported on that basis.

Sec. 305 (a) (1) "The name and address of each person who has made a contribution of $500 or more not mentioned in the preceding report * * *" 1950 second quarter, name and address of contributor: Mr. Paul C. Gallagher, Paxton & Gallagher Co., Ninth and Jones Streets, Omaha, Nebr.; Mr. I. D. Dawes, vice president and treasurer, Virginia-Carolina Chemical Corp., Post Office Box 1116, Ninth Floor, Richmond Trust Building, Richmond, Va.; Mr. G. W. Van Derzee, Wisconsin Electric Power Co., 231 West Michigan Street, Milwaukee, Wis.; Mr. C. R. Landrigan, comptroller, the Detroit

Edison Co., Detroit, Mich.; Mr. W. E. Caldwell, vice president, the Cleveland Twist Drill Co., 1242 East Forty-ninth Street, Cleveland, Ohio; Mr. J. C. Naylor, vice president, secretary-treasurer, Pet Milk Co., 1401 Arcade Building, St. Louis, Mo.; Mr. Thomas H. Truslow, general sales manager, Corning Glass Works, Consumer Products Division, Post Office Box 544, Corning, N. Y.; Mr. Edward Porter, vice president, Philadelphia Electric Co., 1000 Chestnut Street, Philadelphia, Pa.; Mr. Paul D. Bartlett, Hart-Bartlett-Sturtevant Grain Co., Board of Trade Building, Kansas City, Mo.; Mr. George H. Blake, president, Public Service Electric & Gas Co., 80 Park Place, Newark, N. J.; Mr. James Norris, Norris Grain Co., 1637 Board of Trade Building, Chicago, Ill.; Mr. W. L. Taylor, president, Wilcox Lumber Co., lock drawer 651, Detroit Lakes, Minn.; Mr. W. T. Wright, F. S. Royster Guano Co., Post Office Box 1940, Norfolk, Va.; Mr. Frank M. Wilkes, president, Southwestern Gas & Electric Co., Post Office Box 1106, Shreveport, La.; Mr. Emmett Barker, James E. Bennett & Co., 141 West Jackson Boulevard, Chicago, Ill.; Mr. Bruce Keener, Jr., C. M. McClung & Co., Inc., Post Office Box 991, Knoxville, Tenn. Sec. 305 (a) (2) "The total sum of the contributions made to or for such person during the calendar year and not stated under paragraph (1);" the total sum of the contributions made to the National Tax Equality Association by persons contributing $500 or more during the first quarter of 1950 is $16,000.

E. (1) $4,580.26; (2) $6,772.57; (4) $3,098.87; (5) $1,235.41; (6) $3,189.69; (7) $2,998.85; (9) $21,875.65; (10) $33,061.48; (11) $54,937.13.

A. National Tax Relief Coalition, Box 401, Greensboro, N. C.; general tax relief and less spending.

B. L. S. Franklin, director and employee.

C. (1) As long as taxes and spending are excessive in times of peace.

C. (2) We favor a limitation of tax rates in times of peace.

C. (3) Bulletin covering excessive taxation and spending in times of peace—1,000 bulletins April 1950. Work done in our office.

D. (2) $825; (7) $825; (8) $1,535; (9) $2,360; (13) no.

E (2) $375; (4) $75; (5) $35.50; (7) $339.50; (9) $825; (10) $1,540; (11) $2,365; (15) $825;

A. National Wool Growers Association—Service Organization, 414 Pacific National Life Building, Salt Lake City, Utah.

C. (1) Continuous and indefinite.

C. (2) H. R. 5839, Forest omnibus bill; S. 1165. Basque aliens; increasing purchasing power of CCC and any other legislation affecting the sheep and wool industry.

C. 3. Washington activities are sometimes reported in the National Wool Grower, official monthly publication of the organization.

D. (1) $11,268.05; (7) $11,268.05; (8) $2,229.50; (9) $13,497.55; (13) yes; (14) $7,070, Wyoming Wool Growers Association, McKinley, Wyo.; $1,544, Western South Dakota Sheep Growers Association, Rapid City, S. Dak.; $111.05, Arizona Wool Growers Association, 14 East Jefferson Street, Phoenix, Ariz.; $2,543, California Wool Growers Association, 151 Mission Street, San Francisco, Calif.; total, $11,268.05; April 1 to June 30, 1950, inclusive.

E. (2) $2,100; (7) $1,914.91; (9) $4,014.91; (10) $4,310.41; (11) $8,325.32; (15) $8,325.32.

A. Carlton L. Nau, 1757 K Street NW., Washington, D. C.; general manager of the American Public Power Association, a service organization composed of publicly owned electric-power systems.

B. American Public Power Association, 1757 K Street NW., Washington, D. C.; as above.

C. (1) Legislative interests are only incidental to main function as manager of management-service organization. They will continue indefinitely.

C. (2) (a and b) Protection of preference clause in proposed contracts between SPA and two private electric companies; appointment to FPC; general question of preference clauses as found in section 5 of Flood Control Act of 1944.

D. (5) $2,125; (7) $2,125; (8) $2,125; (9) $4,250; (13) no.

E. (2) $280; (4) $180; (6) $95; (7) $15; (9) $520; (10) $672; (11) $1,192; (15) all.

William S. Neal, 623 Continental Building, Washington, D. C.; National Association of Manufacturers. (Form C received and filed in the Clerk's Office.)

A. Nebraska Tax Equality Committee, Inc., 714 Stuart Building, Lincoln, Nebr.

C. (1) Interests are to continue until the passage of tax-equality legislation.

C. (2) (a and b) All legislation designed to bring about equality of taxation between private business and cooperatives; Mason bill (H. R. 5064).

D. (2) $310; (7) $310; (8) $720; (9) $1,030; (13) no.

E. (4) $46.83; (8) $161.32; (9) $208.15; (10) $1,143.03; (11) $1,351.23.

A. Samuel E. Neel, 1001 Fifteenth Street NW., Washington, D. C.; attorney at law.

B. Mortgage Bankers Association of America, 111 West Washington Street, Chicago, Ill.; trade association.

C. (1) Indefinite.

C. (2) (b) Any legislation affecting the mortgage-banking industry, particularly S. 2246, H. R. 7402, S. 3746.

C. (3) (a and c) The only publications which have been issued are those regular publications of the Mortgage Bankers Association of America, which have incidently discussed legislation along with other subjects. These publications are Washington Newsletter, Letter to Members, and The Mortgage Banker. They appear irregularly during each month.

D. (5) $3,124.98; (6) $1,841.29; (7) $4,966.27; (8) $4,436.57; (9) $9,402.84.

E. (5) $1,053.56; (6) $336.33; (7) $451.40; (9) $1,841.29; (10) $1,624.09; (11) $3,465.38; (15) $1,841.29.

A. G. W. Nelson.

B. Brotherhood of Railroad Trainmen, 130 Third Street SE., Washington, D. C.; railroad union.

C. (1) Contacting Members of Congress in opposition to legislation unfavorable to labor and in support of legislation friendly to labor.

A. George N. Nelson, Machinists Building, Washington, D. C.; labor union representative.

B. International Association of Machinists, Machinists Building, Washington, D. C.; labor union.

C. (2) Interested in substantially all legislation affecting the socio-economic and political interests of the American workingman including all pending legislation dealing with social security, national health, aid to physically handicapped, labor relations, displaced persons, etc.

D. (5) $900; (7) $900; (8) $900; (9) $1,800.

A. Herbert U. Nelson, 22 West Monroe Street, Chicago, Ill.; 1737 K Street NW., Washington, D. C.; executive-trade association.

B. National Association of Real Estate Boards, 22 West Monroe Street, Chicago, Ill.; 1737 K Street NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) Any legislation affecting the real estate industry.

C. (3) Attached is a list of news releases[4] issued during the quarter which bear on legislative subjects. Complete information as to the extent to which these were published or the dates of publication is not available. Mailing list for these news releases is attached.[4] Mimeographing was done in our Washington office.

D. (5) $3,034.95; (7) $3,034.95; (8) $2,421.23; (9) $5,456.18; (13) no. Twenty percent of time for which salary is included is devoted to legislative activities.

E. (3) $5; (6) $70.04; (7) $1,709.91; (9) $1,784.95; (10) $2,421.23; (11) $4,206.18; (15) $1,784.95.

A. Donald F. Nemitz, Secretary, Tax Equality Committee of Kentucky, 211 Columbia Building, Louisville, Ky.

B. Tax Equality Committee of Kentucky, 211 Columbia Building, Louisville, Ky.

C. (1) Until tax equality legislation is passed by Congress.

C. (2) Removal of exemptions granted by section 101 of IRC.

D. (5) $375; (7) $375; (8) $454.85; (9) $829.85.

A. Harold F. Neumann, 112 Bowers Street, Jersey City, N. J.; secretary-treasurer.

B. New Jersey Associated Businessmen, Inc., 112 Bowers Street, Jersey City, N. J.

C. (1) Not known.

C. (2) Any laws or proposals adversely affecting business.

C. (3) About 65 newspapers in New Jersey, which I have sent the same news releases to. I have no way of knowing which of the papers printed the releases.

D. (6) $110; (7) $110; (8) $1,035; (9) $1,145; (13) no.

E. (5) $37.54; (6) $43.66; (7) $10; (8) $702.50; (9) $793.70; (10) $333.23; (11) $1,126.93; (15) $793.70.

A. Nevada Railroad Association, 43 Sierra Street, Reno, Nev.

B. Southern Pacific Co., 65 Market Street, San Francisco, Calif.; Union Pacific Railroad Co., 422 West Sixth Street, Los Angeles, Calif.; The Western Pacific Railroad Co., 526 Mission Street, San Francisco, Calif.; railroads.

C. (1) Continuing.

C. (2) All Senate and House bills and resolutions affecting the interests of Nevada railroads; (a) signal inspection bill, railroad union-shop bill, any other bills affecting Nevada railroads; (b) H. R. 378, S. 238, H. R. 7789, and any other bills affecting Nevada railroads.

D. (1) $270.86; (7) $270.86; (8) $439.27; (9) $710.13; (13) no.

E. (2) $93.31; (6) $2.50; (7) $175.05; (9) $270.86; (10) $439.27; (11) $710.13; (15) $270.86.

A. New Jersey Associated Businessmen, Inc., 112 Bowers Street, Jersey City, N. J.; association of small-business men.

C. (1) Not known.

C. (2) Any laws or proposals adversely affecting business.

C. (3) About 65 newspapers in New Jersey, which have been sent the same news releases. We have no way of knowing which of the papers printed the releases.

D. (6) $110; (7) $110; (8) $1,035; (9) $1,145; (13) no.

E. (5) $37.54; (6) $43.66; (7) $10; (8) $702.50; (9) $793.70; (10) $333.23; (11) $1,126.93.

A. Blake T. Newton, Jr., 725 Thirteenth Street NW., Washington, D. C.; attorney, Chesapeake & Potomac Telephone Cos.

B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.

C. (1) Temporary for indefinite period.

C. (2) Any matters affecting Bell Telephone Cos.

D. (5) $3,125; (6) $54.10; (7) $3,179.10; (9) $3,179.10; (13) no.

E. (7) $54.10; (9) $54.10; (11) $54.10.

A. New York Associated Businessmen, Inc., Sherburne, N. Y.; trade group having as its objective economy in all levels of government and tax equality.

[4] Not printed. Filed in the Clerk's office.

C. (1) Until objective is reached.
C. (2) All tax measures.
D. (2) $940; (7) $940; (8) $5,612.50; (9) $6,552.50; (13) no.
E. (2) $1,344; (3) $1,571.25; (4) $35; (7) $77.89; (8) $60.85; (9) $3,088.99; (10) $4,533.13; (11) $7,622.12.
A. New York Stock Exchange, 11 Wall Street, New York, N. Y.
C. (1) Indefinitely.
C. (2) (b) Proposed Federal legislation affecting the interests of the New York Stock Exchange and its members, specifically H. R. 8920.
D. (13) No.
E. (2) $369; (7) $57.21; (9) $426.21; (10) $708.76; (11) $1,134.97.
A. Paul M. Niebell, 1201 Nineteenth Street NW., Washington, D. C.; tribal attorney for Creek Nation of Indians of the State of Oklahoma, under contract, approved by the Interior Department.
B. Creek Nation of Indians, State of Oklahoma, Roly Canard, principal chief, Wetumka, Okla.
C. I have filed no quarterly reports since my registration, because no services were heretofore rendered of a legislative nature since my employment as Creek tribal attorney. My salary as Creek tribal attorney is paid in monthly installments of $208.33, and any services of a legislative nature must be allocated from my salary. On March 16 and 17, 1950, I assisted Creek delegates in appearances before the House Public Lands Committee, Subcommittee on Indian Affairs, re the proposed Oklahoma rehabilitation bill for the Five Civilized Tribes, H. R. 6515, and the amount of my salary allocable to this service would be 2 days, at $8.01, or a total of $16.02, which is reported herein. The only other such service was requesting Congressman STIGLER to have inserted in the general apropriation bill, an authorization to use Creek tribal funds for purchasing an additional tract of land for a Creek Indian school. The time thus spent would be included in the above allocation of $16.02 from my salary. As far as is possible to determine this is all the service of this nature I will render during this session of Congress. Judging from past experience the amount of my salary reasonably allocable in any one year for services of a legislative nature not at time exceeds $100.
E. (2) $16.02.
A. Russ Nixon,[2] 1000 Eleventh Street NW., Washington, D. C.
B. United Electrical, Radio, and Machine Workers of America, 11 East Fifty-first Street, New York, N. Y.
C. (1) Indefinite.
C. (2) Support all legislation favorable to national peace, security, democracy, prosperity, and the general welfare. Oppose legislation detrimental to these objectives.
D. (5) $1,060; (7) $1,060; (9) $1,060; (13) no.
E. (7) $200; (9) $200; (11) $200; (15) $200.
A. Russ Nixon, 1000 Eleventh Street NW., Washington, D. C.
B. United Electrical, Radio, and Machine Workers of America, 11 East Fifty-first Street, New York, N. Y.
C. (1) Indefinite.
C. (2) Support all legislation favorable to national peace, security, democracy, prosperity, and the general welfare. Oppose legislation detrimental to these objectives; none specific in this quarter.
D. (5) $1,040; (7) $1,040; (8) $1,060; (9) $2,100; (13) no.
E. (7) $100; (9) $100; (10) $200; (11) $300; (15) $100.
A. W. R. Noble, attorney, 1028 Barr Building, Washington, D. C.
B. I am counsel for National Retail Farm Equipment Association, 207 Hotel DeSoto Building, St. Louis, Mo., and National Retail Hardware Association, 333 North Pennsylvania Street, Indianapolis, Ind. (both of above are nonprofit trade associations).
C. (1) Legislative interests to continue indefinitely.
C. (2) Keeping the two above associations informed generally as to the progress of legislation and to furnish interpretations of legislation. No activities with respect to any specific legislation during this period. Services performed principally other than legislation.
C. (3) Regular column published under my name in Farm Equipment Retailing, a trade magazine with circulation of approximately 20,000, published by Farm Equipment Retailing, Inc., 1014 Locust Street, St. Louis, Mo., and in Hardware Retailer, a trade magazine with approximately 25,000 circulation, published by the National Retail Hardware Association, 333 North Pennsylvania Street, Indianapolis, Ind.
D. (5) $3,375; (7) $3,375; (9) $3,375; (13) no.
E. (7) $132.75; (9) $132.75; (11) $132.75; (15) $132.75.
A. Dr. J. S. Noffsinger, executive secretary, National Association and Council of Business Schools, 2601 Sixteenth Street NW., Washington, D. C.; association of private business schools.
B. National Association and Council of Business Schools, 2601 Sixteenth Street NW., Washington, D. C.
C. I am the executive secretary of the above association. In the event that legislation should arise so as to affect the above association, the National Federation of Private School Associations, and I as the executive director thereof, would act in the interest of the above association.
A. Dr. J. S. Noffsinger, director, National Council of Technical Schools, 2601 Sixteenth Street NW., Washington, D. C., organization of technical institutes.
B. National Council of Technical Schools, 2601 Sixteenth Street NW., Washington, D. C.
C. (1) I am the executive director of the above association. In the event that legislation should arise, so as to affect the above association, the National Federation of Private School Associations, and I as the executive director thereof, would act in the interest of the above association.
A. Dr. J. S. Noffsinger, director, National Federation of Private School Associations, 2601 Sixteenth Street NW., Washington, D. C.
B. National Federation of Private School Associations, 2601 Sixteenth Street NW., Washington, D. C., this is a federation of private school associations.
C. (1) Indefinitely.
C. (2) All legislative proposals that affect private (non-tax-supported schools); (a) Relating to education or training of veterans under title II of the Servicemen's Readjustment Act; (b) S. 2596.
D. (5) $1,250.01; (7) $1,250.01); (8) $1,249.99; (9) $2,500; (13) no.
E. (10) $200; (11) $200; (15) all.
A. J. S. Noffsinger, director, National Home Study Council, 2601 Sixteenth Street NW., Washington, D. C., association of private home study schools.
B. National Home Study Council, 2601 Sixteenth Street NW., Washington, D. C.
C. (1) I am the executive director of the above association. In the event that legislation should arise, so as to affect the above association, the National Federation of Private School Associations, and I as the executive director thereof, would act in the interest of the above association.
A. Christian P. Norgord,[2] 1617 Rhode Island Avenue NW., Washington, D. C., general business and humane agent and lobbyist for the American Humane Association, headquarters 145 Washington Avenue, Albany, N. Y.
B. Robert F. Seller, president, American Humane Association, Albany, N. Y., a nonprofit association, heading up and affiliated with 600 local humane societies in the Nation, Canada, and Mexico; promotes the formation of local societies, advises on operation and provides aid in disasters.
C. (1) Indefinite.
C. (2) S. 1821 and H. R. 4737, protecting animals in transit from cruelty; H. R. 4668, forbid interstate shipment of bull-fighting bulls; H. R. 2945, postal rates increase; S. 1703, dogs from District of Columbia pound for experimentation; S. 2734, rehabilitation of Navajo Indians; H. R. 5629, protection of bald eagle in Alaska; S. 238, requiring railroads to maintain safety and communication systems for same; S. 2415, provision for handling disasters.
D. (5) $427.25; (6) $47.58; (7) $474.83; (9) $474.83; (13) no.
E. (4) $15; (5) $0.85; (6) $3.72; (9) $19.85; (11) $19.85; (15) all.
A. O. L. Norman, 1200 Eighteenth Street NW., Washington, D. C.; nature of business: Registrant is assistant to the president of the National Association of Electric Companies, a trade association whose members are 101 operating electric companies.
B. National Association of Electric Companies, 1200 Eighteenth Street NW., Washington, D. C. The National Association of Electric Companies is a trade association whose members are 101 operating electric companies. The preamble of its articles of association describe the functions to be engaged in by the association as follows: In order to further the interests of the electric-utility companies that are members of this association and their investors, employees and customers; to maintain the integrity and credit of the industry; to present to the public the essential facts about the industry to the end that there may be a better understanding between the utility companies and the public and a better appreciation of utility progress, achievements and problems; to coordinate regional activities among member companies; to furnish member companies information, reports, and statements concerning various phases of electric-utility operations and developments; to further cooperation with all agencies and organizations interested in the supply and purchase of electric light and power; to furnish such agencies and organizations with information, reports, and statements concerning member companies and the electric-utility industry; to present the facts to the public concerning the public benefits resulting from the operation of electric-utility companies by businessmen under governmental regulations and, generally, to engage in those practices recognized as being legal and proper to further said ends, certain electric-utility companies do hereby establish a national association which shall be adequately qualified and empowered to act in every lawful way when concert of policy and action would be helpful. Thus the association functions for the following principal purposes: (1) To keep member companies informed of Washington developments affecting them as operating businesses, including information and analyses of governmental hearings, orders, and regulations, both legislative and administrative. (2) To keep the public, including employees, consumers, and investors, informed concerning the accomplishments of the industry, its achievements in serving the public, and the plans of this industry for the future. (3) To furnish—and aid in furnishing—technical information to the instruments of Government and to provide a readily available

[2] Filed for first quarter, 1950.

[2] Filed for first quarter, 1950.

contact between Government and the industry. (4) To provide the members of the association with a medium through which they can exchange ideas on problems of mutual concern and interest in order to better serve the public. (5) To act for the member companies in matters of common and national concern.

C. (1) Of indefinite duration.

C. (2) Registrant is O. L. Norman, assistant to the president of the National Association of Electric Companies. One of the purposes of this association as set forth in previous registrations and reports filed pursuant to title 3 of the Legislative Reorganization Act of 1946 is to provide its members with a medium through which they can develop and exchange ideas and take appropriate action on problems of mutual concern and interest, including matters involving legislation. The association, therefore, is generally interested in all developments in and of Federal legislation that might affect its members as going electric utilities, including, but not limited to, the following bills and statutes and amendments thereto: H. R. 7786, a bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; S. 3376, a bill introduced in the Senate of the United States April 10, 1950, to provide for the organization of interstate water and power users' associations for the purpose of entering into contracts for the repayment of the costs of water and power projects on interstate streams and for the ownership, operation, and maintenance of such projects, and for other purposes; Internal Revenue Code (53 Stat. 7); TVA Act (48 Stat. 58); Federal Power Act (49 Stat. 803); Rural Electrification Act of 1936 (49 Stat. 1363); reclamation acts (25 Stat. through 45 Stat.); Flood-Control Act, 1944 (58 Stat. 887); Administrative Procedure Act (60 Stat. 237). For specific details concerning the policy position of the National Association of Electric Companies, see document entitled "Water Resources, Electric Power, and National Policy," prepared in response to an invitation of the chairman of the President's Commission on Water Resources Policy, dated March 2, 1950, to state the association's views on certain policy questions and filed with the Secretary of the Senate and Clerk of the House by the National Association of Electric Companies.

D. (5) $2,500; (7) $2,500; (9) $2,500.

E. (6) $3.24; (7) $518.24; (8) $341.29; (9) $862.77; (11) $862.77; (15) $862.77.

A. Harry E. Northam, 360 North Michigan Avenue, Chicago, Ill., executive secretary, who works on a salary basis ($15,000) with reimbursement of traveling and subsistence basis. No allowance is made to him for lobbying expenses or the entertainment of anyone.

B. The registrant is employed as an executive secretary by the Association of American Physicians and Surgeons, Inc., 360 North Michigan Avenue, Chicago, Ill., which is an organization formed for the mutual assistance of physicians and surgeons in the United States on a dues-paying membership basis, somewhat similar to that of the American Bar Association and other similar organizations.

C. The Association of American Physicians and Surgeons, Inc., is interested in all matters concerning the practice of medicine and surgery for the self-improvement and protection of its dues-paying members. The members being active practitioners do not have the time to look after these matters personally. The work of the association is educational in character and it issues a monthly news letter to all members. It becomes necessary at times that committees and Members of the Congress receive educational material concerning pending legislation affecting the practice of medicine and surgery. This registrant, being the executive secretary of the association, is sometimes required to communicate with committees of the Congress and with Members of the Congress, on behalf of the association, concerning matters which affect the members of the association. Not more than 10 percent of the time and energy of the registrant is devoted to such educational work with the committees of the Congress. The association does not concern itself with any proposed legislation except that affecting physicians and surgeons in the practice of their profession and registrant's activities are limited to making known to committees and Members of the Congress the interests of the member physicians and surgeons. The monthly news letter is a four-page printed communication issued by the association itself and in large part composed by the registrant along with the other duties of his position.

A. North Dakota Resources Board, 311 North Broadway, Fargo, N. Dak.; promoting the development of North Dakota's resources.

B. Above-named organization is the employer.

C. (1) Indefinite.

C. (2) Promoting development of the natural resources in North Dakota.

C. (4) Only a very small percentage of the salary and reimbursed expenses paid to Fred J. Fredrickson as the Washington representative of Greater North Dakota Association is for lobbying activities.

D. (6) $2,800; (7) $2,800; (8) $2,500; (9) $5,300; (13) yes.

E. (2) $1,050; (8) $1,739.60; (9) $2,789.60; (10) $2,470.16; (11) $5,259.76.

A. Northern Hemlock and Hardwood Manufacturers Association, Washington Boulevard, Oshkosh, Wis.; an association of persons in the timber industries.

C. (1) Probably continous.

C. (2) Legislation affecting the timber industries of Wisconsin and Michigan: H. R. 6000, social security, section defining "independent contractor" (we favor Senate version); H. R. 8920, tax revision, general information; H. R. 5995, would remove certain exemption under Fair Labor Standards Act of 1938 from employers of 12 or less in planting trees, etc. (we oppose); H. R. 7786, omnibus appropriation bill (we urge totals be kept as low as possible).

C. (3) No publications. We have issued brief information reports to our members on status of legislation.

D. (8) $500; (9) $500; (13) no.

E. (4) $79; (9) $79; (10) $105; (11) $184.

A. Alfred E. Notarianni, attorney at law, 1625 K Street NW., Washington, D. C.

B. Employed by Cummings, Stanley, Truitt & Cross, 1625 K Street NW., Washington, D. C.; acting in the interest of Grace Line, United States Line, Farrell Line, American Export Line, and Lykes Bros. Steamship Line, all of New York, and American Presidents Line, of San Francisco, shipping companies.

C. (1) Legislative interests to continue through entire four quarters of calendar year.

C. (2) Shipping legislation: Merchant Marine Act, 1936, as amended; H. R. 5346, S. 2786, H. R. 6719, H. R. 3337, H. R. 3930, H. R. 4190, H. R. 3291, H. R. 3419, H. R. 6061, H. R. 4450, H. R. 3122, H. R. 4847, S. 402, Senate Resolution 50, H. R. 1251.

D. (9) No specific compensation for these services. Covered by general contract of employment as associate counsel with Cummings, Stanley, Truitt & Cross. Compensation under said contract will not be increased or affected by these services or this registration; (13) no.

A. John O'Brien, 1 Wall Street, New York, N. Y.; lawyer.

B. Riegel Textile Corp., 342 Madison Avenue, New York, N. Y.; manufacturer.

C. (1) Eighty-first Congress.

C. (2) H. R. 1054, a bill for the relief of Riegel Textile Corp.

E. (10) $35.18; (11) $35.18.

A. Jerry J. Connell, 902 Twentieth Street NW., Washington, D. C.; opposition to S. 2311, H. R. 7595, and similar legislation; contacting Senators, Representatives in this connection.

B. National Committee to Defeat the Mundt Bill, 902 Twentieth Street NW., Washington, D. C.

C. (1) Legislative interests will continue on long as above measures are pending.

C. (2) As stated in paragraph A above; (a) S. 2311, Subversive Activities Control Act of 1950; H. R. 7595, the same.

D. (5) $1,000; (7) $1,000; (8) $200; (9) $1,200.

E. (7) $629.32; (9) $629.32; (10) $174.79; (11) 804.11; (15) $629.32; (16) $340.39, April 21, Northwest Airlines Co., trip to Montana.

A. Edward H. O'Connor, 176 West Adams Street, Chicago, Ill.; managing director.

B. Insurance Economics Society of America, 176 West Adams Street, Chicago, Ill.; research and educational institution—studying all forms of social insurance.

C. (1) Will terminate with the adjournment of the Eighty-first Congress.

C. (2) (a) S. 5 and H. R. 345, health insurance; S. 1106, medical aid; S. 1456, health insurance; S. 1581, health program; S. 1679, National Health Insurance Act; S. 1970, National Health Act; S. 2940, National Health Act; H. H. 782, Federal Security Agency; H. R. 783, Health insurance; H. R. 6000, old-age and survivors insurance; Reorganization Plan No. 27.

C. (3) (a) Semimonthly bulletin to members; (b) 175 copies; (c) 10 issues; (d) mimeographed in office. (a) (1) our monthly publication; (b) (1) 20,000 copies; (c) (1) monthly; (d) (1) Robert Straub & Co.

D. (1) $2,312.50; (4) $126.50; (7) 2,439; (8) $28,174.10; (9) $30,613.10.

E. (10) $121.53; (11) $121.53.

A. Eugene O'Dunne, Jr., Southern Building, Washington, D. C.; attorney at law.

B. National Association of Wool Manufacturers, 386 Fourth Avenue, New York, N. Y.; trade association.

C. (1) Throughout the year 1950.

C. (2) S. 1965, Foreign Trade Authority, for setting import fees; H. R. 5089 and H. R. 5091, Stream pollution bills, accelerated amortization for Federal-income-tax purposes.

C. (4) Answer to question 4 on previous report for first quarter still applicable.

D. (5) $2,500; (7) $2,500; (9) $2,500.

E. (6) $11.94; (7) $25; (9) $36.94; (10) $3.50; (11) $40.44.

A. Donald C. O'Hara, 958 Munsey Building, Washington, D. C.; attorney.

B. Fayette B. Dow, attorney, 958 Munsey Building, Washington, D. C.; work done in interest of American Petroleum Institute, 50 West Fiftieth Street, New York City.

C. (1) Legislative interests will continue as long as Congress is considering revisions in excise taxes.

C. (2) Legislative interest related to excise tax on lubricating oils only. I appeared as a witness before the House Ways and Means Committee on Friday.

D. (13) No.

A. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio (see item (14) for list of member roads); an association giving service to Ohio steam railroads on matters in which all member roads have a common interest.

B. Same.

C. (1) Indefinite.

C. (2) Legislation affecting railroad interests; (a) operating rules bill, H. R. 378; bas-

ing-point bill, S. 1008; (b) H. R. 378 and S. 1008.

D. (1) None of the member roads makes direct contributions to the Ohio Railroad Association for the purposes outlined in the Federal Regulation of Lobbying Act (Public Law 601, 79th Cong.), but do pay the expenses of the association on a pro rata basis; (13) Yes; (14) $4,442, Baltimore & Ohio Railroad Co., Baltimore, Md.; $1,108, Chesapeake & Ohio Railway Co., Richmond, Va.; $2,030, Cleveland, Cincinnati, Chicago & St. Louis Railway, 466 Lexington Avenue, New York, N. Y.; $1,140, Erie Railroad, Midland Building, Cleveland, Ohio; $2,632, New York Central Railroad Co., 466 Lexington Avenue, New York, N. Y.; $2,326, New York, Chicago & St. Louis Railroad Co., Terminal Tower, Cleveland, Ohio; $4,418, Pennsylvania Railroad Co., Philadelphia, Pa.; $754, Detroit, Toledo & Ironton Railroad Co., Dearborn, Mich.; $648, Norfolk & Western Railway Co., Roanoke, Va.

E. (10) $350.78; (11) $350.78.

A. Eli L. Oliver, 1029 Vermont Avenue NW., Washington, D. C.; economist and labor-relations consultant.

B. My principal duties for the employer are without legislative interest. O. David Zimring, lawyer, 1029 Vermont Avenue NW., Washington, D. C., is my employer, and will pay me my regular salary during such legislative work. Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 1214 Griswold Street, Detroit, Mich., is the secondary employer, and will pay my employer, O. David Zimring.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) (b) General legislative interests of labor organizations, their members and families, and especially the interests of Mr. Zimring and the above-named association. At the time of my primary registration and during June 1950 the primary legislative interest was in H. R. 6000, Senate report 1669, and proposed amendments thereto. There will be interest in other bills affecting organized labor, and particularly the above-named unincorporated association.

C. (3) (a and b) The association publishes The Union Leader, a weekly journal for its members in the Chicago, Ill., area; it also publishes The Motorman, Conductor, and Motor Coach Operator, a monthly journal for its members in the United States and Canada. These publications are not primarily concerned with legislative interests, but have contained in the past and will publish in the future news stories, reports, and recommendations involving pending or suggested bills, resolutions, and constitutional amendment proposals.

C. (4) I am employed on annual salary by O. David Zimring, and I handle labor relations, consultations, organizational duties, economic statistics, the presentation and preparation of labor arbitrations, and other matters, such as presentations before the Interstate Commerce Commission, etc. My legislative work is incidental to my regular employment, and there will be no additional compensation therefor. (b) No additional wage, fee, or salary. (c) Indefinite. (d) Actual traveling expenses—hotel, meals, taxi fares, etc.

D. (1) There were no receipts made or will be made in connection with legislative interests. The association receives per capita dues and initiation fees for use in maintaining and operating its activities as a labor union, but there have been no additional receipts, contributions, or loans made or will be made in connection with legislative interests; (13) no.

E. (2) My salary was the normal salary which would have been paid to me if no legislative work had been performed. None additional was paid for legislative work; (7) expense of travel, food, lodging, taxis, and minor incidentals will be reimbursed, but none was received during the second quarter, 1950; payment will be made for such items during third quarter; other nonlegislative business was transacted, and the legislative expense will be apportioned; (15) none has been defrayed by the employer during second quarter, 1950, but any such items will be defrayed during the third quarter, 1950.

A. Fred N. Oliver, Oliver & Donnally, 110 East Forty-second Street, New York, N. Y., and Continental Building, Washington, D. C.; partner in law firm of Oliver & Donnally.

B. Legal services rendered to National Association of Mutual Savings Banks, 60 East Forty-second Street, New York, N. Y., and Railroad Security Owners Association, Inc., 110 East Forty-second Street, New York, N. Y.; approximately 15 percent of legal work done on behalf of National Association of Mutual Savings Banks was for purposes mentioned in Lobbying Act; no work for any purposes mentioned in Lobbying Act was done on behalf of Railroad Security Owners Association, Inc., during last quarter; about $7,000 is the estimated proportion of distribution received by affiant as partner of Oliver & Donnally of total annual compensation from the National Association of Mutual Savings Banks for all legal services performed by the firm for the year 1949. It is estimated that not in excess of 15 percent of that amount is received for purposes mentioned in the Lobbying Act, or $1,050 annually, of which about $262.50 is for the preceding calendar quarter. Receipts for fees from National Association of Mutual Savings Banks are accordingly reported on this basis.

C. (1) Legislative interests will continue indefinitely.

C. (2) The general legislative interests consist of any legislation in which the mutual savings banks or security owners have a legitimate interest in supporting or opposing. Specific legislative interests—FDIC bill, S. 2822; tax revision hearings before House Ways and Means Committee, H. R. 8920; Federal savings and loan conversion bill, S. 1175, H. R. 5806; bank holding company bill, S. 2318, S. 3547; rent-control bill, S. 3181.

D. (5) $262.50; (7) $262.50; (9) $262.50.

E. (6) $80.49; (7) $547.94; (9) $628.43; (11) $628.43.

A. Clarence H. Olson, care of the American Legion, 734 Fifteenth Street NW., Washington, D. C.; a chartered organization of war veterans.

B. The American Legion, 777 North Meridian Street, Indianapolis, Ind.

C. (1) On a yearly basis; employment started April 1, 1950.

C. (2) Below is set forth a statement showing the general legislative interests of the American Legion and the work performed in connection therewith: The American Legion and all veterans of World War I and World War II and their dependents on all matters affecting their care, rehabilitation, hospitalization, reeducation and housing; all matters affecting the general welfare of our country with regard to national defense. Americanism, included in which is opposition to all subversive activities, with particular attention to our immigration and naturalization laws. Child welfare, not only for children of veterans but for all children; aid and assistance to veterans in agriculture development; matters dealing with our foreign policy and foreign relations; the development of sound civil aviation programs and policies, and the development of sound and progressive programs for the employment and reemployment of veterans in civilian pursuits and in civil service; legislation which would eliminate all improper discriminations and be of benefit to the men and women who are still in our armed services, and all other matters included in the mandates and programs of the American Legion as adopted and approved by the national convention of the American Legion and/or by its national executive committee, which are the ruling and policy-making bodies of the American Legion; (a) due to the nature and extent of the work involved, it is impossible to specify the titles of statutes and bills; (b) the House and Senate numbers of bills; or (c) the citations of statutes.

C. (3) The legislative commission of the American Legion prepares an article on legislation pending before Congress, which is inserted in the American Legion magazine once a month. The American Legion magazine is distributed to all members of the American Legion. The only publication issued by the American Legion legislative commission is the legislative bulletin, which is issued once a week while Congress is in session; (a) the American Legion magazine is a magazine of interest to veterans, and as above stated, is sent to all members who have paid dues and is part of the consideration for payment of dues. The legislative bulletin is issued to subscribers and also to certain officers of the American Legion who receive same without paying any consideration therefor. Paid subscribers are charged $3 per congressional session; (b) during the past year slightly in excess of 3,000,000 copies of the American Legion magazine were published, and at the present time approximately 4,000 copies of the legislative bulletin are issued; (c) the American Legion magazine is issued the early part of each month. The legislative bulletin is issued on Tuesday of each week while Congress is in session; (d) the American Legion magazine is printed by C. T. Dearing Printing Co., and the legislative bulletin is printed by the Law Reporter Printing Co.

D. (5) $1,757.22; (7) $1,757.22; (9) $1,757.22.

E. (7) $7.20; (9) $7.20; (11) $7.20; (15) $7.20.

A. Sam O'Neal, 211 National Press Building, Washington, D. C.; public relations counsel.

B. National Council on Business Mail, Inc., 105 West Monroe Street, Chicago, Ill.

C. (1) Undetermined.

C. (2) All legislation pertaining to postal rates and postal legislation.

C. (3) None. No publications contemplated.

D. Received fees amounting to $2,500 for 3-month period.

E. Expended approximately $100 for taxi and miscellaneous expense.

A. Sam O'Neal, 211 National Press Building, Washington, D. C.; public relations counsel.

B. Oglebay Norton & Co., the Hanna Building, Cleveland, Ohio; engineering and ore sales.

C. (1) Undetermined.

C. (2) Any legislation affecting the development of iron-ore deposits.

C. (3) No publications contemplated.

D. Received fees of $1,530 for 3-month period.

E. Expended approximately $100 for taxi and miscellaneous expenses.

A. Sam O'Neal, 211 National Press Building, Washington, D. C.; public-relations counsel.

B. Power Distributors Information Committee of Tennessee Valley Public Power Association, Sixth and Market Streets, Chattanooga, Tenn.

C. (1) Undetermined.

C. (2) All legislation pertaining to public power.

C. (3) None. No publications contemplated.

D. Received fees of $1,875 for 3-month period.

E. Expended approximately $100 for taxi and miscellaneous expenses.

A. John E. O'Neill, 604 Washington Building, Washington, D. C.; attorney at law; general counsel of the Small Brewers Association.

B. Small Brewers Association, 188 West Randolph Street, Chicago, Ill.; a trade association.

C. I have not engaged in any lobbying activities whatsoever during the quarter ended June 30, 1950. However, I desire my registration as a lobbyist to remain on file in case my lobbying activities should be renewed.

A. Order of Railway Conductors of America, O. R. C. Building, Cedar Rapids, Iowa; international railway labor organization.

D. $2,125 salary; W. D. Johnson, vice president and national legislative representative; second quarter 1950.

E. (2) $2,125; (5) $872.07; (6) $106.03; (9) $3,103.10; (1) $3,021.54; (11) $6,124.64.

A. Order of Railway Conductors of America, O. R. C. Building, Cedar Rapids, Iowa; international railway labor organization.

D. $910 salary; C. W. Vance, legislative representative; second quarter 1950.

E. (2) $910; (7) $650.71; (9) $1,560.71; (10) $675.96; (11) $2,236.67.

A. Organization of Professional Employees of the United States Department of Agriculture, Post Office Box 381, Washington, D. C. An association of Federal employees engaged in professional activities, the purpose of said association being to promote the professional interests of its members, the professional standards of Federal service, and the quality of professional service to the public.

C. (1) So long as Congress considers and enacts legislation affecting the classified employees of the Federal Government, the legislative interests of this organization will continue.

C. (2) The general legislative interests of the organization are in large part but not exclusively exemplified by the bills which in the Digest of Public General Bills issued by the Library of Congress are indexed under the captions "Public Officers and Employees," "Retirement," and "Income Tax Exemption." Of these the only bill to which the organization has devoted any unusual measure of attention during the quarter has been the bill S. 1275, to amend the Civil Service Retirement Act of May 29, 1930, as amended.

C. (3) OPEDA Newsletter; (a) A printed three-fold four-page quarterly publication; (b) 3,100 copies; (c) June 1950; (d) the Trades Unionist.

D. (1) $63.03; (7) $63.03; (8) $581.63; (9) $644.66; (13) no. Dues are assessed once a year, the greatest proportion being paid in the last quarter.

E. (2) $118.80; (4) $59.61; (5) $2; (6) $1.16; (9) $181.57; (10) $519.62; (11) $701.19.

A. Jack A. Osherman, member of firm of Gallagher, Osherman, Connor & Butler, Bowen Building, Washington, D. C., attorneys at law.

B. National Ballroom Operators Association, 3208 Second Avenue, Des Moines, Iowa.

C. (1) Since the Senate has revised H. R. 6000 as passed by the House, legislative interests will continue until the law has been agreed upon by both the Senate and House in conference.

C. (2) The general legislative interests are to oppose the inclusion of section 206 (a) of H. R. 6000 which would amend section 1426 (d) of the Internal Revenue Code so as to change the definition of "employee."

D. (5) $5,000; (7) $5,000; (8) $5,000; (9) $10,000; (13) no.

A. Outdoor Advertising Association of America, Inc., 24 West Erie Street, Chicago, Ill.; trade association.

C. (1) Legislative interests have terminated with the current quarter.

C. (2) Opposition to the enactment of Senate bill No. 1847 (introduced by Senator LANGER, May 13, 1949), to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes.

C. (3) Mailed less than 50 letters to members of the Outdoor Advertising Association of the America, Inc.

E. (4) $75; (11) $75. $75 estimated office expense in typewriting, mimeographing, and mailing less than 50 letters.

A. Mr. Thomas Owens, 718 Jackson Place NW., Washington, D. C., legislative representative, United Rubber, Cork, Linoleum, Plastic Workers of America.

B. United Rubber, Cork, Linoleum, Plastic Workers of America, High at Mill Street, Akron, Ohio.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity and general welfare. Oppose all legislation detrimental to these objectives.

C. (3) I have not individually issued or caused to be issued, any publication as above described. Any such publications issued by the CIO are listed in the CIO report.

D. (5) $1,020; (6) $386; (7) $1,406; (8) $1,216.70; (9) $2,622.70.

E. (9) $386; (10) $296.70; (11) $682.70; (15) $386.

A. Robert S. Palmer, 204 State Office Building, Denver, Colo.; executive director, Mining Department of Colorado and Mining Association of same State; also an attorney.

B. Work is done in interest of basic industry of Colorado (mining). Employment as above set forth is for expenses as industry and economy of State would be beneficiaries.

C. (1) Only as long as condition of industry remains critical.

C. (2) All legislation affecting mining, e. g., minerals. Bill as set out in H. R. 5221, assessment, tax, public projects, tariffs, freight rates, stockpiling (Public Law 520).

C. (3) Mimeographed sheets issued at irregular periods to approximately 1,500 members of the industry. Special letters and one multigraphed paper.

C. (4) Expenses to and from Washington and during temporary stay in Washington hotels, meals, travel, telephone.

D. (6) $2,108.80; (7) $2,108.80.

E. (7) $2,108.80; (9) $2,108.80; (11) $2,108.80.

A. James Donald Parel, American Farm Bureau Federation, 261 Constitution Avenue NW., Washington, D. C.

B. American Farm Bureau Federation, 221 North La Salle Street, Chicago, Ill.

C. (1) Indefinite.

C. (2) In accordance with the annual meeting resolutions adopted by the American Farm Bureau Federation, proposed legislation on the following matters has been supported or opposed: Appropriations for fiscal year 1951; Commodity Credit Corporation; section 22 of Agricultural Adjustment Act; cotton, wheat, peanut, and rice quotas and allotments; wheat marketing certificate program; commercial corn-producing areas; marketing quotas for cigar-wrapper tobacco; potato marketing quotas; sugar quotas; extension of Agricultural Marketing Agreements Act of 1937; foreign economic assistance; displaced persons; point 4 program; Foreign Economic Commission; import controls; educational exchange; trade policy with Communist countries; customs regulations; oil imports; agricultural credit; Rural Electrification Act amendment; brucellosis; Government reorganization; rural roads; taxation; social security; education; postal rates; farm labor; rural housing; farm program; marketing facilities for perishables; tenant purchase, production and subsistence loans; extension of civil service; Farm Bureau-Extension Service relationships; Cooperative Forest Management Act; Central Valley, Calif., projects; antitrust.

C. (3) See report filed for American Farm Bureau Federation for this information.

D. (5) $2,125.04; (7) $2,125.04; (8) $2,125; (9) $4,250.04; (13) no.

E. (7) $60.81; (9) $60.81; (10) $52.14; (11) 112.95; (15) $60.81.

A. Lovell H. Parker, 614 Colorado Building, Washington, D. C.; tax consultant.

B. Self-employed. (Retained as a consultant by National Coal Association, Washington, D. C., on tax matters.)

C. (1) Indefinite.

C. (2) Tax legislation affecting the bituminous coal industry.

D. No receipts from which expenditures are or will be made in connection with legislative interests. Registrant receives a regular retainer of $500 per month, no part of which is allocated to compensation for legislative activities.

A. Patterson, Belknap & Webb, attorneys, 1 Wall Street, New York, N. Y.

B. The American Jewish Committee, 383 Fourth Avenue, New York, N. Y.

C. (1) Indefinite period; such period may last until the necessary amendment to the Trading With the Enemy Act is passed. (See par. 2 below.)

C. (2) As counsel for the American Jewish Committee for the purpose of obtaining an amendment to the Trading With the Enemy Act, whereby alien property in this country formerly owned by persons under persecution by an enemy government in cases where the owner is dead and left no heirs may be turned over to organizations for the relief of survivors (S. 603 in the House of Representatives, and H. R. 2780 and H. R. 1849.)

E. (2) $8.07; (4) $15.30; (6) $52.97; (7) $68.57; (8) $1.27; (9) $146.18; (10) $114.43; (11) $260.61; (15) $146.18.

A. Randolph Paul (a partner in the law firm of Paul, Weiss, Rifkind, Wharton & Garrison), 1614 I Street NW., Washington, D. C.

B. Gillette Safety Razor Co., Boston, Mass.

C. (1) Indeterminate.

C. (2) An amendment to eliminate section 131 (6) (2) of the Internal Revenue Code.

C. (3) None relating to the subject below.

E. (6) $3.38; (9) $3.38; (10) $4.18; (11) $7.56.

A. Edmund W. Pavenstedt, care of White & Case, 14 Wall Street, New York, N. Y.; lawyer.

B. International Minerals & Chemical Corp. 20 North Wacker Drive, Chicago, Ill., mining and manufacturing of fertilizers.

C. (1) During present session of Congress.

C. (2) (a) Amendment to section 34 of Trading With the Enemy Act to protect interests of domestic corporations owning stock in enemy corporations assets of which have been seized by the Alien Property Custodian; (b) opposing Treasury recommendation for reduction of rate of percentage depletion on nonmetallic minerals.

D. (13) No.

E. (7) $58.56; (9) $58.56; (11) $58.56; (15) $58.56.

A. Albert A. Payne, 1737 K Street NW., Washington, D. C.; legislative representative of the National Association of Real Estate Boards.

B. Realtors' Washington Committee of the National Association of Real Estate Boards.

C. (1) Indefinitely.

C. (2) Any legislation affecting the real-estate industry.

D. (5) $1,981.61; (7) $1,981.61; (8) $2,006.48; (9) $3,988.09; (13) no.

E. (6) $1.45; (7) $102.11; (8) $3.05; (9) $106.61; (10) $131.48; (11) $238.09; (15) $106.61.

A. Merl B. Peek, assistant secretary-manager, National Reclamation Association, 1119 National Press Building, Washington, D. C.; promotion of the development, control, conservation, preservation, and utilization of

the water resources of the 17 reclamation States.

B. National Reclamation Association, 1119 National Press Building, Washington, D. C.

C. (1) Indefinite period.

C. (2) (a) Reclamation Act, 1902 (53 Stat. 1187, 43 U. S. C. 485), and all amendatory and supplementary acts thereto. All other statutes relating to water- and land-conservation measures; (b) H. R. 7351, H. R. 5091, H. R. 7268, H. R. 7786, S. 3376, and all other bills relating to reclamation, flood control as related to reclamation, and water and land conservation.

C. (3) (a) Bulletin; (b) 4,400; (c) no specific date of publication, published every 4 to 6 weeks dependent upon legislative developments; (d) Franks Duplicating Service, 1001 National Press Building, Washington, D. C.

D. (5) $1,500; (6) $361.16; (7) $1,861.16; (8) $1,744.09; (9) $3,605.25.

E. (7) $361.16; (9) $361.16; (10) $244.09; (11) $605.25; (15) $361.16.

A. George S. Peer, 744 Jackson Place NW., Washington, D. C., director of farm supply services, National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C.

B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C.; a trade organization for farmer cooperatives marketing farm products and/or purchasing farm supplies.

C. (1) Indefinitely.

C. (2) H. R. 3146, to amend the Tariff Act of 1930 to provide for the free importation of twine; H. R. 8920, tax-reduction bill—only that part of bill as pertains to the excise tax on refrigerators and home freezers.

D. (5) $1,375; (7) $1,375; (8) $1,375; (9) $2,750.

E. (7) $51.66; (9) $51.66; (10) $54.13; (11) $105.79; (15) $51.66.

A. People's Lobby, Inc., room 31, 810 F Street NW., Washington, D. C.; working for or against legislation, and with departments, but principal activities are educational.

C. (1) Legislative and educational activities are merged and my services will continue indefinitely.

C. (2) The general legislative interests of People's Lobby, Inc., are taxing ability to pay, public ownership, or control of natural resources, natural monopolies, and basic industries. An over-all Government plan and international cooperation and controls.

C. (3) I submitted brief to House Committee on Un-American Activities, opposing the Nixon bill, H. R. 7595, and sent letters on pending bills to most Members of Congress and testified before Senate Banking Committee for rent-control extension.

D. (6) $1,610.65; (7) $1,610.65; (8) $2,339; (9) $3,949.65; (13) no.

E. (2) $650.67; (5) $1,201.21; (6) $16.68; (7) $20.83; (8) $15; (9) $1,904.39; (10) $2,156.95; (11) $4,061.34; (15) People's Lobby pays all expenditures.

A. Don Petty, 1771 N Street NW., Washington, D. C.; attorney.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D. C., registrant's client, a national trade association.

C. (1) General statement: Registrant is interested in any legislation—local, State, Federal or international—which affects the broadcasting industry; registrant will have a legislative interest as long as he represents this client.

C. (2) As stated immediately above, registrant is interested in any legislation affecting his client, and during the last quarter particularly in: McFarland bill (S. 1973); Sadowski bill (H. R. 6949); Sheppard bill (H. R. 7310); duty on tape recordings bills (H. R. 5887, H. R. 8726); President's Reorganization Plan No. 11 and Senate Resolution 256; horse race bill (S. 3358); and joint House and Senate recording facilities (H. J. Res. 332).

C. (3) President's Reorganization Plan No. 11 and Senate Resolution 256; (a) Mimeographed letters and six enclosures explaining plan No. 11 and Senate Resolution 256; (b) Approximately 3,000; (c) April 26, 1950.

D. Registrant is of the opinion that the Federal Regulation of Lobbying Act of 1946 is not applicable to him. Any activities from time to time of registrant relating to the passage or defeat of any legislation by the Congress of the United States are incidental to his activities as attorney for the association. However, he registers under the act in order that he may carry on his duties as attorney without question being raised by any person as to the propriety of his performing any act respecting Federal legislation, incidental to his other activities though it may be. The registrant does not directly or indirectly solicit, collect, or receive any money or other thing of value to aid, nor is the principal purpose of registrant to aid, in the accomplishment of the passage or defeat of any legislation by the Congress of the United States, or to influence, directly or indirectly, the passage or defeat of any such legislation. In view of the foregoing explanation, it is impossible to answer D and E. During the past quarter, registrant has received the sum of $3,750 as a retainer fee from said association, and the sum of $1,021.07 for business expenses in connection with his numerous activities in all fields of law relating to this particular client, the National Association of Broadcasters. The approximate cost of activities under C. (3) was $295.77.

A. Albert Pike, Jr.,[2] actuary, Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.

B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.; trade association.

C. (1) Continuous.

C. (2) Legislation which might affect the welfare of policyholders and annuitants, H. R. 6000.

D. (5) $429.54; (7) $429.54; (9) $429.54; (13) No. Monthly salary allocated on basis of time spent on lobbying activities. Paid by Life Insurance Association of America, 488 Madison Ave., New York, N. Y.

E. (6) $34.40; (7) $190.59; (9) $224.99; (11) $224.99; (15) $224.99.

A. Albert Pike, Jr., actuary, Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.

B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y. trade association.

C. (1) Continuous.

C. (2) Legislation which might affect the welfare of policyholders and annuitants, e. g., H. R. 6000.

D. (8) $429.54; (9) $429.54; (13) no.

E. (10) $224.99; (11) $224.99.

A. Herbert G. Pillen, president, Controlled Circulation Newspapers of America, Inc., 1339 Green Court NW., Washington, D. C.

B. National trade association, as indicated above.

C. (1) Whenever legislation affecting our industry is under consideration, and I am the officer delegated to follow up such matters.

C. (2) At this time our interests are in postal rates bill, carrier boy amendment to Social Security Act, and applicability of sales tax in the District of Columbia to advertising periodicals.

D. No part of our dues are earmarked for expenditure in connection with legislative matters; as president I follow up such matters as part of my job since I am in Washington anyway.

[2] Filed for first quarter, 1950.

E. (4) $10.20, mimeographed statement before Senate Post Office Committee, by invitation of their committee; (8) $2, postage and notary fee for these reports; (9) $12.20.

A. Mrs. Harriet F. Pilpel, 285 Madison Avenue, New York, N. Y.; attorney at law.

B. Committee Against Discrimination on Small Catalog Postage Rates, care of Harriet F. Pilpel, 285 Madison Avenue, New York, N. Y.

C. (1) For the duration of this session of Congress.

C. (2) H. R. 2945.

D. (13) no.

E. (2) $24; (4) $6.73; (6) $33.74; (7) $62.35; (8) $17.50; (9) $144.32; (10) $1,157.36; (11) $1,301.68; (15) $144.32.

A. Harriet F. Pilpel, 285 Madison Avenue, New York, N. Y.; attorney.

B. Walter Field Co., 600–614 Fulton Street, Chicago, Ill.; National Bellas Hess, Inc., 475 Tenth Avenue, New York, N. Y.

C. (1) For the duration of this session of Congress.

C. (2) H. R. 2945.

D. (5) $2,368.60; (7) $2,368.60; (8) $2,500; (9) $4,868.60; (13) no.

E. (4) $3.67; (6) $66.77; (7) $389.34; (9) $459.78; (11) $459.78; (15) $459.78.

A. Pittman & Roberts, 815 Fifteenth Street NW., Washington, D. C.; attorneys.

B. Texas Independent Producers and Royalty Owners Association, Austin, Tex.

C. (1) Terminated April 21, 1950.

C. (2) (b) S. 1498.

D. (5) $1,000; (7) $1,000; (8) $3,000; (9) $4,000.

E. (6) $127.74; (7) $103.93; (8) $1; (9) $232.67; (10) $446.14; (11) $678.81.

A. Poletti, Diamond, Freidin & Mackay, 598 Madison Avenue, New York, N. Y.; attorneys.

B. American Federation of Musicians of the United States and Canada, 570 Lexington Avenue, New York, N. Y.; labor union.

C. (1) Registrant rendered professional services for the American Federation of Musicians of the United States and Canada. Registrant does not believe it is subject to the provisions of the Federal Regulation of Lobbying Act. As previously stated in a letter to the Clerk dated May 31, 1950, the registrant has been dissolved, so that reports will no longer be filed.

C. (2) Registrant was interested in so much of section 104 (a) of H. R. 6000, as passed by the House of Representatives, as would have amended section 210 (k) (2) of title II of the Social Security Act.

C. (3) Registrant has not filed or caused to be filed any printed matter. On several occasions, typewritten memoranda were submitted to Members of Congress and their staff.

D. (5) $250; (7) $250; (8) $500; (9) $750; (13) yes.

E. (7) $76.54; (9) $76.54; (10) $103.78; (11) $180.32; (15) $76.54.

A. Rufus G. Poole, 1625 K Street NW., Washington, D. C.; attorney.

B. National Automobile Dealers Association, 1026 Seventeenth Street NW., Washington, D. C.; trade association.

C. (1) Indefinite.

C. (2) Labor legislation affecting retail automobile dealers.

D. (13) No.

A. Rufus G. Poole, 1625 K Street NW., Washington, D. C.; attorney.

B. Western Conference National Park Concessioners, 80 East Jackson Boulevard, Chicago, Ill.; association composed of operators of hotels, restaurants, stores in national parks.

C. (1) Legislative interests have terminated with the current quarter.

C. (2) Wage-and-hour legislation affecting concessioners in the national parks.

E. (10) $53.14; (11) $53.14; while this sum was reported during the previous quarter as expended in connection with legislative interests, it was not in fact expended for such

purposes. Accordingly, the report for such quarter is hereby amended by striking out all references to the expenditure of said sum or any part thereof.

A. Pope, Ballard & Loos, 707 Munsey Building, Washington, D. C.

B. California Fruit Growers Exchange and California Walnut Growers Association, both of Los Angeles, Calif.; Northwest Nut Growers of Dundee, Oreg., and California Almond Growers Exchange, Sacramento, Calif.; agricultural cooperative marketing organizations.

C. (1) Indefinite.

C. (2) Agriculture and farmer cooperative matters; internal revenue bill, H. R. 8920; agricultural marketing agreements, S. 1464; import quotas, S. 3088, H. R. 6567, H. R. 7576; agricultural appropriations; tariff legislation (ITO Charter, etc.).

D. (5) $800; (6) $5.36; reimbursement of disbursements previously reported. Amount of $800 is for legal services rendered and no expenditures have been made or will be made therefrom in connection with legislative interests.

E. (4) $29.08; (6) $72.89; (7) $113.85; (8) $19.25; (9) $235.07; (10) $93.53; (11) $328.60.

A. Frank M. Porter, 50 West Fiftieth Street, New York, N. Y.; president, national trade organization.

B. American Petroleum Institute, 50 West Fiftieth Street, New York, N. Y.; national trade organization.

C. The following statement included in the preliminary report of the registrant, filed on May 16, 1950, is made a part hereof: "The registrant is president of the American Petroleum Institute (the 'institute'), a national trade association of the petroleum industry. He was elected on April 3, 1950, and assumed office on May 1, 1950. The registrant has been advised by counsel and believes that he is not subject to the provisions of the Federal Regulation of the Lobbying Act (the 'act'), and that he is not required to register or file any reports under the act. He files this registration because the Department of Justice has expressed the view that his predecessor was subject to the act and he anticipates that his duties will be similar to those of his predecessor. By filing this registration, however, the registrant does not admit that he is subject to the provisions of the act or that he is required to register. The registrant has not engaged himself for pay for the purpose of attempting to influence the passage or defeat of any legislation by the Congress of the United States. He is elected to serve until the next annual meeting of the institute and receives an annual salary to perform all of the duties of his office as chief executive and administrative officer of the institute. To the extent that he may deal with Federal legislative matters, he will do so only as an incident to the performance of his over-all responsibilities as directing head of the institute. Since the registrant's salary is received to perform all the duties of his office, it is his view that he is not paid any sum for the purpose of attempting to influence Federal legislation. His annual salary is $60,000, payable semimonthly. Since there is no way he can determine in advance the proportion of his business time, if any, which he may devote to Federal legislation, it is not possible at this time for him to apportion such salary upon the basis of time so expended. Based upon the experience of his predecessor, however, the registrant anticipates that only a very small portion of his time will be spent on Federal legislative matters. For the purposes of filing subsequent periodic reports, the registrant intends to apportion a part of his annual salary to Federal legislative purposes on the basis of his best estimate of the proportion of time actually spent by him during the period on matters relating to Federal legislation. The making of any such apportionment in subsequent reports is not to be construed as an admission that the registrant is employed for the purpose of influencing Federal legislation. No fixed sum is allowed the registrant by the institute for expenses incurred in the performance of his duties. His actual expenses relating to Federal legislation, if any, will be set forth in subsequent periodic reports. The expenses for which the registrant expects to be reimbursed in the event he incurs any such expenses are of a character similar to those customarily incurred by the managing head of an organization in the discharge of his official duties. In general, such expenses would cover travel, sustenance, and communication. To the extent that the registrant does concern himself with legislative matters in the future, his interest will be in legislation affecting the petroleum industry and he may become interested in such legislation at any time during his tenure of office. The specific matters with which he may become concerned cannot be predicted now but may include the specific matters set forth in the report of the institute under the act for the first quarter of 1950. From the date he assumed office on May 1, 1950, to and including June 30, 1950, the end of the quarter covered by this report, the registrant did not engage in any activity relating to the influencing of Federal legislation and did not expend any money for such purpose. Accordingly, the registrant does not apportion any part of his annual salary to Federal legislative purposes for this quarter. In answer to items D and E, therefore, he states that he did not have any receipts in connection with Federal legislative interests and did not have any receipts in connection with Federal legislative interests and did not make any expenditures in connection with such interests.

A. Stanley I. Posner, 1367 Connecticut Avenue NW., Washington, D. C.

B. National Federation of Private School Associations, 2601 Sixteenth Street NW., Washington, D. C.

C. (1) At least throughout 1950.

C. (2) S. 2596 and other GI-training bills.

E. (2) $2,499.99; (8) $582.65; (9) $3,082.64; (10) $1,976.45; (11) $5,059.09; (15) $3,082.64.

A. James E. Poulton, Machinists Building, Washington, D. C.; labor union representative.

B. International Association of Machinists, Machinists Building, Washington, D. C.; labor union.

C. (1) Indefinite. (See report filed by International Association of Machinists.)

A. W. Royce Powell, room 314 Shoreham Building, Washington, D. C.

B. Committee of Americans, Inc., 122 East Forty-second Street, New York, N. Y.

C. (1) Through 1950.

D. (5) $1,000; (9) $1,000.

A. Kenneth L. Pray, 1026 Seventeenth Street NW., Washington, D. C.; Washington representative.

B. Schenley Distillers, Inc., and affiliated companies.

C. (1) (2) My services insofar as legislative matters are concerned consist primarily of factually reporting the status and content of proposals affecting Schenley Distillers, Inc., and affiliated companies. Although I register, I am not employed as lobbyist for or against any specific legislation. How long this status will continue I do not know.

A. William H. Press,[1] executive secretary, Washington Board of Trade, 204 Evening Star Building, Washington, D. C.

B. Washington Board of Trade, 204 Evening Star Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) Legislation affecting the District of Columbia of interest to the Washington Board of Trade.

C. (3) See report of Washington Board of Trade.

D. (5) $3,000; (6) $274.37; (7) $3,274.37; (9) $3,274.37; (13) no; not more than 20 percent of my time is devoted to legislative work, though my full salary has been reported here.

E. (7) $274.37; (15) $274.37.

A. William H. Press, executive secretary, Washington Board of Trade, 204 Evening Star Building, Washington, D. C.

B. Washington Board of Trade, 204 Evening Star Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) Legislation affecting the District of Columbia of interest to the Washington Board of Trade.

D. (5) $3,000; (6) $494.90; (7) $3,494.90; (8) $3,274.37; (9) $6,769.27; (13) no; not more than 20 percent of my time is devoted to legislative work, though my full salary has been reported here.

E. (7) $494.90; (15) $494.90.

A. Harry E. Proctor, 1110 Continental Building, Washington, D. C.; attorney at law.

B. The registrant is a member of the law firm of Oliver & Donnally, 1110 Continental Building, Washington, D. C. Oliver & Donnally is general counsel for the National Association of Mutual Savings Banks, 60 East Forty-second Street, New York City and represents and advises that association in all legal matters including Federal legislation.

C. (1) Indefinitely.

C. (2) The registrant was interested on behalf of the National Association of Mutual Savings Banks in bills relating to taxation, banking, rent control, and deposit insurance as follows: Tax revision, hearings before House Ways and Means Committee on general tax revision (now H. R. 8920); H. R. 5806, to amend Home Owners' Loan Act of 1933 to permit conversion of Federal savings and loan associations to mutual savings banks; S. 2318 and S. 3547, bank holding company bills; S. 3181 and H. R. 8276, rent control bills (now Public Law 574, 81st Cong., 2d session); S. 2822, general revision of Federal Deposit Insurance Corporation law.

D. (5) $2,250; (7) $2,250; (8) $2,250; (9) $4,500; (13) no; the above sum of $2,250 represents my entire income from Oliver & Donnally for this quarter for all legal work which includes, as an indivisible part, work with regard to Federal legislation.

E. (4) $10.20; (7) $67.44; (9) $77.64; (10) $200.96; (11) $278.60; (15) $67.44.

A. The Producers' Council, Inc., 815 Fifteenth Street NW., Washington, D. C.; statement of the nature of the work of the organization is contained in the answer to C below.

C. (1) The Producers' Council, Inc., is an organization established in 1928. The declaration of the charter of incorporation as to the purposes of the organization is set forth in the attached statement.

C. (2) No income is received and no expenditures are made by the Producers' Council, Inc., in connection with legislative activities, however, in view of the uncertain interpretation of certain provisions of the Regulation of Lobbying Act of 1946 concerning what constitutes "principal purpose," and the phrase "to influence directly or indirectly the passage or defeat of any legislation, etc.," we are filing this form giving a full disclosure of the information as required under the act.

A. The Proprietary Association, 810 Eighteenth Street NW., Washington, D. C.; a trade organization.

C. (1) Indefinite.

C. (2) Measures affecting the proprietary medicines industry. Nothing specific pending.

C. (3) Mimeographed news bulletins are issued weekly to member companies.

[1] Filed for first quarter, 1950.

(NOTE.—To establish the status of the Proprietary Association and its registration under Public Law 601, 79th Cong., this page is substituted for p. 2 of Form 3–31–50.) General. (I) The Proprietary Association is a trade organization. It does not engage in lobbying per se. An abundance of caution impels this registration statement. (II) The income of the association is derived from the annual dues of its members, the payment of which is a condition of membership. The dues are based on an established schedule and are not contributions. Funds thus derived are used for the general purposes of the association and no part is designated for legislative purposes. In other words, no part of the funds received were for the principal purpose of influencing passage or defeat of any legislation in Congress. Of the funds received by the association, approximately 0.0175 percent is used for the collection, preparation, and dissemination of information on pending Federal legislation of general interest to member companies (details supplied below). Based on this percentage no member company paid dues in sufficient amount to aggregate $500 for the purpose of influencing legislation in Congress. (III) Bulletins of the Proprietary Association cover many subjects of interest to companies manufacturing and distributing medicinal items. Among them are rules and regulations emanating from Federal agencies; excerpts from and comment on scientific treatises; rules, regulations, and decrees of foreign governments; a veterinary medicine service; a trade-mark service; and comment on legislative proposals, both Federal and State. The collection, preparation and dissemination of information conveyed in these bulletins is done by members of the regular staff of the Proprietary Association. They are issued about once a week in mimeograph form, and mailed to approximately 150 active member companies who manufacture drugs and medicines, and to approximately 110 associate members consisting of supply houses, advertising agencies, affiliated organizations, etc. The average annual cost of these bulletins is approximately $24,000, made up as follows: Salaries, $22,697; other expenses: 300,000 sheets of paper, $485; 27,300 envelopes, $115; 24 cans mimeograph ink, $30; 13 quires stencils, $45; postage, $450; printing, $100; total cost, $23,922. The number of pages of bulletins issued each year averages 335, of which 40 are devoted to comment on legislative proposals pending in Congress, or approximately 12 percent. Thus with a total expenditure of $24,000 for all bulletins, the 12 percent devoted to Federal legislation represents an expenditure of $2,880 annually. This sum ($2,880) represents 0.0175 percent of the association's average annual income of $164,000.

D. (7) Receipts for this quarter, $44,175.50; (8) receipts during previous quarters, $67,785.81; (9) total from January 1 through this quarter, $111,861.31; (10) no loans received, none owed, none paid; (13) no contributions of $500 or more have been received for influencing legislation in Congress.

E. (4) Printed or duplicated matter, including distribution cost, $720; (8) other expenditures, $125; (9) total for this quarter, $845; (10) expended during previous quarters, $688.89; (11) total from January 1 through this quarter, $1,533.89.

A. The Prudential Insurance Co. of America, 763 Broad Street, Newark, N. J.

C. (1) Probably pending final action.

C. (2) General interest in all legislation affecting the business of the company; group life bill, H. R. 4394 (District of Columbia).

C. (3) No publication issued.

D. (13) No.

E. (2) $4,000; (6) $20; (7) $810.18; (9) $4,830.18; (10) $2,491.05; (11) $7,321.23.

A. Mr. Edmund R. Purves, executive director, the American Institute of Architects, 1741 New York Avenue NW., Washington, D. C.

B. The American Institute of Architects, 1741 New York Avenue NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) Legislation in relation to the architectural profession: S. 3455, Immigration and Nationality Act, and H. R. 3001, Foreign Skilled Personnel Admission Act (re expatriation from northern Italy of terrazzo artisans); S. 3349 and H. R. 2887, amends District of Columbia Architects' Registration Act; H. R. 7341, the Anacostia bridge bill; and H. R. 4848, to reorganize the National Capital Park and Planning Commission.

E. (2) $3,750; (4) $40.33; (9) $3,790.33; (10) $3,791.22; (11) $7,581.55. Only a small fraction of my time as executive director of the American Institute of Architects is devoted to legislative interests. The sum stated is my total salary as executive director for the quarter.

A. C. J. Putt, 920 Jackson Street, Topeka, Kans., solicitor for Kansas, the Atchison, Topeka & Santa Fe Railway Co.

B. The Atchison, Topeka & Santa Fe Railway Co., 920 Jackson Street, Topeka, Kans.

C. (1) Continuing. Legislative activity is only occasional and incidental when called upon by employer.

C. (2) General legislative interest in matters affecting railroads.

E. (6) $5.45; (7) $290.06; (9) $295.51; (11) $295.51; (15) $295.51.

A. Ward L. Quaal, suite 532, Shoreham Building, Washington, D. C.; director of Clear Channel Broadcasting Service (CCBS).

B. Clear Channel Broadcasting Service (CCBS), suite 532, Shoreham Building, Washington, D. C.; an informal organization of 15 licensees of class I–A standard broadcast stations.

C. (1) As long as S. 491 and H. R. 4004, or similar bills, are pending before the Congress.

C. (2) CCBS opposes any proposed legislation (such as S. 491 and H. R. 4004) calling for the duplication of class I–A (clear channel) frequencies or the limitation of the power of class I–A standard broadcast stations.

D. (5) $3,750; (7) $3,750; (8) $3,198.34; (9) $6,948.34; (13) no.

E. (3) $66.17; (4) $14.22; (5) $1.47; (6) $1.30; (7) $715.17; (9) $798.33; (10) $858.24; (11) $1,656.57; (15) $798.33. Although only a portion of his activities came within the purview of the Lobbying Act, affiant reports herein all receipts received by him and all expenditures made by him for which he was reimbursed or will be reimbursed by CCBS in connection with his employment as CCBS director. Affiant has no other employment.

A. Frank Quigley, 195 Broadway, New York, N. Y.; 725 Thirteenth Street NW., Washington, D. C.; attorney, American Telephone & Telegraph Co.

B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.

C. (1) Indeterminate.

C. (2) Any matters affecting Bell Telephone Cos. Affiant is on leave of absence due to illness. Compensation continued for present during disability.

D. (5) $7,500; (7) $7,500; (8) $8,135; (9) $15,635; (13) no.

E. (10) $635; (11) $635.

A. William A. Quinlan, 1317 F Street NW., Washington, D. C.

B. On the bases previously stated in my registration, I am employed by the following: Associated Retail Bakers of America, 735 West Sheridan Road, Chicago, Ill.; United States Wholesale Grocers Association, Inc., Continental Building, Washington, D. C.; National Candy Wholesalers Association, Inc., 1424 K Street NW., Washington, D. C.; National Council of Private Motor Truck Owners, Inc., Kass Building, Washington, D. C.; Ward Baking Co., 475 Fifth Avenue, New York, N. Y.; Taylor Food Co., Post Office Box 2508, Raleigh, N. C.

C. (1) Indefinitely.

C. (2) Legislation which may be of interest to clients employing the undersigned on general retainers, at present including the Small Business Act of 1950 (S. 3386 and H. R. 8566); other small business acts, S. 2943, S. 2947, S. 2975, S. 1008; the Federal Fair Employment Practice Act (H. R. 4453 and S. 1728); S. 2912; the Social Security Act amendments of 1949 (H. R. 6000); national health insurance bill (S. 1679); S. 2190; S. 2432 and S. 2450; House Resolution 323; Revenue Act of 1950 (H. R. 8920); H. R. 6567; H. R. 6826; H. R. 5690; H. R. 5064; House Resolution 522; Senate Resolution 253 and House Resolution 545; Senate Resolution 248 and House Resolution 516; S. 3339.

C. (3) (a) Associated Retail Bakers of America press release on S. 1008; (b) unknown; (c) June 14, 1950; (d) unknown. Also gave information and suggestions to trade papers.

D. (5) $10,000; (7) $10,000; (9) $10,000; (13) yes. Period from April 1 through June 30, 1950. $5,000, Continental Baking Co., 630 Fifth Avenue, New York, N. Y.; $5,000, Purity Bakeries Corp., 919 North Michigan Avenue, Chicago, Ill.

E. (6) $2.71; (8) $1.25; (9) $3.96; (10) $1.90; (11) $5.86; (15) $3.96.

A. Radio Manufacturers Association, 1317 F Street NW., Washington, D. C.; trade association of radio-electronic industry.

B. Radio Manufacturers Association, 1317 F Street NW., Washington, D. C.; trade association of radio-electronic industry.

C. (1) In opposition to Treasury Department recommendation for an excise tax of 10 percent on television.

C. (2) Same as C (1).

D. (8) $20,000; (9) $20,000; (13) no; (14) $3,000, April 1, May 1, June 1, Joseph E. Casey, 1025 Connecticut Avenue NW., Washington, D. C., tax counsel. $90.95, May 3, Lee B. Wailes, 199 Pierce Street, Birmingham, Mich.; expenses witness before House Ways and Means Committee. $664.84, June 8, Joseph E. Casey, 1025 Connecticut Avenue NW., Washington, D. C.; telephone calls, tips, taxis, lunches, etc. $17.06, April 17, Chesapeake & Potomac Telephone Co., Washington, D. C.; telephone service. $0.84, May 22, Western Union Telegraph Co., Washington, D. C.; telegraph service. $28.09, postage, stationery, taxis, etc.

E. (2) $3,000; (6) $18; (7) $755.79; (8) $28.09; (9) $3,801.88; (10) $9,996.09; (11) $13,797.97.

A. William Radner, Frank J. Zito, Robert F. Donoghue, Tower Building, Washington, D. C.; attorneys.

B. Coastwise Line, 150 Sansome Street, San Francisco, Calif.; steamship owner and operator.

C. (1) Final report; activities have now terminated.

D. (5) $2,500; (7) $2,500. In full settlement for all services performed during 1949.

A. Radner, Zito & Donoghue, 529 Tower Building, Washington, D. C.; attorneys.

B. Pacific Far East Line, Inc., 141 Battery Street, San Francisco, Calif.; steamship owner and operator.

C. (1) Indefinite.

C. (2) Following up on ship sales and charter extension legislation, appropriations bill.

D. (13) No.

A. Edward F. Ragland,[2] Associated Tobacco Manufacturers, 104–105 Willard Hotel, Washington, D. C.; executive secretary, trade association.

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[2] Filed for first quarter, 1950.

B. Associated Tobacco Manufacturers, 104–105 Willard Hotel, Washington, D. C.; trade association.

C. (1) Until final disposition of the bill.
C. (2) H. R. 2016 and H. R. 6048.
C. (3) No publications issued.
D. (13) No.

A. Edward F. Ragland, Associated Tobacco Manufacturers, 104–105 Willard Hotel, Washington, D. C.; executive secretary, trade association.

B. Associated Tobacco Manufacturers, 104–105 Willard Hotel, Washington, D. C.; trade association.

C. (1) Until final disposition of the bills.
C. (12) H. R. 2016 and H. R. 6048.
C. (3) No publications issued.
D. (13) No.

A. Leon Raesly, 1218 Shoreham Building, Washington, D. C.; public relations counsel.

B. Leon Raesly Organization, Inc., 1218 Shoreham Building, Washington, D. C.; public relations and advertising.

C. (1) Depends entirely upon the whim of Congress.
C. (2) S. 2068 and S. 2069.
D. (13) No.

A. Railroad Pension Conference, post-office box 798, New Haven, Conn.; enactment of 30-year-half-pay railroad retirement legislation.

C. (1) Length of legislative campaign unknown.

C. (2) For enactment of 30-year-half-pay railroad retirement legislation, based on the five highest years of earnings, maximum annuity $150 per month.

C. (3) Two thousand five hundred copies of Pension Conference Bulletin—2,000 leaflets entitled "Proof"—1,500 post cards addressed to Members of Congress; all three items were mimeographed by the conference.

D. (1) $243; (4) $12.75; (7) $255.75; (8) $6,997.20.

E. (4) $270.45; (5) $190.32; (6) $37.21; (7) $94.21; (8) $64.78; (9) $656.97; (10) $6,741.45; (11) $6,997.20.

A. Railroad Security Owners Association, Inc., 110 East Forty-second Street, New York, N. Y.; an association of railroad security owners. The Railroad Security Owners Association, Inc., is an organization maintained by institutional investors in railroad securities to protect and promote the best interests of their holdings. The association is supported by the payment of regular dues by the member institutions on a schedule basis to carry on all the activities of the association. While this statement of receipts and expenditures is filed by the Railroad Security Owners Association, Inc., it is believed that the law does not require the filing of such a statement inasmuch as the legislative activities of the organization comprise only a small part of its general activities and are not the principal purpose of the association. The association's functions are, among other things, to cooperate with other groups in encouraging things which will better the welfare of the railroads and thus bring about better conditions for their securities; to participate in rate proceedings before the Interstate Commerce Commission where general questions of revenues are involved; to participate in matters involving accounting practices and procedure, and in proper cases to appear before committees of Congress on legislation in which the members have a legitimate interest. Such legislative activities are confined to legitimate appearances before congressional committees where the views of the member institutions are publicly announced and are not at any time involved in private conferences with legislative members on these subjects. In order that there may be no question about the propriety of failing to file these financial statements, the executive committee of the association has instructed that they be filed. No payment to anyone was made during the period April 1 to June 30, 1950, for purposes in connection with legislative interests.

C. (1) Legislative interests will continue indefinitely.

C. (2) The general legislative interests consist of any legislation which the members of the association have a legitimate interest in supporting or opposing. There have been no specific legislative interests in the period April 1 to June 30, 1950.

D. (1) $144.69; (7) $144.69; (8) $2,725.34; (9) $2,870.03; (13) no.

A. Railway Business Association, 38 South Dearborn Street, Chicago, Ill.; a national organization of manufacturers and other concerns engaged in furnishing the railways with material, equipment, and supplies.

C. (1) The only legislative activity dealt with by the Railway Business Association in the quarter ending June 30, 1950, consisted of a letter to members of the RBA (April 28) requesting their cooperation in opposing Reorganization Plan No. 7, which gave the President authority to designate the Chairman of the Interstate Commerce Commission.

C. (2) Our reason for opposing this plan No. 7 was because we believe it would impair the independence of the Interstate Commerce Commission.

C. (3) The number of letters sent to members of the Railway Business Association in connection with Reorganization Plan No. 6 was 600.

A. Railway Labor Executives' Association, 10 Independence Avenue SW., Washington, D. C.; unincorporated railway labor association.

C. (1) Indefinitely.

C. (2) S. 3295 and H. R. 7789, to amend Railway Labor Act; S. 328 and H. R. 378 to amend section 25 of Interstate Commerce Act; generally interested in all legislation affecting labor, especially railroad labor.

D. (1) $2,258.58; (13) No.

E. The estimated expenditures by the association during the second quarter of 1950 for legislative activities are shown in the following table separated into the several categories of expenses: Generally it may be stated that the association has an interest in any legislative proposals dealing with labor and a particular interest in those relating to railway labor. The amounts expended in connection with such legislation have been prorated among the specific categories of expense wherever pertinent. For example, a given bill may receive study by the association's attorneys, may in some cases be distributed to particular member organizations, and infrequently may be the subject of pamphlet comment. $1,237.76, salaries and expenses to officers and employees, $657.91, attorney fees; $59.91, postage; $54.20, telephone and telegraph; $140.10, stationery and office supplies; $34.60, furniture and office equipment; $18.62, cartage and messenger service; $8, newspapers and magazines; $32.63, public documents and decisions; $2.85, District

A. DeWitt C. Ramsey, 610 Shoreham Building, Washington, D. C.; president of a national trade association.

B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D. C.; national trade association of the aircraft manufacturing industry.

C. (1) Contract runs to June 30, 1952.

C. (2) Generally any legislation which will affect the welfare of the aircraft industry.

D. (5) Nothing received except salary and expenses, no part of either having been paid in connection with legislative interests. Registrant has had no legislative activity during this quarter; (13) no.

A. Donald J. Ramsey, Silver Users Association, 1612 Eye Street NW, Washington, D. C.; legislative counsel and treasurer of the Silver Users Association. Filed for first quarter, 1950.)

B. Silver Users Association, 1612 I Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Legislation involving silver; (S. 2829, to repeal certain legislation relating to the purchase of silver, and for other purposes; H. R. 6724, to repeal certain legislation relating to the purchase of silver, and for other purposes.

D. (5) $3,499.98; (7) $3,499.98; (9) $3,499.98; (13) no.

E. (7) $1,484.43; (9) $1,484.43; (11) $1,484.43; (15) $634.06.

A. Donald J. Ramsey, Silver Users Association, 1612 I Street NW., Washington, D. C.; legislative counsel and treasurer of Silver Users Association.

B. Silver Users Association, 1612 I Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Legislation involving silver; S. 2829, to repeal certain legislation relating to the purchase of silver, and for other purposes; H. R. 6724, to repeal certain legislation relating to the purchase of silver and for other purposes.

D. (5) $3,499.98; (7) $3,499.98. (8) $3,499.98; (9) $6,999.96; (13) no.

E. (7) $989.24; (9) $989.24; (10) $148.43; (11) $2,473.67; (15) $338.88.

A. Robert Ramspeck, executive vice president, Air Transport Association, 1107 Sixteenth Street NW., Washington, D. C.; trade association for the commercial airlines.

B. Air Transport Association of America, 1107 Sixteenth Street NW., Washington, D. C.; trade association for the commercial airlines.

C. (1) Legislative interests are continuous.

C. (2) General legislative interests for the proper advancement of the airline industry in the public interest; H. R. 42, 43, 73, 103, 141, 161, 205, 208, 306, 347, 393, 421, 448, 780, 804, 1008, 1228, 1327, 1540, 1564, 1734, 1838, 1843, 1895, 2032, 2100, 2165, 2299, 2407, 2543, 2651, 2657, 2845, 2908, 2910, 2911, 2912, 2913, 2945, 3183, 3374, 3488, 3538, 3550, 3656, 3658, 3714, 3844, 3846, 3905, 4082, 4199, 4217, 4290, 4298, 4321, 4550, 4636, 4751, 4786, 4801, 4946, 5064, 5163, 5173, 5185, 5396, 5468, 5510, 5560, 5561, 5621, 5735, 5808, 5919, 6103, 6136, 6151, 6352, 6538, 6545, 6549, 6558, 6563, 6605, 6636, 6641, 6775, 6828, 6842, 6924, 6928, 7126, 7158, 7190, 7191, 7241, 7333, 7382, 7429, 7430, 7767, 7789, 7870, 8126, 8304, 8413, 8536, 8572; House Joint Resolutions 331, 406, 470; House Resolutions 46, 281; S. 1, 4, 8, 10, 12, 237, 249, 181, 401, 402, 417, 418, 420, 421, 423, 424, 426, 427, 428, 429, 430, 431, 432, 433, 442, 444, 445, 448, 450, 451, 453, 455, 456, 636, 643, 789, 810, 822, 953, 954, 1009, 1029, 1077, 1095, 1103, 1281, 1431, 1603, 1768, 1832, 1836, 1888, 1908, 1946, 1980, 2056, 2059, 2212, 2301, 2330, 2435, 2437, 2438, 2498, 2627, 2751, 2759, 2875, 2984, 3069, 3147, 3295, 3377, 3455, 3463, 3504, 3507, 3620; Senate Joint Resolutions 27, 92; Senate Resolutions 34, 50, 267.

D. (5) $5,750; (7) $5,750; (8) $5,750; (9) $11,500.

E. (7) $7.95; (9) $7.95; (10) $18.15; (11) $26.10; (15) $7.95.

A. Harry I. Rand, 729 Fifteenth Street NW., Washington, D. C.; lawyer.

C. (1) Indefinite.

E. (6) $16.97; (7) $76.28; (8) $21.45; (9) $114.70.

A. Randolph Associates, Inc., 333 North Michigan Avenue, Chicago, Ill.; fund raising for philanthropic organizations and circulation promotion for newspapers and book publishers.

C. (1) Interest to continue for duration of Eighty-first Congress.

C. (2) Specifically concerned with S. 1103 and H. R. 2945, each designated "A bill to readjust postal rates."

C. (3) No publications have been issued.

E. (2) $600; (9) $600.

A. J. Lee Rankin, 714 Stuart Building, Lincoln, Nebr.; law firm.

B. Beghtol & Rankin (partnership), 714 Stuart Building, Lincoln, Nebr.; attorneys at law.

C. (1) Interests are to continue until the passage of tax-equality legislation.

C. (2) Legislative interests—all legislation designed to bring about equality of taxation between private business and cooperatives. Mason bill, H. R. 5064.

D. (2) $310; (7) $310; (8) $720; (9) $1,030; (13) no.

E. (4) $46.83; (8) $161.32; (9) $208.15; (10) $1,143.08; (11) $1,351.23.

A. Raytheon Manufacturing Co., Foundry Avenue, Waltham, Mass.; manufacturer of electronic equipment.

C. (1) Until final action on H. R. 577.

C. (2) (a) An act to correct possible inequity in the case of certain application for letters patent of William R. Blair; (b) H. R. 577.

D. (13) No.

E. (2) $30; (6) $2.44; (7) $34.84; (9) $67.28; (10) $200.68; (11) $267.96.

A. Jacob Reck, 1346 F Street NW., Washington, D. C., counsel and executive vice president, National Beauty & Barber Manufacturers Association, 1346 F Street NW., Washington, D. C.

B. National Beauty & Barber Manufacturers' Association, 1346 F Street NW., Washington, D. C., pays registrant annual retainer of $7,200 for services as counsel. Beauty and Barber All-Industry Legislative Council, 1346 F Street NW., Washington, D. C., an informal group consisting of executives of trade asscciations in the beauty and barber industry (no compensation received).

C. (1) Repeal of tax on cosmetics used in beauty and barber shops (H. R. 8920).

C. (2) Legislative bulletins describing actions of the Ways and Means Committee and the House of Representatives on tax revision bill. Mimeographed 195, issued April 22, 1950, and June 29, 1950.

D. Received only retainer fee referred to in paragraph B and expenses listed in paragraph E. Legislative interests represent small portion of duties as counsel.

E. (4) $6.50; (6) $5; (8) $15; (9) $26.50; (10) $35; (11) $61.50; (15) $26.50.

A. Stanley Rector, 506 Hotel Washington, Washington, D. C.

B. Unemployment Benefit Advisors, Inc., 506 Hotel Washington, Washington, D. C.; consultants in social security.

C. (1) Indefinitely.

C. (2) The organization is interested in the over-all field of social security, that is, new legislation affecting titles 1, 2, 3, 8, 9, 12, and 13 of the Social Security Act, as amended—also chapters 1 and 9 of the Internal Revenue Code. Specific legislation before Congress this quarter has been H. R. 6000 and H. R. 8059.

C. (3) We had no publications as such issued during the present quarter. We do prepare a mimeographed release entitled "The Advisor," issued at irregular intervals, which advises the recipient of legislation introduced and analyzes the effects of the proposed legislation. It also gives statistical, educational, and informational data relating to the operations of the State and Federal programs in the field of social security. This release is sent to approximately 2,500 people, including not only the organizations that have retained our service, but educational institutions and persons interested in the social-security program. The releases are prepared by Bates Duplicating Co., and such releases were issued on the following dates: January 13, February 9, March 13 and 28.

D. (5) $4,999.98.

E. Expenses for travel, etc., paid by employer, Unemployment Benefit Advisors, Inc., and listed on their report.

A. Otie M. Reed, 1731 I Street NW., Washington, D. C.; economist for National Milk Producers Federation.

B. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.; national farm organization.

C. (1) Indefinitely.

C. (2) Any legislation that may affect milk producers or the cooperatives through which they act together to process and market their milk.

C. (3) The name of any papers, periodicals, magazines, or other publications in which the person filing has caused to be published any articles or editorials: (b) News for Dairy Coops, 700, weekly, federation; legislative letter, 1,200, irregular, federation.

D. (5) $1,999.98; (6) $336.04; (7) $2,336.02; (8) $2,501.20; (9) $4,837.22; (10) no loans received as contributions within the meaning of the Federal Regulation of Lobbying Act.

E. (7) $258.79; (8) $77.25; (9) $336.04; (10) $501.22; (11) $837.26; (12) no loans as expenditures within the meaning of the Federal Regulation of Lobbying Act; (15) all.

A. Albert L. Reeves, Jr., 1625 K Street NW., Washington, D. C.

B. Wilcox Electric Co., Inc., Fourteenth and Chestnut Street, Kansas City, Mo.; manufacturers of radio communications equipment.

C. (1) Unknown, but probably until end of current session of Congress.

C. (2) H. R. 5564, a bill for the relief of Wilcox Electric Co., Inc.

E. (4) $1.53; (6) $1.13; (9) $2.66; (10) $169.57; (11) $172.23.

A. Gerald D. Reilly, Reilly, Rhetts & Ruckelshaus, 1401 K Street NW., Washington, D. C.; member of firm engaged in general practice of law.

B. Foremanship Foundation, 512–20 Harries Building, Dayton, Ohio.

C. (1) Until expiration of Eighty-first Congress.

C. (2) (b) H. R. 2030, S. 249, S. Res. 248, H. Res. 516.

D. (5) $1,000; (7) $1,000; (9) $1,000; (13) no.

E. (6) $8.18; (9) $8.18; (11) $8.18; (15) $8.18; $1,402.62, salaries; $117.05, office supplies and postage; $915, rent and repairs; $193.43, office phone; $28, phone-answering service; $152.56, books (law library), subscriptions, and dues; $18.30, District Unemployment Compensation Board; $233.53, employers quarterly Federal tax return; $3,060.49, total. With the exception of such specific items as are shown in the quarterly reports, none of the foregoing can be attributed to activity pursuant to the Federal Regulation of Lobbying Act. Legislative work is only incidental to our general legal business and has not increased the over-all overhead of our office.

A. Gerard D. Reilly, Reilly, Rhetts & Ruckelshaus, 1401 K Street NW., Washington, D. C.; member of firm engaged in general practice of law.

B. General Electric Co., 570 Lexington Avenue, New York, N. Y.

C. (1) Legislative interests seem to have terminated in quarter preceding beginning of calendar year and there have been neither receipts nor expenditures for the quarter for which this report is filed. Since employer, however, is a client of this office, it is possible that I may be asked to appear on legislative interests, if any, later in the session.

A. Gerard D. Reilly, Reilly, Rhetts & Ruckelshaus, 1401 K Street NW., Washington, D. C.; member of firm engaged in general practice of law.

B. Union Employers Section, Printing Industry of America, Inc., 719 Fifteenth Street NW., Washington, D. C.

C. (1) Legislative interests seem to have terminated in quarter preceding beginning of calendar year and there have been neither receipts nor expenditures for the quarter for which this report is filed. Since employer, however, is a client of this office, it is possible that I may be asked to appear on legislative interests, if any, later in the session.

A. Gerard D. Reilly, Reilly, Rhetts & Ruckelshaus, 1401 K Street NW., Washington, D. C.; member of firm engaged in general practice of law.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

C. (1) Until expiration of Eighty-first Congress.

C. (2) S. Res. 248; H. Res. 516.

D. (5) $6,000; (7) $6,000; (9) $6,000; (13) no.

E. (6) $6.06; (9) $6.06; (11) $6.06.

A. Gerard D. Reilly, Reilly, Rhetts & Ruckelshaus, 1401 K Street NW., Washington, D. C.; member of firm engaged in general practice of law.

B. Pond Creek, Pocahontas Co., Huntington, W. Va.

C. (1) Until expiration of Eighty-first Congress.

C. (2) S. 249; S. 2912; H. R. 2030; H. R. 7552.

D. (5) $1,500; (7) $1,500; (9) $1,500; (13) no.

A. J. P. Reinhold, Atchison, Topeka & Santa Fe Railway Co., 525 Shoreham Building, Washington, D. C.; representative of president.

B. Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill.; common carrier by railroad of passengers and property.

C. (1) Indefinitely.

C. (2) Legislation affecting the interests of the Atchison, Topeka & Santa Fe Railway: Basing-point bill, S. 1008; parcel post switching service bill, S. 1596; railroad safety bills, H. R. 378 and S. 238; inland waterways bills, H. R. 4978 and S. 211; parcel-post rates bills H. R. 2945 and S. 1103; St. Lawrence Waterway resolution, Senate Joint Resolution 99, etc.; Railway Labor Act amendment bills, H. R. 7798 and S. 3295; various amendments to the Railroad Retirement Act; general tax legislation which includes corporation and transportation taxes; Reorganization Plan No. 7; Senate Resolution 253.

D. (5) $4,000; (7) $4,000; (8) $3,666.66; (9) $7,666.66; (13) no.

E. (6) $196.33; (7) $206.52; (9) $403.35; (11) $403.35; (15) $403.35.

A. Retirement Federation of Civil Service Employees of the United States Government, 900 F Street NW., Room 314, Washington, D. C., Federal civilian employees organization.

C. (1) Legislative interests are expected to continue indefinitely.

C. (2) General legislative interests are: Retention and improvement of the civil service retirement and United States employees compensation acts. Short titles and numbers of bills of specific interest include: S. 2715 and H. R. 6293, to amend the Civil Service Retirement Act of May 29, 1930, as amended; S. 2716, and H. R. 5985, to provide for retirement of certain Government employees in case of reductions in force; S. 2717 and H. R. 6295, to provide for the continuance of family benefits to civil-service employees separated after 5 years' service; S. 2718 and H. R. 5640, to provide for the continuance of family benefits to civil service employees separated after 20 years' service; S. 2719 and H. R. 998 to provide reduced annuities at age 55 after 5 years of civilian service for persons involuntarily separated from the Federal service not by removal for cause; H. R. 4501, to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for those civilian employees engaged in hazardous occupations in any branch of the Federal service, and for other purposes; S. 3564, to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who are

involuntarily separated after having rendered 20 years of service.

C. (3) No publication in connection with legislative interests has been issued within the past year and none is expected to be issued in the near future.

D. (1) $10,119.60; (4) $45.90; (7) $10,165.50; (8) $6,466.05; (9) $16,631.55; (13) yes; (14) Period from January 1 through June 30, 1950: $1,050, local No. 1, E. L. Aalbue, treasurer, New York, N. Y.; $1,500, local No. 2, J. L. Bauman, treasurer, Washington, D. C.; $1,500, local No. 3, M. Denmark, treasurer, Portsmouth, Va.; $1,081.85, local No. 4, S. S. Sheller, treasurer, Philadelphia, Pa.; $1,121.96, local No. 5, F. Lysston, treasurer, Portsmouth, N. H.; $500, local No. 6, E. J. Finn, treasurer, Boston, Mass.; $700, local No. 7, J. D. Van Zant, treasurer, Vallejo, Calif.; $1,679.80, local No. 8, H. W. Stiehlan, treasurer, Bremerton, Wash.; $500, local No. 14, M. T. Anderson, treasurer, Pearl Harbor, T. H.; $2,100, local No. 16, J. A. Connors, treasurer, Norfolk, Va.; $2,020, local No. 20, H. J. Thomas, treasurer, Alameda, Calif.; $1,700, local No. 31, W. E. Lonnecker, treasurer, Oakland, Calif; $15,453.61, total. The contributions listed above represent annual dues at 35 cents per member collected and forwarded by the various locals of this organization. The individual listed is merely acting as a forwarding agent. It is estimated that approximately 20 percent of the amounts reported are used for the purpose of attempting to influence legislation.

E. (2) $3,064.43; (4) $282.24; (5) $390; (6) $50; (7) $185.25; (8) $1,019.56; (9) $4,991.48; (10) $5,946.10; (11) $10,937.58.

A. Revere Copper & Brass, Inc., 230 Park Avenue, New York, N. Y.

B. As above: nature of business: Fabricator of copper.

C. (1) Only while Congress has under consideration legislation affecting the continued suspension of the import tax on copper.

C. (2) H. R. 5327, a bill to suspend the import tax on scrap and for other purposes, and H. R. 7151, a bill to continue the suspension of the import tax on copper.

E. (2) $1,000 per month paid to John A. Danaher, attorney at law, for representation of this company's legislative interests; (4), (5), and (7), all company office expenses, salaries, rent, telephone, travel, and the like are generally incurred as part of the company's business expense independent of legislative interests and do not represent expenditures in connection therewith.

A. Hubert M. Rhodes, 3308, Fourteenth Street NW., Washington, D. C., registrant is a regular employee of the Credit Union National Association, Inc., and receives no additional compensation for service on legislative work.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis., a nonprofit association of credit unions.

C. (1) Indefinitely.

C. (2) Legislation affecting credit unions.

D. (5) $342.49.

E. (7) 10.20; (9) $10.20; (10) $10.90; (11) $21.10; (15) $10.20.

A. Mr. Siert F. Riepma, assistant to the president, National Association of Margarine Manufacturers, 1028 Munsey Building, Washington, D. C.

B. National Association of Margarine Manufacturers, 1028 Munsey Building, Washington, D. C.

C. (1) Indefinite, depending upon assignments by employer.

S. (2) During period January–March, concerned with H. R. 2023 (Public Law 459, 81st Cong., 2d sess., approved March 16, 1950). Also interested in H. R. 330 and H. R. 4358, which contain proposed amendments to the Navy Ration Statute (34 U. S. C. 902a). Generally interested in any margarine legislation.

D. (8) $204.01; (9) $204.01.

E. (10) $4; (11) $4.

A. John J. Riggle, 744 Jackson Place NW., Washington, D. C., assistant secretary, National Council of Farmer Cooperatives, trade organization.

B. National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C., a trade organization for farmer cooperatives marketing farm products and/or purchasing farm supplies.

C. (1) Indefinitely.

C. (2) House Joint Resolution 334, increase United States contribution to FAO, ILO, and other agencies; H. R. 848, to authorize retirement of Government capital in banks for cooperatives.

C. (3) Foreign Trade Memo; (a) brief items on international trade in American agricultural commodities as affected by credit, intergovernmental activities and United States policies; (b) 175 copies to directors and direct members; (c) about once a month irregularly; (d) mimeographed in office.

D. (5) $2,250; (7) $2,250; (9) $4,500.

A. George D. Riley, 901 Massachusetts Avenue, NW., Washington, D. C.; member, national legislative committee, American Federation of Labor.

B. American Federation of Labor, 901 Massachusetts Avenue NW., Washington, D. C., federation of trades and labor unions.

C. (1) Indefinitely.

C. (2) Legislation affecting the interests of working people.

D. (5) $2,466 and actual expenses.

E. (9) The only expenditures I have are actual expenditures for taxis, messengers, phones (when away from office), and minor miscellaneous expenses. They all average about $20 per week. For the second quarter of 1950, these expenses were $256.

A. Hugo J. Ripp, 10 Independence Avenue SW., Washington, D. C.; legislative agent of organization listed below.

B. Brotherhood of Railway & Steamship Clerks, Freight Handlers, Express and Station Employees, 1015 Vine Street, Cincinnati, Ohio; a railway labor organization.

C. (1) Legislative interests will continue indefinitely.

C. (2) S. 3295 and H. R. 7789, are the two bills that we are currently interested in. Also any and all labor legislation, particularly affecting railway labor.

D. (5) $780; (7) $780; (9) $780.

A. E. W. Rising, 1215 Sixteenth Street NW., Washington, D. C.; to assist in purposes of National Water Conservation Conference, as stated in section 2 of constitution, page 15, Summary of Proceedings. (See previous report.)

B. National Water Conservation Conference; no salary, reimbursement for expenses only, through office of Secretary, 347 Broad Street, Philadelphia, Pa.

C. (1) Indefinite.

C. (2) All legislation relative to development, utilization, and conservation of natural resources, including bills to authorize projects, appropriations for construction of projects, and for control of natural resources, particularly as indicated in copies of resolutions adopted at our Chicago conference, September 1949.

C. (3) No publications for general distribution during second quarter of year 1950. Have issued 5 newsletters to mailing list of about 200 members, giving general and miscellaneous information.

E. (2) $475.32; (4) $52; (5) $17.42; (6) 22.50; (9) $567.24; (11) $567.24; (15) $567.24.

A. E. W. Rising, 1215 Sixteenth Street NW., Washington, D. C.; Information Service for Members of the Western Beet Growers Association.

B. Western Beet Growers Association, Great Falls, Mont.

C. (1) Indefinite.

C. (2) All legislation in connection with domestic sugar industry, particularly that which affects the growers of sugar beets, bills replacing or amending Sugar Act of 1948; no legislation has been introduced in Eighty-first Congress.

C. (3) No publications. Have issued 3 newsletters to about 400 members during second quarter of 1950.

E. (1) $175; (2) $22.89; (5) $74.16; (7) $50.07; (9) $322.12; (11) $322.12.

A. Donald A. Risser, 2404 North Seventy-first Street, Milwaukee, Wis.

B. Communications Workers of America, CIO, Division No. 23, 759 North Milwaukee Street, Milwaukee, Wis.

C. No moneys spent specifically for lobbying. Any lobby work performed was incidental part of real purpose of trip to Washington. I am filing so there can be no question as to my status.

A. T. E. Rivers, National Recreation Association, 315 Fourth Avenue, New York, N. Y.; philanthropic organization.

B. National Recreation Association, 315 Fourth Avenue, New York, N. Y.; philanthropic organization.

C. (1) No activity in this quarter. Legislative interests have terminated.

E. (10) $21.52; (11) $21.52.

A. George Mackay Robb, 2517 South Salina Street, Syracuse, N. Y.; Protestant clergyman, pastor of the Reformed Presbyterian Church of Syracuse, N. Y.

B. Reformed Presbyterian Church of North America, with denominational headquarters at 209 Ninth Street, Pittsburgh, Pa.

C. (1) We are laboring for a divine acknowledgment in the Constitution of the United States. We are unable to state how long it will take.

C. (2) Our bill before Congress is House Joint Resolution 181.

C. (3) I have had no publications or articles in any publications during the quarter. However, our movement issues a four-page monthly periodical, the Christian Patriot, circulation about 5,000, edited by Dr. J. C. Mathews, 914 Clay Street, Topeka, Kans. Printed by the Service Print Shop, Topeka, Kans.

D. (10) $11.63; (12) 66 cents.

E. (8) $0.66; (9) $0.66; (10) $0.51; (11) $1.27; (15) 66 cents.

A. Paul H. Robbins, 1121 Fifteenth Street NW., Washington, D. C., executive director, National Society of Professional Engineers.

B. National Society of Professional Engineers, 1121 Fifteenth Street NW., Washington, D. C. A national professional association representing the various interests of professional engineers.

C. (1) Indefinitely.

C. (2) All legislation affecting the welfare of professional engineers, current interests covering the following: Taft-Hartley Act, social-security revision (H. R. 6000), Fair Labor Standards Act, Professional Engineers' Registration Act (H. R. 1188), Army Organization Act of 1949 (S. 2334, H. R. 5794), Earned Income Tax Adjustment Act of 1949 (H. R. 3224), dissemination of engineering information (S. 868), amendments to Walsh-Healey and Davis-Bacon Acts (H. R. 7425, H. R. 7426, S. 3119, S. 3129), transfer of civil functions of Corps of Engineers and creation of Board of Engineering Analysis (H. R. 6920 and related bills), Small Business Act of 1950 (title 7 only).

C. (3) (a) Legislative Bulletin, containing reports on status of legislation of interest to professional engineers; (b) approximately 4600 per month; (c) first week in each month; (d) Colortone Press, Washington, D. C. American Engineer, official publication of the society; (b) approximately 25,500 per month; (c) last week of each month; (d) Fleet-McGinley Printing Co., Baltimore, Md.

D. (5) $500; (7) $500; (8) $500; (9) $1,000; (13) no.

A. Dr. Frederick E. Robin, education director, Committee for the Nation's Health,

Inc., 1416 F Street NW., Washington, D. C.; chief salaried officer of the Committee for the Nation's Health, Inc.

B. Committee for the Nation's Health, Inc., 1416 F Street NW., Washington, D. C. This committee was incorporated in 1946 as a nonprofit organization. Nature of business: To promote through education and legislative activities passage of national health insurance, basic feature of the President's national health plan. The committee opposes socialized medicine, restrictive laws preventing consumers, farmers, workers, and others from organizing health-insurance plans.

C. (1) Legislative interests will continue until the passage of national health insurance as stated in B.

C. (2) Legislative interests: President Truman's national health plan embodied in S. 1679; H. R. 4312, 4313, national health insurance and the Public Health Act; separate bills incorporating the first six titles of S. 1679. Also in opposing various substitute bills such as the Taft bill (S. 1581); the Hill bill (S. 1456); the Flanders-Herter bill (S. 1970).

C. (3) No printed material has been issued; the following have been reprinted: April 12, 1950, the Case for National Health Insurance, reprinted from the New York Times, 5,000; April 30, 1950, Opinion Leaders Strongly Favor Truman Health Plan, reprinted from American Druggist, 10,000. The following were mimeographed in the offices of the committee for the Nation's Health, Inc.: April 20, summary of three new bills, 200; summary of the Hunt bill, 200; summary of the Keating bill, 200; summary of the Bosone bill, 200; May 4, British Medical Journal Debunks Mr. Stassen, 400; Was It Cancer? 300; May 5, National Health Insurance and the Patient, 500; May 12, the Granny Racket, 200; May 16, the Medical Lobby's Real Motto, 350; May 26, Know Your Medical ABC's, 1,000; June 1, letter and notice to members, 1,000; June 8, Statistics on Blue Shield Medical Insurance, 1,000; June 13, appeal mailing, 2,000; June 29, Doctors in Politics, 1,000; Dr. Sanders' statement, 500; How Voluntary Health Insurance Failed an Average American Family, 150.

D. (5) $2,596.72; (7) $2,596.72; (8) $1,399; (9) $3,995.72; (13) no.

E. (7) $171.74; (9) $171.74; (10) $5.10; (11) $176.84.

A. Robert Emmet Rodes, 2 Route de Bouskoura, Casablanca, Morocco; import, export.

C. (1) Present session of Congress, until ECA extension and appropriation bills are passed.

C. (2) (a) Amendments to H. R. 7797; (b) S. 7797.

D. (2) $1,450; (7) $1,450; (9) $1,450; (13) yes; (14) Period January 1–March 31, 1950: $950, American Trade Association of Morocco, 2 Route de Bouskoura, Casablanca, Morocco; $500, William J. Herwood, 194 East End Avenue, New York, N. Y.

E. (4) $92.22; (6) $92.94; (7) $697.93; (8) $650; (9) $1,533.09; (11) $1,533.09.

A. Mr. Watson Rogers, president, National Food Brokers Association, 527 Munsey Building, Washington, D. C.

B. National Food Brokers Association, 527 Munsey Building, Washington, D. C. trade association.

C. (1) Indefinite.

C. (2) Opposing S. 2190, a bill to amend the brokerage section of the Robinson-Patman Act; opposing S. 1008, a bill to amend the Robinson-Patman Act.

C. (4) No money received for lobbying activities specifically. Paid an annual salary for serving as president and chief administrative officer of the association. No money expended during the last quarter.

D. (13) no.

A. Roland H. Rowe, 400 Continental Building, Washington, D. C.; trade association official.

B. United States Wholesale Grocers' Association, Inc., 400 Continental Building, Washington, D. C.; national trade association of wholesale grocers.

C. (1) Indefinitely.

C. (2) Legislation affecting the interests of wholesale grocers; (a) basing point, amendment of brokerage provision of Robinson-Patman Act, improving marketing facilities for perishable agricultural commodities, reducing excise taxes; (b) S. 1008, S. 2190, H. R. 8320, H. R. 8920.

C. (3) United States Wholesale Grocers' Association bulletins dated June 5, 15, and 29, 1950 (2,750 copies each); special bulletin dated April 11, 1950 (110 copies); USWGA Washington news letters dated respectively April 6, 1950, April 13, 1950, May 4, 1950, May 11, 1950, May 25, 1950, June 8, 1950, June 15, 1950, June 22, 1950 (970 copies each); press release May 18, 1950 (180 copies); all printed in duplicating room of employer.

D. No money was received or expended by the undersigned for the purpose of influencing Federal legislation except $34 (28 hours estimated, at $3 per hour) as part of annual salary of $5,760 received by the undersigned as vice president and secretary of the United States Wholesale Grocers' Association, Inc., allocable to the following: Preparation of bulletins, news letters, news releases, telegrams to Members of Congress, and conferences with trade association executives and others on pending legislation. $2 for local taxicabs.

A. Forrest Rozzell, field secretary, Arkansas Education Association, 506 Union Life Building, Little Rock, Ark.

C. (1) Indefinite.

C. (2) Bills pending before the Eighty-first Congress relating to public education. Primary interest in S. 246, H. R. 5939, and H. R. 7160.

E. (7) $167.76 (10) $1,674.75; (11) $1,842.51.

A. R. A. Ruddy, manager, legislative division, Outdoor Advertising Association of America, Inc., 24 West Erie Street, Chicago, Ill.; trade association.

B. Outdoor Advertising Association of America, Inc., 24 West Erie Street, Chicago, Ill.; trade association.

C. (1) Legislative interests have terminated with the current quarter.

C. (2) Opposition to the enactment of Senate bill No. 1847 (introduced by Senator Langer, May 13, 1949, to prohibit the transportation in interestate commerce of advertisements of alcoholic beverages, and for other purposes.

C. (3) Mailed less than 50 letters to members of the Outdoor Advertising Association of America, Inc.

E. (4) $75, estimated office expense in typewriting, mimeographing, and mailing less than 50 letters; (11) $75.

A. John Forney Rudy, director of public relations, National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.

B. National Federation of American Shipping, Inc. (a federation of American steamship trade associations), 1809 G Street NW., Washington, D. C.

C. (1) Legislative interests expected to continue indefinitely.

C. (2) General legislative interests are concerned with the declaration of policy as expressed by the Congress of the United States in the Merchant Marine Act of 1936. Specific legislative interests apply to legislation that supports or contravenes this declaration of policy.

D. (5) $450, allocable to legislative interests.

E. (7) $193.40; (9) $193.40; (11) $193.40; (15) $193.40.

A. Edward A. Rumely, Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York, N. Y.; educational.

B. Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York, N. Y.; educational, nonprofit, nonpartisan.

C. (1) See committee report. As executive secretary of the Committee for Constitutional Government, Inc., my sole function is to carry out the policies and programs laid down by its trustees, in accordance with the committee's objectives and powers as set forth in its certification of incorporation. These duties include the initiation of mailings to supporters and citizens, the distribution of press releases, etc., upholding the principles of private enterprise and constitutional government, in accordance with the committee's basic programs.

A. Charles J. Rush, 312 Wire Building, Washington, D. C.; executive secretary of trade association.

B. Washington Real Estate Board, Inc., 312 Wire Building, Washington, D. C.; trade association.

C. (1) While Congress is in session and measures affecting local real estate are being considered.

C. (2) All local measures affecting the District of Columbia are of interest.

D. (13) no.

A. Albert R. Russell, 162 Madison Avenue, Memphis, Tenn.; assistant to executive vice president.

B. National Cotton Council of America, Post Office Box 18, Memphis, Tenn.; nonprofit welfare organization to promote the consumption of American-grown cotton, cottonseed, and products thereof.

C. (1) Indefinitely.

(2) Any legislation affecting the raw-cotton industry.

D. (5) $1,674.25; (7) $1,674.25; (8) $1,062.94; (9) $2,737.19.

E. (7) $286.75; (9) $286.75; (10) $369.19; (11) $655.94; (15) $286.75.

A. Francis M. Russell, 724 Fourteenth Street NW., Washington, D. C.; vice president in charge of Washington office of National Broadcasting Co., Inc.

B. National Broadcasting Co., Inc., 724 Fourteenth Stret NW., Washington, D. C.

C. (1) Indefinite.

C. (2) As a part of registrant's duties as vice president in charge of Washington office of National Broadcasting Co., Inc., including supervision of the company's network activities in Washington, registrant may engage in activities relating to legislation affecting radio communication or manufacturing companies. Registrant is principally interested in: S. 1973 (McFarland) bill to amend the administrative and procedural provisions of the Communications Act; H. R. 7310 (Sheppard) bill to require the licensing of radio networks; H. R. 6949 (Sadowski) bill to provide for a Radio Frequency Control Board, additional sanctions for FCC, and relating to libel and slander in political broadcasts. Proposed excise tax on television receivers.

D. (5) Salary received covers all work for employer. There is no allocation of salary for legislative activities; (13) no.

E. (6) Approximately $40; (7) $455; (9) approximately $495; (10) approximately $461; (11) approximately $956; (15) approximately $495.

A. Horace Russell, 7 South Dearborn Street, Chicago, Ill., lawyer.

B. United States Savings & Loan League, 221 North La Salle Street, Chicago, Ill.; trade association.

C. (1) Indefinitely.

C. (2) Legislation directly or indirectly affecting the savings and loan business.

D. (5) $2,750 as general counsel for half-time, a nominal portion of which is for legislative work; (7) $2,750; (8) $2,750; (9) $5,500; (13) no.

E. (10) $492.95; (11) $492.95.

A. M. O. Ryan, 1405 K Street NW., Washington, D. C.

B. American Hotel Association, 221 West Fifty-seventh Street, New York, N. Y.

C. (1) Indefinitely.

C. (2) Any and all bills and statutes of interest to the hotel industry.

D. (5) $3,549.96; (7) $3,549.96; (8) $3,549.96; (9) $7,099.92; (13) no.

E. (7) $345.12; (9) $345.12; (10) $655.28; (11) $1,000.40; (15) $345.12.

A. Sterling St. John, Jr., 1317 F Street NW., Washington, D. C.; consultant and representative on port and foreign-trade zone matters; also chairman, special committee on foreign-trade zones of the American Association of Port Authorities.

C. (1) Indefinitely.

C. (2) Act of June 18, 1934 (48 Stat. 998, 1001) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes. H. R. 5332 has been approved as Public 566. In opposition to H. R. 4723 (81st Cong.) to amend the act of June 18, 1934, in order to extend foreign-trade zone privileges to certain types of warehouses.

D. (1) $250; (7) $250; (9) $250; (13 no.

A. J. T. Sanders, 744 Jackson Place NW., Washington, D. C.

B. The National Grange, 744 Jackson Place NW., Washington, D. C.; farm fraternity.

C. (1) My legislative interest in connection with the National Grange is a continued interest.

C. (2) I am employed to support any legislation on which the National Grange has expressed a policy statement. April 3, 1950, before Pure Food and Drug Administration of Federal Security Agency on Residue Tolerances of Insecticides and Fungicides on Commercial Fruits and Vegetables; April 25, 1950, before Senate Committee on Interior and Insular Affairs, on H. R. 331, to provide for the admission of Alaska to the Union; May 2, 1950, before Senate Post Office and Civil Service Committee, on House postal bill H. R. 2945; May 2, 1950, before Senate Committee on Expenditures in Executive Departments on Reorganization of Department of Agriculture (plan 4); May 3, 1950, before Senate Committee on Interior and Insular Affairs, on H. R. 49, to provide for the admission of Hawaii to the Union; May 3, 1950, before House Committee on Public Works on House Joint Resolution 271, St. Lawrence seaway and power project.

C. (3) Mimeographed statements are usually written for each of the appearances mentioned in item 2, page 3, attached. These are mimeographed in the Grange headquarters. Total printed 250–300 of each.

D. (5) $1,500; (7) $1,500; (8) $1,500; (9) $3,000.

E. (6) $1.25; (7) $24.34; (9) $25.59; (10) $34.42; (11) 60.01; (15) $25.59.

A. Charles E. Sands, 4211 Second Street NW., Washington, D. C.

B. Employed by Hotel and Restaurant Employees and Bartenders International Union, A. F. of L., 528 Walnut Street, Cincinnati, Ohio.

C. (1) Employed part time to further social and labor legislation. Legislative interests continue during sessions of the Congress. Legislative matters consume only a portion of my time.

E. (2) $1,800; (5) $90; (6) $52; (9) $1,942; (10) $142; (11) $248; (15) $1,800.

A. L. R. Sanford, president, Shipbuilders Council of America, 21 West Street, New York, N. Y. (Filed for first quarter, 1950.)

B. Shipbuilders Council of America, 21 West Street, New York, N. Y.; a nonincorporated trade association.

C. (1) Legislative interests are recurrent and indefinite. The undersigned, L. R. Sanford, is president of the Shipbuilders Council of America, a trade association of the shipbuilding and ship-repairing industry in the United States, with headquarters at 21 West Street, New York, N. Y. On occasion the undersigned has had, and in the future may have, occasion to interest himself in pending legislation, and, from time to time, to appear before congressional committees to discuss legislation affecting the industry. Counsel has advised that the Federal Regulation of Lobbying Act of 1946 does not appear to impose upon the undersigned the obligation of registering. Nevertheless, the undersigned is voluntarily filing herewith report pursuant to Federal Regulations of Lobbying Act in order to make clear to the Congress the purposes and obligations of his employment. While desirous of making a complete disclosure of all of his activitties relating to legislation and expenditures in connection therewith, the undersigned desires to make it abundantly clear that, in his capacity as an officer of the council, his primary occupation is the conduct of trade association activities on behalf of the membership of the council and that any activities in connection with legislation relating to the maritime industry are only incidental thereto.

C. (3) No publication has been issued or caused to be issued by the undersigned in connection with legislative activities.

C. (4) (a) Services for the Shipbuilders Council of America cover a wide field, primarily dealing with matters affecting the shipbuilding and ship-repairing industry as a whole. Incidental thereto are appearances before public bodies, that is, the Maritime Commission, Department of Labor, Coast Guard, Navy, Army, and others, for the presentation of the views of the council and the industry on matters affecting shipbuilding, ship repairing, and interests allied therewith; also the preparation and distribution of a weekly bulletin to members covering legislative histories and other matters; also internal administrative functions and other duties. For all such services an annual salary payable in monthly installments is received from the Shipbuilders Council of America. (b) Legislative matters occupy a very small proportion of the registrant's time, and, since the amount of time thus spent varies widely, the amount of compensation received and necessary travel expenses incident thereto applicable to time spent in connection with legislative activities can only be estimated. (c) Continuous from year to year at the pleasure of the board of directors of the council. (d) Expense for which reimbursement by the council is made includes actual and necessary travel expense such as transportation, food, lodging, and so forth. Such items will vary with activity but will probably not exceed $150 in any one quarter.

E. (7) $100; (9) $100; (11) $100; (15) $100.

A. L. R. Sanford, president, Shipbuilders Council of America, 21 West Street, New York, N. Y.

B. Shipbuilders Council of America, 21 West Street, New York, N. Y.; a nonincorporated trade association.

C. See report filed in first instance.

E. (7) $190; (9) $190; (10) $100; (11) $290; (15) $190.

A. Stuart T. Saunders, 801 North Jefferson Street, Roanoke, Va.; assistant general counsel.

B. Norfolk & Western Railway Co., 801 North Jefferson Street, Roanoke, Va.

C. (1) Can't say with certainty.

C. (2) H. R. 6251, H. R. 6773, S. 274, Eighty-first Congress; also proposed canalization of Big Sandy River and its tributaries in States of Kentucky and West Virginia.

D. (6) $159.90; (7) $159.90; (8) $31.50; (9) $191.40; (13) no. As assistant general counsel I am paid a salary by the Norfolk & Western Railway Co. to do legal work; I do not and will not receive any extra compensation for doing legislative work.

E. (6) $4.70; (7) $155.20; (9) $159.90; (10) $31.50; (11) $191.40; (15) $159.90.

A. W. E. Sawyer, Jr., 210 West Washington Square, Philadelphia, Pa.; treasurer of Attapulgus Clay Co.

B. Attapulgus Clay Co., 210 West Washington Square, Philadelphia, Pa.; producers and marketers of adsorbents (fuller's earth).

C. (1) Through current session of Congress.

C. (2) Proposed amendments to Internal Revenue Code (sec. 114 (b) (4)) to include fuller's earth in those minerals entitled to percentage depletion, and possibly the amendment of H. R. 7622 so as to include fuller's earth therein.

D. (5) $150; (6) $92.16; (7) $242.16; (9) $242.16; (13) no.

E. (2) $150; (7) $92.16; (9) $242.16; (11) $242.16; (15) $242.16.

A. Frances Sayler,[2] 1000 Eleventh Street NW., Washington, D. C.

B. United Electrical, Radio and Machine Workers of America, 11 East Fifty-first Street, New York, N. Y.

C. (1) Indefinite.

C. (2) Support all legislatiotn favorable to national peace, security, democracy, prosperity, and the general welfare. Oppose legislation detrimental to these objectives. (a) Housing (S. 2246, H. R. 6618), FEPC (H. R. 4453).

D. (5) $1,090; (7) $1,090; (9) $1,090; (13) no.

E. (7) $130; (9) $130; (11) $130; (15) $130.

A. Frances Saylor, 1000 Eleventh Street NW., Washington, D. C.

B. United Electrical, Radio and Machine Workers of America, 11 East Fifty-first Street, New York, N. Y.

C. (1) Through August 1950.

C. (2) Support all legislation favorable to national peace, security, democracy, prosperity, and the general welware. Oppose legislation detrimental to these objectives. H. R. 4453 (FEPC), H. R. 7595, and S. 2311.

D. (5) $1,073; (7) $1,073; (8) $1,090; (9) $2,163; (13) no.

E. (7) $130; (9) $130; (10) $130; (11) $260; (15) $130.

A. Richard D. Saylor, manager, Washington office, National Lead Co., 1025 Connecticut Avenue NW., Washington, D. C.

B. National Lead Co., 111 Broadway, New York, N. Y.; manufacturing.

C. (1) Legislative interests are to continue indefinitely.

C. (2) Legislative interests are confined to legislation effecting the operation of the National Lead Co., including the manufacture and sale of its products: H. R. 8920, H. R. 6406, S. 2105, S. 3639.

C. (3) This registrant has not issued or caused to be issued any publication in connection with legislation.

D. (13) No.

E. No activity during first and second quarters of 1950.

A. S. D. Schell, vice president, National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.

B. National Federation of American Shipping, Inc., 1809 G Street NW., Washington, D. C.; trade association representing American-flag steamship companies engaged in domestic and foreign trades.

C. (1) Indefinitely.

C. (2) Interested in all legislation and hearings of interest to the United States merchant marine, or any which may be prejudicial to the best interests of the Government and our maritime activities in commerce, trade, and national defense.

D. (5) $300; (7) $300; (9) $300; (13) no.

E. (7) $11.80; (9) $11.80; (10) $35.75; (11) $47.55; (15) $11.80.

[2] Filed for first quarter, 1950.

A. Paul W. Schoen, executive secretary, Forest Farmers Association Cooperative, Box 692, Valdosta, Ga.; executive secretary for association of timberland owners.

B. Forest Farmers Association Cooperative, Post Office Box 692, Valdosta, Ga.; association of timberland owners to promote and protect private forestry interests.

C. (1) Indefinitely as there is legislation introduced on forestry matters.

C. (2) H. R. 6000, Social Security Act amendments of 1949; H. R. 7155 and S. 3399, Cooperative Forest Management Act; H. R. 7786, general appropriations (USDA forestry items).

C. (3) No specific publications—occasional news releases and articles in association's monthly magazine, the Forest Farmer.

E. (2) $312.50; (7) $396.51; (9) $709.01; (10) $832.37; (11) $1,541.38; (15) $709.01.

A. Hilliard Schulberg, 840 Woodward Building, Washington, D. C.; executive director of Washington, D. C., Retail Liquor Dealers' Association, Inc.

B. Washington, D. C., Retail Liquor Dealers' Association, Inc., 840 Woodward Building, Washington, D. C.; trade association—retail.

C. (1) Remainder of Eighty-first Congress.

C. (2) Stopping of illegal sales by military installations in violation of act of Congress, passed in 1901.

D. (5) $2,112.65; (7) $2,112.65; (8) $1,685.45; (9) $3,798.10; (13) no.

A. Walter F. Schulten, assistant to first vice president, Pittsburgh Consolidation Coal Co., Koppers Building, Pittsburgh, Pa.

B. Pittsburgh Consolidation Coal Co., Koppers Building, Pittsburgh, Pa.

C. (1) Indefinite.

C. (2) Legislative proposals affecting the production and marketing of bituminous coal.

C. (4) (a and b) No compensation to be received for legislative activities as such; (c) indefinite; (d) normal business expenses.

D. (6) $1,702.46; (7) $1,702.46; (9) $1,702.46; (13) yes; (14) $1,702.46, National Coal Association, Southern Building, Washington, D. C.

E. (6) $41.54; (7) $1,660.92; (9) $1,702.46; (11) $1,702.46; (15) $1,702.46.

A. Paul J. Schwarz, president, 1105 Sixteenth Street NW., Washington, D. C.; District of Columbia Federation of Musicians, local 161, A. F. of M.

B. American Federation of Musicians, 570 Lexington Avenue, New York City, N. Y.

C. (1) Indefinitely.

C. (2) Twenty percent cabaret tax.

A. Jack Garrett Scott, 839 Seventeenth Street NW., Washington, D. C.; attorney at law.

B. I represent the National Association of Motor Bus Operators as its general counsel.

C. (1) Legislative interests are to continue indefinitely.

C. (2) General legislative interests are in the field of transportation and of other measures which may affect the interests of intercity motorbus operators; (a) automotive excise taxes and those on transportation of persons; (b) Senate Resolution 50 providing for investigation of transportation; H. R. 4453, to establish a Fair Employment Practices Commission; H. R. 7398, concerning Federal aid for highways; H. R. 7637, to provide for Federal jurisdiction over barriers to interstate commerce.

D. (4) See statement attached to form filed April 11, 1950; (13) no.

A. John W. Scott, attorney, 1025 Vermont Avenue NW., Washington, D. C.

B. Harvey B. Jacobson, patent attorney; Clarence A. O'Brien and Harvey B. Jacobson, 1406 G Street NW., Washington, D. C.

C. (1) During January of this year, I received from Clarence A. O'Brien and Harvey B. Jacobson, 1406 G Street NW., Washington, D. C., the sum of $3,600 to cover retainer fee during 1950 for legal services in connection with administrative rules and regulations of the Patent Office and legislative matters before Congress which may affect the right of practitioners before the Patent Office to use advertising in the solicitation of patent or trade-mark business.

C. (2) Pending legislative matters include: (1) H. R. 4446, H. R. 8201, and substantially similar measures pending in the Senate and (2) draft of proposed bill for general revision and codification of patent laws issued by subcommittee No. 4 of the House Committee on the Judiciary, having jurisdiction over patent matters.

A. Mildred Scott, 1370 National Press Building, Washington, D. C., secretary of the American Federation of the Physically Handicapped, an organization composed primarily of handicapped citizens, concerned with development of ameliorative national and local programs of benefit to physically handicapped people.

B. American Federation of the Physically Handicapped.

C. (1) Continuous.

C. (2) S. 1066 and H. R. 3095 and identical House bills, to establish a Federal commission (agency) on services for the physically handicapped; S. 458 and H. R. 3937, survey (census) of handicapped; S. 1538 and H. R. 1729 and identical House bills, to establish the National Cerebral Palsy Act; S. 659 and H. R. 5234, National Leprosy Act; Senate Concurrent Resolution 37 and House Concurrent Resolution 143, to repeal ICC rule prohibiting amputees from driving trucks or buses in interstate commerce. The foregoing are all our own bills. We have given publicity to them by bulletins, correspondence, etc., as that part of the work of this federation on national level.

C. (3) Bulletins are issued from time to time, by the American Federation of the Physically Handicapped, containing status of pending legislation. No specific date set for publication. Quantity printed various. Beginning to print official publication Valor.

C. (4) Remuneration would be based upon percentage of time spent on legislative work; in capacity as secretary of the federation this will vary. Because of the deafness of Mr. Strachan it is frequently necessary that I accompany him on special conferences.

A. Vernon Scott and Loring A. Schuler, constituting the partnership of Vernon Scott and Loring Schuler, 231 South La Salle Street, Chicago, Ill., organization and industry counselors.

B. Firm retained by National Associated Businessmen, Inc., whose address is 1025 Vermont Avenue NW., Washington, D. C. Nature of business: A coordinating organization of various State associations interested in legislation relating to taxation, Government regulation of business, and similar matters that directly affect business organizations.

C. (1) Indefinite.

C. (2) General legislative interests relating to Government competition with business, Government regulation of business, taxation, and other legislation directly affecting the welfare of businessmen. Specifically interested in Senator WILLIAMS' proposed amendment to H. R. 3905, H. R. 7343, H. R. 5064 and the revenue bill drafted by the House Ways and Means Committee.

D. (5) $5,000; (7) $5,000; (9) $5,000.

E. (7) $21.60; (9) $21.60; (10) $42.50; (11) $64.10; (12) $2,254.93.

A. Walter R. Scott, Tenth and Wyandotte Streets, Kansas City, Mo.

B. The Board of Trade of Kansas City, Mo.

C. (2) General legislative interests, legislation relating to grain exchanges, price supports on grain, and specific—S. 2826 and H. R. 6567.

D. (9) My receipts of money were for salary as executive vice president of the Board of Trade of Kansas City, Mo., plus amounts in reimbursement for items shown below.

E. (7) $575.21; (9) $575.21.

A. William C. Scott (report as attorney for American Nurses' Association), 49 Wall Street, New York, N. Y., attorney and counselor-at-law.

B. American Nurses' Association, 1790 Broadway, New York, N. Y. The association is the professional organization of graduate, registered professional nurses in the United States, Territories, and possessions.

C. (1) Legislative interests will continue so long as legislation relating to nurses, nursing, or health is pending or needed (i. e., indefinitely).

C. (2) The general legislative interest of the American Nurses' Association is in legislation relating to nurses, nursing or health. The specific legislative interests of the American Nurses' Association include: H. R. 6000 (a bill to extend and improve the Federal old-age and survivors insurance system, etc.), S. 1453 (an act to amend the Public Health Service Act and the Vocational Education Act of 1946, etc.), and S. 249 (the National Labor Relations Act of 1949). Also legislation to authorize the commissioning of men nurses in the armed services (no bill introduced as yet).

C. (3) The American Journal of Nursing is the official publication of the American Nurses' Association. It is published monthly. Its circulation is approximately 108,000 copies. It is printed by Cuneo Eastern Press, Philadelphia, Pa. (formerly by Kable Printing Co., Mount Morris, Ill.).

D. (6) $3,927.28; (7) $3,927.28; (8) $3,100.33; (9) $7,027.66; (13) yes; (14) $7,027.66, received from employer by firm of Satterlee, Warfield & Stephens, of which I am a member, for services (including disbursements) by firm as counsel in all capacities.

A. William C. Scott (report as attorney for National Postal Committee for Books), 49 Wall Street, New York, N. Y.; attorney and counselor at law.

B. National Postal Committee for Books, 62 West Forty-seventh Street, New York, N. Y.; the business of the committee is to oppose unfair increases in postal rates and discrimination in postal rates.

C. (1) Legislative interests will continue so long as postal-rate bills are pending before Congress or so long as unfair or discriminatory postal rates are in effect.

C. (2) The general legislative interest of the committee is in bills to readjust postal rates. The specific legislative interest is a bill to readjust postal rates, H. R. 2945 and S. 1103.

D. (13) No.

E. (7) $105.19; (9) $105.19; (10) $69.65; (11) $174.84; (15) $105.19.

A. W. J. Sears, vice president, Rubber Manufacturers Association, Inc., 715 Ring Building, Washington, D. C.

B. Rubber Manufacturers Association, Inc., 444 Madison Avenue, New York, N. Y.

C. (1) Legislative interests to extend through second session, Eighty-first Congress.

C. (2) Extension of Rubber Act of 1948, H. R. 7579 and consideration of S. 3294.

D. (5) $750; (6) $185.75; (7) $935.75; (8) $1,185.48; (9) $2,121.23; (14) January 1 through July 10, 1950: $2,121.23, Rubber Manufacturers Association, Inc., 444 Madison Avenue, New York, N. Y.

E. (7) $185.75; (9) $185.75; (10) $635.76; (11) $821.51; (15) All.

A. Harry See.

B. Brotherhood of Railroad Trainmen, 130 Third Street SE., Washington, D. C.; railroad union.

C. Advocating legislation favorable to labor and opposing legislation unfavorable to labor.

E. (7) $6.40; (9) $6.40; (10) $21.25; (11) $27.65.

A. Nathaniel H. Seefurth,[3] chairman, Committee on Federal Law and Legislation, the National Association of Life Underwriters, 11 West Forty-second Street, New York, N. Y.

B. None. The president, vice president, secretary, treasurer, trustees, and committee chairmen of this association serve without compensation.

C. (1) Legislative interests will continue indefinitely.

C. (2) Amendments to the Internal Revenue Code, H. R. 8920.

C. (3) (a) Life Association News; (b) 55,000; (c) monthly; (d) Hamilton Printing Co., Albany N. Y.

D. (13) no.

E. (7) $244; (9) $244; (11) $244; (15) $244.

A. A. Manning Shaw, Washington Loan & Trust Building, Washington, D. C.; business consultant.

B. Brown, Lund & Fitzgerald, Washington Loan and Trust Building, Washington, D. C., attorneys at law; National Association of Electric Companies, Ring Building, 1200 Eighteenth Street NW., Washington, D. C., trade association.

C. (1) Indefinitely.

C. (2) Any legislation that might affect the members of the NAEC. H. R. 7786, 1951, appropriations bill; H. R. 5472, rivers and harbors bill; Internal Revenue Code (53 Stat. 1); TVA Act (48 Stat. 58); Federal Power Act (40 Stat. 803); REA Act of 1936 (49 Stat. 1363); Reclamation Acts (25 Stat. through 45 Stat.); Flood Control Act of 1944 (58 Stat. 887); Administrative Procedure Act (60 Stat. 237).

D. (5) $3,774.99; (7) $3,774.99; (8) $3,724.-99; (9) $7,499.98; (13) no.

A. Mark R. Shaw, New England secretary, National Council for Prevention of War, 114 Trenton Street, Melrose, Mass.

B. National Council for Prevention of War, 1013 Eighteenth Street NW., Washington, D. C.

C. (1) Legislative interests will continue indefinitely, as long as I serve as secretary of NCPW.

C. (2) Opposition to UMT, peacetime selective service, military-aid program; favor economic aid to Europe and Asia; favor greater cooperation with the United Nations; favor constructive program under point 4; other measures related to the issues of peace and war.

C. (3) Mimeo bulletins of the NCPW.

E. (7) $139.47; (9) $139.47; (10) $58.70; (11) $198.17; (15) $139.47.

A. Bruce E. Shepherd,[3] manager, Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.

B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.; trade association.

C. (1) Continuous.

C. (2) Legislation which might affect the welfare and policy-holders and annuitants, House Joint Resolution 371.

D. (13) no.

E. (7) $6.60; (9) $6.60; (11) $6.60; (15) $6.60.

A. Bruce E. Shepherd, manager, Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.

B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.; trade association.

C. (1) Continuous.

C. (2) Legislation which might affect the welfare of policyholders and annuitants, House Joint Resolution 371.

D. (13) no.

E. (10) $6.60; (11) $6.60.

A. Robert H. Shields, 1001 Tower Building, Washington, D. C.; president and general counsel, United States Beet Sugar Association.

B. United States Beet Sugar Association, 1001 Tower Building, Washington, D. C., beet sugar trade association.

C. (1) Indefinite.

C. (2) Interested in any legislation affecting sugar, particularly the Sugar Act of 1948 and related legislation.

D. (9) See statement with respect to salary and expenses contained in registration papers filed February 7, 1947.

A. Earl C. Shively, 16 East Broad Street, Columbus, Ohio; giving service to Ohio steam railroads on matters in which all roads have a common interest.

B. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio; an association giving service to Ohio steam railroads on matters on which all member roads have a common interest.

C. (1) Indefinite.

C. (2) Legislation affecting railroad interests; (a) operating-rules bill (H. R. 378); basing-point bill (S. 1008); (b) H. R. 378 and S. 1008.

D. (8) $350.78; (9) $350.78; (13) no.

E. (10) $350.78; (11) $350.78.

A. Paul Sifton,[3] 1129 Vermont Avenue NW., Washington, D. C.; national legislative representative, International Union, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO).

B. International Union, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO), 411 West Milwaukee Avenue, Detroit, Mich.; labor organization.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity, and general welfare; oppose legislation detrimental to these objectives.

C. (3) Have not individually issued or caused to be issued any publication as above described. Any such publications issued by the International Union, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO), are listed in its report.

D. (5) $2,377.01; (7) $2,377.01; (9) $2,-377.01; (13) no.

E. (6) $35; (7) $170; (9) $205; (11) $205; (15) $205.

A. Paul Sifton, 1129 Vermont Avenue NW., Washington, D. C.; national legislative representative, International Union, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO).

B. International Union, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO), 411 West Milwaukee Avenue, Detroit, Mich.

C. (1) Indefinitely.

C. (2) Support all legislation favorable to the national peace, security, democracy, prosperity, and general welfare; oppose legislation detrimental to these objectives.

C. (3) Have not individually issued or caused to be issued any publication as above described. Any such publications issued by the International Union, United Automobile, Aircraft, Agricultural Implement Workers of America (UAW-CIO), are listed in its report.

D. (5) $2,317.50; (7) $2,317.50; (8) $2,-377.01; (9) $4,694.51; (13) no.

E. (6) $41.50; (7) $182.21; (9) $223.71; (10) $205; (11) $428.71; (15) $223.71.

A. Robert J. Silberstein, 902 Twentieth Street NW., Washington, D. C.

B. National Lawyers Guild, 902 Twentieth Street NW., Washington, D. C.; bar association.

C. (1) Legislative interests continue indefinitely.

C. (2) S. 2311, H. R. 7595, H. R. 6000, H. R. 1002, H. R. 3903; rent-control bills, H. R. 3207, H. R. 2050, H. R. 2051, S. 2912, S. 472, S. 246, S. 1985 and H. R. 10, S. 734, H. R. 4863, H. R. 4453, H. R. 3199.

C. (3) Only statements or testimony on bills to committees (Congressmen) and internally to branches and members of National Lawyers Guild).

D. (5) $1,105; (7) $1,105; (13) no.

E. (6) $1; (7) $8; (9) $9; (10) $5; (11) $14.

A. Silver Users Association,[3] 1612 I Street NW., Washington, D. C.; the nature of the business is to acquire, study, and disseminate all available information about the history of silver, and on the basis of such information take action to the end that silver shall become recognized as a commodity freed from governmental measures.

C. (1) Indefinite.

C. (2) Legislation involving silver; (a) S. 2829, to repeal certain legislation relating to the purchase of silver, and for other purposes; H. R. 6724, to repeal certain legislation relating to the purchase of silver, and for other purposes.

D. (1) $25,624; (7) $25,624; (9) $25,624; (14) $725, Merck & Co., Inc., Rahway, N. J.; $1,075, Samuel Kirk & Son, Kirk Avenue and Twenty-fifth Street, Baltimore, Md.; $2,150, Oneida, Ltd., Oneida, N. Y.; $1,075, Stieff Co., Wyman Park Driveway, Baltimore, Md.; $4,-915, Gorham Manufacturing Co., 6 West Forty-eighth Street, New York, N. Y.; $4,915, International Silver Co., Meriden, Conn.; $2,675, Reed & Barton Corp., Taunton, Mass.; $3,475, R. Wallace & Sons Manufacturing Co., Wallingford, Conn.

E. (2) $5,234.98; (5) $1,161.99; (6) $347.75; (7) $634.06; (8) $255.19; (9) $7,633.97; (11) $7,633.97.

A. Silver Users Association, 1612 I Street NW., Washington, D. C.; the nature of the business is to acquire, study, and disseminate all available information about the history of silver, and on the basis of such information take action to the end that silver shall become recognized as a commodity freed from governmental measures.

C. (1) Indefinite.

C. (2) Legislation involving silver; (a) S. 2829, to repeal certain legislation relating to the purchase of silver, and for other purposes; H. R. 6724, to repeal certain legislation relating to the purchase of silver, and for other purposes.

D. (1) $5,000; (7) $5,000; (8) $5,625; (9) $30,625; (13) yes; (14) $4,775, Eastman Kodak Co., Rochester, N. Y.

E. (2) $5,452.48; (5) $922.90; (6) $299.18; (7) $989.24; (8) $140.90; (9) $7,804.79; (10) $7,633.97; (11) $15,438.76.

A. William Simon, 1 North LaSalle Street, Chicago, Ill.

B. Council for Clarification of Pricing Practices, 1 North LaSalle Street, Chicago, Ill.

C. Registrant was interested in S. 1008, the O'Mahoney freight-absorption bill, and is not interested in any pending legislation. However, substantial sums are owed registrant from the Council for Clarification of Pricing Practices, which he expects to be paid.

C. (3) None, but others have at their expense, and not at my request, printed speeches and articles I have written.

E. (9) $3,115.44; (10) $2,633.98; (11) $5,-749.42; (15) all.

A. Six Agency Committee, 315 South Broadway, Los Angeles, Calif.; a committee composed of representatives of public agencies of the State of California having water and power rights in the Colorado River.

C. (1) Indefinite.

C. (2) (a and b) Legislation affecting California's rights in the Colorado River and legislation relating to reclamation and water resources policies, including Senate Joint Resolution 4, and House Joint Resolution 3, and counterparts (Colorado River litigation resolutions); S. 75 and H. R. 934 and H. R. 935 (Central Arizona project); H. R. 1770

[3] Filed for first quarter, 1950.

[3] Filed with the Clerk only.

[3] Filed for first quarter, 1950.

[3] Filed for first quarter, 1950.

and H. R. 7351 (Reclamation Project Act amendments); H. R. 7786 (consolidated general appropriation bill); and H. R. 5472 (river and harbor and flood-control authorizations); S. 1140, H. R. 8414, and counterparts (flood-protective levee system along lower Colorado River); S. 3376 (interstate water and power project policy); H. R. 7220, Public Law 451 (reclamation project rehabilitation); and S. 3657 (reorganization of the Interior Department).

D. (1) $9,900; (7) $9,900; (8) $9,800; (9) $19,700; (14) $100, Coachella Valley County Water District, Coachella, Calif.; $2,000, Imperial Irrigation District, El Centro, Calif.; $200, San Diego County Water Authority, San Diego, Calif.; $3,000, Department of Water and Power, city of Los Angeles, Calif.; $4,600, Metropolitan Water District of Southern California, Los Angeles, Calif.; total, $9,900; April 1, 1950, to June 30, 1950, inclusive.

E. (2) $9,090; (8) $391.60; (9) $9,481.60; (10) $9,509.32; (11) $19,080.92.

A. Stephen Slipher, Room 911, 711 Fourteenth Street NW., Washington, D. C.; assistant vice president.

B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill; Nation-wide trade association with membership of 3,700 savings and loan associations and cooperative banks.

C. (1) Continuous.

C. (2) (a and b) Interested in legislation affecting savings and loan associations, housing, home financing, thrift, and financial institutions. During the present quarter registrant has been interested in H. R. 6743, a bill to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes; S. 2006, a bill to amend the Home Owners Loan Act of 1933 with respect to savings and loan associations; S. 2246, Housing Act of 1950; S. 2987, a bill to amend the Federal Home Loan Bank Act and title IV of the National Housing Act, and for other purposes; S. 2408, a bill to amend the Securities Exchange Act of 1934; S. 2822, a bill to amend the Federal Deposit Insurance Act; S. 3746, a bill to authorize the creation of private secondary-mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guaranteed residential mortgages; S. 2774, a bill to amend section 2113 of title 18 of the United States Code in order to include certain savings and loan associations within its provisions; H. R. 8920, a bill to reduce excise taxes and for other purposes.

C. (3) (a) Assisted in preparation of Confidential Bulletin M#222; (b) 5,500 published; (c) April 24, 1950; (d) Millar Publishing Co. (a) Assisted in preparation of Confidential Bulletin M#223; (b) 5,500 published; (c) May 10, 1950; (d) Millar Publishing Co. (a) Assisted in preparation of Confidential Bulletin M#224; (b) 5,500 published; (c) June 9, 1950; (d) Millar Publishing Co. (a) Assisted in preparation of special memorandum to membership; (b) 3,900 published; (c) May 16, 1950; (d) Franks Duplicating Service. (a) Assisted in preparation of special memorandum to membership; (b) 3,900 published; (c) June 6, 1950; (d) Franks Duplicating Service. (a) Assisted in preparation of Flash News Notes; (b) 3,900 published; (c) June 27, 1950; (d) Franks Duplicating Service.

D. (5) $200; (7) $800; (8) $800; (9) $1,600. It is estimated that 40 percent of total salary of $2,000 is for legislative work.

E. (7) $41.53; (9) $41.53; (10) $35.76; (11) $77.29; (15) $41.53.

A. Miss Elizabeth A. Smart, 1730 Chicago Avenue, Evanston, Ill.: religious, social welfare, educational adviser to legislative department, national WCTU.

B. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill.; woman's temperance organization specializing in temperance and narcotic education, interests of women and children and international relations for peace.

C. (1) Legislative interests of organization are on a continuing basis. Indefinitely. Legislative representative is chosen annually for a term of 1 year.

C. (2) S. 1847, H. R. 2428, to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages; S. 2861, H. R. 6826, to extend the Selective Service Act of 1948 for 3 years; S. 1029, S. 3620, H. R. 2100, H. R. 1371, H. R. 1372, H. R. 1734, to reduce excise taxes, including repeal or reduction of cabaret tax; H. R. 3114, H. R. 886, to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States; House Joint Resolution 151, to prohibit the manufacture, sale, transportation, or possession of beverages containing more than one-half of 1 percent of alcohol by volume; H. R. 2945, to readjust postal rates; to ratify convention on human rights; to ratify convention on genocide.

D. (2) $3,114.88 ($1 and $2 gifts); (8) $3,464.42; (9) $6,579.30.

E. (1) $10; (2) $765; (5) $286.56; (6) $75.49; (7) $417.19; (8) $78.51; (9) $1,632.75; (10) $1,966.24; (11) $3,598.99.

A. Allen L. Smith, post-office box 1526, Baton Rouge, La.; public relations.

B. Louisiana Tax Equality Association, Inc., post-office box 1526, Baton Rouge, La.

C. (1) No termination date set.

C. (2) Interested in all legislation with reference to tax legislation and that affecting business in particular; (a) the Mason bill, H. R. 5064.

D. (8) $6.50; (9) $6.50; (13) No.

E. (5) $12; (6) $14; (7) $20; (9) $46; (10) $77.29; (11) $123.29; (15) $46.

A. Anthony W. Smith, 718 Jackson Place NW., Washington, D. C.; attorney.

B. Congress of Industrial Organizations, 718 Jackson Place NW., Washington, D. C.; labor organization.

C. (1) Indefinite continuation.

C. (2) Forestry, regional development, resource conservation, St. Lawrence seaway, Alaska statehood, Alaska homestead.

C. (3) None individually. Publications issued by CIO are listed in CIO report.

D. (5) $210; (7) $210; (9) $210.

A. Donald W. Smith (report as attorney for American Nurses' Association), 49 Wall Street, New York, N. Y.; attorney and counselor at law.

B. American Nurses' Association, 1790 Broadway, New York, N. Y.; the association is the professional organization of graduate, registered professional nurses in the United States, Territories, and possessions.

C. (1) Legislative interests will continue so long as legislation relating to nurses, nursing, or health is pending or needed (i. e., indefinitely).

C. (2) The general legislative interest of the American Nurses' Association is in legislation relating to nurses, nursing, or health. The specific legislative interests of the American Nurses' Association include: H. R. 6000, a bill to extend and improve the Federal old-age and survivors insurance system, etc.; S. 1453, an act to amend the Public Health Service Act and the Vocational Education Act of 1946, etc.; and S. 249, the National Labor Relations Act of 1949. Also legislation to authorize the commissioning of men nurses in the armed services (no bill introduced as yet).

C. (3) The American Journal of Nursing is the official publication of the American Nurses' Association. It is published monthly. Its circulation is approximately 108,000 copies. It is printed by Cuneo Eastern Press, Philadelphia, Pa. (formerly by Kable Printing Co., Mount Morris, Ill.).

D. Receipts of Satterlee, Warfield & Stephens, with which firm I am associated, are reported in report of Mr. William C. Scott.

E. (10) $52.17; (11) $52.17.

A. Dudley Smith, 732 Shoreham Building, Washington, D. C.

B. Association of Sugar Producers of Puerto Rico, 732 Shoreham Building, Washington, D. C.

C. (1) Am employed on annual basis.

C. (2) Not specifically interested in any pending legislation. In general, am interested in legislation pertaining to Puerto Rico or to sugar.

D. (5) $3,750; (7) $3,750, (8) $3,750; (9) $7,500 ;(13) yes; (14) The following sum is the total amount received for all services. Nothing was spent in connection with legislative interests: $7,500; Association of Sugar Producers of Puerto Rico, January 1 through June 30, 1950; 732 Shoreham Building, Washington, D. C.

A. Harold O. Smith, Jr., 400 Continental Building, 1511 K Street NW., Washington, D. C.; executive vice president, trade association.

B. United States Wholesale Grocers' Association, Inc., 400 Continental Building, 1511 K Street NW., Washington, D. C.; trade association.

C. NOTE.—I do not believe that my activities are such as to require registration. I am filing this as a matter of record only. During the past quarter I did not have occasion to engage in any activities which I believe could be construed as lobbying. Serving full time as executive vice president of the United States Wholesale Grocers' Association, my activities are those of a trade association executive, and any contacts with Members of Congress are purely incidental to my many other activities in connection with trade association work. In our association's bulletins and weekly news letters to members, we occasionally report on any legislation in general affecting the interests of wholesale grocers.

D. (13) No.

A. Hilda W. Smith, chairman, National Committee for Extension of Labor Education, 1508 Seventeenth Street NW., Washington, D. C.

B. National Committee for the Extension of Labor Education (legislative committee), 1508 Seventeenth Street NW., Washington, D. C.

C. (1) This committee expects to continue until enactment of this legislation.

C. (2) Labor extension service bill, S. 110, H. R. 1380.

C. (3) No recent publications. Occasional articles through Labor Press Association. Occasional newspaper articles.

D. (6) $895; (7) $895; (8) $2,726.66; (9) $3,621.66.

E. (1) $39.74; (2) $673.68; (4) $7.35; (5) $81.78; (6) $60.07; (8) $45; (9) $907.62; (10) $2,218.80; (11) $3,126.42.

A. Howard J. Smith, executive secretary, 510 Goodrich Building, Phonix, Ariz.

B. Central Arizona Project Association, 510 Goodrich Building, Phoenix, Ariz.

C. (1) Legislative interest will continue to end of Eighty-first Congress and possibly for an indefinite period thereafter.

C. (2) S. 75, Bridge Canyon Act; and H. R. 934 and H. R. 935, Bridge Canyon Act (known more frequently as central Arizona project bills).

C. (3) The Case for Water in Central Arizona; Work for Water; California's Stake in Arizona's Share of Colorado River; What the Central Arizona Project Means to You; Truth Settling Up Time.

D. (2) $6,894.56; (3) $1,700; (4) $2.75; (6) $2,038.42; (7) $10,635.75; (8) $41,235.90; (9) $51,871.63; (13) yes; (14) from April 1 to June 30 1950: $900, April 10, 1950, Goodyear Farms, Litchfield Park, Ariz.; $1,000, April

13, 1950, electrical district No. 4, Pinal County, Eloy, Ariz.; $500, May 2, 1950 Arizona Box Co., postoffice box 232, Phoenix, Ariz., $400, May 2, 1950, $400 June 1, 1950, $400, June 17, 1950, county of Maricopa, State of Arizona, care of Board of Supervisors, Courthouse, Phoenix, Ariz.; $500, June 3, 1950, O. S. Stapley Co., post-office box 960, Phoenix, Ariz.; total, $4,100.

E. (2) $10,841.50; (4) $924.81; (5) $880.33; (6) $1,127.40; (7) $8,181.37; (8) $57.77; (9) $22,013.18; (10) $26,250.76; (11) $48,263.94; (15) all.

A. Lloyd W. Smith, special representative, Chicago, Burlington & Quincy Railroad Co., 425 Shoreham Building, Washington, D. C.

B. Chicago, Burlington & Quincy Railroad Co., 547 West Jackson Boulevard, Chicago, Ill.; common carrier by railroad of passengers and property.

C. (1) Indefinitely.

C. (2) Any legislation affecting directly or indirectly the Chicago, Burlington & Quincy Railroad Co., including the following bills being considered this session: Railroad communications and operating rules bills, S. 238 and H. R. 378; Federal Barge Line bills, S. 211 and H. R. 4978; Railway Labor Act bills, S. 3295 and H. R. 7789; mail-pay bills, S. 1596 and H. R. 4271; transportation investigation, Senate Resolution 50.

D. (5) $1,785; (7) $1,785; (8) $1,785; (9) $3,570.

E. (8) During the second quarter of 1950 I expended $342.20 for meals, taxicabs, and incidentals which might be construed to be for purposes covered by the act. I was reimbursed for this amount, as well as other expenses involving activities not in any way related to legislative matters.

A. Purcell L. Smith, 1200 Eighteenth Street NW., Washington, D. C.; registrant is president of National Association of Electric Companies, a trade association whose members are 100 operating electric companies. Mr. Purcell L. Smith, president of the National Association of Electric Companies, is filing this for the information of the Congress of the United States under title 3 of the Legislative Reorganization Act of 1946 but questions whether and to what extent that act applies to him. This form has been prepared without the benefit of official interpretations of that statute.

The amount stated in item (D) of the form is the total salary registrant receives as president of the association in the performance of all his duties as they arise in carrying out the purposes and activities of the association (see appended statement, p. 4).

B. National Association of Electric Companies, 1200 Eighteenth Street NW., Washington, D. C. The National Association of Electric Companies is a trade association whose members are 100 operating electric companies. The preamble of its articles of association describe the functions to be engaged in by the association as follows: In order to further the interests of the electric utility companies that are members of this association and their investors, employees, and customers; to maintain the integrity and credit of the industry; to present to the public the essential facts about the industry to the end that there may be a better understanding between the utility companies and the public and a better appreciation of utility progress, achievements and problems; to coordinate regional activities among member companies; to furnish member companies information, reports, and statements concerning various phases of electric utility operations and developments; to further cooperation with all agencies and organizations interested in the supply and purchase of electric light and power; to furnish such agencies and organizations with information, reports, and statements concerning member companies and the electric utility industry; to present the facts to the public concerning the public benefits resulting from the operation of electric utility companies by businessmen under governmental regulations and, generally, to engage in those practices recognized as being legal and proper to further said ends, certain electric utility companies do hereby establish a national association which shall be adequately qualified and empowered to act in every lawful way when concert of policy and action would be helpful. Thus the association functions for the following principal purposes: (1) To keep member companies informed of Washington developments affecting them as operating businesses, including information and analyses of governmental hearings, orders, and regulations, both legislative and administrative; (2) to keep the public, including employees, consumers, and investors, informed concerning the accomplishments of the industry, its achievements in serving the public, and the plans of this industry for the future; (3) to furnish—and aid in furnishing—technical information to the instruments of Government and to provide a readily available contact between Government and the industry; (4) to provide the members of the association with a medium through which they can exchange ideas on problems of mutual concern and interest in order to better serve the public; (5) to act for the member companies in matters of common and national concern.

C. (1) Of indefinite duration.

C. (2) Registrant is president of the National Association of Electric Companies. One of the purposes of this association as set forth in previous registrations and reports filed pursuant to title 3 of the Legislative Reorganization Act of 1946 is to provide its members with a medium through which they can develop and exchange ideas and take appropriate action on problems of mutual concern and interest, including matters involving legislation. The association, therefore, is generally interested in all developments in and of Federal legislation that might affect its members as going electric utilities, including, but not limited to the followng bills and statutes and amendments thereto: H. R. 7786, a bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; S. 3376, a bill introduced in the Senate of the United States April 10, 1950, to provide for the organization of interstate water and power users' associations for the purpose of entering into contracts for the repayment of the costs of water and power projects on interstate streams and for the ownership, operation, and maintenance of such projects, and for other purposes; Internal Revenue Code (53 Stat. 1); TVA Act (48 Stat. 58); Federal Power Act (49 Stat. 803); Rural Electrification Act of 1936 (49 Stat. 1363); Reclamation Acts (25 Stat. through 45 Stat.); Flood Control Act of 1944 (58 Stat. 887); Administrative Procedure Act (60 Stat. 237).

For specific details concerning the policy position of the National Association of Electric Companies, see the document entitled "Water Resources, Electric Power and National Policy," prepared in response to an invitation of the Chairman of the President's Commission on Water Resources Policy, dated March 2, 1950, to state the association's views on certain policy questions and filed with the Secretary of the Senate and Clerk of the House by the National Association of Electric Companies.

D. (5) $16,250.01; (7) $16,250.01; (8) $16,250.01; (9) $32,500.02; (13) no.

E. (7) $852.84; (8) $137.78; (9) $990.62; (10) $774.45; (11) $1,765.07; (15) $990.62.

A. Ray E. Smith, 1021 Hume Mansur Building, Indianapolis, Ind.

B. Indiana State Medical Association, 1021 Hume Mansur Building, Indianapolis, Ind.; State headquarters of the Indiana State Medical Association; advancement of the science and practice of medicine in the State of Indiana.

C. (1) Indefinitely.

C. (2) All bills pending before Congress which would create national health insurance.

E. (1) $16,009.69; (2) $2,184.49; (4) $856.29; (5) $65.59; (6) $93.62; (7) $820.39; (8) $957.76; (9) $20,987.83; (15) all.

A. Robert E. Smith, 116 Nassau Street, New York, N. Y. Chairman, Life Insurance Policyholders Protective Association.

B. Life Insurance Policyholders Protective Association, 116 Nassau Street, New York, N. Y.; a nonprofit, nonstock membership association of life insurance policyholders.

C. (1) Indefinite.

C. (2) General education concerning the effect of inflation on the purchasing power of life insurance as it relates to Federal policies or measures which are deemed to be inflationary in character; (a) omnibus appropriations bill; national health plan; Brannan farm plan.

C. (3) (a) Sample attached hereto[4]; (b) 180,000; (c) April 1, 1950 to June 30, 1950; (d) Process Printing Co., New York, N. Y.

D. (5) $1,827.03; (7) $1,827.03; (8) $1,757.50; (9) $3,584.53; (13) yes; (14) $1,500, Life Insurance Policyholders Protective Association, 116 Nassau Street, New York, N. Y.; salary; $2,015, Life Insurance Policyholders Protective Association, 116 Nassau Street, New York, N. Y., travel expense; $69.53, Life Insurance Policyholders Protective Association, 116 Nassau Street, New York, N. Y., reimbursement of loans.

E. (7) $346.45; (9) $346.45; (10) $171.55; (11) $518; (12) $265.47; (14) $69.53; (15) $346.45.

A. Sylvester C. Smith, Jr., the Prudential Insurance Co. of America, 763 Broad Street, Newark, N. J.; general counsel.

B. The Prudential Insurance Co. of America, 763 Broad Street, Newark, N. J.; life insurance, annuities, group health and accident insurance.

C. (1) During my official connection as general counsel of the company.

C. (2) General interest in all legislation affecting the business of the company; (b) D. C. group life bills, H. R. 4394.

C. (3) No publication issued.

D. (13) No.

A. Calvin K. Snyder, secretary, Realtors' Washington Committee, National Association of Real Estate Boards, 1737 K Street NW., Washington, D. C.

B. Realtors' Washington Committee of the National Association of Real Estate Boards, 1737 K Street NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) Any legislation affecting the real-estate industry.

D. (5) $4,196.63; (7) $4,196.63; (8) $4,234.93; (9) $8,431.56.

E. (6) $45.69; (7) $1,068.69; (8) $82.25; (9) $1,196.63; (10) $1,234.93; (11) $2,431.56; (15) $1,196.63.

A. J. D. Snyder, room 1020, La Salle Hotel, Chicago, Ill.

B. Illinois Legislative Committee, room 1236, La Salle Street Station, Chicago, Ill.; examination of all bills before legislature pertaining to railroad legislation.

C. (1) Indefinitely.

C. (2) Legislation affecting railroads.

A. Spence, Hotchkiss, Parker & Duryee, 40 Wall Street, New York, N. Y.

B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D. C.

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[4] Not printed. Filed in the Clerk's office.

C. (1) Indefinite.

C. (2) Legislation to establish a national air policy.

D. (13) No.

A. Spencer & Louisell, 2000 Massachusetts Avenue NW., Washington, D. C.; a law firm.

B. Peter Kristian Kristensen, 1025 Newport Avenue, Detroit, Mich.

C. (1) Do not know.

C. (2) H. R. 3410, Eighty-first Congress, first session, a bill for the relief of Peter Kristian Kristensen. This firm is his counsel in litigation.

D. (13) no.

A. Lyndon Spencer, 905 Rockefeller Building, Cleveland, Ohio. This report is made by me in my capacity as executive vice president of Lake Carriers' Association. My duties are general and varied, and I do not consider that I am engaged for the purpose of attempting to influence legislation. This report is made without prejudice to that position.

B. Lake Carriers' Association, 905 Rockefeller Building, Cleveland, Ohio, which is a voluntary association of owners and operators of vessels engaged in transportation of commodities between ports on the Great Lakes.

C. (1) As executive vice president of Lake Carriers' Association, I am elected for a term of 1 year, usually commencing about April 1.

C. (2) During this quarter, I have appeared before the subcommittee of the House Committee on Merchant Marine and Fisheries to speak in favor of H. R. 8491.

D. (5) I do not consider that any of my salary as executive vice president of Lake Carriers' Association is paid me for the purpose of influencing legislation; (13) no.

A. Jerome H. Spingarn, 132 Third Street SE., Washington, D. C.; nature of business: advocacy of measures to strengthen and support the United Nations.

B. Foreign Affairs Research Council, United World Federalists, Inc., 7 East Twelfth Street, New York, N. Y.; nature of business: to strengthen United Nations with powers limited but adequate to assure peace.

C. (1) Legislative interests will continue indefinitely.

C. (2) The general legislative interests covered by this submission are measures relating to United States participation in the United Nations; specifically, House Concurrent Resolution 64, Senate Concurrent Resolution 56, and H. R. 7797.

C. (3) The undersigned has contributed to or prepared material for political-action letters and a house organ known as UWF insert, World Government News, but these publications were issued by the national office and will be dealt with in the organizational submission.

C. (4) (a, b) Compensation monthly at rate of $708.34; (c) period of employment, indeterminate; (d) reimbursable expenses include travel, lodging, entertainment, office overhead, communications, etc.

D. (5) $2,436.91; (7) $2,436.91; (9) $2,436.91.

E. (6) $115; (8) $345.44; (10) $460.44; (11) $460.44; (14) $460.44; (15) $460.44.

A. Thomas G. Stack, 1104 West One Hundred and Fourth Place, Chicago, Ill.

B. National Railroad Pension Forum, Inc., 1104 West One Hundred and Fourth Place, Chicago, Ill.

C. (1) Indefinite.

C. (2) H. R. 4282, H. R. 7063, H. R. 6667, S. 3134, and S. 1379; also interested in some of the features in pending House bills that pertain to increased retirement benefits to railroad employees.

E. (2) $195; (3) $1,200; (5) $2,400; (7) $33; (8) $358.75; (10) $4,186.75; (11) $7,358.63.

A. State Tax Association, Post Office Box 2559, Houston, Tex.

C. (1) Legislative interests and publications in connection therewith: The general purpose of the State Tax Association is to bring about constructive cooperation between community-property and common-law States for the development of a plan of tax equalization which will afford an equitable basis for income, estate, and gift taxation in the Federal tax structure. To support complete retroactice repeal of the 1942 estate and gift-tax amendments as they apply to the community-property States in an inequitable manner. To support the complete elimination of Federal estate taxes and restore estate taxation to the several States. We have supported and will continue to support the American Bar Association's recommendation for tax equalization.

C. (2) No specific legislation at this time is supported or opposed, other than the general purpose to retain unimpaired the tax equalization principles of the 1948 Revenue Act and wherever possible to accomplish complete tax equality between community-property and common-law States.

D. (2) $2,522.50; (7) $2,522.50; (8) $5,699.50; (9) $8,222; (13) no.

E. (2) $883.13; (8) $258.74; (9) $1,141.87; (10) $18,166.39; (11) $19,308.26.

A. Charles I. Stengle, 900 F Street NW., Washington, D. C.; legislative representative.

B. American Federation of Government Employees, 900 F Street NW., Washington, D. C.; A. F. of L. Government employee union.

C. (1) Permanently.

C. (2) All bills of interest to Federal Government Employees and District of Columbia Government Employees.

D. (5) $1,615.32; (7) $1,615.32; (9) $1,615.32.

E. (7) $42.60; (9) $42.60; (11) $42.60; (15) $42.60.

A. Bernard W. Stern, 431 South Dearborn Street, Chicago, Ill., research director, International Union of Mine, Mill, and Smelter Workers.

B. International Union of Mine, Mill, and Smelter Workers, 431 South Dearborn Street, Chicago, Ill.

C. (1) Legislative interests now terminated. No new work contemplated for immediate future.

(2) Bills pertaining to mining industry and other bills of general interest to labor.

E. (2) $64; (6) $1.35; (7) $46.84; (9) $112.19; (15) All expenditures defrayed by employer.

Affiant is regularly employed as research director of International Union of Mine, Mill and Smelter Workers. Figure represents portion of regular salary received for time actively spent in Washington on legislative matters.

A. H. D. Stevenson, acting for the National Association of Stevedores, 140 Cedar Street, New York, N. Y.; a trade association the object of which is to specifically further the stevedoring interests in the United States.

C. (1) Indefinite.

C. (2) (b) Public Law 177 and other bills of interest to the stevedoring industry.

D. (1) $3,375 (voluntary contributions); (7) $3,375; (8) $37,225; (9) $40,600; (13) yes; (14) $500, Kerr Steamship Co., Inc., 17 Battery Place, New York 4, N. Y.; $2,250, Mississippi Shipping Co., 1300 Hibernia Bank Building, New Orleans, La.; $625, West Coast Line, Inc., 67 Broad Street, New York 4, N. Y.; total, $3,375; April 1, 1950 to June 30, 1950.

E. (2) $14,000; (9) $14,000; (10) $42,694.54; (11) $56,694.54.

A. Annalee Stewart (Mrs. Alexander), 1734 F Street NW., Washington, D. C.

B. Women's Committee to Oppose Conscription, 2006 Walnut Street, Philadelphia 3, Pa.

C. No report for first quarter.

Filed for first quarter, 1950.

A. Annalee Stewart (Mrs. Alexander Stewart), 2006 Walnut Street, Philadelphia, Pa.

B. Women's Committee to Oppose Conscription, 2006 Walnut Street, Philadelphia, Pa.

A. Mrs. Alexander Stewart (Annalee), 1734 F Street NW., Washington, D. C.

B. Women's International League for Peace and Freedom, 1734 F Street NW., Washington, D. C.

C. (2) See atached Priorities Program for 1950.[4]

C. (3) (a) Four Lights, monthly 4 page publication, contains some legislative information; Washington Newsletter (several pages mimeographed about monthly), containing analysis of bills and suggests whom to write. (b) Four Lights 4.500; Washington Newsletter 700. (c) Four Lights monthly; Newsletter about monthly. (d) Strassheim Printing House, 307 North Fifteenth Street, Philadelphia, Pa.

D. (1) $313.92; (2) $7,387.61; (4) $473.34; (7) $8,174.87; (9) $8,174.87; (13) yes; (14) $1,000, estate of Clara Grueninger, Cincinnati, Ohio.

E. (2) $6,259.70; (4) $755.82; (5) $2,421.69; (6) $208.14; (7) $630.52; (9) $10,275.87; (11) $10,275.87.

A. Charles T. Stewart, director of public relations, National Association of Real Estate Boards, 1737 K Street NW., Washington, D. C.

B. National Association of Real Estate Boards, 22 West Monroe Street, Chicago, Ill., trade association.

C. (1) Indefinite.

C. (2) Any legislation affecting the real estate industry.

C. (3) Attached is a list[4] of news releases issued during the quarter which bear on legislative subjects. Complete information as to the extent to which these were published or the date of publication is not available. Mailing list for these news releases is attached.[4] Mimeographing was done in our Washington office.

D. (5) $3,306.20; (7) $3,306.20; (8) $3,757.25; (9) $7,063.45; (13) no; 50 percent of time for which salary is included is devoted to legislative activities.

E. (7) $268.80; (8) $37.90; (9) $306.20; (10) $757.25; (11) $1,063.45; (15) $306.20.

A. William E. Stockhausen (report as attorney for National Postal Committee for Books), 49 Wall Street, New York, N. Y.; attorney and counselor at law.

B. National Postal Committee for Books, 62 West Forty-seventh Street, New York, N. Y. The business of the committee is to oppose unfair increases in postal rates and discrimination in postal rates.

C. (1) Legislative interests will continue so long as postal rate bills are pending before Congress or so long as unfair or discriminatory postal rates are in effect.

(2) The general legislative interest of the committee is in bills to readjust postal rates. The specific legislative interest is a bill to readjust postal rates, H. R. 2945 and S. 1103.

D. (13) No.

E. (7) $181.48; (9) $181.48; (10) $172.45; (11) $353.93; (15) $181.48.

A. Edwin L. Stoll, 1737 K Street NW., Washington, D. C.; assistant director of public relations, National Association of Real Estate Boards; trade association.

B. National Association of Real Estate Boards, 22 West Monroe Street, Chicago 3, Ill.; trade association.

C. (1) Indefinite.

C. (2) Any legislation affecting the real-estate industry.

C. (3) Attached is a list[4] of news releases issued during the quarter which bear on legislative subjects. Complete information as to the extent to which these were published or the dates of publication is not available. Mailing list for these news releases is attached.[4] Mimeographing was done in our Washington office.

D. (5) $2,108.24, 50 percent of time for which salary is included is devoted to legislative activities; (7) $2,108.24; (8) $2,102.40; (9) $4,210.64; (13) no.

[4] Not printed. Filed in the Clerk's office.

E. (7) $59.49; (8) $23.75; (9) $83.24; (10) $77.40; (11) $160.64; (15) $83.24.

A. Sterling F. Stoudenmire, Jr., 1740 G Street NW., Washington, D. C.; attorney for Waterman Steamship Corp.

B. Waterman Steamship Corp., 61 St. Joseph Street, Mobile, Ala.; steamship operators.

C. (1) I am engaged permanently by Waterman Steamship Corp. and subsidiaries as attorney in its legal division. Such employment requires only a portion of my time in legislative activities.

C. (2) Any legislation affecting the American merchant marine and transportation generally, specifically, Merchant Marine Act of 1936, H. R. 5346, S. 2786, Civil Aeronautics Act, appropriations bills, Army civil functions, and any other matters affecting the American merchant marine; amendments to Ship Sales Act of 1946.

D. (5) $1,000, registrant believes this amount fairly represents the amount of his salary received during this quarter which may be allocable to legislative activities; (7) $1,000; (8) $1,000; (9) $2,000; (13) no.

E. (7) $66; (9); $66; (10) $76.69; (11) $142.69; (15) $66.

A. Paul A. Strachan, 1370 National Press Building, Washington, D. C., president of the American Federation of the Physically Handicapped, an organization composed primarily of handicapped citizens, concerned with development of ameliorative national and local programs of benefit to physically handicapped people.

B. American Federation of the Physically Handicapped.

C. (1) Continuous.

C. (2) S. 1066 and H. R. 3095 and identical House bills, to establish a Federal Commission (Agency) on Services for the Physically Handicapped; S. 458 and H. R. 3937, survey (census) of handicapped; S. 1538 and H. R. 1729 and identical House bills, to establish the National Cerebral Palsy Act; S. 659 and H. R. 3893, National Epilepsy Act; S. 2761 and H. R. 5234, National Leprosy Act; Senate Concurrent Resolution 37 and House Concurrent Resolution 143, to repeal ICC rule prohibiting amputees from driving trucks or buses in interstate commerce. The foregoing are all our own bills. We have given publicity to them by bulletins, correspondence, etc., as that part of the work of this federation on national level.

C. (3) Bulletins are issued from time to time by the American Federation of the Physically Handicapped, containing status of pending legislation. No specific date set for these. Recently began printing Valor, our official organ. National Publishing Co., Washington Planograph Co. Quantity printed varies.

D. (5) $600; (7) $600; (8) $600; (9) $1,200.

E. (7) $265.23; (9) $265.23; (10) $226.10; (11) $491.33; (15) $265.23.

A. O. R. Strackbein, executive secretary, America's Wage Earners' Protective Conference, 424 Bowen Building, Washington, D. C.

B. America's Wage Earners' Protective Conference, 424 Bowen Building, Washington, D. C. To gather, compile, and disseminate data relating to imports and international trade; to promote legislation that will enhance and protect employment in domestic industry by preventing unfair wage competition from abroad, and to oppose legislation that will have the opposite effect.

C. (1) Indefinitely.

C. (2) Tariff; ITO Charter.

D. (1) $3,960; (7) $3,960; (8) $4,230; (9) $3,190; (13) yes; (14) $300, International Brotherhood of Bookbinders, 300–306 A. F. of L. Building, Washington, D. C.; $300, International Union of Operating Engineers, 1003 K Street NW., Washington, D. C.; $300, Atlantic Fishermen's Union, 206 Essex Street, room 353, Boston, Mass.; $600, Glass Bottle Blowers' Association, 12 South Twelfth Street, Philadelphia, Pa.; $600, National Brotherhood of Operative Potters, Box 752, East Liverpool, Ohio; $600, American Flint Glass Workers' Union, 200 Rainie Building, Toledo, Ohio; $300, Window Glass Cutters' League of America, 1078 South High Street, Columbus, Ohio; $300, United Hatters, Cap and Millinery Workers' International Union, 245 Fifth Avenue, New York, N. Y.; $300, Brotherhood of Painters, Decorators and Paperhangers, Painters and Decorators' Building, Lafayette, Ind.; $300, International Photoengravers' Union of North America, 292 Madison Avenue, room 1110, New York, N. Y.; $60, American Wire Weavers' Protective Association, 1436 East One Hundred and Thirty-fifth Street, Cleveland, Ohio; total, second quarter, 1950, $3,960.

E. (2) $3,923.66; (4) $108.84; (5) $135; (6) $41.73; (7) $132.54; (8) $37.25; (9) $4,379.02; (10) $4,310.31; (11) $8,689.33; (15) $4,379.02.

A. O. R. Strackbein, 424 Bowen Building, 815 Fifteenth Street NW., Washington, D. C.

B. The International Allied Printing Trades Association, Box 728, Indianapolis, Ind. Principally control distribution and use of union label.

C. (1) Indefinitely.

C. (2) Matters affecting the interests of the employees in the printing trades. (a) Postal rate increase bill; (b) H. R. 2945; S. 1103.

D. (1) $150; (7) $150; (8) $150; (9) $300; (13) No.

A. O. R. Strackbein,[2] the National Labor-Management Council on Foreign Trade Policy, 424 Bowen Building, Washington, D. C.; chairman.

B. The National Labor-Management Council, 424 Bowen Building, Washington, D. C.; to promote security of employment and high levels of production by preventing the undermining of domestic labor standards and the breaking of prevailing price levels by imports which are offered at unfair prices as judged by our standards.

C. (1) Indefinitely.

C. (2) Bills relating to the tariff and foreign trade; charter of the International Trade Organization; import programs.

C. (3) Statement of principles; statement of position with regard to ECA import program, third round of trade agreements, and ITO Charter; mimeographed; 800 to 1,000 each.

D. (1) $4,700; (7) $4,700; (9) $4,700; (13) No.

E. (1) $250; (4) $348.23; (5) $1,229.61; (6) $3.30; (7) $31.69; (8) $41.70; (9) $1,904.53; (11) $1,904.53; (15) $1,904.53.

A. O. R. Strackbein, chairman, National Labor-Management Council on Foreign Trade Policy, 424 Bowen Building, Washington, D. C.

B. The National Labor-Management Council, 424 Bowen Building, Washington, D. C. To promote security of employment and high levels of production by preventing the undermining of domestic labor standards and the breaking of prevailing price levels by imports which are offered at unfair prices as judged by our standards.

C. (1) Indefinitely.

C. (2) Bills relating to the tariff and foreign trade; charter of the International Trade Organization; import programs.

C. (3) Statement of principle; statement of position with regard to ECA import program; third round of trade agreements; ITO charter; mimeographed, 800–1,000 copies each.

D. (1) $10,950; (7) $10,950; (8) $4,700; (9) $15,650; (13) yes; (14) $500, American Flint Glass Workers' Union, Rainie Building, Toledo, Ohio; $500, International Brotherhood of Bookbinders, A. F. of L. Building, Washington, D. C.; [blank], Seafarers' International Union, Seaboard Building, San Francisco; $500, Atlantic Fishermen's Union, 206 Essex Street, Boston; $500, Cannery Workers' Union of the Pacific, 545 Dock Street, Terminal Island, Calif.; $500, International Photoengravers' Union, 292 Madison Avenue, New York City; $500, United Hatters, Cap and Millinery Workers' Union, 245 Fifth Avenue, New York City; $500, International Council of Aluminum Workers' Union, 1310 Washington Building, Louisville, Ky.; $500, National Brotherhood of Operative Potters, box 752, East Liverpool, Ohio; $500, United Cement, Lime and Gypsum Workers' Union, 3329 West Washington Boulevard, Chicago; $500, International Chemical Workers' Union, 1659 West Market Street, Akron; $250, National Match Workers' Council, 698 Paige Avenue West, Barberton, Ohio; $200, United Wall Paper Craftsmen and Workers Union, 201 North Wells Street, Chicago; $500, Reynolds Metals Co., 2500 South Third Street, Louisville; $500, American Photoengravers' Association, 29 North Sixth Street, Philadelphia; $500, American Match Industry, 122 East Forty-second Street, New York City; $500, California Fish Canners' Association, Inc., Ferry Building, Terminal Island, Calif.; $500, Edgar Brothers Co. (kaolin), Metuchen, N. J.; $500, Manufacturing Chemists Association, Inc., Woodward Building, Washington, D. C.; $500, Book Manufacturers' Institute, Inc., 25 West Forty-third Street, New York City; $500, Synthetic Organic Chemical Manufacturers' Association, 41 East Forty-second Street, New York City; $250, The Hat Institute, 358 Fifth Avenue, New York City; $250, Wool Hat Manufacturers' Association of America, 286 Fifth Avenue, New York City; $250, The Vitrified China Association, Inc., 312 Shoreham Building, Washington, D. C.; $250, United States Potters' Association, East Liverpool, Ohio; $250, American Glassware Association, 19 West Forty-fourth Street, New York City; $250, National Association of Manufacturers of Pressed and Blown Glassware, Moundsville, W. Va.; total, $10,950; April 30 to June 30, 1950, inclusive.

E. (1) $214.85 (WT and FICA taxes); (2) $2,192.46; (4) $732.91; (5) $406.50; (6) $135.81; (7) $150.17; (8) $241.51; (9) $3,859.36; (10) $1,904.53; (11) $5,763.89; (15) $3,859.36.

A. Arthur Sturgis, Jr., 1627 K Street NW., Washington, D. C.; trade association.

B. American Retail Federation, 1627 K Street NW., Washington, D. C.; trade association.

C. (1) Indefinitely.

C. (2) Registrant is generally interested in all legislation and legislative proposals affecting the retail industry, including the industry's relations with the Federal Government, with its suppliers, with its employees and with its customers. Specifically at this time: Taxation, general revisions, excise tax relief, no specific bills. Hoover Commission recommendations, general principles. Reorganization Plans Nos. 6 and 12: Postal rates, H. R. 2945, S. 1103, postal rate increases. Social security—social security amendments, H. R. 6000; health insurance, S. 5, S. 1679; temporary disability insurance, H. R. 2893; unemployment compensation, H. R. 8059. Labor—Fair Labor Standards Act, 29 U. S. Code 201–219; National Labor Relations Act, 49 Stat. 449; Fair Employment Practices Act bills, S. 1728, H. R. 4453. Trade practices, consumer protection, labeling—Cotton labeling bill, S. 124; fiber labeling bill, S. 283; fur labeling bill, H. R. 5187; flammable fabrics bill, S. 403; Wool Labeling Act, 15 United States Code, 68 et seq.

D. (5) $500; (7) $500; (8) $500; (9) $1,000; (13) yes.

E. (7) $14.94; (9) $14.95; (10) $17.90; (11) $32.84; (15) $14.94.

A. J. E. Sturrock, 207 West Fifteenth Street, Austin, Tex.; secretary-treasurer and

[2] Filed for first quarter, 1950.

general manager, Texas Water Conservation Association.

B. Texas Water Conservation Association, 207 West Fifteenth Street, Austin, Tex.; a nonprofit corporation incorporated under laws of Texas and organized for the purpose of promoting the sound and orderly development of the land and water resources of Texas.

C. (1) Indefinitely.

C. (2) Interested in all legislation concerning the development, conservation, protection, and utilization of the Texas' land and water resources through existing State and Federal agencies. Opposed to all legislation creating Federal valley authorities and all legislation seeking to superimpose Federal control over State control in the distribution of the State's water resources. Interested in H. R. 894, creating Federal valley authorities. H. R. 2733, Canadian River reclamation project, Texas. H. R. 7351, amending Reclamation Project Act of 1939. H. R. 7786, General appropriation bill, 1951.

C. (3) (a) Texas Water Conservation Association Bulletin, issued about every 6 weeks, consisting of 10 to 14 pages; (b) publish approximately 1,100 copies; (c) publish Bulletin about every 6 weeks; (d) mimeographed in office of association.

D. (5) $1,500; (7) $1,500; (8) $1,800; (9) $3,300; (13) no.

E. (6) $0.12; (7) $278.23; (8) $110.44; (9) $388.79; (10) $744.28; (11) $1,133.07; (15) $388.79.

A. Francis M. Sullivan, 1701 Eighteenth Street NW., Washington, D. C.; national legislative director, Disabled American Veterans.

B. Disabled American Veterans, National Headquarters, 1423 East McMillan Street, Cincinnati, Ohio; congressionally chartered veteran organization.

C. (1) The national legislative division of the DAV is a permanent division. This division performs only a minor part of DAV activities. The major part is our national claims service.

C. (2) The DAV is interested in all legislation affecting war veterans, their dependents, and survivors of deceased veterans. The largest number of bills in which we are interested are referred to Senate Finance Committee; Senate Labor and Public Welfare; House Veterans' Affairs Committee; the two Committees on Post Office and Civil Service; and the two Armed Services Committees.

C. (3) Articles pertaining to pending legislation in which the DAV is interested are published in our own newspaper: the DAV Semi-Monthly. This newspaper is published semimonthly at our national headquarters, Cincinnati, Ohio, and is mailed to every DAV member. The membership varies and as of June 15, 1950, was 155,894. Legislative articles are carried as news items for DAV members.

E. (2) $2,551.36; (7) $16.55; (8) $48; (9) $2,615.91; (10) $2,047.34; (11) $4,663.25.

A. John P. Sutherland, Veterans of Foreign Wars of the United States, Wire Building, 1000 Vermont Avenue NW., Washington, D. C., assistant legislative representative.

B. Veterans of Foreign Wars of the United States.

C. (1) Legislative interests to continue indefinitely, because of yearly program.

C. (2) Legislation affecting all veterans and their dependents in relation to employment, hospitalization, rehabilitation, pensions, disability compensation and housing; welfare of servicemen of the Armed Forces and their dependents; matters relating to the national security, immigration and naturalization, and combating of subversive activities; and the furtherance of a sound foreign policy; other matters included in the resolutions adopted by the national encampment and the national council of administration.

C. (3) VFW Foreign Service, monthly magazine, 1,250,000 circulation; VFW Legislative Newsletter, monthly, 1,000 circulation.

D. (5) $1,125; (7) $1,125; (9) $1,125; (13) no.

E. (7) $6.92; (9) $6.92; (11) $6.92; (15) $6.92.

A. Sutherland, Tuttle & Brennan, 1012 Ring Building, Washington, D. C.; attorneys at law.

B. Joseph H. Young, 8 Gildersleeve Wood, Charlottesville, Va.; law student.

C. (1) Until the passage of private claims bill, H. R. 6164.

C. (2) H. R. 6164.

A. Walter S. J. Swanson, 952 National Press Building, Washington, D. C., editor of the Highway Highlights, published monthly by the National Highway Users Conference, and writer of reportorial bulletins for information of conference member groups.

B. National Highway Users Conference, Inc., 952 National Press Building, Washington, D. C. For complete description of nature of business, see exhibit A, quarterly report for first quarter of 1950.

C. (1) Continuous, as long as there be legislation before the Congress dealing with Federal grants-in-aid to States for highways, or the repeal, modification, or extension of Federal excise taxes on motor vehicles, gasoline, lubricating oil, tires or auto parts and accessories. Such "legislative interest" is primarily reportorial and is not believed to be within the meaning of Public Law 601, Seventy-ninth Congress, the Lobbying Act.

C. (2) The current Federal-aid highway bill (H. R. 7941 and S. 3424), and current excise tax bills, such as, H. R. 8920.

C. (3) (a) Editorial printed in the Automotive News and reproduced by the National Highway Users Conference, Inc. (see attached copy[1]); (b) quantity published, 7,500, distributed among the member groups of the National Highway Users Conference and to member groups of the State conferences; (c) reprinted June 8, 1950; (d) printed, as shown, in Automotive News. Published by Slocum Publishing Co., Inc., Detroit, Mich. Copy planographed by Columbia Planograph Co., Washington, D. C.

D. (5) $1,750; (7) $1,750; (8) $1,750; (9) $3,500; (13) no.

E. (4) $207.51; (9) $207.51; (10) $298.00; (11) $505.51; (15) $207.51.

A. James A. Tawney, 504 Hibbs Building, Washington, D. C., lawyer and counsel, Grain & Feed Dealers National Association.

B. Grain & Feed Dealers National Association, 100 Merchants Exchange Building, St. Louis, Mo. This association was organized more than 50 years ago for "the advancement and protection of the common interests of those engaged in the grain and feed business."

C. (1) Continuously.

C. (2) All legislation pertaining to agriculture, commerce, and trade, conservation, taxation, social security, and from time to time, other subjects affecting the business interests of members of this association. Exercise general oversight of legislative developments, occasionally analyze particular measure, obtain information with respect to the status of pending legislation, etc. During the period for which this report is filed, particular attention was paid to the status of H. R. 6567, Eighty-first Congress and S. 2826, identical bills, to increase the borrowing authority of the Commodity Credit Corporation, and to certain amendments proposed thereto. Attention was also given to the status of certain proposed tax revisions, notably the tax on communications, transportation of property and transportation of persons.

C. (3) This registrant did not issue or cause to be issued any publications, circulars or other writings designed to influence legislation, but did prepare factual informative reports on the status and probable effect of legislation in which the members of this association would likely be interested.

D. (9) I have no receipts, other than reimbursements for nominal out-of-pocket expenditures, from which expenditures are or will be made in connection with so-called "legislative interests." I am reimbursed for expenditures in connection with such "legislative interests." The nature of my duties is set forth in reply to questions C (1), C (2), and C (3) of this report. During the second quarter I did not, to the best of my knowledge, recollection, or belief, spend any time in any activity that could reasonably be interpreted as "attempting to influence legislation," as "lobbying" or promoting "legislative interests," assuming these terms are susceptible of any reasonable interpretation. Frankly, I do not know what they mean. I made inquiries concerning the status of legislation, concerning legislative programs and schedules of legislative committees, but did not attempt to influence the vote or the position of any Member of Congress on any particular piece of legislation. My salary, as an employee (legal counsel) for the Grain & Feed Dealers National Association covers a number of duties not related to pending legislation. For the second quarter of 1950 it totaled $1,350 gross. Expenses for which I was reimbursed totaled $13.25, none of which was incurred on account of "influencing legislation," "lobbying," or in promoting "legislative interests." My entire salary is used for my own personal needs and household expenses. I have solicited no funds, made no loans, or had any other financial or property transactions, even remotely connected with legislative activity, the promotion of legislation, or the influencing of any votes or the position of any Members of Congress other than in connection with the activities herein reported.

Tax Council of the Alcoholic Beverage Industries, 10 East Fortieth Street, New York, N. Y. (Form A received and filed in Clerk's office.)

A. Tax Equality Association of Montana, McKay Building, 107 East Main, Missoula, Mont.; a voluntary association of small-business men whose donations to its funds are used to educate the public to the necessity for revising income-tax laws to eliminate tax exemption of competitive business.

C. (1) Until the corporate income-tax statutes are revised to close the loopholes to tax avoidance by cooperatives, and business activities of charitable and religious and educational institutions and others.

C. (2) Repeal of the exemption contained in sections 101 (12) and (13) of the Internal Revenue Code and all bills so to do which apply to the conduct of business competition with goods and services produced for a livelihood by the citizenry.

C. (3) No publications initiated. Literature obtained from others, reprints, etc., distributable with news letters and comments thereon.

D. (2) $3,819; (7) $3,819; (9) $3,819.

E. (1) $1,470.65; (2) $88; (5) $321; (6) $7.81; (7) $207.70; (8) $36; (9) $2,123.16; (11) $2,123.16.

A. Tax Equality Committee of Kentucky, 211 Columbia Building, Lexington, Ky.; association business.

C. (1) Activity will continue until Congress provides for tax equality.

C. (2) (a) Mason bill; (b) H. R. 5064; (c) revision section 101, IRC.

D. (1) $2,641; (7) $2,641; (8) $769.50; (9) $3,410.50; (13) no.

E. (2) $521.25; (4) $49.22; (5) $510; (6) $46.43; (8) $7.83; (9) $1,134.73; (10) $1,411.93; (11) $2,546.66.

[1] Not printed. Filed in the clerk's office.

A. Edward D. Taylor, administrative vice president, Office Equipment Manufacturers Institute and administrative member, excise tax committee of OEMI, 1903 N Street NW., Washington, D. C.

B. Office Equipment Manufacturers Institute (OEMI), 1903 N Street NW., Washington, D. C., a nonprofit trade association devoted to the general industrial problems and interests of the office equipment manufacturers industry. More specifically, with respect to the legislative activities reported herein, the registrant submits this report in his capacity as administrative member of the excise tax committee of the OEMI.

C. (1) Present legislative interests will terminate with the enactment of legislation terminating the Federal excise tax on business and store machines. Such legislation reducing this tax is now pending before Congress.

C. (2) Repeal or reduction of the Federal excise tax on business and store machines imposed by section 3406 (a) (6) of the Internal Revenue Code; (b) H. R. 8920 (now pending in the Senate).

C. (3) Regular information bulletin which is issued weekly by the OEMI to members. This bulletin reports information on many subjects of interest to members of the institute. While reference is made occasionally to legislative items this bulletin is not issued or caused to be issued in connection with legislative interests; (b) 225 copies; (c) published weekly; (d) bulletin is multigraphed by OEMI staff, not printed.

D. (5) $231 (estimated); (6) $69.68; (7) $300.68; (8) $1,082.47; (9) $1,383.15; (13) no.

E. (7) $69.68; (9) $69.68; (10) $112.47; (11) $182.15; (15) $69.68.

A. Hugh W. Taylor, 1507 M Street NW., Washington, D. C.; executive secretary of employer listed below.

B. Burley & Dark Leaf Tobacco Export Association, Inc., 620 South Broadway, Lexington, Ky.

C. (1) During my period of employment, which is on an annual basis.

C. (2) (a) Economic Cooperation Act of 1948, as amended; (b) H. R. 7797, S. 3304; (a) borrowing power of the Commodity Credit Corporation; (b) H. R. 6567; (a) graduated tax on cigarettes; (b) H. R. 2016.

C. (3) None this quarter.

D. (7) $2,500.59; (8) $2,500.59; (9) $5,001.18; (13) no.

E. (7) $565.60; (8) $15.28; (9) $580.88; (10) $150.59; (11) $731.47.

A. Gen. John Thomas Taylor, in care of the American Legion (a chartered organization of war veterans), 734 Fifteenth Street NW., Washington, D. C.

B. The American Legion, 777 North Meridian Street, Indianapolis, Ind.

C. (1) On a yearly basis.

C. (2) Below is set forth a statement showing the general legislative interests of the American Legion and the work performed in connection therewith:

The American Legion and all veterans of World War I and World War II and their dependents on all matters affecting their care, rehabilitation, hospitalization, reeducation, and housing; all matters affecting the general welfare of our country with regard to national defense; Americanism, included in which is opposition to all subversive activities, with particular attention to our immigration and naturalization laws; child welfare, not only for children of veterans but for all children; aid and assistance to veterans in agriculture development; matters dealing with our foreign policy and foreign relations; the development of sound civil aviation programs and policies and the development of sound and progressive programs for the employment and reemployment of veterans in civilian pursuits and in civil service; legislation which would eliminate all improper discriminations and be of benefit to the men and women who are still in our armed services; and all other matters included in the mandates and programs of the American Legion as adopted and approved by the national convention of the American Legion and/or by its national executive committee, which are the ruling and policymaking bodies of the American Legion; (a) due to the nature and extent of the work involved, it is impossible to specify the titles of statutes and bills, (b) the House and Senate numbers of bills, or (c) the citations of statutes.

C. (3) The legislative commission of the American Legion prepares an article on legislation pending before Congress which is inserted in the American Legion Magazine once a month. The American Legion Magazine is distributed to all members of the American Legion. The only publication issued by the American Legion legislative commission is the Legislative Bulletin, which is issued once a week while Congress is in session. (a) The American Legion Magazine is a magazine of interest to veterans and, as above stated, is sent to all members who have paid dues and is part of the consideration for payment of dues. The Legislative Bulletin is issued to subscribers and also to certain officers of the American Legion, who receive same without paying any consideration therefor. Paid subscribers are charged $3 per congressional session. (b) During the past year slightly in excess of 3,000,000 copies of the American Legion Magazine were published and at the present time approximately 4,000 copies of the Legislative Bulletin are issued. (c) The American Legion Magazine is issued in the early part of each month. The Legislative Bulletin is issued on Tuesday of each week while Congress is in session. (d) The American Legion Magazine is printed by C. T. Dearing Printing Co. and the Legislative Bulletin is printed by the Law Reporter Printing Co.

D. (5) $3,120.26; (7) $3,120.26; (8) $3,340.87; (9) $6,461.13.

E. (7) $120.26; (9) $120.26; (10) $340.87; (11) $461.13; (15) $120.26.

A. Margaret K. Taylor, 1731 I Street NW., Washington, D. C; director of educational department for National Milk Producers Federation.

B. National Milk Producers Federation, 1731 I Street NW, Washington, D. C.; National farm organization.

C. (1) Indefinitely.

C. (2) Any legislation that may affect milk producers or the cooperatives through which they act together to process and market their milk.

C. (3) The names of any papers, periodicals, magazines, or other publications in which the person filing has caused to be published any articles or editorials: (a) News for Dairy Co-ops; (b) 700; weekly; (c) Federation. (a) Legislative Letter; (b) 1,200; irregular; (c) Federation.

D. (5) $1,999.93; (6) $370.44; (7) $2,370.42; (8) $2,800.39; (9) $5,170.71.

E. (7) $309.08; (8) $61.36; (9) $370.44; (10) $800.31; (11) $1,170.75; (15) all.

A. Tyre Taylor, 1112 Dupont Circle Building, Washington, D. C.; lawyer.

B. National Association of Retail Grocers, 360 North Michigan Avenue, Chicago, Ill.

C. (1) Unknown.

C. (2) Repeal of margarine license taxes and other legislation of interest to independent retail food distributors.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) no.

E. (2) $531; (4) $3.57; (5) $388.86; (6) $78.96; (7) $50.75; (8) $3.75; (9) $1,056.89; (10) $1,076.79; (11) $2,133.68. The expenditures listed in this and previous reports represent 50 percent of the overhead (rent, salaries, etc.) of my law office, the other 50 percent being allocated to another client for which I have registered. Since probably more than 85 percent of our total activities for these and other clients have nothing to do with influencing legislation (so that there is a serious question as to whether I come under the act at all) this allocation is entirely arbitrary. However, there is no possible way of determining with any degree of accuracy what part of the overhead of an office of this kind should be charged to any particular activity.

A. Tyre Taylor, 1112 Dupont Circle Building, Washington, D. C.; lawyer.

B. Southern States Industrial Council, Stahlman Building, Nashville, Tenn.

C. (1) Unknown.

C. (2) The general legislative program of the council with particular emphasis on legislation favorable to the maintenance of a free-enterprise system.

D. (5) $3,378.16; (7) $3,378.16; (8) $3,378.16; (9) $6,756.32; (13) no.

E. (2) $1,581.27; (4) $3.57; (5) $388.86; (6) $78.96; (7) $50.75; (8) $3.75; (9) $2,107.16; (10) $2,152.06; (11) $4,259.22. The expenditures listed in this and previous reports represent 50 percent of the overhead (rent, salaries, etc.) of my law office, the other 50 percent being allocated to another client for which I have registered. Since probably more than 85 percent of our total activities for these and other clients have nothing to do with influencing legislation (so that there is a serious question as to whether I come under the act at all) this allocation is entirely arbitrary. However, there is no possible way of determining with any degree of accuracy what part of the overhead of an office of this kind should be charged to any particular activity.

A. Donald Teel, secretary-treasurer, Michigan Associated Businessmen, Inc., 1516 Olds Tower Building, Lansing, Mich.

B. Michigan Associated Businessmen, Inc., 1516 Olds Tower Building, Lansing, Mich.; National Tax Equality Association, 231 South La Salle Street, Chicago, Ill.

C. (1) Indefinite. Until objective hereinafter set forth is accomplished.

C. (2) Legislation designed to have all business corporations taxed in the same manner and on the same basis, such as the Mason bill (H. R. 5064).

C. (3) No publications issued or caused to be issued.

D. (5) $628; (6) $198.69; (7) $626.69; (8) $1,168.87; (9) $1,995.56; (13) yes; (14) January 1 through June 30, 1950; National Tax Equality Association, $1,246; Michigan Associated Businessmen, Inc., $749.56; total, $1,995.56.

E. (2) $146; (4) $6.43; (5) $4.86; (6) $3.55; (7) $32.75; (9) $198.69; (10) $530.87; (11) $749.56; (15) $198.69.

A. Marjorie L. Temple, legislative program associate, American Association of University Women, 1634 Eye Street NW., Washington, D. C.

B. American Association of University Women, 1634 Eye Street, NW., Washington, D. C.; an educational nonprofit organization promoting higher education for women.

C. (1) Legislative interests are continuing and are within framework of a program voted by membership at biennial convention.

C. (2) Federal aid to education, S. 246 (except sec. 6), H. R. 7160; ECA and point 4 programs, S. 3304 and H. R. 7797; Reorganization Plan No. 27, as regards the Office of Education only; equal rights amendment, Senate Joint Resolution 25, as amended; strengthening the United Nations, Senate Concurrent Resolution 72; school construction and teachers' pay.

C. (3) Mimeographed materials on status of current legislation being supported by the association, sent to State legislative program chairmen.

E. (4) $55.14; (6) $5.38; (9) $60.52; (10) $149.24; (11) $209.76.

A. John U. Terrell, Hotel Congressional, Washington, D. C.; public relations.

B. Colorado River Association, 306 West Third Street, Los Angeles, Calif.; public relations.

C. (1) Unknown.

C. (2) S. 75 and H. R. 934.

C. (3) See report of Colorado River Association.

D. (5) $3,650; (7) $3,650; (8) $3,000; (9) $6,650.

E. See report of Colorado River Association.

A. Texas Water Conservation Association, 207 West Fifteenth Street, Austin, Tex.; a nonprofit corporation incorporated under laws of Texas and organized for purpose of promoting the sound and orderly development of the land and water resources of Texas. Association supported by membership dues and contributions.

C. (1) Indefinitely.

C. (2) Interested in all legislation concerning the development, conservation, protection, and utilization of Texas' land and water resources through existing State and Federal agencies. Opposed to all legislation creating Federal valley authorities and all legislation seeking to superimpose Federal control over State control in the distribution of the State's water resources. Interested in H. R. 894, creating Federal valley authorities; H. R. 2733, Canadian River reclamation project, Texas; H. R. 7351, amending Reclamation Project Act of 1939; H. R. 7786, general appropriation bill, 1951.

C. (3) (a) Texas Water Conservation Association Bulletin, issued about every 6 weeks and consisting of 10 to 14 pages; (b) publish approximately 1,100 copies; (c) publish bulletin about every 6 weeks; (d) mimeographed in office of association.

D. (1) $1,225; (7) $1,225; (8) $2,100; (9) $3,325; (13) No.

E. (1) $12.76; (2) $1,785.14; (4) $947.85; (5) $237.39; (6) $148.49; (7) $300; (8) $445.20; (9) $3,876.83; (10) $5,340.49; (11) $9,217.32.

A. Whitney Tharin, executive secretary, National Potato Council, 930 F Street NW., Washington 4, D. C.

B. National Potato Council, 930 F Street NW., Washington 4, D. C.; an organization of potato farmers formed to promote consumption of Irish potatoes through research and education and to represent the industry in policy matters.

C. No compensation in addition to remuneration as executive secretary.

A. Chester C. Thompson, 1319 F Street NW., Washington 4, D. C.; trade association executive.

B. The American Waterways Operators, Inc., 1319 F Street NW., Washington 4, D. C.; a trade association of the barge and towing vessel industry of the United States.

C. (1) An indefinite period.

C. (2) All matters affecting barge and towing vessel industry and water transportation: Senate Resolution 50, S. 2786, H. R. 5346, Senate Joint Resolution 99, H. R. 6773, H. R. 6251, S. 2912, H. R. 6905, H. R. 6907, H. R. 328, H. R. 429, H. R. 4978, S. 211, H. R. 7248, S. 1008, S. 3161, H. R. 4450, H. R. 7710, H. R. 7786, H. R. 5472, S. 2196, H. R. 7807, Senate Resolution 263, Senate Resolution 265, Senate Joint Resolution 271, H. R. 8497, S. 3579, House Joint Resolution 423, H. R. 8565, H. R. 8566, S. 3657, S. 1008, H. R. 8624, H. R. 8813, H. R. 8920, House Resolution 647.

D. (5) $5,000; (7) $5,000; (9) $5,000; (13) no.

E. (7) $75.50; (9) $75.50; (10) $39.25; (11) $114.75; (15) $75.50.

A. Donald J. Thompson, director, Washington office, National Small Business Men's Association, 1737 DeSales Street NW., Washington, D. C.

B. National Small Business Men's Association, 163 North Union Street, Akron 4, Ohio.

C. (1) Indefinitely.

C. (2) All legislation pertaining to small business, either directly or indirectly.

C. (3) (a) Pulling Together, monthly bulletin of NSBMA; (b) approximately 40,000 copies; (c) monthly; (d) Monroe Letterhead Co., Akron, Ohio.

D. (5) $1,875; (7) $1,875; (8) $304.71; (9) $2,179.71; (13) no.

E. (7) $236.89; (9) $236.89; (10) $16.25; (11) $253.14; (15) $236.89.

A. Eugene M. Thorué, general counsel, Life Insurance Association of America, 488 Madison Avenue, New York 22, N. Y.

B. Life Insurance Association of America, 488 Madison Avenue, New York 22, N. Y.; trade association.

C. (1) Continuous.

C. (2) Legislation which might affect the welfare of policyholders and annuitants, e. g., H. R. 6000, House Joint Resolution 371, S. 2408.

D. (5) $587.02; (7) $587.02; (9) $587.02; (14) monthly salary allocated on basis of time spent on lobbying activities. Paid by Life Insurance Association of America, 488 Madison Avenue, New York 22, N. Y.

E. (6) $45.86; (7) $271.96; (9) $317.82; (11) $317.82; (15) $317.82.

A. Arthur P. Tiernan,[2] executive secretary, Vanderburgh County Medical Society, 201 Southeast Third Street, Evansville, Ind.

B. Vanderburgh County Medical Society, 201 Southeast Third Street, Evansville, Ind.; an organization for the advancement of the practice of the science of medicine in Vanderburgh County, Ind.

C. (1) Indefinitely.

C. (2) All bills pending before Congress which would create national health insurance.

C. (4) No additional compensation is paid for lobbying activity over and above Mr. Tiernan's regular salary as executive secretary of the Vanderburgh County Medical Society.

E. (2) $26.75; (4) $30; (8) 699.70; (9) $756.45; (11) $756.45.

A. Arthur P. Tiernan, executive secretary, Vanderburgh County Medical Society, 201 Southeast Third Street, Evansville, Ind.

B. Vanderburgh County Medical Society, 201 Southeast Third Street, Evansville, Ind. An organization for the advancement of the practice of the science of medicine in Vanderburgh County, Ind.

C. (1) Indefinitely.

C. (2) All bills pending before Congress which would create national health insurance.

A. William H. Tinney, 211 Southern Building, Fifteenth and H Streets NW., Washington, D. C.; the Pennsylvania Railroad Co.

B. The Pennsylvania Railroad Co., 1740 Broad Street Station Building, Philadelphia, Pa.

C. (1) Indefinitely.

C. (2) Any legislation affecting the interest of the Pennsylvania Railroad Co., including: Senate Resolution 50, transportation investigation; S. 238, H. R. 378, H. R. 530, railroad communications and operating rules; S. 211, H. R. 4978, Federal Barge Lines; S. 2113, H. R. 5967, freight forwarders; H. R. 7789, S. 3295, Railway Labor Act; Senate Joint Resolution 99, St. Lawrence seaway; S. 1596, H. R. 4271, mail pay bill; S. 1008, basing point; S. 3109, H. R. 8847, package freight Great Lakes; H. R. 8320, S. 2091, produce terminals; S. 3463, railroad antistrike; H. R. 8920, taxes.

D. (5) Salary: $558.31 per month, which is paid for all the services rendered to the Pennsylvania Railroad Co., only a part of which have to do with legislation; (13) no.

E. (8) $152.15 was expended by me as expense money, during the second quarter of 1950, for taxicabs, meals, automobile expenses, and incidentals. In addition to this amount, I also received $355.05 for expenses incurred in connection with other duties performed for the Pennsylvania Railroad Co., which have no relation to the purposes covered by this act; (15) amounts stated in answer to (8) above have been reimbursed by the employer.

[2] Filed for first quarter, 1950.

A. Mary Titus, legislative assistant for local education associations, legislative-Federal relations division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington, D. C.

B. Legislative-Federal relations division of the National Education Association of the United States, 1201 Sixteenth Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Bills pending before Eighty-first Congress relating to public education. Primary interest in S. 246, H. R. 5939, H. R. 7160, H. R. 1551.

D. (5) $266.67; (7) $266.67; (8) $262.50; (9) $529.17. Full salary for calendar quarter, $1,333.34. Estimated for legislative service, 20 percent, or $266.67.

A. Fred T. Tobin, 438 Bowen Building, 821 Fifteenth Street NW., Washington, D. C.; attorney and legislative representative for the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America.

C. (1) As occasion requires.

C. (2) I am an attorney representing the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers Union and its affiliated locals before the Interstate Commerce Commission and the National Labor Relations Board. Am the liaison representative between various Government agencies and international union and the affiliated locals. The above includes general services of a nonlegislative nature pertaining to business and operation of International Brotherhood of Teamsters and its affiliated locals; also for part-time services in connection with legislation, both Federal and State, for the International Brotherhood of Teamsters and its affiliated locals.

D. (5) $3,750; (7) $3,750; (8) $3,750; (9) $7,500; (13) yes; (14) $3,750, International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, 222 East Michigan Street, Indianapolis, Ind., employer.

A. H. Willis Tobler, 1731 I Street NW., Washington, D. C.; legislative representative for National Milk Producers Federation.

B. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.; national farm organization.

C. (1) Indefinitely.

C. (2) Any legislation that may affect milk producers or the cooperatives through which they act together to process and market their milk.

C. (3) (a, b, c, and d) The names of any papers, periodicals, magazines, or other publications in which the person filing has caused to be published any articles or editorials: News for Dairy Co-ops, 700, weekly, federation; Legislative Letter, 1,200, irregular, federation.

D. (5) $1,924.98; (6) $136.87 (expense); (7) $2,061.85; (8) $1,971.08; (9) $4,032.93; (13) salary only.

E. (7) $108.22; (8) $28.65 (expense); (9) $136.87; (10) $46.10; (11) $182.97; (15) all.

A. John H. Todd, 1037 Woodward Building, Washington, D. C.

B. National Cotton Compress and Cotton Warehouse Association, 586 Shrine Building, Memphis, Tenn.

C. (1) Indefinite.

C. (2) No specific legislation. Any matters affecting the cotton compress and warehouse industry.

D. (5) $375; (6) $22.93; (7) $397.93; (8) $475.09; (9) $873.02; (13) no.

E. (5) $3.12; (6) $39.31; (7) $6.58; (9) $49.01; (10) $12.82; (11) $61.83; (15) $49.01.

A. John H. Todd, 1832 M Street NW., Washington, D. C.; attorney at law.

B. National Cotton Council of America, post-office box 18, Memphis, Tenn.; nonprofit welfare organization to promote the consumption of American-grown cotton, cottonseed, and products thereof.

C. (1) Indefinitely.

C. (2) Any legislation affecting the raw-cotton industry.

D. (5) $1,274.92; (7) $1,274.92; (8) $336.60; (9) $1,611.72.

E. (7) $24.92; (9) $24.92; (10) $3.47; (11) $28.39; (15) $24.92.

A. Neil Tolman, 1025 Connecticut Avenue NW., Washington, D. C.; attorney at law.

B. Phillips Chemical Co., Bartlesville, Okla.; Phillips Petroleum Co., Bartlesville, Okla.; chemicals and oil.

C. (1) Eighty-first Congress.

C. (2) Legislative interests are those affecting the fertilizer, chemical, synthetic rubber, petroleum, and related industries.

C. (3) No publications.

D. (5) $5,642.56; (7) $5,642.56; (9) $5,642.56; (13) yes.

A. The Townsend Plan, Inc., and Townsend National Weekly, Inc., 6875 Broadway, Cleveland, Ohio; educational, to promote the Townsend plan.

C. (1) Indefinitely.

C. (2) To gain acceptance for the Townsend plan.

C. (3) Weekly newspaper; approximately 32,000 copies per issue; printed by the United Publishing Co.

D. (2) $66,151.86; (4) $2,919.40; (7) $69,071.26; (9) $69,071.26; (13) no.

E. (9) $153,986.59; (11) $153,986.59.

A. Wallace Townsend, 306 Commercial National Bank Building, Little Rock, Ark.; lawyer.

B. Southwestern Gas & Electric Co., Shreveport, La.

C. As one of the attorneys for the Southwestern Gas & Electric Co., I have been opposed to the effort on behalf of the Southwestern Power Administration of Tulsa, Okla., to extend transmission lines that compete with the lines of this company and to secure money for building auxiliary steam-generating plants, upon the ground that the Flood Control Act of 1944, under which the SPA operates, did not authorize the building of transmission lines where such lines were already available, and in no circumstances authorized the building of steam-generating plants. This opposition has been expressed chiefly in helping to prepare the testimony before the Appropriations Committees of the House and the Senate on the Department of the Interior appropriations bills, and to trips to Washington to attend the committee meetings. I have not been connected with any publications.

D. (5) $700; (6) $93.59; (7) $793.59; (8) $600; (9) $1,393.59; (13) no.

E. (6) $43.59; (7) $50; (9) $93.59; (10) $18.06; (11) $111.65; (15) $93.59.

A. Transportation Association of America, 130 North Wells Street, Chicago, Ill.; this association is a public-interest organization in fact as well as in name. It files with you a quarterly report showing every detail of all of its expenditures. It also files with you special reports of Donald D. Conn, executive vice president; Clarence F. Lea, director of governmental relations; and Dr. John H. Frederick, consultant in the Washington, D. C., office. It is a policy of the association's board of directors to treat all elected Representatives in the Senate and the House and all officers of our Government as part of the public interest. Therefore, we comply with the Lobbying Act not because we have admitted in any sense that we are lobbying under the intent and meaning of that act, but rather that we are glad to have our Government and the Congress in possession of all the facts relative to our operations.

C. (1 and 2) This association deals with the economics, public relations, and legislation of over-all transportation—in the public interest. It provides consultant services at Washington, D. C., to assist Members of Congress and governmental departments. It is concerned with any type of legislation which bears upon the future of competitive private ownership of any form of transportation and related subjects. Its interests in such legislation is of a permanent character. But the association does not represent the particular or special interests of any segment of its membership, nor does it speak for any segment.

C. (3) Enclosed are copies of all publications issued by this association during the past 3 months. In each subsequent quarterly report we will send you copies of every published document, showing quantity ordered, name of printer, etc.

D. (13) Yes; (14) The following statement includes all receipts and all expenses for the period April 1 to June 30, 1950, of which less than $7,500 has been expended by the asscciation at the Nation's Capital for the operation of the Washington information office: Receipts—$27,591.15, amounts under $500 in the aggregate; $91,700, amounts over $500 in this quarter (see following table); $119,291.15, total of all receipts for this quarter; $98,869.28, received during previous quarter; $218,160.43, total receipts from January 1 through June 30, 1950.

Period January 1 through June 30, 1950; $500, membership, Aetna Life Insurance Co., 151 Farmington Avenue, Hartford, Conn., April 13, 1950; $500, membership, Allis Chalmers Manufacturing Co., 1126 South Seventieth Street, Milwaukee, Wis., May 25, 1950; $750, membership, American Brake Shoe Co., 230 Park Avenue, New York, N. Y., March 13, 1950; $1,000, membership, American Can Co., 230 Park Avenue, New York, N. Y., March 24, 1950; $1,500, membership, American Locomotive Co., 30 Church Street, New York, N. Y., February 15, 1950; $1,500, contribution, American Locomotive Co., 30 Church Street, New York, N. Y., February 15, 1950; $1,140, membership, American Steel Foundries, 410 North Michigan Avenue, Chicago, Ill., April 15, 1950; $650, membership, Associated Transport, Inc., 1775 Broadway, New York, N. Y., May 16, 1950; $5,000, membership, Association of American Railroads, Transportation Building, Washington, D. C., June 12, 1950; $2,000, contribution, Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill., January 27, 1950; $500, membership, Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill., January 25, 1950; $500, membership, Atchison, Topeka & Santa Fe Railroad Co., 80 East Jackson Boulevard, Chicago, Ill., April 10, 1950; $900, membership, Baldwin Locomotive Co., Paschall Post Office, Philadelphia, Pa., April 19, 1950; $600, F. Ballentine & Sons, 57 Freeman Street, Newark, N. J., February 15, 1950; $1,000, contribution, Baltimore & Ohio Railroad Co., Baltimore, Md., April 28, 1950; $1,000, membership, Bank of America, 300 Montgomery Street, San Francisco, Calif., June 16, 1950; $650, membership, Bessemer & Lake Erie Railroad Co., P. O. Box No. 536, Pittsburgh, Pa., January 20, 1950; $500, Bird & Son, Inc., East Walpole, Mass., May 8, 1950; $735, membership, Blaw-Knox Co., 2028 Farmers Bank Building, Pittsburgh, Pa., February 6, 1950; $2,000, contribution, Boston & Maine Railroad, Boston, Mass., May 18, 1950; $1,000, membership, the Budd Co., 2450 Hunting Park Avenue, Philadelphia, Pa., March 3, 1950; $500, membership, Chemical Bank & Trust Co., 165 Broadway, New York, N. Y., June 7, 1950; $2,000, contribution, Chesapeake & Ohio Railway Co., 1300 Terminal Tower, Cleveland, Ohio, June 14, 1950; $650, membership, Chicago, Great Western Railway Co., 309 West Jackson Boulevard, Chicago, Ill., June 29, 1950; $1,500, membership, Chicago, Rock Island & Pacific Railroad Co., LaSalle Street Station, Chicago, Ill., May 29, 1950; $1,000, contribution, Chicago, Rock Island & Pacific Railroad Co., LaSalle Street Station, Chicago, Ill., May 29, 1950; $1,500, membership, Continental Illinois National Bank & Trust Co., 231 South LaSalle Street, Chicago, Ill., May 15, 1950; $500, membership, Corning Glass Works, Walnut Street, Corning, N. Y., March 29, 1950; $1,000, contribution, Delaware & Hudson Railroad Co., 230 Park Avenue, New York, N. Y., April 28, 1950; $1,000, contribution, Delaware, Lackawanna & Western Railroad Co., 140 Cedar Street, New York, N. Y., April 28, 1950; $1,100, contribution, Delaware, Lackawanna & Western Railroad Co., 140 Cedar Street, New York, N. Y., April 12, 1950; $600, membership, Duluth, Missabe & Iron Range Railway Co., Wolvin Building, Duluth, Minn., January 18, 1950; $600, contribution, Duluth, Missabe & Iron Range Railway Co., Wolvin Building, Duluth, Minn., March 30, 1950; $2,000, membership, E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del., January 20, 1950; $650, membership, Elgin, Joliet & Eastern Railway Co., 208 South La Salle Street, Chicago, Ill., January 5, 1950; $650, contribution, Elgin, Joliet & Eastern Railway Co., 208 South LaSalle Street, Chicago, Ill., January 5, 1950; $2,000, contribution, Erie Railroad Co., Midland Building, Cleveland, Ohio, January 25, 1950; $2,000, membership, Erie Railroad Co., Midland Building, Cleveland, Ohio, January 25, 1950; $1,000, contribution, Erie Railroad Co., Midland Building, Cleveland, Ohio, April 28, 1950; $1,000, membership, First National Bank, 67 Milk Street, Boston, Mass., June 12, 1950; $1,500, membership, First National Bank, 38 South Dearborn Street, Chicago, Ill., March 15, 1950; $1,000, membership, First National Bank, 2 Wall Street, New York, N. Y., March 20, 1950; $810, membership, First National Stores, Inc., 5 Middlesex Avenue, Somerville, Mass., April 10, 1950; $1,000, contribution, Ford Motor Co., 3000 Schaefer Road, Dearborn, Mich., June 14, 1950; $1,000, contribution, General Electric Co., 1 River Road, Schenectady, N. Y., June 29, 1950; $1,800, contribution, General Mills, Inc., 400 Second Avenue, South, Minneapolis, Minn., January 20, 1950; $1,500, contribution, Great Northern Railway Co., 1036 Great Northern Building, St. Paul, Minn., January 18, 1950; $1,500, membership, Great Northern Railway Co., 1036 Great Northern Building, St. Paul, Minn., January 18, 1950; $500, membership, Gulf, Mobile & Ohio Railroad Co., 104 St. Francis Street, Mobile, Ala., February 6, 1950, $500, contribution, Gulf, Mobile & Ohio Railroad Co., 104 St. Francis Street, Mobile, Ala., June 19, 1950; $1,000, membership, Home Insurance Co., 59 Maiden Lane, New York, N. Y., February 17, 1950; $1,500, membership, Illinois Central Railroad Co., 135 East Eleventh Place, Chicago, Ill., February 8, 1950; $1,000, contribution, Illinois Central Railroad Co., 135 East Eleventh Place, Chicago, Ill., February 8, 1950; $2,000, membership, Inland Steel Co., 38 South Dearborn Street, Chicago, Ill., January 5, 1950; $1,000, membership, Insurance Co. of North America, 1600 Arch Street, Philadelphia, Pa., June 20, 1950; $1,000, membership, International Business Machines Corp., 590 Madison Avenue, New York, N. Y., April 3, 1950; $2,000, membership, International Harvester Co., 180 North Michigan Avenue, Chicago, Ill., March 27, 1950; $2,000, contribution, International Harvester Co., 180 North Michigan Avenue, Chicago, Ill., March 27, 1950; $1,250, membership, Jersey Central Lines, Jersey City Terminal, Jersey City, N. J., April 5, 1950; $2,000, membership, Johns-Manville Corp., 22 East Fortieth Street, New York, N. Y., February 10, 1950; $1,000, membership, Jones & Laughlin Steel Corp., Third Avenue and Ross Street, Pittsburgh, Pa., April 14, 1950; $1,000, mem-

bership, Koppers Co., Inc., Koppers Building, Pittsburgh, Pa., January 3, 1950; $500, membership, S. S. Kresge Co., 2727 Second Avenue, Detroit, Mich., June 7, 1950; $2,000, membership, Magnolia Petroleum Co., P. O. Box 900, Dallas, Tex., May 1, 1950; $2,000, membership, National Biscuit Co., 449 West Fourteenth Street, New York, N. Y., June 5, 1950; $1,000, membership, National Carloading Corp., 19 Rector Street, New York, N. Y., May 5, 1950; $800, membership, New Orleans Public Service Co., 317 Baronne Street, New Orleans, La., April 10, 1950; $1,000, contribution, New York Central Railroad Co., 230 Park Avenue, New York, N. Y., April 28, 1950; $2,000, membership, New York, Chicago & St. Louis Railroad Co., Cleveland, Ohio, January 12, 1950; $1,000, contribution, New York, Chicago & St. Louis Railroad Co., Cleveland, Ohio, April 28, 1950; $2,000, membership, New York, New Haven & Hartford Railroad Co., South Station, Boston, Mass., March 20, 1950; $1,000, contribution, New York, New Haven & Hartford Railroad Co., South Station, Boston, Mass., May 5, 1950; $1,000, contribution, Norfolk & Western Railway Co., Roanoke, Va., April 24, 1950; $1,500, contribution, Northern Pacific Railway Co., Fifth and Jackson Streets, St. Paul, Minn., January 9, 1950; $1,500, membership, Northern Pacific Railway Co., Fifth and Jackson Streets, St. Paul, Minn., January 9, 1950; $2,000, membership, the Ohio Oil Co., 539 South Main Street, Findlay, Ohio, April 3, 1950; $500, membership, Oxweld Railroad Service Co., 230 North Michigan Avenue, Chicago, Ill., April 25, 1950; $700, membership, Pacific Fruit Express Co., 165 Broadway, New York, N. Y., April 24, 1950; $2,000, contribution, Pennsylvania Railroad Co., 1617 Pennsylvania Boulevard, Philadelphia, Pa., April 17, 1950; $1,000, contribution, Pennsylvania Railroad Co., 1617 Pennsylvania Boulevard, Philadelphia, Pa., April 28, 1950; $500, membership, Philadelphia Savings Fund Society, 1212 Market Street, Philadelphia, Pa., April 13, 1950; $2,000, membership, Phillips Petroleum Co., Bartlesville, Okla., May 15, 1950; $2,000, contribution, Pittsburgh Plate Glass Co., Grant Building, Pittsburgh, Pa., May 8, 1950; $750, membership, Provident Mutual Life Insurance Co., 4601 Market Street, Philadelphia, Pa., April 13, 1950; $2,000, membership, Prudential Insurance Co., Newark, N. J., May 29, 1950; $1,000, membership, Reading Co., Reading Terminal, Reading, Pa., June 15, 1950; $1,000, contribution, Reading Co., Reading Terminal, Reading, Pa., June 15, 1950; $2,000, contribution, Republic Steel Corp., Republic Building, Cleveland, Ohio, February 6, 1950; $2,000, membership, Republic Steel Corp., Republic Building, Cleveland, Ohio, February 6, 1950; $100, membership, Rollins, Burdick, Hunter & Co., 231 South LaSalle Street, Chicago, Ill., June 29, 1950; $400, contribution, Rollins, Burdick, Hunter & Co., 231 South LaSalle Street, Chicago, Ill., June 29, 1950; $2,000, membership, St. Louis San Francisco Railway Co., 906 Olive Street, St. Louis, Mo., May 5, 1950; $2,000, contribution, St. Louis San Francisco Railway Co., 906 Olive Street, St. Louis, Mo., May 5, 1950; $1,250, membership, St. Louis Southwestern Railway Co., 612 Cotton Belt Building, St. Louis, Mo., February 10, 1950; $650, membership, Seaboard Air Line Railroad Co., Norfolk, Va., May 1, 1950; $650, membership, Shell Pipe Line Corp., Shell Building, Houston, Tex., January 11, 1950; $2,000, membership, Socony Vacuum Oil Co., 26 Broadway, New York, N. Y., January 13, 1950; $2,000, contribution, Socony Vacuum Oil Co., 26 Broadway, New York, N. Y., April 3, 1950; $2,000, contribution, Southern Railway Co., Washington, D. C., May 8, 1950; $2,000, membership, Southern Railway Co., Washington, D. C., May 8, 1950; $2,000, contribution, Standard Oil Co. of California, Standard Oil Building, San Francisco, Calif., March 20, 1950.

$2,000 membership, Standard Oil Co. of Indiana, 910 South Michigan Avenue, Chicago, Ill., February 14, 1950; $2,000, membership, Standard Oil Co. of New Jersey, 30 Rockefeller Plaza, New York, N. Y., March 13, 1950; $2,000, contribution, Texas Co., 135 East Forty-second Street, New York, N. Y., May 17, 1950; $500, contribution, Texas Gulf Sulphur Co., 75 East Forty-fifth Street, New York, N. Y., April 24, 1950; $1,200, membership, Union Tank Car Co., 228 North La Salle Street, Chicago, Ill., May 10, 1950; $2,000, membership, United Air Lines, Inc., 5959 South Cicero Avenue., Chicago, Ill., February 14, 1950; $1,000, contribution, United Air Lines, Inc., 5959 South Cicero Avenue, Chicago, Ill., June 16, 1950; $8,000, contribution, United States Steel Corp., 436 Seventh Avenue, Pittsburgh, Pa., June 5, 1950; $2,000, contribution, Universal Carloading & Distributing Co., 345 Hudson Street, New York, N. Y., April 20, 1950; $600, membership, Utah Oil Refining Co., Box 898, Salt Lake City, Utah, June 19, 1950; $1,000, membership, Wabash Railroad Co., Railway Exchange Building, St. Louis, Mo., March 1, 1950; $1,000, contribution, Wabash Railroad Co., Railway Exchange Building, St. Louis, Mo., March 1, 1950; $800, membership, Western Maryland Railway Co., Standard Oil Building, Baltimore, Md., January 12, 1950; $1,000, membership, Western Pacific Railroad Co., San Francisco, Calif., May 8, 1950; $1,000, contribution, Western Pacific Railroad Co., San Francisco, Calif., May 8, 1950; $1,000, membership, F. W. Woolworth Co., Woolworth Building, New York, N. Y., March 23, 1950; $2,000, membership, Esso Standard Oil Co., 15 West Fifty-first Street, New York, N. Y., March 17, 1950; $500, contribution, Minneapolis Clearing House Association, care of Northwestern National Bank Building, Minneapolis, Minn., March 22, 1950; $2,000, contribution, New York Central Railroad Co., 230 Park Avenue, New York, N. Y., June 19, 1950; $2,000, contribution, Service Pipe Line Co., Service Pipe Line Building, Tulsa, Okla., May 17, 1950.

E. $100,830.64, total of all expenditures for this quarter (see photostatic copy of Daily Journal; $99,681.03, expended during previous quarter; $200,511.67, total expenditures from January 1 through June 30, 1950.

A. Mr. Paul T. Truitt, 1028 Munsey Building, Washington, D. C., president and treasurer, National Association of Margarine Manufacturers.

B. National Association of Margarine Manufacturers, 1028 Munsey Building, Washington, D. C.

C. (1) Indefinite, depending upon assignments by employer.

C. (2) During period January-March concerned with H. R. 2023 (Public Law 459, 81st Cong., 2d sess., approved March 16, 1950); also interested in H. R. 330 and H. R. 4358, which contain proposed amendments to the Navy ration statute (34 U. S. C. 902a). Generally interested in any margarine legislation.

D. (8) $2,293.06; (9) $2,293.06.

E. (10) $43.06; (11) $43.06.

A. Joseph P. Tumulty, Jr., 1317 F Street NW., Washington, D. C., attorney at law.

B. Mihail Marinescu, 14 Wall Street, New York, N. Y.

C. (1) Probable minimum of 3 months; maximum of 2 years.

C. (2) Displaced-persons legislation in general and House Concurrent Resolution 181 in particular.

C. (3) No publications; compensation, in the nature of an attorney's fee, is to be $1,500 for services to be rendered. The nature of expenses will be postage, telegraph, telephone, and taxicab charges, not likely to exceed $25.

D. (13) No.

E. (7) $3.30; (9) $3.30; (15) $3.30

A. Philip C. Turner, 10 North Calvert Street, Baltimore, Md.

B. Food Producers Council, Inc., 10 North Calvert Street, Baltimore, Md.; Vegetable Growers Association of America, Columbus, Ohio.

C. (1) Indefinite.

C. (2) Labor legislation and all agricultural legislation.

C. (3) Mimeographed material at intervals to mailing list of 750 people on labor and agricultural legislation as it affects the farmers in the Northeastern States.

D. (1) $255; (2) $730; $492.50 less 50 percent nonlegislative; (5) $250; (7) $742.50; (8) $2,251.25; (9) $2,993.75; (13) yes; (14) $1,000, Dairymen's Cooperative Sales Association, Mr. W. W. Bullard, president, fourth floor, Century Building, No. 451, Pittsburgh, Pa.

E. (2) $1,355; (5) $272.75; (6) $120.51; (7) $11.36; (8) $1,759.62; (9) $879.81; (10) $890.87; (11) $1,770.68; 50 percent deducted account nonlegislative; (15) $879.81.

A. Twenty Percent Cabaret Tax Committee, 171 West Randolph Street, Chicago 1, Ill.

C. (2) Reduction or repeal of 20 percent cabaret tax.

D. (6) $4,250; (7) $4,250; (8) $1,750; (9) $6,000; (13) yes; (14) $250, Bismarck Hotel, Chicago, Ill.; $250, La Salle Hotel, Chicago, Ill.; $250, Hotel Schroeder, Milwaukee, Wis.; $250, Radisson Hotel, Minneapolis, Minn.; $250, Ivanhoe-Restaurant, Chicago, Ill.; $250, Blackstone Hotel, Chicago, Ill.; $250, Ambassador Hotel, Los Angeles, Calif.; $2,500, Hotels Statler, New York, N. Y.; $4,250, total.

E. (1) $4,000; (4) $167.33; (9) $4,167.33; (10) $1,738.66; (11) $5,905.99.

A. Mrs. Gladys Uhl, 132 Third Street SE., Washington, D. C.

B. American Parents Committee, 132 Third Street SE., Washington, D. C.

C. (1) Indefinitely.

C. (2) (a and b) National school health-service bill, H. R. 3942; public-school construction bill, H. R. 5718; national child-research bill, S. 904, H. R. 4465; Federal aid for education; local public-health units, H. R. 5865; social-security revisions, H. R. 6000; physically handicapped children's education bill, S. 3102, H. R. 7396; school-lunch appropriation; Children's Bureau appropriation.

C. (3) (a, b, c, and d) Washington Report on Legislation Affecting Children, 500 mimeographed monthly by Parents' Institute, Inc., Bergenfield, N. J.

D. (5) $398.14; (6) $34 (miscellaneous expense); (7) $432.14; (8) $590.32; (9) $1,022.46.

E. (7) $34; (9) $34; (10) $22.66; (11) $56.66.

A. Unemployment Benefit Advisors, Inc., 506 Hotel Washington, Washington, D. C.; consultants in social security.

C. (1) Indefinitely.

C. (2) (a and b) The organization is interested in the over-all field of social security; that is, new legislation affecting titles 1, 2, 3, 8, 9, 12, and 13 of the Social Security Act as amended; also chapters 1 and 9 of the Internal Revenue Code. Specific legislation before Congress this quarter has been H. R. 6000 and H. R. 8059.

C. (3) (a, b, c, and d) We had no publications as such issued during the present quarter. We do prepare a mimeographed release entitled "The Advisor," issued at irregular intervals, which advises the recipient of legislation introduced and analyzes the effects of the proposed legislation. It also gives statistical, educational, and informational data relating to the operations of the State and Federal programs in the field of social security. This release is sent to approximately 2,500 people, including not only the organizations that have retained our service but educational institutions and persons interested in the social-security program. The releases are prepared by Bates

Duplicating Co., and such releases were issued on the following dates: January 13, February 9, March 13 and 28.

D. (5) $24,012.50; (7) $24,012.50; (13) Yes; (14) $1,000, Standard Oil Co. of California, Standard Oil Building, San Francisco, Calif.; $1,000, Public Service Co. of Northern Illinois, Adams Street, Chicago, Ill.; $500, S. S. Kresge Co., Detroit, Mich.; $500, Deere & Co., Moline, Ill.; $500, Koppers Co., Inc., 11500 Koppers Building, Pittsburgh, Pa.; $1,000, E. I. du Pont de Nemours & Co., Wilmington, Del.; $500, Eastman Kodak Co., Rochester, N. Y.; $1,000, Aluminum Co. of America, Pittsburgh, Pa.; $750, International Harvester Co., 180 North Michigan Avenue, Chicago, Ill.; $1,000, Peoples Gas Light & Coke Co., 122 South Michigan Avenue, Chicago, Ill.; $500, Oscar Mayer & Co., 1241 North Sedgwick Street, Chicago, Ill.; $500, Sun Oil Co., Philadelphia, Pa.; $1,000, Shell Oil Co., Inc., 50 West Fiftieth Street, New York, N. Y.; $500, Gillette Safety Razor Co., Boston, Mass.; $1,000, Chrysler Corp., Detroit, Mich.; $500, Clark Equipment Co., Buchanan, Mich.; $500, Alabama Power Co., Alabama Power Co. Building, Birmingham, Ala.; $1,500, Wieboldt Stores, Inc., 106 South Ashland Avenue, Chicago, Ill.; $500, Tide Water Associated Oil Co., 17 Battery Place, New York, N. Y.; $500, Harley-Davidson Motor Co., 3700 West Juneau, Milwaukee, Wis.; total, $14,750; January 1 to March 31, 1950, inclusive.

E. (2) $10,399.98; (4) $866.13; (5) $2,722.17; (6) $480.77; (7) $1,599.08; (8) $972.85; (9) $17,040.98; (11) $17,040.98.

A. United States Cuban Sugar Council, 30 Pine Street, New York, N. Y.; disseminating information about the Cuban sugar industry.

C. (1) Indefinitely.

C. (2) Sugar Act of 1948, Public Law 388, Eightieth Congress; an act to regulate commerce among the several States, with Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes. Trade Agreements Act of 1949, H. R. 40, Eighty-first Congress; a bill to make permanent the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes. Trade Agreements Extension Act, Public Law 307, a bill to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes. House Joint Resolution 426, joint resolution to amend the Sugar Act of 1948 to increase the sugar quota for Puerto Rico from $910,000 short tons, raw value, to 1,150,000 short tons, raw value. General legislative interests are all statutes and bills affecting the importation by the United States of sugar from Cuba, and the tariff rates on such sugar, and those statutes and bills affecting trade between the United States and Cuba, particularly trade in sugar.

C. (3) Statement to the Committee for Reciprocity Information concerning the United States tariff on sugar and the preferential rate for Cuban sugar in connection with the proposed negotiations at Torquay, England; 60, May 15, 1950, mimeographed at tre offices of Ivy Lee and T. J. Ross. Council's news Bulletin, volume 5, No. 2; 45,000, May 1950; J. C. Dillon Co. Three news releases, based on Bulletin, volume 5, No. 2: No. 1, 1,100; No. 2, 373; No. 3, 215; May 19, 1950; mimeographed at the offices of Ivy Lee and T. J. Ross. Oral statement to the committee for reciprocity information concerning proposed negotiations at Torquay, England; 125, May 25, 1950; mimeographed at the offices of Ivy Lee and T. J. Ross.

D. (1) $25,561.85; (7) $25,561.85; (8) $26,375; (9) $51,936,85; (13) yes; (14) $1,500, Caribbean Sugar Co., 40 Water Street, Boston, Mass.; $2,921.33, Central Violeta Sugar Co., 120 Wall Street, New York, N. Y.; $2,000, Guantanamo Sugar Co., 120 Wall Street, New York, N. Y.; $4,000, Manati Sugar Co., 106 Wall Street, New York, N. Y.; $5,728.42, Punta Alegre Sugar Corp., 120 Wall Street, New York, N. Y.; $1,219.83, Tanamo Sugar Co., 20 Exchange Place, New York, N. Y.; $6,804.04, The American Sugar Refining Co., 120 Wall Street, New York, N. Y.; $9,396.24, The Cuban-American Sugar Co., 120 Wall Street, New York, N. Y.; $3,875, The Francisco Sugar Co., 106 Wall Street, New York, N. Y.; $1,869.90, Tuinucu Sugar Co., 106 Wall Street, New York, N. Y.; $5,500, United Fruit Co., One Federal Street, Boston, Mass.; $7,122.09, Vertientes-Camaguey Sugar Co., 20 Exchange Place, New York, N. Y.; $51,936.85, total.

E. (1) $7,144.70; (4) $1,218.90; (9) $8,363.60; (10) $8,400.75; (11) $16,764.35.

A. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.; trade association.

C. (1) Continuous.

C. (2) Support all legislation favorable to thrift and home ownership and particularly helpful to savings and loan associations and cooperative banks in carrying out their thrift and home financing objectives and oppose legislation detrimental to home ownership and these institutions. H. R. 6743, to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act; S. 2006, to amend the Home Owners Loan Act of 1933, with respect to Federal savings and loan associations; S. 2987, to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act; S. 2408, to amend the Securities Exchange Act of 1934, as amended; S. 2822, to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264); H. R. 8920, Revenue Act of 1950; Senate Resolution 299, Reorganization Plan No. 22; S. 2774, to extend FBI protection to all insured savings and loan associations; United States Savings and Loan League is advised by counsel, and believes, that it is not subject to the Federal Regulation of Lobbying Act for the reason that its principal purpose is not to influence legislation and it does not raise money principally to influence legislation; however, it has discovered that the Attorney General of the United States has taken the position that it is subject to the act. It has never at any time had any reason not to comply with the act, if it is subject to it, and it has never at any time had any facts which it desired to conceal, if it is required by law to report the same; therefore, in view of the foregoing, and without admitting that it is subject to the act, this report is filed.

C. (3) Confidential Bulletin M 222, 7,000, April 24, 1950; Confidential Bulletin M 223, 6,300, May 10, 1950; Confidential Bulletin M 224, 13,200, June 9, 1950; Millar Publishing Co., 538 South Wells Street, Chicago, Ill.

D. No dues or other receipts are for this specific purpose. All expenditures in connection with legislative interests are made from general funds. Members' dues covering the calendar year 1950 collected during the first two quarters of this year amounted to $544,061.43.

E. (2) $4,117.12; (4) $11,864.45; (5) $679.77; (6) $331.94; (7) $340.56; (8) $277.73; (9) $17,611.57; (10) $7,377.93; (11) $24,989.50.

A. United World Federalists, Inc., 7 East Twelfth Street, New York, N. Y.; to strengthen United Nations with powers limited but adequate to insure peace.

C. (1) As long as this organization continues its program of interest in legislative measures as specified in (2).

C. (2) The general legislative interests of this organization are measures relating to strengthening of the United Nations and United States participating in the United Nations; specifically House Concurrent Resolution 64, Senate Concurrent Resolution 56, and H. R. 7797.

C. (3) World Government News is a publication published independently by World Government News, Inc. Copies of this publication are sent to members of this organization since a portion of the membership's dues is allocated to a subscription to such publication as is designated by the organization. World Government News is a monthly publication, approximately 35,000 copies of which are sent to members of this organization (refer to copies already on file). Political Action Letter is a mimeographed bulletin sent to branches and chapters of this organization. It is issued irregularly but averages about one edition per month throughout the year. It is produced at the New York office of this organization in quantity of 1,000 per edition (refer to copies already on file). In addition a mimeographed bulletin called Branch and Chapter Letter is produced in the same manner as the political action letter for branches and chapters, this organization, issued about once per month in the same quantity as the above (refer to copies already on file). Various pamphlets and reprints are produced for resale to branches and chapters (refer to copies already on file).

D. (1) $23,740.30; (2) $51,668.51; (4) $13,862.65; (6) $8,836.25; (7) $98,107.71; (8) $80,782.52; (9) $178,690.23; (10) $13,000; (12) $2,000; (14) $500, Mrs. Mildred Riordon Blake, Ogden Park, Dobbs Ferry, N. Y.; $2,000, Stephen Clark, the Clark Estates, Inc., 149 Broadway, New York, N. Y.; $1,500, William F. Cochran, 411 North Charles Street, Baltimore, Md.; $500, Henry Fonda, Alvin Theatre, West Fifty-second Street, New York, N. Y.; $750, E. Henry Davis, 3901 Stanford Street, Dallas, Tex.; $500, Alvin B. Marks, Birchwood Lane, Great Neck, Long Island, N. Y.; $2,000, Lawrence S. Mayers, 520 West Thirty-fourth Street, New York, N. Y.; $500, A. Ross Meeker, 74 Whitney Road, Short Hills, N. J.; $500, Dr. and Mrs. Henry A. Murray, 37 Brismer Street, Boston, Mass.; $500, Mr. and Mrs. Leo Pasternak, 888 Ocean Avenue, Brooklyn, N. Y.; $500, Mr. and Mrs. Chester Rich, Crompond Road, Peekskill, N. Y.; $500, R. B. Smallwood, Ritz Towers, New York, N. Y., total, $10,250.

E. (1) $2,219.20; (2) $33,015.90; (4) $16,877.73; (5) $9,102.20; (6) $2,330.87; (7) $22,419.20; (8) $23,602.21; (9) $109,627.31; (10) $81,846.16; (11) $191,473.47; United World Federalists, Inc., is not, its counsel has advised it, obliged to file this statement since it does not solicit, collect, receive, or expend funds to be used principally to aid in the passage or defeat of any legislation, or to influence the passage or defeat of any legislation by the Congress of the United States. It files this statement voluntarily since it has nothing to conceal; further, United World Federalists, Inc., cannot determine from a study of the act, whether it is to report only the relatively small amounts which it expends in connection with legislation by the Congress of the United States, or whether it is to report its total corporate expenses for all its national, State, and local activities. In the interests of safety, United World Federalists, Inc., has heretofore regularly reported, and reports herewith, on the basis of its total expenditures for all purposes. If a segregation of the amounts expended, which might come within the coverage of the act, is expected, United World Federalists, Inc., estimates that that would be less than 15 percent of the total expenditures herewith reported.

A. Garet Van Antwerp III,[2] 354 St. Francis Street, Mobile, Ala.; attorney at law.

B. C. Jasper Bell, attorney, 904 Bryant Building, Kansas City, Mo.; estate of George A. Carden, New York City, N. Y.

C. (1) Uncertain as to time interests are to continue.

C. (2) H. R. 4064, Eighty-first Congress, first session.

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[2] Filed for first quarter, 1950.

D. (13) No.

A. Garet Van Antwerp III, 354 St. Francis Street, Mobile, Ala.

B. Anderson T. Herd, West Palm Beach, Fla.; S. A. Markel, c/o Market Services, Richmond, Va.; Mrs. Rose Porter Carden and George A. Carden, Jr., administrators of the estate of George A. Carden, Sr., deceased, c/o O. M. Ruebhausen, 20 Exchange Place, New York, N. Y.

C. (1) This session of Congress.

C. (2) Representing employers in connection with certain claims of George A. Carden and Anderson T. Herd against the United States and seeking passage of H. R. 4064 (81st Cong., 1st sess.).

D. (13) No.

A. C. W. Vance, room 312, Labor Building, 10 Independence Avenue SW., Washington, D. C.

B. Order of Railway Conductors of America, Cedar Rapids, Iowa; railroad brotherhood, labor union.

C. (1) Indefinitely.

C. (2) S. 3295 and H. R. 7789 to amend Railway Labor Act; S. 328 and H. R. 378 to amend section 25 of Interstate Commerce Act; generally interested in all legislation affecting labor, especially railroad labor.

D. (5) $810; (6) $650.71; (7) $1,460.71; (8) $741.96; (9) $2,202.67.

E. (6) $37.58; (7) $641.30; (8) $1,000.84.

A. R. L. Vanderslice, 520 North Michigan Avenue, Chicago 11, Ill., hotel association secretary and executive director.

B. Chicago Residential Hotel Association, 520 North Michigan Avenue, Chicago 11, Ill.; residential hotel association.

C. (1) Don't know; dependent on legislation affecting our member hotels.

C. (2) H. R. 8276 (Spence bill) to extend the Housing and Rent Act of 1947; Senate bills 3181, 3464, and 3492.

C. (3) No publications, only statements on behalf of Chicago Residential Hotel Association submitted to Senate and House Banking and Currency Committees, May 1950.

A. Weston Vernon, Jr., 15 Broad Street, New York, N. Y., partner, law firm of Milbank, Tweed, Hope & Hadley.

C. (1) Indefinite.

C. (2) Proposed Federal tax legislation affecting the interests of the Chase National Bank of the City of New York

D. (13) no.

A. Weston Vernon, Jr., 15 Broad Street, New York, N. Y., partner, law firm of Milbank, Tweed, Hope & Hadley.

C. (1) Indefinite.

C. (2) Proposed Federal tax legislation affecting the interests of the Equitable Life Assurance Society of the United States.

D. (13) No.

A. Weston Vernon, Jr., 15 Broad Street, New York 5, N. Y., Partner, Law firm of Milbank, Tweed, Hope & Hadley.

C. 1. Indefinite.

C. (2) Proposed Federal tax legislation affecting the interests of the New York Stock Exchange and its members.

C. (3) None.

D. (13) No.

A. A. L. Viles, president, the Rubber Manufacturers Association, Inc., 444 Madison Avenue, New York, N. Y.

B. The Rubber Manufacturers Association, Inc., 444 Madison Avenue, New York, N. Y.

C. No time devoted to legislative work.

A. Vitrified China Association, Inc., 312 Shoreham Building, Washington, D. C., trade association.

C. (1) Same as reported first quarter 1950.

A. The Vulcan Detinning Co., Sewaren, N. J.; detinning and tin smelting.

C. (1) For an indefinite term.

C. (2) Potentially interested in general in all legislation affecting tin, tin smelting, detinning, steel scrap, and related subjects. (a) House Joint Resolution 324—"To encourage * * * exploration * * * of tin-ore resources of the United States, etc."; H. R. 3524—"To strengthen national security * * * by providing for * * * domestic tin-smelting industry." Also companion bill, 1342; H. R. 8569 and S. 3666, companion bills—"To extend for 5 years the authority for the Texas City tin-smelter operation."

E. (2) $2,000; (6) $97.38; (9) $2,097.38; (10) $37; (11) $2,134.38.

A. Theodore Waller, United World Federalists, Inc., 132 Third Street SE., Washington, D. C.; advocacy of measures to strengthen the United Nations.

B. United World Federalists, Inc., 7 East Twelfth Street, New York, N. Y.; nature of business, same as above. (Organizational data previously submitted on Form A will be submitted separately by United World Federalists, Inc. This submission includes only data formerly submitted on Form C.

C. (1) The undersigned's legislative responsibilities terminated on April 10, 1950.

C. (2) The general legislative interests covered by this submission are measures relating to United States participation in the United Nations; specifically House Concurrent Resolution 64, Senate Concurrent Resolution 56, and H. R. 7797.

C. (3) The undersigned has contributed to or prepared material for political-action letters and a house organ known as UWF insert, World Government News, but these publications were issued by the national office and will be dealt with in the organizational submission.

D. (5) $3,768.38.

E. (5) $176.73; (6) $311.27; (8) $1,680.11; (10) $2,168.11; (11) $2,168.11; (15) $2,168.11.

A. J. H. Walter, 260 South Broad Street, Philadelphia, Pa.

B. Attapulgus Clay Co., 210 West Washington Square, Philadelphia, Pa.; clay products; the Atlantic Refining Co., 260 South Broad Street, Philadelphia, Pa.; petroleum products.

C. (1) Through current session of the Congress.

C. (2) Proposed amendments to Internal Revenue Code (sec. 114 (b) (4)) to include fuller's earth in those minerals entitled to percentage depletion, and possibly the amendment of H. R. 7622 so as to include fuller's earth therein.

C. (4) Registrant is paid an annual salary as a member of the legal staff of the Atlantic Refining Co. and spent an estimated 1 day office work and 1 day in Washington in connection with the legislative interests listed in this report. Item D (5), therefore, reports the receipt of registrant's annual salary being allocated to those days on the basis of a 5-day workweek. Registrant expended no sums in connection with the legislative interests mentioned in this report inasmuch as the only expenditures, which were for rail fare, cab fare, meals, and tips, were paid directly by W. E. Sawyer, Jr., secretary-treasurer of Attapulgus Clay Co., as shown by report to be filed for that company.

D. (5) $92.30; (7) $92.30; (9) $92.30; (13) no.

E. (15) All. See item C (4).

A. Paul W. Walter, National Association of Private Schools, 1010 Vermont Avenue NW., Washington, D. C.; general counsel.

B. National Association of Private Schools, 1010 Vermont Avenue NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Veterans' education and training program outlined in Servicemen's Readjustment Act of 1944, as amended; (b) S. 2596.

C. (3) No publications issued.

D. (5) $1,000; (7) $1,000.

A. Stephen M. Walter, 1200 Eighteenth Street NW., Washington, D. C.; registrant is employed by the National Association of Electric Companies, a trade association whose members are 101 operating electric companies. Mr. Stephen M. Walter, employed by the National Association of Electric Companies, is filing this form for the information of the Congress of the United States under title 3 of the Legislative Reorganization Act of 1946, but questions whether and to what extent that act applies to him. This form has been prepared without the benefit of official interpretations of that statute. The amount stated in item (D) of the form is the total salary registrant receives as an employee of the association in the performance of all his duties as they arise in carrying out the purposes and activities of the association (see appended statement, p. 4).

B. National Association of Electric Companies, 1200 Eighteenth Street NW., Washington, D. C. The National Association of Electric Companies is a trade association whose members are 101 operating electric companies. The preamble of its article of association describe the functions to be engaged in by the association as follows: In order to further the interests of the electric-utility companies that are members of this association and their investors, employees, and customers; to maintain the integrity and credit of the industry; to present to the public the essential facts about the industry to the end that there may be a better understanding between the utility companies and the public and a better appreciation of utility progress, achievements, and problems; to coordinate regional activities among member companies; to furnish member companies information, reports, and statements concerning various phases of electric utility operations and developments; to further cooperation with all agencies and organizations interested in the supply and purchase of electric light and power; to furnish such agencies and organizations with information, reports, and statements concerning member companies and the electric-utility industry; to present the facts to the public concerning the public benefits resulting from the operation of electric utility companies by businessmen under governmental regulations, and generally to engage in those practices recognized as being legal and proper to further said ends, certain electric utility companies do hereby establish a national association which shall be adequately qualified and empowered to act in every lawful way when concert of policy and action would be helpful. Thus the association functions for the following principal purposes: (1) To keep member companies informed of Washington developments affecting them as operating businesses, including information and analyses of governmental hearings, orders, and regulations, both legislative and administrative; (2) to keep the public, including employees, consumers, and investors, informed concerning the accomplishments of the industry, its achievements in serving the public, and the plans of this industry for the future; (3) to furnish—and aid in furnishing—technical information to the instruments of Government and to provide a readily available contact between Government and the industry; (4) to provide the members of the association with a medium through which they can exchange ideas on problems of mutual concern and interest in order to better serve the public; (5) to act for the member companies in matters of common and national concern.

C. (1) Of indefinite duration.

C. (2) Registrant is Stephen M. Walter, an employee of the National Association of Electric Companies. One of the purposes of this association as set forth in previous registrations and reports filed pursuant to title 3 of the Legislative Reorganization Act of 1946 is to provide its members with a medium through which they can develop and exchange ideas and take appropriate action on problems of mutual concern and interest, including matters involving legislation. The association, therefore, is generally interested

in all developments in and of Federal legislation that might affect its members as going electric utilities, including but not limited to the following bills and statutes and amendments thereto: (a) H. R. 7786, a bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; (b) H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; (c) S. 3376, a bill introduced in the Senate of the United States April 10, 1950, to provide for the organization of interstate water and power users' associations for the purpose of entering into contracts for the repayment of the costs of water and power projects on interstate streams and for the ownership, operation, and maintenance of such projects, and for other purposes; (d) Internal Revenue Code, 53 Stat. 1; TVA Act, 48 Stat. 58; Federal Power Act, 49 Stat. 803; Rural Electrification Act of 1936, 49 Stat. 1363; Reclamation Acts, 25 Stat. through 45 Stat.; Flood Control Act, 1944, 58 Stat. 887; Administrative Procedure Act, 60 Stat. 237. For specific details concerning the policy position of the National Association of Electric Companies see the document entitled "Water Resources, Electric Power and National Policy," prepared in response to an invitation of the Chairman of the President's Commission on Water Resources Policy dated March 2, 1950, to state the association's views on certain policy questions and filed with the Secretary of the Senate and Clerk of the House by the National Association of Electric Companies.

D. (5) $6,625.02; (7) $6,625.02; (8) $6,625.02; (9) $13,350.04.

E. (6) $34.63; (7) $719.46; (8) $107.60; (9) $861.69; (10) $536.53; (11) $1,393.22; (15) $861.69.

A. Thomas G. Walters, operations director, Government Employees' Council, AFL, 900 F Street NW., Washington, D. C.; labor union.

B. Government Employees' Council, American Federation of Labor, 900 F Street NW., Washington, D. C.; labor union.

C. (1) Legislative interests will continue indefinitely.

C. (2) Duties are to represent the member unions and the Government Employees' Council on matters affecting them before the Congress.

C. (3) Publish each Thursday a weekly news letter; circulation approximately 250 to officers and members of the 24 national and international unions that make up the Government Employees' Council. This letter is prepared and duplicated in my office.

D. (5) $2,311.62; (7) $2,311.62; (9) $2,311.62.

E. (15) All.

A. Ethelbert Warfield (report as attorney for National Postal Committee for Books), 49 Wall Street, New York, N. Y., attorney and counselor at law.

B. National Postal Committee for Books, 62 West Forty-seventh Street, New York, N. Y. The business of the committee is to oppose unfair increases in postal rates and discrimination in postal rates.

C. (1) Legislative interests will continue so long as postal rate bills are pending before Congress, or so long as unfair or discriminatory postal rates are in effect.

C. (2) The general legislative interest of the committee is in bills to readjust postal rates. The specific legislative interest is a bill to readjust postal rates, H. R. 2945 and S. 1103.

D. (13) No.

E. (5) $74.82; (6) $30.07; (7) $29.33; (8) $2.89; (9) $137.11; (10) $154.77; (11) $291.88; (15) $137.11.

A. Ethelbert Warfield (report as attorney for Tin Processing Corp.), 49 Wall Street, New York, N. Y., attorney and counselor at law.

B. Tin Processing Corp., Texas City, Tex. The corporation operates the Government-owned tin smelter at Texas City, Tex.

C. (1) Legislative interest will continue so long as legislation for the permanent operation of the Government-owned tin smelter at Texas City, Tex., is pending.

C. (2) The general legislative interests are bills relating to tin smelting in the United States. The specific legislative interests are a bill to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, S. 3666, and bills relating to the same or similar subject, such as H. R. 8569, H. R. 8570, H. R. 3524, S. 1342, and House Joint Resolution 324.

D. (6) $925.69; (7) $925.69; (8) $2,079.90; (9) $3,005.59; (13) yes.

E. (5) $23.50; (6) $20.52; (7) $120.93; (8) $0.12; (9) $165.17; (10) 296.81; (11) $461.98; (15) $165.17.

A. Milo J. Warner, lawyer, 1631 Nicholas Building, Toledo, Ohio.

B. The Prudential Insurance Co. of America, Newark, N. J.

C. (1) Indefinitely according to desire of employer.

C. (2) Attention to legislation which may affect the interests of the mutual policyholders of Prudential Insurance Co. of America, included in such legislation being H. R. 4394 (District of Columbia Group Life provisions), certain aspects of H. R. 6000 (social security bill), House Joint Resolution 371 (taxation life insurance companies), and certain phases of housing legislation.

C. (3) No publications. Attention to personal correspondence, memoranda, and opinions. (Compensation paid quarterly for services as rendered in previous quarter).

D. (5) $4,000; (7) $4,000; (8) $2,250; (9) $6,250. Items 1–4, 6, 10–14 are not applicable.

E. (6) $20; (7) $810.18; (9) $830.18; (10) $241.05; (11) $1,071.23.

A. Washington Board of Trade,[2] 204 Evening Star Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) Legislation affecting the District of Columbia.

C. (3) 35,000 booklets entitled, "Does the Kefauver Bill Really Provide for Home Rule?", March 1, 1950, Drake Press.

D. (14) The Washington Board of Trade does not receive any contributions for the purposes designated in subparagraph A or B of section 307 of Public Law 601, Seventy-ninth Congress. Moneys received by it consist of membership dues of $15 each from its membership of about 8,000. Other funds received by it are wholly unrelated to legislation and consist of payments for advertising in its newspaper, Washington Board of Trade News, and moneys received from dinners and other social activities from which the expenses of the same are paid; also there are special funds for promotion of tourist and convention business for Washington and other special subjects which are so earmarked that none of them can be expended for legislative activities. It is estimated that of the general funds of the Board of Trade from which the salaries of its executive secretary and other employees are paid who devote a minor part of their time to the purposes designated in subparagraph A or B of section 307, will amount to not more than $5,000.

A. Washington Board of Trade, 204 Evening Star Building, Washington, D. C.

C. (1) Indefinitely.

C. (2) Legislation affecting the District of Columbia.

D. (13) No. The Washington Board of Trade does not receive any contributions for the purposes designated in subparagraph A or B of section 307 of Public Law 601, Seventy-ninth Congress. Moneys received by it consist of membership dues of $15 each from its membership of about 8,000. Other funds received by it are wholly unrelated to legislation and consist of payments for advertising in its newspaper, Washington Board of Trade News, and moneys received from dinners and other social activities from which the expenses of the same are paid; also there are special funds for promotion of tourist and convention business for Washington and other special subjects which are so earmarked that none of them can be expended for legislative activities. It is estimated that of the general funds of the Board of Trade from which the salaries of its executive secretary and other employees are paid who devote a minor part of their time to the purposes designated in subparagraph A or B of section 307, will amount to not more than $5,000.

A. Washington Committee of the Association of Sugar Producers of Puerto Rico (a committee composed of six individuals, all of whom are executives or representatives of companies producing sugar in Puerto Rico), Shoreham Building, Washington, D. C.

B. Association of Sugar Producers of Puerto Rico, San Juan, P. R.; a trade association composed of companies producing sugar in Puerto Rico.

C. (1) This committee has been in existence for some 15 years and presumably will continue to work indefinitely.

C. (2) In general, the committee is interested in any legislation concerning sugar. During the second quarter of this year the committee concerned itself with no specific legislation.

C. (3) No publications concerned with legislative interests were issued during the second quarter of this year.

D. (1) $10,000; (7) $10,000; (8) $20,000; (9) $30,000; (13) yes. The Washington committee received a total of $10,000 from the Association of Sugar Producers of Puerto Rico during the second quarter of this year, none of which was used in connection with legislative interests. It is anticipated that the committee will receive a total of $65,000 from the association for the year 1950 as a whole.

A. Washington, D. C., Retail Liquor Dealers' Association, Inc., 840 Woodward Building, Washington, D. C.; retail trade association.

C. (1) Remainder of Eighty-first Congress.

C. (2) Stopping of illegal sales by military installations in violation of act of Congress, passed in 1901.

D. (1) $5,805; (7) $5,805; (8) $4,575; (9) $10,380; (13) No.

E. (2) $1,500; (5) $225; (6) $109.68; (7) $612.65; (9) $2,446.93; (10) $2,015.49; (11) $4,462.42.

A. Washington Real Estate Board, Inc., 1000 Vermont Avenue, Washington, D. C.; trade association.

C. (1) As long as Congress is in session and measures affecting local real estate are being considered.

C. (2) All local measures affecting the District of Columbia are of interest.

D. (13) No.

E. (10) $500; (11) $500.

A. Washington Taxpayers Association, 1330 Jefferson Place NW., Washington, D. C.

C. (1) Indefinitely.

C. (2) Any legislation concerning District of Columbia taxation, appropriations, and the efficient and economical operation of the District government.

C. (3) The following are names of papers, magazines, periodicals, etc., to which news releases have been sent. Registrant has no information as to the utilization of this material: Washington Times-Herald, Washington Post, Washington Daily News, Washington Evening Star.

D. (1) $1,203.50; (7) $1,203.50; (8) $995.50; (9) $2,199; (13) no.

[2] Filed for first quarter, 1950.

E. (2) $1,508.51; (5) $149.40; (6) $62.50; (9) $1,720.41; (10) $473.56; (11) $2,193.97.

A. J. R. Watson, Room 1, Illinois Central Railroad Passenger Station, Jackson, Miss.; attorney-secretary, Mississippi Railroad Association.

B. Mississippi Railroad Association, Room 1, Illinois Central Railroad Passenger Station, Jackson, Miss.; pertaining to any matters of interest to or affecting railroads in Mississippi.

C. (1) Federal legislative interests are indefinite and incidental.

C. (2) Legislation affecting railroads, railroad communications bill, H. R. 378.

C. (3) No publications issued or caused to be issued; there is no separation of salary as between principal employment and possible incidental concern with matters of Federal legislation. Registrant is of the opinion that his activities for the period covered by this report do not fall within the scope of the Lobbying Act. He is employed on an annual basis, primarily for services not related to Federal legislation. Matters of Federal legislation are other and different from and only incidental to principal employment and purpose.

D. (13) No.

E. (7) $218; (9) $218; (11) $218; (15) $218.

A. Bruce Waybur,[2] 1000 Eleventh Street NW., Washington, D. C.

B. United Electrical, Radio, and Machine Workers of America (UE), 11 East Fifty-first Street, New York, N. Y.

C. (1) Indefinite.

C. (2) Support all legislation favorable to national peace, security, democracy, prosperity, and the general welfare. Oppose legislation detrimental to these objectives; (a) (b) (c) none specific during this quarter.

D. (5) $1,190; (7) $1,190; (9) $1,190; (13) no.

A. Bruce Waybur, 1000 Eleventh Street NW., Washington, D. C.

B. United Electrical, Radio & Machine Workers of America, 11 East Fifty-first Street, New York, N. Y.

C. (1) Indefinite.

C. (2) Support all legislation favorable to national peace, security, democracy, prosperity, and the general welfare. Oppose legislation detrimental to these objectives; H. R. 7595 and S. 2311; FEPC, H. R. 4453.

D. (5) $1,173; (7) $1,173; (8) $1,190; (9) $2,363; (13) no.

E. (7) $130; (9) $130; (11) $130; (15) $130.

A. Newton Patrick Weathersby, room 303, Machinists Building, Washington, D. C.; assistant legislative representative, district No. 44, International Association of Machinists.

B. District No. 44, International Association of Machinists.

C. (1) Until my present term of office expires, December 31, 1951.

C. (2) Lobbying; i. e., supporting or opposing, as the case may be, legislation affecting working conditions of Government employees and incidentally organized labor in general. Not more than 5 percent of my time is spent on direct legislative work. For instance, during the last quarter my full time was used in directly dealing with the executive departments on labor relations and all other general conditions for the benefit and welfare of Government employees.

D. (5) $1,499.94; (7) $1,499.94; (9) $1,499.94; (13) no; (14) explanation of item D (5): $1,499.94 was the salary due me during the first quarter of 1950 as secretary-treasurer and assistant to the president of district lodge No. 44, International Association of Machinists. This is compensation for my services as secretary-treasurer of district lodge No. 44, International Association of Machinists; and, as you will note, as assistant to the president of district lodge No. 44, International Association of Machinists, I am subject to be called upon by him to do lobbying on any legislation affecting working conditions of Government employees or organized labor in general. Comments on item D (14): My entire salary and expenses are paid by one person; i. e., district No. 44 of the International Association of Machinists. You will note, as stated above, that a large majority of my time as an employee of district No. 44, International Association of Machinists, is spent organizing Government employees and dealing with various Government agencies such as the Army, Navy, Air Force, and other branches of the Government departments. In order, though, to comply with the Lobbying Act, it was necessary for me to register and make my reports quarterly, due to the fact that I am subject to be called upon by my superior to do lobbying work at various times. In other words, it is possible that I will spend 10 percent of my time during one quarter and none during another quarter. The affidavit attached requires me to swear that my statement to the questions propounded are "complete, as I verily believe." It would be impossible within the limit of time I have at my disposal to make a complete statement covering all details. However, I regard this statement as complete in the sense that I have made a statement of my legislative activities sufficiently explicit as well as generalized to indicate the nature of my legislative work.

A. William H. Webb, 1720 M Street NW., Washington, D. C.; executive vice president and attorney at law.

B. National Rivers and Harbors Congress, 1720 M Street NW., Washington, D. C.; an organization to promote the sound and orderly development of our water and land resources.

C. (1) Indefinitely.

C. (2) All matters pertaining to river and harbor development, flood control, navigation, irrigation, reclamation, soil and water conservation, and related subjects. See index to the CONGRESSIONAL RECORD for information called for by (a), (b), and (c).

D. (5) $1,221.20; (6) $529.67; (7) $1,750.87; (8) $2,120.63; (9) $3,871.50; (13) yes.

E. (4) $25.72; (5) $18; (6) $11; (7) $181.38; (8) $94.37; (9) $330.47; (10) $799.06; (11) $1,129.53; (12) $10; (15) $330.47.

A. J. W. Weingarten, 1004 Farnam Street, Omaha, Nebr., attorney employed full time as district attorney for Chicago, Burlington & Quincy Railroad Co.

B. Chicago, Burlington & Quincy Railroad Co., 547 West Jackson Boulevard, Chicago, Ill. (common carrier by railroad of passengers and property).

C. (1) Indefinitely.

C. (2) Any legislation or regulation affecting the railroad business.

C. (4) My annual salary is $12,800, paid twice monthly, for services as district attorney charged with the responsibility of handling the legal business of the company in the States of Nebraska, Kansas, and South Dakota and as an incident of my employment as district attorney I aid in presenting the company's position with respect to legislation in the Congress of the United States and I am paid for traveling expenses as they are incurred.

D. (13) No.

A. Wayne Weishaar, 1025 Connecticut Avenue NW., Washington, D. C.

B. Aeronautical Training Society, 1025 Connecticut Avenue NW., Washington, D. C.

C. (1) Registrant is generally interested in any legislation affecting aviation training of contract overhaul of aircraft which may arise at any time in future.

C. (2) Specifically registrant was interested in the following bills related to GI education benefits as applied to aviation training; supporting S. 2596 and opposing in part H. R. 7422, S. 3095, and H. R. 7380. Registrant also made informal queries (based on Department of Defense appropriations hearings conducted by subcommittee of the House Committee on Appropriations as printed) whether expenditures involved any substantial use of economical contract overhaul of aircraft.

C. (3) No publications outside of those going to the 26 members of Aeronautical Training Society and their business associates has been effected.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) no.

E. (2) $1; (6) $12.56; (8) $1; (9) $14.56; (10) $2.10; (11) $16.66; (15) $14.56.

A. Walter S. Weismann, Jr., American Airlines, Inc., 1437 K Street NW., Washington, D. C., air transportation.

B. American Airlines, Inc., 1437 K Street NW., Washington, D. C., air transportation.

C. (1) Indefinitely.

C. (2) Legislation affecting air transportation.

D. (5) $2,250; (7) $2,250; (9) $2,250; (13) no.

E. (6) $7; (7) $552.25; (9) $559.25; (10) $63.92; (11) $623.17; (15) $559.25.

A. Bernard Weitzer, Jewish War Veterans of the United States of America, 3147 Sixteenth Street NW., Washington, D. C.

B. Jewish War Veterans of the United States of America, 50 West Seventy-seventh Street, New York, N. Y., veterans' organization.

C. (1) Indefinite, but probably permanent.

C. (2) He is to support such legislation as will carry out the purpose of the Jewish War Veterans of the United States of America as expressed in the preamble to its constitution which follows, and to oppose legislation which would tend to frustrate the purpose therein expressed: "To maintain true allegiance to the United States of America, to foster and perpetuate true Americanism, to combat whatever tends to impair the efficiency and permanency of our free institutions, to uphold the fair name of the Jews and fight his battles wherever unjustly assailed, to encourage the doctrine of universal liberty, equal rights, and full justice to all men, to combat the powers of bigotry and darkness wherever originating and whatever their target; to preserve the spirit of comradeship by mutual helpfulness to comrades and their families; to cooperate with and support existing educational institutions and establish educational institutions and foster the education of ex-servicemen and our members in the ideals and principles of Americanism; to instill love of country and flag and to promote sound minds and bodies in our members and our youth; to preserve the memories and records of patriotic service performed by the men of our faith; to honor their memory and shield from neglect the graves of our heroic dead." You will note that the interests of our organization cover such a wide range as to make it impracticable to foretell or to list the bills or statutes which we might wish to support or oppose.

C. (3) I do not issue or cause to be issued any publication. I write a monthly report called the Legisletter which appears in the Jewish Veteran, the monthly publication of the Jewish War Veterans of the United States of America. I also may write letters from time to time when the spirit moves me, to the editor of one or more Washington newspapers or the New York papers.

D. (5) $2,250; (7) $2,250; (8) $3,000; (9) $5,250.

E. (5) $28.79; (6) $9.55; (7) $182.89; (8) $77.25; (9) $298.48; (10) $217.16; (11) $515.64; (15) $298.48.

A. Don Welch, attorney, Postoffice Box 231, Madill, Okla.

[2] Filed for first quarter 1950.

B. The seven (7) railroads named in my original declaration (Chicago, Rock Island & Pacific Railroad Co., et al.).

C. (1) Intermittent and casual only; see original declaration for further information; I am at this time unable to say whether a report from me will be required for any specific future quarterly period.

C. (2) The interests of the railroad industry generally; and, specifically, the union-shop bill, the proposal to reorganize the Interstate Commerce Commission, and the operating rules bill.

D. (5) $933.28; (6) $1,194.73; (7) $2,128.01; (8) $1,039.02; (9) $3,167.03; (13) no.

E. (7) $1,194.73; (9) $1,194.73; (10) $339.06; (11) $1,533.79.

A. Edward E. Welliver, American Trucking Associations, Inc., 1424 Sixteenth Street NW., Washington, D. C.

B. American Trucking Associations, Inc., 1424 Sixteenth Street NW., Washington, D. C.

C. See report of American Trucking Associations, Inc.

D. (5) $1,350; (7) $1,350; (8) $1,350; (9) $2,700. Seventy-five percent of time ($1,012.50 of salary) devoted to legislation, as reported by American Trucking Associations, Inc.

E. (7) $115.30; (9) $115.30; (10) $152; (11) $267.30; (15) $115.30.

A. William E. Welsh, secretary-manager, National Reclamation Association, 1119 National Press Building, Washington, D. C., promotion of the development, control, conservation, preservation, and utilization of the water resources of the 17 reclamation States.

B. National Reclamation Association, 1119 National Press Building, Washington, D. C.

C. (1) Indefinite period.

C. (2) (a) Reclamation Act, 1902 (53 Stat. 1187, 43 U. S. C. 485), and all amendatory and supplementary acts thereto. All other statutes relating to water and land conservation measures. (b) H. R. 7351, H. R. 5991, H. R. 7268, H. R. 7786, S. 3376, and all other bills relating to reclamation, flood control as related to reclamation, and water and land conservation.

C. (3) (a) Bulletin; (b) 4,400; (c) no specific date of publication, published every 4 to 6 weeks dependent upon legislative developments; (d) Franks Duplicating Service, 1001 National Press Building.

D. (5) $3,000; (6) $447.91; (7) $3,447.91; (8) $3,409.90; (9) $6,857.81.

E. (7) $447.91; (9) $447.91; (10) $409.90; (11) $857.81; (15) $447.91.

A. Western States Meat Packers Association, Inc., 604 Mission Street, Room 304, San Francisco, Calif.; trade association; nonprofit organization for building strong and united western independent meat-packing industry.

C. (1) The association's legislative interests are expected to continue indefinitely.

C. (2) Interested in legislation affecting livestock and meat-packing industries: (a) Support of H. R. 4538 bill, to amend Agricultural Act of 1948 by adding thereto provision to establish an average parity price for fats and oils and to aid in maintaining such parity price to producers. (b) Support of an amendment to H. R. 7786 bill (appropriations bill) which would restrict the Department of the Army in making offshore purchases of meat for United States troops.

D. (1) $50,340.56; (7) $50,340.56; (9) $50,340.56; (13) yes; (14) the Western States Meat Packers Association, Inc., is a multipurpose trade organization financed by dues and assessments. No contributions are received by the association solely for legislative purposes. Its regular members are 125 meat-packing companies who slaughter livestock in the far western States of Montana, Idaho, Utah, New Mexico, Arizona, Nevada, Oregon, Washington, and California. Its associate members are companies engaged in meat industry activity but who do no slaughtering such as hide dealers, sausage manufacturers, and companies engaged in selling packinghouse equipment and supplies to our regular members. Associate members pay $120 per year to the association for their membership. Regular members are assessed under a formula based on their livestock slaughter. The association was originally formed by 48 of these members to help build a strong and united western independent meat-packing industry. It is a nonprofit, thoroughly democratic organization whose officers provide the ordinary type of services that are performed by approximately 10,000 similar trade associations in the United States. The association's broad threefold program embraces trade protection, information service, and planning for the future. It works on problems relating to freight rates, livestock production, labor contracts, packinghouse supplies, Government regulations, and many other subjects of direct concern to the independent meat-packing industry. The association respectfully asks to be excused from listing its members who contribute dues totaling $500 or more. This request is made because of the confidential manner in which the regular members are assessed for their dues. These members make a confidential report to the president and general manager of the association at the beginning of each year listing their slaughter for the preceding year. They are then assessed on the basis of their confidential report, at a stated rate per head slaughtered. These members do not want their fellow members or other parties to have this confidential information concerning their businesses. The association trusts that it will not have to break this confidence by placing this information in a public record where it can be viewed by interested parties such as the American Meat Institute. The American Meat Institute makes no such report on its members as it has not been filing lobbyist reports as an organization, although it has one or more of its employees registered as lobbyists. Only a small, in fact negligible, percentage of our funds are expended for legislative purposes. During the first quarter of 1950 the association's total receipts totaled $50,340.56. During this period only $51.64, or 0.001 percent of the total receipts, was spent on legislation.

E. (2) $29.94; (7) $21.70; (9) $51.64; (11) $51.64.

A. Burton K. Wheeler, attorney, 704 Southern Building, Washington 5, D. C.

B. Jacob Neubauer, farmer, Billings, Mont.

C. (1) Indefinite.

C. (2) To support the enactment of appropriate legislation to assist Mr. Neubauer, residing in Montana, in the immigration of relatives from Germany.

D. (13) No.

E. (8) $1.70; (9) $1.70; (10) $1; (11) $2.70; (15) $2.70.

A. Edward K. Wheeler, attorney, 704 Southern Building, Washington, D. C.

B. Commercial Pacific Cable Co., 67 Broad Street, New York, N. Y.

C. (1) and (2) The Commercial Pacific Cable Co., of New York, N. Y., has retained Edward K. Wheeler, for a remuneration of $750 per month, to act as special Washington representative and to assist the company in the collection of war-damage claims. The nature of the employment necessarily involves conferences with the Navy Department, the State Department, and other agencies and incidental thereto, support of the enactment of appropriate legislation which may be of assistance to the company.

D. (5) $2,250; (7) $2,250; (8) $1,500; (9) $3,750; (13) yes.

E. (8) $1.80; (9) $1.80; (10) $6.40; (11) $8.20; (15) $8.20.

A. Clem Whitaker, 1 North La Salle Street, Chicago, Ill. National education campaign.

B. American Medical Association, 1 North La Salle Street, Chicago, Ill. National education campaign.

C. (1) Indefinite.

C. (2) Any legislation for compulsory health insurance, S. 1679, S. 1456, S. 1581, S. 1970; H. R. 345, H. R. 4312.

C. (3) 4,621,728, The Voluntary Way Is the American Way; 2,635,915, Your Medical Program—Compulsory or Voluntary; 15,000, It's Your Crusade Too; 3,957,625, Profit or Freedom?; 10,542,000, stickers (blue), The Voluntary Way Is the American Way; 10,542,000, stickers (orange) The Voluntary Way Is the American Way; 5,000, Second National Conference, National Education Campaign; 187,080, Medical Poverty or Medical Progress?; 186,170, 1949 Progress—1950 Objectives; 172,750, Plan of Campaign for 1950; 302,150, American Protestant Hospital Association resolution; 190,548, Doctors Are Citizens; 7,000, Is the Welfare State the Farewell State?; 9,000, letter re Leftist Minority Woos Future Doctors; 169,500, letter re 1950 Objectives and Campaign Material; 168,580, letter re Reader's Digest article Here's Health—The Voluntary Way. Quantities hereinabove stated represent the total quantity of each publication issued during this quarter whether by the national education campaign—American Medical Association, Clem Whitaker or Leon Baxter Whitaker.

D. (4) $3,834.79; (5) $2,427.71; (6) $6,262.50; (7) $6,237.50; (8) $12,500; (13) yes; (14) from April 1 through June 30, 1950, $6,262.50, national education campaign—American Medical Association, 1 North La Salle Street, Chicago, Ill.; $6,262.50, total.

E. (1) $546.24; (2) $394.08; (6) $7.97; (7) $1,328.21; (8) $151.21; (9) $2,427.71; (10) $1,772.75 (11) $4,200.46; (15) $2,427.71.

A. Leone Baxter Whitaker, 1 North La Salle Street, Chicago, Ill.; national education campaign.

B. National Education Campaign, American Medical Association, 1 North La Salle Street, Chicago, Ill.; national education campaign.

C. (1) Indefinite.

C. (2) Any legislation for compulsory health insurance; (a) S. 1679, S. 1456, S. 1581, S. 1970, H. R. 345, H. R. 4312.

C. (3) The Voluntary Way Is the American Way, 4,621,728; Your Medical Program—Compulsory or Voluntary, 2,635,915; It's Your Crusade, Too, 15,000; Profit or Freedom?, 3,957,625; stickers (blue), The Voluntary Way Is the American Way, 10,542,000; stickers (orange), The Voluntary Way Is the American Way, 10,542,000; Second National Conference, National Education Campaign, 5,000; Medical Poverty or Medical Progress?, 187,080; 1949 Progress—1950 Objectives, 186,170; Plan of Campaign for 1950, 172,750; American Protestant Hospital Association resolution, 302,150; Doctors Are Citizens, 190,548; Is the Welfare State the Farewell State?, 7,000; Letter re Leftist Minority Woos Future Doctors, 9,000; Letter re 1950 Objectives and Campaign Material, 169,500; Letter re Reader's Digest article Here's Health—the Voluntary Way, 168,580; quantities hereinabove stated represent the total quantity of each publication issued during this quarter whether by the National Education Campaign, American Medical Association; Clem Whitaker; or Leone Baxter Whitaker.

D. (4) $3,834.79; (5) $2,427.71; (6) $6,262.50; (7) $6,237.50; (8) $12,500; (13) yes; (14) $6,262.50, National Education Campaign, American Medical Association, 1 North La Salle Street, Chicago, Ill.

E. (1) $546.24; (2) $394.08; (6) $7.97; (7) $1,328.21; (8) $151.21; (9) $2,427.71; (10) $1,772.75; (11) $4,200.46; (15) $2,427.71.

A. John C. White, Fulbright, Crooker, Freeman & White, 838 Transportation Building, Washington, D. C.; general counsel for American Cotton Shippers Association.

B. American Cotton Shippers Association, Cotton Exchange Building, Memphis, Tenn.; National association of cotton shippers and exporters. Affiliated associations: Texas Cotton Association, Southern Cotton Shippers Association, Oklahoma State Cotton Exchange, California-Arizona Cotton Association, Atlantic Cotton Association, Arkansas Cotton Trade Association.

C. (1) Indefinitely, but employment is general and not limited to legislative matters.

C. (2) Legislation affecting cotton and foreign trade, such as ECA, CCC, Commodity Futures Exchanges, ITO. (a) H. R. 7797; H. R. 6567; H. J. Res. 398; S. 2826; S. 1751; H. R. 9109.

D. (5) $250; services are almost altogether nonlegislative and this represents approximately one-fifth of 3 months' retainer.

E. (6) $344.98; this represents all charges covering reports to clients of both legislative and other matters without apportionment; (15) $344.98.

A. John C. White, attorney, Fulbright, Crooker, Freeman & White, 838 Transportation Building, Washington, D. C.

B. New York Cotton Exchange, 60 Beaver Street, New York, N. Y.; Cotton Commodity Futures Exchange.

C. (1) Indefinite.

C. (2) Legislation affecting exchanges particularly and cotton generally. (a) S. 1751; H. R. 4685, tax legislation.

D. (5) Annual retainer, not yet billed, for all services, is at rate of $5,000 a year. Approximately two-thirds of services during quarter has been concerned with legislation.

E. (6) $13.40; this represents all charges covering reports to client of both legislative and other matters without apportionment; (15) $13.40.

A. Richard P. White, 636 Southern Building, Washington, D. C., trade association secretary.

B. American Association of Nurserymen, Inc., 636 Southern Building, Washington, D. C., trade association.

C. (1) Indefinitely.

C. (2) Any legislation affecting the nursery industry directly.

D. (1) $54,942.88; (7) $54,942.88; (8) $2,553.57; (9) $57,496.45; (13) yes; (14) January 1 through June 30, 1950; $1,089.27, Armstrong Nurseries, 408 North Euclid Avenue, Ontario, Calif.; $719.60, Monrovia Nursery Co., 102 Duarte, Monrovia, Calif.; $614.60, D. Hill Nursery Co., Dundee, Ill.; $1,050, Interstate Nurseries, Hamburg, Iowa; $728, Lake's Shenandoah Nurseries, Shenandoah, Iowa; $27.46, Andrews Nursery Co., post-office box 446, Fairbault, Minn.; $685.22, Lovett's Nursery, Inc., Little Silver, N. J.; $582.40, the W. A. Natorp Co., 4400 Reading Road, Cincinnati, Ohio; $693, the Conard-Pyle Co., West Grove, Pa.; $702.80, McKay Nursery Co., 1919 Monroe Street, Madison, Wis.; $7,392.35, total.

E. (2) $28.75; (5) $7.93; (6) $3.40; (7) $3.86; (9) $43.94; (10) $44.69; (11) $88.63; (15) $43.94.

A. Albert V. Whitehall, 1756 K Street NW., Washington, D. C., director, Washington Service Bureau.

B. American Hospital Association, 18 East Division Street, Chicago, Ill., an association whose membership includes most of the hospitals of the Nation and the Blue Cross plans.

C. (1) Identical with information reported by the American Hospital Association for this same quarter.

D. (5) $1,437.51; (7) $1,437.51; (9) $1,437.51; (13) no.

E. (7) $685.16; (9) $685.16; (10) $227.15; (11) $912.31. Only a minor part of the activities of the registrant could be considered as involving legislation. Consequently the amount reported represents 50 percent of travel expenses although it is believed that the proportion of registrant's activities devoted to legislation is much less than 50 percent. It should be noted that this item represents expenditures made by the registrant for which he is reimbursed by his employer, the American Hospital Association, and that such travel reimbursement is reported by the American Hospital Association as one of its expenditures.

A. H. Leigh Whitelaw, secretary, National Committee for Repeal of Wartime Excise Taxes, 60 East Forty-second Street, New York, N. Y.

B. National Committee for Repeal of Wartime Excise Taxes, 60 East Forty-second Street, New York, N. Y.; a national committee of business executives organized for the purpose of seeking the repeal of the wartime excise taxes (except those on alcohol, tobacco, and gasoline).

C. (1) Probably through the third quarter of 1950.

C. (2) Repeal of the excise taxes (other than those on alcohol, tobacco, and gasoline) enacted or increased in 1941, 1942, and 1943.

C. (3) (a) Booklet discussing the how and when of wartime excise tax repeal; (b) 2,995 copies; (c) January 12, 1950; (d) Dependable Printing Co., Inc.; (e) Washington Post and Times-Herald of January 30, 1950; Daily News and Evening Star of January 31, 1950.

D. (6) $62.22; (8) $1,828.88; (9) $1,828.88.

E. (10) $62.22; (11) $62.22.

A. Douglas Whitlock, partner in the law firm Sanders, Gravelle, Whitlock & Howrey, 1032 Shoreham Building, Washington, D. C.

B. Building Products Institute.

C. (1) Indefinitely.

C. (2) All legislation which may affect the producers of building materials.

D. (13) No.

E. (8) $2; (9) $2; (10) $3.43; (11) $5.43.

A. Louis E. Whyte, news director, Independent Natural Gas Association of America, 1700 I Street NW., Washington, D. C., room 305.

B. Independent Natural Gas Association of America, 1700 I Street NW., Washington, D. C., room 305, trade association.

C. (1) The association is a nonprofit corporation organized and existing for the purpose to promote and advance the welfare, progress, and development of natural gas, and therefore one of its major duties is to keep its membership informed regarding all matters of interest to the natural gas industry.

C. (2) Current legislation the association is concerned with is S. 1498, H. R. 1758, H. R. 5306, H. R. 4028, and other matters.

C. (3) The association publishes each week a bulletin which is distributed to its members and which contains factual information of current interest obtained from all departments of the Federal Government and courts. This bulletin is not issued or caused to be issued in connection with the influencing of legislation.

D. (5) $811; (7) $811; (8) $811; (9) $1,622.

A. Elizabeth Wickenden, 522 Transportation Building, Washington, D. C.; professional public welfare association.

B. American Public Welfare Association, 1313 East Sixtieth Street, Chicago, Ill.; professional public welfare association.

C. (1) Indefinitely.

C. (2) H. R. 6000.

C. (3) Questions and answers on: social security for farmers; social security for hired farm workers; disability insurance; social security for domestic workers. Letter to members—issued monthly.

D. Since I am registered simply as an individual, it is not assumed that these questions would be applicable.

E. (2) $1,250.

A. Claude C. Wild, Jr., 605 Commonwealth Building, Washington, D. C.; attorney.

B. Mid-Continent Oil and Gas Association, 308 Tulsa Building, Tulsa, Okla.

C. (1) Indefinitely.

C. (2) I am generally interested in all legislation directly or indirectly affecting the oil and gas industry.

D. (5) $1,800; (7) $1,800; (9) $1,800; (13) No. Although the undersigned analyzes and reports to officers of the Mid-Continent Oil and Gas Association and furnishes them with information relating to pending legislation affecting the oil and gas industry, the undersigned's principal purpose is not the "passage or defeat of any legislation by the Congress" or to "influence directly or indirectly the passage or defeat of any legislation by the Congress." It is impossible to allocate the exact portion of my fee which is for services in connection with legislative interests; therefore, my total fee, any part of which may be attributable to such legislative matters, is shown. I have incurred no expenses in connection with the passage or defeat of legislation or the influencing of the passage or defeat of legislation by the Congress.

A. Ernest L. Wilkinson, Francis M. Goodwin, and Glen A. Wilkinson, practicing law under the name of Ernest L. Wilkinson, 744 Jackson Place NW., Washington, D. C.

The following information is submitted in response to the quarterly report required under the Federal Regulation of Lobbying Act:

B. Ernest L. Wilkinson is retained as attorney for the following clients, on whose behalf it is sometimes necessary to engage in legislative work: Klamath Tribe of Indians, Klamath Agency, Oreg.; Menominee Tribe of Indiana, Keshena, Wis.; Ute Tribe of Indians, Fort Duchesne, Utah, and Ignacio, Colo.; Indians of California, care of Clyde F. Thompson, Post Office Box 901, Redding, Calif.; Radio Service Corp. of Utah, 10 South Main Street, Salt Lake City, Utah; National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington, D. C. (Glen A. Wilkinson only).

C. Klamath Indians: (1) Indefinitely. (2) Since the Klamath Indians are subject to jurisdiction of Congress and the Department of the Interior, they are interested in legislation which may affect their status. At the present time they are opposed to enactment of S. 186, S. 188, S. 764, S. 765, S. 766, H. R. 1537, and H. R. 2724. Menominee Indians: (1) Indefinitely. (2) Since the Menominee Indians are subject to jurisdiction of Congress and the Department of the Interior, they are interested in legislation which may affect their status. At the present time the Menominee Tribe favors enactment of S. 691, S. 1207, H. R. 1921, and H. R. 1926. The Menominee Tribe is opposed to enactment of S. 186 and H. R. 2724. Ute Indians: (1) Legislative interests will continue until cases against the United States now pending in the Court of Claims and before the Indian Claims Commission have been decided. (2) No specific interests at present. California Indians: (1) Indefinitely. (2) Since the California Indians are subject to jurisdiction of Congress and the Department of the Interior, they are interested in legislation which may affect them. The California Indians are presently concerned with provisions of the 1951 Interior Department appropriation bill which may affect the prosecution of the case entitled *"Indians of California v. United States,"* presently pending before the Indian Claims Commission. Radio Service Corp. of Utah: (1) Legislative interests of the Radio Service Corp. of Utah probably will cease with the adjournment of the present session of Congress. (2) Radio Service Corp. of Utah is opposed to enactment of S. 491 and H. R. 4004. National Council of Farmer Cooperatives: (1) Legislative efforts, in which Glen A. Wilkinson participated have ceased. (2) Amendments to H. R. 6000 to eliminate discrimination against employees of farmer cooperatives arising from interpretation of social-security laws.

D. (5) All receipts are for legal services and reimbursement of usual and necessary expenses. The following fees were received during the past quarter: Klamath Indians: $1,750, a small portion of which is allocable to legislative activities. Menominee Indians, $997.50, a small portion of which is allocable to legislative activities. Ute Indians: None. California Indians: None. Radio Service Corp. of Utah: No fees received for services in connection with legislative activities. National Council of Farmer Cooperatives: No compensation above retained for legal services was received. No receipts were received, except as noted in the paragraph above.

D. (13) None other than listed.

E. (5–8, inclusive.) The following expenditures (exclusive of office overhead, the figures for which are not available and would be allocable as well to many clients not requiring legislative services) were made, only small undetermined portions of which are allocable to legislative activities: Klamath Indians: Telephone and telegraph, $144.40; traveling expenses, $367.02; miscellaneous, $21.60; total, $533.06. Menominee Indians: Telephone and telegraph, $26; miscellaneous, $1.50; total, $27.50. Ute Indians: Telephone and telegraph, $457.96; traveling expenses, $801.37; miscellaneous, $31.61; total, $1,290.94. California Indians: Photostats, $210; miscellaneous, $4.90; total, $214.90. Radio Service Corp. of Utah: Miscellaneous, 50 cents. National Council of Farmer Cooperatives: Taxi fares, $6.30; miscellaneous, $3.30; total, $9.60.

A. Franz O. Willenbucher, 1616 Eye Street NW., Washington 6, D. C., executive vice president and legal counsel.

B. Retired Officers Association, Inc., 1616 Eye Street NW., Washington 6, D. C.; nature of business: Preamble—to inculcate and stmulate love of our country and the flag; and to defend the honor, integrity, and supremacy of our National Government and the Constitution of the United States; to foster fraternal relations between all branches of the various services from which our members are drawn; to aid the retired personnel of the various services from which our members are drawn in every proper and legitimate manner; and to present their rights and interests when service matters are under consideration, we unite to form the Retired Officers Association.

C. (1) Indeterminate.

C. (2) Any and all legislation pertinent to the rights, benefits, privileges, and obligations of retired officers, male and female, Regular and Reserve, and their dependents and survivors, of whatever nature, dealing with personnel matters, pay and retirement benefits, and pensions, studying and analyzing bills, preparing statements for presentation to the cognizant committees, and drafting amendments where indicated, appearing before Committees on Veterans' Affairs, and the committees dealing with various privileges, opportunities and obligations of the personnel involved.

C. (3) The Retired Officers Association Bulletin. (a) An informational bulletin covering all of the activities of the association; (b) 20,000 per issue; (c) 15th of March, June, September, and December; (d) Graphic Arts Press, Inc.

D. (5) $1,650; (7) $1,650; (8) $1,650; (9) $3,300; (13) no.

A. Martin B. Williams, 618 Mutual Building, Richmond 19, Va.; executive director and treasurer of Life Insurance Conference.

B. Life Insurers Conference, 618 Mutual Building, Richmond 19, Va.; a voluntary, nonprofit association of 84 life insurance and combination insurance companies, all of which are domiciled in the United States.

C. (1) The period for which legislative interests are to continue is indeterminate.

C. (2) Any legislative matter bearing on the life and combination insurance business and the interests of policyholders. During the past quarter, affiant's legislative interests have been related particularly to H. R. 6000.

D. (5) $145.83; (7) $145.83; (8) $137.50; (9) $283.33; (13) no.

E. (6) $30; (7) $43.50; (9) $73.50; (11) $73.50; (15) $73.50.

A. Williams, Meyers & Quiggle, 817 Munsey Building, Washington 4, D. C.; law partnership.

B. Estate of Eleanor E. Rice, 405 Land Title Building, Philadelphia, Pa.

C. (1) As long as employer's claim for refund of estate tax is pending.

C. (2) Our interest (both general and specific) is amendment of section 811 of the Internal Revenue Code to substantially the effect proposed in the American Bar Association's 1945 recommendations with respect to reverters.

A. C. J. S. Williamson, 421 Shoreham Building, Washington, D. C.; manager, Washington bureau, California State Chamber of Commerce.

B. California State Chamber of Commerce, 350 Bush Street, San Francisco, Calif.

C. (1) Indefinitely.

C. (2) My duties are to keep my head office advised regarding general major legislation and specific bills or regulations of interest to California economy. I keep in close touch with the members of the California delegation, but do not "lobby" or attempt to influence legislation.

D. (5) $2,450.

E. (2) $2,000; (7) $450.

A. John C. Williamson, Veterans of Foreign Wars of the United States, 1000 Vermont Avenue NW., Wire Building, Washington, D. C., legislative representative.

B. Veterans of Foreign Wars of the United States.

C. (1) Legislative interests to continue indefinitely.

C. (2) Legislation affecting all veterans and their dependents in relation to employment, hospitalization, rehabilitation, pensions, disability compensation and housing; welfare of servicemen of the Armed Forces and their dependents; matters relating to the national security, immigration and naturalization, the combating of subversive activities; and the furtherance of a sound foreign policy; other matters included in the resolutions adopted by the national encampment and the national council of administration.

C. (3) VFW Foreign Service, monthly magazine, 1,250,000 circulation; VFW Legislative Newsletter, monthly, 1,000 circulation.

D. (5) $1,650; (7) $1,650; (9) $1,650; (13) no.

E. (7) $84.20; (10) $111.12; (11) $195.32; (15) $84.20.

A. James L. Wilmeth, National Council, Junior Order United American Mechanics, 3027 North Broad Street, Philadelphia, Pa.; a secret patriotic fraternal organization.

C. (1) Indefinitely.

C. (2) Patriotic legislation; restriction of immigration; support American free schools; suppress and control communism; S. 2311, Subversive Activities Control Act; S. 1358; S. 2605, to make cancer reportable; S. 1858 and report 1878; provisions relating to admission of aliens; H. R. 4567, displaced persons.

C. (3) Junior American, official organ of corps furnished 70,000; printed by Kable Bros., Mount Morris, Ill.

D. (6) $211.83; (7) $211.83; (9) $211.83.

E. (4) $7.50; (6) $24.06; (7) $180.27; (9) $211.83; (11) $211.83.

A. E. Raymond Wilson, 1000 Eleventh Street NW., Washington, D. C.; educational-legislative work in Washington and among members of the Society of Friends (a religious body) throughout the country.

B. Friends Committee on National Legislation, 1000 Eleventh Street NW., Washington, D. C.; nature of business same as listed above.

C. (1) An indefinite time.

C. (2) Working for legislation, including the admission of displaced persons, relief of Arab refugees, programs of relief and recovery (CCA, point 4), disposal of agricultural surpluses, Federal aid to education, extension of civil rights (FEPC, antipoll tax, antilynching), and more support of the United Nations and its specialized agencies. Opposition to conscription, the militarization of America, and the shipment of arms abroad.

C. (3) (a) The Washington Letter, a 4- or 8-page publication issued approximately once a month; (b) An average of 10,000 each issue; (c) April 10, May 2, June 1, June 26; (d) Drake Press.

D. (5) $1,625; (7) $1,625; (8) $1,625; (9) $3,250; (13) no.

E. (7) $404.86; (9) $404.86; (10) $328.97; (11) $733.83; (15) $404.86.

A. Everett B. Wilson, Jr., 728 Shoreham Building, Washington, D. C.

B. Association of Sugar Producers of Puerto Rico, 732 Shoreham Building, Washington, D. C.

C. (1) Am employed on annual basis.

C. (2) Not specifically interested in any pending legislation. In general, am interested in legislation pertaining to Puerto Rico or to sugar.

D. (5) $2,250; (7) $2,250; (8) $2,250; (9) $5,400; (13) yes; (14) The following sum is the total amount received for all services. Nothing was spent in connection with legislative interests: $4,500. Association of Sugar Producers of Puerto Rico, January 1 through June 30, 1950, 732 Shoreham Building, Washington, D. C.

A. Frank E. Wilson, M. D., 1523 L Street NW., Washington, D. C. Administrative (Washington office).

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. Scientific medicine.

C. (1) Indefinite.

C. (2) All bills relating to health and practice medicine.

C. (3) (a) Informational bulletin (multilith); (b) 4,500 copies; (c) Irregular intervals; (d) Washington office, AMA.

D. (5) $3,578.13; (7) $3,578.13; (8) $3,604.83; (9) $7,182.96; (13) no.

E. (7) $328.14; (9) $328.14; (10) $354.84; (11) $682.98; (15) $328.14.

J. B. Wilson, McKinley, Wyo.; Wyoming Wool Growers Association. (Form C received and filed in Clerk's office.)

A. J. B. Wilson, McKinley, Wyo.; secretary of the Wyoming Wool Growers Association; legislative counsel of the National Wool Growers Association.

B. Wyoming Wool Growers Association, of which I am secretary-treasurer. The National Wool Growers Association pays my traveling expense to and from Washington and while in Washington on legislative matters for the National Wool Growers Association, but do not pay me any salary, remuneration or fee other than to pay my actual expenses.

C. (1) Legislative interests will continue so long as I am legislative counsel for the National Wool Growers Association.

C. (2) All legislation in any way affecting wool-growing industry such as tariff legislation, agricultural legislation, public land legislation, railroad rates, etc.

C. (3) I am editor of the Wyoming Wool Grower, the official publication of the Wyoming Wool Growers Association, which is issued for the general information of our members and is not used in any way in connection with national legislation, except to advise the members of the Wyoming Wool Growers Association as to the progress of legislation in which they are interested.

D. (2) $821.10; (5) $1,500; (7) $2,321.10; (8) $3,209.04; (9) $5,530.14; (13) no.

E. (7) $821.10; (9) $821.10; (10) $1,709.04; (11) $2,530.14; (15) $2,530.14.

A. Robert J. Wilson, 2003 I Street N. W., Washington, D. C., restaurant association secretary.

B. Washington Restaurant Association, 2003 I Street NW., Washington, D. C., National Restaurant Association, 8 South Michigan Avenue, Chicago, Ill.

C. General legislation affecting the restaurant industry.

A. Everett T. Winter, vice president, Mississippi Valley Association, 719 Omaha National Bank Building, Omaha, Nebr.

B. Mississippi Valley Association, 511 Locust Street, St. Louis, Mo.; Mid-Continent Association of Industrial, Commercial and Agricultural Interests.

C. (1) Legislation relating to river and harbor maintenance and improvement; the American merchant marine, soil conservation, flood control, regulation of domestic transportation.

D. (5) $2,500.

E. (7) $166.49.

A. Theodore Wiprud, 1718 M Street NW., Washington, D. C.; executive director and secretary-treasurer of the Medical Society of the District of Columbia, as well as managing editor of the Medical Annals of the District of Columbia.

B. The Medical Society of the District of Columbia, 1718 M Street NW., Washington, D. C.

C. (1) Society is interested continuously in legislation affecting the public health.

C. (2) Society interested in legislation pertaining to the practice of medicine and all related services and that affecting the public health, including extension of social security into the field of the practice of medicine.

C. (3) (a) Medical Annals of the District of Columbia; (b) 2,000 per month; (c) monthly, second and third week of each month; (d) the Waverly Press.

C. (4) (a) Receive in salary $10,000 per year, payable semimonthly; (b) permanent; (c) none anticipated by me.

D. (13 No.

A. F. B. Wise, 1424 K Street NW., Washington, D. C.; secretary-treasurer and Washington office manager of an unincorporated, nonprofit organization of domestic producers of inedible animal fats having national headquarters at 1424 K Street NW., Washington, D. C.

B. National Renderers Association; an unincorporated, nonprofit organization of domestic producers of inedible animal fats having national headquarters at 1424 K Street NW., Washington, D. C.

C. (1) Probably as long as this individual remains in this capacity with the indicated employer.

C. (2) Any legislation which would specifically have an effect upon the production, consumption, import, export, or taxation of any animal or vegetable fats or oil as well as all general legislation affecting business, particularly small business.

C. (3) As secretary-treasurer and manager of the Washington national headquarters office of the National Renderers Association, part of the duties of the affiant consist in preparing and supervising the issue of periodical informational bulletins to approximately 275 members of the association. Such releases frequently contain reports on the status of legislation in the fields specified in (C) (2). In addition, the affiant, by virtue of being the chief corresponding officer of the group, occasionally is required to convey to various congressional sources the views of the National Renderers Association with respect to the type of legislation described in (C) (2). However, it is estimated that not more than 20 percent of the time and duties of this affiant are concerned with such procedures or have any relation whatsoever to congressional legislation.

C. (4) The affiant receives a fixed, monthly salary for his services as secretary-treasurer and Washington headquarters office manager of the association. In addition, the affiant receives monthly reimbursement for any cash advance made in connection with association activities, such as postage for the informational bulletins sent out from Washington, local taxi fares in connection with matters pertaining to the association, limited entertainment expenses, etc., and reimbursement for out-of-town travel when on association business. As set forth in (3) above, it is estimated that not more than 20 percent of the sums so received by the affiant could be shown to have any relation whatsoever to legislative matters. The nature and approximate amount of such expenditures is expected to continue along the same lines as long as the affiant continues to be employed in this particular capacity or until such time as the objectives of the employer are altered or there is a redefining of the duties of this particular job. For expenditure amounts involved, see the registration statement of the National Renderers Association.

A. George W. Woodson, 426 North Washington Avenue, Lansing, Mich.; field representative.

B. Townsend Plan, Inc., 6875 Broadway, Cleveland, Ohio; organizing clubs for the purpose of securing the enactment of a system of national insurance.

C. (1) Indefinitely.

C. (2) Townsend plan, H. R. 2135.

D. (5) $1,376.87; (8) $1,773.19; (9) $3,149.06.

A. Walter F. Woodul, Chronicle Building, Houston, Tex.; attorney at law.

B. Angelina & Neches River Railroad Co., Keltys, Tex.; Burlington-Rock Island Railroad Co., Houston, Tex.; Chicago, Rock Island & Pacific Railway Co., Fort Worth, Tex.; Fort Worth & Denver City Railway Co., Fort Worth, Tex.; Gulf, Colorado & Santa Fe Railway Co., Galveston, Tex.; Kansas City Southern Railway Co., Kansas City, Mo.; Louisiana & Arkansas Railway Co., Kansas City, Mo.; International-Great Northern Railroad, Houston, Tex.; Missouri-Kansas-Texas of Texas, Dallas, Tex.; New Orleans, Texas & Mexico Railway Co., Houston, Tex.; Panhandle & Santa Fe Railway Co., Amarillo, Tex.; Paris & Mount Pleasant Railroad Co., Paris, Tex.; Quanah, Acme & Pacific Railway Co., Quanah, Tex.; St. Louis, San Francisco & Texas Railway Co., Fort Worth, Tex.; St. Louis, Southwestern Railway Co. of Texas, St. Louis, Mo.; Southern Pacific Co., San Francisco, Calif.; Texas & New Orleans Railroad Co., Houston, Tex.; Texas South-Eastern Railroad Co., Diboll, Tex.; Texas & Pacific Railway Co., Dallas, Tex.; Texas Mexican Railway Co., Laredo, Tex.; Union Terminal Co., Dallas, Tex.; Wichita Falls & Southern Railroad Co., Wichita Falls, Tex.; Wichita Valley Railway Co., Fort Worth, Tex.

C. (1) Through year 1950.

C. (2) Generally, legislation affecting Texas railroads. Specifically: St. Lawrence seaway, Senate Resolution 99, House Joint Resolution 61; rivers, harbors, and flood control, H. R. 5472; appropriations, H. R. 7786; transportation investigation, Senate Resolution 50; operating-rules bill, H. R. 378 and S. 238; ICC jurisdiction over motor carriers, H. R. 5237; railway mail bill, S. 1596; postal-rate increases, H. R. 2945; union shop, H. R. 7789 and S. 3295; Kilday motor-carrier bill, H. R. 7786; separation of air-mail subsidies, H. R. 2908; Inland Waterways Corporation, H. R. 4978 and S. 211; Panama Canal tolls investigation, House Resolution 44; excise-tax cut before Ways and Means Committee; venue bill, H. R. 7550; basing point, S. 1008.

D. (5) $5,345.15; (7) $5,345.15; (8) $4,124.84; (9) $9,469.99; (13) yes; (14) I have no contributors as such. I am paid a salary of $1,000 a month plus out-of-pocket expenses by the 23 Texas railroads named below. The payments shown below cover salary and expenses incurred for months of December 1949 and January, February, March, April, and May 1950, the payments recited being the proportionate share of each for the 6 months less deductions by each covering railroad retirement of Walter F. Woodul. Name and address of employers and amount paid, January 1, through June 30, 1950: Angelina & Neches River Railroad Co., Keltys, Tex., $19.35; Burlington-Rock Island Railroad Co., Houston, Tex., $132.64; Chicago, Rock Island & Pacific Railroad Co., Fort Worth, Tex., $364.56; Fort Worth & Denver City Railway Co., Fort Worth, Tex., $524.24; Gulf, Colorado & Santa Fe Railway Co., Galveston, Tex., $1,221.89; Kansas City Southern Railway Co., Kansas City, Mo., $57.68; Louisiana & Arkansas Railway Co., Kansas City, Mo., $118.83; Missouri-Kansas-Texas Railroad Co. of Texas, Dallas, Tex., $785.36; International-Great Northern Railroad Co., Houston, Tex., $645.76; New Orleans, Texas & Mexico Railway Co., Houston, Tex., $816.58; Panhandle & Santa Fe Railway Co., Amarillo, Tex., $1,061.65; Paris & Mt. Pleasant Railroad Co., Paris, Tex., $30.24; Quanah, Acme & Pacific Railway Co., Quanah, Tex., $70.10; St. Louis, San Francisco & Texas Railway Co., Fort Worth, Tex., $92.48; St. Louis, Southwestern Railway Co. of Texas, St. Louis, Mo., $355.43; Southern Pacific Co., San Francisco, Calif., $13.86; Texas & New Orleans Railroad Co., Houston, Tex., $2,112.21; Texas South-Eastern Railroad Co., Diboll, Tex., $12.32; Texas & Pacific Railway Co., Dallas, Tex., $694.78; Texas Mexican Railway Co., Laredo, Tex., $94.36; Union Terminal Co., Dallas, Tex., $10.27; Wichita Falls & Southern Railroad Co., Wichita Falls, Tex., $99.23; Wichita Valley Railway Co., Fort Worth, Tex., $136.17; total, $9,469.99.

E. (6) $81.53; (7) $2,719.99; (8) $67.92; (9) $2,860.44; (10) $1,408.38; (11) $4,277.82; (15) $2,869.44.

Woodward, Albert Young, 811 West Seventh Street, Los Angeles, Calif.; employed by Signal Oil & Gas Co., 811 West Seventh Street, Los Angeles, Calif. (Form C received and filed in the Secretary's office.)

A. Guy H. Woodward, attorney at law, 605 Commonwealth Building, Washington, D. C., and 302 Public Service Building, Tulsa, Okla.

B. The attached report is filed by the undersigned, Guy H. Woodward, attorney at law, with principal offices located at 302 Public Service Building, Tulsa, Okla., and a Washington office at 605 Commonwealth Building, in order to comply with the Federal Lobbying Act, if any of the activities of the undersigned are covered by such act.

As attorney, the undersigned represents, among other clients, Mid-Continent Oil and Gas Association, with offices at 308 Tulsa Building, Tulsa, Okla., which is composed of individuals engaged in the oil and gas business in the mid-continent area. As such attorney and as the principal part of his employment, he consults with and advises the officers and directors of the association on industrial problems and numerous local, State, and Federal matters affecting the oil industry.

Although the undersigned also analyzes and reports on legislative matters pending in the Congress affecting the oil industry and from time to time prepares statements with respect to the merits of such legislation for use before congressional committees and otherwise, the undersigned's principal purpose is not the "passage or defeat of any legislation by the Congress" or to "influence directly or indirectly the passage or defeat of any legislation by the Congress * * *." It is impossible to allocate receipts and expenditures solely in connection with legislative interest; therefore, total receipts and

expenditures, any part of which may be attributable to such legislative matters, are shown.

GUY H. WOODWARD.

C. (1) Indefinitely.

C. (2) All matters affecting the oil and gas industry such as tidelands (H. R. 8173), revenue revision of 1950 (H. R. 8920), natural gas (H. R. 1758), pricing practices (S. 1008), oil policy bill (H. R. 6047), and other bills directly or indirectly affecting oil and gas industry.

D. (5) $6,250; (7) $6,250; (8) $6,250; (9) $12,500; (13) no.

E. (5) $195.79; (6) $643.06; (8) $213; (9) $1,051.85; (10) $887.35; (11) $1,939.20; (15) $1,051.85.

A. Edward W. Wootton, 900 National Press Building, Washington, D. C., (manager, Washington office Wine Institute).

B. Wine Institute, 717 Market Street, San Francisco, Calif.; the trade association for the California wine and brandy industry.

C. (1) Indefinitely.

C. (2) General: Legislation affecting California wine and brandy industry; specific; (1) Excise tax reduction, pending Committee on Ways and Means; (2) H. R. 6320, to clarify and extend the authority of the Commissioner of Internal Revenue with respect to unavoidable losses of wine; (3) H. R. 8037, to amend section 2801 (c) (1) of the Internal Revenue Code; (4) S. 1847, to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; (5) H. R. 8527, to amend section 2883 (b) of the Internal Revenue Code, as amended by Public Law 448, Eighty-first Congress.

D. No receipts by or loans to affiant for legislative purposes.

E. No expenditures or loans by affiant to any other person for legislative purposes.

A. Frank W. Wozencraft, attorney, 605 Southern Building, Washington 5, D. C.

B. Independent Bankers Association of the Twelfth Federal Reserve District, 802 Failing Building, Portland 4, Oreg.

C. (2) Bank holding company legislation, S. 2318, H. R. 5744.

D. (5) $3,000; (7) $3,000; (8) $3,000; (9) $6,000; (13) no.

E. (6) $597.41; (7) $675.91; (9) $1,273.32; (10) $500; (11) $1,773.32; (15) $1,773.32.

A. Mrs. C. D. (Leslie B.) Wright, chairman of legislation, General Federation of Women's Clubs, 4620 Thirtieth Street NW., Washington, D. C.

B. Not employed for pay. The chairman of legislation of the General Federation is a volunteer worker. The organization supports legislation which pertains to the welfare of the home and to the general welfare, after given authority through the adoption of resolution by the delegate body.

C. Reappointed as chairman of legislation, June 1, 1950. The General Federation of Women's Clubs is a national and international organization, with an affiliated membership of some 11,000,000. One-half of the members are in the United States, the Territories and possessions, and in 14 affiliated national organizations. The general federation does not represent or dictate the policies of these national organizations. The object of the general federation is "to unite the women's clubs and like organizations throughout the world for the purpose of mutual benefit, and for the promotion of their common interest in education, philanthropy, public welfare, moral values, civics, and fine arts." The general federation is nonpartisan and nonpolitical. The major interests of the clubs are along educational and welfare lines—to provide adequate educational opportunities for children and adults; to promote better care for the mentally and physically ill; to conserve natural resources; to further interest in music, literature, and art; and to foster better international relations. The General Federation of Women's Clubs employs no professional lobbyist. What active interest the organization takes in legislation at any time is only incidental to the general policies. Authority for supporting or opposing legislation is provided through the adoption of a resolution in national convention. During the first quarter of 1950 the general federation submitted statements in support of ERA, forest conservation, the International Trade Organization appropriations, and Alaska statehood. No formal statements have been submitted during the second quarter. The department of legislation is one of the eight departments of the general federation. This department, together with divisions and committees, the Council of International Clubs and the Junior Clubs, receives supervision, counsel, and aid from the president. Much of the president's time is necessarily spent visiting State organizations. In the interest of international good will the general federation sends representatives to visit groups in other countries. The general federation president and the chairman of legislation are volunteer workers. For all the activities of the general federation the operating income—received mainly from dues—was approximately $162,000 for the fiscal year ending March 1950. The general federation received no contributions to be used for lobbying. It is impossible to evaluate how much of the income is used for the comparatively small amount expended in submitting statements to Congress, for telegrams, postage, and miscellaneous.

D. (1) As legislative representative of the General Federation of Women's Clubs, statements, oral and written, are presented to various committees of Congress to implement our resolutions. I am a volunteer worker, with a budget of $100 a year, plus a nominal amount for clerical service. It is impossible for me to itemize just how much I spend on any particular piece of legislation. No formal statements have been submitted during the past quarter.

A. Wyatt, Grafton & Grafton, Marion E. Taylor Building, Louisville, Ky.; nature of business, practice of law.

B. First Kentucky Co., Fifth and Court Place, Louisville, Ky.; nature of business, investing in securities.

C. (1) Indefinite.

C. (2) To preserve the right of the First Kentucky Co. to continue in business in its present relationship to the First National Bank of Louisville and the Kentucky Trust Co.; (a) Bank Holding Company Act of 1950; (b) S. 2318 and S. 3547.

E. (6) $30.14; (7) $178; (9) $208.14; (11) $208.14; (15) $208.14.

A. Joseph M. Wyatt, 501 Keyser Building, Baltimore, Md.; attorney at law.

B. District Cab Co., Inc.; Washington Bell Cab Co., Inc.; Washington Cab Association, Inc.; Premier Cab Association; Eagle Cab Co., Inc.; G. & M. Motors, Inc. (Century); Columbia Cab Co., Inc., Yellow Cab Co. of Washington, D. C., Inc.; Skyview Cab Co., Inc.; and Diamond Cab.

C. (1) December 31, 1950.

C. (2) House bill No. 4281; Senate bill 1909.

C. (3) See report filed April 26, 1950.

D. (9) Received $1,500 and reported in 1949; (13) no.

E. (7) $57.40; (9) $57.40; (10) $90.85; (11) $158.25.

A. Robert H. Wyatt, executive secretary, Indiana State Education Association, 203 Hotel Lincoln, Indianapolis, Ind.

B. Indiana State Teachers Association (an organization affiliated with but not a part of the National Education Association of the United States), 203 Hotel Lincoln, Indianapolis, Ind.

C. (1) Indefinite.

C. (2) Bills pending before the Eighty-first Congress relating to public education. Primary interest in S. 246, H. R. 5939, H. R. 7160.

D. (1) No part of salary received from employer constitutes compensation for activities in connection with the legislative interests of the legislative-Federal relations division of the National Education Association of the United States.

E. (7) $179.91; (9) $179.91; (10) $611.23; (11) $791.14. Reimbursed by the National Education Association of the United States.

A. Wilson W. Wyatt, Wyatt, Grafton & Grafton, Marion E. Taylor Building, Louisville, Ky.; legal services.

B. National Committee for Repeal of Wartime Excise Taxes, 60 East Forty-second Street, New York, N. Y.; a national committee of business executives, organized for the purpose of seeking the repeal of the wartime excises (except those on alcohol, tobacco, and gasoline).

C. (1) Probably through the third quarter of 1950.

C. (2) Repeal of the excise taxes (other than those on alcohol, tobacco, and gasoline) enacted or increased in 1941, 1942, and 1943; (a) Revenue Act of 1950; (b) H. R. 8920.

C. (3) None during second quarter.

D. (8) $22,254.84; (9) $22,254.84.

E. (6) $194.54; (7) $290.86; (9) $485.40; (10) $1,725.79; (11) $2,211.19; (15) $435.40.

Wyoming Wool Growers Association, McKinley, Wyo.

(Form A received and filed in Clerk's Office.)

A. James G. Yaden, 900 F Street NW., Washington, D. C; national president, American Federation of Government Employees, a labor union.

B. American Federation of Government Employees, a labor union.

C. (1) Legislative interests will continue indefinitely.

C. (2) Duties are to head a labor union, national in scope, and to represent the membership before the Congress on matters affecting them.

C. (3) Publish each Thursday the Government Standard, a newspaper; circulation, 60,000, Ransdell, Inc., being the printer.

D. (5) $2,750; (7) $2,750; (9) $2,750.

E. (15) All.

A. Addison Yeaman,[2] 1600 West Hill Street, Louisville, Ky.; associate counsel of Brown & Williamson Tobacco Corp.

B. Brown & Williamson Tobacco Corp., 1600 West Hill Street, Louisville, Ky.; manufacturer of cigarettes and other tobacco products.

C. (1) Inasmuch as the present legislative interest of the individual filing is in the passage of H. R. 2016, such interest will continue indefinitely until such time as that bill is passed or finally defeated.

C. (2) The general legislative interest of the affiant is in the adoption of the ad valorem principle to the Federal taxation of cigarettes, with specific legislative interest in the passage of H. R. 2016.

D. (14) Affiant does not receive and has not received any money by contribution, loan, or otherwise on account of his activities in furtherance of the legislative interest set out under paragraph C, except the salary paid to him by reason of his employment as assistant to the general counsel of Brown & Williamson Tobacco Corp.

A. Addison Yeaman, 1600 West Hill Street, Louisville, Ky.; associate counsel of Brown & Williamson Tobacco Corp.

B. Brown & Williamson Tobacco Corp., 1600 West Hill Street, Louisville, Ky.; manufacturer of cigarettes and other tobacco products.

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[2] Filed for first quarter, 1950.

C. (1) Inasmuch as the legislative interest of the individual filing is in the adoption of a graduated tax on cigarettes, such interest will continue indefinitely.

C. (2) The general legislative interest of the affiant is in the adoption of the ad valorem principal to the Federal taxation of cigarettes.

D. (14) Affiant does not receive and has not received any money by contribution, loan, or otherwise on account of his activities in furtherance of the legislative interest set out under paragraph C, except the salary paid to him by reason of his employment as assistant to the general counsel of Brown & Williamson Tobacco Corp.

A. Mr. Donald A. Young, 1615 H Street NW., Washington, D. C.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D. C.

C. (1) Indefinite.

C. (2) Listed below are bills in which the chamber has legislative interests: S. 2111, personal policy; H. R. 331, Alaska statehood; H. R. 49, Hawaii statehood; S. 3295, compulsory unionism on the railroads; Senate Resolution 265, Reorganization Plan No. 21; H. R. 7789, compulsory unionism on the railroads; H. R. 7797, point 4; H. R. 7905, triple damages; H. R. 797, H. R. 1584, and H. R. 2438, equal pay for women; H R. 6826, selective service; H. R. 8083, guarantee United States investments; H. R. 8923, Post Office Department; S. 3424, Federal-aid highway program; Senate Resolution 248, Reorganization Plan No. 12; House Joint Resolution 236, International Trade Organization; S. 3424, Federal-aid highway program; H. R. 5182, United Medical Administration; S. 2875, airport authorizations; H. R. 8925, personnel policy; H. R. 7786, appropriations.

D. (5) $1,500*; (7) $1,500*; (8) $1,500*; (9) $3,000 (one-half salary).

E. (6) $19.14; (7) $14.20; (9) $33.34; (10) $38.05; (11) $71.39.

A. Robert R. Young, chairman, Federation for Railway Progress, 4500 Chrysler Building, New York 17, N. Y.

B. Federation for Railway Progress, 4500 Chrysler Building, New York 17, N. Y.; a nonprofit, unincorporated association to further the national railroad transportation policy as set forth in the Interstate Commerce Act. Also, publisher of a monthly magazine called Railway Progress.

A. Roslyn D. Young, 15 William Street, New York 5, N. Y.; president of Rubber Trade Association of New York, Inc.

B. Rubber Trade Association of New York, Inc., 15 William Street, New York 5, N. Y.; a membership corporation composed of natural rubber importers, dealers, agents, and brokers.

C. (1 and 2) As president of Rubber Trade Association of New York, Inc., I am interested in any legislation relating to rubber. It is impossible to state when such legislation may arise or how long such legislative interest is to continue. Any legislative efforts undertaken by me are wholly incidental both to the purposes for which the association was formed and its usual activities, and to my general duties as president. Neither the association nor I collect any funds for legislative activities. As president of the association I receive a salary; not more than 2 percent of my time over a year is devoted to legislative activities. The budget of the association for the year 1950 is in excess of $80,000. All expenditures relating to legislative matters will not exceed $200, and will be paid by the association.

C. (3) Neither myself nor the association causes to be issued any publication in connection with legislative interests with the exception of purely informative factual mimeographed reports to the members of the association regarding pending legislation of interest to them.

D. (1) $200.

E. (4) Not over $50; (6) not over $50; (9) not over $100; (10) not over $100; (11) not over $200; (15) all.

A. Robert Lindley Ziegfeld, 420 Lexington Avenue, New York 17, N. Y.; secretary and treasurer of a trade association.

B. Lead Industries Association, 420 Lexington Avenue, New York 17, N. Y.; trade association.

C. In general interested in legislation which would directly affect the lead industry. However, I did not engage in any legislative activities during the period covered by this report. As legislative activities are only a minor collateral activity there are no separate receipts for them. Legislative activities may be undertaken at any time that specific legislation is introduced which affects our industry.

A. O. David Zimring, 1029 Vermont Avenue NW., Washington, D. C., an individual lawyer (also has business address at 11 South La Salle Street, Chicago, Ill.).

B. Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., 1214 Griswold Street, Detroit, Mich., an unincorporated labor organization headed by A. L. Spradling, its international president, 1214 Griswold Street, Detroit, Mich.

C. (1) Legislative interests will continue for an indefinite period of time.

C. (2) General legislative interests of the above-named association in legislation which may affect the members of the association and their families. At the present moment the primary legislative interest in H. R. 6000 as found in Senate Report No. 1669, Calendar No. 1680, and amendments which may be offered thereto. There is and will be interest in other bills affecting organized labor employed in urban, suburban, and over-the-road transportation and other industries.

C. (3) The association publishes the Union Leader, a weekly journal for its members in the Chicago area; also the Motorman, Conductor, and Motor Coach Operator, a monthly journal for its members in the United States and Canada. These publications are not primarily concerned with legislative interests, but have contained in the past and will publish in the future news stories, reports, and recommendations involving pending or suggested legislation.

D. There were no receipts made during the second quarter in connection with legislative interests. (13) No.

E. There were no expenditures (including loans) in connection with legislative interests during the second quarter. I maintain an office in Washington, D. C., and made trips to and from Washington, D. C., during the second quarter in connection with my normal business activities. There were no travel expenses chargeable to legislative interests.

A. John D. Zook, administrative department, Ohio Chamber of Commerce, 820 Huntington Bank Building, Columbus, Ohio.

E. Ohio Chamber of Commerce, 820 Huntington Bank Building, Columbus, Ohio; nonprofit organization.

C. (1) I assume "legislative interests" refer to Federal legislation; such interests are terminated with the filing of this report.

C. (2) Legislative interests; none for the period covered by this report.

C. (3) No publications issued during the period covered by this report.

D. (5) $1,999.98; (7) $1,999.98; (8) $1,875; (9) $3,874.98; (13) no.

E. (10) $152.34; (11) $152.34.

SENATE

WEDNESDAY, AUGUST 23, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

O Thou in whom and by whom we live, source of the light that never fades, the power that never fails, the life that never ends, who hast set within us a spirit that answers to Thine own, draw near to us as we draw near to Thee in the moments that begin this day. Make us extremely conscious of our union with Thee, and of our dependence upon one another, that we may endeavor wisely to order all things according to Thy will. For we realize that in doing Thy will is our peace, and in Thy mercy lies our hope. To this end may we find the tasks of this day sacraments of service and our performance of them always on the level of the highest and best we know. We pray for Thy name's sake. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 22, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 22, 1950, the President had approved and signed the following acts:

S. 1222. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Agency, S. Dak.;

S. 3017. An act for the relief of Sgt. James C. Hollon and Bessie L. Hollon;

S. 3097. An act conferring jurisdiction on the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Rees; and

S. 3446. An act to authorize the restoration of Edwin M. Rosenberg, lieutenant commander, retired, to the active list of the United States Navy.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate for an indefinite period.

On his own request, and by unanimous consent, Mr. GURNEY was excused from attendance on the sessions of the Senate from tomorrow afternoon until next Monday.

MEETING OF COMMITTEE DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Foreign Relations was authorized to meet today during the session of the Senate.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Millikin
Benton	Humphrey	Morse
Bricker	Hunt	Mundt
Bridges	Ives	Murray
Butler	Jenner	Myers
Byrd	Johnson, Colo.	O'Conor
Capehart	Johnson, Tex.	O'Mahoney
Chapman	Johnston, S. C.	Pepper
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Darby	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Langer	Smith, N. J.
Dworshak	Leahy	Sparkman
Ecton	Lehman	Stennis
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Fulbright	McCarran	Thye
George	McCarthy	Tydings
Gillette	McClellan	Watkins
Graham	McFarland	Wherry
Green	McKellar	Wiley
Gurney	McMahon	Williams
Hendrickson	Magnuson	Withers
Hickenlooper	Malone	Young
Hill	Martin	
Hoey	Maybank	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The PRESIDENT pro tempore. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, notified the Senate that Mr. HOFFMAN of Michigan had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, vice Mr. RICH, excused.

The message announced that the House had passed the bill (S. 2317) to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2484) to authorize the Secretary of Commerce to provide war risk and certain marine and liability insurance, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House insisted upon its amendments to the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PETERSON, Mr. MORRIS, and Mr. D'EWART were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1056) to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. LANE, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9141. An act to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities;

H. R. 9272. An act to amend the act of October 5, 1949 (Public Law 322, 81st Cong.), so as to extend the time of permits covering lands located on the Agua Caliente Indian Reservation; and

H. R. 9313. An act to amend the Agricultural Act of 1949.

REPORT OF FINANCE COMMITTEE FILED DURING RECESS

Under authority of the order of the 22d instant,

Mr. GEORGE, from the Committee on Finance, to which was referred the bill (H. R. 8920) to reduce excise taxes, and for other purposes, reported it with amendments on August 22, 1950, and submitted a report (No. 2375) thereon.

PRESTON L. WATSON

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 1056) to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. Mr. President, this is a private relief bill, which the Senate passed with amendments. The bill does not provide for payment of a claim, but only for giving the claimant a day in court.

The House has disagreed to the Senate amendments, and has requested a conference.

Mr. President, I move that the Senate insist on its amendments, agree to the conference request by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. MAGNUSON, Mr. GRAHAM, and Mr. WILEY conferees on the part of the Senate.

OSAGE INDIANS OF OKLAHOMA

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2423) to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma, which were on page 1, line 6, strike out "inserting" and insert "striking out the portion of said section"; on page 1, line 7, strike out "the following additional restriction" and insert "and inserting in lieu thereof the following", and on page 2, line 5, after "further", insert "That this section shall not apply to spouses under marriages existing on February 27, 1925."

Mr. McFARLAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

CONSTRUCTION OF CERTAIN SCHOOL FACILITIES

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2317) to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes, which were, to strike out all after the enacting clause and insert:

DECLARATION OF POLICY

SECTION 1. In recognition of the impact which certain Federal activities have had on the school construction needs in the areas in which such Federal activities have been or are being carried on, the Congress hereby declares it to be the policy of the United States to bear the cost of constructing school facilities in such areas in the manner and to the extent provided in this act.

PAYMENTS TO LOCAL EDUCATIONAL AGENCIES

SEC. 2. (a) A local educational agency shall be eligible under this subsection for payment with respect to children who reside on Federal property with a parent employed on Federal property, if the estimated number of such children who will be in average daily attendance at the schools of such agency during the current fiscal year (as defined in paragraph (6) of section 10) is at least 15 and is at least 5 percent of the estimated number of all children who will be in average daily attendance at the schools of such agency during the current fiscal year. Each such local educational agency shall be entitled to receive an amount not to exceed such estimated number of children with respect to whom it is eligible for payment under this subsection, multiplied by 95 percent of the

average per pupil cost of constructing complete school facilities in the State in which the school district of such agency is situated.

(b) A local educational agency of a State shall be eligible under this subsection for payment with respect to children who reside on Federal property, or who reside with a parent employed on Federal property part or all of which is situated in such State, if the estimated number of such children who will be in average daily attendance at the schools of such agency during the current fiscal year is at least 15 and is at least 5 percent of the estimated number of all children who will be in average daily attendance at the schools of such agency during the current fiscal year. Each such local educational agency shall be entitled to receive an amount not to exceed such estimated number of children with respect to whom it is eligible for payment under this subsection, multiplied by 70 percent of the average per pupil cost of constructing complete school facilities in the State in which the school district of such agency is situated.

(c) A local educational agency shall be eligible under this subsection for payment with respect to children whose attendance results from activities of the United States (carried on either directly or through a contractor), if, in the judgment of the Commissioner of Education—

(1) the estimated number of such children who will be in average daily attendance at the schools of such agency during the current fiscal year is at least 20 and is at least 10 percent of the estimated number of all children who will be in average daily attendance at the schools of such agency during the current fiscal year; and

(2) the construction of additional school facilities to take care of the children whose attendance results from such activities of the United States has imposed or will impose an undue financial burden on the taxing and borrowing authority of the agency.

Each such local educational agency shall be entitled to receive an amount not to exceed such estimated number of children with respect to whom it is eligible for payment under this subsection, multiplied by 45 percent of the average per pupil cost of constructing complete school facilities in the State in which the school district of such agency is situated. In determining eligibility and maximum amounts of payment under this subsection, the Commissioner (A) shall take into account only activities of the United States carried on after June 30, 1939; and (B) shall not take into account activities of the United States carried on in connection with real property which has been excluded from the definition of Federal property by the last sentence of paragraph (1) of section 10.

(d) If two or more of the first three subsections of this section apply to a child, the local educational agency shall elect which of such subsections shall apply to such child.

(e) Notwithstanding the preceding provisions of this section, the total number of children for whom a local educational agency is entitled to receive payment under this act shall not exceed—

(1) except where the determination of the maximum amount is based in whole or in part on entitlement under subsection (c), the estimated number of all children in average daily attendance at the schools of such agency during the current fiscal year, minus the number of all children in average daily attendance at the schools of such agency during the fiscal year ending June 30, 1939; and

(2) where the determination of the maximum amount is based in whole or in part on entitlement under subsection (c), the estimated number of all children in average daily attendance at the schools of such agency during the current fiscal year, minus 110 percent of the number of all children in average daily attendance at the schools of such agency during the fiscal year ending June 30, 1939.

No local educational agency in the continental United States shall be entitled to receive payment under this act if the number of children in average daily attendance at the schools of such agency during the fiscal year ending June 30, 1950, exceeded 35,000.

(f) (1) Where—

(A) under any law other than a law relating to the disposal of surplus property, the United States constructed, or assisted in the construction of, school facilities in the school district of any local educational agency;

(B) such construction was completed after June 30, 1939; and

(C) either such agency has title to such school facilities, or, in the judgment of the Commissioner of Community Facilities Service, there is reasonable assurance that such agency will have the right to use such facilities for the remainder of the estimated usable life of such facilities,

then the Commissioner of Community Facilities Service, in accordance with regulations prescribed by him, shall determine the amount which equals the actual cost to the United States of constructing or assisting in the construction of such school facilities, minus (i) percentage depreciation applied to such cost for the period beginning with the completion of the construction of such facilities and ending on June 30, 1951 (the rate of such depreciation to be based on the estimated usable life of such school facilities for the school purposes of such agency), and (ii) so much of the actual cost to the United States of constructing or assisting in the construction of such facilities as has been recovered by the United States. The Commissioner of Community Facilities Service shall certify to the Commissioner of Education the amount so determined; and the Commissioner of Education shall reduce the maximum amount which such agency is otherwise entitled to receive under this section in accordance with such certification.

(2) Where—

(A) under the act of October 14, 1940, entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," as amended, the United States has prior to the enactment of this act constructed school facilities in the school district of a local educational agency; and

(B) such school facilities are available to such agency on the date this act is enacted, the head of the Federal department or agency having custody of such facilities shall forthwith transfer to such local educational agency all right, title, and interest remaining in the United States in and to such facilities and the land being used in connection with the operation of such facilities.

WHERE EFFECT OF FEDERAL ACTIVITIES WILL BE TEMPORARY

SEC. 3. Notwithstanding the provisions of section 2, whenever the Commissioner determines that part or all of the attendance with respect to which any local educational agency is entitled to receive payment under such section will be of temporary duration only, such agency shall not be entitled to receive such payment with respect to the attendance so determined to be of temporary duration only. Instead, the Commissioner shall make available to such agency such temporary school facilities as may be necessary to take care of such attendance; except that he may, where the local educational agency gives assurance that adequate school facilities will be provided to take care of such attendance, pay (on such terms and conditions as he deems appropriate to carry out the purposes of this act) to such agency for use in constructing school facilities an amount equal to the amount which he estimates would be necessary to make available such temporary facilities.

CHILDREN FOR WHOM LOCAL AGENCIES ARE UNABLE TO PROVIDE EDUCATION

SEC. 4. In the case of children who reside on Federal property—

(1) if no tax revenues of the State or any political subdivision thereof may be expended for the free public education of such children; or

(2) if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children,

the Commissioner shall make such arrangements for constructing or otherwise providing school facilities as may be necessary for the education of such children. To the maximum extent practicable school facilities provided under this section shall be comparable to the school facilities provided for children in comparable communities in the State. This section shall not apply (A) to children who reside on Federal property under the control of the Atomic Energy Commission, and (B) to Indian children attending federally operated Indian schools. Whenever it will be necessary for the Commissioner to provide school facilities for children residing on Federal property under this section, no local educational agency shall be entitled to receive payment under section 2 with respect to the attendance of such children.

APPLICATIONS

SEC. 5. (a) No local educational agency shall be entitled to payment of any part of the maximum amount established for such agency by the formula contained in section 2 except upon application therefor submitted through the appropriate State educational agency and filed before July 1, 1952, with the Commissioner of Education in accordance with regulations prescribed by him. Any such application may either set forth a project for the construction of school facilities for such agency, in accordance with subsection (b), or may contain a request for a reimbursement payment, in accordance with subsection (c). The Commissioner of Education shall take final action with respect to the approval or disapproval of any such application within a reasonable time.

(b) (1) Each application by a local educational agency setting forth a project for the construction of school facilities for such agency shall contain or be supported by—

(A) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

(B) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain such school facilities on such site for a period of not less than 20 years after the completion of the construction;

(C) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when neeeded;

(D) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

(E) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing

local wage rates for similar work as determined in accordance with Public Law Numbered 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended;

(F) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this act on the same terms, in accordance with the laws of the State in which such school district is situated, as they are available to other children in such school district; and

(G) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

(2) The Commissioner shall approve the application if he finds (A) that the proposed Federal share of the cost of the project does not exceed so much of the maximum amount which such agency is entitled to receive under section 2 as has not been expended or obligated for payment of the Federal share of the cost of projects of such agency theretofore approved, (B) that the requirements of paragraph (1) of this subsection have been met, and (C) after consultation with the State and local educational agency, that the project is not inconsistent with over-all State plans for the construction of school facilities.

(c) (1) If, and only if, a local educational agency has provided (or, by reason of a project or projects under this act, will provide) adequate school facilities for the school children for whose education contributions are provided in this act, such agency may file an application containing a request for a reimbursement payment of so much of the maximum amount which such agency is entitled to receive under section 2 as has not been expended or obligated for payment of the Federal share of the cost of the projects of such agency under this act. Any such application shall also contain assurance that the school facilities of such agency will be available to such children on the same terms, in accordance with the laws of the State in which such school district is situated, as they are available to other children in such school district. In no event shall the reimbursement payment under this subsection exceed the amount expended from local sources since June 30, 1939, for the construction of the school facilities of the local educational agency.

(2) The Commissioner shall approve any application of a local educational agency if he finds that the requirements of paragraph (1) of this subsection have been met.

(d) No application under this act shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

CERTIFICATION AND PAYMENT

SEC. 6. (a) Upon approving the application of any local educational agency under section 5 (b), the Commissioner of Education shall certify to the Secretary of the Treasury for payment to such agency an amount equal to 10 percent of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall certify to the Secretary of the Treasury for payment to such agency, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, the remainder of the Federal share of the cost of the project.

(b) Upon approving the application of any local educational agency under section 5 (c), the Commissioner of Education shall certify to the Secretary of the Treasury for payment to such agency an amount equal to the maximum amount which such agency is entitled to receive under section 2 less any amount which such agency has received or will receive under subsection (a) of this section.

(c) For each fiscal year the Commissioner of Education shall determine the portion of the funds appropriated to carry out the purposes of this act which shall be available for carrying out the provisions of sections 3 and 4. The remainder of such funds shall be available for making payments to local educational agencies for which applications have been approved under subsections (b) and (c) of section 5.

(d) If the Commissioner of Education determines for any fiscal year that the funds which will be available therefor may not be sufficient to pay in full the amounts which all local educational agencies would otherwise be entitled to receive under applications approved before the end of such year, he shall by regulations prescribe (1) a date or dates before which all applications for payments out of such funds shall be filed, and (2) the order in which the certifications required by subsections (a) and (b) of this section will be made. The order so prescribed shall be based on relative urgency of need and shall give applications under section 5 (b) priority over applications under section 5 (c).

(e) The Secretary of the Treasury shall pay to each local educational agency in accordance with the certification of the Commissioner. Any funds paid to a local educational agency and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

WITHHOLDING OF CERTIFICATION; APPEALS

SEC. 7. (a) Whenever the Commissoner of Education, after reasonable notice and opportunity for hearing to a local educational agency, finds (1) that there is a substantial failure to comply with the drawings and specifications for the project, (2) that any funds paid to a local educational agency under this act have been diverted from the purposes for which paid, or (3) that any assurance given in an application is not being or cannot be carried out, the Commissioner may forthwith notify the Secretary of the Treasury and such agency that no further certification will be made under this act until there is no longer any failure to comply or the diversion or default has been corrected or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

(b) (1) If any local educational agency is dissatisfied with the Commissioner's disapproval of part or all of its application under this act, or if it is dissatisfied with the Commissioner's action with respect to it under subsection (a) of this section, such agency may appeal to the United States Court of Appeals for the circuit in which such agency is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and record on which he based his action.

(2) The findings of fact by the Commissioner, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner for further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

(3) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States as provided in section 1254 of title 28 of the United States Code.

ADMINISTRATION

SEC. 8. (a) In the administration of this act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.

(b) The Commissioner of Education shall administer this act, and he may make such regulations and perform such other functions as he finds necessary to carry out the provisions of this act.

(c) The Commissioner shall include in his annual report to the Congress a full report of the administration of his functions under this act, including a detailed statement of receipts and disbursements.

(d) With respect to compliance with and enforcement of the prevailing wage provisions of section 5 (b) (1) (E), the Secretary of Labor shall prescribe appropriate standards, regulations, and procedures, which shall be observed by the agencies administering such provisions, and shall cause to be made by the Department of Labor such investigations as he deems desirable.

USE OF OTHER FEDERAL AGENCIES; TRANSFER AND AVAILABILITY OF APPROPRIATIONS

SEC. 9. (a) In carrying out his functions under this act, the Commissioner of Education may utilize the facilities and services of any Federal department or agency and may delegate the performance of any of his functions to any officer or employee of any Federal department of agency. The Commissioner of Education shall exercise the authority contained in the preceding sentence whenever such exercise will avoid the creation within the Office of Education of a staff and facilities which duplicate existing available staffs and facilities. Any such utilization or delegation shall be pursuant to proper agreement with the Federal department or agency concerned; and payment to cover the cost thereof shall be made either in advance or by way of reimbursement, as may be provided in such agreement.

(b) All Federal departments or agencies administering Federal Property on which children reside, and all such departments or agencies principally responsible for Federal activities which may give rise to a need for the construction of school facilities, shall to the maximum extent practicable comply with requests of the Commissioner for information he may require in carrying out the purposes of this act.

(c) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1951, and for each of the two succeeding fiscal years, such sums as may be necessary to carry out the provisions of this act, including the administration thereof. Sums so appropriated, other than sums appropriated for administration, shall remain available until expended.

(d) Such portion of the appropriations of any other department or agency for the fiscal year ending June 30, 1951, as the Director of the Bureau of the Budget determines to be available for the same purposes as this act, shall, except to the extent necessary to carry out during such year contracts made prior to the enactment of this act, be transferred to the Commissioner for use by him in carrying out such purposes.

(e) No appropriation to any department or agency of the United States, other than an appropriation to carry out this act, shall be available during the period beginning July 1, 1951, and ending June 30, 1953, for the same purpose as this act, except that nothing in this subsection or in subsection (d) of this section shall affect the availability during such period of appropriations (1) for the construction of school facilities on Federal property under the control of the Atomic Energy Commission, or (2) for the construction of school facilities which are to

be federally operated for Indian children, or (3) for the construction of school facilities under the Alaska Public Works Act, approved August 24, 1949.

DEFINITIONS

SEC. 10. For the purposes of this act—

(1) The term "Federal property" means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia. Such term includes real property leased from the Secretary of the Army, Navy, (or) Air Force under section 805 of the National Housing Act, as amended, for the purpose of title VIII of such act. Such term also includes real property held in trust by the United States for individual Indians or Indian tribes, and real property held by individual Indians or Indian tribes which is subject to restrictions on alienation imposed by the United States. Such term does not include (A) any real property used by the United States primarily for the provision of services to the local area in which such property is situated. (B) any real property used for a labor supply center, labor home, or labor camp for migratory farm workers, or (C) any low-rent housing project held under title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the United States Housing Act of 1937, the act of June 28, 1940 (Public Law 671 of the 76th Cong.), or any law amendatory of or supplementary to any such acts.

(2) The term "child" means any child who is within the age limits for which the applicable State provides free public education.

(3) The term "parent" includes a legal guardian or other person standing in loco parentis.

(4) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

(5) Average daily attendance shall be determined in accordance with State law. In making any such determination, children who are not provided free public education (as defined in clause (4)) shall not be counted.

(6) The term "current fiscal year" means (A) with respect to an application approved before July 1, 1951, the fiscal year ending June 30, 1951, and (B) with respect to an application approved after June 30, 1951, the fiscal year ending June 30, 1952.

(7) The average per pupil cost of constructing complete school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner of Education on the basis of contracts entered into during the fiscal year preceding the fiscal year in which the application is approved. If the Commissioner finds that the information available for the State concerned for such preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency.

(8) Estimates of average daily attendance during a current fiscal year, and all other determinations with respect to eligibility and maximum amount of payment, shall be made as of the time of the approval of the application for which made, and shall be made on the basis of the best information available at the time of such approval.

(9) The terms "construct," "constructing," and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(10) The term "school facilities" includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadia, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public. Except as used in sections 3 and 4, such term does not include interests in land and off-site improvements.

(11) School facilities shall be deemed adequate for a given number of children if, under applicable State standards, they are adequate for the full-time education of such number of children.

(12) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education.

(13) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(14) The term "State" means a State, Alaska, Hawaii, Puerto Rico, or the Virgin Islands.

(15) The terms "Commissioner of Education" and "Commissioner" mean the United States Commissioner of Education.

And to amend the title so as to read: "An act relating to the construction of school facilities in areas affected by Federal activities."

Mr. THOMAS of Utah. I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. HUMPHREY, Mr. MURRAY, Mr. HILL, Mr. AIKEN, and Mr. MORSE conferees on the part of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REDUCTION OF TARIFF ON BOOK PAPER—RESOLUTION OF WISCONSIN CATHOLIC WAR VETERANS

Mr. WILEY. Mr. President, I have in my hand the text of a resolution adopted by the Catholic War Veterans of Wisconsin at their annual convention at Oshkosh on August 6. This resolution strongly opposes any further reduction in the tariff on manufactured book paper.

From all over Wisconsin I have received similar expressions in the form of letters and resolutions from folks associated with our paper industry. Paper and pulp unions, individual employees, foremen, community groups, in the great pulp and paper areas of Wisconsin have all written to me their deepest alarm over the announcement by the State Department of its intention to further slash the tariff on manufactured book paper which is already at very low levels. On several occasions within recent months I have raised this issue of the State Department's policy on the Senate floor and have pointed out that while it might be comparatively easy for some State Department negotiator to agree willy-nilly to a wholesale tariff reduction, the net effect on countless lives in Wisconsin, on countless factories, on countless communities, is almost incalculable.

I have urged, therefore, the State Department, who set up the Committee for Tariff Reciprocity Information to consider America's high standard of living, to bear in mind the fact that low-cost producing countries with comparatively inexpensive labor can undersell America's domestic production in many instances. A sound America is still the best guaranty of a sound world. Closed factories in America will not mean prosperity for the rest of the world.

We want, as I have indicated, to help promote world trade, but we do not want to do it at the expense of cutting the throat of our own domestic industries.

I ask unanimous consent that the text of the Catholic War Veterans resolution urging reasonable protection for the Wisconsin paper industry be appropriately referred and printed at this point in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

RESOLUTION COVERING RECIPROCAL TRADE AGREEMENT PROGRAM

Whereas there is to be a meeting of our State Department with representatives of many other countries at Torquay, England, in September to consider reductions of tariffs on a number of items which are imported into the United States; and

Whereas book paper, which is one of the principal industrial products of the State of Wisconsin, is on the list for a cut in tariff; and

Whereas there is already a very low tariff rate on book paper, which Europe today, with its present facilities and raw material, is unable to produce in quantities sufficient for their own demands, so that any tariff reduction would not materially assist European recovery; and

Whereas Canada, whose economy did not suffer as did Europe's as a result of the war, would benefit immensely from such a tariff reduction due to lower production costs and a devalued currency to the detriment of the economy of the United States, and especially at the expense of the people of Wisconsin, who depend upon the well-being of the paper industry for their livelihood; and

Whereas 80 percent of our newsprint is now imported from Canada as a result of a reduction in tariff on this type of paper in 1911 which forced many United States newsprint mills out of business and forced many other mills to change to their present book-paper manufacture, thus causing a shortage of newsprint during the war period and an anticipated shortage at present; and

Whereas many Canadian paper manufacturers can immediately change over older and slower newsprint machines to the more profitable book-paper manufacture with a further cutting of the available supply of newsprint; and

Whereas the organizational motto of the Catholic War Veterans of the United States, "For God, for country, and home," makes it imperative that action be taken on the subject of this resolution, which affects the well-being of our country and our home: Now, therefore, be it

Resolved, That the board of officers of the Wisconsin Department of Catholic War Veterans, assembled at Oshkosh on this 6th day

of August 1950, do hereby implore our Representatives in Congress from the State of Wisconsin to actively oppose any reduction in the tariff on manufactured book paper and to use their influence with our State Department to prevent such a calamity being imposed on the people of Wisconsin; be it further

Resolved, That our organization give the necessary publicity to this matter in order to present the facts to our members, their families, and their friends, and to enlist their aid in actively opposing any reduction in tariff on book paper, which would be detrimental to the economy of the State of Wisconsin; be it further

Resolved, That a copy of this resolution be sent to each Member of the United States Senate and House of Representatives from the State of Wisconsin.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MYERS, from the Committee on Interstate and Foreign Commerce:

H. R. 5187. A bill to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs; with amendments (Rept. No. 2378).

INVESTIGATION OF UTILIZATION OF FARM CROPS—PRICE SPREADS—COFFEE (S. REPT. NO. 2377)

Mr. GILLETTE, from the Committee on Agriculture and Forestry, submitted, pursuant to Senate Resolutions 36 and 198, Eighty-first Congress, authorizing an investigation relative to expanded uses of farm crops, a report relating to price spreads—coffee, which was ordered to be printed.

PRINTING AND BINDING OF REVISED EDITION OF CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN. Mr. President, as acting chairman of the Committee on Rules and Administration, I report favorably from that committee, without amendment, House Joint Resolution 518, authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the joint resolution by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 518) authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 518) was considered, ordered to a third reading, read the third time, and passed.

PRINTING OF BULLETIN ENTITLED "MOBILIZATION PLANNING AND THE NATIONAL SECURITY" (S. DOC. NO. 204)

Mr. GREEN. Mr. President, as acting chairman of the Committee on Rules and Administration, I report favorably, from that committee, without amendment, Senate Resolution 319, submitted by the Senator from Tennessee [Mr. KEFAUVER] on July 25, 1950, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 319) was read, as follows:

Resolved, That Public Affairs Bulletin No. 81, entitled "Mobilization Planning and the National Security," prepared by the Legislative Reference Service, Library of Congress, be printed as a Senate document.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as acting chairman of the Committee on Rules and Administration, I report favorably, from that committee, without amendment, Senate Resolution 332, submitted by the Senator from Texas [Mr. CONNALLY] on August 17, 1950, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 332) was read as follows:

Resolved, That the Committee on Foreign Relations hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, as supplemented by Senate Resolution 148, agreed to August 11, 1949.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

FURTHER INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON BANKING AND CURRENCY

Mr. GREEN. Mr. President, as acting chairman of the Committee on Rules and Administration, I report favorably, from that committee, without amendment, Senate Resolution 333, reported by the Senator from South Carolina [Mr. MAYBANK] from the Committee on Banking and Currency, on August 22, 1950, to further increase the limit of expenditures by the Committee on Banking and Currency, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 333) was read as follows:

Resolved, That the Committee on Banking and Currency hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, $5,000 in addition to the amount, and for the same purposes specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, as increased by Senate Resolution 175, Eighty-first Congress, agreed to October 13, 1949, and as increased by Senate Resolution 208, Eighty-first Congress, agreed to February 1, 1950.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. WHERRY. Mr. President, reserving the right to object, I know it refers to the Committee on Banking and Currency, but what investigation is involved?

Mr. GREEN. The committee does not have sufficient money.

Mr. WHERRY. It is the Committee on Banking and Currency itself?

Mr. GREEN. Yes.

Mr. WHERRY. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG:

S. 4081. A bill to prohibit the importation into the United States of furs from the Union of Soviet Socialist Republics; to the Committee on Finance.

By Mr. JOHNSON of Colorado:

S. 4082. A bill for the relief of Sotirios C. Roumanis;

S. 4083. A bill for the relief of Anastasios Kollias; and

S. 4084. A bill for the relief of Mrs. Pauline J. Gourdeaux; to the Committee on the Judiciary.

S. 4085 (by request). A bill to limit the number of consecutive months in which members of the Armed Forces may be required to serve in a combat area; to the Committee on Armed Services.

By Mr. McCARRAN:

S. 4086. A bill for the relief of Mrs. Frank Edward Albisu; to the Committee on the Judiciary.

By Mr. HILL (for himself and Mr. SPARKMAN):

S. 4087. A bill to provide the means of increased fire protection for occupants of hotels and apartment houses in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. TYDINGS:

S. 4088. A bill to amend section 61 of the National Defense Act, as amended (32 U. S. C. 194), for the purpose of providing authority to the several States, territories, the District of Columbia, Puerto Rico, Virgin Islands and the Canal Zone, to organize military forces and to provide for pay and allowances, travel, arms, ammunition, uniforms, equipment, medical and other military supplies as deemed necessary to enable such forces to execute their internal security missions within or without their respective States and territories, and for other purposes; and

S. 4089. A bill to amend section 101 of the National Defense Act to provide that, notwithstanding the provisions of any other law, the National Guard of the United States, both Army and Air, is made available immediately in case of an emergency declared either by the Congress or the President; to the Committee on Armed Services.

By Mr. GURNEY:

S. 4090. A bill to stimulate exploration for and the domestic production of manganese ores; to the Committee on Interior and Insular Affairs.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 9141. An act to encourage the improvement and development of marketing

facilities for handling perishable agricultural commodities; and

H. R. 9313. An act to amend the Agricultural Act of 1949; to the Committee on Agriculture and Forestry.

H. R. 9272. An act to amend the act of October 5, 1949 (Public Law 322, 81st Cong.), so as to extend the time of permits covering lands located on the Agua Caliente Indian Reservation; to the Committee on Interior and Insular Affairs.

WAIVING OF CERTAIN BONDS IN CONNECTION WITH COAST GUARD CONTRACTS—CHANGE OF REFERENCE

Mr. McCARRAN. Mr. President, on August 8 the bill (H. R. 9229) to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts, was referred to the Committee on the Judiciary. This bill deals with the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts. It would amend a bill which was handled, in the Seventy-seventh Congress, by the Senate Committee on Military Affairs.

On Monday of this week the Committee on the Judiciary considered this bill, and after concluding that the bill is more properly within the jurisdiction of the Committee on Armed Services, authorized the chairman of the Judiciary Committee to ask unanimous consent that the Committee on the Judiciary be discharged from the consideration of the bill (H. R. 9229) and that it be referred to the Committee on Armed Services. I make that request now, Mr. President.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT RELATING TO EXEMPTION FROM TAXATION OF ANNUITIES OF RETIRED EMPLOYEES—CHANGE OF REFERENCE

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Committee on Post Office and Civil Service be discharged from the further consideration of Senate bill 3491, to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to exempt from taxation annuities of retired employees, and that it be referred to the Committee on Finance, as it deals with finance.

The PRESIDENT pro tempore. The question is on the motion of the Senator from South Carolina.

The motion was agreed to.

FEDERAL-AID HIGHWAY ACT OF 1950—PRINTING OF BILL

Mr. CHAVEZ. Mr. President, the Senate yesterday passed the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes. I ask unanimous consent that the bill be printed with the amendment of the Senate.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico. The Chair hears none, and it is so ordered.

ADDRESS BY REPRESENTATIVE D'EWART BEFORE REPUBLICAN STATE CONVENTION AT HELENA, MONT.

[Mr. ECTON asked and obtained leave to have printed in the RECORD an address by Hon. WESLEY A. D'EWART, Representative from the Second Congressional District of Montana, before the Republican State convention at Helena, Mont., August 19, 1950, which appears in the Appendix.]

DUTY OF BANKS TO DEPOSITORS—ADDRESS BY ORVAL W. ADAMS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address entitled "Tell Your Depositors," by Orval W. Adams, executive vice president of the Utah First National Bank of Salt Lake City, before the annual district conference of the fifth district of the National Association of Supervisors of State Funds, Salt Lake City, Utah, June 7, 1950, which appears in the Appendix.]

THE POSITION OF LABOR IN OUR ECONOMY — DISCUSSION ON AMERICAN FORUM OF THE AIR

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a discussion of the position of labor in our economy, held over the American Forum of the Air, in Washington, D. C., on August 12, 1950, which appears in the Appendix.]

LACK OF PREPARATION BY THE UNITED STATES FOR THE WAR IN KOREA—ARTICLE BY DAVID LAWRENCE

[Mrs. SMITH of Maine asked and obtained leave to have printed in the RECORD an article entitled "Why United States Not Better Prepared for War," written by David Lawrence and published in the Boston Traveler of August 18, 1950, which appears in the Appendix.]

TARIFFS CAN WAIT—EDITORIAL FROM PROVIDENCE (R. I.) EVENING BULLETIN

[Mr. LEAHY asked and obtained leave to have printed in the RECORD an editorial entitled "Tariffs Can Wait," published in the Providence (R. I.) Evening Bulletin of August 19, 1950, which appears in the Appendix.]

FORTIFIED VILLAGES OF NORTH DAKOTA

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an editorial entitled, "Fortified Villages of North Dakota," published in the Washington Evening Star of August 19, 1950, which appears in the Appendix.]

UNITED NATIONS WATCHDOG COMMISSIONS—EDITORIAL FROM BISMARCK (N. DAK.) TRIBUNE

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an editorial entitled "Watchdogs To Spot Aggressor," published in the Bismarck Tribune of August 15, 1950, which appears in the Appendix.]

MOLLY YARD WINS MEADE APOLOGY—ARTICLE FROM PHILADELPHIA BULLETIN

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Molly Yard Wins Meade Apology," published in the Philadelphia Bulletin of July 26, 1950, which appears in the Appendix.]

ST. LAWRENCE SEAWAY LAGS—ARTICLE BY ROSCOE FLEMING

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an article by Roscoe Fleming, dated August 18, 1950, entitled "St. Lawrence Seaway Lags," which appears in the Appendix.]

AWARD OF NAVY MEDAL OF HONOR TO HON. EDOUARD V. M. IZAC

Mr. MARTIN. Mr. President, I placed in the CONGRESSIONAL RECORD of August 2, 1950, on page 11547, a list of Members of Congress awarded the Medal of Honor.

The Army awards the Army Medal of Honor, and the Navy the Navy Medal of Honor.

I am very sorry that I omitted the name of Hon. Edouard V. M. Izac. He served as a Member of Congress from California from 1937 to 1947, and he received the Navy Medal of Honor.

This makes a total of 5 Members of the Senate and 13 Members of the House of Representatives who have received the Medal of Honor.

RECORD OF AMERICAN NEGRO COMBAT TROOPS IN KOREA—STATEMENT BY SENATOR LEHMAN AND EDITORIAL COMMENT

Mr. LEHMAN. Mr. President, I have prepared some remarks dealing with the record of American Negro combat troops on the battlefields of Korea. I also have at hand some news articles and editorials in this connection. Because of the importance of this subject, I ask unanimous consent that my statement and the clippings and editorials be printed in the body of the RECORD.

There being no objection, the statement, articles, and editorials were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

Americans who look to the United Nations as our chief hope for bringing order out of chaos in this troubled world have found some comfort in the knowledge that Americans are fighting in Korea under the flag of the United Nations. Today, in far-off Korea, a world organization composed of peoples of many creeds and many races, is leading and supporting the move to put a stop to aggression before it engulfs the entire world.

Newspaper accounts have told us of the heroism of American troops, fighting under the most unfavorable conditions and more often than not against overwhelming numbers of aggressor forces. Among the units that has distinguished itself in these operations has been the Twenty-fourth Regiment of the Twenty-fifth Division. From the outset this infantry regiment has been in the thick of the fighting. It has suffered many casualties. This regiment is composed of Negro Americans.

The record of the Twenty-fourth Regiment in Korea is electrifying evidence that these Negro Americans are worthy of the highest acclaim as soldiers of the United States and fighters for freedom.

Mr. President, I would like to point out to my colleagues an article that appeared in the New York Herald Tribune, dated August 20, 1950. The headline of this very interesting article is "Army unit ends segregation, finds it works." The report tells of the complete integration of Negro troops in the Fourth Infantry Division now in training at Fort Ord, Calif. In the words of one white officer, quoted in the report, who served with segregated Negro troops in Italy during World War II, "the quicker the entire Army adopts this policy (complete nonsegregation), the better."

According to this article, the results of the program at Fort Ord have been uniformly good. I am eager to call attention to this article at this particular time, when Negro troops are distinguishing themselves on the

battlefield in segregated units, because nonsegregation is now official Army policy. I hope that the reports of Negro heroism from Korea will serve to speed up the Army's program of abolishing segregated units.

Mr. President, Negro Americans are fighting under the flag of the United Nations for freedom and democracy. If those troops are accorded true equality of treatment, which means nonsegregation, they will fight with a greater will and a greater determination for victory in Korea and in the battle against communism throughout the world.

The article regarding the training of the Fourth Infantry Division and a number of editorials telling of the exploits of the all-Negro Twenty-fourth Regiment in Korea follow:

"[From the New York Herald Tribune of August 20, 1950]

"ARMY UNIT ENDS SEGREGATION, FINDS IT WORKS—TROOPS IN FOURTH DIVISION MIX IN TRAINING AND LEISURE; TEXAN PRAISES PROGRAM

"FORT ORD, CALIF., August 19.—The Fourth Infantry Division has been pioneering in ending all segregation—and finds that it works well.

"Separation of colored and white soldiers in different units has been completely eliminated. All the men sleep in the same barracks, eat in the same messes, and sweat out their rugged training together on the drill fields. There is no coddling. And no trouble.

"The results obtained have been more than a little surprising to some of the officers who during World War II served with units where Negroes were segregated in companies, battalions, or regiments. Inevitably, these men resented being set apart because of their color.

"Now, in the Army's progressive plan to eliminate the race issue throughout its widespread operations, the Fourth Division perhaps has gone a step farther than any other unit.

"EQUAL TREATMENT STRESSED

"There are many units where Negroes are serving with white troops, but usually the Negro soldiers are placed together in regiments and battalions. Some such units are fighting today in Korea.

"Negroes assigned to the Fourth, which now is engaged in its most expansive training program since World War II, find they are treated exactly the same as white men. If they don't maintain the same standards they are told to snap out of it. And when they make good, they are promoted.

"The Fourth is turning out colored noncommissioned officers in increasing numbers and they are doing a good job.

"Officers believe the incentive for a man to stand on his own feet, competitively in a sense, is the main reason this antisegregation program is bringing such surprising results.

"One of the unforeseen developments has been to foster friendships between white and Negro soldiers. Instead of the pairing off of Negro with Negro and white with white so commonplace in other activities, there is a very evident tendency for the men to mix freely in training and in their leisure time.

"One white field grade officer who had considerable duty with Negro troops in Italy during the last war says, 'The quicker the entire Army adopts this policy the better.'

"Another, a Texan who has been training these mixed companies for many months, swears that it is the only solution. He emphasizes that absolute impartiality is necessary, however.

"SOME QUESTIONS REMAL

"There still remain a couple of vital questions as to what will follow when these trainees, and the draftees who soon will follow them, are sent out as combat soldiers to man line outfits.

"Officers would like to see them assigned in the same manner as they are in the Fourth Division. They feel that if Negro troops, after training with notable success in units where there is no discrimination, are suddenly thrown into solid Negro regiments or batteries, they may be sorely let down.

"What will be done about this is a matter for high level Army policy to decide.

"A second question is how well Negro noncommissioned officers will function if and when they find themselves handling white soldiers. The best guess in the Fourth is that they will do a bang-up job, provided they are not stymied by some psychological factor.

"But as far as officers at Fort Ord and in the Fourth Division are concerned, they are sure this training policy will succeed."

"THE TWENTY-FOURTH INFANTRY

"One of the many infantry regiments that has distinguished itself in Korean battle is the Twenty-fourth, a combat outfit of Negro troops that was moved from routine occupation duty in Japan to the blood, fatigue, and sacrifice of war. The men of this unit have met and passed the test. They took their places in the line, held them under fierce attack, fell back under orders before superior power, and counterattacked when it came their turn. There have been few times in American history when field conditions were worse than these men have faced, and they have endured them with a determination and skill that have won them the praise of headquarters and the respect of soldiers of other regiments.

"It comes as no surprise that this should be so but it is gratifying to be in a position to record it. The Twenty-fourth is one of the three infantry regiments of the Twenty-fifth Division and as such it was one of the basic units of Task Force Kean which recently has been cutting to pieces the North Korean Sixth Division before Chinju. An Associated Press dispatch reports that in this fighting the Twenty-fourth has been waging the best and proudest battle in the history of the American Negro foot soldier. It has been driven from positions like other regiments of the line but like the other regiments it has had the courage and the discipline to rally under fire and come back for another fight. Frequently it has regained the heights and ravines it has lost, and no other form of field warfare is more exhausting or exacting. The Twenty-fourth has earned all the praise it is receiving. It is a first-class outfit."

"[From the Washington Star of August 18, 1950]

"NEGRO TWENTY-FOURTH REGIMENT PILES UP IMPRESSIVE RECORD IN KOREA

"(By Stan Swinton)

"WITH UNITED STATES TWENTY-FOURTH INFANTRY REGIMENT, KOREA, August 18.—This oldest United States Negro infantry outfit is fighting probably the best and proudest battle in the history of the American Negro foot soldier.

"Men in combat with the Negro Ninety-second Division in Italy and the Ninety-third Division in the Pacific rate this regiment above both. That does not mean it is the best regiment in Korea. Experts rank it somewhere in the middle.

"I covered the Ninety-second Division in Italy as an Army combat correspondent in World War II.

"A white colonel who was there said: 'The Twenty-fourth Regiment fights better than any Negro outfit in history, including the Ninety-second.'

"A Pittsburgh correspondent, Frank Whisonant, who won a combat commission as a first lieutenant with the Ninety-second in Italy, said: 'This Korean fighting is more bitter than in Italy. We can be proud of our men.'

"The weary men of this regiment have carried with honor the colors that flew through the Indian wars and up San Juan Hill in Cuba.

"They have been in line 35 consecutive days. They attacked three times and captured Yechon in July when towns captured by Americans in Korea were few and far between.

"They attacked for 3 days and on the fourth captured a mountain position called 'Little Cassino' on the southern front. One company was down to 12 men in this attack.

"The Twenty-fourth, like most units in Korea, has lacked replacements for casualties, but the first big batch arrived Wednesday night."

"[From the Washington Star]

"FIGHTING OF NEGRO SOLDIERS ANSWERS PROPAGANDA

"(By John M. Hightower)

"Valiant American Negro troops fighting under the United Nations flag in Korea are helping to win more than strategic hilltops in the struggle with communism.

"In the opinion of Washington psychological warfare experts they are also helping to win the battle against Communist propaganda. They are dramatic proof that the war to smash Red aggression in Korea is not a 'white man's war.'

"This is an extremely important point for the non-Communist alliance, and one which will shortly be bolstered by the addition to United Nations field forces of native Asian troops. The Philippines are sending 5,000 men and Thailand 4,000.

"SPOTLIGHT ON RED METHODS

"To understand why these forces are so important aside from the additional military strength they furnish, it is necessary to look at the aims and methods of Communist propaganda as it is now being laid down in a steady barrage from Moscow, Peiping (Red China) and Pyongyang (Red Korea).

"The major aim of this propaganda is to split the non-Communist world and particularly to split off the nations of Asia from the Western Powers.

"In striving for this objective the Communists have used two major weapons—(1) the claim that the UN forces in Korea are really the tools of Yankee imperialism, and (2) the arguments of racism—that is, that the white man's guns and bombs are once more slaughtering the people of Asia in a drive for new colonial oppressions.

"Broadly, therefore, the Communists are trying to draw a color line in the struggle. This is a timely application of an established Soviet method of attack on the United States that goes back far beyond the beginning of the Korean war.

"Even during World War II, when Moscow-Washington relations were at their best, there was a story in the Russian capital that dramatized the point.

"COLOR QUESTION BROUGHT UP

"An American visitor was on a guided tour through one of the Soviet aircraft factories. He was shown first the manufacture of air frames and engines, then taken through an assembly section, and finally escorted to an enclosure where finished planes were lined up. Though the Russian guide said they were complete, they had no propellers.

"The American pointed this out and asked, 'Where are the propellers?'

"'Oh, yes,' said the Russian, 'and what about the Negro problem in the United States?'

"The Russians have always harped on the Negro problem when they wanted to cover their own confusion or shortcomings, when they hoped to drive a wedge among the people in this country, or when they wanted to

draw a color line unfavorable to the United States abroad.

"This has recently cropped up in their intensified world-wide campaign centering around the Korean crisis, according to State Department informants.

"TRUTH AS A WEAPON

"The Department has adopted a policy covering its counterpropaganda. That is simply to tell the truth about Negroes in the United States, but to be sure it is the whole truth, and to emphasize their political, social, and economic advances in a country where, unlike Russia, there is opportunity for members of minority groups to take independent action in their own self-interest.

"The participation of Negroes in American international enterprises is considered one of the most effective ways of meeting the Soviet attacks. Hence the Voice of America, one of the main instruments of American propaganda abroad, is paying special attention to the achievements of the Negro Twenty-fourth Infantry Regiment in Korea.

"It can also be expected to spotlight the impending appointment of Mrs. Edith Sampson, Chicago Negro lawyer, as a member of the United States delegation to the United Nations—just as it once played up the outstanding record of Negro diplomat Ralph Eunche, when he served as United Nations mediator in Palestine.

"The final answer to Russian charges that Americans are slaughtering Asiatics in a new outburst of Yankee imperialism, of course, is the support which non-Communist Asiatic states themselves give to the United Nations fight in Korea.

"SUPPORT IS WIDESPREAD

"In the political field this support has been extensive. India has joined the United Nations Security Council majority in branding the North Korean Communists as the aggressors.

"But in the military field American troops have been carrying the weight of ground combat and this has been an undeniable handicap propagandawise. This situation will shortly come to an end when Philippines and Thai soldiers, as well as 4,500 Turkish officers and men and units from Britain, New Zealand, and Australia, move to the battle front.

"The international character of the United Nations army, as reflected in daily war reports, will then become clear. It will be the answer to Communist propaganda."

"[From the St. Louis Post-Dispatch of August 12, 1950]

"HOW EARLY STAND OF TWENTY-FOURTH SAVED PUSAN FROM REDS—MOVE FROM JAPAN MADE IN RECORD TIME—CASUALTIES REDUCE STRENGTH BY 30 PERCENT

"CHICAGO, August 12 (AP)—The agonizing story of the Twenty-fourth Division's lone stand in the first 19 days of the Korean war was told today by the Chicago Tribune.

"In a dispatch from Eighth Army Headquarters in Korea, Walter Simmons, Tribune correspondent, said growing American strength in Korea made possible the lifting of voluntary censorship on the story of the division.

"The division was commanded by Maj. Gen. William Dean of Carlyle, Ill., who is missing in action.

"Simmons said the Twenty-fourth landed in Korea with only 12,500 of the 18,000 officers and men normally in an infantry division. He said its battle losses were nearly 30 percent—94 men killed in action, 901 recovered wounded, and 2,562 missing.

"HEAVY LOSSES OF EQUIPMENT

"He said the division lost 80 of its two-and-one-half ton trucks, one-third of its jeeps, one-fourth of its three-fourth ton trucks, and large quantities of weapons and supplies.

"The division was ordered to leave Japan June 30. 'Three days later,' Simmons said, 'it had advanced leading elements 200 miles within Korea and made the first major contact with the enemy. This is believed to be the fastest such move in American military history.'

"Two under-strength companies engaged the enemy July 5 and were overrun, losing 140 men, most of their weapons and an artillery battery, Simmons said. He added:

"The division entered battle with regiments of only two battalions instead of three. It had only light reconnaissance tanks with 75-mm. cannon against heavily-armored Russian trucks. It had no antitank guns and only the obsolete 2.36 bazookas which proved completely ineffective. A few new type 3.5-inch bazookas with 200 rounds of ammunition arrived by air July 12. These have proved to be the answer to tanks.

"Some units lost everything. North of Chongju all tanks supporting the Thirty-fourth Regiment were knocked out in a violent attack July 11 and the battalions' remnants were reorganized as a composite company.

"DEPLOYMENT AT TAEJON

"As the Taejon battle began, the Thirty-fourth Regiment was sent west of the city, the Twenty-first east, and the battered Nineteenth (which by the end of the fighting was reduced to 11 percent of its original strength) southeast, near Yonkdong. The division artillery was located near the Taejon airstrip and the Nineteenth's second battalion had arrived from the east by train to bolster the Thirty-fourth.

"Simmons said 'the enemy struck at dawn July 17 with an attack so devastating that the defenders were chopped to pieces. Led by General Dean, who had orders to hold Taejon 3 days more, the Yanks fought gallantly against overwhelming odds. Only in the late afternoon was the order given for the men to withdraw as best they could from the burning and encircled city.

" 'By that time the First Cavalry (Infantry) Division had arrived from the Tokyo area fresh and ready for combat. The battered Twenty-fourth moved to the rear for replacement of lost men and material.

" 'It had paid a heavy price, but it had prevented the enemy from racing to Pusan.' "

PERIODIC CENSUS OF GOVERNMENTS—CONFERENCE REPORT

Mr. JOHNSTON of South Carolina submitted the following conference report on the bill (H. R. 7265) to provide for the conduct of a periodic census of governments, which was ordered to lie on the table:

That the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7265) to provide for the conduct of a periodic census of governments, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

OLIN D. JOHNSTON,
HUBERT H. HUMPHREY,
WILLIAM LANGER,
Managers on the Part of the Senate.

TOM MURRAY,
GEORGE P. MILLER,
EDWARD H. REES,
Managers on the Part of the House.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, I wish to address an inquiry to the majority leader. Can the distinguished majority leader inform the Senate what his plans are after the Senate has concluded the call of the calendar today, if it shall be concluded today?

Mr. LUCAS. We will finish the call of the calendar today. There is a bill on the calendar which we might consider, but which I did not mention yesterday. I refer to House bill 4800, Calendar 1333, to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes. I do not believe it would take too much time. As I understand, there is very little objection to the bill.

Mr. WHERRY. Is it the intention then of the majority leader that after the call of the calendar this afternoon that bill shall be immediately taken up?

Mr. LUCAS. Yes. I should like to dispose of it this afternoon, if we possibly can do so. I understand there is little objection to it. The measure is an important one.

Mr. HICKENLOOPER. Mr. President, is the Senator from Illinois asking unanimous consent to bring up the bill at this moment?

Mr. LUCAS. No; I am not.

Mr. HICKENLOOPER. When will the Senator ask that it be brought up?

Mr. LUCAS. When we have disposed of the bills on the calendar.

Mr. HICKENLOOPER. I do not know whether there will be any objection, but there are several Senators who are very much interested in certain phases of the bill. I think they should be notified of the time the Senator proposes to bring it up, or when the Senator intends to ask unanimous consent to have it considered.

Mr. LUCAS. I am notifying the Members of the Senate now that if we finish the call of the calendar at, let us say, 3 o'clock or 3:30 this afternoon, I shall move to take up the bill immediately. I do not think there will be too much objection to it. At least I hope there will not be. If there is considerable objection or debate, we will have to withdraw it because we have heretofore agreed to consider the tax bill.

Mr. HICKENLOOPER. I suggest to the Senator that there is a possibility of some debate on the measure. I have no objection to the bill itself, but I thought I should say in all fairness that there may be some debate on it.

Mr. LUCAS. If there is any lengthy debate on the bill obviously we will have to withdraw it and proceed to the consideration of the tax bill.

Mr. President, I should like to discuss the tax bill for a moment while I am on my feet. On tomorrow we will proceed to the consideration of the tax bill, which has been reported to the Senate committee by the Finance Committee. The able Senator from Georgia [Mr. GEORGE], chairman of the committee, is in the Chamber at this time. He has discussed the measure with me and other Senators, and has said to certain Senators that we could probably finish the bill in a couple of days. I believe, however, he has in mind that if the bill as reported by the Senate Committee is considered, without any controversial amendments being offered to it, we can probably finish action on it in a couple of days. I am certain that the Senator

from Wyoming [Mr. O'MAHONEY] is going to offer an amendment which he offered in committee, and which was defeated in committee. So far as the Senator from Illinois is concerned, I should like to finish the tax bill this week if we can possibly do so. I ask the Senator from Georgia whether he believes that to be possible.

The reason I express the hope that we may be able to finish the tax bill this week is because when we complete action on it, we will take up the internal security bill. We should certainly be able to complete action on that bill next week. Then we have a few other minor matters on which to act, and if the conference report can be made on the appropriations bill and acted upon, we will be able to sign off for a little while. That is why I ask the Senator from Georgia now whether he agrees that there is a possibility of finishing the tax bill this week.

Mr. GEORGE. Mr. President, I would, of course, like to finish the tax bill at the earliest possible moment, because the bill must go to conference. There are some new matters in the Senate committee bill, that is, matters which will be new to the House conferees when they come to consider the bill. Some time will be consumed in conference on the bill.

However, I do not believe it will be possible to complete action on the bill by meeting on Saturday, in view of the fact that we must allow time for fair discussion of the new subject matter in the bill, and, probably, for the consideration of floor amendments relating to one or more controversial matters.

In view of the difficulties in regard to keeping full quorums in attendance on Saturdays. I think we might now have the understanding that we should work on the tax bill tomorrow and Friday, and then let it go over until Monday. I do not believe we could complete action on the bill on Saturday, and I think it would be futile to spend time here on Saturday in trying to complete the bill. I know how difficult it is for Senators to work six consecutive days and frequently into the night. Therefore, I suggest that there be no Saturday session on account of the tax bill.

Mr. LUCAS. Mr. President, other Members of the Finance Committee are present, including those on the Republican side. I should like to inquire of the Senator from Nebraska [Mr. BUTLER] whether he agrees with the Senator from Georgia in regard to this matter.

Mr. BUTLER. Mr. President, I am in very thorough agreement with the distinguished chairman of the committee in regard to the statement he has made. It had been my opinion that we would complete action on the tax bill by Friday evening, unless surprisingly long debates should occur over one or two controversial subjects which may be brought up. However, I am inclined to think that such matters will be settled without too much debate.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LODGE. Does this mean that there is to be an agreement to vote on the tax bill on Monday?

Mr. LUCAS. No; we are simply trying to ascertain now whether to have a Saturday session.

I am anxious to have the Senate move along as quickly as possible in the handling of these measures. However, I desire to take into consideration the desires of other Senators with respect to holding a Saturday session. That is why I asked the distinguished senior Senator from Georgia to state to the Senate his position with respect to holding a Saturday session.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I thank the majority leader for making that statement, and I also appreciate the observations the Senator from Georgia has made.

I am sure all of us understand now that the tax bill will be the pending business on Thursday and Friday, that there will be no Saturday session, but that we shall attempt to conclude action on the tax bill on Monday.

I assure the majority leader that I shall be glad to work with him in an effort to obtain a vote as soon as possible, either by completing action on the bill this week or by obtaining unanimous consent for a vote on the bill early next week, if that is needed.

Mr. LUCAS. Mr. President, that is all I desire to say in respect to this matter, unless there are other questions.

Mr. BUTLER. Mr. President, let me ask the distinguished majority leader whether it is the intention to have the Senate proceed immediately to the call of the calendar.

Mr. LUCAS. Yes; I should like to move immediately that the Senate proceed to the consideration of the measures on the calendar to which there is no objection, beginning at the point where the last call of the calendar was concluded.

Mr. BUTLER. Mr. President, if the majority leader will withhold that motion for a few minutes, I should like to make a brief statement.

Mr. LUCAS. First, I should like to make the motion, and then permit the Senator from Nebraska to make his statement.

Mr. BUTLER. Very well.

ORDER FOR CALL OF THE CALENDAR

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of the unobjected-to measures on the calendar, beginning with calendar No. 2252, House bill 2984, at the point where the call of the calendar on August 9 was concluded.

The motion was agreed to.

USE OF THE ALASKA NATIVE SERVICE FOR POLITICAL PURPOSES

Mr. LUCAS. Mr. President, I now ask unanimous consent that the Senator from Nebraska [Mr. BUTLER] may be recognized to make a statement.

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Without objection, the Senator from Nebraska is recognized for that purpose.

Mr. BUTLER. I thank the majority leader.

Mr. President, the attention of the Senate has been called to certain matters pertaining to the government of the Territory of Alaska, particularly in regard to the handling of the people's money by the present administration of the Territory.

Today, I am going to explore another matter regarding territorial affairs which, I am sure, will be of interest to my distinguished colleagues. This concerns the manner by which those in power in the Territory have used the machinery of government and have applied the weight of their offices to influence the outcome of elections.

The first link in this chain of circumstances is a letter dated August 31, 1945, and signed by Mr. Don C. Foster, who until recently was the superintendent of the Alaska Native Service, with offices in Juneau. Mr. Foster was recently removed from that post, and was transferred to duties for the Interior Department in the United States. The reasons for his removal from Alaska have never been made public, as far as I know, but I have some very good ideas on that subject, including the matter which is being discussed in the Senate today.

The letter which Mr. Foster wrote on August 31, 1945, a copy of which I have here, was addressed to an art teacher then employed by the Alaska Native Service, Mr. C. Heurlin, at Barrow, Alaska, and it directed him to visit a series of six Eskimo villages in the Arctic and to establish art classes in each.

I am going to ask later that this and several other letters I have here be made part of these remarks, but for the present I shall read into the RECORD a significant paragraph from Mr. Foster's letter to his art teacher, Mr. Heurlin.

This was the directive received by the Native Service teacher from Mr. Foster:

> While you are in these villages we would appreciate having you assist the teachers in establishing voting precincts. The matter of establishing precincts is vitally important to the Eskimo people, and we will appreciate your active assistance in getting them established.

That letter was written on August 31, 1945. Shortly thereafter, on September 19, 1945, Mr. Foster again wrote to the teacher of art, Mr. Heurlin, on the subject of establishing voting precincts for Eskimos. Before I conclude, I shall ask that this letter, too, be made a part of my remarks, but at this point I wish merely to read into the RECORD another paragraph in which Mr. Foster, the Native Service superintendent, states his views on this type of activity by Native Service personnel.

This is his advice to Mr. Heurlin:

> You can assure the teachers and have the same assurance yourself that no one can legitimately and honestly accuse you of political activity in assisting the natives in the establishment of voting precincts in their respective communities. Ths is a definite responsibility we have as representatives of a minority group of people. There is no greater privilege of an American citizen than the right of franchise and we should assist the Eskimo, the real and true American of the Arctic, in exercising this privilege and right.

It appears that Mr. Foster was even then none too sure of the propriety of

this activity on the part of Native Service teachers. He most certainly began protesting the innocence of all concerned before, as far as I have been able to learn, anyone had accused him of wrongdoing.

Mr. President, those words of the Alaska Native Service superintendent are fine-sounding words, and no one questions the right of Eskimos to vote or the duty of their Government to provide them with the opportunity to exercise their full rights as American citizens.

But I, for one, most seriously question the propriety of having this all-important activity come within the province of the Alaska Native Service. I have not forgotten the recent reservation elections in the Territory when reports of pressurizing by the Native Service led to the sending of observers to the Territory to safeguard the rights of the natives as they voted on this question. My last remark refers to the fact that representatives of the Department of the Interior were delegated to go to Alaska a few months ago to be present at the elections which were being held on the reservations. The Committee on Interior and Insular Affairs also sent a man along at the same time to be an observer.

If the Native Service could attempt to influence the natives in one type of election—as many in Alaska said was the case during the period when the reservation question was pending—what assurance do we have that the Native Service would remain aloof in other elections?

Nor can we forget that the Native Service is the source from which nearly all blessings flow to the natives in Alaska, including loans, medical relief, education, construction projects in native villages, and others.

Expenditures of this agency in Alaska have climbed from $2,894,225 in the 1945 fiscal year to more than $10,000,000 in the last fiscal year. Obviously the Native Service is in a position to wield an enormous amount of influence among the natives, who comprise about one-third of the population of Alaska.

In view of Mr. Foster's directive to his traveling art teacher regarding the establishment of voting precincts for Eskimos, there seems to be a very real danger that this influence, underwritten by Federal taxpayers, is being used for political purposes. This must be regarded as a violation of the spirit if not the letter of the Hatch Act.

As an example of the possibilities to which this situation gives rise I now refer to a letter written on April 9, 1946, by the Governor of Alaska to this same Mr. C. Heurlin at Barrow.

Mr. Foster's letters, to which I have previously referred, were written toward the latter part of 1945, which was not an election year. The Governor's letter was written shortly before the Territory's 1946 primary election.

In his letter the Governor writes at length regarding his objections to a candidate for the Alaska Senate, Mr. Frank Whaley, reviewing this candidate's voting record in the legislature, his opposition to certain legislative measures favored by the Governor, and disclaiming any political association with him. The Governor also cites the candidate's alleged animosity toward the Eskimo as a further reason why he should not be returned to office.

These arguments, had they been delivered from the political stump by one of Mr. Whaley's opponents, traveling at his own expense, would represent merely the type of campaign argument with which all Americans are familiar.

But the Governor elected in this case to interpose himself in the campaign and he chose to do so by addressing a personal letter to the identical Native Service teacher who had been instructed a few months previously to establish voting precincts at six native villages.

In this connection, Mr. President, I am also informed that the Governor's letter, although marked "Personal—Air mail," was actually delivered to the addressee by an officer of the Territorial Home Guard in an unsealed envelope. The implications of this circumstance are plain. The officer had far to travel before reaching his destination and doubtless had many opportunities to make known the Governor's views, over the Governor's own signature, with regard to a candidate in the forthcoming primary election.

Mr. President, at this point I ask that the three letters to which I have referred be made a part of my remarks on this matter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ALASKA NATIVE SERVICE,
Juneau, Alaska, August 31, 1945.

Mr. C. HEURLIN,
Barrow, Alaska.

DEAR MR. HEURLIN: This letter is to authorize you at a later date to proceed to the following villages to establish your work in art classes: Wainwright, Point Lay, Point Hope, Kivalina, Noorvik, and Noatak. If we are unable to secure a teacher for Point Hope, it is quite possible that we may request you to go to Point Hope at a later date and take charge of the school there this winter.

While you are in these villages we would appreciate having you assist the teachers in establishing voting precincts. The matter of establishing voting precincts is vitally important to the Eskimo people, and we will appreciate your active assistance in getting them established.

Very shortly I will mail to you full information as to the proper procedure to follow in getting precincts established. You can deliver this information to the teachers at the stations you visit. You will receive another letter from us very shortly.

Sincerely yours,

DON C. FOSTER,
General Superintendent.

ALASKA NATIVE SERVICE,
Juneau, Alaska, September 19, 1945.

Mr. C. HEURLIN,
Barrow, Alaska.

DEAR MR. HEURLIN: I wrote you under date of August 31 about going to certain villages to establish your work in art classes. We also mentioned to you the fact that while you were in these villages, we would appreciate your assisting the teachers in establishing voting precincts. Enclosed herewith you will find information as to the proper procedure in getting voting precincts established.

You can assure the teachers and have the same assurance yourself that no one can legitimately and honestly accuse you of political activity in assisting the natives in the establishment of voting precincts in their respective communities. This is a definite responsibility we have as representatives of a minority group of people. There is no greater privilege of an American citizen than the right of franchise and we should assist the Eskimo, the real and true American of the Arctic, in exercising this privilege and right.

We will appreciate being advised how you get along.

Sincerely yours,

DON C. FOSTER,
General Superintendent.

TERRITORY OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, April 9, 1946.

Mr. C. HEURLIN,
Barrow, Alaska.

DEAR RUSTY: Haven't heard from you in quite a while, except that John Paden told me he had seen you recently. I hope all goes well with you.

I do not know whether Frank Whaley has been in your parts recently, but I have word from various quarters that he is alleging that he and I are very close together and, in effect, are working along the same lines. I want to correct this impression if he has left it with you. The contrary is the case. Frank Whaley has fought bitterly just about everything I have tried to do for the Territory since he came to the legislature. That, of course, is his right and privilege if he wishes to do so, but he shouldn't allege that he is one of my supporters. He has repeatedly tried to injure the Territorial Guard. In the 1943 session, although we were still at war, he fought for an appropriation to reduce it to $15,000 for the biennium, the purpose of which was to wind it up. Although we managed to get the appropriation worked up to $49,000, it was still much less than we needed, and Whaley voted for every reduction.

In the last session, a bill, senate bill 18, introduced by Coffey, would have wound up the Guard immediately. Whaley was the second division member of the committee on finance and corporations, to which the bill was referred. The committee unanimously recommended that the bill do pass, and Whaley, as chairman of the rules committee, had it put on the calendar. There was enough opposition from other members so that it was plain the bill would be killed, and when the vote was taken, Whaley, being the last on the list to vote alphabetically and seeing that it would not pass, switched his vote and voted against it. But I know that he is opposed to the Guard, largely, I suppose, because it helps build up the morale of the Eskimo people, although he may also be against it because he seems opposed to almost all measures taken for defense, which is particularly paradoxical in an able-bodied young flyer of draft age who did not see fit to enlist as did other flyers much older in years.

What is worse about him, in my judgment, is that he is violently prejudiced against the Eskimo, among whom he lives.

In 1943, when an antidiscrimination bill was introduced which passed the senate 7 to 1, Whaley cast the deciding vote against it in the House, where it was defeated by the smallest posible margin of 8 to 8—a tie vote.

In the 1945 session the bill came up again, passed the House by a 19 to 5 vote, having been introduced by Edward Anderson of Nome and being strongly supported by Bess Cross. When this bill came over to the Senate, Whaley spoke against it with the utmost bitterness. I was in the gallery and heard him make his speech. He said the Eskimo smelled, and he did not wish to sit near him in a theater or restaurant. He said the Eskimo was dirty and that he ought to be kept in his place, and much more along the same lines.

He has consistently voted against progressive measures—against the housing bill in

1943. We could have had the housing authority 2 years earlier than we did. Against the planning council in the same year—we could likewise have had that 2 years before the present development board. And when the development board came up in the regular session in 1945, he voted for a $40,000 appropriation for the biennium, which would have made the board practically useless, instead of the $120,000 which I had asked for and which finally passed.

Worst of all, in this extraordinary session, when the veterans' bill came up in the Senate, Whaley voted for every amendment to diminish the benefits to veterans. The excellent bill which was finally passed, however, contained the provisions which Whaley voted against, except for the sales tax, which I personally think is an unwise and objectionable tax.

I thought you should know this in case the question arises of whether Whaley is what he is alleged to be saying or not. I hope to get up to your part of the country before too long, but I don't know just when I can make it. Hope you are teaching a lot of youngsters how to paint.

Cordially yours,

ERNEST GRUENING,
Governor.

Mr. BUTLER. Mr. President, should there be any doubt as to whether the instance I have cited was an isolated one, insofar as the Governor's electioneering through the Alaska Native Service is concerned, I have here another letter written by the Governor to another Native Service teacher before the Alaska primary election of 1944.

It was addressed to Mrs. Grace Kohler, formerly a teacher at Hope, Alaska, and urges support of a candidate whose election to the post of Delegate to Congress the Governor favored. For the information of the Senate, Mr. President, I ask that this letter be made a part of my remarks at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TERRITORY OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, March 22, 1944.

MRS. GRACE KOHLER,
Hope, Alaska.

DEAR MRS. KOHLER: I am writing you this personal letter on what seems to me to be a matter of vital importance to the Territory. As you know, Tony Dimond has resigned—a great loss to the Territory. Alaskans have been so long accustomed to his invaluable service that they probably do not fully realize what a difference it will make unless an able, devoted, intelligent, and progressive man is chosen in his place. Fortunately, there is an opportunity to select such a one in E. L. (BOB) BARTLETT, who served for 2 years as Tony Dimond's secretary in Washington and therefore knows the ropes, and who for 5 years has been secretary of the Territory, where he has been able both to maintain his Washington contacts and to keep in the closest touch with our Alaska problems. As secretary he is likewise the Acting Governor during the Governor's absence from the Territory.

The fight will be in the Democratic primary on April 25 in which there are two opposition candidates—Henry Roden, present attorney general, and A. H. Ziegler, a Ketchikan lawyer. Without going into the relative merits I wish to say that BOB BARTLETT has all the qualifications needed, including the right kind of experience and also the proper vigor and youth (he is just 40) for this terrifically strenuous job, which has really worn Tony Dimond out in the service of the people of Alaska. Tony evidently believes as I do, since for the first time in his long public career he has gone out of his way to endorse a political candidate, having sent BOB BARTLETT a telegram of endorsement.

I am writing this to you not because of any personal friendship or affection I feel for BOB. No matter how close a friend he were, I would not urge anyone to vote for him unless I believed the public interest clearly demanded it. Isolated communities like yours get little or no assistance from the Territory; nearly everything they get depends on the Federal Government, and it is highly important that we have in Washington a man who can be effective, who will be well liked by his associates, and therefore able without a vote to persuade his fellow Members in the House and in the Senate to give to Alaska what it is entitled.

As I have said, the fight is in the primary, April 25, and undoubtedly whoever is nominated then will be elected, so I would appreciate it should you share my views and Tony's, if you cast your vote for BOB BARTLETT on primary day. The election will be hard-fought and close, and every vote will count.

Cordially yours,

ERNEST GRUENING,
Governor of Alaska.

Mr. BUTLER. Mr. President, it is plainly a fact that the Governor of Alaska, holding an appointive Federal job, not an elective one, has resorted for electioneering purposes to a Federal agency responsible for the spending of millions of dollars in tax funds among Alaska natives each year. This is a use of the resources of the Federal Government for political purposes. It can be construed in no other way.

The question immediately arises as to whether this would be the manner in which the present officials of Alaska would seek to continue their control under the proposed new State government, and whether this is not the real reason why these officials appear so avidly anxious to have the status of statehood conferred on the Territory.

Mr. President, the Congress is responsible to the people of Alaska for the kind of government they receive—its quality and its integrity—and for the type of Federal officeholders who are named to posts of trust in Territorial affairs.

It is my position, Mr. President, that the Congress should inquire further into these practices by the Governor of Alaska and take whatever steps are necessary to end them, not only on the part of the present Governor but on the part of his successors as well.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BUTLER. I am glad to yield.

Mr. PEPPER. I hesitate to ask the Senator to duplicate the material which he has already given, in what I am sure was his able address, but will the Senator merely summarize kindly what his objections are to the admission of Alaska?

Mr. BUTLER. I fear that if we enter into a debate on the question of Alaskan statehood it will continue for quite some time. But I do not mind giving the Senator very briefly the statement which he requested. I want to say first that I do not object to statehood for either Alaska or Hawaii for racial reasons. I want that distinctly understood. I object to statehood for Alaska at this time on the theory that the people of Alaska are not in position financially to bear the expense of a State government. There are plenty of figures available to prove that statement.

Mr. PEPPER. Mr. President, will the Senator yield for another question?

Mr. McCARRAN. Mr. President——

Mr. PEPPER. Mr. President, am I transgressing the unanimous consent agreement?

Mr. McCARRAN. I am afraid the arrangement made by the majority leader is being broken into. In view of the fact that the Senate is to proceed to the call of the calendar, I hope the Senator from Florida may find another time for the presentation of these matters.

Mr. PEPPER. Mr. President, will the Senator withhold his objection for a moment?

Mr. McCARRAN. If a moment will give us the desired answer, I withhold the objection.

Mr. PEPPER. I shall not transgress beyond that. I merely wanted to say, Mr. President, that it seems to me, and I think the opinion is shared by other Senators, that Alaska is strategically located in such a way as to be of the greatest importance to the national security, and that if statehood should come to those people, there would be greater development of and greater strength added to that area, and that, therefore, the first line of defense against possible assault upon this country would be immeasurably strengthened. I was wondering whether the Senator might not, on the point of expense, allow the people who are to be the bearers of that burden to be the proper ones responsible for that decision, rather than that we should presume to make it for them. I thank the Senator for permitting this remark.

Mr. BUTLER. Mr. President, I may say to the Senator from Florida that I made a rather extended statement in the RECORD on that particular point recently, and I shall be glad to give him a reference to it.

Mr. PEPPER. I thank the Senator.

THE CALENDAR

The PRESIDING OFFICER. Under the order heretofore entered, the Secretary will proceed to call the measures on the calendar, beginning with Calendar No. 2252.

BILL PASSED OVER

The bill (H. R. 2984) to consolidate the Parker Dam power project and the Davis Dam project was announced as first in order.

Mr. McCARRAN. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

GRANT OF LAND PATENTS TO CERTAIN LESSEES UNDER HOMESTEAD LEASES IN HAWAII

The bill (H. R. 5984) to approve Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases, was con-

sidered, ordered to a third reading, read the third time, and passed.

THIS-SIDE-OF-HEAVEN CHILDREN'S HOME IN ALASKA

The bill (H. R. 6221) to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home was considered, ordered to a third reading, read the third time, and passed.

CREDIT TO TERRITORY OF ALASKA OF CERTAIN MONEYS

The bill (H. R. 7146) to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States", so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory, was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LAND IN DISTRICT OF COLUMBIA TO NEW YORK AVENUE PRESBYTERIAN CHURCH

The bill (H. R. 7641) to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church was considered, ordered to a third reading, read the third time, and passed.

TRANSFER TO THE TOWN OF MILLS, WYO., OF A SEWAGE SYSTEM

The bill (S. 3136) to authorize the Secretary of the Interior to transfer to the town of Mills, Wyo., a sewage system located in such town was announced as next in order.

Mr. SCHOEPPEL. Mr. President, may we have an explanation of this bill?

Mr. HUNT. Mr. President, 6 or 8 years ago the Department of the Interior, concentrating a considerable number of personnel at Mills, Wyo., which is adjacent to the city of Casper, found it necessary to install their own sewer system. Since that time the city of Mills, Wyo., has extended its sewer to the sewer constructed by the Interior Department and they are now operating as a common sewer. It is the intention to return this sewer system to the city of Mills, and there is an agreement on service to the community, without cost, for the length of time the community may care to use it.

Mr. SCHOEPPEL. Mr. President, I should like to have the distinguished Senator from Wyoming indicate whether the service charge will be borne by the city of Mills in relation to the use which is made of the property.

Mr. HUNT. I understand so; yes.

Mr. SCHOEPPEL. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3136) to authorize the Secretary of the Interior to transfer to the town of Mills, Wyo., a sewage system located in such town, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause, and insert:

That the Secretary of the Interior is authorized and directed to transfer to the town of Mills, Wyo., all right, title, and interest of the United States in and to the 12-inch main sewer and Imhoff tank constructed by the United States in and adjacent to such town, together with any rights-of-way therefor acquired or held by the United States. Such transfer shall be made on condition that the United States shall have a perpetual right to use the sewerage system, and that the town shall operate and maintain such system in a manner which will permit such use by the United States, without charge or liability whatsoever against the United States by reason of the construction, operation, maintenance, or use of the sewerage system.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISPOSAL OF GOVERNMENT LOTS IN TOWN SITE OF ST. MARKS, FLA.

The Senate proceeded to consider the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla., which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, after line 8, to strike out:

Further, the Secretary of the Interior is authorized to transfer to the State of Florida, as a historic site, such lands surrounding and including Fort San Marcos, in such town site, as may be acquired by the Secretary through exchange of the public lands, to be disposed of by this act, for patented lands of equal value.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REGULATION OF MOTOR CARRIERS ENGAGED IN COMMERCE TO AND FROM TERRITORIES AND POSSESSIONS OF UNITED STATES

The bill (H. R. 8417) to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States, was announced as next in order.

Mr. HENDRICKSON. Reserving the right to object, Mr. President, I think this bill requires an explanation.

Mr. JOHNSON of Colorado. Mr. President, as Senators understand, railroad and truck transportation is under the regulation of the Interstate Commerce Commission, but, through an oversight, it would seem, shipments originating between the United States and Territories or possessions of the United States are not under such regulation. In other words, a shipment which might originate in Puerto Rico, for instance, and is brought to the United States and shipped over our railroads or carried by our trucks, would not be under any regulation whatever by the Interstate Commerce Commission. The only purpose of the bill is to close that gap in the law and bring all such transportation under regulation.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill (H. R. 8417) was considered, ordered to a third reading, read the third time, and passed.

CONTINUANCE OF SUSPENSION OF DUTIES AND IMPORT TAXES ON METAL SCRAP—BILL PASSED OVER

The bill (H. R. 5327) to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes, was announced as next in order.

Mr. McMAHON. Mr. President, I have an amendment to the bill, which is lying on the table, and which I should like to call up.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. SCHOEPPEL. It is objected to by request.

The PRESIDING OFFICER. The bill will be passed over.

ELIMINATION OF TAXES ON COCONUT OIL COMING FROM THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The bill (H. R. 8992) to eliminate the additional internal-revenue taxes on coconut oil coming from the Trust Territory of the Pacific Islands, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I wonder if the distinguished Senator from Georgia would explain the purposes of this bill?

Mr. GEORGE. Mr. President, this is a very simple bill. I have an amendment to offer which would not change the meaning of the bill at all, but which has been suggested by the executive branch of the Government as being necessary. The amendment is recommended by the Department of State. It provides for tax preference for the trust territory in the Pacific Ocean, but, in addition, the amendment which I propose to offer permits the withdrawal of the preference to the extent that the international obligations of the United States so require. The bill would extend to coconut oil derived from copra originating in the Trust Territory of the Pacific Islands the same exemption from the additional processing tax of 2 cents per pound imposed by section 2470 (a) (2) of the Internal Revenue Code now provided with respect to coconut oil derived from copra originating in the Philippine Islands and any possession of the United States producing coconut oil. The bill applies to the territory in the Pacific over which we have assumed the obligation of trusteeship and gives the same preferential treatment.

Mr. HENDRICKSON. I thank the Senator.

Mr. GEORGE. Mr. President, I should like to offer an amendment which does not change the meaning of the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 8992) to eliminate the additional internal revenue taxes on coconut oil coming from the Trust Territory of the Pacific Islands, and for other purposes.

Mr. GEORGE. Mr. President, I send forward the amendment to which I have referred.

The PRESIDENT pro tempore. The clerk will state the amendment offered by the Senator from Georgia.

The LEGISLATIVE CLERK. On line 5 it is proposed to strike out all after "by" down to and including "Islands" in line 8, changing the period at the end of the first sentence thereof to a colon, and by adding the following language:

Provided, That the additional tax imposed by this subsection shall not apply with respect to coconut oil (whether or not contained in a combination or mixture) wholly produced in the Trust Territory of the Pacific Islands or produced from materials, the growth or production of the trust territory, except to the extent that the President may determine and proclaim is required by any international obligation of the United States.

SEC. 2. Section 2483 of the Internal Revenue Code (relating to payment of proceeds of processing tax) is hereby amended by striking out the words "Guam or American Samoa" wherever appearing therein and inserting in lieu thereof the following: "Guam, American Samoa, or the Trust Territory of the Pacific Islands."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. GEORGE. Mr. President, I offer for the RECORD a statement by the Secretary of Defense, giving an exact description of the so-called Trust Territory of the Pacific Islands. I think it will be helpful to have it in the RECORD. I ask unanimous consent that it may be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., June 28, 1950.

MRS. ELIZABETH SPRINGER,
Senate Finance Committee,
Senate Office Building.

DEAR MRS. SPRINGER: The following description of the Trust Territory of the Pacific Islands is furnished in compliance with your telephonic request of this afternoon:

"The Trust Territory of the Pacific Islands covers an area of some 3,000,000 square miles in the western Pacific Ocean north of the Equator. The territory contains 96 distinct island units with a combined land area of about 687 square miles. The territory comprises those islands formerly held by Japan under mandate from the League of Nations and consists of those Micronesian island groups known as the Marshalls, the Carolines, and the Marianas (with the exception of Guam). The islands forming the trust territory stretch from about latitude 1° to 20° north and from longitude 130° to 170° east. The distance from Tobi Island in the extreme west of the Carolines to Mili Island in the extreme east of the Marshalls is about 2,400 nautical miles or 2,765 statute miles.

"From the termination of Japanese control until July 18, 1947, the islands now included in the Trust Territory were under military government administered by the United States Navy. On that date military government was ended by the President of the United States when he approved the trusteeship agreement between the United States and the Security Council of the United Nations for the Trust Territory of the Pacific Islands. On the same date the President by Executive Order 9875, delegated to the Secretary of the Navy the responsibility for civil administration of the Trust Territory on an interim basis and until such time as a civilian department or agency should be designated to have permanent responsibility for the government of the area."

The above-quoted information was extracted from a brochure, entitled, "Trust Territory of the Pacific Islands," prepared by the Department of the Navy in July 1948 (OPNAV-PZZ-100E), which contains information transmitted to the Secretary-General of the United Nations pursuant to article 88 of the Charter. I mention this so that you may request the brochure from the Department of the Navy in the event the committee desires additional information in connection with this subject.

Very truly yours,
(Miss) M. L. SPILMAN,
Secretary to the General Counsel.

EXCLUSION FROM CERTAIN TAXES OF CERTAIN WORKS OF ART LOANED TO NATIONAL GALLERY OF ART

The joint resolution (H. J. Res. 497) excluding from gross estate of a nonresident alien works of art on loan to the trustees of the National Gallery of Art was considered, ordered to a third reading, read the third time, and passed.

AMENDMENTS TO RAILWAY LABOR ACT—BILL PASSED OVER

The bill (S. 3295) to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carriers' employees for certain purposes and under certain conditions was announced as next in order.

Mr. HOEY. I ask that that bill go over.

Mr. THOMAS of Utah. Mr. President, will the Senator withhold his objection for a moment?

Mr. HOEY. Very gladly.

Mr. THOMAS of Utah. The committee has come to a unanimous agreement with reference to the bill, and the objection being made is not an objection made by any member of the committee. That is the first point I want to make.

The next point is that unless the Senator from North Carolina objects, I should like to ask that the bill go to the foot of the calendar—unless there is a real objection to the consideration of the bill today.

Mr. HOEY. Mr. President, I am opposed to the bill as originally reported to the Senate, and I would be opposed to having it placed at the foot of the calendar, unless there have been changes made in it——

Mr. THOMAS of Utah. That brings me to the point I want to present to the Senate.

When the bill was reported it was with the understanding that three of the minority members would work on amendments. Those amendments have been accepted by the full committee, and I should like to offer them, and, if there is no objection, have them adopted.

The PRESIDENT pro tempore. Does the Senator from North Carolina withdraw his objection for that purpose?

Mr. HOEY. I have no objection to the amendments being offered.

Mr. McCARRAN. Mr. President, I think, if I am not misadvised, that the amendments go to the very substance of the bill. I think they should not be adopted in a haphazard manner. I think they should be presented when they can be studied and considered. I would object to that procedure.

Mr. THOMAS of Utah. If any Senator objects, that is all right; but the amendments do not go to the substance of the bill. I thought if we could protect the bill, when the time comes, that much will have been done.

Mr. McCARRAN. Mr. President, I do not think that procedure should be encouraged in the Senate.

The PRESIDENT pro tempore. Objection is heard.

Mr. SMITH of New Jersey. Mr. President, will the Senator withhold his objection for a moment?

Mr. McCARRAN. Yes.

Mr. SMITH of New Jersey. We have been in conference with labor leaders who are interested in the matter, and the amendments which the distinguished Senator from Utah [Mr. THOMAS] has offered met with complete agreement on the part of the labor people and the members of the committee. That is why they have been offered. I hope under those conditions the Senator from Nevada will not object.

Mr. McCARRAN. Evidently amendments are to be offered to the bill. What I object to is the procedure. Apparently there is a diversity of opinion on this bill so far as labor leaders are concerned. I do not know what the merits are, but in view of the fact that amendments are being offered to a bill at a time when only 5 minutes of debate is permitted, it seems to me the procedure is not what it should be on a bill of this importance. It is the procedure I am objecting to.

The PRESIDENT pro tempore. Objection is heard. The bill will go over.

BILL PASSED OVER

The bill (S. 706) providing equal pay for equal work for women, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I do not believe this bill should be considered on the call of calendar bill. I think it should be taken up on a day when it can be thoroughly debated.

The PRESIDENT pro tempore. Objection being heard, the bill will go over.

CLARIFICATION OF STATUS OF FREIGHT FORWARDERS

The bill (H. R. 5967) to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers was announced as next in order.

Mr. SCHOEPPEL. Over, by request.

Mr. MAGNUSON. Mr. President, I wonder if the Senator from Kansas would agree to have the bill go to the foot of the calendar so that I may find out who objects and why?

Mr. SCHOEPPEL. I have no objection to indicating to the Senator that it was the Senator from Ohio [Mr.

BRICKER] who made the objection. He is not present, and I would assume that he wants objection to the bill made by the calendar committee. I have no objection to having the bill go to the foot of the calendar.

Mr. McCARRAN. Mr. President, we could not hear the colloquy.

The PRESIDENT pro tempore. The Chair could not hear it either.

Mr. SCHOEPPEL. The Senator from Washington requested that the objection be withheld and that the bill be permitted to go to the foot of the calendar.

The PRESIDENT pro tempore. Is there objection?

Mr. McCARRAN. I object to the procedure, and I shall object to such procedure through the calendar call. When such procedure is followed it means that we go over the calendar several times. If there is an objection to a bill, the Senator objecting should know at this time whether or not it will be objected to at the foot of calendar. I shall object to any bill going to the foot of the calendar.

Mr. MAGNUSON. Will the Senator yield for an observation?

Mr. McCARRAN. I yield.

Mr. MAGNUSON. It seems to me to be desirable to be able to place a bill at the foot of the calendar, because before a bill is called we have no idea who will object to it. Very often objection is made because the purpose of the bill is not understood. Therefore, if the bill goes to the foot of the calendar, it gives us an opportunity to find out who is objecting and an opportunity to discuss the matter with the Senator and thus expedite the business of the Senate.

Mr. McCARRAN. The business of the Senate can be expedited by reverting to a bill which has been passed over. On the last call of the calendar we nearly doubled the amount of time consumed in the call of the calendar by following the procedure suggested by the Senator from Washington.

The PRESIDENT pro tempore. Objection is heard. The bill will go over.

PERFORMANCE-RATING SYSTEM FOR CERTAIN OFFICERS AND EMPLOYEES OF THE FEDERAL GOVERNMENT

The Senate proceeded to consider the bill (H. R. 7824) to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes, which had been reported from the Committee on Post Office and Civil Service with amendments on page 2, line 23, after the word "Energy", to strike out "Commission." and insert "Commission;

"(11) employees outside the continental limits of the United States who are paid in accordance with local native prevailing wage rates for the area in which employed"; on page 4, line 13, after "(3)", to strike out "excellent" and insert "outstanding"; on page 5, line 1, after the word "review", to insert "of equal jurisdiction"; and in line 15, after the word "than", to strike out "excellent" and insert "satisfactory."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SIMPLIFICATION OF CUSTOMS COLLECTIONS ON SOUND RECORDINGS

The bill (H. R. 7447) to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits and news reels, was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object I would appreciate very much if the distinguished Senator from Georgia would explain the purpose of the bill.

Mr. GEORGE. Mr. President, the bill would facilitate the importation of sound recordings for radio, television, and news broadcasts, or for use in reproducing sound in connection with moving-picture news reels by eliminating the difficult and time-consuming task of calculating the value for the purpose of assessing the duty of the dutiable recording. Under the bill the duty would be calculated on a mechanical basis, which would save time in making the computations.

Mr. HENDRICKSON. I thank the Senator from Georgia.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7447) to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits and news reels, which had been reported from the Committee on Finance, with an amendment on page 2, after line 9, to strike out:

SEC. 2. That paragraph 1726 of the Tariff Act of 1930, as amended, is hereby amended by changing the period at the end thereof to a semicolon and by adding thereafter the following: "and photographic or magnetic film, tape, wire, or other material of any kind on which sound has been recorded abroad by photography, magnetism, or any means whatsoever, and which is suitable for use in reproducing sound in connection with moving-picture news reels (not including any photographic film not provided for hereinbefore on which pictures have been recorded).".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits."

EXEMPTION FROM DUTY OF SOUND RECORDINGS FOR NEWS BROADCASTS

The bill (H. R. 8726) to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts was announced as next in order.

Mr. SCHOEPPEL. Mr. President, may I ask the distinguished Senator from Georgia whether this bill is a companion measure to House bill 7447?

Mr. GEORGE. It is a companion bill. The purpose of the bill is to facilitate the importation of sound recordings.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 8726) to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts, which had been reported from the Committee on Finance with an amendment on page 1, line 6, after the word "States", to insert "or suitable for use in reproducing sound in connection with moving-picture news reels."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts and in connection with moving-picture news reels."

TREATMENT FOR CENSUS PURPOSES OF WESTVIEW AND SOUTHVIEW AS PART OF SPRINGFIELD, VT.

The Senate proceeded to consider the joint resolution (S. J. Res. 194) to provide that the housing developments known as Westview and Southview in the town of Springfield, Vt., shall for the purposes of the seventeenth decennial census be treated as a part of the village of Springfield, Vt., which had been reported from the Committee on Post Office and Civil Service with an amendment on page 2, line 4, after the word "the", to strike out "town" and insert "village", so as to make the joint resolution read:

Resolved, etc., That the housing developments known as Westview and Southview in the village of Springfield, Vt., shall for the purposes of the seventeenth decennial census be treated as a part of the village of Springfield, Vt.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The title was amended so as to read: "Joint resolution to provide that the housing developments known as Westview and Southview in the village of Springfield, Vt., shall for the purposes of the seventeenth decennial census be treated as a part of the village of Springfield, Vt."

AUTHORIZATION FOR APPOINTMENT OF COL. HENRY A. BYROADE AS DIRECTOR OF BUREAU OF GERMAN AFFAIRS

The bill (S. 3807) to authorize the President to appoint Col. Henry A. Byroade as Director of the Bureau of German Affairs, Department of State, without affecting his military status and perquisites, was considered, ordered to

be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the existing provisions of law or any rules or regulations issued thereunder, the President is authorized to appoint Col. Henry A. Byroade, an officer in the Army of the United States, for a period not to exceed 2 years as Director, Bureau of German Affairs, or its successor in the Department of State, and Colonel Byroade's appointment to, acceptance of, and service as such Director of German Affairs shall in no way affect any status, office, rank, or grade he may occupy or hold in the Army of the United States or any component thereof, or any emolument, perquisite, right, privilege, eligibility for promotion, or benefit incident to or arising out of any such status, office, rank, or grade: *Provided,* That so long as he remains Director, Bureau of German Affairs, or its successor, Colonel Byroade shall receive compensation at the rate of $15,000 per annum and such traveling allowances as the Secretary of State shall prescribe, payable from appropriations made by law for the Department of State, in lieu of his military pay and allowances.

SEC. 2. In the performance of his duties as Director of the Bureau of German Affairs or its successor, Colonel Byroade shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were in no way connected with the Department of Defense or the Army of the United States or any component thereof.

SEC. 3. All periods of service performed by Colonel Byroade pursuant to the authority of this act shall be credited as active service in the Army of the United States for pay, promotion, and all other purposes.

EXTENSION OF FEDERAL-STATE SYSTEM OF PUBLIC EMPLOYMENT OFFICE TO PUERTO RICO AND VIRGIN ISLANDS

The bill (S. 3546) to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. LEHMAN. Mr. President, this bill to extend the Wagner-Peyser Act to Puerto Rico and the Virgin Islands was unanimously reported by the subcommittee which considered it and by the full Labor Committee. Its purpose is to permit the establishment of public employment offices in Puerto Rico and the Virgin Islands in the same manner and for the same purposes for which those offices are now established in the other States and Territories.

I wish to emphasize that such offices are established today in every State of the Union, as well as in Alaska.

The other purpose of this bill is to strike out of the Wagner-Peyser Act the requirement that the States match Federal grants for the administration of the employment offices. This proviso has been found by experience to be unrealistic; for the past several years, since 1946, the administration of these public employment offices has been paid for entirely by Federal grants to the States, under the authority of the annual appropriation acts. This provision of the bill would merely bring the Wagner-Peyser Act into line with congressional intent as expressed in the annual appropriation measures.

The additional cost is estimated at approximately $380,000. For Puerto Rico it would be $342,000, and for the Virgin Islands $38,000. I may add that in my opinion and in the opinion of the committee the bill would serve a very real purpose in securing employment for a large number of people in Puerto Rico and also in assuring that when they came to this country they would be directed to jobs which would have some substantiality and, we hope, would be permanent. Today they are coming in without any direction, and some of them are being exploited by irresponsible people. I feel such evil would be largely dissipated if we had an employment office in Puerto Rico, as we have in all the other States.

Mr. LUCAS. Mr. President, it seems to me, from what the Senator from New York has said, that Puerto Rico really needs an office of the kind proposed, probably more than the States need it, in order to be able to discriminate with respect to those who come in seeking employment, which is not being done at the present time.

Mr. LEHMAN. I agree with the distinguished Senator.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill (S. 3546) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 (b) of the act of June 6, 1933 (48 Stat. 113), as amended, is hereby amended to read as follows:

"(b) Whenever in this act the word 'State' or 'States' is used, it shall be understood to include Hawaii, Alaska, Puerto Rico, and the Virgin Islands."

SEC. 2. Section 5 of said act is amended to read as follows:

"(a) There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts from time to time as the Congress may deem necessary to carry out the purposes of this act.

"(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State which (i), except in the case of Puerto Rico and the Virgin Islands, has an unemployment compensation law approved by the Secretary under the Federal Unemployment Tax Act and is found to be in compliance with section 303 of the Social Security Act, as amended, and (ii) is found to be in compliance with the act of June 6, 1933 (48 Stat. 113), as amended, such amounts as the Secretary determines to be necessary for the proper and efficient administration of its public employment offices."

SEC. 3. Sections 6 and 7 of the act are hereby repealed.

MINIMUM OF 4 YEARS' TRAINING FOR VETERANS

The bill (S. 3499) to grant persons entitled to vocational rehabilitation under part VII, Veterans Regulations No. 1 (a), as amended, a minimum of 4 years' training was announced as next in order.

Mr. HENDRICKSON. Mr. President, I would appreciate very much if the distinguished Senator from Florida would tell the Senate the cost involved in the proposed legislation.

Mr. PEPPER. Mr. President, I am not sure I can give the Senator the cost in terms of dollars and cents, although it is obvious it would not be a very large item. But I should like to emphasize the fairness we are trying to provide for veterans who have sustained injuries as a result of service in war.

We discovered that there were cases of veterans who had sustained injuries; in other words, had service-connected disabilities, who were taking training under Public Law 16, which is the Vocational Training Act, yet those veterans were being denied as long a period of training as they would have had if they had not sustained injuries in service, that is, if they were ordinary GI's taking training under the law.

All that is done by the measure the committee has reported is to put the wounded veteran on the same basis with the nonwounded veteran with respect to the period of education he is entitled to receive. I am sure the Senator would not oppose that principle of fairness. In other words, it works out in detail like this: The Veterans' Administration can give a wounded veteran a shorter period of training or education than a nonwounded veteran, as a matter of right. We are merely providing that a man who has been wounded should not be required to accept a shorter period of training or education than he would have been entitled to under the GI law, Public Law 16, had he not sustained wounds in his service.

Mr. HENDRICKSON. I wonder if the Senator would tell the Senate how many veterans would be covered by the provisions of the bill.

Mr. PEPPER. Theoretically it would apply to all the veterans who are obtaining vocational training under Public Law 16 who might be given a shorter period of training.

Mr. HENDRICKSON. Has the Senator no estimate of the number of veterans involved?

Mr. PEPPER. A member of the staff on veterans' affairs tells me that the number theoretically might run as high as 420,000.

Mr. HENDRICKSON. Yet the Senator says the cost would be very small. I do not see how he can reconcile those statements.

Mr. PEPPER. My reason for saying that is that probably the period of education on no occasion would exceed a year, or perhaps a few months. We learned of cases all over the country where men who had been wounded in service were required to accept a shorter period of training than they would have been entitled to as a matter of right had they not been wounded, but had been ordinary GI's. All we are trying to do is to put the wounded man on at least as good a basis as he would have been on had he not been wounded.

Mr. HENDRICKSON. There is no Member of the Senate who has more interest in the veterans of the country than has the junior Senator from New Jersey, but it is very obvious to me, from the Senator's statement, that this measure would result in the expenditure of a

very large sum of money, and I think the Senate ought to know, before it passes a bill of this kind, what the cost would be.

Mr. PEPPER. Will the Senator allow the bill to go to the foot of the calendar?

Mr. HENDRICKSON. No; I am going to follow the same course the distinguished Senator from Nevada [Mr. McCARRAN] has urged upon the Senate. I do not think we should put these bills at the foot of the calendar.

I conclude by saying that the bill is opposed by the Veterans' Administration, who ought to know more about this matter, probably, than anybody else, and it is also opposed by the Bureau of the Budget. Therefore, I object.

Mr. THOMAS of Utah. Mr. President——

Mr. HENDRICKSON. I withhold the objection, if the Senator from Utah wishes to debate the bill.

Mr. THOMAS of Utah. Mr. President, when we wrote the soldier education law, it was understood that so far as cost was concerned, no one could estimate what the cost would be. We put in the neighborhood of 14,000,000 men and women under arms, and all of them have rights under the soldier education law.

There is just one point to this bill, namely, that a man's time for training depends upon the time he was in active service. Of course, if a man was wounded on the first day of his service, and then went into a hospital, he would be entitled to only 1 day of training. Yet has he not done something for his country? Is he not worthy of rehabilitation?

My plea is simply that in the contingencies of war, and taking into consideration the way the law was written, we did as well as we could do in framing the law. If a man were wounded he was taken out of service, and he might be in a military hospital for a year or two. Yet when he comes out he is certainly entitled to the same rights to which he would have been entitled if he had not been wounded.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

PURCHASE OF AUTOMOBILES BY CERTAIN DISABLED VETERANS

The Senate proceeded to consider the bill (S. 3768) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That there is hereby authorized to be appropriated to the Veterans' Administration the sum of $800,000 to remain available until June 30, 1951, to enable the Administrator of Veterans' Affairs to provide an automobile or other conveyance, at a cost per vehicle or conveyance of not to exceed $1,600, including equipment with such special attachments and devices as the Administrator may deem necessary, for each veteran of World War II who is entitled to compensation for the loss, or loss of use, of one or both legs at or above the ankle under the laws administered by the Veterans' Administration: *Provided*, That no part of such appropriation shall be used for the repair, maintenance, or replacement of any such automobile or other conveyance and no veteran shall be given an automobile or other conveyance until it is established to the satisfaction of the Administrator that such veteran will be able to operate such automobile or other conveyance in a manner consistent with his own safety and the safety of others and will be licensed to operate such automobile or other conveyance by the State of his residence or other proper licensing authority: *Provided further*, That under such regulations as the Administrator may prescribe the furnishing of such automobile or other conveyance shall be accomplished by the Administrator paying the total purchase price to the seller from whom the veteran is purchasing under sales agreement between the seller and the veteran: *And provided further*, That no veteran shall be entitled to receive more than one automobile or other conveyance under the provisions of this act and no veteran who has received or may receive an automobile or other conveyance under the provisions of the paragraph under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, as extended, shall be entitled to receive an automobile or other conveyance under the provisions of this act.

Mr. PEPPER. Mr. President, on behalf of the committee I offer an amendment on page 4, lines 9 and 10, to strike out certain words.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, line 9, of the committee amendment, it is proposed to strike out the words "at a cost per vehicle or conveyance of not to exceed $1,600."

Mr. PEPPER. Mr. President, the purpose of the amendment reflects a slight change, and the only change, made in the law we have had on the books for years. Instead of limiting the cost of an automobile a veteran may purchase to $1,600, the amendment would allow him to add to the Government's contribution of $1,600, if he wished to buy a car costing more than $1,600; but it would not increase the cost to the Government.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BUFFALO VETERANS' MEMORIAL HOSPITAL

The Senate proceeded to consider the bill (S. 3254) to provide for designation of the United States Veterans' Administration hospital at Buffalo, N. Y., as the Buffalo Veterans' Memorial Hospital, which had been reported from the Committee on Labor and Public Welfare with an amendment at the top of page 2 to insert:

SEC. 2. The Administrator of Veterans' Affairs shall cause to be procured and placed in each such wing a suitable plaque bearing the name of the serviceman in whose honor such wing was named and the citation accompanying the award of the Congressional Medal of Honor to such serviceman.

So as to make the bill read:

Be it enacted, etc., That the Veterans' Administration hospital, located at 3495 Bailey Avenue, Buffalo, N. Y., shall be known and designated on the public records as the Buffalo Veterans' Memorial Hospital, and the wings of such hospital shall be named after the Buffalo area winners of the Congressional Medal of Honor, which names shall include Private First Class William Grabiarz, Private First Class Charles N. DeGlopper, and Lt. John E. Butts.

SEC. 2. The Administrator of Veterans' Affairs shall cause to be procured and placed in each such wing a suitable plaque bearing the name of the serviceman in whose honor such wing was named and the citation accompanying the award of the Congressional Medal of Honor to such serviceman.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. LEHMAN. Mr. President, in connection with the bill just passed, I ask unanimous consent to have printed in the RECORD at this point a statement I have prepared.

There being no objection, Mr. LEHMAN'S statement was ordered to be printed in the RECORD, as follows:

I would think it very fitting and proper indeed if the Senate would pass S. 3254, designating the United States Veterans' Administration hospital at Buffalo as the Buffalo Veterans Memorial Hospital. It is proposed in this bill, as has been explained, that the separate wings of this hospital would be named after the Congressional Medal of Honor winners in this area. These American heroes include Pfc William Grabiarz, Pfc Charles N. DeGlopper, and Lt. John E. Butts. The naming of this hospital in this manner has been urged and requested by the Common Council of the City of Buffalo and also by the veterans organizations in the vicinity. It is a dignified name and at the same time will do honor to those whose deeds and courage should not and must not be forgotten.

I hope that the Senate will unanimously approve this bill and give a proper name to this fine hospital in the city of Buffalo.

OUT-PATIENT TREATMENT BY VETERANS' ADMINISTRATION

The bill (H. R. 6217) to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. PEPPER. I shall be glad to make an explanation on behalf of the committee. All the bill does is to authorize the veterans of the Spanish-American War, the Boxer Rebellion, and the Philippine Insurrection, to receive outpatient medical treatment which they are not now entitled to receive. It will not entitle them to hospital treatment, but only to the attention of a doctor, or to the payment by the Government for prescriptions the doctor might prescribe for the patient. As it is at the present time, veterans of those wars are entitled to veterans' hospital care only if their disabilities are service-connected, but their service in war took place so long ago that as a practical matter it is almost impossible for them to prove that their disabilities are service-connected. We are

not proposing to give them non-service-connected disability care in a veterans' hospital, but we are giving them, under the bill, the right to call upon a local civilian doctor and to receive medical treatment and to receive drugs that the doctor may prescribe, at the expense of the country they served.

Mr. SCHOEPPEL. Mr. President, I thank the Senator from Florida for his explanation. I have no objection to the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 6217) to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration was considered, ordered to a third reading, read the third time, and passed.

ESTABLISHMENT OF A DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

The bill (H. R. 8619) to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to ask the able Senator from Florida if he can approximate the cost of administering the bill. Or are there any costs involved?

Mr. PEPPER. About $15,000 a year. It is estimated that it should not exceed that amount in cost. All the bill does is to bring the rate of pay of dental personnel in the Veterans' Administration to the same level as the pay of medical personnel in the Veterans' Administration. A previous law had laid down a certain standard for the medical personnel in the Veterans' Administration; this bill simply equalizes the pay scales between the dental personnel and the medical personnel.

Mr. HENDRICKSON. Do I understand that the purpose of the bill is the matter of awarding titles more than anything else?

Mr. PEPPER. I think it does accomplish that; it puts the individuals more or less on a parity in respect to dignity and prestige. But it also raises the pay about 25 percent, that is, the fees that could be paid to those who perform dental services, but only to place them on a parity with the medical pay scale provided by previous legislation.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill H. R. 8619) to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CARLO FAVA

The bill (S. 2648) for the relief of Carlo Fava was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Carlo Fava, of Newton, Mass. From and after the date of enactment of this act the said Carlo Fava shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

SEC. 2. In the administration of the immigration and naturalization laws, the said Carlo Fava shall be considered as having been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 3. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Italy.

W. F. STEINER

The bill (S. 3018) for the relief of W. F. Steiner was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. F. Steiner, of Bayou la Batre, Ala., the sum of $3,500, in full satisfaction of his claim against the United States for compensation for the destruction of his oyster beds in Oyster Bay, Baldwin County, Ala., as a result of dredging operations performed by the Corps of Engineers, United States Army, in 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

NICHOLAS YIALOURIS

The bill (S. 3037) for the relief of Nicholas Yialouris (also known as Nicholas Gialouris or Nicolaos Gialouris or Nick Yialouris) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Nicholas Yialouris (also known as Nicholas Gialouris or Nicolaos Gialouris or Nick Yialouris), of Pittsburgh, Pa. From and after the date of enactment of this act, the said Nicholas Yialouris (also known as Nicholas Gialouris or Nicolas Gialouris or Nick Yialouris) shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

SEC. 2. In the administration of the immigration and naturalization laws, the said Nicholas Yialouris (also known as Nicholas Gialouris or Nicolaos Gialouris or Nick Yialouris) shall be considered as having been lawfully admitted to the United States for permanent residence as of February 13, 1947, the date on which he entered the United States, upon payment of the required head tax and visa fee.

SEC. 3. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

MARIO JUAN BLAS BESSO-PIANETTO

The bill (S. 3121) for the relief of Mario Juan Blas Besso-Pianetto was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Mario Juan Blas Besso-Pianetto. From and after the date of enactment of this act, the said Mario Juan Blas Besso-Pianetto shall not again be subject to deportation by reason of the same facts upon which any such deportation proceedings were commenced or any such warrants and order have issued.

SEC. 2. In the administration of the immigration and naturalization laws, the said Mario Juan Blas Besso-Pianetto, who entered the United States on May 21, 1946, shall be considered as having been lawfully admitted to the United States for permanent residence as of May 21, 1946, on payment of the required visa fee and head tax.

DR. ZENA (ZENOBIA) SYMEONIDES

The bill (S. 3321) for the relief of Dr. Zena (Zenobia) Symeonides was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws. Dr. Zena (Zenobia) Symeonides shall be held and considered to have been lawfully admitted to the United States for permanent residence, as of the date of her last entry into the United States, upon the payment of the visa fee and head tax. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

MIKIKO ANZAI

The bill (S. 3434) for the relief of Mikiko Anzai was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Mikiko Anzai, the Japanese fiancée of Yoshiteru Murakami, a citizen of the United States and an honorably discharged veteran of World War II, and that Mikiko Anzai may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Mikiko Anzai is coming to the United States with a bona fide intention of being married to said Yoshiteru Murakami, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Mikiko Anzai, she shall be required to depart from the United States and upon

failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Mikiko Anzai, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Mikiko Anzai as of the date of her entry into the United States, upon the payment by her of the required fees and head tax.

BASILIO GORGONE

The bill (S. 3917) for the relief of Basilio Gorgone was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), Basilio Gorgone, the husband of a citizen of the United States, may be admitted to the United States for permanent residence if he is found otherwise admissible under the provisions of the immigration laws.

LAMM LUMBER CO.

The bill (S. 3965) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co. was announced as next in order.

Mr. McCARRAN. Mr. President, earlier in the session the Congress enacted a bill to authorize the Lamm Lumber Co. to file a suit in the Court of Claims with respect to a contract involving the Interior Department and certain Indian tribes. Upon the bill being presented to the President, he felt called upon to veto it, taking exception to the manner provided for the payment of any judgment that might be awarded. The bill presently under consideration has been redrawn after conferences with the proper officials in the executive department, and it is believed that the objections raised by the President in his veto message on the former bill have been removed in this bill.

The two bills which follow this on the calendar, to wit, S. 3966 and S. 3967, relating to two other lumber companies, are in exactly the same situation.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3965) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co. was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2103 of the Revised Statutes (U. S. C., title 25, sec. 81) and notwithstanding any statute of limitations or lapse of time or any limitation upon the jurisdiction of the Court of Claims with respect to claims upon any contract implied in law, jurisdiction is hereby conferred upon such court to hear, determine, and render judgment upon the claim of the Lamm Lumber Co. either against the United States in a fiduciary capacity for the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians or against said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians in connection with the contract construed by such court in its decision dated January 12, 1938, in the case of Lamm Lumber Co. against the United States (86 C. Cls. 171).

SEC. 2. The amount of any judgment awarded by the Court of Claims upon such claim shall not exceed the amount of the judgment heretofore awarded by such court in the case of Lamm Lumber Co. against the United States (86 C. Cls. 171, 188).

SEC. 3. Suit upon such claim may be instituted by or on behalf of the Lamm Lumber Co. at any time within 1 year after the date of enactment of this act. Proceedings for the determination of such claim and review thereof shall be had as in the case of claims over which such court has jurisdiction under section 1491 of title 28 of the United States Code, and the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians shall be entitled to be represented in such proceedings, if they so desire, by legal counsel employed in conformity with the provisions of section 2103 of the Revised Statutes (25 U. S. C. 81). In the trial of any such suit the Court of Claims shall have jurisdiction to hear and determine any defenses available under the rules of law and equity applicable to contracts made by the United States, defenses of waiver or estoppel based on the course of dealing between the parties, and defenses based on mistake of law or fact, including any failure to collect sums payable under the contract involved in such suit by reason of mistake of law or fact, and shall determine the liability, if any, of the parties defendant as the facts and law require. Parol evidence shall be admissible for the purposes of proving or disproving such defenses notwithstanding any limitation upon the admissibility of parol evidence in suits involving contracts in writing. Any set-off, counterclaim, claim for damages, or other demand set up on the part of any defendant shall be heard and determined by the court in accordance with the provisions of section 2508 of title 28 of the United States Code.

SEC. 4. Any part of any judgment rendered hereunder which represents sums actually deposited to the credit of said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians for timber cut from tribal lands shall be paid by the Secretary of the Treasury, upon appropriation by the Congress, from any funds in the Treasury of the United States to the credit of said tribe. Any other part of any judgment rendered shall be payable in the same manner as in the case of claims over which the Court of Claims has jurisdiction under section 1491 of title 28 of the United States Code.

FOREST LUMBER CO.

The bill (S. 3966) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2103 of the Revised Statutes (U. S. C., title 25, sec. 81) and notwithstanding any statute of limitations or lapse of time or any limitation upon the jurisdiction of the Court of Claims with respect to claims upon any contract implied in law, jurisdiction is hereby conferred upon such court to hear, determine, and render judgment upon the claim of the Forest Lumber Co. either against the United States in a fiduciary capacity for the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians or against said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians in connection with the contract construed by such court in its decision dated January 12, 1938, in the case of Forest Lumber Co., a corporation, against the United States (86 C. Cls. 188).

SEC. 2. The amount of any judgment awarded by the Court of Claims upon such claim shall not exceed the amount of the judgment heretofore awarded by such court in the case of Forest Lumber Co., a corporation, against the United States (86 C. Cls. 188, 225).

SEC. 3. Suit upon such claim may be instituted by or on behalf of the Forest Lumber Co. at any time within 1 year after the date of enactment of this act. Proceedings for the determination of such claim and review thereof shall be had as in the case of claims over which such court has jurisdiction under section 1491 of title 28 of the United States Code, and the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians shall be entitled to be represented in such proceedings, if they so desire, by legal counsel employed in conformity with the provisions of section 2103 of the Revised Statutes (25 U. S. C. 81). In the trial of any such suit the Court of Claims shall have jurisdiction to hear and determine any defenses available under the rules of law and equity applicable to contracts made by the United States, defenses of waiver or estoppel based on the course of dealing between the parties, and defenses based on mistake of law or fact, including any failure to collect sums payable under the contract involved in such suit by reason of mistake of law or fact, and shall determine the liability, if any, of the parties defendant as the facts and law require. Parol evidence shall be admissible for the purposes of proving or disproving such defenses notwithstanding any limitation upon the admissibility of parol evidence in suits involving contracts in writing. Any set-off, counterclaim, claim for damages, or other demand set up on the part of any defendant shall be heard and determined by the court in accordance with the provisions of section 2508 of title 28 of the United States Code.

SEC. 4. Any part of any judgment rendered hereunder which represents sums actually deposited to the credit of said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians for timber cut from tribal lands shall be paid by the Secretary of the Treasury, upon appropriation by the Congress, from any funds in the Treasury of the United States to the credit of said tribe. Any other part of any judgment rendered shall be payable in the same manner as in the case of claims over which the Court of Claims has jurisdiction under section 1491 of title 28 of the United States Code.

ALGOMA LUMBER CO. AND OTHERS

The bill (S. 3967) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2103 of the Revised Statutes (U. S. C., title 25, sec. 81) and notwithstanding any statute of limitations or lapse of time or any limitation upon the jurisdiction of the Court of Claims with respect to claims upon any contract implied in law, jurisdiction is hereby conferred upon such court to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. (including the claim of George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust, successors by transfer, conveyance, and assignment thereof) either against

the United States in a fiduciary capacity for the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians or against said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians in connection with the contract construed by such court in its decision dated January 12, 1938, in the case of Algoma Lumber Co., a corporation, against the United States (86 C. Cls. 226).

SEC. 2. The amount of any judgment awarded by the Court of Claims upon such claim shall not exceed the amount of the judgment heretofore awarded by such court in the case of Algoma Lumber Co., a corporation, against the United States (86 C. Cls. 226, 271).

SEC. 3. Suit upon such claim may be instituted by or on behalf of the Algoma Lumber Co. or by the said trustees as successors in interest thereto at any time within 1 year after the date of enactment of this act. Proceedings for the determination of such claim and review thereof shall be had as in the case of claims over which such court has jurisdiction under section 1491 of title 28 of the United States Code, and the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians shall be entitled to be represented in such proceedings, if they so desire, by legal counsel employed in conformity with the provisions of section 2103 of the Revised Statutes (25 U. S. C. 81). In the trial of any such suit the Court of Claims shall have jurisdiction to hear and determine any defenses available under the rules of law and equity applicable to contracts made by the United States, defenses of waiver or estoppel based on the course of dealing between the parties, and defenses based on mistake of law or fact, including any failure to collect sums payable under the contract involved in such suit by reason of mistake of law or fact, and shall determine the liability, if any, of the parties defendant as the facts and law require. Parol evidence shall be admissible for the purposes of proving or disproving such defenses notwithstanding any limitation upon the admissibility of parol evidence in suits involving contracts in writing. Any set-off, counterclaim, claim for damages, or other demand set up on the part of any defendant shall be heard and determined by the court in accordance with the provisions of section 2508 of title 28 of the United States Code.

SEC. 4. Any part of any judgment rendered hereunder which represents sums actually deposited to the credit of said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians for timber cut from tribal lands shall be paid by the Secretary of the Treasury, upon appropriation by the Congress, from any funds in the Treasury of the United States to the credit of said tribe. Any other part of any judgment rendered shall be payable in the same manner as in the case of claims over which the Court of Claims has jurisdiction under section 1491 of title 28 of the United States Code.

APPOINTMENT OF DEPUTY UNITED STATES MARSHALS WITHOUT REGARD TO CIVIL-SERVICE LAWS

The bill (S. 3993) to provide for the appointment of deputy United States marshals without regard to the provisions of the civil-service laws and regulations was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 542 of title 28, United States Code, is amended to read as follows:

"§ 542. Appointment and tenure of deputies and assistants.

"The Attorney General may authorize any United States marshal to appoint clerical assistants. Any United States marshal may appoint deputies, with the approval of the Attorney General, and without regard to the provisions of the civil-service laws and regulations. Deputy marshals shall be subject to removal by the marshal with the approval of the Attorney General."

SEC. 2. Deputy marshals in office upon the date of enactment of this act shall be subject to removal by the United States marshal, under whom they serve, with the approval of the Attorney General, and without regard to the provisions of the civil-service laws and regulations.

LEILAH BEGUM ALAOUI MULLIN

The bill (H. R. 1585) for the relief of Leilah begum Alaoui Mullin was considered, ordered to a third reading, read the third time, and passed.

WALTER E. MILLER

The bill (H. R. 1611) for the relief of Walter E. Miller was considered, ordered to a third reading, read the third time, and passed.

S. L. AYRES & CO., INC.

The bill (H. R. 1616) for the relief of S. L. Ayres & Co., Inc., was considered, ordered to a third reading, read the third time, and passed.

SERGIO AND MARA LAMBERTI

The bill (H. R. 3132) for the relief of Sergio and Mara Lamberti was considered, ordered to a third reading, read the third time, and passed.

JOSE COTTO SANTIAGO

The bill (H. R. 3304) for the relief of Jose Cotto Santiago was considered, ordered to a third reading, read the third time, and passed.

JOHN S. STEBER

The Senate proceeded to consider the bill (H. R. 3919) for the relief of John S. Steber, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 7, after the word "act," to insert a colon and "*Provided*, That no benefits shall accrue by reason of the enactment of this act for any period of time prior to the date of its enactment."

Mr. HENDRICKSON. Mr. President, I note from the committee report that the injury occurred in 1936. I should like to know why all this time has been allowed to lapse before any claim was made for the damages or injury sustained?

Mr. McCARRAN. Mr. President, John S. Steber claims that he was injured while working for the Department of Agriculture at Enon Valley, Pa., in 1936. He contends that his claim was not considered on its merits because the notice was not sufficient in that the word "injury" was not contained in said notice. This bill permits the claim to be considered under the Federal Employees Compensation Act regardless of the running of the statute of limitations. The Government loses none of its defenses and the claim will be considered on its merits.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

NICHOLAS G. HADJIPATERAS AND OTHERS

The bill (H. R. 3921) for the relief of Nicholas G. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4014) for the relief of Maria Hoffman was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I wish to say I am not so much interested in an explanation, but I wish the Senator from Nevada would tell us to what part of Austria she would be deported?

Mr. McCARRAN. Mr. President, I did not catch the question.

Mr. HENDRICKSON. To what part of Austria will she be deported? The committee report indicates that she would be sent to Siberia if she were deported to Austria. It would make a considerable difference if she were deported to the American zone, British zone, the French zone or the Russian zone of Austria.

Mr. McCARRAN. There is no American zone in that part of Austria. It is all under Russian control. It is all under Russia excepting Vienna.

Mr. HENDRICKSON. Mr. President, I ask that the bill go over to the next call of the calendar.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

RALPH D. KINNEY

The bill (H. R. 4142) for the relief of Ralph D. Kinney was considered, ordered to a third reading, read the third time, and passed.

J. B. FLEMING & CO.

The bill (H. R. 4657) for the relief of J. B. Fleming & Co. was considered, ordered to a third reading, read the third time, and passed.

HAROLD L. CORZETT, COMMANDER, UNITED STATES NAVAL RESERVE

The bill (H. R. 4775) for the relief of Harold L. Corzett, commander, United States Naval Reserve, was considered, ordered to a third reading, read the third time, and passed.

JACOB F. HUTT AND ANDERSON E. HUMPHREY

The bill (H. R. 4954) for the relief of Jacob F. Hutt and Anderson E. Humphrey was considered, ordered to a third reading, read the third time, and passed.

J. L. SMELCER

The bill (H. R. 5250) for the relief of J. L. Smelcer was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to offer, in lieu of this measure, a resolution which ultimately will accomplish

the same objective. The resolution provides the standard procedure for referral to the Court of Claims in cases of this kind.

The calendar committee felt that even if the claim were found to have merit, the best procedure would be to have a judicial review and ascertainment of the amount of damages.

The PRESIDENT pro tempore. Objection is heard to the present consideration of the bill.

Mr. McCARRAN. Mr. President, I am not objecting; I simply wish to make a clarifying statement.

This bill will pay to J. L. Smelcer $49,875.42, being the amount of his loss while doing work for the Government during the years 1944 and 1945. He operated a small foundry and cast base-closing plugs for fragmentation bombs. A representative of the Smaller War Plants Corporation assured him that he would not lose by reason of any work done by him on these contracts, but would be reimbursed for any loss that might result to him.

He sustained losses in addition to the amount of this bill, but the amount herein allowed is all that could be accurately itemized by Smelcer's bookkeeper.

Mr. President, I take it that the Senator from New Jersey is intent upon objecting to the bill, and that he proposes a resolution in the nature of an amendment which would, if agreed to, result in sending the case to the Court of Claims. Is that the intent of the Senator from New Jersey?

Mr. HENDRICKSON. That is the effect of the resolution I submit.

Mr. McCARRAN. Is the Senator submitting an original Senate resolution, to take the place of this bill?

Mr. HENDRICKSON. That is correct.

Mr. President, I now submit the resolution and ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 335) was read, as follows:

Resolved, That the bill (H. R. 5250) entitled "For the relief of J. L. Smelcer," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant: *Provided, however*, That the passage of this resolution shall not be construed as an inference of liability on the part of the Government of the United States.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

Mr. HENDRICKSON. Mr. President, I now ask that House bill 5250, Calendar No. 2302, be indefinitely postponed.

Mr. McCARRAN. Mr. President, I think the parliamentary situation would be greatly involved if that were done. I think the resolution should be added as an amendment to the bill, and then the bill should go forward as a bill which has been amended.

The PRESIDENT pro tempore. The Chair is advised by the Parliamentarian that the effect of adoption of the resolution is automatically to take the bill from the calendar and transfer the matter to the Court of Claims. Does the Chair understand that that course is agreeable?

Mr. McCARRAN. Yes; if that is the effect of the resolution.

Mr. HENDRICKSON. That is my understanding.

The PRESIDENT pro tempore. That will be done.

FRED I. MASSENGILL

The bill (H. R. 5523) for the relief of Fred I. Massengill was considered, ordered to a third reading, read the third time, and passed.

JOHN M. VICK

The bill (H. R. 6052) for the relief of John M. Vick was considered, ordered to a third reading, read the third time, and passed.

ADMISSION OF JAMES ERMINI TO THE UNITED STATES FOR PERMANENT RESIDENCE

The bill (H. R. 6223) to record the lawful admission to the United States for permanent residence of James Ermini was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, let me say that I notice in the committee report that the person affected by this bill served some time in the Italian Army. I wonder whether the distinguished Senator from Nevada can inform the Senate whether this person is completely free of any taint of fascism.

Mr. McCARRAN. Both the staff of the committee and the committee itself are satisfied that he is free of any entanglement of that sort in any way. Otherwise the bill would not have been reported by the committee.

Mr. HENDRICKSON. Was the bill reported unanimously by the committee?

Mr. McCARRAN. It was.

Let me say to the Senator from New Jersey and to the Senate as a whole that the practice of the Committee on the Judiciary in regard to these bills is to report them unanimously, or else not to report them at all. In other words, if there is an objection to a bill of this kind, the bill is held over until the objection is cleared.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 6223) was considered, ordered to a third reading, read the third time, and passed.

CLAIM OF JOSEPH LUNDBORG AND OTHERS

The bill (H. R. 6312) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Joseph Lundborg and others against the United States was considered, ordered to a third reading, read the third time, and passed.

AMOS CHEN

The bill (H. R. 6386) for the relief of Amos Chen, a native of Jamaica, British West Indies, was considered, ordered to a third reading, read the third time, and passed.

MRS. FRIEDA GRAY

The bill (H. R. 6417) for the relief of Mrs. Frieda Gray (formerly Frieda Putman) was considered, ordered to a third reading, read the third time, and passed.

MRS. MARTHA REID

The bill (H. R. 6442) for the relief of Mrs. Martha Reid was considered, ordered to a third reading, read the third time, and passed.

MRS. L. M. COX AND MRS. M. R. NICKLE

The bill (H. R. 6449) for the relief of Mrs. L. M. Cox and Mrs. M. R. Nickle was considered, ordered to a third reading, read the third time, and passed.

MRS. SHIKAJU NAKASHIMA

The bill (H. R. 6463) for the relief of Mrs. Shikaju Nakashima was considered, ordered to a third reading, read the third time, and passed.

MRS. GUNNBORG JANZON HAMILTON

The bill (H. R. 6578) for the relief of Mrs. Gunnborg Janzon Hamilton was considered, ordered to a third reading, read the third time, and passed.

STAMATIE AMERSONIS

The bill (H. R. 6586) for the relief of Stamatie Amersonis was considered, ordered to a third reading, read the third time, and passed.

SIRIUS PROESTOPOULOS

The bill (H. R. 6707) for the relief of Sirius Proestopoulos was considered, ordered to a third reading, read the third time, and passed.

ANNA ELLERO AND CLARA ELLERO

The bill (H. R. 7012) for the relief of Anna Ellero and Clara Ellero was considered, ordered to a third reading, read the third time, and passed.

CORNELIUS VERSLUIS

The bill (H. R. 7282) for the relief of Cornelius VerSluis was considered, ordered to a third reading, read the third time, and passed.

IGNAS MALCIUS

The bill (H. R. 7297) for the relief of Ignas Malcius was considered, ordered to a third reading, read the third time, and passed.

KIYOKO S. BARR AND HARUE BARR

The bill (H. H. 7370) for the relief of Kiyoko S. Barr and Harue Barr was considered, ordered to a third reading, read the third time, and passed.

MRS. MIYAKO HORIKOSHI SPAULDING AND MABEL MIYA SPAULDING

The bill (H. R. 7613) for the relief of Mrs. Miyako Horikoshi Spaulding and

Mabel Miya Spaulding was considered, ordered to a third reading, read the third time, and passed.

STELLA MATUTINA KAZUKO YAMAZAKI

The bill (H. R. 7814) for the relief of Stella Matutina Kazuko Yamazaki was considered, ordered to a third reading, read the third time, and passed.

MRS. YUKIKO YOSHII FRENCH AND SON

The bill (H. R. 7919) for the relief of Mrs. Yukiko Yoshii French and her son was considered, ordered to a third reading, read the third time, and passed.

EVA T. ROSS

The bill (H. R. 7921) for the relief of Eva T. Ross was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of this measure?

Mr. McCARRAN. Mr. President, this bill proposes to pay the sum of $2,425.20 to Mrs. Eva T. Ross, widow of F. A. Ross. The said F. A. Ross was United States Commissioner in Ohio for 25 years prior to his death last year. He neglected to submit any bill for his services during that period of time, and this sum is the undisputed amount due him at the time of his death. Additional sums were due to him for such services, but the exact amount of such sums was not ascertainable. The only reason the sum about which there was no dispute had not been paid to Ross during his lifetime was that he failed to submit a bill.

The widow should be paid the sum about which there is no dispute.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7921) was considered, ordered to a third reading, read the third time, and passed.

ENRICA GIANOLI

The bill (H. R. 8009) for the relief of Enrica Gianoli was considered, ordered to a third reading, read the third time, and passed.

MRS. YUKI SUGIMOTO MURPHY AND DAVID MURPHY

The bill (H. R. 8061) for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy was considered, ordered to a third reading, read the third time, and passed.

MRS. MICHIKO KOHGA BROOKS

The bill (H. R. 8069) for the relief of Mrs. Michiko Kohga Brooks was considered, ordered to a third reading, read the third time, and passed.

KIMIKO ISO AND MINOR DAUGHTER, MIDORI

The bill (H. R. 8073) for the relief of Kimiko Iso and her minor daughter, Midori, was considered, ordered to a third reading, read the third time, and passed.

ELONA SCHWIETZA AND SON

The bill (H. R. 8134) for the relief of Elona Schwietza and her son was considered, ordered to a third reading, read the third time, and passed.

CHIYOKO AKASHI

The bill (H. R. 8153) for the relief of Chiyoko Akashi was considered, ordered to a third reading, read the third time, and passed.

JOSEPH F. GALLAGHER

The bill (H. R. 8315) for the relief of Joseph F. Gallagher was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, this bill authorizes the Comptroller General to credit the account of the former postmaster of Philadelphia with the approximate sum of $5,000, which was charged against him in connection with the hire of certain trucks for the transportation of mail in an emergency situation in the city of Philadelphia.

From the record it appears that the postmaster used good judgment in dealing with this emergency situation, although his action was not exactly in accord with the Post Office Department regulations, since he did not ask for bids on the contracts for the hire of trucks. The Post Office Department in its report states that the net effect of the postmaster's action was to save the Government some money, and this view is concurred in by the Department of Justice. Both Departments recommend enactment of the bill.

Mr. SCHOEPPEL. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 8315) was considered, ordered to a third reading, read the third time, and passed.

KIMIKO TOMITA

The bill (H. R. 8473) for the relief of Kimiko Tomita was considered, ordered to a third reading, read the third time, and passed.

MARCEL RENE DE ROMANETT

The bill (H. R. 8477) for the relief of Marcel Rene de Romanett was considered, ordered to a third reading, read the third time, and passed.

KIMIKO YAMAGUCHI

The bill (H. R. 8558) for the relief of Kimiko Yamaguchi was considered, ordered to a third reading, read the third time, and passed.

MRS. TOKIE SATO KEATING, TERRY YOICHI KEATING, AND BETTY JEAN KEATING

The bill (H. R. 8584) for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating was considered, ordered to a third reading, read the third time, and passed.

MRS. YUMIKO KAWAI MISANIN AND DAUGHTER, MARIA MARI MISANIN

The bill (H. R. 8684) for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin, was considered, ordered to a third reading, read the third time, and passed.

ERIKA KUHN

The bill (H. R. 8740) for the relief of Erika Kuhn was considered, ordered to a third reading, read the third time, and passed.

MRS. NOBUKO YONASHIRO MARTIN AND GERALD PHILIP MARTIN

The bill (H. R. 8741) for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin was considered, ordered to a third reading, read the third time, and passed.

MRS. TOKIKO AMANO ROLOSON

The bill (H. R. 8742) for the relief of Mrs. Tokiko Amano Roloson was considered, ordered to a third reading, read the third time, and passed.

MRS. YOSHIKO OGISO PETERSON

The bill (H. R. 8751) for the relief of Mrs. Yoshiko Ogiso Peterson was considered, ordered to a third reading, read the third time, and passed.

AH-KIM WONG

The bill (H. R. 8772) for the relief of Ah-Kim Wong was considered, ordered to a third reading, read the third time, and passed.

MRS. EIKO YOSHIZAWA LENDRUM AND CHARLES ROBERT LENDRUM, JR.

The bill (H. R. 8794) for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr., was considered, ordered to a third reading, read the third time, and passed.

BENJAMIN PAGLINAMAN

The bill (H. R. 8795) for the relief of Benjamin Paglinaman was considered, ordered to a third reading, read the third time, and passed.

TOKUKO MURAYAMA

The bill (H. R. 8824) for the relief of Tokuko Murayama was considered, ordered to a third reading, read the third time, and passed.

YAEKO NAKAJIMA

The bill (H. R. 8826) for the relief of Yaeko Nakajima was considered, ordered to a third reading, read the third time, and passed.

MARY RYNIK BARAN

The bill (H. R. 8918) for the relief of Mary Rynik Baran was considered, ordered to a third reading, read the third time, and passed.

MRS. JAYE KURUSU MADDOX

The bill (H. R. 8935) for the relief of Mrs. Jaye Kurusu Maddox was considered, ordered to a third reading, read the third time, and passed.

MRS. CLAUDE MORITA AND RODNEY MORITA

The bill (H. R. 8956) for the relief of Mrs. Claude Morita and Rodney Morita was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION OF CERTAIN COMMITTEE COUNSEL FROM CERTAIN FEDERAL LAWS

The joint resolution (H. J. Res. 510) to exempt certain counsel employed by committee from certain Federal laws

under Special Committee on Campaign Expenditures, 1950, was announced as next in order.

The PRESIDENT pro tempore. Is there objection?

Mr. SCHOEPPEL. Mr. President, may I inquire of the distinguished chairman whether this measure follows the usual procedure for the protection of those appointments?

Mr. McCARRAN. That is correct.

Mr. SCHOEPPEL. I have no objection.

Mr. McCARRAN. I should like to make a brief statement.

It has been increasingly difficult to induce professional men to accept committee assignments such as this bill contemplates, and under present law a counsel is precluded from appearing for profit before governmental agencies and bureaus. This is particularly harsh upon counsel who serve on a temporary basis, as in the instant case.

Unless these exemptions are made, the Government is deprived of the talents and wisdom of exceptional men and women, since lawyers will not yield their right to practice for profit before governmental bureaus and agencies. Finally, there have been numerous precedents for the passage of the joint resolution.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the joint resolution (H. J. Res. 510) was considered, ordered to a third reading, read the third time, and passed.

MARIA BALSAM

The Senate proceeded to consider the bill (S. 2324) for the relief of Maria Balsam, which had been reported from the Committee on the Judiciary with an amendment in line 5, after the word "born," to strike out "daughter of her aunt, Minnie Jacobs Rose, a United States citizen, of Durham, N. C.," and insert "alien child of Mr. and Mrs. Ben Rose, citizens of the United States," so as to make the bill read:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Maria Balsam shall be considered to be the natural-born alien child of Mr. and Mrs. Ben Rose, citizens of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HAROLD E. TRAUTWEIN

The Senate proceeded to consider the bill (H. R. 1586) for the relief of Harold E. Trautwein, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the word "of", to strike out "$105.07" and insert "$106.07."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

UNIVERSAL CORP., JAMES STEWART CORP., AND JAMES STEWART & CO., INC.

The bill (H. R. 6095) for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc., was announced as next in order.

The PRESIDENT pro tempore. Is there objection?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of this measure, and particularly as to the amounts involved?

Mr. McCARRAN. Mr. President, this is a jurisdictional bill sending these claimant contractors to the Court of Claims under the provisions of section 1491 of title 28 of the United States Court. The allegation is that the Government by its failure to secure proper priority ratings breached the contract which provided for the construction of a naval hospital facility at Houston, Tex. The claimants contend this breach resulted in the loss sustained. Under the bill, as amended, these claimants must prove the breach of an express or implied contract. The bill provides that the recovery, if any, should be limited to out-of-pocket losses.

Mr. SCHOEPPEL. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6095), which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That jurisdiction be, and is hereby conferred, upon the United States Court of Claims to hear, determine, and render judgment upon the claims of Universal Corporation, a subcontractor, James Stewart Corporation, prime contractor, and James Stewart and Company, Inc., parent company, for alleged damages arising out of the performance of contracts NOy 11379 and NOy 11662 with the Navy Department for the construction of naval hospital facilities at Houston, Tex., during World War II.

SEC. 2. Any suit upon such claim brought under the provisions of this act shall be instituted within 1 year after the date of enactment of this act. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims under which such court has jurisdiction under section 1491 of title 28 of the United States Code: *Provided*, That the passage of this act shall not be construed as an inference of liability on the part of the United States: *Provided further*, That any recovery shall be limited to out-of-pocket losses.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CHOKO NISHIDA

The Senate proceeded to consider the bill (H. R. 6832) for the relief of Choko Nishida, which had been reported from the Committee on the Judiciary with an amendment on page 1, after the enacting clause, to strike out:

That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, or any of the other provisions of the immigration laws relating to the exclusion of aliens ineligible to citizenship, the Attorney General is authorized and directed to permit the entry into the United States for permanent residence of Choko Nishida, the Japanese fiancée of Clifford M. Sergent, a citizen of the United States and an honorably discharged veteran of World War II.

And in lieu thereof to insert:

That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Choko Nishida, the Japanese fiancée of Clifford M. Sergent, a citizen of the United States and an honorably discharged veteran of World War II, and that Choko Nishida may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TADEUSZ HERKA

The Senate proceeded to consider the bill (H. R. 8219) for the relief of Tadeusz Herka, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and insert:

That for the purposes of the immigration and naturalization laws, Tadeusz Herka shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of his last entry into the United States, upon the payment of the required visa fee and head tax. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CERTAIN BASQUE ALIENS

The bill (S. 1192) for the relief of certain Basque aliens was announced as next in order.

The PRESIDENT pro tempore. Is there objection?

Mr. HENDRICKSON. Mr. President, reserving the right to object, will the distinguished Senator from Nevada tell us how many Basque shepherds are involved?

Mr. McCARRAN. There are 152. This bill grants the status of permanent residence in the United States to 152 Spanish Basque sheepherders who were brought to the United States between 1943 and 1949 by various sheep-growers associations to relieve the acute shortage of sheepherders in certain western States. The Department of Justice interposes no objection to the bill as amended.

Let me say, Mr. President, that before the bill was reported to the Senate the Department of Justice went into this subject meticulously to find every one of these persons and to see whether he was engaged in the business for which he was brought into this country. Many of them—in fact, all of them—are now engaged in that line of work. The sheep industry of the open public domain requires these particular people because of

their natural aptitude for that line of work.

Mr. HENDRICKSON. Were any of these sheep herders removed from the original list as a result of the screening which the Senator has described?

Mr. McCARRAN. I think not. That is my recollection.

Mr. HENDRICKSON. I thank the Senator.

Mr. McCARRAN. Does the record before the committee show differently?

Mr. HENDRICKSON. I do not think so.

Mr. McCARRAN. I do not think so. Examinations have been made, and every one of the persons referred to in this bill have been found to be occupied in the line of business in which they were to be employed.

Mr. HENDRICKSON. I thank the Senator. I withhold all objection.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1192) for the relief of certain Basque aliens, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 7, after the name "Javier", to strike out "Achoa" and insert "Ochoa-"; in line 8, after the name "Cordova-Juaregui," to strike out "Antonio Ormaechevarria"; in line 9, after the name "Julian", to strike out "Hormechea" and insert "Hormaechea-"; in line 10, after the name "Zabala-Arrien,", to strike out "Domingo Ozamis Armaechea,"; in line 12, after the name "Abadia", to strike out "Jazier" and insert "Javier"; on page 2, line 2, after the name "Argoitia", to strike out "Gregorio Arrizaballaga" and insert "Gregoria Arrizabalaga"; in line 5, after the name "Basterrechea", to strike out "Juan Belaustegui, Lina" and insert "Lino"; in line 6, after the name "Belausteguigoitia", to strike out "M. Balausteguigoitia, Pedro Benoechea,"; in line 9, after the name "Eugenio", to strike out "Cizar" and insert "Cizur"; in line 10, after the name "Echegaray", to strike out "Juan Echegaray"; in line 12, after the name "Erquiaga", to strike out "Francisco Ezcurra, Juan Excurra,"; in line 13, after the name "Fogoaga", to strike out "M. Gabicagogescoa" and insert Mariano Gabicagogeascoa"; in line 20, after the name "Iturri", to strike out "Gaudio" and insert Claudio"; in line 21, after the name "Roman Jayo", to strike out "Arsonio" and insert "Arsenio"; in line 23, after the name "Jose", to strike out "Juaresti" and insert "Juaristi"; on page 3, line 8, after the name "Ruiz", to strike out "Jose Maria Sangroniz,"; in line 9, after the name "Sanmiguel", to strike out "Satur Santiesteban" and insert "Saturnino Santesteban"; in line 11, after the name "Pierre", to strike out "Sarri" and insert "Sarry"; in line 15, after the name "Zatica", to strike out "Juan Zuazo"; in line 17, after the name "Raimundo", to strike out "Urrita Foruria" and insert "Urrutia-Forruria"; in line 18, after the name "Jose", to strike out "Echevarriazagarra" and insert "Echevarriazarraga"; in line 25, after the name "Jose", to strike out "Echandia" and insert "Echendia; on page 4, line 2, after the name "Felix", to strike out "Lezamix Gueragueta" and insert "Lezamiz Guerequeta"; in line 4, after the name "Ispizua", to strike out "Golo Zuasue Izaquirre,", and in line 8, after the word "quotas", to insert "upon payment of the required visa fees and head taxes", so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General be, and he is hereby authorized and directed to record the lawful admission for permanent residence of Francisco Marmaun-Villanueva, Javier Ochoa-Luna, Gabino Esquivel-Lequineche, Estaban Cordova-Juaregui, Julian Hormaechea-Hormaechea, Miguel Alluntis-Asla, Serapio Zabala-Arrien, Sabino Gonzales-Baron, Severino Juanarena-Ituralde, Juan Abadia, Javier Aberasturi, Pedro Aberasturi, Juan Aincioa, Lorenzo Aincioa, Lorenzo Alacano, Victoriano Andonegui, Maximo Argoitia, Grgorio Arrizabalaga, Leocadio Arrizaballaga, Silverio Artiach, Jose Asumendi, Gregorio Barruetabena, Jesus Barruetabena, Teodore Basabe, Jose Basterrechea, Lino Belausteguigoitia, Juan Beristain, Pedro Bilbao, Eugenio Cordoba Calvo, Fidel Calzacorta, Elias Calzada, Vincente Capanaga, Eugenio Cartago, Eugenio Cizur, Matias Cobeaga, Alejandro Duero, Jose Echegaray, Manuel Echegaray, Jesus Echeita, Andres Echevarria, Juan Domingo Emandia, Jose Luis Erquiaga, Rafael Fogoaga, Mariano Gabicagogeascoa, Jesus Gabiola, Felix Garate, Paulino Garate, Juan Jose Garatea, Martin Gariza, Julian Garmendia, Damian Garralda, Jose Gonzalez, Antonio Guerricaechevarria, Juan Guerricaechevarria, Lucio Guerricaechevarria, Juan Guezuraga, Augustin Gurbindo, Juan Inda, Jean Martin Irigoyen, Antonio Iturri, Esteban Iturri, Lucio Iturri, Claudio Izaguirre, Luis Jayo, Roman Jayo, Arsenio Jayo, Fidel Joraguria, Cesareo Dufur Juanarena, Alejandro, Juancorena, Tiburcio Juancorena, Jose Juaristi, Juan Landa, Paulino Landa, Benito Larrea, Constancio Larrinaga, Pedro Larrinaga, Felix Larrucea, Marcelino Lartitegui, Estaguio Laucirca, Pedro Lazuen, Juan Francisco Lejarza, Miguel Marizcurrena, Eugenio Martija, Vincente Mendiolea, Victor Mirandona, Marcel Mocho, Antonio Monasterio, Bartolome Monasterio, Telesforo Muguerza, Antonio Muniategui, Jose Antonio Olabarrieta, Miguel Olano, Andres Olavarria, Luciano Olea, Pedro Onarte, Jacinto Ondaro, Pedro Artiach Ondarza, Francisco Otazua, Luis Paternain, Francisco Redin, Emilio Ricondo, Fernando Ruiz, Jesus Sanmiguel, Saturnino Santesteban, Domingo Santos, Jose Maria Sarasua, Alfonso Sario, Ramon Presto Sario, Pierre Sarry, Miguel Solaguren, Jose Antonio Telleria, Santiago Uriarte, Daniel Urien, Pedro Urguidi, Jose Urrutia, Pablo Urrutia, Anatasio Urza, Marcos Urza, Cesareo Vara, Antonio Villanueva, Martin Villanueva, Jose Yanci, Pedro Zabala, Nicolas Zatica, Ramon Zubillaga, Juan Guerricagoitia Bengoechea, Prudencio Calzacorta Aguilezpeiti, Raimundo Urrutia-Foruria, Jose Echevarriazarraga Ibarguengoitia, Antonio Morga Urresti, Simon Vidaguren Aguirre, Nicolas Vidaguren Aguirre, Julian Uruburu Inchausti, Jose Guerricabeitia Iribar, Jose Bilbao, Fidel Leguineche, Juan Larrinaga Irazabal, Jose Manuel Mendezona, Jaime Sangroniz Arrizabalaga, Prudencio Echandia y Zabala, Jose Domingo Echandia y Zabala, Jesus Bilbao Legerburn, Manuel Basterrechea, Jose Echeandia, Santos Aboitiz, Frederico Madarieta, Gregoria Silloniz, Felipe Albizua Calzada, Pedro Olano Filibi, Felix Lezamiz Guerequeta, Julian Muruaga Ispizua, Fermin de Bilbao Jayo, as of the respective dates of their lawful temporary entry into the United States between the years 1944 and 1949, if they are found to be admissible under the provisions of the immigration laws other than those relating to quotas, upon payment of the required visa fees and head taxes.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number for each alien named herein from the quota of the appropriate country of the first year that the said quota is available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHUKO MURATO

The Senate proceeded to consider the bill (S. 2922) for the relief of Chuko Murato, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 5, after the word "to", to strike out "Chuko Murato" and insert "Chieko Murata"; in line 7, after the word "said", to strike out "Chuko Murato" and insert "Chieko Murata"; in line 10, after the word "said", to strike out "Chuko Murato" and insert "Chieko Murata"; on page 2, line 4, after the word "said", to strike out "Chuko Murato" and insert "Chieko Murata"; in line 11, after the word "said", to strike out "Chuko Murato" and insert "Chieko Murata", and in line 13, after the word "said", to strike out "Chuko Murato" and insert "Chieko Murata", so as to make the bill read:

Be it enacted, etc., That the provisions of the immigration laws relating to exclusion of aliens inadmissible because of race shall not hereafter apply to Chieko Murata, the Japanese fiancée of Sgt. Donald G. Garrett, of Denver, Colo., and that the said Chieko Murata may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Chieko Murata is coming to the United States with a bona fide intention of being married to the said Sgt. Donald G. Garrett, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of the said Chieko Murata, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event that the marriage between the above-named parties shall occur within 3 months after the entry of the said Chieko Murata, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Chieko Murata as of the date of her entry into the United States upon the payment of the required head tax and visa fee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Chieko Murata."

JOHN W. MAHONEY AND OTHERS

The Senate proceeded to consider the bill (H. R. 1874) for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault, which had been reported from the Committee on the Judiciary with amendments on page 2, line 5, after the word "of", to strike out "$600" and insert "$500"; in line 8, after the word "of", to strike out

"$400", and insert "$312"; in line 10, after the word "of", to strike out "$300" and insert "$279.42", and in line 13, after the word "of", to strike out "$1,200" and insert "$800".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LEGAL GUARDIAN OF PATRICIA JOYCE DUNN, A MINOR

The bill (H. R. 4221) for the relief of the legal guardian of Patricia Joyce Dunn, a minor, was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, the junior Senator from New Jersey would appreciate an explanation of this bill.

Mr. McCARRAN. Mr. President, this bill proposes to pay a total of $8,994 to a young lady as compensation for the death of her father, who was killed in Tokyo, Japan while riding as a paying civilian passenger in a military transport plane. The departmental reports submitted in connection with the bill indicate that the accident occurred as the result of the combined negligence of the Government pilot and the control tower in Tokyo. The father and mother were divorced, but the father made substantial contributions for the support of the daughter as well as financed her college education.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

There being no objection, the Senate proceeded to consider the bill (H. R. 4421) for the relief of the legal guardian of Patricia Joyce, a minor, which had been reported from the Committee on the Judiciary with amendments on page 1, line 5, after the word "appropriated", to strike out "to the legal guardian of Patricia Joyce Dunn, a minor" and insert "to Patricia Joyce Dunn", and in line 9, after the name "Dunn", to strike out "the father of said minor" and insert "her father."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of Patricia Joyce Dunn."

BERNARD F. ELMERS

The bill (H. R. 4803) for the relief of Bernard F. Elmers was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, I understand there is a signed release which is involved in this matter. May we have an explanation of the bill, please?

Mr. McCARRAN. Mr. President, Bernard F. Elmers was a civilian employee of the Army in Germany in 1947, when he was seriously injured by two Polish displaced persons who attacked him, inflicting serious injuries upon him, fracturing his skull and severing certain nerves which caused permanent paralysis and disfigurement to his face, and causing him to lose mental capacity and impair his hearing and vision.

No payment is made to him for his personal injuries because his employment contract contained a full, complete, all-inclusive waiver. He is being paid the sum of $2,500, which is the value of certain bonds that were taken from him by the criminal investigation division of the Army and not returned to him. Apparently the bonds were lost while in the possession of the Army in connection with said investigation.

Mr. SCHOEPPEL. I should like to ask the distinguished chairman of the Judiciary Committee a question. This measure is a House bill, and it will, of course, go to conference. There is some question about the compensation having been reduced from a larger amount to the amount stated in the bill. In the judgment of the Chairman of the Judiciary Committee, is this amount adequate compensation for this man, considering the type of injury?

Mr. McCARRAN. I am not ready to say that, but I thought it was the best we could get under the circumstances. I do not think it is adequate compensation.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4803) for the relief of Bernard F. Elmers, which had been reported from the Committee on the Judiciary with amendments on page 1, line 6, after the word "of", to strike out "$12,500" and insert "$2,500"; in line 8, after the word "for", to strike out "personal injuries and", and in line 10, after the word "by", to strike out "unknown".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RELIEF OF CERTAIN ITALIAN ALIENS

The Senate proceeded to consider the bill (H. R. 6804) for the relief of certain Italian aliens, which had been reported from the Committee on the Judiciary with amendments on page 1, line 6, after the name "Rosina", to strike out "Nini" and insert "Mini"; in line 7, after the name "Renzi", to strike out "Angela Felini" and insert "Angelina Fellini"; in the same line, after the name "Maria", to strike out "Baccielli" and insert "Bacchielli"; in line 8, after the name "Vincenzi", to strike out "Caterina" and insert "Catherina", and in line 10, after the name "Elena", to strike out "Ginevra" and insert "Ginevia".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ROBERT C. WATTERS AND OTHERS

The Senate proceeded to consider the bill (H. R. 7454) for the relief of Robert C. Watters, Mrs. Martha L. Watters, C. E. Nivens, E. O. Nivens, and the estate of J. W. Gillum, deceased, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 7, after the words "sum of", to strike out "$10,000" and insert "$5,000"; on page 2, line 5, after the word "of", to strike out "$5,000" and insert "$2,500", and in line 6, after the words "sum of", to strike out "$5,000" and insert "$2,500".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MARNE POST NO. 28, AMERICAN LEGION, NEW MARTINSVILLE, W. VA.

The bill (S. 3250) for the relief of Marne Post No. 28, American Legion, New Martinsville, W. Va., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marne Post No. 28, American Legion, New Martinsville, W. Va., the sum of $100, in full satisfaction of its claim against the United States for reimbursement of expenses incurred in providing transportation for James L. Anderson, a veteran, from New Martinsville, W. Va., to the Veterans' Hospital, Roanoke, Va., on January 18, 1950: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

REGULATION AND CONTROL OF AIR COMMERCE

The bill (S. 3995) to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relating to the regulation and control of air commerce, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Reserving the right to object, and I shall not object, I wonder if the distinguished Senator from Colorado will explain this bill, because it seems to me to be a very important piece of legislation.

Mr. JOHNSON of Colorado. I shall be glad to try to explain it. It is a very important measure; it is extremely important. It is a very drastic bill, as a matter of fact, but our committee explored the whole subject very thoroughly with all the departments of Government concerned, and with the private businesses and industries which would be affected by it, and we found no objections whatever. We regret that such a bill is necessary, but war makes it necessary; it is a war measure.

Mr. President, Senate bill 3995 is an important emergency bill for the security control of air traffic in time of war or when the national security is endangered. It is designed to prevent a sneak attack by enemy aircraft masquerading at United States civil aircraft.

At the present time, neither the civil nor the military agencies of the Government have authority to control the flight of United States civil aircraft over the United States, except in the interest of safety of flight in air commerce. The present law, the Civil Aeronautics Act of 1938, does not recognize national security considerations as one of the bases for the control, identification, and location of aircraft.

This bill gives the Secretary of Commerce and the Civil Aeronautics Board this power whenever the President, by an Executive order, declares such powers should be exercised. The President is not limited to periods of war or a declared state of national emergency. As we all know, in the present world turmoil we must prevent if possible a sneak attack by enemy aircraft, such as occurred at Pearl Harbor when the United States was at peace with all the nations of the earth.

Section 1202 authorizes the Civil Aeronautics Board, which issues the civil air regulations for the regulation of all air traffic, to consider national security as well as safety of flight in air commerce.

Section 1203 authorizes the Secretary of Commerce to establish special airspace identification zones above the United States whenever he finds it necessary in the interest of national security. The Secretary is further authorized, after consultation with the Department of Defense and the Civil Aeronautics Board, to prohibit or restrict within these zones the flights of aircraft which he cannot effectively identify, locate, and control with available radar and other facilities. These will undoubtedly include our important atomic installations and certain coastal areas. Some of these important areas have been published to all pilots, and airmen have been requested not to fly in them without first filing flight plans. However, there is no authority on the statute books which permits the Civil Aeronautics Administration or the Civil Aeronautics Board to require flight plans of civil aircraft before flying over these atomic installations except when the weather is bad, and this is required in the interest of safety.

In some of the aircraft identification zones which the Secretary may establish it will be important to restrict the operation of aircraft that cannot readily be identified and located. He may require certain equipment aboard the aircraft, such as radio. In addition, it may be essential to cut down the number of aircraft to a reasonable number. The bill provides that this may be done in a just, fair, and nondiscriminatory manner.

Mr. President, I urge the Senate to pass this bill as urgent security legislation.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3995), which had been reported from the Committee on Interstate and Foreign Commerce with an amendment to strike out all after the enacting clause and insert:

That the Civil Aeronautics Act of 1938, as amended, is amended by the addition of a new title XII, reading as follows:

"TITLE XII—SECURITY PROVISIONS

"SECRETARY OF COMMERCE AND CIVIL AERONAUTICS BOARD

"SEC. 1201. The purpose of this title is to establish security provisions which will encourage and permit the maximum use of civil aircraft consistent with the national security. Whenever the President determines such action to be required in the interest of national security, he may direct the Secretary of Commerce and the Civil Aeronautics Board to exercise the powers, duties, and responsibilities granted in this title to the extent, in the manner, and for such periods of time as the President considers necessary.

"NATIONAL SECURITY REGULATIONS

"SEC. 1202. The Board shall consider requirements of national security as well as safety of flight in air commerce, in exercising its powers and carrying out its responsibilities under title VI of this act.

"SECURITY CONTROL OF AIR TRAFFIC

"SEC. 1203. The Secretary of Commerce is authorized to establish such zones or areas in the airspace above the United States, its Territories, and possessions (including areas of land or water administered by the United States under international agreement) as he may find necessary in the interests of national security; and may, after consultation with the Department of Defense and the Board, by rule, regulation, or order within such zones or areas, prohibit or restrict flights of aircraft which he cannot effectively identify, locate, and control with available facilities: *Provided*, That the Secretary of Commerce shall consult with the Department of State before exercising the authority provided in this section with respect to areas of land or water administered by the United States under international agreement.

"PENALTIES

"SEC. 1204. In addition to the penalties otherwise provided for by this act, any person who knowingly or willfully violates any provision of this title, or any rule, regulation, or order issued thereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not exceeding $10,000 or to imprisonment not exceeding 1 year, or to both such fine and imprisonment.

"TERMINATION OF TITLE

"SEC. 1205. The provision of this title shall expire on such date as may be specified by concurrent resolution of the two Houses of Congress."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TITLE OF STATE OF NEBRASKA TO GENOA INDIAN SCHOOL

The bill (S. 3229) to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School was announced as next in order.

Mr. HENDRICKSON. Mr. President, I should like to invite the attention of the Senate to the fact that there is a similar House measure on the calendar, Order No. 2379, House bill 7677, and I ask unanimous consent that the House bill be substituted for Senate bill 3229.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 7677) to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent, on behalf of the distinguished minority leader [Mr. WHERRY], to have inserted in the RECORD a statement explanatory of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This bill is purely routine action to clarify the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School.

By an act of May 21, 1934, the Congress granted this property to the State of Nebraska to be used for institutional purposes. The property was actually turned over to the State by the Secretary of the Interior on July 1, 1934.

In recent years the Nebraska State Legislature transferred control of the Genoa State Farm to the board of regents of the University of Nebraska as a foundation seed farm.

Apparently no deed or patent was ever executed and delivered to the State of Nebraska for the land involved. The land granted does not appear to have been identified other than by the general designation of "Genoa Indian School."

The proposed legislation will fully describe the property to be conveyed to the State of Nebraska by legal subdivisions and clarify title thereto. The transfer of title to the property will permit such action and full use as the State deems necessary in connection with the proper administration of the land and improvements involved without limitation.

This action was unanimously approved by the Committee on Interior and Insular Affairs, and by the Department of the Interior and the Bureau of the Budget.

DEPARTMENT OF THE INTERIOR,
Washington, D. C., August 2, 1950.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs, United States Senate.

MY DEAR SENATOR O'MAHONEY: Reference is made to your request for a report on S. 3229, "A bill to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School."

I recommend the enactment of this bill if amended as follows: On page 1, line 4, after the word "deed", insert "to the State of Nebraska."

The act of May 21, 1934 (48 Stat. 786), provided that "* * * there is hereby granted to the State of Nebraska for institutional purposes the property known and designated as the 'Genoa Indian School,' located at Genoa, Nebr., such grant to include the land and buildings and such equipment as may be designated by the Secretary of the Interior: *Provided*, That this grant may be effective at any time prior to July 1, 1934, if before that date the Governor of the State of Nebraska on behalf of the State files an acceptance thereof with the Secretary of the Interior: *Provided further*, That the right is reserved by the Secretary of the Interior to retain until July 1, 1934, dormitory and other space needed for the housing and care of Indian pupils now accommodated at said school: *Provided further*, That as a condition precedent to this grant Indians residing within the State of Nebraska will be accepted in

State institutions on entire equality with persons of other races, except that tuition for Indian children in the public schools may be paid by the Federal Government: *Provided further*, That nothing herein contained shall be construed as affecting the right-of-way heretofore applied for by and agreed to be granted to the Loup River Public Power District of Nebraska across said school property and an easement over the lands falling within said right-of-way is hereby granted to said Loup River Public Power District of Nebraska upon proper identification thereof through survey."

On July 1, 1934, the Genoa Indian School was turned over to the State of Nebraska by the Secretary of the Interior under the provisions of the above act.

On May 31, 1934, the Honorable Charles W. Bryan, Governor, acting on behalf of the State of Nebraska, executed an acceptance of the Genoa Indian School, located at Genoa, Nebr., including the land and buildings and such equipment thereof as was designated by the Secretary of the Interior.

The 1949 session of the Nebraska Legislature transferred the control of the Genoa State Farm to the board of regents of the University of Nebraska for use as a foundation seed farm. The board of regents has decided among other things that the 1934 act gave no power to sell any buildings or property located on the real estate formerly comprising the Genoa Indian School; that the property is restricted in use for institutional purposes only; and that if any buildings located on said real estate are to be disposed of, additional Federal legislation would be required.

Apparently no deed or patent was ever executed and delivered to the State of Nebraska for the land involved. The land granted does not appear to have been identified other than by the general designation of "Genoa Indian School."

The proposed legislation, if enacted, will fully describe the property to be conveyed to the State of Nebraska by legal subdivisions and clarify title thereto. The transfer of title to the property will permit such action and full use as the State deems necessary in connection with the proper administration of the land and improvements involved without limitation.

The Bureau of the Budget has advised me that there is no objection to the submission of this report to your committee.

Sincerely yours,

DALE E. DOTY,
Assistant Secretary of the Interior.

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I have prepared with reference to the bill.

There being no objection, Mr. BUTLER'S statement was ordered to be printed in the RECORD, as follows:

This bill simply provides for clearing title to a small tract of land, with improvements, that was granted to the State of Nebraska some years ago.

It is not a bill to give the State a piece of Federal property. That was done by the act of May 21, 1934. For some reason, however, when this property was turned over to the State in 1934 the proper legal formalities were not complied with, and the State now finds that it does not have a completely clear title. This bill simply corrects the title.

The board of regents of the State university which now controls this property has discovered this flaw in the title and now feels that it cannot afford to invest any State funds or make improvements on the land until the title is clarified by this act.

The Department of the Interior has approved the enactment of this bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 3229 is indefinitely postponed.

TREATIES WITH THE CHOCTAW NATION OF INDIANS, OKLAHOMA

The bill (H. R. 6209) to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, I should like to ask an explanation of this bill, since I understand it changes the type of the heretofore established procedure and permits payment of a lump sum.

Mr. THOMAS of Oklahoma. Mr. President, in the absence of the chairman of the committee, and since the bill affects a tribe of Indians in my State, I should like to make an explanation. This is not a claim bill or an appropriation bill. It is an authorization bill. From 1805 to 1855 the Government made with the Choctaw Tribe of Indians numerous treaties in which the Government promised to pay small annuities consisting of $3,000, $600, $600, $6,000, and $320, making a total of $10,520. Every year the appropriation bill has carried the sum of $10,520 to pay the annuities. Of course, during the passage of these many years the Indians have passed on and their descendants have scattered all over the country. The Indians would like to have these annuities consolidated so that they can get the benefit of what is coming to them. There is a provision for the employment of a method of computation, which is used by commercial institutions and by the Government, which would be used in figuring how much would be payable. Using that formula, with $10,520 as a base, at 3 percent interest, it would take the sum of $357,000, approximately, for the Indians to receive that much interest each year. The bill provides for the Government appropriating to the tribe the sum that is necessary, or approximately $350,000, in order to yield $10,520 each year as interest.

If the bill were passed, the Government would not be required to appropriate the six separate sums totaling $10,500. The total sum of $350,000, when and if appropriate hereafter in another bill, would be in full settlement of all claims which the Indians have against the Government under the treaties set forth. When the money is appropriated it would be paid out on a per capita basis, and the amendment to the bill provides that the sum mentioned will be in lieu of and in full settlement of all claims the Indians may have against the Government. Of course, before the money can be appropriated, the Indians would have to vote on the matter. If they voted to approve the settlement, the appropriation would have to be made.

Mr. KERR. As I understand, the bill sets forth the specific annuity obligations for which this authorization is sought to completely liquidate the matter.

Mr. THOMAS of Oklahoma. Yes.

Mr. KERR. I believe my distinguished colleage stated it was in full settlement of all claims under their treaties. As I understand, it is in full settlement of all claims with respect to these annuity obligations.

Mr. THOMAS of Oklahoma. These six annuities. It is either five or six.

Mr. KERR. They are specified in the bill.

Mr. THOMAS of Oklahoma. That is correct.

Mr. KERR. They are the ones which are being settled.

Mr. THOMAS of Oklahoma. Yes.

Mr. KERR. The settlement does not go beyond the claims which the bill sets forth.

Mr. THOMAS of Oklahoma. That is correct. The claims total $10,520. If this bill becomes law and the Indians agree to it, Congress would be requested to make the appropriation of the total sum necessary to liquidate the annuities. From then on there would be no annuities, and the Indians would get the benefit each year.

Mr. SCHOEPPEL. I thank the Senator.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Their being no objection the Senate proceeded to consider the bill (H. R. 6209) to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nations of Indians in Oklahoma, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 3, after line 11, to insert:

SEC. 5. The approval of the commutation as provided in section 2 and the deposit to the credit of the Choctaw Nation of the amount specified in section 1 shall constitute a full and complete discharge of all rights, claims, and demands of any nature whatsoever, whether tangible or intangible and whether or not cognizable in law or in equity, against the United States arising out of any of the annuity provisions of the treaties referred to in section 1.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PAYMENT TO MEMBERS OF RED LAKE BAND OF CHIPPEWA INDIANS FROM PROCEEDS OF SALE OF TIMBER—BILL PASSED OVER

The Senate proceeded to consider the bill (H. R. 6319) to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Interior is authorized to withdraw as much as may be necessary from the fund arising from the proceeds of the sale of timber and lumber within the Red Lake Reservation and deposited in the Treasury of the United States

in accordance with the provisions of the act of May 18, 1916 (39 Stat. 137), to the credit of the Red Lake Indians in Minnesota, and to pay therefrom $50 to each member of the Red Lake Band of Chippewa Indians of Minnesota who is alive on January 1, 1951. Such payment shall be made under rules and regulations prescribed by the Secretary of the Interior and at a time in 1951 when it can be most beneficial to members of the tribe.

SEC. 2. No money paid to Indians under this act shall be subject to any lien or claim of attorneys or other persons. Before any payment is made under this act, the Red Lake Band of Chippewa Indians of Minnesota shall, in such manner as may be prescribed by the Secretary of the Interior, ratify and accept the provisions of this act.

Mr. THYE. Mr. President, this bill passed the House with a $100 provision. As I understand it, this is the Indians' own money which has been earned by them from the sale of timber, sawmill operations, and so forth. I have in my hand a number of telegrams not only from Indians but from others who are interested, and I also have a letter from the representative of the State legislative district, Mr. Dickinson, and they all urge that the full $100 be allowed. If the proposed amendment were to prevail the Indians would receive only $50. I should like to see the bill passed in the manner in which it was passed by the House, allowing the full $100. Therefore I object to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. ECTON. Mr. President, I should like to explain to the able Senator from Minnesota that members of the committee would very much like to have reported the bill as it was originally introduced, to give $100 each to the Indians. However, the Bureau of Indian Affairs of the Department of the Interior made the recommendation that the per capita payment be cut to $50. It was felt by the committee that it would be better to give an Indian $50 than to give him nothing. There is no point in passing the bill without the amendment if it will mean its veto and the Indians getting nothing. Therefore we decided that it would be much better to give them half than nothing. The $50 is recommended by the Bureau of Indian Affairs and I hope the Senator from Minnesota will not object to the amendment.

Mr. THYE. Mr. President, we all know of the dire hardship which the Indians suffered in Minnesota a year ago, and since the winter months are approaching, we can anticipate further hardships on the part of the Indians. Although I disagree with the Bureau of Indian Affairs in their recommendation that the Indians should receive only $50, rather than to see the bill jeopardized, I shall not object. However, I ask unanimous consent that I be permitted to file telegrams which I received from the Indians and others who are interested. I shall not object to the bill at this time, but early next winter we may come forth with another bill proposing to give the Indians the additional $50 to which we think they are justly entitled.

There being no objection, the telegrams were ordered to be printed in the RECORD as follows:

BEMIDJI, MINN., *August 14, 1950.*
LEONARD R. DICKINSON,
Mayflower Hotel:

Please convey this message to Senator THYE—thanks. Please consider approving H. R. 6319 as approved by the House. Red Lake Indians do not want any amendments. Conditions bad. Money needed. Thanks.

BENJ. O. LITTLE CREEK.
LOUIS F. STATELY.
OTTO THUNDER.

BEMIDJI, MINN., *August 11, 1950.*
E. J. THYE,
United States Senate:

Re H. R. 6319 allocation. Viewpoint: (1) Commercial fishing at an ebb; (a) merchants have extended maximum credit and are in danger of collapse; (b) tribal credit as appropriated by committee of tribal funds has no return as result of economic stress. (2) Allocation of portion of tribal funds necessary to relieve economic stress prevalent in general within reservation. We wish at this time for immediate allocation of our tribal fund as introduced originally as extended fish diet no longer becomes pallatable.

TOM CAIN,
DAN RAINCLOUD,
Members of Co-Sanctum of Ponemah, Redby, and Redlake Indians.

BEMIDJI, MINN., *August 14, 1950.*
Senator E. J. THYE,
United States Senate,
Washington, D. C.:

Please consider approving H. R. 6319 as approved by the House. Red Lake Indians do not want any amendment. Conditions bad. Money needed.

OTTO THUNDER.
BENJ. O. LITTLECREEK.
LOUIS F. STATELY.

BEMIDJI, MINN., *August 11, 1950.*
EDWARD J. THYE,
United States Senate,
Senate Office Building,
Washington, D. C.:

H. R. 6319. Distressed by Interior Department changes H. R. 6319. Details follow. Night letter re bill ms. as to allocation. Fishing poor (HAGEN informed). Economic distress is general. Little other employment available. Forestry activity low. Allocation of tribal funds at this time important. Individual and families in dire need. Merchants have extended maximum credit and are in danger of business collapse. The original amount per capita is vital. Children need clothing before school starts.

TOM CAIN.
DAN RAINCLOUD.

BEMIDJI, MINN., *August 10, 1950.*
Hon. EDWARD A. THYE,
United States Senate,
Senate Office Building,
Washington, D. C.:

Contacted leaders since receiving your wire. All are unanimous the passage of the bill as passed by the House. Fifty dollars to be paid as soon as the bill passes and approved and the next $50 to be paid January 15, 1951. The need for this payment is very great even now and the coming winter will be much greater. The Indians feel that there should not be any question about the authorization of that amount of money since the funds belong to them. We are not begging from public funds and there is no need of suffering among the Indians when their tribal funds are ample to make the $100 payment in two issues.

PAUL H. BEAULIEU.

Mr. CHAVEZ. Mr. President, I know very little about this case in Minnesota, but I do object to the idea that the only thing we can do for the Indians is what the Bureau of Indian Affairs approves.

Mr. THYE. I agree with the Senator.

Mr. CHAVEZ. It has happened in my State. The money does not belong to the Bureau of Indian Affairs. It belongs to the Chippewa Indians. If $100 is necessary in order to enable the Indians to exist during the winter, why should the Senate of the United States, because of the threat of a veto, cut the amount to $50? The veto is someone else's responsibility, and not ours. The allowance should be $100, not $50.

Mr. President, we are moralizing throughout the world. It is about time we did something for our own, especially with our own money. The thing to do now is to defeat the committee amendment, which will place the bill before us as it was originally written, and would give those poor and neglected people what they are entitled to under our own responsibility and not give the veto power over humanity to the Bureau of Indian Affairs. I hope the Senate will defeat the committee amendment and give the Indians what they are entitled to. We would not be giving them money belonging to the taxpayers. It is their own money, to which they are entitled.

Mr. BUTLER. Mr. President, I was not a member of the subcommittee which handled the bill in the Committee on Interior and Insular Affairs. If my memory serves me correctly, the junior Senator from Arizona [Mr. MCFARLAND], the junior Senator from New Mexico [Mr. ANDERSON], and the junior Senator from Montana [Mr. ECTON] constituted the subcommittee, and unanimously approved the recommendation of the Bureau of Indian Affairs. The adoption of the amendment would put the matter in conference. The full committee accepted the report of the subcommittee, unanimously, as I recall it, and I am given to understand that if the bill is passed providing for the $100 it will receive the same treatment many other Indian bills have received on the recommendation of the Department of the Interior. Therefore, I hope that the Senate will see fit to accept the amendment, pass the bill, and send it in conference, and let the question be settled there.

Mr. CHAVEZ. Mr. President, I am not going to stand for the Bureau of Indian Affairs browbeating the United States Senate. We will either give these Indians a hundred dollars, or, so far as I am concerned, I am going to ask that the bill go over.

Mr. MCFARLAND. Mr. President, if the Senator will withhold his objection for a moment, personally I think it would be a greater injustice to the Indians for the bill to go over than to adopt the amendment. It was stated in the testimony that these Indians needed this additional money for operating purposes. I believe there is a saw mill project involved. We can take another look at the matter after the first of the year. In the meantime the Indians would get a small sum of money,

which would be helpful to them. The committee is going to make a complete study of the Indian problem. I hope the Senator will not object to the bill.

Mr. CHAVEZ. Mr. President, I know the Bureau of Indian Affairs, and I know the treatment Mr. Indian has received for the last hundred years. It is about time, since we are moralizing throughout the entire world, that we do something for people in our own country.

Mr. ECTON. Mr. President, if the very distinguished Senator from New Mexico will withhold his objection for a moment, I should like to say that I believe that most of us agree with his sentiment regarding the handling of the Indian problems. But even if I am placed in the light of defending the Bureau of Indian Affairs at this particular moment, I shall have to defend it, because I believe the new Commissioner of Indian Affairs and his assistants are honestly trying to work out a program which will be for the benefit of the Indians over the years in the future. Since I have been a Member of the Senate, at least, the present Commissioner and his assistants have come nearer to being willing to formulate some kind of a plan under which we can assist the Indians, and bring about a proper procedure whereby the Indians can take their places in society, than was ever done before.

As the Senator from Arizona explained, various business enterprises which require money are carried on by the Indians on these reservations. They have to be financed, and the only way to finance them is to provide that the money may be borrowed from the funds controlled by the Indian council on the Indian reservation. It was felt that if we would give each and every Indian on the reservation $100 per capita, there would not be enough money left in the revolving fund to help set up the special type of business involved, which requires money.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ECTON. I yield.

Mr. CHAVEZ. Possibly if there were not so many employees of the Bureau of Indian Affairs paid from the Indians' money, there would be money to finance their own affairs.

Mr. ECTON. The employees of the Bureau of Indian Affairs are not paid out of the revolving fund owned by the Indians. Every year we appropriate millions of dollars to carry on the functions of the Bureau of Indian Affairs.

Mr. CHAVEZ. Mr. President, unless we get down to stern realities, the Bureau of Indian Affairs will be running the Chippewa Indians' affairs for the next hundred years, and I should like to get to the point where Mr. Indian would have the dignity to which I think he is entitled, and which he will have if we only let him run his own affairs. If he is good enough to fight in Korea, if he is good enough to fight in Germany, if he is good enough to raise the flag on Iwo Jima or Okinawa, then it is not up to the Bureau of Indian Affairs to say whether he should have $100 to see him through a hard winter.

Mr. ECTON. I agree with the Senator.

Mr. CHAVEZ. I feel we can have some hope for Mr. Indian with the new Commissioner, who succeeded one who was supposed to have been from New Mexico, but I still agree with the Senator from Montana. For that reason I shall ask that the bill go over, so that I can talk with the new Commissioner about the bill.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

AMENDMENT OF TITLE 46, UNITED STATES CODE, SECTION 251

The bill (S. 3957) to amend title 46, United States Code, section 251, was announced as next in order.

Mr. JOHNSON of Colorado. Mr. President, there is a House bill on the next page of the calendar, Order No. 2377, House bill 9134, which accomplishes the same result as the Senate bill. The House bill should be considered and passed, because it has already passed the House, and the Senate bill indefinitely postponed. I understand there is an amendment at the desk which the House suggested the Senate add to the bill, an amendment which the House overlooked putting into the bill when it was before the House. If the clerk has not the amendment, I have it.

The PRESIDING OFFICER. Is there objection to the consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 9134) to amend title 46, United States Code, section 251.

The PRESIDING OFFICER. The Senator from Colorado proposes an amendment which the clerk will state.

The LEGISLATIVE CLERK. On page 1, in line 3, after the word "That", it is proposed to strike out "title 46 of the United States Code, section 251," and insert "section 4311 of the Revised Statutes (46 U. S. C. 251)."

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, as one who is interested in the proposed legislation, let me ask whether the amendment just offered by the Senator from Colorado helps to perfect the bill.

Mr. MAGNUSON. It merely perfects the reference to the code.

Mr. JOHNSON of Colorado. It is a technical amendment which the House overlooked adding to the bill.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to amend section 4311, Revised Statutes (46 U. S. C. 251)."

The PRESIDENT pro tempore. Without objection, Senate bill 3957 is indefinitely postponed.

PROHIBITION OF EXHIBITION OF CERTAIN FOREIGN MOTION PICTURES

The Senate proceeded to consider the resolution (S. Res. 321) opposing the transportation in interstate commerce of certain foreign motion pictures for exhibition in the United States, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment in line 9, after the numerals "1945", to insert "or (3) are members of the Communist Party or espouse Communist ideologies."

Mr. HENDRICKSON. Mr. President, I wonder if the distinguished Senator from Colorado would give us an explanation of the resolution, its purposes and objectives.

Mr. JOHNSON of Colorado. Mr. President, this is a resolution and, of course, will not have the effect of law. The purpose is to call the attention of exhibitors to motion pictures which are received from abroad, and which are exhibited in this country, so that they will examine them to see whether or not they carry propaganda which is detrimental to this country.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I ask that the report of the committee on the resolution just agreed to be printed at this point in the RECORD.

There being no objection, the report (No. 2365) was ordered to be printed in the RECORD, as follows:

The Committee on Interstate and Foreign Commerce, to whom was referred the resolution (S. Res. 321) expressing Senate disapproval of the exhibition in the United States of motion pictures produced or directed by Fascists, Nazis, or Communists, having considered the same, report favorably thereon with an amendment and recommend that the resolution as amended do pass.

PURPOSE OF THE RESOLUTION

The purpose of Senate Resolution 321 is to make clear to importers of foreign motion pictures, and to American motion-picture producers who may employ foreign directors, that the Senate of the United States does not approve of the distribution in interstate commerce of motion pictures which have been produced or directed by persons having proved by their acts that they are enemies of the United States. It is particularly important at this time, when the concepts of free democratic government are under fire, that no American citizen wittingly or unwittingly do anything to give the enemies of our own principles of government an opportunity to assist in our destruction.

Every arm of this Government has been alerted to deal with subversives; the Congress has been asked by the President of the United States to enact legislation the effect of which would be to protect our Government and way of life from those who seek to subvert it. But such administrative actions, and even such laws if enacted, could be nullified to some degree by insidious propaganda extolling totalitarian concepts of life and government through the importation of foreign motion-picture films.

No medium lends itself so effectively to propaganda and indoctrination as do films. They are among the most potent weapons which our enemies possess once we accept

them for our enlightenment and entertainment. This truth is so widely recognized that it does not require elaboration.

Democracy's most persistent foes are fascism, nazism, and communism. These monstrous ideologies will stoop to any sly, clever, or foul device to spread their doctrines of hate and corruption. It is proper, then, that known enemies of this country be identified and that films produced by them be denied the freedom of exhibition in the United States.

A distinguished Member of the Senate, Senator WILEY, of Wisconsin, has called attention to the need for carefully screening, and in fact labeling, propaganda disseminated by agents of foreign principals. In the Seventy-seventh Congress, on January 14, 1941, he introduced a bill (S. 313) which would prohibit such activity, and on that occasion he called the Senate's attention to the dangers inherent in such activity. He then said:

"We have rigid labeling requirements for food, drugs, cosmetics, so that the public may identify what it is getting. It is equally important that we make certain that the American public may identify the mental food which is being fed by foreign powers, and when I say foreign powers I do not lay my fingers upon anyone in particular, but we know that every foreign power in the world * * * is feeding propaganda into this country."

A year later, on March 9, 1943, Senator WILEY pointed out to the Senate that Nazi Germany had carefully organized its propaganda bureaus into six divisions which included the radio and the motion-picture industry in order to effectively carry throughout the world the totalitarian Nazi message.

Senator WILEY explained that—

"Dr. Goebbels issued the first decree * * * (which) provided for organization and mandatory membership for anyone connected with any 'intellectual creation or achievement presented to the public by means of print, film, or radio.'"

Subsequently, on March 17, 1948, Senator WILEY again introduced a similar bill, and commented:

"We know that the American people have become the targets for the greatest flood of propaganda unleashed by foreign governments in man's history. That propaganda must, in my opinion, be adequately identified unless we are to fall unwitting prey to it."

Three months later, on June 18, the Senate unanimously passed S. 2339, a bill which would require that all foreign propaganda mailed in this country be properly identified as to source and responsibility for issuance.

Our own American motion-picture executives and producers are alive to the problems involved in the importation of foreign films. On July 7, 1947, in an address before the Newspaper Advertising Executives Association in San Francisco, Mr. Louis B. Mayer, one of the Nation's most experienced and respected motion-picture executives, pointed out in this connection that:

"Today there is an undemocratic state on the march. Its political philosophy is foreign to our traditions * * * and seeks to spread its influence to dominate the lives of men and women in smaller nations. * * *

"Our industry is confronted with as keen competition as any of the great enterprises of this country. We welcome competition. Foreign films are exhibited in American theaters on the same basis as our own. There is no quota * * *. They flow in as freely as the air. This is not true of American films sent to foreign countries."

It is a matter of record that there still are throughout Europe men who were closely leagued with the Nazi and Fascist dictatorships and who still covertly espouse and expound those philosophies. Similarly, both in Europe and in the United States there are men who believe in Communist ideologies and seek to spread them by all means at their command. It is, therefore, vitally important that the people of the United States not be lulled into an acceptance of their vile doctrines.

Exhibition in the United States of motion pictures of which the directors and producing heads are active or covert Communists or who were leagued with Fascist and Nazi leaders is no idle conjecture. It is only a few weeks ago that 10 individuals intimately connected with American pictures as script writers and advisers began serving jail sentences stemming from their refusal to say whether or not they were members of the Communist Party. And one of the most notorious of all foreign motion-picture directors is Roberto Rossellini, whose record as a member of the Italian Fascist Party and an active Nazi collaborator is a matter of common knowledge to American intelligence and police officials. At a time when the United States was at war with Italy, Rossellini was a close associate of the infamous Italian quisling, Osvaldo Picchi, who was an informant on his fellow citizens for the German storm troopers. At that time, Rossellini had a German mistress, a notorious Nazi actress. Wholly apart from the fact that Rossellini has been twice incarcerated in a mental institution and was a narcotic addict, his record as a stanch supporter of Mussolini and an open apostle of fascism and nazism through the films produced in that period make his products thoroughly objectionable for American distribution.

While Rossellini is today the best known of these former Fascists and Nazis and their collaborators, there are others who are now beginning to emerge from the rat holes into which they fled following the Allied victory throughout Europe. The committee is, therefore, of the opinion that efforts to capitalize on the "genius" of these followers of communism, nazism, or fascism should be nipped in the bud now.

By condemning the interstate transportation of the products of such individuals, the basic American precept of avoiding censorship of the media of expression is maintained.

There is ample precedent for congressional action in declaring its objection and repugnance against certain acts or things inimical to or at variance with accepted standards of American life, belief, and behavior. The purpose of Senate Resolution 321 is to make clear that the enemies of this country and its way of life should not have the privilege of exhibiting their films in the United States; and to call to the attention of American film exhibitors the formal viewpoint of the Senate of the United States in the sound belief that they will not become unwitting parties to serving such foreign ideologies.

AMENDMENT OF INTERNAL REVENUE CODE RELATING TO INVOLUNTARY LIQUIDATION AND REPLACEMENT OF INVENTORY

The bill (H. R. 3278) to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory, was considered, ordered to a third reading, read the third time, and passed.

REFUND OF CERTAIN ESTATE TAXES

The bill (H. R. 7840) to provide for the refund of certain estate taxes was considered, ordered to a third reading, read the third time, and passed.

CUSTOMS DUTIES ON ARTICLES COMING INTO THE UNITED STATES FROM THE VIRGIN ISLANDS

The Senate proceeded to consider the bill (H. R. 6343) relating to customs duties on articles coming into the United States from the Virgin Islands.

Mr. GEORGE. Mr. President, on behalf of the State Department I offer an amendment to the bill. It simply adds at the end of the bill and after the word "duty" the word "generally." It is submitted at the request of the Department of State, as they explain, to clarify the legislative intent and to prevent any possible conflict with this country's international obligations which might arise in the case of other imports.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6343) was read the third time and passed.

BILLS PASSED OVER

The bill (H. R. 8195) to rescind the order of the Postmaster General curtailing certain postal services was announced as next in order.

Mr. SCHOEPPEL. Mr. President, I ask that the bill be passed over, by request.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4037) to protect the internal security of the United States, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, I wish to say that I do not believe this to be a bill which should be considered on the call of the calendar. I understand the majority leader has agreed that the bill shall be considered very shortly.

Mr. LEHMAN. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard, and the bill be passed over.

ASSIGNMENT OF SURPLUS CLERKS IN POSTAL TRANSPORTATION SERVICE

The Senate proceeded to consider the bill (S. 3910) relating to the assignment of surplus clerks in the Postal Transportation Service, which had been reported from the Committee on Post Office and Civil Service with amendments on page 1, line 7, after the figures "1917", to insert "as amended", and in line 8, after the word "thereof", to insert "(62 Stat. 575; 39 U. S. C. 632)", so as to make the bill read:

Be it enacted, etc., That the paragraph headed "Railway Mail Service" in the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, as amended, is amended by inserting after the second proviso thereof (62 Stat. 575; 39 U. S. C. 632) the following: *"Provided further,* That when a surplus clerk cannot be placed in a position of his grade without giving him preference over a clerk with a longer continuous postal transportation service record, he may be relegated to a lower-grade position in his own organization or transferred elsewhere to any grade that may be available for a regular clerk of his standing, under such regulations as the Postmaster General may prescribe."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TEMPORARY EMPLOYEES OF THE SENATE AND HOUSE

The Senate proceeded to consider the bill (S. 3672) to amend section 3 (c) of the Civil Service Retirement Act so as to make the exclusion from such act of temporary employees of the Senate and House of Representatives inapplicable to such employees with one or more years of service, which had been reported from the Committee on Post Office and Civil Service with amendments on page 1, line 4, after the word "amended", to insert "by section 3 of the act of January 24, 1942, as amended", and in line 5, after the word "is", to insert "further", so as to make the bill read:

Be it enacted, etc., That section 3 (c) of the Civil Service Retirement Act of May 29, 1930, as amended by section 3 of the act of January 24, 1942, as amended is further amended by inserting after the words "The provisions of this act shall not apply to employees of the Senate or the House of Representatives whose employment is temporary or of uncertain duration" the words "and who have not served as employees of the Senate or the House of Representatives for a continuous period of at least 1 year."

The amendments were agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I offer a perfecting amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 1, beginning with the word "and", it is proposed to strike out all down to and including the period at the end of the bill and insert in lieu thereof the following:

Unless and until such employees shall have served continuously in such employment for at least 1 year: *Provided*, That chairmen of committees shall give notice in writing to the disbursing officer concerned on or before the date when the services of such employees are to commence or terminate, or when salary changes are to become effective.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. SCHOEPPEL. I did not catch the reading of the amendment. Does it limit the period of employment to a minimum of 1 year?

Mr. JOHNSTON of South Carolina. Of 1 year; and it also provides that the chairmen of the committees shall report to Oco Thompson, the financial clerk of the Senate. The amendment simply is to clarify the provision.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MULTIPURPOSE TUNNEL THROUGH THE LAGUNA MOUNTAINS IN SAN DIEGO COUNTY, CALIF.

The bill (H. R. 6339) to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif., was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. MILLIKIN. Mr. President, reserving the right to object, I wish to say that the bill itself and the reports on the bill make it clear that one of the purposes is preliminary action for agumenting the supply of water for San Diego. The supply of water for San Diego from the Colorado River is or might be the subject of controversy or litigation and the claim might be made that in passing this bill, the Congress had taken a position with reference to the law of the river or as to other controversial phases of the matter.

This raises the question whether Congressional approval of this bill, or of this bill as it might be amended, and/or approval by the President would in any way affect the law of the Colorado River including the law of the river as established by the Colorado River compact, the Boulder Canyon Project Act (45 Stat. 1057), the California Self-Limitation Act (Cal. Stat. 1929, ch. 16), and the Boulder Canyon Project Adjustment Act (54 Stat. 774), or as otherwise established, or whether it would in any way affect or prejudice the rights or obligations or claims of rights or obligations to or respecting the water of that river.

Before the junior Senator from Colorado can consent to consideration of this bill I must have unequivocal affirmative statements from the chairman of the Senate Public Works Committee and the distinguished Senators from California that the bill, if it becomes law, will not in any way affect the law of the Colorado River as made up by the compact and the legislation above described, or otherwise, and that it will not in any way prejudice or affect the rights or obligations or claims of rights or obligations to or respecting the water of that river.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. McFARLAND. I have an amendment which would strike out the water features of the bill. I, too, at this time have some concern in regard to the matter. The bill provides merely for a preliminary survey, and if we find that the authorization would not affect Colorado River water rights the provision could be broadened when the main survey is made. The author of the bill, the distinguished Representative McKINNON, has agreed with me that he would not object to striking out the water features of the bill.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. CHAVEZ. I want to be associated with the Senator from Colorado and the Senator from Arizona in trying to protect the rights which now exist under the water compacts affecting the Colorado River, and any amendment submitted to take care of those rights will be satisfactory to the chairman of the Committee on Public Works.

Mr. MILLIKIN. I should like to inquire what is the amendment of the Senator from Arizona.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, after "highway," it is proposed to insert the word "and"; in line 7, it is proposed to strike out the words "and aqueduct"; and in line 11, beginning with the semicolon it is proposed to strike out down to and including the word "supply" on page 2, line 5.

Mr. MILLIKIN. Mr. President, reserving the right to object, is it the intention of the distinguished junior Senator from Arizona and of the distinguished chairman of the committee that that shall remove all water features from the bill?

Mr. CHAVEZ. That is my opinion, I will tell the Senator from Colorado. But I would be willing to accept any amendment that would satisfy the Senator from Colorado, because I am just as much interested in protecting what little water California has not taken away from New Mexico, as is any other Senator.

Mr. MILLIKIN. The junior Senator from Colorado has no objection to the bill if it is not and can never be construed as affecting the law of the Colorado River.

Mr. CHAVEZ. The showing made before the Committee on Public Works indicated that it was not the purpose or intent in any way, shape, or form, to change any water rights that might now belong to the upper basin States or any State in the Colorado River Basin. I want it strictly understood that that is the intent that was in the minds of its members at the time the bill was reported by the committee.

Mr. McCARRAN. Mr. President, the Senator from Colorado has the floor. Will he yield for a question?

Mr. MILLIKIN. Yes.

Mr. McCARRAN. What is the aim and object of the bill?

Mr. MILLIKIN. The aim and object of the bill is to build a tunnel for the multiple purpose of highway and road and water transportation through the mountains near San Diego to augment, under the language of the bill, the water supply at San Diego.

Mr. McCARRAN. Where is this water coming from?

Mr. MILLIKIN. The water comes at the present time from the Colorado River. The question is: What water do they have in mind with which to augment the present supply?

Mr. McCARRAN. That is what I should like to know.

Mr. MILLIKIN. That is precisely what caused my objection. Therefore I should like to ask the distinguished chairman of the committee whether he is willing to say to me that the bill as it is now, or as amended, if it becomes law, will not in any way affect and is not intended to affect in any way the law of the Colorado River as made up by the compact and the legislation which I have described, or otherwise, and that it will not in any way prejudice or affect the rights or obligations or claims of rights or obligations to or respecting the water of that river.

Mr. CHAVEZ. Mr. President, the testimony before the Committee on Public Works was to the effect that the

benefits to accrue, if eventually the project is carried on, after the survey is made, will go to the railroads and to transportation by road, and that the water phase is only incidental, though in time it might be necessary to use that particular tunnel to carry water.

However, I wish to have the Senator from Arizona and the Senator from Colorado and even the Senator from New Mexico see to it that the bill is prepared in such a way that water rights, insofar as the Colorado River Basin or any other river basin, including the Gila River, in that area are concerned, will not be affected.

Mr. McFARLAND. Mr. President, Mr. McKINNON, the distinguished Member of the House of Representatives, was kind enough to explain to me that the chief object of the bill is to permit the building of a highway and railroad. I wish to call attention to the fact that with the inclusion of the amendment, the bill will read as follows:

Be it enacted, etc., That the Chief of Army Engineers is hereby authorized and directed to cause a preliminary examination and investigation to be made to determine the engineering feasibility and economic advisability of constructing a multipurpose highway and railway tunnel through the Laguna Mountains in San Diego County, Calif., with a view to improving, for national defense purposes, the route of United States High- No. 80; expediting highway and railway transportation through the Laguna Mountains. There is hereby authorized to be appropriated a sum not to exceed $50,000 to carry out the purposes of this act. The Chief of Engineers shall report his recommendations to the Congress within 1 year from the date funds for this preliminary examination and investigation are made available by the Congress.

So the bill now becomes solely a highway and railway tunnel bill; and the water features of the bill are entirely stricken out.

Mr. CHAVEZ. Mr. President, the reason why this tunnel is desired for transportation purposes only is that the railroads can save some money by not having to go over the pass, in getting to Los Angeles. In the present situation, it is necessary to divide a 100-car freight train into three trains, in order to get over the pass. If this tunnel is available, the result will be not only to speed up traffic by automobile and truck, but also to expedite transportation by railroad, inasmuch as in that case one railroad engine will be able to take a 100-car train into that area.

Mr. McCARRAN. Mr. President, is it necessary to have a Federal act in order to have a survey made for the purpose the Senator has just stated?

Mr. CHAVEZ. It is necessary, for the reason that United States Highway No. 80 is involved.

Mr. McCARRAN. But is it necessary to have a Federal act in order to make a survey?

Mr. CHAVEZ. Yes, because the only way the survey can be made, inasmuch as a Federal-aid highway is involved in this instance, is to have a Federal act passed.

Mr. MILLIKIN. Mr. President, will the Senator yield, to permit me to ask a question?

Mr. CHAVEZ. I yield.

Mr. MILLIKIN. The debate in the House of Representatives and the letter of the Secretary of the Interior to the distinguished chairman of the committee show that at least there was an original serious intent to use this tunnel to augment the water supply at San Diego.

Tentatively I am not objecting to the amendment, but I should like to have affirmative assurance from the distinguished chairman of the committee that either with or without the amendment, the bill, if it becomes law, will not in any way affect the law relating to the Colorado River, as made up by the compacts and other legislation I have described, and that the bill will not in any way affect or prejudice the laws and compacts affecting that river.

Mr. CHAVEZ. Mr. President, the Senator from Colorado is a very fine lawyer, and he knows very well that any legal opinion given by an attorney can be set aside by a court.

So far as the committee is concerned, however, I can assure the Senator that was the purpose and intent of the committee.

Mr. MILLIKIN. That is satisfactory to me.

Mr. CHAVEZ. The intent of the committee was that the bill, if enacted, would not affect any rights in the Colorado River Basin.

Mr. MILLIKIN. That is satisfactory to me.

Mr. CHAVEZ. However, I cannot assure the Senator that a court would interpret the bill in that way.

Mr. MILLIKIN. The distinguished Senator from New Mexico is an able lawyer himself, and there are other able lawyers on his committee. I wished to have an official statement from him, as chairman of the committee, and speaking for the committee, that this measure has no water incidents in it, insofar as the Colorado River is concerned.

Mr. CHAVEZ. Yes, so far as the committee's intent is concerned.

Mr. MILLIKIN. Yes, so far as the committee's intent is concerned.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Arizona.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6339) was read the third time and passed.

Mr. MILLIKIN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the report on the bill.

There being no objection, the report (No. 2374) was ordered to be printed in the RECORD, as follows:

The Committee on Public Works, to whom was referred the bill (H. R. 6339) to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif., having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of the bill is to authorize the Chief of Engineers of the Department of the Army to make a preliminary examination and investigation to determine the engineering feasibility and economic advisability of constructing a multipurpose highway, railway, and aqueduct tunnel through the Laguna Mountains in San Diego County, Calif., with a view to improving for national defense purposes the route of United States Highway No. 80, expedite highway and railway transportation through the Laguna Mountains and augment and improve a domestic and industrial water supply of the San Diego area.

The bill as originally introduced in the House would have authorized a full-scale physical survey in addition to the preliminary examination, but it was amended by the House to eliminate the full-scale survey and a money limitation of $50,000 was set for the preliminary examination. Under the terms of the bill as passed by the House and reported by the Senate committee the full-scale survey cannot be undertaken without further authorization by Congress. The preliminary examination and investigation authorized in H. R. 6339 will serve as a basis for determining whether it would be advisable for Congress to give further consideration to authorizing a full-scale survey. The bill as passed by the House also requires that the Chief of Engineers shall consult with the Secretary of the Interior as to all matters relating to augmenting and improving domestic and industrial water suppliers.

Proponents of the bill presented information to the effect that within an airline distance of 100 miles there is the highly productive agricultural region of the Imperial Valley and the important west coast harbor of San Diego. Because of a mile-high mountain wall separating these two areas, grades and curves are so extreme as to make the railroad and highways over the mountain impractical for freight purposes. It is claimed that a tunnel through this high mountain wall would save millions of ton-miles of freight per year and that the savings would more than liquidate construction costs over a period of years. The proponents have requested the preliminary examination authorized in this bill in order to confirm or refute these claims. They also claim that these improved transportation facilities would be of major importance to national defense since the major naval base at San Diego would have to depend upon this transportation route for its supplies during any attack on the west coast.

Hearings on the bill were held by the Committee on Public Works of the House of Representatives. The bill as amended by the House incorporates amendments suggested by the Chief of Engineers, the Secretary of the Interior, and the Bureau of the Budget. These amendments are concurred in by the Department of Commerce. The reports of the Departments on the bill are as follows:

MARCH 30, 1950.

Hon. WILL M. WHITTINGTON,
Chairman, Committee on Public Works, House of Representatives.

DEAR MR. WHITTINGTON: Reference is made to your request for a report on House bill 6339, to authorize a survey to determine the

feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.

The Department of the Army has considered the above-mentioned bill.

The purpose of the bill, H. R. 6339, is to authorize a survey to determine the feasibility and advisability of constructing a multipurpose highway, railway, and aqueduct tunnel through the Laguna Mountains in San Diego County, Calif., with a view to improving, for national defense purposes, the route of United States Highway No. 80; expediting highway and railway transportation to and from San Diego Harbor; and augmenting and improving the domestic and industrial water supply of the San Diego area. The bill also would authorize the appropriation of funds necessary to carry out the purposes of the proposed legislation and would require the Chief of Engineers to report his recommendations to the Congress within 2 years from the date funds for the survey are made available.

The cost of the investigation is estimated at $575,000, but it would be impracticable to make any estimate as to the cost of the project until an investigation is made, including borings and other subsurface exploration, field surveys, and economic investigations. Inasmuch as the investigation would cover matters outside the purpose of present appropriations for flood control and river and harbor investigations, the funds to cover the cost of the investigation in question would, of course, be budgeted separately.

This report has been coordinated among the departments and boards in the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that in view of the engineering and economic complexities of the project, it is believed that prior to undertaking a full-scale survey including the necessary underground explorations, it would be advisable to make a preliminary examination on the basis of data now available or which could be procured at relatively small cost to arrive at the feasibility, probable cost, and tentative economic justification of the proposed tunnel, with a view to determining the desirability of expending funds for a detailed investigation.

While there would be no objection to the submission of whatever report you deem appropriate to the committee, it is recommended that H. R. 6339 be amended to provide initially for a preliminary survey and that the detailed survey be initiated only after a review by your office of the results of the preliminary examination shows that a full-scale study is warranted.

Sincerely yours,

GORDON GRAY,
Secretary of the Army.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., March 25, 1950.

Hon. WILLIAM M. WHITTINGTON,
Chairman, Committee on Public Works,
House of Representatives,
Washington 25, D. C.

MY DEAR MR. WHITTINGTON: Reference is made to your request for a report on H. R. 6339 which, if enacted, would authorize the Chief of Engineers to investigate the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif., with a view to improving for national defense purposes the route of United States Highway No. 80, expediting railway transportation to and from San Diego Harbor and improving and augmenting the water supply of the San Diego area.

For the reasons hereinafter stated, I recommend that this bill be enacted with amendments requiring consultation between the Chief of Engineers and the Secretary of the Interior on the water-supply phase of such investigation.

The bill makes no mention of the probable or possible sources of water which might be utilized to augment and improve the present supplies of the San Diego area. As it is not likely that construction of the tunnel would itself serve to develop usable quantities of ground water and as there are few, if any, suitable sources on the east side of the Laguna Mountains, it would appear the water supply referred to would have to come from the Colorado River. Any investigation of the possibility of diverting Colorado River water must immediately take into account the conditions established by the Colorado River compact and related documents, including in this instance the agreement between the United States and the city of San Diego. These items are discussed in further detail later in this letter.

The Bureau of Reclamation of the Department of the Interior has heretofore, pursuant to a contract with the city of San Diego and the county of San Diego dated May 29, 1943, made an investigation, prepared preliminary designs, and made a preliminary report dated January 1946, for the purpose of determining the most feasible route by which Colorado River water could be conveyed from the All-American Canal in Imperial Valley through the Laguna Mountains to the San Diego area. While that investigation covered only the water-supply phase of the survey proposed by H. R. 6339 and did not consider the railroad or highway problem, the results of that investigation would be, in my opinion, helpful to the Chief of Engineers in making such survey.

Under the terms of an agreement with the city of San Diego dated February 15, 1933, moreover, the United States undertook, subject to certain conditions, to deliver to the city and/or county of San Diego 112,000 acre-feet annually from water stored in Lake Mead at a point on the Colorado River immediately above Imperial Dam. For the purpose of transporting the water from that point of delivery through the All-American Canal, the city of San Diego contracted with the United States, under date of October 2, 1934, for 155-cubic-feet-per-second capacity in the canal from Imperial Dam to its terminus. The city's repayment obligation under the latter contract still exists, although its water right under the former contract is now merged with that of the Metropolitan Water District of Southern California under a contract between the city, the district, the San Diego County Water Authority, and the United States dated October 4, 1946. This contract changed the point of delivery of San Diego's Colorado River water from a point on the Colorado River immediately above Imperial Dam to the district's intake at a point on the Colorado River immediately above Parker Dam. It further provided that, in the event that the corporate area of the San Diego County Water Authority at any time ceases to be a part of the metropolitan water district, the contract of February 15, 1933, shall be revived. Pursuant to the contract of October 4, 1946, the San Diego area is now receiving Colorado River water through the San Diego aqueduct which connects with the Colorado River aqueduct of the metropolitan water district near the west portal of the San Jacinto tunnel in Riverside County, Calif. The San Diego aqueduct was planned and designed by the Bureau of Reclamation, and was built under the direction of the Department of the Navy. It was leased to the city of San Diego by contract dated October 17, 1945, and this contract has been assigned by the city, pursuant to contract dated September 23, 1946, to the San Diego County Water Authority and is being administered on behalf of the United States by the Bureau of Reclamation under a memorandum of understanding between the Department of the Interior and the Navy Department dated April 22, 1946.

The Bureau of Reclamation is presently, through a contract with the San Diego County Water Authority dated April 25, 1949, investigating the cost and utility of a second barrel of the San Diego aqueduct, the contract expressing the expectation that if a second barrel is built it will be built by the Bureau of Reclamation. Involved in this investigation are studies of the community's water supply, its present and future needs, its abiliay to meet its indebtedness for municipal water facilities and the selection of a route and terminus for the second barrel which will best integrate the several reservoirs in the community's system. The Bureau is negotiating a similar contract with the city of San Diego for investigation of the development of the waters of the San Dieguito River system, principally for municipal purposes. This investigation will likewise involve consideration of all the elements of the water system in the San Diego area. The Corps of Engineers is investigating the flood-control aspects of the San Dieguito River system. In anticipation of the proposed investigation by the Bureau, the investigational programs of the Corps of Engineers and the Bureau on the San Dieguito River system are already coordinated.

Finally, the Bureau of Reclamation is investigating the economic feasibility of developing the West Mesa lands in the Imperial irrigation district. The possibility of irrigating those lands would be one of the factors to consider in locating an aqueduct through the Laguna Mountains.

Accordingly, I am of the opinion that the Bureau of Reclamation has an interest in the planning of any water facilities proposed to be constructed by the United States for serving the San Diego area, and that there should be consultation between the Bureau of Reclamation and the Corps of Engineers in planning the joint facilities contemplated by H. R. 6339 and in the allocation of the costs of such facilities between water supply and the other purposes referred to in the bill. The bill might well be amended, also, to provide for participation by the Bureau of Public Roads in the investigation.

To carry out my recommendations with respect to consultation with the Bureau of Reclamation, I further recommend that the bill be amended by deleting the period in line 2, page 2, and inserting the following: ": *Provided*, That the Chief of Engineers shall consult with the Secretary of the Interior as to all matters relating to augmenting and improving such water supply"; and by inserting, in line 3, page 2, after the word "Engineers" the words "and the Secretary of the Interior."

The Director of the Bureau of the Budget has advised me that there is no objection to the presentation of this report to the Congress.

Sincerely yours,

OSCAR L. CHAPMAN,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., April 19, 1950

Hon. WILLIAM M. WHITTINGTON,
Chairman, Committee on Public Works,
House of Representatives,
Washington, D. C.

MY DEAR MR. WHITTINGTON: Receipt is acknowledged of your letter dated March 30, 1950, requesting the views of the Bureau of the Budget on the advisability of enacting the provisions of bill H. R. 6339, to authorize a survey to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.

The views of this Office on H. R. 6339 were expressed in a letter to the Secretary of the Army dated March 22, 1950, which stated:

"* * * Your report indicates the estimated cost of the survey to be $575,000. The bill requires that the Chief of Engineers report his recommendations to the Congress within 2 years from the date funds for this survey are made available by the Congress.

"In view of the engineering and economic complexities of the project, it is believed that prior to undertaking a full-scale survey, including the necessary underground explorations, it would be advisable to make a preliminary examination on the basis of data now available, or which could be procured at relatively small cost, to arrive at the feasibility, probable cost, and tentative economic justification of the proposed tunnel, with a view to determining the desirability of expending funds for a detailed investigation.

"While there would be no objection to the submission of whatever report you deem appropriate to the committee, it is recommended that H. R. 6339 be amended to provide initially for a 'preliminary survey' and that the detailed survey be initiated only after a review by your office of the results of the preliminary examination shows that a full-scale study is warranted."

Subject to amendment of the bill as outlined above, there would appear to be no objection to its enactment.

Sincerely yours,

ELMER B. STAATS,
Assistant Director.

THE SECRETARY OF COMMERCE,
Washington, May 19, 1950.

Hon. WILLIAM M. WHITTINGTON,
Chairman, Committee on Public Works,
House of Representatives.

DEAR MR. WHITTINGTON: This letter is in further reply to your request dated January 10, 1950, for the comments of the Department of Commerce concerning H. R. 6339, a bill to authorize a survey to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.

The bill would authorize a survey to determine the feasibility and advisability of constructing a multipurpose highway, railway, and aqueduct tunnel through the Laguna Mountains in San Diego County, Calif. It provides that such survey would be made for the purpose of developing information in connection with improving United States Highway 80 for the national defense, expediting highway and railway transportation to and from San Diego Harbor, and improving the domestic and industrial water supply of the San Diego area.

We have studied the project set forth by this proposed legislation and it is our conclusion that the concept of a multipurpose tunnel providing for highway and railway traffic and an aqueduct through the Laguna Mountains is impracticable for the engineering considerations and limitations which are herein developed.

In 1946 the California Division of Highways conducted a comprehensive investigation in the form of field reconnaissance and studies covering possible highway locations between San Diego and the Imperial Valley of a low-level route or truck highway, with a view of improving the present route of United States Highway 80.

This investigation brought out the fact that for a highway facility a tunnel route would require the construction of a 12-mile tunnel. The State highway engineer, in commenting on this feature, makes this statement:

"A motor-vehicle tunnel of this length has never been built, as far as I am aware, even seriously considered, and there are obstacles and difficulties to overcome at the particular location involved which could easily be unsurmountable."

It is further brought out the disadvantage of this route is its tremendous construction cost, together with the high cost of operation which, in relation to the other satisfactory routes studied, involving no long tunnel sections, makes its construction unsound economically, particularly in view of estimated average traffic, by 1965, being only 3,185 vehicles per day. It may be of interest that the longest existing vehicular tunnels are the Mersey River tunnel, in Liverpool, England, and the Holland tunnel, under the Hudson River in New York, which are only approximately 2 miles long.

The report of the California Department of Highways is, in our opinion, all that is necessary for the selection of a new highway route or routes to improve the crossing of the Laguna Mountains.

Further, concerning the proposition of a multipurpose tunnel, we wish to point out that it is impracticable from an engineering standpoint, and uneconomical for several reasons, to combine railroad and highway traffic in one tunnel. For instance, a 1½-percent grade is considered steep on a trunk-line railroad, while a grade twice as steep, or 3 percent, is a rather easy grade on a highway. With permissible approach grades of 3 percent for a vehicular tunnel, as compared with 1.5 percent for a railroad, it is obvious that the mountain range can be crossed with a shorter tunnel for highway traffic than for railroad traffic. Tunnels large enough to accommodate two or more lanes of vehicular traffic with the necessary ventilation ducts and accessories are so costly that they have to be short to be economically feasible. It is self-evident that railroad trains and vehicular traffic could not be operated on the same roadway, and in the case of a combined tunnel, separate compartments would of necessity have to be provided for the railway traffic and for the highway traffic.

In the case of a long-span bridge, it is frequently true that economies may be effected by combining rail and highway traffic on the same structures, since the dead-load weight of the bridge is great compared to the live load; and providing the additional space required for one or two railroad tracks on a highway bridge may be cheaper than the building of a separate bridge.

With a tunnel, however, the situation is quite different. In soft ground it is usually cheaper to build two separate tubes for a double-track railroad than one tunnel large enough for two tracks. In the case of a rock tunnel, it is to be expected that the quality of the rock is less than ideal for tunneling and it therefore requires temporary roof support during tunnel driving and before the permanent lining can be placed. This slows down construction progress and increases the cost. The amount of temporary supports and resulting increase in cost become greater the larger the cross section is so that in the kind of rock requiring roof support during tunneling, and such could well be the case in the Laguna Mountains, the unit cost of excavation would very likely be greater for a tunnel large enough to accommodate railway traffic in addition to vehicular traffic than it would be for a tunnel large enough to accommodate vehicular traffic only.

In considering a case similar to the one under discussion for a combined railway and highway tunnel through the Cascade Mountains in the State of Washington, the eminent tunnel engineer Ole Singstad held the view that it is impracticable to combine railroad and highway traffic in one tunnel and expressed views paralleling the above statements concerning the feasibility and advisability of such construction.

With regard to the provision for an aqueduct, it is self-evident that if a tunnel were built provision could be made for such installation. However, it should be recognized that it would probably be cheaper to provide for such an aqueduct independent of the highway or railway facilities.

The proposed legislation proposes to improve, for national-defense purposes, the route of United States Highway No. 80. In this connection it might be stated that the long tunnel could easily be damaged and rendered unusable by sabotage so that in reality two open highway routes would be less susceptible to destruction and would offer a more dependable facility. It should also be noted that two or more highways could be constructed at considerably less cost than the one long tunnel.

If further study of the problems involved is desirable in addition to that already made by the California Highway Commission, we recommend that it should be confined to a thorough economic investigation by the appropriate agency or agencies of the State and Federal Governments of the commercial development that may be expected in the area that would be served, the character of transportation facilities that would be needed, and whether or not the potential commercial development and the use that would be made of such transportation facilities would justify the expenditure of public funds that would be required. The Department of Commerce, for example, has considerable information which would be of value in such a study. If the bill were revised to provide for an investigation of this latter kind and authorize the expenditure of a reasonable sum to meet the cost thereof, no objection would be interposed by this Department. Favorable action on the bill in its present form, however, is not recommended.

We are advised by the Bureau of the Budget that while there would be no objection to the submission of whatever report we deem appropriate to the committee, that Bureau has recommended to the Department of the Army that H. R. 6339 be amended to provide initially for a preliminary survey and that the detailed survey be initiated only after a review by the Army if the results of the preliminary examination show that a full-scale study is warranted.

If we can be of further assistance in this matter, please call upon us.

Sincerely yours,

THOMAS W. S. DAVIS,
Acting Secretary of Commerce.

DEVELOPMENT AND MAINTENANCE OF AMERICAN-FLAG SHIPPING ON THE GREAT LAKES—BILL PLACED AT FOOT OF CALENDAR

The bill (H. R. 8847) to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, by request, I ask that the bill go over.

Mr. THYE. Mr. President, will the Senator withhold his request for a moment?

Mr. HENDRICKSON. I shall gladly withhold the request, but I do not know that any purpose will be served by doing so, because the Senator who objected is not now in the Chamber; in fact, he is not in the Capitol.

The PRESIDENT pro tempore. The Chair would also call attention to the fact that this bill is the same as Calendar No. 1837, Senate bill 3109, a bill which was passed over, upon objection, during a previous call of the calendar.

However, the Chair understands that the Senator from New Jersey temporarily

withholds his objection in regard to House bill 8847.

Mr. THYE. Mr. President, the only reason why I requested the Senator to withhold for a moment his objection to the present consideration of the bill, is that I do not now see in the Chambers the Senator who objected on a previous occasion to consideration of the bill; and I should like to ask this question: If the Senator who objected appears on the floor in the next few minutes, will it be possible for us to consider the bill during the present call of the calendar?

Mr. HENDRICKSON. I would not object to that procedure.

Mr. THYE. Then, Mr. President, if the Senator who objected appears on the floor of the Senate before we complete the call of the calendar today, may I have the privilege of having this bill called up?

The PRESIDENT pro tempore. The Chair will suggest that, without objection, the bill will be placed at the foot of the calendar.

Mr. THYE. I thank the Chair.

The PRESIDENT pro tempore. The next measure on the calendar will be stated.

BILL PASSED OVER

The bill (H. R. 8920) to reduce excise taxes, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. That bill goes over, under a special order.

AMENDMENT OF SYNTHETIC LIQUID FUELS ACT, AS AMENDED—BILL PASSED OVER

The bill (H. R. 8975) to amend the Synthetic Liquid Fuels Act, as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, let me say that I am sure that other Members of the Senate are in the same situation I am in. I understand the report on this measure is not available. For that reason, I think this bill should be passed over. In the same way, I think that any measures following this one on the calendar should likewise be passed over, in view of the lack of information by way of reports on them.

Mr. KILGORE. Mr. President, I realize that no report has been printed as yet for this bill. The bill was reported and placed on the calendar just yesterday. As a matter of fact, I do not think the bill itself has been printed as yet.

When the Senator sees the report and the bill, I think there will be no objection to it. It came from the committee by unanimous report. It merely continues a program which is very necessary in connection with conservation and the national defense.

I hope the Senator will not object if we place the bill on the next calendar, to be called at that time. I myself raise no objection to having that done.

Mr. SCHOEPPEL. That will be agreeable.

Mr. ELLENDER. Mr. President, does that complete the calendar?

The PRESIDENT pro tempore. Yes, except for one bill which has been placed at the foot of the calendar. That bill will be called now.

DEVELOPMENT AND MAINTENANCE OF AMERICAN-FLAG SHIPPING ON THE GREAT LAKES—BILL PASSED OVER

The bill (H. R. 8847) to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes, which bill had previously been ordered placed at the foot of the calendar, was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, I am constrained to object, by request, to the consideration of this measure.

Mr. THYE. Mr. President, if the Senator will withhold his objection for a moment, in order that I may explain why enactment of this proposed legislation is so important to the entire Northwest, I shall appreciate it very much.

Yesterday I received telephone calls from the Northwest, namely, from Minnesota, the Dakotas, and Montana—informing me that they are so short of grain cars that they simply cannot move the grain, and much grain is in danger of spoiling because it is simply dumped on the ground. We have had such a shortage of grain cars every year for the past 7 or 8 years, to my personal knowledge.

The information I have from the Interstate Commerce Commission is that we are short 20,000 box cars and flat cars, and that we shall continue to be short of such cars for years to come.

One reason why we need to have this bill enacted, so as to provide package-freight shipping facilities on the Great Lakes, is to relieve the railroads of a great amount of freight which the water transportation could well carry.

It seems wrong to me that this bill should be objected to, and that it should have been objected to on the numerous calls we have had of the calendar. All we are asking is that the Middle West be treated in the same manner as the Atlantic seaboard was treated when Liberty ships were bought. We are asking only that the operators on the Great Lakes be permitted to buy these ships, which were surplus assets at the end of the late war, in the same manner that those on the Atlantic seaboard bought them during the past year.

Mr. SCHOEPPEL. Still reserving the right to object—and I shall, of course, object—I merely want to say to the distinguished Senator from Minnesota that I am quite sure he understands the capacity in which the Senator from Kansas is making this objection on behalf of the minority committee on the calendar. It is not my objection, but an objection lodged with us by a Senator. I must object.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over. That concludes the call of the calendar.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico;

S. 2491. An act providing for the conveying of land and buildings at Fort Phillip Kearney Military Reservation to the State of Rhode Island;

S. 2868. An act to incorporate the Future Farmers of America, and for other purposes;

S. 3698. An act to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work;

H. R. 2854. An act for the relief of the estate of Wade H. Noland; and

S. J. Res. 174. Joint resolution granting the consent of Congress to the entry, by the State of Missouri and by the State of Illinois, into a compact or agreement between the State of Missouri and the State of Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan District.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 23, 1950, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico;

S. 2491. An act providing for the conveying of land and buildings at Fort Phillip Kearney Military Reservation to the State of Rhode Island;

S. 2868. An act to incorporate the Future Farmers of America, and for other purposes;

S. 3698. An act to enable the Secretary of Agriculture to furnish, upon a reimbursable basis certain inspection services involving overtime work; and

S. J. Res. 174. Joint resolution granting the consent of Congress to the entry, by the State of Missouri and by the State of Illinois, into a compact or agreement between the State of Missouri and the State of Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan District.

CONVEYANCE OF CERTAIN MINERAL INTERESTS

Mr. ELLENDER. Mr. President, earlier in the afternoon the distinguished majority leader gave notice that calendar No. 1333, the bill (H. R. 4800) to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes, would be taken up following the call of the calendar. At the time of his announcement the distinguished majority leader was not aware of a tacit understanding which we had yesterday in the Committee on Agriculture and Forestry that this bill would not be called up until we had hearings on certain matters pertaining to the sale of mineral rights made by the Department of Agriculture under lands other than those involved in H. R. 4800.

I wish to advise the Senate that tomorrow morning at 10 o'clock a subcommittee of the Committee on Agriculture

and Forestry will proceed to hear representatives of the Department of Agriculture who are familiar with the sale of certain mineral rights heretofore made by the Department of Agriculture and which were brought to the attention of the Senate by the distinguished Senator from Delaware [Mr. WILLIAMS]. It is my understanding that the Senator from Delaware does not object to the bill, but that he is anxious to obtain certain information from the Department of Agriculture in regard to the sale of mineral rights previously made on lands not involved in H. R. 4800. It is hoped that, after tomorrow, we may be able to clear the issues raised by the Senator from Delaware and probably get the bill up for consideration without much further delay. That is my hope.

Mr. LUCAS. That is satisfactory.

PICKETING UNITED STATES COURTS

Mr. ELLENDER. Mr. President, while I am on my feet, I now move that the Senate proceed to the consideration of Calendar No. 968, the bill (H. R. 5647) to prohibit the picketing of United States courts. This bill has been on the calendar for over a year and I have given notice on several occasions that I would call up the bill for action at the first opportunity. Should my motion prevail I propose to strike from the bill all the language after the enacting clause and substitute in lieu thereof the language of S. 1681, a Senate bill on the same subject and now on the calendar.

Mr. LUCAS. Mr. President, this bill has been on the calendar for some time. It is a bill which deals with the internal security of the country. It seems to me in view of the fact that the majority leader earlier this afternoon made an announcement as to what the program would be, upon which all Senators have relied, that it is now completely out of order, at this late hour, to move to take up a bill of this kind. A quorum call would be necessary. It seems to me that if the Senator from Louisiana will but restrain himself until we take up the internal security bill, following the disposition of the tax bill, he will have plenty of time to offer this bill as an amendment. That is where it belongs, since it involves the internal security of the country. There is no doubt that he has the votes.

There are a number of similar bills. Most of them have been more or less merged into the McCarran anti-Communist bill. I anticipate that the Senator from Louisiana probably will have no trouble in having the bill adopted as an amendment. But it seems to me that to move the consideration of the bill this afternoon at 3 o'clock, necessitating as it would a quorum call, when we have agreed to take up the tax bill tomorrow, is not the thing to do. I certainly hope the motion will not be agreed to.

Mr. McCARRAN. Mr. President, the presentation made by the able majority leader, the Senator from Illinois, does not seem to me to fit the situation at this time. The provision to prohibit the picketing of United States courts is not in the anti-Communist bill, which will come up immediately following the tax bill. It was formerly a part of it, but it was stricken from the bill by the committee.

Mr. President, this bill rose out of a situation which must of necessity have aroused the people of America. In the midst of a solemn trial, when men's lives were at stake and when the dignity of the Government was at stake, as well, the court, in which there should have been decorum, regular order, and decent proceedings, was disturbed and annoyed by a picketing of the court. It seems to me that that is carrying picketing to a point where the American people will not tolerate it any longer. If there is any one thing in the world the American people look to for the preservation of our form of government it is the courts and the court procedures. If certain groups are to be permitted to disturb the orderly proceedings, of courts, then it seems to me we have reached a point where dignity in court procedure, not only as it may affect the Government, but also as it may affect the individual on trial, is a thing of the past. It seems to me it has been carried too far.

The right of juries to consider facts presented in a court under orderly rules of procedure seems to me to be a thing which far transcends the right to picket. All that this bill is designed to do is to protect the courts of the country from disorderly conduct within the courts and about and around the courts, during the course of trials.

Mr. LUCAS. Mr. President, if the motion of the Senator from Louisiana prevails, I shall invite any Senator who is interested in any bill which is on the calendar to move to take it up, following this bill. It was not agreed that this bill should be considered. There was no reference to it this afternoon when we were discussing the order of business. It is not at all a question of the merit or demerit of this bill. What the Senator from Nevada says has absolutely nothing to do with the question of procedure in the Senate. Are we to follow a certain line of procedure as laid down by the Policy Committee, or, after a program has been laid down, with no dissenting voice heard in connection with it, and when many Senators have left the Chamber, and have been told that when the call of the calendar was concluded there would be no other business transacted, unless it should be some bill on which everyone agreed, are Senators to be permitted to move the consideration of a bill which has not been included in the program?

Certainly this is a measure which affects the internal security of the country. The fact that the Senator from Nevada has said it was originally in his bill is a definite indication that he thought it to be a matter affecting the internal security, otherwise he would not have included it in the over-all provisions of the McCarran anti-Communist bill.

For some reason, it was stricken out in the committee; for what reason, I do not know. Certainly this measure can be tacked onto the anti-Communist bill next week, and no doubt it will be; but to take it up at this late hour in the afternoon, at a time when the Senator from Georgia was on his feet and ready to move the consideration of the tax bill, as it was understood by all Senators would be done, seems to me to be not in keeping with the best practices in the Senate of the United States.

Mr. President, I say that in the best of faith. It is not a question of whether we are for the bill or against it; it is a question of orderly procedure in the Senate.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ELLENDER. Is it not a fact that the Senate was to proceed to the consideration of the mineral bill this afternoon?

Mr. LUCAS. I made that announcement. It was agreed that after a quorum call that bill would be taken up. The able Senator from Louisiana came to me and stated that there would be a hearing tomorrow, as the result of a protest made by the Senator from Delaware [Mr. WILLIAMS], and I then said that we would not take up the mineral bill, after I had promised a dozen Senators that it would be taken up. In view of the fact that the Senator from Louisiana came to me and said, "We are holding a hearing tomorrow, and after the hearing there will be no protest." I said, "Fine. We shall not call up the mineral bill, because if a hearing is to be held and Senator WILLIAMS desires to be heard and there will probably be some sort of an agreement, obviously I am not going to interfere with that sort of an arrangement." That is the reason we are not going to call up the mineral bill.

Mr. ELLENDER. I understood that the tax bill will be called tomorrow.

Mr. LUCAS. It will be made the unfinished business.

Mr. ELLENDER. Will it be debated this afternoon?

Mr. LUCAS. That I do not know.

Mr. ELLENDER. As I understand, it will merely be made the unfinished business, and I presume that the Senate will then take a recess until tomorrow. It is now 3 o'clock and why not take up the picketing bill today?

Mr. LUCAS. If any Senator has a bill which he wants to have considered as a result of what the Senator from Louisiana is trying to do, I invite all Senators who have bills, following the disposition of this bill, to proceed to call them up. After I have told Senators that there would be no further business this afternoon, after the call of the calendar, and many Senators have left the Chamber, we may as well make it an open session for everyone.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, in behalf of the Senator from Delaware [Mr. WILLIAMS], I informed the Senator from Louisiana [Mr. ELLENDER] that, so far as any objection on this side of the aisle was concerned, there would be none if he asked unanimous consent to take up the so-called mineral bill. I want the RECORD to show that. I am not interested in what is going to happen tomorrow or the next day in any hearing. I want the majority leader to know that so far as this side of the aisle is con-

cerned, there will be no objection made to taking up the mineral bill if he wants to call it up this afternoon. I think it will be passed if it is brought up.

Mr. LUCAS. I am glad to have that information from the minority leader, because the only reason why I told the Senator from Louisiana that we would not take up House bill 4800 was because of the plea he made to me because of the Senator from Delaware who desired to be heard before the Committee on Agriculture and Forestry tomorrow. Now the Senator from Nebraska tells me that there is no objection on the part of the Senator from Delaware.

Mr. WHERRY. So far as that bill is concerned, if the majority leader asks unanimous consent to take it up, I am sure there will be no objection made on this side of the aisle.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ELLENDER. Am I to understand that the Senator from Delaware has withdrawn his objection to the immediate consideration of the so-called mineral bill?

Mr. WHERRY. I said that if the majority leader asked unanimous consent to take up the mineral bill, whether the Senator from Delaware is on the floor or not, I am quite satisfied there will be no objection made.

CONVEYANCE OF CERTAIN MINERAL INTERESTS

Mr. LUCAS. Under those circumstances I shall certainly try to have House bill 4800 taken up. I only attempted to postpone action in view of what the Senator from Louisiana said.

Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 4800 to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes.

Mr. HUNT. Mr. President, reserving the right to object, let me say that for many months there has been before the Senate a very important measure having to do with our national defense. I refer to Senate bill 3727 to authorize certain construction at Griffiss Air Force Base, and for other purposes. On many occasions I have consulted the distinguished majority leader in an effort to have the bill considered by the Senate. I feel constrained to object, Mr. President, until such time as we have had an opportunity to act on Senate bill 3727.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. LEHMAN. Is it not a fact that Senate bill 3727 is definitely a defense measure and highly recommended by the Committee on Armed Services, by the chairman of the committee, and by the chairman of the subcommittee, as well as by the Military Establishment?

Mr. HUNT. Action upon it has been requested by the Military Establishment. They have urged consideration of the bill on several occasions, over the telephone.

I shall have to object to the consideration of the mineral bill until consideration is given to Senate bill 3727.

The PRESIDENT pro tempore. Objection is heard.

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of House bill 4800 to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes.

Mr. McCARRAN. Mr. President, a point of order.

The PRESIDENT pro tempore. The Chair is advised by the Parliamentarian that there is another motion pending.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Martin
Benton	Holland	Maybank
Bricker	Humphrey	Millikin
Bridges	Hunt	Morse
Butler	Ives	Mundt
Byrd	Jenner	Murray
Capehart	Johnson, Colo.	Myers
Chapman	Johnson, Tex.	O'Conor
Chavez	Johnston, S. C.	Pepper
Connally	Kefauver	Robertson
Cordon	Kem	Russell
Darby	Kerr	Saltonstall
Donnell	Kilgore	Schoeppel
Douglas	Knowland	Smith, Maine
Dworshak	Langer	Smith, N. J.
Ecton	Leahy	Sparkman
Ellender	Lehman	Stennis
Ferguson	Lodge	Taylor
Flanders	Long	Thomas, Okla.
Fulbright	Lucas	Thomas, Utah
George	McCarran	Thye
Gillette	McCarthy	Tydings
Graham	McClellan	Watkins
Green	McFarland	Wherry
Gurney	McKellar	Wiley
Hendrickson	McMahon	Williams
Hickenlooper	Magnuson	Withers
Hill	Malone	Young

The PRESIDENT pro tempore. A quorum is present.

PROPOSED LOAN TO SPAIN

Mr. McCARRAN. Mr. President, in the weeks since the Senate approved a loan to Spain there has been a good deal of objection from men who claim that we have disappointed many European allies.

It is stated, and the statement is terribly true, that the United States is now at the crossroads; that we are trying to persuade some vacillating countries in Europe and Asia to line up with America in combating communism. It is stated, and with great truth, that our democracy must win the political allegiance of Greeks and Chinese, French and Malayans, and those Russian satellites which, eventually, may break away from Russia, and join the system of western nations. It is stated that to achieve these results, the western nations must adhere to certain standards of conduct; must not condone authoritarian methods; and must set the world standard for democracy in action. And here, again, I agree.

But the opponents claim that, in giving financial help to the Spanish Government, the United States is departing from these standards; that we will appear to other nations as political opportunists, willing to team up with Spain for the sake of questionable military help. That seems to be the objectors' case.

Mr. President, I do not propose to ridicule this argument or question its motive. It is well motivated.

I simply say that the argument is woefully incomplete. And, to be quite blunt, I don't believe that it is very objective. I think it shows too much concern for those segments of European and Asiatic populations that are already sold on communism. I believe it underestimates the reasoning capacity of millions who are in dead center, politically. It is an argument that shows undue preoccupation with the reaction of the avowed extreme leftists of the world, who are lost to us anyway. I think this can be demonstrated.

I certainly do not propose to give the Spanish regime a clean bill of health, because that, too, would be a departure from objectivity. But I wish now to submit a proposition which may straighten our thinking, or, to put it better, will force us to review some of the ironies of recent history.

The Spanish regime today operates under rigid controls. It practices a degree of suppression of personal liberties and private actions which we in America would not accept. We would not accept such controls in America, and we do not lend our approval when they occur elsewhere. But let us see what happens, on close examination of the principle, when it is applied to Spain. What happens is that we hold on to the principle, and recognize a dilemma.

Spain today is authoritarian as a consequence of events. In the thirties Spain went through one of the bloodiest civil wars in history. The parties to that war were two blocs of Spanish people, each of which accepted military assistance from outside nations.

On one side, which we can designate as the left, there was an assortment of ideologies. In the left there was a huge bloc of out-and-out Communists, whose only allegiance was to Russia. In the left there were also five or six more groups that ranged, in their political beliefs, from Tito-brand communism to pale-pink idealists. There were groups who opposed the monarchy and some who remembered old regency scores and economic abuses. But when the war became bloody the members of this amalgam soon lost their individual identities. Russia jumped in with enormous contributions of military help, and with this intervention the cause became, to all intents and purposes, the cause of Russian Communists. Had the left won the war, it is beyond argument that the emerging government would have been straight Communist.

On the other side, which we can designate as the right, there was a similar amalgam of groups. There was a huge bloc of Spaniards who simply hated communism, but had miscellaneous political faiths. There were groups ranging the political spectrum all the way from simple anticommunism to the fascism of Hitler and Mussolini. The coalition also accepted outside help, offered by the Fascist states, so that its members lost identity, and the cause

thereby became identified with that of fascism.

The war was not a pretty war, and the two contesting doctrines, one in each bloc, were, to Americans, both odious.

The war was a long one and as bloody as only civil wars can be. It was won by the group on the right. But winning the war did not settle the political controversy, the political differences which had caused the war. The defeated Communists were certainly not converted to democracy any more than they were converted to the political methods of the winner. They were merely defeated in a war.

This created a situation of fact. The land called Spain at the end of the war now consisted of a population bloc which had won a war, and a population bloc which had lost a war.

I suppose it could be argued that a democracy could have been set up in this political chaos, after this political fratricide that had filled so many cemeteries. But my own belief is that in the Spain of those circumstances there would not have been peace, there would not have been democracy, there would not have been the self-restraint which we associate with democratic-minded people—and I doubt that there would have been any willingness on the part of the defeated Communists to live in orderly harmony in a democratic regime voted by a majority.

I say this, I believe, with some basis. I say it because men who adhere to communism, men who take out the Communist Party card, do not believe in the orderly process of rule by the majority. To them this is ridiculous, old-fashioned Hamiltonian and Jeffersonian stupidity. The Communists believe that when you have 2 percent of the population you should try for 10 percent, and on the day that you have 10 percent the time is ripe for a coup d'etat—or a revolution—or the lowering of the drawbridge to let outside Communist armies pour in and take over. I have named three different techniques; and if Senators take a glance at recent developments in Czechoslovakia, Yugoslavia, Rumania, Bulgaria, and a land called China, I believe they will find that in each case one of those three techniques delivered those countries to Russia—to that club now referred to as the iron curtain.

In Spain, the bloc which won the war was faced with a population mass, estimated at 10 to 20 percent of the total population of the country, and which, embittered even more by the war, now acknowledged only one sovereignty—that of Russia.

I do not know what any Member of this body would have done had he found himself in the hypothetical position of governor-general of Spain in those circumstances.

The Spanish Government solved it in a way which is distasteful to us in America. That is, Spain became a garrison state, in what was determined as a necessity to suppress the latent rebellion of that bloc of the Spanish population which still wanted communism.

I reiterate that I do not condone a police state, and I believe that I understand something of the precepts of Hamilton and Jefferson. I do not condone a police state. I do not want it in this country and will fight any development of any trace of it. But this belief in our own principles raises an interesting situation when we evaluate other countries. Switching our gaze to the land called Spain; and assuming that we have an equal dislike for a Communist Spain, I do not know what solution would have worked. Had Spain set up a democracy, with elections and a free press, I do not think it would have remained a democracy more than 6 months, or perhaps 6 weeks. I believe Spain would simply have become another Czechoslovakia—or, if you will, another Yugoslavia—or, if you think the analogy not exact, then another Rumania, or Bulgaria.

In each of those countries small groups of men of good faith tried desperately, shortly after 1945, to set up democracies. In each of those countries there were men of high principle, men opposed to compromise, men who understood what Jefferson meant—who fought the good fight to set up governments wherein a majority chooses those who govern, and the minority abides by the decision. But what happened to them? They were outmatched and outmaneuvered by Communist minorities, groups of Communists who stacked the deck for the dealer in Moscow. I do not believe that there was ever, at any moment, a true Communist majority in Hungary, in Bulgaria, in Czechoslovakia, in Rumania, in Yugoslavia, or in China. Those countries succumbed to their Communist minorities, working in concert with the Union of Soviet Socialist Republics.

In Spain the Government met an identical situation by setting up rigid authoritarian controls, and it has carried on, with unnatural rigidities and certain undemocratic methods, from that day to this. And there you have it—action and reaction. A minority, ready day and night to sell out to Russia—held in check by a Government whose methods we Americans reject. That was the status of things in Spain after the nation had buried its dead.

In 1945, that is to say, the year when the Allies destroyed the Axis, the victorious nations started the process of organizing world peace, presumably eternal peace. They formed the United Nations, and they excluded from the new club all those countries which, theoretically, were not ready for democracy. I say theoretically, because one of the members in that democratic club was Russia, a country which leans, I believe, a little closer to Marx than to Jefferson. This club barred Germany, Italy, and Japan because they did not have the requisite belief in democracy which was a condition for membership. But we waived the requirement for Russia because Russia had been a part of the alliance that fought the Axis. Spain was barred because its war record and political institutions were not acceptable to the Allies.

For the subsequent 5 years, Spain has been excluded from all international clubs.

Three years ago it became evident that club member Russia was out to communize the world. After this club member had conquered 10 countries of Europe we organized another club—called the Atlantic Pact—to save what was left in Europe. Spain was again excluded, for the original reason that it did not operate by democratic methods.

We come now, I believe, to the crux of the matter.

During the years 1949 and 1950 it became apparent that the western nations must prepare for war with Russia. Regardless of whether or not there will be a war with Russia, we must now prepare for a war with Russia. As stated by our Secretary of State, we must confront Russia with a situation of strength.

In building this so-called situation of strength we set up an operation called the Marshall plan. That is a $15,000,000,000 expenditure to bolster up the economic strength of the European countries who might thereby stifle the growth of local communism. In building up the situation of strength, we voted a $200,000,000 Greek-Turkish military-aid program to assist those two countries to develop resistance to communism, both economic and military. In creating the situation of strength we signed a mutual defense treaty with 12 nations of Europe, the so-called Atlantic Pact; and we are considering the expenditure of $5,000,000,000 to finance that operation. We have also agreed to make it a war in Korea—with men and guns—to confront Russia with a situation of strength; and we are swinging into a program of domestic rearmament for which we expect to spend $23,000,000,000 this year.

We have also embarked on a program of political education in many countries, aimed at convincing people what America's objectives are, and why we think they should choose democracy instead of communism. If we succeed in explaining our story we shall have achieved a real situation of strength.

In the light of the policy of situation of strength, I should now like to discuss our policy on Spain.

The United States Senate recently voted a $100,000,000 loan to Spain as another contribution to this thing called situation of strength. The opponents of the loan have claimed that it does not build up our situation of strength, but that it has the opposite effect of making us look like compromisers, in the eyes of the world; that it will alienate people whom we would like to have on our side.

This argument, which has appeared in a number of editorials in the weeks since the Senate voted the loan, is what I propose to examine today.

From the military standpoint, of course, many men in the Pentagon agree that having Spain on our side is a military asset. But, Mr. President, I do not propose to base my argument on the military advantages to be gained by having Spain within our military alliance. I propose to argue this matter squarely on the basis of the issues raised by the opponents of the loan, namely, that in extending a loan to Spain we have hurt ourselves on many propaganda frontiers, that we have alienated peoples who might otherwise be more eager to side with us in a war with Russia, that we

have committed a propaganda blunder, that, in short, we have compromised our principles and have tried to buy the allegiance of Spain with a paltry hundred million dollars.

You will note, Mr. President, that I have tried to capture the letter and the spirit of the opponents' argument on the loan to Spain.

I believe that the proposition should be placed on the following platform:

What are we doing when we lend Spain some American dollars? Are we sharing that guilt by association which is such a shibboleth in the State Department? We have just fought a war against Fascists, and we have very few Fascists in America today, so I doubt that anyone can seriously charge that the United States favors fascism, and do so with a straight face. Russia will make the charge, surely, but Russia is making the charge already, and will continue to hurl it, regardless of what we do, because to the orthodox Communist mind, any nation which resists Russian domination is Fascist.

What we have done, really, is to encourage the first step, among the many, many necessary steps, before Spain can join the western system with democratic institutions, and can evolve into something closer to a democratic country than is possible for her today. For when the democratic member states within the United Nations slammed the door on Spain, they blocked the physical possibility of relaxing Spain's regimentation. When Spain was adjudged the pariah among nations, that embittered still more the leftists of Spain. In effect, it maddened them more, and solidified their belief that Russian liberation is their only hope. Conversely, it solidified the fears of those in authority that a Communist explosion was a permanent threat. The original dilemma that forced the Spanish Government to meet force with force was not helped when the rest of the western nations quarantined Spain. The quarantine did nothing to relieve the inner tensions.

I have reason to believe that the Spanish Government does not relish all the controls it has deemed necessary to impose in order to hold these inner tensions in check, and that it would relax them if it thought that an internal Communist coup would not result. I believe that if Spain is given to understand that other nations appreciate her dilemma, even though they are not enthusiastic about her methods of dealing with it, Spain will move progressively in the direction of the west. I believe that, over a period of years, all but the unreconstructed card-carrying Communists of Spain will abandon their fierce allegiance to Russia, if it is demonstrated to them that Spain is entering on a process of joining the west; and by joining the west I mean a progressive adoption of western political institutions.

But I believe that Spain needs help in this process, because the current political dilemma, the suppressed strength of Spain's Communists, is a pressure that must somehow be diverted.

In support of the proposition that it can be diverted we do not have to look far for an analogy. Italy, in 1947, faced a situation where exactly one-third of the population had accepted communism. The timely intervention of America with economic help, with an offer of friendship with a guaranty of military aid, and with a long and tireless program of explanation of the benefits of democracy—that form of intervention eased the Communist pressure enormously. It is estimated today that the Communist pressure in Italy now comes from only a sixth of the population, instead of a third. This is not a complete solution of the Communist danger in Italy, but it is, certainly, almost miraculous to have achieved such a reduction of the Communist threat in less than 3 years.

Mr. President, I urge the policy of ridding ourselves of some of our fetishes; that we permit another nation, whose majority hates communism as much as we do, to work into the family of western nations. I believe that a great many of the political situations in Spain, which we do not find palatable, will be ameliorated if we help start the process. But if Spain is to remain behind the barricades and continue to be subject to this world quarantine, Spain cannot ease these pressures. If Spain is to start on this long road, I think she will need outside help. I do not think that a nation currently forced to rely on strong-arm methods can ever change those methods, if the government in authority finds itself an outcast, politically at war with the Soviet world, and politically shunned by the democratic world. I believe the world quarantine simply perpetuates the internal rift.

There is another point to make in erecting the proposition of the status of Spain. It is said that our proposed loan to what is currently an authoritarian state has supplied propaganda for the radio mills in Moscow—and to the radio mills of the 11 satellite states of Europe—and to some more radio mills in what is now Communist China—and to some other mills, in 20 more countries, that get their script from Moscow.

Those same radio mills have been saying for weeks that the United States attacked North Korea. Those mills have been saying for 5 years that America wants war. How many examples must one cite, to catch the enormity of Russia's bad faith? I believe that if the Communist radio mills could not make a recording out of our help to Spain, they would not necessarily run out of material. It would be no effort for them to substitute a recording saying that the Boy Scouts of America achieve the eagle badge by shooting their mothers. I believe, Mr. President, that the addition of another cap-pistol report to the artillery of Communist propaganda will not make any more Communist converts, whereas, the entry of a whole nation into the western family of Nations might, I think, have some propaganda merit of its own.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Louisiana?

Mr. McCARRAN. I yield.

Mr. LONG. I should like to ask the distinguished Senator who was in charge of that investigation whether it would appear to him that, if the Spanish Government were to fall—and I am speaking of the present Spanish Government—the likelihood would be that that government would be succeeded by a democratic government, or whether he would think it more likely that it would be succeeded by a Communist government.

Mr. McCARRAN. In my judgment, it would be succeeded by a Communist government, because of the Communist minority, that has been demonstrated by the fact that in other countries the same kind of minority has set up a government, and those who attempted to set up democraices have failed.

Mr. LONG. Does the Senator know of any substantial movement afoot by actual democratic elements within Spain to overthrow the present government and to set up one that would be regarded as truly democratic?

Mr. McCARRAN. The true democrats in Spain do not want to overthrow the present government at this time, because the isolated position into which we have put Spain gives the Communist minority of Spain an upper hand, which will enable it to overcome the democratic majority. So that government, which has at least held the situation in equipose, is now favored for the time being, until the western countries recognize Spain as a competent and capable power eligible to come into their sisterhood.

And now, Mr. President, my last point. There has been some quarrel as to the manner in which this loan shall be made. There have been objections to making it through the instrumentality of the Marshall plan. There have been some suggestion that this loan be made, in a manner of speaking, under the table, furtively, like a side transaction from one of our private banks. Instead, I believe that it should be made, deliberately, within the structure of the Marshall plan, and that it should be administered within the philosophy of the Marshall plan. For, Mr. President, we need make no apologies for the Marshall plan. The philosophy of the Marshall plan is that private enterprise is not exactly done for. It is a recognition that here and there, and specifically in 16 different countries, some pump priming is necessary to restore belief in private enterprise. I realize, of course, that a hundred million dollars is not an amount that will solve all the problems of any nation's economy, nor am I advocating any more than that amount. What I do advocate, emphatically, is that this loan be declared to be within the spirit of the Marshall plan. That is, to restore belief in the working of western methods. I do not believe that a hundred million dollars will set the Spanish economy on its feet, nor do I think that a hundred-million-dollar loan will change certain Spanish political institutions overnight.

But I believe our willingness to make the loan carries a message that the league of western nations is open to membership whenever Spain's political institutions qualify. I believe that, as in Italy and as in France, some of the

pressures will ease, and that the loan will thus help in the solution of the Spanish dilemma.

Mr. President, the substance of my message this afternoon has been a single point; that we start that process, long as it might be, which will enable Spain to solve its dilemma, and achieve those qualifications which will enable it to be accepted in the western family of nations.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LUCAS. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object—and I do not wish to object—if any motions are to be made——

The PRESIDENT pro tempore. Debate is not in order. Is there objection? The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

Mr. LUCAS. Mr. President, I yield to the Senator from Louisiana.

Mr. ELLENDER. I was not present this afternoon when the distinguished Senator from Illinois announced a tentative program for today. I was under the impression that, since we did not intend to consider the so-called mineral bill, the tax bill would be made the unfinished business, and that we would recess at 3 o'clock. Therefore, I moved the consideration of House bill 5647—the antipicketing bill. I do not care to embarrass my good friend the distinguished Senator from Illinois. He has assured me that the court-picketing bill will be called up some time next week, either by way of amendment to the so-called McCarran anti-Communist bill or independently. With that understanding, I withdraw my motion, Mr. President.

The PRESIDENT pro tempore. The Senator from Louisiana withdraws his motion.

Mr. LUCAS. I should like to make a statement in reply to the Senator from Louisiana, and I wish to express my appreciation for the position which he has taken. Yesterday I announced a program, and the Senator's bill was not included. Theretofore I had announced that following consideration of the tax bill the Senate would take up every phase of the internal security question as represented by measures on the calendar at the present time. There is no reason why the Senator from Louisiana cannot offer his bill as an amendment to the so-called McCarran anti-Communist bill and get a vote on it next week, when we shall be discussing the entire subject of internal security. The reason why I objected to taking up the bill at this time was because a number of Senators were told that when we had finished the call of the calendar we would take up the mineral bill, and then recess.

Later on the able Senator from Louisiana informed me that the committee would hold hearings on the mineral bill, and I agreed with him not to take it up. However, after colloquy with the able Senator from Nebraska, the majority leader, we agreed to take up the mineral bill because he would assume the responsibility for taking up the measure at this time.

I yield to the Senator from Louisiana.

Mr. ELLENDER. I understand the opposition from the other side of the aisle to taking up House bill 4800 has been withdrawn.

Mr. WHERRY. I made the statement on the floor that so far as the minority leader was concerned I was sure that if a unanimous-consent agreement was proposed to consider House bill 4800 there would be no objection. While I am on my feet I should like to state that there was no objection on the part of the minority leader to considering the antipicketing bill, but I wanted the majority leader to know and I wanted the RECORD to show my position because of a statement he had made this morning, in answer to a query of mine, that without objection the mineral bill would be taken up immediately after the call of the calendar.

Mr. LUCAS. The minority leader says there is no objection on his part to taking up the anti-picketing bill. That may be true, but the Senator from Nebraska knows that bill was not covered in any statement I had made heretofore.

Mr. WHERRY. I did not infer that at all. What I want the RECORD to show is that, so far as the junior Senator from Nebraska is concerned, I am not attempting to crowd out the antipicketing bill in order to take up the mineral bill. I believe the majority leader, in answer to an inquiry by the junior Senator from Nebraska, is perfectly right in insisting upon the mineral bill being taken up, because he stated that following the call of the calendar, if we proceeded with any business, it would be with the consideration of the mineral bill.

Mr. LUCAS. The Senator is correct. I wish to repeat what I said some time ago. We must have a certain amount of orderly procedure in the Senate. There cannot be any question about it. After a program is announced, and after a quorum call has been had, it seems to me that if Senators are to be permitted to move the consideration of any bill they may desire to have considered we shall have chaos and confusion. That is why I issued an open invitation to any Senator to take up any bill, in the event the antipicketing bill should be taken up, and that we would proceed to the consideration of any other bill regardless of whether Senators were present. That is the danger, Mr. President, once the bars are let down.

That is all I have to say, on that point. It is solely a question of procedure that I was discussing, and not the merits or demerits of any bill. Perhaps there will be no question about the antipicketing bill, when it comes up. I wanted to make my position absolutely clear, and I am sure that other Members of the Senate will agree with me.

Mr. WHERRY. I understand.

CONVEYANCE OF CERTAIN MINERAL INTERESTS

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 4800, to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes. It is calendar No. 1333.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. LUCAS. This is the bill which I had scheduled to take up this afternoon.

Mr. WHERRY. Is it the intention that if consideration of the bill is not concluded today that the Senate proceed with consideration of the tax bill tomorrow?

Mr. LUCAS. The Senator is correct.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4800) to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 2, line 25, after the word "therefor", to insert a colon and the following proviso: *"Provided,* That, in the event any mineral interests covered by this act are not sold as provided herein pursuant to application filed within 7 years from the effective date of this act or within 7 years from the date of acquisition of the mineral interests of the United States, whichever date is later, the Secretary shall forthwith transfer title to such mineral interests, with the exception of those which were a part of or derived from the assets transferred pursuant to transfer agreements with State rural rehabilitation corporations, to the Secretary of the Interior to be administered under the mineral laws of the United States."

Mr. WHERRY. I wonder whether the distinguished Senator from Louisiana would tell us what the effect of the amendment would be, as well as give us a short explanation of the purpose of the bill.

Mr. ELLENDER. The purpose of the amendment is simply to make sure that a land owner must obtain a transfer of mineral rights under his land within 7 years otherwise the mineral rights would remain in the Government, under the jurisdiction of the Department of the Interior.

Mr. WHERRY. I glanced through the report rather hurriedly—and one must do that in order to keep up with legislation—and it seems to me——

Mr. ELLENDER. I have a prepared statement before me which I should like to read to the Senate. It is very short, and explains the bill.

Mr. WHERRY. Very well.

Mr. ELLENDER. Mr. President, H. R. 4800 establishes a nationally sound

equitable, and uniform policy for transferring Government-reserved mineral rights to the present land owners. This transfer would be made to the land owners. I desire to point out to Senators that the measure relates only to mineral rights retained by the Department of Agriculture and the Federal Farm Mortgage Corporation in the disposal of farm lands acquired pursuant to agricultural improvement and agricultural credit programs. Lands purchased until title III of the Bankhead-Jones Farm Tenancy Act and permanently retired from production, and lands acquired pursuant to the laws permitting the liquidation of wartime labor camps, are specifically excluded.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. Yes.

Mr. HOLLAND. Is it correct to say that lands in the public domain which have never been disposed of are not included in this bill; likewise, mineral reserves which were reserved at the time of the sale from the public domain are not included?

Mr. ELLENDER. The Senator is correct. In further answer to the distinguished Senator, it covers primarily lands acquired by the Resettlement Administration or the Farm Security Administration which are now being administered by the Farmers Home Administration. The entire acreage involved in the bill is about 1,100,00 acres.

This legislation has been prompted by the following history: Prior to 1946, certain agricultural lands were acquired by two Government agencies, the old Resettlement Administration and Farm Security Administration; these lands were acquired for resale to farmers. They were sold with all or a major part of the minerals reserved to the Government. Also during this period a Government-owned corporation, the Federal Farm Mortgage Corporation, followed the same policy in disposing of agricultural lands which it had acquired in the course of its farm-lending operations.

It will be recalled by Senators, I am sure, that the Federal Farm Mortgage Corporation was the banking institution handling land bank commissions' loans that were made during the depression. Quite a large acreage of land was acquired through foreclosure by that organization during its operations.

However, with the enactment of the Farmers Home Administration Act of 1946, the policy was changed by the Congress with respect to the disposal by the Agriculture Department of farm lands of the type I have mentioned. In this latter connection, Mr. President, section 9 of the 1946 Farmers Home Administration Act provides that, "Any conveyance of real estate by the Government or any Government agency under this chapter shall include the mineral rights." That is the policy we are now trying to follow by the enactment of the pending bill, to make the whole procedure uniform.

Thus the Farmers Home Administration, successor to the old Resettlement Administration and Farm Security Administration, now follows the policy of divesting the Government's ownership in the minerals as well as the surface rights whenever farm lands acquired under certain agricultural programs are resold to farmers. Recently the Federal Farm Mortgage Corporation, in disposing of mineral interests reserved by it in the course of its farm-finance operations, has been following essentially the same policy as is incorporated in the bill now before us.

The pending legislation, Mr. President, seeks only to grant relief to those farmers who, under the agricultural programs I have just mentioned, purchased lands prior to 1946 from the Department of Agriculture and from the Federal Farm Mortgage Corporation. H. R. 4800 will enable these farmers to obtain ownership of all minerals under their lands, and thereby will put them in the same status as farmers who acquired lands after passage of the 1946 act. This bill does not give the mineral rights to the present land owners; it authorizes the Secretary of Agriculture to sell these rights to the land owners, upon receipt of their written applications. In areas where the Secretary of Agriculture determines that there is no active mineral development or leasing, the bill establishes a nominal sale price of $1 per application; in areas where there is active mineral development and leasing, the mineral interests shall be sold at the fair market value thereof as determined by the Secretary after taking into consideration such appraisals as he deems necessary or appropriate. The bill further provides that in determining whether or not there is active mineral development in an area, the Secretary shall consult with the Department of the Interior and competent local authorities.

In this measure, Mr. President, the burden is placed on the present land owner to make application to the Secretary of Agriculture for conveyance of the mineral interest. Only private persons who, at the time of the application, are owners of the surface of the land may apply, and the land owner must establish title to the surface ownership at his own expense.

The Senate Committee on Agriculture and Forestry, in reporting this legislation favorably, has recommended that the bill be amended to provide that if any mineral interests covered by this measure have not been disposed of by the Secretary of Agriculture within 7 years from the effective date of the legislation, or within 7 years from the date of acquisition of the mineral interests by the United States, whichever date is the later, title to such mineral interests shall be transferred to the Secretary of the Interior for administration under the applicable Federal mineral statutes. That is the amendment which was suggested by the Senate Agriculture Committee and now under consideration.

Mr. WHERRY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. ELLENDER. I yield.

Mr. WHERRY. I should like to ask about the $1 provision. Who determines whether a piece of land is within an active area or not?

Mr. ELLENDER. The Secretary of Agriculture does, with the advice of the Department of the Interior, which has supervision over most of the mineral interests owned by the Federal Government.

Mr. WHERRY. When the Government sold these lands, it reserved the mineral rights anyway, did it not?

Mr. ELLENDER. Yes. The standard reservation was, in most cases, 75 percent of the mineral rights.

Mr. WHERRY. And anything acquired from the resale is above what the Government paid for the lands in the first place, is it not?

Mr. ELLENDER. Yes; in addition to the consideration heretofore received by the Government.

Mr. WHERRY. It seemed to me that $1 was a pretty small amount for the transfer of rights. Sometimes people think there are, under land, no mineral deposits, especially oil, and later an oil development occurs. I wondered who made the determination as to whether the dollar provision should apply, or whether it should be a larger amount.

Mr. ELLENDER. In the event of any mineral activity in an area, then the Secretary of Agriculture must make an investigation, and appraisals must be made by the proper authority, which would be the Secretary of the Interior, who has a corps of people who know a good deal about the subject. The appraisals would be made by them in cooperation with representatives of the Department of Agriculture.

Mr. WHERRY. It seems to me that is one of the spots in the bill where there is a great deal of latitude. I suppose it has to be drawn in this way because it would be difficult to determine where mineral deposits would be found.

Mr. ELLENDER. Both the Department of Agriculture and the Department of the Interior have agreed to the method of sale outlined in the bill.

Mr. WHERRY. I hope some of the questions I ask will not be too elemental, but I have just seen the bill. The dollar provision attracted my attention. The bill states:

> In areas where the Secretary determines after consultation with the Department of the Interior and competent local authorities that there is no active mineral development or leasing, the mineral interests covered by a single application shall be sold for a consideration of $1. In other areas the mineral interests shall be sold at the fair market value thereof as determined by the Secretary after taking into consideration such appraisals as he deems necessary or appropriate.

If that is to be gone into, why should it not be handled on the same basis by the men to whom the Senator has referred?

Mr. ELLENDER. Where there is no activity at all, where there are no signs of mineral development, I do not see what investigation could be made.

Mr. WHERRY. The Senator means it is not necessary?

Mr. ELLENDER. It is not necessary. But where there is activity, even around

the land, even a few miles away, investigation would as a matter of fact, be made.

Mr. WHERRY. Would the same investigation be made where there was activity, with the same procedure?

Mr. ELLENDER. The Secretary is authorized and required, in such a case, to have appraisals made by persons with knowledge of the situation. The cooperation would have to be with the Department of the Interior, which has charge of most of the minerals under the public domain.

Mr. WHERRY. I have one or two other questions to ask. Are the mineral rights to be disposed of to the landowners?

Mr. ELLENDER. Solely, and to no one else. The land owner must establish title at his own cost. The minerals cannot be sold to speculators. I will say also, while I am on that subject, that in the past the Federal Farm Mortgage Corporation has sold mineral rights to other than land owners, I am informed. This bill corrects that, in that even mineral interests which are owned by the Federal Farm Mortgage Corporation cannot be sold to anyone other than the owner of the surface land.

Mr. WHERRY. In the future the procedure will be different from that of the past, will it?

Mr. ELLENDER. Exactly. The policy would be for the sale to the land owners of mineral interests owned by the Resettlement Administration and the Farm Security Administration, and we prescribe the same method for the sale of mineral interests which are now owned by the Federal Farm Mortgage Corporation.

Mr. WHERRY. If the land owner does not make application to buy the mineral rights on a piece of land, is there a statute which runs against him finally?

Mr. ELLENDER. The Senate Committee on Agriculture has recommended an amendment to cover that situation. If the land owner does not apply within 7 years, then the mineral interests go to the Department of the Interior.

Mr. WHERRY. So that unless the option is exercised within 7 years, the mineral rights go to the Department of the Interior, do they?

Mr. ELLENDER. The administration of them, yes.

Mr. WHERRY. As to the receipts for the mineral deposits, I think the bill provides they go to the Secretary of the Treasury.

Mr. ELLENDER. That is correct.

Mr. WHERRY. Then the report continues:

> Section 5 prescribed that all proceeds from sales of mineral interests described in section 1 shall be deposited in the United States Treasury as miscellaneous receipts, with the exception that the proceeds from the sales of minerals derived from the assets transferred to the Secretary pursuant to transfer agreements with State rural rehabilitation corporations shall be credited to the appropriate corporation account.

Mr. ELLENDER. As the Senator remembers, there was some kind of understanding or method by which some of this land was disposed of through a State corporation which acted with the Department of Agriculture.

Mr. WHERRY. Why should the corporation have the balance covered into its account? Does the Senator mean the corporation will take it into its account, and then will account for it to the Treasury of the United States?

Mr. ELLENDER. They should have a portion because it is theirs.

Mr. WHERRY. Why does it belong to them?

Mr. ELLENDER. As I understand, it was the method pursued by the Department of Agriculture when it first had these lands for sale, that some of it was disposed of cooperatively with an institution organized under State law.

Mr. WHERRY. Very well. But why should they keep the money from the sale of these mineral rights? Why should it not be covered into the Treasury of the United States. Is it a matter of accounting?

Mr. ELLENDER. It is a matter of legal ownership—they have an interest in it.

Mr. WHERRY. But we are now selling back to the land owner mineral rights, and that is the purpose of the bill. No one else gets those rights. Why should not the money that comes from that equity go into the Treasury of the United States? My experience is that once funds of this nature get into a corporation they never reach the Treasury. The funds are used for some other purpose.

Mr. ELLENDER. The Senator will remember that we had such a situation sometime ago, with respect to other funds, and the Senate passed a bill authorizing their transfer to the Treasury unless application was made by the corporations within a certain period.

Mr. WHERRY. The corporations do not own the mineral rights. The Government owns the mineral rights.

Mr. ELLENDER. The rights were retained jointly.

Mr. WHERRY. Then they have got to account for them.

Mr. ELLENDER. Yes. I shall cover that later.

Mr. KERR. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. KERR. What would be wrong about amending the bill on page 2 by striking out lines 12 through 16, and the first three words in line 17; then beginning in line 20, with the word "area," strike out the remainder of the language on page 2? Section 3 would then read as follows:

> The mineral interests shall be sold at the fair market value thereof as determined by the Secretary after taking into consideration such appraisals as he deems necessary or appropriate.

Mr. ELLENDER. I see no objection to that Mr. President, except it would entail much additional cost for the administration of the sale of the mineral rights involved.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WHERRY. That would cure the defect.

Mr. ELLENDER. I can see no objection to that. The only thing I repeat, is: Why go to the expense of making appraisals where there is no indication at all of any minerals? The Senator must realize that in the sale of these mineral rights, if we impose on the Department the duty of making appraisals, the procedure is going to cost money and there will be much delay.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. KERR. Does not the bill provide that the Secretary has to make an appraisal before he determines "that there is no active mineral development or leasing?"

Mr. ELLENDER. No, sir, not in the first instance, where there is no mineral development or leasing.

Mr. KERR. Will the Senator read section 3, beginning in line 12 on page 2?

Mr. ELLENDER. The language is:

> In areas where the Secretary determines after consultation with the Department of the Interior and competent local authorities that there is no active mineral development or leasing.

He is to sell it on that finding and without the necessity of an appraisal.

Mr. KERR. The Senator from Oklahoma submits that it is no more trouble to make a reasonable appraisal than it is to do what the bill prescribes that the Secretary must do in order to determine that it should be sold for only $1.

Mr. ELLENDER. I cannot speak for the committee, but as far as I am personally concerned I see no objection to following the suggestion of the Senator from Oklahoma. The point I wish to emphasize is that as I understand, in the second instance—that is where there is a mineral development—an appraisal must be made. There is a good deal of difference between making an appraisal and simply to inquire whether or not there is any mineral development or leasing in any particular locality. I wish to call that fact to the attention of my good friend from Oklahoma. It is an easy matter to determine whether there have been any leases in one locality or whether there has been any oil research. That can be done merely by letter. But when the Department of Agriculture is forced to make an appraisal as to every farm that is sold, that in my estimation, will cost considerable money and it will entail considerable delay.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WHERRY. I should like to ask the Senator from Louisiana or the Senator from Oklahoma a question. Of course, I can see that if a farmer wanted to clear the title to his land and wanted the mineral rights cleared so he could sell his land, it would be beneficial to have done what the bill proposes be done in connection with the orderly procedure of selling the land. I suppose it is worth a dollar to the farmer to secure that title, so he can sell the mineral rights together with the land and give a clear title. I suppose that is

the purpose of the provision for payment of $1.

Mr. ELLENDER. The purpose is simply to have the mineral rights transferred to him, whatever they are. There may not be anything under the land at all.

Mr. WHERRY. That is the point I raised in the first place.

Mr. ELLENDER. Exactly. There may not be any minerals there.

Mr. WHERRY. There might, however, be a development 5 years from now of something which is not known to exist now.

Mr. ELLENDER. Yes. That same situation would prevail should a purchase of land be made from a private individual.

Mr. WHERRY. That is the point I raised. The distinguished Senator from South Dakota raised the point with me a moment ago, that if what the Senator from Oklahoma suggested is done, of course, the farmer would still be coowner with the Government in the mineral rights.

Mr. ELLENDER. He is that now.

Mr. WHERRY. Then it would not clear the matter up so far as getting title is concerned if the amendment were adopted.

Mr. ELLENDER. No. In most cases of land that was sold by the Farm Security Administration and by the Resettlement Administration, the Government reserved three-quarters of the mineral rights.

Mr. WHERRY. I do not want to bar the clearing up of title if any benefit of that kind should result to the farm owner, but I do want to submit the point to the Senator which I raised a moment ago, and in which no doubt the Senator from Oklahoma agrees, that it is going to be very difficult to establish whether there are any mineral rights. But after full investigation the fair price can be decided upon if minerals are found to be on the land. That is a pretty good solution.

Mr. ELLENDER. I think the sentence which contains the language "that there is no active mineral development or leasing" is very plain.

Mr. WHERRY. That does not mean anything.

Mr. ELLENDER. It means where there is no leasing, where there is no geophysical work going on or actual mineral development.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MALONE. It seems from reading section 3 that the only objective of an appraisal, to begin with, is to determine if there has been work done which resulted in mineral discoveries, subsequent to the purchase of the land from the land owner by the Government. The idea of the bill is to give back to the original owner what he had in the first place.

Mr. ELLENDER. The purpose is to give back to him what he should have had when first he purchased the land.

Mr. MALONE. In other words, in the Department of Agriculture this was rather a fast operation; the Government sold something, but kept a part of it.

I should like to ask the distinguished Senator from Louisiana whether in the State of Louisiana and in areas in the West and in the East with which the Senator is familiar, is it customary that those who own the surface of the land automatically own the mineral rights, unless a transaction of this sort has taken place?

Mr. ELLENDER. They do.

Mr. MALONE. Is it not true that only in the past few years the Government has begun not to withhold mineral rights?

Mr. ELLENDER. Before 1946 the Government retained part of the mineral rights, but in 1946 the policy was changed. Since 1946, every acre of land sold by the Government under these farm programs has been sold without reservation of mineral rights. By means of this bill we are trying to put all of the sales in the same category. That is all the bill will do.

Mr. WHERRY. That is right.

Mr. MALONE. That is a very laudable purpose, but I call attention to the fact that if we strike out the first part of the bill, that will mean that all the mineral rights will have to be appraised and sold in accordance with their value.

Mr. KERR. Mr. President, if the Senator will yield to me, to permit me to make an observation, I should like to call attention to the fact that before the Secretary can sell it for $1, he must take positive action to arrive at the conclusion that it is not worth more than $1.

Let me make the further observation that I am familiar with the occupants of these lands in Oklahoma, and they are not asking the Government to give them these mineral rights for $1. They are asking the Government to let them purchase these mineral rights at the fair market value.

Mr. ELLENDER. That is because there is much development in Oklahoma. However, there are many sections of the United States where there is no sign of oil or gas or any other mineral development for hundreds of miles away. So why force the Government to go to the expense of making appraisals of all this land?

Mr. KERR. I would say it would be very easy for the Secretary, under the language remaining in the bill, to arrive at a determination, in an appropriate manner, that the value is $5 or $10, or whatever amount he might arrive at.

I further suggest that if the amendment is made as suggested, it will result in giving the Secretary the responsibility to make a positive determination with reference to what it is worth, rather than a positive determination that it is worth nothing.

Mr. MALONE. Mr. President, I wonder whether the distinguished Senator from Oklahoma will accept this further suggestion, namely, to incorporate the words "if there is no active development"? In other words, if the land goes back to the person in the same shape that it was in when he first purchased it or before there was any change, there will be no necessity for an appraisal. If there is no active development, there is no need for an appraisa'

Mr. ELLENDER. That is exactly the point. The first sentence in section 3 puts such land in that category. In other words, if there is no activity at all, that is an indication that there are no minerals there.

Mr. MALONE. I think the suggestion of the Senator from Oklahoma is fine, if the lack of active development is taken into consideration.

Mr. KERR. Then the Secretary could buy what he deemed appropriate, under the remaining language, and could make a positive determination on that basis.

Mr. MALONE. Yes; but if he was directed to make a positive finding, he probably would get a geophysical survey.

Mr. KERR. It seems to me that the determination should be made on the basis of the fair market value.

Mr. ELLENDER. That is the proposal—on the basis of the fair market value, as to all lands where minerals may exist.

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. ELLENDER. I yield.

Mr. HOLLAND. It seems to me that Congress should take the responsibility of setting the standard rather than to leave general blanket authority to the Secretary of Agriculture in such case. I fully agree that these early lines in section 3 do, on the part of Congress, provide that responsibility be taken by us here by providing that the test shall be whether there is any active mineral development or leasing. If there is any such active mineral development or leasing, then the burden is placed upon the Secretary of Agriculture to make an appropriate appraisal.

Mr. ELLENDER. That is correct.

Mr. HOLLAND. But if by checking local operations and competent local authorities, it is determined that there is no active development or leasing, then this measure will be a congressional finding that the Secretary of Agriculture will be justified in holding that the value is purely nominal, and that the sale should be made for $1.

Of course we are dealing with a rather explosive matter, and I do not think we should impose on the Secretary of Agriculture general responsibility to determine how much such property is worth, regardless of whether there has been any showing of gas or oil or minerals or anything of that sort. It seems to me the showing here provided for is about as good a showing as could be made, namely, that there is an absence of active mineral development or active leasing, in which case the Secretary would be excused from going further, other than to require the payment of a nominal fee. I think that should be done.

Mr. ELLENDER. That is my feeling in the matter. That answers the question of the Senator from Nebraska, I believe.

Mr. President, all proceeds of mineral interests sales authorized under this bill are to be covered into the Treasury of the United States as miscellaneous receipts. An exception is made in the case of proceeds from sales of mineral interests which were a part of or derived from the assets transferred pursuant to the

transfer agreements with State rural rehabilitation corporations. These receipts shall be credited to the appropriate corporation account, all of which I have previously discussed in answer to questions propounded by the distinguished minority leader, Mr. WHERRY. Likewise, proceeds from sales of mineral interests by the Federal Farm Mortgage Corporation are to remain in the Corporation. I might state that the Federal Farm Mortgage Corporation is wholly owned by the United States Government.

Section 8 of the bill authorizes the appropriation of such sums "as the Congress may from time to time determine to be necessary to enable the Secretary to carry out the provisions of this act." The Secretary of Agriculture estimates that approximately $65,000 will be required to administer the provisions of the bill.

Mr. President, H. R. 4800 was approved by the House of Representatives on June 20, 1949. A Senate Agriculture and Forestry Subcommittee, of which I served as chairman, held open hearings on the bill last March. Representatives of the Departments of Agriculture, Interior, and Justice presented the views of their respective departments. The distinguished Senator from Indiana [Mr. CAPEHART] and a number of Congressmen also testified. All of the testimony received by the subcommittee was favorable to the enactment of the bill. The Bureau of the Budget advises that it has no objection to the measure's adoption. In a letter dated October 14, 1949, and addressed to the chairman of the Senate Committee on Agriculture and Forestry with respect to a similar bill, S. 2104, the Secretary of Agriculture states as follows:

> The disposal of existing mineral interests under the administration of the Farmers Home Administration and Federal Farm Mortgage Corporation to the best advantage of the United States is of major concern and it is urgent that this Department be given directions by the Congress for the disposal of the mineral interests. S. 2104 contains a consistent, uniform policy for the disposal of the mineral interests and would resolve the problems involved in the existing mineral interests held by these agencies. For these reasons, we recommend its immediate enactment provided the suggested amendment for transfering unsold minerals to the Department of the Interior is included.

As was pointed out, that is being done.

I submit, Mr. President, that this is a worthy bill, one that is deserving of favorable action by the Senate. I hope that it will be approved.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. THYE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I yield gladly.

Mr. THYE. If this bill is enacted, it will have no bearing, will it, on the sale of mineral rights which may have taken place in the past?

Mr. ELLENDER. The Senator is correct.

Mr. THYE. It would affect only future sales, would it not?

Mr. ELLENDER. The Senator is correct.

Mr. THYE. If the Department of Agriculture or a bank sold any of this land, and if any question were raised about it at the hearing—which I understand will be conducted tomorrow——

Mr. ELLENDER. That is correct.

Mr. THYE. That would have no bearing, would it, on the legislation which we are considering this afternoon?

Mr. ELLENDER. The Senator is correct. This bill has no effect whatever on the sales of mineral rights heretofore made by the Department of Agriculture.

Mr. KEM. Mr. President, I am interested in this proposed legislation, since there are a number of projects in Missouri which would be affected. A considerable amount of land has been sold by the Government in my State with a reservation of mineral rights. The land was sold under a changing Government policy. In some cases mineral rights were reserved by the Government, while in other cases mineral rights were sold to individuals without any reservation of the mineral title. But the appraisal in all cases was the same.

A manifest injustice has been done to those who bought with the reservation of minerals as against those who acquired title without such reservation. It seems to me that is unfair to the purchasers who bought their land during the period when the mineral rights were reserved by the Government. I believe all the owners should be treated alike. The proposed law is designed to correct that situation by permitting the present owners to acquire the mineral rights to the land.

Under the provisions of the bill, in areas where leasing for the development for minerals is being carried on, a fair price for the mineral rights will be fixed by the Government. Otherwise, the purchase price for the mineral rights will be $1. I hope the bill will be passed.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I am glad to yield.

Mr. WHERRY. Does the Senator know whether any lands are now being sold without a reservation of mineral rights?

Mr. ELLENDER. I cannot be specific, but land could be sold at present by the Federal Farm Mortgage Corporation, but this bill is intended, as I pointed out, to cover primarily lands formerly sold by the Resettlement Administration or by the Farm Credit Administration. Further, it establishes a uniform policy in forcing the Federal Farm Mortgage Corporation to sell to the land owners, and to no one else.

Mr. WHERRY. That pleases me very much, but it still does not answer my question. I am speaking about lands which are being sold by the Government, through corporations or otherwise. The Senator said awhile ago, I believe, that if the land is being sold, the mineral rights are included in the sale; is that correct?

Mr. ELLENDER. Under the present law that is correct. The law of 1946 makes it possible for all farm lands purchased by the Government for resale and sold to farmers, to be sold with both surface rights and mineral rights.

Mr. WHERRY. In determining the fair market value, under that procedure, are the mineral rights evaluated at approximately $1, where there is no oil-development activity?

Mr. ELLENDER. No consideration is given to the mineral rights—none whatever.

Mr. WHERRY. No value is attached to it; is that correct?

Mr. ELLENDER. That is correct. The land is sold with everything beneath and everything above.

Mr. WHERRY. And when it is sold in areas where there is activity the mineral rights are considered in determining the value of the land; is that correct?

Mr. ELLENDER. The Senator is correct. In areas where there is mineral activity the lands sold command a higher price per acre.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LEAHY. Referring to section 3, the disturbing thing to me is as to what is meant by the words "active development." Does that mean actual mining operations? What does it mean? There might be a situation where there are minerals under the land, without actual physical development. In that case, the Government certainly would not want to sell the land on the basis of $1 for the mineral rights. There may be a technical meaning. I am not familiar with mining terminology. Will the Senator be kind enough to explain?

Mr. ELLENDER. It is supposed that, if the land has not been leased, and if no one is trying to conduct an exploration, there are no important minerals in it. That is the supposition. But where there is actual mineral development under a lease—that is, where there is drilling—in that event an appraisal of the mineral rights ought to be made. I feel sure there are lands in Missouri, South Dakota, and many of the Western States as to which there is not even a quarry in operation. There is no drilling for oil. In cases like that, where there is no evidence of a leasing of the land for mineral purposes or, for that matter, any kind of development, then I presume such land would come into the category referred to by the Senator.

Mr. LEAHY. But under that it would seem to me that it would be possible to sell land, when the appraisal indicated the presence of minerals, with the mineral rights appraised at $1.

Mr. ELLENDER. No, if the Department determines that there are minerals present, in that case an appraisal would have to be made.

Mr. LEAHY. But if there is no activity, the mineral rights would still be sold for $1, under section 3.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engross-

ment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House, and that the Chair appoint conferees on the part of the Senate. I suggest that the subcommittee which handled this bill be appointed as conferees. A list of the names of the subcommittee members is in the hands of the clerk.

The motion was agreed to; and the President pro tempore appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. GILLETTE, Mr. THYE, and Mr. KEM conferees on the part of the Senate.

HAWAII IS AN ISSUE IN THE WAR OF IDEAS—LETTER BY SAMUEL WILDER KING

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a letter which appeared in the Washington Star of August 15, 1950, under the heading "Hawaii is an Issue in the War of Ideas." It is a letter which was addressed to the editor of the Star by Mr. Samuel Wilder King, president of the Constitutional Convention of the Territory of Hawaii.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Star of August 15, 1950]

HAWAII IS AN ISSUE IN THE WAR OF IDEAS

To the EDITOR OF THE STAR:

Our country is immersed in a global contest for the minds of men.

This has become a bloody contest of arms in Korea, which may spread to the far reaches of the earth, involving millions of American lives, even on the North American continent. The extent to which American arms may be committed, the number of American lives which may be lost, must depend basically and ultimately upon our success in winning the war of ideas.

As a native-born resident of the Territory of Hawaii, and formerly its Delegate to Congress, I believe I can speak with some authority on the progress of this war of ideas in the Pacific-Asiatic world

In Hawaii we are at the crossroads of the Pacific. We constantly meet and talk with visitors from far parts of the Asiatic world. Many of our citizens are in touch from time to time with friends and relatives in various parts of Asia, including Korea.

It is my considered opinion that we have been losing the war of ideologies in Asia. This is a matter of profound and alarming implications for American leadership, American welfare and American lives. We must face the facts. We cannot afford to deceive ourselves.

The Cominform is flooding Asia with propaganda depicting America as the exponent of colonial imperialism. They say the conflict in Korea is between greedy American imperialists and the people.

America must counter this intensive, vicious propaganda with an effective campaign of truth. But mere words and lofty abstractions will certainly fail. Most of these people of Asia have had no experience with our form of democracy. They do not know what we are talking about. Our words must be fortified with deeds and examples which they can readily understand.

Among the first of such deeds should be granting statehood to the Territory of Hawaii. As a full-fledged partner in the American community of States, Hawaii can serve as a living, understandable example of Americanism to Asia. Consider these basic points with respect to the Hawaiian example:

1. Hawaii is the only substantial part of America in which the majority of citizens are of Asiatic ancestral origin.

2. In no part of the world do large groups of such divergent racial or ethnic origins live together in such complete amity, with such full equality of opportunity.

3. No comparable island community provides standards of living, health, and education as high as Hawaii. Standards of health and public education—and this can be proven by an abundance of statistics—are higher than even the average for the present 48 States.

We have in Hawaii, ready made, a living, compelling example to Asiatic people everywhere that Americanism provides equality of opportunity and the good life for all, regardless of race or creed. Hawaii has close ties of relationship with the rest of the Asiatic world. There is no more effective showcase of Americanism in the Pacific area.

How can we afford, in this hour of peril, to fail to make full use of this Hawaiian example? Our future and our lives are at stake. It is inconceivable that in this crisis statehood for Hawaii should be decided on a partisanship basis, rather than on the merits of the question.

If Hawaii is not taken into full partnership in the American community of States, the Hawaiian example will be vitiated. For Territorial status, in the minds of peoples of Asia, is symbolic of colonial imperialism.

Temporizing with Hawaiian statehood at this time plays directly into the hands of the Cominform. The argument of Hawaiian noncontiguity belongs to the horse-and-buggy days. The argument of subversive activity in Hawaii is a red herring. What limited Communist activity there exists in Hawaii stems from continental United States, and Hawaii has made as great progress in dealing with this problem as any of the States, or even the Federal Government. Failure to grant statehood to Hawaii now, on any basis of uncertainty over the loyalty of our non-Caucasian citizens, bolsters the Communist propaganda that America is the champion of capitalistic imperialism.

According to the latest information, 25 American soldiers from Hawaii have already been lost in Korea, all but one of whom were of non-Caucasian ancestry.

While statehood is being deferred in Congress, the youth of Hawaii are expending their lives in Korea in defense of the democratic ideal. An affirmation of our faith in democracy demands that we recognize their sacrifice by admitting their community to an equal place in the Nation. To do less is to be charged with hypocrisy.

The people of Hawaii, through their elected delegates, have just completed the writing of a constitution for the state of Hawaii. It was my privilege to serve as president of the constitutional convention. I do not claim that this constitution we have drafted is perfect, but I believe authorities will pronounce it to be a splendid document, fully adequate to serve as the basic law of an American commonwealth.

I am a graduate of the United States Naval Academy at Annapolis, and served as an officer in the Navy through two world wars. I am aware of the implications of the atom bomb. But, if I am certain of anything, I am certain that America cannot win the conflict in which we are involved by the force of arms alone. We must win the minds of men. We must act with boldness and vision to win the understanding of men.

The desire of the people of Hawaii for statehood is not a selfish one. Economic advantages to Hawaii, if any, are nebulous. Actually, under statehood, we will bear more of the costs of our local government. Our desire for statehood is based on moral values. We want to hold up our heads as full-fledged citizens of our country. Beyond that, we know that by becoming a State we can make a far greater contribution to our country and to the ideals for which it stands.

SAMUEL WILDER KING,
President, Constitutional Convention, Territory of Hawaii.

HAWAII'S SONS ON THE KOREAN FIRING LINE—EDITORIAL FROM THE HONOLULU STAR-BULLETIN

Mr. KNOWLAND. I also ask to have printed in the body of the RECORD an editorial entitled "Hawaii's Sons on the Korean Firing Line," which appeared in the Honolulu Star-Bulletin of Friday, August 18, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Honolulu Star-Bulletin of August 18, 1950]

HAWAII'S SONS ON THE KOREAN FIRING LINE

During World War II, Hawaiian soldiers were in the thick of battle in both the European and the Pacific theaters. Their glorious combat record is now a bright page in our Nation's history.

Today, in the blood-soaked mountain passes of Korea, Hawaii's young men are writing another stirring page in history.

In larger numbers, proportionately, than fighting men from the States, they have been locked with enemy in some of the bitterest fighting of the Korean campaign.

From the casualty lists of the Fifth Regimental Combat Team and the Twenty-fourth Division (originally the Hawaiian Division, with the taro leaf shoulder insignia) we get a picture of the cross section of island youth engaged in the fighting.

Here are some of the names, taken at random from the list of killed, wounded, and missing: Arakawa, Nakama, Bourdreau, Keanoanoa, Nakasato, Birch, Chun, Lishman, Patacsil, Perry, Santiago, Kim, Lee, and Ladao—Americans all.

By ancestry Irishmen, Germans, French, English, Japanese, Chinese, Filipino, Koreans, Hawaiians—but Americans all.

These men and their comrades in arms are fighting to preserve the American democracy they love, which they and their parents have helped to establish in Hawaii. Their names are the names which have appeared on the sugar and pineapple plantation payrolls, in the business tax records, and on the rosters of civic organizations.

Behind the lines, Hawaii itself is stirring into new action as a port of call for men and material bound for the front. It is growing once more into a major staging base for an advance operation.

Symbolic of this renewed recognition of Hawaii's strategic importance in the Pacific basin is revival of Pearl Harbor's World War II slogan: We keep the ships fit to fight.

And although the sound of exploding shells has yet to disturb Hawaii's gentle breezes, civilian defense preparations are well advanced—far ahead of planning in most mainland cities equally vulnerable to enemy attack.

Plans are going forward for the organization of a counterpart of the wartime USO to fill a growing need brought about by the Korean war.

The sum of these things is that Hawaii is again demonstrating that it is a forward bulwark of the Nation, quick to rise to each new emergency, generous in its response to every call.

Hawaii is proving again that it cannot be written off the strategists' maps; that it is, and will remain, an outpost of foremost importance.

And its 2 dead, 22 wounded, and 25 missing in the Korean fighting are mute evidence that Hawaii once again is on the firing line of democracy. But politically Hawaii remains relegated to the back seat of Territorial status.

We're American enough to operate a productive group of islands and contribute vastly to the national revenues.

We're American enough to send young men of skill and valor to the battlefield—and they're American enough to fight with complete courage and loyalty.

But we're not American enough to join the family of States.

What travesty!

MARIA HOFFMAN

Mr. HUMPHREY. Mr. President, I ask unanimous consent to revert to Calendar No. 2297, the bill (H. R. 4014) for the relief of Maria Hoffman.

The PRESIDENT pro tempore. Is there objection to the request of the Senator?

Mr. WHERRY. Reserving the right to object, I should like to have an explanation by the distinguished Senator as to why he feels that the bill should be taken up again at this time. My policy has always been that, once a calendar call has been concluded, there should be no return to it, since Senators usually will have left the floor.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to my colleague.

Mr. THYE. Mr. President, both Senators from Minnesota were off the floor at the time this bill was called on the calendar. Had I been on the floor at the time, I certainly could have offered a complete explanation, which I am sure would have been to the entire satisfaction of the Senator from New Jersey, who did not have the report before him, and therefore felt compelled to object. I think the bill is most worthy, and I am sure that my colleague, Mr. HUMPHREY, can explain the purpose of the bill to the full satisfaction of all Senators, and that no objection should be raised to its passage.

Mr. HUMPHREY. I thank my colleague.

Mr. WHERRY. Mr. President, if the Senator will yield, I should like to know what understanding the distinguished Senator from Minnesota had with the distinguished Senator from New Jersey [Mr. HENDRICKSON]. He happens to be one of the members of the calendar committee, and I should like to know whether he made the objection on his own behalf or made it on behalf of some other Senator.

Mr. HUMPHREY. I discussed it with the Senator from New Jersey. He made the objection because he was not sure as to some of the background of the proposed legislation. Both my senior colleague and I were off the floor when the objection was made. It is a private bill which would permit a young lady, who came from the Russian zone of Austria, to remain in the United States. If she is deported, she will be executed in the Russian zone or put into confinement. It appears that that is what the Senator from New Jersey did not have clear in his own mind. I explained the situation to him. In fact, both my colleague and myself have our documentation in voluminous quantities. It is a very heart-rending case. The bill was the only private bill to which objection was made.

Mr. WHERRY. Still reserving the right to object, I do not quite get the purport of the bill.

Mr. HUMPHREY. What the bill does is to permit Miss Maria Hoffman, of St. Paul, Minn., who entered the United States in 1948, to remain for permanent residence as of the date of her entry, upon the payment of the required visa fee and head tax, and that upon the enactment of the bill the Secretary of State shall instruct the proper quota-control officer to make appropriate deduction of one number from the Austrian quota.

As I stated, she entered this country in 1948, when things were a little more peaceful than they are at this time, Mr. President, and the information before the committee was that if she had to go back because of the running out of her visa permit, it would be a very serious thing for the young lady.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SMITH of New Jersey. Did I correctly understand the Senator to say that he had consulted with the Senator from New Jersey [Mr. HENDRICKSON]?

Mr. HUMPHREY. I had lunch with my distinguished colleague in the Senate dining room, and when I came back and found the bill had not been passed—he thought it had, at the moment—the Senator from New Jersey said the only reason that objection was made was that he did not have before him the information he wanted at the moment. He said, "If you want to bring it up again, I shall offer no objection." He also told the majority leader the same thing.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. THYE. Mr. President, this is a very worthy bill. The girl involved is 19 years of age. She is staying with her uncle, Mr. Frank Hafner, of St. Paul, Minn. He is the auditor of Ramsey County, which is the county in which the city of St. Paul is located.

I believe that if the Senator from New Jersey had had the report before him at the time, he would not have raised an objection. He has so informed me since the objection was made and the bill was passed over.

Mr. WHERRY. Reserving the right to object, I should like to inquire if the bill was unanimously reported from the committee.

Mr. HUMPHREY. It was.

Mr. WHERRY. And there was no objection to it in any respect?

Mr. HUMPHREY. That is correct.

Mr. WHERRY. Mr. President, while this is a heart-rending case, there are many persons in the United States who are here on temporary visas and who are just as bad off as is this young woman. I myself have tried to obtain relief for some such cases. I am not going to object, because I know the distinguished junior Senator from Minnesota [Mr. THYE] would like to have the bill passed. He says it is a meritorious case, and the distinguished junior Senator from Minnesota [Mr. HUMPHREY] says there is voluminous testimony regarding it. So I shall depart from my usual procedure, which I have maintained for years, and shall not object to the consideration of the bill. But it must not be a precedent for any other bills to be considered.

Mr. HUMPHREY. I thank the Senator from Nebraska.

Mr. MALONE. Reserving the right to object—and I certainly have no intention of objecting in this particular case—there are certain bills on the calendar in which some of us are intensely interested. We know there will be an attempt to bring up some of them and to amend them in a way not intended by the bill itself. I think the minority leader is to be commended for not wishing to let this action establish a precedent. If we remain here and watch the calendar, and then are absent from the floor for a committee meeting, or for some other reason, and if it is the practice to bring bills up and hang on amendments which have the effect of adding something which has probably been turned down in committee, it will be a very bad precedent.

Mr. HUMPHREY. I assure the Senator that this is being done in the fullest of honor and after complete clearance with the Senator who objected.

I am extremely grateful to the minority leader for his cooperation and I am more than grateful to my colleague for his presence on the floor and his very timely remarks.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the bill (H. R. 4014) for the relief of Maria Hoffman was considered, ordered to a third reading, read the third time, and passed.

REVENUE ACT OF 1950

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2380, House bill 8920, to reduce excise taxes, and for other purposes.

The PRESIDENT pro tempore. The clerk will report the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing on the motion of the Senator from Georgia.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

HOT CARGO—REFUSAL TO UNLOAD CARGOES OF FURS FROM RUSSIA

Mr. MALONE. Mr. President, within the past few days, I have noted in the newspapers that several cargoes of material coming from Russia, notably crabmeat and other materials, were being shipped, via England, into this country.

I also note that the CIO longshoremen and the A. F. of L. International Longshoremen's Association have refused to unload these goods.

Mr. President, I think that is a very commendable thing. On the floor of the Senate the junior Senator from Nevada has said several times that, if communism is to be stopped in this country, it will be done by the workingmen, the veterans, and the farmers.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a dispatch which appeared in the New York Journal-American of August 22, 1950, entitled "Liner To Return Russian Furs."

The furs are being returned to Russia because the A. F. of L. International Longshoremen's Association have refused to unload them.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

LINER TO RETURN RUSSIAN FURS

The *Queen Elizabeth* will sail back to England at midnight, still carrying its shipment of Russian furs which New York longshoremen refused to unload, the Cunard Line announced today.

Return of the giant liner with its Red cargo unmoved from the ship's hold marks the fourth recent incident wherein local stevedores refused to handle shipments originating in Russia.

At the same time, Michael J. Quill, president of the CIO Transport Workers Union, ordered that organization's maintenance and flight service workers at Idlewild and La-Guardia Airports, in Queens, not to unload Russian freight aboard airliners.

A spokesman for the AFL International Longshoremen's Association stated that similar action would be sought from all transportation workers "to prevent the Russian products from being shipped into this country by bus, rail, boat or plane."

The Russian furs aboard the *Queen Elizabeth*, which docked yesterday at Pier 90, North River and Fiftieth Street, include one bale of raw marmot skins, consigned to 243 West Thirtieth Street, and three cases of squirrel back skins.

Cunard spokesmen said the entire allotment of furs, weighing 469 pounds, was valued at $8,579.20 in American money, or £3,065.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the New York Journal-American under date of August 22, entitled "Vets to Demand United States End Trade With Reds." That is very important, Mr. President. A delegation of veterans in Massachusetts will take their resolution to Chicago to the convention and try to stop this practice.

I ask unanimous consent that the article be printed in the RECORD, at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VETS TO DEMAND UNITED STATES END TRADE WITH REDS

(By Dan Markel)

WASHINGTON, August 22.—Demands that this Government stop trade with Russia and stop Marshall-plan aid to countries siphoning war goods to Russia or Red China will go before the Veterans of Foreign Wars national encampment in Chicago when it opens Sunday.

Delegations from many States will converge on the convention with resolutions condemning imports from Russia and her satellites, and exports being sent by Marshall-plan nations to Communist China and countries behind the iron curtain, VFW officials here said today.

Massachusetts' delegation will fight for passage of a resolution charging that Marshall-plan dollars are, in effect, arming Russia for world war III against the United States.

It reads in part:

"Whereas our comrade, the Honorable GEORGE W. MALONE, Senator from Nevada, has spoken on and has had printed in the CONGRESSIONAL RECORD copies of trade agreements between the various 16 so-called Marshall-plan countries and the iron-curtain countries and Russia, in the number of 93 or more treaties:

"Whereas through these treaties Great Britain sold jet-plane engines to Russia directly; and

"Whereas through the various other 16 Marshall-plan countries, the iron-curtain countries, and Communist China every type of material necessary for military purposes, such as ball bearings, electrical equipment, heavy machinery, locomotives, freight cars, airplane parts has been traded in processed state, or manufactured; and

"Whereas in effect we are arming Russia for world war III against the United States, Therefore be it

"*Resolved*, That we endorse the Senate resolution of Senator MALONE, designed to stop any assistance by the United States to any nation assisting Russia, the iron-curtain countries, including Communist China, and other Communist areas which through such shipments, consolidate their gains, and prepare them for a third world war."

More writers—Pegler, Sokolsky, Corum, Knickerbocker, Kilgallen, Considine, plus many more star columnists.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD a short news dispatch dated August 9, 1950, appearing in the San Francisco Call-Bulletin. It outlines 10 suggestions with reference to financing the war and stopping inflation in this country.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

SENATOR MALONE DEMANDS ECONOMY

WASHINGTON, August 9.—The United States must stop needless spending at home and abroad to win the war, Senator MALONE (Republican, Nevada) declared today.

He laid down a 10-point program to effect sweeping economies and to shut off aid to Russia through Marshall plan beneficiaries:

1. Reduce domestic spending by 20 percent to save $3,500,000,000 for the war chest.

2. Transfer to the war chest $500,000,000 now available for peacetime public works.

3. Give the war chest the $1,200,000,000 now available for foreign military aid to help build American defenses.

4. Transfer to the war chest the $3,000,000,000 available for the Economic Cooperation Administration.

5. Prevent the ECA countries from supporting Russia and her satellites with the dollars of American taxpayers.

6. Call on England and France to cancel their nonaggression pacts with Russia.

7. Prevent the recognition of Red China.

8. Remove Secretary of State Dean Acheson and those who follow his policies from office.

9. Establish a definite foreign policy by creating a "Monroe Doctrine" for specified areas in Europe, Asia, Africa.

10. Build a national defense capable of enforcing American commitments.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2901) to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware.

The message also announced that the House insisted upon its amendments to the bill (S. 3934) to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KEE, Mr. RICHARDS, Mr. CARNAHAN, Mr. CHIPERFIELD, and Mr. VORYS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITTINGTON, Mr. BUCKLEY of New York, Mr. LARCADE, Mr. FALLON, Mr. DONDERO, Mr. CUNNINGHAM, and Mr. MCGREGOR were appointed managers on the part of the House at the conference.

EXECUTIVE SESSION

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Albert W. Gatov, of California, to be a member of the Federal Maritime Board for the term expiring June 30, 1953.

The PRESIDENT pro tempore. If there are no further reports of committees, the clerk will state the nominations on the calendar.

GOVERNOR OF GUAM

The legislative clerk read the nomination of Carlton Skinner, of Connecticut, to be Governor of Guam.

Mr. SMITH of New Jersey. Mr. President, I should like to state that this nomination has my warm approval. I had the privilege of being in the Far East and was on the Island of Guam and had occasion to see personally what I felt was the very fine work Mr. Skinner was doing as Acting Governor before the act

was passed which has made it possible for him to become the legal Governor of the island. I want the RECORD to show that I heartily approve the nomination.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COMMODITY CREDIT CORPORATION

The Chief Clerk read the nomination of Clarence J. McCormick to be a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

LEGISLATIVE SESSION

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

FAIR EMPLOYMENT PRACTICE LEGISLATION

Mr. HUMPHREY. Mr. President, during the course of the floor debate on S. 1728 occasional reference was made by opponents of that bill to the fact that my own State of Minnesota, through its State legislature, had defeated an effort to enact a State FEPC law. The implication of the statement was that my representations in behalf of a fair employment practices bill did not meet with the approval of the people of Minnesota—the people I represent here in the Senate. I refer particularly to the comments of the junior Senator from Florida [Mr. HOLLAND] on May 16, which can be found on page 7086 of the RECORD.

My reply at the time was that the people of Minnesota had constantly demonstrated in communication after communication their belief in the inherent dignity and brotherhood of man and their support of all legislative proposals for fair employment. I also pointed to the fact that State legislatures, including that of my own State of Minesota, were by and large not accurately representative of the wishes of the people.

Since the time of that debate I have had a number of occasions to bring to the attention of the Senate supporting evidence of my conclusion with regard to the nature of the State legislatures. Included, as I recall, was a resolution adopted recently by the United States Conference of Mayors calling for reapportionment of State legislatures and criticizing the inequality of representation within the State legislatures. These views have been supported by editorial comment which I have also brought to the attention of the Senate.

I now wish to bring to the attention of the Senate the results of the most recent Minnesota poll of public opinion which appeared in the Minneapolis Sunday Tribune for July 30, 1950. The results of this poll clearly demonstrate the validity of my oft-repeated statement that the people of my State are completely in favor of FEPC legislation. This poll shows the overwhelming number of 75 percent expressing their approval of a State FEPC in spite of the various decisions taken last year by our State legislature. In view of the interest in this poll and the forthright conclusions, I ask unanimous consent to have the column reporting the results included in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATE FEPC LAW FAVORED BY 75 PERCENT

Public opinion in Minnesota today strongly favors adoption of a State FEPC (fair employment practices) law—a sharp reversal of sentiment within the last year and a half.

In its latest survey of State sentiment on the subject, the Minnesota poll finds 75 percent of the voting-age men and women saying that such a law should be passed in the State.

In January 1949, however, the poll found that 55 percent of the adults interviewed in a survey thought the State should take no action "concerning employers who turn down job applicants on account of their race, religion, color or nationality." Thirty percent thought the State should take some tion; 15 percent were noncommittal.

That a switch in State thinking was taking place was indicated in a survey last fall, in which opinions were asked on the question of Federal—rather than State—FEPC legislation. The poll reported that 54 percent of a representative cross-section of the State's men and women favored a Federal FEPC law.

In the latest survey, the poll interviewing staff asked a State-wide cross-section:

"Some States have laws which say that an employer cannot refuse to hire a qualified worker because of his color or his religion. Those laws are called FEPC, or fair employment practices, laws. Would you be in favor of such a law in Minnesota, or would you be against it?"

Percent:	All	Men	Women
In favor	75	72	78
Against	16	18	14
Qualified	3	3	3
No opinion	6	7	5
	100	100	100

Persons giving qualified answers say that it depends on the work, or—more frequently—religion should make no difference, but color should.

More than 7 in every 10 city, town, and farm residents questioned in the survey say they would approve of a Minnesota FEPC law.

Twenty-two percent of the people who are 50 years of age and older are against such a law. Among those under 50, opposition is expressed by 12 percent.

Sixty-eight percent of the Republicans, 73 percent of the independent voters, and 81 percent of the Democratic-Farmer Laborites favor an FEPC measure in the State.

Men and women expressing definite opinions were asked:

"What are your reasons for feeling that way (about a State FEPC law)?"

Those who are in favor of an FEPC measure say: "There should be no discrimination; all men are created equal; it's a free country; everyone should have a chance to make a living; if they are capable, race or religion should make no difference."

People who are against a law of that kind say: "The employer has the right to hire whom he pleases; I just don't like colored people and wouldn't work with them; there'd be friction."

Some people are frank to admit personal prejudices: "Colored people should be kept in their place—they shouldn't mix them up with white people"; "I think the Texas and Louisiana way is best"; "I believe in equal rights so far as possible, but I believe in the segregation of the colored race"; "white people are better qualified in every way."

But men and women who support the FEPC idea offer comments like these: "I work with colored people and find them O. K."; "We lived in Hawaii, where so many races and religions work together beautifully"; "We can't help what religion or color we are"; "It's the American way"; "It's best for everyone to have such laws"; "All people should be treated the same."

PRICE BEHAVIOR OF FAIR-TRADE PRODUCTS SINCE OUTBREAK OF KOREAN HOSTILITIES

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as part of my remarks an analysis of the price situation as it affects articles which are controlled under the Miller-Tydings Fair Trade Act. The analysis gives a very good picture of what is happening in the manufacturing areas with respect to commodities which are controlled under the fair-trade law. It indicates the effective operation of the Fair Trade Act, and the responsible action on the part of manufacturers, wholesalers, and distributors, particularly in the field of retail trades.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

TELEGRAPHIC SURVEY OF PRICE BEHAVIOR OF FAIR-TRADE PRODUCTS SINCE KOREA

BUREAU OF EDUCATION ON FAIR TRADE,
New York, N. Y., August 17, 1950.

In order to ascertain the price behavior of fair-trade products, since the outbreak of war in Korea, the Bureau of Education on Fair Trade conducted a telegraphic survey of 300 manufacturers, selected at random, in fields in which fair trade is prevalent.

The following telegram was sent to these manufacturers on August 2 by Dr. John W. Dargavel, chairman of the bureau and executive secretary of the National Association of Retail Druggists:

"In World War II fair-trade prices showed remarkable resistance to inflation. Bureau of Education on Fair Trade, therefore, is assembling data on behavior of fair-trade prices in current war crisis. You and other leading manufacturers in fields where fair trade is prevalent are being polled to find out what has happened to fair-trade prices or what is likely to happen to them in foreseeable future. Have your fair-trade prices remained unchanged? Are they likely to be pushed up because of war conditions? We do not expect specific statistics but would appreciate indications of trends. All company names will be kept confidential in publicizing results of poll. Your information will simply be correlated with other data in a general summary. Your immediate cooperation will be appreciated.

"JOHN W. DARGAVEL,
"Chairman, Bureau of Education on Fair Trade."

As of August 17, 1950, responses both by telegram and letter had been received from 125 manufacturers, or 42 percent of the total queried.

Of the 125 manufacturers responding to date 84, or 67 percent, sell some or all of their products under fair trade; and 41, or 33 percent, do not fair trade their products.

The 84 manufacturers on fair trade who have responded represent these 12 fields: Proprietary drugs, cosmetics, and toiletries, 16; electrical appliances and household products, 10; cameras and photo supplies, 5; books, 9; tobacco products, 4; hardware, 7; automobile accessories, 7; office supplies,

and equipment, 6; jewelry, silverware, and optical goods, 6; household furnishings and utensils, 6; radio, television, and phonographs, 2; packaged and canned food products, 6.

A breakdown of the responses from the 84 fair-trading manufacturers shows: Have not raised prices and do not expect to do so in foreseeable future, 73 firms, or 87 percent; have not raised prices but expect to do so in near future, 6 firms, or 7 percent; small price increases already made, 5 firms, or 6 percent.

The generality of comment running through the responses of the 73 manufacturers who have not raised their fair-trade prices is that they will make every effort to maintain these prices at present levels. At the same time, a number noted that price increases might become necessary if the cost of materials and labor were to rise substantially.

The resolve of manufacturers to avoid raising their fair-trade prices is reflected in the following comments culled from their responses to the Bureau's survey:

"You're entirely correct in saying that in World War II fair-trade prices showed remarkable resistance to inflation. At least, that statement holds true insofar as our own products are concerned. Our principal lines have not changed at all in price during the period from 1937 to date. Our price structure today is essentially the same as it was before World War II."—By a maker of men's pipes.

"So far as we can determine at the present time, we do not anticipate increasing our fair-trade minimum prices on any of our models."—By a producer of electric shavers.

"We will make every effort to keep our prices at the present level throughout the present situation, which we have every hope will not reach any such proportions as during the years 1942 through 1945."—By an automobile-accessories manufacturer.

"Our fair-trade prices have remained unchanged in face of present crisis. We will resist any pressure trying to push them upward. We are firmly convinced that any changes in price structure of whole economy at this time or in predictable future will act to bring on dreaded Government regulation."—By a maker of pen and pencil sets.

"It is our firm resolve to hold the present price level, but this can be done only if the printers, binders, manufacturers of paper, boards, glue, cloth, etc., are willing to do their part. We firmly believe that the best interest of all would be served if every price was held at the level existing June 1, 1950." By a book publisher.

"Consistent with our policy of the last several years, we do not intend to change our prices, or fair-trade minimums on proprietary drug items, unless forced to do so by excessive inflation." By a proprietary drug producer.

"We did not raise prices during the last world war, and our fair-trade prices have remained unchanged since the war, with a few minor exceptions. We do not plan any general price advances due to present war situation unless conditions brought about by advances in supplies and materials would force us to make minor adjustments on a few exceptional items. But we do not plan any general price advances." By a cosmetics manufacturer.

"Our fair-trade prices have remained unchanged, nor do we see any changes in immediate future. We agree with experience that fair-trade prices show remarkable resistance to inflation, whereas some other lines of our manufacture have had recent price increases." By a manufacturer of brass products.

"In spite of increased material and labor costs, have not considered raise in price of deep-freeze units." By a household appliances producer.

"Definitely, fair-traded (brand name) will not be priced on the basis of what the traffic will bear." By a carpet-sweeper manufacturer.

CONCLUSIONS

It is clear that fair-trade prices, to date, have remained at pre-Korean levels despite the price rises noted in the press in many other items. As of August 17, 94 percent of the fair-trading manufacturers who responded to the bureau's survey had not increased prices; of this, 87 percent do not expect to raise their fair-trade prices in the foreseeable future, while 7 percent do expect to do so. Only 5 of the 84 fair-trading manufacturers included in this study had raised their fair-trade prices since Korea, and even these five said their price increases were small.

It is perhaps also interesting that a random selection of 300 manufacturers in fields in which fair trade is practiced discloses that two out of every three manufacturers in these fields choose to sell their products under fair trade in order to protect the property values of their nationally known and advertised trade-marks.

OBSERVATIONS

At this time, it would appear that fair-trade prices will hold the line against inflationary pressures far better than non-fair-trade prices. This should come as no surprise, since fair-trade prices have in the past demonstrated their stability.

Other studies conducted over the past decade have demonstrated that fair-trade prices, while the lowest at which the efficient retailer can sell and still earn an honest living, do resist inflation. Results of these other studies:

Pre-World War II: Fair trade prices of 50 leading drug products in 1939 were down 1 percent from pre-fair-trade depression prices. These statistics come from the University of Minnesota's School of Business Administration.

The war and postwar period: From 1939 to 1947, the prices of 7,334 fair-traded drug products rose only 3.1 percent, while Bureau of Labor figures showed food prices soaring 93 percent and the over-all cost of living, 59.3 percent. This study was made by the National Association of Chain Drug Stores.

The immediate past—July to December, 1949: The fair trade prices of 26 nationally known drug products, over-all, were less than the prices for the same items in the non-fair-trade areas. The American consumer paid one-tenth of a cent less for them, under fair trade, on the basis of a composite weighted average. A product-by-product analysis showed that 17 out of the 26 items sold for less under fair trade. The maximum price difference between the fair trade and non-fair-trade areas is slightly over 3 cents. Only 3 products out of the 26 show this much difference. Two sold for 3 cents less under fair trade. Yet these famous brands of dentrifices, headache remedies, laxatives, shampoos, and shaving creams were typically used as loss leaders by predatory price-cutters in non-fair-trade areas. They are the products on which lower prices could be expected in non-fair-trade areas if such lower prices really existed.

This study, by an independent research agency through the bureau's research advisory committee, was a scientific analysis of prices in 770 selected drug stores—700 in the fair trade area and 70 in the non-fair-trade—to keep the proportion between the size of the two areas. Independent and chain stores in rural and urban areas were included. In arriving at the final figures, similar types of stores were compared and prices weighted, according to sales volume.

All these findings show that consumers cannot expect to pay less without fair trade and that in many cases they would pay more. This is a tribute to the integrity of manufacturers, wholesalers, and retailers operating under voluntary fair trade.

TAX LEGISLATION—STATEMENT BY SENATOR HUMPHREY

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I issued today with respect to tax legislation.

There being no objection, Mr. HUMPHREY's statement was ordered to be printed in the RECORD, as follows:

HUMPHREY URGES SENATE TO CLEAN UP PORK-BARREL COMMITTEE TAX BILL

Senator HUBERT H. HUMPHREY (Democrat, Minnesota) today sharply criticized the tax bill ordered reported favorably last week by the Senate Committee on Finance, and scheduled for debate on the Senate floor sometime this week.

Charging that the Truman program of higher taxes for individuals and corporations has been converted into a smoke screen for a number of private-relief amendments to help upper-bracket taxpayers, HUMPHREY said:

"There are at least a dozen changes necessary to clean up the committee bill. Although the bill includes the President's basic recommendations for an interim tax program, a number of committee decisions would favor those who either have been enjoying special privilege in the past, or who want to have an easier time avoiding their fair share of Federal taxes in the future.

"I believe that most Americans are willing to pay the heavier taxes required to finance the Korean war and to defend this country and our democratic allies of the United Nations.

"But the people want to be sure that everybody pays his just share. Loopholes created by legislation or court decision dangerously undermine confidence in the fiscal foundation of our Government. They breed dissatisfaction, distrust, and dishonesty.

"It is regrettable that necessity demands continuation of the wartime excise tax rates imposed during World War II. But to replace excise-tax reduction with income-tax relief for a few wealthy taxpayers is unconscionable.

"As a matter of simple justice, a few taxpayers should not be extended special privileges when the great majority of taxpayers are being asked to shoulder heavier burdens. A pork-barrel appropriation bill usually expires in a year or two, but a pork barrel tax bill continues until Congress repeals it.

"I urge all Members of Congress who profess concern for elimination of nonessential Federal expenditures might demonstrate equal concern for elimination of nonessential Federal tax loopholes. The loopholes added and maintained by this bill would cost more than half a billion dollars a year."

Senator HUMPHREY, in addition to expressing support for an excess profits tax, a proposal championed by Senator O'MAHONEY, listed the following additional action by the Senate Committee on Finance as "pork-barrel" tax legislation:

"1. Dividend withholding: Out of about 8 billion paid out in corporation dividends annually, 1 billion is not reported on stockholder tax returns. Wageholders must pay taxes as earned, why continue to tolerate evasion by coupon clippers? The provision in the House bill for withholding taxes on dividends should be restored. The Government is now losing between 160 and 170 million dollars a year under present law.

"2. Percentage depletion: Neither the Senate nor House bill does anything to limit the excessive depletion allowances for oil and gas and other minerals which the President described as the worst loophole in our

tax laws. This windfall costs the Government $400,000,000 a year. If an ordinary businessman invests $100,000 in plant and equipment, he gets a tax deduction of this amount prorated over the useful life of the property. Another man who invests in an oil well can through "percentage depletion" allowances obtain a tax deduction not only for the $100,000 initial investment, but several times this amount.

"3. Oil royalties: Instead of receiving royalties from oil wells, which are subject to ordinary income and surtax rates, oil men would be able to 'sell' their right to such income for a 1 year period or longer, and be subject only to capital gain rates. Many oil men are now taxed at normal and surtax rates totaling 50 percent or more. Yet these operators would pay, under the committee bill, at only the capital gain rate of 25 percent on such 'in-oil' payments.

"4. Family partnerships: This is a retroactive reversal of Supreme Court decisions which refused to allow businessmen to make fictitious 'partners' of their wives, children and other relatives solely to split up their income for tax purposes. For example, the tax on an unmarried man with an income of $40,000 a year amounts to almost $17,000, or nearly double the total taxes of $8,500 payable on 4 incomes of $10,000 each.

"5. Stock options: Corporate executives would be allowed to pay at capital gains rates in lieu of normal and surtax rates, on that part of their salary received in the form of options to buy company stock at less than market price. An unmarried executive earning $30,000 a year would pay $12,000 more in taxes if given a $20,000 a year cash bonus. If the bonus is paid in stock options, under the Finance Committee bill he would pay only $5,000 more in taxes.

"6. Tax free redemption of stocks to pay estimate taxes: Estates of owners of corporations would be allowed to draw down accumulated earnings and profits free of income tax to the extent used to pay estate and inheritance taxes. This amendment has practical application under present gift and estate-tax exemptions only to single persons with estates of $250,000 and over, or to married persons with estates of $500,000 or more.

"7. Corporate spin offs: This provision would exempt from taxation the value of new stocks distributed to stockholders by a corporation which decided to spin off part of its business into a separate firm. These stocks are now considered as dividents for tax purposes and, thus, are subject to individual income taxes. Under the committee bill, therefore, accumulated corporate profits could be distributed to stockholders at capital gains tax rates instead of the usual normal and surtax rates applicable to dividends. This amendment is of real benefit only to single persons with income of $18,000 a year and married couples of $36,000 a year.

"8. Amortization of emergency facilities: While omitting an excess profits tax on corporations, the committee bill would permit accelerated amortization of plants and equipment certified to be necessary for the current emergency. Instead of the usual 15- to 40-year period of depreciation for tax purposes, the entire cost could be recovered tax free within a period of 5 years. The report of the Senate Special Committee To Investigate the National Defense Program states that many persons responsible for the renegotiation of war contracts in World War II considered accelerated depreciation as the greatest source of excessive profits during the last war.

"9. Section 117 (j): Since 1942 the tax law has contained a 'heads I win, tails you lose' provision in favor of a taxpayer who sells property used in his trade or business. If the sale results in a profit, it is taxed as a capital gain. If it results in a loss, the loss is treated as a fully deductible ordinary loss. the Treasury has estimated this loophole as costing about $70,000,000. Accelerated amortization greatly expands the importance of this loophole.

"10. Life insurance companies: At a time when other individual and corporate taxpayers are overburdened, life insurance companies paid no taxes on income for 1947, 1948, and 1949. This results from a technical error in the Revenue Act of 1942. The committee bill would in effect grant a $50,000,000 tax melon to the life insurance industry by striking out the provisions in the House bill for collection of the 1947 and 1948 tax liabilities.

"11. Foreign subsidiaries of domestic corporations: The House bill would have closed a loophole in the existing law under which domestic corporations can liquidate subsidiaries operating abroad (such as oil companies), and bring back tax-free profits that have never passed through the Federal income tax stream. The committee bill would retain this glaring loophole.

"12. Reduction in holding period for 'long-term' capital gains: Under existing law a capital gain is taxable at a maximum rate of 25 percent if the asset was held for over 6 months. Under the Senate bill this period is reduced to 3 months. This amendment, which was included in the House bill and approved by the Finance Committee fits best the tax needs of the stock market and commodity speculators, who are thus permitted to convert ordinary profits into capital gains. This 'loophole' will benefit principally single persons above $18,000 and married couples above $36,000."

Senator HUMPHREY stated that he hoped the Senate would correct the inequities in the bill as reported by the committee.

In conclusion Senator HUMPHREY declared: "The President's tax program began as a drive to close tax loopholes and reduce excise taxes. If the Finance Committee bill passes in its present form it will not give any excise tax relief, and it will open more loopholes than it closes."

RECESS

Mr. GEORGE. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 24, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 23 (legislative day of July 20), 1950:

IN THE MARINE CORPS

The following-named officer of the Marine Corps for permanent appointment to the grade of major general:

William E. Riley

The following-named officer of the Marine Corps for permanent appointment to the grade of brigadier general:

William S. Fellers

CONFIRMATIONS

Executive nominations confirmed by the Senate August 23 (legislative day of July 20), 1950:

GOVERNOR OF GUAM

Carlton Skinner, of Connecticut, to be Governor of Guam.

COMMODITY CREDIT CORPORATION

Clarence J. McCormick, of Indiana, to be a member of the Board of Directors of the Commodity Credit Corporation.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 23, 1950

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., the Chaplain, offered the following prayer:

O Thou infinite and eternal God, we are lifting up our hearts to Thee in praise and in adoration for this new day filled with blessings which are sufficient for our many needs.

We rejoice that Thou art always seeking to inspire us with lofty aspirations, glorious visions, and mighty hopes, but we persistently confess that we fall so far below those high and holy ideals which Thou hast placed within our souls.

Grant that we may be transformed from what we are to what we ought to be. May the spiritual principles of righteousness and justice, of reverence and love for God and man, be enthroned in our minds and hearts and become regnant in the life of all mankind.

We pray that Thou wilt deepen within us the confidence that the day is dawning when the members of the human family shall bear clearer witness to their kinship with the Master and shall clasp hands in friendship and brotherhood.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 11, 1950:

H. R. 1293. An act for the relief of Franco-Italian Packing Co.;

H. R. 1991. An act for the relief of Alexander Stewart;

H. R. 2264. An act for the relief of C. H. Bolling;

H. R. 2808. An act for the relief of Grace G. Walker;

H. R. 4188. An act for the relief of Dr. Ferdinando Schiappa;

H. R. 4343. An act for the relief of J. P. Acker;

H. R. 6018. An act for the relief of Lubomir Mikulik and William Krajcirovic;

H. R. 6173. An act for the relief of Sun Yip Chin and Chung Lum (Lum Chung);

H. R. 6461. An act for the relief of Jirina Zizkovsky;

H. R. 6505. An act to legalize the entry of Mrs. David Munson Osborne (nee Janet Mary Tole), a native of New Zealand;

H. R. 7812. An act for the relief of Martha Aporta Strickland;

H. R. 8245. An act for the relief of Dr. Alessandro Rizzo;

H. R. 8440. An act for the relief of Naoe Kawashima;

H. R. 8655. An act for the relief of Toshiko Kikyo and Francis Kikyo; and

H. R. 8909. An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes.

On August 17, 1950:

H. J. Res. 21. Joint resolution to provide for the utilization of the unfinished portion of the historical frieze in the rotunda of

the Capitol to portray (1) the Civil War, (2) the Spanish-American War, and (3) the birth of aviation in the United States;

H. J. Res. 489. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 496. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Food Exposition, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes;

H. R. 1161. An act to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes;

H. R. 1618. An act for the relief of Kenneth J. MacKenzie;

H. R. 2805. An act for the relief of John F. Oettl;

H. R. 3605. An act to provide for the documentation of the Canadian-built vessel *North Wind* owned by a citizen of the United States;

H. R. 4065. An act to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens;

H. R. 4117. An act to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the National Park System, and for other purposes;

H. R. 4604. An act to authorize the admission into the United States of certain aliens possessing special skills, namely, Teodor Egle, Karlis Fogelis, Vasily Kils, and Aleksanders Zelmenis;

H. R. 4989. An act to provide for the payment of just compensation to John Li Estate Ltd., a Hawaiian corporation, for the taking by the United States for private fishery rights in Pearl Harbor, island of Oahu, T. H.;

H. R. 5282. An act to amend section 3 of the Organic Act of Puerto Rico;

H. R. 6657. An act for the relief of Georges Jules Louis Sauvage;

H. R. 6959. An act authorizing the Secretary of the Interior to issue a patent in fee to William Watt;

H. R. 6960. An act authorizing the Secretary of the Interior to issue a patent in fee to James Wilbur Watt;

H. R. 6961. An act authorizing the Secretary of the Interior to issue a patent in fee to Mary E. White Watt;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 6964. An act authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby;

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross;

H. R. 7431. An act for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes;

H. R. 7773. An act to authorize the sale of certain allotted land on the Pine Ridge Indian Reservation, S. Dak.;

H. R. 8450. An act for the relief of Raief Neahem, Iffef Neahem, and Ihsen Neahem;

H. R. 8792. An act to amend the statute relating to certificates of trade-mark registration;

H. R. 8845. An act to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea; and

H. R. 8923. An act to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes.

On August 18, 1950:

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtie L. Roland;

H. R. 8597. An act to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers;

H. R. 9120. An act to amend section 322 (b) (3) of the Internal Revenue Code;

H. R. 1922. An act to amend section 10 of the Reclamation Project Act of 1939;

H. R. 2350. An act for the relief of Mrs. Marion M. Martin Jones;

H. R. 6850. An act for the relief of Lt. Col. F. A. Ferguson; and

H. R. 8144. An act to authorize the sale of a small tract of land at Great Falls, Mont.

On August 19, 1950:

H. R. 5157. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 7043. An act to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.;

H. R. 7192. An act to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended;

H. R. 7662. An act to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944;

H. R. 7887. An act granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact; and

H. R. 8944. An act authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.

On August 21, 1950:

H. J. Res. 434. Joint Resolution providing for recognition and endorsement of the California World Progress Exposition;

H. R. 6958. An act authorizing the Secretary of the Interior to issue a patent in fee to Francis Lee Edwards;

H. R. 7017. An act authorizing the Secretary of the Interior to issue a patent in fee to Edgar S. Bigman;

H. R. 7869. An act to provide for the furnishing of quarters at Newnan, Ga., for the United States District Court for the Northern District of Georgia; and

H. R. 8230. An act to amend the Act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial in the State of Florida.

On August 22, 1950:

H. R. 612. An act for the relief of Col. W. M. Chubb.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 202. Concurrent resolution authorizing the Committee on the Judiciary of the House of Representatives to have printed 2,000 additional copies of serial 14, part 4, and 1,000 additional copies of serial 14, part 6, of the hearings held before said committee entitled "Study of Monopoly Power," authorized by House Resolution 137, Eighty-first Congress, first session.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7941. An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. MCCLELLAN, Mr. SPARKMAN, Mr. KERR, Mr. WATKINS, and Mr. KEM to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4071. An act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes.

CALIFORNIA WATER SHORTAGE

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, several times in recent days we have heard on the floor of the House the statement made from authoritative sources that southern California, including the Los Angeles area, has water rights and water resources sufficient to meet all present needs and for any forseeable future needs. In view of the fact that all Members have been supplied with a tremendous lot of propaganda eminating from Los Angeles concerning a water shortage there, and the threat of a disastrous shortage should S. 75, the central Arizona project, be enacted, it is reassuring to me to hear these authoritative statements. All of you must have seen the colored cards with fancy printing on slick paper, proclaiming that Arizona was attempting to take water away from the kitchen faucets of Los Angeles. Of course, I emphatically deny this. Now we are assured that if Los Angeles develops her legal rights and resources they have a sufficiency.

I have always maintained, and I have increasing proof through statements of Californians, that there is no water shortage nor likely to be in southern California, even if S. 75 is enacted. There has been so much misrepresentation through several years of propagandizing that I think Congress must demand the facts and the truth. Where there is a judicial dispute, it must be determined by the Supreme Court in the only effective way that it can be handled by that Court. S. 75 has such a provision prepared by two of the most eminent lawyers in the other body. This is a national problem and one in which every

Member of Congress is or should be vitally interested, and the time is now.

CONFERRING JURISDICTION ON COURTS OF THE STATE OF NEW YORK WITH RESPECT TO INDIANS

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, with House amendments thereto, insist on the amendments of the House and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PETERSON, MORRIS, and D'EWART.

MARINE CORPS

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, for the past 2 years I have been stressing the need and importance of a large and effective Marine Corps. I would like to point out the average marine division consists of four or five thousand men—more than the average Army division. I have felt right along and more especially now, in view of current events, that the United States Marine Corps should be composed of eight divisions—full divisions—and that for the eight divisions ready for the field at all times at full strength there should be assigned to each combat division one full air wing, and that the Department of Defense should be fully cognizant of all these facts, and act accordingly in making requests to the Congress for funds for such an establishment.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

SPECIAL ORDERS GRANTED

Mr. HUBER asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

Mr. LANE asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

CLOSE THE FINANCIAL SPIGOTS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I would like to say to my colleague, the gentleman from Arizona [Mr. MURDOCK] who just spoke about the spigots in California having lots of water, the gentleman being interested in building that great dam on the Colorado River to take the water from that river into Arizona, that I do not care whether he takes the water from the Colorado River or not—that does not bother me. But when he talks about turning off the spigots, I want to turn off the spigots of extravagance that you Members on the New Deal side of the aisle have turned on full blast in taking all the funds of this country and wasting them.

The project you want to build in Arizona is going to cost $1,750 an acre for every acre of land that you intend to irrigate. Then when you irrigate the land it is only worth $25 an acre. So it is turning on the spigots of waste and extravagance on a very reckless and unnecessary proposition at this time. I just do not care for that, and I want to turn those spigots of extravagance off. Turn them off before we wreck ourselves economically and financially.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

ALIENS AND MILITARY SERVICE

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, I do not know how many Members of the House have seen the article which appeared last week in the Chicago Tribune, having to do with a Polish displaced person who has no desire to become a citizen of the United States. Further than that he has indicated his intention to refuse to serve in the Armed Forces or to answer the draft call. Under existing law the only penalty for aliens who avoid military service is that they can never become citizens of this country. That loophole in the Selective Service Act should be closed.

Mr. Speaker, together with the gentleman from Wisconsin [Mr. DAVIS], I have introduced legislation to which we hope the Committee on Armed Services will give its immediate attention. Alien draft evaders should not only be deprived of the privilege of American citizenship, but should also be immediately deported to the land of their origin.

The SPEAKER. The time of the gentleman from California has expired.

STATIONERY ALLOWANCE FOR MEMBERS OF CONGRESS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 687) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House, for the second session of the Eighty-first Congress, an additional stationery allowance of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentlewoman from New Jersey yield for a parliamentary inquiry?

Mrs. NORTON. I shall be pleased to yield, Mr. Speaker.

Mr. RICH. Is this a privileged resolution or does it require unanimous consent for its consideration?

The SPEAKER. It is a privileged resolution.

Mr. RICH. Do we get time for debate on this resolution?

The SPEAKER. The gentlewoman from New Jersey has an hour at her disposal. She may yield time if she desires.

Mrs. NORTON. I shall be pleased to yield to the gentleman.

Mr. RICH. We will get time to discuss it?

Mrs. NORTON. I will yield to the gentleman right now.

Mr. RICH. No; I wish to wait until I hear what the gentlewoman has to say.

CALL OF THE HOUSE

Mr. ASPINALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 248]

Addonizio	Hale	O'Hara, Ill.
Albert	Hall, Edwin	O'Neill
Anderson, Calif.	Arthur	O'Toole
Bailey	Hall,	Patterson
Barrett, Wyo.	Leonard W.	Pfeifer,
Blackney	Halleck	Joseph L.
Blatnik	Hand	Pfeiffer,
Boggs, La.	Hare	William L.
Bolton, Md.	Harrison	Plumley
Bonner	Hébert	Powell
Boykin	Hedrick	Quinn
Brehm	Heffernan	Rabaut
Bulwinkle	Hinshaw	Reed, N. Y.
Burke	Jackson, Wash.	Regan
Canfield	Jenison	Riehlman
Cannon	Jennings	Rivers
Carroll	Johnson	Rodino
Cavalcante	Karst	Rooney
Celler	Kean	Sabath
Chatham	Kearney	Sadowski
Christopher	Kee	St. George
Chudoff	Keefe	Sasscer
Clemente	Kelley, Pa.	Scott,
Cole, N. Y.	Kelly, N. Y.	Hugh D., Jr.
Coudert	Kerr	Shafer
Crawford	Kilburn	Shelley
Davies, N. Y.	Klein	Sheppard
Davis, Tenn.	Latham	Sims
Delaney	Lucas	Smith, Kans.
D'Ewart	Lynch	Smith, Ohio
Dingell	McDonough	Taber
Dollinger	McGrath	Taylor
Dondero	McGregor	Tollefson
Douglas	McMillen, Ill.	Velde
Engel, Mich.	Marcantonio	Wagner
Fallon	Martin, Iowa	Werdel
Fellows	Mason	White, Idaho
Fernandez	Merrow	Whitten
Fogarty	Miles	Wigglesworth
Gillette	Miller, Calif.	Williams
Gilmer	Morgan	Wilson, Tex.
Gore	Morrison	Winstead
Gossett	Multer	Wood
Gregory	Murray, Wis.	
Hagen	Norrell	

The SPEAKER. On this roll call 298 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

STATIONERY ALLOWANCE FOR MEMBERS OF CONGRESS

Mrs. NORTON. Mr. Speaker, I believe this increase of $300 in our sta-

tionery allowance is justified. I will give you my reasons. In the Seventy-ninth Congress, which was a war Congress as you all know, Members received $1,650 allowance. In the Eightieth Congress, which was not a war Congress, we received $1,300. This year, so far, we have received $1,200.

May I call your attention to the fact that in this Congress we again have a condition similar to that which existed during the Seventy-ninth Congress. We all know our mail has increased tremendously because of the situation in Korea. Many Members have told me that they have spent much more than their allowance. One Member told me he spent as much as $700 additional of his own money to keep up with the demands in his district. Another Member has told me he spent $400. Another Member told me he spent $250—and so on.

We all know, certainly I do, that mail has increased tremendously. I am not considering myself in this request, however; I am considering the great number of new Members who are obliged to answer many more letters than Members who have had long service, and who are not so well known to their district. We have many new Members in the Eighty-first Congress, and I think the demands made upon them perhaps are much greater than the demands made on us older Members.

On investigation we have found that because of the many great problems, not only the problem of Korea but many others affecting the country at this time, it has been absolutely necessary to use a great deal more stationery as the number of letters has increased. It is therefore my opinion and the opinion of the large majority of the Committee on House Administration that the additional stationery allowance of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico is justified.

Another good reason, Mr. Speaker, is that the price of stationery has greatly increased over the years. When I came to Congress 26 years ago one could buy a box of engraved House of Representatives stationery for 50 cents; last week I paid $1.40 for the same kind of stationery. That is just one example of why the greater stationery allowance is needed and also because of the tremendously increased prices of everything that is bought at the stationery room.

So, Mr. Speaker, I hope that nobody will consider that this stationery allowance is more than we should have. I have a great deal of respect and confidence in the Members of the House; I believe they would not ask for this additional allowance if they did not feel they were entitled to it and that it was absolutely necessary in order to serve their districts.

Mr. LECOMPTE. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I shall be pleased to yield to the gentleman from Iowa, the ranking minority member of our committee, and my very good friend, Mr. LECOMPTE.

Mr. LECOMPTE. Mr. Speaker, with a very fine regard for the considered opinion of the chairman of this committee and her great ability as a legislator and leader who has gone into the subject very carefully, as she always does, I still feel that it is a mistake to pass this resolution.

The Members of this House have had $1,200 for stationery in the Eighty-first Congress. An increase of $300 per Member is still a substantial sum of money even in these lush times. It will amount to more than $130,000. I feel, as I think every Member of the House does, that this is a good time for Congress to slice all appropriations except appropriations for the war effort, and I believe that if the Congress will start by economizing on their own expenditures and their own activities the effort will receive wholesome applause throughout the country.

The stationery room is a store that carries a good many thousand dollars' worth of merchandise, and Members of Congress can, if they so desire, find a legitimate way to spend $1,200 or $1,500 a year; and I am not criticizing any Member, but I believe we can get along on $1,200 or less for each term for 2 years. Moreover, a majority of the Members, if they were conducting their own office and transacting the same kind of business through their own private offices rather than the congressional offices, would find it possible to get along on much less than $1,200 per session.

This resolution introduced by the gentleman from Ohio [Mr. HAYS], I believe, was considered in the Committee on House Administration. I opposed it then as I oppose it now. I think the country as a whole will not look with favor on an expenditure of $120,000 for additional stationery in the last few months that remain of this the Eighty-first Congress.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. LECOMPTE. I yield.

Mr. CASE of South Dakota. Will some additional money be deposited to the stationery account for the credit of Members when action is completed on the pending appropriation bill?

Mr. LECOMPTE. If the gentleman is submitting that to me as a question I will answer as I understand it, but perhaps the gentlewoman from New Jersey knows better than I. I think this is an authorization and that the Committee on Appropriations later will have to furnish the money through the contingent fund of the House; copies of the resolution are not available at the desk, but I feel certain that this is an authorization and that the adoption of this resolution means that the stationery allowance of the Members will be $300 more for each Congress, provided the Committee on Appropriations will furnish it. That is my understanding of the situation.

Mr. CASE of South Dakota. I was wondering if there were any funds tied up in the bill that is now in conference, because that would have some bearing on the situation.

Mr. LECOMPTE. This resolution provides an additional stationery allowance of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico. That will have to be paid out of the contingent fund

Mr. HAYS of Ohio. Mr. Speaker, will the gentlewoman yield that I might answer the question of the gentleman from South Dakota?

Mrs. NORTON. I yield.

Mr. HAYS of Ohio. This is merely an authorization. The amount the gentleman is talking about, I understand, was stricken from the appropriation bill on the point of order that no authorization had been made, and this is an attempt to remedy it.

Mr. LECOMPTE. That is my recollection of it.

Mr. CASE of South Dakota. This is an authorization. The money would be paid out of the contingent fund, and that is carried in the appropriation bill.

Mrs. NORTON. That is right.

Mr. LECOMPTE. But this would be permanent authorization for all time to come unless rescinded by some following Congress.

Mr. CASE of South Dakota. But if this resolution passes it will be charged to Members through the contingent fund.

Mr. LECOMPTE. If this resolution passes the stationery allowance will be increased from $500 to $800 for each Member. At least it will mean $300 more at this time for each Member for stationery. Is that correct?

Mrs. NORTON. It is not permanent legislation unless passed by the next Congress.

Mr. Speaker, I now yield 3 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I am glad to take a very definite stand on this bill. I am against it. First, I want it distinctly understood that I am not trying to do anything contrary to the wishes of the majority of the Members of this House. This resolution, however, is permanent legislation, providing $300 additional stationery allowance. We get enough money now to run our office, and I think it wasteful to appropriate more.

This bill was introduced on June 29. On July 22 I wrote the gentlewoman from New Jersey [Mrs. NORTON] and asked her if she could furnish me certain information as to the Members of Congress who had overdrawn their stationery account. Now, I did not want the names. I simply wanted the information as to the number of Members of Congress who had overdrawn their stationery account by taking out the cash or bought things other than stationery. I was advised by her that she had no authority to give the information to me, but that I could get it from Mr. Roberts. I then communicated with Mr. Roberts, and he refused to give the information to me, suggesting that I could go to the stationery room and get it. Upon inquiry at the stationery room I was also advised that they refused to furnish me with the information.

Now, there must be something wrong when some few Members are overdrawing their accounts—85 out of a membership of 435 Members. Some time ago I asked the question how many have taken the cash out in the last 4 years. I think if an investigation were made that the Members' eyes would be opened. I also made inquiry as to how many

bought things in the stationery room outside of stationery. I think an answer to that question would open some Members' eyes also.

Mr. Speaker, I do not want to be one to interfere, but I have been connected with various organizations. You will find some people who have great cash balances because they are economical, they try to save, and they try to do business in a good businesslike way; others spend without restraint. I think that is the way this situation ought to be handled and bears an investigation.

If there is any Member here who is buying things from the stationery room that are not really stationery, in my opinion, that is not honest, and I think the membership ought to understand that thoroughly.

After I made this inquiry, Mr. Roberts sent the following notice to the Members of the House:

Following a recent audit by the General Accounting Office, this office is required to request the Members to adhere to the rules as set forth by the Committee on House Administration pertaining to their stationery accounts.

Such rules state, in part, that no authority may be given Members for the extension of credit applicable to stationery accounts.

Therefore, it is requested that Members having delinquent accounts kindly remit balances due.

I do not want to interfere with the work of any Member, but, in my opinion, this legislation is poor legislation at this time and it should not pass.

Mr. Speaker, yesterday, I said that we ought to have a psychiatrist make an examination here. I think that probably I need that as much as anybody else because I cannot agree with all of this socialistic legislation that has been brought up and passed by the House of Representatives. I would like to find out whether I am wrong or whether the majority who vote for these things is wrong.

Mr. COX. Mr. Speaker will the gentleman yield?

Mr. RICH. I yield to the gentleman from Georgia.

Mr. COX. The gentleman knows that there is no one in this House who has a deeper affection for the gentleman than I have.

Mr. RICH. That is mutual.

Mr. COX. May I suggest to the gentleman that he ask leave to take out of the RECORD the remarks he made on yesterday with reference to the membership needing the treatment of a psychiatrist.

Mr. RICH. I want that for myself to determine whether I am wrong. Because I am so much in the minority.

Mr. COX. I know the gentleman is the last one in the world who would want to reflect on the people with whom he has served so honorably for so many years or to make fun at their expense.

Mr. RICH. Everyone who is all right does not need to worry about that remark. I am not worrying about it and I do not want anybody else to worry about it. If such is the case we should know the results. It is just as essential as having people sign an affidavit he is not a Communist.

Mr. COX. Will not the gentleman delete from the permanent RECORD those remarks he made on yesterday?

Mr. RICH. It would not affect the gentleman from Georgia, I am positively sure. He is a real American of the first magnitude. I love him, honor him, and respect him.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mrs. NORTON. Mr. Speaker, in answer to the gentleman from Pennsylvania may I say that I have so much respect for the integrity of every Member of this House that I would not think of questioning what they do or what they do not do with their stationery allowance.

Mr. HORAN. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Washington.

Mr. HORAN. Mr. Speaker, I want to say that if the Members will take the Congressional Directory and turn to page 250 they will find out how long the various sessions of Congress have lasted each year since the founding of this Nation. They will find that since 1932, at least, the average number of days that we have been held here in Washington, some of us almost 3,000 miles away from our constituency, is continually increasing. It is no secret that my own account is overdrawn, but it is overdrawn in an earnest and faithful effort to serve my constituents. In my opinion, we do a disservice to the Republic when we handicap the offices of those valiantly and sincerely trying to serve their constituents.

Mr. PHILLIPS of California. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman from Washington has brought out much of the point I intended to speak of. I think at the beginning of the discussion too much emphasis was laid on the simple amount of money. It is not only as the gentlewoman from New Jersey has said that costs have increased but there has been a tremendously increased demand upon the congressional offices, particularly as the importance of the Washington agencies and the importance of the Congress have increased.

I am of the opinion, Mr. Speaker, that this is not a question of the amount of money involved by a question of service which the Congress should give to its constituency. While I do not think my account is overdrawn, certainly it is up to the limit, and may be overdrawn, those of us from the West have a greater problem perhaps than any other Members of the country. I still believe the problem will balance itself out. I am in favor of the resolution introduced by the gentlewoman from New Jersey and shall support it.

Mrs. NORTON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. LECOMPTE) there were—ayes 164, noes 46.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AND APPOINTMENT OF CONFEREES

Mr. RICH. Mr. Speaker, I have been appointed a conferee on H. R. 9038 dealing with the form of the budget, and other matters. I ask unanimous consent, Mr. Speaker, that I be excused from acting as a conferee on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The Chair appoints in the place vacated by the gentleman from Pennsylvania the gentleman from Michigan [Mr. HOFFMAN], and the Clerk will notify the Senate accordingly.

EXTENSION OF REMARKS

Mr. MURDOCK and Mr. THORNBERRY asked and were given permission to extend their remarks and include extraneous matter.

Mr. ASPINALL asked and was given permission to extend his remarks and include an address by Michael Straus, Commissioner of Reclamation, at Denver, Colo.

Mr. FLOOD asked and was given permission to extend his remarks in two instances.

Mr. LANE asked and was given permission to extend his remarks and include extraneous matter.

Mr. LECOMPTE asked and was given permission to extend his remarks and include an editorial from the Grinell, Iowa, paper.

Mr. RICH asked and was given permission to extend his remarks and include an article.

Mr. SECREST asked and was given permission to extend his remarks and include a resolution adopted by the executive committee of the National Labor-Management Council on Foreign Trade Policy.

Mr. THOMPSON asked and was given permission to extend his remarks and include extraneous matter.

ESTABLISHING ADDITIONAL OFFICES IN THE DEPARTMENT OF AGRICULTURE

The SPEAKER. The unfinished business is the further consideration of House Resolution 819 making in order the bill (H. R. 8850) to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes.

Mr. COX. Mr. Speaker, House Resolution 819 makes in order H. R. 8850, reported by the Committee on Agriculture. This is a bill, Mr. Speaker, which would provide additional assistants for the Secretary of Agriculture. I want to say very frankly that when the matter was first brought to the attention of the Committee on Rules my reaction was not at all favorable. I am not now particularly interested, but an examination I made of the whole subject this morning convinces me that probably the Secretary does need this additional help. I think maybe all of these departments are overstaffed, but not on this level. I am persuaded that the Secretary does need this help.

At this time, Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Speaker, when this resolution came before the Committee on Rules I reacted in a very human way and opposed the resolution. I reflected upon that opposition and I came to the conclusion, Mr. Speaker, that I was little in my opposition to this resolution because my opposition was based upon a personal dislike for some of the personalities and some of the policies of the Department of Agriculture, and I determined that that opposition was below the dignity of that required of a United States Representative. Consequently, I urge the House to favorably consider this proposition.

I know, Mr. Speaker, that the present Secretary of Agriculture is unpopular in both parties.

I know he has done things and said things which were not to the liking of the Members of Congress. I know from time to time the Department of Agriculture has done things which have angered Members of Congress, things which I think were wrong. Nevertheless our Government is bigger than JOHN LYLE, and bigger than any Member of this body. The Department of Agriculture is a tremendous Department with tremendous responsibilities. The economy of the Nation well rests upon the solidity and soundness of our agricultural economy. There is only one department which can administer the program and the money appropriated by this body which runs into billions of dollars and that is the Department of Agriculture. This should not be a political issue, and it should not be determined upon personalities. It should be determined upon the same basis as though the Republicans, let us say, were in charge of the Department of Agriculture. It should be determined on the basis of whether or not this is good administrative practice.

From time to time you as Members of Congress have called the Department of Agriculture attempting to get in touch with someone charged with responsibility, and you know it has been very difficult. I think the Hoover Commission recommends these assistant secretaries. I think it is good administration to have them. I sincerely hope, Mr. Speaker, we can approach this matter, not on the basis of whether we personally like the Secretary of Agriculture, or whether we personally like his policies, but on the basis of whether or not this is in the interest of good administration for the people of America.

You know from time to time we have difficulty keeping the people of America in mind because as we are required here day after day to associate with each other, and to handle hundreds of little problems, we sometimes forget the big, over-all obligation which rests upon us to serve the people, and to so serve and to so act and so think that that which is done in this Chamber will strengthen America and strengthen the administration of a great and big government.

I know that the Members on the other side of the aisle from mine are big men. I think the gentleman from Kansas [Mr. HOPE] is one of the outstanding men I have ever had the privilege to know. I feel quite sure that when he reflects upon this matter he will look favorably upon it as being in the interests of good administration, and that his side of the aisle will follow his leadership.

I sincerely hope, Mr. Speaker, that we can approach this in a manner which will be worthy of this body, free from politics and free from the petty personal considerations which so often tend to influence our decisions.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. GROSS. Will the gentleman state how many Under Secretaries there now are in the Department of Agriculture?

Mr. LYLE. One, as I recall.

Mr. GROSS. One Under Secretary?

Mr. LYLE. That is my understanding.

Mr. GROSS. And no Assistant Secretary?

Mr. LYLE. No Assistant Secretary.

Mr. GROSS. Has the office of the Under Secretary been filled?

Mr. LYLE. Yes, sir.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield as much time as he may require to the gentleman from Pennsylvania [Mr. GAVIN], and ask unanimous consent that he may speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(Mr. GAVIN asked and was given permission to revise and extend his remarks and include two editorials.)

Mr. GAVIN. Mr. Speaker, I just returned from my district, and I want to advise the House that the sentiment back home is that Congress stay on the job until such a time as this Korean war is settled and until such time as all legislation is enacted to develop our overall programs for national defense.

I fully realize that the Members are getting anxious to get back home to campaign, but this Korean war is a war that cannot be brushed off, as just another incident or localized action or police action, and that it is not a major operation. Let me tell you that when American boys are fighting and dying it is a war—and let no one tell you otherwise—brought on by some who were taking calculated risks, but they calculated wrong, so it is my opinion that Congress should be on the alert and stay on the job to take care of any matters that may arise at any time.

[From the Oil City (Pa.) Derrick of August 16, 1950]

WHY BLAME THE OFFICE BOY?

Since outbreak of the Korean war, Defense Secretary Louis C. Johnson has taken a terrific beating from critics of his military economy program which they claim cut a great deal of the muscle from America's armed strength.

Events of the past few weeks indicate all too clearly that many of the criticisms, basically, are fully justified—that cut-backs have reduced United States military power far below the point necessary to meet the continued ominous threat of Communist imperialism.

But it would seem the critics are barking up the wrong tree in assessing the blame for the cut-backs? Isn't it likely that Secretary Johnson's loss—in this case the President of the United States—either authored or fully sanctioned the decisions? Doesn't it seem just a little far-fetched to assume that Mr. Johnson took upon himself sole responsibility for the cut-back orders?

Let's quit ducking the issue and put the blame, if blame is due, where it rightfully belongs. To turn the full blare of criticism upon Secretary Johnson and leave Mr. Truman out of the picture holds much the same status as blaming the office boy for policies which only the boss is privileged to order.

On January 1, 1948, the President's own Air Policy Commission reported that 70 air groups were necessary for "survival in the air age." But Mr. Truman ignored that recommendation, steadfastly held out for only 48 air groups. And even last year when Congress voted enough money for 58 groups, he impounded the money for the 10 extra groups, declaring the larger Air Force would be inconsistent with a realistic and balanced security program.

Secretary Johnson had nothing to do with that decision. So it appears just as likely that canceling construction of a big Navy carrier, cut-backs in ground forces, and other military economy measures were the result of White House orders.

It all adds up to the fact that as Communist nations continued to arm at a frantic pace, Americans were lulled into a false sense of security by national leaders who pressed their schemes for socializing American living in lieu of girding the United States for the supreme test with Communist aggression.

Now we must pay—and dearly—for the folly of gambling the national security for political expediency. For every American must now know, as our leaders should have known over the past several years, that force and force alone is the only language understood by the dictators in the Kremlin. America must arm to the hilt, for therein lies the only hope of peace.

And as we repair our military weaknesses and mobilize our strength, let us profit from the lessons of the past and firmly resolve never again to allow ourselves to be duped by those in high authority.

[From the Daily Press, St. Marys, Pa., of August 16, 1950]

A SOLDIER'S DREAM

A weary American GI Joe, tired in body and mind, sank slowly to rest in a Korean foxhole. He lifted his hand to wipe grimy sweat from his brow.

Korean mud was caked dry on his hands, his face and his arms where he had rolled up his sleeves to pass ammunition to the gun he and some of his comrades have been using against the North Korean Reds in an effort to halt their surge toward the strategic city of Taegu.

He and his buddies had been firing point blank at the enemy for 16 hours with scant rest.

So as the Yankee soldier from Anytown, U. S. A., slumped into his trench he soon dropped off into a deep sleep.

There danced before his eyes in his dreams, scenes of his home town, the gang he ran around with before he enlisted, his mother, dad, sisters and brothers at home. He noted their disturbed demeanor as they wondered where he was, what he was doing. They had an idea he was in Korea but had no idea he was in a mud trench there within sight of the enemy's massed forces opposite a winding river that constituted one of the natural battle barriers.

Before he sank into his deep slumber he heard over the radio near his foxhole that

the United Nations countries were preparing to send contingents to Korea to lend a hand to the Yankees and South Koreans who had been battling alone since last June 25.

As the battle-tired Yankee lad lived on his slumberland, his eyes lighted on what looked like a British fatigue uniform. Still in his dreams, he raced across his trench to shake hands with the newcomer, to him, an outward sign other nations were coming to America's aid.

He tapped the other soldier on the shoulder, extended his hand in salutation as the supposedly British fighting man turned to face him.

"How are you, lad!" was the hearty greeting of the newcomer, "but don't be deceived at the uniform. My name is Dennis Murphy, a boilermaker from Brooklyn. I picked up this uniform in World War II and merely put it on now to encourage you boys here in Korea," and with that he vanished from sight like Santa Claus on Christmas Eve after distributing his presents.

Shaking the cobwebs of unreality from his tired eyes, the Yankee looked further down the trench and there spotted the familiar beret, worn so frequently by French troops.

"Ah, at last, the French have kept their promise to send us some aid," said the GI as his feeling of morale roared to new heights. So he hurried down the beaten pathway to say "hello" to his new comrade in arms.

Again he was doomed to disappointment as the soldier clad in a French uniform turned and introduced himself as Joe Sidowski, of Youngstown, Ohio.

When the 20-year-old GI asked the Ohioan "How come the French uniform?" he received the following reply:

"Oh, that was something I picked up when we teamed up with the French after the Normandy invasion. I brought it home as a souvenir, but decided to slip into it just once to make you lads here in Korea feel you had not been deserted entirely by the rest of the free world, but I have to be going now. I have to be at my strip-mill job at 7 o'clock," and with that he disappeared into the night.

The sound of crickets reminded the lad again of home. Here, at least, was one noise that sounded just the same as the crickets that hung around the back porch of his own family residence.

Rubbing his sleepy eyes again, still in dreamland, please remember, the youthful soldier brightened up considerably when over the trench parapet, he saw a sturdy-looking infantryman coming his way, wearing the pinned-up hat, a familiar trade-mark of the Australian and New Zealand fighting man.

"Here at last," said the lad to himself, "is a real fighting person, no figment of fancy."

But again he was doomed to disappointment as the last of the three to join his dream brigade happened to be one Tom Miller from California, who had fought in the recent war, had married an Australian girl, and brought her brother's uniform home with him.

As dawn crept across the Korean trench and its warming rays hit the soldier lad in the face he suddenly came to life, realized where he was, and the job before him.

Realization that his comrades in arms of the night before had been merely figures of fancy, the American lad knew then as far as the present Korean campaign was concerned, he was in there pitching alone.

The pledged help of other United Nations was nowhere in sight. He, the Yankee, knew then the bitter battling that lie ahead had to be fought alone by he and his American comrades.

"Of what value is a nation's promise," he asked himself in bitter undertones, "if it promises to send help to us, then reneges in on its pledged word."

Then he trudged back wearily to his gun emplacement position, a disillusioned boy.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself as much time as I may require.

Mr. Speaker, like my good friend, the gentleman from Texas [Mr. LYLE], I, too, would like to see some changes down in the Department of Agriculture. Heaven knows we need some changes down there. But what assurance do we here have that in the event we do provide for these additional appointments that we will not have these Socialists running around the country along with Secretary Brannan advocating a lot of these socialistic programs and schemes. If I had that assurance from some Members on my right that we would not get the same caliber of men that are there now, in whom organized agriculture has no confidence, then I would go along with this proposition. But unfortunately I do not believe anyone can give us that assurance. In fact, I think most of us here believe that we are going to get the same caliber of men, and that we are just going to provide a couple of extra jobs for them to chase around the country before election, making political speeches and making speeches in favor of this socialistic Brannan farm plan.

The provisions of this bill, Mr. Speaker, authorize the appointment of two additional Assistant Secretaries of Agriculture, and one Administrative Assistant. The first two to receive $15,000 per annum; and the other $14,000 per annum. Like my good friend, the gentleman from Texas [Mr. LYLE], I would go all out for this if I thought there would be just the least chance of getting men in these positions who would stay in Washington and try to be helpful to organize agriculture and the farmers, generally, of America. All that we can go on is the record of the past, and the past shows the type of men who are hired in the key posts of that Department. I hope, Mr. Speaker, that this bill is defeated.

Mr. COX. Does the gentleman from Illinois care to yield further time?

Mr. ALLEN of Illinois. Yes. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

(Mr. ARENDS asked and was given permission to revise and extend his remarks and to include a table.)

Mr. ARENDS. Mr. Speaker, we have before us a bill to create three more high ranking executive offices at high salaries: two additional offices of Assistant Secretaries of Agriculture at a salary of $15,000 each, and an office of Administrative Assistant Secretary of Agriculture at a salary of $14,000.

In recommending this legislation Secretary Brannan speaks of his "manifold responsibilities." Perhaps he seeks to be relieved of some of his Washington desk duties in order to be able to devote full time in trying to sell his ridiculous Brannan plan for the socialization of agriculture. I do not know. We do know, however, that the weight of his duties are not such as to prevent his making frequent public appearances to promote his notorious plan to regiment the farmers.

To give this bill some semblance of respectability, great stress has been put on the fact that the Hoover Commission recommended the creation of these three new positions. It is true that the Hoover Commission recommended an additional Assistant Secretary of Agriculture and an Administrative Assistant Secretary of Agriculture. But Mr. Brannan asks for just a little more. He asks for two—not just one—Assistant Secretaries for his Department.

That, of course, is typical of bureaucratic government, and particularly of the present Secretary of Agriculture, to try to get from the Congress as many jobs and as much power as possible.

The point I should like to emphasize with the House is that the Hoover Commission recommended many, many more things for the reorganization of the Department of Agriculture than just the creation of new top positions. If you read the testimony which the Secretary of Agriculture submitted to the Senate Committeee on Expenditures in Executive Departments you will find that this particular bill—creating new top positions in the Department of Agriculture—was practically the only thing the Hoover Commission recommended with respect to Mr. Brannan's Department that he approves.

If there is any Department of the Government which sorely needs a complete reorganization, it is the Department of Agriculture. It is quite evident that Secretary Brannan has no intention of carrying this out unless he is given complete authority to reorganize in whatever manner he himself decides. In Reorganization Plan No. 4, which the other body summarily rejected by a voice vote on May 18, it was proposed to give him such authority. When asked along what lines he proposed to carry out the reorganization power he sought by the pending plan, Secretary Brannan could not or would not say. It was largely for that reason that Reorganization Plan No. 4 was rejected.

Denied the authority to reorganize his Department in accordance with his own ideas, everything the Hoover Commission recommended to the contrary notwithstanding, the Secretary of Agriculture 6 days later recommended to the Congress that we simply pass this legislation carrying out that part, and only that part, of the Commission's recommendations he approves. And that is this bill. It reorganizes nothing.

The people of this country earnestly want a reorganization of the various departments and agencies of this great sprawling bureaucratic Government. They heartily approve the work of the Hoover Commission. It has been a great disappointment to them, as it has been to me, that the reorganization program has been attacked in such a piecemeal, half-hearted manner.

I do not hold that the Hoover Commission recommendations are the last and final word on Government reorganization. But I deplore the fact that, by and large, the administration has taken only those phases of the Commission's

recommendations which would increase power and raise salaries and create new positions. No forthright, determined effort has been made to effectuate the Commission's program for efficiency and economy.

On page 22, appendix C, of the report of the House Committee on Expenditures in the Executive Departments, entitled "Summary of Reorganization Progress During the Eighty-first Congress," you will find a checklist of statutory enactments affecting reorganization. I ask unanimous consent that this list be made a part of my remarks.

If you would just run through this list you will quickly see that the emphasis in the reorganization legislation that has been advanced by this Congress has been upon bigger salaries and new positions. There are some worthy exceptions. But the emphasis has not been upon the economy and efficiency features of reorganization.

The bill we have before us may be in line with the Hoover Commission recommendations for reorganization. But where are the numerous other recommendations which the Commission recommended for the Department of Agriculture? Here again only a small and rather minor part has been selected, and here again the part that has been selected is that which provides for new positions, new responsibilities, and an additional expense to the taxpayers.

APPENDIX C

Checklist of statutory enactments affecting reorganization

Name or designation	Public Law No.	Major purpose	Date of approval
Appropriations Act of 1949, supplemental	358	Includes provisions for President's special management improvement fund	Oct. 14, 1949
Career Compensation Act of 1949	351	Provides new pay scales for all Regular and non-Regular components of all branches of the Armed Forces.	Oct. 12, 1949
Central Intelligence Agency Act of 1949	110	Grants broad powers to the Agency with respect to procurement and other expenditures	June 20, 1949
Classification Act of 1949	429	Repeals Classification Act of 1923, as amended, and provides for new classification system and new and higher pay scales.	Oct. 28, 1949
Executive Salary Act of 1949	2	Increases salaries of President, Vice President, and Speaker of the House	Jan. 19, 1949
Federal Property and Administrative Services Act of 1949	152	Provides for establishment of General Services Administration, and for the more economical and efficient handling of the supply and property management functions of the Federal Government.	June 30, 1949
Forest Service, simplification of	478	To facilitate and simplify the work of the Forest Service	Apr. 24, 1950
Housing Act of 1950	475	Gives Housing and Home Finance Agency full responsibility for loans for student housing	Apr. 20, 1950
National Security Act of 1947, amendment of	36	To provide for an Under Secretary of Defense	Apr. 2, 1949
National Security Act amendments of 1949	216	Converts National Military Establishment into a Department of Defense, including Departments of Army, Navy, and Air Force.	Aug. 10, 1949
National Science Foundation Act of 1950	507	Establishes National Science Foundation as an independent agency for promotion and coordination of scientific research.	May 10, 1950
Postal Pay Act of 1949	428	Provides annual pay increases for all postal employees	Oct. 28, 1949
Professional and Scientific Personnel	167	Creates certain positions of this character in Department of Defense	July 13, 1949
Do	472	Creates certain positions of this character for the National Advisory Committee on Aeronautics.	Apr. 11, 1950
Reorganization Act of 1949	109	Establishes procedures for the submission and approval of reorganization plans for the executive branch of the Government.	June 20, 1949
Retirement systems, consolidation of	180	Repeals 2 retirement acts and brings employees affected under Civil Service Retirement Act.	July 21, 1949
State Department Reorganization Act of 1949	73	Comprehensive reorganization of State Department	May 26, 1949
Travel Expense Act of 1949	92	Regulates subsistence allowances for Federal officers and employees and increases rates therefor.	June 9, 1949

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I feel that this is not a feasible time to consider legislation of this character.

This bill calls for the appointment of three Assistant Secretaries in the Department of Agriculture in addition to the present staff. I know of no agency that has more $10,000-a-year-or-above men than the Department of Agriculture, unless it be the State Department. I do not know the figures, but I am convinced that could we get hold of the record it would show more high-priced men in the Department of Agriculture than any other agency except the State Department. No doubt there is need for additional assistant secretaries in the Department of Agriculture in view of the fact that since April 7 of 1949, about 17 or 18 months ago the Secretary has devoted a great deal of his time over the country in selling the administration's so-called farm program. Naturally he must have someone here to whom he can delegate authority to carry on the functions of the Department when he is traveling out over the country talking this proposal.

The appointment of these Secretaries would not only mean an expenditure for the salaries of the Secretaries, but there must be a large office staff for each one, at least several stenographers, as well as a secretary to the Assistant Secretary; then there would be a tremendous increase in the traveling and other expenses of that particular office. I dare say that if this bill passes in its present form it would mean several hundred thousands dollars more expenses for the Department of Agriculture.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. What assurance do we have that we will not get more Socialists and left-wingers down in the Department of Agriculture and in the key positions down there if this bill passes?

Mr. AUGUST H. ANDRESEN. I do not know. I may say to the gentleman from Illinois that I doubt very much that there are very many so-called left-wingers left in the Department. I have a high regard for many of the men who work there, but, unfortunately, the men in key positions and the heads of these different branches of the Department of Agriculture do not have anything to say about policy. The political policy of the Department is initiated by the Secretary. Of course, he is a member of the Democratic team and he carries out the dictates of the manager of the team.

Mr. ALLEN of Illinois. Would the gentleman admit that one would have to be a left-winger if he came up with such a plan as the Brannan plan?

Mr. AUGUST H. ANDRESEN. We had that Brannan plan before our committee and for at least 16 months we tried to get these experts to come out with the figures showing the cost. I have talked with the heads of various departments, the men who have been working on those figures, and they tell me it is impossible to come up with an answer. Some of them have estimated that it would involve a tremendous cost. The Secretary himself, Mr. Brannan, has refused to use the figures they submitted.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Georgia.

Mr. PACE. The caliber of these two assistants is somewhat protected, however, by the provision that they are to be confirmed by the Senate?

Mr. AUGUST H. ANDRESEN. That is true, but the present Secretary of Agriculture was also confirmed by the Senate. I could go back into the history of the country for some 18 years and point out a good many high-ranking officials who have also been confirmed by the Senate. I do not think that is a particular check unless some of these predictions that are being made by columnists and an official of the Department of Agriculture recently come true which would indicate that the caliber of the Senate might change as a result of the coming elections. I am no prophet, so I cannot predict.

Mr. Speaker, we are engaged in a war. We are preparing for complete mobilization. We are preparing to spend multi-billions of dollars of the taxpayers' money to prepare for war and to fight

Communists, as I understand it, wherever they may break out in other parts of the world. The key objective of that, so we are told, is to make our country strong, so that we can win the war. In doing so we should be willing to sacrifice some of these things that are not so essential. I do not maintain that the production of food is a nonessential, because it has always been maintained that food will win the war and food will write the peace. I wish that were true. We do not always treat agriculture in that manner. It is true they must have food and farmers must be encouraged to produce in abundance the food and fiber that is so essential to winning the war. But I doubt very much that these new appointees will be used for that purpose because the Secretary of Agriculture, I am sure, could devote more time to that job.

Mr. Speaker, I hope that the rule will be defeated.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. COX. Mr. Speaker, I yield myself as much time as I desire.

Mr. Speaker, I take no offense at criticism directed at many departments of our Government. As a matter of fact, it is a pastime that I, myself, have engaged in from time to time. If the responsibility of selecting the heads of many of the agencies of our Government had been upon us, it is possible that we might not have made the choice which was made.

Mr. Brannan, who heads the Department of Agriculture, which is one of the great departments of the Government, has upon him the responsibility of administering the affairs of that great Department, and we, as representatives of the people, owe it to him to give him all of the assistance possible to make certain good administration.

The Committee on Agriculture has approached this subject, not timidly but cautiously. The committee has worked out a bill which it brings in here providing for furnishing the Secretary with three additional aides. In an endeavor to meet the opposition and to make the way easy for the bill, the committee will offer an amendment, if the House resolves itself into the Committee of the Whole for the consideration of the bill, striking from the bill one of the aides which the Secretary has requested.

I know, Mr. Speaker, that in a sense this is not a favorable time to bring up legislation of this kind. I do not mean it is unfavorable because we are engaged at the moment in limited warfare, but politically the atmosphere is such as to make hazardous the fate of the bill.

Mr. Speaker, the fact that we are at war is no reason why we should not take action to strengthen the different departments to insure better government for the people, and, although I started into the consideration of this question with a feeling of hostility, upon reflection—and not because of politics, because I would spurn yielding to any sort of political pressure in the consideration of this or any other measure—I am persuaded that it is in the interest of good government that we give the Secretary of Agriculture these two additional assistants provided for in this bill. I trust that the House will adopt the rule and then go into the Committee of the Whole and hear the members of the Committee on Agriculture who have struggled with this problem—men in whom the House and the country have great confidence, men whose patriotism is unquestioned, whose understanding of governmental problems is deep—and thereby get the benefit of their knowledge and of their opinions before closing our minds on the question as to whether or not the bill should be passed.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 68, noes 26.

So the resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8850) to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8850, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, at the outset I want to congratulate our distinguished friend the gentleman from Texas [Mr. LYLE] upon the very splendid and statesmanlike speech which he delivered here a moment ago. I think that the Members of this House should agree with the observations that he made to the effect that we should approach the performance of our duty with regard to this measure without partisan politics or personal prejudices. And, I assume that most of the Members of this House will approach the performance of their duty here with that attitude.

Mr. Chairman, there is no question about the necessity for the aid and assistance which the Secretary of Agriculture has requested us to provide. This House just a few moments ago, in the interest of better service in the offices of each Representative, took a vote which provided additional assistance to each of the congressional offices. Here we have the Secretary of Agriculture, who is directing a great institution, asking for top-level assistants in time of war when it is necessary for us to mobilize agriculture and place it on a wartime basis. We will probably be called upon not only to mobilize agriculture but to marshal all of our resources in the field of agriculture to the end that we might be able to meet and to cope with all of the eventualities of an uncertain future.

To the end that the Members of the House might know something about other departments of Government and by comparison determine whether or not the Department of Agriculture is overstaffed or understaffed, I desire to call attention to the situation which obtains in other departments of the Government.

The State Department has one Under Secretary, two Deputy Under Secretaries, and eight Assistant Secretaries.

The Department of Justice has one Deputy Attorney General, seven Assistant Attorneys General, and one Administrative Assistant Attorney General.

The Treasury Department has one Under Secretary, two Assistant Secretaries, and one Administrative Assistant Secretary.

The Post Office Department has one Deputy Postmaster General, four Assistant Postmasters General.

The Department of the Interior has one Under Secretary, three Assistant Secretaries, and one Administrative Assistant Secretary.

The Department of Commerce has one Under Secretary, two Assistant Secretaries, and one Administrative Assistant Secretary.

The Department of Labor has one Under Secretary, three Assistant Secretaries, and one Administrative Assistant Secretary.

Now we come to the Department of Agriculture: One Under Secretary and one Assistant Secretary.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I had not understood that giving the Secretary of Agriculture these additional assistants was to put him on a par with the others.

Mr. COOLEY. No. The gentleman knows that that is not the purpose of my argument; it was by comparison that I hoped I might be able to aid the gentleman in coming to the conclusion that he should vote for the bill to give the Secretary of Agriculture these assistants.

Mr. AUGUST H. ANDRESEN. Of course, I recognize and so does the gentleman that the Department of Agriculture does probably 5 or 10 times more business than these other agencies. That is a fact.

Mr. COOLEY. I think the gentleman is exactly right. I think you will realize that the Department of Agriculture, created by act of Congress in 1862, has grown tremendously. The Department 20 years ago had 22,000 employees. Today it has over 86,000 employees. The expenditures have increased from about $25,800,000 to an annual budget of $1,300,000,000. In addition to that, I would like to call your attention to the financial responsibilities involved. To give you an idea of the magnitude of the Department and the money actually involved, as well as the potential financial responsibility of the different agencies within the Department, I need only call your attention to the fact that the 1950 budget for the Department is $1,300,000,000, including appropriations for REA and FHA. The Commodity Credit Corporation has a borrowing authority of $6,750,000,000; Rural Electrification Administration loans outstanding,

$2,300,000,000; Farmers Home Administration, $384,000,000; agricultural conservation program, $257,000,000; Soil Conservation Service, $53,000,000; Forestry Service, $7,000,000; section 32 programs, $110,000,000; school-lunch program, $83,000,000; Federal crop insurance and potential liability under insurance contracts, $250,000,000; Farm Credit Administration, total assets, $2,100,000,000; Federal-research programs, $100,000,000.

There is a total financial investment or potential investment on the part of the Government and our people of an amount in excess of $13,000,000,000, and the employees as of June 30, 1949, including temporary employees number about 86,000.

Most of this great responsibility has been added to the Department and placed under the Secretary since 1934, when he was furnished with the last assistance at this top level. The Hoover Commission Report recommended one additional secretary and one administrative secretary. I agreed, before the Committee on Rules, to offer an amendment to strike out the administrative assistant secretary. Then the bill will only call for two assistant secretaries, which would be top-flight jobs in the Department.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GROSS. The gentleman states that these new assistant secretaries are needed for the mobilization of agriculture. I think the gentleman will admit that agriculture, the greatest and largest industry in this country in all its ramifications is the easiest mobilized in time of war. The gentleman will admit that, will he not?

Mr. COOLEY. I think that is true.

Mr. GROSS. Agriculture never went on a sit-down strike and never has received cost-plus contracts. Agriculture has been willing to produce in any time of war.

There is one other observation I would like to make. I wonder when we are going to have a Secretary of Agriculture in the United States who is a farmer. Does not the gentleman think the Secretary of Agriculture ought to be a farmer?

Mr. COOLEY. I do not want to argue that point with the gentleman, any more than I want to discuss with him the full Hoover Commission report or the Brannan plan, or anything else which is extraneous or collateral to the issue now before us.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. NICHOLSON. With reference to these new duties which have been placed on the Department of Agriculture, is there not a director at the head of all these different departments, which position would correspond to the position of Under Secretary?

Mr. COOLEY. I suppose there is a director for each of the important agencies in the Department of Agriculture. But I want to emphasize the responsibilities we have placed in the Department. Since 1934—I am reading from the Secretary's statement—"responsibilities for many other major programs have been vested in the Department by new basic authorities enacted by the Congress or by transfer of functions under reorganization authorities. These have included the programs provided for in the Soil Conservation and the Domestic Allotment Act, the Agricultural Adjustment Act of 1938, the Federal Crop Insurance Act, the Sugar Act of 1948, and the Agricultural Adjustment Act of 1948. Other programs transferred to the Department include the Resettlement Administration (now Farmers' Home Administration), the REA, the Farm Credit Administration, and the Commodity Credit Corporation. Recently there have been added responsibilities with respect to farm housing and rural telephones."

It seems to me that when we charge a public official with great and grave responsibilities, as we have the Secretary of Agriculture, we ought to be willing to give him men of capacity and men of caliber to assist him in administering the laws which we enact and which he must administer. It seems to me it would put this House in a rather awkward position to repudiate a very sincere and honest request of a Cabinet officer to give him some additional assistance, unless there is very good reason to do so.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KEATING. I appreciate the observation the gentleman made that he did not want to get into collateral issues. He may consider that the discussion of other recommendations of the Hoover Commission as collateral; I do not happen to; I feel that they are tied in together.

Does not the gentleman believe that if the House were to pass this one out of the 16 recommendations of the Hoover Commission and leave the others that it might militate against favorable action on the other recommendations?

Mr. COOLEY. No; I do not think so. I think if you are going to undertake proper reorganization of the Department you should provide two or three good men to assist in that great undertaking.

The gentleman will recall that during the last world war we had Mr. Marvin Jones, a distinguished former Member of this House, down there as War Food Administrator; and the Department of Agriculture was temporarily increased and charged with very great responsibilities. I think Judge Jones did a magnificent job. While I do not mean to suggest that either of the Assistant Secretaries authorized by this bill will be designated as War Food Administrator, I do intend to emphasize the fact that the demands on the Secretary of Agriculture have greatly increased in recent years, and I am convinced that he needs the assistance which he has requested. I hope this bill will be approved.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I appreciate the fact that this debate up to this point has been purely on the merits of the question, and I hope it will continue to be on that basis. I believe there are some very good reasons at this time why we should not pass legislation giving the Secretary of Agriculture three Assistant Secretaries and I shall confine my remarks strictly to that question. The distinguished chairman of the committee, the gentleman from North Carolina, has called attention to the fact that the Department of Agriculture has taken on new activities in recent years, which is true, but we should on the other hand consider the fact that the Department of Agriculture has lost some of its activities and responsibilities during that time. The Weather Bureau has been transferred from the Department of Agriculture to the Department of Commerce; the Bureau of Biological Survey has been transferred to the Department of the Interior; the Bureau of Public Roads has been transferred two or three times and is now in the Department of Commerce or was the last time I looked in the Congressional Directory. The Food and Drug Administration, which was formerly a very important part of the Department of Agriculture, has been transferred to the Federal Security Agency. So there have been both additions and subtractions, as far as the Department of Agriculture is concerned, during the past few years.

The plea has been made that the Secretary of Agriculture has great need for three additional Assistant Secretaries. I am glad to listen to any evidence that may be offered on this point, but, frankly, I wonder how much need there is for these additional assistants when you consider for how long a period there have existed vacancies in the offices of Under Secretary and Assistant Secretary of Agriculture during the past 2 years. Mr. Brannan was appointed Secretary on June 2, 1948, and for the first 30 days, approximately, after that time, there was neither an Under Secretary nor an Assistant Secretary. Albert J. Loveland was sworn in as Under Secretary on June 30, 1948. He resigned on March 27, 1950. That vacancy ran along for 4 months, until July 28, 1950, when Clarence J. McCormack was sworn in as Under Secretary.

There was a vacancy for 14 months in the office of Assistant Secretary from the time that Mr. Brannan resigned that office until Knox T. Hutchinson was sworn in as Assistant Secretary on August 5, 1949. So, during the 26 months and 21 days since the appointment of Charles F. Brannan as Secretary there was a period of almost 30 days when there was neither an Under Secretary nor Assistant Secretary, and for a period of 14 months and 3 days, or more than half of that time, there was no Assistant Secretary. For a period of 4 months and 29 days, approximately 5 months, during that time there was no Under Secretary. So it would seem to me that if there is this great need for additional Assistant Secretaries there should be some better showing as to why there have been these long periods during the past 2 years when there were vacancies in the position of both Under Secretary and Assistant Secretary. I should like to have more and better information than I have on that point right now before I will be able to make

up my mind that there is this great need for three Assistant Secretaries.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield briefly; yes.

Mr. GROSS. Was the Secretary called before the committee and questioned as to the need? I find nothing in the report except a letter from the Secretary.

Mr. HOPE. As I recall it, he was, but let me ask the chairman of the committee if he can answer the gentleman definitely.

Mr. COOLEY. Secretary Brannan appeared in person, and I quoted from his statement a moment ago.

Mr. HOPE. That was my recollection; I wanted to be certain about it.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. KEATING. I am interested to know as a matter of procedure, if the gentleman can enlighten us, how this bill happened to go to the Committee on Agriculture rather than to the Committee on Expenditures where ordinarily reorganization plans are considered?

Mr. HOPE. It was referred to the Committee on Agriculture by the Speaker. I think similar bills have been referred to the committee in the past. This is not a reorganization bill. It simply adds to the personnel of the Department. It does not attempt the reorganization of the Department in any way.

Mr. KEATING. That is true, but, as I recall it, when the bill creating Assistant Secretaries of State was considered that came to us from the Committee on Expenditures, although I am not positive about that.

Mr. HOPE. I think that was because it included some reorganization features.

Mr. Chairman, it has been said that other Government departments which might be compared with the Department of Agriculture as far as size and personnel are concerned have more Assistant Secretaries than that Department. But I want to point out in a good many cases those new Secretaries came into the picture as a result of a reorganization program in harmony with the report of the Hoover Commission. I certainly would not be averse to considering the addition of three Assistant Secretaries in the Department of Agriculture if it were accompanied by a general reorganization plan along the lines of the recommendations of the Hoover Commission. But we do not have the opportunity to pass upon that question at this time. I am very reluctant to agree to accept this very small part of the Hoover Commission recommendations because I fear if we do that it will be the last we will ever hear of those recommendations as far as the Department of Agriculture is concerned.

The Hoover Commission made 16 different recommendations for the reorganization of the Department. This is but one of them. We do not have before us any of the other 15 and we do not know that they will ever be submitted. While I do not agree 100 percent with the recommendations of the Hoover Commission on the reorganization of the Department of Agriculture, there were certain very constructive recommendations made and I believe before passing upon this question of three additional assistants we should have the opportunity of passing upon a general reorganization plan for the Department.

I do not want to take up too much time discussing the Hoover Commission recommendations but I do want to call attention to the statement in the recommendations of that Commission pointing out the deficiencies in the Department organization.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, I am reading now from the report of the Hoover Commission:

(a) Its rapid growth has resulted in some 20 different offices reporting directly to the Secretary, causing an unnecessary diffusion of authority.

(b) The Department has grown to its present size without sufficient integration of its parts and with considerable overlap and duplication. It is a loose confederation of independent bureaus and agencies.

(c) There are agricultural activities in other parts of the Government which overlap and duplicate those of the Department of Agriculture.

(d) The Cooperative Extension Service established by the Federal Government and the States for educational purposes is being increasingly bypassed by several of the bureaus and agencies of the Department.

(e) With the rapid growth of new activities, many field organizations at State and county levels have developed. Their work results in duplications, overlappings, and often conflicting policies. They confuse and multiply the difficulties of the farmer in his relations to the Department.

(f) The Department has organized a variety of local advisory committees at the county level, and their members tend to become local administrators of uncoordinated agencies instead of advisers.

(g) The inspection of agricultural products for protection of the consumer and the farmer is scattered through many agencies of the Government, and the resulting confusion requires producers and manufacturers to comply with regulations issued by agencies of two or more departments or administrations.

(h) The present systems of budgeting, treatment of intradepartmental funds, and earmarking of recurring funds have the cumulative effect of obscuring bureau expenditures and of promoting waste.

(i) The services and policies of the several Farm Credit Agencies overlap. Their organization is contrary to sound banking principles. Some of them make loans which require costly individual supervision.

I submit, as far as this particular measure is concerned, it scarcely touches upon those faults of the Department which are enumerated in the Hoover report. It has been suggested that possibly it might be of some assistance as far as deficiency (a) is concerned in which it is stated:

Its rapid growth has resulted in some 20 different offices reporting directly to the Secretary, causing an unnecessary diffusion of authority.

Of course, a reorganization within the Department itself could take care of that by requiring that these offices report to the Undersecretary or to the Assistant Secretary. It does not require this legislation to do it.

Perhaps if there was a reorganization of the Department along the lines that are suggested in the Hoover report there would be a need for three Assistant Secretaries. In that case there should be a saving of expenditures in the Department which would justify the creation of these new policy-making and supervisory positions. But we have nothing here to indicate that there will be any saving in the Department or that there will be any greater efficiency in the Department if we create the new positions that are called for in this bill. It seems to me that until we have some assurance that the suggestions of the Hoover Commission will be submitted to Congress in whole or in part, so we can pass upon this important question of the reorganization of the Department, that we ought to withhold action upon this bill.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Washington.

Mr. HORAN. As the gentleman knows, I am a member of the subcommittee of the Committee on Appropriations dealing with the Department of Agriculture, and I also want to say that I do not want the Department hampered or hurt. However, I would like to know if all of these factors in the Hoover Commission recommendations were taken into consideration and considered by the committee on agricultural legislation at the time that the Secretary was up on this matter.

Mr. HOPE. I am perfectly safe in saying that they were not. The matter was not discussed in the committee except for a very short period.

Mr. HORAN. How long a period? An hour?

Mr. HOPE. It was perhaps an hour; it was all between 10 and 12 o'clock forenoon, during which time some other legislation was considered, as I recall it. The Hoover Commission recommendations with respect to this particular point, that is, the three additional Assistant Secretaries, were considered, but they were not discussed, as I recall it, as to any other point.

Mr. HORAN. Might I ask if there are any printed hearings on this bill before us?

Mr. HOPE. As far as I know, the hearings have not been printed.

Mr. HORAN. Just a report.

Mr. HOPE. There is a committee report.

Mr. HORAN. Does the gentleman not feel that the Committee on Agriculture ought to review the whole scope of the recommendations for the reorganization of the Department of Agriculture?

Mr. HOPE. I would certainly hope that will be done before we expand the Department by the addition of these three officials, yes.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. PACE. Of course, the gentleman knows that our committee does not have jurisdiction over reorganization

bills. Certainly, it was my understanding that with the addition of these three Assistant Secretaries, the Secretary could bring about some of the recommendations that the distinguished gentleman has referred to.

Mr. HOPE. I said a while ago that there was some thought possibly the first of these deficiencies might be effected by this Department, but I do not think any of the others will be, and there are 15 additional recommendations which are not touched at all as far as this legislation is concerned.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Was there any satisfactory showing that these additional Assistant Secretaries would contribute in any way to the war effort?

Mr. HOPE. I do not think that matter was considered; in fact, I am not sure whether this hearing was before or after the war in Korea broke out. But, it was not discussed, at least.

Mr. SCRIVNER. Does the gentleman feel it would contribute to the war effort?

Mr. HOPE. I do not think it would; no.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. KEATING. The gentleman's presentation has been very helpful. Right along the same line, would not the gentleman fear that if we adopt this bill that then the other salutory recommendations of the Hoover Commission, some 15 in number, may be just indefinitely shelved after the Secretary has obtained this additional help?

Mr. HOPE. Yes, that is exactly the thing that I fear. I think if we pass this bill in its present form, that it will be the end of the reorganization of the Department of Agriculture along the line of the Hoover Commission recommendations.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, I think the Committee on Agriculture is very pleased with the high plane on which this debate has proceeded here this morning, an indication that everyone is willing to consider the need for additional Assistant Secretaries in the Department of Agriculture on the basis of need and what the facts are. The gentleman from North Carolina has outlined very clearly the need for additional Assistant Secretaries, especially at the top level. All of us know and have complained many times that down on the lower level there may be much duplication of effort in the farm program, but I do not think any such complaint can be made as to the top level. There are many agencies that spend money in a wide variety of projects that seem to me to justify the Secretary's request for additional help. It is a fact that many of these agencies do have executive heads, but in spite of that, the ramifications of the organization, as a business proposition, require additional Assistant Secretaries. It should not be decided on the question of personalities. The Secretary of Agriculture is there today; he may be gone tomorrow, and you never can enact legislation on the basis of who occupies the office at the moment, because this is continuing legislation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell me whether these two additional Assistant Secretaries will have limousines and chauffeurs?

Mr. GRANGER. I do not know. I don't think so.

Mr. GROSS. I thank the gentleman.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from California.

Mr. WHITE of California. It rather seems from that remark that the debate is beginning to get off the high plane the gentleman from Utah just mentioned. I hope those remarks will not continue.

Mr. GRANGER. If the gentleman wants to say that probably might happen, I do not object to his making that observation. However, I do want to emphasize again that the Department of Agriculture deals with more people and gives service to more people than any other branch of the Government. It seems to me that it would be the height of folly not to give the Secretary the additional help he needs at the top level. I think the distinguished gentleman from Kansas recognizes that, and in his remarks he indicated that perhaps there was need for these assistant secretaries. I believe it is generally conceded by every Member of the Committee that that is the fact.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. REES. Of course, if the Secretary of Agriculture needs help at the higher level, he can secure that help from the Civil Service without the necessity of this legislation.

Mr. GRANGER. No; I think the gentleman is in error.

Mr. REES. Of course, he could not designate them as Assistant Secretaries, but the help could be employed.

Mr. GRANGER. Of course, this bill is to provide Assistant Secretaries who could act in the name of the Secretary.

Mr. REES. I understand that, and that is the difference. But people could be employed to help the Secretary.

Mr. GRANGER. Of course, if you want to say that he could employ these people, I think he could, but we want to provide direct authority to make these Assistant Secretaries responsible.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. PACE. These are supposed to be policy-making officials of the highest dignity, so that the thousands and thousands of people who come to the Capital from all over the Nation may confer with policy-making men and so that the Secretary himself would not have to try to see everybody who comes to Washington.

Mr. REES. These are policy-making people, and that is the reason for the legislation; is that it?

Mr. GRANGER. Yes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. McCORMACK. I do not have a farmer in my district. But if I represented a rural district and I knew that the Department of Agriculture has only one Under Secretary and one Assistant Secretary, I would realize the importance of the Department of Agriculture to the lives of the people of the entire Nation, and particularly to agriculture and all the farmers of our country. Further, knowing that the Secretary of State has eight Assistant Secretaries and the Department of Justic has seven and the Department of the Treasury has two and the Post Office Department has four Assistant Postmaster Generals and the Department of the Interior three Assistant Secretaries and the Department of Commerce two Assistant Secretaries and the Department of Labor three Assistant Secretaries; if I represented a rural district, I would feel that I would want to have that Department of government which directly serves my people and my constituents clothed with the dignity and prestige which is warranted, in view of the tremendous business which that Department carries on.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, there has been a need for a reorganization of the Department of Agriculture for many years. I am glad the distinguished majority leader is here. The gentleman will recollect that in the Seventy-ninth Congress I came before the Committee on Expenditures in the Executive Departments, of which he was a member.

Mr. McCORMACK. Did the gentleman say the Seventy-Ninth Congress?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. McCORMACK. If the gentleman said the Eightieth Congress, I was a Member then, but not during the Seventy-ninth Congress. I was a member of the special committee of my distinguished friend, as he will remember, in the Eightieth Congress.

Mr. AUGUST H. ANDRESEN. I remember very well the gentleman and I appeared before the committee. It may have been at the beginning of the Eightieth Congress, but, as I recollect, it was in the Seventy-ninth Congress.

I suggested that the committee go into an investigation of the Department of Agriculture with a view to reorganizing that Department. It was then suggested that the Committee on Agriculture itself do the job, because it was felt that our committee knew more about the workings of the Department than any other committee of the House. I agreed with that, and I submitted the matter to the Committee on Agriculture at that time.

The Department of Agriculture has become the greatest agency we have in Government outside of the National Defense Establishment. It has more than 80,000 employees. There are more than 50 divisions in the Department of Agriculture, each staffed by a career man at its head, so that we do have the expert personnel to deal with multiplicity of problems relating to the welfare of the American agriculture. During the Seventy-ninth Congress I went to the Department just to see what was going on. I went to just one floor in the south office building. I went into 50 offices that morning at about 10 o'clock. I found only 3 people working in 50 offices. That led me to believe there was a need to investigate and find out what was going on. There was nothing political about it, because the Department of Agriculture, with its large personnel, is bound to have a good many people who are not doing much work. That was in the Seventy-ninth Congress. Maybe the gentleman was not present, but it is my recollection that he was and that he spoke on the subject at that time when I appeared before the committee.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. GROSS. The gentleman from Massachusetts, the majority leader, says that if he were from the Midwest he thinks he would insist upon certain things. I imagine one of the things he would insist upon if he were from the Middle West, particularly the agricultural section, the real agricultural section of the country, would be that there be a Secretary of Agriculture who knew something about farming. I wonder when we are going to have a farmer in the Cabinet of the President, agriculture producing 65 percent of the wealth. I wonder if the gentleman from Minnesota does not agree with me that we should have a farmer as the head of this great Department.

Mr. AUGUST H. ANDRESEN. It is rather difficult to answer that question and I will not attempt to do so, because a man in such position associated with farm problems would at least absorb some information with reference to agriculture, and the present Secretary has a big staff of expert men advising him. He certainly should get proper information. I recall that the former Secretary, Mr. ANDERSON, recognized the need for reorganizing the Department of Agriculture and started out on a program to reorganize the Department but ran into the Civil Service Commission rules and regulations and a good many other obstructions, and very little came of that reorganization. Nobody can say that Mr. ANDERSON did not know at least something about agriculture or but what he was an able man. I have a very high regard for him.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I hope this bill may have the cordial and favorable consideration of the House. It distresses me that when the farmers' interest is involved there appears to be such great difficulty in bringing about the service to which he is entitled.

Criticism has been directed here at Mr. Brannan, our Secretary. I do not like to make comparisons, but I work with Mr. Brannan nearly every day. He has one Assistant Secretary and an Under Secretary, that is all. You gave Mr. Acheson of the State Department eight assistants, one Under Secretary and two deputies. I think the State Department should have these, but surely the Department of Agriculture is entitled to the additions authorized by this bill. Secretary of Labor, Mr. Tobin, has an Under Secretary, three Assistant Secretaries, and one Administrative Assistant. That is five. He looks after the welfare of those who work in the manufacturing plants and factories. But when we come to the man who works in the field and produces the food to feed them all we have difficulty.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PACE. Make it brief, please.

Mr. McCORMACK. No difficulty so far as those of us in the House are concerned who have not got a farmer in his district; we are with you.

Mr. PACE. I want to say here—it may be my last opportunity—that not only the distinguished gentleman from Massachusetts, but many of those associated with him from the city districts have, during my years in this House, shown a most sympathetic understanding of the problems of those who till the soil—the farmers of this Nation—and have tried to be helpful.

I personally want to see at least a couple more Assistant Secretaries in the Department for this reason: We had yesterday and the day before criticism of the disposition of surplus agricultural commodities that had been acquired by the Department. Did anybody ever take a look at Ralph Trigg and that job of his? He is President of the Commodity Credit Corporation. Mr. Chairman, you have given Ralph Trigg lending authority to the amount of $6,750,000,000 that he must look after. Yet you are insisting that in addition to that he shall be responsible for every pound of butter and every egg, every pound of other surplus commodities that has been taken over. I want to say for my part that I want to see an Assistant Secretary of Agriculture put there in charge of the disposition of any surplus agricultural commodities that have been acquired. Our chairman said on the floor yesterday, itemized, I think, about four or five hundred million dollars' worth of surplus commodities.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. COOLEY. I wish also to point out the fact that in addition to his responsibilities as President of the Commodity Credit Corporation he is likewise Director of the Production and Marketing Administration.

Mr. PACE. Of course. He handles more money and has more responsibility than any 10 banks in the United States. Go to one of these large city banks with $40,000,000 or $50,000,000 capital and you will find a list of vice presidents as long as from me to you.

Let me quote what the Secretary proposes to do under this bill:

> One Assistant Secretary would probably be given oversight of the handling and disposition of agricultural commodities, including those acquired in support price programs, which is a very important function of the Department.

Mr. Chairman, we have no right to stand on this floor and criticize the way those commodities are handled and then in the same breath refuse to give him a high-caliber man who can concentrate his entire efforts to that end.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. HOPE. May I inquire from what the gentleman is reading?

Mr. PACE. I am reading from the statement of the Secretary of Agriculture before the House Committee on Agriculture on the 20th day of July.

Mr. HOPE. I assumed that is what it was. Let me ask the gentleman this question: While it is true that the Department of Agriculture has fewer Assistant Secretaries than some of the other Government departments, is it not a fact that there are more employees in that Department at salaries over and above $10,000 a year than any other Department except the State Department?

Mr. PACE. I cannot agree or disagree with that statement. I have seen no figures on it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman from Georgia five additional minutes.

Mr. PACE. Mr. Chairman, we passed a bill last week, the Senate passed it night before last, granting certain controls to the President of the United States. I am sure you all know that at the outset there is no OPA. There could not be one in less than 60 or 90 days. It is contemplated at the outset that so far as agriculture under that control bill is concerned and prices it will be handled by the Department of Agriculture. Do you want some uninformed employee who has had no experience in that field to take over that job or do you want to grant Mr. Brannan authority to go out if necessary and get a man who is competent of undertaking the job and doing it in a respectable way? Every one who has investigated the matter knows we are getting ready to administer the agricultural features of that bill under the Secretary of Agriculture until the President in his wisdom sets up an Office of Price Administration.

Mr. Chairman, we all, of course, get down on our knees in the evenings and pray that this armed conflict will not spread. But no man knows what is going to happen. In the last war you not only had your Secretary of Agriculture, but he had to go out and pull in one of the greatest men who ever served in this House, the Honorable Marvin Jones, to serve as War Food Administrator, to bring about the production that was necessary. And I might say in passing

that you know and I know as soon as this conflict is ended in Korea we will have to go in there and feed those twenty-five or thirty-five million people and help rehabilitate that country. We know that is coming.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Iowa.

Mr. GROSS. We will not have to feed them all alone; will we? We ought to have a lot of help from the United Nations.

Mr. PACE. I know what the gentleman is hinting at, but I am afraid we will be called upon to do most of it.

The Secretary of Agriculture is here asking you to make it possible, when that hour comes, so that he will not have to come to Congress, but will have on his staff a trained man, a man of capacity who can move in and take charge of any increased production that may be brought on by the war.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. REES. Is there any difference in the number of Secretaries now in the Department of Agriculture than there were during World War II?

Mr. PACE. I think they are the same. I am just telling you that we had to go out at that time and get a War Food Administrator.

Mr. REES. Is one of these new assistants going to be a War Food Administrator?

Mr. PACE. We need that caliber of man there in that Department informed as to the operation of the farm program, so he can move into that place, in case the war should spread.

Mr. Chairman, it is fine to try to prevent crime in this Nation, you might say to look after the criminals; but, you know, who Charlie Brannan is looking after? He is looking after 25,000,000 farmers in the Nation and 125,000,000 consumers, because under the law he is charged with the responsibility of providing the food at fair prices.

The Department of Justice, now headed by a former distinguished Senator, looking after the criminals, has a Solicitor General, a Deputy Attorney General, 7 Assistant Attorneys General, and 1 Administrative Assistant to the Attorney General—10 in all. I make no criticism of that, but if we have properly given the Attorney General of the United States 10 high policy assistants, can it be that we will deny the man who is charged with the responsibility of producing the food to feed everyone of us the necessary assistants to carry on the work of the Department of Agriculture?

Mr. Chairman, this may be my last opportunity to speak on this floor, and I should like to add that when you hear a great deal of criticism about the surplus commodities we have on hand, which are insignificant compared with the entire agricultural production, do not forget, Mr. Chairman, it is far better that we have a surplus rather than a scarcity. Condemn Charlie Brannan all you please, condemn the Department of Agriculture, but let it be said that he has fed the people of this Nation and those who called upon us for help. He has done a good job and is entitled to our thanks and most sympathetic support.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Iowa.

Mr. GROSS. Will not the gentleman agree that if we did not have a Secretary of Agriculture we would have all the food production necessary to feed the people of this country if God and the elements were willing?

Mr. HOEVEN. I think that is true.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman from Georgia said that the Secretary of Agriculture is responsible for feeding the people. It seems to me that the Secretary of Agriculture is there to enforce the control programs and carry them out, that it is the farmers of the country who have been furnishing the food and fiber for the people of the United States.

Mr. HOEVEN. I quite agree with the gentleman. You cannot leave the farmer out of the picture.

Mr. Chairman, there may be some merit in what the gentleman from Georgia has just said with reference to the need for additional Assistant Secretaries of Agriculture. I regret, however, that the bill before us seeks to somewhat circumvent the recommendations of the Hoover Commission. As has been so admirably pointed out by the gentleman from Kansas [Mr. HOPE] there might be a need for these three Assistant Secretaries of Agriculture if the Hoover proposals were put into force and effect. Until a real need is shown, however, I think it would be wise to only authorize not to exceed one additional secretary at this time. Then our Committee on Agriculture should proceed to determine the real needs of the Department. We are approaching this whole thing in rather a piecemeal manner. Now I am just wondering why the urgent need all of a sudden for these Assistant Secretaries of Agriculture. As the gentleman from Kansas has already pointed out, there has been a vacancy in the office of Under Secretary for many weeks and months, and also in the position of Assistant Secretary. Now all of a sudden, at this late date, just a few short weeks before the general election, we have here the request for three Assistant Secretaries of Agriculture. Could politics have anything to do with it? We should keep agriculture out of politics. The charge is being made against the present Secretary of Agriculture as well as the Department of Agriculture that they are engaging in politics. The facts seem to bear out that assertion.

For instance, the former Under Secretary of Agriculture resigned his job at the behest and request of the administration, to become a candidate for the United States Senate in the State of Iowa so that he could propagandize the so-called Brannan plan for agriculture. I am also advised that the new Assistant Secretary of Agriculture was recently appointed to his position because he was rather energetic in the campaign of a certain Member of the other body. The Secretary himself is kept busy making political speeches.

The point I want to make is this, that although we all have great concern for the welfare of agriculture and the American farmer, we want the Department of Agriculture operated for the benefit of the farmers of America and completely divorced from partisan politics. I very much regret that the Secretary of Agriculture and his assistants see fit to run around the country appearing at every gathering of the faithful to expound the particular philosophies of the Department of Agriculture and the administration. If the Secretaries remained on the job attending to the needs of the farmers of America, as they are supposed to do, perhaps they could do the job without making a request for some additional assistants at this time.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. Would the gentleman also agree, in connection with the gentleman's remarks, that he has the same feeling about these PMA State meetings which are held, paid for by the taxpayers of this country, wherein the committeemen are drawn into a Statewide meeting and then belabored by members of the Agricultural Department and other politicians who bespeak the New Deal? Does the gentleman think that that is a sound and healthy thing for agriculture?

Mr. HOEVEN. It is not a sound and healthy thing for agriculture, and it is most regrettable that our entire agricultural program in this country has been drawn into the field of partison politics. Agriculture is the Nation's basic industry. Our entire economy is based upon the welfare of agriculture in this country. The whole agricultural program should, therefore, be considered on a nonpartisan basis.

If there is any department of government which should be above partisan politics, it is the Department of Agriculture. I therefore hope that if and when any new Assistant Secretaries of Agriculture take office under the provisions of this bill, they will devote themselves to their immediate jobs and to the welfare of the farmers of America. They should perform the duties that are prescribed for them by law and not engage in any type of political maneuvering which tends to set one farm group against the other. Their business is not politics but serving American agriculture.

Mr. HOPE. Mr. Chairman, I have no further requests for time.

Mr. COOLEY. I have no further requests for time, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That there shall be in the Department of Agriculture two additional Assistant Secretaries of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, and who each shall receive compensation at the rate prescribed by law for Assistant Secretaries of executive departments.

SEC. 2. There shall be in the Department of Agriculture an Administrative Assistant Secretary of Agriculture, who shall be appointed, with the approval of the President, by the Secretary of Agriculture under the classified civil service, and who shall receive compensation at the rate of $14,000 per annum.

SEC. 3. Each Assistant Secretary, including the Administrative Assistant Secretary, shall perform such functions as the Secretary of Agriculture may prescribe, and shall, in the order prescribed by the Secretary, perform the duties of the Secretary in the case of the death, resignation, absence, or sickness of the Secretary and Under Secretary.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Page 1, line 9, strike out all of section 2; page 2, line 5, renumber section 3 as section 2, and after the word "Secretary" strike out the following: "including the Administrative Assistant Secretary."

Mr. COOLEY. Mr. Chairman, this is the amendment which I agreed to offer when objection was made by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and when the matter was later questioned in the Committee on Rules. This particular provision was discussed at some length in the Commitee on Agriculture, and the question was raised because the administrative assistant was not subject to Senate confirmation.

I have no preconceived ideas about it. It was inserted in the bill for the reason that the Secretary of Agriculture requested it and the Hoover Commission recommended that the Department of Agriculture be provided with an administrative assistant, a position comparable with other positions in other departments. But, I have agreed to offer, and I now offer, the amendment which will eliminate the provision for authorizing the administrative assistant.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman has recounted exactly what took place, that is, that the gentleman from Minnesota now addressing the House agreed to remove his objection to the consideration of the bill when it was on the Consent Calendar provided that the amendment to eliminate the administrative assistant would be put forward.

Mr. COOLEY. The gentleman is correct, and I am now offering the amendment.

Mr. H. CARL ANDERSEN. May I ask the gentleman if he will go one step further, for the sake of comity in this House, and agree to a substitute amendment which I have on the desk and which, with his permission, I would like to have read at this time for the information of the House? Would the gentleman agree to that?

Mr. COOLEY. I have no objection to the amendment being offered at this time. If I understand, the gentleman is in my time offering this as a substitute.

Mr. H. CARL ANDERSEN. That is correct, if it is in order.

Mr. COOLEY. Very well.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. H. CARL ANDERSEN: On page 1, line 3, after "Agriculture", strike out "two" and insert "one"; page 1, line 4, strike out "Secretaries" and insert "Secretary"; page 1, line 6, strike out the word "each"; page 1, line 9, to page 2, line 4, strike out all of section 2; page 2, line 5, strike out "Each" and insert "Such"; page 2, line 5, strike out the comma and the words "including the Administrative Assistant Secretary."

Mr. H. CARL ANDERSEN. I may say I am offering this substitute as a means of getting all of us together. Personally I feel the Secretary does need another assistant; but at the same time there is considerable merit in the argument put up by the gentleman from Kansas, Mr. HOPE, and others, that the Hoover Commission recommendations have been given no consideration whatsoever in the bringing of this bill before the House. I am asking the gentleman why can we not accept this substitute, give the Secretary one Assistant, and then go along on other business.

Mr. COOLEY. Mr. Chairman, I am perfectly willing for the committee to work its own will on the matter. I think that the facts and pertinent information have been furnished to the membership and I am perfectly willing to leave the matter to the good judgment of the Members of the House with no effort on my part to influence them unduly in making up their minds. I am inclined to accede to the request of the Secretary for this additional help. Of course I shall have to vote against the gentleman's amendment because I honestly believe he needs the help. But if this is a way out, and if the House decides that this is the way out, certainly I have no grievance against any Member with regard to the position he may individually take on the matter.

Mr. H. CARL ANDERSEN. I think the gentleman shows a very sincere and worthwhile attitude in reference to this problem.

Mr. HOPE. In the event the House should adopt the substitute offered by the gentleman from Minnesota, and we should pass the bill with a provision for one additional Assistant Secretary, the bill will of course in that case go to the other body—the other body may amend it, and may include an additional number of assistant secretaries. While I am not asking the gentleman from North Carolina to speak for the House conferees, or necessarily commit himself on the position of the House conferees, if the bill should be amended, in the other body, I would like to have some assurance from the gentleman that he, as chairman of the House conferees, would stand for the position taken by the House in adopting the substitute offered by the gentleman from Minnesota.

Mr. COOLEY. I am glad to say to the gentleman that so far as I am concerned, I am perfectly willing for the House to make the decision. Once the House has made its decision, so far as I am personally concerned, it will be a mandate to me when the bill does go to conference.

The gentleman knows I cannot here undertake to bind any of my colleagues, who may be on the conference committee, but so far as I am personally concerned, I can speak, and I will consider it a mandate to me from the House.

Mr. HOPE. That statement is certainly satisfactory, so far as I am concerned.

Mr. COOLEY. May I ask the gentleman from Kansas, then, that with this amendment I understand he will favor the passage of the bill, providing for one additional secretary?

Mr. HOPE. I am very glad to state I believe the substitute of the gentleman from Minnesota, Mr. H. CARL ANDERSEN, is a fair amendment, and while there may be some differences of opinion on the part of Members of the House as to whether any assistant secretaries are needed, or how many are needed, I believe in view of the number of assistant secretaries in other departments, and in view of the importance of the Department of Agriculture, that the amendment of the gentleman from Minnesota is a fair solution to the matter. I shall support the amendment and if it is adopted will support the bill.

Mr. COOLEY. I thank the gentleman very much.

Mr. GRANGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, whether or not this amendment is adopted, I am not willing to say at this time that the compromise on one additional assistant secretary is satisfactory. As the chairman of the committee has said, we think the Secretary is entitled to two additional Assistant Secretaries, and an administrative assistant. I am inclined to think the chairman went a considerable distance when he offered to strike out the administrative assistant.

I do think that the Secretary needs the two secretaries he has asked for, and if only one is provided, so far as I am concerned, it is not going to be an admission on my part that the Secretary does not need this additional help.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. COOLEY. I might say in that connection, of course I did not undertake to leave the impression that it was the intention in any way to close the door on future consideration of the Secretary's request for additional help, nor did I intend to close the door upon further consideration of other recommendations of the Hoover Commission, which I assume, as soon as time will permit we will consider.

Mr. GRANGER. I thank the gentleman.

I think if these Assistant Secretaries are granted, the Secretary should proceed forthwith to reorganize the Department to the extent needed. But certainly to reorganize it as has been pointed out here he needs some assistants to help him.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Kansas.

Mr. HOPE. I am in thorough agreement with the gentleman as far as the need for reorganization is concerned. If the Department is reorganized along similar lines with some or all of the recommendations of the Hoover Commission or in any other way to make it more efficient, then I think it might be very proper that the Secretary be given some additional Assistant Secretaries. I feel, however, that if we vote him three or even two assistants at this time that it is somewhat doubtful as to what other steps may be taken to reorganize the Department, but I am certainly agreeable to going along with the proposal to give him one Assistant Secretary at this time, and I shall support the amendment offered by the gentleman from Minnesota. In doing that I want to make it clear that I am not foreclosing my own mind to reconsider the matter at any time that it may appear that the Secretray needs more assistants as the result of a reorganization or otherwise.

Mr. GRANGER. That is what I would expect from the distingunished gentleman from Kansas. He has always been fair and I know that he will do what he thinks is right in the matter.

Mr. Chairman, perhaps this is a fair compromise at this moment, but I am not convinced that it is the right thing to do. It may be the expedient thing to do at the moment, but I still contend that the Secretary needs all the help he has requested. I hope that if the Congress does not see fit to do it today, that eventually it will give the head of this great Department the help that he actually needs.

Mr. REES. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this bill provides for two Assistant Secretaries of Agriculture and one administrative assistant. I want the Secretary to have all the assistants he needs to run the office efficiently, but no more. I think he has plenty of assistants now. If not, they can be secured through civil service. Of course, this bill permits the Secretary to make his appointments on any basis he chooses. It is my opinion if the bill is approved it will mean at least two additional political appointees.

Mr. Chairman, it appears now this committee, that was so enthusiastic to have three additional assistants, has now decided that two might be sufficient, and it looks as if they might settle for one. In any event, the members of the committee do not appear to be as strong for the legislation as they were when the discussion began.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield.

Mr. AUGUST H. ANDRESEN. The Secretary himself did not decide this until May 24, 1950. Then he finally discovered that he needed a new secretary.

Mr. REES. The gentleman is correct; but whether he needs three additional secretaries or one, it would be helpful if we knew that these new appointments would be career people, men of experience in dealing with these problems as I have said, that would help to some extent, but if the Secretary really does need additional help, he has career men right down there in the Department now, and if he wants the additional advice he does not need to bring in more political appointees to these jobs, because that is what the gentleman well knows and the chairman well knows will happen; and, of course, being political, career men will not have a chance to be appointed.

I feel this is not the time to set the further example of increasing appointees in our various bureaus and agencies. I know the Secretary of Agriculture has a great responsibility, but I do not believe he is worn out by reason of his attention to his job in Washington. He has sufficient time to travel over the country making speeches and meet with groups and discuss proposed legislation that he thinks should be approved by the Congress, among which is the proposal familiarly known as the Brannan plan.

He can avail himself of career employees right there in the Department, who are far more familiar than those who might come from the outside, and thereby do a much better job than bringing two or three political appointees into the service who would have to be trained for their jobs.

We went all through World War II without these additional Assistant Secretaries and have gone along until now in the very last days of the session. Now you are insisting that these positions be created and filled.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. REES. If the Secretary really needs one assistant other than career persons and this committee should create the office of one Assistant Secretary of Agriculture. I would favor the appointment of the distinguished gentleman from Georgia [Mr. PACE] for that position. He is not only capable of doing the job, but the kind of man who would be a credit to the Department and to our Government.

Mr. PACE. The gentleman has completely disarmed me. I appreciate what he says.

Mr. REES. I mean exactly what I said.

Mr. PACE. I do not want it to be thought that on my part I had weakened on the bill or that I think that one assistant would do the job. I think it would be most unwise not to give the Secretary the assistants he asks for.

Mr. REES. I was just following the discussion that has taken place on the floor this afternoon. First, the leadership of the committee insisted that the administrative assistant might not be needed. Then, it appears the committee leadership might be willing to settle one Assistant Secretary.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. REES. I shall be pleased to yield to the distinguished chairman of the committee who has worked so hard to bring this bill to the floor.

Mr. COOLEY. I wish to call attention to the fact that the administrative assistant secretary for the terms of this bill comes under the classified civil service, and I am offering to strike it out because it met with objection on that side of the aisle, not on this. The gentleman made the point in the Rules Committee that that particular appointment would not be subject to Senate confirmation.

Mr. REES. That is right. The gentleman is satisfied to take him out of this legislation as far as he personally is concerned.

Mr. COOLEY. But in taking out the administrative assistant we are taking out the only thing the gentleman contends should be in here, because the administrative assistant comes under the civil-service regulations.

Mr. REES. Then why has the gentleman taken out the administrative assistant?

Mr. COOLEY. Because he wants to appoint a man to this job and wants to pay him more than he can pay him under civil-service schedules; that is it.

Mr. REES. Oh, no. In the classified service provision is made for a certain number of appointments in grades as high as $12,000 or $14,000. He could take one of those positions provided he is able to qualify.

Mr. COOLEY. Why should the gentleman fuss about it?

Mr. REES. The Department of Agriculture, incidentally, has more than its share of the number allocated under legislation creating positions at higher salary levels. As I suggested at the beginning, I don't believe the committee has made a very good case in support of this bill. It will result, if approved, in the appointment of political appointees. This is no time to enact permanent legislation to create additional political positions. These three jobs will cost $50,000. In addition there will be cost of secretaries and clerks that will run the cost of this bill to as much as $75,000 or $100,000 a year. We should not approve the bill.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. WHITTEN. Mr. Chairman, I arise in support of the amendment which would, in effect, allow one instead of three Assistant Secretaries.

Mr. Chairman, like so frequently happens, I do not believe this matter is being considered on its merits. One Assistant Secretary is probably the best possible solution of this problem, and there is, perhaps, a job for him to do. I want to say that you should not be for these three assistants because they have been recommended by the Secretary of Agriculture; neither do I think you should oppose these additions because recommended by the Secretary of Agriculture. On the other hand, the size of the Department of Agriculture and the size of the Commodity Credit Corporation should not be the decisive factor in deciding whether we need new Assistant Secretaries or not.

It has been pointed out Mr. Ralph Trigg, head of the Commodity Credit Corporation, also has charge of the disposal of surplus commodities. Why? Because they belong to the Commodity

Credit Corporation, of which he is president. Do you contemplate that because you give the Secretary one or more Assistant Secretaries you will have one man lend the money and another man handle the commodities the Corporation owns? Of course, you do not.

The point I make is this: Why have new Assistant Secretaries? There is not even a report here from the committee as to why. Certainly it is not right to give this to the Secretary of Agriculture just because everybody else has more assistants than he has.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. There is a short committee report here. The gentleman ought to read it.

Mr. WHITTEN. I was misinformed on that point. I am sorry, there is a report consisting of a letter from the Secretary of Agriculture.

Mr. Chairman, I would like to know what these men are going to do. We have a Secretary of Agriculture, we have an Under Secretary of Agriculture, we have an Assistant Secretary of Agriculture. The more assistants to the assistants you get the further it is from the people in the United States up to the Secretary. They say this is for the benefit of the farmers. That is not necessarily so. As I have said it just puts more people between the Secretary of Agriculture and the farmer.

Not long ago we had set up in the Secretary's office a new section on flood control, which meant that the Soil Conservation Service that handles flood control, which formerly could complete its surveys and act on these projects and approve them and proceed as was intended by the Congress and as Members of Congress repeatedly pointed out. Under this change, they had to start all over again, send it to this section in the Secretary's office and then had to bring them down to date for about a year before you could get them out.

Then there is the Rural Electrification Administration, and Mr. Wickard. Are these assistants going to take over for Mr. Wickard and do everything Wickard does? How about the Commodity Credit Corporation; is Ralph Trigg, president of the Commodity Credit Corporation, going to have to submit all he does to this new Assistant Secretary, have him approve it, then have another Undersecretary approve it? What is this man going to do?

We do not want to approve this because Secretary Brannan wants it. We do not want to turn it down because he is the man who wants it. We do not want to approve this because the Department of Labor seems to have some way of getting a lot of assistants. If there is a place where we need a man, let us find out about that. I do not think the hearings clearly show that.

The committee report consists of a letter from the Secretary saying that he wants these assistants and why, but I do not believe that is sufficient. I do not believe it tells us whether these additions are needed or not. There may be sufficient merit in view of the size of this program and of the operations of the Department to have somebody to do one thing and that is to study the possibility of coordination and of avoiding duplication with resulting economies. If we could have some assurance that one additional man is going to do that, all right, let us provide an Assistant Secretary for the purpose of studying coordination of activities of the Department. He has the authority to do that now. I would not preclude the possibility when you go to the Senate of adding another Assistant Secretary of the place he is to fill is pointed out, because, certainly, we want to do what is best for this Department of the Government and for those engaged in agriculture and for over-all economy in the Government.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Washington.

Mr. HORAN. Is there anything in the evidence brought before us in justification for the agricultural appropriations indicating that they were suffering through lack of Assistant Secretaries?

Mr. WHITTEN. Nothing that I recall along that line. I am not saying they do not need them. I say the only thing I know of now that we have a need for one especially is to make this study of coordination of activities. You are not going to take the Commodity Credit Corporation and put that agency under someone else; you are not going to take the Rural Electrification and put that under a new assistant. There are many other things you will not do.

I am pretty well satisfied with the way the Department is running, generally speaking, but if new Assistant Secretaries are needed, let us see what they are going to do and where they are going to fit into the picture. Why are they needed? That is the question.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I would not want to preclude this committee, even by its own agreement or in conference with the other body, if they show need, because real work at the top is needed, but I say at this time let us go along with one assistant and have him make this study covering coordination of activities in the Department. Then if in the hearings it is shown what the need is we may be able to support this request. If so, we can do it. But first I would like to know what they are going to do. For the present I believe it would be better to go along with only one Assistant Secretary for the purposes I have stated.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. It might be well for the gentleman to read the Secretary's communication because he does discuss very briefly what he will expect his assistants to do. I am not in position to go into detail about it, but he did say:

> If the Secretary determined that a particular field of activity was in need of special or continuing attention, he could assign the responsibility to the appropriate Assistant Secretary. For example, one Assistant Secretary would probably be given oversight of the handling and disposition of agricultural commodities, including those acquired in price support operations, which is a very important function in the Department.

The gentleman knows that Ralph Trigg is about the busiest man in Washington.

Mr. WHITTEN. That is true.

Mr. COOLEY. He cannot concentrate wholly on the disposition of these surplus commodities.

Mr. WHITTEN. That is true and as head of the Commodity Credit Corporation I take it the gentleman would still want that agency centered under him. Do you realize we are giving him $15,000,000 a year to hire people to do it? Then there are the other agencies with well qualified heads. You still would not want to take men of this high caliber and put them under another individual and a further step away from the head of the department.

Certainly anyone working for the Commodity Credit Corporation should be under the president and board of directors. If you do, there is no point in having a corporation, and that same thing is true of the rural electrification program and a number of other agencies.

Mr. COOLEY. Does not the gentleman agree that one man should devote his entire time to the one problem of reorganization?

Mr. WHITTEN. I do, and I believe it is probably sound to have an Assistant Secretary for that purpose; and if the proof is submitted for more, I will be glad to consider the proof when submitted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, there is not much time in this short period to fully discuss this measure. However, for the information of the members of the committee I think it ought to be made a matter of record that yesterday, Tuesday, August 22, the Secretary of Agriculture, Mr. Charles Brannan, was in the State of Michigan trying to convince some of our farmers of the desirability of his program. For the committee's information I will read a newspaper

story on Mr. Brannan's sortie as it appeared in the Grand Rapids Herald of Sunday, August 20, 1950:

BRANNAN IN MICHIGAN THIS WEEK IN FARM PLAN APPEAL

WASHINGTON.—Secretary of Agriculture Charles F. Brannan sallies forth into Michigan this week to defend his Brannan plan.

He will appear next Tuesday before a "mass meeting" of Michigan farmers called together at East Lansing by a special committee.

Brannan's coming in response to a personal appeal from Gov. G. Mennen Williams. Williams' administrative assistant, Edward Mead, broached the subject last month when he was here with a delegation from western Michigan's cherry orchards.

Brannan's aides disclosed that Williams and Brannan have discussed the matter several times in telephone conversations since then.

POLITICAL SPEECH

The official word from the Agriculture Department Saturday was:

"The Secretary will discuss what he thinks the Nation ought to have in the way of a farm plan."

That means an all-out political speech in favor of the administration's farm program for production payments and stiff acreage restrictions—a plan turned down coldly by the Democratic-controlled Eighty-first Congress.

It will be the first time since he became the administration's spokesman on farm matters that Brannan will have appeared in Michigan. His aides describe the speech as a major one.

Governor Williams will appear on the platform with Brannan.

With November 7, the date of Michigan's gubernatorial election nearing, Brannan's aides admit that he "is not unaware of the political implications of his trip and speech."

WILLIAMS PLEA

The unofficial word from inside the Agriculture Department was that Williams appealed to Brannan to make at least one appearance before a Michigan farm audience—and the Secretary agreed.

President John A. Hannah, of Michigan State College, where the "mass meeting" of farmers will be held, also will appear on the platform with Brannan.

There appeared to be some confusion regarding the actual identity of the group sponsoring Brannan's appearance.

One USDA informant, an official in Brannan's office, said that the speech will be made under the auspices of a special committee representing various farmer groups in the State.

Mr. Chairman, I would be remiss in my responsibilities if I did not call the attention of the committee to the fact that today when the House is being asked to pass a law to relieve Mr. Brannan of his overburdensome administrative functions, only yesterday he was in Michigan trying to promote a little politics at the taxpayer's expense. It is incongruous and paradoxical that this fine committee of the House should be here today trying to get him three assistants—I admit it has been reduced—when at the same time Mr. Brannan spends a good bit of his time in office promoting the farm program of the Democratic Party. If the Secretary of Agriculture would concentrate on his official duties rather than political speeches, perhaps there would not be a need for the additional assistants whose salaries alone will total $44,000 annually.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, we have just listened to the gentleman from Mississippi [Mr. WHITTEN] in support of the substitute offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. Both of these able conscientious gentlemen have much to do with the Department of Agriculture, one a Republican, the other a Democrat, so politics is not involved. I rise in support of the Andersen substitute as did the gentleman from Mississippi. I remember well when the Department of the Interior came before our Committee on Interior Appropriations in 1948 and asked for two Administrative Assistants for the Secretary of the Interior. The present Secretary of the Interior, was then Undersecretary of the Interior. He sat across the table that day and listened to that request. The next day his good man Friday came to my office with a verbal message from the Under Secretary to let me know he opposed the request for the simple fact that it would, then be necessary for the branch heads to work their way through this extra layer of assistants before they could get to the Secretary. The committee did not allow the extra secretaries. But, lo and behold the Department set up a program staff and so by circumvention they got the job done. Since that time the branch heads of the Department of the Interior have had very little to say about what goes on in the Department of the Interior. This program staff which surrounds the Secretary is all powerful, and the branch heads are shoved back.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to yield the time allotted me to the gentleman, and further ask unanimous consent to extend my remarks in the RECORD at the close of his remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JENSEN. I appreciate that and thank the gentleman.

Here we have a situation where the Secretary of Agriculture is asking for three secretaries to be placed between him and the branch heads of the Department of Agriculture, such as Claude Wickard, the very able and conscientious Administrator of REA, and Ralph Trigg, the Director of Commodity Credit, who, I think, is doing a good job with a most difficult assignment, but I fear if we allow these three assistants, such men as Mr. Wickard and Mr. Trigg will be pushed too far away from the Secretary, as is the case in the Department of the Interior now, to the detriment of the whole Department, as I see it, and I think I see it plainly, after 8 years of service on that committee. The branch heads of the Department of the Interior know too little about what is going on in the Secretary's office. So instead of the branch heads being the Secretary's cabinet, so to speak, he now has a superduper program staff which decides what the branch heads must do in their respective programs.

I will go along with the gentleman from Minnesota and the gentleman from Mississippi to allow one assistant, hoping he will be given a duty to perform which will be to the benefit of the Department and the American people. But I do not want to put a layer of super-duper administrators around the Secretary of Agriculture, which will, I believe, be to the detriment of the Department and the country.

Surely there are plenty of people in the Department of Agriculture to whom the Secretary can assign most of the additional duties of surplus food distribution and the like, which the House, yesterday, directed the Department to perform without so greatly expanding his official family.

Mr. KEATING. Mr. Chairman, I shall certainly support this amendment. If we are going to create some additional top-salaried jobs in the Department of Agriculture, it is clearly preferable to provide for one rather than three. Frankness compels me to state, however, that, even if this amendment is adopted, I shall still oppose the bill, since I feel that the necessity for providing an additional assistant to the Secretary of Agriculture has by no means been demonstrated.

This bill, House bill 8850, is brought before us with the supporting argument that the Hoover Commission recommended that one additional Assistant Secretary and an administrative Assistant Secretary of Agriculture be added to the staff of the Secretary.

In the first place I fail to see why the Hoover Commission's recommendation for one additional Assistant Secretary can be used as a supporting argument for appointing two additional Assistant Secretaries. Granted that the Department has taken on many additional functions and duties in recent years—for better or worse—nevertheless I feel that in these critical times when the Government is operating under the load of such a staggering deficit and when we are bending all our efforts toward economy in nonessential efforts that we should scrutinize all such requests very carefully.

In my opinion, the letter of the Secretary fails to show a need for even one additional Secretary. He outlined in a very general way the new programs that the Department is administering and then points to the Hoover Commission recommendation as if that were all that were needed to assure the granting of his request. Of course, perhaps if we grant the Secretary an extra man on his staff to whom to delegate his duties he will have more time to make campaign speeches for the Brannan plan, but I for one fail to see that that could be classified as an essential activity at this time.

Furthermore, what the Secretary fails to point out in his letter transmitting this

bill is that the appointment of one additional Assistant Secretary and one Administrative Assistant is tied in with other vital reorganization recommendations in the Hoover Commission report.

To add additional Assistant Secretaries without reorganizing the Department of Agriculture along the lines suggested by the Hoover Commission would be only confusion compounded. According to the Hoover Commission report, there is ample opportunity for reorganizing and promoting efficiency. Let me cite a few passages from the report:

The Department has grown to its present size without sufficient integration of its parts and with considerable overlap and duplication.

With the rapid growth of new activities, many field organizations at State and county levels have developed. Their work results in duplications, overlappings, and often conflicting policies. They confuse and multiply the difficulties of the farmer in his relations to the Department.

The present systems of budgeting, treatment of intradepartmental funds, and earmarking of recurring funds have the cumulative effect of obscuring bureau expenditures and of promoting waste.

In addition to appointing two additional Assistant Secretaries, there are 15 other recommendations set forth in detail by the Hoover Commission report, which should be followed at the same time that any additional top officials are authorized. If we are going to get a hundred cents worth of value for each of the billions of dollars which the Congress appropriates, we should begin this vital reorganization task immediately, before any additional duties relating to war controls, such as food rationing and price controls go into effect.

I fear that if we grant these additional offices to the Secretary by this separate bill, we may never get a chance to approve a plan which would reorganize the Department along efficient operating lines. For that reason, it is vital that the granting of any additional offices be linked with the reorganization of the Department as recommended by the Hoover Commission. In my opinion, a vote for this bill is in effect a vote against the Hoover Commission suggestions since the only practical method of achieving those results is to turn down this bill in order that a complete reorganization plan may be submitted for congressional consideration.

Mr. COOLEY. Mr. Chairman, I shall not detain the House further than to observe that I believe the Members understand clearly the proposition now being submitted. I have no further comment to make.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] in the nature of a substitute to the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 76, noes 28.

So the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY], as amended.

The amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8850) to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes, pursuant to House Resolution 819, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. AUGUST H. ANDRESEN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

Mr. H. CARL ANDERSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. H. CARL ANDERSEN. Mr. Speaker, the Clerk has just read the bill by title, which, according to the amendment which has been adopted, should have been amended.

The SPEAKER. An amendment to the title of the bill cannot be offered until after the bill has passed, which the Chair is sure will be done.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. AUGUST H. ANDRESEN moves to recommit the bill, H. R. 8850, to the Committee on Agriculture.

Mr. COOLEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 123, nays 222, not voting 85, as follows:

[Roll No. 249]

YEAS—123

Allen, Calif.	Auchincloss	Bramblett
Allen, Ill.	Bates, Mass.	Brown, Ohio
Andresen, August H.	Beall	Bryson
	Bennett, Mich.	Byrnes, Wis.
Andrews	Bishop	Camp
Angell	Boggs, Del.	Canfield
Arends	Bolton, Ohio	Case, N. J.
Case, S. Dak.	Jackson, Calif.	Potter
Chiperfield	James	Poulson
Clevenger	Javits	Reed, Ill.
Cole, N. Y.	Jenison	Rees
Corbett	Jenkins	Rich
Cotton	Jennings	Riehlman
Coudert	Jonas	Robeson
Cunningham	Judd	Rogers, Mass.
Curtis	Kean	Sadlak
Dague	Kearns	Sanborn
Davis, Ga.	Keating	Scott, Hardie
Davis, Wis.	Kunkel	Scrivner
Donohue	LeCompte	Scudder
Eaton	LeFevre	Secrest
Ellsworth	Lodge	Shafer
Elston	Lovre	Short
Fallon	McConnell	Smith, Wis.
Fenton	McDonough	Stanley
Ford	Mack, Wash.	Stefan
Fulton	Macy	Taber
Gamble	Martin, Mass.	Towe
Gary	Merrow	Van Zandt
Golden	Meyer	Vorys
Goodwin	Michener	Vursell
Gossett	Miller, Md.	Wadsworth
Graham	Miller, Nebr.	Weichel
Gross	Murray, Tenn.	Wheeler
Gwinn	Nelson	Widnall
Hale	Nicholson	Wigglesworth
Harden	Nixon	Wilson, Ind.
Herter	Norblad	Wolcott
Heselton	O'Hara, Minn.	Wolverton
Hoffman, Ill.	Philbin	Woodruff
Hoffman, Mich.	Phillips, Calif.	
Hull	Plumley	

NAYS—222

Abbitt	Engle, Calif.	McKinnon
Abernethy	Feighan	McMillan, S. C.
Addonizio	Fisher	McSweeney
Albert	Flood	Mack, Ill.
Allen, La.	Forand	Madden
Andersen, H. Carl	Frazier	Magee
	Fugate	Mahon
Aspinall	Furcolo	Mansfield
Bailey	Garmatz	Marsalis
Barden	Gathings	Marshall
Baring	Gilmer	Mills
Barrett, Pa.	Gordon	Mitchell
Bates, Ky.	Gorski	Monroney
Battle	Granahan	Morgan
Beckworth	Granger	Morris
Bennett, Fla.	Grant	Morton
Bentsen	Green	Multer
Biemiller	Guill	Murdock
Blatnik	Hardy	Murphy
Bolling	Harris	Noland
Bolton, Md.	Hart	Norrell
Bonner	Harvey	O'Brien, Ill.
Bosone	Havenner	O'Brien, Mich.
Boykin	Hays, Ark.	O'Hara, Ill.
Breen	Hays, Ohio	O'Konski
Brooks	Hedrick	O'Sullivan
Brown, Ga.	Heffernan	O'Toole
Buchanan	Heller	Pace
Buckley, Ill.	Herlong	Passman
Buckley, N. Y.	Hill	Patman
Burdick	Hobbs	Patten
Burke	Hoeven	Perkins
Burleson	Holifield	Peterson
Burnside	Holmes	Pickett
Burton	Hope	Poage
Byrne, N. Y.	Horan	Polk
Cannon	Howell	Preston
Carlyle	Huber	Price
Carnahan	Irving	Priest
Cavalcante	Jackson, Wash.	Rabaut
Celler	Jacobs	Rains
Chelf	Jensen	Ramsay
Chesney	Jones, Ala.	Rankin
Christopher	Jones, Mo.	Redden
Clemente	Jones, N. C.	Rhodes
Cole, Kans.	Karsten	Ribicoff
Colmer	Kee	Richards
Combs	Kelley, Pa	Rodino
Cooley	Kelly, N. Y.	Rogers, Fla.
Cooper	Kennedy	Rooney
Cox	Keogh	Roosevelt
Crook	King	Sasscer
Crosser	Kirwan	Saylor
Davenport	Kruse	Sheppard
Davies, N. Y.	Lane	Sikes
Dawson	Lanham	Simpson, Ill.
Deane	Larcade	Sims
DeGraffenried	Lichtenwalter	Smathers
Delaney	Lind	Smith, Va.
Denton	Linehan	Spence
Dollinger	Lucas	Staggers
Doughton	Lyle	Steed
Doyle	Lynch	Stigler
Durham	McCarthy	Stockman
Eberharter	McCormack	Sullivan
Elliott	McGuire	Tackett

Talle	Walsh	Willis
Tauriello	Welch	Wilson, Okla.
Teague	Whitaker	Withrow
Thomas	White, Calif.	Woodhouse
Thompson	White, Idaho	Yates
Thornberry	Whitten	Young
Trimble	Whittington	Zablocki
Underwood	Wickersham	
Wagner	Wier	

NOT VOTING—85

Anderson, Calif.	Hand	Pfeiffer,
Barrett, Wyo.	Hare	William L.
Blackney	Harrison	Phillips, Tenn.
Boggs, La.	Hébert	Powell
Brehm	Hinshaw	Quinn
Bulwinkle	Johnson	Reed, N. Y.
Carroll	Karst	Regan
Chatham	Kearney	Rivers
Chudoff	Keefe	Sabath
Crawford	Kerr	Sadowski
Davis, Tenn.	Kilburn	St. George
D'Ewart	Kilday	Scott,
Dingell	Klein	Hugh D., Jr.
Dolliver	Latham	Shelley
Dondero	McCulloch	Simpson, Pa.
Douglas	McGrath	Smith, Kans.
Engel, Mich.	McGregor	Smith, Ohio
Evins	McMillen, Ill.	Sutton
Fellows	Marcantonio	Taylor
Fernandez	Martin, Iowa	Tollefson
Fogarty	Mason	Velde
Gavin	Miles	Vinson
Gillette	Miller, Calif.	Walter
Gore	Morrison	Werdel
Gregory	Moulder	Williams
Hagen	Murray, Wis.	Wilson, Tex.
Hall,	Norton	Winstead
Edwin Arthur	O'Neill	Wood
Hall,	Patterson	
Leonard W.	Pfeifer,	
Halleck	Joseph L.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hand for, with Mr. Morrison against.

Mr. Gavin for, with Mr. Karst against.

Mr. William L. Pfeiffer for, with Mr. Joseph L. Pfeifer against.

Mr. Smith of Ohio for, with Mr. Quinn against.

Mr. Kearney for, with Mr. Dingell against.

Mr. Hugh D. Scott, Jr., for, with Mr. Sadowski against.

Mr. Taylor for, with Mr. Harrison against.

Mr. Latham for, with Mr. McGrath, against.

Mr. Wilson of Texas for, with Mr. Klein against.

Mr. Crawford for, with Mr. Walter against.

Mr. Dondero for, with Mr. Vinson against.

Mr. Blackney for, with Mr. Powell against.

Mr. Fellows for, with Mrs. Norton against.

Mr. Kilburn for, with Mrs. Douglas against.

Mrs. St. George for, with Mr. Hébert against.

Mr. Simpson of Pennsylvania for, with Mr. O'Neill against.

Mr. McGregor for, with Mr. Fogarty against.

Mr. Gillette for, with Mr. Miles against.

Mr. Leonard W. Hall for, with Mr. Miller of California against.

General pairs until further notice:

Mr. Sabath with Mr. Anderson of California.

Mr. Kerr with Mr. Barrett of Wyoming.

Mr. Gore with Mr. Brehm.

Mr. Regan with Mr. Reed of New York.

Mr. Williams with Mr. McCulloch.

Mr. Moulder with Mr. D'Ewart.

Mr. Winstead with Mr. Dolliver.

Mr. Gregory with Mr. Martin of Iowa.

Mr. Kilday with Mr. Hinshaw.

Mr. Davis of Tennessee with Mr. Johnson.

Mr. Sutton with Mr. Werdel.

Mr. Wood with Mr. Velde.

Mr. Fernandez with Mr. Hagen.

Mr. Chudoff with Mr. Smith of Kansas.

Mr. Boggs of Louisiana with Mr. Edwin Arthur Hall.

Mr. WHEELER changed his vote from "nay" to "yea."

Mr. CASE of New Jersey changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Amend the title of the bill to read as follows: "to establish an additional office of Assistant Secretary of Agriculture, and for other purposes."

The amendment was agreed to.

RETURN OF H. R. 2854—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

In compliance with the request contained in the resolution of the House of Representatives (the Senate concurring therein), I return herewith H. R. 2854, entitled "An act for the relief of Wade H. Noland."

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 23, 1950.*

LOUISE PETERS LEWIS—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 694)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 7540 "For the relief of Louise Peters Lewis."

On October 12, 1949, I returned to the House of Representatives enrolled bill H. R. 683 "For the relief of Louise Peters Lewis" with a message setting forth the reasons I was unable to give it my approval.

H. R. 7540 would grant the same relief in slightly different language, the difference in no way affecting the merits of the claim. Despite the most careful examination of this bill and the reports of the House and Senate Committee on the Judiciary accompanying it, I am unable to see that any new facts, circumstances, or reasoning have been presented or that there was any error made in considering the facts, circumstances, or reasons previously presented that would justify different action on my part.

Accordingly, I am unable to give my approval to this bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 23, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

The message and the accompanying papers are referred to the Committee on the Judiciary and ordered to be printed.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT ON THE GENERAL APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that it may be in order at any time during this week to consider the conference report on the bill (H. R. 7786), the omnibus appropriation bill, 1951, when reported, notwithstanding the provisions of clause 2, rule XXVIII.

Mr. TABER. Mr. Speaker, reserving the right to object, I understand that the measure could not be taken up today anyway, because there is a conference scheduled for tomorrow morning which would have to be disposed of prior to the report's being taken up.

Mr. CANNON. That is true. We expect to take it up tomorrow if permission for consideration without printing in the RECORD is secured on this request.

Mr. TABER. Some questions have been raised with reference to certain chapters on which an agreement has been arrived at. Some of the Members have not been able to see those chapters to know exactly what was done. There are one or two where language changes are involved, and the membership is quite anxious to know just what those changes are before we pass on them. If this request is to go through, it will be necessary that these printed reports, insofar as they have been accomplished, be made available to the membership right away. I think that would be the way to proceed, because on the independent offices chapter, and one or two other chapters, there is quite involved language waiting, and I would think that the membership should be supplied with these conference reports right away if we are going to agree to the gentleman's request.

Mr. CANNON. The gentleman understands there will be a bill ahead of us tomorrow, the GI family allowance bill. We will necessarily follow that bill, and expect to have the complete conference report available for distribution before it is called up.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. McCORMACK. For the information of the House as well as for my own information I should like to ask if it is the intention of the chairman of the Committee on Appropriations after the conference report is disposed of to bring up the final deficiency bill carrying the emergency appropriations and those asked for by the President?

Mr. CANNON. We expect to report that bill to the House tomorrow and take it up the following day, if that is agreeable.

Mr. McCORMACK. I might say that under those circumstances we will have a Saturday session. I wanted the information so the Members could be advised and govern themselves accordingly. That means we will have a Saturday session.

Mr. TABER. I would be willing if these language items in the report that are hanging can be made available to the members of the committee to allow this consent request to go through; but I do think that the members of the committee are entitled to see just what the language changes are ahead of time.

Mr. McCORMACK. Without getting into the colloquy between my friend from New York and my friend from Missouri on the conference report or any portion of it, I made an observation a moment ago that I wish to qualify. If we dispose of these two matters by Friday, then the situation would be different in relation to Saturday. I do not feel, if we dispose of the conference report and the final deficiency bill by Friday that the legislation remaining on the program would call for a Saturday session. So I want that to appear in the RECORD, because my previous statement was a flat statement that there would be a Saturday session. There will be if we do not dispose of the final deficiency appropriation bill.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. PHILLIPS of California. I want to ask just what the situation is regarding the printing of the bill. We have for the first time a one-package budget which means that we bring the entire bill with all of its 10 or more chapters to the floor at one time, not as in previous years, each department separately. There are many items in all sections in which various Members of the House are interested. My concern is, as I think expressed already by the gentleman from New York, about printed copies of the bill. Will there be printed copies of the bill and printed copies of the report available for all Members of the House when we discuss the conference report if it is brought in under the request made by the gentleman from Missouri?

Mr. CANNON. Mr. Speaker, in response to the inquiry of the gentleman from New York, which includes the inquiry of the gentleman from California, as both gentlemen are doubtless aware, that portion of the conference report on the chapter dealing with the Independent Offices appropriation to which the gentleman from New York has referred, is already in print and will be made available to the members of the committee this afternoon.

Mr. PHILLIPS of California. I am not asking specifically about that. Like all other Members of the House, there are items in other sections of the bill that we will not see until the conference report comes to the floor. Will there be a printed copy of the bill and printed copy of the report in our hands?

Mr. CANNON. As soon as sufficient copies can be secured from the Printing Office they will be made immediately available to all Members.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. JENSEN. Several subcommittees have had conferences with the Senate and we have come to agreements on the amounts to be allowed for most departments. But there is one very important item that has not yet been decided, that is the question of the percentage cuts contained in the Byrd-Bridges amendment adopted by the Senate which calls for a 10-percent cut in some departments of the Government, and the Thomas-Taber-Jensen amendments which also provided for reductions in the cost of government which was passed by the House, also the foreign-aid item has not yet been agreed to in conference. Will the conferees come to a meeting of minds as to what those percentage cuts shall be and will that all be included in the conference report as it comes to the House under the request the gentleman from Missouri [Mr. CANNON] has just made so that the membership of the House will know what each of the thousands of items in the bill are to receive when we consider the conference report in the House?

Mr. CANNON. We meet in what I trust will be the final conference tomorrow morning. At that time the matters to which the gentleman refers will be taken up and disposed of and will be included in the conference report. No report will be brought to the House that is not complete or does not include all chapters of the bill. The material and information which the gentleman desires will be carried in the report when presented to the House.

Mr. JENSEN. Of course, it is customary after the full Appropriations Committee considers a bill that it lay over three legislative days in order to give the Congress and the American people an opportunity to know what is in the bill. The request of the gentleman would foreclose the Members of the House from having any time to study the bill as it comes out of conference; neither will it give the press an opportunity to inform the American people. Time is not so pressing to get out of here that we should be in such haste to pass this bill which amounts to considerably over $30,000,000,000 without full consideration. I think the Members of Congress should know exactly what is in the conference report when it comes to the floor instead of bringing it to the floor incomplete.

Mr. CANNON. The 3 days to which the gentleman refers do not apply to conference reports. That applies to bills reported originally by the committee. Clause 2 of rule XXVIII, and that is the only provision that affects the situation, provides that a conference report shall be printed in the RECORD. There is no other provision for delay and none is customary under the practice of the House.

Mr. JENSEN. And shall lay over 1 day?

Mr. CANNON. It lies over 1 day when it is printed in the RECORD. That is why we are making this unanimous-consent request. I have conferred with the gentleman from New York, the ranking minority member of the Committee on Appropriations, and he is agreeable to taking up the conference report tomorrow if copies are provided in advance to members of the committee. We hope to dispose of it on tomorrow, and on the following day take up the last deficiency bill and dispose of that in 1 day, and so complete the appropriation program for the session.

Mr. JENSEN. The gentleman will admit that unless the conferees agree on these percentage cuts that are in the general provisions, and the gentleman knows the amendments that were offered in the House and Senate and passed by the House and Senate, to which I referred, along with the foreign-aid item, not a single Member of Congress will know exactly what any item is going to receive unless it is agreed to by the conferees before the conference report comes to the House. Let us take an item for a thousand dollars, as an example; the conferees agree under the Taber - Thomas - Jensen - Byrd-Bridges amendments that the item should be cut 5 percent, so the amount will be $950. But the Members will not know whether it will be a 5-percent cut or a 6-percent cut or a 10-percent cut or no cut, so we are appropriating in the dark unless the conferees bring in a complete bill on every chapter together including the proposed percentage cuts to which I have referred.

Mr. CANNON. I can assure the gentleman that no Member of the House will be asked to pass upon this conference report, or any part of it, until everyone has been afforded an opportunity to familiarize himself with every feature of the report.

Mr. TABER. May I ask one more question? Does the House act first upon this conference report or does the Senate?

Mr. CANNON. The House acts first. We have the papers and vote first.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. I have listened very carefully to the colloquy between the chairman of the committee and the gentleman from Iowa, and I failed to hear or understand that the deficiency bill will be printed and in the hands of the Members of this House before they are called upon to vote on it.

Mr. CANNON. It will be reported tomorrow but will not be taken up until the following day. Copies will be in the hands of my friend from Idaho tomorrow, and he will have from then until the following afternoon to study the bill in detail.

Mr. WHITE of Idaho. In other words, the printed copy of the conference report and the printed copy of the deficiency bill will be in the hands of the Members of Congress and can be studied

by them before we are called upon to vote?

Mr. CANNON. Printed copies of both will be available to all Members of the House tomorrow.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Is it not the gentleman's opinion that whatever the conference report may contain, it will be adopted; that there is no use talking about it?

Mr. CANNON. I trust that the conference report will be so satisfactory to all members of the Committee on Appropriations on both sides of the aisle and to all Members of the House as to meet with their complete approval.

Mr. HOFFMAN of Michigan. What the gentleman means is it does not make any difference how we vote over there, the conference report will be adopted anyway; is that it?

Mr. CANNON. If this House votes down the conference report it will not be adopted.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FEDERAL-AID ROAD ACT

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WHITTINGTON, BUCKLEY of New York, LARCADE, FALLON, DONDERO, CUNNINGHAM, and MCGREGOR.

ADMINISTRATIVE EXPENSES IN THE GOVERNMENT SERVICE

Mr. DAWSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9430) to amend the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," approved August 2, 1946 (60 Stat. 806), to simplify administration in the Government service, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. DAWSON. I will be glad to. This is a bill that came before our committee. It had adequate hearings and it was voted out unanimously by all members of the committee with the recommendation that it be passed.

This bill is entitled a bill to amend the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," approved August 2, 1946 (60 Stat. 806), to simplify administration in the Government service, and for other purposes. The bill by its provisions touches upon the question of transportation and travel for civilians in Government:

When civilian officers and employees of the United States are on duty at places designated by the heads of their respective departments or agencies as within zones from which their immediate families should be evacuated for military or other reasons which create imminent danger to life or property, or adverse living conditions seriously affecting the health, safety, or accommodations of said families, or upon transfer or assignment to duty of such civilian officers and employees to places where their immediate families are not, for the aforesaid reasons, permitted to accompany them, their immediate families and household goods may be transported at Government expense, under such regulations as the heads of their respective departments and agencies may prescribe.

Mr. MARTIN of Massachusetts. The gentleman means that the man has to live up to his year contract or he is obliged to return the money to the Treasury?

Mr. DAWSON. That is right. It makes it a debt that is recoverable.

Mr. MARTIN of Massachusetts. How does that differ from the procedure at the present time?

Mr. DAWSON. Well, it is not recoverable now by law.

Mr. MARTIN of Massachusetts. I understand the present law is that you have to live 3 years abroad before the Government will pay your expenses back.

Mr. DAWSON. Different departments have entered into different contracts. Sometimes it provides that a person shall stay for the period of a year, particularly, we will say, in Guam or Okinawa and places like that, where conditions are hazardous, or where the hardships are many. Then if they break their contract, after the Government has paid their expenses there, the Government can recover the money that it paid. This bill also makes provision that the Government may enter into a contract for foreign service up to 3 years with the same provision of travel and take care of transportation. If the parties then violate their contracts with the Government then the Government is not responsible for the travel.

Mr. MARTIN of Massachusetts. Then all this does is to help the Government recover some money?

Mr. DAWSON. It does, sir.

Mr. MARTIN of Massachusetts. And nothing else?

Mr. DAWSON. No, sir.

Mr. MARTIN of Massachusetts. And it extends from 1 year to 3 years the period in which the contract can be made?

Mr. DAWSON. It makes 3 years the maximum in which the Government might enter into a contract. That does not mean the parties have to return, but it means they can still go for another 3 years without the Government paying their transportation back. It is a matter of simplifying the contract of transportation and travel and simply gives legislative authority to what has been done and what is being done as a matter of regulation.

Mr. MARTIN of Massachusetts. Is this a unanimous report from the gentleman's committee?

Mr. DAWSON. This was a unanimous report, and it is supported by the Bureau of the Budget, the Department of the Army, and by the Comptroller General.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. HOFFMAN of Michigan. When the gentleman states that this is a unanimous report, what he means is that there was no record vote against the report.

This bill has some merit—a little. Of course, just as practically all legislation does today, it opens the door to the payment of additional sums by the Government to individuals, in this case who are in the Federal employ. That is about what it amounts to.

Mr. MARTIN of Massachusetts. Will the gentleman explain that point a little more thoroughly?

Mr. HOFFMAN of Michigan. As to how it opens the door?

Mr. MARTIN of Massachusetts. Yes.

Mr. HOFFMAN of Michigan. Well, it lets a new class of employees have expenses when they come back. But I will say to the majority leader——

Mr. MARTIN of Massachusetts. I am on the minority.

Mr. HOFFMAN of Michigan. I will say as the ranking minority member of that committee that I can see nothing to be gained by opposing it. I have noticed over the last 8 to 10 years that this type of legislation which always increases the compensation to be paid Federal employees goes through, and I have learned that lesson. You know what the Bible says about "kicking against the pricks," and this is one of those cases and there is no use, and I am not objecting.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. HOLIFIELD. I would say that what the gentleman from Michigan says is correct, in that it brings a new class of evacuees under the obligation of the Government of the United States to pay for their transportation, such as occurred recently in Seoul, where civilian employees of the Government had to be evacuated. This provides that those people will be given transportation home. We feel it is a moral right that they should be given that transportation home.

Mr. MARTIN of Massachusetts. That is a little different from what the gentleman from Illinois first stated. He said that this would be to help the Government get some money.

Mr. DAWSON. It does help the Government get some money in one of its provisions, and I will come to another provision where it is for the purpose of

taking care of civilian employees of Government who are in areas which the Government deems dangerous, either for military reasons or for reasons of health or hazardous for any other reason.

Mr. MARTIN of Massachusetts. How much money will this cost the Government?

Mr. DAWSON. To say how much it would cost, I could not answer that, because I do not contemplate there will be any additional cost, other than the expense we are now being put to as a result of now doing what this would authorize to be done. This gives legislative authority to cut through the red tape and to do what we are now doing.

Mr. MARTIN of Massachusetts. How are you getting the money to do it now? You say that you are not supposed to do it, but that you do do it. How are you doing it?

Mr. DAWSON. There are many things that are done through red tape where the authority rests generally within the Department to take care of the situation. But when a situation develops such as now exists in Korea, you will recall that there were Americans there who were employed by the Government and you can recall the efforts to get those people out by our Government. You can recall that vessels were rushed there to bring them out. This merely gives legislative authority to take care of that class of people wherever it is deemed necessary.

Mr. MARTIN of Massachusetts. Those vessels would be owned by the Government, anyway, and they would be operating anyway.

Mr. DAWSON. Those vessels would be owned by the Government, yes. But suppose the Government did not own them. Suppose the Government had not owned some vessels which were necessary to evacuate those people, and we had to get them out, and they were not in the vicinity at the time. We still had to give them military protection and still had to get them out.

Mr. MARTIN of Massachusetts. And you did it?

Mr. DAWSON. We did it.

Mr. MARTIN of Massachusetts. Yes. You did it without the bill.

Mr. DAWSON. There are many things that we do in an emergency. An emergency at all times demonstrates the purpose of legislation.

Mr. MARTIN of Massachusetts. That is what I have been trying to get the gentleman to tell us, how we do it.

Mr. DAWSON. I think every Member of the Congress can bear us out on that.

Mr. HOFFMAN of Michigan. Mr. Speaker, further reserving the right to object, the bill not only covers evacuees and people who are in a situation where there is danger, but it covers Federal employees who go to these places, and when the gentleman from Massachusetts [Mr. MARTIN] asked about the cost, no one, at least in my opinion, can give you the answer worth the paper it is written on, because no one knows how many of these employees there are going to be, and if we continue to spread our activities all over the world, of course, there will be civilian employees of every branch of the Government there; and whether there are going to be a million of them or a hundred thousand or just several thousand, no one knows, and it will all depend upon the administrative policy. What we are doing is letting ourselves in for a situation where no one can estimate what the cost will be. But, as I said before, it has some merit; and, as the gentleman said, it gets these civilian employees this protection, and they have to be there a while before they can get their expenses to go back home. As I understand it, they cannot come oftener than once in 3 years. So there you are.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That subsection (a) of section 1 of the act of August 2, 1946 (60 Stat. 806), is amended by striking the phrase ", in the order directing the travel," and substituting therefor the words "or approved."

(b) The period at the end of subsection (a) of said section is changed to a colon and the following proviso is added thereto: *"And provided further,* That expenses of travel and transportation in connection with the transfer of officers and employees to posts of duty outside the continental limits of the United States and return therefrom shall be allowed to the same extent and subject to the same limitations prescribed for new appointees under section 7 of this act."

(c) A new subsection is added at the end of the said section, as follows:

"(d) When civilian officers and employees of the United States are on duty at places designated by the heads of their respective departments or agencies as within zones from which their immediate families should be evacuated for military or other reasons which create imminent danger to life or property, or adverse living conditions seriously affecting the health, safety, or accommodations of said families, or upon transfer or assignment to duty of such civilian officers and employees to places where their immediate families are not, for the aforesaid reasons, permitted to accompany them, their immediate families and household goods may be transported at Government expense, under such regulations as the heads of their respective departments and agencies may prescribe, to such location as may be designated by the civilian officer or employee concerned or by the immediate families of such officers and employees when circumstances prevent the officers and employees from designating such locations or when it is administratively impracticable to determine the intent of the officers or employees in this respect: *Provided,* That if such location designated by either the officers or employees or their immediate families is within an area to which such movement is prohibited for the aforesaid reasons, an alternate location may be designated by either the officers or employees concerned or their immediate families: *And provided further,* That such immediate families and household goods may later be transported at Government expense from the designated location or alternate location authorized in this subsection to a duty station to which the officers or employees concerned are assigned, and to which the above restrictions do not apply."

SEC. 2. Section 7 of the said act of August 2, 1946 (60 Stat. 806), is hereby amended by deleting the proviso at the end of the first sentence thereof, by deleting the second sentence, and by substituting the following therefor: *"Provided,* That such expenses of travel and transportation to posts of duty outside the continental United States shall not be allowed unless and until the person selected for appointment shall agree in writing to remain in the Government service for 12 months following his appointment, unless separated for reasons beyond his control and acceptable to the department or agency concerned and in case of violation of such agreement any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States: *And provided further,* That expenses of return travel and transportation upon separation from the service shall be allowed whether such separation is for the purposes of the Government or for personal convenience, but shall not be allowed unless such persons selected for appointment outside the continental United States shall have served for a minimum period of not less than 1 nor more than 3 years prescribed in advance by the head of the department or agency concerned or unless separation is for reasons beyond the control of the individual and acceptable to the department or agency concerned."

SEC. 3. (a) Sections 3 and 5 of the act of June 5, 1942 (56 Stat. 314), as amended (50 App. U. S. C. 763 and 765), are hereby repealed.

(b) The second proviso of section 1 (a), act of August 2, 1946 (60 Stat. 806), is hereby amended to read as follows: *"Provided further,* That the allowances herein authorized shall not be applicable to officers and employees transferred in accordance with the provisions of the Foreign Service Act of 1946.

SEC. 4. The act of August 2, 1946 (60 Stat. 806), entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," is hereby amended by adding at the end thereof a new section, as follows:

"SEC. 21. This act may be cited as the 'Administrative Expenses Act of 1946'."

SEC. 5. There is hereby repealed so much of the eighth full paragraph on page 216 of volume 20 of the Statutes at Large, from the act of June 20, 1878 (44 U. S. C. 322), as reads: "; such rates to be ascertained from sworn statements to be furnished by the proprietors or publishers of the newspapers proposing so to advertise."

SEC. 6. There is hereby repealed so much of section 4 of the act of May 10, 1939 (53 Stat. 738, 31 U. S. C. 680a), as reads: "; and all such payments shall be supported by a certificate by the head of the department, establishment, or agency concerned, or such subordinates as he may specially designate, to the effect that the use of the telephone in such instances was necessary in the interest of the Government."

SEC. 7. There are hereby repealed—

(a) Section 2, as amended, of the act of June 30, 1906 (34 Stat. 762, 31 U. S. C. 588); and

(b) Section 3661, Revised Statutes (31 U. S. C. 589).

SEC. 8. There are hereby repealed—

(a) Section 5 of the act of August 15, 1876 (19 Stat. 169, 5 U. S. C. 45); and

(b) That portion of section 4 of the act of August 5, 1882 (22 Stat. 255), which reads as follows: "only at such rates and in such numbers, respectively, as may be specifically appropriated for by the Congress for such clerical and other personal services for each fiscal year; and no civil officer, clerk, draughtsman, copyist, messenger, assistant messenger, mechanic, watchman, laborer, or other employee shall hereafter be employed at the seat of government in any executive department or subordinate bureau or office thereof or be paid from any appropriation made for contingent expenses, or for any specific or general purpose, unless such employment is authorized and payment therefor specifically provided in the law granting the appropriation, and then only."

SEC. 9. The act of August 8, 1946 (60 Stat. 903, 5 U. S. C. 150), is amended by striking the words "made available therefor" and substituting therefor the words "available to them."

SEC. 10. The third paragraph of title 28, United States Code, section 2672, is amended by striking the words "such agency's appropriations therefor, which appropriations are hereby authorized" and substituting therefor the words "appropriations available to such agency."

SEC. 11. (a) The act of August 14, 1937 (50 Stat. 640, 5 U. S. C. 17b), is amended to read as follows:

"Civilian employees of the executive departments and independent establishments of the United States and employees of the District of Columbia who, upon original appointment, have subscribed to the oath of office required by section 1757 of the Revised Statutes, shall not be required to renew the said oath because of any change in status so long as their services are continuous in the executive branch or in the government of the District of Columbia unless in the opinion of the Civil Service Commission or the Commissioners of the District of Columbia, as may be appropriate, the public interest requires such renewal."

(b) There are hereby repealed—

(1) Section 3 of the act of January 31, 1925 (43 Stat. 803, 5 U. S. C. 17); and

(2) Section 3 of the act of December 11, 1926 (44 Stat. 919, 5 U. S. C. 17a).

SEC. 12. Section 1, as amended, of the act of December 11, 1926 (44 Stat. 1346, 5 U. S. C. 21a), is further amended by striking the words "the Comptroller General of the United States" and substituting therefor the words "the oath of office required by section 1757 of the Revised Statutes, as amended (5 U. S. C. 16)."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT JUDGE FOR THE DISTRICT OF DELAWARE

Mr. BYRNE of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6836) to repeal the prohibition against the filling of a vacancy in the office of district judge for the District of Delaware.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6836, with Mr. GRANT of Alabama in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from New York [Mr. BYRNE] will be recognized for 30 minutes and the gentleman from Michigan [Mr. MICHENER] will be recognized for 30 minutes.

Mr. BYRNE of New York. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the purpose of the bill is to make permanent the second judgeship presently existing in the United States District Court for the District of Delaware, which judgeship now exists under an act which prohibits the filling of the first vacancy in this office of district judge for said district.

Since the beginning of the Government in 1789, until 1946, the district of Delaware had one judge. By an act approved July 24, 1946, the number was increased to two judges with a proviso, however, that the first vacancy occurring in the district should not be filled.

The reason for the increase of one temporary judge in 1946 was due to the continued growth of judicial business over the years, with particular reference to the characteristics of the cases involved, to the point where it was no longer expeditious or practical to limit the district to one judge. Although the number of cases handled in comparison with other districts in the United States was relatively low, the second judge was needed because the high proportion of cases brought in that district were complicated and difficult and, on account of their nature, took a long time for trial and ultimate disposal. Since the addition of the temporary judge in 1946, experience has indicated that the status of the court docket and judicial business is as burdensome today as it was in 1946 and this will continue to be so in the foreseeable future. Consequently, the need for two judges in the district will continue.

The report of the Administrative Office of the United States Courts directs attention to the fact that the cases instituted in the district of Delaware are concerned with large business and corporate affairs. The fact is recognized that the reason for many corporations being incorporated in Delaware is the liberal laws of the State of Delaware concerning incorporation requirements.

The enactment of this bill has been recommended by both the Department of Justice and the Judicial Conference of the United States.

Mr. Chairman, we are faced today with a situation in Delaware that is a very sad one. The judge who is now operating under a temporary status is very ill, in fact, so ill, I understand, that serious loss is imminent. I will ask the gentleman from Delaware [Mr. BOGGS] if the situation has changed any.

Mr. BOGGS of Delaware. No; that is exactly right. We are faced with a very serious situation up there at the present time. I am hoping that things will work out for the best, but the judge's condition is a matter that has everybody in our State worried at this time.

Mr. BYRNE of New York. Mr. Chairman, I wish to quote a few facts stated in the letter of the chairman of the Administrative Office of the United States Courts, Henry P. Chandler, which, in my opinion, form the basis upon which we are asking for the passage of this bill:

> The nature of the cases pertaining to large business and corporate affairs which are brought in the district of Delaware is shown in the memorandum of Mr. Shafroth and the notes of the clerk. Because Delaware is a State in which many large corporations doing a national business are incorporated, the Federal court there is resorted to for the determination of many patent suits of great magnitude, stockholders' derivative actions, receiverships, suits to confirm holding company dissolutions under the Holding Company Act, and antitrust suits. Among the patent cases pending at the present time is one involving basic television patents owned by large producers which is expected to require 8 months to a year for trial, and another involving the basic patents in a telephone exchange system which also is conservatively estimated to require a year for trial, besides others shown in Mr. Shafroth's memorandum and in the data of the clerk. There are important stockholders' suits which involve lengthy trials. It is estimated that pending cases of the kinds mentioned will require as much as 3 years' trial work.

Think of it, at least 3 years of trial work. I do not believe that situation exists in any district of the United States. It might possibly exist in the city of New York, or Chicago, or Philadelphia, it might possibly exist in other places, but I rather doubt it. In this little State of Delaware they have more litigation and more important litigation than in all other States of the Union combined.

The high proportion of cases of this type in the district of Delaware in relation to the districts generally is shown on page 5 of Mr. Shafroth's memorandum. There were filed in the district of Delaware in the last fiscal year 1949, 8.5 patent suits per judge, compared with a national average of 2.8 per judge, and 2.5 stockholders' derivative actions per judge compared with a national average of 0.6 per judge.

The high proportion of difficult and long cases in the district which exists today and makes two judges necessary is no temporary condition. It is due to characteristics of the State which make it in a legal sense the home of many of the largest corporations and businesses in the country, and it is permanent. If a vacancy should occur in one of the present judgeships, and in consequence of the proviso in the act of 1946 it could not be filled, the business of the court would be bound to pile up to the detriment of litigants and the public.

It is to avoid this that the Judicial Conference recommended that the second district judgeship be made permanent, and I trust that the bill may receive the favorable consideration of the Congress and be enacted.

Mr. MICHENER. Mr. Chairman, I yield 7 minutes to the gentleman from Delaware [Mr. BOGGS], author of this bill.

Mr. BOGGS of Delaware. Mr. Chairman, the distinguished chairman of the subcommittee, the gentleman from New York [Mr. BYRNE] has made a splendid statement of the facts in support of this bill. He has hit the high spots, and I shall not attempt to repeat the important points which he presented for consideration, but, rather, will try to supplement the points he has made by way of answer to certain of the arguments made heretofore against these judgeship bills.

First, may I say that this bill does not create a new judgeship. It simply makes permanent the temporary judgeship already existing in Delaware. We have two judges at the present time, and we will only have two judges on a permanent basis if this bill should be enacted into law. That is an important consideration because in the previous discussions of the various bills which have been before this body it has been pointed out by

way of objection to them that passage of the bill would necessitate a new courthouse, a new marshal, new clerks, a new staff, and so forth, but that objection would not apply in this case due to the fact we are not creating a new court. This is only making permanent a judgship in an already existing court. There are no facilities required in this case.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Delaware. I yield to the gentleman from Illinois.

Mr. JONAS. I understand there is one judge unable to function; is that right?

Mr. BOGGS of Delaware. Yes; that is so for the time being.

Mr. JONAS. Was not the statement made here that one judge is seriously ill?

Mr. BOGGS of Delaware. I am glad the gentleman asked that question. Just a few days ago the senior judge attending a judicial conference meeting in the third circuit was stricken with a heart attack, a very serious one. I am glad to report that at this moment his condition is improving rapidly. It certainly had us upset up there, and it emphasizes the importance of this legislation at this time.

Mr. JONAS. It would show that if something should happen to him, that the gentleman's bill is in the nature of an emergency, and not a routine matter.

Mr. BOGGS of Delaware. I think it is. The remarks I will make will further amplify the gentleman's statement and I thank him for it.

It has been pointed out in the course of debate here in the past that the office of administrative director could assign from various other jurisdictions any United States judge who was not too busy to another district or another circuit in order to help catch up with the work. I certainly approve of that method and think it is a splendid thing to do and that we should utilize it to the maximum; however, as has been pointed out so ably by the distinguished chairman of the subcommittee, the gentleman from New York [Mr. BYRNE] these cases in Delaware run from 8 to 13 months in trial work alone and you cannot, therefore, ask any judge to leave his own district for that period of time. It would be unreasonable to expect him to do it. The litigants and the citizens of his own district would not tolerate it. So I do not think that objection would apply in this particular instance.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Delaware. I yield to the gentleman from Arkansas.

Mr. TACKETT. It appears that in 1949 there were two judges in Delaware and that the total civil cases per judge was 58; then in the next paragraph it says "84 districts—217." What does that mean? That is on page 8 of the report, the top group of figures.

Mr. BOGGS of Delaware. I think that means the total number of civil cases coming before the court. I am frank to admit that the total number of cases numberwise in the Delaware courts is not as much as it may be in some of the other jurisdictions.

Mr. TACKETT. May I ask this question. What is the population of the State of Delaware?

Mr. BOGGS of Delaware. Approximately 320,000.

Mr. TACKETT. And there are two judges there now, and this is to make the second judgeship permanent; is that correct?

Mr. BOGGS of Delaware. That is absolutely correct.

Let me emphasize a point on that to my distinguished friend from Arkansas. As far as litigation coming from within the State of Delaware and the citizens of the State of Delaware, two judges would not be important at all, but if you will notice these cases, they are not Delaware cases as such. Here is a case, the Zenith Radio Corp. against RCA, General Electric, Western Electric, American Telephone & Telegraph Co. Bell Telephone Laboratories, and Westinghouse Electric Co. That case is expected to require trial time of 8 months to 1 year. I suppose the citizens of Delaware have about the same interest in that case that the citizens throughout the United States would have in it, because the citizens throughout the United States are stockholders and, as such, are interested parties to suits by these great giant corporations.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Delaware. I yield to the gentleman from Iowa.

Mr. GROSS. Why does the State of Delaware have such liberal incorporation laws? Is it profitable to the State?

Mr. BOGGS of Delaware. Let me answer that briefly. There are a lot of aspects to it. But, it has been one of Delaware's outstanding characteristic that we maintain a very low tax rate, and I think that the costs of incorporation and the annual fees and the taxes paid for that purpose are as agreeable and favorable to the corporation business as in any other State.

Mr. GROSS. Of course, without those laws and litigation that those laws invite, you would have no need for another Federal judge there.

Mr. BOGGS of Delaware. Let me answer that by saying that the laws involved here which this court is called upon to interpret, do not involve Delaware laws, but the laws of the United States. For example, the Public Utility Holding Company Act, involving $15,000,000,000 industry reorganization, had required the attention of the judges in that district for many, many months, and the courts have rendered over 60 different opinions.

Mr. GROSS. But it is true, is it not, that your State laws invite the corporations?

Mr. BOGGS of Delaware. Our State laws do invite corporations

Mr. GROSS. Just as the laws of Nevada invite divorce actions.

Mr. BOGGS of Delaware. I presume you might say that.

Mr. LANE. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Delaware. I yield to the gentleman from Massachusetts.

Mr. LANE. Our colleague from Delaware has already stated to the House the facts with reference to this major case that is pending there that will take about 1 year, the Zenith Radio case, in reference to patents on television, black and white, and color. Further than that I know that my colleague will recall that Judge Paul Leahy, from the Federal court in Delaware, also testified that when that case was terminated the next case under the Federal statute is RCA against American Telephone & Telegraph Co., and he said further that that case is considered by counsel to be one of the largest patent cases that will ever be tried; that there has been some intimation that there will be 1,000 to 1,100 patents involved. He said further, as the gentleman already stated, that it is a battle of the giants in the industry. Then he said that the next case on the docket will be the Canister against National Can Co. case. Several million dollars are involved in that case. He stated that he had already written 32 memoranda notes so far, calling for the operation of 37 of the new rules in reference to that particular case. Then after that there will be United States against the du Pont Co., an antitrust suit. So far they have already put in 3,000 exhibits in that particular case. May I say further that he also testified that so far they put in 3,000 exhibits, and they are postponing the case to permit the du Pont Co. to look at the Government's exhibits to see what to object to, and then they will put in 500 more exhibits, and then it will be postponed again until October. He further said that the docket has been cluttered up for the past 8 years. Another thing that complicates the situation in Delaware is the fact that they have to administer the Public Utility Holding Company Act of 1935, and that calls for the reorganization of a $15,000,000,000 industry, and they had 60 statements in that particular case. So that shows some of the lengthy trials that these judges have in their Delaware courts.

Mr. BOGGS of Delaware. I thank the distinguished gentleman of the committee for his statement. I had hoped to cover those very points, but he has covered them more ably than I could have.

However, I want to point out this one fact before I conclude. It has been argued here time and again that what is necessary rather than to increase the number of judgeships is to raise the jurisdictional requirement from $3,000 to $10,000. A bill has already been introduced to provide for that. But, even with that legislation it would not meet the requirements of the cases which they are having in the United States District Court for Delaware, because these cases, as the report shows, run up into enormous figures.

In conclusion I want to say that it is important and necessary in the public interest that we have normal, reasonably speedy justice in our courts, and we find in these big, important cases that if they cannot go on with them to a conclusion, not only are the litigants, the corporations, and companies concerned, but the

progress and growth of our Nation industrially, and otherwise, is retarded.

For example, in the patent suit which the gentleman from Massachusetts mentioned. The technological advancement and opportunities which may grow and develop as a result of the clearing up of that suit are tremendous and are absolutely unknown. Certainly we want these cases disposed of, and with dispatch. As we have been briefed on the merits of this case, I hope that the merits will commend themselves to you and that the bill will receive the favorable action of this body.

The CHAIRMAN. The time of the gentleman from Delaware has expired.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, this is one of the most unwelcome tasks I have ever assumed, to rise in opposition to a bill sponsored by my good friend the gentleman from Delaware, CALEB BOGGS. There is no Member of this body for whom I entertain greater admiration or affection than the able gentleman from Delaware, who has so assiduously pressed this measure. I have never known of any bill in the Congress which was pushed with greater vigor and more ability and with more knowledge of the background of the problem involved than this bill. It so happens that the gentleman from Delaware has not convinced me of the need for this measure, but that certainly is not due to any shortcoming on his part.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I am glad to yield to the gentleman from Michigan.

Mr. POTTER. I wish to observe that the gentleman from Delaware has convinced me of the need of this Federal judge in the State of Delaware. I wonder if the distinguished gentleman from New York who has so ably presented the opposition to these judgeship bills would concur with my view that if we continue our present timetable of furnishing and expanding Federal judgeships in this country, that by Labor Day we will have more Federal judges than we will have men in Korea.

Mr. KEATING. We are going pretty fast, I will say to the gentleman from Michigan. We have already created during this session of Congress more Federal judgeships than any Congress in the history of the United States, including the First Continental Congress when all the courts of the country were originally instituted.

So, while the gentleman from Michigan may have expressed the matter somewhat extremely, we certainly should call a halt. I hope that by my remarks I am able to convince the gentleman that even this bill should not pass.

Mr. POTTER. I am open to argument.

Mr. KEATING. I am glad the gentleman has an open mind, as he always has. He always approaches these problems in such a fair and open manner. I commend the gentleman from Michigan.

The answer to a question by the gentleman from Arkansas, I think should be somewhat elaborated. The gentleman from Arkansas [Mr. TACKETT] asked the gentleman from Delaware as to the population of his State, and the answer was that there were 320,000 people in Delaware. With 320,000 population, there are two judges, one for every 160,000 people. The average across the country is one judge for every 589,000 people. Thus, if the State of Delaware were on a parity with other districts in the country, Delaware would be entitled to something in the neighborhood of a half or two-thirds of one judge. If the Members will refer to the table on page 8, which shows the number of cases filed per judge, it will indicate, it seems to me, subject to the qualification which I shall deal with in a minute, namely the type of cases involved, that certainly Delaware is not entitled to this permanent judgeship.

I am not here arguing that the two judges should be reduced to one. I realize that the State of Delaware is an important State from the point of view of litigation, as well as for many other reasons. But I do say that we should go slowly in making this second judgeship permanent. This judgeship was only created in the first place as a temporary proposition in 1946. In table 2 on page 8, will be found the caseload per judge in the State of Delaware compared to the average across the country. In Delaware in 1947 the total civil and criminal cases per judge amounted to 103, whereas in the 84 districts across the country it was 444.

In 1948 the total in this district was 62, only 50 civil cases and 12 criminal cases as against an across-the-board total of 372, and in 1949 the Delaware district had a total of 71 cases as against an average across the country of 379. I appreciate the fact that those figures cannot be a hard-and-fast criterion in our determination of this problem because a lawsuit is not just a lawsuit; it may be a 1-day case or it may take a year to try; and I recognize the fact that in the State of Delaware the type of litigation is somewhat longer in its average than would be true in the ordinary Federal district across the country.

But I do feel that that factor is sufficiently reflected in the figures which I have given in which it is brought out that the average across the country is so much greater, running from four to eight times as many cases per judge on an average across the country as are found in this district. I would question seriously whether the average length of the cases in the district was greater than that four to eight times. I had promised following the giving of these figures to yield to the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. I appreciate the gentleman's yielding. Let me say at the outset that the comments the gentleman has made concerning the presentation of the gentleman from Delaware are certainly well merited. I also want to say that I cannot yet see that a case has been made out for a permanent judge just because of the illness of a temporary judge. We do not gain anything by freezing into office an ill temporary judge. That argument would be valid only for the creation of another temporary judge to tide over the emergency created by the illness.

Mr. KEATING. It would seem to me so and that the time is not yet here when we should face the question of whether this judgeship should be made permanent. The figures which I have given strongly indicate to my mind that they may very well get along with one judge in Delaware rather than two, but we do not have to face that question yet; they have the two and the authority for the two continues.

What I say is that we should not freeze in and make permanent a second judge because there is also the point which was discussed here at such great length with regard to the Ohio judge that the Committee on the Judiciary should bring to this floor at an early date a measure raising the jurisdictional limit on these Federal court cases from $3,000 to $10,000. This will greatly reduce the work of the Federal court and the Federal judiciary. If we did that it might very well result in no necessity for more than one judge in the State of Delaware rather than two as is now provided.

I now yield to the gentleman from Tennessee.

Mr. JENNINGS. If I understand the purpose of this bill it is simply to make permanent a judgeship which is now temporary but which is filled by a man now functioning as a judge.

Mr. KEATING. That is right.

Mr. JENNINGS. If this man should pass away—of course, they rarely ever die and never resign—but if he should pass away and there were need for another judge, of course, it would be a simple matter to create another judgeship.

Mr. KEATING. That is perfectly true, and that is my position. If anything happened to one of the sitting judges, at that time we could face the situation then presented and decide whether a second judge were needed in that district.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. MICHENER. Mr. Chairman, I yield three additional minutes to the gentleman from New York.

Mr. BOGGS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. BOGGS of Delaware. I may say to my distinguished colleague on the Judiciary Committee that I fully appreciate his remarks, and I wish to compliment him not only for his work on the Judiciary Committee but also for his keen interest in legislation generally that comes before this body.

Answering the objection raised by the gentleman from Wisconsin and the gentleman from Tennessee, it so happens that this temporary judgeship was created in 1946. The need for it existed a long time before, but as the Members of this body well know, it seemed impossible to get through needed and necessary legislation, and I think that when a matter of 2 or 3 years is involved and important Nation-wide interest cases are held up that the public interest necessitates a little forethought and foresight and action to prevent an unfortunate

situation like that from occurring which might well happen unless this legislation is passed.

Mr. KEATING. I appreciate the gentleman's argument and his position, but there is one other matter to which I wish to refer, found on page 7 of the report. It was in 1946 when we named a temporary judge for this district, and it will be noted in the column on page 7 that in 1945 the one judge then sitting disposed of 155 cases. In 1946—and we did not authorize the judgeship until July and he was not named until late in the year, one judge and maybe one-tenth of another judge disposed of 233 cases. Then what do we find in 1947 when there were two judges to take care of the situation? They disposed of 175 cases. What do we find the next year? The two judges together disposed of 122 cases. And what do we find the next year? The two disposed of 90 cases. One judge had been disposing of more cases than the two since the second was appointed. It would indicate to me that perhaps we have been unduly lenient in the creation of judgeships in this area since the record as it is given to us by the committee shows that one judge prior to the naming of the second one disposed of more cases than the two judges, since we created the second one.

Mr. BOGGS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Delaware.

Mr. BOGGS of Delaware. To get the correct analysis of that situation, one must know the type of case involved; secondly, I want to say that the two judges in Delaware are working judges. I venture to say that the hours they put in on the job cannot be met by any other judge in the United States.

Mr. KEATING. I would not wish to intimate anything to the contrary. I have no personal knowledge on the subject. I am simply giving the figures as they appear in this report.

Mr. BYRNE of New York. Mr. Chairman, I yield 8 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, I would not arbitrarily fight or in anywise try to hinder the passage of this legislation, because of the friendship that exists between the gentleman from Delaware and me. I respect him highly and consider him one of the best qualified Members of this House. I do not know that I am going to fight this proposal; I do not know that I am going to oppose it or vote against it, but I do know I am going to have to be sold on it a little more than I am now.

The other day a judgeship bill was defeated in this House, and I cannot see why it did not have a lot more merit than this bill has.

Let me read to you two or three phrases in this report which I feel are convincing that this judgeship is not warranted. On page 3 of the report is this statement:

> There were filed in the district of Delaware in the last fiscal year 1949, 8.5 patent suits per judge, compared with a national average of 2.8 per judge, and 2.5 stockholders' derivative actions per judge compared with a national average of 0.6 per judge.

That does not mean anything. I do not suppose there has been a patent suit filed in the State of Arkansas—that has many, many times more people than the State of Delaware—within the last several years; therefore they take my State of Arkansas and other States, where there have not been any patent suits filed, to build up the percentage in the State of Delaware.

On page 4 of the report it is stated:

> In the number of civil cases commenced per judge, Delaware has been far below the average for all districts having Federal jurisdiction even when there was but one judge in the district. This has also been true as to criminal cases before and after, but not during the war. Since 1945 the criminal case load has been very small indeed.

Mr. Chairman, here is a State with 300,000 people. Many congressional districts in some of the sparsely settled areas of this country have more people than that. Look at the case load here and it is admitted in the report that it is one of the smallest per judge of any in the United States. Now they say that the patent suits are burdening the courts up there and that the corporation litigation is taking all of the time of the judges. Look at pages 4, 5, and 6 where they set forth the length of time it will take to dispose of the cases that are pending in the State of Delaware. If you will add those years, months, and weeks together you will find that they can dispose of the litigation, that is both judges can, in 2 years and 2 months when you add all of the years, the months, and the weeks together; therefore, with two judges operating, dividing the time, they are not behind but 2 months. That is all they are behind. You get 2 years and 2 months, they say they need, to get rid of the litigation now pending up there, therefore two judges can do it in 1 year. Let me say that in my State our judges could not catch up in 3 years and there is no way for them to do it. Yet you say they need an extra judge in the State of Delaware.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Has anybody put a stethoscope on the heartbeat of either one of these judges? Is there any liability or likelihood that either will make his exit from this world any time soon? Are they in good health? May we be reasonably assured, even though their tenure of office is not made permanent, that this will effect their longevity or their ability to dispose of these cases?

Mr. TACKETT. I may say to the gentleman from Tennessee that there was a statement made and there was testimony to the effect that one of the judges is ill. He is not expected to be able to continue in office for a great length of time and carry the load he is now carrying. I think it comes down to a question whether or not they actually need two permanent judges in the State of Delaware, or they just need a temporary judge. I cannot understand why it is necessary to create a permanent judgeship, thereby making two permanent judgeships for the State of Delaware at this time based upon the information as per the report that has been handed to us.

As I said in the beginning, I am not protesting this bill arbitrarily. I shall change my mind and vote for the bill when I am convinced that it is needed, and I can assure the gentleman that even though I think I am easy to please, that I have not yet seen the necessity nor heard any statement that would substantiate the requirements of the bill. If they need it, all right. There is no one in this country any stronger for having courts open, freely flowing to take care of the business, than I am. I realize that it is necessary in a land of democracy that the courts be able to function properly. But, gentlemen, I cannot understand why it is necessary to have another permanent judgeship in the State of Delaware when all of us know that within the State of New York, Illinois, Pennsylvania, and the other large States that the lawyers cannot get to their cases before 1, 2, and 3, and sometimes 4 and 5 years.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. On the bottom of page 5 appears a statement that is slightly contradictory to what the gentleman has stated. It says that they are behind at least 3 years in their work because of these large cases.

Mr. TACKETT. I saw that, and I would like to state that I added together the things that they have in the report, and it shows that it is 2 years and 2 months. Now, it may be 3 years; I do not know.

I would like to remind the Members of another thing. When they say a case is going to last a year in court, that means when they fiddle around and take care of other cases in between times, and when they meet on Tuesday and stay in session until Thursday or Friday, then they take care of some other case over the week end, and so forth and so on, it is going to take a year to try a case. That does not mean that a judge is going to meet on Monday morning and stay there until Saturday night and that the lawyers are kept busy. All of us know that. You can try the case that it is claimed would require a year, and you can try 50 or 100 short cases along with it and still complete the case in a year's time.

Mr. MICHENER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I have spoken on these judgeship bills down through the years, and I think my position is well known. I always support a judge bill when I think a judge is needed. And I vote against a bill when I do not believe a judge is needed. I do not pay much attention to population figures. I do not think that figures and percentages and population are the criteria at all by which we should determine the necessity for an additional judge. At most, population is a minor factor.

There is just one question, and that is this: When can a litigant who starts litigation before a court hope to have his case heard? That is all there is to it.

All are entitled to a fair trial and in reasonable time. Time is usually of the essence. Justice must not be delayed because there are not sufficient judges to meet the requirements. On the other hand judges must work and not loaf on the job.

Delaware is a small State, but I think that possible there are more corporations in Delaware than in any State in the Union. I do not admire, possibly, the State law in liberalizing the granting of franchises to corporations. I know personally when I was in my senior year in school I had to write a thesis on corporations and I had to incorporate a company and I had to select the State that was most favorable to the corporation I was incorporating. I looked over all the States and I found two that I felt were bidding for corporations. That was some time ago, and some of those laws may have been changed. One was Delaware, and they had the best bid, so I incorporated in Delaware. Many corporations have done likewise. In 1946 we did give Delaware another judge. We said, "You need a judge now; we do not know whether you will need one continuously, so we will give you a temporary judge." Now, during all of these years from 1946 to 1950, the load has increased. The two judges have worked continuously, and there is no reason to believe or even guess that there is going to be a let-up. Now, there is a judge up there who has had a heart attack. If that judge were to drop out or is not able to go back to work, then they would be without a judge because there would be no vacancy. This action is not premature. This bill recognizes that two judges are needed continuously in Delaware. The legal business, as pointed out by the able gentleman from Delaware [Mr. BOGGS] requires two permanent judges.

At present it is 3 years before one can get a trial of his case in court, and certainly justice delayed is justice denied. I shall vote for this bill.

Mr. BYRNE of New York. I merely want to state it is the temporary judge who is ill. He is a comparatively young man, being only about 46 years of age. It is a very serious situation, not alone from the angle of illness which, after all, may be only temporary, but it is what may be called a desperate situation from the judicial standpoint and together with other reasons makes it very essential that this bill be passed.

Is there any question about that, may I ask the gentleman from Michigan [Mr. MICHENER]?

Mr. MICHENER. I quite agree. I do not think there is any comparison between this case and the Ohio case we had the other day which was turned down. Our distinguished colleague from Arkansas spoke about that case. The cases are piling up in Delaware. There are a great number of cases there. In Ohio they did not have a judge on the bench for 18 months. The judge was sick 6 months, and 12 months have passed in which the President has refused to select a judge. To me there is no comparison between this case where the judges have worked and where the cases are piling up, and where they are 3 years behind with no prospect of the number of cases diminishing, and where we have a situation as in Ohio if the President would appoint a judge right now, he could go in and clean up many of these cases, and we may not need another judge.

Mr. BYRNE of New York. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNE of New York. Mr. Chairman, I yield such time as he may require to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, as a member of this subcommittee, may I say I was rather impressed with the testimony offered by Honorable Judge Biggs, who is the chief justice of the United States Court of Appeals for the Third Circuit, when he was testifying before the committee. The remarks of my colleague from Michigan forcibly brought to my mind the words of Judge Biggs, who said:

There is a somewhat peculiar situation with respect to numbers. The fact of the matter is that in the ensuing 4 years we have had a complete demonstration that the work in the district of Delaware will not grow less, but that it is constantly enlarging itself. The case load per judge—

And this is very important, Mr. Chairman—

the case load per judge in the district of Delaware is far less than it is throughout the other districts in the United States, and it is the type of case rather than the number which must be looked at. As you all are aware, Delaware has a very large number of corporations—

This was brought out in the debate here today—

which function throughout the United States, and, as a matter of fact, throughout the world. We have a case load which, although not heavy in numbers, is, nevertheless, quite startling in the size of the cases. For example, in the district of Delaware, on December 31, 1949, there were 40 cases pending and there were stockholders in derivative suits which numbered 11. Pretty nearly every corporate organizations which comes through the Securities and Exchange Commission goes to the district of Delaware.

May I say further, in following up what the gentleman from Michigan stated, and I feel it was a very strong point in favor of making permanent this temporary judgeship in Delaware, when Judge Biggs, who, may I repeat, is the chief justice of the third circuit, said:

It has been my experience, and I have been on the bench for some 13 years, whenever there is a vacancy in a busy district, and it was true in the district of Delaware at the retirement of Judge Nields, before his successor is appointed that court gets terribly behind and it is necessary to throw in judges from an outside district in great numbers to clear up the docket. We had that unhappy experience—

This is also very important, Mr. Chairman, because it is in point.

We had that unhappy experience just before Judge Leahy was appointed. When Judge Nields retired there was a comparatively small gap in time, some 18 months, before Judge Leahy was nominated and confirmed, and it was necessary to assign every circuit judge in that circuit to the district of Delaware and many judges from outside districts in order to bring that court back to date.

Judge Biggs stated further:

I should like to avoid that necessity.

He said he would like to make this judgeship permanent instead of a temporary judgeship, as it is presently, with the work of that court piling up day after day.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. LANE. I yield.

Mr. TACKETT. Mr. Chairman, I want to preface my remarks with the statement that I am going to be fair about this thing. Because I am a member of the Judiciary Committee and did not there strenuously oppose this bill, I am not going to ask for a roll call vote on this measure, but I do want to satisfy my own conscience and think it is my duty to bring the matters I have mentioned to the attention of the Members. According to the statement of the gentleman from Michigan, and the statement of the gentleman from New York, one of the judges up there is a temporary judge, and they want to be sure it is a permanent judgeship, whenever he relinquishes that position. If the judge there retires, the gentleman from Michigan said a moment ago that it is going to take 3 years to catch up. I did not find that in the testimony anywhere, but that does not solve the situation to make this a permanent judgeship. You are not moving this man out. He is 42 years old, and he is going to go ahead and serve in his present capacity. Fifty years from now, if he lives, he will be 92 years old, and so you are making something permanent, which is now temporary, to provide for a situation which may exist 50 years from now. Why can we not wait 50 years and decide then whether or not it is necessary. I do not see any reason to be in a hurry about it.

Here is the whole thing in a nutshell. They have two judges there now, and by passing this bill they still are going to have two judges. You are just making something permanent which is now temporary. Yet, we do not know whether we will need it when the time does come to answer that question.

Mr. BYRNE of New York. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the provision of the act approved November 21, 1941 (ch. 478, 60 Stat. L. 654), which reads: *"Provided*, That the first vacancy occurring in the office of district judge in said district shall not be filled." be, and it is hereby, repealed, and that section 133 of title 28, United States Code, "Judiciary and Judicial Procedure", be, and it is hereby, amended by striking out the number "1", following the word "Delaware", and inserting in lieu thereof the number "2."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the second judgeship for the district of Delaware provided for by the act entitled 'An act authorizing the appointment of an additional judge for the district of Delaware', approved July 24, 1946 (60 Stat. 654), shall hereafter be a permanent judgeship. Accordingly, in order to incorporate the permanent provisions of the said act into the United States Code, as a continuation of existing law and not as a new enactment, title 28, United States Code, section 133, is amended to read as follows with respect to the district of Delaware:

"'Districts	Judges
* * * * *	
Delaware	2'
* * * * *	

"SEC. 2. The act entitled 'An act authorizing the appointment of an additional judge for the district of Delaware', approved July 24, 1946 (60 Stat. 654), is hereby repealed, but its repeal shall not affect the tenure of office of the incumbent of the judgeship created by such act who shall henceforth hold his position under title 28, United States Code, section 133, as amended by this act."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. GRANT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 6836, pursuant to House Resolution 704, he reported the same back to the House with an amendment adopted in the Committee on the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed and a motion to reconsider was laid on the table.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to substitute for the bill just passed an identical Senate bill, S. 2901, to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the second judgeship for the district of Delaware provided for by the act entitled "An act authorizing the appointment of an additional judge for the district of Delaware," approved July 24, 1946 (60 Stat. 654), shall hereafter be a permanent judgeship. Accordingly, in order to incorporate the permanent provisions of the said act into the United States Code, as a continuation of existing law and not as a new enactment, title 28, United States Code, section 133, is amended to read as follows with respect to the district of Delaware:

"Districts	Judges
* * * * *	
Delaware	2"
* * * * *	

SEC. 2. The act entitled "An act authorizing the appointment of an additional judge for the district of Delaware," approved July 24, 1946 (60 Stat. 654), is hereby repealed but its repeal shall not affect the tenure of office of the incumbent of the judgeship created by such act who shall henceforth hold his position under title 28, United States Code, section 133, as amended by this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent the proceedings whereby the bill, H. R. 6836, was passed were vacated, and that bill was laid on the table.

UNITED STATES-MEXICAN BOUNDARY

Mr. KEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3934) to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. KEE, RICHARDS, CARNAHAN, CHIPERFIELD, and VORYS.

ADDITIONAL DISTRICT JUDGE FOR THIRD DIVISION OF DISTRICT COURT, DISTRICT OF ALASKA

Mr. BYRNE of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3775) to provide for an additional district judge for the third division of the District Court for the District of Alaska.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3775) with Mr. KELLEY of Pennsylvania in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from New York [Mr. BYRNE] is entitled to 30 minutes and the gentleman from Michigan [Mr. MICHENER] to 30 minutes.

Mr. BYRNE of New York. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Territory of Alaska constitutes a single judicial district. In 1900 the United States District Court for the Territory of Alaska was established. At that time three judges were provided for the three divisions of the court. In 1909 a fourth division and a fourth district judgeship was created. Since 1943 terms of the court are held at Juneau, Nome, Anchorage, and Fairbanks. It was also provided that terms of court may be held at other places as the judicial council for the Ninth Judicial Circuit may direct.

The territory covered by the third division of the district court for the district of Alaska is extensive, and the judge sits at least once a year at places other than Anchorage. Moreover, in this division there is what is popularly called a flowing court. That court usually sits during May and June and visits 10 or more small points located within its boundaries. Court may be held either on the boat or in local courtrooms where they are available.

The business of the third division is heavier than any of the other divisions in the Territory. This is clearly demonstrated by the attached tables from the Administrative Office of the United States Courts.

Besides having the usual Federal jurisdiction, the court for the Territory of Alaska also exercises the jurisdiction normally performed by a State court. This twofold jurisdiction accounts for the large volume of litigation held by the court.

This bill has the approval both of the Judicial Conference of the United States and the Department of Justice.

Mr. Chairman, I will now quote from a letter signed by Henry P. Chandler of the Administrative Office of the United States Courts, as follows:

I would say that the increase in the number of judges for the division from one to two is needed in order to dispatch efficiently the business of that part of the court. The second judge for whom the bill would provide was recommended in 1947 by the Legislature of the Territory of Alaska, and in 1949 by the Judicial Conference of the Ninth Circuit, of which Alaska is a part, and the Judicial Conference of the United States at their annual meetings in 1949.

In the fiscal year 1949 the number of civil cases begun was 546, the number terminated was 414, and the number pending at the end of the year was 466. The remarkable increase in the number of civil cases coming to the third division is obvious. This increase, as shown on page 2 of the memorandum, has continued in the current fiscal year. The number of civil cases filed in the first 5 months, that is from July 1 to November 30, inclusive, was 295, compared with 222 in the previous year. The pending load of civil cases on November 30, 1949, was 508 which is higher than at any previous time. The increase in the civil case load for the last 10 years has been steady as shown by table 1. Of the total number the private civil cases have made up by far the greater part, being 527 out of the 546 filed in the fiscal year 1949, the United States civil cases in that year being 19.

As you may already realize, the Territory of Alaska represents upward of 549,000 square miles. In other words, taking a comparison, the State of Texas represents about 266,000 square miles. If you placed the map of the Territory of Alaska upon a map of the United States it would more than cover the entire United States from coast to coast, then extend out into either the Pacific or the Atlantic Oceans because of the islands in connection with Alaska. So you can realize from a statement of the

geography of the Territory what a tremendous thing it is for the judge to make himself available in any one of these divisions, and particularly in this third division where we have Judge Dimond who formerly, by the way, was in Congress with us as a Delegate from Alaska.

Judge Dimond is a very serious, conscientious judge, a man who wants to see that everything is done as it should be done, and he extends himself, perhaps unnaturally, in doing that because he finds no conscience for slowing up or slacking up, in other words being charitable to himself. Therefore, the work that he has been doing in his division in Alaska has been so outstanding that it is manifest to everyone he is just playing himself out. There is question about that. The work that is coming to him is increasing each year, therefore there should be some help and aid granted him.

In Alaska they have only 4-year terms, so every year a new judge or a succeeding judge must be appointed at the end of a 4-year term. If the Territory becomes a State the entire judicial fabric, of course, will be reorganized and what is extant today will be at an end then. But notwithstanding all of that, this particular bill calls for another judge in that division to help Judge Dimond in the work he finds it necessary to do.

I will now read from the last paragraph of the report of Mr. Chandler:

Notwithstanding these practices for dealing with the greatly increased amount of business of the division, it is plain that it is too much to place upon one judge and that the conditions call for a second judge on a permanent basis. The present regular judge, Hon. Anthony J. Dimond, who was formerly the Delegate from Alaska in the House of Representatives, is a very capable judge and he labors assiduously to handle the rising load of the court. The strain of doing so, however, is imperiling his health. Also, as Mr. Shafroth's memorandum shows, despite his efforts assisted by those of other judges, the pending civil case load goes steadily up. This inevitably means a longer time required for the disposition of cases and delay for litigants.

The conditions call for the increase in the judge power provided for in the bill and I trust that it may receive the favorable consideration of the Congress and be enacted.

That is signed by Henry P. Chandler, Administrative Office of the United States Courts.

Mr. Chairman, I want to quote slightly from the testimony of Judge Dimond, as follows:

I am here on the direction—and I use that word advisedly—of Chief Judge Denman, of the Court of Appeals for the Ninth Circuit, who telephoned me saying that he believed the furnishing of judicial service to Alaska is just as important as the provision of judicial service to citizens elsewhere in the Nation and that I must come to Washington to present this matter to the best of my ability and to give any information to the committee they might require.

The bill before you has been recommended by the Judicial Conference for the Ninth Circuit of which Alaska is a part and I have here a copy of a report made to the committee by Mr. Chandler together with a study of factual matter prepared, I think, by Mr. Shafroth.

The figures supplied by Mr. Chandler show the substantial increase in business in the third division over a period of years since 1940. I think Governor Gruening referred to them. In 1949, 546 cases were started; 414 were terminated and 446 were pending at the end of the fiscal year. That indicates that we have not been able to keep up with the business although assistance was given by the other district judges in Alaska.

The juries are in constant attendance at the court, and usually they are tolerably busy except when equity cases are tried.

My division is about 1,800 miles long.

Just think of that, my friends, when you are talking about distances.

My division is about 1,800 miles long from east to west—

By way of comparison, that is the distance from New York City to Denver; that will give you some idea of the distance that Judge Dimond has to travel from east to west in his district; it is about 1,800 miles from New York City to Denver, and the width of his district is 1,800 miles—

including the Aleutian Islands, and 250 miles wide at its widest part. It is necessary to hold court for the convenience of the people at Anchorage and at Kodiak, 300 miles in one direction, and Cordova, 150 miles in another, and Dillingham, 400 miles in another direction. Then we have the "floating court" on a revenue cutter which stops at many of the villages on the Alaskan peninsula and at Bristol Bay. It provides service, but it takes time.

In other words, this particular judgeship is not only highly deserved and necessary but it will give greater flexibility to the court, give greater advantage to the litigants and will be, without question, of course, a safeguard to not only the health of the present judge, but also make it possible for litigants to get better service.

Mr. Chairman, I hope sincerely that this particular bill will pass.

Mr. MICHENER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, this bill in my judgment should not pass. We have heard a great deal here about the third division of the district court of Alaska. This problem cannot be considered by simply talking about one of the four divisions in Alaska. We must consider Alaska as a whole, a Territory with some 100,000 or perhaps 150,000 people now with four judges, and they are in here asking for a fifth judgeship.

On page 5 the story is told in part as regards the number of cases, and an effort is made in the tables there to show the situation in the third division. But, as I say, you must take all of these divisions together and you will find that for the last 3 years, 1947, 1948, and 1949, which are the only years given, the number of civil and criminal cases filed per judge in Alaska was 256; the average throughout the country, 444. In 1948 it was 323 as against 372, and in 1949 it was 351 as against 379, with the four judges they now have; in other words, without the creation of this fifth judge.

The number of cases per judge in Alaska is substantially below the average across the country. That does not tell the whole story because in this case you are confronted with just the converse of the situation which we had in Delaware. In Delaware, in the case we were debating a few moments ago, the point was made that the cases there were somewhat longer and more complicated than the average throughout the country. And I conceded in the debate that that point was well taken. Just the opposite is true in Alaska where the jurisdiction of the court is not limited to so-called Federal cases, but the court has jurisdiction also over what would normally be the subject of State court jurisdiction in the other States. And it is pointed out on page 5 that the breakdown of civil cases shows that divorce cases constitute about half of the total business in the Territory of Alaska. Now, any lawyer here knows that the ordinary divorce case is a matter of, at the outside, 1 day of trial, and usually a few minutes of trial, so that the case load which I have given of 256, for instance, in the year 1947, as against 444 across the country, only tells a part of the story, because of those 256 approximately half of them were divorce cases. The same is true of the other cases set forth in this table on page 5. Many of the others, besides the divorce cases, are cases of short duration.

This bill, in my judgment, and with proper deference to our friend, the Delegate from Alaska who has introduced it, is the most lacking in merit of any of the measures which have come before us for the creation of additional judges.

I can see no possible reason why the House should pass this bill. In my judgment the passage of the bill would be an abdication of the responsibility which is ours, to create these new judgeships only in those cases where there has been demonstrated a clear need for them. No such need has been shown. On the contrary, the record affirmatively demonstrates this bill should not pass.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BYRNE of New York. Mr. Chairman, I yield 10 minutes to the Delegate from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, the need for this legislation has been adequately and even eloquently demonstrated by the distinguished chairman of the subcommittee, the gentleman from New York. First I would like to say I do not believe this bill should be regarded in the same category as any of the other judgeship bills. It is singular in its nature. That is because long ago the Congress decided that the judicial establishment in Alaska should be a Federal establishment and it empowered the local Territorial Legislature of Alaska to impose additional duties upon the district court. That has worked out pretty well. Perhaps it would have been better at the start if we had had a Territorial court, but it was not the judgment of the Congress that that should be. So this is the way it has been through the years.

First, Mr. Chairman, in answer to the gentleman from New York, I will admit that the average number of cases throughout the Territory may be low,

but it is low principally because of the relatively few cases generated in the Second Judicial Division for Alaska, of which the court headquarters is at Nome.

In 1930, I believe it was, the late Senator Norris, as a member of the Committee on the Judiciary of the other body, made an investigation looking into the feasibility of abolishing the second judicial division and consolidating it with the fourth division at Fairbanks. After a thorough survey it was decided that should not be done, because no money would be saved to the Government. The entire court party would periodically have to travel to Nome to accommodate the business to be found there, or alternatively the litigants would have to make the 550-mile trip to Fairbanks at great expense to themselves.

If my memory serves me correctly, a reexamination of that proposition was made about 11 years ago. Again it was decided it would not be in the best interests of the administration of the judiciary to abolish that division. The average would not be low if that division were not included. It was found then, and I still believe it is true at this moment, that it is the duty of the Government to maintain a proper judicial establishment within the Territory of Alaska.

This is not, I sincerely hope, permanent legislation, because the statehood bill which passed the House of Representatives on the afternoon of March 3 last, and which is now pending in the other body, provided that with statehood naturally there would be established a system of State courts and that thereafter there would be only one Federal judge in the State of Alaska.

But in the meantime, with the population of the third judicial division having increased in the last decade by something on the order of 300 percent, it is simply impossible for Judge Dimond to handle all the business which is brought before him. Those of you who served with Judge Dimond in this body when he was here from 1932 to 1944, know that his desire for work is without limit, and his capacity for work is almost without limit. No man could work harder than he works and he cannot handle the load. He would not allow help to be given to him if he could do it himself, but he simply cannot.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. KEATING. I think there is no doubt that the record shows the work in the third division is heavy. But does not the gentleman feel the proper solution of that would be to bring in judges from the other divisions, particularly the second division, which only had 52 cases in 1949, and does not have anything approaching even an appreciable fractional part of an ordinary load for a judge?

Mr. BARTLETT. My answer to that, based upon my personal belief—I am not an attorney—is in the negative. It is in the negative because this thing has been examined and reexamined by interested individuals and agencies and they have found that, awkward as the situation may be now, in some respects it is much better than trying to abolish the division or trying to take the judge away from his normal duties for extended periods of time. In June of this year, the Assistant Director of the Administrative Office of the United States Courts, Mr. Elmore Whitehurst, made a trip to Alaska, the first visit on the part of that Office to the Territory. After his return here he prepared a statement and authorized me to use it during the consideration of this bill. In that statement he said:

> In visiting the courts in Alaska last month, I found obvious need for a second judge for the third division with headquarters at Anchorage which has been recommended by the Judicial Conference of the United States. Judge Anthony J. Dimond is rendering devoted service there, even at the risk of his strength and health, but the volume of cases has grown too large to be handled by one judge.
>
> He is being given generous assistance from time to time by the three other judges in Alaska, but they have their own work and responsibilities in their respective divisions—

And, parenthetically, I think that is a partial answer to the position taken by the gentleman from New York—

> to which they must give primary attention. The assistance which they can give Judge Dimond is therefore limited and not sufficient to take care of the overload.
>
> Judge Dimond has a docket of over 500 civil cases. While I was there he was engaged in the trial of a difficult murder case. He had three murder cases pending at the end of February and during the months of March, April, and May of this year 69 criminal cases were filed, including 2 murders. The criminal docket also includes such types of cases as rape, aggravated assault, and burglary. Also, more than a score of indictments in a large antitrust case involving the transportation industry were returned by the grand jury which will undoubtedly occupy a good deal of judicial time.
>
> Anchorage has had a very rapid population growth in recent years, and is the largest city in Alaska. It is a beehive of the kind of activity which puts pressures on the courts. Outside of a traffic court there is no other court there than the United States District Court, and this court has complete general jurisdiction, both civil and criminal.

It is interesting to note what Mr. Whitehurst had to say about the growth of Anchorage. It is significant that in 1940 Anchorage was a town of 3,400 people. Today it is a bustling little city of about 25,000 people. It is the headquarters of the United States Air Forces and Army within the Territory of Alaska. There are an undisclosed number of troops 4 miles distant from Anchorage at Fort Richardson.

The duties of the court increase daily. We are spending lots of money, although probably not enough, to put Alaska in a state of defense readiness, and in doing that sort of thing we must not forget that this Nation has a responsibility in the administration of justice.

The gentleman from New York [Mr. BYRNE] quoted a while ago from Judge Dimond as to the extent geographically of the third judicial division. Judge Dimond was conservative. I find that from Attu in the Aleutian Islands to the eastern boundary of the third division, which is also the eastern boundary of Alaska, it is approximately 2,000 miles. The longest distance north and south is approximately 250 miles.

I think it was stated during debate on one of these judgeship bills last week that a comparatively large number of judges were appointed in the early days in the United States because of the area to be covered. That was obviously a necessity. It was a necessity in those days when we had a comparatively small population within the Nation, and it is a necessity now for the Territory of Alaska. The third division is sizable. It covers 148,290 square miles. It is 5,000 square miles larger than Germany; it is 14,000 square miles larger than Finland. It is three times larger than Greece. It is as large as Belgium, Italy, and Switzerland combined. It is 54,000 square miles greater in extent than the United Kingdom, and 24,000 square miles larger than Norway. I have a lot of figures here, but I think from these I have given you will realize that the third division is a tremendously big one.

If the population were all concentrated in one place the need would not be so great, but it is not; it is spread east and west over 2,000 miles and north and south over 250 miles.

Mr. Chairman, I am absolutely convinced as a layman that there is a pressing need for the enactment of this legislation. I have talked with many attorneys in Anchorage who hope that the Congress will soon alleviate the condition which exists in this district, and Judge Dimond told me personally as he told the committee when he testified before it that the load is becoming greater than any one man can carry.

I sincerely hope the bill will be passed.

Mr. Chairman, I yield back the balance of my time.

Mr. MICHENER. Mr. Chairman, I have no further requests for time.

Mr. BYRNE of New York. I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the first paragraph of section 4 of the act approved June 6, 1900 (U. S. C., 1946 edition, title 48, sec. 101), as amended, is amended to read as follows:

"There is hereby established a district court for the District of Alaska, with the jurisdiction of district courts of the United States and with general jurisdiction in civil, criminal, equity, and admiralty causes; and five district judges shall be appointed for the district, each at an annual salary of $15,000. The court shall consist of four divisions, which shall also be recording divisions. Two of the judges of the court shall be assigned to the third division, and one judge each shall be assigned to the first, second, and fourth divisions. During their terms of office the judges shall reside in the divisions of the district to which they may be respectively assigned by the President."

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this for the purpose of keeping the membership advised as quickly as I possibly can of any change of the program. A number of Members are interested in H. R. 9158, to amend title 1 of the United States Code, the food and drugs section. I want to advise the membership that this bill requires further study, and I am striking it from the program. I make this announcement so that Members interested will know that it is no longer on the program for this week, and that I have

no intention now of programing it for consideration next week.

Mr. MICHENER. I thank the gentleman.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert the following:

"That the first paragraph of section 4 of the act approved June 6, 1900 (31 Stat. 322, 1st par., title 48, U. S. C., sec. 101, 1st par., 1946 ed.), as amended, is amended to read as follows:

"'There is established a district court for the District of Alaska, with the jurisdiction of district courts of the United States and with general jurisdiction in civil, criminal, equity, and admiralty causes; and five district judges shall be appointed for the district, each at an annual salary of $15,000. The court shall consist of four divisions, which shall also be recording divisions. Two of the judges of the court shall be assigned to the third division and one each shall be assigned to the first, second, and fourth divisions. During the terms of office these judges shall reside in the divisions of the district to which they may be respectively assigned by the President.'"

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KELLEY of Pennsylvania, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3775) to provide for an additional district judge for the third division of the District Court for the District of Alaska, pursuant to House Resolution 705, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. KEATING. Mr. Speaker, I make the point of order a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this bill be postponed until tomorrow as the first order of business.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Does the gentleman from New York withdraw his point of order?

Mr. KEATING. Mr. Speaker, I withdraw the point of order.

ESTABLISHMENT OF AN INTERNATIONAL COMMISSION FOR THE SCIENTIFIC INVESTIGATION OF TUNA

Mr. KEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2633) to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Tuna Conventions Act of 1949."

SEC. 2. As used in this act, the term—

(a) "convention" includes (1) the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949, by the United States of America and the United Mexican States, (2) the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, by the United States of America and the Republic of Costa Rica, or both such conventions, as the context requires;

(b) "commission" includes (1) the International Commission for the Scientific Investigation of Tuna, (2) the Inter-American Tropical Tuna Commission provided for by the conventions referred to in subsection (a) of this section, or both such commissions, as the context requires;

(c) "United States Commissioners" means the members of the commissions referred to in subsection (b) of this section representing the United States of America and appointed pursuant to the terms of the pertinent convention and section 3 of this act;

(d) "person" means every individual, partnership, corporation, and association subject to the jurisdiction of the United States; and

(e) "enforcement agency" means such agency or agencies of the Federal Government as may be designated by the President to enforce the provisions of this act and of the conventions and of regulations adopted pursuant to the conventions or this act.

SEC. 3. The United States shall be represented on the two commissions by a total of not more than four United States Commissioners, who shall be appointed by the President, serve as such during his pleasure, and receive no compensation for their services as such Commissioners. Of such Commissioners—

(a) not more than one shall be a person residing elsewhere than in a State whose vessels maintain a substantial fishery in the areas of the conventions;

(b) at least one of the Commissioners who are such legal residents shall be a person chosen from the public at large, and who is not a salaried employee of a State or of the Federal Government; and

(c) at least one shall be an officer of the United States Fish and Wildlife Service.

SEC. 4. The United States Commissioners shall (a) appoint an advisory committee which shall be composed of not less than 5 nor more than 15 persons who shall be selected from the various groups participating in the fisheries included under the conventions, and (b) shall fix the terms of office of the members of such committee, who shall receive no compensation for their services as such members. The advisory committee shall be invited to attend all nonexecutive meetings of the United States sections and shall be given full opportunity to examine and to be heard on all proposed programs of investigation, reports, recommendations, and regulations of the commissions. The advisory committee may attend all meetings of the international commissions to which they are invited by such commissions.

SEC. 5. Service of an individual as a member of the commissions representing the United States appointed pursuant to section 3, or as a member of the advisory committee appointed pursuant to section 4, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, and 284 of title 18 of the United States Code, of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, other than claims, proceedings, or matters in connection with the conventions or this act.

SEC. 6. (a) The Secretary of State is authorized to approve or disapprove, on behalf of the United States Government, bylaws and rules, or amendments thereof, adopted by each commission and submitted for approval of the United States Government in accordance with the provisions of the conventions, and, with the concurrence of the head of the enforcement agency, to approve or disapprove the general annual programs of the commissions. The Secretary of State is further authorized to receive, on behalf of the United States Government, reports, requests, recommendations, and other communications of the commissions, and to take appropriate action thereon either directly or by reference to the appropriate authority.

(b) Regulations recommended by each commission pursuant to the convention requiring the submission to the commission of records of operations by boat captains or other persons who participate in the fisheries covered by the convention, upon the concurrent approval of the Secretary of State and the head of the enforcement agency, shall be promulgated by the latter and upon publication in the Federal Register, shall be applicable to all vessels and persons subject to the jurisdiction of the United States.

SEC. 7. Any person who fails to make, keep, furnish, or refuses to permit inspection of any catch return, statistical record, or any report that may be required by the convention, or by regulations adopted pursuant to the convention or this act, or any person who furnishes or issues a false return, record, or report, upon conviction, shall be subject to such fine as may be imposed by the court, not to exceed $1,000, and in addition by appropriate proceedings in a court of competent jurisdiction such person may be enjoined from fishing for or possessing the kinds of fish covered by the convention, taken in the waters of the Pacific Ocean, from the date of such conviction until such time as any delinquent return, record, or report shall have been submitted, or any false return, record, or report shall have been replaced by a duly certified correct and true return, record, or report to the satisfaction of the court.

SEC. 8. The head of the enforcement agency is authorized and directed to enforce all of the provisions of this act and of the regulations issued pursuant thereto, and all of the provisions of the conventions, except to the extent otherwise provided for in this act, or in the conventions.

SEC. 9. (a) In order to provide coordination between the general annual programs of the commissions and programs of other agencies, relating to the exploration, development, and conservation of fishery resources, the Secretary of State may recommend to the United States Commissioners that they consider the relationship of the commissions'

programs to those of such agencies and when necessary arrange, with the concurrence of such agencies, for mutual cooperation between the commissions and such agencies for carrying out their respective programs.

(b) All agencies of the Federal Government are authorized on request of the commissions to cooperate in the conduct of scientific and other programs, or to furnish facilities and personnel for the purpose of assisting the commissions in the performance of their duties.

(c) The commissions are authorized and empowered to supply facilities and personnel to existing non-Federal agencies to expedite research work which in the judgment of the commissions is contributing or will contribute directly to the purposes of the conventions.

SEC. 10. (a) Any person authorized by the head of the enforcement agency to enforce the provisions of the conventions or of this act or the regulations issued pursuant thereto shall have power, without warrant or other process, to arrest any person subject to the jurisdiction of the United States committing in his presence or view a violation of any of the provisions of the conventions, or of this act, or of the regulations issued pursuant thereto, and to take such person immediately for examination before a justice or judge or any other official designated in section 3041, title 18, United States Code. Any person duly authorized on behalf of the United States to enforce the provisions of the conventions, or of this act, or of the regulations issued pursuant thereto, shall have power to execute any warrant or other process issued by an officer or court of competent jurisdiction for the enforcement of the conventions, or of this act, or of the regulations issued pursuant thereto.

(b) Any person authorized by the commissions shall have power, without warrant or other process, to inspect, at any reasonable hour, such catch returns, statistical records, or other reports as are required by the regulations to be made, kept, or furnished.

(c) The head of the enforcement agency may authorize officers and employees of any coastal State of the United States and employees of the commissions to enforce the provisions of the conventions or of this act or the regulations issued pursuant thereto. When so authorized such officers and employees may function as Federal law-enforcement officers for the purposes of this act.

SEC. 11. None of the prohibitions contained in this act or in the laws and regulations of the States shall prevent the commissions from conducting or authorizing the conduct of fishing operations and biological experiments at any time for the purpose of scientific investigations as authorized by the conventions, or shall prevent the commissions from discharging any of its or their functions or duties prescribed by the conventions.

SEC. 12. There is hereby authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of each convention and of this act, including—

(a) contributions to each commission for the United States share of any joint expenses of the commission and the expenses of the United States Commissioners and their staff, including personal services in the District of Columbia and elsewhere;

(b) travel expenses without regard to the Standardized Government Travel Regulations, as amended, the Travel Expense Act of 1949, or section 10 of the act of March 3, 1933 (U. S. C., title 5, sec. 73b);

(c) printing and binding without regard to section 11 of the act of March 1, 1919 (U. S. C., title 44, sec. 111), or section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5);

(d) stenographic and other services by contract, if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); and

(e) purchase, hire, operation, maintenance, and repair of aircraft, motor vehicles (including passenger-carrying vehicles), boats, and research vessels.

SEC. 13. If any provision of this act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

SEC. 14. This act shall take effect with respect to each of the conventions upon the entry into force of that convention, unless such entry into force shall be prior to the date of approval of this act in which case this act shall take effect immediately.

Mr. KEE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEE: Page 1, line 4, after the word "of", strike out "1949" and insert in lieu thereof "1950."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 8945, was laid on the table.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a statement of the necessity for the passage of the bill S. 2633, relating to the investigation of tuna. I may say for the RECORD that this is not my own preparation. It was prepared for me, and it gives additional data on the bill, it will be explanatory of the bill and the necessity for its passage at this time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, passage of H. R. 8945 is required this session in order to permit the United States to fulfill the treaty commitment it made under the United States-Costa Rica Tuna Convention to oblige its tuna fishermen to provide the Inter-American Tropical Tuna Commission with the statistics of catch that that Commission requires to undertake its work of determining where, and if, overfishing exists in the tuna or bait fisheries covered by the convention.

The remainder of this convention is self-implementing—as is the United States-Mexican Convention covered also by H. R. 8945. Accordingly the United States members to the Inter-American Tropical Tuna Commission have already been appointed, the Commission has had its first meeting, an appropriation bill has been submitted to the Congress to finance the United States share of the Commission's budget, and the Commission is preparing to begin its scientific investigations this fall. Since nearly the entire fishery is by United States vessels the Commission can make little start in its work until the compliance of the United States fleet is assured, as committed by the United States in the convention, to which the Senate gave its consent to ratification on August 17, 1949. The companion bill to H. R. 8945 was passed by the Senate July 26, 1950.

H. R. 8945 is designed to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City, January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, by the United States of America and the Republic of Costa Rica.

Consent to ratification of both these conventions was given by the Senate on August 17, 1949. Costa Rica ratified on November 7, 1949, and ratifications were exchanged on March 3, 1950, at which time the United States-Costa Rica Convention came into effect. Mexico ratified on December 31, 1949. Ratifications were exchanged and the United States-Mexican Convention entered into force on July 11, 1950. H. R. 8945 is identical in substance with S. 2633, a companion bill on this subject, which passed the Senate on July 26, 1950.

Both conventions are for the most part self-implementing so that the present bill is an implementing bill only in a narrow, but very essential, way.

In the Costa Rica Convention the United States committed itself in article III to enact such legislation as may be necessary to carry out the purposes of this convention. The most important new legislation necessary to carry out the purposes of the conventions is that needed to establish authority for the Commission to "collect statistics and all kinds of reports concerning catches and the operations of fishing boats, and other information concerning the fishing for fishes covered by this convention, from vessels or persons engaged in these fisheries" as stated in paragraph 6 of article II of the convention. A similar commitment was made in paragraph 5, article II, of the United States-Mexican treaty.

In view of the fact that the remainder of the conventions are self-implementing the President proceeded with the appointment of the United States members to the Inter-American Tropical Tuna Commission on June 19, 1950. The first meeting of this Commission took place in San Diego on July 18, 1950. The Commission adopted its program of work for the coming fiscal year, adopted a budget, and submitted its report to the two Governments on July 21, 1950. The United States Government accepted the report of this Commission on August 7, 1950. The President, acting under the authority of the convention, submitted to the Congress on August 14, 1950, an appropriation bill containing an item of $105,669 to pay the United States share of the costs of this Commission during fiscal 1951. Hearings on this appropriation bill are being held today before the House Appropriations Committee.

The Commission has already set about the task of locating a suitable Director of Investigations with a view to hiring him and initiating the program of work. This Commission is, then, already in

being and actively proceeding with its duties under the convention.

One of the first items in the program of work which will want undertaking is gathering the biological statistics of the fishery with a view to determining the effect of the fishery on the stocks of tuna and bait upon which it works—that is, to lay the groundwork for determining whether overfishing is taking place in any of these stocks—the primary objective of the Commission's work.

Authority to collect these biological statistics is not contained elsewhere in United States law. Nearly the entire fishery is conducted by vessels under United States registry and ownership. If the Commission does not have the authority to gather these statistics from United States fishermen it will be unable to begin its work and the United States will have failed to fulfill an international obligation.

Section 6 (b) of H. R. 8945 provides a mechanism whereby regulations recommended by each Commission requiring the submission of records of operations by boat captains, and so forth, can become law applicable to United States citizens. Section 7 provides penalties for noncompliance with these regulations calling for the submission of biological statistics. It is noted that these regulatory sections have been agreed to by all branches of the affected industry—labor, management, and boat owners—as is true, in fact, of the entire bill.

This is the section of the bill that urgently requires enactment into law. It is hoped that the Commission can get its work forwarded to the extent that it may begin the gathering of these biological statistics of the fishery yet this fall.

The bill provides in detail (a) the United States side of the administration machinery and the relationship between its various parts; (b) the extent of power of United States officials to make rules and regulations and to enforce them in carrying out the purposes of the two conventions; (c) the nature and extent of penalties for noncompliance with rules and regulations; and (d) authorizes the appropriation of necessary funds. The Department of State already has been following the provisions of the bill while carrying out its part in the establishment of the Inter-American Tropical Tuna Commission.

The real argument is not on this bill but on the appropriation item submitted on August 14, 1950, and heard by the House Appropriations Committee August 17.

The convention is authorization for the appropriation and H. R. 8945 is not needed for that purpose.

Questions asked about the appropriation item follow, with answers.

First. Why does United States pay 97½ percent of joint expenses for Commission?

The United States has 97½ percent or more of the fishery. The convention was deliberately written so we would pay in proportion to the benefits we get. This was set forth fully to the Senate before it gave its consent to ratification on August 17, 1949.

Second. Why the urgency?

The tuna fisheries provide one of the most sensitive political points we have with the 10 nations to our south on the Pacific. We have never tried to do anything positive before to correct wrongs which these nations think our fishery is doing to their resources. If we fall down in our commitments now one or more of these nations is apt to take action before spring, which will cripple this fishery, which has become our most valuable high-seas fishery. The situation is sensitive.

Third. Why a supplemental and not a regular appropriation?

An appropriation item was not authorized by the convention until a budget was presented by the Commission. The convention did not come into force until March of this year. Commissions could not be appointed until June. The first meeting of the Commission, at which the budget was adopted, could not be held until July 18. It took the minimum time from July 20 to August 14 to process the budget request through the executive branch to the Congress.

Fourth. Why does not the tuna industry finance this Commission itself?

There is no legal way for a private business to finance the international commitments of the United States Government. The public interest in the issue of peaceful relations with these 10 nations is too large to permit a private industry to handle the matter.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

CHELSEA—SYMBOL OF FREE MEN'S UNITY

Mr. LANE. Mr. Speaker, the name Chelsea is an old and honored one.

When the first English settlers came to Massachusetts they christened many of the pioneer settlements in the New World in memory of home towns that were dear to them in the Old World.

Although they came here seeking the greater opportunity and independence which they have since won for themselves, they did not forget that basically the two nations have much in common.

Whatever minor differences have cropped up from time to time between the United States and Great Britain, and whatever mistakes both have made, are overshadowed by the fact that our two peoples stand together in their belief that man is created in God's image and is not to become the lackey of an enveloping state.

A touching demonstration of this mutual faith was revealed in the early and critical days of World War II.

England stood alone, outnumbered and outgunned, against the Nazi war machine which had engulfed most of Europe. In spite of her determination to fight on the beaches and on the streets of every city and village, England seemed to be living on borrowed time that would soon expire.

It was then that the United States came to the aid of her hard-pressed ally. Belatedly we recognized that we were in the same boat. President Roosevelt, in one of his daring improvisations, succeeded in transferring 50 over-age destroyers to Britain in 1940 in return for the lease of naval and air bases in the Caribbean and North Atlantic.

This emergency protection for the submarine-riddled convoys that were bringing desperately needed supplies of food and arms to England came just in time.

In gratitude the English renamed the old destroyers. They picked out town names that were common to both nations.

Thus the U. S. S. *Crowninshield* became the H. M. S. *Chelsea* in honor of communities called Chelsea—one in Massachusetts, United States of America, and the other in Britain.

Through the courtesy of the British Embassy at Washington I have secured from the Admiralty at London a copy of the publication issued "In grateful recollection of the services to the Allied cause in the Second World War of the town-class destroyers."

I believe that the people of Chelsea, Mass., would like to know what the ship which bore the name of their community did in the war against the Nazis.

Here is the record:

The *Chelsea* was commissioned with the First Town Flotilla on September 9, 1940, and arrived at Belfast on September 26 and Devonport, England, on the 28th. She was allocated to the Sixth Escort Group, Western Approaches Command, Liverpool, for Atlantic convoy duty.

In company with the corvette *Arabis*, she attacked a U-boat on September 17, 1940, without result.

On April 6, 1941, she picked up 29 survivors of the British motor vessel *Olgas*, sunk by air attack.

Early on the morning of November 16, 1941, she was in collision with a ship in convoy O. N. 36, and lost 6 feet of her stern, but she was able to return to Liverpool without assistance.

On January 28, 1942, the commander in chief, Western Approaches, on the arrival of convoy H. X. 170, made a commendatory signal to the effect that *Chelsea's* performance in remaining with her convoy throughout, was most creditable.

On the evening of February 5, the *Chelsea*, with the corvette *Arbutus*, was detached from the escort of convoy O.N. 63 to hunt a submarine sighted by the *Arbutus*, and seen to dive. Nearly 2 hours later, the *Arbutus* was torpedoed, and sank. The submarine later passed down the *Chelsea's* starboard side and was engaged by her with gunfire and forced to dive. Three attacks by depth charges were made, but contact was lost, and the *Chelsea* returned to pick up survivors from the *Arbutus*.

The *Chelsea* was lent to the Royal Canadian Navy in November 1942, and from then till the end of 1943 operated in the mid and western Atlantic, escorting convoys to and from Great Britain.

She returned to Londonderry, in Northern Ireland, on December 26, 1943, and early in 1944 was reduced to reserve in the Tyne.

So ends the record of the gallant old destroyer, while known as the H. M. S. *Chelsea*.

She was a four-stacker retired after World War I.

But she came back to duty against the new and powerful undersea ships of the enemy, refusing to admit that the odds were heavily against her.

The log does not tell of her ceaseless vigil in the bitter cold of the North Atlantic, or of how many underwater killers were dissuaded from attacking slow

freighters because the guardian *Chelsea* never relaxed in her watchfulness.

The Government of Great Britain was grateful for the help she gave in those grim days and is also grateful in recollection.

To honor the ship and the name she carried, the Royal Navy will present the bells and badges of H. M. S. *Chelsea*, together with a book containing the full record of this destroyer's wartime achievements to the city of Chelsea, Mass.

The exact date of the presentation ceremonies will be announced shortly.

I know that the people of Chelsea will care for and cherish these souvenirs from the ship that performed such great service in their name.

From Chelsea, England, to Chelsea, United States of America, the spirit that animates the brotherhood of freemen, will grow stronger through this interchange of help given in a perilous hour, and the deep and lasting gratitude that was expressed in return.

From such friendship we draw the strength and the confidence that will see us through the unknown future.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

AUTOMOBILES FOR DISABLED VETERANS

Mrs. ROGERS of Massachusetts. Mr. Speaker, this afternoon a bill introduced by Senator PEPPER (S. 3768) passed the Senate. This bill provides that men who were discharged before the original car bill expired, about 150 to 200 of them, will get an appropriation for their cars.

It also extends the time for application of the boys for these automobiles, and I refer to those boys who are still in hospitals but will be discharged in 1951.

Mr. Speaker, the House should not recess until it passes this bill and appropriates the necessary money. This is a debt, not a gift; it should be the law. I know the House will not recess until it has passed this law and I will do everything in my power to prevent the House recessing until it does pass this bill.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JACOBS, from 3 p. m., August 23, to but not including August 28, 1950, on account of family obligations.

To Mr. LEONARD W. HALL, indefinitely, on account of illness.

To Mr. HAND (at the request of Mr. TOWE) for 3 days, on account of official business.

To Mr. KARST (at the request of Mr. KARSTEN) for Tuesday and Wednesday, August 22 and 23, on account of illness.

To Mr. SHELLEY (at the request of Mr. HAVENNER), indefinitely, on account of illness.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2854. An act for the relief of the estate of Wade H. Noland.

The Speaker announced his signature to enrolled bills and a joint resolution of of the Senate of the following titles:

S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico;

S. 2491. An act providing for the conveying of land and buildings at Fort Philip Kearney Military Reservation to the State of Rhode Island;

S. 2868. An act to incorporate the Future Farmers of America, and for other purposes;

S. 3698. An act to enable the Secretary of Agriculture to furnish upon a reimbursable basis, certain inspection services involving overtime work; and

S. J. Res. 174. Joint resolution granting the consent of Congress to the entry, by the State of Missouri and by the State of Illinois, into a compact or agreement between the State of Missouri and the State of Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan District.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House on the following titles:

On August 22, 1950:

H. R. 133. An act to amend section 2 of the act approved June 20, 1936, entitled "An act to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes;" and

H. R. 8112. An act to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States.

On August 23, 1950:

H. R. 2854. An act for the relief of the estate of Wade H. Noland.

EXTENSION OF REMARKS

Mr. DAVIS of Wisconsin (at the request of Mr. MARTIN of Massachussetts) was given permission to extend his remarks in two instances and in each to include extraneous matter.

Mr. MARTIN of Massachusetts asked and was given permission to extend his own remarks in the RECORD.

Mr. HOBBS asked and was given permission to extend his remarks and include extraneous matter.

Mrs. BOLTON of Ohio asked and was given permission to extend her remarks and include a speech by Mr. VORYS, of Ohio.

Mr. HORAN asked and was given permission to extend his remarks and include an article and an editorial.

Mr. KEE asked and was given permission to extend his remarks and include an editorial from the Baltimore Sun.

Mr. ELLSWORTH asked and was given permission to extend his remarks.

Mr. SHORT asked and was given permission to extend his remarks and include two newspaper articles.

Mr. HUBER (at the request of Mr. MURDOCK) was given permission to extend his remarks.

ADJOURNMENT

Mr. DAVENPORT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p. m.), under its previous order, the House adjourned until tomorrow, Thursday, August 24, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1645. A letter from the Director, Bureau of the Budget, transmitting a report of personnel ceilings as determined and fixed pursuant to section 607 of the Federal Employees Pay Act of 1945 (Public Law 106, 79th Cong.), as amended by section 14 of the Federal Employees Pay Act of 1946 (Public Law 390, 79th Cong.) for the quarter ending June 30, 1950; to the Committee on Post Office and Civil Service.

1646. A letter from the Secretary of the Interior, transmitting a report and findings on the feasibility of the installation of the Alcova power plant and appurtenant facilities as an incremental addition to the Alcova Dam, Kendrick project, Wyoming, pursuant to the Reclamation Project Act of 1939 (H. Doc. No. 693); to the Committee on Public Lands and ordered to be printed, with illustrations.

1647. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to authorize the Secretary of the Army to transfer to the Secretary of the Interior certain lands on which the Seattle Fish and Wildlife Service Laboratory is located"; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. NORTON: Committee on House Administration. House Resolution 687. Resolution authorizing an increase of $300 in the stationery allowance for each Representative, Delegate, and the Resident Commissioner from Puerto Rico for the second session of the Eighty-first Congress; without amendment (Rept. No. 2983). Ordered to be printed.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 9430. A bill to amend the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," approved August 2, 1946 (60 Stat. 806), to simplify administration in the Government service, and for other purposes; without amendment (Rept. No. 2984). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JACKSON of California:

H. R. 9507. A bill to amend the Selective Service Act of 1948 to provide for the deportation of certain citizens of foreign countries relieved from liability for training and service; to the Committee on Armed Services.

By Mr. BIEMILLER:

H. R. 9508. A bill to amend the Public Health Service Act to provide an emergency 5-year program of grants to promote education in the fields of medicine, dentistry, nursing, and public health, and for other pur-

poses; to the Committee on Interstate and Foreign Commerce.

By Mr. MANSFIELD:

H. R. 9509. A bill to amend the Selective Service Act of 1948 to provide for the deportation of certain citizens of foreign countries relieved from liabilities for training and service; to the Committee on Armed Services.

By Mr. THOMPSON:

H. R. 9510. A bill to amend the Selective Service Act of 1948 to provide for the deportation of certain citizens of foreign countries relieved from liabilities for training and service; to the Committee on Armed Services.

By Mr. DAVIES of New York:

H. R. 9511. A bill to amend subchapter A, chapter 15, Internal Revenue Code, relating to cigarette tax by exempting from taxation cigarettes purchased by veterans' organizations for distribution as gifts to hospitalized present or former members of the Armed Forces of the United States; to the Committee on Ways and Means.

H. R. 9512. A bill to amend section 22 (b) (2), Internal Revenue Code, act of February 10, 1939 (53 Stat. 10), relating to income-tax exemption of certain employees, by including those of certain veterans' organizations; to the Committee on Ways and Means.

H. R. 9513. A bill to amend section 3268 (a) of the Internal Revenue Code relating to tax on bowling alleys and billiard and pool tables; to the Committee on Ways and Means.

By Mr. JUDD:

H. R. 9514. A bill to provide for the relief of individuals entitled to monetary proceeds from estates settled in foreign countries where such countries prohibit the transfer of such proceeds to the United States; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 9515. A bill for the relief of Franz Geyling; to the Committee on the Judiciary.

By Mr. KIRWAN:

H. R. 9516. A bill for the relief of Clarice D'Amico, Chiara Antonucci, Antonietta Angelicola, Carmela Antonucci, Anna Cagnazzo, Olimpia Cibelli, Maria Dachille, Giuliva D'Amico, Lucia Di Foggie, Maria Stella Fatibene, Anna Marino, and Lucia Spinelli; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 9517. A bill for the relief of Henry Kent Hewitt, admiral, United States Navy, retired; to the Committee on Armed Services.

By Mr. O'BRIEN of Michigan:

H. R. 9518. A bill to provide that the Residence at Ease Association shall be eligible for all the provisions of the cooperative housing insurance provided by section 114 of the Housing Act of 1950; to the Committee on Banking and Currency.

By Mr. WHITE of Idaho:

H. R. 9519. A bill for the relief of Mrs. Maria Theresa Stancola; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2341. By the SPEAKER: Petition of Mrs. J. G. Feustel, secretary, Union Park Townsend Club, No. 1, Orlando, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2342. Also, petition of Paul M. Hawkins, national director at large, Jaycees, United States Junior Chamber of Commerce, Washington, D. C., petitioning consideration of their resolutions with reference to admission of Territories of Alaska and Hawaii to statehood and to servicemen's protection by the reenactment of the provisions of the Soldier and Sailor Civil Rehabilitation Act of 1942, and by the provisions of dependency allowances for enlisted personnel; to the Committee on Public Lands.

SENATE

THURSDAY, AUGUST 24, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, within the sanctuary of our hearts our inmost thoughts and desires are sobered by the immense implications of the commission that is ours. In these days when our very thoughts affect our fellow men, not only here and there but everywhere across the vast expanses of this earth, for today and tomorrow, yea, even the forever, we pause that our hearts might be in tune with Thine. Create within us those insights of loyalty and wisdom that every act will portray those verities and integrities that cannot be shaken. As we depend upon Thee, may there emanate from this historic place such confidence that no days of darkness or conferences of confusion can incite fear in the hearts of men. We pray in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 23, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 2633) to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8850. A bill to establish an additional office of Assistant Secretary of Agriculture, and for other purposes; and

H. R. 9430. A bill to amend the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," approved August 2, 1946 (60 Stat. 806), to simplify administration in the Government service, and for other purposes.

CALL OF THE ROLL

Mr. MCFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Benton	Holland	Morse
Bricker	Humphrey	Mundt
Bridges	Hunt	Murray
Butler	Ives	Myers
Capehart	Johnson, Colo.	Neely
Chapman	Johnson, Tex.	O'Mahoney
Chavez	Johnston, S. C.	Pepper
Connally	Kefauver	Robertson
Cordon	Kem	Russell
Darby	Kerr	Saltonstall
Donnell	Kilgore	Schoeppel
Douglas	Knowland	Smith, Maine
Dworshak	Langer	Smith, N. J.
Ecton	Leahy	Sparkman
Ellender	Lehman	Stennis
Ferguson	Lodge	Taylor
Flanders	Long	Thomas, Okla.
Frear	McCarran	Thomas, Utah
Fulbright	McCarthy	Thye
George	McClellan	Tydings
Gillette	McFarland	Watkins
Graham	McKellar	Wherry
Green	McMahon	Wiley
Gurney	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young
Hill	Maybank	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Illinois [Mr. LUCAS], and the Senator from Maryland [Mr. O'CONOR] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. JENNER], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. MCFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

JOHN J. SEBENICK—MESSAGE FROM THE PRESIDENT RETURNING BILL

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying bill, ordered to lie on the table:

To the Senate:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith Senate

bill 3059, entitled "An act for the relief of John J. Sebenick."

HARRY S. TRUMAN.

The WHITE HOUSE, *August 24, 1950.*

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

TRANSFER OF CERTAIN LANDS TO SECRETARY OF INTERIOR BY DEPARTMENT OF THE ARMY

A letter from the Secretary of the Interior transmitting a draft of proposed legislation to authorize the Secretary of the Army to transfer to the Secretary of the Interior certain lands on which the Seattle Fish and Wildlife Service Laboratory is located (with an accompanying paper); to the Committee on Armed Services.

REPORT AND FINDINGS ON ALCOVA POWER PLANT, KENDRICK PROJECT, WYOMING

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report and findings on the feasibility of the installation of the Alcova power plant and appurtenant facilities as an incremental addition to the Alcova Dam, Kendrick project, Wyoming (with accompanying papers); to the Committee on Interior and Insular Affairs.

PERSONNEL CEILINGS

A letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, his report of personnel ceilings for the quarter ending June 30, 1950 (with an accompanying report); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Two resolutions adopted by the Board of Directors, United States Junior Chamber of Commerce, at Tulsa, Okla., relating to national preparedness and servicemen's protection; to the Committee on Armed Services.

A letter from the Liberal Party of New York State, New York, N. Y., signed by Ben Davidson, executive director, enclosing the recommendations of the party, relating to the Korean emergency, and so forth (with an accompanying paper); to the Committee on Armed Services.

A resolution adopted by Turner-Davis Post 8995, Veterans of Foreign Wars, favoring the removal from office of certain Government officials; to the Committee on Armed Services.

A telegram in the nature of a memorial from the thirty-second annual convention of the American Legion, signed by Kenneth R. Hammer, commander, of Baltimore, Md., remonstrating against an adjournment of Congress prior to action on necessary security legislation; to the Committee on Armed Services.

A telegram in the nature of a petition from the United Auto Workers, CIO, of Detroit, Mich., signed by Walter P. Reuther, president, relating to inflation and price controls; to the Committee on Banking and Currency.

A resolution adopted by Mitchell County Post 141, the American Legion, Department of Georgia, favoring the enactment of an excess-profits-tax law, and so forth; to the Committee on Finance.

Resolutions adopted by Union Park Townsend Club No. 1, of Union Park, and the Fifth Congressional District Conference of Townsend Clubs, at Port Orange, both in the State of Florida, favoring the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

A resolution adopted by the annual conference of Kentucky and Louisville Methodists, at Louisville, Ky., favoring the designation of a Day of Prayer; to the Committee on the Judiciary.

A resolution adopted by the board of directors, United States Junior Chamber of Commerce, Tulsa, Okla., favoring the admission into the Union of Alaska and Hawaii as States; ordered to lie on the table.

By Mr. TYDINGS:

A resolution adopted by the fifty-second annual convention, the Maryland State Camp, Patriotic Order Sons of America, at Baltimore, Md., favoring the enactment of legislation providing universal military training; to the Committee on Armed Services.

The memorial of Mrs. Emma Engle, and sundry other citizens of the State of Maryland, remonstrating against the sale of alcoholic beverages in or near military reservations; to the Committee on Armed Services.

A resolution adopted by the Holstein-Friesian Association of America, at Syracuse, N. Y., favoring the continuation of the present tax law regarding sales of surplus dairy cattle; to the Committee on Finance.

A resolution adopted by Local 14, National Organization of Masters, Mates, and Pilots of America, Baltimore, Md., favoring the action taken by the Government in defense of South Korea; to the Committee on Foreign Relations.

A resolution adopted by Local No. 14, National Organization of Masters, Mates, and Pilots of America, Baltimore, Md., favoring the prompt mobilization of the merchant-marine fleet; to the Committee on Interstate and Foreign Commerce.

Resolutions adopted by the Maryland State Bar Association; the American Legion Auxiliary; St. Mary's Post No. 54, of Leonardtown; Francis Scott Key Post, No. 11, the American Legion, of Frederick; Oxon Hill Post No. 248, the American Legion, of Oxon Hill; and Oxon Hill Unit No. 248, American Legion Auxiliary, of Oxon Hill, all in the State of Maryland, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

WORLD PEACE—RESOLUTION OF FIFTH CHAPTER, NATIONAL COMMITTEE OF AMERICANS OF POLISH DESCENT, PASSAIC, N. J.

Mr. HENDRICKSON. Mr. President, on August 20 last Americans of Polish descent throughout the Nation met to commemorate the thirtieth anniversary of the victory of the Polish Army over the Russian Bolshevik forces in 1920 on the Vistula River, Warsaw, Poland.

There is little doubt that this great feat of arms under the leadership of Marshal Josef Pilsudski not only saved Poland from communistic domination at that time but also prevented a communistic envelopment of free peoples and free nations the world over.

That the records of the second session of the Eighty-first Congress may disclose some token of our appreciation of this now historic military effort I send to the desk a copy of a resolution unanimously adopted by over 500 Americans present at the Polish Peoples Home in Passaic, N. J., on the evening of August 20, 1950, and ask for appropriate action thereon.

I also ask that the full text of the resolution be incorporated in the body of the RECORD at this point in my remarks, and that it be appropriately referred.

I hope that this resolution will receive the serious consideration of every Member of this body.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

We assembled at the Polish Peoples Home in Passaic, N. J., this day, August 20, 1950, at a forum organized by the fifth chapter of the National Committee of Americans of Polish Descent in commemoration of the thirtieth anniversary of the victory of the Polish Army over the communistic forces in 1920 under the superb leadership of Marshal Josef Pilsudski, respectfully submit the following resolution summarizing our present beliefs and sentiments in regard to past and future actions of the United States Government in its official transactions with the Soviet Government:

"Whereas we remember the historic Polish victory over the Soviet Army 30 years ago on the Vistula River achieved by the individual gallantry of the Polish soldier under the leadership of Marshal Pilsudski, we pay homage and respect to all those who saved Poland as well as the freedom-loving people of Europe and the entire world from communistic envelopment and domination; and

"Whereas it is very probable that, if it were not for the Polish victory in 1920, we would all be under the communistic rule and the liberty of democratic governments would long be past memory; and

"Whereas the world apparently has forgotten this epic victory and the role that Poland played 30 years ago in the European sphere, we feel duty-bound to recall this page of history so that the law of justice can some day rightfully reward Poland for its sacrifices and hardships which she has endured during these years; and

"Whereas we are all familiar with the crimes which were perpetrated against Poland approximately 5 years ago, it is indicative that Soviet Russia is not only menacing today the continent of Europe but has control of China and is endeavoring to seize Korea by force in order to enslave the entire continent of Asia; and

"Whereas the primary objective of the Soviet Government is to render a deathly blow to the free thinking and speaking peoples of this world, particularly the United States of America; and

"Whereas we feel that diplomacy, justice, compromise, and arbitration are not recognized by the Soviet Government in its diplomatic proceedings and actions, we respectfully

"Resolve, That proper action be taken by the United Nations and the United States Government to use all possible means to restore this world into peace-loving nations and to thwart communism in all possible ways so that its cancerous growth will not grasp a beginning on any freedom-loving nation; and further

"Resolved, That we agree with the action taken by the United States Government in the present situation in Korea and we urge the honorable President of the United States, the United States Senate, and the House of Representatives to continue to work in complete harmony for a successful conclusion in the Korean situation; and it is further

"Resolved, That copies of this resolution be forwarded to the General Secretariat of the United Nations, the President of the United States, United States Senators H. ALEXANDER SMITH and ROBERT HENDRICKSON, and Congressman GORDON C. CANFIELD."

JOHN BEDNARZ,
President, Fifth Chapter of the National Committee of Americans of Polish Descent.

THADDEUS A. BARSZCZ,
Chairman.

AUGUST 20, 1950.

The above resolution unanimously adopted by 500 Americans present at the Polish Peoples Home in Passaic, N. J., on Sunday, August 20, 1950, on the occasion of the com-

memoration of the thirtieth anniversary of the victory of the Polish Army over the Russian communistic forces in 1920 on the Vistula River, Warsaw, Poland.

INVESTIGATION OF GASOLINE PRICES AT ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the city council of St. Paul, Minn., on August 16, 1950, requesting that an investigation be made of an increase in gasoline prices in that community, be inserted in the body of the RECORD, and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

COUNCIL RESOLUTION—GENERAL FORM

CITY OF ST. PAUL,
OFFICE OF THE CITY CLERK.

Whereas the oil companies supplying gasoline to this area have recently simultaneously announced an increase in the price of gasoline; and

Whereas the St. Paul Dispatch of July 25, 1950, carried an article stating that "St. Paul retail gasoline dealers expressed the belief today that anticipation of a price freeze probably was primarily responsible for the recent increase of 1½ cents a gallon on gas": Therefore, be it

Resolved, by the City Council of the City of St. Paul, That our Representatives in Congress are hereby requested to cause an investigation to be made to determine why it is that there is an increase in gasoline prices in this vicinity and whether or not such concerted action is a violation of the law respecting restraint of trade, the antitrust laws, or otherwise; and

Resolved further, That the city clerk is directed to send copies of this resolution to United States Senators HUBERT H. HUMPHREY and EDWARD J. THYE, Representative EUGENE J. MCCARTHY, and the Minneapolis City Council.

Adopted by the council, August 16, 1950; approved August 16, 1950.

EDWARD K. DELANEY,
Mayor.

ALUMINUM, ETC., FOR COMPLETION OF REA TRANSMISSION LINES

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the Central Minnesota Cooperative Power Association on August 1, 1950, requesting that sufficient aluminum and copper wire and cable be allocated and set aside for the completion of REA transmission lines and for necessary line improvements, be inserted in the body of the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS OF THE CENTRAL MINNESOTA COOPERATIVE POWER ASSOCIATION OF REDWOOD COUNTY, MINN., REGARDING ALLOCATION OF COPPER AND ALUMINUM WIRE FOR REA COOPERATIVES DURING THE PRESENT EMERGENCY

"Whereas information has come to the officers of the Central Minnesota Cooperative Power Association of Redwood County, Minn., that because of the present emergency and other economic conditions which do now exist, or which may arise in the near future until the present emergency is removed, that copper and aluminum wire and cable may be restricted and allocated by the Federal authorities for the exclusive use and conduct of the Nation's defense efforts; and

"Whereas experience from World War II has taught REA Cooperatives and their officers that farmers and agricultural people, during World War II generally, were producing crops and increasing their general output of farm products to a maximum by and through the use of electrical energy for electrical appliances and electrical equipment available to them in that period of emergency; and that such increased food production was largely responsible for the winning of World War II; and

"Whereas it is apparent to the officers of this association that farmers in southern Minnesota, because of the draft and insufficient manpower during World War II, were compelled to resort to the use of electrical machinery, power, and equipment in order that their farms might be operated to the fullest extent and produce at the highest maximum, and that without such electrical energy, power, and equipment, they would not have been able to carry on their said farming operations; and

"Whereas the construction of REA lines and the completion of these projects which are now in the course of construction largely depend upon whether or not sufficient copper and aluminum wire may be made available, or can be obtained by REA cooperatives, so that future lines may be constructed and unfinished construction work completed, and necessary improvements be made; and

"Whereas during World War II copper and aluminum wire and cable for the construction and improvement of REA lines was largely set aside and allocated by the Federal Government for the conduct of its war efforts and other governmental functions so that copper and aluminum wire and cable could only be obtained with great difficulty for the construction of REA lines for transmission purposes; and

"Whereas the officers of this cooperative do feel that the defense efforts of this country will be best served if the United States Government will set aside and allocate sufficient copper and aluminum wire and cable for the use of all REA cooperatives for the construction and completion of their rural lines in areas where rural lines are now being constructed, or may be constructed in the future, and for necessary line improvements to provide sufficient power and adequate electric service, so that by increased production of food for our armed services, and for all civilian needs, will be adequately and sufficiently provided for during the emergency: Now, therefore, be it

"*Resolved by the Board of Directors of the Central Minnesota Cooperative Power Association of Red County, Minn.,* go on record as being in favor of setting aside and allocating sufficient aluminum and copper wire and cable for the use of all REA cooperatives in the construction and completion of their electric lines and transmission lines, and necessary line improvements to the various farmers in their respective communities, in order that the farmers may produce food to the fullest extent of their capacity, and that with the shortage of manpower on the farm, they may have ready access to electrical energy for appliances and equipment to properly operate their said farms to the fullest extent, and that this board of directors go on record as urging our Senators and Members of Congress to that effect; and be it further

"*Resolved,* That a copy of this resolution be signed up and sent to our United States Senators and Members of Congress from the State of Minnesota, for their information and guidance in this case."

Director Lloyd Shellum moved the adoption of the above resolution, and Director August Schaffran seconded the same. Upon a vote being taken, the same was unanimously adopted and carried.

Passed and adopted at a regular meeting of the board of directors of the Central Minnesota Cooperative Power Association of Redwood County, Minn., this first day of August 1950.

L. B. FREDERICKSON,
President of Said Association.

Attest:

G. E. LUESCHER,
Secretary-Treasurer.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. HUNT, from the Committee on Armed Services:

H. R. 4384. A bill to provide for the appointment of female doctors and specialists in the Medical Department of the Army, and for other purposes; with amendments (Rept. No. 2379).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. MAYBANK introduced Senate bill 4091, to strengthen the national defense by affording further relief to persons in the military service of the United States through the suspension of the enforcement of civilian liabilities or obligations secured by home mortgages or by similar security arising out of the ownership of certain residential real property, and for other purposes, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

(Mr. LEHMAN introduced Senate bill 4092, to amend the act of September 16, 1942, as amended, so as to facilitate voting by members of the Armed Forces and certain others absent from the place of their residence, and for other purposes, which was referred to the Committee on Rules and Administration, and appears under a separate heading.)

By Mr. LODGE:

S. 4093. A bill for the relief of Misako Seki and her minor son, Frank Jackie Seki; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (by request):

S. 4094. A bill to amend subsection (1) of section 4551 of the Revised Statutes, as amended, to exempt additional vessels from the requirements thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. LANGER:

S. 4095. A bill for the relief of Ak Barali al) known as Rumjan Miah) and Siddik Miah (also known as Samsuddin Miah); to the Committee on the Judiciary.

By Mr. HOLLAND (for himself and Mr. PEPPER):

S. J. Res. 201. Joint resolution providing for recognition and endorsement of the Inter-American Cultural and Trade Center; to the Committee on Foreign Relations.

PROTECTION OF MEMBERS OF THE ARMED FORCES FROM LOSS OF HOMES THROUGH FORECLOSURE

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill to protect the servicemen from the loss of their homes through foreclosure, and I ask unanimous consent that an explanatory statement of the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the explanatory statement of the bill presented by the Senator from South Carolina will be printed in the RECORD. The Chair hears no objection.

The bill (S. 4091) to strengthen the national defense by affording further relief to persons in the military service of the United States through the suspension of the enforcement of civilian liabilities or obligations secured by home mortgages or by similar security arising out of the ownership of certain residential real property, and for other purposes, introduced by Mr. MAYBANK, was read twice by its title and referred to the Committee on Banking and Currency.

The explanatory statement presented by Mr. MAYBANK is as follows:

EXPLANATORY STATEMENT BY SENATOR MAYBANK

During the debate last Tuesday on S. 4071, the Dependents Assistance Act of 1950, the junior Senator from Oregon [Mr. MORSE] pointed out a very serious gap in the provisions made by law to protect our servicemen from the loss of their homes through foreclosure. The junior Senator from Oregon referred to the fact that a great many of the men being called up for service have outstanding Government-insured or guaranteed home loans. While they are in service, these Government-aided loans, as well as other housing loans, are protected from foreclosure under the Soldiers' and Sailors' Civil Relief Act, provided the mortgage default resulted from the mortgagor's military service. This protection extends only to the period of military service plus 3 months thereafter. Clearly, this protection is inadequate.

Many men, through no fault of their own, will require more than 3 three months after their return from service before they are in a position to resume the making of substantially increased payments for their homes. Monthly payments will often be substantially higher on the return from service because accumulated interest on which no payment could be made during military service will be added to the original principal amount of the loan.

My bill is designed to correct this situation. In the case of residential real property, which is defined in the bill to include only one- to four-family residences, Federal or State courts having jurisdiction over mortgage foreclosures will be given ample discretion, during the period of military service plus 12 months, to suspend foreclosure proceedings or to work out payment arrangements which will be equitable both to the mortgagor and mortgagee. I believe that this provision is much more realistic, at least with respect to mortgages on homes, than the present provision of law which grants such discretion only during military service plus 3 months.

The Soldiers' and Sailors' Civil Relief Act of 1940 deals not only with mortgages on homes but also with mortgages on commercial and industrial property, with insurance contracts, taxes, and many other civilian obligations. My bill, which deals only with mortgages on one- to four-family homes, would in no way interfere with these other types of obligations. Neither would my bill in any way derogate from the relief which may be granted for residential and other mortgages under article 7 of the Soldiers' and Sailors' Civil Relief Act of 1940. This article 7 permits courts to extend the maturity of mortgages in certain cases for a period equal to the period of military service, but only on condition that installment payments of principal and interest are resumed by the serviceman very soon after his discharge from service. This limited form of relief would remain undisturbed under my bill.

Finally, my bill gives the Federal Housing Administration, the Veterans' Administration, and the Department of Agriculture the authority, in connection with mortgage loans made, insured, or guaranteed by them, to cooperate with servicemen and real-estate lenders in working out satisfactory and equitable arrangements for repayment of home loans.

ABSENTEE VOTING BY MEMBERS OF ARMED FORCES AND CERTAIN OTHER PERSONS

Mr. LEHMAN. Mr. President, I introduce for appropriate reference a bill to facilitate voting by members of the Armed Forces and certain other persons absent from their places of residence. The bill would provide for a Federal ballot for such individuals and would apply only in time of war. An identical bill is being introduced today in the House by Representative HELEN GAHAGAN DOUGLAS and Representative MARY T. NORTON.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4092) to amend the act of September 16, 1942, as amended, so as to facilitate voting by members of the Armed Forces and certain others absent from the place of their residence, and for other purposes, introduced by Mr. LEHMAN, was read twice by its title, and referred to the Committee on Rules and Administration.

AMENDMENT OF RULE RELATING TO CLOTURE

Mr. LEHMAN. Mr. President, on behalf of the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. THOMAS], the Senator from Washington [Mr. MAGNUSON], the senior Senator from Connecticut [Mr. MCMAHON], the senior Senator from West Virginia [Mr. KILGORE], the junior Senator from West Virginia [Mr. NEELY], the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the junior Senator from Connecticut [Mr. BENTON], and myself, I submit for appropriate reference a resolution proposing to change rule XXII of the Senate, relating to cloture.

I believe that no legislation pending before this body is of more importance for the welfare of our country and the success of the efforts in which we are now engaged than the amendment of this rule, so as to pave the way for democratic decisions on the issues which confront us and which may confront us in future years.

I ask unanimous consent that the resolution be printed in the RECORD and that there may be printed immediately thereafter a statement I have prepared explaining this new proposed rule.

The VICE PRESIDENT. The resolution will be received and appropriately referred, and, without objection, the resolution and explanatory statement will be printed in the RECORD. The Chair hears no objection.

The resolution (S. Res. 336), submitted by Mr. LEHMAN (for himself and other Senators) was referred to the Committee on Rules and Administration, as follows:

Resolved, That (a) subsection 2 of rule XXII of the Standing Rules of the Senate, relating to cloture, is amended to read as follows:

"2. If at any time, notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, a motion, signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate pursuant to this subsection, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but one, he shall lay the motion before the Senate and direct that the Secretary call the roll, and, upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

" 'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by a two-thirds vote of those voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate."

(b) Subsection 3 of rule XXII of the Standing Rules of the Senate relating to cloture, is amended to read as follows:

"3. If at any time, notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, a motion, signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate pursuant to this subsection, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the 14th calendar day thereafter (exclusive of Sundays and legal holidays), he shall lay the motion before the Senate and direct that the Secretary call the roll and upon the ascertainment that a quorum is present, the Presiding Officer shall, without further debate, submit to the Senate by a yea-and-nay vote the question:

" 'Is it the sense of the Senate that the debate shall be brought to a close?'

"During the period intervening between the statement of the motion to bring debate to a close and the taking of the vote thereon, the time for general debate on such motion shall be equally divided between the proponents and the opponents thereof, and shall be controlled by one Senator desgnated by the Presiding Officer to control such time for the proponents and one Senator designated by the Presiding Officer to control such time for the opponents. Time available to, but not used by, either such side shall be yielded to the other side.

"If the question so submitted on the motion to bring debate to a close shall be decided in the affirmative by a majority vote of those voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by uanimous consent, no amendments shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate."

The explanatory statement presented by Mr. LEHMAN is as follows:

STATEMENT BY SENATOR HERBERT H. LEHMAN ON NEW CLOTURE RULE PROPOSAL

On two different occasions at this session of Congress, attempts were made by the majority leadership, aided and supported by many members of the minority party, to bring up a civil-rights proposal, namely, the bill for a Fair Employment Practices Commission.

Because of the concerted resistance of the Members of the Senate from the Southern States and their declared intention to conduct a filibuster and thus prevent this proposal from coming to a vote, the majority leadership, with the aid of many members of the minority, undertook to apply cloture under rule XXII, the so-called Wherry cloture rule.

On each occasion on which it was sought to invoke cloture, the effort was defeated. It has been clearly established that under the present cloture rule, it is impossible to bring civil-rights legislation to a vote. By requiring an affirmative vote of two-thirds of all Members of the Senate, it has proved impossible to invoke cloture. The requirement that 64 affirmative votes must be cast in order to bring up a measure for debate is undemocratic and un-American—it represents legislative self-paralysis.

At any one time, some Members of the Senate are unavoidably absent on public business or because of illness.

The occasion is rare when more than 85 Members of the Senate can be brought together for even the most important vote. Hence the requirement for an affirmative vote of 64 Members of the Senate to invoke cloture means actually that a vote of three-fourths of those present and voting is necessary to invoke cloture and to bring to a vote even the question of whether the Senate should consider a piece of controversial legislation.

My concern and the concern of the other sponsors of this resolution, who are from both political parties, is not devoted to civil-rights legislation alone. Were we to face a critical legislative need upon which the safety and security of our whole Nation depended, a handful of Senators could make it impossible for the Senate even to take up that legislation.

For this reason the proposal we have made consists of two parts. The first part of this proposed rule would provide for cloture by a vote of two-thirds of those present and voting, after 2 days of debate. This section of the rule would be invoked only for legislation of a national-emergency nature where the overwhelming preponderance of the Senate desired speedy action. Under this section of the rule it would be impossible for a mere handful of Members to block the urgent need of the Nation.

To meet the need for democratic decision on nonemergency legislation on which a minority might seek to block action by extended debate or filibuster, a separate section of rule XXII is proposed. This second section would make cloture possible after 15 days of debate by a vote of a majority of those present and voting. The 15-day period of debate is provided in order that Senators in a minority position on an issue will have ample opportunity to appeal to public sentiment and to arouse public support for their position, if their position can merit and win that support. Thus there is guarded the status of the Senate as the forum of the Nation and the platform from which national sentiment may be mobilized behind any good cause.

Mr. President, the two sections of this rule are independent of one another but they are interconnected. Cloture may be invoked under section 2 or it may be invoked under section 3 of the proposed new rule. If cloture fails under section 2, cloture may be attempted under section 3. This is the fair and democratic way.

The present rule sets up a road block against not only democratic procedure but against all orderly procedure. It fastens the will of the minority upon the majority and makes it impossible to break that stranglehold.

When the rules of the Senate provide that no question can even be brought up for debate if a small minority is determined to block such action, the first order of business must be to change those rules.

FEPC is not the issue here, Mr. President. The issue is democracy not abroad, nor in the various States of this country, but in the United States Senate. More than that, the present rule is a potential threat to our national security. We cannot talk civil-rights legislation; we cannot call civil-rights legislation an issue until we dispose of the issue of the Wherry cloture rule.

The Wherry rule is not a partisan matter. Its effect is to seal, under the fair name of free and full debate, the fate of civil-rights legislation. But its potentialities for evil are beyond the question of civil rights. Whatever the effort required, however great the difficulties we face in amending this rule, it must be done. The Nation must insist upon it.

Neither I nor any of the cosponsors of this proposal are under any illusions. We do not wish the American people to be under illusions. We do not expect that this proposal will be adopted at this session. It would be obviously impossible under section 3 of the present rule to bring this proposed change to a vote. But the American people have a right to know how we propose to change the rules in order to make possible democratic procedure in the Senate. This is our proposal.

I trust that the day will not be far distant when this proposal will be adopted and this will become the new Senate rule XXII. That will be a great day for democracy, for civil-rights legislation, and for orderly procedure in this great body.

ABSENTEE VOTING BY MEMBERS OF ARMED SERVICES

Mr. BRIDGES (for himself, Mr. SALTONSTALL, Mr. KNOWLAND, Mr. O'CONOR, Mr. JOHNSON of Texas, and Mr. CHAPMAN) submitted the following resolution (S. Res. 337), which was referred to the Committee on Rules and Administration:

Resolved, That it is the sense of the Senate that, in the administration of title II of the act entitled "An act to provide f.. a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence," approved September 14, 1942, as amended (U. S. C., title 50, secs. 301–355), the utmost effort should be made by the Federal officers charged with duties under such act, and by the responsible officials of the several States, to enable all eligible members of the Armed Forces, and particularly those members who are fighting or serving outside the United States, to cast their ballots in the forthcoming November elections. Such effort on the part of the responsible Federal officers should include every reasonable measure (1) to insure that the postcards prescribed in section 209 of such act are made available to all members of the Armed Forces in sufficient time to be of use in making application for the absentee ballots of the several States; (2) to make available to members of the Armed Forces all pertinent and obtainable information concerning the absentee-balloting requirements of the several States; and (3) to facilitate the transmission, delivery, and return of postcards, ballots, envelopes, and instructions for voting procedures, by air mail whenever practicable, so that all ballots cast will meet the applicable State requirements and be duly counted.

REVENUE ACT OF 1950—AMENDMENTS

Mr. IVES submitted an amendment intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MYERS submitted amendments intended to be proposed by him to House bill 8920, supra, which were ordered to lie on the table and to be printed.

Mr. McMAHON (for himself and Mr. BENTON) submitted an amendment intended to be proposed by him to House bill 8920, supra, which was ordered to lie on the table and to be printed.

Mr. McCARRAN submitted an amendment intended to be proposed by him to House bill 8920, supra, which was ordered to lie on the table and to be printed.

Mr. HUMPHREY (for himself and Mr. DOUGLAS) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 8920), supra, which were ordered to lie on the table and to be printed.

Mr. DOUGLAS (for himself and Mr. HUMPHREY) submitted an amendment intended to be proposed by them, jointly, to House bill 8920, supra, which was ordered to lie on the table and to be printed.

Mr. O'MAHONEY (for himself and Mr. CONNALLY) submitted amendments intended to be proposed by them, jointly, to House bill 8920, supra, which were ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred as indicated:

H. R. 8850. A bill to establish an additional office of Assistant Secretary of Agriculture, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 9430. A bill to amend the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," approved August 2, 1946 (60 Stat. 806), to simplify administration in the Government service, and for other purposes; to the Committee on Expenditures in the Executive Departments.

TODAY'S CHALLENGE TO OUR FREEDOMS—ADDRESS BY SENATOR MUNDT

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an address entitled "Today's Challenge to Our Freedoms,"

delivered by him before the thirty-third annual convention of the International Association of Lions Clubs at Chicago, on July 18, 1950, which appears in the Appendix.]

RADIO ADDRESSES BY SENATOR WATKINS

[Mr. WATKINS asked and obtained leave to have printed in the RECORD radio addresses delivered by him over Utah radio stations during the week of August 13 to 20, 1950, which appear in the Appendix.]

CURTAILMENT OF MAIL SERVICE—EDITORIAL FROM THE CINCINNATI TIMES STAR

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled, "A Proper Mail Service," published in the Cincinnati Times Star on August 18, 1950, which appears in the Appendix.]

THE ROLE OF THE OPPOSITION—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

[Mr. WATKINS asked and obtained leave to have printed in the RECORD an editorial entitled, "The Role of the Opposition," published in the New York Herald Tribune of August 16, 1950, which appears in the Appendix.]

REARMING GERMANY—ARTICLE BY WALTER LIPPMANN

[Mr. SALTONSTALL asked and obtained leave to have printed in the RECORD an article entitled "Rearming the Germans," written by Walter Lippmann, and published in the Washington Post of August 24, 1950, which appears in the Appendix.]

GOVERNMENTAL MISTAKES LEADING TO HOSTILITIES IN KOREA

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD an editorial entitled "Mistakes of the Future," published in the September 1950, issue of the Farm Journal, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING—EDITORIAL FROM THE PHILADELPHIA INQUIRER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Act Now To Pass Stand-By UMT Law," published in the Philadelphia Inquirer of August 24, 1950, which appears in the Appendix.]

SPECULATION IN RUBBER TRADING

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an article entitled "Large Possible Profits in Trading in Rubber Brings New Margin," written by Thomas P. Swift, and published in the New York Times of August 6, 1950, which appears in the Appendix.]

SPECULATION IN RUBBER TRADING

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an article entitled "Booming Rubber Price Trend Halted," published in the New York Journal of Commerce of August 14, 1950, which appears in the Appendix.]

APPOINTMENTS TO THE FEDERAL JUDICIARY—EDITORIAL COMMENT

[Mr. WILEY asked and obtained leave to have printed in the RECORD several editorials from Wisconsin newspapers dealing with appointments to the Federal judiciary, which appear in the Appendix.]

THE SATURDAY SERMON, THIS NATION UNDER GOD—ARTICLE BY DR. FREDERICK BROWN HARRIS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "The Saturday Sermon, This Nation Under God," written by Dr. Frederick Brown Harris, Chaplain of the Senate, and published in the Philadelphia Evening Bulletin of July 29, 1950, which appears in the Appendix.]

BROADCAST BY SENATOR MYERS TO THE PEOPLE OF PENNSYLVANIA

[Mr. MYERS asked and obtained leave to have printed in the RECORD a broadcast by him, No. 33 in his biweekly series, over Pennsylvania radio stations, for the week end of August 18–20, inclusive, which appears in the Appendix.]

WASHINGTON NEWS LETTER BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD his Washington News Letter of August 17, 1950, a personal report to the people of Pennsylvania, which appears in the Appendix.]

LOUIS JOHNSON—ADDRESS BY HOWARD STARLING

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an address paying tribute to Hon. Louis Johnson, Secretary of Defense, delivered by Howard Starling, of Parkersburg, W. Va., at the picnic of the West Virginia Society at Glen Echo, Md., August 22, 1950, which appears in the Appendix.]

PROTECTION OF THE AMERICAN ECONOMY—LETTER FROM PHILIP S. EHRLICH

[Mr. MORSE asked and obtained leave to have printed in the RECORD a letter from Philip S. Ehrlich regarding protection of the economy of the United States, which appears in the Appendix.]

THE ACCESS ROAD BILL—EDITORIAL FROM THE INTERNATIONAL WOODWORKER

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "The Access Road Bill," published in the International Woodworker of Portland, Oreg., which appears in the Appendix.]

TUNA CONVENTION ACT OF 1949

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2633) to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes, which was, on page 1, line 4, strike out "1949" and insert "1950."

Mr. CONNALLY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PROXY VOTING BY CONFEREES

Mr. MAYBANK. Mr. President, I wish to propound a parliamentary inquiry about a conference.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. If a conferee is absent from a meeting of the conference, and should leave his proxy, could his proxy be voted if the other conferees agreed? I desire to have the judgment of the President of the Senate on that question.

The VICE PRESIDENT. In the opinion of the Chair that is a matter for the conferees themselves. If they agree that the absent member of the conference may have his vote recorded, the Chair knows no rule against it.

Mr. MAYBANK. I thank the President.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The VICE PRESIDENT. The Senate has before it House bill 8920, the tax bill. There is no amendment pending. The Senator from Georgia [Mr. GEORGE], chairman of the Committee on Finance, is recognized.

BURIAL IN ARLINGTON NATIONAL CEMETERY OF SGT. ERNEST K. TURNER

Mr. MARTIN. Mr. President, I ask the distinguished Senator from Georgia if he will yield 5 minutes until I may make an announcement relative to the burial of a soldier yesterday in Arlington National Cemetery.

Mr. GEORGE. I yield.

The VICE PRESIDENT. Without objection, the Senator from Georgia may yield for that purpose.

Mr. MARTIN. Mr. President, I am making this statement on behalf of my colleague, the senior Senator from Pennsylvania [Mr. MYERS], and myself.

Yesterday there was buried with full military honors the first enlisted casualty of the Korean war to take his place among the honored dead at Arlington National Cemetery. He was Sgt. Ernest K. Turner, of Berwick, Pa., who won four decorations in combat service overseas in World War II.

The services were attended by a distinguished assembly, including the Secretary of the Army, the Honorable Frank Pace, Jr.; Gen. Wade H. Haislip, Vice Chief of Staff of the Army; Maj. Gen. Thomas W. Herren, commanding the Military District of Washington; members of the Pennsylvania congressional delegation, and officials of the Korean Embassy.

Present also to pay a last tribute of honor to their comrade were delegations from the American Legion of Bloomsburg, Pa., the Veterans of Foreign Wars of Berwick, Pa., the VFW of the Fourteenth District of Pennsylvania, and the American Legion National Guard of Honor, of Washington.

The following is the official biography of Sergeant Turner:

Sgt. Ernest K. Turner, 35, of Berwick, Pa., is the first enlisted casualty of the Korean fighting to be buried in Arlington National Cemetery.

Sergeant Turner was seriously wounded in action against the enemy in Korea on July 24 and was evacuated to the One Hundred and Eighteenth Station Hospital in Tokyo where he succumbed 4 days later, July 28.

A veteran of 8 years Army service, Turner had just reenlisted for a 3-year term last February. During World War II, he served overseas in Europe with the One Hundred and Forty-second Infantry Regiment, Thirty-sixth Division, where he saw 256 days of combat action. His decorations include the Silver Star, the Bronze Star, the Soldiers Medal, and the Presidential Unit Citation.

A brother, Staff Sgt. Day G. Turner, was awarded the Medal of Honor (posthumously), the highest award for bravery, while serving with the Eightieth Division in Europe during World War II. Another brother, Robert H. Turner, was wounded in action in World War II.

Sergeant Turner was a member of the American Legion, Post 273, of Bloomsburg, Pa., and of the Veterans of Foreign Wars, Post 801, of Berwick.

Mr. President, the ceremonies conducted in Arlington Cemetery were most impressive. They should bring home to the American people the seriousness of the situation confronting the United States and all the free nations of the earth.

They should serve as a call to patriotic duty, reminding us that every American should be a 100-percent American 100 percent of the time.

FEDERAL-AID HIGHWAY ACT OF 1950—APPOINTMENT OF ADDITIONAL CONFEREE

Mr. WHERRY. Mr. President, will the Senator from Georgia yield for a question while the Senator from New Mexico is in the Chamber?

Mr. GEORGE. I yield.

Mr. WHERRY. I invite the attention of the distinguished senior Senator from New Mexico to an inquiry I desire to make. I should like to ask the distinguished chairman of the Public Works Committee a question. Of course, we are all proud of the members of that committee and of the chairman. I notice, however, that when the conferees on the road bill, on the part of the Senate, were appointed, four members were appointed from the majority and two from the minority. I wondered if there was any objection to having another member of the minority added.

Mr. CHAVEZ. There is no objection whatsoever.

Mr. WHERRY. I thank the Senator.

Mr. CHAVEZ. I wonder if it is agreeable to the Senator from Nebraska and Members on the minority side if the junior Senator from Nevada [Mr. MALONE] should be designated to act as a conferee, in view of his standing in his profession?

Mr. WHERRY. I think that is perfectly agreeable to the Members on the minority side. I am not sure who the minority members of the committee are. Perhaps the Senator from Pennsylvania [Mr. MARTIN] is a member of the committee.

Mr. MARTIN. No, Mr. President, I am not a member of the committee.

Mr. WHERRY. Is that appointment agreeable to the Senator from Pennsylvania?

Mr. MARTIN. Yes.

Mr. WHERRY. I shall deeply appreciate having the Senator from Nevada appointed a conferee.

The VICE PRESIDENT. Without objection, the Chair appoints the Senator from Nevada [Mr. MALONE] as an additional conferee on the part of the Senate, on the road bill.

CONVEYANCE OF CERTAIN MINERAL INTERESTS

Mr. WILLIAMS. Mr. President, will the Senator from Georgia yield to me to make a very brief statement relative to House bill 4800 which was passed by the Senate yesterday?

Mr. GEORGE. Mr. President, I yield to the Senator from Delaware who wishes to bring something to the attention of the Senate relative to a bill which was passed yesterday.

The VICE PRESIDENT. Without objection, the Senator may yield to the Senator from Delaware for that purpose.

Mr. WILLIAMS. Mr. President, yesterday the following discussion took place on the floor of the Senate, and I am quoting from page 13185 of the CONGRESSIONAL RECORD:

Mr. LUCAS. We will finish the call of the calendar today. There is a bill on the calendar which we might consider, but which I did not mention yesterday. I refer to House bill 4800, Calendar 1333, to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes. I do not believe it would take too much time. As I understand, there is very little objection to the bill.

Mr. WHERRY. Is it the intention then of the majority leader that after the call of the calendar this afternoon that bill shall be immediately taken up?

Mr. LUCAS. Yes. I should like to dispose of it this afternoon, if we possibly can do so. I understand there is little objection to it. The measure is an important one.

Continuing further:

Mr. LUCAS. I am notifying the Members of the Senate now that if we finish the call of the calendar at, let us say, 3 o'clock or 3:30 this afternoon, I shall move to take up the bill immediately. I do not think there will be too much objection to it.

Mr. President, I had previously requested that this bill be carried over pending a study by the Senate Committee on Agriculture as to the manner in which the sale of these mineral rights had previously been conducted. I had received certain information which raised in my mind serious doubts as to the propriety of some of these transactions, and thinking that the proper place for this study to be made was in the Senate Agriculture Committee, on June 21, 1950, I submitted in the Senate a resolution, the purpose of which was to suspend the leasing and sale of all mineral rights owned by the Federal Government pending the determination of a fixed policy by Congress.

On the same date I directed a letter to the chairman of the Senate Committee on Agriculture and Forestry, and requested an opportunity to appear before that committee in executive session to explain to them the reasons why I felt that such a study should be made and also to give to that committee the information which I had assembled relative to previous practices.

Two months passed and I was never given an opportunity to appear before that committee. Yet, notwithstanding the fact that my letter was on file, on repeated occasions the members of that committee attempted to press for consideration of this legislation. Finally after becoming convinced that I would not withdraw my objections, the committee on Tuesday of this week, August 22, 2 months and 1 day following my request, invited me to appear before the committee in executive session.

If I remember correctly, 12 of the 13 members of the Agriculture Committee were present, and I left the committee with the full understanding that they agreed with me that there had been certain transactions which were certainly open to serious criticism. During my presence in that committee meeting a motion was made and adopted unanimously that the committee explore this matter further, and a hearing was scheduled for 10 this morning. I was invited by the committee to attend this session.

I advised the committee that I would be glad to cooperate with them in any manner and that all the information which I had assembled relative to this case would be available.

I was very much surprised when on the day following my appearance before the committee on Tuesday, the majority leader, the Senator from Illinois [Mr. LUCAS], who is also a member of the Senate Committee on Agriculture and Forestry, and therefore had full access to all the information which I had presented to that committee, announced that it was his understanding that there was very little if any objection to the bill, and at the same time served notice to the Members of the Senate that immediately upon the completion of the call of the calendar, which was expected to be around 3 yesterday, that he would move to take up that bill, notwithstanding the fact that the committee was supposed to start hearings on that bill this morning.

It so happened that due to circumstances beyond my control, I was detained from attending the full session yesterday; however, I was advised by the minority leader [Mr. WHERRY] of the notice which had been served by the majority leader [Mr. LUCAS] and the minority leader offered during my absence from the floor to oppose consideration of the bill. However, I advised the Senator from Nebraska, along with the minority members of the Senate Agriculture and Forestry Committee, that if the members of the majority party, who have control of both the Senate and the Senate Agriculture and Forestry Committee, had decided that the questions I raised before their committee were in their opinion not of sufficient importance to warrant withholding consideration of this bill until such time as the hearings which were scheduled to begin at 10 o'clock today were completed, it was evident that they were not interested in exploring the situation as a Senate committee. Therefore I requested that there be no objections made by the minority members in my behalf.

As I have stated on previous occasions, my objections were not necessarily against House bill 4800 itself, but, rather, against certain questionable practices which have been condoned in the past, policies which I felt should be explored and examined before we set up a new policy.

I have always been a firm believer that questions of this nature should first be explored by a Senate committee, rather than on the floor of the United States Senate; and I have unsuccessfully attempted to proceed along these lines. However, since the Senate Committee

on Agriculture and Forestry is not interested, I now have no alternative other than to present the entire picture to the Senate. I now serve notice that I shall do so at the earliest possible date.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. GEORGE. Mr. President, the Senate has before it House bill 8920. A copy of the report is on the desk of each Senator, and the report is very complete.

This bill is a first step in the financing of the expanded military program resulting from the war in Korea. The bill will increase tax liabilities by about four and one-half billion dollars a year when fully effective, and will increase tax collections in the fiscal year 1951 by about $3,000,000,000. The bulk of the additional money is to be obtained by changing the rates imposed under the income taxes. In a full year of operation one and one-half billion dollars will come from changes in the rates applied to corporate net income; $2,745,000,000 will come from changes in the rates imposed under the individual income tax. The balance, of about $300,000,000, is accounted for by closing income-tax loopholes, revision of the formula used to determine the taxable income of life insurance companies, correction of certain abuses which have arisen among the tax-exempt organizations and foundations and charitable trusts, and extension of the 10-percent excise on radio receivers to television sets, and the 10-percent excise on household refrigerators to units used for the quick freezing or frozen storage of foods. The bill also contains a provision accelerating collections under the corporate income tax, which does not change tax liabilities, but has the effect of increasing collections by $800,000,000 in the fiscal year 1951, and by approximately $1,000,000,000 in each of the fiscal years 1952 through 1955.

In the opinion of the committee, this bill represents the maximum action which can be taken at this time. The bill contains only measures upon which there is general agreement and which are free of unresolved technical problems. The changes made in the income-tax rates are simple and easily understood, and it is generally agreed that additional revenues must now be obtained from these taxes.

Your committee considered a number of additional measures which might produce substantial revenues, but decided not to include them in this bill. The pressure of time and the desirability of quick action did not permit an adequate study of the extremely difficult technical problems involved. However, your committee has instructed the staff of the Joint Committee on Internal Revenue Taxation to study these proposals and report its findings to the Committee on Finance later this year. The committee will then hold hearings with a view to the enactment of legislation in 1951. The staff will study the taxation of excess profits, giving particular attention to the extension of this form of taxation to the excess income of individuals and partnerships, the transactions or turnover tax, the general manufacturers' or retail sales tax, and the taxation of cooperatives, mutual savings banks, and building and loan associations.

The committee already has announced that, in the event an excess-profits tax is enacted later this year or in 1951, the committee will recommend that the tax be imposed upon the income for the full calendar year 1951, beginning January 1.

THE BACKGROUND OF THE BILL

As passed by the House on June 29, 1950, House bill 8920 was designed primarily to bring relief to the excise-tax payers who still bear the full rates imposed during World War II. The House version of the bill contained provision for an excise-reduction program involving a net loss in revenue of $910,000,000 annually. Because of the budgetary situation, other provisions were included by the House in the bill to produce offsetting revenues. As a result, the over-all effect of the House version of the bill on tax liabilities would be negligible.

The military action which began in Korea on June 24 made extremely uncertain the status of the bill as passed by the House. Nevertheless, pending clarification of the international situation, your committee believed the wisest course was to proceed with public hearings on the bill. Those hearings covered the period July 5 through July 13, and produced a great deal of valuable criticism which later proved to be of material assistance to the committee in revising the House bill.

Meanwhile, the military situation had grown more serious, and it had become obvious that large additional expenditures for the armed services and for mutual defense aid were forthcoming. A substantial deficit had been estimated for 1951, even before the action in Korea began. The new emergency expenditures would increase this deficit substantially and would probably involve even larger deficits in later years.

It was clear, therefore, that the type of bill passed by the House was no longer appropriate. Excise reductions, however desirable, were inconsistent with the budgetary picture and with the increasing inflationary pressure which manifested itself in sharply rising wholesale prices and in threatened shortages of both consumer durable goods and certain industrial raw materials. Moreover, the basic justification for the excise reductions—namely, the fact that the income-tax rates had been reduced substantially from their World War II peak—would disappear as the income-tax rates were raised to help finance the new military program. Therefore, at the close of its public hearings your committee announced that it would take no immediate action on the bill.

Later, as you know, there was held a series of conferences in which Chairman DOUGHTON, of the Committee on Ways and Means, and the chairman of the Committee on Finance participated. It was agreed that the Committee on Finance would resume work on House bill 8920, with the intention of converting it into the first step toward financing the additional costs of the expanded military program. On August 3 the committee began work in executive session. It reported the bill on August 22.

Your committee struck from the House bill all changes in the excises which would result in a loss of revenue, retaining a few items which would increase the revenues. The most important of these was the extension of the present 10-percent manufacturers' excise on household refrigerators to units used for the quick freezing or frozen storage of foods.

Careful consideration was given to each of the provisions in the House bill designed to close loopholes under the income taxes, and to the complex provisions intended to check certain undesirable practices among the tax-exempt organizations and charitable foundations and trusts. Several of the loophole-closing measures had to be eliminated, either because they were open to serious objections of a policy nature or because they contained technical defects, the correction of which would delay action on the bill. Nevertheless, a majority of the loophole-plugging measures contained in the House bill also appear in the Finance Committee bill. Substantial amendments were made in the portions of the House bill dealing with tax-exempt organizations, charitable foundations, and trusts.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question, or does he prefer not to be interrupted?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Massachusetts?

Mr. GEORGE. I am glad to yield.

Mr. SALTONSTALL. I am sure the Senator knows that in Massachusetts there has been a great deal of interest in the subject of tax-exempt corporations and their legitimate sources of revenue. I have received much correspondence on the subject. I should appreciate it if the Senator could tell me that in his opinion all legitimate sources of revenue of tax-exempt corporations are protected in the bill and are not adversely affected.

Mr. GEORGE. I should not want to make a universal statement; it would be a bit too broad. But I shall come to that in the course of my remarks.

Mr. SALTONSTALL. I thank the Senator.

Mr. GEORGE. New revenue-raising measures used by the Finance Committee include:

A. CHANGES IN THE RATES ON INDIVIDUAL INCOMES

The principal source of additional revenue in the Finance Committee bill is a change in the rates under the individual income tax. As I have already indicated, this change, when fully effective, will increase the yield of the tax by $2,745,000,000 annually. The increase takes the form of an elimination of the so-called percentage reductions allowed under existing law. It will be recalled that the law now contains a rate schedule used to determine what is known as the tentative tax, which is then adjusted downward by a series of percentage reductions. The first $400 of tentative tax is reduced 17 percent; the tentative tax between $400 and $1,000 is reduced 12

percent; and the excess over $100,000 is reduced 9.75 percent. The system of a tentative tax with percentage reductions was introduced in the Revenue Act of 1945, and extended by the Revenue Act of 1948, under which the reductions contained in existing law were established. The bill eliminates these percentage reductions for 1951 and subsequent years, and reduces them by approximately 25 percent in 1950.

The policy of the committee was to make the increase in individual income-tax liabilities effective as of October 1, 1950, this being the earliest date upon which changes in the withholding rates could be put into effect. However, because of the different manner in which the income of particular individuals is distributed over the year, it would be inequitable to apply the increase merely to the income received after October 1. Such an arrangement would be particularly burdensome to farmers who generally receive a disproportionately large part of their income in the last quarter. Therefore, under your committee's bill, the 1950 tax increase takes the form of a 25-percent cut in the amount of the percentage reductions applied to the tentative tax calculated on the entire year's income.

Individuals on a fiscal-year basis constitute a special problem. Consistent with the idea that the tax increase should be effective October 1, the income received in fiscal years which end prior to that date is taxed under existing law, and income received in fiscal years which begin after October 1 is subjected to the rates imposed on calendar-year taxpayers in 1951. Fiscal years which begin prior to October 1 and end subsequent to that date are, for tax purposes, divided into two parts. To the extent that the fiscal year precedes October 1, the income is taxed under existing law. To the extent that the fiscal year follows October 1, the income is taxed under the 1951 rates.

I shall insert in the RECORD a table which shows that in each bracket of taxable income the marginal rate imposed under this bill in 1951 and subsequent years will be 3 percentage points lower than under the Revenue Act of 1944, which was the wartime peak. This difference represents a reduction in the rate schedule made in the Revenue Act of 1945, which is not removed under your committee's bill. I ask unanimous consent that the table be inserted in the RECORD at this point, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Individual income tax rate schedule—the Finance Committee rates for 1951 and subsequent years compared with those used under the Revenue Acts of 1944, 1945, and 1948*

Surtax net income	1944 act (highest wartime rates)	1945 act [1]	1948 act [1] (present law)	Proposed rates, 1951 and subsequent years
	Percent	*Percent*	*Percent*	*Percent*
0 to $2,000	23	19.00	16.60	20
$2,000 to $4,000	25	20.90	19.36	22
$4,000 to $6,000	29	24.70	22.88	26
$6,000 to $8,000	33	28.50	26.40	30
$8,000 to $10,000	37	32.30	29.92	34
$10,000 to $12,000	41	36.10	33.44	38
$12,000 to $14,000	46	40.85	37.84	43
$14,000 to $16,000	50	44.65	41.36	47
$16,000 to $18,000	53	47.50	44.00	50
$18,000 to $20,000	56	50.35	46.64	53
$20,000 to $22,000	59	53.20	49.28	56
$22,000 to $26,000	62	56.05	51.92	59
$26,000 to $32,000	65	58.90	54.56	62
$32,000 to $38,000	68	61.75	57.20	65
$38,000 to $44,000	72	65.55	60.72	69
$44,000 to $50,000	75	68.40	63.36	72
$50,000 to $60,000	78	71.25	66.00	75
$60,000 to $70,000	81	74.10	68.64	78
$70,000 to $80,000	84	76.95	71.28	81
$80,000 to $90,000	87	79.80	73.92	84
$90,000 to $100,000	90	82.65	76.56	87
$100,000 to $136,719.10	92	84.55	78.32	89
$136,719.10 to $150,000			80.3225	
$150,000 to $200,000	93	85.50	81.2250	90
$200,000 and over	94	86.45	82.1275	91
Maximum over-all rate limitation	90	85.50	77.00	87

[1] After reduction from tentative tax.

Mr. GEORGE. This bill will not disturb the existing $600 per capita exemption, nor will it remove the $600 exemptions for aged and blind persons. It also does not disturb the system of splitting the income of married couples.

In order to keep collections on a current basis, the withholding rate will be increased from 15 to 18 percent with respect to all wages and salaries paid on or after October 1, 1950. Since this is the full increase required by the bill, the 18-percent rate will be continued in 1951 and subsequent years.

The technique used to increase individual income tax liabilities is simple and easily understood. The computations which the taxpayer makes on his return will be simplified. The increased burdens will be distributed in the same fashion as the benefits of the postwar percentage reductions. The obvious equity of this procedure is one of the principal reasons why the committee decided upon this particular method for raising the desired revenue. I pause here to say that the action taken was, in principle, in strict conformity with the recommendations submitted by the Administration through the Secretary of the Treasury.

Mr. President, I ask unanimous consent to insert in the RECORD a table which shows the distribution by income classes of the tax liability under the present law and under the bill when the changes in rates are fully effective. This table shows that the percentage of the total tax borne by individuals with incomes of $5,000 or less is not materially different under the bill than under existing law. Under the bill, taxpayers with incomes under $5,000, who account for about 90 percent of the returns and about 70 percent of the income, will pay 48.5 percent of the total tax. Taxpayers with incomes over $5,000, who account for the remaining 10 percent of the returns and 30 percent of the income, will pay 51.5 percent of the tax.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Estimated net income, taxable returns, and tax liability under present law and under the Finance Committee bill when the change in rates is fully effective*

[Money amounts in thousands]

Income classes after deductions but before exemptions	Net income	Number of taxable returns	Tax liability [1]		Increase in tax under Finance Committee's bill
			Present law	Finance Committee's bill [2]	
Under $1	$2,118,218	2,406,199	$111,971	$134,900	$22,929
$1 to $2	12,694,590	7,986,162	920,795	1,109,408	188,613
$2 to $3	31,757,704	12,528,019	2,440,298	2,940,115	499,817
$3 to $4	24,153,714	6,947,195	2,000,454	2,400,855	400,401
$4 to $5	20,593,211	4,600,934	2,014,164	2,416,118	401,954
Total under $5	91,317,437	34,468,509	7,487,682	9,001,396	1,513,714
$5 to $10	17,384,843	2,637,787	2,156,251	2,558,362	402,111
$10 to $25	12,620,469	847,563	2,382,662	2,743,294	360,632
$25 to $50	4,986,129	135,559	1,496,822	1,701,586	204,764
$50 to $100	2,117,456	31,053	856,063	963,180	107,117
$100 to $300	1,915,090	14,577	966,543	1,079,124	112,581
$300 to $500	301,046	922	177,723	195,241	17,518
$500 to $1,000	232,822	406	150,926	165,274	14,348
$1,000 and over	215,341	144	139,480	151,412	11,932
Total over $5	39,773,196	3,668,011	8,326,470	9,557,473	1,231,003
Grand total	131,090,633	38,136,520	15,814,152	18,558,869	2,744,717

[1] Includes normal tax, surtax, and alternative tax on net long-term capital gains.
[2] When the rate changes are fully effective.

TABLE 2.—*Estimated net income, taxable returns, and tax liability under present law and under the Finance Committee bill when the change in rates is fully effective*—Continued

PERCENTAGE DISTRIBUTION

[Money amounts in thousands]

Income classes after deductions but before exemptions	Net income	Number of taxable returns	Tax liability [1]		Increase in tax under Finance Committee's bill
			Present law	Finance Committee's bill [2]	
Under $1	$1.62	6.31	$0.71	$0.73	$0.84
$1 to $2	9.68	20.94	5.82	5.98	6.87
$2 to $3	22.23	32.85	15.43	15.84	18.21
$3 to $4	18.43	18.22	12.65	12.94	14.59
$4 to $5	15.71	12.06	12.74	13.02	14.64
Total under $5	69.66	90.38	47.35	48.50	55.15
$5 to $10	13.26	6.92	13.63	13.79	14.65
$10 to $25	9.63	2.22	15.07	14.78	13.14
$25 to $50	3.80	.36	9.47	9.17	7.46
$50 to $100	1.62	.08	5.41	5.19	3.90
$100 to $300	1.46	.04	6.11	5.81	4.10
$300 to $500	.23	[3]	1.12	1.05	.64
$500 to $1,000	.18	[3]	.95	.89	.52
$1,000 and over	.16	[3]	.88	.82	.43
Total over $5	30.34	9.62	52.65	51.50	44.85
Total	100.00	100.00	100.00	100.00	100.00

[1] Includes normal tax, surtax, and alternative tax on net long-term capital gains.
[2] When the rate changes are fully effective.
[3] Less than 0.005 percent.

Mr. GEORGE. Mr. President, I ask unanimous consent to insert in the RECORD tables which show the individual income tax liabilities under present law and under the bill in the calendar years 1950 and 1951 for a single individual, for married persons with no dependents, and for married persons with two dependents. These tables show that when the tax increase is expressed as a percentage of the tax due under existing law, the increase under the bill is comparatively large in the case of taxpayers with small incomes. In the case of single persons the increase in 1951 ranges from 20.5 percent in the case of a taxpayer with an income of $1,000 to 11.5 percent for a taxpayer with a $500,000 income. However, if the increase is related to the net income available for additional taxation, that is, the net income after tax under existing law, the reverse results obtain. The increase is a much smaller percentage of income after tax in the case of an individual with a small income than for individuals with larger incomes. The increase ranges, in the case of a single person in 1951, from 1.5 percent for an individual with a $1,000 income to 43.5 percent for an individual with an income of $1,000,000.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 3.—*Comparison of individual income tax liability under present law and under the Finance Committee bill for the calendar years 1950 and 1951*

SINGLE PERSON—NO DEPENDENTS

Net income before exemption	Amount of tax under—			Increase under Finance Committee bill		1950 increase as a percentage of—		1951 increase as a percentage of—	
	Present law	Finance Committee bill		1950	1951	Tax under present law	Net income after tax under present law	Tax under present law	Net income after tax under present law
		1950	1951						
						Percent	*Percent*	*Percent*	*Percent*
$600									
$800	$33	$35	$40	$2	$7	4.8	0.2	20.5	0.9
$1,000	66	70	80	3	14	4.8	.3	20.5	1.5
$1,500	149	157	180	7	31	4.8	.5	20.5	2.3
$2,000	232	244	280	11	48	4.8	.6	20.5	2.7
$3,000	409	428	488	19	79	4.6	.7	19.2	3.0
$5,000	811	843	944	32	133	4.0	.8	16.4	3.2
$8,000	1,546	1,604	1,780	57	234	3.7	.9	15.1	3.6
$10,000	2,124	2,201	2,436	77	312	3.6	1.0	14.7	4.0
$15,000	3,894	4,032	4,448	137	554	3.5	1.2	14.2	5.0
$20,000	6,089	6,301	6,942	212	853	3.5	1.5	14.0	6.1
$25,000	8,600	8,898	9,796	298	1,196	3.5	1.8	13.9	7.3
$50,000	23,201	23,997	26,388	796	3,187	3.4	3.0	13.7	11.9
$100,000	58,762	60,770	66,798	2,008	8,036	3.4	4.9	13.7	19.5
$500,000	[1] 385,000	396,221	429,274	11,221	44,274	2.9	9.8	11.5	38.5
$1,000,000	[1] 770,000	[2] 800,000	[3] 870,000	30,000	100,000	3.9	13.0	13.0	43.5

[1] Taking into account maximum effective rate limitation of 77 percent.
[2] Taking into account maximum effective rate limitation of 80 percent.
[3] Taking into account maximum effective rate limitation of 87 percent.

TABLE 4.—*Comparison of individual income tax liability under present law and under the Finance Committee bill rates for the calendar years 1950 and 1951*

MARRIED PERSON—NO DEPENDENTS

Net income before exemption	Amount of tax under—			Increase under Finance Committee bill		1950 increase as a percentage of—		1951 increase as a percentage of—	
	Present law	Finance Committee bill		1950	1951	Tax under present law	Net income after tax under present law	Tax under present law	Net income after tax under present law
		1950	1951						
						Percent	*Percent*	*Percent*	*Percent*
$1,200									
$1,500	$50	$52	$60	$2	$10	4.8	0.2	20.5	0.7
$2,000	133	139	160	6	27	4.8	.3	20.5	1.5
$3,000	299	313	360	14	61	4.8	.5	20.5	2.3
$5,000	631	661	760	30	129	4.8	.7	20.5	3.0
$8,000	1,206	1,257	1,416	50	210	4.2	.7	17.4	3.1
$10,000	1,621	1,686	1,888	65	267	4.0	.8	16.4	3.2
$15,000	2,829	2,935	3,260	106	431	3.7	.9	15.2	3.5
$20,000	4,247	4,402	4,872	154	625	3.6	1.0	14.7	4.0
$25,000	5,877	6,087	6,724	210	847	3.6	1.1	14.4	4.4
$50,000	17,201	17,797	19,592	596	2,391	3.5	1.8	13.9	7.3
$100,000	46,403	47,994	52,776	1,591	6,373	3.4	3.0	13.7	11.9
$500,000	359,662	370,657	403,548	10,995	43,886	3.1	7.8	12.2	31.3
$1,000,000	[1]770,000	792,442	858,548	22,442	88,548	2.9	9.8	11.5	38.5

[1] Taking into account maximum effective rate limitation of 77 percent.

TABLE 5.—*Comparison of individual income tax liability under present law and under the Finance Committee bill for the calendar years 1950 and 1951*

MARRIED PERSONS—2 DEPENDENTS

Net income before exemption	Amount of tax under—			Increase under Finance Committee bill		1950 increase as a percentage of—		1951 increase as a percentage of—	
	Present law	Finance Committee bill		1950	1951	Tax under present law	Net income after tax under present law	Tax under present law	Net income after tax under present law
		1950	1951						
						Percent	*Percent*	*Percent*	*Percent*
$2,400									
$3,000	$100	$104	$120	$5	$20	4.8	0.2	20.5	0.7
$5,000	432	452	520	21	88	4.8	.5	20.5	1.9
$8,000	974	1,016	1,152	43	178	4.4	.6	18.3	2.5
$10,000	1,361	1,417	1,592	56	231	4.1	.6	17.0	2.7
$15,000	2,512	2,607	2,900	95	388	3.8	.8	15.4	3.1
$20,000	3,888	4,030	4,464	142	576	3.6	.9	14.8	3.6
$25,000	5,476	5,672	6,268	196	792	3.6	1.0	14.5	4.1
$50,000	16,578	17,152	18,884	575	2,306	3.5	1.7	13.9	6.9
$100,000	45,643	47,208	51,912	1,565	6,269	3.4	2.9	13.7	11.5
$500,000	358,677	369,645	402,456	10,968	43,779	3.1	7.8	12.2	31.0
$1,000,000	769,314	791,430	857,456	22,116	88,142	2.9	9.6	11.5	38.2

B. CHANGES IN THE CORPORATE INCOME TAX RATES

Mr. GEORGE. The changes in the corporate income tax rates, constitute the second largest source of new revenue under the bill. When fully effective this change in rates will increase tax liabilities by $1,500,000,000 annually. The bill not only raises the general level of rates imposed, but also includes a correction of the corporate notch concerning which there has been so much complaint. The notch rate is a part of the adjustment made under existing law to provide reduced rates for corporations with incomes below $25,000. As you know, under existing law all corporations with incomes of $50,000 and over pay a flat rate of 38 percent consisting of a normal tax of 24 percent and a surtax of 14 percent. Existing law also contains a schedule of graduated rates which applies only to corporations with incomes below $50,000. For corporations with incomes up to $25,000 the combined normal and surtax rates are 21 percent on the first $5,000 of income, 23 precent on the next $15,000, and 25 percent on the next $5,000, thus producing an average rate of 23 percent on a corporation with an income of exactly $25,000. To bring this average up to 38 percent when the corporation's income increases to $50,000, it is necessary to impose a rate of 53 percent upon the income between $25,000 and $50,000. This is the notch rate. It acts as a serious deterrent to the expansion of the corporations whose incomes are in the notch area, because 53 cents out of each additional dollar which they earn is taken from them by taxation.

The House bill substituted for the complicated system of rates used under existing law a flat surtax rate of 20 percent and a flat normal tax rate of 21 percent, with a $25,000 surtax exemption. This not only eliminated the 53-percent notch rate, but also increased the revenues obtained from the tax by an estimated $450,000,000 annually.

The Finance Committee increased the rate under the normal tax from 21 to 25 percent for 1951 and subsequent years, producing a maximum effective rate for large corporations of approximately 45 percent.

The rate changes under the House bill applied to taxable years beginning after December 31, 1949. Such action involves an element of retroactivity which, in the opinion of your committee, is unwise. Therefore, under the Finance Committee bill the policy followed is to make the change effective July 1, 1950, which is roughly the time the bill passed the House.

However, as in the case of the rate change for individuals, the increase could not simply be applied to the portion of the income received after July 1, since this action would discriminate against corporations receiving more than half of their income in the second half of the calendar year. Hence the Finance Committee's bill provides that for calendar year corporations there shall be imposed in 1950, in lieu of the rates used under existing law, a surtax of 19 percent and a normal tax of 23 percent, with a surtax exemption of $25,000. The effect is to extend the benefit of the notch correction to the full year 1950, and to increase the tax burdens in that year by approximately half of the increase in 1951 and subsequent years.

The provisions with reference to fiscal year corporations are similar to those used in the portions of the bill relating to the individual income tax.

I ask unanimous consent to insert in the RECORD a table which compares the effective corporate income-tax rates imposed under present law, and under the House and Finance Committee bills, in 1951 and subsequent years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 6.—*Comparison of effective corporate income tax rates under present law, under the House bill, and under the Finance Committee's bill in 1951 and subsequent years*

Net income (normal and surtax)	Present law	House bill		Finance Committee's bill		
	Effective rates	Effective rates	Percentage point increase or decrease (−) over present law	Effective rates	Percentage point increase or decrease (−) over	
					House bill	Present law
	Pct.	*Pct.*		*Pct.*		
$1,000	21.00	21.00	0	25.00	4.0	4.00
$2,000	21.00	21.00	0	25.00	4.0	4.00
$3,000	21.00	21.00	0	25.00	4.0	4.00
$4,000	21.00	21.00	0	25.00	4.0	4.00
$5,000	21.00	21.00	0	25.00	4.0	4.00
$6,000	21.33	21.00	−0.33	25.00	4.0	3.67
$7,000	21.57	21.00	−.57	25.00	4.0	3.43
$8,000	21.75	21.00	−.75	25.00	4.0	3.25
$9,000	21.89	21.00	−.89	25.00	4.0	3.11
$10,000	22.00	21.00	−1.00	25.00	4.0	3.00
$15,000	22.33	21.00	−1.33	25.00	4.0	2.67
$20,000	22.50	21.00	−1.50	25.00	4.0	2.50
$25,000	23.00	21.00	−2.00	25.00	4.0	2.00
$30,000	28.00	24.33	−3.67	28.33	4.0	.33
$31,250	29.00	25.00	−4.00	29.00	4.0	0
$35,000	31.57	26.71	−4.86	30.71	4.0	−.86
$40,000	34.25	28.50	−5.75	32.50	4.0	−1.75
$45,000	36.33	29.89	−6.44	33.89	4.0	−2.44
$50,000	38.00	31.00	−7.00	35.00	4.0	−3.00
$60,000	38.00	32.67	−5.33	36.67	4.0	−1.33
$70,000	38.00	33.86	−4.14	37.86	4.0	−.14
$71,428.57 plus	38.00	34.00	−4.00	38.00	4.0	0
$75,000	38.00	34.33	−3.67	38.33	4.0	.33
$100,000	38.00	36.00	−2.00	40.00	4.0	2.00
$150,000	38.00	37.67	−.33	41.67	4.0	3.67
$166,666⅔	38.00	38.00	0	42.00	4.0	4.00
$200,000	38.00	38.50	.50	42.50	4.0	4.50
$300,000	38.00	39.33	1.33	43.33	4.0	5.33
$400,000	38.00	39.75	1.75	43.75	4.0	5.75
$500,000	38.00	40.00	2.00	44.00	4.0	6.00
$750,000	38.00	40.33	2.33	44.33	4.0	6.33
$1,000,000	38.00	40.50	2.50	44.50	4.0	6.50
$5,000,000	38.00	40.90	2.90	44.90	4.0	6.90
$10,000,000	38.00	40.95	2.95	44.95	4.0	6.95

Mr. GEORGE. The table shows that under the committee's bill the 170,000 corporations with incomes of $5,000 or less will be taxed 4 percentage points more under the committee's bill than under existing law. On the average, the tax paid by these corporations will be increased by approximately 19 percent.

The rates imposed on corporations with incomes between $5,000 and $31,250 incomes will be increased by less than 4 percentage points. There are about 400,000 corporations in this group and their tax will, on the average, be increased by about 12 percent.

The 40,000 corporations whose incomes lie between $31,250 and $71,429 will pay a smaller tax under the bill than under existing law. For these corporations the benefits of the elimination of the notch outweigh the effects of the rate increase. The average reduction for corporations in this group is 4.4 percent of the tax due under present law.

For corporations with incomes in excess of $71,429 the effect of eliminating the notch is outweighed by the increase in the rates. Therefore, the effective rate of taxation under your committee's bill is higher than under existing law. The increase grows larger with the size of the income and reaches a maximum of just under 7 percentage points. There are about 40,000 corporations in this group. They account for about 86 percent of the total taxable net income of all corporations. Their tax under the bill in 1951 and subsequent years will average about 16 percent higher than under present law.

For all corporations combined, the tax due under the Finance Committee bill will average about 15 percent more than under existing law.

I ask unanimous consent to insert in the RECORD a table which compares for calendar year corporations the effective rates in 1950 under the bill with those under present law.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 7.—*Comparison of effective corporate income tax rates for 1950, under the Finance Committee's bill and under present law*

Net income (normal and surtax)	Effective rates		
	Present law	Finance Committee's bill	Percentage point increase or decrease (−)
	Percent	*Percent*	*Percent*
$1,000	21.00	23.00	2.00
$2,000	21.00	23.00	2.00
$3,000	21.00	23.00	2.00
$4,000	21.00	23.00	2.00
$5,000	21.00	23.00	2.00
$6,000	21.33	23.00	1.67
$7,000	21.57	23.00	1.43
$8,000	21.75	23.00	1.25
$9,000	21.89	23.00	1.11
$10,000	22.00	23.00	1.00
$15,000	22.33	23.00	.67
$20,000	22.50	23.00	.50
$25,000	23.00	23.00	0
$30,000	28.00	26.17	−1.83
$35,000	31.57	28.43	−3.14
$40,000	34.25	30.13	−4.12
$45,000	36.33	31.44	−4.89
$50,000	38.00	32.50	−5.50
$75,000	38.00	35.67	−2.33
$100,000	38.00	37.25	−.75
$118,750	38.00	38.00	0
$150,000	38.00	38.83	.83
$200,000	38.00	39.63	1.63
$300,000	38.00	40.42	2.42
$400,000	38.00	40.81	2.81
$500,000	38.00	41.05	3.05
$750,000	38.00	41.37	3.37
$1,000,000	38.00	41.53	3.53
$5,000,000	38.00	41.91	3.91
$10,000,000	38.00	41.95	3.95

Mr. GEORGE. Mr. President, this table shows that for corporations with incomes up to $5,000 the rates under the committee bill will be 2 percentage points higher under existing law. The increase will be less than 2 percentage points for corporations between $5,000 and $25,000. When the corporation's income falls between $25,000 and $118,750, the tax rate under the bill will be smaller than under existing law due to the elimination of the notch. Corporations with incomes in excess of $118,750 will be subject to a heavier rate under the bill than under existing law. The increase grows with the size of the income and reaches a maximum of about 4 percentage points.

C. CHANGES IN THE EXCISES

Your committee's bill extends the present 10-percent manufacturers' excise on radio receiving sets to television sets. This action was debated at length at the hearings of the Committee on Ways and Means, but was not included in the House bill. Under present circumstances your committee believes that the extension of the tax is highly desirable. The existing tax discrimination between the manufacture of radio receivers and television sets is difficult to justify and it is evident that television is offering serious competition to motion-picture theaters and other types of entertainment subject to the excise on general admissions. Moreover, the extension of the tax on radio receivers to television sets is particularly appropriate at the present time, since the tax probably will not have a material effect upon the number of sets puchased because of the probable limitations which military requirements will impose on their production. It is estimated that when fully effective this provision of the bill will increase the revenues by $42,000,000 annually.

Your committee also added to the House bill a provision designed to close a loophole which has arisen under the excises on the transportation of persons and property. An increasing number of persons apparently are attempting to avoid the taxes on transportation between points within the United States by paying the charges outside this country. The Bureau of Internal Revenue is attempting to close this loophole by administrative action, but the success of its efforts is doubtful. Therefore, the Finance Committee added a clarifying amendment to this bill.

THE ACCELERATION OF THE PAYMENT OF THE INCOME TAXES ON CORPORATIONS, TRUSTS, AND NONRESIDENT ALIENS

A. CORPORATIONS

Your committee's bill contains the provision for the acceleration of the tax payments of corporations that was a part of the House bill. Under existing law corporate taxpayers using the calendar year may pay their entire tax on March 15 of the year following the one in which the income is received, or pay one-fourth of their tax on that date and one-fourth each on the 15th of June, September, and December. A similar option is available to corporations whose fiscal year is not the calendar year. This method of payment contrasts sharply with that required of most individuals who pay the bulk of their tax currently during the year in which the income arises. The contrast is most striking when the treatment accorded a business operated as an individual enterprise or a partnership is compared with that received by a similar enterprise organized in the corporate form.

Your committee's bill would reduce the number of installments in which a corporation may pay its tax from four to two. However, in order to give the business community ample opportunity to adjust itself to the change, the transition is to be made gradually over a period of 5 years. Thereafter calendar year corporations on the installment basis will pay 50 percent of their tax on March 15 and 50 percent on June 15 of the year following the one in which the income was received. I ask unanimous consent to insert in the RECORD a table which shows the manner in which the transition to the two-payment system is carried out.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 8.—*Accelerated payments of corporation income taxes*[1]

	Percent of payments due in—			
	First quarter (percent)	Second quarter (percent)	Third quarter (percent)	Fourth quarter (percent)
First taxable year	30	30	20	20
Second taxable year	35	35	15	15
Third taxable year	40	40	10	10
Fourth taxable year	45	45	5	5
Fifth taxable year and subsequent years	50	50	0	0

[1] The accelerated payments would begin with taxable years ending on or after Dec. 31, 1950.

Mr. GEORGE. Mr. President, this change in the method of paying the corporate income tax will be effective with respect to taxable years ending on or after December 31, 1950.

The provision has no effect on corporate tax liabilities. However, it does move collections forward from one of the Government's fiscal years into another, and results in a total increase in collections of $4,800,000,000 over the fiscal years 1951 through 1956. Of this amount $800,000,000 will be collected in the fiscal year 1951 and about $1,000,000,000 in each of the fiscal years 1952 through 1955. These additional collections will not be offset by reduced collections in subsequent years unless there is a substantial falling off in the level of corporate profits.

It has been alleged that this speed-up in the collections of the corporate income tax would impose undo hardship upon the business community, particularly if accompanied by an over-all increase in the rates imposed on corporate income. However, the available evidence indicates that on the average American corporate enterprise is extremely liquid. Statistics released by the Securities and Exchange Commission show that at the close of the first quarter of 1950 the accrued Federal income-tax liabilities of all corporations in the United States, except banks and insurance companies, were less than one-fourth of their cash plus Government securities. Because of this fact, and because of the gradual nature in the change in the method of payment, your committee concluded that for most corporations the plan would not involve a real hardship. Undoubtedly there will be individual cases in which the acceleration of payment will cause difficulty, but in these cases existing law will permit the Commissioner of Internal Revenue to extend the time of payment.

Some critics of this plan have confused it with the pay-as-you-go system used under the individual income tax and have argued that the plan is unwise because current collection is not appropriate in the case of corporations owing to the difficulty of estimating currently the income of a business enterprise. However, this objection does not bear upon the accelerated payment plan contained in the bill, since under that plan all the tax will continue to be paid in the year following the one in which the income arises.

B. TRUSTS AND NONRESIDENT ALIENS

The committee's bill also contains a provision eliminating the option to pay the tax in installments in the case of trusts and nonresident aliens. This option is something of an embarrassment to trustees who would like to pay the tax at the time of filing the return, but hesitate to do so because they believe that their responsibilities to the beneficiaries of the trust require the retention of the funds until the final dates upon which the tax payments may be made, so as to maximize the interest earned on the trusts' assets.

The elimination of the installment option for trusts and nonresident aliens will increase collections in the fiscal year 1951 by about $90,000,000. Like the change in the method of paying the corporate income tax, this action has no effect at all upon tax liabilities.

TAX-EXEMPT ORGANIZATIONS AND FOUNDATIONS AND CHARITABLE TRUSTS

The House bill contained a number of provisions dealing with tax-exempt organizations and foundations and charitable trusts, designed to correct certain practices which have developed in recent years. These sections of the bill represent a considerable innovation in American tax practice. A great deal of testimony concerning these provisions was presented at your committee's hearings and it became obvious that substantial amendments to the program contained in the House bill were required if real hardship and inequities were to be avoided.

Your committee decided to retain, in slightly amended form, the tax on unrelated business income imposed by the House bill on certain organizations exempt under sections 101 (1), (6), (7), and (14) of the Internal Revenue Code and upon trusts receiving deductions under section 162 (a). This provision applies the regular income taxes to so much of the income of these organizations and trusts as arises from active business enterprises which are unrelated to the exempt purposes of the organization. The fundamental objective of the tax is to eliminate the unfair competition which exists when a tax-exempt organization engages in competition with taxpaying business. The testimony before the committee and the Committee on Ways and Means indicated that this problem is already important and threatens to become serious.

The much publicized "lease-back" is one aspect of the unrelated business income problem. As the name implies, the lease-back involves the purchase of a property by a tax-exempt organization and the leasing of this property, usually to the same business from which the property was purchased.

This device is objectionable if the exempt organization does not use its own funds in buying the property but borrows the purchase price with the intention of paying off the loan out of the rental income which it receives. When the whole transaction is financed in this manner the tax exempt organization makes no contribution to the sale or lease other than its tax-exempt status. It is clearly trading on its exemption, and because of its exemption is in a position to pay a higher price for the property or charge a lower rental than a taxable business, thus introducing the element of unfair competition into the problem.

Your committee's bill deals with the leaseback by imposing the tax on unrelated business income on income received in certain cases from the lease of real estate and associated personal property. The tax is imposed only if the lease is long-term, that is, for more than 5 years. The tax applies only to the portion of the rental income which reflects the percentage of the value of the leased property purchased with borrowed money.

The provisions of the bill pertaining to the unrelated business problem do not become effective until 1951. The House bill did not make any change in the situation prior to 1951 but left the matter of whether such a tax should be imposed on unrelated activities for final determination by the courts under existing law. However, because the question of the taxability of these activities under existing law is still uncertain, your committee felt that some relief should be granted from retroactive taxation for the past years, particularly where the taxpayer had relied upon an exempt ruling of the Commissioner. Therefore, the following protective rules are written into the bill for taxable years beginning prior to January 1, 1951:

First. An organization will not be denied exemption for such years on the ground that it is carrying on a business if the income from such business would not be taxable under the bill as unrelated business income for 1951 and subsequent years.

Second. An organization will not lose its exemption, if it has been ruled to be exempt by the Bureau of Internal Revenue, for any taxable year prior to the date on which it has been informed that its exemption has been withdrawn or a letter requesting further information as to its exempt status has been requested.

Third. An organization will be granted relief for any period prior to January 1, 1947, if its exemption has not been approved, questioned or denied prior to the date of the enactment of the pending bill. The statute of limitation on assessment and collection in the case of such organizations will start to run from the date of filing its information return, or, if no information return was required to be filed, from the date such return should have been filed had it been so required.

A gift or bequest to an organization for any period prior to January 1, 1951, will not be denied as a charitable deduction to the individual donor if a denial of the exemption to the organization is prevented by the above rules.

The House bill also contained a tax on the accumulated investment income of certain organizations exempt under 101 (6) and their investment affiliates and on trusts claiming deductions under section 162 (a). The purpose of this provision was to correct the practice, followed by some of these organizations, of receiving large amounts of money without spending the funds for the purposes

which form the basis for the organization's tax exempt status. In some highly publicized cases the time when the charitable expenditures were actually going to be made appeared to be extremely remote. However, in spite of its safeguards and escape clauses, the provision contained in the House bill was, in the opinion of your committee, much too blunt an instrument. The testimony of witnesses and the statements presented to your committee brought out clearly the fact that the measure as passed by the House was too inflexible and would seriously injure many worth-while educational and charitable projects.

Therefore, your committee eliminated the accumulations tax from the bill and substituted the requirement that returns showing receipts, disbursements, accumulations, and certain other related information be made by the organization in question. These returns will be given full publicity. It is anticipated that this practice will encourage distributions.

The House bill subjected to tax the income of so-called feeder organizations. These are organizations whose only activities are the operation of a business, but who turn over the income earned to tax-exempt organizations. The highly publicized Mueller macaroni factory is a case in point. Your committee has accepted this provision of the House bill without change.

The House bill also contained provisions affecting the status of trusts and certain tax-exempt organizations which engage in specified proscribed practices with their donors, officers, or trustees. Allied provisions denied deductions on the basis of gifts and bequests to such trusts and organizations if the instruments under which they operated did not prevent their engaging in the proscribed practices.

In your committee's bill these provisions have been amended so as to remove the harshness which characterized the rules contained in the House bill. Under your committee's bill exemptions and deductions are denied only if the practices followed result in a diversion of funds from the educational or charitable purposes of the exempt trust or organization and only with respect to years subsequent to the one in which notice is given of a violation of the rules set out in the bill. An exception is made when the violation is intentional and involves a substantial diversion of funds. Here the exemption or deduction may be denied retroactively.

Under the Finance Committee bill the contributions of donors and bequests will be deductible so long as the recipient organization or trust is exempt at the time the contribution or bequest is made, except in the case when the donors or their families are involved in a transaction with the trust or organization which is an intentional violation of the rules set out in the bill and results in a substantial diversion of funds. The provision of the House bill requiring the instrument of the organization and trust to recite that it will not engage in such activities has been eliminated.

The House bill contained a provision designed to prevent the use of trusts and foundations for the purpose of retaining control of a family business. This particular provision was rejected by your committee because it appeared that the potential tax avoidance involved is far outweighed by the detrimental effect of the adoption of the House proposal upon private charities.

It is estimated that the portions of the Finance Committee bill dealing with tax-exempt organizations and charitable trusts and foundations will increase the revenues by about $60,000,000 a year when fully effective.

TAX ON LIFE-INSURANCE COMPANIES

The bill includes a provision redefining the taxable net income of life-insurance companies. The formula used is the same as that contained in the House bill and in House Joint Resolution 371 which is now in conference.

Mr. SALTONSTALL. Mr. President, has the Senator finished his discussion of the tax-exempt provisions?

Mr. GEORGE. Not quite, but I am glad to yield to the Senator.

Mr. SALTONSTALL. Do I correctly understand from listening to what the Senator has said that in the case of institutions such as the Massachusetts General Hospital, the Peter Bent Brigham Hospital, Harvard College, Massachusetts Institute of Technology, Williams College, and similar institutions whose ordinary sources of income which they have been receiving in the past not subject to taxation, by reason of the fact that they are educational or hospital institutions, are not changed by the provisions of the bill submitted by the Senate Finance Committee. I understand it does change the so-called lease-back sources of income, with which I am in thorough accord, but that it does not change the other sources of income.

Mr. GEORGE. In general the Senator is entirely correct in his conclusions that the bill does not change or attempt to change the status of the income of those charitable and educational institutions.

Mr. SALTONSTALL. It does not make any change does it with respect to their ordinary sources of income from dividends?

Mr. GEORGE. Not with respect to their ordinary sources of income from dividends, and so forth. Change is made only in the case of lease-backs or in the case of unrelated business activities.

Mr. SALTONSTALL. And that change is substantially where the additional taxes will come from; that is by the changes made by the bill in relation to lease-backs which the Finance Committee has recommended?

Mr. GEORGE. That is correct.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LEAHY in the chair). Does the Senator from Georgia yield to the Senator from Vermont?

Mr. GEORGE. I yield.

Mr. AIKEN. Will the Senator please explain the status of commercial property owned by these same institutions, which is leased for the purpose of obtaining revenue? Is that included in the tax-exempt property under the bill?

Mr. GEORGE. The straight lease of property is included.

Mr. AIKEN. So long as the income is used for the maintenance of the institution which owns it.

Mr. GEORGE. Yes. The only qualification is in case of a lease-back on borrowed money.

Mr. AIKEN. May I ask the Senator what he means by that?

Mr. GEORGE. A lease-back is where the charitable or educational institution, let us say, buys property, borrows the money for the purpose of buying the property, and leases it back to the same business organization from which it obtained the property.

Mr. AIKEN. Does that affect the so-called trusts which have been known to be created by some corporations for certain alleged beneficial purposes or even for tax evasion purposes using trust money to buy property which is then leased back to the corporation for it to operate?

Mr. GEORGE. Yes; that is correct.

Mr. AIKEN. This provision would remove any exemption of that kind.

Mr. GEORGE. Yes.

Mr. AIKEN. I thank the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question on that subject?

Mr. GEORGE. Yes.

Mr. SALTONSTALL. The distinction the Finance Committee draws between the case the Senator from Vermont has stated and the other sources from which these corporations have derived their income in the past, is that they buy these businesses on borrowed money, and then rent the businesses back to the people from whom they have bought them. Such income is taxed. But if they buy a piece of real estate with their own funds——

Mr. GEORGE. And pay for it out of their own funds.

Mr. SALTONSTALL. And pay for it out of their own funds.

Mr. GEORGE. They are still protected. The bill applies only to the lease-back when obviously the exemption is simply utilized for the purpose of acquiring property.

Mr. BUTLER. Mr. President, I ask the Senator from Georgia if he has completed what he has to say about the section 101 exemptions? Has the Senator completed that portion of the bill?

Mr. GEORGE. I think I have practically done so.

Mr. BUTLER. For the purpose of clarification I wanted to ask a question or two in that connection.

Section 422 levies regular corporation taxes on unrelated activities of section 101 exempt institutions. In that regard, would the distinguished chairman say that a tax-exempt organization which has built a new building that cost $100,000, and is advertising daily, inviting the general public to patronize its dining rooms, bars, and overnight room accommodations, is subject to the tax?

Mr. GEORGE. Whether or not it is a related activity is the question on which its taxability would turn. If it is a related activity—but I am not certain in the case stated by the distinguished Senator from Nebraska that it is re-

lated—that, after all, is the determining question. If it is an unrelated activity of course it does fall within the taxable class.

Mr. BUTLER. In some of those cases I understand the labor is furnished free by the members of the organization. I wonder if that would be a determining factor.

Mr. GEORGE. I think it would be a factor in determining that it was an unrelated activity.

Mr. BUTLER. Then, regarding the church groups which come under this same section. We all recognize the problems which confront an organization of that kind in gathering money for their many worth-while projects. However, I should like to have an answer from the Senator to make the situation plain. Would a church organization be exempt from the tax under this section if they bid on the open market against commercial or public feeding establishments for banquets or outside business groups?

Mr. GEORGE. The activities of the church, I will say to the Senator, are exempt under the bill. Even though it were an unrelated activity, and in competition with a private taxable enterprise, still it would retain its exempt privilege or status.

Mr. BUTLER. I think that perhaps answers the next question I was going to ask the chairman, which is: In this connection how does the chairman interpret the word "regular"? Does a tax-exempt organization lose its exemption if it serves one regular function a year for an outside business organization? Or does it need to stage such a function regularly, say once or twice a week, in order to be regarded as a regular activity?

Mr. GEORGE. Does the Senator's question apply to a church?

Mr. BUTLER. Yes.

Mr. GEORGE. Church activities are all exempt. The question of related or unrelated activity is not a material one so far as churches are concerned. They are exempt anyway.

Mr. BUTLER. If it did not apply to a church whose activities are exempt, would it apply to some outside organization which ordinarily might be exempt, such as a Legion post, or some other organization of that nature?

Mr. GEORGE. I think they would not be affected under the bill.

Mr. BUTLER. I think that answers the question, sir.

Mr. GEORGE. Mr. President, as I recall, I was trying to make clear the action taken by the committee on the insurance formula, when the questions were kindly suggested.

The proposed formula is intended to be a stopgap which will put an end to the tax-free status which the life-insurance companies enjoy as a result of the failure of the formula contained in existing law, and will permit the development of a permanent formula to be enacted in subsequent legislation. While no difference exists between the House and your committee with respect to the proposed formula, your committee is unwilling to recommend its retroactive application, whereas the House proposes to apply the formula in each of the years in which no tax was due under the formula contained in existing law. In the opinion of your committee, the new stopgap formula should apply only to the years 1949 and 1950. Such action would not be retroactive, since the life-insurance companies have been on notice, ever since the introduction of House Joint Resolution 371 on October 10, 1949, that a tax would be required for the year 1949.

It is estimated that the provision contained in your committee's bill will yield approximately $122,000,000. Of this amount, $42,000,000 represents the tax for 1949; and $80,000,000, the tax for 1950.

OTHER REVENUE-INCREASING CHANGES IN THE INCOME TAXES

The bill contains a series of provisions designed to correct loopholes in the income-tax portions of the Internal Revenue Code, and to improve the tax treatment of citizens of the United States residing in Puerto Rico. The loophole-closing amendments relate to the premiums on tax-exempt bonds held by dealers, the dividends received credit for distributions in kind, the tax status of a stock redemption carried out by a subsidiary corporation, the tax treatment of income received from artistic works and inventions, the taxable status of short sales of capital assets, the tax treatment of so-called collapsible corporations, the taxation of capital gains of nonresident aliens, the amortization of premiums paid on convertible bonds, and the taxation of employees of the United States Government in Canal Zone and the possessions of the United States. Time does not permit an adequate description of these provisions, and for an explanation of them I am forced to refer the Senate to the appropriate portions of the committee report. While the additional revenue to be obtained from these provisions is not large, the salutary effect of closing obvious loopholes is of considerable importance, especially in periods when tax rates are increasing. The exempt status of employees of the United States in the Canal Zone and the possessions is particularly irritating, and is costing the Government about $31,000,000 annually.

OTHER ADJUSTMENTS IN THE TAX LAWS

A. PROVISIONS CONTAINED IN THE HOUSE BILL

The following miscellaneous provisions have been carried over unchanged from the House version of the bill:

First. The net operating loss carryover is amended so as to replace the present 2-year carry-back and 2-year carry-forward, with a 1-year carry-back and 5-year carry-forward. This provision will increase the averaging period from 5 to 7 years, and will provide a real stimulus to venture capital generally, and to small, new, and expanding business in particular.

Second. The holding period for capital assets is reduced from 6 months to 3. This change will not impair the effectiveness of the holding period as a device for confining long-term capital gains treatment to the true investor, but will reduce the effect of the holding period on prices in the markets for capital assets.

Third. The contemplation-of-death provision under the estate tax is amended so as to remove from its scope all transfers made more than 3 years prior to the date of death. The burden of showing that the transfer was not made in contemplation of death will be borne by the estate in all cases where the transfer was made within a period of 3 years ending with the date of death. This amendment will reduce materially the administrative difficulties which attend the present contemplation-of-death clause.

Fourth. The deduction for the support of dependents is eliminated from the estate tax. This deduction is inconsistent with the concept of the estate tax as a tax on property transferred at death, and discriminates in favor of estates passing in jurisdictions which authorize liberal allowances.

Your committee has eliminated an extension of percentage depletion contained in the House version of the bill, which would have involved a revenue loss of $35,000,000 annually. The House also amended the definition of gross income from the property upon which the percentage depletion rates are applied. From the testimony at the hearings, it was evident that the House provisions were unduly restrictive. Therefore, your committee substituted a new rule which defines gross income for this purpose so as to include the transportation of ores or minerals from the point of extraction to the plants or mills in which are carried out the ordinary treatment processes normally applied by mine owners or operators in order to obtain a commercially marketable product. In the opinion of your committee, this amendment conforms with the intent of existing law. To correct another difficulty revealed by testimony at the hearings, your committee's bill amends the definition of "ordinary treatment processes" in the case of bentonite to include crushing, drying, pulverizing, or granulating.

The House version of the bill contained a provision designed to provide relief in the case of estates which were made up primarily of the stock of a closely held family business. The amendment would exempt from the definition of a taxable dividend, distributions made under certain restricted circumstances in the redemption by the issuing corporation of a portion of its stock held by a decedent's estate. In the opinion of your committee, this provision is meritorious and its adoption will tend to prevent the forced sale of these family corporations. However, under the House provision, relief is available only in cases where the value of the stock in the family corporation included in the taxable estate is more than 70 percent of the value of the estate. In the opinion of your committee, this limitation is unduly restrictive. Hence, it does not appear in the Finance Committee's version of the bill.

B. PROVISIONS ADDED BY THE FINANCE COMMITTEE

Your committee has added to the House version a series of amendments

designed to correct certain difficulties which have arisen under existing law.

First. Favorable tax treatment is to be accorded certain employee stock options so as to facilitate their use as a means of giving corporation employees a direct financial interest in the success of the business. The special treatment is restricted to true employee incentive options. In order to realize the benefits of this provision, the employee must make an investment in the corporation's stock for at least 6 months, and must not sell the stock acquired under the option within 2 years after the option is issued.

Second. Your committee has adopted a provision relating to the taxation of family partnerships. Under existing law, there is considerable confusion as to the taxation of family partnerships. The courts have not adopted a consistent policy. The purpose of the amendment is to treat the gift of a partnership interest according to the same legal principles as those which apply to other types of property. For example, a husband can give a share of stock to a member of his family, and the dividends from such stock will be reported by the donee; or he may give property from which he receives rents to a member of his family, and the rents will apply to the donee. This amendment with proper safeguards applies the same principles to family partnerships. It leaves the Treasury and the courts free to inquire whether the donee has a real ownership in the property. The amendment also requires that the terms of the partnership agreement are to be disregarded where the allocation of the income under the partnership agreement does not reflect substantially the proportional value of the services or capital of the family members. Where reallocation is necessary, a reasonable proportional allowance for services of the partners rendering services must be made in determining the distributive share of the partners to be reported for income-tax purposes. The amendment is made effective for taxable years beginning after December 31, 1938, in order to remove the confusion and uncertainty caused by the present situation.

I may pause here to say also that the split-income provision removes for the future many of these problems, so far as husband and wife are concerned.

Third. Publishers of newspapers and other periodicals are permitted to deduct as a current expense the cost of maintaining, establishing and developing the circulation of their publications. This will eliminate the problem of distinguishing between the cost of maintaining circulation and the cost of establishing or developing circulation. Under regulations of the Secretary, the publishers may elect to capitalize that portion of these expenditures which are found to be capital expenditures. This amendment is retroactive to taxable years beginning after December 31, 1945.

Fourth. A shareholder complying with the provisions of section 112 (a) (7) of the Internal Revenue Code, which has been restored by your committee's bill, may elect to have his gain recognized only to the extent of the amount of his ratable share of the earnings and profits. Such gain is to be taxed as a dividend. The balance will not be recognized as a gain until he sells or exchanges the property received on liquidation.

As a matter of fact, this same provision was included in the 1938 act, was again included in the act which was passed in 1943, applicable for 1944, and was again included in the House bill, in the Eightieth Congress, a bill which reached the Senate too late for action.

Fifth. The tax treatment of so-called corporate "spin-offs" is conformed with that of corporate split-ups. The split-up occurs when a corporation is divided up into a number of new corporations, the original corporation being dissolved in the process. This may result in a tax-free reorganization under existing law, but similar treatment has been denied in the case of a spin-off where a portion of the assets of the original corporation is turned over to a new enterprise and the original corporation remains in existence. This distinction between a split-up and a spin-off is, in the opinion of your committee, impossible to justify. Therefore, the bill contains a provision under which the spin-off may also qualify for treatment as a tax-free reorganization. This provision is restricted so as to prevent the use of the spin-off as a mere vehicle for the distribution of earnings and profits.

Sixth. The tax treatment of assignments of certain oil, gas, and mineral rights and the status of rent under the tax on personal holding companies are clarified.

Seventh. Regulated investment companies are granted a period of 75 days following the close of their taxable year in which to make the dividend declarations necessary to qualify for the special treatment accorded such companies under existing law.

Eighth. The privilege allowed railroads and other corporations under section 22 (b) (9) and (10) of the Internal Revenue Code to repurchase certain of their own securities at a discount without having the discount treated as income for tax purposes is extended to December 31, 1951. That provision has been in the law, I believe, since 1943.

Your committee has also added to the bill two provisions which relate specifically to the current emergency.

One of these provides an exclusion from taxable income of the pay received by members of the Armed Forces. The exclusion is limited to persons in areas of active combat such as Korea, which are to be designated by the President. For an enlisted man or a warrant officer the proportion of his annual pay received as a member of the Armed Forces which will be fully excluded is determined by dividing the number of months in any part of which he is in areas of active conflict by the total number of months in which he served in the Armed Forces, so that, if the enlisted man or warrant officer is in a combat area for one full taxable year, he is given the benefit of the exclusion of his entire pay for that year. Commissioned officers will receive an exclusion of $200 for each month, any part of which is spent in an area of active combat. This is a maximum annual exclusion of $2,400 as compared with a maximum of $1,500 under World War II legislation. The increase will help to equalize the treatment accorded officers and enlisted men.

The second provision which is of an emergency character reinstitutes a system of accelerated amortization for emergency facilities. In its broad outlines this amendment is similar to the legislation of World War II. It permits a taxpayer whose facility has been certified as an emergency facility by the designated authority to write off, at his election, the cost of such facility over a period of 60 months. This amortization deduction is in lieu of depreciation.

The provisions contained in the bill differ from those of the World War II legislation in the following respects: First, because of the uncertainty which exists concerning the organizations in the executive branch which are to handle the emergency powers of the President, the authority responsible for certifying a facility as an emergency facility is left for designation by the President, whereas under the World War II provision the authority was vested in the Army and Navy Departments and was later delegated to the War Production Board. Second, the bill permits the designation of a portion of the cost of a facility as suitable for accelerated amortization. While percentage certification of this type was in fact used during the closing months of World War II, it was not specifically provided for by the legislation of that period. Finally, the bill does not contain the provision of the World War II legislation, which provided that in event the emergency period were terminated by the President prior to the expiration of the full 60 months over which the emergency facilities would ordinarily be amortized, the amortization should be recalculated so as to absorb the full cost during the period ending with the termination of the emergency.

With the exception of amendments relating specifically to the current emergency, the provisions which your committee has added to this bill do not have an appreciable impact upon the revenues. It is impossible to estimate the revenue loss under the exclusion of military personnel, but it is obvious that the loss will be small as compared with that of the World War II legislation, because of the smaller number of individuals in the Armed Forces and the limitation of the exclusion to those in areas of active combat. There will be a loss of revenue as a result of the accelerated amortization of emergency facilities, but the amount of the loss is very uncertain, since it depends upon the extent to which the taxpayers elect to take advantage of this provision and the nature of the policies applied by this designated certifying authority.

Mr. President, I believe that concludes what I have to say regarding the bill at this time.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a few general questions?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New Jersey?

Mr. GEORGE. I yield.

Mr. SMITH of New Jersey. Let me first apologize to the Senator. I was detained because of a luncheon engagement and did not hear his entire statement. Therefore, the questions I am going to ask probably have been covered. I should like to ask, in the first place, whether it has been the policy of the committee to balance as nearly as possible the Federal budget we are now facing, or whether, in the pending bill the committee is going part way, with the expectation that further legislation will come nearer to reaching that objective, upon the theory that a pay-as-you-go policy is the one way to keep us from drastic inflation—a thing we should all like to avoid?

Mr. GEORGE. We are going part way only, because, first, we do not know what the over-all long-range program is; and, second, we do not know what may be required to balance the budget or to pay for the extraordinary expenditures with which we are now faced, and to take up a deficit already existing.

The committee has proceeded strictly on the basis of an interim tax bill. We have done so on the specific recommendation of the President in a letter which he wrote to the chairman of the committee as well as to Members of the House, I believe, to the Speaker of the House, and also to Representative DOUGHTON, chairman of the Ways and and Means Committee of the House, and upon the express recommendation of the Secretary of the Treasury that the bill be regarded as an interim bill and that our work be hurried as much as possible in order to secure action on the bill as quickly as possible, leaving to a general revision bill such matters as in the beginning of my remarks I stated we had expressly left to that bill.

Mr. SMITH of New Jersey. Would that include the problem of excess-profits taxes?

Mr. GEORGE. That does include the problem of excess-profits taxes, taxation of cooperatives, building and loan associations, Federal savings banks, and other like organizations with respect to which the Finance Committee felt it must have hearings, and that it would not be in position to write proposed legislation upon these complicated, complex, and highly technical subjects without hearings.

This interim bill is to be followed, I will say to the Senator, almost immediately by work upon these problems which have been left over for further consideration. In the statement which I made today I expressly called attention to the fact that any excess-profits tax which might be enacted later this year, or even in 1951, would be effective, in any event, from January 1, 1951, so that the business of the country might be on notice that excess-profits taxes, if imposed at all, will be effective from January 1, 1951.

Mr. SMITH of New Jersey. Then, I draw the conclusion that the committee felt it would be unwise to levy excess-profits taxes now to be retroactive during 1950.

Mr. GEORGE. The committee felt it would be most unwise, first, because we are increasing by seven percentage points the corporate rate effective for one full half of 1950, which is a very drastic increase in corporate taxes; second, that increased rate is effective from July 1, and to impose a new tax without hearings, effective from July 1, 1950, on top of the increased rate of taxation, was felt by the committee to be an unwise step. But I will say to the Senator that that was not necessarily the controlling point with the committee. I lived through the formulation of excess-profits taxes in World War II. Members of the committee spent 5 months in a study of the excess-profits tax bill, and, with all due respect to the present Senate and the present Finance Committee, there is no one on the committee who is capable of writing an excess-profits tax without hearings, in the first instance, and without adequate consideration. It simply cannot be done. It is impossible to impose on the structure of the excess-profits tax act of World War II, or World War I, for that matter, a new excess-profits-tax act when conditions are not only different but when they are actually completely opposite to the conditions which existed when we formulated the excess-profits-tax act for World War II.

Mr. SMITH of New Jersey. That is a very important statement, because we shall have many inquiries as to why the excess-profits tax will not be imposed at this time.

Mr. GEORGE. There will be many inquiries because of the great amount of misinformation. The man in the street thinks an excess-profits tax applies to all excess profits, whereas it applies only to profits of corporations. It does not reach the corner groceryman, who, as an individual or as a member of a partnership, has been running up the prices of groceries. He is not affected. It does not reach any individual or partnership. It applies only to corporations. But the ordinary concept is that an excess-profits tax is designed to stop all profiteering. The actual way of stopping profiteering on war contracts is through contract renegotiation with the drastic provision of repricing which we had in World War II. That stopped profiteering in war contracts.

There is, of course, the question of increased profits arising because of the general economy which is affected by war activities, but the excess-profits tax act, as it was formulated in World War II, and as it operated in World War I, although at that time there was an effort to apply it to partnerships, was such a clumsily devised and hastily drawn act that it could not be effectively applied. For that reason it was actually applied only to corporations.

Mr. SMITH of New Jersey. Then those of us who receive inquiries can say that the committee has the matter under careful study and that it will be considered.

Mr. GEORGE. Not only under careful study, but I have announced as chairman of the committee, and have repeated in the Senate, that if an excess-profits tax bill is passed later this year or in the next year—and one will be passed—it will not prevent inflation. An excess-profits tax law will not prevent inflation. There never was a greater fallacy. It is the most inflationary type of tax that can be devised. An excess-profits tax law will be passed because we need revenue, which is a very good reason, and because we want to stop war profiteering, which also is a good reason. It takes both an excess-profits tax and renegotiation of contracts if we are realy going to embark on a large military program.

Mr. SMITH of New Jersey. I thank the Senator for his very important explanation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. AIKEN. I noticed on the desk an amendment intended to be proposed by the Senator from Wyoming [Mr. O'MAHONEY] which would apply an excess-profits tax as it existed before its repeal in the fall of 1945. Has the Senator any estimate as to the effect on the revenue of the reapplication of the excess-profits tax as proposed by the Senator from Wyoming? I do not mean the effect of the impact on the economy, but from a revenue point of view alone.

Mr. GEORGE. As it is drawn and as it now stands it would not produce anything for 1950. I think, perhaps, that is due to an error; it might be typographical, or in the formulation of the amendment. But, actually, as it is drawn—I looked at it last night—it would raise practically no revenue for this year. It would result in decreasing the revenue, in my judgment, in 1950. But I think that is due to an error which possibly could be corrected. It cannot be hurriedly corrected. It illustrates precisely what I have been saying today. The distinguished Senator from Wyoming submitted an amendment some days ago, and I think he said he had been studying the subject for years. It was followed by another amendment submitted day before yesterday, which clearly shows that one cannot hurriedly formulate an excess profits tax act. I dare undertake to say that no really responsible member of the Committee on Finance would want to undertake to write one without some hearings, because it is through hearings, through objections, through the contentions which witnesses offer, and through the views which are presented by industries that it is possible to arrive at some reasonably fair conclusion. I do not say that the recommendations of industries are always followed. Sometimes the decision arrived at runs exactly opposite to such recommendations. Nevertheless, recommendations are valuable. The difficulty about an excess-profits tax is this: An excess-profits tax which is no more than the changing of a base period, with an attempt to fit into an act which was passed at the beginning of World War II, is wholly inapplicable, because none of the relief proposals will fit into it, and the average credit formulas will not fit into it. Without relief provisions in an excess-profits tax, the result is one of the

most harmful forms of taxation that could possibly be devised.

Mr. AIKEN. The Senator inferred in his remarks that an excess-profits tax of itself might prove to be inflationary. I am not quite certain what he meant.

Mr. GEORGE. It is the most wasteful form of tax.

Mr. AIKEN. I assume the Senator meant that it would create its own inflationary money with which the tax would be paid. Is that correct?

Mr. GEORGE. That is correct.

Mr. AIKEN. Is it possible that we may have to come to the imposition of such a tax in order artificially to create inflation?

Mr. GEORGE. An excess-profits tax has very great value. Its great value is that it raises revenue when revenue is needed. It also has great psychological value, because it indicates to the public that we are undertaking to check profiteering.

Mr. AIKEN. It could possibly be used to create, let us say, a mild form of inflation with which to meet the needs for revenue, which could not otherwise be met. Is that correct?

Mr. GEORGE. No, sir; that is not correct at all. That would be like killing the patient to stop the disease.

Mr. AIKEN. Well, that has been done, too.

Mr. GEORGE. Yes; that has been done often, I fear. I meant to say it is inflationary in this respect: When a very high corporate tax has been imposed, plus a very high excess-profits tax, thus taking away all possibility of earnings, industries are induced—and sometimes industries do not need much inducement—to become wasteful and extravagant. They begin to rent many floors of the big hotels in Washington. Some of them have them even now, as a kind of hang-over from the last excess-profits tax, although most of them have been vacated. That is so in the hotel where I happen to live. It directly tends to feed inflation to the extent that any corporate tax can be passed along on goods or services. I do not think we need to deceive ourselves about that. However, not all of the cost of goods and services can be passed on. Generally speaking the corporate tax is borne by the consumer of the goods and services.

An excess-profits tax has an effect upon the incentive, habits, and practices of those who engage in industry, and they become more extravagant and less disposed to save. I do not mean to say that we will not have an excess-profits tax. I frankly said that I think we would. I think that if military preparations continue on a large scale we will need it, both for the psychological effect and primarily to get revenue.

Mr. AIKEN. Assuming that there is a reasonable increase in the economy of the country, let us say, of 10 percent, has the Senator any estimate as to how much could be raised in additional taxes without, as he said, killing the patient to cure the disease—the patient in this case being the American economy? What would it be possible to raise? I have heard estimates of $10,000,000,000 and $15,000,000,000 and various other figures.

Mr. GEORGE. I think that if a careful study is made of the Federal Reserve industrial indices, I think it will indicate that if the industrial level goes to 200 and remains at 200 or 205 for the next 12 months, we will have an increase, on the basis of present corporation tax rates, of something like from $3,500,000,000 to $4,500,000,000.

Mr. AIKEN. That is much above the estimate.

Mr. GEORGE. That is much above the estimate. It indicates a pretty high level of industrial activity, and I think a careful study of the Federal Reserve industrial indices since June and through July and August will indicate that the index level may go to 210 and 215. In that event the present rates would produce a good deal of added revenue. The difficulty about increasing rates is, Are we wise enough to stop the increase at a point where we will not also check the rise of the industrial index? It requires very great wisdom. The great difficulty about formulating an excess-profits tax is in fitting it into present conditions, and in formulating it so as to make practical the relief provision.

I assume the Senator has heard of section 722 of the present excess-profits tax. In my opinion, although we worked on it for 2 or 3 months—and continuously for perhaps a month or 2 months—section 722 is not an adequate relief measure in an excess-profits tax, and it will have to be reformulated in order to make it effective. We have done our best to make it effective. We have even had a sort of watchdog committee in the Joint Committee on Internal Revenue Taxation to visit the Commissioner of Internal Revenue and his tax council, which was set up for the purpose of really effectively administering section 722, and we did not make much headway, and we have not made much headway.

Mr. DOUGLAS. Mr. President, will the eminent Senator from Georgia yield for a question?

Mr. GEORGE. Yes.

Mr. DOUGLAS. I notice from the report of the Senator's committee, and I understand also from the Senator's verbal statement on the floor, that the bill which the Senator has reported to the Senate will raise $4,500,000,000 a year when it is fully effective, and probably $3,000,000,000 for the fiscal year ending July 1, 1951. Is that correct?

Mr. GEORGE. That is correct. There is a slight——

Mr. DOUGLAS. A slight margin of error on either side.

Mr. GEORGE. Yes. There is a substantial difference in the figures based on whether the Treasury estimate or the staff estimate is taken. I believe the Treasury estimate would justify us in adding some $2,500,000,000 more to the estimated income.

Mr. DOUGLAS. The difference would be less than 10 percent on either side of the estimates.

Mr. GEORGE. Yes.

Mr. DOUGLAS. I take it that the distinguished chairman of the Committee on Finance is acquainted with the supplemental appropriation bill which was filed today in the House. I hold in my hand a report of the House Appropriations Committee which lists the appropriations in the supplemental deficiency bill for the current year of 1950–51 at $16,771,000,000, of which $15,642,000,000 are for the Defense Establishment. Is the distinguished chairman aware of those figures?

Mr. GEORGE. Only from rumor and from newspaper statements.

Mr. DOUGLAS. I have a copy of the report which I will give to the eminent Senator. The figures are borne out by the record. It is apparent that the bill which has been reported by the Finance Committee will raise only $3,000,000,000 during the fiscal year 1951, whereas the added expenses will be $16,771,000,000. Therefore, the tax bill will fail to meet the added expenses by $13,500,000,000. To this should be added the deficit, which would have existed without these extraordinary war appropriations, of at least $3,000,000,000 and possibly $4,000,000,000. So even with the pending tax bill, if it is not added to, there will be a deficit for the current fiscal year of at least from $16,500,000,000 to $17,000,000,000. Of course, against that could be set up an offset, as the chairman said, of the rising taxable income. But he states that these added receipts will not exceed $3,000,000,000. So if we merely approve this tax bill and do not increase it we are faced with a deficit for the current year of at least $13,500,000,000.

I should like to ask the distinguished chairman of the Committee on Finance if that will not force the Treasury to borrow large sums of money from the banks. The banks will then create credit by writing up on their books the amounts against which the Treasury can draw, the total result being an increase in the amount of credit in relationship to the quantity of goods. Because these added amounts of credit will be checked on by the Government in payment for services and materials. Will not the inevitable result be a great increase in credits and inflation, with all the terrible consequences which that brings, first, in its effect on those living on annuities, then on those holding life insurance policies, upon those of the salaried classes, whose incomes are more or less fixed, and of course with the unsettling effect which all this will have upon labor relationships, the cost of living rising more rapidly than the advances in wages?

I should like to ask the very eminent chairman of the Finance Committee, whom we deeply respect, whether, in view of all this, should not the tax bill be increased upward very markedly as quickly as possible? That is a long question.

Mr. GEORGE. Yes, it is a long question, and involves a great many "ifs."

Mr. MILLIKIN. Mr. President——

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Georgia yield to the Senator from Colorado?

Mr. MILLIKIN. I ask the Senator to yield so that I may ask a question of the distinguished Senator from Illinois.

Mr. GEORGE. I am glad to yield for that purpose.

Mr. DOUGLAS. I am delighted to see the Senator from Colorado adopting a New England tendency and answering a question by asking another. But I shall be very glad to attempt to answer.

Mr. MILLIKIN. I shall attempt an observation, rather than a question. There is a vast difference between expenditures and appropriations. The Senator's question rests on appropriations. What does the Senator estimate the amount in terms of expenditures? They are generally about half the appropriations, are they not?

Mr. DOUGLAS. I have not observed that to be true of the ordinary Federal budget. The ordinary Federal budget is generally one in which amounts appropriated are expended. It may be that in the present war budget the administration is asking for appropriations for which at the present moment there are not plans for expenditure. But in view of the grave international situation, does anyone believe that we will not increase military expenses by at least $10,000,000,000 and possibly by $15,000,000,000 a year?

Mr. MILLIKIN. That may be entirely true, but I was about to say that the Senator was citing figures which do not quite meet the situation, which involves a figure of expenditure, and not of appropriations. We made appropriations for the last fiscal year, and we are surprised at the smallness of the deficit, because all the appropriations have not been spent.

Mr. DOUGLAS. Yet we had a deficit.

Mr. MILLIKIN. It was perhaps a billion and a half dollars less than had been anticipated, because all the money has not been spent. So, if the Senator is going to talk about money, we will talk about expenditures and not appropriations. I suggest we keep our figures straight.

Mr. DOUGLAS. I am very anxious to do that; but the Senator from Colorado will remember that the expenditures for the current year were only about 5 percent less than the appropriations, about $2,000,000,000 in the aggregate, but only about 5 percent, so far as the total was concerned.

Mr. MILLIKIN. The Secretary of the Treasury appeared before our committee, and when we questioned him as to why the deficit was not so large as had been anticipated, he admitted we had underspent by about a billion and a half dollars.

Mr. DOUGLAS. That was just my point; but that was only 5 percent of the total.

Mr. MILLIKIN. We are trying to find out what the expenditures will be, and have not been able to do so, but there is a prospect that on the military end they could not possibly be more than half the appropriations, because we cannot spend money that fast, even with our genius for spending money.

Mr. GEORGE. Mr. President, it would be absolutely impossible to spend the amount of money the Senator from Illinois anticipates will be spent.

Mr. DOUGLAS. Why does the House committee recommend this appropriation, then?

Mr. GEORGE. I do not know. I am not responsible for what the Appropriations Committee does, or for what the Senate does. However, it will be spent ultimately, and I suppose this is a good time to get the appropriation. The officials always have a way of taking care of the unexpended balances. It depends entirely on what the expenditures are going to be. But let me answer the Senator by saying that the Chief Executive, at the other end of the Avenue, who has charge of the expenditures, and can accelerate them or retard them, has himself asked that the pending bill be regarded, and acted upon quickly, as an interim bill only, that it not be delayed, and that it be confined to the particular recommendations which he submitted to the committee. I therefore assume that he will not overspend, and will regulate the outflow of money, to a reasonable degree, at least, so as to prevent anything like the staggering deficit the Senator contemplates at the moment.

Mr. DOUGLAS. Mr. President, of course we all share the high opinion of the Chief Executive which the Senator from Georgia has so eloquently expressed. But we have to use also our own judgment in the matter, and is it not true that in the face of the Communist threat to world peace and to our security, we must have a greatly increased volume of military expenditures? Instead of 12 divisions, is it not true that we must have at least 25 full strength divisions ready, and a 70-group Air Force instead of a 48-group skeleton Air Force, and that therefore a doubling of the military expenditures seems most conservative?

Mr. GEORGE. I would not undertake to say what we do have to have. I do undertake to say that no long-range program has been laid down, and none is before us, and we do not know what the expenditures will be. I undertake to say, further, that it is possible to destroy an economy in war as well as in peacetime.

If the Senator wants us to raise $16,000,000,000 more, we could not get over about four or five billion out of an excess-profits tax, and where would he suggest we get the balance?

Mr. DOUGLAS. The first question we have to settle is, how much do we need to raise in taxes in order to avoid inflation. After we decide that question we can proceed to the methods by which we will raise the money.

The point I am trying to make and develop to the eminent Senator from Georgia is that on one day the House Committee on Appropriations comes forward and asks for an appropriation of $16,750,000,000, of which all but a billion dollars is designed for war purposes, and on the same day the Senate Finance Committee, through its chairman, presents a tax bill which he states will not produce appreciably more than $3,000,000,000 for the current year. If we take those two figures together, the bill presented by the Senator from Georgia will not produce more than one-fifth of the appropriation being asked for.

Mr. GEORGE. Mr. President, I may say to the Senator that the bill does not raise a full year's revenue. It is not intended to do so. The President himself asked us to make individual-income-tax rates effective October 1. Does the Senator from Illinois want to make them applicable for the whole year?

Mr. DOUGLAS. Well, those are details.

Mr. GEORGE. They are details, but they are also the bread and meat and the life of the taxpayer.

Mr. DOUGLAS. I would merely point out——

Mr. GEORGE. I am saying that here we have applied one prong of the bill to individual rates from October only, for 3 months out of the year. We have applied the corporate increases for a full half year, because it was about July 1, a day or so before or after—I believe before—when the House passed its bill. Of course, the full effects of a tax measure are not obtained until a full year of operation.

It is also clear, and I made it clear today, that this is only a stop-gap bill. It is intended to be that. But I will say to the Senator that I must see a long-term program before I crucify the American people with a tax burden which they cannot bear. If the President is ready to give us a long-term program, and if he is ready to lay it down so we can see what we are going to be called on to meet, then we can undertake to raise additional taxes.

Mr. KNOWLAND. Mr. President, will the Senator from Georgia yield to me so that I may address a question to the Senator from Illinois?

Mr. GEORGE. I yield.

Mr. KNOWLAND. I entered the Senate Chamber in time to hear only the latter part of the discussion of the Senator from Georgia. I think there are a great many of us on both sides of the aisle who are concerned over the problems the Senator raised. The Defense Establishment prior to the outbreak of the Korean war was apparently going to cost us in the neighborhood of some $14,000,000,000. At least that was the budgeted amount. Since that time the President has sent to the Congress a request for some $10,000,000,000 for the Military Establishment in a supplemental bill. The House is now considering an appropriation of some $4,000,000,000 in the arms implementation bill. I believe that with the request for the Navy, and for some other items, the amount will aggregate about $16,000,000,000. I am using round figures now rather than exact figures. So, for the current year in which we now find ourselves the appropriations for defense are brought up to about $30,000,000,000.

The able Senator from Virginia [Mr. BYRD], I believe a week or so ago, made the statement that in his judgment the cost of the Defense Establishment would probably, with the increased amounts, reach the sum of about $50,000,000,000, certainly within the next year or two. I believe that the Senator

from Virginia was being conservative in his statement.

In view of that fact, and in conformity with the statement made by the Senator from Georgia, the chairman of the Finance Committee—and I do not disagree with the statement he has just made that the Congress and the country are entitled to be informed fully and frankly what the defense costs and what the total costs of the Government are to be—I believe, that, based on the information which has already been presented and that which is in the making, the figure of $50,000,000,000 for defense is a conservative figure, and that within 2 years certainly the total cost of Government may well go to $70,000,000,000, including the defense plus the civilian needs and the general operations of the Government.

If that be so, then it seems to me that the tax bill which is now before us, is only taking a very small nibble and making a very small contribution toward the vastly increased expenditure with which the country is going to be faced, and I cannot help but believe that the Senate should take those facts into consideration in considering increasing the revenue to be provided by the tax bill which is now before the Senate.

Mr. DOUGLAS. That is just what the Senator from Illinois has been trying to stress.

Mr. GEORGE. Mr. President, I have no objection to increasing the taxes to be levied when we can, but I remind both Senators that the Government has not gone on a full wartime economy as yet, and until we do go onto a full wartime economy we can deal our economy a very severe and perhaps an irreparable injury by an indiscriminate increase in taxation above the present high point the bill will impose. But I have also said that we were invited by the President and by the Secretary of the Treasury to deal with this bill as a stopgap, to be followed, when we did have fuller and better information and more certain information, by an over-all tax bill which would certainly be effective from January of next year on, insofar as most of the taxes that could be imposed are concerned. Of course, it is quite difficult to make an individual income tax retroactive over any length of time, in view of our present withholding program system.

I have made the subject as clear as I can make it. This bill is not intended to exhaust the subject, by any sort of means. But until we have the over-all long-range program before us, we cannot know how much money we will have to raise, and I do not undertake to say that we can raise it by taxation. I would hope that we could do so. But I do not know whether we can or not. It depends upon what the long-range program is going to call for. It could call for more than possibly could be obtained from taxation.

Mr. KNOWLAND. Mr. President, will the Senator yield for an inquiry?

Mr. GEORGE. Yes.

Mr. KNOWLAND. I quite agree, and I know the tremendous problem with which the able Senator, the chairman of the Finance Committee, is faced. There is no committee in the Senate which commands a higher respect on the part of the Members on both sides of the aisle, and whose chairman commands greater respect than does the Senator from Georgia.

Mr. GEORGE. I thank the Senator.

Mr. KNOWLAND. But would the Senator agree with me in the statement that if it turns out to be a fact that the minimum defense needs of the Nation are going to approximate $50,000,000,000 for the next several years, that information should be made available to the Finance Committee, to the Senate, and to the House of Representatives, so that not only may we be able to tackle in an intelligent sort of way our revenue needs, but also so that there may be brought home to both the House and the Senate and to the country the absolute necessity of cutting down on nonessential Government spending?

Mr. GEORGE. I think so. I fully agree with the Senator. When the road bill was under consideration I voted to cut very essential items, in some of which I know my own constituents are interested. But I have made up my own mind that I will cut all nondefense, nonmilitary items as close to the bone as we can possibly cut such appropriations. I think it is far past time when the Government itself should take leadership in exactly that sort of a program. I think any postponable activities or projects, however desirable, should be postponed.

Mr. AIKEN. Mr. President, assuming that the United States has to go on a war footing, with a total budget of $75,000,000,000 a year, for several years, does the Senator think it is fully as important to control excess purchasing power in the United States as it is to raise revenue through taxation?

Mr. GEORGE. Oh, yes; I certainly am not oblivious to the dangers of inflation.

Mr. AIKEN. Control of excess purchasing power is most important, and a failure to control it would be disastrous.

Mr. GEORGE. Undoubtedly so.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Does the Senator from Georgia yield to the Senator from Illinois?

Mr. GEORGE. I yield. I shall yield the floor in a few minutes.

Mr. DOUGLAS. Is it not to be presumed that when the Defense Establishment submits a request for $15,643,000,000, as it did in the supplemental bill, the request is approved by the administration, in the absence of a specific disclaimer or statement to the contrary?

Mr. GEORGE. I think so, but I do not think it is to be presumed that all of it will be spent within the current fiscal year. In fact, I do not think all of it can be spent in the current fiscal year, although it could be wasted in that period of time. I doubt whether the President has in mind, in submitting the budget, the expenditure of all that sum of money within the current fiscal year. How high expenditures may go, I do not know; but I think there is a limitation on what can be spent for the year.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MILLIKIN. I suggest that we find out—and I am making inquiry to see if we can find it out—whether the bulk of those expeditures are proposed for Air Force items. Of course, it takes several years to make expenditures under appropriations of that sort.

Mr. AIKEN. All of us recall that in World War II the appropriations for the air arm of the service were so large that when the 1st of July 1942, came around, the air establishment had a considerable amount of excess funds; and in order not to have to return them to the General Treasury, they were transferred to the lend-lease fund, where I think they remained until practically the end of the war.

Mr. GEORGE. I very well recall the fact that they had on hand surplus funds which they had not been able to spend.

Mr. AIKEN. The amount was about $35,000,000.

Mr. MILLIKIN. Of course, they have to have forward contracts for such matters; and forward contracts cannot be made without specific authority.

Mr. GEORGE. Certainly. They have to have contract authority or other authority expressly given them. Of course, that will account for a great part of the heavy expenditures for the war effort here in the United States, and perhaps on the part of some of our allies in the North Atlantic Treaty group. However, how much of it will be spent during the current fiscal year, I do not know.

I do know that in all probability this bill will not meet all our costs and wipe out the estimated deficit; but I do not think anyone can say now what the deficit will be 12 months hence, because we do not have a complete, long-range program before us, so that we can really estimate what it is going to be.

Mr. DOUGLAS. It is my contention that even though the $15,600,000,000 for which appropriations are being asked may not be spent during the current fiscal year, nevertheless the added military expenditures will be vastly in excess of the added revenues which this bill will provide.

Mr. GEORGE. I do not think that follows at all. It will depend entirely upon how much is spent.

Mr. DOUGLAS. In view of the military situation, it is inconceivable that only $3,000,000,000 more will be spent.

Mr. GEORGE. There cannot be any assurance as to what the expenditures will be, until the year is completed or is nearly completed.

Mr. DOUGLAS. But we can anticipate.

Mr. GEORGE. I presume that is exactly what the Chief Executive has done when he has asked for the enactment of this bill and has asked that we do not delay its enactment by undertaking to bring into it highly technical, highly

controversial, highly difficult tax problems.

If the Senator from Illinois wants to increase the revenue, and wants to do it quickly, we can raise the tax rate on corporations higher than the 45 percent tax we are proposing in this measure and we can increase the tax rates we are proposing in the case of individual incomes. However, I should like to remind the Senator from Illinois that the income-tax rates on individuals will be within 3 percentage points of the all-time peak level of the taxes in World War II, minus the increased exemption from $500 to $600, the exemption for the aged and the blind, plus or minus, as one may wish to regard it, and the split-income provisions which we placed in the 1948 Act.

Otherwise, under this measure the taxes on individuals will go to within 3 percentage points of the level of the all-time high, World War II taxes; and under this measure the tax on corporations will be above the World War II taxes, until we reach the point where some revenue is brought in from the excess-profits tax. However, it will go 5 points above the World War II tax on the normal and surtax incomes of corporations, and those incomes now are greater; so that there will be a substantial showing of increased revenue.

However, the point is that until we have the blueprint or until we have more certain knowledge of what our obligations are to be, we can take only one step at a time. We propose that we take this step now. I daresay that when we return home most of us will find that the people at home will think we have taken a rather substantial step, when they begin to pay the tax. However, of course, that is not the answer to our problem. The answer is that this is the first, and the necessary, and the quick step, and we wish to take it effectively, if we can. We wish to begin withholding on the new basis in October, and we shall not have any spare time in which to do so.

Therefore, the Secretary of the Treasury and the President have suggested that we do not go beyond their recommendations in regard to closing certain loopholes and imposing higher tax rates on individual incomes, as recommended by the administration, and imposing the corporate tax rates which have been recommended by the administration. That is what the committee has provided for faithfully in this bill.

Mr. DOUGLAS. Mr. President, is not the analogy the Senator has used, when he has referred to the desire to keep in step, somewhat faulty? Will not there be a lack of balance under the bill he is proposing? Certainly we shall be taking a tremendous step forward with our right foot, in respect to what will be the military appropriations; but we shall be taking a short step with our left foot, insofar as providing revenue is concerned. Thus, a big gap will be left between the two, unless it is made up by Government borrowing, if this is done, most of the loans will have to be obtained from the banks. That will increase the total supply of credit. This will result in increased prices and an increase in the cost of living and a decrease in the real incomes of those who have fixed incomes or those who are on salaries. There will be an increase in labor strife, which will have a very unsettling effect.

The Senator from Georgia very correctly points out the difficulty of increasing taxes; but in all humility I ask whether he is sufficiently conscious of the difficulties caused by inflation. And such inflation will necessarily follow from an inadequate tax bill.

Mr. GEORGE. Mr. President, I think I am; and I believe the Government is responsible for a great deal of the inflation which now exists.

Therefore, I think the first responsibility is for the Government to clean house. If the Government is going to embark on an all-out military program, I think the Government also has the responsibility of embarking on an all-out economic program in connection with the handling of its own affairs at home, in its domestic programs.

Mr. DOUGLAS. I am doing my best to reduce unnecessary expenditures, let me say. But that battle has been fought by us and largely beat for the year 1950–51.

Mr. GEORGE. I believe I understand the difficulties of inflation, but I do not think the mere raising of additional taxes by any kind of means is going to answer the problem.

Mr. DOUGLAS. But, the less the Government has to borrow from the banks, the less additional credit will be created, and the less inflation will occur. It seems to me that the tax bill as reported by the eminent committee will raise only a small fraction of the revenue which is needed. It will necessitate borrowing, and will therefore create inflation. I am not saying it is possible for us as a practical matter to raise 100 percent of the war expenditures from taxation. But should we not set our sights very much higher than is done in the pending bill? Should we not try to raise very much more?

Mr. GEORGE. Mr. President, I tried to make it clear to the Senator that the sights in this instance were set by the President and by the Secretary of the Treasury. His quarrel therefore is with the President and with the Secretary of the Treasury. They may be in error, but if they want a bill this year, they are not in error. I mean exactly what I am saying: If they want a tax bill this year, they were exactly right. Senators may do as they wish about it, but I am not going to vote to impose new taxes until the American people have been given a reasonable time to appear and to present their case. It is possible to make haste very rapidly, and I am fearful that, if a full-scale war does not come, some of the things we are doing will look very foolish within 10 or 12 months from now.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. AIKEN. Does the Senator from Georgia recall the highest amount of revenue received during World War II, in any one year, from all sources other than borrowings?

Mr. GEORGE. I think it was about $45,000,000,000.

Mr. AIKEN. Does the Senator believe that $45,000,000,000 was the high year?

Mr. GEORGE. Yes.

Mr. AIKEN. That is, it also included the high amount of receipts from social security taxes, minus the lower expenditures for unemployment insurance payments. Is that correct?

Mr. GEORGE. It was $45,000,000,000, according to my recollection.

Mr. AIKEN. Forty-five billion dollars is about the maximum amount then, is that correct?

Mr. GEORGE. Yes, from all budgetary sources.

Mr. AIKEN. That would probably be increased at the present time by reason of the increase in the general economy, if the same comparable sources of revenue were available, would it not?

Mr. GEORGE. It could easily go to that figure at the present rates. With this increase in taxes it could easily go to somewhere in the neighborhood of $48,000,000,000, in my judgment.

Mr. AIKEN. I thank the Senator.

Mr. GEORGE. Mr. President, I am about to yield the floor. I note the presence in the Chamber of several members of the Finance Committee.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Colorado?

Mr. GEORGE. I am glad to yield.

Mr. MILLIKIN. Is it the Senator's purpose to ask that we proceed to a reading of the bill for committee amendments?

Mr. GEORGE. I thought we would do that. However, I thought that before doing so, opportunity should be given for further general discussion, if desired. I ask that we follow the usual procedure, which I understand is that we consider first the committee amendments.

The PRESIDING OFFICER. It is the understanding of the Chair that, under the rule, the bill will first be read for committee amendments.

Mr. GEORGE. Mr. President, I am now yielding the floor, and as I do so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Kefauver
Benton	Fulbright	Kem
Bricker	George	Kerr
Bridges	Gillette	Kilgore
Butler	Graham	Knowland
Capehart	Green	Langer
Chapman	Gurney	Leahy
Chavez	Hendrickson	Lehman
Connally	Hickenlooper	Lodge
Cordon	Hill	Long
Darby	Hoey	McCarran
Donnell	Holland	McCarthy
Douglas	Humphrey	McClellan
Dworshak	Hunt	McFarland
Ecton	Ives	McKellar
Ellender	Johnson, Colo.	McMahon
Ferguson	Johnson, Tex.	Magnuson
Flanders	Johnston, S. C.	Malone

Martin	Robertson	Thomas, Utah
Maybank	Russell	Thye
Millikin	Saltonstall	Tydings
Morse	Schoeppel	Watkins
Mundt	Smith, Maine	Wherry
Murray	Smith, N. J.	Wiley
Myers	Sparkman	Williams
Neely	Stennis	Withers
O'Mahoney	Taylor	Young
Pepper	Thomas, Okla.	

The PRESIDING OFFICER. A quorum is present.

The question is on the committee amendments.

MEETING OF CONFERENCE COMMITTEE ON DEFENSE PRODUCTION BILL

Mr. MAYBANK. Mr. President, the members of the Committee on Banking and Currency who have been appointed conferees on the Defense Production Act of 1950 are meeting in room G–53, in an attempt to work out a solution in conference. They will be in session until 10 o'clock tonight. I ask unanimous consent that they be excused from attendance on the session of the Senate for the remainder of the day. The Senators referred to are: The Senator from Idaho [Mr. TAYLOR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Virginia [Mr. ROBERTSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Indiana [Mr. CAPEHART], the Senator from Vermont [Mr. FLANDERS], the Senator from Ohio [Mr. BRICKER], and myself.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The PRESIDING OFFICER. The question is on the committee amendments.

Mr. DOUGLAS. Mr. President, do I understand a motion has been made that the committee amendments be agreed to en bloc?

The PRESIDING OFFICER. The Senator from Illinois is in error. The first question is on the committee amendments, in the order as they apply to the bill.

Mr. GEORGE. It would be in order to approve them all en bloc, with the reservation that any Senator may thereafter move to amend, oppose, or strike any amendment. Of course, from the standpoint of the committee we would very much like to give it that direction, not for the purpose of precluding amendments or preventing opposition to any amendment, but with the full reservation that any Senator may move to amend or strike any amendment.

The PRESIDING OFFICER. Does the Chair understand that the Senator from Georgia is proposing a unanimous-consent request to that effect?

Mr. GEORGE. I would submit that as a unanimous-consent request, if it is agreeable.

Mr. DOUGLAS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Chair would like to state the request. The unanimous-consent request of the Senator from Georgia is that the committee amendments be approved en bloc, with the reservation that any Member of the Senate may propose an amendment to any amendment reported by the committee. Does the Chair state the question correctly?

Mr. GEORGE. That is correct.

Mr. DOUGLAS. Reserving the right to object, I had always thought that in the absence of an agreement to the contrary, once a committee amendment had been approved it was impossible for the committee amendment later to be altered by amendment from the floor.

Mr. GEORGE. That is correct, but I was adding the reservation that any amendment would be open to question by way of amendment or otherwise.

Mr. DOUGLAS. May I ask what is more than a mere hypothetical question? Take a case in which the committee has eliminated a provision of the House bill. Under the agreement proposed by the eminent Senator from Georgia would it be in order later to move that the original provision be restored?

Mr. GEORGE. It would be in order to move to restore any provision.

Mr. DOUGLAS. The Senator from Georgia is making his proposal merely to facilitate bringing the issue before the Senate, and in no sense for the purpose of shutting off debate.

Mr. GEORGE. That is correct.

Mr. DOUGLAS. Debate could proceed on every amendment submitted by the committee.

Mr. GEORGE. Yes.

Mr. WHERRY. It would not preclude an amendment being offered in the second degree.

Mr. GEORGE. No.

Mr. WHERRY. Under the unanimous-consent agreement we would be in reality adopting the Senate language of the bill so far as the amendments are concerned.

Mr. GEORGE. That is correct.

Mr. WHERRY. Therefore under the unanimous-consent agreement any amendment which may be offered to the bill, so far as degrees are concerned, could be offered to the committee amendment.

Mr. GEORGE. Yes. It is not intended to preclude debate.

Mr. WHERRY. Any amendment which could be offered, so far as degrees are concerned, could be offered to the bill as amended by the committee.

Mr. GEORGE. Yes.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McCARRAN. If I may, I should like to have the Senator from Nebraska clarify one expression he used. He said, "So far as degrees are concerned." Did the Senator use that expression?

Mr. WHERRY. Yes. In other words, if a committee amendment is considered merely as an amendment and not as the bill itself, only one amendment may be offered to it. However, if we accept the language of the amendments as the bill itself, the bill can be amended not only once but twice.

Mr. DOUGLAS. Do I understand that the committee amendments would be treated as a new bill, and that not only could amendments be offered to the bill itself, but amendments could be offered to amendments?

Mr. GEORGE. Yes.

Mr. WHERRY. In the second degree.

Mr. GEORGE. Any amendments wholly outside the bill could be added.

Mr. WHERRY. Mr. President, I have no objection.

Mr. GEORGE. It is not being done for the purpose of precluding any debate or consideration of any issue.

Mr. HUMPHREY. In other words, if a Senator wishes to propose an amendment to strike out a portion of the bill and add an amendment, it is debatable and in order to do so.

Mr. GEORGE. It is in order.

Mr. HUMPHREY. It can be voted on as a separate item.

Mr. GEORGE. Yes.

Mr. DOUGLAS. I have no objection.

The PRESIDING OFFICER. The Chair will state the unanimous consent request proposed by the Senator from Georgia as the Chair understands it after conference with the Parliamentarian.

The Chair understands that the Senator from Georgia asks unanimous consent that the amendments reported by the Committee on Finance to H. R. 8920 be considered with the body of the bill as one bill, and that therefore it is open to amendment in the first degree, and to amendment in the second degree. Does the Chair state the question correctly?

Mr. GEORGE. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

The first amendment of the Committee on Finance was, on page 10, after line 2, to strike out:

"TITLE I—EXCISE TAXES

"PART I—RETAILERS' EXCISE TAXES

"SEC. 101. Reduction of tax on luggage and removal of handbags and certain other items from tax.

"Section 1651 (a) (relating to retailers' excise tax on luggage, etc.) is hereby amended to read as follows:

"'(a) Tax: There is hereby imposed upon the following articles (including in each case fittings or accessories therefor sold on or in connection with the sale thereof) sold at retail a tax equivalent to 10 percent of the price for which so sold: Trunks, valises, traveling bags, suitcases, satchels, overnight bags, toilet cases, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, and salesmen's sample and display cases.'

"SEC. 102. Retailers' excise taxes on jewelry and furs.

"(a) Reduction of tax on jewelry and furs from 20 percent to 10 percent: The table contained in section 1650 (relating to the war tax rates of certain miscellaneous taxes) is hereby amended by striking out the following:

"2400 (except as respects watches selling at retail for not more than $65 and alarm clocks selling at retail for not more than $5).	Jewelry	10 per centum.	20 per centum.
2401	Furs	10 per centum.	20 per centum.'

"(b) Elimination of tax on certain watches and clocks: The second sentence of section 2400 (listing certain articles to which the tax on jewelry does not apply) is hereby amended by inserting after 'watches designed especially for use by the blind,' the following: 'to watches sold for not more than $65, to clocks sold for not more than $5,'.

"(c) Elimination of tax on certain handicraft kits: The second sentence of section 2400 is hereby amended by inserting after 'ornamental purposes,' the following: 'to a handicraft or hobby project kit consisting of the unassembled components of a taxable article if such kit is sold for not more than 10 cents (whether or not such kit is sold singly or in packages containing more than one kit),'.

"(d) Pens, pencils, pipes, and advertising clocks: Section 2400 is hereby amended by adding at the end thereof the following: 'In the case of a fountain pen or mechanical pencil only the cap of which contains precious metals for ornamental purposes, and the cap has a separate price at retail, the tax shall be computed only with reference to the retail price of such cap. In the case of a smoker's pipe only the stem or bowl of which contains precious metals for ornamental purposes, and the part so ornamented has a separate price at retail, the tax shall be computed only with reference to the retail price of such part. In the case of an article which is a combination of a clock and an advertising sign, the tax imposed by this section shall not apply if the sum of the cost of the clock movement, hands, and numerals to the manufacturer of the article is not more than 30 percent of the manufacturer's total cost of such article.'

"(e) Sales at auction: Chapter 19 (relating to retailer's excise taxes) is hereby amended by adding at the end thereof the following new section:

"'SEC. 2412. Auction sales of jewelry and furs.

"'(a) In general: For the purposes of sections 2400 and 2401 the term "articles sold at retail" includes an article sold at retail by an auctioneer or other agent in the course of his business on behalf of (1) a person who is not engaged in the business of selling like articles, or (2) the legal representative of the estate of a decedent who was not engaged in the business of selling like articles. In the case of articles so sold, the auctioneer or other agent shall, for the purposes of section 2403, be considered the "person who sells at retail."

"'(b) Exemption of $100 in case of auction sale at private home—

"'(1) In the case of an auction sale held at the home of a person whose articles are being sold, any taxable article (as defined in paragraph (2)) of such person sold by the auctioneer shall be exempt from the tax imposed by section 2400 or 2401 except to the extent that the price for which such article is sold, when added to the sum of the sale prices of all other taxable articles of such person previously sold at the same auction, exceeds $100.

"'(2) For the purposes of this subsection—

"'(A) the term "taxable article" means an article which, by reason of subsection (a) of this section and without regard to the exemption provided in paragraph (1), is taxable under section 2400 or 2401 when sold at auction; and

"'(B) in the case of articles of a decedent sold on behalf of the legal representative of his estate, an auction sale held at the home of such decedent shall be considered as "held at the home of a person whose articles are being sold".'

"SEC. 103. Retailers' excise tax on toilet preparations.

"(a) Reduction of tax from 20 percent to 10 percent: The table contained in section 1650 (relating to the war tax rates of certain miscellaneous taxes) is hereby amended by striking out the following:

"'2402	Toilet preparations.	10 per centum.	20 per centum.'

"(b) Baby oils, etc.: Section 2402 (a) is hereby amended by adding at the end thereof the following new sentence: 'The tax imposed by this subsection shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the care of babies.'

"(c) Aromatic cachous: Section 2402 (a) is hereby amended by striking out 'aromatic cachous,'.

"(d) Sales to barber shops, etc.: Section 2402 (b) is hereby amended to read as follows:

"'(b) Beauty parlors, etc.: For the purposes of subsection (a), the sale of any article described in such subsection to any person operating a barbershop, beauty parlor, or similar establishment for use in the operation thereof, or for resale, shall not be considered as a sale at retail. The resale of such article at retail by such person shall be subject to the provisions of subsection (a).'

"SEC. 104. Retail sales by United States or by its agencies or instrumentalities.

"Chapter 19 (relating to retailers' excise taxes) is hereby amended by adding after section 2412 (added by section 102 (e) of this act) the following new section:

"'SEC. 2413. Sales by United States, etc.

"'The taxes imposed by this chapter and by section 1651 shall apply with respect to articles sold at retail by the United States, or by any agency or instrumentality of the United States unless sales by such agency or instrumentality are by statute specifically exempted from such taxes.'

"SEC. 105. Effective date of part I.

"The amendments made by this part shall apply only to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act. For the purposes of this section an article shall be considered as sold prior to such first day if the right of possession thereto passed to the purchaser before such first day.

"PART II. TAX ON ADMISSIONS AND CABARETS

"SEC. 121. Reduction of tax on admissions from 20 percent to 10 percent.

"The table contained in section 1650 (relating to the war tax rates of certain miscellaneous taxes) is hereby amended by striking out the following:

"'1700 (a)	Admissions	1 cent for each 10 cents or fraction thereof.	1 cent for each 5 cents or major fraction thereof.'

"SEC. 122. Removal of tax on free admission.

"So much of paragraph (1) of section 1700 (a) (relating to the tax on single or season tickets) as precedes the last sentence of such paragraph is hereby amended to read as follows:

"'(1) Rate: A tax of 1 cent for each 10 cents or major fraction thereof the amount paid for admission to any place, including admission by season ticket or subscription. No tax shall be imposed on the amount paid for admission of a child under 12 years of age if the amount paid is less than 10 cents. In the case of persons (except bona fide employees, municipal officers on official business, and children under 12 years of age) admitted free or at reduced rates to any place where the principal amusement or recreation offered with respect to the admission is the running of horse or dog races at a time when and under circumstances under which an admission charge is made to other persons, an equivalent tax shall be collected based on the price so charged to such other persons for the same or similar accommodations, to be paid by the person so admitted.'

"SEC. 123. Exemptions from admissions tax.

"(a) Reinstatement of prewar exemptions: Notwithstanding section 541 (b) of the Revenue Act of 1941, the provisions of section 1701 (relating to exemptions from the admissions tax) shall apply to amounts paid on or after the effective date specified in section 124 of this act for admissions on or after such date.

"(b) Amendment of section 1701 (a): Section 1701 (a) (relating to religious, educational, or charitable entertainments) is hereby amended to read as follows:

"'(a) Religious, educational, or charitable entertainments, etc.—

"'(1) In general: Except as provided in paragraph (2), any admissions all the proceeds of which inure—

"'(A) exclusively to the benefit of religious, educational, or charitable institutions, societies, or organizations, societies for the prevention of cruelty to children or animals, or societies or organizations conducted for the sole purpose of maintaining symphony orchestras and receiving substantial support from voluntary contributions or of maintaining a cooperative or community center moving-picture theater—if no part of the net earnings thereof inures to the benefit of any private stockholder or individual;

"'(B) exclusively to the benefit of National Guard organizations, Reserve Officers' associations or organizations, posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private stockholder or individual; or

"'(C) exclusively to the benefit of a police or fire department of any city, town, village, or other municipality, or exclusively to a fund for the sole benefit of members of such a police or fire department or the dependents or heirs of such members.

"'(2) Nonexempt admissions: The exemption provided under paragraph (1) shall not apply in the case of admissions to (A) any athletic game or exhibition unless the proceeds inure exclusively to the benefit of an elementary or secondary school, (B) wrestling matches, prize fights, or boxing, sparring, or other pugilistic matches or exhibitions, or (C) carnivals, rodeos, or circuses in which any professional performer or operator participates for compensation.'

"(c) Admissions to municipal swimming pools, etc.: Section 1701 is hereby amended by striking out the period at the end of subsection (c) and inserting in lieu thereof "; or" and by adding at the end of such section the following new subsection:

"'(d) Municipal swimming pools, etc.: Any admissions to swimming pools, bathing beaches, skating rinks, or other places providing facilities for physical exercise, operated by any State or political subdivision thereof or by the United States or any agency or instrumentality thereof—if the proceeds therefrom inure exclusively to the benefit of the State, political subdivision, United States, agency, or instrumentality. For the purposes of this subsection the term "State" includes Alaska, Hawaii, and the District of Columbia.'

"(d) Abatement with respect to tax on certain admissions to swimming pools and bathing beaches operated by municipalities, etc.: No penalty (including interests, additions to the penalty, and additional amounts) shall be assessed or collected, under section 1718 (c) of the Internal Revenue Code or under any other provision of law, on or after the date of the enactment of this act on account of the failure of a State or political subdivision thereof to collect the tax imposed

by section 1700 (a) with respect to any admission prior to January 1, 1950, to any swimming pool or bathing beach operated by such State or political subdivision. If any such penalty has been assessed and not collected prior to the date of enactment of this act, or is assessed on or after such date, the assessment shall be abated; and if such penalty is collected by the United States on or after such date the amount so collected shall be paid back as a penalty collected without authority. For the purposes of this subsection the term 'State' includes Alaska, Hawaii, and the District of Columbia.

"SEC. 124. Effective date of amendments relating to admissions.

"The amendments made by sections 121, 122, and 123 shall be applicable with respect to amounts paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act for admissions on or after such date.

"SEC. 125. Tax on cabarets, roof gardens, etc.

"(a) Reduction of tax from 20 percent to 15 percent: Section 1650 (relating to the war tax rates of certain miscellaneous taxes) is hereby amended by striking out '20 percent' where it appears in the table therein as the war tax rate on cabarets, roof gardens, and so forth, and inserting in lieu thereof '15 percent.'

"(b) Ballrooms and dance halls: Section 1700 (e) (1) (relating to tax on cabarets, roof gardens, etc.) is hereby amended by inserting after the second sentence thereof the following new sentence: 'In no case shall such term include any ballroom, dance hall, or other similar place where the serving or selling of food, refreshment, or merchandise is merely incidental, unless such place would be considered, without the application of the preceding sentence, as a "roof garden, cabaret, or other similar place." '

"(c) Effective date: The amendments made by subsections (a) and (b) shall be applicable only with respect to periods after 10 antemeridian on the first day of the first month which begins more than 10 days after the date of the enactment of this act.

"PART III—TOBACCO

"SEC. 131. Reduction of tax on snuff and on plug and twist tobacco.

"(a) Snuff: Section 2000 (a) (1) (relating to tax on snuff) is hereby amended by striking out '18 cents' and inserting in lieu thereof '8 cents.'

"(b) Plug and twist tobacco: Section 2000 (a) (2) (relating to tax on chewing and smoking tobacco) is hereby amended by striking out clippings, cuttings, and sweepings of tobacco, a tax of 18 cents per pound, and inserting in lieu thereof:

" 'clippings, cuttings, and sweepings of tobacco—

" '(A) in the case of plug or twist tobacco, a tax of 8 cents per pound; and

" '(B) in the case of all other tobacco described in this paragraph, a tax of 18 cents per pound.'

"SEC. 132. Rate of tax on cigars.

"Section 2000 (c) (1) (relating to rate of tax on cigars) is hereby amended to read as follows:

" '(1) Cigars: On cigars of all descriptions made of tobacco, or any substitute therefor, and—

" '(A) weighing not more than 3 pounds per thousand, 75 cents per thousand;

" '(B) weighing more than 3 pounds per thousand—

" '(i) if manufactured or imported to retail at not more than 3½ cents each, $2 per thousand;

" '(ii) if manufactured or imported to retail at more than 3½ cents each and not more than 6 cents each, $2.50 per thousand;

" '(iii) if manufactured or imported to retail at more than 6 cents each and not more than 8½ cents each, $3.50 per thousand;

" '(iv) if manufactured or imported to retail at more than 8½ cents each and not more than 13 cents each, $5.50 per thousand;

" '(v) if manufactured or imported to retail at more than 13 cents each and not more than 17 cents each, $8.50 per thousand;

" '(vi) if manufactured or imported to retail at more than 17 cents each and not more than 23 cents each, $11 per thousand;

" '(vii) if manufactured or imported to retail at more than 23 cents each and not more than 30 cents each, $14.50 per thousand;

" '(viii) if manufactured or imported to retail at more than 30 cents each, $20 per thousand.

" 'Whenever in this paragraph reference is made to cigars manufactured or imported to retail at not over a certain price each, then in determining the tax to be paid regard shall be had to the ordinary retail price of a single cigar in its principal market, exclusive of State and local taxes.'

"SEC. 133. Allowing stamps to be attached in foreign countries to certain tobacco products.

"(a) Tobacco and snuff: Section 2103 (c) (relating to supply of stamps) is hereby amended by adding at the end thereof the following new sentence: 'If the government of a foreign country permits the revenue stamps of such country to be affixed in the United States to tobacco or snuff manufactured in the United States and imported into such foreign country, then, if tobacco or snuff manufactured in such foreign country is imported into the United States from such foreign country, the importer may, under such rules and regulations as the Commissioner with the approval of the Secretary of the Treasury may prescribe, have the United States revenue stamps attached to such tobacco or snuff in such foreign country.'

"(b) Cigars: The second sentence of section 2112 (c) (relating to attaching stamps to cigarettes in foreign countries) is hereby amended by striking out 'cigarettes' wherever appearing therein and inserting in lieu thereof 'cigars or cigarettes'.

"(c) Effective date: The amendments made by this section shall take effect on the first day of the first month which begins more than 10 days after the date of the enactment of this act.

"SEC. 134. Effective date of part III.

"The amendments made by this part (other than by section 133) shall apply to removals, for consumption or sale, made on or after the first day of the first month which begins more than 20 days after the date of the enactment of this act.

"PART IV—OCCUPATIONAL TAXES

"SEC. 141. Distilled spirits used in the manufacture of certain nonbeverage products.

"(a) Occupational tax: Paragraph (2) of section 3259 (1) (relating to special tax on persons using distilled spirits in the manufacture of certain nonbeverage products) is hereby amended to read as follows:

" '(2) Such special tax per annum shall be graduated in amount as follows: (A) For total annual withdrawals not exceeding 10 proof gallons, $5 per annum; (B) for total annual withdrawals not exceeding 25 proof gallons, $25 per annum; (C) for total annual withdrawals not exceeding 50 proof gallons, $50 per annum; (D) for total annual withdrawals of 50 proof gallons or more, $100 per annum.'

"(b) Drawback. Paragraph (5) of section 3250 (1) (relating to drawback on distilled spirits used in the manufacture of certain nonbeverage products) is hereby amended to read as follows:

" '(5) Drawback. A drawback at the rate of $6 on each proof gallon shall be allowed on distilled spirits tax paid and used as provided in this subsection and be due and payable quarterly upon filing of a proper claim with the Commissioner, except that in the case of distilled spirits used in the manufacture or production of medicines or medicinal preparations the drawback shall be at the rate of $7. No claim under this subsection shall be allowed unless filed with the Commissioner within the 3 months next succeeding the quarter for which the drawback is claimed.'

"(c) Effective dates. The amendment made by subsection (a) shall be applicable with respect to all periods after June 30, 1950, and the amendment made by subsection (b) shall be applicable with respect to distilled spirits used after June 30, 1950.

"SEC. 142. Tax on coin-operated amusement and gaming devices.

"(a) Increase in tax on slot machines: Section 3267 (a) (relating to rate of tax) is hereby amended by striking out "$100" wherever appearing therein and inserting in lieu thereof "$150."

"(b) Removal of tax on penny operated amusement devices. Section 3267 (b) (relating to definition of coin operated amusement or gaming devices) is hereby amended by adding at the end thereof the following: 'The tax imposed by this section shall not apply with respect to any device which is operated by the insertion of a 1-cent coin and which is classified under clause (1) without the application of the preceding sentence.'

"(c) Effective date. The amendments made by this section shall take effect on the first day of the first month which begins more than 10 days after the date of enactment of this act, but no refund or credit shall be made or allowed, by reason of the amendment made by subsection (b), with respect to any tax paid prior to such first day.

"SEC. 143. Bowling alleys and billiard and pool tables of exempt organizations.

"Section 3268 (a) (relating to tax on bowling alleys and billiard and pool tables) is hereby amended by adding at the end thereof the following new sentence: 'The tax imposed under this section shall not apply for any period beginning after June 30, 1951, with respect to any bowling alley, billiard table, or pool table operated—

"(1) by, and used in the premises of, an organization not organized for profit and no part of the net earnings of which inures to the benefit of a private shareholder or individual, or

"(2) by any agency or instrumentality of the United States,

if no charge is made for the use of such alley or table.

"SEC. 144. Federal agencies or instrumentalities.

"Subchapter B of chapter 27 (relating to occupational taxes) is hereby amended by adding at the end thereof the following new section:

" 'SEC. 3283. Federal agencies or instrumentalities.

" 'Any tax imposed by this chapter shall apply to any agency or instrumentality of the United States unless such agency or instrumentality is granted by statute a specific exemption from such tax.'

"PART V—MANUFACTURERS' EXCISE TAXES

"SEC. 151. Amendments relating to tax on tires and inner tubes.

"(a) Reduction of rate of tax on tires and inner tubes.—

"(1) Section 3400 (a) (1) (relating to rate of tax on tires) is hereby amended by strik-

ing out '5 cents' and inserting in lieu thereof '3¾ cents'.

"(2) Section 3400 (a) (2) (relating to rate of tax on inner tubes) is hereby amended by striking out '9 cents' and inserting in lieu thereof '6¾ cents'.

"(b) Removal of tax on tires for toys, etc.—Paragraph (1) of section 3400 (a) (relating to tax on tires) is hereby amended by adding at the end thereof the following: 'The tax imposed by this paragraph shall not apply to (A) tires which are not more than 18 inches in diameter and not more than 1¾ inches in cross section, if such tires are of all-rubber construction (whether hollow center or solid), without fabric or metal reinforcement, or (B) tires of extruded tiring with internal wire fastening agent'.

"(c) Credit for tax paid on tires or inner tubes sold on certain parts or accessories—Section 3403 (c) is hereby amended to read as follows:

"'(e) If tires, inner tubes, or automobile radios on which tax has been imposed under this chapter are sold on or in connection with, or with the sale of, a chassis, body, motorcycle, or part or accessory, there shall (under regulations prescribed by the Commissioner, with the approval of the Secretary) be credited against the tax under this section an amount equal to, in the case of an article taxable under subsection (a), 5 percent; in the case of an article taxable under subsection (b), 7 percent; and in the case of an article taxable under subsection (c), 3¾ percent—

"'(1) of the purchase price (less, in the case of tires, the part of such price attributable to the metal rim or rim base) if such tires or inner tubes were taxable under section 3400 (relating to tax on tires and inner tubes) or, in the case of automobile radios, if such radios were taxable under section 3404; or

"'(2) if such tires, inner tubes, or automobile radios were taxable under section 3444 (relating to use by manufacturer, producer, or importer) then of the price (less, in the case of tires, the part of such price attributable to the metal rim or rim base) at which such or similar tires, inner tubes, or automobile radios are sold, in the ordinary course of trade, by manufacturers, producers, or importers thereof, as determined by the Commissioner.'

"SEC. 152. Tax on parts or accessories for automobiles, etc.

"(a) Reduction of rate of tax: Section 3403 (c) (relating to manufacturers' excise tax on parts or accessories) is hereby amended by striking out '5 percent' and inserting in lieu thereof '3¾ percent'.

"(b) Removal of tax on rebuilt parts or accessories: Section 3403 (c) (relating to manufacturers' excise tax on parts or accessories) is hereby amended by adding at the end thereof the following: 'The tax under this subsection shall not apply in the case of sales or rebuilt or reconditioned parts or accessories'.

"SEC. 153. Reduction of tax on musical instruments from 10 percent to 5 percent.

"Section 3404 (relating to manufacturers' excise tax on radio receiving sets, phonographs, phonograph records, and musical instruments) is hereby amended by inserting after '10 percent of the price for which sold' the following: ', except in the case of musical instruments the rate of the tax shall be 5 percent in lieu of 10 percent.'

"SEC. 154. Navigation receivers sold to the United States.

"(a) Exemption on sales to United States of certain radio sets: Section 3404 (a) (relating to manufacturers' excise tax on radio receiving sets, etc.) is hereby amended by adding at the end thereof the following new sentence: 'No tax shall be imposed under this subsection with respect to the sale to the United States for its exclusive use of a communication or navigation receiver of the type used in commercial, military, or marine installations.'

"(b) Tax-free sales of radio parts: Section 3404 (b) (relating to manufacturers' excise tax on component parts of radio receiving sets, etc.) is hereby amended by adding at the end thereof the following new sentence: 'Under regulations prescribed by the Commissioner, with the approval of the Secretary, no tax shall be imposed under this subsection with respect to the sale of any article for use by the vendee as material in the manufacture or production of, or as a component part of, communication or navigation receivers of the type used in commercial, military, or marine installations if such receivers are to be sold by the vendee to the United States for its exclusive use. If any article sold tax-free to such vendee is not so used by him, or being so used the receiver is not so sold, the vendee shall be considered as the manufacturer or producer of such article.'

"(c) Refund in case of use of parts: Section 3443 (a) (1) (relating to credits and refunds) is hereby amended to read as follows:

"'(1) to manufacturer or producer, in the amount of any tax under this chapter which has been paid with respect to the sale of—

"'(A) any article (other than a tire, inner tube, or automobile radio taxable under section 3404) purchased by him and used by him as material in the manufacture or production of, or as a component part of, an article with respect to which tax under this chapter has been paid, or which has been sold free of tax by virtue of section 3442, relating to tax free sales;

"'(B) any article described in section 3404 (b) purchased by him and used by him as material in the manufacture or production of, or as a component part of, communication or navigation receivers of the type used in commercial, military, or marine installations if such receivers have been sold by him to the United States for its exclusive use.'

"(d) Refund in case of resale to United States: Section 3443 (a) (3) (A) is hereby amended by striking out the period at the end of clause (v) and inserting in lieu thereof a semicolon, and by inserting after clause (v) the following:

"'(vi) in the case of a radio receiving set which is a communication or navigation receiver of the type used in commercial, military, or marine installations, resold to the United States for its exclusive use.'

"(e) Use by manufacturer of taxable parts: Section 3444 (b) (relating to tax on use by manufacturer of taxable articles) is hereby amended by adding at the end thereof the following: 'This section shall not apply with respect to the use by the manufacturer, producer, or importer of articles described in section 3404 (b) if such articles are used by him as material in the manufacture or production of, or as a component part of, communication or navigation receivers of the type used in commercial, military, or marine installations if such receivers are to be sold to the United States for its exclusive use.'

"(f) Effective dates: The amendments made by subsections (a) and (b) shall take effect as provided in section 163. The amendments made by subsections (c) and (e) shall be applicable with respect to articles used in receivers sold to the United States on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act, and the amendment made by subsection (d) shall be applicable with respect to radio receiving sets resold to the United States on or after such first day.

"SEC. 155. Reduction of tax on refrigerators, and imposition of tax on quick-freeze units.

"Section 3405 (manufacturers' excise tax on mechanical refrigerators and air-conditioning units) is hereby amended to read as follows:

"'SEC. 3405. Tax on mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units.

"'There shall be imposed on the following articles (including in each case parts or accessories therefor sold on or in connection with the sale thereof) sold by the manufacturer, producer, or importer, a tax equivalent to the following percentages of the price for which so sold:

"'(a) Refrigerators and quick-freeze units: Household type refrigerators (for single or multiple cabinet installations) having, or being primarily designed for use with, a mechanical refrigerating unit operated by electricity, gas, kerosene, or gasoline; household type units for the quick freezing or frozen storage of foods, operated by electricity, gas, kerosene, or gasoline; combinations of such household type refrigerators and units; 7 percent.

"'(b) Refrigerating and freezing apparatus: Cabinets, compressors, condensers, condensing units, evaporators, expansion units, absorbers, and controls (hereinafter referred to as "refrigerator components") for, or suitable for use as parts of or with, household type refrigerators or quick-freeze units of the kind described in subsection (a), except when sold as component parts of complete refrigerators, refrigerating or cooling apparatus, or quick-freeze units; 7 percent. Under regulations prescribed by the Commissioner, with the approval of the Secretary, the tax under this subsection shall not apply in the case of sales of any such refrigerator components by the manufacturer, producer, or importer to a manufacturer or producer of refrigerators, refrigerating or cooling apparatus, or quick-freeze units. If any such refrigerator components are resold by such vendee otherwise than on or in connection with, or with the sale of, complete refrigerators, refrigerating or cooling apparatus, or quick-freeze units, manufactured or produced by such vendee, then for the purposes of this section the vendee shall be considered the manufacturer or producer of the refrigerator components so resold.

"'(c) Air conditioners: Self-contained air-conditioning units; 10 percent.'

"SEC. 156. Repeal of tax on certain sporting goods.

"Section 3406 (a) (1) (manufacturers' excise tax on sporting goods) is hereby amended to read as follows:

"'(1) Sporting goods: Badminton nets; badminton rackets (measuring 22 inches over-all or more in length); badminton racket frames (measuring 22 inches over-all or more in length); badminton racket string; badminton shuttlecocks; badminton standards; billiard and pool tables (measuring 45 inches over-all or more in length); billiard and pool balls and cues for such tables; bowling balls and pins; clay pigeons and traps for throwing clay pigeons; croquet balls and mallets; curling stones; deck tennis rings, nets, and posts; fishing rods, creels, reels, and artificial lures, baits, and flies; golf bags (measuring 26 inches or more in length); golf balls; golf clubs (measuring 30 inches or more in length); polo balls; polo mallets; skis; ski poles; snow shoes; squash balls; squash rackets (measuring 22 inches over-all or more in length); squash racket frames (measuring 22 inches over-all or more

in length); squash racket string; tennis balls; table tennis tables, balls, nets, and paddles; tennis nets; tennis rackets (measuring 22 inches over-all or more in length); tennis racket frames (measuring 22 inches over-all or more in length); tennis racket string; 10 percent.'

"SEC. 157. Removal of certain items from the tax on electric, gas, and oil appliances.

"Paragraph (3) of section 3406 (a) (manufacturers' excise tax on electric, gas, and oil appliances) is hereby amended to read as follows:

"'(3) Electric, gas, and oil appliances: Electric direct motor-driven fans and air circulators of the household or office type; electric, gas, or oil water heaters other than of the household type; electric immersion heaters; electric, gas, or oil appliances of the type used for cooking, warming, or keeping warm food or beverages for consumption on the premises, but not including cooking stoves or ranges, or electric toasters, of the household type; and electric mixers, whippers, and juicers; 10 percent. The tax imposed under this paragraph shall not apply to any article designed primarily for use as a baby bottle warmer.'

"SEC. 158. Reduction of tax on photographic apparatus and removal of certain items from such tax.

"Section 3406 (a) (4) (manufacturers' excise tax on photographic apparatus) is hereby amended to read as follows:

"'(4) Photographic apparatus: Cameras and camera lenses, and unexposed photographic film in rolls (including motion-picture film), 10 percent. The tax imposed under this paragraph shall not apply to X-ray cameras, to cameras weighing more than 4 pounds exclusive of lens and accessories, to still camera lenses having a focal length of more than 120 millimeters, to motion-picture camera lenses having a focal length of more than 30 millimeters, to X-ray film, to film more than 150 feet in length, or to film more than 25 feet in length and more than 30 millimeters in width. Any person who acquires unexposed photographic film not subject to tax under this paragraph and sells such unexposed film in form and dimensions subject to tax hereunder (or in connection with a sale cuts such film to form and dimensions subject to tax hereunder) shall for the purposes of this subsection be considered the manufacturer of the film so sold by him.'

"SEC. 159. Reduction of tax on business and store machines.

"Section 3406 (a) (6) (manufacturers' excise tax on business and store machines) is hereby amended by striking out '10 percent' and inserting in lieu thereof '5 percent.'

"SEC. 160. Removal of tax on certain firearms.

"Section 347 (relating to manufacturers' excise tax on firearms, shells, and cartridges) is hereby amended by adding at the end thereof the following:

"'The tax imposed by this section shall not apply to any firearm containing an action which has previously been used (other than for testing purposes) in the firing of a firearm.'

"SEC. 161. Reduction of tax on matches.

"Section 3409 (a) (relating to manufacturers' excise tax on matches) is hereby amended by striking out '2 cents' and inserting in lieu thereof '1 cent.'

"SEC. 162. Articles sold for use of aircraft engaged in foreign trade.

"Effective with respect to articles purchased (by the user thereof) on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act, section 3443 (a) (3) (A) (ii) (relating to refunds in the case of articles used or resold for use as ships' stores, etc.) is hereby amended to read as follows:

"'(ii) used or resold for use for any of the purposes, but subject to the conditions, provided in section 3451;'.

"SEC. 163. Effective date of part V.

"Except as provided in sections 154 (f) and 162, the amendments made by this part shall be effective only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act. For the purposes of this section an article shall be considered as sold prior to such first day if the right of possession thereto passed to the purchaer before such first day.

"PART VI—TAX ON COMMUNICATIONS

"SEC. 168. Rate of tax on telephone, telegraph, etc., services.

"(a) Amendment of section 3465 (a): Subsection (a) of section 3465 is hereby amended to read as follows: '(a) There shall be imposed:

"'(1) Telephone and telegraph, etc—

"'(A) On the amount paid within the United States for each telephone or radio telephone toll message or conversation for which the charges is more than 24 cents, a tax equal to 20 percent of the amount so paid, and for which the charge is less than 25 cents, a tax equal to 10 percent of the amount so paid. If a bill is rendered the taxpayer for the services described in this subparagraph, the amount upon which the tax at each of the rates in this subparagraph shall be based shall be the sum of all such charges at the rate included in the bill, and the tax shall not be based upon the charge for each item, separately, included in the bill.

"'(B) On the amount paid within the United States for each telegraph, cable, or radio dispatch or message, a tax equal to 10 percent of the amount so paid. If a bill is rendered the taxpayer for the services described in this subparagraph, the amount upon which the tax shall be based shall be the sum of all such charges included in the bill, and the tax shall not be based upon the charge for each item, separately, included in the bill.

If the tax under subparagraph (A) or (B) is paid by inserting coins in coin-operated telephones, the tax shall be computed to the nearest multiple of 5 cents, except that where the tax is less than 2½ cents it shall be disregarded and where the tax is midway between multiples of 5 cents, the next higher multiple shall apply. Only one payment of a tax imposed by subparagraph (A) or (B) shall be required notwithstanding the lines or stations of one or more persons are used in the transmission of such dispatch, message, or conversation.

"'(2) Leased wires, etc.—

"'(A) A tax equivalent to 20 percent of the amount paid for leased wire, teletypewriter, or talking circuit special service but not including an amount paid for leased wire, teletypewriter, or talking circuit special service used exclusively in rendering a service taxable under subparagraph (B).

"'(B) A tax equivalent to 8 percent of the amount paid for any wire and equipment service (including stock quotation and information services, burglar alarm or fire alarm service, and all other similar services, but not including service described in subparagraph (A)).

The tax shall apply under this paragraph whether or not the wires or services are within a local exchange area.

"'(3)—Local telephone service.—

"'(A) A tax equivalent to 10 percent of the amount paid—

"'(i) by subscribers for residence telephone exchange service, including associated facilities and services; and

"'(ii) for exchange service at attended public telephones.

"'(B) A tax equivalent to 15 percent of the amount paid for business telephone exchange service or for any other telephone service in respect of which a tax is not payable under paragraph (1) or (2) or under subparagraph (A) of this paragraph.

"'(C) For the purposes of this paragraph—

"'(i) amounts paid in connection with the termination of service or for the installation of instruments, wires, poles, switchboards, apparatus, and equipment shall not be considered amounts paid for service; and

"'(ii) service paid for by inserting coins in coin-operated telephones available to the public shall not be subject to any tax imposed by this paragraph, except that where such coin-operated telephone service is furnished for a guaranteed amount, the amount paid under such guarantee plus any fixed monthly or other periodic charge shall be subject to the tax provided in subparagraph (B).'

"(b) Special Service Used by Public Utilities.—Section 3465 (b) (relating to certain exemptions for special services) is hereby amended by striking out 'common carrier or telephone or telegraph company' and inserting in lieu thereof 'common carrier, public utility, telephone or telegraph company.'

"(c) Exemption for certain service furnished to shut-in students.—Section 3465 is hereby amended by adding at the end thereof the following new subsection:

"'(c) This section shall not apply to the amount paid for so much of the service described in paragraph (2) of subsection (a) as is utilized in furtherance of the education of incapacitated homebound, shut-in, or hospitalized students or pupils where such service involves channels and equipment for communication from or to a classroom, school, or college. The right to exemption under this subsection shall be evidenced in such manner as the Commissioner with the approval of the Secretary may by regulation prescribe.'

"(d) Amendment of section 1650.—The table contained in section 1650 (relating to the war tax rates of certain miscellaneous taxes) is hereby amended by striking out the following:

"'3465 (a) (1) (A)	Telephone, Long Distance	20 per centum	25 per centum.
3465 (a) (1) (B) (insofar as it relates to domestic telegraph, cable, and radio dispatches).	Domestic Telegraph, Cable, or Radio Dispatches.	15 per centum	25 per centum.
3465 (a) (2) (A)	Leased Wires, Etc	15 per centum	25 per centum.
3465 (a) (2) (B)	Wire and Equipment Service	5 per centum	8 per centum.
3465 (a) (3)	Local Telephone Service	10 per centum	15 per centum.'

"SEC. 169. Effective date of part VI.

"(a) In general: Subject to the provisions of subsection (b), the amendments made by section 168 shall apply with respect to amounts paid on or after the rate reduction date (as defined in subsection (c)) for services rendered on or after such date.

"(b) Amounts paid pursuant to bills rendered. The amendments made by section 168 shall not apply with respect to amounts paid pursuant to bills rendered prior to the rate reduction date. In the case of amounts paid pursuant to bills rendered on or after the rate reduction date for services for which no previous bill was rendered, the amendments made by section 168 shall apply except with respect to such services as were rendered more than 2 months before such date. In the case of services rendered more than 2 months before such date the provisions of sections 1650 and 3465 of the Internal Revenue Code in effect at the time such services were rendered shall be applicable to the amounts paid for such services.

"(c) Rate reduction date: For the purposes of this section the term 'rate reduction date' means the first day of the first month which begins more than 10 days after the date of the enactment of this act.

"(d) Technical amendment: Section 1658 is hereby repealed.

"PART VII—TRANSPORTATION TAXES

"SEC. 171. Transportation of persons.

"(a) Reduction of tax from 15 percent to 10 percent: The table contained in section 1650 (relating to the war tax rates of certain miscellaneous taxes) is hereby amended by striking out the following:

"'3469 (a)	Transportation of Persons.	10 per centum.	15 per centum.
3469 (c)	Seats, Berths, Etc.	10 per centum.	15 per centum.'

"(b) Exemption of fishing trips: Section 3469 (b) (relating to exemption of certain trips from the tax on transportation of persons) is hereby amended by striking out 'or to amounts' and inserting in lieu thereof 'to amounts,' and by inserting after the words 'one month or less' the following ', or to amounts paid for transportation by boat for the purpose of fishing from such boat.'

"(c) Exemption of transportation to Puerto Rico and the Virgin Islands: Section 3469 (a) (relating to tax on transportation of persons) is hereby amended by striking out 'but not including any country of South America' and inserting in lieu thereof 'but not including Puerto Rico, the Virgin Islands, or any country of South America'.

"SEC. 172. Reduction of tax on transportation of property.

"(a) Property other than coal: Section 3475 (a) is hereby amended by striking out '3 per centum' and inserting in lieu thereof '1½ per centum'.

"(b) Coal: Section 3475 (a) is hereby amended by striking out '4 cents' and inserting in lieu thereof '2 cents'.

"SEC. 173. Effective date of part VII.

"The amendments made by this part shall apply to amounts paid on or after the first day of the first month which begins more than ten days after the date of the enactment of this Act for transportation originating on or after such first day."

The next amendment was, on page 47, after line 15, to insert:

"TITLE I—INCREASE IN INCOME-TAX RATES

"PART I—INDIVIDUAL INCOME TAXES

"SEC. 101. Increase in normal tax and surtax on individuals.

"(a) Normal tax: Section 11 (relating to the normal tax on individuals) is hereby amended to read as follows:

"'SEC. 11. Normal tax on individuals.

"'(a) Taxable years beginning after September 30, 1950: In the case of taxable years beginning after September 30, 1950, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax of 3 percent of the amount of the net income in excess of the credits against net income provided in section 25. For alternative tax which may be elected if adjusted gross income is less than $5,000, see supplement T.

"'(b) Taxable years beginning before October 1, 1950: In the case of taxable years beginning before October 1, 1950, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax determined by computing a tentative normal tax of 3 percent of the amount of the net income in excess of the credits against net income provided in section 25, and by reducing such tentative normal tax as provided in section 12 (c). For alternative tax which may be elected if adjusted gross income is less than $5,000, see supplement T. For computation of tax in case the taxable year (other than the calendar year 1950) ends after September 30, 1950, see section 108 (e).'

"(b) Surtax.—

"(1) So much of section 12 (b) as precedes 'Not over $2,000' is hereby amended to read as follows:

"'(b) Rates of surtax—

"'(1) Taxable years beginning after September 30, 1950: In the case of taxable years beginning after September 30, 1950, there shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual the surtax shown in the following table:

"'If the surtax net income is:	The surtax shall be:'

"(2) Section 12 (b) is hereby amended by adding at the end thereof the following:

"'(2) Taxable years beginning before October 1, 1950: In the case of taxable years beginning before October 1, 1950, there shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax determined by computing a tentative surtax under the table in paragraph (1), and by reducing such tentative surtax as provided in subsection (c) of this section.'

"(3) Section 12 (c) (relating to reduction of tentative normal tax and tentative surtax) is hereby amended to read as follows:

"'(c) Reduction of tentative normal tax and tentative surtax.—

"'(1) Calendar year 1950: In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, the combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced as follows:

"'If the aggregate is:	The reduction shall be:
Not over $400	13 percent of the aggregate.
Over $400 but not over $100,000	$52 plus 9 percent of excess over $400.
Over $100,000	$9,016 plus 7.3 percent of excess over $100,000.

"'In no event shall the combined normal tax and surtax for such taxable year exceed 80 percent of the net income.

"'(2) Other taxable years beginning before October 1, 1950.—In the case of taxable years (other than the calendar year 1950, to which paragraph (1) applies) beginning before October 1, 1950, the combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced as follows:

"'If the aggregate is:	The reduction shall be:
Not over $400	17 percent of the aggregate.
Over $400 but not over $100,000	$68 plus 12 percent of excess over $400.
Over $100,000	$12,020 plus 9.75 percent of excess over $100,000.

"'If combined normal tax and surtax so computed exceeds 77 percent of the net income for the taxable year, the combined tax shall be reduced to 77 percent of the net income. For computation of tax in case the taxable year ends after September 30, 1950, see section 108 (e).'

"(4) Effective with respect to taxable years beginning after September 30, 1950, section 12 (f) is hereby amended to read as follows:

"'(f) Limitation on tax: In the case of a taxable year beginning after September 30, 1950, the combined normal tax and surtax shall in no event exceed 87 percent of the net income for the taxable year.'

"SEC. 102. Individuals with adjusted gross income of less than $5,000.

"So much of section 400 (relating to optional tax on individuals with adjusted gross incomes of less than $5,000) as precedes the tax table therein is hereby amended to read as follows:

"'SEC. 400. Imposition of tax.

"'In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected, and

paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than $5,000, and who has elected to pay the tax imposed by this supplement for such year, a tax as follows:

"'TABLE I.—*Taxable years beginning after Sept. 30, 1950*

If adjusted gross income is—		And the number of exemptions is—				If adjusted gross income is—		And the number of exemptions is—									
									2		3						
At least	But less than	1	2	3	4 or more	At least	But less than	1	And if other than a joint return is filed	And if a joint return is filed	And if other than a joint return is filed	And if a joint return is filed	4	5	6	7	8 or more
		The tax shall be—						The tax shall be—									
$0	$675	$0	$0	$0	$0	$2,325	$2,350	$301	$181	$61	$61	$61	$0	$0	$0	$0	$0
675	700	4	0	0	0	2,350	2,375	305	185	185	65	65	0	0	0	0	0
700	725	8	0	0	0	2,375	2,400	310	190	190	70	70	0	0	0	0	0
725	750	13	0	0	0	2,400	2,425	314	194	194	74	74	0	0	0	0	0
750	775	17	0	0	0	2,425	2,450	319	199	199	79	79	0	0	0	0	0
775	800	22	0	0	0	2,450	2,475	323	203	203	83	83	0	0	0	0	0
800	825	26	0	0	0	2,475	2,500	328	208	208	88	88	0	0	0	0	0
825	850	31	0	0	0	2,500	2,525	332	212	212	92	92	0	0	0	0	0
850	875	35	0	0	0	2,525	2,550	337	217	217	97	97	0	0	0	0	0
875	900	40	0	0	0	2,550	2,575	341	221	221	101	101	0	0	0	0	0
900	925	44	0	0	0	2,575	2,600	346	226	226	106	106	0	0	0	0	0
925	950	49	0	0	0	2,600	2,625	350	230	230	110	110	0	0	0	0	0
950	975	53	0	0	0	2,625	2,650	355	235	235	115	115	0	0	0	0	0
975	1,000	58	0	0	0	2,650	2,675	359	239	239	119	119	0	0	0	0	0
1,000	1,025	62	0	0	0	2,675	2,700	364	244	244	124	124	4	0	0	0	0
1,025	1,050	67	0	0	0	2,700	2,725	368	248	248	128	128	8	0	0	0	0
1,050	1,075	71	0	0	0	2,725	2,750	373	253	253	133	133	13	0	0	0	0
1,075	1,100	76	0	0	0	2,750	2,775	377	257	257	137	137	17	0	0	0	0
1,100	1,125	80	0	0	0	2,775	2,800	382	262	262	142	142	22	0	0	0	0
1,125	1,150	85	0	0	0	2,800	2,825	386	266	266	146	146	26	0	0	0	0
1,150	1,175	89	0	0	0	2,825	2,850	391	271	271	151	151	31	0	0	0	0
1,175	1,200	94	0	0	0	2,850	2,875	395	275	275	155	155	35	0	0	0	0
1,200	1,225	98	0	0	0	2,875	2,900	400	280	280	160	160	40	0	0	0	0
1,225	1,250	103	0	0	0	2,900	2,925	405	284	284	164	164	44	0	0	0	0
1,250	1,275	107	0	0	0	2,925	2,950	410	289	289	169	169	49	0	0	0	0
1,275	1,300	112	0	0	0	2,950	2,975	415	293	293	173	173	53	0	0	0	0
1,300	1,325	116	0	0	0	2,975	3,000	420	298	298	178	178	58	0	0	0	0
1,325	1,350	121	1	0	0	3,000	3,050	427	305	305	185	185	65	0	0	0	0
1,350	1,375	125	5	0	0	3,050	3,100	437	314	314	194	194	74	0	0	0	0
1,375	1,400	130	10	0	0	3,100	3,150	447	323	323	203	203	83	0	0	0	0
1,400	1,425	134	14	0	0	3,150	3,200	457	332	332	212	212	92	0	0	0	0
1,425	1,450	139	19	0	0	3,200	3,250	467	341	341	221	221	101	0	0	0	0
1,450	1,475	143	23	0	0	3,250	3,300	476	350	350	230	230	110	0	0	0	0
1,475	1,500	148	28	0	0	3,300	3,350	486	359	359	239	239	119	0	0	0	0
1,500	1,525	152	32	0	0	3,350	3,400	496	368	368	248	248	128	8	0	0	0
1,525	1,550	157	37	0	0	3,400	3,450	506	377	377	257	257	137	17	0	0	0
1,550	1,575	161	41	0	0	3,450	3,500	516	386	386	266	266	146	26	0	0	0
1,575	1,600	166	46	0	0	3,500	3,550	526	395	395	275	275	155	35	0	0	0
1,600	1,625	170	50	0	0	3,550	3,600	536	404	404	284	284	164	44	0	0	0
1,625	1,650	175	55	0	0	3,600	3,650	546	414	413	293	293	173	53	0	0	0
1,650	1,675	179	59	0	0	3,650	3,700	556	424	422	302	302	182	62	0	0	0
1,675	1,700	184	64	0	0	3,700	3,750	566	434	431	311	311	191	71	0	0	0
1,700	1,725	188	68	0	0	3,750	3,800	575	443	440	320	320	200	80	0	0	0
1,725	1,750	193	73	0	0	3,800	3,850	585	453	449	329	329	209	89	0	0	0
1,750	1,775	197	77	0	0	3,850	3,900	595	463	458	338	338	218	98	0	0	0
1,775	1,800	202	82	0	0	3,900	3,950	605	473	467	347	347	227	107	0	0	0
1,800	1,825	206	86	0	0	3,950	4,000	615	483	476	356	356	236	116	0	0	0
1,825	1,850	211	91	0	0	4,000	4,050	625	493	485	365	365	245	125	5	0	0
1,850	1,875	215	95	0	0	4,050	4,100	635	503	494	374	374	254	134	14	0	0
1,875	1,900	220	100	0	0	4,100	4,150	645	513	503	383	383	263	143	23	0	0
1,900	1,925	224	104	0	0	4,150	4,200	655	523	512	392	392	272	152	32	0	0
1,925	1,950	229	109	0	0	4,200	4,250	665	533	521	401	401	281	161	41	0	0
1,950	1,975	233	113	0	0	4,250	4,300	674	542	530	410	410	290	170	50	0	0
1,975	2,000	238	118	0	0	4,300	4,350	684	552	539	420	419	299	179	59	0	0
2,000	2,025	242	122	2	0	4,350	4,400	694	562	548	430	428	308	188	68	0	0
2,025	2,050	247	127	7	0	4,400	4,450	704	572	557	440	437	317	197	77	0	0
2,050	2,075	251	131	11	0	4,450	4,500	714	582	566	450	446	326	206	86	0	0
2,075	2,100	256	136	16	0	4,500	4,550	724	592	575	460	455	335	215	95	0	0
2,100	2,125	260	140	20	0	4,550	4,600	734	602	584	470	464	344	224	104	0	0
2,125	2,150	265	145	25	0	4,600	4,650	744	612	593	480	473	353	233	113	0	0
2,150	2,175	269	149	29	0	4,650	4,700	754	622	602	490	482	362	242	122	2	0
2,175	2,200	274	154	34	0	4,700	4,750	764	632	611	500	491	371	251	131	11	0
2,200	2,225	278	158	38	0	4,750	4,800	773	641	620	509	500	380	260	140	20	0
2,225	2,250	283	163	43	0	4,800	4,850	783	651	629	519	509	389	269	149	29	0
2,250	2,275	287	167	47	0	4,850	4,900	793	661	638	529	518	398	278	158	38	0
2,275	2,300	292	172	52	0	4,900	4,950	803	671	647	539	527	407	287	167	47	0
2,300	2,325	296	176	56	0	4,950	5,000	813	681	656	549	536	416	296	176	56	0

"'TABLE II.—*Taxable year beginning Jan. 1, 1950, and ending Dec. 31, 1950*

If adjusted gross income is—		And the number of exemptions is—				If adjusted gross income is—		And the number of exemptions is—								
									2		3					
At least	But less than	1	2	3	4 or more	At least	But less than	1	And if other than a joint return is filed	And if a joint return is filed	And if other than a joint return is filed	And if a joint return is filed	4	5	6	7	8 or more
		The tax shall be—						The tax shall be—								
$0	$675	$0	$0	$0	$0	$2,325	$2,350	$262	$157	$157	$53	$53	$0	$0	$0	$0	$0
675	700	3	0	0	0	2,350	2,375	266	161	161	57	57	0	0	0	0	0
700	725	7	0	0	0	2,375	2,400	269	165	165	61	61	0	0	0	0	0
725	750	11	0	0	0	2,400	2,425	273	169	169	65	65	0	0	0	0	0
750	775	15	0	0	0	2,425	2,450	277	173	173	69	69	0	0	0	0	0
775	800	19	0	0	0	2,450	2,475	281	177	177	72	72	0	0	0	0	0
800	825	23	0	0	0	2,475	2,500	285	181	181	76	76	0	0	0	0	0
825	850	27	0	0	0	2,500	2,525	289	185	185	80	80	0	0	0	0	0
850	875	31	0	0	0	2,525	2,550	293	189	189	84	84	0	0	0	0	0
875	900	35	0	0	0	2,550	2,575	297	192	192	88	88	0	0	0	0	0
900	925	38	0	0	0	2,575	2,600	301	196	196	92	92	0	0	0	0	0
925	950	42	0	0	0	2,600	2,625	305	200	200	96	96	0	0	0	0	0
950	975	46	0	0	0	2,625	2,650	309	204	204	100	100	0	0	0	0	0
975	1,000	50	0	0	0	2,650	2,675	313	208	208	104	104	0	0	0	0	0
1,000	1,025	54	0	0	0	2,675	2,700	316	212	212	108	108	3	0	0	0	0
1,025	1,050	58	0	0	0	2,700	2,725	320	216	216	112	112	7	0	0	0	0
1,050	1,075	62	0	0	0	2,725	2,750	324	220	220	115	115	11	0	0	0	0
1,075	1,100	66	0	0	0	2,750	2,775	328	224	224	119	119	15	0	0	0	0
1,100	1,125	70	0	0	0	2,775	2,800	332	228	228	123	123	19	0	0	0	0
1,125	1,150	74	0	0	0	2,800	2,825	336	232	232	127	127	23	0	0	0	0
1,150	1,175	78	0	0	0	2,825	2,850	340	236	236	131	131	27	0	0	0	0
1,175	1,200	82	0	0	0	2,850	2,875	344	239	239	135	135	31	0	0	0	0
1,200	1,225	85	0	0	0	2,875	2,900	348	243	243	139	139	35	0	0	0	0
1,225	1,250	89	0	0	0	2,900	2,925	352	247	247	143	143	38	0	0	0	0
1,250	1,275	93	0	0	0	2,925	2,950	357	251	251	147	147	42	0	0	0	0
1,275	1,300	97	0	0	0	2,950	2,975	361	255	255	151	151	46	0	0	0	0
1,300	1,325	101	0	0	0	2,975	3,000	366	259	259	155	155	50	0	0	0	0
1,325	1,350	105	1	0	0	3,000	3,050	373	265	265	161	161	56	0	0	0	0
1,350	1,375	109	5	0	0	3,050	3,100	382	273	273	168	168	64	0	0	0	0
1,375	1,400	113	8	0	0	3,100	3,150	391	281	281	176	176	72	0	0	0	0
1,400	1,425	117	12	0	0	3,150	3,200	400	288	288	184	184	80	0	0	0	0
1,425	1,450	121	16	0	0	3,200	3,250	409	296	296	192	192	87	0	0	0	0
1,450	1,475	125	20	0	0	3,250	3,300	418	304	304	200	200	95	0	0	0	0
1,475	1,500	129	24	0	0	3,300	3,350	427	312	312	207	207	103	0	0	0	0
1,500	1,525	132	28	0	0	3,350	3,400	436	320	320	215	215	111	7	0	0	0
1,525	1,550	136	32	0	0	3,400	3,450	445	328	328	223	223	119	14	0	0	0
1,550	1,575	140	36	0	0	3,450	3,500	454	335	335	231	231	127	22	0	0	0
1,575	1,600	144	40	0	0	3,500	3,550	463	343	343	239	239	134	30	0	0	0
1,600	1,625	148	44	0	0	3,550	3,600	472	352	351	247	247	142	38	0	0	0
1,625	1,650	152	48	0	0	3,600	3,650	481	361	359	254	254	150	46	0	0	0
1,650	1,675	156	52	0	0	3,650	3,700	490	370	367	262	262	158	54	0	0	0
1,675	1,700	160	55	0	0	3,700	3,750	499	379	375	270	270	166	61	0	0	0
1,700	1,725	164	59	0	0	3,750	3,800	508	388	382	278	278	174	69	0	0	0
1,725	1,750	168	63	0	0	3,800	3,850	517	397	390	286	286	181	77	0	0	0
1,750	1,775	172	67	0	0	3,850	3,900	526	406	398	294	294	189	85	0	0	0
1,775	1,800	176	71	0	0	3,900	3,950	535	415	406	301	301	197	93	0	0	0
1,800	1,825	179	75	0	0	3,950	4,000	544	424	414	309	309	205	100	0	0	0
1,825	1,850	183	79	0	0	4,000	4,050	553	433	422	317	317	213	108	4	0	0
1,850	1,875	187	83	0	0	4,050	4,100	562	442	429	325	325	221	116	12	0	0
1,875	1,900	191	87	0	0	4,100	4,150	571	451	437	333	333	228	124	20	0	0
1,900	1,925	195	91	0	0	4,150	4,200	580	460	445	341	341	236	132	27	0	0
1,925	1,950	199	95	0	0	4,200	4,250	589	469	453	349	348	244	140	35	0	0
1,950	1,975	203	99	0	0	4,250	4,300	598	478	461	358	356	252	147	43	0	0
1,975	2,000	207	102	0	0	4,300	4,350	607	487	468	367	364	260	155	51	0	0
2,000	2,025	211	106	2	0	4,350	4,400	616	496	476	376	372	268	163	59	0	0
2,025	2,050	215	110	6	0	4,400	4,450	625	505	484	385	380	275	171	67	0	0
2,050	2,075	219	114	10	0	4,450	4,500	634	514	492	394	388	283	179	74	0	0
2,075	2,100	223	118	14	0	4,500	4,550	643	523	500	403	395	291	187	82	0	0
2,100	2,125	226	122	18	0	4,550	4,600	652	532	508	412	403	299	194	90	0	0
2,125	2,150	230	126	22	0	4,600	4,650	661	541	515	421	411	307	202	98	0	0
2,150	2,175	234	130	25	0	4,650	4,700	670	550	523	430	419	315	210	106	1	0
2,175	2,200	238	134	29	0	4,700	4,750	679	559	531	439	427	322	218	114	9	0
2,200	2,225	242	138	33	0	4,750	4,800	688	568	539	448	435	330	226	121	17	0
2,225	2,250	246	142	37	0	4,800	4,850	697	577	547	457	442	338	234	129	25	0
2,250	2,275	250	146	41	0	4,850	4,900	706	586	555	466	450	346	241	137	33	0
2,275	2,300	254	149	45	0	4,900	4,950	715	595	562	475	458	354	249	145	40	0
2,300	2,325	258	153	49	0	4,950	5,000	724	604	570	484	466	361	257	153	48	0

"'Table III

"'Taxable years (other than the calendar year 1950) beginning before October 1, 1950.'

"SEC. 103. Computation of tax in case of certain joint returns.

"If a joint return of a husband and wife is filed under the provisions of section 51 (b) (3) of the Internal Revenue Code in a case where the husband and wife have different taxable years because of the death of either spouse, and the taxable year of the surviving spouse covered by such joint return began before October 1, 1950, and ended after September 30, 1950, the amendments made by this part shall be applicable in respect of such joint return as if the taxable years of both spouses covered by the joint return ended on the date of the closing of the surviving spouse's taxable year.

"SEC. 104. Effective date of part I.

"Except as otherwise expressly provided, the amendments made by this part shall be applicable with respect to taxable years ending after December 31, 1949. For treatment of taxable years (other than the calendar year 1950) beginning before October 1, 1950, and ending after September 30, 1950, see section 131.

"PART II—CORPORATION INCOME TAX

"SEC. 121. Increase in rate of corporation income taxes.

"(a) Amendment of section 13: Section 13 (relating to the normal tax on corporations) is hereby amended to read as follows:

"'SEC. 13. Normal tax on corporations.

"'(a) Definitions: For the purposes of this chapter—

"'(1) Adjusted net income: The term "adjusted net income" means the net income minus the credit provided in section 26 (a), relating to interest on certain obligations of the United States and Government corporations.

"'(2) Normal tax net income—

"'(A) Calendar year 1950 and taxable years beginning after June 30, 1950: In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, and in the case of taxable years beginning after June 30, 1950, the term "normal-tax income" means the adjusted net income minus the sum of the following credits:

"'(i) The credit for dividends received provided in section 26 (b);

"'(ii) In the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h); and

"'(iii) In the case of a western hemisphere trade corporation (as defined in section 109), the credit provided in section 26 **(i)**.

"'(B) Other taxable years beginning before July 1, 1950: In the case of taxable years (other than the calendar year 1950, to which subparagraph (A) applies) beginning before July 1, 1950, the term "normal-tax net income" means the adjusted net income minus the credit for dividends received provided in section 26 (b).

"'(b) Imposition of tax—

"'(1) Taxable years beginning after June 30, 1950: In the case of taxable years beginning after June 30, 1950, there shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), supplement G, or supplement Q) a tax of 25 percent of the normal-tax net income.

"'(2) Calendar year 1950: In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, there shall be levied, collected, and paid for such taxable year upon the normal-tax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), supplement G, or supplement Q) a tax of 23 percent of the normal-tax net income.

"'(3) other taxable years beginning before July 1, 1950: In the case of taxable years (other than the calendar year 1950, to which paragraph (2) applies) beginning before July 1, 1950, there shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation the normal-tax net income of which is more than $25,000 (except a corporation subject to a tax imposed by section 14, section 231 (a) Supplement G, or Supplement Q) whichever of the following taxes is the lesser:

"'(A) General rule: A tax of 24 percent of the normal-tax net income; or

"'(B) Alternative tax (corporations with normal-tax net income over $25,000, but not over $50,000): A tax of $4,250, plus 31 percent of the amount of the normal-tax net income in excess of $25,000.

"'For computation of tax in case the taxable year ends after June 30, 1950, see section 108 (f).

"'(c) Exempt corporations: For corporations exempt from taxes under this chapter, see section 101.

"'(d) Tax on personal holding companies: For surtax on personal holding companies, see section 500.

"'(e) Improper accumulation of surplus: For surtax on corporations which accumulate surplus to avoid surtax on shareholders, see section 102.'

"(b) Amendment of section 14 (a): Section 14 (a) (relating to normal tax on special classes of corporations) is hereby amended to read as follows:

"'(a) Imposition of tax in cases of taxable years (other than the calendar year 1950) beginning before July 1, 1950: In the case of taxable years beginning before July 1, 1950 (other than a taxable year beginning on January 1, 1950, and ending on December 31, 1950), there shall be levied, collected, and paid for each taxable year upon the normal-tax net income of the following corporations (in lieu of the tax imposed by section 13 (b) (3)) the tax hereinafter, in this section specified. For computation of tax in case the taxable year ends after June 30, 1950, see section 108 (f).'

"(c) Amendment of section 15: Section 15 (relating to surtax on corporations) is hereby amended to read as follows:

"'SEC. 15. Surtax on corporations.

"'(a) Corporation surtax net income: For the purposes of this chapter—

"'(1) Calendar year 1950 and taxable years beginning after June 30, 1950: In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, and in the case of taxable years beginning after June 30, 1950, the term "corporation surtax net income" means the net income minus the sum of the following credits:

"'(A) The credit for dividends received provided in section 26 (b);

"'(B) In the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h);

"'(C) In the case of a Western Hemisphere trade corporation (as defined in sec. 109), the credit provided in section 26 (i);

"'(D) In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, the credit provided in section 26 (j).

"'(2) Other taxable years beginning before July 1, 1950: In the case of taxable years (other than the calendar year 1950, to which par. (1) applies) beginning before July 1, 1950, the term "corporation surtax net income" means the net income minus the credit for dividends received provided in section 26 (b) and minus, in the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h). For the purposes of this paragraph, dividends received on the preferred stock of a public utility shall be disregarded in computing the credit for dividends received provided in section 26 (b).

"'(b) Imposition of tax—

"'(1) Taxable years beginning after June 30, 1950: In the case of taxable years beginning after June 30, 1950, there shall be levied, collected, and paid for each taxable year upon the corporation surtax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q) a surtax of 20 percent of the amount of the corporation surtax net income in excess of $25,000.

"'(2) Calendar year 1950.—In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, there shall be levied, collected, and paid for such taxable year upon the corporation surtax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q) a surtax of 19 percent of the amount of the corporation surtax net income in excess of $25,000.

"'(3) Other taxable years beginning before July 1, 1950.—In the case of taxable years (other than the calendar year 1950, to which paragraph (2) applies) beginning before July 1, 1950, there shall be levied, collected, and paid for each taxable year upon the corporation surtax net income of every corporation (except a Western Hemisphere trade corporation as defined in section 109, and except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q) a surtax as follows:

"'(A) Surtax net incomes not over $25,000.—Upon corporation surtax net incomes not over $25,000, 6 percent of the amount thereof.

"'(B) Surtax net incomes over $25,000 but not over $50,000.—Upon corporation surtax net incomes over $25,000, but not over $50,000, $1,500 plus 22 percent of the amount of the corporation surtax net income over $25,000.

"'(C) Surtax net incomes over $50,000.—Upon corporation surtax net incomes over $50,000, 14 percent of the corporation surtax net income.

For computation of tax in case the taxable year ends after June 30, 1950, see section 108 (f).'

"(d) Mutual insurance companies other than life or marine.—

"(1) Section 207 (a) (1) (relating to normal tax and surtax on mutual insurance companies, other than life or marine) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"'(A) Taxable years beginning after June 30, 1950.—In the case of taxable years beginning after June 30, 1950—

"'(i) Normal tax.—A normal tax on the normal-tax net income, computed at the rate provided in section 13 (b) (1), or 50 percent of the amount by which the normal-tax net income exceeds $3,000, whichever is the lesser; plus

"'(ii) Surtax.—A surtax on the corporation surtax net income, computed as provided in section 15 (b) (1).

"'(B) Calendar year 1950.—In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950—

"'(i) Normal tax.—A normal tax on the normal-tax net income, computed at the rate provided in section 13 (b) (2), or 46 percent of the amount by which the normal-tax net income exceeds $3,000, whichever is the lesser; plus

"'(ii) Surtax.—A surtax on the corporation surtax net income, computed as provided in section 15 (b) (2).'

"(2) Section 207 (a) (3) (relating to normal tax and surtax on interinsurers or reciprocal underwriters) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"'(A) Taxable years beginning after June 30, 1950: In the case of taxable years beginning after June 30, 1950—

"'(i) Normal tax: A normal tax on the normal-tax net income, computed at the rate provided in section 13 (b) (1), or 50 percent of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

"'(ii) Surtax: A surtax on the corporation surtax net income, computed as provided in section 15 (b) (1), or 30 percent of the amount by which the corporation surtax net income exceeds $50,000, whichever is the lesser.

"'(B) Calendar year 1950: In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950—

"'(i) Normal tax: A normal tax on the normal-tax net income, computed at the rate provided in section 13 (b) (2), or 46 percent of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

"'(ii) Surtax: A surtax on the corporation surtax net income, computed as provided in section 15 (b) (2), or 28.5 percent of the amount by which the corporation surtax net income exceeds $50,000, whichever is the lesser.'

"(3) The amendments made by this subsection shall apply only with respect to taxable years beginning after June 30, 1950, and to taxable years beginning on January 1, 1950, and ending on December 31, 1950.

"(e) Regulated investment companies—

"(1) Section 362 (b) (3) (relating to normal tax on regulated investment companies) is hereby amended to read as follows:

"'(3) In the case of taxable years beginning after June 30, 1950, there shall be levied, collected, and paid to each taxable year upon its Supplement Q net income a tax equal to 25 percent of the amount thereof. In the case of taxable years beginning after December 31, 1949, and before July 1, 1950, there shall be levied, collected, and paid for each taxable year upon its Supplement Q net income a tax equal to 23 percent of the amount thereof.'

"(2) Section 362 (b) (4) (relating to surtax on regulated investment companies) is hereby amended to read as follows:

"'(4) In the case of taxable years beginning after June 30, 1950, there shall be levied, collected, and paid for each taxable year upon its Supplement Q surtax net in-

come a tax equal to 20 percent of the amount thereof in excess of $25,000. In the case of taxable years beginning after December 31, 1949, and before July 1, 1950, there shall be levied, collected, and paid for each taxable year upon its Supplement Q surtax net income a tax equal to 19 percent of the amount thereof in excess of $25,000.'

"(3) The amendments made by this subsection shall be applicable only with respect to taxable years beginning after December 31, 1949.

"(f) Tax under consolidated returns: Section 141 (c) (relating to computation and payment of tax on consolidated returns) is hereby amended by inserting after the first sentence the following: 'If the affiliated group includes one or more Western Hemisphere trade corporations (as defined in section 109), the increase of 2 percent provided in the preceding sentence shall be applied only on the amount by which the consolidated corporation surtax net income of the affiliated group exceeds the portion (if any) of the consolidated corporation surtax net income attributable to the Western Hemisphere trade corporations included in such group.'

"(g) Technical amendments—

"(1) Section 26 (h) (2) (relating to definition of public utility) is hereby amended by striking out 'As used in this subsection and section 15 (a)' and inserting in lieu thereof 'As used in this subsection, subsection (b), and sections 13 and 15.'

"(2) Section 122 (c) (relating to amount of net operating loss deduction) is hereby amended by striking out 'without the credit provided in section 26 (e)' and inserting in lieu thereof 'without the credits provided in section 26 (h) and (i).'

"(3) Effective with respect to taxable years beginning after June 30, 1950, and with respect to taxable years beginning on January 1, 1950, and ending on December 31, 1950, section 201 (a) (1) (relating to tax on life insurance companies) and section 204 (a) (1) (relating to tax on insurance companies other than life or mutual) are hereby amended by striking out 'or section 14 (b).'

"(4) Section 204 (a) (2) (relating to insurance companies other than life or mutual) is hereby amended by inserting before the period at the end thereof the following: 'and, in the case of taxable years beginning on January 1, 1950, and ending on December 31, 1950, minus the credit provided in section 26 (j).'

"(5) Effective with respect to taxable years beginning after June 30, 1950, and with respect to taxable years beginning on January 1, 1950, and ending on December 31, 1950, section 231 (b) (relating to foreign corporations engaged in trade or business within the United States) is hereby amended by striking out 'section 14 (c) (1)' and inserting in lieu thereof 'section 13.'

"SEC. 122. Credits of corporations.

"(a) Dividends received credit: Section 26 (b) (relating to credits allowed corporations with respect to dividends received) is hereby amended to read as follows:

"'(b) Dividends received: An amount equal to the sum of—

"'(1) In general: 85 percent of the amount received as dividends (other than dividends received in taxable years described in paragraph (2) on the preferred stock of a public utility) from a domestic corporation which is subject to taxation under this chapter; and

"'(2) Certain preferred stock—

"'(A) Taxable years beginning after June 30, 1950: In the case of taxable years beginning after June 30, 1950, 59 percent of the amount received as dividends on the preferred stock of a public utility which is subject to taxation under this chapter, but the amount computed under this subparagraph shall in no event exceed 59 percent of the adjusted net income computed without regard to the deduction allowed by section 23 (s).

"'(B) Calendar year 1950: In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, 57 percent of the amount received as dividends on the preferred stock of a public utility which is subject to taxation under this chapter, but the amount computed under this subparagraph shall in no event exceed 57 percent of the adjusted net income computed without regard to section 23 (s).

For the purpose of this subsection (but not for the purposes of computing adjusted net income), if the whole or any part of a dividend is received after the date of the enactment of the Revenue Act of 1950 in property other than money, then, with respect to such property, the shareholder shall not be considered to have received as a dividend an amount in excess of the adjusted basis of such property in the hands of the distributing corporation at the time of distribution increased in the amount of gain or decreased in the amount of loss recognized to the distributing corporation by reason of such distribution. The credit allowed under this subsection shall not be allowed in respect of dividends received from a corporation organized under the China Trade Act, 1922, 42 Stat. 849 (U. S. C., title 15, c. 4), or from a corporation which under section 251 is taxable only on its gross income from sources within the United States by reason of its receiving a large percentage of its gross income from sources within a possession of the United States. In no event shall the credit allowed by this subsection exceed 85 percent of the adjusted net income computed without regard to the deduction allowed by section 23 (s).'

"(b) Credit for dividends paid on certain preferred stock: The first sentence of section 26 (h) (1) (relating to amount of credit for dividends paid on certain preferred stock) is hereby amended to read as follows: 'In the case of a public utility, the amount of dividends paid during the taxable year on its preferred stock, except that (A) in the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, only an amount equal to 33 percent of the lower of (i) the amount of dividends paid during such taxable year on its preferred stock or (ii) the adjusted net income for such taxable year minus the credit for dividends received provided in subsection (b) for such year, and (B) in the case of any taxable year beginning after June 30, 1950, only an amount equal to 31 percent of the lower of (i) the amount of dividends paid during such taxable year on its preferred stock or (ii) the adjusted net income for such taxable year minus the credit for dividends received provided in subsection (b) for such year.'

"(c) Western Hemisphere trade corporations: Section 26 (relating to credits of corporations) is hereby amended by adding at the end thereof the following new subsection:

"'(i) Western Hemisphere trade corporations: In the case of a western hemisphere trade corporation (as defined in section 109)—

"'(1) Taxable years beginning after June 30, 1950: In the case of any taxable year beginning after June 30, 1950, an amount equal to 31 percent of its normal-tax net income computed without regard to the credit provided in this subsection.

"'(2) Calendar year 1950: In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, an amount equal to 33 percent of its normal-tax net income computed without regard to the credit provided in this subsection.'

"(d) Surtax credit for partially tax-exempt interest in the case of the calendar year 1950: Section 26 (relating to credits of corporations) is hereby amended by adding after subsection (i) (added by subsection (c) of this section) the following new subsection:

"'(j) Surtax credit for partially tax-exempt interest in the case of the calendar year 1950: In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, an amount equal to 5.3 percent of the lower of (1) the amount of credit provided in subsection (a), or (2) the amount by which the corporation surtax net income, computed without regard to the credit provided in this subsection, exceeds $25,000.'

"SEC. 123. Effective date of part II.

"Except as otherwise expressly provided, the amendments made by this part shall be applicable with respect to taxable years ending after December 31, 1949. For treatment of taxable years (other than the calendar year 1950) beginning before July 1, 1950, and ending after June 30, 1950, see section 131.

"PART III—FISCAL YEAR TAXPAYERS

"SEC. 131. Fiscal year taxpayers.

"Section 108 is hereby amended by striking out '(e)' at the beginning of subsection (e) and inserting in lieu thereof '(g)', and by inserting after subsection (d) the following new subsections:

"'(e) Certain taxable years of individuals beginning before October 1, 1950, and ending after September 30, 1950: In the case of a taxable year (other than one beginning on January 1, 1950, and ending on December 31, 1950) of a taxpayer other than a corporation beginning before October 1, 1950, and ending after September 30, 1950, the tax imposed by sections 11, 12, and 400 shall be an amount equal to the sum of—

"'(1) that portion of a tentative tax, computed under the provisions of sections 11 (b), 12 (b) (2), 12 (c) (2), and 12 (d), or table III of section 400, applicable to such taxable year, which the number of calendar months in such taxable year prior to October 1, 1950, bears to the total number of calendar months in such taxable year, plus

"'(2) that portion of a tentative tax, computed under the provisions of sections 11 (a), 12 (b) (1), 12 (d), and 12 (f), or table I of section 400, as if such provisions were applicable to such taxable year, which the number of calendar months in such taxable year after September 30, 1950, bears to the total number of calendar months in such taxable year.

For the purposes of this subsection, a calendar month only part of which falls within the taxable year (A) shall be disregarded if less than 15 days of such month are included in such taxable year, and (B) shall be included as a calendar month within the taxable year if more than 14 days of such month fall within the taxable year.

"'(f) Certain taxable years of corporations beginning before July 1, 1950, and ending after June 30, 1950: In the case of a taxable year (other than one beginning on January 1, 1950, and ending on December 31, 1950) of a corporation beginning before July 1, 1950, and ending after June 30, 1950, the tax imposed by sections 13, 14, and 15 shall be an amount equal to the sum of—

"'(1) that portion of a tentative tax, computed under the provisions of sections 13 (b) (3), 14, and 15 (b) (3), applicable to such taxable year, which the number of days in such taxable year prior to July 1, 1950, bears to the total number of days in such taxable year, plus

"'(2) that portion of a tentative tax, computed under the provisions of sections

13 (b) (1) and 15 (b) (1), as if such provisions (and the provisions of sections 26 (b) (2) (A), 26 (h) (1) (B), and 26 (i) (1)) were applicable to such taxable year, which the number of days in such taxable year after June 30, 1950, bears to the total number of days in such taxable year.'

"PART IV—INCREASE IN WITHHOLDING OF TAX AT SOURCE OF WAGES

"SEC. 141. Percentage methods of withholding.

"Section 1622 (a) (relating to percentage method of withholding) is hereby amended by striking out '15 percent' and inserting in lieu thereof '18 percent.'

"SEC. 142. Wage bracket withholding.

"The tables contained in section 1622 (c) (1) (relating to wage bracket withholding) are hereby amended to read as follows:

"'If the pay-roll period with respect to an employee is weekly

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$13	18% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$13	$14	$2.40	.10	0	0	0	0	0	0	0	0	0
$14	$15	2.60	.30	0	0	0	0	0	0	0	0	0
$15	$16	2.80	.50	0	0	0	0	0	0	0	0	0
$16	$17	3.00	.70	0	0	0	0	0	0	0	0	0
$17	$18	3.20	.80	0	0	0	0	0	0	0	0	0
$18	$19	3.30	1.00	0	0	0	0	0	0	0	0	0
$19	$20	3.50	1.20	0	0	0	0	0	0	0	0	0
$20	$21	3.70	1.40	0	0	0	0	0	0	0	0	0
$21	$22	3.90	1.60	0	0	0	0	0	0	0	0	0
$22	$23	4.10	1.70	0	0	0	0	0	0	0	0	0
$23	$24	4.20	1.90	0	0	0	0	0	0	0	0	0
$24	$25	4.40	2.10	0	0	0	0	0	0	0	0	0
$25	$26	4.60	2.30	0	0	0	0	0	0	0	0	0
$26	$27	4.80	2.50	.20	0	0	0	0	0	0	0	0
$27	$28	5.00	2.60	.30	0	0	0	0	0	0	0	0
$28	$29	5.10	2.80	.50	0	0	0	0	0	0	0	0
$29	$30	5.30	3.00	.70	0	0	0	0	0	0	0	0
$30	$31	5.50	3.20	.90	0	0	0	0	0	0	0	0
$31	$32	5.70	3.40	1.10	0	0	0	0	0	0	0	0
$32	$33	5.90	3.50	1.20	0	0	0	0	0	0	0	0
$33	$34	6.00	3.70	1.40	0	0	0	0	0	0	0	0
$34	$35	6.20	3.90	1.60	0	0	0	0	0	0	0	0
$35	$36	6.40	4.10	1.80	0	0	0	0	0	0	0	0
$36	$37	6.60	4.30	2.00	0	0	0	0	0	0	0	0
$37	$38	6.80	4.40	2.10	0	0	0	0	0	0	0	0
$38	$39	6.90	4.60	2.30	0	0	0	0	0	0	0	0
$39	$40	7.10	4.80	2.50	.20	0	0	0	0	0	0	0
$40	$41	7.30	5.00	2.70	.40	0	0	0	0	0	0	0
$41	$42	7.50	5.20	2.90	.50	0	0	0	0	0	0	0
$42	$43	7.70	5.30	3.00	.70	0	0	0	0	0	0	0
$43	$44	7.80	5.50	3.20	.90	0	0	0	0	0	0	0
$44	$45	8.00	5.70	3.40	1.10	0	0	0	0	0	0	0
$45	$46	8.20	5.90	3.60	1.30	0	0	0	0	0	0	0
$46	$47	8.40	6.10	3.80	1.40	0	0	0	0	0	0	0
$47	$48	8.60	6.20	3.90	1.60	0	0	0	0	0	0	0
$48	$49	8.70	6.40	4.10	1.80	0	0	0	0	0	0	0
$49	$50	8.90	6.60	4.30	2.00	0	0	0	0	0	0	0
$50	$51	9.10	6.80	4.50	2.20	0	0	0	0	0	0	0
$51	$52	9.30	7.00	4.70	2.30	0	0	0	0	0	0	0
$52	$53	9.50	7.10	4.80	2.50	.20	0	0	0	0	0	0
$53	$54	9.60	7.30	5.00	2.70	.40	0	0	0	0	0	0
$54	$55	9.80	7.50	5.20	2.90	.60	0	0	0	0	0	0
$55	$56	10.00	7.70	5.40	3.10	.80	0	0	0	0	0	0
$56	$57	10.20	7.90	5.60	3.20	.90	0	0	0	0	0	0
$57	$58	10.40	8.00	5.70	3.40	1.10	0	0	0	0	0	0
$58	$59	10.50	8.20	5.90	3.60	1.30	0	0	0	0	0	0
$59	$60	10.70	8.40	6.10	3.80	1.50	0	0	0	0	0	0
$60	$62	11.00	8.70	6.40	4.10	1.70	0	0	0	0	0	0
$62	$64	11.30	9.00	6.70	4.40	2.10	0	0	0	0	0	0
$64	$66	11.70	9.40	7.10	4.80	2.50	.20	0	0	0	0	0
$66	$68	12.10	9.80	7.40	5.10	2.80	.50	0	0	0	0	0
$68	$70	12.40	10.10	7.80	5.50	3.20	.90	0	0	0	0	0
$70	$72	12.80	10.50	8.20	5.90	3.50	1.20	0	0	0	0	0
$72	$74	13.10	10.80	8.50	6.20	3.90	1.60	0	0	0	0	0
$74	$76	13.50	11.20	8.90	6.60	4.30	2.00	0	0	0	0	0
$76	$78	13.90	11.60	9.20	6.90	4.60	2.30	0	0	0	0	0
$78	$80	14.20	11.90	9.60	7.30	5.00	2.70	.40	0	0	0	0
$80	$82	14.60	12.30	10.00	7.70	5.30	3.00	.70	0	0	0	0
$82	$84	14.90	12.60	10.30	8.00	5.70	3.40	1.10	0	0	0	0
$84	$86	15.30	13.00	10.70	8.40	6.10	3.80	1.50	0	0	0	0
$86	$88	15.70	13.40	11.00	8.70	6.40	4.10	1.80	0	0	0	0
$88	$90	16.00	13.70	11.40	9.10	6.80	4.50	2.20	0	0	0	0
$90	$92	16.40	14.10	11.80	9.50	7.10	4.80	2.50	.20	0	0	0
$92	$94	16.70	14.40	12.10	9.80	7.50	5.20	2.90	.60	0	0	0
$94	$96	17.10	14.80	12.50	10.20	7.90	5.60	3.30	.90	0	0	0
$96	$98	17.50	15.20	12.80	10.50	8.20	5.90	3.60	1.30	0	0	0
$98	$100	17.80	15.50	13.20	10.90	8.60	6.30	4.00	1.70	0	0	0
$100	$105	18.50	16.10	13.80	11.50	9.20	6.90	4.60	2.30	0	0	0
$105	$110	19.40	17.00	14.70	12.40	10.10	7.80	5.50	3.20	.90	0	0
$110	$115	20.30	17.90	15.60	13.30	11.00	8.70	6.40	4.10	1.80	0	0
$115	$120	21.20	18.80	16.50	14.20	11.90	9.60	7.30	5.00	2.70	.40	0
$120	$125	22.10	19.70	17.40	15.10	12.80	10.50	8.20	5.90	3.60	1.30	0
$125	$130	23.00	20.60	18.30	16.00	13.70	11.40	9.10	6.80	4.50	2.20	0
$130	$135	23.90	21.50	19.20	16.90	14.60	12.30	10.00	7.70	5.40	3.10	.80
$135	$140	24.80	22.40	20.10	17.80	15.50	13.20	10.90	8.60	6.30	4.00	1.70
$140	$145	25.70	23.30	21.00	18.70	16.40	14.10	11.80	9.50	7.20	4.90	2.60
$145	$150	26.60	24.20	21.90	19.60	17.30	15.00	12.70	10.40	8.10	5.80	3.50
$150	$160	27.90	25.60	23.30	21.00	18.70	16.40	14.10	11.70	9.40	7.10	4.80
$160	$170	29.70	27.40	25.10	22.80	20.50	18.20	15.90	13.50	11.20	8.90	6.60
$170	$180	31.50	29.20	26.90	24.60	22.30	20.00	17.70	15.30	13.00	10.70	8.40
$180	$190	33.50	31.00	28.70	26.40	24.10	21.80	19.50	17.10	14.80	12.50	10.20
$190	$200	35.10	32.80	30.50	28.20	25.90	23.60	21.30	18.90	16.60	14.30	12.00
		18 percent of the excess over $200 plus—										
$200 and over		36.00	33.70	31.40	29.10	26.80	24.50	22.20	19.80	17.50	15.20	12.90

"'If the payroll period with respect to an employee is biweekly

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$26	18% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$26	$28	$4.90	.20	0	0	0	0	0	0	0	0	0
$28	$30	5.20	.60	0	0	0	0	0	0	0	0	0
$30	$32	5.60	1.00	0	0	0	0	0	0	0	0	0
$32	$34	5.90	1.30	0	0	0	0	0	0	0	0	0
$34	$36	6.30	1.70	0	0	0	0	0	0	0	0	0
$36	$38	6.70	2.00	0	0	0	0	0	0	0	0	0
$38	$40	7.00	2.40	0	0	0	0	0	0	0	0	0
$40	$42	7.40	2.80	0	0	0	0	0	0	0	0	0
$42	$44	7.70	3.10	0	0	0	0	0	0	0	0	0
$44	$46	8.10	3.50	0	0	0	0	0	0	0	0	0
$46	$48	8.50	3.80	0	0	0	0	0	0	0	0	0
$48	$50	8.80	4.20	0	0	0	0	0	0	0	0	0
$50	$52	9.20	4.60	0	0	0	0	0	0	0	0	0
$52	$54	9.50	4.90	.30	0	0	0	0	0	0	0	0
$54	$56	9.90	5.30	.70	0	0	0	0	0	0	0	0
$56	$58	10.30	5.60	1.00	0	0	0	0	0	0	0	0
$58	$60	10.60	6.00	1.40	0	0	0	0	0	0	0	0
$60	$62	11.00	6.40	1.70	0	0	0	0	0	0	0	0
$62	$64	11.30	6.70	2.10	0	0	0	0	0	0	0	0
$64	$66	11.70	7.10	2.50	0	0	0	0	0	0	0	0
$66	$68	12.10	7.40	2.80	0	0	0	0	0	0	0	0
$68	$70	12.40	7.80	3.20	0	0	0	0	0	0	0	0
$70	$72	12.80	8.20	3.50	0	0	0	0	0	0	0	0
$72	$74	13.10	8.50	3.90	0	0	0	0	0	0	0	0
$74	$76	13.50	8.90	4.30	0	0	0	0	0	0	0	0
$76	$78	13.90	9.20	4.60	0	0	0	0	0	0	0	0
$78	$80	14.20	9.60	5.00	.40	0	0	0	0	0	0	0
$80	$82	14.60	10.00	5.30	.70	0	0	0	0	0	0	0
$82	$84	14.90	10.30	5.70	1.10	0	0	0	0	0	0	0
$84	$86	15.30	10.70	6.10	1.50	0	0	0	0	0	0	0
$86	$88	15.70	11.00	6.40	1.80	0	0	0	0	0	0	0
$88	$90	16.00	11.40	6.80	2.20	0	0	0	0	0	0	0
$90	$92	16.40	11.80	7.10	2.50	0	0	0	0	0	0	0
$92	$94	16.70	12.10	7.50	2.90	0	0	0	0	0	0	0
$94	$96	17.10	12.50	7.90	3.30	0	0	0	0	0	0	0
$96	$98	17.50	12.80	8.20	3.60	0	0	0	0	0	0	0
$98	$100	17.80	13.20	8.60	4.00	0	0	0	0	0	0	0
$100	$102	18.20	13.60	8.90	4.30	0	0	0	0	0	0	0
$102	$104	18.50	13.90	9.30	4.70	.10	0	0	0	0	0	0
$104	$106	18.90	14.30	9.70	5.10	.40	0	0	0	0	0	0
$106	$108	19.30	14.60	10.00	5.40	.80	0	0	0	0	0	0
$108	$110	19.60	15.00	10.40	5.80	1.20	0	0	0	0	0	0
$110	$112	20.00	15.40	10.70	6.10	1.50	0	0	0	0	0	0
$112	$114	20.30	15.70	11.10	6.50	1.90	0	0	0	0	0	0
$114	$116	20.70	16.10	11.50	6.90	2.20	0	0	0	0	0	0
$116	$118	21.10	16.40	11.80	7.20	2.60	0	0	0	0	0	0
$118	$120	21.40	16.80	12.20	7.60	3.00	0	0	0	0	0	0
$120	$124	22.00	17.30	12.70	8.10	3.50	0	0	0	0	0	0
$124	$128	22.70	18.10	13.40	8.80	4.20	0	0	0	0	0	0
$128	$132	23.40	18.80	14.20	9.60	4.90	.30	0	0	0	0	0
$132	$136	24.10	19.50	14.90	10.30	5.70	1.00	0	0	0	0	0
$136	$140	24.80	20.20	15.60	11.00	6.40	1.80	0	0	0	0	0
$140	$144	25.60	20.90	16.30	11.70	7.10	2.50	0	0	0	0	0
$144	$148	26.30	21.70	17.00	12.40	7.80	3.20	0	0	0	0	0
$148	$152	27.00	22.40	17.80	13.20	8.50	3.90	0	0	0	0	0
$152	$156	27.70	23.10	18.50	13.90	9.30	4.60	0	0	0	0	0
$156	$160	28.40	23.80	19.20	14.60	10.00	5.40	.70	0	0	0	0
$160	$164	29.20	24.50	19.90	15.30	10.70	6.10	1.50	0	0	0	0
$164	$168	29.90	25.30	20.60	16.00	11.40	6.80	2.20	0	0	0	0
$168	$172	30.60	26.00	21.40	16.80	12.10	7.50	2.90	0	0	0	0
$172	$176	31.30	26.70	22.10	17.50	12.90	8.20	3.60	0	0	0	0
$176	$180	32.00	27.40	22.80	18.20	13.60	9.00	4.30	0	0	0	0
$180	$184	32.80	28.10	23.50	18.90	14.30	9.70	5.10	.50	0	0	0
$184	$188	33.50	28.90	24.20	19.60	15.00	10.40	5.80	1.20	0	0	0
$188	$192	34.20	29.60	25.00	20.40	15.70	11.10	6.50	1.90	0	0	0
$192	$196	34.90	30.30	25.70	21.10	16.50	11.80	7.20	2.60	0	0	0
$196	$200	35.60	31.00	26.40	21.80	17.20	12.60	7.90	3.30	0	0	0
$200	$210	36.90	32.30	27.70	23.10	18.40	13.80	9.20	4.60	0	0	0
$210	$220	38.70	34.10	29.50	24.90	20.20	15.60	11.00	6.40	1.80	0	0
$220	$230	40.50	35.90	31.30	26.70	22.00	17.40	12.80	8.20	3.60	0	0
$230	$240	42.30	37.70	33.10	28.50	23.80	19.20	14.60	10.00	5.40	.80	0
$240	$250	44.10	39.50	34.90	30.30	25.60	21.00	16.40	11.80	7.20	2.60	0
$250	$260	45.90	41.30	36.70	32.10	27.40	22.80	18.20	13.60	9.00	4.40	0
$260	$270	47.70	43.10	38.50	33.90	29.20	24.60	20.00	15.40	10.80	6.20	1.50
$270	$280	49.50	44.90	40.30	35.70	31.00	26.40	21.80	17.20	12.60	8.00	3.30
$280	$290	51.30	46.70	42.10	37.50	32.80	28.20	23.60	19.00	14.40	9.80	5.10
$290	$300	53.10	48.50	43.90	39.30	34.60	30.00	25.40	20.80	16.20	11.60	6.90
$300	$320	55.80	51.20	46.60	42.00	37.30	32.70	28.10	23.50	18.90	14.30	9.60
$320	$340	59.40	54.80	50.20	45.60	40.90	36.30	31.70	27.10	22.50	17.90	13.20
$340	$360	63.00	58.40	53.80	49.20	44.50	39.90	35.30	30.70	26.10	21.50	16.80
$360	$380	66.60	62.00	57.40	52.80	48.10	43.50	38.90	34.30	29.70	25.10	20.40
$380	$400	70.20	65.60	61.00	56.40	51.70	47.10	42.50	37.90	33.30	28.70	24.00
		18 percent of the excess over $400 plus—										
$400 and over		72.00	67.40	62.80	58.20	53.50	48.90	44.30	39.70	35.10	30.50	25.80

"'If the pay-roll period with respect to an employee is semimonthly

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$28	18% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$28	$30	$5.20	.20	0	0	0	0	0	0	0	0	0
$30	$32	5.60	.60	0	0	0	0	0	0	0	0	0
$32	$34	5.90	.90	0	0	0	0	0	0	0	0	0
$34	$36	6.30	1.30	0	0	0	0	0	0	0	0	0
$36	$38	6.70	1.70	0	0	0	0	0	0	0	0	0
$38	$40	7.00	2.00	0	0	0	0	0	0	0	0	0
$40	$42	7.40	2.40	0	0	0	0	0	0	0	0	0
$42	$44	7.70	2.70	0	0	0	0	0	0	0	0	0
$44	$46	8.10	3.10	0	0	0	0	0	0	0	0	0
$46	$48	8.50	3.50	0	0	0	0	0	0	0	0	0
$48	$50	8.80	3.80	0	0	0	0	0	0	0	0	0
$50	$52	9.20	4.20	0	0	0	0	0	0	0	0	0
$52	$54	9.50	4.50	0	0	0	0	0	0	0	0	0
$54	$56	9.90	4.90	0	0	0	0	0	0	0	0	0
$56	$58	10.30	5.30	.30	0	0	0	0	0	0	0	0
$58	$60	10.60	5.60	.60	0	0	0	0	0	0	0	0
$60	$62	11.00	6.00	1.00	0	0	0	0	0	0	0	0
$62	$64	11.30	6.30	1.30	0	0	0	0	0	0	0	0
$64	$66	11.70	6.70	1.70	0	0	0	0	0	0	0	0
$66	$68	12.10	7.10	2.10	0	0	0	0	0	0	0	0
$68	$70	12.40	7.40	2.40	0	0	0	0	0	0	0	0
$70	$72	12.80	7.80	2.80	0	0	0	0	0	0	0	0
$72	$74	13.10	8.10	3.10	0	0	0	0	0	0	0	0
$74	$76	13.50	8.50	3.50	0	0	0	0	0	0	0	0
$76	$78	13.90	8.90	3.90	0	0	0	0	0	0	0	0
$78	$80	14.20	9.20	4.20	0	0	0	0	0	0	0	0
$80	$82	14.60	9.60	4.60	0	0	0	0	0	0	0	0
$82	$84	14.90	9.90	4.90	0	0	0	0	0	0	0	0
$84	$86	15.30	10.30	5.30	.30	0	0	0	0	0	0	0
$86	$88	15.70	10.70	5.70	.70	0	0	0	0	0	0	0
$88	$90	16.00	11.00	6.00	1.00	0	0	0	0	0	0	0
$90	$92	16.40	11.40	6.40	1.40	0	0	0	0	0	0	0
$92	$94	16.70	11.70	6.70	1.70	0	0	0	0	0	0	0
$94	$96	17.10	12.10	7.10	2.10	0	0	0	0	0	0	0
$96	$98	17.50	12.50	7.50	2.50	0	0	0	0	0	0	0
$98	$100	17.80	12.80	7.80	2.80	0	0	0	0	0	0	0
$100	$102	18.20	13.20	8.20	3.20	0	0	0	0	0	0	0
$102	$104	18.50	13.50	8.50	3.50	0	0	0	0	0	0	0
$104	$106	18.90	13.90	8.90	3.90	0	0	0	0	0	0	0
$106	$108	19.30	14.30	9.30	4.30	0	0	0	0	0	0	0
$108	$110	19.60	14.60	9.60	4.60	0	0	0	0	0	0	0
$110	$112	20.00	15.00	10.00	5.00	0	0	0	0	0	0	0
$112	$114	20.30	15.30	10.30	5.30	.30	0	0	0	0	0	0
$114	$116	20.70	15.70	10.70	5.70	.70	0	0	0	0	0	0
$116	$118	21.10	16.10	11.10	6.10	1.10	0	0	0	0	0	0
$118	$120	21.40	16.40	11.40	6.40	1.40	0	0	0	0	0	0
$120	$124	22.00	17.00	12.00	7.00	2.00	0	0	0	0	0	0
$124	$128	22.70	17.70	12.70	7.70	2.70	0	0	0	0	0	0
$128	$132	23.40	18.40	13.40	8.40	3.40	0	0	0	0	0	0
$132	$136	24.10	19.10	14.10	9.10	4.10	0	0	0	0	0	0
$136	$140	24.80	19.80	14.80	9.80	4.80	0	0	0	0	0	0
$140	$144	25.60	20.60	15.60	10.60	5.60	.60	0	0	0	0	0
$144	$148	26.30	21.30	16.30	11.30	6.30	1.30	0	0	0	0	0
$148	$152	27.00	22.00	17.00	12.00	7.00	2.00	0	0	0	0	0
$152	$156	27.70	22.70	17.70	12.70	7.70	2.70	0	0	0	0	0
$156	$160	28.40	23.40	18.40	13.40	8.40	3.40	0	0	0	0	0
$160	$164	29.20	24.20	19.20	14.20	9.20	4.20	0	0	0	0	0
$164	$168	29.90	24.90	19.90	14.90	9.90	4.90	0	0	0	0	0
$168	$172	30.60	25.60	20.60	15.60	10.60	5.60	.60	0	0	0	0
$172	$176	31.30	26.30	21.30	16.30	11.30	6.30	1.30	0	0	0	0
$176	$180	32.00	27.00	22.00	17.00	12.00	7.00	2.00	0	0	0	0
$180	$184	32.80	27.80	22.80	17.80	12.80	7.80	2.80	0	0	0	0
$184	$188	33.50	28.50	23.50	18.50	13.50	8.50	3.50	0	0	0	0
$188	$192	34.20	29.20	24.20	19.20	14.20	9.20	4.20	0	0	0	0
$192	$196	34.90	29.90	24.90	19.90	14.90	9.90	4.90	0	0	0	0
$196	$200	35.60	30.60	25.60	20.60	15.60	10.60	5.60	.60	0	0	0
$200	$210	36.90	31.90	26.90	21.90	16.90	11.90	6.90	1.90	0	0	0
$210	$220	38.70	33.70	28.70	23.70	18.70	13.70	8.70	3.70	0	0	0
$220	$230	40.50	35.50	30.50	25.50	20.50	15.50	10.50	5.50	.50	0	0
$230	$240	42.30	37.30	32.30	27.30	22.30	17.30	12.30	7.30	2.30	0	0
$240	$250	44.10	39.10	34.10	29.10	24.10	19.10	14.10	9.10	4.10	0	0
$250	$260	45.90	40.90	35.90	30.90	25.90	20.90	15.90	10.90	5.90	.90	0
$260	$270	47.70	42.70	37.70	32.70	27.70	22.70	17.70	12.70	7.70	2.70	0
$270	$280	49.50	44.50	39.50	34.50	29.50	24.50	19.50	14.50	9.50	4.50	0
$280	$290	51.30	46.30	41.30	36.30	31.30	26.30	21.30	16.30	11.30	6.30	1.30
$290	$300	53.10	48.10	43.10	38.10	33.10	28.10	23.10	18.10	13.10	8.10	3.10
$300	$320	55.80	50.80	45.80	40.80	35.80	30.80	25.80	20.80	15.80	10.80	5.80
$320	$340	59.40	54.40	49.40	44.40	39.40	34.40	29.40	24.40	19.40	14.40	9.40
$340	$360	63.00	58.00	53.00	48.00	43.00	38.00	33.00	28.00	23.00	18.00	13.00
$360	$380	66.60	61.60	56.60	51.60	46.60	41.60	36.60	31.60	26.60	21.60	16.60
$380	$400	70.20	65.20	60.20	55.20	50.20	45.20	40.20	35.20	30.20	25.20	20.20
$400	$420	73.80	68.80	63.80	58.80	53.80	48.80	43.80	38.80	33.80	28.80	23.80
$420	$440	77.40	72.40	67.40	62.40	57.40	52.40	47.40	42.40	37.40	32.40	27.40
$440	$460	81.00	76.00	71.00	66.00	61.00	56.00	51.00	46.00	41.00	36.00	31.00
$460	$480	84.60	79.60	74.60	69.60	64.60	59.60	54.60	49.60	44.60	39.60	34.60
$480	$500	88.20	83.20	78.20	73.20	68.20	63.20	58.20	53.20	48.20	43.20	38.20
		18 percent of the excess over $500 plus—										
$500 and over		90.00	85.00	80.00	75.00	70.00	65.00	60.00	55.00	50.00	45.00	40.00

"'If the payroll period with respect to an employee is monthly

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$56	18% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$56	$60	$10.40	.40	0	0	0	0	0	0	0	0	0
$60	$64	11.20	1.20	0	0	0	0	0	0	0	0	0
$64	$68	11.90	1.90	0	0	0	0	0	0	0	0	0
$68	$72	12.60	2.60	0	0	0	0	0	0	0	0	0
$72	$76	13.30	3.30	0	0	0	0	0	0	0	0	0
$76	$80	14.00	4.00	0	0	0	0	0	0	0	0	0
$80	$84	14.80	4.80	0	0	0	0	0	0	0	0	0
$84	$88	15.50	5.50	0	0	0	0	0	0	0	0	0
$88	$92	16.20	6.20	0	0	0	0	0	0	0	0	0
$92	$96	16.90	6.90	0	0	0	0	0	0	0	0	0
$96	$100	17.60	7.60	0	0	0	0	0	0	0	0	0
$100	$104	18.40	8.40	0	0	0	0	0	0	0	0	0
$104	$108	19.10	9.10	0	0	0	0	0	0	0	0	0
$108	$112	19.80	9.80	0	0	0	0	0	0	0	0	0
$112	$116	20.50	10.50	.50	0	0	0	0	0	0	0	0
$116	$120	21.20	11.20	1.20	0	0	0	0	0	0	0	0
$120	$124	22.00	12.00	2.00	0	0	0	0	0	0	0	0
$124	$128	22.70	12.70	2.70	0	0	0	0	0	0	0	0
$128	$132	23.40	13.40	3.40	0	0	0	0	0	0	0	0
$132	$136	24.10	14.10	4.10	0	0	0	0	0	0	0	0
$136	$140	24.80	14.80	4.80	0	0	0	0	0	0	0	0
$140	$144	25.60	15.60	5.60	0	0	0	0	0	0	0	0
$144	$148	26.30	16.30	6.30	0	0	0	0	0	0	0	0
$148	$152	27.00	17.00	7.00	0	0	0	0	0	0	0	0
$152	$156	27.70	17.70	7.70	0	0	0	0	0	0	0	0
$156	$160	28.40	18.40	8.40	0	0	0	0	0	0	0	0
$160	$164	29.20	19.20	9.20	0	0	0	0	0	0	0	0
$164	$168	29.90	19.90	9.90	0	0	0	0	0	0	0	0
$168	$172	30.60	20.60	10.60	.60	0	0	0	0	0	0	0
$172	$176	31.30	21.30	11.30	1.30	0	0	0	0	0	0	0
$176	$180	32.00	22.00	12.00	2.00	0	0	0	0	0	0	0
$180	$184	32.80	22.80	12.80	2.80	0	0	0	0	0	0	0
$184	$188	33.50	23.50	13.50	3.50	0	0	0	0	0	0	0
$188	$192	34.20	24.20	14.20	4.20	0	0	0	0	0	0	0
$192	$196	34.90	24.90	14.90	4.90	0	0	0	0	0	0	0
$196	$200	35.60	25.60	15.60	5.60	0	0	0	0	0	0	0
$200	$204	36.40	26.40	16.40	6.40	0	0	0	0	0	0	0
$204	$208	37.10	27.10	17.10	7.10	0	0	0	0	0	0	0
$208	$212	37.80	27.80	17.80	7.80	0	0	0	0	0	0	0
$212	$216	38.50	28.50	18.50	8.50	0	0	0	0	0	0	0
$216	$220	39.20	29.20	19.20	9.20	0	0	0	0	0	0	0
$220	$224	40.00	30.00	20.00	10.00	0	0	0	0	0	0	0
$224	$228	40.70	30.70	20.70	10.70	.70	0	0	0	0	0	0
$228	$232	41.40	31.40	21.40	11.40	1.40	0	0	0	0	0	0
$232	$236	42.10	32.10	22.10	12.10	2.10	0	0	0	0	0	0
$236	$240	42.80	32.80	22.80	12.80	2.80	0	0	0	0	0	0
$240	$248	43.90	33.90	23.90	13.90	3.90	0	0	0	0	0	0
$248	$256	45.40	35.40	25.40	15.40	5.40	0	0	0	0	0	0
$256	$264	46.80	36.80	26.80	16.80	6.80	0	0	0	0	0	0
$264	$272	48.20	38.20	28.20	18.20	8.20	0	0	0	0	0	0
$272	$280	49.70	39.70	29.70	19.70	9.70	0	0	0	0	0	0
$280	$288	51.10	41.10	31.10	21.10	11.10	1.10	0	0	0	0	0
$288	$296	52.60	42.60	32.60	22.60	12.60	2.60	0	0	0	0	0
$296	$304	54.00	44.00	34.00	24.00	14.00	4.00	0	0	0	0	0
$304	$312	55.40	45.40	35.40	25.40	15.40	5.40	0	0	0	0	0
$312	$320	56.90	46.90	36.90	26.90	16.90	6.90	0	0	0	0	0
$320	$328	58.30	48.30	38.30	28.30	18.30	8.30	0	0	0	0	0
$328	$336	59.80	49.80	39.80	29.80	19.80	9.80	0	0	0	0	0
$336	$344	61.20	51.20	41.20	31.20	21.20	11.20	1.20	0	0	0	0
$344	$352	62.60	52.60	42.60	32.60	22.60	12.60	2.60	0	0	0	0
$352	$360	64.10	54.10	44.10	34.10	24.10	14.10	4.10	0	0	0	0
$360	$368	65.50	55.50	45.50	35.50	25.50	15.50	5.50	0	0	0	0
$368	$376	67.00	57.00	47.00	37.00	27.00	17.00	7.00	0	0	0	0
$376	$384	68.40	58.40	48.40	38.40	28.40	18.40	8.40	0	0	0	0
$384	$392	69.80	59.80	49.80	39.80	29.80	19.80	9.80	0	0	0	0
$392	$400	71.30	61.30	51.30	41.30	31.30	21.30	11.30	1.30	0	0	0
$400	$420	73.80	63.80	53.80	43.80	33.80	23.80	13.80	3.80	0	0	0
$420	$440	77.40	67.40	57.40	47.40	37.40	27.40	17.40	7.40	0	0	0
$440	$460	81.00	71.00	61.00	51.00	41.00	31.00	21.00	11.00	1.00	0	0
$460	$480	84.60	74.60	64.60	54.60	44.60	34.60	24.60	14.60	4.60	0	0
$480	$500	88.20	78.20	68.20	58.20	48.20	38.20	28.20	18.20	8.20	0	0
$500	$520	91.80	81.80	71.80	61.80	51.80	41.80	31.80	21.80	11.80	1.80	0
$520	$540	95.40	85.40	75.40	65.40	55.40	45.40	35.40	25.40	15.40	5.40	0
$540	$560	99.00	89.00	79.00	69.00	59.00	49.00	39.00	29.00	19.00	9.00	0
$560	$580	102.60	92.60	82.60	72.60	62.60	52.60	42.60	32.60	22.60	12.60	2.60
$580	$600	106.20	96.20	86.20	76.20	66.20	56.20	46.20	36.20	26.20	16.20	6.20
$600	$640	111.60	101.60	91.60	81.60	71.60	61.60	51.60	41.60	31.60	21.60	11.60
$640	$680	118.80	108.80	98.80	88.80	78.80	68.80	58.80	48.80	38.80	28.80	18.80
$680	$720	126.00	116.00	106.00	96.00	86.00	76.00	66.00	56.00	46.00	36.00	26.00
$720	$760	133.20	123.20	113.20	103.20	93.20	83.20	73.20	63.20	53.20	43.20	33.20
$760	$800	140.40	130.40	120.40	110.40	100.40	90.40	80.40	70.40	60.40	50.40	40.40
$800	$840	147.60	137.60	127.60	117.60	107.60	97.60	87.60	77.60	67.60	57.60	47.60
$840	$880	154.80	144.80	134.80	124.80	114.80	104.80	94.80	84.80	74.80	64.80	54.80
$880	$920	162.00	152.00	142.00	132.00	122.00	112.00	102.00	92.00	82.00	72.00	62.00
$920	$960	169.20	159.20	149.20	139.20	129.20	119.20	109.20	99.20	89.20	79.20	69.20
$960	$1,000	176.40	166.40	156.40	146.40	136.40	126.40	116.40	106.40	96.40	86.40	76.40
		18 percent of the excess over $1,000 plus—										
$1,000 and over		180.00	170.00	160.00	150.00	140.00	130.00	120.00	110.00	100.00	90.00	80.00

"'If the payroll period with respect to an employee is a daily payroll period or a miscellaneous payroll period

And the wages divided by the number of days in such period are—		And the number of withholding exemptions claimed is—										
		0	1	2	3	4	5	6	7	8	9	10 or more
At least	But less than	The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period—										
$0	$2.00	18% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$2.00	$2.25	$0.40	.05	0	0	0	0	0	0	0	0	0
$2.25	$2.50	.45	.10	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.45	.15	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.50	.20	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.55	.25	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.60	.30	0	0	0	0	0	0	0	0	0
$3.50	$3.75	.65	.30	0	0	0	0	0	0	0	0	0
$3.75	$4.00	.70	.35	.05	0	0	0	0	0	0	0	0
$4.00	$4.25	.75	.40	.10	0	0	0	0	0	0	0	0
$4.25	$4.50	.80	.45	.15	0	0	0	0	0	0	0	0
$4.50	$4.75	.85	.50	.15	0	0	0	0	0	0	0	0
$4.75	$5.00	.90	.55	.20	0	0	0	0	0	0	0	0
$5.00	$5.25	.90	.60	.25	0	0	0	0	0	0	0	0
$5.25	$5.50	.95	.65	.30	0	0	0	0	0	0	0	0
$5.50	$5.75	1.00	.70	.35	.05	0	0	0	0	0	0	0
$5.75	$6.00	1.05	.75	.40	.05	0	0	0	0	0	0	0
$6.00	$6.25	1.10	.75	.45	.10	0	0	0	0	0	0	0
$6.25	$6.50	1.15	.80	.50	.15	0	0	0	0	0	0	0
$6.50	$6.75	1.20	.85	.55	.20	0	0	0	0	0	0	0
$6.75	$7.00	1.25	.90	.60	.25	0	0	0	0	0	0	0
$7.00	$7.25	1.30	.95	.60	.30	0	0	0	0	0	0	0
$7.25	$7.50	1.35	1.00	.65	.35	0	0	0	0	0	0	0
$7.50	$7.75	1.35	1.05	.70	.40	.05	0	0	0	0	0	0
$7.75	$8.00	1.40	1.10	.75	.45	.10	0	0	0	0	0	0
$8.00	$8.25	1.45	1.15	.80	.50	.15	0	0	0	0	0	0
$8.25	$8.50	1.50	1.20	.85	.50	.20	0	0	0	0	0	0
$8.50	$8.75	1.55	1.20	.90	.55	.25	0	0	0	0	0	0
$8.75	$9.00	1.60	1.25	.95	.60	.30	0	0	0	0	0	0
$9.00	$9.25	1.65	1.30	1.00	.65	.35	0	0	0	0	0	0
$9.25	$9.50	1.70	1.35	1.05	.70	.35	.05	0	0	0	0	0
$9.50	$9.75	1.75	1.40	1.05	.75	.40	.10	0	0	0	0	0
$9.75	$10.00	1.80	1.45	1.10	.80	.45	.15	0	0	0	0	0
$10.00	$10.50	1.85	1.50	1.20	.85	.55	.20	0	0	0	0	0
$10.50	$11.00	1.95	1.60	1.30	.95	.60	.30	0	0	0	0	0
$11.00	$11.50	2.05	1.70	1.35	1.05	.70	.40	.05	0	0	0	0
$11.50	$12.00	2.10	1.80	1.45	1.15	.80	.45	.15	0	0	0	0
$12.00	$12.50	2.20	1.90	1.55	1.20	.90	.55	.25	0	0	0	0
$12.50	$13.00	2.30	1.95	1.65	1.30	1.00	.65	.30	0	0	0	0
$13.00	$13.50	2.40	2.05	1.75	1.40	1.05	.75	.40	.10	0	0	0
$13.50	$14.00	2.50	2.15	1.80	1.50	1.15	.85	.50	.15	0	0	0
$14.00	$14.50	2.55	2.25	1.90	1.60	1.25	.90	.60	.25	0	0	0
$14.50	$15.00	2.65	2.35	2.00	1.65	1.35	1.00	.70	.35	0	0	0
$15.00	$15.50	2.75	2.40	2.10	1.75	1.45	1.10	.75	.45	.10	0	0
$15.50	$16.00	2.85	2.50	2.20	1.85	1.50	1.20	.85	.55	.20	0	0
$16.00	$16.50	2.95	2.60	2.25	1.95	1.60	1.30	.95	.60	.30	0	0
$16.50	$17.00	3.00	2.70	2.35	2.05	1.70	1.35	1.05	.70	.40	.05	0
$17.00	$17.50	3.10	2.80	2.45	2.10	1.80	1.45	1.15	.80	.45	.15	0
$17.50	$18.00	3.20	2.85	2.55	2.20	1.90	1.55	1.20	.90	.55	.25	0
$18.00	$18.50	3.30	2.95	2.65	2.30	1.95	1.65	1.30	1.00	.65	.35	0
$18.50	$19.00	3.40	3.05	2.70	2.40	2.05	1.75	1.40	1.05	.75	.40	.10
$19.00	$19.50	3.45	3.15	2.80	2.50	2.15	1.80	1.50	1.15	.85	.50	.20
$19.50	$20.00	3.55	3.25	2.90	2.55	2.25	1.90	1.60	1.25	.90	.60	.25
$20.00	$21.00	3.70	3.35	3.05	2.70	2.35	2.05	1.70	1.40	1.05	.75	.40
$21.00	$22.00	3.85	3.55	3.20	2.90	2.55	2.25	1.90	1.55	1.25	.90	.60
$22.00	$23.00	4.05	3.70	3.40	3.05	2.75	2.40	2.10	1.75	1.40	1.10	.75
$23.00	$24.00	4.25	3.90	3.55	3.25	2.90	2.60	2.25	1.95	1.60	1.25	.95
$24.00	$25.00	4.40	4.10	3.75	3.40	3.10	2.75	2.45	2.10	1.80	1.45	1.10
$25.00	$26.00	4.60	4.25	3.95	3.60	3.25	2.95	2.60	2.30	1.95	1.65	1.30
$26.00	$27.00	4.75	4.45	4.10	3.80	3.45	3.15	2.80	2.45	2.15	1.80	1.50
$27.00	$28.00	4.95	4.60	4.30	3.95	3.65	3.30	3.00	2.65	2.30	2.00	1.65
$28.00	$29.00	5.15	4.80	4.45	4.15	3.80	3.50	3.15	2.85	2.50	2.15	1.85
$29.00	$30.00	5.30	5.00	4.65	4.30	4.00	3.65	3.35	3.00	2.70	2.35	2.00
		18 percent of the excess over $30 plus—										
$30.00 and over		5.40	5.05	4.75	4.40	4.10	3.75	3.45	3.10	2.75	2.45	2.10'

"SEC. 143. Effective date of part IV.

"The amendments made by this part shall be applicable only with respect to wages paid on or after October 1, 1950.

"TITLE II—MISCELLANEOUS INCOME TAX AMENDMENTS

"SEC. 201. Extension of time in the case of discharge of indebtedness.

"Section 22 (b) (9) and section 22 (b) (10) (relating to exclusion of certain income attributable to the discharge of indebtedness) are amended by striking out 'December 31, 1950' and inserting in lieu thereof 'December 31, 1951.'

"SEC. 202. Income tax exemptions for members of the Armed Forces serving in combat areas.

"(a) Exclusion from gross income: Section 22 (b) (13) (relating to exclusions from gross income) is hereby amended to read as follows:

"'(13) Additional allowance for certain members of the Armed Forces—

"'(A) Enlisted personnel: In the case of compensation received after June 24, 1950, and prior to January 1, 1952, for active service as a member below the grade of commissioned officer in the Armed Forces of the United States, that amount of such compensation received during the taxable year which bears the same ratio to the total of such compensation received during the taxable year as the number of calendar months during any part of which the member performed such service in a combat zone during the taxable year bears to the total number of calendar months during any part of which he performed such service at any place during the taxable year.

"'(B) Commissioned officers: In the case of compensation received after June 24, 1950, and prior to January 1, 1952, for active service as a commissioned officer in the Armed Forces of the United States, an amount of such compensation which is equal to $200 times the number of calendar months during any part of which he performed such service in a combat zone during the taxable year.

"'(C) Definitions: For the purposes of this paragraph—

"'(i) the term "commissioned officer" does not include a commissioned warrant officer;

"'(ii) the term "combat zone" means any area which the President of the United States by Executive order designates, for the purposes of this paragraph, as an area in which Armed Forces of the United States are or have (after June 24, 1950) engaged in combat; and

"'(iii) service is performed in a combat zone only if performed on or after the date designated by the President by Executive order as the date of the commencing of com-

batant activities in such zone, and on or before the date designated by the President by Executive order as the date of the termination of combatant activities in such zone.'

"(b) Withholding of income tax on wages: Effective with respect to wages paid on and after the first day of the second calendar month which begins after the date of enactment of this act, section 1621 (a) (relating to definition of wages for income tax withholding purposes) is hereby amended by inserting before paragraph (2) thereof the following:

"'(1) for active service as a member of the Armed Forces of the United States in a month during any part of which such member served in a combat zone as defined in section 22 (b) (13), or.'

"(c) Receipts:

"(1) Section 1625 (a) (relating to receipts for employees) is hereby amended by adding at the end thereof the following new sentence: 'In the case of a member of the Armed Forces entitled to the benefits of section 22 (b) (13) for the calendar year 1950, the written statement shall show the same information with respect to remuneration paid for active service as such a member as that required by section 1633 (d).'

"(2) Section 1633 (relating to receipts for employees) is hereby amended by adding at the end thereof the following:

"'(d) Members of Armed Forces: In the case of a member of the Armed Forces entitled to the benefits of section 22 (b) (13), the written statement required by subsection (a) shall be furnished to such member with respect to remuneration described in section 1621 (a) (1) as though such remuneration constituted wages with respect to which withholding is required under this subchapter, and such written statement, in addition to the information required by subsection (a), shall show (1) the amount of remuneration for active service as such a member below the grade of commissioned officer (as defined in section 22 (b) (13) (C)), (2) the number of calendar months during any part of which the member performed such service in a combat zone (as defined in section 22 (b) (13) (C)) during the calendar year and the number of calendar months during any part of which he performed such service at any place during the calendar year, and (3) the number of calendar months during any part of which such member performed active service as a commissioned officer (as defined in section 22 (b) (13) (C)) in a combat zone during the calendar year.'"

The next amendment was, on page 85, line 17, to change the section number from "202" to "203."

The next amendment was, on page 88, after line 8, to insert:

"(c) Effective date: The amendments made by this section shall be applicable to taxable years ending after June 30, 1950, but in the case of a taxable year beginning before and ending after such date the amendments shall apply only with respect to obligations acquired after such date."

The next amendment was, on page 88, after line 13, to strike out:

"SEC. 203. Dividends received credit.

"(a) Dividends received in property: Section 26 (b) (relating to credits allowed corporations with respect to dividends received) is hereby amended by striking out the first sentence and inserting in lieu thereof the following: '85 percent of the amount received as dividends from a domestic corporation which is subject to taxation under this chapter. For the purpose of the proceeding sentence, if the whole or any part of a dividend is received in property other than money, then, with respect to such property, the shareholder shall not be considered to have received as a dividend an amount in excess of the adjusted basis of such property in the hands of the distributing corporation at the time of distribution increased in the amount of gain or decreased in the amount of loss recognized to the distributing corporation by reason of such distribution. In no event shall the credit allowed by this subsection exceed 85 percent of the adjusted net income.'

"(b) Effective date: The amendment made by subsection (a) shall be applicable to taxable years ending after December 31, 1949, but shall apply only with respect to dividends received after such date.

The next amendment was, on page 89, after line 10, to insert:

"SEC. 204. Circulation expenditures.

"(a) Deduction from gross income: Section 23 is hereby amended by adding at the end thereof the following new subsection:

"'(bb) Circulation expenditures: Notwithstanding section 24 (a), all expenditures (other than expenditures for the purchase of land or depreciable property or for the acquisition of circulation through the purchase of newspapers, magazines, or other periodicals) to establish, maintain, or increase the circulation of a newspaper, magazine, or other periodical; except that the deduction shall not be allowed with respect to the portion of such expenditures as, under regulations prescribed by the Secretary, is chargeable to capital account if the taxpayer elects, in accordance with such regulations, to treat such portion as so chargeable. Such election, if made, must be for the total amount of such portion of the expenditures which is so chargeable to capital account, and shall be binding for all subsequent taxable years unless, upon application by the taxpayer, the Secretary permits a revocation of such election subject to such conditions as he deems necessary.'

"(b) Technical amendment: Section 113 (b) (1) (A) is hereby amended by inserting after 'carrying charges' the following: ", or for expenditures described in section 23 (bb),'.

"(c) Effective date: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1945."

The next amendment was, on page 90, after line 13, to insert:

SEC. 205. Payment of income tax by installment payments.

"Effective with respect to taxable years ending on or after December 31, 1950, section 56 (b) (relating to installment payments of income tax) is hereby amended to read as follows:

"'(b) Installment payments:

"'(1) Estates of decedents: In the case of the estate of a decedent, the fiduciary may elect to pay the tax in four equal installments.

"'(2) Corporations: In the case of a corporation—

"'(A) Taxable years ending before December 31, 1954: The taxpayer may elect with respect to any taxable year ending before December 31, 1954, to pay the tax in four installments, and in such case the amount of the tax paid by each installment shall be determined as follows:

"'If the taxable year ends—		each of the first two installments shall be the following percentage of the tax:	and each of the last two installments shall be the following percentage of the tax:
on or after—	and before—		
December 31, 1950	December 31, 1951	30	20
" "1951	" "1952	35	15
" "1952	" "1953	40	10
" "1953	" "1954	45	5

"'(B) Taxable years ending on or after December 31, 1954: The taxpayer may elect with respect to any taxable year ending on or after December 31, 1954, to pay the tax in two equal installments.

"'(3) Dates for installment payments:

"'(A) Four installments: In any case in which the tax may be paid in four installments, the first installment shall be paid on the date prescribed for the payment of the tax by the taxpayer, the second installment shall be paid on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month, after such date.

"'(B) Two installments: In any case in which the tax may be paid in two installments, the first installment shall be paid on the date prescribed for the payment of the tax by the taxpayer, and the second installment shall be paid on the 15th day of the third month after such date.

"'(4) Requirement for payment: If any installment is not paid on or before the date fixed for its payment, the whole of the tax unpaid shall be paid upon notice and demand from the collector.'"

The next amendment was, on page 92, after line 10, to insert:

"SEC. 206. Election as to recognition of gain in certain corporate liquidations.

"(a) Amendment of section 112 (b) (7): Section 112 (b) (7) (relating to recognition of gain in certain corporate liquidations) is hereby amended as follows:

"(1) Clauses (i) and (ii) of subparagraph (A) are hereby amended to read as follows:

"'(i) the liquidation is made in pursuance of a plan of liquidation adopted after December 31, 1950, whether the taxable year of the corporation began on, before, or after January 1, 1951; and

"'(ii) the distribution is in complete cancellation or redemption of all the stock, and the transfer of all the property under the liquidation occurs within some one calendar month in 1951.'

"(2) Subparagraph (B), clause (ii) of subparagraph (E), and clause (i) of subparagraph (F) are each amended by striking out 'December 10, 1943,' and inserting in lieu thereof 'August 15, 1950.'

"(b) Basis of property: Section 113 (a) (18) (relating to basis of property received in certain corporate liquidations) is hereby amended by inserting after the word 'Chapter' the following: '(whether before or after its amendment by the Revenue Act of 1950)'.

"(c) Effective date: The amendments made by this section shall be applicable only to taxable years ending after December 31, 1950."

The next amendment was, on page 93, after line 12, to insert:

"SEC. 207. Certain distributions of stock on reorganization.

"(a) Distributions not in liquidation: Section 112 (b) (relating to nonrecognition of gain or loss in the case of certain exchanges) is hereby amended by adding at the end thereof the following new paragraph:

"'(11) Distribution of stock not in liquidation: If there is distributed, in pursuance of a plan of reorganization, to a shareholder of a corporation which is a party to the reorganization, stock (other than preferred stock) in another corporation which is a party to the reorganization, without the surrender by such shareholder of stock, no gain to the distributee from the receipt of such stock shall be recognized unless it appears that (A) any corporation which is a party to such reorganization was not intended to continue the active conduct of a trade or business after such reorganization, or (B) the corporation whose stock is distributed was used principally as a device for the distribution of earnings and profits to the

shareholders of any corporation a party to the reorganization.'

"(b) Basis of stock: Section 113 (a) (relating to unadjusted basis for determining gain or loss) is hereby amended by adding at the end thereof the following new paragraph:

"'(23) Tax-free distributions: If the property consists of stock distributed after the date of the enactment of the Revenue Act of 1950 to a taxpayer in connection with a transaction described in section 112 (b) (11) (hereinafter in this paragraph called "new stock"), or consists of stock in respect of which such distribution was made (hereinafter in this paragraph called "old stock"), then the basis of the new stock and of the old stock, respectively, shall, in the shareholder's hands, be determined by allocating between the old stock and the new stock the adjusted basis of the old stock; such allocation to be made under regulations prescribed by the Secretary.'

"(c) Effective date: The amendments made by this section shall be applicable with respect to taxable years ending after the date of the enactment of this act, but shall apply only with respect to distributions of stock made after such date."

The next amendment was, on page 95, after line 3, to strike out:

"SEC. 204. Percentage depletion.

"(a) Allowance of percentage depletion: So much of paragraph (4) of section 114 (b) as precedes the last sentence of subparagraph (A) is hereby amended to read as follows:

"'(4) Percentage depletion for coal and metal mines and for certain other mines and natural mineral deposits:

"'(A) In general: The allowance for depletion under section 23 (m) in the case of the following mines and other natural deposits shall be—

"'(i) in the case of sand, gravel, stone, brick and tile clay, shale, oyster shell, clam shell, granite, and marble, 5 percent,

"'(ii) in the case of coal, 10 percent,

"'(ii) in the case of metal mines, bauxite, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc (including pyrophillite), lepidolite, spodumene, barite, ball and sagger clay, china clay, phosphate rock, rock asphalt, trona, bentonite, gilsonite, thenardite (including thenardite from brines or mixtures of brine), potash, borax, fuller's earth, tripoli, refractory and fire clay, quartzite, perlite, diatomaceous earth, metallurgical grade limestone, and chemical grade limestone, 15 percent, and

"'(iv) in the case of sulfur, 23 percent, of the gross income from the property during the taxable year, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property.'

"(b) Technical amendment: So much of paragraph (2) of section 114 (b) as precedes 'discovered by the taxpayer after February 28, 1913' is hereby amended to read as follows:

"'(2) Discovery value in the case of mines: In the case of mines (except mines in respect of which percentage depletion is allowable under paragraph (4) of this subsection).'

"(c) Gross income from mining: The second sentence of section 114 (b) (4) (B) (relating to definition of gross income from property) is hereby amended by inserting before the period at the end thereof the following: ', but such term shall in no case include transportation beyond the property.'

The next amendment was, at the top of page 97, to insert:

"SEC. 208. Percentage depletion.

"(a) Transportation from mine: The second sentence of section 114 (b) (4) (B) (relating to the definition of gross income from property) is hereby amended to read as follows: 'The term "mining" as used herein shall be considered to include not merely the extraction of the ores or minerals from the ground but also the ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products, and the transportation of ores or minerals (whether or not by common carrier) from the point of extraction from the ground to the plants or mills in which the ordinary treatment processes are applied thereto.'

"(b) Ordinary treatment processes in the case of bentonite: The third sentence of section 114 (b) (4) (B) is hereby amended by striking out 'and' before ('iv'), and by inserting before the period at the end of the sentence the following: '; and (v) in the case of bentonite—crushing, drying, pulverizing or granulating, and loading for shipment'.

"(c) Effective date: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1949."

The next amendment was, at the top of page 98, to strike out:

"SEC. 205. Corporate earnings and profits accumulated prior to March 1913.

"(a) Amendment of section 27 (g): Section 27 (g) (relating to corporation dividends paid credit) is hereby amended by striking out 'earnings or profits accumulated after February 28, 1913,' and inserting in lieu thereof 'accumulated earnings or profits'.

"(b) Amendment of section 112 (c) (2): Section 112 (c) (2) (relating to gains from exchanges not solely in kind) is hereby amended by striking out 'undistributed earnings and profits of the corporation accumulated after February 28, 1913' and inserting in lieu thereof 'accumulated earnings and profits of the corporation.'

"(c) Amendment of section 115 (a): Section 115 (a) (relating to definition of dividend) is hereby amended by striking out 'earnings or profits accumulated after February 28, 1913,' and inserting in lieu thereof 'accumulated earnings or profits,'.

"(d) Amendment of section 115 (b): Section 115 (b) (relating to source of distributions) is hereby amended by striking out the last two sentences thereof.

"(e) Amendment of section 115 (d): Section 115 (d) (relating to distributions from capital) is hereby amended by striking out 'is not out of increase in value of property accrued before March 1, 1913, and'.

"(f) Amendment of section 115 (l): Section 115 (l) (relating to effect on earnings and profits of gain or loss and of receipt of tax-free distributions) is hereby amended as follows:

"(1) By striking out so much thereof as precedes 'Gain or loss so realized' and inserting in lieu thereof the following:

"'(1) Effect on earnings and profits of gain or loss and of receipt of tax-free distributions: For the purpose of the computation of earnings and profits of a corporation the gain or loss realized from the sale or other disposition (after February 28, 1913) of property by the corporation shall be determined by using as the adjusted basis the adjusted basis (under the law applicable to the year in which the sale or other disposition was made) for determining gain, except that no regard shall be had to the value of the property as of March 1, 1913.'

"(2) By adding at the end thereof the following new sentence:

"'In the case of a distribution described in clause (1) of the preceding sentence which was made before January 1, 1950, the part of such distribution which was made out of earnings and profits shall be treated, for the purposes of this subsection, as though (under the law applicable to the year in which the distribution was made) it was not directly applied in reduction of the basis of the stock in respect of which the distribution was made and as though (under such law) it then increased the earnings and profits of the first corporation.'

"(g) Repeal of section 115 (m): Section 115 (m) (relating to increase of value accrued before March 1, 1913) is hereby repealed.

"(h) Amendment of section 371 (e) (2): Section 371 (e) (2) (relating to exchanges not solely in kind in obedience to orders of Securities and Exchange Commission) is hereby amended by striking out 'undistributed earnings and profits of the corporation accumulated after February 28, 1913,' and inserting in lieu thereof 'accumulated earnings and profits of the corporation.'

"(i) Effective date: The amendments made by this section shall be applicable to taxable years ending after December 31, 1949, but shall apply only with respect to distributions made by a corporation after such date. In applying the preceding sentence for the purpose of determining whether a distribution made after December 31, 1949, constitutes a taxable dividend, the amendment made by subsection (f) (2) shall apply with respect to distributions made by a corporation to another corporation on or before December 31, 1949."

The next amendment was, at the top of page 101, to strike out:

"SEC. 206. Distributions in liquidation of a foreign subsidiary.

"(a) Amendment of section 115 (c): Section 115 (c) (relating to distributions in liquidation) is hereby amended to read as follows:

"'(c) Distributions in liquidations:

"'(1) General rules: Amounts distributed in complete liquidation of a corporation shall be treated as in full payment in exchange for the stock, and amounts distributed in partial liquidation of a corporation shall be treated as in part or full payment in exchange for the stock. The gain or loss to the distributee resulting from such exchange shall be determined under section 111, but shall be recognized only to the extent provided in section 112. In the case of amounts distributed (whether before January 1, 1939, or on or after such date) in partial liquidation (other than a distribution to which the provisions of subsection (h) of this section are applicable) the part of such distribution which is properly chargeable to capital account shall not be considered a distribution of earnings or profits. If any distribution in partial liquidation or in complete liquidation (including any one of a series of distributions made by the corporation in complete cancellation or redemption of all its stock) is made by a foreign corporation which with respect to any taxable year beginning on or before, and ending after, August 26, 1937, was a foreign personal holding company, and with respect to which a United States group (as defined in sec. 331 (a) (2)) existed after August 26, 1937, and before January 1, 1938, then, despite the foregoing provisions of this subsection, the gain recognized resulting from such distribution shall be considered as a short-term capital gain.

"'(2) Foreign subsidiaries: If any distribution is made in partial or complete liquidation by a foreign corporation more than 50 percent of the value of the outstanding stock of which is owned directly or indirectly by less than five domestic corporations, or if any distribution or transfer of assets is made by any corporation in connection with a merger or consolidation which involves the transfer of the assets of such foreign corporation to a domestic corporation, then, despite the provisions of paragraph (1) and the provisions of section 112, there shall be recognized and taxed as a dividend to each domestic corporation

owning stock or securities in such foreign corporation so much of the gain resulting from such distribution or transfer as is not in excess of such domestic corporation's ratable share of the accumulated earnings and profits of such foreign corporation derived from sources without the United States. The determination of a domestic corporation's ratable share of the accumulated earnings and profits of a foreign corporation derived from sources without the United States shall, for purposes of the preceding sentence, be made in a manner consistent with the provisions of sections 119 and 131 (f), and shall be made as of the close of the taxable year of such foreign corporation in which such distribution or transfer is made, but without diminution by reason of distributions made during such year or during any previous taxable year if made in pursuance of a plan of liquidation, merger, or consolidation in connection with which such distribution or transfer is made, but by including in the computation thereof all amounts accrued up to the close of the taxable year. This paragraph shall not be applicable with respect to that part of any distribution which is otherwise treated as a taxable dividend under this chapter.'

"(b) Effective date: The amendment made by this section shall be applicable to taxable years ending after December 31, 1949, but shall apply only with respect to distributions or transfers made after such date. The amendment shall not apply with respect to distributions or transfers made in pursuance of a plan which the Commissioner of Internal Revenue has, under section 112 (i) of the Internal Revenue Code, determined prior to the date of the enactment of this act to be a plan not having as one of its principal purposes the avoidance of Federal income taxes."

The next amendment was, on page 104, line 5, to change the section number from "207" to "209"; in line 18, after the word "of", to strike out "accumulated earnings or profits," and insert "earnings or profits accumulated after February 28, 1913"; in line 22, after the word "of", to strike out "Affiliated Corporations, Etc." and insert "Subsidiary Corporation."; on page 105, line 2, after the word "the", to strike out "acquiring corporation) and '(A) the issuing corporation controls (directly or indirectly) the acquiring corporation, the amount paid for the acquisition of the stock shall constitute a taxable dividend from the issuing corporation to the extent that the amount paid for such stock would have been considered, under paragraph (1), as essentially equivalent to a taxable dividend if such amount had been distributed by the acquiring corporation to the issuing corporation and had been applied by the issuing corporation in redemption of its stock; or

"'(B) the issuing corporation does not control (directly or indirectly) the acquiring corporation but both corporations are controlled (directly or indirectly) by the same interests, the amount paid by the acquiring corporation for such stock shall constitute a taxable dividend from the issuing corporation to the extent that the amount paid for such stock would have been considered, under paragraph (1), as essentially equivalent to a taxable dividend if such amount had been distributed by the issuing corporation in redemption of the stock and the stock thereafter had been sold by it to the acquiring corporation.'"

and insert:

"acquiring corporation) and the issuing corporation controls (directly or indirectly) the acquiring corporation, the amount paid for the acquisition of the stock shall constitute a taxable dividend from the issuing corporation to the extent that the amount paid for such stock would have been considered, under paragraph (1), as essentially equivalent to a taxable dividend if such amount had been distributed by the acquiring corporation to the issuing corporation and had been applied by the issuing corporation in redemption of its stock."

On page 106, line 21, after the word "after", to strike out "December 31, 1949" and insert "the date of the enactment of this", so as to make the section read:

"SEC. 209. Treatment of certain redemptions of stock as dividends

"(a) Amendment of section 115 (g): Section 115 (g) (relating to redemption of stock) is hereby amended to read as follows:

"'(g) Redemption of stock:

"'(1) In general: If a corporation cancels or redeems its stock (whether or not such stock was issued as a stock dividend) at such time and in such manner as to make the distribution and cancellation or redemption in whole or in part essentially equivalent to the distribution of a taxable dividend, the amount so distributed in redemption or cancellation of the stock, to the extent that it represents a distribution of earnings or profits accumulated after February 28, 1913, shall be treated as a taxable dividend.

"'(2) Redemption through use of subsidiary corporation: If stock of a corporation (hereinafter referred to as the issuing corporation) is acquired by another corporation (hereinafter referred to as the acquiring corporation) and the issuing corporation controls (directly or indirectly) the acquiring corporation, the amount paid for the acquisition of the stock shall constitute a taxable dividend from the issuing corporation to the extent that the amount paid for such stock would have been considered, under paragraph (1), as essentially equivalent to a taxable dividend if such amount had been distributed by the acquiring corporation to the issuing corporation and had been applied by the issuing corporation in redemption of its stock. For the purposes of this paragraph, control means the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote or at least 50 percent of the total value of shares of all classes of stock of the corporation.'

"(b) Effective date: The amendment made by subsection (a) shall be applicable to taxable years ending after the date of the enactment of this act, but shall apply only with respect to amounts received after such date."

The next amendment was, on page 107, line 1, to change the section number from "208" to "210"; in line 13, after "(a)," to insert "(determined as provided under section 875, if applicable)"; in line 18, after the word "decedent's," to strike out "death: *Provided*, That the value of the stock in such corporation for estate-tax purposes comprises more than 70 percent of the value of the net estate of such decedent." and insert "death.", so as to make the section read:

"SEC. 210. Redemption of stock to pay death taxes.

"(a) Certain distributions not treated as dividends: Section 115 (g) (relating to redemptions of stock) is hereby amended by adding at the end thereof the following:

"'(3) Redemption of stock to pay death taxes: The provisions of this subsection shall not apply to such part of any amount so distributed with respect to stock the value of which is included in determining the value of the gross estate of a decedent in accordance with section 811, as is distributed after such decedent's death and within the period of limitations for the assessment of estate tax provided in section 874 (a) (determined as provided under section 875, if applicable), and as is not in excess of the estate, inheritance, legacy, and succession taxes (including any interest collected as a part of such taxes imposed because of such decedent's death.'

"(b) Effective date: The amendment made by subsection (a) shall be applicable to taxable years ending on or after the date of the enactment of this act, but shall apply only to amounts distributed on or after such date."

The next amendment was, on page 108, line 3, to change the section number from "209" to "211"; in line 21, after the word "a", to strike out "patent, or"; in the same line, after the word "copyright", to strike out "an invention or design;"; on page 109, after line 15, to strike out:

"(b) Amendment of section 117 (j): Section 117 (j) (relating to gains and losses from property used in the trade or business, etc.) is hereby amended to read as follows:

"'(j) Gains and losses from the sale or exchange of certain property used in the trade or business:

"'(1) Definition of property used in the trade or business: For the purposes of this subsection, the term "property used in the trade or business" means property used in the trade or business, of a character which is subject to the allowance for depreciation provided in section 23 (l), and real property used in the trade or business, which is not (A) property of a kind which would properly be includible in the inventory of the taxpayer if on hand at the close of the taxable year, or (B) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business. Such term also includes timber with respect to which subsection (k) (1) or (2) is applicable.

"'(2) Treated as capital assets if sold or exchanged: Recognized gains and losses from sales or exchanges of property used in the trade or business shall be considered as gains and losses from sales or exchanges of capital assets.'

"(c) Cutting of timber: Section 117 (k) (relating to gain or loss upon the cutting of timber) is hereby amended by striking out '6 months' wherever appearing therein and inserting in lieu thereof '3 months.'

"(d) Abandonment of capital assets and certain property used in the trade or business: Section 117 (relating to capital gains and losses) is hereby amended by adding at the end thereof the following new subsection:

"'(l) Abandonment of capital assets, etc.: For the purposes of this chapter, the abandonment of a capital asset or of property used in the trade or business (as defined in subsection (j) without regard to the last sentence of paragraph (1) thereof) shall be considered as a sale or exchange of such asset or property.'"

On page 111, after line 6, to insert:

"(b) Amendment of section 117 (j): The first sentence of section 117 (j) (1) is hereby amended by inserting before the period at the end thereof the following: ', or (C) a copyright, a literary, musical, or artistic composition, or similar property, held by a taxpayer described in subsection (a) (1) (C).'"

In line 13, at the beginning of the line, to strike out "(e)" and insert "(c)"; in line 14, after the numerals "117", to strike out "(a) and (b)" and insert "(a), (b), and (j)"; in line 15, after "(4)", to insert "107 (b)"; in line 18, after the word "months", to insert "Section 117 (k) is hereby amended by striking out '6 months' whenever appearing therein and inserting in lieu thereof '3 months'."; after line 20, to strike out:

"(f) Technical amendments: The last sentence of section 107 (b) (relating to patents, copyrights, etc.) is hereby amended to read as follows: 'If, in the taxable year, the gross income of any individual from a particular artistic work or invention by him is not less than 80 percent of the gross income

in respect of such artistic work or invention in the taxable year plus the gross income therefrom in previous taxable years and the 12 months immediately succeeding the close of the taxable year, the tax attributable to such gross income of the taxable year shall not be greater than the aggregate of the taxes attributable to such gross income of the taxable year had it been received ratably (as compensation for personal services) over that part of the period preceding the close of the taxable year but not more than 36 calendar months.'"

On page 112, line 11, to reletter the subsection from "(g)" to "(d)", and in line 14, after the word "subsection", to strike out "(e) to sections 117 (a) and (b), 169 (c), and 182", and insert "(c)", so as to make the section read:

"SEC. 211. Capital gains and losses.

"(a) Definition of capital assets: Section 117 (a) (1) (relating to the definition of capital assets) is hereby amended to read as follows:

"'(1) Capital assets: The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include—

"'(A) stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business;

"'(B) property, used in his trade or business, of a character which is subject to the allowance for depreciation provided in section 23 (l), or real property used in his trade or business;

"'(C) a copyright; a literary, musical, or artistic composition; or similar property; held by—

"'(i) a taxpayer whose personal efforts created such property, or

"'(ii) a taxpayer in whose hands the basis of such property is determined, for the purpose of determining gain from a sale or exchange, in whole or in part by reference to the basis of such property in the hands of the person whose personal efforts created such property; or

"'(D) an obligation of the United States or any of its possessions, or of a State or Territory, or any political subdivision thereof, or of the District of Columbia, issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding 1 year from the date of issue.'

"(b) Amendment of section 117 (j): The first sentence of section 117 (j) (1) is hereby amended by inserting before the period at the end thereof the following: ', or (C) a copyright, a literary, musical, or artistic composition, or similar property, held by a taxpayer described in subsection (a) (1) (C).'

"(c) Change of holding period from 6 to 3 months: Section 117 (a), (b), and (j), and sections 12 (g) (2), 23 (k) (4), 107 (b), 165 (b), 169 (c), 182, and 362 (b) (6) are hereby amended by striking out '6 months' wherever appearing therein and inserting in lieu thereof '3 months.' Section 117 (k) is hereby amended by striking out '6 months' wherever appearing therein and inserting in lieu thereof '3 months.'

"(d) Effective date: The amendments made by this section shall be applicable with respect to taxable years beginning after the date of the enactment of this act, and the amendments made by subsection (c) shall also apply to sales or exchanges made after such date in the case of taxable years beginning on or before such date."

The next amendment was, on page 112, line 18, to change the section number from "210" to "212"; in line 21, after the word "adding", to strike out "after subsection (l) (added by section 209 (d) of this act)" and insert "at the end thereof", and in line 23, to reletter the subsection from "(m)" to "(l)", so as to make the section read:

"SEC. 212. Short sales of capital assets.

"(a) Treatment of short sales: Section 117 (relating to capital gains and losses) is hereby amended by adding at the end thereof the following new subsection:

"'(l) Short sales, etc.: In the case of a short sale of property made by the taxpayer after the date of the enactment of the Revenue Act of 1950:

"'(1) Short-term gains and holding periods: If substantially identical property has been held by the taxpayer on the date of such short sale for not more than 3 months (determined without regard to the effect, under subparagraph (B) of this paragraph, of such short sale on the holding period), or if substantially identical property is acquired by the taxpayer after such short sale and on or before the date of the closing thereof—

"'(A) any gain upon the closing of such short sale shall be considered as a gain upon the sale or exchange of a capital asset held for not more than 3 months (notwithstanding the period of time any property used to close such short sale has been held); and

"'(B) the holding period of such substantially identical property shall be considered to begin (notwithstanding the provisions of subsection (h)) on the date of the closing of the short sale, or on the date of a sale, gift, or other disposition of such property, whichever date occurs first. This subparagraph shall apply to such substantially identical property in the order of the dates of the acquisition of such property, but only to so much of such property as does not exceed the quantity sold short.

For the purposes of this paragraph, the acquisition of an option to sell property at a fixed price shall be considered as a short sale, and the exercise or failure to exercise such option shall be considered as a closing of such short sale.

"'(2) Long-term losses: If substantially identical property has been held by the taxpayer on the date of such short sale for more than 3 months, any loss upon the closing of such short sale shall be considered as a loss upon the sale or exchange of a capital asset held for more than 3 months (notwithstanding the period of time any property used to close such short sale has been held, and notwithstanding the provisions of subsection (g) (2)).

"'(3) Rules for application of subsection—

"'(A) The provisions of paragraph (1) (A) or (2) shall not apply to the gain or loss, respectively, on any quantity of property used to close such short sale which is in excess of the quantity of the substantially identical property referred to in the applicable paragraph.

"'(B) For the purposes of this subsection—

"'(i) the term "property" includes only stocks and securities (including stocks and securities dealt with on a "when issued" basis), and commodity futures, which are capital assets in the hands of the taxpayer;

"'(ii) in the case of futures transactions in any commodity on or subject to the rules of a board of trade or commodity exchange, a commodity future requiring delivery in one calendar month shall not be considered as property substantially identical to another commodity future requiring delivery in a different calendar month; and

"'(iii) in the case of a short sale of property by an individual, the term "taxpayer", in the application of this paragraph and paragraphs (1) and (2), shall be read as "taxpayer or his spouse"; but an individual who is legally separated from the taxpayer under a decree of divorce or of separate maintenance shall not be considered as the spouse of the taxpayer.

"'(C) Where the taxpayer enters into two commodity futures transactions on the same day, one requiring delivery by him in one market and the other requiring delivery to him of the same (or substantially identical) commodity in the same calendar month in a different market, and the taxpayer subsequently closes both such transactions on the same day, this subsection shall have no application to so much of the commodity involved in either such transaction as does not exceed in quantity the commodity involved in the other.'

"(b) Effective date: The amendment made by this section shall be applicable only with respect to taxable years beginning after the date of the enactment of this act."

The next amendment was, on page 116, line 10, to change the section number from "211" to "213"; in line 14, after the word "subsection", to strike out "(m) (added by section 210 (a)" and insert "(l) (added by section 212 (a)"; on page 117, line 1, after the word "Definitions" to strike out "For the purposes of this subsection:"; in line 3, to strike out "(A) The" and insert "(A) For the purposes of this subsection, the"; in line 18, after "(B)", to strike out "A" and insert "For the purposes of subparagraph (A)"; on page 118, after line 11, to strike out:

"'(A) this subsection shall not apply unless such shareholder, at any time after the commencement of the manufacture, construction, or production of the property by the collapsible corporation, owned more than 10 percent in value of the outstanding stock of the corporation;'."

And in lieu thereof, to insert:

"'(A) this subsection shall not apply unless, at any time after the commencement of the manufacture, construction, or production of the property, such shareholder (i) owned (or was considered as owning) more than 10 percent in value of the outstanding stock of the corporation, or (ii) owned stock which was considered as owned at such time by another shareholder who then owned (or was considered as owning) more than 10 percent in value of the outstanding stock of the corporation;'."

So as to make the section read:

"SEC. 213. Treatment of gain to shareholders of collapsible corporations.

"(a) Collapsible corporations: Section 117 (relating to capital gains or losses) is hereby amended by adding after subsection (l) (added by section 212 (a) of this act) the following new subsection:

"'(m) Collapsible corporations:

"'(1) Treatment of gain to shareholders: Gain from the sale or exchange (whether in liquidation or otherwise) of stock of a collapsible corporation, to the extent that it would be considered (but for the provisions of this subsection) as gain from the sale or exchange of a capital asset held for more than 3 months, shall, except as provided in paragraph (3), be considered as gain from the sale or exchange of property which is not a capital asset.

"'(2) Definitions:

"'(A) For the purposes of this subsection, the term "collapsible corporation" means a corporation formed or availed of principally for the manufacture, construction, or production of property, or for the holding of stock in a corporation so formed or availed of, with a view to—

"'(i) the sale or exchange of stock by its shareholders (whether in liquidation or otherwise), or a distribution to its shareholders, prior to the realization by the corporation manufacturing, constructing, or producing the property of a substantial part of the net income to be derived from such property, and

"'(ii) the realization by such shareholders of gain attributable to such property.

"'(B) For the purposes of subparagraph (A), a corporation shall be deemed to have manufactured, constructed, or produced property, if—

"'(i) it engaged in the manufacture, construction, or production of such property to any extent,

"'(ii) it holds property having a basis determined, in whole or in part, by reference to the cost of such property in the hands of a person who manufactured, constructed, or produced the property, or

"'(iii) it holds property having a basis determined, in whole or in part, by reference to the cost of property manufactured, constructed, or produced by the corporation.

"'(3) Limitations on application of subsection: In the case of gain realized by a shareholder upon his stock in a collapsible corporation—

"'(A) this subsection shall not apply unless, at any time after the commencement of the manufacture, construction, or production of the property, such shareholder (i) owned (or was considered as owning) more than 10 percent in value of the outstanding stock of the corporation, or (ii) owned stock which was considered as owned at such time by another shareholder who then owned (or was considered as owning) more than 10 percent in value of the outstanding stock of the corporation;

"'(B) this subsection shall not apply to the gain recognized during a taxable year unless more than 70 percent of such gain is attributable to the property so manufactured, constructed, or produced; and

"'(C) this subsection shall not apply to gain realized after the expiration of 3 years following the completion of such manufacture, construction, or production.

For purposes of subparagraph (A), the ownership of stock shall be determined in accordance with the rules prescribed by paragraphs (1), (2), (3), (5), and (6) of section 503 (a), except that, in addition to the persons prescribed by paragraph (2) of that section, the family of an individual shall include the spouses of that individual's brothers and sisters (whether by the whole or half blood) and the spouses of that individual's lineal descendants.'

"(b) Effective date: The amendment made by this section shall be applicable to taxable years ending after December 31, 1949, but shall apply only with respect to gain realized after such date. In applying such amendment in the case of gain realized on or before the date of the enactment of this act, the words 'capital asset held for more than 3 months' shall be read as 'capital asset held for more than 6 months.' The determination of the tax treatment of gains realized prior to January 1, 1950, shall be made as if this section had not been enacted and without inferences drawn from the fact that the amendment made by this section is not expressly made applicable to gains realized prior to such date and without inferences drawn from the limitations contained in section 117 (m), added to the Internal Revenue Code by this section."

The next amendment was, on page 120, after line 11, to insert:

"SEC. 214. Assignment of certain oil, gas, and mineral rights.

"Effective with respect to taxable years beginning after December 31, 1950, section 117 (relating to capital gains or losses) is hereby amended by adding after subsection (m) (added by section 213 (a) of this act) the following new subsection:

"'(n) Assignment of certain oil, gas, and mineral rights: Amounts received for the assignment by an assignor out of economic interests held by him of rights which entitle the assignee to oil, gas, or minerals produced, or the proceeds derived from an agreed share of production if, as, and when produced, until a fixed or determinable amount of oil, gas, or minerals has been received, shall be treated as amounts received from the sale or exchange of capital assets. This subsection shall not be applicable to an assignment by an operator if such operator is pledged to use the amounts received for such assignment in the development of the property.'"

The next amendment was, on page 121, line 6, to change the section number from "212" to "215", and on page 125, after line 10, to insert:

"(d) Effective date: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1949."

So as to make the section read:

"SEC. 215. Capital gains of nonresident alien individuals.

"(a) Nonresident alien individuals temporarily in the United States: Section 211 (a) (1) (B) (relating to tax on nonresident alien individuals not engaged in trade or business within the United States) is hereby amended to read as follows:

"'(B) Capital gains of aliens temporarily present in the United States: In the case of a nonresident alien individual not engaged in trade or business in the United States, there shall be levied, collected, and paid for each taxable year, in addition to the tax imposed by subparagraph (A)—

"'(i) if he is present in the United States for a period or periods aggregating less than 90 days during such taxable year—a tax of 30 percent of the amount by which his gains, derived from sources within the United States, from sales or exchanges of capital assets effected during his presence in the United States exceed his losses, allocable to sources within the United States, from such sales or exchanges effected during such presence; or

"'(ii) if he is present in the United States for a period or periods aggregating 90 days or more during such taxable year—a tax of 30 percent of the amount by which his gains, derived from sources within the United States, from sales or exchanges of capital assets effected at any time during such year exceed his losses, allocable to sources within the United States, from such sales or exchanges effected at any time during such year.

For the purposes of this subparagraph, gains and losses shall be taken into account only if, and to the extent that, they would be recognized and taken into account if such individual were engaged in trade or business in the United States, except that such gains and losses shall be computed without regard to the provisions of section 117 (b) and such losses shall be determined without the benefits of the capital loss carry-over provided in section 117 (e).

"'(C) Cross reference: For inclusion in computation of tax of amount specified in shareholder's consent, see section 28."

"(b) No United States trade or business and income of more than $15,400:

"(1) Section 211 (a) (2) is hereby amended to read as follows:

"'(2) Aggregate more than $15,400: The taxes imposed by paragraph (1) shall not apply to any individual if during the taxable year the sum of—

"'(A) the aggregate amount received from the sources specified in paragraph (1) (A), plus

"'(B) the amount, determined in accordance with the provisions of paragraph (1) (B), by which gains from sales or exchanges of capital assets exceed losses from such sales or exchanges,

is more than $15,400.'

"(2) So much of section 211 (c) as precedes paragraph (4) thereof is hereby amended to read as follows:

"'(c) No United States business or office and gross income of more than $15,400.—A nonresident alien individual not engaged in trade or business within the United States shall be taxable without regard to the provisions of subsection (a) (1) if during the taxable year the sum of the aggregate amount received from the sources specified in subsection (a) (1) (A), plus the amount (determined in accordance with the provisions of subsection (a) (1) (B)) by which gains from sales or exchanges of capital assets exceed losses from such sales or exchanges, is more than $15,400, except that—

"'(1) The gross income shall include only income from the sources specified in subsection (a) (1) (A) plus any gain (to the extent provided in section 117) from a sale or exchange of a capital asset if such gain would be taken into account were the tax being determined under subsection (a) (1) (B);

"'(2) The deductions (other than the so-called "charitable deduction" provided in section 213 (c)) shall be allowed only if and to the extent that they are properly allocable to the gross income from the sources specified in subsection (a) (1) (A), except that any loss from the sale or exchange of a capital asset shall be allowed (to the extent provided in section 117 without the benefit of the capital loss carry-over provided in section 117 (e)) if such loss would be taken into account were the tax being determined under subsection (a) (1) (B);

"'(3) The tax imposed by this chapter (under sections 11 and 12, or under section 117 (c)) shall, in no case, be less than 30 percent of the sum of—

"'(A) the aggregate amount received from the sources specified in subsection (a) (1) (A), plus

"'(B) the amount, determined in accordance with the provisions of subsection (a) (1) (B), by which gains from sales or exchanges of capital assets exceed losses from such sales or exchanges; and".

"(c) Technical amendment: Section 217 (b) (relating to returns by nonresident alien individuals) is hereby amended by striking out 'section 211 (a)' and inserting in lieu thereof 'section 211 (a) (1) (A).'

"(d) Effective date.—The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1949."

The next amendment was, on page 125, line 14, to change the section number from "213" to "216", so as to make the section read:

"SEC. 216. Treaty obligations.

"No amendment made by this act shall apply in any case where its application would be contrary to any treaty obligation of the United States."

The next amendment was, on page 125, line 18, to change the section number from "214" to "217", on page 129, after line 18, to strike out:

"(b) Technical amendment: Section 26 (b) (relating to credit for dividends received) is amended by inserting before the last sentence thereof the following new sentence: 'For the purpose of this subsection, such adjusted net income shall be computed without regard to the deduction allowed by section 23 (s).'"

And on page 130, to reletter the subsection from "(c)" to "(b)", so as to make the section read:

"SEC. 217. Net operating loss deductions.

"(a) Allowance of 5-year carry-over: Section 122 (b) (relating to the amount of carry-backs and carry-overs) is hereby amended to read as follows:

"'(b) Amount of carry-back and carry-over.—

"'(1) Net operating loss carry-back:

"'(A) Loss for taxable year beginning before 1950.—If for any taxable year beginning after December 31, 1941, and before

January 1, 1950, the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-back for each of the two preceding taxable years, except that the carry-back in the case of the first preceding taxable year shall be the excess, if any, of the amount of such net operating loss over the net income for the second preceding taxable year computed—

"'(i) with the exceptions, additions, and limitations provided in subsection (d) (1), (2), (4), and (6), and

"'(ii) by determining the net operating loss deduction for such second preceding taxable year without regard to such net operating loss and without regard to any reduction specified in subsection (c).

"'(B) Loss for taxable year beginning after 1949: If for any taxable year beginning after December 31, 1949, the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-back for the preceding taxable year.

"'(2) Net operating loss carry-over.—

"'(A) Loss for taxable year beginning before 1950: If for any taxable year beginning before January 1, 1950, the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-over for each of the two succeeding taxable years, except that the carry-over in the case of the second succeeding taxable year shall be the excess, if any, of the amount of such net operating loss over the net income for the intervening taxable year computed—

"'(i) with the exceptions, additions, and limitations provided in subsection (d) (1), (2), (4), and (6), and

"'(ii) by determining the net operating loss deduction for such intervening taxable year without regard to such net operating loss, without regard to any net operating loss carry-back, and without regard to any reduction specified in subsection (c).

For the purposes of the preceding sentence, the net operating loss for any taxable year beginning after December 31, 1941, shall be reduced by the sum of the net income for each of the two preceding taxable years computed—

"'(iii) with the exceptions, additions, and limitations provided in subsection (d) (1), (2), (4), and (6), and

"'(iv) by determining the net operating loss deduction without regard to such net operating loss or to the net operating loss for the succeeding taxable year, and without regard to any reduction specified in subsection (c).

"'(B) Loss for taxable year beginning after 1949: If for any taxable year beginning after December 31, 1949, the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-over for each of the five succeeding taxable years, except that the carry-over in the case of each such succeeding taxable year (other than the first succeeding taxable year) shall be the excess, if any, of the amount of such net operating loss over the sum of the net income for each of the intervening years computed—

"'(i) with the exceptions, additions, and limitations provided in subsection (d) (1), (2), (4), and (6), and

"'(ii) by determining the net operating loss deduction for each intervening taxable year, without regard to such net operating loss or to the net operating loss for any succeeding taxable year and without regard to any reduction specified in subsection (c).

For the purpose of the preceding sentence, the net operating loss for any taxable year beginning after December 31, 1949, shall be reduced by the amount, if any, of the net income for the preceding taxable year computed—

"'(i) with the exceptions, additions, and limitations provided in subsection (d) (1), (2), (4), and (6), and

"'(ii) by determining the net operating loss deduction for such preceding taxable year without regard to such net operating loss and without regard to any reduction specified in subsection (c).'

"(b) Effective date of subsection (a): The amendment made by subsection (a) shall be applicable in computing the net operating loss deduction for taxable years beginning after December 31, 1947."

The next amendment was, on page 130, after line 4, to insert:

"SEC. 218. Amortization of emergency facilities.

"(a) Amortization deduction: Chapter 1 is hereby amended by inserting after section 124 the following:

"'SEC. 124A. Amortization deduction.

"'(a) General rule: Every person, at his election, shall be entitled to a deduction with respect to the amortization of the adjusted basis (for determining gain) of any emergency facility (as defined in subsection (d)), based on a period of 60 months. Such amortization deduction shall be an amount, with respect to each month of such period within the taxable year, equal to the adjusted basis of the facility at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction above provided with respect to any month shall, except to the extent provided in subsection (f) of this section, be in lieu of the deduction with respect to such facility for such month provided by section 23 (l), relating to exhaustion, wear and tear, and obsolescence. The 60-month period shall begin as to any emergency facility, at the election of the taxpayer, with the month following the month in which the facility was completed or acquired, or with the succeeding taxable year.

"'(b) Election of amortization: The election of the taxpayer to take the amortization deduction and to begin the 60-month period with the month following the month in which the facility was completed or acquired, or with the taxable year succeeding the taxable year in which such facility was completed or acquired, shall be made by filing with the Secretary, in such manner, in such form, and within such time, as the Secretary may by regulations prescribe, a statement of such election.

"'(c) Termination of amortization deduction: A taxpayer which has elected under subsection (b) to take the amortization deduction provided in subsection (a) may, at any time after making such election, discontinue the amortization deductions with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month. The deduction provided under section 23 (l) shall be allowed, beginning with the first month as to which the amortization deduction is not applicable, and the taxpayer shall not be entitled to any further amortization deductions with respect to such emergency facility.

"'(d) Definitions:

"'(1) Emergency facility: As used in this section, the term "emergency facility" means any facility, land, building, machinery, or equipment, or any part thereof, the construction, reconstruction, erection, installation, or acquisition of which was completed after December 31, 1949, and with respect to which a certificate under subsection (e) has been made. In no event shall an amortization deduction be allowed in respect of any emergency facility for any taxable year unless a certificate in respect thereof under this paragraph shall have been made prior to the filing of the taxpayer's return for such taxable year, or, in the case of an emergency facility completed or acquired by a taxpayer after December 31, 1940, and before the date of enactment of the Revenue Act of 1950, unless a certificate in respect thereof under this paragraph shall have been made prior to the expiration of 12 months after the date of enactment of the Revenue Act of 1950.

"'(2) Emergency period: As used in this section, the term "emergency period" means the period beginning January 1, 1950, and ending on the date on which the President proclaims that the utilization of a substantial portion of the emergency facilities with respect to which certifications under subsection (e) have been made is no longer required in the interest of national defense.

"'(e) Determination of adjusted basis of emergency facility: In determining, for the purposes of subsection (a) or subsection (g), the adjusted basis of an emergency facility—

"'(1) There shall be included only so much of the amount of the adjusted basis of such facility (computed without regard to this section) as is properly attributable to such construction, reconstruction, erection, installation, or acquisition after December 31, 1949, as the certifying authority, designated by the President by Executive order, has certified as necessary in the interest of national defense during the emergency period, and only such portion of such amount as such authority has certified as attributable to defense purposes. Such certification shall be under such regulations as may be prescribed from time to time by such certifying authority with the approval of the President. An application for a certificate must be filed at such time and in such manner as may be prescribed by such certifying authority under such regulations but in no event shall such certificate have any effect unless an application therefor is filed before the expiration of 6 months after the beginning of such construction, reconstruction, erection, or installation or the date of such acquisition, or before the expiration of 6 months after the date of enactment of the Revenue Act of 1950, whichever is later.

"'(2) After the completion or acquisition of any emergency facility with respect to which a certificate under paragraph (1) has been made, any expenditure (attributable to such facility and to the period after such completion or acquisition) which does not represent construction, reconstruction, erection, installation, or acquisition included in such certificate, but with respect to which a separate certificate is made under paragraph (1), shall not be applied in adjustment of the basis of such facility but a separate basis shall be computed therefor pursuant to paragraph (1) as if it were a new and separate emergency facility.

"'(f) Depreciation deduction: If the adjusted basis of the emergency facility (computed without regard to this section) is in excess of the adjusted basis computed under subsection (e), the deduction provided by section 23 (l) shall, despite the provisions of subsection (a) of this section, be allowed with respect to such emergency facility as if its adjusted basis for the purpose of such deduction were an amount equal to the amount of such excess.

"'(g) Payment by United States of unamortized cost of facility: If an amount is properly includible in the gross income of the taxpayer on account of a payment with respect to an emergency facility and such payment is certified as provided in paragraph (1), then, at the election of the taxpayer in its return for the taxable year in which such amount is so includible—

"'(1) The amortization deduction for the month in which such amount is so includible shall (in lieu of the amount of the deduction for such month computed under subsection (a)) be equal to the amount so includible but not in excess of the adjusted basis of the emergency facility as of the end of such

month (computed without regard to any amortization deduction for such month). Payments referred to in this paragraph shall be payments the amounts of which are certified, under such regulations as the President may prescribe, by the certifying authority designated by the President as compensation to the taxpayer for the unamortized cost of the emergency facility made because—

"'(A) a contract with the United States involving the use of the facility has been terminated by its terms or by cancellation, or

"'(B) the taxpayer had reasonable ground (either from provisions of a contract with the United States involving the use of the facility, or from written or oral representations made under authority of the United States) for anticipating future contracts involving the use of the facility, which future contracts have not been made.

"'(2) In case the taxpayer is not entitled to any amortization deduction with respect to the emergency facility, the deduction allowable under section 23 (l) on account of the month in which such amount is so includible shall be increased by such amount, but such deduction on account of such month shall not be in excess of the adjusted basis of the emergency facility as of the end of such month (computed without regard to any amount allowable, on account of such month, under section 23 (l) of this paragraph).

"'(h) Life tenant and remainderman: In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.'

"(b) Technical amendments: Section 23 (t) is hereby amended by striking out 'section 124' and inserting in lieu thereof 'section 124 and section 124A'.

"(c) Effective dates: The amendments made by this section shall be applicable with respect to taxable years ending after December 31, 1949."

The next amendment was, on page 137, line 3, to change the section number from "215" to "219".

The next amendment was, on page 137, after line 16, to insert:

"SEC. 220. Stock options.

"(a) Treatment of certain employee stock options: Supplement B of chapter 1 is hereby amended by adding at the end thereof the following new section:

"'SEC. 130A. Employee stock options.

"'(a) Treatment of restricted stock options: If stock is transferred to an individual pursuant to his exercise after 1949 of a restricted stock option, and no disposition of such stock is made by him within 2 years from the date of the granting of the option nor within 6 months after the transfer of such stock to him—

"'(1) no income shall result at the time of the transfer of such stock to the individual upon his exercise of the option;

"'(2) no deduction under section 23 (a) shall be allowable at any time to the employer corporation of such individual or its parent or subsidiary corporation with respect to the stock so transferred; and

"'(3) no amount other than the option price shall be considered as received by either of such corporations for the stock so transferred.'

"This subsection shall not apply unless (A) the individual, at the time he exercises the restricted stock option, is an employee of the corporation granting such option or of a parent or subsidiary corporation of such corporation, or (B) the option is exercised by him within 3 months after the date he ceases to be an employee of any of such corporations. Where part of the stock is disposed of by the individual within 2 years from the date of the granting of the option or within 6 months after the transfer to him of the stock, such disposition shall not affect the application of this subsection to the balance of such stock."

"'(b) Acquisition of new stock: If the stock transferred to an individual upon his exercise of the option is exchanged by him for stock or securities in an exchange within the provisions of section 112 (b) (2) or (3), or if new stock, as described in section 112 (b) (11) or 113 (a) (19), is acquired upon a distribution with respect to such stock, the stock or securities acquired in such exchange and such new stock shall be considered as having been transferred to him upon his exercise of such option. A similar rule shall be applied in the case of a series of such exchanges or acquisitions.

"'(c) Definitions: As used in this section—

"'(1) Restricted stock option: The term "restricted stock option" means an option granted after 1946 to an individual, for any reason connected with his employment by a corporation, if granted by the employer corporation or its parent or subsidiary corporation, to purchase stock of any such corporation, but only if—

"'(A) At the time such option is granted the option price is at least 85 percent of the fair market value at such time of the stock subject to the option; and

"'(B) Such option by its terms is not transferable by such individual otherwise than by will or the laws of descent and distribution, and is exercisable, during his lifetime, only by him; and

"'(C) Such individual, at the time the option is granted, does not own stock possessing more than 10 percent of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation. For the purposes of this subparagraph—

"'(i) such individual shall be considered as owning the stock owned, directly or indirectly, by or for his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants; and

"'(ii) stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust, shall be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries.

"'(2) Parent corporation: The term "parent corporation" means any corporation (other than the employer corporation) in an unbroken chain of corporations ending with the employer corporation if, at the time of granting of the option, each of the corporations other than the employer corporation owns stock possessing more than 50 percent of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"'(3) Subsidiary corporation: The term "subsidiary corporation" means any corporation (other than the employer corporation) in an unbroken chain of corporations beginning with the employer corporation if, at the time of the granting of the option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing more than 50 percent of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"'(4) Disposition: The term "disposition" includes a sale, exchange, gift, or any transfer of legal title, but does not include—

"'(A) a transfer from a decedent to his estate or a transfer by bequest or inheritance;

"'(B) an exchange which is within the provisions of section 112 (b) (2) or (3); or

"'(C) a mere pledge or hypothecation.

"'(d) Modification, extension, or renewal of option: For the purposes of subsection (c), if the terms of any option to purchase stock are modified, extended, or renewed, the following rules shall be applied with respect to transfers of stock made upon an exercise of the option after the making of such modification, extension, or renewal:

"'(1) Such modification, extension, or renewal shall be considered as the granting of a new option;

"'(2) The fair market value of such stock at the time of the granting of such option shall be considered as (A) the fair market value of such stock on the date of the original granting of the option, (B) the fair market value of such stock on the date of the making of such modification, extension, or renewal, or (C) the fair market value of such stock at the time of the making of any intervening modification, extension, or renewal, whichever is the highest.'

"(b) Effective date: The amendment made by this section shall be applicable with respect to taxable years ending after December 31, 1949.

"SEC. 221. Payment of tax withheld at source from nonresident aliens.

"The first sentence of section 143 (c) is hereby amended to read as follows: 'Every person required to deduct and withhold any tax under this section shall, on or before March 15 of each year, make return thereof and pay the tax to the collector designated in section 53 (b).'

"SEC. 222. Family partnerships.

"(a) Definition of partner: Section 3797 (a) (2) is hereby amended by adding at the end thereof the following: 'A person shall be recognized as a partner for income-tax purposes if he owns a capital interest in a partnership in which capital is a material income-producing factor, whether or not such interest was derived by purchase or gift from any other person.'

"(b) Allocation of family partnership income: Supplement F of chapter 1 is hereby amended by adding at the end thereof the following new section:

"'SEC. 191. Family partnerships.

"'In case of a family partnership, the allocation of partnership income according to the terms of the partnership agreement shall be recognized unless such allocation does not substantially reflect the proportionate value of the services or capital of the family members, taking into account the contribution of services and capital of each. If it does not so reflect the proportionate value of services, a reasonable proportionate allowance for such services shall be attributed to the partners rendering such services. The fact that a partner does not actively participate in the management or conduct of the partnership business shall be taken into account in determining the proportionate value of services and capital, but shall not otherwise affect his status as a partner. For the purpose of this section, the term "family partnership" shall mean any partnership as defined in section 3797 (a) (2) which includes two or more members of the same family as defined in section 24 (b) (2) (D), and for this purpose a trust for the benefit of a member of a family shall be considered a member of such family.'

"(c) Effective date: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1938."

The next amendment was, on page 144, line 4, to change the section number from "216" to "223", and in line 7, to strike out "Section" and insert "Effective with respect to taxable years beginning after December 31, 1950, section", so as to make the section read:

"SEC. 223. Employees of United States working in possessions of the United States or in the Canal Zone.

"Effective with respect to taxable years beginning after December 31, 1950, section 251 (relating to income from sources within possessions of United States) is hereby amended

by adding at the end thereof the following new subsection:

"'(j) Employees of United States: For the purposes of this section, amounts paid for services performed by a citizen of the United States as an employee of the United States or any agency thereof shall be deemed to be derived from sources within the United States.'"

The next amendment was, on page 144, line 17, to change the section number from "217" to "224"; on page 149, line 1, after the word "of", to strike out "a" and insert "an individual who is a bona fide"; in line 8, after the word "alien", to insert "individual who is a bona fide"; after line 15, to insert:

"(i) Collection of taxes in Puerto Rico: Section 3811 (relating to collection of taxes in Puerto Rico and the Virgin Islands) is hereby amended to read as follows:

"'SEC. 3811. Collection of taxes in Puerto Rico and Virgin Islands.

"'(a) Puerto Rico: Notwithstanding any other provision of law respecting taxation in Puerto Rico, all taxes imposed by chapter 1, and by subchapters A and D of chapter 9, shall be collected under the direction of the Secretary and shall be paid into the Treasury of the United States as internal-revenue collections. All provisions of the laws of the United States applicable to the administration, collection, and enforcement of any tax imposed upon the incomes of individuals, estates, and trusts by chapter 1 (including the provisions relating to the Tax Court of the United States), and of any tax imposed by subchapter A or by subchapter D of chapter 9, shall, in respect to such tax, extend to and be applicable in Puerto Rico in the same manner and to the same extent as if Puerto Rico were a State, and as if the term "United States" when used in a geographical sense included Puerto Rico.

"'(b) Virgin Islands: Notwithstanding any other provision of law respecting taxation in the Virgin Islands, all taxes imposed by subchapter E of chapter 1, and by subchapter A of chapter 9, shall be collected under the direction of the Secretary and shall be paid into the Treasury of the United States as internal-revenue collections. All provisions of the laws of the United States applicable to the administration, collection, and enforcement of the tax imposed by subchapter E of chapter 1 (including the provisions relating to the Tax Court of the United States), and of any tax imposed by subchapter A of chapter 9, shall, in respect to such tax, extend to and be applicable in the Virgin Islands in the same manner and to the same extent as if the Virgin Islands were a State, and as if the term "United States" when used in a geographical sense included the Virgin Islands.

"'(c) Definition: As used in this section, the term "tax" includes any penalty with respect to the tax, any addition to the tax, and any additional amount with respect to the tax, provided for by any law of the United States.'

"(j) Technical amendments:

"(1) Section 481 (a) (7) (relating to the definition of net earnings from self-employment) is hereby amended to read as follows:

"'(7) (A) In the case of any taxable year beginning before the effective date specified in section 3810, the term "possession of the United States" when used in section 251 with respect to citizens of the United States shall include Puerto Rico;

"'(B) In the case of any taxable year beginning on or after the effective date specified in section 3810, a resident of Puerto Rico shall compute his net earnings from self-employment in the same manner as a citizen of the United States but without regard to the provisions of section 116 (l).'

"(2) Section 211 (a) (7) (relating to the definition of net earnings from self-employment) of the Social Security Act is hereby amended to read as follows:

"'(7) (A) In the case of any taxable year beginning before the effective date specified in section 219, the term "possession of the United States" when used in section 251 of the Internal Revenue Code with respect to citizens of the United States shall include Puerto Rico;

"'(B) In the case of any taxable year beginning on or after the effective date specified in section 219, a resident of Puerto Rico shall compute his net earnings from self-employment in the same manner as a citizen of the United States but without regard to the provisions of section 116 (l) of such code.'"

On page 152, line 12, to reletter the subsection from "(i)" and insert "(k)", and in line 16, after the numerals "1951", to insert "and except that the amendment made by subsection (i) shall be effective on the date of the enactment of this act", so as to make the section read:

"SEC. 224. Residents of Puerto Rico.

"(a) Income of individuals from sources within Puerto Rico: Section 251 (d) (relating to income from sources within possessions of United States) is hereby amended to read as follows:

"'(d) Definition: As used in this section the term "possession of the United States" does not include the Virgin Islands of the United States, and such term when used with respect to citizens of the United States does not include Puerto Rico.'

"(b) Citizens of the United States residing in Puerto Rico: Section 252 (a) (relating to citizens of possessions of the United States) is hereby amended by adding at the end thereof the following new sentence: 'This subsection shall have no application in the case of a citizen of Puerto Rico.'

"(c) Taxation of income of residents of Puerto Rico: Section 116 (relating to exclusions from gross income) is hereby amended by adding at the end thereof the following new subsection:

"'(l) Income from sources within Puerto Rico:

"'(1) Resident of Puerto Rico for entire taxable year: In the case of an individual who is a bona fide resident of Puerto Rico during the entire taxable year, income derived from sources within Puerto Rico (except amounts received for services performed as an employee of the United States or any agency thereof); but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this paragraph.

"'(2) Taxable year of change of residence from Puerto Rico: In the case of an individual citizen of the United States, who has been a bona fide resident of Puerto Rico for a period of at least 2 years before the date on which he changes his residence from Puerto Rico, income derived from sources therein (except amounts received for services performed as an employee of the United States or any agency thereof) which is attributable to that part of such period of Puerto Rican residence before such date; but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this paragraph.'

"(d) Aliens residing in Puerto Rico: Supplement H (relating to nonresident alien individuals) is hereby amended by adding at the end thereof the following new section:

"'SEC. 220. Alien residents of Puerto Rico.

"'(a) No application to certain alien residents of Puerto Rico: The provisions of this supplement shall have no application to an alien individual who is a bona fide resident of Puerto Rico during the entire taxable year, and such alien shall be subject to the taxes imposed by sections 11 and 12.

"'(b) Cross reference: For exclusion from gross income of income derived from sources within Puerto Rico, see section 116 (l) (1).'

"(e) Witnholding on alien residents of Puerto Rico: Section 143 (a) (1) (relating to withholding of tax at source on tax-free covenant bonds) and section 143 (b) (relating to withholding of tax at source on dividends, interest, etc., paid to nonresident aliens) are each amended by adding at the end thereof the following: As used in this subsection the term "nonresident alien individual" includes an alien resident of Puerto Rico.'

"(f) Withholding of tax on wages:

"(1) Section 1621 (a) (6) (relating to collection of income tax at source on wages) is hereby amended to read as follows:

"'(6) for services performed by a nonresident alien individual, other than (A) a resident of a contiguous country who enters and leaves the United States at frequent intervals, or (B) a resident of Puerto Rico if such services are performed as an employee of the United States or any agency thereof, or'.

"(2) Section 1621 (a) (8) (relating to collection of income tax at source on wages) is hereby amended by striking out subparagraph (B) thereof and inserting in lieu thereof the following:

"'(B) for services for an employer (other than the United States or any agency thereof) performed by a citizen of the United States within a possession of the United States (other than Puerto Rico), if it is reasonable to believe that at least 80 percent of the remuneration to be paid to the employee by such employer during the calendar year will be for such services, or

"'(C) for services for an employer (other than the United States or any agency thereof) performed by a citizen of the United States within Puerto Rico, if it is reasonable to believe that during the entire calendar year the employee will be a bona fide resident of Puerto Rico, or.'

"(g) Declaration of estimated tax: Section 58 (a) (relating to declaration of estimated tax by individuals) is hereby amended by inserting after 'Chapter 9 is not made applicable' the following: ', but including every alien individual who is a resident of Puerto Rico during the entire taxable year.'

"(h) Foreign tax credit: Paragraphs (2) and (3) of section 131 (a) (relating to allowance of credit) are hereby amended to read as follows:

"'(2) Resident of the United States or Puerto Rico: In the case of a resident of the United States and in the case of an individual who is a bona fide resident of Puerto Rico during the entire taxable year, the amount of any such taxes paid or accrued during the taxable year to any possession of the United States; and

"'(3) Alien resident of the United States or Puerto Rico: In the case of an alien resident of the United States and in the case of an alien individual who is a bona fide resident of Puerto Rico during the entire taxable year, the amount of any such taxes paid or accrued during the taxable year to any foreign country, if the foreign country of which such alien resident is a citizen or subject, in imposing such taxes, allows a similar credit to citizens of the United States residing in such country; and.'

"(i) Collection of taxes in Puerto Rico: Section 3811 (relating to collection of taxes in Puerto Rico and the Virgin Islands) is hereby amended to read as follows:

"'SEC. 3811. Collection of taxes in Puerto Rico and Virgin Islands.

"'(a) Puerto Rico: Notwithstanding any other provision of law respecting taxation in Puerto Rico, all taxes imposed by chapter 1, and by subchapters A and D of chapter 9, shall be collected under the direction of

the Secretary and shall be paid into the Treasury of the United States as internal revenue collections. All provisions of the laws of the United States applicable to the administration, collection, and enforcement of any tax imposed upon the incomes of individuals, estates, and trusts by chapter 1 (including the provisions relating to The Tax Court of the United States), and of any tax imposed by subchapter A or by subchapter D of chapter 9, shall, in respect to such tax, extend to and be applicable in Puerto Rico in the same manner and to the same extent as if Puerto Rico were a State, and as if the term "United States" when used in a geographical sense included Puerto Rico.

"'(b) Virgin Islands: Notwithstanding any other provision of law respecting taxation in the Virgin Islands, all taxes imposed by subchapter E of chapter 1, and by subchapter A of chapter 9, shall be collected under the direction of the Secretary and shall be paid into the Treasury of the United States as internal revenue collections. All provisions of the laws of the United States applicable to the administration, collection, and enforcement of the tax imposed by subchapter E of chapter 1 (including the provisions relating to The Tax Court of the United States), and of any tax imposed by subchapter A of chapter 9, shall, in respect to such tax, extend to and be applicable in the Virgin Islands in the same manner and to the same extent as if the Virgin Islands were a State, and as if the term "United States" when used in a geographical sense included the Virgin Islands.

"'(c) Definition: As used in this section, the term "tax" includes any penalty with respect to the tax, any addition to the tax, and any additional amount with respect to the tax, provided for by any law of the United States.'

"(j) Technical amendments:

"(1) Section 481 (a) (7) (relating to the definition of net earnings from self-employment) is hereby amended to read as follows:

"'(7) (A) In the case of any taxable year beginning before the effective date specified in section 3810, the term "possession of the United States" when used in section 251 with respect to citizens of the United States shall include Puerto Rico;

"'(B) In the case of any taxable year beginning on or after the effective date specified in section 3810, a resident of Puerto Rico shall compute his net earnings from self-employment in the same manner as a citizen of the United States but without regard to the provisions of section 116 (l).'

"(2) Section 211 (a) (7) (relating to the definition of net earnings from self-employment) of the Social Security Act is hereby amended to read as follows:

"'(7) (A) In the case of any taxable year beginning before the effective date specified in section 219, the term "possession of the United States" when used in section 251 of the Internal Revenue Code with respect to citizens of the United States shall include Puerto Rico;

"'(B) In the case of any taxable year beginning on or after the effective date specified in section 219, a resident of Puerto Rico shall compute his net earnings from self-employment in the same manner as a citizen of the United States but without regard to the provisions of section 116 (l) of such code.'

"(k) Effective date: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1950, except that the amendments made by subsection (f) shall be applicable with respect to wages paid on or after January 1, 1951, and except that the amendment made by subsection (i) shall be effective on the date of the enactment of this act."

The next amendment was, on page 152, after line 18, to insert:

"SEC. 225. Regulated investment companies.

"Effective with respect to taxable years ending after the date of the enactment of this act, section 362 (b) (relating to method of taxation of regulated investment companies and shareholders) is hereby amended by adding at the end thereof the following:

"'(8) For the purposes of this subsection, any dividend or portion thereof declared by a company after the close of the taxable year and prior to the time prescribed by law for the filing of its return for the taxable year (including the period of any extension of time granted for filing such return) shall, to the extent the company so elects in such return, be treated as having been paid during such taxable year, but only if distribution of such dividend is actually made to shareholders in the 12-month period following the close of such taxable year and not later than the date of the first regular dividend payment made after such declaration.'"

The next amendment was, on page 153, after line 12, to insert:

"SEC. 226. Personal holding company income.

"Section 502 (f) of the Internal Revenue Code (relating to use of corporation property by a shareholder) shall not apply with respect to rents received during taxable years ending after December 31, 1945, and before January 1, 1950, if such rents were received for the use by the lessee, in the operation of a bona fide commercial, industrial, or mining enterprise, of property of the taxpayer."

The next amendment was, on page 153, after line 20, to strike out:

"SEC. 218. Increase in rate of corporation income taxes.

"(a) Normal tax:

"(1) Section 13 (a) (2) (relating to definition of normal tax net income) is hereby amended to read as follows:

"'(2) Normal tax net income: The term "normal tax net income" means the adjusted net income minus the sum of the following credits:

"'(A) the credit for dividends received provided in section 26 (b);

"'(B) in the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h); and

"'(C) in the case of a Western Hemisphere trade corporation, the credit provided in section 26 (i).'

"(2) Section 13 (b) (relating to normal tax on corporations with normal-tax net income of more than $25,000) is hereby amended to read as follows:

"'(b) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation (except a corporation subject to the tax imposed by section 231 (a), supplement G, or supplement Q) a tax of 21 percent of the normal-tax net income.'

"(3) Section 14 (relating to tax on special classes of corporations) is hereby repealed.

"(b) Surtax.—Section 15 (relating to surtax on corporations) is hereby amended to read as follows:

"'SEC. 15. Surtax on corporations.

"'(a) Corporation surtax net income: For the purposes of this chapter the term "corporation surtax net income" means the net income minus the sum of the following credits:

"'(1) the credit for dividends received provided in section 26 (b);

"'(2) in the case of a public utility the credit for dividends paid on its preferred stock provided in section 26 (h);

"'(3) in the case of a Western Hemisphere trade corporation, the credit provided in section 26 (i);

"'(4) the credit provided in section 26 (j), relating to interest on certain obligations of the United States and Government corporations.

For the purposes of this subsection dividends received on the preferred stock of a public utility shall be disregarded in computing the credit for dividends received provided in section 26 (b).

"'(b) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the corporation surtax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), supplement G, or supplement Q) a surtax of 20 percent of the amount of the corporation surtax net income in excess of $25,000.'

"(c) Credit for dividends paid on certain preferred stock: The first sentence of section 26 (h) (1) (relating to amount of credit for dividends paid on certain preferred stock) is hereby amended to read as follows: 'In the case of a public utility, an amount equal to 34 percent of the lower of (A) the amount of dividends paid during the taxable year on its preferred stock, or (B) the adjusted net income for the taxable year minus the credit for dividends received provided in subsection (b).'

"(d) Western Hemisphere trade corporations: Section 26 (relating to credits of corporations) is hereby amended by adding at the end thereof the following new subsection:

"'(i) Western Hemisphere trade corporations: In the case of a Western Hemisphere trade corporation (as defined in sec. 109) an amount equal to 34 percent of its normal-tax net income computed without regard to the credit provided in this subsection.'

"(e) Surtax credit for partially tax exempt interest: Section 26 (relating to credits of corporations) is hereby amended by adding after subsection (i) (added by subsec. (d) of this section) the following new subsection:

"'(j) Surtax credit for partially tax exempt interest: 15 percent of the lower of (1) the amount of the credit provided in subsection (a), or (2) the amount by which the corporation surtax net income, computed without regard to the credit provided in this subsection exceeds $25,000.'

"(f) Mutual insurance companies other than life or marine:

"(1) Section 207 (a) (1) (relating to normal tax and surtax on mutual insurance companies, other than life or marine) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"'(A) Normal tax: A normal tax on the normal-tax net income, computed at the rate provided in section 13, or 42 percent of the amount by which the normal-tax net income exceeds $3,000, whichever is the lesser; plus

"'(B) Surtax: A surtax on the corporation surtax net income, computed as provided in section 15 (b).'

"(2) Section 207 (a) (3) (relating to the normal tax and surtax on interinsurers or reciprocal underwriters) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"'(A) Normal tax: A normal tax on the normal-tax net income, computed at the rate provided in section 13, or 42 percent of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

"'(B) Surtax: A surtax on the corporation surtax net income, computed as provided in section 15 (b), or 30 percent of the amount by which the corporation surtax net

income exceeds $50,000, whichever is the lesser.'

"(g) Regulated investment companies:

"(1) Section 362 (b) (3) (relating to normal tax on regulated investment companies) is hereby amended by striking out '24 percent' and inserting in lieu thereof '21 percent.'

"(2) Section 362 (b) (4) (relating to surtax on regulated investment companies) is hereby amended by striking out '14 percent of the amount thereof' and inserting in lieu thereof '20 percent of the amount thereof in excess of $25,000.'

"(h) Technical amendments:

"(1) Section 26 (h) (2) (relating to definition of public utility) is hereby amended by striking 'section 15 (a)' and inserting in lieu thereof 'sections 13 (a) (2) and 15 (a)'.

"(2) Section 103 (relating to rates of tax on citizens and corporations of certain foreign countries) is hereby amended by striking out '14,' wherever appearing therein.

"(3) Section 104 (b) (relating to rate of tax on banks) is hereby amended by striking out 'or section 14 (b),'.

"(4) Section 117 (c) (1) (relating to alternative taxes of corporations) is hereby amended by striking out '14,'.

"(5) Section 201 (a) (1) (relating to tax on life insurance companies) is hereby amended to read as follows:

"'(1) In general: There shall be levied, collected, and paid for each taxable year upon the adjusted normal tax net income (as defined in section 202) of every life insurance company a tax of 21 percent of the adjusted normal tax net income, and upon the adjusted corporation surtax net income (as defined in section 203) of every such company a surtax of 20 percent of the amount of the adjusted corporation surtax net income in excess of $25,000.'

"(6) Section 204 (a) (1) (relating to tax on insurance companies other than life or mutual) is hereby amended by striking out 'taxes at the rates specified in section 13 or section 14 (b) and in section 15 (b)' and inserting in lieu thereof 'taxes computed as provided in section 13 (b) and section 15 (b)'.

"(7) Section 204 (a) (2) (relating to definition of normal tax net income and corporation surtax net income of insurance companies other than life or mutual) is hereby amended by striking out 'minus the credit provided in section 26 (b)' and inserting in lieu thereof 'minus the credits provided in section 26 (b) and (j)'.

"(8) Section 231 (a) (1) (relating to tax on foreign corporations not engaged in trade or business within the United States) is hereby amended by striking out 'sections 13 and 14' and inserting in lieu thereof 'sections 13 and 15'.

"(9) Section 231 (b) (relating to foreign corporations engaged in trade or business within the United States) is hereby amended by striking out 'section 14 (c) (1)' and inserting in lieu thereof 'section 13'.

"(10) Section 251 (c) (1) (relating to tax on corporations doing business within possessions of the United States) is hereby amended by striking out 'or section 14 (b),'.

"(11) Section 261 (a) (relating to corporations organized under the China Trade Act) is hereby amended by striking out 'or section 14 (b),'.

"(12) Section 262 (a) (relating to China Trade Act corporations) is hereby amended by striking out 'sections 13, 14, 15,' and inserting in lieu thereof 'sections 13, 15,', and by striking out 'section 13, 14, or 15' wherever appearing therein and inserting in lieu thereof 'sections 13 and 15'.

"(13) Section 337 (c) (relating to foreign personal holding companies) is hereby amended by striking out '14,'."

The next amendment was, on page 161, after line 19, to strike out:

"SEC. 219. Effective date of title II.

"Except as otherwise expressly provided, the amendments made by this title shall be applicable only with respect to taxable years beginning after December 31, 1949."

The next amendment was, under the heading "Title III—Treatment of income of, and gifts and bequests to, certain tax-exempt organizations," in section 301, on page 162, line 10, after the word "Business", to strike out "and Other"; in line 18, after the word "of", to strike out "21" and insert "25"; on page 163, line 13, after the words "than a", to strike out "church and other than", and insert "church, a convention or association of churches, or"; in line 21, after the word "church", to insert "or to a convention or association of churches"; on page 164, after line 5, to strike out:

"'(1) In general: Except as provided in paragraph (2), the term "supplement U net income" of an organization means the amount by which its unrelated business net income (as defined in section 422) exceeds $1,000.

"'(2) Special rule: In the case of an organization to which section 424 applies, the term "supplement U net income" means the amount, if any, ascertained under paragraph (1) plus the amount by which its accumulated investment income (as defined in section 424 (b)) exceeds the credit provided in section 425.'"

And insert:

"The term 'supplement U net income' of an organization means the amount by which its unrelated business net income (as defined in section 422) exceeds $1,000."

On page 165, after line 10, to strike out:

"(1) There shall be excluded all dividends, interest, annuities, and royalties, and all deductions directly connected with such income."

And insert:

"(1) There shall be excluded all dividends, interest, and annuities, and all deductions directly connected with such income.

"(2) There shall be excluded all royalties (including overriding royalties) whether measured by production or by gross or net income from the property, and all deductions directly connected with such income."

In line 21, to renumber the paragraph from "(2)" to "(3)"; in line 24, after the word "rents", to strike out the semicolon and "and there shall be excluded all gains or losses from the sale, exchange, or other disposition of such property"; on page 166, line 3, to renumber the paragraph number from "(3)" to "(4)"; in the same line, after the word "paragraph", to strike out "(2)" and insert "(3)"; after line 9, to insert:

"(5) There shall be excluded all gains or losses from the sale, exchange, or other disposition of property other than (A) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, or (B) property held primarily for sale to customers in the ordinary course of the trade or business. This paragraph shall not apply with respect to the cutting of timber which is considered, upon the application of section 117 (k) (1), as a sale or exchange of such timber."

In line 20, to renumber the paragraph from "(4)" to "(6)"; on page 167, after line 9, to strike out:

"(5) There shall be excluded all income derived from research for the United States or any of its agencies, and all deductions directly connected with such income."

And insert:

"(7) There shall be excluded all income derived from work performed under a contract with (A) the United States or any of its agencies or instrumentalities, or (B) any State or political subdivision thereof; and there shall be excluded all deductions directly connected with such income.

"(8) In the case of a college, university, or hospital, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income."

On page 167, line 24, to change the paragraph number from "(6)" to "(9)"; on page 168, line 23, after the word "through", to strike out "(6)" and insert "(9)"; on page 169, line 7, after "January 1", to strike out "1950" and insert "1951"; on page 170, line 2, after the word "or", to strike out "employees.", and insert "employees; or

"(3) which is the selling of merchandise, substantially all of which has been received by the organization as gifts or contributions."; in line 8, after the figures "162", to strike out "(2)" and insert "(1)"; in line 14, after the words "term of", to strike out "5 years or more" and insert "more than 5 years"; in line 24, after the word "If", to insert "real"; on page 171, line 1, after the word "acquisition.", to insert:

"No lease shall be considered a supplement U lease if (A) such lease is entered into primarily for purposes which are substantially related (aside from the need of such organization for income or funds or the use it makes of the rents derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101, or (B) the lease is of premises in a building primarily designed for occupancy by the organization. If a lease for more than 5 years to a tenant is for only a portion of the real property, and space in the real property is rented during the taxable year under a lease for less than 5 years to any other tenant of the organization, leases of the real property for more than 5 years shall be considered as supplement U leases during the taxable year only if—

"(1) the rents derived from the real property during the taxable year under such leases represent 50 percent or more of the total rents derived during the taxable year from the real property; or the area of the premises occupied under such leases represents, at any time during the taxable year, 50 percent or more of the total area of the real property rented at such time; or

"(2) the rent derived from the real property during the taxable year from any tenant under such a lease, or from a group of tenants (under such leases) who are (A) members of an affiliated group (as defined in section 141) or (B) partners, represents more than 10 percent of the total rents derived during the taxable year from such property; or the area of the premises occupied by any one such tenant, or by any such group of tenants, represents at any time during the taxable year more than 10 percent of the total area of the real property rented at such time."

On page 172, line 12, after the word "of", to strike out "five years or more" and insert "more than five years,"; in line 13 (after the amendments just above stated, to strike out "the unpaid amount of the indebtedness incurred by the lessor in acquiring and improving such property (including indebtedness incurred as the proximate result thereof)." and insert:

"the unpaid amount of—

"(1) the indebtedness incurred by the lessor in acquiring or improving such property;

"(2) the indebtedness incurred prior to the acquisition or improvement of such property if such indebtedness would not have been

incurred but for such acquisition or improvement; and

"(3) the indebtedness incurred subsequent to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of such indebtedness was reasonably forseeable at the time of such acquisition or improvement."

On page 173, line 10, after the word "indebtedness", to insert:

"indebtedness, except that where real property was acquired by gift, bequest, or devise prior to July 1, 1950, subject to a mortgage or other similar lien, the amount of such mortgage or other similar lien shall not be considered as an indebtedness of the lessor incurred in acquiring such property. Where real property was acquired by gift, bequest, or devise prior to July 1, 1950, subject to a lease requiring improvements in such property upon the happening of stated contingencies, indebtedness incurred in improving such property in accordance with the terms of such lease shall not be considered as an indebtedness for purposes of this subsection. In the case of a corporation described in section 101 (14), all of the stock of which was acquired prior to July 1, 1950, by an organization described in paragraph (1), (6), or (7) of section 101 (and more than one-third of such stock was acquired by such organization by gift or bequest), any indebtedness incurred by such corporation prior to July 1, 1950, and any indebtedness incurred by such corporation on or after such date in improving real property in accordance with the terms of a lease entered into prior to such date, shall not be considered as an indebtedness for purposes of this subsection."

On page 176, line 1, after the word "the", to insert "real"; after line 6, to strike out:

"'SEC. 424. Accumulated investment income.

"'(a) Organizations to which section applies:

"'(1) Organizations taxable as corporations: This section shall apply in the case of any organization described in section 101 (6) except—

"'(A) a religious organization;

"'(B) an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils or students in attendance at a place where its educational activities are regularly carried on;

"'(C) an organization supported, in whole or in part, by funds contributed by the United States or any State or political subdivision thereof, or primarily supported by contributions of the general public; or

"'(D) an organization operated, supervised, controlled, or principally supported by a religious organization (other than a trust) exempt from taxation under section 101 (6). This section shall also apply in the case of a corporation described in section 101 (14) if the income is payable to an organization which itself is subject to the provisions of this section.

"'(2) Trusts taxable at individual rates: This section shall apply in the case of any trust described in section 421 (b) (2); except that this section shall not apply in the case of a trust created by an organization which is subject to the provisions of this section if—

"'(A) the trust instrument specifically provides that within not more than 5 years from the date on which the trust is created all of the corpus and income of the trust must be—

"'(i) used by the trust for a specific project (within the purview of section 101 (6)) described in the trust instrument, whether or not such project is for the benefit of the organization creating the trust; or

"'(ii) paid over by the trust to a beneficiary (other than the organization creating the trust) for use by the beneficiary for a specific project (within the purview of section 101 (6)) described in the trust instrument;

"'(B) such trust is irrevocable and its terms cannot be altered, modified, or amended; and

"'(C) none of the trustees of such trust are officers, directors, trustees, or employees of the organization which created the trust.

"'(b) Accumulated investment income.—The term "accumulated investment income" means, in the case of any organization to which this section applies, the amount by which the gross investment income (as defined in subsection (c) exceeds the deductions allowed by subsection (d).

"'(c) Gross investment income.—

"'(1) The term "gross investment income" means the gross amount of income (to the extent includible in gross income under section 22) received during the taxable year from the following sources:

"'(A) interest (other than partially tax exempt interest described in section 25 (a));

"'(B) dividends;

"'(C) royalties;

"'(D) rents from real or personal property (other than the amount of such rents which is includible under section 422 in computing the unrelated business net income of the taxpayer); and

"'(E) income received from a trust, but, if received from a trust subject to the provisions of supplement E, only to the extent the trust was allowed at any time a deduction under section 162 in respect of such income;

except that in the case of a trust, income from such sources shall be excluded to the extent provided in paragraph (2).

"'(2) In computing the gross investment income under paragraph (1) of a trust described in section 421 (b) (2), there shall be excluded interest, dividends, royalties, and rents to the extent that such income—

"'(A) is attributable to property transferred to such trust prior to June 1, 1950, and is required to be accumulated pursuant to the mandatory terms of the will or deed creating the trust, but only if no person at any time after June 1, 1950, had power to alter, amend, or modify the terms requiring such accumulation; or

"'(B) in the case of a trust created by the will of a decedent, is attributable to property of the decedent transferred (whether on, before, or after June 1, 1950) under his will to such trust, but this subparagraph shall apply only if such income is received during a taxable year of the trust beginning within 25 years after the date of the death of the decedent.

"'(d) Deductions allowable: There shall be allowed as deductions from gross investment income all expenses paid during the taxable year, all gifts or contributions payment of which is made during the taxable year, all expenditures made during the taxable year which are properly chargeable to capital account, and amounts allowable for the taxable year under subsections (l) and (m) of section 23 (relating to allowances for depreciation and depletion), except that—

"'(1) No deduction shall be allowed with respect to any amount which is allowable as a deduction to the organization in computing for any taxable year its unrelated business net income (as defined in section 422 (a)).

"'(2) No deduction shall be allowed for the payment of any taxes described in subparagraph (A), (C), or (D) of section 23 (c) (1).

"'(3) No deduction shall be allowed for a capital expenditure made chiefly for, or with respect to property held chiefly for, the production of income or profit.

"'(4) No deduction shall be allowed with respect to the depreciation of property held by the taxpayer chiefly for purposes other than the production of income or profit.

"'(5) The amount of the deductions otherwise allowable under this subsection which are directly connected with the carrying on of a trade or business of the taxpayer which is not an unrelated trade or business regularly carried on by it shall be allowed only to the extent that the amount of such deductions exceeds the amount of the income which is derived from such trade or business.

"'(6) Where a gift or contribution received by an organization was earmarked by the donor to be expended by the organization for a specific project or purpose designated by the donor, no deduction shall be allowed for expenditures made in pursuance of such gift or contribution except to the extent that the amount of such gift or contribution was includible under subsection (c) (1) (E) of this section in computing its gross investment income.

"'(7) No deduction shall be allowed to an organization (herein referred to as donor) for a gift or contribution made by it to another organization (herein referred to as donee) to which this section applies unless (A) such gift or contribution is earmarked by the donor to be expended by the donee for a specific project or purpose designated by the donor, or (B) such gift or contribution is includible under subsection (c) (1) (E) of this section in computing the gross investment income of the donee.

For the purposes of this subsection the distribution by a trust (whether of corpus or income) to its beneficiaries shall be considered as a gift or contribution by the trust to its beneficiaries. In the case of property held by an organization chiefly for purposes other than the production of income or profit, amounts paid during the taxable year in payment of the purchase price for such property shall not be considered for the purposes of this subsection as expenditures by the organization to the extent that the amounts paid were borrowed by such organization under a loan secured by a mortgage or similar lien on the property; but any amount paid in reduction of the principal amount of such loan shall be considered as an expenditure properly chargeable to capital account.

"'(e) Amounts paid out after close of taxable year: At the election of the taxpayer, any amount paid out after the close of the taxable year and on or before the fifteenth day of the third month following the close of such year shall, for the purposes of subsection (d), be considered as paid on the last day of such taxable year.

"'SEC. 425. Accumulation credit.

"'(a) Amount of credit: There shall be allowed for the purposes of section 421 (c) (2) a credit for the taxable year in an amount equal to the amount which, pursuant to subsection (b) (1) or (2), is added at the close of the taxable year to the accumulation figure.

"'(b) Accumulation figure. At the beginning of the first taxable year for which an organiaztion is subject to the provisions of section 424; the accumulation figure for such organization shall be zero. Thereafter the accumulation figure for such organization shall be adjusted from year to year as follows:

"'(1) At the close of the first taxable year for which such organization has accumulated investment income, there shall be added to its accumulation figure an amount equal to its accumulated investment income for such year.

"'(2) At the close of each subsequent taxable year for which such organization has accumulated investment income, there shall

be added to the accumulation figure carried over to such year an amount (not greater than the accumulated investment income for such year) which, when added to such figure, is not in excess of the higher of—

"'(A) the gross investment income for such year, or

"'(B) the highest amount of the gross investment income for any of the five preceding taxable years. For the purposes of this subparagraph, the term "preceding taxable years" shall not include any taxable year for which the organization was not subject to the provisions of section 424.

"'(3) At the close of any taxable year for which the deductions allowed such organization under section 424 (d) exceed its gross investment income for such year, there shall be subtracted from the accumulation figure carried over to such year the amount of such excess, but the amount so subtracted shall in no case reduce such figure below zero."

On page 184, line 18, to change the section number from "426" to "424"; on page 185, after line 13, to strike out:

"(c) Requirement for continued exemption under section 101 (6): Section 101 (6) is hereby amended by striking out 'legislation;' and inserting in lieu thereof the following:

"'legislation. No organization shall be considered to be operated exclusively for the purposes described in the preceding sentence unless such organization is—

"'(A) a religious organization (other than a trust);

"'(B) an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils or students in attendance at the place where its educational activities are regularly carried on

"'(C) an organization supported, in whole or in part, by funds contributed by the United States or any State or political subdivision thereof, or primarily supported by contributions of the general public, or operated, supervised, controlled, or principally supported by a religious organization (other than a trust) which is exempt under this paragraph; or

"'(D) an organization which is operated in accordance with the following provisions—

"'(i) no part of its income or corpus is loaned to;

"'(ii) no compensation, other than a reasonable allowance for salaries or other compensation for personal services actually rendered is paid by it to;

"'(iii) no part of its services is made available on a preferential basis to;

"'(iv) no substantial purchase of securities or any other property is made by it from; and

"'(v) no substantial part of its securities or other property is sold to;

a person who has made a substantial contribution to, or any officer, director, or trustee of, such organization, or any member of the family (as defined in section 24 (b) (2) (D)) of any such person; or a corporation controlled by any such person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation;'."

On page 187, line 10, to reletter the paragraph from "(d)" to "(c)"; on page 188, line 10, after the word "apply", to strike out "to income of such organization which is includible in computing its gross investment income under section 424 (c) and"; and in line 15, after the word "by", to strike out "the Commissioner with the approval of"; so as to make the section read:

"TITLE III—TREATMENT OF INCOME OF, AND GIFTS AND BEQUESTS TO, CERTAIN TAX-EXEMPT ORGANIZATIONS

"PART I—TAXATION OF BUSINESS INCOME OF CERTAIN TAX-EXEMPT ORGANIZATIONS

"SEC. 301. Income of educational, charitable, and certain other exempt organizations.

"(a) Tax on certain types of income: Supplement U of chapter 1 is hereby amended to read as follows:

"'SUPPLEMENT U—TAXATION OF BUSINESS INCOME OF CERTAIN SECTION 101 ORGANIZATIONS

"'SEC. 421. Imposition of tax.

"'(a) In general: There shall be levied, collected, and paid for each taxable year beginning after December 31, 1950—

"'(1) upon the supplement U net income (as defined in subsection (c)) of every organization described in subsection (b) (1), a normal tax of 25 percent of the supplement U net income, and a surtax of 20 percent of the amount of the supplement U net income in excess of $25,000.

"'(2) upon the supplement U net income of every trust described in subsection (b) (2), a normal tax computed at the rate and in the manner provided in section 11 and a surtax computed at the rates and in the manner provided in section 12 (b). In making such computations for the purposes of this section, the term "the amount of the net income in excess of the credits against net income provided in section 25" as used in section 11 shall be read as "the amount of the supplement U net income" and the term "surtax net income" as used in section 12 (b) shall be read as "supplement U net income."

"'(b) Organizations subject to tax:

"'(1) Organizations taxable as corporations: The taxes imposed by subsection (a) (1) shall apply in the case of any organization (other than a church, a convention or association of churches, or a trust described in paragraph (2)) which is exempt, except as provided in this supplement, from taxation under this chapter by reason of paragraph (1), (6), or (7) of section 101. Such taxes shall also apply in the case of a corporation described in section 101 (14) if the income is payable to an organization which itself is subject to the tax imposed by subsection (a) or to a church or to a convention or association of churches.

"'(2) Trusts taxable at individual rates: The taxes imposed by subsection (a) (2) shall apply in the case of any trust which is exempt, except as provided in this supplement, from taxation under this chapter by reason of paragraph (6) of section 101 and which, if it were not for such exemption, would be subject to the provisions of supplement E.

"'(c) Definition of supplement U net income: The term "supplement U net income" of an organization means the amount by which its unrelated business net income (as defined in section 422) exceeds $1,000.

"'(d) Foreign organizations: The supplement U net income of an organization described in subsection (b) (1) or (2) which is a foreign organization shall be its supplement U net income derived from sources within the United States determined in accordance with the rules of section 119 and sections 212, 213 (a), 231 (c) and (d), and 232 (a).

"'SEC. 422. Unrelated business net income.

"'(a) Definition: The term "unrelated business net income" means the gross income derived by any organization from any unrelated trade or business (as defined in subsection (b)) regularly carried on by it, less the deductions allowed by section 23 which are directly connected with the carrying on of such trade or business, subject to the following exceptions, additions, and limitations:

"'(1) There shall be excluded all dividends, interest, and annuities, and all deductions directly connected with such income.

"'(2) There shall be excluded all royalties (including overriding royalties) whether measured by production or by gross or net income from the property, and all deductions directly connected with such income.

"'(3) There shall be excluded all rents from real property (including personal property leased with the real property), and all deductions directly connected with such rents.

"'(4) Notwithstanding paragraph (3), in the case of a supplement U lease (as defined in section 423 (a)) there shall be included, as an item of gross income derived from an unrelated trade or business, the amount ascertained under section 423 (d) (1) and there shall be allowed, as a deduction, the amount ascertained under section 423 (d) (2).

"'(5) There shall be excluded all gains or losses from the sale, exchange, or other disposition of property other than (A) stock in trade or other property of a kind which would property be includible in inventory if on hand at the close of the taxable year, or (B) property held primarily for sale to customers in the ordinary course of the trade or business. This paragraph shall not apply with respect to the cutting of timber which is considered, upon the application of section 117 (k) (1), as a sale or exchange of such timber.

"'(6) The net operating loss deduction provided in section 23 (s) shall be allowed, except that—

"'(A) the net operating loss for any taxable year, the amount of the net operating loss carry-back or carry-over to any taxable year, and the net operating loss deduction for any taxable year shall be determined under section 122 without taking into account any amount of income or deduction which is excluded under this supplement in computing the unrelated business net income; and

"'(B) the terms "preceding taxable year" and "preceding taxable years" as used in section 122 shall not include any taxable year for which the organization was not subject to the provisions of this supplement.

"'(7) There shall be excluded all income derived from work performed under a contract with (A) the United States or any of its agencies or instrumentalities, or (B) any State or political subdivision thereof; and there shall be excluded all deductions directly connected with such income.

"'(8) In the case of a college, university, or hospital, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

"'(9) (A) In the case of any organization described in section 421 (b) (1), the so-called "charitable contribution" deduction allowed by section 23 (q) shall be allowed (whether or not directly connected with the carrying on of the trade or business), but shall not exceed 5 percent of the unrelated business net income computed without the benefit of this subparagraph.

"'(B) In the case of any trust described in section 421 (b) (2), the so-called "charitable contribution" deduction allowed by section 23 (o) shall be allowed (whether or not directly connected with the carrying on of the trade or business), and for such purpose a distribution made by the trust to a beneficiary described in section 23 (o) shall

be considered as a gift or contribution. The deduction allowed by this subparagraph shall not exceed 15 percent of the unrelated business net income computed without the benefit of this subparagraph.

If a trade or business regularly carried on by a partnership of which an organization is a member in an unrelated trade or business with respect to such organization, such organization in computing its unrelated business net income shall, subject to the exceptions, additions, and limitations contained in paragraphs (1) through (9) above, include its share (whether or not distributed) of the gross income of the partnership from such unrelated trade or business and its share of the partnership deductions directly connected with such gross income. If the taxable year of the organization is different from that of the partnership, the amounts to be so included or deducted in computing the unrelated business net income shall be based upon the income and deductions of the partnership for any taxable year of the partnership (whether beginning on, before, or after January 1, 1951) ending within or with the taxable year of the organization.

"'(b) Unrelated trade or business: The term "unrelated trade or business" means, in the case of any organization subject to the tax imposed by section 421 (a), any trade or business the conduct of which is not substantially related (aside from the need of such organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101, except that such term shall not include any trade or business—

"'(1) in which substantially all the work in carrying on such trade or business is performed for the organization without compensation; or

"'(2) which is carried on, in the case of an organization described in section 101 (6), by the organization primarily for the convenience of its members, students, patients, officers, or employees; or

"'(3) which is the selling of merchandise, substantially all of which has been received by the organization as gifts or contributions.

The term "unrelated trade or business" means, in the case of a trust computing its unrelated business net income under this section for the purposes of section 162 (g) (1), any trade or business regularly carried on by such trust or by a partnership of which it is a member.

"'SEC. 423. Supplement U lease.

"'(a) Definition of supplement U lease: The term "supplement U lease" means a lease for a term of more than 5 years of real property by an organization (or by a partnership of which it is a member), if at the close of the lessor's taxable year there is a supplement U lease indebtedness (as defined in subsection (b)) with respect to such property. In computing the term of a lease which contains an option for renewal or extension, the term of such lease shall be considered as including any period for which such option may be exercised; and the term of any lease made pursuant to an exercise of such option shall include the period during which the prior lease was in effect. If real property is acquired subject to a lease, the term of such lease shall be considered to begin on the date of such acquisition. No lease shall be considered a supplement U lease if (A) such lease is entered into primarily for purposes which are substantially related (aside from the need of such organization for income or funds or the use it makes of the rents derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101, or (B) the lease is of premises in a building primarily designed for occupancy by the organization. If a lease for more than 5 years to a tenant is for only a portion of the real property, and space in the real property is rented during the taxable year under a lease for less than 5 years to any other tenant of the organization, leases of the real property for more than 5 years shall be considered as supplemental U leases during the taxable year only if—

"'(1) the rents derived from the real property during the taxable year under such leases represent 50 percent or more of the total rents derived during the taxable year from the real property; or the area of the premises occupied under such lease represents, at any time during the taxable year, 50 percent or more of the total area of the real property rented at such time; or

"'(2) the rent derived from the real property during the taxable year from any tenant under such a lease, or from a group of tenants (under such leases) who are (A) members of an affiliated group (as defined in section 141) or (B) partners, represents more than 10 percent of the total rents derived during the taxable year from such property; or the area of the premises occupied by any one such tenant, or by any such group of tenants, represents at any time during the taxable year more than 10 percent of the total area of the real property rented at such time.

"'(b) Supplement U lease indebtedness: The term "supplement U lease indebtedness" means, with respect to any real property leased for a term of more than 5 years, the unpaid amount of—

"'(1) the indebtedness incurred by the lessor in acquiring or improving such property;

"'(2) the indebtedness incurred prior to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement; and

"'(3) the indebtedness incurred subsequent to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of such indebtedness was reasonably foreseeable at the time of such acquisition or improvement.

Where real property is acquired subject to a mortgage or other similar lien, the amount of the indebtedness secured by such mortgage or lien shall be considered (whether the acquisition was by gift, devise, or purchase) as an indebtedness of the lessor incurred in acquiring such property even though the lessor did not assume or agree to pay such indebtedness, except that where real property was acquired by gift, bequest, or devise prior to July 1, 1950, subject to a mortgage or other similar lien, the amount of such mortgage or other similar lien shall not be considered as an indebtedness of the lessor incurred in acquiring such property. Where real property was acquired by gift, bequest, or devise prior to July 1, 1950, subject to a lease requiring improvements in such property upon the happening of stated contingencies, indebtedness incurred in improving such property in accordance with the terms of such lease shall not be considered as an indebtedness for purposes of this subsection. In the case of a corporation described in section 101 (14), all of the stock of which was acquired prior to July 1, 1950, by an organization described in paragraph (1), (6), or (7) of section 101 (and more than one-third of such stock was acquired by such organization by gift or bequest), any indebtedness incurred by such corporation prior to July 1, 1950, and any indebtedness incurred by such corporation on or after such date in improving real property in accordance with the terms of a lease entered into prior to such date, shall not be considered as an indebtedness for purposes of this subsection. In determining the amount of the supplement U lease indebtedness where only a portion of the real property is subject to a supplement U lease, proper allocation to the premises covered by such lease shall be made of the indebtedness incurred by the lessor with respect to the real property.

"'(c) Personal property leased with real property: For the purposes of this section, the term 'real property' and the term 'premises' include personal property of the lessor leased by it to a lessee of its real estate if the lease of such personal property is made under, or in connection with, the lease of such real estate.

"'(d) Treatment of supplement U lease rents and deductions: In computing under section 422 (a) the unrelated business net income for any taxable year—

"'(1) Percentage of rents taken into account: There shall be included with respect to each supplement U lease, as an item of gross income derived from an unrelated trade or business, an amount which is the same percentage (but not in excess of 100 percent) of the total rents derived during the taxable year under such lease as (A) the supplement U lease indebtedness, at the close of the taxable year, with respect to the premises covered by such lease is of (B) the adjusted basis, at the close of the taxable year, of such premises.

"'(2) Percentage of deductions taken into account: There shall be allowed with respect to each supplement U lease, as a deduction to be taken into account in computing unrelated business net income, an amount which is the same percentage (but not in excess of 100 percent) of the sum determined under paragraph (3) as the amount determined under clause (A) of paragraph (1) is of the amount determined under clause (B) of such paragraph.

"'(3) Deductions allowable: The sum referred to in paragraph (2) is the sum of the following deductions allowable under section 23:

"'(A) Taxes and other expenses paid or accrued during the taxable year upon or with respect to the real property subject to the supplement U lease.

"'(B) Interest paid or accrued during the taxable year on the supplement U lease indebtedness.

"'(C) A reasonable allowance for exhaustion, wear and tear (including a reasonable allowance for obsolescence) of the real property subject to such lease.

Where only a portion of the real property is subject to the supplement U lease, there shall be taken into account under subparagraph (A), (B), or (C) only those amounts which are properly allocable to the premises covered by such lease.

"'SEC. 424. Taxes of foreign countries and possessions of the United States.

"'The amount of income, war-profits, and excess-profits taxes imposed by foreign countries or possessions of the United States shall be allowed as a credit against the tax of an organization subject to the tax imposed by section 421 (a) to the extent provided in section 131; and in the case of the tax imposed by section 421 (a), the term "normal-tax net income" and the term "net income" as used in section 131 shall be read as "supplement U net income."'

"(b) Feeder organizations: Section 101 is hereby amended by adding at the end thereof the following paragraph:

"'An organization operated for the primary purpose of carrying on a trade or business for profit shall not be exempt under

any paragraph of this section on the ground that all of its profits are payable to one or more organizations exempt under this section from taxation. For the purposes of this paragraph the term "trade or business" shall not include the rental by an organization of its real property (including personal property leased with the real property).'

"(c) Technical amendments:

"(1) Section 101 is hereby amended (A) by striking out "The following organizations shall be exempt" and inserting in lieu thereof "Except as provided in supplement U, the following organizations shall be exempt", and (B) by adding at the end of such section (following the paragraph added by subsection (b) of this section) the following paragraph:

"'Notwithstanding supplement U, an organization described in this section (other than in the preceding paragraph) shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes.'

"(2) Section 117 (c) (1) is hereby amended by inserting before 'and 500' the following: '421'.

"(3) Section 117 (c) (2) is hereby amended by inserting after 'sections 11 and 12' the following: '(or, in the case of certain tax-exempt trusts, in lieu of the tax imposed by section 421)'.

"(4) Section 143 is hereby amended by adding at the end thereof the following new subsection:

"'(h) Withholding on certain foreign tax-exempt organizations: In the case of income of a foreign organization subject to the tax imposed by section 421 (a), the provisions of this section and section 144 shall apply to rents includible under section 422 in computing its unrelated business net income, but only to the extent and subject to such conditions as may be provided under regulations prescribed by the Secretary.'

"(5) Supplement H is hereby amended by adding at the end thereof the following new section:

"'SEC. 221. Foreign educational, charitable and certain other exempt organizations.

"'For special provisions relating to foreign education, charitable and other exempt trusts, see section 421 (d).'

"(6) Supplement I is hereby amended by adding at the end thereof the following new section:

"'SEC. 238. Foreign educational, charitable and certain other exempt organizations.

"'For special provisions relating to foreign educational, charitable and certain other exempt organizations, see section 421 (d).'

The next amendment was, on page 189, after line 5, to insert:

"SEC. 302. Exemption of certain organizations for past years.

"(a) Trade or business not unrelated: For any taxable year beginning prior to January 1, 1951, no organization shall be denied exemption under paragraph (1), (6), or (7) of section 101 of the Internal Revenue Code on the grounds that it is carrying on trade or business for profit if the income from such trade or business would not be taxable as unrelated business income under the provisions of supplement U of the Internal Revenue Code, as amended by this act, or if such trade or business would not be included within the meaning of the term 'trade or business' as used in section 101 of the Internal Revenue Code, as amended by this act.

"(b) Trade or business income and exemption previously granted: For any taxable year beginning prior to January 1, 1951, no organization which has been advised by the Bureau of Internal Revenue in a letter to such organization that such organization was exempt from taxation under section 101 of the Internal Revenue Code shall be denied exemption from income tax under such section on the ground that it is carrying on a trade or business for profit, unless, prior to such date the Bureau of Internal Revenue has, in a letter to such organization, informed such organization that its exemption under such section was withdrawn or requested further information from such organization relative to its exempt status. In no event shall exemption be so denied for any such taxable year prior to the taxable year in which such letter requesting information was mailed to such organization, or, if no letter so requesting information was mailed, prior to the taxable year in which such letter informing the organization that its exemption was withdrawn was mailed.

"(c) Trade or business income and no exemption previously granted: An organization whose exemption under section 101 of the Internal Revenue Code has not been approved, questioned, or denied by the Bureau of Internal Revenue prior to the date of enactment of this act in a letter to such organization shall not be denied exemption for any period prior to January 1, 1947, on the ground that it is carrying on a trade or business for profit. In the case of such an organization, the filing of the information return required by section 54 (f) of the Internal Revenue Code (relating to returns by tax-exempt organizations) for any taxable year beginning prior to January 1, 1951, shall be deemed to be the filing of a return for the purposes of section 275 of the Internal Revenue Code (relating to period of limitation upon assessment and collection). In the case of such an organization which was, by the provisions of section 54 (f) of the Internal Revenue Code, specifically not required to file such information return, for the purposes of the preceding sentence a return shall be deemed to have been filed at the time when such return should have been filed had it been so required.

"(d) Denial of deductions: A gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals) otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 162 (a), 505 (a) (2), 812 (d), 861 (a) (3), 1004 (a) (2) (B), or 1004 (b) (2) or (3) of the Internal Revenue Code, to an organization carrying on a trade or business for profit may not be denied under such sections for any taxable year beginning prior to January 1, 1951, if a denial of exemption to such organization for the taxable year or period of the organization in which such contribution was made is prevented by the provisions of subsections (a), (b), or (c) of this section."

The next amendment was on page 191, line 22, to change the section number from "302" to "303"; on page 192, after line 12, to strike out:

"'(g) Rules for application of subsection (a) in the cast of trusts: In computing the deduction allowable under subsection (a) to a trust for any taxable year beginning after December 31, 1950—

"'(1) Accumulated income: No amount otherwise allowable under subsection (a) as a deduction shall be allowed as a deduction with respect to income of the taxable year which is accumulated, unless—

"'(A) such income is attributable to property transferred in trust prior to June 1, 1950, and the accumulation thereof is mandatory under the terms of the will or deed creating the trust and no person at any time after June 1, 1950, had power to alter, amend, or modify the terms requiring such accumulation or to revoke the trust; or

"'(B) such income is attributable to property of a decedent transferred (whether on, before, or after June 1, 1950) under his will to a trust created by such will, but this subparagraph shall apply only to income accumulated (whether or not in the discretion of the fiduciary) during a taxable year of the trust beginning within 25 years after the date of the death of the decedent; or

"'(C) such income is gain derived from the sale, exchange, or other disposition of capital assets.

"'(2) Trade or business income: No amount otherwise allowable under subsection (a) as a deduction shall be allowed as a deduction with respect to income of the taxable year (whether or not accumulated) which is allocable to its supplement U business income for such year. As used in this paragraph the term "supplement U business income" means an amount equal to the amount which, if such trust were exempt under section 101 (6) from taxation, would be computed as its unrelated business net income under section 422 (relating to income derived from certain business activities and from certain leases).

"'(3) Distributions after close of taxable year: At the election of the fiduciary, any amount of income of the trust for its taxable year which is paid out or used after the close of the taxable year and on or before the fifteenth day of the third month following the close of such year shall, for the purposes of this subsection and subsection (a), be considered as paid or used by the trust on the last day of such taxable year.

"'(4) Operation of trust: The amount otherwise allowable under subsection (a) as a deduction shall not exceed 15 percent of the net income of the trust (computed without the benefit of subsection (a)) unless the trust is operated in accordance with the following provisions—

"'(A) no part of its income or corpus is loaned to;

"'(B) no compensation, other than a reasonable allowance for salaries or other compensation for personal services actually rendered is paid by it to;

"'(C) no part of its services is made available on a preferential basis to;

"'(D) no substantial purchase of securities or any other property is made by it from; and

"'(E) no substantial part of its securities or other property is sold to;

a person who has made a substantial contribution to such trust; or any officer or trustee of such trust; or any member of the family (as defined in section 24 (b) (2) (D)) of any such person; or a corporation controlled by any such person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation.'"

On page 195, after line 11, to insert:

"'(g) Rules for application of subsection (a) in the case of trusts:

"'(1) Trade or business income: In computing the deduction allowable under subsection (a) to a trust for any taxable year beginning after December 31, 1950, no amount otherwise allowable under subsection (a) as a deduction shall be allowed as a deduction with respect to income of the taxable year which is allocable to its supplement U business income for such year. As used in this paragraph the term "supplement U business income" means an amount equal to the amount which, if such trust were exempt under section 101 (6) from taxation, would be computed as its unrelated business net income under section 422 (relating to income derived from certain business activities and from certain leases).

"'(2) Operations of trusts:

"'(A) Limitation on charitable, etc., deduction: The amount otherwise allowable under subsection (a) as a deduction shall not exceed 15 percent of the net income of the

trust (computed without the benefit of subsection (a)) if the trust has engaged in a prohibited transaction, as defined in subparagraph (B) of this paragraph.

"'(B) Prohibited transactions: For the purposes of this paragraph the term "prohibited transaction" means any transaction after July 1, 1950, in which any trust while holding income or corpus which has been permanently set aside or is to be used exclusively for charitable or other purposes described in subsection (a)—

"'(i) lends any part of such income or corpus, without receipt of adequate security and a reasonable rate of interest, to;

"'(ii) pays any compensation from such income or corpus, other than a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

"'(iii) makes any part of its services available on a preferential basis to;

"'(iv) uses such income or corpus to make any substantial purchase of securities or any other property, for other than an adequate consideration in money or money's worth, from;

"'(v) sells any substantial part of the securities or other property comprising such income or corpus, for other than an adequate consideration in money or money's worth, to; or

"'(vi) engages in any other transaction which results in a substantial diversion of such income or corpus to;

the creator of such trust; any person who has made a substantial contribution to such trust; a member of the family (as defined in section 24 (b) (2) (D)) of an individual who is the creator of the trust or who has made a substantial contribution to the trust; or a corporation controlled by any such creator or person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation.

"'(C) Taxable years affected: The amount otherwise allowable under subsection (a) as a deduction shall be limited as provided in subparagraph (A) only for taxable years subsequent to the taxable year during which the trust is notified by the Secretary that it has engaged in such transaction, unless such trust entered into such prohibited transaction with the purpose of diverting such corpus or income from the purposes described in subsection (a), and such transaction involved a substantial part of such corpus or income.

"'(D) Future charitable, etc., deductions of trusts denied deduction under subparagraph (C): If the deduction of any trust under subsection (a) has been limited as provided in this paragraph, such trust, with respect to any taxable year following the taxable year in which notice is received of limitation of deduction under subsection (a), may, under regulations prescribed by the Secretary, file claim for the allowance of the unlimited deduction under subsection (a), and if the Secretary, pursuant to such regulations, is satisfied that such trust will not knowingly again engage in a prohibited transaction, the limitation provided in subparagraph (A) shall not be applicable with respect to taxable years subsequent to the year in which such claim is filed.

"'(E) Disallowance of certain charitable, etc., deductions: No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 162 (a), 505 (a) (2), 812 (d), 861 (a) (3), 1004 (a) (2) (B), or 1004 (b) (2) or (3), shall be allowed as a deduction if made in trust and, in the taxable year of the trust in which the gift or bequest is made, the deduction allowed the trust under subsection (a) is limited by subparagraph (A). With respect to any taxable year of a trust in which such deduction has been so limited by reason of entering into a prohibited transaction with the purpose of diverting such corpus or income from the purposes described in subsection (a), and such transaction involved a substantial part of such income or corpus, and which taxable year is the same, or prior to the, taxable year of the trust in which such prohibited transaction occurred, such deduction shall be disallowed the donor only if such donor or (if such donor is an individual) any member of his family (as defined in section 24 (b) (2) (D)) was a party to such prohibited transaction.

"'(F) Definition: For the purposes of this paragraph the term "gift or bequest" means any gift, contribution, bequest, devise, legacy, or transfer.

"'(3) Cross reference: For disallowance of certain charitable, etc., deductions otherwise allowable under subsection (a), see section 3813.'"

On page 200, after line 11, to strike out:

"(b) Technical amendments:

"(1) Section 162 (a) is hereby amended by striking out 'There shall be allowed as a deduction' and inserting in lieu thereof 'Subject to the provisions of subsection (g), there shall be allowed as a deduction.'

"(2) Section 161 is hereby amended by adding at the end thereof the following new subsection:

"'(d) Trusts exempt under section 101 (6): The provisions of this supplement shall not apply in the case of any trust which is exempt (except as provided in supplement U) from taxation by reason of section 101 (6).'"

On page 200, after line 22, to insert:

"(b) Technical amendment: Section 162 (a) is hereby amended by striking out 'There shall be allowed as a deduction' and inserting in lieu thereof 'Subject to the provisions of subsection (g), there shall be allowed as a deduction.'"

On page 201, line 6, after the figures "1950", to insert "except that subsection (g) (2) (E) of section 162 of the Internal Revenue Code, added by section 321 (a) of this act, shall apply only with respect to gifts or bequests (as defined in section 162 (g) (2) (F) of the Internal Revenue Code) made on or after January 1, 1951."

On page 201, after line 10, to strike out:

"PART III—DISALLOWANCE OF DEDUCTION OF CERTAIN GIFTS AND BEQUESTS

"SEC. 331. Disallowance of certain charitable, etc., deductions.

"(a) Deductions for income, estate, and gift tax purposes. Chapter 38 is hereby amended by inserting at the end thereof the following section:

"'SEC. 3810. Disallowance of certain charitable, etc., deductions.

"'(a) In general: No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 505 (a) (2), 812 (d), 861 (a) (3), 1004 (a) (2) (B), or 1004 (b) (2) or (3), shall be allowed as a deduction unless such gift or bequest is a deductible gift or bequest under subsections (b) and (c) of this section. For the purposes of this section, the term 'gift or bequest' means any gift, contribution, bequest, devise, legacy, or transfer made in trust or, if not made in trust, made to an organization other than—

"'(1) a fraternal society, order, or association;

"'(2) a religious organization;

"'(3) an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils and students in attendance at the place where its educational activities are regularly carried on;

"'(4) an organization which is supported, in whole or in part, by funds contributed by the United States or any State or political subdivision thereof, or is primarily supported by contributions of the general public; or

"'(5) an organization operated, supervised, controlled, or principally supported by a religious organization (other than a trust) exempt from taxation under section 101 (6).

"'(b) Powers and operation of trusts or other organizations; no gift or bequest shall be considered a deductible gift or bequest for the purposes of subsection (a) unless—

"'(1) the instrument under which the trust or other organization is administered provides that—

"'(A) no part of the income or corpus of of such trust or organization may be loaned to;

"'(B) no compensation, other than a reasonable allowance for salaries or other compensation for personal services actually rendered, may be paid by the trust or organization to;

"'(C) no part of the services of the trust or organization may be made available on a preferential basis to;

"'(D) no substantial purchase of securities or any other property may be made by such trust or organization from; and

"'(E) no substantial part of the securities or any other property of the trust or organization may be sold to,

a person who has made a substantial contribution to, or any officer, director, or trustee of, such trust or organization; or any member of the family (as defined in section 24 (b) (2) (D) of any such person; or a corporation controlled by any such person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation; and

"'(2) such instrument provides that no part of the income or corpus of such trust or organization may be paid to any trust or organization to which a gift or bequest would not be a deductible gift or bequest under this subsection.

"'(c) Gifts of stock; no gift or bequest consisting of stock in a corporation shall be considered a deductible gift or bequest for purposes of subsection (a) if—

"'(1) the contributor of such stock, or members of his family (as defined in section 24 (b) (2) (D)), or such contributor together with such family members—

"'(A) comprise a majority of the officers, directors, or trustees of such trust or other organization;

"'(B) have the power to fill vacancies in the case of a majority of such officers, directors, or trustees; or

"'(C) have any right with respect to the voting or disposition of such stock; and

"'(2) such stock is stock in a corporation in which the contributor, or the members of his family (as defined in section 24 (b) (2) (D)), or such contributor together with such family members own stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote or at least 50 percent of the value of the outstanding stock of such corporation. For purposes of the preceeding sentence such contributor or such family members shall be considered as owning all stock owned or held in trust by any trust or organization in which such contributor or such family members, or such contributor together with such family members—

"'(A) comprise a majority of the officers, directors, or trustees, or

"'(B) have the power to fill vacancies in the case of a majority of the officers, directors, or trustees,

and shall be considered as owning all stock owned or held in trust by any trust or organization if such contributor or such family members have any rights with respect to the voting or disposition of such stock.'

"(b) Technical amendments:

"(1) Section 23 (o) (2) is hereby amended by striking out 'legislation;' and inserting in lieu thereof the following: 'legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see section 3810;.'

"(2) Section 23 (q) (2) is hereby amended by striking out 'legislation; or' and inserting in lieu thereof the following: 'legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see section 3810; or.'

"(3) Section 812 (d) is hereby amended by adding at the end thereof the following: 'For disallowance of certain charitable, etc. deductions otherwise allowable under this paragraph, see section 3819.'

"(4) Section 861 (a) (3) is hereby amended by adding at the end thereof the following: 'For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see section 3810.'

"(5) Section 1004 (a) (2) (B) is hereby amended by striking out 'legislation;' and inserting in lieu thereof the following: 'legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this subparagraph, see section 3810;'

"(6) Section 1004 (b) is hereby amended by adding at the end thereof the following new paragraph:

"'For disallowance of certain charitable, etc., deductions otherwise allowable under paragraphs (2) and (3), see section 3810.'

"SEC. 332. Effective date of part III.

"The amendments made by this part shall apply with respect to gifts or bequests (as defined in section 3810 of the Internal Revenue Code) made on or after July 1, 1951."

On page 206, after line 4, to insert:

"PART III—LOSS OF EXEMPTION UNDER SECTION 101 (6) AND DISALLOWANCE OF CERTAIN GIFTS AND BEQUESTS

"SEC. 331. Exemption of certain organizations under section 101 (6) and deductibility of contributions made to such organizations.

"Chapter 38 is hereby amended by inserting at the end thereof the following new section:

"'SEC. 3813. Requirements for exemption of certain organizations under section 101 (6) and for deductibility of contributions made to such organizations.

"'(a) Organizations to which section applies: This section shall apply to any organization described in section 101 (6) except—

"'(1) a religious organization (other than a trust);

"'(2) an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on;

"'(3) an organization which normally receives a substantial part of its support (exclusive of income received in the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101 (6)) from the United States or any State or political subdivision thereof or from direct or indirect contributions from the general public;

"'(4) an organization which is operated, supervised, controlled, or principally supported by a religious organization (other than a trust) which is itself not subject to the provisions of this section; and

"'(5) an organization the principal purposes or functions of which are the providing of medical or hospital care or medical education or medical research.

"'(b) Prohibited transactions: For the purposes of this section, the term "prohibited transaction" means any transaction in which an organization subject to the provisions of this section—

"'(1) lends any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest, to;

"'(2) pays any compensation, other than a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

"'(3) makes any part of its services available on a preferential basis to;

"'(4) makes any substantial purchase of securities or any other property, for other than adequate consideration in money or money's worth, from;

"'(5) sells any substantial part of its securities or other property, for other than an adeqate consideration in money or money's worth, to; or

"'(6) engages in any other transaction which results in a substantial diversion of its income or corpus to;

the creator of such organization (if a trust); a person who has made a substantial contribution to such organization; a member of the family (as defined in section 24 (b) (2) (D)) of an individual who is the creator of such trust or who has made a substantial contribution to such organization; or a corporation controlled by such creator or person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation.

"'(c) Denial of exemption to organizations engaged in prohibited transactions.—

"'(1) General rule: No organization subject to the provisions of this section which has engaged in a prohibited transaction after July 1, 1950, shall be exempt from taxation under section 101 (6).

"'(2) Taxable years affected: An organization shall be denied exemptions from taxation under section 101 (6) by reason of paragraph (1) only for taxable years subsequent to the taxable year during which it is notified by the Secretary that it has engaged in a prohibited transaction, unless such organization entered into such prohibited transaction with the purpose of diverting corpus or income of the organization from its exempt purposes, and such transaction involved a substantial part of the corpus or income of such organization.

"'(d) Future status of organization denied exemption: Any organization denied exemption under section 101 (6) by reason of the provisions of subsection (c), with respect to any taxable year following the taxable year in which notice of denial of exemption was received, may, under regulations prescribed by the Secretary, file claim for exemption, and if the Secretary, pursuant to such regulations, is satisfied that such organization will not knowingly again engage in a prohibited transaction, such organization shall be exempt with respect to taxable years subsequent to the year in which such claim is filed.

"'(e) Disallowance of certain charitable, etc., deductions: No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 162 (a), 505 (a) (2), 812 (d), 861 (a) (3), 1004 (a) (2) (B), or 1004 (b) (2) or (3), shall be allowed as a deduction if made to an organization which, in the taxable year of the organization in which the gift or bequest is made, is not exempt under section 101 (6) by reason of the provisions of this section. With respect to any taxable year of the organization for which the organization is not exempt pursuant to the provisions of subsection (c) by reason of having engaged in a prohibited transaction with the purpose of diverting the corpus or income of such organization from its exempt purposes and such transaction involved a substantial part of such corpus or income, and which taxable year is the same, or prior to the, taxable year of the organization in which such transaction occurred, such deduction shall be disallowed the donor only if such donor or (if such donor is an individual) any member of his family (as defined in section 24 (b) (2) (D)) was a party to such prohibited transaction.

"'(f) Definition: For the purposes of this section, the term 'gift or bequest' means any gift, contribution, bequest, devise, legacy, or transfer.'

"SEC. 332. Technical amendments.

"(a) Amendment of section 23 (o): Section 23 (o) (2) is hereby amended by striking out 'legislation,' and inserting in lieu thereof the following: 'legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2);'.

"(b) Amendment of section 23 (q): Section 23 (q) (2) is hereby amended by striking out 'legislations; or' and inserting in lieu thereof the following: 'legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2); or'.

"(c) Amendment of section 101 (6): Section 101 (6) is hereby amended by striking out 'legislation;' and inserting in lieu thereof the following: 'legislation. For loss of exemption under certain circumstances, see section 3813;'.

"(d) Amendment of section 505 (a): Section 505 (a) (2) is hereby amended by adding at the end thereof the following: 'For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2).'

"(e) Amendment of section 812 (d): Section 812 (d) is hereby amended by adding at the end thereof the following: 'For disallowance of certain charitable, etc., deductions otherwise allowable under this subsection, see sections 3813 and 162 (g) (2).'

"(f) Amendment of section 861 (a): Section 861 (a) (3) is hereby amended by adding at the end thereof the following: 'For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2).'

"(g) Amendment of section 1004 (a): Section 1004 (a) (2) (B) is hereby amended by striking out 'legislation;' and inserting in lieu thereof the following: 'legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this subparagraph, see sections 3813 and 162 (g) (2);'.

"(h) Amendment of section 1004 (b): Section 1004 (b) is hereby amended by adding at the end thereof the following new paragraph:

"'For disallowance of certain charitable, etc., deductions otherwise allowable under paragraphs (2) and (3), see sections 3813 and 162 (g) (2).'

"SEC. 333. Effective dates

"Subsections (c) and (d) of section 3813 of the Internal Revenue Code, added by section 331 of this act, shall apply with respect to taxable years beginning after December 31, 1950, and subsection (e) of such section of the Internal Revenue Code shall apply

only with respect to gifts or bequests (as defined in section 3813 of the Internal Revenue Code) made on or after January 1, 1951.

"PART IV—INFORMATION TO BE MADE AVAILABLE TO THE PUBLIC

"SEC. 341. Information to be available to the public.

"(a) Information with respect to certain charitable, etc., exemptions and deductions: Supplement D of chapter 1 (relating to returns and payment of tax) is hereby amended by adding at the end thereof the following new section:

"'SEC. 153. Information required from certain tax-exempt organizations and certain trusts.

"'(a) Certain tax-exempt organizations: Every organization described in section 101 (6) which is subject to the requirements of section 54 (f) shall furnish annually information, at such time and in such manner as the Secretary may by regulations prescribe, setting forth—

"'(1) its gross income for the year,

"'(2) its expenses attributable to such income and incurred within the year,

"'(3) its disbursements out of income within the year for the purposes for which it is exempt,

"'(4) its accumulation of income within the year,

"'(5) its aggregate accumulations of income at the beginning of the year,

"'(6) its disbursements out of principal in the current and prior years for the purposes for which it is exempt, and

"'(7) a balance sheet showing its assets, liabilities, and net worth as of the beginning of such year.

"'(b) Trusts claiming charitable, etc., deductions under section 162 (a): Every trust claiming a charitable, etc., deduction under section 162 (a) for the taxable year shall furnish information with respect to such taxable year, at such time and in such manner as the Secretary may by regulations prescribe, setting forth—

"'(1) the amount of the charitable, etc., deduction taken under section 162 (a) within such year (showing separately the amount of such deduction which was paid out and the amount which was permanently set aside for charitable, etc., purposes during such year),

"'(2) the amount paid out within such year which represents amounts for which charitable, etc., deductions under section 162 (a) have been taken in prior years,

"'(3) the amount for which charitable, etc., deductions have been taken in prior years but which has not been paid out at the beginning of such year,

"'(4) the amount paid out of principal in the current and prior years for charitable, etc., purposes,

"'(5) the total income of the trust within such year and the expenses attributable thereto, and

"'(6) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

"'(c) Information available to the public: The information required to be furnished by subsections (a) and (b), together with the names and addresses of such organizations and trusts, shall be made available to the public at such times and in such places as the Secretary may prescribe.

"'(d) Penalties: In the case of a willful failure to furnish the information required under this section, the penalties provided in section 145 (a) shall be applicable.'

"(b) Effective date: The amendment made by this section shall be applicable with respect to taxable years beginning after December 31, 1949."

So as to make the section read:

"SEC. 303. Effective date of part I.

"The amendments made by this part shall be applicable only with respect to taxable years beginning after December 31, 1950. The determination as to whether an organization is exempt under section 101 of the Internal Revenue Code from taxation for any taxable year beginning before January 1, 1951, shall be made as if section 301 (b) of this act had not been enacted and without inferences drawn from the fact that the amendment made by such section is not expressly made applicable with respect to taxable years beginning before January 1, 1951.

"PART II—CHARITABLE, ETC., DEDUCTIONS OF TRUSTS NOT EXEMPT FROM TAXATION

SEC. 321. Charitable, etc., deductions of trusts.

"(a) Amendment of section 162: Section 162 is hereby amended by adding at the end thereof the following:

"'(g) Rules for application of subsection (a) in the case of trusts:

"'(1) Trade or business income: In computing the deduction allowable under subsection (a) to a trust for any taxable year beginning after December 31, 1950, no amount otherwise allowable under subsection (a) as a deduction shall be allowed as a deduction with respect to income of the taxable year which is allocable to its supplement U business income for such year. As used in this paragraph the term "supplement U business income" means an amount equal to the amount which, if such trust were exempt under section 101 (6) from taxation, would be computed as its unrelated business net income under section 422 (relating to income derived from certain business activities and from certain leases).

"'(2) Operations of trusts:

"'(A) Limitation on charitable, etc., deduction: The amount otherwise allowable under subsection (a) as a deduction shall not exceed 15 percent of the net income of the trust (computed without the benefit of subsection (a)) if the trust has engaged in a prohibited transaction, as defined in subparagraph (B) of this paragraph.

"'(B) Prohibited transactions: For the purposes of this paragraph the term "prohibited transaction" means any transaction after July 1, 1950, in which any trust while holding income or corpus which has been permanently set aside or is to be used exclusively for charitable or other purposes described in subsection (a)—

"'(i) lends any part of such income or corpus, without receipt of adequate security and a reasonable rate of interest, to;

"'(ii) pays any compensation from such income or corpus, other than a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

"'(iii) makes any part of its services available on a preferential basis to;

"'(iv) uses such income or corpus to make any substantial purchase of securities or any other property, for other than an adequate consideration in money or money's worth, from;

"'(v) sells any substantial part of the securities or other property comprising such income or corpus, for other than an adequate consideration in money or money's worth, to; or

"'(vi) engages in any other transaction which results in a substantial diversion of such income or corpus to;

the creator of such trust; any person who has made a substantial contribution to such trust; a member of the family (as defined in section 24 (b) (2) (D)) of an individual who is the creator of the trust or who has made a substantial contribution to the trust; or a corporation controlled by any such creator or person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation.

"'(C) Taxable years affected: The amount otherwise allowable under subsection (a) as a deduction shall be limited as provided in subparagraph (A) only for taxable years subsequent to the taxable year during which the trust is notified by the Secretary that it has engaged in such transaction, unless such trust entered into such prohibited transaction with the purpose of diverting such corpus or income from the purposes described in subsection (a), and such transaction involved a substantial part of such corpus or income.

"'(D) Future charitable, etc., deductions of trusts denied deduction under subparagraph (C).—If the deduction of any trust under subsection (a) has been limited as provided in this paragraph, such trust, with respect to any taxable year following the taxable year in which notice is received of limitation of deduction under subsection (a), may, under regulations prescribed by the Secretary, file claim for the allowance of the unlimited deduction under subsection (a), and if the Secretary, pursuant to such regulations, is satisfied that such trust will not knowingly again engage in a prohibited transaction, the limitation provided in subparagraph (A) shall not be applicable with respect to taxable years subsequent to the year in which such claim is filed.

"'(E) Disallowance of certain charitable, etc., deductions.—No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 162 (a), 505 (a) (2), 812 (d), 861 (a) (3), 1004 (a) (2) (B), or 1004 (b) (2) or (3), shall be allowed as a dedction if made in trust and, in the taxable year of the trust in which the gift or bequest is made, the deduction allowed the trust under subsection (a) is limited by subparagraph (A). With respect to any taxable year of a trust in which such deduction has been so limited by reason of entering into a prohibited transaction with the purpose of diverting such corpus or income from the purposes described in subsection (a), and such transaction involved a substantial part of such income or corpus, and which taxable year is the same, or prior to the, taxable year of the trust in which such prohibited transaction occurred, such deduction shall be disallowed the donor only if such donor or (if such donor is an individual) any member of his family (as defined in section 24 (b) (2) (D)) was a party to such prohibited transaction.

"'(F) Definition.—For the purposes of this paragraph the term "gift or bequest" means any gift, contribution, bequest, devise, legacy, or transfer.

"'(3) Cross reference.—For disallowance of certain charitable, etc., deductions otherwise allowable under subsection (a), see section 3813.'

"(b) Technical amendment: Section 162 (a) is hereby amended by striking out 'There shall be allowed as a deduction' and inserting in lieu thereof 'Subject to the provisions of subsection (g), there shall be allowed as a deduction.'

"SEC. 322. Effective date of part II.

"The amendments made by this part shall be applicable only with respect to taxable years beginning after December 31, 1950, except that subsection (g) (2) (E) of section 162 of of the Internal Revenue Code, added by section 321 (a) of this act, shall apply only with respect to gifts or bequests (as defined in section 162 (g) (2) (F) of the Internal Revenue Code) made on or after January 1, 1951.

"PART III—LOSS OF EXEMPTION UNDER SECTION 101 (6) AND DISALLOWANCE OF CERTAIN GIFTS AND BEQUESTS

"SEC. 331. Exemption of certain organizations under section 101 (6) and deductibility of contributions made to such organizations.

"Chapter 38 is hereby amended by inserting at the end thereof the following new section:

"'SEC. 3813. Requirements for exemption of certain organizations under section 101 (6) and for deductibility of contributions made to such organizations.

"'(a) Organizations to which section applies: This section shall apply to any organization described in section 101 (6) except—

"'(1) a religious organization (other than a trust);

"'(2) an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on;

"'(3) an organization which normally receives a substantial part of its support (exclusive of income received in the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101 (6)) from the United States or any State or political subdivision thereof or from direct or indirect contributions from the general public;

"'(4) an organization which is operated, supervised, controlled, or principally supported by a religious organization (other than a trust) which is itself not subject to the provisions of this section; and

"'(5) an organization the principal purposes or functions of which are the providing of medical or hospital care or medical education or medical research.

"'(b) Prohibited transactions: For the purposes of this section, the term "prohibited transaction" means any transaction in which an organization subject to the provisions of this section—

"'(1) lends any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest, to;

"'(2) pays any compensation, other than a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

"'(3) makes any part of its services available on a preferential basis to;

"'(4) makes any substantial purchase of securities or any other property, for other than adequate consideration in money or money's worth, from;

"'(5) sells any substantial part of its securities or other property, for other than an adequate consideration in money or money's worth, to; or

"'(6) engages in any other transaction which results in a substantial diversion of its income or corpus to;

the creator of such organization (if a trust); a person who has made a substantial contribution to such organization; a member of the family (as defined in sec. 24 (b) (2) (D)) of an individual who is the creator of such trust or who has made a substantial contribution to such organization; or a corporation controlled by such creator or person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total vale of shares of all classes of stock of the corporation.

"'(c) Denial of exemption to organizations engaged in prohibited transactions:

"'(1) General rule: No organization subject to the provisions of this section which has engaged in a prohibited transaction after July 1, 1950, shall be exempt from taxation under section 101 (6).

"'(2) Taxable years affected: An organization shall be denied exemption from taxation under section 101 (6) by reason of paragraph (1) only for taxable years subsequent to the taxable year during which it is notified by the Secretary that it has engaged in a prohibited transaction, unless such organization entered into such prohibited transaction with the purpose of diverting corpus or income of the organization from its exempt purposes, and such transaction involved a substantial part of the corpus or income of such organization.

"'(d) Future status of organization denied exemption: Any organization denied exemption under section 101 (6) by reason of the provisions of subsection (c), with respect to any taxable year following the taxable year in which notice of denial of exemption was received, may, under regulations prescribed by the Secretary, file claim for exemption, and if the Secretary, pursuant to such regulations, is satisfied that such organization will not knowingly again engage in a prohibited transaction, such organization shall be exempt with respect to taxable years subsequent to the year in which such claim is filed.

"'(e) Disallowance of certain charitable, etc., deductions: No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 162 (a), 505 (a) (2), 812 (d), 861 (a) (3), 1004 (a) (2) (B), or 1004 (b) (2) or (3), shall be allowed as a deduction if made to an organization which, in the taxable year of the organization in which the gift or bequest is made, is not exempt under section 101 (6) by reason of the provisions of this section. With respect to any taxable year of the organization for which the organization is not exempt pursuant to the provisions of subsection (c) by reason of having engaged in a prohibited transaction with the purpose of diverting the corpus or income of such organization from its exempt purposes and such transaction involved a substantial part of such corpus or income, and which taxable year is the same, or prior to the, taxable year of the organization in which such transaction occurred, such deduction shall be disallowed the donor only if such donor or (if such donor is an individual) any member of his family (as defined in section 24 (b) (2) (D)) was a party to such prohibited transaction.

"'(f) Definition: For the purposes of this section, the term 'gift or bequest' means any gift, contribution, bequest, devise, legacy, or transfer.'

"SEC. 332. Technical amendments.

"(a) Amendment of section 23 (o): Section 23 (o) (2) is hereby amended by striking out 'legislation;' and inserting in lieu thereof the following: 'legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2);'

"(b) Amendment of section 23 (q): Section 23 (q) (2) is hereby amended by striking out 'legislation; or' and inserting in lieu thereof the following: 'legislation. For disallowance of certain charitable, etc., deductions otherwith allowable under this paragraph, see sections 3813s and 162 (g) (2); or'.

"(c) Amendment of section 101 (6): Section 101 (6) is hereby amended by striking out 'legislation;' and inserting in lieu thereof the following: 'legislation. For loss of exemption under certain circumstances, see section 3813;'

"(d) Amendment of section 505 (a): Section 505 (a) (2) is hereby amended by adding at the end thereof the following: 'For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2).'

"(e) Amendment of section 812 (d): Section 812 (d) is hereby amended by adding at the end thereof the following: 'For disallowance of certain charitable, etc., deductions otherwise allowable under this subsection, see sections 3813 and 162 (g) (2).'

"(f) Amendment of section 861 (a): Section 861 (a) (3) is hereby amended by adding at the end thereof the following: 'For disallowances of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2).'

"(g) Amendment of section 1004 (a): Section 1004 (a) (2) (B) is hereby amended by striking out 'legislation;' and inserting in lieu thereof the following: 'legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this subparagraph, see sections 3813 and 162 (g) (2);'.

"(h) Amendment of section 1004 (b): Section 1004 (b) is hereby amended by adding at the end thereof the following new paragraph:

"'For disallowance of certain charitable, etc., deductions otherwise allowable under paragraphs (2) and (3), see sections 3813 and 162 (g) (2).'

"SEC. 333. Effective dates.

"Subsections (c) and (d) of section 3813 of the Internal Revenue Code, added by section 331 of this act, shall apply with respect to taxable years beginning after December 31, 1950, and subsection (e) of such section of the Internal Revenue Code shall apply only with respect to gifts or bequests (as defined in section 3813 of the Internal Revenue Code) made on or after January 1, 1951.

"PART IV—INFORMATION TO BE MADE AVAILABLE TO THE PUBLIC

"SEC. 341. Information to be made available to the public.

"(a) Information with respect to certain charitable, etc., exemptions and deductions: Supplement D of chapter 1 (relating to returns and payment of tax) is hereby amended by adding at the end thereof the following new section:

"'SEC. 153. Information required from certain tax-exempt organizations and certain trusts.

"'(a) Certain tax-exempt organizations: Every organization described in section 101 (6) which is subject to the requirements of section 54 (f) shall furnish annually information, at such time and in such manner as the Secretary may by regulations prescribed, setting forth—

"'(1) its gross income for the year,

"'(2) its expenses attributable to such income and incurred within the year,

"'(3) its disbursements out of income within the year for the purposes for which it is exempt,

"'(4) its accumulation of income within the year,

"'(5) its aggregate accumulations of income at the beginning of the year,

"'(6) its disbursements out of principal in the current and prior years for the purposes for which it is exempt, and

"'(7) a balance sheet showing its assets, liabilities and net worth as of the beginning of such year.

"'(b) Trusts claiming charitable, etc., deductions under section 162 (a): Every trust claiming a charitable, etc., deduction under section 162 (a) for the taxable year shall furnish information with respect to such taxable year, at such time and in such manner as the Secretary may by regulations prescribe, setting forth—

"'(1) the amount of the charitable, etc., deduction taken under section 162 (a) within such year (showing separately the amount of such deduction which was paid out and the

amount which was permanently set aside for charitable, etc., purposes during such year),

"'(2) the amount paid out within such year which represents amounts for which charitable, etc., deductions under section 162 (a) have been taken in prior years,

"'(3) the amount for which charitable, etc., deductions have been taken in prior years but which has not been paid out at the beginning of such year,

"'(4) the amount paid out of principal in the current and prior years for charitable, etc., purposes,

"'(5) the total income of the trust within such year and the expenses attributable thereto, and

"'(6) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

"'(c) Information available to the public: The information required to be furnished by subsections (a) and (b), together with the names and addresses of such organizations and trusts, shall be made available to the public at such times and in such places as the Secretary may prescribe.

"'(d) Penalties: In the case of a willful failure to furnish the information required under this section, the penalties provided in section 145 (a) shall be applicable.'

"(b) Effective date: The amendment made by this section shall be applicable with respect to taxable years beginning after December 31, 1949.

The next amendment was, in "Title IV—Income Taxes of Life Insurance Companies", on page 217, line 5, after the word "for", to strike out "1947, 1948, 1949," and insert "1949"; on page 218, line 4, after the word "for", to strike out "1947, 1948, 1949", and insert "1949"; in line 6, after the word "in", to strike out "1947, 1948, 1949", and insert "1949"; on page 219, line 3, after the figure "31", to strike out "1946" and insert "1948", and in line 9, after the word "in", to strike out "1947, 1948, and", so as to make the section read:

"TITLE IV—INCOME TAXES OF LIFE INSURANCE COMPANIES

"SEC. 401. Correction of formula used in computing income taxes of life insurance companies for 1949 and 1950.

"(a) Reserve and other policy liability credit: The second sentence of section 202 (b) (relating to definition of reserve and other policy liability credit) is hereby amended to read as follows: "This figure shall be based on such data with respect to life insurance companies for the preceding taxable year as the Secretary considers representative and shall be computed as follows:

"'(1) In general.—Except as provided in paragraph (2), the figure shall be computed in accordance with the following formula: The ratio which a numerator comprised of the aggregate of the sums of (A) 2 percent of the reserves for deferred dividends, (B) interest paid, and (C) the product of (i) the mean of the adjusted reserves at the beginning and end of the taxable year and (ii) the reserve earnings rate bears to a denominator comprised of the aggregate of the excess of net incomes computed without any deduction for tax-free interest, over the adjustment for certain reserves provided in subsection (c).

"'(2) Special rule for 1949 and 1950: In the case of the taxes imposed for a taxable year beginning in 1949 or 1950, the figure to be used for such year shall be computed as provided in paragraph (1) except that—

"'(A) in computing the product required under clause (C) of paragraph (1), there shall be used, in lieu of the reserve earnings rate, the average rate of interest assumed in computing life insurance reserves. Such average rate shall be calculated in the manner provided in the second sentence of section 201 (c) (4); and

"'(B) if the Secretary, in computing the ratio, finds that the net effect of including the data with respect to any life insurance company is to increase the numerator more than it increases the denominator, he shall limit the net change in the numerator resulting from such inclusion to the net change in the denominator resulting therefrom.'

"(b) Technical amendment: Section 203 (b) is hereby amended by striking out 'figure' and inserting in lieu thereof 'applicable figure'.

"(c) Effective date: The amendments made by this section shall be applicable to taxable years beginning after December 31, 1948. The Secretary of the Treasury shall, within 60 days after the date of the enactment of this act, determine and proclaim in accordance with the provisions of section 202 (b) of the Internal Revenue Code, as amended by this section, the figures to be used by life-insurance companies in computing their reserve and other policy liability credits for taxable years beginning in 1949."

The next amendment was in section 402, page 219, line 11, after the word "taxable", to strike out "years beginning in 1947, 1948, and" and insert "year"; in line 18, after the word "make", to strike out "returns for its taxable years" and insert "a return for its taxable year"; in line 19, after the word "in", to strike out "1947, 1948, and"; in line 23, after the word "for", to strike out "any" and insert "such"; on page 220, line 6, after the word "for", to strike out "each"; and in line 10, after the word "for", to strike out "each", so as to make the section read:

"SEC. 402. Filing of returns for taxable year 1949.

"Every life insurance company subject to the taxes imposed by section 201 of the Internal Revenue Code shall, after the date of the Secretary's proclamation required by section 401 (c) of this act and on or before the 15th day of the third month following the close of the month in which this act is enacted, make a return for its taxable year beginning in 1949 with respect to the taxes imposed by such section 201 (determined with the amendments made by section 401 of this act). The return required by this section for such taxable year shall constitute the return for such taxable year for all purposes of the Internal Revenue Code; and no return for such taxable year, with respect to the taxes imposed by section 201 of such code, filed on or before the date of such proclamation shall be considered for any of such purposes as a return for such year. The taxes imposed by section 201 of such code (determined with the amendments made by section 401 of this act) for such taxable year shall be paid on the 15th day of the third month following the close of the month in which this act is enacted, in lieu of at the time prescribed in section 56 (a) of such code. All payments with respect to the taxes for such taxable year imposed by section 201 of such code under the law in effect prior to the enactment of this act, to the extent that such payments have not been credited or refunded, shall be deemed to be payments made at the time of the filing of the return required by this section on account of the taxes for that year determined with the amendments made by section 401 of this act."

On page 220, after line 17, to strike out section 403, as follows:

"SEC. 403. Insurance companies in receivership during 1947 or 1948.

"If a life insurance company (hereinafter referred to as insolvent company) was placed in receivership and its business was operated for the benefit of its policyholders by another life insurance company (hereinafter referred to as operating company) as a separate fund under a management contract approved by the court having jurisdiction of the receivership, and if, prior to November 1, 1949, the management contract was terminated pursuant to its terms, final accounting was made to such policyholders, and the proper State supervisory officials approved such accounting, then the following provisions shall apply with respect to the taxes of such companies imposed by section 201 of the Internal Revenue Code for any taxable year beginning in 1947 or 1948:

"(1) The operating company shall, under section 402 of this act, file for such year a separate return for itself (excluding income, deductions, and credits allocable to the insolvent company) and a separate return for the insolvent company (based upon the income, deductions, and credits of the insolvent company). The taxes of each company imposed for such year by such section 201 shall be determined with the amendments made by section 401 of this act except that, in the case of the insolvent company, such taxes for the year shall not exceed the higher of—

"(A) the amount charged to such company (including any amount charged through the establishment of a reserve account) on account of the taxes imposed for such year by section 201 of the code, such amount so charged to be determined from the final accounting approved by the State supervisory officials; or

"(B) the amount of the taxes imposed for such year by such section, computed on the basis of a separate return for the insolvent company and without regard to the amendments made by section 401 of this act.

"(2) If the operating company filed for such year a single return which combined its income, deductions, and credits with those of the insolvent company, then for the purposes of the last sentence of section 402 of this act, any payment therein described made with respect to such return shall be deemed to have been made by the insolvent company to the extent that such payment was charged to such company as determined from such final accounting, and the balance of such payment shall be treated as made by the operating company."

The next amendment was, in title V—Estate Tax, section 501, page 223, line 9, after the word "relinquishment", to strike out "exercise" and insert "exercise,"; in line 12, after the word "relinquishment", to strike out "exercise" and insert "exercise,", so as to make the section read:

"TITLE V—ESTATE TAX

"SEC. 501. Transfers in contemplation of death.

"(a) Transfers, etc., in contemplation of death: Section 811 (relating to gross estate) is hereby amended by striking out '(l)' at the beginning of subsection (l) and inserting in lieu thereof '(m)', and by inserting after subsection (k) the following new subsection:

"'(l) Contemplation of death: If the decedent within a period of 3 years ending with the date of his death (except in case of a bona fide sale for an adequate and full consideration in money or money's worth) transferred an interest in property, relinquished a power, or exercised or leased a power of appointment, such transfer, relinquishment, exercise, or release shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of subsections (c), (d), and (f); but no such transfer, relinquishment, exercise, or release made prior to such 3-year period shall be deemed or held to have been made in contemplation of death.'"

"(b) Amendments of section 811 (c) and (d):

"(1) Section 811 (c) (1) (A) (relating to transfers in contemplation of death) is hereby amended to read as follows:

"'(A) in contemplation of his death; or.'

"(2) Section 811 (d) (relating to revocable transfers) is hereby amended by striking out paragraph (4) thereof.

"(c) Effective date: The amendments made by this section shall be applicable only with respect to estates of decedents dying after the date of the enactment of this act."

The next amendment was, on page 224, after line 15, to insert a new section, as follows:

"SEC. 503. Reversionary interests in case of life insurance.

"(a) Amendment of section 404 (c) of Revenue act of 1942: Effective with respect to estates of decedents dying after October 21, 1942, section 404 (c) of the Revenue Act of 1942 is hereby amended by adding at the end thereof the following: 'For the purposes of the preceding sentence, the term "incident of ownership" includes a reversionary interest only if (1) at some time after January 10, 1941, the value of such reversionary interest exceeded 5 percent of the value of the policy, and (2) the reversionary interest arose by the express terms of the policy or other instrument and not by operation of law. As used in this subsection, the term "reversionary interest" includes a possibility that the policy, or the proceeds of the policy, (A) may return to the decedent or his estate, or (B) may be subject to a power of disposition by him. The value of a reversionary interest at any time shall be determined (without regard to the fact of the decedent's death) by usual methods of valuation, including the use of tables of mortality and actuarial principles, pursuant to regulations prescribed by the Secretary. In determining the value of a possibility that the policy or proceeds thereof may be subject to a power of disposition by the decedent, such possibility shall be valued as if it were a possibility that such policy or proceeds may return to the decedent or his estate.'

"(b) No interest on refunds: No interest shall be allowed or paid on any overpayment resulting from the application of subsection (a) with respect to any payment made prior to the date of the enactment of this act."

The next amendment was, at the top of page 226, to strike out title VI, as follows:

"TITLE VI—MISCELLANEOUS AMENDMENTS

"SEC. 601. Collection of income tax at source on dividends.

"(a) General rule: The Internal Revenue Code is hereby amended by inserting at the end of chapter 8 the following new chapter:

"'CHAPTER 8A—COLLECTION OF INCOME TAX AT SOURCE OF DIVIDENDS

"'SEC. 1310. Definitions.

"'As used in this chapter, the term "dividend" means—

"'(a) a dividend as defined in section 115 (a), except a dividend in the stock or in rights to acquire the stock of the distributing corporation,

"'(b) a payment made by a stockbroker to any person as a substitute for a dividend (as defined in subsection (a) above), and

"'(c) a patronage dividend, rebate, or refund paid (whether in cash, capital stock of the payor, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice as to net amount retained, or otherwise) by an association operated on a cooperative basis principally for the marketing of products of members or other producers, for the purchasing of supplies and equipment used in the trade or business of members or other persons, for the furnishing of services incident to the trade or business of members or other persons, or for any combination of such activities.

"'SEC. 1311. Income tax collected at source.

"'(a) Requirement of withholding: Every person making payment of a dividend shall deduct and withhold upon such dividend a tax equal to 10 percent of the amount of such dividend. Any person required to deduct and withhold a tax under section 143 or 144 on the payment of a dividend shall not be required to deduct and withhold a tax under this section upon such payment.

"'(b) Withholding where amount of dividend is unknown: If the withholding agent is unable to determine the portion of a distribution which is a dividend, the tax required to be deducted, withheld, and paid under this chapter shall be computed on the entire amount of the distribution.

"'(c) Withholding where owner is unknown: If the withholding agent is unable to determine the owner of the security in respect of which a dividend is payable, a tax equal to 10 percent of such dividend shall be deducted, withheld, and paid under regulations prescribed by the Commissioner with the approval of the Secretary.

"'(d) Tax paid by recipient: If the withholding agent, in violation of the provisions of this chapter, fails to deduct and withhold the tax under this chapter, and thereafter the tax against which such tax may be credited is paid, the tax so required to be deducted and withheld shall not be collected from the withholding agent, but this subsection shall in no case relieve the withholding agent from liability for any penalties or additions to the tax otherwise applicable in respect of such failure to deduct and withhold.

"'(e) Nondeductibility of tax in computing net income: The tax deducted and withheld under this chapter shall not be allowed as a deduction in computing net income for the purpose of any tax on income imposed by act of Congress.

"'(f) Refunds and credits:

"'(1) Withholding agent. Where there has been an overpayment of tax under this chapter, refund or credit shall be made to the withholding agent only to the extent that the amount of such overpayment was not deducted and withheld under this chapter by the withholding agent.

"'(2) Recipient:

"'(A) General rule. For credit of the amounts deducted and withheld under this chapter, see section 35.

"'(B) Excessive withholding. For refund or credit in case of excessive withholding, see section 322 (a).

"'(g) Exemptions. The provisions of this chapter shall not apply to a dividend paid by—

"'(1) a mutual savings bank exempt from taxation under section 101 (2);

"'(2) a building and loan association, exempt from taxation under section 101 (4), on withdrawable accounts;

"'(3) a cooperative bank exempt from taxation under section 101 (4);

"'(4) a Federal savings and loan association exempt from taxation under section 101 (15);

"'(5) a mutual insurance company or association;

"'(6) an association operated on a cooperative basis principally for rural electrification;

"'(7) a credit union without capital stock organized and operated for mutual purposes and without profit;

"'(8) a corporation all of the stock of which is owned by one or more (A) governments, (B) political subdivisions thereof, (C) international organizations, or (D) wholly owned instrumentalities or agencies of any of the foregoing if such instrumentalities or agencies are exempt from tax under chapter 1;

"'(9) a foreign corporation, unless such corporation is required to withhold on dividends under section 143 (b); or

"'(10) a corporation to another corporation if both corporations are members of the same affiliated group which is required to file a consolidated return for the taxable year or which did file a consolidated return for the preceding taxable year of the payor corporation.

"'SEC. 1312. Returns and payment.

"'Every person required under this chapter to deduct and withhold any tax shall make a return of such tax and shall pay such tax at such time and in such manner as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

"'SEC. 1313. Liability for tax.

"'The withholding agent shall be liable for the payment of the tax required to be deducted and withheld under this chapter, and shall not be liable to any person for the amount of any such payment.

"'SEC. 1314. Statements.

"'(a) Requirement: Every person required under this chapter to deduct and withhold a tax upon a dividend shall, not later than January 31 of the year succeeding the calendar year in which the dividend is paid, furnish to the payee of the dividend information in writing (in such form as the payor may choose) showing the amount of such dividend and the amount deducted and withheld as tax under this chapter in respect of such dividend. If such person is required under this chapter to deduct and withhold a tax upon more than one dividend paid to such payee during the calendar year, such person may furnish such information with respect to two or more dividends on the same statement. If any payee to whom information is furnished under this subsection is not the actual owner of the dividend, such payee shall furnish (in such form as he may choose) to the person to whom he pays the dividend information in writing showing the amount of such dividend and the amount deducted and withheld as tax under this chapter in respect of such dividend.

"'(b) Extension of time: The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any withholding agent a reasonable extension of time (not in excess of 30 days) with respect to the information required to be furnished under this section.

"'SEC. 1315. Penalties.

"'(a) Criminal penalty: In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 1314 to furnish information in writing who willfully furnishes false or fraudulent information, or who willfully fails to furnish the information required under section 1314 in the manner or at the time required, shall for each such offense, upon conviction thereof, be fined not more than $1,000, or imprisoned for not more than 1 year, or both.

"'(b) Civil penalty: In addition to the penalty provided by susection (a) of this section, any person required under the provisions of section 1314 to furnish information in writing who willfully furnishes false or fraudulent information, or who willfully fails to furnish the information required under section 1314 in the manner or at the time required, shall for each such offense be subject to a civil penalty of not more than $50.

"'SEC. 1316. Other laws applicable.

"'All provisions of law, including penalties, applicable with respect to any tax imposed by section 2700, and the provisions of section 3661, shall, insofar as applicable and not inconsistent with the provisions of this chapter, be applicable with respect to the tax under this chapter.

"'SEC. 1317. Credit against liability for tax.

"'(a) Allowance of credit: In the case of any witholding agent described in subsection (b) who is the recipient of a dividend, the amount deducted and withheld as tax under this chapter with respect to such dividend shall be allowed as a credit against the liability under this chapter of such withholding

agent for amounts deducted and withheld by him as tax under this chapter. The credit shall be allowed with respect to his liability arising during the taxable year (as determined under chapter 1) during which the dividends are received.

"'(b) Applicability of credit: This section shall apply only to withholding agents which are regulated investment companies as defined in section 361 or personal holding companies as defined in section 501.'

"(b) Consent dividends: Section 28 (d) (5) is hereby amended as follows:

"(1) by striking out the words 'section 143 (b) or 144' and by inserting in lieu thereof 'section 143 (b), 144, or 1311,' and

"(2) by amending the last sentence to read as follows: 'The amount accompanying the consent shall be allowed as a credit as if deducted and withheld under section 143 (b), section 144, or section 1311, as the case may be.'

"(c) Credit for tax withheld: Section 35 is hereby amended as follows:

"(1) by striking from the heading thereof the words 'on wages';

"(2) by inserting at the beginning of the first paragraph thereof the following heading: '(a) Credit for tax withheld on wages; and

"(3) by inserting at the end thereof the following new subsection:

"'(b) Credit for tax withheld on dividends: The amount deducted and withheld as tax under chapter 8A shall be allowed as a credit (after proper adjustment for the amount, if any, allowed as a credit under section 1317) against the tax imposed by this chapter upon the recipient of the dividend. The credit shall be allowed for the taxable year in which the dividend is received. If the recipient of the dividend is a partnership or a common trust fund, then the credit shall not be allowed to such recipient, but the members of the partnership, or the participants in the common trust fund, as the case may be, shall be allowed their proportionate share of such credit. If the recipient of the dividend is an estate or trust, and if any beneficiary is required under this chapter to include a portion of such dividend in computing his net income, the credit with respect to such portion of the dividend shall not be allowed to the estate or trust but shall be allowed to such beneficiary.'

"(d) Return and payment of tax under sections 143 and 144: The first sentence of section 143 (c) is hereby amended to read as follows: 'Every person required to deduct and withhold any tax under this section shall, on or before March 15 of the following year, make return thereof and pay the tax to the collector designated in section 53 (b).'

"(e) Credit under section 143: Section 143 is hereby amended by adding at the end thereof the following new subsection:

"'(h) Credit for tax withheld at source: Where any person is required to deduct and withhold a tax under subsection (b) on an amount on which there has been deducted and withheld a tax under section 1311, such person shall deduct and withhold only the excess of—

"'(1) the amount which would be required to be deducted and withheld under subsection (b) but for the application of section 1311, over

"'(2) the amount previously deducted and withheld under section 1311.'

"(f) Credit under section 144: Section 144 is hereby amended by striking out the period at the end thereof and adding in lieu thereof the following: ": *Provided further*, That, where any person is required under this section to deduct and withhold a tax on an amount on which there has been deducted and withheld a tax under section 1311, such person shall deduct and withhold only the excess of—

"'(1) the amount which would be required to be deducted and withheld under this section but for the application of section 1311, over

"'(2) the amount previously deducted and withheld under section 1311.'

"(g) Information by corporations: Section 148 (a) is hereby amended by striking out 'and the amount of dividends paid to him' and inserting in lieu thereof the following: 'the amount of dividends paid to him, and the amount deducted and withheld under section 1311 with respect to each shareholder'.

"(h) Excessive withholding: Section 322 (a) (2) is hereby amended to read as follows:

"'(2) Excessive withholding: Where the amount of the taxes withheld at the source under chapter 8A and under subchapter D of chapter 9 exceeds the taxes imposed by this chapter against which the taxes so withheld may be credited under section 35, the amount of such excess shall be considered an overpayment.'

"(i) Presumption as to date of payment: Section 322 (e) is hereby amended to read as follows:

"'(e) Presumption as to date of payment: For purposes of this section, any tax actually deducted and withheld at the source shall, in respect of the recipient of the income, be deemed to have been paid by him not earlier than the last day prescribed by law for the filing of the return for his taxable year with respect to which such tax is allowable as a credit under section 32 or 35. For the purposes of this section, any amount paid as estimated tax for any taxable year shall be deemed to have been paid not earlier than the last day prescribed by law for the filing of the return for such taxable year. For the purpose of this subsection, the last day prescribed by law for filing the return shall be determined without regard to any extension of time granted the taxpayer.'

"(j) Interest: Section 3771 (f) is hereby amended by striking out 'on wages'.

"(k) Definition of withholding agent: Section 3797 (a) (16) is hereby amended by striking out '143 or 144', and by inserting in lieu thereof '143, 144, or 1311'.

"(l) Filing of returns and payment of tax by fiduciaries of estates and trusts:

"(1) Section 53 (a) (1) (relating to time for filing returns) is hereby amended to read as follows:

"'(1) General rule: Returns made on the basis of the calendar year shall be made on or before the fifteenth day of March following the close of the calendar year, except that in the case of the return of the fiduciary of an estate or trust, the return shall be made on or before the 15th day of April following the close of the calendar year. Returns made on the basis of a fiscal year shall be made on or before the fifteenth day of the third month following the close of the fiscal year, except that in the case of the return of the fiduciary of an estate or trust, the return shall be made on or before the fifteenth day of the fourth month following the close of the fiscal year.'

"(2) Section 56 (a) (relating to time for payment of tax) is hereby amended by inserting before the period at the end thereof the following: ', except that in the case of the tax imposed upon an estate or trust the tax shall be paid on the fifteenth day of April following the close of the calendar year, or, if the return should be made on the basis of a fiscal year, then on the fifteenth day of the fourth month following the close of the fiscal year.'

"(m) Effective date: The amendments made by this section shall take effect on January 1, 1951, except that the amendments made by subsection (l) shall be applicable with respect to taxable years ending after the date of the enactment of this act.

"SEC. 602. Reduction of rate of interest on overpayments.

"(a) In general: Section 3771 (a) (relating to rate of interest on overpayments) is hereby amended to read as follows:

"'(a) Rate: Interest shall be allowed and paid upon any overpayment in respect of any internal revenue tax at the rate of 3 percent per annum, except that interest accruing for any period prior to November 1, 1950, shall be allowed and paid at the rate of 6 percent per annum.'

"(b) Manufacturers' excise taxes: Section 3443 (c) (relating to interest on overpayments of manufacturers' excise taxes) is hereby amended to read as follows:

"'(c) Interest shall be allowed at the rate of 3 percent per annum with respect to any amount of tax under this chapter credited or refunded, except that interest accruing for any period prior to November 1, 1950, shall be allowed at the rate of 6 percent per annum. No interest shall be allowed with respect to any amount of tax credited or refunded under the provisions of subsection (a).'

"(c) Judgments: The first sentence of section 2411 (a) of title 28 of the United States Code, as amended, is hereby amended by striking out 'interest shall be allowed at the rate of 6 percent per annum' and inserting in lieu thereof 'interest shall be allowed for any period after October 31, 1950, at the rate of 3 percent per annum, and for any period preceding November 1, 1950, at the rate of 6 percent per annum.'

"SEC. 603. Payment of income tax by installment payments.

"Effective with respect to taxable years ending on or after December 31, 1950, section 56 (b) (relating to installment payments of income tax) is hereby amended to read as follows:

"'(b) Installment: payments.

"'(1) Estates of decedents: In the case of the estate of a decedent, the fiduciary may elect to pay the tax in four equal installments.

"'(2) Corporations: In the case of a corporation—

"'(A) Taxable years ending before December 31, 1954: The taxpayer may elect with respect to any taxable year ending before December 31, 1954, to pay the tax in four installments, and in such case the amount of the tax paid by each installment shall be determined as follows:

"'If the taxable year ends—		each of the first two installments shall be the following percentage of the tax:	and each of the last two installments shall be the following percentage of the tax:
on or after—	and before—		
Dec. 31, 1950	Dec. 31, 1951	30	20
" " 1951	" " 1952	35	15
" " 1952	" " 1953	40	10
" " 1953	" " 1954	45	5

"'(B) Taxable years ending on or after December 31, 1954: The taxpayer may elect with respect to any taxable year ending on or after December 31, 1954, to pay the tax in two equal installments.

"'(3) Dates for installment payments:

"'(A) Four installments: In any case in which the tax may be paid in four installments, the first installment shall be paid on the date prescribed for the payment of the tax by the taxpayer, the second installment shall be paid on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month, after such date.

"'(B) Two installments: In any case in which the tax may be paid in two installments, the first installment shall be paid on the date prescribed for the payment of the tax by the taxpayer, and the second installment shall be paid on the 15th day of the third month after such date.

"'(4) Requirement for payment: If any installment is not paid on or before the date fixed for its payment, the whole of the tax unpaid shall be paid upon notice and demand from the collector.'"

And insert in lieu thereof a new title VI, as follows:

"TITLE VI—EXCISE TAXES

"'SEC. 601. Sales at auction.

"Chapter 19 (relating to retailers' excise taxes) is hereby amended by adding at the end thereof the following new section:

"SEC. 2412. Auction sales of jewelry and furs.

"'(a) In general: For the purposes of sections 2400 and 2401 the term "articles sold at retail" includes an article sold at retail by an auctioneer or other agent in the course of his business on behalf of (1) a person who is not engaged in the business of selling like articles, or (2) the legal representative of the estate of a decedent who was not engaged in the business of selling like articles. In the case of articles so sold, the auctioneer or other agent shall, for the purposes of section 2403, be considered the "person who sells at retail".

"'(b) Exemption of $100 in case of auction sale at private home:

"'(1) In the case of an auction sale held at the home of a person whose articles are being sold, any taxable article (as defined in paragraph (2)) of such person sold by the auctioneer shall be exempt from the tax imposed by section 2400 or 2401 except to the extent that the price for which such article is sold, when added to the sum of the sale prices of all other taxable articles of such person previously sold at the same auction, exceeds $100.

"'(2) For the purposes of this subsection—

"'(A) the term "taxable article" means an article which, by reason of subsection (a) of this section and without regard to the exemption provided in paragraph (1), is taxable under section 2400 or 2401 when sold at auction; and

"'(B) in the case of articles of a decedent sold on behalf of the legal representatives of his estate, an auction sale held at the home of such decedent shall be considered as "held at the home of a person whose articles are being sold'."

"SEC. 602. Retail sales by United States or by its agencies or instrumentalities.

"Chapter 19 (relating to retailers' excise taxes) is hereby amended by adding after section 2412 (added by section 601 of this act) the following new section:

"'SEC. 2413. Sales by United States, etc.

"'The taxes imposed by this chapter and by section 1651 shall apply with respect to articles sold at retail by the United States, or by any agency or instrumentality of the United States, unless sales by such agency or instrumentality are by statute specifically exempted from such taxes.'

"SEC. 603. Tax on coin-operated gaming devices.

"(a) Increase in tax on slot machines: Section 3267 (a) (relating to rate of tax) is hereby amended by striking out '$100' wherever appearing therein and inserting in lieu thereof '$150.'

"(b) Effective date: The amendment made by this section shall take effect on the first day of the first month which begins more than 10 days after the date of enactment of this act.

"SEC. 604. Federal agencies or instrumentalities.

"Subchapter B of chapter 27 (relating to occupational taxes) is hereby amended by adding at the end thereof the following new section:

"'SEC. 3283. Federal agencies or instrumentalities.

"'Any tax imposed by this charter shall apply to any agency or instrumentality of the United States unless such agency or instrumentality is granted by statute a specific exemption from such tax.'

"SEC. 605. Television receiving sets.

"(a) Imposition of tax on television receiving sets: So much of section 3404 (manufacturers' excise tax on radio receiving sets) as precedes subsection (c) is hereby amended to read as follows:

"'SEC. 3404. Tax on radio receiving sets, television receiving sets, phonographs, phonograph records, and musical instruments.

"'There shall be imposed upon the following articles (including in each case, except in the case of musical instruments, parts or accessories therefor sold on or in connection with the sale thereof) sold by the manufacturer, producer, or importer a tax equivalent to 10 percent of the price for which sold:

"'(a) Radio receiving sets, automobile radio receiving sets, television receiving sets, automobile television receiving sets, phonographs, and combinations of any of the foregoing.

"'(b) Chassis, cabinets, tubes, speakers, amplifiers, power supply units, antennae of the "built-in" type, and phonograph mechanisms, which are suitable for use on or in connection with, or as component parts of, any of the articles enumerated in subsection (a), whether or not primarily adapted for such use.'

"(b) Credit for tax paid on automobile television receiving sets: Section 3403 (e) is hereby amended to read as follows:

"'(e) If tires, inner tubes, or automobile radio or television receiving sets on which tax has been imposed under this chapter are sold on or in connection with, or with the sale of, a chassis, body, or motorcycle, there shall (under regulations prescribed by the Secretary) be credited against the tax under this section an amount equal to, in the case of an article taxable under subsection (a), 5 percent, and in the case of an article taxable under subsection (b), 7 percent—

"'(1) of the purchase price (less, in the case of tires, the part of such price attributable to the metal rim or rim base) if such tires or inner tubes were taxable under section 3400 (relating to tax on tires and inner tubes), or, in the case of automobile radio or television receiving sets, if such sets were taxable under section 3404; or

"'(2) if such tires, inner tubes, or automobile radio or television receiving sets were taxable under section 3444 (relating to use by manufacturer, producer, or importer), then of the price (less, in the case of tires, the part of such price attributable to the metal rim or rim base) at which such or similar tires, inner tubes, or sets are sold, in the ordinary course of trade, by manufacturers, producers, or importers thereof, as determined by the Secretary.'

"(c) Technical amendments:

"(1) The first sentence of section 3403 (c) is hereby amended by striking out 'radios' and inserting in lieu thereof: 'radio and television receiving sets.'

"(2) The last sentence of section 3442 is hereby amended by striking out 'automobile radios' and inserting in lieu thereof 'automobile radio or television receiving sets.'

"(3) Section 3443 (a) (1) and section 3444 (a) are amended by striking out 'automobile radio' wherever appearing therein and inserting in lieu thereof 'automobile radio or television receiving set.'

"SEC. 606. Imposition of tax on quick-freeze units

"So much of section 3405 (manufacturers' excise tax on mechanical refrigerators and air-conditioning units) as precedes subsection (c) is hereby amended to read as follows:

"'SEC. 3405. Tax on mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units

"'There shall be imposed on the following articles (including in each case parts or accessories therefor sold on or in connection with the sale thereof) sold by the manufacturer, producer, or importer a tax equivalent to 10 percent of the price for which so sold:

"'(a) Refrigerators and quick-freeze units: Household type refrigerators (for single or multiple cabinet installations) having, or being primarily designed for use with, a mechanical refrigerating unit operated by electricity, gas, kerosene, or gasoline; household type units for the quick freezing or frozen storage of foods, operated by electricity, gas, kerosene, or gasoline; combinations of such household type refrigerators and units.

"'(b) Refrigerating and freezing apparatus: Cabinets, compressors, condensors, condensing units, evaporators, expansion units, absorbers, and controls (hereinafter referred to as "refrigerator components") for, or suitable for use as parts of or with, household type refrigerators or quick-freeze units of the kind described in subsection (a), except when sold as component parts of complete refrigerators, refrigerating or cooling apparatus, or quick-freeze units. Under regulations prescribed by the Secretary, the tax under this subsection shall not apply in the case of sales of any such refrigerator components by the manufacturer, producer, or importer to a manufacturer or producer of refrigerators, refrigerating or cooling apparatus, or quick-freeze units. If any such refrigerator components are resold by such vendee otherwise than on or in connection with, or with the sale of, complete refrigerators, refrigerating or cooling apparatus, or quick-freeze units, manufactured or produced by such vendee, then for the purposes of this section the vendee shall be considered the manufacturer or producer of the refrigerator components so resold.'

"SEC. 607. Transportation which begins and ends within the United States.

"(a) Transportation of persons:

"(1) Amendment of section 3469 (a): So much of section 3469 (a) (relating to tax on transportation of persons) as precedes '10 percent of the amount so paid' is hereby amended to read as follows:

"'(a) Transportation: There shall be imposed—

"'(1) upon the amount paid within the United States for the transportation of persons by rail, motor vehicle, water, or air within or without the United States, and

"'(2) upon the amount paid without the United States for the transportation of persons by rail, motor, vehicle, water, or air which begins and ends in the United States, a tax equal to.'

"(2) Seats, berths, etc.: Section 3469 (c) (relating to tax with respect to seating and sleeping accommodations) is hereby amended by striking out 'within the United States.'

"(3) Collection of tax: So much of the second sentence of section 3469 (d) (relating to returns and payment of tax) as precedes 'on or before the last day of each month' is hereby amended to read as follows: 'Each person receiving any payment specified in subsection (a) or (c) shall collect the amount of the tax imposed from the person making such payment; except that, if the payment is made outside the United States

for a prepaid order, exchange order, or similar order, the person furnishing the initial transportation pursuant to such order shall collect the amount of the tax. Any person required to collect the tax imposed by this section shall.'

"(b) Transportation of property: The first sentence of section 3475 (a) (relating to tax on transportation of property) is hereby amended to read as follows: 'There shall be imposed upon the amount paid within or without the United States for the transportation of property by rail, motor vehicle, water, or air from one point in the United States to another, a tax equal to 3 percent of the amount so paid, except that, in the case of coal, the rate of tax shall be 4 cents per short ton.'

"(c) Effective date: The amendments made by this section shall apply to amounts paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act for transportation which begins on or after such first day.

"SEC. 608. Effective date of sections 601, 602, 605, and 606.

"The amendments made by sections 601, 602, 605, and 606 shall be effective only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act. For the purposes of this section an article shall be considered as sold prior to such first day if possession thereto, or the right of possession thereto, passed to the purchaser before such first day.

"Amend the title so as to read: 'An act to provide revenue, and for other purposes'."

GOVERNMENT MINERAL RIGHT TRANSACTIONS

Mr. WILLIAMS. Mr. President, I wish to place in the RECORD certain correspondence which I have had with the Farm Mortgage Corporation and the Department of Agriculture relative to the mineral right transactions during the past few years.

My interest in this subject developed a little over a year ago. It was read on March 25, 1949, that I brought to the attention of the Senate the fact that the books of the Commodity Credit Corporation would show that more than three hundred and fifty million were not accounted for. I might say that the mineral right transactions covered in the bill passed yesterday have no connection, to my knowledge, with any activities of the Commodity Credit Corporation. However, it is only natural that farmers and average citizens throughout the country should think of the Government as one unit.

Therefore, following this disclosure of the discrepancies in the CCC accounts, I received a number of letters, and while I am not going to take the time of the Senate to read all, I shall read one or two so that Senators can understand the nature of the letters, and understand how my interest developed in the question of how the Government had been transferring its mineral rights. I read first from a letter dated March 1, 1949:

DEAR SENATOR WILLIAMS: Am very much interested in an article in a St. Louis paper where you endeavor to have the records of the CCC books investigated.

Presumably, Senator LUCAS, from Illinois, has reason to fear an investigation.

If not, he should not object to have the records brought out in the open.

I depart from the letter to say that the Senator from Illinois [Mr. LUCAS] made quite a play in March of 1949 by charging that the Senator from Delaware was speaking only for the purpose of getting my name in the papers. That was the day I first revealed that the CCC books were out of line, in that over three hundred and sixty-six million had not been accounted for.

The letter continues:

Many times, LUCAS has shown signs of protecting a political faction, rather than the interests of his people back home who are paying him to represent them.

I know from experience that the Commodity Credit Corporation does loan money on farm land and if the farmer failed to meet payments, the CCC takes the land. Before reselling such farms, they insert a clause in the abstract, by which, in our case, three bankers in St. Louis retain 50 percent of all mineral rights.

Therefore it is obvious that these parties can profit by schemes that cause the landowner (who loans from them) to lose his farm, rather than making it possible for him to pay the farm loan.

Mr. President, I received several letters of similar nature. I might say that while this particular letter was only one which created my interest in this subject, it was one of the letters which was used to bring the matter to a final conclusion. The farmer in this case did have a slight misunderstanding of exactly how those deals came about. The Commodity Credit Corporation actually had nothing to do with it, and in this instance I could find no connection with anyone in St. Louis. Following the receipt of several of these complaints on June 9, 1950, I directed a letter to Mr. I. W. Duggan, Governor of the Farm Credit Administration, which I ask unanimous consent to have printed in the RECORD in its entirety.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 9, 1950.

Mr. I. W. DUGGAN,
Governor, Farm Credit Administration, United States Department of Agriculture, Washington, D. C.

DEAR MR. DUGGAN: Confirming our telephone conversation this afternoon, I would appreciate it very much if you would furnish me with information showing to what extent any of the individuals named in our previous correspondence as having purchased mineral rights from the Federal Farm Mortgage Corporation has held or does hold a position with the Federal Government in your own agency or in any other Government agency. I presume that their employment records with other Government agencies could be checked through the Civil Service Commission.

I would also like to know the number of acres involved in each of the listed transactions.

Have you had any complaints filed either through the Federal Farm Mortgage Corporation, the Farm Credit Administration, or any other agency under your supervision to the effect that Government employees have bought these mineral rights, and if so, will you please advise the particulars.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, I wish to read just the last paragraph of the letter:

Have you had any complaints filed either through the Federal Farm Mortgage Corporation, the Farm Credit Administration, or any other agency under your supervision to the effect that Government employees have bought these mineral rights, and if so, will you please advise the particulars.

On June 19 I received a reply from Mr. Duggan on the stationery of the United States Department of Agriculture, and I ask unanimous consent to have the letter in its entirety printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT
OF AGRICULTURE,
FARM CREDIT ADMINISTRATION,
Washington, D. C., June 19, 1950.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR: This is in reply to your letter of June 9 in which you ask certain questions concerning mineral rights sold by the Federal Farm Mortgage Corporation.

The Federal Farm Mortgage Corporation has never employed direct personnel and its business has been handled by the personnel of the Farm Credit Administration in Washington or through the employment of agents. For instance, the Federal Reserve banks have served as agents of the Corporation in handling bonds issued by the Corporation, and various offices of the Government, such as some of the bureaus of the Treasury Department, have also performed services for the Corporation. All matters in connection with collections of loans, foreclosure of loans, sale of acquired real estate and the handling of mineral reservations have been performed on behalf of the Corporation by the Federal land banks and national farm-loan associations as agents. Generally speaking, the Corporation has endeavored to be guided by the policies of the Federal land banks in the handling of its loans and related transactions. This is due to the fact that many of the loans of the Corporation were second-mortgage loans where the first mortgage was held by the Federal land bank, and it was important that the policies and procedures be consistent since in each instance a single farmer was involved. The relatively few sales of mineral interests made by the Corporation were made on its behalf by the various Federal land banks in their capacity as agents and, generally speaking, the sales were in line with the policies followed by the respective Federal land banks in handling similar properties which they own. These sales were unquestionably in the financial interest of the Corporation and we have had no occasion to question their merits. However, it has become apparent in the past several years that a strong feeling is developing in the Government that the ownership of the underlying mineral interests should not be permanently separated from the ownership of the land where farms are concerned because of title and other complications which may develop in the future. In view of this circumstance the board of directors of the Federal Farm Mortgage Corporation decided that, since the Corporation is wholly owned by the Government, its policies should be consistent with Government thought in the matter. With this objective in mind, the directors of the Corporation adopted the policy about a year or

so ago not to sell any of its mineral interests except to the owner of the land. Apparently H. R. 4800 was drafted to express governmental policy with respect to such lands and mineral interests, and the policy of the Corporation is consistent with the policy set forth in that bill. Regulations making such a policy effective were published at the time the policy was adopted.

As I informed you, we do not have in this office the information which you requested about transactions of the Federal Farm Mortgage Corporation. We are writing to our district offices for available data on the questions you have raised, and we shall send you that information when we obtain it. The lists which we have at present in this office do not show the occupations of those who have purchased mineral reservations from the Federal Farm Mortgage Corporation, but we are asking our district offices whether their records reflect that any individual purchaser is or was at the time of purchase in the employ of the United States Government. If the information is not available from that source, it would seem almost impossible to make any check on whether such purchases were made by employees of the Federal Government. I think you will realize the difficulties that would be encountered in making such a check in view of the fact that, as of April 30, 1950, there were in the employ of the Federal Government more than 1,900,000 people. We have not had any complaints filed either through the Federal Farm Mortgage Corporation, the Farm Credit Administration, or any other agencies under our supervision to the effect that employees of the Federal Government have bought mineral rights from the Federal Farm Mortgage Corporation.

Sincerely yours,

I. W. DUGGAN,
Governor.

Mr. WILLIAMS. Mr. President, I wish to read one paragraph of the letter, as follows:

We have not had any complaints filed either through the Federal Farm Mortgage Corporation, the Farm Credit Administration, or any other agencies under our supervision to the effect that employees of the Federal Government have bought mineral rights from the Federal Farm Mortgage Corporation.

On June 20, 1 day later, I wrote again to Mr. Duggan, and I wish to read the entire letter into the RECORD. It is as follows:

JUNE 20, 1950.

Mr. I. W. DUGGAN,
Governor, Farm Credit Administration, United States Department of Agriculture, Washington, D. C.

DEAR MR. DUGGAN: It is my understanding that your Administration has recently issued a regulation to the effect that no mineral rights shall be sold to any employee of the United States Government. Further, I understand that this regulation was issued after one of the agencies which was selling these mineral rights discovered that in a certain case a Government employee, either in his own name or through a broker, was obtaining these rights.

Will you please advise me if any case has come to either your attention or to the attention of any other department of the Department of Agriculture in which Government employees have obtained these mineral rights.

Yours sincerely,

JOHN J. WILLIAMS.

Following that letter I received one from Mr. Duggan, dated July 5, 1950, and I ask unanimous consent to have it inserted in the RECORD in its entirety.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT
OF AGRICULTURE,
FARM CREDIT ADMINISTRATION,
Washington, D. C., July 5, 1950.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: In reply to your letter of June 20 I am pleased to advise that no case has come to my attention where any bank, association, or corporation supervised by the Farm Credit Administration has sold any of its mineral interests to any employee of the United States Government. Such banks, associations, and corporations are the Federal Farm Mortgage Corporation, the 12 Federal intermediate credit banks, and the 12 production credit corporations all of which are fully owned by the Government; the production credit associations, many of which are completely owned by their members although stock in some of them is owned by production credit corporations; the 13 banks for cooperatives which are mixed ownership corporations, their stock being owned partially by borrowers and partially by the Government; and the national farm loan associations and Federal land banks which are completely owned by farmer members.

Each of these banks, associations, and corporations is directed by a board of directors which has more or less complete discretion for the management of the several institutions subject to the general supervision of the Department of Agriculture which is exercised through the Farm Credit Administration. Of the above institutions only the Federal Farm Mortgage Corporation and the 12 Federal land banks have ever owned farm lands to any extent although some of the others have become the owners of a few tracts. Farms owned by the Federal Farm Mortgage Corporation and the 12 Federal land banks were, of course, acquired in the liquidation of defaulted loans and in some of the Farm Credit Districts mineral rights owned by those institutions were reserved when the land was sold. Such a policy was followed by the institutions as a source of possible future income to minimize losses and expenses incidental to the handling of such loans and real estate.

The impression I intended to convey to you in answer to your questions in our telephone conversation was that we are now processing a revised regulation to further guard against any transactions in mineral rights occurring which might prove to be unethical or might prove to be embarrassing to the institutions we supervise or to the Farm Credit Administration.

In the St. Louis Farm Credit District a small number of individuals while serving as officers or employees had, through small investment pools or individually, purchased 85 varying mineral interests including interests in oil and gas leases and fractional royalty interests. These purchases all occurred prior to 1943, and were in areas where there was considerable mineral activity at the time. In 64 of the 85 properties no corporation or bank of the Farm Credit System had a mineral or other interest. The only interest these banks or corporations had in the remaining 21 properties was that the Federal land bank had executed oil and gas leases on three farms it owned to a third party who subsequently sold an interest in them to one of the pools; and the Federal land bank or the Federal Farm Mortgage Corporation held mortgages on 18 farms where fractional royalty interests were purchased. Of these 18, 8 were mortgaged to the Federal land bank, 6 were mortgaged to the Federal Farm Mortgage Corporation, and in the other 4 the Federal land bank held first mortgages and the Federal Farm Mortgage Corporation second mortgages.

Those individuals who had an interest in the transactions affecting these 21 properties and who are still in the employ of units comprising the Farm Credit System stated that they did not know at the time that any of the mineral interests involved were under properties owned by a Federal land bank or covered by mortgages to a Federal land bank or the Federal Farm Mortgage Corporation.

This information with respect to these transactions, including those related to properties in which neither a Federal land bank nor the Federal Farm Mortgage Corporation had any interest, was reviewed by the Office of the Solicitor, Department of Agriculture, and it was the conclusion of that office that, on the basis of all the information developed, there was no violation of law or regulation by the individuals concerned. However, as I have stated there is in process a regulation which would control any future activity of this kind on the part of personnel of the Farm Credit Administration and of personnel of the units operating under its supervision and control.

Sincerely yours,

I. W. DUGGAN,
Governor.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I should like to complete this, if I might.

I read one paragraph of the letter which I have just asked to have printed in the RECORD:

In the St. Louis farm-credit district a small number of individuals while serving as officers or employees had, through small investment pools or individually, purchased 85 varying mineral interests including interests in oil and gas leases and fractional royalty interests. These purchases all occurred prior to 1943, and were in areas where there was considerable mineral activity at the time.

I will not bother to read the rest of the letter, although the writer says he did not think the employees knew they were doing anything wrong.

The next letter is one dated July 5, 1950, addressed to Mr. Duggan, and I ask unanimous consent that that be inserted in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 5, 1950.

Mr. I. W. DUGGAN,
Governor, Farm Credit Administration, United States Department of Agriculture, Washington, D. C.

DEAR MR. DUGGAN: This is in further reference to my letter of June 20, 1950, and your reply thereto of July 5, 1950, concerning mineral rights which were reserved by and unto the Government having been sold to Government employees.

In your letter of July 5 you outline the incident in which a certain group of individuals, while serving as officers and employees in the St. Louis farm-credit district, purchased certain mineral or royalty interests from the Government either directly or through a third party. I would like to have a copy of any information you have with respect to these transactions, including those related to properties in which neither a Federal land bank nor the Federal Farm Mortgage Corporation had any interest, as reviewed by the Office of the Solicitor of the Department of Agriculture as well as the

conclusions of that office as to whether or not there was a violation of law or regulation by the individuals concerned.

I presume this information will indicate the name of the individuals concerned along with the information as to whether or not they are still employed by the Federal Government.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have inserted in the RECORD the letter of July 12, 1950, replying to my letter of July 5.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FARM CREDIT ADMINISTRATION,
Washington, D. C., July 12, 1950.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: Your letter of July 5 to Governor Duggan reached him just as he was leaving the city. Consequently he requested that I reply.

In his letter of July 5 to which you refer in your letter of the same date, Governor Duggan explained that no case has come to our attention where any bank, association, or corporation supervised by the Farm Credit Administration has sold any of its mineral interests to any employee of the United States Government. Furthermore, the incident which was discussed in Governor Duggan's letter of July 5 did not involve mineral rights which were reserved "by and unto the Government," and, as he pointed out, no violations of law or regulations were involved. In several cases, as explained by Mr. Duggan, the individuals concerned acquired fractional royalty interests from third parties in connection with properties which at the time were mortgaged to the Federal Farm Mortgage Corporation which, as you know, is wholly owned by the Government. The Federal land bank is, of course, wholly owned by its stockholders the national farm loan associations which in turn are completely owned by their members.

We regret that our established policies preclude our making available to you the copies requested in your letter of July 5, however, we have been very glad to cooperate with you by providing all the information which you have heretofore requested concerning the mineral interests sold by the Federal Farm Mortgage Corporation. If your inquiries have developed any information which would be helpful to us in the management of the Corporation, we would very much appreciate your making it available to us. Also we would be very glad to have the Agriculture and Forestry Committee of the Senate or any other committee designated by the Senate fully investigate the policies of the Federal Farm Mortgage Corporation in the handling of mineral interests including the relatively few sales it has made. If such an investigation is undertaken, we would of course be happy to cooperate to the fullest extent.

Very truly yours,

J. R. ISLEIB,
Land Bank Commissioner.

Mr. WILLIAMS. Mr. President, in my letter of July 5, I insisted on knowing the full details and the names of the employees of the Farm Credit Administration who had either left the employ of the Government, or who might still be in the employ of the Government formulating policies regarding mineral rights.

I shall read one paragraph from the letter of July 12:

We regret that our established policies preclude our making available to you the copies requested in your letter of July 5.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I should like to ask the distinguished Senator whether this refusal on the part of the Department came from the Department of Agriculture to a member of the Committee on Agriculture and Forestry of the Senate.

Mr. WILLIAMS. No; I am not a member of the Committee on Agriculture and Forestry. The refusal came to me as a Member of the United States Senate. They would not give the information to me, although I might say at this point that there has been one rather interesting development out of this case. It has come to my attention that for the first time, to my knowledge, a committee has instructed a department of the Government, namely, the Department of Agriculture, to supply certain Members of the United States Senate with all the correspondence which the senior Senator from Delaware directs to the Secretary of Agriculture or divisions of the Department of Agriculture, as well as all their replies. I suppose this is done in order that they might be fully informed of any correspondence I have had with the Department. Evidently they wanted certain Senators to know what I was working on, and how near I might be getting to the answer. That is the only explanation I can think of, because this is the first time, to my knowledge, that the private correspondence of a Member of the Senate with an executive department has been made available to Members of the majority party.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I desire to conclude this first.

I ask unanimous consent that my letter to Mr. Duggan, of July 25, 1950, be inserted in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 25, 1950.

Mr. I. W. DUGGAN,
Governor, Farm Credit Administration, United States Department of Agriculture, Washington, D. C.

DEAR MR. DUGGAN: It is my understanding, in accordance with out telephone conversation this afternoon, that while a copy of the investigation report involving certain sales which were made in the St. Louis district to Government employees is not available, you will furnish a list of each individual sale of mineral rights owned by the Federal Farm Mortgage Corporation, by acreage and sales price, which was made through the St. Louis office either directly or through a third party, to employees of the Farm Credit Administration.

I would appreciate receiving this information as soon as possible in order that we might expedite legislation on this matter.

Your past and continued cooperation is very much appreciated.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, I next have a letter dated August 4, 1950, in reply, and I ask unanimous consent to have that inserted in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FARM CREDIT ADMINISTRATION,
Washington, D. C., August 4, 1950.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: I have received your letter of July 25, 1950, requesting certain information relative to sales of mineral rights owned by the Federal Farm Mortgage Corporation, either directly or through a third party, to employees of the Farm Credit Administration.

My letter to you of July 5, 1950, advised that prior to 1943 in the St. Louis Farm Credit District a small number of employees had, through small investment pools or individually, purchased fractional royalty interests in six properties which at the time were mortgaged to the Federal Form Mortgage Corporation, and four properties on which the Federal land bank held first mortgages and the Federal Farm Mortgage Corporation held second mortgages, that these purchases were not made from the bank or the Corporation, and that the persons participating who are still in the employ of units comprising the Farm Credit System stated that they did not know at the time that any of the mineral interests involved were under properties covered by mortgages to a Federal land bank or the Federal Farm Mortgage Corporation.

A further review of the matter discloses that the correct number of such properties which were mortgaged at the time to the Federal Farm Mortgage Corporation is three, and the number on which the Federal land bank held first mortgages and the Federal Farm Mortgage Corporation held second mortgages is six—a total of nine.

The total area of these nine properties is 1,303 acres, of which 240 acres were covered by mortgages held by Federal Farm Mortgage Corporation and in which the Federal land bank held no interest.

Information available here shows that in eight of the aforesaid nine cases the mortgage debt to the Federal Farm Mortgage Corporation has been paid off, and that in the ninth case the loan is still outstanding in current condition. This indicates that the Federal Farm Mortgage Corporation never acquired any mineral rights to these properties which it could have sold even to third parties, since such rights could have been acquired only by foreclosure or voluntary deed after the mortgagors had failed to meet the terms of the loans.

If you desire further information, we shall be glad to hear from you.

Sincerely yours,

I. W. DUGGAN,
Governor.

Mr. WILLIAMS. In this letter of August 4, Mr. Duggan indicates that certain of these employees still are in the employ of units comprising the farm credit system, although he still denied my request for these names.

On August 4 I directed another letter to Mr. Duggan, in which I further insisted on the names of the employees who participated in the so-called St. Louis investment pool. I insisted that he give me those names. I wanted to know what their positions were, and to what extent they were involved.

Mr. President, I ask unanimous consent that this letter may be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 4, 1950.

Mr. I. W. DUGGAN,
Governor, Farm Credit Administration, United States Department of Agriculture, Washington, D. C.

DEAR MR. DUGGAN: With further reference to your letter of even date and our conversation in my office this morning, it is my understanding that you will furnish me with the following additional information regarding the investment pool which was formed in the St. Louis Farm Credit District by a group of employees.

1. The names and addresses of the owners of the farms from whom these mineral rights were obtained.

2. The amount of the original mortgage, either by the Federal Farm Mortgage Corporation or the Federal land bank, as well as the amount and status of the mortgage at the time the mineral rights were obtained; that is, were the mortgages, either those of the Federal Farm Mortgage Corporation or the Federal land bank, delinquent at the time of the sale of the mineral rights?

3. The names of the employees of the Farm Credit Administration who were participants in this so-called investment pool. What were their positions at the time they purchased the mineral rights and what are their positions at the present time?

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, I received a letter from him very promptly on August 4, in fact by special messenger, but still he refused to furnish the information. He said:

Based on the approval of the Archivist, the Corporation follows the practice of destroying certain records in connection with its mortgage business after they become obsolete. It has been a number of years since some of these transactions occurred, and it is possible that some of the information requested cannot be obtained. We are taking up this matter with our district office in St. Louis and upon receipt of the available information we shall be glad to write you again.

Mr. President, I ask unanimous consent that this letter of August 4, 1950, be inserted at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FARM CREDIT ADMINISTRATION,
Washington, D. C., August 4, 1950.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: This is in reply to your letter of August 4 requesting additional information relative to the Federal Farm Mortgage Corporation's mineral activity in the St. Louis Farm Credit district.

Based on the approval of the Archivist, the Corporation follows the practice of destroying certain records in connection with its mortgage business after they become obsolete. It has been a number of years since some of these transactions occurred, and it is possible that some of the information requested cannot be obtained. We are taking up this matter with our district office in St. Louis and upon receipt of the available information we shall be glad to write you again.

Sincerely yours,

I. W. DUGGAN,
Governor.

Mr. President, I next ask unanimous consent to have inserted in the RECORD my letter of August 8 to Mr. Duggan.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 8, 1950.

Mr. I. W. DUGGAN,
Governor, Farm Credit Administration, United States Department of Agriculture, Washington, D. C.

DEAR MR. DUGGAN: This is in further reference to your second letter of August 4, 1950, which was in reply to mine of that same date relative to the Federal Farm Mortgage Corporation's mineral activity in the St. Louis Farm Credit District.

I would appreciate it very much if you would answer question No. 3 of my letter immediately and then follow with the answers to questions Nos. 1 and 2 as soon as the information can be obtained from the St. Louis district. It is my understanding that the answer to question No. 3 is in the files here in Washington.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have inserted in the RECORD their reply of August 15.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FARM CREDIT ADMINISTRATION,
Washington, D. C., August 15, 1950.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: This is in response to your letter of August 8, in which you refer to your letter of August 4, and request that I provide you with "the names of the employees of the Farm Credit Administration who were participants in this so-called 'investment pool.' What were their positions at the time they purchased the mineral rights and what are their positions at the present time?"

In my letter of July 5 I explained the nature of the banks, corporations, and associations which are supervised by the Farm Credit Administration, and in subsequent correspondence the status of their employees was also explained. These institutions operate under boards of directors which have the responsibility for their management subject to the general supervision of the Farm Credit Administration. As explained in my letter of July 5, the information with respect to the transactions discussed was reviewed by the Office of the Solicitor, Department of Agriculture, and it was the conclusion of that Office on the basis of all the information developed there was no violation of laws or regulations by the individuals concerned. Nevertheless, the information was referred to the boards of directors of the institutions involved and was considered by them. These boards concurred in the conclusions that there had been no violation of law or regulation.

Based on many years of experience as a supervisory agency the Farm Credit Administration has found it advisable and necessary to adhere to policies which preclude releasing information concerning the credit situation of individual borrowers. Since the information we have does not show violation of law or regulation, we do not feel that it would be fair to the individuals to supply you with the names of the employees of the Farm Credit Administration which you requested in your letter of August 4. You are advised, however, that we would welcome an investigation of these matters by the committee of the Senate which handles agricultural matters.

Sincerely yours,

I. W. DUGGAN, *Governor.*

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have inserted in the RECORD, at this point, Executive Order No. 514, issued by the Farm Credit Administration, dated July 7, 1950, in which they make it a violation for any employee to deal in mineral rights. It is interesting to note that this was issued about 30 days after I began my inquiry indicating suspicion that employees of the Farm Credit units might be involved.

There being no objection, the Executive order was ordered to be printed in the RECORD, as follows:

JULY 7, 1950.

Farm Credit Administration Order No. 514.

Subject: Officers and employees of Farm Credit Administration and of corporations functioning thereunder (amendment of order No. 18).

Paragraph (a) of section 4.1 of title 6 of the Code of Federal Regulations is hereby amended by adding thereto three new subparagraphs, designated (6), (7), and (8), as follows:

SEC. 4.1. Officers and employees of Farm Credit Administration and of corporations functioning thereunder: (a) Except as specifically authorized by law or rules and regulations promulgated thereunder no officer, employee, or agent of the Farm Credit Administration or of any corporation under its supervision and control:

* * * * * *

(6) (i) Shall acquire, directly or indirectly (including acquisition by membership in syndicates), any part of the surface rights to any land which is owned by or mortgaged to any corporation which is under the supervision and control of the Farm Credit Administration or which was thus owned or mortgaged at any time within the preceding 12 months, without obtaining the specific prior approval of the board of directors of such corporation (meaning the Federal land bank as agent in the case of the Federal Farm Mortgage Corporation) in addition to conforming with any other applicable regulations.

(ii) Shall acquire any outstanding mineral, oil, or gas interest in a tract of land where such interest is owned by a corporation which is under the supervision and control of the Farm Credit Administration or was owned by such a corporation at any time within the preceding 12 months: *Provided, however,* That this prohibition shall not apply to such acquisitions, in conformance with other applicable regulations, by an owner of all or an undivided part of the surface rights to such tract of land; nor to such acquisitions as are incident to surface right acquisitions under subdivision (i) of this subparagraph.

Exception: This subparagraph shall not apply to acquisitions by will or inheritance; nor to presidents and vice presidents of national farm loan associations and production credit associations.

(7) Shall participate directly or indirectly in any transaction concerning the purchase or sale of corporate stocks or bonds, commodities, or other property for speculative purposes if such action might tend to inter-

fere with the proper and impartial performance of his duties or bring discredit upon the Farm Credit Administration or any corporation under its supervision and control. Employees are not prohibited by this subparagraph from making bona fide investments. When an employee is uncertain as to whether a contemplated transaction is prohibited by this subparagraph, he should consult his immediate superior.

(8) Shall at any time conduct himself in a manner which might cause embarrassment to or criticism of the Farm Credit Administration or any corporation under its supervision and control, or interfere with the efficient performance of his duties. (482)

(Sec. 17, 39 Stat. 375; sec. 2, 42 Stat. 1459; sec. 6, 44 Stat. 803; sec. 4, 46 Stat. 13; sec. 6, 47 Stat. 14; secs. 1–43, 48 Stat. 257, as amended; 7 U. S. C. 456, 12 U. S. C. 665, 831, 1101, 1131–1138f, 1141b.)

I. W. DUGGAN,
Governor, Farm Credit Administration.

(Filed July 12, 1950; 8:57 a. m. See Federal Register, July 13, 1950, vol. 15, p. 4421.)

Mr. WILLIAMS. Mr. President, today a list of these names have finally been obtained. At this point I ask unanimous consent to have inserted in the RECORD a list of those persons who at the time of acquiring such mineral interests, were employed by a unit of the Farm Credit Administration, but are not so employed as of August 1, 1950.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Properties in which Federal Farm Mortgage Corporation was interested as mortgagee at date of acquisition of mineral interests

Persons who at the time of acquiring such mineral interests, or at any time previously, were employed by a unit of the Farm Credit System, but are not so employed as of August 1950:

Name	Employed by	Date resigned
E. C. Maxwell	Vice president, Federal Land Bank of St. Louis	Feb. 28, 1938
M. L. Brueggeman	Chief accountant, Federal Land Bank of St. Louis	Nov. 20, 1939
W. H. Bengel	Attorney, Federal Land Bank of St. Louis	Mar. 15, 1944
S. Alden Perrine	Temporary appraiser	Nov. 6, 1934

Mr. WILLIAMS. Mr. President, for the information of the Senate I will read the list of names:

E. C. Maxwell, vice president, Federal Land Bank of St. Louis, resigned February 28, 1938.

Mr. M. L. Brueggeman, chief accountant, Federal Land Bank of St. Louis, resigned November 20, 1939.

W. H. Bengel, attorney, Federal Land Bank of St. Louis, resigned March 15, 1944.

S. Alden Perrine, temporary appraiser, resigned November 6, 1934.

There was one other individual whose name I will not place in the RECORD, since he is deceased. He was an employee of the receiver for the Chicago Joint Stock Land Bank.

I now ask unanimous consent to have inserted a list of those persons who at the time of acquiring such mineral rights were and still are, as of August 1, 1950, employees of a unit of the Farm Credit System.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Properties in which Federal Farm Mortgage Corporation was interested as mortgagee at date of acquisition of mineral interests

Persons who at the time of acquiring such mineral interests were, and still are (as of August 1950), employed by a unit of the Farm Credit System:

Name	Employed by—	Employed by, August 1950
W. H. Droste	Farm Credit Administration of St. Louis (various positions).	Farm Credit Administration of St. Louis (president, Federal land bank).
W. R. Fankhanel	Federal Land Bank of St. Louis (manager real estate department, 1937).	Farm Credit Administration of St. Louis (vice president, Federal land bank).
H. W. Snodgrass	Farm Credit Administration (land bank appraiser assigned to St. Louis district).	Farm Credit Administration (land bank appraiser assigned to St. Louis district).
J. L. Barrett	do	Do.
D. M. Hardy	President, St. Louis Bank for Cooperatives.	Farm Credit Administration of St. Louis (president, Bank for Cooperatives, and general agent).

Mr. WILLIAMS. Mr. President, these are the names of those who were employed by a unit of the farm-credit system as of August 1950. I read the list for the information of the Senate:

W. H. Droste, Farm Credit Administration of St. Louis. At this time he is president of the Federal land bank.

W. R. Fankhandel, Federal Land Bank of St. Louis, also manager of the real-estate department, 1937. He is at this time vice president, Federal land bank.

H. W. Snodgrass, Farm Credit Administration. It is interesting to note that he is one of the appraisers.

J. L. Barrett, holding the same position.

D. M. Hardy, president, St. Louis Bank for Cooperatives.

To complete the record, Mr. Duggan, while testifying before the Senate committee, went on to say that in his opinion he knows of no laws that were being violated. I am making no charge against these gentlemen. But I do say that if what they have done is not a violation of the law, at least it is highly improper. This was one of the reasons why I asked the Senate Committee on Agriculture and Forestry to explore this situation before insisting upon the passage of H. R. 4800. I think these men should have been given a chance to appear before the committee and explain their side of the case, in order that we might have then decided what action, if any, should be taken.

For 2 months I have been asking the committee for an opportunity to come before them and give them this information in executive session. I went before the committee last Tuesday morning, gave them this information, and told them how they could get a list of these names. The committee scheduled a hearing for this morning. However, in spite of this scheduled hearing the Senate proceeded to pass the bill dealing with this subject yesterday. I think it is inexcusable that the majority members of the committee did not show enough concern to check this case thoroughly before asking that the bill be passed, particularly in view of the fact that it was passing legislation authorizing the Agricultural Department to sell mineral rights when at the same time the Senate Agricultural Committee was expecting information of how these transactions have been mishandled in the past. It is certainly improper to say the least for a group of employees of the Farm Credit Administration, who are administering these sales or loans, to form a so-called investment pool and obtain either directly or through a third party, some of these mineral rights.

Mr. SCHOEPPEL. Mr. President, will the Senator from Delaware yield for a question?

Mr. WILLIAMS. I yield.

Mr. SCHOEPPEL. I am interested in all the Senator has had to say, but more particularly about the reply which apparently was received from the representative of the Department of Agriculture to the Senator from Delaware indicating that the records were destroyed. I should like to ask the Senator from Delaware if he has any information or knowledge that the destroyed records referred to might have concealed from the Senator from Delaware the situation he has just recently discovered about the trafficking in the leases or oil properties to which he is referring.

Mr. WILLIAMS. I have no knowledge as to what records the writer referred to when he said that perhaps some of the records were destroyed. I do not know whether it is the routine destruction of records or not. That question did come to my mind. It was one of the questions which I think should have been fully explored before the Senate proceeded to formulate a policy. That was another of the questions I raised. As to what there is behind that statement, I do not know. I do know that all the records were not destroyed. I do not wish to continue this discussion further at this time. However, I do have records in my office of many of the transactions in detail. I have the names of the farmers who owned the farms before the mortgages were foreclosed and the amount of the acreage involved. I have the names of the persons to whom the farms were later sold. I have the percentage of mineral rights retained. I have an extensive record of mineral rights which were retained by the Government, apparently for the purpose of

protecting the interests of the public and the taxpayers. I have the names of those to whom the mineral rights which the Government retained were later sold; and how they were sold, not to the owners of the farms, but to outsiders. I have the Department's own admission that these farmers were not notified that the mineral rights on their farms were to be sold. They were not given an opportunity to buy these mineral rights. Many of the farmers did not know about the sales until I corresponded with them. Many of them even now do not know that they have been sold down the river by a Department which was supposed to be protecting their interests here in Washington.

In connection with the bill that was passed yesterday, there were many expressions of concern on the part of the sponsors of the bill for the American farmer. The administration always likes the American farmer around election time. They expressed great desire to give him back the mineral rights on his farm. What they did not tell the American farmer was that the bill which was passed yesterday will not restore to many of the farmers their mineral rights, because many of them have since been sold to outsiders. These farmers have already been sold down the river for a song.

The mineral rights that have been sold are in some of the most promising oil-producing fields of the country. I am making no specific charges, but I do say it is one of the most suspicious transactions that has ever been brought to my attention. It is one that should have been explored long ago by the proper committee. But since it has not been explored by the proper committee, and apparently they are not interested, I shall put the remainder of what information I have in the RECORD at the earliest opportunity.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. SCHOEPPEL. Does not the Senator from Delaware feel that this entire matter ought to be investigated by a proper investigating committee of the United States Senate so we might have all the facts and the circumstances respecting men who are employed in departments, supposedly to protect the interests of the Government of the United States, who have trafficked for their own personal profit?

Mr. WILLIAMS. I do.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WILLIAMS. In a moment. It was for that reason that on June 21 of this year, after I had in my own mind definitely established what had happened, I directed a letter to the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Oklahoma [Mr. THOMAS]. I inserted that letter in the RECORD on that date. I asked him for an opportunity to appear before the committee in an executive session to tell them why I thought this entire subject should be further explored. I received a reply from the clerk of the committee stating the Senator from Oklahoma was out of town, but that as soon as he returned I would be given an opportunity. Two months went by, and I never got a chance to come before the committee until Tuesday of this week.

It was during this intervening period that on numerous occasions here on the floor of the Senate the Senator from Illinois, the Senator from Louisiana, and other Senators who are members of the Committee on Agriculture and Forestry rose on the floor and pleaded the cause of the "poor American farmer," and said how they wanted to get this particular bill enacted. On each occasion I renewed my request for an appearance before the committee and stated why I thought there were angles of this case which should be checked.

It was only on Tuesday of this week that I got a chance to appear before the committee. The committee upon receiving my information decided that they should investigate and hold further hearings on this subject.

The hearings were scheduled to open this morning at 10 o'clock, but for some unknown reason the bill was suddenly passed yesterday. At the hearing this morning the substance of what I have just placed in the RECORD was given to the committee.

The reason why I refer to this matter now is that only yesterday, the day before the hearings began, and when I was unavoidably detained from the Senate, the bill was brought up and was passed. It is not that I object to the bill itself, but why this sudden rush?

Mr. SCHOEPPEL. Mr. President, I wish to say to the Senator from Delaware that in my judgment he is entitled to the commendation of the Senate for bringing this question to the attention of the Senate and for asking that an opportunity be provided to make a thorough examination of this matter.

Mr. WILLIAMS. Mr. President, I say it should be explored fully. I do not know what was paid for the mineral rights by these employees involved. The payment made for them may have been 10 times what they are worth. Nor do I not know what they are worth. However, all that is beside the point. The point is that those who purchased them while as Government employees did so because they thought they would make a profit by purchasing them.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ELLENDER. Did not Mr. Duggan furnish the Senator from Delaware the names of all present and all former employees who were members of the pool to which the Senator has referred?

Mr. WILLIAMS. No; he did not. He refused to furnish that information, and I did not get it until he came before the committee this morning.

Mr. ELLENDER. It was my understanding that he placed in the record, this morning before the committee, a letter stating that he furnished the Senator all that information.

Why did not the Senator appear before the committee this morning as I requested him to do?

Mr. WILLIAMS. I did not appear before the committee this morning because yesterday, 24 hours after I called this to you attention, the Senator from Louisiana and the Senator from Illinois both indicated that there were only slight objections to the bill. Announcement was then made that you were going to have the bill taken up by the Senate yesterday afternoon without waiting to see what the hearings developed.

Mr. ELLENDER. Well——

Mr. WILLIAMS. Just a minute, please; I have the floor. I shall read the part of yesterday's RECORD which covers this point.

Mr. ELLENDER. I ask the Senator to read my statement starting in the last column on page 13211.

Mr. WILLIAMS. If I read all the Senator's statement, I shall also include the statement that sales had not been made, but I know that statement is a little off base. So I would not want to read all the statement appearing there.

Mr. ELLENDER. The Senator from Delaware wants the truth, does he not?

Mr. WILLIAMS. I think the Senator has enough of the truth to know that this case stinks.

Mr. ELLENDER. I wish the Senator from Delaware had been at the hearing this morning, to hear the testimony.

Mr. WILLIAMS. Mr. President, I am reading from page 13185 of the CONGRESSIONAL RECORD, and I shall read the statement made by the majority leader, the Senator from Illinois [Mr. LUCAS], who also is a member of the Senate Committee on Agriculture and Forestry:

> Mr. LUCAS. We will finish the call of the calendar today. There is a bill on the calendar which we might consider, but which I did not mention yesterday. I refer to House bill 4800, Calendar 1333, to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes. I do not believe it would take too much time. As I understand, there is very little objection to the bill.

It was my opinion that if the majority leader, who is also a member of the Senate Committee on Agriculture and Forestry, and who was in a position to have knowledge of the information I gave that committee less than 24 hours before, did not consider that information to be of sufficient importance to justify his postponing action until after the hearings then there was no point in objecting to consideration of the bill. I informed the minority leader that in my absence he and the other minority members of the committee need not express objection, on my behalf.

Mr. ELLENDER. Did not the Senator from Delaware state on many occasions that insofar as the bill itself was concerned, he had no objection?

Mr. WILLIAMS. That is true.

Mr. ELLENDER. That is exactly what I said.

Mr. WILLIAMS. But I also said I thought the bill should be amended, and that we should find out what had occurred previously, so that if these transactions had not been in violation of the law, we could correct the law.

Senators should not forget that this bill which was said to be for the pur-

pose of protecting the American farmers, really results in placing the rights of farmers in the hands of the same group of governmental employees who in the past have betrayed their confidence. I say the Senator from Louisiana should have known that, when he helped to have the bill passed.

This group of employees is perhaps the same group that is going to appraise the mineral rights for the farmers under this bill. Are they going to appraise them properly, or appraise them so they can buy bargains, or are they going to take advantage of the farmers again? I think the Senator from Louisiana should have wanted the answers to those questions.

Mr. ELLENDER. We had the answers; and if the Senator from Delaware had been at the committee meeting this morning, he would not be making the speech he is making now, because I do not believe he has the facts.

Mr. WILLIAMS. If there is any doubt about what I have said, I shall insert all this material in the RECORD.

Mr. ELLENDER. Let the Senator put it in, although it has been put in already.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the entire hearings before the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Is there objection?

Mr. ELLENDER. Mr. President, I have no objection, but the cost of printing that material in the CONGRESSIONAL RECORD will be tremendous. The committee hearings will be printed anyway and will be available to every Member of the Senate.

Mr. WILLIAMS. Yes, I think the Senator from Louisiana is correct. So I withdraw the request.

The PRESIDING OFFICER. The request of the Senator from Delaware is withdrawn.

Mr. WILLIAMS. Of course, Mr. President, the record of the committee hearings can be read by anyone who wishes to read it.

In the course of the hearings this morning, Mr. Duggan gave excerpts from certain correspondence while I have inserted the entire text. The letters speak for themselves.

Mr. ELLENDER. He gave us every word the Senator from Delaware wrote him, and his answers—in detail.

Mr. WILLIAMS. No; not in detail.

Mr. ELLENDER. Yes; all of it is in the RECORD.

Mr. WILLIAMS. Did he explain how he made this statement to me on June 19—and I shall quote it, but first I shall read the question I asked him on June 9:

> Have you had any complaints filed either through the Federal Farm Mortgage Corporation, the Farm Credit Administration, or any other agency under your supervision to the effect that Government employees have bought these mineral rights, and if so, will you please advise the particulars?

Mr. ELLENDER. He said he had.

Mr. WILLIAMS. His answer is this:

> We have not had any complaints filed either through the Federal Farm Mortgage Corporation, the Farm Credit Administration, or any other agencies under our supervision to the effect that employees of the Federal Government have bought mineral rights from the Federal Farm Mortgage Corporation.

Mr. ELLENDER. If the Senator from Delaware will permit me to state at this point——

Mr. WILLIAMS. No; I ask the Senator from Louisiana to wait a moment.

Then this morning Mr. Duggan brought to the Committee on Agriculture and Forestry a list of names. I shall read now the description of the list he presented to the committee. The full list has already been inserted. Here is the way they are described; this is Mr. Duggan's language, not mine:

> Persons who at the time of acquiring such mineral interests were, and still are (as of August 1950) employed by a unit of the Farm Credit System.

I wish to say that the Department of Agriculture has had in its files for over 2 years every bit of the information I put in here today.

Mr. ELLENDER. Mr. President, if the Senator from Delaware will permit me to say so, the record shows that no mineral rights were involved in any sales. The only evidence produced this morning—and it is in direct accord with the statement made in his letter—was that no mineral rights owned by the Federal Farm Mortgage Corporation were sold.

The only thing which occurred in the 9 cases to which the Senator has referred was the sale of mineral rights on which the Federal Farm Mortgage Corporation had a mortgage; but the mortgage was never released.

I wish the Senator had been at the hearings this morning. If he had been there, he would not be making the speech he is making now, because his statement is not in accord with the information obtained by the committee.

Mr. WILLIAMS. After only 1 day's hearings, how do you know you have all the answers, you may have some more interesting disclosures. Had the Senate Committee on Agriculture and Forestry shown any interest whatever in this matter, I would not be making this speech now, because certainly this matter belongs in the committee. However, to my knowledge, all that the committee has made any effort to do is to investigate the Senator from Delaware to find out just how much information I have assembled.

The Department of Agriculture has been instructed by your committee and the Senator from Louisiana is one of the men who instructed it, as I understand—if the Senator wants to deny it, he may do so—to furnish certain Members of the Senate with a complete file of all correspondence between the senior Senator from Delaware and the Department of Agriculture. The Senator from Louisiana was being supplied with that file.

Mr. ELLENDER. Mr. President, I asked a representative of the Department for it, in view of the Senator's position, and I did it with his consent.

Mr. WILLIAMS. No; the Senator did not. Let us get the record straight.

Mr. ELLENDER. Does the Senator deny having talked to me in the cloakroom on the Democratic side, when I was talking to Mr. Lassiter on the phone about 2 months ago?

Mr. WILLIAMS. At that time I showed the Senator from Louisiana a list of the names of certain individuals who had bought these mineral rights from the Federal Farm Mortgage Corporation. The Senator went to the telephone and called Mr. Lassiter, and Mr. Lassiter said that when he spoke to the Senator from Louisiana and told him that there had been no mineral rights sold, he was speaking for himself and his own immediate department, not for the Department of Agriculture as a whole. The list I showed the Senator from Louisiana disclosed that they were sold through the Farm Mortgage Corporation, a Corporation under the administration of Mr. Duggan. But I want to say that there is not one thing under the law today—let us forget all about the bill which was passed yesterday—to indicate that the Federal Mortgage Corporation does not already have full authority to offer and sell every one of the mineral rights to the farmers who own these farms in exactly the manner outlined under yesterday's bill. The only thing is, they did not do it. They were taking the choice mineral rights, in the choice mineral areas, and they were selling them to outsiders without even offering them to the farmers. This bill is only to put a cloak of respectability upon what the Department has been doing for the past several years. They sold it in 1942, 1943, and 1944. They were selling in 1949. Later I shall give the Senate a list of what they have sold and what they received, and who bought them.

Mr. President, I very much regret that I have been put in a position where I must bring all this to the floor of the Senate, but if we are now going to put the dirty linen in the public, here is where it is going to be. If certain Members of the Senate are to have copies of my correspondence with the Department of Agriculture, then from here on I shall correspond through the CONGRESSIONAL RECORD so that all can read my letters and the answers.

Mr. McFARLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Arizona?

Mr. WILLIAMS. I yield.

Mr. McFARLAND. I may have misunderstood the Senator, but I want to invite his attention to yesterday's RECORD, and then ask him a question. The Senator was critical—I think unjustly so—of the majority leader in connection with the action that took place yesterday. I desire to read the statement of the majority leader which appears at page 13212 of yesterday's RECORD.

Mr. WILLIAMS. Mr. President——

Mr. McFARLAND. Mr. President, may I finish my statement?

Mr. WILLIAMS. Yes.

Mr. McFARLAND. I want to know whether the Senator from Delaware has been mistreated. I do not want any Senator mistreated on the floor of the

Senate at any time. Most certainly, I do not want the Senator from Delaware mistreated. But I do not understand how he was mistreated, unless the information which we received on the floor was inaccurate. I quote:

Mr. LUCAS. I made that announcement.

That referred to the fact that we were going to take up the mineral rights bill.

It was agreed that after a quorum call that bill would be taken up. The able Senator from Louisiana came to me and stated that there would be a hearing tomorrow, as the result of a protest made by the Senator from Delaware [Mr. WILLIAMS], and I then said that we would not take up the mineral bill, after I had promised a dozen Senators that it would be taken up. In view of the fact that the Senator from Louisiana came to me and said, "We are holding a hearing tomorrow, and after the hearing there will be no protest," I said, "Fine. We shall not call up the mineral bill, because if a hearing is to be held and Senator WILLIAMS desires to be heard and there will probably be some sort of an agreement, obviously I am not going to interfere with that sort of an arrangement." That is the reason we are not going to call up the mineral bill.

Mr. ELLENDER. I understood that the tax bill will be called tomorrow.

Mr. LUCAS. It will be made the unfinished business.

Mr. ELLENDER. Will it be debated this afternoon?

Mr. LUCAS. That I do not know.

Mr. ELLENDER. As I understand, it will merely be made the unfinished business, and I presume that the Senate will then take a recess until tomorrow. It is now 3 o'clock and why not take up the picketing bill today?

A little further down in that column we find the following:

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, in behalf of the Senator from Delaware [Mr. WILLIAMS], I informed the Senator from Louisiana [Mr. ELLENDER] that, so far as any objection on this side of the aisle was concerned, there would be none if he asked unanimous consent to take up the so-called mineral bill, I want the RECORD to show that

Was the minority leader correct when he said there was no objection on the part of the Senator from Delaware to taking up the bill?

Mr. WILLIAMS. Mr. President, I made the statement earlier this afternoon——

Mr. McFARLAND. No——

Mr. WILLIAMS. Wait a minute. I am going to answer the question, but I am going to answer it in my own language. I made the statement earlier today that, following the announcement of the Senator from Illinois that he was going to move to take up the bill around 3 o'clock or 3:30, I was advised of that intention by the minority leader. I told the minority leader that if the Democratic members of the Senate Committee on Agriculture and Forestry, who were fully aware of the information which I had presented there, were not sufficiently concerned about it to go into this case and to voice their objections, so far as I was concerned, and so far as any member of the minority on the Agriculture Committee was concerned, my position was that they could go ahead and assume the responsibility. My objections were never against House bill 4800, as such. In that respect the Senator from Louisiana is correct—H. R. 4800 does not make the situation any worse; in fact, it corrects it somewhat, but it was my opinion and request that the information expected at the hearings be developed and then we could more intelligently pass upon the necessary legislation.

I did not know what I wanted in the bill until we found out the full history of what had happened. What I wanted to know in particular was the names of those who were going to administer this act. I wanted to know whether we were under the proposed legislation conferring the responsibility of handling these mineral rights to the same employees who had misused their office once before. Mr. Duggan had not furnished me that information. That was definitely refused, and I did not get the names until they were brought to the committee this morning.

Mr. ELLENDER. When did the Senator get that list?

Mr. WILLIAMS. Since noon. But I did not have all of them before, and I am sure Mr. Duggan will confirm that.

Mr. McFARLAND. Mr. President, will the Senator yield in connection with one point in which I am interested?

Mr. WILLIAMS. Just a moment. I should like to read the last letter, dated August 15, signed by Mr. Duggan, in which he once again refused to give me this information:

Based on many years of experience as a supervisory agency, the Farm Credit Administration has found it advisable and necessary to adhere to policies which preclude releasing information concerning the credit situation of individual borrowers.

Since the information we have does not show violation of law or regulation, we do not feel that it would be fair to the individuals to supply you with the names of the employees of the Farm Credit Administration which you requested in your letter of August 4.

As a result of that refusal I asked the Senate committee to help me get the list of names. I may say this——

Mr. ELLENDER. Mr. President, if the Senator had been at the committee meeting this morning, he would have received that information.

Mr. WILLIAMS. Just a moment.

Mr. ELLENDER. He would have obtained the information as to the names of the employees. None of them acquired any mineral rights from the Federal Farm Mortgage Corporation.

Mr. WILLIAMS. Mr. President, that is only partly true, and that answer threw me off base for nearly one year. That statement, as I understand it, is technically true, and that was what made it so difficult for me to get the real answer. I shall explain how these deals were handled. They acquired mineral rights which had been transferred through a third party.

Mr. ELLENDER rose.

Mr. WILLIAMS. I have the floor, Mr. President. But these were mineral rights on farms on which the Federal Farm Mortgage Corporation, held the mortgages. They were sold and transferred to third parties. But ultimately they did come back to this investment pool. Now, if some of them did not come back to this investment pool, why was it referred to as the "pool" by Mr. Duggan and why were the names brought to the Senate committee this morning? If the pool never existed, just what connection did it have?

Mr. McFARLAND. Mr. President, if the Senator will yield, I merely want to clear up one point. It was not this part of the discussion in which I was interested. As I understand the Senator's answer to my previous question, he had no objection to the procedure which was followed yesterday—he had no objection to it yesterday, and he has none to it today.

Mr. WILLIAMS. Now, just a moment. Let me get the record straight once again. I have no objection to the parliamentary procedure followed yesterday. The Senator from Nebraska was acting upon my instructions when he said I had requested him to express no objection. I did not care to speak against the bill. I thought we should have more information before it was passed. My objection was with reference to the apparent lack of concern on the part of the majority members of the Agricultural Committee as to what had been going on.

Mr. WHERRY and Mr. McFARLAND addressed the Chair.

Mr. WILLIAMS. It was because I interpreted their haste as a lack of concern on their part, that I said I would bring it to the floor. I ask what was the use of holding a hearing at 10 o'clock this morning on the policy of the Government in handling its mineral rights when the bill was passed yesterday?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I think the whole colloquy should be read with reference to what the minority leader said about taking up the bill after the distinguished majority leader announced that the mineral bill would come up following the call of the calendar. I informed the distinguished Senator from Delaware that the majority leader had made that statement, and I advised him to be on the floor. It was then that he told me he had been unable to get all the information he wanted and it seemed that he would not be able to get it, and, so far as he was concerned, he had no objection to the bill itself; that if the Senate wanted to pass the bill, it was up to the Senate, because if the majority members did not have any interest in the questions he had raised, he would offer no further objection to the consideration of the bill itself.

Mr. WILLIAMS. That is correct.

Mr. WHERRY. So, Mr. President, I engaged in the colloquy after the distinguished Senator from Louisiana [Mr. ELLENDER] had made a motion to take up the antipicketing bill. I understood a statement had been made by the majority leader, which was the statement which the acting majority leader has just read. It is absolutely correct.

I wanted the majority leader to know the plans. I said to the majority leader,

"I am not interested in what is going to happen tomorrow, the next day, or any other day, with reference to hearings." I wanted him to know that so far as this side of the aisle was concerned, there would be no further objection to taking up the bill. What had happened with reference to hearings or what was going to happen, was beside the question. I was interested only in expediting the procedure, and I was acting on information from the Senator from Delaware that he was no longer going to object, because he seemed to feel that if the majority wanted to take the full responsibility they could go ahead and consider the bill.

Mr. WILLIAMS. Mr. President, the Senator from Nebraska has stated the case correctly. It was not the bill itself to which I was opposed. I made that plain when I went before the committee and I am not discussing the merits of this bill today. I did think the committee could more intelligently outline a policy of disposing of the mineral rights if it knew what had developed in the past. I had hoped the committee would express some interest, particularly when it was brought out before the committee that there had been a so-called investment pool involving Government employees which, if it were not illegal, was at least improper.

Mr. ELLENDER. What I wish to say to my distinguished friend is that this pool did not buy the mineral rights under a single piece of property from the Federal Farm Mortgage Corporation, either directly or indirectly.

Mr. WILLIAMS. It does not make any difference whether they bought it from the Federal Farm Mortgage Corporation or from John Doe as a middle man.

Mr. President, I read again from Mr. I. W. Duggan's letter of July 5, 1950, addressed to me, as follows:

> In the St. Louis farm credit district a small number of individuals while serving as officers or employees had, through small investment pools or individually, purchased 85 varying mineral interests including interests in oil and gas leases and fractional royalty interests. These purchases all occurred prior to 1943, and were in areas where there was considerable mineral activity at the time.

The list of names referred to are the same as I have just inserted in the RECORD and which were given to the committee this morning. I think it speaks for itself.

Mr. ELLENDER. Will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ELLENDER. I wish I could continue in this discussion Mr. President, but I must leave to make a radio address at 4 o'clock.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. THYE. As a member of the committee attending the hearing this morning, I should like to say that we asked Mr. Duggan to bring to the committee as early as possible the complete file that would disclose to us who acquired mineral rights, the date on which they were acquired, and what transactions took place. We shall have all that information from the county seats of the respective counties where the real estate happens to be located.

I want to assure the Senator from Delaware that when I asked the question yesterday, "If this bill is enacted will it have any influence or bearing upon the transactions relating to mineral right sales in the past?" and I was informed, "Of course not," with the assurance that any legislation enacted would not in any sense affect the the transactions relating to mineral right sales or leases in the past, there was no object in denying the right to enact the legislation. But I want to assure the Senator from Delaware and everyone concerned that before we get through with the investigation we shall know about every transaction, who the middle people are, and how the rights were acquired, and the cost of the mineral rights, and also why the farmer had not been given the privilege of bidding on mineral rights. We shall endeavor to obtain the answers before we close the files of the hearing.

Mr. WILLIAMS. Mr. President, I thank the Senator from Minnesota for that assurance, I am not leveling any criticism at Mr. Duggan; I want the record to be correct on that—so far as I know, he denied this information to me on orders from higher up. I think he is just as critical of the transactions as I am with reference to the so-called investment pool. I do not think he wants to cloak it with any degree of respectability, and he has taken steps to prevent this happening again.

Mr. THYE. Mr. President, if the Senator will yield further, I am sure Mr. Duggan had no knowledge of the transactions which took place in the St. Louis bank. Had he known it, he would have put a stop to it, because the character of the man and his years of public service indicate that he would not tolerate anything that appeared to be off color in any sense on the part of anyone under his command. When it was called to my attention I was anxious to proceed with the hearing. This morning the Senator from Missouri [Mr. KEM], the Senator from Louisiana [Mr. ELLENDER], and I asked Mr. Duggan to get all the records from the first original loan that was made, showing what percentage of the mineral rights had been held, and, later, what was done with the mineral rights, who the people are, and how they acquired the rights. We are going to have that information. It will take some time before we can obtain the files.

I have expressed my thoughts on the question to the Senator from Delaware. I think he should have an opportunity to appear before the committee and lay before it all the information he has obtained up to this time, because I know the Senator has spent a great deal of time obtaining information directly from individual farmers as well as from persons residing in the areas where minerals have been found and where mineral rights had been retained by the Federal Government, and the holder of the land denied his full rights.

Mr. WILLIAMS. Mr. President, the Senator from Minnesota is also a member of the Committee on Agriculture and Forestry, and he is aware of the fact that more than 2 months ago, after definitely establishing in my own mind that there was a so-called investment pool, I introduced a resolution proposing to suspend all sales until such time as Congress could determine the policy. On the same day I directed a letter to the chairman of the Committee on Agriculture and told him that I wanted to appear before the committee in executive session and present all the information which I had. That opportunity did not come until this week. The Senator from Minnesota was present in committee on Tuesday. All I was asking was that they hold up the determination of the policy until all of us knew more about what we were discussing. Yesterday the majority leader, who had access to the same information, indicated that he wanted to bring up the bill and said there was very little excuse for delay.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. THYE. Mr. President, I think the bill itself as passed will protect a farmer who is now exceedingly anxious to make certain that he acquires the mineral rights to his property, if there is a possibility of a mineral or oil deposit resting under his land. Such a farmer should have a right to make the purchase, and we know that in the event oil is found under his land and the farmer is not entitled to the mineral rights, and there is trespassing on his property in the development of oil, a situation is presented which should be corrected, because it is the individual owner of the surface against whom there is trespass. So I think it is well the bill should be enacted, and that we proceed in an orderly manner to permit the property owner to acquire the mineral rights existing under the land, and in the event the legislation is enacted, of course the proceeding will be legal. Yesterday I would have objected to the consideration of the bill if the Senator himself had not specifically told me not to object to the bill.

Mr. WILLIAMS. I asked the Senator from Minnesota and the other minority members of the Committee on Agriculture and Forestry, and the minority leader not to voice any objection on my behalf if the majority leader or the Senator from Louisiana, both members of the Committee on Agriculture should wish to bring up the bill. I felt that if eight members of the majority party were not concerned with the information which I had brought before them, but wanted to go ahead, the responsibility would rest squarely on their shoulders. I believe we have a situation here of locking the barn door after the horse has been stolen. Contrary to what they said the bill will never take care of a large number of farmers, because those farmers have already been sold down the river. Before the bill was enacted they were sold out by a department of the United States Government which was set up for the specific purpose of protecting the American farmer. It is inconceivable that any bureau of the Department of Agriculture should have allowed this to happen.

Mr. ELLENDER subsequently said: Mr. President, a few minutes ago I had to leave the Senate Chamber while the distinguished Senator from Delaware [Mr. WILLIAMS] was debating the so-called minerals bill. I intended to respond to what he had to say, but I will await until the subcommittee, of which I am chairman, completes its hearings on the matter at issue. I wish to give assurance to the Senate that a subcommittee of the Committee on Agriculture and Forestry is now engaged in hearings on the subject, and that we propose to go to the bottom of the matter and secure all the pertinent facts. I wish to extend to my good friend, the distinguished Senator from Delaware, an invitation to be present at all our meetings and present to the committee such evidence as he may have, that will be pertinent and of benefit to the committee.

ACCOUNTING PROCEDURES ACT OF 1950—CHANGE OF CONFEREE

The PRESIDING OFFICER. The Chair appoints as a conferee on the part of the Senate on the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, the Senator from Minnesota [Mr. HUMPHREY], vice the Senator from Maryland [Mr. O'CONOR], excused.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949—CHANGE IN CONFEREES

The PRESIDING OFFICER. The Chair appoints as conferees on the part of the Senate on the bill (S. 3959) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes, the Senator from North Carolina [Mr. HOEY] and the Senator from South Dakota [Mr. MUNDT], vice the Senator from Maryland [Mr. O'CONOR] and the Senator from Maine [Mrs. SMITH], respectively, excused.

WAR RISK AND CERTAIN MARINE AND LIABILITY INSURANCE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2484) to authorize the Secretary of Commerce to provide war risk and certain marine and liability insurance, which was to strike out all after the enacting clause and insert:

That the Merchant Marine Act, 1936, as amended, is amended by adding thereto a new title to read as follows:

"TITLE XII—WAR RISK INSURANCE

"SEC. 1201. As used in this title—

"(a) The term 'American vessels' includes any vessel registered, enrolled, or licensed under the laws of the United States and any undocumented vessel owned or chartered by or made available to the United States or any department or agency thereof and any tug or barge or other watercraft (documented or undocumented) owned by a citizen of the United States used in essential water transportation or in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(b) The term 'transportation in the water-borne commerce of the United States' includes the operation of vessels in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(c) The term 'war risks' includes to such extent as the Secretary may determine all or any part of those losses which are excluded from marine insurance coverage under a 'free of capture and seizure' clause, or analogous clauses.

"(d) The term 'citizen of the United States' includes corporations, partnerships, and associations existing, authorized, or organized under the laws of the United States or any State, district, Territory, or possession thereof.

"(e) The term 'Secretary' shall mean the Secretary of Commerce.

"SEC. 1202. (a) The Secretary, with the approval of the President, and after such consultation with interested agencies of the Government as the President may require, may provide insurance and reinsurance against loss or damage by war risks in the manner and to the extent provided in this title, whenever it appears to the Secretary that such insurance adequate for the needs of the water-borne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States.

"(b) Any insurance or reinsurance issued under any of the provisions of this act shall be based, insofar as practicable, upon consideration of the risk involved.

"SEC. 1203. The Secretary may provide the insurance and reinsurance authorized by section 1202 with respect to the following persons, property, or interest.

"(a) American vessels, including vessels under construction, foreign-flag vessels owned by citizens of the United States or engaged in transportation in the water-borne commerce of the United States or in such other transportation by water or such other services as may be deemed by the Secretary to be in the interest of the national defense or the national economy of the United States, when so engaged.

"(b) Cargoes shipped or to be shipped on any such vessels, including shipments by express or registered mail; cargoes owned by citizens or residents of the United States, its Territories or possessions; cargoes imported to, or exported from, the United States, its Territories, or possessions, and cargoes sold or purchased by citizens or residents of the United States, its Territories or possessions, under contracts of sale or purchase by the terms of which the risk of loss by war risks or the obligation to provide insurance against such risks is assumed by or falls upon a citizen or resident of the United States, its Territories or possessions; cargoes shipped between ports in the United States, or between ports in the United States and its Territories and possessions, or between ports in such Territories or possessions.

"(c) The disbursements, including advances to masters and general average disbursements, and freight and passage moneys of such vessels.

"(d) The personal effects of the masters, officers, and crews of such vessels, and of other persons transported on such vessels.

"(e) Masters, officers, members of the crews of such vessels and other persons employed or transported thereon against loss of life, injury, detention by an enemy of the United States following capture.

"(f) Statutory on contractual obligations or other liabilities of such vessels or of the owner or charterer of such vessels of the nature customarily covered by insurance.

"SEC. 1204. Whenever the Secretary shall insure any risk included under subsection (d), (e), or (f) of section 1203, insofar as it concerns liabilities relating to the masters, officers, and crews of such vessels or to other persons transported thereon, the insurance on such risks may include risks other than war risks to the extent that the Secretary determines to be necessary or advisable.

"SEC. 1205. (a) Any department or agency of the United States may, with the approval of the President, procure from the Secretary any of the insurance as provided for in this title, except as provided in sections 1 and 2 of the act of July 8, 1937 (50 Stat. 479).

"(b) The Secretary is authorized with such approval to provide such insurance at the request of the Secretary of Defense, and such other agencies as the President may prescribe, without premium in consideration of the agreement of the Secretary of Defense or such agency to indemnify the Secretary against all losses covered by such insurance, and the Secretary of Defense and such other agencies are authorized to execute such indemnity agreement with the Secretary.

"SEC. 1206. The Secretary is authorized during any time the United States is at war or during any period of emergency declared to exist by the President of the United States, to provide insurance for any person who performs services or provides facilities for or with respect to any American- or foreign-flag vessel, public or private, against legal liabilities that may be incurred by such person in connection with the performance of such services or the providing of such facilities. Such insurance shall not be issued against liability to employees in respect of employers' liability or workmen's compensation. No such insurance shall be provided unless, in the opinion of the Secretary, such insurance is required in the prosecution of the war effort or in connection with national defense and cannot be obtained at reasonable rates or upon reasonable conditions from approved companies authorized to do insurance business in any State of the United States.

"SEC. 1207. (a) To the extent that he is authorized by this title to provide marine, war risk, and liability insurance, the Secretary may reinsure, in whole or in part, any company authorized to do an insurance business in any State of the United States. The Secretary may reinsure with, or cede or retrocede to, any such company any insurance or reinsurance provided by the Secretary in accordance with the provisions of this title.

"(b) Reinsurance shall not be provided by the Secretary at rates less than nor obtained by the Secretary at rates more than the rates established by the Secretary on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured whichever is most advantageous to the Secretary, except that the Secretary may make to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as he deems reasonably to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on account of solicitation for or stimulation of insurance business.

"SEC. 1208. (a) The Secretary shall create an insurance fund in the Treasury to enable him to carry out the provisions of this title. Moneys appropriated by Congress to carry out the provisions of this title and all moneys received from premiums, salvage, or other recoveries and all receipts in connection with this title shall be deposited in the Treasury to the credit of such fund. Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this title shall be made from such fund through the Division of Disbursement, Treasury Department.

"(b) Such sums as shall be necessary to carry out the provisions of this title are authorized to be appropriated to such fund.

"SEC. 1209. (a) The Secretary, in the administration of this title, may issue such policies, rules, and regulations as he deems proper and may adjust and pay losses, compromise and settle claims, whether in favor of or against the United States and pay the amount of any judgment rendered against

the United States in any suit, or the amount of any settlement agreed upon, in respect of any claim under insurance authorized by this title, but with respect to any vessel which is insured under the provisions of this act, the amount of the claim adjusted, compromised, settled, adjudged or paid shall not exceed the vessel's fair and reasonable value as determined by the Federal Maritime Board.

"(b) The Secretary may prescribe and change forms and policies, and fix, adjust, and change the amounts insured and rates of premium provided for in this title.

"(c) The Secretary, in administering this title, may exercise his powers, perform his duties and functions, and make his expenditures, in accordance with commercial practice in the marine insurance business. Except as authorized in subsection (d) of this section, no insurance broker or other person acting in a similar intermediary capacity shall be paid any fee or other consideration by the Secretary by virtue of his participation in arranging any insurance wherein the Secretary directly insures any of the risk thereof.

"(d) The Secretary may, and whenever he finds it practical to do so shall, employ domestic companies or groups of domestic companies authorized to do a marine insurance business in any State of the United States, to act as his underwriting agent. The Secretary may allow such companies or groups of companies fair and reasonable compensation for servicing insurance written by such companies or groups of companies as underwriting agent for the Secretary. The services of such underwriting agents may be utilized in the adjustment of claims under insurance provided by this title, but no claim shall be paid unless and until it has been approved by the Secretary. Such compensation may include an allowance for expenses reasonably incurred by such agent, but such allowance shall not include any payment by such agent on account of solicitation for or stimulation of insurance business.

"(e) The Secretary without regard to the laws, rules, or regulations relating to the employment of employees of the United States, may appoint and prescribe the duties of such number of experts in marine insurance as he deems necessary under this title.

"(f) The Secretary with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail himself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this title.

"SEC. 1210. This title shall not affect rights of seamen under existing law.

"SEC. 1211. The Secretary shall include in his annual report to Congress a detailed statement of all activities and of all expenditures and receipts under this title for the period covered by such report and in addition make quarterly progress reports to the Congress with reference to contracts entered into, proposed contracts, and the general progress of his insurance activities.

"SEC. 1212. Upon disagreement as to a loss insured under this title, suit may be maintained against the United States in admiralty in the district in which the claimant or his agent resides, and this remedy shall be exclusive of any other action by reason of the same subject matter against any agent or employee of the United States employed or retained under this title. If the claimant has no residence in the United States, suit may be brought in the District Court of the District of Columbia or in such other district court in which the Attorney General of the United States agrees to accept service. Such suits shall be heard and determined under the provisions of an act entitled 'An act authorizing suits against the United States in admiralty, suits for salvage services, and providing for the release of merchant vessels belonging to the United States from arrest and attachment in foreign jurisdiction, and for other purposes,' approved March 9, 1920, as amended (known as the Suits in Admiralty Act). All persons having or claiming or who might have an interest in such insurance, may be made parties either initially or upon the motion of either party. In any case where the Secretary acknowledges the indebtedness of the United States on account of such insurance, and there is a dispute as to the persons entitled to receive payment, the United States may bring an action in the nature of a bill of interpleader against such parties, in the District Court for the District of Columbia, or in the district court of the district in which any such person resides. In such actions any party, if not a resident of or found within the district, may be brought in by order of court served in such reasonable manner as the court directs. If the court is satisfied that persons unknown might assert a claim on account of such insurance, it may direct service upon such persons unknown by publication in the Federal Register. Judgment in any such suit shall discharge the United States from further liability to any parties to such action, and to all persons when service by publication upon persons unknown is directed by the court. The period within which suits may be commenced contained in said Suits in Admiralty Act shall, if claim be filed therefor within such period, be suspended from such time of filing until the claim shall have been administratively denied by the Secretary and for 60 days thereafter: *Provided, however,* That such claim shall be deemed to have been administratively denied if not acted upon within 6 months after the time of filing, unless the Secretary for good cause shown shall have otherwise agreed with the claimant.

"SEC. 1213. A person having an insurable interest in a vessel may, with the approval of the Secretary, insure with other underwriters in an amount in excess of the amount insured with the Secretary of Commerce, and in that event the Secretary of Commerce shall not be entitled to the benefit of such insurance.

"SEC. 1214. The authority of the Secretary to provide insurance and reinsurance under this title shall expire 5 years from the date of enactment of this title."

Mr. MAGNUSON. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

Mr. WHERRY. Mr. President, reserving the right to object—and I shall not object—I should like to ask the distinguished Senator a question or two on the conference report.

Mr. MAGNUSON. It is not a conference report. There was no conference at all.

Mr. WHERRY. Which subcommittee handled the matter?

Mr. MAGNUSON. The Senate passed the bill, and the House passed a similar bill, with one exception. The bill deals with war-risk insurance. The House bill limited participation to domestic companies. The Senate left it open for domestic or other companies, or combinations.

Mr. WHERRY. Has the distinguished Senator from Maine [Mr. BREWSTER] conferred with the Senator from Washington?

Mr. MAGNUSON. The Senator from Maine has not conferred with me, but he is familiar with the matter. The Senator from Maine [Mr. BREWSTER], the Senator from Maryland [Mr. O'CONOR], and all of us have agreed that it would be better to have the provision broader so as to include other companies. However, in view of the time element involved, we thought it best to concur in the amendment of the House.

Mr. WHERRY. What the Senate has before it is a House amendment to a Senate bill. The House amendment strikes out all after the enacting clause of the Senate bill and narrows its applicability to domestic companies.

Mr. MAGNUSON. Yes.

Mr. WHERRY. Does the Senator state that is agreeable to the Senator from Maine?

Mr. MAGNUSON. Yes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. GEORGE. I have a letter from the Secretary of the Treasury which I wish to insert in the RECORD at this time. I should like to call it to the attention of the Senator from Delaware [Mr. WILLIAMS]. I believe he has left the Chamber. At any rate, the question of exemptions for contributions made to voluntary fire-fighting associations was raised in the proposed amendments to the tax bill. One amendment was offered by the distinguished Senator from Delaware. The matter was also brought to my attention by the distinguished junior Senator from Virginia [Mr. ROBERTSON]. He requested an amendment be offered to that effect. The Tax Court has recently passed upon the question, and the Secretary of the Treasury yesterday, August 22, advised me that these particular cases, citing them, have been acquiesced in by the Treasury. Those cases held that such contributions should be allowed as deductions, and the Secretary of the Treasury adds the following comment in his letter:

> The basis of the acquiescences is the alternative ground suggested by the tax court in the McKenna decision, namely, under section 23 (o) (1) as contributions for the use of a political subdivision for exclusively public purposes.

Therefore such contributions are not taxable. I wish to offer the letter for the RECORD. I ask unanimous consent to have the letter printed at this point in the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 22, 1950.

Hon. WALTER F. GEORGE,
Chairman, Finance Committee,
United States Senate.

MY DEAR MR. CHAIRMAN: In reference to the deduction of contributions made to voluntary fire-fighting associations, the decisions of the Tax Court in *Roy C. McKenna* (5 T. C. 712), *Isabella M. Sheldon et al.* (6

T. C. 510), *Harold E. Smith* (memorandum opinion, Dec. 21, 1949), and *Frederick H. Knight et al.* (memorandum opinion, June 9, 1950), have been acquiesced in. The basis of the acquiescences is the alternative ground suggested by the Tax Court in the McKenna decision, namely, under section 23 (o) (1) as contributions for the use of a political subdivision for exclusively public purposes.

Very truly yours,

JOHN W. SNYDER,
Secretary of the Treasury.

Mr. GEORGE. Mr. President, I wish to call the attention of the distinguished senior Senator from Delaware, who has just entered the Chamber, to the fact that the Secretary of the Treasury has advised that contributions to voluntary fire associations are deductible, and that the Treasury is acquiescing in the decision made by the Tax Court.

Mr. WILLIAMS. I appreciate that.

Mr. GEORGE. That was the subject of an amendment which the Senator from Delaware himself offered to the bill, which we did not incorporate because we were assured we would have this announcement to make.

Mr. WILLIAMS. It is my understanding now that the amendment is not necessary at all.

Mr. GEORGE. Not at all.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. GEORGE. Mr. President, under the unanimous-consent agreement, I should like to have a vote on approving the committee amendments to the bill.

The PRESIDING OFFICER. The Chair would state that they were agreed to by unanimous consent.

Mr. GEORGE. I thought the agreement was merely to have them voted on en bloc.

The PRESIDING OFFICER. The Parliamentarian and the Chair understood that they were agreed to by the unanimous-consent agreement.

Mr. GEORGE. If that is correct, there is no need for a vote, and I have no desire to hold the floor. I believe the Senator from Colorado wishes to offer an amendment to one of the sections of the bill.

Mr. SCHOEPPEL. Mr. President, was the unanimous-consent request agreed to immediately following a quorum call?

The PRESIDING OFFICER. There was a quorum call. The Senator from Georgia submitted a unanimous-consent request, the Chair restated twice his understanding of what the agreement was; there was no objection, and it was the understanding of both the Parliamentarian and the present occupant of the chair, who put the question, that the amendments were agreed to as a part of the unanimous-consent request.

Mr. GEORGE. I thought that perhaps I submitted the request for a vote on the amendments en bloc, without asking unanimous consent that they be considered as approved en bloc.

The PRESIDING OFFICER. The Chair had the latter understanding, and the Parliamentarian did as well.

Mr. JOHNSON of Colorado. Mr. President, I offer an amendment, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 144, line 15, it is proposed, after the word "thereof", to insert "other than civilian American citizen employees of the Canal Zone."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

Mr. JOHNSON of Colorado obtained the floor.

Mr. KERR. Mr. President, will the Senator yield that I may ask the Chair a question?

Mr. JOHNSON of Colorado. I yield to the Senator from Oklahoma.

Mr. KERR. Did the Senator from Oklahoma understand the Chair correctly to say that the request with reference to the suggestion of the senior Senator from Georgia was submitted by the Chair to the Senate as a unanimous-consent request for the approval of the committee amendments en bloc?

The PRESIDING OFFICER. The Chair so understood it. The Chair will restate what he understood the unanimous-consent request to be.

Mr. KERR. The Senator from Oklahoma is not asking as to the request, he is asking about the matter as submitted by the Chair to the Senate.

The PRESIDING OFFICER. The Chair understood the request of the Senator from Georgia to be that the amendments of the Senate Committee on Finance, with the rest of the bill, be considered as one bill, open to amendment on the part of any Senator, and open to amendments in the second degree to such amendments, as if it were a clean bill.

Mr. KERR. The parliamentary situation is that the committee amendments have been approved en bloc?

The PRESIDING OFFICER. The committee amendments were, by the acceptance of the request without objection, approved en bloc. The bill, H. R. 8920, is considered as a clean bill, open to amendment, and the question now is on the amendment offered by the Senator from Colorado.

Mr. KERR. The Senator from Oklahoma thanks the Senator.

Mr. JOHNSON of Colorado. Mr. President, section 216 of the pending bill provides that amounts paid for services performed by a citizen of the United States working for the Government or any agency thereof in possessions of the United States shall be deemed to be derived from sources within the United States. Thus, for the first time since 1922, citizens of the United States employed in the Canal Zone by the Federal Government will be subject to the Federal income tax.

In 1922 the Deputy Commissioner of Internal Revenue handed down a decision, which still stands, that employees of the Panama Canal who receive no other income than compensation for services rendered in the Canal Zone, and who do not receive any part of such compensation within the United States, shall not be required to file Federal income-tax returns.

Down through the years the economic life of the Canal Zone workers has been keyed to, and their pattern of existence has been built around, this tax exemption. Many internal changes have been made in the administration of the Panama Canal since 1922, and always they have been made with this tax exemption in mind. Now, with one stroke of the pen, we are asked to cut off this exemption which, in effect, means that we are giving these loyal workers a wage reduction of 20 to 25 percent. What does it mean to the Treasury? About 7,100 American citizens are affected, and the total tax involved is probably not more than $3,000,000.

Mr. President, with living costs rising as they are, such a drastic cut in earning power will make it well-nigh impossible for our citizens to continue their employment for Uncle Sam in the Canal Zone. Despite the fact that commissaries are operated which are designed to provide food and the other necessities of life at reasonable prices, living costs generally are much higher in the Canal Zone than in most communities in continental United States. Removal of the tax exemption therefore means a sharp reduction in the standard of living for American citizens working in the Canal Zone. It will be only a matter of time until we will no longer have working for us in this most strategic and important area, and one of great hazard in time of war, these faithful and loyal citizens, with their long experience and know-how. The operation of the Canal by them has been outstanding. This provision of the bill will drive them out, and I have grave doubts that the Federal Government will be able to persuade any other civilians in this country to take their places at the greatly reduced wage scale. Eventually what will happen will be that the military will have to take over the job, and these positions will have to be filled with soldiers who lack the necessary training and experience, and there will be a constant turn-over as a soldier's stretch of duty expires and he is moved to some other post. This will break up the continuity of service that is possible under the present system. Moreover, if the present tax exemption is removed we will have the anomoly of American military personnel in the Canal Zone receiving in most cases higher pay than American civil-service employees in the zone, since military personnel receive 20 percent extra compensation for Canal Zone duty, just as for any foreign duty.

Because of the climate in this hot, humid tropical region, our employees in the Canal Zone are encouraged to take their vacations in the States. If their earning power is drastically reduced, as it will be under this provision, they just simply will not be able to afford vacations. Not only will that be serious from a health standpoint, particularly for the older people who have devoted their lives to their jobs, but it will mean reduced efficiency on the job. Even more important, it is bound to result in a much less able and experienced staff of employees, since obviously those who can earn more and live under better conditions will not take Canal Zone jobs.

There is another reason, Mr. President, why this provision is most unfair and most inequitable. Let me explain. In the Canal Zone there are three groups of employees:

First, there are United States citizens who work for the United States Government;

Second, there are United States citizens living in the zone who work for private industries, such as banks, oil companies, shipping companies, and local contractors;

Third, there are citizens of Panama who work for the United States Government. These Panamanian citizens may be civil-service employees or wage board employees working in the same type of position occupied by the United States citizen. Under this provision of the pending bill, the only group to receive this reduction in income is the first group—the United States citizens. In other words, we are penalizing this worker because he is a United States citizen, and because he happens to work for the Federal Government. Can anything be more inequitable or more damaging to the morale of the workers? What incentive is there for our citizens to take these jobs when they know that standing alongside them, performing the same work, will be noncitizens who will take home more pay for doing the very same work?

Bear in mind that the proposed removal of the tax exemption will hit only salaried employees, not businessmen. No American citizen may operate a business in the Canal Zone. Thus we are proposing to tax only salaries paid by the United States Government to United States citizens who are civil-service employees. The noncitizen worker alongside the American citizen will bear no tax burden.

Mr. President, I hope the Senate will accept my amendment to exempt from section 216 Americans citizens working in the Canal Zone. It is unfair, inequitable, and unjustly discriminatory to include them, and they should be excluded.

I want to say in conclusion, Mr. President, that I had an opportunity to present this matter to the Finance Committee. It was considered by the Finance Committee, and rejected by the Finance Committee.

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON].

Mr. GEORGE. Mr. President, the committee rejected the amendment. We looked into it with great care. We did, however, change the effective date. It is not effective for this year at all. Inasmuch as these employees on the Canal Zone receive the standard wage, plus a bonus or a premium, we did not see how it could be done. The Treasury, of course, has been greatly disturbed and greatly embarrassed by protests which have been made about this matter. It is true that persons in the Canal Zone who have been affected by prior rulings of the Treasury and until this measure was passed by the House, are employed there by the Government. But it is also true that their salaries are the standard salaries, plus the bonus or premium.

The committee could see no good reason, in a time when taxes are going up on individuals at home, why these persons should not also pay a tax. We did not apply it for this year. We expressly made it applicable for taxable years beginning after December 31, 1950. So we will have to oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. JOHNSON]. [Putting the question.]

The amendment was rejected.

STATEHOOD FOR ALASKA

Mr. MAGNUSON. Mr. President, I want to say to the Senator from Georgia that I will not take up too much time, but I do have a matter not concerned with the bill, on which I wish to address the Senate.

Mr. President, in the past few weeks many constituents and residents of my State in the Pacific Northwest have asked me what has happened to the Alaskan statehood bill. I have received similar inquiries from residents of Alaska. I think it is a very fair question for those people to ask. Those who raise the question are entitled to an answer. The only answer that will satisfy anyone is a decision on this bill and on the Hawaiian statehood bill, as well, at this session of Congress.

The people of Alaska are entitled to a decision on their statehood bill in this session of Congress. The people of Hawaii are entitled to a decision on their statehood bill in this session of Congress. And I submit, Mr. President, that the people of the United States are entitled to a decision by this Congress at this session.

A decision has been delayed too long on both bills as it is; a decision on whether or not the people of Alaska and the people of Hawaii are to have the right to full self-government under statehood.

Sixty days ago our Government and the United Nations were suddenly called upon to make a crucial decision with respect to the people of South Korea. It was whether or not they would support the principle of democratic self-government for South Korea in the face of Communist military aggression. As quickly as the United Nations Security Council could assemble a decision was reached. This decision involved committing our arms, our wealth, and the blood and lives of hundreds—perhaps thousands—of our finest fighting men to the cause of free self-government for invaded Korea.

Mr. President, Alaska and Hawaii have been striving for full self-government—under the American flag if you please—for nearly half a century. They come to us each session appealing for a decision. They have come to us this session asking a decision. The House of Representatives has responded to their appeal, voting by substantial majorities to grant both Territories the right of self-government when and if they draft a constitution within the provisions of the enabling legislation before us, and acceptable to their own people and to Congress.

The Senate Committee on Interior and Insular Affairs, after extensive hearings in which scores of witnesses were heard, have approved their appeal. Action by the full Senate is due, I might say overdue.

When we can and do commit, and properly I believe, our young manhood, our ships and guns and treasure to uphold self-government for the people of South Korea, we certainly can and should commit a few hours of our Senate time to grant self-government through statehood to our own people, under our own flag, in Alaska and Hawaii.

I ask unanimous consent at this point to insert into the RECORD an editorial, entitled "No Time To Lose on Statehood," published in the Seattle Post-Intelligencer last Friday.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO TIME TO LOSE ON STATEHOOD

Reduced to the lame excuse that there is no time for the Senate to act upon the statehood bills for Alaska and Hawaii during the present session of Congress, Senate Majority Leader LUCAS has been sharply corrected by President Truman.

Mr. LUCAS is mistaken, said the President. There is sufficient time, and Congress should approve statehood for both Territories.

This polite rebuke echoes a sentiment that Americans can and do express in more candid terms.

There's plenty of time to admit both Alaska and Hawaii.

But there's no time to play politics at the expense of the national interest.

The people, as usual, are well aware of and highly impatient with the kind of political maneuvering badly disguised by Mr. LUCAS' excuse.

It has been proved to them by endless investigations, hearings and debates that the admission of Alaska and Hawaii into the Union has become an immediate and urgent necessity: socially, economically, strategically, and morally.

The House of Representatives voted for it 262 to 110, led by delegations of the most populous States which were expected by the statehood opponents to win the fight against it.

The Governors' Conference went on record unanimously this year for the fourth time urging Congress to admit the Territories.

The Defense Department affirmed that "statehood for Alaska and Hawaii would undoubtedly give a considerable measure of strength to the over-all defense of both areas in event of an emergency."

The emergency now is upon us in full force. In Korea, Formosa, and in all reality, China and the entire Pacific area.

The State Department attests that admismission of Alaska and Hawaii would be in conformity with the traditional policy of the United States, and thus would support American foreign policy and strengthen the position of the United States in international affairs.

After demolishing a technical objection on the matter of representation, Mr. Truman wrote this year:

"The case for statehood rests on both legal and moral grounds. I know of few better ways in which we can demonstrate to the world our deep faith in democracy and the principles of self-government than by admitting Alaska and Hawaii to the Union."

Is it possible, in the face of these formal and considered statements, that the matter is not important enough for the Senate to spend the necessary time to consider it?

Americans cannot, and should not, accept lack of time as a serious or valid pretext.

They will take the evasion precisely for what it is, a political strategem carried out by political means for political purposes.

They will wonder how far willfulness and obstinacy will or can go in the face of overwhelming popular and official desire to advance the national interest.

They will conclude correctly that there is time to burn for senatorial deliberation, but that time may soon swiftly be running out to prepare our Nation for the conflicts and difficulties that already confront us in the Orient—where Alaska and Hawaii are our principal bastions.

Mr. MAGNUSON. Mr. President, I concur in its thesis that there is no time to lose.

I submit that the Senate has time to act on statehood this session, and that there are few issues on which its time might be better spent. We have devoted days and weeks to legislation designed to implement our decision and that of the United Nations to defend self-government in Korea. We can certainly devote a few hours toward arriving at a decision on the issue of full self-government for Alaska and Hawaii.

The people of Alaska and Hawaii will welcome such a decision—and statehood—most assuredly.

The people of the United States will welcome it, as they have manifest in every national poll taken on the question, and, I am convinced, the freedom-loving peoples of the entire Pacific Basin, menaced as they are by the threat of Communist aggression, and the ceaseless target of Communist propaganda lies about the United States, will welcome it. To them it will be further proof that the United States practices democracy as effectively as it preaches it.

It will be proof that we grant the rights of full self-government to our own people when they have earned it, and that the principle of extending sovereignty and democratic rights to those who pioneer and develop our Territories is as alive today as it was when Vermont, Ohio, Missouri, Illinois, Kentucky, Texas, and all 35 of the States created after our Constitution was adopted had their stars added to our flag.

Peoples throughout the free world will recognize by our very act of granting statehood to Hawaii and Alaska that communism lies, and if our Voice of America is strong enough, peoples behind the iron curtain will realize it also.

It is the kind of action that throws roadblocks in the path of Soviet propaganda. It is the kind of action that, in the moral sphere, gives added meaning to why our soldiers, marines, sailors, and airmen are fighting and dying in Korea.

Hawaii, I may say here, already has many sons whose names are on our official lists of casualties in Korea. Alaska's first casualty was listed on August 16—Pfc Roy Chichenoff, son of Mrs. Peter Chichenoff, of Kodiak, Alaska, missing in action. They are fine, patriotic Americans, all. They can fight and they can die, but they cannot vote for President, elect a governor, or help send voting representation to Congress until and unless Hawaii becomes a State; nor can Alaskans until Alaska becomes a State.

Oh, yes; they can pay taxes. They can pay income taxes and excise taxes that help support our war effort against communism and for self-determination of peoples in small nations. But they are denied full citizenship under their own American flag. In fact, they have less voice in their National Government than did the South Koreans in the infant Republic our boys are trying to defend.

It has been my good fortune to spend considerable time in Alaska and with Alaska's people. There are others in this body who have been equally fortunate. I am sure they will agree with me that Alaskans, above all, are Americans. They are, in the vast majority, transplanted Americans—men and women who have gone, or whose parents have gone, to Alaska from the 48 States. They are Texans, Nebraskans, Iowans, Oklahomans, Minnesotans, North Dakotans, South Dakotans, Oklahomans. They are New Yorkers and New Englanders. There are those from our coastal States, from Michigan, Wisconsin—and I could go on and on.

Until they went to Alaska they were voting citizens, with all the rights and privileges that implies. Government, both Federal and State, was by and with their consent under the democratic process, freely expressed at the polls.

Today they are governed largely from here in Washington by people they did not elect and by laws passed without their single Senate voice and without their vote in either branch of Congress.

I ask. Is that fair to Americans who for half a century have striven and aspired for statehood?

Mr. President, our two organized Territories are ready for statehood. The promise of statehood was held out to both of them when, by congressional action, they became organized Territories. That status, and that status alone, is recognized as preparatory for statehood. Today they are prepared for statehood.

They want to stand on their own feet just as each of our 48 States do.

In 1948 the political platforms of both major parties held out to Alaska a pledge of statehood. The time to deliver on that pledge is now, at this session of Congress, in my opinion.

On May 21, 1948, as Senators will recall, the President of the United States sent to Congress a special message on the subject of statehood for Alaska and Hawaii.

Again, on May 5 of this year, the President asked that this legislation be adopted when he wrote the distinguished Senator who is chairman of the Senate Committee on Interior and Insular Affairs. In his letter to the Senator from Wyoming [Mr. O'MAHONEY] the President of the United States said:

I sincerely hope that the Congress during its present session will enact legislation granting statehood to Alaska and Hawaii.

The need is more urgent today than ever before. By such action we will not only promote the welfare and development of the two Territories but also strengthen the security of our Nation as a whole.

There we have three potent reasons why the Senate should act on these statehood bills without further delay. Those reasons are as follows:

For the welfare of the peoples of the two Territories.

For the development of their resources.

For the strengthening of our national security.

Who can oppose those American objectives?

Statehood and public welfare are synonymous under our system of government. Every Territory in the history of our Republic has enhanced its welfare upon achieving statehood.

There is no record that any State has ever sought to revert to a Territorial status, and there never will be.

Statehood has given impetus to the development of resources, wherever and whenever it has been granted.

Mr. President, nowhere today under the American flag do we need vital resources developed more than we need to have them developed in Alaska.

We need Alaska's fishery resources, its lumber and its pulp. We need its minerals, which, aside from gold and coal, have been scarcely tapped. We need its strategic metals: mercury, antimony, chromite, palladium, and tin. The only tin available in North America for production is in Alaska. We need Alaska's copper, its iron, its lead, zinc, and asbestos. Mr. President, I wish to add that I think the time will come when we shall need the oil that is found on the great Arctic shelf in Alaska. Today oil is to be found there in large quantities.

I am sure I am safe in predicting that in the generation following Alaska's entry into the Union as a State, development will ensue at such an accelerated tempo that in many industries existing records of production will be multiplied many times over.

The agricultural possibilities of Alaska should be noted. Although Alaska is not identified primarily as an agricultural region, an estimated 2,000,000 acres are suitable for cropland, and another 4,000,000 acres can provide grazing land for livestock.

Here is a region capable of providing an economic base, not for the tens of thousands who are living in the Territory, but the hundreds of thousands who will live there in a not-too-distant future. It will maintain them on the same high level of living as that enjoyed in the United States, and in an area not unlike the Scandinavian countries which are inhabited by millions.

Today, Mr. President, Alaska has more natural resources than Norway, Sweden, and Finland, numbering 13,000,000 people. The only exceptions are timber and waterpower. However, in Alaska there are great possibilities for the development of hydroelectric power.

Some opponents of statehood for Alaska charge that Alaska would not receive sufficient land to meet the burdens of statehood.

The facts are that the pending bill would provide more generously for Alaska in the matter of public lands than was the case of any State previously admitted to the Union, and will do so on a sound economic pattern.

The opponents of statehood for Alaska, who say the Alaskans cannot succeed on the basis of the grants proposed in this measure, simply do not know Alaska or Alaskans or the courage and energy of the people who live there; they simply do not know the facts involved in this matter. Here is what the bill would do, in part: An immediate grant of 200,000 acres to the new State in national forests,

which cover much of its southeastern area; a grant of another 200,000 acres from the public domain adjacent to Alaska's established communities, so that it would be possible for the towns and communities to expand, which they cannot do now. There also would be a grant to the new State, 5 years after its admission, of 20,000,000 acres of vacant and unreserved lands, public lands, which the new State itself would have the right to select.

Of course, in its careful drafting, the Committee on Interior and Insular Affairs has taken great pains to protect the rights of homesteaders, prospectors, and others who pioneered this rich region. The bill specifically provides for the protection of valid existing entries, locations, and claims.

Last year, Mr. President, without having the right of self-government, Alaskans paid a total of $18,000,000 in direct income taxes to the Federal Government. That was in spite of the barriers that her status as foster child have created. That figure is interesting too, as being about two and one-half times the amount we paid for Alaska originally, when we purchased Alaska from Russia.

It is easy to understand why Alaskans grow impatient for statehood, Mr. President, when their region has already produced 400 times the value of its initial cost. The argument of inability to pay his way does not get far with an Alaskan. Four hundred times what that Territory cost us originally has come into the coffers of the United States Government; that amount has come from those who have gone to Alaska and have done the fine job of developing that large area.

Then we find that arguments based on the transportation question are advanced in opposition to the admission of Alaska as a State. We have made many proposals, included among which is a bill which I myself introduced, in regard to the possibility of the construction of a railroad to Alaska, a railroad which, together with an adjacent highway, someday, when peace comes to the world, might well go all the way to Asia. The Bering Sea could easily be crossed in that way, Mr. President. I can visualize such a development in the lifetime of many of those of us who now serve in the Senate.

The Bering Sea is a short strait, and, when peace comes to the world, we can all live in harmony. There is no reason why a man should not be able to get into an automobile in Washington, D. C., and drive to Paris or to any part of Asia or Europe. We are making advances in transportation. But we need statehood for Alaska now principally to strengthen our national security, as has been pointed out not only by the Joint Chiefs of Staff, on their recent visit to Alaska, but by the President and all others concerned.

A succession of our most eminent military authorities, General Eisenhower among them, have stressed Alaska's strategic importance to the United States at this time.

It may be noted in passing that Alaska, like Korea, is a peninsula, jutting out into the Pacific. We remember that Gen. Billy Mitchell said, "Who holds Alaska holds the world."

We may well heed the fact that Russia has told the world that the sale of Alaska by czarist Russia was illegal. Some hold that the foundations of that argument will be blasted into eternity on the day that Alaska becomes a State, and I wholeheartedly agree. But the propaganda still exists throughout the Soviet dominions that Alaska still morally belongs to the Soviet Union.

There are defense aspects to this question which challenge our attention. Among them is the fact that the military and commercial tonnage carried by the Alaska Railroad, which runs from Seward to Fairbanks, has more than quadrupled in the past 10 years.

Senators well remember that Alaska is 54 miles across the Bering Strait from Siberia. They are familiar with the activity that has been recorded across those straits. I strongly doubt that there is a Member of this body who does not believe that Alaska's strength will never be fully developed until her political and economic systems have matured as well.

The advices of our military authorities cannot be ignored with impunity.

We have the word of Lt. Gen. Nathan F. W. Twining, United States Air Force, Commander in Chief, Alaskan Command, that statehood will aid the military because it will improve the economy and the population, and because it borders on Siberia. He asserts that statehood would be a great asset to military development, because it would provide a more stable form of government for the people of that area.

That statement is corroborated by history, and the testimony of the former Secretary of War, the Honorable Robert F. Patterson, given long before the Korean situation developed, a situation which even enhances the necessity of granting statehood at this time. Secretary Patterson said:

> I support statehood on many grounds. I am thinking back to those anxious days in 1942, when the Japanese threat to Alaska was one of our gravest concerns.
>
> It was brought home to me that our chief difficulty in defending Alaska was the problem of supplying our military forces there. What was lacking was the population to develop the natural resources.
>
> What was true in 1942 and 1947 is true in 1950. The prime need in national defense, so far as Alaska is concerned, is a growing population. In Soviet Russia a need like that would be met by establishment of slave-labor camps, as has been done across the Bering Strait in Siberia. That will never be our way—the growth of population, will promote the utilization of resources, and will strengthen the national defense.

Another profound analysis of the national defense aspect was placed before the Congress and the American people before the invasion of South Korea.

Two months before the invasion, General Eisenhower provided the Congress, and the American people, with his appraisal of the Nation's security. In his judgment, attention to the defense of Alaska occupied first priority. I seriously contend that the situation has not changed. I even think it should call for a priority plus.

I am among the sponsors of the Senate bill providing for statehood for Alaska. Statehood must be granted, not only because of the overwhelming weight of the arguments advanced, but because of one element that is strikingly clear to the people of this Nation, and to the rest of the world.

Taxation without representation is repugnant to what we mean when we say American, and America has always included Alaska.

I ask in all seriousness, must we wait for Russia to attack Alaska, before we grant full self-government to Alaskans?

If we do, I assure you, it may be too late. The time for a decision is now. The urgency is evident in a telegram I received today from Gov. Ernest Gruening, of Alaska. I put this up to the Senate. I am sorry the majority leader is not here, because I should like to ask him a question. The telegram from the Governor of Alaska, addressed to me, reads as follows:

> WASHINGTON, D. C., *August 21, 1950.*
>
> Hon. WARREN MAGNUSON,
>
> *United States Senate, Washington, D. C.:*
>
> Gravely fear SCOTT LUCAS is stalling us on bringing up statehood bills. Failure to do so would be shocking betrayal of Democratic aspirations, party pledges, and policy. At no time has action on statehood been so imperative as now. Please do your utmost, including seeing President to have these bills brought up before recess, September 2.
>
> GOV. ERNEST GRUENING,
>
> *Juneau, Alaska.*

Mr. President, having read the telegram as it was written, I may say that since receiving it I have had several conferences with the distinguished majority leader, who has made a statement also on the matter of statehood for Alaska, to the effect that every attempt is to be made before the end of the session to get action on it. The Governor of Alaska asks for that decision, the people of Alaska ask for it, and the people of the United States ask for it. I plead for some action during this session of the Congress.

I appreciate that we are concerned with many matters which in the minds of Senators might require priority, particularly in relation to the so-called war effort and the things we are doing. But to my mind, this is in itself a war measure. The greatest psychological blow which could be struck, insofar as the Russians are concerned, and insofar as communism is concerned, in the eyes of all the little peoples of the world, would be for us not only to preach Americanism but to show that we really believe in it by granting statehood to Alaska. It means just that. The Russians themselves could readily understand action of that kind and would know that we meant business insofar as that great Territory was concerned. If one reads the history of Russia and of other imperialistic countries, he will find that territories were regarded lightly by them. They were not matters of serious concern. Territories, in their view, were things to be used as pawns, things to be abandoned, things to be made expendable. The Russians believe that probably we may have the same feeling about Alaska, thereby inviting an attack on Alaska, since we have long neglected making it an integral part of the United States by

granting it statehood. I hope we may get action on this matter before the session is ended.

I see my distinguished friend the junior Senator from Illinois, who probably desires to ask a question or two about the telegram. The telegram has been made public previously. The Governor may have made use of a word which is not quite accurate, but the telegram was made public last week, and I have now read it to the Senate. It expresses the hope of the people of Alaska.

It is imperative that the Senate take action on statehood for Alaska at the present session.

Mr. DOUGLAS. Mr. President, will the distinguished Senator from Washington yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Illinois?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. The Senator from Washington is, of course, aware of the fact that as the session draws to a close every group which has a bill it desires to have passed puts pressure upon the majority leader to have its bill brought up. The majority leader is therefore placed in the position of having demands made upon him for action upon a vast number of bills, with only a limited time in which to do the job.

Mr. MAGNUSON. I appreciate that fact. I discussed this question with the Democratic Policy Committee, but I think that, as we draw toward the end of the session—I know this happens in all legislative bodies—we must make certain decisions as to priority and the relative importance of various pieces of legislation.

Here is a bill which the House has already passed, and on which we have had long hearings. The opposition has had ample opportunity to present evidence on the statehood bills for both Hawaii and Alaska. The people of both Territories want statehood. The population of Alaska would practically double almost as soon as the President placed his signature on a statehood bill. There are literally thousands of persons who make their living in Alaska and who live there most of the time, but because it is not a State they maintain their residences in other States for voting purposes. The minute Alaska becomes a State they will say, "We are not only residents of Alaska. but we are citizens of a State."

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. Is it not true that if the bill providing for statehood for Alaska were brought up separately there would be an immediate demand from many Members of this body that statehood for Hawaii be also considered at the same time.

Mr. MAGNUSON. That is correct.

Mr. DOUGLAS. And if and when statehood for Hawaii were brought up, some Members would object to statehood for both Alaska and Hawaii, and some would object to statehood for Hawaii alone, and we might be plunged into a long debate which would hold up other vital matters, and prolong unduly this session of the Congress. So, in view of the fact that I happen to be a good friend of both the Governor of Alaska and my senior colleague, I think the Governor used words which were uncharitable and untrue in intimating that the majority leader has been delaying in this matter. The majority leader has a very difficult task. I do not think he is delaying on any legislation, and I cannot let this occasion pass without saying that I think the Governor has acted improperly in making his statement. The majority leader has a very difficult problem in trying to accomplish a maximum of legislation in the days which remain to us, and I hope that we shall all be charitable toward each other in these matters. I have never known the senior Senator from Illinois to stall and I am confident he is not doing so in this matter. And I speak as one of the sponsors of the bill granting statehood to Alaska.

Mr. MAGNUSON. I think the Senator will agree that I stated only what had been done. I do not know how many times I have discussed it with the majority leader and other persons. Let us be frank about it. There are many Members of this body—and some of the pressure is reflected, naturally, on the policy committee—who do not want statehood for Alaska, but they do not want to meet the issue on the floor of the Senate, because, in my opinion, they do not have any ground to stand on. Naturally, the majority leader must do the best he can, as must the policy committee, to take care of requests of all Senators, but there is no reason why statehood for Alaska should not be a top No. 1 priority bill, in view of the military and security aspects of the question. The majority leader has personally expressed himself to me as being in favor of statehood for Alaska. I have not discussed with him the subject of statehood for Hawaii. We discuss bills that are important, but I do not think some of the bills which have taken up the time of the Senate have the same priority that this very important matter has.

I am making this plea for action. I hope we can debate the bill thoroughly. I know there are other reasons why Alaskan statehood is opposed. I use the word "stall"——

Mr. DOUGLAS. That was not the Senator's word.

Mr. MAGNUSON. I use it now. We occasionally stall in legislative processes. What is the use of saying we do not?

Mr. DOUGLAS. There is no stalling with reference to Alaskan statehood.

Mr. MAGNUSON. But there are some Senators in this body who oppose it for reasons which go beyond Alaska and which have nothing to do with the plea of the Alaskan people for statehood. I can state those reasons. They are very simple. There are 96 Members of this body, and if Hawaii and Alaska become States, we shall then have 100 Senators. When we dilute 96 Senators by adding 4, there might be a tendency to dilute a bloc. The people of Alaska are not concerned with that. They are honest, courageous people who are pioneers and who have developed that territory. They are concerned that the Congress of the United States act so that they may assume their responsibility as citizens of a State. It is not an easy matter. I think in some cases they feel they would be better off financially and in other respects if Alaska should remain a territory. But they want to assume the responsibility. They know that when they assume their responsibility they are adding to their burden. I think their plea should be heeded.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. Did I correctly understand the Senator to say something about diluting a bloc, or a coalition—which?

Mr. MAGNUSON. I think it is both coalition and bloc. One is the same as the other.

I hope that the policy committee, despite the fact that there may be some suggestion that it might keep us here longer, will, at some time before the session ends, bring up this bill. All the facts are known as to both Hawaii and Alaska. I have a much deeper interest in the Alaskan matter. I know more about it than I know about Hawaii. I hope one will not have the effect of killing off the other. Alaska's entry into the Union would be somewhat different from Hawaii's entry, but I think the military aspects in both cases are very vital to us at this time and will be in the future.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HUMPHREY. Is the Senator aware of the fact, or has he referred to it while I was off the floor, that a tremendous military preparation is being made by the Soviet Union in the area of Siberia which borders upon Alaska?

Mr. MAGNUSON. Yes. The Soviet Union has done a great deal of work, the extent of which is known to some persons. There is the question of air bases, with airplanes which could come to our big industrial centers in the whole northern tier of States. If we look at the globe, it will be seen that that is the shortest route. They have made preparations in that area. Our first line of defense, in my opinion, is the great Territory of Alaska. In times past I have been very critical of the military. I have stated that they had neglected Alaska. That is only natural. I know many people do not like to live in some of those far northern areas. A tour of duty is not very pleasant there. It is also not pleasant in the Aleutian Islands. I served there for a while during the war. It is not as pleasant as Miami or some place in Texas——

Mr. KERR. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. KERR. Is the Senator not aware that Oklahoma is one of the most favorable spots?

Mr. MAGNUSON. Yes. So is Minnesota.

Mr. President, I think the importance of Alaska from the defense standpoint is now quite firmly fixed in the mind of the military. We did not have very much installation there prior to World War II. One of my first jobs in the

United States Navy was to advise some of those in the Pacific Command where they could find fishermen who were used to patrolling the Aleutian Islands. The charts of the Navy were insufficient.

I found two or three fishermen who knew how to navigate the Aleutian Islands. I had uniforms put on them, and the Navy finally found its way around the Aleutian Islands.

The Navy has continued to operate some of its bases in the Aleutians, particularly Kodiak. Some others have been abandoned. We are trying to do more in Alaska. We are a little behind in our housing, but our airfields are good. Our radar control system has No. 1 priority in that area. I do not suppose we should mention the number of personnel.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HUMPHREY. It is estimated that the Soviet Union has from 5,000 to 6,000 first-line planes and a large number of bombers in the area of Siberia which borders on Alaska, and that they are now in process of constructing anywhere from six to eight major airfields within 1,000 to 2,000 miles from Alaska. I think the importance of the Senator's remarks is related directly to Alaska as a sort of open door to an attack upon the west coast and upon States like Minnesota, which is on the great circle route over that area.

Mr. MAGNUSON. Chicago also, and the great industrial area of Detroit. I should like to point out to the Senator from Minnesota—and I think this is very important—that there has been considerable discussion, which I suppose our enemy is aware of, regarding our attitude toward Alaska, to the effect that it is a land of ice and snow, that we do not have much matériel up there, and that it is a Territory. The Russian mind, or any type of militaristic mind, may well believe that America would not try to defend Alaska. However, they would quickly change their mind once we said to the Russian people and to all the peoples of the world: "This is America. This is a State."

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. HUMPHREY. As a matter of fact, history tells us that Alaska was once in the possession of Russia.

Mr. MAGNUSON. Yes.

Mr. HUMPHREY. Since their Politburo apparently has discovered everything worth discovering in the world and are always denouncing the deeds, negotiations, and obligations of the Czarist regime, it is entirely possible that they may still think they did not sell Alaska to us and may want to take it back, or reclaim it. I hope what I say is a bit facetious. However, in view of the statements made by leaders of the Soviet Union insofar as military and political matters are concerned, it is not at all impossible to believe that they will say to the world they had to liberate Alaska in order to bring it back into the fatherland, even though we gave them a sizable sum of money in an up-and-up, straight-forward, and across-the-board deal.

Mr. MAGNUSON. I merely wish to add that it is not at all facetious to say so. That is certainly what Russia is saying now and exactly what she has said for a good many years. That is exactly what she is telling her people. She would justify an invasion of Alaska by saying that it is still a part of Russia, that the capitalistic and terrible Americans stole it from Russia, and that we certainly did not give them enough money for it. Russia still refers to Alaska as a part of Russian territory. As a matter of fact, Russia has made a saint of Baranov, who was one of the early Russian pioneers in Alaska. I should not say a saint, because Russians do not make saints. They have made him a four-star hero.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HUMPHREY. It is my understanding that Alaska is capable of supporting a population, in terms of tillable land and resources, equal to the population of Finland and Norway combined.

Mr. MAGNUSON. Alaska could support a population equal to that of Norway, Sweden, and Finland combined.

Mr. HUMPHREY. Those countries are not dissimilar, from a climatic and geographic standpoint, from certain parts of Alaska.

Mr. MAGNUSON. Yes. As a matter of fact, I should like to see immigration opened up for Scandinavians.

Mr. HUMPHREY. They are hardy and tough, and they can take it.

Mr. MAGNUSON. Of course we would not want to discriminate, but I know if we were to let them settle in Alaska we could forget all about them, and if we made Alaska a State we would develop there one of the finest civilizations the world has ever known.

Mr. HUMPHREY. I think one of the main reasons why we need Alaska—and I shall support her right to statehood vigorously—is, if its needs are to be taken care of, it must have proper representation in Congress to vote and speak in its own behalf. The Senator from Washington has taken time out of his busy life and schedule to bring to the attention of the Senate the importance of this subject. The Senator from Washington has a big stake in it. He must work in behalf of Alaska day in and day out, and I am sure the Senator would be more than willing to share those responsibilities with two United States Senators and at least one more Representative in the House.

Mr. MAGNUSON. I am very selfish about it, because it would mean that I would not have to be also the Senator from Alaska, so to speak, and the people of Alaska would have good representation. They have many problems on which they need representation in Washington, both voice representation and voting representation. In two or three generations Alaska will have a population and economic wealth which will exceed perhaps three or four States which we have in the Union now. It has as large a population as I think some 16 States had when they were taken into the Union, when no questions were raised as to what their resources were.

Mr. HUMPHREY. It has been my privilege to speak to the President on this subject, and I know that so far as our Commander in Chief is concerned he believes that statehood for Alaska should have priority if we are adequately to build up our defenses and protect not only that area but other sections of our country as well. Statehood for Alaska should be considered as vital as strengthening our armed services or any element of our foreign policy. It is very difficult to build up the kind of Defense Establishment we need and develop the kind of foreign policy we need without giving statehood to Alaska.

There is also the consideration of the psychological and political relationships. It would prove again that the United States is dedicated to the proposition of autonomous, independent self-government. Alaska has been promised statehood. It can be brought into the Federal Union on an equal basis. To do so would have a great impact in other parts of the world where independent states are being established and autonomous states are being set up. It would have a great effect, for example, on the people of Indochina, whose people are looking toward the United States and whose territorial integrity and independence we may have to defend and fight for. Giving statehood to Alaska certainly would have a great psychological impact on such areas of the world.

The Senator from Washington has presented the matter to us in terms of a realistic defense, and we owe a debt of gratitude to him. He has done much for housing in Alaska and for Alaskan defense, and we are indebted to him for bringing the attention of the Government and the people again and again to the great responsibility we have in Alaska and to the great tragedy that could befall us if we do not take care of Alaska.

Incidentally, we almost faced a tragedy in World War II. We were within a hair's breadth of disaster. After all, the Soviet Union is not building airfields a few thousand miles from Alaska merely for the purpose of conducting glider classes for the people of Siberia. They must feel that it would be a great stepping-off place if there were another war in which they are involved against the United States of America. If ever we should have learned a lesson, we should have learned it during World War II.

Mr. MAGNUSON. I thank the Senator from Minnesota.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 2317) to authorize grants to States for surveying their need for elementary- and secondary-school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments

resulting from defense and other Federal activities, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BARDEN, Mr. BAILEY, Mr. BURKE, Mr. MCCONNELL, and Mr. KEARNS were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4800) to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions:

H. R. 1585. An act for the relief of Leilah begun Alaoui Mullin;

H. R. 1611. An act for the relief of Walter E. Miller;

H. R. 1616. An act for the relief of S. L. Ayres & Co., Inc.;

H. R. 3132. An act for the relief of Sergio and Mara Lamberti;

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 3304. An act for the relief of Jose Cotto Santiago;

H. R. 3921. An act for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras;

H. R. 4014. An act for the relief of Maria Hoffman;

H. R. 4142. An act for the relief of Ralph D. Kinney;

H. R. 4657. An act for the relief of J. B. Fleming & Co.;

H. R. 4775. An act for the relief of Harold L. Corzett; commander, United States Naval Reserve;

H. R. 4954. An act for the relief of Jacob F. Hutt and Anderson E. Humphrey;

H. R. 5523. An act for the relief of Fred I. Massengill;

H. R. 5984. An act to approve Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases;

H. R. 6052. An act for the relief of John M. Vick;

H. R. 6217. An act to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration;

H. R. 6221. An act to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home;

H. R. 6223. An act to record the lawful admission to the United States for permanent residence of James Ermini;

H. R. 6312. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Josephy Lundberg and others against the United States;

H. R. 6386. An act for the relief of Amos Chen, a native of Jamaica, British West Indies;

H. R. 6417. An act for the relief of Mrs. Frieda Gray (formerly Frieda Putman);

H. R. 6442. An act for the relief of Mrs. Martha Reid;

H. R. 6449. An act for the relief of Mrs. L. M. Cox and Mrs. M. R. Nickle;

H. R. 6463. An act for the relief of Mrs. Shikaju Nakashima;

H. R. 6578. An act for the relief of Mrs. Gunnborg Janzon Hamilton;

H. R. 6586. An act for the relief of Stamatic Amersonis;

H. R. 6707. An act for the relief of Sirius Proestopoulos;

H. R. 7012. An act for the relief of Anna Ellero and Clara Ellero;

H. R. 7146. An act to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory;

H. R. 7282. An act for relief of Cornelius VerSluis;

H. R. 7297. An act for the relief of Ignas Malcius;

H. R. 7370. An act for the relief of Kiyoko S. Barr and Harue Barr;

H. R. 7613. An act for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding;

H. R. 7641. An act to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church;

H. R. 7677. An act to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School;

H. R. 7814. An act for the relief of Stella Matutina Kazuko Yamazaki;

H. R. 7840. An act to provide for the refund of certain estate taxes;

H. R 7919. An act for the relief of Mrs. Yukiko Yoshii French and her son;

H. R. 7921. An act for the relief of Eva T. Ross;

H. R. 8009. An act for the relief of Enrica Gianoli;

H. R. 8061. An act or the relief of Mrs. Yuki Sugimoto Murphy and David Murphy;

H. R. 8069. An act for the relief of Mrs. Michiko Kohga Brooks;

H. R. 8073. An act for the relief of Kimiko Iso and her minor daughter, Midori;

H. R. 8134. An act for the relief of Elona Schwietza and her son;

H. R. 8153. An act for the relief of Chiyoko Akashi;

H. R. 8315. An act for the relief of Josephy F. Gallagher;

H. R. 8417. An act to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States;

H. R. 8423. An act for the relief of Yuriko Mizumoto;

H. R. 8473. An act for the relief of Kimiko Tomita;

H. R. 8477. An act for the relief of Marcel Rene de Romanett;

H. R. 8558. An act for the relief of Kimiko Yamaguchi;

H. R. 8584. An act for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating;

H. R. 8619. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes;

H. R. 8684. An act for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin;

H. R. 8740. An act for the relief of Erika Kuhn;

H. R. 8741. An act for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin;

H. R. 8742. An act for the relief of Mrs. Tokiko Amano Roloson;

H. R. 8751. An act for the relief of Mrs. Yoshiko Ogiso Peterson;

H. R. 8772. An act for the relief of Ab-Kim-Wong;

H. R. 8794. An act for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.;

H. R. 8795. An act for the relief of Benjamin Paglinaman;

H. R. 8824. An act for the relief of Tokuko Murayama;

H. R. 8826. An act for the relief of Yaeko Nakajima;

H. R. 8918. An act for the relief of Mary Rynik Baran;

H. R. 8935. An act for the relief of Mrs. Jaye Kurusu Maddox;

H. R. 8956. An act for the relief of Mrs. Claude Morita and Rodney Morita;

H. J. Res. 497. Joint resolution excluding from gross estate of a nonresident alien works of art on loan to the Trustees of the National Gallery of Art;

H. J. Res. 510. Joint resolution to exempt certain counsel employed by committee from certain Federal laws under Special Committee on Campaign Expenditures, 1950; and

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

RECORD OF THE REPUBLICAN PARTY IN DEALING WITH AGRICULTURAL PROBLEMS

Mr. AIKEN. Mr. President, so much untrue and misleading political propaganda has been spread relative to the record of the Republican Party in its relation to agriculture that I desire at this time to put this record in its true light before the Congress and the public. It is a glorious record, Mr. President. One of which every Republican and every American may well be proud.

The Republican Party traditionally has been a strong supporter of the American farmer. Much of the progress that has been made in the agriculture of this Nation was achieved under Republican leadership.

It is significant to note that the Republican administrations have never had at their disposal the high-powered propaganda machine the present Democratic administration employs to propagandize the American farmer and to misrepresent the record.

Nevertheless, the record of the Republican Party in behalf of the farmer stands on its merits. It is a good record—one to be proud of.

The much-maligned Eightieth Congress, which has been so viciously misrepresented by the present administration, has a record of accomplishments in the agricultural field that has not been equaled in recent history.

EIGHTIETH CONGRESS RECORD

Here is the record: The Eightieth Congress passed a permanent long-range price-support program, based upon a supply demand price relationship resulting in an effective price range for basic commodities of 72 to 90 percent of parity—not 60 to 90 percent, as was widely publicized.

Before the long-range provisions of the 1948 Farm Act had an opportunity to go into effect, the Eighty-first Congress, for political reasons, passed the Agricultural Act of 1949 which amends the 1948 act. The basic principles of the flexible supports and modernized parity formula, which were the basis of the 1948 act, are still in the law, but the operation of the flexible support for basic com-

modities was suspended temporarily through an amendment to the 1949 act. The application of the modernized parity formula was suspended in respect to cotton, peanuts, wheat, and corn, which is making application of the law more difficult this year.

It is interesting to note that, despite the espousal of a so-called 100-percent price-support program by the Secretary of Agriculture, he has applied the flexible price-support principle to nonbasic commodities in a large percentage of cases where he has had the opportunity to choose between the top level of support and a lower figure. Some notable examples are eggs, dairy products, flaxseed, potatoes, oats, rye, barley, grain sorghums, and edible beans.

It is interesting to note also that under the old triple-A program before the war the level of support for such commodities as wheat and cotton through 1938 never exceeded 52.3 percent of parity, and in 1939 it was only 55 percent of parity.

The Eightieth Congress also completely revised the crop-insurance program and set it up on a sound long-range basis. Basic improvements were made in the administration and operation of marketing agreements, which are vitally important to the dairy industry, and in laws relating to farm labor, national forests, the tenant-purchase program, the handling and distribution of insecticides and other agricultural chemicals.

The Eightieth Congress provided the Commodity Credit Corporation, which is the key agency in price-support operations, with a Federal charter for the first time. This Federal charter was vital to the continuation of the CCC. Under this charter the CCC was given full authority to carry on a farm grain-storage program, but the Secretary of Agriculture refused to inaugurate such a program until a Democratic Congress had taken over in 1949. This refusal to provide a farm-storage program under a Republican-enacted law, precipitated a drop in grain prices during late summer and fall of 1948 and cost the Grain Belt farmers untold millions of dollars.

Diseases of plants and animals, that are a threat to both farmers and consumers, were attacked by the Eightieth Congress. Authority and ample appropriations were provided for fighting foot-and-mouth disease in Mexico in order to prevent its spread into this country. In addition, authority and funds were provided for the eradication of cattle grubs; for a fight against the new threat of the golden nematode to potatoes and tomatoes; for added safeguards against the importation of pests and diseases of shrubs and small plants; and for concerted action against destructive pests and diseases in our forests. The search for a solution to the problems of the conservation and maintenance of our forest and soil resources has always received the active support of the Republican Party.

In its actions, the Eightieth Congress was concerned with the welfare of farm families and the improvement of farm living conditions. Unprecedented authorizations were made for the extension of rural electrification and for development of rural roads.

BEFORE THE EIGHTIETH CONGRESS

Back of the Eightieth Congress, and down through the years the Republican Party has compiled an amazing record in the field of agriculture.

Some of the high lights include:

The creation of the Department of Agriculture, passage of the Homestead Act, and passage of the Morrill Land Grant College Act—in the Lincoln administration.

Under President Grant, forestry work by the Federal Government was started.

Most of the research bureaus of the Department of Agriculture were organized during Republican administrations. One of the first was the Bureau of Animal Industry, established in 1884 during the Chester A. Arthur administration.

The achievements during the administration of Theodore Roosevelt included the passage of the Reclamation Act and creation of the Forest Service.

A milestone in farmer cooperative legislation was the Capper-Volstead Act, passed during the Harding administration in 1922. This act strengthened the legal status of farmer cooperatives.

The Bureau of Agricultural Economics—well known for its research and fact-finding in the field of agriculture—was also created during the Harding administration, and the Agricultural Credit Act, setting up 12 Federal intermediate credit banks to serve agriculture, was passed during the same Republican administration.

In 1926 the enactment of the Cooperative Marketing Act, when President Coolidge, a strong supporter of farm cooperatives, was in office, strengthened the Department of Agriculture's activities in behalf of farmer cooperatives.

During the Hoover administration the Agricultural Marketing Act was passed to promote effective merchandizing of farm commodities in interestate commerce and to place agriculture on a basis of economic equality with other industries.

Also, the first attempt to relieve short-term credit problems of farmers was made by the establishment of 12 regional agricultural credit corporations under RFC.

The Federal Farm Board was established in 1929. In addition, Federal Land Banks were strengthened under the Emergency Relief and Reconstruction Act of 1932.

ACHIEVEMENTS IN THE DAIRY FIELD

The Republican Party has long recognized the peculiar and difficult problems of the dairy farmer. The list of achievements in the dairy field, under Republican administrations, is long and distinguished. Some of the high lights include:

The determination of the carrier of tick fever by the Bureau of Animal Industry in 1889 while President Harrison was in office.

The Babcock butterfat test devised during President Harrison's tenure in 1890. Also during his term, the Department of Agriculture was raised to Cabinet status.

By the early 1900's experimental work to increase the productivity of farm-animal strains was being stressed more and more under Republican leadership.

An improved method of anthrax inoculation was devised during the administration of President McKinley, and the mutation theory, of great importance in the field of genetics, was announced in 1902 when President Theodore Roosevelt was in office.

It was during President Taft's administration in 1909 that homogenization was introduced in evaporated milk manufacture to stabilize emulsion and prevent fat separation. This was the first application of this process in the dairy industry.

The Republican Party has at all times tried to protect the dairy farmer against the fraudulent and unfair competition of imitation products. For many years this was partially accomplished through a regulatory tax on colored oleomargarine.

The present session of Congress has removed the tax, but Republican Members of Congress insisted upon writing into the law provisions designed to identify cheap imitation products, for the protection of both farmer and consumer. That fradulent sales are widespread today is due wholly to the failure of the present administration to enforce the law.

The Packers and Stockyards Act was passed in 1921 during the Harding regime.

During this period the cooperative movement spread rapidly. It was in 1922, as I have said, that the Capper-Volstead Act became law, permitting production cooperatives—important in the dairy field—to organize effectively.

By 1925, under the Coolidge administration, the work of the Department of Agriculture had been divided between research, service, and regulation under more than 30 regulatory laws, enacted mainly under Republican administrations.

Also, in 1925 the Purnell Act, providing funds for economic and sociological research to be carried on by experiment stations was passed. The work of the experiment stations has been of outstanding value to dairy farmers down through the years.

CONCLUSION

I have mentioned only a part of the agricultural achievements that are traceable to Republican leadership in the fields of economics, research, and administration. Time and space do not permit a detailed and exhaustive presentation.

It should be remembered also that the Republican party has rendered effective service to the Nation in helping to work out constructive farm legislation during the times that Democratic administration have been in power.

It will be noted that I claim no monopoly of good farm legislation for the Republican Party. What I am saying is not intended to belittle any good legislation passed when the Republicans were not in power, but I am endeavoring to counteract the mischievous and misleading political propaganda which has

been issued in volumes and reams, and any other quantities one might mention, from the Department of Agriculture, during the past few years.

This résumé of the high lights of achievements serves as a reminder of the Republican Party's continuing interest in, and concern for, the welfare and prosperity of farm people generally, and of dairy farmers in particular.

It will also point out that since 1863 the Republican policy has been to help the farmer to help himself to a greater prosperity through research, cooperative endeavor, and protection from unfair competition.

The Republican Party has always opposed measures designed to force the farmer to a state of abject dependency upon Government, or which would put him under strict totalitarian controls.

Dependency and stifled initiative can only produce a decadent agriculture, under which no nation has long survived.

THE IMPENDING NATION-WIDE RAILROAD STRIKE

Mr. HOLLAND. Mr. President, I should like solemnly to call the attention of the Senate for a few minutes to the tragic news which has resounded throughout our country today, news to the effect that the leaders of two great railroad unions which have been conducting "token strikes" which were due to end this week, have now called general strikes effective next Monday, the 28th.

The leaders of these two unions, the Order of Railway Conductors and the Brotherhood of Railway Trainmen, have announced by releases to the press and by formal strike notices they have sent throughout the length and breadth of our Nation, that, notwithstanding the fact that we are not only in war but in a state of preparation for even greater military and defense efforts, that nevertheless, and ignoring those facts they have come to the conclusion that it is within their rights and that it is their privilege and has now become their pleasure, to call a general strike upon all the railroads of the Nation beginning next Monday.

Mr. President, in order that there may be preserved in the CONGRESSIONAL RECORD the news, the fearful news, the tragic news—and I deem it to be just that—which has come out today over the wires of the great news associations, I am going to quote the various releases from the Associated Press as they have been taken from the ticker tape in the library of the Senate of the United States. I quote them in their order as they have come today. The first release is as follows:

WASHINGTON.—President Truman declared today the Nation-wide railroad strike was called within an hour after assurances to him that there would be no strike.

The second release:

He [the President] made it plain to a news conference that he felt he had not been dealt with fairly.

As to what he intends to do, he said he would have a statement later. He refused to indicate whether he plans seizure.

The unions have been urging this step for weeks.

Mr. Truman said the strike was sudden and unexpected.

The third release:

A reporter asked Mr. Truman who gave him the assurance there would be no strike.

The railroad unions and the railroad managers—both, the President said emphatically. He said they have given him that assurance frequently within the last 2 or 3 days, and within an hour before the strike was called.

A reporter asked if he considered the tactics a "double cross."

Mr. Truman told the reporter not to put words in his mouth.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MILLIKIN. I wonder if in the course of this discussion the President indicated that he might again present the bill which he once before proposed, to put the strikers into the Army.

Mr. HOLLAND. I heard no such suggestion attributed to the President, but much as I appreciate the Senator from Colorado, I am deadly serious about this matter.

Mr. MILLIKIN. So am I.

Mr. HOLLAND. I shall be glad to answer any questions when I get through, but these are tragic announcements.

Mr. MILLIKIN. And it would be a tragic announcement if we had a repetition of the Truman proposal made when we had the other Nation-wide railroad strike.

Mr. HOLLAND. I am inclined to agree on that point, but I hope the Senator from Colorado will have some constructive proposal as to how the Nation can be saved from the pains of a general railroad strike, because I think that is the problem now thrown into the lap of the Senate and the Congress of the United States, and, to a very great degree, into the lap of the President.

A union spokesman had this comment on President Truman's news conference remarks:

"We would ask that it be noted the strike has been set far enough in advance to provide opportunity to clear this thing up, if the President cares to call in the presidents of these roads in place of the [management] committee which has been stalling all these months."

Still quoting the union spokesman:

Secondly, if the President decides he will seize the railroads, the two presidents of the unions are remaining in Washington to cooperate in any way possible.

That part of the release, Mr. President, would make it at least reasonable to assume that this is a force play, a coercive measure exerted in the effort to force the President to seize the railroads, without recognition of the fact that the Nation paid the bill of about $1,600,000,000 as a result of the United States seizure of the railroads in World War I, an experience which has not yet terminated in that the liquidation of that seizure has on this very day not yet been completed. But it still remains one of the most sad and tragic experiences of the United States Government.

The fourth release, Mr. President:

WASHINGTON.—President Truman said today the call for a Nation-wide rail strike came very unexpectedly and despite assurances to him there would be no such walkout.

He told his news conference he would have to consider the situation before deciding what action the Government might take. The Trainmen and Conductors Unions have demanded Government seizure.

The President said assurances of no further strikes were given by both union and management representatives as late as an hour before yesterday's call for the walkout to begin next Monday.

A reporter, asking whether the tactics used constituted a "double cross," was told by Mr. Truman not to put words in his mouth. The President said he is not making such a statement this morning.

That was this morning.

The fifth of the releases reads as follows:

WASHINGTON.—The Union of Railway Trainmen and Conductors prepared the announcements of their strike call well in advance of its release at 5:30 p. m. yesterday, an hour after collapse of White House peace talks.

The announcement was made by giving reporters two papers:

1. A copy of a telegram to Dr. John R. Steelman, Assistant to the President, advising him of the strike call.

2. A three-page review of the history of the wage-hour dispute which concluded with a paragraph saying a strike had been called for next Monday, August 28.

On its first page, the review was dated "August —, 1950," a space having been left for insertion of the day of the month.

A union spokesman told a reporter today the review had been prepared in advance to be held up until a decision to call the strike was made by Presidents W. P. Kennedy, of the Trainmen, and R. O. Hughes, of the Conductors. He said they decided on the call shortly after their return from the White House at 4:30 p. m. yesterday. The negotiations collapsed at that session.

Twenty-four hours earlier the unions had declared they would hold in abeyance for the time being their plans for extending the strike beyond token walk-outs then in effect.

The union spokesman said that announcement was intended to create a friendly atmosphere in which Steelman or President Truman could try to end the dispute.

Mr. President, here again is evidence of dealing which ought not be indulged in by responsible leaders, whether labor leaders or other leaders, in any sort of negotiations, but particularly in wartime negotiations of the grave importance which attaches to these.

I read again the last sentence of the release:

The union spokesman said that announcement was intended to create a "friendly atmosphere" in which Steelman or President Truman could try to end the dispute.

Mr. President, could it have been said in clearer words—without making the definite statement itself—that the assurance of yesterday and of the day before yesterday that no strike was to be called was nothing more than an artificial effort to create a friendly atmosphere, in the hope that a favorable settlement would have been reached in yesterday afternoon's conference?

Mr. President, this is tragic news to all Americans everywhere. Without doubt,

I think it is the worst news we have had, as civilians, or as soldiers, sailors, and marines still remaining in this country, since the time of the announcement of the invasion of South Korea by the North Koreans. To those of us who are very far removed from the firing lines and from the actual fighting, this is the worst news we have had since then.

I wish to ask if all of us should not put ourselves in the position, if we can, of the something more than 50,000 American fighting men—as has been stated in the press—who are on the fighting front, occupying the bridgehead in the rugged hills and the rice paddies of Korea, facing a foe more numerous than they, a foe who were prepared whereas we were not, although our men now are enjoying a little better chance ultimately to gain the offensive and to begin to drive back the invaders; but certainly our young men there are in the most tragic positions that any of them, who come from our Nation and from our homes, have ever occupied in the course of their lives.

What sort of news will this be to them, as it reaches them in the news today and tonight—the news that the two heads of these great, responsible labor organizations operating all the railroads of the Nation are threatening a strike next Monday, without any reference at all to the fact that we are engaged in a war, without any reference at all to the fact that transportation is one of the bottlenecks in the effort we are making, without any reference at all to the fact that just now is the worst time to show confusion, to show a lack of constructive thinking, to show failure to be able to agree on important matters here in the United States. What sort of news will it be to those who serve in our Armed Forces in Korea, when they hear that this strike has been called, and that the leaders of the unions involved are so selfish and so unwilling to consider the safety and the lives of the men from our own homes and families, who are out there on the fighting front, that they, those union leaders, have found it possible to make, and to announce, this tragic decision?

Mr. President, it seems to me that to the many men who already are on the fighting front, to the men who, closer to Korea than are we, are looking forward to serving there within a few days, and to the families of the men who already serve there, as well as to those already in the service who soon will be on the fighting front, this news will prevent them from sleeping tonight and during the nights between now and the time when this strike either will come to pass or will be called off; and it is news the like of which should not have inflicted itself upon the thinking and the planning and the devoted effort of the good people of the United States.

Mr. President, it is news which shows more clearly than anything else which could come that there are still those who give no thought to the public or to the public interest or to the public welfare.

I rise simply to call attention to that fact, and to express the hope that even at this late date these leaders—who have so tragically misled the tens of thousands, the hundreds of thousands, of decent, honorable American citizens whom they, in taking this action, are misrepresenting—will reconsider this tragic decision which they have made and will quickly make it clear that no such calamity as this can befall our Nation.

Mr. President, I have mentioned the fact that this is tragic news, it is terrible news, to us. I wonder if it would not be well for us to remember for just a moment that this will be good news to the Kremlin, splendid news to Communists everywhere, joyous news to all those who, either abroad or at home, seek to destroy our Nation and tear down our Government and our American way of life. I cannot believe that the leaders of the Conductors' Union and the leaders of the Trainmen's Union can have seriously considered the grave and far-reaching consequences of the action they have announced; and I hope that even yet they will reconsider that action.

It seems to me that it might be well to remind them that the Taft-Hartley Act, in its injunctive features directed against threatened stoppages in Nation-wide industries, was not directed against them, although they are one of the most important and most vital Nation-wide industries, simply because it was thought that their judgment was sounder and their leadership better than to bring the Nation to such a tragic situation as this. I hope they will remember the terrible hatred which developed toward Mr. John L. Lewis during the Second World War, when on two occasions he found it possible to call the coal miners out of the pits, neglecting to give consideration to the fact that at that time some millions of our boys were bearing arms on all the difficult fronts of all the earth, that millions of our families were represented among those who were at the battlefronts. His decision at that time showed so clearly that he paid no attention at all to, and had no concern at all about the vital welfare of the general public of our Nation or the morale of the millions of families who had furnished the boys who were out there exposing their lives or their health, and that he had no desire at all to consider the consequences upon the morale of the fighting boys themselves as well as upon the stream of supplies which was flowing to those boys.

Mr. President, it so happened that at that time I was serving as governor of my State. During that expereince I received hundreds of letters, many of them coming from the men themselves on the fighting front, who voiced their disbelief that any such thing could possibly have been visited up on them by their own people, by their own neghbors at home; that such a thing was simply unspeakable, and that surely it would not be tolerated here in America, for which they were fighting.

Similarly, I received hundreds of letters from the fathers and mothers and the wives of the men who were in the difficult places of the earth, defending our Nation and fighting for their lives at that particular time.

I think all of us know what resulted. I think we know that Mr. Lewis became the most universally detested man in the United States, and that almost wholly out of that experience—certainly largely out of it—came the demand that the Nation bring about, by way of improvement and strengthening of the law, changed conditions under which there could not again be a decision of that sort, a strike of that sort, that sort of work stoppage, in industries which vitally affect the national welfare from one coast to the other and from the Canadian line to the Mexican border.

Mr. President, it is all history that the injunction has been put into the Taft-Hartley Act, it has been upheld by the courts, it has been upheld by the refusal of both Houses of the Congress of the United States to change it, because it has been felt that the general public interest must be subserved and safeguarded against any such careless and wantonly destructive decision and action as that practiced by John L. Lewis during World War II.

I remind these leaders of the conductors and of the trainmen that they have been up to this time exempted from that action by reason of the fact that they were already under the Railway Labor Act, which had shown much promise and which gave them certain preferences, and which at the same time exacted certain things from them which are given to others in the various labor unions. I should regret exceedingly to see a conclusion on the part of the general public, which I think will be certain to follow, that immediate action should be taken to bring the injunction into the act to the point where it would be available against those who would discontinue the operation of our railroads and of our train services throughout the Nation, particularly in time of war.

I remind these leaders, who, I think, have shown their irresponsibility in the making of this decision, that they invite the extension of the injunction and antistrike legislation to them, including them in the same classification which already applies to the other vital industries of the Nation.

I remind them that there is already pending in the Senate a bill including not only the use of the injunction—I refer to the Donnell bill, a bill which has great merit as I see it—not only the use of the injunction, but which goes a great deal further and has compulsory arbitration in it as well. I remind them that this action not only invites the application of antistrike injunction legislation to them, but invites the passage of much further-reaching legislation involving compulsory arbitration as well.

I remind them, too, Mr. President, that in some nations which used to be regarded as of the democratic form of government and way of life, this kind of action has brought about national ownership and national operation of the

railways; and I put these three things in the order of their gravity, at least as they seem to me. I think that this kind of irresponsible action is inviting action of the type I have mentioned, either anti-strike injunctive legislation, applicable to the railroads, or that plus compulsory arbitration or even national ownership and operation of the railway systems, which is furthest from our democratic concepts and from our free enterprise system. I simply rise to remind these leaders that that is the case, and that they are inviting and bringing upon themselves the hostility of the Nation as a whole, and, if I rightly predict, a demand from the Nation as a whole that the power to strike and thus to close down the railroads of the Nation shall be denied in the public interest and for the public welfare, and certainly in time of war when boys are risking their lives in defense of our Nation.

Mr. President, one more point and I shall be through. I do not want these striking people, composed as to their members, I think, of some of the finest people we have in all our Nation—and I am proud of the fact that I number among my friends, my lifetime friends, hundreds of men who serve in the operations of the railroads—I do not want them to forget the fact that public good will for them is of tremendous importance, just as it is to every organization, and that this effort will be quite as destructive of the good will which they possess on the part of the people of our Nation as anything possibly could be, and that they need not expect any other result from this intemperate, hasty, and ill-considered action.

I remind them that not only do we have now a vastly greater pool of veterans back home, who know from having fought for our country, what it is to fight for one's country and what it is to give up the pleasures of home life and of the increased income that most civilians made during the war, in order to fight for one's country.

Not only are those many millions of men back at home, who participated in World War II, but I remind them that there is still the group of youngsters who are now being called to the service, who are going to feel the actuality of hard service at the front, and who will be resentful of this ill-considered action. I received today two letters which I think show rather clearly what may be expected in connection with the attitude of the general public in this matter. The first comes from a man of middle age, of the city of Marianna, Fla., a very fine gentleman from a very fine community. I shall not attempt to read the full letter, but I shall read two paragraphs from it reflecting, as it does, the attitude of veterans of the old war. He was a veteran of our war—I speak now of the war of Senators of the age of the Senator occupying the chair and myself. He was a veteran of World War I, and I shall read what he has to say to these threatened railroad strikes. He wrote this, by the way, when the token strikes were all that had appeared, and before the tragic notice of yesterday and the tragic decision of yesterday had been taken:

> With our boys fighting and dying in South Korea it is indeed a sad thing to know that we have here in this country a group of labor leaders who will not hesitate to upset our economy and disrupt our war effort by calling strikes that are absolutely unjustified and unnecessary.

And, then, a later paragraph, and this by way of showing that citizens way down the line know about the efforts that are being made here in the Congress. This refers to the Donnell bill, which I mentioned a moment ago:

> It is high time that we end this nonsense by obtaining passage of the Donnell bill outlawing railroad strikes and stop power-mad labor leaders from keeping our Nation in continuous turmoil by pulling one strike after another.

The other letter comes from a young man who served in World War II. He is still a young man. I know him well. I have known him since he was a young boy. I think I understand just what travail he is going through in sitting down and writing a letter of this type to his Senator. He is a brave boy. He has shown that by his fighting in World War II. He is not afraid to fight again, but he simply cannot conceive, in his splendid young American manhood, how, when he and hundreds of thousands of others like him, who have fought in the other war and are now being called out again—he is a Reserve, and he is expecting a call imminently—he cannot understand how this sort of thing could have come about.

Here is what he says:

> I feel that it is imperative that I write to you and register a most vigorous protest against the present strike in the railroad terminals.

That was before the announcement of yesterday, Mr. President. I read further:

> By what right does any labor union think they are so high and mighty that they can use their undeniable peace time right to strike as a club to bludgeon the public as they did during World War II, and are doing now during our efforts to rearm for the Korean conflict and whatever else?
>
> Our men in uniform do not have the right to strike for higher pay.
>
> Where has our democracy degenerated to when we allow a power-mad minority to rule our country when the boys in our Army and Navy are ready to die to preserve our freedom?
>
> I fully expect to be in uniform before long. I'd like to feel that our people have the spunk to call a halt to these wartime strikes and give aid and comfort to the armed services.
>
> Any sacrifice labor makes is insignificant compared to that of the personnel of our armed services.

This is a humble boy, Mr. President, from a typical American home, with a moderate earning capacity. He says:

> Any sacrifice labor makes is insignificant compared to that of the personnel of our armed services.

Mr. President, I am sure we are all receiving that kind of letters, and I want those who are responsible for the calling of the strike to realize that this has just begun. We are going to have hundreds of thousands of our best citizens, whether in uniform or not, whether or not they happen to have their own boys out of their own homes in uniform, demanding that this kind of thing shall not be permitted to happen. I think the President of the United States ought to know that the Senate of the United States is standing back of him and is insisting that he bring this thing to a halt without permitting the tragic results which would flow from a general railroad strike, with the collapse of business that would come as a result of it.

Mr. President, in closing, I want to again remind the Members of the Senate that not only does this strike call bring bad news to us, but it brings the most joyful news that could come to those who hate our way of life and are plotting to destroy it, whether they are in our midst or elsewhere, or whether they are in arms opposing us, or wherever they may be. This kind of inability to pull together in time of war is the weakest thing we could possibly have, and it will have the worst possible result by way of encouraging those who plot against us and by way of discouraging those whom we would have with us, because, looking at this sort of weak exemplification of what we regard as our national duty, what will those nations who are in a poorer position than we and who are struggling to get back on their feet, struggling to arm and prepare themselves to stand by us—when there comes a testing time, what will they think of the sublime weakness which will be so apparent in our own Nation, the sublime selfishness that will be so rampant here, the sublime inability of our democracy to keep one of its most important arms flexed and working at a time of supreme crisis in the history of our Nation?

EXECUTIVE SESSION

Mr. KERR. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to.

THE IMPENDING NATION-WIDE RAILROAD STRIKE

Mr. MORSE. Mr. President, I ask unanimous consent to discuss for 10 minutes the subject matter discussed by the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Is there objection to the request of the Senator from Oregon?

Mr. KERR. I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, the Senator from Oregon may proceed.

Mr. MORSE. Mr. President, I am very glad the Senator from Florida discussed the threatened railway strike, because I think it is well that we discuss these questions on the floor of the Senate. I completely agree with the Senator from Florida that this strike must not come to pass. I have gone through many emergencies of this type in the field of labor disputes. In 1941 I happened to be the Chairman of the Railway Emergency Board which, for 6 weeks, in

Kimball Hall, in Chicago, conducted hearings on a then threatened Nationwide strike. Although American boys were not fighting at that time, Mr. President, we were living in the terrible period of emergency when anyone of judgment in this country certainly knew it would not be long before there would be fighting.

We handed down a report which we thought was fair, and the railway brotherhoods, under the Railway Labor Act, refused to accept the report. I thought they made a great mistake in not accepting the report, but, under the law, they had a right to reject it. The then President of the United States, however, called the Board together, and, to make a long story short, said he hoped we would find some basis on which to mediate a settlement. I made it clear that mediation would have to come through the request of the parties, and not by order of the Board. The parties did ask for mediation, and we mediated a final settlement of the dispute just 2 days before Pearl Harbor.

During the war, as the enforcement officer of the War Labor Board, time and time again I saw case after case of threatened or actual strikes when American boys were dying on the battle fronts. The cases were very quickly settled by the War Labor Board because the machinery existed for handing down of fair decisions on the basis of the facts as they were presented to us.

As a result of that experience, Mr. President, I would make two or three recommendations this afternoon in regard to the threatened railroad strike, because I agree with the Senator from Florida that it must be settled.

I think, for example, that the Committee on Labor and Public Welfare of the Senate should proceed without delay to subpena, if necessary, the parties to the strike before the committee.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MORSE. I cannot yield, because I have confined myself to 10 minutes.

Mr. DONNELL. Mr. President, I ask unanimous consent to address a question to the Senator from Oregon at this point.

Mr. MORSE. I cannot yield at this time. If the Senate wants to extend my time I shall be very glad to do it, but I must conclude what I have to say within 8 minutes.

Mr. MILLIKIN. Mr. President, I suggest that we grant the request and permit a 2- or 3-minute extension of time.

Mr. KERR. I have no objection.

Mr. MORSE. Mr. President, I think the Senate Committee on Labor and Public Welfare should proceed without delay to subpena, if necessary, in order to get them here, all parties to the dispute, including Mr. Steelman, the President's mediator in this case, so that we can first be satisfied that we have the facts, because if there is any one thing I have learned from the hundreds of labor disputes in which I have participated, it is that the facts should first be ascertained. Once we have the facts, we are in a position to take such action, so far as the Senate is concerned, as we think would be appropriate under the circumstances.

I now yield to my good friend from Missouri.

Mr. DONNELL. Mr. President, unfortunately I was not able to hear what I am sure was the able address of the distinguished Senator from Florida. I know of the Senator's deep concern with respect to this particular matter. I came from a meeting of the Judiciary Committee and reached the floor of the Senate in time to hear possibly half a dozen words of the Senator's speech. That is all I had the privilege of hearing. But I should like to ask the Senator from Oregon, if I may, whether he has been informed that on tomorrow morning there is scheduled a meeting of the Committee on Labor and Public Welfare and that at that meeting Senate bill 3463 is on the agenda, which is the bill which the speaker at the moment introduced on April 21, 1950.

Mr. MORSE. I had not been informed of the meeting.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. MORSE. I yield.

Mr. DONNELL. Does not the Senator, regardless of his own opinion as to the merits of that bill, think the Labor and Public Welfare Committee should give immediate consideration to the request of the Senator from Missouri that further consideration be tomorrow given by the committee to the contents of Senate bill 3463?

Mr. MORSE. I think any request which the Senator from Missouri makes of the Committee on Labor and Public Welfare should receive the immediate and careful consideration of the committee, including, as he requested, further consideration of his bill. I think he knows very well that on the merits of the bill he and I do not agree. So far as the application of the bill to the present dispute is concerned, I think it would be a great mistake, because I do not believe that the method it proposes is the way to settle labor disputes, either in time of war or in time of peace.

Mr. DONNELL. Without intruding further on the time of the Senator from Oregon, I should like to say that the news of the impending nation-wide railway strike, in my opinion, emphasizes again, as it has been emphasized more than once during the past few months, the urgent need for the enactment by the Congress of the United States of a law which would make unlawful any strike or any lock-out by a carrier arising out of or in connection with any dispute falling within the purview of the Railway Labor Act. The interests of the public are paramount, and overshadow the interests of either employers or employees in the Nation's railway system. I invite the attention of the Senate, Mr. President, to the fact that S. 3463, to which I referred a few moments ago, is a bill which would make unlawful any such strike or lock-out, and such bill has been pending in the Committee on Labor and Public Welfare.

I conclude by saying that although the committee in the past has refused by a vote, as I recall, of 10 or 11 to 1 to report the bill favorably, and by a vote which showed only three voting to report to the floor without recommendation, I submit most earnestly that the situation at hand—and not merely the immediate situation, but the fundamental principles which are involved in the matter of this great public utility, the railway system—demand that the bill receive immediate consideration by the committee. In my judgment the bill should receive favorable action by the committee. I thank the Senator for permitting me to speak in his time.

Mr. HOLLAND. Mr. President, will the Senator from Oregon yield provided that the time I take will not be charged to his time?

Mr. MORSE. Yes.

Mr. HOLLAND. I merely wish to say to the Senator from Missouri that in my remarks I made reference to the bill which the Senator from Missouri has introduced. Since he has mentioned it, I believe I should state for the RECORD that the Senator from Missouri and I discussed the bill this afternoon, and I made bold to make the suggestion to the Senator from Missouri that because what we need is immediate action, justification would, in my opinion, exist for an amendment or a modification of his bill to make it a wartime measure only, to be in effect until the Senate and Congress and the people of the United States could give fuller study to the problem, which I fully agree with the Senator from Oregon is a far-reaching problem which does require grave study and knowledge of all the facts. I am hopeful that the Senator from Missouri will consider the suggestion which I made to him along that line.

Mr. DONNELL. If the Senator from Oregon will permit, I should like to say that I appreciate very much the statement of the Senator from Florida, which, of course, is exactly correct in its facts, namely, that he did speak to me this afternoon about the matter. I may add to that I stated to him that I would give consideration to the matter this afternoon and tonight, and arrive at a decision tomorrow afternoon. I thank the Senator.

Mr. MORSE. Mr. President, I wish to say that I am very glad to hear the Senator from Missouri say that the Committee on Labor and Public Welfare will meet tomorrow morning. Although I am opposed to his bill, I believe we need to be on guard constantly to see to it that our committee procedure is never used as a means of keeping from the floor of the Senate what any substantial sentiment feels ought to come to the floor.

Although I voted against reporting the Donnell bill to the Senate without recommendation, I am satisfied from certain discussions I heard this afternoon that a substantial number of Senators feel that the bill ought to come to the floor of the Senate. Although there is a procedural way of getting it here, by moving to dismiss the committee from its further consideration, I happen to be one who believes very firmly in fair play in my relations with my colleagues. So far as I am concerned I want to say to the Senator from Missouri that I shall have no

objection to his bill coming out of committee to the floor of the Senate. In fact he will recall that when it was before the committee I was the one who moved that the bill be reported to the Senate with an unfavorable recommendation. I was advised that procedurally we could not do that. Not being in favor of the bill I could not very well vote to report it with a favorable recommendation, and I thought reporting it out with no recommendation at all was sidestepping the issue. I felt that we should either report it or not report it. However, rather than keep the bill from the floor of the Senate I would be willing to fight out the issue in respect to it on the floor of the Senate, if the committee should so decide tomorrow morning.

Mr. DONNELL. Mr. President, will the Senator yield for 30 seconds?

Mr. MORSE. I have a few things to say.

The PRESIDING OFFICER. Does the Senator yield to the Senator from Missouri?

Mr. MORSE. I have been trying to get the floor to make a speech. I did not know that the acting majority leader intended to move an executive session and then make a motion to adjourn. I think the questions involved in the threatened railroad strike are of such importance to the country that those of us who have views on it should be permitted to express them. However, I am speaking under a time limitation.

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. DONNELL. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. DONNELL. In the committee meeting to which the Senator refers, where the vote occurred on the bill, the Senator from Oregon demonstrated very clearly his entire fairness in the matter. While we disagree on the bill, I remember very clearly his fair attitude, which was manifest throughout the parliamentary situation.

Mr. MORSE. I thank the Senator very much. I try to be fair. If I am not, it is not because of any intent not to be fair. I say that first of all we should get the facts.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MORSE. Yes.

Mr. KERR. I ask unanimous consent that in view of the interruptions the Senator from Oregon be granted an additional 5 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

Mr. MORSE. I thank the Senator. I think there falls upon the administration the duty during this period of crisis of proceeding without further delay to establish an emergency labor board, on some such basis as the one provided for during the war, for the settlement of disputes, such as that now existing, as they arise, not on the basis of compulsory arbitration, Mr. President, but on the basis of the great weapon of public opinion, which such a board would have behind it if industry and labor would enter into a no-strike-no-lockout agreement for the period of the war. I think that the President of the United States should call upon industry and labor to enter into that kind of agreement and proceed to set up an emergency board which would have jurisdiction over such a situation.

The third point I wish to make is that we are dealing here with a dispute which is 17 months old, and one in which railroad executives as executives have taken no part, but have left it to their so-called labor-relations men.

Another thing I have learned in this field of labor disputes is that if one really wants to get a tough strike settled it is necessary to have the heads of the unions and the heads of the industry concerned come before the board. Time and time again we struggled with a tough case before the War Labor Board, and we were not able to get anywhere until finally the president of the corporation or the head of the company came in, and after we had explained the situation to him he said, "Why, this should have been settled long ago. Here is the agreement that I am willing to accept." The agreement he proposed was usually the offer of the Board itself. Such disputes in times of emergency can be quickly settled, when men have the will to settle them.

As I understand, we are dealing here with a case in which thousands of workers within the railway industry have been granted 48 hours' pay for 40 hours' work. Here there are some 300,000 workers who, by an emergency board decision, have been denied 48 hours' pay for 40 hours' work.

I am not passing on the merits of the case when I make these comments. I am merely calling it to the attention of the Senate, because I do not know of a single industry in the United States in which the jealousies between and among the various labor groups within the industry happen to be greater than in the railway industry. If the signalmen get one thing and the switchmen get another, or if the engineers seem to get preferential treatment and the application of the same principle is denied by another emergency board to other brotherhoods, a real problem is presented in an attempt to settle the case.

I am not saying anything about the merits of the present dispute. But as my fourth point, and I close with this—and I think the record will bear me out—let it not be forgotten that in handling enforcement problems in times of emergency, no one has been tougher against labor and against employers than has the junior Senator from Oregon. But I have learned that it is necessary to have the facts before one can hand down a fair decision, and I think it is the duty of management to settle cases of dispute reasonably, without provoking labor, and without proceeding in time of war to take action which reflects upon labor.

Let us not forget, Mr. President, that management is not on the firing line in these cases, the heat is not on management, the heat is not on the management which sits and looks out of the window and says, "This is it, and not one cent more do you get," knowing that they can use the war situation as a great club over labor, and beat down labor in these cases. If we get the facts in the present case we are going to find that it is two-sided, so far as the respective positions of the parties are concerned. I agree with the Senator from Florida that the controversy is one-sided, from the standpoint that this strike must not come to pass, but the administration of the Government, the President of the United States himself, has a duty, namely, to make perfectly clear to the American people what a fair settlement of the dispute would be. On the basis of any proposal of the President of the United States as to what a fair settlement of the dispute should be the junior Senator from Oregon will be found in complete support, even though it might not be the same settlement he would suggest if he were an arbitrator in the case.

Let us not lose our heads about this case, and assume that all the wrong is on the side of the workers. I want to know the facts about the railroads' conduct in the case before we come to the conclusion that the brotherhoods are entirely to blame in this case. I think it is an inexcusable position that a great body of workmen would without cause tie up the railroads in time of war.

Mr. THYE. Mr. President, this morning, in view of the critical situation throughout the Nation, the shortage of boxcars, flatcars, and railroad equipment generally, I felt compelled to telegraph the President of the United States regarding conditions, and I ask unanimous consent that the telegram be inserted in the body of the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *August 24, 1950.*

The PRESIDENT,
The White House, Washington, D. C.:

The threatened railway strike would constitute a major catastrophe and must be averted. I respectfully call to your attention the critical situation existing in a shortage of boxcars and flatcars. The shipment of military equipment has placed further demands upon the already drastically short supply of boxcars and flatcars. The Interstate Commerce Commission informs me that the Nation-wide boxcar shortage is the worst in its experience. The estimated daily boxcar and flatcar shortage is 20,000. There is an insufficient supply of cars to move grain from the Midwest. Many elevators throughout the Midwest are now clogged with grain that should move to terminals. It is the harvesting season of many of the areas of the Midwest and this grain must be moved to market to avoid serious loss of food and feed grains. Therefore, Mr. President, I urge respectfully that you do all within the power of your great office to avert a national railway strike which would further aggravate the transportation crisis.

EDWARD J. THYE,
United States Senator.

Mr. DONNELL. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. DONNELL. Mr. President, in view of the urgent situation with regard to the railways at this time, I ask unanimous consent that in the body of the

RECORD there be printed an editorial entitled "Strike Against Compromise," published in the St. Louis Post-Dispatch August 21, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STRIKE AGAINST COMPROMISE

Senator DONNELL'S bill to outlaw railroad strikes was laid on the shelf by the Senate Labor Committee last month, 10 votes to 1. The strike of terminal railroad conductors and trainmen which began today will make votes for the bill.

The unions are calling a 5-day strike against five terminal lines. Three were struck today—at Cleveland, Louisville, and St. Paul—and Chicago and Pittsburgh are scheduled to be struck tomorrow.

Essentially, this is the same dispute which resulted in the July strike of switchmen against five other railroads. Government pressure ended that walkout on four lines, and a court injunction ended it on the fifth. The unions ought to know that the present strike will probably prove just as ineffective.

The principal demand of the unions is for a 40-hour week with a 31-cent rise in wage rates to provide the same take-home pay the men now receive for 48 hours. The most powerful argument for the claim is that nonoperating employes were granted similar terms a year ago. Certainly, the men who operate the trains are entitled to equal treatment with those who work in the offices.

Yet the fact remains that a presidential fact-finding board, after intensive and impartial study of the case, recommended against the unions' plea. It proposed establishment of the 40-hour week with a pay rise of 18 cents an hour. The unions have rejected this, and they have also rejected a last-minute offer of the railroads for a 23-cent increase coupled with a contract provision under which wages would rise 1 cent an hour for every one-point increase in the cost-of-living index.

In the face of these reasonable settlement proposals, the unions will find it impossible to enlist public sympathy for their strike. Their leaders have put the trainmen and conductors in the position of interfering with vital defense production—steel and iron industries are already feeling the effects—for the purpose of enforcing the last few cents of their wage demand.

Even though the demand may have been justified in the beginning, there are times when reasonable compromise must be accepted. With the Korean emergency and the defense effort demanding every ounce of the country's productive energy, this is a time for compromise. The longer they reject it, the more sentiment the unions will fan up for the Donnell no-strike bill.

REVENUE ACT OF 1950

Mr. O'MAHONEY. Mr. President, will the Senator from Oklahoma yield a few moments to me?

Mr. KERR. I yield.

Mr. O'MAHONEY. Mr. President, on behalf of the senior Senator from Texas [Mr. CONNALLY], the ranking Democratic member of the Committee on Finance, and myself, I present for printing an amendment to the pending tax bill. It provides for an excess-profits tax.

I may say, in explanation, that early in August, on the 4th of August, I believe, I appeared before the Finance Committee and presented an excess-profits tax amendment. The Senator from Texas was present during the discussion of the proposal at that time.

The amendment which I am now offering for printing and to lie on the table is the result of conferences which the Senator from Texas and I have had during the week. It presents some modifications of the original amendment. The base figure in the amendment which I presented to the committee was 75 percent of the average profits for the 3 years 1947, 1948 and 1949, and a step scale of excess profits taxes was imposed upon excess-profit incomes above that base.

The modification now is based upon the average profits for 4 years, 1946, 1947, 1948 and 1949, and the base is 80 percent, with a flat tax rate of 85 percent, and there are some modifications of the exemptions.

Mr. President, I present the amendment and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD at this point a copy of the amendment.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment intended to be proposed by Mr. O'MAHONEY, for himself and Mr. CONNALLY was ordered to be printed in the RECORD, as follows:

At the end of the bill add the following new title:

"TITLE VII—EXCESS-PROFITS TAX

"SEC. 701. Reapplication of excess-profits tax.

"(a) Reapplication: Section 122 (c) of the Revenue Act of 1945 is hereby amended to read as follows:

"'(a) In general: The provisions of subchapter 3 of chapter 2 shall not apply to any taxable year beginning after December 31, 1945, and ending prior to July 1, 1950. The provisions of part III of such subchapter shall not apply to any taxable year beginning after December 31, 1945.'

"(b) Rate of tax: Section 710 (a) (1) (A) of the Internal Revenue Code is amended by striking out '95 percent' and inserting in lieu thereof '85 percent.'

"(c) Exemption: Section 710 (b) (1) of the Internal Revenue Code is hereby amended to read as follows:

"'(1) Specific exemption:

"'(A) A specific exemption of $10,000; and

"'(B) In the case of a domestic corporation which (i) commenced business after August 31, 1945, (ii) elects to use the excess-profits credit provided in section 714, and (iii) is not a member of a controlled group (as defined in section 718 (a) (6) (B)), an additional specific exemption of $10,000.'

"(d) Excess profits credit: Subsections (a) and (b) of section 712 of the Internal Revenue Code (relating to allowance of excess profits credit) are hereby amended to read as follows:

"'(a) Domestic corporations: In the case of a domestic corporation which was in existence before July 1, 1950, the excess-profits credit for any taxable year shall be computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other domestic corporations, the excess-profits credit for any taxable year shall be an amount computed under section 714.

"'(b) Foreign corporations: In the case of a foreign corporation engaged in trade or business within the United States, the first taxable year of which under this subchapter begins on any date in 1950 after June 30, 1950, which was in existence on the day 48 months prior to such date and which at any time during each of the taxable years in such 48 months was engaged in trade or business within the United States, the excess-profits credit for any taxable year shall be an amount computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other foreign corporations the excess-profits credit for any taxable year shall be an amount computed under section 714.'

"(e) Definition of unused excess-profits credit: Section 710 (c) (2) of the Internal Revenue Code is hereby amended by striking out the last two sentences thereof and by inserting in lieu thereof the following:

"'For the purposes of the determination of the taxes imposed by this subchapter for taxable years beginning before January 1, 1946, there shall be no unused excess-profits credit for a taxable year beginning after December 31, 1946. The unused excess-profits credit for a taxable year beginning in 1946 and ending in 1947 shall be an amount which is such part of the unused excess-profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year prior to January 1, 1947, is of the total number of days in such taxable year. For the purposes of the determination of the taxes imposed by this subchapter for taxable years ending after June 30, 1950, there shall be no unused excess-profits credit for a taxable year ending before July 1, 1950. The unused excess-profits credit for a taxable year beginning in 1949 or 1950 and ending after June 30, 1950, shall be an amount which is such part of the unused excess-profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year after June 30, 1950, is of the total number of days in such taxable year.'

"(f) Amount of excess profit credit: Section 713 (a) (relating to the amount of excess profits credit) is amended by striking out '95 percent' wherever it appears therein and inserting in lieu thereof '80 percent'.

"(g) No carry-back to 1946, 1947, 1948, or 1949: Section 710 (c) of the Internal Revenue Code is hereby amended by adding at the end thereof the following new paragraph:

"'(5) No carry-back to 1946, 1947, 1948, or 1949: For purposes of the determination of the taxes imposed by this subchapter for taxable years ending after June 30, 1950, the term "preceding taxable year" and the term "preceeding taxable years", as used in this subsection, do not include any taxable year ending prior to July 1, 1950.'

"(h) Definition of 'base period': Section 713 (b) (1) is amended by adding at the end thereof the following new subparagraphs:

"'(C) If the corporation was in existence during the whole of the 48 months preceding the beginning of its first taxable year under this subchapter after June 30, 1950, means the period commencing with the beginning of its first taxable year beginning after June 30, 1945; and ending with the close of its last taxable year ending before July 1, 1950; and

"'(D) In the case of a corporation which was in existence during only part of the 48 months preceding the beginning of its first taxable year under this subchapter after June 30, 1950, means the 48 months preceding the beginning of its first taxable year under this subchapter.

"'(E) Subparagraphs (A) and (B) shall not apply in connection with the tax for any taxable year ending after June 30, 1950.'

"(i) Taxable years beginning in 1949 or 1950 and ending after June 30, 1950: Section

710 (a) is amended by adding at the end thereof the following new paragraph:

"'(8) Taxable years beginning prior to June 30, 1950, and ending after July 1, 1950: In the case of a taxable year beginning prior to July 1, 1950, and ending after June 30, 1950, the tax shall be an amount equal to that portion of a tentative tax which the number of days in such taxable year after June 30, 1950, bears to the total number of days in such taxable year.'

"(j) Technical amendments: The following sections of the Internal Revenue Code are restored to read as such sections read immediately prior to the enactment of the Revenue Act of 1945, to be effective as so restored, with respect to taxable years ending after June 30, 1950, as if section 122 (g) of the Revenue Act of 1945 had not been enacted:

"(1) Section 26 (e) (relating to the credit for income subject to the excess-profits tax);

"(2) Section 102 (d) (1) (defining terms for the purpose of the tax imposed by section 102);

"(3) Section 131 (b) (prescribing certain limitations on the foreign tax credit);

"(k) Taxable years to which amendments applicable: The amendments made to the Internal Revenue Code by this title shall be applicable with respect to taxable years ending after June 30, 1950.

"(l) Technical changes: In relation to the tax for any taxable year ending after June 30, 1950, wherever the year 1935 appears in subchapter E of chapter 2 of the Internal Revenue Code, it shall be understood to mean 1945; wherever the year 1936 appears, it shall be understood to mean 1946; and wherever the years 1937, 1938, 1939, and 1940 appear, they shall be understood to mean 1947, 1948, 1949, and 1950, respectively.

"SEC. 702. Investigation by joint committee on internal revenue taxation.

"The Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a full and complete study of the taxation of excess profits accruing to individuals, proprietorships, partnerships, or corporations as the result of any war or national defense program in which the United States is now or may hereafter become engaged.

"Said joint committee shall report the results of its study to the Congress as soon as practicable, but in no case later than March 31, 1951. Said report shall include, but shall not necessarily be limited to, recommendations for amendments to this title, which amendments may be effective retroactively to June 30, 1950."

On page 55, between lines 17 and 18, insert the following:

"(ii) the credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e)."

On page 55, line 18, strike out "(ii)" and insert in lieu thereof "(iii)."

On page 55, line 21, strike out "(iii)" and insert in lieu thereof "(iv)."

On page 56, line 5, insert before the period a comma and the following: "and minus the credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e)."

On page 59, strike out lines 4 and 5, and insert in lieu thereof the following:

"(A) The credit for dividends received provided in section 26 (b) (computed by limiting such credit to 85 percent of the net income reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 in lieu of 85 percent of the adjusted net income so reduced);

"(B) The credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e)."

On page 59, line 6, strike out "(B)" and insert in lieu thereof "(C)."

On page 59, line 9, strike out "(C)" and insert in lieu thereof "(D)."

On page 59, line 12, strike out "(D)" and insert in lieu thereof "(C)."

On page 59, line 20, insert after (b) a comma and the following: "minus the credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e),."

On page 66, beginning with line 10, strike out all through line 14 and insert in lieu thereof the following:

"(2) Section 122 (c) (relating to amount of net operating loss deduction) is hereby amended by inserting after 26 (e) the following: '(h) and (l)'."

On page 66, beginning with line 22, strike out all through line 2 on page 67 and insert in lieu thereof the following:

"(4) Section 204 (a) (2) (relating to definition of normal tax net income and corporation surtax net income of foreign insurance companies other than life or mutual) is amended to read as follows:

"'(2) Normal-tax and corporation surtax net income of foreign insurance companies other than life or mutual and foreign mutual marine: In the case of a foreign insurance company (other than a life or mutual insurance company) and a foreign mutual marine insurance company, and a foreign mutual fire insurance company described in paragraph (1) of this subsection, the normal-tax net income shall be the net income from sources within the United States minus the credit provided in section 26 (a), the credit provided in section 26 (b), and the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e), and the corporation surtax net income shall be the net income from sources within the United States minus the credit provided in section 26 (b) (computed by limiting such credit to 85 percent of the net income reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 in lieu of 85 percent of the adjusted net income so reduced) minus the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e) and, in the case of taxable years beginning on January 1, 1950, and ending on December 31, 1950, minus the credit provided in section 26 (j).'"

On page 69, line 11, insert before the period the following: "and reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in subsection (e)."

At the end of the table of contents, on page 9, insert the following:

"TITLE VII—EXCISE PROFITS TAX

"SEC. 701. Reapplication of excise profits tax.

"(a) Reapplication.
"(b) Rate of tax.
"(c) Exemption.
"(d) Excess profits credit.
"(e) Definition of unused excess profits credit.
"(f) Amount of excess profits credit.
"(g) No carry-back to 1944, 1947, 1948, or 1949.
"(h) Definition of "base period."
"(i) Taxable years beginning in 1949 or 1950 and ending prior to June 30, 1951.
"(j) Technical amendments.
"(k) Taxable years to which amendments applicable.
"(l) Technical changes.

"SEC. 702. Investigation by Joint Committee on Internal Revenue Taxation."

SAVING MONEY IN THE MILITARY ESTABLISHMENT—ARTICLE BY GEORGE SOKOLSKY, AND RESOLUTION OF GRANTS PASS POST, AMERICAN LEGION

Mr. MORSE. Mr. President, will the Senator from Oklahoma yield to me once more?

Mr. KERR. I yield.

Mr. MORSE. Mr. President, in the Washington Times-Herald of this morning there appeared an article by George Sokolsky on the problem of saving money within the military establishment, particularly in connection with procurement, and in cataloging our military inventory. It is an excellent article, and I ask unanimous consent to have it printed in the body of the RECORD, along with the resolution which was passed by Grants Pass Post No. 28 of the American Legion, entitled "A Single Catalog for the Armed Forces." which bears on the same subject as the Sokolsky column. It is a resolution which, in my judgment, would save us so much money if adopted and followed that it alone would save the cost of UMT.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the article and resolution were ordered to be printed in the RECORD, as follows:

THESE DAYS

(By George Sokolsky)

It is absolutely essential that this country stop wasting its money. Nobody gains by that but contractors and speculators who unconscionably are wrecking our economy by inflationary rises in prices, particularly of war materials and foodstuffs.

Those who engage in such practices are not legitimate businessmen, but thieves in the night, and should be treated as such.

Representative JACK Z. ANDERSON, of California, introduced a bill to make it possible for the Government to establish a Federal supply catalog, a single uniform for the armed services. Actually, it ought to be possible to have one supply catalog for the entire Government.

Congressman ANDERSON called attention to the Hoover Commission estimate that $40,000,000,000 could have been saved in World War II had there been less duplication in supply.

War is, in essence, wasteful in supplies as in men, and if lives can be saved, extravagant expenditure is justified.

But when waste means nothing but waste, carelessness, and selfish corruption, it is no more justified in war than at any other time.

He said that one single item has been designated by 1,100 names. This colloquy is aptly descriptive of the situation:

"Mr. VINSON. Because with 1,100 names, in one warehouse they would say 'Well, No. 44 is short,' while No. 44 might be carried in another warehouse as No. 52, and they had a great abundance of them * * * and therefore they would proceed to manufacture No. 44 in a certain warehouse when they have an abundance of No. 52, which is the identical same thing, over in another warehouse. * * *"

Mr. ANDERSON then said:

"Because if one item is known by even 100 different names, that means 100 bins for the same article. It means 100 different pieces of paper work, perhaps in quadruplicate or quintuplicate or however many pieces of paper have to be handled in connection with the procurement assignment of this item to a branch of the armed services.

"So it isn't simply an obsolescence factor. It is in the duplication. * * * And if one item is known by 1,100 different numbers, then it is costing the taxpayers of the country 1,100 times what it should cost."

The point must be made that the Army, Navy, and Air Force deplore this extravagant waste. The legitimate businessmen oppose it, as the varieties of blueprints and specifications and numbers produce confusion, inefficiency, and increased costs.

But Congress needs to and has not yet passed a law making the Federal supply catalog a legal possibility.

Mr. W. A. Kelley, of the Office of the Secretary of Defense, provided an excellent example of how bad cataloging produces bad results. Every housewife knows what an extension cord is. She buys it in Woolworth's when she wants more cord to pull her bridge lamp into the center of the room. So, in our Government, this becomes a problem. Let me quote:

"Mr. KELLEY. They (extension cords) vary slightly. The point is that they have been designed to fill the same function. The items could have been taken and grouped together and analyzed and one item taken to fill the need for all these here. * * *

"Mr. VINSON. What is the difference between the Engineers and Ordnance, in the classification there? Read it off there. I can't read it.

"Mr. KELLEY. The Engineers' name for it is 'cord extension.'

"Mr. VINSON. Cord extension.

"Mr. KELLEY. Yes, sir. They then go on with the description: 'With cap, guard and plug, hard surface, rubber covered, 25 feet,' and the number is '17-3592,500.025.'

"Then the Ordnance come along with:

" 'Cord, light extension, 110-volt, heavy-duty, 2-conductor, oil-resisting, rubber-covered, AWG No. 16, jute-filled cable length, 25 feet—' "

Mr. ANDERSON asked, after considerable descriptive conversation:

"And you would have that one description instead of having 10 different numbers for that item there.

"Mr. KELLEY. That is right.

"Mr. ANDERSON. It would be known by that top number only."

This goes on for several pages. So I went into an electrical equipment store and the salesman showed me types of extension cords.

He had them all together, knew where they were, what the price was, and where he could get more.

If he wasted as much time as the Government does over such an item, he would go broke. So could the Government.

A SINGLE CATALOG FOR THE ARMED FORCES—A RESOLUTION BY GRANTS PASS POST, No. 28, THE AMERICAN LEGION

Whereas the Commission on Organization of the Executive Branch of the Government reports that the use of a single catalog and a single cataloging system is of crucial importance to national defense; and

Whereas the same Commission reports that without a single catalog efficient property management is impossible; and

Whereas the same Commission states that the present supply procedures of the Armed Forces can be operated more efficiently with a single catalog at vastly considerable savings in men, material, and money, possibly exceeding $3,000,000,000 annually; and

Whereas the experience of two world wars has shown that without a single catalog for military supply it is difficult, and in some cases even impossible to supply the Armed Forces; and

Whereas the Procurement Subcommittee of the House Armed Services Committee and the Hoover Commission task force reported that because of duplication in procurement procedures resulting from absence of the single catalog system, it was estimated that taxpayers paid out some $40,000,000,000 unnecessarily during the last war; and

Whereas it appears without question that cataloging is the key to an efficient supply system, but that bitter resistance is and has been encountered at high levels from bureaucratic agencies which are loath to surrender their separate supply empires: Now, therefore, it is

Resolved by Grants Pass Post, No. 28, the American Legion, Department of Oregon: (1) That the Secretary of Defense proceed immediately to develop and install a single catalog system to meet the supply needs of the Armed Forces; and

(2) That in order to insure the program against sabotage by generalization the definition of a single catalog be that given in the report of the Federal Supply Subcommittee of the Commission on Organization of the Executive Branch of the Government, to wit:

"(a) That in the National Defense Department catalog each property item shall have but one name and one identification number and that no other names and identification numbers shall be used; and

"(b) That all agencies concerned with part or all of the processes of supply shall use the National Defense Catalog, and that no other catalog shall be used;

"(c) That all reports to Congress or to the President on production, export, import, procurement, utilization and disposal of commodities shall be submitted in terms of the nomenclature of the National Defense Catalog."

(3) In order to prevent duplication of functions, of responsibility, and of publication costs, each item of supply be assigned to a single technical service or bureau and that technical service or bureau have sole responsibility for cataloging those items assigned to it, and for preparation of the material to be included in the supply catalog; and

(4) Each technical service or bureau publish within the policies of the Secretary of Defense a section of the supply catalog to contain only these items assigned to it; but each technical service or bureau may draw upon the material in any section for inclusion in its working supplements or unit publications to be approved by the Secretary of Defense as part of the National Defense publication plan; and

(5) The numbers or symbols adopted as a means of identification shall be limited to those whose primary functions are to identify items of supply and to facilitate the economical and efficient distribution and utilization of material, and that numbers or symbols that serve primarily for statistical purposes alone shall not be included; and

(6) The functions of cataloging include those presently pertaining to item identification, description patterns, item descriptions, standardization, specifications, packaging, units of measure, and the preparation, publication, and distribution of the data therefrom; and

(7) When the national defense single catalog has been developed and installed, it be applied to all Federal supply operations; and all existing catalogs with their numbers, names, and descriptions be replaced; and

(3) The National Defense Catalog shall be in book form consisting of sections to be prepared and published in accordance with policies, procedures, and schedules of the Secretary of Defense by each supply agency to whom catalog responsibility has been assigned; and be it further

Resolved, That in order to support, direct, and insure the establishment of a single catalog system for the Armed Services, appropriate legislation be enacted by Congress so providing and directing; and it is further

Resolved, That this resolution be submitted immediately to the department and be brought before the next department convention for action, which, if favorable, will carry it to the national convention at Los Angeles, Calif., in October for appropriate action to place the entire weight of the American Legion behind this installation as a key factor essential to any successful national mobilization.

NATIONAL SECURITY TRAINING—STATEMENT BY MRS. LAURA GOODE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement by Mrs. Laura Goode, past national president of the American Legion Auxiliary, at hearings before the Senate Armed Services Committee, in support of UMT.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MRS. LAURA GOODE, PAST NATIONAL PRESIDENT OF THE AMERICAN LEGION AUXILIARY, AT HEARINGS BEFORE THE SENATE ARMED SERVICES COMMITTEE, IN SUPPORT OF NATIONAL SECURITY TRAINING

Mr. Chairman and gentlemen of the committee, my purpose in appearing before your committee is not to discuss the military and technical aspects of the Universal Military Training bill, but to present for your serious consideration the observations made by me last year when, as national president of the American Legion Auxiliary, the largest organization of patriotic women in the world, I traveled more than 150,000 miles, meeting and talking to representative women in each of the 48 States, in Hawaii, Puerto Rico, Alaska, and Panama. I have been impressed by the awareness of ordinary people everywhere to the responsibilities of the United States as the leader of the free nations of the world.

American women are thinking seriously about many things—high cost of living, housing, governmental problems, problems of child care and education—but always foremost is the big question—war or peace?

The influence of women in today's world dare not be discounted. There was a time when the contribution of women to the well-being and progress of the Nation was discounted, but today their talents are considered indispensable and widely sought in the highest councils.

No one knows better than the women of America, the great price that has been paid to keep America free and to keep the hope of freedom from being crushed from the world. Twice within the experience of many of us, war has come to our country, bringing death into our families, grief to our hearts, pain into our lives, and leaving an aftermath of suffering and hardship for vast numbers of Americans, and disrupting the economy of our Nation.

We believe that women have the power to help turn the course of events away from war toward peace. In America, at least, their opinion has equal rights with that of men, and in America it is the opinion of ordinary men and women which control all great decisions.

We have no illusions about the task confronting our Nation. We know there is no easy way to lasting peace—no infallible formula for preventing war—no magic words we can pronounce to dispell the danger of aggression. There is, however, a sure way to invite war. Let America neglect its defenses and you can be sure that the little boys of today will be marching off to war unprepared, just as did their fathers and grandfathers.

Millions of women all over the land believe there must be a way to make this great, powerful Nation of ours more secure from war. We know it is not the way America has followed in the past—the way of ignoring the possibility of war and refusing to prepare against it. Always before that way has marched us straight into battle for our national life. Preparedness is the price of peace, unpreparedness is an invitation for attack. We must decide now—billions for war but what for peace?

To protect the peace of America in the chaotic world of today we are urging a program of prepared defenses adequate to the realities of today's world conditions. In the first place we do not believe that America can buy security with dollars; all America's wars have been fought and won largely by citizen soldiers and sailors and once again our Nation is drafting the young men of our communities for service in a great emergency. America must depend upon young men fresh from civilian life to do the bulk of the fighting in any future wars. Training of all young men, therefore, seems to be the only sensible basis for the safety and security of our youth and for America.

The universal military training we are now urging would provide a vast reserve trained in the many skills required by modern warfare, without serious disruption of individual lives. If all were trained, none would have to be drafted.

With all the earnestness and urgency we can put into our voices women all over our Nation are asking for the enactment of a system of military training for our young men, that they may at least have a chance for survival if called in defense of their country.

Since the inception of the American Legion it has advocated a system of universal military training for the youth of America. In the years before World War II they failed to awaken the American people from their indifference to mounting danger—Pearl Harbor came, invited by America's weakness, and today again the peace of America is threatened.

America has paid a dreadful price for her unwillingness to retain the strength essential to command the confidence of friendly nations and the restraining fear of those who might become our enemies—the price we have paid in blood and treasure, the blasted bodies and ravished souls because we stood unprepared, while mad men made ready to despoil the earth, leaves her no excuse for yet another failure that would destroy civilization.

Finally, gentlemen, we believe that universal military training is training for peace, not war, and will make our young men physically stronger and healthier, morally more self-reliant and better disciplined, socially more dependable and will give to America a vast reserve of trained civilians ready, if needed, to defend the peace. I am confident that if we are trained and ready, war will not come, and that no dictator would be insane enough to attack an America prepared to strike back with all the resources and skill of this powerful country. Universal military training is imperative to strengthen our present and safeguard our future.

We earnestly urge your active support of this legislation.

THE AMERASIA CASE—RESOLUTION OF THE KIWANIS CLUB OF WILLAMINA, OREG.

Mr. MORSE. Mr. President, I ask to have printed in the body of the RECORD as a part of my remarks, without enlarging upon it, a letter from the Willamina Kiwanis Club, of Willamina, Oreg., on the question of checking subversive activities in the United States, which speaks for itself. I submit that the letter is statesmanlike, and makes recommendations and proposals which are sound.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WILLAMINA KIWANIS CLUB,
Willamina, Oreg., August 8, 1950.

The Honorable WAYNE L. MORSE,
United States Senate,
Washington, D. C.

MY DEAR MR. MORSE: The Kiwanis Club of Willamina in the interests of aggressive citizenship, our fourth objective, wish to file with you for immediate consideration the following resolution:

Congressional committee investigations reveal that during the years of World War II and since there have been innumerable cases of espionage and theft of highly confidential and secret governmental documents pertaining to the military, atomic, and national safety plans of our United States. The Federal Bureau of Investigation has developed and presented to our Government for prosecution innumerable cases of such espionage, and theft of highly confidential and secret governmental documents. Responsible agencies of our Government have seen fit to take action in only a few of these cases so prepared and presented, enacting only minor punishments, in most cases allowing the acts to be completely ignored; in many cases allowing the statutes of limitations to elapse, thereby making legal punishment impossible. The information given to the people of our land by the press is indicative that responsible Government agencies are still pursuing this same inactive course and policy. Responsible Government agencies are pursuing this same inactive course of action in the infamous Amerasia case. Such indifference and lack of proper legal action is contrary to the principles of our democratic form of government to the extent another world threat to freedom, liberty, and national security of our United States now exists; be it hereby

Resolved, That we, the members of the Kiwanis Club of Willamina, Oreg., a member club of Kiwanis International, all patriotic American citizens, believing in the principles of our democratic form of government, unanimously demand a full and open investigation of and a vigorous and impartial and immediate prosecution by the Government of the United States of all persons in any way connected with the theft of Government documents in the Amerasia case; all persons in position of official responsibility who have shown neglect in the prosecution of the Amerasia case; all persons who have either influenced or obstructed justice while the security of our United States remains in jeopardy as a result of their activities in the Amerasia case; and be it hereby

Resolved, That copies of this resolution be mailed each Senator and Representative in Congress from the State of Oregon, requesting their approval and support in Congress of this resolution, and their active participation in Congress to the end that Amerasia and other similar cases be vigorously and thoroughly prosecuted immediately, without any further delay.

Approved unanimously by the officers, board of directors, and members of the Willamina Kiwanis Club this 8th day of August 1950.

RAY MORRISON,
President, Willamina Kiwanis Club.
S. G. PARRETT,
Secretary, Willamina Kiwanis Club.

THE IMPENDING NATION-WIDE RAILROAD STRIKE

Mr. HUMPHREY. Mr. President, will the Senator from Oklahoma yield to me to make a statement concerning the railroad situation.

Mr. KERR. I yield 10 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I desire to make a few observations and references to the addresses and comments of the junior Senator from Florida [Mr. HOLLAND] and the junior Senator from Oregon [Mr. MORSE].

First of all I may say that I heartily endorse the observations made by the distinguished Senator from Oregon [Mr. MORSE]. We serve on the Labor and Public Welfare Committee. I think it is the general attitude, and it represents the opinion of the Members of the committee, that his contributions to the field of labor-management relationships are outstanding, and that his words are considered to be the words of a man who has enjoyed great experience and who has a very profound knowledge of the intricate problems of our industrial system.

I was particularly impressed by the remarks of the Senator from Oregon in reference to the need of having machinery to handle emergency disputes in a great period of international crisis and national emergency. There is no doubt that this is the time when we must have procedures and means amicably and equitably to settle the disputes that arise between labor and management, as is very natural in a competitive system.

I also commend the Senator from Oregon for his remarks pertaining to the two sides to any dispute. He is absolutely right when he says that the finger is generally pointed at the worker, and seldom is pointed at the other side of the difficulty. It always takes two to make a fight. It at least takes two to make a strike. And the accomplishment of the purposes of conciliation, of mediation, of negotiation, requires good will and good faith within the framework of free collective bargaining on the part of both parties.

I am not at all familiar with all the details or the background of the present dispute affecting the railroads. I am not going to discuss the dispute as to the particular details or even give a point of view as to the merits of one side or the other. I merely want to say that we cannot consider this dispute by itself. We must consider it within the economic environment of today.

That leads me to make this observation in reference to the comment of the Senator from Florida [Mr. HOLLAND] who, I regret is not present at the moment. I refer only to his mentioning, as he said, the irresponsible action on the part of the railway union leadership. I desire to point out that one of the leaders of the union in this dispute is Mr. Kennedy, the president of the Brotherhood of Railroad Trainmen. I have known Mr. Kennedy for years. He is a very proud and, let me say, a very highly respected and honored citizen of the city of Minneapolis, Minn. His family lives there. He is a decent, patriotic, wholesome American citizen. I am confident that the point of view which he expresses is one that is taken after a good deal of thought, and in a full knowledge of the facts as he sees them, and with a judgment of what he believes to be right.

I believe that in this dispute it is imperative that there be a settlement, and I would support whatever means can be evoked to bring a settlement on the basis of equity. I feel just as does the Senator from Oregon. If the President would settle this dispute I would support his hand. I believe these are times when we must have that attitude, and must be willing to support our Commander in Chief in these particularly difficult areas.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Does the Senator know of any official proposal for the settlement of this dispute that has been suggested by the White House or any spokesman for the White House?

Mr. HUMPHREY. I do not.

Mr. MORSE. I should like to say that I think we have reached the point where we are entitled to have the White House say, "This is what we think is a fair settlement, in view of the national emergency, and this is what we ask both sides to accept, at least for the period of this emergency, so that we can keep the trains running." But it is my understanding that the administration has not done that. I think it should.

Mr. HUMPHREY. My understanding is the same as that of the Senator from Oregon.

I desire to point out that the Special Committee on Labor-Management Relations of the Committee on Labor and Public Welfare, of which the Senator from Oregon and the Senator from Minnesota are members, has called a meeting for the days of September 6, 7, and 8, I believe, and has invited to be present all the prominent leaders of American industry, of labor, and of the public to discuss a program for the handling of emergency disputes. I believe that committee is performing a real service. This will be a very important meeting. From that meeting I hope there may come some very constructive proposals.

In conclusion, in the time that remains, I should like to point out what else is happening in America.

I know that people become emotional when there are labor disputes, but I remind the members of the Senate that the men who are threatening to strike also have sons. In fact, workingmen have more sons than other people. The working people of America, the laboring people, have contributed their fair share of sacrifice for the maintenance of the liberty of the United States. I am hoping and praying that the men will not go out on strike. But I want to make it quite clear that the fathers and mothers of boys in the service are often fathers and mothers who are wage earners and who are members of unions, and that unions are a part of the American system, a part of the American way of life. As the Senator from Florida well pointed out, some of the finest people in America are members of the Brotherhood of Railway Trainmen, the Brotherhood of Locomotive Engineers and the other railroad brotherhoods.

I should like to make another observation. When is the United States going to become indignant over the gouging by profiteers, over the blood money which is being made by the millions of dollars today in connection with the Korean War? When is the United States Senate going to call a halt to the speculation on the commodity exchanges? We did not have the courage to take action in that respect when we passed the control bill. When are we going to realize what will happen to the billions of dollars we are about to appropriate?

The cost of military items has gone up as much as 50 percent, says the Senator from Texas [Mr. JOHNSON] in a recent report. I submit, Mr. President, that it is about time the people became a bit indignant about the kind of exploitation and the kind of economic profiteering that is going on in many areas of American industry.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I ask for at least three more minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and the Senator from Minnesota is recognized for three more minutes.

Mr. HUMPHREY. Mr. President, a very prominent businessman from my State came into my office the other day and told me that a man engaged in the steel industry had to obtain 50 percent of his steel on the gray market. Why? Because the speculators are buying up the steel and putting it in warehouses so as to be in a position to gouge the Government and the American people. That same group, that same bunch of profiteers and price gougers will be around here talking about high taxes and inefficiency, and the high cost of Government, and the cost of preparedness. They are the very people who are making such things possible.

Mr. President, I submit the railroads did not do too badly in the last war. They made millions of dollars, and they were given all kinds of special protection and special privileges.

I say this is a time for equality of sacrifice. I do not want labor to strike. I think labor should have agreed to a no-strike pledge, and given such a pledge to the American people. But if labor is going to give a no-strike pledge during the period of war, then let us have a no-war-profit pledge on the part of American industry. Let us have no war profits. Let their profits be what they are in normal times, or less. After all, who has the most to lose? If Joe Stalin conquers there will be no private industry, there will be no corporations, there will be no commodity exchanges and commodity speculations. There will be no stock market then. Let me make it plain that I believe Joe Stalin can conquer if the profiteers do not exercise a little decency.

The price of tin, the price of lead, the price of steel, the price of cotton, the price of oil, the price of copper, the price of every critical product is starting to rise. The cost of living now is higher than it ever has been before in the history of the country, with the exception of a few months in 1948.

Mr. President, I am here to tell the Congress of the United States that unless price gouging and the rise in the cost of living is stopped there are going to be many strikes, because a workingman who earns $50 or $55 a week cannot continue to pay the increases in the cost of living. When he sees men becoming multi- multi- multimillionaires, when he sees corporate profits higher than ever before in history, when he sees dividends increasing greatly, what do Senators think the average workingman is going to do? The average workingman has his boy in a uniform. H was in a uniform himself in a previous war. He was in uniform as much, I will say, on a percentagewise basis, as any man on a stock exchange or any commodity speculator. The Congress of the United States should get on the side of the people. I do not hear much talk about how we are going to curb these bandits who are stealing legally in the market.

It is about time the Congress of the United States made up its mind to talk to the people, or else there will be more Commies around the country than the Mundt-Ferguson bill will be able to take care of. They will be manufactured faster than they can be stopped.

That is the way to bring about disillusionment, Mr. President. The price of food is getting out of hand—including the price of coffee, the price of milk, the price of meat. Many prices are getting out of hand, including the price of babies' shoes. That matter is one which should be talked about in the tones of indignation which I am using.

Mr. President, I say in all candor to labor that this is no time to strike. This is a time for all of us to get busy in working together to win the war. However, Mr. President, this is a time for equality of sacrifice. When I talk about equality of sacrifice, I do not mean it is time for labor to make sacrifices to the extent that the working men and women have a hard time making ends meet and making a living, while at the same time other persons are able to live in gold-plated penthouses. This is no time for such inequalities to be permitted to exist. It is such inequalities that are good news to Communists everywhere. It is such inequalities that hamper our war effort and tend to cause division among our people.

So, Mr. President, I say let there be equal justice, let there be justice under the law, let all Americans be treated alike and be called upon for equal sacrifices, so that there may be a common purpose among all Americans.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I thank the Senator from Oklahoma for yielding to me.

EXECUTIVE SESSION

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). The motion of the Senator from Oklahoma, that the Senate proceed to the consideration of executive business, was agreed to, and the Senate is in executive session.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a committee was submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Executive A, Eighty-first Congress, first session, the Charter of the Organization of American States, formulated at the Ninth International Conference of American States, and signed at Bogotá, Colombia, in the English, French, Portuguese, and Spanish languages on April 30, 1948, by the plenipotentiaries of the United States of America and other American Republics; with a reservation (Ex. Rept. No. 15).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

Mr. KERR. Mr. President, by agreement, the nomination on the calendar ahead of the new report is to be passed over.

The PRESIDING OFFICER. Without objection, that will be done.

The new report on the executive calendar will be stated.

FEDERAL MARITIME BOARD

The legislative clerk read the nomination of Albert W. Gatov, of California, to be a member of the Federal Maritime Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

RECESS

Mr. KERR. Mr. President, as in legislative session, I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 32 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 25, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 24 (legislative day, July 20), 1950:

UNITED NATIONS

The following-named persons to be Representatives of the United States of America to the Fifth Session of the General Assembly of the United Nations:

Warren R. Austin, of Vermont.
Mrs. Anna Eleanor Roosevelt, of New York.
JOHN J. SPARKMAN, United States Senator from the State of Alabama.
HENRY CABOT LODGE, JR., United States Senator from the State of Massachusetts.
John Foster Dulles, of New York.

The following-named persons to be Alternate Representatives of the United States of America to the Fifth Session of the General Assembly of the United Nations:

Benjamin V. Cohen, of New York.
John Sherman Cooper, of Kentucky.
Ernest A. Gross, of New York.
Edith S. Sampson, of Illinois.
John C. Ross, of New York.

DIPLOMATIC AND FOREIGN SERVICE

Walter J. Donnelly, of the District of Columbia, a Foreign Service officer of the class of career minister, now Ambassador Extraordinary and Plenipotentiary to Venezuela, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Austria, and to be also United States High Commissioner for Austria.

COLLECTORS OF INTERNAL REVENUE

Ernest E. Killen of Harrington, Del., to be collector of internal revenue for the district of Delaware, in place of Norman Collison.

Howard H. MacGowan of Seattle, Wash., to be collector of customs for customs collection district No. 30, with headquarters at Seattle, Wash. (Reappointment.)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be senior assistant sanitary engineer (equivalent to the Army rank of captain), effective date of acceptance

Donald D. Gold

To be junior assistant sanitary engineers (equivalent to the Army rank of second lieutenant), effective date of acceptance

Harold W. Wolf
Frederick A. Flohrschutz
Raymond E. Matthews

To be senior assistant scientist (equivalent to the Army rank of captain), effective date of acceptance

Robert K. Ness

To be senior assistant sanitarian (equivalent to the Army rank of captain), effective date of acceptance

Leo Kartman

To be senior assistant nurse officers (equivalent to the Army rank of captain), effective date of acceptance

Alma Marlin
Marion E. Becker
Faye G. Abdellah
Lillian S. Dick
Catherine N. McDuffie
Helen L. Roberts

To be assistant nurse officer (equivalent to the Army rank of first lieutenant), effective date of acceptance

Nina A. Ramacciotti

Surgeons to be senior surgeons (equivalent to the Army rank of lieutenant colonel)

Paul A. Lindquist
George K. Massengill
Michael B. Shimkin
Lloyd S. Rolufs
Joseph C. Sturgell
Robert A. Hingson
Kenneth W. Chapman
Benno K. Milmore
James K. Shafer

Senior assistant surgeons to be surgeons (equivalent to the Army rank of major)

Richard S. Yocum
Ardell B. Colyar
Andrew W. Para
Gerald R. Clark
Warfield Garson
William P. Ramey
Keith F. Farr
Robert E. Staff
John W. Smillie
Sidney Krohn
Leo J. Gehrig
Robert Leslie Smith

Assistant surgeons to be senior assistant surgeons (equivalent to the Army rank of captain):

John J. Walsh
Joseph A. Gallagher

Dental surgeons to be senior dental surgeons (equivalent to the Army rank of lieutenant colonel):

Clovis E. Martin
James O. Blythe, Jr.

Senior assistant sanitary engineer to be sanitary engineer (equivalent to the Army rank of major):

Joseph H. Coffey

Junior assistant pharmacist to be assistant pharmacist (equivalent to the Army rank of first lieutenant):

Paul H. Honda

Assistant nurse officers to be senior assistant nurse officers (equivalent to the Army rank of captain):

Alice M. Driscoll
Phyllis B. Kyte

CONFIRMATION

Executive nomination confirmed by the Senate August 24 (legislative day of July 20), 1950:

FEDERAL MARITIME BOARD

Albert W. Gatov, of California, to be a member of the Federal Maritime Board for a term expiring June 30, 1953.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 24, 1950

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D. offered the following prayer:

Almighty God, our Father, we are again humbly uniting our hearts in the fellowship of prayer to adore Thy great and holy name, to confess our sins, to render unto Thee our gratitude, and to seek Thy blessings and Thy benediction for ourselves and all mankind.

Thou alone knowest what our greatest needs are in these days of strife and confusion. Give us a reassuring sense of Thyself, for when we have Thee we have everything, a presence to strengthen and inspire, a light to guide and cheer, a sympathy to comfort and encourage, and a love which will not let us down and never let us go.

Grant that during this day we may sense the sanctity of all our tasks and responsibilities. May that day of blessed prediction soon come when there shall be peace on this earth and good will among men.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 1585. An act for the relief of Leilah begum Alaoui Mullin;

H. R. 1611. An act for the relief of Walter E. Miller;

H. R. 1616. An act for the relief of S. L. Ayres & Co., Inc.;

H. R. 3132. An act for the relief of Sergio and Mara Lamberti;

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 3304. An act for the relief of José Cotto Santiago;

H. R. 3921. An act for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras;

H. R. 4014. An act for the relief of Maria Hoffman;

H. R. 4142. An act for the relief of Ralph D. Kinney;

H. R. 4657. An act for the relief of J. R. Fleming & Co.;

H. R. 4775. An act for the relief of Harold L. Corzett, commander, United States Naval Reserve;

H. R. 4954. An act for the relief of Jacob F. Hutt and Anderson E. Humphrey;

H. R. 5523. An act for the relief of Fred I. Massengill;

H. R. 5984. An act to approve Joint Resolution 12, enacted by the Legislature of the

Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases;

H. R. 6052. An act for the relief of John M. Vick;

H. R. 6217. An act to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration;

H. R. 6221. An act to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home;

H. R. 6223. An act to record the lawful admission to the United States for permanent residence of James Ermini;

H. R. 6312. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Joseph Lundborg and others against the United States;

H. R. 6386. An act for the relief of Amos Chen, a native of Jamaica, British West Indies;

H. R. 6417. An act for the relief of Mrs. Frieda Gray (formerly Frieda Putman);

H. R. 6442. An act for the relief of Mrs. Martha Reid;

H. R. 6449. An act for the relief of Mrs. L. M. Cox and Mrs. M. R. Nickle;

H. R. 6463. An act for the relief of Mrs. Shikaju Nakashima;

H. R. 6578. An act for the relief of Mrs. Gunnborg Janzon Hamilton;

H. R. 6586. An act for the relief of Stamatie Amersonis;

H. R. 6707. An act for the relief of Sirius Proestopoulos;

H. R. 7012. An act for the relief of Anna Ellero and Clara Ellero;

H. R. 7146. An act to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory;

H. R. 7282. An act for the relief of Cornelius VerSluis;

H. R. 7297. An act for the relief of Ignas Malcius;

H. R. 7370. An act for the relief of Kiyoko S. Barr and Harue Barr;

H. R. 7613. An act for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding;

H. R. 7641. An act to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church;

H. R. 7677. An act to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School;

H. R. 7814. An act for the relief of Stella Matutina Kazuko Yamazaki;

H. R. 7840. An act to provide for the refund of certain estate taxes;

H. R. 7919. An act for the relief of Mrs. Yukiko Yoshii French and her son;

H. R. 7921. An act for the relief of Eva T. Ross;

H. R. 8009. An act for the relief of Enrica Gianoli;

H. R. 8061. An act for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy;

H. R. 8069. An act for the relief of Mrs. Michiko Kohga Brooks;

H. R. 8073. An act for the relief of Kimiko Iso and her minor daughter, Midori;

H. R. 8134. An act for the relief of Elona Schwietza and her son;

H. R. 8153. An act for the relief of Chiyoko Akashi;

H. R. 8315. An act for the relief of Joseph F. Gallagher;

H. R. 8417. An act to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States;

H. R. 8423. An act for the relief of Yuriko Mizumoto;

H. R. 8473. An act for the relief of Kimiko Tomita;

H. R. 8477. An act for the relief of Marcel Rene de Romanett;

H. R. 8558. An act for the relief of Kimiko Yamaguchi;

H. R. 8584. An act for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating;

H. R. 8619. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes;

H. R. 8684. An act for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin;

H. R. 8740. An act for the relief of Erika Kuhn;

H. R. 8741. An act for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin;

H. R. 8742. An act for the relief of Mrs. Tokiko Amano Roloson;

H. R. 8751. An act for the relief of Mrs. Yoshiko Ogiso Peterson;

H. R. 8772. An act for the relief of Ah-Kim Wong;

H. R. 8794. An act for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.;

H. R. 8795. An act for the relief of Benjamin Paglinaman;

H. R. 8824. An act for the relief of Tokuko Murayama;

H. R. 8826. An act for the relief of Yaeko Nakajima;

H. R. 8918. An act for the relief of Mary Rynik Baran;

H. R. 8935. An act for the relief of Mrs. Jaye Kurusu Maddox;

H. R. 8956. An act for the relief of Mrs. Claude Morita and Rodney Morita;

H. J. Res. 497. Joint resolution extending from gross estate of a nonresident alien works of art on loan to the trustees of the National Gallery of Art;

H. J. Res. 510. Joint resolution to exempt certain counsel employed by committee from certain Federal laws under Special Committee on Compaign Expenditures, 1950; and

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1586. An act for the relief of Harold E. Trautwein;

H. R. 1874. An act for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault;

H. R. 3919. An act for the relief of John S. Steber;

H. R. 4221. An act for the relief of the legal guardian of Patricia Joyce Dunn, a minor;

H. R. 4803. An act for the relief of Bernard F. Elmers;

H. R. 6095. An act for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.;

H. R. 6209. An act to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes;

H. R. 6339. An act to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.;

H. R. 6343. An act relating to customs duties on articles coming into the United States from the Virgin Islands;

H. R. 6804. An act for the relief of certain Italian aliens;

H. R. 6832. An act for the relief of Choko Nishida;

H. R. 7447. An act to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits and news reels;

H. R. 7454. An act for the relief of Robert C. Watters, Mrs. Martha L. Watters, C. E. Nivens, E. O. Nivens, and the estate of J. W. Gillum, deceased;

H. R. 7824. An act to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes;

H. R. 8028. An act to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.;

H. R. 8219. An act for the relief of Tadeusz Herka;

H. R. 8726. An act to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts;

H. R. 8992. An act to eliminate the additional internal-revenue taxes on coconut oil coming from the trust territory of the Pacific Islands, and for other purposes; and

H. R. 9134. An act to amend title 46, United States Code, section 251.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1192. An act for the relief of certain Basque aliens;

S. 2324. An act for the relief of Maria Balsam;

S. 2648. An act for the relief of Carlo Fava;

S. 2922. An act for the relief of Chieko Murata;

S. 3018. An act for the relief of W. F. Steiner;

S. 3037. An act for the relief of Nicholas Yialouris (also known as Nicholas Gialouris or Nicolaos Gialouris or Nick Yialouris);

S. 3121. An act for the relief of Mario Juan Blas Besso-Pianetto;

S. 3136. An act to authorize the Secretary of the Interior to transfer to the town of Mills, Wyo., a sewage system located in such town;

S. 3250. An act for the relief of Marne Post No. 28, American Legion, New Martinsville, W. Va.;

S. 3254. An act to provide for designation of the United States Veterans' Administration Hospital at Buffalo, N. Y., as the Buffalo Veterans' Memorial Hospital;

S. 3321. An act for the relief of Zena (Zenobia) Symeonides;

S. 3434. An act for the relief of Mikiko Anzai;

S. 3546. An act to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes;

S. 3672. An act to amend section 3 (c) of the Civil Service Retirement Act so as to make the exclusion from such act of temporary employees of the Senate and House of Representatives inapplicable to such employees with one or more years of service;

S. 3768. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes;

S. 3807. An act to authorize the President to appoint Col. Henry A. Byroade as Director of the Bureau of German Affairs, Department of State, without affecting his military status and perquisites;

S. 3910. An act relating to the assignment of surplus clerks in the Postal Transportation Service;

S. 3917. An act for the relief of Basilio Gorgone;

S. 3965. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.;

S. 3966. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.;

S. 3967. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust;

S. 3933. An act to provide for the appointment of deputy United States marshals without regard to the provisions of the civil-service laws and regulations;

S. 3995. An act to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes; and

S. J. Res. 194. Joint resolution to provide that the housing developments known as Westview and Southview in the village of Springfield, Vt., shall for the purposes of the seventeenth decennial census be treated as a part of the village of Springfield, Vt.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2423. An act to amend section 7 of the act of February 27, 1925 (43 Stat. 1003), relating to the Osage Indians of Oklahoma; and

S. 2633. An act to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949, by the United States of America and the United Mexican States and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4800. An act to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. GILLETTE, Mr. THYE, and Mr. KEM to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 1056) entitled "An act to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased"; disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. GRAHAM, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2317) entitled "An act to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes;" requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUMPHREY, Mr. MURRAY, Mr. HILL, Mr. AIKEN, and Mr. MORSE to be the conferees on the part of the Senate.

ANNOUNCEMENT

The SPEAKER. The Chair prefers not to recognize Members to address the House for 1 minute, but will recognize Members to extend their remarks.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

ADDITIONAL DISTRICT JUDGE FOR THIRD DIVISION OF DISTRICT COURT, DISTRICT OF ALASKA

The SPEAKER. The unfinished business is the question on the passage of the bill (H. R. 3775) to provide for an additional district judge for the third division of the District Court for the District of Alaska.

The question is on the passage of the bill.

The question was taken; and the Speaker announced that the Chair was in doubt.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 196, nays 147, answered "present" 2, not voting 85, as follows:

[Roll No. 250]

YEAS—196

Abbitt	Breen	Chesney
Addonizio	Brown, Ga.	Clemente
Albert	Bryson	Combs
Allen, La.	Buchanan	Cooley
Andrews	Buckley, Ill.	Cooper
Angell	Buckley, N. Y.	Crook
Aspinall	Burdick	Crosser
Barden	Burke	Davenport
Baring	Burnside	DeGraffenried
Barrett, Pa.	Burton	Delaney
Beckworth	Byrne, N. Y.	Denton
Bentsen	Camp	Dollinger
Blatnik	Cannon	Donohue
Boggs, Del.	Carlyle	Doughton
Bolling	Carnahan	Douglas
Bolton, Md.	Cavalcante	Doyle
Bosone	Chatham	Durham
Boykin	Chelf	Eberharter
Elliott	Keogh	Priest
Engle, Calif.	Kerr	Rabaut
Evins	Kilday	Rains
Fallon	King	Ramsay
Feighan	Kruse	Rankin
Fernandez	Lane	Redden
Fisher	Lanham	Rhodes
Flood	Larcade	Richards
Fogarty	Lind	Robeson
Forand	Linehan	Rodino
Frazier	Lucas	Rogers, Fla.
Fugate	Lyle	Rooney
Furcolo	Lynch	Roosevelt
Garmatz	McCarthy	Sasscer
Gary	McCormack	Sikes
Gathings	McGrath	Sims
Gilmer	McGuire	Smathers
Gordon	McMillan, S. C.	Smith, Va.
Gorski	McSweeney	Spence
Gossett	Mack, Ill.	Stanley
Granahan	Madden	Steed
Granger	Magee	Stigler
Grant	Mahon	Sullivan
Green	Mansfield	Tackett
Hardy	Marsalis	Tauriello
Harrison	Marshall	Teague
Hart	Mills	Thompson
Havenner	Mitchell	Thornberry
Hays, Ark.	Monroney	Trimble
Hays, Ohio	Morgan	Underwood
Hedrick	Morris	Vinson
Heffernan	Moulder	Wagner
Heller	Multer	Walsh
Herlong	Murdock	Walter
Hobbs	Noland	Welch
Holmes	O'Brien, Ill.	White, Calif.
Horan	O'Brien, Mich.	Whitten
Irving	O'Hara, Ill.	Whittington
Jackson, Wash.	O'Sullivan	Wickersham
Jones, Ala.	O'Toole	Wier
Jones, Mo.	Pace	Willis
Jones, N. C.	Patman	Wilson, Okla.
Karst	Perkins	Wood
Karsten	Peterson	Woodhouse
Kee	Philbin	Yates
Kelley, Pa.	Pickett	Zablocki
Kelly, N. Y.	Preston	
Kennedy	Price	

NAYS—147

Abernethy	Goodwin	Nixon
Allen, Calif.	Graham	Norrell
Allen, Ill.	Gross	O'Hara, Minn.
Andersen, H. Carl	Guill	Passman
Anderson, Calif.	Gwinn	Patten
Andresen, August H.	Hale	Phillips, Calif.
Arends	Harden	Phillips, Tenn.
Auchincloss	Hare	Plumley
Bates, Ky.	Harris	Poage
Bates, Mass.	Harvey	Polk
Battle	Herter	Potter
Beall	Heselton	Poulson
Bennett, Fla.	Hill	Reed, Ill.
Bennett, Mich.	Hoeven	Reed, N. Y.
Bishop	Hoffman, Ill.	Rees
Bolton, Ohio	Hoffman, Mich.	Ribicoff
Bonner	Hope	Rich
Bramblett	Hull	Riehlman
Brooks	James	Rogers, Mass.
Brown, Ohio	Javits	Sadlak
Burleson	Jenison	Sanborn
Byrnes, Wis.	Jenkins	Saylor
Canfield	Jennings	Scrivner
Case, N. J.	Jensen	Scudder
Case, S. Dak.	Jonas	Secrest
Chiperfield	Judd	Shafer
Clevenger	Kean	Short
Cole, Kans.	Kearns	Simpson, Ill.
Cole, N. Y.	Keating	Simpson, Pa.
Corbett	Kilburn	Smith, Wis.
Cotton	Kunkel	Stefan
Coudert	LeCompte	Stockman
Cox	LeFevre	Taber
Cunningham	Lichtenwalter	Talle
Curtis	Lovre	Towe
Dague	McConnell	Van Zandt
Davis, Ga.	McCulloch	Velde
Davis, Wis.	McDonough	Vorys
Deane	McGregor	Wadsworth
D'Ewart	Mack, Wash.	Weichel
Dolliver	Martin, Mass.	Wheeler
Ellsworth	Merrow	Widnall
Elston	Meyer	Wigglesworth
Fenton	Michener	Wilson, Ind.
Ford	Miller, Md.	Withrow
Fulton	Miller, Nebr.	Wolcott
Gavin	Morton	Wolverton
Golden	Murray, Tenn.	Woodruff
	Nelson	Young
	Nicholson	

ANSWERED "PRESENT"—2

Huber	Thomas

NOT VOTING—85

Bailey	Halleck	Patterson
Barrett, Wyo.	Hand	Pfeifer, Joseph L.
Biemiller	Hébert	Pfeiffer, William L.
Blackney	Hinshaw	Powell
Boggs, La.	Holifield	Quinn
Brehm	Howell	Regan
Bulwinkle	Jackson, Calif.	Rivers
Carroll	Jacobs	Sabath
Celler	Johnson	Sadowski
Christopher	Kearney	St. George
Chudoff	Keefe	Scott, Hardie
Colmer	Kirwan	Scott, Hugh D., Jr.
Crawford	Klein	Shelley
Davies, N. Y.	Latham	Sheppard
Davis, Tenn.	Lodge	Smith, Kans.
Dawson	McKinnon	Smith, Ohio
Dingell	McMillen, Ill.	Staggers
Dondero	Macy	Sutton
Eaton	Marcantonio	Taylor
Engel, Mich.	Martin, Iowa	Tollefson
Fellows	Mason	Vursell
Gamble	Miles	Werdel
Gillette	Miller, Calif.	Whitaker
Gore	Morrison	White, Idaho
Gregory	Murphy	Williams
Hagen	Murray, Wis.	Wilson, Tex.
Hall, Edwin Arthur	Norblad	Winstead
Hall, Leonard W.	Norton	
	O'Konski	
	O'Neill	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Chudoff for, with Mr. Martin of Iowa against.

Mr. Carroll for, with Mr. Hand against.

Mr. Joseph L. Pfeifer for, with Mr. Smith of Ohio against.

Mr. Murphy for, with Mr. Latham against.

Mr. Jacobs for, with Mr. Taylor against.

Mr. Whitaker for, with Mr. Halleck against.

Mr. O'Neill for, with Mr. Macy against.

Mr. Klein for, with Mr. Gillette against.

Mr. Staggers for, with Mr. Lodge against.

Mr. Bailey for, with Mr. Crawford against.

Mr. Biemiller for, with Mr. Eaton against.

Mr. Holifield for, with Mr. Dondero against.

Mr. Howell for, with Mr. Leonard W. Hall, against.

Mr. Boggs of Louisiana for, with Mr. Kearney against.

Mr. Morrison for, with Mr. Blackney against.

Mr. Miller of California for, with Mr. Gamble against.

Mr. Sabath for, with Mr. Patterson against.

Mr. Quinn for, with Mr. Mason against.

Mr. Sadowski for, with Mr. Thomas against.

Mr. Hébert for, with Mr. Jackson of California against.

Mr. Celler for, with Mr. Hugh D. Scott, Jr., against.

Mr. Dingell for, with Mr. Huber against.

Mrs. Norton for, and Mr. Hardie Scott against.

Mr. Davies of New York for, with Mr. Norblad against.

Mr. Kirwan for, with Mr. Brehm against.

Mr. McKinnon for, with Mr. Edwin Arthur Hall, against.

Mr. Miles for, with Mr. Hinshaw against.

Mr. Powell for, with Mr. William L. Pfeiffer against.

Mr. Regan for, with Mr. Engel of Michigan against.

Mr. Sheppard for, with Mr. Barrett of Wyoming against

Mr. Dawson for, with Mr. McMillen of Illinois against.

Mr. Wilson of Texas for, with Mr. Johnson against.

Mr. Christopher for, with Mr. Werdel against.

Mr. Marcantonio for, with Mr. Smith of Kansas against.

Until further notice:

Mr. Gregory with Mr. Vursell.

Mr. Colmer with Mr. Murray of Wisconsin.

Mr. Williams with Mr. Tollefson.

Mr. Winstead with Mr. Hagen.

Mr. Rivers with Mr. Keefe.

Mr. Gore with Mrs. St. George.

Mr. White of Idaho with Mr. Fellows.

Mr. VINSON changed his vote from "nay" to "yea."

Mr. HUBER. Mr. Speaker, I have a live pair with the gentleman from Michigan, Mr. DINGELL. If he were present he would vote "yea." I voted "nay." I withdraw my vote and answer "present."

Mr. THOMAS of Texas. Mr. Speaker, I have a live pair with the gentleman from Michigan Mr. SADOWSKI, who is unavoidably absent. If he were present, he would vote "yea." I voted "nay." I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

The doors were opened.

EXTENSION OF REMARKS

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include a resolution.

Mr. KEOGH asked and was given permission to extend his remarks and include an editorial from the Empire State Petroleum Association magazine.

Mr. LANE asked and was given permission to extend his remarks in two instances, in each to include extraneous matter.

Mr. BURLESON asked and was given permission to extend his remarks and include an editorial.

Mr. TOWE asked and was given permission to extend his remarks and include an editorial.

Mr. GWINN asked and was given permission to extend his remarks and include an article.

Mr. KILBURN asked and was given permission to extend his remarks and include a newspaper article.

Mr. LEFEVRE asked and was given permission to extend his remarks and include an editorial.

Mr. SIMPSON of Illinois asked and was given permission to extend his remarks and include an editorial.

Mr. BARING asked and was given permission to extend his remarks and include an article.

ALLOWANCES FOR DEPENDENTS OF ENLISTED PERSONNEL

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9477) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9477) providing allowances for dependents of enlisted personnel, with Mr. STIGLER in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the consent agreement the gentleman from Louisiana [Mr. BROOKS] is entitled to recognition for 1 hour, and the gentleman from Missouri [Mr. SHORT] to 1 hour.

Mr. BROOKS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, this is a bill regarding which there has been a great deal of interest.

Before I proceed with what I have to say with reference to the bill, let me state that this morning the full Committee on Armed Services met and agreed to one change in the bill. We have rewritten section 13 so as to give the Comptroller General the authority which in the original bill we gave to the heads of the different services. This conforms to the recommendation of the Comptroller General.

In other respects the bill is the same as reported out. At the proper time, I shall present the amendment we have agreed upon to rewrite section 13.

Mr. Chairman, it is a pleasure to discuss with the members of the Whole Committee the purposes and objectives of the bill, H. R. 9477.

We have worked hard and, we believe, diligently to prepare a reasonable, equitable ad practical bill which will provide benefits for the enlisted members of our armed services who have dependents.

Mr. Chairman, the Committee on Armed Services recognized at the outset that we could not discriminate between Regular service personnel and those ordered to active duty involuntarily or inducted through selective service. The benefits had to be the same for all persons. Nevertheless, we did take into consideration the fact that the people who are being maladjusted at this time are those who have been ordered to active duty involuntarily.

We are not in total mobilization.

Now, before anyone objects to that statement, let me say that I fully appreciate the fact that to a guardsman or reservist or inductee there is no difference between total and partial mobilization. And the benefits provided in the bill before the House today are not predicated on the theory that they can be less because of a partial mobilization than they would be under a total mobilization. In fact, the bill before you today provides adequate benefits for all enlisted personnel with dependents, and provides greater benefits than did the 1942 Family Allowance Act.

When I say that we are presenting a practical bill, I mean that we are considering those persons who need help the most; that is, the wives and the children and the truly dependent mother and father. For the men in the lower three pay grades with one dependent, we have provided a quarters allowance of $45 a month. For a man with a wife and one child, or a man with a dependent mother and wife, we have provided a quarters allowance of $70 per month. For a man with a wife and two children, or a man with a dependent mother and a wife and child, we have provided a quarters allowance of $85 per month. In order to qualify for those amounts, however, enlisted men in the lower three pay grades must allot $40 of their own basic pay,

which will be added to the quarters allowance to be provided to the dependent. That means that a wife alone would receive an allotment of $85 a month. Now, let us compare that with the 1942 law.

During World War II, an enlisted man with a dependent wife contributed $22 of his pay and the Government contributed $28, to give that wife a total of $50. We have allowed that wife or that dependent mother or that dependent child a total of $85.

During World War II, a wife and child received from the Government a total of $80 a month, including the $22 contribution by the man. Under our proposal, the dependent wife and child will receive a total of $110 per month.

During World War II, the mother with two children received a total contribution from the Government of $100 per month, including the man's contribution. Under our proposal, that mother with two children will receive $125 per month. Thus, we have taken into consideration the increased cost of living since World War II, but, in so doing, we have also taken into consideration the pay increases that have been granted to all service personnel since 1945.

The Members of the House will recall that a substantial pay increase was voted to enlisted personnel in 1946 and again in 1949. We took this into consideration in writing this bill, and we felt that we were justified in asking the enlisted man who is now receiving more money to contribute more money to his dependents. We believe that is reasonable, and we do not believe anyone will find any quarrel with it.

We have not required the noncommissioned officers to contribute any portion of their pay in order to qualify for the new allowance benefits because, under existing law, they get a quarters allowance for dependents without contributing any portion of their pay. We merely continue to recognize the old law in this respect, and, at the same time, recognize the fact that these noncommissioned offers are men with responsibilities who will be expected to support their families properly. If they do not, of course, they can be disciplined.

We have made the proposed law retroactive to August 1, because it was after that date that most of our units were ordered to active duty. If it is made retroactive to a date prior to that, it will, of course, accrue largely to the benefit of the persons in the Regular services who have heretofore planned their careers on the basis of the pay they were receiving at that time.

This is the way the new law will operate.

An enlisted man who is inducted or ordered to active duty in pay grade E–1, with 4 months' service, receives a base pay of $80 per month. Let us assume that he has a wife and one child. His wife will be entitled to a quarters allowance of $70 a month, provided that he allots $40 of his $80 per month. This will give his wife $110 per month and will give the enlisted man $40 per month for his own. If he desires to allot more than the $40, he will be encouraged to do so, but not required.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I am somewhat disturbed about these benefits or payments, because a good many men who are called into the service, and who have families, have acquired homes. They are paying from $50 to $75 a month on their homes, and certainly we must recognize that the cost of living is at least twice as high now as it was at the beginning of the other war. It may be that the committee feels that it has been extremely liberal, but I do not see how these men with dependents are going to meet their obligations and support their families on $110 a month, with $40 coming out of a man's pay.

Mr. BROOKS. If the gentleman will let me complete my statement, perhaps some of the questions in the gentleman's mind will be cleared up, and if not, I will be very glad to yield for questions.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. BROOKS. I yield.

Mr. MILLER of Nebraska. Will the gentleman also cover what payments, if any, will accrue to the father or mother of an enlistee who is not married?

Mr. BROOKS. Yes, indeed.

Mr. JAVITS. Mr. Chairman, will the gentleman yield for another suggestion?

Mr. BROOKS. I yield.

Mr. JAVITS. Will the gentleman cover the question as to whether those inductees who are not in the combat zone will get the benefit of this legislation?

Mr. BROOKS. Yes. It applies to everybody, whether he is in the combat zone or otherwise. This is based on the theory that we must take care of the needs of the dependents within the ability of the Government to do so.

If the man has a wife and two children, his wife will receive $125 per month. He will not be required to make an allotment in the first month that he enters on active duty because, obviously, if he enters in the latter part of the month he could not earn the $40 that would be necessary for him to allot in order to otherwise qualify for that portion of the quarters allowance.

There are provisions in the bill for requiring a recalcitrant member to support his family. There are also provisions in the bill that will allow the Secretary of the Department concerned to establish allotments for those now in Korea or prisoners of war, and there are provisions which will allow those allotments to be modified for additional amounts for persons who are not in a position to file the new applications themselves. There are other technical details involved in the bill, all of which are intended to permit a liberal interpretation. For example, the family of the man who is absent without leave will not suffer for reasonable periods of time because of the man's failure to be in a pay status during that period of time.

There is another section in the bill, section 13, which might be misconstrued by some Members of the House because it involves a technical question. This section provides that the secretaries of the departments may waive indebtedness growing out of erroneous payments of allowances paid under the authority of the Servicemen's Dependents' Allowance Act of 1942, and not acted upon prior to October 1, 1949, the date of repeal of the family allowance law. I intend to offer an amendment which will place that authority in the hands of the Comptroller General, rather than the Secretaries.

But, whether the authority is placed in the hands of the Secretaries or the Comptroller General, the section does not mean that all indebtedness or overpayments which have occurred in any of the services prior to or since October 1, 1949, may automatically be waived. What it does mean is that overpayments which were discovered after October 1, 1949, or which were being processed up to October 1, 1949, may continue to be waived as were the overpayments prior to that time. I would like to use this illustration.

Let us assume a man was discharged from the service in 1947. Through an error, either on his part or on the part of the finance center or the disbursing officer, his wife received a family allowance check for two additional months. She was not entitled to those checks but cashed them nevertheless. The overpayment was discovered in September of 1949 or perhaps sooner. A request for repayment was made by the finance center and she acknowledged the indebtedness, but stated that her husband was dead and that she was trying to support three children on an income of $15 per week. Under the Family Allowance Act of 1942, the services were authorized to waive that type of indebtedness. Had that same woman not advised the finance center of that indebtedness until October of 1949, that amount could not have been waived even though it was contrary to equity and good conscience to attempt to collect the overpayment, because the authority under which that waiver board had been established, and under which it operated, ceased to function when the Family Allowance Act of 1942 was repealed by the Career Compensation Act of 1949, effective on October 1, 1949.

In other words, section 13 will merely permit the services or, if the amendment is adopted, the Comptroller General, to do equity in those cases that require equity. It removes the penalty that heretofore was imposed upon those unfortunate individuals who were not notified of their overpayment or who did not indicate an inability to pay until after October 1, 1949.

Another very important point in this matter of allowances and partial mobilization is the question of why we have not provided benefits for men who have more than three dependents. I will answer that by pointing to section 14 of the bill, which provides that "the secretary of the department concerned shall take cognizance of the provisions of this act and shall establish policies under which enlisted members with dependents may be discharged for hardship." In other words, we do not feel that in this partial mobilization stage it is necessary for

the services to use men, particularly those in the lower pay grades, who have more than three dependents.

We did not specify automatic discharge for those with a stated number of dependents because there would be many persons with more than three dependents who would prefer to remain in the service even though benefits do not increase after three dependents. Likewise, some men with more than three dependents may not be suffering any financial hardship. We do feel, however, that, in general, a man in the lower pay grades with more than three dependents should not be inducted or ordered to active duty.

In the higher noncommissioned officer grades, however, the man is receiving reasonably adequate remuneration for his services and, of course, received a considerable pay increase under the Career Compensation Act of 1949.

And, speaking of those higher noncommissioned officers, you will note that today they receive $67.50 per month for a quarters allowance; under this bill they will receive $70 per month if they have one or two dependents, and $85 per month if they have three or more dependents. We have given them increases, but since this bill is based upon the needs of the dependents, rather than the rank of the enlisted man, we have made the rates for the higher noncommissioned officers substantially the same as those for the lower enlisted grades.

The proposed legislation will not maintain families in the status quo, obviously, but it is more than was provided in the 1942 act in the great majority of cases, and it will prevent hardship. We did not feel that we could go beyond that. We could not maintain a man in the financial condition he was in prior to entering the service, because it would be manifestly impossible to do so. But we have provided what we think will do the job fairly and equitably.

The bill will cost $242,000,000 for the remainder of this year. It will cost $360,000,000 in fiscal 1952, based on an estimated armed force of 2,500,000 men at that time.

We have brought a bill on the floor of the House that is liberal in its terms. We hope the House will accept our judgment in this respect. You are aware, I am sure, of the urgency of this legislation, and I strongly recommend its immediate passage.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. FORD. If a man has a wife and two children he gets the benefits of the family allowance, is that correct?

Mr. BROOKS. That is right.

Mr. FORD. But if he has a wife and three children, he only gets the allowance for two children and the wife?

Mr. BROOKS. If he has more than two children, he will get $85 a month from the Government, to which he contributes $40, which would make $125, which his family will get as a family allowance each month.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. VINSON. There is a provision in the bill giving discretion in cases of hardship to allow the man to be let out of the service. So in all probability that discretion would be exercised if he had more than three dependents.

Mr. BROOKS. Adding to what my distinguished chairman has said, the committee was strongly of the opinion that in cases where there were a large number of dependents the services should not impose a hardship upon that family by inducting the breadwinner into the service, and if the breadwinner of the family was in the service, they should screen that man before a board with the idea of discharging him from the service and thereby relieving the hardship.

Mr. FORD. Are the selective-service boards throughout the country going to coordinate their activities with this provision 14?

Mr. BROOKS. General Hershey, may I say to the gentleman, has already said that his policy is not to induct men with a large number of dependents. So that will dispose of the selective service. They will, in fact, be working together.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. JACKSON of Washington. I compliment the gentleman and his subcommittee for the work they have done in connection with this bill. There is one thing that troubles me. Why should not this legislation be made retroactive to the date when the various reservists and draftees were called to active duty?

Mr. BROOKS. We went back to August 1, rather than any prior date, because on August 1, for since August 1 most of the inductions of Reservists and National Guard men were made. Had we gone back further, it would have been largely to take care of the Regular Establishment personnel who are already in service with dependents.

Mr. JACKSON of Washington. What I had in mind is, suppose it was made retroactive to the time when they came in, which would be subsequent to June 25, the outbreak of the Korean hostilities? I did not have in mind making it retroactive prior to June 25, but June 25 and subsequent thereto.

Mr. VINSON. As a matter of fact no reservists were called in until the latter part of July. The other body does make it retroactive to July 1. We make it retroactive to August 1, because in August, approximately the end of July, they began to come into the service.

Mr. BROOKS. That takes care of most cases.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. MILLER of Nebraska. You did not cover the boy who does not have a wife, but has a mother and father at home who depend on him.

Mr. BROOKS. Yes, he has one dependent; and he is entitled to the same benefits as any other man with one dependent.

Mr. MILLER of Nebraska. One dependent?

Mr. BROOKS. If the mother or father are truly dependent upon him.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. VAN ZANDT. Would the distinguished gentleman from Louisiana describe the procedure a serviceman must follow in establishing eligibility for a dependency allowance?

Mr. BROOKS. He is required, naturally, to file an application; but he does, as a matter of fact, file the application which is to be supported by competent proof, and after they pass judgment on it and find actually that they are dependent upon him, then the allowance is allotted.

Mr. VAN ZANDT. Is it not true that the dependent of the serviceman will have to furnish an affidavit to support the serviceman's application?

Mr. BROOKS. Yes. They might be called upon to furnish further proof than that, and this is to prevent abuses.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. ALBERT. Did I understand the gentleman to say that the allotment to the wife out of the soldier's pay is not compulsory?

Mr. BROOKS. No; I did not intend to say that. I said if a man was fighting in Korea, the services are not going to bring him back from the front line and say, "Here, you must file this application for an allotment for your wife."

The Secretary may take cognizance of the fact that he does have a wife and may act for him so as to take care of the dependents.

Mr. SHORT. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, war is the most expensive activity on earth. Sherman called it hell, and I think he put it mildly. If carried on any length of time today with the tremendous costs involved it would bankrupt and ruin any country on earth. That is the reason we all should work and pray for peace.

The gentleman from Louisiana has told you that it is next to impossible to tell just what this legislation is going to cost the American people, because there are too many imponderables to consider. It will largely depend upon whether or not we will be able to contain the present conflict in Korea; upon that will depend how much we shall have to expand the different branches of our armed services; but the best estimate that we can arrive at is that for the next 11 months in the fiscal year of 1951 it is going to cost the taxpayers of this country $242,000,000, and in fiscal 1952 it will cost us at least $360,000,000. Of course, we all know that war pulls a nation and a people up by the roots and hurls them out into space, dislocates seriously our whole economy. Naturally we would like to relieve all the hardships that one must suffer in time of war. That, of course, is utterly impossible.

Your committee has been not only considerate but we have leaned over backwards and have been liberal and generous if anything to a fault, although we know we can never pay any man who

goes out and faces the fire of musketry and cannon and who risks his life, we cannot pay him enough money for the services he renders his country.

But bear in mind that in the first world war we paid a buck private $21. We raised it to $30 a month. In the second global conflict we hiked the base pay to $50 a month and then we increased it to $75 a month for an enlisted private. After serving 4 months he is raised to $80 a month basic pay.

As these men are called up from the National Guard and the Organized Reserves with families and dependents at home or as they are inducted under the Selective Service Act, naturally we want to see that their dependents are sufficiently taken care of, at least to furnish them groceries. I think the committee is very wise in limiting the number of dependents to three.

The private who goes in will, of course, have to pay half of his month's wages, $40 a month, but the Government will match it $45 to give his dependent back home $85 a month. If he has a wife and one child they get $110 a month; with a wife and two children, or with three dependents, the father and mother, if a substantial contribution is made by the inductee, they receive $125 a month.

You will recall that we made many mistakes during this last war. We read of many cases, and I happen to know of one—some of them had 6, 8, and even 10 children. There was one buck private from a southern State who enlisted. He had 10 dependents. That private received as much as the pay of a colonel. We want to avoid those cases; soldiers simply cannot be that expensive. Our purpose in writing this legislation is to see that a man with a brood of youngsters is really not inducted; he is not even taken in. Those who are already in the service with many dependents can be discharged because of hardship; otherwise it would make the cost almost prohibitive.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. CASE of South Dakota. The gentleman is talking about inductees. The problem right now, it seems to me, has to do with national guardsmen and reservists. They are, generally speaking, older than your inductee, and are the ones who are likely to have more than two dependents. But the guardsmen are called up under the National Guard adjutants in the various States, and the Federal Government does not have anything to say about who comes in until they are actually mustered into the Federal service. What do you do to provide that they may be discharged for hardship?

Mr. SHORT. The gentleman well knows, of course, that any man who is in the National Guard or in the Organized Reserves has voluntarily gone into it and he knows that in case of emergency he is going to be called out. He does not put a dollar sign on the American flag; he is serving his country chiefly and primarily out of sheer patriotism.

The committee, of course, is going along to give members of the National Guard and the Reserves, just as inductees, protection for their dependents to the extent of $125 a month.

I agree with my friend, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and I agree with what I think the gentleman from South Dakota is thinking: It is next to impossible, of course, for any family, I do not care how small it is, to get along on $125 a month, although many of them do in this country.

I should like to ask the gentleman: What are you going to do when you go out and take a fine young physician who has a practice of $30,000 or $40,000 a year? Uncle Sam cannot pay him a comparable sum. Of course, he has got to suffer, but we all suffer in time of war. War is hell.

Mr. CASE of South Dakota. No; a young physician who has been getting $35,000 or $40,000 a year has got something with which to take care of his family. I would rather draft him than I would to draft a member of the National Guard who has four or five children and family obligations for whom no provision is made.

Mr. SHORT. There is, of course, simply a limit to where you can go. I am rather surprised that the gentleman from South Dakota, one of the hardest-working members of the Appropriations Committee, who has always consistently stood for economy, would even suggest that our Committee on the Armed Services would dare boost these enormous increases that have already been given. They have been increased from 50 to 62.9 percent. We cannot go further. You know that.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to call the attention of the gentleman from South Dakota to the fact that there is a bill pending on that; but in the event there is a hardship case, any member of the National Guard or Reserve may immediately appeal to his superior, and consideration will be given to the hardship feature.

Mr. SHORT. Yes. The gentleman is correct.

Mr. GAVIN. That is a regular routine and the procedure that is followed.

Mr. CASE of South Dakota. I am not so sure that policy is being followed. I trust the gentleman will yield me a little time later.

Mr. SHORT. I am always glad to yield time to the gentleman. I want to have a friend over in the Senate next year.

Mr. Chairman, I am not going to take any more time on this bill. I think the Members understand it. If you will read the report, it is all clearly set forth, and may I say that this is a very excellent report. I want to express appreciation to our staff member, Mr. Russell Blandford, who worked with the chairman of the subcommittee in the writing of this report. It is very clear and understandable even to a wayfaring man.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Arkansas.

Mr. HARRIS. I want to express my appreciation for the fine work that the subcommittee and the entire committee have performed in bringing this bill to the House. I want to ask something further about the compulsory provision with reference to a person who is in the service, regardless of where he might be, and he refuses to make an allotment to his wife or dependent. Is there any provision that would make that a requirement for such a person?

Mr. SHORT. There is.

Mr. HARRIS. What is the procedure for the wife where such an incident occurs?

Mr. SHORT. From my observation, in the last war there were a lot of wives who got much more than they deserved when their husbands were fighting and dying on foreign fields. Of course, I am not against the wives.

Mr. HARRIS. I am not talking about them. I am talking about one who is entitled to it.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Georgia.

Mr. VINSON. If the gentleman from Arkansas will read section 6 he will see that the Secretary has authority to make the allotment notwithstanding the fact that the husband will not do so.

Mr. HARRIS. That is on application of the wife?

Mr. VINSON. Absolutely.

Mr. HARRIS. I thank the gentleman.

Mr. SHORT. Which, of course, is an excellent provision and I am glad the gentleman from Arkansas brought that up because we do not want these scalawags to run away and leave their wives and children unsupported.

Mr. HARRIS. I appreciate the gentleman's position.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. This is legislation that should be expedited because of the fact that there is hardship right now due to the fact that these allotments are not being paid to the wives and dependents. I understand a similar bill has already passed the Senate?

Mr. SHORT. The gentleman is correct. The Senate has already passed a similar bill. There is very little difference between them. I think the Senate made it retroactive to July 1, ours goes back to the 1st of August, but we can iron out that difference in conference. I think we should pass this bill unanimously and I believe it will pass unanimously. I want a roll call vote on this bill. I know all of you are for it. May I thank you for the support and cooperation you always have given to the Committee on Armed Services. Thanks to our one and only CARL VINSON.

Mr. BROOKS. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I think everyone is in agreement that this legislation is clear, it is sound, and it has been carefully written. It is in keeping with the work that we are accustomed to have from a great chairman of a great

committee, and when I speak of CARL VINSON I talk of a man whose monumental work for this Nation will ever loom large on the horizon of American achievement. Of course, I pay tribute also to the very fine service of the chairman of the subcommittee, OVERTON BROOKS, whose tireless work has been represented year in and year out by legislation of much importance to the defense of the United States. I likewise pay tribute to the services of a great and able Member of the minority, DEWEY SHORT, probably the best speaker in this Congress and certainly one of its beloved and valued Members.

The thing I like about this legislation is the fact that it helps the people who need it and need it most. It is the men in Korea or the men who are in process of being shipped to Korea who need the provisions of this measure. They and their families are the only ones who really have had to sacrifice as the result of the conflict in which we are now engaged. They are the only ones who are getting hurt, and their families are the only ones who are feeling the pinch of personal sacrifice, or the pain of war, with everybody else so far it is business as usual and profits as usual.

The only thing that I think might be changed to advantage would be to make the retroactive feature effective to June 25, on which date the Korean aggression began. Shortly after that time we began to move men to the front and to disrupt their homes. If I might take a half moment I want to show how those disruptions can work. I personally know a boy who is enlisted among the lower four grades and who had no allowances. He was sent to Korea immediately after trouble started, giving up his little home on a military reservation in the South. His wife went back home to her people, and within a week she went to the hospital to have her baby. If he had not been shipped out, she could have gone to the station hospital. That soldier now is trying desperately to find enough money to pay his hospital bill for his wife and baby. He is going to benefit by what the Congress proposes to do today. The amount he will receive is not large but it is important to him and his family far out of proportion to actual money involved.

This is good legislation. It will be one of the greatest morale builders we can possibly provide.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Louisiana.

Mr. BROOKS. Mr. Chairman, I rise at this time to pay tribute to the gentleman from Florida [Mr. SIKES] for the very valuable assistance he has given our committee and the Armed Forces of the Nation. As I have said before, he was a member of our committee; but we lost him to the Committee on Appropriations. He still retains an outstanding interest in military affairs and in the safety and integrity of our Government.

Mr. Chairman, if the gentleman will yield just a bit further, I want to pay tribute to every member of the subcommittee who joined with me in writing this legislation. The committee did not only meet, Mr. Chairman, in the morning; we met in the afternoon and we met at night. We spent long hours in this work. The Members on both sides of the aisle actively participated in building up this legislation. I want to pay tribute to the legislative staff member, Mr. Russ Blanford, who worked diligently with us and did a grand job. And, I want to pay an outstanding tribute to a great friend and eloquent speaker, the gentleman from Missouri [Mr. SHORT] for his outstanding contribution in the work of the subcommittee. Finally, Mr. Chairman, I would like to say a word in behalf of my colleague and Chairman, the gentleman from Georgia [Mr. VINSON]. My work on this committee becomes more interesting and more pleasant every day in association with a truly great American and great chairman, CARL VINSON.

Mr. SHORT. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, this legislation of course, is of a character that will have a unanimous support of this House, as it should. I join in the compliments that have been paid to the gentlemen who have been mentioned. They are entitled to the praise that has been given to them. In fact, the whole Committee on Armed Services is entitled to similar praise for the expeditious and efficient manner in which this important and necessary legislation has been brought to the House for action.

The report of the committee to the House shows a logical and sympathetic consideration of the problem.

The purpose of the proposed legislation is to provide allowances for dependents of enlisted members of the uniformed services.

This Nation is now engaged in a large expansion of its armed forces. National Guard men and reservists are being or have been ordered to active duty without their consent; thousands of men are being mobilized under the provisions of the Selective Service Act.

Many of the enlisted personnel now being ordered to active duty have families; likewise, it is anticipated that Selective Service may find it necessary to draft men with dependents.

This type of mobilization creates hardship. Reservists and inductees must, in many cases, make drastic adjustments in their living standards and cannot support their immediate dependents on the basis of pay alone for the reason that their way of life is based not only on monetary income but items of credit living and other commitments not permitted by the very nature of military life. It is therefore urgent that the Congress provide benefits which will aid the families of enlisted personnel and prevent hardship.

The bill provides for an allowance for all enlisted men with two dependents of $70 per month, and for all enlisted men with three or more dependents, $85 per month. The proposed bill would entitle enlisted men of the lower grades to a quarters allowance of $45 per month if they have one dependent.

The provisions of this bill, therefore, represent a total increase for members in the lower grades of $45 per month for those men with only one dependent, a total increase of $70 per month for those with two dependents, and a total increase of $85 per month for those with over two dependents.

The rates provided in the bill represent a needed allowance to supplement the present pay of enlisted men for the support of their dependents. It should be noted that the allowances provided in the bill are in addition to the pay of the enlisted men.

The benefits provided in this bill grant to the enlisted men a more equitable allowance for the support of their dependents than those provided by the Servicemen's Dependent's Allowance Act of 1942.

Under that act, now repealed, a wife received only $28 per month as the Government's share for her support; under the proposed bill, she would receive $45; under the old law, a wife and one child received $58 a month as the Government's share; under the proposed law, she would receive $70; under the old law, a wife and two children received $78 per month; under the proposed law, she would receive $85 per month.

In addition to these amounts, however, the bill requires an enlisted man in the lower-pay grades to allot from his pay, the sum of $40 per month in order to be entitled to the allowance for dependents provided by the Government.

In brief, under the provisions of this bill the wife of an enlisted man without a child would receive a total of $85 per month; a wife and one child would receive $110 per month, and a wife with two children would receive a total of $125 per month.

It is gratifying to realize that the Committee on Armed Services has acted so expeditiously and with such a realistic understanding of the need that exists. The dislocation that exists in the home life of an enlisted man as he undertakes military service cannot be overestimated. Added to the concern and fear that exists on the part of members of the family as a result of the hazardous nature of military service, there is also serious concern as to how the family can exist on the limited pay of an enlisted man. This concern can be in some measure alleviated by Congress passing legislation that will supplement the pay of the soldier by an additional allowance for the support of his family. This is what the proposed legislation seeks to do. It is right and just that Congress should do so. Congress would be remiss in the obligation it owes to the serviceman and his family if it did not do so. In giving my support to this legislation I am aware of the fact that without doubt the entire membership of the House feels the same sense of duty and obligation as I do, and, will consequently give their support to the legislation.

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, this indeed is needed legislation. I have previously urged its consideration and I am glad to see the committee come out with such a comprehensive bill.

I am somewhat concerned, however, with the case of National Guard men and Reservists who have over two or three dependents. Certainly, as a member of the Committee on Appropriations or as a Member of the Congress, I am concerned with how much money we spend, and those of you who are familiar with the interest I took in the renegotiation of contracts during World War II and the reinstitution of that program when we set up the supplemental aircraft procurement in the Eightieth Congress, in 1948, know that I have tried to hold down expenditures and to recover excessive war profits. But, I am here to say that if we can afford to have a war, we can afford to see to it that the dependents of the soldiers we take from their families are properly cared for.

When reservists and guardsmen are called into active duty today, many of them are having their careers interrupted for the second time; they are being taken away from their families for the second time in a few short years. When we ask the National Guard men to come forward now, we are saying "We need you because of the training you have had." They volunteered for guard duty; we now ask them to go into the Federal service. We have encouraged them to buy homes; we have encouraged them to buy automobiles and refrigerators and take on a lot of other installment buying. They have those obligations. They are not going to be the best soldiers that they could be if we do not take proper care of their families while they are away. The guard units are being mobilized as State units. They do not come under the Secretary of Defense until after they are sent to camp. Each State has its own policy in deferment and discharge.

I note that in this bill you are proposing language in section 14, to have the Secretary of the Department take cognizance of the provisions of this act under which enlisted members with dependents may be discharged for hardship.

That strikes me as being a good idea. It is saying, I take it, that you indicate a policy of not taking men with a large number of dependents. But if you do take them, then I think provision should be made for taking care of them on the basis of the number of dependents they have. If we can afford to have wars that call upon us for taking fathers away from their families and children, we can afford to say to those soldiers, "You do not need to worry about your families while you are away fighting."

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, I think all of us sympathize with the statement expressed by the gentleman from South Dakota. War is expensive, and we should make the people pay for it, and when they become conscious of the cost, perhaps then we will have fewer wars.

Mr. CASE of South Dakota. That is right. We should try to adopt policies at home and abroad which would get us away from some of these wars.

Mr. SHORT. But the first line of defense of any country is its financial solvency and a sound economy.

Mr. CASE of South Dakota. Yes, I know, but we should have a consistent policy in handling this dependency problem.

Mr. SHORT. And we have to have a ceiling.

Mr. CASE of South Dakota. If we have to take the fathers with several dependents and keep them in the service, then we ought to take care of those dependents. The fathers will be better soldiers, if we do.

Mr. SHORT. I am sure any man in the service who can prove hardship knows that he will be released from the service.

Mr. CASE of South Dakota. I thank the gentleman. I had hoped the gentleman would say that when I interrupted him before.

Mr. SHORT. I think he will be, and I do not think it will be the policy of selective service, or even of the Department of Defense, any of the branches, to call men into the service who have a flock of youngsters back home.

Mr. CASE of South Dakota. I am glad to have the gentleman say that.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Georgia.

Mr. VINSON. I invite the attention of the gentleman from South Dakota to the phraseology of section 14, and it was purposely written with that in mind:

> The Secretary of the Department concerned shall take cognizance of the provisions of this act and shall establish policies, under which enlisted members with dependents may be discharged for hardship.

Now, that is an unusual expression to put in. The table here shows that we are only dealing with two dependents. It might be you do not want to put the number of dependents in, but that is the intent that runs through the table, so we use the expression "shall take cognizance of the provisions of this act."

Mr. CASE of South Dakota. I mentioned section 14 earlier and I am very glad the committee has that in there, and I wanted to have the expression of the chairman of the committee on this point. That will probably be effective as to inductions under selective service but I would like to have the chairman make some expression on section 14 with reference to the National Guard men after they are federalized.

Mr. VINSON. We can only deal with them after they are federalized. We cannot deal with them until they come into the service.

Mr. CASE of South Dakota. It is the intent of the committee then that the Secretary of Defense shall take cognizance of this provision?

Mr. VINSON. Absolutely.

Mr. CASE of South Dakota. That is, as to the guardsmen, when they are federalized.

Mr. VINSON. Yes. Now I will say this: The Adjutant General has set up a hardship board to comb out men like that. We have no control over the National Guard until it is federalized; but when it is federalized, then we purposely put that in there so that hardship cases can be dealt with by the respective Secretaries of the three Departments.

Mr. CASE of South Dakota. That is an important statement to have, and I want the RECORD clear that the statement was made on the specific problem as part of the legislative history of this bill.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Carrying that point one step further, would it not be possible, Mr. Chairman, to call attention of the Chief of the National Guard Bureau to this proposed plan so that these men can be relieved from service before their homes are broken up and before they are called into the Federal service?

Mr. VINSON. I do not think it would be proper for the Department of Defense to call upon the Governors of the States to tell them how they will run the National Guard.

Mr. SCRIVNER. Of course, I did not intend that. My thought was if the suggestion is made to them that this will be the policy after these men once come into the Federal Service, then you can avoid the breaking up of the homes and send them back again.

Mr. VINSON. As soon as this law is passed, no doubt The Adjutant General, from this debate, will understand that, and he will see that the hardship cases are discharged.

Mr. CASE of South Dakota. I, for one, intend to send the pages of the RECORD carrying this debate to the adjutant general of my State, as well as to the Governor. It certainly would not make sense, either as policy or economy, to mobilize guardsmen with a large number of dependents if it is known they are going to be discharged after they have been federalized. And I say that realizing that in some cases it may be necessary to keep some of these men in order to have certain skills. If it should develop that this need is extensive, then I believe we should give further consideration to this problem and provide dependency allowances commensurate with the number of dependents. After all, some of these families may increase in size.

Mr. SHORT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Chairman, I ask unanimous consent to speak out of order, and that my remarks may appear in the Appendix of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. MCDONOUGH addressed the Committee. His remarks appear in the Appendix.]

Mr. BROOKS. Mr. Chairman, I yield 3 minutes to my colleague, the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I do not intend to delay the Committee long on this measure, because I think it has been well thought out and it is a sound measure.

In regard to the question concerning the National Guard raised by the gentleman from South Dakota, I do not think he has so much to worry about. We have extended the Soldiers and Sailors Relief Act, which, of course, applies to them as well.

There is some concern at the present time as to the quota of the States, in view of the fact that National Guard units will come from the States, and the application of the draft quotas. Some States will probably have more than other States. Regulations are being promulgated so as to work this out in an equitable manner to all States.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. CASE of South Dakota. I may say that I raised that question directly with General Hershey. He has told me that the States will be credited on their induction allotment by the number who are taken in, either from the guard or the Reserves; but that there will be some delay perhaps is accrediting the States on the quotas.

Mr. DURHAM. Yes, that is the question; because there will be some delay, and I just wanted the House to know, as the Members probably do know, that it would be hard, definitely, to try to work it out now.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. BROOKS. Our subcommittee, worked very carefully on this matter. I think one of the things we were most concerned with was the question which the gentleman from South Dakota has raised. We found, as a matter of fact, that most of the hardship cases will probably be in the higher enlisted grades. The grades of E–1, 2, and 3, which are taken care of, will not have a great many hardship cases. Therefore, there is no reason why screening boards cannot go through these grades and do the job without crippling the services. These men are not skilled specialists. They do not have special training, and the screening boards can screen out the hardship cases and do justice and not burden the services with a great number of hardship cases. I think that has been covered quite well.

Mr. CASE of South Dakota. Has the gentleman examined the regulations as put out by the adjutant generals of the various States?

Mr. BROOKS. Yes; and we also examine minutely into the percentage of dependency in National Guard units where those figures were available.

Mr. CASE of South Dakota. There would be discharges only in cases of extreme compassion.

Mr. BROOKS. The gentleman will realize, of course, that those regulations were put out prior to the consideration of this measure. Our regulations should be very much more liberal.

Mr. CASE of South Dakota. The gentleman is now talking about selective service.

Mr. BROOKS. No; I am talking about guardsmen who are inducted. This problem primarily arises out of the Reserves and the Guard. The Selective Service is not inducting men with large numbers of dependents.

Mr. CASE of South Dakota. The gentleman spoke of regulations. Those are going to be Federal.

Mr. BROOKS. The regulations of the States, of course, cannot be changed by the United States, but when those men are federalized, then the screening boards of the Services can eliminate the genuine hardship cases.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BROOKS. I yield two additional minutes to the gentleman from North Carolina.

Mr. DURHAM. We must realize that enlistment in the National Guard is voluntary. You cannot say that a man may not enlist voluntarily if he has more than three children.

Mr. CASE of South Dakota. No; I recognize that that is true; but surely the gentleman knows that there are many men in the National Guard who enlisted during the past 2 years, not expecting that within 3 or 5 years time they would face any such situation as now faces them.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. GRANGER. That is the question. I think the gentleman from South Dakota has raised a question that brings to mind a similar situation in the Second World War when we called out the National Guard. The gentleman will recall the situation in Mexico where they were called out. The guardsman suffered untold losses in comparison to other people of the country. The National Guards are filled up in small communities where it has taken all the men in some cases to fill the ranks of the National Guard, and the first time in some of my communities that they want to draft men they had to drop down and take men 23 years old. It seems to me that it is an unfair distribution of the burden.

Mr. CASE of South Dakota. Practically every county seat in my State has a National Guard unit, and they are being taken.

Mr. DURHAM. In conclusion I want to compliment the subcommittee and the chairman of the subcommittee, the gentleman from Louisiana [Mr. BROOKS], for the fine work he has done on this measure and to express the hope that the House will pass it unanimously.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BROOKS. Mr. Chairman, I yield myself 5 minutes. I yield to the gentleman from Iowa.

Mr. JENSEN. Take a specific case, the case of a veteran who served during the last war, came back home and went into business, or farming, or got a good job, married, had one child, and then a year or so ago joined the Reserves. Just what status under this bill would the gentleman say that such a person would have? Would he be exempted from serving?

Mr. BROOKS. No; I may say to the gentleman that if he voluntarily joined the Reserves he is just like a man who voluntarily joins the Marine Corps. He goes in voluntarily; he has considered all those situations.

The only thing we do is this: Because of the emergency and because of the fact that they do have dependents, we add to the pay which the man would have otherwise received this allowance as additional financial help; and he will receive the allowance from the United States, supplementing his own allowance and his own pay to take care of his family requirements. I say again that if there are hardship cases, the screening boards are not supposed to release a man merely because he has dependents; but these boards are supposed to apply the test as to whether these dependents may have caused a hardship. The criterion is hardship and not dependents.

Mr. JENSEN. The gentleman means financial hardship?

Mr. BROOKS. Financial or otherwise.

Mr. JENSEN. The physical health of the family?

Mr. BROOKS. It might be other than financial; but within the purview of the work of the subcommittee, we are dealing with financial hardship.

Here is the situation, to be very frank: We feel that we are not in a period of all-out mobilization and we frankly feel very strongly that cases of hardship due to multiple dependents should be screened out of the service and those men allowed to return to their homes in spite of the fact that they volunteered themselves and that they have received training pay of $5 per night for drills, and in spite of the fact that an emergency has arisen; the committee says that in spite of those things, we think this is only a partial mobilization and it may not be necessary to keep those hardship cases. Let the services screen them out and return them to their homes.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. WOODRUFF. The gentleman realizes, of course, that over the past several years, as a matter of fact, we have been getting many volunteers in the armed services. What provision has been made to credit to each community from which these men came the fact of their volunteering for service?

Mr. BROOKS. General Hershey told the committee that he was taking that into consideration in his inductions.

Mr. VINSON. May I say that the draft act requires credit to be given to communities for any voluntary enlistments that are made.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. VORYS. This bill deals with enlisted men. I would like to ask the distinguished chairman of the subcommittee and the chairman of the committee what they are going to do about doctors.

Mr. BROOKS. I may say to the gentleman that the chairman of the full committee has just told me that he is taking up that matter; but I would rather let him answer himself.

Mr. VORYS. If the gentleman would yield further, I would like to give this specific instance: There is a doctor from my district who served 4 years and 8 months in the Army in World War II, including overseas service, who was told he was separated at Camp Atterbury, that his commission had expired. He now has three children; he is very necessary in his specialty in my home community, yet he has been notified that he will receive orders to report in 10 days.

Now, here is a doctor who was told he was not in the reserves; in any case he did not join the active reserve and did not accept active duty pay. Is that man going to be called in 10 days to go back into service while these physicians trained at Government expense stay home? It seems to me that that presents an immediate problem that this committee should solve promptly by legislation brought to the floor.

Mr. VINSON. I may say to the committee, without specifically answering the gentleman's question, that I have requested the Department to prepare the necessary legislation to amend the Draft Act. That will deal with what is known as the B–12s and the AFTP class. Those are the ones that were educated and deferred and trained to become doctors by the Government. We propose to make the Draft Act extend to them. In the administration of the Draft Act it is to be hoped that the Department will take into consideration that a great many of this group have never served. A man who is a doctor in the Reserve Corps, of course, got in voluntarily. It was by his own patriotism that he signed up. We cannot exclude him. But in the administration of it we can at least hope that some of these others who have not served will be called upon to serve in view of their education. That is going to be dealt with just as soon as the House will let us get back to our committee room and go to work on it. We are very anxious to handle that legislation.

Mr. SHORT. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

IS UNCLE SAM AWAKENING TO THE NEEDS OF AMERICA'S AGED?

Mr. ANGELL. Mr. Chairman, during my 12 years in the House of Representatives, I have deemed it a great privilege to have supported throughout my entire service legislation designed to give needed help to the aged of America in their declining years. I am the author of H. R. 2136 in the Eighty-first Congress. The purpose of this bill and its companion bill; H. R. 2135, introduced by the gentleman from Minnesota, Representative BLATNIK, is to provide every adult citizen in the United States with equal basic Federal insurance, permitting retirement with benefits at the age of 60, and also covering total disability, from whatever cause, for certain citizens under 60; to give protection to widows with children; to provide an ever-expanding market for goods and services through the payment and distribution of such benefits in ratio to the Nation's steadily increasing ability to produce, with the cost of such benefits to be carried by every citizen in proportion to the income privileges he enjoys.

The supporters of this legislation filed discharge petition No. 15 and 200 Members of the Eighty-first Congress have signed that petition to bring this legislation on the floor for a vote. I want to commend my colleagues who signed this petition for their loyalty to the old people of America and for their willingness to stand up and be counted so that the whole world might know that there are 200 Members of the House of Representatives of the United States who have officially gone on record to bring to a vote this needed legislation. I am sure the constituents in the respective districts of these Members will be proud of their Representatives in their fearless and whole-hearted support of the aged of America.

I have received a good many letters with respect to H. R. 6000 which has now passed both Houses of the Congress and is before the President for signature. The passage of this compromise bill, while it does not embody the provisions of the Townsend program, does show a decided advance in the thinking of the Members of Congress of the United States on the need of reform of social-security legislation for America's aged. It is the first time in all of the years that the leaders in the Senate particularly have gone on record to the need of a national, universal program on a pay-as-you-go system covering all citizens. It is the first time that the work of the Congress on pension planning has been given wide newspaper publicity throughout the Nation and the first time the need for universal pensions has been so generally acclaimed in the public press.

During the tenure of the Eighty-first Congress there has come to a head an entirely new general public concept of what an adequate living standard for elderly, retired citizens should be. Undeniably certifying this fact are the $100 a month and $125 a month industrial pensions negotiated by labor and management. Together with the already announced plans to up these systems to still higher levels, these plans show a rapid progress on the part of public opinion toward the Townsend level of living standards.

There is a growing effort to integrate plans other than the Social Security Act with that act—the plain evidence of public opinion turning into the direction of a single, over-all national system of social security, on the basis of standards that repudiate the "bare subsistence level" principles of the Social Security Act. This effort is further evidenced by the action of the Senate in directing a special study to be made under the Senate Finance Committee, aiming to replace the present system of old age and survivors' insurance by a universal system covering all citizens of the Nation based on a strictly pay-as-you-go system. The bi-partisan leadership in the Senate agreed that the directive resolution specifically meant making a complete study of the Townsend program with that end in view. In the course of the Senate debate the present system of social security and the action taken this year to amend the present system was generally admitted to be nothing better than stopgap legislation pending the development of a satisfactory system to take its place.

The action taken by the Eighty-first Congress in passing H. R. 6000 to amend the social-security law reflects the growing effort to solve this important problem. The changes made are gains that almost unexceptionally indicate the turning tide toward the objectives of the Townsend plan.

Coverage under OASI is extended to some 10,000,000 more workers, and their dependents. This is an expansion of nearly 30 percent in the portion of the population the act is intended to cover. It is a great advance in terms of benefits to the people and in terms of repudiation of the principles of narrow limitation of coverage in favor of universal coverage, a basic Townsend plan principle.

Benefits are appreciably increased under OASI. In over-all terms, present benefits are due for immediate increases ranging from 50 percent to 100 percent, averaging between 75 percent and 80 percent. It is to be noted that these increased benefits were mainly based upon making up for the increase in living costs since about 1939 and 1940 and did not take into consideration the now developing increases in living costs due to the newly intensified international emergency. Some 3,000,000 people who are now beneficiaries of OASI will benefit from these increases in the very near future. Starting in mid-1952 a new formula for computing benefits of workers retiring will result in even higher benefits.

OASI will henceforth allow retired workers to earn up to $50 a month in covered employment, instead of only $14.99. This adds up to a better income level for those oldsters able to command part-time employment.

There are, under the Social Security Act, two kinds of old-age payments. One is old-age insurance, acquired through contributions the employee and employer have made during the recipient's working career. The other, old-age assistance, is paid in the nature of cash relief to all elderly and needy people not covered by old-age insurance and to a few whose insurance benefits as yet are too small for subsistence. The bill now passed by both Houses of Congress will draw into the old-age insurance system about 5,000,000 self-employed persons, 1,000,000 domestic servants, 700,000 farm workers, and some others, adding them to the 35,000,000 mostly industrial and service employees for whom payroll taxes are now collected.

Mr. Chairman, of great importance in terms of benefits to people and in terms of repudiating narrower principles in social security thought is the new system of calculation benefits. Under it a worker, based upon his average wage, would have the same primary benefit upon retirement whether he was covered for 5 years or for 40 years. This recognition of the prime importance of the living standard required as opposed to emphasis upon the incidents that determine what part of a person's life may be spent in or out of covered employment is a great change and advance.

Recognition is given in terms of dollars and cents benefits, to the obligation of supporting children in the families dependent upon the OASI system. This is an important feature of the Townsend plan. The 1950 amendments provide that the wife of a retired man who is receiving old-age benefits, although she has not reached retirement age, may receive benefits in the future if she has in her care—individually or jointly with her husband—at the time of filing such application, a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of her husband.

There will be more liberal benefits for survivors of married women who were covered workers and old-age benefits will be paid to dependent husbands.

A wage credit of earnings of $160 a month is allowed to all veterans of World War II covering the time they served in that war.

Benefits to dependent parents are increased from one-half to three-fourths of the primary benefit.

Important changes are also made in the provisions for old-age assistance and aid to the blind. The Federal Government will share in medical expenses unless the beneficiary is receiving the maximum amount, $50 per month, to which the Federal Government will contribute. The States are directed to permit all individuals to apply for old-age assistance and are directed that they must provide assistance to all who qualify under their respective State programs. Blind aid recipients will be allowed to earn up to $50 a month without raising any question as to their need for public assistance.

The new form of the Social Security Act is not adequate. It neither provides protection to all the people, nor does it provide benefits that are, on the average, sufficient to support better than poverty-level living standards for its beneficiaries. It is not the answer to the problem of social security in America, by any stretch of the imagination.

However, it does go a long way toward recognizing the injustice of the narrow, minimum principles on which the Social Security Act is based and toward recognizing the new public opinion as to the standard of living our elderly retired citizen should have—recognition of the objectives of the Townsend plan.

It also sets up the first adoption of disability protection which is a very significant step, and is one of the major objectives of the Townsend program.

Time marches on and the Nation is catching up with the humane and advanced thinking of the American public in providing adequately for the aged of the Nation. In so doing it is adopting step by step the principles embodied in the Townsend program.

It is conceded by all that the existing social-security program is not meeting the needs of America's aged, either in coverage of the needy aged nor in the amounts of the monthly annuities being provided to the recipients. In a letter to the chairman of the Ways and Means Committee of the House on April 6 last, former President Hoover, Chairman of the Commission for the Organization of the Executive Departments, said:

> I wish to say at once that I strongly favor Government provision for protection of the aged and their dependents.
>
> The problem before the Nation is to obtain a workable system, with a minimum of bureaucracy, adjusted to the economic strength of the country which gives an assurance of security to this group. In my view, we have not yet found that system.

The testimony of Mr. Arthur J. Altmeyer, Commissioner of Social Security Administration, shows that the present system is woefully lacking in providing adequate protection to these worthy citizens who, by reason of age or disability, are unable to receive sufficient funds to meet their minimum needs.

The fact-finding board appointed by President Truman to consider the wage dispute between the United States Steel Corp. and its workers reported:

> The concept of providing social insurance and pensions for workers in industry has become an accepted part of modern American thinking. Unless Government provides such insurance in adequate amount, industry should step in to fill the gap. Government * * * has failed to provide social insurance for industrial workers generally, and has supplied old-age retirement benefits in amounts which are not adequate to provide an American minimum standard of living.

The Advisory Council on Social Security to the Senate Committee on Finance reported that it found three major deficiencies in the old-age and survivors' insurance program which I quote verbatim:

> 1. Inadequate coverage—only about three out of every five jobs are covered by the program.
>
> 2. Unduly restrictive eligibility requirements for old workers—largely because of these restrictions, only about 20 percent of those aged 65 or over are either insured or receiving benefits under the program.
>
> 3. Inadequate benefits—retirement benefits at the end of 1949 averaged $26 a month for a single person.

In fact, almost without exception qualified experts who have examined into this old-age security problem facing our Nation have reported the deficiencies of the present system and the need for major overhauling or substitution of a new system therefor.

The old-age assistance program under the present social security law is wholly inadequate to provide a decent annuity to the old people of our Nation. There is little uniformity in the payments made in the several States. Many old-age annuitants are suffering from malnutrition and starvation.

The aged, through no fault of their own, through the fiat of industry, are denied a part in production. They toiled the longest in production and should not, when old, be deprived of taking part in consumption. They are the victims of an industrial system for which they are not responsible. Society owes a duty to these old folks, and it can only perform this duty by establishing a national annuity system providing against the hazards of old age and disability. There are millions among us, 60 years of age and over, who are not now being cared for in an honorable and just way by the present system of social security, and are receiving no support from any source or hopelessly inadequate support.

Mr. Chairman, Uncle Sam does show evidence of awakening to the needs of America's aged so long neglected. The heroic fight made by Dr. Townsend and his supporters through the years for a worthwhile old-age security program is bearing fruit. Eventually, I am confident, the full program will be adopted.

As one of the authors of the Townsend legislation, I want again to thank my colleagues who have joined with us in the support of this legislation. I particularly want to extend our thanks to the 200 loyal colleagues who have signed the discharge petition, and most earnestly and sincerely request all other members who are interested in old-age security to join with us in the petition so that we may bring the legislation to the floor for final consideration in the Eighty-first Congress.

Mr. SHORT. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. PHILLIPS].

Mr. PHILLIPS of Tennessee. Mr. Chairman, the Committee on Armed Services is to be commended for reporting out H. R. 9477, which is a bill to provide allowances for dependents of enlisted members of the uniformed services. On August 10 of this year I introduced a bill to accomplish the same purpose, which was H. R. 9400.

This Nation is now engaged in a large expansion of its Armed Forces. It is encouraging to the young men of this Nation to know that the Congress is mindful of their welfare and the many problems which face members of the Armed Forces. National Guard men and reservists are being, or have been, ordered to active duty without their consent; thousands of men are being mobilized under the provisions of the Selective Service Act. Many of the enlisted personnel now being ordered to active duty have families. The world situation may require that selective service draft men with dependents. This type of mobilization creates hardship. The cost of living shows a general rise. It is true the statutory pay increases for enlisted members of the uniformed services between 1942 and 1950 have been substantial. Under the provisions of this bill the Congress recognizes that increases for enlisted personnel with dependents is essential for the support of their dependents. The bill provides for an allowance for all enlisted men with two dependents of $70 per month, and for all enlisted men with three or more dependents $85 per month. These allowances are in addition to the pay now received.

The benefits provided in this bill grant enlisted men of all grades an allowance for the support of their dependents greater than those provided by the Servicemen's Dependent's Allowance Act of 1942.

Under that act, which is now repealed by this law, a wife received only $28 per month as the Government's share for her support; under the proposed bill, she would receive $45; under the old law, a wife and one child received $58 a month as the Government's share; under the

proposed law, she would receive $70; under the old law, a wife and two children received $78 per month; under the proposed law, she would receive $85 per month.

In addition to these amounts, however, the bill requires an enlisted man in the lower pay grades to allot from his pay the sum of $40 per month in order to be entitled to the allowance for dependents provided by the Government. Therefore, a wife with one child would receive a total of $110, and a wife with two children $125. This legislation will help families buy groceries, pay rents, doctor bills, and will aid in giving to the members of the armed services peace of mind to know that their families and dependents are being taken care of while they are on the battlefronts of Korea, or wherever they may be in the armed services.

Thousands of young men throughout this country by reason of their patriotism are voluntarily entering some branch of the service. Today I have introduced a bill that would amend the so-called GI bill of rights so as to extend the same privileges and rights to our young men and women who are now going into the service, as provided for in the original Servicemen's Readjustment Act. In my opinion this legislation should be enacted into law at an early date as an extra inducement to the fine young men and women who will help to defend our Nation.

I am an overseas veteran of World War II, and I want to report to the veterans of my district concerning my record in Congress. As your Congressman, I have voted for and worked for the passage of many bills, which benefited veterans and their dependents during the 4 years which I have served. Some of the legislation which I have helped to pass, and voted for, first, authorized cash payment of terminal-leave bonds; second, increased allowances for disabled veterans taking vocational training; third, granted benefits to veterans holding Government insurance and worked to bring about the payment of dividends on insurance policies; fourth, increased pensions to Civil War and Spanish American War veterans 20 percent; fifth, increased educational subsistence allowances for both single and married veterans; sixth, raised ceilings on wages and allowances payable to veterans undergoing training on the job; seventh, legislation which came up in 1947 to improve the on-the-farm training, which makes a 4-year program; eighth, legislation to permit World War I veterans who have reached the age of 55 to draw compensation upon showing of 60-percent disability without showing service connection passed in 1948; ninth, voted to pass legislation in the House to grant pensions to World War I veterans; tenth, voted for 20-percent increase to disabled veterans and their dependents, including orphans and widows; eleventh, voted to extend the right to borrow money to build veterans houses; twelfth, voted to restore the 16,000 beds in the VA hospitals; thirteenth, voted for House bill 87 to strengthen veterans' civil-service preference on Government jobs; fourteenth, have helped thousands of veterans with pension claims and other benefits.

Under our Constitution the Congress has the power to declare war. There is no responsibility, and no power that is so far-reaching as the power of a legislative body to visit every home and set the machinery in operation to place free men and women into uniform. It is an honor and distinction to serve one's country. With that privilege, however, there goes the responsibility of a grateful Congress, and a great American public, the solemn duty to properly recognize and care for the aged and disabled veterans. There is also the No. 1 responsibility to see that the disabled veterans, as well as the orphans, widows, and dependents of men and women who have worn the uniform with honor, be given proper recognition, and be properly taken care of consistent with their needs.

We have heard much talk in recent years about the forgotten man in America. He is sometimes referred to as the veterans of World War I, who has no service-connected disability, who is not totally and permanently disabled, and who has not yet reached an age at which he might participate in an aid-for-the-aged program, and yet is so physically disabled that he cannot secure employment because of either age or disability. Surely these men deserve consideration. I trust that some kind of legislation will be enacted into law so that this great country will never allow any veteran who has worn the uniform in defense of this country to become a beggar or a public charge, or to stand on the streets of this country destitute, and in his last days live in want in a land which he helped to defend, and for which he was willing to die if necessary. The young men and women of this country, who are willing to face danger, and who have demonstrated their courage on the battlefields of the world will continue to have my support in the Congress of the United States.

May I take this opportunity to express my desire to assist the home folks in carrying out their desire by urging that we as Members of this great body take the necessary steps to strengthen our national defense including the Armed Forces, the Navy, the Air Force, and the weapons of national defense so that our fighting men throughout the world will have the finest equipment and the latest weapons of modern warfare. Throughout the district which I have the honor to represent, my constituents everywhere are vitally concerned about a strong national defense program.

Mr. BROOKS. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, I appreciate that this subcommittee has done lots of hard work on this bill, but frankly, I am not satisfied with it. I think the committee has been more concerned with the cost to the Government than it has been with the welfare of the families of these boys who are being called back into the service, especially the Reservists and the National Guardsmen. In my opinion, the bill is wholly inadequate, but I am going to support it because it would be criminal if we did not do something at this time.

Mr. SHORT. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I am going to say something perhaps I should not say because I can hear my opponent hollering to the heavens from now until November how I am against the serviceman, although I have supported all veterans' legislation ever since I have been a Member of this body, for 18 long years. My constituents know that I have always supported them.

I am for the National Guard men, I am for the reservists, but I am not going to get up here and dish out a lot of slushy sentimentality and shed crocodile tears over them. These men were not compelled to enlist in the National Guard or the Reserves. They went in voluntarily. They like to wear the uniform and strut their stuff at parades. We voted them an increase in pay, we voted them retirement benefits; oh, yes, they like to get the check and they like to look forward to retirement, but when we get into a little trouble and difficulty, a few of them—thank God there are only a few of them—start squawking. They do not squawk half as much, though, as some Members of Congress who listen to the bellyaches and the gripes of some of these people. The overwhelming majority of the members of the National Guard and the reservists are patriotic Americans; they are anxious and willing, not only willing but eager, to serve their country in time of an emergency. Maybe this bill is not giving them the dome off the Capitol, but heaven knows our committee has been not only considerate but it has been liberal, it has been generous, and the committee has gone as far as its common sense and human reason would permit it to go. People will understand. These men do not ask for special favors.

Mr. LANHAM. I am sure all of these men are patriotic and want to go back into the services if their services are necessary, but they do not want to go back in knowing that their families are not adequately cared for. These allotments will not do it and every Member of this House knows it.

Mr. SHORT. The gentleman is perfectly at liberty to offer any amendment he wants to, of course, when we take the bill up under the 5-minute rule. I do not cast any aspersions upon the gentleman from Georgia. I know he is a patriotic gentleman, a fine American, and a friend of the veteran. But there are limits to which we can go. I want the gentleman to help us in this crisis and not cause us undue work and worry. God knows we will have enough of both.

Mr. Chairman, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise to ask the chairman of the Committee on the Armed Services, the gentleman from Georgia [Mr. VINSON], a question. Is the gentleman from Georgia and is the gentleman from Missouri satisfied that the Army and Navy are going to reopen certain hospitals that have been closed in order

to take care of these service men and women and their dependents who are entitled to hospitalization?

Mr. VINSON. May I assure the gentlewoman from Massachusetts that we hope to take adequate care of that matter.

Mr. SHORT. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, this legislation providing necessary financial assistance to families of men in the Armed Forces should be approved as promptly as possible. It is an emergency measure. However, I am concerned with respect to section 13 of the bill. As I understand the situation now the chairman of the Committee on the Armed Services has agreed to submit at the proper time an amendment which complies with the recommendation of the Comptroller General and in line with his suggestions, also in line with an amendment that was approved by the Senate on Tuesday of this week. Am I correct?

Mr. BROOKS. I may say to the gentleman that he is correct. We are going to offer the language of the Senate bill, which was written, as far as I know, by the Comptroller General.

Mr. REES. It was my intention to offer such amendment. It should be made clear that section 13 does not relate to members in the Armed Forces fighting in the present crisis. It deals with overpayments of former members in the Armed Forces. I shall want to discuss that subject matter later on.

Mr. BROOKS. The new amendment will strike out section 13 and rewrite it in line with the provisions of the Senate bill.

Mr. REES. I had a similar amendment on the desk which I would have offered.

Mr. VINSON. Mr. Chairman, credit should be given to the distinguished gentleman from Kansas. It was his carefulness and his keen observation that brought this matter to my attention and that caused the Armed Services Committee this morning to agree with him. The gentleman is due the thanks of the committee and the thanks of the House for his watchfulness and carefulness in considering legislation.

Mr. REES. I thank the gentleman, the distinguished chairman of the Committee on Armed Forces. He is more than generous. He is carrying a heavy load. He has tremendous responsibility. More than we realize. The House of Representatives and the country is fortunate to have him at the head of this important committee during this crisis.

It is because of section 13 I want to discuss the problem involved, as well as a number of matters relating thereto. I want it clearly understood that I am sure section 13 was not prepared by the committee, although it appears in the present bill. The fact that the committee has agreed to the amendment, after its effects have been explained, is sufficient proof that the committee members do not favor it. Let me say further that my criticism is not with regard to the Army as a whole but specifically to the service known as the Office of Chief of Finance and the Army Finance Center.

In order for the members to understand the real purpose of this section I want to explain it. Then I want to add some further comments.

Section 13 in this bill provides, first, the Secretaries of the Army, Navy, and Air Force, or any subordinates they designate, may, for any reason whatsoever, waive indebtedness growing out of erroneous payments of dependency benefits made during World War II; second, the heads of these departments need not refer to the General Accounting Office such overpayments which are declared uncollectible by the Military Establishment; and, third, by a redetermination, the Military Establishment could require repayments of amounts collected by the Government in overpayment cases subsequent to October 1, 1949.

This section of the bill, if retained, in my judgment, is an attempt on the part of the Armed Forces to relieve it of embarrassment caused by maladministration and improper and irregular procedures which resulted in the Army alone making overpayments of family allowances of over $160,000,000 during and after World War II. To my knowledge no determination of Navy overpayments has been made public. I do know that the Navy has not utilized the General Accounting Office in collecting these overpayments. This amendment will result in standard procedure for collection, and waiver in case of hardship, for each branch of our Armed Forces.

On June 30, 1950, the House Post Office and Civil Service Committee submitted a report to the Congress which establishes the serious maladministration and irregularities of top officials of the Office of the Chief of Finance. Section 13 as written would secure congressional sanction of past derelictions of Army officials in connection with the recovery of overpayments when hardship is not involved.

The amendment will assure that improved administrative procedures placed into effect as a result of our committee's investigation will continue. The amendment provides that the Comptroller General, upon recommendations of the heads of the departments in the Military Establishment or such subordinates as they may designate, may waive indebtedness growing out of erroneous payments of family allowances if a showing is made that collection would be against equity and good conscience.

In other words, where it is shown that a hardship would result by the collection of the erroneous overpayment of family allowances the indebtedness will be waived.

This bill is proposed as legislation relating to the Korean war. In general, its provisions do relate to increasing benefits for the members of the Armed Forces who are gallantly serving their country in this period of national crisis. I wholeheartedly support and endorse the provisions that relate to maintaining good morale and increasing benefits to members of the Armed Forces. However, as I have stated, section 13 is not pertinent to the bill because it deals with overpayments involving family allowances of former members of the Armed Forces.

The General Accounting Office has advised me that approximately $30,000,000 has been reported to that Office by the Department of the Army as uncollectible, and which has not been waived as involving hardship. The Comptroller General further advised me that the United States Government is collecting this indebtedness at the rate of approximately $3,000 a day, or almost $100,000 a month. Under the present language of section 13, the Department of the Army could require the General Accounting Office to repay the collections which it has made since October 1, 1949.

During recent weeks the Members of the House, including members of the Armed Services Committee, have been greatly concerned about reducing appropriations for Government functions and activities unrelated to the Korean war and the present emergency. Section 13 as written would have the Congress to do an about-face. Instead of insuring continued collection of overpayments with appropriate authority for waivers only in hardship cases, it would vest the Military Establishment with retroactive authority to waive all overpayments, regardless of whether hardship is involved. Why the Department of Defense should want this complete authority, I do not understand.

Now, I want to talk a little further about these overpayments.

Until the investigation by the House Post Office and Civil Service Committee no figures were available to the Congress with respect to the total amount of overpayments made in connection with family allowances during the 4 years following World War II. Based upon reports of the Department of the Army and the General Accounting Office, these are the statistics: Total overpayments, $160,000,000; overpayments recovered by the Department of the Army, $80,000,000; overpayments waived on the basis of hardship, $15,000,000; overpayments declared uncollectible by the Army and referred to the General Accounting Office for collection, $30,000,000; and overpayments being processed by the Department of the Army for collection or waiver, $35,000,000. This does not take into consideration approximately 260,000 cases which have not been located and seem to have disappeared in the voluminous files of the Army Finance Center. Thus, the question raised by the present language in section 13 is: "Are we going to let approximately $65,000,000 trickle through our fingers while we strain to reduce appropriations by a few million dollars?"

Based upon the statistics of the Department of the Army, it has been determined that out of 100 cases involving erroneous payment, recovery can be made in 91 cases without any hardship on the former members of the Armed Forces. It has been demonstrated time and again that these former members of our Armed Forces are willing to cooperate by repaying money to which they are not entitled.

Section 13 merely says in effect the Congress will overlook the maladministration of a succession of Army finance administrators.

I have listened with great interest to the eloquent speeches of the ranking minority member of the House Armed Services Committee, Mr. SHORT, in which he explained how we have become involved in the present world crisis through the lack of foresight on the part of the military and foreign-policy leaders at the international conferences following World War II. Also, it is no secret that our valiant men in the Armed Forces have almost been pushed into the sea because of inadequate equipment and supplies and improper planning. May I say to my colleague from Missouri that it is no wonder to me that such incompetency exists in some areas in the Armed Forces when the Inspector General testified before our committee that the type of mismanagement which was proven to exist at the Army Finance Center was typical of some other Army installations and "entirely satisfactory."

On November 21, 1949, the chairman of the House Post Office and Civil Service Committee wrote to the Secretary of Defense outlining seven major deficiencies developed through a committee preliminary investigation. This letter is as yet unanswered, although 9 months have passed and the Army has publicly stated that it conducted the most extensive investigation in its history by the Army Inspectors General.

The chairman's letter pointed out the following matters: First, the presence of alleged Communists and fellow travelers in the employment of the Army Finance Center; second, the unsuitability of certain civilian employees who occupy high positions of responsibility at the center; third, falsification of personnel records; fourth, coercion of witnesses to discredit loyalty investigations; fifth, violations of civil service rules and regulations; (6) undue influence on civilian and military officials in the Army Finance Center by outside interests; and seventh, a general laxity of officials of the Army Finance Center in providing adequate safeguards to protect the interests of the Federal Government.

To illustrate the situation with respect to security, the Inspector General reported the following to our committee. Here is what he said:

> Due to the nature and size of the Army Finance Center operation, the present administration of the Security and Safety Office is considered inadequate and does not fully safeguard the best interests of the Government. It is evident that neither the commanding general nor his predecessor have fully appreciated the seriousness of the responsibilities of the AFC security officer.

The other deficiencies covered in the chairman's letter have also been substantiated.

I think you should know that most of the action which has been taken toward correcting deficiencies was initiated through agencies outside the Department of the Army, such as the Civil Service Commission and the General Accounting Office.

I am in favor of the provisions of this bill with the amendment to section 13. Without the amendment thousands of former members of the Armed Forces who have repaid erroneous payments made to them would be discriminated against, and we would be encouraging mismanagement, laxity, and errors on the part of officials in the Military Establishment.

Mr. SHORT. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I want to call the attention of the gentleman from Ohio to the fact that under the ASTP program and the V–12 program there were 12,500 doctors educated. Eight thousand of them have seen service and 4,500 of them have not seen service. That is a matter that should be given immediate consideration by the Medical Director of the Department of Defense relative to drafting that group that has not already seen service.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Ohio.

Mr. VORYS. It seems to me that the doctors in the last war were treated differently from other kinds of people. The important thing to do this time is not only to make sure that those who saw no service see it now but that those who saw very brief service take the place of those who have already done their fair share. We ought to use our supply of medical brains just as we use our other manpower resources, to share the burden somewhat equitably. It seems to me that it will not be enough merely to make sure that those who saw no service come in, but that the whole thing be made fair across the board for all doctors.

Mr. BROOKS. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. FURCOLO].

Mr. FURCOLO. Mr. Chairman, I just wanted to ask the committee a couple of questions, if I may. I do not know as I heard any member of the committee say that eventually there is going to be some provision made so far as medical care is concerned.

Mr. VINSON. Mr. Chairman, if the gentleman will yield, that will be by separate legislation. We took it up this morning.

Mr. FURCOLO. The other suggestion is this: It did seem to me that if there was any way to make this bill retroactive to an earlier date, it would be much better.

Mr. VINSON. Let me say that the Senate bill is retroactive to July 1. Ours is retroactive to August 1. We will deal with that question in conference.

Mr. FURCOLO. The other comment I wanted to make is this: This does not have anything to do with the patriotism of any member of the National Guard or the Reserves, but it seems to me the committee should take into consideration the fact that if the National Guard and the reservists are not given adequate treatment in this emergency, and once again the country wants to have a good National Guard and Reserve, you are apt to find that you have broken the back of both and you may not be able to get as many folks in under the present set-up.

Mr. BROOKS. Mr. Chairman, if the gentleman will yield, I think in the future, with reference to guardsmen and reservists, we should take into consideration the question of dependents, which we have not done in the past. I think that is something we have to review in the light of our experience.

Mr. FURCOLO. I know any number of young men who wanted to go in and tried to be available when necessary, but under the situation in which they found themselves in the past month, if they ever get a chance to get out of the service and out of the Guard and out of the Reserve, the Lord knows you will never get them back in.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. VINSON. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the bill be considered as read and printed in the RECORD at this point and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

(The bill reads as follows:)

Be it enacted, etc., That for the duration of this act the provision in the second sentence of section 102 (g) of the act of October 12, 1949 (Pub. Law 351, 81st Cong.), which reads "* * * and actually resides in the household of said member" is suspended: *Provided*, That the dependency of the father or mother as required by said section 102 (g) shall be determined on the basis of sufficient evidence, including an affidavit submitted by such father or mother, under such regulations as may be prescribed by the Secretary concerned.

SEC. 2. For the duration of this act the proviso in section 302 (a) of the Act of October 12, 1949 (Pub. Law 351, 81st Cong.), is suspended.

SEC. 3. For the duration of this act, section 302 (f) of the act of October 12, 1949 (Pub. Law 351, 81st Cong.), is hereby amended by striking out that portion of the table appearing therein which prescribes monthly basic allowances for quarters for enlisted members in pay grades E–1 to E–7, inclusive, and inserting in lieu thereof the following new table:

	Not over 2 dependents	Over 2 dependents
E–7	$70	$85
E–6	70	85
E–5	70	85
E–4	70	85

	1 dependent	2 dependents	Over 2 dependents
E–3	$45	$70	$85
E–2	45	70	85
E–1	45	70	85

SEC. 4. For the duration of this act section 302 of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by adding the following new subsections:

"(g) Subject to the provisions of this section, enlisted members without dependents shall be entitled to a basic allowance for quarters at the rate of $45 per month.

"(h) The payment of the basic allowance for quarters provided in subsection (f) of this section for enlisted members in pay grades E–1, E–2, and E–3 shall be made only

for such period as the enlisted member has in effect an allotment of pay not less than the sum of the basic allowance for quarters to which he is entitled and $40 for the support of the dependent or dependents on whose account the allowance is claimed: *Provided,* That such allotment shall not be required (1) for the calendar month in which such member enters on active duty in a pay status if the allotment is effective from the following month; (2) for the calendar month in which such member is discharged, if not immediately reenlisted; (3) for the calendar month in which such member is released from active duty; (4) for the calendar month in which dependency ceases; (5) for the calendar month in which dependency commences if the allotment is effective from the following month; (6) for the calendar month in which such member is assigned to quarters for himself and his dependents or for the calendar month in which such assignment is terminated: *Provided further,* That such allotment may be initiated, continued, modified, or discontinued in accordance with such regulations as may be prescribed by the Secretary of the Department concerned: *And provided further,* That the minimum allotment required for any month shall be based on the lowest rate of basic allowance for quarters to which the member is entitled and the lowest pay grade in which the member is serving during such month.

"(i) The allotment required by subsection (h) of this section shall be paid to or on behalf of such dependent or dependents as may be specified by the enlisted member concerned, subject to such regulations as the Secretary concerned may prescribe.

"(j) Any delay in initiating an allotment as required by this section shall not invalidate entitlement to basic allowance for quarters, provided that such allotment is made retroactive for such period as the member may elect to claim the allowance for his dependent or dependents. If the Secretary concerned finds that such delay was caused by the exigencies of the service he may waive the allotment requirement, or the additional increment thereto, as applicable, for such retroactive period.

"(k) The entitlement to the basic allowance for quarters provided for by this section shall be substantiated in such manner and in accordance with such regulations as the Secretary concerned may prescribe."

SEC. 5. Notwithstanding any other provision of law, the basic allowance for quarters to which an enlisted member may be entitled as a member with dependents shall not, for such period as the Secretary concerned may prescribe, be contingent on the right of such member to receive pay.

SEC. 6. The Secretary concerned may, at his discretion, with or without the consent of the enlisted member concerned, authorize and direct the payment of the basic allowance for quarters and the establishment and payment of such allotment or allotments as he shall determine to be in conformity with the provisions of this act for any enlisted member with dependents in any case in which such member does not claim such allowance.

SEC. 7. Notwithstanding any other provision of law, the provisions of this act shall not apply to enlisted members on training duty, to enlisted men entitled to pay and allowances pursuant to the provisions of section 507 of the act of October 12, 1949 (Public Law 351, 81st Cong.), to any member of the Samoan Native Guard or Band of the Navy, or the Samoan Reserve Force of the Marine Corps. Such persons shall continue to be entitled to the appropriate allowances prescribed by the act of October 12, 1949 (Public Law 351, 81st Cong.), on the day prior to the effective date of this act.

SEC. 8. For the purpose of this act, personnel enumerated in sections 527 and 528 of the act of October 12, 1949 (Public Law 351, 81st Cong.), with dependents as defined in section 102 (g) of said act, as amended, shall be entitled to a basic allowance for quarters under the conditions and at the rates prescribed for members in pay grade E–4.

SEC. 9. For the duration of this act, the fourth proviso of section 515 (b) of the act of October 12, 1949 (Public Law 351, 81st Cong.) is hereby amended to read as follows: "*Provided further,* That when a member is furnished Government quarters adequate for himself and his dependents, the total sum saved for him by this subsection shall be reduced at the rate of $45 per month for members in pay grades E–1, E–2, E–3, and E–4 (less than 7 years' service), and $67.50 per month for members in pay grades E–4 (7 or more years' service), E–5, E–6, and E–7."

SEC. 10. The Secretaries of the Departments concerned are authorized to prescribe such regulations for the administration of this act as may be deemed necessary to enable them to carry out the provisions of this act and such regulations shall, as far as practicable, be uniform. All waivers and determinations, including determinations of dependency and relationship shall be made by the Secretary of the Department concerned or such other person or persons as he may designate, and the Secretary of the Department concerned or his designee is authorized to delegate or redelegate such authority: *Provided,* That the authority granted in this section to the several Secretaries of the Departments concerned may by joint agreement be exercised by any one of the Secretaries for any other Department or Departments concerned.

SEC. 11. Any determinations or waivers made under this act shall be final and conclusive for all purposes and shall not be subject to review in any court or by any accounting officer of the Government, except for cases involving fraud or gross negligence. The Secretary of the Department concerned may at any time on the basis of new evidence or for other good cause reconsider or modify any such determination, and may waive the recovery of any money erroneously paid under this act whenever he finds that such recovery would be against equity and good conscience.

SEC. 12. The General Accounting Office shall not refuse to allow credit in the accounts of any disbursing officer for any erroneous payment or overpayment made by him in carrying out the provisions of this act unless such erroneous payment or overpayment was made by him as the result of his gross negligence or with the intent to defraud the United States, and no recovery shall be made from any officer authorizing any erroneous payment or overpayment under this act unless such payment was authorized by him as the result of his gross negligence or with the intent to defraud the United States.

SEC. 13. Notwithstanding the provisions of sections 515 (c), 531 (d), and 533 (a) of the Career Compensation Act of 1949, the heads of the departments concerned or such subordinates as they may designate, may from and after October 1, 1949, waive indebtedness growing out of erroneous payments of, and may make any and all necessary determinations and redeterminations as to entitlement to, allowances under the authority of the Servicemen's Dependents Allowance Act of 1942, as amended, and make payments based thereon, on applications filed by enlisted and former enlisted members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, or their dependents, and not finally acted upon prior to October 1, 1949, and all such waivers and determinations shall be final and conclusive: *Provided,* That in cases where no deductions have been made from the pay of enlisted or former enlisted members the allowances paid hereunder may be limited to the amount of the Government's contribution to such allowances: *Provided further,* That appropriations available for current pay of enlisted members of the services concerned shall be available for payments authorized to be made hereunder.

SEC. 14. The Secretary of the Department concerned shall take cognizance of the provisions of this act and shall establish policies, under which enlisted members with dependents may be discharged for hardship.

SEC. 15. This act shall be effective from August 1, 1950, except that the allotment requirements of this act shall not be a condition precedent to the entitlement to a basic allowance for quarters prior to the second month following the month in which this act is enacted.

SEC. 16. This act, except sections 10, 11, and 12 hereof, shall terminate on April 30, 1953.

With the following committee amendments:

Page 1, line 9, after the word "of", insert "sufficient evidence, including."

Page 2, line 14, strike out the word "Section" and insert "For the duration of this act section."

Page 4, line 14, strike out "quarters: *Provided,* That" and insert "quarters, provided that."

The committee amendments were agreed to.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I merely want to say in comment on what the gentleman said a few minutes ago with respect to the procurement of men for the National Guard. There is some danger that you can injure the Guard in the future. A great many noncoms have been encouraged to come in even though they had a great number of dependents, because they had some experience and could act as instructors. I think it would be unfortunate in the future policy of the Guard to say that we do not want any men with dependents. It will probably be true in the future as in the past that many of the best men in the Guard have families.

Mr. BROOKS. Mr. Chairman, if the gentleman will yield, I have not in my remarks or observations made the recommendation, but I have just been thinking out loud. I had no reference to noncommissioned officers as a whole. I had reference to the first three enlisted grades. May I say further that the specific tables for the Guard show that the percentage of dependents in the first three enlisted grades is relatively small.

Mr. CASE of South Dakota. I think that is correct.

Mr. BROOKS. And the heavy dependency rises in the higher grades of noncommissioned officers, and it is in those grades that, generally speaking, the noncommissioned officers draw more than $200 a month. When we get to a grade above $200 a month, we reach a grade in which men are normally more careful about their financial affairs.

Mr. CASE of South Dakota. Some of these men have special obligations; they have furnished their homes and they have to make installment payments on everything from furniture to automobiles. No one expected to have this crisis come on as quickly as it did.

Mr. FURCOLO. Mr. Chairman, if the gentleman will yield, I think probably the gentleman has in mind the same thing I did, that we do not want to have these people feel we are penalizing them for going into the Guard.

Mr. CASE of South Dakota. We do not want to destroy the backbone, as the gentleman says, of the National Guard.

Mr. BROOKS. I will say this, what I have in mind is that the provision with reference to dependency which applies to the regular service to my mind ought to apply to the reservists and the Guard also. Heretofore that has not been the policy.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I think the crux of the question is the date this law will take effect. I talked with many reservists, veterans of World War II, who have families, and I believe if the dependency allowance becomes effective July 1 their problems will be taken care of. In Pennsylvania the Pennsylvania Veterans Commission is actually giving money to men who have been called up in order to tide them over from the day they are called in until the day the dependency allowance goes into effect.

Mr. CASE of South Dakota. Many communities are adopting programs of that sort.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to revise and extend my remarks and speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, what I have to say is sometime of little interest to my friends on the right but this time just listen a minute, if you will, because on November 7 some of us hope to have our applications for a job for the next 2 years favorably passed upon by our constituents, and some of us, like my colleagues from Michigan, have to go through a similar ordeal on the 12th day of September.

Our New York colleagues have just been through that mill. I hold in my hand a letter purporting to be published on the stationery of the Times-Herald by a gentleman whose name is Charles Lattin. Am advised he is a janitor down there in the Times-Herald building, and he wrote to the opponent of our colleague, the gentleman from New York [Mr. COLE], a gentleman who has the respect of every Member of the House.

The letter was reprinted in the campaign literature sent out by the committee which supported candidate John D. Young. I am calling your attention to this attempted smear and vilification of our colleague, the gentleman from New York [Mr. COLE], so that you may know what to expect if the mudslingers and smear artists get busy in your district.

The letter reads as follows:

THE TIMES-HERALD,
Washington, D. C., August 11, 1950.

Mr. JOHN D. YOUNG,
First National Bank Building,
Corning, N. Y.

MY DEAR MR. YOUNG: My home district certainly is sorely in need of competent representation. For years, the present Representative of the district has enjoyed the office without performing his duties to the fullest. Many, many times I have tried to contact Mr. COLE, but still have never spoken to him. At the same time I have freely reached most every other Senator and Congressman personally.

I have visited his office frequently as well as attempting telephone contacts. Once in a great while I have been told he was on the floor. Ninety-nine percent of the time it seems he is reported to be back in the district.

His trips back in the district combined with his foreign jaunts have left him little time to "represent" those who entrusted him with one of the most sacred privileges—representing them in Congress—within the power of the American people. I, personally, feel that STERLING COLE has failed in his trust. Published records of voting will show that relatively seldom is his name listed; it is a known fact that he was not diligent in securing the flood-control projects for the district. Had he been properly informed and interested, as he obligated himself to be, the projects would have been completed before World War II. I have the word of the Army engineer, originally in charge of planning the projects.

STERLING COLE, over the past 5 years, has been absent from committee meetings, general sessions, roll calls, and so forth, as much as he has been present. Reporters covering these assignments state that he misses more sessions than he attends. Published accounts testify to the accuracy of these statements.

The greatest need of America in these days is to have men in Congress with unblemished characters; with unquestioned loyalty; with high moral purpose; with conscience; hard working; religiously minded. If we continue to elect to office men who place self ahead of duty; who fail in their obligations, the time is not far off when the people will no longer be allowed to choose.

I wish you could have heard replies of Members of Congress when I have asked about the capabilities of my own Representative. What they did not say was more revealing than what they did say. You may rest assured that, although a registered Republican, I would under no circumstances cast a vote for him.

Please get across to the voters that America is in grave peril and that absent Representatives can do nothing to prevent eventual collapse. I wish I could reveal some of the frightening information that has come to my attention. It would awaken the people to the immediate need to elect men who will truly represent them.

It can't be done back in the districts; it can't be done on foreign junkets; it can't be done by staying away from assigned duties.

With sincere hopes that the folks back home will awaken to the need of making the change which is long overdue, I wish you every success. I believe you are a man whom the country needs. Your affiliations stamp you as a man of good character; of faith and of ability.

Sincerely,

CHAS. LATTIN.

Let me repeat.

Public records of voting will show that relatively seldom is his name listed; it is a known fact that he was not diligent in securing the flood control projects for the district—

And so on.

Once in a great while I have been told he was seen on the floor.

I have the word of the Army engineer originally in charge of planning the projects that if Mr. COLE had been on the job, the Army engineers would have put the job through.

I never knew that any Congressman or group of Congressmen combined could make the Army engineers jump through a hoop and complete a job.

The letter reads further:

STERLING COLE over the past 5 years has been absent from committee meetings, general sessions, roll calls and so forth, as much as he has been present.

Every Member of the House who makes any pretense even of attending the sessions of the House knows that that is a bare-faced—what should I say?

Mr. SHORT. Lie.

Mr. HOFFMAN of Michigan. It is a bare-faced prevarication—all right, I will accept the word of the gentleman from Missouri—it is a bare-faced lie.

Mr. SHORT. Mr. Chairman, will the gentleman yield at this point?

Mr. HOFFMAN of Michigan. Yes; in just a moment.

Listen, my colleagues:

The greatest need of America these days is to have men in Congress with unblemished character.

What does this man mean when he writes that kind of sentence? Does he mean STERLING COLE is a man of bad character? We all know he is a man of most excellent character. Listen further:

With unquestioned loyalty.

Does he mean that STERLING COLE is disloyal? Why, the writer of that letter is a contemptible liar, if the rules permit the use of such language. Listen further:

With high moral purpose.

Did anyone of you ever hear, even an insinuation against the high moral purpose of STERLING COLE? The answer is: You did not. Yet that is the kind of smear stuff they put out. Now I yield to the gentleman from Missouri, if he has words adequate to express his indignation.

Mr. SHORT. Of course the constituents of STERLING COLE did not believe any of that.

Mr. HOFFMAN of Michigan. But some few of them may have believed some of the other statements in that letter.

Mr. SHORT. Yes; too many of them did. But let me say this to the gentleman. Having served more than a dozen years with STUB COLE in the House of Representatives, and as one of the members of our Committee on Armed Services, I am sure the distinguished gentleman from Georgia, our chairman, as well as every member of the committee on both sides of the aisle will agree, there is no finer Christian gentleman, no abler, harder working member of our committee than W. STERLING COLE.

Mr. HOFFMAN of Michigan. With that statement we all agree. Mr. Chairman, I yield to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Chairman, may I say to the gentleman from Michigan that several years ago I wrote a letter, a public letter, in behalf of STERLING COLE which was published in his district. I have not changed my opinion of STERLING COLE, in fact, I have even greater re-

spect for him. I know of no Member with whom I have served in my 36 years in this House who is more capable than STERLING COLE. His ability, his loyalty, and his diligent attendance are outstanding. I will say that I know of no Member during the 18 years I was chairman of the Committee on Naval Affairs, and the 2 years that I have been chairman of the Committee on Armed Services, upon whom I rely more than STERLING COLE. Of course, such a slanderous statement is beneath the dignity of all of us, and we repudiate it completely; and privately in language which parliamentary rules do not permit us to use. No district in the Nation is more ably represented in the Congress than the Thirty-ninth District of New York. There is no Member of the House more attentive to his duties than STERLING COLE. I resent with every fiber of my body this slander on the brilliant and outstanding services of one of the Nation's most capable lawmakers.

Mr. HOFFMAN of Michigan. I just wanted to let the Members know about this, as an example of what an honest, sincere, conscientious, capable, hard-working Member had to face when he came up for renomination.

Mr. SHORT. I think that we should treat the whole matter with contemptuous silence.

Mr. HOFFMAN of Michigan. That may be all very well, but I cannot permit a vile, false charge like that to pass uncontradicted.

Mr. RIEHLMAN. Will the gentleman yield?

Mr. HOFFMAN of Michigan. Gladly.

Mr. RIEHLMAN. Mr. Chairman, I arise to make a few remarks about the dastardly attack made upon my colleague from New York, the Honorable STERLING COLE. This type of propaganda sent out by an employee of a concern here in the city of Washington criticizing Mr. COLE's record, his character, and his ability is most distasteful to those who know him.

When I first came to Washington in 1947 Mr. COLE was one of the first Members of the House whom I contacted for advice and consultation and during the past 4 years I have gone to him for information and assistance. Needless to say, I have always found his judgment sound and reliable. To me he is one of the most conscientious, hard-working, and well-informed Members of the House. His attendance and voting record on all major legislative matters speak for themselves.

My congressional district in New York State is very close to that of Mr. COLE's and I am confident that the type of people he represents know very well his fine record and will have no part of such vicious appeals. That was definitely demonstrated Tuesday when they renominated him for their candidate on the Republican ticket by a comfortable majority.

In conclusion, Mr. Chairman, my colleague carries the name "Sterling" which Webster defines as "genuine." Moreover, he is a man of genuine character, genuine ability, and is a genuine American citizen.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. MARTIN of Massachusetts. I regret the unfair attack upon our distinguished colleague from New York [Mr. COLE]. There is no one more devoted to the public service than Mr. COLE. He has rendered a tremendous service as a member of the Armed Services Committee and upon the special commission concerning atomic energy. The work of these committees is exacting and laborious. Mr. COLE never stinted in his work. In this day when the fate of America and of the world is in issue, we need men like Mr. COLE. His intelligence, his courage, his integrity and high purpose are essential in the battle to keep America strong and solvent. I congratulate him on his primary victory and am sure that primary verdict will be ratified in November with an emphatic vote of confidence from the constituents he has so loyally served through the years.

Mr. REED of New York. Will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. REED of New York. Mr. Chairman, I must confess that I was astounded when I read a letter purporting to be signed by Charles Lattin attacking the record of Hon. W. STERLING COLE as a Representative in Congress from the Thirty-ninth Congressional District of the State of New York.

I have had an opportunity during the entire period of W. STERLING COLE's eight terms of admirable service as a Member of the House of Representatives to observe the meticulous care with which he has discharged his duties to his constituents. I am sure that if a poll were taken of the 435 Members who have served with Representative COLE their opinion as to his excellent service would be of the highest commendation. I have been in a position to know of the careful and constant attention which Representative COLE has given, not only to the problems of his own district, but to those of a national character. I wish to say further that his fine ability has been a distinct contribution to the welfare and security of the Nation. I am sure that the intelligent people of the Thirty-ninth District of New York are proud, and justly so, to have a man of the integrity, honesty, and ability of Representative COLE serving them and the Nation on the Committee on Armed Services and the Joint Committee on Atomic Energy.

Furthermore, it means much to all of the people of the State of New York to have the benefit of the distinguished and able service of Representative COLE.

The question is sometimes asked, "Is it worth while to keep such a capable and energetic man in public office?" "Is his experience as a legislator of value to the people of his district, his State, and to the people of the Nation?" Let me quote at this point Hon. DeAlva Stanwood Alexander, former Member of Congress, formerly United States Attorney for the Northern District of New York, and the distinguished author of the Political History of New York State, who, in referring to the value of an experienced legislator, had this to say:

> Prominence gained in one vocation is rarely transferred to another. Legislation is a profession as much as medicine or law or journalism, the practice of which, to gain leadership, must be long and continuous, until proposed public measures and their treatment worked out in the drudgery of the committee room, become as familiar as the variety of questions submitted to lawyers and physicians.

I am happy for the good of the Nation that the people of the Thirty-ninth New York District have selected Hon. W. STERLING COLE to run on the Republican ticket for reelection.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. VAN ZANDT. I learned to know W. STERLING COLE when he was a Member of the Seventy-fourth Congress, and it was my honor to be commander in chief of the Veterans of Foreign Wars.

I found "STUB" COLE to not only be a true friend of the veteran but a strong advocate of an adequate national defense and one of the ablest and most sincere legislators in the Congress of the United States. When I was elected to the Seventy-sixth Congress, I found Congressman COLE very helpful to a freshman in the House of Representatives. Time and time again I contacted him for advice, and found him a storehouse of knowledge.

"STUB" COLE is a man of strong character, a convincing speaker, and one who has constantly fought for those things that have made America great. I am pleased to include "STUB" COLE among my close personal friends, for he is a colleague whose record is an open book and above reproach.

Mr. HOFFMAN of Michigan. I yield back the balance of my time.

Mr. REES. Mr. Chairman, I think it is terribly unfortunate that anyone at this critical hour for political purposes would utter the statements that have just been quoted by the gentleman from Michigan [Mr. HOFFMAN]. These statements are not only intended to discredit our colleague, the Honorable STERLING COLE, but to injure his character and his reputation.

I have known STERLING COLE for a number of years. He is highly respected on both sides of the aisle of this House and is one of the outstanding, hard-working members of the Committee on Armed Services. He is earnest; he is painstaking and sincere.

Mr. GAVIN. Mr. Chairman, I heartily agree with the statements of my very good and able colleagues, Mr. VINSON, chairman of the House Armed Services Committee, and Mr. SHORT, the ranking minority member of that committee.

I have known STERLING COLE since coming to Congress, and know him as a man of fine character, integrity, and extreme loyalty.

Ordinarily one would not dignify such an attack with a reply. But I want to state, after my several years of experience of working with my good friend from New York, that he has been without question one of the outstanding

members of the Armed Services Committee.

He is a sound, clear thinker, intensely interested in all the affairs of our committee, of the Congress, and of our great Nation. He has made many valuable contributions.

By his fair and honest work he has won for himself the hearty commendations of all his colleagues on both sides of the aisle. I cannot speak too highly of him or of his work in the Congress, and I consider it a privilege and honor to serve with him.

Mr. ARENDS. Mr. Speaker, I should like to take this opportunity to extend to the people of the Thirty-ninth Congressional District of New York heartiest congratulations on the renomination of our distinguished colleague, STERLING COLE, to represent them in Congress.

I do not know anyone who has more faithfully served his district and his country than STERLING. In my opinion he is one of the outstanding men in Congress, and I am pleased to learn that the people he has so ably represented appreciate his worth. They were not misled by the slanderous propaganda that was deliberately circulated about him in the recent primary campaign.

Ordinarily, I avoid any comment in party primary contests, but when I learned of the baseless and unfounded charges made against STERLING I felt constrained to write a letter to his district to give them the actual facts. As the Republican whip of the House, I am in constant touch with the attendance and performance record of the Members. It is part of my responsibilities. I probably know more about STERLING COLE'S record in Congress than any other Member.

I could not remain silent when I knew as a fact that STERLING COLE, a Member with an enviable record, was being deliberately slandered. I had to speak out, not simply in behalf of STERLING, for whom I have such great affection and respect, but I had to speak out to give the people the facts in the interest of encouraging all members in the rewards of loyal and diligent service.

All of us look upon STERLING as a man of unusual ability. For that reason he is called upon to do much more than he would normally have to bear. The work load he has carried was more keenly appreciated by us when he was obliged to be absent for a period during an illness in his family.

He has served as assistant whip, and in that capacity he has been invaluable to me. And he has served with me on the Republican Policy Committee. I, and every member of that committee, can testify to the help he has been in the formulation of party policy, and the sound counsel he has given on many major questions.

There is no public acclaim and applause for this type of work. There is no public record that one can point to, but STERLING is not the kind of man to want a lot of noise and fanfare. He simply wants to get the job done, and very few know, as I do, the extent to which he has made his influence felt on many vital decisions.

In addition to this unpublicized work, STERLING has served with me on the Committee on Armed Services. Every member of that committee will testify to the long hours he has spent on committee work, and the constructive contribution he has made to solving our national-defense problems.

The burden of work that STERLING has handled is really more than one should expect of any one man, but he gladly assumed these time-consuming responsibilities and performed brilliantly. He has assumed even more. There is hardly any more important committee in the Congress today than the Joint Committee on Atomic Energy. STERLING is ranking minority member of that committee. The contribution he has made to the work of that committee, with the manifold duties and heavy responsibilities that inevitably fall on the ranking member, are well known to all of us.

Truly, Mr. Speaker, the Thirty-ninth District of New York has good reason to be proud of Congressman COLE. He is one of the ablest and hardest working Members of this House. He is a man of unquestionable loyalty and exemplary character. He is an experienced legislator of national stature.

It is a great privilege for me to know STERLING COLE intimately and to work with him daily. It is a great satisfaction to me to see that his people appreciate his worth. I congratulate them.

As a part of my remarks I am including an editorial which appeared in the Ithaca, N. Y., Journal on August 15, prior to the primary election, and an editorial which appeared in the Sayre, Pa., Evening Times on August 24, after the election. I am including these editorials because they so well express the high regard in which STERLING COLE is held by those who really know his outstanding record in Congress. The editorials follow:

[From the Ithaca (N. Y.) Journal of August 15, 1950]

REMEMBER THE PRIMARY

Preoccupation with Korea, the confusion and squabbling in Washington, and the lack of a local contest tend to obscure the importance of the forthcoming primary election. So we venture to remind our readers that Tuesday, August 22, is primary day and that an important duty confronts them.

The Republican primary will determine who is to be our Representative in Congress the next 2 years. Whoever is nominated in this primary is sure to be elected. So, for Republican voters, August 22 is election day as far as the choice for Member of Congress is concerned.

It seems to the Journal that the choice is clear. With all due respect to John Young, of Corning, it would be most unfortunate if STERLING COLE should fail of renomination. He has long been a useful Congressman to his constituents, no matter what their political faith. But beyond and above that Mr. COLE is an important figure in the National Legislature. As a member of the House Armed Services Committee and the Congressional Atomic Energy Committee he is in close touch with some of our most pressing and fundamental problems. His advice and counsel as a member of those committees and his votes are valuable not only to his associates but to the country. There is no question whatever that the Republican leadership in the House, would, if it could vote in our primary election, be solidly for Mr. COLE, who is a member of the Republican policy committee.

Mr. COLE is completing his eighth term in Congress. That means he has been our Representative for 16 years. As everyone knows seniority and experience play a big part in the prestige of a Member of Congress. If Mr. Young were chosen by the Republicans he might some day become an effective Representative from this district. But the point is that Mr. COLE is now and for years has been an effective Representative.

His record and his experience certainly entitle him to a new vote of confidence. Rarely, if ever, have we had a Congressman who has been as helpful and sympathetic to the interests and needs of his constituents. The charge of absenteeism raised against him is not to be taken seriously. It has been branded as unwarranted by the Republican whip of the House. Of course, Mr. COLE has sometimes been away from the floor. No Congressman who must as a matter of duty participate in such important conferences and meetings as those conducted by the committees of which Mr. COLE is a member could possibly respond to every roll call. In fact his main duty frequently requires him to be elsewhere in the national interests, but at no time has Mr. COLE failed to discharge his full duties as a Member of the House and at no time has he failed to respond promptly and cheerfully to all reasonable requests from the folks back home.

Mr. COLE certainly deserves reelection but he won't be reelected if the enrolled Republican voters fail to participate in the contest for Congress.

So put down Tuesday, August 22, as an important date on your calendar and be sure to vote in the primary.

[From the Sayre (Pa.) Evening Times of August 24, 1950]

COLE'S VICTORY IS A TRIBUTE TO A NATIONAL FIGURE

If Representative W. STERLING COLE'S margin of victory—some 5,500 votes out of 31,000 cast—over John D. Young, Republican aspirant for the veteran Congressman's seat in the House, was less than his many close friends hoped, it was certainly a resounding indication of what the GOP voters of the Thirty-ninth District think of the man who has represented them for 16 years in Washington.

Mr. Young was a rugged and hard-hitting opponent—probably the most serious threat Mr. COLE has had in nine campaigns—but his majority was nevertheless a healthy one, especially in view of the fact that veteran legislators such as Mr. COLE, who has been in the limelight on Capitol Hill for more than a decade, are apt to make not a few enemies in the course of conducting the business of their office.

One of the strongest arguments against veteran legislators is the feeling that a few new faces in Washington are needed, an opinion that is almost universally held. But the voters of the Thirty-ninth District decided that whatever changes should be made in the House of Representatives they should not start with the elimination of the man who has, by and large, given his constituency reason for pride for half a generation, though he is yet a comparatively young man as Congressmen go.

As a matter of fact, STERLING COLE has not been merely a representative of the five-county area along the southern border of New York. He has been a national figure, one of the leaders of the young bloc of progressive Republicans, an ardent supporter of adequate defense, and a man of vast knowledge of military requirements learned over the bitter, hard years of World War II, when he was one of the hardest workers on the Naval Affairs Committee. He not only knows what the Thirty-ninth District needs,

he also is vitally aware of the requirements of the military, and his present post on the Armed Services Committee puts him in position to see that the requirements are met.

His nomination in spite of a highly capable and admittedly astute politician as an opponent is the Thirty-ninth District's best way of showing that it has faith in what STERLING COLE may do in the country's current hour of need; it is also a fitting appreciation for his great service in the past. One thing is certain: He will not let them down.

The CHAIRMAN. The Clerk will report the other committee amendments.

The Clerk read the committee amendments, as follows:

On page 8, line 4, after the colon strike out the remainder of the section through line 9.

On page 9, line 11, strike out all of section 15.

Page 10, line 11, strike out "16" and insert "15."

Page 10, line 16, strike out "17" and insert "16."

The committee amendments were agreed to.

Mr. BROOKS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOKS: Strike out section 13 and substitute in lieu thereof the following: "Notwithstanding the provisions of section 515 (c) of the Career Compensation Act of 1949, the Comptroller General, upon the recommendations of the heads of the departments concerned, or such subordinates as they may designate, and a showing that collection would be against equity and good conscience, may waive indebtednesses growing out of erroneous payments of allowances under the authority of the Servicemen's Dependents Act of 1942, as amended, and authorize payments based thereon, on applications filed by enlisted and former enlisted members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, or their dependents, and not finally acted upon prior to October 1, 1949."

Mr. BROOKS. Mr. Chairman, this is the amendment which has been so completely discussed.

I ask for its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. BROOKS].

The amendment was agreed to.

Mr. FURCOLO. Mr. Chairman, may it please the Committee: In the time I have I cannot possibly go into detail. Let me say that it is imperative that we pass legislation providing care for dependents of servicemen. No one can devote his full energies to wartime service if he is wondering if his wife, children, or parents have enough food, clothing, shelter, medical care, and the other necessities of life. Our servicemen must be easy in their minds about their families at home. We must not be penny wise and pound foolish in determining what provision should be made for dependents of servicemen. A good family allowance bill is the greatest morale builder we can provide our servicemen. We must assure them that no family will suffer because a husband, father, or child has been called to defend this Nation. Words will not meet that obligation, but proper and sufficient dependency allowances will. We are not keeping faith if we do not provide adequate family allowances.

Let me also say that of course the bill should be retroactive to be sure that no discrimination has been practiced against those families whose men have already gone into service. I think that is only fair.

I regret that the time that I have does not permit me to discuss other features of the bill. However, I have discussed different phases of it in some detail with Members who are keenly interested in this legislation.

Mrs. WOODHOUSE. Mr. Chairman, war, in spite of our best efforts, always brings injustice. Absolute equality in the distribution of the sacrifices entailed is not possible, but we must at least do all we can to equalize this sacrifice.

Men in the National Guard and in the Reserves are being ordered to active duty. Thousands of men are being mobilized under the provisions of the Selective Service Act of 1948 as amended. Many of these men have families. They have living expenses and commitments quite out of line with the pay of enlisted men. The pay for the first three grades was fixed with the idea that such men in the career service would be quite young and not have dependents—that they would take on family obligations as they went up in the service.

This is not true of enlisted men in the National Guard and in the Reserves. They are older. In civilian life their earnings are on a quite different level. Willing as the men are to serve their country the practical question of day-by-day living has to be faced by their families.

It has been a traditional policy of our Government to provide allowances for the dependents of servicemen during periods of mobilization. No time can be lost in making this allowance available. The bill before us makes it retroactive as it should, for since the men have been called up bills have been accumulating.

This bill would apply to all enlisted men in the services—Army, Navy, Air Force, Coast Guard, Marine Corps, the National Guard, and the Reserves. The requirement of a $40-a-month allotment from men in the lower grades is a wise protection. The committee has worked out a fair scale of allowances which in combination with what a man might fairly be expected to send home will give for a wife and child a minimum of $110 a month.

I hope this bill will pass and that the allowance will be promptly disbursed. There will still be need for further legislation, notably in the matter of housing loans. Of course, a man called up who has a GI loan, for example, will be protected during his time of service, but we must make provision for the period immediately after his demobilization when payments will again become due and when he may well not be in a position to meet them until he is established in a civilian job again.

Mr. BIEMILLER. Mr. Chairman, there is really one principle at issue in our consideration of allowances to the families of servicemen—the obligation of this Congress to make sure that the only men who are being called upon to make any real sacrifice in the Korean conflict not be forced to make a double-sacrifice.

We are expanding our armed forces of real and deep necessity. Service in the Armed Forces has ceased to be a matter of individual will or preference. In many cases it involves family and financial hardship.

We must do everything possible to see that those hardships are reduced, not multiplied by our failures. I think allowances ought to be generous, even if it should cost civilian taxpayers a little more money. There is no way in which those of us who do not serve can match the sacrifices of most servicemen. This is our opportunity to keep their sacrifices at a minimum.

I trust this bill will be enacted with dispatch.

Mr. CARROLL. Mr. Chairman, the distinguished chairman and members of the Armed Services Committee should be commended highly for the speed with which they have prepared and reported this most important bill.

My interest in adequate family allowances is not of recent date. Members of the Armed Services Committee will recall that more than a year ago, when the military-pay bill was before the House, I protested provisions which would have terminated the family allowances of many servicemen in the middle of their enlistment periods. At that time I pointed out that termination of these allowances would in a sense be breaking faith with the men of our Armed Forces. The committee gave fair and full consideration to my recommendations, and later reported a bill which provided more adequate recognition of the problems of servicemen's families.

No piece of legislation now before the Congress is more essential than H. R. 9477. Once again, we are taking young men from their homes and families and sending them to the dangers of combat. Many of these men are leaving wives and children behind.

We will supply these men with the best available equipment. We will make sacrifices here at home to assure them adequate food and supplies. It is equally important that we make sure their families do not suffer hardship or privation. This is our first responsibility on the home front.

I have talked to several young men from my own State of Colorado who are leaving wives and children behind them as they return to military service. These men were not primarily concerned with the dangers they themselves might be facing in the months to come. Rather, they were worried about their families. They wanted reassurance that the Nation would not let their wives and children suffer hardship while they were away.

Mr. Chairman, we cannot fail these men. There is nothing so important to them as the well-being of their families. They would give their lives to protect their wives and children and the families of their comrades—indeed, some have made this sacrifice already. To keep faith with them, we must enact H. R. 9477 into law as speedily as possible.

Mrs. DOUGLAS. Mr. Chairman, I rise in support of H. R. 9477. The distinguished chairman and members of the Armed Services Committee are to be congratulated for bringing this legislation to the House so speedily for a vote. The purpose of the legislation is to provide allowances for dependents of enlisted members of the uniformed services. National Guard men and reservists are being called to duty without their consent; thousands of men are being mobilized under the provisions of the Selective Service Act.

Many of the enlisted men now being ordered into active duty are leaving dependents behind, their children and their wives. Provision must be made for these loved ones. It is also expected that the Selective Service may have to draft men with dependents and their loved ones must be provided for.

There were some of us, and I was one of them, who protested the termination of family allowances a year ago when the Armed Services Committee brought the military pay bill before the House.

I am sure, Mr. Chairman, that every Member of the House will support this legislation.

Mr. MADDEN. Mr. Chairman, H. R. 9477, providing allowance for dependents of enlisted members of the armed services, should be passed unanimously.

Thousands of men are being mobilized under the provisions of the Selective Service Act and many of the enlisted personnel being ordered to active military duty have families and it may become necessary that the Selective Service draft men with dependents. These servicemen must make drastic adjustments in their standards of living and cannot support their immediate dependents on the basis of military pay alone.

This legislation will provide satisfactory benefits which will aid families of noncareer enlisted personnel and prevent hardships. This legislation does not deprive any member of the uniformed services of any benefits which they now enjoy. The provisions of this bill will give a total increase for members of the lower grades of the service, $45 per month for men with only one dependent, a total increase of $70 per month for two dependents, and a total increase of $85 per month for those with over two dependents. Enlisted men in the higher grades who have only one or two dependents and are presently entitled to an allowance of $67.50 per month would receive an increase of $2.50 per month and those with three or more dependents would receive an increase of $17.50 per month. These rates set out in the bill are equitable and represent a needed allowance to supplement the present pay of enlisted men for the support of their dependents. It is estimated that the cost of this proposed legislation for the fiscal year 1951 on an 11-month basis and on the basis of monthly increase in the size of the armed service, will be approximately $240,000,000.

After extended hearings and deliberation on the part of the Committee on Armed Services, this legislation was passed out of committee by unanimous vote. This legislation should be enacted into law and it will, in a measure, contribute toward making the life of the enlisted men in our military service a little more pleasant and avoid some of the mental and physical hardships which he is compelled to undergo.

Mr. VINSON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. STIGLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9477) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. VINSON. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, strike out all after the enacting clause and insert the provisions of the bill (H. R. 9477) just passed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That for the duration of this act that part of the second sentence of section 102 (g) of the act of October 12, 1949 (Public Law 351, 81st Cong.), which reads " * * * and actually resides in the household of said member" is suspended: *Provided*, That the dependency of the father or mother as required by said section 102 (g) shall be determined on the basis of an affidavit submitted by such father or mother, and such other evidence as the Secretary concerned may deem necessary under such regulations as he may prescribe, and no such father or mother shall be deemed dependent unless—

(1) the member of the uniformed services claiming such dependency has provided over one-half of the support of such father or mother for such period of time as the Secretary concerned may prescribe; or

(2) in the case of claimed dependency arising by reason of changed circumstances after the entrance of such member into active service subsequent to the effective date of this act, such father or mother becomes in fact dependent upon such member for over one-half of his or her support.

SEC. 2. For the duration of this act the proviso in section 302 (a) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is suspended.

SEC. 3. For the duration of this act, section 302 (f) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by striking out that portion of the table appearing therein which prescribes monthly basic allowances for quarters for enlisted members in pay grades E–1 to E–7, inclusive, and inserting in lieu thereof the following new table:

	Not over 2 dependents	Over 2 dependents
E–7	$67.50	$75.00
E–6	67.50	75.00
E–5	67.50	75.00
E–4	67.50	75.00

	1 dependent	2 dependents	Over 2 dependents
E–3	$45.00	$67.50	$75.00
E–2	45.00	67.50	75.00
E–1	45.00	67.50	75.00

SEC. 4. Section 302 of the Act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by adding the following new subsections:

"(g) Subject to the provisions of this section, enlisted members without dependents shall be entitled to a basic allowance for quarters at the rate of $45 per month.

"(h) The payment of the basic allowance for quarters provided in subsection (f) of this section for enlisted members with dependents shall be made only for such period as such enlisted member has in effect an allotment of pay not less than the sum of the basic allowance for quarters to which he is entitled plus $40 (or in the case of enlisted members in pay grades E–4 and E–5, $60; or in the case of enlisted members in pay grades E–6 and E–7, $80), for the support of the dependent or dependents on whose account the allowance is claimed. No such allotment shall be required (1) for the calendar month in which such member enters on active duty in a pay status if the allotment is effective from the following month; (2) for the calendar month in which such member is discharged, if not immediately reenlisted; (3) for the calendar month in which such member is released from active duty; (4) for the calendar month in which dependency ceases; or (5) for the calendar month in which dependency commences if the allotment is effective from the following month. Any such allotment may in special cases be initiated, continued, modified, or discontinued in accordance with such regulations as may be prescribed by the Secretary concerned. The minimum allotment required for any month shall be based on the lowest rate of basic allowance for quarters to which the member is entitled and the lowest pay grade in which the member is serving during such month.

"(i) The allotment required by subsection (h) of this section shall be paid to or on behalf of such dependent or dependents as may be specified in accordance with such regulations as the Secretary concerned may prescribe.

"(j) Any delay in initiating an allotment as required by this section shall not invalidate entitlement to basic allowance for quarters, provided that such allotment is made retroactive for such period as the member may elect to claim the allowance for his dependent or dependents.

"(k) The entitlement to the basic allowance for quarters provided for by this Act shall be substantiated in such manner and

in accordance with such regulations as the Secretary concerned may prescribe."

SEC. 5. Notwithstanding any other provision of law, the basic allowance for quarters to which a member may be entitled as a member with dependents shall not be contingent on pay accruing to such member for such period as the Secretary concerned may prescribe.

SEC. 6. The Secretary concerned may, at his discretion, with or without the consent of the enlisted member concerned, authorize and direct the payment of the basic allowance for quarters and the establishment and payment of such allotment as he shall determine to be in conformity with the provisions of this act, for any enlisted member with dependents in any case in which such member does not claim such allowance.

SEC. 7. Notwithstanding any other provision of law, the provisions of this act shall not apply to enlisted members on training duty, to enlisted men entitled to pay and allowances pursuant to the provisions of section 507 of the Act of October 12, 1949 (Public Law 351, 81st Cong.), to any member of the Samoan Native Guard or band of the Navy, or the Samoan Reserve Force of the Marine Corps. Such persons shall continue to be entitled to the appropriate allowances prescribed by section 302 of the Act of October 12, 1949 (Public Law 351, 81st Cong.), on the day prior to the effective date of this act.

SEC. 8. For the purposes of this act, personnel enumerated in sections 527 and 528 of the act of October 12, 1949 (Public Law 351, 81st Cong.), with dependents as defined in section 102 (g) of said act, as amended, shall be entitled to a basic allowance for quarters under the conditions and at the rates prescribed for members in pay grade E–4.

SEC. 9. For the duration of this act, the fourth proviso of section 515 (b) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended to read as follows: "*Provided further*, That when a member is furnished Government quarters adequate for himself and his dependents, the total sum saved for him by this subsection shall be reduced at the rate of $45 per month for members in pay grades E–1, E–2, E–3, and E–4 (less than 7 years' service), and $67.50 per month for members in pay grades E–4 (over 7 years' service), E–5, E–6, and E–7."

SEC. 10. The Secretaries concerned are authorized to prescribe such regulations for the administration of this act as may be deemed necessary to enable them to carry out the provisions of this act, and such regulations shall, as far as practicable, be uniform. All waivers and determinations, including determinations of dependency and relationship, shall be made by the Secretary concerned or such other person or persons as he may designate, and the Secretary concerned or his designee is authorized to delegate or redelegate such authority: *Provided*, That the authority granted in this section to the several Secretaries concerned may by joint agreement be exercised by any one of such Secretaries for any Department or all Departments concerned.

SEC. 11. Any determinations or waivers made under this act shall be final and conclusive for all purposes and shall not be subject to review in any court or by any accounting officer of the Government. The Secretary concerned may at any time on the basis of new evidence or for other good cause reconsider or modify any such determination, and may waive the recovery of any money erroneously paid under this act whenever he finds that such recovery would be against equity and good conscience.

SEC. 12. The General Accounting Office shall not refuse to allow credit in the accounts of any disbursing officer for any erroneous payment or overpayment made by him in carrying out the provisions of this act unless such erroneous payment or overpayment was made by him as the result of his gross negligence or with the intent to defraud the United States, and no recovery shall be made from any officer authorizing any erroneous payment or overpayment under this act unless such payment was authorized by him as the result of his gross negligence or with the intent to defraud the United States.

SEC. 13. Notwithstanding the provisions of section 515 (c) of the Career Compensation Act of 1949, the Comptroller General, upon the recommendation of the heads of the departments concerned, or such subordinates as they may designate, and a showing that collection would be against equity and good conscience, may waive indebtedness growing out of erroneous payments of allowances under the authority of the Servicemen's Dependents Allowance Act of 1942, as amended, and authorized payments based thereon, on applications filed by enlisted and former enlisted members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, or their dependents, and not finally acted upon prior to October 1, 1949: *Provided*, That in cases where no deductions have been made from the pay of enlisted or former enlisted members the allowances paid hereunder may be limited to the amount of the Government's contribution to such allowances: *And provided further*, That appropriations available for current pay of enlisted members of the services concerned shall be available for payments authorized to be made hereunder.

SEC. 14. It is the sense of the Congress that it is not in the national interest for men to be inducted, enlisted, recalled to active duty, or retained in the Armed Forces who have more than three dependents when such inductions, enlistments, recalls, or retentions in the service would impose severe financial hardship upon such dependents. The Secretaries concerned and the Director of Selective Service shall take cognizance of the provisions of this act in establishing policies under which inductions, enlistments, calls and recalls to active duty, reliefs from active duty, and discharges, will be effected. To the greatest practicable extent consistent with the needs of the several armed services, the Secretaries thereof shall refrain from employing in active service any person in any enlisted grade below that for which pay of grade E–4 is provided if such person (a) has more than three dependents, as dependents are defined in section 102 (g) of the Career Compensation Act of 1949, and (b) does not have means which, when included with the service pay and allowances to which he is or would be entitled on active duty, would enable him to provide adequate support for such dependents.

SEC. 15. This act shall be effective from July 1, 1950, except that the allotment requirements of this act shall not be a condition precedent to the entitlement to a basic allowance for quarters prior to the second month following the month in which this act is enacted.

SEC. 16. This act shall terminate on April 30, 1953.

SEC. 17. This act may be cited as the "Dependents Assistance Act of 1950."

Mr. VINSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON: Strike out all after the enacting clause and insert the following:

"That for the duration of this act the provision in the second sentence of section 102 (g) of the act of October 12, 1949 (Public Law 351, 81st Cong.), which reads '* * * and actually resides in the household of said member' is suspended: *Provided*, That the dependency of the father or mother as required by said section 102 (g) shall be determined on the basis of sufficient evidence, including an affidavit submitted by such father or mother, under such regulations as may be prescribed by the Secretary concerned.

"SEC. 2. For the duration of this act the proviso in section 302 (a) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is suspended.

"SEC. 3. For the duration of this act, section 302 (f) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by striking out that portion of the table appearing therein which prescribes monthly basic allowances for quarters for enlisted members in pay grades E–1 to E–7, inclusive, and inserting in lieu thereof the following new table:

	Not over 2 dependents	Over 2 dependents
E–7	$70	$85
E–6	70	85
E–5	70	85
E–4	70	85

	1 dependent	2 dependents	Over 2 dependents
E–3	$45	$70	$85
E–2	45	70	85
E–1	45	70	85

"SEC. 4. For the duration of this act section 302 of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by adding the following new subsections:

"'(g) Subject to the provisions of this section, enlisted members without dependents shall be entitled to a basic allowance for quarters at the rate of $45 per month.

"'(h) The payment of the basic allowance for quarters provided in subsection (f) of this section for enlisted members in pay grade E–1, E–2, and E–3 shall be made only for such period as the enlisted member has in effect an allotment of pay not less than the sum of the basic allowance for quarters to which he is entitled and $40 for the support of the dependent or dependents on whose account the allowance is claimed: *Provided*, That such allotment shall not be required, (1) for the calendar month in which such member enters on active duty in a pay status if the allotment is effective from the following month; (2) for the calendar month in which such member is discharged, if not immediately reenlisted; (3) for the calendar month in which such member is released from active duty; (4) for the calendar month in which dependency ceases; (5) for the calendar month in which dependency commences if the allotment is effective from the following month; (6) for the calendar month in which such member is assigned to quarters for himself and his dependents or for the calendar month in which such assignment is terminated: *Provided further*, That such allotment may be initiated, continued, modified, or discontinued in accordance with such regulations as may be prescribed by the Secretary of the Department concerned: *And provided further*, That the minimum allotment required for any month shall be based on the lowest rate of basic allowance for quarters to which the member is entitled and the lowest pay grade in which the member is serving during such month.

"'(i) The allotment required by subsection (h) of this section shall be paid to or on behalf of such dependent or dependents as may be specified by the enlisted member concerned, subject to such regulations as the Secretary concerned may prescribe.

"'(j) Any delay in initiating an allotment as required by this section shall not invalidate entitlement to basic allowance for quarters, provided that such allotment is

made retroactive for such period as the member may elect to claim the allowance for his dependent or dependents. If the Secretary concerned finds that such delay was caused by the exigencies of the service he may waive the allotment requirement, or the additional increment thereto, as applicable, for such retroactive period.

"'(k) The entitlement to the basic allowance for quarters provided for by this section shall be substantiated in such manner and in accordance with such regulations as the Secretary concerned may prescribe.'

"SEC. 5. Notwithstanding any other provision of law, the basic allowance for quarters to which an enlisted member may be entitled as a member with dependents shall not for such period as the Secretary concerned may prescribe, be contingent on the right of such member to receive pay.

"SEC. 6. The Secretary concerned may, at his discretion, with or without the consent of the enlisted member concerned, authorize and direct the payment of the basic allowance for quarters and the establishment and payment of such allotment or allotments as he shall determine to be in conformity with the provisions of this act for any enlisted member with dependents in any case in which such member does not claim such allowance.

"SEC. 7. Notwithstanding any other provision of law, the provisions of this act shall not apply to enlisted members on training duty, to enlisted men entitled to pay and allowances pursuant to the provisions of section 507 of the act of October 12, 1949 (Public Law 351, 81st Cong.), to any member of the Samoan Native Guard or Band of the Navy, or the Samoan Reserve Force of the Marine Corps. Such persons shall continue to be entitled to the appropriate allowances prescribed by the act of October 12, 1949 (Public Law 351, 81st Cong.), on the day prior to the effective date of this act.

"SEC. 8. For the purpose of this act, personnel enumerated in sections 527 and 528 of the act of October 12, 1949 (Public Law 351, 81st Cong.), with dependents as defined in section 102 (g) of said act, as amended, shall be entitled to a basic allowance for quarters under the conditions and at the rates prescribed for members in pay grade E–4.

"SEC. 9. For the duration of this act, the fourth proviso of section 515 (b) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended to read as follows:

"'*Provided further*, That when a member is furnished Government quarters adequate for himself and his dependents, the total sum saved for him by this subsection shall be reduced at the rate of $45 per month for members in pay grades E–1, E–2, E–3, and E–4 (less than 7 years' service), and $67.50 per month for members in pay grades E–4 (7 or more years' service), E–5, E–6, and E–7.'

"SEC. 10. The Secretaries of the Departments concerned are authorized to prescribe such regulations for the administration of this act as may be deemed necessary to enable them to carry out the provisions of this act and such regulations shall, as far as practicable, be uniform. All waivers and determinations, including determinations of dependency and relationship shall be made by the Secretary of the Department concerned or such other person or persons as he may designate, and the Secretary of the Department concerned or his designee is authorized to delegate or redelegate such authority: *Provided*, That the authority granted in this section to the several Secretaries of the Departments concerned may by joint agreement be exercised by any one of the Secretaries for any other Department or Departments concerned.

"SEC. 11. Any determinations or waivers made under this act shall be final and conclusive for all purposes and shall not be subject to review in any court or by any accounting officer of the Government, except for cases involving fraud or gross negligence. The Secretary of the Department concerned may at any time on the basis of new evidence or for other good cause reconsider or modify any such determination, and may waive the recovery of any money erroneously paid under this act whenever he finds that such recovery would be against equity and good conscience.

"SEC. 12. The General Accounting Office shall not refuse to allow credit in the accounts of any disbursing officer for any erroneous payment or overpayment made by him in carrying out the provisions of this act unless such erroneous payment or overpayment was made by him as the result of his gross negligence or with the intent to defraud the United States, and no recovery shall be made from any officer authorizing any erroneous payment or overpayment under this act unless such payment was authorized by him as the result of his gross negligence or with the intent to defraud the United States.

"SEC. 13. Notwithstanding the provisions of section 515 (c) of the Career Compensation Act of 1949, the Comptroller General, upon the recommendations of the heads of the departments concerned, or such subordinates as they may designate, and a showing that collection would be against equity and good conscience, may waive indebtedness growing out of erroneous payments of allowances under the authority of the Servicemen's Dependents Allowance Act of 1942, as amended, and authorize payments based thereon, on applications filed by enlisted and former enlisted members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, or their dependents, and not finally acted upon prior to October 1, 1949.

"SEC. 14. The Secretary of the Department concerned shall take cognizance of the provisions of this act and shall establish policies, under which enlisted members with dependents may be discharged for hardship.

"SEC. 15. This act shall be effective from August 1, 1950, except that the allotment requirements of this act shall not be a condition precedent to the entitlement to a basic allowance for quarters prior to the second month following the month in which this act is enacted.

"SEC. 16. This act, except sections 10, 11, and 12 hereof, shall terminate on April 30, 1953."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on passage.

Mr. VINSON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 361, nays 0, not voting 69, as follows:

[Roll No. 251]

YEAS—361

Abbitt	Auchincloss	Bolling
Abernethy	Bailey	Bolton, Md.
Addonizio	Barden	Bolton, Ohio
Albert	Baring	Bonner
Allen, Calif.	Barrett, Pa.	Bosone
Allen, Ill.	Bates, Ky.	Boykin
Allen, La.	Bates, Mass.	Bramblett
Andersen, H. Carl	Battle	Breen
	Beall	Brooks
Anderson, Calif.	Beckworth	Brown, Ga.
Andresen, August H.	Bennett, Fla.	Brown, Ohio
	Bennett, Mich.	Bryson
Andrews	Bentsen	Buchanan
Angell	Bishop	Buckley, Ill.
Arends	Blatnik	Buckley, N. Y.
Aspinall	Boggs, Del.	Burdick
Burke	Herlong	O'Toole
Burleson	Herter	Pace
Burnside	Heselton	Passman
Burton	Hill	Patman
Byrne, N. Y.	Hobbs	Patten
Byrnes, Wis.	Hoeven	Patterson
Camp	Hoffman, Ill.	Perkins
Canfield	Hoffman, Mich.	Peterson
Cannon	Holifield	Philbin
Carlyle	Holmes	Phillips, Calif.
Carnahan	Hope	Phillips, Tenn.
Case, N. J.	Horan	Pickett
Case, S. Dak.	Howell	Plumley
Cavalcante	Huber	Poage
Celler	Hull	Polk
Chatham	Irving	Potter
Chelf	Jackson, Calif.	Poulson
Chesney	Jackson, Wash.	Preston
Chiperfield	James	Price
Christopher	Javits	Priest
Clemente	Jenison	Rabaut
Clevenger	Jenkins	Rains
Cole, Kans.	Jennings	Ramsay
Cole, N. Y.	Jensen	Rankin
Colmer	Jonas	Redden
Combs	Jones, Ala.	Reed, Ill.
Cooley	Jones, Mo.	Reed, N. Y.
Cooper	Jones, N. C.	Rees
Corbett	Judd	Rhodes
Cotton	Karst	Ribicoff
Coudert	Karsten	Rich
Cox	Kean	Richards
Crook	Kearns	Riehlman
Crosser	Keating	Robeson
Cunningham	Kee	Rodino
Curtis	Kelley, Pa.	Rogers, Fla.
Dague	Kelly, N. Y.	Rogers, Mass.
Davenport	Kennedy	Rooney
Davies, N. Y.	Keogh	Roosevelt
Davis, Ga.	Kerr	Sadlak
Davis, Wis.	Kilburn	Sanborn
Dawson	Kilday	Sasscer
Deane	King	Saylor
DeGraffenried	Kirwan	Scott, Hardie
Delaney	Kruse	Scrivner
Denton	Kunkel	Scudder
D'Ewart	Lane	Secrest
Dollinger	Lanham	Shafer
Dolliver	Larcade	Shelley
Donohue	LeCompte	Sheppard
Doughton	LeFevre	Short
Douglas	Lichtenwalter	Sikes
Doyle	Lind	Simpson, Ill.
Durham	Linehan	Simpson, Pa.
Eaton	Lovre	Sims
Eberharter	Lucas	Smathers
Elliott	Lyle	Smith, Va.
Ellsworth	Lynch	Smith, Wis.
Elston	McCarthy	Spence
Engle, Calif.	McConnell	Stanley
Evins	McCormack	Steed
Fallon	McCulloch	Stefan
Feighan	McDonough	Stigler
Fenton	McGrath	Stockman
Fernandez	McGregor	Sullivan
Fisher	McGuire	Taber
Flood	McKinnon	Tackett
Fogarty	McMillan, S. C.	Talle
Forand	McSweeney	Tauriello
Ford	Mack, Ill.	Teague
Frazier	Mack, Wash.	Thomas
Fugate	Madden	Thompson
Fulton	Magee	Thornberry
Furcolo	Mahon	Towe
Garmatz	Mansfield	Trimble
Gary	Marcantonio	Underwood
Gathings	Marsalis	Van Zandt
Gavin	Marshall	Vinson
Gilmer	Martin, Mass.	Vorys
Golden	Merrow	Vursell
Goodwin	Meyer	Wadsworth
Gordon	Michener	Wagner
Gorski	Miller, Md.	Walsh
Gossett	Miller, Nebr.	Walter
Graham	Mills	Weichel
Granahan	Mitchell	Welch
Granger	Monroney	Wheeler
Grant	Morgan	White, Calif.
Green	Morris	White, Idaho
Gross	Morton	Whitten
Gwinn	Moulder	Wickersham
Hale	Multer	Widnall
Harden	Murdock	Wier
Hardy	Murray, Tenn.	Wigglesworth
Hare	Nelson	Willis
Harris	Nicholson	Wilson, Ind.
Harrison	Nixon	Wilson, Okla.
Hart	Noland	Wolcott
Harvey	Norblad	Wolverton
Havenner	Norrell	Wood
Hays, Ark.	O'Brien, Ill.	Woodhouse
Hays, Ohio	O'Brien, Mich.	Woodruff
Hedrick	O'Hara, Minn.	Yates
Heffernan	O'Konski	Young
Heller	O'Sullivan	Zablocki

NAYS—0

NOT VOTING—69

Barrett, Wyo.	Hébert	Quinn
Biemiller	Hinshaw	Regan
Blackney	Jacobs	Rivers
Boggs, La.	Johnson	Sabath
Brehm	Kearney	Sadowski
Bulwinkle	Keefe	St. George
Carroll	Klein	Scott,
Chudoff	Latham	Hugh D., Jr.
Crawford	Lodge	Smith, Kans.
Davis, Tenn.	McMillen, Ill.	Smith, Ohio
Dingell	Macy	Staggers
Dondero	Martin, Iowa	Sutton
Engel, Mich.	Mason	Taylor
Fellows	Miles	Tollefson
Gamble	Miller, Calif.	Velde
Gillette	Morrison	Werdel
Gore	Murphy	Whitaker
Gregory	Murray, Wis.	Whittington
Guill	Norton	Williams
Hagen	O'Hara, Ill.	Wilson, Tex.
Hall,	O'Neill	Winstead
Edwin Arthur	Pfeifer,	Withrow
Hall,	Joseph L.	
Leonard W.	Pfeiffer,	
Halleck	William L.	
Hand	Powell	

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The proceedings by which the bill, H. R. 9477, was passed were vacated and the bill was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks during the consideration of the bill just passed and also that they may have five legislative days to extend their remarks with reference to the bill in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. GUILL. Mr. Speaker, during the roll call on the dependency allowance bill, I was called out of the Chamber on official business with a delegation of my constituents. Therefore, I was unable to vote on the passage of the bill. Had I been present, I would have voted "yea," as I am in favor of the bill.

EXTENSION OF REMARKS

Mr. WALTER asked and was given permission to extend his remarks in the Appendix and include some resolutions.

Mr. FLOOD asked and was given permission to extend his remarks in four instances and include some articles.

Mr. DINGELL (at the request of Mr. MCCORMACK) was given permission to extend his remarks.

Mr. HOWELL asked and was given permission to extend his remarks.

Mr. NOLAND asked and was given permission to extend his remarks and include extraneous matter.

Mr. SMATHERS asked and was given permission to extend his remarks and include a letter.

Mr. ENGLE of California asked and was given permission to extend his remarks in two instances, and include an editorial.

GENERAL LEAVE TO EXTEND

Mr. HOFFMAN of Michigan. Mr. Speaker, several of my colleagues have asked permission to extend their remarks in connection with the remarks I made concerning our colleague, the gentleman from New York [Mr. COLE]. I ask unanimous consent that they may be granted that privilege.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

WE NEED UNITY, NOT CONFUSION

Mr. NOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. NOLAND. Mr. Speaker, in recent days I have noted an ever increasing barrage both in the partisan press and in the mouthings of certain politicians which has as its purpose the creating of confusion in the minds of the people. There has been a studied effort on their part to play up temporary defeats and to ignore our successes in the international arena in order to create disunity and confusion among the people.

The time has come to stop throwing mud and put forth some constructive effort. Our men are fighting under the UN banner to maintain democratic world leadership and it is time we the people of the United States throw our shoulders back and accept our world responsibilities.

The so-called statesmen who are now shouting the loudest that we have been betrayed are the very same men who have voted time and time again to weaken our role in promoting a democratic world and halting communism. The Kremlin could not have had more able assistants. Nor do these same "statesmen" who two short years ago were going up and down the land crying unity offer a single constructive suggestion at this time.

I was interested to observe that the presiding chairman at the recent Midwest Republican conference is quoted in the press as saying "The Republicans are willing to support the war effort." Is that not a condescending attitude to take in support of our gallant and courageous men now fighting in Korea? It truly appears that some politicians would welcome military defeat in order to win a victory at the polls in November.

Here in Congress I was discouraged to observe that many of those who voted to break the Government's contract with the gallant men of our Armed Forces and extend their service for a year without a moment's hesitation later "dragged their heels" during consideration of the economic mobilization legislation and charged inadequate hearings.

I suggest that it is high time for those with 20/20 hindsight and the "Monday morning quarterbacks" to put their shoulders to the wheel in constructive effort. I think it is high time that we:

First. Place patriotism above politics.

Second. Continue our bipartisan efforts in the field of foreign policy.

Third. Bend every effort to forging the UN into an effective instrument to preserve the peace.

Fourth. Work to unite the American people in this critical hour for the long-range battle in which we are engaged.

MAINTENANCE AND OPERATION OF PANAMA CANAL

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 820) providing for the consideration of H. R. 8677, a bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes; and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8677) to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield half an hour to the gentleman from Illinois [Mr. ALLEN], and now yield myself 5 minutes.

Mr. Speaker, House Resolution 820 makes in order the bill (H. R. 8677) which is to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes.

In other words, the Panama Canal is one of the great assets of America. I have gone carefully over the reports of other canals in the world and I find that we in America should have the right to adjust our tolls so as to take care of the maintenance of this great undertaking that America has entered into. We find that the Suez Canal probably might be considered a privately owned canal, but we do have criticism from foreign countries to the effect that we are charging more than is justified.

I believe, after going over the bill H. R. 8677 which was introduced by the gentleman from New Jersey [Mr. HART] that you will all realize that the bill has had very careful consideration. I have had the honor of serving for many years with the gentleman from New Jersey [Mr. HART], and I have always found that his interests are the interests of the country, that whenever he introduces a bill it is only after very careful consideration.

He always gives to legislation the thought that is necessary to make it applicable to the thing we want to correct in our Government. So I am very glad to have the privilege of presenting the rule that makes this bill in order.

As a young civil engineer on the Pennsylvania Railroad I remember seeing outside of Pittsburgh one of the assembled locks that was to be used in the Panama Canal. I remember it extended to a height equal to that of a five-story building, and I wondered at the time as a young engineer whether that great lock could ever be properly worked. Later I had the pleasure of being in Panama, and I saw that lock operating just as easily as the door of a car or the door of a safe, showing the marvelous engineering skill of the people who had put this great undertaking of America in operation.

Now we have come to a reconsideration of the toll system. We are asking for a renaming of the corporation and many things that we feel will be for the benefit of this portion of America. I believe and I think that the Members will agree that the tolls should take care of those things that are pertinent to the operaion of the canal; in other words, we feel that the school system, the sanitary system, and everything connected with the ordinary civilian operation should be borne by those who get the benefit of using the canal.

I remember when the *Oregon*, our great flagship during the Spanish-American War, had to go around Cape Horn through the Straits of Magellan in order to be able to take part in the battle of Manila under Admiral Dewey. This makes us realize what a tremendous facility we have in the Panama Canal; in fact, the Panama Canal has almost doubled the efficiency of our Navy and is a great asset to us. But now we feel we have a right to make it a paying proposition or at least make it return enough income to take care of the civilian activities necessary in connection with the Canal.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield.

Mr. RANKIN. Why does not the committee include a provision restoring the Canal toll exemption? The people of the United States built the Canal. Under the original law all our coastwise trade was exempted from paying tolls, and no foreign country can engage in the coastwise trade. Since that exemption was repealed the American people have been shut out of using the Panama Canal to a large extent.

Mr. McSWEENEY. I think the gentleman from New Jersey [Mr. HART] will answer that question. I may say to the gentleman from Mississippi there is some question about it. We have had a reduction in the number of coastwise ships.

Mr. RANKIN. Last year there were 6,000,000 tons more traffic on the Monongahela River than there was through the Panama Canal. If we are not going to permit the American people to use the Panama Canal we might as well abolish it.

Mr. McSWEENEY. I think the gentleman should bring that up when the bill is under consideration. The gentleman might offer an amendment, if he cared to. I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no objection to the passage of the rule. I have no requests for time.

Mr. McSWEENEY. I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. HART. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8677) to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8677) with Mr. SULLIVAN in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from New Jersey [Mr. HART] is entitled to be recognized for 30 minutes, and the gentleman from Ohio [Mr. WEICHEL] for 30 minutes.

Mr. HART. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Chairman, this bill proposes the operation of the Panama Canal as a Government corporation and contains recommendations made by the Bureau of the Budget to the President after a year or more of intensive study by officials of the Budget Bureau. The chief purpose of the bill is to permit operation of the Canal, which is essentially a business enterprise, on a sound business basis. Members of the Merchant Marine and Fisheries Committee have also made a thorough study of the Canal's operation and are of the firm opinion that accounting procedures normally used by executive agencies of the Government are not readily adaptable to a business enterprise such as the Canal. For the same good reason that Congress has established Government corporation procedures for other business operations of the Government, I believe that those procedures should be employed in the operation of the Panama Canal.

The Panama Canal, in selling a service to shipping, and in operating a railroad, commissaries, fueling and repair services, power projects, and hotels, is a large and varied business operation. These many business functions can best be operated by the corporate procedure proposed in this bill, and which procedure has been found wholly satisfactory in the operation of 40 or more other Government corporations. The bill, if enacted, will permit a board of directors to know the sources and amounts of revenue in the Canal enterprise. It will, under well-established corporate control methods, give the Congress a thorough and complete accounting for these business functions on an annual basis, and will present annually to the Congress a budget reflecting all the revenues and expenses of these many business enterprises. While the Board of Directors of the proposed Panama Canal Company will have normal powers, matters of policy will be controlled by the Congress through the annual budget submitted to the Congress under the Government Corporation Control Act of 1945.

I firmly believe that the ends sought by this bill are necessary and timely. The legislation does not carry added cost to the Government. On the contrary, the legislation proposes a business-type operation that will pay its own way and which, it is hoped, will effect savings to the Government as a result of the employment of sound methods and procedures.

Mr. Chairman, this bill has been reported unanimously by the subcommittee and the entire Committee on Merchant Marine and Fisheries; it has been recommended by the Secretary of National Defense, the Secretary of the Army, and has also been approved by the Bureau of the Budget and the State Department.

Mr. WEICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, some might wonder why I have any particular interest in this bill or why I take this time, but may I say that for a number of years the appropriation subcommittee for the War Department handled the appropriations for the Panama Canal Zone. During the years in which I served on that committee we had considerable trouble with determining the profits of the Panama Railroad Company and the interrelated fiscal affairs between the railroad company and the Canal Zone authorities.

At one time Mr. Lindsay Warren, Comptroller General, sent us a report which called attention to the fact it was difficult for him to audit the funds of the Canal Zone because the cash was mingled with that of the railroad company. When we attempted to straighten that out, when we attempted to determine what the hotel was making and things of that sort, we ran into a problem on which the Comptroller General said he could not give a definite answer.

Growing out of that experience I became interested in the Government corporations control bill which had been introduced in the Senate by Senators BYRD and BUTLER. The gentleman from Mississippi [Mr. WHITTINGTON] and myself, introduced in the House what became known as the Government Corporations Control Act. That for the first time put all of the functions of the Canal Zone under authority of the General Accounting Office.

The reason I take this time is to ask the committee what the effect is going to be of the language which you propose as a replacement for section 31, chapter 2, under the heading "Accounting for Funds."

The old section 31, according to the report on the bill, page 9, provides that the functions of the Canal Zone Government and the Panama Railroad operation

could be consolidated for receiving, disbursing, and accounting. Section 32 provided that the accounting by the collecting officers for the Panama Canal should be transmitted to the General Accounting Office. Section 33 provided for an examination of accounts by persons detailed from the General Accounting Office.

Under the report, sections 31, 32, and 33 will all be repealed and there will be substituted in place thereof this new section 31, reading:

> The functions of receiving, disbursing, and accounting for the funds of the Canal Zone Government may, in the discretion of the Governor, be performed for said Government, on a reimbursable basis, by the receiving, disbursing, and accounting officers of the Panama Canal Company.

The question I want to ask the committee is, Will that language result in their again mingling the funds of the Canal Zone Government and the Panama Canal Company, and at the same time take them out from under control and accounting of the General Accounting Office?

Mr. THOMPSON. I believe the gentleman will find that in the Government corporation law, the law under which all of the Government corporations function, there are adequate means for the General Accounting Office to render this kind of a report. They are not affected at the present time except in regard to the Panama Railroad. What we propose to do is take all the operations of the Canal and place them in the same form; as a matter of fact, consolidate them with the railroad, and let all of the reports, as reports of any corporation in everyday life, go through an audit, in our case the General Accounting Office. The General Accounting Office thinks, and the Bureau of the Budget thinks, and the committee thinks that the reports that come to this Congress will be far more adequate by this means. We see no reason in the world why there should be any confusion of funds whatsoever. As a matter of fact, it was in order to cure the confusion which seems to have bothered the gentleman as it bothered us that this means was adopted.

Mr. CASE of South Dakota. Of course I want this to be under the control of the General Accounting Office, and I want it to stay under the authority of the Government Corporation Control Act. I introduced that bill in the House, and I do not want it upset here. The only thing that disturbs me is that you are repealing sections that refer to the General Accounting Office, and in a substitute section there is no mention of the General Accounting Office whatsoever.

Mr. THOMPSON. I think the gentleman will find if he will refer to his own law that it is adequately covered in the basic law, and that there is no possible confusion.

Mr. CASE of South Dakota. I am sure that it is so intended there. The only thing, I wonder whether this being enacted since would be regarded as a subsequent act of the Congress. If the gentleman from Texas who is speaking now on behalf of the committee says that as a part of the legislative history here that this is not intended to supersede the Government Corporation Control Act, then I think the matter is cleared up.

Mr. THOMPSON. On the contrary, it is not, and it is presumed that it will dovetail in with it, and that is exactly what we are shooting at.

Mr. CASE of South Dakota. I thank the gentleman.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. ALLEN of California. My understanding was similar to that expressed by the gentleman from Texas. There was to be no mingling or commingling of funds and accounts, but the Corporation might perform the function. There was no intention in any way to take from the provisions of the basic law to which the gentleman has reference.

Mr. CASE of South Dakota. I thank the gentleman. I think that clarifies the situation.

Mr. HART. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. FUGATE].

Mr. FUGATE. Mr. Chairman, H. R. 8677 is a bill that authorizes and provides the necessary legislation to reorganize the operation, maintenance, and protection of the Panama Canal.

As a great international utility, second only to that of Suez, the Canal has and will continue to have paramount importance in the movement of United States flag shipping, both military and commercial.

The Hoover Commission on Organization of the Executive Branch of the Government recommended that "straight line business activities be incorporated so as to secure greater flexibility in management and simpler accounting, budgeting, and audit methods."

This bill provides for the incorporation of all the business units into one body for more efficient management and operation, which is consistent with the recommendation of the Commission.

This bill will not cost the Federal Government any money. On the contrary, will save money. In addition, it makes other changes in the present law that will contribute to a more orderly procedure in the over-all management.

As already stated by members of the committee, H. R. 8677 transfers the business functions of the Canal to the Panama Railroad Company and renames the Corporation, The Panama Canal Company. The civil functions are grouped together under the heading of Canal Zone Government. It shall be the duty of the Canal Zone Government to perform all civil functions including health and sanitation.

The Panama Canal Company, when reconstituted, will operate the railroad, the Canal, steamships, commissaries, public utilities, and all repair and bunkering of ships transiting the Canal. That is, it shall be responsible for all the business functions that are operated for revenue.

The Corporation will be set up under the Government Corporation Control Act of 1945 which provides for a Board of Directors appointed by the President of the United States who will be charged with establishing policies. The Board will be a rate making body for setting the rate of tolls and determining the charges for services. Tolls for ship transiting cannot be set until hearings have been held after proper notice. Moreover, the bill provides that a 6 months' notice must be given before toll changes are made. Toll changes require Presidential approval. The bill places a ceiling of $1 per Panama Canal ton on laden ships.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FUGATE. I yield to the gentleman from Mississippi.

Mr. RANKIN. Would the committee oppose an amendment to exempt coastwise trade from tolls on the Panama Canal?

Mr. FUGATE. Yes, we would, I will say to the gentleman.

Mr. RANKIN. Why?

Mr. FUGATE. Because under treaty arrangements with Great Britain we are not permitted——

Mr. RANKIN. Great Britain does not have a darn thing to do with it; because no foreign country can do coastwise trade. You are simply punishing the American people who pay to keep up the Canal; who paid to build it. You are simply punishing them when, as a matter of fact, a foreign country cannot do any coastwise trade in this country. This is confined to American-owned vessels and no foreign country has a right to come in and shut off our coastwise trade and penalize the people who pay the taxes, who built the Canal, and now pay to operate and keep it up. I am going to offer an amendment, if I cannot get the committee to do it, to exempt coastwise trade. Last year the traffic on the Monongahela River was 6,000,000 tons more than that on the Panama Canal. The Canal has just gone out of business, almost. The Ohio River hauled 16,000,000 tons more than did the Panama Canal last year, because of the fact that the American people who paid for the construction of the Canal, and who operate it, and pay for its operation, are denied its use.

Mr. FUGATE. Let me say to the gentleman from Mississippi that the shippers who will use the Canal under this bill will pay for the operation of the Canal.

Mr. RANKIN. Oh, yes. You are penalizing the very people who keep up the Canal, who built the Canal, when, as a matter of fact, a foreign government cannot do a coastwise trade.

Mr. FUGATE. We will be on a pay-as-you-go basis under this bill.

Mr. RANKIN. If we are going to operate the Panama Canal for foreign countries and deny its use to our own people, we might as well close it.

Mr. FUGATE. We built it and we are operating it.

Mr. RANKIN. We have been robbed and plundered this way for the last 30 years.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. FUGATE. I yield.

Mr. O'TOOLE. In response to the gentleman from Mississippi, I would like

to know how you can help foreign commerce unless there were foreign countries.

Mr. RANKIN. In reply to the gentleman, I thought everybody could answer that question. We are not trying to keep other people from using it if they want to go through. But they cannot do a coastwise trade. We are entitled to this exemption for our coastwise trade which has been paralyzed over the last 25 or 30 years as a result of our being denied the use of the very canal that they were taxed to build and are now taxed to maintain.

Mr. FUGATE. May I say to the gentleman from Mississippi that those engaged in the intercoastal trade are not objecting to this legislation.

Mr. RANKIN. You are speaking now of the Canadian Pacific Railroad, I presume.

Mr. FUGATE. No.

Mr. RANKIN. They are the ones who raised up about the toll exemptions. It was pointed out on the floor at that time that neither Great Britain nor any other foreign country could do a coastwise trade. Yet they repealed that canal toll exemption, and have punished our people for the last 30 years. The canal might just as well not be there, so far as we are concerned, from a commercial standpoint.

Mr. FUGATE. I must differ with the gentleman from Mississippi.

Mr. HART. Mr. Chairman, will the gentleman yield?

Mr. FUGATE. I yield.

Mr. HART. Is it not a fact that if the intercoastal trade were to be exempted from the payment of tolls, it would result in a higher burden of tolls being placed on all other ships that transit the canal and would therefore violate the treaty between Great Britain and the United States?

Mr. FUGATE. That is correct.

Mr. RANKIN. No, sir. It would not have the slightest effect on the trade going between foreign countries, or going from foreign countries to points in this country. It would not have the slightest effect on them. But this movement was started by the Canadian Pacific Railroad, and today you people in the Middle West are being robbed with a one-way freight rate, and you people on the Atlantic seaboard and the Gulf coast and the Pacific seaboard, and up and down our navigable streams are being robbed and plundered as a result of this discrimination against our coastwise trade.

Mr. FUGATE. The Corporation must charge tolls and prices for services that will produce revenue sufficient to cover interest, depreciation, and for the net cost of an appropriate share of the Canal Zone Government, above the cost of operation of the Panama Canal Company.

Vessels operated by the United States may, in the discretion of the President, be required to pay tolls. In the event that such vessels are not required to pay tolls, the tolls thereon shall nevertheless be computed and the amounts thereof treated as revenues of the Panama Canal Company for the purpose of prescribing the tolls and shall be used as offsets.

The bill provides for the establishment of a capitalization for the Panama Canal Company, which will reflect the investment of the United States, with allowances for depreciation. It does not, however, include interest on the investment for the period during construction.

Interest on the capital investment shall be at the going rate. That is, at the rate which the Treasury is paying. That rate is currently about 2.3 percent.

It is sincerely believed, in view of the work done by the committee, that this is good legislation. A special committee was appointed pursuant to authority granted under House Resolution No. 44, in March 1949. The special committee believes this legislation is essential for a more logical grouping of the functions of the Panama Canal. Both the subcommittee on the Panama Canal and the full Committee on Merchant Marine and Fisheries unanimously approved this bill.

I hope that the Membership of the House gives their approval.

Mr. WEICHEL. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. Mr. Chairman, may I ask the distinguished chairman and author of the bill if Governor Newcomer appeared before the committee and approved this legislation?

Mr. HART. The Governor appeared personally and approved all of the provisions of the bill. He also had certain other provisions which he personally would have liked to see incorporated in the bill but which the committee thought it was wise not to take up at this time. But, in answer to the gentleman's question, the Governor has approved of everything in the present bill.

Mr. McGREGOR. I thank the distinguished chairman for the information.

I note in examining the bill that the number of directors is not given. Is there a basic law which sets forth the number of directors in this corporation?

Mr. HART. There is no basic law.

Mr. McGREGOR. Then, how many directors will be in this corporation?

Mr. HART. All of the agencies of Government that are interested in the conduct of the affairs of the Canal, such as the Budget Bureau, the Army, the Navy, and so forth.

Mr. McGREGOR. I appreciate the reply of the distinguished chairman, who has always been very fair. I visited Panama and I have some definite knowledge of the spendid work that Governor Newcomber, Lieutenant Governor Vogel, Colonel Jacobs, and others have been doing. I recognize that much stress has been laid upon the fact that the Bureau of the Budget is in accord with this legislation. Although sometimes the Bureau of the Budget is a little wrong, the fact that Governor Newcomber and his staff favor it should certainly convince us that the bill is meritorious and merits our favorable consideration.

Mr. HART. I am glad to hear the commendation of the Governor by the distinguished gentleman from Ohio and am glad to join in the tribute deservedly paid to him.

Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from New Jersey has 16 minutes remaining, the gentleman from Ohio 19.

Mr. HART. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I am preparing an amendment to restore the Canal toll exemption that was included in the law that was passed when the Canal was first put into operation. Under the present set-up the Panama Canal might as well be closed so far as the American people are concerned, viewing it from a commercial standpoint. No foreign vessel can do a coastwise trade or an intercoastal trade in this country; remember that. No foreign vessel can even pick up traffic in New Jersey or Pennsylvania, Massachusetts, or Mississippi, and take it around the lower tip of South America and deliver it in California. A foreign vessel cannot do a coastwise trade. This canal was built for the American people; they were taxed to pay for it; they are being taxed to operate it, and yet under a Senate bill that was engineered by a few transcontinental railroads we were denied the use of it.

There was more traffic—listen to this. There was 6,000,000 tons more traffic on the Monongahela River last year than there was on the Panama Canal; there was 16,000,000 tons more traffic on the Ohio River last year than there was on the Panama Canal. As far as the commercial traffic of the United States is concerned, the Panama Canal might as well be in Timbuktu; it is an absolute nullity as far as our intercoastal trade is concerned; yet that is what it was built for, to benefit the American people.

What I propose to do is to exempt coastwise vessels of the United States that go from one coast to the other, that do a coastwise trade, exempt them from canal tolls. When you do that you will bring the Panama Canal to life. You people in the Middle West who are paying a one-way freight rate, you people on the Pacific coast who are paying a one-way freight rate, you people up and down the Atlantic seaboard without coal, without gas, without oil, without water power, without raw materials, you are facing the most critical period of your existence; and it is necessary if all sections of the United States are going to prosper, it is necessary that we restore the canal-toll exemptions and permit you to use it.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. O'TOOLE. Does the gentleman know that without exception, every single chamber of commerce on the west coast favored this bill?

Mr. RANKIN. The chambers of commerce can make more blunders than any other set of people I know. Of all people who ought to be for this exemption, it is the gentleman from New York. New York has no coal, no gas, no oil, very little water power, and no raw materials. You

could not feed half the people out of your own soil, and yet here you are maintaining this obstruction to keep you from trading with the rest of the country. Of all places, of all places that ought to be for the restoration of the canal-toll exemption it is the States along the Atlantic Seaboard that are facing, if you please, the hardest period of their existence, because of their lack of fuel and raw materials, particularly those who cannot feed their own people out of their own soil.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. O'TOOLE. I disagree with the gentleman on that.

Mr. RANKIN. I was afraid of that.

Mr. O'TOOLE. As for saying there is no gas in New York, the State of New York, like Mississippi, sends its gas down to the House here.

Mr. RANKIN. Then in the case of water if you try to wash your face in the State of New York, you have a water shortage and have to observe dry Fridays.

But, seriously, I am telling you the actual conditions that face every State that touches the Atlantic seaboard. It applies to every State of the Nation; it applies to every State on the Gulf or Pacific seaboard; it applies to every State bordering a navigable stream.

I shall offer an amendment in a few minutes to restore this Canal toll exemption. I am tired of seeing my people taxed to maintain the Panama Canal and then being denied its use.

Mr. WEICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. MILLER].

(Mr. MILLER of Maryland asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Maryland. Mr. Chairman, this is a very worthwhile bill, in my opinion. The committee and the subcommittee that brought it out have worked on it faithfully, and I want to extend my appreciation to the chairman and the subcommittee chairman. But the fact that it is a worthwhile bill and the fact that as has been pointed out it was approved without a dissenting vote does not mean that in all respects all members of the committee thought it was a perfect bill by any manner of means, and I am going to ask your indulgence for a few minutes while I point out certain things about the bill. Members of the committee and my colleagues here have said, and I think very sincerely, that there is no chance that this bill will cost the country any money. I trust they are right about that. There is just one feature in the bill about which I am a little apprehensive and to which I wish to call the attention of the House, the section placing a limitation of $1 per net vessel ton. It is found on page 21. I think it was only as recently as about 1936 that the maximum figure was reduced from $1.25, which it had been under the original legislation, to $1 which it is at the present time. With the rapid rise in cost prices and added expenses, it is highly possible, in my opinion, that ere long, a rate of less than $1 will require running at a loss. At the present time, 95 cents, we are told, would about cover the costs of operation in accordance with the terms of the bill.

I think that is a pretty tight jacket to be in. If costs go up, only a little, they may not be able to make both ends meet under that $1 figure.

Another point that is in the bill changing the set-up, as it has been in the past, appears on page 22, line 8, section (e) which says:

> Capital investment for interest purposes shall not include any interest during construction.

We are advised that that represents a difference of about 14 cents per ton and if that were taken into consideration as it has been in the past you could not make both ends meet with a limit of less than $1.10. I mention that to point out it may be that the country might lose money under this bill if things do not go too well. Personally, I would like to have seen it more flexible as to rate limits.

Mr. Chairman, I have a good deal of sympathy for the point of view of the gentleman from Mississippi [Mr. RANKIN]. I would like to see the Canal run with the greatest consideration for our own merchant marine. It is a fact that the American people are not getting quite as much for their money back out of the Canal operation as they do on certain other things because over the years about 60 percent of the commercial travel through the Canal has been under foreign flags.

I would like to see our coastwise shipping allowed to use the Canal free of charge. There are, however, difficulties with the State Department on that score, not to mention the railroads. To keep the record clear, as I understand it, this Congress has never admitted that there was a treaty obligation which would prevent us from so doing, although the State Department has held to the conviction that it would be a breach of faith in connection with our Hay-Pauncefote treaty with Great Britain.

During the administration of Woodrow Wilson there was a very hot fight about that and it was settled by the Congress agreeing to tolls being charged coastwise shipping, but at the same time and in the same legislation, as I recollect it, the Congress held to its position that it had a right to let such American shipping go free if it so desired. There has never been a final showdown between the views of the State Department in regard to interpretation of that treaty and the views of the Congress as expressed shortly before World War I.

Be that as it may, this is a good measure, in spite of the weaknesses above mentioned. It might be said to do for the Panama Canal what the Hoover Commission recommendations seek to accomplish for the Federal Government. I hope it is adopted.

Mr. WEICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Chairman, reference has been made to the fact that intercoastal shipping desires this type of legislation and an effort has been made to get it a better break for the intercoastal trade even than the bill gives it. I would, however, like to see the bill passed as it comes from the committee.

The bill was prepared, as has been said, under the supervision of General Newcomer. It has been approved by the Bureau of the Budget and others in the Government. The Pacific Coast has a very great interest in the bill. Some 64 percent of the water-borne commerce of the Pacific coast goes through the Canal.

We used to enjoy a very fine intercoastal trade. There are at the present time about 64 ships in that trade, whereas before the war there were something between 150 and 300 ships. There has been a tremendous loss in that shipping. It is rather interesting to note that approximately 65 percent of the ships that went into African action at the outset of World War II when we went into it, came from the intercoastal and domestic trade. Largely those ships are lost to us.

The Panama Canal has a dual purpose. It is a military installation and it is an installation for use in the carrying of merchant commerce. There is no way that has been demonstrated of establishing the portion of the investment which is for either purpose. The best that can be done is to make an arbitrary division as to certain items. Therefore, I am very much in favor of the provision which eliminates the interest paid on capital during the construction period from the base upon which interest to be reflected in the tolls is figured, because that reduction, at least, is substantial recognition of the fact that a portion of the capital involved is a portion that should be allocated to the national defense.

This bill will accomplish a number of rather good purposes. There will be a business corporation as the operating agency to carry on all the business transactions in the Canal. The operation of the Canal is such a business. The Canal Zone Government will carry on the governmental activities, including health and sanitation activities. The rates that will be fixed coming out of the operation of this bill under the formula involved will reflect rather fairly the proportion of the costs which the transit of merchant ships should bear.

I think it is a good bill. I hope the Congress gives approval to it and inasmuch as I have been in touch with most of the West Coast operators who are so desirous of reestablishing their businesses on a good basis, and inasmuch as they are satisfied with the bill as it is, I would suggest that it is a good bill with which to start leaving for future development any improvements that should be made.

Mr. WEICHEL. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I want to add these remarks to what has been said. It is evident that this bill is not a perfect bill, by any means. From the study

that has been made of this very important matter of getting a definite and basic plan for the economic and proper operation of the Panama Canal it is evident that this has been quite a controversial question. I think this is as near as we can get to a solution. I think that this bill contains provisions which are the products of good sound thinking based on investigations and experience, and I most heartily endorse it.

Mr. GAVIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixty Members are present, a quorum.

Mr. HART. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON. Mr. Chairman, I have no desire to detain the committee further. May I make this observation, that the members of the committee, I believe, unanimously are most sympathetic with the views expressed by the gentleman from Mississippi [Mr. RANKIN], and the desire he has to do something for our intercoastal shipping. But, may I say to the Members that if you mess up this bill with the consideration of that feature, you are taking on one of the most controversial and hardest to decide problems with reference to the Panama Canal. This legislation should be passed regardless of the ultimate outcome of the intercoastal shipping and the tolls finally assessed against it. This legislation is very badly needed, and I do hope it will not be messed up.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Mississippi.

Mr. RANKIN. This amendment only contains two lines. It merely restores the Canal toll exemption; it will not mess up the bill. It will be one of the greatest boons that ever came to the American people.

Mr. THOMPSON. Regardless of the merits of the gentleman's proposed amendment, I must repeat that this is not the time nor place in which to consider it.

Those of you who have had occasion to consider the affairs of the Panama Canal learned very early in your deliberations that you were faced with a complicated and often difficult problem.

I recall very vividly my own experience with it in the past 2 years. The late chairman of the Merchant Marine and Fisheries Committee, the gentleman from Virginia, Judge Bland, appointed me as chairman of a special subcommittee to investigate the matter of Panama Canal tolls and the various related business aspects.

I was an accountant by early training, and I approached this subject with the mistaken idea that my committee and I could sit down and consider a balance sheet or two, some cost accounts, and some related history, and come up with a comparatively simply answer.

In place of this very simple procedure we found ourselves involved in the monumental engineering problem, international relations, and a curious local government which had grown up through the days and the perils of construction. We encountered the jealousies and squabbles known all too well by those who come in contact with Federal bureaus and agencies.

We were hampered by the reluctance on the part of many individuals to consider a change of any sort. We wrestled with the questions of the allocation to the Defense Department of the cost of maintaining the military forces which guard the Canal.

The point has frequently been made all through the history of the Canal that it was constructed as a part of our system of national defense and that, therefore, the Defense Department should bear the cost of building the Canal and that those who used it for commerce should be relieved of all, or a major portion, of the tolls.

When our deliberations started we found that the Army was still clinging tenaciously to the management of the Canal. During the war a military government had been superimposed on the Canal Zone government and the Governor reported to the military commander.

The committee finally managed to shake the Canal operation loose from the military. The committee finally concluded that it should consider that the Panama Canal was conceived as an artery of marine transportation and that the defense aspects were incidental.

True, the Spanish-American War and the discovery that it took a long time to move a fleet or any part of it around Cape Horn gave great impetus to the early construction of the Canal. However, for my own part, I believe it would have come to pass eventually even had the war with Spain never taken place.

Delving into the history of the Canal, we find the names of many famous men. None is more outstanding than George W. Goethals. His thinking was fundamental and sound and his views are still referred to as doctrine by the able men who today control the destinies of the Canal. One of Goethals' greatest contributions came in the December 1911 congressional hearings on the subject. At that time, he voiced one of his great and fundamental statements: "The construction of the Canal is not a military proposition; it is a civil and commercial proposition. The fact that I am in the Army does not alter that situation at all. I look upon the operation and maintenance of the Canal as a distinctly civil and commercial function, and that the reason for our being here is for the operation and maintenance of the Canal, and after its construction this should be a civil function. But we should create such an entity here that in time of war the military necessities of the situation would predominate, and the operation and maintenance of the Canal will be subordinate to those military features." This is the fundamental philosophy that now pervades the Panama Canal Act.

With this statement of principle to guide us the committee now brings before the Congress a proposal to reorganize the operating procedure of the Panama Canal and to set it up as the great public utility which it is.

We have proposed certain accounting changes which are generally along the lines recommended by the Hoover Commission. Through the plan which we submit today, the Congress will receive the same kind of reports and statements as are periodically submitted to business enterprises. Congressional management of the entire undertaking will not be lessened in the slightest. As a matter of fact closer supervision may be accomplished if it is desirable. The measure involves no outlay of money whatever. It does not change the relationship to the project of the Army engineers who have played such a magnificent part through all of its long history. It is a measure which has been arrived at through long and painstaking study and effort.

In closing, may I extend my compliments to the chairman of the subcommittee, the gentleman from New York [Mr. O'TOOLE].

Particularly, I wish to extend my personal thanks and appreciation to the gentleman from Virginia [Mr. FUGATE] and the gentleman from Maryland [Mr. MILLER], who served with me on a special subcommittee which considered the early phases of this problem.

Mr. WEICHEL. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I agree with the gentleman from Mississippi that we should help our own merchant marine and I agree with the gentleman from Maryland [Mr. MILLER] that this bill is far from perfect. There are many things that should be corrected with reference to the Panama Canal, but I do believe that this is an earnest beginning to straighten out the difficulties in the operation of the Panama Canal, the inefficiency in operation and the many abuses that I believe have occurred in the operation of the Canal. While this bill is far from perfect, I believe that if it is adopted as reported by the committee it is a beginning step toward the efficient operation of the Panama Canal.

We have no further requests for time, Mr. Chairman.

Mr. HART. Mr. Chairman, we have no further requests for time on this side.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 5 of title 2 of the Canal Zone Code, approved June 19, 1934 (48 Stat. 1122), is amended to read as follows:

"5. Establishment, administration, and functions of Canal Zone Government: The independent agency of the United States heretofore known as the Panama Canal shall hereafter—

"(1) be known as the Canal Zone Government;

"(2) be administered, under the supervision of the President or such officer of the United States as may be designated by him, by a Governor of the Canal Zone; and

"(3) be charged, except as otherwise provided by law, with the performance of the various duties connected with the civil government, including health, sanitation and protection, of the Canal Zone.

"Cross Reference

"Appointment of other necessary persons, see section 81 of this title, as amended."

SEC. 2. Except as otherwise provided in, or where inconsistent with, the provisions of this act, the terms "the Panama Canal", "the Canal", and "the Canal authorities", wherever appearing in the statutes of the United States and having reference, prospectively, to the agency heretofore known by those names, are amended to read "the Canal Zone Government."

SEC. 3. Except as otherwise provided in this act, the title "the Governor of the Panama Canal", wherever appearing in the statutes of the United States, is amended to read "the Governor of the Canal Zone."

SEC. 4. Except as otherwise provided in, or where inconsistent with, the provisions of this act, the term "the Panama Railroad Company," wherever appearing in the statutes of the United States and having reference, prospectively, to the corporation heretofore known by that name, is amended to read "the Panama Canal Company."

SEC. 5. The headline and introductory clause of section 7 of title 2 of the Canal Zone Code are amended to read as follows:

"7. Control and jurisdiction of Governor over Canal Zone: The Governor of the Canal Zone shall: * * *."

SEC. 6. Section 82 of title 2 of the Canal Zone Code is amended to read as follows:

"82. Compensation of persons in military, naval, or public health service: (a) If any of the persons appointed or employed as provided in section 6, or section 81, as amended, of this title are in the military, naval, or Public Health Service of the United States, the amount of the official salary paid to any such person shall be deducted from the amount of salary or compensation provided by or which shall be fixed under the terms of those sections, but this section shall not be construed as requiring the deduction from the amount of such salary or compensation of—

"(1) the retired pay or allowance of any retired warrant officer or enlisted man of the Army, Navy, Air Force, Marine Corps, or Coast Guard; or

"(2) the training pay, retainer pay or allowances of any warrant officer or enlisted man of the Reserve forces of the Army, Navy, Air Force, Marine Corps, or Coast Guard.

"(b) The Canal Zone government shall annually pay to each of the aforesaid services an amount sufficient to reimburse the said service for the official salary paid to any person in such service for the period of appointment or employment by the Canal Zone government."

SEC. 7. The headline and first sentence of section 245 of title 2 of the Canal Zone Code, as added by the act of June 29, 1948 (ch. 706, 62 Stat. 1075), are amended to read as follows:

"245. Creation, purposes, offices, and residence of Panama Canal Company: For the purposes of maintaining and operating the Panama Canal and of conducting business operations incident to such maintenance and operation and incident to the civil government of the Canal Zone, there is hereby created, as an agency and instrumentality of the United States, a body corporate to be known as the Panama Canal Company, hereinafter referred to as the 'corporation.' * * *"

SEC. 8. Paragraph (c) of section 246 of title 2, Canal Zone Code, as added by the act of June 29, 1948, is amended to read as follows:

"(c) In order to reimburse the Treasury, as nearly as possible, for the interest cost of the funds or other assets directly invested in the corporation, the corporation shall pay interest to the Treasury on the net direct investment of the Government in the corporation as defined in paragraphs (a) and (b) of this section, and shown by the receipt described therein, at a rate or rates determined by the Secretary of the Treasury as required to reimburse the Treasury for its cost. Payments of such interest charges shall be made annually to the extent earned, and if not earned shall be made from subsequent earnings unless the Congress shall otherwise direct."

SEC. 9. Section 246 of title 2, Canal Zone Code, as added by the act of June 29, 1948, is amended by adding at the end thereof a new paragraph lettered (e) and reading as follows:

"(e) The corporation is further obligated to pay into the Treasury as miscellaneous receipts amounts sufficient to reimburse the Treasury, as nearly as possible, (1) for the annuity payments under article XIV of the convention of November 18, 1903, between the United States of America and the Republic of Panama, as modified by article VII of the treaty of March 2, 1936, between the said Governments, and (2) for the net costs of operation of the agency known as the Canal Zone Government. The net costs of operation of the Canal Zone Government, which are deemed to form an integral part of the costs of operation of the Panama Canal enterprise as a whole, shall not include interest but shall include depreciation and the reimbursement of other Government agencies for expenditures made on behalf of the Canal Zone Government. The payments into the Treasury, referred to in this paragraph, shall be made annually to the extent earned, and if not earned shall be made from subsequent earnings unless the Congress shall otherwise direct."

SEC. 10. Subparagraph (e) of section 248 of title 2, Canal Zone Code, as added by the act of June 29, 1948, is amended by adding at the end thereof a sentence reading as follows: "The provisions of section 82 of this title, as amended, shall apply to the corporation and to its officers and employees."

SEC. 11. Section 249 of title 2 of the Canal Zone Code, as added by the act of June 29, 1948, is amended by relettering subparagraphs (a) to (f) thereof as subparagraphs (b) to (g), respectively, and by inserting after the introductory clause of said section a new subparagraph reading as follows:

"(a) May maintain and operate the Panama Canal."

SEC. 12. Article 3 of chapter 12 of title 2, Canal Zone Code, as added by the act of June 29, 1948, is amended by renumbering sections 255 and 256 of said title 2 as sections 257 and 258, respectively, and by adding, in said article 3, two new sections numbered 255 and 256 and reading as follows:

"255. Appropriations to cover losses: Appropriations are hereby authorized for payment to the corporation of such amounts as may be shown in the annual budget program of the corporation as necessary to cover losses sustained in the conduct of its activities. Amounts appropriated to the corporation under authority of this section shall not be added to the amount of the receipt referred to in paragraphs (a) and (b) of section 246 of this title, and shall not require payment of interest under paragraph (c) of said section 246: *Provided, however,* That repayments by the corporation to the Treasury shall in no case be treated as dividends under sections 246 (d) and 253 of this title until all amounts appropriated to the corporation under authority of this section shall have been repaid to the Treasury."

"256. Authorization for transfer of Panama Canal to corporation: The President is hereby authorized to transfer to the corporation the Panama Canal, together with the facilities and appurtenances related thereto, and any or all of the facilities and appurtenances heretofore maintained and operated by the Panama Canal under authority of section 51 of title 2 of the Canal Zone Code, as amended by section 2 of the act of August 12, 1949 (ch. 422, 63 Stat. 601), and all or so much as he may determine to be necessary of the personnel, property, records, related assets, contracts, obligations, and liabilities of or appertaining to the said Canal and the aforesaid facilities or appurtenances, and such transfer shall be deemed to have been accepted and assumed by the corporation without the necessity of any act or acts on the part of the corporation except as otherwise stipulated in the provisions of section 246 of this title."

SEC. 13. Section 411 of title 2 of the Canal Zone Code is amended to read as follows:

"411. Authority to prescribe measurement rules and tolls: The Panama Canal Co. is authorized to prescribe and from time to time change (1) the rules for the measurement of vessels for the Panama Canal, and (2), subject to the provisions of the section next following, the tolls that shall be levied for the use of the Panama Canal: *Provided, however,* That the rules of measurement, and the rates of tolls, prevailing on the effective date of this amended section shall continue in effect until changed as provided in this section: *Provided further,* That the said corporation shall give 6 months' notice, by publication in the Federal Register, of any and all proposed changes in basic rules of measurement and of any and all proposed changes in rates of tolls, during which period a public hearing shall be conducted: *And provided further,* That changes in basic rules of measurement and changes in rates of tolls shall be subject to, and shall take effect upon, the approval of the President of the United States, whose action in such matter shall be final and conclusive."

SEC. 14. Section 412 of title 2 of the Canal Zone Code, as amended by the Act of August 24, 1937 (ch. 752, 50 Stat. 750), is amended to read as follows:

"412. Bases of tolls: (a) Tolls on merchant vessels, Army and Navy transports, colliers, tankers, hospital ships, supply ships, and yachts shall be based on net vessel-tons of 100 cubic feet each of actual earning capacity determined in accordance with the rules for the measurement of vessels for the Panama Canal, and tolls on other floating craft shall be based on displacement tonnage. The rate of tolls on vessels in ballast without passengers or cargo may be less than the rate of tolls for vessel with passengers or cargo.

"(b) Tolls shall be prescribed at a rate or rates calculated to cover, as nearly as practicable, all costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including interest and depreciation, and an appropriate share of the net costs of operation of the agency known as the Canal Zone Government. In the determination of such appropriate share, substantial weight shall be given to the ratio of the estimated gross revenues from tolls to the estimated total gross revenues of the said corporation exclusive of the cost of commodities resold, and exclusive of revenues arising from transactions within the said corporation or from transactions with the Canal Zone Government. The rate of tolls on laden vessels shall not exceed $1 per net vessel-ton.

"(c) Vessels operated by the United States, including warships, naval tenders, colliers, tankers, transports, hospital ships, and other vessels owned or chartered by the United States for transporting troops or supplies, may in the discretion of the President of the United States be required to pay tolls. In the event, however, that such vessels are not required to pay tolls, the tolls thereon shall nevertheless be computed and the amounts thereof shall be treated as revenues of the Panama Canal Co. for the purpose of prescribing the rates of tolls, and shall be offset against the obligations of the said corporation under paragraphs (c) and (e) of section 246 of this title, as amended.

"(d) The levy of tolls is subject to the provisions of section 1 of article III of the treaty

between the United States of America and Great Britain concluded on November 18, 1901, of articles XVII and XIX of the convention between the United States of America and the Republic of Panama concluded on November 18, 1903, and of article I of the treaty between the United States of America and the Republic of Colombia proclaimed on March 30, 1922.

"(e) Capital investment for interest purposes shall not include any interest during construction."

SEC. 15. Sections 982, 987, and 1024 of title 4, and section 833 of title 5, of the Canal Zone Code, are amended by deleting the term "the Panama Canal", appearing in each of said sections, and inserting in lieu thereof the term "the Panama Canal Company."

SEC. 16. Section 836 of title 5 of the Canal Zone Code is amended by deleting the term "the Government of the Canal Zone", which appears in paragraph b of said section and inserting in lieu thereof the term "the Panama Canal Company."

SEC. 17. The following statutes and parts of statutes are repealed:

(1) Canal Zone Code, title 2, sections 32 and 33;

(2) Canal Zone Code, title 2, sections 51 to 54, as amended by section 2 of the act of August 12, 1949 (ch. 422, 63 Stat. 601);

(3) Canal Zone Code, title 2, section 414;

(4) The paragraph entitled "Housing of officer serving in the Canal Zone" of the act of July 9, 1918 (ch. 143, 40 Stat. 855; 10 U. S. C., sec. 721);

(5) Subparagraph (g) of section 2680 of title 28, United States Code;

(6) Section 6 of the act of August 1, 1914 (ch. 223, 38 Stat. 679; 31 U. S. C., sec. 621);

(7) Section 1 of the act of June 29, 1948 (ch. 706, 62 Stat. 1075; 48 U. S. C., sec. 1361); and

(8) All statutes and parts of statutes inconsistent with this act, to the extent of such inconsistency.

SEC. 18. Except for section 256 of title 2 of the Canal Zone Code, as added by section 22 of this act, this act shall take effect upon the effective date of the transfer to the corporation, pursuant to the provisions of said section 256, of the Panama Canal together with the facilities and appurtenances related thereto.

Mr. RANKIN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that it be printed in the RECORD at this point, and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HART. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MILLS, having assumed the chair, Mr. SULLIVAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8677) to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone; and for other purposes, had come to no resolution thereon.

SUPPLEMENTAL APPROPRIATION BILL, 1951

Mr. CANNON, from the Committee on Appropriations, reported the bill (H. R. 9526) making appropriations for the fiscal year ending June 30, 1951, and for other purposes (Rept. No. 2987), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

MAINTENANCE AND OPERATION OF PANAMA CANAL

Mr. HART. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 8677) to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 8677, with Mr. SULLIVAN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

On page 3, line 12, strike out all of the bill starting with "Sec. 6", including the sections which follow in numerical sequence, up to and including "Sec. 15", which ends on line 19, page 13; page 13, line 20, strike out "16" and insert "6"; page 14, line 21, strike out "17" and insert "7"; page 15, line 10, strike out "18" and insert "8"; page 16, line 1, strike out "19" and insert "9"; page 16, line 24, strike out "20" and insert "10"; page 17, line 5, strike out "21" and insert "11"; page 17, line 12, strike out "22" and insert "12"; page 19, line 1, strike out Section 23, down to and including line 13; page 19, line 14, strike out "24" and insert "13"; page 20, line 11, strike out "25" and insert "14"; page 21, line 11, after the word "Government" insert the sentence: "The rate of tolls on laden vessels shall not exceed $1 per net vessel-ton."

The committee amendments were agreed to.

Mr. RANKIN. Mr. Chairman, I desire to offer my amendment at this point, although I am willing to wait until these other amendments have been disposed of.

Mr. HART. Mr. Chairman, that is satisfactory to me.

Mr. RANKIN. Then it is agreed that we will turn back to this point so that I may offer my amendment at page 21, after line 12, when these other amendments are disposed of.

The CHAIRMAN. The Clerk will read the remainder of the committee amendments.

The Clerk read as follows:

Page 22, line 7, strike out the period and the quote, and insert: "(e) Capital investment for interest purposes shall not include any interest during construction."

Page 22, line 10, strike out "26" and insert "15."

Page 22, line 15, strike out "27" and insert "16."

Page 22, line 20, strike out "28" and insert "17."

Page 23, line 13, strike out "29" and insert "18."

The committee amendments were agreed to.

Mr. HART. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HART: On page 22, line 3, strike out Roman numeral "XVII" and insert in lieu thereof Roman numeral "XVIII."

The amendment was agreed to.

Mr. RANKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: On page 22, after the period in line 12, insert the following new sentence: "No toll shall be levied upon vessels engaged in the coastwise trade of the United States."

Mr. RANKIN. Mr. Chairman, I am offering this amendment in the interest of the American people, from Maine to California, to Washington and Oregon.

No foreign vessel can do a coastwise trade. Now, remember that. Today a man who ships goods from Florida to California, or from Pennsylvania to California, from New York to California, or vice versa, has to pay the same toll as though his goods were being shipped from China to some other foreign country through the Panama Canal. This amendment merely gives us the same canal-toll exemption we enjoyed originally.

I believe in developing our own resources. I have not been sectional in my fight for the development of the water power of the Nation; I have not been sectional in my fight for the development of transportation on our navigable streams. Here is something that means more than any other amendment of its kind that will be proposed while you and I are Members of this House.

What does it mean? It simply means that it opens up the Panama Canal for trade between the various sections of the country. I was utterly surprised when I went into it and found that the traffic on the Monongahela River exceeded the traffic on the Panama Canal last year by 6,000,000 tons. It was so astounding to me that I called the Army engineers and got them to check up on it. I found not only that those figures were correct, but that traffic on the Ohio River alone exceeds traffic on the Panama Canal by 16,000,000 tons a year.

You ship material from the Great Lakes to the Gulf coast down the Mississippi River, but when you get there you find yourself shut out of the Panama Canal, on which we have spent on its construction alone more than $400,000,000, to say nothing of the cost of its operation.

I am asking that this amendment be adopted in order that the Panama Canal may be used by the people along the Gulf coast along the Atlantic seaboard,

from Maine to New York, and along the Pacific coast, from Mexico to Oregon, Washington, and Alaska, if you please, and along our navigable streams, the Mississippi, the Ohio, the Columbia, the Monongahela, the Potomac, and every other stream that bears traffic. They would be permitted to use the Panama Canal for coastwise trade.

We did not build the Panama Canal for foreign countries; that was not the understanding at the time; yet we have been shut out from its use until today it is almost a dead proposition and will continue so unless these canal-toll exemptions for coastwise trade are restored.

As I said, this may not mean much particular relief to the people I directly represent, but it does mean a great deal to the people of every State that touches the Gulf coast, the Atlantic seaboard, or the Pacific Ocean, all the way, if you please, from the coast of Maine, to Nome, Alaska, and to the people who live on our navigable streams or along the Great Lakes. I cannot understand why any man would oppose it. I sincerely trust that it will be as unanimously adopted as was the bill on which you called the roll for our veterans a short time ago.

Let me say to my distinguished friend from New Jersey that it will mean more to his own State than the Panama Canal will ever mean to it unless this amendment, or a similar amendment, is adopted.

Let me say to the gentleman from Texas and to the gentleman from New York that it will mean more to their States than the Panama Canal will ever mean unless an amendment of this kind is adopted, restoring to the American people their right to use the Panama Canal for coastwise trade, which cannot be engaged in by foreign vessels. You are shutting out your own trade, your own commerce, for foreign countries to use the Canal at your expense; that is what is going on.

I am now offering this amendment. This is not new with me; I have contended for it ever since I have been a Member of Congress. You people in the Middle West are being penalized in a manner that is really inhuman. This will mean more to people in every section of the country than the rest of the entire bill.

I hope the amendment is adopted.

Mr. THOMPSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, those of us who have studied Panama Canal affairs recognize the many conflicts and problems involved, questions of engineering, questions of tolls, questions of management. Many controversies have become very heated, and frequently involve, as would the present amendment, were it placed in the bill, international relations that are far-reaching and the results of which are very hard to reckon with.

To my distinguished friend from Mississippi I wish to say that the committee very carefully considered for the period of a year and a half an amendment of this character. We have considered most carefully the question of tolls and the elimination of tolls on ships that operate in the intercoastal traffic of the United States.

If you were to try on this floor to resolve that question, and if you would give it the consideration that we have given it, you would be here for days, weeks, and months; then I think you would come out, exactly as we did, at the point where you would agree that this bill should be passed regardless of the question of tolls on ships operating between the coasts. The amendment has no business in here and it should not complicate our consideration today.

So I hope, Mr. Chairman, that the Committee will not adopt the amendment.

Mr. O'TOOLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the course of the hearings on this bill the committee received hundreds of telegrams from the heads of municipalities, States, and chambers of commerce all over this country. They recognized that this bill principally is for the purpose of placing the Panama Canal on a business basis.

We could not, as the gentleman from Texas said, take up this question of intercoastal shipping because it is entirely too involved and would necessitate an interval of time which we did not have at our disposal.

I do hope that the members of the committee will not be confused by this bilateral issue and will vote for the bill as it has been reported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 40, noes 36.

Mr. HART. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HART and Mr. RANKIN.

The Committee again divided, and the tellers reported that there were—ayes 37, noes 45.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MILLS, having resumed the chair, Mr. SULLIVAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8677) to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes pursuant to House Resolution 820, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. RANKIN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. RANKIN. Certainly, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RANKIN moves to recommit the bill to the Committee on Merchant Marine and Fisheries with instructions to report it back forthwith with the following amendment: Page 21, after the period in line 12, insert the following sentence: "No tolls shall be levied upon vessels engaged in coastwise trade of the United States."

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—yeas 10, noes 54.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 20, nays 330, not voting 80, as follows:

[Roll Call No. 252]

YEAS—20

Albert	Feighan	Mack, Wash.
Angell	Gathings	Marcantonio
Baring	Holmes	Mills
Carlyle	Horan	Rankin
Christopher	Huber	Stockman
Cunningham	Hull	White, Idaho
Ellsworth	Kelley, Pa.	

NAYS—330

Abbitt	Brown, Ohio	Dague
Abernethy	Bryson	Davenport
Addonizio	Buchanan	Davies, N. Y.
Allen, Calif.	Buckley, Ill.	Davis, Ga.
Allen, Ill.	Buckley, N. Y.	Davis, Wis.
Allen, La.	Burdick	Deane
Andersen, H. Carl	Burke	DeGraffenried
	Burleson	Delaney
Anderson, Calif.	Burnside	Denton
Andresen, August H.	Burton	D'Ewart
	Byrne, N. Y.	Dollinger
Andrews	Byrnes, Wis.	Dolliver
Arends	Camp	Donohue
Aspinall	Canfield	Doughton
Auchincloss	Cannon	Douglas
Barden	Carnahan	Doyle
Barrett, Pa.	Case, N. J.	Eaton
Bates, Ky.	Case, S. Dak.	Eberharter
Bates, Mass.	Cavalcante	Elliott
Battle	Celler	Elston
Beall	Chatham	Engle, Calif.
Beckworth	Chelf	Evins
Bennett, Fla.	Chesney	Fallon
Bennett, Mich.	Clemente	Fenton
Bentsen	Clevenger	Fernandez
Bishop	Cole, Kans.	Fisher
Blatnik	Cole, N. Y.	Flood
Boggs, Del.	Colmer	Fogarty
Bolling	Combs	Forand
Bolton, Md.	Cooper	Ford
Bolton, Ohio	Corbett	Frazier
Bonner	Cotton	Fugate
Bosone	Coudert	Fulton
Bramblett	Cox	Gamble
Breen	Crook	Garmatz
Brooks	Crosser	Gary
Brown, Ga.	Curtis	Gavin

Gilmer	Linehan	Rees
Golden	Lovre	Rhodes
Goodwin	Lucas	Ribicoff
Gordon	Lyle	Richards
Gorski	Lynch	Riehlman
Gossett	McCarthy	Robeson
Graham	McConnell	Rodino
Granahan	McCormack	Rogers, Fla.
Granger	McCulloch	Rogers, Mass.
Grant	McDonough	Rooney
Green	McGrath	Roosevelt
Gross	McGregor	Sadlak
Guill	McGuire	Sanborn
Gwinn	McKinnon	Sasscer
Hale	McMillan, S. C.	Saylor
Harden	McSweeney	Scott, Hardie
Hardy	Mack, Ill.	Scrivner
Harris	Madden	Scudder
Harrison	Magee	Secrest
Hart	Mahon	Shafer
Harvey	Mansfield	Shelley
Havenner	Marsalis	Sheppard
Hays, Ark.	Marshall	Sikes
Hays, Ohio	Martin, Mass.	Simpson, Ill.
Hedrick	Merrow	Sims
Heffernan	Meyer	Smathers
Heller	Michener	Smith, Va.
Herlong	Miller, Md.	Smith, Wis.
Herter	Miller, Nebr.	Spence
Heselton	Mitchell	Stanley
Hill	Monroney	Steed
Hobbs	Morgan	Stefan
Hoeven	Morris	Stigler
Hoffman, Ill.	Morton	Sullivan
Hoffman, Mich.	Moulder	Taber
Holifield	Multer	Talle
Hope	Murdock	Tauriello
Howell	Murphy	Teague
Irving	Murray, Tenn.	Thomas
Jackson, Calif.	Nelson	Thompson
Jackson, Wash.	Nicholson	Thornberry
James	Nixon	Towe
Javits	Noland	Trimble
Jenison	Norrell	Underwood
Jenkins	O'Brien, Ill.	Van Zandt
Jennings	O'Brien, Mich.	Velde
Jensen	O'Hara, Ill.	Vinson
Jonas	O'Hara, Minn.	Vorys
Jones, Ala.	O'Konski	Vursell
Jones, Mo.	O'Sullivan	Wadsworth
Jones, N. C.	O'Toole	Wagner
Judd	Passman	Walsh
Karst	Patman	Walter
Karsten	Patten	Weichel
Kean	Patterson	Welch
Keating	Perkins	Wheeler
Kee	Peterson	White, Calif.
Kelly, N. Y.	Philbin	Whitten
Kennedy	Phillips, Calif.	Whittington
Keogh	Phillips, Tenn.	Wickersham
Kerr	Pickett	Widnall
Kilburn	Plumley	Wier
Kilday	Polk	Wigglesworth
King	Potter	Willis
Kirwan	Poulson	Wilson, Okla.
Kruse	Preston	Wolcott
Kunkel	Price	Wolverton
Lane	Priest	Wood
Lanham	Rabaut	Woodhouse
Larcade	Rains	Woodruff
LeCompte	Ramsay	Yates
LeFevre	Redden	Young
Lichtenwalter	Reed, Ill.	Zablocki
Lind	Reed, N. Y.	

NOT VOTING—80

Bailey	Halleck	Poage
Barrett, Wyo.	Hand	Powell
Biemiller	Hare	Quinn
Blackney	Hébert	Regan
Boggs, La.	Hinshaw	Rich
Boykin	Jacobs	Rivers
Brehm	Johnson	Sabath
Bulwinkle	Kearney	Sadowski
Carroll	Kearns	St. George
Chiperfield	Keefe	Scott, Hugh D., Jr.
Chudoff	Klein	Short
Cooley	Latham	Simpson, Pa.
Crawford	Lodge	Smith, Kans.
Davis, Tenn.	McMillen, Ill.	Smith, Ohio
Dawson	Macy	Staggers
Dingell	Martin, Iowa	Sutton
Dondero	Mason	Tackett
Durham	Miles	Taylor
Engel, Mich.	Miller, Calif.	Tollefson
Fellows	Morrison	Werdel
Furcolo	Murray, Wis.	Whitaker
Gillette	Norblad	Williams
Gore	Norton	Wilson, Ind.
Gregory	O'Neill	Wilson, Tex.
Hagen	Pace	Winstead
Hall, Edwin Arthur	Pfeifer, Joseph L.	Withrow
Hall, Leonard W.	Pfeiffer, William L.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Williams with Mr. Rich.
Mr. Winstead with Mrs. St. George.
Mr. Wilson of Texas with Mr. Hand.
Mr. Staggers with Mr. Halleck.
Mr. O'Neill with Mr. Leonard W. Hall.
Mr. Carroll with Mr. Hugh D. Scott, Jr.
Mr. Bailey with Mr. Mason.
Mr. Morrison with Mr. Withrow.
Mr. Biemiller with Mr. Taylor.
Mr. Miller of California with Mr. Latham.
Mr. Boggs of Louisiana with Mr. Short.
Mr. Klein with Mr. William L. Pfeiffer.
Mr. Sabath with Mr. Simpson of Pennsylvania.
Mr. Sadowski with Mr. Brehm.
Mr. Hébert with Mr. Chiperfield.
Mr. Dingell with Mr. Crawford.
Mrs. Norton with Mr. Werdel.
Mr. Quinn with Mr. Kearney.
Mr. Chudoff with Mr. Fellows.
Mr. Regan with Mr. Norblad.
Mr. Gregory with Mr. Macy.
Mr. Rivers with Mr. Martin of Iowa.
Mr. Joseph L. Pfeifer with Mr. Dondero.
Mr. Jacobs with Mr. McMillen of Illinois.
Mr. Cooley with Mr. Gillette.
Mr. Durham with Mr. Hagen.
Mr. Tackett with Mr. Blackney.
Mr. Sutton with Mr. Smith of Kansas.
Mr. Whitaker with Mr. Tollefson.
Mr. Pace with Mr. Johnson.
Mr. Furcolo with Mr. Hinshaw.
Mr. Gore with Mr. Edwin Arthur Hall.
Mr. Boykin with Mr. Engel of Michigan.
Mr. Miles with Mr. Barrett of Wyoming.
Mr. Dawson with Mr. Smith of Ohio.
Mr. Davis of Tennessee with Mr. Keefe.

Mr. JONES of Alabama and Mr. MILLER of Maryland changed their vote from "yea" to "nay."

Mr. CARLYLE and Mr. ELLSWORTH changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. HART. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SUPPLEMENTAL APPROPRIATION BILL, 1951

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 825, Rept. No. 2989), which was referred to the House Calendar and ordered to be printed:

Resolved, That during the consideration of the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, all points of order against said bill or any provision contained in said bill are hereby waived.

UN-AMERICAN AND SUBVERSIVE ACTIVITIES

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 826, Rept. No. 2990), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9490) to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Commitee on Un-American Activities, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ELEMENTARY AND SECONDARY SCHOOL FACILITIES

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2317) to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes, with House amendments thereto, insist on the amendments of the House, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BARDEN, BAILEY, BURKE, MCCONNELL, and KEARNS.

DIRECTING THE SECRETARY OF AGRICULTURE TO CONVEY CERTAIN MINERAL INTERESTS

Mr. GRANGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4800) to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 3, line 2, after "therefore" insert: "*Provided,* That, in the event any mineral interests covered by this act are not sold as provided herein pursuant to application filed within 7 years from the effective date of this act or within 7 years from the date of acquisition of the mineral interests of the United States, whichever date is later, the Secretary shall forthwith transfer title to such mineral interests, with the exception of those which were a part of or derived from the assests transferred pursuant to transfer agreements with State rural rehabilitation corporations, to the Secretary of the Interior to be administered under the minerals laws of the United States."

The SPEAKER. Is there objection to the request of the gentleman from Utah?

Mr. HOPE. Mr. Speaker, reserving the right to object, and I shall not object, will the gentleman explain briefly the purport of the amendment?

Mr. GRANGER. The purport of the amendment is that in case property has been acquired by a farmer or landowner and mineral rights have been reserved by the Federal Government, the owner of the property will have 7 years in which to make application to purchase those mineral rights.

Mr. HOPE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA

Mr. REDDEN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight Saturday night to file a report on the bill H. R. 1188.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

GRAND TETON NATIONAL PARK

Mr. PETERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. PETERSON. This is the bill, I will say to the distinguished minority leader, that I spoke to him about earlier in the day and which was on the Consent Calendar and which was passed over without prejudice. It works out the old Jackson Hole problem; part of it goes to the forest and part of it goes to the Elk refuge. We would have taken it up sooner in the week, but it was asked to go over without prejudice for a special reason. I have cleared it with the objectors on both the majority and the minority sides.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, for the purpose of including in one national park, for public benefit and enjoyment, the lands within the present Grand Teton National Park and a portion of the lands within the Jackson Hole National Monument, there is hereby established a new "Grand Teton National Park." The park shall comprise, subject to valid existing rights, all of the present Grand Teton National Park and all lands of the Jackson Hole National Monument that are not otherwise expressly provided for in this act, and an order setting forth the boundaries of the park shall be prepared by the Secretary of the Interior and published in the Federal Register. The national park so established shall, so far as consistent with the provisions of this act, be administered in accordance with the general statutes governing national parks, and shall supersede the present Grand Teton National Park and the Jackson Hole National Monument. The act of February 26, 1929 (45 Stat. 1314), and any other provisions of law heretofore specifically applicable to such present park or monument, are hereby repealed: *Provided,* That no further extension or establishment of national parks or monuments in Wyoming may be undertaken except by express authorization of the Congress.

SEC. 2. The following-described lands of the Jackson Hole National Monument are hereby made a part of the National Elk Refuge and shall be administered hereafter in accordance with the laws applicable to said refuge:

SIXTH PRINCIPAL MERIDIAN

Township 42 north, range 116 west: Those portions of sections 24, 25, 26, and 35 lying east of the east right-of-way line of United States Highway No. 187, and lying south and east of the north and west bank of the Gros Ventre River.

Township 42 north, range 115 west: Those portions of sections 8, 9, 10, 17, 18, and 19 lying south and east of the north and west bank of the Gros Ventre River; section 20; section 29, northwest quarter; section 30, north half.

Township 41 north, range 116 west: Entire portion now in Jackson Hole National Monument except that portion in section 2 lying west of the east right-of-way line of United States Highway No. 187.

Containing in all six thousand three hundred and seventy-six acres, more or less.

SEC. 3. The following-described lands of the Jackson Hole National Monument are hereby made a part of the Teton National Forest and shall be administered hereafter in accordance with the laws applicable to said forest:

SIXTH PRINCIPAL MERIDIAN

Township 45 north, range 113 west: Section 21, lot 5; section 22, lots 2 and 6; section 23, lot 3; section 26, lots 2, 3, 6, 7, southwest quarter northwest quarter, southwest quarter and southwest quarter southeast quarter; section 27, lots 1, 2, 4, 6, 7, 8, 9, southeast quarter northeast quarter and south half; section 28, lot 1, southeast quarter northeast quarter and east half southeast quarter; section 29, lots 2, 4, 5, 6, 8, southwest quarter northeast quarter, northwest quarter southeast quarter, south half northwest quarter, and north half southwest quarter; section 30, lot 7, south half northeast quarter, north half southeast quarter and southeast quarter southeast quarter; section 31, lots 1 and 2; section 32, lots 2 and 5; section 33, east half northeast quarter and northeast quarter southeast quarter; section 34, north half and north half south half; section 35, north half, containing in all two thousand eight hundred six and thirty-four one-hundredths acres, more or less.

SEC. 4. With respect to those lands that are included by this act within the Grand Teton National Park—

(a) the Secretary of the Interior shall designate and open rights-of-way, including stock driveways, over and across Federal lands within the exterior boundary of the park for the movement of persons and property to or from State and private lands within the exterior boundary of the park and to or from national forest, State, and private lands adjacent to the park. The location and use of such rights-of-way shall be subject to such regulations as may be prescribed by the Secretary of the Interior;

(b) all leases, permits, and licenses issued or authorized by any department, establishment, or agency of the United States with respect to the Federal lands within the exterior boundary of the park which are in effect on the date of approval of this act shall continue in effect, subject to compliance with the terms and conditions therein set forth, until terminated in accordance with the provisions thereof;

(c) where any Federal lands included within the park by this act were legally occupied or utilized on the date of approval of this act for residence or grazing purposes, or for other purposes not inconsistent with the act of August 25, 1916 (39 Stat. 535), pursuant to a lease, permit, or license issued or authorized by any department, establishment, or agency of the United States, the person so occupying or utilizing such lands, and the heirs, successors, or assigns of such person, shall, upon the termination of such lease, permit, or license, be entitled to have the privileges so possessed or enjoyed by him renewed from time to time, subject to such terms and conditions as the Secretary of the Interior shall prescribe, for a period of 25 years from the date of approval of this act, and thereafter during the lifetime of such person and the lifetime of his heirs, successors, or assigns, but only if they were members of his immediate family on such date, as determined by the Secretary of the Interior: *Provided,* That grazing privileges appurtenant to privately owned lands located within the Grand Teton National Park established by this act shall not be withdrawn until title to lands to which such privileges are appurtenant shall have vested in the United States, except for failure to comply with the regulations applicable thereto after reasonable notice of default: *Provided further,* That nothing in this subsection shall apply to any lease, permit, or license for mining purposes or for public accommodations and services or to any occupancy or utilization of lands for purely temporary purposes. Nothing contained in this act shall be construed as creating any vested right, title, interest, or estate in or to any Federal lands.

SEC. 5. (a) In order to provide compensation for tax losses sustained as a result of any acquisition by the United States, subsequent to March 15, 1943, of privately owned lands, together with any improvements thereon, located within the exterior boundary of the Grand Teton National Park established by this act, payments shall be made to the State of Wyoming for distribution to the county in which such lands are located in accordance with the following schedule of payments: For the fiscal year in which the land has been or may be acquired and 4 years thereafter there shall be paid an amount equal to the full amount of annual taxes last assessed and levied on the land by public taxing units in such county, less any amount, to be determined by the Secretary of the Interior, which may have been paid on account of taxes for any period falling within such fiscal year. For each succeeding fiscal year, until 20 years elapse, there shall be paid on account of such land an amount equal to the full amount of taxes referred to in the preceding sentence, less 5 percent of such full amount for each fiscal year, including the year for which the payment is to be made: *Provided,* That the amount payable under the foregoing schedule for any fiscal year preceding the first full fiscal year following the approval of this act shall not become payable until the end of such first full fiscal year.

(b) As soon as practicable after the end of each fiscal year, the amount then due for such fiscal year shall be computed and certified by the Secretary of the Interior, and shall be paid by the Secretary of the Treasury: *Provided,* That such amount shall not exceed 25 percent of the fees collected during such

fiscal year from visitors to the Grand Teton National Park established by this act and the Yellowstone National Park. Payments made to the State of Wyoming under this section shall be distributed to the county where the lands acquired from private landowners are located and in such manner as the State of Wyoming may prescribe.

SEC. 6. (a) The Wyoming Game and Fish Commission and the National Park Service shall devise, from technical information and other pertinent data assembled or produced by necessary field studies or investigations conducted jointly by the technical and administrative personnel of the agencies involved, and recommend to the Secretary of the Interior and the Governor of Wyoming for their joint approval, a program to insure the permanent conservation of the elk within the Grand Teton National Park established by this act. Such program shall include the controlled reduction of elk in such park, by hunters licensed by the State of Wyoming and deputized as rangers by the Secretary of the Interior, when it is found necessary for the purpose of proper management and protection of the elk.

(b) At least once a year between February 1 and April 1, the Wyoming Game and Fish Commission and the National Park Service shall submit to the Secretary of the Interior and to the Governor of Wyoming, for their joint approval, their joint recommendations for the management, protection, and control of the elk for that year. The yearly plan recommended by the Wyoming Game and Fish Commission and the National Park Service shall become effective when approved by the Secretary of the Interior and the Governor of Wyoming, and thereupon the Wyoming Game and Fish Commission and the Secretary of the Interior shall issue separately, but simultaneously such appropriate orders and regulations as are necessary to carry out those portions of the approved plan that fall within their respective jurisdictions. Such orders and regulations, to be issued by the Secretary of the Interior and the Wyoming Game and Fish Commission, shall include provision for controlled and managed reduction by qualified and experienced hunters licensed by the State of Wyoming and deputized as rangers by the Secretary of the Interior, if and when a reduction in the number of elk by this method within the Grand Teton National Park established by this act is required as a part of the approved plan for the year, provided that one elk only may be killed by each such licensed and deputized ranger. Such orders and regulations of the Secretary of the Interior for controlled reduction shall apply only to the lands within the park which lie east of the Snake River and those lands west of Jackson Lake and the Snake River which lie north of the present north boundaries of Grand Teton National Park, but shall not be applicable to lands within the Jackson Hole Wildlife Park. After the Wyoming Game and Fish Commission and the National Park Service shall have recommended to the Secretary of the Interior and the Governor of Wyoming in any specified year a plan, which has received the joint approval of the Secretary of the Interior and the Governor of Wyoming, calling for the controlled and managed reduction by the method prescribed herein of the number of elk within the Grand Teton National Park established by this act, and after the Wyoming Game and Fish Commission shall have transmitted to the Secretary of the Interior a list of persons who have elk hunting licenses issued by the State of Wyoming and who are qualified and experienced hunters, on or before July 1 of that year the Secretary of the Interior, without charge, shall cause to be issued orders deputizing the persons whose names appear on such list, in the number specified by the plan, as rangers for the purpose of entering the park and assisting in the controlled reduction plan. Each such qualified hunter, deputized as a ranger, participating in the controlled reduction plan shall be permitted to remove from the park the carcass of the elk he has killed as a part of the plan.

SEC. 7. The Secretary of the Interior is authorized to accept the donation of the following-described lands, which lands, upon acceptance by the United States, shall become a part of the national park:

SIXTH PRINCIPAL MERIDIAN

Township 41 north, range 116 west: Section 3, lots 1 and 2.

Containing seventy-eight and ninety-three one-hundredths acres, more or less.

SEC. 8. All temporary withdrawals of public lands made by Executive order in aid of legislation pertaining to parks, monuments, or recreational areas, adjacent to the Grand Teton National Park as established by this act are hereby revoked.

SEC. 9. Nothing in this act shall affect the use for reclamation purposes, in accordance with the act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, of the lands within the exterior boundary of the park as prescribed by this act which have been withdrawn or acquired for reclamation purposes, or the operation, maintenance, rehabilitation, and improvement of the reservoir and other reclamation facilities located on such withdrawn or acquired lands. All provisions of law inconsistent with the provisions of this act are hereby repealed to the extent of such inconsistency. The remaining unexpended balance of any funds appropriated for the present Grand Teton National Park and the Jackson Hole National Monument shall be available for expenditure in connection with the administration of the Grand Teton National Park established by this act.

With the following committee amendments:

Page 6, line 21, strike out "four" and insert "nine."

Page 6, line 23, after the word "land" insert ", together with any improvements thereon."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC AIRPORT IN OR NEAR DISTRICT OF COLUMBIA

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 821) providing for the consideration of S. 456, a bill to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 456) to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and now yield myself such time as I may require.

Mr. Speaker, House Resolution 821 makes in order the consideration of the bill, S. 456, to authorize the erection and construction of a new airport in or in the immediate vicinity of the District of Columbia.

The bill will be discussed at length. The rule provides for 1 hour of general debate, and for amendment under the 5-minute rule.

Mr. Speaker, I ask for the adoption of the rule.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Speaker, it has just been called to my attention that the Portland Journal, published in my congressional district, in its issue of August 21 carried the following news item:

Portland is not getting a single pound of military cargo for the Korean front and apparently Representative HOMER D. ANGELL, of the Third Congressional District, isn't doing anything about it, Carl C. Donaugh, his Democratic opponent, declared today.

Donaugh said the fact that Puget Sound and San Francisco Bay area ports are being used to capacity "clearly indicates that ANGELL is asleep on the job and totally ineffective."

He pointed out as "strange and absurd" the fact that Victory ships taken from the mothball fleet at Astoria and reconditioned here in record time have sailed empty to other west-coast ports to load. Donaugh said no general cargo dock in Portland is filled or is being used to more than 10 percent of capacity, leaving the way wide open for Portland to handle military cargo.

On the other hand, he said, Puget Sound and bay area facilities are being used beyond facilities, with the result that commercial ships are suffering costly delays.

"If the load becomes too heavy, the Army then will consider Portland," Donaugh said. "In other words, the Columbia River and the port of Portland are last on the list."

Donaugh called attention to the fact that local dock officials have made presentations to military transport authorities in an effort to get cargo but have been unsuccessful. He said he plans to fight to place the State, region, and port on the map.

Mr. Donaugh is a reputable citizen of Portland and has been for many years active in the work of the Democratic Party in my State and for some 8 years was United States district attorney. I do not believe, as intimated in this news release, attributed to Mr. Donaugh, that the Democratic administration in control of the military affairs of our Nation, for ulterior or political reasons is discriminating against the port of Portland in the Columbia River area.

I am not concerned with Mr. Donaugh's charge that I have been derelict in my duty as the record of my extended activities speaks for itself in demanding from the military authorities that so far as possible the full use of the port of Portland facilities in the Columbia River be utilized. Both Senator MORSE and Senator CORDON have been particularly active also in urging upon the military authorities the use of the Columbia River port facilities and they and I have left nothing undone in our efforts to secure use of these facilities for all cargo available for shipment.

As for my own activities, as soon as the problem was brought to my attention, I took it up with Maj. Gen. Philip B. Fleming, Under Secretary of Commerce for Transportation; Hon. Thomas K. Finletter, Secretary of the Air Force; Hon. Francis P. Matthews, Secretary of the Navy; Hon. Frank Pace, Jr., Secretary of the Army; and Rear Admiral W. M. Callaghan, commander of Military Sea Transportation Service, and I received from these officials the following replies:

THE UNDER SECRETARY OF COMMERCE,
Washington, August 8, 1950.

The Honorable HOMER D. ANGELL,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN ANGELL: In your letter of July 26, 1950, you point out to me the ship-repair facilities and manpower available in the Portland, Oreg., area and advise me that the people in your district and the whole Columbia River area are most anxious to assist in the war effort.

You are no doubt aware that a number of merchant ships from the Maritime Administration's reserve fleets have already been reconditioned in the Portland area and that there are presently ships in this area undergoing reconditioning. The number of ships that will be assigned in the future will largely depend on the areas from which the ships will come and the types to be withdrawn.

In carrying forward the work of reconditioning of these ships every effort is being made to disperse the work as widely as possible to areas and to companies having adequate facilities to prosecute the work promptly. To date the work performed in the Portland area has been very satisfactory and that area will continue to receive every consideration in future allocations of this work.

Sincerely yours,
PHILIP B. FLEMING,
Under Secretary for Transportation.

DEPARTMENT OF THE AIR FORCE,
Washington, August 2, 1950.

Hon. HOMER D. ANGELL,
House of Representatives.

DEAR MR. ANGELL: May we acknowledge your letter of July 31 concerning use of the Columbia River port facilities.

We will look into this problem and will be pleased to furnish you with any available information. You may expect to hear further in this matter.

Sincerely yours,
M. A. MOORE,
Lieutenant Colonel,
United States Air Force,
Assistant Executive.

DEPARTMENT OF THE AIR FORCE,
Washington, August 18, 1950.

Hon. HOMER D. ANGELL,
House of Representatives.

DEAR MR. ANGELL: I refer again to your letter of July 31, 1950, concerning use of the Columbia River port facilities.

Current directives have placed the responsibility for ocean shipping with the Department of the Navy and the operation of continental ports of embarkation with the Department of the Army. Therefore, the Department of the Air Force does not have any direct jurisdiction in the selection of port facilities to be used.

I appreciate your interest in this matter.

Sincerely yours,
EUGENE M. ZUCKERT,
Assistant Secretary of the Air Force.

DEPARTMENT OF THE NAVY,
Washington, August 10, 1950.

Hon. HOMER D. ANGELL,
House of Representatives,
Washington, D. C.

MY DEAR MR. ANGELL: This is in reply to your letter of July 31, 1950, urging that the facilities and manpower of Portland and the Columbia River area be utilized to the greatest extent during the present Korean conflict.

A recent survey of the improved port facilities made by the Navy Department disclosed that, in respect to such items as wharfage, warehouse space, crane facilities, controlling depth of water, availability of manpower, etc., the port facilities at Portland are indeed in very good condition. You and your constituents may be assured that if the United States Navy has not in recent months made extensive use of the port, it is not because of any deficiencies in either equipment or morale in that area.

The substance of the freight situation at Portland, with respect to the Korean operations, is that the large bulk of the overseas shipments made by the Navy have been in fulfillment of Army and Air Force requirements. Apparently the tonnages generated by these shipments have originated from Army and Air Force sources in local areas near ports other than those of the Oregon coast. When acting as the overseas carrier for Army and Air Force freight, it is our general policy to spot the shipping at the places requested by those services.

With respect to Navy freight, we do not at this time have any great quantity of outbound tonnage which is generated in or near your area. You may be sure we shall not overlook Portland and the Columbia River area in our general shipping planning.

Sincerely yours,
JOHN T. KOEHLER,
Assistant Secretary of the Navy.

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF
LEGISLATIVE LIAISON,
Washington, D. C., August 11, 1950.

Hon. HOMER D. ANGELL,
House of Representatives.

DEAR MR. ANGELL: Further reference is made to your letter of July 31, 1950, regarding the availability for military use of the facilities of the port of Portland, Oreg.

I have looked into this matter and find that on the basis of anticipated Army cargo loads that a requirement for the continued use of facilities in the Portland area is not anticipated at this time. However, I am glad to inform you that the Department of Army has in the past and is still using the port of Portland for the shipment overseas of Army responsible cargo. The records of the Department indicate that 69,000 tons of Army responsible cargo were moved over the terminals in Portland during the past 3 months.

Your interest in this matter is appreciated and you may be assured that every consideration will be given to the use of additional facilities at Portland in the event that an increase in outloading capacity in that geographic area is required in connection with the movement of Army cargo.

Sincerely yours,
T. A. YOUNG,
Assistant to the Chief of Legislative Liaison.

DEPARTMENT OF THE NAVY,
MILITARY SEA TRANSPORTATION SERVICE,
Washington, D. C., July 28, 1950.

Hon. HOMER D. ANGELL,
House of Representatives,
Washington, D. C.

MY DEAR MR. ANGELL: Your letter of July 26, 1950, in which you enclosed a copy of a resolution entered into by the International Longshoremen's and Warehousemen's Union, Local 8, Portland, is acknowledged with great appreciation. It is gratifying to note the interest of these parties in the problems faced by the military services under the present unusual circumstances.

However, it may be of interest to you to know that the military sea transportation service has, as a carrier, little or no voice in the matter in which ports and longshoremen services will be utilized by the military services. Such decisions are made by the shipper services—Army, Navy, and Air Force—and such other governmental agencies as are authorized to utilize the military sea transportation service.

I trust this will satisfactorily inform you of my position in the matters of port utilization and longshoremen employment. Should you desire any further information I shall be only too glad to serve you.

Sincerely yours,
W. M. CALLAGHAN,
Rear Admiral, U. S. N., Commander,
Military Sea Transportation Service.

Mr. Donaugh apparently does not read the Portland Journal and Oregonian. The following articles with reference to my activities on behalf of the utilization of the port of Portland appeared in these publications July 27 and 28, respectively:

[From the Portland Journal of July 27, 1950]

PORTLAND SHIPYARD USE URGED BY ANGELL

WASHINGTON, July 27.—Use of port and shipyard facilities in the Portland area in the war effort was urged by Representative HOMER D. ANGELL.

ANGELL, in letters to Defense and Commerce Department officials, said he spoke "in behalf of the people in my district and the whole Columbia River area who are most anxious to assist in the war effort."

ANGELL told Rear Adm. W. M. Callaghan, Commander of the Military Sea Transportation Service, that ports at Portland and along the Columbia "are equipped and available for service" in shipment of military supplies, and there is an ample supply of longshoremen availlable for the work.

In a letter to Under Secretary of Commerce Philip B. Fleming, who heads the Department's Transportation Division, ANGELL said the port of Portland not only was available for shipping services, but "has many facilities for reconditioning of laid-up ships, many of which are in that area, including those mothballed at Astoria."

The Congressman told Fleming, Portland shipyards performed outstanding service in World War II and "our ship-construction industry stands ready again to perform a like service."

[From the Portland Oregonian of July 28, 1950]

USE OF PORTLAND URGED BY ANGELL

WASHINGTON, July 28.—Representative HOMER ANGELL, Republican, Oregon, urged Government officials Thursday to use the port of Portland, Oreg., in shipping war supplies to Korea and in reconditioning ships of the laid-up fleet.

He wrote Maj. Gen. Philip B. Fleming, Under Secretary of Commerce for Transportation, and Rear Adm. W. M. Callaghan, Chief of the Military Sea Transportation Service,

that there is an ample force of longshoremen available in Portland to load the ships.

He also said the port is equipped to recondition ships such as those laid up at Astoria.

Harold Say, representative of the Portland Chamber of Commerce here in the Capital, has been doing an excellent job in bringing to the attention of all officials the available port facilities in the Columbia River area and urging upon Government agencies involved the use of these facilities to the fullest extent possible. In conjunction with Senators CORDON and MORSE I have cooperated with Mr. Say in this and other Oregon problems. The information we all get from the military authorities is that for many years military depots have been established at Seattle, San Francisco, and San Diego and not at Portland and most of the cargo having to do with military operations is stored in or is being sent to those military depots and is shipped from those depots overseas as needed. That is the major reason why the port of Portland does not participate more fully in the shipment of war cargo. Military authorities utilize port and shipping facilities available at the nearest port to the cargo to be shipped. It naturally follows as a result that the port of Portland received only a small percentage of military shipments going from Pacific coast ports, not being adjacent to a military depot.

As the correspondence I have set forth shows, together with the personal assurances to me and the other Members of the Oregon delegation from military authorities, the port of Portland is not being discriminated against for political reasons but will be used to the fullest extent possible when cargo is available.

EXPANDED MEDICAL RESEARCH IS ESSENTIAL TO THE PROTECTION OF THE NATION

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, it is my considered opinion that public health is one of our foremost instruments of national defense. With the threat of war hovering over our heads, it is foolhardy even to consider the slightest curtailment of any service or project which is directed toward preventing disease and promoting health. More than ever, in a period of national emergency, it is essential that we press forward to more gains against the ravages of sickness. More than ever, it is mandatory that we intensify our efforts to learn more about the causes and the treatments of those disabling conditions which sap our national energy.

No international upheaval can obscure the grim fact that cancer is as great a killer as war. We cannot hide from the fact that we have in this country today, nearly 9,000,000 people who are mentally sick. We have got to recognize the fact that a significant part of our population today suffers from rheumatism, arthritis, cerebral palsy, multiple sclerosis, and other crippling conditions which make the victims a burden to themselves and their families and which either seriously limit or, indeed, completely eliminate their productivity to society.

We have made great strides in recent years toward improving health. Are we now—because we are confronted with a national emergency—going to let up on our efforts? Are we going to move backward in our fight against illness, to sacrifice the gains we have made? Are we, for example, to let go by the board the work with ACTH and cortisone right on the eve of what may well be the most important medical discovery of our generation? Are we to go on having these wonder drugs reserved entirely for those who can afford to pay $90 for less than a 10-day supply? Are we going to let down the barriers which have been built—and built effectively over the years—to assure pure food and pure drugs to our people? Are we going to turn our backs and shut our eyes to the threats and ravages of venereal disease now that we have complete control of these diseases almost within our grasp?

These are only a few of the considerations which any conscientious Representative of the people should ponder when the suggestion is made to reduce our expenditures for health by 10 percent or more. Thoughtful consideration of these facts leads only to the conclusion that far from curtailing health expenditures, we should be extending them to keep our country strong against the enemies within, and strong to fight communism—our enemy outside.

I am convinced that we should expand our basic medical research. I believe that we should concentrate on the development and training of medical research scientists. I am convinced that we should spend a great deal more Federal money on the construction of medical research facilities.

Do some of you think that this is not the time for this country to spend more money on such activities? Medical research is the only means we have for reducing the growing Federal burden of medical care costs which now exceed $1,000,000,000 a year. Think of what research might accomplish in even a 10-percent reduction in Federal and State medical health expenditures—a savings of $45,000,000 per year in taxes.

There is no question but that medical research on a vast scale is now necessary as a precaution against the possibility of war. We will need it to protect us against bacteriological warfare, to provide treatment for burns and radiation illnesses, to combat tropical diseases, to deal with such physical problems as high-speed, high-altitude flight, to name only a few.

We cannot build the medical research force required for our national defense, and build it in time, before the emergency hits, unless we establish many more research facilities, and unless we train many more medical scientists than we have at present. Our situation at the moment is not good. Our medical research plants are inadequate. We have far too few medical scientists. Our medical research structure is too concentrated—as witness the fact that half of all medical school research is done in 10 institutions.

We talk constantly today about national defense—and, indeed, we must. A fact that seems to escape some of us, however, is that medical research is defense research. Cancer radiation research, for example, is atomic bomb casualty research. Heart research on fluid balance in the body is burn casualty research. Basic research on the endocrine system is research on stress in battle. Mental health research on mass hysteria is research on war panic. Basic research on microbes and viruses is research on bacteriological warfare protection. Training medical research scientists provides a backlog of trained people for war research.

The proposals that have been made to reduce expenditures for medical research and for health services completely overlook the enormous price that illness exacts from our economy. Indeed, these proposals can well give aid and comfort to the enemy. They ignore the fact, for example, that one out of every two people who die from natural causes die from heart disease—that 9,000,000 in this country today are suffering from heart disease. They ignore the awful truth that unless great advances are made in research and treatment, 1,000,000 people will die from cancer in the next 5 years. They likewise ignore the fact that more than half of all complaints seen by doctors are due to emotional disorders.

These are but a few examples of the cost of illness. Let us take a quick look at the financial side of the picture. Each year, diseases of the heart and the circulatory system cost this country $846,000,000. The costs of cancer run into the billions. The cost of patient care in mental hospitals exceeds $500,000,000 annually. Alcoholism costs the Nation a total of $726,000,000 a year. The American Dental Association has estimated that the American people spend a total of nearly $1,000,000,000 a year for dental care and treatment—much of it preventable.

Frankly, I am convinced it is our responsibility at this time to accelerate the fight against disease. In my opinion, it is vital that we bear down and bear down hard on the three greatest cripplers of our age—cancer, mental illness, and heart disease. And to that list, I would add dental care.

Do we dare shirk our obligation to save those lives that can be saved if cancer were discovered early enough to permit treatment; if new methods of treatment were developed; if the basic cause of cancer were discovered; if more practicing physicians were better trained in cancer diagnosis and treatment? I know it is a responsibility to which I cannot close my eyes.

But the curse of cancer will never be lifted until we have expanded our scientific research, until we bring into cancer research more scientists with new slants, until we have developed efficient diagnostic tests for cancer which can be applied to the whole population in mass screenings, until we have more laboratories, and well-equipped laboratories.

In short, what we need is more—not less—money for research. To win the battle over cancer we must increase grants for research projects, we must in-

crease grants for research construction, and we must augment the training and fellowship program.

Now, what about heart disease? Everyone here knows that heart disease causes more deaths than any other form of illness. And the number of deaths from heart disease is constantly moving upward. I ask you, Is it rational to cut back our expenditures for the one thing—the only thing to which we can look for relief from this scourge? Again, we need to spend more, not less, money for more research into the basic causes of heart disease, for better methods of treatment and for new cures. We need more laboratories to carry out heart-disease research, and we need more scientists to conduct those investigations.

Does anyone believe that we can afford the expenditure of life and productivity that we are assessed by these diseases? Faced as we are with a national emergency, dare we waste the productivity of millions of our people? Each year, cancer and heart disease alone literally rape our economy of the unpurchasable and invaluable contributions of leaders in every vital field.

There is no question that even with the limited knowledge now at hand, unnumbered lives could be spared if teaching of cardiovascular subjects could be improved in medical schools and colleges, if we had more heart specialists, and if our control activities were expanded sufficiently to apply what is already known for the benefit of heart-disease sufferers.

The gravity of the mental-health problem speaks for itself. One is appalled, first by the extent of mental illness, and second, by the paucity of our efforts to learn the causes and the cure of mental illness, or, even indeed, to apply the treatment methods we already know. Today, we are spending less than $3,000,000 a year for research into the mental diseases. We have only a third of the needed number of psychiatrists, and only a small fraction of the psychiatric nurses. The 600 community mental health clinics in the country should, at the very least, be tripled.

Let us take a look at what the Federal Government spends on mental illness alone in veterans' hospitals. In 1947 veterans' neuropsychiatric hospitals cost some $96,000,000 to operate. In 1949 they cost nearly $125,000,000—mostly because of the increase in patients. An actuarial study by the Metropolitan Insurance Co., made for the Hoover Commission task force on medical services, states that whereas in 1948 there were about 100,000 veteran hospital beds—about one-half for the mentally ill—that by 1975, even though non-service-connected veterans would be cared for only in case of chronic illness, 250,000 beds would be required, and that three-fourths of these would be for mental illness.

True, these are astounding figures. But we must remember, they are estimates made before the present emergency. Now, with the need for larger and larger Armed Forces, I would venture the number of needed veterans' beds for mental illness will go up by hundreds of thousands.

It is a truism that we cannot hope to get even a toehold on the problem of mental disorder until we have strengthened research into mental disease, until we have strengthened our mental health training program, and until we have established adequate control activities and services. And all of this takes money.

I want to call your attention to the statement of the Hoover Commission whose purpose, you will remember, was to cut governmental expenditures. The Commission stated—and I quote:

> Transcending in importance any of our other recommendations, is the need to outflank disease by giving the highest priority to research, preventive medicine, public health, and education.
>
> Federal medicine has, to a large extent, developed negatively with patient care as its principal function.
>
> First it is the need for maximum employment of present scientific knowledge to control disease (training of personnel). But beyond application of present knowledge lies research to find new weapons.
>
> It is (also) imperative to maintain constantly a high level of medical research activity as a protection to us in war. Such research must be stimulated and supported to the extent which may prove necessary, to the maximum potential of the skilled manpower available to conduct it.

Only a faint start has been made toward solving the fundamental causes and problems of dental disease. As I said earlier, the Nation's dental bill is approximately $1,000,000,000 a year. Expenditures for dental research are rather less than $1,000,000 annually, and this despite the fact that dental diseases and defects are almost universal. If we will but give thoughtful attention to the problem of dental disease, we will see the need for and the advantage to be gained by building our dental research program. Moreover, by building such a program we will equip ourselves to overcome the record of the last war when dental defects were found to be one of the greatest causes of rejection for military service.

I cannot plead too earnestly for an understanding of the vital importance of strengthened research in these areas I have mentioned. With the threat of war hovering over our heads, our attention cannot fail to turn to the shocking surprises which confronted us in the selective service rejections of the last war. That almost 5,000,000 young men were found to be unsuited for military service seemed, at the time, to be unbelievable. Yet, that was the case, and we certainly have no reason to believe the situation has changed.

I feel strongly that medical and related research bears upon medical problems of national defense, whether civilian or military. I ask that our medical scientists be used fully to permit the most productive division of effort between the solution of specific problems and the pursuit of the broader unknowns. And I likewise urge a reasonable expansion of the presently limited number of highly trained research scientists, and a reasonable expansion of the facilities in which they must work. I urge this consideration for the research program of the Public Health Service, and, no less, for the essential medical research undertakings of such other organizations as the Food and Drug Administration, the Armed Forces, the Veterans' Administration, and the Atomic Energy Commission.

World War II gave us a dramatic demonstration of the role basic and applied investigations play in saving the lives of fighting men, in protecting the health of soldiers in camps, and in lifting the productivity of the defense production labor force. Dr. Vannevar Bush, renowned director of the Office of Scientific Research and Development, has this to say concerning medical research in wartime:

> For all its horror, there were bright spots in the last war, and the brightest was the record of medical men and those in the Allied sciences who supported them. With sulfa drugs, penicillin, blood plasma, and advanced surgery, the mortality among the wounded was brought so low that the chances of survival of the wounded men who reached a front-line dressing station were extraordinarily high.

As one can well realize, these applications of medical research to the urgent needs of a nation at war did not spring full grown from the minds of the scientists who went to work intensively upon specific problems in 1941. It was in 1929 that penicillin was discovered in the course of systematic studies of molds. Plasma and other blood fractions and substitutes grew out of basic physiological studies and of explorations in the areas of biophysics and biochemistry. Sulfa drugs were an offshoot of chemical research in the dye industry.

Fresh in the memory of everyone of us is that time—only a few years ago—when even a small supply of penicillin and aureomycin were worth a king's ransom. I remember so well the case of a young doctor who, although he lost his wife, faced a drug bill of $10,000 in efforts to save her. While these drugs even today cost more than they should, mass production has brought down the cost considerably.

What has happened to penicillin and aureomycin must happen also to such other drug products as cortisone and ACTH. Some way must be found to make all drugs that are useful in the treatment of disease available to all the people of this Nation. Penicillin is now fully available because Government assisted industry—in making mass quantities available quickly—first for the Armed Forces and then for the civilian population. It may be that Government will have to again assist industry to produce the new wonder drugs cheaply and in mass quantity. As a final resort, it may be that the Government will have to assume responsibility for their production or for their synthesis. But, I repeat, we must develop and develop rapidly the means to put all of the health restoring products of research within every reach, unqualified by the presence or the lack of wealth.

A few days ago there came to my attention an article, which appeared in the British Medical Journal (July 29) on the use of cortisone in the treatment of burns. Three Canadian scientists have reported that the number of deaths from burns can be cut in half if cortisone is given along with treatment for shock during the first critical days after

the burns. But of what value is this tremendously important discovery if cortisone continues to be so scarce and so expensive? What good would this knowledge be, for example, if just five average American cities were bombed and the conservative estimate of 100,000 persons were seriously burned?

If we are to obtain the best possible results of medical research, we must plan that research with the same care to short-run and long-run factors that is given to weapons development, to economic preparedness and control and to manpower mobilization.

In making for increased Federal support of medical research, I do not for a moment propose that private sources of support should be neglected. It is, however, vitally important that the support for research be diversified. The major private health organizations of the Nation support expanded Federal aid to medical research. Their goals—prevention and control of specific diseases and groups of diseases—are aided by Federal support for research in non-Federal institutions.

Let me summarize quickly. Expanded medical research is essential to the protection of the Nation. Expanded medical research is the means of cutting Federal expenditures.

Over the last few years we have heard more and more about prepaid medical care. Methods of making care available to our people, of course, differ just as do opinions on the various methods, both existent and proposed. No one wants more than I to get ever better medical care to every American. More and more I am convinced, however, that research takes precedence over care. And I believe it because, in a way, research is affirmative, care—negative. Research can lead us to the prevention of disease. Medical care is locking the barn after the horse is stolen.

In the early years of every recent war, we have been faced with depressing examples of critical shortages. Please, let us not make that mistake again. Why should we, when logic is so clear and when advice from the best qualified sources is unanimous, make a mistake by failing to expand medical research? Need we, with our eyes open, invite a scientific Pearl Harbor when the other course of action is clear?

If we are to have peace, failure to expand medical research now will prove to be wasteful and cruel. If we have war, failure to expand medical research now will prove to be a blunder that will weigh heavily upon the conscience of all of us, and heavily upon our national budget.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. BECKWORTH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 456) to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, S. 456, with Mr. MURDOCK in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Texas [Mr. BECKWORTH], is entitled to recognition for 30 minutes and the gentleman from New Jersey [Mr. WOLVERTON], for 30 minutes.

Mr. BECKWORTH. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Senate bill which is before us, S. 456, provides for the construction of a new airport for the area of the District of Columbia. Hearings were held on the bill in our committee. This bill has passed the Senate; it passed unanimously. It passed the House Committee on Interstate and Foreign Commerce, as I recall, unanimously. Certainly I do not recall that any of our members opposed it. It is a question that has been looked into with considerable care.

In the opinion of the House Committee on Interstate and Foreign Commerce there is a very definite need for another airport in addition to the one we already have for the city of Washington and the District of Columbia. Let me say at this juncture that the House bill was introduced by our colleague, one of the ranking members of the Committee on Interstate and Foreign Commerce, the gentleman from Arkansas [Mr. HARRIS], who also has had many years experience as a member of the Committee on the District of Columbia. The fact that he feels it is needed, in my opinion, adds much weight to the evidence that this is a meritorious airport.

The present airport was placed in operation in 1941. There has been a very great growth in aviation in this particular area; as a matter of fact, the Washington National Airport, next to two others, accommodates the most traffic of any airport in the United States. The other two are LaGuardia Field, New York, and the Chicago Municipal Airport. It does have a tremendous amount of traffic at this time.

The limiting factor as to the amount of traffic an airport can handle is the amount it can accommodate in bad weather. It is our understanding that today one flight about every 2 minutes can be accommodated in bad weather or instrument flying weather, in other words, about 30 flights an hour. The airport is already overburdened in bad weather, the committee was told. I believe the record shows in the last year more than 600 hours were lost by airlines having to fly over the city of Washington in bad weather while waiting to land. This cost the airlines some $2,500,000.

I know the contention is made that we should use other airports in this area, Bolling Field and Anacostia, but it has been represented to the committee that because of the peculiar situation here in the Washington area the neck, so to speak, that space within which planes must fly to and from the Washington Airport, that because of the smallness of this neck, its narrowness, even though Bolling and Anacastia were not used there would still be need for another airport. I am happy to say that Mr. Rentzel of the CAA, and officials of the Air Corps, including the Secretary of the Air Corps, Mr. Finletter, have been working together trying to decrease the amount of training flying that takes place in this area and the amount of military flying that takes place in the area with the thought that safe conditions thereby can be provided. As a matter of fact I have a letter written August 14, 1950, by Secretary Finletter to Mr. Rentzel which bears directly on this subject, and I am convinced that already progress is being made along this line. I include the letter here:

AUGUST 14, 1950.

Mr. D. W. RENTZEL,
Administrator, Civil Aeronautics Administration, Washington, D. C.

DEAR MR. RENTZEL: The problem of air traffic in the Washington area is a matter of great concern to the Civil Aeronautics Administration and to the Air Force. We are in agreement that the best solution to this problem must await the completion of a new civil airport. Meanwhile, the Air Force has cooperated with your Administration to the end that civil air operations may proceed with minimum interruption and maximum safety. With this in mind, I thought it would be helpful if I would enumerate a few of the things which we have done in this direction.

The Air Force intends that only the minimum essential military air operations be conducted in the Washington area and that this activity be concentrated at Andrews Field to the maximum practicable extent. Flying activities which must be performed in this area will be accomplished under conditions which provide maximum safety of flight to all aircraft. Within the limitations of facilities available to the Air Force, our operations are performed in accordance with procedures designed to prevent interference or delay to civil aircraft.

In order to increase the dispersion of air traffic in this area, the Air Force has moved as much of its flying activities from Bolling Field to Andrews Field as facilities at that station permit. Forty percent of the individual pilot training formerly done at Bolling Field is now accomplished at Andrews Field. Local flying has been prohibited when weather conditions are less than 2,000 feet ceiling with 6 miles visibility. The Air Traffic Controller for the Washington area has been authorized to direct incoming Bolling Field traffic to Andrews Field when flying conditions in the area require. Modern radar traffic control and instrument approach equipment is available at Andrews Field. Instrument landings are not permitted at Bolling Field. Except for radar-controlled approaches at Andrews Field, no instrument flying practice is permitted by Air Force personnel within 25 miles of Washington.

On July 22, 1949, the Washington Air Traffic Control Committee, on which the Air Force has representation, was formally established for the purpose of insuring continuing coordination of air traffic control in the Washington area. Effective coordination of traffic control has been facilitated by the installation of an interphone system between the control towers at Bolling, Andrews, Anacostia, and Washington National Airport.

Since our recent conversation on this subject, I have required a thorough examination to be sure that we are taking all practicable measures to aid in this problem. As a result, we have now prohibited all transient Air Force flights into the Washington area except those participating in essential Air Force business. Unit training will not be conducted at Bolling Field and has been reduced to a minimum at Andrews. All Reserve flying training has been eliminated at Bolling Field. Air representatives of foreign countries stationed in Washington who have, in the past, been permitted to fly from Bolling Field have now been changed to Andrews Field. It is our intention to move more of our operations to Andrews Field as rapidly as additional housing and other facilities can be acquired. Any suggestions you may have of additional steps the Air Force could take to be of assistance will be welcome.

Greater dispersion of air traffic in the area is desirable. It is my hope that this letter will assure you that the Air Force is cooperating fully in that direction. The long-range answer to the air traffic problem in this area lies in the program of your Administration to provide a new civil airport for the national Capitol.

Sincerely yours,

THOMAS K. FINLETTER.

It is my information definite progress can be expected to be made as between the civil aviation authorities and the military and naval authorities of our Government to the end fewer military flights will take place in close proximity to the National Airport. This will be conducive to more safety especially if training flights are decreased.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. EVINS. In view of the fact that the gentleman has talked with both Mr. Rentzel, of the CAA, and Mr. Finletter, I should like to ask the gentleman why they are closing such a large number of small airports in small towns throughout the United States. There is a policy on of closing them. In view of the fact the gentleman insists they are not going to train men in this area, why are they closing these small airports? Can the gentleman give us any information on that?

Mr. BECKWORTH. No, I cannot give the gentleman any information on that. That was not discussed before our committee. I am speaking of the Washington area. The reason we have insisted that flying of a training nature and of a military nature on Bolling Field and Anacostia be removed to the degree possible is because we feel it is a hazard in connection with the safety of those cilivilans that are flying—many in the same plane—in and out of the National Airport.

Mr. EVINS. Does the gentleman consider this legislation as defense legislation?

Mr. BECKWORTH. I think all persons know that with the emergency such as we now have, flying into the general area of Washington will doubtless increase. As it increases it will continue to burden, the facilities that we now have, and, in my opinion, it is conducive to the welfare at least indirectly of our defense efforts.

Mr. EVINS. Therefore, it is considered very essential at this time?

Mr. BECKWORTH. It certainly is my opinion it is essential at this time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman spoke of loss of flying time due to bad weather at the National Airport. Can the gentleman tell us how much flying time is lost at other comparable airports in the country, how the loss of time at other airports compares with this airport?

Mr. BECKWORTH. I do not have any figures on that, but I may say that cities like New York, instead of having one single airport, have two airports. Idlewild was brought into being for the purpose, I assume, of preventing that kind of situation. There are more cities than New York that have what might be considered a system of airports rather than just one airport. Aside from the flying time that is lost, the important thing for the committee to keep in mind is that this additional airport is badly needed from the standpoint of assuring safety for flying in this particular area. Any person knows when you have planes flying around, stacked, in bad weather, you definitely are jeopardizing at least to some extent the lives of people who happen to be in those planes. Already we have a situation here in the District of Columbia area that at times is overcrowded. We all know that aviation in this area is growing rapidly. As I recall, it is anticipated that within the next 4 or 5 years there may be expected as much as a 40- to 60-percent growth in the number of flights into this area.

May I say further under the present situation at National Airport, very little freight can be brought into the airport. It is expected if aviation continues to develop there will be a lot more traffic in air freight in this area and with the condition as it is, the airport cannot accommodate a great expansion.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BECKWORTH. Mr. Chairman, I yield myself five additional minutes.

Mr. SASSCER. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Maryland.

Mr. SASSCER. The gentleman from Texas stated that it is his opinion the proposed airfield will lend itself to the national defense.

Mr. BECKWORTH. Certainly indirectly.

Mr. SASSCER. I think that is the crux of the issue today, the extent to which it lends itself to the national defense. The question I would like to ask the gentleman is this: Insofar as the national defense is concerned, would not be an airfield of the continental type be sufficient for national defense in contrast with the proposed vast international airfield? The reason I ask that is defense fighters and interceptors that go from land and fly from a field could use what in the trade is known as a field of the continental type.

Mr. BECKWORTH. I do not pretend to be an authority on how Washington would be defended during a period of serious trouble. When I say it will be conducive to the national defense I say that because unquestionably flying into this area will increase, particularly if we get into more trouble than we are already in. We already have facilities that are overburdened. Our civil aviation facilities are overburdened. To the extent it would relieve that burden the building of this additional airport would help, generally speaking, in our effort to take care of all aviation in this area.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not a fact this proposal is brought to the Congress in an effort to increase the facilities for commercial aviation which have grown beyond the point that the National Airport can at this time take care of?

Mr. BECKWORTH. Exactly right.

Mr. HARRIS. This is not a matter of national defense, only the fact there will be some indirect advantages should it be used or needed at some time because our commercial aviation in one way or another does have a relationship with the national defense. But this is primarily to relieve the congested conditions which have resulted at the National Airport, in order that flights may come in and go out in accordance with schedule and serve the area involved?

Mr. BECKWORTH. That is exactly right. With reference to the fact there is some military aviation carried on at the National Airport, each of you is aware of the fact it does even at this time accommodate some military flights and some military planes.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Kansas.

Mr. REES. Can the gentleman tell us about what the approximate cost of this legislation is?

Mr. BECKWORTH. This bill authorizes an appropriation of $14,000,000.

Mr. REES. That is to buy the land?

Mr. BECKWORTH. That is to buy the land and to build what might be termed "runways"—the airport itself. It is thought that thereafter, of course, buildings will be built and leased, or arrangements made concerning those buildings, and it was felt and so testified that the airport would be self-sustaining from there on. Of course, nobody can guarantee that. I am not standing here guaranteeing that, but that will be the purpose of the Director of Civil Aviation, Mr. Rentzel.

Mr. REES. Is that the general policy of the Government with respect to the larger airports throughout the country, to buy the land and equipment?

Mr. BECKWORTH. Of course, when the gentleman says general policy, I want to comment that the airport in Washington is not what might be termed a "general airport" situation. For example, if you build an airport in Kansas, doubtless the municipality or the county will contribute some money or land or both up to a given percentage of the

total value of the airport. That particular airport will be run by the given municipality or by the given county unit. That is not true with reference to an airport here for the District of Columbia, because it is a Federal undertaking in its entirety. It is the policy, I might say, for the CAA to undertake to make these airports just as self-sustaining as possible. As a matter of fact, it was testified before our committee that the National Airport itself is about self-sustaining at this time.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Maryland.

Mr. FALLON. Did I understand the gentleman to say that the area is already now overcrowded with planes?

Mr. BECKWORTH. I said that the bottleneck situation, or the neck situation is such that the area that relates to the National Airport can accommodate little, if any, additional traffic particularly in bad weather which is the real test of the adequacy of an airport. That is as I understand the testimony to be. That would not be true, I might say, with reference to the several areas, and I think there are about five of them that are being considered, as likely and possible places for construction or the placement of the airport.

Mr. FALLON. Have you selected a new site for the airport?

Mr. BECKWORTH. No; that has not been done.

Mr. FALLON. Will it be in the same area?

Mr. BECKWORTH. I do not think anybody knows exactly. Certainly, if it is a known fact, I am not aware of it, as to exactly where the airport will be. I will answer that the committee was invited by the CAA to fly over five sites, and all of them doubtless will be considered. That will be something for the CAA, along with the people concerned, to work out finally and ultimately.

Mr. FALLON. Did the committee discuss just what distance would be a safe distance to locate this airport from the present airport?

Mr. BECKWORTH. It would be assumed, as a matter of fact, that the CAA definitely would consider safety first. That is the prime consideration.

Mr. FALLON. Has distance been discussed as to the safety feature?

Mr. BECKWORTH. No particular distance was cited as being the unsafe distance or the safe distance, but it would be inconceivable, I might say that the CAA, with the unusual amount of knowledge and information they should possess, would place it at a location that would be unsafe. That would be a prime requisite that would be taken into consideration by the CAA, in my opinion, and it was the testimony of Mr. Rentzell that that would be the important consideration—safety.

Mr. FALLON. Does the gentleman know whether or not the new International Friendship Airport in Maryland has been taken into consideration as an alternate to the Washington Airport?

Mr. BECKWORTH. The gentleman will state this about that airport, that very definitely we had testimony from the officials of the State of Maryland and from the officials of the city of Baltimore with reference to the Friendship Airport. It was discussed and we considered it fully; it was finally felt that that is not the answer to the problem of Washington at this time. It is hoped that the airport will be used to the fullest degree possible, but it is not an answer to the problem confronting us here at this time.

Mr. FALLON. Does not the gentleman feel that if another airport was put close to the Washington Airport that it would further crowd the area and make flying more dangerous?

Mr. BECKWORTH. I repeat what I said a moment ago that I would assume the CAA definitely—and they say that can be done—will place the airport in such a location that it would not be conducive to unsafety.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from New York.

Mr. ROONEY. In the presentation before the gentleman's committee with regard to the location of the airport, was there any testimony concerning the Maryland fog?

Mr. BECKWORTH. I believe I recall one of the witnesses in discussing the Friendship Airport said that studies had been made with reference to fog at that airport and that it is an unusually clear area. I recall that kind of testimony, I feel sure.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman spoke about a network of airports around the larger centers of population. Is there a network of airports around the city of Chicago, which is much larger than Washington?

Mr. BECKWORTH. As I understand, Chicago does have a municipal airport, and I think I have heard, though I am not aware of it personally, but I think I am aware that Chicago has built or is building another airport.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Arkansas.

Mr. HARRIS. They do have another airport under construction. They found that the present airport there, which is larger than this one here, accommodates more flights in and out, but is not sufficient to properly handle the traffic in and out, and they have another one under construction. They found it was necessary to have an alternate airport.

Mr. GROSS. That is a city four times as large, and how much is the Government spending there?

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Can the gentleman give the committee any information as to the percentage of the flights at the National Airport which are military, and if they were all moved out to Andrews Field, would that be of material benefit?

Mr. BECKWORTH. The percentage is very small, as I recall—not more than about 5 percent. I might say to the gentleman from Nebraska that is exactly what the committee has been insisting with all its might be done, to reduce the number of military flights into this particular area where there is so much activity in civil aviation; and, if I may say so, I have personally taken an interest in that very thing.

Mr. STEFAN. The gentleman indicated that it is not necessary for national defense? Am I correct in my understanding?

Mr. BECKWORTH. I did not say it was not necessary for national defense. I said at least indirectly it will help this area, so far as that is concerned.

Mr. STEFAN. The gentleman used some figures. What was the over-all cost?

Mr. BECKWORTH. This bill provides $14,000,000.

Mr. STEFAN. Is that the over-all cost? Does that include administration costs?

Mr. BECKWORTH. No. I think that is just for the purchase of land and for the runways.

Mr. STEFAN. Can the gentleman give us any figures on the maintenance?

Mr. BECKWORTH. As I stated a moment ago, it is hoped that after the airport is built from then on the buildings and facilities can be built in such a way that they can be amortized and paid. But, as I said, that cannot be guaranteed. I think the gentleman knows that as well as anybody.

Mr. STEFAN. I think the gentleman ought to study that question. There is no airport in the entire United States, except one or two, that is self-sustaining. This airport will be purchased by the Government and it will be operated by the Government.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOLVERTON. Mr. Chairman, I yield one additional minute to the gentleman from Texas, in order that he may answer the questions.

Mr. BECKWORTH. I thank the gentleman.

Mr. STEFAN. The gentleman knows that the Government does not operate airports, except the National Washington Airport, which is the only one.

Mr. BECKWORTH. I pointed that out.

Mr. STEFAN. They operate it at the expense of the taxpayers of the United States. The CAA Administrator himself is not so favorable to the Government going into the airport business. They hope that at some time some Government corporation can take over the operation of the airport. There are some airports in Alaska that the Government is presently building and will operate. If you continue to authorize and appropriate money for the construction of airports to be operated at the sole expense of the taxpayers, you are going a long way toward breaking up the orderly Federal airport program through which we give the States a grant of 50 percent on the land and 25 percent on the buildings. I think this matter should be given

serious study before coming to a definite conclusion.

Mr. BECKWORTH. I appreciate the contribution of the gentleman from Nebraska.

Mr. WOLVERTON. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I do not think I can emphasize too strongly the splendid service that has been rendered by the chairman of the subcommittee, the gentleman from Texas [Mr. BECKWORTH], in the preparation of this legislation. He has been patient and indulgent in directing the work of the committee to obtain all worthwhile and necessary facts. The bill comes before the House after very careful consideration by the subcommitte and by the full committee. It is my recollection it was reported unanimously. There is no phase of the situation, which I know of, which was not gone into very carefully and fully by the subcommittee. As has been explained by the gentleman from Texas [Mr. BECKWORTH], and his explanation has certainly been full and complete, this bill comes before you because of the necessity for increased air facilities in the National Capital. As he said, the Capital City now stands third among the airports of the country in the volume of business and traffic it handles. In determining the necessity for an additional airport in the vicinity of Washington, the Civil Aeronautics Association made two careful studies or checks, and they came to the conclusion that by 1955, at the latest, and maybe a much shorter time, conditions would be such that it would be impossible to carry on the aircraft traffic in and out of the city of Washington without new and additional facilities. The location of a site for these new facilities was given very careful consideration by the committee. It explored the possibility of the use of military airfields now in existence in this vicinity.

It was only after the most careful consideration that the committee came to the conclusion that it would be necessary to have another national airport in this locality. I think we must look at the question not merely from the standpoint of an airport with no different elements than those which would be taken into consideration if it were intended to locate an airport elsewhere in this country; this is not only the National Capital of our own country, but it has been well spoken of as the capital of the world. The traffic coming into this city is tremendous; it has already reached the saturation point. I would not want to have it upon my conscience not to make provision at this time for increasing the air facilities of this city, for I would be fearful that if there were neglect in that respect we might have those catastrophes as a result of our failure that would bring a feeling of shame and regret to us, as we now have the opportunity to increase the facilities.

The new airport would be built under the direction of the Secretary of Commerce. Under the provisions of the bill he has the power to delegate that authority to the CAA, which he undoubtedly would do. The Department of Commerce and the Civil Aeronautics Administration have given the administration of this new airport very careful consideration. They are of the opinion, perhaps some may think it optimistic, but certainly it seemed realistic by the committee from the testimony that was given to it setting forth how the use of this airport could be so administered that it would carry its own expense within a very short time after it went into operation. It is recognized by the committee that the thought of Congress at this time would be not to go to any unnecessary expenditure of Government funds because of the great additional expense that has come upon us as a result of the Korean war. In this connection careful consideration was given by the committee and evidence was presented that leaves no doubt that while initially this may be considered a commercial airport, yet it would be adaptable to military use and in the event of war would undoubtedly be used in the war effort; and we were definitely informed that there were certain contingencies that could happen that would make it very helpful in the defense of this city of Washington.

So far as I know there was no disapproval of this legislation upon the part of your Committee on Interstate and Foreign Commerce. It is true, however, there was some consideration given at the suggestion of the city authorities of Baltimore as to whether the airport at Friendship could be used in place of a new airport in the vicinity of Washington, but after a most careful consideration, and I will say a very sympathetic consideration, we came to the conclusion that it would not meet the requirements that seem to be necessary to be provided at this time.

So, Mr. Chairman, I ask the membership of this House, recognizing the great amount of study that has gone into this matter and the effort that has been made by the committee to be well informed on the subject, and only came to a decision when it was really satisfied that it was necessary, that the House give this bill its support.

The committee report sets forth in detail the reasons that justify the enactment of this legislation. From the report it will be seen that the need for the proposed airport is shown by the fact that all carriers serving Washington now operate into and out of one airport, the Washington National Airport. Plans for that airport were made in 1938 and construction begun in 1939. It was completed and opened to traffic in June 1941. At the time Washington National Airport was conceived, it was anticipated that the airport would be able to meet the needs of the Washington metropolitan area for air traffic for many years. However, two factors have operated to affect the ability of Washington National Airport to meet the air traffic needs of the Washington metropolitan area, with the net result that as of today, the airport is saturated, and is unable to accommodate additional increases in air traffic. One of the major factors preventing any increase in the capacity of the airport is its physical location. It is situated immediately opposite Bolling and Anacostia Airports. At the time this site was selected for Washington National Airport, the speeds of aircraft were slow in comparison to those in use today. Consequently, the relatively close proximity of the three airports did not at that time create the problems of congestion which now exist. Secondly, at the time the site was selected, Bolling and Anacostia Airports were used by the Military Establishment primarily for flights to and from headquarters in Washington. No training was conducted from such airports, and there were no operational units based on such airports. This is no longer true, and in part the increased congestion in the area is the result of the increased utilization of Bolling and Anacostia Airports by the Armed Forces. The net effect of these conditions is to make it virtually impossible to increase the capacity of the Washington National Airport.

In the calendar year 1949 Washington National Airport handled a total of 173,057 aircraft movements. In fact, Washington National Airport was the third ranking airport in the country in total numbers of aircraft movements resulting from scheduled air-carrier operations, being exceeded only by the Chicago Municipal Airport and LaGuardia Airport in New York. This volume of traffic is at or near the maximum capacity of the airport. Therefore, any increases in the needs of air traffic in the Washington metropolitan area cannot be met by the present airport.

To obtain some idea of the airport facilities which will be required in 1955 to handle the passengers, air mail, and cargo estimated for that years, it is necessary to translate the figures for various classes of traffic into numbers of aircraft movements. In the past 6 years, aircraft movements have increased almost in direct proportion to the increase in the number of passengers enplaned and deplaned at the Washington National Airport. On the basis of this past record, it is reasonable to assume that the number of aircraft movements which will be required to handle the traffic estimated for Washington, D. C., in 1955 will be 60 percent greater than the number of aircraft movements required to handle all classes of air traffic generated by Washington, D. C., in 1948.

The CAA is of the opinion that by 1955 there will be an increase in the total number of aircraft movements of between 40 and 60 percent, dependent upon whether traffic development in Washington follows the national average or follows its own past history. In our opinion the latter is more likely. This increase will require that there be in the Washington metropolitan area by 1955 airport facilities capable of handling an increase of somewhere between 60,000 and 100,000 aircraft movements per annum over that which existed in the calendar year 1948. This represents a major increase in aircraft movements. It cannot be handled by Washington National Airport, which is already operating at capacity. To provide the airport facilities for this traffic, an additional terminal airport is required.

I hope that the House will give its approval to this important and necessary legislation.

Mr. BECKWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I do not expect to oppose this bill because I am rather inclined to think from what I have heard about it that it is desirable and perhaps necessary to avoid some disasters or accidents.

I want to bring one matter to the attention of the House, and I am going to offer an amendment to take care of it, and I appeal to the Members of the House because the same thing may happen to you: It is an open secret that what the authorities propose doing is to put this airport somewhere out in Virginia within the metropolitan area. That is a thickly settled area. Many people from Washington and elsewhere have gone there and built their homes—invested everything they had in their homes there. If you plop a big airport down at a man's front door, you immediately destroy the value of his home.

We took this matter up with the Committee on Interstate and Foreign Commerce, but the committee failed to include the desired amendment. The chairman of the Board of Supervisors of Fairfax County came before that committee and told them just what the situation was and that we did not feel that a big airport like that ought to be put in a heavily settled area without consulting the authorities of the locality involved. But the committee reported the bill and that consideration was denied to the authorities of the county where it was proposed to put this airport. I say it is not fair and it is not right. I think the House ought in the interest of protecting local self-government to adopt an amendment, which I shall offer, providing that the authority must consult with the authorities of the local community before they place this great airport there that will destroy the value of many people's homes and all that they have.

Mr. Chairman, I yield back the balance of my time.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, I want to thank my very good and able friend for giving me this opportunity to talk momentarily on appointees to the Naval Academy. You all understand that we were permitted to have five appointees in the Naval Academy at one time. Recently we received official notification that we would only have four appointees in the Academy at any one time.

I have been very much interested in this matter and today I am advised by the Bureau of Naval Personnel that the number of appointments to the Academy has been restored to its former level. I know that all Members will be anxious to receive that information. You will be duly notified officially by the Bureau of Naval Personnel of the restoration of the ruling that permits having five appointees for each Member in the Academy at one time.

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Kentucky.

Mr. MORTON. Why does not the Navy increase the opportunity for young enlisted men in the fleet to go to the Academy rather than giving those appointments back to us?

Mr. GAVIN. If the gentleman has an interested enlisted man in the fleet who desires an appointment and if he has an opportunity to make the appointment he may do so if he so desires. I cannot answer the gentleman's question as to why the Bureau of Naval Personnel does not have more fleet appointments. However, I believe there are a number of appointments from the fleet along with the congressional appointments.

Mr. MORTON. There are. Also it would be a great source of morale building in the fleet if there was more opportunity for worthy young men in the fleet to go to the Academy.

Mr. GAVIN. I think the gentleman's point is well taken. I presume most of his appointments will come now from those who are already in the service.

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. FALLON.]

Mr. FALLON. Mr. Chairman, I would like to call the attention of the committee to the fact that the Federal Government has contributed $3,000,000 to the construction of an airport just 20 miles away, together with $12,000,000 appropriated by the city of Baltimore. This airport that has been built just 20 miles from the city of Washintgon is located on a highway coming into Washington, a distance of about 25 miles. It will be an up-to-date, safe, high-speed highway. It is estimated that from the airport to the center of Washington will take about 30 minutes.

This airport is one of the safest, one of the most up-to-date airports that has been constructed for commercial use in this country. It has a 200-foot runway 9,500 feet long, which will accommodate the heaviest and most modern airplanes that are now being constructed or even on the drawing boards.

The Federal Government is now being asked to construct another airport about the same distance from the city of Washington and pay for it in its entirety. What we might run into is the Federal Government with money appropriated having an airport doing from 30 to 40 percent of its maximum load on one side of the Washington Airport and another federally constructed airport on the other side that perhaps will not reach 50 percent of its maximum. So that we are going into dual facilities and spending twice the amount of money that is absolutely necessary.

Mr. GROSS. The gentleman is making a very interesting statement. That will be accessible to this new express highway that is to be built out to the military reservation?

Mr. FALLON. This spur is being constructed now into the airport and will be finished in October.

Mr. GROSS. How far is it from old Highway No. 1?

Mr. FALLON. It is several miles from old No. 1. This is a situation where the Government is paying for dual facilities when one could do the job.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Has the gentleman's proposal been considered by the Committee on Interstate and Foreign Commerce?

Mr. FALLON. I am told it has been considered thoroughly. I do not know whether it has or not.

Mr. H. CARL ANDERSEN. It seems to me there is much merit in what the gentleman has said. Certainly if we can accomplish the end by using the gentleman's facility I would like to see that done.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, it is with a good deal of reluctance that I rise to express opposition to this proposal. I am not accustomed to being in conflict with the leadership of my own committee on either side. I generally find it possible to agree with them on matters of major legislation such as this is.

Mr. Chairman, this legislation was considered by a subcommittee on transportation of the Committee on Interstate and Foreign Commerce and there were rather extensive hearings.

I participated in a number of those hearings, not as a member of the subcommittee, but as an auditor. In addition I had the benefit of a survey of the various sites which are possible for the proposed airport. My participation in the hearings in the survey has left me in the position of not being convinced. There are strong reasons, perhaps, for this airport, but there are reasons of even greater magnitude for not doing it at this time.

I would like to recount just briefly what those reasons in opposition are. One has already been alluded to by the gentleman from Maryland [Mr. FALLON]. The State of Maryland, with some Federal assistance and from the city of Baltimore, has just completed a new $15,000,000 airport which is within and will be, when the new road is constructed for which provision has been made, within easy driving range of the city of Washington. It will be and is now one of the most modern airports in the world and is capable of handling an enormous amount of traffic. It thus seems to me that the gentleman from Maryland has made a very good point in saying that the erection of a new airport in the immediate vicinity of Washington, although not in the District of Columbia, is surely a duplication of facilities for which the need so far has not been proven.

Now, one of the rather controversial and perhaps highly technical aspects of this problem is presented by the relationship between the military airports in this area and the Washington National Airport. It is true, according to the testimony, that only a very small portion of the military air traffic goes out of the Washington National Airport.

But those of you who know, and most of you do, the geography of Washington, realize that right across the Potomac River from the Washington National Airport are two airports, one used by the Army and one by the Navy, Anacostia and Bolling Field, separated from National Airport only by a narrow strip of water.

Unfortunately, the hearings on this bill are not available for our perusal, but as I recall the testimony on that point it was said that if the military operations on those two airports in bad weather could be eliminated, that would increase enormously the capacity of the Washington National Airport to meet the needs of bad-weather traffic in that port. But because of the proximity of the National Airport to the two military establishments across on the other side of the river, the operations of all three have to be combined with the result that the capacity of the Washington National Airport in bad weather was seriously curtailed. That, Mr. Chairman, is the reason and the whole background of the reason for putting in an additional airport in the Washington vicinity. Not because in good weather there is a shortage of capacity in the National Airport, but because in bad weather the capacity is cut down on account of the proximity of the two military installations.

Not only that, but just out at the edge of the District Andrews Field is in existence, a very fine military airport, and one of the finest military airport installations in the country.

It has seemed to me that undeniably there is a lack of coordination between the various agencies of the Government, the military, the defense agencies, the Civil Aeronautics Administration, and the executive departments in general, with reference to this particular thing.

This is the real crux of this problem: There is a complete lack of coordination between the various agencies of the Government who desire air facilities in the immediate vicinity of Washington. Instead of these executive agencies coordinating their efforts and trying to resolve their difficulties, they have come to Congress now with a demand for another and additional airport in this immediate vicinity.

In my honest opinion, they have not proved the necessity for this additional facility in the immediately surrounding area. Especially is this true in view of what has already been so well emphasized by the gentleman from Maryland [Mr. FALLON]. The Friendship Airport within the immediate future will be readily accessible to Washington. It is even within the range of probability that all the foreign traffic coming into the Washington vicinity will be handled at the Friendship Airport.

I hope that other Members will join me in voting against the bill.

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I know the Committee on Armed Services, when it passed the Career Compensation Act of 1949, did not wish to debar the disabled men in hospitals from securing their mustering-out pay. I have been working for some weeks at the request of various disabled veterans with the War Department and with the Air and Navy Departments, to see if some regulations could not be issued that will allow the men their mustering-out pay. The War Department decided it could be adjusted by regulation. The Air Force and Navy decided against it. So, today at their request, I have introduced a bill to provide certain enlisted men shall not be denied mustering-out pay. The bill is as follows:

That notwithstanding any other provision of law and notwithstanding the expiration of the Mustering-out Payment Act of 1944, no enlisted man of any of the uniformed services shall be denied mustering-out pay in such amount as he would otherwise be entitled but for the provisions of the Career Compensation Act of 1949: *Provided*, That such enlisted man served for a period of not less than 90 days as an enlisted man in any of the uniformed services on or after December 7, 1944, and before January 1, 1946. No enlisted man of any of the uniformed services retired for physical disability shall be denied mustering-out pay, if such enlisted man served for a period of not less than 90 days during such period.

Mr. Chairman, these men who have suffered so much and who have devoted so much of their time to the cause of peace should be given their mustering-out pay. The Armed Services Committee may not adopt my bill but they will pass some measure for the protection of these men I am sure. It worked a great hardship upon the enlisted disabled already retired who have lost their mustering-out pay and this must be rectified immediately.

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I rise in support of this legislation. Regardless of how we might feel about trying to provide something here or there to take care of the general public, the fact remains that the Washington area, in order to take care of commercial air traffic, must have some other place to go. I am somewhat surprised to see my distinguished and beloved friend and colleague on the committee tell you that he is not convinced there has been sufficient testimony before the committee to show there is a need. The fact remains that the facilities in the Washington National Airport are strained beyond their capacity today.

When you look at the traffic which came in and out of this airport in 1949, you will find there is no more facility, and no more aircraft can get in and out today than at that time. We know what happened. After two tragic experiences at this airport in the last year, I myself, and some other Members I know, have stayed up over this airport for as long as 1 hour and 40 minutes trying to get in. The record reveals that there are over 2,500 aircraft that have been held up in the air while they were trying to get in, because there were no facilities to land them.

You talk about the two airports across the river. Even if the Army and Navy moved out altogether, there would be no greater facilities to bring the airplanes in. Therefore, that would not take care of any additional aircraft.

This is for the purpose of taking care of the additional and necessary air traffic in the city of Washington. This is the third largest and busiest airport in the United States. New York found it necessary to build a series of airports to take care of the tremendous air traffic they have. Chicago found it necessary to do something to take care of the air traffic going into that city; and they have a much larger airport than this one. But this airport takes care of as many aircraft each day as the large airport in Chicago.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. McSWEENEY. In the Committee on Rules when this was being discussed, there was some intimation that President Roosevelt and the others who selected this site had not used sufficient foresight to anticipate conditions 15 or 20 years from that time.

Mr. HARRIS. I will go into that, if time permits, may I say to the gentleman. The gentleman is correct.

Mr. McSWEENEY. Does not the gentleman feel that that is unjust to our former President, because even today we may not be planning well enough so as to take care of whatever the situation may be in 15 or 20 years.

Mr. HARRIS. That is correct. No one can contemplate what is going to happen in 10 or 15 or 20 years from now. In 1938 when this airport was established here, we had no idea of the tremendous need that has developed during the last 10 years.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WOLVERTON. Mr. Chairman, I yield one additional minute to the gentleman.

Mr. HARRIS. Furthermore, the Anacostia airport for the Navy and Bolling Field were placed there not for training purposes, but those two airports were used for administrative necessities in connection with our armed services. Consequently you could not expect the conditions to develop which have developed today. The Friendship Airport is a good airport, and it is going to be utilized I am sure to the full extent, but Baltimore is going to use that airport. I will say to the gentleman from Maryland in time you will find that the Baltimore airport will be filled up and there will be no chance or facility to take care of additional traffic coming into the city of Washington.

I am not in favor of spending money. I am not for spending money any more than the rest of you are. But I will say to my friends on the committee, I believe if we do not do something to relieve the congestion at the Washington National Airport, you are going to find one of the most difficult situations that you have ever seen in connection with commercial air traffic right here in your own city of Washington.

Mr. BECKWORTH. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. GARMATZ].

Mr. GARMATZ. Mr. Chairman, no one can argue the need for additional facilities to relieve the traffic congestion and hazards now existing at the Washington National Airport. However, I do not believe that the construction of an additional airport in the Washington area would relieve the traffic hazard, nor the congestion, as too many airports located in one area would make the air lanes more congested and more dangerous.

Before the sum of $14,000,000 requested in S. 456 is appropriated by Congress, I would strongly urge that the facilities at the new Friendship International Airport be utilized.

With the present need for elimination of all unnecessary expenditures, is it fair to the taxpayers to impose this additional burden on them for the Washington traffic, when the Government has already invested about $3,000,000 in the Friendship Airport? This investment in that airport can only be justified on the use of it as a regional facility. Furthermore, the $14,000,000 would, in all probability, cover only the purchase of the property and some leveling of the site to make it suitable for airport purposes.

Federal expenditures to date for the 685-acre Washington National Airport are $25,000,000. Therefore, the request for $14,000,000 for the proposed new airport, to comprise approximately 2,400 acres, will hardly be more than the beginning of a tremendously large outlay.

In testifying before the Interstate and Foreign Commerce Committee on this airport as late as June 30, 1950, the spokesman for the Department of Defense stated:

> The Department contemplates no foreseeable military requirement for the utilization of the proposed new public airport. It is conceivable, however, that a future national emergency may require utilization of the airport by military aircraft operating in the interest of the national security. In view of this defense value in time of emergency, the Department of Defense recommends that the land acquisition and planning for the layout of the airfield facilities and the airport be such that it can readily be expanded in accordance with military standards and criteria.

A considerable length of time would be required for the construction of the airport to permit its use for defense or security purposes. Friendship Airport was planned and constructed to serve not only the growing Baltimore air traffic, but the overflow from the Washington National Airport as well. It has been estimated that Friendship, with the present National Airport, will be adequate to serve the needs of the capital area for at least 10 years. Should defense needs require additional facilities, Friendship would provide that need, having been so constructed that it can be increased quickly to two to three times its present capacity at a cost of only 5 or 6 million dollars.

Furthermore, the physical location and the equipment at Friendship offer efficient and safe handling of aircraft during inclement weather conditions. The site was chosen because, from a meteorological standpoint, it is the best in the entire area. And with the completion of the Baltimore-Washington Expressway, already authorized by Congress, rapid transportation to Washington will be provided.

Therefore, I urge the Members to oppose S. 456 as the outlay of money for the additional airport is entirely unnecessary at this time.

Mr. WOLVERTON. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I have listened with a great deal of interest to the questions that have been propounded, during the debate. I do not recognize a single question that has not been considered in the committee before it reported the bill favorably. Let me say that there was no one, not even the distinguished gentlemen from the State of Maryland who have spoken, who was more interested in exploring the possibilities of the use of the Baltimore-Friendship Airport than myself. It was only after a great deal of thought and study and effort upon my part that I finally relinquished the idea and came to the conclusion that it would not take care of the need in the broad sense, from the standpoint of the present and future need, that seemed necessary to be done in the way of planning for additional air facilities for the future in this immediate vicinity——

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. HARRIS. Is it not a fact that everyone who has given the matter consideration has come to the conclusion that something must be done to relieve the air traffic congestion in the Washington National Airport including the gentleman from Maryland who is interested in the Friendship Airport?

Mr. WOLVERTON. I do not want to obligate anybody from Maryland to agreeing with what the committee did; it might not be just the thing to expect of them.

Mr. HARRIS. I am talking about the need for additional facilities to serve the general area.

Mr. WOLVERTON. If that is the gentleman's question, then I can say that everybody, including the gentlemen from Maryland, recognizes the need. The only question was how the need was to be met, and it seemed to me that every consideration was given to the use of the Friendship Airport. There was a great deal of sympathy and interest in Friendship Airport on the part of some of us as individuals. But unfortunately when all the chips were down and all the information was in, it was impossible for the committee to agree that the location of the Friendship site would meet the need which we recognized had to be met.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. FALLON. Mention was made, I believe, by the gentleman from New York, with regard to what he called Maryland fog. I want the record to be clear that after a 20-year meteorological study of the Friendship site it has been considered the best in the entire area.

Mr. WOLVERTON. It is one of the finest airports I have ever seen. I participated in its opening just a month or two ago.

Mr. BECKWORTH. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, in conclusion let me say in regard to the Friendship Airport that Washington city traffic itself would practically exclude its use in the rush-hour period, around 8:30 in the morning and 4:30 in the afternoon. Imagine the time it would take to get across the city to and from the airport. Anyone who understands the perplexing traffic situation of Washington, I think, would be able to understand that it would probably amount finally to slowing down in a very costly way the flying in this entire area and also cost many citizens much time whose time is not at all plentiful, time they badly need.

The committee did consider in a very sincere and careful way the use of the Friendship Airport. It was the overwhelming opinion of the majority finally that it is not the solution to the airport problem in the District of Columbia area.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Administrator of Civil Aeronautics (hereinafter referred to as the "Administrator") is hereby authorized and directed to construct, protect, operate, improve, and maintain within or in the vicinity of the District of Columbia, a public airport (including all buildings and other structures necessary or desirable therefor).

SEC. 2. For the purpose of carrying out this act, the Administrator is authorized to acquire, by purchase, lease, condemnation, or otherwise (including transfer with or without compensation from Federal agencies or the District of Columbia, or any State or political subdivision thereof), such lands and interests in lands and appurtenances thereto, including aviation easements or airspace rights, as may be necessary or desirable for the construction, maintenance, improvement, operation, and protection of the airport: *Provided*, That before making commitments for the acquisition of land, or the transfer of any lands, the Administrator shall consult and advise with the National Capital Park and Planning Commission as to the conformity of the proposed location with the Commission's comprehensive plan for the National Capital and its environs, and said Commission shall, upon request, submit a report and recommendations thereon within 30 days.

SEC. 3. For the purposes of this act, the Administrator is empowered to acquire, by purchase, lease, condemnation, or otherwise (including transfer with or without compensation from Federal agencies or the District of Columbia, or any State or political subdivision thereof), rights-of-way or easements for roads, trails, pipelines, power lines, railroad spurs, and other similar facilities necessary or desirable for the contruction or proper operation of the airport.

The Administrator is authorized to construct any streets, highways, or roadways

(including bridges) as may be necessary to provide access to the airport from existing streets, highways, or roadways. Upon completion of construction of any street, highway, or roadway within the District of Columbia, such street, highway, or roadway shall be transferred to the District of Columbia without charge, and thereafter shall be maintained by the District of Columbia. Upon construction of any street, highway, or roadway within a State or political subdivision thereof, such street, highway, or roadway may be transferred to such State or political subdivision thereof, without charge, on the condition that such street, highway, or roadway thereafter be maintained as a public street, highway, or roadway by such State or political subdivision thereof.

SEC. 4. The Administrator shall have control over and responsibility for the care, operation, maintenance, improvement, and protection of the airport, together with the power to make and amend such rules and regulations as he may deem necessary to the proper exercise thereof: *Provided*, That the authority herein contained may be delegated by the Administrator to such official or officials of the Civil Aeronautics Administration as the Administrator may designate.

SEC. 5. The Administrator is empowered to lease under such conditions as he may deem proper and for such periods as may be desirable space or property within or upon the airport for purposes essential or appropriate to the operation of the airport: *Provided*, That no lease for the use of any hangar or space therein shall extend for a period exceeding 3 years.

SEC. 6. The Administrator is authorized to contract with any person for the furnishing of supplies or performance of services at or upon the airport necessary or desirable for the proper operation of the airport, including but not limited to, contracts for furnishing food and lodging, sale of aviation fuels, furnishing of aircraft repairs and other aeronautical services, and such other services and supplies as may be necessary or desirable for the traveling public. No such contract, not including contracts involving the construction of permanent buildings or facilities, shall extend for a period of longer than 5 years, except the restaurant. The provisions of section 3709 of the Revised Statutes shall not apply to contracts authorized under this section, to leases authorized under section 5 hereof, or to contracts for architectural or engineering services necessary for the design and planning of the airport.

SEC. 7. Any executive department, independent establishment, or agency of the Federal Government or the District of Columbia, for the purposes of carrying out this act, is authorized to transfer to the Administrator, without compensation, upon his request, any lands, interests in lands (including avigation easements or air-space rights), buildings, property, or equipment under its control and in excess of its own requirements, which the Administrator may consider necessary or desirable for the construction, care, operation, maintenance, improvement, or protection of the airport.

SEC. 8. (a) The Administrator, and any Civil Aeronautics Administration employee appointed to protect life and property on the airport, when designated by the Administrator is hereby authorized and empowered (1) to arrest under a warrant within the limits of the airport any person accused of having committed within the boundaries of the airport any offense against the laws of the United States, or against any rule or regulation prescribed pursuant to this act; (2) to arrest without warrant any person committing any such offense within the limits of the airport, in his presence; or (3) to arrest without warrant within the limits of the airport any person whom he has reasonable grounds to believe has committed a felony within the limits of the airport.

(b) Any individual having the power of arrest as provided in subsection (a) of this section may carry firearms or other weapons as the Administrator may direct or by regulation may prescribe.

(c) The United States Park Police may, at the request of the Administrator, be assigned by the Director of the National Park Service, in his discretion, subject to the supervision and direction of the Secretary of the Interior, to patrol any area of the airport, and any members of the United States Park Police so assigned are hereby authorized and empowered to make arrests within the limits of the airport for the same offenses, and in the same manner and circumstances, as is provided in this section with respect to employees designated by the Administrator.

(d) The officer on duty in command of those employees designated by the Administrator as provided in subsection (a) of this section may accept deposit of collateral from any person charged with the violation of any rule or regulation prescribed under this act, for appearance in court or before the appropriate United States Commissioner; and such collateral shall be deposited with such United States Commissioner.

SEC. 9. The Administrator may enter into agreements with the State, or any political subdivision thereof, in which the airport or any portion thereof is situated, for such State or municipal services as the Administrator shall deem necessary to the proper and efficient operation and protection of the airport, and he may, from time to time, agree to modifications in any such agreement: *Provided, however*, That where the charge for any such service is established by the laws of the State, the Administrator may not pay for such service in excess of the charge so established.

SEC. 10. Any person who knowingly and willfully violates any rule, regulation, or order issued by the Administrator under this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $500 or to imprisonment not exceeding 6 months, or to both such fine and imprisonment.

SEC. 11. Unless the context otherwise requires, the definitions of the words and phrases used in this act shall be the definitions assigned to such words and phrases by the Civil Aeronautics Act of 1938, as amended.

SEC. 12. There is hereby authorized to be appropriated the sum of $14,000,000 for the purpose of carrying out the provisions of this act, said appropriation to remain available until expended. There are hereby authorized to be appropriated from year to year such sums as may be necessary for the proper development, improvement, maintenance, protection, control, and operation of said airport or as may be otherwise necessary to carry out the purposes of this act.

With the following committee amendments:

Page 1, lines 3 and 4, strike out "Administrator of Civil Aeronautics (hereinafter referred to as the 'Administrator')" and insert in lieu "Secretary of Commerce (hereinafter referred to as the 'Secretary')".

Strike out "Administrator" wherever the word appears in the bill and insert in lieu "Secretary".

Page 3, lines 20 and 21, strike out "Civil Aeronautics Administration" and insert in lieu "Department of Commerce".

Page 5, lines 6 and 7, strike out "Civil Aeronautics Administration" and insert in lieu "Department of Commerce".

Page 5, line 25, and page 6, lines 1 and 2, strike out "Director of the National Park Service, in his discretion, subject to the supervision and direction of the Secretary of the Interior", and insert in lieu thereof "Secretary of the Interior, in his discretion".

The committee amendments were agreed to.

Mr. HESELTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not a member of the subcommittee handling this particular bill but I did have the privilege of going with the committee on an aerial survey and have had quite an extensive briefing on the necessity for this legislation from a number of points of view. In the terms of what has been said here this afternoon with reference to utilization of the Friendship Airport, I want to say that I know something about the potential development of that excellent airport although I have not been there personally.

I have a transcript in which is contained some vital testimony I think will interest all of you and I hope may be helpful to you in arriving at a decision. This is the testimony of Brig. Gen. Martin W. Arnold, vice president in charge of operations and engineering, Air Transport Association of America. As you know, he is a graduate of West Point, served 16 years in the United States Air Force, being engaged in both combat and transport in World War II and occupying his present position since January 1946. If anyone is qualified to advise us upon this matter, I think you will agree that he is.

He discussed specifically and definitely the possibility of using Friendship Airport rather than creating this new airport. There are certain points he made that are not only significant but, I believe, are absolutely convincing.

He said:

It is true it is possible to operate shuttle flights between Friendship and Washington; however, it is obvious that such fights will not relieve the traffic burden on Washington National. As a matter of fact, they will aggravate that condition.

I repeat for emphasis, "they will aggravate that condition."

Let me give you this testimony from him. After discussing the actual studies made at the National Airport as to flight conditions, he told the subcommittee:

I believe it is safe to say that Washington National Airport is now operating at its peak capacity.

He went on to say:

Moreover, as air traffic continues to grow, whatever improvements have been made will inevitably be more than counterbalanced by this increase. Despite all of the Government's and industry's efforts, Washington is still the major bottleneck of the 26 major air traffic centers in the United States. In my opinion, it is destined to become a more serious bottleneck unless we act quickly to provide an additional airport. I am informed that Washington National itself cannot be expanded because further construction would encroach on the channels of the Potomac River. This prevents the installation of addition runways, and it limits the amount of gate space and aircraft parking space which can be provided. An additional airport is the only answer to this situation.

Later General Arnold pointed out that within these limitations, National just cannot now or ever provide the runways essential to accommodate aircraft of the future including larger and heavier transports and jet transports, which

Great Britain and Canada already have in existence.

Further, he pointed out the experience in New York which indicated they could not possibly handle this problem through Friendship. Then in connection with questioning by the committee he pointed out that the situation involved the problem of national security and said:

Finally, from a national security point of view, I believe that the additional airport for Washington must be closer to the Washington metropolitan area than is Friendship Church. During the last war the commercial carriers and the military transport services used Washington National, Andrews Field and Bolling Field Air Force bases, and the Naval Air Station at Anacostia. These fields were completely saturated with traffic, and, as a matter of fact, traffic was so heavy that the efficiency of the operation nowhere approached that required by the military services and the commercial carriers.

Let me point out to my friends from Maryland, whose fine airport is now in operation, that Maryland taxpayers contributed heavily to its construction and that it is fair and just that the Baltimore area should receive priority in the use of their airport. It may seem wise to urge defeat of this measure today with the thought that thereby Friendship's activity may be increased. But it should be remembered that in 5 years it is expected that Friendship will reach its full use. And, if it has then to cancel its legitimate local use to accommodate Washington's excess, it may not be so happy a long-range solution.

General Arnold also urged that consideration of the fact that while Friendship could be used and probably will be used for the period of the next 5 years to accommodate Washington's excess traffic, at that time it was estimated that Friendship itself would have so much traffic that it could not possibly be used as an alternate airport. Consequently we are confronted with the simple proposition, as I see it, that if we do not have an adequate facility here in metropolitan Washington, we will not have one in 1955 in Maryland and the only alternative is either to provide for adequate space somewhere close to metropolitan Washington from both a commercial point of view and from a national security point of view or else take our chances in terms of what may happen. For my part I prefer to follow the advice of a gentleman who is qualified, as the general is, and the judgment of the members of the subcommittee which heard this testimony and, as I understand, reported this bill unanimously to us.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from New York.

Mr. KEATING. I think the gentleman's statement here has been very helpful. However, it bothers me, in view of the statement in the report that it is proposed by the CAA to locate this new airport within approximately 25 minutes ground transportation time of downtown Washington. As I understand, the Friendship Airport itself is about 30 minutes from downtown Washington.

Mr. HESELTON. I do not so understand, because you have to come into Washington from the east and travel clear through the congested area. I think General Arnold told the subcommittee that it was estimated after, and I repeat "after" the completion of the construction of the contemplated express highway, the time required for express ground transportation would be between 55 minutes and 1 hour and 5 minutes.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Texas.

Mr. BECKWORTH. Naturally, when people are undertaking to make a favorable picture with reference to time or distance, there is a variance between the given estimates of time and space, and so forth. But the CAA has some direct testimony on that. I want to read just a very brief statement that bears on how many minutes it takes to get from the Friendship Airport to the other. It says:

The CAA has made extensive studies of the ground transportation involved between the center of the metropolitan district of Washington and the two airports in question. Copies of these studies are attached for the committee's information. The significant fact is that the average elapsed ground transportation time to Washington National Airport is 13.7 minutes while the average elapsed time to Friendship Church Airport is 56 minutes.

That is the official statement of the CAA.

Mr. HESELTON. And General Arnold reports an estimate of 55 minutes to an hour and 5 minutes.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Maryland.

Mr. FALLON. I think the time is under the old facility. The estimated time under the new facility will be less than 30 minutes.

Mr. BECKWORTH. I would doubt very seriously that this 56 minutes would refer to a congested period such as we all know takes place in Washington from about 8 or 9 oclock each morning and from about 3:30 to 5 each afternoon, and that is the kind of a situation that the committee certainly should keep in mind as it considers this type of legislation.

Mr. KEATING. When the gentleman from Texas mentions 13 and a fraction minutes, am I to understand that they have already selected a specific site?

Mr. BECKWORTH. No. Thirteen minutes refers to the National Airport from downtown Washington.

Mr. KEATING. Has the proposed airport envisioned in this legislation been selected, that is, the site?

Mr. BECKWORTH. It has not, so far as I know.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know how long it is going to take to get to Washington from the new airport here proposed?

Mr. BECKWORTH. No one knows because the site has not been selected. It is hoped to be much shorter than 56 minutes.

Mr. HESELTON. I am confident all of us realize the necessity of approaching this problem from a reasonable point of view. I had the privilege of flying over the whole area and seeing the possible sites. All of us recognize what would be involved in describing exactly those sites. But, without revealing that information publicly, and I am sure the members of the committee would feel free to discuss it privately with any of our colleagues, I think I should say that any potential site meets the criteria set by those who have studied this matter carefully and conscientiously for many months. No one admires more than I do the forthright efforts made by some of our colleagues to place first things first and to postpone anything which is not a matter of urgent necessity in these days which lie ahead of us. Even before Korea they and I and a majority in this House sought as best we could to resist the demands of those who think of the Federal Treasury as an inexhaustible source of more and better raids for any and every glittering program irrespective of its merits.

But here we have a great metropolitan area served by one airport, with its facilities reaching the saturation point, with every indication that it will get out of hand in a few short years unless we face the facts and act realistically. The CAA says, and it is in the committee report, that if it could start in 1950 it could not complete this airport until 1954. Clearly it cannot start in 1950. That brings any such airport in reality not before 1955. By that date everyone who knows anything about this problem and who has studied it says both National and Friendship will be saturated.

Let me conclude by again quoting General Arnold. He said:

As I have stated above, in the event of another world conflict, additional facilities will be sorely needed, and it seems clear they must be so located as to be readily accessible in ground time from downtown Washington.

In recent weeks we have all heard the counsel of false prophets in high places. I do not urge that this is a matter of the utmost military urgency. But I do urge that we give serious consideration to the advice of a man who knows the needs of effective air transportation in both peace and war. Tomorrow we will have an appropriation bill filled with nonessential dollars. In this case I hope Congress will not deny the authorization to get on with the development of the facts for presentation to our Appropriations Committee.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: Page 2, line 16, strike out the period and insert a semicolon and add the following: "*And provided further*, That the choice of site by the Secretary shall be made only after consultation with the governing body in the county in which the airport is to be located and with respect to the suitability of the site to be selected, and the possible impact on the vicinity."

Mr. SMITH of Virginia. Mr. Chairman, this is the amendment that I discussed in the consideration of the rule, and I have since discussed it with the members of the committee. I hope it is adopted.

Mr. BECKWORTH. Mr. Chairman, the committee will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The amendment was agreed to.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, within the next 2 days this Congress will be asked to pass upon an appropriation of over $50,000,000,000 to pay the costs of operating the Federal Government during the coming year. There will shortly be received from the Senate a tax bill increasing taxes, both individual and corporate taxes to an extent comparable to what existed during the height of World War II; also within the next week there will be reported to this House a conference report on the Defense Production Act which will entail authority to allocate critical materials, control credit, and impose price controls and wage controls on the people of this country. All of these measures recognizing the serious situation in which this country finds itself, graphically demonstrating that we are not living in a time when we can have business as usual and activities as usual and bills as usual in this Congress. It worries me considerably that we should hasten today to authorize the expenditure of $14,000,000 more for a new airport for the District of Columbia.

I do not question the fact that the facilities to accommodate air travel into the District of Columbia will eventually have to be expanded. If these were normal times I would approve of providing these expanded facilities now.

But the question I would ask today is: Is it necessary right now in view of the tremendous strain that is going to be put on the fiscal operations of this Government, and also at a time when the needs for materials are going to be under such terrific pressure? I just wonder whether it would not be much more sane for us to say, "Well, at least until the present situation adjusts itself and we know what the future has in store for us, let us wait; when that future is bright enough to permit business as usual, then bring up this matter for further consideration."

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. H. CARL ANDERSEN. I wish to compliment the gentleman from Wisconsin on his cold and realistic analysis of the situation we are now facing. It was only a few months ago that we first noticed anything in the press about this great need for another airport. Certainly it would do no harm to recommit this bill and let it go over for further study until approximately next January or February when we can know whether or not it is absolutely necessary.

As the gentleman says, we are in a critical situation here in regard to our financial condition.

Mr. BYRNES of Wisconsin. I appreciate the gentleman's kind words, but I do not want him to take all of my time.

Mr. Chairman, I notice that this bill was just reported out of the committee, if I understand correctly, on August 7. By the way, there have been no hearings printed. Why do we have to rush this thing? It would seem to me that in times like these we might take matters like this just a little slower and more cautiously.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. BECKWORTH. Let us assume that back in 1938 or 1939 when there was talk about saving money, that we had not undertaken to build a national airport.

Mr. BYRNES of Wisconsin. But the gentleman has not tied this up with the national defense. The gentleman, when he was speaking on his own time, admitted that there was no direct connection.

Mr. BECKWORTH. Assume that we had not built the National Airport. When the war came on in 1941 we had great use for the National Airport. I know the gentleman would not assume for one moment that the National Airport did not help the war effort, would he?

Mr. BYRNES of Wisconsin. No.

Mr. BECKWORTH. How can the gentleman assume, then, that this airport will not perchance—if we get into serious trouble—help us in the same way?

Mr. BYRNES of Wisconsin. Mr. Chairman, I refuse to yield further. I admire the gentleman and certainly want to get his point of view, but if I understood him correctly, and I have listened to every minute of the debate on this bill, he admitted during the time that he was addressing the Committee that there was no direct connection between this bill and the national defense.

Mr. BECKWORTH. That is right, there is no more connection here than there was a connection between the national airport which we built in 1938 and 1939, and World War II, which connection was quite significant.

Mr. BYRNES of Wisconsin. But the difference today is that we have the national airport and we also have the new International Airport which was completed only a few months ago. The facts brought out by the various gentlemen from Maryland clearly demonstrate that the present needs of this area can be taken care of by these two airports.

I trust, Mr. Chairman, that this bill will be recommitted and that action will be deferred until a more appropriate time.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: On page 1, line 8, after the word "a" and before the word "public", insert "continental class".

Mr. SASSCER. Mr. Chairman, I will not go into the merits or demerits of the bill particularly, other than to attempt to correct one or two things that have arisen. The estimates of time that have been mentioned here are on the basis of the old roads. There is now being built a dual highway—a nonaccess highway to Friendship Airport which is one of the largest international airports in the United States. The amendment I offer presents a very simple issue and permits the House to express its will on the question of whether or not if the airport is to be built, it is to be a duplication of the international type of airport or a continental type of airport. The bill provides for the building of a public airport. The amendment inserts the words "continental class." I understand in the trade the words "continental class" distinguish the airport from the international type of airport. Friendship is of the international type. It has been built at vast expense with State, city, and Federal moneys. This amendment permits the House to definitely classify this airport as to whether it is to be for defense or for nondefense purposes. If it is nondefense legislation, and the matter of safety may be worked out, as was indicated by one of the previous speakers by moving some of the military planes out of Bolling Field and the Naval Air Station, and when we realize also that when it comes to defending the Capital, it will not be the long-range bombers that will be used for defense, but the defense fighters and intercepter planes, and when we realize the fact that the defense fighters and intercepter planes can go to and from a continental type of air field without difficulty, you realize why it is well to settle that question by the adoption of this amendment.

At this hour when Members are constantly coming into the well of the House and saying they are going to defer nonessential and nondefense items, we can, by adopting my amendment, meet the arguments that have been advanced in that respect.

We can save a vast amount of money because the amount of land necessary to purchase the width of the runways and the length of the runways is vastly different between the international type and the continental type of airfield.

I yield to the gentleman from Maryland [Mr. FALLON] briefly.

Mr. FALLON. The gentleman answered the question I was going to ask him as to the difference of cost between the two types of construction.

Mr. SASSCER. It would make a vast difference.

Mr. FALLON. I had one further observation, if the gentleman will permit, with regard to the time element of traveling between the Friendship Airport and the city of Washington. I think the gentleman from Texas had in mind the old road rather than the new road, for when the new highway is constructed it will greatly facilitate travel.

Mr. SASSCER. And in that same connection I call attention to the afternoon traffic going across the bridges into Virginia. If to accommodate my friend from Virginia you locate the airport beyond the metropolitan area think of the difficulty to be encountered in bucking the traffic across the bridges into Washington.

I yield to the gentleman from Arkansas.

Mr. HARRIS. Do I understand the gentleman to tell us that the amendment would restrict the type and class of airport that the CAA could construct to take care of the additional traffic into the metropolitan Washington area?

Mr. SASSCER. That is in substance correct. It would authorize the building of a continental type airport rather than international airport.

Mr. HARRIS. Would the gentleman explain the difference between the continental type and the international type?

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SASSCER. I can cover the subject in one minute without taking three. As I understand, the continental type airport is the type of field adequate for traffic between various cities within the continental limits of the United States. The international type of airport such as the one in Baltimore with is long runways is geared to international traffic.

I think there is probably little justification for the international type airport here. I can readily see in a flight from New York or Pittsburgh to Washington a person might not want to lose the 5- or 10-minute differential between an airport in this area and the one at Friendship; but a person coming from London, Paris, Singapore, or some great distance would find that the added 10 minutes would make relatively no difference.

Mr. HARRIS. Could the gentleman tell the committee what the length of the runways in the airport at Friendship is?

Mr. SASSCER. Yes; I think they are a little under 10,000 feet.

Mr. HARRIS. About 9,000 feet, I understand.

Mr. SASSCER. Yes.

Mr. HARRIS. And the runways here at Washington and in New York are something like seven thousand feet.

Mr. SASSCER. I think that is correct.

Mr. HARRIS. Is it not true that the international airport takes care of the same size and type of traffic that flies in from San Francisco, or continental flights in here coming from London and other places overseas?

Mr. SASSCER. As I understand, the national airport is sort of betwixt and between, that it is probably more adequate for intercity flying, but a little less than good for continental flying.

Mr. HARRIS. But it is a fact that flights from across the water come into the Washington National Airport almost daily. Is not that right?

Mr. SASSCER. That is right.

Mr. HARRIS. It would be necessary for a municipal airport which might be constructed within the area of Friendship Airport to take care of traffic that might come in from overseas as well as traffic that might come from San Francisco.

Mr. SASSCER. I think that is about the limitation. This field is either necessary or not necessary. If it is restricted to international traffic then there is no justification for building a duplication of the international field at Friendship which can be reached in a few minutes longer. Personally I see no justification, with the National Airport adequate for continental flying, for building it. They can move out some of this military air traffic.

Mr. BECKWORTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if we are really trying to solve the problem as far as air transportation is concerned as it relates to the District of Columbia area, I certainly feel the House would be making a great mistake to put a limiting amendment like this into the legislation.

What the gentleman from Maryland has said might be true today but certainly not true tomorrow or 2 years from now, or 3 years hence, or 5 years hence.

Our purpose is to undertake to give some degree of security to aviation in this area as it grows in the future. We all know that it is going to grow rapidly. In my opinion there would be certain conflicts that would occur and probably prove very costly. For example, a company such as American Airlines or TWA which operates both continental and international flights might want to have the headquarters division at a given city in order that it might more economically carry on its operation. It is possible that this kind of amendment would compel them to have a part of their maintenance building, equipment, and crews in one airport area and a part in another, and perhaps to maintain two sets of each. I think it is unworkable and in the long run would not enable Congress to meet this problem but will make it more complex. We do have one international airport at Baltimore. Who here can say that we may not in 3 or 5 years from now need two airports to take care of international transportation? No one at the present time is in position to say that 10 years hence we may not need in this area two airports to accommodate international transportation.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Massachusetts.

Mr. HESELTON. Is it not true also that this country does not now have in operation jet-transport planes, while Great Britain and Canada are making fast progress in that field? Would it not be rather unwise for us to put a limitation on the development of that kind of an airport when in all probability we will need long runways to accommodate jet transports?

Mr. BECKWORTH. Certainly, if you want to solve the problem the way to solve it is not to limit the bill as the amendment would do.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not a fact that in the development of various types of aircraft there is required longer runways? For instance, the B–36's and the C–97's require approximately 8,000- or 9,000-foot runways. Who knows but what it might become necessary to use these transport facilities, both at Friendship and any other airport developed around here? With the restrictive language you may very likely prohibit the construction of something that will be very badly needed.

Mr. BECKWORTH. It would be contrary to the very ill we seek to cure. One of the things that has been emphasized about the National Airport is that it has some 600 acres only, yet is not subject to being enlarged. Why do you want to enlarge it? In order to accommodate additional traffic and perhaps larger and faster planes. In order to have long runways to meet this problem it is contemplated perhaps 4,000 acres of land where the site is to be located will be sought, certainly if not sought immediately, to have the kind of option that will assure that much acreage if needed. This sort of amendment would, in a sense, be contrary to the idea of seeking adequate land for the necessary enlargements from time to time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Iowa.

Mr. GROSS. This new airport, I believe the gentleman said a while ago, is to be self-sustaining?

Mr. BECKWORTH. It is hoped it will be, but no one can guarantee that.

Mr. GROSS. What are we going to do with the present facilities at the National Airport?

Mr. BECKWORTH. It is contemplated they will be in full use all along.

Mr. GROSS. With a $14,000,000 airport located close by?

Mr. BECKWORTH. It is certainly contemplated it will be needed and needed badly. It is needed now.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CANFIELD. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I wonder if it would not be more advisable for the House today to vote on authorization of funds to provide bomb shelters here in the District of Columbia rather than to authorize funds for a commercial airport which may not be completed for some years?

Here is the reason I emphasize that: We are about to perpetrate a devastating job on civilian defense here in the District of Columbia if we approve tomorrow or next day the recommendations of the House Appropriations Committee in a bill reported out today carrying $17,000,000,000 supplemental funds, all but $1,000,000,000 of which are for national defense.

There is an item in that bill under the caption "Office of Civilian Defense for the District of Columbia." The District of Columbia Commissioners, with the backing of W. Stuart Symington, Chairman of the National Security Resources Board, charged with preparing national plans for civilian defense, asked for the

meager sum of $290,000. This request was cut to $30,000—$30,000 for the Office of Civilian Defense for the fiscal year 1951. This is the Nation's Capital. Oh, I wonder if it is realized how damaging such action, if approved by the House, will be in the various States in the Union, the 48 States now looking to our National Government for advice and counsel in this matter of civilian defense against atomic bombs and poison gas attack?

Think of it—$30,000 for our Nation's Capital. It is most unfortunate, and I hope that the House tomorrow or the next day, acting on this bill, will see to it that the full amount is restored. It is most necessary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. SASSCER].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair [Mr. MURDOCK], Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 456) to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia, pursuant to House Resolution 821, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

Mr. BYRNES of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BYRNES of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BYRNES of Wisconsin moves to recommit the bill to the Committee on Interstate and Foreign Commerce for further study and investigation.

Mr. McCORMACK. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further consideration of this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House for 10 minutes today following the legislative program and any special orders heretofore entered.

CHOCTAW NATION OF INDIANS IN OKLAHOMA

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6209) to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 3, after line 13, insert:

"SEC. 5. The approval of the commutation as provided in section 2 and the deposit to the credit of the Choctaw Nation of the amount specified in section 1 shall constitute a full and complete discharge of all rights, claims, and demands of any nature whatsoever, whether tangible or intangible and whether or not cognizable in law or in equity, against the United States arising out of any of the annuity provisions of the treaties referred to in section 1."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

UNITED STATES MILITARY RESERVATION AT FORT SCHUYLER, N. Y.

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 210) to authorize the conveyance of a portion of the United States Military Reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, after "direction", insert "together with such easements for highway or other purposes, over that portion of such reservation which is not herein authorized to be conveyed to the State of New York, as may be necessary for the proper use and enjoyment of the portion so conveyed and as may be determined by agreement between the Secretary of the Navy and the appropriate officials of the State of New York."

Page 2, line 13, strike out "or" and insert "and."

Page 2, line 16, strike out all after "education" down to and including "park" in line 18.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this has unanimous approval.

Mr. KILDAY. Yes; in accordance with the direction of the committee, of which a quorum was present.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GENERAL APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the general appropriation bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. Under previous order of the House the gentleman from Washington [Mr. MITCHELL] is recognized for 20 minutes.

DEFENSE PRODUCTION ACT OF 1950

Mr. MITCHELL. Mr. Speaker, we should make clear to Government agencies that the defense-production bill expresses the sense of Congress that small business shall play a full and active part in the production program.

The hundreds of letters I have received since scheduling a small business-Government conference on defense production in Seattle September 7 indicate that in our small manufacturing plants is an untapped defense-production potential.

I am sure the Seattle conference will help businessmen in their efforts to provide steadier employment by participating in the defense program.

In my conception, it is the duty of the Federal procurement agencies not only to utilize idle production facilities, but also to help small firms break through defense-contract red tape.

Mr. PATMAN, of Texas, the chairman of the House Small Business Committee, has assured me his committee will be active in this field in behalf of efficient small business. He is certainly to be commended for his constant efforts and for the work of his committee.

During World War II small businesses were the stepchildren of the war effort. They wrote or came to Washington begging for opportunities to contribute to war production. They were shunted around from door to door and pillar to post. Many who succeeded in getting contracts were at the mercy of the giant firms which controlled, in effect, the allocation of war materials and often of manpower.

I represent a district in which small business is the rule and big business the exception. Our businesses there are entitled to have a rightful share in defense work. But they know from long and bitter experience, as do small-business men elsewhere, that working and pleading are not enough. The Government must take upon itself to promote by bold and vigorous measures, the active participation by small business in the defense program.

The time to plan for this participation is now, at the beginning of the program, when time and opportunities are still with us. By acting now, we will

not be subjected to the familiar brush-off by the military procurement officers who said in World War II that they could have no delays, that they had to depend on the big firms with the know-how and facilities to get the war goods out quickly. And many times, you will recall, big firms were so overloaded with war contracts that they could not begin to do what was asked of them.

There should be a place for all in the defense production effort who have a contribution to make. The small businesses of this Nation, numbering in the hundreds of thousands, are the flesh and blood of the American enterprise system. Let us have a scrupulous regard for their well-being if we are sincere in our efforts to maintain free enterprise.

As a former member of the National Defense Investigating Committee in 1945 and 1946, I saw time and again the dangers of channeling the whole war-production program into the hands of a few giant contractors. Too many war workers crowded in a few centers; too many smaller facilities were idle or unused; too much economic and industrial power concentrated in a few hands.

Many of the problems we face today have their origin in the decisions of big firms which feared postwar competition more than they desired all-out production. Aluminum, for example, is a strategic material in short supply, which Chairman Symington, of the National Security Resources Board, proposed to allocate when we grant the necessary authority. Yet, several aluminum plants are standing idle today because they were built too far from sources of cheap power and transportation. Undoubtedly, many other examples could be cited by the Members.

I insist that the small-business provisions of the Defense Production Act of 1950 be considered as something more than pious words.

SPECIAL ORDER GRANTED

Mr. MITCHELL asked and was given permission to address the House for 20 minutes on Tuesday next, following the legislative program and any special orders heretofore entered.

The SPEAKER. Under previous order of the House the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

KICK RED RUSSIA OUT OF UN

Mr. LANE. Mr. Speaker, are we going to let Communist Russia wreck the UN, and with it any hopes for collective action to halt aggression anywhere and at any time? That is exactly what the conspirators at the Kremlin have been trying to do ever since the UN organization was established. Better to kick them out and keep them out until they demonstrate by their actions that they have abandoned forever their mad dreams of world conquest.

When we alone possessed the A-bomb, we came forward with a plan for inspection and control, to be administered by the UN, which would protect all nations from this terrible weapon. Why did Russia refuse? Because the fanatics of the Politburo were looking forward to the day when they would also have this weapon in superior quality, which they would then use to blackmail or crush all other nations into submission.

Why have the Russians taken so many walks?

Why have they used the paralyzing power of the veto more than 40 times?

All the evidence is in, and from it we draw certain, inescapable conclusions.

Russia is a totalitarian state, with a total disregard of the rights of other states.

It is now clear that her purpose in joining the UN was not to cooperate but to sabotage.

The Russians will not play ball in this league, unless they are permitted to win every game.

It is only on rare occasions, such as the time the Russians were absent and the United States took concerted action to condemn and oppose the invasion of South Korea that the UN has been able to make any progress.

All other steps to halt Russian expansionism have been undertaken on the initiative of the United States and with the cooperation of some other nations. These effective measures could not have been put into operation through the instrumentality of the United Nations because the Russians would have vetoed such action.

I say, therefore, that the UN itself is in danger as long as the present regime in Russia is permitted to represent that country in the United Nations.

It is the bull in the china shop of diplomacy, and this metaphor is open to several interpretations.

Foremost is the fact that the UN will degenerate into a sounding board of echoes, incapable of service to the cause of peace until it cleans its house of the wrecker known as Red Russia.

After exercising every forbearance, after giving the Soviet Union every opportunity to mend its ways, we find it openly contemptuous of all those civilized standards of behavior among nations that are honestly trying to stop aggression.

Why are we sacrificing our young men in Korea?

Why are we diverting so much money and effort to defense in a way that will call for sacrifices from all of us?

Everyone knows that the answer is the clear and present danger from Red Russian imperialism.

Why, then, are our leaders so timid in calling this menace by its true name?

Why do they honor with debate, in the Security Council, that nation whose avowed purpose is to destroy us?

Diplomacy has its cherished fictions, but none more tragic than this hope, this illusion, that somehow communism will reform or collapse.

I would like to see the Communists repent sincerely or be cast out by the Russian people, but to anticipate either is beyond the most wishful of thinking.

We are faced with an ugly and perilous fact that must be dealt with courageously.

Russia has walked out of the UN before as a threat to the UN.

This time it must be ejected on the UN's terms.

The motley crew of Communist sympathizers, fellow travelers, confused idealists, and the faint of heart generally will wring their hands claiming that this will ruin the UN.

I say that such action will save it from ruin.

Without Red Russia we shall have the majority of nations in this world working together to build, not destroy, an international organization genuinely dedicated to peace. There is no place in such a body for any nation that engages in the cynical and deadly practice of undermining the security and the sovereignty of any other nation. Aggression is not limited to direct attack. Russia is employing the devious tactics of arming and encouraging satellites to attack a neighbor or by the expedient of boring from within. Stripped of their deceits, the world recognizes these evasive maneuvers for what they really are, definite acts of aggression.

I am not advocating a preventive war against Communist Russia.

But I share the rising tide of resentment felt by most people who have observed the deliberate and arrogant sabotage of the UN by a succession of delegates from Moscow, even as the Politburo, with an ill-concealed hand, is stirring up trouble all over the globe.

The UN must be saved from slow strangulation. Free it from the grip of Stalin's agents who would destroy it by every throttling pressure from veto to filibuster, to a twisting of every fact, and deliberate suffocation by lies and propaganda.

The time has come for us to seize the initiative and put an end to such lawlessness.

I believe that this Congress should pass a resolution of censure against the leaders of the Soviet Union.

And I further propose that our delegates to the United Nations be instructed to take action leading to the disqualification of the Soviet Union as a member of the UN because the Soviet Government has forfeited its right to participate in the deliberations of the world assembly by its persistent sabotage of that organization.

The masters of Red Russia are the aggressors against all the people of this earth, including their own.

They must be banished from the United Nations before they ruin it.

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to extend his remarks in two instances, in each to include extraneous material.

Mr. McDONOUGH asked and was given permission to extend his remarks and include extraneous matter.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that the remarks which were made by the Resident Commissioner of Puerto Rico, Dr. A. FERNÓS-ISERN, on July 4, be inserted in the Appendix of the RECORD, notwithstanding the fact that the Public Printer estimates the cost to be $246.

The SPEAKER. Notwithstanding the cost and without objection, the extension may be made.

There was no objection.

Mr. ZABLOCKI asked and was given permission to extend his remarks and include extraneous matter.

Mr. NICHOLSON. Mr. Speaker, I ask unanimous consent to insert in the RECORD for the gentleman from Pennsylvania [Mr. VAN ZANDT] a speech that he made.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. SADLAK. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative business on September 1, I may be permitted to address the House for 1 hour on the eleventh anniversary of the invasion of Poland.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

EXTENSION OF REMARKS

Mr. DOYLE asked and was given permission to extend his remarks and include appropriate material.

Mr. FULTON asked and was given permission to extend his remarks and include a letter to the New York Times.

Mr. HESELTON asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include extraneous matter.

Mrs. BOLTON of Ohio asked and was given permission to extend her remarks and include a newspaper article.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1192. An act for the relief of certain Basque aliens; to the Committee on the Judiciary.

S. 2324. An act for the relief of Maria Balsam; to the Committee on the Judiciary.

S. 2648. An act for the relief of Carlo Fava; to the Committee on the Judiciary.

S. 2922. An act for the relief of Chieko Murata; to the Committee on the Judiciary.

S. 3018. An act for the relief of W. F. Steiner; to the Committee on the Judiciary.

S. 3037. An act for the relief of Nicholas Yialouris (also known as Nicholas Gialouris or Nicolaos Gialouris or Nick Yialouris); to the Committee on the Judiciary.

S. 3121. An act for the relief of Mario Juan Blas Besso-Pianetto; to the Committee on the Judiciary.

S. 3136. An act to authorize the Secretary of the Interior to transfer to the town of Mills, Wyo., a sewage system located in such town; to the Committee on Public Lands.

S. 3250. An act for the relief of Marne Post No. 28, American Legion, New Martinsville, W. Va.; to the Committee on the Judiciary.

S. 3254. An act to provide for designation of the United States Veterans' Administration Hospital at Buffalo, N. Y., as the Buffalo Veterans' Memorial Hospital; to the Committee on Veterans' Affairs.

S. 3321. An act for the relief of Zena (Zenobia) Symeonides; to the Committee on the Judiciary.

S. 3434. An act for the relief of Mikiko Anzai; to the Committee on the Judiciary.

S. 3546. An act to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes; to the Committee on Education and Labor.

S. 3672. An act to amend section 3 (c) of the Civil Service Retirement Act so as to make the exclusion from such act of temporary employees of the Senate and House of Representatives inapplicable to such employees with one or more years of service; to the Committee on Post Office and Civil Service.

S. 3768. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

S. 3807. An act to authorize the President to appoint Col. Henry A. Byroade as Director of the Bureau of German Affairs, Department of State, without affecting his military status and perquisites; to the Committee on Armed Services.

S. 3910. An act relating to the assignment of surplus clerks in the Postal Transportation Service; to the Committee on Post Office and Civil Service.

S. 3917. An act for the relief of Basilio Gorgone; to the Committee on the Judiciary.

S. 3965. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.; to the Committee on the Judiciary.

S. 3966. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.; to the Committee on the Judiciary.

S. 3867. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust; to the Committee on the Judiciary.

S. 3933. An act to provide for the appointment of deputy United States marshals without regard to the provisions of the civil-service laws and regulations; to the Committee on the Judiciary.

S. J. Res. 194. Joint resolution to provide that the housing developments known as Westview and Southview in the village of Springfield, Vt., shall for the purposes of the seventeenth decennial census be treated as a part of the village of Springfield, Vt.; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1585. An act for the relief of Leilah begum Alaoui Mullin;

H. R. 1611. An act for the relief of Walter E. Miller;

H. R. 1616. An act for the relief of S. L. Ayres & Co., Inc.;

H. R. 3132. An act for the relief of Sergio and Mara Lamberti;

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 3304. An act for the relief of Jose Coto Santiago;

H. R. 3921. An act for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras;

H. R. 4014. An act for the relief of Maria Hoffman;

H. R. 4142. An act for the relief of Ralph D. Kinney;

H. R. 4657. An act for the relief of J. R. Fleming & Co.;

H. R. 4775. An act for the relief of Harold L. Corzett, commander, United States Naval Reserve;

H. R. 4954. An act for the relief of Jacob F. Hutt and Anderson E. Humphrey;

H. R. 5523. An act for the relief of Fred I. Massengill;

H. R. 5984. An act to approve Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases;

H. R. 6052. An act for the relief of John M. Vick;

H. R. 6217. An act to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration;

H. R. 6221. An act to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home;

H. R. 6223. An act to record the lawful admission to the United States for permanent residence of James Ermini;

H. R. 6312. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Joseph Lundborg and others against the United States;

H. R. 6386. An act for the relief of Amos Chen, a native of Jamaica, British West Indies;

H. R. 6417. An act for the relief of Mrs. Frieda Gray (formerly Frieda Putman);

H. R. 6442. An act for the relief of Mrs. Martha Reid;

H. R. 6449. An act for the relief of Mrs. L. M. Cox and Mrs. M. R. Nickle;

H. R. 6463. An act for the relief of Mrs. Shikaju Nakashima;

H. R. 6578. An act for the relief of Mrs. Gunnborg Janzon Hamilton;

H. R. 6586. An act for the relief of Stamatic Amersonis;

H. R. 6707. An act for the relief of Sirius Proestopoulos;

H. R. 7012. An act for the relief of Anna Ellero and Clara Ellero;

H. R. 7146. An act to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory;

H. R. 7282. An act for relief of Cornelius VerSluis;

H. R. 7297. An act for the relief of Ignas Malcius;

H. R. 7370. An act for the relief of Kiyoko S. Barr and Harue Barr;

H. R. 7613. An act for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding;

H. R. 7641. An act to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church;

H. R. 7677. An act to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School;

H. R. 7814. An act for the relief of Stella Matutina Kazuko Yamazaki;

H. R. 7840. An act to provide for the refund of certain estate taxes;

H. R. 7919. An act for the relief of Mrs. Yukiko Yoshii French and her son;

H. R. 7921. An act for the relief of Eva T. Ross;

H. R. 8009. An act for the relief of Enrica Gianoli;

H. R. 8061. An act for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy;

H. R. 8069. An act for the relief of Mrs. Michiko Kohga Brooks;

H. R. 8073. An act for the relief of Kimiko Iso and her minor daughter, Midori;

H. R. 8134. An act for the relief of Elona Schwietza and her son;

H. R. 8153. An act for the relief of Chiyoko Akashi;

H. R. 8315. An act for the relief of Josephy F. Gallagher;

H. R. 8417. An act to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States;

H. R. 8423. An act for the relief of Yuriko Mizumoto;

H. R. 8473. An act for the relief of Kimiko Tomita;

H. R. 8477. An act for the relief of Marcel Rene de Romanett;

H. R. 8558. An act for the relief of Kimiko Yamaguchi;

H. R. 8584. An act for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating;

H. R. 8619. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes;

H. R. 8684. An act for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin;

H. R. 8740. An act for the relief of Erika Kuhn;

H. R. 8741. An act for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin;

H. R. 8742. An act for the relief of Mrs. Tokiko Amano Roloson;

H. R. 8751. An act for the relief of Mrs. Yoshiko Ogiso Peterson;

H. R. 8772. An act for the relief of Ah-Kim Wong;

H. R. 8794. An act for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.;

H. R. 8795. An act for the relief of Benjamin Paglinaman;

H. R. 8824. An act for the relief of Tokuko Murayama;

H. R. 8826. An act for the relief of Yaeko Nakajima;

H. R. 8918. An act for the relief of Mary Rynik Baran;

H. R. 8935. An act for the relief of Mrs. Jaye Kurusu Maddox;

H. R. 8956. An act for the relief of Mrs. Claude Morita and Rodney Morita;

H. J. Res. 497. Joint resolution excluding from gross estate of a nonresident alien works of art on loan to the Trustees of the National Gallery of Art;

H. J. Res. 510. Joint resolution to exempt certain counsel employed by committee from certain Federal laws under Special Committee on Campaign Expenditures, 1950; and

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

ADJOURNMENT

Mr. HOLIFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, August 25, 1950, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 1837. An act to amend the Trading With the Enemy Act; with amendment (Rept. No. 2985). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOOD: Committee on Un-American Activities. Report pursuant to House Resolution 5, Eighty-first Congress, first session; (Rept. No. 2986). Referred to the Committee of the Whole House on the State of the Union.

Mr. KERR: Committee on Appropriations. H. R. 9526. A bill making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes; without amendment (Rept. No. 2987). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on the District of Columbia. S. 2028. An act to permit the Board of Education of the District of Columbia to participate in the foreign teacher exchange program in cooperation with the United States Office of Education; without amendment (Rept. No. 2988). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE: Committee on Rules. House Resolution 825. Resolution for the waiving of points of order against H. R. 9526, a bill making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes; without amendment (Rept. No. 2989). Referred to the House Calendar.

Mr. COX: Committee on Rules. House Resolution 826. Resolution for consideration of H. R. 9490, a bill to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes; without amendment (Rept. No. 2990). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURNSIDE:

H. R. 9520. A bill to aid in the promotion and development of coffee production throughout the world, and for other purposes; to the Committee on Foreign Affairs.

By Mr. LYLE:

H. R. 9521. A bill to provide for an ad valorem duty on the importation of shrimp; to the Committee on Ways and Means.

By Mrs. DOUGLAS:

H. R. 9522. A bill to amend the act of September 16, 1942, as amended, so as to facilitate voting by members of the Armed Forces and certain others absent from the place of their residence, and for other purposes; to the Committee on House Administration.

By Mrs. NORTON:

H. R. 9523. A bill to amend the act of September 16, 1942, as amended, so as to facilitate voting by members of the Armed Forces and certain others absent from the place of their residence, and for other purposes; to the Committee on House Administration.

By Mr. ABERNETHY (by request):

H. R. 9524. A bill to supplement the District of Columbia Teachers' Leave Act of 1949; to the Committee on the District of Columbia.

By Mr. PHILLIPS of Tennessee:

H. R. 9525. A bill to grant certain benefits provided for veterans of World War II to persons on active service with the Armed Forces during the military, naval, and air operations against the forces of North Korea, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KERR:

H. R. 9526. A bill making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes; to the Committee on Appropriations.

By Mrs. ROGERS of Massachusetts:

H. R. 9527. A bill to provide that certain enlisted men shall not be denied mustering-out pay; to the Committee on Armed Services.

By Mr. ANGELL:

H. R. 9528. A bill relating to the prevention of unreasonable and unconscionable speculation and profiteering in coffee, and relating to stabilization of the price of coffee to consumers at a reasonable level; to the Committee on Banking and Currency.

By Mrs. ROGERS of Massachusetts:

H. R. 9529. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BROOKS:

H. R. 9530. A bill to amend section 101 of the National Defense Act to provide that, notwithstanding the provisions of any other law, the National Guard of the United States, both Army and Air, is made available immediately in case of an emergency declared either by the Congress or the President; to the Committee on Armed Services.

H. R. 9531. A bill to amend section 61 of the National Defense Act, as amended (32 U. S. C. 194), for the purpose of providing authority to the several States, Territories, the District of Columbia, Puerto Rico, Virgin Islands, and the Canal Zone to organize military forces and to provide for pay and allowances, travel, arms, ammunition, uniforms, equipment, medical, and other military supplies as deemed necessary to enable such forces to execute their internal security missions within or without their respective States and Territories, and for other purposes; to the Committee on Armed Services.

By Mr. KENNEDY:

H. Con. Res. 252. Concurrent resolution to provide for the printing as a House document of the publication of the Atomic Energy Commission entitled "The Effects of Atomic Weapons"; to the Committee on House Administration.

By Mr. CAVALCANTE:

H. Res. 827. Resolution creating a Select Committee on the Detrimental Suppression of Factual Reporting, Disclosure, and Dissemination of Knowledge, Information, and News that is essential to the security and public morality of the United States and its people; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McGRATH:

H. R. 9532. A bill for the relief of Mother Anna Fasulo; to the Committee on the Judiciary.

By Mr. WITHROW:

H. R. 9533. A bill for the relief of Marcus Lee; to the Committee on the Judiciary.

By Mr. PACE:

H. J. Res. 524. Joint resolution to authorize and direct the Secretary of the Army to convey a certain tract or parcel of land in Russell County, Ala., to W. T. Heard; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2343. Mr. PLUMLEY presented a resolution of St. Johnsbury Unit, No. 58, Department of Vermont, American Legion Auxiliary, protesting the adoption of any form of compulsory health insurance or any system of political medicine, which was referred to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, AUGUST 25, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Dear Father God, in this moment we step aside from the turmoil of the day and seek Thy presence that comes not with the wind or the earthquake, but in the still small voice. Enlarge our spirits and the scope of our horizons that the draining duties of the valley of daily toil may not take from us the vitality we need to serve in this hour. Keep us ever conscious of our obligation to the tremendous responsibilities which lie before us. Above all, we pray that there may be stamped upon our hearts a sense of consecration to those spiritual values which do not pass away. Purge us of low desire. Lift us to high resolve. Then, with Thee, let us stand to be the voice of truth and righteousness to the world. We pray in the name of Him to whom truth and right were life and light, even Jesus Christ the Lord. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 24, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 210) to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6209) to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3775. A bill to provide for an additional district judge for the third division of the District Court for the District of Alaska; and

H. R. 8677. A bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2423. An act to amend section 7 of the act of February 27, 1925 (43 Stat. 1108), relating to the Osage Indians of Oklahoma;

S. 2901. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware;

S. 3059. An act for the relief of John H. Sebenick;

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes;

H. R. 4800. An act to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes; and

H. R. 6209. An act to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes.

LEAVE OF ABSENCE

Mr. WILEY. Mr. President, I expect to be absent next week on very important official business. I ask unanimous consent that I may have the privilege of going to Wisconsin to dust off some bushes. I have been constantly in attendance on the sessions of the Senate.

The VICE PRESIDENT. The Senator from Wisconsin asks unanimous consent that he be permitted to visit Wisconsin. Without objection, it is so ordered.

On request of Mr. DONNELL, and by unanimous consent, Mr. CAIN was excused from attendance on the sessions of the Senate next week.

CALL OF THE ROLL

Mr. McFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	McCarthy
Bricker	Hickenlooper	McClellan
Butler	Hill	McFarland
Capehart	Hoey	McKellar
Chapman	Holland	McMahon
Chavez	Humphrey	Magnuson
Connally	Hunt	Malone
Cordon	Ives	Maybank
Darby	Johnson, Colo.	Millikin
Donnell	Johnson, Tex.	Morse
Douglas	Johnston, S. C.	Mundt
Dworshak	Kefauver	Murray
Ecton	Kem	Neely
Ellender	Kerr	O'Mahoney
Ferguson	Kilgore	Pepper
Flanders	Knowland	Robertson
Frear	Langer	Russell
Fulbright	Leahy	Schoeppel
George	Lehman	Smith, N. J.
Gillette	Lodge	Sparkman
Graham	Long	Stennis
Green	McCarran	Taylor
Thomas, Okla.	Watkins	Withers
Thomas, Utah	Wherry	Young
Thye	Wiley	
Tydings	Williams	

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Connecticut [Mr. BENTON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Illinois [Mr. LUCAS], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. O'CONOR] are absent on public business.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from California [Mr. DOWNEY] is necessarily absent.

Mr. WHERRY. I announce that the senior Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL] the junior Senator from Maine [Mrs. SMITH], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. GURNEY], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators may present routine matters, without debate and without speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The VICE PRESIDENT announced that on today, August 25, 1950, he signed the following enrolled bills and joint resolutions, which had previously been signed by the Speaker of the House of Representatives:

H. R. 1585. An act for the relief of Leilah begum Alauoi Mullin;

H. R. 1611. An act for the relief of Walter E. Miller;

H. R. 1616. An act for the relief of S. L. Ayres & Co., Inc.;

H. R. 3132. An act for the relief of Sergio and Mara Lamberti;

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 3304. An act for the relief of Jose Cotto Santiago;

H. R. 3921. An act for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras;

H. R. 4014. An act for the relief of Maria Hoffman;

H. R. 4142. An act for the relief of Ralph D. Kinney;

H. R. 4657. An act for the relief of J. B. Fleming & Co.;

H. R. 4775. An act for the relief of Harold L. Corzett, commander, United States Naval Reserve;

H. R. 4954. An act for the relief of Jacob F. Hutt and Anderson E. Humphrey;

H. R. 5523. An act for the relief of Fred I. Massengill;

H. R. 5984. An act to approve Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases;

H. R. 6052. An act for the relief of John M. Vick;

H. R. 6217. An act to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration;

H. R. 6221. An act to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home;

H. R. 6223. An act to record the lawful admission to the United States for permanent residence of James Ermini;

H. R. 6312. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Josephy Lundborg and others against the United States;

H. R. 6386. An act for the relief of Amos Chen, a native of Jamaica, British West Indies;

H. R. 6417. An act for the relief of Mrs. Frieda Gray (formerly Frieda Putman);

H. R. 6442. An act for the relief of Mrs. Martha Reid;

H. R. 6449. An act for the relief of Mrs. L. M. Cox and Mrs. M. R. Nickle;

H. R. 6463. An act for the relief of Mrs. Shikaju Nakashima;

H. R. 6578. An act for the relief of Mrs. Gunnborg Janzon Hamilton;

H. R. 6586. An act for the relief of Stamatic Amersonis;

H. R. 6707. An act for the relief of Sirius Proestopoulos;

H. R. 7012. An act for the relief of Anna Ellero and Clara Ellero;

H. R. 7146. An act to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory;

H. R. 7282. An act for the relief of Cornelius VerSluis;

H. R. 7297. An act for the relief of Ignas Malcius;

H. R. 7370. An act for the relief of Kiyoko S. Barr and Harue Barr;

H. R. 7613. An act for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding;

H. R. 7641. An act to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church;

H. R. 7677. An act to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School;

H. R. 7814. An act for the relief of Stella Matutina Kazuko Yamazaki;

H. R. 7840. An act to provide for the refund of certain estate taxes;

H. R. 7919. An act for the relief of Mrs. Yukiko Yoshii French and her son;

H. R. 7921. An act for the relief of Eva T. Ross;

H. R. 8009. An act for the relief of Enrica Gianoli;

H. R. 8061. An act for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy;

H. R. 8069. An act for the relief of Mrs. Michiko Kohga Brooks;

H. R. 8073. An act for the relief of Kimiko Iso and her minor daughter, Midori;

H. R. 8134. An act for the relief of Elona Schwietza and her son;

H. R. 8153. An act for the relief of Chiyoko Akashi;

H. R. 8315. An act for the relief of Josephy F. Gallagher;

H. R. 8417. An act to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States;

H. R. 8423. An act for the relief of Yuriko Mizumoto;

H. R. 8473. An act for the relief of Kimiko Tomita;

H. R. 8477. An act for the relief of Marcel Rene de Romanett;

H. R. 8558. An act for the relief of Kimiko Yamaguchi;

H. R. 8584. An act for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating;

H. R. 8619. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes;

H. R. 8684. An act for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin;

H. R. 8740. An act for the relief of Erika Kuhn;

H. R. 8741. An act for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin;

H. R. 8742. An act for the relief of Mrs. Tokiko Amano Roloson;

H. R. 8751. An act for the relief of Mrs. Yoshiko Ogiso Peterson;

H. R. 8772. An act for the relief of Ab-Kim-Wong;

H. R. 8794. An act for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.;

H. R. 8795. An act for the relief of Benjamin Paglinaman;

H. R. 8824. An act for the relief of Tokuko Murayama;

H. R. 8826. An act for the relief of Yaeko Nakajima;

H. R. 8918. An act for the relief of Mary Rynik Baran;

H. R. 8935. An act for the relief of Mrs. Jaye Kurusu Maddox;

H. R. 8956. An act for the relief of Mrs. Claude Morita and Rodney Morita;

H. J. Res. 497. Joint resolution excluding from gross estate of a nonresident alien works of art on loan to the Trustees of the National Gallery of Art;

H. J. Res. 510. Joint resolution to exempt certain counsel employed by committee from certain Federal laws under Special Committee on Campaign Expenditures, 1950; and

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred, as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF COMMERCE (S. DOC. NO. 206)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Commerce, in the amount of $2,150,000, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO AN APPROPRIATION FOR THE JUDICIARY (S. DOC. NO. 205)

A communication from the President of the United States, transmitting a proposed provision pertaining to an appropriation for the fiscal year 1951, for the Judiciary (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

CONTRACTS FOR TRANSMISSION OF MAIL BY PNEUMATIC TUBES

A letter from the Postmaster General, transmitting a draft of proposed legislation relating to contracts for the transmission of mail by pneumatic tubes or other mechanical devices (with an accompanying paper); to the Committee on Post Office and Civil Service.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Attorney General of the United States, withdrawing the name of Costas Agallos or Constantine Agallas from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted to the Senate on January 16, 1950; to the Committee on the Judiciary.

STATEHOOD FOR ALASKA AND HAWAII—RESOLUTION OF WEEHAWKEN (N. J.) POST, NO. 18, AMERICAN LEGION

Mr. HENDRICKSON. Mr. President, by request, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Weehawken (N. J.) Post, No. 18, the American Legion, Department of New Jersey, relating to statehood for Alaska and Hawaii.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the United States Armed Forces are once again engaged in mortal combat; and

Whereas the United States once again was improperly prepared for conflict; and

Whereas the Territories of Hawaii and Alaska are of vital strategic importance; and

Whereas the Communist-dominated Russia of today claims the sale of Alaska, by the Czar of Russia to the United States was illegal; and

Whereas the Russian island of Big Diomedes has been reported evacuated of all civilians; and

Whereas such action would indicate Russia is preparing some military installation or maneuver in anticipation of an attack upon Alaska; and

Whereas the defenses of Alaska are only about one-tenth the strength of those of Hawaii: Be it therefore

Resolved, That the United States Congress, now in session, be requested to remain in session until such time as the necessary bills be enacted into law and these Territories become States, enabling the United States to properly fortify and prepare for any future surprise attacks by any enemy.

MARK T. AIELLO,
Commander,
EDWARD N. MALANEY, Sr.,
Chairman, Americanism Committee.

UNION LABEL WEEK—PROCLAMATION OF GOVERNOR OF NEW YORK

Mr. IVES. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a proclamation issued by the Governor of the State of New York, proclaiming the period of September 2–9, 1950, as Union Label Week.

There being no objection, the proclamation was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

PROCLAMATION—STATE OF NEW YORK EXECUTIVE CHAMBER, ALBANY

A vital symbol of organized labor is the union label. It is no mere shibboleth. The

union label stands for stability, it stands for happy, well supported, and secure homes. The article to which it is attached has been made by respected and self-respecting men and women who have obtained a decent reward for their skill, under decent working and living conditions.

Now, therefore, I, Thomas E. Dewey, Governor of the State of New York, do proclaim the period of September 2–9 as Union Label Week in New York State and I urge the citizens of our State to cooperate in the appropriate observance of this occasion.

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 21st day of August in the year of our Lord 1950.

[L. S.] THOMAS E. DEWEY.

By the Governor:

JAMES C. HAGERTY,
Secretary to the Governor.

UNIVERSAL MILITARY TRAINING—RESOLUTION OF EIGHTY-THIRD INFANTRY DIVISION ASSOCIATION CONVENTION, BOSTON, MASS.

Mr. LODGE. Mr. President, on behalf of my colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted at the convention of the Eighty-third Infantry Division Association, held in Boston, Mass., favoring the enactment of legislation providing universal military training.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE EIGHTY-THIRD DIVISION ASSOCIATION

EIGHTY-THIRD INFANTRY DIVISION ASSOCIATION REUNION AND CONVENTION,
Hotel Statler, Boston, Mass.

Whereas the military might of the United States of America is now being expended to end aggression in Korea; and

Whereas the men serving in the Armed Forces of the Nation are being drawn from the trained Reserves of the country; and

Whereas the number of trained men decreases while the intensity of danger increases; and

Whereas many of the men were trained in a period of prior service: Be it

Resolved, That the Eighty-third Infantry Division Association, meeting in Boston, Mass., at the national convention respectfully urges the Congress of the United States to enact a universal military training bill which will insure the youth of the Nation a secure knowledge of military operations should they be called on in the future to defend the peace of the world.

In assembled session, August 18, 1950. Adopted.

Attest:

SHELLY A. HUGHES, *President.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary, without amendment:

S. 742. A bill for the relief of Robert Johanna Sorensen (Rept. No. 2380);

S. 743. A bill for the relief of Lars Daniel Sorensen (Rept. No. 2381);

S. 1406. A bill for the relief of Luigi Podesta (Rept. No. 2382);

S. 2179. A bill for the relief of Stephen A. Patkay and his wife, Madeleine (Rept. No. 2383);

S. 2420. A bill for the relief of Shaoul Minashi Shami, Emily Shami, Joseph Clement Shami, and Charles Henry Shami (Rept. No. 2384);

S. 2517. A bill for the relief of Morris Plevin, also known as Melvin Belkin (Rept. No. 2385);

S. 2586. A bill for the relief of Delfo Giorgi (Rept. No. 2386);

S. 2587. A bill for the relief of Vittorio Quilici (Rept. No. 2387);

S. 2799. A bill for the relief of Johan Wilhelm Adriaans (Rept. No. 2388);

S. 2835. A bill for the relief of Boris Paul von Stuckenberg and his wife, Maria Alexander von Stuckenberg (Rept. No. 2389);

S. 3066. A bill for the relief of Dionisio Aguirre Irastorza (Rept. No. 2390);

S. 3067. A bill for the relief of Andres Aguirre Irastorza (Rept. No. 2391);

S. 4045. A bill for the relief of Christina Shalfeieff (Rept. No. 2392);

H. R. 1799. A bill for the relief of Dr. Jacob Ornstein (Rept. No. 2393);

H. R. 1860. A bill for the relief of Kenji Takumi (Rept. No. 2394);

H. R. 2401. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of the State of California (Rept. No. 2446);

H. R. 2631. A bill to authorize cancellation of deportation in the case of Frank Grimaldi (Rept. No. 2395);

H. R. 3314. A bill for the relief of the estate of the late Eulogio Reyes Suarez (Rept. No. 2396);

H. R. 4045. A bill for the relief of Katherine L. Anderson, a civil-service employee, permanently injured through negligent treatment at the Army Advisory Group Station Hospital in Nanking, China (Rept. No. 2397);

H. R. 4600. A bill for the relief of the legal guardian of Janet Judith Koeninger, a minor (Rept. No. 2398);

H. R. 4891. A bill for the relief of Albert E. Scheflen (Rept. No. 2399);

H. R. 4904. A bill for the relief of the estate of Conrad L. Steele, deceased (Rept. No. 2400);

H. R. 5381. A bill for the relief of Billy Ray Ridenour and L. L. Ridenour (Rept. No. 2401);

H. R. 5972. A bill for the relief of Ivar G. Johnson (Rept. No. 2402);

H. R. 6409. A bill for the relief of Mrs. Grace A. Olson (Rept. No. 2403);

H. R. 7336. A bill for the relief of Mrs. Fumie Ishibashi Akimoto (Rept. No. 2404);

H. R. 7393. A bill for the relief of Francisco Blanco and Mrs. Celine Smith (Rept. No. 2405);

H. R. 7451. A bill for the relief of Sumiko Fujita (Rept. No. 2406);

H. R. 7733. A bill for the relief of Sisters Rita Pinto de Carvalho, Maria Leite da Silva, Carmelinda Lopes de Aguiar, Maria Adozinda da Fonseca Melo, Joaquine de Jesus, and Maria Luisa Pinto Carvalho (Rept. No. 2407);

H. R. 7856. A bill for the relief of Mrs. Teruko Tominaga Ikeuchi (Rept. No. 2408);

H. R. 7964. A bill for the relief of the estate of Francis A. Waldron (Rept. No. 2409);

H. R. 8093. A bill for the relief of Regolo Gagliacco and his wife, Gina (Rept. No. 2410);

H. R. 8118. A bill for the relief of the estate of the late Ismael Miranda (Rept. No. 2411);

H. R. 8184. A bill for the relief of Michiyo Takada and her minor daughter, Michiko (Rept. No. 2412);

H. R. 8258. A bill for the relief of Il Nai Che (Rept. No. 2413);

H. R. 8401. A bill for the relief of Mrs. Maurice N. Goss (Rept. No. 2414);

H. R. 8523. A bill for the relief of Marianna Gantschinigg and Merle Richard Gantschnigg (Rept. No. 2415);

H. R. 8533. A bill for the relief of Emiko Nishimura (Rept. No. 2416);

H. R. 8562. A bill for the relief of Yukie Yabe and her son (Rept. No. 2417);

H. R. 8829. A bill for the relief of Sisters Pasqualina Bova, Rosa Pellanda, Emilia Dei Rossi, Speranza Zoia, and Domenica Lapadula (Rept. No. 2418);

H. R. 8971. A bill for the relief of Gertrude Heil (Rept. No. 2419);

H. R. 8987. A bill for the relief of Setsuko Kato (Rept. No. 2420);

H. R. 9055. A bill for the relief of Cynthia Anne Kane (Rept. No. 2421);

H. R. 9062. A bill for the relief of Mrs. Willie G. Heath (Rept. No. 2422);

H. R. 9082. A bill for the relief of Mrs. Chang-Sei Kim, David Kim, and Arthur Kim (Rept. No. 2423);

H. R. 9086. A bill for the relief of Maria Luisa Mercado (Rept. No. 2424);

H. R. 9087. A bill for the relief of H. Dale Madison (Rept. No. 2425); and

H. R. 9166. A bill for the relief of Louis J. T. Hendrickx (Rept. No. 2426).

By Mr. McCARRAN, from the Committee on the Judiciary, with an amendment:

S. 560. A bill for the relief of Wilhelm Engelbert (Rept. No. 2427);

S. 2803. A bill for the relief of Angela Maria Pisano (Rept. No. 2428);

S. 3026. A bill authorizing the naturalization of Jesus Juan Llanderal (Rept. No. 2429);

S. 3185. A bill for the relief of Nouhad Ann Khoury (Rept. No. 2430);

S. 3306. A bill for the relief of Dr. George Peter Petropoulos (Rept. No. 2431);

H. R. 1500. A bill for the relief of Mrs. Barbara Guananpoulos (Rept. No. 2432);

H. R. 3995. A bill for the relief of Annetta Bachis, Anna Bellani, Angelina Colombo, Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi (Rept. No. 2433);

H. R. 5083. A bill for the relief of Sister Maria Emelia (Anna Bohn) (Rept. No. 2434);

H. R. 7390. A bill for the relief of Erika Kuebart and her minor son (Rept. No. 2435);

H. R. 7631. A bill for the relief of Ottavia De Gaspare and Sandra De Gaspare (Rept. No. 2436);

H. R. 8062. A bill for the relief of the legal guardian of Charles Spiller and Glenn T. Spiller, minors (Rept. No. 2437);

H. R. 8641. A bill for the relief of Clyde L. Watson, Jr., and Laverne F. Andrews (Rept. No. 2438);

H. R. 8718. A bill for the relief of Fred Hess (Rept. No. 2439); and

H. R. 8769. A bill for the relief of Annmarie Stritter and her minor daughter (Rept. No. 2440).

By Mr. McCARRAN, from the Committee on the Judiciary, with amendments:

S. 3401. A bill for the relief of Joseph Umberto Montalban-Troy (Rept. No. 2441).

By Mr. CORDON from the Committee on Interior and Insular Affairs:

H. R. 8345. A bill to amend the Columbia Basin Project Act with reference to recordable contracts; without amendment (Rept. No. 2444).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report favorably an original concurrent resolution favoring suspension of deportation of certain aliens, and I submit a report (No. 2442) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 102), was placed on the calendar, as follows:

Resolved, etc., That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the

Attorney General has suspended deportation for more than 6 months:

A-7693367, Gibson, Ellen Pauline (nee Benson).

A-2689533, Burger, Hans Rudolf.

A-4592673, Kiladitis, Stamos Nicholas.

A-7544392, Lung, Wong Kam.

A-4532674, Poy, Tsz Fook.

A-7050910, Russos, Michael.

A-1717103, Stratis, Nicholas Costas.

A-2966189, Tsistinas, Panagiotis or Pete, or Peter Tsistinas.

A-2981686, Vavilis, George, or John Vavilis.

A-2531584, Arygridis, John, or Ioamnis Argyridis or John Argyide or John Argyrides or John Odeseas Argyridis.

A-4580270, Chitas, Petros Demetrios, or Peter Chitas or Pierre Chitas.

A-5331520, Chung, Leung.

A-7117512. Cotsimopoulos, George Theohary, or George Kotsimopoulos.

A-9767746, Daratos, Nicholas, or Nick Daratos.

A-3762786, De Pinto, Cosmo Damiano.

A-4809973, Giannatos, Panayis Michael, or Panayis Michael Jiannatos, Peter Giannatos, Peter Mihaile Gianatos, Panagis or Panagiotis Giannatos, Panagis M. Jianatos, or Peter V. Jonhaatos.

A-5127595, Jakominich, Sime.

A-5470702, McDonald, Edwin Wilson or "Mac."

A-2175881, Papapanagiotou, Georges Vaseilli.

A-4342795, Perivolaris, Sotirios Ioannis.

A-5667865, Rotondo Francesco.

A-3588422, Varrias, Christos George, or Hristos Varias.

A-4614803. Vaz Querido, Manuel.

A-4780996, Wolke, Robert Paul, or John Lange or Johannes Lange.

A-7632722, Hoffmann, Ernest Jack, or Ernest Jacques Hoffman or Ernest Jakab Hoffmann.

OVERSEAS NAVIGATION CORP.—REFERENCE OF BILL TO COURT OF CLAIMS—REPORT OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report favorably, an original resolution, referring the bill (H. R. 8686) for the relief of Overseas Navigation Corp., to the Court of Claims, and I submit a report (No. 2443) thereon.

The VICE PRESIDENT. The report will be received, and the resolution will be placed on the calendar.

The resolution (S. Res. 338) was placed on the calendar, as follows:

Resolved, That the bill (H. R. 8686) entitled "For the relief of Overseas Navigation Corp.," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant: *Provided, however*, That the passage of this resolution shall not be construed as an inference of liability on the part of the Government of the United States.

AMENDMENT OF RAILWAY LABOR ACT—REPORT OF A COMMITTEE

Mr. THOMAS of Utah. Mr. President, from the Committee on Labor and Public Welfare, I report unfavorably, with amendments, the bill (S. 3463) to amend the Railway Labor Act, as amended, so as to prevent interference with the movement of interstate commerce, and for other purposes, and I submit a report (No. 2445) thereon. I ask unanimous consent that I may make a brief statement which the committee has asked me to make in connection with the report.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar, and, without objection, the Senator may proceed.

Mr. THOMAS of Utah. Mr. President, the motion directing me to report this bill also directed me to make the statement that the committee first rejected a motion to report the bill favorably by a vote of 11 to 1, with the Senator from Missouri [Mr. DONNELL] voting in the affirmative; then rejected a motion to report the bill without recommendation by a vote of 10 to 2 with the Senator from New Jersey [Mr. SMITH] and the Senator from Missouri [Mr. DONNELL] voting favorably thereon; and then voted to report the bill adversely by a vote of 11 to 1, with the Senator from Missouri voting in the negative.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 25, 1950, he presented to the President of the United States the following enrolled bills:

S. 2423. An act to amend section 7 of the act of February 27, 1925. (43 Stat. 1008), relating to the Osage Indians of Oklahoma;

S. 2901. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware; and

S. 3059. An act for the relief of John H. Sebenick.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GREEN:

S. 4096. A bill for the relief of Mr. and Mrs. Thanos Mellos, Michel Mellos, and Hermine Fahnl; to the Committee on the Judiciary.

By Mr. HENDRICKSON:

S. 4097. A bill for the relief of Mrs. Valentine Averdoff; to the Committee on the Judiciary.

(Mr. MAGNUSON introduced Senate bill 4098, to amend the Merchant Marine Act, 1936, as amended, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

AMENDMENT OF MERCHANT MARINE ACT, 1936

Mr. MAGNUSON. Mr. President, I introduce for appropriate reference a bill to amend the Merchant Marine Act of 1936, as amended. I ask unanimous consent that a letter from the Secretary of Commerce addressed to Hon. Edward J. Hart, Chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives, explaining the bill, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the letter will be printed in the RECORD. The Chair hears no objection.

The bill (S. 4098) to amend the Merchant Marine Act, 1936, as amended, and for other purposes, introduced by Mr. Magnuson, was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, July 20, 1950.

Hon. EDWARD J. HART,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This letter is in further reply to your requests of May 12, 1950, for the view of the Maritime Commission and the Department of Commerce concerning H. R. 8470, a bill "to amend the Merchant Marine Act, 1936, as amended, and for other purposes."

Section 1 of the bill, as amended to accord with the provisions of Reorganization Plan No. 21 of 1950, would amend section 215 of the Merchant Marine Act, 1936, to authorize the Secretary of Commerce to purchase such vessels as he deemed necessary "to secure to the United States merchant vessels for use during war or national emergency * * *." Section 215 presently permits the acquisition of vessels only in the event that they are deemed necessary "to establish, maintain, improve, or effect replacements" on an essential trade route.

The immediate effect of the bill would be to authorize the Government to purchase the vessel steamship *Monterey* from the Oceanic Steamship Co. That authorization is essential in the event that the Secretary of Commerce should later determine that a purchase agreement should be entered into with the Oceanic Co. We do not take the position that a purchase agreement will in fact be executed. Full consideration has not as yet been given by the Department to the merits of the proposed agreement. However, the permissive nature of this legislation would provide assurance that an agreement may be validly entered into without in any way committing the Secretary to do so.

Section 1 of the bill has another, and more important aspect. In enlarging the authority of the Secretary to purchase vessels, the bill, in effect, authorizes the stockpiling of merchant ships so that they would be immediately available to the Government in the event of an emergency. Under existing law the Government can acquire vessels for use during critical periods only after the President has declared the existence of an emergency or proclaimed that the security of the national defense makes it advisable.

As a result of this limitation on the authority to acquire vessels for use during a war or national emergency, the Government is deprived of the opportunity to purchase vessels at times when their cost would be relatively small, and before their condition may have been permitted to deteriorate, through lack of use. Enactment of H. R. 8470 would avoid this consequence. Ships could be acquired immediately upon their becoming available; that is, immediately after a decision by the shipowner that continued operation is no longer economically feasible, and would, therefore, be ready for use by the Government simultaneously with the need for them. The language of the bill would permit the Secretary to exercise his discretion and, therefore, to purchase only those ships which would be useful to the United States in time of need, or to purchase no ships at all unless they can be procured at a price commensurate with the use to which they are to be put.

The existing language of section 215 permits the purchase of ships in order to maintain the foreign commerce of the United States on essential trade routes. It is our opinion that the national defense is no less vital to the Nation's welfare, and that a similar authority should exist with regard to ships which are deemed useful in time of war or emergency. The Department, there-

fore, endorses the enactment of section 1 of the bill.

Sections 2, 3, and 4 of the bill are concerned with revising the depreciation provisions of the Merchant Marine Act, 1936, in order to give recognition for extended economic vessel life when a vessel has been reconstructed or reconditioned. While the general policy of the act is to encourage the building of new vessels to replace vessels the end of whose economic life is approaching, there are occasions when the reconstruction or reconditioning of a vessel is fully in accordance with the objectives of the Merchant Marine Act, 1936. Under these conditions, it seems clear that recognition should be given to the extension of the economic life of the vessel.

The Department recommends that the bill be amended so that the recomputation provided should be discretionary instead of mandatory, in view of the general policy of encouraging the replacement of old vessels by newly built vessels.

The Department recommends that the following amendments be made in the bill:

(1) In order that the bill accord with the provisions of Reorganization Plan No. 21 of 1950, the phrase "Secretary of Commerce" should be substituted for "Commission" wherever the latter word appears in the bill.

(2) In the event the applicability of section 1 is made general, in order to give effect to the extended economic life of a vessel, and in order to make it clear that the value of restoration materials employed in a ship being acquired should not be paid for apart from the ship itself, it is suggested that on page 2, lines 13 and 14, and the first five words of line 15 be deleted and the following substituted: "Based upon the life expectancy of the vessel determined as provided in section 607b, and plus the additional cost of materials acquired for the restoration and reconditioning of such vessel being installed therein,".

(3) On page 1, line 5, insert between "acquire" and 'by" the phrase "at any time." This amendment is designed to prevent any contention to the effect that the authorization to acquire ships is to become operative only during war or national emergency, and to assure that authority is available to acquire vessels in advance of the actual development of war or national emergency.

(4) Delete "its construction fund" on page 2, line 3, and insert in lieu thereof "available appropriated funds."

(5) In order to simplify and clarify section 3 and to change it from a mandatory directive to a permissive authorization, it is suggested that on page 3, the last six words in line 14, lines 15, 16, 17, and 18, and the first word in line 19 be deleted and the following substituted: "Such depreciation charges to be computed on a 20-year life expectancy of the vessels, except that the life expectancy of a vessel which shall have been or is to be wholly or partially reconstructed or reconditioned may, upon request, be determined by the Commission."

(6) On page 3, lines 6 and 7, we suggest that the word "computed" be changed to "determined."

In view of the urgency of this matter, we are submitting this report without having obtained the advice of the Bureau of the Budget and are therefore unable to advise you as to the relation of the bill to the program of the President. If we can be of any further assistance, please let us know.

Sincerely yours,

CHARLES SAWYER.

REVENUE ACT OF 1950—AMENDMENTS

Mr. WILLIAMS submitted amendments intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. WILLIAMS (for himself and Mr. BREWSTER) submitted amendments intended to be proposed by them, jointly, to House bill 8920, supra, which were ordered to lie on the table and to be printed.

Mr. WILLIAMS (by request) for Mr. MYERS and Mr. MARTIN submitted an amendment intended to be proposed by Mr. Myers and Mr. Martin, jointly, to House bill 8920, supra, which was ordered to lie on the table and to be printed.

Mr. HUNT submitted an amendment intended to be proposed by him to House bill 8920, supra, which was ordered to lie on the table and to be printed.

Mr. CHAVEZ submitted amendments intended to be proposed by him to House bill 8920, supra, which were ordered to lie on the table and to be printed.

Mr. ROBERTSON. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Between the approval of section 207 as offered in the committee and the rendering of a final draft of it, a change in language was made which may not carry out the original intent of my amendment. The amendment which I am now submitting will accomplish the purpose intended by the committee.

As stated in the committee report, at page 64, the purpose of section 207 is to insure that "spin-offs" have the same tax treatment as "split-ups." The purpose of this amendment is to delete from the section as reported certain language which, if retained, might well prevent that equalization of treatment from being accomplished.

I ask unanimous consent that a further statement of explanation by me of the amendment be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the statement of explanation will be printed in the RECORD. The Chair hears no objection.

The statement of explanation is as follows:

STATEMENT BY SENATOR ROBERTSON

Spin-offs and split-ups are each a means of separating the assets of a single corporation between two or more corporations. In a spin-off, the stockholders of a corporation receive the stock of a new corporation (which takes over part of the assets of the old corporation) without transferring in exchange any of their stock in the old corporation. In a split-up, at least two new corporations are formed (each of which takes over part of the assets of the old corporation), and the stockholders of the old corporation receive the stock of these corporations in exchange for their old stock, the old corporation being liquidated. The spin-off and the split-up utilize slightly different technical means of accomplishing the same practical result, and there is no justification for any difference in their tax treatment. In both cases, the stockholders are in the same financial status after the reorganization as they were before it.

Under present law, a split-up involves no immediate recognition of gain if, but only if, there is a bona fide business purpose for the transaction. The business purpose requirement is one which was imported by the Supreme Court decision in *Gregory* v. *Helvering* (293 U. S. 465), into the law governing all so-called tax-free reorganizations.

Section 207 contains certain language which is apparently intended to restate the business-purpose doctrine as it would apply to spin-offs.

It is clear that the business-purpose doctrine will apply to spin-offs without any such express statement of it in the statutory law, and insofar as this language is an attempted restatement thereof, it is obviously superfluous. But it might be construed to be an extension of that doctrine, and to that extent it would prevent spin-offs from being placed on the same footing as split-ups, and thus frustrate the basic purpose of the provision.

In the event a question is asked with respect to the meaning of subsections (A) and (B) of section 207 (a): The only purpose of subsections (A) and (B) of section 207 (a) is to insure that a business purpose be the object of the reorganization, and that all corporations involved in the reorganization continue the business for which they were organized. That is required under existing law with respect to split-ups, by reason of the application of the Supreme Court's decision in the *Gregory* case (293 U. S. 465). The same rule will necessarily apply to spin-offs, so that this explanatory language is not only unnecessary but could be confusing.

In the Gregory case, a corporate reorganization was effected purely for a tax saving and for no business purpose of the corporation. The Supreme Court held that since there was no business purpose it was not a nontaxable reorganization as contemplated by Congress. That rule has been applied by the Bureau of Internal Revenue and the courts to all types of corporate reorganizations since the Gregory case.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred, as indicated:

H. R. 3775. A bill to provide for an additional district judge for the third division of the District Court for the District of Alaska; to the Committee on the Judiciary.

H. R. 8677. A bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes; to the Committee on Armed Services.

ADDRESS BY GOVERNOR DEWEY

[Mr. IVES asked and obtained leave to have printed in the RECORD the text of an address delivered by Gov. Thomas E. Dewey, of New York, at a luncheon of the Central Canada Exhibition Association, held at Ottawa, Canada, on August 23, 1950, which appears in the Appendix.]

THE RESPONSIBILITY AND DUTY OF CONGRESS—ARTICLE BY ARTHUR KROCK

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article regarding the responsibility and duty of Congress written by Arthur Krock and published in the New York Times of August 24, 1950, which appears in the Appendix.]

THE SECRETARY OF STATE—EDITORIAL FROM THE WHEELING INTELLIGENCER

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial regarding the tenure of Dean Acheson in the office of Secretary of State, from the Wheeling Intelligencer of August 19, 1950, which appears in the Appendix.]

TRIBUTE TO MRS. EUGENIE ANDERSON, UNITED STATES AMBASSADOR TO DENMARK

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article paying tribute to Mrs. Eugenie Anderson, United States Ambassador to Denmark, as published in the magazine This Week for August 13, 1950, which appears in the Appendix.]

ADDRESS BY FORMER REPRESENTATIVE LLOYD THURSTON

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD an address delivered by Hon. Lloyd Thurston, former Representative in Congress from Iowa before the annual convention of the Iowa Department of the American Legion on August 7, 1950, which appears in the Appendix.]

A MASTERPIECE OF AMBIGUITY—EDITORIAL FROM THE JOURNAL OF COMMERCE

[Mr. HENDRICKSON asked and obtained leave to have printed in the RECORD an editorial entitled "A Masterpiece of Ambiguity," published in the Journal of Commerce of Thursday, August 24, which appears in the Appendix.]

INTERNAL SECURITY—EDITORIAL FROM THE WASHINGTON POST

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Internal Security," published in the Washington Post of Friday, August 25, 1950, which appears in the Appendix.]

DISAFFECTION IN RED CHINA—ARTICLE BY RODNEY GILBERT

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Disaffection in Red China," by Rodney Gilbert, published in the New York Herald Tribune of August 22, 1950, which appears in the Appendix.]

COUNTER-REVOLUTION IN CHINA—ARTICLE BY RODNEY GILBERT

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Counter-Revolution in China," written by Rodney Gilbert, and published in the New York Herald Tribune, of Wednesday, August 23, 1950, which appears in the Appendix.]

AMERICA CAN WIN THE PEACE—ARTICLE BY LOUIS FISCHER

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an article entitled "America Can Win the Peace," by Louis Fischer, published in the July 1 edition of the Saturday Review of Literature, which appears in the Appendix.]

CEREMONY AT ACCEPTANCE OF OFFER OF 5,000 PHILIPPINE COMBAT TROOPS FOR SERVICE IN KOREA

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a brief description of the ceremony at which the offer of the Philippine Republic to provide 5,000 combat troops for service in Korea under the United Nations flag was accepted, which appears in the Appendix.]

WISCONSIN FARMERS AND THE KOREAN EMERGENCY

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of Wisconsin farmers and the Korean emergency. I ask unanimous consent that it be printed in the body of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WISCONSIN FARMING READY TO DO ITS JOB ONCE AGAIN IN KOREAN EMERGENCY

One hundred and seventy-five thousand farms in Wisconsin are ready to do another tremendous job for our country in her time of national need.

What, however, do our farmers think of the present situation? Well, each week, I receive around 2,000 letters from Wisconsin. I'm glad to get them and lots more. It's always a pleasure to hear from our people. From those letters, it is obvious that the farmers of my State are not happy over the Executive bungling, the blundering that has brought us into the present mess. Our farmers have written to me, saying in effect:

"DEAR SENATOR WILEY: We are with you in your effort to end the terrible mistakes that have botched up our whole foreign policy—the secret deals by Presidents, the unpreparedness, the appeasement of the Reds. But our boys are fighting now. And we're going to back them up with everything we've got."

Yes, the folks at the grassroots—out on rural route 1 or 2, the folks at the country crossroads are more than willing to carry their share of the burden. But they want Washington to quit fumbling the ball. Our people want victory in Korea. They want peace. They want no third world war.

Some folks in the cities might not realize the tremendous contributions which farmers are making and will make to the Nation's defense effort. Some folks might think that food just grows by itself or cows just fill the milk cans by suggestion.

Well, it takes back-breaking labor, as anyone will recognize if he gives the question a few moments of thought.

Today, America's Dairyland, with its 2,300,000 dairy cattle, is ready once more for such labor to feed our expanded military services, our civilian population, as well as to take care of emergency food needs abroad.

BADGER STATE LEADS AMERICAN DAIRYING

Wisconsin is, of course, the No. 1 milkman of the Nation, producing 12 percent of the Nation's output, 15,000,000,000 pounds of milk—7,000,000,000 quarts. We are, moreover, the greatest cheese center of the Nation, producing more cheese than all the 47 other States combined. Last year, Badger cheese production hit a total of 565,000,000 pounds. In 1949, we produced 165,000,000 pounds of butter; 220,000,000 pounds of dried milk, as well as vast quantities of canned milk.

The 1950 milk check for Wisconsin farmers is expected to total $475,000,000. That's a lot of money but not when it's divided up among so many farmers and their hard-working families. Don't think that the farmer has it easy or that his income can be cut. If the farmer's milk checks go down, if the farmer feels himself caught between rising prices on goods he buys and stationary prices on what he sells, every one throughout our State and Nation feels the pinch in turn. The merchants in 75 percent of Wisconsin's cities feel the harmful results if the farmers don't have enough purchasing power.

These facts underline my deep interest in making sure that as Congress writes emergency legislation for the home front arising out of Korean emergency, we take great care, lest we damage the farm backbone of our country.

FARMERS NEED STRONG CO-OPS

I know from 34 years of experiences on my own dairy farm in Barron County (the farm which my father before me owned and operated for many years) that the farmer is facing constantly rising costs. He must pay more for his feed, for his fertilizer, for his machinery. Today, more than ever before, the farmer relies upon his cooperatives to help him meet the emergency. Wisconsin has always been a great cooperative State.

In the 1947–48 year, 334,200 members of our 934 cooperatives did a total of $425,000,000 worth of business. Seventy-five to eighty percent of all dairy products produced are through cooperatives or farmer bargaining associations. My own farm in Barron County sells its milk to a dairy cooperative and gets its electricity from an REA cooperative. Back in 1935, only 19.6 percent of the farmers in America's dairyland had electricity. But by June of last year, 91 percent of all of our farms were receiving electric service. We want to complete the electrification job, we want to fill the remaining gap. Farmers are entitled to electricity to help them relieve their difficult work chores, to help their wives in the thousand-and-one jobs that must be done around the farm.

I have suppported REA and co-op bills and will continue to do so. However, I will fight, just as Wisconsin farmers will fight, against the few leftists smear-artists (in a few co-ops) who want to socialize the country. These leftists have worked hand-in-glove with a few power-hungry labor czars in the cities in trying to smear any Member of the Senate who has the courage to vote against Federal extravagance in rat-hole projects; against socialistic bills; against leftist nominees for public office.

But Wisconsin rank-and-file farmers are like myself opposed to extravagance, opposed to socialism, to pinks and fellow travelers. That is why I have faith that our REA and co-op members will continue to support my efforts in the American tradition. That is why our farmers laugh at the phony so-called roll-call lists which the few leftists misleaders have devised to smear honest Members of the Senate.

LETTER FROM A FARMER'S WIFE

Recently, I received a letter from a farmer's wife. She thanked me for my help to Wisconsin's farmers and set forth certain facts on the farmer's problems today. This farmer's wife wrote that:

"You, Senator WILEY, understand that the farmer works the longest and hardest hours of any man—no Sunday, holiday or paid vacation. All we get for our milk is $3.12 for 3.5 test and then we have to pay 18 cents per hundredweight for hauling."

In wartime, the farmer, particularly, faces difficult problems. In World War II, he couldn't get sufficient labor. He couldn't get machinery and spare parts. He couldn't get material for home and farm repairs. All he could get were bills, bills, and more bills. Today, as yesterday, the middleman can readily increase prices all along the line; but not so the farmer.

Well, now, what about Congress and the farmer?

I'm glad to present herewith some of the actions which my Republican colleagues and I have taken on behalf of Wisconsin farmers.

1. REA: During the Republican Eightieth Congress, we voted more funds for rural electrification than in any previous American Congress. We are determined that REA shall have the continued right to generate and transmit power.

2. Prices: I have voted constantly to make sure that the farmer gets fair prices, which will give him his cost of production plus a reasonable profit. This year, as last year, dangerous attempts have been made on the Senate floor to cut milk parity below 90 percent. I have of course voted against this legislation—and have voted for full 90 percent support.

Last year, Congressman REID MURRAY of Wisconsin and I introduced two bills to make

the lagging Secretary of Agriculture take action to support manufactured dairy products. The Agriculture Department always seems to be more interested in southern cotton and soybean farming—crops which ruin the soil, rather than Midwestern dairying which enriches the soil and enriches the Nation's bodies.

OUR FIGHT AGAINST OLEO LOBBY

3. Synthetics: Everyone of us knows that the oleomargarine and other synthetic industries are determined to ruin the markets for natural dairy products. That is why I fought throughout the past Eightieth and the present Eighty-first Congress against the oleomargarine lobby. On January 17, 1950, I voted, of course, for the Wiley-Gillette amendment to the oleo bill. Had this amendment been passed, we would have been able to protect Wisconsin butter's natural color. However, the Southern Democrats, aided by a $6,000,000 propaganda campaign carried on by the oleo lobby, defeated us by a vote of 48 to 37.

On March 8, 1950, I voted to kill the oleo bill once again. The Wiley motion to kill the oleo bill was, however, unfortunately, again defeated; this time, by a vote of 59 against to 20 for. Only 6 Democrats voted with us—6 out of 54 Democrats—for the dairyman.

Now, I have cosponsored legislation in the form of Senate Concurrent Resolution 86 for a thorough study of monopoly in the oleomargarine industry.

We know that the next big drive will be for filled—synthetic—milk and then filled—synthetic—ice cream. The Democrats are all out to build up these synthetic industries at the dairyman's expense. The Wisconsin farmer will not forget that the vicious oleo law was: Urged by a Democratic Secretary of Agriculture; passed by a Democratic Congress; signed by a Democratic President—all against the strongest possible Republican opposition. The farmer will not forget the Republican Party's valiant fight in his behalf. The Republicans, now in the minority, will carry on in that fight when the people of Wisconsin vote us into the majority this coming November.

4. St. Lawrence seaway: On February 27, 1948, the Wiley bill for passage of the St. Lawrence seaway was unfortunately defeated by a vote of 57 to 30. For 2½ weeks we had battled for the bill in the Senate, but here, once again, the forces of Southern Democrats overwhelmed the Midwestern Republican forces fighting for the great waterway. If this seaway were enacted now, it would prove a tremendous boon in our entire war economy. It would, moreover, help Wisconsin farmers to transport their products more inexpensively than ever before. We shall, of course, continue to battle for the seaway.

5. Tariff protection: I have always fought to assure reasonable protection for Wisconsin farmers from cheap competitive, foreign products. We have seen how the Wisconsin fur-farming industry has been ruined by the incoming flood of Russian furs. Wisconsin fur farmers have been bankrupted, because they could not possibly compete with these cheap furs from abroad. The same thing could happen to segments of the foreign-type cheese industry in Wisconsin.

That is why I have fought to prevent the President from further slashing tariff duties which would allow a flood of more foreign items to pour into our country. On June 26, 1950, I voted for an amendment to a bill under which we could have strengthened the tariff-protection provisions. The Democrats, however, killed this effort by a vote of 36 against to 35 for. The Democrats insisted on crucifying the farmers with this reckless tariff-cutting policy.

I am sincerely grateful for many fine expressions which have come from farm newspapers and magazines in Wisconsin and throughout the Nation regarding my efforts in their behalf. I want to express publicly my thanks to them. In previous months, various Senators have been kind enough to place in the CONGRESSIONAL RECORD some of these tributes to my efforts for our farmers. The battle for dairying will, of course, go on. All we have done in the past is but a token of what we must do for the farmers in the future.

I want to express my thanks, too, to the hundreds of individual farmers, cooperative officers, REA patrons, who have written to me expressing appreciation for my fight against the oleomargarine lobby and on other issues.

OTHER MAJOR ISSUES FACING FARMERS

The farmer is, of course, not only interested in farm affairs. He is vitally concerned with other problems of the day. I present, therefore, a list below of my position on the other issues of interest to the farmers.

1. Absolute preparedness: Never again must Americans boys die because our country was unprepared and because other nations were better armed than we.

2. Anticommunism: The time is long overdue for passage of strong antisubversive legislation. For over 10 years, I have been sponsoring anti-Communist bills and have been pointing out the menace to our Nation of these traitors in our midst.

3. Free enterprise: The farmer recognizes that the greatest danger in our time is the continuing Socialist trend. The farmer knows that if you give too much power into the hands of a few bureaucrats in Washington, eventually the liberties of the American people will be destroyed. The farmer recognizes that in wartime, there must, of course, be certain central controls but he recognizes, too, that there must be strong safeguards in the administration of those controls.

4. Health: The farmer is absolutely opposed to the Democrats' scheme for socialized medicine. The farmer doesn't want Government bureaucrats snooping into his private health affairs. He doesn't want the Government to order what doctor he should take. The farmer insists, however, that America shall continue to improve the great health standards which she has established through private medicine. The farmer insists, moreover, that America shall improve her hospital facilities. People in rural areas are as entitled to a fair break in getting medical protection as are people in the cities. There is no reason why health on farms should suffer in relation to health in the cities. There is no reason why the farmer's wife should not have expert medical care when she brings a youngster into the world, for example.

5. Veterans: The farmer knows the problems of the veteran because he has sent his sons to two world wars and many farm boys are fighting in Korea right now. The farmer insists, therefore, that America shall fulfill her obligations to her heroic ex-servicemen. It was my privilege to serve as one of the original cosponsors of the GI bill of rights, and I will certainly continue my efforts along this line.

6. Labor: The farmer is a workingman, as I am one. I worked in the sawmills of Wisconsin for 15 cents an hour for 11 hours a day. We know the problems of the workingman. We know, however, that the worker must not listen to the few power-drunk labor czars who want to paralyze America by crippling railroad, coal, and other strikes and who want to purge Members of the Senate like myself who insist that the public interest must not be murdered by these ruinous strikes. The farmer believes, as I do, in labor's rights, but he believes in the rights of 150,000,000 Americans—the public's rights, too.

That, then, is the story—the story of Wisconsin's great dairy production; the story of the Republican fight for dairying.

FARMERS INVITED TO WRITE FOR MORE COPIES OF THIS REPORT

I warmly invite Wisconsin farmers to continue to send along their suggestions and comments to me. Moreover, if any of them would like to have more copies of this statement to distribute among their friends, they are gladly invited to write to my office. Just drop a note to: Senator ALEXANDER WILEY, Senate Office Building, Washington 25, D. C. Thanks very much for your kind attention to this report.

PERMISSION TO SENATOR WILEY TO PRINT STATEMENTS IN THE RECORD NEXT WEEK

Mr. WILEY. Mr. President, I am preparing several statements which I expect to have ready next week. I ask unanimous consent at this time that they may be inserted in the Appendix of the RECORD next week.

The VICE PRESIDENT. Without objection, it is so ordered.

SPEECH BY AMBASSADOR OF RED CHINA TO NORTH KOREAN GOVERNMENT ON OCCASION OF PRESENTATION OF CREDENTIALS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the official text of a broadcast from the North Korean capital of Pyongyang on August 14, 1950, containing the speech of the Chinese Communist Ambassador at the time he presented his credentials to the North Korean Government, in which the Government of Red China indicated its full and unqualified support of the North Koreans, who had committed the act of aggression against South Korea.

There being no objection, the text of the broadcast was ordered to be printed in the RECORD, as follows:

CHINESE ENVOY PRESENTS CREDENTIALS

PYONGYANG, August 14 (KCP).—President Kim Doo Bong of the Presidium of the Supreme People's Assembly of the Democratic People's Republic of Korea received in audience Envoy Extraordinary and Ambassador Plenipotentiary Ni Chi-liang of the Chinese People's Republic to Korea at 8 p. m., August 13, in the conference room of the Presidium of the Supreme Korean People's Assembly. Ambassador Ni Chi-liang presented his credentials to President Kim Doo Bong.

At the ceremony of presentation of the credentials, Ambassador Ni Chi-liang made his presentation speech and President Kim Doo Bong made a return speech. Subsequently Ambassador Ni Chi-liang introduced to President Kim Doo Bong First Counselor Chai Chun-wu, Second Counselor (Sol Songhja), First Secretary Chang Heng-yeh, Second Secretary (O Hyo-tal) and Military Attaché Chu Kuang.

Present at the ceremony were Vice Foreign Minister (Pak Hun Yong), Secretary General Kang Yang Uk of the Presidium of the Supreme Korean People's Assembly, Director (Cho Chong Hwa) Master of Ceremonies of the Foreign Ministry, and (Lee Yu Chon), Acting Director of the Bureau of China.

Following the ceremony of presentation of credentials, President Kim Doo Bong held a brief conversation with Ambassador Ni Chi-liang. Present at the conversation was Vice Foreign Minister (Pak Hun Yong).

Here is the text of the speech made by Ambassador Ni Chi-liang in presenting his credentials:

"Your Excellency, I have the honor to present to you the credentials (in which) the chairman of the Central People's Government of the Chinese People's Republic (accredits) me as Envoy Extraordinary and Ambassador Plenipotentiary to the Democratic People's Republic of Korea.

"Your Excellency, as I present the credentials to you, the Korean people and the Korean People's Army, with peerless spirit, have won brilliant victories over the American imperialist aggressors and their lackey, the Syngman Rhee puppet group, dealing severe blows to them, and have liberated a vast area of the country. Each one of your victories is one which moves and encourages the Chinese people.

"On behalf of the chairman of the Central People's Government of the Chinese People's Republic and all of the Chinese people, I offer sincere congratulations to you and the great and brave Korean people."

SMASH AGGRESSION

"At the same time, I am convinced that under the leadership of Gen. Kim Il Sung the Korean people and the Korean People's armed forces inevitably will smash completely the aggression and invasion by the American imperialists and their lackey, the Syngman Rhee puppet group, and attain liberation and independence for the Korean people.

"Your Excellency, China and Korea have from old days been two brotherly countries. The Chinese and Korean peoples have been closely related in the great struggle to attain independence and liberation (in pursuit of common objectives).

"Today at a time when American imperialists are invading Korea, having mobilized their land, sea, and air forces, and are obstructing by armed intervention the liberation of Taiwan by the Chinese people, the peoples of the two countries have common objectives in the struggle to attain national independence in opposition to American imperialists.

"The solidarity, friendship, and cooperation of our two countries will further the friendship existing from old days between the two countries and at the same time will contribute to our common tasks to attain independence and liberation for the peoples of the two countries, as well as to the defense of the peace of Asia and the world.

"Your Excellency, I give you my word that in my capacity as Ambassador of the Chinese People's Republic I will exert my utmost to promote the solidarity, friendship, and cooperation between the Chinese people and the great Korean people. I hope that Your Excellency will render assistance and support to me in these efforts of mine."

That was the speech made by Ambassador Ni Chi-liang.

Next here is the text of the speech made in reply by President Kim Doo Bong:

"Your Excellency, I am pleased to receive the credentials of the Chairman of the Central People's Government of the Chinese People's Republic (which accredits) you as Envoy Extraordinary and Ambassador Plenipotentiary of the Chinese People's Republic to the Democratic People's Republic of Korea."

EXPRESSES GRATITUDE

"I also express my gratitude for the warm congratulations and encouragement of the chairman of your government and your people to the Korean people and the Korean people's armed forces fighting in opposition to the aggression of American imperialists.

"I am convinced that under the leadership of Chairman Mao Tse-tung the Chinese people will without fail succeed in repulsing armed intervention of American imperialists in Taiwan and found a prosperous, powerful, independent, and sovereign China.

"Historically China and Korea have been maintaining brotherly, close relations, and have been pursuing common objectives and interests in the struggle to attain independence and liberation for their respective fatherlands. Again today, when the American imperialists are pursuing a policy of brazen aggression in Korea and are perpetrating armed intervention and (other plots) in a move to obstruct the (freedom and) liberation of the Chinese people, the peoples of our two countries are pursuing the same objectives of national independence and liberation in our struggle against our common enemy, the American imperialists.

"The solidarity, friendship, and cooperation between Korea and China will not only cement further the friendship long existing between the two peoples but also contribute to the common struggle for independence and liberation of the two peoples. It will also constitute a sound security for the success of the national liberation struggle by the oppressed Asian nations and a great contribution to the defense of world peace.

"Enthusiastically welcoming Your Excellency as envoy extraordinary and ambassador plenipotentiary of the Chinese People's Republic to Korea, I give you my word that I will exert my utmost to cooperate in your efforts in promoting friendship and good will between the Korean and Chinese peoples.

"I humbly wish your great people and government great success."

That was the speech made in reply to President Kim Doo Bong.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. KNOWLAND was excused from attendance on the session of the Senate for the remainder of today.

USE OF PUBLIC MONEY TO INFLUENCE THE OUTCOME OF ELECTIONS

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as part of my remarks a statement which I prepared on the subject of the use of public money to influence the outcome of elections.

There being no objection, Mr. BUTLER's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

Mr. President, the use of public money to influence the outcome of elections is a matter of concern to all. The Congress has legislated against it and the people are well aware of the dangers which arise when an unchecked bureaucracy is able to work its will on the electorate for the benefit of the very few who control the public purse.

I have here a copy of a letter which I plan to read into the RECORD for the information of Members of the Senate. The letter indicates that the voters of the Territory of Alaska are not strangers to the pernicious practice of having the promise of extra rewards from tax funds dangled before their eyes—to influence their choice of candidates at the polls.

Mr. President, I cite this matter as evidence of a condition existing in Alaska public affairs which merits the most serious consideration of my distinguished colleagues. As we have seen, there is a growing question at present as to whether Alaska's political leaders of this period are carrying out fully the duties of their offices, and whether they are discharging, unselfishly and with integrity, their responsibilities to the inhabitants of this great Territory.

There are certainly many matters in the record of their administration, Mr. President, which do not encourage a belief that this is the case.

This letter, a copy of which I have here, raises this question in a manner which cannot be denied. The letter was written by Mr. George Sundborg, a consultant of the Alaska Development Board, and was addressed to Mr. Arvo Saario, the president of the Northwest Alaska Chamber of Commerce in Nome, Alaska. The date of the letter was March 14, 1950.

I note also, Mr. President, that the letter on Alaska Development Board stationery was written by Mr. Sundborg from Washington, D. C., where I assume that this Territorial official must spend at least part of his time at the expense of Alaska taxpayers. I will have more to say about Mr. Sundborg's expenses later on in my remarks.

As appears from the text of this letter, Mr. Saario, of the chamber of commerce in Nome, had sent a night letter to the development board asking that it establish a branch office in Nome, thereby providing support to the Northwest Chamber of Commerce in a program to promote a tourist business in that vast and colorful area of our country.

This was Mr. Sundborg's reply:

"DEAR MR. SAARIO: Your recent night letter has been forwarded here by my office in Juneau. The interest of your organization in building up a real tourist business in Alaska is greatly appreciated by us and we hope your attitude will be emulated by other chambers of commerce in the Territory."

Mr. Sundborg and the development board, a Territorial agency supported by appropriations voted by the legislature from tax funds, are in favor of an increased tourist business in Alaska. They are not alone. The tourist trade has long been regarded by most Alaskans as a potential source of revenue of virtually unlimited possibilities.

But then Mr. Sundborg moves toward the real point of his reply. His letter continues:

"Mr. Polet, our Alaska Development Board member for the second division has long advocated our establishing an office at Nome. We have not been able to do this for budgetary reasons. As you may know, all four of the senators from the second division voted in the 1947 legislative sessions to completely abolish the Alaska Development Board. These men were O. D. Cochrane, Tolbert Scott, Charles Jones, and William Munz."

Mr. Sundborg's impatience with the actions of the elected representatives of the people is plain. The votes of these four Territorial senators would, of course, have been insufficient to block or curtail a development board appropriation had there not been others elected to the chamber who also found reason to vote against the funds.

Referring to the same four legislators, Sundborg's letter states:

"They were also instrumental in that session in obtaining a vote by which our board was given no appropriation whatsoever for the entire biennium. In the 1949 session, Senators Jones and Munz again voted to cripple the Alaska Development Board in every possible way but the two new senators who had been elected in the meantime, Howard Lyng and Ed Anderson, supported us strongly. The Alaska Development Board, as a result, received an appropriation of $80,000 for the current biennium. This does not permit us to maintain an office in Nome or to spend any money on a tourist-promotion program."

Now the citizens of Nome and the second division who are desirous of obtaining tax funds from this source, perhaps to the exclusion of other governmental services, know whom to vote for. They know because Mr. Sundborg, the bureaucrat who controls these funds, has told them.

Lest there be any doubt along this line, here is the concluding language of the letter:

"Whether we will be able to proceed toward these objectives next biennium will depend entirely on action taken by the 1951 legislature and, of course, upon the make-up of the body."

Mr. President, this is another example, small but revealing, of government by pressure. It is activity which ill-becomes the appointed official of a government entity now aspiring to statehood.

Also, it should be noted here, that little pressure is required to control the outcome of the balloting in a sparsely populated region such as the second division in northwest Alaska. The vote in Nome runs about 500 votes and in the entire division less than 2,000.

Yet, at the present time, this division sends one-quarter of the total members to the Territorial senate and one-sixth of the members to the Territorial house.

Again, this emphasized a glaring weakness in Alaska's governmental structure. All administrative activities in the vast area are controlled from the top through a legislature of 40 members. Control of a bare majority of the lawmakers by the executive branch—with its power over Territorial funds plus added sums of Federal moneys—immediately yields mastery of both branches of the government.

Mr. Sundborg's letter was written to the Nome Chamber of Commerce a scant 6 weeks before the Alaska primary election in April. Mr. Jones and Mr. Munz, castigated therein, were both candidates for reelection.

Mr. Munz was defeated while Mr. Jones, an Alaskan pioneer and resident of the Territory for more than 50 years, won renomination in the primary by a narrow margin.

To find one possible reason why these and other members of the lawmaking branch of the Alaska government voted against funds for the development board, we must look elsewhere in the official records of the Territory.

These show that Mr. Sundborg's annual salary, paid from tax funds, is in excess of $8,000 per year. In addition, the records show, he drew an extra sum for fees and expenses in 1 year between April 1, 1949, and April 1, 1950, amounting to $6,800.

This is a rather tidy return for one official of a minor Territorial agency, particularly in view of the fact that more than $5,000,000 in appropriations voted by the last legislature remain "frozen" by the Territorial board of administration for lack of revenue with which to meet the expenditures which they provide.

It seems entirely possible—and logical—that some of the legislators in Alaska believed that the Territory could not afford the luxury of an added agency which could provide one official with pay and expenses amounting to nearly $15,000 per year, when the difference between revenue and expenditures for basic government services amounts to more than $5,000,000. I fail to see how the soundness of this view can be questioned.

The Alaska Development Board has been roundly criticized throughout the Territory as largely a statehood propaganda agency and a device to enable the Territorial administration to supply expenses and travel money for favored members of that administration. We see it is also a device which, in the final analysis, enables the members of the administration to smear and attack elected representatives of the people who are seeking to find a solution to an impossible financial situation.

In connection with this same board, it is also interesting to note that it did receive funds, a total of $28,000, during the 1947–49 biennium while the expenditure of $20,000, authorized by the legislature, for an audit of Territorial funds was denied by administration officials comprising the board of administration.

The audit, therefore, was not made until 1949, although it had been voted in 1947. But when it was made, shortages amounting to $49,000 were uncovered in the treasurer's office and that official was sent to prison for 10 years for embezzlement. Part of this shortage was kept under cover for 2 years by the refusal of the officials to release the funds for the audit while making money available for the development board.

More than 20 other violations of Territorial law in the handling of the people's money were uncovered by the same audit. A total shortage of $27,000 in the sale of liquor-tax stamps was brought to light by the auditors, and remains unaccounted for to this day.

Before concluding, Mr. President, I ask that Mr. Sundborg's electioneering letter to the Northwest Chamber of Commerce in Nome be made a part of my remarks at this point to enable my distinguished colleagues to read and study it in its entirety in the light of the serious implications to which it gives rise.

ALASKA DEVELOPMENT BOARD,
Washington, D. C., March 14, 1950.

Mr. ARVO SAARIO,
President, Northwest Alaska Chamber of Commerce, Nome Alaska.

DEAR MR. SAARIO: Your recent night letter has been forwarded here by my office at Juneau. The interest of your organization in building up a real tourist business in Alaska is greatly appreciated by us and we hope your attitude will be emulated by other chambers of commerce in the Territory.

Mr. Polet, our Alaska Development Board member for the second division, has long advocated our establishing an office at Nome. We have been unable to do this because of budgetary reasons. As you may know, all four of the senators from the second division voted in the 1947 legislative sessions to completely abolish the Alaska Development Board. These men were O. D. Cochran, Tolbert Scott, Charles Jones, and William Munz. They were also instrumental in that session in obtaining a vote by which our board was given no appropriation whatsoever for the entire biennium. In the 1949 session Senators Jones and Munz again voted to cripple the Alaska Development Board in every possible way but the two new senators who had been elected in the meantime, Howard Lyng and Ed Anderson, supported us strongly. The Alaska Development Board, as a result, received an appropriation of $80,000 for the current biennium. This does not permit us to maintain an office in Nome or to spend any money on a tourist-promotion program. Whether we will be able to to proceed toward these objectives next biennium will depend entirely on action taken by the 1951 legislature and, of course, upon the make-up of that body.

Sincerely yours,

GEORGE SUNDBORG,
Consultant.

Officers: Gov. Ernest Gruening, chairman; J. A. Talbot, Ketchikan; Antonio Polet, Nome; Fred W. Axford, Anchorage; Herb Hilscher, Fairbanks; George Sundborg, consultant; Cathryn Mack, secretary.)

SENATOR MAGNUSON, OF WASHINGTON

Mr. MURRAY. Mr. President, it had been my intention to address the Senate in tribute to the services of the Senator from Washington [Mr. MAGNUSON] and to refer to a resolution of appreciation of him adopted by the Washington State Federation of Labor. Because of lack of time, I ask unanimous consent that the remarks prepared by me and the resolution be printed in the RECORD at this point.

There being no objection, Mr. MURRAY's statement and the resolution were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MURRAY

Mr. President, recently the Washington State Federation of Labor called "time out" during its 1950 convention to honor one of our distinguished colleagues. They paid an unusual, and well-deserved, tribute to the Senator from Washington [Mr. MAGNUSON].

During busy convention sessions, they took time to honor their senior Senator for his contributions to fair play in labor-management relations.

The group that started this action is the Washington Federation of State Employees, affiliated with the American Federation of Labor.

In a moment I will refer to the resolution, which won unanimous approval, honoring Senator MAGNUSON.

First, however, let me state that working men and women, who are the driving force behind our productivity and world leadership, have recognized many times that they have a friend and champion in WARREN G. MAGNUSON. Labor knows what it means to have fair representation in the constant effort for better standards of living.

We who serve with him in Congress know how many rounds Senator MAGNUSON has fought in the battle for better wages, better housing, better working conditions, improved educational and health standards, and for job security.

We recall that he fought the effort to outlaw the closed shop, even before there was a Taft-Hartley bill.

The issue then, early in 1947, was the Ball bill. Senator MAGNUSON told the author of that bill in a Nation-wide debate why he opposed it: Because the closed shop is a proper part of collective bargaining, because it was not the fundamental cause of labor-management disputes, and because outlawing the closed shop aimed a body blow at living standards achieved by organized labor.

Senator MAGNUSON called on the American public to remember that the closed shop was a proper part of collective bargaining for a half century, and that nearly one-third of the 15,000,000 members of organized labor were working under closed-shop contracts.

That particular Congress is famous not for what it did "for" labor, but what it did "to" labor. That was the Taft-Hartley, or Eightieth Congress. About the only constructive labor legislation it passed was the bill improving disability benefits for the longshoremen and harbor workers, and Senator MAGNUSON was out in front sponsoring that legislation.

Congress then had time mostly for such things as the Portal to Portal Pay Act, and the Taft-Hartley Act. During the Taft-Hartley debate, Senator MAGNUSON questioned the author of the bill. His questions to Senator TAFT proved that one aim of that legislation was to muzzle and practically silence labor unions in the realm of politics.

I have here a statement made at that time by Senator MAGNUSON, who said: "If this measure becomes law, it will mean that the voices of corporations in politics in the United States will be far stronger than the voices of labor unions. That is sufficient basis for a veto."

The Eightieth Congress had its way, but Senator MAGNUSON was in the fight through the final round. There were 25,000 cheering union members packed in and around Madison Square Garden for the "Veto Day" rally sponsored by the AFL, when President William Green and WARREN MAGNUSON and other prominent speakers urged a veto. The veto that followed it is now labor history.

A few days ago we passed an improved and expanded social-security law, here in the Senate.

WARREN MAGNUSON was a veteran in the fight for better social security even before 1939, the year when he insisted here in Congress that the crying need for America was a program of better care for this Nation's overaged working men and women, an adequate, workable old-age pension plan.

He has been in the big fights, the little ones, and the scraps in between. Part of labor's struggle has been the battle for improved educational opportunities, and I remember his words on this issue:

"I have repeatedly challenged the theory that a family's educational opportunity should be dictated by the economic status of the family. Mental capacity is not determined by the size of a family's bank account. Boys and girls in America need better educational opportunities."

One year ago he was in the fight here on the Senate floor for a 75-cent minimum wage. It is now the law of the land. We were cosponsors of the fair labor standards amendments bill of 1949, aiming to increase the terribly low 40-cent standard which the Eightieth Congress had failed to raise.

Senator MAGNUSON recognized the injustice, and saw the need to equalize production costs in depressed labor areas, such as the South, which competed with higher labor standards where wages were deservedly high, as in the Pacific Northwest.

He told the Senate: "The obsolete 40-cent standard is still the law of the land. It is grossly inadequate. A 40-cent minimum offers virtually no protection against a vicious spiral of wage cutting." The Senate agreed.

Another fight involved the Marshall plan. Both labor and Senator MAGNUSON supported that plan, but it was necessary to provide an insurance policy for American jobs, as well. He succeeded in killing the proposal to transfer 200 of our ships to other nations, knowing that it would be suicidal to our own merchant marine.

He also insisted on the 50–50 clause to require that one-half of the shipping go in American vessels, both in the ECA and military aid programs.

"Labor must not be sold in the market place to the lowest bidder. Destroy unionism and we revert to the time when wages accepted because of a job-seeker's desperation set the market price."

These are the words of Senator MAGNUSON.

It is not surprising that labor singled him out for honor on two recent occasions. One, the 1949 annual convention of the Washington State Federation of Labor which commended him for loyal and active support, stating:

"He willingly assisted labor by investigating matters other than legislation, every time asked, and adjusted these matters to the benefit of labor," and that he had always actively supported legislation for labor and also vigorously opposed antilabor legislation.

And here is the more recent evidence of labor's esteem. I ask that it may be printed at this point in my remarks.

IN APPRECIATION OF SENATOR MAGNUSON—RESOLUTION PASSED BY THE WASHINGTON STATE FEDERATION OF LABOR AT CONVENTION IN TACOMA, WASH., JULY 10, 1950

Whereas there is now pending in the United States Congress H. R. 6000, a bill to amend the Social Security Act and extend coverage to public employees under certain circumstances; and

Whereas the American Federation of State, County and Municipal Employees, a sovereign body of the American Federation of Labor, formulated its position on this matter in its national convention at Omaha, Nebr., in April 1950, in the form of a proposed amendment to H. R. 6000, which this International submitted to Members of the United States Senate, urging their support of the International's position; and

Whereas the State of Washington, and the Washington Federation of State Employees were highly honored, when the International amendment was introduced by the senior Senator from the State of Washington, the Honorable WARREN G. MAGNUSON, and is in fact now known as the Magnuson amendment to H. R. 6000, and as such is now under consideration by the House and Senate conferees on H. R. 6000: Therefore be it

Resolved, by the 1950 convention of the Washington Federation of State Employees, That the contributions of Senator MAGNUSON in the cause of organized labor, and in particular in championing the position of our own International, should be properly recognized and appreciated, and so we in convention assembled offer our deep appreciation to Senator MAGNUSON, and ask the Washington State Federation of Labor to join us in thanking Senator MAGNUSON for his support of our International's position on social security which is so extremely vital to all public employees.

Adopted by the convention of Washington Federation of State Employees, Tacoma, Wash., July 9, 1950.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The VICE PRESIDENT. The tax bill (H. R. 8920) is before the Senate and open to amendment. The Chair understands that yesterday the Senate agreed to all the committee amendments, to be incorporated as if they were the original text of the bill, so that amendments may be offered to them notwithstanding the fact they have been agreed to.

Mr. GEORGE. That is correct.

The VICE PRESIDENT. There is no amendment now pending.

Mr. McMAHON. Mr. President, there is a situation in this country with regard to the supply of copper which leads me to send forward an amendment which I shall propose on behalf of myself and my colleague, the junior Senator from Connecticut [Mr. BENTON].

There is a demand in this country for about 1,800,000 tons of copper. We can not begin to satisfy that demand by domestic production.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. McMAHON. I yield.

Mr. WHERRY. I desire to ask the distinguished Senator whether he intends to bring up the amendment or make a speech on it. The reason for my inquiry is that there are three or four Senators on this side who are intensely interested in the amendment, and I should like to have them present to hear the Senator if he intends to bring it up or make extended observations on it.

Mr. McMAHON. I do not intend to make any very extensive observations, that is, a long speech. The facts on this subject are so plain that they can be stated in about 10 minutes or less. I intend to call up the amendment at the conclusion of my remarks.

The VICE PRESIDENT. Is the Senator offering the amendment now?

Mr. McMAHON. No, I shall offer the amendment in a few minutes.

Mr. WHERRY. It is true there has been a quorum call, and I do not like to suggest another, but I should like very much to have the two or three Senators who are particularly interested in the amendment, to hear the observations of the Senator from Connecticut. I am sure they would like to hear what he has to say. Would the distinguished Senator yield for another quorum call at this time?

Mr. McMAHON. I desire to oblige the Senator, and I will yield.

Mr. WHERRY. I think it will save time in the end.

Mr. McMAHON. I realize that there are some of the Senator's colleagues who strenuously object to what I propose, and if the Senator feels it is necessary, I am willing to yield in order that a quorum may be called.

Mr. WHERRY. I shall not call for it now because I am quite satisfied that if the Senator will speak for 10 minutes, the Senators I have in mind will be on the floor.

Mr. McMAHON. Mr. President, yesterday the Committee on Appropriations of the House of Representatives reported a sixteen and a half billion-dollar supplemental appropriation bill for defense purposes. This runs our total budget to about fifty-seven and a half billion dollars, about half of which will be used for defense purposes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. WHERRY. Does the Senator mean that the total appropriations for fiscal year 1951 will be $57,000,000,000?

Mr. McMAHON. A little in excess of that.

Mr. WHERRY. I asked about that matter of Representative CANNON, and also Representative TABER, and the leaders in the Senate Committee on Appropriations, and they all agreed that the budget will be just inside $60,000,000,000 for the next fiscal year. I thought the Senator would like to know the figure.

Mr. McMAHON. That is all the appropriations, supplemental and all?

Mr. WHERRY. Yes.

Mr. McMAHON. It is about $3,000,000,000 more than I had thought, but I may say that approximately half that amount will go for defense purposes.

Mr. WHERRY. That is correct.

Mr. McMAHON. We all know, and the point needs no laboring, how vital everything that goes into defense items is, as well as how important it is to our domestic civilian economy. We need about 1,800,000 tons of copper this year. We cannot begin to obtain that amount of copper from domestic sources. Back in 1930 a 2 cents a pound, $40 a ton, tariff, was placed on the importation of copper. All during the 1930's we competed in the world copper market. We exported thousands and thousands of tons of copper during the 1930's. If at any time a claim could have been made that a tariff was needed on copper, the validity of that claim has ceased at this time.

I am deeply interested in the matter for a number of reasons, not the least of which is that the plants in Connecticut which use so much copper and fabricate it, are now laying off help and cutting down production, because they cannot get copper. I quoted from an article appearing in the New York Times of August 17, and I know this article is accurate:

FABRICATORS HIT BY LACK OF COPPER—PLANTS CUT BACK OPERATIONS, IN SPITE OF INCREASED DEMAND—PREMIUMS ARE OFFERED

Big cut-backs in operating rates are starting in plants making fabricated copper and brass metal products. Instead of increasing

output to meet increased demand throughout the country, output is being reduced because of severe copper shortages which are making prices quoted on commodity exchanges nominal, since actual cost prices to industrial users are much higher in many cases. For the first time, since shortages began, big users have received offers of German copper at 32 cents a pound in a 500-ton lot.

Meanwhile, at least one smelter is advertising that it will pay premium prices for copper wire, sheet copper, and scrap zinc or new zinc. Scrap dealers are refusing to sell scrap copper to smelters at officially quoted refiner's buying prices. Actual costs of some copper to buyers are up as high as 28⅜ cents a pound on a few real transactions.

Mr. President, it has been necessary to cut down the number of shifts in the Naugatuck Valley, where much of the copper fabricating of the country is done, and as a result the needed production will not be obtained.

In a canvass of large companies affected by these conditions, Revere Copper & Brass, Inc., was consulted. C. Donald Dallas, chairman of the board, said the Government should know that several brass mills had curtailed to a 5-day week their 6-day working schedule. One mill, especially dependent upon imported copper, is down to a 4-day week.

A razor manufacturer's representative, in the New York area, said output was being cut back because of brass shortages. One of the largest electrical manufacturing companies said entire production schedules for September might have to be reduced because of these conditions.

The chaotic market condition is a result of the failure of Congress to deal with the critical copper tariff problem, these sources charged. So far, official domestic copper prices have not reflected the import tax of 2 cents a pound which was imposed on July 1, 1950. Mr. Dallas said yesterday there had been a virtually universal expectation in the fabricating industry that the tax would be retroactively suspended by Congress.

Fabricators, wire drawers, and ingot makers cannot continue to pay the import tax on copper which some of them have been absorbing on the assumption that the tax would be repealed retroactively, copper fabricators declared yesterday. As a result, it now appears that a dual, and possibly a triple-level market price range is appearing—

Which, of course, we all know, we cannot maintain in a free economy. We cannot have three different prices for the same thing. The result is, of course, that by adding the 2 cents duty on the copper which is coming into the country, we are simply boosting the domestic price by 2 cents a pound, or $40 a ton, at the very time when we are increasing the demand, and at a time when the bill to control the prices of commodities is about to be enacted. It simply does not make sense.

Copper already is selling in foreign markets at 23.25 cents a pound. Such copper, delivered here, with duty, costs more than 25.25 cents.

So, Mr. President, much of the copper we should get here will be going to foreign countries apparently, if this article is to be believed, with the result that the American public and the defense effort will be definitely penalized.

Perhaps for the RECORD, I should give a brief statement of the situation, including some of the history of the tariff duty on copper. In 1932 a tariff was imposed on imported copper on a temporary basis for 2 years. It was continued at each following session of Congress on a temporary basis until the Internal Revenue Code of 1941 was adopted, at which time the temporary status was lost in the codification, and the tariff became permanent. This is important, for it was the tariff which was temporary, not the suspension of it. The tariff when it was originally placed on copper was on a temporary basis.

Down through 1939 imports were negligible and the tariff collections were less than that, for the simple reason that we were net exporters of copper; but exported an average of 70,000 tons a year.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. MILLIKIN. Does not that indicate to the Senator a grave fault in our policy which would reverse the situation to which the Senator has just referred, and would bring us into a deficit position, such as is illustrated on the map? I am talking about strategic material as to which we should be self-sufficient, to the extent that it is possible to be self-sufficient.

Mr. McMAHON. Of course the answer to the Senator is that we cannot be self-sufficient. We are going to use approximately 1,800,000 tons of copper this year; and I think the Senator will agree with me that even at the top, peak production, we were not able to produce any such amount of copper. Is not that so?

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Connecticut yield to the Senator from Colorado?

Mr. McMAHON. I yield.

Mr. MILLIKIN. I do not agree at all with what the Senator has said. The reason why we have not been able to meet our needs is because on the subject of the importation of strategic minerals we have developed national policies which have destroyed our exploratory operations in the field.

Mr. McMAHON. In 1943, which was the maximum war effort year, seven companies produced 1,020,000 tons domestically. All others produced 94,000 tons, or a total domestic production of 1,114,000 tons. In 1943 the primary requirement for copper was 1,618,000 tons. Therefore, we imported the deficit of 504,000 tons.

Of course, I am sure that the Senator from Colorado is much more of an expert on this subject than I am, inasmuch as he comes from a mining State.

In 1943 all the so-called marginal operators were producing copper. We subsidized those marginal producers, and, as I understand—and I think I am not mistaken—despite all the steam of the actual wartime effort, they produced approximately 81,000 tons.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. MILLIKIN. In the sections of the United States outside the mining areas, there is quite a misconception as to what to do in order to obtain production. There is a feeling that production can be turned on or off, as one turns an electric-light switch on or off.

However, the secret of production, of continued or high-velocity production rests on a continuous process of exploration. Hundreds and hundreds of "tries" have to be made before a new body of ore can be found.

Therefore, I suggest that the Senator's figures, taking them at their face value, have no validity. The continued course of suspension has made it impossible for people to plan mining operations, highly speculative mining operations, with any certainty at all that what they produce, if they produce, will have a market.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. LEHMAN. Is it not a fact that the expansion in production, to which the Senator from Connecticut has referred, was brought about during a period in which the import duty on copper was suspended?

Mr. McMAHON. That is true.

Mr. MILLIKIN. But during the same period we had the premium-price plan.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. McFARLAND. I challenge that statement. When was that production; what year was it?

Mr. McMAHON. Nineteen hundred and forty-three.

Mr. McFARLAND. When was the tax repealed? When was it suspended?

Mr. McMAHON. Let me see about that.

Mr. McFARLAND. The statement the Senator has made is absolutely incorrect. The tariff was in effect during that time, when the maximum production was secured.

Mr. McMAHON. In the spring of 1947, Congress enacted Public Law 42, which suspended the import tax until March 31, 1949. In the first quarter of 1949, Congress again suspended the import tax, by Public Law 33, until June 30, 1950.

So we have a record of more than ten solid years of copper imports, all of which were duty free, as compared with the prewar period when we were net exporters.

That is the record as I have it, I may say to the Senator, namely, a record of more than ten solid years of copper imports, all of which were duty free, as compared with the prewar period when were were net exporters.

Mr. McFARLAND. But the Senator said the maximum was reached in 1943. The import duty on copper was in operation in 1943.

Mr. McMAHON. The Navy commenced the importation of copper duty free under a World War I statute, which gave it that authority; and copper imports continued to be free until the Metals Reserve Company was formed. That subsidiary of the RFC imported all copper which was imported during the war; and until its authority expired as of June 30, 1947, all imports by the Metals Reserve Company were duty free.

So apparently the Senator from Arizona is in error.

When the so-called educational orders for defense were placed by our Government following the outbreak of World War II, we needed copper badly.

Again I say that the Navy commenced the importation of copper duty free under a World War I statute, which gave it that authority.

Mr. McFARLAND. The Government can import copper today. Certainly the Government can buy copper without paying a tax on it; but the fact remains that the law imposing a duty on copper was in effect in 1943.

Mr. McMAHON. The fact remains that no copper came in during those years, as I understand, which was not duty free. It is a fact that all of it went to Government procurement. Of course, today, not all of it is going to Government procurement, but it is going into defense articles and into our civilian economy at a price which includes a tax of $40 a ton on the American public. Certainly that tariff was imposed and placed on our statute books on one theory and one theory, alone, namely, to equalize the cost of protection, so that the domestic industry could compete with Chile and the other countries of the world which produce copper.

However, what do we find? We find that, contrary to any need of protecting the domestic copper industry against imports, we do not produce enough domestically. Even worse than that, as I see it, the domestic price is raised by the amount of the tariff. It is not simply a question of paying an additional $40 a ton on merely a portion of the copper we consume, but $40 a ton additional must be paid on every ton of copper which goes into our defense program. I say that is an inflationary move, although now we are supposed to be trying to combat inflation.

Mr. McFARLAND. Mr. President, will the Senator yield further?

Mr. McMAHON. I yield.

Mr. McFARLAND. The Senator knows, does he not, that the Government could now buy copper on the foreign market for defense purposes without a tax? Does not the Senator know that to be so?

Mr. McMAHON. If the Senator from Arizona says it is, I presume it is.

However, what does the Senator mean? Does he mean that we should now insist that the Government buy all the copper possible abroad, in the world market, and that we should again have the Metals Reserve Company do it, instead of having American companies purchase directly for the production of defense orders and munitions of war?

Mr. McFARLAND. No. I am willing to have the Government buy the copper it needs for stockpiling and for defense purposes on the domestic market, first, if the Government can get it there; or, if it cannot get the needed copper on the domestic market, then to have the Government buy it on the foreign market.

However, what is the Senator interested in? Is he interested in protecting the Government of the United States, or is he interested in a few fabricators in Connecticut and in having them save some money at the expense of the miners of the West?

Mr. McMAHON. No; I am interested in a fair deal for both the miners and the fabricators and, above all, for our economy and the American people.

The Senator from Arizona is from one of the Western States, where copper is produced, and he is much more expert on the mining phases of the matter than I am. But it would appear from the earnings of our domestic corporations which are digging out the copper that they are doing very handsomely on the basis of the present market price, and that they do not need the 2-cents-a-pound increase afforded by the tariff duty which only feeds the fires of inflation at a time when they certainly should be banked and controlled.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. McFARLAND. Mr. President, if the Senator from Connecticut will yield further, I should like to ask him another question on that point.

Mr. McMAHON. I shall be glad to yield to the Senator from Arizona, after which I shall yield to the Senator from Massachusetts.

Mr. McFARLAND. I may say to the distinguished Senator that when the price of copper is brought down a certain level, it is then possible to operate only the mines which can produce copper cheaply. It is true some of them may be able to operate at a price of 16 cents for copper, but most of them would have to close down, as some of them did but a short time ago. So some mines would be unable to operate at a profit in competition with the Chilean copper and with copper companies from the Senator's State which own mines in Chile, which companies desire to import the copper for the use of the fabricating companies of his State. I ask the Senator whether it is not true that the fabricating companies in his State are doing pretty well and are showing a profit?

Mr. McMAHON. They are probably showing the same level of profit as general industrial manufacturing companies. I may say to the Senator that my anxiety is not for the companies per se. My interest in the subject arises from the fact that I believe this to be an inflationary impost at this time. Second, I am interested in the swiftest possible rearmament of the United States of America. I am somewhat distressed at being told of the cut-back in production in Connecticut in the Naugatuck Valley, where, as the Senator from Arizona knows, so much of the copper produced in his State is fabricated. I am distressed by the fact that that cut-back is caused by the lack of copper. That is caused, I assume, and will be caused in a greater degree, by the diversion of foreign copper to other places in the world market, if this differential is allowed to persist.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. McMAHON. If the Senator will pardon me, I promised to yield to the Senator from Massachusetts.

Mr. LODGE. I have listened to the Senator's very informative discussion, and I should like to ask him one or two questions. First, is it not true that this is not a conflict between a few bloated eastern industrialists, on the one hand, and a few virtuous western miners, on the other? Is not this a matter which involves first of all the very large number of everyday citizens who work in these factories, and practically the totality of the American people, who are vitally concerned in having munitions of war produced, which production requires a supply of copper, not 2 years from now or 3 years from now, but now? Is that not true?

Mr. McMAHON. Not only is that true, but it also occurs to me that within the lovely city of Denver, the capital of the State represented by our distinguished colleague, Senator MILLIKIN——

Mr. LODGE. It is a lovely city.

Mr. McMAHON. Within that city there are plenty of citizens who are buying automobiles, of which copper represents a large part of the mechanism, and the housewives I presume are buying copper utensils. They also have a stake in this matter, as do the good citizens of Phoenix, in the State of the Senator from Arizona, and in other metropolises in that State.

Mr. LODGE. I thank the Senator for his answer. I should like to ask him a second question, which is: Is it not perfectly possible to have a broad national policy which encourages the conservation and production and stockpiling of strategic materials on the one hand, and at the same time meet actual emergencies, on the other. It is possible to do both; is it not?

Mr. McMAHON. I hope we can.

Mr. MILLIKIN and Mr. LEHMAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Connecticut yield, and if so, to whom?

Mr. McMAHON. I yield first to the Senator from Colorado.

Mr. MILLIKIN. First, I should like to observe that in the western section of the country we have long since realized that when there is no production, there can be no consumption. Second, observations by the distinguished Senator from Connecticut and also by the distinguished Senator from Massachusetts dealt with our emergency needs of copper. The fact that the copper of foreign countries is being diverted to other parts of the world shows the peril in which we find ourselves by reason of not having developed to the maximum our own domestic production. There could not have been a better sermon on that subject than the statement of the distinguished Senator from Connecticut, which shows exactly the peril to which we have subjected ourselves. We are now dependent for copper on foreign countries, which can divert it to any other place throughout the world whenever they want to do so, beyond our power of control, in wartime.

Mr. McMAHON. I should like to observe to the Senator that, according to figures which have been furnished me, and with the greatest stimulus which could possibly be given by way of subsidies to the marginal producers in the Senator's State and other copper-producing States, we were able to add to the total but 81,000 tons against a consumption in 1943 of 1,618,000 tons. Despite

all the subsidies, despite all the diversions of manpower, at a time when it was needed more than ever before, we were able to boost the production of copper by marginal producers by the grand total of 81,000 tons.

Mr. MILLIKIN. Let me say again to the distinguished Senator that we do not simply say, "Now we are going to have a national policy of developing our copper, or our lead, or our zinc, or our mercury, and other minerals," and then start tomorrow to develop them in quantity. It may certainly be a matter of years before we find new deposits which will enable us to be on a self-sustaining basis. We may drill hundreds of oil wells, we may open hundreds of mines, without discovering anything. But it is necessary to have a continuous exploration process of that kind to bring the day when the discovery will be made. That is the way in which all our discoveries in this country have been made.

Mr. McMAHON. I appreciate that, I may say to the Senator, but we certainly do not have time now, at the present juncture of world affairs, to divert from our own consumption the copper which is so vitally needed, while exploratory operations are conducted in the western section of the country.

Mr. MILLIKIN. I may suggest to the distinguished Senator that there is never a moment when those exploratory operations should cease. We are talking about an emergency supply of copper which can be shut off by a bomb or a submarine, or by diversion on the part of the foreign countries themselves. We should not lose one moment in getting that exploratory process under way.

Mr. McMAHON. I do not wish to be understood as saying that we should cut off exploratory operations. I think they should of course continue, and I presume that the great copper-producing companies are pushing exploration vigorously. In fact, I heard only recently that one of the large copper producers in the West had struck a vein, or had made a find which promised very fine returns. I also appreciate, from my limited knowledge, that from the first moment when the ore is struck until it is actually produced in a big way, a considerable interval of time must intervene. I am aware of that. I may say to the Senator that if the United States were to grant a subsidy for the purpose of exploration at this time, it would be better, it seems to me, than to impose a penalty upon the importation of copper which we so desperately need in the defense effort.

Mr. MILLIKIN. The Senator's difficulty, if I may make the suggestion, is that the men who are willing to search for strategic minerals, men who might with encouragement put their money into mines in an effort to find strategic minerals, will not do so under vacillating tariff policies, and certainly will not do so as long as we suspend the tariffs.

Let me make one further observation, and then I shall restrain myself for a while, I hope. On the question of the tariff, let me respectfully suggest that, no matter what the mechanics of the thing may be, to the extent that the Government is buying this important copper, it does not make any difference whether we have a tariff on it or not. The Government can, through the use of its own powers, bring copper in duty-free. If it does not, and if it pays the tariff, it will be taking the money out of one pocket merely to put it into another pocket.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. LEHMAN. Is it not a fact that today there is a shortage of copper, not a theoretical shortage, but an actual shortage, which is affecting the operations of many of the fabricating concerns of the country?

Mr. McMAHON. Of course that is a fact. It is demonstrated by the reduction in the number of workshops in the Naugatuck Valley in Connecticut, in particular. We are short of copper, and we are also short of steel. I have noticed, and so has the Senator from New York, some propaganda emanating from the Steel Trust to the effect that military orders make it impossible to furnish their civilian customers. As a matter of fact, only 6 percent of the steel is going into military production, and they are using that blind in order to cover up their failure to expend facilities to a growing economy during the past 3 years. The President of the United States suggested that they get busy and expand steel facilities, but, oh no; they would not do it. So today we are very short of steel. General Motors and Ford would be building more cars for the civilian market if they could obtain steel. The same group are doing everything possible to discourage the building of a steel mill in New England, which I feel will be built despite them. That is a little bit off the subject, I realize, but this is a good chance to get it off my chest.

Mr. LEHMAN. Is it not a fact that, in addition to the great quantities of copper used in the manufacture of material for war purposes, copper enters into the manufacture of almost every item of consumptive use in this country, and, therefore, any increase in the price of copper affects the industry of the entire Nation at a time when we are pledged to control inflation and to keep prices for the public to a reasonable level?

Mr. McMAHON. That is a fact, as I see it.

Mr. LEHMAN. Is it not also a fact that one of the chief purposes of the tariff is to protect the workingmen of the country against unemployment that would be developed from the competition of cheap labor abroad?

Mr. McMAHON. That is correct.

Mr. LEHMAN. As I understand, because of the shortage of copper, unemployment is actually increasing. There is full employment, so far as I know, in the mines producing copper, but there is lessened employment and a continuing decline in employment in the many companies which are dependent on a supply of copper for the production of materials which they are manufacturing.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. McMAHON. I should like to proceed with the statement of the case. However, I do not wish to refuse to yield. I shall yield in a moment.

In answer to the observation of the Senator from New York as to who gets the copper, who needs it, and where it goes, 18 percent goes into automobiles; 11 percent into building; 27 percent into electrical manufacturing; 5 percent into telephone and telegraph uses; 8 percent into light and power lines; 13 percent into what are called other wire uses, and 18 percent for all other uses.

I merely make that observation to show the truth of the Senator's assertion that copper, of course, is used throughout our whole industrial economy.

I now yield to the Senator from Utah.

Mr. WATKINS. Does the Senator have in his possession and ready to present to the Senate any information as to tariff rates or import taxes that may be levied on products manufactured from copper, or the refined copper or brass manufactured in his State?

Mr. McMAHON. No; I do not have that information in my possession. I shall be glad to have the Senator insert the information.

Mr. WATKINS. The Senator, of course, knows that there are import taxes upon the importation of articles made of copper?

Mr. McMAHON. Yes, but I am not familiar with the rates.

Mr. WATKINS. Would the Senator be willing to accept an amendment to waive and set aside for a period of 2 years the import taxes on the manufactured products of copper and brass in his State?

Mr. McMAHON. All I can say is that the Senator is raising a point to which I have not given any consideration. It had not been brought to my attention. I was not aware of the fact that there was any shortage in this country of those articles. I had not been advised of that. I shall be glad to discuss with the Senator his ideas on the question. I have not given it any thought at all. I cannot give either an affirmative or a negative answer to the Senator.

Mr. WATKINS. The import rates run all the way from 14 to 65 percent on the refined copper and brass. I was wondering whether the Senator would include that on the basis of taking care of the situation.

Mr. McMAHON. Does the Senator know whether there is any shortage of those articles?

Mr. WATKINS. There must be, or there would not be any shortage of copper.

Mr. McMAHON. There is a shortage of copper for shells, guns, and other articles.

Mr. WATKINS. Would the Senator be perfectly willing to reduce the tariff on the manufactured articles?

Mr. McMAHON. There is not much tariff, as the Senator knows.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. AIKEN. Can the Senator advise us how much copper there is in the country at the present time? Has he any data available on that subject?

Mr. McMAHON. I do not know the stockpile data, as to the quantity. Perhaps some other Senator knows the answer to the question. I do know there is not enough.

Mr. AIKEN. Is the Senator familiar with the report that big copper companies are deliberately refusing to deliver copper to the fabricators, for the purpose of forcing the suspension of the copper tariff? Does he know they have boosted the price to 26 cents a pound and still do not let their customers have the copper? There is no reason for such action except to influence legislation. They have boosted the domestic price to 26 cents a pound, and apparently will not deliver any copper until Congress takes some action on the suspension of the tariff.

Speaking of prefabricating, I think it is prefabricated monkey business in which these big companies are indulging. Vermont could probably produce all the copper Connecticut could use if we were permitted to develop it. The very same interests that are working for the suspension of the copper tariff and would make the United States dependent on sources 10,000 miles away are opposing the means of expanding the production of copper where it could be produced in this country. In the first place, we in Vermont do not have power to develop our copper resources. We could produce very great amounts of copper if we had the electric power we need.

The people who have consistently opposed the St. Lawrence seaway and power project which is our logical source of power are now crying for a suspension of the copper tariff.

Mr. McMAHON. I regret that there is such a gigantic conspiracy against the Senator's State. If it exists, I think it should be inquired into.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. McMAHON. I refuse to yield at this time, because I want to read a short memorandum from the Department of Commerce on the need for suspending the copper import tax. It is as follows:

NEED FOR SUSPENDING COPPER IMPORT TAX

The domestic copper mining industry is now producing at a very high rate—in fact at a higher rate than for any peacetime year since 1929. (See statistics, p. 14 hearings before House Ways and Means Committee on H. J. Res. 502, July 10–11, 1950.)

The domestic copper mines cannot increase production appreciably above the present rate within the next 2 years even if the price should go somewhat higher. The major portion of any increase would come from mines now in operation by pushing production above an economic rate—if manpower were available. Marginal (high cost) mines not now operating would add very little additional production—in fact, if miners left producing properties to work in marginal mines where productivity (pounds of copper per man-shift) is lower than average, the net result would be a loss in production.

Domestic copper mines cannot supply the current requirements, much less the new program with larger military and stockpile needs. Even with maximum imports for the next 2 years, copper will remain in tight supply. If peacetime industrial demand drops, the military program and stockpile requirements will take up the slack. The statement that imports of cheap foreign copper produced by slave labor will shut down American mines is a gross exaggeration. (See statement of W. H. Hoover, hearings before House Ways and Means Committee, on H. J. Res. 502, July 10–11, 1950, p. 109.) With the need for all the domestic plus all the foreign copper we can get, imports will have no effect on operations of domestic mines.

There have been and always will be mining properties that operate only in periods of very high prices of war emergencies. These "war babies" cannot meet either domestic or foreign competition. To advocate high prices simply to put marginal mines into production is unsound both from the standpoint of money and use of manpower. The situation is aggravated when the contribution in terms of copper produced is so small as to be of very minor importance so far as reducing the amount of imports required is concerned.

Consumers of copper and products containing copper include, besides the fabricators and manufacturers, the ultimate user of the end products. This user includes the miner, the mining company and the general public in the mining States as well as the manufacturing and farming States.

Increases in the price of metal mean increases in cost of fabrication, manufacturing, and end products such as plumbing fixtures, wire, electrical equipment, automobile parts, and so forth, used in practically all industries and homes. A rise in price on finished goods will come if the import tax is not suspended.

This issue is of broad public interest. It involves an adequate supply of copper for (1) defense needs, (2) civilian requirements at reasonable prices. These requirements and costs affect the entire population. The criterion here is the greatest benefit for the largest number of people. The future of the copper mining business is not at stake on this issue, at this time.

Mr. President, I should like to insert in the RECORD at this point a letter addressed to the honorable chairman of the Committee on Finance by the Secretary of Commerce, Mr. Charles Sawyer, in which he advocates that the tariff be removed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, August 22, 1950.

The Honorable WALTER F. GEORGE,
Chairman, Finance Committee,
United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: On March 23, 1950, my office wrote you recommending favorable action on H. R. 7151, a bill to suspend certain import taxes on cooper. That bill was passed by the House but was tabled by your committee. However, H. R. 5327, a bill to waive the import tax on scrap metal, was reported out by your committee. It is understood that an amendment will be offered to this bill to include a waiver of the copper import tax.

This Department favors the enactment of H. R. 5327, including the proposed amendment, for the reasons previously expressed and specifically the following:

1. Production of copper from domestic sources, which is now at a very high level, can satisfy only 64 percent of our current domestic plus stockpile requirements. Increased requirements for military needs, an accelerated stockpile program, and a minimum export program to meet our foreign policy will reduce that proportion appreciably.

Domestic production cannot be increased significantly within the next 2 years, even with higher than present prices. Apparently the import duty is contributing to recent prices increases. Certainly a suspension of the import duty will not result in injury to the domestic copper industry.

2. Maximum imports of copper are vital to the fulfillment of our domestic industrial and military needs for the foreseeable future.

Failure to suspend the import duty has resulted in an increased price to all domestic consumers and may result in a loss of imports greater than any increase in domestic production due to the higher price.

Where the needs for large amounts of foreign copper are so apparent, it is essential to encourage the flow of imports by a waiver of the import tax.

Sincerely yours,

CHARLES SAWYER,
Secretary of Commerce.

Mr. McMAHON. Mr. President, I ask unanimous consent to insert in the RECORD at this point a memorandum on the subject.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

FACTUAL BACKGROUND

All during the war and while OPA administered prices, the price of copper was 12 cents per pound, officially. The Government adopted an incentive payment plan to apply to certain high cost marginal producers, designed to extract the last pound of copper, even from low-grade ores or from mines otherwise unprofitable to operate. Under the subsidy, or incentive payment plan, extra costs were met by the Government. For example, the Federal Trade Commission report on The Copper Industry, 1947 edition, quotes from the annual report of Calumet & Hecla for the year ending 1945 as follows:

"The price of refined copper was frozen at 12 cents per pound by the Office of Price Administration on August 12, 1941. To stimulate production of copper for war needs, a premium price plan was devised by the Government under which a premium of 5 cents per pound was paid for mine production in excess of established quotas. Calumet & Hecla has been receiving the 5-cent premium, or, in effect, 17 cents per pound for a large part of its production * * *"

The same FTC report says that the peak year of war production of domestic copper was 1943 when 7 mining companies operating 20 mines produced over 1,000,000 tons of copper. "There were 210 other mines, however, which accounted for 81,700 tons. Operating under maximum war pressure, these mines only produced 81,700 tons of copper in 1943, 85 percent of the copper coming from 32 mines."

Senators from mining States talk about causing the price to rise so that small mines can be induced to resume production. Assume for present purposes that all of these identical mines were closed today—they're not, but suppose they were. Assume that reimposing the tariff would raise the price and that all were to resume production under "maximum war pressure." If they produced 81,700 tons, the same as in the maximum year 1943, that 81,700 tons would not meet our needs for as long as 2 weeks.

RECENT COPPER FACTS

Domestic mine production in the year 1949 was off only 7.4 percent against the record of 1948, a peak year. While it is true that the price of copper was depressed for a few weeks during the second quarter, by July 1, the price had started to mount again and the average price for copper throughout the year exceeded 20 cents per pound. Consumption of copper on the other hand, proceeded without substantial abatement. Throughout the first 6 months of 1950, industry consumption alone averaged better than 115,000 tons per month. Domestic mine production, however, has averaged only 74,000 tons per month.

Meanwhile, stockpile needs have taken about 20,000 tons per month (the exact figure has not been released for security reasons) and in addition, there have been substantial exports. In short, domestic mine production is only slightly better than half the rate of demand for copper to be encountered in the fiscal year 1951, taking into account industrial use, stockpile, exports, and the need for preparation for war. Experts in the copper world expect that fiscal 1951 will require copper to the total of at least 2,000,000 tons.

Can anyone justify imposing a tariff of $40 per ton on this vast quantity of copper?

There cannot be a two-price system—one price for imports, and another for domestic mine production. The price increase will apply to all copper, and the cost of it must be borne by the American public. Can anyone justify further increasing inflationary pressures in these critical times in such fashion? Should the American people be penalized for importing an essential, vital raw material which cannot be produced in the United States in adequate quantity to fulfill our requirements?

Some argue that there may be a tariff on some finished products using copper, so there should be a tariff on copper imports accordingly. Such an argument wholly fails to take account of the essential difference in the principle involved in the two situations. More than 70 percent of all American imports are on the free list, put there by the Tariff Act of 1930, and still continued so, for the simple reason that we do not produce such items in adequate quantity, just as there is no tariff on tin, for example. Protection is afforded, however, in those instances where American producers have the facilities and are able to meet our needs. Nor can it be claimed that imports have hurt the domestic copper mining industry. Congress suspended the tax in 1947 and yet the price of copper rose to 23.5 cents over the 2-year period following. The price of copper now is 22.5 cents and undoubtedly it will go higher. Yet domestic production over the postwar years has been totally inadequate to meet American needs. Even when we include secondary copper (recovered from scrap) with the total domestic primary copper production, in 1945, domestic production reached only 59 percent of domestic consumption: in 1946, 52 percent; in 1947, 74 percent; in 1948, 70 percent; in 1949, 86 percent; in 1950, 74 percent.

The term "consumption," as here used does not include stockpile needs and copper exports. A table demonstrating the complete fact was provided by Frank H. Hayes, Chief of the Metals and Minerals Division, Department of Commerce, which appears at page 14 of the House hearings on H. J. Res. 502.

Perhaps one other comparison will prove of interest. The Phelps Dodge Corp. in its 1949 annual report lists its total production of copper by years and in the amounts as follows:

Year:	*Copper (pounds)*
1949	464,405,893
1948	493,449,765
1947	485,044,364
1946	339,278,646
1945	360,581,039
1944	458,153,723
1943	478,319,109

The foregoing table commences with the war year of 1943. Production in each of the last 3 years exceeds its wartime average production, and Phelps Dodge Corp. produces 30 percent of all domestically mined copper. Did suspension of the tariff hurt Phelps Dodge?

The Bureau of Mines reported officially, to both the Finance Committee and the House Committee on Ways and Means, and before the latter Committee Assistant Director Miller testified (House hearings, p. 15):

"* * * For the first 5 months of 1950 the domestic production of primary copper has averaged slightly less than 75,000 tons a month. If that present rate is continued for the remainder of 1950, the annual production of refined copper will be about 850,000 tons. For the same period it is estimated that the total requirement for primary refined copper for commercial purposes only will be at least 1,200,000 tons. That would indicate a deficit of supply on the order of 300,000 tons or greater. In those circumstances it was concluded that the stockpiling program would be jeopardized if supplies were reduced, and the reimposition of the tariff would place an unjustifiable burden on consumers * * *."

The House Report No. 2563 to accompany House Joint Resolution 502 says:

"Moreover, the Munitions Board advised that steps have recently been taken to accelerate the procurement program for stockpile to the greatest extent possible consistent with available supplies and funds. This action tends to increase the market pressure * * *"

The Federal Trade Commission in its report on the copper industry (above) points out that three copper-producing companies are not only integrated, but they produce 85 percent of all copper produced in the United States. They own their own mines, their own smelters and refineries, their own fabricating plants.

"The fabricators integrated with the large copper producers have first call on large company domestic production. Independent fabricators must either import at a disadvantage over the tariff wall or curtail operations and leave business they might otherwise do to the larger companies whenever the supply of domestic copper is less than the demand. Under such circumstances it becomes only 'good business' for the independent fabricator to follow the price leadership of the large companies both as to prices paid for copper and prices charged for fabricated products."

So far as the domestic industrial demand is involved, the question before the Senate involves the preservation of freedom of enterprise in the copper market.

So far as stockpile needs are concerned, only 30 percent of our requirements have been fulfilled.

So far as the preparation for war is concerned, the more copper we can get into this country, the quicker we can get it in here, the cheaper we can buy it, the better off our Nation will be.

For the plain unanswerable, undeniable fact is that the domestic mining industry is totally unable to meet the requirements of our Nation and its economy, and this condition of copper deficit has continued for more than 10 consecutive years.

CONCLUSION

The United States must import copper. Our people should not be penalized by an excise tax when we import the copper we need. A period of approximately 90 days is required to process copper ore through the smelter and refineries. Another 90 days will be required to prepare the copper and to get it into the hands of the fabricators. Copper is commonly bought and sold on a quarterly basis, and statistics as to its production, sale, and consumption are kept on that basis. Therefore, we should be able to make commitments over a sufficient period that our suppliers abroad can be assured of a market. Therefore, the import tax of $40 per ton should again be suspended over the period from July 1, 1950, to the close of June 30, 1951.

Mr. McMAHON. Mr. President, I offer an amendment on behalf of myself and my colleague [Mr. BENTON].

The PRESIDING OFFICER (Mr. KERR in the chair). The clerk will state the amendment.

The CHIEF CLERK. At the appropriate place in the bill it is proposed to insert the following:

The import tax imposed under section 3425 of the Internal Revenue Code shall not apply with respect to articles (other than copper sulfate and other than composition metal provided for in paragraph 1657 of the Tariff Act of 1930, as amended, which is suitable both in its composition and shape, without further refining or alloying, for processing into castings, not including as castings ingots or similar cast forms) entered for consumption or withdrawn from warehouse for consumption during the period beginning July 1, 1950, and ending with the close of June 30, 1951.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Connecticut on behalf of himself and the junior Senator from Connecticut [Mr. BENTON].

Mr. GEORGE. Mr. President, I am obliged to oppose the amendment offered by the Senator from Connecticut. The amendment was not formally offered to the tax bill when the bill was before the committee. It was formally offered to another bill which came over from the House. The bill dealt with import duties on scrap metal. The Finance Committee has had the matter before it in one form or another for some time and at various times. The motion to amend the scrap-metal bill by inserting the amendment was defeated. In fact, a motion to table the amendment was made, and that motion carried by a decided vote. Therefore I am obliged to oppose the amendment to the bill.

I may say to the distinguished Senator from Connecticut that the amendment would provoke long debate. I have no doubt it would occasion a controversy in the Senate which would last for days, or at least for some time. I think I am not exaggerating when I say that it would take several days, and that possibly the bill could not be brought to a vote for some time. For that reason I am obliged to oppose the insertion of the amendment in this bill. I hope the Senator will withhold his amendment, or withdraw it and offer it to the scrap-metal bill. It has been filed and is pending. The policy committee has not given the green light to the scrap-metal bill, but I have discussed the matter with the chairman of the committee, the majority leader. I hope the Senator will permit the amendment to bide its time, and have it taken up whenever the other bill is considered, or when consideration is given to any other bill which is not of the great importance or magnitude of the tax bill. I say that because inevitably the effect of the amendment would be to delay the tax bill for some time. If the tax bill is to be of real consequence at this time it must be passed at a reasonably early date so that it can go to conference with the House, which conference itself may be prolonged because of the peculiar circumstances under which we have acted upon the pending bill. I make as strong an appeal as I

possibly can to the Senator from Connecticut, and express again the hope that he will withdraw his amendment and offer it to the other bill.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McMAHON. I am fully conscious of the necessity of having the tax bill passed as quickly as possible. I can see by the debate which has already been provoked that some of our colleagues feel very strongly about the subject, and I understand their feeling. I understand they feel they bespeak the basic and essential interests of their States, although I have a different opinion as to what the best interests even of their own States are in the premises. However, the Senator spoke of the importance of the tax bill, and I agree with his statement. I also think that this amendment is of tremendous importance at this time for the reasons which I have indicated in my remarks. The impact upon the economy of the country, the impact upon the supply of copper, without which we cannot do our rearmament job, is certainly so great as to underline the grave importance of this matter.

The Senator spoke about my biding my time. I do not want to bide so much time that I run out of time, with the Senate recessing or adjourning, and I be left biding, and not even having had the chance to get a vote on the amendment. That I do not want to happen.

In other words, if I were certain that I would get a vote on the amendment by having it voted on in connection with H. R. 5327, the scrap-metals bill, I should be happy to accede to the Senator's request. What I am afraid of is running to the end of the session without getting a chance for a vote on my amendment, with the tax bill and conference reports and the McCarran bill, to be discussed, I would think, at some considerable length, and Labor Day coming, and the 15th day of September, which many people regard as the deadline, by which time we must end the session.

If the Senator could assure me in any way that H. R. 5327 would be made the pending business next week, at which time my amendment, of course, would be considered, I would be most happy to accede to his request.

Mr. GEORGE. Mr. President, I regret that I am not in a position to give the assurance, because I have no authority from the majority leader, and I am not a member of the policy committee. I therefore could not give any assurance. I can only say that I have brought this matter to the attention of the majority leader, and that he will discuss it with me when he returns, either today or Monday. But I could not give any assurance beyond that. I am quite willing that the bill the Senator mentions may come up and be considered and voted on. Of course, the Senator's amendment would be as pertinent to that bill as it is to the pending bill, and even more so, because that bill relates directly to the suspension of tariff duties on certain scrap metals.

I was induced to make this appeal to the Senator from Connecticut merely in the interest of proceeding with the pending bill, with some hope of getting to a final vote at the earliest possible time.

Mr. McMAHON. Perhaps, Mr. President, we can solve the matter temporarily by an understanding that the majority leader will be available for consultation with the Senator and myself certainly within the next few hours, and there will be no final vote on the pending bill today. The excess profits tax amendment will be discussed, I am sure, at some length, and we will not get a final vote today; and if the amendment could be temporarily laid aside by unanimous consent, and then we could talk with the majority leader and see whether we could not reach an agreement on bringing H. R. 5327 before the Senate, the Senator from Connecticut would be quite willing to agree to that. But I do not like to withdraw the amendment at this time in the absence of some understanding as to the position in which the Senator from Connecticut will find himself if he has to pin his hopes for consideration on H. R. 5327.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. GEORGE. Mr. President, I wanted to make an appeal to the Senator from Connecticut. I am sorry I cannot give him any assurance beyond the statement already made. I have taken the matter up with the majority leader, and expect to discuss the scrap-metals bill with him again. That is the understanding we had in my last conversation with him. I can assure the Senator we will discuss it.

I had hoped that the Senator might withdraw his amendment—and he could, of course, temporarily lay it aside, because he has control of the amendment—so that we might proceed with other amendments.

Mr. McFARLAND. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator.

Mr. McFARLAND. I wish to say to the distinguished Senator from Georgia, the chairman of the important Committee on Finance, that I regret very much that this amendment is going to have to be debated for some length of time. However, I can see, from the discussion which has occurred on the part of the distinguished Senator from Connecticut, that at least a part of the people are totally uninformed as to the copper situation, and as to what is best for the country and the defense of the country. So I believe that if we are going to have to bring the amendment up, to be frank, it will take 2 weeks, anyway, to inform the people fully in regard to this matter, and perhaps a little longer.

I want to be honest about it. What I have said is true in regarding to the pending bill, or any other bill to which the amendment may be offered. There are those of us in the West who feel that this amendment is against the defense of the country, and that it is our duty to fight it with everything we have.

What mines was it that won the last world war? We did not have bottoms in which to bring copper to this country. It was the mines of our own country that produced the copper needed, and if we do not develop them we may find ourselves without the strategic minerals necessary to make implements of war. Therefore it will take 2 or 3 weeks to inform the country on this important subject.

Mr. MILLIKIN. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Colorado.

Mr. MILLIKIN. I merely wish to say there is not the slightest degree of exaggeration in what has been said by the distinguished junior Senator from Arizona as to the time element. I have a number of amendments prepared, and may offer them today. If we are going into the field of tariffs, we are going to cover it completely.

I may say to the distinguished chairman of the Committee on Finance that pursuant to his request that there be tossed in no extraneous or controversial matters such as the amendment just offered, I have kept my amendments out of the hopper. But I have a peril point amendment, I have an amendment going to the whole subject of reciprocal trade, I have an amendment relating to the Torquay Conference. If this is going to be that kind of a debate we will go into the whole subject of tariffs.

Mr. MALONE. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. Let me make one additional statement. I wish to confirm what the distinguished Senator from Colorado has said. There was complete cooperation in the Committee on Finance to keep out of the bill matters of extreme controversy, even though they were entirely germane and proper, in view of the fact that a general tax bill is to follow almost immediately. I believe there has been physical demonstration here this morning indicating something as to the length of time the debate on the amendment would consume.

I again renew my request to the Senator from Connecticut to withdraw the amendment, or temporarily withdraw it, at least, and when the distinguished majority leader returns, which I understand may be today, he can then take the matter up directly with him.

Mr. McMAHON. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Connecticut.

Mr. McMAHON. Does the Senator anticipate that there will be a final vote on the pending bill today?

Mr. GEORGE. No, I do not think so. I regret to say that extraneous matter is preventing it, or perhaps may prevent it. I am sure that we will not have a final vote before Monday or Tuesday of next week.

Mr. McMAHON. That would be my judgment, too, so I am perfectly willing to accede to at least half of the Senator's request, namely, to have the amendment temporarily laid aside. However, I do wish to say that that will not prevent the Senator from Connecticut from calling the amendment up again before the conclusion of the consideration of the pending bill.

Mr. GEORGE. Certainly not.

Mr. McMAHON. I may say in all frankness to the Senator that it will have to depend upon what provisions are going to be made for the scheduling of H. R. 5327, the scrap bill, for consideration by the Senate. In other words, I will say to the Senator from Georgia that I reluctantly advanced the amendment at this time, because I was most anxious that we should finish action on the tax bill. But I viewed this matter to be of such primary importance that when it seemed to the Senator from Connecticut that the session was growing ever closer to an end, and that H. R. 5327 was to be put in a deep freeze, I decided that discretion was the better part of valor, and that I had better march forward with it while there was still time.

Mr. GEORGE. I appreciate the Senator's position.

Mr. McMAHON. I am not at all disturbed by the statements made by my good friend from Arizona about it taking 2 weeks or 3 weeks to explain this matter to the country. That does not disturb me a bit, I will say to the Senator from Georgia. Last year we adjourned on October 19. I suppose there is nothing in the Constitution which requires Congress to adjourn before that date this year. I certainly hope that that will not be so. But I want the Senator from Arizona to know that I am not unduly impressed by his generous estimate with respect to the timetable, that is as to the length of time it will take to educate the people of the United States to the virtues of his position.

I feel that if the Senator from Arizona and those who share his view were to take any such length of time to educate the country they might find the result would be different from that they anticipate. However, I make that by way of a conciliatory observation.

Mr. GEORGE. I thank the Senator.

Mr. McFARLAND. Mr. President, will the Senator yield further?

Mr. GEORGE. The Senator from Nevada [Mr. MALONE] asked me to yield.

Mr. McFARLAND. Will the Senator from Nevada permit me to continue?

Mr. MALONE. So far as I am concerned, yes.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Georgia yield, and if so to whom?

Mr. GEORGE. I yield to the Senator from Nevada.

Mr. McFARLAND. Mr. President, the Senator from Nevada said he would be willing to defer to me for a moment.

Mr. GEORGE. Very well. I yield to the Senator from Arizona.

Mr. McFARLAND. Mr. President, this subject is a broad one. We are approaching the close of the session. We are not making any threats about this matter at all. There are those of us who are willing to abide by the decision of the committees which deal with these matters. This particular subject was submitted to the Committee on Finance. The committee made its decision. The distinguished Senator from Connecticut is not satisfied with the finding of that committee, and its subcommittee. The subcommittee was well informed on this matter. The Senator is not satisfied with its decision. Had the matter been reported by a committee that would have been an altogether different proposition. But if we are going to go into one matter that has not been reported favorably by the committee, then we have to go into those matters which the Senator from Utah talked about, the tariff on fabricated articles, and all up and down the line, and every Senator who has a matter in which he is particularly interested may as well present it now. In other words, those of us who represent States which are interested in copper are not going to take it lying down. Neither am I alarmed about what the Senator from Connecticut says, and we will go into it and have it out here before the session ends.

Mr. McMAHON. Mr. President, will the Senator yield to me?

Mr. GEORGE. I yield.

Mr. McMAHON. I want to say to the Senator from Arizona—and I want the record to be made straight—that I have not made any threats at all. The threats came from the Senator from Arizona, who threatened to tie up the matter as the subject of debate for 2 or 3 weeks. I would suggest, if I may, that, since there is going to be no final disposition of the bill today, perhaps the rights of the Senator from Connecticut will not be jeopardized by temporarily withdrawing the amendment and advancing the amendment later, say, Monday or Tuesday, at least, before a vote. I understand my rights will be unimpaired if I take such action.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McMAHON. If the Senator from Connecticut asks unanimous consent to have the amendment temporarily laid aside, would that prejudice the right of the Senator from Connecticut to call up the amendment again on Monday or Tuesday before the vote is taken?

The PRESIDING OFFICER. The Chair understands the inquiry of the Senator from Connecticut to be that if he should obtain unanimous consent temporarily to lay aside his amendment, would that prejudice his right to reoffer the amendment? The answer is that the Senator's rights would not be prejudiced in any way at all.

Mr. McMAHON. In view of that situation, and in view of the possibility that the Senator from Georgia and I may be able to work out with the majority leader and the policy committee the scheduling of the so-called scrap-metal bill, the Senator from Connecticut would be perfectly pleased at this time to ask unanimous consent that the amendment offered by him on behalf of himself and his colleague [Mr. BENTON] be temporarily laid aside.

The PRESIDING OFFICER. The Senator may withdraw his amendment without obtaining unanimous consent, and reoffer it at any time.

Mr. McMAHON. I want it clear that when it is sought to be withdrawn, that it is indicated on the record that it is with the understanding which I have just given to the Senate.

The PRESIDING OFFICER. The Chair understands the Senator's position, and the Senator is within his rights; but the Chair does not think the Senate should set a precedent by having to pass on the question.

Mr. McMAHON. I may add before I surrender the floor, Mr. President, that I do not wish to pursue any argument with my very good friend, the Senator from Arizona [Mr. MCFARLAND] about the fact that the amendment was offered in the Finance Committee and was turned down by that committee. As I understand, the amendment was turned down on a divided vote. I have never been aware of the fact that any Senator was not privileged to try to correct an error that was committed by a bare majority vote of any committee, to say nothing of seeking to correct an error in the action of the committee even though it was unanimous, but contrary to the position which the Senator maintains.

I want to say to the Senator from Arizona finally, in conclusion, that the Senator from Connecticut, as he knows, is in his sixth year of service in the Senate, and if the Senator from Arizona will search his memory I am sure he will not find many occasions when the Senator from Connecticut has not pretty well gone along with the majority action of committees. I appreciate that under the committee system we, by and large, have to delegate a good deal of authority to committees. But there are times in connection with consideration of legislation when the situation and the facts are such as to make it mandatory upon a Senator who conceives it to be his duty not only to represent his State but also the people of the United States as a whole, to advance what he conscientiously believes to be for the best of all, and I know the Senator from Arizona will certainly join me in that statement.

Mr. GEORGE. Mr. President, I understand the Senator from Connecticut is temporarily withholding his amendment.

Mr. McFARLAND. Mr. President, will the Senator yield to me for a moment?

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield, and if so to whom?

Mr. GEORGE. I yield now to the Senator from Nevada; but I hope we may get along with other amendments to the bill.

THE TARIFF OR IMPORT FEE PRINCIPLE, A SECURITY MEASURE—COPPER AN EXAMPLE

Mr. MALONE. Mr. President, I want the Senator from Georgia [Mr. GEORGE], to know that the junior Senator from Nevada has no idea of delaying progress on the tax bill. As a matter of fact we are all very much interested in getting through with it at the earliest possible time.

THE TARIFF OR IMPORT FEE PRINCIPLE NOT REGIONAL

But in view of the debates I thought it might be apropos at this time to show that this is not a regional or local consideration. Practically all of our industries are protected by a tariff or by subsidies—which form the floor under wages and investments. A comparatively few

of these supply the entire American market—a proper tariff does not prevent imports but does encourage venture capital to create employment and taxable property—and is a national security measure.

On August 12, 1950, George Adams Ellis, of the Vermont Copper Co., Inc., wrote a letter to the senior Senator from Nebraska [Mr. BUTLER] a member of the Finance Committee. In his letter he said, in part:

> These old Vermont mines were first opened in 1783 and saw their heyday between 1870 and 1880, before the very rich Michigan and Montana ores were fully developed.

He said the ores in Vermont are just as important as ores in other States, but he says they are unable to operate with any degree of safety of the capital that is invested, without any tariff. I will read one or two paragraphs, which will be very short, but informative.

This is the excerpt from a letter sent to the Senator from Nebraska [Mr. BUTLER] by George Adams Ellis, president of the company:

> I have had some relations with various phases of the copper industry for the past 25 years and practically wrote the copper code under the NRA for General Johnson. In my opinion the labor differential between foreign and domestic copper is very much more than the proposed 2-cent tariff and probably averages over 4 cents. It is a fact that at the present time the 2-cent tariff will not have the slightest effect on the price of copper in this country; nor will it affect by 1 pound the amount of copper that comes into the country. According to my information the great Chilean copper mines will give up about 1 cent less to the Chilean Government, or perhaps 4 cents instead of 5 cents, and Kennecott and Anaconda—who own the principal Chilean mines—will receive 1 cent less profit, or perhaps 7 cents instead of 8 cents. I cannot vouch for these exact figures, but they bear some approximation to the actual figures and the principle at least is correct.
>
> However free copper as a permanent policy eventually will close up every smaller mine in this country and, in the long run, will be the death knell of the American copper industry.
>
> I am very happy to see that there is a substantial group of Senators who have not been taken in by the specious arguments in favor of free copper.
>
> Very truly yours,
>
> GEORGE ADAMS ELLIS.

TARIFF OR IMPORT FEE—NATIONAL SECURITY MEASURE

Mr. President, the tariff principle of a floor under wages and investments is a national-security measure; copper, a strategic metal, is one example, simply because venture capital will not go into any business, especially a speculative business such as mining, unless it has some assurance, even at a time of high prices in an emergency, that there will be some protection, some floor under wages and investments, at the end of the emergency.

Mr. President, to fight a war this Nation must have an adequate stockpile of strategic minerals and a going concern mining industry.

Today we have neither. We may be facing an all-out war with 70 percent of our mines closed down and with depleted stockpiles.

MORE THAN 125 BRIEFS FROM INDUSTRIES THROUGHOUT COUNTRY

Without going into detail at all, let me say that I have approximately 125 briefs from companies representing a wide range of industries throughout the United States, and approximately 8 or 10 of these in Connecticut, the home State of the distinguished Senator [Mr. MCMAHON] who has submitted the amendment outlining the danger which they are facing through the State Department's continued maniplation of the tariff structure.

These companies have appeared before the reciprocity committee, and all of them have made very detailed and constructive arguments with illustrations.

A MATTER OF PRINCIPLE

The necessary import fee is a matter of principle, Mr. President, not a matter for sharpshooting. It must be continued as a matter of principle, in order to protect the economic structure of the United States. The fact is that today all the independent copper mines in the United States are closed, except in the case of those which were willing to lower wages and to write off much of their investments to the point where they could compete with foreign cheap labor without having the benefit of the differential in cost represented by a tariff or import fee.

THE FLEXIBLE IMPORT FEE

If we do have to go into this subject, as the distinguished Senator from Colorado [Mr. MILLIKIN] has said, he has some amendments to offer, and I may have one to offer also.

For the last 3½ years it has been quite evident that this matter involves the principle of the flexible import fee, which would be administered in such a way as to take care of the differential of the cost of production due mainly to the difference in the wage-living standards between this Nation and in the competitive countries.

Mr. President, the entire principle must be thoroughly reviewed before the Senate, and perhaps would require some considerable time to debate it properly.

The broad aspects of this question vitally affect the entire economic structure of this Nation and will probably require several days if it becomes necessary to discuss it at this time.

Mr. MORSE. Mr. President, will the Senator from Georgia yield, to permit me to send to the desk an amendment to the bill, to be printed and lie on the table, and to say a few words in connection with the amendment?

Mr. GEORGE. I yield.

Mr. MORSE. Mr. President, I send to the desk an amendment to the bill and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. MORSE. I wish to say that the amendment seeks to do away with the tax exemption on future State and municipal bonds. In support of the amendment, I should like to read one paragraph from the report of the Committee for Economic Development, this being one of its recommendations:

> High on the list of this type of revision is the taxation of future issues of State and local bonds. Additional Federal revenues, possibly around $35,000,000, would be obtained in the first year, and increasing sums thereafter. On the other hand, the cost of borrowing would rise for State and local governments. However, these considerations are minor by comparison with the gain in fairness and stimulus to private enterprise.

Mr. President, I wish to say that I think the owners of capital should make it work. I do not think they should be permitted an exemption or an escape from taxation, and I think it is grossly unfair to have in our tax structure as many tax-exemption loopholes as exist in it today.

Later in this debate I shall ask the permission of my good friend, the Senator from Georgia, to answer a few questions or to give my explanation in regard to certain portions of the pending measure relating to another form of tax escape, by way of the charitable trusts. I know there are in the bill provisions which at least seek to narrow that loophole, but I am far from satisfied that the bill begins to go far enough in doing away with tax escape by way of charitable trusts. I think there are in the United States too many institutions which are hiding behind the cloak of the charitable trust, in order to escape taxes, when what they are actually doing is operating commercial businesses in competition with private entrepreneurs who have to pay the tax bills which are escaped by such organizations by means of the charitable trust.

I think we should do a much more thorough job in connection with this matter; but I shall discuss it at a later time, with the permission of the Senator from Georgia.

Mr. GEORGE. Mr. President, under the statement made by the Chair yesterday, when I requested unanimous consent that the Senate proceed first to the consideration of the committee amendments, I believe I should perhaps now renew my request that the Senate proceed to consider amendments to the amendments made by the committee, if there are amendments to be offered and pressed in that connection. Therefore, I ask unanimous consent that the Senate now proceed to consider, first, any amendments to the committee amendments which on yesterday were approved en bloc. There is no pending amendment now before the Senate.

The PRESIDING OFFICER. Unanimous consent is requested that the Senate proceed to consider amendments to the committee amendments which have been agreed to, and that such amendments be disposed of first.

Is there objection? The Chair hears none, and it is so ordered.

The bill is open to further amendment.

Mr. MCFARLAND. Mr. President, much as I should like to see the bill passed in the next 5 minutes, I believe I shall suggest the absence of a quorum, and, I do so.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Maybank
Bricker	Holland	Millikin
Butler	Humphrey	Morse
Capehart	Hunt	Mundt
Chapman	Ives	Murray
Chavez	Johnson, Colo.	Neely
Connally	Johnson, Tex.	O'Mahoney
Cordon	Johnston, S. C.	Pepper
Darby	Kefauver	Robertson
Donnell	Kem	Russell
Douglas	Kerr	Schoeppel
Dworshak	Kilgore	Smith, N. J.
Ecton	Langer	Sparkman
Ellender	Leahy	Stennis
Ferguson	Lehman	Taylor
Flanders	Lodge	Thomas, Okla.
Frear	Long	Thomas, Utah
Fulbright	McCarran	Thye
George	McCarthy	Tydings
Gillette	McClellan	Watkins
Graham	McFarland	Wherry
Green	McKellar	Wiley
Hendrickson	McMahon	Williams
Hickenlooper	Magnuson	Withers
Hill	Malone	Young

The PRESIDING OFFICER. A quorum is present.

The bill is open to amendment.

DEPENDENTS ASSISTANCE ACT OF 1950

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill S. 4071, an act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, which was, to strike out all after the enacting clause and insert:

That for the duration of this act the provisions in the second sentence of section 102 (g) of the act of October 12, 1949 (Public Law 351, 81st Cong.), which reads "* * * and actually resides in the household of said member" is suspended: *Provided,* That the dependency of the father or mother as required by said section 102 (g) shall be determined on the basis of sufficient evidence, including an affidavit submitted by such father or mother, under such regulations as may be prescribed by the Secretary concerned.

SEC. 2. For the duration of this act the proviso in section 302 (a) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is suspended.

SEC. 3. For the duration of this act, section 302 (f) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by striking out that portion of the table appearing therein which prescribes monthly basic allowances for quarters for enlisted members in pay grades E–1 to E–7, inclusive, and inserting in lieu thereof the following new table:

	Not over 2 dependents	Over 2 dependents
E–7	$70	$85
E–6	70	85
E–5	70	85
E–4	70	85

	1 dependent	2 dependents	Over 2 dependents
E–3	$45	$70	$85
E–2	45	70	85
E–1	45	70	85

SEC. 4. For the duration of this act section 302 of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended by adding the following new subsections:

"(g) Subject to the provisions of this section, enlisted members without dependents shall be entitled to a basic allowance for quarters at the rate of $45 per month."

"(h) The payment of the basic allowance for quarters provided in subsection (f) of this section for enlisted members in pay grade E–1, E–2 and E–3 shall be made only for such period as the enlisted member has in effect an allotment of pay not less than the sum of the basic allowance for quarters to which he is entitled and $40 for the support of the dependent or dependents on whose account the allowance is claimed: *Provided,* That such allotment shall not be required, (1) for the calendar month in which such member enters on active duty in a pay status if the allotment is effective from the following month; (2) for the calendar month in which such member is discharged, if not immediately reenlisted; (3) for the calendar month in which such member is released from active duty; (4) for the calendar month in which dependency ceases; (5) for the calendar month in which dependency commences if the allotment is effective from the following month; (6) for the calendar month in which such member is assigned to quarters for himself and his dependents or for the calendar month in which such assignment is terminated: *Provided further,* That such allotment may be initiated, continued, modified, or discontinued in accordance with such regulations as may be prescribed by the Secretary of the Department concerned: *And provided further,* That the minimum allotment required for any month shall be based on the lowest rate of basic allowance for quarters to which the member is entitled and the lowest pay grade in which the member is serving during such month.

"(i) The allotment required by subsection (h) of this section shall be paid to or on behalf of such dependent or dependents as may be specified by the enlisted member concerned, subject to such regulations as the Secretary concerned may prescribe.

"(j) Any delay in initiating an allotment as required by this section shall not invalidate entitlement to basic allowance for quarters: *Provided,* That such allotment is made retroactive for such period as the member may elect to claim the allowance for his dependent or dependents. If the Secretary concerned finds that such delay was caused by the exigencies of the service he may waive the allotment requirement, or the additional increment thereto, as applicable, for such retroactive period.

"(k) The entitlement to the basic allowance for quarters provided for by this section shall be substantiated in such manner and in accordance with such regulations as the Secretary concerned may prescribe."

SEC. 5. Notwithstanding any other provision of law, the basic allowance for quarters to which an enlisted member may be entitled as a member with dependents shall not, for such period as the Secretary concerned may prescribe, be contingent on the right of such member to receive pay.

SEC. 6. The Secretary concerned may, at his discretion, with or without the consent of the enlisted member concerned, authorize and direct the payment of the basic allowance for quarters and the establishment and payment of such allotment or allotments as he shall determine to be in conformity with the provisions of this act for any enlisted member with dependents in any case in which such member does not claim such allowance.

SEC. 7. Notwithstanding any other provision of law, the provisions of this act shall not apply to enlisted members on training duty, to enlisted men entitled to pay and allowances pursuant to the provisions of section 507 of the act of October 12, 1949 (Public Law 351, 81st Cong.), to any member of the Samoan Native Guard or Band of the Navy, or the Samoan Reserve Force of the Marine Corps. Such persons shall continue to be entitled to the appropriate allowances prescribed by the act of October 12, 1949 (Public Law 351, 81st Cong.), on the day prior to the effective date of this act.

SEC. 8. For the purpose of this act, personnel enumerated in sections 527 and 528 of the act of October 12, 1949 (Public Law 351, 81st Cong.), with dependents as defined in section 102 (g) of said act, as amended, shall be entitled to a basic allowance for quarters under the conditions and at the rates prescribed for members in pay grade E–4.

SEC. 9. For the duration of this act, the fourth proviso of section 515 (b) of the act of October 12, 1949 (Public Law 351, 81st Cong.), is hereby amended to read as follows:

"Provided further, That when a member is furnished Government quarters adequate for himself and his dependents, the total sum saved for him by this subsection shall be reduced at the rate of $45 per month for members in pay grades E–1, E–2, E–3, and E–4 (less than 7 years' service), and $67.50 per month for members in pay grades E–4 (seven or more years' service), E–5, E–6, and E–7."

SEC. 10. The Secretaries of the Departments concerned are authorized to prescribe such regulations for the administration of this act as may be deemed necessary to enable them to carry out the provisions of this act and such regulations shall, as far as practicable, be uniform. All waivers and determinations, including determinations of dependency and relationship shall be made by the Secretary of the Department concerned or such other person or persons as he may designate, and the Secretary of the Department concerned or his designee is authorized to delegate or redelegate such authority: *Provided,* That the authority granted in this section to the several Secretaries of the Departments concerned may by joint agreement be exercised by any one of the Secretaries for any other Department or Departments concerned.

SEC. 11. Any determinations or waivers made under this act shall be final and conclusive for all purposes and shall not be subject to review in any court or by any accounting officer of the Government, except for cases involving fraud or gross negligence. The Secretary of the Department concerned may at any time on the basis of new evidence or for other good cause reconsider or modify any such determination, and may waive the recovery of any money erroneously paid under this act whenever he finds that such recovery would be against equity and good conscience.

SEC. 12. The General Accounting Office shall not refuse to allow credit in the accounts of any disbursing officer for any erroneous payment or overpayment made by him in carrying out the provisions of this act unless such erroneous payment or overpayment was made by him as the result of his gross negligence or with the intent to defraud the United States, and no recovery shall be made from any officer authorizing any erroneous payment or overpayment under this act unless such payment was authorized by him as the result of his gross negligence or with the intent to defraud the United States.

SEC. 13. Notwithstanding the provisions of section 515 (c) of the Career Compensation Act of 1949, the Comptroller General, upon the recommendations of the heads of the departments concerned, or such subordinates as they may designate, and a showing that collection would be against equity and good conscience, may waive indebtedness growing out of erroneous payments of allowances under the authority of the Servicemen's Dependents Allowance Act of 1942, as

amended, and authorize payments based thereon, on applications filed by enlisted and former enlisted members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, or their dependents, and not finally acted upon prior to October 1, 1949.

SEC. 14. The Secretary of the Department concerned shall take cognizance of the provisions of this act and shall establish policies, under which enlisted members with dependents may be discharged for hardship.

SEC. 15. This act shall be effective from August 1, 1950, except that the allotment requirements of this act shall not be a condition precedent to the entitlement to a basic allowance for quarters prior to the second month following the month in which this act is enacted.

SEC. 16. This act, except sections 10, 11, and 12 hereof, shall terminate on April 30, 1953.

Mr. MORSE. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TYDINGS, Mr. BYRD, Mr. CHAPMAN, Mr. BRIDGES, and Mr. GURNEY managers on the part of the Senate at the conference.

NOMINATIONS IN THE ARMED SERVICES

Mr. MORSE. Mr. President, on behalf of the Armed Services Committee, I wish to invite the attention of the Senate to the fact that the committee yesterday, by unanimous vote, recommended to the Senate the confirmation of the nominations of four majors, 11 captains, 25 first lieutenants, 37 second lieutenants, and the confirmation of Gen. Walter Bedell Smith to be the Director of Central Intelligence. As in executive session, I report these nominations from the Committee on Armed Services, and, in view of the emergency problems which confront the armed services, I ask unanimous consent that, as in executive session, these nominations be confirmed.

Mr. HICKENLOOPER. Reserving the right to object, I should like to address an inquiry to the Senator from Oregon, with special reference to General Smith. I have no objection to the other nominations, but I should like to ask a question or two with respect to General Smith.

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Iowa?

Mr. MORSE. If I can answer the question I shall be happy to do so.

Mr. HICKENLOOPER. I am sorry that the chairman of the committee is not present. I wonder if the Committee on Armed Services has been given any assurance of any kind by General Smith, whom I personally highly regard, as to the continuity or intended continuity of his services as the head of CIA. I ask that because of my deep conviction that the Central Intelligence Agency will never function——

The PRESIDING OFFICER. The Senate will please be in order. This is an extremely important matter, and Senators who wish to confer—and the Chair is sure it is necessary for them to confer at times—will please retire from the Chamber so that the Senate may carry on its business.

Mr. GEORGE. Mr. President, may I inquire what the question is?

The PRESIDING OFFICER. The unanimous-consent request is that as in executive session certain nominations in the military service be approved, and an interrogation is now being made with reference to the nomination of General Smith.

Mr. GEORGE. I have no objection, if the interrogation does not lead to long debate. If it does, I shall have to insist on the regular order.

The PRESIDING OFFICER. The Senator from Iowa reserved his right to object and is now interrogating the Senator from Oregon [Mr. MORSE].

Mr. HICKENLOOPER. I have a very deep conviction that the Central Intelligence Agency will never operate at the peak of its efficiency from the standpoint of results to the United States until and unless we have a director who is appointed with the determination on the part of the administration and the director himself for a long continuity in office in that position. I have had objections in my mind to the appointment of men who would stay in the position for only 2 or 3 years and then move on. That was one of my chief objections to the appointment of officers of the military service, whether the Army or the Navy, to head CIA, because they would perform a tour of duty for 2 or 3 years and then go back to their regular assignments in their professional branch of the military service. I emphasize that because I have the highest regard for General Smith. I have not the slightest objection to his appointment. I have the utmost confidence in his ability and loyalty. I raise the question as to the continuity of his service in this most sensitive branch of our Government. I should like to ask the Senator from Oregon if he has any knowledge on that subject?

Mr. MORSE. I will give the Senator my understanding, and other members of the Committee on Armed Services who are present may give their point of view if they wish. I see present the Senator from Wyoming [Mr. HUNT].

I assume that inherent in the question of the Senator from Iowa is perhaps his knowledge of a rumor some time ago that General Smith might not wish to undertake the assignment because of his health. I can say to the Senator that I discussed the matter with the Secretary of Defense when he was attending a committee meeting some time ago. At that time he said that he was very happy to advise me that the medical reports on General Smith now were very clear to the effect that he was in sufficiently good health to undertake the responsibility of the job.

Mr. HICKENLOOPER. I raised no question about General Smith's health. I assume that he is perfectly able to assume the job. That was not a part of my question.

Mr. MORSE. I understood that they were awaiting the result of the physical check-up, which has now come in. So far as the presentation of the nominations by the Armed Services Committee is concerned, the assumption was that General Smith was being appointed to serve indefinitely in this position, and there was no representation made as to any tentative appointment. Am I correct about that?

Mr. HUNT. I will say that I think the Senator from Oregon is correct in his statement. There was further discussion in the questioning of General Smith, as the distinguished Senator will remember, regarding his health. He intimated that his health was better today than it had been for some time. Moreover, he commented about extending his services in this particular capacity. As I remember the conversation before the committee, I think the general intends to stay on this job until for some reason he finds it necessary to leave.

Mr. HICKENLOOPER. Further reserving the right to object, I should like to ask a specific question. I assure the Senate that I am not asking it to be contentious, but because of certain convictions which have developed within me after having watched CIA operate for some time. I invite the attention of the Senator from Oregon to the fact that General Smith would be the fourth director of CIA since it was established in the past 3 or 4 years. I wonder if the Committee on Armed Services asked General Smith to commit himself as to his intentions, subject of course to all the unknown vicissitudes that may occur, as to whether it was his intention to make this a permanent career job, or whether he is approaching it with the idea of taking it for a year or 2 or 3 years and going back to the Army or doing something else. I can assure the Senator from Oregon that I am utterly serious about the matter because I think the turnover in CIA is one of its frailties, and has led to general turmoil within the agency.

Mr. MORSE. I do not think any such specific question was asked of the general. However, I think it is fair to say that the entire discussion with him and the discussion with the committee was upon the assumption that upon appointment he would continue indefinitely in the office and that this would be his final career service in the Army.

Mr. HICKENLOOPER. Mr. President, I want again to say that I have the highest regard for General Smith and for his integrity and ability, and I would support him. I have no hesitancy about placing my confidence in him, but I wonder if the best interests of the country would be badly served if this matter went over until tomorrow.

Mr. MORSE. I think the honest answer to the question would have to be that it could go over until tomorrow. It would be desirable to have this appointment confirmed today, but it certainly could go over until tomorrow.

Mr. THYE. Mr. President, I wish to remind the Senator that tomorrow will be Saturday.

Mr. HICKENLOOPER. Without intending to object to the appointment of General Smith, I should like to ask the Senator if he thought it would be a disservice to the country to have the matter go over until tomorrow or Monday.

Mr. MORSE. I would have to say that I think it could go over, though I think it is highly desirable that the appointment be made at the earliest possible time.

Mr. HICKENLOOPER. I agree with the Senator.

The PRESIDING OFFICER. The Chair will state the request.

Unanimous consent is requested that, as in executive session, the Senate proceed to the consideration of certain nominations in the military service. Is there objection to the request?

Mr. MORSE. Mr. President, I think in view of the views expressed by the Senator from Iowa [Mr. HICKENLOOPER], the courteous thing for the representatives of the Armed Services Committee to do would be not to put the Senator in a position where he would be required to object, but rather to withhold the request for confirmation, with the understanding that it will be presented at the earliest opportunity.

The PRESIDING OFFICER. The request is withdrawn.

Mr. HICKENLOOPER. I thank the Senator from Oregon. I hesitated to object because I did not in the least want to have it appear that I had any objection to General Smith as an individual.

Mr. MORSE. I send the nominations to the desk and ask that they be printed and placed on the executive calendar.

The PRESIDING OFFICER. Without objection, as in executive session, the nominations will be received and placed on the executive calendar.

The nominations placed on the executive calendar are as follows:

Walter Bedell Smith, lieutenant general, United States Army, to be Director of Central Intelligence; and

Robert J. Bernaucci, and sundry other persons for appointment in the Regular Army of the United States.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. O'MAHONEY. Mr. President, on behalf of the senior Senator from Texas [Mr. CONNALLY] and myself I desire now to offer an amendment known as the excess profits tax amendment.

The PRESIDING OFFICER. The clerk will state the amendment. Does the Senator wish to have the amendment read?

Mr. O'MAHONEY. I think it will not be necessary to have it read.

The PRESIDING OFFICER. The amendment will be printed in the RECORD in full.

The amendment offered by Mr. O'MAHONEY (for himself and Mr. CONNALLY) was to add the following new title at the end of the bill:

TITLE VII—EXCESS PROFITS TAX

SEC. 701. Reapplication of excess profits tax.

(a) Reapplication: Section 122 (a) of the Revenue Act of 1945 is hereby amended to read as follows:

"(a) In general: The provisions of subchapter E of chapter 2 shall not apply to any taxable year beginning after December 31, 1945, and ending prior to July 1, 1950. The provisions of part III of such subchapter shall not apply to any taxable year beginning after December 31, 1945."

(b) Rate of tax: Section 710 (a) (1) (A) of the Internal Revenue Code is amended by striking out "95 percent" and inserting in lieu thereof "85 percent."

(c) Exemption: Section 710 (b) (1) of the Internal Revenue Code is hereby amended to read as follows:

"(1) Specific exmption:

"(A) A specific exemption of $10,000, and

"(B) In the case of a domestic corporation which (i) commenced business after August 31, 1945, (ii) elects to use the excess profits credit provided in section 714, and (iii) is not a member of a controlled group (as defined in section 718 (a) (6) (B), an additional specific exemption of $10,000."

(d) Excess profits credit: Subsections (a) and (b) of section 712 of the Internal Revenue Code (relating to allowance of excess profits credit) are hereby amended to read as follows:

"(a) Domestic corporations: In the case of a domestic corporation which was in existence before July 1, 1950, the excess profits credit for any taxable year shall be computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other domestic corporations, the excess profits credit for any taxable year shall be an amount computed under section 714.

"(b) Foreign corporations: In the case of a foreign corporation engaged in trade or business within the United States, the first taxable year of which under this subchapter begins on any date in 1950 after June 30, 1950, which was in existence on the day 48 months prior to such date and which at any time during each of the taxable years in such 48 months was engaged in trade or business within the United States, the excess profits credit for any taxable year shall be an amount computed under section 713 or section 714, whichever amount results in the lesser tax under this subchapter for the taxable year for which the tax under this subchapter is being computed. In the case of all other foreign corporations the excess profits credit for any taxable year shall be an amount computed under section 714.".

(e) Definition of unused excess profits credit: Section 710 (c) (2) of the Internal Revenue Code is hereby amended by striking out the last two sentences thereof and by inserting in lieu thereof the following: "For the purposes of the determination of the taxes imposed by this subchapter for taxable years beginning before January 1, 1946, there shall be no unused excess profits credit for a taxable year beginning after December 31, 1946. The unused excess profits credit for a taxable year beginning in 1946 and ending in 1947 shall be an amount which is such part of the unused excess profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year prior to January 1, 1947, is of the total number of days in such taxable year. For the purposes of the determination of the taxes imposed by this subchapter for taxable years ending after June 30, 1950, there shall be no unused excess profits credit for a taxable year ending before July 1, 1950. The unused excess profits credit for a taxable year beginning in 1949 or 1950 and ending after June 30, 1950, shall be an amount which is such part of the unused excess profits credit determined under the preceding provisions of this paragraph as the number of days in such taxable year after June 30, 1950, is of the total number of days in such taxable year."

(f) Amount of excess profit credit: Section 713 (a) (relating to the amount of excess profits credit) is amended by striking out "95 percent" wherever it appears therein and inserting in lieu thereof "80 percent."

(g) No carry-back to 1946, 1947, 1948, or 1949: Section 710 (c) of the Internal Revenue Code is hereby amended by adding at the end thereof the following new paragraph:

"(5) No carry-back to 1946, 1947, 1948, or 1949: For purposes of the determination of the taxes imposed by this subchapter for taxable years ending after June 30, 1950, the term 'preceding taxable year' and the term 'preceding taxable years', as used in this subsection, do not include any taxable year ending prior to July 1, 1950."

(h) Definition of "base period": Section 713 (b) (1) is amended by adding at the end thereof the following new subparagraphs:

"(C) If the corporation was in existence during the whole of the 48 months preceding the beginning of its first taxable year under this subchapter after June 30, 1950, means the period commencing with the beginning of its first taxable year beginning after June 30, 1945, and ending with the close of its last taxable year ending before July 1, 1950; and

"(D) In the case of a corporation which was in existence during only part of the 48 months preceding the beginning of its first taxable year under this subchapter after June 30, 1950, means the 48 months preceding the beginning of its first taxable year under this subchapter.

"(E) Subparagraphs (A) and (B) shall not apply in connection with the tax for any taxable year ending after June 30, 1950."

(i) Taxable years beginning in 1949 or 1950 and ending after June 30, 1950: Section 710 (a) is amended by adding at the end thereof the following new paragraph:

"(8) Taxable years beginning prior to June 30, 1950, and ending after July 1, 1950: In the case of a taxable year beginning prior to July 1, 1950, and ending after June 30, 1950, the tax shall be an amount equal to that portion of a tentative tax which the number of days in such taxable year after June 30, 1950, bears to the total number of days in such taxable year."

(j) Technical amendments: The following sections of the Internal Revenue Code are restored to read as such sections read immediately prior to the enactment of the Revenue Act of 1945, to be effective as so restored, with respect to taxable years ending after June 30, 1950, as if section 122 (g) of the Revenue Act of 1945 had not been enacted:

(1) Section 26 (e) (relating to the credit for income subject to the excess-profits tax);

(2) Section 102 (d) (1) (defining terms for the purpose of the tax imposed by section 102);

(3) Section 131 (b) (prescribing certain limitations on the foreign tax credit).

(k) Taxable years to which amendments applicable: The amendments made to the Internal Revenue Code by this title shall be applicable with respect to taxable years ending after June 30, 1950.

(l) Technical changes: In relation to the tax for any taxable year ending after June 30, 1950, wherever the year 1935 appears in subchapter E of chapter 2 of the Internal Revenue Code, it shall be understood to mean 1945; wherever the year 1936 appears, it shall be understood to mean 1946; and wherever the years 1937, 1938, 1939, and 1940 appear, they shall be understood to mean 1947, 1948, 1949, and 1950, respectively.

SEC. 702. Investigation by Joint Committee on Internal Revenue Taxation.

The Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a full and complete study of the taxation of excess profits accruing to individuals, proprietorships, partnerships, or corporations as the result of any war or national defense program in which the United States is now or may hereafter become engaged.

Said joint committee shall report the results of its study to the Congress as soon as

practicable, but in no case later than March 31, 1951. Said report shall include, but shall not necessarily be limited to, recommendations for amendments to this title, which amendments may be effective retroactively to June 30, 1950.

On page 55, between lines 17 and 18, insert the following:

"(ii) the credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e);".

On page 55, line 18, strike out "(ii)" and insert in lieu thereof "(iii)".

On page 55, line 21, strike out "(iii)" and insert in lieu thereof "(iv)."

On page 56, line 5, insert before the period a comma and the following: "And minus the credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e)."

On page 59, strike out lines 4 and 5, and insert in lieu thereof the following:

"(A) The credit for dividends received provided in section 26 (b) (computed by limiting such credit to 85 per centum of the net income reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 in lieu of 85 per centum of the adjusted net income so reduced);

"(B) The credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e);".

On page 59, line 6, strike out "(B)" and insert in lieu thereof "(C)."

On page 59, line 9, strike out "(C)" and insert in lieu thereof "(D)."

On page 59, line 12, strike out "(D)" and insert in lieu thereof "(C)."

On page 59, line 20, insert after (b) a comma and the following: "minus the credit for income subject to the tax imposed by subchapter E of chapter 2, provided in section 26 (e),".

On page 66 beginning with line 10, strike out all through line 14 and insert in lieu thereof the following:

"(2) Section 122 (c) (relating to amount of net operating loss deduction) is hereby amended by inserting after 26 (e) the following: '(h) and (i).'"

On page 66, beginning with line 22, strike out all through line 2 on page 67 and insert in lieu thereof the following:

"(4) Section 204 (a) (2) (relating to definition of normal-tax net income and corporation surtax net income of foreign insurance companies other than life or mutual) is amended to read as follows:

"'(2) Normal-tax and corporation surtax net income of foreign insurance companies other than life or mutual and foreign mutual marine: In the case of a foreign insurance company (other than a life or mutual insurance company) and a foreign mutual marine insurance company, and a foreign mutual fire insurance company described in paragraph (1) of this subsection, the normal-tax net income shall be the net income from sources within the United States minus the credit provided in section 26 (a), the credit provided in section 26 (b), and the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e), and the corporation surtax net income shall be the net income from sources within the United States minus the credit provided in section 26 (b) (computed by limiting such credit to 85 percent of the net income reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 in lieu of 85 percent of the adjusted net income so reduced) minus the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e) and, in the case of taxable years beginning on January 1, 1950, and ending on December 31, 1950, minus the credit provided in section 26 (j)'."

On page 69, line 11, insert before the period the following: "and reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in subsection (e)."

At the end of the table of contents, on page 9, insert the following:

"TITLE VII—EXCESS-PROFITS TAX

"SEC. 701. Reapplication of excess-profits tax.
"(a) Reapplication.
"(b) Rate of tax.
"(c) Exemption.
"(d) Excess-profits credit.
"(e) Definition of unused excess-profits credit.
"(f) Amount of excess-profits credit.
"(g) No carry-back to 1946, 1947, 1948, or 1949.
"(h) Definition of 'base period.'
"(i) Taxable years beginning in 1949 or 1950 and ending prior to June 30, 1951.
"(j) Technical amendments.
"(k) Taxable years to which amendments applicable.
"(l) Technical changes.
"SEC. 702. Investigation by Joint Committee on Internal Revenue Taxation."

JUSTICE AND WELFARE REQUIRE WAR-PROFITS TAX

Mr. O'MAHONEY. Mr. President, I do not believe that, in a period like the present, the Senate of the United States could discuss any problem more important to the life of the Nation and to the preservation of freedom than the problem of taxation. This is no time to adopt a policy of borrowing to finance the Korean war. This is no time to increase the national debt.

I might put it in another way: Inasmuch as the selective service law is now in operation and the Government of the United States by the authority of Congress, is drafting men, I say this is no time to defer the profit dollar while we are drafting men.

Deficit financing is unavoidable when we have a condition of high unemployment and when business is bad. That is the time when Government spending, to use the phrase which is in common use, is essential. But when prosperity is running at high levels, that is the time to tax so that we may pay as we go. Let me ask each Senator in the consideration of the pending tax bill to make up his own mind whether he is now willing to fight the Korean war with deficits and pile a new war debt on top of the unpaid war debts of World War II and World War I.

When a country is prosperous, it ought to use its prosperity in defense of the economy which produces that prosperity. We cannot afford to be tender with profits while we are drastic with men. Mr. President, I desire to call the attention of the Senate, and the attention of those who may read the RECORD, to the great prosperity which this country now enjoys, and in order that the facts may be presented without any tinge of partisan argument, I desire to begin by reading an editorial from Life magazine. This editorial appeared in Life on the 31st of July, after the Korean condition had developed, but it tells a story which has been so beclouded by propaganda and rumor that many of the American people are really convinced that the United States is in a bad economic condition. It is not. The United States, on the record, is now enjoying the greatest prosperity not only in its own history, but in the history of any people at any time.

The editors of Life understood that when they entitled this editorial "Five Fecund Years."

The record of 1945–50 should give courage for the days ahead.

Mr. President, this is a time for men of courage and men of vision, particularly for courage and vision upon the part of those who want to preserve a free economy.

The editorial continues:

Always before, between its wars, the United States has had long years of peace. This time, between VJ-day and Korea, there stretched but a scant 5 years. Hardly long enough, one would suppose, to catch one's breath, yet it was the most bountiful 5-year period in United States history.

Even if the little Korean war becomes a big war, the productive record of the past 5 years should give the United States courage to see the new logistical job through.

Summing it up in the future, the historian may visualize the interval between 1945 and 1950 as part of a new age of confidence. True enough, the American people were torn by doubts throughout the late forties. But the doubts had to do with questions of cosmic fate and/or the Kremlin, not with themselves as Americans. World War II may have settled little or nothing about the division of the world between democracy and dictatorship, freedom and slavery, but it did restore the average American's confidence in the capabilities of his own hand and brain.

In 1945 the faint hearts who remembered there were still 9,000,000 unemployed in 1939 were predicting 7,000,000 unemployed by 1946. But nothing like that happened. Carried forward by the momentum engendered by World War II, the United States economy just refused to stop booming. It was not a bubble boom like the Dutch tulip craze or the United States stock market rise of 1929; it was a solid production boom that went on and on and on. Stock market valuations took 5 years to catch up with it.

Mr. President, I wish to call special attention to that sentence from the editors of Life, picturing exactly the condition that existed in the financial markets.

Stock market valuations took 5 years to catch up with it; reality always seemed to outdistance the speculators' imagination.

BUSINESS ENJOYS PEAK PROFITS

The facts were that prices of stocks in the stock market were far below the earning capacity of the corporations which issued the stocks, and in some instances far below the asset value per share of the stocks which were selling at such low prices that he who bought was buying from 5 to 20 percent in values more than he paid in dollars.

To return to the editorial:

The figures for the 5-year interval were fantastic by any previous standards. Take housing. Between VJ-day and D-Korea day the United States people built some 4,000,000 new homes for themselves.

Sparked by easy credit, whole "Levittowns" and thousands of sprawly "ranch" houses went up in what had once been open country. The Nation, which had spent half a century going from rural to urban patterns of life, went suburban practically overnight. People took to living in the sun along a 3⅓-million-mile highway system on which $1,700,000,000 were spent in 1949 for new construction alone.

In Herbert Hoover's era ownership of two cars stamped a family as rich. Between 1945

and 1950 the two-car family was becoming a commonplace. Some 19,500,000 new cars and trucks were registered between 1946 and 1950—and the market saturation point was not yet in sight. To keep cars on the roads new oil wells gushed in the Southwest sagebrush and on the tidal flats of the Gulf. Texas wildcatters became millionaires, building fabulous hotels and making the Houston skyline look like a replica of Manhattan.

The boom was fed by a steel capacity wh'ch went from 80,000,000 to 100,000,000 tons a year in a decade, with 6,000,000 more tons promised by the end of 1952. It was serviced by hundreds of new diesel engines which rocketed back and forth over the rebuilt tracks of the world's biggest and best railway system. It was fueled by gas and oil pumped through the thousands of miles of new pipelines that laced Texas to the Midwest and New York.

By June 1950 the Federal Reserve production index stood at 197—or virtually double that of 1935–39.

Let me interpolate here, Mr. President, that the Board of Governors of the Federal Reserve System yesterday released for publication in this morning's newspapers a national summary of business conditions in which it was stated, not that the production index stood at 197, as quoted by the editors of Life magazine only on July 31 last, but at 204. I read:

The board's industrial production index in August is expected to be about 204 percent of the 1935–39 average, as compared with 199 in June, and 197 in July, when vacations and plant closings not adequately allowed for lowered the index.

Mr. President, how can anyone look at that record, a record of production beyond any that was ever dreamed of before, and consider for a moment that we should undertake deficit financing for the Korean war?

CAPITALISM WILLING TO GIVE UP PROFITS IN CRISIS

The editors of Life refer to the future historian. I say the future historian, looking at this record of unparalleled prosperity, will find it difficult to understand why honest men, sincere men, able men, in the midst of the Korean war, lacked faith in the great economy which the people of the United States have built, and lacked confidence in the people and the business of the United States to the extent that they doubted their willingness fully to cooperate in a pay-as-you-go system not only to make the Korean war a success, but to demonstrate to every communistic ideologist throughout the world that the system of private property was and is willing to wager its profits on the permanent system of private property.

He who wishes to protect profits in these conditions, it seems to me, confesses a lack of faith in America, a lack of faith in the people of the United States, a lack of faith in the correctness of the record which is written where all may see, and which was summarized so clearly in the editorial from which I have been reading, in Life magazine.

I resume reading the editorial:

The productive capacity included whole new industries. The new television industry came with a rush, gluing people to their living room chairs and transforming the nature of home life. The chemical industry was producing everything from soapless soap to suits woven entirely of man-made fibers. People paid $89,000,000,000 for clothes and jewelry between 1945 and 1949.

Are we to be told that business management, that corporate leaders, are unwilling to contribute of their profits to make certain that the men who are fighting for us on the battle front shall have arms and food and equipment now when they need it, without any fear in their hearts that we who are on the home front are creating a new war deficit for them to pay when they come back?

Eighty-nine billion dollars for clothes and jewelry.

Mr. President, I say any person who doubts the willingness of those people to contribute billions of dollars to support the war effort does not know his American people or his American corporate management.

They began to think of air conditioning and sound proofing as necessities, not luxuries.

Says Life:

The productive revolution moved to the farms at the fastest rate in history. In 1945 there were 1,700 mechanical cotton pickers and strippers in the United States; in 1950 the figure had jumped to 13,400. Corn and wheat filled the bins to overflowing. The United States ate its fill, helped keep some other nations from starving and had an incredible surplus of food left over for storage against disaster.

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The material accomplishments of the 5-year period could be spun out as endlessly as the nylon that went into everything from stockings to tennis-racket strings. But the really encouraging thing about 1945–50 lay in other directions. Science, through its development of the new wonder drugs (among them chloromycetin, aureomycin), made human life far less hazardous than before. Between 1945 and 1950 upward of 1,400,000 Americans took college degrees; in 1950 twice as many were graduated from college as in any prewar year. More encouraging, still, there was a widespread discussion of the aims of education. President Eisenhower of Columbia called upon his faculty to educate exceptional physicists, exceptional chemists—but above all, "exceptional Americans."

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Mr. President, let me pause to say that a day or so ago the newspapers carried a dispatch from Denver, Colo., where President Eisenhower, formerly General Eisenhower, in a public interview declared his belief that we should pay as we go in the Korean war. I am undertaking to tell the Senate, on the basis of the plain, bald record of the facts, that we can pay as we go, that we do not need to falter and do not need to be fearful. If we have the courage to capitalize upon our capacities, we can pay as we go; and we can demonstrate to the Kremlin that the American way of life is, in fact, the best.

The Kremlin says capitalists are fearful, capitalists are greedy, capitalists cannot see ahead of them, capitalists are so concerned with the preservation of profits that they will ruin the free economy, and totalitarianism will take over.

PROFITS TAX IS PAY-AS-YOU-GO SYSTEM FOR WAR

Mr. President, on behalf of the senior Senator from Texas [Mr. CONNALLY] and myself, I am today submitting this excess-profits-tax amendment, in the firm conviction that only through such a tax can we hope to adopt a pay-as-we-go system. The tax bill now before us makes it clear that that will be the only way to meet the days of crisis.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD all of the editorial entitled "Five Fecund Years—The Record of 1945–50 Should Give Courage for Days Ahead," appearing in Life Magazine for July 31, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Life of July 31, 1950]

FIVE FECUND YEARS—THE RECORD OF 1945–50 SHOULD GIVE COURAGE FOR DAYS AHEAD

Always before, between its wars, the United States has had long years of peace. This time, between VJ-day and Korea, there stretched but a scant 5 years. Hardly long enough, one would suppose, to catch one's breath, yet it was the most bountiful 5-year period in United States history. Even if the little Korean war becomes a big war, the productive record of the past 5 years should give the United States courage to see the new logistical job through.

Summing it up in the future, the historian may visualize the interval between 1945 and 1950 as part of a New Age of Confidence. True enough, the American people were torn by doubts throughout the late forties. But the doubts had to do with questions of cosmic fate and/or the Kremlin, not with themselves as Americans. World War II may have settled little or nothing about the division of the world between democracy and dictatorship, freedom, and slavery, but it did restore the average American's confidence in the capabilities of his own hand and brain.

In 1945 the faint hearts who remembered there were still 9,000,000 unemployed in 1939 were predicting 7,000,000 unemployed by 1946. But nothing like that happened. Carried forward by the momentum engendered by World War II, the United States economy just refused to stop booming. It was not a bubble boom like the Dutch tulip craze or the United States stock market rise of 1929; it was a solid production boom that went on and on and on. Stock market valuations took 5 years to catch up with it; reality always seemed to outdistance the speculator's imagination.

The figures for the 5-year interval were fantastic by any previous standards. Take housing. Between VJ-day and D-Korea day the United States people built some 4,000,000 new homes for themselves. Sparked by easy credit, whole Levittowns and thousands of sprawly ranch houses went up in what had once been open country. The Nation, which had spent half a century going from rural to urban patterns of life, went suburban practically overnight. People took to living in the sun along a 3,500,000-mile highway system on which $1,700,000,000 were spent in 1949 for new construction alone.

In Herbert Hoover's era ownership of two cars stamped a family as rich. Between 1945 and 1950 the two-car family was becoming a commonplace. Some 19,500,000 new cars and trucks were registered between 1946 and 1950—and the market saturation point was not yet in sight. To keep cars on the roads new oil wells gushed in the Southwest sagebrush and on the tidal flats of the Gulf. Texas wildcatters became millionaires, building fabulous hotels and making the Houston skyline look like a replica of Manhattan.

The boom was fed by a steel capacity which went from 80,000,000 to 100,000,000 tons a year in a decade, with 6,000,000 more tons promised by the end of 1952. It was

serviced by hundreds of new Diesel engines which rocketed back and forth over the rebuilt tracks of the world's biggest and best railroad system. It was fueled by gas and oil pumped through the thousands of miles of new pipelines that laced Texas to the Midwest and New York.

By June 1950 the Federal Reserve production index stood at 197—or virtually double that of 1935–39. The productive capacity included whole new industries. The new television industry came with a rush, gluing people to their living room chairs and transforming the nature of home life. The chemical industry was producing everything from soapless soap to suits woven entirely of man-made fibers. People paid $89,000,000,000 for clothes and jewelry between 1945 and 1949. They began to think of air-conditioning and sound-proofing as necessities, not luxuries.

The productive revolution moved to the farms at the fastest rate in history. In 1945 there were 1,700 mechanical cotton pickers and strippers in the United States; in 1950 the figure had jumped to 13,400. corn and wheat filled the bins to overflowing. The United States ate its fill, helped keep some other nations from starving and had an incredible surplus of food left over for storage against disaster.

The material accomplishments of the 5-year period could be spun out as endlessly as the nylon that went into everything from stockings to tennis-racket strings. But the really encouraging thing about 1945–50 lay in other directions. Science, through its development of the new wonder drugs (among them chloromycetin, aureomycin), made human life far less hazardous than before. Between 1945 and 1950 upward of 1,400,000 Americans took college degrees; in 1950 twice as many were graduated from college as in any prewar year. More encouraging still, there was a widespread discussion of the aims of education. President Eisenhower, of Columbia, called upon his faculty to educate exceptional physicists, exceptional chemists, but, above all, "exceptional Americans."

In labor relations the wild atmosphere of the thirties gave way in 1945–50 to the relative equilibrium of the new steel pension system and the GM 5-year contract. In race relations, despite the failure of Congress to pass an FEPC bill with teeth in it, encouraging strides were made. As one index of improved race relations, Negroes were playing major-league baseball, big-time tennis, and captaining Ivy League football.

No one can devise a micrometer caliper to measure such things as artistic progress, musical progress, the content of simple fun, or the intensity of religious faith. Nobody can put a dollar value on sympathy, friendship, and love. Figures, however, can be suggestive, and it may prove something to know that United States church membership leaped from 55,807,366 in 1936 to 81,777,874 in 1949. And in world affairs, which involve spiritual values as well as power politics, the United States had definitely grown up since 1940. In 1950 the United States people were ready to accept a world role, whether they were to do it well or badly.

By all the tokens, measurable and immeasurable, the United States people have a right to be proud of the 1945–50 interlude. They can approach the dangerous days of the present with full confidence in their capacity to see any difficult job through to the end.

Mr. KERR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Wyoming yield to the Senator from Oklahoma?

Mr. O'MAHONEY. I yield.

PROPOSED TAX YIELD AMOUNTS TO $5,500,000,000

Mr. KERR. What does the Senator from Wyoming estimate the excess-profits tax, as proposed, would yield?

Mr. O'MAHONEY. Of course, that would depend entirely upon the degree to which prices are permitted to continue to rise. On the basis of the very best estimates which I have been able to obtain, corporate profits will continue to rise in the next 6 months, and even before that they will have risen to probably as much as $40,000,000. If they do, the amendment I now propose would raise almost $5,500,000,000.

Mr. KERR. Does the Senator think it would provide the money with which to pay as we go for the Korean war?

Mr. O'MAHONEY. I think that it will, when added to what will be obtained through the pending tax bill. Let me say that I believe the corporate tax rate is too low, and I make that statement on the basis of testimony which has been given to me by some of the most respected, competent, intelligent, and able business leaders in the city of New York.

Mr. KERR. The Senator from Wyoming has prepared a chart showing corporate profits for the past 4 years, I believe.

Mr. O'MAHONEY. The Senator from Oklahoma is quite correct. I showed him the chart.

Mr. KERR. What does it disclose that corporate profits after taxes were, for the 4 years?

Mr. O'MAHONEY. If the Senator from Oklahoma will permit me to defer answering that question until I produce the chart here, I shall be very happy to answer that and all other questions at that time.

Mr. KERR. I am tremendously interested in a proposition which would make it possible for us to pay as we go; but the information I have is that the cost would probably be approximately $25,000,000,000 a year over and above the present amount of the defense budget. Using what I thought was the Senator's estimate of what his proposed excess-profits tax would produce—and it was, as he has answered, approximately $5,500,000,000 a year—I was unable to make that harmonize with what I understood to be the statements made by the Senator, namely, that if we were to adopt his excess-profits-tax amendment, it would enable us to pay as we go. I say that because it seems to me that, if we had in effect the excess-profits tax now proposed by the distinguished Senator from Wyoming, it would take care of only approximately one-fifth of the increased expenditures due to the Korean war, and thus would be far from a proposal which would enable us to pay as we go.

Mr. O'MAHONEY. Mr. President, the Senator's example in arithmetic goes awry because it is based upon an incorrect assumption. The Senator bases his whole question upon the assumption that someone told him, or somehow he learned, that the cost of the Korean enterprise would be $24,000,000,000. However, that is not the fact. It cannot be the fact. The supplemental appropriation bill, which probably will be passed today in the House of Representatives, a bill which was sent to Congress because of the Korean war, along with other defense expenditures calls for $16,700,000,000. Not all of that will be spent within the year. Sometimes it takes 2 years to build an airplane, as the Senator well knows.

So we have here the problem of balancing a supplemental appropriation bill of $16,700,000,000 with a tax bill which came from the Finance Committee with an original estimate that it would raise $5,000,000,000, which estimate has now been shaved down to $4,500,000,000.

I say that obviously $4,500,000,000, as reported by the Finance Committee, will not begin to balance even one-half of $16,700,000,000. However, if we add the proceeds of the excess-profits tax, then we shall be within shooting distance of our goal.

It may also be stated that when the Finance Committee and the Treasury some time next year get through with their studies in regard to excess-profits taxes, undoubtedly they will bring in a tax measure which will be much heavier than the one I am now proposing.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. I should like to ask the very eminent Senator from Wyoming if it is not true that even though $5,500,000,000 may be all that will be raised by excess-profits taxation of the type he proposes, will not that be $5,500,000,000 more than is provided for in the bill reported by the Finance Committee. and therefore shall we not be that much closer to our goal?

Mr. O'MAHONEY. Certainly.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am very happy to yield to the distinguished Senator from Georgia.

Mr. GEORGE. I understood the distinguished Senator from Wyoming to say that the estimate was based upon the assumption that corporate profits would continue to rise until they reach a peak.

Mr. O'MAHONEY. That is correct.

Mr. GEORGE. I wish to ask the Senator if he knows what the tax bill which the Finance Committee has reported will raise if that sort of conditions obtains in the American economy.

Mr. O'MAHONEY. I am sure it will raise very much more.

Mr. GEORGE. Yes, almost double what we have reported.

Mr. O'MAHONEY. There is no doubt about that, and that will be very helpful. If our expenditures are going to be at the rate suggested by the Senator from Oklahoma, then, to be sure, we are going to get that amount.

Mr. GEORGE. But I understood the Senator to say also that he had not given any figures as to what the Korean war would cost.

Mr. O'MAHONEY. I can only estimate by what the General Staff has asked the Congress to appropriate.

Mr. GEORGE. I understand. As a matter of fact, will not the Congress be in much better shape to estimate what the Korean war will cost by the first of January than it is at the present moment?

Mr. O'MAHONEY. It will be in much better shape.

Mr. GEORGE. Presumably, it will be in much better shape.

Mr. O'MAHONEY. It will be in much better shape then, I may say to the distinguished Senator, to be able to add up what it has already spent beyond its means. We are spending it now, I call to the attention of the distinguished Senator.

Mr. GEORGE. Let me ask the Senator another question. He is aware, is he not, that under any excess-profits tax which may be levied, not a dime would be received into the Treasury, in any event, until some time next year?

PROFITS TAX WILL DETER RISING PRICES

Mr. O'MAHONEY. Oh, yes. But the great advantage of the excess-profits tax, and I call this to the particular attention of the Senator from Georgia, is that it will be a deterrent to rising prices. I want this proposed excess-profits tax not only for the purpose of raising revenue, but also for the purpose of preventing the profiteer from raising prices to the Government and to the people of the Nation.

Mr. GEORGE. With all due respect, I challenge the Senator's philosophy and conclusion. I say, on the contrary, that until we apply control of prices and wages across the board, an excess-profits tax is the most dangerous inflationary tax that can possibly be conceived. We differ on that point.

Mr. O'MAHONEY. That is correct, and I shall be very glad to show why I disagree.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. O'MAHONEY. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that the present level of corporate profits before taxes is at the rate of approximately $32,000,000,000 a year?

Mr. O'MAHONEY. The rate of income at the present moment, before taxes, is running about $32,000,000,000.

Mr. DOUGLAS. Would not the schedule proposed by the distinguished Senator from Wyoming and the eminent Senator from Texas yield, at current profit rates, approximately $3,000,000,000 of added tax income per year?

Mr. O'MAHONEY. At $34,000,000,000, it would yield about $3,000,000,000.

Mr. DOUGLAS. So that the proposal of the Senator from Wyoming and the Senator from Texas would almost certainly yield $3,000,000,000 more of tax income. If total corporate income rose by $6,000,000,000 more, or to a total of $40,000,000,000, the tax proposed by the Senator from Wyoming would yield $5,500,000,000 of added revenue. It would therefore help to that degree to close the gap between expenditures and appropriations which now exists, would it not?

Mr. O'MAHONEY. The Senator is quite right.

Mr. GEORGE. Mr. President, will the Senator yield for a further question?

Mr. O'MAHONEY. Yes, indeed.

Mr. GEORGE. I am a bit confused. The Senator has presented three amendments in rather rapid succession.

Mr. O'MAHONEY. That is correct.

Mr. GEORGE. I desire to ask the Senator whether he does not deduct, under his latest edition or latest amendment, the excess profits before computing the normal tax?

Mr. O'MAHONEY. I think the Senator is mistaken about that.

Mr. GEORGE. Mr. President, I thought the Senator would know what was in his amendment by this time, since he has drawn three.

Mr. O'MAHONEY. Yes, and I shall be very glad to explain.

Mr. GEORGE. I am simply attempting to verify a fact, namely, that that is the Senator's scheme. I want to call his attention, and I also invite the attention of the distinguished Senator from Illinois, to the fact that if we follow that program we shall get practically no more money than we shall get under the same theory for 1950. I am not in error about what the amendment says, but I wish to have the Senator verify it.

LEVEL OF PROFITS WILL DETERMINE ACTUAL YIELD

Mr. O'MAHONEY. The Senator knows that this amendment provides a base of 80 percent of the average corporate profits for the 4 years, 1946, 1947, 1948, and 1949. Therefore the effect of that amendment is to say to every corporation, "Until you get 80 percent of your average for this 4-year period, there is no excess-profits tax." The excess-profits tax falls upon the 20 percent that is above the base, but before it is imposed on that percentage, there is a specific exemption of $10,000, which will go to all corporations, and another specific exemption of $10,000, which will go to corporations which choose the invested-capital basis, and which have started business since September 1, 1945. So the amount of profits which will be subject to this excess-profits tax represents the very top of a profit structure which, by reason of increasing prices, is already climbing most rapidly. In other words, under this excess-profits tax, all profits amounting to 80 percent of the average for this 4-year period will be subject only to normal and surtax rates as provided in whatever bill may be passed.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I yield.

Mr. FULBRIGHT. I had understood that there was an exemption of $25,000. Has that been changed?

Mr. O'MAHONEY. The Senator from Georgia has referred to the fact that I have had three amendments presented. The $25,000 exemption was in the first amendment which I presented, in which I proposed a 75-percent base for a 3-year period. The Senator from Texas [Mr. CONNALLY], who is a member of the Finance Committee and who has given a great deal of time to the study of this question, consulted me yesterday and persuaded me that perhaps it would be better in view of the entire situation to have an 80-percent base instead of a 75-percent base; to have a 4-year period instead of a 3-year period; and to have a $10,000 exemption instead of a $25,000 exemption.

Mr. FULBRIGHT. In order to arrive at the 80-percent base, is the $10,000 first deducted, and then, from there on, a determination made of the 80-percent base?

Mr. O'MAHONEY. No, it works the other way, I may say to the Senator. The 80 percent is the first thing, and then the additional $10,000 pushes it up a little. The specific $10,000 pushes the exemption up a little bit, and then the additional $10,000 pushes it up a little bit more. The Senator will note that the chart shows the situation on the average for all corporations. The case of each individual corporation will be different. But I should like Senators to look at the record, as displayed on this chart, of the extraordinary prosperity of American corporations. There is nothing like it in all history. It evidences the marvelous success of the American economy. It is an illustration of the capacity of that economy to bear its share of the costs of the war. In fact, before World War II the average profits of American corporations, after taxes, for the years 1936 to 1939, were about $5,400,000,000. Observe what has happened. The undistributed profits in 1948 are almost twice that much. The undistributed profits and dividends in 1948 were up to almost four times what corporate profits, before taxes, were in the period 1936 to 1939.

Mr. President, if we observe the $20,000,000,000 line [indicating on chart], and the $23,000,000,000 peak in 1948, after taxes, we see that it reaches across the top level of profits and income taxes during World War II.

Mr. LONG and Mr. MILLIKIN addressed the Chair.

Mr. O'MAHONEY. I yield, first to the Senator from Louisiana.

Mr. LONG. Mr. President, the chart does not take into account the difference in the purchasing power of the dollar, does it?

Mr. O'MAHONEY. No. It is in current dollars. Of course, we pay our taxes in current dollars. We pay our soldiers in current dollars. We have to raise the cost of the war in current dollars.

Mr. LONG. Speaking in terms of the profits being made, should we not keep in mind the fact that the dollars represented by the profits actually will not purchase what dollars would purchase in 1939?

Mr. O'MAHONEY. That is correct. We talk about the 60-cent dollar, but here I show Senators a corporate level which is four times greater than it was in the period 1935 to 1939. That is after taxes. Let us now compare the situation before taxes.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. LONG. When the Senator says "after taxes," he is speaking of corporation taxes rather than personal income taxes.

Mr. O'MAHONEY. Yes.

Mr. LONG. Because, after corporation taxes are paid and when dividends are declared and the individual takes possession of the earnings in the form of dividends, he would have to pay his personal income tax which could run possibly as high as 90 percent.

Mr. O'MAHONEY. Yes. This bill does nothing about the theory of exempting a corporation from income taxes and letting the stockholder carry the whole burden. That is not in the bill at all.

Mr. LONG. If we increase the tax on corporations we would be losing some revenue that we would otherwise have made by taxing individual income. Of course, if the individual does not receive that income, he would naturally not be paying that much in taxes.

Mr. O'MAHONEY. It is my understanding that there was some very substantial evidence before the Ways and Means Committee of the House, if not before the Senate Finance Committee, in favor of the theory that there should be a withholding tax upon dividends, because so many dividends escape all taxation.

Mr. LONG. What type of dividends does the Senator have in mind which would actually represent income that would escape taxation?

CORPORATE PROFITS RISE WITH MILITARY EXPENSES

Mr. O'MAHONEY. I have not gone into that matter at all. I mentioned it in passing because the Senator spoke about that phase of the problem. What we are dealing with here is the plain fact that profits in 1948 reached this great peak of $35,000,000,000, and that inflation started again in the beginning of 1950, and, stimulated now by military expenditures following the outbreak of the Korean war, profits are running up again, and the best estimates are to the effect that they will rise to $40,000,000,000 or more. An excess-profits tax would have a great tendency to keep prices and profits from running up, and, to that extent, it would have a very beneficial effect upon financing the war, because it would keep prices down.

I now yield to the Senator from Colorado.

Mr. MILLIKIN. The distinguished Senator from Louisiana has developed the fact that these figures are not all related to a common denominator of value.

Mr. O'MAHONEY. That is correct. They are current dollars.

Mr. MILLIKIN. I should like to develop the relationship between the profits of corporations in relation to the real national income over various periods of time shown on the chart.

Mr. O'MAHONEY. I shall show that in a few minutes. I have another chart which will show that.

Mr. KERR rose.

Mr. O'MAHONEY. Has the Senator from Oklahoma a question to ask?

Mr. KERR. Yes. If the Senator will yield, I should like to ask a question.

Mr. O'MAHONEY. I yield.

Mr. KERR. The Senator from Oklahoma a little while ago posed a question in connection with the miiltary-preparedness program in connection with which Korea is a part. I am sure the distinguished Senator from Wyoming will recognize the fact that the Korean situation is but a part of the over-all military-preparedness necessity which face us.

Mr. O'MAHONEY. Certainly.

Mr. KERR. The Senator from Oklahoma said his information was that there would be approximately $25,000,000,000 a year or more required above the amount being currently spent, and the distinguished Senator from Wyoming, as the Senator from Oklahoma understands, brushed that aside as being either ill-advised, ill-informed, or unfounded. I thought the Senator from Oklahoma might have information upon which he could depend and upon which the Senate could depend if the Senator from Wyoming would tell us what he thinks the amount will be that we shall be called upon to provide over and above the approximately $13,000,000,000 a year which has been currently spent.

WAR TAXES SHOULD BALANCE WAR EXPENSES

Mr. O'MAHONEY. Mr. President, I would not want to venture into any such speculation as that. This I know, that if the Korean war does not end speedily, the cost will rise. This I know, that if the Korean war is but the rising curtain on further aggression by the Kremlin, the cost will go higher. We may have to spend more on innumerable fronts. We may be confronted, and I think we will be confronted, with the inevitable choice of whether we are going into an all-out war, with expenditures that no man can venture to estimate, or whether we shall continue a program which is intended to build up the economic power of all the free peoples of the world so that they may experience what we have been experiencing, and thereby demonstrate the shell of the communistic argument that freemen cannot defend themselves or support themselves. I want the free economies to demonstrate now that the job can be done.

I know, as the Senator from Georgia said a moment ago, that the receipts from taxation lag behind the levying of the taxes. Of course they do. But the spending does not lag. The spending is now in progress. Gasoline is being burned in taking airplanes across the Pacific Ocean, flying boxcars, carrying arms and even artillery to the men fighting in Korea. Other vast expenditures are now being made. So I say, to my simple way of thinking, it is not wise to postpone the levying of an excess-profits tax for 6 months, and that is what we shall be doing if we postpone the levying of the tax now. If the Senate should vote, when the amendment comes to that stage in the procedure, not to attach it to this bill, thereby not to give notice to the profiteer, wherever he may be, and not to summon the honest businessman wherever he may be—and there are far more of them than profiteers—to the colors under a fiscal flag, the problem in 1951 will be immeasurably greater than it is now.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. Certainly.

Mr. KERR. The Senator from Oklahoma would like to ask the Senator from Wyoming a question. Based upon the information that the expenditures which we will be called upon to make will be in the neighborhood of an additional $25,000,000,000 a year, and judging from the answer of the distinguished Senator from Wyoming—and I take it that he has no information or positive judgment to the contrary—is it not a fact, because the excess-profits tax which the Senator is suggesting by his own estimate could not yield more than $5,500,000,000 a year, the general proposition of enabling us to pay for the additional military expenditure as we go is purely coincidental.

Mr. O'MAHONEY. The Senator I think will give me credit for discussing this matter in a much more serious vein than the question of the Senator would indicate.

Mr. KERR. If the Senator will permit, I could not be more serious, and I had thought when I listened to the distinguished Senator make the statement that when he was talking about paying for the war as we go that he was serious.

Mr. O'MAHONEY. Indeed, I am very serious about it, and I say that unless we undertake now to take, through the medium of taxes, a part of the excess profits, we shall be unable to pay as we go. The Senator talks about a $24,000,000,000 or $25,000,000,000 expenditure, but no budget estimate has been sent to Congress to that effect. Therefore I was quite sincere and honest when I told him that I see no expenditure of that kind as a future expenditure, and I hope that when the estimate comes to the Congress of the United States we shall be more willing than we seem to be now to tax profits in order to meet the expenditures we must make.

The Senator has put himself in the position of defending deficit financing for war. I am putting myself in the position of saying that unless the profit system is willing to dedicate profits, as the lives of our young men are dedicated, to the winning of the war, the profit system will be in a very difficult position.

Mr. KERR. Mr. President, will the Senator yield for an observation?

Mr. O'MAHONEY. Yes.

Mr. KERR. The Senator from Oklahoma wishes to say that he has been misunderstood. He believes as sincerely as does the Senator from Wyoming that we need an excess profits tax.

Mr. O'MAHONEY. I am happy to hear the Senator say so.

Mr. KERR. The Senator from Oklahoma did not want to put himself in the position of laying down the proposition that he favored it and then find within 48 hours after he had made such a proposal that additional information made it necessary for him to make a different proposal. The Senator from Oklahoma said it might be well to study the matter and arrive at some logical conclusion with which he could stay for at least 48 hours.

Mr. O'MAHONEY. The Senator from Oklahoma will have the opportunity to do that.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Yes.

Mr. JOHNSON of Colorado. The Senator from Wyoming knows that I am sympathetic toward the proposal he is making, but there is one question that occurs to me and I wondered to what extent it had been explored. I am referring to the dark-shaded portion, or the black portion of the graph labeled "Undistributed Profits." I assume the undistributed profits include retirement of debt of corporations and also expansion of plants. It seems to me that both are very desirable. I wonder if the Senator has any breakdown as to that. Of course the undistributed profits certainly do not represent cash on the barrel head.

Mr. O'MAHONEY. No. All sorts of things are done with undistributed profits. Corporations do finance expansion out of them. However, they are profits just the same. I am not criticizing them at all.

Mr. JOHNSON of Colorado. I understand, but I am afraid that persons contemplating the undistributed profits item might think of such profits as piles of money like the gold at Fort Knox, Ky. They are nothing of the kind. They are for debt retirement and plant expansion, and both of them are very desirable and very necessary in order that a corporation may place itself on a better producing basis.

Mr. O'MAHONEY. The Senator is quite right. Undistributed profits represent a part of the great prosperity of the American economy.

Mr. GEORGE. Mr. President, I should like to understand the distinguished Senator from Wyoming, and I should like him to understand that this is not a debate over the merits of an excess profits tax as such, when revenue is needed, but I want to find out, if I can, the Senator's estimate of the income that would be produced by his proposal. Is it $5,000,000,000? I believe the Senator said something in that neighborhood.

Mr. O'MAHONEY. It depends.

Mr. GEORGE. It depends on a constant rise in the industrial index from 32 to about 40.

Mr. O'MAHONEY. Of corporate profits.

Mr. GEORGE. Of corporate profits. I wanted to get the facts.

Mr. O'MAHONEY. Yes.

Mr. GEORGE. On that basis has the Senator taken into consideration the loss which would result from the rates in the bill as applied to normal and surtaxes, and has he also taken into account the loss which would result from distribution of dividends?

Mr. O'MAHONEY. To what loss is the Senator referring? I understand the loss from distribution of dividends. What was the other loss to which the Senator referred?

Mr. GEORGE. I asked the Senator before if he did not provide in his amendment for the deduction of the adjusted excess profits.

Mr. O'MAHONEY. Certainly.

Mr. GEORGE. Before he calculated his estimate.

Mr. O'MAHONEY. Yes; that was represented by the 80-percent base and the two exemptions.

Mr. GEORGE. On the scheme outlined in the Senator's amendment some corporations would be taxed, and excess profits would apply to some corporations which do not make any more in excess profits years than they are making now or may have made in the base period. That is correct, is it not?

RELIEF PROVIDED FOR LOW BASE-PERIOD PROFITS

Mr. O'MAHONEY. The law takes account of that, as the Senator well knows. Section 722 affords the opportunity for relief.

Mr. GEORGE. Yes; it affords opportunity, but it is very disappointing relief. If and when we write an excess-profits-tax bill, I shall do what I originally insisted upon doing, namely, providing a wholly different type of relief, because the present relief has not made good, it has not been serviceable. I merely wished to ask the Senator whether, in stating that under his amendment, if there is a rise in corporate profits, it is estimated about $5,000,000,000 or $5,500,000,000 would be realized, he took into account any loss on the normal and surtaxes and on the distribution of dividends.

Mr. O'MAHONEY. The estimate which I have before me takes into account all factors so far as I can determine them, and so far as the staff can determine them. What I give the Senator is not the detailed computations, but the final result.

Mr. GEORGE. I simply wanted to get that clear, because I made the statement to the Senator in good faith.

Mr. O'MAHONEY. I do not doubt it.

Mr. GEORGE. I am not arguing against an excess-profits-tax bill when it can be written properly, but there is a choice between a poor excess-profits-tax bill and a good one.

Mr. O'MAHONEY. Of course.

Mr. GEORGE. They are all bad, perhaps, from the standpoint of the taxpayer. However, there is some choice. Even when a man is to be executed he may have a choice of the method. What I am trying to find out is what I asked the Senator in my question and which the Senator answered, I take it, namely, that he has taken those factors into account.

I shall now repeat my statement, and ask the Senator a very simple question. If I can demonstrate to him that his amendment as it is written and lies on the desk will not raise any money in 1950, will he at least be satisfied then to wait until all of us can really get together and write a good excess-profits-tax bill?

Mr. O'MAHONEY. My answer to the Senator is that if he can make such a demonstration now, then he does not need to wait until next year to draw an excess-profits-tax bill which will bring in the money. Let us do it now.

Mr. GEORGE. Let us do it right. I am asking the Senator the question in all good faith, and I say to him now that his amendment will not produce any more money in 1950 than we will realize out of the bill now pending before the Senate.

Mr. O'MAHONEY. I suppose the Senator will endeavor to demonstrate that when the proper time comes, but the argument he makes——

Mr. GEORGE. It is not an argument; I am merely asking the Senator a question.

Mr. O'MAHONEY. The Senator just said that the excess-profits tax has not been serviceable.

Mr. GEORGE. Oh, no; I said section 722 had not been serviceable. That was a relief provision in the excess-profits tax.

Mr. O'MAHONEY. Did not the Senator say that all excess-profits taxes are bad, at least from the standpoint of the taxpayer?

Mr. GEORGE. As a permanent tax, it is a bad tax; but it is serviceable in raising revenue, of course.

Mr. O'MAHONEY. Ah.

Mr. GEORGE. It is a method of raising revenue.

Mr. O'MAHONEY. May I state what would be accomplished by my amendment?

Mr. GEORGE. Before the Senator does that, let me call attention to the fact that the Senator asked why wait 6 months? I remind him that but 4 months, practically, remain until we can put into effect a well-thought-out and well-considered bill, and I say that with no reflection upon the Senator.

Mr. O'MAHONEY. Of course.

Mr. GEORGE. It is a highly technical problem.

Mr. O'MAHONEY. Certainly.

Mr. GEORGE. There will be but about 3 months elapsing between the time the bill could be passed and signed by the President and the time when it would take effect.

Mr. O'MAHONEY. What I am fearful of is that during that period of time rising prices will continue to make it more difficult for the Government to finance the war. It will cause increases in the cost of living.

Mr. GEORGE. In part I agree with the Senator. I have already said that in the excess-profits tax we are playing with the most dangerous type and form of tax, unless and until we put into effect control of prices and wages across the board. The Senator knows very well what will happen with no controls upon wages and prices. Adoption of an excess-profits tax will simply invite the wasteful expenditure of money by corporations.

I could tell the Senator a true story if he desired to have me do it, of how many reservations have already been sought, since we began to talk about an excess-profits tax, in the hotel in which I happen to reside, and how many in excess of the hotel's possible capacity to supply accommodations.

Mr. O'MAHONEY. I have not a doubt about that. I may say that such reservations are also being made by representatives of groups which want to get Government contracts from which they expect to make great profits.

Mr. GEORGE. That is no doubt correct. I hope the Senator will not misunderstand my position.

Mr. O'MAHONEY. I am sure I do not.

Mr. GEORGE. I have been expecting a bill from the House providing for the renegotiation of war contracts, all Government contracts, in fact, and I think undoubtedly such a bill should be passed.

Mr. O'MAHONEY. I was a member of the Committee on Appropriations at the beginning of World War II when, under the leadership of the distinguished senior Senator from Tennessee [Mr. McKELLAR], the first renegotiation law was enacted.

Mr. GEORGE. I understand a bill similar in purpose has already been drafted in the House of Representatives.

Mr. O'MAHONEY. My recollection is that the very able and distinguished colleague of the Senator from Georgia, the junior Senator from Georgia [Mr. RUSSELL], in the Committee on Naval Affairs, as it was at that time, was one of the principal authors of a provision which was written into law designed to prevent extortionate profits out of the war.

Mr. GEORGE. That is true.

Mr. O'MAHONEY. For keeping the profit out of war.

Mr. GEORGE. There is on the books a law providing for the renegotiation of contracts having to do with airplanes and parts of airplanes.

RENEGOTIATION DOES NOT AFFECT WHOLE ECONOMY

Mr. O'MAHONEY. That is correct, and I participated in putting that law on the statute books. I call to the attention of the Senator the fact that the renegotiation of a contract deals only with the contractor, whereas an excess-profits tax deals with the whole economy.

Mr. GEORGE. I do not dispute that.

Mr. O'MAHONEY. But I think it is important.

Mr. GEORGE. There is no controversy about that.

Mr. O'MAHONEY. I understand.

Mr. GEORGE. The Senator was accounting for the presence of certain people in Washington, and the demand for rooms.

Mr. O'MAHONEY. Together with the Senator from Georgia. We were both accounting for them.

Mr. GEORGE. But to get contracts.

Mr. O'MAHONEY. One group to prevent an excess-profits tax, the other to get contracts, both on the "make."

Mr. GEORGE. Not to prevent an excess-profits tax, so far as I know, because I have already pledged myself—I did here yesterday—that there would be an excess-profits tax, if the Congress approved it, and that it would be effective on the whole year 1951. So the only dispute is about a possible 3-month period.

Mr. O'MAHONEY. Perhaps a 6-month period.

Mr. GEORGE. How could it be 6 months? I wonder how the Senator figures it could be 6 months.

Mr. O'MAHONEY. Because this is the first of September.

Mr. GEORGE. Nearly.

Mr. O'MAHONEY. September, October, November, and December are 4 months.

Mr. GEORGE. That is correct.

Mr. O'MAHONEY. Not three.

Mr. GEORGE. But the bill could not be signed until about the last of September.

Mr. O'MAHONEY. A new Congress will assemble in January, and then the persons who are making reservations in the hotels here, among them the hotel in which the Senator resides—they know a strategic point when they see one—

Mr. GEORGE. I dare say it is true of all the hotels.

Mr. O'MAHONEY. It is true of mine, too; but what I am pointing out is that in January, when the Committee on Finance begins to consider this matter, the weeks will drag on, perhaps, and the months will drag on, perhaps, and the persons referred to will be here to say, "Look. You have not considered this point, Mr. Chairman of the Finance Committee. Let me offer you this consideration. Have you noticed how line 17, page 5, does injury to the economy of the United States?" Oh, I know how it will go.

Mr. GEORGE. The Senator is begging the question, since I said that whatever excess-profits tax is imposed will be effective from January 1. He is either begging the question—and I speak respectfully——

Mr. O'MAHONEY. Of course the Senator does, and I love the Senator, I admire him; I think he is one of the ablest men I have ever known in the Senate of the United States.

Mr. GEORGE. Let me finish my statement. The Senator, my distinguished friend, and my affectionate friend—and the affection is mutual—is either begging the question or he is afraid for the American people to come forward and argue their cases fairly before a Senate committee.

Mr. O'MAHONEY. Mr. President, I shall now undertake to give the answer which I undertook to state 15 or 20 minutes ago.

EXEMPTION WITH 1940 TAX SIMPLIFIES PROBLEM

There was an excess-profits tax in World War I. There was an excess-profits tax in World War II. In both instances it was subject to argument, obstruction, and delay, but it was imposed. In order to avoid any obstruction or delay now, the Senator from Texas and I—and this was true of each of the tentative amendments I presented the first time—have written this amendment upon the structure of the World War II excess-profits tax. That tax was never repealed. It was only suspended. So every section of that law, including sections 712, 713, 714, and 722, still exist. We merely call them into action again like the Army and Navy are calling up the Reservists. We call upon them to serve.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Wyoming yield to the Senator from Illinois?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. Carrying out the analogy of the eminent Senator from Wyoming, could not the excess-profits tax be likened to a sleeping beauty who, under the influence of a magic spell for a period of years, has been in a state of suspended animation, and now, at the touch of the hands of the Senator from Wyoming and the Senator from Texas, springs into life in order to help the American economy in a period of dire need.

Mr. O'MAHONEY. I will accept the analogy with one change. It is not a sleeping beauty, but it is a weight lifter, a lady with muscles, who will help us to carry on the war.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. Is it not true that the President of the United States has said that one of the greatest mistakes made during the period of his administration was the suspension of the excess-profits tax almost immediately after the close of hostilities in 1945?

RATES OF TAX NOT PUNITIVE

Mr. O'MAHONEY. I think the Senator is right.

I desire to point out, before the point is lost, that knowing that this law was merely suspended, and in order to make it possible to put it into effect now, we have accepted all the provisions except the rate provision. My original amendment had four brackets. The Senator from Texas said to me, "Well, we had only one bracket in World War II. Why not have only one bracket instead of four?" My highest bracket was 100 percent on everything over 125 percent of the base. In other words, it was proposed to take everything over the highest level that ever was known. But he said, "That will be misunderstood. It will be regarded as punitive."

I said, "I do not want to have a punitive tax. I want a productive tax." So, after consultation back and forth, we agreed upon the provision contained in this amendment, an 80-percent base, without brackets, and with a single rate, 85 percent of all. Then there is the old provision of the World War II tax law that the combination of the excess-profits tax and the income and surtaxes shall not take more than 80 percent of the profits of a corporation.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. The distinguished Senator said a little while ago, and I believe he was joined by the distinguished junior Senator from Illinois, that the abolition of the excess-profits tax after World War II was probably one of the greatest mistakes ever made. Let me use the Senator's chart, at least in part, to refute that. The Senator will note——

Mr. O'MAHONEY. The Senator then is not asking a question? He is making an argument in refutation?

Mr. MILLIKIN. Does the Senator object to my making an observation?

Mr. O'MAHONEY. No.

Mr. MILLIKIN. I like the Senator's charts, but I like to use them to illustrate my own points.

Mr. O'MAHONEY. I am confident the Senator does.

Mr. MILLIKIN. I like having the Senator bring some game to me.

In looking at the Senator's chart I observe the deep valley running toward the 8,000,000 unemployed which never materialized. Just about the time we were getting rid of the excess-profits tax we had the startling bulge, as it appears on the chart, all the way along the line, both in undistributed profits, in dividends, and in the whole economy. It was the undistributed profits that, following the abolition of the excess-profits tax, burgeoned into the enormous black area shown on the chart here, which, I suggest enabled us to make the transition and maintain the payrolls during the transition. It was this enormous increase in dividends which, I suggest, fertilized the economy with customers who had money with which to buy. And so on through the chart.

In other words, I do not suggest that the abolition of the excess-profits tax counts entirely for the enormous bulge in what the distinguished Senator calls prosperity. I suggest that it had a great part in it, and the effects of the excess-profits tax can be seen by observing what happened when it was abolished.

My point illustrates that we must be very careful about weighing the depressing effect of the institution of the excess-profits tax, or the stimulating effect of its absence in relation to our whole problem, and I am merely suggesting that that is something that cannot be done off the cuff.

Mr. O'MAHONEY. Mr. President, I am very happy the Senator made this comment, and I am also happy he said that the lifting of the excess-profits tax was not entirely responsible for this great change.

I undertake to say now on the floor of the Senate what I said to the Finance Committee, that the dip shown on the chart is due, first, to the fact that the production for war ended at the close of the shooting in 1945. Contracts were canceled. Government spending for war was curtailed. Appropriations were rescinded. It was true that many people expected seven or eight million unemployed. Indeed, a great call went up from certain circles charging the administration with wanting to keep the soldiers in uniform in Europe in order to keep them off the unemployed rolls. That was of course only incidental. But what made this big change, I will say to the Senator from Colorado, was the fact that the Congress passed the War Mobilization and Reconversion Act long before these taxes were cut off. We authorized and created the system for reconversion. We passed the Contract Settlement Act whereby all the long delays lasting after previous wars for decades were eliminated, and contracts were settled in a few months' negotiations. And the money of the corporations was released for reconversion.

But more important than that, and by far the most important factor in the whole stimulation of this new era, was the fact that we had a fully employed economy, with savings, when the shooting stopped. We had a pent-up demand, a tremendous demand from all over the United States for all sorts of civilian commodities that were not being manufactured during the war. That demand was so great, and the reconversion was so rapid, that it was the purchasing power of the masses of the people taking the place of the purchasing power of the Government, which transformed the economy, which helped to abolish unemployment, and helped to create the extraordinary amount of profits for the corporations as shown on the chart.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. MILLIKIN. I would not detract from the possible effects of some of the factors the Senator from Wyoming has mentioned; but the fact of the matter is that we had to have undistributed profits in order to be able to rejuvenate the industrial plant of the country, which had been exhausted by war. The main source of capital for that purpose was not any of the things the Senator has mentioned, as I recall what he said, but was the profits which could be put to work in replenishing the industrial plant.

Inasmuch as, under my theory, the existence of profits has a very stimulating effect, therefore we should be very careful how much we depress our economy by reinstituting the excess-profits tax. This in connection with all the other things we must consider.

I think it is inevitable that we shall have an excess-profits tax; indeed, I believe there can be no question about that; but, in my opinion, the question is one of timing; and I believe we cannot by an "off the cuff" approach impose an excess-profits tax, because we must consider many other things, among them being a consideration of what other steps we may take to narrow the deficit.

Mr. O'MAHONEY. Let me call the Senator's attention to the chart, which he finds so attractive. I should like to use it to answer the point he has made.

In World War II we had an excess-profits tax, as the Senator from Colorado will acknowledge. It was levied on the profits which were earned during 1941, 1942, 1943, 1944, and, until suspended, during 1945. In spite of the excess-profits tax, the profits, after taxes, of the corporate firms in the United States in 1943 were more than $10,000,000,000, as compared with profits of $5,400,000,000, before taxes, in 1949. I think that demonstrates that the excess-profits tax in World War II was not an injury to the economy or to the corporations.

The trouble with the financing in World War II was that we raised, by taxes, only 45 percent of the cost of that war, and we postponed to the future the other 55 percent of its cost. Now, 5 years after that war, we still have the war debt unpaid, and we are proposing to pass a deficit bill for the Korean war.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. Certainly.

Mr. MILLIKIN. I should like to suggest that one of the reasons for the difficulties in financing plants during the war was the timidity, let us call it, of venture capital. The reasons for that we could argue for a week, and we could get into partisan dispute over them.

My point is that by getting rid of the excess-profits tax, the corporations were able to use a part of their profits to replenish their plants. That is my point, and I think the Senator's chart goes a part of the way in establishing my thesis.

WORLD WAR II TAX PROVED VALUABLE

Mr. O'MAHONEY. But I say the Senator's thesis is irrelevant, if I may respectfully say so, because we are not now going into an era of peace, but we are preparing for war. So I say let us restore the excess-profits tax, which served so well in World War II.

I have a table showing the report on excess-profits taxes for the year 1944. This report is the latest one available. The excess-profits tax in that year established an excess-profits tax liability of $10,431,000,000. It is very interesting to note that 68.5 percent of that liability fell upon corporations which had an adjusted excess-profits income of $1,001,000,000 or more.

So the record is clear, from the record of the facts, that in World War II the excess-profits tax was helpful; but we made the mistake of engaging in deficit financing in that war, to the extent that we borrowed money. That is one of the reasons why we had inflation. I say we should not now permit inflation to take hold of the economy.

The Institute of Life Insurance Companies has been distributing an advertisement which appeared in a local newspaper on August 23. In that advertisement, we are told:

The enemy's sixth column is inflation.

Mr. President, I propose this excess-profits tax to fight inflation, so that the enemy's sixth column may not be able to undermine our economy.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I assume that the Senator means to say that he is opposed to inflation. So am I.

Mr. O'MAHONEY. And I am proposing a method of preventing inflation. I say again and again——

Mr. MILLIKIN. And again?

CONTROLS NO SUBSTITUTE FOR TAXATION

Mr. O'MAHONEY. Yes, and again; that in the fight against inflation controls—OPA's and allocations and all other such devices—are no substitute for taxation because inflation is the result of one thing, namely, that there is loose in the economy more money than there are commodities to meet it. By increasing Government expenditures by $16,700,000,000 now, in view of the already huge profits, we are turning loose in our economy profits which cannot fail to create inflation.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. MILLIKIN. Inasmuch as the Senator proposes his excess-profits tax

amendment as a measure to stop inflation, by the same token it is a measure to depress the economy.

Mr. O'MAHONEY. It is a measure to prevent prices from rising as they now are rising; and no one can deny that to be a fact.

Mr. MILLIKIN. Mr. President, if the Senator is good enough to yield to give me the privilege of making a point as the basis for a question, I wish to be allowed to make my point.

Mr. O'MAHONEY. Yes; but when the Senator from Colorado makes two or three arguments, I have to answer each one. I suggest that he put his questions one at a time.

Mr. MILLIKIN. Very well; and will the Senator answer my questions one at a time?

Mr. O'MAHONEY. Gladly.

Mr. MILLIKIN. My point is that, under the Senator's argument, the excess-profits tax is a regressive tax intended to stop inflation. However, there is no simple mathematical point at which we can hold the economy by means of any remedy.

I suggest that the excess-profits tax proposed by the Senator from Wyoming may be a depressant which, together with many other controls, could cause the general economy to suffer a severe setback.

Mr. O'MAHONEY. Let me answer that suggestion, please. The suggestion is without basis, as I see it, because the excess-profits tax now proposed could not possibly begin to act as a depressant until the corporate income reaches $26,100,000,000, a level which is above the level of corporate profits, before taxes, back in 1943. So by no possibility can the excess-profits tax now proposed act as a depressant, but it can act as a weight to hold down inflation.

Mr. MILLIKIN. Let us call it a weight to hold down inflation. Whether it serves that purpose, or whether it acts as a depressant depends upon many other factors into which it must necessarily mesh. I am simply suggesting that considering the entire field of controls which may or may not be in the offing, but which have been authorized, we must be most careful to know what we are doing. If we put greater depressants on our general economy than are needed for the conduct of the war, greater than needed for transference of the material and labor from normal consumption to wartime consumption, we are likely to go into a tailspin just at a time when we require an economy of the healthiest kind.

TAX WILL NOT STIFLE BUSINESS

Mr. O'MAHONEY. Again I say to the Senator—and it is obvious from the chart—that the excess-profits tax proposed by me cannot possibly drive profits down below the $26,100,000,000 mark, so it will not have that effect at all. It operates only upon the 20 percent above.

Mr. MILLIKIN. Whether it operates on the upper 20 percent, or wherever it operates, no one can tell where it will stop operating, once it starts spiraling, with numerous other things.

Mr. O'MAHONEY. This will not start spiraling. The rate is fixed. It is 85 percent.

Mr. MILLIKIN. The rate is fixed. One may take a spoonful of medicine under one combination of circumstances and it will raise his blood pressure. He may take another spoonful of the same medicine under another set of circumstances, and it will lower his blood pressure. We are not dealing here with a one-cure bill.

Mr. O'MAHONEY. Of course not. But the Senator, if I may respectfully say so, is suggesting what seems to me to be an utterly illogical conclusion. He is suggesting that somehow or other the excess-profits tax will produce spiraling. It does not operate until profits have come to $26,100,000,000; therefore it cannot act to depress profits below that sum. It will only act to prevent them from going above that level. And if they do go above that level, it will merely mean that those who earn the profits will pay a proportionate part of those profits—not all, but a proportionate part—to help arm, equip, and support the men who are fighting our battles.

Mr. MILLIKIN. As it affects dividends, as it affects undistributed profits, and as it affects the general tax structure, it may have unpredictable effects, including spiraling, I respectfully suggest, in the wrong direction. All I am suggesting is, first, I think we are going to have an excess-profits tax, probably in the next tax bill. But, be that as it may—and that is a subject of argument now—I say that its relation to the entire economy is such that we should know what we are doing when we do it. That is my only thought.

Mr. O'MAHONEY. I thank the Senator. I am very happy that this inquiry has followed the line of inquiry addressed to me by the Chairman of the Finance Committee, the distinguished Senator from Georgia [Mr. GEORGE]. The distinguished Senator from Colorado [Mr. MILLIKIN] was the Chairman of the Finance Committee in the last Congress. Every question that was addressed to me by the present chairman was intended to prove that the tax which the Senator from Texas [Mr. CONNALLY] and I propose is inflationary, and every question which the Senator from Colorado has propounded was intended to prove that it is deflationary. That is one of the reasons why I feel that the Senate should act to put the tax on.

Mr. MILLIKIN. But, because it could possibly have both those effects, there is ground for caution.

Mr. LEHMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from New York?

Mr. O'MAHONEY. I am very glad to yield to the Senator.

Mr. LEHMAN. Mr. President, I desire to say that I very strongly support the proposal of the Senator from Wyoming. My experience with the State finances of New York while I was Governor and my observation of fiscal operations over the years have convinced me that the time to arrange financing to meet a deficit or a prospective deficit, either in current costs or to liquidate an accumulated bonded deficit, is during a time of prosperity and high financial return. I had a very graphic experience along these lines in the late twenties, while I was Lieutenant Governor of New York. At that time, as the distinguished Senator will recall, there was great prosperity in this country. But despite that prosperity, State taxes were reduced, even though the fiscal condition of the State treasury was not particularly good. Then, in the early thirties, we were confronted with a serious depression, and business went into a drastic decline. There was very great and disastrous unemployment. We developed a deficit of very considerable size, and, since the constitution of New York requires a deficit of any 1 year be included in the budget of the following year, we were compelled to levy heavy taxes at a time when the people of the State were unable to meet them without great sacrifice. New York State had to carry the heavy load of meeting all the direct costs of attacking the depression on a budget already inevitably burdened with the past year's deficit. It seems to me we are confronted with an analogous situation today. We know that our expenditures, under the best of circumstances, are very great. The President of the United States has requested an additional $16,500,000,000 to carry on military operations for our Army, and to strengthen the military forces of our allies and friends abroad. Those costs are inevitable. We already know that even without these new expenditures we were facing a very considerable deficit which had to be added to our national indebtedness. If we do not raise through taxes at least the major part of our inevitable expenditures, we shall again have to increase our indebtedness to an extent that may prove burdensome, both at present and for the future.

Mr. O'MAHONEY. I thank the Senator from New York for his eminently clear statement. To put it in a homely phrase, what he is telling the Senate is that if a man does not pay his debts when he has money in his pocket, he cannot pay them when he is broke.

Mr. LEHMAN. That is quite right.

PROFITS TAX IS SOUND FISCAL POLICY

Mr. O'MAHONEY. If the Government of the United States does not tax the revenue of the people and the corporations when they are prosperous, it will be unable to tax them when they are suffering from depression, when profits have disappeared. We are fighting for the preservation of the capitalistic system, and we can do it by a strong fiscal policy.

Mr. LEHMAN. I agree with the eminent Senator from Wyoming. If the Senator will yield further, I may say that I heard on the floor yesterday a statement which I believe was made by the distinguished chairman of the Finance Committee, that if all-out war did not develop—in other words, if the struggle did not become so great as we now expect, and accordingly the financial burdens were not so heavy—we might make ourselves appear silly in the eyes of our fellow citizens, because we had levied the tax which is now being discussed. I may say that, even assuming that God wills it, this struggle is not so bitter or so long-drawn out as now seems probable, and we

have some money left over after paying our current expenses, we certainly should be in a very happy situation to apply any surplus we may have—and I do not believe we shall have any surplus—to our national indebtedness, which is an important factor in the economy of this country. And so I may say to my distinguished colleague that I wholeheartedly and strongly support his proposal and will vote for it with a great deal of satisfaction. I hope it will prevail.

Mr. O'MAHONEY. I am most grateful.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Nevada?

Mr. O'MAHONEY. I yield.

(At this point Mr. McCARRAN submitted two conference reports, on which action was taken, and which appear at the conclusion of Mr. O'MAHONEY's speech.)

Mr. FLANDERS. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. FLANDERS. Mr. President, I wish to speak very briefly. Since I am engaged in a conference, I shall have to be brief. I wish to speak in support of the excess-profits tax amendment submitted by the senior Senator from Wyoming.

The great irreversible calamity, aside from the loss of life which occurs in any war or in any major preparation for war, is inflation. There is no rolling back of inflation; it stays with us year after year. The only time to manage inflation is at its beginning. Nothing can be done about it after it gets under way. We can control symptoms by the process of price control, and that is necessary under many conditions, but it is only controlling symptoms. We control the causes when we control the supply of money and credit. What is before us in this amendment is a major undertaking in controlling the supply of all available funds. It is far too little to apply at this time a reduction in the money supply of only four and one-half or five billion dollars. We cannot catch up; we never shall catch up if we do not start in early dealing with the causes, through taxes, rather than from any resort to credit. The dangers of going to the bank, to the treasury, for the support of the defense undertaking are very great, indeed. Now is the time, at the beginning, to make provision for the major support of the undertaking in cash, by taxation. This is the kind of taxation most applicable to the situation.

Therefore I want to say to the Senator from Wyoming that I am glad he has offered this amendment. It has my hearty support. I cannot conceive, at this early date, of our not taking the necessary steps, while there is still time, to stem the flood of disaster which follows from too late and too little attention to the proper means of financing the undertaking for defense.

Mr. O'MAHONEY. Mr. President, I am greatly heartened by the simple, clear, and specific statement which the Senator from Vermont has made. The Senator from Vermont was a successful president of the Federal Reserve Bank of Boston. He is a successful industrialist, and is familiar with fiscal affairs. The fact that he has thus publicly on the Senate floor thrown his support behind this amendment should be testimony to all and sundry that it is a sound method of approach. He has added emphasis to what the great Senator from New York [Mr. LEHMAN] the former Governor of the State of New York, also an expert in fiscal affairs, has said with respect to the effect and the purpose of this amendment. I thank the Senator from Vermont most heartily.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I should like to ask a question of the distinguished Senator from Vermont.

Is the Senator from Vermont aware of how much money this country would actually raise for the year 1950 under the proposal of the Senator from Wyoming?

Mr. FLANDERS. I have not been in on the discussions and I have not seen the figures. I assume it will raise a considerable amount from the half-year, and every dollar of that is to the good. Besides that, it gives us a running start on next year instead of having to wait 6 months for a new bill.

TAX NEEDED TO PREVENT INFLATION

Mr. O'MAHONEY. In other words, instead of letting inflation get a head start, we want the revenue to have a head start.

Mr. FLANDERS. That is correct.

Mr. MILLIKIN. Would the distinguished Senator be surprised to know that it would produce only one-half of 1 percent increase over the amount which this bill proposes for corporations?

Mr. FLANDERS. I would assume that the 42 percent was also included, and that the excess-profits tax is in addition to it.

Mr. MILLIKIN. No. That is the point I want to make. The amendment provides for 42½ percent for 1950. The bill provides for 42 percent.

Mr. FLANDERS. It is all to the good to get an excess-profits tax established.

Mr. MILLIKIN. We could establish one next year and make it retroactive. If we have one, I think it should produce more than one-half of 1 percent.

Mr. FLANDERS. May I inquire of the Senator from Colorado, without jeopardy to the position of the Senator from Wyoming on the floor, as to what the amount is in dollars that the proposal of the Senator from Wyoming would produce?

Mr. MILLIKIN. As I understand the Senator from Wyoming, it is about three and three-quarters billion dollars for a full year under the full rate.

Mr. O'MAHONEY. It will vary as the amount of profit increases. This amendment would begin to assess an excess-profits tax when the average has reached about 26.1 billion dollars.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FLANDERS. May I merely add to my statement to the Senator from Colorado that the amount seems to me to be a tidy sum.

Mr. MILLIKIN. It is one-half of 1 percent.

Mr. FLANDERS. Still it is a tidy sum.

Mr. O'MAHONEY. I should like to say before the exchange between the Senator from Vermont and the Senator from Colorado is concluded that the amendment is before the Senate for its consideration. I welcome indeed the scrutiny of the experts of the Committee on Finance. If they can improve the amendment, we shall be glad to improve it in order to make it yield even more than one-half of 1 percent, if the technicians have failed to make it yield more.

Mr. MILLIKIN. Considering the scope of the problem, one-half of 1 percent is entirely inconsequential.

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. I believe the Senator from Wyoming agrees with the junior Senator from Louisiana that in all probability the cost of our Military Establishment will go steadily upward as we realize the defense needs of the Nation and the pressure with which we are confronted, and I believe the Senator realizes that even this type of taxation will not begin to do the job that must be done in order to fight another war or get ready for another war.

Mr. O'MAHONEY. The Senator is quite right.

Mr. LONG. In all probability we shall have to go further in taxing the large corporations that make large profits and the individuals who make large profits, and that all along the line we shall have to levy some heavy taxation, even on the ordinary rank and file of the American people.

Mr. O'MAHONEY. The Senator is correct.

Mr. KERR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am happy to yield to the Senator from Oklahoma.

Mr. KERR. In view of the many questions and answers, endorsements, statements, and claims, especially the questions of the Senator from Oklahoma of the Senator from Wyoming as to what the tax bill would likely produce, and in view of the fact that the Senator from Oklahoma is of the opinion, based upon the answers of the Senator from Wyoming, that some Senators believe the pending bill would produce between three and three-quarters and five billion dollars for 1950, the Senator from Oklahoma would like to ask the Senator from Wyoming what his opinion is as to what his amendment would produce for the year 1950 over and above what would be produced by the committee bill.

ESTIMATED YIELD OF EXCESS PROFITS TAX

Mr. O'MAHONEY. It was the intention to draw the amendment in such a fashion that it would have an impact on 1950 only for the last half of the year. The best estimates I can make are those which I have already presented, namely, that since the impact of the tax begins after the average income reaches $26,100,000,000, the revenue which would be produced would depend upon how much the income rose above

that figure. Therefore, if the corporate income in 1950 should reach, let us say, $28,100,000,000, according to our calculations the revenue on that amount would be, for the full year, $800,000,000. Inasmuch as the amendment was drawn to levy the tax only upon a half year, the production at that level would be $400,000,000. If on the contrary, the average income were $30,100,000,000, the return for 1950 would be $800,000,000.

Mr. KERR. The Senator means for the half year?

Mr. O'MAHONEY. For the half year. If it reached $32,100,000,000 for the half year, it would be $1,200,000,000. And so it would go on.

Mr. KERR. For the half year.

Mr. O'MAHONEY. Yes.

Mr. KERR. Would the Senator give us the benefit of his judgment as to which of those figures would be applicable?

Mr. O'MAHONEY. All I can say now is what the economists are estimating.

Mr. KERR. Let me say to the Senator from Wyoming that the Senator from Oklahoma has far more confidence in the judgment of the Senator from Wyoming than he has in that of unnamed economists. I should like to have the benefit of the judgment of the Senator from Wyoming.

Mr. O'MAHONEY. Oh, I am sure that the Senator from Oklahoma will not condemn economists as a class any more than he would condemn a class of lawyers or Members of Congress. So let us say that I consulted the best economists I could find.

Mr. KERR. For the Senator from Oklahoma to say that he has more judgment in the Senator from Wyoming than a group of unnamed economists does not represent an insult to the unnamed economists.

Mr. O'MAHONEY. I am sure of that.

Mr. KERR. Having identified ourselves in that regard, would the Senator give us the benefit of his judgment as to what his amendment would produce in excess of what the committee bill would produce for the year 1950?

Mr. O'MAHONEY. I shall answer the Senator's first question first. It is my opinion, which the chart bears out, that, with prices rising, as they are rising—and I refer to the record, and not to anyone's judgment, because we have the record as reported by the Federal Reserve Board—our national income by the end of 1950 will have reached certainly not less than 37 or 38 billion dollars. It may go to $40,000,000,000.

Mr. KERR. Is the Senator speaking of corporate profits?

Mr. O'MAHONEY. Corporate profits. If it goes to $40,000,000,000 the profits on the annual base would be $5,400,000,000. On the 6 months' basis it would be half of that. It would be $2,700,000,000.

Mr. KERR. Yes. The Senator from Oklahoma understands—and I should like the Senator from Wyoming to confirm it or deny the understanding—that it is the judgment of the Senator from Wyoming that if his amendment is adopted—and I refer now to the last amendment——

Mr. O'MAHONEY. The one in which I joined with the Senator from Texas [Mr. CONNALLY].

Mr. KERR. Yes. If that amendment is adopted the Senator from Wyoming advises the Senator from Oklahoma that, in the opinion of the Senator from Wyoming, it would produce in the year 1950 something over two and a half billion dollars in revenue above what would be produced by the committee bill.

Mr. O'MAHONEY. Provided that the corporate profits reached the $40,000,000,000 rate.

Mr. KERR. Is it the judgment of the Senator from Wyoming that they will reach that rate?

Mr. O'MAHONEY. That is correct.

Mr. KERR. I thank the Senator very much.

Mr. O'MAHONEY. I am very happy, indeed, to respond to the questions of the Senator from Oklahoma.

RATE OF PROFITS EXCEEDS GROWTH OF NATIONAL PRODUCT

I wish now to call attention briefly to another chart, which I think is indicative of what is happening in our economy. The chart undertakes to show in graphic form the increase from the period 1939 to the beginning of 1950, first, in wages and salaries; second, in corporate profits after taxes; third, in gross national product; fourth, in corporate profits before taxes.

Senators will note that two lines are in red and two in black. The corporate profits before taxes and corporate profits after taxes are in red, because they are measured by the red figures on the left side of the chart. The other two groups, wages, and salaries and gross national products are in black, because they are measured by the black figures on the right-hand side of the chart.

The gross national product of course is running in excess of $250,000,000,000. The fact that the red line appears above that is not to indicate that corporate profits are more than gross national product, because they are measured by the red figures on the left of the chart. Corporate profits, when they reach this point [indicating], are $30,000,000,000. If the gross national product reaches there, it is $300,000,000,000.

The point is that corporate profits before taxes have increased from six and a half billion dollars in 1939 to twenty-seven and a half billion at the end of 1949, and are now running about $30,000,000,000. Corporate profits after taxes ran from $5,000,000,000, in 1939, to about seventeen and a half billion at the end of 1949, and are now running up toward $20,000,000,000.

Wages and salaries have also experienced a tremendous increase. Wages and salaries which in 1939 were running at about $60,000,000,000, in 1949 had reached about $146,000,000,000, and are now up to about $147,000,000,000. The gross national product, which in 1939 was a little over $100,000,000,000, is now over $250,000,000,000.

Mr. President, this vast increase in our economy seems to me to be testimony of the capacity of the economy to bear the tax I propose. But the chart also shows—and these figures I have transformed into percentages—that the profit rate increase, percentagewise, has exceeded every other element represented here. The gross national product between 1940 and the 1947–49 average showed an increase of 145.9 percent, a perfectly tremendous increase. Salaries and wages increased 164 percent. Profits after taxes increased 193.8 percent, and profits before taxes increased 220.1 percent.

So profits have shown a larger increase than any other segment of our economy. They are running, percentagewise, against an increase in wages and salaries, over and above the increase of the gross national product.

Thus, Mr. President, it would appear that the corporations are well able to meet a part of the burden which is being borne by the people of the United States to finance the present war.

The committee bill will produce some $3,000,000,000, we are told, from individual income taxes. The committee bill will, however, produce, we are told, $1,500,000,000 from corporate taxes.

Mr. GEORGE. That is net, let me say.

PROFITS TAX APPLIES AFTER OTHER EXPENSES

Mr. O'MAHONEY. The Senator from Georgia says it is net. It seems to me that is not a just pro rata division, because it must be remembered that when we talk of a profits tax we are talking about a tax upon that part of the income which is left over after all types of expenses and wages and salaries have been paid.

The sales revenue of American corporations in 1947 and 1948 was running in excess of $347,800,000,000. In 1949 it was $359,700,000,000.

Mr. President, that reminds me that only a few weeks ago I saw an article in Business Week, which certainly cannot be challenged as a leftist publication, saying that corporate profits were increasing in many instances, although the corporations were producing less. In other words, corporate profits were increasing because prices were increasing, so that with reduced production and increased prices, more profit was earned.

I do not say that in a critical way at all. I say it only to illustrate what I said at the very beginning, that this is the time for all factors of our economy to stand shoulder to shoulder. We all have to bear the burden of this war. We all have to bear the burden of the preparation for the war.

There have come to me from many sources illustration after illustration of this point. Only a few days ago, August 13, to be exact, I was invited by the American Farm Bureau Federation to join in a broadcast on the control of inflation. Participating in the broadcast, with Mr. David Brinkley as moderator, were the senior Senator from South Carolina [Mr. MAYBANK] and Mr. Roger Fleming, secretary-treasurer of the American Farm Bureau Federation. The Senator from South Carolina made the first comment after Mr. Brinkley opened the discussion, and I followed. Then Mr. Fleming, of the American

Farm Bureau Federation, had this to say:

Mr. Brinkley, first of all I want to say that I concur with the statements that have been expressed here by both Senators—Senator MAYBANK and Senator O'MAHONEY—the statement which Senator O'MAHONEY made is one which I would liked to have made before he made it, because it precisely expresses the philosophy we have on this subject.

I think everyone is in favor of fighting inflation. The thing I am very much afraid of is that we will operate under the cruel delusion that we can fix a few prices and control inflation.

If we are to do what we say we want to do, which is really to control inflation, then it seems to me we need to do four or five things.

One of them, for sure, is to reduce nonessential Government expenditures. We are going to reduce some public expenditures rather automatically. In the farm-price-support field, for example, the Government is going to have far less money invested in 1951 and 1952 than heretofore. There will be other expenditures that will go down. We ought to pare nonessential expenditures down clear to the bone.

We ought to pay as we go. We ought to make certain that any borrowing we do by the Government is from nonbank sources, and we ought to be certain that we have sufficient installment and housing and other credit curbs, so the Government does not add to inflation.

And we should prevent, or at least restrain, commercial bank credit expansion in those fields that do not contribute to the production of those goods necessary to our mobilization efforts.

Then he went on to declare his support of the excess profits tax principle.

Mr. President, I ask unanimous consent that the full text of the discussion may be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

FIRST FREEDOM—AUGUST 13, 1950—HOW TO CONTROL INFLATION

David Brinkley, NBC Washington commentator, Washington, D. C., moderator.

Speakers: The Honorable BURNET R. MAYBANK, Senator (Democrat), South Carolina, Senate Office Building, Washington, D. C.; the Honorable JOSEPH C. O'MAHONEY, Senator (Democrat), Wyoming, Senate Office Building, Washington, D. C.; Roger Fleming, secretary-treasurer, American Farm Bureau Federation, Washington, D. C.

ANNOUNCER. What about this new threat of inflation? How should we control it? Through price and wage control or higher taxes or both?

That is the question. This is the First Freedom program, the informal round-table program heard by transcription each week at this time.

Host today is the American Farm Bureau Federation, represented by Roger Fleming. Our other guests are Senator JOSEPH C. O'MAHONEY, Democrat from Wyoming; and Senator BURNET R. MAYBANK, Democrat from South Carolina.

Our moderator is David Brinkley, NBC Washington commentator. Mr. Brinkley.

Mr. BRINKLEY. Since the Korean war started and also before that, there have been slow but steady price increases in this country. Foods have been affected and so have a great many other commodities. The trend is still continuing and evidences of a growing inflation are showing up every day. There are some demands, then, that we have a return to price controls and wage controls, higher taxes and other means of disinflation.

President Truman says he does not think all of these are necessary now, that some less stringent controls would be enough at the moment, and he has asked Congress to give these control powers to him. It is now in the process of doing that. It also seems to be in the process of giving him even more inflation control power than he asks.

So there is some difference of opinion on how the control of inflation should be handled. Hence our discussion on the First Freedom program today of how it should be done, how inflation should be controlled.

So, to begin our discussion, I am going to call on each of our three guests to give us briefly their ideas on this subject, and then we will have a discussion of their views.

First, Senator MAYBANK of South Carolina, Senator MAYBANK.

Senator MAYBANK. I am happy to be here. For the past 3 weeks, as chairman of the Banking and Currency Committee, I have been constantly concerned with the problem of how to prevent inflation; during this time we have been principally concerned with the Defense Production Act of 1950. This type of proposed legislation is one way of at least curbing inflation.

As I have said over and over, the preferable way would be to have it done voluntarily by the farmers, producers, manufacturers, wholesalers, retailers and consumers. As one who knows farming operations from beginning to end and as one who has always supported the farm programs advocated by the farm organizations and voted for by the farmers themselves, I am happy to be here today.

There was time in the United States when the farmers had to pay for the manufactured products that they bought under the high tariff system of our country and sell their products in the market places without protection. Fortunately, through the farm organizations—principally the American Farm Bureau Federation and the farmers themselves—we established parity prices, through various farm support bills, of which I am proud to have been the author, in part.

Although we have made material progress, there is much to be done for the American farmer. No one appreciates more than I do that this country was founded on the basis of rural life and that it is the rural folks who know the value of independence and the value of owning their own little piece of property, as small as it is.

Mr. BRINKLEY. Thank you, sir.

Now, Senator O'MAHONEY of Wyoming. Senator O'MAHONEY.

Senator O'MAHONEY. Mr. Brinkley, if we are going to control inflation, we have to go to the cause. We must not delude ourselves into the thought that price ceilings and controls of an arbitrary nature, however necessary they may be if we should get into an all-out war, will be a substitute for taxation, because taxation is the primary method which, in addition to the reduction of bank loans and consumer credit, will prevent the money supply from getting so far ahead of the supply of goods that inflation will be inevitable.

The Government of the United States for the Korean war proposes to spend some $14,000,000,000 more in 1951. That is the fiscal year 1951. It proposes to spend that sum more in 1951 than it is spending now.

We already have a Government deficit. So, if we pour $14,000,000,000 more into the markets of the United States without adequate taxation, we are bound to have inflation no matter how many controls we give the President.

The tax bill which the Finance Committee is about to report proposes an increased taxation of $5,000,000,000. It is a sum in arithmetic that any grammar school child, even any primary school child, can answer. You cannot pay for this war as you go, if you increase expenditures by $14,000,000,000 and increase taxes by only five, because you will not be giving the Government the revenue it needs to obtain the $14,000,000,000 it is going to spend. Let us send the profit dollar to war with the soldier whom we are drafting to go to war.

Mr. BRINKLEY. Thank you, Senator.

Now Mr. Fleming of the American Farm Bureau Federation. Mr. Fleming.

Mr. FLEMING. Mr. Brinkley, first of all, I want to say that I concur with the statements that have been expressed here by both Senators—Senator MAYBANK and Senator O'MAHONEY. The statement which Senator O'MAHONEY made is one which I would have liked to have made before he made it, because it precisely expresses the philosophy we have on this subject.

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We ought to pay as we go. We ought to make certain that any borrowing we do by the Government is from nonbank sources, and we ought to be certain that we have sufficient installment and housing and other credit curbs, so the Government does not add to inflation.

And we should prevent, or at least restrain, commercial bank credit expansion in those fields that do not contribute to the production of those goods necessary to our mobilization efforts.

Mr. BRINKLEY. Thank you, Mr. Fleming.

Senator MAYBANK, we come back to you for a moment. I wonder if you would tell us what your ideas are on the subject of taxation.

Senator MAYBANK. I agree with what has been said and I am happy that the President himself issued orders to the Public Works Agency, the Bureau of Public Roads, the Housing Administration to curb unnecessary spending by the Government. In fact, the cut-back on the housing program has already amounted to 30 percent, as authorized by the President.

The Army engineers, under General Pick, have been notified that they are not to carry out certain works that are not necessary in the national defense. Mr. MacDonald, Chief of the Bureau of Public Roads, has also been so notified. And I think all nonessentials should be cut, as the President has suggested and as the Congress has done. You cannot have an over-all cut on the Senate floor by those who are not members of the Appropriations Committee.

I agree with what has been said. As the distinguished representative of the Farm Bureau has said, the worst cut made in the appropriations bill was in the farm provisions. I did not vote for it to be reduced as much as was carried to the Senate floor. We cut the bill by $30,000,000 in the committee. In addition, there was another cut made of $65,000,000. It is the lowest appropriation made for the farmers of this country since I have been here, which is a period of 11 years.

Senator O'MAHONEY. I want to add a word to what Senator MAYBANK has said. In the 5 years since the shooting stopped in World War II we have had the most profitable years in the history of the American economy. There isn't a single segment of our society that has not profited. Banks are better off than they ever were before. Businesses are better off than they were before. Labor and agriculture both are better off. In other words, wages and salaries have increased and the returns to the farmers and the returns to the businessmen have increased, but corporate profits have reached the highest level in all history, and they have made a greater gain than any other of these elements. In other words, corporate profits show a higher level than even the profits of farmers or the increased wages of workers, and that is why I say it is essential to send the profit dollar into this struggle for peace, because it will be a struggle to preserve the profit system. Unless the profits of the profit system are to be used to defend that system in this all-out ideological conflict with the Soviets, the totalitarian Soviets of the Kremlin, then the profit system will be in a bad way.

I have some figures here which I am sure Senator MAYBANK and Mr. Fleming will be very much interested in. This chart shows that during the war, from 1942 to 1945, corporate profits before taxes were running at an average of about $25,000,000,000 a year. What do you suppose profits before taxes were in the 5-year period from 1936 to 1941? Hold your hats, gentlemen. Those corporate profits before taxes in that period averaged only $5,400,000,000 a year. In other words, corporate profits before taxes, during the war, were practically five times greater than they were before we began spending to help Europe. But in the 3 years after the war, after the shooting stopped, corporate profits exceeded not only $25,000,000,000, they exceeded $30,000,000,000, and they went to $35,000,000,000, or almost seven times more than before the war, and before the Korean war corporate profits were climbing once again.

The Wall Street Journal in an issue only a few weeks ago gave its report on corporate profits for the second quarter of the year 1950 and reported specifically that the percentage of increase over the same period last year was more than 20 percent.

So I say, unless we close our eyes to the fact that it is the excess of spending dollars over revenue that throws the budget out of balance, we must make up our minds to make a much higher tax than has been recommended by the President and apparently endorsed by the Finance Committee.

Mr. FLEMING. I should like to say that, in addition to the profits statement which Senator O'MAHONEY has pointed out so graphically, it is necessary for every one of us, as citizens, whether we be farmers, laborers, industrialists or one of the great group of professional people in this country, to realize that inflation itself hurts all of us. It hurts every person who works for wages or who gets a price for his product or who has savings.

I am afraid that in this period some of us are going to be fooled into thinking that somebody else is going to have to pay for this when, as a matter of fact, if we are to effectively siphon off purchasing power, it means we are going to have to get it from most of the people. Taxes have to spread on a broad base. We cannot have our cake and eat it, too. That isn't a delightful prospect—but, let's be realistic.

There are two ways to deal with inflation. One is to reduce the supply of money, and the other is to increase production. In agriculture we have the increased production, which is so handy and useful in this period. We have a supply of cotton and wheat and corn which is very important to the food and fiber supply of this country. It can be used. It is the real thing that is going to provide a brake on farm prices. A few price ceilings aren't going to prevent inflation; instead, if we are to prevent spiraling prices, it will be through our having a good supply of food on hand and by our adopting positive and effective efforts to siphon off purchasing power.

That is a nice way of saying that we have to dig down deep to pay higher taxes—all of us.

Senator O'MAHONEY. In your opinion, Roger Fleming, are the farmers of America willing to have the Government (that is, the Department of Agriculture) reduce the prices of the surplus commodities now owned by the Government in order to get them out into consumption?

Mr. FLEMING. First of all, Senator, we have in the present law clear-cut authority for the Secretary to utilize these commodities and put them back into the channels of trade. Up until recently the supplies of cotton which we had on hand had not been channeled back into the market even though there was authority to do so. They have been doing that during the last 10 days or 2 weeks. It already has put a brake on spiraling prices in that instance.

I should say this. We ought to realize that, although there has been a lot of talk about it, food is not high priced in America in terms of the time required to earn the money to pay for it. Food is cheaper in America than in any major country in the world in terms of the time required to earn the money to buy a good diet. We have stocks on hand of cotton, wheat and corn, particularly, that are highly valuable and highly useful in this war mobilization period.

One of the most important things we can do now is to make certain that we do not prematurely dissipate stocks of cotton, wheat and corn we have on hand now.

Senator MAYBANK. May I comment on that. As chairman of the Banking and Currency Committee, we held extended hearings and Mr. Fleming was a witness. On June 15 there were four agricultural products above parity. As I remember, they were wool, lamb, beef, and soybeans. All other agricultural products were below parity on the 15th of June. For instance, because of seasonal operations in the milk market, milk and butter were way below parity.

The prices farmers have been receiving have been far, far less than the average consumer certainly in the city would believe. We have put credit controls in the bill we are going to take up at 12 o'clock. We put in controls on real estate and on credit, but the fact is in some instances the Department of Agriculture does have large supplies of cotton and other commodities, particularly eggs and those things.

The fact about cotton is that the weather and the elements made this year's crop less than last year. That crop was 36 percent less than last year, the lowest we have had in years and years, as estimated by the Department of Agriculture on the 8th of August.

Senator O'MAHONEY. Mr. Brinkley, I think it is quite true that, if you pick out single commodities, you can find many instances where inflation has not taken hold as compared with prices that existed a year ago; but, when you consider commodities as a whole, the facts show that in the month from June 25 to July 25 this year consumer prices rose more than 13 percent.

Senator MAYBANK. Commodity prices did not, unless you take in rubber—that rose 34 cents a pound. The rubber industry is a cartel. Or the price of coffee, which went up some 20 cents a pound since last year.

Rubber is needed so essentially for the tractors and planes and tanks in the Korean war, yet it went up 34 cents a pound the first week. That is what makes all commodities appear to go up in the index, which they have not done.

Senator O'MAHONEY. The weekly index on July 3 was 159. Three weeks later it was 167.7.

Senator MAYBANK. The cartel people put these prices up.

Senator O'MAHONEY. You are quite right.

Senator MAYBANK. I am raising this question because I want to make clear, in my own opinion, that, unless we all stand together in this and all make the necessary sacrifices, we are going to have a nonsuccessful fight to stop inflation.

Senator O'MAHONEY. The farmer has to make his sacrifices; the worker has to make his sacrifices; the businessman has to make his sacrifices. Profits, wages, salaries, and business returns altogether must join to stop inflation and, to do that most successfully, we should do it now by increased taxation, because, if we allow inflation to proceed as it is now going, it will have a 6 month's head start upon us and we will never be able to catch up with it.

Senator MAYBANK. I want my friend from Wyoming to know that I agree with him, particularly on the tax situation. I wanted to point out a few commodities that made advances to raise the entire index.

Under the Bureau of Labor Statistics they stated there was a great rise in beef and meat which was responsible for the overall index rise, because the other things have not risen, particularly seasonally. If we are going to pay for this war, we are going to have more than $5,000,000,000 in taxes.

Mr. BRINKLEY. On the subject of price and wage controls which many of our listeners would like to hear about, many, many of us hear that there is much pressure "from home" to put on wages and price controls. You two Senators can tell us something about that. You get lots of mail.

Senator MAYBANK. The people at home are 6 months ahead of Congress, as was shown by the House vote yesterday.

Senator O'MAHONEY. The House vote was a substantial and overwhelming vote in favor of price and wage controls. Of course, I believe that we have to go along with the great work that is being done by Senator MAYBANK in the Senate and Congressman SPENCE in the House to provide authority to put these controls on, when and if necessary. All I am saying, Senator MAYBANK, is——

Senator MAYBANK. One question or disappointment I had with the House vote was that they cut out the program calling for ceilings on selective goods. If we had that ceiling, we could take care of the rubber situation tomorrow. We have to have selective ceilings as well as an over-all ceiling.

That was the only important thing that the House left out.

Senator O'MAHONEY. I think you are quite right. Again, I want to emphasize what I have been saying now for 3 weeks that controls cannot be regarded as a substitute for taxation, because, if we do not tax and raise revenue for the Government sufficient to pay the cost of these Korean activities, all the controls in the world will not prevent dislocation of our entire economy.

Senator MAYBANK. The Senator is absolutely right.

Mr. BRINKLEY. All three of you seem to agree that higher taxes would be——

Senator MAYBANK. A greater curb to inflation than controls.

Mr. BRINKLEY. I see.

Mr. FLEMING. I would like to add to what both Senators have said, that, as a matter of fact, if we were to operate under the delusion that controls were a substitute for taxes and credit controls and other effective means of dealing with the causes of inflation, we might actually strangle the economy to the point that it would not be

as productive during these years ahead, which is one of the essential elements to not only controlling inflation, but to our capacity for being strong and vigorous in terms of our military preparedness.

Senator O'MAHONEY. The greatest strength of America is its overwhelming superiority in productive capacity. Let us maintain that. If inflation gets ahead of us, it will not only increase the cost of living for every home in America, but it will increase the cost of armament; it will increase the cost of defense; it will increase our deficit. And if we permit the deficit to increase, if we fail to pay as we go, then, indeed, the American enteprise system, the profit system, the free economy will be in a bad way.

Mr. BRINKLEY. Senator, you have told us about your recommendations for taxes on corporations. What about taxes on individuals? What would you do about that? How much would you raise them?

Senator O'MAHONEY. I have been devoting most of my time to the proposition of an excess-profits tax. I feel that the proposed rates recommended by the President both for individuals and for corporations are not sufficiently high if we want to pay as we go.

As I pointed out at the beginning, the President has recommended appropriations amounting to $10,000,000,000 for defense preparations, and $4,000,000,000 for the armaments of the free nations of Europe. That is $14,000,000,000. The tax bill undertakes to raise only $5,000,000,000. It does that by what I regard to be inadequate increases of the tax rate both on corporations and on individuals.

We ought to take another look-see. We ought to bring out a tax bill this year, at this session, without waiting for January 1, or for any date in November, to raise the revenues that the Government needs to pay as we go.

Mr. BRINKLEY. You say there should be no delay, then, in getting additional taxes.

Senator O'MAHONEY. Because if we delay, inflation will cut our throats.

Mr. BRINKLEY. We often hear the complaint (I suppose everyone here has heard it many times) that taxes, if they are too high, stifle incentive to produce and incentive to invest. Is that a danger, do you think?

Senator O'MAHONEY. Of course, there is a danger. There isn't a question about it. You can make taxes too high, but in my excess-profits tax amendment, the provisions are so drawn that they will not stifle incentive.

For example, I have been very modest in this amendment. It is so drafted that no corporation, no matter how high its profits, would be compelled to contribute more than 80 percent of the total, although it might have to contribute 100 percent of everything above 125 percent more than it was earning in the base period, the most profitable period in corporate history, 1947, 1948, and 1949. In other words, to state it simply, this excess-profits tax proposal undertakes to level the excess-profits tax only on the top one-fourth of the very high incomes earned during this greatest period of prosperity.

Mr. BRINKLEY. Senator MAYBANK, before we go, does that seem reasonable to you?

Senator MAYBANK. I have not had the opportunity to study fully Senator O'MAHONEY's proposal, because I have been so busy with the economic-control legislation. I know that there is no use to have control policies unless you have sufficient taxation to draw the money away.

I know this as well as the Senator knows this, that the further we get into this situation, the more employment there will be, the more business these individuals will do, and the greater the profits will be. And that is the thing that will keep the incentive there. There will be more men hired, more goods made, greater production. And, with that, comes greater corporate profits.

Mr. BRINKLEY. Senator O'MAHONEY, here, has made up a chart which you will probably be seeing in your newspapers soon.

Senator MAYBANK. I have seen the chart and I appreciate his economic report.

Mr. BRINKLEY. Mr. Fleming, before we go, do you want to add a word?

Mr. FLEMING. I should like to repeat the theme of this broadcast, that we must not kid ourselves into thinking that we can control inflation by treating the symptoms or by submerging them under price ceilings. We shall have to buckle down and tackle the job of dealing with the real causes of inflation. This means higher taxes and effective credit controls.

Mr. BRINKLEY. Our time is running out. I want to summarize very briefly and say that all three of our guests seem to agree today on this general thesis. If I am wrong, stop me. It is that, if we want to control inflation, we must go to the cause. That is the money supply. Price controls are no substitute for taxation. This will prevent the money supply from outdistancing the supply of goods. The Government is spending $14,000,000,000 more this year. That would force inflation unless it is adequately taxed, regardless of the controls.

Our thanks to all three of you for being with us.

Now, here is our announcer.

ANNOUNCER. This has been the First Freedom, the round-table program heard each week at this time.

Printed copies of today's program may be had by writing to the American Farm Bureau Federation, 221 North LaSalle Street, Chicago 1, Ill.

Speaking today were: Senator Joseph C. O'Mahoney, Democrat, from Wyoming; Senator Burnet R. Maybank, Democrat, from South Carolina; and Roger Fleming, from the American Farm Bureau Federation.

Your announcer is Jack Roney.

This is NBC, the National Broadcasting Co.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. The first observation made by Mr. Fleming, as the Senator read it, is that there should be reduction in nonessential Government expenditures.

Mr. O'MAHONEY. Yes.

Mr. WHERRY. The Senator heard the remarks of Representative CANNON, of Representative TABER, and also of the Senate spokesman yesterday in the Appropriations Committee which indicated that appropriations would amount to a total of approximately $60,000,000,000. The only over-all cut that has been made, of which I have any knowledge, in that $60,000,000,000 figure is a cut of $550,000,000. I ask the distinguished Senator if he feels that sufficient cuts have been made along the line of the observation made by Mr. Fleming before we start taking the next step.

Mr. O'MAHONEY. In the first place, the Senator in speaking of $60,000,000,000 is, I am sure, including the supplemental bill, which has not been passed, appropriating $16,700,000,000.

Mr. WHERRY. Yes.

REDUCTION OF NONESSENTIAL APPROPRIATIONS

Mr. O'MAHONEY. The total over-all; yes. That is one of the reasons why I want an excess-profits tax. The Senator from Nebraska, as a member of the Appropriations Committee, will remember when we reported the bill from the Committee on Appropriations it was $1,331,000,000 below the estimates. Then when the bill went to conference, in many instances there were additional cuts. I believe the conferees on the part of the House of Representatives, for example, in the conference on chapter VIII, the independent offices chapter of the bill—and I happen to be the chairman of the subcommittee which handled that chapter—accepted every single reduction the Senate committee had made below the House bill. Then yesterday in conference we made an over-all additional cut of $550,000,000. So there are cuts of $1,331,000,000, plus $550,000,000, making a total of more than $1,800,000,000 below the budget estimate, and probably the total will be $2,000,000,000 at the end.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I am not talking about the figures. I simply referred to the observation made by Mr. Fleming. There is no dispute as to the figures. The point is that even taking the figures cited by the distinguished Senator from Wyoming, which show that a saving in the neighborhood of $2,000,000,000 over-all may be effected—and I give credit to the committees who did their level best to cut the appropriations in the first place—yet, if we assume that the figures aggregating $2,000,000,000 are correct, we have not made a cut of as much as 5 percent. Five percent of of $60,000,000,000 is $3,000,000,000. We have not cut the total over-all appropriation even as much as 5 percent.

I wish to ask the Senator from Wyoming a question. We have gone through the appropriation bill with a fine-tooth comb. Certainly no one will disagree with the Senators from Wyoming and Nebraska—and we have to be perfectly frank about the matter—that the cut has to come somewhere else than in appropriations for defense, strategic materials, and so forth. But have we done what Mr. Fleming asked us to do? That is what I am asking myself this afternoon. That is what I shall ask when the conference report comes before the Senate. I believe the Senator from Wyoming knows that I feel as strongly as he does that we should increase taxes and pay as we go. But it is equally important that, no matter how much we increase taxes, we take the other step which Mr. Fleming advocated. I wonder whether we have done as good a job along that line as we could have done.

HEAVY WAR EXPENSES LIMIT EFFORTS TO ECONOMIZE

Mr. O'MAHONEY. The Senator will recall no doubt that while we were considering the appropriation bill in the Senate, I offered an amendment directing the Appropriations Committee to review the entire appropriation bill and make a rescission of appropriations. The Senate did not adopt that amendment. It did not adopt it because it was felt, I think, that it was not a practical thing

to do at this period in the session. But the record must be clear that of the funds which we appropriate this year, which will be discussed when the conference report comes before the Senate, more than 71 percent represent war-connected expenditures. When we add the $16,700,000,000 to what is carried in the omnibus appropriation bill, then we will raise the percentage of war expenditures probably to 80 percent.

The point of it all is that only 29 percent of the funds carried in the single-package appropriation bill had no defense angle, and it is extremely difficult to make deep cuts there without injuring the economy. I think that both committees on the House side and on the Senate side made a very sincere effort to cut such expenditures.

Mr. WHERRY. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. GRAHAM in the chair). Does the Senator from Wyoming yield to the Senator from Nebraska?

Mr. O'MAHONEY. I am glad to yield.

Mr. WHERRY. I am in complete accord with the attempts of the committees to cut expenditures. The matter is finally left up, however, to the Senate and the House. I do not want to challenge the figures the Senator has given, of 71 percent being military expenditures, and that the percentage for military expenditures will rise to 80 percent. As I have said before, I know that a large proportion of the expenditures do go for defense purposes. Certainly no one can question the need for such expenditures. We are obliged to appropriate for defense purposes. The fact remains, however, that there are items in the appropriation bill which can be cut out of the bill, items which are not for defense purposes. The fact remains further that next year the appropriations are going to be considerably higher. The Senator from Wyoming, who is one of the most able members of the Appropriations Committee, knows that to be true. The question is, What can our economy stand? Of course, increase in taxation is one way to stop inflation. But I say that of equal importance is what we do with our money after we increase the taxes.

Mr. O'MAHONEY. The Senator is quite right.

Mr. WHERRY. I want to emphasize that point very strongly.

Mr. O'MAHONEY. I should like to add that in 1930 the entire cost of the Government of the United States for all its activities, war-connected activities, veterans' benefits, interest on the national debt, and all that, was a little more than $10,000,000,000. Today the interest on the national debt alone is $5,500,000,000.

Mr. WHERRY. I understand that.

Mr. O'MAHONEY. I know the Senator understands it, but when we make a record here to be read by those who have not been in our committees I want to make it clear what the cause of this tremendous expenditure is.

War accounts for more than 71 percent of our expenditures, and will account for more. As I said at the beginning of this discussion this afternoon, at this moment the economy of the United States is in the best position it ever has been in. I cited the editorial from Life magazine to show what we have done, the tremendous gains we have made. I have presented the figures showing what we have done.

The fact is that we can take the necessary steps if we have the courage to do so, and we can and we should cut down absolutely all nonessential expenditures.

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. In reference to the items in the appropriation bills which the Senator describes as nonmilitary items, is it not true that many of them will have a direct bearing on the ability of our Nation to fight, in the event that war were forced upon it? For example, there are appropriations for power and power development, which would supply the electricity we would need during war. There are the appropriations for highways, which would provide the transportation system we would need during war. There are the appropriations which have to do with the ability of the Nation to produce food, which would have a direct bearing upon our ability to fight in time of war.

Mr. O'MAHONEY. The Senator from Louisiana is quite correct.

Mr. WHERRY. Mr. President, before the Senator enters upon another speech, will he yield, to permit me to ask a further question?

Mr. O'MAHONEY. I am trying to conclude a speech, but I am glad to yield to the Senator from Nebraska.

Mr. WHERRY. I think the matter I am about to mention is a desirable one to have stated for the record.

Did the Senator from Wyoming present the excess-profits-tax amendment to the Finance Committee?

Mr. O'MAHONEY. Yes, but it has been modified since that presentation was made.

Mr. WHERRY. Nevertheless, the Senator from Wyoming did present the excess-profits-tax amendment, or a similar amendment, to the committee; did he?

Mr. O'MAHONEY. Yes; and the committee was very kind in hearing the presentation.

Mr. KERR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KERR. Is it not a fact that there have been three such amendments by the Senator from Wyoming, and that only the first one was presented to the Finance Committee?

Mr. O'MAHONEY. Yes.

Mr. KERR. Is it not also true that the amendment now being discussed by the Senator from Wyoming is the second one beyond the one he presented to the Finance Committee?

COMPARISON OF THREE EXCESS-PROFITS PROPOSALS

Mr. O'MAHONEY. Yes, this is the third amendment; but let the record show that this amendment was prepared with the advice and the cooperation of the distinguished senior Senator from Texas [Mr. CONNALLY], who is the ranking Democratic member of the Finance Committee in point of years of service, and is well aware of all the technicalities of the tax problem. I was most happy to join forces with him in urging upon the Senator from Oklahoma and all other Senators that we take steps now to raise the money we need to raise.

Mr. President, since there has been so much discussion in regard to these three amendments, perhaps I should say that during the Eightieth Congress, when there was under discussion a bill to reduce individual income taxes, I felt that the fiscal condition of the Nation was such that taxes should not be reduced, and I argued against reducing them. At that time I had prepared, with the aid of the technicians of the Treasury, an excess-profits tax, which I thought should have been imposed in order to help balance the budget. Of course, it was not accepted; but I had the advantage of the work 2 years ago with the technicians of the Treasury in the preparation of that amendment, when recently, at the time the raising of new tax revenue was recommended by the President, I felt that the recommendation was inadequate, that it would not be sufficient to rely upon additional revenue in the amount of $5,000,000,000 in order to meet the expenditures which then were piling up.

So again I resorted to the technicians of the Treasury, without in any way committing them. I invited members of the staff of the Joint Committee on Internal Revenue Taxation, I invited other economists and tax experts of the Government, and sat down and discussed the entire problem to the best of my ability. I came up with the amendment which I presented to the committee. It called for a 75-percent base on the years 1947, 1948, and 1949, and a stepped-scale tax rate.

I think it would be revealing no secret if I were to say to the Senate that Mr. Bernard Baruch called me on the telephone after he had read the amendment, and stated that in his opinion my base was too high, and that it would not raise sufficient revenue. In any event, that was the opinion he gave. And then, because of suggestions which I read in the press and elsewhere, that a 100-percent tax, that is to say upon income, would be 125 percent of the base, would be too severe, and because of my own judgment that it might create the impression that I was preparing a punitive tax, I decided it would be best to eliminate that upper bracket. The original amendment contained four brackets, one at 65 percent, one at 75 percent, one at 90 percent, and one at 100 percent of the excess-profits-tax income. So we reduced the number of brackets to three.

EXPLANATION OF CONNALLY-O'MAHONEY AMENDMENT

The Senator from Texas then discussed the matter with me again, with the advantage of the advice of technicians of the Joint Committee on Internal Revenue Taxation, and his suggestion was that we ought to have only one rate of taxation, and that the base should be higher. That is the modus operandi by which three separate amendments were made.

As Members of the Senate know, the process of legislation is the process of conference. I have never pretended that I had the skill or the ability to bring upon the floor of the Senate a tax bill which would be perfect, and, now that the Finance Committee, through the voice of the chairman, has officially notified the Senate and the country that, next year, there will be an excess-profits tax, it seems to me that I am not unreasonable in saying, "Let us have this tax now," since this tax is based upon the experience we had in World War II, since it contains most of the provisions that were in effect in World War II, but, instead of having a 95-percent rate, and a base which was the average of the years 1936 to 1939, it has a rate of 85 percent, and it has a base which is computed upon the experience of 10 years later, 1946, 1947, 1948, and 1949.

So I am presenting to the Senate an excess-profits-tax amendment which differs from the excess-profits-tax amendment of World War II chiefly in the fact that it is more modest, that it does not take so much; and this I do, even though the record shows corporate profits to be far greater now than they were when the World War II tax was imposed.

Mr. President, I have an editorial entitled "Not Enough," printed in the Saturday, August 12, issue of the Washington Daily News. It is an editorial saying that the bill reported by the Senate Finance Committee does not provide sufficient revenue to meet the emergency in which we find ourselves. I ask unanimous consent that the editorial may be printed at this place in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT ENOUGH

The Senate Finance Committee has approved the increases in the corporate and individual income taxes which the President has asked.

Corporations will pay 25 percent of the first $25,000 income, and 45 percent of all in excess of that amount—to yield $1,500,000,000 additional revenue.

The new rates will increase individual income taxes from 10 to 20 percent over what they were last year—to yield an additional $3,000,000,000.

Presumably the committee also will make the changes the President requests to close tax loopholes, and bring the total additional revenue up to the $5,000,000,000 Mr. Truman asked.

But that will not be enough.

Since the outbreak of the Korean fighting, Congress has been called on to increase spending by three times $5,000,000,000—and that has come on top of a budget that was already unbalanced. Meanwhile, we have had little but lip service in the matter of reducing nondefense spending.

In those figures, you see the primary reason for the upward pressures on prices and living costs. And as the Government continues to spend more than it takes in, those pressures will grow.

The President seems content to wait until after the November elections to ask Congress for an excess-profits tax. Admittedly it is complicated and controversial, but the time to start work on that tax is now. No one should be permitted to profiteer at home while other Americans are risking and losing lives on the battlefield.

And Congress should not stop there. It should begin immediately to search out other revenue sources. Before this hot-and-cold running war has ended, in our opinion, Congress will have to make further increases in income taxes, and greatly broaden the excises, which are now applied only to a selective few products.

We don't like the prospect any better than you do, but we think higher taxes a lesser evil than inflation. We'd rather pay the tax collector across the board than have our pockets picked by rising living costs.

And, incidentally, we'll grumble less to the tax collectors if, meanwhile, the Government cuts down, as it can and should, on the frills and fripperies on nondefense spending.

Mr. O'MAHONEY. Mr. President, I also wish to put in the RECORD at this point as a part of my remarks an editorial entitled "To Redress the Tax Balance," from the St. Louis Post-Dispatch of August 20, 1950. This editorial advocates an excess-profits tax effective at least on part of the 1950 income. Such a tax, it says, "would be the best way of redressing the balance."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TO REDRESS THE TAX BALANCE

Senator O'MAHONEY of Wyoming deserves more help than he has so far received in his effort to add an excess-profits tax to the tax bill now before the Senate.

Congress is approaching the taxation of corporations with a delicacy that was altogether absent when it was a question of reducing taxes after World War II. Then corporations were given the lion's share of the reductions; now their taxes are being increased by a billion and a half dollars while individual taxes are going up three billion.

An excess-profits tax, effective on at least part of 1950 income, would be the best way of redressing the balance.

Since 1945, according to the midyear report of the President's Council of Economic Advisers, corporation profits after taxes have risen some 120 percent. During the same period per capita individual income after taxes has gone up only 19 percent. That is a rough measure of the extent to which the tax burden has been shifted from corporations to individuals.

As a matter of fact, the rise in individual incomes has been largely illusory, thanks to the steadily rising cost of living. The Republican Eightieth Congress reduced wartime taxes, and it destroyed price control. What the average family saved in taxes was more than wiped out by higher prices. Now we have the higher prices and must also have higher taxes.

According to the midyear economic report, the average American suffered a steady reduction of his "disposable income," which means income after taxes, from 1944 to 1947. There was an upturn in 1948, and this year's incomes will probably be better than those of 1949, but real income which takes account of higher prices is still below the 1945 level. Here are the figures, which show per capita income after taxes in terms of 1949 prices:

1945	$1,374
1946	1,333
1947	1,248
1948	1,270
1949	1,256
1950 (second quarter)	1,288

Americans aren't broke—indeed, they are far better off than at any time before the war—and they expect to shoulder a new tax burden to finance the war in Korea and the enlarged defense effort. But they have a right to expect that corporations also shall pay their share—not next year, not in 1952, but now.

Mr. O'MAHONEY. I also have a clipping from the Washington Post of August 23, reporting, under the Gallup poll, that the "public backs paying for war by taxation." My own experience from various interviews with business leaders and with other citizens throughout the country bears out the result of that poll.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUBLIC BACKS PAYING FOR WAR BY TAXATION

(By George Gallup)

PRINCETON, N. J., August 22.—President Truman's determination to pay for the Korean war as much as possible through taxation rather than borrowing has the support of the general public at this time, judging by the results of an opinion survey by the American Institute of Public Opinion.

While nobody enjoys paying taxes, the public votes 3-to-1 in this survey in favor of meeting the increased cost of defense chiefly by extra taxes instead of chiefly by deficit financing, as was the case in World War II.

Moreover, a majority of the voters questioned, representing a scientifically selected cross section of the whole adult population, say they would be willing to see Federal income taxes increased immediately to pay for the war in Korea and to rearm the Nation.

Once before, in the early days of World War II, Institute surveys found this same reaction. In fact, in 1941 and 1942 the public was willing to pay much more in taxes than either Congress or the Treasury Department had asked, demonstrating again the capacity of the people to be a jump ahead of their Government.

Two questions were put to voters in today's study. The first was as follows:

"How should the Federal Government pay the increased cost of defense—chiefly by extra taxes, or chiefly by borrowing more money?"

The vote:

Percent:	
Taxes	60
Borrowing	19
No opinion	21
	100

The second question was:

"Some people say Federal income taxes must be increased immediately to pay for the present war in Korea and to rearm the United States. Do you agree or disagree?"

The results:

Percent:	
Agree	51
Disagree	29
No opinion	20
	100

60 PERCENT BY TAXES

In World War II, it is estimated, the United States paid about 45 percent of its war costs out of taxation, the rest by borrowing.

Administration officials say that if there is a third world war we should pay at least 60 percent out of taxes and preferably 70 to 75 percent—which would, of course, mean very much higher taxes than we had in the last war.

Although Republican voters questioned in today's survey voted virtually the same as Democrats in favor of paying for the war by taxes rather than by borrowing, the Republicans see less need for boosting Federal income taxes immediately.

Here is the party vote on that issue:

INCREASE INCOME TAXES IMMEDIATELY?

	Republicans	*Democrats*	*Independents*
Percent:			
Agree	48	54	48
Disagree	34	25	30
No opinion	18	21	22
	100	100	100

Mr. O'MAHONEY. Mr. President, I have here, also, the text of a statement advocating increased taxes, prepared by 65 economists. This statement, with the names of the economists, and the universities and organizations which they represent, I should like to have placed in the RECORD at this point. I think it may be worthy of note that among the economists who signed this statement is Mr. Elliott V. Bell, chairman of the executive committee of McGraw-Hill Publishing Co. Mr. Bell, my Republican friends will remember, was a very prominent member of the cabinet of Gov. Thomas E. Dewey when he was a Republican candidate for President of the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TEXT OF STATEMENT BY 65 ECONOMISTS

Communist aggression requires that free men and women expand military forces and supplies to a much higher level for a long time ahead. Enlarged outlays for defense superimposed on a boom will, unless offset, cause inflation. Inflation is a grave wrong and danger. It hurts most the most helpless members of society—the widows, the orphans, the aged, the pensioners, the annuitants, the disabled. It causes dissension and diminishes the incentive to work; it weakens the productive system and so impairs both economic and military power. It imperils economic stability and progress in the peace for which we struggle. It is an unmitigated tragedy.

The United States need not suffer this abomination of inflation. This economy can provide a very high standard of living and a very large increase in military outlay without degradation of the dollar. Failure to take action to prevent inflation would be inexcusable.

The necessary action is clear and unmistakable. There may be differences over details, but there can be none over the major requirements. Taxes must be increased, at once, to cover the rise in expenditure fully and to balance the budget. Adequate control powers over consumer finance and construction finance should be added to existing monetary authority. Payment of Government expenses out of income instead of the printing press, and monetary restraint on civilian consumption, together, can protect the country from the woes of inflation and thus conserve its strength for use against the evils of aggressive tyranny.

We, the undersigned economists, urge prompt, persistent, and adequate action by Congress and the executive agencies.

Eugene E. Agger, professor of economics, Rutgers University; James W. Angell, professor of economics, Columbia University; H. B. Arthur, economist, Swift & Co.; G. L. Bach, professor of economics, Carnegie Institute of Technology; William C. Bagley, Jr., associate professor of economics, Rutgers University; B. H. Beckhart, professor of banking, Columbia University; Elliott V. Bell, chairman of the executive committee, McGraw-Hill Publishing Co.; Claude L. Benner, president, Continental American Life Insurance Co.; W. R. Biggs, vice president, Bank of New York; Courtney C. Brown, assistant manager of coordination and economics department, Standard Oil of New Jersey; Robert W. Burgess, chief economist, Western Electric Co.; Arthur F. Burns, director of research, National Bureau of Economic Research; William J. Carson, executive director, National Bureau of Economic Research; Clyde R. Chambers, vice president, Lehman Corp.; Miles L. Colean, consulting architect; C. S. Cottle, professor of business administration, Emory University; Andrew T. Court, director of the industrial economics section, General Motors Corp.; W. W. Cumberland, partner, Ladenburg & Thalmann; John Davenport, editor, Barron's; J. Frederic Dewhurst, economist, 20th Century Fund; Stephen M. Du Brul, executive in charge, business research staff, General Motors Corp.; William E. Dunkman, professor of economics, University of Rochester; Lionel D. Edie, president, Lionel D. Edie & Co.; Ernest M. Fisher, director, Institute for Urban Land Use and Housing Studies, Columbia University; Harold G. Fraine, professor of commerce, University of Wisconsin; Edwin G. George, director, department of economics, Dun & Bradstreet; Earl J. Hamilton, professor of economics, University of Chicago; Seymour E. Harris, professor of economics, Harvard University; Richard B. Heflebower, professor of economics, Northwestern University; Hans Heineman, Kidder, Peabody & Co.; Albert J. Hettinger, Jr., partner, Lazard Freres & Co.; George Hitchings; Walter E. Hoadley, Jr., economist, Armstrong Cork Co., Inc.; Neil H. Jacoby, dean, School of Business Administration, University of California; Francis C. Jones, economist, Green Giant Co.; Virgil Jordan, chancellor, National Industrial Conference Board; A. D. H. Kaplan, senior member, Brookings Institute; Charles P. Kindleberger, associate professor of economics, Massachusetts Institute of Technology; Simon Kuznets, director at large, National Bureau of Economic Research; Walter Lichtenstein, economic consultant, formerly vice president (retired), First National Bank of Chicago; Frederick C. Mills, professor of economics and statistics, Columbia University; Walter Mitchell, Jr., managing director, Controllers Institute of America; Geoffrey H. Moore, associate director of research, National Bureau of Economic Research; Howard B. Myers, research director, Committee for Economic Development; W. I. Myers, dean, New York State College of Agriculture, Cornell University; Marcus Nadler, professor of finance, research director, Institute of International Finance, New York University; Ragnar D. Naess, senior partner, Naess, Thomas & Thielbar; Joseph Nicholson; James J. O'Leary, director of investment research, Life Insurance Association of America; Allen H. Ottman, vice president and controller, American Hard Rubber Co.; Jack H. Riddle, vice president, Bankers Trust Co.; Alexander Sachs, consulting economist; R. J. Saulnier, head of financial research program, National Bureau of Economic Research; Benedict Saurino, economist, Sun Oil Co.; H. C. Sauvain, professor of finance, Indiana University; Emerson P. Schmidt, director, economic research department, Chamber of Commerce of the United States; Lawrence Seltzer, professor of economics, Wayne University; Frederic L. Simmons; George Terborgh, director of research, Machinery & Allied Products Institute; Rufus S. Tucker, economist, General Motors Corp.; Ralph J. Watkins, director of research, Dun & Bradstreet; Ray Bert Westerfield, professor of economics, Yale University; Donald B. Woodward, second vice president, The Mutual Life Insurance Co. of New York; Wilson Wright, economist, Procter & Gamble Co.; A. W. Zelomek, president, International Statistical Bureau, Inc.

TAX PROPOSALS IN WILSON, HARDING, AND HOOVER ADMINISTRATIONS

Mr. O'MAHONEY. Mr. President, there are numerous other statements, articles, and editorials which I might insert in the RECORD, but I shall not ask for anything more. I want to close, however, with a quotation or two from Republican authority, because I desire to make an appeal to the Republican Members as well as to the Democratic Members of the Senate to support this tax.

President Woodrow Wilson, in World War I, recommended an excess-profits tax. Following World War I, President Warren G. Harding was inaugurated on March 4, 1921. I was standing on the lawn of the Capitol when he delivered his inaugural address, and I well remember the statement which he made at that time. I desire to read it to the Senate:

> I can vision the ideal republic, where every every man and woman is called under the flag, for assignment to duty, for whatever service, military or civil, the individual is best fitted; where we may call to universal service every plant, every agency or facility, all in the sublime sacrifice for country, and not 1 penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation.

That was the opinion of President Warren G. Harding on March 4, 1921.

Between World War I and World War II both the great parties, in their national platforms, in 1928, declared for a profits tax. They declared that private profits made out of war should be eliminated. During the Hoover administration Congress created a War Policies Commission to consider the possibility of amending the Constitution to provide that private property might be taken by Congress during the war and to consider methods of equalizing the burdens and removing the profits of war. This Commission included six members of President Hoover's Cabinet. Their opinions were summarized by the executive secretary, Mr. Robert H. Montgomery, a well-known corporate tax expert, in House Document No. 271, Seventy-second Congress, first session. In this interesting work it was proposed that Congress empower the President to stabilize prices, and it was also proposed that the revenue laws provide that in time of war—and I am now quoting—"individuals and corporations shall be taxed 95 percent on all income above the previous 3-year average, with proper adjustment for capital expenditures for war purposes by existing or new industries."

There, Mr. President, is a recommendation of the War Policies Commission appointed in the Hoover administration, with six members of the Hoover Cabinet, recommending a higher excess-profits tax than that which is proposed in the amendment which the Senator from Texas [Mr. CONNALLY] and I have offered.

Mr. President, I apologize to the Senate for the time I have taken, but I thank Senators sincerely for their indulgence.

Mr. DOUGLAS. Mr. President, does the Senator prefer to yield the floor—he

has been on his feet for a long time—or would he yield to me for a few questions?

Mr. O'MAHONEY. I shall be very glad to yield.

EXPERIENCE IN WORLD WAR II SHOWS NEED FOR EXCESS-PROFITS TAX

Mr. DOUGLAS. Can we not learn a great deal about the problems which we are likely to face in the period immediately before us from the experience of the First and Second World Wars? Is it not true that in the First World War we raised by taxes approximately one-third of the total war expenses and were compelled to borrow two-thirds from the public and from the banks? A large share of this borrowing came from the banks, with the result that the banks created credit which was written up on their books to the credit of the Government. Against this the Government drew checks to pay for the services of men and for materials, and with the result that the Government was bidding against private industry for goods and materials. The total supply of money and credit increased at a greater ratio than the quantity of goods and we had in consequence the great wartime inflation. This caused a tremendous increase in the cost of living and made both our war and reconstruction periods much more difficult. Is not that correct?

Mr. O'MAHONEY. The Senator is correct.

Mr. DOUGLAS. If we had taxed to a much larger degree in World War I and had financed the war out of current income, rather than from bank borrowings, would not the rise of prices have been far less? Labor disputes would have been less intense, the cost of the war to the Government would not have been as great, and the postwar burden of debt would not have been as great.

Mr. O'MAHONEY. There is no doubt of that. During World War II, when the tax bill was before us, there were many Senators who believed that the tax rates were too low.

I remember well that the distinguished Senator from Ohio [Mr. TAFT] was one of those who felt we should pay for the war with a larger proportion of tax revenues than we were doing. If that advice had been followed, we would not have had to borrow so much money.

Mr. DOUGLAS. I believe that in World War II we paid for approximately 42½ percent of war costs out of taxes or approximately three-sevenths of the total. This was an increase of approximately 9 percent as compared with World War I, but it still meant that four-sevenths of the war costs were financed by borrowing.

Mr. O'MAHONEY. The actual figures are 42 to 45 percent, but the point the Senator is making remains true.

Mr. DOUGLAS. And of the four-sevenths which was borrowed, some was borrowed from individuals and corporations who bought bonds out of their current savings. This meant a transfer of purchasing power from private use to public use and was not inflationary in its consequences.

Mr. O'MAHONEY. That is correct.

Mr. DOUGLAS. Approximately $90,000,000,000, however, was obtained through an increase of bank credit which the Government borrowed from private banks and from the Federal Reserve System, and this merely increased the total amount of credit available for the purchase of goods.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. DOUGLAS. Approximately $20,000,000,000 came from the Federal Reserve System, and about $70,000,000,000 came from the private banking system, with the result that we accumulated a huge reservoir of monetary purchasing power which could not be held back by price controls, and which, when the purchasing power was finally released, caused a flash flood, so to speak, driving prices up. Is not that correct?

Mr. O'MAHONEY. The Senator is as correct as one could be. The savings of the people which were diverted from the market to the purchase of Government bonds went into the purchase of defense commodities for the Government and did not add to the demand for civilian commodities, but those bonds which represented the purchases of the banks went into the creation of new currency, and, therefore, the enlargement of the money supply, and the creation of inflation.

Mr. DOUGLAS. In other words, the relative and total amount of money and credit on one side, available for the purchase of goods on the other, was increased, with the inevitable result that prices had to rise?

Mr. O'MAHONEY. And so it is clear that the best way to prevent prices from rising is to cut down on the money supply wherever it exists.

Mr. DOUGLAS. The chief agency for expending the money supply, under our present banking system, is the private banks and, therefore, we need to cut down on the total amount of additional credit created by the banking system.

Mr. O'MAHONEY. To make that clear, let me ask the Senator, reversing it, why does it operate in that way? Is it not because the bonds are the basis of new currency?

Mr. DOUGLAS. That is correct. The banks in making their loans create checking accounts against which the Government can draw. That is how the bonds which are purchased by them are paid for. The Government will draw against the checking accounts to pay for the services of men and for materials, and will draw these amounts down, and, in the process, will bid up wages and salaries and also the prices of materials. But is it not also true that when the accounts have been checked down by the Government, they get into the possession of corporations and private individuals for whose services and materials the Government has paid and these persons and corporations will then deposit those sums in the banks so that there will be a permanent addition to the supply of money and credit?

Mr. O'MAHONEY. And the best way to stop that spiral is to increase taxes.

Mr. DOUGLAS. There is another factor, as the Senator is well aware, namely, that a large proportion of the added deposits which ultimately find themselves in the possession of the banks will be deposited by the banks in the Federal Reserve System. Moreover, once they are deposited in that system they can be used as a reserve for additional loans by the banks in a ratio of approximately six and a half to one. So if, for example, we actually spend 16½ billions of dollars for which appropriations are being asked in the supplemental appropriation bill, and have only raised $3,000,000,000 in taxes, as is contemplated by the Finance Committee's bill, we shall have to borrow $13,500,000,000. Suppose it is drawn from the banks. Most of that money will ultimately not only be added by the banks, but will flow from the banks into the reserve system, and hence make possible an expansion of credit many times that $13,000,000,000.

WAR EXPENSES REQUIRE TAXATION

Mr. O'MAHONEY. I think there can be no doubt about it. It seems plain from experience, as well as from theory and practice. It is clear that the only sensible thing to do is to tax to raise revenue to pay for the war. Let us use the money we have, instead of creating new money to raise prices to do the thing we must do.

Mr. DOUGLAS. I wish to congratulate the Senator from Wyoming and his colleague, the Senator from Texas, for the statesmanship which they have shown in introducing the amendment. If I may be pardoned and given permission to make comment of my own, I would say that this is something which is vitally necessary in the period of preparation which lies ahead. If we do not adopt the policy of paying for current expenditures out of taxes we shall be compelled to borrow, and a large part of this borrowing will come from banks. We will have big increases in bank credit, and a flash flood of price increases which we shall be unable to stem by price controls, no matter how hard we may try. The huge increases in money and credit cannot be held back for long. The black market will operate, and with those increases in prices will come demands on the part of organized labor for increased wages. Employers will not always agree to the extent of the demands which will be made, and the result will be strikes and labor unrest. The great insurance system of the country will be shaken because the value of the dollars which people have saved in the past will be less, and people who have annuities will find their real annual incomes cut considerably. Clerks and others on salaries will suffer. There will be enormous social unrest and great trouble inside the country, simply because we do not have the courage to pay for the cost of the war out of taxes.

Mr. O'MAHONEY. We are placing the cost of the war on profits, and only on profits. We are not conscripting a plant. We are not conscripting a business. We are merely taxing the profits. When we adopt the Selective Service System and take a young man from his school or business, or whatever activity in which he is engaged, we take his body and we put it on the firing line. Shall we say, while we are taking the body, which cannot be replaced, and drafting

it into the service of the Nation, that we shall be tender with profits?

Mr. DOUGLAS. I hope not.

Mr. O'MAHONEY. If we were to do that, we would be inviting the inflation of which the Senator talks, and it would be an inflation which would undermine the private enterprise system.

Mr. DOUGLAS. May I ask one further question?

Mr. O'MAHONEY. Yes.

Mr. DOUGLAS. I was very much interested in the arithmetic of the distinguished Senator from Georgia, the chairman of the committee, and the eminent Senator from Colorado [Mr. MILLIKIN], the ranking minority member of the committee, in which they attempted to show that the proposal of the Senator from Wyoming was only an 85 percent profit increase on 80 percent of the previous average. Since it would operate for only half a year the rate they said would be 42½ percent for the year, whereas their proposal was for a corporate tax of 42 percent. Therefore they felt that the O'Mahoney-Connally proposal would yield only one-half of 1 percent more than their proposal. Is it not the intent of the distinguished Senator from Wyoming and the eminent Senator from Texas that the 85 percent excess-profit rate which they propose is in addition to the 42 percent corporate rate for the first half of the year? In other words is not the 85 percent rate for the second half of the year a net addition to the corporate tax and not a substitute for the committee's rate during the first half of 1950?

Mr. GEORGE. That is not what the amendment says.

Mr. DOUGLAS. I am certain that this was the intent of the eminent Senator from Wyoming.

Mr. GEORGE. That is the difficulty with writing a tax bill.

Mr. MILLIKIN. As the distinguished chairman pointed out, it is about time that we do not work with intent, but that we have a bill to which we can give attention to. We shall have to raise a higher percentage of taxes to support the venture, and we should not underestimate the difficulties. We will reach the point of diminishing returns in some things. I notice with some interest that the situation has not been met by abolishing the exemption which was given by the Eightieth Congress to those in the lower tax brackets. At that time it would have yielded about 2½ billion dollars, and would now yield approximately from 3 to 3¼ billion dollars. We shall have to be thinking about that.

Mr. O'MAHONEY. Without doubt.

Mr. MILLIKIN. I do not see necessity for haste in getting into that situation. In order to close the gap, we shall have to consider other types of taxes. It may be a sales tax or a variance of it.

As we consider various proposals, we shall find that it is easier to talk about them than to adopt them. I merely suggest a note of caution. We are coming to excess-profits taxes, and we are coming to other taxes. I would like to see a tax recovery which would come closer to a pay-as-you-go basis. However, let us not fool ourselves. We may have to look some of the other taxes in the face.

NEED FOR TAX IS IMMEDIATE

Mr. O'MAHONEY. The Senator is correct. However, I have not been deterred at all in the presentation of this amendment by suggestions which have come from various sources that it is a very difficult tax to draw and a very difficult tax to enforce. However, I know that no matter how difficult it may be to draw or how difficult it may be to enforce, such difficulty does not begin to compare with the difficulty of transporting men and machines across the Pacific Ocean to fight on the Korean peninsula. The difficulty which confronts us in drafting legislation is as nothing compared with the difficulty confronting the soldiers who, while we talk, are trying to storm the trenches in which Communist Red Koreans are fighting our men, fighting against the United Nations, and fighting to enslave mankind. In that contrast I give very little weight to talk about difficulty. We are confronted with the most difficult problem which any generation of freemen ever faced, and we must tackle it. That is all. We cannot postpone, postpone, postpone for better study.

Mr. HUMPHREY. Mr. President, is it not most important that the excess-profits tax amendment which has been proposed by the Senator from Wyoming and the Senator from Texas be adopted now in view of the fact that within recent months, particularly within recent weeks, we have witnessed the most amazing and most appalling profit increase we have known since 1948, and even beyond the proportions of 1948 in terms of acceleration? Is that not the situation?

Mr. O'MAHONEY. I think the Senator is quite right.

Mr. HUMPHREY. Would it not be true that if this tax is not put on now, there would be, so to speak, a windfall of ill-gotten gains on the part of those who have been able to rig the prices, as the Senator pointed out, with less production and more profit? We are witnessing that in the commodity market again and again, and in the speculative field. The reports of the Wall Street Journal and the Chicago Chamber of Commerce paper disclose, as the Senator pointed out, that in the early part of this quarter there was a great rise in the profit percentage, away over what there was in the first quarter of 1950. Does the Senator have an observation he wishes to make in regard to that?

SHARP PRICE RISES SINCE JUNE

Mr. O'MAHONEY. Yes. I have a little table here which shows what the price increases have been since the Korean outbreak. The wholesale price index on all commodities for June 20, was 157.1 percent, for August 15 it was 165 percent, an increase of 7.9 points. Farm products went from 166.2 to 170.4, an increase of 5.2 points. Food products went up from 162.5 to 174.2, an increase of 11.7 points. All commodities other than farm and food products went up from 148.3 to 154.2, an increase of 5.9 points.

I have here a statement of some important changes on individual commodities. Rubber was up 66.7 percent.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Will not the Government of the United States be utilizing a great percentage of the rubber?

Mr. O'MAHONEY. Of course.

Mr. HUMPHREY. Which will cut right into the appropriations we are making.

Mr. O'MAHONEY. The defense dollar, so far as rubber tires are concerned, at this time, is cut 50 percent.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. I merely wish to suggest to the Senator from Minnesota that his concern is hardly touched by the pending amendment. The amendment will raise about $30,000,000 in terms of liability for the present year, and that is important, but it will not affect the profits he is talking about.

Mr. HUMPHREY. It is not a cure-all. I subscribe very definitely to the comments made by the distinguished Senator from Illinois and the comments of the distinguished Senator from Wyoming. I believe in what has been outlined in terms of individual taxation down into the lower brackets, as the Senator from Colorado has mentioned, increased corporate taxes, the restoration of the gift and estate taxes back to the Seventy-ninth Congress level. Many of these things have to be done, and I think we should be willing to do them. But this is not only an economic problem. There is a bit of psychology involved in it.

If the Senator will permit me to make one more observation, the American people today are calling upon the Congress for an excess-profits tax. The American people today know there are unheard of profits being made.

I heard over the telephone just 10 minutes ago that the railroad workers have called off their strike, and there will be no strike, for which we will all rejoice.

Mr. O'MAHONEY. Everybody will be happy about that.

Mr. HUMPHREY. But I point out now that we cannot look forward to the working men and women holding back their claims for great increases in wages, holding back their claims to share in the plundering of the economy of the country, unless we properly tax the people who are making the money. The Senator from Wyoming has made it clear, and with great courage he has stated what is needed to be said, that the American people expect Congress to pass legislation that will see to it that exorbitant profits are extracted from those who are making them. The excess-profits tax is not to touch the normal profits. Normal profits have been about 16, 17, or 18 billion dollars a year.

We passed a family allotment bill a few days ago that will give the family of a boy going into the service, with a wife and two children back home, $115 a month.

TAXATION OF WAR PROFITS FAVORED BY BUSINESS

Mr. O'MAHONEY. Mr. President, since I first announced my intention to urge such an amendment to the bill, I have heard from scores of businessmen, and I am happy to be able to say to the Senator and to the Senate that the businessmen who have called me up and talked with me have expressed the opinion that we ought to have an excess-profits tax.

One of the great difficulties about getting constructive action lies in the fact we hear the critics.

Mr. HUMPHREY. That is correct.

Mr. O'MAHONEY. We hear those who have special axes to grind. We hear those who are talking for special purposes. But the great bulk of the people, the rank and file of the masses upon the one side, and the rank and file of business leaders and executives on the other, are just as ready as anybody else to make their contribution. They are waiting for the leadership of Congress to give them the opportunity to do it, and I say, let us not fail to provide that opportunity.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. With great respect to the distinguished senior Senator from Wyoming, I suggest that the leadership that provides a $35,000,000 cure-all for a $16,000,000,000 expenditure is not a remedy, as the Senator referred to it, it is not even a homeopathic dose.

Mr. HUMPHREY. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. In just a moment. I have enjoyed the interest in this subject, but I submit to my good friend from Colorado, when he uses the word "cure-all" in connection with this amendment——

Mr. MILLIKIN. The Senator from Minnesota used the word.

Mr. HUMPHREY. No; the Senator from Minnesota said this was no cure-all.

Mr. O'MAHONEY. Wait a moment.

Mr. MILLIKIN. I say it is not a homeopathic dose.

Mr. HUMPHREY. As a pharmacist, I say it is.

Mr. O'MAHONEY. Mr. President, this amendment is not presented as a cure-all. It is presented as a constructive contribution to the most difficult problem Congress has ever faced. I say, let us not waste time applying adverse adjectives. Let us go to the facts.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. With the greatest respect, and I know the Senator is highly skilled in these matters and has had great experience in them, this is his third effort, and it would produce nothing compared to the size of the problem. Those of us who are asking that the amendment not be agreed to are merely asking that we have time to do something which will achieve a real result.

Mr. O'MAHONEY. Mr. President, it will be a very simple matter to increase the rates, if the Senator thinks the rates are too low. It will be a very simple matter to reduce the base, if the Senator thinks the base is too high. If the Senator thinks the amendment, in the language which it contains, provides too great a credit, as might easily be the case, granting credit for the whole of the year 1950 instead of for half of the year 1950, it would be very simple to provide a remedy, and I shall be very glad to modify my amendment to increase the revenue. I am sure I will not have any difficulty agreeing to any level which the Senator from Colorado may be willing to suggest.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I no more think I can write an excess-profits-tax bill on the floor of the Senate than I think the distinguished senior Senator from Wyoming can do it.

Mr. DOUGLAS. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that if the great talents of the Senator from Colorado had been addressed to the question of excess-profits taxes within the committee, he would have brought forward an iron-clad, completely airtight proposal, which would have yielded more revenue, and, in default of that, the Senator from Wyoming and the Senator from Texas had to pick up the ball and do the best they could, and they are right at the point now where a slight change in the language, permitting a 42-percent corporation tax for the first half of the year, and an 85-percent excess profits tax for the second half of the year, will yield the increased sums which the Senator from Wyoming has said will be forthcoming?

Mr. MILLIKIN. Mr. President——

Mr. LANGER. Mr. President, I call for the regular order.

COOPERATION NEEDED TO PERFECT TAX

Mr. O'MAHONEY. Mr. President, I have very much appreciated the questions which have been asked by Senators. It demonstrates what I know to be the fact, that there is great interest in this amendment. There is great interest in the tax bill. I believe that the Congress of the United States is a unit in wanting to provide as much revenue as we can provide, and provide it now. What I have said here today has not been said in criticism of the committee, or of its members. I know the difficulties of amending a tax law. The tax law on the statute books has been an accumulation of years, and, of course, it is difficult to make changes in it. But I do say to the Members of the Senate, that the sacrifices are being made now. The expenditures are being made now. Errors are being made in the expenditures. Errors are being made in the sacrifices. Some men are told to go where they should not be told to go. There are tactical and strategic errors upon the field of battle. Because of mistakes men die when they should not die. We cannot prevent that. We have to do the best we can. I say, against that picture, certainly we should not delay now to do what is necessary so that the men on the fighting front may be properly supported.

There are four things we do if we act now. First, we support the man who is fighting, and we ought to do it. Second, we will fight inflation upon the home front. Third, we shall have the effect of preventing, or at least of holding down another deficit for war. And finally, we shall be giving notice to the profiteer, wherever he may be, that he is collecting his pound of flesh for Uncle Sam to be sent to war.

Mr. MILLIKIN. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. The distinguished Senator from Illinois was curious as to why, in view of the great intelligence possessed by the Senate Finance Committee, we did not fashion an excess-profits amendment. I think it is very important to know why we did not fashion an excess-profits bill. The President of the United States, who asked for a quick emergency interim bill, did not ask for an excess-profits tax, and we spaced our time to get him the kind of a bill that you have here. This is not the first time that I have made a mistake when I followed the President of the United States.

Mr. DOUGLAS. I was going to ask the distinguished junior Senator from Colorado if the policy which he followed in this instance, namely, of slavishly following the recommendation of the President of the United States, has now become the settled and established practice of his lifetime?

Mr. MILLIKIN. I will say to the Senator from Illinois that I shall not make too many errors of that kind.

During the delivery of Mr. O'MAHONEY's speech,

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I am glad the Senator made the point in regard to eliminating or reducing absolutely all nonessential expenditures, for I wished to emphasize that point.

The Senator quoted the very forceful words of Mr. Fleming, and the matter he mentioned is one which should be reviewed and should be considered most carefully by the Senate when the conference report on the appropriation bill comes before the Senate.

I appreciate what the Senator has said about the good shape our economy is in, but I point out that there is a difference of opinion in that respect, because today's dollar is nowhere near the value of the 1939 dollar. Today we are simply shoving around a great many additional dollars.

I am quite sure the Senator from Wyoming will give ample argument in support of the excess-profits tax amendment he has submitted, because of course he has pointed out that an excess-profits tax is one way to stop inflation.

I merely rise to commend the Senator for quoting Mr. Fleming, because I think one sound approach to the prevention of inflation is the elimination of needless expenditures.

Although I agree with the Senator that the bulk of the expenditures we are making today are for defense—and we must support them—nevertheless there are in the budget many nondefense items which can be eliminated.

In view of the fact that our military budget next year will be very much larger than the present one—in fact, there will be an increase of at least $15,000,000,000—and in view of the fact that we shall be confronted with a similar situation in the following year, it behooves us not only to consider carefully the amendment the Senator from Wyoming has presented this afternoon, but also to take into most careful consideration the suggestion made by Mr. Fleming, which has been emphasized by the Senator from Wyoming, namely, that we cut down every expenditure which is not necessary for the national defense.

Mr. O'MAHONEY. I agree with the Senator from Nebraska; but we must bear in mind that the $16,700,000,000 supplemental appropriation bill which is about to be passed will amount to considerably more than 29 percent of the appropriations the Congress passed a short time ago, which have no defense connections.

Mr. WHERRY. Of course it depends upon what definition one uses for defense and military items. The Senator from Wyoming has his definition, with which others may not agree.

For instance, I do not think point 4 has a thing to do with the defense of the United States; I make that point. If I had my way about the matter, in view of the fact that the Nation is in desperate condition, with a debt of $260,000,000,000 which must be protected, I would see to it that all such nondefense items were eliminated or drastically reduced. Senators talk about all the dollars which are coming in; but today's dollars are not the 100-cent dollars which we had in 1939.

Mr. O'MAHONEY. Mr. President, I do not wish to get into a dispute now in regard to point 4.

Mr. WHERRY. I do not, either.

Mr. O'MAHONEY. However, I cannot let the Senator's remark pass without calling attention to the fact that Congress did not agree with the Senator from Nebraska, for Congress provided for the point 4 program. I know I supported it, and I did so in the firm and the sound belief that the expenditures to be made for it were much better than many other expenditures we could make to prevent a third world war, and that it would result in saving the lives of many of our men.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. Much as we love our dear friend, the Senator from Nebraska, Mr. President——

Mr. WHERRY. Oh, oh! [Laughter.]

Mr. DOUGLAS. Nevertheless, is it not true that the Senator from Nebraska seems to model his debate along the line of the conversational style of Mr. Dick, a character in Dickens' novel, David Copperfield? We remember that Mr. Dick never could discuss any subject without bringing into the discussion the head of Charles I.

I always marvel at the way in which our friend the Senator from Nebraska, no matter what subject is under debate, always brings in ECA and point 4. I wish to congratulate the Senator from Nebraska on his education in the novels of the Victorian period and the way he imitates Mr. Dick on any and all occasions.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. If I can bring into the debate more Dicks advocating economy [laughter] perhaps some day the Senate will realize that the Dicks the Senator from Illinois introduces have nothing to do with the defense of this country. That is what I should like to submit this afternoon for the Senate's consideration.

I wish to tell the Senator from Wyoming that we should give serious consideration to the observations made by Mr. Fleming, as they have been referred to this afternoon, and also the observations of many other persons, as they apply to the various appropriations. When we consider all the appropriations together, we find that we can eliminate appropriation items amounting to millions and millions of dollars, for they have nothing at all to do with the defense of the United States.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the debate about Mr. Dick be placed in the RECORD at the conclusion of my remarks.

Mr. WHERRY. I certainly shall not object, Mr. President. [Laughter.]

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARRAN. Mr. President, will the Senator from Wyoming yield in order that I may submit two conference reports?

Mr. O'MAHONEY. I yield.

CARL E. LAWSON AND FIREMAN'S FUND INDEMNITY CO.—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, I submit a conference report on the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co., and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co., having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the House recede from its disagreement to the amendments of the Senate and agree to the same.
>
> PAT MCCARRAN,
> ALEXANDER WILEY,
> *Managers on the Part of the Senate.*
>
> WILLIAM T. BYRNE,
> THOMAS J. LANE,
> JOHN JENNINGS, Jr.,
> *Managers on the Part of the House.*

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. McCARRAN. Mr. President, the report concerns a private claim bill. The House allowed slightly more than $3,000. The Senate reduced the amount to $2,000, eliminating a proposed amendment. In the conference the House agreed to recede from its disagreement and to accept the Senate amendment.

I now move the adoption of the conference report.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada.

The motion was agreed to.

EWA PLANTATION CO., A HAWAIIAN CORPORATION—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, I submit a conference report on the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation, and intend to ask unanimous consent for its immediate consideration, if I may have the attention of the distinguished acting majority leader.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the House recede from its disagreement to the amendments of the Senate and agree to the same with amendments as follows: On page 1, line 3, strike out "Court of Claims", and insert in lieu thereof "District Court for the Territory of Hawaii", and on page 2, line 8, after the word "Government", insert the following: "*And provided further,* That the Court of Claims shall have exclusive jurisdiction to review by appeal any final judgment by the said District Court for the Territory of Hawaii on any suit brought under this act, and that in any such review the said Court of Claims shall consider both the law and the facts: *And provided further,* That the foregoing shall not deprive the parties hereto from a further appeal to the Supreme Court of the United States."
>
> G. L. WITHERS,
> ALEXANDER WILEY,
> *Managers on the Part of the Senate.*
>
> WILLIAM T. BYRNE,
> WINFIELD K. DENTON,
> JOHN JENNINGS, Jr.,
> *Managers on the Part of the House.*

Mr. McCARRAN. This is a bill in the nature of a private relief bill, but it does not provide for the payment of money. It only puts the claimant in court. The House of Representatives granted jurisdiction to the district court. The Senate amended it so as to put jurisdiction in the Court of Claims. This was at the request of the Senator from Iowa [Mr. GILLETTE]. The conferees recommended language which would bring the claim before the district court, in the first instance, but it would provide for a review by the Court of Claims in the

case of an appeal. I am informed that this compromise is satisfactory to the author of the bill, the Senator from Iowa.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the conference report on H. R. 2233, to which I have just referred.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the report was considered and agreed to.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hawks, one of his secretaries, and he announced that on August 24, 1950, the President had approved and signed the act (S. 459) for the relief of Cornelis Ruhtenberg, also known as Cornelia Ruhtenberg Helmsing.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Mr. DAVIS of Tennessee and Mr. TRIMBLE had been appointed on the part of the House to serve as managers in place of Mr. BUCKLEY of New York and Mr. LARCADE at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The message announced that the House had passed, without amendment, the following bills of the Senate:

S. 665. An act for the relief of Margaret D. Scott;

S. 858. An act for the relief of Mrs. Sanford Pruitt;

S. 986. An act for the relief of Carlos Riggenbach;

S. 1913. An act for the relief of Adelaide Giovanna Summa;

S. 2047. An act for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito;

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915;

S. 3094. An act for the relief of Miriam Rosenblum;

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina;

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts;

S. 3426. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife; and

S. 3724. An act for the relief of Maria Sulikowska Forbes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered:

(Ch. II) 11, 15, 16, 17, 18, 20, 23, 26, 28, 39, 46, 47, 48, 49, 51;

(Ch. III) 94, 107;

(Ch. V) 142, 148, 151;

(Ch. VI) 157, 166, 201, 223, 224, 232, 234;

(Ch. VII) 254, 275, 277, 278, 279, 285, 295, 300, 302, 306;

(Ch. VIII) 342, 353;

(Ch. IX) 398;

(Ch. X) 417, 418, 451, 456;

(Ch. X-B) 474, 478, 480, 481, 482, 483, 485, 486, 488, to the bill, and concurred therein.

That the House receded from its disagreement to the amendments of the Senate numbered 35, 68, 72, 92, 175, 189, 192, 198, 200, 209, 215, 238, 284, 288, 289, 319, 337, 338, 345, 354, 361, 363, 373, 388, 399, 467, 471, 472, 473, 475, 476, and 477, to the bill, severally with an amendment in which it requested the concurrence of the Senate.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. WILLIAMS. Mr. President, I offer an amendment to the amendment of the Senator from Wyoming on behalf of himself and the Senator from Texas, and I ask that the amendment be made the pending amendment.

The PRESIDING OFFICER (Mr. GRAHAM in the chair). The amendment will be received, printed, and lie on the table.

Mr. WILLIAMS. No, Mr. President, I offer it as the pending amendment.

Mr. GEORGE. Mr. President, the pending amendment is the amendment offered by the distinguished Senator from Wyoming on behalf of himself and the Senator from Texas.

Mr. WILLIAMS. Yes, but this is an amendment to the amendment offered by the Senator from Wyoming and the Senator from Texas.

Mr. GEORGE. An amendment to the amendment?

Mr. WILLIAMS. Yes, which I will discuss later.

Mr. GEORGE. Is the Senator ready to discuss his amendment?

Mr. WILLIAMS. No, I do not want to discuss it tonight, because I understand it is the intention to take a recess of the Senate shortly. I shall discuss it on Monday.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. WILLIAMS. I offer it and ask that it be printed and made the pending amendment.

Mr. GEORGE. Do I understand the amendment is the pending amendment?

The PRESIDING OFFICER. Yes. The question is on the amendment offered by the Senator from Delaware to the amendment of the Senators from Wyoming and Texas.

Mr. GEORGE. Has the amendment been stated?

Mr. WILLIAMS. It is the cooperative tax amendment. It is the same amendment identically as was offered in committee. I was very much impressed by the arguments of the Senator from Wyoming and the Senator from Illinois, and I agree with them fully, to the effect that as we face this emergency every segment of society has got to be called upon to do its proportionate part for the war. I think there is no more appropriate place to which to offer the amendment than to the amendment of the Senators from Wyoming and Texas. The adoption of the amendment will place everybody on a basis of equality.

Mr. GEORGE. I suppose the Senator from Wyoming will accept the amendment in view of the logic of the statement just made by the Senator from Delaware, which has convinced him of the advisability of adopting the amendment.

Mr. WILLIAMS. I know of no better argument I could make for the amendment than that contained in the closing remarks of the Senator from Wyoming.

Mr. GEORGE. Mr. President, I want to ascertain the character of the amendment. As I understand, the Senator does not want to discuss it at this time.

Mr. WILLIAMS. No. It is the same amendment I submitted to the Finance Committee.

The PRESIDING OFFICER. The amendment has been ordered to be printed and to lie on the table.

Mr. WILLIAMS. I understand that my amendment is the pending question.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Has the amendment been offered, and is it an amendment to the O'Mahoney-Connally amendment?

The PRESIDING OFFICER. Yes, it has been offered and it is an amendment to the O'Mahoney-Connally amendment.

Mr. WHERRY. And it is now the pending amendment?

The PRESIDING OFFICER. Yes.

Mr. WILLIAMS' amendment is as follows:

At the appropriate place in the bill insert the following:

"SEC. . Income tax treatment of cooperative corporations.

"(a) Repeal of exemption of cooperatives from income tax on corporations: Section 101 (12) and (13) of the Internal Revenue Code are repealed.

"(b) Imposition of income tax and computation of income.—

"(1) Technical amendment.—Section 4 of the Internal Revenue Code is amended by inserting at the end thereof a new subsection reading as follows:

"'(m) Cooperative Corporations—Supplement V.'

"(2) Taxation of cooperatives.—Chapter 1 of the Internal Revenue Code is amended by inserting after section 421 a new supplement reading as follows:

"'SUPPLEMENT V—COOPERATIVE CORPORATIONS

"'SEC. 431. Tax of cooperative corporations.

"'(a) In general.—

"'(1) Cooperative corporation.—For the purposes of this chapter the term "cooperative corporation" means a corporation (A) that calls itself a "cooperative" or "co-op," or (B) that represents to any persons or classes of persons which deal with it that

their patronage will or may entitle them (i) to the payment, either actually or constructively, of patronage dividends, or (ii) to an equity interest in any of the corporation's assets, or (C) that is otherwise operated for the mutual benefit of persons or classes of persons that deal with it; but such term does not include a mutual insurance company or any corporation exempt under section 101.

"'(2) Net income.—In computing the net income of a cooperative corporation there shall be excluded patronage dividends paid or payable to patrons, but only if—

"'(A) The activities of such corporation during the whole of the taxable year did not extend beyond

"'(i) marketing commodities acquired solely from members, and transactions ordinarily and necessarily incident to such marketing, or (ii) selling goods or commodities to, or performing services for, members, and transactions ordinarily and necessarily incident to such sales or services;

"'(B) The patronage dividends are paid in money exclusively not later than 60 days after the close of the taxable year, and there are no conditions either precedent or subsequent as to the application or use of such money by the members;

"'(C) Such patronage dividends are derived exclusively from marketing commodities acquired from members, or the sale of goods or commodities to, or performance of services for, members, or from transactions ordinarily and necessarily incident to such marketing, sales, or services; and

"'(D) Such patronage dividends are paid to each member solely on the basis of the amount of commodities acquired from such member or the amount of goods or commodities sold to, or services performed for, such member, as the case may be; and are not denied to any member because of the limited extent of his transactions, or conditioned upon his retaining or presenting evidences of his transactions.

"'(3) Gross receipts: The gross receipts from the sales of goods or services used in computing the gross income of a cooperative corporation shall be determined without the exclusion or subtraction of any patronage dividends, paid or payable to patrons.

"'(4) Cost of products bought from producers: In determining the cost to a cooperative corporation of products sold to it by a producer for resale (whether or not in their original form), only amounts other than patronage dividends, paid, or payable to such producer on account of such sales shall be used in computing such cost unless under regulations prescribed by the Commissioner with the approval of the Secretary, the corporation establishes that the application of this paragraph would more clearly reflect income, in which case the prevailing market price on sales of such products by producers, or the amounts, including patronage dividends, paid or payable in money on account of such sales, whichever is the lesser, shall be used in determining the cost to the corporation of such products so sold to it for resale.

"'(5) Patronage dividend: For the purposes of this chapter the term "patronage dividend" means an allocation or a distribution paid or payable (whether or not in money and whether described as a refund, rebate, price adjustment, or payment of a balance due under a marketing agreement) to member patrons or to member and nonmember patrons on some basis related to their sales to or purchases from the corporation during the taxable year, if (A) the allocation or distribution is conditional (i) upon profits or margins being earned by the corporation from all its operations or a class of its operations during its fiscal year, or (ii) upon income attributable to the resale of the producer's product along with products or a class or classes of products of some other producers less any deductions determination of which is within the discretion of the corporation, or (B) the amount of the allocation or distribution can be determined only with reference to the amount of the profits, margins, or income earned, or (C) the amount of the allocation or distribution can be determined only after declaration or payment of dividends on any class of stock of the corporation or only after the fixing of sums to be transferred to capital, reserves, or surplus.

"'(6) Member of cooperative corporation: For the purposes of this chapter, a person shall be considered a member of a cooperative corporation only if such person is entitled to exercise voting rights and meets such requirements for membership as are prescribed by the cooperative.'

"(c) Information returns required of cooperatives: The Internal Revenue Code is amended by inserting between section 148 and 149 a new section as follows:

"'SEC. 148A. Information by cooperatives.

"'(a) Payments of patronage dividends, refunds, or rebates: Every association organized and operated as a cooperative shall, when required by the Commissioner, render a correct return, duly verified under oath, of its payments of patronage dividends, rebates, or refunds, stating the name and address of each member in the association, and the amount of payments paid to each member and patron.

"'(b) Accumulated earnings and profits: When requested by the Commissioner, every association organized and operated as a cooperative shall forward to him a correct statement of accumulated earnings and profits, including patronage dividends, rebates, or refunds allocated to, but not paid in cash to, members and patrons, and the names and addresses of members and patrons who would be entitled to the same if divided or distributed, and the amounts that would be payable to each.'

"(d) Taxable years to which applicable: The amendments and repeals made by this section shall be applicable only with respect to taxable years beginning after June 30, 1950."

ORDER FOR CONSIDERATION OF CONFERENCE REPORT ON APPROPRIATION BILL ON MONDAY

Mr. MORSE obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. MORSE. I yield.

Mr. WHERRY. May I ask the chairman of the Appropriations Committee, the Senator from Tennessee [Mr. McKELLAR], when he intends to bring up the conference report on the omnibus appropriation bill?

Mr. McKELLAR. Mr. President, it is a privileged matter. If there is no objection, I see no reason why we cannot bring it up right away.

Mr. WHERRY. I would appreciate it if it were brought up on Monday. There are several Senators whom I should like to see on the floor when the report is brought up for consideration.

Mr. McKELLAR. Mr. President, I ask the Senator from Georgia if he is willing to agree that we take up the conference report on the appropriation bill on Monday. I think consideration of it will require only a few moments. I have been assured by the leaders that it will take only a short time. If it takes any considerable amount of time, we can defer action on it.

Mr. GEORGE. Mr. President, it is a privileged matter.

Mr. McKELLAR. Yes.

Mr. GEORGE. Why can we not act upon it now?

Mr. WHERRY. Mr. President, it would be perfectly agreeable to the junior Senator from Nebraska to have the Senate act upon it now; but, several Senators are not now on the Senate floor who should be here when discussion is had of the report. I am not sure that they can be brought back to the floor so late in a Friday session. While I am in total agreement with the distinguished chairman of the Appropriations Committee that consideration of the report will not take much time, I believe we should defer action until Monday, unless the Senator should wish to ask for a quorum call and get the absent Senators back to the Chamber.

Mr. GEORGE. No, Mr. President, I would not ask for a quorum call this late in the afternoon.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Tennessee?

Mr. MORSE. I yield.

Mr. McKELLAR. As the Senator knows, there are 11 chapters to the bill. There were subcommittees which dealt with each chapter, and the chairmen of those subcommittees ought to be present. I think they should be notified before we proceed to consider the report. In my judgment it will be impossible to notify all of them so they can be here this afternoon.

Mr. GEORGE. I am merely apprehensive that we may get into a long discussion of the budget on Monday.

Mr. McKELLAR. I hope not.

Mr. GEORGE. But, of course, the conference report is a privileged matter, and I shall yield to the Senator from Tennessee to bring it up.

Mr. McKELLAR. That is very kind of the Senator. I appreciate it very much.

Mr. President, I ask unanimous consent that when the Senate meets on Monday the unfinished business be temporarily laid aside, and that the Senate proceed to consideration of the conference report on the omnibus appropriation bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INVESTIGATION OF FEDERAL JUDICIARY

Mr. LANGER. Mr. President, I am submitting a concurrent resolution providing that there be a thorough investigation of the entire Federal judiciary. If the facts in the Bridges case are as they have been stated to me, Judges William Orr and William Healy should be impeached and thrown out of office. If, on the other hand, the facts are otherwise, those judges should be retained. During the last 18 years there have been appointed too many judges who have simply been politicians, some of them utterly devoid of the attributes of a good, fair, honest judge. Some of them were members of subversive organizations before they were appointed. Others have simply been political hacks with enough influence to be appointed and confirmed. Certainly all of us are fa-

miliar with one case, argued upon this floor, which stinks to high heaven. Also, we should find out whether judges who are not even citizens of the United States have been appointed. If there are any judges who, while our boys are dying on the field of battle, to protect the skins of all our people, are sympathizers with Russian communism, the quicker this committee, to be composed of representatives of the House and Senate, finds that out and the quicker steps are taken to impeach and get rid of all judges of that sort, the better.

I hope, Mr. President, that we may have prompt action on this concurrent resolution, and that sufficient money be given to the committee so that a fair, honest, impartial, and thorough investigation can be made immediately, because I believe that the people of the United States are entitled to have on the bench good, fair, honest, capable judges who believe in the American system of government.

The concurrent resolution (S. Con. Res. 103), submitted by Mr. LANGER, was received and referred to the Committee on the Judiciary, as follows:

Resolved by the Senate (the House of Representatives concurring), That a joint committee of six be appointed, three by the chairman of the Judiciary Committee of the Senate and three by the chairman of the Judiciary Committee of the House, to make a thorough investigation of the entire Federal judiciary with a view to ascertaining whether any of the Federal judges are Communists, sympathizers of Russian communism, believers in Marxism system of government, members of subversive organizations, whether they are real Americans and citizens of the United States, and still fit, because of age or otherwise, to properly conduct their duties as Federal judges of the United States Government, with full authority to recommend impeachment.

Mr. LANGER. Mr. President, I now call attention to an article entitled "Court Rules 2 to 1—Bridges Free—Prosecutor Says 'God Help America'—Will Quit." The article appears on the front page of today's issue of the Washington Post. I ask unanimous consent that the article be printed at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRIDGES FREE—PROSECUTOR SAYS "GOD HELP AMERICA"—WILL QUIT

SAN FRANCISCO, August 24.—CIO Longshore Leader Harry Bridges today was ordered freed in $25,000 bail pending his appeal on a perjury conviction, and in Washington the Government's special prosecutor who had handled the Bridges' case, F. Joseph Donohue, announced he would resign Friday.

He would not amplify his remarks except to say:

"God help America."

The $25,000 bail was the amount Australia-born Bridges had furnished while awaiting decision on his appeal from a Federal Court conviction and sentence of 5 years' imprisonment on August 5.

He was convicted in April of perjury and conspiracy to defraud at the time he obtained his United States citizenship in 1945. A jury found he lied when he swore he was not a member of the Communist Party.

Bridges will be freed after papers in the case are signed at 10 a. m. Friday.

In a 2 to 1 ruling the Court of Appeals held that the Government's effort to jail Bridges was "novel and startling."

Voting for Bridges' release on bail were Judges William E. Orr and William Healy. Judge Clifton Mathews dissented.

"It is our purpose neither to minimize, on the one hand, nor to exaggerate, on the other, the possible implications of Bridges' utterances as disclosed in the Government showing," the majority opinion said.

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a marked portion of page 19 of the hearings before the Committee on the Judiciary, on September 27, 1949, on the nomination of Judge Minton.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

From 1900 to 1909 there were seven Republicans and two Democrats on the Supreme Court. From 1910 to 1916 there were six Republicans and three Democrats. From 1917 to 1921 there were five Republicans and four Democrats. From 1922 to 1932 there were six Republicans and three Democrats. From 1933 to 1937 there were five Republicans and four Democrats. In 1938 there were four Republicans and five Democrats. In 1939 and 1940 there were three Republicans and six Democrats. From 1941 to 1946 there were two Republicans and seven Democrats, and for the last 3 years there has been one Republican and eight Democrats. That just shows that we are losing the equitable balance by continually receiving what somebody has termed "appointment of government by cronies."

Senator FERGUSON. The last three appointments were all Democrats.

Senator JENNER. And the picture is much worse than that. That is referring only to the Supreme Court. When you get into the breakdown of actual judges, Mr. Truman has carried on the Roosevelt tradition of appointing political partisans to the bench, and of the 192 Federal judges appointed since 1933, up to date, 184 of the 192 have been Democrats, and only 8 Republicans.

PROTECTION OF INTERNAL SECURITY OF THE UNITED STATES—PERMISSION TO SUBMIT MINORITY VIEWS DURING RECESS

Mr. KILGORE. Mr. President, will the Senator from Oregon yield to me for a moment?

Mr. MORSE. I yield.

Mr. KILGORE. Mr. President, I ask unanimous consent for permission for myself and some of my colleagues to file with the clerk of the Senate minority views on the so-called McCarran bill, Senate bill 4037, to protect the internal security of the United States, and for other purposes. It is the so-called anti-Communist bill, which now is on the Senate Calendar.

The reason for making this request is in order that the minority views may be submitted and printed. The delay in submitting them arises from the fact that we were unable to obtain the majority report on the bill until so late that we shall not be able to complete the minority views until tomorrow.

Therefore, I ask unanimous consent that the minority views may be filed tomorrow, during the recess of the Senate, if the Senate is not in session at that time, in order that the minority views may be printed.

The PRESIDING OFFICER. Without objection, consent is granted.

THE RAILROAD STRIKE

Mr. MORSE. Mr. President, I wish to make a few remarks in reference to the pending railway case.

As the Senate knows, the press ticker has informed us this afternoon that the President of the United States has issued an order seizing the railroads of the country at 5 p. m. next Sunday and placing their operation, or token operation, under the Army.

I think the action of the President is a great mistake and an unfortunate precedent to establish in this national emergency. I do not think it should have occurred until all other possible procedures for settlement of the case had been completely exhausted. I most respectfully say that I do not think all possible procedures had been exhausted.

I happen to be one who believes that labor disputes should be kept away from the White House if there is any possible way of doing so. I think labor disputes in this country should be settled by procedures and machinery outside of the White House except in those rare instances when no other course is available. However, judging from the past experience we have had I recognize that there are rare emergency occasions when it becomes necessary for the President of the United States to take jurisdiction of the case. Nevertheless, when that is done, I think it is very important that before the President takes any so-called enforcement action in respect to the dispute—and seizure is that kind of action—the White House should hand down a decision in accordance with what it thinks a fair settlement of the dispute should be. I think the American people are entitled to know that. I think the American people are entitled to know the facts about any labor dispute which results in action as drastic and significant as is the action taken today by the President of the United States in the railway case.

Furthermore, Mr. President, I think it is very important that labor and industry recognize that whenever a case goes to the White House it is to be expected that the White House will finally render on that case a decision in behalf of the American people. Under such circumstances it is to be expected that the White House will make clear to both sides to the dispute that their failure to settle the case by the peaceful procedures which are available to them is not going to stop their Government at the executive level from calling upon them, as the last step in the case, to abide by a fair decision in respect to the issues.

That has not been done in this case, Mr. President, and that is why I think the order of seizure is a very bad precedent.

Let us consider some of the steps in this case. I shall not pass judgment on the merits of the respective positions of the parties on the various issues, because I have not studied the record. Nevertheless, all of us are familiar with some of the steps of procedure which have been followed in this case. We

know that the dispute is of many months' standing—in fact, some 17 months. We know that it involves wages and conditions of employment. We know that an emergency board's report was handed down on those issues; and we know that the brotherhoods—for their own reasons, and I am not going to pass judgment on the propriety of their reasons—refused to accept the recommendations of the Emergency Board. They had a right, under the law, to refuse to accept those recommendations; and that refusal on their part came prior to the Korean war.

Under the Railway Labor Act they were entitled to 30 days for further negotiations, after their refusal to accept the recommendations of the Emergency Board. The history of the Railway Labor Act, its spirit and intent—yes, its very language—leaves no room for doubt that it was planned under that act that if during the so-called cooling-off period of 30 days following the issuance of an Emergency Board's report the parties could not negotiate a settlement between them, either side would then be free to resort to economic action by way either of a strike or a lock-out.

In this case, the brotherhoods made perfectly clear that they would not accept those recommendations. Again I am not going to render a judgment here this afternoon on the wisdom of their decision. I only wish to point out that they had the right to reach that conclusion if they wanted to. They would have had a right to strike under the Railway Labor Act. Then a new condition developed which did not exist during the 17 months of negotiations on this case. It was a condition which was not in the picture when the Emergency Board held its hearings and made its recommendations. That new condition was the outbreak of the Korean war. In my judgment, Mr. President, that changed things materially. It placed new obligations, I think, on both parties to the dispute. Those obligations are great moral obligations, great patriotic obligations. I think as the result of the outbreak of the Korean war both sides owed a duty to the American people to reach a settlement by way of the peaceful procedures of mediation and conciliation. They did not do it. A strike was threatened, and then the brotherhoods—and I want to be very careful to understate this situation, but by way of that understatement, nevertheless, to report it accurately—I think it is an understatement to say that at that point the brotherhoods sent to the President of the United States a telegram which made very clear that if the case were not settled on a basis which they considered to be fair, and if the President of the United States did not order the railroads seized by the Government, they would call a strike. I think, by way of interpretation of their message to the White House it is fair to say that they had the right to send the message. As one who has been involved in a great many labor disputes, I think I can understand their attitude. But the next step in the procedure of this case is of great importance in the analysis I want to present to the Senate this afternoon in support of my contention that a great mistake was made in ordering a seizing of the railroads this afternoon, or in ordering that they be seized on Sunday.

I think the record will show that, upon receiving that telegram, the President, although he did not communicate directly with the presidents of the two brotherhoods concerned, turned the telegram over to one of his very able assistants at the White House, Mr. John R. Steelman, former Director of the United States Conciliation Service. He apparently instructed Mr. Steelman to proceed with negotiations and mediation hearings with the brotherhoods and the carriers. By the issuance of that order to Mr. Steelman the White House took jurisdiction of the case. It is not the first time that the White House has taken jurisdiction of great labor cases in this country. The present occupant of the chair, the Senator from North Carolina [Mr. GRAHAM], who, as a member of the War Labor Board, served with me on a great many cases during the late war, knows that, in all those cases during the war, when the White House took jurisdiction it also ultimately rendered a decision on the case. It rendered a decision whether that decision was through a decision of the War Labor Board itself, or a subsequent decision of the President of the United States, himself.

As I intimated on the floor of the Senate yesterday, we had, in 1941, immediately preceding the Pearl Harbor attack, a great railway case similar in many respects to the dispute which is now before the country in this railway case. In that case, too, the brotherhoods refused to accept the recommendations contained in the Emergency Board report, and, after the refusal to accept and after the lapse of a certain length of time, the White House took jurisdiction of the case.

In that case, too, there were various statements made by some of the union leaders as to what would happen if certain things were not done by the Government. Interestingly enough, in that case, too, the representatives of some of the brotherhoods wanted the Government to seize and operate the railroads. In fact, as I recall, the leader of one of the brotherhoods in that case went so far as to suggest that probably, in view of what he considered to be the very unfair attitude of the carriers, the railroads ought to be nationalized by the Government. But when the President of the United States took jurisdiction of that case at the White House level, we went through to a decision. That is highly important. I want to make this point of procedure as clear as I can, because, if we should let the precedent in the instant case become a pattern, I do not know where it would stop.

In the 1941 case we reached the point in mediation where some of the representatives of the Brotherhoods said they were going to walk out of the case. They said that about 3 o'clock in the morning. But the President of the United States was apprised of that situation at 3 o'clock in the morning and was apprised, also, of what his mediators thought a fair settlement of that case would be. He agreed that the proposed settlement of the mediation should be announced to the parties to that case as the White House settlement of the case, and that they be called upon, in the name of the President of the United States, to accept that settlement as their clear patriotic duty in the emergency situation which then confronted us, which was a short time before Pearl Harbor.

What happened? The thing happened that will usually happen. The thing happened which the present Presiding Officer of the Senate saw happen many times during World War II, when the White House either supported a decision of the War Labor Board or issued certain orders in connection with the decision of the Board. Knowing the support of public opinion that would fall quickly behind the White House position, the parties usually accepted the decision.

In this case, Mr. President, I think if there had been a position taken by the White House by way of a notification to the American people as to what the White House considered to be a fair settlement of these issues for the duration of the emergency, both sides would have had to accept it. I am very sorry, Mr. President, that such a decision was not handed down by the White House, because I think the White House was in a position to tell the American people what would have been a fair mediation settlement on the issues.

I think if that had been done, Mr. President, neither the brotherhoods nor the carriers would have dared to resist an acceptance of such a fair decision. As I stated yesterday on the floor of the Senate, I would have supported it, as I think every Member of the Congress would have supported it, irrespective of whether it was the same decision we individually would have rendered if it had been our responsibility to determine the merits of the case.

The dispute is not settled by the seizure order. The controversy will go on behind the scenes. This kind of a settlement is not going to be helpful to morale within the industry. It is going to be causative of bitterness and resentment. It is going to be misunderstood throughout the country, and it runs the danger, Mr. President, of encouraging this kind of a method of settling management-labor disputes in this country. It is a great mistake.

I think that what should have been done is to have said to the carriers and brotherhoods, "If you cannot settle the issues of this dispute between yourselves, and because of the importance of the full operation of the railroads to the war effort, after hearing the pros and cons of your respective positions on the issues, the White House now offers you this series of proposals for the settlement of this case."

That would have put them on the spot. That would have tested, in my judgment, the good faith of both sides to the dispute. Instead of that, what do we have? There is no settlement of the issues. The Government coming in and taking over the railroads, even though it is a token seizure, settles nothing. I think it is a poor example to set to the world. I believe the labor case has yet to exist in

time of emergency in this country that cannot be settled by bringing the force of public opinion to bear upon a fair decision on the merits of the case. This Government of ours has too much important work to do in prosecuting the war effort to have anyone down at the Pentagon Building spending a single hour in connection with the seizure of America's railroads. Even if we make it a paper seizure, we cannot go through this kind of a seizure without taking a great deal of time at the Pentagon Building. We cannot go through it without involving a great many financial considerations, also. This kind of Government operation costs money, and it raises a great many intricate and complex legal problems which will remain in the courts for months or for years. I just do not think it was necessary to take the step that was taken this afternoon. At least, I am satisfied that the White House did not exhaust all the procedures it should have exhausted before it seized the railroads.

I do not know to what extent the President's decision to seize the railroads resulted from a mistaken impression that he apparently formed yesterday, if one is to judge from the newspaper reports of his press conference yesterday, namely, that some pledge had been broken on the part of the brotherhoods, some pledge which had been given to the White House. As I read the newspapers, it appears that the President was under the impression that the brotherhoods had made a pledge to Mr. Steelman that they were not going to extend the strike. I was not there, Mr. President, and I cannot say for a certainty that what I now report is a completely accurate statement, but I think that what I now report should be in the RECORD, nevertheless.

I was advised this morning that no such pledge was ever made to Mr. Steelman. I was advised this morning that if the Committee on Labor and Public Welfare would call in the representatives of the Railway Mediation Board who were present at the mediation conferences at which this pledge is supposed to have been made, they would testify that they heard no such pledge. I am advised that if the Committee on Labor and Public Welfare, or at least its subcommittee which has been established for the purpose of looking into labor dispute problems that exist in the country at this critical time, would proceed to find out the facts about the negotiations connected with this railway labor dispute, it would be found that no such pledge was made. It is difficult for me to believe that the presidents of the two brotherhoods, Mr. W. P. Kennedy and Mr. R. O. Hughes, would send to the President of the United States the telegram which they sent to him today if, in fact, they had made any such pledge to Mr. Steelman.

That telegram reads:

WASHINGTON, D. C., *August 25, 1950.*

The PRESIDENT,
The White House,
Washington, D. C.:

We wish to personally advise you that at the concluding conference presided over by Dr. Steelman in the east wing of the White House on Wednesday, August 23, 1950, no mention whatever was made regarding the calling of any Nation-wide strike, and therefore any statement to the effect that we had broken our pledge is 100 percent false.

Respectfully,

W. P. KENNEDY,
President, Brotherhood of Railroad Trainmen.

R. O. HUGHES,
President, Order of Railway Conductors.

I have been in enough of such very difficult and sometimes heated negotiations in labor disputes to know how easy it is for misunderstandings to develop. I want to say that I am satisfied that if Mr. Steelman made a report to the effect that he thought a pledge had been made, that is exactly what he did think. I have worked closely enough with Mr. Steelman over the years to know that he would not report to the President of the United States that something was a fact when he in fact did not believe it to be a fact. However, I think that the difference of opinion as to what actually did occur in the mediation negotiations provided all the more reason for trying to get the case settled short of seizure. The brotherhoods may think they won a great victory by the order of seizure. I think everyone lost by it. I think the greatest loss, Mr. President, was that the case represents in one sense a breakdown in a very precious thing in America, namely, the use of voluntary procedures for settling the differences among men in a labor case. To think, Mr. President, that men involved in a labor dispute cannot get the case settled short of placing the American flag on every train in America and over every station in America is a very sad thing. It is the implications of this case that must not be overlooked. I think it is very unfortunate that the presidents of the great railways of America were not down here in Washington, not only today but for many past days, trying to reach with Mr. Steelman and with the presidents of these brotherhoods some reasonable settlement of these issues. When I say that I mean no disrespect to the negotiating committee of the carriers, but I do know, Mr. President, the presidents of the railroads had an obligation, too, of exhausting every possible procedure in getting this case settled short of seizure. I do not think it is in their interest to have the railroads seized. I do not think it is in the interests of the brotherhoods to have the railroads seized, although they may think it is. They are dead wrong about it. I am perfectly satisfied that it is not in the interest of the American people to have them seized. I believe that if the President of the United States had all the facts he would have acted differently. I say that because I am satisfied that President Truman always wants to be fair in controversies. I think it is too bad, before the railroads were ordered to be seized beginning on Sunday, that the President did not use the great prestige of his office to call in both the negotiating committees for the carriers and the presidents of the railroads, and the presidents of the brotherhoods, and talk very frankly to them about the great mistake they were making in not entering into whatever conscionable compromises were necessary to settle this case short of seizure.

Let it be clearly understood that I make no personal criticism of the President. I am simply talking about the procedure that I think ought to have been followed in this case in order to get it settled short of seizure, a procedure which I am convinced would have settled it short of seizure.

Mr. President, when negotiations are had at the White House level, even though the negotiations are being carried on by a representative of the President of the United States, in the heat of negotiations within a labor mediation room—and I think the present Presiding Officer will agree with me that it can get very hot in those rooms from the standpoint of the temperature of tempers—that the representative of the President himself sometimes needs the backing of the Commander in Chief in person. If the White House takes jurisdiction over a case, I think if necessary it should use the full prestige of the White House in the form of a personal request on the part of the President, if necessary, for a settlement of the case, or the White House should not take jurisdiction in the first instance. I feel that the fairness of Harry Truman and the sincerity of Harry Truman, if brought to bear on these disputants directly in support of what he believed to be a fair settlement of the case, would have made it very difficult for them as disputants to have refused to accept that settlement. It would have made it very difficult for them to have said to the President of the United States, in view of the great emergency which confronts the people of America, "No, Mr. President, we won't take that settlement. We are going to strike unless you seize the railroads." I am sorry he did not have a personal conference with the parties to this dispute.

Mr. President, perhaps out of this case we can learn a lesson, because I always like to take every disappointment or every loss and try to find some good in it, and try to find something from that experience that will help us in some future experience to avoid the mistakes of the past. I am so worried tonight that there may be those in the country on both sides of the collective bargaining table who may think they have something to gain from a repetition of this precedent.

I am so worried about that possibility that I sincerely hope that in the immediate future there will be called in this country a labor-management conference, and that the President of the United States will call upon that conference to enter into a no strike, no lockout pledge, as was done prior to the setting up of the War Labor Board in the Second World War. In return for that pledge it should be understood that the President will set up a new agency corresponding in jurisdiction to the War Labor Board of World War II, to settle labor disputes during the crisis in which we now find ourselves.

Mr. President, the present presiding officer has heard me say so many times in the midst of very difficult labor disputes

during World War II that I happened to be one who believes that when American boys were dying in defense of their country no union has the right to strike. The right to strike is, after all, a relative right, not an absolute one. Like so many of our rights, it is relative in terms of the facts and circumstances and conditions which exist at any given time.

We just cannot have strikes these days interfering with our present war effort. I am one who believes that this is not a minor war. It certainly is not a minor war or police action to the boys who are out in Korea today. I think it has all the potentialities of developing into a major war if we continue to give Russia evidence of any weakness on our part in the handling of our own domestic economic affairs. If our economy starts breaking at the seams, either as a result of direct economic action on the part of labor or employers or both, who can say that such conduct might not be the straw that breaks the camel's back, as it is said, insofar as causing the Communists to feel that we do not have the unity necessary to stop their aggressive conduct?

I hasten to add, Mr. President, that labor in turn is entitled to a fair procedure for the settlement of their disputes with employers on the basis of the merits of those disputes, keeping in mind, of course, the extraordinary conditions created by the war itself.

The Presiding Officer and I certainly know that there were a great many instances during World War II when employers hid behind the war effort itself in their attempts to weaken or break the ranks of organized labor in their factories and plants, thinking that of course behind the so-called patriotic shield, workers would not be successful in demanding of the employers fair treatment on wages, hours, and conditions of employment.

The Presiding Officer knows that whenever we ran into such a case as that we did not hesitate to disclose the facts to the public, and the disclosure of the facts was about all that was needed to cause most of those employers to accept a very quick decision from the Board.

I am worried, too, Mr. President, about this seizure pattern, because I think an analysis of the seizure cases will show that financially industry does not lose by seizure. In fact, I am afraid it is true that an analysis of the seizure cases during World War II will show that in most instances the employers were better off financially as a result of seizure than they would have been if there had been no seizure at all.

There were times when we became suspicious that some labor disputes were intentionally developed by an employer in order to provoke the union into unwise action which would lead to seizure because the employer figured he would come out better with seizure than without it. That seems difficult to believe, Mr. President, but unless Members of the Senate went through some of the cases we went through, I can understand how they might not understand that employer attitude.

I just think that seizure is so dangerous, I think it is so undesirable, I think it is so pregnant with great negative potentialities so far as sound industrial relations in this country are concerned, that I do not think it should ever be used unless a situation is so completely beyond solution that the safety, the welfare, and the security of our Nation demand that kind of drastic action.

I am so far from being convinced that the railway case pending today is such a case that I wanted to make these comments this afternoon, registering my regret that seizure was resorted to at least so quickly after the White House received the telegram from the brotherhoods that they were going to extend the strike on Monday into a Nation-wide railway strike. I think it was a mistake, particularly in view of the fact that the first telegram from the brotherhoods was one which, in fact, asked for seizure.

I feel that the American people were entitled to receive from the White House, prior to any seizure, a report on the merits of the issues in the form of the conclusions of the White House as to what would be a fair settlement of the case. I think the American people were then entitled, after the White House reached those conclusions, to have the White House say to the parties: "We now call upon you to perform the patriotic duty of accepting those recommendations in the interest of keeping the railroads running under private enterprise and not under Government seizure."

Mr. President, I am sure there is not a Member of this body who does not know my attitude toward the use of the injunction. I have always said that when the parties have been given their hearing, and a fair one, when they have had an opportunity to present their evidence and a fair decision is then rendered on the merits of the case, at that point I think it is perfectly proper in great emergency cases, if we are going to maintain Government by law in this country, then to say to the courts of America: "Take a look at this case, and if you agree with our petition and prayer for an injunction, we pray that an injunction issue."

I would much have preferred to have had that course of action followed today than the seizure course of action, because I think that course of action would have been in keeping with a procedure that we must never sacrifice in this country, namely, a procedure of giving the parties an opportunity to exercise a voluntary judgment by deciding for themselves whether or not they are willing to abide by a fair decision on its merits.

This case has got to be settled sometime, Mr. President, on its merits. I happen to believe that today was the time it ought to have been settled. The parties have demonstrated their lack of ability to settle it in negotiations. The White House should have issued a decision on the merits before issuing its seizure order.

Every Member of the Senate also knows that I am one who believes that seizure procedure should be a matter of last resort. I do not agree with an argument made on the floor of the Senate yesterday afternoon by my good friend, the Senator from Florida [Mr. HOLLAND] that some further legislative action needs to be taken before an injunction in a case such as this could be sought. Mr. President, I think the power under which the President ordered a seizure of the railroads included also within it the power to seek an injunction. But there should have been no exercise—and may I emphasize this—there should have been no exercise of the power to seek an injunction until after a decision on the merits was issued by the White House. I think it should have rendered a decision on the merits of this case, having taken jurisdiction over the case.

Mr. President, I wanted to say these things this afternoon, because I do not think that the action which has been taken in this case settles very much. I happen to be one who believes that the heads of the railroads and the heads of the brotherhoods in the not too distant future will be more inclined to agree with the suggestions made by the junior Senator from Oregon this afternoon, than I am sure they will agree with them when they first hear about them.

I have seen men in labor disputes many times, after they have relaxed and reflected, finally come to recognize that it would have been much better for them to have accepted a fair compromise proposal handed down by some mediator, or if it is a case that gets to the White House, by the President of the United States, than to force seizure by the Government.

I suppose it is true that the President's order having been issued, there is not much hope of any change in the strategy now, but it is still quite a long time between now and Sunday. You and I, Mr. President, have seen a lot of very tough cases—and I think tougher than this one—settled in a period of time much shorter in duration than the time available to these parties before the seizure of the railroads on Sunday.

I think it is fair and proper to say from my desk in the Senate this afternoon to these parties: "Why do you not come to your senses? Why do you not see that you are putting on a very undesirable demonstration by refusing to give and take in connection with your differences of opinion over these issues? Why do you not sit down now on the basis of the various proposals that I am sure must at least have been suggested to you in the many days of mediation with Mr. Steelman, and rise to the heights of industrial statesmanship that I think you owe to the American people, and announce before Sunday that you have had enough of quarreling among yourselves? Why do you not reach a settlement of these issues which will make it unnecessary to put your Government to all the trouble and the expense of seizing railroads on Sunday?"

I make that plea to them, no matter how irritated it may make some of

them, and I have close friends on both the carrier and the brotherhood sides. But I say to my friends among the railway presidents of this country: "Stop standing on form. Get yourselves down here and dig into the substance of this dispute. Doing so will not be throwing overboard your negotiating committee. Doing so will be cooperating with your negotiating committee. In the last analysis it is true that as presidents of these roads you have the final responsibility and obligation connected with this dispute. Get yourselves into the negotiations on this dispute and in the hours between now and Sunday see whether or not you cannot reach a conscionable common ground of agreement on which you can settle these issues with the presidents of the brotherhoods."

To the presidents of the brotherhoods, let me issue this plea this afternoon:

"Whatever victory you think you have won by this seizure order, it is going to be an empty victory, because there is no substance to it. Demonstrate to the American people that you are great industrial statesmen, too, and that you are willing to sit down on Saturday with the representatives of the carriers and in good faith work out conscionable compromises of your differences, because, after all, your country has the right to expect no less from you, and you have the duty of performing such an act of industrial statesmanship."

Mr. President, I sincerely hope that the following will be the news which we shall read on Sunday morning about this case—news that the parties to the dispute themselves settled this case on Saturday prior to any seizure.

Mr. DONNELL. Mr. President, it has been announced that the President will seize the railroads at 5 o'clock Sunday afternoon. I shall not now discuss the merits or demerits of that procedure.

I hope the action of the President will result in cancellation of the strike call.

It had been my plan to seek to take up this afternoon, in the Senate, Senate bill 3463, which would make unlawful any strike, or any lock-out by a carrier, arising out of or in connection with any dispute falling within the purview of the Railway Labor Act.

In the hope that the President's action will result in cancellation of the strike call, I have concluded not to ask the Senate to take up my bill today. I shall await the outcome of the seizure and the strike before determining the time when I shall seek to have the Senate make my bill the order of business.

The seizure does not, however, decrease in the slightest the importance of enactment by Congress of a bill to make unlawful such strikes and lock-outs.

Mr. President, I cannot quote precisely the remarks which have been made in the Senate this afternoon by the distinguished Senator from Oregon [Mr. MORSE], but I understood him to refer to his preference of a remedy—which I know he does not favor, and which on numerous occasions he has indicated very frankly and fully he does not favor—namely, the remedy of injunction—to that of seizure. He referred to the opportunity to present evidence and the making of the decision, and he mentioned the examination of the evidence by the court. I understood him to mean, thereby, that under those circumstances he would look more favorably on having a court consider an application for an injunction than on the method of seizure.

Mr. President, without undertaking to enter upon a discussion at this late hour this afternoon, let me say that Senate bill 3463, as I see it, carries out the idea of giving both sides to labor disputes which come within the purview of the Railway Labor Act an opportunity to present evidence, to have it heard, and to have a decision made. That bill does not provide for seizure, but provides for enforcement by injunction rendered by the court, as set forth in the forth paragraph of the new section 10–A, of the Railway Labor Act, contained in that bill.

COMMUNISTS IN THE DEMOCRATIC PARTY IN HAWAII

Mr. BUTLER. Mr. President, during the last few weeks we have heard the claim made that the Democratic Party in Hawaii has been cleaning itself up and getting rid of its officials who are Communists. It is claimed, for example, that the party in Hawaii is requiring members of its central committee and all of its officials to take non-Communist oaths.

I hold in my hand, Mr. President, an editorial from the Honolulu Advertiser of August 5, 1950, which I ask leave to insert in the RECORD at the conclusion of my statement. It shows clearly just how little those so-called non-Communist oaths amount to.

Apparently they are simple affidavits, made without even any authentication by a notary public. Many of these men have refused to answer the questions of the House Un-American Activities Subcommittee, and have since been cited for contempt by the House of Representatives. They can hardly expect to have anyone pay much attention to an unsworn affidavit.

If the Democratic Party in Hawaii really desires to clear itself of the charge of Communist domination, it should, at the very least, require these men to take a real non-Communist oath under penalty for false swearing.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Honolulu Advertiser for August 5, 1950]

MEANINGLESS AFFIDAVITS

Witnesses who refused to aid the Walter congressional committee in its inquiry into communism in Hawaii are making affidavits now that they are not Communists. These oaths are filed with the faction of the Democratic Party that refused to unseat them as delegates to that party's territorial convention when other Democrats demanded that this be done.

The current affidavits are meaningless. They do not absolve the signers from the charges of contempt of Congress that are raised against them, nor do they have any standing in any court. There is no legal penalty for swearing falsely to an affidavit in these circumstances. Any Communist could sign such an oath without fear of prosecution.

There is no doubt in the public's mind that some of the witnesses who refused to aid in the investigation of communism here are not Communists. They were the victims of bad advice from their lawyer. But they are in bad company and any unofficial oaths they may take now will not clear their record.

If they are not Communists and are not sympathetic with the Communist conspiracy, their best course would be to step quietly out of politics for the time being. When they have shown their American loyalty in their conduct in private capacities it will be time enough for them to aspire to represent their neighbors and fellow citizens in political activity.

HARRY BRIDGES

Mr. BUTLER. Mr. President, in connection with the incident of the day, which has been reported in the press—I refer to the court order permitting Harry Bridges to leave jail, on bail—I ask unanimous consent to have inserted at this point in the RECORD an editorial entitled "Water on Both Shoulders," appearing in the Honolulu Advertiser of August 23.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Honolulu Advertiser of August 23, 1950]

WATER ON BOTH SHOULDERS

Action of ILWU delegates at their North Bend, Oreg., meeting in declaring against Harry Bridges policies and at the same time pledging fealty to Bridges himself is not encouraging. It smacks too much of politics; of carrying water on both shoulders. It is an admission, of course, that public opinion will not tolerate continued defiance of American welfare.

Bridges is in jail as an opponent of this country's war in Korea. Federal courts have held that his attitude is such that he cannot be allowed the privilege of liberty on bail.

Now comes the ILWU and gives its all-out pledge that it will support the country's efforts in war and that it will have nothing to do with the Communist World Maritime Federation of which Bridges is an honorary president. But it will stick by Bridges, who is convicted of perjury for swearing he was not himself a Communist.

Thus the union places itself in the position of facing two ways at once. Perhaps it thinks that by doing so it can appease the CIO, which has threatened to kick it out. Perhaps it regards its pledges at North Bend in the same light that island ILWU leaders look upon their contracts with sugar and pineapple companies; as scraps of paper to be ignored whenever they want to go on a quickie strike.

Whatever the delegates at North Bend intended, their position will remain under suspicion by the public as long as they wear the Bridges' halter.

Mr. BUTLER. Mr. President, also in connection with the incident of the day, which I have already mentioned, I ask unanimous consent to have printed in the RECORD a short newspaper article announcing that Mr. Bridges has been permitted to leave jail on bail. The article was published in the Washington Daily News for today.

I read the following from the conclusion of the article:

In a minority opinion, Presiding Judge Clinton Mathews said Judge Harris had used

his discretion "wisely and properly" in revoking bail. He said the Government was not indulging in "fanciful ideas" when it suggested that Bridges and his longshore union could paralyze west coast shipping.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of August 25, 1950]

DONOHUE TO QUIT—BRIDGES WINS BAIL, LEAVES JAIL TODAY

SAN FRANCISCO, August 25.—Harry Bridges gets out of jail today but not as a free man. A United States appeals court ordered the west coast longshore leader released on $25,000 bail, finding he had committed no recognizable crime since his perjury-conspiracy conviction earlier this year.

Bridges is awaiting ruling of a higher court on that conviction. If it is upheld, he will have to serve a 5-year sentence on charges that he swore falsely he was not a Communist when he became a United States citizen in 1945. Two union aides, J. R. Robertson and Henry Schmidt, were convicted with him.

The appellate court's 2-to-1 ruling was handed down yesterday. Bridges, however, had to spend the night in jail while a Federal court completed legal technicalities.

In Washington, F. Joseph Donohue, who prosecuted Bridges and argued the Government's case for revoking his bail, announced he will resign. He refused to comment on the appeals court decision until his resignation is accepted.

BAIL REVOKED

Bridges' bail was revoked 3 weeks ago by Federal Judge George B. Harris, who ruled the longshore leader's policies on Korea and on waterfront security checks "menaced" national security. Judge Harris called Bridges a "potent Communist."

But Appeals Court Judges William E. Orr and William Healy found the Government's effort to jail Bridges "novel and startling."

"We are obliged to point out that there is no showing that Bridges has committed any recognizable crime or that he has himself counseled or advocated sabotage or sought to foment strikes or to establish picket lines on the waterfront," they said.

The court found further that there was a "substantial question of law" involved in Bridges' indictment and conviction, and for this reason he must be released.

COURT WARNING

The court also warned there was a danger that the courts might be used as the instrument "military expediency" during wartime.

In the minority opinion, Presiding Judge Clinton Matthews said Judge Harris had used his discretion "wisely and properly" in revoking bail. He said the Government was not indulging in "fanciful ideas" when it suggested that Bridges and his longshore union could paralyze west coast shipping.

ESTABLISHMENT OF UNITED NATIONS POLICE AUTHORITY AND INTERNATIONAL CONTINGENT

Mr. SPARKMAN. Mr. President, out of order, I ask unanimous consent to submit a Senate concurrent resolution, for appropriate reference. Mr. President, the concurrent resolution is submitted on behalf of myself and 20 other Senators, as follows:

The Senator from Vermont [Mr. AIKEN], the Senator from Ohio [Mr. BRICKER], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DOUGLAS], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. HOEY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from New York [Mr. LEHMAN], the Senator from Oregon [Mr. MORSE], the Senator from South Dakota [Mr. MUNDT], the Senator from Maryland [Mr. O'CONOR], the Senator from Virginia [Mr. ROBERTSON], the Senator from Maine [Mrs. SMITH], and the Senator from Mississippi [Mr. STENNIS].

I may say that there may be other Senators who will be interested in sponsoring the resolution, for we have not made a great effort to obtain additional sponsors. If any other Senators care to have their names added as sponsors of the concurrent resolution, of course it will be a pleasure to do so.

Mr. President, it is my understanding that, likewise today, there has been submitted in the House of Representatives a resolution following very closely the concurrent resolution to which I have just referred. I am not sure that the House resolution is identical in language with the Senate concurrent resolution, but the two are very similar. The House resolution likewise has a number of sponsors.

Mr. President, I have prepared a statement which I had intended to present to the Senate in connection with this resolution. Instead of reading the statement, let me say very briefly that the resolution seeks to express the sense of both Houses of the Congress that the United Nations should be asked to implement the provision of its original charter providing for an international police force. We believe it is timely. We believe that the Korean situation has pointed up very clearly the timeliness of an international police force organized under the United Nations and through the United Nations organization. Without going into it more fully, I ask unanimous consent that the statement which I had prepared be printed at this point in the RECORD. Included in the statement is a copy of the resolution as we are proposing it. I ask that it be printed along with my statement at this point in the RECORD.

There being no objection, the statement, including a copy of the resolution, was ordered to be printed in the RECORD.

The first part of Mr. SPARKMAN's statement is as follows:

Mr. President, I have submitted today a Senate concurrent resolution for myself, and the following Senators: The Senator from Vermont [Mr. AIKEN], the Senator from Ohio [Mr. BRICKER], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DOUGLAS], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. HOEY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from New York [Mr. LEHMAN], the Senator from Oregon [Mr. MORSE], the Senator from South Dakota [Mr. MUNDT], the Senator from Maryland [Mr. O'CONOR], the Senator from Virginia [Mr. ROBERTSON], the Senator from Maine [Mrs. SMITH], and the Senator from Mississippi [Mr. STENNIS].

In the House the sponsors are: The Representative from Oregon [Mr. ELLSWORTH], the Representative from New York [Mr. GWINN], the Representative from Maine [Mr. HALE], the Representative from Arkansas [Mr. HAYS], the Representative from Massachusetts [Mr. HERTER], the Representative from Minnesota [Mr. JUDD], the Representative from Montana [Mr. MANSFIELD], the Representative from Minnesota [Mr. MARSHALL], the Representative from California [Mr. NIXON], the Representative from Connecticut [Mr. PATTERSON], the Representative from Tennessee [Mr. PRIEST], the Representative from South Carolina [Mr. RICHARDS], the Representative from Oklahoma [Mr. STIGLER], the Representative from Oregon [Mr. STOCKMAN], and the Representative from Indiana [Mr. WALSH].

The concurrent resolution (S. Con. Res. 104) submitted by Mr. SPARKMAN, is as follows:

Whereas the prompt and firm action of the President and the Congress of the United States, together with the United Nations Security Council in meeting the challenge of aggression in Korea has unified the peace-seeking nations of the world; and

Whereas the situation in Korea has demmonstrated the need for immediately available armed forces, to be continually at the disposal of the United Nations, so as not to place undue burden on any one nation in dealing with aggression; and

Whereas the continuance of the unity among the peace-seeking nations can best be insured by the establishment, on a voluntary basis, of a United Nations International Contingent, to support the national armed forces of member states fighting against aggression, and to give practical implementation, both for a successful prosecution of the present action in Korea; and for the purpose of deterring future aggression anywhere; Therefore be it

Resolved, That it is the sense of the Congress that a fundamental objective in the strengthening of the United Nations and in the unified defense against aggression should be to seek the establishment of a United Nations International Contingent under an autonomous United Nations Police Authority, and that the President is hereby requested to initiate such measures as will carry out this objective, being guided by such principles as he may deem advisable, including the following:

1. The procedure for the establishment of the United Nations Police Authority: The United Nations Police Authority may be established either through the recommendation of the United Nations General Assembly; or under article 51 of the Charter; or by combining the recommendation of the General Assembly with article 51.

2. The United Nations International Contingent: It should be the duty of the United Nations Police Authority to organize the United Nations International Contingent along the following lines:

(a) A volunteer, paid, professional, balanced land, sea, and air force, operating on a full-time basis, either independently or as an auxiliary to the national armed forces of member states.

(b) It should be recruited from volunteers who are not citizens of the five permanent member states of the Security Council, but who may be citizens of nonmembers, including Italy, Germany, and Japan.

(c) The International Contingent should owe its allegiance solely to the United Nations; during military operations it should

be integrated with participating national armed forces under a joint high command.

(d) The volunteers comprising the International Contingent should be organized, as far as practicable, in units of their respective nationalities, but during their terms of service they should be subject solely to the orders and regulations of the United Nations Police Authority.

(e) The International Contingent will be stationed, by agreement, in internationalized bases in sensitive areas, and in western Germany or Japan. It will operate as a combat-ready force, for quick concentration in an area of conflict.

(f) The size of the International Contingent should be determined by the United Nations Police Authority, and may vary from a few thousand men to scores of divisions.

(g) The International Contingent should be maintained by contributions (in money, goods, or services) from member states of the United Nations and from the participating nonmember states in accordance with agreements to be negotiated by the United Nations Police Authority. This provision should not affect the commitments of the United States under the Atlantic Pact.

3. The United Nations Police Authority: The United Nations Police Authority should have individual representation from the major states and collective representation from all the remaining states. Suggested representation:

Nine members—three from the United States; three from the British Commonwealth and France; and three chosen by the remaining member-states to represent them collectively. Eventually, provision could be made for representation in the United Nations Police Authority from Italy, Germany, Japan, and other major states.

Decisions of the United Nations Police Authority should be made, within the scope of its delegated power, by a simple majority vote (no veto). It should have specific delegated power:

(a) To organize and manage the United Nations International Contingent.

(b) To initiate or terminate action by the International Contingent against aggression in an emergency and pending affirmative action by the Security Council.

(c) To make mutual defense or armament agreements with sovereign states (member or nonmember) involving the use of the International Contingent.

(d) To coordinate the activities of the International Contingent with the Atlantic Pact Council or similar mutual defense organizations.

These powers of the United Nations Police Authority may be abolished, extended, or modified by the affirmative vote of the Security Council. Nothing in these provisions for the United Nations Police Authority shall be interpreted as depriving any member-state of its rights under article 51 of the United Nations Charter, or as limiting its sovereign rights.

4. The United Nations Police Authority and abstaining member-states: The United Nations Police Authority (when established under article 51 of the United Nations Charter) should guarantee the use of the international contingent against aggression to any or all states who subscribe to its conditions and who thereby become participating states.

Membership in the United Nations Police Authority should be kept open to all abstaining states, including Soviet Russia, provided that at the time they are not engaged in armed hostilities, against a participating state; and provided they subscribe to the same conditions for international control of atomic energy and elimination of the armament race (strict inspection, no veto, and punishment of violators) as shall prevail for the United States and other member states.

In the event that all five permanent member states of the United Nations agree to the foregoing terms, the International contingent should be retained and the United Nations Police Authority should either be broadened to enforce the armament-control agreements, or be abolished in favor of a reconstituted Security Council and World Court operating without veto in the specifically defined matters of aggressions and armament for aggression.

The second part of Mr. Sparkman's statement is as follows:

Mr. President, it is clear from a reading of the resolution that the plan for a UN police force under a United Nations Police Authority reaches to the heart of our foreign policy.

It is also clear, I hope, that this resolution is not the product of hasty and feverish thinking, but comes rather as the next and inevitable step in the struggle to remedy the fatal defects in the structure of the United Nations—defects which account for much of the present tragic situation in the world. We can best understand the significance of this resolution by submitting it to a searching analysis.

The preamble begins by justly praising the President for his prompt and firm action in meeting together with the United Nations Security Council the challenge of aggression in Korea. We who believe that the hope of the world lies in a workable United Nations were deeply gratified at the resurgence of the United Nations which previously seemed to be entering into a neurotic stage of frustration. Why this sudden revival? There seems to me to be one answer; because the United Nations, in effect, began to operate as though the paralyzing veto did not exist (due to the absence of Soviet Russia), and as though an international police force did exist (due to the presence of United States Armed Forces). Soviet Russia, realizing her blunder, has come back to plague the Security Council with her obstructionist tactics.

Mr. President, I submit that something must be done, and done now to remove the paralyzing tactics of Soviet Russia.

The preamble of the resolution goes on to point out that the situation in Korea has demonstrated the need for immediately available armed forces, to be continually at the disposal of the United Nations. We stressed this point again and again in our previous resolutions. At the time there were many more doubting Thomases than believers, but today is there any one here who would not have wished that the United Nations had had her own mobile corps ready to fight side by side with our American boys against the common aggressor. True, there are still some who, deep in their hearts, would like to do away altogether with the United Nations.

They say, why waste money and time on that conglomeration of foreigners who give nothing, take everything, and whose great assemblies are meeting places for the Communists propagandists. The answer is that the United Nations, if properly organized, will save American lives—thousands of lives in Korea and certainly hundreds of thousands of lives if the conflict extends throughout the world.

The United States is engaged in a struggle for survival against the Communist aggressor. The help of every ally is important to win this struggle and in winning it to preserve as far as it be just, our most precious national asset—the reservoir of our youth. What greater potential help is there than the help of the United Nations with its 52 allies?

Those who allow themselves the luxury of isolationism or the pride of military exclusivism forget that for every foreign soldier that is absent an American soldier must be put in his place.

No, what we must do is not to throw away the United Nations like the baby with the dirty water, but to utilize the enormous potentialities of the United Nations so as to integrate their manpower with our manpower for war and for peace.

We cannot for long permit that the United States carry the burden of sacrifice, virtually alone, while throughout the world there are hundreds of thousands of eager volunteers unable to help us because we do not organize them. We should not be expected in case of world conflict to be bled white on the fields of Germany and China when there are scores of valiant divisions within those countries eager and available to fight for their own salvation from Communist slavery.

Nor can we expect to preserve unity within this Nation and among the United Nations if more and more Americans will say, "We give our blood and they the flags."

Statesmen could perhaps understand the plight of France and Britain, bled white by two world wars, militarily weak in their home territories, and compelled to sap their strength in the struggle against Moscow's vanguard in Malaya and Indochina as we are sapping our strength in Korea. But the fact remains that many Americans will not understand how it came about that the vast manpower resources of 52 United Nations allies of the United States, not to count Germany and Japan, remain virtually untouched in a struggle where their survival is as much at stake as America's.

Many Americans will be bitter toward their Government, will condemn even if perhaps unjustly, the selfishness of their allies. They will lose faith in the United Nations. We must remedy this situation, and we must remedy it now and completely. This, Mr. Presdent, is the flaming background of our resolution for the establishment of the United Nations International Contingent under a United Nations Police Authority.

Now let us take a look at the plan itself. First there is the question of how one can legally establish a workable United Nations police force. For 5 years the majority of members have been trying to do just that, and failed dismally. The reason for this failure is that the United Nations Security Council is hopelessly paralyzed by the veto power of anyone of its major powers. Soviet Russia, whose aggressive designs would be thwarted by an international police force, seldom misses an opportunity to veto or procrastinate. And even if there were no Russian veto some other major power, for reasons of internal political fluctuations, may well use it, or threaten to use it. It is evident that no effective UN police force is possible so long as the Security Council is crippled by veto in matters of aggression. And no effective international organization is possible without a workable international police force.

To revise the UN Security Council is not possible because Soviet Russia has the legal right to veto any revision.

Fortunately, a perfectly legal way exists. That is under article 51 of the Charter which could be used alone, but which if used with the recommendation of the UN General Assembly would have a broader moral basis. We can therefore establish with all like-minded nations the United Nations Police Authority and to this authority we can delegate whatever powers are necessary to organize, manage, and command a United Nations International Contingent.

Malik with his veto will be bypassed. And yet the United Nations Security Council will remain as before, and, nominally at least will remain a superior body when and if all five permanent members can get together for affirmative action.

We visualize the United Nations International Contingent as a professional, well-paid, hand-picked, ready-for-combat force, recruited from carefully screened volunteers. It will be a sort of foreign legion owing its

sole allegiance to the United Nations Police Authority. But unlike the French Foreign Legion it will be recruited in national units to make it tyranny-proof and better fitted for combat.

One of the outstanding characteristics of the United Nations International Contingent as we propose it in this resolution is that citizens of the five permanent members may not serve in it. In the first place major powers have their own large military establishments. Furthermore, the value of the United Nations International Contingent would be proportionately weakened by the presence of soldiers from major powers, and there would be too much power politics.

One may raise an objection on purely military grounds: that a composite force, made up of soldiers from many nations, would not be practical and effective. This objection would hold true in the case of a loose, conglomerate force, the various parts of which owe allegiance to various governments. Such a force of "contingents" was contemplated in article 43 of the UN Charter, which has become a dead letter. It does not hold in the case of a force welded together under one discipline, one command, and one allegiance.

The UN International Contingent would have many added advantages of structure and organization. Attracted by the honor of being soldiers of peace and relatively high paid, the volunteers would be hand-picked from the best elements of the various nations.

Another objection that might be raised is that the UN International Contingent, controlled by and owing its sole allegiance to the UN Police Authority, might encroach on the sovereignty of member states. This would not be true. Each state, large or small, would retain its own national armed forces, with full sovereignty over their use.

In effect, the UN World Police Force will be made up of two parts: First, the international contingent, under the authority of the UN operating as a collective sovereign state; and, second, the national armed forces of participating member states, operating as national contingents under the sovereign authority of their respective governments.

The United States and the UN have called Russia's bluff in Korea. If Russia plans to continue disguised aggression through the chain reaction of her satellites, the international contingent, spearheading the UN Police Force, will be the quickest and most effective answer, while the vetoless Police Authority will provide a dependable organ for emergency defense action by the free nations.

It may be objected that the establishment of the international contingent, particularly with German and Japanese divisions as part of it, might provoke Soviet Russia into starting a world war. President Truman and Congress have already answered this counsel of appeasement by initiating a vast program of immediate rearmament in the United States and with our allies. Moreover, it is doubtful that any amount of provocation will cause the Politburo to start a war at this time, when Russia is virtually certain to be defeated, due to the overwhelming superiority of the United States in atomic weapons.

The destruction of 25 of Russia's key industrial centers could paralyze 80 percent of her war machine, while her capacity of atomic retaliation is still weak. True, most members of the Politburo are narrow-minded fanatics, and they might become convinced, by their own propaganda, of the myth of Russia's invincibility. If, because of this, Russia insanely plunges the world into war—then it is far better to face her challenge now rather than wait supinely for 2 or 3 years, when Russia will have enough atomic bombs for retaliatory destruction of 30 or 40 American cities.

As President Truman states: "The free nations face a world-wide threat. It must be met with a world-wide defense." The United States and the other free nations, though overwhelmingly powerful, have been defeated because disunited. Once Russia is confronted with the prospect of facing not only the power of the United States, Britain, and France, but a powerful international contingent possibly incorporating Germany and Japanese divisions—all united for defense of peace. The chances are strong that, rather than risk a war which she cannot win, she will retire behind her rightful frontiers and seek a world settlement satisfactory to peace-seeking nations rather than embark upon a suicidal venture.

The UN police plan offers to a peaceful Russia a guaranteed security, on the same terms as for any other nation—international control of atomic energy and control of heavy armament, with strict inspection, no veto, and punishment of violators. Once Russia agrees to such terms they can readily be put into effect through revision of the UN Charter.

The UN International Contingent can become the nucleus of an international police force. And the UN police authority can either be broadened to enforce the armament-control agreements or abolished in favor of a vetoless, reconstituted Security Council and World Court.

In concusion, the UN police plan is extremely simple and yet far-reaching. It is politically acceptable to all peaceful nations, and militarily effective in a show-down with any aggressor. It preserves the United Nations by giving it a powerful heart—a true international police force.

I believe the plan will be acclaimed throughout the world and from and by all circles, except Communists and their appeasers.

The UN police plan, as part of America's present, vast counteroffensive for peace, can and will help to avert the third world war; and in so doing it will lay a solid foundation for a lasting organization of nations that can insure a durable peace.

The concurrent resolution (S. Con. Res. 104) submitted by Mr. SPARKMAN (for himself and other Senators), was received, and referred to the Committee on Foreign Relations.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. GRAHAM in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Arnold Raum, of Massachusetts, to be a judge of the Tax Court of the United States, for the unexpired term of 12 years from June 2, 1948, vice Byron B. Harlan, deceased, which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Edgar A. Hawk and sundry other candidates for appointment in the Regular Corps of the Public Health Service; and

Donald D. Gold, and sundry other candidates for appointment and promotion in the Regular Corps of the Public Health Service.

RECESS TO MONDAY

Mr. SPARKMAN. Mr. President, if there be no further business, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 41 minutes p. m.) the Senate took a recess until Monday, August 28, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 25 (legislative day of July 20), 1950:

TAX COURT OF THE UNITED STATES

Arnold Raum, of Massachusetts, to be a judge of the Tax Court of the United States, for the unexpired term of 12 years from June 2, 1948, vice Byron B. Harlan, deceased.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 25, 1950

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., the chaplain, offered the following prayer:

O Thou who art the Supreme Intelligence, may the Members of this legislative body daily come to the sacrament of public service richly endowed with clear judgment and wise decision.

Grant that during these days, when our national and international problems and tasks seem so very complex and difficult, we may know that we were never meant or expected to meet them unaided and alone, for Thou hast made available the inexhaustible resources of Thy grace.

Help us to feel that there is no one else of whom we can ask and expect so much, for Thou art of all counselors the wisest, of all companions the nearest, and of all helpers the ablest and most willing to meet our every need.

May the day be hastened when we shall find a just and righteous solution to all our problems.

To Thy name we ascribe the praise, through Jesus Christ, our Lord.

Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2484. An act to authorize the Secretary of Commerce to provide war-risk and certain marine and liability insurance.

The message also announced that the Senate had ordered that the Senator from Maryland [Mr. O'CONOR] and the Senator from Maine [Mrs. SMITH] be excused as conferees on the bill S. 3959, entitled "An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes," and the Senator from North Carolina [Mr. HOEY] and the Senator from South Dakota [Mr. MUNDT], respectively, be appointed in their stead.

The message also announced that the Senate had ordered that the Senator from Maryland [Mr. O'CONOR] be excused as conferee on the bill H. R. 9038 entitled "An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes," and the Senator from Minnesota [Mr. HUMPHREY] be appointed in his stead.

PUBLIC AIRPORT IN OR NEAR THE DISTRICT OF COLUMBIA

The SPEAKER. The unfinished business is the vote on the motion offered by the gentleman from Wisconsin [Mr. BYRNES] to recommit the bill (S. 456), the so-called District of Columbia Airport.

Without objection, the Clerk will again report the motion to recommit.

There being no objection, the Clerk read, as follows:

Mr. BYRNES of Wisconsin moves to recommit the bill to the Committee on Interstate and Foreign Commerce for further study and investigation.

The SPEAKER. The question is on agreeing to the motion to recommit.

The question was taken; and the Speaker announced the "noes" appeared to have it.

Mr. BYRNES of Wisconsin. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present. The roll call is automatic. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 124, nays 226, not voting 80, as follows:

[Roll No. 253]

YEAS—124

Abernethy	Garmatz	Mack, Wash.
Allen, La.	Gary	Macy
Andersen, H. Carl	Goodwin	Martin, Mass.
	Gossett	Meyer
Angell	Graham	Michener
Arends	Gross	Miller, Md.
Bates, Mass.	Gwinn	Miller, Nebr.
Bennett, Fla.	Harden	Morton
Bishop	Harvey	Nicholson
Boggs, Del.	Herlong	Nixon
Bolton, Md.	Hill	Norblad
Bolton, Ohio	Hoeven	Norrell
Bramblett	Hoffman, Mich.	O'Konski
Brown, Ohio	Holmes	Patten
Burleson	Hope	Phillips, Calif.
Byrnes, Wis.	Hull	Pickett
Camp	Jackson, Calif.	Poage
Case, S. Dak.	James	Polk
Chiperfield	Jenkins	Potter
Clevenger	Jennings	Reed, Ill.
Cole, Kans.	Jensen	Reed, N. Y.
Corbett	Jonas	Rees
Cotton	Jones, Ala.	Rich
Coudert	Keating	Riehlman
Cunningham	Kilburn	Robeson
Curtis	Lanham	Sadlak
Dague	LeCompte	St. George
Davis, Ga.	LeFevre	Sasscer
Davis, Wis.	Lovre	Scott, Hardie
D'Ewart	Lucas	Scrivner
Dolliver	McConnell	Scudder
Elston	McCulloch	Secrest
Fallon	McDonough	Shafer
Fenton	McGregor	Sikes
Fernandez	McKinnon	Simpson, Ill.
Fisher	Mack, Ill.	Simpson, Pa.
Gamble		Smith, Wis.
Stefan	Vorys	Wigglesworth
Taber	Vursell	Wilson, Ind.
Talle	Weichel	Wolcott
Van Zandt	Wheeler	Wood
Velde	White, Idaho	

NAYS—226

Abbitt	Gathings	Multer
Addonizio	Gavin	Murdock
Albert	Gilmer	Murray, Tenn.
Allen, Calif.	Golden	Nelson
Anderson, Calif.	Gordon	Noland
Andresen, August H.	Gorski	O'Brien, Ill.
	Granahan	O'Brien, Mich.
Andrews	Granger	O'Hara, Minn.
Aspinall	Grant	O'Sullivan
Auchincloss	Green	O'Toole
Baring	Hale	Passman
Barrett, Pa.	Hardy	Patman
Bates, Ky.	Hare	Patterson
Battle	Harris	Perkins
Beckworth	Harrison	Peterson
Bennett, Mich.	Hart	Philbin
Bentsen	Havenner	Phillips, Tenn.
Blatnik	Hays, Ark.	Plumley
Bonner	Hays, Ohio	Poulson
Bosone	Hedrick	Preston
Boykin	Heffernan	Price
Breen	Heller	Priest
Brooks	Herter	Rabaut
Brown, Ga.	Heselton	Rains
Bryson	Hobbs	Ramsay
Buchanan	Hoffman, Ill.	Rankin
Buckley, Ill.	Holifield	Redden
Buckley, N. Y.	Horan	Rhodes
Burdick	Howell	Ribicoff
Burke	Huber	Richards
Burnside	Irving	Rodino
Burton	Jackson, Wash.	Rogers, Fla.
Byrne, N. Y.	Javits	Rogers, Mass.
Canfield	Jenison	Rooney
Cannon	Jones, Mo.	Roosevelt
Carlyle	Jones, N. C.	Saylor
Carnahan	Judd	Shelley
Carroll	Karst	Sheppard
Case, N. J.	Karsten	Sims
Cavalcante	Kean	Smathers
Celler	Kearns	Smith, Va.
Chelf	Kee	Spence
Chesney	Kelley, Pa.	Staggers
Christopher	Kelly, N. Y.	Stanley
Clemente	Kennedy	Stigler
Combs	Keogh	Stockman
Cooley	Kerr	Sullivan
Cooper	Kilday	Tackett
Cox	King	Tauriello
Crook	Kirwan	Teague
Crosser	Kruse	Thomas
Davenport	Lane	Thompson
Davies, N. Y.	Larcade	Thornberry
Davis, Tenn.	Lichtenwalter	Tollefson
Deane	Lind	Trimble
DeGraffenried	Linehan	Underwood
Delaney	Lyle	Vinson
Denton	Lynch	Wagner
Dollinger	McCormack	Walsh
Donohue	McGrath	Walter
Doughton	McGuire	Welch
Douglas	McMillan, S. C.	Whitaker
Doyle	Madden	White, Calif.
Eberharter	Magee	Whitten
Elliott	Mahon	Whittington
Ellsworth	Mansfield	Wickersham
Engle, Calif.	Marcantonio	Widnall
Evins	Marsalis	Wier
Feighan	Marshall	Wilson, Okla.
Flood	Merrow	Wolverton
Fogarty	Mills	Woodhouse
Forand	Mitchell	Woodruff
Ford	Monroney	Yates
Frazier	Morgan	Young
Fugate	Morris	Zablocki
Fulton	Moulder	

NOT VOTING—80

Allen, Ill.	Dondero	Jacobs
Bailey	Durham	Johnson
Barden	Eaton	Kearney
Barrett, Wyo.	Engel, Mich.	Keefe
Beall	Fellows	Klein
Biemiller	Furcolo	Kunkel
Blackney	Gillette	Latham
Boggs, La.	Gore	Lodge
Bolling	Gregory	McCarthy
Brehm	Hagen	McMillen, Ill.
Bulwinkle	Hall, Edwin Arthur	McSweeney
Chatham		Martin, Iowa
Chudoff	Hall, Leonard W.	Mason
Cole, N. Y.		Miles
Colmer	Halleck	Miller, Calif.
Crawford	Hand	Morrison
Dawson	Hébert	Murphy
Dingell	Hinshaw	Murray, Wis.
Norton	Rivers	Taylor
O'Hara, Ill.	Sabath	Towe
O'Neill	Sadowski	Wadsworth
Pace	Sanborn	Werdel
Pfeifer, Joseph L.	Scott, Hugh D., Jr.	Williams
		Willis
Pfeiffer, William L.	Short	Wilson, Tex.
	Smith, Kans.	Winstead
Powell	Smith, Ohio	Withrow
Quinn	Steed	
Regan	Sutton	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Beall for, with Mr. Towe against.
Mr. Withrow for, with Mr. Hand against.
Mr. Gillette for, with Mr. Taylor against.
Mr. Smith of Ohio for, with Mr. Latham against.
Mr. Wilson of Texas for, with Mr. Biemiller against.
Mr. McMillen of Illinois for, with Mr. Murphy against.
Mr. Crawford for, with Mr. Boggs of Louisiana against.
Mr. Barrett of Wyoming for, with Mr. Morrison against.
Mr. Hébert for, with Mr. Klein against.

Until further notice:

Mr. Chudoff with Mr. Allen of Illinois.
Mr. Dingell with Mr. Werdel.
Mr. Miller of California with Mr. Johnson.
Mr. Williams with Mr. Blackney.
Mr. Winstead with Mr. Brehm.
Mr. Willis with Mr. Cole of New York.
Mr. Regan with Mr. William L. Pfeiffer.
Mrs. Norton with Mr. Hugh D. Scott, Jr.
Mr. O'Neill with Mr. Kearney.
Mr. Bailey with Mr. Leonard W. Hall.
Mr. Bolling with Mr. Halleck.
Mr. Chatham with Mr. Sanborn.
Mr. Jacobs with Mr. Eaton.
Mr. Colmer with Mr. Mason.
Mr. Sabath with Mr. Martin of Iowa.
Mr. Sadowski with Mr. Hinshaw.
Mr. Gregory with Mr. Dondero.
Mr. Furcolo with Mr. Fellows.
Mr. O'Hara of Illinois with Mr. Kunkel.
Mr. Steed with Mr. Lodge.
Mr. Sutton with Mr. Smith of Kansas.
Mr. Rivers with Mr. Edwin Arthur Hall.
Mr. McCarthy with Mr. Murray of Wisconsin.

Mr. VURSELL, Mr. ARENDS, and Mr. BROWN of Ohio changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

THE PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the calendar.

PASCH BROS.

The Clerk called the bill (S. 1208) for the relief of Pasch Bros.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

OTHO F. HIPKINS ET AL.

The Clerk called the resolution (H. Res. 734) for the relief of Otho F. Hipkins, individually, and Otho F. Hipkins; Cecil Clyde Squier; Conrad Reid; J. Thomas C. Jopkins, Jr.; and Isaiah Lawrence Paxton, as trustee of the Hipkins Traction Device Co.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 5243) entitled "A bill for the relief of Otho F. Hipkins, individually, and Otho F. Hipkins; Cecil Clyde Squier; Conrad Reid; J. Thomas C. Hopkins, Jr.; and Isaiah Lawrence Paxton, as trustees of the Hipkins Traction Device Co.," now pending in the House of Representatives, together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimants.

The resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. SANFORD PRUITT

The Clerk called the bill (S. 858) for the relief of Mrs. Sanford Pruitt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Sanford Pruitt, of Casar, N. C., the sum of $10,000, in full satisfaction of her claim against the United States for the death of her husband, the late Sanford Pruitt, who was fatally injured on July 12, 1930, in the performance of his duties as a deputy United States internal revenue agent: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CLARA WHITESELL

The Clerk called the bill (S. 2948) to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to sell the trust allotment of Clara Whitesell, Standing Rock allottee No. 915, described as the east half of southwest quarter and west half southeast quarter section 36, township 21 north, range 29 east, Black Hills meridian, South Dakota, conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale to the said Clara Whitesell.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Standing Rock Sioux Tribe of Indians of the Standing Rock Reservation of South Dakota and North Dakota or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Standing Rock Agency shall have been served with notice of the terms thereof, and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Standing Rock Sioux Tribe or any member thereof and a copy thereof served upon the superintendent of the Standing Rock Agency.

(b) A certificate of the superintendent of the Standing Rock Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands are situated, shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERNANDO J. ABAYA ET AL.

The Clerk called the bill (S. 294) for the relief of Hernando J. Abaya, his wife, and two children.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MARGARET D. SCOTT

The Clerk called the bill (S. 665) for the relief of Margaret D. Scott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Margaret D. Scott shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States upon payment of the required head tax and visa fee. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERDA MOLLER ULDALL ET AL.

The Clerk called the bill (S. 1344) for the relief of Gerda Moller Uldall and her son, Mikkel Moller.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ADELAIDE GIOVANNA SUMMA

The Clerk called the bill (S. 1913) for the relief of Adelaide Giovanna Summa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the administration and naturalization laws, Adelaide Giovanna Summa, of Trenton, N. J., shall be held and considered to have been lawfully admitted into the United States for permanent residence as of December 13, 1948, the date of her last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Italy.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE C. ARAUJO

The Clerk called the bill (S. 2047) for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Marie C. Araujo, also known as Marie Conceipaco de Brito, who is the adopted daughter of Pedro Alcartara Araujo, a citizen of the United States, shall be deemed to be the minor natural-born alien child of said Pedro Alcartara Araujo.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MIRIAM ROSENBLUM

The Clerk called the bill (S. 3094) for the relief of Miriam Rosenblum.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Miriam Rosenblum shall be held and considered to be the natural born alien child of Mr. and Mrs. David Rosenblum, who are citizens of the United States.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

BOLESLAW H. DROBINSKI AND FAMILY

The Clerk called the bill (S. 3107) for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Boleslaw H. Drobinski, his wife, Marjorie, and his

daughter, Janina, of Los Angeles, Calif., who were admitted into the United States on temporary visas, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their last entry into the United States, upon the payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct three numbers from the appropriate quotas for the first year that such quotas are available.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GERHARD ZAHN AND HIS WIFE

The Clerk called the bill (S. 3426) to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of State and the Attorney General be, and are hereby, authorized and directed jointly to provide for the temporary admission for the period of 1 year from the date of entry of Gerhard Zahn, and his wife, the said Gerhard Zahn being a specialist possessing special and unique skill vitally needed for the operation of an engraving plant by the K. C. S. Co., of Milwaukee, Wis.

SEC. 2. If the Attorney General finds that the said Gerhard Zahn has failed to maintain a satisfactory employment status at any time within the year after the date of his temporary admission, or that said Gerhard Zahn and his wife have failed to depart from the United States at the end of 1 year after the date of their temporary admissions, said Gerhard Zahn and his wife shall be deemed to have violated the conditions of their admission, and shall be subject to deportation as provided in sections 19 and 20 of the Immigration Act of February 5, 1917, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA SULIKOWSKA FORBES

The Clerk called the bill (S. 3724) for the relief of Maria Sulikowska Forbes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Maria Sulikowska Forbes shall be deemed to have been admitted to the United States for permanent residence as of the date of her entry on November 13, 1947, upon payment of the required visa fee and head tax.

SEC. 2. The Secretary of State is authorized and directed to cause one number to be deducted from the appropriate quota for the first year for which such quota is available.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

HUNT, HILL & BETTS

The Clerk called the bill (S. 3367) for the relief of the law firm of Hunt, Hill & Betts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to the law firm of Hunt, Hill & Betts, of New York, N. Y., the sum of $1,656.53, in full satisfaction of its claim against the United States for compensation for out-of-pocket expenses incurred in connection with services rendered by such firm in the defense of certain Japanese war criminals.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOSHEN VENEER CO., AN INDIANA CORPORATION

The Clerk called House Resolution 814.

There being no objection, the Clerk read the House resolution, as follows:

Resolved, That the bill (S. 410) entitled "A bill for the relief of the former shareholders and debenture noteholders of the Goshen Veneer Co., an Indiana corporation," now pending in the House of Representatives, together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The House resolution was agreed to.

A motion to reconsider was laid on the table.

MR. AND MRS. FRED A. FLETCHER

The Clerk called the bill (H. R. 3463) for the relief of Mr. and Mrs. Fred A. Fletcher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Fred A. Fletcher, of Forks, Wash., the sum of $2,650.15, in full satisfaction of their claim against the United States for reimbursement of expenses incurred by them in connection with the eminent-domain proceedings instituted in 1940 by the United States for the purpose of acquiring their property, described in such proceeding as tract J-200, together with other parcels of land, for the Olympic public works project (PWA 723 A and B); the United States having dismissed such tract from such proceedings after a verdict had been rendered in favor of the said Mr. and Mrs. Fred A Fletcher in the amount of $12,266.15.

With the following committee amendment:

Page 2, after line 5, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LILLINGTON ROLLER MILLS, INC.

The Clerk called the bill (H. R. 3666) for the relief of the Lillington Roller Mills, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Reconstruction Finance Corporation is authorized and directed to pay to the Lillington Roller Mills, Inc., of Lillington, N. C., a sum of money equal to the total amount of subsidy payments for wheat ground into flour during the period beginning June 6, 1944, and ending June 30, 1945, to which the said Lillington Roller Mills would have been entitled under section 2 (e) of the Emergency Price Control Act of 1942, as amended, and applicable regulations, if application for such payments had been filed within the time limit specified in such regulations.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of North Carolina to hear, determine, and render judgment upon the claim of Lillington Roller Mills, Inc., of Lillington, N. C., for losses sustained as the result of subsidy payments for wheat ground into flour during the period beginning June 6, 1944, and ending June 30, 1945, to which the said claimant would have been entitled under section 2 (e) of the Emergency Price Control Act of 1942, as amended.

"SEC. 2. Notwithstanding any statute of limitations or lapse of time, suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act. In any such suit brought pursuant to this act proceedings shall be had and the liability, if any, of the United States shall be determined in accordance with the provisions of law applicable in such cases against the United States: *Provided, however*, That nothing in this act does or shall constitute an admission of liability on the part of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

WESTERN CHEMICAL & MANUFACTURING CO.

The Clerk called the bill (H. R. 6528) for the relief of the Western Chemical & Manufacturing Co.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Western Chemical & Manufacturing Co., a corporation of Los Angeles, Calif., the sum of $1,300. The payment of such sum shall be in full settlement of all claims of the said Western Chemical & Manufacturing Co. against the United States for refund of the fine which was imposed on November 24, 1947, by the United States District Court for the Southern District of California. Such court subsequently ordered such fine to be refunded in part, but such refund was not made because the money paid on account of such fine had been covered into the Treasury: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to

or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WARREN THOMAS AND OTHERS

The Clerk called the bill (H. R. 8152) for the relief of Warren Thomas and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each of the following claimants the sum specified with respect to such claimant in full settlement of all claims of such claimant against the United States for the damage indicated in his case resulting from a collision involving the automobile in which such claimants were riding and a United States Army truck (operated by a private who was using such truck without authority and not in line of duty) on or about February 1, 1946, on Anaheim Street near the intersection of such street and Santa Fe Avenue, Long Beach, Calif.:

(1) Warren Thomas, Long Beach, Calif., for personal injuries, medical and hospital expenses, and loss of earnings, the sum of $5,582.67;

(2) Willie Thomas, Long Beach, Calif., for personal injuries, medical and hospital expenses, and loss of earnings, the sum of $939.73;

(3) Jesse R. Reeves, Long Beach, Calif., for personal injuries, medical and hospital expenses, and loss of earnings, the sum of $971.50; and

(4) Fred S. Moseley, Long Beach, Calif., for personal injuries, medical and hospital expenses, loss of earnings, and damage to his automobile, the sum of $875.63.

SEC. 2. No part of the amount appropriated in this act for the payment of any one claim in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 2, line 6, strike out "$5,582.67", and insert "$1,582.67."

Page 2, line 9, strike out "$939.73", and insert "$616.96."

Page 2, line 12, strike out "$971.50", and insert "$621.50."

Page 2, line 16, strike out "$875.63", and insert "$332.50."

The committee amendments were agreed to.

Mr. TRIMBLE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendments offered by Mr. TRIMBLE: Page 2, line 4, before the name "Warren" insert "Guy Thomas, son of"; page 2, line 4, before the name "Long" insert "deceased"; page 2, line 6, after the word "earnings" insert "sustained by the said Warren Thomas"; page 2, line 10, before the name "Jesse" insert "Lula A. Reeves, widow of"; page 2, line 12, after the word "earnings" insert "sustained by the said Jesse R. Reeves."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Guy Thomas and others."

A motion to reconsider was laid on the table.

WILLIAM A. HOGAN

The Clerk called the bill (H. R. 8337) for the relief of William A. Hogan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,207.80 to William A. Hogan, of 5322 Q Street, Coral Hills, Md., in full settlement of all claims against the United States for allowances in lieu of quarters and subsistence for the period from May 24, 1944, to August 31, 1945, while serving as special agent (staff sergeant) United States Army, Fort Devens, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$1,207.80" and insert "$1,208.27."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERNARD CROFT

The Clerk called the bill (H. R. 8362) for the relief of Bernard Croft.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard Croft, South Boston, Mass., the sum of $15,000. The payment of such sum shall be in full settlement of all claims of the said Bernard Croft against the United States arising out of injuries he sustained at South Boston, Mass., on April 8, 1944, when he was struck by a United States Army motor vehicle: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$15,000" and insert "$6,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANGELO MESSINA

The Clerk called the bill (H. R. 8687) for the relief of Angelo Messina.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Angelo Messina, of 2625 Thirtieth Street SE., Washington, D. C., the sum of $2,000, in full settlement of all claims against the United States for personal injuries and loss of earnings sustained by him, as a result of an accident which occurred when the automobile which he was driving was struck by a Navy truck on Good Hope Road, Washington, D. C., on August 25, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following amendment:

Page 1, line 7, strike out "$2,000" and insert "$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARLOS RIGGENBACH

The Clerk called the bill (S. 986) for the relief of Carlos Riggenbach.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Carlos Riggenbach as of May 5, 1941, the date upon which he was admitted temporarily to the United States as a student. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Switzerland during the current year.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FE'R. DUMAGUING

The Clerk called the bill (H. R. 4365) for the relief of Fe'R. Dumaguing.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Fe'R. Dumaguing, of New York City, N. Y., shall be held and considered to have been lawfully admitted to the United States for permanent residence on the 19th day of September 1946, the date of her actual entry into the United States, upon the payment by her of a visa fee of $10 and a head tax of $8.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category from the first available Philippine immigration quota.

With the following committee amendment:

Page 1, line 8, strike out "a visa fee of $10 and a head tax of $8" and insert "the required visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY LEONARD HOFFMANN

The Clerk called the bill (H. R. 5022) for the relief of Henry Leonard Hoffmann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the admission for temporary residence of Henry Leonard Hoffmann, a native of Saar, Germany, who entered the United States at the port of New York, N. Y., on March 17, 1939, as a visitor under section 3, paragraph 2, of the Immigration Act of 1924 (43 Stat. 153, as amended), shall be taken, deemed, and regarded as an entry into the United States for permanent residence, under the immigration laws: *Provided,* That upon approval of his admission into this country for permanent residence as herein proposed, the applicant named herein shall be permitted to file his petition for naturalization immediately to become an American citizen and shall in due course be admitted as a citizen of the United States by the court if otherwise found qualified: *Provided further,* That upon approval of this bill one number shall be deducted from the first available quota for Germany.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That in the administration of the immigration and naturalization laws Henry Leonard Hoffmann shall be deemed to have been lawfully admitted to the United States for permanent residence as of March 17, 1939, the date of his lawful admission under section 3 (2) of the Immigration Act of 1924, as amended."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DANIEL KOKAL

The Clerk called the bill (H. R. 6106) for the relief of Daniel Kokal.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, the alien Daniel Kokal, 2 Alfred Street, Pittsburgh 16, Pa., shall be held and considered to have been lawfully admitted at New York, N. Y., on April 27, 1949, to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the first available quota for Yugoslavia.

With the following committee amendments:

Page 1, line 7, after "residence", insert "upon the payment of the required visa fee and head tax."

Page 1, line 11, strike out "the first available quota for Yugoslavia" and insert "the appropriate immigration quota."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHRISTINA KARAMANOS DEMAS AND ANTONIA KARAMANOS DEMAS

The Clerk called the bill (H. R. 6990) for the relief of Christina Karamanos Demas and Antonia Karamanos Demas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws of the United States, relating to the issuance of immigration visas for admission into the United States for permanent residence and relating to the admissions at ports of entry of aliens as immigrants for permanent residence in the United States, the provisions of section 28 (1) of the act of May 26, 1924 (47 Stat. 253 (1); U. S. C. A., title 8, 224 (1)), which define the terms "child", "father", and "mother" as not including "a child or parent by adoption unless the adoption took place before January 1, 1924"; shall be held not to apply to Christina Karamanos Demas and Antonia Karamanos Demas, the adopted children of Peter C. Demas and Angelice Demas, and said children shall in all respects under the immigration laws of the United States be held to be the natural children of the said Peter C. Demas and Angelice Demas and found if otherwise admissible under the immigration laws of the United States an immigration visa may be issued and admission granted to Christina Karamanos Demas and Antonia Karamanos Demas under this act upon proper application therefor.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That, for the purpose of the immigration and naturalization laws, Christina Karamanos Demas and Antonia Karamanos Demas shall be considered to be the alien natural-born children of Mr. and Mrs. Peter C. Demas, United States citizens."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROSETTE SELINA ROMANO

The Clerk called the bill (H. R. 7095) for the relief of Rosette Selina Romano, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, Rosette Selina Romano, native and citizen of Italy, shall be considered to be the native-born daughter of Mr. and Mrs. Antonio Romano, United States citizens.

With the following committee amendment:

Page 1, line 5, strike out "native-born daughter" and insert "alien natural-born child."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH UMBERTO MONTALBAN-TROY

The Clerk called the bill (H. R. 8136) for the relief of Joseph Umberto Montalban-Troy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Joseph Umberto Montalban-Troy, of Boise, Idaho, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8.

SEC. 2. Upon the enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Canadian immigration quota.

SEC. 3. Notwithstanding any other provision of law, the said Joseph Umberto Montalban-Troy may be naturalized as a citizen of the United States by taking the oath of allegiance, in the manner prescribed in the naturalization laws, before any court having jurisdiction of the naturalization of aliens.

With the following committee amendments:

Page 1, line 8, strike out "visa fee of $10 and the head tax of $8" and insert "required visa fee and head tax."

Page 2, line 2, strike out "Canadian."

Page 2, line 3, after the word "quota" insert "for Italy."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. OLGA KOWALIK AND CZESLAWA KOWALIK

The Clerk called the bill (H. R. 9144) for the relief of Mrs. Olga Kowalik and Czeslawa Kowalik.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provision of the immigration laws prescribing annual quotas, the aliens Mrs. Olga Kowalik and Czeslawa Kowalik shall be granted admission to the United States for permanent residence if otherwise admissible under the immigration laws. Upon the admission of such aliens to the United States for permanent residence, the Secretary of State shall instruct the proper quota-control officer to make appropriate deduction of two numbers from the quota for Poland.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That, notwithstanding the residence requirements of paragraph (1) of subsection 2 (c) of the Displaced Persons Act of 1948, as amended (50 U. S. C. App. 1951), Mrs. Olga Kowalik and her daughter, Czeslawa Kowalik, residing at a Polish refugee camp located at Tengerum Arusha, Tanganyika, East Africa, shall be deemed to be eligible displaced persons as defined in section 2 (c) of the said act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHRISTINA SHALFEIEFF

The Clerk called the bill (H. R. 9434) for the relief of Christina Shalfeieff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Christina Shalfeieff shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, upon payment of the required head tax and visa fee. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, was passed, and a motion to reconsider was laid on the table.

The SPEAKER. That completes the call of the Private Calendar.

GENERAL APPROPRIATION BILL, 1951

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2991)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

CHAPTER I. DISTRICT OF COLUMBIA

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter I of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

JOE B. BATES,
SIDNEY R. YATES,
FOSTER FURCOLO,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
LOWELL STOCKMAN,
EARL WILSON,
JOHN TABER,
Managers on the Part of the House.

LISTER HILL,
JOSEPH C. O'MAHONEY,
JOHN L. MCCLELLAN,
HOMER FERGUSON,
K. S. WHERRY,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter I of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DISTRICT OF COLUMBIA

Amendment No. 1—Federal contribution: Appropriates $9,800,000 as proposed by the House, instead of $11,000,000 as proposed by the Senate. The conferees are in unanimous agreement that this reduction shall not establish a precedent for future annual appropriations, but is recommended for the fiscal year 1951 because of the emergency situation now facing the nation.

JOE B. BATES,
SIDNEY R. YATES,
FOSTER FURCOLO,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
LOWELL STOCKMAN,
EARL WILSON,
JOHN TABER,
Managers on the Part of the House.

CHAPTER II. LEGISLATIVE BRANCH

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter II of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 52.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 19, 21, 22, 24, 25, 27, 29, 30, 31, 32, 33, 34, 36, 37, 38, 40, 41, 42, 43, 44, 45, 50, and 52, and agree to the same.

The committee of conference report in disagreement amendments numbered 11, 15, 16, 17, 18, 20, 23, 26, 28, 35, 39, 46, 47, 48, 49, and 51.

CHRISTOPHER C. MCGRATH,
MICHAEL J. KIRWAN,
GEORGE ANDREWS,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
G. CANFIELD,
ERRETT P. SCRIVNER,
JOHN TABER,
Managers on the Part of the House.

ALLEN J. ELLENDER,
DENNIS CHAVEZ,
KENNETH MCKELLAR,
STYLES BRIDGES,
GUY CORDON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter II of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

LEGISLATIVE BRANCH

Senate

Amendments Nos. 2–34: Provide appropriations for the Senate, which were not included in the bill as passed by the House. Of such amendments, those numbered 11, 15, 16, 17, 18, 20, 23, 26, and 28 would have been subject to points of order if considered originally in the House, and therefore are reported in disagreement. The conference report recommends that the House recede and concur with the remainder of such amendments.

Amendment No. 35—Inquiries and investigations: Reported in disagreement.

Amendments Nos. 36–48: Provide for or pertain to appropriations for the Senate, which were not included in the bill as passed by the House. Of such amendments, those numbered 39, 46, 47, and 48 would have been subject to points of order if considered originally in the House, and therefore are reported in disagreement. The conference report recommends that the House recede and concur with the remainder of such amendments.

Joint Committee on Nonessential Federal Expenditures

Amendment No. 49, providing funds for the Joint Committee on Nonessential Federal Expenditures, would have been subject to a point of order if considered originally in the House, and therefore is reported in disagreement.

Architect of the Capitol

Amendment No. 50—Subway Transportation, Capitol and Senate Office Building: Appropriates $2,600 as proposed by the Senate.

Amendment No. 51—Senate Office Building: Reported in disagreement, inasmuch as it would have been subject to a point of order if considered originally in the House.

Library of Congress

Amendment No. 52—Editing and Publishing the Index-Digest of Publications of the Temporary National Economic Committee: Strikes out the Senate proposal.

Amendment No. 53—Library buildings, salaries and expenses: Appropriates $698,680 proposed by the Senate, instead of $695,200 proposed by the House.

CHRISTOPHER C. MCGRATH,
MICHAEL J. KIRWAN,
GEORGE ANDREWS,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
G. CANFIELD,
ERRETT P. SCRIVNER,
JOHN TABER,
Managers on the Part of the House.

CHAPTER III. DEPARTMENTS OF STATE, JUSTICE, COMMERCE AND THE JUDICIARY

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter III of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 55, 60, 62, 63, 66, 73, 77, 79, 98, 102, 104, 105, 108, 110, 114, and 118.

That the House recede from its disagreement to the amendments of the Senate numbered 56, 58, 64, 67, 69, 70, 71, 74, 75, 76, 78, 80, 81, 82, 83, 85, 87, 88, 90, 91, 96, 99, 100, 101, 103, 109, 111, 112, 113, 115, and 116, and agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$77,800,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,500,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$54,449,297"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,900,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$508,000"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,350,000"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$98,500,000"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,000,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,150,000"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,500,000"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,897,000"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$995,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 68, 72, 92, 94, and 107.

JOHN J. ROONEY,
DANIEL J. FLOOD,
PRINCE H. PRESTON,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
KARL STEFAN,
CLIFF CLEVENGER,
JOHN TABER,
Managers on the Part of the House.

PAT MCCARRAN,
KENNETH MCKELLAR,
ALLEN J. ELLENDER,
THEODORE FRANCIS GREEN,
LEVERETT SALTONSTALL,
STYLES BRIDGES,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter III of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF STATE

Amendment No. 54—Salaries and Expenses: Appropriates $77,800,000, instead of $77,300,000 as proposed by the House and $78,300,000 as proposed by the Senate.

Amendment No. 55—Representation Allowances: Appropriates $675,000 as proposed by the House, instead of $900,000 as proposed by the Senate.

Amendment No. 56—Foreign Service Retirement and Disability Fund: Provides no appropriation or language, as proposed by the Senate, instead of appropriating $2,233,000 as proposed by the House.

Amendment No. 57—Buildings Fund: Appropriates $6,500,000, instead of $8,000,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Amendment No. 58—Emergencies in the Diplomatic and Consular Service: Appropriates $9,900,000 as proposed by the Senate, instead of $10,600,000 as proposed by the House.

Amendment No. 59—Contributions to International Organizations: Appropriates $54,449,297, instead of $55,178,297 as proposed by the House and $53,753,067 as proposed by the Senate. The reduction in the House figure applies to "International Civil Aviation Organization".

Amendment No. 60—Missions to International Organizations: Appropriates $1,600,000 as proposed by the House, instead of $1,500,000 as proposed by the Senate.

Amendment No. 61—International Contingencies: Appropriates $2,900,000, instead of $3,000,000 as proposed by the House and $2,800,000 as proposed by the Senate.

Amendments Nos. 62 and 63—International Boundary and Water Commission, United States and Mexico: Authorizes the purchase of 4 automobiles for replacement only as proposed by the House, instead of the purchase of 8 automobiles of which 6 were to be for replacement only as proposed by the Senate.

Amendment No. 64—International Boundary and Water Commission, United States and Mexico, Construction: Appropriates $3,000,000 as proposed by the Senate, instead of $5,035,000 as proposed by the House.

Amendment No. 65—American Sections, International Commissions: Appropriates $508,000, instead of $500,000 as proposed by the House and $600,000 as proposed by the Senate.

Amendment No. 66—American Sections, International Commissions: Eliminates the Senate proposal to make $92,000 available for the examination and survey of the Red River of the North and its tributaries.

Amendment No. 67—International Information and Educational Activities: Appropriates $32,700,000 as proposed by the Senate, instead of $34,000,000 as proposed by the House.

Amendment No. 68—International Information and Educational Activities: Reported in disagreement.

Amendment No. 69—International Information and Educational Activities: Authorizes the transfer of not to exceed $2,875,000 to other appropriations of the Department of State as proposed by the Senate, instead of $3,000,000 as proposed by the House.

Amendment No. 70—Philippine Rehabilitation: Appropriates $10,000,000 as proposed by the Senate, instead of $13,000,000 as proposed by the House.

Amendment No. 71—The Institute of Inter-American Affairs: Appropriates $5,000,000 as proposed by the Senate, instead of $5,500,000 as proposed by the House.

Amendment No. 72—The Institute of Inter-American Affairs: Reported in disagreement.

DEPARTMENT OF JUSTICE

Legal activities and general administration

Amendment No. 73—Salaries and Expenses, General Administration: Appropriates $2,175,000 as proposed by the House, instead of $2,125,000 as proposed by the Senate.

Amendment No. 74—Salaries and Expenses, General Legal Activities: Appropriates $7,475,000 as proposed by the Senate, instead of $7,300,000 as proposed by the House.

Amendment No. 75—Salaries and Expenses, Antitrust Division: Appropriates $3,750,000 as proposed by the Senate, instead of $3,850,000 as proposed by the House.

Amendment No. 76—Salaries and Expenses, United States Attorneys and Marshals: Appropriates $12,847,000 as proposed by the Senate, instead of $12,600,000 as proposed by the House.

Amendment No. 77—Fees and Expenses of Witnesses: Appropriates $1,000,000 as proposed by the House, instead of $1,250,000 as proposed by the Senate.

Amendment No. 78—Salaries and Expenses, Claims of Persons of Japanese Ancestry: Appropriates $1,300,000 as proposed by the Senate, instead of $4,000,000 as proposed by the House.

Amendment No. 79—Salaries and Expenses, Claims of Persons of Japanese Ancestry: Makes available not to exceed $250,000 for administrative expenses as proposed by the House, instead of $300,000 as proposed by the Senate.

Federal prison system

Amendment No. 80—Buildings and Facilities: Appropriates $800,000 as proposed by the Senate, instead of $900,000 as proposed by the House.

Amendment No. 81—Buildings and Facilities: Provides $170,000 cash for replacement of a power plant at the U. S. Penitentiary, Atlanta, Georgia, as proposed by the Senate, instead of $270,000 as proposed by the House.

Amendment No. 82—Buildings and Facilities: Corrects total to conform with action on amendment No. 81 as proposed by the Senate.

Office of alien property

Amendment No. 83—Salaries and Expenses: Makes available $4,150,000 for the general administrative expenses as proposed by the Senate, instead of $4,240,000 as proposed by the House.

DEPARTMENT OF COMMERCE

Office of the Secretary

Amendment No. 84—Salaries and Expenses: Appropriates $1,350,000, instead of $1,300,000 as proposed by the House and $1,400,000 as proposed by the Senate.

Bureau of the Census

Amendment No. 85—Seventeenth decennial census: Appropriates $28,500,000 as proposed by the Senate, instead of $29,500,000 as proposed by the House.

Civil Aeronautics Administration

Amendment No. 86—Salaries and Expenses: Appropriates $98,500,000, instead of $97,000,000 as proposed by the House and $99,775,000 as proposed by the Senate.

Amendment No. 87—Establishment of airnavigation facilities: Appropriates $27,500,000 as proposed by the Senate, instead of $32,000,000 as proposed by the House.

Amendment No. 88—Establishment of airnavigation facilities: Provides $22,000,000 of the amount contained in Amendment No. 87 for liquidation of prior contract authorizations as proposed by the Senate, instead of $26,500,000 as proposed by the House.

Amendment No. 89—Establishment of airnavigation facilities: Provides contract authority in an amount not to exceed $16,000,000, instead of $13,461,500 as proposed by the House and $20,000,000 as proposed by the Senate.

Amendment No. 90—Federal-aid airport program. Federal Airport Act: Appropriates $37,000,000 as proposed by the Senate, instead of $45,000,000 as proposed by the House.

Amendment No. 91—Federal-aid airport program. Federal Airport Act: Provides $34,000,000 of the amount contained in Amendment No. 90 for liquidation of prior contract authority as proposed by the Senate, instead of $42,000,000 as proposed by the House.

Amendment No. 92—Air navigation development: Reported in disagreement.

Civil Aeronautics Board

Amendment No. 93—Salaries and Expenses: Appropriates $3,500,000, instead of $3,400,000 as proposed by the House and $4,000,000 as proposed by the Senate.

Amendment No. 94—Salaries and Expenses: Reported in disagreement.

Bureau of Foreign and Domestic Commerce

Amendment No. 95—Departmental Salaries and Expenses: Appropriates $5,150,000, instead of $5,000,000 as proposed by the House and $5,300,000 as proposed by the Senate.

Amendment No. 96—Field Office Service: Appropriates $2,155,000 as proposed by the Senate, instead of $2,050,000 as proposed by the House.

Patent Office

Amendment No. 97—Salaries and Expenses: Appropriates $11,500,000, instead of $11,300,000 as proposed by the House, and $11,530,000 as proposed by the Senate.

Bureau of Public Roads

Amendment No. 98—General Administrative Expenses: Restores the House language which provides that not to exceed $3,000,000 to be derived from the administrative funds shall be available for continuing the construction of a laboratory for testing and research work.

Amendment No. 99—Federal-aid postwar highways: Appropriates $385,000,000 as proposed by the Senate, instead of $405,000,000 as proposed by the House.

Amendment No. 100—Federal-aid postwar highways: Corrects the amount to conform with action on Amendment No. 99 as proposed by the Senate.

National Bureau of Standards

Amendment No. 101: Provides a limitation of $700,000 for improvements to buildings, grounds and other plant facilities as proposed by the Senate, instead of $540,000 as proposed by the House.

Amendment No. 102—Operation and Administration: Appropriates $1,270,000 as proposed by the House, instead of $1,430,000 as proposed by the Senate.

Amendment No. 103—Radio Propagation and Standards: Appropriates $3,000,000 as proposed by the Senate, instead of $3,100,000 as proposed by the House.

Amendment No. 104—Construction of Laboratories: Appropriates $500,000 as proposed by the House, instead of $268,000 as proposed by the Senate.

Amendment No. 105—Construction of Laboratories: Authorizes contract authority in an amount not to exceed $5,675,000 as proposed by the House, instead of $3,000,000 as proposed by the Senate.

Weather Bureau

Amendment No. 106—Salaries and Expenses: Appropriates $24,897,000, instead of $24,447,000 as proposed by the House and $24,927,000 as proposed by the Senate.

Amendment No. 107—Salaries and Expenses: Reported in disagreement.

THE JUDICIARY

Customs court

Amendment No. 108—Salaries and expenses: Appropriates $417,465 as proposed by the House, instead of $411,465 as proposed by the Senate.

Court of Claims

Amendment No. 109—Salaries and expenses: Appropriates $575,000 as proposed by the Senate, instead of $587,000 as proposed by the House.

Amendment No. 110—Repairs and improvements: Appropriates $10,700 as proposed by the House, instead of $140,700 as proposed by the Senate.

Other courts and services

Amendment No. 111—Salaries of clerks of courts: Appropriates $4,470,000 as proposed by the Senate, instead of $4,500,000 as proposed by the House.

Amendment No. 112—Salaries of criers: Appropriates $520,000 as proposed by the Senate, instead of $540,000 as proposed by the House.

Amendment No. 113—Miscellaneous expenses: Appropriates $675,00 as proposed by the Senate, instead of $725,000 as proposed by the House.

Amendment No. 114—Travel expenses: Appropriates $725,000 as proposed by the House, instead of $650,000 as proposed by the Senate.

Amendment No. 115—Administrative Office of the United States Courts: Appropriates $520,000 as proposed by the Senate, instead of $530,000 as proposed by the House.

Amendment No. 116—Repairs and improvements, District Court of the United States for the District of Columbia: Appropriates $7,100 as proposed by the Senate, instead of $15,600 as proposed by the House.

Amendment No. 117—Expenses of referees: Appropriates $995,000 to be derived from the referees' expense fund, instead of $960,000 as proposed by the House, and $1,035,400 as proposed by the Senate.

GOVERNMENT CORPORATIONS

Department of State

Amendment No. 118—The Institute of Inter-American Affairs: Provides not to exceed $600,000 for administrative expenses of the funds available to the corporation, as proposed by the House, instead of $767,500 as proposed by the Senate.

JOHN J. ROONEY,
DANIEL J. FLOOD,
PRINCE H. PRESTON,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
KARL STEFAN,
CLIFF CLEVENGER,
JOHN TABER,
Managers on the Part of the House.

CHAPTER IV. TREASURY AND POST OFFICE DEPARTMENTS

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter IV of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 134.

That the House recede from its disagreement to the amendments of the Senate numbered 120, 122, 123, 125, 127, 130, 131, 132, and 133, and agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,185,000"; and the Senate agree to the same.

Amendment numbered 121: That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,100,000"; and the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$36,600,000"; and the Senate agree to the same.

Amendment numbered 126: That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,850,000" and the Senate agree to the same.

Amendment numbered 128: That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,150,000"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,000,000"; and the Senate agree to the same.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
G. CANFIELD,
FREDERIC R. COUDERT,
JOHN TABER,
Managers on the Part of the House.

BURNET R. MAYBANK,
CARL HAYDEN,
H. M. KILGORE,
JOHN L. MCCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter IV of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recom-

mended in the accompanying conference report as to each of such amendments, namely:

TREASURY DEPARTMENT

Office of Administrative Services

Amendment No. 119—Salaries: Appropriates $1,185,000, instead of $1,160,000 as proposed by the House and $1,207,000 as proposed by the Senate.

Amendment No. 120—Miscellaneous expenses: Appropriates $308,500 as proposed by the Senate, instead of $300,000 as proposed by the House.

Bureau of Accounts

Amendment No. 121—Salaries and expenses: Appropriates $2,100,000, instead of $1,875,000 as proposed by the House and $2,209,000 as proposed by the Senate.

Amendment No. 122—Recoinage of silver coins: Strikes out House language as proposed by the Senate.

Bureau of the Public Debt

Amendment No. 123—Distinctive paper for United States currency and securities: Appropriates $1,845,000 as proposed by the Senate, instead of $1,745,000 as proposed by the House.

Bureau of Customs

Amendment No. 124—Salaries and expenses: Appropriates $36,600,000, instead of $36,500,000 as proposed by the House and $36,806,360 as proposed by the Senate.

Bureau of Internal Revenue

Amendment No. 125—Salaries and expenses: Appropriates $245,547,500 as proposed by the Senate, instead of $245,600,000 as proposed by the House.

Bureau of Narcotics

Amendment No. 126—Salaries and expenses: Appropriates $1,850,000, instead of $1,750,000 as proposed by the House and $1,908,000 as proposed by the Senate.

Bureau of Engraving and Printing

Amendment No. 127—Salaries and Expenses: Appropriates $16,835,000 as proposed by the Senate, instead of $15,500,000 as proposed by the House.

Secret Service Division

Amendment No. 128—Salaries and Expenses: Appropriates $2,150,000, instead of $2,100,000 as proposed by the House and $2,250,000 as proposed by the Senate.

Coast Guard

Amendment No. 129—Acquisition, Construction and Improvements: Appropriates $17,000,000, instead of $15,000,000 as proposed by the House and $18,964,000 as proposed by the Senate.

POST OFFICE DEPARTMENT

Amendment Nos. 130, 131, and 132—Deficiency in Postal Revenues: Delete the House Limitation of $401,500,000 as the maximum amount which can be drawn from the Federal Treasury for this purpose and inserts language allowing the use of an indefinite amount, as proposed by the Senate.

Amendment No. 133—Transportation of Mails: Inserts language to allow the use of this appropriation for payment of current and prior fiscal year settlements with foreign countries, as proposed by the Senate.

RECONSTRUCTION FINANCE CORPORATION

Amendment No. 134—Administrative Expenses: Authorizes not to exceed $26,000,000 as proposed by the House, instead of $26,700,000 as proposed by the Senate.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
G. CANFIELD,
FREDERIC R. COUDERT,
JOHN TABER,
Managers on the Part of the House.

CHAPTER V. DEPARTMENT OF LABOR AND FEDERAL SECURITY AGENCY

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter V of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 137, 141, and 152.

That the House recede from its disagreement to the amendments of the Senate numbered 139, 144, 145, 146, 149, 154, and 155, and agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "forty-five passenger motor vehicles, of which seventeen shall be for replacement only"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,466,700"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,971,500"; and the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,800,000"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "and including $200,000 for transfer to the Department of Agriculture for research into utilization of plant material and vegetable sources of cortisone"; and the Senate agree to the same.

Amendment numbered 147: That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,090,000"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$250,000"; and the Senate agree to the same.

Amendment numbered 153: That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$523,100"; and the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,582,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 142, 148, and 151.

JOHN E. FOGARTY,
E. H. HEDRICK,
CHRISTOPHER C. MCGRATH,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
ERRETT P. SCRIVNER,
H. CARL ANDERSEN,
JOHN TABER,
Managers on the Part of the House

DENNIS CHAVEZ,
PAT MCCARRAN,
RICHARD B. RUSSELL,
WILLIAM F. KNOWLAND,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter V of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

FEDERAL SECURITY AGENCY

Food and Drug Administration

Amendments Nos. 135 and 136—Salaries and expenses: Appropriate $5,466,700, instead of $5,666,700 as proposed by the Senate and $5,066,700 as proposed by the House, including the purchase of not to exceed 45 passenger motor vehicles, instead of not to exceed 65 proposed by the Senate and not to exceed 17 proposed by the House.

Office of Education

Amendment No. 137—Promotion and further development of vocational education: Appropriates $19,977,760 as proposed by the House, instead of $23,235,000 as proposed by the Senate.

Amendment No. 138—Salaries and expenses: Appropriates $1,971,500, instead of $2,023,420 as proposed by the Senate and $1,900,000 as proposed by the House.

Public Health Service

Amendment No. 139—Venereal diseases: Appropriates $14,500,000 as proposed by the Senate, instead of $14,900,000 as proposed by the House.

Amendment No. 140—Tuberculosis: Appropriates $9,800,000 instead of $9,600,000 as proposed by the Senate, and $10,000,000 as proposed by the House.

Amendment No. 141—Salaries and expenses, hospital construction services: Appropriates $1,357,000 as proposed by the House, instead of $2,107,000 as proposed by the Senate.

Amendment No. 142—National Institutes of Health, operating expenses: Reported in disagreement.

Amendment No. 143—Restores the House language providing for transfer of funds to the Department of Agriculture for research into utilization of plant material and vegetable sources of cortisone, modified to make the transfer in the specific amount of $200,000.

Amendment No. 144 — National Cancer Institute: Appropriates $20,686,000 as proposed by the Senate, instead of $20,086,000 as proposed by the House.

Amendment No. 145—Mental health activities: Appropriates $10,000,000 as proposed by the Senate, instead of $9,944,000 as proposed by the House.

Amendment No. 146—National Heart Institute: Appropriates $14,750,000 as proposed by the Senate, instead of $14,150,000 as proposed by the House.

Amendment No. 147.—Dental health activities: Appropriates $2,090,000, instead of $2,140,000 as proposed by the Senate and $2,040,000 as proposed by the House.

Amendment No. 148—Construction of research facilities: Reported in disagreement.

Saint Elizabeth's Hospital

Amendment No. 149—Salaries and expenses: Appropriates $2,005,000 as proposed by the Senate, instead of $1,948,000 as proposed by the House.

Social Security Administration

Amendment No. 150—Salaries and expenses, Bureau of Federal Credit Unions: Appropriates $250,000, instead of $300,000 as proposed by the Senate and $200,000 as proposed by the House.

Amendment No. 151—Salaries and expenses, Bureau of Old-Age and Survivors Insurance: Reported in disagreement.

Amendment No. 152—Salaries and expenses, Children's Bureau: Appropriates $1,500,000 as proposed by the House, instead of $1,510,000 as proposed by the Senate.

Office of the Administrator

Amendment No. 153—Salaries, Office of the General Counsel: Appropriates $523,100, instead of $535,100 as proposed by the Senate and $511,100 as proposed by the House.

General provisions

Amendment No. 154: Inserts a separate section proposed by the Senate, making certain appropriations of the Federal Security Agency in the bill available for travel expenses and for expenses of attendance at meetings concerned with the function or activity for which any such appropriation is made.

Amendment No. 155: Corrects a section number.

NATIONAL LABOR RELATIONS BOARD

Amendment No. 156—Salaries and expenses: Appropriates $8,582,500, instead of $8,615,000 as proposed by the Senate and $8,550,000 as proposed by the House.

JOHN E. FOGARTY,
E. H. HEDRICK,
CHRISTOPHER C. MCGRATH,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
ERRETT P. SCRIVNER,
H. CARL ANDERSEN,
JOHN TABER,
Managers on the Part of the House.

CHAPTER VI. DEPARTMENT OF AGRICULTURE

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter VI of the bill (H. R. 7786) "making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 159, 163, 170, 171, 174, 176, 185, 202, 203, 214, and 229.

That the House recede from its disagreement to the amendments of the Senate numbered 158, 160, 161, 162, 164, 165, 167, 168, 169, 199, 205, 206, 207, 210, 211, 213, 216, 218, 219, 226, 227, 228, 233, 235, 236, and 237, and agree to the same.

Amendment numbered 172: That the House recede from its disagreement to the amendment of the Senate numbered 172, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,294,000"; and the Senate agree to the same.

Amendment numbered 173: That the House recede from its disagreement to the amendment of the Senate numbered 173, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,325,000"; and the Senate agree to the same.

Amendment numbered 177: That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,617,500"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,960,000"; and the Senate agree to the same.

Amendment numbered 179: That the House recede from its disagreement to the amendment of the Senate numbered 179, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,437,500"; and the Senate agree to the same.

Amendment numbered 180: That the House recede from its disagreement to the amendment of the Senate numbered 180, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,012,500"; and the Senate agree to the same.

Amendment numbered 181: That the House recede from its disagreement to the amendment of the Senate numbered 181, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$452,500"; and the Senate agree to the same.

Amendment numbered 182: That the House recede from its disagreement to the amendment of the Senate numbered 182, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,723,750"; and the Senate agree to the same.

Amendment numbered 183: That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,130,000"; and the Senate agree to the same.

Amendment numbered 184: That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,157,500"; and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,450,000"; and the Senate agree to the same.

Amendment numbered 187: That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,354,700"; and the Senate agree to the same.

Amendment numbered 188: That the House recede from its disagreement to the amendment of the Senate numbered 188, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,100,000"; and the Senate agree to the same.

Amendment numbered 190: That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$560,000"; and the Senate agree to the same.

Amendment numbered 191: That the House recede from its disagreement to the amendment of the Senate numbered 191, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,650,000"; and the Senate agree to the same.

Amendment numbered 193: That the House recede from its disagreement to the amendment of the Senate numbered 193, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,490,000"; and the Senate agree to the same.

Amendment numbered 194: That the House recede from its disagreement to the amendment of the Senate numbered 194, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$537,050"; and the Senate agree to the same.

Amendment numbered 195: That the House recede from its disagreement to the amendment of the Senate numbered 195, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,837,475"; and the Senate agree to the same.

Amendment numbered 196: That the House recede from its disagreement to the amendment of the Senate numbered 196, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,115,475"; and the Senate agree to the same.

Amendment numbered 197: That the House recede from its disagreement to the amendment of the Senate numbered 197, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,100,000"; and the Senate agree to the same.

Amendment numbered 204: That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$300,000"; and the Senate agree to the same.

Amendment numbered 208: That the House recede from its disagreement to the amendment of the Senate numbered 208, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,315,000"; and the Senate agree to the same.

Amendment numbered 212: That the House recede from its disagreement to the amendment of the Senate numbered 212, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,565,175"; and the Senate agree to the same.

Amendment numbered 217: That the House recede from its disagreement to the amendment of the Senate numbered 217, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,118,500"; and the Senate agree to the same.

Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered 220, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,550,000"; and the Senate agree to the same.

Amendment numbered 221: That the House recede from its disagreement to the amendment of the Senate numbered 221, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$32,500,000"; and the Senate agree to the same.

Amendment numbered 222: That the House recede from its disagreement to the amendment of the Senate numbered 222, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$65,000,000"; and the Senate agree to the same.

Amendment numbered 225: That the House recede from its disagreement to the amendment of the Senate numbered 225, and agree to the same with an amendment, as follows: In lieu of the sum proposed by

said amendment insert "$28,500,000"; and the Senate agree to the same.

Amendment numbered 230: That the House recede from its disagreement to the amendment of the Senate numbered 230, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,161,300"; and the Senate agree to the same.

Amendment numbered 231: That the House recede from its disagreement to the amendment of the Senate numbered 231, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,562,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 157, 166, 175, 189, 192, 198, 200, 201, 209, 215, 223, 224, 232, 234, and 238.

JAMIE L. WHITTEN,
WILLIAM G. STIGLER,
EDWARD H. KRUSE, Jr.
LOUIS C. RABAUT,
W. F. NORRELL
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
JOSEPH C. O'MAHONEY,
PAT MCCARRAN,
ELMER THOMAS,
MILTON R. YOUNG,
CHAN GURNEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter VI of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

Research and Marketing Act

Amendment No. 157: Reported in disagreement.

Bureau of Agricultural Economics

Amendments Nos. 158 and 159—Economic investigations: Strike out House language to permit economic research on farm housing as proposed by the Senate and appropriate $2,600,000 as proposed by the House, instead of $2,720,000 as proposed by the Senate.

Amendments Nos. 160 and 161—Crop and livestock estimates: Strike out House language authorizing collection of data on farm construction as proposed by the Senate and appropriate $2,904,000 as proposed by the Senate, instead of $2,725,000 as proposed by the House.

Office of the Administrator, Agricultural Research Administration

Amendment No. 162: Corrects language as proposed by the Senate.

Working capital fund, agricultural research center

Amendment No. 163: Restores language establishing a working capital fund as proposed by the House.

Research on agricultural problems of Alaska

Amendment No. 164: Appropriates $280,000 as proposed by the Senate, instead of $260,000 as proposed by the House.

Office of Experiment Stations

Amendment No. 165—Payments to States and Territories: Inserts language proposed by the Senate in connection with the transfer of Research and Marketing Act funds.

Amendment No. 166—Payments to States and Territories: Reported in disagreement.

Amendment No. 167—Payments to States and Territories: Authorizes $37,500 for research in Alaska as proposed by the Senate, instead of $27,500 as proposed by the House.

Amendment No. 168—Payments to States and Territories: Appropriates $12,416,208 as proposed by the Senate, instead of $7,406,208 as proposed by the House.

Amendments Nos. 169 and 170—Salaries and expenses: Correct date reference as proposed by the Senate and appropriate $237,500 as proposed by the House, instead of $252,500 as proposed by the Senate.

Bureau of Human Nutrition and Home Economics

Amendment No. 171: Appropriates $1,500,000 as proposed by the House, instead of $1,763,200 as proposed by the Senate.

Bureau of Animal Industry

Amendment No. 172—Animal husbandry: Appropriates $2,294,000, instead of $2,319,000 as proposed by the Senate and $2,250,000 as proposed by the House. The amount appropriated includes $19,000 proposed by the Senate to enable the Department to continue operation of the Morgan Horse Farm until the State Legislature can consider a proposal for State of Vermont to take it over. It is agreed unanimously by the conferees of both Houses that this activity must be disposed of by the end of the fiscal year 1951.

Amendment No. 173—Diseases of animals: Appropriates $1,325,000, instead of $1,350,000 as proposed by the Senate and $1,300,000 as proposed by the House.

Amendment No. 174—Animal disease control and eradication: Appropriates $7,950,000 as proposed by the House, instead of $7,952,500 as proposed by the Senate. Although Senate increase is eliminated, the conferees of both Houses agree that the Seattle stockyards should be given the same inspection service accorded similar stockyards throughout the country, within the funds approved.

Amendment No. 175—Animal disease control and eradication: Reported in disagreement.

Bureau of Dairy Industry

Amendments Nos. 176 and 177: Eliminate language proposed by the Senate authorizing construction of housing at Beltsville and appropriate $1,617,500, instead of $1,735,000 as proposed by the Senate and $1,600,000 as proposed by the House.

Bureau of Agricultural and Industrial Chemistry

Amendment No. 178: Appropriates $7,960,000, instead of $8,500,000 as proposed by the Senate and $7,750,000 as proposed by the House. This amount provides partial restoration of House cut below 1950 level of operation. Funds for research on cortisone are provided in Chapter V of the bill.

Bureau of Plant Industry

Amendment No. 179—Field crops: Appropriates $3,437,500, instead of $3,475,000 as proposed by the Senate and $3,400,000 as proposed by the House. This amount includes $30,000 for research on new types of cotton.

Amendment No. 180—Fruit, vegetable, and specialty crops: Appropriates $3,012,500, instead of $3,075,000 as proposed by the Senate and $2,950,000 as proposed by the House. Funds for research into new sources of cortisone are included in Chapter V of the bill.

Amendment No. 181—Forest diseases: Appropriates $452,500, instead of $455,000 as proposed by the Senate and $450,000 as proposed by the House.

Amendment No. 182—Soils, fertilizers, and irrigation: Appropriates $2,723,750, instead of $2,767,500 as proposed by the Senate and $2,680,000 as proposed by the House.

Amendment No. 183—Agricultural engineering: Appropriates $1,130,000, instead of $1,140,000 as proposed by the Senate and $1,120,000 as proposed by the House.

Bureau of Entomology and Plant Quarantine

Amendments Nos. 184 and 185.—Insect investigations: Appropriate $4,157,500, instead of $4,165,000 as proposed by the Senate and $4,100,000 as proposed by the House and restore House language authorizing the transfer of funds to the Public Health Service for studies on effects of insecticidal and fungicidal residue on human health.

Amendment No. 186—Insect and plant-disease control: Appropriates $4,450,000, instead of $4,651,000 as proposed by the Senate and $4,185,900 as proposed by the House.

Amendment No. 187—Foreign plant quarantines; Appropriates $2,354,700, instead of $2,384,400 as proposed by the Senate and $2,325,000 as proposed by the House.

Amendment No. 188—Control of emergency outbreaks of insects and plant diseases: Appropriates $2,100,000, instead of $2,350,000 as proposed by the Senate and $850,000 as proposed by the House. The additional contingency funds, which are provided to eliminate future deficiencies, are to be released only after both committees have approved final plans for their use.

Amendment No. 189—Control of emergency outbreaks of insects and plant diseases: Reported in disagreement.

Control of forest pests

Amendment No. 190—Gypsy and brown-tail moths: Appropriates $560,000, instead of $590,000 as proposed by the Senate and $539,500 as proposed by the House.

Amendment No. 191—Forest Pest Control Act: Appropriates $1,650,000, instead of $1,900,000 as proposed by the Senate and $900,000 as proposed by the House. The additional contingency funds of $750,000 are included to eliminate as far as possible future deficiencies.

Amendment No. 192—Forest Pest Control Act: Reported in disagreement.

Amendments Nos. 193, 194, 195, and 196—White pine blister rust: Appropriate $3,490,000, instead of $3,700,000 as proposed by the Senate and $3,280,000 as proposed by the House and adjust amounts to be transferred to the three agencies which carry out this program.

Forest Service

Amendment No. 197—National forest protection and management: Appropriates $27,100,000, instead of $29,320,500 as proposed by the Senate and $26,890,000 as proposed by the House.

Amendment No. 198—Cooperative range improvements: Reported in disagreement.

Amendment No. 199—Forest and range management investigations: Appropriates $3,030,000 as proposed by the Senate, instead of $2,995,000 as proposed by the House.

Amendment No. 200—Forest and range management investigations: Reported in disagreement.

Amendment No. 201—Forest products: Reported in disagreement.

Amendment No. 202—Forest resources investigations: Appropriates $880,000 as proposed by the House, instead of $1,000,000 as proposed by the Senate.

Amendment No. 203—Forest development roads and trails: Appropriates $10,348,000 as proposed by the House, instead of $12,000,000 as proposed by the Senate.

Amendment No. 204—Acquisition of land for national forests, Weeks Act: Appropriates $300,000, instead of $401,000 as proposed by the Senate and $100,000 as proposed by the House. The conferees of both Houses agree that none of these funds shall be used to purchase lands unless they are located entirely within national forest boundaries.

Amendments Nos. 205, 206, and 207—Farm and other private forestry cooperation: Approve corrections proposed by the Senate in sublimitation accounts.

Flood Control

Amendment No. 208: Appropriates $10,315,000, instead of $9,880,000 as proposed by the Senate and $10,750,000 as proposed by the House. Within the funds available, special attention shall be given to the areas where work has been delayed.

Amendment No. 209: Reported in disagreement.

Soil Conservation Service

Amendment No. 210. Omits surplus heading.

Amendment No. 211—Soil conservation operations: Appropriates $52,400,000 as proposed by the Senate, instead of $52,900,000 as proposed by the House.

Amendment No. 212—Land utilization and retirement of submarginal land: Appropriates $1,565,175, instead of $1,665,175 as proposed by the Senate and $1,490,000 as proposed by the House. The amount approved includes Senate increase for the San Simon Valley project.

Amendment No. 213—Water conservation and utilization projects: Appropriates $500,000 as proposed by the Senate, instead of $400,000 as proposed by the House.

Production and Marketing Administration

Amendment No. 214—Conservation and use of agricultural land resources: Appropriates $282,500,000 as proposed by the House, instead of $283,000,000 as proposed by the Senate.

Amendment No. 215—Conservation and use of agricultural land resources: Reported in disagreement.

Amendment No. 216—Sugar Act: Appropriates $63,750,000 as proposed by the Senate, instead of $60,000,000 as proposed by the House.

Amendment No. 217—Market News Service: Appropriates $2,118,500, instead of $2,187,000 as proposed by the Senate and $2,050,000 as proposed by the House. The amount approved includes Senate increase for market news service on naval stores.

Amendment No. 218—Marketing regulatory acts: Appropriates $3,495,000 as proposed by the Senate, instead of $3,550,000 as proposed by the House.

Federal crop insurance

Amendment No. 219: Appropriates $7,204,000 as proposed by the Senate, instead of $6,854,000 as proposed by the House.

Rural Electrification Administration

Amendment No. 220—Salaries and expenses: Appropriates $8,550,000, instead of $8,750,000 as proposed by the Senate and $8,150,000 as proposed by the House.

Amendment No. 221—Loan authorization: Authorizes rural telephone loans in the amount of $32,500,000, instead of $40,000,000 as proposed by the Senate and $25,000,000 as proposed by the House. The conferees agree that the fees for engineering and legal services on the larger loans should be reduced. They also feel that standardization of plans should be developed to make possible further savings to the consumers. In addition, the Rural Electrification Administration is expected to exercise its power generation authority only in line with its announced policy and the law.

Farmers' Home Administration

Amendment No. 222—Loan authorization: Authorizes $65,000,000 for farm tenancy and housing loans, instead of $71,350,000 as proposed by the Senate and $56,350,000 as proposed by the House. In addition, the Farmers' Home Administration will have a carry-over of approximately $7,000,000 from 1950 for farm housing loans, which will make a total of $72,000,000 available for 1951.

Amendment No. 223—Loan authorization: Reported in disagreement.

Amendment No. 224—Loan authorization: Reported in disagreement.

Amendment No. 225—Salaries and expenses: Appropriates $28,500,000, instead of $29,000,000 as proposed by the Senate and $27,700,000 as proposed by the House.

Extension Service

Amendments Nos. 226, 227, and 228—Payments to States and Territories: Appropriate $27,103,498 as proposed by the Senate, instead of $27,000,000 as proposed by the House and adjust language to increase payments to Alaska and Puerto Rico.

Amendment No. 229—Salaries and expenses: Appropriates $900,000 as proposed by the House, instead of $915,000 as proposed by the Senate.

Office of the Secretary

Amendment No. 230: Appropriates $2,161,300, instead of $2,179,300 as proposed by the Senate and $2,143,300 as proposed by the House.

Office of the Solicitor

Amendment No. 231: Appropriates $2,562,500, instead of $2,675,000 as proposed by the Senate and $2,450,000 as proposed by the House.

Amendment No. 232: Reported in disagreement.

Office of Information

Amendment No. 233: Approves language as proposed by the Senate.

Amendment No. 234: Reported in disagreement.

Travel limitation

Amendment No. 235: Eliminates language proposed by the House limiting funds for travel expenses, in view of Senate substitute in Amendment No. 238.

Commodity Credit Corporation

Amendment No. 236—Administrative expenses: Authorizes $16,350,000 as proposed by the Senate, instead of $16,000,000 as proposed by the House.

Amendment No. 237—Restoration of capital impairment: Approves $66,698,457 as proposed by the Senate, instead of $170,515,131 as proposed by the House.

General provisions

Amendment No. 238: Reported in disagreement.

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WILLIAM G. STIGLER,
EDWARD H. KRUSE, Jr.,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
Managers on the Part of the House.

CHAPTER VII. DEPARTMENT OF THE INTERIOR

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter VII of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 239, 240, 242, 245, 248, 250, 253, 256, 257, 258, 259, 266, 272, 280, 286, 287, 291, 292, 299, 308, and 309.

That the House recede from its disagreement to the amendments of the Senate numbered 241, 243, 244, 246, 247, 249, 255, 260, 261, 264, 267, 269, 274, 276, 282, 290, 293, 294, 297, 298, 301, 303, 304, 305, and 307, and agree to the same.

Amendment numbered 251: That the House recede from its disagreement to the amendment of the Senate numbered 251, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$700,000"; and the Senate agree to the same.

Amendment numbered 252: That the House recede from its disagreement to the amendment of the Senate numbered 252, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and proposed by said amendment, insert "*Provided*, That of appropriations herein made for the Bureau of Land Managament expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands shall be reimbursed from the 25 per centum referred to in section c, title II, of the Act approved August 28, 1937, of the special fund designated the 'Oregon and California Land Grant Fund' and section 4 of the Act approved May 24, 1939, of the special fund designated the 'Coos Bay Wagon Road Grant Fund' "; and the Senate agree to the same.

Amendment numbered 262: That the House recede from its disagreement to the amendment of the Senate numbered 262, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,272,651"; and the Senate agree to the same.

Amendment numbered 263: That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 265: That the House recede from its disagreement to the amendment of the Senate numbered 265, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,600,000"; and the Senate agree to the same.

Amendment numbered 268: That the House recede from its disagreement to the amendment of the Senate numbered 268, and agree to the same with an amendment, as follows: In lieu of the matter stricken by said amendment, insert ": *Provided*, That in addition to the amount appropriated herein, tribal funds may be advanced to Indian tribes during the current fiscal year for such purposes as may be designated by the governing body of the particular tribe involved and approved by the Secretary. Any tribal funds advanced under this authority shall be reported to the Congress in the annual Budget for the fiscal year 1952"; and the Senate agree to the same.

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,875,000"; and the Senate agree to the same.

Amendment numbered 271: That the House recede from its disagreement to the amendment of the Senate numbered 271, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,116,000"; and the Senate agree to the same.

Amendment numbered 273: That the House recede from its disagreement to the amendment of the Senate numbered 273, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$295,828,000"; and the Senate agree to the same.

Amendment numbered 281: That the House recede from its disagreement to the amendment of the Senate numbered 281, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,200,000"; and the Senate agree to the same.

Amendment numbered 283: That the House recede from its disagreement to the amendment of the Senate numbered 283, and agree to the same with an amendment, as follows: In lieu of the matter stricken out

and proposed by said amendment, insert "not to exceed $100,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), including such services at rates for individuals not to exceed $100 per day, when authorized by the Secretary"; and the Senate agree to the same.

Amendment numbered 296: That the House recede from its disagreement to the amendment of the Senate numbered 296, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,400,000"; and the Senate agree to the same.

Amendment numbered 310: That the House recede from its disagreement to the amendment of the Senate numbered 310, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 254, 275, 277, 278, 279, 284, 285, 288, 289, 295, 300, 302, and 306.

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CLARENCE CANNON,
BEN F. JENSEN,
IVOR D. FENTON,
Managers on the Part of the House.

CARL HAYDEN,
ELMER THOMAS,
JOSEPH C. O'MAHONEY,
KENNETH S. WHERRY,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter VII of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF THE INTERIOR

Office of the Secretary

Amendment No. 239—Salaries and expenses: Appropriates $2,315,000 as proposed by the House, instead of $2,100,000 as proposed by the Senate.

Amendment No. 240—Standardization of geographic names: Provides no appropriation, as proposed by the House, instead of making an appropriation of $14,000 as proposed by the Senate.

Amendment No. 241—Enforcement of Connally Hot Oil Act: Appropriates $180,000 as proposed by the Senate, instead of $200,000 as proposed by the House.

Amendment No. 242—Southeastern power marketing area, operation and maintenance: Appropriates $150,000 as proposed by the House, instead of $100,000 as proposed by the Senate.

Amendments Nos. 243 and 244—Southwestern Power Administration, construction: Appropriate $8,620,000 and provide contractual authority of $1,730,000 as proposed by the Senate, instead of appropriating $10,350,000 and providing $6,000,000 contractual authority as proposed by the House.

Amendment No. 245—Southwestern Power Administration, operation and maintenance: Appropriates $760,000 as proposed by the House, instead of $660,000 as proposed by the Senate.

The Southwestern Power Administration is expected to exercise its power generation and transmission authority only in line with its announced policy and the law.

Bonneville Power Administration

Amendments Nos. 246 and 247—Construction: Appropriate $39,500,000 and provide contractual authority of $20,000,000 as proposed by the Senate, instead of appropriating $41,500,000 and providing contractual authority of $21,750,000 as proposed by the House.

Amendment No. 248—Operation and maintenance: Appropriates $5,000,000 as proposed by the House, instead of $4,500,000 as proposed by the Senate.

Bureau of Land Management

Amendment No. 249—Management of lands and resources: Appropriates $7,127,810 as proposed by the Senate, instead of $6,756,800, as proposed by the House.

Amendment No. 250—Management of lands and resources: Eliminates the Senate proposal to include express authorization to expend funds for weed control on the revested Oregon and California Railroad and Coos Bay Road lands, since such express authority is not needed.

Amendment No. 251—Construction: Appropriates $700,000, instead of $600,000 as proposed by the House and $800,000 as proposed by the Senate.

Amendment No. 252—Administrative provisions: Provides for reimbursement of all expenditures in connection with the revested Oregon and California Railroad and Coos Bay Road lands from the special funds maintained by 25% of the receipts from such lands. Such reimbursement for current expenses is to be made entirely from 25% of current year receipts. If 25% of current receipts is inadequate also to reimburse for the $700,000 appropriation for capital expenditures such current year deficiency can be made up from later receipts. This modifies the reimbursement proposal of both Houses.

Amendment No. 253—Range improvements: Eliminates the Senate proposal to insert a limitation of $350,000 on expenditure of receipts.

Amendment No. 255—Payments to states (proceeds of sales): Reported in disagreement.

Amendment No. 255—Payments to states (proceeds of sales): Provides a limitation of $20,000 on such payments as proposed by the Senate.

Amendment No. 256—Payment to Oklahoma: Eliminates the Senate proposal to insert a limitation of $4,000 on such payment.

Amendment No. 257—Leasing of grazing lands: Eliminates the Senate proposal to insert a limitation of $6,000 on expenditure of receipts.

Amendment No. 258—Payments to states (Grazing fees): Eliminates the Senate proposal to insert a limitation of $300 on such payments.

Bureau of Indian Affairs

Amendment No. 259—Health, education and welfare services: Eliminates the Senate proposal to authorize expenditure for research among mixed Indians and non-Indian groups.

Amendment No. 260—Health, education and welfare services: Appropriates $40,252,328 as proposed by the Senate, instead of $37,929,000 as proposed by the House.

Amendment No. 261—Resources management: Appropriates $10,814,576 as proposed by the Senate, instead of $10,542,000 as proposed by the House.

Amendment No. 262—Construction: Appropriates $23,272,651, instead of $22,422,000 as proposed by the House and $23,635,151 as proposed by the Senate. This action eliminates the sum of $500,000 which was added by the Senate for the construction of roads and trails, but restores the sum of $137,500 for land acquisition which was deleted by the Senate. The restoration of $137,500 for land acquisition is made with the understanding that it is not to be expended for the acquisition of privately owned land to be held in trust so as to extend the boundaries of Indian reservations.

Amendment No. 263—Construction: Provides contractual authority of $3,500,000, instead of $2,500,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Amendment No. 264—Restriction on land acquisition: Adopts the proposal of the Senate to limit the use of appropriations for the acquisition of land or water rights for Indians in specified states.

Amendment No. 265—General administrative expenes: Appropriates $3,600,000, instead of $3,500,000 as proposed by the House, and $3,644,000 as proposed by the Senate.

Amendment No. 266—Administrative provisions: Authorizes the purchase of 227 automobiles as proposed by the House, instead of 250 as proposed by the Senate.

Amendment No. 267—Tribal funds: Appropriates $2,437,965 as proposed by the Senate, instead of $2,430,965 as proposed by the House.

Amendment No. 268—Tribal funds: Authorizes the advancement of tribal funds to Indian tribes during the current fiscal year upon the designation by the governing body of the tribe and approval by the Secretary, and requires that such advances shall be reported to the Congress in the annual budget for the fiscal year 1952, thus reinstating with modification the language proposed by the House but deleted by the Senate.

Amendment No. 269—Tribal funds: Inserts a limitation upon the use of tribal funds for the acquisition of land or water rights in specified states, as proposed by the Senate.

Bureau of Reclamation

Amendment No. 270—General investigations: Appropriates $5,875,000, instead of $5,150,000 as proposed by the House and $6,500,000 as proposed by the Senate. This action provides $50,000 for investigation of the La Prele unit, Wyoming.

Amendment No. 271—General investigations: Provides that of the appropriation of $5,875,000 for general investigations the amount to be derived from the reclamation fund is $5,116,000, instead of $4,400,000 as proposed by the House and $5,791,000 as proposed by the Senate.

Amendment No. 272—Construction and rehabilitation: Eliminates the proposal of the Senate to authorize emergency reconstruction of the La Prele unit, Wyoming, and initiation of construction on the Kennewick Division of the Yakima project, Washington.

Amendment No. 273—Construction and rehabilitation: Appropriates $295,828,000, instead of $297,467,000 as proposed by the House, and $294,713,000 as proposed by the Senate. This action ratifies the allocation of funds for construction and rehabilitation as set forth on pages 142 and 143 (and for the Missouri Basin project, on pages 147, 148, 149, and 150) of Senate report No. 1941, accompanying H. R. 7786, including ratification of the Senate action in providing $750,000 to initiate the work on the Folsom power facilities, Central Valley project, and including ratification of providing $504,000 (increase in appropriation of $228,000 together with $276,000 to be available through reprograming under House allowance) for construction of the Brighton-Brush transmission line and substations, Colorado-Big Thompson project, but with the following exceptions to such ratification:

(a) In addition to $343,000 allowed by the Senate for the Fort Peck project, Montana, $750,000 is also allowed to complete construction of the Havre-Shelby transmission line and substations. This is in lieu of the $1,400,000 allowed by the House and of the entire disallowance of funds for this line as proposed by the Senate.

(b) The additional sum of $365,000 is provided for the Missouri Basin project to construct the Canyon Ferry-Great Falls transmission line and substations.

Amendment No. 274—Construction and rehabilitation: Provides that of the appropriation of $295,828,000, the sum to be derived from the reclamation fund shall be $25,135,700 as proposed by the Senate, instead of $22,897,700 as proposed by the House.

Amendment No. 275—Construction and rehabilitation (contract authority): Reported in disagreement.

Amendment No. 276—Construction and rehabilitation: Ratifies the action of the Senate in deleting the proposal of the House to earmark $1,000,000 for the construction of specified transmission lines in South Dakota.

Amendment No. 277—Construction and rehabilitation (language authorizing South Dakota transmission lines): Reported in disagreement.

Amendment No. 278—Construction and rehabilitation (restriction on construction of Glendo unit): Reported in disagreement.

Amendment No. 279—Construction and rehabilitation (restriction on construction of Moorhead Dam): Reported in disagreement.

Amendment No. 280—Construction and rehabilitation: Eliminates the proposal of the Senate to rescind the unused portion of the 1950 appropriation for construction of the Havre-Shelby transmission line and substations, Fort Peck project, Montana.

Amendment No. 281—General administrative expenses: Appropriates $7,200,000, instead of $7,000,000 as proposed by the House and $7,400,000 as proposed by the Senate.

Amendment No. 282—General administrative expenses: Inserts a provision limiting expenditures for information work to not more than $150,000, as proposed by the Senate.

Amendment No. 283—Administrative provisions: Provides that not to exceed $100,000 shall be available for services authorized under section 15 of the Act of August 2, 1946, including such services at rates for individuals not to exceed $100 per day, when authorized by the Secretary. This modifies the proposals of both Houses in this connection.

Amendment No. 284—Administrative provisions (administration of interstate compacts): Reported in disagreement.

Amendment No. 285—Administrative provisions (payments to school districts): Reported in disagreement.

Amendment No. 286—Administrative provisions: Eliminates the proposal of the Senate to insert a provision limiting reimbursability of certain expenditures.

Amendment No. 287—Administrative provisions: Authorizes expenditures for studies of recreational uses of reservoir areas pursuant to law, as proposed by the House, instead of authorizing expenditures for such studies on a non-reimbursable basis and with an express limit on expenditures for any one reservoir area, as proposed by the Senate.

Amendment No. 288—Administrative provisions (Reimbursability of certain expenditures): Reported in disagreement.

Amendment No. 289—Transfer of Ephrata Air Force Base: Reported in disagreement.

The Bureau of Reclamation was permitted to insert in the Senate Hearings, Part I, beginning at page 576, a statement of the Bureau's interpretation of some of the provisions of H. R. 7786 as passed by the House. Such interpretation should be considered as that sought to be established by the Bureau of Reclamation, and not necessarily as the intent of Congress. When interpretation is necessary, the Comptroller General should resolve questions in the light of all relevant factors.

Geological Survey

Amendment No. 290—Surveys, investigations and research: Appropriates $19,382,000 as proposed by the Senate, instead of $19,129,000 as proposed by the House.

Bureau of Mines

Amendments Nos. 291 and 292—Conservation and development of mineral resources: Appropriate $17,758,000 as proposed by the House instead of $17,813,403 as proposed by the Senate; and eliminate the provision proposed by the Senate to authorize the reacquisition of certain properties in Montana.

Amendment No. 293—Construction: Appropriates $1,268,100 as proposed by the Senate, instead of $1,372,600 as proposed by the House.

Amendment No. 294—Administrative provisions: Authorizes the purchase of 150 automobiles as proposed by the Senate, instead of 145 as proposed by the House.

Amendment No. 295—Administrative provisions (Transfer of land in Minnesota): Reported in disagreement.

National Park Service

Amendment No. 296—Maintenance and rehabilitation of physical facilities: Appropriates $7,400,000, instead of $7,250,000 as proposed by the House, and $7,448,100 as proposed by the Senate.

Amendment No. 297—Construction: Appropriates $19,667,000 as proposed by the Senate, instead of $20,542,000 as proposed by the House.

This action on amendments Numbered 296 and 297 will necessitate some flexibility to permit adjustment of items originally scheduled under maintenance and rehabilitation and construction.

Amendments Nos. 298 and 299—Construction: Provide that of the construction appropriation the sum for liquidation of prior obligations shall be $7,935,000 as proposed by the Senate, instead of $8,935,000 as proposed by the House; and eliminate the proposal of the Senate to provide $100,000 in contract authorization.

Amendment No. 300—Construction (Provision regarding Independence National Historical Park): Reported in disagreement.

Amendment No. 301—General administrative expenses: Appropriates $1,314,500 as proposed by the Senate, instead of $1,264,500 as proposed by the House.

Fish and Wildlife Service

Amendment No. 302—Management of resources (Payment for information): Reported in disagreement.

Amendment No. 303—Management of resources: Appropriates $7,082,000 as proposed by the Senate, instead of $7,157,000 as proposed by the House.

Amendment No. 304—Investigations of resources: Appropriates $4,125,000 as proposed by the Senate, instead of $3,900,000 as proposed by the House.

Amendment No. 305—Construction: Appropriates $2,423,450 as proposed by the Senate, instead of $2,401,000 as proposed by the House.

Amendment No. 306—Migratory bird conservation fund: Reported in disagreement.

Territories and island possessions

Amendment No. 307—Administration of territories and possessions: Appropriates $3,892,180 as proposed by the Senate, instead of $3,329,500 as proposed by the House.

Amendment No. 308—Construction of roads, Alaska: Appropriates $20,400,000 as proposed by the House, instead of $18,883,212 as proposed by the Senate.

Amendment No. 309—Claims, Alaska Road Commission: Provides no appropriation as proposed by the House, instead of appropriating $12,893 as proposed by the Senate.

Amendment No. 310—Construction, Alaska Railroad: Appropriates $30,000,000, instead of $31,000,000 as proposed by the House and $28,700,000 as proposed by the Senate.

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Managers on the Part of the House.

CHAPTER VIII. INDEPENDENT OFFICES

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter VIII of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 316, 330, 331, 340, 341, 343, 346, 350, 357, 359, 362, and 371.

That the House recede from its disagreement to the amendments of the Senate numbered 311, 313, 314, 320, 321, 323, 324, 326, 327, 328, 329, 332, 333, 334, 335, 336, 347, 360, 364, 365, 366, 368, and 372, and agree to the same.

Amendment numbered 312: That the House recede from its disagreement to the amendment of the Senate numbered 312, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$187,750"; and the Senate agree to the same.

Amendment numbered 315: That the House recede from its disagreement to the amendment of the Senate numbered 315, and agree to the same with an amendment, as follows: In lieu of the matter stricken by said amendment insert ": *Provided further*, That no part of the foregoing appropriation or contract authorization shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of $90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of $45,000 per annum"; and the Senate agree to the same.

Amendment numbered 317: That the House recede from its disagreement to the amendment of the Senate numbered 317, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,511,913"; and the Senate agree to the same.

Amendment numbered 318: That the House recede from its disagreement to the amendment of the Senate numbered 318, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$35,000"; and the Senate agree to the same.

Amendment numbered 322: That the House recede from its disagreement to the amendment of the Senate numbered 322, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,891,695"; and the Senate agree to the same.

Amendment numbered 325: That the House recede from its disagreement to the amendment of the Senate numbered 325, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$300"; and the Senate agree to the same.

Amendment numbered 339: That the House recede from its disagreement to the amendment of the Senate numbered 339, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$78,500,000"; and the Senate agree to the same.

Amendment numbered 344: That the House recede from its disagreement to the amendment of the Senate numbered 344, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,000,000"; and the Senate agree to the same.

Amendment numbered 348: That the House recede from its disagreement to the amendment of the Senate numbered 348, and agree to the same with an amendment, as follows: In lieu of the sum proposed by

said amendment insert "$190,000"; and the Senate agree to the same.

Amendment numbered 349: That the House recede from its disagreement to the amendment of the Senate numbered 349, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$42,500,000"; and the Senate agree to the same.

Amendment numbered 351: That the House recede from its disagreement to the amendment of the Senate numbered 351, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,000,000"; and the Senate agree to the same.

Amendment numbered 352: That the House recede from its disagreement to the amendment of the Senate numbered 352, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$38,000"; and the Senate agree to the same.

Amendment numbered 355: That the House recede from its disagreement to the amendment of the Senate numbered 355, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,230,000"; and the Senate agree to the same.

Amendment numbered 356: That the House recede from its disagreement to the amendment of the Senate numbered 356, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,700,000"; and the Senate agree to the same.

Amendment numbered 358: That the House recede from its disagreement to the amendment of the Senate numbered 358, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,179,000"; and the Senate agree to the same.

Amendment numbered 367: That the House recede from its disagreement to the amendment of the Senate numbered 367, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$881,750,000"; and the Senate agree to the same.

Amendment numbered 369: That the House recede from its disagreement to the amendment of the Senate numbered 369, and agree to the same with an amendment, as follows: In lieu of the per centum proposed insert "5.5"; and the Senate agree to the same.

Amendment numbered 370: That the House recede from its disagreement to the amendment of the Senate numbered 370, and agree to the same with an amendment, as follows: In lieu of the per centum proposed insert "9"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 319, 337, 338, 342, 345, 353, 354, 361, 363, and 373.

ALBERT THOMAS,
ALBERT GORE,
GEORGE ANDREWS,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
FRANCIS CASE
(except as to amendment 363),
JOHN PHILLIPS
(except as to amendment 363),
JOHN TABER,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
RICHARD B. RUSSELL,
KENNETH MCKELLAR,
ELMER THOMAS,
HOMER FERGUSON,
GUY CORDON,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter VIII of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

EXECUTIVE OFFICE OF THE PRESIDENT

Bureau of the Budget

Amendment No. 311—Salaries and Expenses: Appropriates $3,412,000 as proposed by the Senate, instead of $3,386,000 as proposed by the House.

Philippine Alien Property Custodian

Amendment No. 312—Administrative Expenses: Appropriates $187,750, instead of $160,000 as proposed by the House and $215,500, as proposed by the Senate.

AMERICAN BATTLE MONUMENTS COMMISSION

Amendment No. 313—Salaries and Expenses: Appropriates $670,000, as proposed by the Senate, instead of $695,000 as proposed by the House.

Amendment No. 314—Construction of Memorials and Cemeteries: Appropriates $8,500,000 as proposed by the Senate, instead of $8,680,000 as proposed by the House.

ATOMIC ENERGY COMMISSION

Amendment No. 315—Payment of Fees to Contractors: Restores provision in the House bill, amended to clarify intent. In connection with this provision the conferees wish it understood that they are aware that these contracts contain a cancellation clause and that they are expecting the Commission to take immediate advantage of that clause.

CIVIL SERVICE COMMISSION

Amendments Nos. 316 and 317—Salaries and Expenses: Authorize the expenditure of $50,000 for performing the duties imposed upon the Commission by the Act of July 19, 1940 (Hatch Act), as proposed by the House, instead of $80,000 as proposed by the Senate; and appropriate $15,511,913, instead of $15,261,913 as proposed by the House and $15,761,913 as proposed by the Senate.

COMMISSION ON RENOVATION OF THE EXECUTIVE MANSION

Amendment No. 318—Salaries and Expenses: Appropriates $35,000, instead of $20,000 as proposed by the House and $50,000 as proposed by the Senate. Re-appropriation of unobligated balances totaling $30,000 provides a total of $65,000 for this purpose.

DISPLACED PERSONS COMMISSION

Amendment No. 319—Salaries and Expenses: Reported in disagreement.

FEDERAL POWER COMMISSION

Amendments Nos. 320 and 321—Salaries and Expenses: Authorize the expenditure of $256,500 for travel expenses as proposed by the Senate, instead of $247,500 as proposed by the House; and appropriates $4,013,300 as proposed by the Senate, instead of $3,938,300 as proposed by the House.

FEDERAL TRADE COMMISSION

Amendments Nos. 322 and 323—Salaries and Expenses: Appropriates $3,891,695, instead of $3,866,695 as proposed by the House and $3,916,695 as proposed by the Senate; and strikes out the words "to the Bureau of Trade Practice Conferences" as proposed by the Senate.

GENERAL ACCOUNTING OFFICE

Amendments Nos. 324 and 325—Salaries: Appropriate $32,689,500, as proposed by the Senate, instead of $34,500,000 as proposed by the House; and authorizes the expenditure of $300 for newspapers and periodicals, instead of $600 as proposed by the Senate.

GENERAL SERVICES ADMINISTRATION

Amendment No. 326—Sites and Planning, Public Buildings Outside the District of Columbia: Appropriates $22,000,000 as proposed by the Senate, instead of $28,000,000 as proposed by the House.

Amendments Nos. 327, 328, and 329—Strategic and Critical Materials Stock Piling Act: Appropriate $605,000,000 as proposed by the Senate, instead of $633,608,240 as proposed by the House; strikes out the provision of the House to the effect that not to exceed $25,000,000 may be expended in accordance with the purposes of the act of July 23, 1946 through purchase contracts negotiated with operators as proposed by the Senate; and provides a contract authorization of $125,000,000 as proposed by the Senate, instead of $100,000,000 as proposed by the House. In connection with this activity the conferees wish to go on record as being in accord with the so-called "buy American policy" which was enacted in 1933. The conferees are of the opinion that this policy should continue in full force, and that every assistance should be extended by the government to the development of our domestic sources of raw materials. We point out that domestic development means double protection—a stock pile immediately acquired and the source of supply proved.

Amendments Nos. 330 and 331—Alaska Public Works: Strike out the proposal of the Senate authorizing a contract authorization in the amount of $4,000,000; and restores the provision of the House requiring that a certificate from the Secretary of Defense that the installation of such facility will be of value in connection with national defense.

Amendments Nos. 332 and 333—Advance Planning of Non-Federal Public Works: Appropriate $20,000,000 as proposed by the Senate, instead of $28,000,000 as proposed by the House; and provides a contract authorization in the sum of $27,000,000 as proposed by the Senate, instead of $32,000,000 as proposed by the House.

Amendment No. 334—Grants for Plan Preparation, Water Pollution Control: Appropriates $750,000 as proposed by the Senate, instead of $900,000 as proposed by the House.

Amendment No. 335—Administrative Expenses, Water Pollution Control: Appropriates $52,285 as proposed by the Senate, instead of $60,000 as proposed by the House.

Amendment No. 336—Virgin Islands Public Works: Appropriates $1,000,000 as proposed by the Senate, instead of $1,300,000 as proposed by the House.

Amendments Nos. 337 and 338—Public Works Advance Planning: Reported in disagreement.

Amendment No. 339—Operating Expenses: Appropriates $78,500,000, instead of $76,500,000 as proposed by the House and $82,725,000 as proposed by the Senate.

Amendment No. 340—Purchase and Distribution of Typewriters: Restores the two paragraphs contained in the House Bill relating to the acquisition and distribution of typewriters.

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

Amendments Nos. 341 and 342—Salaries and Expenses: Appropriate $4,200,000 as proposed by the House, instead of $4,900,000 as proposed by the Senate; and reports in disagreement the proposal of the Senate relating to expenses of inspections of projects financed through loans to educational institutions authorized by Title 4 of the Housing Act of 1950.

Public Housing Administration

Amendment No. 343—Annual Contributions: Appropriates $7,500,000 as proposed by the House, instead of $9,250,000 as proposed by the Senate.

Amendment No. 344—Administrative Expenses: Appropriates $9,000,000, instead of

$8,750,000 as proposed by the House and $11,500,000 as proposed by the Senate.

INTERSTATE COMMERCE COMMISSION

Amendment No. 345—General Expenses: Reported in disagreement.

Amendment No. 346—Railroad Safety: Appropriates $1,000,000, as proposed by the House, instead of $1,016,000 as proposed by the Senate.

Amendment No. 347—Locomotive Inspection: Appropriates $718,600, as proposed by the Senate, instead of $700,000 as proposed by the House.

MOTOR CARRIER CLAIMS COMMISSION

Amendment No. 348—Salaries and Expenses: Appropriates $190,000, instead of $175,000 as proposed by the House and $227,800 as proposed by the Senate.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Amendments Nos. 349 and 350—Salaries and Expenses: Appropriate $42,500,000, instead of $40,890,630 as proposed by the House and $44,225,630 as proposed by the Senate; and restores the provision of the House providing that no part of the appropriation shall be available for the operation of a field office outside the continental or territorial limits of the United States.

Amendment No. 351—Construction and Equipment: Provides a contract authorization of $11,000,000, instead of $10,000,000 as proposed by the House and $12,500,000 as proposed by the Senate.

NATIONAL CAPITAL HOUSING AUTHORITY

Amendments Nos. 352 and 353—Maintenance and Operation of Properties: Appropriate $38,000, instead of $35,000 as proposed by the House and $39,600 as proposed by the Senate; and reports in disagreement the provision of the Senate waiving the provisions of Section 507 of the Housing Act of 1950.

PHILIPPINE WAR DAMAGE COMMISSION

Amendment No. 354—Eligibility of Persons Who Collaborated With the Enemy: Reported in disagreement. Any recommendation submitted by the committee in connection with this amendment should in no way be considered justification for continuation of this activity beyond April 30, 1951, the statutory termination date for this part of the program.

SECURITIES AND EXCHANGE COMMISSION

Amendment No. 355—Salaries and Expenses: Appropriates $6,230,000, instead of $6,130,000 as proposed by the House and $6,330,000 as proposed by the Senate.

SMITHSONIAN INSTITUTION

Amendment No. 356—Salaries and Expenses: Appropriates $2,700,000, instead of $2,606,490 as proposed by the House and $2,770,000 as proposed by the Senate.

Amendment No. 357—Paleontological Investigations: Strikes out the provision of the Senate proposing an appropriation of $20,000.

Amendment No. 358—Salaries and Expenses, National Gallery of Art: Appropriates $1,179,000, instead of $1,158,000 as proposed by the House and $1,200,000 as proposed by the Senate.

TARIFF COMMISSION

Amendment No. 359—Salaries and Expenses: Appropriates $1,290,700 as proposed by the House, instead of $1,340,700 as proposed by the Senate.

THE TAX COURT OF THE UNITED STATES

Amendment No. 360—Salaries and Expenses: Appropriates $826,900, as proposed by the Senate, instead of $820,000 as proposed by the House.

UNITED STATES MARITIME COMMISSION

Amendment No. 361—Ship Construction: Reported in disagreement.

Amendment No. 362—Operating-Differential Subsidies: Appropriates $26,450,000 as proposed by the House, instead of $30,108,000 as proposed by the Senate.

Amendment No. 363—Limitation on Number of Ships Receiving Operating-Differential Subsidy: Reported in disagreement.

Amendment No. 364—Maritime Training: Strikes out the provision of the House appropriating $3,342,660, and inserts the proposal of the Senate appropriating $4,348,520 including pay of cadet-midshipmen and other trainees as proposed by the Senate. For several years there has been disagreement in the two Houses as to the justice and desirability of providing the $65 monthly allowance for cadet-midshipmen. It has been pointed out that similar payments are made to cadets at the Military Academy and midshipmen at the Naval Academy. It also has been pointed out that the obligation to serve on the part of the two latter groups is greater than it is in the case of cadets attending the Maritime Academy. It is recommended that the subcommittees of the Committees on Appropriations of the two Houses having the subject in charge, or certain members thereof, conduct a study of the problem with a view to submitting a recommendation thereon by the beginning of the next regular session of the Congress.

Amendment No. 365—State Marine Schools: Strikes out the proposal of the House containing an appropriation of $668,000 together with an unobligated balance of not to exceed $25,000, and inserts the proposal of the Senate appropriating $1,102,050, including pay of cadet-midshipmen at $65 per month.

Amendment No. 366—Vessel Operating Functions: Corrects statute reference as proposed by the Senate.

VETERANS ADMINISTRATION

Amendment No. 367—Administration, Medical, Hospital and Domiciliary Services: Appropriates $881,750,000, instead of $875,847,795 as proposed by the House and $887,621,000 as proposed by the Senate.

Amendment No. 368—Limitation on Educational and Training Institutions: Strikes out the proposal of the House regarding the eligibility of educational institutions for the training of veterans, as proposed by the Senate.

Amendments Nos. 369 and 370—Payment for Technical and Clerical Services for the Preparation of Plans and Specifications: Authorize the use of not to exceed 5.5 per cent of appropriation and contract authorizations, instead of 4 per cent as proposed by the House and 6.7 per cent as proposed by the Senate, in connection with projects supervised by the Veterans Administration; and authorizes the use of not to exceed 9 per cent where such projects are under the supervision of other government agencies, instead of 7 per cent as proposed by the House and 10 per cent as proposed by the Senate.

WAR CLAIMS COMMISSION

Amendment No. 371—Administrative expenses: Appropriates $600,000 as proposed by the House, instead of $700,000 as proposed by the Senate.

GENERAL PROVISIONS

Amendment No. 372—Section 110: Excepts certain corporations from the general provisions of Title I, Chapter VIII, as proposed by the Senate.

TITLE II. CORPORATIONS

HOUSING AND HOME FINANCE AGENCY

Amendment No. 373—Public Housing Administration: Reported in disagreement.

ALBERT THOMAS,
ALBERT GORE,
GEORGE ANDREWS,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
FRANCIS CASE
(except as to amendment 363),
JOHN PHILLIPS
(except as to amendment 363),
JOHN TABER
(except as to amendment 363),
Managers on the Part of the House.

CHAPTER IX. CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter IX of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 384 and 395.

That the House recede from its disagreement to the amendments of the Senate numbered 374, 375, 376, 377, 378, 382, 385, 386, 389, 391, 392, 394, 396, and 397, and agree to the same.

Amendment numbered 379: That the House recede from its disagreement to the amendment of the Senate numbered 379, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,525,00"; and the Senate agree to the same.

Amendment numbered 380: That the House recede from its disagreement to the amendment of the Senate numbered 380, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following "(for replacements only) in the current fiscal year of three hundred and fifty passenger motor vehicles and one motorboat (to be acquired from surplus stock where practicable) and the purchase (not to exceed one, to be acquired from surplus stock where practicable), maintenance, repair, and operation of aircraft"; and the Senate agree to the same.

Amendment numbered 381: That the House recede from its disagreement to the amendment of the Senate numbered 381, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following ": *Provided further*, That the various appropriations for rivers and harbors and flood control shall be available for payments to school districts as authorized by law"; and the Senate agree to the same.

Amendment numbered 383: That the House recede from its disagreement to the amendment of the Senate numbered 383, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert $198,811,500"; and the Senate agree to the same.

Amendment numbered 387: That the House recede from its disagreement to the amendment of the Senate numbered 387, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "383,408,250"; and the Senate agree to the same.

Amendment numbered 390: That the House recede from its disagreement to the amendment of the Senate numbered 390,

and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$66,422,400"; and the Senate agree to the same.

Amendment numbered 393: That the House recede from its disagreement to the amendment of the Senate numbered 393, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$432,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 388 and 398.

CLARENCE CANNON,
JOHN H. KERR,
LOUIS C. RABAUT,
ALBERT GORE,
E. H. HEDRICK,
W. F. NORRELL,
R. B. WIGGLESWORTH,
KARL STEFAN,
JOHN TABER,
Managers on the Part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
ELMER THOMAS,
ALLEN J. ELLENDER,
JOHN C. STENNIS,
CHAN GURNEY,
GUY CORDON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter IX of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

Quartermaster Corps

Amendment No. 374—Cemeterial Expenses: Appropriates $5,000,000 as proposed by the Senate, instead of $5,500,000 as proposed by the House.

Amendment No. 375—Entombment of an Unknown American Serviceman, World War II: Deletes provision of the House providing funds incident to the selection and burial of an unknown American serviceman of World War II, as proposed by the Senate.

SIGNAL CORPS

Amendment No. 376—Alaska Communication System: Appropriates $2,877,920 for construction in Alaska as proposed by the Senate, instead of $1,000,000 as proposed by the House.

Amendment No. 377—Alaska Communication System: Deletes provision of the House limiting to $28,000 construction costs per housing unit and substitutes provision establishing an average cost of $24,000 per unit, as proposed by the Senate.

Amendment No. 378—Alaska Communication System: Enlarges provision of the House pertaining to inclusion of equipment in housing units, as proposed by the Senate.

CORPS OF ENGINEERS

Amendment No. 379—Administrative Expense Limitation: Authorizes a limitation of $1,525,000, instead of $1,450,000 as proposed by the House and $1,600,000 as proposed by the Senate.

Amendment No. 380—Administrative Provisions: Provides for the purchase of 350 passenger motor vehicles, one motor boat and one airplane, instead of only 350 passenger motor vehicles as proposed by the House and 500 passenger motor vehicles, two motor boats and one airplane as proposed by the Senate.

Amendment No. 381—Administrative Provisions: Provides for payments to school districts.

Amendment No. 382—Rivers and Harbors: Provides authority for investigations and for plans and specifications for authorized projects, as proposed by the Senate.

Amendment No. 383—Rivers and harbors: Appropriates $198,811,500 instead of $185,878,000 as proposed by the House and $221,244,500 as proposed by the Senate. The amount agreed upon is 10 percent below the amount approved by the Senate. The Senate had approved $1,800,000 for planning and $2,585,000 for examinations and surveys, which amounts are included in the lump sum appropriation for rivers and harbors. Since the appropriation has been reduced 10 percent below the Senate figure, the amounts for planning and examinations and surveys are likewise reduced by the amount of 10 percent below the amounts approved by the Senate.

Amendment No. 384—Old River, Cleveland, Ohio: Deletes provision of the Senate providing $75,000 for dredging.

Amendment No. 385—Alteration of bridges over navigable waters: Appropriates $900,000 as proposed by the Senate, instead of $1,000,000 as proposed by the House.

Amendment No. 386—Flood control: Corrects language.

Amendment No. 387—Flood control: Appropriates $383,408,250, instead of $341,055,000 as proposed by the House and $436,933,000 as proposed by the Senate. The amount agreed upon is 12 percent below the amount approved by the Senate. The Senate had approved $3,565,000 for planning and $6,500,000 for preliminary examinations, surveys, and contingencies which amounts are included in the lump sum appropriation for flood control. Since the appropriation has been reduced 12 percent below the Senate figure the amounts for planning, preliminary examinations, surveys, and contingencies are likewise reduced by the amount of 12 percent below the amounts approved by the Senate.

With respect to amendments Nos. 383, 387, 390, and 393, the conferees are agreed that obligation and expenditure of funds shall be made under the criteria set forth in the letter of the President and the Corps of Engineers, as follows:

THE WHITE HOUSE,
Washington, July 21, 1950.

The honorable the SECRETARY OF THE ARMY.

MY DEAR MR. SECRETARY: In my message of July 19 to the Congress, I announced that I was directing the executive agencies "* * * to conduct a detailed review of Government programs, for the purpose of modifying them wherever practicable to lessen the demand upon services, commodities, raw materials, manpower, and facilities which are in competition with those needed for national defense. The Government, as well as the public, must exercise great restraint in the use of those goods and services which are needed for our increased defense efforts."

In order to adjust the programs of the Federal Government, I am writing to you and the heads of the other agencies whose programs involve substantial use of materials and other resources needed for the defense effort. Please reexamine your programs, giving particular attention, to the extent applicable, to the following:

(1) All civil public works, both direct Federal programs and grant-in-aid programs, should be screened with the objective, as far as practical, of deferring, curtailing, or slowing down those projects which do not directly contribute to defense or to civilian requirements essential in the changed international situation set forth in my message.

(2) Consistent with the restrictive policy already in force for housing credit, other credit programs should be tightened. The only exceptions should be those which directly contribute to meeting our defense and international responsibilities.

(3) Procurement of supplies and equipment should be held to minimum amounts, especially purchases of motor vehicles, typewriters, and other equipment using critical materials. Inventories should be reduced to the lowest practical levels, and excess supplies and equipment should be made available immediately to the General Services Administration.

In addition, I shall expect that in the reexamination of the programs of your agency you will give first priority to those activities which contribute directly to national defense, including requests of other agencies for assistance.

I am asking the Director of the Bureau of the Budget to work closely with you in this review and to report to me on the steps which you have taken in revising your program to meet these objectives.

Sincerely yours,

HARRY TRUMAN.

TENTATIVE CRITERIA FOR REVIEW OF CIVIL WORKS PROGRAM OF CORPS OF ENGINEERS IN ACCORDANCE WITH THE PRESIDENT'S LETTER OF JULY 21, 1950

The civil-works program of the Corps of Engineers will be reviewed to insure that no new projects are initiated unless they make an important contribution to the war effort and that only those projects now under construction which meet one or more of the following specific criteria will be continued during the period of partial mobilization.

SPECIFIC CRITERIA

1. The project includes the development of power.

2. The project provides industrial or municipal water supply in critical areas.

3. The project is a dam and reservoir project where closure is under way or has been effected and should be completed to a point of useful operation.

4. The project is an important harbor or waterway.

5. The project protects important industries or major food-producing areas.

6. The project can be completed in the 1951 working season, and where termination costs would constitute an appreciable economic loss, the work in place would be damaged if not protected, and if relatively small amounts of additional work will make the project fully effective.

7. The project involves almost entirely the movement of earth such as channel improvements or levees and does not compete in the use of critical materials.

8. Maintenance of completed projects, advance planning of selected authorized projects, and the survey program should be continued.

With respect to those projects that meet the above criteria for continuation of construction, each individual feature of the project will be examined to determine whether it can be deferred without detriment to the major purpose of the project or to the work in place.

The conferees are further agreed that no construction or planning of any new project appropriated for in this chapter shall be started unless certified by the President as necessary to the war effort and amounts allowed for construction herein shall be available for reallocation to any project appropriated for in this chapter as the Corps of Engineers find necessary to meet the exigencies of the war effort and to maintain economical construction schedules.

Amendment No. 388—Mandan, North Dakota, and James River: Reported in disagreement.

Amendment No. 389—Flood Control General (Emergency Fund): Appropriates $2,700,000 as proposed by the Senate instead of $3,000,000 as proposed by the House.

Amendment No. 390—Flood Control, Mississippi River and Tributaries: Appropriates $66,422,400 instead of $65,000,000 as proposed

by the House and $66,778,000 as proposed by the Senate.

Amendment No. 391—Emergency Fund for Flood Control on Tributaries of the Mississippi River: Appropriates $450,000 as proposed by the Senate instead of $500,000 as proposed by the House.

Amendment No. 392—Flood Control, Sacramento River, California: Appropriates $2,524,500 as proposed by the Senate, instead of $2,700,000 as proposed by the House.

Amendment No. 393—Flood Control, Roseville, Ohio: Appropriates $432,000, instead of $540,000 as proposed by the Senate.

Amendment No. 394—Miscellaneous Civil Works: Appropriates $16,000 as proposed by the Senate, instead of $12,000 as proposed by the House.

UNITED STATES SOLDIERS' HOME

Amendment No. 395—Maintenance and Operation: Appropriates $2,395,000 from the Soldiers' Home Trust Fund as proposed by the House, instead of $2,363,240 as proposed by the Senate.

PANAMA CANAL

Amendment No. 396—Maintenance and Operation: Appropriates $13,251,700 as proposed by the Senate, instead of $14,500,000 as proposed by the House.

Amendment No. 397—Civil Government: Appropriates $3,849,000 as proposed by the Senate, instead of $3,925,000 as proposed by the House.

Amendment No. 398—General Provisions: Reported in disagreement.

CLARENCE CANNON,
JOHN H. KERR,
LOUIS C. RABAUT,
ALBERT GORE,
E. H. HEDRICK,
W. F. NORRELL,
R. B. WIGGLESWORTH,
KARL STEFAN,
JOHN TABER,
Managers on the Part of the House.

CHAPTER X. DEFENSE

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter X of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 408, 409, 441, and 455.

That the House recede from its disagreement to the amendments of the Senate numbered 400, 401, 402, 403, 404, 405, 406, 407, 410, 411, 412, 413, 414, 415, 416, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 442, 443, 444, 445, 446, 447, 448, 449, 450, 452, 453, 454, 457, 458, 459, 460, 461, 462, 463, 464, 465, and 466, and agree to the same.

The committee of conference report in disagreement amendments numbered 399, 417, 418, 451, 456, and 467.

GEORGE MAHON,
HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
CHARLES A. PLUMLEY,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

ELMER THOMAS,
CARL HAYDEN,
RICHARD B. RUSSELL,
JOSEPH C. O'MAHONEY,
M. E. TYDINGS,
CHAN GURNEY,
STYLES BRIDGES,
HOMER FERGUSON,
KENNETH S. WHERRY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter X of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—INDEPENDENT OFFICES

National Security Resources Board

Amendment No. 399—Salaries and expenses: Reported in disagreement.

Amendment No. 400—Salaries and expenses: Appropriates $3,500,000 as proposed by the Senate, instead of $3,000,000 as proposed by the House.

TITLE II—DEPARTMENT OF DEFENSE

Office of the Secretary of Defense

Amendment No. 401—Salaries and expenses: Appropriates $11,300,000 as proposed by the Senate, instead of $11,000,000 as proposed by the House. While the House recedes as to the amount, which is $100,000 below the budget estimates, the Senate agrees to the position of the House as stated in House Report No. 1797, 81st Congress providing no funds for the President's Committee on Religion and Welfare in the Armed Forces.

TITLE III—DEPARTMENT OF THE ARMY

Office of the Secretary of the Army

Amendment No. 402—Contingencies of the Army: Appropriates $51,878,000 as proposed by the Senate, instead of $51,978,000 as proposed by the House.

General Staff Corps

Amendment No. 403—Field Exercises: Appropriates $5,350,000 as proposed by the Senate, instead of $5,500,000 as proposed by the House.

Amendment No. 404—Pay of the Army: Appropriates $1,447,660,000 as proposed by the Senate, instead of $1,448,660,000 as proposed by the House.

Amendment No. 405—Travel of the Army: Appropriates $76,500,000 as proposed by the Senate, instead of $75,000,000 as proposed by the House.

Amendment No. 406—Finance Service: Appropriates $29,000,000 as proposed by the Senate, instead of $28,410,000 as proposed by the House.

QUARTERMASTER CORPS

Amendment No. 407—Welfare of enlisted men: Appropriates $8,362,500 as proposed by the Senate, instead of $8,000,000 as proposed by the House.

Amendment No. 408—Subsistence of the Army: Strikes out the phrase "without unduly increasing future United States market prices" as proposed by the Senate.

Amendment No. 409—Subsistence of the Army: Strikes out the word "highly" as proposed by the Senate.

Amendment No. 410—Regular supplies of the Army: Appropriates $107,247,258 as proposed by the Senate, instead of $100,000,000 as proposed by the House.

Amendment No. 411—Clothing and equipage: Appropriates $93,853,365 as proposed by the Senate, instead of $90,000,000 as proposed by the House.

Amendment No. 412—Incidental expenses of the Army: Appropriates $101,998,313 as proposed by the Senate, instead of $95,000,000 as proposed by the House.

TRANSPORTATION CORPS

Amendment No. 413—Transportation Service, Army: Appropriates $289,960,000 as proposed by the Senate, instead of $290,000,000 as proposed by the House.

SIGNAL CORPS

Amendment No. 414—Signal service of the Army: Appropriates $158,248,000 as proposed by the Senate, instead of $157,500,000 as proposed by the House.

MEDICAL DEPARTMENT

Amendment No. 415—Medical and hospital department: Appropriates $54,883,000 as proposed by the Senate, instead of $54,913,000, as proposed by the House.

CORPS OF ENGINEERS

Amendment No. 416—Engineer service, Army: Appropriates $304,187,500 as proposed by the Senate, instead of $300,176,000 as proposed by the House.

Amendment No. 417—Engineer Service, Army: Reported in disagreement.

Amendment No. 418—Military construction, Army: Reported in disagreement.

ORDNANCE DEPARTMENT

Amendment No. 419—Ordnance service and supplies, Army: Appropriates $647,827,000 as proposed by the Senate, instead of $621,559,000 as proposed by the House.

Chemical Corps

Amendment No. 420—Chemical service, Army: Appropriates $37,300,000 as proposed by the Senate, instead of $36,000,000 as proposed by the House.

Army training

Amendment No. 421—Army training. Appropriates $7,830,000 as proposed by the Senate, instead of $7,930,000 as proposed by the House.

United States Military Academy

Amendment No. 422—Maintenance and operation: Appropriates $5,120,000 as proposed by the Senate, instead of $5,200,000 as proposed by the House.

Civilian components

Amendment No. 423—Army National Guard: Appropriates $210,500,000 as proposed by the Senate, instead of $212,400,000 as proposed by the House.

Amendment No. 424—Organized Reserves: Appropriates $114,525,000 as proposed by the Senate, instead of $115,000,000 as proposed by the House.

Amendment No. 425—Army Reserve Officers' Training Corps: Appropriates $24,900,000 as proposed by the Senate, instead of $25,000,000 as proposed by the House.

Department salaries and expenses

Amendment No. 426—Office of Secretary of the Army: Appropriates $3,368,271 as proposed by the Senate, instead of $3,265,000 as proposed by the House.

Amendment No. 427—Office of Chief of Staff: Appropriates $6,576,239 as proposed by the Senate, instead of $6,354,700 as proposed by the House.

Amendment No. 428—Adjutant General's Office: Appropriates $9,777,200 as proposed by the Senate, instead of $9,477,400 as proposed by the House.

Amendment No. 429—Office of the Inspector General: Appropriates $203,880 as proposed by the Senate, instead of $197,600 as proposed by the House.

Amendment No. 430—Office of the Judge Advocate General: Appropriates $595,375 as proposed by the Senate, instead of $577,100 as proposed by the House.

Amendment No. 431—Office of the Chief of Finance: Appropriates $1,483,202 as proposed by the Senate, instead of $1,437,800 as proposed by the House.

Amendment No. 432—Office of the Quartermaster General: Appropriates $6,981,504 as proposed by the Senate, instead of $6,767,400 as proposed by the House.

Amendment No. 433—Office of the Chief of Transportation: Appropriates $2,940,000 as proposed by the Senate, instead of $2,850,000 as proposed by the House.

Amendment No. 434—Office of the Chief Signal Officer: Appropriates $2,455,821 as proposed by the Senate, instead of $2,379,600 as proposed by the House.

Amendment No. 435—Office of Chief of Special Services: Appropriates $58,636 as proposed by the Senate, instead of $56,800 as proposed by the House.

Amendment No. 436—Office of the Provost Marshal General: Appropriates $116,038 as proposed by the Senate, instead of $112,500 as proposed by the House.

Amendment No. 437—Office of the Surgeon General: Appropriates $2,475,873 as proposed by the Senate, instead of $2,400,000 as proposed by the House.

Amendment No. 438—Office of Chief of Engineers: Appropriates $3,751,026 as proposed by the Senate, instead of $3,636,200 as proposed by the House.

Amendment No. 439—Office of Chief of Ordnance: Appropriates $4,137,696 as proposed by the Senate, instead of $3,776,400 as proposed by the House.

Amendment No. 440—Office of Chief, Chemical Corps: Appropriates $817,707 as proposed by the Senate, instead of $792,700 as proposed by the House.

Amendment No. 441—Office of Chief of Chaplains: Appropriates $131,100 as proposed by the House, instead of $128,478 as proposed by the Senate.

Amendment No. 442—Contingent expenses, Department of the Army: Appropriates $9,970,000 as proposed by the Senate, instead of $9,000,000 as proposed by the House.

TITLE IV—DEPARTMENT OF THE NAVY

Amendment No. 443—Navy Personnel, General expenses: Appropriates $60,533,000 as proposed by the Senate, instead of $60,000,000 as proposed by the House.

Amendment No. 444—Military Personnel, Marine Corps: Appropriates $200,923,000 as proposed by the Senate, instead of $200,301,700 as proposed by the House.

Amendment No. 445—Marine Corps Troops and Facilities: Appropriates $82,354,000 as proposed by the Senate, instead of $80,699,000 as proposed by the House.

Amendment No. 446—Aircraft and facilities: Appropriates $532,226,000 as proposed by the Senate, instead of $536,226,000 as proposed by the House.

Amendment No. 447—Ships and facilities: Appropriates $411,782,000 as proposed by the Senate, instead of $415,282,000 as proposed by the House.

Amendment No. 448—Ordnance and facilities: Appropriates $181,665,000 as proposed by the Senate, instead of $177,088,000 as proposed by the House.

Amendment No. 449—Medical Care: Appropriates $37,862,000 as proposed by the Senate, instead of $38,212,000 as proposed by the House.

Amendment No. 450—Civil Engineering: Appropriates $34,778,000 as proposed by the Senate, instead of $35,178,000 as proposed by the House.

Amendment No. 451—Public Works: Reported in disagreement.

Amendment No. 452—Research: Appropriates $43,083,000 as proposed by the Senate, instead of $43,383,000 as proposed by the House.

Amendment No. 453—Service-wide supply and finance: Appropriates $209,292,000 as proposed by the Senate, instead of $200,000,000 as proposed by the House.

Amendment No. 454—Service-wide operations: Appropriates $99,281,000 as proposed by the Senate, instead of $94,261,000 as proposed by the House.

Amendment No. 455—Island Governments: Appropriates $1,500,000 as proposed by the House, instead of $1,785,000 as proposed by the Senate.

TITLE V—DEPARTMENT OF THE AIR FORCE

Amendment No. 456—Acquisition and construction of real property: Reported in disagreement.

Amendment No. 457—Maintenance and operation: Appropriates $1,027,662,000 as proposed by the Senate instead of $1,010,000,000 as proposed by the House.

Amendment No. 458—Air National Guard: Adds words "or State-owned" as proposed by the Senate.

Amendment No. 459—Air National Guard: Strikes out words "State or" as proposed by the Senate.

Amendment No. 460—Air National Guard: Strikes out word "thereof" and adds words "of a State" as proposed by the Senate.

Amendment No. 461—Salaries and expenses, administration: Appropriates $58,545,000 as proposed by the Senate, instead of $55,620,000 as proposed by the House.

GENERAL PROVISIONS

Amendment No. 462: Strikes out Section 626 as proposed by the Senate.

Amendment No. 463: Corrects section number.

Amendment No. 464: Corrects section number.

Amendment No. 465: Corrects section number.

Amendment No. 466: Corrects section number.

Amendment No. 467: Reported in disagreement.

GEORGE H. MAHON,
HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
CHARLES A. PLUMLEY,
RICHARD B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

CHAPTER X–A. GENERAL REDUCTIONS IN APPROPRIATIONS AND CONTRACT AUTHORIZATIONS

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter X–A of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 468, and agree to the same.

LOUIS C. RABAUT,
W. F. NORRELL,
E. H. HEDRICK,
OTTO E. PASSMAN,
C. C. MCGRATH,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

KENNETH MCKELLAR,
ELMER THOMAS,
RICHARD B. RUSSELL,
PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
STYLES BRIDGES
(except amendment 508),
CHAN GURNEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter X–A of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 468: Strikes out provision, proposed by the House to reduce appropriations by $600,000,000, in view of action on amendment No. 508.

LOUIS C. RABAUT,
W. F. NORRELL,
E. H. HEDRICK,
OTTO E. PASSMAN,
C. C. MCGRATH,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

CHAPTER X–B. FOREIGN AID

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter X–B of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 479.

That the House recede from its disagreement to the amendments of the Senate numbered 470, 484, 487, and 489, and agree to the same.

Amendment numbered 469: That the House recede from its disagreement to the amendment of the Senate numbered 469, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "CHAPTER X–A—FOREIGN AID"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 471, 472, 473, 474, 475, 476, 477, 478, 480, 481, 482, 483, 485, 486, and 488.

J. VAUGHAN GARY,
JOHN J. ROONEY,
JOE B. BATES,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

KENNETH MCKELLAR,
ELMER THOMAS,
RICHARD B. RUSSELL,
PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
STYLES BRIDGES,
CHAN GURNEY,
HOMER FERGUSON,
KENNETH S. WHERRY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter X—B of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

FOREIGN AID

Amendment No. 469, Foreign Aid: Corrects title of chapter.

Amendment No. 470, Funds Appropriated to the President: Inserts title.

Amendments Nos. 471, 472, 473, 474, 475, 476, 477, Economic Cooperation: Reported in disagreement.

Amendment No. 478, Assistance to the Republic of Korea: Reported in disagreement.

Amendment No. 479, International Children's Welfare Work: Deletes provision of the Senate appropriating $12,500,000.

Amendments Nos. 480, 481, 482, 483, International Development: Reported in disagreement.

Amendment No. 484, Mutual Defense Assistance: Appropriates $1,678,023,729 as proposed by the Senate.

Amendments Nos. 485 and 486, Government and Relief in Occupied Areas: Reported in disagreement.

Amendment No. 487, Department of State: Inserts title.

Amendment No. 488, Government in Occupied Areas of Germany: Reported in disagreement.

Amendment No. 489, Aid to Palestine Refugees: Appropriates $27,450,000 as proposed by the Senate.

J. VAUGHAN GARY,
JOHN J. ROONEY,
JOE B. BATES,
LOUIS C. RABAUT,
W. F. NORRELL,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Manager on the Part of the House.

CHAPTER XI. GENERAL PROVISIONS

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to chapter XI of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 491, 492, 494 and 509.

That the House recede from its disagreement to the amendments of the Senate numbered 490, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507 and 510, and agree to the same.

Amendment numbered 493: That the House recede from its disagreement to the amendment of the Senate numbered 493, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "Nothing in this subsection shall be so construed as to interfere with the initiation, operation, and administration of agricultural price support programs and no funds (other than funds for administrative expenses) available for price support, surplus removal, and available under section 32 of the Act of August 24, 1935, as amended (7 U. S. C. 612 (c)), with respect to agricultural commodities shall be subject to apportionment pursuant to this section."; and the Senate agree to the same.

Amendment numbered 508: That the House recede from its disagreement to the amendment of the Senate numbered 508, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "SEC. 1114. Appropriations, reappropriations, contract authorizations and reauthorizations made by this Act for departments and agencies in the executive branch of the government shall, without impairing national defense, be reduced in the amount of not less than $550,000,000 through the apportionment procedure provided for in Section 1111 of this Act."; and the Senate agree to the same.

LOUIS C. RABAUT,
W. F. NORRELL,
E. H. HEDRICK,
OTTO E. PASSMAN,
C. C. MCGRATH,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

KENNETH MCKELLAR,
ELMER THOMAS,
RICHARD B. RUSSELL,
PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
STYLES BRIDGES
(except amendment 508),
CHAN GURNEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to Chapter XI of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

SECTION 1111

Amendment No. 490: Adds clarifying language as proposed by the Senate.

Amendments Nos. 491 and 492: Reinstates language of the House relating to reserves to be established in apportionment of funds.

Amendment No. 493: Provides that funds available for price support programs and available under section 32 of the Agricultural Adjustment Act shall not be subject to apportionment.

Amendment No. 494: Strikes out a proposal of the Senate to exempt appropriations for transportation of mail from apportionment.

Amendments Nos. 495 and 496: Add clarifying language as proposed by the Senate.

Amendment No. 497: Exempts funds under Titles I, IV, and X of the Social Security Act from apportionment.

Amendments Nos. 498 and 499: Exempt funds of the House, Senate, and Architect of the Capitol from apportionment.

Amendments Nos. 500, 501, 502, and 503: Add clarifying language as proposed by the Senate.

SECTION 1112

Amendments Nos. 504, 505, 506, and 507: Limit the annual leave provision to civilian employees, extend the limiting date to June 30, 1951, includes the District of Columbia government within the provision and exempts personnel inducted into military service, all as proposed by the Senate.

SECTION 1114

Amendment No. 508: Provides for reduction of $550,000,000 in appropriations and authorizations carried in the bill.

SECTION 1115

Amendment No. 509: Strikes out a provision proposed by the Senate to limit the price paid for typewriters in view of the fact a similar provision had been included in Chapter VIII of the bill.

SECTION 1116

Amendment No. 510: Prohibits, as proposed by the Senate, payment of retired military personnel who engaged in selling supplies to the Government.

LOUIS C. RABAUT,
W. F. NORRELL,
E. H. HEDRICK,
OTTO E. PASSMAN,
C. C. MCGRATH,
CLARENCE CANNON,
KARL STEFAN,
R. B. WIGGLESWORTH,
JOHN TABER,
Managers on the Part of the House.

Mr. TABER (interrupting the reading of the statement). Mr. Speaker, may I ask the chairman of our committee if it would not be possible to agree to dispense with the further reading of the statement at this time. It has been printed in the RECORD and is available to all Members. It is almost impossible for the Members to hear as the Clerk reads, and I do not see that it serves any useful purpose to have it read now.

Mr. CANNON. Mr. Speaker, I heartily concur in the suggestion of the gentleman from New York, and in view of the fact that the conference report has been printed in full in the CONGRESSIONAL RECORD for this morning, and that the reading of it at this time would merely consume time unnecessarily, I ask unanimous consent that the further reading of the statement be dispensed with.

Mr. RICH. Mr. Speaker, reserving the right to object, does this bill contain any funds for the arming of the North Atlantic Pact nations?

Mr. CANNON. There is $1,200,000,000.

Mr. TABER. That is $1,600,000,000.

Mr. CANNON. Four hundred million dollars of it is for the liquidation of contracts. The principal amount for that purpose is carried in the deficiency bill which will follow the conference report.

Mr. RICH. But you do have in this bill $1,600,000,000 for the arming of these North Atlantic Pact nations?

Mr. CANNON. It is $1,200,000,000. Four hundred million dollars is for the liquidation of contracts.

Mr. RICH. Several days ago we made a request on the floor of the House that any bill which came back here for our own support should not contain any money for the arming of these North Atlantic Pact nations. I just want you to know it makes no difference what is in the bill—I am against it, because I believe in principle that that is the wrong thing. If we are going to get peace in this world, you cannot do it by arming everybody. I just want you to know that.

Mr. CANNON. I am certain this conference report meets with the warm approval of my friend from Pennsylvania, because it effects unprecedented retrenchments.

Mr. RICH. No, it cannot meet with my approval, because neither the committee nor anybody should bring a bill here which is to arm ourselves and for the support of the departments of Government, and contain gifts which go to arm any foreign country. I am against

it to the *n*th degree and I want you to know it.

Mr. CANNON. When we have friends and depend upon them to help us, it is imperative that we see that they have in their hands the implements with which to make that help effective.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I would like to have some information on this civil functions section of the bill. The appropriation, as I understand it, was increased from $185,878,000 to $221,244,500, is that correct?

Mr. CANNON. The budget estimate for that chapter was $834,867,500. It passed the House with a drastic reduction to the sum of $630,820,000. The Senate raised it to $763,464,620. But in conference we again reduced it to $687,043,270, which is $147,000,000 less than the budget and $56,000,000 less than the Senate figures.

Mr. RANKIN. What page is that on?

Mr. CANNON. I am reading from a tabulation which I will include with my remarks in the CONGRESSIONAL RECORD.

Mr. RANKIN. I am looking at the bill. It seems to me these bills ought to be so written that the Members of Congress could examine them and find out what is in them.

Mr. CANNON. It is written as they have always been written.

Mr. RANKIN. No; it is not, anything of the kind.

Mr. CANNON. It is written precisely as such bills have always been written. Furthermore it is accompanied by a report and a statement by the House managers. I trust the gentleman will find time to peruse the bill and the report and we will have additional tabulations in the RECORD for further analysis.

Mr. RANKIN. You have this amendment No. 383 under civil functions, which, as I understand it, gives the administration the right to use this money on any projects which have been approved by the Congress, is that right?

Mr. CANNON. That is correct.

Mr. RANKIN. That includes the Tennessee-Tombigbee, and also the Demopolis Dam, does it not?

Mr. CANNON. The President must certify that all projects are essential to national defense before he can spend money on them.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

Mr. CANNON. Mr. Speaker we present here the most complete and comprehensive résumé of annual Federal expenditures ever presented at one time since the adoption of the budgetary system.

The estimate submitted to the Congress by the President for the entire operation of the Government for the fiscal year 1951 aggregated $38,452,358,148. We submit a conference report today providing $36,153,490,425. In other words, the conference report which we submit today, notwithstanding the fact that we are unexpectedly at war, is $2,288,867,723 below the budget estimates, an unprecedented reduction in a war budget.

Summarizing the whole fiscal situation, Mr. Speaker, we provide in this general appropriation bill for expenditures of $36,153,490,425; we carry in the deficiency appropriation bill, reported yesterday, and which we hope to take up in the House today, $16,771,184,479. These two bills with the permanent appropriations of $6,557,462,804 which, under the statutes are automatic, including such items as interest on the national debt, aggregate $59,482,037,708. In brief, we are spending for the fiscal year for all purposes, as projected at this date, a total budget of $59,482,037,708, or in round figures, $60,000,000,000.

At this point I shall insert in the RECORD comparative tables indicating House and Senate action and agreements in conference in relation to the budget estimates:

Comparison of conference agreement with budget estimates

	Budget estimate	Conference agreement	Difference
Appropriations	$35, 581, 208, 648	$33, 934, 345, 425	−$1, 646, 863, 223
Contract authority	2, 261, 149, 500	2, 170, 145, 000	−91, 004, 500
Borrowing authority	610, 000, 000	599, 000, 000	−11, 000, 000
Total	38, 452, 358, 148	36, 703, 490, 425	−1, 748, 867, 723
General reduction		−550, 000, 000	−550, 000, 000
Net total	38, 452, 358, 148	36, 153, 490, 425	−2, 298, 867, 723

Appropriations, 1951

	Budget estimate	Passed by House	Passed by Senate	Conference	Conference as compared with budget	Conference as compared with House	Conference as compared with Senate
Chapter I. District	$12, 000, 000	$10, 800, 000	$12, 000, 000	$10, 800, 000	−$1, 200, 000		−$1, 200, 000
Chapter II. Legislative	87, 820, 747	56, 322, 450	69, 308, 211	69, 180, 211	−18, 640, 536	+$12, 857, 761	−128, 000
Chapter III. State, Justice	1, 185, 612, 897	1, 110, 870, 462	1, 066, 260, 732	1, 065, 627, 962	−119, 984, 935	−45, 242, 500	−632, 770
Chapter IV. Treasury, Post Office	2, 813, 379, 100	2, 754, 105, 000	2, 760, 305, 360	2, 757, 846, 000	−55, 533, 100	+3, 741, 000	−2, 459, 360
Chapter V. Labor, Federal Security	2, 463, 008, 500	2, 271, 099, 614	2, 276, 842, 274	2, 272, 428, 614	−190, 579, 886	+1, 329, 000	−4, 413, 660
Chapter VI. Agriculture	810, 626, 946	764, 032, 701	780, 336, 504	773, 208, 924	−37, 418, 022	+9, 176, 223	−7, 127, 580
Chapter VII. Interior	674, 971, 505	622, 134, 130	617, 061, 433	620, 396, 325	−54, 575, 180	−1, 737, 805	+3, 334, 892
Chapter VIII. Independent offices	8, 466, 982, 724	8, 021, 827, 007	8, 018, 289, 977	7, 996, 140, 947	−470, 841, 777	−25, 686, 060	−22, 149, 030
Chapter IX. Civil functions	834, 867, 500	630, 820, 000	763, 464, 620	687, 043, 270	−147, 824, 230	+56, 222, 870	−76, 421, 750
Chapter X. Defense	13, 376, 865, 000	12, 910, 702, 300	13, 294, 581, 821	13, 294, 299, 443	−82, 565, 557	+383, 597, 143	−282, 378
Chapter XI. Foreign aid	4, 855, 073, 729		4, 599, 873, 729	4, 387, 373, 729	−467, 700, 000	4, 387, 373, 729	−212. 500, 000
Total	35, 581, 208, 648	29, 152, 713, 664	34, 258, 324, 661	33, 934, 345, 425	−1, 646, 863, 223	+4, 781, 631, 761	−323, 979. 236

Bill as passed House, $29,152,713,664; estimates not considered by House, +$5,248,427,480; total, $34,401,141,144, conference total, $33,922,445,425, difference, −$478,695,719.

Contract authorizations

	Budget estimate	Passed by House	Passed by Senate	Conference	Conference as compared with budget	Conference as compared with House	Conference as compared with Senate
Chapter I. District							
Chapter II. Legislative							
Chapter III. State, Justice	$91, 036, 500	$58, 786, 500	$69, 650, 000	$62, 325, 000	−$28, 711, 500	+$3, 538, 500	−$7, 325, 000
Chapter IV. Treasury, Post Office							
Chapter V. Labor, Federal Security	161, 211, 000	154, 288, 000	154, 288, 000	154, 288, 000	−6, 923, 000		
Chapter VI. Agriculture							
Chapter VII. Interior	44, 750, 000	38, 250, 000	37, 870, 000	36, 230, 000	−8, 520, 000	−2, 020, 000	−1, 640, 000
Chapter VIII. Independent Offices	578, 367, 000	510, 517, 000	537, 017, 000	531, 517, 000	−46, 850, 000	+21, 000, 000	−5, 500, 000
Chpater IX. Civil functions							
Chapter X. Defense	1, 385, 785, 000	1, 385, 785, 000	1, 385, 785, 000	1, 385, 785, 000			
Chapter XI. Foreign aid							
Total	2, 261, 149, 500	2, 147, 626, 000	2, 184, 610, 000	2, 170, 145, 000	−91, 004, 500	+22, 518, 500	−14, 465, 000

Bill as passed the House, $2,147,626,500; estimates not considered by the House, $300,000,000; total, $2,447,626,500; conference amount, $2,170,145,000; difference, $277,481,500.

Borrowing authority

	Budget estimate	Passed by House	Passed by Senate	Conference	Conference as compared with budget	Conference as compared with House	Conference as compared with Senate
Chapter VI. Agriculture	$610,000,000	$520,350,000	$550,350,000	$536,500,000	−$73,500,000	+$16,150,000	−$14,036,000
Chapter X–B. Foreign aid			100,000,000	62,500,000	+62,500,000	+62,500,000	−37,500,000
Total	610,000,000	520,350,000	650,350,000	599,000,000	−11,000,000	+78,650,000	−51,536,000

Due to the fact that we are now engaged in a war which is taxing our resources, and which necessarily disorganizes routine and requires complete readjustment of all budgetary processes, it is impossible to draw didactic comparisons with former years or budgets.

It is to be noted, however, that in one respect this is one of the most extraordinary conference reports ever submitted to the House in the fiscal history of the Nation, in that it reflects the most complete agreement between the two Houses ever reported on the annual supply bills since the adoption of the budgetary system.

This voluminous bill, consisting of nearly 500 pages, embracing expenditures for every branch of the Federal Government, comprising thousands of items, provides for the operation of the Government in both peace and war. The House and the Senate conferees have reached complete agreement upon every item with the exception of one small provision. No record of such complete agreement between House and Senate managers and between the two Houses is to be found in the previous annals of the committee or the Congress.

Of course, we bring back to the House in technical disagreement those items which under the rules cannot be included in a conference report but must be submitted for a separate vote, but on all of them there was complete accord by the several committees of conference.

Mr. RANKIN. What is the one item in disagreement?

Mr. CANNON. The $130,000 which the other body inserted in the bill for the Bird Dog Committee which both Houses agreed should be liquidated at the close of the fiscal year ending June 30, 1950, and which they now attempt to continue regardless of the agreement. It is all the more unjustifiable and untenable because it attempts to support a joint committee with expenditures from the contingent fund of one House—characterized by their own majority leader as an absurd proposal.

With that single exception there is complete agreement of the managers on the part of the two Houses on every item in the omnibus bill.

Incidentally less time was spent in actual conference between the two Houses on this bill than has been spent in conference on the annual supply bills within the recollection of the committee staff.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Mississippi.

Mr. RANKIN. On page 212 of the bill there is provided $350,000,000 for rural electrification. That is right, is it not?

Mr. CANNON. That is correct.

Mr. RANKIN. And also $40,000,000 for the rural telephone program.

Mr. CANNON. Thirty-two million five hundred thousand dollars.

Mr. RANKIN. Thirty-two million five hundred thousand dollars?

Mr. CANNON. Yes. The House figure on that, as the gentleman will note on page 212, amendment No. 221, if he has the bill with the Senate amendments before him, was $25,000,000. The Senate increased the figure to $40,000,000. In conference we agreed upon $32,500,000.

Mr. RANKIN. There is no restriction in this bill on these rural power associations' building steam plants where necessary, is there?

Mr. CANNON. None whatever. On the contrary, we included in the bill, both in the chapter on Agricultural appropriations and the chapter on Interior appropriations, explicit provision nullifying any effort on the part of reports to the other body to establish restrictions.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield further at that point?

Mr. CANNON. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. There was some question that generating plants could be established only when it could show that the co-ops could not obtain power at a reasonable cost elsewhere. The other body attempted to put that language in. That has been stricken; is that right?

Mr. CANNON. If the gentleman read the statement of the managers on amendment No. 221, he will find a complete exposition of that subject. The language to which the gentleman referred was included in the committee report to the other body, but in conference we adopted language which so clarifies the situation that there is no possibility of any interpretation which could be construed as limitation.

Mr. HAYS of Ohio. This language, then, will let the Administrator decide that question of reasonable rates.

Mr. CANNON. That is correct.

Mr. RANKIN. Mr. Speaker, will the gentleman yield for a further question?

Mr. CANNON. I yield to the gentleman from Mississippi.

Mr. RANKIN. That also applies to the construction of transmission lines, does it not?

Mr. CANNON. That is true.

Mr. RANKIN. I thank the gentleman.

Mr. CANNON. Mr. Speaker, there are two features of this conference report which may be especially noted. In the consideration of estimates of appropriations for the support of the defense program, for the prosecution of the war, both committees, meeting separately and meeting in conference, resolved every doubt in favor of liberality and adequacy on war expenditures and preparations for national defense.

On the other hand, just as insistently, if not more so, the committee attempted to resolve every doubt on nondefense items against the proposed expenditure. And I am but relating the circumstances when I say that every nickel of the $2,300,000,000 which we saved through reduction of appropriations is stained with blood and sweat, because we had to fight to hold it from the clutch of voracious interests which sought to spend it, and more, on nondefense projects, which could make no possible contribution to the winnings of the war or the avoidance of future wars.

The SPEAKER. The gentleman has consumed 10 minutes.

Mr. CANNON. I will take five additional minutes, Mr. Speaker.

The country is in the gravest danger. That is the unanimous opinion of the military authorities. We are today in danger not merely of war, but of extermination. We carry the largest debt men ever dreamed of and we face the heaviest expenditure ever required of a nation. In addition to that our national revenues are declining. For the fiscal year ending June 30 last, the Federal Government collected in revenues $1,500,000,000 plus, less than collected the previous year.

At the same time the sale of Government bonds is declining. For the last month more bonds were cashed than were sold. So in time of great national danger, with declining revenues, with mounting expenditures, increasing difficulty in floating Government loans, there are interests in the country which insist on spending money for unnecessary nondefense purposes. They fought bitterly to the last ditch for expenditures which even if we had no debt and if we were not at war would be unwarranted. With the debt which we are carrying and with the war which we are now waging, and with the possibility of other and more terrible wars in the future, we barely saved $2,000,000,000. It is to be hoped that the Nation will realize that we cannot have business as usual or politics as usual—that all must sacrifice and lessen the pressure on Congress for projects which can be eliminated or deferred.

Mr. Speaker, may I add that it is fortunate that we were proceeding this year under the one-package appropriation bill. Had we not had the omnibus appropriation bill this year—had we been reporting out every week or two separate supply bills, most of them would have become law months ago and the programs they implemented would have been in effect long before the war opened. But with all appropriations in one bill, we were in position to readjust plans

and expenditures to meet the changed conditions thrust upon us by the war. As it is, every expenditure has been reconsidered and readjusted. All plans and programs have been brought down to date. The funds which under the old system would have already been spent and committed to peacetime purposes and conditions are now available for the needs of the day and the hour. The omnibus appropriation bill is one of the few fortuitous features of this unhappy war.

Mr. Speaker, I reserve the balance of my time and now yield 30 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, we have before us the conference report on the general appropriation bill. I am not going to do much more than to describe some of the major items that are involved and to perhaps answer any questions that may be raised with reference to them.

There is complete agreement on most items with reference to amount. There are three or four items in disagreement that will probably require some little discussion, although I do not think that it should take too long.

As far as the regular departments are concerned, the only items where I was particularly disappointed in the result were the Agricultural chapter and the Department of the Interior chapter where too often the high figure of either House or Senate has been taken. This resulted in those chapters being away above the highest figures in almost every case. But in most of the other chapters we did reasonably well.

In connection with the items at the end of the bill, which were put in by the Senate, it was necessary to yield to the Senate on most of the items relating to the military because of the war situation. In connection with the items relating to foreign relief, the conference reports back an agreement upon $2,250,000,000 for ECA. That is a very liberal figure, but, everything considered, I think we should be glad we were able to get a $200,000,000 reduction from the Senate figure.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman might state that there was an effort to reduce that more than we did.

Mr. TABER. That is correct.

Mr. STEFAN. We reserved some of it.

Mr. TABER. That is correct. Of course, there is a situation there that is very distressing. In yesterday's Times-Herald there was an article which I think would be profitable for the House to read. Mr. Speaker, I ask unanimous consent that I may insert the article at this point in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. The article reads as follows:

MARSHALL PLAN PRESS AGENTS GIVEN FREE VISITS TO EUROPE

(By Philip Wardin)

Young Americans can join the Navy and see the world through a porthole but if they prefer luxury they can become Marshall plan press agents at a good salary and see the world first class, with expenses paid by the taxpayers.

A survey reveals that the Economic Cooperation Administration information office has been giving several of its employees free visits to Europe and the Middle East this summer.

Robert Mullen, director of ECA information, left yesterday on a tour of Europe. He originally mapped a $7,500 round-the-world trip, but later postponed part of it—a visit to the Orient—until fall.

Mullen has sent an heiress to the J. P. Morgan banking fortune to London for a convention of clubwomen—to get new propaganda material on the Marshall plan to influence American clubwomen.

He sent an inexperienced youth, hired as a "picture expert" tripping to Paris and London to see the sights and get new pictures for propaganda purposes here.

Despite the fact that ECA now has 73 American press employees in Paris alone and 56 more in the various 16 Marshall plan missions in Europe plus 222 Europeans on these staffs, ECA sent a former woman reporter to Paris last week to get "human interest" stories for a clubwoman propaganda pamphlet.

Although the ECA press information office in Paris has a chief who gets about $20,000 a year in salary and expense money, and has a large number of highly paid former reporters on his staff, the ECA here sent a man from Washington to show a group of editors about Europe.

Several others from the Washington office have gone to Europe this summer on similar assignments.

Mullen now has 48 persons on his Washington staff drawing salaries totaling $280,000 a year. Among these are the Morgan heiress, an ex-bullfighter, the daughter of a famous symphony conductor, and a score of graduates from the defunct war agencies of World War II.

He recently separated a noted Negro World War II Air Force pilot who achieved some success as an author from his Washington staff and dispatched him to Formosa at $15,000 a year to direct Marshall plan press information there.

The American press agents for ECA will draw $673,000 in salaries this year.

Now, it is perfectly apparent that they can get along with much less money. They saved $115,000,000 more out of last year's appropriation than they told us they would when they were before us on this side.

Mr. STEFAN. Mr. Speaker, if the gentleman will yield further, that newspaper article is a very good argument for the argument we have been making on the floor of this House time and time again that we, who are endeavoring to spread the truth about America throughout the world, should have one information service rather than having to scatter our shots in three or four different directions. We have three or four different information services from the United States, and unless we concentrate and coordinate this effort to tell the truth about our aims, you are going to have a situation like this happen right along and America will become the laughing stock of the world.

Mr. TABER. That is correct. On top of that extra balance that they had left, the expenditures for the fiscal year period down to a couple of days ago when I saw the Treasury statement, were running $115,000,000 as against $360,000,000 for the corresponding period a year ago. That indicates that a cutaway beyond the figure that I have named, and that has been made, would be justifiable. It indicates that there is considerable velvet in there.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. CELLER. Would the gentleman care to express his opinion as to the reduction in the amount of moneys to be accorded to the Franco government of Spain.

Mr. TABER. Well, that will come up for discussion separately when that amendment in disagreement is reached, and I would rather not spend my time on it now, because I do not have enough time to justify doing it in both places.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. JAVITS. Will there be an explanation also of the cut in the point 4 funds?

Mr. TABER. Yes. The item was cut $11,900,000, and that is in the conference report.

There are two or three other things that need explanation. In the first place, they could not possibly spend anywhere near the $15,000,000 in addition to the $8,000,000 that they have under the South America operation, and in the second place, the outfit operating in South America is bringing America into disrepute instead of creating good will in South America, and it was felt that a reduction of that kind would be helpful and would perhaps create a spirit of trying to do better instead of having a great lot of throw-away money without getting any results. The situation in South America has been very bad for a long time, and this other set-up is not even organized and in shape so that they can move in an intelligent way at all. I think that is about all I care to say on that.

The item for the children's fund was cut out. It was not authorized by law. Furthermore, that fund had $24,000,000 remaining from last year. There seemed to be pretty general unanimity among the House conferees on that point.

There are a good many other items involved here. I believe I should spend a minute on the items with reference to chapter IX. That relates to rivers, harbors, and flood control. The rivers and harbors items were reduced $22,000,000, or perhaps a little bit more, below the figure recommended by the other body. On flood control it is approximately $54,000,000 below the Senate figure. In each case that is a little above the House figure, but it was a settlement because the engineers had reported that the President was going to impound all of that amount of $74,000,000 anyway.

Mr. GOLDEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. GOLDEN. Will the gentleman from New York explain under what conditions the new emergency flood control projects which were put in by amendment in the other body can get approval so that they may proceed with the work?

Mr. TABER. They must have a certification from the President of the United States that it is necessary for the war effort. That is the rule. I would not expect any project unless it were really necessary and would contribute in some way to the war effort, to be approved. That is our understanding.

Mr. GOLDEN. If a flood control project which protects railroad yards over which as much as 18 million tons of coal are shipped per year, and if it is shown that coal is used constantly in the defense program, do you think that sort of program might be approved?

Mr. TABER. Of course I would not be able to tell what the President would do, but that would be an element which I would consider very important to think about.

Mr. CANNON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

Mr. MARCANTONIO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. FORAND). Is the gentleman opposed to the bill?

Mr. MARCANTONIO. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and eighty-nine Members are present, not a quorum.

Mr. CANNON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 254]

Bailey	Hall, Edwin Arthur	Pfeifer, Joseph L.
Barden	Hall, Leonard W.	Pfeiffer, William L.
Barrett, Wyo.	Halleck	Plumley
Beall	Hand	Poulson
Biemiller	Hare	Powell
Blackney	Hébert	Quinn
Boggs, La.	Hinshaw	Regan
Bolling	Jacobs	Rivers
Brehm	Johnson	Sabath
Bulwinkle	Kearney	Sadowski
Burdick	Keefe	Scott, Hugh D., Jr.
Chatham	Klein	Smith, Kans.
Cole, N. Y.	Kunkel	Smith, Ohio
Crawford	Latham	Sutton
Dawson	Lichtenwalter	Towe
Dingell	McMillen, Ill.	Wadsworth
Dondero	Martin, Iowa	Werdel
Eaton	Mason	Williams
Engel, Mich.	Miles	Wilson, Tex.
Fellows	Miller, Calif.	Winstead
Furcolo	Morrison	Withrow
Gillette	Murray, Wis.	
Gilmer	Norton	
Gore	O'Neill	
Gregory		
Hagen		

The SPEAKER. On this roll call 359 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

GENERAL APPROPRIATION BILL, 1951

The SPEAKER. The Clerk will report the motion of the gentleman from New York [Mr. MARCANTONIO].

The Clerk read as follows:

Mr. MARCANTONIO moves to recommit the conference report on H. R. 7786 to the committee of conference with instructions to the managers on the part of the House to incorporate in the conference report the following provision: At the end of chapter XI, titled "General Provisions," add the following:

"None of the funds appropriated in this act shall be paid to any person, firm, partnership, or corporation which refuses equality in employment to any person because of race, color, or creed."

Mr. CANNON. Mr. Speaker, I make a point of order against the motion.

The SPEAKER. The gentleman will state the point of order.

Mr. CANNON. Mr. Speaker, the motion is not in order for two reasons: In the first place, the proposed instructions to the House managers incorporated in the motion propose action which is not within their province, they direct the managers on the part of the House to change the conference report, an action which can be taken only with the concurrence of the managers on the part of the Senate.

The second point is that the provision which the gentleman from New York seeks to add to the conference report does not appear in either the House bill or the Senate bill. It is therefore not in conference. It is not in difference between the two Houses. For either reason, the motion to recommit is not in order.

The SPEAKER. Does the gentleman from New York [Mr. MARCANTONIO] desire to be heard on the point of order?

Mr. MARCANTONIO. Yes, Mr. Speaker. As to the first point that has been raised, only the managers on the part of the House are directed by this motion to do certain things. This motion does not direct the managers on the part of the Senate. Therefore, if this motion were adopted, the House would not be going beyond its power or beyond its province. It would certainly be acting within its jurisdiction in instructing its own conferees.

The second question raised is whether or not this is a matter which can be discussed and taken up at a conference between the two Houses. The contention is made that this language was not contained in either one of the two bills. That is true, Mr. Speaker, but that is not the test to be applied. Assuming that these conferees had incorporated this language in the conference report, would the language then be subject to a point of order? Obviously not, because it would be germane. It would be language which both Houses had the power to incorporate. Therefore, the conference had the power to incorporate this language, and since the conferees had the power to incorporate this language, certainly the House has the power to instruct its own conferees to have this language incorporated.

What is more, Mr. Speaker, we are dealing here with a negative limitation. This is a limitation on funds which is something that the members of the conference can at any time put in a conference report. We have had conference reports here time and time again, particularly on appropriation bills, which contained limitations of various sorts, either a limitation of amount, or of scope, or of duties, and various other types of limitations, none of which had been either in the Senate or in the House bill. The precedents are ample on this point.

If the conferees could do it, why cannot the House ask the conferees to do it?

Mr. CASE of South Dakota. Mr. Speaker, would the Speaker permit a brief observation?

The SPEAKER. The Chair will hear the gentleman.

Mr. CASE of South Dakota. Mr. Speaker, I merely wish to make the observation that the conferees do not have the power to include in a bill something which is not in conference. This subject was not in conference.

The SPEAKER. The Chair is ready to rule. Without passing on the first point raised by the gentleman from Missouri, the Chair will rule on the second point made by the gentleman from Missouri. The point of order is that this matter was not incorporated in the bill when it passed the House, nor was it in the bill as it passed the other body. The motion to recommit calls upon the committee of conference to do something which the House itself does not have the power to do, namely to amend its own bill after its passage. This matter, not being in either the House version or the Senate version of the bill, the Chair holds that the point of order is well taken and sustains the point of order.

The question is on the adoption of the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. CANNON. Mr. Speaker, most of the items reported in disagreement are merely formal matters on which there is general agreement. They are technicalities reported back in compliance with the rule, and as their individual consideration would consume a great deal of time, without any corresponding advantage, I ask unanimous consent that the following amendments be considered en bloc:

Chapter II: Amendments 11, 15, 16, 17, 18, 20, 23, 26, 28, 39, 46, 47, 48, 49, and 51;

Chapter III: Amendments 94 and 107;

Chapter V: Amendments 142, 148, and 151;

Chapter VI: Amendments 157, 166, 201, 223, and 224;

Chapter VII: Amendments 254, 278, 279, 285, 295, 300, 302, and 306;

Chapter VIII: Amendments 342 and 353;

Chapter IX: Amendment 398;

Chapter X: Amendments 417, 418, 451, and 456;

Chapter X–B: Amendments 474, 478, 481, 482, 483, 485, 486, and 488.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

Mr. MARCANTONIO. Reserving the right to object, this is only for the purpose of keeping the record straight; is any one of these amendments the amendment providing for a loan to Franco?

Mr. CANNON. No. That is submitted in a separate amendment.

Mr. YATES. Reserving the right to object, Mr. Speaker, do any of these amendments include the amount appropriated under the point 4 program?

Mr. CANNON. No; these amendments are likewise submitted separately.

Mr. KEOGH. Reserving the right to object, Mr. Speaker, may I ask whether the amendments enumerated in this list are amendments on which the conferees on the part of the House and on the part of the other body are in unanimous agreement?

Mr. CANNON. The managers on the part of the House and the managers on the part of the Senate are all in complete and unanimous agreement on the amendments included in the request.

Mr. RICH. Reserving the right to object, Mr. Speaker, do any of the amendments read affect the Economic Cooperation Administration funds that have been added to this bill that were not considered in the House?

Mr. CANNON. No; they do not.

Mr. RICH. Have you agreed to the fact that you are going to give this $100,000,000 to Spain?

Mr. CANNON. That will come up in a separate amendment.

Mr. RICH. And the $1,678,000,000 for arming these foreign countries? When you talk about peace and you are preparing for war——

Mr. CANNON. No such provision is included in the amendments enumerated.

Mr. RICH. That comes up later?

Mr. CANNON. Either in the conference report or later.

Mr. RICH. Is the House going to agree to that?

Mr. CANNON. That will be for the House to determine.

Mr. RICH. We hope not.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The amendments are as follows:

Page 4, line 1, insert:

"For clerical assistance to the Vice President, at rates of compensation to be fixed by him in multiples of $5 per month, $50,370."

Page 4, line 11, insert:

"SELECT COMMITTEE ON SMALL BUSINESS

"For professional and clerical assistance to the Select Committee on Small Business, $88,645, authorized by Senate Resolution 272, agreed to May 26, 1950, at rates of compensation to be fixed hereafter in accordance with the provisions of the Legislative Reorganization Act of 1946, approved August 2, 1946, as amended, with respect to standing committees."

Page 4, line 18, insert:

"CONFERENCE COMMITTEES"

Page 4, line 19, insert:

"For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $30,280."

Page 4, line 22, insert:

"For clerical assistance to the Conference of the Minority at rates of compensation to be fixed by the chairman of said committee, $30,280."

Page 5, line 5, insert:

"OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

"For office of Sergeant at Arms and Doorkeeper, including three in lieu of two assistant chief telephone operators at $2,400 each and 33 in lieu of 26 telephone operators at $1,800 each, $1,028,205."

Page 5, line 15, insert:

"Legislative reorganization: For salaries and expenses, legislative reorganization, including the objects specified in Public Law 663, Seventy-ninth Congress, $100,000."

Page 6, line 1, insert:

"Joint Committee on Atomic Energy: For salaries and expenses of the Joint Committee on Atomic Energy, including the objects specified in Public Law 20, Eightieth Congress, $160,135."

Page 6, line 11, insert:

"Committee on Interstate and Foreign Commerce: To enable the Committee on Interstate and Foreign Commerce to engage by contract the services of private firms or corporations for making a survey of certificated interstate, overseas, and foreign air-carrier operations, with a view to drafting legislation requiring the separation of mail compensation from any Federal subsidy payments, $200,000."

Page 8, line 13, insert:

"Senate restaurants: For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, $42,500."

Page 9, line 11, insert:

"The Sergeant at Arms is authorized and directed to secure suitable office space in post office or other Federal buildings in the State of each Senator for the use of such Senator and in the city to be designated by him: *Provided*, That in the event suitable space is not available in such buildings and a Senator leases or rents office space elsewhere, the Sergeant at Arms is authorized to approve for payment, from the contingent fund of the Senate, vouchers covering bona fide statements of rentals due in an amount not exceeding $900 per annum for each Senator."

Page 9, after line 21, insert:

"Commencing with the fiscal year 1949 the Secretary of the Senate is authorized and directed to protect the funds of his office by purchasing insurance in an amount necessary to protect said funds against loss. Premiums on such insurance shall be paid out of the contingent fund of the Senate, upon vouchers approved by the chairman of the Committee on Rules and Administration."

Page 10, line 4, insert:

"Salaries or wages paid out of the foregoing items under 'Contingent expenses of the Senate' shall be computed at basic rates as authorized by law, plus increased and additional compensation as provided by the 'Federal Employees Pay Act of 1945,' as amended, and the 'Second Supplemental Appropriation Act, 1950.'"

Page 19, line 8, insert:

"JOINT COMMITTEE ON NONESSENTIAL FEDERAL EXPENDITURES

"For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $20,000, to be disbursed by the Secretary of the Senate."

Page 22, line 12, insert:

"Senate Office Building: For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel and for personal and other services, including four female attendants in charge of ladies' retiring rooms at $1,500 each and one at $1,560, for the care and operation of the Senate Office Building; to be expended under the control and supervision of the Architect of the Capitol; in all, $643,900."

Page 94, line 14, after "annum" insert "and such employees may be appointed without regard to the Classification Act of 1949."

Page 80, line 5, after "$3,400,000" insert "*Provided*, That the Departments of the Army, Navy, and Air Force are authorized to transfer to the Civil Aeronautics Board without charge, subject to the approval of the Bureau of the Budget, aircraft (for replacement only), aircraft engines, parts, and accessories surplus to the needs of such Departments."

Page 150, line 2, after "including" insert "grants of adrenocorticotripic hormone (ACTH), cortisone, and other chemical substances, and for."

Page 152, line 16, after "$1,375,000" insert "*Provided*, That the Surgeon General is authorized to convey by quitclaim deed upon such terms and conditions as he may prescribe not to exceed 25,000 square feet of land presently included in the site of the National Institutes of Health to the Bethesda Fire Department, a body corporate of the State of Maryland, for the purpose of erecting and maintaining a fire station to provide protection for the facilities of the National Institutes of Health and for the adjacent community: *Provided further*, That such terms and conditions may include an agreement by the Surgeon General to pay to such department on behalf of the United States 33⅓ percent of the cost of the construction of the station but not to exceed $20,000, to be charged to the maximum limits of costs set out in this paragraph."

Page 156, line 19, after "fund" insert "of which not more than $404 shall be available for payment in advance when authorized by the Federal Security Administrator for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public."

Page 168, strike out all after line 3 over to and including line 17, page 157, and insert:

"To enable the Secretary to improve and develop, independently or through cooperation among Federal and State agencies, and others, a sound and efficient system for the distribution and marketing of agricultural products under the provisions of title II of the act of August 14, 1946, as amended (7 U. S. C. 1621–1629), but including the objects for which funds are available for titles II and III of such act of August 14, 1946, $6,000,000: *Provided*, That not less than $650,000 of this amount shall be available for contracts in accordance with the provisions of section 205 of said act: *Provided further*, That the Secretary may make available to any bureau, office, or agency of the Department such amounts from this appropriation as may be necessary to carry out the functions for which it is made (but amounts made available to the Office of the Secretary, Office of the Solicitor, and Office of Information, shall not exceed those which the Bureau of the Budget, after a hearing thereon with representatives of the Department, shall determine), and any such amounts shall be in addition to amounts transferred or otherwise made available to other appropriation items of the Department: *Provided further*, That no part of this appropriation shall be

available for work relating to fish or shellfish or any product thereof, except for the support of equitable transportation rates before Federal agencies concerned with such rates and for development of foreign markets."

Page 175, line 24, strike out "$2,863,708" and insert "Sections 3 and 5, $2,863,708, and sections 9 and 11 of said act as added by the act of August 14, 1946 (7 U. S. C. 427h, 427j), including administration by the Office of Experiment Stations in the United States Department of Agriculture, $5,000,000, no part of which latter amount shall be used for beginning construction of any building costing in excess of $15,000, except that a poultry breeding house may be constructed at Purdue University at a cost to this appropriation of not to exceed $29,000."

Page 196, line 11, after "$1,300,000" insert "of which $30,000 shall be made available for the establishment of a forest utilization service unit in the Southwest."

Page 214, line 6, after "$56,350,000" insert "of which not to exceed $3,500,000 of the amount available for the purposes of title I and section 43 of the Bankhead-Jones Farm Tenant Act, as amended, may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public land."

Page 215, line 5, after "acts" insert "*Provided further*, That for the purpose of making loans pursuant to the foregoing authority, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such loans to the Secretary: *Provided further*, That repayments to the Secretary of the Treasury on such loans shall be treated as a public-debt transaction."

Page 238, line 19, after "lands" insert "and materials."

Page 248, line 14, after "Dam" insert "*Provided further*, That in order to promote agreement among the States of Nebraska, Wyoming, and Colorado and to avoid any possible alteration of existing vested water rights, no part of this or of any prior appropriation shall be used for construction or for further commitment for construction of the Glendo unit or any feature thereof, until a definite plan report thereon has been completed, reviewed by the States of Nebraska, Wyoming, and Colorado, and approved by Congress."

Page 248, line 12, after "Dam" insert "*Provided further*, That no part of this or prior appropriations shall be used for construction, nor for further commitments to construction of Moorhead Dam and Reservoir, Mont., or any feature thereof until a definite plan report thereon has been completed, reviewed by the States of Wyoming and Montana, and approved by the Congress."

After "(e))" insert "including payments on account of dependents of employees in field offices in project areas engaged in construction and related activities."

Page 263, line 11, insert: "The Veterans' Administration is authorized to transfer to the Department of the Interior, for the use of the Bureau of Mines, without compensation therefor, full jurisdiction, possession, and control of a parcel of forty-three acres, more or less, within the boundaries of the Fort Snelling Government Reservation in Hennepin County, Minnesota."

Page 265, line 6, after "appropriation" insert "*Provided further*, That not to exceed $150,000 of the funds available for the Independence National Historical Park, Pa., shall be available after January 1, 1951, for the management, protection, maintenance, and rehabilitation of Independence Hall, grounds, and structures in that park."

Page 266, line 11, after "695c);" insert "and not to exceed $30,000 for payment, in the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Fish and Wildlife Service."

Page 267, line 22, strike out lines 19 to 23, inclusive, and insert: "For carrying into effect section 4 of the Act of March 16, 1934, as amended (16 U. S. C. 718–718h), amounts equal to the sums received during the current year and each fiscal year thereafter from the proceeds from the sale of stamps, to be warranted monthly and to remain available until expended."

Page 288, line 23, after "amended" insert: "*Provided further*, That necessary expenses of inspections of projects financed through loans to educational institutions authorized by Title IV of the Housing Act of 1950 shall be compensated by such institutions by the payment of fixed fees which in the aggregate in relation to the development costs of such projects will cover the costs of rendering such services, and expenses for such purpose shall be considered nonadministrative, and for the purpose of providing such inspections, the Administrator may utilize any agency and such agency may accept reimbursement or payment for such services from such institutions or the Administrator, and shall credit such amounts to the appropriations or funds against which such charges have been made."

Page 294, line 23, after "monthly" insert: "*Provided further*, That so long as funds are available from appropriations for the foregoing purposes, the provisions of section 507 of the Housing Act of 1950 (Public Law 475, 81st Cong.) shall not be effective."

Page 371, strike out lines 9 to 12, inclusive, and insert:

"SEC. 102. No part of any appropriation contained in this chapter shall be used directly or indirectly, except for temporary employment in case of emergency, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, executive, or supervisory position unless such person is a citizen of the United States of America or of the Republic of Panama: *Provided, however*, (1) That notwithstanding the provision in the act approved August 11, 1939 (53 Stat. 1409) limiting employment in the above-mentioned positions to citizens of the United States from and after the date of approval of said act, citizens of Panama may be employed in such positions; (2) that at no time shall the number of Panamanian citizens employed in the above-mentioned positions exceed the number of citizens of the United States so employed, if United States citizens are available in continental United States or on the Canal Zone; (3) that nothing in this chapter shall prohibit the continued employment of any person who shall have rendered 15 or more years of faithful and honorable service on the Canal Zone; (4) that in the selection of personnel for skilled, technical, administrative, clerical, supervisory, or executive positions, the controlling factors in filling these positions shall be efficiency, experience, training, and education; (5) that all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under the terms of this chapter (a) shall normally be employed not more than 40 hours per week, (b) may receive as compensation equal rates of pay based upon rates paid for similar employment in continental United States plus 25 percent; (6) this entire section shall apply only to persons employed in skilled, technical, clerical, administrative, executive, or supervisory positions on the Canal Zone directly or indirectly by any branch of the United States Government or by any corporation or company whose stock is owned wholly or in part by the United States Government: *Provided further*, That the President may suspend from time to time in whole or in part compliance with this section if he should deem such course to be in the public interest."

Page 393, line 20, after "$300,176,000" insert "*Provided*, That the sum of $2,000,000 of the appropriation 'Engineer Service, Army', fiscal year 1947, shall remain available until June 30, 1951, for the payment of obligations incurred under contracts executed thereunder prior to July 1, 1947."

Page 394, line 1, insert:

"MILITARY CONSTRUCTION, ARMY

"For construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Army, as authorized by the Act of June 17, 1950 (Public Law 564, 81st Cong.), without regard to sections 1136 and 3734, Revised Statutes, as amended, including hire of passenger motor vehicles; $95,318,585, to remain available until expended: *Provided*, That not to exceed $661,400 of the funds appropriated under this head in the Military Functions Appropriations Act, 1949, are hereby made available for construction authorized by the Act of October 27, 1949 (Public Law 414)."

Page 414, after line 11, insert:

"PUBLIC WORKS

"For construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy, as authorized by the Act of June 16, 1948 (62 Stat. 459), and the act of June 17, 1950 (Public Law 564, 81st Cong.); major repairs and improvements to the Davisville pier, Naval Base, Newport, R. I.; furniture for public quarters; personnel in the Bureau of Yards and Docks and other personnel services necessary for the purposes of this appropriation; and engineering and architectural services as authorized by section 3 of the act of April 25, 1939 (34 U. S. C. 556); $62,928,000, to remain available until expended: *Provided*, That the funds appropriated by the act of June 25, 1948 (62 Stat. 1027), for construction of two new storehouses at Adak, Alaska, may be used for the conversion of existing facilities, if the Secretary of the Navy determines such action would result in a savings to the Government."

Page 419, strike out lines 13 and 18, inclusive, and insert:

"For construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Air Force, as authorized by the act of March 30, 1949 (Public Law 30, 81st Cong), the act of October 27, 1949 (Public Law 415, 81st Cong.), the act of May 11, 1949 (Public Law 60, 81st Cong.), and the act of June 17, 1950 (Public Law 564, 81st Cong.), without regard to sections 1136 and 3734, Revised Statutes, as amended, including hire of passenger motor vehicles, to remain available until expended, $164,784,000, of which $25,000,000 is for liquidation of obligations incurred pursuant to authority granted under this head in the Second Supplemental Appropriation Act, 1950, or authorized to be transferred to this head by the National Military Establishment Appropriation Act, 1950."

In the last line of Senate amendment No. 471, after "specified" insert "of which not more than $25,000 shall be available to the Administrator for any further action he may consider advisable to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended."

Page 449, line 9, insert:

"ASSISTANCE TO THE REPUBLIC OF KOREA

"For expenses necessary to provide assistance to the Republic of Korea, as authorized

by law, including expenses of attendance at meetings concerned with the purposes of this appropriation; payment of tort claims pursuant to law (28 U. S. C. 2672); health service programs as authorized by law (5 U. S. C. 150); transportation of privately owned automobiles; hire of passenger motor vehicles and aircraft; exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; $90,000,000: *Provided*, That not to exceed $1,500,000 shall be available for administrative expenses."

In the last line of Senate amendment No. 477, after "years" insert *"Provided, however*, That no part of this appropriation may be expended for the duplication of any program being carried on by any other agency of the United States Government or any international agency to which the United States is a major contributor, nor for the construction of any project except for demonstration or instructional purposes, nor for any purpose except administrative expenses, and preliminary surveys and technical cooperation programs upon which reports shall be made to the Congress of the United States quarterly."

In the last line of Senate amendment No. 477, after "years" insert *"Provided further*, That the making of any survey or the advancement of any technical cooperation program or the preparation of plans for projects does not constitute any obligation whatsoever on the part of the Government of the United States to make any loan or grant for the execution or construction of any project or for the completion of any program devised under title IV of Public Law 535, approved June 5, 1950."

In the last line of Senate amendment No. 477, after "years" insert *"Provided further*, That it shall be the duty of the Secretary of State to give written notice to each recipient of funds or beneficiary under said title that such assistance shall not be construed as an obligation on the part of the United States to make funds available for the construction or execution of any project and to report such action to Congress."

Page 453, preceding line 16, insert:

"TITLE II—DEPARTMENT OF DEFENSE"

Page 453, line 16, insert:

"DEPARTMENT OF THE ARMY, CIVIL FUNCTIONS

"GOVERNMENT AND RELIEF IN OCCUPIED AREAS

"For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of certain foreign areas (except Germany), including personnel services in the District of Columbia and elsewhere and, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, personal allowances (not to exceed $10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of claims pursuant to law (28 U. S. C. 2672); translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools in Japan for American children who are dependents of Government personnel; printing and binding; purchase and hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States commanders, commissioners, or other administrators of foreign areas, to be expended in their respective discretions (not exceeding amounts authorized or approved by the head of the department or agency concerned); such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease, or unrest, prejudicial to the objectives sought to be accomplished; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; $288,000,000, of which not to exceed $18,200,000 shall be available for administrative expenses: *Provided*, That the general provisions of the appropriation act for the fiscal year 1951 for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (41 U. S. C. 151–161): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in such occupied areas in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948, as amended: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further*, That such agreement shall, when applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, approved December 17, 1947): *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned to pay ocean transportation charges from United States ports, including territorial ports, to ports in Japan and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such countries: *Provided further*, That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned."

TITLE III—DEPARTMENT OF STATE

Page 457, line 21, insert:

"GOVERNMENT IN OCCUPIED AREAS OF GERMANY

"For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government, occupation, and control of occupied areas of Germany, under such regulations as the Secretary of State may prescribe, including personal services in the District of Columbia; one deputy to the United States High Commissioner for Germany at a salary of $17,500; tuition, personal allowances (not to exceed $10 per day), travel expenses (not to exceed those authorized for United States civilian personnel), health and accident insurance, and fees incident to instruction in the United States or elsewhere, of such persons as may be required to carry out the provisions of this appropriation; actual expenses of preparing and transporting to their former homes the remains of persons who may die away from their homes while participating in activities authorized under this appropriation; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of tort claims pursuant to law (28 U. S. C. 2672) and payment of tort claims in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries; expenses for translation and reproduction rights; acquisition, maintenance, operation, and distribution of educational, informational, reorientation, and rehabilitation materials and equipment for Germany, including grants; medical and health assistance for the civilian population of Germany; expenses incident to the operation of schools for American children who are dependents of Government personnel; expenses incident to maintaining discipline and order in occupied areas (including trial and punishment by courts established by or under authority of the President); printing and binding, including printing and binding outside continental United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); purchase, rental, operation, and maintenance of printing and binding machines, equipment, and devices abroad; purchase and hire of passenger motor vehicles; transportation to occupied Germany of property donated for the purposes of this appropriation; unforeseen contingencies (not to exceed $100,000) for the United States High Commissioner for Germany, to be accounted for pursuant to the provisions of section 291 of the Revised Statutes (31 U. S. C. 107); and representation allowances (not to exceed $20,000) similar to those authorized by section 901 (3) of the Foreign Service Act of 1946 (22 U. S. C. 1131); $27,000,000: *Provided*, That provisions of law, including current appropriation acts, applicable to the Department of State shall be

available for application to expenditures made from this appropriation: *Provided further,* That when section 601 of the Economy Act of 1932, as amended (31 U. S. C. 686), is employed to carry out the purposes of this appropriation the requisitioned agency may utilize the authority contained in this appropriation: *Provided further,* That expenditures from this appropriation may be made outside the continental United States, when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended: *Provided further,* That the Department of State is authorized to utilize for carrying out the purposes of this appropriation, including unforeseen contingencies, without dollar reimbursement from this or any other appropriation (1) currencies deposited in Germany by the Federal Republic of Germany in accordance with section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, and which may be made available by the Economic Cooperation Administration, (2) currencies otherwise deposited in Germany by the Federal Republic of Germany and which become available for use of the Government of the United States, its representatives or agencies in Germany, in such quantities and under such terms and conditions as may be determined by the Secretary of State after consultation with the Administrator for Economic Cooperation, and (3) other currencies derived from activities carried on under this appropriation: *Provided further,* That civilian employees of the United States serving in Germany who received appointments in October 1949 to the Foreign Service of the United States for service in Germany shall, for the purposes of section 625 of the Foreign Service Act of 1946, be considered to have been in class on September 30, 1949: *Provided further,* That for the purposes of this appropriation appointments may be made to the Foreign Service Reserve without regard to the 4-year limitation contained in section 522 of the Foreign Service Act of 1946: *Provided further,* That in the event the President assigns to the Department of State responsibilities and obligations of the United States in connection with the government, occupation, or control of foreign areas in addition to Germany, the authorities contained in this appropriation may be utilized by the Department of State in connection with such government, occupation, or control of such foreign areas: *Provided further,* That when the Department of the Army, under the authority of the act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany."

Mr. CANNON. Mr. Speaker, I offer a motion, which I send to the desk.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendments of the Senate numbered: (Ch. II) 11, 15, 16, 17, 18, 20, 23, 26, 28, 39, 46, 47, 48, 49, 51; (ch. III) 94, 107; (ch. V) 142, 148, 151; (ch. VI) 157, 166, 201, 223, 224; (ch. VII) 254, 278, 279, 285, 295, 300, 302, 306; (ch. VIII) 342, 353; (ch. IX) 398; (ch. X) 417, 418, 451, 456; (ch. X–B) 474, 478, 481, 482, 483, 485, 486, 488; and concur therein.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

Mr. RICH. Reserving the right to object, Mr. Speaker.

The SPEAKER. There is no question of reserving the right to object. The gentleman from Missouri has made a motion that is in order.

The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 35: On page 7, line 11, insert:

"Inquiries and investigations: For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134 (a) of Public Law 601, Seventy-ninth Congress, including compensation for stenographic assistance of committees at such rates and in accordance with such regulations as may be prescribed by the Committee on Rules and Administration, but not exceeding the rate of 25 cents per hundred words for the original transcript of reported matter; and including $50,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution No. 193, agreed to October 14, 1943, and Public Law 20, Eightieth Congress, $832,000: *Provided,* That no part of this appropriation shall be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949) at rates in excess of $9 per day except that higher rates may be established by the Committee on Rules and Administration in the case of travel beyond the limits of the continental United States: *And provided further,* That hereafter the provisions of section 134 (a) of Public Law 601, Seventy-ninth Congress, shall be applicable to the Select Committee on Small Business."

Mr. McGRATH. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. McGRATH moves that the House recede from its disagreement to the amendment of the Senate No. 25, and concur therein with an amendment, as follows: In line 13 of the Senate amendment, strike out "$832,000" and insert the following: "$722,000, and the affairs of the Joint Committee on Foreign Economic Cooperation, provided for in Senate Resolution No. 298, Eighty-first Congress, shall be liquidated not later than August 31, 1950."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 68: Page 54, line 13, after "$34,000,000" insert "of which sum $200,000 shall be used for the purpose of preserving friendships with the peoples of western European countries by means of radio broadcasts, said programs to be created and produced under the supervision and control of the Department of State by experienced private international broadcasting organizations; and."

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 68, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "of which sum $100,000 may be available for the purpose of preserving friendships with the peoples of western European countries by means of radio broadcasts, said programs to be created and produced under the supervision and control of the Department of State by experienced private international broadcasting organizations; and."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 72: Page 56, line 16, after "expended" insert "and in addition, the Institute is authorized, prior to June 30, 1953, to enter into contracts for the purposes of such act, as amended, in an amount not to exceed $7,000,000."

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 72, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$1,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 92: Page 79, line 9, after "expenses" insert "of which $35,000 may be transferred to the appropriation "Salaries and expenses, Civil Aeronautics Administration" for such expenses, including the maintenance and operation of aircraft."

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 92, and concur therein within an amendment, as follows: In lieu of the sum named in said amendment, insert: "$17,500."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 175: Page 179, line 1, strike out all after "$7,950,000" down to and including "entry" in line 23.

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 175, and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following: "including $30,000 for the acquisition of land and construction of buildings for inspection of livestock at Canadian border ports of entry."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 189: Page 189, line 22, after "$850,000", insert "of which $1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes for the purposes of said joint resolution only to the

extent that the Secretary, with the approval of the Bureau of the Budget, finds necessary to meet emergency conditions."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 189, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$1,250,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 192: Page 190, line 22, after "$900,000", insert "of which $1,000,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes for the purposes of said act only to the extent that the Secretary, with the approval of the Bureau of the Budget, finds necessary to meet emergency conditions."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 192, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$750,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 198: Page 195, line 5, insert:

"Cooperative range improvements: For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national-forest lands, pursuant to section 12 of the act of April 24, 1950 (Public Law No. 478), $750,000, to remain available until expended."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 198, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$700,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 200: Page 196, line 6, after "$2,995,000", insert "of which $55,000 shall be available for such investigations and experiments at Bartlett Experimental Forest only."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 200, and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "$41,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 209: Page 200, line 14, after "situated", insert *"Provided further,* That of the funds available herein, not in excess of $7,880,000 may be expended in watersheds heretofore authorized by section 13 of the Flood Control Act of December 22, 1944, for necessary gully control, floodwater detention, and floodway structures in areas other than those over which the Department of the Army has jurisdiction and responsibility."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 209, and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "$8,315,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 215: Page 206, line 2, strike out all after "States" down to and including "county" in line 24.

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 215, and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following: *"Provided further,* That not to exceed 5 percent of the allocation for the agricultural conservation program for any county may be allotted with the approval of the State committee to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program and the funds so allotted shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such county."

Mr. H. CARL ANDERSEN. Mr. Speaker, may I have a minute or so to interrogate the gentleman?

Mr. WHITTEN. Mr. Speaker, I yield to the gentleman.

Mr. H. CARL ANDERSEN. May I ask the gentleman in this connection if he feels the language is absolutely voluntary as regards the various counties and States?

Mr. WHITTEN. There is no question but what it is purely permissive.

Mr. H. CARL ANDERSEN. I notice that the State PMA committee must agree to any such transfer on the part of the county.

Mr. WHITTEN. That is right. It has to be agreeable to the county and to the State before it is done; in other words, it is permissive. It enables them to do it if they want to.

Mr. H. CARL ANDERSEN. Has the gentleman conferred with the gentleman from North Carolina [Mr. COOLEY] and the members of the legislative Committee on Agriculture?

Mr. WHITTEN. I have several times, and they are in complete accord with what we are trying to do.

Mr. H. CARL ANDERSEN. They do not think that we are infringing on their legislative rights?

Mr. WHITTEN. None whatever.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Arkansas.

Mr. HARRIS. Would the language in this amendment in any way prohibit the PMA committees from employing personnel which some might consider to be technicians in the construction or work such as pools, terraces, and so forth, where there are no soil conservation districts?

Mr. WHITTEN. It would not restrict it in any way whatsoever. This is to try to prevent duplication, but in those areas in which soil conservation technicians are not available, it would in no way restrict their activities.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Does the gentleman feel that this additional assistance from the Production and Marketing Administration of soil conservation personnel assigned to soil conservation districts will be kept in those districts where the work has not been substantially completed?

Mr. WHITTEN. Certainly, there is no intention to upset that in the least..

Mr. ALBERT. But you did cut the soil conservation item approximately $500,000?

Mr. WHITTEN. No.

Mr. ALBERT. In this make-up?

Mr. WHITTEN. No. The figure for the soil conservation district is in excess of $1,000,000 higher than it was last year. The Senate did cut it $500,000, and this is additional money over what they had hoped to get at this date. So, since they got a million dollars more than they now have, I do not see that there is any reduction. There might be a reduction in what they hoped to have.

Mr. ALBERT. And the gentleman feels that all these districts which have not completed their jobs will be kept open under this bill?

Mr. WHITTEN. Certainly, that is the intention of this committee.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. JENSEN. Will the gentleman explain the difference in the language in this amendment which the gentleman has just offered and the language in the present law?

Mr. WHITTEN. Well, the difference was this: The Senate insisted that this should have approval of the State PMA committee. Personally, I think it is sound to have some consideration by the State and have a State policy rather than have individual handling of it in

each county. I think that is the only change.

Mr. JENSEN. In other words, this language is giving the authority back to the farmers, so to speak?

Mr. WHITTEN. That is the way I see it, and it is an effort to correlate the efforts of these two agencies which I think have done a splendid job. We counseled with numerous members of the legislative committee. This program did not get started until last November, but nevertheless, 250 counties have voluntarily come into it, and it looks like it holds real promise to get maximum dividends from this soil program.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 232: Page 220, line 6, insert the following: "together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses which several amounts not exceeding a total of $207,000 shall be transferred to and made a part of this appropriation."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 234: Page 221, line 19, insert the following: *"Provided,* That when and to the extent that in the judgment of the Secretary agricultural exhibits and motion and sound pictures relating to the programs of the various agencies of the Department authorized by Congress can be more advantageously prepared, displayed, or distributed by the Office of Information, as the central agency of the Department therefor, additional funds not exceeding $300,000 for these purposes may be transferred to and made a part of this appropriation, from the funds applicable, and shall be available for the objects specified herein."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 238: Page 229, line 6, insert the following:

"SEC. 411. Of the funds appropriated in this chapter for travel expenses, $791,888 shall be carried to the surplus fund and covered into the Treasury on or before August 1, 1950; but such amount shall be credited toward any other reduction in amounts available for such travel expenses resulting from decreases in appropriations made by this act below the budget estimates."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 238, and concur therein with an amendment, as follows: "In lieu of the words "on or before August 1, 1950" in said amendment, insert the following: "within 30 days after enactment of this act."

The motion was agreed to.

DEPARTMENT OF THE INTERIOR

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 275: Page 247, line 4, after "fund" insert "and in addition thereto the Commissioner of Reclamation is hereby authorized to incur obligations and enter into contracts for additional work, materials, and equipment in an amount not exceeding $3,000,000 for power transmission lines and substations in the fiscal year 1951."

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 277: page 247, line 22, after "Dam" insert *"Provided further,* That $3,000,000 of the funds provided in this paragraph plus $3,000,000 contract authority shall be available for construction of transmission lines and substations in South Dakota, to include a transmission loop from Fort Randall through the load centers of Armour, Huron, Aberdeen, Andover, Watertown, Brookings, Sioux Falls, and Gavins Point to Fort Randall, and lines from Fort Randall to Winner and from Rapid City to Midland."

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 284: Page 252, line 8, after "Reclamation;" insert "payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interestate compacts; and, without reimbursement or return under the reclamation laws."

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. JACKSON of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 284, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 288: Page 253, line 7, strike out all after "law" down to and including "Investigations." in lines 8 and 9, and insert *"Provided further,* That, except as otherwise provided by the act of April 19, 1945 (43 U. S. C. 377), or by any other law, no part of any appropriation made herein shall be available pursuant to the said act of April 19, 1945, for expenses other than those incurred on behalf of specific reclamation projects except expenses under the head 'General administrative expenses' and under the head 'General investigations.' "

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. JACKSON of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 288, and concur therein with an amendment, as follows: In lieu of the matter stricken out and proposed by said amendment, insert *"Provided,* That no part of any appropriation made herein shall be available pursuant to the act of April 19, 1945 (43 U. S. C. 377), for expenses other than those incurred on behalf of specific reclamation projects except $7,200,000 under the head 'General administrative expenses' and $1,193,205 ($197,925 for reconnaissance, $769,080 for basin surveys, and $226,200 for general engineering and research) under the head 'General Investigations.' "

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 289: Page 256, line 11, insert:

"TRANSFER OF EPHRATA AIR FORCE BASE

"For the purpose of assisting in the construction, operation, and maintenance, and settlement programs on the Columbia Basin project in the State of Washington, the armed services, General Services Administration, or other Federal agency having ownership or custody thereof or interest therein, is authorized and directed to transfer to the Bureau of Reclamation, without reimbursement or transfer of funds, all of their right, title, and interest to certain buildings, facilities, and equipment at the Ephrata Air Force Base, Ephrata, Wash., including the following buildings in accordance with block and building numbers: Block 800, building No. 68; block 1900, buildings Nos. 10, 11, 12, 13, 14, 16, 17; block 2000, 4 buildings No. 75. 2 buildings No. 56; block 3000, buildings Nos. 56, 131, 58; block 2900, buildings Nos. 59, 53, 55, 57, 66, 89, 90, 85, 84, 124, 141, 2 buildings No. 60, 2 buildings No. 64, 2 buildings No. 65; block 3300, 11 buildings No. 28; block 3400, 7 buildings No. 28; block 3500, buildings Nos. 43, 46; block 3600, buildings Nos. 34, 35, 36, 38, 2 buildings No. 37; block 3700, buildings Nos. 35, 38, 4 buildings No. 31, 2 buildings No. 32, 2 buildings No. 34, 2 buildings No. 37; block 3800, buildings Nos. 35, 38, 39, 42, 2 buildings No. 37; block 4300, buildings Nos. 19, 20, 21, 22; block 4400, buildings Nos. 113, 114, 2 buildings No. 112; block 4600, buildings No. 134; block 4700, buildings Nos. 94, 95, 96, 99, 109, 100, 35, 108, 104, 110, 6 buildings No. 97; block 4800, buildings Nos. 53, 40, 102, 101, 103, 105, 107, 111, 2 buildings No. 32, 5 buildings No. 106, 3 buildings No. 98, together with one sewage-disposal plant No. 116, 1 water tank No. 115, 1 well, 1 flag pole No. 118, 2 garbage racks No. 155, 2 garbage racks No. 158, 1 wash rack No. 63, 2 grease racks No. 62, and sewer system, water lines, electric-power lines, railroad spur and siding, road improvements, and all other facilities and equipment incident to the foregoing property, and including land and rights-of-way formerly under Reclamation withdrawal to other federally owned land

on which said buildings, are situate, which have heretofore or which may hereafter be declared surplus to the needs of the Armed Forces."

Mr. JACKSON of Washington. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. JACKSON of Washington moves that the House recede from its disagreement to the amendment of the Senate numbered 289, and concur therein with an amendment, as follows: In the last line of the matter proposed by said amendment, before the period, insert "*Provided*, That amounts equal to the value of all property transferred hereunder and used shall be charged, in the same manner as appropriations are charged, as part of the construction or appropriate other costs of the Columbia Basin project, such values to be determined by appraisal approved by the Administrator of General Services of the market value of such property current at the time of transfer hereunder less expenditures on such property by the Bureau of Reclamation prior to such transfer."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 319. On page 291, strike out all of line 11, on page 291, down to and including line 17, on page 292, and insert:

"Displaced Persons Commission: For expenses necessary to carry out the provisions of the Displaced Persons Act of 1948, as amended by the Act of June 16, 1950 (Public Law 555), including personal services and rents in the District of Columbia; travel expenses without regard to the Standardized Government Travel Regulations, as amended, and the rates of per diem allowances under the Subsistence Expense Act of 1926, as amended; purchase (not to exceed three), and hire of passenger motor vehicles; printing and binding, including printing and binding outside the continental limits of the United States without regard to section 11 of the Act of March 1, 1919 (44 U. S. C. 111); expenses incident to the primary and secondary education of American children who are dependents of Government personnel paid from this appropriation and stationed overseas; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); payment of tort claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); employment of aliens; and payment of rent in foreign countries in advance; $9,000,000: *Provided*, That allocations may be made from this appropriation by the Commission upon approval by the Bureau of the Budget to any department, agency, corporation, or independent establishment of the Government for direct expenditure for the purposes of this appropriation, and any such expenditures may be made under the specific authority herein contained or under the authority governing the activities of the department, agency, corporation, or independent establishment to which amounts are allocated: *Provided further*, That the Commission may enter into agreements with international, governmental, and private agencies and may make payment in advance or by reimbursement for expenses incurred by such agencies in rendering assistance to the Commission in carrying out the purposes of this act."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate No. 319, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"Displaced Persons Commission: For expenses necessary to carry out the provisions of the Displaced Persons Act of 1948, as amended by the act of June 16, 1950 (Public Law 555), including personal services and rents in the District of Columbia; travel expenses, including travel expenses outside continental United States without regard to the standardized Government travel regulations, as amended, and the rates of per diem allowances under the Subsistence Expense Act of 1926, as amended; purchase (not to exceed three), and hire of passenger motor vehicles; printing and binding, including printing and binding outside the continental limits of the United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); expenses incident to the primary and secondary education of American children who are dependents of Government personnel paid from this appropriation and stationed overseas; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); payment of tort claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); employment of aliens; and payment of rent in foreign countries in advance; $8,000,000: *Provided*, That allocations may be made from this appropriation by the Commission upon approval by the Bureau of the Budget to any department, agency, corporation, or independent establishment of the Government for direct expenditure for the purposes of this appropriation, and any such expenditures may be made under the specific authority contained or under the authority governing the activities of the department, agency, corporation, or independent establishment to which amounts are allocated: *Provided further*, That the Commission may enter into agreements with United States governmental agencies and may make payment in advance or by reimbursement for expenses incurred by such agencies in rendering assistance to the Commission in carrying out the provisions of this act."

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 337: On page 304, strike out "the" and insert "not to exceed $4,000,000 of the."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 337, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert "$4,350,000."

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 338: page 304, line 21, after "1951" insert: "The sum of $2,000,000 carried in the said unexpended balances shall be carried to the surplus fund and covered into the Treasury immediately upon the approved of this act."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 338, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert "$1,324,000."

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 345: Page 314, line 13, strike out "$9,889,600" and insert "$10,002,600."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 345, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$9,889,600 (and any part of the amount of $100,000 for valuations of pipelines, and $3,831,920 for the work of the Bureau of Motor Carriers, contained in this paragraph, may be transferred as the Commission may determine for carrying out other functions of the Commission)."

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 354: Page 320, line 18, after the word "Philippines," insert "or, in the absence of such finding by such court, the Commission after hearing finds upon evidence that such person was guilty of such collaboration or act of disloyalty."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 354, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "or, in any case involving charges of such collaboration or disloyalty which have not been adjudicated by any such court, where the Commission, after hearing and evidence, certifies that it is satisfied that the person so charged is guilty of such collaboration or disloyalty."

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 325, line 17, strike out all after "$63,000,000" down to and including "estimates" in line 15, and insert: *Provided*, That no part of this appropriation or contract authorization shall be used (1) to start any new ship construction for which an estimate was not included in the budget for the current fiscal year or (2) to start any new ship construction the currently estimated cost of which exceeds by 10 percent the estimated cost included therefor in such budget unless, in either case, the Director of the Bureau of the Budget specifically approves the start of such ship construction and the Director shall submit forthwith a detailed explanation thereof to the Committees on Appropriations of the Senate and of the House of Representatives; and, or used herein, the term "budget" includes the detailed justification supporting the budget estimates: *Provided further*, That not to exceed $64,875,000 of the funds and contract authority made available for new ship construction, including reconditioning and betterment, in the Independent Offices Appropriation Act, 1950, shall continue to be available until December 31, 1950."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 361, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "*Provided*, That not to exceed $64,875,000 of the funds and contract authority made available for new ship construction, including reconditioning and betterment, in the Independent Offices Appropriation Act, 1950, shall continue to be available until December 31, 1950: *Provided further*, That no part of this appropriation or contract authorization shall be used (1) to start any new ship construction for which an estimate was not included in the budget for the current fiscal year; or (2) to start any new ship construction the currently estimated cost of which exceeds by 10 percent the estimated cost included therefor in such budget unless the Director of the Bureau of the Budget specifically approves the start of such ship construction and the Director shall submit forthwith a detailed explanation thereof to the Committees on Appropriations of the Senate and of the House of Representatives; and, as used herein, the term 'budget' includes the detailed justification supporting the budget estimates."

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Pennsylvania.

Mr. RICH. This $64,875,000, after World War II, or before we got into this Korean war we had hundreds and hundreds of ships that were tied up in ports.

Mr. THOMAS. Twenty-two hundred; and we still have them.

Mr. RICH. Twenty-two hundred ships. Is this money to be used for the repair of those ships, or are you going to start to build new ships?

Mr. THOMAS. Let me say to my friend from Pennsylvania that this is not fresh money; this is merely a reappropriation of money that has heretofore been appropriated, and this item has nothing in the world to do with the repair of the 2,200 ships that are laid up.

Mr. RICH. Is the Congress now going to go out and build a lot more ships and tie them up after we finish the Korean war?

Mr. THOMAS. There is no money in here for that purpose. We are building six or seven ships which are really prototypes, types that have not yet been built.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 363: Page 328, line 11, strike out all after "contracts" down to and including "1950" in line 25.

Mr. THOMAS. Mr. Speaker, I offer a motion to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 363, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "*Provided further*, That no part of the foregoing appropriation shall be available for obligation, nor any obligation made, for the payment of an operating-differential subsidy for any number of ships in excess of the number of 263, unless a certificate has been received from the Director of the Bureau of the Budget, with the approval of the Secretary of Defense, that an operating-differential subsidy is required for a larger number of such ships in connection with national defense."

Mr. PHILLIPS of California. Mr. Speaker, I offer a preferential motion to recede and concur.

The Clerk read as follows:

Mr. PHILLIPS of California moves that the House recede and concur in the Senate amendment.

Mr. THOMAS. Mr. Speaker, I demand a division of the motion.

The SPEAKER. The question is on the motion to recede.

The motion to recede was agreed to.

Mr. THOMAS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House concur in the amendment of the Senate numbered 363 with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "*Provided further*, That no part of the foregoing appropriation shall be available for obligation, nor any obligation made, for the payment of an operating-differential subsidy for any number of ships in excess of the number of 263, unless a certificate has been received from the Director of the Bureau of the Budget, with the approval of the Secretary of Defense, that an operating-differential subsidy is required for a larger number of such ships in connection with national defense."

Mr. PHILLIPS of California. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PHILLIPS of California. Mr. Speaker, as I understand it now, there are two motions before the House, the motion of the gentleman from Texas to adopt the amendment of the Senate which has just been read, and my amendment to concur in the original Senate wording?

The SPEAKER. That is correct.

Mr. PHILLIPS of California. Will the gentleman yield me some time?

Mr. THOMAS. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Speaker, the point at issue is the only point, I think, in our particular chapter of the bill in which my distinguished chairman and myself have any difference of opinion. I still live in hopes, Mr. Speaker, that some day I am going to persuade him of the correctness of the side which I take. This is in defense of the American merchant marine. There is no money involved. There is a technical point involved which says that a line, in order to set itself up and to offer itself as a carrier to the people of the United States, must some months ahead of time establish its trade routes; it must offer its service to people all over the United States and must, therefore, know in advance that it is eligible to an operating subsidy. It must know that, once started, it may continue to operate for the benefit of its customers upon that line. It may take months to secure information and to present its case to the Maritime Commission. I know one line that has perhaps $50,000 involved already of its own money in order that it may set itself up so that it is in the eligible class for subsidies, if needed.

The amendment offered by the gentleman from Texas [Mr. THOMAS] sets an arbitrary figure for the number of boats which may receive subsidies. It is not the prerogative of the Appropriations Committee to set an arbitrary figure but to set a figure in money. We have set that figure in money in the appropriation and I have no controversy with that figure; it is adequate. In addition to that, the gentleman from Texas [Mr. THOMAS] wishes in his amendment to set a figure which limits the number of ships to those now under the wire for an operating subsidy or were entitled to it as of January 1 of this year.

Rather than to argue that point, I wish to point out that two lines involved, having 15 ships, which would be shut out by this amendment, are the very lines upon which the United States has been depending since the outbreak of the war in Korea to carry supplies to the men on the battle front over there.

Mr. Speaker, I now yield to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Speaker, I rise to support the position presented by my colleague, the gentleman from California [Mr. PHILLIPS]. I am in complete disagreement with the approach being made to this subject by the very able gentleman from Texas [Mr. THOMAS].

On the west coast we have at the present time two lines, as the gentleman from California [Mr. PHILLIPS] has mentioned, the Pacific Far East and the Pacific Transport Lines, which are the very backbone of the military supply to the

Korean operations now. They are not subsidized at the present time. Their applications are in for a subsidy. Their vessels are not included in the 263 figure set by the amendment offered by the gentleman from Texas [Mr. THOMAS]. With the return to a normal condition, which we all hope will be somewhere in the immediate future, and with the cessation of the business now being conducted by these lines and possibly other lines, these particular lines would be barred from any subsidy and would be out of business.

I think it is an unfair approach to companies that are doing their best to return the American flag to the seas. We are trying with the reorganization of the Maritime Commission to build an American merchant marine, to find new and faster vessels. This is that in reverse.

I sincerely hope that the amendment offered by the gentleman from California [Mr. PHILLIPS] will be adopted by the House.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Pennsylvania.

Mr. RICH. How long do these vessels have to operate before they can apply for a subsidy?

Mr. THOMAS. There is no set time.

Mr. RICH. Why not treat everybody alike if these vessels are now operating?

Mr. THOMAS. I may say to the gentleman from Pennsylvania that during wartime steamship companies make more money than they can count much less haul. They never need a subsidy. A subsidy is a hard-times matter. In the next three or four years if the war keeps up like it is today there will not be a dime of subsidy paid to any of them. They do not need it and they do not ask for it.

Mr. RICH. The fact of the matter is you are giving subsidies to everybody. Of course, I do not believe in subsidies at all, but I think you ought to treat everybody the same way.

Mr. THOMAS. There are more subsidies in here than you have ships for already.

Mr. RICH. With the 2,200 ships we still have tied up?

Mr. THOMAS. Yes. We have them, too.

Mr. PHILLIPS of California. Mr. Speaker, I yield to the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Speaker, I wish to join with my colleague, the gentleman from California [Mr. SHELLEY] in urging the position taken by the gentleman from California [Mr. PHILLIPS]. In my opinion the amendment proposed by the gentleman from Texas effectively abrogates the policy set forth in the Merchant Marine Act under which the merchant marine of this Nation is, in part, assisted. The Merchant Marine Act is designed to keep American ships on the seas to carry on our domestic commerce and a part of our foreign commerce, to provide American operators, to provide that the ships shall be operated by American seamen and repaired and constructed by American yards, all of which are absolutely necessary when an emergency arises, for national defense. The Merchant Marine Act keeps the ships going in times of peace, and they are ready when we need them in national defense. That is the position we are in now. This amendment proposed by the gentleman from Texas would wipe out, to some extent, the possibility of being as well prepared when we need them again. There is no money involved; it is not a matter of appropriations.

Mr. PHILLIPS of California. Mr. Speaker, I yield to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Speaker, I am in complete accord with the objective of the gentleman from Texas to try to get some efficient and sensible operation in the Maritime Commission, but I am completely opposed to putting our merchant marine in a strait-jacket, and I believe that is what would be done unless the amendment offered by the gentleman from California is adopted. I have been given to understand that the Committee on Merchant Marine and Fisheries is completely in accord with the amendment of the gentleman from California. I have not heard anybody from that committee make an observation, but with the gentleman's permission I would like to ask the gentleman from Texas [Mr. THOMPSON] if that expression is not correct.

Mr. THOMPSON. That is correct, so far as I know.

Mr. PHILLIPS of California. Mr. Speaker, during the discussion of this bill on May 8 it was made abundantly clear by the members of the Committee on Merchant Marine and Fisheries that they felt the number should be 285 ships, at least, and this would set it at 263.

Mr. Speaker, I yield to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, I arise in support of the motion made by the gentleman from California [Mr. PHILLIPS]. His motion gives recognition to the fact that under the law as it now exists provision has been made for the payment of an optional subsidy to our merchant marine. The adoption of his amendment would not increase by one penny the amount that has been appropriated for this purpose, but it would make certain that all ships that can qualify under the law would participate under the fund.

The motion made by the gentleman from Texas [Mr. THOMAS] although offered with good intent, would in my opinion leave some uncertainty as to the number of ships that could participate. From the explanation he has given it would seem that he believes that no qualifying ship would be left out. However, why adopt a course that might have that effect?

I believe there is a question of good faith involved in the matter. We owe an obligation to all ship owners who have constructed ships for use in the merchant marine. They have done so with the understanding that in the event the operation should be a losing venture then they could, by due proof, obtain reimbursement of such loss. This is only fair in view of the fact that the route on which they operate has been approved or directed by the Merchant Marine Commission. No one knows whether the operation will prove profitable or otherwise. Without some such guarantee no ship line would be willing to operate these unknown routes. We must realize that the competition is great, with the advantage in most instances in favor of the foreign shipowner because of his cheaper cost of operation. We must do something of the kind we have in our law set out to do. It is the only way we can expect or hope to build up an American merchant marine.

Two world wars have demonstrated the need of an adequate merchant marine to support our fighting ships and our soldiers fighting on foreign fields. When war comes we find ourselves deficient in this respect. This has been our experience in World Wars I and II. It is even now our experience in the present Korean conflict. We have found it necessary, in getting men and supplies to Korea, to lease or utilize the ships of foreign companies to make up for our own deficiency in available ships.

I support the motion of the gentleman from California [Mr. PHILLIPS], because it is the best guaranty to our shipowners that we intend to carry out the policy adopted by Congress in its effort to build up the American merchant marine.

Mr. PHILLIPS of California. Mr. Speaker, I would point out to you that in signing the report, the gentleman from New York [Mr. TABER], the gentleman from South Dakota [Mr. CASE], and I signed the report with the exception of this particular point which is still in controversy. I also point out, Mr. Speaker, that when the vote comes it will come first on the motion of the gentleman from Texas [Mr. THOMAS], and then upon the motion which I would like to substitute for the motion of the gentleman from Texas.

I reserve the balance of my time, Mr. Speaker.

Mr. THOMAS. Mr. Speaker, I do not think I have ever heard any more loose statements than have been made, no doubt in good faith, here this afternoon about this item. In the first place, the House thoroughly debated this question some 2 or 3 months ago and the House sustained the committee.

Now let us go back and see just what the facts are. I am imputing no ill motives to anybody. I think some of our friends are a little bit overzealous to give away about $350,000 per year, per ship, to certain pressure groups.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from New York.

Mr. ROONEY. Is this the matter in which a gentleman by the name of Frazier Bailey is interested?

Mr. THOMAS. I understand Mr. Bailey is perhaps one of the highest-priced lobbyists that has been in Washington for the last 20 years, representing

the steamship companies. When this item came up before your subcommittee the Maritime Commission justified the payment of differential subsidies to 235 ships, plus 19 others who wanted to get it, and of that 19, seven were building under construction-differential subsidies.

Now, what is this operating-differential subsidy that we hear so much about? You pay it to Club 13 which owns all these ships; just 13 steamship companies, that is all it is. Incidentally, when the act started out, it was Club 17 or Club 18, but it has shrunk now to Club 13, for whom Mr. Frazier Bailey, as somebody has pointed out, is the chief spokesman and mouthpiece.

You have an operating-differential subsidy on: (1) wages, (2) insurance, (3) food, (4) maintenance of the ship, and (5) repair of the ship. They wanted $93,000,000. And, if my friend from California thinks there is no money involved in here, I wonder what he calls $93,000,000 for the fiscal year 1951. But, that is all they want, $93,000,000, for those 254 ships. Now, you can do a little quick arithmetic and that figures out that all you are paying Club 13 for each ship—not 13 ships but 254 ships—is $367,000 per ship.

How often? Every year for the 10-year period. Do you see? They just get about $3,500,000 over the 10 years for the one ship. And there are only 254. That is what the Maritime Commission justified to our committee.

About 2 months intervened before they appeared before the other body. On page 137 of the independent office appropriation hearings for 1951, before the other body, about a month or 6 weeks ago, this is what you find. This is their language—this is the Maritime Commission's language:

> Number of actual vessels eligible for subsidy after January 1, 1950, and proposed additional ones eligible for subsidy for the year 1951 add up to 262.

Of course they increased the ante in the 2 months from the time that they left the House and went over to the other body. The limitation contained in this bill gives them one more than they asked for. Now that is really being hard on them, is it not? In addition there are seven ships building under a construction differential subsidy, and we were advised inferentially by the Maritime Commission that in all probability those seven ships will be put into military use and not to private use. Therefore, of course, they get no subsidy. Therefore, you have in this limitation eight ships more than they have asked for, and yet he says we are not being generous.

Listen to what our Comptroller General Lindsay Warren has to say about these ship subsidies. He has been working on it apparently for some time trying to find out the yardstick by which the Maritime Commission gives the Club 13 $350,000-plus per vessel per year. This is what General Warren says:

> Our detailed analysis of the calculations, is attached as appendix B hereto, on the audit of the United States Maritime Commission for the fiscal year 1948–49. That analysis revealed that the calculations by the Maritime Commission supporting the approved rates, contained so many errors and omissions as to render the result totally unreliable—

Now listen to this—

> unreliable by the Maritime Commission.
>
> As a result the former Chairman of the Maritime Commission ordered the recalculations of all operating differential subsidies since January 1, 1947.

Now pay particular attention to this point:

> Up to date little real progress has been made, and none of the rates have been revised.

Can you imagine anything like that?

Now, Mr. Speaker, that is the condition and all your committee is trying to do is to save the taxpayers a little money and put a little common horse sense into the head of the Commission. We are not trying to hurt the shipping industry. Why, you cannot hurt them in this bill—it is too one-sided. Do you think you are going to hurt them when you pay them $350,000 every year per ship? If a good part of that amount is not all profit, I do not know anything about it.

Here is what the President of the United States says in his budget message to the Congress in January of this year:

> I am seriously concerned about the increasing cost of these operating subsidies and by the potential cost of new subsidies now being advocated.

The President must have had in mind our good friend, the gentleman from California, and two or three of my other friends who are advocating not only keeping up this enormously wasteful and expensive burden on the pocketbooks of your taxpayers, but who advocate adding more to it.

Let us see further what the President has to say. He says, "To permit such expansion as may be required by a future emergency." Of course, the emergency he is talking about is building. Of course, we are building some. This has nothing in the world to do with building. This is operating.

Further the President said:

> However, to limit the burden on the taxpayers, this subsidy program should be held to the minimum level that will satisfy national defense needs.

Do you know what this amendment does? It has not been exactly explained. It may be my fault, or it may be the fault of the gentleman from California. In addition to giving subsidies for eight more ships than the Maritime Commission has asked for, we put a clause in there which provided that in case the Secretary of National Defense wants more ships for national defense with a subsidy, he has authority to waive this provision. Let me read it to you. It gives them everything they want, and yet Mr. Bailey and the Club 13 are not satisfied. They are telephoning and wire-working everybody they can.

Just listen to this proviso:

> That no part of the number of ships in excess of the number 263—

and that is eight more than the Maritime Commission asked for—

> unless a certificate has been received from the Director of the Budget, with the approval of the Secretary of Defense, that an operating differential subsidy is required for a larger number.

It could go to a thousand, if the Secretary of Defense said he needed them in connection with national defense.

Now, let us be frank about this whole matter. I think we are making a lot of fuss over nothing. We all know that during wartimes the shipping companies make so much money they cannot even haul it, much less count it.

You know that during World War II they did not get a subsidy. A subsidy is a hard-time proposition. You give them a subsidy because they cannot make money, because business is bad. Now they have more business than they can possibly handle. We are even giving them business when you have 2,200 ships of the same type laid up here. In fact, we sold them some of those ships they have for about 30 cents on the dollar, and we have over 2,000 of them laid up.

Mr. PRESTON. Mr. Speaker, will the gentleman yield me 5 minutes to answer the argument he has made in support of this amendment?

Mr. THOMAS. Yes, I will yield the gentleman 5 minutes, after I have finished.

Mr. CASE of South Dakota. I would like to have about 3 minutes, Mr. Speaker.

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Speaker, there is more involved in this item here today than one might think, just hearing it discussed during the few moments which it is before us. In my opinion this is a one-man crusade by the gentleman from Texas against the Maritime Commission. Those of us who have watched the operation of the Maritime Commission in the past cannot find too much fault with the gentleman from Texas in his crusade against the Commission, because the operation of the Commission has not been on a very sound basis; it has been subjected to severe criticism, and I think properly so. But in order to punish the Maritime Commission, American shipping is being made the whipping boy. Now, let us get back to this question coming up in the 1951 appropriation bill. When this limitation first came up in the consideration of the bill originally on the floor not a single Member could find out from the gentleman from Texas the language in the amendment he was going to offer. The gentleman from New Jersey [Mr. HART], after having heard it read by the Clerk said: "I think this perhaps meets our objection." But lo and behold, when it is adopted we find that it did not do a single thing but smokescreen the whole proposition, and it battened down this business of ship subsidies just as tight as the gentleman from Texas had power to batten it down.

Since that time the Senate wisely struck that language out. Now today we had no way of knowing what language the gentleman was going to offer until we heard it read by the Clerk. Talk about not doing anything, let me tell you what it does, it applies to every shipping company in the United States. This is no Frazier Bailey fight either; it is a fight

of all maritime interests against national security; it strikes at every shipping company who had applied for subsidy contracts on routes which had been declared to be essential, but on which contracts had not been executed.

Under this language these shipping companies would be denied the right to have a subsidy contract although the route had been approved by the Maritime Commission. It does that on the west coast and along portions of the east coast. It strikes at a company in my district.

Talk about not affecting shipping, it strikes at the very basic maritime policy established by Congress; and one man, may it please you, one man in the House of Representatives, through the position he holds as chairman of this subcommittee, is striking at the very roots of it and would destroy it by the action here today and by the action he took in May.

I say this not in derogation of my friend from Texas; everyone recognizes him as an able man, a fine representative of his people, but I feel that he has some feeling about this maritime situation which we have not been able to fathom. It is demonstrated by the fact that he is determined to put the lid on this program which, incidentally, I want to say has not cost the Treasury of the United States one dime in subsidy. This would abolish the rights of any shipping company to an operating differential subsidy by virtue of the maritime law which we passed. Does anyone dispute the correctness of this statement?

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. THOMAS. Of course, I dispute that. There is $85,000,000 in this bill to meet that. But what do you think the purpose of this is?

Mr. PRESTON. I am talking of an operating subsidy. I am not referring to a construction subsidy.

Mr. THOMAS. Construction subsidy is not before this House now. This is only an operating-differential subsidy and there is $85,000,000 in here for that.

Mr. PRESTON. This language that we are arguing over today does not involve a penny; it is a limitation. It does not involve 1 dime, and the subsidy cannot be paid, Mr. Speaker, until the route has lost money. If it is making money it is not eligible for a subsidy payment, not at all. It has got to go in the hole before the subsidy is paid. He just wants to adopt this language which will destroy the merchant marine program in this country.

Do you know what he is doing? He is perpetuating the so-called Club 13. Nobody else can join the club if this language is approved. But he wants to take the subsidies away from these small companies like the South Atlantic Steamship Co. in the port of Savannah, Ga., which does not get subsidies, although they are operating on routes that the Commission said were essential, going to distant ports of the world where we want to establish trade relations and where it would be of assistance under the point 4 program of the President.

I hope you defeat the motion of the gentleman from Texas and adopt the motion of the gentleman from California.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that notwithstanding the filing and printing of the conference report, Senator WHERRY may be permitted to sign the report on the general provisions and the general reduction sections including chapters 10 (a) and chapter 11 of the bill H. R. 7786, making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, there are no ships from South Dakota operating in the merchant marine. I have no personal interest in this matter one way or the other, but I have sat through the hearings of the committee and I have sat through the conferences and I have heard the discussion on the one hand by the gentleman from California [Mr. PHILLIPS], and on the other by the gentleman from Texas [Mr. THOMAS]. Perhaps I can make a little objective observation here. There is not a dollar involved in either amendment as to how much we appropriate; the dollar sign appears earlier in the bill. That is not affected in any way by what we do at this point.

What we are doing here is considering only whether the limitations shall be the requirements which exist in the basic law and those remaining in the original House bill, or whether we shall adopt the limitation proposed by the gentleman from Texas which would add a limitation by number on the ships that might get this subsidy. As I say, I heard the whole argument. It seems to me that the whole question here is whether or not this $85,000,000, which is available for payment of operating subsidies, shall be limited to 263 ships that already have their feet in the trough, so to speak, or whether it will be possible for other ships to qualify and participate in the operating subsidy. Perhaps I should change the metaphor and say "keels in the soup" instead of "feet in the trough."

The gentleman from California has pointed out that there are several shipping lines or some shipping lines which have prepared other ships to go into service. They have expended money on them anticipating that they could qualify if they went into service and failed to make operating expenses.

The limitation that the House approved when the bill passed the House limited payments to those ships that were in service and qualified as of January 1, 1950. The Senate amendment strikes that out and leaves the money here for such ships as might meet the qualifications under the basic law. That would be the effect of the motion to concur by the gentleman from California. The amendment offered by the gentleman from Texas would seek to put a limitation on the number of ships that could receive subsidy payments. He now says 263 or 262 is the number that are in operation. I have heard various figures. I have heard the figure as low as 239 and I have heard the figure as high as 288.

I do not know what the number is because the testimony has been conflicting. I do know that the effect of the amendment offered by the gentleman from Texas will be to freeze this monopoly in the hands of certain ships or their owners. If it is a good thing to encourage the development of our merchant marine by providing an operating subsidy so that those who do not make their expenses can come before the Maritime Commission, offer a showing of their operating losses and qualify for some of this fund, it does not seem to me that we should limit it to a number of ships or to those owners having their feet in the trough already. It should be open to the ships that can qualify under the terms of the law.

That is why I think the amendment offered by the gentleman from Texas is not as good as a limitation as we had in the bill when it passed the House. It would be fairer to put it upon the basis of those who qualified as of January 1, 1950, as we did by the bill as it passed the House. To limit it to a certain number of ships, which by the gentleman's own words is only one more than those already actually in operation, could be an unwise and unfortunate limitation. The parliamentary situation is this: The gentleman from Texas has offered an amendment which would take the place of the motion offered by the gentleman from California. If you want to go back to the position offered by the gentleman from California, of course, you must vote down the preferential amendment offered by the gentleman from Texas.

Mr. SCUDDER. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. SCUDDER. I am interested in this measure. As I understand it the amount of money provided would be spread out a little thinner over a greater number of ships?

Mr. CASE of South Dakota. That is right. Those of you who are familiar with the agricultural conservation program will remember that we provide so much money for the triple A or for the conservation program to use in prosecuting its program with the farmers of the country. I know more about that than I do about the ship subsidy. But when you say so much money is available to the Department of Agriculture, they then have to make their allotments by States and the farmers come in within the amount available for that State. You do not limit the farmers by number. The effect of the amendment offered by the gentleman from Texas is to say that only a certain number of ships can qualify for operating subsidies. The motion offered by the gentleman from California does not change the dollars appropriated it; it simply says any ship can come in if it can qualify.

Mr. THOMAS. Mr. Speaker, that is the queerest argument I have ever heard

my distinguished and able friend from South Dakota make. Of course, he participated very actively in the committee in this when we wrote a limitation at the very beginning of 235 ships. Now it is 265. His conclusion that it will perpetuate a monopoly is as erroneous as any statement that, that great, fine gentleman has ever made. Of course, under the limitation in here you could increase the number from 263 up to a thousand if the Secretary of Defense says it is necessary.

Now, about the money angle in here. All of this talk is about nothing but money. Mr. Frazier Bailey and his crowd would not be needling everybody around here if there were not other than dollars and cents involved.

We have tentatively agreed, and the Maritime Commission has indicated—and I am not trying to pin them down on anything—do not misunderstand me—that the probabilities are great when your next rescission bill comes in here that $50,000,000 of this subsidy will be rescinded. My judgment is we ought to rescind the whole $85,000,000, but the Maritime Commission has tentatively agreed we can rescind $50,000,000 of it on the basis they do not need it, because all of the ships, if the present war keeps up, will, as I said a while ago, make more money than they can haul, much less count.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I was just going to recall to the gentleman's mind the fact that none of us were entirely happy about the original numbers limitation, and we abandoned it when the debate started on the independent offices appropriation bill in favor of the January 1, 1950, formula. The gentleman has read from the Comptroller's report. I do not know what that has to do with this particular question. No one went further than I in castigating the Maritime Commission on the basis of the Comptroller's report, and the record of the debate when the original bill was on the floor will bear me out on that.

Mr. THOMAS. We only had 235 ships, and we have given them 19 more now, and yet my friend blows both hot and cold, and again I say I love him and admire him.

Mr. CASE of South Dakota. The gentleman knows that the limitation of 235 was not entirely satisfactory to everybody because of conflicting evidence. And during the debate on the floor of the House we came out with a limitation not in terms of numbers but upon the basis of those that qualified as of January 1, 1950.

Mr. THOMAS. Which we found was around 235.

Mr. CASE of South Dakota. And I said on the floor a minute ago that I thought the limitation by the date January 1, 1950, was much more sensible than either the position of receding entirely or of making the limitation by numbers. Unfortunately, we have already receded, and I know of no way now to go back to the limitation or qualification that was in the bill as it left the House.

Mr. THOMAS. Mr. Speaker, I move the previous question.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. THOMAS) there were—ayes 91, noes 63.

So the previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. THOMAS].

The question was taken; and on a division (demanded by Mr. THOMAS) there were—ayes 91, noes 76.

Mr. PHILLIPS of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-one Members are present, a quorum.

Mr. PHILLIPS of California. Mr. Speaker, I demand tellers.

Tellers were ordered, and the Speaker appointed as tellers Mr. THOMAS and Mr. PHILLIPS of California.

The House again divided; and the tellers reported there were—ayes 121, noes 97.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 373: Page 353, line 23, strike out "$17,724,000" and insert "$17,524,000."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment:

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 373, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$15,024,000."

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. THOMAS].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment 388. Page 366, line 1, after "project" insert *"Provided further,* That the section entitled 'National Military Establishment' in Public Law 343, Eighty-first Congress, first session, providing appropriations for the project at Mandan, N. Dak., is hereby amended to authorize reimbursement to local interests for such work as they may have done in providing interior drainage facilities at Mandan, subsequent to appropriation of funds for construction, as a part of the local flood-protection project, insofar as such drainage facilities shall be approved by the Chief of Engineers and found to have been done in accordance with the authorized project: *Provided further,* That such payment shall not exceed the sum of $76,000: *Provided further,* That $25,000 of the funds appropriated herein shall be available, at a total cost of not to exceed $100,000, to the Board of Engineers for Rivers and Harbors for the purpose of continuing the review of the report on James River and tributaries, North and South Dakota, published as House Document Numbered 83, Seventy-third Congress, and determining the advisability of improvements for flood control and related purposes on James River and tributaries, including Pipestem Creek."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the amendment of the Senate with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate numbered 388, and concur therein with an amendment, as follows: In line 13 of said amendment, and after the figure "$76,000", change the colon to a period and strike out the remainder of the paragraph.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina [Mr. KERR].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 399. Page 374, line 19, after "diem" insert "and contracts with not to exceed 23 temporary or part-time employees may be renewed for 1 year."

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 399, and concur therein with an amendment, as follows: In line 2 of said amendment strike out the words "not to exceed 23."

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. MAHON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 467. Page 443, line 10, insert:

"SEC. 630. Appropriations and contract authority contained in this chapter shall not be subject to the provisions of subsections (c) to (i), inclusive, of section 3679 of the Revised Statutes, as amended by section 1111 of this act, during the existence of an emergency affecting the national security."

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 467, and concur therein with an amendment, as follows: Strike out the language proposed by the said amendment and insert in lieu thereof the following: "During the current fiscal year, appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, shall not be subject to the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended by section 1111 of this act."

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. MAHON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 471. Page 447, line 4, insert:

"ECONOMIC COOPERATION

"For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the act of April 19, 1949 (Public Law 47), and as further amended by the act of June 5, 1950 (Public Law 535), including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed $30,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed $20,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; $2,450,000,000, of which not to exceed $50,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That this appropriation shall be consolidated and merged with funds heretofore made available for the purposes of the Economic Cooperation Act of 1948, as amended, and such consolidated appropriation may be used during the fiscal year 1951 within the limitations herein specified."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 471, and concur therein with an amendment, as follows: In lieu of the sum named in line 15 of said amendment insert: "$2,250,000,000."

Mr. TABER. Mr. Speaker, the line number is wrong. It should be line 18.

The SPEAKER. Without objection, the motion will be modified accordingly.

There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman from Virginia yield?

Mr. GARY. I yield.

Mr. RICH. You are now considering an amendment that was offered to the appropriation bill by the other body appropriating money for this economic cooperation and for other foreign gifts. It seems to me that when the House has not considered this legislation but it comes from the Senate, that it ought to be taken up in the House and the Members be allowed to give consideration to the items that are contained therein. For instance, you have $100,000,000 for Spain; $90,000,000 for Korea; $12,500,000 for welfare; $26,900,000 for development; $1,678,000,000 to arm foreign countries under the Atlantic Pact, yet the House of Representatives has not had an opportunity to debate and discuss them.

Mr. GARY. I may say to the gentleman from Pennsylvania that the Members will have ample opportunity to debate those matters; they are in separate amendments.

The amendment which you have before you at the present time relates purely to the ECA, the Economic Cooperation Administration. That organization last year had an appropriation of $3,628,380,000. The budget estimate for this year was $2,657,700,000, which is approximately $1,000,000,000 less than was spent last year.

As the gentleman has properly stated, although the House committee had extensive hearings on all foreign-aid items, we did not complete our hearings in time to include these items in the House bill. The Senate approved for the ECA $2,450,000,000, which was a further cut of approximately $200,000,000. The conferees have recommended a further cut in that amount of $200,000,000 to bring the amount down to $2,250,000,000. I personally felt that was too much of a cut; and in view of the fact that the prices which the ECA is required to pay for commodities at the present time have greatly increased, I think the chances are that they are going to find it difficult to carry out their program as planned. However, that amount has been agreed to, and as chairman of the subcommittee I am now offering an amendment to make the amount $2,250,000,000, as agreed to by the conferees.

Mr. RICH. If the gentleman will yield further, the gentleman says that he is interested in increasing this because prices of commodities have increased. I want to ask you in all good faith, for the benefit of the American people who are paying the bill and the American people who have to buy the things in this country that they need, that if you think that you can increase this amount and expect the taxpayers of America to pay the bill and give these things away to these foreign countries all around the world, I say to you now, and I say to the Members of the House, that you will find out that all the help and aid you will get from these foreign countries will react to the detriment of the United States. Whenever you come to the time that you are wrecked financially and you have to go to the people of this country and say, "I want to go back to Congress because I want to protect you," the people of the country ought to say to this Congress, "You have ruined us; you have brought us to the point almost of despair; yet now you want us to pay more and more." I want to say that this New Deal administration ought to be taken into recognition by the people of this country, and they ought to be changed. If they do not change it, they are lost—lost forever.

Mr. GARY. May I say that I have the greatest respect for my friend from Pennsylvania, but I have just completed a primary campaign in my district. The election was held on August 1. In that campaign foreign aid was one of the major issues. I did not hesitate to champion the foreign-aid program as promulgated by this administration and approved by this Congress. I took an offensive rather than a defensive position on the issue and I was renominated by a handsome majority. So far as the people of my district are concerned they approve the foreign-aid program.

Mr. RICH. What are they going to say when you talk about arming these foreign countries? You talk about peace, peace, peace, yet all you do is prepare for war.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. McCORMACK. The gentleman from Pennsylvania is acting in good faith, yet I think if we were to follow his direction it would mean a blow to the security of our country. If we were to follow the gentleman's reasoning, all of Europe would be controlled by the Communists today. We might just as well face the cold facts. None of us wants to appropriate the money but it is for the national interest of the United States.

It is very easy to talk about appropriating money and making gifts to other nations. What we are doing is for the national interest of our own country not to have all of Europe dominated by Communist regimes. We have seen Poland, we have seen Czechoslovakia, we have seen Rumania and Bulgaria, we have seen Lithuania, Estonia, and Latvia not even given a satellite status. Unless we step in and do what we have done western Europe, France, and Italy would undoubtedly be under the control of the Communists today.

With all due respect to my friend from Pennsylvania, and I respect him very much, as one American I do not think that would be for the national interest of the United States of America. The gentleman represents a point of view that is honest, the gentleman is absolutely sincere and I respect him for it; but in all justice to myself and other colleagues of mine who feel similarly, I think the record should show that we do not believe it would be for the best interests of the United States of America to permit the remaining free countries of western Europe to become dominated by Communist regimes and thereby subject to Stalin and his gang in the Kremlin.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. RICH. I do not question the way any Member votes. It is a tough proposition for me to get up here and say what I think when I know I am in the great minority. I believe it so sincerely that I think you will live to see the day you are going to rue it because we are wrecking America financially and when we wreck ourselves we are no good to either ourselves or anyone else.

Mr. McCORMACK. If I live to see the day when the Communists get control of the entire world but the United States of America, I shall rue that day, and I am going to do everything I can do to stop it if I can.

Mr. GARY. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Speaker, I regret to differ with my majority leader, but,

in my opinion, the money as it is now being spent under the Mutual Assistance Act of over $1,500,000,000 will not do the job as it is now being administered.

I think that we are heading for a major disaster in Western Europe—an area of immense strategic importance to the United States.

The signs are many:

First, in Eastern Europe the last year has seen Yugoslavia's military superiority decrease in relation to the Russian satellite countries. According to last Sunday's New York Times the Polish Army is stronger in number, equipment, training, and leadership than all of the Western European continental armies put together. The Bulgarians are believed to have eight full combat divisions. It is assumed that the Soviet has made no less an effort with the Hungarian and Rumanian Armies.

Second, Western Europe armed forces are in a deplorable condition in relation with the strength the Soviets could bring to bear in that area.

According to John Sherman Cooper, consultant to the State Department, there are about 12 British, French, Dutch, Belgian, and American divisions, without a unified command, ready to defend Western Europe. To meet this, the Russians have 175 divisions available—with approximately 80 divisions averaging 10,000 men each, ready for any European offensive.

Third, it is, of course, general knowledge that the role of Western Germany in defending Western Europe is still undetermined.

Fourth, of even more importance is the lack of will to fight, especially in France, which has been growing steadily as the situation deteriorated.

According to the Associated Press of August 16 the lack of a will to fight such as resulted in the French collapse of the 1940's is in evidence again. What then must be done?

According to Walter Lippmann, the time has gone by when the continental nations can be satisfied with military aid, that is to say with money appropriated to procure arms.

The note of the French Government on August 7 stated the case clearly—no bigger French Army can be envisaged without a sufficient number of American divisions stationed in Europe.

Dr. Adenauer, the Western German Chancelor, states that we are going to have to send at least three more divisions within the next 3 months, and from then on there must be a steady build-up of army units.

If we are going to successfully meet our obligations under the Atlantic Pact—if we still feel it essential to our security that Western Europe remain free—then we must mobilize our manpower to a far greater degree than we have as yet planned.

We must be able to put sufficient American divisions in the field in that area to demonstrate to the Europeans that we believe Western Europe can be held.

The plain truth, and we all must know it, is that the forces that we now have and that we are planning to raise do not begin to meet the commitments that we have made.

On July 1 we had under arms 10 divisions—with 4 in Japan, the First and the constabulary in Germany, with perhaps 2 or 3 divisions in the United States. Nearly all of these troops, and the four National Guard Divisions are not enough to solve the problems in Korea alone. The French and the Germans have made it plain that they are not willing to fight, unless we are willing to put American divisions over in Western Europe to show our determination to oppose the Russians. We have not got them, and we have no plan of mobilization to get them, so I suggest that the money plan here is a waste of money unless we are willing to raise troops and put them in Western Europe.

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Speaker, ladies and gentlemen of this House, during my short tenure in this body as a Member of the Eighty-first Congress, I have, as the gentleman from Pennsylvania [Mr. RICH], protested and voted against foreign aid as peace measures. Some of you will recall that during my many speeches in opposition to the foreign-aid program I always emphasized that former Secretary of State Marshall's plan for the European recovery program could not be justified as a peace measure and could be applied only as a defense and war measure for the preservation of our democracy.

I shall never have any apology for having protested during peacetime the lavish spending upon foreign soils with the fictitious hope of buying undependable friendship. No, it was never a peace movement; and during peace, there could be no justification for the taxpayers' money being so wasted. Especially, I could not justify the amounts of money involved, in face of my personal observation of the records which conclusively revealed wasteful administration to the extent that a great percentage intended for foreign aid was diverted from proper utilization.

However, Mr. RICH, we are now at war, and there is no need to kid ourselves about that. The European recovery program is a war measure that can properly be utilized in the time of war. The false dream of peace because of the European recovery program has completely vanished. We must not now deprive foreign aid of one single penny that we can afford in our efforts to prohibit the spread of war. This is now a defense measure; yes, this is now a war measure. We must not deprive ourselves of the benefits that can be derived from the involved funds in our efforts to protect the democracies from the onslaught of communism. I shall vote for foreign aid and every other defense appropriation during these troublesome times.

It is regrettable that this Congress has so lavishly wasted money during the last few years of peace upon unrealistic foreign policy to such an extent that we need now search for defense funds during war. Yes, it is regrettable that those wasted dollars have not been used for the general welfare of our own people. Especially is it regrettable that such funds were not used for our own defense. Our Air Force is pitiful; and, yet, those who have advocated lavish peacetime foreign aid have in the same breath protested the building of a great air force, necessary battleships, and providing ourselves with warring equipment, even though a child could easily foresee the probability of war at any minute during the last few years.

Oh, many who have in the past supported the European recovery program will now attempt to justify it in face of its failure by saying that the war would have come sooner, or that communism would have spread more had it not been for such policies. All of us can look around and see that our foreign-aid program has not in any wise provided peace or precluded war for 1 minute; and has certainly in no wise curtailed the spread of communism abroad or even internally within our own midst.

The peacetime Korean-aid program did not call for one dime of defense money; and of the millions appropriated by this Congress, less than $1,000 ever reached Korea. This is just a typical example of the failures encountered by the foreign-aid program. Many other similar failures could be cited concerning the peacetime European recovery program. We have not bought a friend; and we are in the same trouble as had we saved our money for these troublesome times.

Mr. Speaker, we might as well confess that this country is now within its most critical period. Even though we are economically the strongest Nation in the world, we are without funds and strong friends. The British Navy is gone—the French people have given up—there are no allies that can assist materially. It is necessary that the United States of America fight the battles and pay the costs for the entire United Nations in the Korean conflict and any other outbreaks from Russia.

We have made mistakes, but to quibble over them will amount to nothing beneficial and will serve only to weaken our efforts. Maybe this time we will benefit from past experience; and after winning the war, we will for a change win the peace. I am hopeful that those who have protested wasteful foreign aid during peacetime will today assist in the passage of foreign aid as a defense and war measure.

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I want to say that I heartily concur in the recommendation of my good and able friend from Massachusetts that we must build up at least 25 combat divisions in Germany and do it quick if we are to stop Russians from communizing all of Europe and moving on to the English Channel. Time is running out on us. It is about time the policy makers of the State Department went into a huddle and determined what their policy in Germany is to be.

Recently, on July 21, in an interview with Ed Haaker NBC carried on July 22 in Voices and Events, Mr. John J. McCloy was asked the question:

Question. Should there be an attack on western Germany, will American troops defend the country without the help of German military contingents?

Answer. There are no German military contingents in Germany and we are not establishing them. On the other hand, I suppose there would be very many Germans who would be prepared and anxious to defend Germany in event of an attack, if given the opportunity. We are not talking now about rearmament of Germany or the creation of any sort of offset to the Communist-inspired Volkspolizei of the eastern zone. I am opposed to the re-creation of a German Army, but in the event of an attack such as took place in Korea I believe it would be very difficult indeed to deny the Germans the right and means to defend their own soil.

From this statement that the Germans would not be denied their right and means to defend their own soil, I wonder what Mr. McCloy thinks they would fight with—sticks and stones?

Now, along comes Mr. McCloy in a statement, by United Press, in the Washington Post of August 24, in which he says, and I quote:

West Germany's two top political leaders called today for a vast build-up of western armed strength in Europe and United States High Commissioner John J. McCloy promised that western Europe must and will be strengthened.

And continues:

Western Europe must and will be strengthened. Defense of Europe must be a joint effort and strength will be achieved. This will include Germany and require of the German people and their representatives straightforward and cooperative action.

As I stated before time is running out on us. We are either going to take a German on guard or a Russian on guard in France and Germany, and the State Department and the High Commissioner had better make up their minds—and quick—on a German policy.

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, I had not intended to address the House on anything today except the question of the Spanish loan. But what was said by my dear friend and colleague the gentleman from Massachusetts, I think makes it necessary against to speak, especially as a member of the Foreign Affairs Committee charged with the European recovery program, and the Mutual Defense Assistance Act. As I see it our country has a hard choice to make. Either fight the Russians now—and if you adopt this philosophy that all we have to do is to set down United States divisions in Europe and Asia and not do anything else, then that is a logical conclusion—to fight on our own terms and in our good time when we believe we can win.

The alternative, which I think is favored by the great majority of the American people very decidedly is that we should do everything we can to try to win the struggle against communism without a great war. In the interim to defend Europe with new divisions, and I think such divisions are necessary but also to do other necessary things.

That is the choice, Mr. Speaker, of fighting and fighting now, or of doing all the things which need to be done to take advantage of the only chance we have to avoid a war, and that is to put divisions where they are needed now—and I agree that they are needed in Europe—but also to arm and equip and train the Europeans; and finally to give them and other free peoples the will to fight by the economic recovery programs, because then we give them something in terms of goods, whereas the Communists give them nothing, only promises.

I am sure that practically every Member of the House of Representatives is just as worried as I am about the fact that the people in the Far East do not seem to have had enough which they considered worth while fighting or in adequate numbers on our side. It is our divisions in Korea now, with inadequate numbers of valorous South Korean—South Korean Republic—troops, who are carrying the heavy fighting. It is true that military preparations have not been well handled for the Asiatic peoples but the basic question is still the will to resist.

I say to you, my colleagues, though it may call for austerity on our part, our people are, I believe perfectly prepared. I am confident that as they are required to fight this struggle against communism, they are willing to fight on three fronts—one, with United States divisions; two, with arming of our allies; and three, with economic aid—because I think our people are convinced that it is needed and they are prepared to go much further than the leadership in the administration on that. They are convinced that that is the way to fight and to succeed in the struggle that we all want to win against communism.

Mr. KENNEDY. Do you not think it would be a mistake for us to expect merely because we are giving the Europeans large sums of money for arms that we are putting in the Europeans any will to fight?

Mr. JAVITS. I just said to the gentleman that arms aid is only one phase of the whole effort—all phases must go together.

Mr. KENNEDY. If we expect to hold western Europe we are going to have to send troops as well as money for arms.

Mr. JAVITS. I agree. I say all the things have got to be done—United States divisions—our allies' divisions—and economic aid to free peoples. That is the hard choice we face. That is the hard battle against communism we must make.

The SPEAKER pro tempore (Mr. KEOGH). The time of the gentleman from New York has expired.

Mr. GARY. Mr. Speaker, I yield such time as he may require to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Speaker, a few days ago this House passed and sent to the Senate without a dissenting vote H. R. 9141 to encourage and assist the construction of modern, efficient wholesale markets for fresh fruits and vegetables and other perishable food commodities. The sole purpose of this bill is to help in bringing about a reduction in the price spread between the producer and the consumer of perishable food commodities. It will do this by making possible construction of modern wholesale markets which will eliminate much of the waste, unnecessary handling and delay, and other costly practices that add to the consumer's food bill and impair the quality and nutritional value of these foods.

Essential to the operation of this legislation are the surveys and studies being made by the Department of Agriculture to determine, upon the request of the cities involved, whether improvements in their present wholesale market facilities are necessary and, if they are, exactly what type of facility is best suited to the needs of that community. This work was authorized under the Marketing Act of 1946 and was reemphasized in the bill the House has just unanimously adopted, H. R. 9141.

There are now pending a great many requests from cities for these surveys and studies. These studies are absolutely necessary before any real progress can be made in improving these facilities. I think there are more than 30 cities that are presently urging the Department to made these studies in their communities.

Under the provisions of the omnibus appropriation bill now before us, the funds for title II of the Marketing Act of 1946—the appropriation from which the funds to make these studies and surveys is derived—are appropriated in a lump sum of $6,000,000. The allotment of that money among the various projects and purposes authorized by title II is left to the discretion of the Secretary of Agriculture.

If it were not for the provisions of section 1114 of this bill—the section which directs a saving in the aggregate expenditures for each department—I would have no fear that the work of surveying, studying and planning to meet the market needs of cities would receive its full proportion of the available funds. In view of the fact that this provision is in the bill—and that the allotment of these funds are entirely within the discretion of the Secretary—I believe it should be recalled to his attention the importance with which Congress views this work.

During the past fiscal year only about $140,000 out of the several millions available for title II operations were devoted to these important market facility studies and plans. It seems to me that this is a small enough amount to be devoting to this work. In view of the fact that the House has within the past few days unanimously expressed itself on the great importance it attaches to the improvement of our wholesale marketing facilities, I hope that it will be possible to make the necessary reductions in other projects, or at the very least not cut this important marketing work more than the over-all average which is applied to the whole program.

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, I had not intended to speak on this because I thought it was pretty well settled. But possibly it might be well to clear the atmosphere. The question before the House is, Are we going to appropriate the $2,250,000,000 to continue the Marshall plan, or not, and that is going to be the "yes" or "no" vote which will come along shortly. This program was launched in 1948 in the Eightieth Republican Congress. In that year, as you remember, we appropriated about $5,380,000,000. It has been cut down now to where it is less than half that amount in the third year. It was launched at a time when a great many of us thought Europe might go Communist from the inside. I remember during the debate on this floor telling one of my colleagues, "If you are not voting for this on the basis of security for the United States, you had better not vote for it at all." I said that 2 years ago and I think so even more now. I regret the failure of our foreign policy in the eastern half of the world, but our foreign policy in Europe, based largely on the Marshall plan and Greek-Turkish aid, which were both launched in the Republican Eightieth Congress, has resulted in holding the line against Communists over there up to now.

On this "Yes" and "No" proposition that faces us now, if we were now to say "No" to those whom we have encouraged to continue to resist by very generous contributions toward their economic rehabilitation, if we were now to say, "Boys, it is all over, let us forget it," Europe would probably go Communist in a hurry. I say that not because I have such great confidence in their will to fight. On the contrary, their will to fight and their economic ability to fight needs bolstering. They are over there under the guns; the first people who will be attacked if the Communists start west will be the people in western Europe. They will do their best, but they will also be looking over their shoulder wondering whether the most powerful Nation on earth is going to fight if they are invaded. The most powerful Nation I refer to is ourselves. Not most powerful militarily, because our policy is not aggression, but most powerful economically, politically, morally, and spiritually, towering over all the rest. To say to those people, when we have had devastating defeats and disasters in the eastern half of the world, that because of that and because of high prices and the general situation we are going to vote "No" on this, we are not going to continue this plan that was launched 2 years ago, in 1948, would be so disastrous that I had thought it was a matter that was not at this time the subject of serious debate. I do not think it should be.

The SPEAKER. The time of the gentleman from Ohio [Mr. VORYS] has expired.

Mr. GARY. Mr. Speaker, I yield the gentleman one additional minute.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. McCORMACK. I remember well the gentleman's speech, where he stressed the importance of the Marshall plan from a security angle, and I joined with the gentleman on that occasion. I would like to ask my friend, who is one of the outstanding students of foreign affairs in this country, assuming we had not given aid, has the gentleman any views as to whether or not Italy and France could have successfully resisted the influence of the Communists within, backed by the power of the Soviet Union without?

Mr. VORYS. I believe they could not have resisted. I remember very vividly, although some others may not, the Italian election that was going to be held on April 18, 1948, and the race against time to get this legislation through in the Eightieth Congress. The deadline was April 1 on that measure and other measures included in it. This House finished it on March 31, and the fact that we not only passed it and supplies went forward, but that we finished it on time was, in my humble opinion, a great factor in the result that those countries did not go Communist from the inside, and since that time, at least for a period of 2 years, the Soviet Russian Communists have apparently despaired of overturning Europe from the inside. Now, comes the threat of overt aggression. I proposed that we combine military aid with economic aid in March 1948, but the Administration would not support my proposal. However, what we did was not only valuable in peace, a great generous measure for rehabilitation and recovery, but also involved an element of higher selfishness that involved our own security in that it strengthened Europe to resist Communism, especially from within. That is clearer every day.

The SPEAKER. The time of the gentleman from Ohio has again expired.

Mr. GARY. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, we have here a motion to agree to $2,250,000 for the ECA. Frankly, I think it is a larger figure than is needed. On the other hand, it represents the working out of a situation, and I shall support the motion made by the gentleman from Virginia [Mr. GARY].

The whole situation has changed in the last few months. We have in this bill an item of a little over $1,600,000,000 for military aid to Western Europe. We have in the supplemental appropriation bill, which is to follow this conference report, something like $4,000,000,000 for that same military aid. A very large amount involved in that military aid will be provided for the purpose of permitting those countries to make things themselves which can be used for their defense. It will tend to build up their economic situation; it will provide them with dollars with which they can obtain goods so that there will be very considerably less need than there has been on some other occasions. The drafts out of the Treasury to this date are approximately $115,000,000 as against $360,000,000 a year ago. Or about one-third of what a year ago was required. It is absolutely necessary that we go ahead and pass this motion, in my opinion, and I hope that the House will do so.

Mr. GARY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore [Mr. KEOGH]. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 472: Page 448, line 8, after "specified," insert "*Provided further*, That the Administrator is authorized and directed to issue notes from time to time during the fiscal year 1951 for purchase by the Secretary of the Treasury, who is hereby authorized and directed to make such purchases, in an amount not exceeding in the aggregate $100,000,000 for the purpose of assistance to Spain, to be extended upon credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 472, and concur therein with an amendment, as follows: In lieu of the sum named in line 6 of said amendment insert "$62,500,000."

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. GARY. I yield.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, is it possible at this time to have this question divided so that the House will have presented before it squarely the question of receding or not receding?

The SPEAKER. The motion is divisible.

Mr. MARCANTONIO. Then, Mr. Speaker, I ask that the motion be divided.

The SPEAKER. The gentleman asks for a division of the motion.

Mr. MARCANTONIO. I do. A further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. The question now before the House is whether or not the House recedes; am I correct?

The SPEAKER. That will be the first question presented.

Mr. GARY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this is the Spanish loan provision. I am, personally, absolutely and unequivocally opposed to the Spanish loan provision of this bill. I do not think it has any place in the bill. If it does remain in the bill, in my judgment, the language should be changed. However, the conferees agreed that the language should not be changed but that the amount approved by the Senate should be reduced from $100,000,000 to $62,500,000. As chairman of the managers on the part of the House I offered the motion to carry out that agreement.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. COX. May I inquire of the gentleman managing this item of the bill, he being opposed to it, if it is his intention to yield to Members who favor the

provision and would like to see it adopted?

Mr. GARY. I shall yield to anyone who asks me for time as long as time is available. I may say to the gentleman from Georgia that I shall discharge my duties to my committee in full. I simply stated my personal views for the RECORD. If, however, the gentleman has any doubt as to my fairness I shall be glad to retire from the management of this item.

Mr. COX. Of course, Mr. Speaker, I do not question the gentleman's fairness; but I do feel that the committee having reported this item, that those favoring its adoption should have something to say in the debate.

Mr. GARY. Certainly, as far as I am concerned, Mr. Speaker, those favoring will have the same opportunity as those opposing.

Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I am opposed to any loan to Franco, whether it be $100,000,000 or $62,500,000. There is an old saying, "To him who is in fear everything rustles." We are indeed in a jittery state if we approve this loan. Apparently the shadow of Russia makes us do queer things. This loan is one. We seem to hear rustling on all sides. This fear persuades us to rely upon Franco as an ally. What a broken reed to lean on.

The United Nations resolution, be it remembered, condemned Franco. We supported wholeheartedly that resolution and we did it with courage and with determination. We withdrew our Ambassador. Now our fears make us forget the UN resolution, in spirit at least, if not in word.

Mr. Speaker, you remember the telegram that Franco sent to the head of the puppet Government in the Philippines, Jose Laurel, when Emperor Hirohito made Laurel head of that country. Franco said in that telegram: "Most sincere sentiments from the Spanish people." That was while our boys were fighting and dying in the foxholes with the purpose of liberating the Philippines.

Nor must we forget the Nazi submarines and the U-boats which operated from the Spanish port of Vigo with the knowledge and consent of Franco. Think of the heavy loss we paid in lives and treasure.

We cannot subscribe to the non sequitur that an enemy of an enemy is a friend. If Tom hates Harry and Dick hates Harry, does it necessarily follow that Tom and Dick love each other? Must Uncle Sam love Franco because both hate Russia?

Moreover, I see very little point in wooing a bride that is already won. By that I mean that by no stretch of the imagination would Franco Spain throw its lot in with the Russian cause. No pact of ours need shape Spain's policy in that direction. It is already shaped. The word "welcome" would be on the Spanish mat to American aviators. There is no need to buy that "welcome" with a loan.

I believe the whole conception of the dependability of building beachheads for United Nations forces in Spain is the worst kind of deceit and defeatism.

This picture of Franco Spain as a strong and indispensable ally is just wishful thinking and blatant propaganda. Franco Spain is weak and its people cowed and frightened by military dictatorship. Franco's army is designed to run a police state, not to fight a good cause.

Therefore, Mr. Speaker, I hope this provision involving a loan to Franco will be decidedly voted down.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. GARY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, opposition to this motion is, in my judgment, reckless irresponsibility. Here by this vote we measure the depth of the concern of the membership of this Congress in the welfare of a nation. I should recognize the fact that we need Spain quite as badly as Spain needs us. She is in position to offer valuable and effective assistance to us and others in our endeavor to save what still remains of the once free world.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, in addressing myself to this question I shall not deal with those phases of it which go to personalities nor to the tragic events of the past which my colleague from New York [Mr. CELLER] has just so completely dealt with, but shall confine myself to what I consider to be policy for the best interests of our country in a sense of complete responsibility today and for the future.

Let us first recognize what has occurred in this measure. Without the consent of the head of our foreign policy, the President, the administrative organ in charge of foreign policy, the State Department, the Foreign Relations Committee of the Senate or the Foreign Affairs Committee of the House, but on the motion of a particular Member of the other body who is especially interested in this cause, there is introduced into this appropriation bill a great decision of national policy—to establish Spain as a recipient of foreign economic aid from us. If for no other reason, at a time when foreign policy is the most important element in the life of the United States, this particular provision should be stricken out. If anything is irresponsible on the issue of how to run our foreign policy, this is it.

Let us go a little further and see what happens if we adopt this particular provision. It strikes a blow of the most serious character at two pillars of American foreign policy, the Atlantic Pact and the European recovery program. The Congress, not the Executive, is telling the other nations of Europe that we fear their vulnerability to a Soviet aggression and occupation; that we fear we must defend behind the Pyrenees; so by this act we tend to discourage them in the face of this Communist menace, even though we have appropriated billions of dollars for them to rearm and to resist. Even though, also, that is the basic purpose of the Atlantic Pact, of which Spain is not a part.

Then as to the European recovery program—in respect of which we pride ourselves that it is based on the great policy of self-help and mutual cooperation—we say to the nations of Europe who are organized in the Organization for European Economic Cooperation, "No; you cannot make up your mind as to who you take in or whom you will cooperate with, we in the United States will do it for you." They have the full right and power to do it under the way we have set them up under the European recovery program, but we say, "We will dictate to you." The very thing we have been trying to avoid all these years we do by this particular provision of a loan to Spain. We say, "We will dictate to you what you shall do with respect to Spain," one of the great vexing problems of the world.

We are losing thereby infinitely more than we could possibly gain in help from Spain in our struggle against communism. We are in danger of losing millions of Europeans to seek a dubious allegiance which Spain cannot do anything else but give us anyway, because she is completely isolated, and she cannot do anything else but cooperate with the United States and the other Western Powers fighting against communism. We do it in this way and at this time by a loan without agreements or commitments of any kind and with no assurance of any kind of action to help by Spain.

Let no one be deceived by this loan provision of $62,500,000. A few years ago the most important financiers of Spain said that Spain needed a billion and a half dollars to sustain her economy instead of the amount proposed in this bill. Spain, economically, is at a low ebb. She needs far more than $62,500,000, and this is nothing more than the camel getting its nose under the tent.

In economic terms, on economic conditions and agreements, Spain right now is discriminating against business generally, and American business. Foreign investment is limited to a total of 25 percent in any Spanish industrial enterprise, and foreign management participation is not favored. Private enterprises, though American-owned as to Spain, are subjected to harassments on foreign exchange and to other peculiar and harassing discriminations. The policy Spain is pursuing in economic matters is definitely opposed to the very things which the United States is trying to preserve in the world today; a full statement as to practices of grave concern to us has been made to the House this year.

And, I say this advisedly, that the proponents of this amendment should think very carefully about the fact that today there is coming into existence a policy of aid to Spain by the back door, off the cuff, which hereafter will always haunt our relations with Spain. The thing to do for the proponents is to fight it out on the level on which it should be fought out, as a great national policy, and then if we give aid to Spain we will do it the right way, in an advised way,

and in such a way that it will really help us in this great struggle against communism. As it is being done here today it is doing ourselves and our allies in all of western Europe and free peoples everywhere, a grave disservice.

Mr. KEOGH. Will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. KEOGH. Does the gentleman realize that his statements of opinion about the condition of the business there and American businessmen are not agreed to by the American businessmen who are engaged in business there, as was evidenced by a dispatch in the New York Times on August 21?

Mr. JAVITS. I would like to refer the gentleman to what I consider to be a highly authoritative answer on the gentleman's point and which bears me out fully. It is the speech made on the floor of this House January 9, 1950, by the gentleman from West Virginia [Mr. KEE], the chairman of the Committee on Foreign Affairs, which is based upon a survey made by a subcommittee of the Committee on Foreign Affairs in Spain in November and December 1949 in which he stated exactly and almost in the same words just what I have said here about American and other business in Spain and about the economic situation in Spain.

Mr. GARY. Mr. Speaker, I yield 4 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Speaker, for the first time in 12 years, one of our colleagues has not been present on the floor of this House when an appropriation bill was up or a conference report such as we are considering this afternoon. I refer to none other than the Honorable FRANK KEEFE, of Wisconsin, whom I had the honor and the privilege to serve with on the same subcommittee for the past 4 years. For 12 years he has been a member of this august body. For the past 10 years he has been a member of the Committee on Appropriations and a member of the subcommittee that I have the honor to serve as chairman of at the present time. During the Eighty-first Congress he was the ranking minority member of this committee, and even though at times during the Eightieth Congress, when he was chairman of the committee, we did not see eye to eye on many of the issues that were presented to us, there was one subject that we saw eye to eye with at all times and worked together in complete coordination, and that was on the over-all health problems confronting all of the people of our Nation. I take these few minutes today to express my appreciation in behalf of the gentleman from Wisconsin for all of the work that he has accomplished in his 12 years as a Member of this Congress toward better health for all the people of our Nation. I only mention a few things that he has accomplished. In the control of tuberculosis, it was through his efforts that we have the so-called X-ray teams that have been operating throughout the States of this country for the past 5 years; the water pollution and sanitation control program.

The hospital construction act which he so ably helped to get through the House appropriating necessary moneys for the National Institute of Health, where $50,000,000 is being spent at Bethesda. It is the expectation that the hospital construction will be finished in July of 1952. That, in my opinion, is a monument to FRANK KEEFE, because it will be without question of doubt the greatest research institution in the world.

I think everyone knows of his work for the establishment of the National Cancer Institute and the National Heart Institute and the work he has done in the field of mental illness and dental health and for the construction of research facilities, which he started as chairman of this committee during the Eightieth Congress, and the foresight that he showed at that time in securing appropriations for the future financing of scholarships in the medical sciences which were established in the medical colleges throughout the country during the past few years.

Everyone knows of his work in the field of social security for all the people of this country. That work will never be forgotten.

Mr. Speaker, I am very sorry that because of a recent heart attack, the gentleman from Wisconsin, FRANK KEEFE, cannot be here. It seems strange that a man who has done so much in the field of heart research in this country should be stricken by a heart attack only 2 months ago on his arrival at his home. It seems strange that he cannot be here this afternoon. He is not going to run for reelection again.

Mr. Speaker, I consider it not only an honor, but a privilege and a pleasure to have worked and cooperated with the Honorable FRANK KEEFE of Wisconsin. I believe he has done more than any other individual, not only in the Congress, but in our country, for the better health of all the people of our Nation.

I know it is the fervent wish of every single Member of the Congress on both sides of the aisle that FRANK KEEFE will have a speedy and happy recovery and that his services will again be available for all the people of the country.

Mr. SCRIVNER. Mr. Speaker, the applause following the remarks of the gentleman from Rhode Island [Mr. FOGARTY], coming as it did from both sides of the aisle, demonstrates the esteem and respect which this body holds for our colleague, the gentleman from Wisconsin, FRANK KEEFE.

The gentleman from Rhode Island [Mr. FOGARTY], chairman of the Appropriations Subcommittee on Labor and Federal Security, has fully and completely covered the record of Mr. KEEFE's legislative activities and the contribution he has made to the health and welfare programs of this Nation.

Although I only served on this subcommittee with the gentleman from Wisconsin [Mr. KEEFE] during this Congress, I learned to admire and respect his great store of knowledge, his untiring zeal, and his forceful advocacy of the programs to which he was so deeply devoted.

I am sure, Mr. Speaker, I bespeak the hopes and voice the prayers of my colleagues that the gentleman from Wisconsin [Mr. KEEFE] will be speedily and completely restored to health.

All of us wish for FRANK KEEFE a long, happy life as he leaves behind him his congressional life and activities. He served long and honorably.

We will miss him in the next and succeeding Congresses.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Speaker, I did not expect to take the floor to discuss this matter which we now have under consideration. I hold no brief for Franco as such. It was my privilege, however, in 1947, together with the gentleman from Minnesota [Mr. JUDD] and Senator MUNDT, who was then a Member of the House, to spend 2 hours with Franco in his summer palace. I came away from that meeting with the feeling that Franco was trying to do a good job for the Spanish people. When we talk about dictators, when we talk about the course of conduct he has pursued to bring peace, and some measure of stability to Spain, I think we ought to be consistent. We are not consistent when we condemn him for what he has done, because we are supporting other dictators in Europe and South America just as well as Franco or his Government.

What protest was made, I ask you, by Members of this House, when, a few weeks ago, the Communist dictator Tito received loans from our Government? Steel plants are being shipped to Yugoslavia now. Did ever a more ruthless dictator rule anywhere than Tito? It was his antiaircraft batteries that shot down American airplanes. We are supporting another dictator in Europe, another country that is a member of the North Atlantic Treaty group whom we have accepted with open arms. Have you ever heard of Salazar of Portugal? Was any protest made when we included Portugal for loans under ECA? No. Yet does any head of any government anywhere rule with greater dictatorial power than Salazar? Where were those Members then who now profess with great alarm the menace of dictatorships? Franco may be guilty of many charges made against him. I do not know about that, but I do know that Franco has prevented the Communists from taking over his country. Our own authorities will admit, as have the British, that Franco did cooperate with the Allies during the war. We say that it is our policy to stop communism, yet we are doing business with Russia and, in the city of Washington, the Soviet maintains an embassy, a listening post which gathers information to be used against us. Where is our consistency?

What consistency in our foreign policy when we recognize every rump revolution in South America and military dictators are set up as a result of those revolutions?

Mr. Speaker, every military man in our Government who has worked in the

European theater of operations states unequivocally that in the event of war with Russia in Europe we will need the help of Spain. It stands ready to assist us if we give it the chance. Our national security is involved in this whole question and, for that reason, I favor financial assistance to Spain at this time.

The SPEAKER. The time of the gentleman from Wisconsin [Mr. SMITH] has expired.

Mr. GARY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, what we have before us today to me is no surprise. It is true that the propaganda for this aid to Franco was conceived in Coca-Cola; but the fact nevertheless remains that the loan to Franco is the legitimate product of your foreign policy which compels us to embrace fascism. I cannot see how we in good conscience can justify embracing fascism, bearing in mind what fascism has done to the people of Spain. I cannot see how people who pretend to be the friends of labor can vote to aid a Fascist regime which has destroyed the labor movement completely in Spain; where hundreds of thousands of workers have been imprisoned, and thousands and thousands of workers have been shot. How can you justify voting $62,000,000 for Franco and in the same bill refuse the $12,000,000 which the Senate voted for international children's work? How can anyone justify support for Franco who aided and abetted Hitler and Mussolini in killing our boys? Of course, you seek to justify this, as you seek to justify everything else, by saying that all these crimes against democracy are committed to stop communism. This latest travesty on our democracy is the inexorable outcome of your foreign policy. If you oppose it nowadays, your patriotism is questioned. Whether it be a move to impose the exploitation of monopoly capital through the ECA on the people of Europe, or whether it be this action to help continue the Fascist rule of Franco on the Spanish people, oppose it and your loyalty is questioned by every faker and spurious patriot. By this foreign policy we must consider every revolt on the part of people against oppression as aggression on the part of the Soviet Union, or we are deemed to be subversive. Demand peace and the profit patriots and their political servants will seek to pillory you. Well, there was a time when we had a similar situation and a similar argumentation given in other parts of the world. Mussolini told the Italian people, "Follow me. This is a crusade against communism." As a direct result fascism was imposed upon the people of Italy, and he sought to impose it upon the people of Africa and Europe, and he helped impose the butcher Franco on the people of Spain.

Hitler said the same thing. He said, "Follow me. This is a crusade against Bolshevism. This is a crusade to stop communism. Destroy the civil liberties of the people of Germany. Destroy the constitutional rights of the workers and all other groups within Germany, and then march on against the rest of the world. We are fighting communism. We are doing this to stop communism."

There were some people in Germany who stood up and opposed that. They were called traitors, and the finger was pointed at them and they filled the concentration camps. But history has passed judgment on that policy, which is similar to the one which you have been promoting here today and other days for the past 5 years. History passed judgment and not too much time has gone by, just a matter of a few years. History has decided who were the real Germans; who were the real Italians. Those who said "yes" to this policy employed by Mussolini and Hitler? Those who said "yes" to the similar slogan, "destroy commmunsm," and with that they allowed democracy and decency that existed in those countries to be destroyed? Were they the patriots, they who said "yes" to all this? Oh, no, the real patriots of Germany and Italy were those who resisted, those who did stand up and did incur the wrath and the opprobrium and the persecution and the vilification that so many so-called liberals, pseudo-liberals are afraid to incur here and now join the real enemies of democracy in support of Fascism incarnate, the product of Mussolini and Hitler, the bloody and bestial Franco.

Now, there is something else here. You voted to draft American boys to fight and die for this policy. You want them to answer to their names when the roll is called. The least you can do is to go on record when you vote for this policy for which you ask Americans to fight and die. The American people want the Members of this House to answer to a roll call on this loan to Franco. There is a maneuver on foot to dodge a record vote. We might as well face it. I say you have no right to ask American boys to fight and die, and then refuse to go on record so that the American people can know how you vote on an issue as fundamental and as important as this. Therefore I throw out the challenge. No matter how you vote, stand up for the yeas and nays when they are demanded. You ask Americans to fight and die; but do you have the courage to stand up and be counted?

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I approach this question, I must confess, with some misgivings. I have long been of the opinion that we should be realistic about this Spanish matter. I, of course, do not find myself in accord with the reasoning of the gentleman from New York [Mr. MARCANTONIO]. The gentleman from New York at one time, I regret to say, not too long ago, had a considerable following in this House; but, thanks to the patriotism of those Members who followed him, now that they have been enlightened, they no longer are found in his procession.

Mr. Speaker, I hold no brief for the dictator, Franco. Nor did I have any love for the dictators, Mussolini and Hitler, to whom the gentleman referred; but I might, also, add that I have never held any brief for the greatest dictator of them all, Joe Stalin, to whom the gentleman from New York did not refer in his arraignment of dictators. But permit me to say to my colleagues that I do not like this idea of a loan to Spain. I am generally in disfavor with the philosophy that our friends abroad must be purchased with American dollars. I think this whole approach of this loan is conceived in error. That we need friends abroad and that we should establish diplomatic relations with Spain is, to my mind, unquestioned. To my mind it is inconceivable that we should continue diplomatic relations with Russia, headed by the greatest dictator of all, and refuse to recognize Spain, on the ground that Generalissimo Franco is a dictator. Obviously, this is a back-door approach, and I am afraid is one that is not well thought out. Before any loan to Spain should be considered, we at least should establish diplomatic relations.

In this all-out fight against communism at home and abroad we must be realistic. Who here today is there who can say that in the not too distant future we may not have urgent need for bombing bases in Spain, the closest proximity to Russia? I hope that day will not come, but if it does, who then will question the type of government that the people of Spain have? Let the administration reestablish diplomatic relations with Spain and forget the loan.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, I have long been convinced that this Nation should recognize Spain, and I am more than ever convinced from what I have heard today from those who have spoken on both sides of this issue that Spain should be recognized, and that this loan of $62,500,000 should be made to the Government of Spain. This I know beyond the peradventure of a doubt, Franco has maintained the independence of Spain and the dignity of the Spanish people. No foreign invader, no foreign dictatorship has imposed its will upon Spain or the people of that country. I know also and we all know that Spain is a natural fortress in Europe: The Pyrenees are a natural barricade between Spain and France. The mountains, the Mediterranean and Gibraltar which is still under the control of Britain constitute that country a natural fortress.

Franco, I am informed has 18 divisions at this time which need only modern arms to be one of the finest fighting bodies in the world. In addition to that, I believe the people of that country will fight on our side. I am looking for a people and a nation who in the war that now impends will stand side by side with the boys from my country and your country and shoot down enemies who will be shooting down our boys.

Politics makes strange bedfellows. International politics has made natural bedfellows of Franco and the Spanish people for the people of our country. The Spanish people have always been known for their valor, for their courage and their willingness to fight and to die

for their convictions and for their freedom. Theirs is a religion that is one of the anchors of civilization and human freedom. I do not hesitate here, now, or anywhere else to stand up and be counted on this issue.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to call the attention of the gentleman to the fact that when we were in Paris last December I spent an hour with General DeLattre, commander of the ground forces of the Atlantic Pact countries, and he said he would like to have the Spanish infantry in the set-up for the protection of western Europe.

Mr. JENNINGS. All I have to do to make up my mind is to watch which way certain people go, then I go in the other direction.

The issue is crystal clear. The battle lines are drawn. Atheistic communism seeks to conquer, dominate, and commnize the free, Christian peoples of the world.

To all those whose heart is as our heart, we say: Give us your hand, stand by our side, make common cause with us; and civilization, Christianity, and liberty will be saved.

Mr. GARY. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I happen to be against the principle of dictatorship, whether it is in Russia, whether it is in Spain, or whether it is in Portugal. It is a principle with me that I am against and I intend to vote against this loan to Spain as a part of that principle.

FRANCO LOAN IS A COLOSSAL BLUNDER AND SHOULD BE DEFEATED

Mr. Speaker, when the history of this decade is written, it will be said that it came to a close with a colossal blunder, a monumental act of stupidity inspired by this Congress, namely, the proposal for a $100,000,000 loan to Franco Spain.

Those who have pursuaded themselves that Dictator Franco should be granted this loan are guilty of a fatal error in their thinking. They believe that every enemy of communism is a valuable ally of the democratic cause. They suppose, in palpable disregard of the known facts, that Dictator Franco can give aid and comfort to the democracies.

They have shrugged off the fact that the Franco regime is a Fascist regime that holds power by naked force and terroristic methods of suppression. Civil liberties are unknown in Fascist Spain. Free labor unions are not allowed to exist. Spaniards who, in their misery and agony, openly protest against the Franco regime, are jailed or shot in cold blood. Franco does violence to everything that we hold dear in the democratic way of life.

Paid propagandists of the present Spanish Government are working overtime in this country at lavish salaries, to persuade Americans that Franco is a kindly and benevolent ruler who makes common cause with us in the crusade against communism. They aim to help us forget that Franco came to power only with the help of Hitler and Mussolini—the Fascist dictators who were ground to dust by allied might in World War II.

It is a curious and ironic note that antisubversion legislation now before the Senate, if literally and honestly construed, would bar from our shores as subversive aliens the Spanish Falangists whom we propose to help by means of a $62,500,000 loan.

The loan to Franco is reprehensible from any point of view.

This loan is bad in principle. At a time when we are proclaiming to the world the virtues of democracy, we cannot in good faith and consistency take to our bosom this orphan of facism left over from World War II. Democracy is not made stronger by seeking allies among those who hate it. The success of our struggle against world communism depends upon the strength and vigor of democracy.

This loan is bad business. In effect we would be directing the Export-Import Bank to make the loan without regard to sound business judgment and the criteria normally used for such loans. The Franco loan would be, as has been said, a "shotgun" order to the bank.

Our State Department has repeatedly declared that Spain can freely apply to, and consult with, the Export-Import Bank for credits for specific projects on the same basis as any other country. The department is on record as being prepared to acquiesce in the extension of credits to Spain covering specific and economically justifiable projects. Also, loans by private American bankers have been, and can be, made to Spain.

I believe that our Government has leaned over backward and has been more than generous in its position on economic assistance to a government which merits no support whatever from us. Aside from being a Fascist dictatorship, the Spanish Government has imposed restrictions on trade and foreign exchange and on foreign investments which prevent the very economic development we now propose in Spain to foster by this loan. Why should the American taxpayer support, through a bad loan, those economic objectives which Spain will not diligently undertake for itself?

This loan is bad business in another important sense. Today we are spending millions for Voice of America broadcasts. A greatly stepped-up information program has been requested by the President. By holding up Spain with one hand while we are offering democracy with the other, we will nullify for a great part of the world the value of our expensive broadcast program. The Voice of America will fall upon deaf ears while the Russians are blaring forth the fact of our aid to Fascist Spain.

A $62,500,000 loan to Franco will mean that another $100,000,000 program—the Voice of America—will be broadcast into a rat hole.

This loan is bad political policy. The eyes and ears of the world are concentrated upon the fateful decisions we make today. Fascist Spain does not sit well with the democracies of western Europe. Still struggling painfully to rebuild their war-shattered lives, the free peoples of Europe do not have such short and convenient memories as we do. The horror of nazism and fascism is burned too deeply into their minds and souls for them to hold out the hand of friendship to the remaining spawn of Hitler and Mussolini. If we hold out that hand to the Spanish Government, we will fritter away the good will of free Europe. We will do irreparable damage to the cause of democracy.

I have heard a few Members say in this House that Spain is the real bulwark against communism in Europe. Why do they suppose we are spending billions in Marshall plan aid to strengthen the democracies of France and Britain and the other free nations of Western Europe? Communism will be held back in Europe if these nations remain free and are made strong. Fascist Spain can do nothing to save Europe from communism. Politically and geographically isolated, it has no influence in the councils of Europe, no prestige, no power—nothing. It is but the evil symbol of the Fascist remnants left over from the Great War.

Toward the end of that war, when the United Nations organization was being created, it was agreed that Spain should never become a member of the United Nations so long as the Franco government held sway. The first session of the General Assembly early in 1946 endorsed this position and later in that year the General Assembly passed a resolution that the Franco government be barred from membership in specialized agencies of the UN and that all member nations recall their ambassadors from Madrid. In subsequent years, the matter of Spain was debated a number of times in the General Assembly, but the original resolution was never repealed.

Our State Department has declared itself as questioning the wisdom and efficacy of the actions recommended by the 1946 resolution of the General Assembly, particularly on the ground that it has only served to strengthen the position of the Franco regime. Whether that be so or not, let us keep in mind that the great majority of the United Nations have never accepted Franco Spain as an equal partner or a deserving member of the family of nations.

This loan is bad military policy. It is often said, though never verified, that we must court Franco because the military planners want to make Spain a stronghold behind mountains, a military bastion and base of operations in the event Europe is overrun by Soviet communism. Here again, we must ask the advocates of this view, why do they suppose we are preparing to spend billions for arms aid to the nations of Western Europe, and planning actively for standardized weapons and joint resistance to aggression following the Atlantic Pact? Spain with her outmoded weapons, her poorly trained soldiers, and her demoralized population, will have no military help to offer. If the other nations of Western Europe became convinced that in fact our military strategy is to use Spain as the focal point of European defense, then the Atlantic Pact will become a shambles, the billions to be spent for

joint military security will be wasted in shattered European morale. For nothing would be plainer evidence that we considered western Europe expendable than a retreat behind Spanish mountains.

Let us, then, give sober thought to our actions here. By one fell stroke we can wipe out the gains made in the past few years—gains made with hard work, and sacrifice and tremendous money costs—to keep the cause of democracy alive and strong in the free nations of Europe.

Let us come before the bar of world opinion with clean hands and a clear voice. Franco would weaken the fabric of the democratic, civilized world. Until Spain changes her robes of dictatorship for garments of freedom, we cannot, we must not feed the flames of Soviet propaganda by courting this Fascist regime.

Mr. TABER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, Joe Stalin is out to wreck the liberties of mankind. He is the menace that the free world faces today. In Russia you have no free labor unions, no free business enterprise, no free religion; you have an absolute dictatorship which controls every movement of her people. He seeks to fasten his tentacles upon the people of all the world. The United States today and the free nations of Western Europe and the world are faced with a situation where they must utilize every facility at hand to combat communism and to maintain the liberties of their peoples. It is impossible for us to pass up alining ourselves with the free nations of the world. Spain must be alined with us. It is absolutely necessary if the United States and the rest of the free world are to survive the drive of communism and the effort to destroy our liberties, that we must stand together; that we must take advantage of our opportunity to protect ourselves to have every military facility that it is possible to line up alined up with us. I can see no way here for one who wishes to maintain the liberties of the world and the rights of the American people but to vote for this motion.

Mr. ROONEY. Mr. Speaker, I yield the balance of the time to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I have listened with great interest to this debate, because it is something I do not know too much about. There is one thing that impressed me all the way through. I know these Members of the House are serious. They know that we are dealing with grave problems that will affect our generation and generations to come. Yet, I have been struck with the idea that perhaps it was almost ludicrous for the House to sit here and undertake to write the foreign policy of the administration in a meeting of the House. We have a State Department; we have an executive department.

You may laugh. I do not stand here in defense of any individual, but I stand here in the interest of my people and of my country.

We have a system of Government of which we are very proud. To ignore the State Department and to ignore your President and sit here in a debate of 1 hour and undertake to establish a most important question of foreign policy, seems to me to be utterly ridiculous.

What are the terms of this loan? Under what conditions are we going to make this loan? Somebody gets up here and says, "We would like to have bases in Spain." How do you know you are going to get any bases in Spain? How do you know you are going to get a farthing's worth for the sixty or ninety or one hundred million dollars? Gentleman, let us stop, look, and listen before doing such a thing as this.

I have not been one who has been regarded as an administration Member of the House, but at least, in all the years that I have been in Congress, when we have been dealing with questions of foreign policy, I have always wanted to know before embarking on any such enterprise as this, what is the position of the President of the United States; what is the position of the Secretary of State; what is the position of your Secretary of War, and those people who are supposed to know? What does any individual Member of this House know about this situation, or what will be the effect or the result of this loan? We have been dealing with dictators for many years. All dictators look alike to me. I cannot see much difference between them, and I cannot understand how my friends here, who I know are thinking of only one thing, namely, the welfare of our country, can sit here in advance of advice from the administration and from the people who know the foreign situation and undertake to deal with this proposition in a House of 435 Members, many of whom I am sure, like myself, know very little about the situation.

Here you are not merely permitting this loan. You are not making any conditions of this loan. You are just saying here in the House of Representatives, "We demand and we instruct that you make the loan to Franco Spain."

Well, it is said, we are going to take a note for it. What do you want to take a note for anyhow, from a guy like that? If you are going to give him any money, why do you not give it to him and forget about it. If you do give him any money, do not expect to get any quid pro quo, because his word is not worth anything, nor is the word of any other dictator worth anything.

Again let me ask the Members of the House when you vote on this question, voting as I know you will, with the deepest sincerity and motivated by the highest ideals of public service, to stop, look, and listen, and at least ask for some advice of your President whom you elected to handle the questions of foreign affairs.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, I never thought the occasion would arise when I would find myself in so complete disagreement with my dear friend, the gentleman from Virginia, who has just yielded the floor, as I do find at this time.

Mr. Speaker, this Spanish question has been dangling in the air for a number of years now, and I make the assertion that there are probably no more than 30 Members of this House of Representatives who are lacking in appreciation of the importance of our establishing some kind of a friendly working relationship with Spain.

The gentleman from Virginia takes the position that the making of the foreign policy of this country is no concern of the Congress. I would remind him that the Congress, or at least one branch of the Congress is, under the Constitution, made the final arbiter on the question of treaties and therefore it does have a responsibility in making decisions on questions of our relationship with other peoples of the world.

Mr. Speaker, I have found thousands of instances where I was in disagreement with the State Department but not one where my disagreement was so complete as relates to its attitude toward Spain. Is Spain to ever be taken into the family of nations resisting Russia? How much longer does the State Department need to make final decision?

The gentleman from Mississippi [Mr. COLMER], in the brief address he made this afternoon, developed the case quite satisfactorily, because he demonstrated in what respect we would need the cooperation and assistance of Spain in the event of an all-out struggle.

Mr. Speaker, at the moment we find ourselves in combat, in war, with a force that we know intends, if possible, to enslave the entire world. Just how long it will be our good fortune that this contest be localized in Korea, we do not know, but we have no assurance that it will not spread out all over the globe. Mr. Speaker, if that event should come to pass, is there one here who would question the need of Spain?

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. COLMER. Of course, I made it quite clear that I was in favor of recognition of Spain, but I did not say I was in favor of the loan. I want to get that straight.

Mr. COX. The gentleman at least did develop the case as far as the need of the cooperation of Spain is concerned. I say to the gentleman that we should manifest some reasonable understanding of the tremendous problem with which we are confronted. We should evidence something of an intelligent and interested concern in the welfare of the Republic. We should adopt this amendment and follow it with quick recognition of Spain.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. ROONEY. Mr. Speaker, I move the previous question on the motion to recede.

Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ROONEY. It is not a fact that the vote now recurs on the motion to recede; and if that is carried, then there will be a vote on the motion that the House concur in the amendment of the Senate with an amendment?

The SPEAKER. The gentleman is correct.

Mr. SMITH of Virginia. Mr. Speaker, a further parliamentary inquiry. Is it not a fact that on the motion to recede, if that motion is defeated that ends the matter of the Spanish loan?

The SPEAKER. That would be equivalent to disagreeing and insisting.

Mr. ROONEY. Mr. Speaker, I move the previous question on the motion to recede.

The previous question was ordered.

The SPEAKER. The question is on the motion to recede.

Mr. MARCANTONIO. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

Mr. MARCANTONIO. Mr. Speaker, I ask for tellers.

Tellers were refused.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 165, noes 90.

So the motion was agreed to.

Mr. ROONEY. Mr. Speaker, I move the previous question on the motion to concur in the Senate amendment with an amendment.

The previous question was ordered.

The SPEAKER. The question is on the motion to concur in the Senate amendment with an amendment.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 164, noes 80.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 473: Page 448, line 15, after "specified" insert: ": *Provided further,* That not to exceed $15,255,000 of such consolidated appropriation shall be available for administrative expenses during the fiscal year 1951."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 473, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$14,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 475: Page 448, line 22, after "specified" insert: ": *Provided further,* That not to exceed $600,000,000 shall be available for transfers under section 111 (d) of the Economic Cooperation Act of 1948, as amended."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 475, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$500,000,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 476: Page 448, line 25, after "specified" insert: ": *Provided further,* That after November 1, 1950, no funds herein appropriated shall be made available to any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 476, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ": *Provided further,* That after November 1, 1950, no funds herein appropriated shall be made available to any nation of which a dependent area fails in the opinion of the President to comply with any treaty to which the United States and such dependent area are parties."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 477: Page 449, line 3 after "specified" insert *"Provided further,* That no part of the funds herein appropriated shall be used to provide assistance to any participating country which, in the opinion of the President, has failed, refused, or neglected to support the United Nations in the Korean war by supplying armed personnel, materials of war, or services."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 477, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: *"Provided further,* That no part of the funds herein appropriated shall be used to provide assistance to any participating country which, in the opinion of the President, has failed, refused, or neglected to support the United Nations in resisting aggression."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 480: Page 450, line 4, insert:

"INTERNATIONAL DEVELOPMENT

"For expenses necessary to enable the President to carry out the provisions of the act for international development (title IV of Public Law 535, approved June 5, 1950), including personal services in the District of Columbia; expenses of attendance at meetings concerned with the purposes of this appropriation; purchase (not to exceed 12), and hire of passenger motor vehicles for use outside the continental limits of the United States; printing and binding; payment of tort claims pursuant to law (28 U. S. C. 2672); health-service programs as authorized by law (5 U. S. C. 150); insurance of official motor vehicles in foreign countries when required by law of such countries; acquisition of temporary quarters outside the continental limits of the United States to house employees of the United States Government by rental (without regard to section 322 of the act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, or construction, and necessary repairs and alterations to such temporary quarters; exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); entertainment (not to exceed $2,000); health and accident insurance for foreign trainees and technicians while absent from their own countries participating in activities authorized under this appropriation, and actual expenses of preparing and transporting to their former homes the remains of such persons who may die away from their homes while participating in such activities; services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for purposes of providing such services the Public Health Service may appoint not to exceed 20 officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed 20 commissioned officers in addition to those otherwise authorized; $26,900,000; and, in addition, there may be transferred to this appropriation for the purposes hereof not to exceed $2,600,000 from the appropriation to the Department of State for international information and educational activities, fiscal year 1951: *Provided,* That this appropriation shall be available for contracts or agreements entered into during the fiscal year 1951 pursuant to section 405 (e) of the act for international development which entail commitments for the expenditure of funds for not to exceed 3 years."

Mr. GARY. Mr. Speaker, I move that this House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 480 and concur therein.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Speaker, I wish to compliment my good friend the gentleman from Virginia [Mr. GARY] and my fellow conferees on this chapter for their action with regard to this amendment. On yesterday during the conference with the Senate I moved that the House recede on this item and concur in the amount voted by the other body. The gentleman from Virginia, the gentleman from Kentucky [Mr. BATES] and I voted in favor of receding and giving to the point 4 program the full amount voted by the Senate. The motion now before the House would correct an unfortunate mistake made on the part of the conferees who voted the other way on yesterday. I thoroughly agree with the present plan of correction of that mistake.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. TABER. Mr. Speaker, this is a similar program to one down in South America which has brought so much discredit to the United States and which has created such ill will on the part of South Americans against us. We have had people come back from there indi-

cating repeatedly that that is the situation and that is the result.

Why we should appropriate three times what they can intelligently use is beyond any intelligent person's mind.

Mr. JACKSON of Washington. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. Mr. Speaker, it is always a precarious thing to try to look into the future. But I am convinced that if we accept the drastic cut in the point 4 appropriations, recommended in the conference report on foreign aid, we will find, a few years hence, that we have been penny-wise and pound-foolish.

It seems to me that World War II showed us all too clearly that military victory alone—and the words "unconditional surrender"—do not necessarily mean the end of struggle. Five years of waging the cold war should have taught us that.

No sooner had we won a global war against a totalitarianism of the right when we were plunged into another global war—of a quite different kind—this time against a totalitarianism of the left.

Because we had not attacked the roots of world conflict, the military surrender of the Germans and the Japanese has meant very little in the way of bringing peace to America and the world.

We are now afforded an opportunity to learn our lesson. For unless we attack the roots of the present world conflict—the misery and poverty and disease that grip millions of human beings—military victory—in Korea or elsewhere—will mean precious little. We will still be faced with the task of meeting basic human needs.

Point 4 is our one program aimed at satisfying the basic needs of underdeveloped areas. It is our one program that attacks the roots of world conflict. It is not a large program by any standards—even with the $26,000,000 provided in the Senate bill. It may not be large enough to do the job—but it is the foundation of an attack upon human misery.

In 1947, we tried to ignore the job to be done in Europe—and we tried to economize on foreign-relief funds to war-devastated areas—only to find in 1948 that the misery was still there. The job remained to be done, and we extended to Western Europe some $4,000,000,000.

I venture to say that had our penny-wise attempt to save $150,000,000 in foreign-relief funds prevailed in 1947, it might have seemed very pound-foolish in 1948, if it had cost an extra billion dollars to accomplish the Marshall plan aid of European recovery.

Now we are asked to save some $11,000,000 on our one program of economic aid to underdeveloped areas. I venture to say, Mr. Speaker, that democracy will sooner or later be called upon to help these areas raise themselves from their poverty and misery. If democracy does not, then a dictatorship of the left will.

Mr. Speaker, Paul Hoffman, the ECA Administrator, has estimated that the final cost to the American people of World War II—without trying to place any dollar value on the loss of human life—will be $1,300,000,000,000. And yet, 5 years after World War II, we are no closer to peace than we were in 1939.

A trillion-dollar investment in peace has apparently been wasted.

And now, Mr. Speaker, we are being asked to invest another $10,000,000,000 to rearm America, and an additional $4,000,000,000 to rearm other free nations.

We are about to embark upon another multibillion-dollar investment in peace.

Against such a colossal investment, the saving of $11,000,000 on point 4—our one program that proposes to attack the roots of world conflict—seems foolishly small.

I venture to say, Mr. Speaker, that should our multibillion-dollar investment in rearmament bring us victorious through a military war—only to bring us face to face with another world-wide struggle of mankind for a better life—those $11,000,000 will look even smaller and more foolish.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. JAVITS. Mr. Speaker, I think the record should show in connection with the South American activities which we have been engaged in that the South American countries do not agree with the gentleman from New York because they have in a period since the thing has been in effect quadrupled the amount of money they are putting into it. Today they are putting in something like $17,000,000 against our $5,000,000. So, those South American countries certainly feel it is doing them some good.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Oregon.

HAIL COLUMBIA; CALIFORNIA, HERE I COME

Mr. ANGELL. Mr. Speaker, must Oregon and Washington say good-by to the Columbia River? The public press recently has carried a number of news items to the effect that there is a proposal under consideration by the Bureau of Reclamation to divert water from the Columbia River to California to relieve that State of its water shortage. Some discussion has taken place recently in the House with respect to this proposal and a number of Representatives from the State of California have issued press releases thereon.

I have had the matter up with Commissioner Michael W. Straus of the Bureau of Reclamation and I am advised by him that there is no pending proposal on the part of the Bureau of Reclamation to divert water from the Columbia River to California. He further advises that under authority granted to the Department studies are being made of the full utilization of the water resources of the Pacific Northwest and that in that study consideration is given to any available use to which surplus waters might be put. The Commissioner advises me that no water in any event will be diverted from the Columbia River above existing or available potential dam sites for the development of hydroelectric power and in any event only water that is surplus would be considered. It is my information that any proposal to divert water from the Columbia River to California is so fantastic and would entail such enormous expense as to be pure moonshine.

The Columbia River is the second largest river in the United States and the largest in potential hydro power. Millions of acres of rich fertile land are available for reclamation in the watershed of the Columbia and its tributaries which can be reclaimed and put to agricultural use by utilization of the water of the Columbia River drainage basin not necessary for navigation, power, industrial, and domestic use.

I would suggest that if California residents have their eyes on this great natural resource which God has given to the Pacific Northwest, rather than to divert the water from its natural location to the arid lands of California, that they themselves migrate to this garden spot of America, the Pacific Northwest and become permanent residents of the area and utilize the waters of this great river in its natural habitat. They will be much happier, we will be much happier and the American taxpayer will be saved millions of dollars.

Mr. Speaker, I am including in my remarks some news releases from some of the Members of the California delegation with reference to this problem in which it will be noted that they state that the State of California does not want the Columbia River water. However some other Members of the delegation seem to have their eyes on the Columbia.

CALIFORNIA WANTS NO COLUMBIA RIVER WATER

(Statement of Representative NORRIS POULSON)

Newspaper and radio reports of the past 3 days have described in vague detail a gigantic project to bring Columbia River water into southern California. The project is proposed by the Department of Interior, and assertedly has the interest of President Truman.

I wish to make clear the following facts:

1. Neither the idea nor the plan was initiated by anyone connected with the State of California. No engineer or other responsible official in California, either employed by the State or the various California water agencies, has made such a proposal or has endorsed it. Neither the California State government nor any of its branches has proposed such a project.

2. Prosperous as California is, it could never afford to finance a project of such magnitude as the Columbia River diversion proposed by the Interior Department.

3. California would never call upon the taxpayers of the Nation to pay for such a project, as Arizona has done in the case of the proposed central Arizona project, which Secretary Chapman says would cost the Nation's taxpayers more than $2,000,000,000 in interest alone.

4. California does not need and does not want water from the Columbia River or any other river of the Northwest. Our State engineer has said that California's water supplies are sufficient, and that the State does not have to go beyond its boundaries for more water. The Colorado River water awarded to southern California in Federal Government contracts, and other available supplies, are sufficient to meet the foreseeable needs of that area.

5. The Columbia River diversion plan is brought forward at this time by the Interior Department in a desperate attempt to aid the fantastic central Arizona project, which would take an enormous share of California's Colorado River water. It is a nefarious scheme to rob California of Colorado River water by diverting attention to the Columbia River diversion proposal. The scheme also intended to give Representatives and Senators from Northwestern States the false impression that California has a plan to acquire Columbia River water. I wish to assure the entire Congress that California has no such plan, and does not support such a plan.

6. Southern California has always paid its own way. The people of southern California have obligated themselves for more than half a billion dollars for water projects, and they are paying these debts with unvarying regularity.

7. The Columbia River scheme is even more infeasible, grotesque, and absurd than the central Arizona project. It would cost an estimated 5 to 10 billion dollars. As a member of the Public Lands Committee, and as a leader in California's fight to protect its vital water supplies, I disavow the Columbia River proposal and proclaim California's opposition to it.

CALIFORNIA REPUDIATES COLUMBIA RIVER DIVERSION PLAN; FIGHTS FOR LEGAL RIGHTS TO COLORADO RIVER

(Statement of Representative CHET HOLIFIELD)

Reports continue to be circulated, both in Congress and in the northwestern United States that California is back of a plot to take away water from the Columbia and Snake Rivers.

Let me state at once, emphatically and without equivocation, that California has no part whatever in such a plot, and that California has not proposed or endorsed any such plan.

This is not the first time the Columbia River diversion scheme has been repudiated by responsible California officials, and no doubt it will not be the last time. Yet, I note in newspaper stories and in correspondence that the fear persists in certain sections of the Northwest that California has designs on northwestern waters.

Let me assure my colleagues and the people of the Northwest that California has no such designs, and that reports to the contrary are propaganda disseminated by those who would injure California.

The proposal to divert water from the Columbia and Snake Rivers to the Southwest is the brain child of the Bureau of Reclamation and the opponents of California's fight to protect its legal share of the Colorado River.

The proposal was designed for the purpose of aiding Arizona in taking an enormous share of California's Colorado River water. The strategy behind the Columbia River diversion scheme is to give Congress and the Nation the impression that California does not need its Colorado River water because water will be available to California from the Northwest.

This is a serious matter. It should be exposed and clarified in all details.

In my inquiry of the issue, I find that the Bureau of Reclamation is now conducting various studies on bringing Northwest water into southern California. I have a letter, dated August 18, 1950, from Reclamation Commissioner Michael W. Straus setting forth this fact.

In his letter, Mr. Straus states that the studies were "undertaken pursuant to congressional and California requests, directions and authorizations."

"Further," writes Mr. Straus, "in this instance, a specific congressional resolution requesting this investigation is at hand."

He identifies this legislation as House Resolution 244, Eightieth Congress, first session.

This resolution was not passed by Congress. It was introduced in the House Public Lands Committee, at the request of the Reclamation Bureau, on June 2, 1947, by the late Representative Richard J. Welch, Republican chairman of the committee. The resolution was strenuously objected to by both Republican and Democrat Members from California. Mr. Welch ignored the objections of his California colleagues and of his State, and forced the resolution out of committee with a favorable report.

That was as far as the resolution got. California Members objected to it on the floor, and it died.

Thus, I find no specific resolution "at hand" which authorizes the Reclamation Bureau to conduct the studies of the Columbia River diversion plan. Certainly H. Res. 244, which never passed Congress, provides no authorization. California Representatives opposed this resolution in committee, and continued to oppose it until they killed it.

Mr. Straus mentions that the Columbia studies were undertaken pursuant to "California requests."

So far as I can learn, the only so-called California request came from the late Representative Welch in the Eightieth Congress. He was opposed by his California colleagues, by the California State government, and by innumerable officials, engineers, and attorneys of California water agencies, such as the Metropolitan Water District of Southern California and the Colorado River Board of California, a State body appointed by the Governor.

Let me make it plain once again, that neither the State of California, nor any responsible water, reclamation, or power officials of California, nor the California Members of Congress, have in any manner supported or endorsed the Columbia River diversion proposal.

California has a water plan now being formulated, but it does not contemplate utilization of any water from the Northwest. This assurance comes to me in a statement from T. R. Simpson, principal hydraulic engineer of the California State Division of Water Resources.

Here is Mr. Simpson's statement: "The Federal Government is presently conducting a preliminary investigation to determine the feasibility of bringing water from the Columbia River to supplement California's supplies. The (California) State-wide water investigation is only partially completed at this time. * * * However, on the basis of the inventory of (California) water resources and estimates of ultimate requirements so far made, it is indicated that adequate water supplies can be developed and regulated from California's water resources, including California's right in and to the waters of the Colorado River * * * to meet probable water requirements of the State, without resort to importation from the Columbia River."

From James H. Howard, general counsel of the Metropolitan Water District of Southern California, I have received a statement soundly denouncing the Columbia River diversion scheme. The Metropolitan Water District includes Los Angeles and San Diego and 26 other cities and areas in southern California, with a population of nearly 4,000,000 persons.

"In advancing the Snake and Columbia River diversion surveys, the Reclamation Bureau is considering a plan that would take water away from Oregon, Washington, and Idaho. It is important that the people of those States realize the true sources of the scheme to divert water outside their State boundaries.

"It is a program that originated with, and is sponsored by, the Reclamation Bureau. The people of California are not parties to this proposal. California has no aspiration to any water belonging to Washington, Oregon, or Idaho, or any other State."

The list of protests from California representatives and officials against the Columbia scheme is long and impressive. It certainly should give assurance to the Representatives of the people of the Northwest that California has no part in, and does not endorse, such a proposal.

The facts of the matter are this: The people of southern California, at their own expense, have built dams, aqueducts, and canals costing more than half a billion dollars to bring their legal share of Colorado River water to their cities and farms. Southern California was awarded this Colorado River water in contracts with the Federal Government, approved by the Congress.

Now the State of Arizona and the Reclamation Bureau want to take an enormous part of California's share of Colorado River water for a fantastic, unfeasible project in Arizona. The proposed Arizona project would cost more than $1,000,000,000 to build, and would mean a loss in interest to the Nations' taxpayers of an additional $2,000,000,000.

There is no Colorado River water available for this Arizona project. So the Reclamation Bureau, with no doubt, the support of Arizona, has proposed the Columbia River diversion. This, they say, would give California her vitally needed water, and then Arizona could have California's share of the Colorado River.

That's the scheme. California is having none of it. California believes that its legal share of Colorado River, if protected, will be adequate for California's foreseeable needs and California will fight to preserve those legal rights against any attack. California is not looking to the Columbia and Snake Rivers for additional water.

INTERIOR DEPARTMENT WILL-O'-THE-WISP PLAN WOULD TAKE COLUMBIA RIVER WATER FROM NORTHWESTERN STATES

(Statement of Representative CLAIR ENGLE)

It is reported to me that the Department of Interior is proposing a gigantic project to bring the Columbia River water into California for the avowed purpose of solving California's water problem. Assertedly, President Truman has interested himself in this project.

The purpose of this proposed project is not, as stated, to solve California's water problem. The purpose is to solve Arizona's water problem by turning over to Arizona California's water in the Colorado River.

California will not be fooled by this obvious strategy into giving up her established rights and huge investments on the Colorado River for any such will-of-the-wisp. Moreover, the people on the Columbia and Snake Rivers should clearly understand what is going on * * * their water is to be exported at huge expense in order that an exchange can occur by which Arizona will get the water in the Colorado River.

It is a clever scheme designed in the Interior Department to eliminate California's opposition to the fantastic Arizona project, which has been proposed by the Interior Department, and would use water to which California has long-established legal rights. California is to be promised pie in the sky from the Columbia River and asked to drop her opposition to the central Arizona project, to give up long-established legal rights to the waters of the Colorado, and to abandon diversion works on the Colorado costing hundreds of millions of dollars.

Of course, if Arizona is able to perpetrate a theft of the Colorado River waters from California, it may be necessary for California, at some future time, to look elsewhere. For the present, however, California will

stand on her established rights and investments, and will develop the remaining water potential, which is substantial, within her own borders and in the Colorado River.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, I am very much pleased with the action of the foreign aid subcommittee in moving to recede and concur with the Senate in providing the appropriation of $26,900,000 to implement the President's point 4 program, rather than insisting upon the much lower figure which had been agreed upon by the conferees yesterday. Point 4 is a necessary and vital part of our foreign policy if we are to crush communism before it obtains a foothold among the underprivileged peoples of the world.

The supplemental appropriations bill, which this House will consider later tonight, contains a much increased and desired appropriation for the Voice of America, to spread the truth about democracy and our Nation, to counteract subversive Communist propaganda. Point 4 ties in with our Voice. It gives substance to the story of our warmth and peaceful good intentions, of our desire to live in peace and friendship with the nations of the world.

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, we are now considering a bill which carries many billions of dollars. Much of this is for the necessary measures of military defense which we must undertake today in this troubled world. We are being forced by the aggressive actions of world communism to devote more and more of our resources and our energies to self-preservation. But the struggle in which we are engaged cannot be fought solely with guns and planes. The Communists have long realized as we are now beginning to do that this is an economic, social, and ideological struggle as much as a military one. It is easy for everyone to see the need to appropriate billions for defense. The need for making an adequate effort in other fields should be equally obvious.

The point 4 program is one program where we can at small cost—in fact with expenditures which are insignificant when compared with our military appropriations—do a great deal to strengthen the free world. Here is a program which is not a give-away program. It is a program to show others how they can support themselves. It is a concrete and positive answer to the false propaganda of the Communists who say that only under their system can the millions of backward people achieve a decent life. If we want to be purely selfish and materialistic about it we can say that it is one of the cheapest ways of fighting our Communist antagonists. If we want to put it on a higher plane we can say that it is a way in which we can cooperate with other free peoples in making this a better world.

This program will benefit most the very areas of the world which are now up against the guns of Communist aggression. These are areas whose people may be peculiarly vulnerable to Communist promises, for their living standards are low and their aspirations are high. They certainly could not understand any failure on our part to cooperate fully and adequately in a program to give them the benefit of knowledge and skill which could help them improve their economic conditions. The 49 countries which pledged assistance in the United Nations aspect of this program could not understand it if we fail to undertake our reasonable share of this constructive United Nations activity. We are holding high the United Nations banner in Korea. We should also hold it high in connection with its program of technical assistance in which such a great part of the free world is vitally concerned.

I do not see how we can expect the point 4 program to make any real headway or achieve any results if we limit the appropriation to $15,000,000. The program originally developed in the executive branch amounted to over $100,000,000. This was very carefully screened over a period of months by all of the agencies in the Government which are competent in the various fields of technical activity. The Department of Agriculture, the Public Health Service, the Department of Interior, and many others participated in this work. They based their analysis on their own experience over many years in conducting technical-assistance programs under previous congressional authorizations. As a result of all this work the program was screened down to $45,000,000 and this amount was requested by the President. We then cut $10,000,000 from this, authorizing only $35,000,000. The recommendation of the conferees limiting the appropriation for new programs to $15,000,000 would, with the addition of the $7,600,000 recommended for continuing existing programs, give a total of only $22,600,000. This is only 50 percent of the amount requested and only 65 percent of the amount which we authorized. I cannot see why we should cut this program so much more drastically than most of the other items in the bill especially when it has already been pared down so far.

We pride ourselves on being able to look ahead. We criticize those who have failed to foresee and prevent aggressive moves of our enemies. Here is a chance for us to help prevent such aggression in the future. Let us act now to help prevent conditions that will lead to war.

RESTORATION OF $26,900,000 APPROVED FOR POINT 4

Mr. DEANE. Mr. Speaker, the point 4 program is, I believe, potentially one of the most important international programs of our time. It can help our economy. It can help our international relations. And it can help our national security.

The long-run security of the United States must be built up over time. We must start to build early so that we are not caught unprepared. We must build adequately, for half measures may be worse than none.

National security is more than a military problem. It requires political stability, sound and productive economies, and friendly democratic governments and peoples in many areas outside the United States. Nearly a billion people live in underdeveloped areas outside the Soviet orbit, many of them in critical areas bordering upon that orbit. The political stability of these people is tied closely to their living conditions. They have the capacity and the natural resources to produce far more than now, and thus to raise their living conditions over the years. But they need help, and it is to our advantage, as well as to theirs, to help them.

There are various ways of helping them produce more, but some ways are cheaper and more enduring than others. Technical assistance is one of the least costly, relying largely on self-help on the part of the recipient country and leaving behind a widening circle of modern techniques, awareness of new methods, and friendship toward the sharing country. Its economic effects may not become apparent for years, but the fact that something concrete is being done can produce political effects very quickly.

The forces of peace and democracy throughout the world have already been greatly strengthened by the action of the administration and the Congress in proposing and authorizing a substantial point 4 program. To torpedo this program by refusing it adequate funds would hurt this Government and would hurt many governments which have been our strong supporters. It would give the Communist propaganda machine effective material. It would confirm the doubts of the many people of the world who are still doubtful that the United States has forsaken isolationism and really means to follow a consistent program of support for the forces of democracy and peace.

Point 4 is a symbol of the maturity of United States foreign policy. It indicates the transition from emergency programs hastily developed to put out fires, to prevention of the conditions that result in fires. It shows that this country recognizes the interrelation of economic and political developments, and the interrelation of developments abroad and at home. Instead of emergency thinking, and isolationist thinking, it represents a broad and deep approach, far more effective and far more economical than continual improvisation.

Because this is a program in which both the United States and the United Nations can make a great contribution to peace, I urge that the House give it full support. To my mind, $26,000,000

is a small price to pay for a major international program. I urge that we confirm our earlier support for this program by appropriating the full $26,900,000 approved by the Senate.

Mr. VURSELL. Mr. Speaker, Western Europe and the civilized world is faced with a dictator who seeks to destroy the liberty of the people of the entire world.

We are pouring billions of our money into Western Europe to help her build a military machine that will help us and them to keep our countries and our people free from the dictatorship of Russia. In the event Russia moves against Western Europe it will be the policy of this Government to help with all of the manpower necessary from the United States to protect Western Europe and defeat our enemies.

High military officials agree as to the great advantage that Spain offers as a natural base for our operations in the event of a war with Russia. Every Member of this House who knows anything about the geography of Europe knows that Spain with its broad expanse of territory surrounded on the north and east by mountains is a natural fortress and base which offers an opportunity to the United States and Western Europe as a base of operations in the event of a war with Russia, that should be embraced at the earliest possible moment.

Mr. Speaker, under our present foreign policy we are allied with all of the nations of Western Europe with the exception of Spain which is greatly needed by us and all of the Atlantic Pact nations. I am informed that Spain has an army consisting of 17 divisions well trained and only lacking modern equipment to make it the strongest fighting force today in Western Europe.

Spain has indicated its desire to join with the United States and other nations in its opposition to communism.

This bill today provides for a loan of $62,500,000 which I am informed largely will be used for military equipment.

I am supporting this loan because I believe the territory of Spain is essential to the defense of Western Europe and thereby our Nation. I am supporting it because we will need all of the military strength Spain can give us and our allies in the event of a war with Russia.

Mr. Speaker, I am supporting it because I believe that it will save thousands upon thousands of the lives of American boys, if unfortunately we have to meet Russia in a clash of arms in Western Europe.

Mr. Speaker, we will need all the strength that can be mustered in Western Europe. Because of the increasing danger of a drive to the west on the part of Russia and the billions of dollars we have poured into Western Europe to help build a military defense against Russia, I want to take the opportunity today to say I think it is imperative that Western Germany be taken into full fellowship and cooperation with the Atlantic Pact nations.

With the hate of the people of Western Germany against communism, its location between France and Russia, a powerful army in Western Germany could soon be organized into a great fighting force in cooperation with other nations to repel an attack by Russia.

In 1937, you will recall Russia sent troops to Spain to help the Communists take over that government. The Spanish Government defeated that attempt and soundly licked the Russian and Spanish Communists. Stalin has never forgotten it and has made his influence felt through our Government and others in the Potsdam Conference.

We will need Spain again to help do the job if we carry out our present policy of helping to defend European nations in the event Russia moves against them. We should welcome the help of any European nation that is willing to fight on our side against Russia.

Mr. Speaker, referring again to Western Germany: As a member of the Herter committee, who, with other Members of Congress, made a study of Germany in 1947; on our return home we strongly urged through a resolution to the Congress that we should abandon the Morgenthau plan and stop the dismantling and giving away to Russia, England, and France, industrial plants in Germany that we would doubtless be called upon in the future to help rebuild at great expense to our Government.

RECOGNIZE SPAIN

Spain should be accorded full diplomatic recognition by the United States Government and be taken into partnership with the European nations under the policy of the Atlantic Pact.

Its broad expanse of territory with its natural protection of the Pyrenees Mountains against an invasion of Russia, its hate throughout the years past against communism, and with its sizable army in the event of war, would add to the Atlantic Pact nations formidable strength and great value.

In the event of war by its broad expanse of territory it would furnish the greatest opportunity on the Continent for bases from which United States troops and air power could operate with telling effect.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to include at this point in the RECORD a letter to the Speaker from President Truman on the point 4 appropriation and the importance of it, which it is unnecessary to read at this time in view of the present legislative situation.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The letter referred to follows:

AUGUST 25, 1950.

Hon. SAM RAYBURN,
The Speaker,
The House of Representatives.

DEAR MR. SPEAKER: The importance of the point 4 appropriation in the struggle against Communist imperialism cannot be overemphasized.

Although the amount involved is relatively small in terms of dollars, the point 4 program has come to be a symbol of hope for millions of people all over the world. In countries where the choice between Communist totalitarianism and the free way of life is in the balance, this program can tip the scales toward the way of freedom.

The advance agents of the Communist conspiracy loudly promise the peoples of these countries a better way of life. We know that communism cannot deliver on these promises. We know that the way of freedom actually can and will provide a better life for people everywhere. But only through such action as the point 4 program can we demonstrate that fact, in concrete and practical terms.

If the reduction made by the conference committee in the amount appropriated by the Senate for point 4 is allowed to stand, it will largely destroy the program's effectiveness. More than that, it will be regarded throughout the world as evidence that this country cannot be depended upon to help the millions of people in the underdeveloped areas of the world in bettering their lot. This attempt to save some $10,000,000 will do more for the Communists in their attack on the free world than hundreds of millions of dollars of their own propaganda.

At a time when we are calling upon our young men to go into battle in the cause of freedom, I can conceive of no more tragic blunder than to throw away this opportunity of doing so much to strengthen the cause of freedom at such little cost.

Sincerely yours,

HARRY S. TRUMAN.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. RABAUT. Mr. Speaker, there was confusion in reference to this amendment yesterday. I am very pleased it is being reconsidered today and I am happy to join in what is going to be done.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. PHILLIPS of California. Mr. Speaker, we have just finished a vote on a limitation in the number of ships under the Merchant Marine Operating Subsidy Act. This is not a post mortem in any sense of the word. The wording that we adopted in the bill is still subject to interpretation and in order that there may be no misunderstanding as to what that interpretation should be, I should like the record to show that in fixing the limitation of 263 vessels, the committee did not intend, directly or by implication, to pass upon the inclusion of any particular vessels within the total. All vessels covered by pending applications or commitments are entitled to equal consideration on this point.

Further, the power to subsidize vessels in excess of 263 with the approval of the Secretary of Defense is a clear recognition and reaffirmation by the commit-

tee as to the importance of an adequate merchant marine for national defense purposes. It would be my understanding that in making his certification the Secretary of Defense would consider the total number of vessels now subsidized, the extent to which that number is deficient in supplying necessary shipping reserves for military purposes, and the resulting need for increasing the number of subsidized vessels in order to insure adequate military reserves. The reference to the Bureau of the Budget and the Secretary of Defense may serve a useful purpose by focusing attention on the importance of the merchant marine to our national defense, although it seems to me to be quite unnecessary as a subsidized fleet of 263 vessels obviously is woefully inadequate for defense purposes, and I am sure that the Secretary of Defense will so certify promptly. However, the reference may serve some useful purpose to emphasize the direct relation between national defense and the subsidized merchant marine.

Mr. GARY. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. As far as the remainder of the week is concerned, we will meet tomorrow for the further consideration of the final deficiency appropriation bill, unless disposed of today.

Mr. MARTIN of Massachusetts. I understand we are going to take that bill up immediately and continue on with it tomorrow.

Mr. McCORMACK. Exactly. Monday is District Day and there are six bills on the calendar.

H. R. 4281 relates to the limitation on taxicabs.

S. 3659 relates to dealers identification tags.

H. R. 1188 relates to regulating the practice of engineering.

S. 2028 relates to the Board of Education, teacher exchange.

H. R. 9524 is the supplemental teachers leave Act of 1949.

H. R. 9362 relates to the exchange of park land.

Following that we will take up House Resolution 474, the Teague resolution to investigate the Servicemen's Readjustment Act; S. 868, dealing with scientific, technological, and engineering information; S. 3357, gambling devices in interstate commerce, and S. 784, First, Second, and Third National Steamship Cos.

On Tuesday H. R. 9490, the so-called security bill, will come up.

Mr. MARTIN of Massachusetts. The security bill comes up the next day.

Mr. McCORMACK. That is the Wood bill.

Mr. MARTIN of Massachusetts. They are all the same.

Mr. McCORMACK. If the bills scheduled for Monday are disposed of, then the security bill will be in order of business on Tuesday.

If there is any change in the program, an announcement to that effect will be made to the House. Of course, conference reports may be brought up at any time. There are several important conference reports, such as the Defense Production Act and the tax revision bill. Whether or not they will all be ready for next week, I am unable to state, but I hope so, because we are anxious to dispose of everything we possible can next week.

Mr. MARTIN of Massachusetts. I know the gentleman cannot tell me definitely, but I have been asked to inquire if he thinks there is any possibility of a roll call on any of these bills on Monday. That is a matter of opinion, of course.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Utah.

Mr. GRANGER. Those bills, I think, are not very controversial. They are all in the same category as the goat bill.

Mr. MARTIN of Massachusetts. None of them will be considered then if they are in the same category as the goat bill. We did not take up that bill.

Mr. GRANGER. They are in the same category as the bill for the regulation of goats.

Mr. MARTIN of Massachusetts. I will accept the gentleman's opinion on the bill.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Arkansas.

Mr. HARRIS. I should like to say that the bills that have been reported from the District of Columbia are not as simple as has been indicated. The bill providing for the regulation and practice of engineering is a very important bill that has been urged on this Congress by practically every engineering organization in every State of the Union.

Mr. MARTIN of Massachusetts. The gentleman does not agree then that they are all goat bills?

Mr. HARRIS. We should not let that statement pass lightly as indicated. If the gentleman will yield further, there is another bill out of the Committee on Interstate and Foreign Commerce known as the gambling-machine bill, or the slot-machine bill. That could very well become controversial to the extent that there might be a demand for a roll call.

Mr. McCORMACK. That is on the program. Whether or not it will be reached by Monday, I cannot state.

Mr. GARY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

SUBSTITUTION OF CONFEREES

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BUCKLEY] and the gentleman from Louisiana [Mr. LARCADE] be excused from further service as conferees on the bill H. R. 7941, the Federal Aid Road Act, and that conferees be appointed in their place.

The SPEAKER. Without objection, it is so ordered.

The Chair hears none, and appoints the following conferees: Mr. TRIMBLE and Mr. DAVIS of Tennessee.

GRAPHIC ARTS CORP. OF OHIO—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 697)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 4832, an act for the relief of Graphic Arts Corp. of Ohio. The purpose of H. R. 4832 is to pay the sum of $84,359.19 to Graphic Arts Corp. of Ohio, Toledo, Ohio, in full settlement of all claims of the said Graphic Arts Corp. of Ohio against the United States.

The effect of H. R. 4832 is to afford financial relief to the Graphic Arts Corp. of Ohio for losses alleged to have been incurred in the performance of contract W33–038 ac–2023 with the Army Air Corps during the period January 1 to June 1, 1946.

The claim is predicated on the contention that the contractor was not supplied with the full quantity of work contemplated by the contract during the contract period, and that the contractor was assured by representatives of the Army Air Corps that it would be protected against losses in its operation under the contract. However, it appears that contractor did accept extensions of time and other amendments to the original contract under various change orders and supplements pertinent thereto by executing said documents. It is reported that payments totaling $2,029,185.29 were made to the contractor.

Thus, insofar as furnishing work under the contract was concerned, it appears that there was substantial compliance by the Government within the contract period as extended.

The general rule is that a formal written contract entered into on the basis of negotiations between the parties merges all such previous negotiations and is presumed in law to express the final understanding of the parties. Contract W33–038 ac–2023, as amended, was entered into on a fixed-price basis. It contained no provision for payment of additional compensation merely because the contractor might suffer a loss in performance. Hence, while the contractor's claim is based primarily upon the premise that certain representations were made by Government officers at the time the contract was negotiated, to the effect that the Government would protect the contractor from any loss in performance, the terms of the contract relating to the work to be performed and to the prices to be paid therefor were clear and unambiguous and such extraneous representations, even if established, legally could not be resorted to for the purpose of imposing an additional obligation on the Government. If the contractor felt that the formal contract and change orders and extensions,

and so forth, did not afford it sufficient protection against losses in performance, it should not have signed the contract and accepted the extensions. Having done so, it seems clear that there is no liability for any further payment to the contractor, based upon the contract provisions.

Government audit of the contractor's records indicates that this corporation, although claiming a loss of $67,952.31 in the operation of the "Gadi" Division for the 5 months' period beginning January 1, 1946, actually sustained a loss of only $46,213.94 during that period. Of this amount, the audit report shows only $29,432.29 was applicable to Army Air Corps contract W33-038 ac-2023. Despite this loss of $29,432.29 on this contract for the first 5 months of 1946, the contractor actually earned a profit of $34,202.86 on the entire contract. The audit report also discloses that this contractor earned a profit of $392,329.15 on all other Government business for the years 1944, 1945, and the first 5 months of 1946. Its commercial business during the same period also operated at a substantial profit.

Were I to approve this bill, it would establish the undesirable principle of Government insurance against any wartime losses incurred by contractors providing goods and services to the Government, regardless of the fact that such contractors did not sustain a net loss.

In my veto message on H. R. 834, Eighty-first Congress, a bill to amend the Contract Settlement Act of 1944, I stated—

> In my opinion, it would be a serious error to introduce at this time a new principle—insurance against war-caused losses. This would involve reopening the entire program of financing the war, with incalculable effects upon our finances.

I reiterated this principle in my veto message on H. R. 3436, a bill to amend the War Contractors Relief Act, as amended.

This principle is even more applicable to H. R. 4832, where there was profit realized on the specific contract involved even though operations during the first 5 months of 1946 resulted in a loss. As I have said before, if this principle should be accepted for those who had contracts with the Government, there would exist no basis for withholding its extension to thousands of others who suffered financial losses in producing for the war effort without contracts. There exist no circumstances in this bill which would warrant the application of preferential treatment of the claimant to the detriment of other war contractors.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 25, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and accompanying message will be referred to the Committee on the Judiciary, and ordered to be printed.

There was no objection.

FRITZ BUSCHE—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 696)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 602, a bill for the relief of Fritz Busche.

The purpose of this enrolled enactment is to direct the Attorney General to revoke various vesting orders with respect to certain property allegedly owned by one Fritz Busche, a citizen of the United States, and to make no further claims against the property covered by such vesting orders.

In 1937 one Anna R. Schneider, the aunt of the claimant, Fritz Busche, died leaving, under the terms of a will executed in 1931, the property which is the subject of the present measure to certain legatees, all of whom were residents in and nationals of Germany. After the will was admitted to probate, the claimant, as the named executor, took control of the property and exercised extensive control over it under grants of authority from the several legatees, to whom distribution of the property was never made.

In 1941 the subject property was frozen in accordance with the provisions of Executive Order 8765, which provided for the blocking of German-owned property. Subsequently, in 1946 and 1947, title to the property was vested in the United States by various vesting orders issued at that time.

The claimant filed a claim with the Office of Alien Property, Department of Justice, under applicable provisions of law, requesting the return of this property on the ground that he, rather than the German legatees, was the owner thereof. This claim was denied on June 16, 1950.

It appears that the claimant still has more than one full year within which to secure a de novo determination of his rights by a court of competent jurisdiction.

I feel that, as a general rule in cases of this character, the claimant should be required to exhaust all of the administrative and judicial remedies available to him, and to accept the outcome thereof. This case, in my judgment, does not warrant an exception to such a general rule.

The claimant has maintained, among other things, that he acquired title to the property by virtue of gifts made to him by the German legatees in 1945 when he was in Germany, which gifts were confirmed by formal deeds of gift executed subsequent to the 1946 and 1947 vesting orders issued by the Government. This position is without merit for, obviously, the German-enemy title to the property could not then have been affected or disturbed because the 1941 Executive order prohibiting transactions involving German-owned property held it in status quo, except under circumstances which are not material here. The only basis, therefore, for treating this case as an exception to the above-stated general rule would be a showing that the claimant became the owner of the property prior to the issuance of the 1941 freezing order. With respect to this feature of the case, not only does other evidence in the record support an opposite conclusion but, by admission of the claimant himself, he dealt with the property between the date of the testatrix's death and the date of the freezing order only in the capacity of an agent acting on behalf of the German legatees.

While these considerations seemingly support and justify the position of the Government, I recognize that, in the final analysis, the case presents issues of fact and law which properly and in fairness to both the claimant and the Government should be resolved by the courts. I have, therefore, withheld my approval from this measure in order to permit this course to be taken.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 25, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and accompanying message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

SUPPLEMENTAL APPROPRIATION ACT, 1951

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up a resolution (H. Res. 825) providing for the waiving of points of order against H. R. 9526, a bill making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> *Resolved,* That during the consideration of the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, all points of order against said bill or any provision contained in said bill are hereby waived.

Mr. LYLE. Mr. Speaker, I yield half of my time to the gentleman from Ohio, [Mr. BROWN], and now yield myself such time as I may require.

Mr. Speaker, your Committee on Rules presents this resolution in order that the supplemental appropriation bill for 1951 can be before the House for proper consideration it appeared necessary to write a rule waiving points of order so that all of the issues in controversy might be properly discussed. This resolution provides for waiving points of order against the bill, or any provision contained in the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the gentleman from Texas has so well explained, House Resolution 825 provides that the supplemental appropriation bill H. R. 9526, carrying certain important defense items, may

be consideerd under a rule waiving all points of order.

There are some provisions and some appropriation items in the bill, Mr. Speaker, with which I am not in agreement. If I had my way some would either be deleted, reduced, or materially changed. But Mr. Speaker, I appreciate that today we are in a great and grave crisis which requires prompt action. So I am favoring this rule, and hope it will be adopted promptly to permit this measure to be considered as speedily as possible. It is necessary the bill reach the other body, and final action be taken on these very important defense appropriations, as quickly as proper consideration will permit.

So, Mr. Speaker, I am going to set aside my objections to some portions of the bill and instead accept the collective judgment of the Committee on Appropriations as to what it is necessary to appropriate for the good of our country.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HARRIS. Can the gentleman advise the Members of the House just what principal points of order are being waived, under this resolution?

Mr. BROWN of Ohio. I think there are only one or two matters on which points of order be made in this bill. I believe there is one in connection with the immigration bureau, whereby that Service would be permitted to follow customary procedure on certain immigration cases.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. WALTER. Does the gentleman mean by that that a point of order is waived against the section under which the decision of the Supreme Court holding that a hearing was to be granted any alien was rendered?

Mr. BROWN of Ohio. I do not think that is exactly correct. As I understand it, it deals with a court decision which was rendered that the Immigration Service had to follow the Administrative Procedures Act in every detail.

Mr. WALTER. That is not what the Supreme Court held, and I am sure you would not want to destroy the Administrative Procedures Act in this fashion.

Mr. BROWN of Ohio. I surely would not, and I do not think this does. It sets aside such procedure only in those cases I have mentioned, as I understand it.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HARRIS. Is there something with reference to waiving points of order about changing the policy with reference to air-mail subsidies?

Mr. BROWN of Ohio. I am not sure. Of course, all points of order are waived.

Mr. HARRIS. Is there something of that nature in the bill?

Mr. BROWN of Ohio. I cannot advise the gentleman, because I am not a complete authority on the details of the bill.

Mr. LYLE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. LYLE. Generally speaking, there has been a custom grown up where certain legislation is written into appropriation bills. The committee cannot even consider it unless the Committee on Rules gives a rule waiving points of order. You can offer an amendment to change it, but you canont even bring it up for consideration without having a rule.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, so I yield back the remainder of my time.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. VORYS. Is it not true that under this rule one of the points of order to be waived deals with the limitation fixed in the MDAP legislation which we passed a few weeks ago, whereby the amount would be raised by $4,000,000,000?

Mr. LYLE. That is my understanding.

Mr. VORYS. And is it not also true—and I ask the gentleman to confer with the member of the Appropriations Subcommittee so that my question may be answered accurately—is it not true that there is no legislative change at all with reference to that act, except that the amount is increased?

Mr. LYLE. That is my understanding.

Mr. VORYS. May I just say this: If that is the case, that is the item on which a number of members of committees, including myself, conferred at the White House and agreed with the President that this legislation should be brought up in this form. As a member of the Foreign Affairs Committee, I want to serve notice that while I cooperated in that action and approve of it in this instance our committee does not intend to lose jurisdiction of the legislative provisions of the Military Defense Assistance Act by default.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, on many ocasions we have protested against legislation that Appropriation Committees have presumed to include in appropriation bills. I think that this bill contains the worst example of the usurpation of power that I have seen in that regard. For many years the people of this country have been interested in devising a system of hearings before administrative branches that would give to the citizens of this country a fair hearing and their day in court, if it was necessary to go to court, in order to obtain simple justice.

The Supreme Court of the United States has ruled that the Administrative Procedures Act applies in deportation matters. The Immigration Service knew full well a year ago, at least they were advised, that that act was applicable.

I knew of their practices and asked representatives of the Immigration Service to come to my office to a conference where the Immigration Subcommittee of the Committee on the Judiciary pointed out to them that their practice of having one man act as complaining witness, as prosecutor, as judge, as jury, and as executioner was in violation of the law. There was a very simple course open to them; all they had to do was select one of their inspectors and designate him to hold hearings. But they did not see fit to take this advice, and they went on with their practice which was clearly in violation of the law. The Supreme Court subsequently so determined.

They appeared before this Appropriations Committee and misrepresented the facts. They said that it would cost millions of dollars in order to set up a system of trial examiners if the decision of the Supreme Court was to be complied with. But this committee has in effect through this language in an appropriation bill set aside the decision by the Supreme Court.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. STEFAN. The fact of the matter is that when the Director of the Immigration Service and his assistant came before our committee they requested this language for the reason that they were asking for a supplemental appropriation of only $3,000,000. In the hearings it developed that unless we have this language it would cost the United States Government $36,000,000 a year to operate. They requested to go along as they have been. It will save the spending of $36,000,000 every year.

Mr. WALTER. The fact is that they misrepresented the situation, and I repeat they have deliberately deceived the gentleman's committee.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. JUDD. Is it not true that there probably have been more cases of injustice and arbitrary action in this sort of one man kangaroo court in the Immigration Service than almost anywhere else in the United States Government?

Mr. WALTER. That is true, but unfortunately there is also the possibility of showing favoritism to some people who ought not to be permitted to remain in the United States.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, and pending that, I ask unanimous consent that general debate close not later than 6:15 o'clock, one-half of the time to be controlled by the gentleman from New York, Mr. TABER, and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the

consideration of the bill H. R. 9526, the Supplemental Appropriation Act, 1951, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, this is the final appropriation bill of the session. It includes a few deficiency items for the fiscal year 1950, but is largely composed of supplemental items for the fiscal year 1951 made necessary because of the current acute defense situation.

Estimates considered by the committee totaled $16,852,484,598, and the appropriations recommended are $16,771,084,479, a reduction of $81,400,119. The following table is a summary of the estimates and the recommended amounts as distributed by chapters:

Comparison of budget estimates and the amounts recommended to be appropriated in the bill

Chapter	Subcommittee	Budget estimate	Amount recommended	Increase (+) or decrease (−)
I	District of Columbia	$2,717,614	$1,895,516	−$822,098
II	Legislative branch	460,910	262,910	−198,000
III	State, Justice, Commerce, and Judiciary	108,544,171	82,289,352	−26,254,819
IV	Treasury-Post Office	49,429,000	47,730,000	−1,699,000
V	Agriculture	[1] 26,100,000	[2] 100,000	−26,000,000
VI	Interior	11,301,000	11,301,000	
VII	Independent offices	957,476,000	940,727,700	−16,748,300
VIII	Civil Functions	21,900,000	11,400,000	−10,500,000
IX	Defense Establishment	15,642,906,000	15,642,906,000	
X	Claims and judgments	34,367,517	34,367,517	
	Total	16,852,484,598	16,771,084,479	−81,400,119

[1] And public debt transaction of $25,000,000.
[2] And public debt transaction of $18,000,000.

Mr. Chairman, I now yield 45 minutes to the gentleman from Texas [Mr. MAHON], chairman of the Subcommittee on the Armed Services.

MILITARY APPROPRIATIONS AND NATIONAL DEFENSE PROBLEMS

Mr. MAHON. Mr. Chairman, this is a most unpropitious hour in which to speak, but there are some things that need to be said, which must be said, about the United States military situation and Korean problem.

Mr. Chairman, in the bill now pending before the House, the Committee on Appropriations is recommending a supplemental sum for military spending in the amount of $11,600,000,000. Before discussing the details of the new program, I should like to make some general remarks in regard to defense spending.

In presenting military appropriation bills from year to year, those of us who are members of the Appropriations Committee have spoken in complete frankness as to the contents of the bills. We have proceeded on the theory that Members of Congress who are not on the committee, and the American people generally, should know the truth and should proceed with their eyes open to the realities of the situation.

On April 12, 1949, when the regular appropriation bill was before the House, I said to the House:

I would have no part in deceiving the people of this country. The bill before us does not prepare this country for the immediate outbreak of war. * * * If every tax dollar that the Government collects this year were spent for military purposes the funds would not be adequate for full mobilization. No military man before us recommended complete preparation for war. Nothing would please a potential enemy better than to have us bankrupt our country and destroy our economy by maintaining over a period of years complete readiness for armed conflict. Such a course would not only destroy our economy, but it would also probably destroy our democracy, destroy the essential natural resources of the country, and perhaps lead to a military dictatorship. Our country proceeds on the theory that our best interests are promoted by taking certain calculated risks.

When the bill was before us last year, I further pointed out that no man in this country could tell when and if war would come. On that question we had sought the advice of Secretary Forrestal, his successor, Secretary Johnson, members of the Joint Chiefs of Staff, General Eisenhower and other military and civilian leaders. These men recommended that we give consideration to both the military and economic requirements of the Nation. They did not recommend appropriations which would be adequate in the event of an early outbreak of war. Generally speaking, we appropriated the sums requested for defense by our military and civilian leaders.

This year the Committee on Appropriations again conducted exhaustive hearings into our military requirements and generally speaking we accepted the recommendations of the Joint Chiefs of Staff and presented to the House for passage a military bill in the approximate sum of $13,000,000,000. It was clearly pointed out that the $13,000,000,000 sum would be wholly inadequate in the event of an early outbreak of hostilities. The object of the bill was to maintain a relatively small but strong Army, Navy, and Air Force, with much emphasis on research and development. In other words, upon the recommendation of the President of the United States, the Department of Defense and the Joint Chiefs of Staff we struck a balance between economic and military considerations. Now, with respect to the recommendations of the Joint Chiefs of Staff as to the military bill last year and this year, certain reservations and explanations will have to be made. In a few moments I will come to a discussion of those matters.

By reason of the proven stature of Gen. Omar Bradley, Chairman of the Joint Chiefs of Staff, and Gen. Dwight Eisenhower, soldier and citizen extraordinary, former temporary Chairman of the Joint Chiefs, an informal adviser to the Department of Defense and to Congress in many military matters, these men have had great weight with the House Committee on Appropriations.

Let me speak particularly for a moment about General Eisenhower. At my request on March 21, 1949, the General appeared before our subcommittee on Military Appropriations. He assured the committee at that time that in his judgment the bill then before us represented approximately what should be done by way of defense spending.

Again this year, the committee sought the advice of General Eisenhower and he appeared before the committee on February 24, 1950. General Eisenhower explained that he had participated in the early stages of the formulation of the military budget and that he felt at the time that our defense appropriations should be held within the range of 13 to 15 billion dollars. Including contract obligations available to the services, the funds provided in the 2 years has been about $15,000,000,000 per year.

Some time after the appearance of General Eisenhower before the House committee, the general made a speech in New York in which he said there might be areas of weakness in our military set-up and when called before the Senate Committee on Appropriations, the general suggested the appropriation of certain additional sums. The general transmitted the same suggestions to the House committee.

Following General Eisenhower's recommendations a supplemental budget estimate was sent to Congress requesting an additional sum of $350,000,000 for our Defense Establishment. This request was in keeping with the Eisenhower recommendations. On May 9 when the military appropriation bill was on the floor I secured the passage of amendments which incorporated in the bill the additional sums suggested by General Eisenhower.

To be specific the House on May 10 of this year passed an appropriation bill in keeping with the recommendations of General Eisenhower and the Joint Chiefs of Staff. It should be pointed out, however, that certain minor reductions were made by Congress in various items principally with the thought in mind of securing greater economy in the utilization of civilian personnel.

In regard to the regular military bill and the fact that it represented the views of General Eisenhower and many military thinkers, the following letter addressed to the Secretary of Defense by General Eisenhower on April 25, 1950, will be of interest:

DEAR LOUIS: I have just read a copy of the statement that General Gruenther tells me you propose to deliver before the Senate Appropriations Committee tomorrow, the 26th. As I understand its terms you recommend—

(a) A construction program for Alaska that represents the maximum possible in the short Alaskan building season.

(b) An increase in antisubmarine activity in accordance with Admiral Sherman's views, and authorization for modernization of naval aircraft.

(c) An amount of about $1,550,000,000 for airplane procurement for the Air Force.

(d) Increased provision for modernization of Army equipment.

(e) Adequate provision for intelligence and industrial mobilization.

So far as I can determine your recommendations accord exactly with what I personally believe should now be done. I hope the committee agrees with you in detail.

With warm regard.

Cordially,

IKE.

What I have just read is the full text of General Eisenhower's letter of April 25.

I repeat the final paragraph:

So far as I can determine your recommendations accord exactly with what I personally believe should now be done.

Congress followed these recommendations and the point I am trying to make is that our military bill this year was exactly in accord with the recommendations of General Eisenhower and the Defense Establishment, though, as I pointed out, we did make some reductions principally in civilian personnel not recommended by the Defense Department.

Mr. KRUSE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Indiana who has shown a very keen interest in all defense matters throughout his service here.

Mr. KRUSE. There has been much comment regarding the manner in which the money for national defense has been spent. Now, can we correctly assume that the Joint Chiefs of Staff were fully aware of the manner in which the money was spent, so much for weapons, so much for housekeeping and so on, and that it was done at their direction and with their consent and their knowledge? Is that not correct?

Mr. MAHON. The gentleman is correct. The point is well taken, and a little later on I hope to discuss that.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Would the gentleman, who was very active in persuading the House a year ago to appropriate some $700,000,000 additional for the Air Force, say that the Joint Chiefs of Staff concurred in the freezing of those funds by the President? I think it was $735,000,000.

Mr. MAHON. I would not say that they did concur in it. The Joint Chiefs of Staff did not, of course, officially request the funds originally.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. WHITE of Idaho. Who would we fight in a global war?

Mr. MAHON. Well, I think that each Member could supply his own answer to that.

Mr. WHITE of Idaho. I think we have conquered most of the globe, have we not, except one little country north of China?

Mr. MAHON. I thank my colleague but I cannot yield further.

In the matter of military appropriations I hope I have now made two points clear. First, that Congress has given the weightiest consideration to the recommendations of our military and civilian leaders, and, second, that the appropriations have not been made with the assurance that the sums provided were adequate to prepare this country for an immediate outbreak of war. A balance has been struck between military requirements and economic considerations.

May I make a few additional references to this matter of a balance between military requirements and economic considerations. Everyone has realized that economic chaos at home would greatly weaken our Nation and many spokesmen of Government and business have pointed out that we could lose the war against communism through economic prostration at home as well as on the field of battle. Military leaders have often expressed the same view. For example, General Eisenhower in testifying before the Senate Subcommittee on Military Appropriations said in March of this year as shown on page 703 of the hearings the following:

I repeat—the first thing that the free world needs is the economic soundness of the United States.

Gen. Omar Bradley, who is unquestionably one of the great men of the world and who in his capacity as Chairman of the Joint Chiefs of Staff is our foremost military leader, had this to say a few months ago in regard to the balance between economic and military considerations:

There is a preparedness paradox that continually confronts the military planners. On one hand, we are constantly aware of the tremendous expense of military preparedness, and I assure you that no man in Government is more concerned than I am about economy. If we spend more money annually than we can afford, we could let our expenditures for preparedness lead us into bankruptcy. Any nation that has in mind the downfall of the United States can sit patiently by while we destroy the very backbone of our security—our industry and our economy. * * * We must not spend ourselves into bankruptcy, and yet we must be well prepared; we cannot afford a large enough Armed Forces to assure us quick victory, but we must provide for sufficient forces to avert disaster. * * * We have sought to devise a budget which will * * * maintain a balanced team for the conduct of the early phases of the war, as well as a mobilization base upon which we can construct a realistic and unified strategic plan to be employed in the event of war.

Our military leaders have often expressed the view that the aggressor is deterred perhaps as much or more by our colossal production and industrial potential as by our fighting force in being.

Now as previosuly stated, certain clarification of the position of the Department of Defense and the Joint Chiefs of Staff is necessary. In the regular bill last year, and in the regular bill this year, the Joint Chiefs of Staff desired more money than the $13,000,000,000 provided and, had they fixed the ceiling, it would have been fixed at a higher figure. The estimates of the Joint Chiefs last year for placing this country in a state of semireadiness for war went as high as $30,000,000,000, but no request was ever made for such a sum and there was never an intention of requesting such a sum for use during the fiscal year ending June 30, 1950. As a result of the thorough interchange of ideas within the Department of Defense and consultations with the Bureau of the Budget, the Budget finally fixed a ceiling for military appropriations in the sum of $15,000,000,000. In fixing the figure of $15,000,000,000, the available Federal revenue and economic considerations had great weight.

The relative value of hundreds of proposed plans were evaluated both as to cost and the time element as to when a project had to be completed to insure an over-all balance. The desirability of a larger military force for example was compared with the need and cost of expediting research and development. The desire for more and better housing was compared with the need for additional ordnance matériel and other hardware. The desires for increased operation and maintenance funds were weighed against the requirements for preparing industry to meet all our mobilization time tables.

The truth is that all thoughtful people have been aware for many months of the threat of communism to our security and the peace of the world. The Joint Chiefs of Staff earnestly desired additional billions for defense purposes. Not only did military leaders desire more money for defense, those of us who serve as members of the Committee on Appropriations recognized that vast additional sums for defense were highly desirable. These views were also shared by Members of Congress generally and by the rank and file of American citizens.

But, we have been faced with this situation: Our Federal revenues have been running at slightly less than $40,000,000,000 per year. Except for 1 year we have not balanced the budget and there has been widespread alarm over the threat of upsetting our economic stability as a result of unwise expenditure of resources, manpower, and funds.

Despite an appropriation last year of only $13,000,000,000 for the Armed Forces, our Government went into the red in the sum of $3,000,000,000. For the Army, Navy, and Air Force, we appropriated about $13,000,000,000, but when we add funds for the Atomic Energy Commission, foreign economic and military aid, and a few other items which have definitely to do with our program of preparedness, the sum runs to about $20,000,000,000. In other words, last year we appropriated for national defense in one form or another about $20,000,000,000 out of total revenues of about $40,000,000,000.

We are appropriating this year $25,000,000,000 for the Department of Defense, including the bill before us. But that is not all the money which we are providing for national defense. We are appropriating about $11,000,000,000 for foreign economic and military assistance programs, the Atomic Energy Commission, stockpiling of strategic materials and defense items of similar kind and character. In other words, when the

pending bill becomes the law, we will have appropriated this year for national defense in one form or another the sum of $36,000,000,000.

In January our estimated Federal revenue for this year was $37,300,000,000. If we spend this year $36,000,000,000 for defense, there will remain in cash only one and three-tenths billion for all of the other functions of the Government. I might point out that more recent estimates indicate that our revenues will considerably exceed thirty-seven billion, but that does not greatly alter the picture.

In keeping with my policy of frankness on the subject of military spending, I must further point out that the eleven and six-tenths provided in the pending measure for supplemental Department of Defense appropriations is not adequate to meet the requirements already in sight. The figures does not include funds for the four National Guard divisions which are being called into service and for a large increment of marines. There will also be further requirements for many purposes, and the Department of Defense is now preparing additional estimates of funds needed. I estimate that additional funds within the range of a total of $10,000,000 will be required within the next several months. However, it is impossible to tell at the moment just what the future holds and just what the additional requirements for the present fiscal year may be. I hope Members of Congress and the American people will understand the grim realities incident to the present situation.

A new tax bill is in the making which should measurably increase our Federal revenues, and there will be a continued weighing of both economic and military factors.

Of course, if it were possible to know the month and year that full-scale war would begin we could know when to abandon fiscal considerations in favor of a vast spending program on a total war basis. It is clear that no free nation could remain indefinitely in a state of total readiness for war. Moreover, such an attempt would result in a crippling of the military potential of the country, and would require such a drastic change in our way of life that our concept of a nation fit to live in would have to be greatly altered.

As to the pending measure before us now, the request for an additional $11,600,000,000 for defense, I say on my own responsibility that these additional sums requested for military purposes are pitifully and woefully inadequate for the waging of a major global war, if such a war is anticipated within the next 6 months or 2 years.

If we propose to prepare for a major war which might possibly develop within 2 years we need in this bill a minimum sum of $100,000,000,000, and we need to immediately suspend or readjust our civilian pursuits and move into a wartime economy, gearing our industry and manpower to a program of training and production for the forthcoming defense of our civilization.

Let us face up to the facts and let no man deceive himself. I repeat, the pending bill which provides supplemental appropriation in the sum of $11,600,000,000, to be added to the $13,300,000,000 already approved by the House and Senate, for Department of Defense is not adequate to prepare or to begin to prepare this country for all-out participation in a global war within 2 years.

There may be those who now look back with a suddenly acquired 20–20 hindsight vision, if I may borrow a phrase recently used by someone else, and say that if we had on some past occasion appropriated a few million, or even a couple of billion dollars, or somewhat more for this or that purpose, we would now be prepared for global war. That is utter nonsense. Preparation within a relatively brief time for global war is at the very minimum a $100,000,000,000 annual business.

In view of my statement that adequate preparation for an early global war is a $100,000,000,000 business, it may well be asked why the pending measure provides only for $11,600,000,000, making a total when added to previous sums approved of about twenty-five billion this year for the Department of Defense.

Our committee is providing the total sums requested at this time by the Joint Chiefs of Staff, and therefore the inescapable conclusion is that our military people do not believe that we are in world war III or that we will be in the midst of world war III within the next few months. The bare facts of the situation lead to no other conclusion. An $11,000,000,000 appropriation would not be a drop in the bucket compared to the money requirements for a global war. That fact ought to be plain enough for anyone to see.

In other words, under the military program envisioned in this bill, we continue to take very grave calculated risks, doing so with the hope that a major war may still be averted. We have either got to take these risks or immediately abandon present peacetime pursuits and begin full-scale mobilization for war.

The choice that has been made has been the choice of the President of the United States, the Department of Defense, and the Joint Chiefs of Staff. We of the Appropriations Committee in presenting this bill have not undertaken to override the recommendations of the President and the Joint Chiefs. We have accepted their recommendations as the very best possible source of guidance in this critical world situation.

The purpose of the additional funds now requested is to strengthen our Army, Navy, and Air Force, increase our degree of readiness; that is, create a stronger and sounder mobilization base, and apply greater pressure in discouraging aggression around the world.

Oh, yes; there is a relationship of these funds to the fighting in Korea, but it should be evident to everyone that most of the guns and ammunition, airplanes, tanks, and ships which will be produced by this additional money will probably not actually be utilized in Korea. We hope that the Korean situation may be stabilized before the elapse of the many months required to manufacture the major items provided for in the pending measure. Yet the awful truth is that we cannot tell what the Korean fighting may eventually lead to or whether aggression in some other area will jeopardize our security.

Now to further clarify the situation, it is not the plan to pick up the $11,600,000,000 herein provided and hurl it at the enemy in Korea and thereby achieve victory. The actual problem is far different from that. As we move existing men and equipment into the Korean theater of operations, and existing forces and equipment will be and are our chief reliance in Korea, we leave vacuums elsewhere and the supplemental funds will be helpful in filling the vacuums and greatly strengthening our over-all military posture. Put it this way: If the struggle against the Communists of North Korea were the only danger on the horizon the larger portion of the additional funds requested in the pending bill would hardly be necessary.

Again and again in recent days the question has been asked: Who is responsible for our plight in Korea, for the Korean situation. Some people have been so busy blaming the situation on the complacency of the American people, or the Department of Defense, Department of State, or Congress, that they seem to have overlooked the fact that the disturbers of world peace, the Communist aggressors, and they alone, are responsible for the Korean situation. Let us get a clear perspective of the picture and put the blame where the blame belongs.

Now when reverses come, and we have suffered temporary reverses in Korea, it is a human tendency to look for a scapegoat. Did the Communist thrust penetrate South Korea because we had too few men in the Army, Navy, and Air Force? No. We had 1,500,000 men in the three services and the Communists in Korea have apparently never employed over 10 percent of that number. Was it because we had too few naval ships in active service? No. If every ship in the mothball fleet had been in commission, the Communists could nevertheless have invaded South Korea. The North Koreans have no Navy at all. Was it because our Air Force was inadequate. Definitely not. We had 48 relatively modern groups, certainly an adequate air force to cope with the North Korean Communists, particularly since the Communists had no air groups at all.

As is well known, the Subcommittee on Military Appropriations, of which I am chairman, led the successful fight last year to provide the funds for stepping up our Air Force from 48 to 58 groups, a further step toward our minimum goal of 70 groups and we have not changed our views on that important subject. Did the failure of the President to expend those funds have any appreciable effect upon our reverses in Korea? In all fairness, the answer would have to be no. Was South Korea invaded because the United States had too few tanks, too little ammunition, or other military supplies or equipment? No. Had our Army, Navy, and Air Force been twice as strong, the Korean story to this date

might have been just about the same story.

My statement may appear to be superficial, and if I should stop here it would be superficial. I do not want to distort the picture or deal in oversimplification. It is true that we had in being an adequate Army, Navy, and Air Force to repel the Communist invasion but none of this force was stationed in Korea to repel an invasion. Not only were the entire Army, Navy, and Air Force adequate to repel the invasion, perhaps a relatively small segment of our men and equipment would have been adequate to repel the Communist thrust in Korea had they been deployed on the battle line in Korea on the 25th day of June 1950, when the invasion began.

All American troops were withdrawn from Korea before July 1949. This step was taken as a part of an effort to reach a final settlement of the Korean problem. It was in keeping with the policy of the United Nations and in keeping with resolutions adopted by the UN. When these troops were withdrawn, it was perfectly evident to anyone that a strong thrust across the border by the Communists from the north could and would penetrate South Korea, the South Koreans having a force equipped and trained for little more than the maintenance of internal security and the patrol of the border against harassing raids. Such a thrust from the north would penetrate South Korea, and the existence of American and United Nations forces elsewhere, however strong, could not possibly prevent the penetration of Korea.

Now, in a general war, South Korea is not a country of strategic importance to the defense of the United States. There are many strategic areas, the possession of which is vital to our military security, but Korea is not one of them. What is vital to our security is that an aggressor not be allowed to get away with aggression and bring about the collapse of the will of the free world to resist.

I do not profess to speak for our foreign policy makers but in a nutshell this seems to be the situation. South Korea was attacked by the Communist aggressors on the early morning of June 25, Korean time. On June 25, at 2 p. m. New York time, there was a convening in New York of the Security Council, at which meeting Communist aggression was discussed and condemned and a cease fire was ordered. It was immediately clear that the North Koreans would continue to defy this order. On June 27, South Korea requested military aid from the United Nations, the President determined that we should assist the Koreans to resist the attack, and the United Nations called upon its members to give military support in opposition to the Communist aggression. In other words, United States troops left South Korea in 1949 at the request of the United Nations and returned to South Korea in June 1950, in response to action taken by the United Nations to keep the peace.

Some have asked why our forces have done so poorly. The answer is that under all the facts and circumstances they have not done poorly. It may very well be that Prime Minister Menzies of Australia was right when he said in an address in this Chamber on August 1, 1950, that our hastily improvised campaign to halt the invaders short of success in their deliberate aggression, may be regarded as a really brilliant feat of arms.

The Time magazine of August 21, 1950, and the editors of Time do not lie awake nights to think up kindly things to say about persons or programs, reports as follows:

> The American effort and the American soldier in Korea are magnificent. Doubtless we could and should have been better prepared. But the more important fact is that never before in all our history have we been so nearly prepared at the start of any war as we were at the start of this one. Today we have in Korea more men and more arms than we sent to the invasion of north Africa in November of 1942, 11 months after Pearl Harbor.
>
> Already, though still outnumbered, we have the greater weight of arms, on the ground and in the air and at sea. We know how to use and coordinate the arms, as we did not know for many months after the start of World War II. It is a wonderful and thrilling thing to see, as I have just seen, infantry in action with the support of fighters from the Air Force, bombers from a naval carrier, and, if the field commander had wanted it, bombardment from warships standing offshore.
>
> It is wonderful and thrilling, too, to ride the pipeline into Korea. The C-54's, the C-46's, and 47's stream into the airports of Japan, laden with everything from battle-wise noncoms to dismantled artillery.
>
> We might yet be pushed out of Korea. But the build-up of American power has been achieved at a pace and on a scale that would never before have been possible so early in a war so far from home.

I may also suggest that the Congress should acknowledge and applaud the heroic fight being made by the South Koreans in defense of their country. South Korean divisions are now in the line and are fighting well.

Officials of our Armed Forces knew that over a period of months there had been a build-up of Communist strength, tanks included, in North Korea, just as even larger forces have been amassed in east Germany and in the areas near Yugoslavia and Iran, and there are numerous other danger spots. Even visiting Congressmen in Korea months ago reported the possibility of invasion of South Korea.

It is certainly evident in the light of events that our military force in Japan has not been sufficiently strong. Had we, in a measure, taken out of account the threats to peace in other areas of the world and amassed a relatively small but powerful and mobile, well-equipped, striking force in Japan, the thrust could have been stopped earlier. It could not have been stopped at the border. The difference in time when the invasion could be slowed down would be a matter of degree. No doubt South Korea would have been completely overrun before effective aid could have arrived from the United States and other free nations.

Let us be realistic. Only land troops in force and on the spot at the time can stop a land invasion. Just because we have a mighty air force and a formidable navy does not mean that a land advance across a land border cannot be made. No military person would assert that an air force and a navy can stop an advance by land of strong ground forces.

On the shores of the Adriatic in the little territory of Trieste, and adjoining the country of Yugoslavia, we have 5,000 American soldiers. If some day 100,000 Communist troops, and many more than that are available, should step across the Yugoslav border and attack our forces, the situation of our troops would be obviously hopeless. We have been taking many calculated risks. It has either been a matter of taking calculated risks of some degree or mobilizing millions of men, arming them to the teeth, and stationing them at strategic places all the way around the perimeter of the free world. We have been and we are in a very difficult predicament. Perhaps we are better prepared in some respects to begin to fight an all-out major war against the heart land of the potential enemy than we are to fight small wars at points picked at random all over the earth.

If the Communists should hurl a few dozen well-equipped divisions against western Europe, and they are perfectly capable of doing so, is there anybody who doubts that important parts of western Europe would be penetrated within a relatively short time? That seems evident. The probability that before such aggressive steps could be completed many of the key cities and industrial areas of communism would be in atomic shambles has perhaps been a restraining factor. Nevertheless, it is the Western European situation which has worried thoughtful people for many months. The threat to world security is greater in Western Europe, the storehouse of much of western civilization and potential power, chiefly because its safety is vital to the maintenance of the ability of the free world to resist.

It is impossible to know with complete certainty just what we should do to meet our responsibilities. Actually, absolute security is unattainable. In the pending bill we take another step toward greater preparation for war. Not that we want war. On the contrary, we take the step in the hope that aggression may be further discouraged and peace promoted.

In broad outline and round figures here is what we do in the bill for the Army, Navy, and Air Force.

For the entire Department of Defense we provide a supplemental appropriation in the sum of $11,600,000,000. When the sum provided in the regular bill of $13,300,000,000 is added we have a total Department of Defense appropriation for this year in the sum of $24,900,000,000. In addition to this the Department also has available in contract authorization $1,300,000,000.

DEPARTMENT OF THE ARMY

The supplemental bill gives the Army $3,100,000,000 which will enable the Army to build up its manpower by next June 30 to 1,000,000 men in uniform. However, included in that number are some National Guard units which will soon be in the Federal service but for which no funds are provided in the pending bill,

and estimates have not yet been provided for certain funds which will be required to round out the program.

Army Ordnance gets $1,400,000,000 of the new funds. These funds will make possible a great acceleration in our new tank program which we initiated in 1948 with a $100,000,000 appropriation and will provide for production of markedly superior weapons and ammunition which have been developed since World War II.

DEPARTMENT OF THE NAVY

The total additional sum provided for the Navy in the pending bill is $3,600,000,000. With these additional sums the Navy is scheduled to increase the number of men in uniform to a total of 750,000 by next June 30. Of this number 165,000 will be marines. Sums for the pay of some of the marines will have to be included in a subsequent bill as the committee has not yet received an estimate of the exact sums required.

SHIPS

Under the pending supplemental bill the combatant ships will be increased from 243 in the regular appropriation bill by 39 to a new total of 282 ships. The mine and patrol, auxiliary, and amphibious-type ships will be increased from 386 in the regular bill by 243 to a new total of 629 ships, thus bringing the over-all total of operating ships of the Navy to 911. A total of 282 ships are being withdrawn from mothballs in fiscal year 1951.

AIRCRAFT

As to Navy aircraft, here is the situation. In the pending supplemental bill we are appropriating $1,500,000,000 for the procurement of 2,377 aircraft. If you add to that the funds provided in the regular bill of $748,943,000 for 980 aircraft, you arrive at a total aircraft procurement program for the fiscal year 1951 of $2,300,000,000 for 3,357 aircraft.

DEPARTMENT OF THE AIR FORCE

Here is what we do for the Air Force. We provide a supplemental sum of $4,500,000,000. The Air Force is to increase its military personnel to a total figure of 550,000 by June 30 next. For an additional 2,956 aircraft $2,700,000,000 is provided. The regular bill provided for the purchase of 1,472 aircraft. Funds in the regular and supplemental bills provide for a total of 4,428 new aircraft, including all types.

OFFICE OF SECRETARY OF DEFENSE

In the Office of the Secretary of Defense, there is provided $85,000,000 to meet unforeseen emergencies that require expeditious handling.

Also provided is $120,000,000 for research and development and $70,000,000 for industrial mobilization.

SUMMARY OF FUNDS

To recapitulate, the funds provided in the pending supplemental bill when added to the funds provided this year in the regular bill give the following distribution of funds to the three services and the office of Secretary of Defense:

Army	$7,236,879,143
Navy	8,362,476,300
Air Force	10,086,675,000
Office of Secretary of Defense	633,300,000

Included in the Navy and Air Force funds are contract authorizations to the Navy of $575,496,000 and to the Air Force of $810,289,000.

To recapitulate as to military personnel, the presently estimated strength of the Army, Navy, Marine Corps, and Air Force on June 30, 1951, is 2,300,000 men.

The regular bill plus the pending bill provides for a public-works program in the Army, Navy, and Air Force totaling $639,034,000.

A minimum of essential construction is provided at installations in continental United States and overseas.

It is impossible in my remarks to give full details as to all the sums provided in the pending measure. The committee report and the hearing will be of interest to those seeking further information as to details.

SUMMARY OF EXPENDITURES, PAST 4 YEARS

Since the fighting began in Korea, some critics have been shouting, "What has happened to the $49,000,000,000 appropriated by Congress for the Department of Defense during the past 4 years?" The intimation seems to be that perhaps someone has stolen the money or absconded with it. There is nothing sinister about the situation at all. During the last 4 years we have appropriated about $49,000,000,000 for the Department of Defense as a down payment on a peace insurance policy or shall I say an investment in security. During the past 4 years the national income of the American people has been about $820,000,000,000. In other words, during the past 4 years we have spent about 6 percent of our income on peace insurance through the Department of Defense and that was not too much to spend. It was perhaps not enough.

What did we do with the money? The money was expended in accordance with the law by the three services. $20,000,000,000 was required to pay, feed, clothe and transport military personnel. I do not know of any Member of Congress who has offered a motion to reduce the pay of officers and enlisted men during the 4-year period. In fact, last year we passed a bill increasing the pay of officers and enlisted men and which has required this year large additional sums.

Approximately $13,000,000,000 has been required to operate and maintain aircraft, ships, and other tactical equipment and military installations. The National Guard and Reserves required about $2,000,000,000. Nobody suggested that those funds should have been reduced.

Eight and a half billion dollars was utilized in the procurement of major items such as ships, aircraft for the Air Force, Navy, and Marine, tanks other weapons, ammunition and other combat material. Of the $8,500,000,000 referred to, more than $6,000,000,000 was devoted to the procurement of aircraft.

The question is asked, "Why were only $8,500,000,000 of the total of forty-nine billion provided for procurement of fighting equipment?" We could have drastically reduced the size of the Army, Navy, and Air Force and closed military installations and put more ships and planes in mothballs and thereby had a greater percentage of the funds for procurement, but to have disbanded our military forces and closed our installations and invested the entire sum in fighting equipment to be placed in warehouses or under the open sky to deteriorate would have been a course of action which could only be characterized as indefensible and ridiculous.

Moreover, if we had spent all the $49,000,000,000 on hardware, much of it would now be obsolescent or out of date. That is true for this reason. During the past 4 years we have provided in excess of $2,000,000,000 for research and development, in the field of aircraft, antisubmarine warfare, guided missiles, and so forth, and that wise expenditure has placed the Nation in a much better shape in the long run to sustain our military effort at a minimum cost in human lives. As one Member of Congress, I have no apologies for the fact that during the past 4 years we have provided $49,000,000,000 for the Army, Navy, and Air Force. My only concern is that we have not spent enough. For the purposes of the record, I shall insert after my remarks a detailed statement of the military fiscal program for the past 4 years.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. LYLE. Mr. Chairman, I believe this is one of the most helpful speeches that has ever been delivered on the floor of the House of Representatives; particularly in view of the misinformation that has gone out over the country. I sincerely hope every Member of the Congress will make it a point to read the statement of the gentleman from Texas. The gentleman has done a service for his country in compiling all this information and bringing it to us. I think the gentleman should be highly complimented.

Mr. MAHON. Thank you. I am much complimented by your very generous remarks.

I now insert for printing in the RECORD a more detailed summary of military expenditures for the fiscal years 1947, 1948, 1949, 1950:

DEPARTMENT OF DEFENSE UTILIZATION OF NEW OBLIGATIONAL AUTHORITY FOR THE MILITARY FUNCTIONS OF THE DEPARTMENT OF DEFENSE, FISCAL 1947, 1948, 1949, 1950 (COVERS PERIOD FROM JULY 1, 1946, THROUGH JUNE 30, 1950)

In the four fiscal years since World War II the Congress provided new obligational authority for the military functions of the Department of Defense of $49,330,000,000. Of this amount $11,672,000,000 was authorized in fiscal 1947, $9,812,000,000 in fiscal 1948, $13,955,000,000 in fiscal 1949, and $13,891,000,000 in fiscal 1950, the year just ended. Of this total authorization, $48,439,000,000 was used in the four fiscal years since the war and approximately $891,000,000 is being used in the current 1951 fiscal year.

Of the total amount authorized, $19,850,000,000 has been used to pay, feed, clothe and transport the peacetime military ground, naval and air forces of 1,500,000 men. This represents 40 percent of the total military bill during this period.

Approximately $12,800,000,000 has been required to operate and maintain aircraft, ships, other tactical equipment and military

installations used by these forces. This represents 26 percent of the authority made available during the period and includes a large proportion of the total civilian personnel required by the military departments to support and maintain the Nation's Military Establishment. Civilian personnel on June 30 totaled 743,000 and was approximately 140,000 lower than the total employed at the end of the previous year.

Allocated directly to the Nation's civilian components—Army and Air National Guards, and Army, Navy, Marine and Air Reserves—was approximately $1,860,000,000, or 4 percent of the total. The number of men in drill pay status in civilian component programs increased from virtually more at the end of the war to over 830,000 as of June 30, 1950.

These three programs, covering military personnel costs of the active forces and their operation and maintenance, and the pay and maintenance costs of the Reserve forces, utilized over $34,500,000,000 and constituted 71 percent of the total authority provided in the 4 years since the end of World War II.

Research and development on new weapons and new techniques of warfare required about $2,250,000,000, or 5 percent, of the total during the period, and is currently being conducted at a $600,000,000 level. Industrial mobilization and war readiness programs required a little less than $400,000,000 or 1 percent of the total.

Military public works construction in continental United States and overseas areas totaled approximately $500,000,000. Retired pay of former military personnel required the use of over $780,000,000; service-wide administration and finance activities $880,000,000; and other interservice projects, largely of a classified nature, required approximately $500,000,000.

Over $8,500,000,000 was utilized in the procurement of major items of material such as ships, aircraft, tanks, weapons, ammunition, and other combat and combat-support material. This was less than equipment actually used since substantial quantities of World War II matériel were withdrawn from stock during the period. New construction of prototype ships and conversion of existing ships utilized almost $810,000,000 of the authority provided. Major procurement of antiaircraft guns, fire control and other electronic equipment, tanks, gun carriages, tactical vehicles, aircraft ground handling equipment, and antisubmarine warfare equipment required $1,460,000,000.

Major procurement of aircraft involved the use of about $6,260,000,000, or 13 percent, of the total authorization provided. This permitted the procurement of 10,238 aircraft—4,943 Air Force, 3,837 Navy, and 1,458 Army (mostly liaison planes). Since there is a lag time between the initiation of procurement and the delivery of the completed aircraft of from 1 to 3 years depending upon the type, we are now receiving in substantial quantities aircraft procured under the $2,800,000,000 program for fiscal 1949 which was authorized in May 1948.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, the people of America are demanding to know what has been done with the billions of dollars approved for national defense since World War II.

They are demanding to know how we were caught so lamentably unprepared and so unequipped in Korea.

The confidence of the country has been badly shattered.

The people are demanding, and they have a right to demand, competent administration in the field of national defense here in Washington.

Mr. Chairman, it has been stated publicly that at the end of World War II we had on hand some $19,300,000,000 worth of weapons and equipment—some $13,000,000,000 worth here in America, and some $6,300,000,000 worth in the hands of our occupation troops. I cannot vouch for the accuracy of these figures, but whether they are accurate or not, we did have, certainly, an enormous supply of weapons and equipment on hand at that time.

Since the end of World War II, according to the figures prepared for me, we have spent for national defense purposes, in the fiscal years 1946 to 1950, inclusive, the huge sum of $96,400,000,000.

I include in that figure, Mr. Chairman, five items—the military, atomic energy, stockpiling, the NACA, and Mutual Defense Aid.

This bill carries another $16,700,000,000, of which $16,260,000,000 is for defense purposes. I again include the items just specified. Taken in connection with the omnibus bill approved by the House today the total appropriated to date for national defense for the fiscal year 1951 amounts to $32,600,000,000 for the items specified, according to my figures, or some $36,000,000,000 according to the distinguished chairman of the subcommittee, the gentleman from Texas, [Mr. MAHON], who has just spoken.

In other words, Mr. Chairman, in the period of 6 years we have appropriated for national defense over $129,000,000,000, not counting another $15,000,000,000 for such items as GARIOA, the Voice of America, ECA, Aid to Spain, Greece, Turkey, Palestine, China, and Korea, point 4 assistance, and other items which might fairly be included in the defense picture.

If the latter figure is included, we arrive at a total for the 6 fiscal years in question of $144,000,000,000, not including such further funds as may be requested during the present fiscal year.

Generally speaking, we know the Congress has made available every dollar which has been requested by the President. In fact they have done far more. On two occasions, we have seen between seven and eight hundred millions of dollars specifically appropriated for the purpose of building up a fighting air force impounded by the President and therefore not put to the use for which the Congress appropriated that money.

Funds made available for Air Force research and development have also been impounded.

As of June 30, last, there were over $1,718,000,000 of unobligated balances, made available by the Congress, which could have been obligated during the fiscal year 1950.

In the statement which the gentleman from Texas [Mr. MAHON] has referred to, and which is also referred to in the committee report, you will note that only 17 percent of the $50,000,000,000 appropriated in the four fiscal years 1947–50, were used for arms and equipment.

How have these enormous funds been expended, Mr. Chairman? Insofar as consistent with national security, the Congress and the people of this country are entitled to an answer.

And how are future appropriations to be spent, Mr. Chairman. For in all human probability, we will be called upon to make further tremendous appropriations in view of existing conditions.

It is vital, in my opinion, that the Congress should know, that the Congress should follow not only the making of appropriations but the actual expenditure of the money after it is made available.

In the past it has been difficult enough, from the testimony presented by representatives of the military departments, to form any accurate estimate of expenditure in advance.

In the bill under consideration there are items which were supported by representatives of the Military Establishments which, in my judgment, were entirely inadequate as to justification, and unsupported by fundamental information.

It is even more difficult to ascertain how appropriations have been spent once they have been made available; to obtain assurance that for every dollar appropriated we obtain 100 cents value.

Prior to World War I we were lamentably unprepared.

Prior to World War II we were lamentably unprepared.

I shall not forget the summer of 1940 when those of us who were here knew, from confidential figures which could not be made public, that this country had little or nothing to fight with in the war into which we were moving step by step every day.

You will recall that the situation was so bad that General Marshall subsequently, in an official report, stated that aside from planning we were in worse shape in 1940 than we were in 1917.

It must not happen again.

America today is in great danger. It is in danger by reason of the international situation overseas. It is in danger by reason of the economic situation here at home.

Only a few days ago the British Minister of Defense, corroborated by Winston Churchill, stated in the House of Commons that in British opinion, the Russian Government has no less than 175 divisions, one-third mechanized, under arms today, 80 of them available for use in Europe; and, in addition, some 40,000 tanks and 19,000 planes.

Our whole national policy is dependent, in the last analysis, upon our military power. Our whole military power is dependent, in the last analysis, not only upon appropriations but on expenditure.

I urge, Mr. Chairman, that the House, through the Subcommittee on Appropriations for the Defense Agencies or the appropriate subcommittee of the Armed Services Committee, or some special over-all committee, undertake immediately, with the aid of an expert staff having access to the national defense departments, to follow the expenditure

of funds made available for national defense in the greatest possible detail consistent with national security.

There is no time to be lost.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. WIGGLESWORTH] has expired.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. GOLDEN].

Mr. GOLDEN. Mr. Chairman, I have felt that every Member of Congress realizes that the supreme question before mankind is whether the present generation will again in the very near future have to go through the baptism of fire or whether there is still a glimmering hope for world-wide peace.

We here in this House pass upon many questions of great importance, but none of these questions are comparable in their consequences to the one stated above, for the destiny of mankind; the survival of freedom upon earth and the continued progress and blessings of the Christian religion.

For nearly 5 years a world-wide struggle has been going on in the minds of men everywhere. The opposing factors in this struggle are, in the main, represented on the one side by the present Communist leaders that are installed in the Kremlin, and who have established in Russia a ruthless dictatorship that neither believes in the dignity or freedom of the individual and the rights of the people themselves to form and carry out their own governments, nor do they believe in the principles and faith of any religion except the religion of power and might.

On the other hand, there is a philosophy of life represented principally by the United States of America and 57 other governments of the world that fundamentally believe in the dignity and right to freedom of the individual, and who conceived the idea and belief that they themselves should rule and set up the kind of government they preferred in each nation, and who basically ground their faith in the religion of the great Jehovah that holds the destiny of the human family in the hollow of His hand.

In this modern age, being somewhat familiar with the great progress of the human family toward freedom and happiness, it is hard for the ordinary man to conceive that at this late date there would be a great power loosened on earth which would seek to destroy all of those blessings that flow from liberty and freedom, and which seeks to install upon the face of the earth a world-wide dictatorship that would absolutely crush all freedom of the individual; which counts as worthless the right of every single man, and which believes that all power should be reposed in a ruthless dictatorship, and while the people have generally been unable to grasp this horrible conception, it is nevertheless the fact.

For the past hundred years, the Communist Party, going at different times under different names, has been building up toward a world-wide conquest of all peoples of the earth, and it is the avowed purpose of Stalin and the men in the Kremlin who represent the hard core of communism, to revolutionize the entire world; to rob mankind of liberty and religion and to substitute the merciless dictates of their own will and to convert the rest of the human family into slaves.

As horrible as this statement is, and fraught as it is, with the destruction of everything that this country and its people hold dear, it is the truth, and the sooner all of us realize this fact the better off we will be, and we will be more able to unite ourselves and unite the other peoples of the world that oppose these communistic concepts, to crush the onrush of communism and save for the world, liberty, freedom, and religion.

The people of the United States have been reluctant to believe that such a giant of destruction exists; they have been slow to realize that there is an enemy of God and mankind stalking over the earth.

Prompted by the pure sentiments emanating from a true concept of the brotherhood of man and the fatherhood of God, the American people generally, and many other Christian nations, have not been able to conceive that there was upon earth a group of men who were wholly evil, whose every word and act were spawned in the bed of falsehood and selfishness, and, the general love and respect which all good men everywhere have for their fellow man have largely, up to this hour, made it almost impossible for the people who believe in liberty and freedom, to grasp the true facts of the present situation. It is hard for them to realize that a powerful and ruthless nation, who 10 years ago had domination over only 170,000,000 people, by false propaganda, has now been enabled to acquire complete domination and control over 800,000,000 people.

It is now beginning to be crystal clear to men everywhere who will take the time to study the facts and events which have occurred in the past 5 years, that the diabolical purpose of the men in the Kremlin—the ruling authorities of the communistic movement on the face of the earth—are determined, if they can, to subject, conquer, and destroy the free Government of the United States, their principal opponent, and the Governments of England, France, Spain, Korea, Turkey, Greece, and many, many other independent nations.

To state that the human family is at the crossroads of its destiny, that the Christian religion, the liberty and freedom of the individual, are on trial for their very existence, is not an overstatement of the bald facts of the case.

Marx, Lenin, Stalin, and many other leaders of the Communist forces have made speeches and written books. The record has been made, and in these speeches and books, the arch enemies of mankind have set forth the purposes and designs in detail. They have openly advocated world-wide revolution. They still advocate the overturning by force and unconstitutional means, all the free governments of the world, including, especially, the Government of the United States. In their speeches and books, these Communist leaders and others have frequently said that they would use false propaganda, or any other foul means, to accomplish their evil purposes. They strive to bring about poverty and misery and unrest in all of the other nations of the world that are not under their power. They have been resorting to, and are continuing to resort to, methods of infiltration, whereby they can plant their fanatics in among the people of all other nations, and in our own good country. They have had them here in America and they have succeeded in inflicting upon our Government and our people, everlasting damage.

While the American people and many other peoples of other nations have been devoted to peace, these foreign spies and some American traitors have stolen from the American people many of the secrets of our modern implements of war, including the formula and know-how of the atom bomb and the hydrogen bomb; and by this method of creating poverty, discouragement and unrest, hopelessness and misery, among the peoples of many smaller, unfortunate nations and by their false propaganda of promises which they never intend to fulfill, they have succeeded in the cold war, and by these evil methods, of dropping the iron curtain over a dozen small nations of the earth, and by open and armed revolution, they have well nigh conquered the great Chinese Nation.

In addition to this, for two long years after the United Nations had established the free government of Korea, the Communist leaders have so connived and built up such resistance in northern Korea, opposing the established authorities in that nation, until they felt that they were strong enough to take that nation by open warfare, and under the promptings and guidance of the Communist leaders in Moscow, they have resorted to open warfare and aggression in Korea in order to tear down and destroy the free Republic of Korea.

This even goes beyond their past methods of infiltration and civil revolution whereby they have overturned a dozen nations, and their diabolical purpose of conquering the world has come out into the open and they are now committed to open warfare and aggression to further their designs on the human family.

For 4 years the United Nations has struggled with a pure purpose of trying to establish peace on earth, but on more than 30 occasions, when world-wide peace was almost within the grasp of good men everywhere, Russia, dominated as she is by her Communist dictators, has vetoed all these movements toward world-wide peace.

At the present time, in the meetings of the United Nations, where that body is still striving to establish some sort of law and order on the face of the earth so that all peoples may enjoy the blessings of peace and freedom, the present delegate from Russia to that august body, Mr. Jacob A. Malik, has demonstrated, in his efforts to propagandize the world, the determination of the Communist dictator that there shall be no peace on earth, and he has opposed every reasonable settlement of the war in Korea.

For many months there has been going on, 24 hours a day, a world-wide broadcast from Moscow, under the Communist

government, a blast of false propaganda against the United States and other liberty-loving peoples of the world. Anyone who has a short-wave radio can dial in on these broadcasts from Moscow, day or night. They are trying to picture the United States as an imperialistic, aggressor nation, and they are accusing us, who love liberty and freedom, and whose motivating power is the respect and belief of the fatherhood of God and the brotherhood of mankind—I repeat, they accuse us, of having evil designs, which they call the imperialistic aggression of the United States to conquer and subject the world.

In the recent speeches of the Russian delegate to the United Nations, which speeches are broadcast in several different languages so as to reach other nations and their people, Malik has resorted to the old propaganda stunts of telling the "big lie" and repeating the "big lie," in the hope and belief that it will be believed; and by falsely labeling the criminal acts of aggression and by falsely accusing the innocent in order to protect the guilty.

In the face of the well-known facts that the Communist leaders of Korea, under the direct sponsorship of Moscow, invaded South Korea with an armed force, and Malik is undertaking to tell the "big lie" to the world that the United States started the war in Korea, and that it was brought about by the imperialistic aggression of certain of the leaders of the American people. It is fortunate indeed that this false propaganda is being met head-on by the speeches of the delegates of the United States, England, France, and Nationalist China and 53 members of that great body.

In the dealings of the United States with the other sister nations of the world, instead of our having an imperialistic design to conquer and crush other peoples and overturn their governments, of which we are accused by the Communist leaders, this Nation has assumed in good faith the role of the good Samaritan in all of our dealings with other nations. We have extended across the seas the helping hand of mercy and we have poured out our money and substance to help reestablish a war-torn world.

Yet, Malik in one of his recent tirades and speeches, accuses the American people of undertaking to conquer and subdue Korea and its people, and stated, in substance, that we had taken over great industries, and that we were seeking to acquire the property and wealth of the Korean people.

The truth is, as everybody who knows, the Americans who have gone to Korea, are doctors, nurses, and missionaries; and when we have placed any effort toward establishing industries in that nation, it has been for the purposes of reestablishing—for instance, the electric power service to the people of the Republic of Southern Korea, because the Communist leaders in Northern Korea had, by brute force and without any regard for the welfare of the Korean people, cut off the trunk electric lines generating plants in Northern Korea that served the people of South Korea.

Up to this hour, there seems to be no diverting of the Communist leaders from their diabolical purpose of destroying all that is good in the world.

That brings us face to face with the most serious problem that has confronted our great Nation in the past century, and maybe longer.

Our people are a peaceful people, they are not warlike; they were anxious to bring their boys back home, and to reduce their Army, Navy, and Air Power personnel quickly after World War II.

The war in Korea, where we are struggling to stop Communist aggression before it sweeps over the world, has demonstrated the weakness of our Nation and the lack of military preparation for our own national defense and for the defense of those principles in which we believe, as stated above.

Just criticism has been hurled at our present leaders because we have spent so many billions of dollars and have so little in the way of military power to preserve this Nation. While this is true, and while there is urgent need for a different leadership in America, that is not the great question before the people of this country.

In the past, when our national leaders, or any dominant party, demonstrated its weakness and inability to take care of the welfare of the people of this great Nation, under our republican form of government the people have turned these leaders out and substituted more competent leaders to control this country.

But over and above that situation, while we have the present administration in power, we should at once realize that all present national leaders are in for only a definite period of time, at the will of the people, and this can be changed and remedied by our free American elections, but as long as these national leaders are in power, after having been elected by the people to their positions of responsibility, it is the duty of every good American citizen to realize that the life of our great Nation and the preservation of these principles of freedom and happiness far outweigh any question of politics, and that we should unite as a people, to immediately build up the Armed Forces of America so that we will not be swamped, overrun, and crushed by the evil giants of communism that are reaching for the throat of the American people.

Some people believe, and I am one of them, if there is still any hope of world-wide peace, it lies in having an all-powerful armed force, in these troublesome times, here in the United States.

If anything stops the wild men leading the Communist movement, it will be force and power, and the fear of force and power. The quicker the United States can amass sufficient military, naval, and air power to declare to these forces of evil that they cannot be successful if they prosecute their designs on the world any further, the quicker we will be able to maintain the peace of the world.

While we should never give up the blessed hope of peace, the stark facts that surround us in this dark hour in the pinpoint of world history, should make all thoughtful men and women realize that these two great forces of good and evil are marching steadily forward toward a head-on collision.

Our great military leaders that are supposed to be informed on world-wide events and to have some knowledge of the present and potential power of these contending forces, have some grave questions to decide. Upon the correct decision of these questions, the destiny of the world depends.

Our military leaders and statesmen will have to determine whether we shall wait until our enemies and the enemies of other free governments of the world selects the time to start open aggression and warfare, and selects the place or places to start these open conflagrations, and also selects the implements and methods of war, or whether these decisions will be ours.

It is up to the leaders of this Nation to make a comprehensive, immediate, appraisal of the present power of the enemy and the potential power of the enemy; and to make an immediate appraisal of our present and potential power and the power of the other friendly nations of the world that believe as we do, and that we hope and believe will join us in this world-wide struggle for the possession of the minds and souls of mankind.

For 5 years, since the close of World War II, the Russian war factories making guns, tanks, and planes, have never stopped. The Russian ground army and air force is being maintained at maximum strength. The satellite nations acquired by Russia have large standing armies. Here in America, these terrible and dangerous facts force us, of necessity, to call upon our great potential military might to put our war factories to producing again.

American free enterprise, free from all socialism, has been and is, able to outproduce the entire world. We have the know-how and the free spirit of free America to build up quickly the mightiest power on earth. We now have long-range bombers that can drop the atom bomb upon any spot in Russia and return to their base, but we have far too few of them. Our atomic factories are now doubling their output.

Without advocating the abandonment of the hope for peace, I tell my colleagues here in the Congress of the United States—the greatest legislative body on earth, the representatives of the peoples of a free nation and a Christian nation—that it is up to us and up to the President of the United States, and up to our military, naval, and Air Force leaders, to lose no more time in preparing this Nation to defend the sacred things in which we believe, and to determine the time, the place, and the weapons with which this struggle will be fought.

If we properly unite the power and people of the other 52 nations that have joined us in the United Nations, and that believe as we do, that the preservation of religion and liberty, and the peace of the world, if possible, is at stake, and

if we immediately throw the great potential power of our Nation into a striking force, we may still stop the forces of Communist aggression and have peace on earth. If, unfortunately, the evil powers of communism will not let us have peace on earth, then we will be able, and we must, crush the leaders of the Communist movement in Moscow, in America, and every other place on the face of the earth where they raise their ugly heads.

While we are weak in many departments of defense, we are far superior in two categories. We have a much larger atomic power and we have a far greater military potential than the enemies of mankind. Where we are weak, we must prepare to be strong, and where we are strong we must prepare to be stronger.

The acid test is before us. It will require sacrifice and burdens upon our people, but the preservation of liberty, freedom, religion, and happiness require that we shall be weak no longer and that we shall assert our strength, in order that we may preserve our peace, if possible.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I hold in my hand a very interesting bulletin. I will read from the headlines: "Bureau Official Listing Showing Future Purchases by the United States Government."

The mobilization program, with its promise of increased Government spending, has brought back to Washington the "contact men," the fixers, and has revived the 5 percenters. My attention has been called to a new petty larceny racket that I believe should and could be stopped.

The House Small Business Committee, of which I am a member, has for some time carried on a fight for an even break in Government contracts for small business. As a result of our efforts, the various Government departments and agencies have promised cooperation. The Department of Commerce, through its field service, recently started issuing a daily report of procurement information, listing bids on materials sought by the Department of Defense and the General Services Administration. The Department of Commerce has adopted a policy of not maintaining a mailing list but has made these reports available through its field offices and other outlets. In general, I believe they are doing a good job.

The same identical information is now being offered to the American businessman by a private company known as United States Bid Information, of Washington, at rates of $21 for 3 months, $35 for 6 months, or $60 for a year. This is not a 5-percent scheme, but it smells very much like a racket. The president of this private organization is Frederick Hollowell, who I am informed, was formerly Assistant Director of Information of the Department of the Interior.

My comments are intended as notice to the American businessman, that this service is available to him free and without cost. I also urge that the Department of Commerce expand its outlets and give serious consideration to the setting up of a mailing service to legitimate businesses throughout the country.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, crisis demands calm. We cannot permit doubts, bulwarked by experience, to dictate our thoughts and our votes. Neither do we dare allow our enthusiasms free rein. It is the eternal future of every man, woman, and child in this Republic which now hangs in the balance. I have considered my decisions carefully, thoughtfully. I have made my decisions only after having prayed to God that He might make me see right.

Gentlemen, the present matter under consideration, the problem to which I have given thought and devoted prayer, is the international information program of the United States.

In this supplemental appropriations bill, under the general heading of the Department of State, we are asked to provide in the neighborhood of $100,000,000 for the continuance and expansion of this service, which is popularly known as the Voice of America. It is not solely the employment of the media, radio, as its name implies, although it includes the employment of radio. It seeks to gain its ends by the use of motion pictures. It uses the foreign language press. It distributes American books, periodicals, and newspapers overseas. It operates libraries. It fosters the exchange of persons. It staffs and supplies United States information centers abroad so that citizens of foreign countries can, if they so desire, learn about this Nation of their own free will, without compulsion.

The cost? The supplemental appropriation bill's $100,000,000 plus the regular appropriation bill's $32,000,000 adds up to a total of approximately $130,000,000. The first question which comes to your mind, and mine, in view of a certain rise in taxes, is this: Is the international information program worth what it is going to cost the American people?

It is worth what it will cost if it honestly and ably tells the real truth about the United States and our objectives.

It is worth what it will cost if, in case the present crisis is extended into world war III, it can immediately go to work as one of a team with the armed services as effective and objective psychological warfare.

Our international information program, as it is now, does not meet the exacting standards I have set forth. It deserves to survive only if it meets those standards. As it is now, our international information program is a burden, not a bargain.

We do not need this program as it now is. It is possible that a sound, effective program can be organized. This the country can use and needs.

To better understand what we are endeavoring to do and what should be done, a review of United States participation in this field is necessary so that the members of this committee and the House might know what has happened before. It is necessary for us to know the prologue of the future.

Psychological warfare is the true name of the conflict in which we are now engaged in every world area, with the single exception of Korea. We are not in a propaganda war. The very word "propaganda" implies the lying, smearing tactics of a Hitler, a Mussolini, and a Stalin. It suggests the twisted minds of "Axis Sally," "Tokyo Rose," and "Seoul City Sue." Americans want none of that. Neither do we want advertising. It would be futile to "sell" America to the Kremlin-dominated lands as it would be to sell frigidaires to Eskimos. We want to deliver the truth to neutral, friend, and foe.

Psychological warfare is no new thing. When the early Israelites strove to escape the slavery of Egypt, the plagues were the plagues of God, but the words were the words of Moses. Moses told the truth. The truth was what the tyrant Pharaoh feared even above and beyond the death of his first-born.

No. Psychological warfare is not a new thing. But organized psychological warfare is a new thing.

It cannot be accurately said that organized psychological warfare was employed in World War I. Of course, Mr. George Creel did exploit President Wilson's 14 points as much as his small group could. The theory, then, was to turn psychological warfare inward upon the American people, causing them to hate the enemy. Mr. Creel had neither the personnel, the media, nor the experience to direct his weapon outward at the enemy, to make them cease firing, to stop them from taking American lives.

Organized psychological warfare, as such, actually came into being in this country when Mr. Nelson Rockefeller assumed the duties of Coordinator of Inter-American Affairs. His job—to tell the truth to the people of other American Republics. Did he succeed? I shall ask you another question: In spite of large hostile population centers of Italians, Germans, and Japanese, how many South and Central American countries entered World War II on the side of the Axis?

If Nelson Rockefeller was the father of organized psychological warfare to the other American Republics, Gen. William "Wild Bill" Donovan was the father of organized psychological warfare to the rest of the world. Before "Wild Bill" took charge of the Office of the Coordinator of Information at the Old Naval Hospital on E Street, he made a personal survey of the hotbeds of intrigue, the open festering sores of lies which it would be his duty to cleanse and heal.

On a morning in June 1942, Washington awoke to cynically comment on the birth of a new alphabetical agency and to learn that veteran radio commentator Elmer Davis was its head. That agency was the OWI, the Office of War Information. Short-wave radio told the truth to the world from WRUL in Boston to KGEI in San Francisco. OWI serviced newspapers and radio stations in neutral countries with American news. Neutral, ally, and enemy heard and read the American story which OWI told. Elmer Davis' organization joined hands with the Army, Navy, Air Force, and Ma-

rines to engage in tactical psychological warfare aimed directly at causing the battlefield surrender of enemy forces. The OWI, at the same time, carried on strategic psychological warfare, to shape mass public opinion abroad. The chief aim in both fields of approach was to save the lives of American boys. My friends in the Philippines and in Czechoslovakia have often told me since VJ-day that OWI did save innumerable lives.

How much did OWI cost? Figures in my possession bring out that, at its peak of war service—when it employed some 14,000 people—it operated on an appropriation of approximately $121,000,000.

OWI made mistakes. It had to hire in haste to do a job. It did not ask its prospective employees, "Are you a Communist?" Russia, at that time, was one of our great power allies. Russians died as Americans died—against a common foe. Russian and American alike fought Nazis at Stalingrad and at Kasserine Pass. A little more than 5 years ago, the U. S. S. R. entertained Members of this House at its Washington Embassy rather than smearing the Members of this House at United Nations meetings, as its errand boy, Malik, now does.

In its heyday, OWI made no use of its facilities for propaganda to the degree that the UN has been made a sounding board today.

How did Congress react to OWI? One hundred and eleven Members of both Houses contributed speeches, statements, commentaries and articles to swell its daily output. Most of us who had the advantage of this contact were not long in realizing that while OWI had its share of incompetents and left-wingers, it also had its share of able, courageous, hard-working, patriotic men and women. When it went out of existence on August 31, 1945, more than a few of us felt that we had been given a chance which might have been denied to us—to participate, if even in a small way, in our country's victory.

The successor to the OWI was the IIIS, the Interim International Information Service, created on September 1, 1945. This new organization was forgotten in the excitement of the day following its inception—VJ-day. The understaffed, overworked IIIS had no parent agency. It was a confused stepchild. State had not as yet accepted it. It was losing its best people daily to other agencies and to private industry. Many of those who remained with it were confused in the months which followed. Our diplomats, dealing with our victorious allies, learned of planned obstruction to our policies by communism. The IIIS personnel were quick to sense the change. Yesterday, the U. S. S. R. was an ally, a friend. Today, the U. S. S. R. was an opponent, an enemy. It is to the lasting credit of the greater portion of the IIIS personnel that their inward patriotism asserted itself immediately.

The IIIS was brought into the State Department in early 1946 under the then Assistant Secretary for Public Affairs WILLIAM BENTON. In spite of the fact that the organization was not authorized by law, the first appropriations came in a bill from the State, Justice, and Commerce Subcommittee in fiscal 1947. Something more than $27,000,000 was appropriated. Up to this time, including fiscal 1940, approximately $126,000,000 has been appropriated for the international information program.

Because we were not actually at war with the Soviet Union, although it was necessary to meet the Voice of the Kremlin wherever it was heard, the Department was confronted with towering problems. These were largely personnel problems. Industry at peace was competing for able manpower with Government at war. When an able man left, the Department had to take whatever replacement it could get. Some few die-hard Red sympathizers stayed on. These were by far outnumbered by the fumblers who did not know their business and who did not care whether they did or not. This made the loyal people, those who believed in the program, work all the harder to make up for the inefficient and the disloyal.

Duplication further contributed to the present inefficiency. The ECA has a private Voice of America. The armed services maintain an information program in the occupied areas. Former Ambassador Grew and his coworkers operate a strictly private Voice. The natural query of the foreign listener to all of these voices is: "Which one is the Voice of America?"

If our international information program has reached a new low in doing the job it is supposed to do, just what is the sense in continuing it?

The only logical answer is: It is more costly to start anew than to prune and build on what we already have.

Russia is spending millions of slave-earned dollars to combat freedom throughout the world. Our Voice has not reached Russian listeners in recent months because of the jamming tactics employed by the U. S. S. R. in the radio frequencies used by the United States and the free nations of the world to reach Russia. The same tactics are being used now by the satellite countries. No regular Russian listener was safe from the political police before this jamming occurred. Now, when only intermittent listening is possible, it may be that our audience is even somewhat increased.

To maintain this audience, Congress was asked to provide funds for anti-jamming equipment. We did so during the fiscal year just past. Due to timely and brilliant suggestions of Bureau of Standards personnel, we have been able to overcome about 20 percent of this jamming which is now about 75 percent effective. Counterjamming activities have not been engaged in by the United States. We are told that we are still on friendly diplomatic terms with Russia.

The various contributing causes have made our international information program so ineffective that the President had to come to Congress for additional funds to bolster the dissemination of truth. Congress provided the requested funds because it believed it would be more of a savings to prune and build on what we have than to start anew.

Congress must carefully consider this most recent request for funds.

Let us examine what the international information program requires now.

It wants 1,000 more employees than are presently employed by the Foreign Service—or, when it reaches full staff—to be around 11,000 employees.

If travel and living allowances are made, some 230 of these employees will receive $10,000 or more a year.

It asks for more than 1,000 employees to get between $6,500 and $8,600 per year—and to receive similar allowances.

For salaries such as these, the program should be able to secure the highest type of employee. If we are assured that professional patriotic men and women will be hired, this high-salaried list may be the promise of building the program into an efficient, smooth-working operation.

I have been told by the Deputy Chief of Staff of the Army and correspondingly high-ranking officers of the Navy and the Air Force that the international information program is needed for national security at this time. I was further informed that the program should not be abandoned because it was an absolute necessity to have it stand by for vital duty should an all-out psychological warfare campaign be required.

It is possible that the international information program—building itself up from the size of a regiment to the size of a division—could drop its excess baggage and regain its efficiency in this operation. It must do both of these things to be worth its salt to the American people.

What amounts to the deciding factor in this momentous decision—to drop or to increase—is leadership. There was one man in the old Coordinator of Information who was never too busy to make suggestions on how some obscure script writer might improve his output. There was one man in the former OWI who did not put a party ticket on promotions to positions of responsibility in a war in which people of all parties were equally concerned. He is Assistant Secretary of State Edward Barrett and he leads the international information program.

Because of the monumental size of the task, I make the following recommendations after close study of the whole operation since its inception.

First. Day-to-day liaison between the psychological warfare branch of our Government and the House of Representatives. We want to know what is going on at all times.

Second. Concentration of all governmental information services into one international information service.

Third. The psychological warfare program, operated as a civilian agency, must be evaluated in its entirety by the Chiefs of Staff at regular intervals so that its efficiency can be kept at top peak in this the greatest of all our national crises.

Fourth. We must have an examination of all top personnel receiving $10,000 per year or more by the appropriate committees of the House of Representatives.

Fifth. Nobody should be included in this program about whose loyalty there

is a single shadow of a doubt. The employees of the psychological warfare program must represent the ideology of 150,000,000 Americans. All too often in the past, we in the House have found continuing instances of people employed in such responsible positions using their positions to exploit un-American ideals. This time, we must be sure. We cannot afford to have un-American employees in the American truth program, using it to defeat itself. The personnel officers of this organization will have an awesome responsibility. On them rests the decision of whom they will employ and whom they will not employ. They will watch the people they hire. We will watch them.

Sixth. In order to make and keep this program effective, the strengthening of the existing advisory commissions and the closer relationship of those commissions with Congress is a prime necessity.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from New York.

Mr. ROONEY. I wish to join with the gentleman in what he says; however, I am going to go further than saying that we plead with the department that they do as the gentleman suggests. It is the viewpoint of the gentleman from Nebraska and all the members of the subcommittee in charge of this phase of this appropriation bill that the department must get the kind of people they should have to run this huge investment in the Voice of America—or else.

Mr. STEFAN. I am grateful to the chairman of the subcommittee for that assurance.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Ohio.

Mr. VORYS. I see an item of $2,860,257 for the purchase and distribution of radio receiving sets in Communist and critical areas of the world. Can the gentleman tell us how those are going to be distributed?

Mr. STEFAN. I hesitated to vote for that item until I made some investigation. This Russian broadcast program is a long story. We are not getting into Russia with the Voice of America; we are not getting into some satellite countries with the Voice of America because the radio receiving sets are not available, and I believe through this program perhaps just a little more information about America will be received by those who want to hear us. I hope that that will be effected.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Will the gentleman in his recommendations suggest the dissemination of world peace in these international broadcasts?

Mr. STEFAN. That is the object of the entire program, of course.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I have been advocating, as the gentleman knows, that a commission be appointed of Members of the House to be in daily contact with the Voice of America and to coordinate it with the gentleman's committee, the Committee on Foreign Affairs, and other committees, and to have all of the voices brought into one voice to be named "Radio Washington," as they advertise European stations, like Radio Moscow, Radio Rome, Radio Paris. In that way I think the countries abroad would know that the voice was an authoritative voice.

Mr. STEFAN. Well, we have made that suggestion, that closer liaison between the Congress and the State Department be maintained.

CAA WAR WORK

Mr. Chairman, I take this time to commend the Administrator of Civil Aeronautics, Mr. Rentzel, and his staff for prompt action in fitting the Civil Aeronautics Administration into the emergency program. Here are some of the facts to enable you to know that that agency is already nearly 50 percent devoted to defense work.

AIR DEFENSE NETWORK

The CAA's air route traffic control centers having duties that are a part of the military radar defense network are already in operation 24 hours a day. The implementation of additional centers in this country is dependent only upon the installation of additional radar equipment by the military. The CAA air-route traffic control personnel that will be required to activate this air defense work at the additional centers are now in training and can be made available for full CAA participation within 24 hours after notice is received from the military that the radar is installed and operational.

EXPEDITIOUS MOVEMENTS OF AIRCRAFT

The Civil Aeronautics Administration has taken action to expedite the movement of essential aircraft (tactical military airplanes, military cargo airplanes, civil transport airplanes operating under contract with the military, and other transport operations relating to the state of partial mobilization). The movement of flights of the above types on the central Pacific route from San Francisco to Hawaii, to Wake, and to Guam have increased approximately 500 percent since July 1, 1950. The CAA has transferred personnel from domestic INSAC stations to the OFACS station at San Francisco to handle this increased workload. At the request of the military, the CAA is assigning additional personnel to Guam to handle the increased air movements. The air operations from northwest United States to Alaska and through the Aleutian chain have increased approximately 400 percent since July 1, 1950. CAA communicators and air traffic controllers and ground support personnel, for the airports in Alaska along the above route, have been transferred to the facilities to handle the increased air movements.

OPERATION AND INSTALLATION OF AIR NAVIGATION FACILITIES

At the request of the Navy Department, the Civil Aeronautics Administration is reactivating Midway Island. The CAA Regional Administrator has been directed to carry out this reactivation and is coordinating the project with naval headquarters in Honolulu. (It is estimated that this project will require between $300,000 to $400,000 on an annual basis.)

The CAA has converted the high-powered, low-frequency omni-ranges at San Francisco and Honolulu to high-powered homers and has increased the power on the HHW facility at Wake Island so that the military crews and the crews of the military contract operations have additional navigation facility coverage in the Pacific. In addition, the military has made inquiry to determine whether the CAA can make available equipment to be used to install additional high-powered beacons at Guam, Okinawa, Tokyo, and Alaska. The CAA has advised the military that it has the necessary equipment and as soon as the military establishes the priority of these projects and allocates surface shipping, the CAA is prepared to go forward with the above four installations. (It is expected that the four installations will cost $250,000 to $350,000 for each installation.) I have been advised that the CAA is taking action to expedite the installation of facilities contained in the 1951 Establishment program that relate directly to military requirements. For example, the ILS installation at Annette Island is being expedited and the VFH communications link between Fairbanks and Nome has been given high priority. In addition, the CAA is taking appropriate action to expedite the installation of surveillance and precision radar that are in the present Establishment program. The commissioning of the remaining omni-ranges will be expedited and action is being taken to advance the date on which the military and civil transport operations will commence the use of these new facilities.

AVIATION SAFETY

The CAA is placing increased emphasis on its safety program to assist the airlines, both scheduled and nonscheduled. It has already completed a change in program emphasis by transferring 35 aviation safety agents (both maintenance and operations) from the safety program relating to private airplane and fixed base operation to the function of supervising the operation of large multiengine transports.

The military contract operation of the airlines, both scheduled and nonscheduled, for the transportation of military personnel and supplies to Japan is being given priority consideration by the Office of Aviation Safety. A substantial number of airplanes being used in the military lift are being modified and CAA engineering and maintenance personnel are cooperating with the airlines performing such modification. The CAA has detailed personnel to the Air Force-Fairfield-Suisun Base to assist in connection with this contract operation.

AIRPORTS

The CAA is providing the Air Force with information concerning military airports that were transferred to municipalities and other local governments following World War II. The CAA air-

port facility records on these specific airports are being used as the basis for military planning with regard to reactivation of certain air bases. It may be necessary for the Washington office of CAA to send special teams of personnel to the field to assist the military in connection with the reactivation of certain selected air bases.

PSYCHOLOGICAL WARFARE

Mrs. ROGERS of Massachusetts. Mr. Chairman, in 1949—many months before the tragic, world-shaking events which are now taking place in Korea—I said on the floor of this House:

> This Congress has a great stake in psychological warfare. By means of a Special Committee on Psychological Warfare, this House could go on record as seeking * * * the necessary legislative groundwork for securing a psychological warfare agency in the event of a war emergency, with the least possible waste of money and with the least possible waste of time.

To this end, I introduced House Resolution 374.

What I have to say to you now is no I-told-you-so, crying-over-spilled-milk appeal. It is an appeal for Congress to act to meet an acknowledged crisis.

This House should have a special committee on psychological warfare.

On August 17, 1950, the Department of State announced the establishment of a national psychological strategy board under the chairmanship of the Assistant Secretary of State for Public Affairs. The Department of Defense, the Joint Chiefs of Staff, and the Central Intelligence Agency have been requested by designate representatives to sit on the board. The National Security Resources Board and the Economic Cooperation Administration have been invited to provide liaison representatives.

Thus, all the major agencies concerned with defense and foreign policy have recognized the imperative need for a potent psychological warfare program. This House should be no less concerned.

During World War II, this House had no staff, no committee which was directly concerned with psychological warfare. The then Committees on Military Affairs and Naval Affairs, the Appropriations Subcommittee which dealt with the OWI, and the Committee on Foreign Affairs were not kept informed on a day-to-day basis. The personnel serving those committees did not pretend to have the highly specialized background necessary to understand what was being done in psychological warfare.

As the result, there were times when too much money was provided for impractical psychological warfare and too little for the absolute essentials of this vital program.

Let us profit by the mistakes of the past.

We do not need to repeat those mistakes.

We can match the Psychological Strategy Board of the Administrative Agencies with a special committee of the House of Representatives. This Special Committee on Psychological Warfare could put a brake upon failures and hasten world-wide achievements.

The House of Representatives should act, with the greatest expediency, on House Resolution 374.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, I, too, am for a Voice of America. I think the Voice of America, which goes to Europe and Asia and South America, ought also to go to the United States. I think they ought to have the same story—the American story. It is the most romantic and most entrancing story in the world, to tell the story of America. But I defy you, ladies and gentlemen, to find anything American in most of these programs.

I have opposed this thing because I feel very strongly that the $33,000,000 we are presently spending is largely being wasted. This program is not as ambitious in its revelation here as it is in the committee room, but the figure of $200,000,000 per year is the objective of many of the people behind this program.

About a year ago they admitted in our committee about 2 percent of this material—this noise that goes out over the air and over the world—was getting through. This year, without any change of equipment, because the equipment we authorized, so far as I can find out, they do not claim has been put into use—they now claim that some 25 percent of it gets through.

I am going to include in my remarks a statement furnished me by a Member from the right side of the aisle, as to its effectiveness in Germany.

It is with great misgivings, and the members of the committee will tell you, that I have opposed it. I do not flatter myself that you have read the hearings. But this story that has been going out has not been carrying the story of the kind of America that you and I know and like. It is my firm conviction that our State Department cannot export what it does not have in stock, and that is an American viewpoint. We have just seen the best American I know of in the personnel of the State Department sent away as Ambassador to Greece. I refer to Mr. John Peurifoy, of South Carolina.

For the life of me I cannot understand why our State Department should turn itself into an international busybody trying to arrange and handle all of the affairs all over the world, in every corner of the world. We are rapidly getting to that point, and we will reap the same reward, as I mentioned in the hearings, that the ardent clubwoman in any of our little towns reaps when she takes it upon herself to conduct everything in the life of her small community, cultural and otherwise. The result is not very gratifying to the clubwoman and certainly it is hard on the town.

At a time when our people are so woefully short of matériel to stop the attacks of the Communist aggressor in Korea, I cannot see that providing 11,000 men and women for this perfectly inane program will do any good unless it is Americanized and unless it begins to speak with the vibrant Voice of America and unless somewhere along the line somebody remembers that the greatest story that we can tell the world is the story of the American Republic. Somebody must remember that we are a republic. You yourselves very seldom hear that. In the hearings, and I do not flatter myself that you have read them, a man in the European section of our foreign policy admitted to me last spring that they were looking for a new word for democracy because its meaning has become so clouded. Someone in the press picked it up and put it out. I received letters from all over the country on that. Some people of course distorted it. But it is an alarming thing that the best thing we have to sell, the most precious gem in all our armory is the story of the American Republic and our own people do not even know it. This Marxist idea has permeated the country. I made the statement in committee and I make it here again, that for every ideological foot that this Voice program has gained, the Communists have gained a first down in America. It has gone through our schools, our colleges, and our pulpit in a great many cases, and we need a real vibrant Voice of America for America and the world.

The letter I referred to previously is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 16, 1950.

Hon. CLIFF CLEVENGER,
House Office Building,
Washington, D. C.

DEAR COLLEAGUE: Since you are a member of the subcommittee which I understand is now considering a $64,000,000 appropriation for the Voice of America, I feel that you would be interested in reading the enclosed statement on the value of the Voice. It was sent to me by the Governor of the State of Utah, Mr. J. Bracken Lee, and he tells me it comes from someone in whom he has confidence.

With kindest regards to you.

Cordially,

REVA BECK BOSONE,
Member of Congress.

The Korean situation is not good and the likelihood of its erupting into a major conflagration cannot be discounted. But mistakes are being made and will continue to be.

I noticed in the paper that a House group has approved $64,000,000 in additional funds to try blasting the Voice of America through the iron curtain. Personally, as a private citizen, I think it is a waste of money, elephantine waste. For each high-powered transmitter we put on the air the Reds put on a jammer; it is a cinch that if one cannot hear the voice in Germany they certainly cannot hear it in Russia. While in Germany during the last 3 years it was difficult, if not impossible, to hear the United States when Russian jammers were on, and I can readily imagine what it would be like right in Russia. Talking to a few refugees while in Germany, I learned that most Russian villages have a communal radio system. Every house has a speaker and is fed from the town supervisor's set; in this way only those programs sanctioned by the Government can be heard. The Russians do not have enough money to buy sets, especially when shoes come to about $100 per pair. I agree that we should get the truth over to those people, but it cannot be done with more radio transmitters; even the strongest signals will be blanked out by local jamming

equipment. To my way of thinking, someone has an empire started. Incidentally, if you have a radio with the short wave (international broadcast band) provision you can actually hear the jamming going on here at home and we are many miles away. Even though the programs are beamed there is a real difficulty getting the station clearly here.

You have known me ever since I was knee high to a grasshopper and during that time I have studied radio unremittingly. I know that I am not wrong in feeling that the $64,000,000 is a waste of money. For 20 years, of which over 15 have been spent in the Army doing communications and electronic work, I have yet to see any transmitter from a distance outdo a jammer close to a receiver. I believe that present facilities are inadequate because the Russians themselves have made them so. The only approach to the problem (and it is not 100 percent effective) is placing our transmissions so close to those emanating from Russia that were they to jam them they would jam their own because jammers must necessarily be broad.

I feel very strongly about the above and it is one of the main reasons that I am writing to you. It galls me to think that my tax money is going for something which could be better utilized elsewhere. While in Germany I operated my own amateur radio station and talked with the world, including Russia. I am enclosing a verification card from Moscow of one radio operator. Conversations with Russians were limited to the weather, the type of sets being used and were very brief, for all radio facilities are controlled through a central radio club. While operating my radio station I listened for the Voice of America and made exhaustive tests with my own rhombic antenna (the best that one can have). That $64,000,000 could stand a clipping. I am sure that broadcasts to other countries may warrant part of it, but not the whole amount. In 1948 when I made a trip to the Middle East, including Eritrea, I heard a couple of our stations coming through in fine style and I hope that they are continuing to get through.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, an Associated Press dispatch which appears in the morning papers reports that a private physician has been employed by the Surgeon General's office of the Army to examine X-rays of men processed through the induction center at Milwaukee. According to the dispatch, this doctor receives a $5 fee for each X-ray he examines; and it is stated that he has examined 4,500 X-rays so far this month, for which he has received or will receive $22,500, something more than $1,000 a day for his services.

This is an outrageous raid upon the Public Treasury. The officials responsible for it are either guilty of malfeasance in office or unbelievable stupidity. It is frightening to contemplate what the total cost of such a program will be if it is being carried on at all induction centers throughout the land.

Mr. Chairman, are the Armed Forces so destitute of medical officers that they cannot provide doctors to examine X-rays taken at the Milwaukee induction center or at any other induction center where this irresponsible policy is being pursued? What happened to the thousands of young men who received medical education at Government expense during World War II? Is no one in that group available? Cannot Reserve officers who are capable of checking X-rays be called to duty? Is it not possible that local chapters of the American Medical Association will as a patriotic gesture furnish volunteers to examine these X-rays?

These are but a few of the questions the Secretary of Defense should be called upon to answer. He should be directed to appear before the appropriate committee and to bring with him his subordinates who are responsible for instituting this monstrous program. A full investigation should be made immediately.

The American taxpayers will not stand for such treatment, Mr. Chairman. They are already saddled with a gigantic debt exceeding $250,000,000,000. Government spending under the Truman administration continues to exceed income. The very least we in Congress can do as guardians of the Treasury is to demand that ordinary common sense be practiced in the operations of the various agencies of the Government.

At the appropriate time, Mr. Chairman, I shall ask permission to append at the close of my remarks an article which appeared in the Washington Daily News this afternoon, and which supports the facts pointed out in my statement:

WISCONSIN DOCTOR TOPS, SO FAR—ARLINGTON HOSPITAL MAKES $560 DAILY ON DRAFT TESTS

Arlington Hospital has earned an average of $560 a day X-raying and blood-testing local area selectees, the News learned today.

From July 19, when physical exams began, to August 23, the hospital has grossed $14,686. Some 2,098 men have been examined. A Pentagon spokesman yesterday said the situation is much the same throughout the country.

FOUR HUNDRED AND FIFTY DOLLARS IN OMAHA

The United Press reported in Omaha, Nebr., for example, one doctor was making $450 a day for X-raying alone.

And a Milwaukee doctor has been earning $1,125 a working day, average, since August 1, for a total of $22,500.

A Quartermaster Corps spokesman explained that after World War II most of the Army's X-ray equipment was sold as surplus. Thus, he said, the only recourse when examinations were needed for inductees was to rely on private facilities.

He said his department is most unhappy about the arrangement. Since the Korean operation began, he said, there has been a desperate attempt to acquire needed equipment so the Army could do its own examinations. He added that some of the firms approached for the equipment are the ones to which the Army sold its appartus as surplus.

But the Pentagon spokesman explained the system this way:

It is not that we have sold all our X-ray machines and blood-testing equipment as surplus. What we don't have is personnel.

Even if we had the personnel, it would not be feasible or economical to assign radiologists and technicians to a city as far from military establishments as Omaha.

HOW ABOUT HERE?

For the Washington area, with many military establishments, Arlington Hospital, nevertheless, is both supplying the equipment and doing the examinations.

The price ceilings, as set up by the Army are:

For the X-ray picture: $3.

For the interpretation: $2.

Testing of blood for syphilis and other things cost $2 per man.

A high ranking officer in the Washington military district called the procedure "a waste and a disgrace."

He said there will be a lot of buck-passing now as to who is responsible but that won't pay the bills.

Mr. TABER. Mr. Chairman, I yield the remainder of the time to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I listened, as I am sure every Member of the House did, with a great deal of interest and appreciation, to the statement that was made by the gentleman from Texas [Mr. MAHON]. It was an extended review, and, if I interpreted it correctly, it was intended as more or less of an administration statement of our present defense position.

Having served with the gentleman from Texas [Mr. MAHON] for many years on the Appropriations Subcommittee, which dealt with the War Department and which included both the Army and the Air Force during World War II, and even before our participation in it, I have a great deal of respect for him, for his integrity, his ability and his sincerity. I am sure that his remarks made this afternoon were made with his characteristic sincerity and studiousness.

I would not quarrel with him in his general observation that our defense appropriations have represented a calculated risk. I think, with him, that there should be a balance between the potential dangers of the country and our economic situation and our financial strength.

But I want the record to show, and I think it ought to show at this time, that the thing which concerns the American people today, and the thing which makes them distrustful of our national leadership is the fact that under the leadership we have had in the past few years there has been no matching of our foreign policy with our military strength; that there has not been a proper calculation or coordination between the positions taken by the State Department and measures taken by the Department of Defense.

I have in mind that a few years ago plain-speaking General Hodge came back from Korea to report on the occupation. Soon it became common talk in military circles and other circles around Capitol Hill that we were not in a position to hold South Korea; that if we wanted to hold Korea we should have more men and equipment there; that we should make up our minds and act accordingly.

And I remember when General Wedemeyer came back from his special mission to China and told us that the $125,000,000 we might be appropriating was merely a token gesture; that, if we wanted to hold China, we had to do more than that. Yet, when we were given competent advice and suggestions about a firm stand, when we might have put strength in Asia, when we might have done what we now talk about doing, we did not do it. We abandoned China except in name; we pulled our principal forces out of South Korea. We left there only a small military mission and

the men of good intentions—the State Department's optimists, the ECA staff who were to keep up the appearance of helping Korea—to, in the words of Adviser Owen Lattimore, "let Korea fall, but not look as if we pushed her."

So we announced to the world that we were withdrawing our military; we started taking them out in January 1949, and by July said the withdrawal had been completed. But we left the military mission there, we left the ECA boys and girls there, we left the American flag there; and when the North Koreans came down and overran the South Korean front lines, the President suddenly reversed our publicly announced policies and ordered General MacArthur to throw troops into Korea, into an action for which they were not ready, and into a style of warfare for which they had neither training nor equipment.

I do not need to recount here today the heartbreaking events that have followed, even though our young soldiers have fought with a heroism worthy of a better fate.

Oh, yes; I know the President directed General MacArthur to carry out the call of the United Nations; but you know, and the world knows, that the UN Security Council acted on the motion of the United States delegate in a special Sunday session. I am not raising any question here about that part of the President's action, but I do want to suggest that in reversing our policy the President put an unexpected demand upon the troops MacArthur had at his command. And no less a world reporter than Henry J. Taylor has said in a public broadcast that the President's directive scrapped the Defense Department's own plan for defense, which would have been to move our people completely out of South Korea, then issue an ultimatum to the North Koreans to retire from the south or face an immediate and large-scale air bombardment of their strategic centers.

That plans and policies were suddenly reversed and the Defense Establishment stood up is hardly a matter of question, for on page 15 of the hearings on this pending supplemental appropriation bill I find a revealing colloquy between the gentleman from California [Mr. SHEPPARD] and Secretary of Defense Johnson.

The gentleman from California [Mr. SHEPPARD], himself former chairman of the Appropriations Subcommittee for the Navy, said to the Secretary:

I am under the impression from the information I have obtained from various sources that considerable difficulty was involved in the Korean situation because it was publicly announced that we were finished in that particular area and we had no further intention of injecting ourselves in that picture, at least so far as the military were concerned, and until recently, and that was the decision upon which you gentlemen were basing your operational conclusions. Is that a mere assumption on my part?

Secretary Johnson answered:

That is correct both as to the Military Establishment and as to General MacArthur. He has been unfairly critized with reference to his responsibility in Korea.

Then Mr. SHEPPARD asked:

That was a decision of the higher echelon and not at the moment a part of the military conclusions as such?

Secretary Johnson said:

Correct, sir.

In other words, a higher echelon than the Department of Defense, either the State Department or the Commander in Chief suddenly reversed the policy announced in the speech which the Secretary of State, Mr. Acheson, made at the National Press Club on the 12th of January of this year.

You all remember the Secretary said that we were drawing a defense line, and he drew a line from the Kuriles down through Japan, Okinawa, and the Philippines, and said that beyond that perimeter no one could guarantee the area against attack. That was notice to the Defense Department; that was notice to the Russians; it was notice to the North Koreans.

So, for myself I do not blame the Defense Department for not having the trained ground troops and heavy equipment up there in Korea when the attack came.

Three days after the Acheson speech, General MacArthur notified the President that the North Koreans were getting ready and that an invasion might come in March or April. And yet a month later, February 15, Secretary Johnson, in a statement reported by the Washington Post, was permitted to say:

The defenses of the United States as of today are, in the opinion of the Joint Chiefs of Staff, myself, and the President, sufficient unto the needs of the hour.

On March 10, less than a month later, a report was sent to Washington also by intelligence that the invasion would come in the month of June. Again on the 31st of March when a reporter asked President Truman, vacationing at Key West, whether he agreed with General Eisenhower's views that some of our defenses had been cut below safety limits, Mr. Truman shot back: "Not in the slightest." That appeared in the Baltimore Sun and other papers March 31, 1950.

On May 25 it was again reported to Washington by our intelligence in Tokyo that the North Koreans had increased their strength from 6 to 13 divisions.

But no change in policy was made. In fact, on June 2 the Chief Executive told his weekly news conference that the world was closer now to permanent peace than at any time during the last 5 years.

You all read that statement. It got banners in papers across the country on June 2, 1950, just a little more than 2 weeks before the attack came, when the President was spending a week end out in Missouri.

No, I do not blame the Defense Department for not having heavy tanks on hand or ample air tactical support for ground operations, or troops trained for the tough terrain of Korea. Our people had been led to believe we were in excellent shape, notwithstanding the fact we had withdrawn our forces from Korea. Secretary Johnson did say that if the enemy struck at 4 o'clock we were ready to reply at 5 o'clock but announced state policies had taken the defense of Korea out of his responsibilities. But that does not bring back a single boy who has been sacrificed in Korea and the question that the American people are asking of the administration today is why it did not match up military preparedness with its foreign policy.

What kind of leadership is it when the President suddenly reverses the whole picture and throws upon the Defense Department the task of trying to keep the North Koreans behind the thirty-eighth parallel? Does anyone know what happens when we get back there? Is it any wonder that the people have lost confidence in that kind of administration of affairs?

The record of Congress is pretty clear on this whole defense proposition. Some $2,000,000,000 more was appropriated on national defense activities in its various phases in the immediately past fiscal year of 1950, ending June 30, 1950, than was spent. I include in that total the unspent portions of activities for which funds were given on the plea that they were essential to the national defense. To those who want exact figures, I refer you to the table supplied by the Treasury to the gentleman from New York [Mr. TABER]. I placed it in the RECORD of July 25, page 10994.

The gentleman from Texas has referred to the action of the House last year in appropriating additional funds for the Air Force, on his motion, as I recall, yet the President froze $735,000,000 worth of those funds. And the effect of that freezing is told in a letter by the Comptroller of the Air Force which I also placed in the RECORD of July 25.

And back in 1948 I recall when the able and lamented Secretary Forrestal came to members of the Appropriations Committee and told us of the necessity for building up and expanding the aircraft procurement program. On very short notice, the gentleman from New York [Mr. TABER], then chairman of the committee, brought to the House a bill to expedite the procurement of planes. In fact we added to the requests by an amendment which the gentleman from New York offered; we added the sum of $822,000,000, if my memory is correct, and established both as a matter of policy and as a matter of program the creation of a 70-group air force. But you will remember that most of that money was frozen and this year we had only 48 groups with plans for 58.

Going back a little bit further I see the clerk of the Committee on the Armed Services sitting before me, Mr. Lambert. I am sure he will remember that back in 1946 or 1947 we learned that funds appropriated by the Congress for research and development in the Air Force had been frozen and impounded by the President to the tune of $135,000,000, if my memory serves me correctly. We were told that the President had directed that those research funds should not be spent, and the Budget Bureau requested that they be transferred over to pay of the Army rather than ask for new funds directly for that purpose.

Members of the old subcommittee will recall that about that time we had before us General LeMay, who was head of the Strategic Air Force during the last days of the war with Japan, and then in charge of research and development.

I recall asking General LeMay what that freezing of funds meant and he said it meant the loss of about a year and a half in the research and development program of the Air Force. We asked him whether or not it would be possible for him to bring the program up to date if we restored the money. He said the time had gone by in that fiscal year, that there was certain preliminary work that had to be done; it would not do any good if he got the money, he could not pick it up at that time, the program was simply set back that much.

I do not see anyone shaking his head to dispute that testimony.

No, Mr. Chairman, the responsibility that the administration carries in this crisis will not be answered by the paper which the gentleman from Texas read so ably today.

Mr. GARY. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, the time left in general debate is only a few minutes. I am anxious that the gentleman from California [Mr. SHEPPARD], vice chairman of the subcommittee, who has a long record of public service in national defense matters, and the gentleman from Florida [Mr. SIKES], also a deep student in this field, and who worked very closely with me on this bill on our side have some time. I understand the gentleman from New York [Mr. TABER] is going to take some time under the 5-minute rule. These gentlemen who worked so hard and have such a fine grasp of the situation should by all means be heard by the House before consideration is concluded.

Our subcommittee was enlarged temporarily for the purpose of giving consideration to the military portion of the pending bill. The Members who actually served and who drafted the military portions of the bill are as follows: On the majority side, Mr. CANNON and myself, Mr. SHEPPARD, Mr. SIKES, Mr. RABAUT, and Mr. NORRELL; on the minority side, Mr. ENGEL of Michigan, Mr. PLUMLEY, Mr. WIGGLESWORTH, and Mr. TABER.

Mr. GARY. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. GOSSETT].

THREATENED RAILROAD STRIKE

Mr. GOSSETT. Mr. Chairman, about an hour ago the President issued an order taking over the railroads on tomorrow.

The big railroad labor organizations' threat to call a strike at this time, their forcing the Government to take over the railroads, make them allies of Joe Stalin. In time of war or national emergency patriots or good citizens would offer to work 48 hours for 40 hours' pay, rather than strike to get 48 hours' pay for 40 hours' work. Intelligent, honest Americans are now asking themselves, "Have we become so morally bankrupt as to permit the economic strangulation and destruction of the Republic by organized greed or economic piracy?"

Industrial abuses, the hoarding of labor by industry, slowdowns, strikes, the 40-hour week, profiteering, featherbedding, and so forth, added unnecessarily $100,000,000,000 to the cost of World War II. These same practices, to a lesser degree, have caused unreasonable inflation since World War II. Now the chiselers, the cheaters, the grafters, and the modern hijackers are getting ready to take advantage of the present emergency.

Frankly, I am more afraid of the "reds" and the "pinks" within our borders than I am of the "reds" and the "pinks" in other lands. I am more afraid of Communist allies within this country than of Communist allies abroad. It seems preposterous that big labor bosses would sabotage this Nation, but apparently they are able and willing to do that very thing, all for selfish, shortsighted personal gain. Theirs is the philosophy of "eat, drink, and be merry, for tomorrow ye may die."

Mr. Chairman, we can recapture excess profits to a large degree, but we cannot recapture lost production or wasted manpower. We cannot regain freedom after we have become slaves.

Strikes in major industries or strikes that cripple the country's war effort should not be tolerated.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

OFFICE OF CIVIL DEFENSE

For all expenses necessary for civil defense planning, pursuant to the provisions of the act of August 11, 1950 (Public Law 686), including personal services and printing and binding, $30,000.

Mr. TEAGUE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE: On page 3, line 11, strike out "$30,000" and insert "$290,000."

Mr. TEAGUE. Mr. Chairman, on June 29, Mr. Paul J. Larson, Director of the Civilian Mobilization Office of the National Security Resources Board, appeared before the District Committee and insisted that a bill providing for civilian defense in the District of Columbia be passed. The District Committee passed this bill and I understand it is now pending in the Senate.

I was shocked to learn yesterday that the Appropriations Committee had reduced the amount requested for civilian defense in the District of Columbia from $290,000 to $30,000. My amendment would restore the total $290,000.

Mr. Chairman, I have today contacted the office of Mr. Stuart Symington. Mr. Symington was out of town, but I was assured that that office was very much interested in this legislation. I called General Clay in New York City, and General Clay said that in the State of New York they were spending money on a warning system and on medical supplies and later they will begin to build public buildings to be used as shelters, and he asked that two points be emphasized. The first one he emphasized was that the problem of civilian defense is up to each local community; that it should be made known that the Federal Government is not going to provide for civilian defense all over the country and that it will be left up to the community. The next point he asked to emphasize was the fact that every community in this country feels that the District of Columbia is the nerve center of this country, and if it did nothing concerning civil defense, the country was going to do likewise. I have talked to some members of the Appropriations Committee and the answer concerning this cut has been that there was no plan or no program. If you have copies of the hearings you will find from page 69 to page 94 what the Commissioners plan to do concerning civilian defense; the methods they intend to use, the travel that will be necessary, the communication service that will be necessary, the supplies and equipment and material that will be necessary, printing and reproduction. It seems to me that everything that anybody would want to know so far as civilian defense is concerned is in those hearings.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from New Jersey, who was the first to speak out against this cut.

Mr. CANFIELD. I, too, know of the concern of Mr. Symington and Mr. Larson. Does the gentleman know, perchance, if either was called before the committee to testify on this extremely important item for civilian defense in the District of Columbia?

Mr. TEAGUE. Mr. Symington was not called before the committee.

Mr. Chairman, I hope the committee will see fit to restore this money.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Massachusetts who has shown much interest in civil defense.

Mr. KENNEDY. Of course, it is going to cost more than $30,000 to organize blood blanks and instruct personnel on what to do in the case of an atomic attack, and organize everyone in the District so that they would know their job and know what to do, and instruct them how to build shelters. It is going to cost more than $30,000. I think that the gentleman's suggestion is right and that we should appropriate the original amount of money asked for, and we should keep close supervision as to how the money is spent in organizing civilian defense in the District of Columbia. That would be a good example to the country as a whole.

Mr. TEAGUE. It will cost more than $290,000.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from New York.

Mr. JAVITS. Does not the gentleman believe that this question of civilian defense is one that is all too much overlooked by all cities and by the District of Columbia? Where the Congress has jurisdiction, we should not ourselves be guilty of belittling it as this would if all we allowed was $30,000.

Mr. TEAGUE. There is a quote in the paper this morning attributed to the gentleman from Kentucky [Mr. BATES], that he had made no study of civilian defense and that he did not think the taxpayers ought to be asked to pay for it until we need it. From what is happening in the world today, I think we need it.

Mr. JAVITS. I certainly agree with the gentleman.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the time on this paragraph and all amendments thereto be limited to 25 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, it is agreed by our military leadership that when world war III comes, the United States is going to be hit, and because of that feeling the National Security Resources Board, under Mr. Symington, is now preparing advices for the civilian defense of States and cities against atomic bomb attacks and poison gas attacks. Under date of October 5, 1949, a directive went out from that office signed by Dr. John R. Steelman, acting chairman, telling the States and cities in effect, "This is your baby, and all the Federal Government can do is to act as a counselor, and adviser." Hanson Baldwin, military expert of the New York Times, asks the question, "When are we going to start on civilian defense?" I, too, was consternated yesterday when I learned that our House Committee on Appropriations had cut the request of the Commissioners of the District of Columbia from $290,000 to a measly $30,000. This morning I discussed that situation with National Commander George Craig, of the American Legion, and he was aghast. He could not understand why our committee had taken that action.

Mr. Chairman, there was no trouble last fall when we in the House appropriated $3,000,000 for a gala party here in the District of Columbia to be called the Freedom Fair—$3,000,000. What happened to that fair? It became bogged down in futility and disrepute, and the plans have been canceled. And now the Bureau of the Budget has impounded $1,500,000 and I maintain that we could well spend $290,000 of that for civilian defense here in the Nation's Capital.

I realize that when the Commissioners first came before the subcommittee headed by the able and distinguished gentleman from Kentucky [Mr. BATES] they had in mind only the making of plans on paper for 1951. They asked for $30,000. But when they appeared the second time they said they were prepared to implement established plans and realizing that time was of the essence they wanted the money to go ahead and do a real job for the District of Columbia.

Now Mr. Symington tells us that casualties in the event of an atomic-bomb attack on the District of Columbia or any other target city in the United States can be cut down from 50 to 75 percent if we have an adequate civilian defense.

Recently Collier's magazine reported on a survey of the English civilian defense system, the English claiming that they can cut down casualties more than 50 percent, which they did in the last war.

While we are sitting here idly and talking about $30,000 for the civilian defense of our Capital City, the Russians, Mr. Chairman, are training thousands of people in squads in the art of civilian defense against possible atomic-bomb attacks. Like our colleague, the gentleman from Texas [Mr. TEAGUE], I, too, called the office of Mr. Symington today and I was told that they felt Mr. Larson had justified to the last dollar the request of the Commissioners in his appearance before the legislative committee of this House. They seek to begin their program to make a model here in the District of Columbia for the entire Nation. They went on to say if we today cut this request to $30,000 the States and cities of the Union will not be able to do a proper job, the job that the National Security Resources Board wants them to do, and the civilian defense throughout the United States will not only be a failure, but will be a joke.

Mr. Chairman, I hope that we approve this restoration to the full amount of $290,000 asked for by the Commissioners of the District of Columbia

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, two of the committee members who asked for time on this side, the gentleman from West Virginia [Mr. KEE] and the genteman from Virginia [Mr. SMITH], are very much concerned about this item of civilian defense.

At a meeting this morning we discussed it in some detail, and the gentleman from Texas [Mr. TEAGUE] was named by the chairman of that committee as chairman of a subcommittee to take action to see if it would not be possible to have this item of $290,000 reinstated rather than the $30,000 item that is in the bill at the present time.

It is true that a request some 2 or 3 months ago was submitted for $30,000 for this item, but since that time the situation has become a great deal more tense, and the need for a substantial sum to be used for civilian defense has increased quite a bit since that request was made 2 or 3 months ago for this $30,000.

I realize, of course, that it is a rather unsatisfactory thing to attempt to amend items of appropriation here on the floor of the House. However, I have read the testimony of Brig. Gen. Gordon R. Young before the subcommittee which handled this item. His statement was in great detail and was broken down. He said that the amount provided in this item would not enable them to buy more than perhaps three or four air-raid sirens. He goes on to state:

> I do not know yet how many we will need. In World War II we had 85. Those, unfortunately, have been disposed of, and we are going to have to buy some more. That could not be covered within this amount of money.

The justification for this $290,000 item is broken down in four parts. The first is concerned with the establishment of a Director of Civilian Defense, of planning and operation stations at an estimated cost of $86,380. The second item is the establishment of a civilian defense command net at a cost of $83,620. The third is the establishment of a civil defense warning net at a cost of $57,300, and the fourth is for civil defense operations involving service records and training at an estimated cost of $62,700. These items are further broken down in great detail in his testimony. All these items are necessary if any kind of civil defense program is to be established and set up.

At first blush it might be thought that the military which have their headquarters here would protect Washington and that we could depend upon them to take care of the civilian defense problem here, but that is not the case. The military have no idea at all of undertaking the civilian defense of Washington any more than they have of undertaking the civilian defense of Philadelphia, New York, Chicago, or any other place; it is a civil-defense item pure and simple.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. REED of New York. Has the gentleman's committee investigated the protective system used by Great Britain? She has had long experience with these raids and must have had a fine setup in civilian defense. Has your committee looked into that?

Mr. DAVIS of Georgia. I have not. I am unable to speak for the other members of my committee but personally I have very little knowledge of Great Britain's civil-defense program.

I want to mention this: It was mentioned by the gentleman from Texas [Mr. TEAGUE], that Washington should establish in its setup a program that would serve as a pattern. The city of Atlanta sent its civilian-defense director here 2 weeks ago, but he had to go back empty-handed and without information. I think this is very important and that the amendment should be adopted.

The CHAIRMAN. The gentleman from Oregon [Mr. STOCKMAN] is recognized.

Mr. STOCKMAN. Mr. Chairman, from what has been said here it would seem as if the subcommittee is not appreciative of the potential danger of attack on the city of Washington. That is not the case. We have allowed the full amount requested by the Commissioners of the District for planning and survey. Our sole purpose in going about this matter as we have is to try to approach it in an orderly way, and I think that is what we are doing

The $30,000 allowed is for planning.

The $290,000 that has been mentioned on the floor was for a plan brought up by Commissioner Young and his assistant, Colonel Hayes, which was the result of a very few weeks of hurried study on a rushed plan. I would like to quote what Colonel Hayes said to our committee when we asked him about his plan. He said:

> We are not trying to develop such a plan here because we are not sure where we are going.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield.

Mr. TEAGUE. Did he not say that they saw now where they were going? I think the gentleman should quote further testimony by Colonel Hayes. He said:

> We did not visualize at that time the setting up of civil defense headquarters this year. We see now, gentlemen, where we are going more clearly, so that we now consider it necessary to set up this civil defense headquarters this year.

The point is we are giving them the full amount they requested for planning. We are trying to get at this thing in a manner that we think we will get dollar for dollar value for what we spend. The $290,000, in the committee's judgment, was for a plan that was not well thought-out, and not adequately formulated.

Mr. Chairman, that is the whole sum and substance of the matter. The committee is not opposed in any way to this, and I have not heard anyone on the committee opposed to spending money for proper civilian defense for the District of Columbia, but as yet we have never been convinced by the testimony offered by the Commissioner and Colonel Hayes that such a plan has been properly developed. That is all the committee is waiting for and that is why we appropriated only $30,000.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New York.

Mr. REED of New York. Does not the gentleman think it would be the part of wisdom to draw upon the experience of Great Britain with her series of bombings she went through. She must have made a great study, and from a practical point of view she must have set up a fine system over there.

Mr. STOCKMAN. I think there is no question about that. They were in a danger area, and I think we could well profit by their experience.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. England has a very fine Department of Civilian Defense; Russia has a very fine Department of Civilian Defense. We are the only country in the world that does not have a Department of Civilian Defense. I think we should take immediate action to have a Department of Civilian Defense operating under the President, also giving money, if necessary, to the various communities.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Is it not true that only three witnesses appeared before the committee? The committee should have called upon Mr. Symington and Mr. Larson who are most anxious to go ahead and implement those plans that are only on paper.

Mr. STOCKMAN. The committee was dealing in reference to this matter with Commissioner Young who in the judgment of the committee is deemed thoroughly capable of handling the matter.

Mr. CANFIELD. I believe the committee approached the assignment in a conscientious way, but we should go further because the cities and States, particularly in target areas, are looking to the Nation's Capital to set up a model pattern for them to follow. If we are going to cut this appropriation to $1 for every $10 requested, why, they are not going to go ahead. They will have the feeling that the fathers here in Washington think this is all poppycock.

Mr. STOCKMAN. The committee is willing to go further. It is a question of taking the $30,000 which we have budgeted and using it for some orderly, intelligent plans. If after the staff is set up as allowed in our bill and such a plan is developed, then I know that this committee will be glad to entertain additional requests for implementation money based on a realistic outlook and carefully developed plans.

Mr. BATES of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Kentucky.

Mr. BATES of Kentucky. Is it not a fact that we advised the Commissioners to bring all witnesses they cared to bring to present the case in justification of this item?

Mr. STOCKMAN. That is correct.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, the District Committee, of which I am a member, had a meeting this morning. We felt considerably disturbed about their cutting this appropriation. I would like to have in the first place the understanding that the Committee is now sittting as a city council for the District of Columbia, and not voting money out of the Federal Treasury.

The bill provides that this particular item is to be paid out of District revenues by the taxpayers of the District of Columbia. It does not come out of the Federal Treasury.

Let me say that some time ago the District Commissioners appeared before the District Committee with this bill. It is our understanding it is intended that this bill shall be used as a model for civilian defense throughout the Nation. It will be set up here in Washington and other parts of the country will get their advice and schooling from the system that is to be set up here.

If civilian defense is worth while at all, it is certainly worth doing effectively and efficiently, and that is all the District Committee is asking the House to do; that is, to authorize the District Commissioners out of the money of the taxpayers of the District of Columbia to set this thing up on an efficient basis so that it will serve as a model for the whole of the United States.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Utah.

Mr. GRANGER. It is a fact, I may say to the gentleman, that they are beyond the paper stage. They do not need $30,000 to plan now. They want to get the money to do something.

Mr. SMITH of Virginia. Yes. The first suggestion was $30,000, as the gentleman from Utah has said, for the paper stage. Since that time the program has developed so far that they now know, and have stated to the Appropriations Committee, the purposes for which they need and expect to use this sum of $290,000.

I would suggest to the House that this thing is worth doing right or it is not worth doing at all and there is not much point in appropriating $30,000 if it is, as our District Commissioners tell us, inadequate for the purposes for which it was intended.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Washington.

Mr. HORAN. I think we ought to keep in mind too that even if the District government had a surplus of its own, they cannot spend it without the action of Congress. If we adjourn, why, it would be another year before we would have defense for the District.

Mr. SMITH of Virginia. I think that is a very important contribution just made by the gentleman from Washington. As he said, unless you do this today, then for approximately 6 months there is no chance that the District government can set up an adequate defense program for the Nation's Capital, which is the most vital spot and most vulnerable spot that will be attacked in the event of trouble.

Mr. BATES of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Kentucky.

Mr. BATES of Kentucky. Commissioner Young said that this will be used as a guinea pig for the whole of the United States. Does the gentleman see any reason why the money of the taxpayers of the District of Columbia should be used as a guinea pig for the entire country?

Mr. SMITH of Virginia. Maybe I should not admit this, but the District of Columbia is the guinea pig around here for a whole lot of things.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Symington said they wanted the District of Columbia to be a model for the rest of the country. Should it not be a model?

Mr. SMITH of Virginia. I agree with the gentleman.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Maine.

Mr. HALE. Might it not well be that Mr. Stalin regards the Members of Congress as a bunch of guinea pigs for a Russian experiment.

Mr. SMITH of Virginia. I think that is where he would start.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. TEAGUE. Is it not true that 22 States have already passed this kind of legislation? Actually New York State is far ahead of the District of Columbia in this work.

Mr. SMITH of Virginia. I am so informed.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. BATES].

Mr. BATES of Kentucky. Mr. Chairman, I rise in opposition to the gentleman's amendment.

The committee has conducted long and ardous hearings on civil defense on two occasions. The first with reference to a $30,000 request in the regular budget estimate and the present estimate now before this House. They have given thorough consideration to the present status of civil defense in Washington and to the expansion requested in the budget estimate, $290,000, which is the basis for the present committee action. The $290,000 will have allowed for a high price director, for a command radio net, for a warning net including the installation of radio receivers and sirens in various parts of the city and for various other operations including a small amount for a training program for volunteer workers. Mr. Chairman, if the civil defense program in Washington is to be a success, I am certain that the proponents of this amendment will agree with me that an adequate and well-formulated plan for such civil defense is absolutely necessary. It is the opinion of my committee and myself that no work should be done and no implementation begun until such a plan is evolved and, Mr. Chairman, in the testimony heard by our committee no such plan is in the offing. Here are the words of the Engineer Commissioner of the District of Columbia on July 17, 1950, in testifying before our committee on this plan:

> So we have, you might say, the raw material for a plan. In other words, we have the bricks, but we haven't built the plan yet. There are still gaps in it. That is the present status of it.

And in a later memorandum prepared by General Young dated August 9, 1950, in reference to the plan, he says:

> There are certain fields in which little has been done in developing any plan. They have not been coordinated above the third level, the operating level. In certain important fields the third level plans are sketchy and even nonexistent and must be started from scratch.

The justification submitted in defense of these estimates still is "that they have assembled a large part of the raw material needed to formulate a plan. It's actual formulation within any reasonable time will now require the full time services of a skilled director and a small but thoroughly competent staff."

Mr. Chairman, that is exactly what the $30,000 recommended by the bill will do. There are so many discrepancies in the testimony which we have heard that I would hesitate to call them to the attention of the House. For instance, with reference to the headquarters building, General Young says it was not ideal in asking $25,000 for such a building while Colonel Hayes says this building met our criteria. Just a lot of wholesale discrepancies. A total lack of adequate planning. One of the major anticipated items of expense in the estimates submitted to the House and as contained in the gentleman's amendment would be additional radio nets. There are already in the District of Columbia extensive radio nets in addition to the police and fire nets involving five large transmitters and over 140 units including fixed stations on four of the large bridges leading to the city of Washington. As for personnel requests there are 18 positions at an average annual salary of $4,011. No comparative figures are available from other cities; however, in May of 1943 in the last war there were only 66 people employed permanently in civil defense in the District, while in January 1945 only 16 people were so employed. Mr. Chairman, I grant that a planning staff is needed, but such a request is a little out of line with the salary scales in the District. Certainly the District was able to build up a magnificent civil defense program in the last war by the use of volunteer personnel. They certainly could do the same at the present time and save this city a little more money to expend on other worth-while projects.

In summary, Mr. Chairman, I would like to point out, too, there is no question that an adequate plan for the civil defense program is needed for the District of Columbia and the urgency of the need is not such as to preclude a careful consideration of all the factors and the development of a realistic plan. To continue the program by means of making appropriations available would be uneconomical without such plans and it is obvious that as of the present date not even an inadequate plan has been formulated, let alone one that is adequate.

Mr. Chairman, we who serve on the District Legislative Committee and on the District of Columbia Subcommittee have a particular responsibility. That responsibility is to act as a city council—practically—for the greatest city in the world. I would, indeed, be derelict in my duty if I did not urge that this amendment be defeated and that we who serve on this city council look on the economic side of the question and not go off in a mad haste to throw away money which is not even our own on such a nebulous affair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 94, noes 66.

Mr. CANNON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Messers. TEAGUE and CANNON.

The Committee again divided; and the tellers reported that there were—ayes 99, noes 75.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

REGULATORY AGENCIES

OFFICE OF ADMINISTRATOR OF RENT CONTROL

For necessary expenses for "Office of Administrator of Rent Control," $75,000.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all who spoke on the conference report on the general appropriation bill for 1951 today, and on the supplemental appropriation bill, may have five legislative days in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FEES OF UNITED STATES MARSHALS

Mr. HOBBS, from the Committee on the Judiciary, submitted a conference report and statement on the bill (S. 1838), an act to amend title 28 of the United States Code relating to fees of the United States marshals, for printing in the RECORD.

AUTHORIZING CORRECTION OF CHAPTERS AND SECTION NUMBERS ON H. R. 7786

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the present consideration of a House concurrent resolution (H. Con. Res. 272), which I send to the desk.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House in the enrollment of H. R. 7786, the general appropriation bill, 1951, is authorized and directed to correct chapter and section numbers.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FILING OF CONFERENCE REPORTS ON S. 3959 AND H. R. 9038

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the conferees on the bill S. 3959, and also on H. R. 9038, have until midnight tonight to file conference reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DAWSON, from the committee of conference, submitted a conference report and statement on the bill (S. 3959) entitled "An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes."

Mr. DAWSON, from the committee of conference, submitted a conference report and statement on the bill (H. R. 9038) entitled "An act to authorize the President to determine the form of the national budget and of departmental estimates to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes."

ST. MARK'S, FLA.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of remaining Government lots in the townsite of St. Mark's, Fla., with a Senate amendment, disagree to the Senate amendment and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Florida? [After a pause] The Chair hears none and appoints the following conferees: Messrs. PETERSON, MURDOCK, and D'EWART.

BOSTON NAVAL SHIPYARD

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, today is the one hundred and fiftieth anniversary of the establishment of the Boston Naval Shipyard at Boston, Mass. This splendid occasion is a reminder to us that the security of a nation is not entirely a matter of having troops and tanks on the firing line, airplanes soaring through the skies, and ships plowing the seas. Immediately behind all these combatant activities there must be the effective functioning of yards and arsenals and airplane factories, and the loyalties and skills of many crafts built up through the years of peace. And behind these, of course, the whole industrial might and human resources of a nation. The fighting knight in his armor is more dramatic and spectacular, but where would the knight be without his armorer to forge sword and mail?

In a way I suppose this dependence of the actual fighter on the scientist and the machinist has always been recognized, though in these days of total war the picture may be more pronounced. Certainly it was a long time ago that here in this spot, in the shadow of Bunker Hill, the authorities of our Nation, then in its infancy, set up this institution for the safeguarding of the Republic. And I am happy today to call attention to and celebrate the glorious record of all that has been done at the Boston Naval Shipyard, through a century and a half of service to "the Navy and the Nation."

The most striking development, because it, in a manner of speaking, meets the eye, are the physical developments which have taken place here. The first buildings were simple wooden sheds to house Navy material which had been stored in various locations around Boston. Now you have this tremendous congeries of buildings. The first call for workers stipulated "8 or 10 able-bodied men to be employed by the month"; now there are some 8,000 continuously employed. The daily wage of a civilian employee was $1.75 a day in the early years; now it may be 10 times as much. The first power plant seems to have been the strong hearts and powerful muscles of a yoke of oxen, and the first job known to have been done here was one of engine care—that is, shoeing the feet of the team of oxen. The land here—23 acres on Moultons Point—was already historic because of its connection with the Battle of Bunker Hill; it was spacious enough to hold timber for a 74-gun ship; and its price was admittedly high—some $18,000. Now the establishment is valued at $108,000,000.

All these things are externals. Growth and size and monetary values are only important when they stand for service to mankind. And this institution, so sturdy in its growth, has a brilliant record through 150 years of always being ready for the emergencies it was built to meet.

The story begins, perhaps with that glorious vessel the *Constitution*. She was not built here, to be sure, but at Hartt's Yard, the predecessor of this shipyard, in the years immediately preceding the establishment of this institution. After cruising against French privateers at the time the shipyard here was founded, and gaining already her nickname of Old Ironsides for her exploits in the West Indies, she was brought here in 1801 and lay for 2 years dismantled. Again putting to sea, she brought victory in the war with Tripoli. Rigged once more, she set out on her career in the War of 1812. After many more years, this, the most famous ship which ever carried the American flag, was brought home once more to Boston and still remains as a crowning testimony to the valor of our ancient seaman and the skill of our ancient shipbuilders.

It would not be possible to recapitulate the full story of the famous ships that have been built here or rigged here or repaired here. The first was the *Frolic*, launched in 1813 to serve in the War of 1812. The *Hartford*, dauntless Admiral Farragut's flagship in the Civil War, was built here. So also was the *Merrimac*, which was captured by the Confederates, and sheathed in iron, which led to the great battle with the *Monitor* in Hampton Roads, and opened the era of the iron-clad and later the steel-walled battleship. Altogether, 39 ships were built in this shipyard from 1813 to 1868, and many hundreds were repaired and outfitted. Between 1869 and 1933 nine more ships were constructed, but the yard specialized in repairing and outfitting vessels.

In the period of the First World War, 1917–18, because of its proximity to the North Atlantic patrol, there was a major load of repair work, but the yard also served as an embarkation point and supply depot. Additional piers and buildings were added. An average of 50 ships arrived or departed daily. There were 50,000 employees. In the years that followed, partly because of inventions of yard employees, the standard Navy chain began to be made here, and chains are now made for the needs of the entire Navy. All the rope used by the peacetime Navy is also made here.

The yard became involved in the Second World War before the Nation as a whole when President Roosevelt, in a historic decision, offered the British 50 over-age destroyers in return for certain bases. This is regarded by historians as one of the most significant acts of the whole period. Nineteen of the destroyers were reactivated and outfitted here. At the same time a destroyer-building program was set up and notable combat vessels of that type were sent from here to serve our cause in both the Pacific and the Atlantic. More than 165 vessels of considerable size were built for the United States and our Allies, and hundreds of smaller craft. Thousands of vessels were repaired. Boston-built ships took part in every major campaign of the war.

In times of emergency the yard has been prepared to aid the welfare of civilians. The yard's disaster plan was successful in supplying electric power to Maine in 1947, and in fighting New England forest fires. The personnel of the yard has always contributed heavily to community welfare. Employees bought nearly a million and a half dollars' worth of war bonds in the last wartime drive and contributed over 55,000 pints of blood to the Red Cross blood bank.

The yard has always meant much to Boston, both economically and psychologically. We are proud of it, and we have benefited by its presence, but we believe too that the yard, and the United States Navy, have been benefited by Boston. There is, and has always been for 150 years a very happy relationship between the two.

Most important of all is the service which the yard, and citizens of Boston, has been enabled to render together to our Nation. As we look around us today, there are dark clouds of imminent war rolling on every horizon. The inestimable services which the officers and employees here in this establishment have rendered in the past may have to be repeated and enlarged in the future. The Secretary of State said the other day that this country is now facing the gravest crisis in its entire history. If this crisis ripens into broad-scale international war we know that the Navy (which not so long ago was beginning to be regarded by some too-knowing persons as more or less obsolete, an illusion which the Korean crisis has quickly dispelled) will again fill its magnificent role as a major line of defense of the United States, and that the Boston Naval Shipyard and its officers and employees will

as before, play a large and sustaining role in the service of the Navy and of the Nation.

INTER-AMERICAN CULTURAL AND TRADE CENTER

Mr. SIKES. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 511, providing for the recognition and the endorsement of the Inter-American Cultural and Trade Center.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. SIKES. I shall be very glad to. This resolution simply provides for the recognition and the endorsement of the Inter-American Cultural and Trade Center to be established at Miami at no expense to the Federal Government. All costs are to be borne by the State of Florida and by the city of Miami.

Mr. MARTIN of Massachusetts. We have had several similar resolutions.

Mr. SIKES. That is correct.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the resolution, as follows:

Whereas the national security and prosperity of the United States require the development of improved relations and increased trade with the Latin-American Republics; and

Whereas international friendship and trade are founded upon the good will and mutual respect of the people of one nation for those of another, and must be based primarily upon extensive popular contact and understanding; and

Whereas the natural expansion of our trade with Latin America, without subsidy or compulsion, will sustain employment and production and improve living standards both in the United States and in Latin America, preventing the infiltration of undemocratic philosophies in Latin America while promoting mutual good will, understanding, and confidence, lasting trade connections, and solidarity among all the American Republics; and

Whereas any constructive long-range program for the development of a balanced foreign trade with Latin America must provide ample opportunity for the participation of small businesses, together with adequate merchandising facilities for their products and their representatives; and

Whereas there is a compelling need for the establishment of a trade center which will aid in carrying out these objectives and which will provide an opportunity to bring together large numbers of people from all the American Republics and give recognition to their respective cultural, scientific, and artistic achievements; and

Whereas during the past quarter century outstanding statesmen, industrialists, and internationalists have frequently urged the establishment of such a trade center; and

Whereas the city of Miami, Fla., is the most suitable location for such a trade center, because it is the natural gateway of the United States to Latin America and possesses the additional advantages of moderate climate, ample hotel and recreational facilities, and long acquaintance with the people of Latin America; and

Whereas the State of Florida and the city of Miami will donate lands and money to be used in the construction of such a trade center, and the establishment of the center at Miami has been specifically and unanimously endorsed by groups and organizations from every field of endeavor; and

Whereas a large group of leaders in government, industry, finance, and civic affairs, assisted for 7 months by carefully selected technicians, has prepared a comprehensive plan for the establishment of the Inter-American Cultural and Trade Center in Miami, to be operated in the national public interest as a permanent nonprofit self-sustaining enterprise: Therefore be it

Resolved, etc., That the Congress hereby expresses its endorsement of the establishment of the Inter-American Cultural and Trade Center in Miami as a permanent year-round nonprofit self-sustaining enterprise for the development of improved relations and increased trade with the Republics of Latin America. The President is authorized and requested, by proclamation or in such other manner as he may deem proper, to grant recognition to the Inter-American Cultural and Trade Center in Miami, calling upon officials and agencies of the Government to assist and cooperate with such center, and inviting the participation of all the nations of the Western Hemisphere therein.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN W. MAHONEY ET AL.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1874) for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault, with Senate amendments thereto, and concur in the Senate amendments.

ANNOUNCEMENT

The SPEAKER. The Chair may say to the gentleman from New York, and take this opportunity also to say to all Members, that when Members have matters with reference to calling up House bills with Senate amendments and other matters about bills, the Chair would appreciate it very much if they would speak to him about it in advance.

JOHN W. MAHONEY ET AL.

The Clerk read the title of the bill and the Senate amendments, as follows:

Page 2, line 5, strike out "$600" and insert "$500."

Page 2, line 8, strike out "$400" and insert "$312."

Page 2, line 10, strike out "$300" and insert "$279.42."

Page 2, line 13, strike out "$1,200" and insert "$800."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HAROLD E. TRAUTWEIN

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1586) for the relief of Harold E. Trautwein, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$105.07" and insert "$106.07."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

JOHN S. STEBER

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3919) for the relief of John S. Steber, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 8, after "act", insert "*Provided*, That no benefits shall accrue by reason of the enactment of this act for any period of time prior to the date of its enactment."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PATRICIA JOYCE DUNN, A MINOR

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4221) for the relief of the legal guardian of Patricia Joyce Dunn, a minor, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the amendments, as follows:

Page 1, lines 5 and 6, strike out "to the legal guardian of Patricia Joyce Dunn, a minor" and insert "to Patricia Joyce Dunn."

Page 1, line 9, strike out "the father of said minor" and insert "her father."

Amend the title so as to read: "An act for the relief of Patricia Joyce Dunn."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

UNIVERSAL CORP. ET AL.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6095) for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: "That jurisdiction be, and is

hereby conferred, upon the United States Court of Claims to hear, determine, and render judgment upon the claims of Universal Corp., a subcontractor, James Stewart Corp., prime contractor, and James Stewart & Co., Inc., parent company for alleged damages arising out of the performance of contracts NOy 11379 and NOy11662 with the Navy Department for the construction of naval hospital facilities at Houston, Tex., during World War II.

"SEC. 2. Any suit upon such claim brought under the provisions of this act shall be instituted within 1 year after the date of enactment of this act. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims under which such court has jurisdiction under section 1491 of title 28 of the United States Code: *Provided,* That the passage of this act shall not be construed as an inference of liability on the part of the United States: *Provided further,* That any recovery shall be limited to out-of-pocket losses."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman explain the bill?

Mr. BYRNE of New York. This bill as it passed the House conferred jurisdiction upon the District Court of the United States for the Northern District of Texas. The Senate amended the bill to change the jurisdiction from the district court to the United States Court of Claims. The gentleman from Texas [Mr. WILSON], the author of the bill, requests that I ask the House to concur in the Senate amendment.

Mr. MARTIN of Massachusetts. Why the change of jurisdiction?

Mr. BYRNE of New York. I presume because it was felt that perhaps the Court of Claims could give the case better attention than the district court. That seems to be the answer.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ROBERT C. WATTERS ET AL.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7454) for the relief of Robert C. Watters, Mrs. Martha L. Watters, C. E. Nivens, E. O. Nivens, and the estate of J. W. Gyllum, deceased, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 7, strike out "$10,000" and insert "$5,000."

Page 2, line 5, strike out "$5,000" and insert "$2,500."

Page 2, line 6, strike out "$5,000" and insert "$2,500."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CARL E. LAWSON AND FIREMAN'S FUND INDEMNITY CO.

Mr. BYRNE of New York, submitted a conference report and statement on the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.

EWA PLANTATION CO.

Mr. BYRNE of New York submitted a conference report and statement on the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation.

FREEDOM OF THE PRESS

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAVALCANTE. Mr. Speaker, the freedom of the press as contemplated in the Constitution should not be invoked to shield or hide conduct that destroys, stulifies or denies our confidence in the security and public morality of the United States and its people. The freedom guaranteed to the press is the one to factually report, disclose, and disseminate knowledge, information, and news that the publisher prudently believes will benefit the public interest or advance his political or private aims. It is fallacious, however, to contend that the freedom so guaranteed can be invoked and sustained by a publisher whose political and private aims are destructive of the public interest and the public morality of the people and sovereignty who maintain that freedom.

Our Nation is blessed that through the course of its history the preponderance of the press has advanced the amelioration of the public morality in step with the publishers' political or private aims. The Nation glories in the ethical standard of the editorial and reporting staff that has valiantly held steadfast to the principle of factually reporting, disclosing, and disseminating knowledge, information, and news even though it was contrary and derogative to the political or private aims of the publisher. Indeed, it has been the ethical standard of the editorial and reporting staff that has kept the American press from complete degeneracy into a medium of the publisher to advance his private aims with utter indifference to public interest and public morality.

It is unfortunate that in recent days certain known publishers have made demoralizing assaults upon the ethical standard of the editorial and reporting staffs of their newspapers. Reporters have been discharged after long years of service because the reporter dared to factually report knowledge, information, and news that exposed criminal conduct in matters pertaining to public justice and public morality. Editors have been threatened with dismissal for daring to editorialize on knowledge, information, and matters intended to promote public justice and public morality.

Editorial and reporting staffs have been threatened with dismissal for daring to seek the organization of the staffs into a union for collective bargaining with the publisher. The editorial and reporting staffs have been threatened with dismissal unless editorials, knowledge, information, and news is written and reported in a way that the political and private aims of the publisher are advanced even though the same is in derogation and prostitution of the public justice and public morality.

I have introduced House Resolution 827 to cope with this known abuse of the freedom of press by those publishers who invoke the freedom to advance their political and private aim to the destruction of the public security, public justice, and public morality.

I trust that the Rules Committee will take cognizance of this serious situation.

USE OF RADIO BY THE COMMUNIST PARTY

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to include with my remarks a letter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, in the last few weeks I have received a number of complaints from citizens to the effect that the Communist Party is buying radio time and putting on radio programs that are not in the interest of the country. To the credit of many of the radio stations of the United States, let it be said that they have refused to sell this time to the Communists.

On August 18 I directed a letter to Hon. Wayne Coy, Chairman, Federal Communications Commission, inquiring for information as to the sale of radio time to the Communist Party for use, as I considered, in connection with its subversive activities.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 18, 1950.

Hon. WAYNE COY,
Chairman, Federal Communications Commission, Washington, D. C.

DEAR MR. COY: I would appreciate it if your Commission would furnish me for my official use a record of the amount of time purchased and used by and in the name of the Communist Party over American radio stations under your jurisdiction, together with the name of such stations and the date of the broadcast thereon beween June 15 and August 15, 1950.

It is my understanding that your commission does have a record of the commercial time sold by all radio stations and to whom.

Your prompt cooperation on this matter will be deeply appreciated.

Sincerely yours,

CLARENCE J. BROWN,
Member of Congress, Seventh Ohio District.

DRIED EGGS FROM COMMUNIST CHINA

Mr. SCUDDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCUDDER. Mr. Speaker, the flood of dried eggs from Communist China is now beginning to engulf California. On two recent occasions I have told the House of the imports pouring into this country. Now I am informed that there was unloaded last week in Los Angeles, for use in that city, approximately 21 tons of dried egg yolk from Tientsin, China. To my knowledge this is the first shipment received in California from Communist China. As these Chinese eggs are used for manufactured products, all of these items will bear a label as to the use of imported eggs.

Why, in the name of common sense and national sanity, are we allowing eggs from a Communist-controlled land to come to our shores? It is especially foolhardy considering that while imports of dried eggs from Red China displace the domestic product, the Government continues its heavy purchasing of dried eggs for price support.

To August 16, purchases this year have amounted to 77,000,000 pounds, which is 8,000,000 pounds more than the entire purchases last year.

Mr. Speaker, I urge the Members of this House to insist now that the flow of Red eggs from Communist China be halted if our poultry industry in the United States is to survive. It should do so at once before all of our domestic poultrymen are ruined.

DISTRICT OF COLUMBIA COMMITTEE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight Saturday to file a report on the bill H. R. 9362 and also on the bill H. R. 9524.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. JACKSON of Washington (at the request of Mr. MANSFIELD) was given permission to extend his remarks.

Mr. BRYSON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. CLEMENTE asked and was given permission to extend his remarks.

Mr. BURNSIDE (at the request of Mr. BENNETT of Florida) was given permission to extend his remarks and include extraneous matter.

Mr. KARST asked and was given permission to extend his remarks and include an article on bacteria for sale.

Mr. MARSHALL asked and was given permission to extend his remarks and include an editorial.

Mr. HOWELL (at the request of Mr. BUCHANAN) was given permission to extend his remarks and include an editorial in reference to Mrs. MARY NORTON.

Mr. TALLE asked and was given permission to include in the remarks he made in Committee today an article taken from the Daily News of this date.

Mr. MACK of Washington asked and was given permission to extend his remarks and include extraneous matter.

Mr. JAVITS asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. JENISON asked and was given permission to extend his remarks and include a letter from a constituent.

Mr. RICH (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include excerpts.

Mr. GILMER (at the request of Mr. PRIEST) was given permission to extend his remarks.

Mr. CASE of South Dakota asked and was given permission to extend his remarks and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks and to include a telegram.

Mr. WHITAKER (at the request of Mr. BROOKS) was given permission to extend his remarks and to include extraneous matter.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes;

H. R. 4800. An act to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes; and

H. R. 6209. An act to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2423. An act to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma;

S. 2901. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware; and

S. 3059. An act for the relief of John H. Sebenick.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 1585. An act for the relief of Leilah begum Alaoui Mullin;

H. R. 1611. An act for the relief of Walter E. Miller;

H. R. 1616. An act for the relief of S. L. Ayres & Co., Inc.;

H. R. 3132. An act for the relief of Sergio and Mara Lamberti;

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 3304. An act for the relief of Jose Cotto Santiago;

H. R. 3921. An act for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras;

H. R. 4014. An act for the relief of Maria Hoffman;

H. R. 4142. An act for the relief of Ralph D. Kinney;

H. R. 4657. An act for the relief of J. R. Fleming & Co.;

H. R. 4775. An act for the relief of Harold L. Corzett, commander, United States Naval Reserve;

H. R. 4954. An act for the relief of Jacob F. Hutt and Anderson E. Humphrey;

H. R. 5523. An act for the relief of Fred I. Massengill;

H. R. 5984. An act to approve Joint Resolution 12, enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases;

H. R. 6052. An act for the relief of John M. Vick;

H. R. 6217. An act to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration;

H. R. 6221. An act to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home;

H. R. 6223. An act to record the lawful admission to the United States for permanent residence of James Ermini;

H. R. 6312. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Josephy Lundberg and others against the United States;

H. R. 6386. An act for the relief of Amos Chen, a native of Jamaica, British West Indies;

H. R. 6417. An act for the relief of Mrs. Frieda Gray (formerly Frieda Putman);

H. R. 6442. An act for the relief of Mrs. Martha Reid;

H. R. 6449. An act for the relief of Mrs. L. M. Cox and Mrs. M. R. Nickle;

H. R. 6463. An act for the relief of Mrs. Shikaju Nakashima;

H. R. 6578. An act for the relief of Mrs. Gunnborg Janzon Hamilton;

H. R. 6585. An act for the relief of Stamatie Amersonis;

H. R. 6707. An act for the relief of Sirius Proestopoulos;

H. R. 7012. An act for the relief of Anna Ellero and Clara Ellero;

H. R. 7146. An act to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States," so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory;

H. R. 7282. An act for the relief of Cornelius VerSluis;

H. R. 7297. An act for the relief of Ignas Malcius;

H. R. 7370. An act for the relief of Kiyoko S. Barr and Harue Barr;

H. R. 7613. An act for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding;

H. R. 7641. An act to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church;

H. R. 7677. An act to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School;

H. R. 7814. An act for the relief of Stella Matutina Kazuko Yamazaki;

H. R. 7840. An act to provide for the refund of certain estate taxes;

H. R. 7919. An act for the relief of Mrs. Yukiko Yoshii French and her son;

H. R. 7921. An act for the relief of Eva T. Ross;

H. R. 8009. An act for the relief of Enrica Gianoli;

H. R. 8061. An act for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy;

H. R. 8069. An act for the relief of Mrs. Michiko Kohga Brooks;

H. R. 8073. An act for the relief of Kimiko Iso and her minor daughter, Midori;

H. R. 8134. An act for the relief of Elona Schwietza and her son;

H. R. 8153. An act for the relief of Chiyoko Akashi;

H. R. 8315. An act for the relief of Josephy F. Gallagher;

H. R. 8417. An act to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States;

H. R. 8423. An act for the relief of Yuriko Mizumoto;

H. R. 8473. An act for the relief of Kimiko Tomita;

H. R. 8477. An act for the relief of Marcel Rene de Romanett;

H. R. 8558. An act for the relief of Kimiko Yamaguchi;

H. R. 8584. An act for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating;

H. R. 8619. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes;

H. R. 8684. An act for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin;

H. R. 8740. An act for the relief of Erika Kuhn;

H. R. 8741. An act for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin;

H. R. 8742. An act for the relief of Mrs. Tokiko Amano Roloson;

H. R. 8751. An act for the relief of Mrs. Yoshiko Ogiso Peterson;

H. R. 8772. An act for the relief of Ah-Kim Wong;

H. R. 8794. An act for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.;

H. R. 8795. An act for the relief of Benjamin Paglinaman;

H. R. 8824. An act for the relief of Tokuko Murayama;

H. R. 8826. An act for the relief of Yaeko Nakajima;

H. R. 8918. An act for the relief of Mary Rynik Baran;

H. R. 8935. An act for the relief of Mrs. Jaye Kurusu Maddox;

H. R. 8956. An act for the relief of Mrs. Claude Morita and Rodney Morita;

H. J. Res. 497. Joint resolution extending from gross estate of a nonresident alien works of art on loan to the trustees of the National Gallery of Art;

H. J. Res. 510. Joint resolution to exempt certain counsel employed by committee from certain Federal laws under Special Committee on Campaign Expenditures; and

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 15 minutes p. m.), the House adjourned until tomorrow, Saturday, August 26, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1648. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1951 in the amount of $217,000 for the legislative branch (H. Doc. No. 695); to the Committee on Appropriations and ordered to be printed.

1649. A letter from the Postmaster General, transmitting a draft of a proposed bill entitled "A bill relating to contracts for the transmission of mail by pneumatic tubes or other mechanical devices"; to the Committee on Post Office and Civil Service.

1650. A letter from the Attorney General, transmitting a letter relative to the case of Costas Agallos or Constantine Agallas, file No. A-7092965 CR 27020, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of the Department of Justice; to the Committee on the Judiciary.

1651. A letter from the Attorney General, transmitting the report on the administration of the Foreign Agents Registration Act of 1938, as amended, for the 5-year period commencing January 1, 1945, and ending December 31, 1949; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. Third interim report filed pursuant to House Resolution 44, on investigation of Panama Canal tolls (Rept. No. 2993). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee of conference. S. 1838. An act to amend title 28 of the United States Code relating to fees of United States marshals; without amendment (Rept. No. 2994). Ordered to be printed.

Mr. KELLEY of Pennsylvania: Committee on Education and Labor. S. 3546. An act to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes; without amendment (Rept. No. 2995). Referred to the Committee of the Whole House on the State of the Union.

By Mr. MORGAN: Committee on Foreign Affairs. S. 2801. An act to give effect to the International Convention for the Northwest Atlantic Fisheries, signed at Washington under date of February 8, 1949, and for other purposes; with amendment (Rept. No. 2996). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 9362. A bill to provide for the exchange of certain national park land situated in the District of Columbia for certain lands owned by the New Temple Committee, Inc.; with amendment (Rept. No. 2997). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on the District of Columbia. H. R. 9524. A bill to supplement the District of Columbia Teachers' Leave Act of 1949; without amendment (Rept. No. 2998). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee of conference. S. 3959. An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes; without amendment (Rept. No. 3001). Ordered to be printed.

Mr. DAWSON: Committee of conference. H. R. 9038. A bill to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes; without amendment (Rept. No. 3002). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. S. 1501. An act for the relief of Mr. and Mrs. Ray S. Berrum; without amendment (Rept. No. 2992). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee of conference. H. R. 1271. A bill for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.; without amendment (Rept. No. 2999). Ordered to be printed.

Mr. BYRNE of New York: Committee of conference. H. R. 2233. A bill for the relief of Ewa Plantation Co., a Hawaiian corporation; without amendment (Rept. No. 3000). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HART:

H. R. 9534. A bill to amend the Merchant Marine Act, 1936, as amended, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LANE:

H. R. 9535. A bill to extend the provisions of the Servicemen's Readjustment Act of 1944, as amended, and Public Law 16, Seventy-eighth Congress, as amended, to persons in active service in units of the Armed Forces employed in the Korean theater, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. VINSON:

H. R. 9536. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; to the Committee on Armed Services.

H. R. 9537. A bill to authorize the Secretary of the Army to transfer to the Secretary of the Interior certain lands on which the Seattle Fish and Wildlife Service Laboratory is located; to the Committee on Armed Services.

By Mr. HART:

H. R. 9538. A bill to amend subsection (1) of section 4551 of the Revised Statutes, as amended, to exempt additional vessels from the requirements thereof; to the Committee on Merchant Marine and Fisheries.

By Mr. STAGGERS:

H. R. 9539. A bill to protect the internal security of the United States, and for other purposes; to th Committee on the Judiciary.

By Mrs. WOODHOUSE:

H. R. 9540. A bill to extend additional relief to persons in the military service of the United States who have outstanding mortgage or other obligations arising out of ownership of certain residential real property, by amending sections 532 and 590 of title 50 of the United States Code; to the Committee on Veterans' Affairs.

By Mr. McDONOUGH:

H. J. Res. 525. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. HILL:
H. J. Res. 526. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. SADLAK:
H. J. Res. 527. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. SCRIVNER:
H. J. Res. 528. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mrs. HARDEN:
H. J. Res. 529. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. O'HARA of Minnesota:
H. J. Res. 530. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. VAN ZANDT:
H. J. Res. 531. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. D'EWART:
H. J. Res. 532. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. VURSELL:
H. J. Res. 533. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. JUDD:
H. Con. Res. 253. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. ELLSWORTH:
H. Con. Res. 254. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. GWINN:
H. Con. Res. 256. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Policy.

By Mr. HALE:
H. Con. Res. 256. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. HERTER:
H. Con. Res. 257. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. NIXON:
H. Con. Res. 258. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. PATTERSON:
H. Con. Res. 259. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. STOCKMAN:
H. Con. Res. 260. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. MANSFIELD:
H. Con. Res. 261. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. HAYS of Arkansas:
H. Con. Res. 262. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. RICHARDS:
H. Con. Res. 263. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. MANSFIELD:
H. Con. Res. 264. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. PRIEST:
H. Con. Res. 265. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. BYRNE of New York:
H. Con. Res. 266. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. RIBICOFF:
H. Con. Res. 267. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. STIGLER:
H. Con. Res. 268. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. MARSHALL:
H. Con. Res. 269. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. WALSH:
H. Con. Res. 270. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. LODGE:
H. Con. Res. 271. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. BUCHANAN:
H. Res. 828. Resolution authorizing the expenses of the investigation and study to be conducted by the Select Committee on Lobbying Activities; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:
H. R. 9541. A bill authorizing the issuance of a patent in fee to John Black Bull; to the Committee on Public Lands.

H. R. 9542. A bill authorizing the issuance of a patent in fee to Frances Nettie Turgeon-Baechler; to the Committee on Public Lands.

By Mr. D'EWART:
H. R. 9543. A bill authorizing the Secretary of the Interior to issue a patent in fee to Eugene Fisher; to the Committee on Public Lands.

H. R. 9544. A bill authorizing the Secretary of the Interior to issue a patent in fee to Richard James Brown; to the Committee on Public Lands.

By Mr. HART:
H. R. 9545. A bill for the relief of Harvey L. Cobb; to the Committee on the Judiciary.

By Mrs. KELLY of New York:
H. R. 9546. A bill for the relief of Hildegard Lechner and Ingrid Lechner; to the Committee on the Judiciary.

By Mr. MANSFIELD:
H. R. 9547. A bill for the relief of Alfred Joseph Huter; to the Committee on the Judiciary.

By Mr. McGRATH:
H. R. 9548. A bill for the relief of Aurelio Maiolatesi; to the Committee on the Judiciary.

By Mr. SHELLEY:
H. R. 9549. A bill for the relief of Mrs. Fusako Hayashi Kimoto and Shirley Mariko Kimoto; to the Committee on the Judiciary.

By Mr. TALLE:
H. R. 9550. A bill for the relief of Mrs. Johanna Hampton; to the Committee on the Judiciary.

By Mr. UNDERWOOD:
H. R. 9551. A bill for the relief of Charlie Cobb; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:
H. R. 9552. A bill for the relief of Ruth Jacobs Naccari; to the Committee on the Judiciary.

H. R. 9553. A bill for the relief of Gino Giacomi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2344. The SPEAKER presented a petition of Lt. Col. James W. Stacy, president, Department of Hawaii, Reserve Officers Association of the United States, Honolulu, T. H., relative to a pamphlet which was distributed in Hawaii on July 19, 1950, by the local Communist Party relative to world war III, which was referred to the Committee on Un-American Activities.

HOUSE OF REPRESENTATIVES

SATURDAY, AUGUST 26, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and eternal God, grant that in a humble spirit and a contrite heart we may now beseech Thee for a vivid and vital experience of Thy presence during all the hours of this new day.

We thank Thee for the joy and peace which fill our souls when we have this experience; for its inspiration in our times of doubt and discouragement; for its restraining and arresting influence in our moments of temptation; for its strengthening and sustaining power when the struggle of life is difficult and our hearts are overwhelmed.

May the time come when men everywhere shall give themselves in a glad and willing obedience to the Prince of Peace.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 4071) entitled "An act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes;" requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr.

BYRD, Mr. CHAPMAN, Mr. BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Senator from Nevada [Mr. MCCARRAN] be excused as conferee on the bill H. R. 1271, an act for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.; and the Senator from Kentucky [Mr. WITHERS] be appointed in his stead.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 1271. An act for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.; and

H. R. 2233. An act for the relief of Ewa Plantation Co., a Hawaiian corporation.

ALLOWANCES FOR DEPENDENTS OF ENLISTED MEMBERS OF THE UNIFORMED SERVICES

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, with a House amendment thereto, insist upon the amendment of the House, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, BROOKS, KILDAY, SHORT, and ARENDS.

AMENDING TITLE 46, UNITED STATES CODE

Mr. HART. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9134) to amend title 46, United States Code, section 251, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Line 3, strike out "title 46 of the United States Code, section 251" and insert "section 4311 of the Revised Statutes (46 U. S. C. 251)."

Amend the title so as to read: "An act to amend section 4311, Revised Statutes (46 U. S. C. 251)."

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SELECTIVE SERVICE ACT

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a bill and a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, my colleagues, the gentleman from Wisconsin [Mr. DAVIS], the gentleman from Michigan [Mr. FORD], the gentleman from Michigan [Mr. WOODRUFF], the gentleman from California [Mr. JACKSON], the gentleman from California [Mr. HAVENNER], the gentleman from Texas [Mr. GUILL], the gentleman from Texas [Mr. THOMPSON], myself, and others have participated in the introduction of my bill H. R. 9509 to amend the Selective Service Act of 1949 to provide for the deportation of certain citizens of foreign countries relieved from liabilities for training and service.

We have either collectively or singly gone to the chairman of the Committee on Armed Services, the Honorable CARL VINSON of Georgia, and the ranking minority member, Mr. DEWEY SHORT of Missouri, and asked that they give consideration to our bills. We have been informed that on Monday the committee will consider plugging up this loophole in the Selective Service Act. It is my hope when the committee reports out the bill next week it will take care of this situation which has been called to its attention.

Mr. Speaker, I include the following editorial from the Butte Daily Post:

GET RID OF ALIENS WHO WON'T FIGHT

Representative GLENN R. DAVIS, Republican of Wisconsin, has introduced a bill which would require deportation of aliens who duck the draft.

This follows discovery that the draft law permits an alien to escape military service. He can refuse to report to a draft board and there is no penalty other than he is barred from ever becoming an American citizen. But he can still continue to live in this country and enjoy the opportunities and benefits that life here confers.

Disclosure of this condition brought a wave of public feeling against it. In Butte it prompted eight men to write Representative MANSFIELD asking, "How come?" MANSFIELD passed the question on to the House, expressing indignation at the situation and determination to do what he could to rectify it.

It is well justified. For no man who is unwilling to defend this country against aggression by its enemies is entitled to the privileges and protection that the United States gives to all its residents.

Aliens who don't want to serve in our Armed Forces don't have to. That's the law and it's a good one. We went to war with Great Britain once to uphold the principle which it involves.

But if they don't want to fight for this country, they should not be allowed to continue living here.

Congress should without delay make it possible to boot them back where they came from.

(Mr. MANSFIELD asked and was given permission to revise and extend his remarks and include an editorial.)

SPECIAL ORDER GRANTED

Mr. BRYSON asked and was given permission to address the House for 30 minutes on Tuesday next, on the subject of the reduction of the tariff on textiles, following the legislative program and any special orders heretofore entered.

WHAT'S THE USE?

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, yesterday the House passed or favorably reported a bill which carries, as I understand, something like $260,000 for civilian defense. I suppose on the theory that Washington should get ready for whatever may come, presumably a bomb.

This is the thought—and I submit this seriously. If we are to spend $260,000 for civilian defense in Washington, it must be on the theory that the city may soon be bombed. If that be true, why spend a million or several millions refurnishing and redecorating the House and Senate Chambers now? Why spend all that money? It will all be wasted if we are to be bombed out. Let us be consistent if we can. Just wait until the war is over before we pretty up our meeting place.

The SPEAKER. The time of the gentleman from Michigan has expired.

PROPOSED DISTRICT OF COLUMBIA CIVILIAN DEFENSE

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I take this time to call attention to the performance of the House in Committee of the Whole last evening. We increased the amount for planning the civilian defense activities of the District of Columbia by $260,000. That money can be used only for planning. There was no language which made it available for anything else. That indicates how we get into trouble going off half-cocked and not thoroughly understanding what is before the House.

WILL RUSSIA BOMB WASHINGTON?

Mr. HARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY. Mr. Speaker, the reaction of the people in our individual districts to the present war is a very interesting one to me. I have a communication here from the post in my own community, and they ask me to call it to the attention of the House.

The communication is as follows:

Mr. Congressman, I feel duty-bound to report to you the conclusion reached by a dozen of our post members in a recent discussion of the prospect of world war III. Among the many opinions volunteered by men who won their battle stars in the last great war, one was so sound and significant that it broke up the informal meeting.

"Do you think," asked one veteran of Okinawa, "the Russians will drop the first A-bombs on Washington?"

There was no instant response to his query. Everybody gave that a thought. Finally one spoke up.

"Russia will never bomb Washington. Of all the spots in the world, Washington is the safest outside of Moscow. After all, Washington is full of reds, pinks, and their fellow travelers, and the Russians aren't going to bomb their own people."

THE LATE DR. HARCOURT A. MORGAN

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JENNINGS. Mr. Speaker, on Friday, August 25, of this week, Dr. Harcourt A. Morgan, Director of the Tennessee Valley Authority for 16 years and former president of the University of Tennessee, died at his home in Belfast, Tenn.

His wife was with him when he died at 8:30 a. m. He was 83 years of age.

He was a native of Canada and became a naturalized citizen after coming to Knoxville, Tenn., to live.

He is survived by his wife, the former Sara Elizabeth Fay, of Baton Rouge, La.; two sons, Dr. H. A. Morgan, Jr., of Belfast, and John E. Morgan, regional distribution education coordinator for the State department of education; two daughters, Fay Morgan, of Minneapolis, and Dr. Lucy Morgan, of the University of North Carolina faculty at Chapel Hill.

Dr. Morgan came to the University of Tennessee from the University of Louisiana in 1905 and began his great services to the people of Tennessee as director of the university agricultural experiment station and professor of zoology and entomology; he was dean of the College of Agriculture from 1913 until 1919; he was made president of the university on July 1, 1919, and served in that position until 1933 when he was appointed by President Roosevelt a Director of the Tennessee Valley Authority; he was chairman of the commission from 1939 until 1941; he was food administrator for Tennessee during the First World War.

While serving the University of Tennessee, he was Tennessee State entomologist; member of the American Commission for Study of Rural Credits and Cooperation; chairman of commission to make scientific study of the Mediterranean fruitfly situation in Florida; member of the Advisory Council of Agricultural Commissioners of American Bankers Association; member of commission on Capper award for outstanding service to agriculture, 1930–31; member, National Land-Use Planning Commission; received American Farm Bureau Federation award for distinguished service to agriculture, 1937; trustee of the Berry schools, and of numerous other educational and scientific organizations.

Under the presidency of Dr. Morgan, the University of Tennessee attained first place in agriculture among State universities in the South, and it is second to none in other branches of study.

Early in his administration as president of the university, Dr. Morgan began a program of soil conservation and livestock improvement that brought a new era of progress and prosperity to our farmers.

He adopted the slogans: "Kill the scrub sire," and "Lime, legumes, and livestock."

Dr. Morgan was a diplomat and a statesman. We marshalled all the people of the State in support of his program for the enlargement and development of the university's expanded program.

His contribution to the material, educational, moral, and spiritual life of his adopted State is monumental and will survive for generations to come.

Dr. Morgan was a devout member of the Church Street Methodist Church of Knoxville, where for years he taught a large men's bible class.

Under his leadership the State became the campus of the university and his leadership inspired and will long remain a benediction to our people.

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, I simply want to join my colleague, the gentleman from Tennessee [Mr. JENNINGS], in expressing great grief over the loss of Dr. Harcourt A. Morgan, former president of the University of Tennessee and former Chairman of the Tennessee Valley Authority. I am sure that throughout the length and breadth of the Volunteer State today there is great grief and sorrow and a sense of personal loss. An indication of the breadth of Dr. Morgan's vision may be found in words he spoke when the first shovel of dirt was scooped at the site of Norris Dam. He said, "We are not merely beginning the construction of a dam, but of a new civilization in this valley."

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. COOPER. I desire to concur with my colleague from Tennessee in paying the highest possible tribute to Dr. Morgan for his outstanding work for the State of Tennessee and the Nation.

The SPEAKER. The time of the gentleman from Tennessee [Mr. PRIEST] has expired.

THE LATE DR. HARCOURT A. MORGAN OF THE TENNESSEE VALLEY AUTHORITY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I desire to join my distinguished colleagues from Tennessee in paying my tribute to Dr. Harcourt A. Morgan. No Member of this House knew Dr. Morgan better than I did. The American people will always owe him a lasting debt of gratitude for his great services on the Tennessee Valley Authority.

While I am at it, I wish to pay my tribute also to another Dr. Morgan, a man who, in my opinion, has not only been mistreated but overlooked. I refer to Dr. Arthur E. Morgan, the great engineer from Ohio, who did the engineering on which the Tennessee Valley Authority has been developed. Those two Morgans, working side by side, hand in hand, when we were going through the turmoil of creating and developing the Tennessee Valley Authority, rendered services that few men in this country have ever given to the Nation.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

CIVILIAN DEFENSE FOR WASHINGTON, D. C.

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Speaker, the gentleman from New York [Mr. TABER] has referred to the action of the House yesterday afternoon in increasing the civilian defense fund for Washington from $30,000 to $290,000.

The chairman of the subcommittee which was appointed by the chairman of the Committee on the District of Columbia, the gentleman from Texas [Mr. TEAGUE], in drawing his amendment for this increase merely neglected to add the words "and operation" in addition to the word "planning," which was in the bill as originally drawn. That is a simple matter; it only needs a simple technical amendment which was overlooked by the gentleman from Texas [Mr. TEAGUE] when he offered this amendment.

Civilian defense is an important matter. It is something that is very necessary. It is something that the House understood yesterday afternoon when this amount was increased, and it is not something just to be pushed aside on the theory that the House did not know what it was doing when it adopted the amendment.

The SPEAKER. The time of the gentleman from Georgia [Mr. DAVIS] has expired.

PERMISSION TO FILE REPORT

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill S. 3768, reported out of the Committee on Veterans' Affairs this morning.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CIVILIAN DEFENSE

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I am sorry to have to take issue with the very distinguished gentleman from New York [Mr. TABER], on civilian defense for the District of Columbia.

When the representatives of the Commissioners appeared before the subcommittee considering this appropriation they made it clear that they had a plan for the civilian defense of our Capital City, and that they wanted funds with which to implement the plan. It was the intent of the House vote yesterday to do just that. Undoubtedly here today we are going to indulge in a record vote on this issue. I urge the membership, before voting, to read in the September issue of the American Legion Monthly, out today, an article by National Commander George Craig, entitled "We Are Wide Open to Attack—Millions of American Lives Have Been Placed in Jeopardy Because Our Government Has Neglected Civil Defense."

I call particular attention to the paragraphs in that article dealing with the vulnerability of our Capital to atomic-bomb attack.

YOU CAN CRY PEACE WHILE YOU PREPARE FOR WAR

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RICH. Mr. Speaker, I think the gentleman from New York, JOHN TABER, needs no defense for the things he does here in economizing in Government. We need more JOHN TABERS when voting economy, but I think there are a lot of fellows in the House of Representatives who cannot resist spending, especially when it comes to spending somebody else's money and who are always willing to go the limit, especially when it comes to doing things for foreign countries. They are more foreign than domestic. In fact, they seem to think more of foreign countries than they do of their own. But whenever the time comes when you get to spending money trying to help all these foreign countries, especially when you come to arming them, and then you call it peace, I want to tell you the people of this country want to watch out, for the foreign countries will do nothing to help us when we are broke. We might be good fellows when we are giving, but when we are broke who will give to us? Who will help us? The people should send more Members to Congress who think and act as the gentleman from New York, JOHN TABER, does rather than the fellows who do otherwise than he does when it comes to spending the taxpayers' money. The gentleman from New York, JOHN TABER, is a sound-thinking, hard-working Member of Congress. Give us more TABERS.

THE SEA GULLS OF ST. AUGUSTINE

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, an editorial from the Atlantic News Telegraph of Wednesday, March 29, 1950, reads as follows:

TOO MUCH HELP

Nature's reaction to the hand-out is being aptly illustrated by the sea gulls at St. Augustine, Fla. Here the gulls have long been fed by the shrimp fleet, which threw scraps and debris overboard for the gulls. Now the shrimp fleet has departed for better fishing grounds, and the gulls have been fed for so long that they have forgotten how to hustle for themselves, and they sit, slowly starving, and awaiting the fleet which has departed.

A good many people see in this a warning to those who want paternalism in Government, who want the Government to support this and that and the other thing for the benefit of the people. They fear that Government hand-outs will eventually destroy ambition, that they will continue until the Government suffers an economic collapse. Then the people, long accustomed to Federal support, will suffer the tragic consequences of Government paternalism.

EXTENSION OF REMARKS

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks upon the subject of the mineral rights disposition bill and the passage thereof.

Mr. BECKWORTH asked and was given permission to extend his remarks and include a letter.

Mr. LANE asked and was given permission to extend his remarks in two instances and include extraneous matter in each.

Mr. HART asked and was given permission to extend his remarks and include two editorials.

Mr. HALE asked and was given permission to extend his remarks and include some extraneous matter.

Mr. REED of New York asked and was given permission to extend his remarks in four instances, in each to include extraneous matter.

Mr. PLUMLEY asked and was given permission to extend his remarks and to include extraneous matter.

Mr. SANBORN asked and was given permission to extend his remarks.

Mr. VELDE asked and was given permission to extend his remarks and include an editorial.

Mr. MICHENER asked and was given permission to extend his remarks and include an editorial.

Mr. ANGELL asked and was given permission to extend his remarks and include an editorial.

Mr. POULSON asked and was given permission to extend his remarks and include affidavits from the City Council of the City of Los Angeles.

Mr. D'EWART asked and was given permission to extend his remarks and include a letter.

Mr. BURDICK and Mr. BUCHANAN asked and were given permission to extend their own remarks in the RECORD.

SUPPLEMENTAL APPROPRIATION ACT, 1951

Mr. CANNON. Mr. Speaker, I ask unanimous consent that when the House resolves itself into the Committee of the Whole for further consideration of the supplemental appropriation bill, that any member of the Subcommittee on the Armed Services may have not to exceed 15 minutes in general debate before we resume the reading of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KERR. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9526, the Supplemental Appropriation Act, 1951, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read down to and including line 15 on page 2 of the bill.

Mr. KERR. Mr. Chairman, under the previous order of the House, I ask that the gentleman from California [Mr. SHEPPARD] be recognized for 15 minutes.

The CHAIRMAN. The gentleman from California is recognized.

Mr. SHEPPARD. Mr. Chairman, before I discuss my concept of the legislation now under consideration, I would like to pay my respects to a member of the subcommittee upon which I have had the honor to serve for the past 7 years. I have specific reference to the gentleman from Vermont, Hon. CHARLES PLUMLEY, who is going to leave this Congress at the termination of this session.

Charlie is like the rest of us human beings. He has his idiosyncrasies. We have not always seen the same thing the same way; we have not evaluated things in the same way; but he is one of the most lovable characters I have ever had the good fortune to work with as a Member of the House of Representatives.

I deeply regret, Charlie, that you have found it necessary to enter into a state of political retirement.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Texas.

Mr. THOMAS. May I say to my good friend from California it is my understanding that 2 days ago our distinguished friend, Mr. PLUMLEY, and Mrs.

Plumley, celebrated their fiftieth wedding anniversary. May we wish him good luck and good health and at least 50 more happy years together. We are going to miss CHARLIE PLUMLEY. He is one of the grandest men who has ever served in this House. We all love and admire and respect him.

Mr. SHEPPARD. I thank the gentleman from Texas.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Texas.

Mr. MAHON. I wish the gentleman from California would permit me to join in the spirit of the tribute being paid to CHARLIE PLUMLEY. His irrepressible good humor and his spirit of cooperation, coupled with his broad experience and fine insight into our national problems, have made him a welcome and effective member of our committee. I pay my warmest tribute to him as a friend and colleague.

Mr. SHEPPARD. I thank the gentleman. I feel, Charlie, that you and I and other members of the committee have covered considerable territory at least appropriationwise and I may say further that you have been a very wise companion. I want to pay tribute to you wherever you go, and in whatever you may do I trust you may have God's blessings and the ultimate of success and happiness.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Vermont.

Mr. PLUMLEY. I am more embarrassed this moment than I have ever been in my life on this floor, and I have been here a long time and have been very much embarrassed at times. I stayed away from here purposely to avoid such a diatribe "in antonym" or premature obituary, but I like it, I admit. It is such sweet sorrow that I am going to stay here a couple more days and not go back home tomorrow or perhaps not until Tuesday.

I am not unmindful, Mr. Chairman, in this presence and upon this occasion that—

> Words are easy—like the wind,
> Faithful friends are hard to find.

"True happiness," they say, "consists not in the multitude of friends, but in their worth and choice." Possibly I have been too choosy.

To my friend Representative RABAUT—LOUIS, I call him—let me say, and let him translate it to you:

> Le sort fait les parents
> Le choix fait les amis.

He knows what I mean.

Nevertheless, those friends I have made over the long years, and "their adoption tried" I have "grappled to my soul with hoops of steel."

May each and every one of you live so long as you wish, and have all you wish so long as you live.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to say that it only came to my attention the other day that CHARLIE PLUMLEY and his wife just recently celebrated their golden wedding anniversary; so that is another reason to felicitate our old friend Charlie and his wife.

Mr. SHEPPARD. May I say to the gentleman from Michigan and to those who have commented on the golden wedding anniversary that Mrs. Plumley is a most tolerant lady.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Michigan.

Mr. MICHENER. Mr. Chairman, I want to join the others in expressing my feeling concerning the voluntary retirement of CHARLIE PLUMLEY from Congress.

I knew Mr. PLUMLEY by reputation before he came to Congress. In fact, his father made an enviable reputation in this body long before I came to Washington. He was an outstanding public speaker and was generous enough to come to Michigan on numerous occasions to address Republican banquets and campaign meetings. In these circumstances I soon became a close friend of CHARLIE PLUMLEY. He is scholarly, industrious, capable, sincere, influential, and, last but not least, a polished gentleman. This Congress is better because CHARLIE PLUMLEY served in it. Many a law on the statute books is a better law because CHARLIE PLUMLEY helped write it. None of those retiring from Congress in 1950 will be more greatly missed, and Mr. PLUMLEY is leaving a place and a position that will be difficult to fill. It has also been my good fortune to know Mrs. Plumley, who is not only charming but a genuine New England lady, and we all know that that is a real compliment to pay to any woman.

I am sure, Charlie, that in your retirement you will not sit by the roadside and watch the world go by. You will be a leader and a vital part of your State in the future just as you have been in the past. May you live long and enjoy life.

Mr. COTTON. Mr. Speaker, my district adjoins the State of Vermont. I live only a few miles from Mr. PLUMLEY'S home in Northfield. During my first year in the Congress my offices adjoined his. I have enjoyed the benefit of his friendship, his counsel and advice here. I know something of the stock from which he came, the State which he has served so well and its people whom he loves so much and who return his regard.

May I quote the words of Dr. Homer T. Dodge, president of Norwich University, when he conferred the degree of doctor of letters on CHARLES A. PLUMLEY. I believe his colleagues in the Congress will treasure them.

CHARLES ALBERT PLUMLEY, native son of Northfield, and graduate of Norwich of 51 years' standing. You have served your alma mater as president for a longer period than any other president except the founder. During your term of office there were large increases in student body, faculty, and income. In your administration the building in which we meet today was erected.

Since 1934 you have been the sole representative of Vermont in the national house. In addition to committee duties of the greatest importance to national defense and public economy, all the varied interests of our citizens have been your care. In the midst of these diverse responsibilities we have found you a loyal friend and influential champion. No one could have done more for his alma mater.

In your early years you developed a love for the classics both ancient and English, as is evidenced in your address and papers. In all the vicissitudes of your professional, academic and political life, the love of the written work and a knowledge of its possibilities of conveying eternal truth have been with you.

In recognition of your record of attainments, and of your unceasing interest in this institution—Norwich University confers upon you the degree of doctor of letters.

Mr. SHEPPARD. Mr. Chairman, I would like to briefly discuss my concept of the bill before us. There has been much said across the country, through the newspapers, and by radio commentators, and there have been some rather caustic comments on the floor of the House about sins of omission and other classified sins that were referred to. I think perhaps a good 40 percent of the comments have been predicated upon political ambitions; but, irrespective of what the intent was in the minds and within the concepts of those who have commented, both press and otherwise, I am not here this morning to either refer individually to the sins nor am I here to pray for the forgiveness of the sinners.

I feel that we as a people have a great deal to take into consideration relative to an honest concept of our national welfare.

I was permitted some 3 years ago, in conjunction with other members of my committee, to go to the South Pacific and various places in Europe, in which we had an elaborate opportunity of analyzing the potentials of the Russian expansion program. We came back and made our report to the White House and to the Congress and we endeavored, in our limited way at that time, to indicate to those who were concerned with the national welfare that we considered the Russian situation was extremely hazardous, to say the least; and we further considered it would be extremely advisable to build up a reserve program in this country that we might be prepared to meet the eventualities that would, in our opinion, develop. It was a matter of timing as to just how soon the elements of combat might prevail; today we have Korea.

We have before us in combination, meaning by that the bill that was just passed, the regular supply bill, a total in contractual authority and in cash, added to that of the supplemental bill now under consideration, the sum of $26,322,990,443. That is an extremely large sum of money, as we all know, and insofar as

its ability to serve in procurement under existing price conditions, is, in my opinion, extremely intriguing; in other words, we have heard comments within the last 24 hours on the floor of the House about the waste that would obviously follow in a program of this character. And, I am willing to admit that inevitably in a preparatory process for war functions we do have waste. We are in this concept: Either in its inception or total application war is wasteful, and there is very little that can be done about that kind of waste because of the nature in which the money has to be spent and, further, the nature for which your materials have to be utilized.

This House recently passed what I would construe as a permissive control bill. I think the Congress made a tragic mistake in passing the kind of legislation it did pertaining to controls and delegating the power into the hands of the President of the United States. I do not say that in criticism of the President of the United States as such, but I feel that the Congress should have accepted its own responsibility, and realize what was presently indicated insofar as the necessity for those controls. In other words, what I am trying to say to the membership of this House is this: We have and undoubtedly will, before we are finished with this bill, have appropriated $26,000,000,000 plus, and I presume you anticipate you are going to get full value for that said $26,000,000,000. Let me tell you right now, you are not, by some 42.2 percent. My premise and reason for making a statement of that character is predicated upon the following, which I think you will find rather interesting.

For example, let us take some of the situations that prevail in the price elements from April of this year until the present date. Take crude rubber. It reflects an increase from April until the present time of 161.9 percent; lead, 33.3 percent increase; tin, 36.6; steel scrap, 52.1; burlap, 36.6; sugar, 15.2; fuel on the west coast, April until the present, 54.5 percent increase; gasoline on the west coast, 12.4; Diesel fuel on the Gulf coast, 15.1 percent increase. I could go on and on. I am going to insert this table in the RECORD at the termination of my comments, because I think it is extremely intriguing and is, at least, indicative of the fact that we should be paying more concern to the present price conditions as they prevail and not as we would like to have them prevail.

I am going to say this: Nobody in the world would have a greater sense of appreciation than I if I could sell myself the idea that the great American public is going to deny itself or police itself and not take profits. There is not one iota of fact, economic, social, or otherwise, that has been indicated in any war we have ever had, that a policy of self-policing will be effected. I do not say that to belittle my people or the people of the Nation collectively or individually. That policy is predicated on the philosophy of what? That of the profit system, and we are not going to change our concept overnight, and everybody in this House who will admit the truth knows it. Consequently, it is extremely imperative if we study the facts and do what should be done to protect the value of $26,000,000,000, instead of letting it diminish to about 42.2. We must have controls across the country and have them retroactive to the first of last June. And I would like to call attention to those in policy positions to the facts that pertain in order that they may give those facts serious consideration and put into effect controls that are needed now, not wishful thinking about self-policing.

So far as this bill is concerned in its total application, it is as good a bill as I think could be enacted.

If I have any quarrel with the bill, I would say that it comes about a year and a half too late. The least time required for the production of planes and other requirements involved in this bill will be from 21 to 36 months. If we get involved in a conflict with Russia, which from all indications may be today, tomorrow, or the next day, I say that it is going to take entirely too long before we get into the full swing of production.

However, apparently this is the best that we have been able to do under the circumstances.

I sincerely trust that those presently in policy-making positions are taking into consideration what is occurring in our domestic economy regarding prices as shown by the statement I am including with my remarks, so that we may derive as much out of the $26,000,000,000 for procurement as possible.

Mr. Chairman, the statement I referred to is as follows:

[From Progress Reports and Statistics of August 24, 1950]

RECENT PRICE TRENDS AFFECTING MILITARY PROCUREMENT

During the past 4 months there has been a general rise in commodity prices. The Bureau of Labor Statistics wholesale price index has risen from 152.9 in April to 165.0 on August 15, an average increase of 8 percent. A number of key commodities used directly or indirectly by the armed services have jumped in price to an even greater extent than the 8 percent average. Some of these basic commodities are:

Item	Unit	April 1950 price	Current price	Percent increase
Crude rubber	Pound	$0.21	$0.55	161.9
Lead	do	.105	.14	33.3
Tin	do	.75	1.025	36.6
Wool tops	do	1.87	2.845	52.1
Steel scrap (Philadelphia)	Ton	24.00	36.50	52.1
Burlap	Yard	.172	.235	36.6
Sugar	Hundredweight pound.	5.45	6.28	15.2
Cotton print cloth	Yard	.14	.20	42.9

The price increases in basic commodities have not yet been fully reflected in the prices currently being paid by the armed services for the items they procure. Nevertheless, procurement costs have already risen significantly for many important items. The increased need for aviation fuel has required the use of marginal facilities and practices, and additional supplies of 115/145 octane aviation fuel are being purchased today at a cost 30 percent higher than that of normal supplies contracted for several months ago. Resistors, actuators, and other electronic spares for aircraft are being quoted at prices that are as much as 175 percent greater than those prevailing 2 months earlier.

The following are examples of items recently procured by the armed services at increased prices:

Item	Unit	April 1950 price	Current price	Percent increase
Fuel oil (west coast)	Barrel	$0.99	$1.53	54.5
Gasoline (west coast)	do	3.90	4.38	12.4
Diesel fuel (United States Gulf)	do	2.92	3.36	15.1
Cloth, cotton chambray, 3-ounce	Yard	.39	.44	12.8
Cloth, cotton twill, 5-ounce	do	1.27	1.59	25.2
Drawers, cotton shorts	Each	.33	.42	27.3
Shirts, cotton khaki	do	.71	.77	8.5
Cloth, wool serge, 18-ounce	Yard	3.82	4.89	28.0
Trousers, cotton khaki	Each	.74	.86	16.2
Beef carcass	Hundredweight	43.26	46.50	7.5
Pork	do	37.85	53.95	42.5
Lard	do	12.80	16.34	27.7
Hams	do	45.50	58.60	28.8
Coffee	Pound	.451	.556	23.3
Lumber, No. 2 common	M board feet	82.00	105.50	28.7

Item	1939 cost	Current cost
Food	$0.41 per day or $150 per man annually.	$1 per day or $365 per man annually.
Clothing and individual equipment per soldier	$122	$377.
Airplanes:		
Bomber	B-17, $330,000	B-50, $1.2 to $1.4 million; B-47, $2¾ to $3 million; B-36, $3¼ to $3½ million.
Fighter	F-51, $67,000; F-47, $113,000 (recip.).	F-84, $175,000 to $200,000; F-86, $250,000 to $275,000 (jet).
Destroyer (including ordnance)	1,630 ton, $7 million	3,650 ton, $40 million.
Jeep (tactical)	$1,100	$2,700.
5-passenger sedan	$775	$1,200.
Light tank	$27,000	$225,000.

NOTE.—Increased current costs reflect both increased prices and qualitative superiority of current equipment compared to prewar equipment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I recognize, as we all do, the absolute necessity in these days of a real Voice of America—

patriotic, competent and able to present America's picture to the world.

I should support it if it cost $200,000,000 instead of $100,000,000, if we had that kind of a Voice.

Today we have no voice whatever on the air. Only the highest sense of duty impels me to call the attention of the House, and the country, to the terrible situation that we are in.

Frankly, I do not know whether Mr. Barrett, the Assistant Secretary in charge, is responsible for this situation or whether he is hampered by the minions of the "raw deal" who are in control of Mr. Acheson and the State Department and who have prevented the United States from having any foreign policy whatever for the last 2 years.

In any event, the things that I am going to call attention to must be corrected and corrected immediately or the United States can hope to have no standing in the world.

I talked with Mr. Barrett first on the 29th of June—4 days after the Russian-inspired break in Southern Korea. I discussed the organization with him; told him that I had felt that it was totally incompetent; advised him that because of the pressure of other duties I had been unable to go over any of his broadcasts for some time but that I felt that, with the present situation, it was necessary that they should be followed up. He advised me that his staff was not as good as he hoped it could be but that because of Civil Service it was impossible to correct. I advised him that with the McCarran amendment to the State Department bill it was possible to clean it up without giving any reason whatever. I asked him for the broadcasts for the 26th, 27th, and 28th of June. I received them about the 9th or 10th of July.

There was not, in any of the broadcasts, the slightest word that could be considered as propaganda in behalf of the United States position, nor did any of these broadcasts name Russia as the aggressor. All that the broadcasts consisted of was newscasts, and these very poorly done.

Was that because of a policy of the State Department not to tell the world where the United States stood, or was it because of the total lack of competence and loyalty on the part of the United States Information Service?

Mr. Barrett himself, at that time, had not made a business of reading the broadcasts.

I had him up again on the 19th of July. I told him what I had found and I asked him for the broadcasts for the 18th of July. I received them in due course and examined them. At that time there had been no improvement whatever; not a word was said against Russia; they kept talking about Communists but never named Russia as the aggressor—responsible for the mess that they had created in the world.

This time the newscasts were just as poorly done as before but there was more. There was the story of the Tydings committee and its report; Mr. TYDINGS' comments against Senator MCCARTHY and Senator MCCARTHY's reply. Both indicating that there was a very large segment of our population that did not believe in the loyalty of its own State Department.

How such a thing could be broadcast by the Voice of America—advertising the situation that careless administration has brought about—is beyond me.

They all referred to labor troubles in the United States which would be most handy for Russia to exploit. They gave a lot of play to the fact that the Republicans and the Democrats were fighting over foreign policy.

I again called Mr. Barrett on the 15th of August and asked for the broadcasts for the 14th of August. I received the broadcasts and have examined them.

There is one improvement. They have broadcast the voice of Warren Austin, the United States Delegate to the United Nations, and he named Russia as the aggressor. But that was not followed up in a single instance with anything affirmative on the part of any of the broadcasters operating for the so-called Information Service, and by waiting so long in naming Russia as the aggressor we lost the initiative in the propaganda war.

But this is not the worst of the picture. I found out that a man named Hans Bruno Meyer was the first assistant to the man in charge of the broadcasting in Germany for the United States. He is, of course, under the High Commissioner in Germany, but still responsible to the State Department.

Public sources of information indicate some interesting data on this man Meyer.

I am advised that the May 15, 1939 issue of the publication Aufbau contains an announcement of a lecture on National Socialism to be given by Mr. Meyer on June 15, 1939. Mr. Meyer was listed as secretary of the German-American League for Culture.

I am further advised that the December 15, 1939, issue of the same publication contains an article by Mr. Meyer concerning the attitude of the emigrant toward the war.

The House Un-American Activities Committee in a special report—appendix part IX, page 839—indicated that the German-American League for Culture was founded in 1935 to serve as a Communist front operating among the German speaking groups in the United States with the openly avowed policy of organizing refugees as a potential revolutionary force. The league has been described as such in the publication Jewish Life May 1938 issue, page 21, a medium which is an official organ of the New York State Bureau of the Communist Party.

The House Un-American Activities Committee files reflect that the July 1939 issue of Equal Justice published by the International Labor Defense states that Dr. Hans Meyer spoke at a panel forum held during the Seventh National Conference of the International Labor Defense in Washington, D. C., on July 8, and 9, 1939.

The International Labor Defense has been declared to be within the purview of the President's Executive Order on Loyalty Matters, No. 9835.

The December 1939 issue of the publication Direction contained a contribution from Hans Meyer.

This magazine has been listed as a "familiar Communist enterprise" by the House Un-American Activities Committee—appendix part IX, Communist front organizations, fourth section, page 1390.

This information is a matter of public record. But I would like to know what is in the private records locked up in the State Department.

The place where it is claimed that the things that are provided for in this appropriation bill will be used is largely on the borders of lands near the iron curtain.

We are not presently making use of our facilities and we are using a short-wave 100,000-watt station at Frankfort to broadcast to the troops when regular band broadcasts would get to them just as well and this station could be used for long distance broadcasting.

We have, as I understand it, a 40,000-watt station that is not set up at all. We have many stations around the territory near the iron curtain that could broadcast, on regular bands, items that would get through to the iron curtain countries. Not 1 radio in 10 in the United States is equipped for short-wave, and I would not expect any better percentage in any of the countries behind the iron curtain.

Frankly, I demand that the so-called Voice of America become the Voice of America; become militant; become a fighting force designed to get the true picture of the United States across to the world. I do not expect to offer a motion to strike out the funds for this item although that would be the proper way to get efficiency—to force them to reform before they were given more money.

The situation is critical. Will Mr. Barrett in the State Department and Mr. Acheson face the situation or will we have a continuance of a fraud upon the American people, the American taxpayer, and a double cross of our war effort.

Mr. JAVITS. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. JAVITS. The gentleman mentioned Aufbau, which is a German language newspaper published in New York City. I should like to ask the gentleman whether in mentioning the publication the way he did he intended to make any implication in respect to it? I know all about Aufbau and I can assure the gentleman that it is a journal that sustains

the great democratic and constitutional principles of the United States. It enjoys a wide reading public and is a highly authoritative journal. I might say that its readership contains many thousands of Americans who have personally suffered under the nazi terror and escaped from Germany and Austria after 1933. They certainly know totalitarianism, red or black or brown better than most people and they are completely opposed to it. I happen to be a member of Aufbau's advisory board myself, and have been in touch with its policies for a considerable time.

Mr. TABER. I simply stated that the publication contained an announcement of a lecture.

Mr. JAVITS. That does not represent any implication, as the gentleman sees it, in respect to the publication?

Mr. TABER. I did not comment on Aufbau in that sense. Let me see. The only mention I made of Aufbau, that it contained an announcement of a lecture on National Socialism to be given by Mr. Meyer.

Mr. JAVITS. I wish to assure the gentleman that that particular journal Aufbau sustains full the principles of our constitutional democracy.

Mr. TABER. I was not commenting on its policy.

Mr. JAVITS. The gentleman mentioned it in a context in such way that I think it should be clear to the House that it is a journal that consistently supports every constitutional principle of our country.

Mr. TABER. I mentioned the Un-American Activities Committee but I did not do so because I thought it was in any way to be reflected on; I used it as a means of proving what I had to say.

Mr. JAVITS. I thank the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. H. CARL ANDERSEN. Did I understand the gentleman to say that this man Meyer who has undoubtedly had some questionable associations in the past, today is in control of a radio station at Frankfort, which disseminates the GARIOA Voice of America program in that region? Is that correct?

Mr. TABER. He is the assistant in charge.

Mr. H. CARL ANDERSEN. It seems to me to be a ridiculous situation that we cannot find good Americans of unquestioned background for this kind of work that is so essential to the world at large.

Mr. KERR. Mr. Chairman, I ask that the gentleman from Florida [Mr. SIKES] be recognized for 15 minutes.

The CHAIRMAN. The gentleman from Florida is recognized.

Mr. SIKES. Mr. Chairman, I want to add to all that has been said about the very fine work of CHARLES PLUMLEY who is leaving the committee and the Congress. He is one of the most lovable men I have ever served with, a man whose great store of knowledge about the defense needs of this Nation has been invaluable to the committee and to the Congress.

Now, Mr. Chairman, I do not think I have ever worked on a bill when there was more complete unanimity or determination on the part of the committee to get on with the job. Nor have I ever been associated with a harder-working group.

The very able leadership of the chairman, the gentleman from Texas [Mr. MAHON], is amply demonstrated by the masterful way in which he outlined the bill and the necessity for it last night. The work of the other subcommittee members with whom I serve, and the work of the staff has been equally impressive and equally valuable.

No one wants to bring a bill like this to the floor. The enormity of its cost is staggering. Added is the realization that the money we are spending is nonexistent. We have long ago spent the money we had. We are now spending the Nation's credit. We need not try to kid ourselves into thinking it will last indefinitely.

However, we have no choice in what we are doing. No one would want to reverse the decision the administration made to fight aggression in Korea. We had to stop retreating somewhere. Every retreat was bringing communism closer to our own shores.

How did we get into the Korean conflict? Because of Communist aggression, of course. But also by a policy which permitted war to be precipitated before there was a military build-up. We had taken our military forces out of Korea. We were not committed to a policy of meeting aggression by force in the Far East, and we were not prepared to do so. As a matter of fact, the administration policy was directly the opposite. It was not until the actual aggression took place in Korea that the administration's policy was reversed, and our military services were directed to begin to meet force with force. Intelligence, historically a weak point in the conduct of American foreign policy, and in this case the responsibility of the military command in the Far East, was faulty in that it was incomplete. Further, the information received in Washington was not properly interpreted. Otherwise we might not be fighting in Korea today.

Military weakness in far-away Korea was inevitable under the circumstances. Native troops, though comparatively large in number, were trained largely as constabulary forces and were neither equipped nor trained for full-scale military operation. These things are beside the point. We have a job to do. We cannot look back now.

In the postwar years we have been accustomed to military appropriations that are big by American standards. Many have demanded to know what has been done with previous appropriations; why there was no combat readiness in Korea. Ours are expensive forces. The pay is high, the food is good, the quarters in most instances are at least satisfactory. Consequently about half of the money has gone into housekeeping requirements. In addition, our forces, not particularly large in number, are stationed all over the world. We are spread thin. Our defensive or offensive potentialities at any given point are necessarily limited until there has been a build-up.

The big obstacle in carrying on the Korean conflict more successfully has been distance. Korea is almost halfway around the world. This cannot possibly be made an overnight operation. These facts, plus the fact that this is an unanticipated ground operation, required major changes in thinking and planning in the Pentagon. As a result, we have been taking a licking. But the situation is being met, and it will be taken care of in thorough-going American fashion. We will not be taking a licking any longer in Korea.

Actually this bill has not too much connection with Korea. Of course the services could not carry on the Korean operation without additional appropriations. But not all of this huge expenditure is intended for the Korean conflict. Instead we are proposing an over-all build-up of all the armed services. It is a costly operation, and it will be several years in process. We think it is necessary in order to achieve the comparative safety of this Nation and the world.

Perhaps the forces in being are not organized for the type of fighting which will be encountered. Certainly that has been true in Korea. There, to meet tank-led ground forces we have needed airborne units, regimental combat teams, and marines. We have needed more carriers to provide mobile flight strips. I do not think adequate use has been made of the National Guard and the Reserves, supposedly kept in combat readiness at considerable expense during the postwar years.

If there are other Koreas, we shall need additional mobile striking forces. While this bill will meet that need it will do so at considerable cost. If on the other hand the requirements are for other than Korean-type operations, this bill is the answer and all of the money it carries will be needed. It helps to prepare for defense against an all-out conflict. We do not start wars, hence we shall not be able to choose the type of conflict in which we engage. That is why this type of bill is brought to you. We must try to be ready in case an all-out conflict is forced upon us.

If we are to have an over-all build-up, we would like to know that some of the now obvious weaknesses of the past are going to be eliminated. First on the list I think I would place Intelligence. We created a central intelligence agency in part to avoid being caught flat-footed by aggression. It hasn't worked. We likewise expected it to be of value in combating the Communist war of ideologies. If it is working there, it is hard to discern.

We would like to know if we are prepared to meet aggression of any type. There has been a dangerous tendency on the part of some to assume that we could determine the type of aggression we would be forced to meet, and that we need specialize only in certain weapons or in certain types of warfare. That is like locking the front door and leaving the back door open. For an illustration, we can consider tanks. For years I and others have been disturbed about our tank program. We were assured there was nothing to worry about. We now find there was a great deal to worry about.

The dangerous and costly philosophy of "war as usual" may not be entirely eliminated from the thinking of the Pentagon. As an indication of this, we found plans for the blanket hiring of a huge number of civilians without definite evidence of need or even that something could be found for them to do. I think that our committee will render a great service if it follows through vigorously on its stated determination to carefully watch hiring and use activities of civilian personnel.

Be that as it may, we must win the war in Korea. We must have a greater state of readiness for emergencies wherever and whenever they occur. We think this bill will help materially to do it. We screened it as carefully as a limited number of men can screen a bill in a limited time. Frankly, it still amounts in considerable part to a blank check. We are placing our trust in the same people who, properly or improperly, have been subjected to widespread criticism for our present predicament. We will get out of this predicament. The boys from your home town and mine, the GI Joes, those tired and dirty work horses, who have to win all our wars, are slowly and painfully digging their way through this one. But I would like to think that their heroism and courage, the sacrifices they and their families must make, are going to be reflected in greater vigor and clearer thinking on the part of the policy planners, on the part of all of us here at home. I would like to think that there will be no weaknesses in the high places which might cause us to blunder into other and bigger conflicts. I would like to think that we are facing realistically the problems which eventually will have to be met. I would like to think that we know what we are going to do when GI Joe reaches the thirty-eighth parallel, and that may come more quickly than we now think. I would like to think that we know what we are going to do about rearming of western Germany before, not after, Communist puppet forces from eastern Germany invade the west zone.

There are many problems that can catch us unprepared. Korea is only part of the story. But Korea is a much more important proving ground than some of us seem to realize. We are learning a great deal there. I hope it will not be too quickly forgotten.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, as we come to the closing days on the appropriation bills the greatest of which was passed here yesterday, and as we now consider the supplemental appropriation bill, both containing astronomical figures, we cannot help but be struck with the tremendous amount of work involved in matters of this kind. I take my position here to give credit where credit is due. I want to say a word to the Members of the Congress concerning George Harvey, the clerk of the Committee on Appropriations and his splendid staff.

George Harvey has a profound understanding of the entire Federal budget structure. He has an intimate knowledge of the law, especially the innumerable laws governing obligation and expenditure of Federal funds. He possesses an excellent appraisal of the many agencies of the Federal Government. His loyalty to the chairman of the Committee on Appropriations and to the membership is unquestioned.

When one considers the sacrifices which must be made to get a bill of this character to the floor, the major bill containing 13 chapters with hundreds of separate appropriation items and provisions, 20 separate conference meetings with their attendant details and preconference preparations, one must be impressed with the magnitude of the task. Great ability, combined with meticulous care is absolutely necessary for tabulating, checking, and dealing with the enormous figures and the complex provisions involved, and in the preparation of reports for the committee, as well as those for the conferences.

Let us not be unmindful of the night work and the skip-lunch periods and the trekking back and forth from the House to the Senate and to the Members' chambers. All of this is the work of the clerk and the very able and excellent staff of his committee. Yes, Mr. Chairman, I am happy at this time to give credit where credit is due.

Mr. Chairman, I yield back the balance of my time.

Mr. KERR. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PUBLIC SCHOOLS

CAPITAL OUTLAY—CONSTRUCTION

For beginning construction of an addition to the Browne Junior High School, including 10 classrooms, 1 gymnasium, improvements and alterations of the existing building, and treatment of grounds, $460,000, and the Commissioners of the District of Columbia are authorized to enter into contract or contracts for said construction at a total cost not to exceed $717,600: *Provided*, That not to exceed $22,500 of the amount herein appropriated may be transferred to the credit of the appropriation account "Office of Municipal Architect, construction services," and be available for the preparation of plans and specifications for said construction.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise briefly to point out that while I have no criticism of the appropriation for an addition to the school system of the District of Columbia, it is my opinion, based on a knowledge of the District, that the wording of the bill should not tie the addition down to a specific school building. I do not have any intention of offering an amendment upon this floor. It is my intention, however, to ask the committee of the other body to investigate physically the situation which exists in that area. Quite by accident, I have come to know the area, through interest in another legislative matter which occasionally comes in our bills.

It is my observation that the school named in this proposal is in that part of the area which is becoming the older part, and that the newer part, where the children are now living and where the people are moving in who have children, is sufficiently far away that it would be economical to build the school nearer to the newer part of the district. This proposal, if carried out as the wording intends it to be carried out, would make it necessary to bring the children from the newer part down to the older part to go to the school where we are building the addition, instead of building the school where the rising population of the district is located.

I have no intention of offering an amendment here, but I call attention to this item now, in case the matter does go into conference. I am willing to leave it to the committees, but I have had some experience with this part of Washington, and I am convinced, after several years' experience, that the Commissioners of the District of Columbia themselves are not familiar with that part of the District.

I yield back the remainder of my time, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For an additional amount for "Emergencies in the Diplomatic and Consular Service," $675,000.

Mr. CLEVENGER. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio is recognized for 10 minutes.

Mr. CLEVENGER. Mr. Chairman, as a Member of this great body for the past 12 years it has been my duty to rise, on occasion, to oppose programs and appropriations for programs, that I could not in all honesty support. Again I find myself in this position. All people have a strong desire to see the truth prevail in the iron-curtain countries and thus to contribute to the ultimate emancipation of the unfortunate people who find themselves a victim of the Communist yoke. They are persuaded, however, that the borrowing of a dictatorial device to achieve these ends defeats its own purpose and is not in keeping with the fine traditions of this great country.

I cannot quarrel with the objectives of this great campaign of truth and I cannot say that I am against propaganda per se. I know too much of the effectiveness of psychological warfare, as carried on in war time by our Armed Forces, not to recognize the great accomplishments of that technique in our physical triumph over our late enemies. I will go further and say that if we are indeed at war let us give the funds provided in this bill for international information activities of the Department of State to the Department of Defense for psychological warfare. While not quarreling with the objectives of this program I find myself with little confidence in the material being disseminated, the people preparing the material, and our very ability to get the material through to the people for whom it is intended.

The supplemental request received from the Department of State for this program envisioned some $97,000,000 to

provide new equipment including several hundred thousand radio receivers for free hand-outs abroad, and the addition of some 5,500 high-salaried people.

This program is no war-born baby nor is there any evidence that it will contribute in any measure to the solution of immediate pressing military problems. This program was conceived many months before Korea but the wraps were quickly removed after the shooting started in the well-advised expectation that in its present mood Congress will give little consideration to the taxpayer and approve any appropriation that is riding the coattails of the Korean war.

Reference to the published hearings clearly illustrates the fact that full advantage was taken of this situation. The figures submitted were arbitrary and detail was completely lacking to support the sacrosanct figure submitted by the President. The total figure, you may be sure, never changed. That is sacred. Mr. ROONEY put his finger on the situation when he told the State Department they were building detail after they had arrived at a figure instead of computing requirements first and adding up to a total—page 61. This is, of course, a familiar technique to fool the Congress into believing that these budgets are carefully built up based on requirements and thus untouchable.

Including the current request well over $200,000,000 will have been made available for this program since 1948 and I for one have been attempting to ascertain what, if anything, the American taxpayer has received in return. Can it be demonstrated that we have slowed down the Communist advance? Have we made any progress in the cold or hot wars? By what yardstick do we measure accomplishments? What, I repeat, is returned for the dollars expended?

There are no adequate answers to these questions and inventions of answers leave me a little numb. To the question as to what some of the accomplishments have been we hear long dissertations on the results of the Italian elections leaving the inference that our international information program single handedly achieved this desirable result. The facts are that the deep religious convictions of the Italian people forced this result against an ideology that was directly contrary to these very deep religious roots. The Department of State, however, will not even give credit for an assist to divine providence.

The testimony adduced for this campaign of truth is replete in generalities and lacking in detail. It is contradictory and in many instances expedient. During the hearings last year supplemental funds were requested, and approved, for additional antennas to strengthen our beam and overcome the Russian jamming. At that time we were piously told that only 2 percent of our broadcasts were getting through the iron curtain and immediate action was imperative. We now find that none of these antennas have been built at this time yet we are just as piously told that 25 percent of our material is getting through. "Improvements" have been made, we are told. This is expediency in testimony in an attempt to justify the program. Has anyone examined these figures? How are they arrived at? Who prepares them? Why do they change so radically in such short periods of time? Are we being duped by figures without foundation? The truth is that these figures are pure guesswork and this cannot be denied. The guessing game varies depending on the purpose desired. "Figures don't lie but liars do figure."

Consider the exchange of persons. The State Department came up here with a scheme to bring 85 Communists from Yugoslavia to study our production methods and to let them see for themselves that "every working man owns a car." How naive can we get? Admittedly these people are Communists in the Yugoslavian Government service. This trip would be a reward for their loyalty to the Communist cause. They represent the ruling clique of the Communist regime. Are we to believe that they will return to their country and become penitent and disaffected, thereby putting their heads on the chopping block; or are we to believe that this would to a great opportunity for them to strengthen their espionage facility in this country and provide a fine courier system to carry back the secrets stolen from our Government by their agents?

We delivered 50,000 copies of magazines to Russia every month. What happens to them? Are we to believe that Russia permits their distribution and encourages their subjects to read what a fine place America is? You know, Mr. Chairman, what the answer is to that one. The State Department tells us they go around to the news stands and check up on the fact that they are for sale. What utter nonsense when we know the travels and activities of our representatives are confined and controlled. I can imagine the piercing inquiry we are able to make as to the ultimate fate of 50,000 magazines a month. I am satisfied that with the exception of a few props for convenient news stands within the "periphery" that we are permitted to transgress, they are confined to the furnace to help heat the cold heart of "good old Joe Stalin."

Contrary to my skeptical statements, I do believe in proper propaganda. This, however, is not the way. It is a device that failed Hitler, is failing Stalin and will fail us. It will alienate the very ones we seek to convert. True propaganda and the prevalence of truth will never be accomplished with the Yankee dollar, free radio sets, and all the other accoutrements proposed in this program. True propaganda is in the free exchange in commerce, trade, and travel and the exchange of letters between close friends and relatives. We do not have to sell what we have; it is here for all to see.

Let me ask you, Mr. Chairman, have you ever listened to the Voice of Russia? Do you know anyone who has? What would your reaction be? Would you resent the effort to control and influence your thinking? Are we to believe that those people we would like so much to help are basically different from us? Is it not human nature to resent the outsider coming in and telling you what to do? How many Members of this House have seen outsiders come into their home community and try to influence the electorate in an election? Do not your people tend to rally to the support of the local talent?

Do we have any idea of what use the Communists put our broadcast material to? What do you suppose they are saying about the fact that the Voice of America told the world that it was necessary to have an investigation of subversive influences in the State Department? What purpose is served by washing dirty domestic laundry in an international wash tub?

Yes, these are questions that are bothering me and they should be bothering you. There are countless other questions not touched upon here, not the least of which is the effect on the taxpayers' pocketbooks of all of this additional spending in an alleged attempt to pay for the mistakes of the Department of State. Dollars alone are not defense and we must carefully examine what they will produce to help preserve our way of life. I ask you in all candor, what has, is, or will this program produce to attain that objective?

Do not think the answers will be found in the hearings. I suffered through them and I remain singularly unimpressed.

That under the program of exchange of persons, for which they asked $12,750,000 additional, when the chancelor of Vanderbilt University appeared before our committee he stated he wanted to bring in 85 comrades from Yugoslavia to see America—to see that American workmen actually owned automobiles. I reminded the gentleman that we did not have 85, we had more than 85,000 in Ohio, that they aspire to the office of Governor of Ohio. Their descendants have sent millions of their money to relatives abroad. That Yugoslavs know America and its opportunity for advancement fully. To the full credit of our chairman, the gentleman from New York [Mr. ROONEY], he helped to strike this item, as regards Yugoslavia.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from New York.

Mr. ROONEY. That is the exact point I wanted to make when the gentleman refers to this Yugoslav exchange program. The committee unanimously and promptly struck the entire matter out of the bill.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor at this time to ask the chairman of the subcommittee some questions which I think need to be asked in respect to this particular appropriation for international information and education activities.

First, let me say that the criticisms of the Voice of America for broadcasting information with respect to certain investigations in the other body may not

be entirely warranted in view of the fact that the people abroad do not live in a vacuum. Reuter's and other excellent news agencies write dispatches which are published in European and other overseas papers, and I think it is better for us to try to explain what is going on in our own way than have other peoples to come to their conclusions from what may often be politically slanted reports in their own countries.

On page 12 of the committee report it is stated:

> This appropriation makes possible a greatly strengthened and intensified campaign of truth to offset the Communists' malicious efforts abroad to discredit the United States of America.

May I ask the committee whether in their questioning of these witnesses they have tried to determine what the informational agencies of the State Department are doing about coordinating with indigenous people, organizations, and agencies sympathetic to us, which after all are the best media of broadcasting our point of view? Are we relying solely on the American Voice?

Mr. ROONEY. The Department of States does cooperate with such agencies, but there are none of these appropriations transferred to them.

Mr. JAVITS. I understand that. But what kind of a job does the committee believe the Department of State is doing with respect to getting local peoples and organizations interested and active? For example, I read an article this morning which indicated that the answer to the great Communist campaign in France to get signers for the Stockholm peace petition was not met for 2 months because the political party in France which was the one that finally answered was so impoverished that it had to get the voluntary services of its own members in order to put up posters over those of the Communists stating:

> Don't sign the Stockholm peace petition. You are being duped.

That is the kind of information that is extremely important to us. Are we exercising in our administration of this particular program enough ingenuity, enough intelligence, to cooperate with the local people who are willing to help the cause of the free peoples?

Mr. ROONEY. There is cooperation such as the gentleman suggests; however, the committee has never been fully satisfied with the efforts of the Voice of America. We always feel that it can be improved and improved. We find fault with them continually, just as did the gentleman from New York this morning. I would agree with some of the statements the gentleman from New York [Mr. TABER] made on the floor of the House today. For instance, I would agree with him on the question of this Hans Meyer. If there is any competent evidence of his ever having been sympathetic to communism at any time, I say he should not now be trusted. He should be fired immediately. There is no question about that insofar as every member of the committee is concerned.

Mr. JAVITS. May I address myself to another proposition. There is a great information organization under the ECA all over Europe. I notice in this appropriation bill an effort is being made to divert some of the local currency which is made available through ECA for purposes of this particular education and information activity. Will the gentleman tell us whether the committee inquired into the feasibility of putting all information activities, State Department and ECA, under one common direction, one common staff, so that one single job could be done rather than divers jobs on this critically important activity?

Mr. ROONEY. The feeling of the committee in that respect was ably pointed out yesterday by the gentleman from Nebraska [Mr. STEFAN] when he said that he felt he was giving the opinion of all of the members of the committee, both the majority and the minority, that these activities should certainly be under one head and should be more closely coordinated.

Mr. JAVITS. I thank the gentleman.

Mr. ROONEY. We have felt that all along, since the inception of the ECA program.

Mr. JAVITS. I will say to the gentleman that I will do all I can in the Committee on Foreign Affairs, which has the legislative responsibility to see that we get at that question.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a while ago the gentleman from New York [Mr. TABER] and I mentioned a man by the name of Hans Meyer. I said that if there was any evidence against him, that he should be fired, and fired immediately. I shall read to the House a résumé of the background of Hans Meyer handed to me by the State Department. Before I do so I shall point out that there is a character who at one time was associated with the RIAS broadcasting operation company in Germany, who was fired for the reason that he had questionable people on the payroll of that operation, and who since then has taken an intense dislike to his successor, the party named Hans Meyer. I have the name of this disgruntled and wholly discredited former employee. The memorandum reads as follows:

> Mr. Meyer was born in Berlin in 1901 and was naturalized as a citizen in 1945. He had served as financial editor of the Berliner Tageblat, a conservative newspaper, and as representative of a German commercial company. He has been on the OMGUS staff since 1947, and was one of the employees taken over by the Department. His record shows that he has been subject to full field investigation by the FBI and the CIC. He was cleared by the Army Loyalty Board under Public Law 808 (the Army's version of the McCarran rider). He has been cleared subsequently by the Department's security office. Mr. Meyer was thoroughly investigated by the Army, which investigation included a house surveillance because of his radio job. The only allegation made against Meyer was that he at one time (1939) belonged to what was later characterized as a Communist-front organization. The organization was a German cultural society. Meyer has told investigators that he resigned in 1939 when he discovered the Communists had infiltrated the organization. A telegram from the High Commissioner's office in Berlin testifies to his ability and his loyalty. He has done exceptionally effective work on anti-Communist broadcasts.

If I may point this out, the principal operation of station RIAS is in broadcasting to the people of Eastern Germany which is controlled by the Communists.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from California.

Mr. PHILLIPS of California. Will the gentleman from New York tell me the source of the information that he is reading?

Mr. ROONEY. The Department of State.

Mr. PHILLIPS of California. I am very much encouraged, Mr. Chairman. It looks as if the Department of State was going to release information about suspects instead of keeping it from the Congress, and I congratulate the gentleman from New York for getting the information.

Mr. ROONEY. Let me point this out to the gentleman. If any Member of this House has any information about anyone who is an employee of the State Department, if they will let the committee know I assure you that the gentleman from Nebraska and I will make ourselves heard loud enough to see that the right action is taken with regard to that particular employee.

Mr. PHILLIPS of California. I thank the gentleman. That is very encouraging.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Pennsylvania.

Mr. RICH. From all the information we can get with reference to the inquiry that was made by another body that was supposed to investigate communism in the State Department, does the gentleman think that the investigation that was made by another body was a good, sound, honest, thorough investigation of Communists in the State Department?

Mr. ROONEY. The gentleman should know better than to call upon me to comment upon the action of another body on this floor. But, as long as he has brought up this subject, let me say to him and to this House that I am in favor of an everlasting and continual 24-hour investigation to find Communists in the State Department.

Mr. RICH. Well, I think we ought to be. I think we ought to all be.

Mr. ROONEY. Does the gentleman know of one?

Mr. RICH. Well, if I did, I would be right out with my gun, my 30-30, and I would just try to knock him off, because I know that there is nobody in the New Deal that would try to do it; I have not seen anybody in the New Deal that would.

Mr. ROONEY. New Deal or Old Deal, I would. On the subject of the operation of RIAS in Germany, I call your

attention to this report from Mr. McCloy, the High Commissioner in Germany, dated the day before yesterday:

AUGUST 24, 1950.

To the SECRETARY OF STATE:

I am convinced that RIAS is the most effective instrument we have to penetrate behind the Soviet curtain into the east sector of Berlin and the east zone of Germany. Thousands of Germans from the east zone—students, workers, industrialists, officials, et cetera—go out of their way to inform us that RIAS (1) keeps alive the hopes of millions in the east zone, (2) provides the spiritual and psychological center of resistance in a Communist-dominated, blacked-out area, (3) fulfills admirably the task of carrying the democratic message and at the same time undermining the psychological and political control of the Soviets over the population of the east zone. A few weeks ago highly placed east zone Germans came to Frankfort to tell us that "every word uttered over RIAS is passed within 24 hours by word of mouth to the last German worker and peasant" in the east zone. We have so many reports of this sort from various sources that I am sure we can accept this high evaluation. RIAS, in other words, is poison to the Communists and they have no effective way to suppress it.

RIAS obviously has played a large role in keeping the people of western Berlin in a militant, democratic mood. The following facts may illustrate the point: public opinion surveys reveal that among all stations heard in western Berlin RIAS ranks first with an estimated 9 out of 10 listeners. Since last March 15, when RIAS began broadcasting on a new and improved frequency, listeners throughout western Germany have increased appreciably. Audience mail coming to RIAS averages 6,000 communications a month, approximately half of which originate in the east zone. During a fortnight recently, an essay contest with an anti-Soviet purpose on the theme of "How to Achieve German Unity and Freedom" brought literary responses from more than 4,200 listeners. A revealing manifestation of listener participation in RIAS broadcasts was demonstrated in connection with a quiz contest which drew 120,000 entries during a 6-week period.

Another yardstick of audience influence is the number of Soviet-zone listeners who find their way into RIAS studios to deliver information and to offer suggestions for programing. Daily, a trained interviewing staff receives scores of such visitors who in innumerable instances go to RIAS at great personal risk. During the Soviet-sponsored Whitsuntide youth demonstrations in Berlin, RIAS received, over a single week end more than 2,400 members of the Free German Youth Movement who visited the studios seeking information and advice, and in many instances passing along their views as well as their parents' thoughts on what RIAS might further do to achieve its mission.

The Soviet press in eastern Germany has been vigorous in condemning the dangerous objectivism of the station and a typical warning banner by the Communist journals proclaims that listening to RIAS is worse than poison gas.

RIAS' performance over 20 hours a day has been judged by qualified professionals as of top-flight caliber. In addition to the local program origination, RIAS, through its daily relay of Voice of America German-language programs, serves as an invaluable instrument in supplying authentic information on United States' aims and principles to an audience which otherwise would not be reached.

All in all, RIAS deserves all the weight we can put behind it.

McCLOY.

I also include the following report on broadcasts concerning the Korean incident:

Following is a summary of VOA play on the Korea story from the 25th of June through the 1st of July. In other words, for the first week of the Korean war. The percentage figure given represents the amount of time devoted to the Korean war during this week of June 25 through July 1 of total time allotted to news and commentary by VOA:

June 25: 52.3 percent.
June 26: 72.9 percent.
June 27: 81 percent.
June 28: 83.1 percent.
June 29: 73.9 percent.
June 30: 82.2 percent.
July 1: 79.2 percent.

In other words, on the 25th of June, better than half of all news and commentary output of VOA was devoted to the Korean war. On the 26th of June, nearly three-quarters of the entire news and commentary output was devoted to Korea, etc. To highlight some of these percentage figures, the Korean unit of VOA averages a daily output of 510 lines, including news, commentaries, and features. On June 25, the day of which the news broke, 200 lines out of 510, or 40 percent of total output, were devoted to the Korean conflict. On June 26, all 510 lines, or 100 percent of total output, were devoted to the Korean conflict. On June 27 all but 15 lines of the 510 were devoted to Korea, or 97 percent of the total output. On June 28, all but seven lines were devoted to Korea, or 99 percent of total output. On June 29, all but 11 lines of 510 were devoted to Korea, or 98 percent of total output. On June 30, all but 34 of 510 lines were devoted to Korea, or a total of 93 percent of total output. On July 1, all but 20 lines of 510 were devoted to coverage of the Korean conflict, or 96 percent of the total output. The figure for June 25 is low because the news broke after the morning transmissions of the Korean unit had already gone out on that day.

Certain language units, like the Polish, for instance, were broadcasting at that same time in addition to the Korean war news items related to it. Thus the Polish desk had on June 25, 20 percent of its output devoted to the Soviet policy of aggression; on June 26, 17 percent of the same topic; on June 30, 11 percent of its total output devoted to Soviet policy of aggression.

On June 27, on the occasion of the Presidential announcement regarding United States action in Korea, a special transmission to the Far East was instituted immediately upon receipt of the Presidential announcement shortly after 12 noon, and broadcasting continued in English, Korean, Mandarin, and Cantonese from shortly after 12 noon through the entire afternoon and evening. For your further information, the central news section was servicing the language desk during the week from June 25 through July 1 as follows:

June 25: 619 lines out of an approximate total of 1,500.

June 26: 1,074 lines out of an approximate total of 2,270.

June 27: 1,337 lines out of approximately 3,000 lines.

June 28: 1,443 lines out of approximately 2,980.

June 29: 1,305 lines out of approximately 3,020.

June 30: 1,982 lines out of approximately 3,000.

Total during this week roughly 80,000 out of 160,000 words on Korea, or approximately 50 percent of all news coverage during that week by the news section.

Finally, it should be pointed out that the desk output of that week as cited here represents only original broadcasts. It does not take into account the numerous repeats that are made at the transmitters, for instance, Munich, Salonika, Manila, etc., of original broadcasts.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as the gentleman from Ohio was speaking, I rose to ask him a question, and I desire to ask the question quite sincerely of the gentleman from New York [Mr. TABER], the gentleman from Ohio [Mr. CLEVENGER], or the gentleman from New York [Mr. ROONEY].

The question is this—and it is based on my curiosity. I hear constant references and criticism of the broadcasts of the Voice of America. I, myself, have seen very few of the scripts of those broadcasts. Some I have seen, I may say frankly, it would have been better for the United States if they had not been written.

My question is this: Is there anyone connected with the Committee on Appropriations, or any committee, who is getting every copy and checking every script which is put over the air by the Voice of America?

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. TABER. I have my hand on a stack of broadcasts, all of which have been examined under my direction, and a very large percentage of them by me personally. They were the basis of my knowledge of what is going on, and the conditions of that activity. I expect to follow that up from time to time.

Mr. PHILLIPS of California. Then I understand the gentleman thinks these are not typical of the American scene.

Mr. TABER. They are not.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from New York. Does the gentleman from New York see these broadcasts, all the broadcasts of the Voice?

Mr. ROONEY. The gentleman from California very well knows that the gentleman from New York does not inspect every broadcast of the almost 11,000 hours of annual broadcasts which are put on the air by the Voice of America.

Mr. PHILLIPS of California. The gentleman's point is well taken.

Mr. ROONEY. But the State Department has delivered to the gentleman from New York [Mr. TABER] within the past month or two many, many, many broadcast scripts, and every bit of information he wants concerning broadcasts over the Voice of America. He has had these scripts in his office, but when he reads them, he may arrive at a different conclusion as to their effectiveness than perhaps, I or perhaps the gentleman from California, would.

Mr. PHILLIPS of California. That is my point. The gentleman's point is well taken—I should not have asked if he read them all, because that would be

impossible for anybody. But should not somebody representing the Congress—perhaps some clerk of the committee, or someone representing us—see not a few select broadcasts, but all of them?

Mr. ROONEY. Does the gentleman realize that there is an Advisory Commission for the Voice of America, composed of five of the most able and distinguished gentlemen in America. They include the editor of the Christian Science Monitor, Erwin D. Canham; Philip D. Reed, chairman of the board of General Electric; Justin Miller, president of the National Association of Broadcasters; Dr. Mark May, of Yale; and Mark Ethridge, publisher of the Louisville Times and Courier-Journal.

Mr. PHILLIPS of California. That is not my question. I do not care particularly if they read them. But the question is—is there anybody here representing us—not somebody representing the Louisville Courier-Journal or the Christian Science Monitor, reading them?

Mr. ROONEY. If anyone brings to the committee's attention a questionable broadcast, the scripts are delivered to us immediately. Our committee clerks make periodic check-ups.

Mr. PHILLIPS of California. When we are spending the amount of money we are, millions of dollars, and we hear of this constant criticism of the broadcasts going out over the Voice of America, at least negative or unrepresentative broadcasts going out, it seems to me somebody representing the Congress, which actually represents the people, should be reading every one of those scripts.

Mr. ROONEY. Does the gentleman realize he is talking about a huge operation costing over $100,000,000 this year?

Mr. PHILLIPS of California. Then that is even more reason why that should be done.

Mr. ROONEY. I have in my hand quite a few scripts which represent 1 day's broadcasting, which I shall be glad to deliver to the gentleman from California right here and now on the floor of the House, and he may go over them from beginning to end.

Mr. PHILLIPS of California. The gentleman is still not answering my question. I ask whether anybody representing the Congress is reading all the broadcasts. Suppose I read those you offer me today? Who is going to read tomorrow's broadcasts?

Mr. ROONEY. You will—you are finding fault with them—I would expect that you would read them.

Mr. PHILLIPS of California. Oh, no; I think somebody representing the Congress should read them. You are saying that somebody representing the Congress does not read the broadcasts for which we are paying $100,000,000.

Mr. ROONEY. The gentleman is paying me a greater compliment than he realizes.

Mr. PHILLIPS of California. I was willing to do that.

Mr. ROONEY. Does the gentleman realize in how many languages these broadcasts are made?

Mr. PHILLIPS of California. Oh, but there are people in the United States who can read these languages.

Mr. ROONEY. But my knowledge of languages is confined to English and a smattering of Italian.

The CHAIRMAN. The time of the gentleman from California has expired.

By unanimous consent the pro forma amendments were withdrawn.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended to speak on this item again, because on yesterday I went into many phases of this appropriation for the Information Service in the Department of State. However, I rise at this time to answer the gentleman from New York [Mr. JAVITS] because he made some inquiry of the members of the Appropriations Committee regarding the program itself. The gentleman from New York [Mr. JAVITS] is a member of the legislative Committee on Foreign Affairs which wrote this legislation. We are now merely implementing that legislation by appropriating the money. I wonder if the gentleman himself knows what is in this program. Why does the gentleman from New York interrrogate members of the Appropriations Committee, he himself being, at least partially, the author of the bill?

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Yes, I yield.

Mr. JAVITS. I think the gentleman's committee was the last committee which questioned the witnesses on this particular subject. We offered the legislation some time ago. I was trying to be a party to what I considered to be an excellent precedent, in coordinating the work of the various committees of the House. I think what is troubling me, and perhaps the gentleman and many other Members of the House, is this: We see advertising and publicity campaigns in our country of the utmost ingenuity, on everything from automobiles to Pepsodent toothpaste, and yet, when we look at this operation of the State Department in this educational field, it does not seem able to get off the ground. What we are trying to do is to search some way to finally lift the cover on this thing and getting it moving. That is my effort, and I think it is the gentleman's effort.

Mr. STEFAN. I feel there is some responsibility on the part of the legislative committee which writes a law which we are asked to implement with funds. We do the best we can to see that the money is spent judiciously, economically, and wisely. However, I want to call attention to the fact that the gentleman talked about coordination. For 2 or 3 years on this floor I have pled for coordination in our Department of State and our Foreign Service.

Because of the apparent ineffectiveness of the Voice of America, our information service, the Department of State is now asking us for additional funds in the hope of improving this venture. In two bills we are appropriating around $130,000,000, to make more effective the Voice of America.

I have pleaded time and time again with this House to unify the Voice, to unify our Foreign Service. As far as neec' of unification of, the Voice of America is concerned, that also goes for our Foreign Service, because today we have approximately 300 American missions scattered over the world, in which we have a chief of missions, yet in many of those countries we have dual diplomacy. We have ambassadors in ECA, ministers in ECA, supplied with money, who are dealing with our foreign counterparts, and we have found now that our foreign counterparts will not deal with our regular diplomatic chief of missions. They deal with the man who is not only armed with diplomacy, ambassadorial and ministerial status, but who also has money to distribute. The result is our regularly appointed ambassador and chief of missions is seriously handicapped.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. STEFAN. I ask unanimous consent, Mr. Chairman, to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. It is for that reason, Mr. Chairman, I took the floor on yesterday to tell about the duplication of effort. The ECA has a voice, the Army in the occupied area has a voice, the State Department has a voice, and there are other voices. They should be unified.

In order to give you some idea of how gigantic this program is to be, I will ask unanimous consent, when we go back into the House, to place in the RECORD the salary list and the salaries received by those you are now employing with this supplemental appropriation bill. These funds should produce good and efficient employees.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. PHILLIPS of California. Coming back to the same matter I was discussing with the gentleman from New York [Mr. ROONEY], is it not a fact that whatever little checking is done on behalf of Congress is done after the broadcast has been made?

Mr. STEFAN. We cannot administer such a program on the floor of the House, but we should have close liaison, and for that reason this committee has recommended time and again that there be liaison between the State Department and the Congress. But we cannot do the gigantic job the gentleman suggests without some additional assistance.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. ROONEY. Is it not the fact that the inspection of scripts of broadcasts should be just as important to and just as much a duty on the part of the minority as it is on the part of the majority? Whenever a Member of this House finds a broadcast that is wrong, should he not

bring it to the attention of the Congress? Let us keep politics out of this.

Mr. STEFAN. I agree on your statement, Mr. Chairman. The following is the list of proposed employees on the information service:

International information and educational activities, Department of State

	Revised, 1951		Regular, 1951		Supplemental, 1951	
	Number	Total salary	Number	Total salary	Number	Total salary
DETAIL OF PERSONAL SERVICES						
Domestic:						
General schedule:						
Grade 16. Range $11,200 to $12,000	1	$11,200			1	[1]$11,200
Grade 15. Range $10,000 to $11,000	45	467,430	35	$365,930	10	101,500
Grade 14. Range $8,800 to $9,800	126	1,133,407	65	591,407	61	542,000
Grade 13. Range $7,600 to $8,600	235	1,802,150	134	1,035,150	101	767,000
Grade 12. Range $6,400 to $7,400	532	3,461,039	169	1,141,389	363	2,319,650
Grade 11. Range $5,400 to $6,400	439	2,438,134	213	1,232,659	226	1,205,475
Grade 10. Range $5,000 to $5,750	228	1,140,000	28	140,000	200	1,000,000
Grade 9. Range $4,600 to $5,350	327	1,523,950	207	977,300	120	546,650
Grade 8. Range $4,200 to $4,950	10	42,000	4	18,300	6	23,700
Grade 7. Range $3,825 to $4,575	281	1,076,256	135	524,881	146	551,375
Grade 6. Range $3,450 to $4,200	64	224,425	22	81,150	42	143,275
Grade 5. Range $3,100 to $3,850	286	931,282	150	516,302	136	414,980
Grade 4. Range $2,875 to $3,255	440	1,319,900	204	638,165	237	681,735
Grade 3. Range $2,650 to $3,130	370	1,014,368	135	392,585	235	621,783
Grade 2. Range $2,450 to $2,930	17	43,170	14	37,260	3	5,910
Crafts, protective and custodial:						
Grade 5. Range $2,670 to $3,154			3	8,022	−3	−8,022
Grade 4. Range $2,450 to $2,930	1	2,770			1	2,770
Grade 3. Range $2,252 to $2,732	20	54,338	5	12,460	15	41,878
Grade 2. Range $2,120 to $2,540	2	4,240			2	4,240
Total permanent, domestic	3,424	16,690,059	1,522	7,712,960	1,902	8,977,099
Foreign Service:						
Foreign Service officers:						
Class 2. Range $10,330 to $11,900	1	10,350	1	10,350		
Class 3. Range $8,330 to $10,230	7	62,810	7	62,810		
Class 4. Range $6,330 to $8,220	15	107,650	15	107,650		
Class 5. Range $4,830 to $6,230	20	107,600	20	107,600		
Class 6. Range $3,630 to $4,730	15	66,850	15	66,850		
Foreign Service reserve officers:						
Class 1. Range $12,000 to $13,700	1	12,800	1	12,800		
Class 2. Range $10,330 to $11,900	10	105,910	8	85,250	2	20,660
Class 3. Range $8,330 to $10,230	42	363,160	25	221,550	17	141,610
Class 4. Range $6,330 to $8,220	160	1,106,810	85	622,250	75	484,560
Class 5. Range $4,830 to $6,230	78	406,140	60	319,200	18	86,940
Class 6. Range $3,630 to $4,730	4	18,020	4	18,020		
Foreign Service staff officers and employees:						
Class 2. Range $8,430 to $9,450	21	177,510	2	17,340	19	160,170
Class 3. Range $7,710 to $8,670	19	147,930	8	63,120	11	84,810
Class 4. Range $6,990 to $7,950	129	901,710			129	901,710
Class 5. Range $6,450 to $7,470	48	316,380	48	300,180		16,200
Class 6. Range $5,910 to $6,810	4	25,620	4	26,160		−540
Class 7. Range $5,370 to $6,270	69	375,570	58	319,020	11	56,550
Class 8. Range $4,830 to $5,730	114	558,720	43	215,790	71	342,930
Class 9. Range $4,290 to $5,190	166	726,180	88	394,440	78	331,740
Class 10. Range $3,930 to $4,830	9	37,110	8	33,180	1	3,930
Class 11. Range $3,570 to $4,290	61	232,530	61	232,530		
Class 12. Range $3,210 to $3,930	47	159,270	45	152,850	2	6,420
Class 13. Range $2,850 to $3,570	86	256,140	67	201,990	19	54,150
Class 14. Range $2,490 to $3,210	5	13,890	5	13,890		
Class 15. Range $2,310 to $2,850	3	7,650	3	7,650		
Class 17. Range $1,950 to $2,310	1	2,010	1	2,010		
Class 19. Range $1,590 to $1,950	1	1,650	1	1,650		
Class 20. Range $1,410 to $1,770	1	1,470	1	1,470		
Class 21. Range $1,230 to $1,590	1	1,290	1	1,290		
Local employees	4,381	4,536,058	2,489	2,647,907	1,892	1,888,151
Total permanent, Foreign Service	5,519	10,846,788	3,174	6,266,797	2,345	4,579,991
Total, full-time permanent	8,943	27,536,847	4,696	13,979,757	4,247	13,557,090
Deduct lapse	2,251.6	6,791,478	185.5	926,793	2,066.1	5,864,685
Net permanent	6,691.4	20,745,369	4,510.5	13,052,964	2,180.9	7,692,405
Other 01 costs		2,265,527		1,628,530		636,997
Net personal services		23,010,896		14,681,494		8,329,402

[1]Not a new position; represents a promotion from GS–15 as provided under Public Law 429, 81st Cong.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, whenever the Committee on Agriculture is discussing a bill on this floor, or the Committee on Interstate and Foreign Commerce, or the Interior Committee on the Bureau of Mines, or any other committee is discussing the ramified bureaus and departments of this vast Government, it is pretty generally left by the House to the men on those committees and the men from the few States directly concerned. But I have observed that no matter from which of the diversified fields of life the Members of this House come and work in the day before election, that on the Wednesday morning in November after election we have 435 separate and distinct Secretaries of State who are expert on every conceivable phase of international relations and international law. That may be good; it may not be good. I am not writing an editorial; I am reporting the facts. This is a very delicate business; it deals with matters of extreme import; and certainly I believe that most of the questions and most of the comment are unquestionably bona fide and sincere, and intended to be constructive in import. Let me point out, Mr. Chairman, that I was on the Foreign Affairs Committee of this House when this baby was born, the Voice of America; and in this very well I heard many of my colleagues who are today attacking, vilifying, disowning, and criticizing down in the well of this House and taking the position that there should be no Voice of America, that they are against such a thing, they are against the bill from the Foreign Affairs Committee, and they were against money appropriated by the Appropriations Committee to give it effect—man after man came down here and said that. Some of them have become washed in the "blood of the lamb" now and have seen the light.

Mr. TABER. Mr. Chairman, will the gentleman yield at that point?

Mr. FLOOD. I yield, of course.

Mr. TABER. I should like to know who it is that said that.

Mr. FLOOD. Who it is that said what?

Mr. TABER. That there should be no Voice of America. The Members who have talked today have always, as far as I have known, said that there should be. The trouble is that there was not.

Mr. FLOOD. Oh, I had no idea of mentioning the name of my distinguished friend and beloved colleague from New York, but if his feet bother him and he has a big enough shoe he can put it on.

Mr. TABER. If the gentleman means that I said that, I just say that that is not correct.

Mr. FLOOD. Methinks the gentleman doth protest his virtue too much.

Mr. TABER. I hope the gentleman will spread himself now.

Mr. FLOOD. I will spread myself and very thin and thick on this line.

Let me say that for several years I have heard throughout these debates this same question about the Voice of America. There were members of this committee, and it may have included my friend from New York, who on this floor said, Mr. Chairman, that it is un-American to broadcast, it is un-American to have a Voice of America; that there should be no such thing; that that is foreign, that that is evil, it is bad; propaganda is a bad thing; do not do that in America; we should not do that. Everybody knows America and, therefore, they should not need to hear from us. That was said here for years.

Of course, many of my friends who perpetuate their error again cloak themselves in the virtues that time and again have been presented to this House. They are now accepting these things. Let me say that we hold no brief that the Voice of America is sacrosanct. No one can say it has not made mistakes.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FLOOD. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Chairman, there is no more effective weapon, there is no more effective arm of this Government or one that could more properly correlate with the Armed Forces than the Voice of America.

Mr. Chairman, with the aid of this committee under the leadership of the gentlemen who are on this Appropriations Committee and the Foreign Affairs Committee handling this matter, let me assure you if this thing is appreciated, helped and aided, and the men who are trying to run it are not chased away from an honest effort by unfair criticism for oversight alone, then the Voice of America can and will become the voice of doom to the enemies of America, and do not forget that.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I move that all debate on the chapter that concerns the State Department close in 15 minutes, with the last portion of the time allotted to the committee.

Mr. TABER. Mr. Chairman, I make the point of order that motion is not in order. The reading of the chapter has not been completed.

The CHAIRMAN. The point of order is sustained.

Mr. ROONEY. Mr. Chairman, I move that all debate on the chapter on the State Department and all amendments thereto close in 20 minutes.

The CHAIRMAN. That is not in order at this point. The gentleman can move to close debate on the pending amendment or the pending paragraph.

Mr. ROONEY. Mr. Chairman, I move that all debate on the paragraph that concerns the State Department and all amendments thereto close in 20 minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, if I cannot get 5 minutes now, can I get 5 minutes two or three times later on a pro forma amendment?

The CHAIRMAN. The gentleman is so familiar with the rules of the House he can answer his own question.

Mr. HOFFMAN of Michigan. I think I am.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

Mr. JUDD. Mr. Chairman, there is more dissatisfaction, and justified dissatisfaction, with the Voice of America program—perhaps not dissatisfaction but concern and disquiet—than with almost anything else in our whole foreign program. I have been a member of the Committee on Foreign Affairs, which is the legislative committee responsible for initiating the program. I was No. 2 member of the subcommittee which prepared the legislation and brought it before the House. Our former colleague, now Senator from South Dakota [Mr. MUNDT], was chairman. You will remember the fight we had in 1947. We had five separate sessions about a week apart before we got the bill hammered into shape with numerous amendments and finally passed. I worked for it then and I support it now. Yet somehow it has not clicked as it should have.

I remember saying in the last statement I made just before debate ended that there are three things necessary for any successful program. First is a sound concept; second, adequate funds; and third, proper personnel to administer it.

The concept of this program is sound. There is no question about that. The Soviet Union spends more money on its propaganda program than on anything else in its foreign affairs. The French Government, hard up as it is, puts one-third of its total budget for the handling of its foreign relations into its program of telling the story of France and her side of the various arguments and issues that come up. The concept is sound. The program has had plenty of money after a slow start. But somehow or other, as the gentleman from New York [Mr. JAVITS] said, the program has not got off the ground. It is still plodding along in the dust. The trouble is not quantity, it is quality. Somehow the personnel, those who plan and produce the programs, have not made them attractive or convincing or as successful as we hoped.

America has the most wonderful story in the world to tell, and I do not understand why we, who can sell everything from soap to cigarettes, cannot dramatize and make irresistibly attractive the story of a free society as the best way to solve human problems.

Sometimes one hears people say that poverty leads to communism. It is not so. Have poor people in any country ever turned spontaneously to communism? No; only after powerful propaganda. It is not poverty that leads to communism; it is Communist propagandists that lead to communism—in the sense of softening up people until Communist armed forces can move in and take over. It is because Communist workers or their propaganda in one form or another comes to those in poverty saying, "Communism is the answer to your problem; join with us."

Communism is not the answer, it is a phony, it is a fraud, but they get away with it. Why? Because the advocates of freedom are not alongside the people in poverty telling them, "Freedom is the answer to your problems, not communism. Communism has never genuinely relieved poverty in any country. In most places it has made conditions worse. The answer to your problem is freedom, the answer to your problem is democracy, the answer is working together to improve your lot in association with the other free nations of the world."

Mr. Chairman, the Communists win because they have propagandists incessantly telling their lies; and we do not have people telling our story adequately, whether Americans in person, or through the radio or libraries, movies, exhibits, literature, telling them that their only hope for relief from their bad conditions is to work together with the free peoples of the world.

There are plenty of people in America who know how to do that. Why do we not get them, people who are just as on fire to tell the story of freedom and what it can do for oppressed peoples as the Communists are to tell their lies. I do not know why we have not done that. I have been and am troubled about it. Our committee may have been at fault because we have not followed it more rigorously. I keep hoping it will improve. But the same complaints as 3 and 4 years ago still abound.

One of the major criticisms I constantly hear is that the trouble is not so much with the scripts as with the people who broadcast them. The gentleman from Nebraska [Mr. STEFAN], with his special interest in Czechoslovakia, being of Czech descent, knows the long-standing criticism of the Voice in that country. For example, a man who formerly made broadcasts to that country had such an accent that people complained or did not listen; and it turned out that he was a Hungarian. Now, why should we employ Hungarians to broadcast in the Czech language to the proud people of Czechoslovakia? No amount of appropriations can overcome such mismanagement.

One of the last Americans out of Peking, a member of our own diplomatic staff there, told that he always listened to the British radio broadcasts, but when the Voice of America came in it usually was so weak or insipid that he turned it off in mortification. He said that Chinese friends made the same comment regarding the broadcasts in Chinese; people just turned it off. The British had dignified programs, both straight news and commentary, which commanded people's confidence, and they listened. Why should we have poorer programs than they?

When our subcommittee was over in Britain, in the fall of 1947, studying this very question, we had been working on the Voice of America for only a short time. We talked at length with the head of the British information program and asked his comments. He said, "Well, you have a good set-up, but it is not very professional yet." It is now 3 years later but from all I can learn our performance is still only second rate. Now, why can we not get, or rather, why do not we get men who are professionals that can do this job so well that it will command the same confidence and respect as the British have won for their broadcasts?

Last week our former colleague from Alabama, Mr. Manasco, brought to my office, and I am sure he brought to the offices of several of you, a German who in conversation had made comments on the Voice which the gentleman from Alabama, Mr. Manasco, wanted us to hear. The man is a contractor who is helping build the powerful broadcasting stations we are putting up near Munich at a cost of several million dollars. He said the technical facilities are going to be all right; they will be able to break through the jamming which the Russians are doing, and will get a good strong signal to all Europe. That was one trouble before, we never had as good a signal as either the Russians or the British, and naturally people are not going to turn their dials very long to static and squawks. He said, "Frankly, I tell you that most of the Germans who listen to and enjoy the programs broadcast to your troops by the American Armed Forces stations, turn their radios off or switch to other programs when the Voice of America programs in German come on, because the speaker does not use good modern idiomatic German." He said that the broadcaster sounded like someone who had not known Germany of the last 20 years; that the language has changed somewhat; and people would not listen to someone with a foreign accent or someone who sounded as if he had not been in Germany through the years of trouble. This man was not pro-Nazi. He was part Jewish and had spent years in Dachau. He just knew we were not getting our story over to the German people.

The day after the invasion of Korea began a half dozen or so Koreans who had been brought to this country by ECA for special technical training in Dunwoody Institute in Minneapolis came to see me. They were naturally anxious about their country. Some were North Koreans who had fled to South Korea to escape Communist tyrannies. One of them blurted out, "Why don't you have people giving your broadcasts who can speak real Korean? We do not like to hear our language butchered."

Mr. Chairman, there is no excuse for having poor personnel on this program. I do not know where the fault lies; probably our committee is partly at fault. But I do know that we will have to get this out of the dust and into high speed pretty soon or we will be left at the gate.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. STEED].

Mr. STEED. Mr. Chairman, I hope it will not be necessary for me to consume the whole 5 minutes. I have asked for this time in the hope that I might be able to say a few words that would help some of our Members here because I think perhaps I am the only Member of the House who has ever actually served as a Government propaganda agent both domestically and in foreign service. Because of that experience I have had a very keen personal interest in the people and in the program of the Voice of America.

First, I would like to say this, that during the recent war when I was working in what was then known as the Office of Information, psychological warfare, I had the pleasure of working with Ed Barrett who is now the Director of the Voice of America.

I can assure the Members of the House that there is not a Member of this Congress who is more anxious to make that program work and do the job than is he. I think that goes for his staff, too.

Mr. Barrett has only been there a few months; he was recently drafted back onto that job and he is making a personal sacrifice to serve in the capacity he now holds. I think he is entitled to more cooperation and less criticism until he has had an opportunity to show what can be done. If you are really interested in trying to make the Voice of America a good program, if you have some ideas that you think will pay off and work, no one in the world is going to be happier to have those ideas than Mr. Barrett. I have his authority to tell you this. He will welcome visits from all of you. He welcomes the opportunity to place before you this material and to make known to you anything else that they have down there. He welcomes the opportunity and hopes more Members of Congress are going to take the time to travel down there and inspect and investigate and study what they are doing.

When you are dealing with propaganda, please remember that it is like listening in to one side of a telephone conversation when you try to judge the program by what the Voice of America is doing. To know the whole story you have to also know what the enemy is saying about us. In order to get that, you have to study the monitoring reports of what is being said throughout the world against the United States. When you know that story, then some of the things that we do to offset that, may make a little more sense.

The impression may have been left here that the Voice of America is the only way we have of carrying on our propaganda warfare. There are many other ways. I wish you could find time to go down to Mr. Barrett's office and see the exhibit of what the enemy has put out in the way of pamphlets, posters, and many other things by which they carry on their attacks against us, and also study the material that we use. We have many things besides the radio programs. I think you will find some of them very interesting. Many of you may not approve of all they do, but if you can give them some suggestions of how they can improve them, they will be glad to have the suggestions.

Much has been said here about why we did not have a personnel down there that could do the right kind of job. I just want to remind you of this: The United States is probably the most advanced country in the world when it comes to advertising, and men of genius along that line can command good salaries in this country. When the Voice of America goes out in the market place and tries to buy that kind of brains, it has to compete in a field where private industry is paying the highest kind of salaries. The Voice of America does not have the money to offer to those kind of people. It is impossible through salary alone for us to get the sort of people to do that job that we have to do. I am sure if you know of any talent that they could use, Mr. Barrett would also like to know. He is constantly searching for better personnel to be used in advertising America on the Voice of America.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield.

Mr. JUDD. Do you not think that at a time like this, when thousands of inductees and reservists are being called on to give up their homes and families, their jobs, and their income, and then sent out to die somewhere, we ought to call upon the top-notch advertising men and radio experts in our country to come and work at this task, on a dollar-a-year basis if necessary, the same as we did with men from industry who worked in WPB and other specialized agencies during the war? We cannot afford, as you well said, to pay what they are getting in private industry. It would disrupt our whole civil service if we did. But we have been for several years in a war for survival. We are not doing too well in it. Every patriot must contribute what he is best qualified to do. We need the best men the country has if we are going to have this program function as it ought to. Most of them would be patriotic enough to do it if we gave the opportunity and the invitation to them.

Mr. STEED. I certainly would be in favor of that. I would remind the House of this: That Mr. Barrett right now is in somewhat the same position because he came back to this job and gave up a much better paying job in private life. He did it because he felt it was his patriotic duty and I think he is entitled to more than just a lot of criticism here. If we really want to live up to our responsibility on this program, here is the oppor-

tunity for us to do it. Since it is a matter of using ideas, I think you will find the Voice of America people ready to take all the ideas you can give them.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, one of the principal items in this bill appropriates about $4,000,000,000 to provide military aid and military supplies to the democracies of western Europe.

The prospect of this military aid being successful in preventing a war is being diminished by the fact that at the very time we are providing military arms and supplies to them, these democracies are selling enormous quantities of military supplies to Russia and her Communist satellites.

In 1949, these western democracies, to whom we are supplying arms with American taxpayers' dollars, sold more than a billion dollars in supplies to Russia and her satellites. To be more exact, these democracies of western Europe, last year, according to figures supplied by our own departments, sold $1,098,905,000 in goods to Russia and her Communist satellites.

Included in this more than a billion dollars in goods sold by the western democracies last year to Russia and her satellites were hundreds of millions of dollars worth of steel, iron, copper, rubber, lead, brass, ball bearings, and other materials used in the making of war weapons.

It is more than probable that some of the Russian weapons and shells being used to kill our American and United Nations boys in Korea were made from these very war materials which the western democracies during the past year sold to Russia.

This sale of war materials by the western European democracies to Russia and her satellites still continues and it ought to be stopped.

Here are some of the things the western democracies have been selling to Russia and her Communist satellites which ought to be stopped:

War supplies sold to Russia and her satellites by the United Kingdom in 1949

Ball- and roller-bearing parts	$243,600
Iron, steel	12,140,800
Steel bars and rods, not alloy	1,736,000
Bars and rods of alloy steel	504,000
Hoops and strips	422,000
Railway and tramway construction	708,400
Barbed wire	420,000
Cable and rope	425,600
Nonferrous metals	4,062,800
Aluminum and alloys	618,800
Brass and other alloys of copper, etc	1,142,400
Electrical goods and apparatus	6,806,800
Machinery	45,172,400
Electrical generators	11,986,800
Electrical machinery, other than generators	2,864,400
Machine tools	5,138,000
Vehicles, including locomotives, ships, etc	13,361,600
Rubber tires	229,600
Chassis for motor vehicles	1,660,400
Total	109,644,400

War supplies sold to Russia and her satellites by France in 1949

Chemicals	$2,530,142
Rubber and rubber products	1,678,616
Steel-mill products, hot rolled, etc	4,198,881
Steel-mill products, cold-rolled, etc	3,087,703
Aluminum, crude, etc	360,245
Aluminum alloys	408,688
Lead and lead alloys	316,349
Metal manufactures	2,046,376
Machinery and apparatus	10,272,238
Machinery, electrical	2,015,230
Transportation equipment	8,281,011
Optical, surgical, photographic materials	1,113,145
Total	36,308,624

War supplies sold to Russia and her satellites by Belgium-Luxemburg in 1949

Arms	$6,400
Iron, cast iron, and steel	19,782,840
Copper	11,028,820
Lead	1,583,160
Zinc	3,003,780
Tin	941,060
Base metals and alloys	1,387,360
Boilers, machinery, appliances, etc	7,937,880
Electrical machinery and apparatus, etc	5,840,660
Railway and tramway rolling stock	430,600
Chemical products	1,709,540
Explosives, fireworks, matches, etc	1,447,960
Rubber and manufacturers items	942,600
Total	56,042,660

Unless the sale of these war supplies to Russia and her satellites is stopped and stopped now, more of our boys will die needlessly, and our whole effort of aiding the democracies with arms will be made ineffective and useless.

But, we cannot with clean hands and in good conscience tell western Europe to cease selling war materials to the Russians and her satellites until we ourselves stop trading with the enemy.

In the first 5 months of this year the United States imported $17,049,488 in goods from Russia, while during the same months our exports to Russia were only $514,000. In short, we ourselves supplied the Russians with almost $17,000,000 of American money with which she could purchase war materials from the western democracies. What are we obtaining from Russia for this $17,000,000 in funds with which by our trade we provided her? Mostly the luxury items of crab, caviar, and furs, and in return for these luxuries we provide her with the means to buy the material to manufacture tanks, guns, and shells.

If we want the nations of western Europe to cease trading with the enemy, we must stop trading with the enemy ourselves.

Several Congressmen, including myself, have implored the State Department to stop this unholy and senseless business of supplying the Russians, by our trade with them, American dollars with which to buy war supplies to shoot down American troops. But the State Department will not act. It has a "let the dust settle" policy on this matter just as it has had a "let the dust settle" attitude toward China.

The State Department philosophy of "let the dust settle" attitude is just the State Department's diplomatic way of saying it has no policy at all.

The fruits of this do-nothing or let-the-dust-settle policy is public disrespect for constituted authority and ultimate national chaos.

Within the past 2 weeks the longshoremen of New York, Boston, and Baltimore have refused to unload Russian crab, Russian furs, and Polish hams from ships that brought these Communist goods into American ports. These longshoremen, furthermore, have announced they hereafter will neither unload nor load any goods coming directly or indirectly into the United States from Russia or any of her satellites and being shipped from the United States to Russia or any of these satellites.

Nature abhors a vacuum and since the State Department has no policy on the question of whether we should be trading war munitions materials to Russia and her Communist satellites for crab, caviar, and furs, the longshoremen have taken into their own hands the establishment of a foreign policy. While I have no complaint against what the longshoremen have done, it should be the State Department which makes our foreign policy, not a labor union.

If a few longshoremen can say what goods can enter or leave the United States, some other group soon will be saying who can come into our country or leave it. Matters will proceed from bad to worse with the end result being only disrespect for Government, for law, and national chaos.

The State Department's let-the-dust-settle, do-nothing policy of permitting this senseless exchange of war supplies to Russia for crab, caviar, and furs is just another reason why the President of the United States should appoint a new Secretary of State.

The CHAIRMAN. The gentleman from New York [Mr. ROONEY] is recognized for 5 minutes.

Mr. ROONEY. Mr. Chairman, I shall not take the full 5 minutes at this time, but I think I should call to the attention of the House, in connection with these appropriations for the State Department, for the Voice of America, the statement made to the committee by General Collins, Chief of Staff. General Collins said, in part, as follows:

> In the struggle in which we are engaged today, truth and the means to disseminate it are as much a part of our national resources as our manpower, our scientific genius, or our industrial potential. For, although we and our friends are presently under attack in one part of the world by an enemy using the traditional weapons of war, free peoples everywhere are under attack by an insidious ideology using not traditional weapons, but, instead, evil propaganda, spurious rumor, and vicious falsehood. The objectives of this attack are to instill fear and suspicion to the end that demoralization and despair will elicit defeat without resistance.
>
> I should like, therefore, to express my endorsement of the principles embodied in House Document 641, the waging of a dynamic and vigorous campaign of truth. For, in my judgment, they mark a significant step toward the prevention of another terrible

world war, which is—and always must be—our goal. The prevention of war is of such urgency that we and our friends of the free world must effectively apply sufficient of our resources—political, economic, military, and psychological—for its accomplishment.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. MANSFIELD. You will find also that Gen. Bedell Smith and General Eisenhower have expressed the same sentiments.

Mr. ROONEY. That is correct.

Mr. MANSFIELD. I wish to bring to the attention of the House that as far as the gentleman's committee is concerned, it has watched this particular project very closely. I am quite sure that it is the gentleman's intention to keep watching them closely and take care of any criticism which may occur.

Mr. ROONEY. We do; and the committee, as I said previously, welcomes at all times any constructive criticism as does the gentleman in charge of this program in the State Department, Mr. Barrett, former editor of Newsweek.

If the Members of the House have any constructive ideas concerning the operations of the Voice of America the Department will be glad to hear from them.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mrs. ROGERS of Massachusetts. I should like to say to the chairman that at various times personnel of the State Department have indicated that they would be very glad to have a special committee of the House appointed in order to study the broadcasts, members of the Appropriations Committee, members of the Foreign Affairs Committee, to help the State Department evaluate what is done and make recommendations.

Mr. ROONEY. I know of no such request for such a special committee.

Mrs. ROGERS of Massachusetts. Individually they have so stated to me. The former head of the Informational Service, Mr. Allen——

Mr. ROONEY. A very fine and competent gentleman who formerly directed the Voice of America and who is now our Ambassador in Belgrade.

Mrs. ROGERS of Massachusetts. He has had several conferences with me on this subject, and I have had several conferences on this subject with Mr. Barrett.

Mr. ROONEY. Let me conclude, Mr. Chairman, by saying in addition to General Collins the committee received the testimony of the Deputy Chief of Staff, Gen. Alfred M. Gruenther. These gentlemen representing the military say that the granting of this appropriation would be an integral part of our national security.

By unanimous consent the pro forma amendments were withdrawn.

The Clerk read as follows:

DEPARTMENT OF JUSTICE

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

Proceedings under law relating to the exclusion or expulsion of aliens shall hereafter be without regard to the provisions of sections 5, 7, and 8 of the Administrative Procedure Act (5 U. S. C. 1004, 1006, 1007).

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 9, strike out lines 4, 5, 6, 7, 8, and 9.

Mr. WALTER. Mr. Chairman, the question that you are called to act upon now is one of great importance; it is a question of whether or not the Congress of the United States is going to permit contemptuous bureaucrats to slip into the back door and attempt to have the law amended without presenting their proposals to the appropriate legislative committee.

The minutes of the Committee on the Judiciary disclose that at a conference held several years ago attended by Watson Miller, the Director of Immigration, a man by the name of Alexander, the Assistant Chief, Mr. Winnings, General Counsel, Mr. L'Heureux, Chief of the Visa Division of the State Department, and Mr. Shaunessy, the Assistant Commissioner, this committee was advised that they were operating in violation of the provisions of the Administrative Procedures Act. Despite the fact that they knew what they were doing, they continued with their practice until the Supreme Court of the United States struck down one of their deportation orders.

I want you to bear in mind the fact that not one penny of money is involved in this amendment that I have just offered.

Sixty-five members of the staff of the Bureau of Immigration were engaged in conducting hearings. When the proposal to strike out the applicable provisions of the Administrative Procedures Act was made to the Appropriations Committee the representative of the Immigration Service testified that because of the decision of the Supreme Court 80 more examiners would be required, making a total of 145 examiners.

That is not the fact. There is no reason in the world why 65 men who have been conducting these hearings cannot continue to conduct them and to conduct them in compliance with the provisions of the law.

Let me point out to you what these 85 additional examiners they say they need will do, and, incidentally, on yesterday the gentleman from Nebraska [Mr. STEFAN] said it would cost $36,000,000 a year if this provision is stricken.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Nebraska.

Mr. STEFAN. The fact of the matter is Immigration came before our committee and asked for a supplemental appropriation of over $3,000,000 to put this into operation. Subsequent testimony indicated that if they carried this out they would have to have an appropriation of over $36,000,000.

Mr. WALTER. Yes, $36,000,000 for 80. In other words, they are going to pay them at the rate of $450,000 apiece. I contend they do not need any additonal personnel.

Now, let us look at their own record. This table discloses that of the 1 type of case where there can be a hearing there are 130. Yet they need 145 men to hear 130 cases. Did you ever hear of anything more preposterous?

Mr. Chairman, what this crowd wants to do is to continue their practice of having vested in one man the unlimited authority to make an arrest, conduct a hearing, prosecute it himself, write his own decision, and issue a warrant of deportation without anybody else knowing what has been done. I would not lift my finger to make it more difficult to deport from the United States any undesirable alien.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WALTER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

Mr. TABER. Mr. Chairman, reserving the right to object, I think the gentleman should take 5 minutes. He should tell us what procedure the Bureau of Immigration has been operating under and what the procedure would be in the event this legislation is not enacted. If he needs more than 5 minutes I think he ought to have it because the Members of the House ought to know what they are doing.

Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes instead of three.

The CHAIRMAN. If there objection to the request of the gentleman from New York?

There was no objection.

Mr. WALTER. Mr. Chairman, in the first place it must be borne in mind that when an alien is convicted of a crime and is sentenced to the penitentiary, a warrant of deportation is served on him while he is in the penitentiary. What issue could possibly be presented that would require a hearing in that case? Under the law he is deportable because he has been convicted of a crime and is serving a sentence. What need can there be for a hearing in that type of case? What need can there be for a hearing when an alien has jumped ship or has in some other lawful manner come to our shores? The fact is he is here illegally. He is not going to require a hearing. He is not going to request a hearing. So that limits hearings to cases where a person is charged with being subversive and even in those cases I contend, and all of the members of the Committee on the Judiciary agree with me, that a hearing is possible if requested, but that unless the order of deportation is challenged there need be no hearing. So I take the position that under the law hearings are needless unless the person who is about to be deported demands a hearing. If that is the case, then they are already conducting more hearings than they have to.

But, Mr. Chairman, I want to point out something which, in my judgment, is very, very serious. I am not going to discuss the Administrative Procedures Act at length. We knew what we were doing when it was enacted. We were regulating the regulators and controlling the controllers. We had in mind the

type of capricious and arbitrary action that men are capable of if not restrained.

I would like to point out one thing that the Supreme Court said when it found that the provisions of the Administrative Procedure Act were applicable. Here is the opinion:

More fundamental, however, was the purpose to curtail and change the practice of embodying in one person or agency the duties of prosecutor and judge. The President's Committee on Administrative Management voiced in 1937 the theme which, with variations in language, was reiterated throughout the legislative history of the act. The committee's report, which President Roosevelt transmitted to Congress with his approval as "a great document of permanent importance," said:

"The independent commission is obliged to carry on judicial functions under conditions which threaten the impartial performance of that judicial work. The discretionary work of the Administrator is merged with that of the judge. Pressures and influences properly enough directed toward officers responsible for formulating and administering policy constitute an unwholesome atmosphere in which to adjudicate private rights. But the mixed duties of the commissions render escape from these subversive influences impossible.

"Furthermore, the same men are obliged to serve both as prosecutors and as judges. This not only undermines judicial fairness; it weakens public confidence in that fairness. Commission decisions affecting private rights and conduct lie under the suspicion of being rationalizations of the preliminary findings which the commission, in the role of prosecutor, presented to itself."

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. When the gentleman was reviewing the hearings that were held, the gentleman said that they already conducted more hearings than was necessary. Now, if that is their practice, what is to prevent them from conducting more hearings than are necessary without some such language as provided in the bill?

Mr. WALTER. The language in the bill, if adopted, would permit them to continue the old practice. It would in no wise affect this practice of holding hearings needlessly. Under the Administrative Procedure Act they would be required to have one person act as a hearing examiner and another person in the agency presenting the complaint in the truly American manner.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman from Pennsylvania said that under the present practice, which would continue if this language is left in, there were instances of arbitrary and capricious action on the part of these single individuals in deporting people. He started to say something further about other abuses and was interrupted. I wish he would complete his statement on that point.

Mr. WALTER. Well, last year the subcommittee of the Committee on the Judiciary, consisting of Messrs. GOSSETT and BOGGS, went to New York where they found that in their judgment there were nearly 200,000 illegally in the United States, and I am not so certain that there are not some immigration inspectors who use their positions as weapons for blackmail. As a matter of fact, just recently my attention has been called to a case of that sort which is now being investigated by the Department of Justice.

Mr. JUDD. And the gentleman wants to strike this language out so that no individual will be subjected to such a temptation.

Mr. WALTER. If that is possible. Of course, human nature being what it is, I wonder if that is possible.

Mr. JUDD. But however much he might be tempted, he would not have the power to make the whole decision by himself.

Mr. WALTER. He would not have the power, because he would be compelled to take that alien to another member of the Immigration Service for a hearing.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I regret very much that I must disagree with my good friend and very able and valuable Member of this House, the gentleman from Pennsylvania [Mr. WALTER]. The issue here is not too complicated and I shall, in a very few moments, demonstrate a number of inaccuracies presented to the committee a while ago.

Admittedly this is legislation on an appropriation bill; there is not a question of doubt about that. The committee was faced with a request for an appropriation of $3,980,000, $20,000 short of $4,000,000, for seven-hundred-and-some-odd new employees for the Immigration and Naturalization Service as the result of the terms of a decision made in February in the Sung case by the United States Supreme Court. As the result of that decision, there is no question about this, you will have to get additional employees unless you adopt this language. The case load is not as described by the gentleman from Pennsylvania, but may be found at the foot of page 368 of the committee hearings. I shall insert the following breakdown of warrant hearings pending as of May 31, 1950:

Breakdown of warrant hearings pending as of May 31, 1950

	Nature of charge			
	Subversive	Criminal	Other	Total
1. Cases requiring rehearing because of Sung decision	106	795	5,316	6,217
2. Cases in which initial hearing will be under Administrative Procedure Act because of the Sung decision	130	814	7,590	8,534
Total hearings pending May 31, 1950	236	1,609	12,906	14,751

You will also find testimony at the top of page 369 as to what this decision means insofar as the Immigration Service is concerned. I am quoting from the testimony of Mr. Mackey, the Acting Commissioner of Immigration:

Mr. MACKEY. As a result of the temporary work delay following the Sung decision and the limited scale of operations since resumption of activity, the arrearage in pending warrant hearing cases has increased from 8,778 at the close of January to 14,751 at the close of May 1950.

Mr. STEFAN. What does that mean?

Mr. MACKEY. That means that in January we had 8,778 cases ready for hearing.

Mr. STEFAN. Deportation cases?

Mr. MACKEY. Yes, sir.

Mr. STEFAN. And you have now?

Mr. MACKEY. Fourteen thousand seven hundred and fifty-one at the close of May 1950.

This increase in cases is the direct result of the decision in the Sung deportation case. Now, we are not talking about American citizens and the rights of American citizens. These are proceedings to deport subversive aliens. These are proceedings to deport criminal aliens and others. As the result, the Department is confronted with having to comply with the Administrative Procedure Act. I realize my good friend from Pennsylvania is the author of the Administrative Procedure Act and he is very jealous of his rights and pride of authorship. I do not like to interfere in that. But I must point out that this is not new matter entirely conceived by our committee. The very provisions in the bill with which we are now concerned were reported to the House by the gentleman's own committee, the great Committee on the Judiciary, in the bill H. R. 10, on the 4th of August 1949. That bill from the gentleman's committee contained the very language in the appropriation bill now before you.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. STEFAN. Is it not a fact that the request for the $3,980,000 came to us from the Budget?

Mr. ROONEY. That is correct. We were not asked by the Immigration and Naturalization Service to insert this language. The Immigration and Naturalization Service and the Bureau of the Budget asked us for $3,980,000, and this language is the answer to that request. This is the saving of $3,980,000.

Mr. STEFAN. Is it not a fact that if this language stays in the bill the Immigration and Naturalization Service is forced, therefore, to make these investigations of these thousands and thousands of wet backs coming over from Mexico and that we will be setting up an annual appropriation of from twenty-five to thirty million dollars?

Mr. ROONEY. Exactly. The testimoney we received was that as a result of the Supreme Court decision it may well require from twenty-five to thirty million dollars to enforce that decision and give these aliens the benefit of the Administrative Procedure Act.

Prior to February 20, 1950, deportation hearings were governed only by the provisions of the immigration laws and by

the requirements of the Federal Constitution. From the earliest days of immigration enforcement aliens who were charged with entering or remaining in the United States illegally were granted hearings. Indeed, the Supreme Court of the United States on numerous occasions has declared that the requirements of the fifth amendment to the United States Constitution prohibiting deprivation of liberty without due process of law governed deportation proceedings and commanded that no alien could be deported unless he was given a fair hearing. This command was emphasized in numerous court decisions. Thus in the *Japanese Immigrant case* (189 U. S. 86, 100–101 (1903)), the Supreme Court declared:

> But this court has never held, nor must we now be understood as holding, that administrative officers, when executing the provisions of a statute involving the liberty of persons, may disregard the fundamental principles that inhere in "due process of law" as understood at the time of the adoption of the Constitution. One of these principles is that no person shall be deprived of his liberty without opportunity, at some time, to be heard, before such officers, in respect of the matters upon which that liberty depends—not necessarily an opportunity upon a regular, set occasion, and according to the forms of judicial procedure, but one that will secure the prompt, vigorous action contemplated by Congress, and at the same time be appropriate to the nature of the case upon which such officers are required to act. Therefore, it is not competent for the Secretary of the Treasury or any executive officer, at any time within the year limited by the statute, arbitrarily to cause an alien, who has entered the country, and has become subject in all respects to its jurisdiction, and a part of its population, although alleged to be illegally here, to be taken into custody and deported without giving him an opportunity to be heard upon the questions involving his right to be and remain in the United States. No such arbitrary power can exist where the principles involved in due process of law are recognized.

And in *Vajtaeur* v. *Commissioner* (273 U. S. 103, 106 (1926)), the Supreme Court pointed out that "Deportation without a fair hearing or on charges unsupported by evidence is a denial of due process which may be corrected on habeas corpus." Among the decisions under which similar expressions may be found are *Kwock Jan Fat* v. *White* (253 U. S. 454, 459, 464 (1920)); *Bilokumsky* v. *Tod* (263 U. S. 149, 157 (1923)); *Kessler* v. *Streckler* (307 U. S. 22, 34 (1939)); *Tisi* v. *Tod* (264 U. S. 109, 132 (1924)); *Low Wah Suey* v. *Backus* (225 U. S. 460, 468 (1912)); *Tang Tun* v. *Edsell* (223 U. S. 673, 681 (1912)).

A good summary of the basic elements of a fair hearing, as applied to deportation cases, appears in *Whitfield* v. *Hanges* (222 Fed. 745, 749 (C. A. 8, 1915)):

> Indispensable requisites of a fair hearing according to these fundamental principles are that the course of the proceedings shall be appropriate to the case and just to the party affected; that the accused shall be notified of the nature of the charge against him in time to meet it; that he shall have such an opportunity to be heard; that he may, if he chooses, cross-examine the witnesses against him; that he may have time and opportunity, after all the evidence against him is produced and known to him, to produce evidence and witnesses to refute it; that the decision shall be governed by and based upon the evidence at the hearing, and that only; and that the decision shall not be without substantial evidence taken at the hearing to support it.

When the Administrative Procedure Act was enacted June 11, 1946, its provisions were considered by the Department of Justice in relation to the deportation process. Upon consideration of the history, purpose, and language of that statute, the Attorney General concluded that the provisions of sections 5, 7, 8, and 11 of the Administrative Procedure Act, regulating the conduct of administrative hearings, did not apply to deportation proceedings. Deportation proceedings continued to be conducted in conformity with the requirements of due process of law, as expounded by the courts and as described in the regulations of the Immigration and Naturalization Service. Under those regulations warrants of arrest in deportation proceedings were issued only upon a determination that probable cause existed. When the alien was arrested he was furnished with a copy of the warrant of arrest and notified of his right to counsel and release under bond. After a reasonable time to enable the alien to prepare his defense and obtain counsel he was granted a hearing to determine whether he was subject to deportation. Hearings in deportation cases were held before immigrant inspectors. At such hearings the alien and his counsel were entitled to full participation and were given full opportunity to offer evidence, to make appropriate objections and exceptions, and to examine and cross-examine witnesses. The decisions in deportation cases were made by the Commissioner of Immigration and Naturalization only upon the evidence incorporated in the record of hearing and the alien was afforded an opportunity to appeal to the Board of Immigration Appeals from an adverse order of the Commissioner.

In numerous cases the failure to conform with the procedural requirements of the Administrative Procedure Act was challenged in the courts. Eventually the issue reached the Supreme Court of the United States and on February 20, 1950, that Court overruled the lower courts and decided, in *Wong Yang Sung* v. *McGrath* (339 U. S. 33), that the procedural requirements of the Administrative Procedure Act controlled deportation hearings. As a consequence of that decision the Immigration and Naturalization Service has made extensive revisions in deportation procedures and has issued new regulations to conform with the requirements of the Administrative Procedure Act. Under section 11 of that act hearing examiners must be specially appointed and their compensation will be substantially higher than that previously allotted to the immigrant inspectors who heard such cases. In addition, separate examining officers must be appointed to present the Government's case in each deportation hearing. Under the requirements of the Administrative Procedure Act, deportation proceedings will have to be more formalized and it will be necessary to appoint additional docket clerks, stenographers, and other personnel and to make provision for expanded facilities and supplies. Because of these expanded commitments occasioned by the need for complying with the Administrative Procedure Act, the Immigration and Naturalization Service has requested an additional appropriation of $3,980,000 for the fiscal year 1951.

The enactment by Congress of legislation which would exempt deportation proceedings from the requirements of sections 5, 7, and 8 of the Administrative Procedure Act would in no way result in denial of a fair hearing to an alien charged in a deportation process. Under the mandate of the fifth amendment to the Federal Constitution, as expounded in the numerous decisions of the United States Supreme Court to which reference has been made, any deportation order which was not supported by a fair hearing would be fatally defective. Each alien against whom deportation charges are directed would still be entitled to a full hearing, to notification of the charges against him, to representation by counsel, to confrontation of opposing witness and evidence, and to complete opportunity to present evidence on his own behalf. The decision still would have to be based on evidence in the record, but the hearing would not have to conform with rigid statutory requirements of general application. It would be governed by regulations which would retain sufficient flexibility to meet changing conditions and, in the language of *The Japanese Immigrant Case*, would "secure the prompt, vigorous action contemplated by Congress, and at the same time be appropriate to the nature of the case upon which such officers are required to act." The enactment of such legislation exempting deportation hearings from the reach of sections 5, 7, and 8 of the Administrative Procedure Act would eliminate the need for appointing special hearing examiners under section 11 of the Administrative Procedure Act whose designation is commanded by section 11 in order to conduct hearings required under sections 7 and 8 of that statute. It would also avoid the compulsion of appointing separate examining officers to present evidence on behalf of the Government in every case. It would, moreover, eliminate the need for additional personnel, facilities and supplies which must be provided in order to comply with the formalized requirements of the Administrative Procedure Act.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I want to point out that the distinguished gentleman from Alabama, Judge HOBBS, will discuss this matter on the floor, and I wish you would listen to him carefully. I expect that perhaps the gentleman from Texas [Mr. GOSSETT], another member of the committee of the gentleman from Pennsylvania [Mr. WALTER],

will also discuss the matter. I am quite sure they will take the position now being taken by the gentleman from New York.

In conclusion we were confronted with having to make an appropriation of $3,980,000, and we used practically the very language adopted by the Committee on the Judiciary to avoid doing so.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to my friend the distinguished gentleman from Pennsylvania.

Mr. WALTER. I would suggest to the gentleman that we should make no additional appropriation, because, in my judgment and in the judgment of most of the members of my committee, the appropriation is entirely adequate and they do not need one more examiner.

Mr. ROONEY. I cannot agree with the gentleman. We have discussed this matter privately and we cannot come to an understanding thereon. It follows that, if the additional procedures required by the United States Supreme Court are afforded these subversive aliens, it is going to cost money. Now, do you want to put 723 new employees on the payroll? That is the question. Do you want to save $3,980,000?

Mr. HOBBS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is quite strange how hot we can get over very little. The distinguished gentleman from Pennsylvania, chairman of the Subcommittee on Immigration and Naturalization of the Committee on the Judiciary, is a brilliant Member of this House. He knows everything about his subject and is a wonderful advocate.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Not until I finish paying tribute to you.

Mr. WALTER. I do not want to be embarrassed further. Will the gentleman spare me the embarrassment and yield to me at this point?

Mr. HOBBS. Of course, sir; I will be delighted, although I do not admit that you need to be spared.

Mr. WALTER. If any part of what you have said is a fact, do you not think that the proper way to deal with the subject would be for the Immigration Commission to submit to the Judiciary Committee its proposals, and let that committee, which knows something about this problem, act on it?

Mr. HOBBS. That is a very good illustration of exactly what I was saying. That is like the old question, "Have you quit beating your wife?" Of course, being the first cousin of Methuselah, if not his twin brother, and having practiced law for 190 years, more or less, I will not walk into that trap.

What I wanted to say is that in my judgment neither of the statements which the gentleman has made is exactly correct. The gentleman from Pennsylvania I think forgets what the Supreme Court said in the case which caused all the trouble, which is the case of Wong Yang Sung against McGrath, Attorney General, and others. It is reported in 339 United States Reports, at page 33, and the rehearing was denied at page 908.

This is the gist and the gravamen of that decision, as you will see if you read it. They say that they find no basis in the purposes, history, or text of this act, referring to the Administrative Procedure Act, "for judicially declaring an exemption in favor of deportation proceedings from the procedural safeguards enacted for general application of administrative agencies. We hold that deportation proceedings"—it does not say should come under the Administrative Procedure Act, but—"must conform to the requirements of the Administrative Procedure Act, if resulting orders are to have validity. Since the proceeding in this case before us did not comply with these requirements, we sustain the writ of habeas corpus and direct the release of the prisoner."

Everyone who has ever had a speaking acquaintance with a law school or with the practice of law knows, and no one will dispute it, that deportation proceedings are strictly civil proceedings, a procedure to vindicate the sovereignty of this Government in doing as it pleases about the admission or expulsion of those who are found unfit to live here.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. HOBBS] has expired.

Mr. CHELF. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. HOBBS. What the Supreme Court holds here is that you cannot consolidate in one person the judicial function, the prosecuting function, and the function of detective. Please, God, that ought to be true everywhere, and that is why I not only gloried in supporting the administrative-procedure bill to final passage, but I am glad that it is the law of our land, as it should be the law everywhere.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Certainly, sir. I will be delighted to.

Mr. WALTER. In view of the fact that these proceedings are not criminal, does not the distinguished gentleman agree with me——

Mr. HOBBS. I do.

Mr. WALTER. That even though the Court sustained the writ of habeas corpus in this case, there is nothing to prevent the Immigration Service from proceeding with the deportation action even now?

Mr. HOBBS. And might have at any time within 10 minutes after that decision was rendered. I agreed with the gentleman before he finished his question, for I knew what he was going to say. That was my next point, and I was leading up to it.

There is not a reason in the world why the Immigration and Naturalization Service cannot proceed to function as the Supreme Court says that it should. It is a disgrace if it is not so doing, and I believe from the limited experiences I have had with that agency that it is doing that and has done it ever since the decision was rendered on February 20 of this year.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Of course, I shall be delighted to.

Mr. ROONEY. Let me point out that the testimony before the committee and the printed hearings show that.

Mr. HOBBS. So much for this. The gentleman from Pennsylvania [Mr. WALTER] is absolutely right that the Supreme Court decision holds that they must divide their powers and must conduct their hearings, clear through to judgment, accordingly.

Congress is to blame in this instance, if there is anything wrong with the proceedings of the Immigration and Naturalization Service. It is we who wrote the law they are following, and there is no use in the world to get exercised about it. If they are not doing it—listen to this, now, if you forget everything else, I say listen to this statement, if you please: The Supreme Court says in this decision from which I have just quoted that if they do not do so, no decision that they can make will be valid. There is nothing, therefore, to raise any question about whether you pass the committee's amendment or not; it means nothing but the saving of money which the Bureau says is necessary, which the gentleman from Pennsylvania says is not. No matter whether there are 10 times as many who come over the Mexican border into Texas as into the rest of the Nation, or not, makes no difference if the Immigration authorities say it is necessary and they have justified it, they may employ as many as they think necessary with the approval of the Attorney General, and no more. But be that as it may, the point I am making is that not a single deportation order can be held valid, so says the Supreme Court that wrote this decision, unless they do divide these three powers: detection, prosecution, judgment.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Of course; I shall be happy to yield to my dear friend.

Mr. FEIGHAN. The inclusion of the verbiage in this present bill in effect repeals the decision of the Supreme Court, if possible.

Mr. HOBBS. I am so delighted that you brought that up, because you are just one of the finest and most brilliant members of our committee; yes, you are. I have nothing to take back. But you are just mistaken in this instance, believe it or not, even Jupiter may nod. I have told you what the Supreme Court holds.

Here is what this amendment does: This amendment does exactly what H. R. 10 did, only H. R. 10 was slightly broader until we agreed to the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman

from Alabama may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. As soon as I finish answering the gentleman from Ohio.

This amendment is not as broad as the original wording of H. R. 10, which was reported by the gentleman from Pennsylvania [Mr. WALTER], who was chairman of the subcommittee that studied the bill. It has the approval of three different Attorneys General; it is what the Supreme Court said could be done, which was to put an exemption there, and which the dissenting opinion by Mr. Justice Reed says has already been done and is absolutely sufficient. But I am not doing as some lawyers do—quoting the dissenting opinion as though it were the majority opinion. The majority opinion says that the thing to do is to make the exemption clear if you want to. So Congress is making it clear in this way, and to save the money which the Appropriations Committee fear the threat of being asked for and having justified. They have put it in here and made it clear in exact accordance with the opinion of the Supreme Court. That is the answer to the gentleman's question. This is nothing more than giving in accordance with the mandate of Congress the right to write the law of immigration and naturalization. No one will deny that we have the right to do that. We have the right to write the law in accordance with the mandate of the decision in this particular case and that is all it does. It is not as strong as the provisions of H. R. 10.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. It is always a pleasure to yield to the gentleman from Massachusetts.

Mr. McCORMACK. I infer the gentleman's position, but I have not definitely heard from the gentleman how he stands on the amendment offered by the gentleman from Pennsylvania. I would like to ask my friend from Alabama if he will state whether he is for or against the amendment.

Mr. HOBBS. What I am trying to do is to pour a little oil on the troubled waters because I love everybody. I am not here to belabor anybody; I am not going to call anybody a crook in any department or agency; nor am I going to back up 1 inch on my friend the gentleman from Pennsylvania, FRANCIS WALTER, and what he did when he reported my bill, H. R. 10. I know his subcommittee would not have done it unless it had been approved by the three Attorneys General who have advocated its passage, and I know that he, good lawyer that he is, would not have done it unless he knew it was all right to put that broader exemption in there for the Immigration and Naturalization Service; therefore, I can see no possible objection to the adoption of the committee amendment. I would regret exceedingly if the amendment of the gentleman from Pennsylvania [Mr. WALTER] were adopted at this time, when there is no chance to correct the situation other than in this way, which is a little irregular, but for which we have the authority of the House, through the Rules Committee. So I will not say that I am not against his amendment because I am. My judgment leads me to the unalterable conclusion that it would be a mistake to strike this language out under the circumstances that exist at the present time.

I am sure that my accepting his amendment to H. R. 10 when it came on the floor is not to be counted as a double cross on this present position. I want to make that clear. I agreed to the amendment of H. R. 10 because the distinguished majority leader gave me the only chance I had to get to the floor and I was glad to take it. The vote of 326 to 15 proves that we were right in taking that chance.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HOBBS. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am always happy to yield to the gentleman from Nebraska.

Mr. STEFAN. May I ask this question of the gentleman?

Mr. HOBBS. The gentleman may ask me any question he pleases at any time, and it will be my happy privilege to reply if I can.

Mr. STEFAN. Is it not a fact that when your Committee on the Judiciary reported out a bill, and the House passed it by a vote of 326 to 15, and I refer to H. R. 10, you did precisely with that bill what we are trying to do with the elimination of this language here as far as the Immigration Service is concerned?

Mr. HOBBS. I beg the gentleman's pardon. I did not get his question.

Mr. STEFAN. Is it not a fact that your Committee on the Judiciary, when reporting H. R. 10, and the House passed it by a vote of 326 to 15, voted it out and passed it, we were doing in effect for immigration what we are trying to do with this item here?

Mr. HOBBS. There was ingrafted on to it two committee amendments which we accepted. It did not change, in my judgment, the material effect of it, which was to restore the deportation power to our Government which had been filched from us by other nations who refused to accept their own criminals back. But it had two amendments which might be construed as weakening amendments but which I did not then so consider and do not now.

Mr. Chairman, one word and I am done. It is made clear in the Wong Yang Sung decision that it is not only from the requirement of the Administrative Procedure Act, but also:

> The constitutional requirement of procedural due process of law derives from the same source as Congress' power to legislate and, where applicable, permeates every valid enactment of that body. It was under compulsion of the Constitution that this Court long ago held that an antecedent deportation statute must provide a hearing at least for aliens who had not entered clandestinely and who had been here some time even if illegally (pamphlet, pp. 49–50).

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. ANGELL. Mr. Chairman, I move to strike out the last word.

COFFEE PROFITEERING SCANDAL

Mr. ANGELL. Mr. Chairman, I interrupt this debate to say I have introduced H. R. 9528, the objective of which is to prevent the profiteering in coffee and stabilizing the price of coffee to consumers at a reasonable price. Under the bill such a congressional policy is announced and the Attorney General of the United States is directed to take immediate action against coffee profiteers, and he is further directed to report to the Congress amendments to existing laws to accomplish this purpose if he finds amendments necessary. I include in these remarks a copy of my bill, H. R. 9528, and an article from the Washington Post in the issue of August 11, 1950, by John W. Ball, on food profiteers and hoarders. I urge the passage forthwith of this bill so consumers may be protected:

> A bill relating to the prevention of unreasonable and unconscionable speculation and profiteering in coffee, and relating to stabilization of the price of coffee to consumers at a reasonable level
>
> *Be it enacted, etc.*, That the Congress hereby finds that unreasonable and unconscionable speculation and profiteering has caused the price of coffee to become exorbitant and has resulted in undue hardship to consumers. The Congress further finds that the pattern of the abrupt increases in the price of coffee clearly indicates that such increases are not caused by normal economic factors or by abnormal consumer demand. It is therefore declared to be the policy of the Congress that such unreasonable and unconscionable speculation and profiteering must be prohibited, and that the price of coffee to the consumer must be stabilized at a reasonable level.
>
> SEC. 2. In order to carry out the policy set forth in the first section of this act, the Attorney General is directed to take immediate action to enforce any and all existing laws, rules, and regulations relating hereto.
>
> SEC. 3. If the Attorney General deems existing laws, rules, or regulations insufficient to deal adequately with the problem involved herein, he is hereby directed to report to the Congress forthwith his recommendations for legislative action.

[From the Washington Post of August 11, 1950]

GILLETTE SAYS FOOD PROFITEERS AND HOARDERS ARE DARING CONGRESS TO SLAP ON CONTROLS

(By John W. Ball)

Senator GUY M. GILLETTE (Democrat, Iowa) yesterday blasted profiteers in the food industry and hoarders for doing exactly what our enemies want us to do.

GILLETTE'S outburst before the Agriculture Subcommittee on Utilization of Farm Crops, which he heads, was matched later by an attack by Charles W. Holman, National Milk Producers' official, on the Government's butter and milk purchases under the price-support laws.

GILLETTE charged that profiteers in the processing, wholesaling, and retailing food

trades are daring Congress to slap on controls.

"Certainly no one is hoarding bread," he declared, "yet prices have advanced from 1 to 3 cents a loaf; or milk, which has gone up a cent a quart or more, or gasoline and fuel oil, which have advanced in price.

"Few people could hoard coffee at current prices; any hoarding in this instance is by the coffee producers withholding coffee in the hope of still higher prices.

"Ingredients of oleomargarine have advanced but little, yet since repeal of the tax by Congress retail margarine prices have risen rapidly."

The Iowan interrupted his blast at food dealers long enough to express the hope that his committee can soon take up the study of the wide spreads between the prices farmers get for their products and the prices charged consumers. As an example of how that spread is increasing, he declared:

"Profiteers have taken advantage of the war situation by erasing the markings on canned goods and substituting higher prices. Consumers everywhere are reporting cases of two and three price rises on various items while the merchandise was still on the store shelves."

GILLETTE read several telegrams from constituents complaining about inability to get sugar. The complaints alleged that two big Midwest beet-sugar companies are refusing to fill orders, even for old-time customers.

W. J. McDonald of the Grapette Bottling Co., Burlington, Iowa, wired GILLETTE that "the brokers and wholesalers with whom I have dealt in the past all have informed me that there is no question but that both the Amalgamated Sugar Co. and Great Western Sugar Co. are refusing to ship until they can obtain a higher price. This even though I am paying $1 more per hundredweight than 3 weeks ago."

"With the abundance which nature has provided this country there is plenty of food for all," GILLETTE declared. "There is no need for slapping on controls if only the processors and distributors of food products will exercise restraint in their pricing and the consumers a similar restraint in their purchasing."

GILLETTE made public a pledge titled "This firm belongs to the We Will Not Profiteer Club," which he urged food distributors to sign and post prominently.

Holman charged that large amounts of the finest butter did not enter the butter merchandising due to the Government procurement methods.

Instead of being a price-support system, he said, the butter program put the Government in competition with the butter industry.

Instead of fixing a butter price that varied with relation to transportation costs, the Agriculture Department, he said, maintained one price in all sections of the country. This, Holman said, cut directly across the merchandising system.

Holman also opposed a universal compulsory milk sanitation code as urged by the Public Health Service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The question was taken; and on a division (demanded by Mr. WALTER) there were—ayes 36, noes 67.

So the amendment was rejected.

The Clerk read as follows:

Notwithstanding any other provision of law, no part of any funds appropriated to the Post Office Department shall hereafter be used for the transportation (within the continental limits of the United States) of mail over any route or by any means which shall be determined by the Postmaster General to be uneconomic.

Mr. BECKWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKWORTH: Page 12, line 4, strike out all language in the paragraph beginning with line 4 and ending on line 9.

Mr. BECKWORTH. Mr. Chairman, the amendment which I have offered is a very simple one. It simply strikes out about five lines on page 12. I think it is important to read the language that is being stricken. It certainly sounds good, but it is far-reaching:

Notwithstanding any other provision of law, no part of any funds appropriated to the Post Office Department shall hereafter be used for the transportation (within the continental limits of the United States) of mail over any route or by any means which shall be be determined by the Postmaster General to be uneconomic.

In the first place, that word "uneconomic" is subject to many interpretations. It is owing to what standards you use. All of you, practically, are aware of the fact that the Civil Aeronautics Board today has the responsibility of determining how much money a given airline will receive—and it is called mail pay—in order to perform the function that the given line is called on to perform. The statute is very specific—and incidentally, much study and many hearings were held before the statute was written—as to what shall be taken into consideration. It states this:

In determining the rate in each case, the Authority shall take into consideration, among other factors, * * * the need of each such air carrier for compensation for the transportation of mail sufficient to insure the performance of such service, and, together with all other revenue of the air carrier, to enable such air carrier under honest, economical, and efficient management, to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the postal service, and the national defense.

No one would contend for a moment that the Civil Aeronautics Board could consider only whether an airline is doing that which is economic or uneconomic and perform the function that the Board is instructed by statute to perform.

I talked to the gentleman from Virginia [Mr. GARY], who ably handles the Post Office Appropriations Subcommittee legislation about this. He told me it is designed to refer to helicopters; or, at least, that is what he has in mind. But, I do not believe any member of this committee can read the language and find that it would be limited to helicopter service. As a matter of fact, I do not know how anyone can determine just how far-reaching it is because the word "uneconomic" is not in any sense defined; it is most difficult to define.

The language does not stop with the Civil Aeronautics Board. It is the Interstate Commerce Commission that decides the rates that are to be paid for carrying the mail on railroads. It certainly could conceivably react to the function of the Interstate Commerce Commission. I doubt that the membership of this body would want to go so far as to adopt an amendment like this without hearing those who have made investments in enterprises which today are performing important functions for the Government, functions which the Congress has stated it wants performed. I do not see how anybody, generally speaking, could say that the services performed by a feeder line, as compared to the services of the major airlines, are economic. On the other hand, I am sure that many air carriers charge considerably more to carry the mail between two points than is charged by a bus or a train.

I repeat what I said a moment ago—one of the purposes of the Civil Aeronautics Act is to foster the development of civil aviation, to do that which is necessary to the development of civil aviation. This is quite significant, I feel, to the welfare of our Nation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BECKWORTH. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. O'HARA of Minnesota. Under the broad scope of this language, could it not also apply to rural routes and star routes as well?

Mr. BECKWORTH. The report says it does not apply to city delivery. I do not see exactly how one can say it would not apply to city delivery or to rural routes. Many of you are aware of the fact that there is a great deal of mail carried which is not economic. I think the record shows that the Committee on Civil Service has come before the Congress several times and said that second- and third-class mail today is being carried too cheap. It might apply to all second- and third-class mail, if in fact it is being carried too cheaply. I do not say that is a fact, but as I recall, the Committee on Civil Service has brought before us a number of bills having for their purpose the paying of an adequate rate by certain types of companies and users of mail.

Many of you Members from time to time have had cities that have importuned you through their authorities to help them get air-mail service or help them retain air-mail service.

Certainly I do not see how Members of the Congress can safely say that they will be taking care of the smaller cities that receive air-mail service, unless they vote against such languange as this I am undertaking to strike, because much of these services definitely are not economic in some respects at least. The purpose is to supply people with services that are considered to be needed and in the public interest.

Certainly I want to make this point again, before legislation as far reaching as this is enacted, there should be hearings at which those people who are interested in this kind of service, and those people who have made investments could be heard. After that the determination should be made.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to my colleague, a member of the Interstate and Foreign Commerce Committee.

Mr. HALE. Would not this amendment be giving almost unlimited discretion to the Postmaster General, and have the practical effect of repealing many laws?

Mr. BECKWORTH. I do not see how any other interpretation could be made. Of course it will be said the Postmaster General has to do what is good for the Government. That is what the report says. But the language of the amendment is very specific. The Postmaster General very definitely would have a duty to perform under the language of this amendment and he would have to use as his primary standard, whether the service is economic or not. There certainly are instances where the mail is not carried on the most economic basis in my opinion and no one contends that the transportation of mail has developed on the lone standard of whether such transportation is economic or not.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment.

In the first place, Mr. Chairman, let me call attention to the fact that this provision does not apply to the delivery of mail. It would not affect the delivery of mail anywhere in the United States. It applies only to the transportation of mail.

The purpose of this amendment is simply this: Under the present law—and I doubt whether there are 10 men in this House who know it—frankly, I was a member of the Post Office and Civil Service Committee before becoming a member of the Appropriations Committee, and I have been a member of the Post Office Subcommittee for several years, but I was astonished to learn when I visited the post office in Chicago this year and saw the helicopter service at that post office that the Civil Aeronautics Board can force the Postmaster General to install a service which is not needed, which is highly expensive, and to which the Postmaster General is opposed. We have in Chicago a beautiful sight. I went up on the roof and looked at it. The helicopter comes through the skies and lands on the top of the post office, transporting mail to and from the airport. It is a good publicity stunt. The same is true of Los Angeles. Now they are applying for permits to operate this service in other cities of the United States. Do you know what it costs the Government? According to testimony presented before our subcommittee, the Postmaster General could transport the mail in Chicago by motortrucks for $75,000 a year—$74,605, to be exact—and it is costing the Government $400,000 a year to transport it by helicopters.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. HARRIS. Is it the position of the committee that this amendment applies merely to the provision, or extends the authority to the Post Office Department to determine that before helicopters can be used in the transportation of mail it must be on an economic basis?

Mr. GARY. When it can be handled more economically by some other means. It gives him some discretion in the matter.

Mr. HARRIS. If the gentleman will yield further: Is it the intention of the committee for this to have any far-reaching authority, other than as it applies to helicopters?

Mr. GARY. Absolutely not.

Mr. HARRIS. Then, why did not the committee say that? Is it not a fact that this language covers all transportation of mail, particularly as it vitally affects the transportation of second-class mail?

Mr. GARY. I can say this: If the Postmaster General determines he can render the same service more economically by bus or by one of these new highway post offices, then he would not have to use air mail.

Mr. HARRIS. Is it not a fact that the record shows that the greatest deficit in the Post Office Department is the transportation of second-class mail, and it does not make any difference if you use an ox cart to transport it, there will be a deficit in the way that the transportation is carried on?

Mr. GARY. This has nothing to do with deficits at all.

Mr. HARRIS. It says "economic transportation."

Mr. GARY. But it has nothing to do with the delivery of mail. It deals with the selection of methods of transportation. After all, it merely gives the Postmaster General some discretion, and does not permit some outside agency, such as the CAB, to direct him that he must use a certain means of transportation.

Mr. HARRIS. The language, as I read it, says—and I will ask for more time for the gentleman because I think this is an important matter that we are considering—the language says:

> Notwithstanding any other provision of the law, etc., no funds herein appropriated to the Post Office Department shall hereafter be used for the transportation of mail over any route or by any means which shall be determined by the Postmaster General to be uneconomic.

If the Postmaster General determines any kind of transportation of mail, whatever class it may be, is uneconomic, then he has no authority whatsoever but to make the decision that this fund cannot be used.

Mr. GARY. It gives him the right to select the means.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. GARY] has expired.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HARRIS. I wish the gentleman would answer my question.

Mr. CASE of South Dakota. That is the point on which I wished to comment. It occurs to me that the language is a little unfortunate, as I read it. I fear it means that if the Postmaster General determines that the transportation of mail over any route or by any means is uneconomic he would have no authority to spend funds to transport the mail in any way whatsoever.

Mr. HARRIS. That is the way I would interpret it.

Mr. CASE of South Dakota. He would have to stop the transportation of the mail.

Mr. GARY. That is certainly not the intention of the committee, and I do not think it is subject to that interpretation.

Mr. CASE of South Dakota. If the gentleman would permit me, I think the language can be cleared up very readily under the gentleman's own statement.

Mr. GARY. I will say that the committee is not wedded to any particular language. If the gentlemen want to offer some clarifying language, I shall not object.

Mr. CASE of South Dakota. I have a perfecting amendment which I propose to offer, which would strike out the words "or by any means" in line 8 and then, after the word "mail", in line 7, insert "by helicopter"; then it would simply mean that no part of any funds appropriated shall be used for the transportation of mail by helicopter over any route which shall be determined by the Postmaster General to be uneconomic.

Mr. BECKWORTH. That is the very language I was going to ask the gentleman if he would accept, in view of what he has stated as being his position.

Mr. GARY. Yes; I will be glad to accept that language.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. JACKSON of Washington. I am asking a question about the amendment that has been inserted by the committee. It seems to me that we have two situations facing us—the first situation where there are many areas in the United States where it is uneconomical to get the mail to those places, yet it is in the public interest that they should receive mail, at least.

Mr. GARY. It was not the intention of the committee to cut out that service. I say that very definitely.

Mr. JACKSON of Washington. I assume from the gentleman's statement that it is not the intention of his committee by this language to cut out any service.

Mr. GARY. That is right.

Mr. JACKSON of Washington. The intent of the gentleman, then, relates to competing types of transportation used in getting the mail to those isolated areas.

Mr. GARY. That is absolutely correct.

Mr. JACKSON of Washington. In some instances it may be more costly to use air transportation, we will say, than boat transportation or some other type; but the chairman of the subcommittee assures the House that it is not the purpose of the committee in offering this language to cut out mail service to areas in the United States where in fact it may be uneconomical in getting the mail to those places.

Mr. GARY. That is absolutely correct.

Mr. JACKSON of Washington. It is only the means employed in getting the mail there.

Mr. GARY. Only the means; and, of course, it would not cut out air mail; there was no disposition to cut out air mail, because people pay a special rate for air-mail service; a higher rate is charged for that service.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. WALTER. How can the conclusion reached by the Postmaster General be questioned?

Mr. GARY. How can it be questioned?

Mr. WALTER. Yes.

Mr. GARY. It gives him discretion.

Mr. WALTER. It is absolute authority that cannot be questioned by anyone.

Mr. GARY. It can be questioned in the same way that any other administrative act can be questioned.

Mr. HARRIS. But under this language here if it was as a matter of fact uneconomical, then the Postmaster General can make no other determination.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. McCARTHY. By the gentleman's own statement this would practically eliminate domestic air mail, because it does cost more to operate the domestic air-mail service than train service.

Mr. GARY. But the air-mail service is specifically provided for by law.

Mr. McCARTHY. But it can be hauled more cheaply by rail.

Mr. GARY. Since there appears to be some doubt as to the meaning of the amendment I shall be very glad to accept the amendment offered by the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I offer a perfecting amendment. As I understood, the pending amendment is an amendment to strike the paragraph. I am offering my amendment as a perfecting amendment to be considered first.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 12, after line 8, strike out "or by any means" and insert in line 7, after the word "mail", the words "by helicopter."

Mr. CASE of South Dakota. Mr. Chairman, I do not care to take time on the amendment if it is acceptable to the committee.

Mr. SHEPPARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. CASE of South Dakota. Mr. Chairman, if there is going to be discussion I will claim my time.

The CHAIRMAN. The gentleman from South Dakota is recognized.

Mr. CASE of South Dakota. Mr. Chairman, it seems to me that the language of the paragraph as it appears in the bill could have a very unfortunate interpretation, but the intent has been clarified in the recent debate. However, I have offered this amendment because I fear the original language could be interpreted to mean that if the Postmaster General thought the transportation of mail over any route or by any means were uneconomical then he could not use any of the funds appropriated to the Post Office Department for such transportation; in other words, any route that was determined to be uneconomical would be stopped.

The Chairman has said that the intent here was merely to reach an uneconomical transportation by helicopter. So the amendment I have proposed limits the application to that. We strike out in line 8 the words "or by any means" and in line 7, after the word "mail", we insert the words "by helicopter." This makes the provision read:

Notwithstanding any other provision of law, no part of any funds appropriated to the Post Office Department shall hereafter be used for the transportation within the continental limits of the United States of mail by helicopter over any route which shall be determined by the Postmaster General to be uneconomical.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. PHILLIPS of California. I would remind the gentleman that his amendment still leaves quite a problem, for it could mean that there will no longer be any mail delivered by helicopter, especially in any new territory. It means that so far as the big spaces which he and I represent no helicopter mail delivery is probably economical when it starts and this provision will prevent it from ever starting.

Mr. CASE of South Dakota. No; not unless he made the determination it is uneconomical. Then he should not start it.

Mr. PHILLIPS of California. Does the gentleman mean that any uneconomical delivery of mail is wrong? That is the way air mail started, that is the way these various deliveries of mail start. They may start uneconomically.

Mr. CASE of South Dakota. The gentleman from South Dakota is thoroughly sold on the idea that the transportation of mail is a matter of service and not of expense, but it might be a question at this time whether the Post Office Department with the deficit it has should go into subsidizing any particular new form of transportation on the order of some other agency; in this case the Civil Aeronautics Board.

Mr. BURKE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Ohio.

Mr. BURKE. In our area we have a mail service from the mainland to the Lake Erie islands. The mail is carried largely by air now. Of course, it is transported by airplane. Suppose those airplanes should be substituted by helicopters, would the gentleman's amendment prevent the use of helicopters?

Mr. CASE of South Dakota. It would if it were uneconomical when compared with transportation by airplane; otherwise, I should say, it would not.

Mr. TABER. It would not necessarily be determined to be uneconomic if it did not pay. It would be a question of the service that it might perform to the community. But the carrying of mail from a post office to an airfield, which can be accomplished just as cheaply and perhaps cheaper, and almost as quick, would not come within that broad view of the situation.

Mr. CASE of South Dakota. I may say that as far as the development of helicopters is concerned I am in favor of it, but I question whether the burden should be carried by the Post Office Department. It so happened that in an Army appropriation bill some years ago I offered the motion to earmark $6,000,000 for the purpose of procuring helicopters because I thought it was of interest to our national defense, but I do not think it is proper for the Post Office Department to go into the subsidizing of helicopters at this time of heavy deficit financing.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. I do not quite follow the logic of the amendment in that the gentleman is singling out helicopters. I think that is the fallacy of it.

Mr. CASE of South Dakota. That was based on the statement of the gentleman from Virginia. I wanted the language to apply to what it was intended to apply and nothing more.

Mr. JACKSON of Washington. If we are trying to find the most economical means of transportation, we should not try to select certain items of transportation as being costly per se, whereas other items of transportation, even though they are uneconomical, we are going to continue to use them. Are we not engaging in a discriminatory effort against helicopters?

Mr. CASE of South Dakota. I will refer that question to the gentleman from Virginia.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. McDONOUGH. Will the gentleman's amendment have any effect in reducing the schedules on existing helicopters that are now in operation?

Mr. CASE of South Dakota. If the Postmaster General made the determination, it was an uneconomical method of transportation.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. SHEPPARD. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I would like to address some inquiries to both the chairman of the subcommittee, the gentleman from Virginia [Mr. GARY], and also to the gentleman from South Dakota [Mr. CASE], who has offered a clarifying amendment to the original concept. When the gentleman from Texas [Mr. BECKWORTH] had the floor he made the statement, if I recall his expressions correctly, to the effect that in a conference with the gentleman from Virginia [Mr. GARY] that he had stated definitely that his language was directed to the helicopter and nothing else.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Arkansas.

Mr. HARRIS. As I understood the gentleman from Virginia [Mr. GARY], he said in his own remarks that it was to apply to helicopters and to nothing else.

Mr. SHEPPARD. Is it the intent of the chairman and the members of his committee that this shall be interpreted to apply to the helicopter service as that service pertains to the delivery of mail in this country?

Mr. GARY. Yes. The purpose of this amendment was simply to prevent the Civil Aeronautics Board from telling the Post Office Department the kind of service that it had to use and forcing them to install a service that is costing the Government $400,000 a year when they can perform the same service by a different means for $75,000 a year.

Mr. SHEPPARD. Let me ask the gentleman this question: Was he advised at any time in his conference with the Post Office Department that they were an acquiescent agency of the Government for the type of services by contract they use—helicopters, trucks, Pan American Airways, or what?

Mr. GARY. I do not understand the gentleman.

Mr. SHEPPARD. That they are a concurring agency?

Mr. GARY. Insofar as the helicopter service is concerned, they opposed the service.

Mr. SHEPPARD. The issuance of contracts is vested in the Post Office Department, is it not?

Mr. GARY. No.

Mr. SHEPPARD. Yes; it is. Or at least I have been advised they are.

Mr. GARY. The Postmaster General says not and the law says not. I do not know where the gentleman gets his information.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I opposed the insertion of the word "helicopters" in committee and I oppose it now. I object to this kind of an attack on the helicopter mail service in our country. Frankly speaking, we had no extensive hearings on this subject. Currently applications are pending before the Board, and our action today would be prejudicial to those applications. I think we should not proceed in this order.

Mr. SHEPPARD. I would like to say this to every western Congressman here: We, of the West, have very little opportunity for the so-called feeder-line service for our people out there, and as to the mail or services cost pertaining to other than that of helicopter, if you want to go into the economic operation of mail service, I might suggest you look over Pan-American operations. If you want to find out where excess expense takes place, look there, and you certainly will find the helicopter service comes out with a clean record, comparatively speaking. We people of the West resent this kind of an interference with an established and necessary service by this proposal because you are taking away from us the only chance that we have to participate in and enjoy some of the services you enjoy at home and elsewhere by other means.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. I happen to have in my district, San Juan County, near the Canadian border, that has at least 162 islands, and in order to deliver mail in that territory it is quite obvious that any method of transportation is going to be uneconomic. It costs the Government a lot of money.

Mr. SHEPPARD. Exactly.

Mr. JACKSON of Washington. If this amendment is adopted, I take it that if the cost of transportation by boat, which is uneconomic, is the only means that they can get it there, why, then they will have to use the boat, but if someone comes in and makes a bid using a helicopter, which is also uneconomic, but not any more uneconomic than a boat, but faster service, they would be deprived of that faster service by helicopter.

Mr. SHEPPARD. What is going to happen to your island people out there off the coast where the population is dependent on this kind of service?

Mr. JACKSON of Washington. They are going to run into difficulty getting mail.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I would like to ask the gentleman from California this question. Does the gentleman not think that this is a proper subject matter for the Committee on Post Office and the Committee on Interstate and Foreign Commerce to handle rather than to bring it in under this bill?

Mr. SHEPPARD. I am not determining who has the jurisdiction. I strenuously object to this type of legislation.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman from California is one of the most ardent advocates of defense in this House. Does he not think that if we keep running out on civil defense in these United States, we may wish someday we had some mail helicopters.

Mr. SHEPPARD. The gentleman is correct.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from California.

Mr. WHITE of California. I want the gentleman to make perfectly clear whether he favors the Beckworth amendment or the Case amendment, so that the House will know.

Mr. SHEPPARD. I do not favor any amendment that destroys any of this service.

Mr. WHITE of California. In other words, the gentleman favors the Beckworth amendment?

Mr. SHEPPARD. Yes.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from New York.

Mr. TABER. The confusion arises, I think, out of the failure to properly interpret the word "uneconomic." "Uneconomic" can mean a good many things. Sometimes it is necessary to have something in the nature of a service that costs more than some other kind of service; it may be swifter; it may be the only means of accomplishing a certain purpose. On the other hand, we should not have waste in the Department by using a service designed for one thing, when ordinarily street transportation will do.

Mr. SHEPPARD. May I say that the gentleman is absolutely right in his contention about the economic approach to this situation. But, you should not start out on the Pacific coast cutting our throats. We do not like it. If his contentions are to apply to all types of service that would be different.

Mr. CROSSER. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Ohio.

Mr. CROSSER. Has it not been the practice since 1919 for the Interstate Commerce Commission to deal with the fixing of rates of mail on the railroads, and if this were put in, it could be held to be an uneconomic operation?

Mr. SHEPPARD. It may be.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GARY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. MURRAY of Tennessee. I object, Mr. Chairman.

Mr. GARY. Mr. Chairman, I move that all debate on the paragraph and all amendments thereto be limited to 15 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, this bill is entitled "A bill making appropriations for the fiscal year ending June 30, 1951, and for other purposes." I assume the item under discussion comes under the part that says "for other purposes."

It was my understanding we were to consider a bill to appropriate approximately sixteen billion dollars for emergency purposes needed to prosecute the war—after all it is war.

We are presently discussing a section that is legislative and belongs in the jurisdiction of one or two legislative committees. Of course you have a rule waiving points of order. This paragraph says in substance that the Postmaster General shall not use means in transporting mail that he believes to be uneconomic. Of course he should use the most practical and economical methods of transporting mail. It appears from what is being said today this committee is attempting to iron out a problem between the CAB and the Postmaster General. I hardly think this is the way to do it. I assumed that, under present law, the Postmaster General is expected to see that mail is transported in the most efficient and economic manner. Anyway, this problem should go to the

proper committee of the House and not be handled in this fashion. Mr. Chairman, this bill is replete with legislation, that as a matter of right, does come under the jurisdiction of the Committee on Appropriations, except as the committee has assumed such jurisdiction. I have the greatest confidence in the membership of this great committee, but I think it is completely out of order they should invade fields of legislation that belong to other committees of the House. I realize too that this group before me does not want to take the time to discuss, or consider amendments dealing with the various items of legislation that should be considered separately, and do not belong in this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HARRIS].

(By unanimous consent the time allotted to Mr. PRIEST was given to Mr. HARRIS.)

Mr. HARRIS. Mr. Chairman, it might be advisable for us to see just where we are and what we actually have before us. In the first place, the gentleman from Texas [Mr. BECKWORTH], offered an amendment which would strike out the language which would give a mandate to the Postmaster General with reference to mail transportation. From the confusion which exists here, it is obvious that the language will not do what the committee evidently proposed to do in reporting it. The gentleman from South Dakota [Mr. CASE] proposed a perfecting amendment which would do what the chairman of the subcommittee said was the intention and purpose of the committee when this language was reported. Frankly, I join in some of the expressions by other Members in casting doubt on the advisability of legislating on such an important matter affecting the service to the people of the country as we are doing today in this appropriation bill. Certainly if such language is adopted in an appropriation bill at this time, the Case amendment should be adopted. My own feeling about it is that it is a dangerous situation. I am going to vote for the Case perfecting amendment, and then I am going to vote for the Beckworth amendment to strike out all the language. I believe as the gentleman from New York [Mr. TABER], when he says the word "uneconomic" is subject to different interpretations. Just what it means I think would be anyone's guess. For instance, let us see what the language of the committee report says:

> The committee does not intend by its recommendation that service should be discontinued on all routes or by any means upon which a loss occurs.

Now, what in the world does the word "uneconomic" mean, then? The word evidently means one thing and the language in the report says that evidently is not what it means. Consequently, it seems to me that if we are going to avoid doing a great disservice to a great department and several agencies, this language should be stricken out.

The CAB determines rates insofar as air mail is concerned. The Interstate Commerce Commission determines rates as far as the railroads are concerned. Certainly you get a division of thinking in the Post Office Department as to what the word "uneconomic" means, what the Interstate Commerce Commission may think it means and what the CAB may think it means.

Mr. CROSSER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to my distinguished chairman.

Mr. CROSSER. The Postmaster General could hold that the rates charged for carrying mail by rail are uneconomic, although they have been doing it since 1916?

Mr. HARRIS. Certainly. That is true. If they would hold that all means of transportation of mail was uneconomic, then where would we be?

Mr. PRIEST. Mr. Chairman, will the gentleman yield for one observation?

Mr. HARRIS. I yield.

Mr. PRIEST. The distinguished gentleman from Arkansas, with other members of the Committee on Interstate and Foreign Commerce, has been studying for perhaps 3 months the question of separation of air-mail pay from subsidies, and the further it is studied, the more complex the problem has become. Yet, by adopting the language in this bill, we would take a rather revolutionary step without any consideration of the problem involved whatsoever.

Mr. HARRIS. The gentleman is right. It is a very complex problem. The Committee on Interstate and Foreign Commerce has reported a bill. The committee, the CAB, the Post Office Department, and the Interstate Commerce Commission are all trying to solve this problem.

I hope that this language is stricken out.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The Chair recognizes the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I want to carry further the argument which has been so ably presented by the gentleman from Arkansas [Mr. HARRIS] and the gentleman from Tennessee [Mr. PRIEST], and to discuss with you briefly a recent development in this very field of a sound approach toward determining the cost of carrying air mail.

First, I want to emphasize that those of us who support the amendment offered by the gentleman from Texas [Mr. BECKWORTH] do not defend any such situation as the gentleman from Virginia [Mr. GARY] reports. We share his determination that any unnecessary expansion or wasteful practice be eliminated. But, perhaps because of the extensive study of the entire field of air-mail subsidies, we believe the language in the appropriation bill addresses itself to the effect rather than to the cause, and we know that unless and until we reach the cause and correct it, no sound results can be obtained.

As has been said, the Committee on Interstate and Foreign Commerce has been trying to solve the problem of the separation of air-mail subsidies. It has given the matter a great deal of attention during a period of months. This week it has reported out a bill which is intended to do that very thing. In contrast to that, as far as I can determine on pages 391 and 392, there is about a page of discussion of this enormously complex matter before the Appropriations subcommittee. So I suggest to all of you the soundness of the rule which is waived in this instance, that matters of legislation should receive careful consideration by legislative committees, so that you will have the benefit of their recommendations. Such proposals cannot be the subject of hasty improvisation by means of a rider on an appropriation bill.

Some of you, and I think all of you, are much interested in the recommendations of the Hoover Commission. The Hoover Commission dealt with this subject briefly but effectively. It said:

> Payments to common carriers for transporting the domestic and foreign air mail are fixed by the Civil Aeronautics Board at a level to provide a subsidy to aviation. Contracts for overseas mail are also made on a subsidy basis. These subsidies may be most desirable.

But what did the Commission recommend? It said:

> We recommend, however, that the amounts of these subsidies should be paid to the post office by open appropriation from tax funds and not imposed upon the post office or the mail users in this hidden manner. By such a course, the President, the Congress, and the public may know what the amounts of the subsidies are.

That is what this bill, H. R. 9184, that your Committee on Interstate and Foreign Commerce reported out, seeks to do. If you choose to bypass the committee, I am very much afraid, since there can be no argument about what the language in this bill does do on the subject of air-mail subsidies, that you will regret the course you have taken.

It occurs to me in the light of the discussion here on this subject that my colleagues might wish to see the text of H. R. 9184. I hope that the Rules Committee will grant a rule on that bill shortly so that all of us may have an opportunity to support and vote for another and perhaps the one major remaining legislative step implementing the very important recommendations of the Hoover Commission. The text of that bill follows:

Be it enacted, etc.,

SHORT TITLE

SECTION 1. This act may be cited as the "Air Mail Subsidy Separation Act of 1950."

RATES FOR TRANSPORTATION OF MAIL AND SUBSIDY FOR ESSENTIAL AIRCRAFT OPERATION

SEC. 2. (a) Subsections (a), (b), and (c) of section 406 of the Civil Aeronautics Act of 1938, as amended, are hereby amended to read as follows:

"RATES FOR TRANSPORTATION OF MAIL AND SUBSIDY FOR ESSENTIAL AIRCRAFT OPERATION

"Authority To Fix Compensatory Rates

"SEC. 406. (a) (1) The Civil Aeronautics Board is empowered and directed, upon its own initiative or upon petition of the Postmaster General or an air carrier, to determine and fix from time to time, after notice and hearing, fair and reasonable rates of compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith (including the transportation of mail by an air carrier by other means than

aircraft whenever such transportation is incidental to the transportation of mail by aircraft or is made necessary by conditions of emergency arising from aircraft operation), by each holder of a certificate authorizing the transportation of mail by aircraft, and to make such rates effective from such date, after the institution of the proceeding under this subsection, as it shall determine to be proper; to prescribe the method or methods, by aircraft-mile, pound-mile, weight, space, or any combination thereof, or otherwise, for ascertaining such rates of compensation; and to fix different rates for different air carriers or classes of air carriers, or different classes of service, or on the basis of any other reasonable classification of carriers, services, routes and route segments, or any combination thereof. The rates so determined and fixed shall be published by the Board and shall be paid by the Postmaster General from appropriations for the transportation of mail by aircraft.

"(2) The rates determined and fixed under paragraph (1) of this subsection shall not exceed the necessary cost to the air carrier, under honest, economical, and efficient management, of the mail transportation services actually rendered or such services to be rendered (computed in accordance with the standards prescribed by the Civil Aeronautics Board pursuant to section 407 (d) (2)), plus a fair and reasonable return.

"(3) The Board is authorized to issue orders, with or without hearing, prescribing temporary rates for the transportation of mail pending determination of final rates. Such temporary rates shall not be considered final for any period and shall be superseded by the final rates fixed for the periods during which the temporary rates were in effect.

"Recommendations as to Rates

"(b) (1) Any petition by an air carrier for the fixing of rates under subsection (a) of this section shall include a statement of the rates recommended by the petitioner as being fair and reasonable.

"(2) The Postmaster General shall introduce as a part of the record in all proceedings under subsection (a) of this section (A) a statement of the rates recommended by him as being fair and reasonable, and (B) a comprehensive statement of all service to be required of the air carrier and such other information in his possession as he deems, or as may be deemed by the Board, to be material to the inquiry.

"(3) The burden of proof in any proceeding under subsection (a) of this section which is initiated by petition shall be with the petitioner.

"SUBSIDY FOR ESSENTIAL AIRCRAFT OPERATION

"(c) (1) The Board is empowered, upon its own initiative, or upon the petition of a certificated air carrier, to make, after notice and hearing, subsidy payments to such air carrier in amounts determined by the Board to be essential (when taken together with all the other actual and potential revenues of the air carrier) to enable the air carrier under honest, economical, and efficient management to maintain and continue the development of air commerce to the extent and of the character and quality required for the national defense, the commerce of the United States, or the postal service. The Board is empowered to make subsidy payments for individual air carriers or classes of air carriers, or on the basis of any other reasonable classification of carriers, services, routes and route segments, or any combination thereof, and to prescribe the method or methods of such payments and duration of period for which applicable. The Board may make such subsidy payments effective from such date, after the institution of the proceeding under this subsection, as it shall determine to be proper. Payments under this subsection shall be made by the Board out of sums appropriated to the Board for such purpose.

"(2) Every petition for the fixing of a subsidy shall state and support in detail the amount the petitioner believes that he is entitled to under the subsidy provisions of this section and the carrier shall have the burden of establishing the amount of subsidy payment, if any, which is required for its operations under the standard established by this act. The fact that an air carrier has been granted a certificate of public convenience and necessity authorizing it to offer certain services shall not be deemed conclusive of the issue as to whether such services are sufficiently required in the interest of the national defense, the commerce of the United States, or the postal service, to justify the amount of subsidy that would be required to keep such services in operation."

(b) The amendment made by subsection (a) of this section shall apply only with respect to (1) the transportation of mail, or (2) operations in air commerce, occurring on or after July 1, 1951.

ALLOCATION OF AIR CARRIER RECEIPTS AND EXPENDITURES

SEC. 3. Section 407 (d) of the Civil Aeronautics Act of 1938, as amended, is hereby amended—

(1) By inserting "(1)" after "(d)"; and

(2) By inserting at the end thereof the following new paragraph:

"(2) On or before July 1, 1951, and from time to time thereafter, the Civil Aeronautics Board shall, after notice and hearing, prescribe standards by which air carriers, in keeping their accounts, records, and memoranda, shall allocate receipts from, and expenditures for, the air transportation services rendered by them among the following four categories: Transportation of passengers and their baggage, transportation of freight, transportation of express, and transportation of mail. From and after July 1, 1951, it shall be unlawful for any air carrier, in keeping any account, record, or memorandum (other than any additional account, record, or memorandum kept pursuant to the proviso of paragraph (1) of this subsection), to allocate any receipt from, or expenditure for, any air transportation service it renders in any manner other than a manner which conforms to the standards prescribed pursuant to this paragraph."

ADDITIONAL INFORMATION IN ANNUAL REPORTS

SEC. 4. The second sentence of section 206 of the Civil Aeronautics Act of 1938, as amended, is hereby amended by inserting after "civil aeronautics" a comma and the following: "including data relative to the mail payments and subsidy payments, both in the aggregate and on an individual basis, made under this act with a separate analysis of the bases upon which each such mail payment and each such subsidy payments was provided."

STUDIES AND REPORTS

SEC. 5. (a) The Civil Aeronautics Board is authorized to make studies in connection with any of the provisions of this act. In the conduct of such studies the Board is authorized, without regard to section 3709 of the Revised Statutes, to enter into contracts or other arrangements, or modifications thereof, for the carrying on of such studies by such persons or organizations as may be designated by the Chairman of the Civil Aeronautics Board and the chairmen of the Committees on Interstate and Foreign Commerce of the Senate and House of Representatives of the United States.

(b) On or before April 1, 1951, the Civil Aeronautics Board shall, on the basis of a comprehensive study, render a written report to the Congress on what aggregate sums would be required during the fiscal year ending June 30, 1952, and during each of the four succeeding fiscal years (1) to provide fair compensation for services to be rendered by air carriers in the carriage of the mails, in accordance with the provisions of section 406 (a) of the Civil Aeronautics Act of 1938, as amended by this act, and (2) to provide for payment of essential subsidy, in accordance with section 406 (c) of such act, as amended by this act. Such report shall include a study of the potential revenues from all forms of air traffic and of the potential economies which could be achieved in airline costs, as well as such other factors as may be pertinent to the development, with the least possible expenditures by the United States, of an efficient and economical air transport industry to the extent and of the character and quality required for the national defense, the commerce of the United States, and the postal service.

(c) There are hereby authorized to be appropriated to the Civil Aeronautics Board such sums, not to exceed $300,000 in the aggregate, as may be necessary to carry out the provisions of this section.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY of Tennessee. Mr. Speaker, I rise in support of the amendment offered by the gentleman from Texas [Mr. BECKWORTH], to strike out this entire subsection.

I have just conferred with the Postmaster General. He is opposed to this section. In my opinion, it will cause confusion and trouble, and I am sure the Postmaster General does not want to have the job of interpreting what "uneconomical" means in this section as it is capable of so many interpretations.

I think this paragraph has no place in this supplemental appropriation bill; in fact, I think the entire general provisions of this section should be stricken out.

The Postmaster General says he is troubled about this situation; that the CAB has ordered helicopter service for Los Angeles and Chicago, and has fixed the rates. If this provision should be enacted into law the Postmaster General states that he will probably be confronted with a suit by these carriers who have the contract for these services in Los Angeles and Chicago if the service is discontinued during the life of the contract. The Postmaster General states that it may bring on litigation. I understand that the helicopter service at both Los Angeles and Chicago is rendering very good service. It is true that it is not an economical way to carry the mails, but at the same time other factors are involved. The CAB fixes the mail pay in the interest of the development of aviation and national defense. The contracts for carrying this mail by airplane or by helicopter are designed to develop national defense and aviation.

I am strong for the bill that has been brought out by the Committee on Interstate and Foreign Commerce divorcing subsidy payments for the development of aviation and national defense from mail payments.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

(By unanimous consent Mr. CANFIELD yielded his time to the gentleman from Minnesota.)

Mr. O'HARA of Minnesota. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas [Mr. BECKWORTH].

As has already been brought out you have had the very very broad language put in an appropriation bill of a very technical subject which involves two major committees of the House: One, the Committee on the Post Office and Civil Service; and the other, the Committee on Interstate and Foreign Commerce. As the good chairman of my committee, the gentleman from Ohio [Mr. CROSSER], knows, this language is broad enough to affect all forms of mail transportation, including rail.

Mr. CROSSER. That is right.

Mr. O'HARA of Minnesota. The Committee on Interstate and Foreign Commerce for years has considered the delicate and extremely technical problem involved in railroad transportation and mail transportation; it has dealt with the extremely complicated problem of mail pay; and let me say to the members of the committee that there is nothing more technical and more trying than to determine what is the proper language and what is the reasonable and proper determination of what kind of mail service we should have, what the pay should be, and what departments of the Government should pass upon it.

I know the appropriate Subcommittee on Appropriations had the best of intentions, and I am for them in providing economy, but let us approach this problem as a legislative problem, not as an appropriations problem. Let the great Committee on Interstate and Foreign Commerce or the Committee on the Post Office and Civil Service deal with this problem, not the Committee on Appropriations.

I hope that in the future instances will be few where rules are brought in waiving points of order on appropriation bills. A point of order against this provision would have to be sustained. Therefore I believe that the only common-sense thing, the only appropriate thing to do here is to completely eliminate the language from the bill.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. BECKWORTH. I believe all of the Members understand that civil aviation and its development have a significance from military aviation.

Mr. O'HARA of Minnesota. Of course; the national defense is involved in all forms of transportation.

Mr. BECKWORTH. The purpose of the CAA Act is to develop civil aviation among other things.

Mr. O'HARA of Minnesota. That is right.

Mr. BECKWORTH. This actually strikes at the development of civil aviation, including the helicopter.

Mr. O'HARA of Minnesota. That is right; and just like so many of us, I know little about the problem of the helicopter, yet we have heard gentlemen tell us how tremendously important the helicopter is to the peoples of their communities. Therefore, rather than support the amendment offered by the gentleman from South Dakota I shall support the amendment offered by the gentleman from Texas to strike this language from the bill.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Chairman, I am quite interested in this question because we have a helicopter service operating from the municipal airport in Los Angeles to the downtown post office. If the question of determining whether it is more economical as far as load is concerned and distance, the traffic hazards and the time involved, it is possible it might be eliminated.

I had in mind offering an amendment to clarify the word "uneconomical," changing that to "wasteful and excessive," but on second thought I believe I would rather support the amendment offered by the gentleman from Texas [Mr. BECKWORTH] to eliminate the whole subsection because I agree with those who have preceded me that it is not wise to legislate in an appropriation bill.

I therefore urge the adoption of the amendment offered by the gentleman from Texas and I hope it will be approved.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I simply want the Members to know what they are voting on. The situation is this: Any helicopter operator can apply to the CAB on Monday for a certificate to operate a line from the top of the post office building in Washington to the airport. If the CAB grants them that authority although the Post Office Department may say it is not needed, although the Postmaster General may appear and oppose it, if the CAB grants them the certificate, then the Post Office Department is required to use that service.

They are forced to use it in Chicago, after having protested the granting of a certificate for service which they do not want. It is costing the Government $400,000 a year to perform a service which the Postmaster General says can be performed for $75,000.

Now they talk about hearings. Our committee has held hearings on this matter. I hold them in my hands. We have the opinion of the Postmaster General. He told us what the service costs. He told us that he opposed the granting of the certificate to the helicopter company. Yet he said that he has no authority to refuse to use the service.

What we are trying to do is not to hamstring the Postmaster General but to help him, to give him the authority whereby he can resist any attempt on the part of the CAB to force him to use a service which is thoroughly uneconomical, which can be handled more cheaply in some other way, and which in every respect is unnecessary. That is the problem you are called upon to vote on at the present time.

Mr. GUILL. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Texas.

Mr. GUILL. Does the gentleman rise in opposition to both amendments?

Mr. GARY. The Case amendment will cover the situation that the committee had in mind. I have no objection whatever to the Case amendment. I am opposed to striking the entire provision from the bill. The provision is not aimed at any helicopter service in areas where such service can be used to better advantage than some other service, but we do not want a helicopter put on top of every post office in America.

Mr. GUILL. I was pleased to hear what the gentleman said about the CAB. I do not like a lot of things they are doing down there.

Mr. GARY. I agree with the gentleman, I do not like a lot of things they are doing either.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Texas [Mr. BECKWORTH].

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 79, noes 65.

Mr. GARY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. GARY and Mr. BECKWORTH.

The Committee again divided, and the tellers reported that there were—ayes 86, noes 68.

So the amendment was agreed to.

Mr. TABER. I wonder if it is not about time that the chairman of the committee asks unanimous consent that the balance of the bill be considered as read and open to amendment at any point, as well as points of order. I think we should expedite the consideration if we can.

Mr. CANNON. Mr. Chairman, the suggestion of the gentleman from New York [Mr. TABER] is a very timely one. In view of the fact that we have now passed most of the controversial sections of the bill, I ask unanimous consent, that the reading of the remainder of the bill be dispensed with, and that portion of the bill not yet read be open to points of order and amendment.

Mr. TABER. Would the gentleman also include that all amendments should be limited to one speaker on each side of 5 minutes each?

Mr. CANNON. I include that in my request, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. WHITE of Idaho. Mr. Chairman, reserving the right to object, we have extended the time, time and time again. Now when some good amendments come along, we are to be foreclosed. We have sat here and listened to these extensions of time and talk all the time and now when we want to come down to some real important amendments, they want to foreclose us from being heard. I want 10 minutes on my amendment.

Mr. GROSS. Mr. Chairman, reserving the right to object, I would like to have 10 minutes on my amendment.

Mr. MORRIS. Mr. Chairman, reserving the right to object, the amendment which the gentleman from Minnesota [Mr. MARSHALL] intends to offer involves an Indian matter which comes from our committee, and I would like to have at least 2 or 3 minutes to support his view on the matter.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the reading of the remainder of the bill be dispensed with and that amendments and points of order be in order on that portion of the bill not yet read, that the gentleman from Idaho [Mr. WHITE] have 10 minutes on his amendment; the gentleman from Iowa [Mr. GROSS] have 10 minutes; the gentleman from Texas [Mr. TEAGUE] have 3 minutes; and the gentleman from Oklahoma [Mr. MORRIS] have 3 minutes.

Mr. VORYS. Mr. Chairman, reserving the right to object, I understood there was to be debate on each amendment.

Mr. CANNON. The original request provided 5 minutes on each amendment.

The CHAIRMAN. The Chair will attempt to restate the request of the gentleman from Missouri [Mr. CANNON].

The gentleman from Missouri asks unanimous consent that the remaining part of the pending bill be considered as read, and open to amendment at any point; that each Member offering an amendment may be entitled to 5 minutes in support of his amendment, and a member of the committee or any other Members may be entitled to 5 minutes in opposition to the amendment; that the gentleman from Idaho [Mr. WHITE] may have 10 minutes on his amendment; the gentleman from Iowa [Mr. GROSS] have 10 minutes; the gentleman from Texas [Mr. TEAGUE] have 3 minutes additional on his amendment; and the gentleman from Oklahoma [Mr. MORRIS] may have 3 minutes additional on his amendment.

Mr. RABAUT. Mr. Chairman, the bill is to be open for amendment, not in its entirety, but only to that part that has not yet been read.

The CHAIRMAN. The Chair so stated.

Mr. VORYS. Mr. Chairman, reserving the right to object, would the amendments referred to in the request include pro forma amendments to strike out the last word?

The CHAIRMAN. The Chair would not interpret it to include that.

Mr. VORYS. Then, Mr. Chairman, I am constrained to object.

Mr. CANNON. Mr. Chairman, does the gentleman from Ohio desire to include pro forma amendments?

Mr. VORYS. Mr. Chairman, I simply feel that we have not yet come to the big amount involved here, and while I am perfectly in accord with the idea of having the bill considered as read and open to amendments, I feel it is not yet time to attempt to fix in advance any limitation. All that the chairman and the ranking member have to do is to object, if the parties ask for more than 5 minutes, or not object; but I think we should proceed in order and without attempting to limit our discussion on sixteen or seventeen billion dollars still left in this bill.

Mr. CANNON. Then, Mr. Chairman, I modify my request. I ask unanimous consent that the reading of the remainder of the bill be dispensed with and that amendments now be in order to that portion of the bill not yet read.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Are there any committee amendments to be offered. If not, the Chair will recognize the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 20, after line 14, insert the following:

"VETERANS' ADMINISTRATION

"For an additional amount for automobiles and other conveyances for disabled veterans, $300,000."

Mr. CASE of South Dakota. Mr. Chairman, this amendment has been discussed with the gentleman from Texas [Mr. THOMAS], chairman of the Appropriations Subcommittee for Independent Offices, dealing with the Veterans' Administration; also with the chairman of the full committee, the gentleman from Missouri [Mr. CANNON], and the ranking minority member, the gentleman from New York [Mr. TABER]. It provides funds to take care of making payments for the procurement of automobiles for amputees to cover those cases which have already been processed and approved, and for which there is no money.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. THOMAS. On behalf of the majority side, we hope the amendment will be adopted. It has been discussed by the committee, and we are very much in favor of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. MAHON. Mr. Chairman, I offer four amendments, which are at the Clerk's desk. I ask unanimous consent, Mr. Chairman, to offer en bloc four amendments, which are at the Clerk's desk. They appear at pages 24, 27, 30, and 31 of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. TABER. Mr. Chairman, reserving the right to object, are they all included in the bloc that was handed to me?

Mr. MAHON. Yes.

Mr. TABER. Does it include all of them?

Mr. MAHON. That includes four of them.

Mr. TABER. I may say that the minority has no objection to these amendments. They relate to the military picture and, as I understand it, are corrections of something that was intended and was overlooked.

Mr. MAHON. That is correct, in connection with emergency construction.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. MAHON]?

There was no objection.

The CHAIRMAN. The Clerk will report the four amendments referred to by the gentleman from Texas.

The Clerk read as follows:

Amendments offered by Mr. MAHON: Page 24, line 11, after the word "Army," insert "including construction authorized by law"; page 27, line 1, strike out the figures "$160,000,000" and insert in lieu thereof "$163,450,000"; page 27, line 8, after the word "construction", strike out the figures "$25,000,000" and insert in lieu thereof "$21,550,000"; page 27, line 22, after the words "Public Works", insert "including construction as authorized for the Army and the Air Force by the act of July 2, 1940 (54 Stat. 712; 50 U. S. C. App. 1171)"; page 30, line 5, after the word "property", insert "including construction authorized by law"; page 31, line 18, after the words " 'Organized Reserves'," insert " 'Military Construction, Army', 'Public Works'."

Mr. MAHON. Mr. Chairman, the Clerk has reported the six amendments rather than the four.

The CHAIRMAN. The Chair will have to try to get straightened out. Which four amendments does the gentleman offer pursuant to the consent request granted to offer them en bloc? And will the gentleman specify the page and line?

Mr. MAHON. If the Chairman will permit, I would modify my request and ask unanimous consent that the six amendments which are at the desk and which have already been reported by the Clerk may be considered en bloc.

The CHAIRMAN. Is there objection to the modified request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Is the Chair correct in stating that all six of the amendments now offered en bloc by the gentleman from Texas have been reported by the Clerk?

Mr. MAHON. They have been reported.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendments.

Mr. MAHON. Mr. Chairman, these amendments provide clarifying language to include certain emergency construction. Two of the amendments provide for a shift in funds between ship construction and ordnance in the Navy. There is no change in the over-all total.

I ask for a vote on the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas.

The amendments were agreed to.

Mr. SHEPPARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHEPPARD: Page 22, line 15, after the figures "$85,000,000", strike out the period and insert a colon and the following: *"Provided,* That a report of disbursements under this item of appropriation shall be made quarterly to the Appropriation Committees of the Congress."

Mr. SHEPPARD. Mr. Chairman, I shall not take much time on this amend-

ment. The Members all understand, it has been explained, and the chairman of the committee has no objection.

Mr. TABER. The amendment is desirable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. BROOKS. Mr. Chairman, a great deal of discussion is going on regarding the future security of this country. It is most proper, and timely, that we give our thoughts to a most serious problem. For a long period of time, this country must consider national defense as our prime problem and must make provision for it before attempting to take care of our domestic problems.

For many years, I have felt that this Nation must come to the adoption of a program of universal military training. Such a program is now being urged on all sides. Over a period of 20 years, the people of the United States have been giving this proposal thought and study. Many congressional investigations of UMT have been made and I believe it has been the subject of more congressional hearings than any other pending proposal. The country has mulled the matter over in its mind and is now formulating its opinion.

In considering this matter the Congress should take into consideration the normal program of high school and college education; and it should proceed along the lines of making UMT adjust itself to the customary education program of the young men coming to manhood. Any such proposal should take into consideration a camp for every State; and each camp should conform to some of the local customs and practices. Around this camp should be built the interest of a commonwealth and its people; and fathers and mothers should be invited to visit UMT camps and see their boys in training over the week ends.

Now is the time to consider this matter. Some of the troubles of the present and the past may have been avoided had this country possessed a strong, well-trained reserve under UMT. Perhaps, even either the First or the Second World War might have been avoided had we possessed the power and might which such a training system would give us. Certainly, any young men who gave their lives for this Nation may now have been alive and well had they been sent into battle only after full training which UMT would give them.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: Page 15, line 2, strike out "$10,000,000" and insert "$5,000,000."

Mr. PHILLIPS of California. Mr. Chairman, in view of the late hour I can save time by saying that it is not my intention to press this amendment. I introduced it in order to call attention to the fact that, for the first time, we have set up a large emergency fund in the Department of Defense. At the time this item was voted by our subcommittee the defense emergency fund was running to $50,000,000. Now I see by the Bureau of the Budget statement that it is $190,000,000. I believe, therefore, it is important that the emergency fund in the hands of the President, which is on page 15, and to which this is directed, should be confined to those items which would not be duplications of the other emergency fund.

I may also say that the minority of the subcommittee are of the opinion that the provision which has been placed in with this statement that I am making today would be adequate to cover the situation.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. CASE of South Dakota. In that connection I may say that we questioned Mr. Lawton, of the Bureau of the Budget, very extensively about this matter. We asked him specifically as to whether or not this fund would be used for the establishment of agencies which Congress might not directly approve, an FEPC, let us say, or for the initiation of new construction work. He was very specific in saying that it would not be used for the institution of public-works projects, and that the language that we have placed in a proviso would deny it for projects where a budget estimate had been submitted to the Congress and an appropriation refused. He did indicate that it might be used for augmenting salaries for some men who might be drawn in for the defense effort if it were necessary to exceed classification rates. He did indicate that it might be used for some secret projects that the President might have which could not be put on the record. But in the main the committee was satisfied that the money was not to be used for purposes that the Congress did not approve, nor was it to be used in duplication of the projects to be provided by the $190,000,000 of additional funds characterized as emergency funds for the Secretary of Defense which is primarily for research and development.

Mr. PHILLIPS of California. I thank the gentleman. The questioning to which the gentleman from South Dakota is calling attention appears at page 408 of the hearings. Mr. Lawson said:

Neither is it planned to use this fund for needs which can be identified in time to allow Congress to act on an estimate and make the appropriation therefor.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Ohio.

Mr. McGREGOR. I wanted to inquire of the gentleman from South Dakota, did I understand him to say this does not cover any Federal works authorization?

Mr. CASE of South Dakota. It does not. That was the testimony of Mr. Lawson.

Mr. PHILLIPS of California. Mr. Chairman, if no one else wishes to speak on the amendment, I ask unanimous consent that it be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 17, strike out lines 18 to 22, inclusive.

Mr. PHILLIPS of California. Mr. Chairman, the first time I saw this amendment, which has to do with the acquisition of a building in New York, was in the full committee. It had not appeared before the subcommittee. I felt like a mother who was putting her seven children to bed and found they counted up to eight.

I want to call attention to the fact that this is one of the neighborhood children. This is not one of the children of the Committee on Independent Offices.

It has to do with a building in New York City, as I understand it, for the housing of the Voice of America. My feeling toward a great many of the building suggestions, offered to us on the basis of economy, is that it is not economy to build a building and to people it with Government employees, setting up a continuing overhead for all time.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Nebraska.

Mr. STEFAN. I hope the gentleman will withdraw his amendment because this is an economy measure. The Voice of America is now scattered over five or six buildings. We are now paying about a half million dollars a year rent. With the expanded program it will be over a million dollars in rent. This is not a new building. It is an old building. This is an economical proposition and I hope the gentleman will therefore withdraw his amendment. There was a proposal that we pay six or seven million dollars for a building near the Waldorf-Astoria. The committee made an investigation into all phases of the matter, and if the gentleman wants economy he will withdraw his amendment.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from New York.

Mr. ROONEY. I would like to join in the request of the gentleman from Nebraska that the gentleman from California withdraw his proposed amendment. Under the amount of money already voted by the House for this expanded program of the Voice of America, the rent required in New York City to house these people, which is now over $500,000 a year, becomes about a million dollars a year. We buy a building for $3,000,000, and you have your rent back in about 3 years and you own a valuable building. Our committee had full and extensive hearings on this.

Mr. PHILLIPS of California. May I say to the gentleman from New York and the gentleman from Nebraska that I shall withdraw the amendment after I have made a statement on the general principle for the RECORD.

Mr. Chairman, we have had in our subcommittee a proposal to build a building in Chicago, using $5,000,000 of funds that had been voted to build a hospital for veterans. The Veterans' Administration wants to use the money.

This was voted for a hospital for veterans and by a rather long stretch of an authority, the General Accounting Office said that they could probably use it for that purpose because some of it might be used in connection with a hospital.

I call the attention of the chairman to the fact that the Property Owners Association of Chicago has offered to prove, one, that rental buildings may be obtained in Chicago at less yearly rent than the overhead of operating our own building, and, two, that they have available property which can be bought instead of building a new building.

My point is that these people from whom we are taking the property are the taxpayers upon whom we depend to pay the cost of the Government. Every time we build a building, every time we take a building, we impose upon the Government a continuous overhead and at the same time we cut down the taxable property upon which we must depend for revenue.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from New York.

Mr. ROONEY. I merely wish to point out that the committee was unanimous in their agreement on this item and that the committee turned down the first request involving an expenditure of $7,000,000. Therefore the committee has saved the amount of $4,000,000 on this particular item.

Mr. PHILLIPS of California. Supporting testimony, to what the gentleman from New York said, appears on page 13 of the report and should be read.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITTEN. Mr. Chairman, on behalf of the committee I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 36, strike out all of lines 11 to 18, inclusive, and insert in lieu thereof:

"(a) In making appointments in the Government service the Civil Service Commission shall make full use of its authority to make temporary appointments in order to prevent increases in the number of permanent personnel and no employee in the classified civil service promoted, transferred, or appointed to a position of higher grade shall be eligible, in the event of separation from the service through reduction in force, to reinstatement at a grade above the grade held by such employee on September 1, 1950, and all reinstatements, transfers, or promotions to positions subject to the Classification Act of 1949 shall be temporary and shall be made with the condition and notice to the individual reinstated, transferred, or promoted that the classification grade of the position is subject to post-audit and correction by the appropriate departmental or agency personnel office or the Civil Service Commission."

Mr. WHITTEN. Mr. Chairman, this provision completes the intent in subsections B and C which I offered in the committee and which the committee adopted. I do not believe the language this amendment strikes out fully meets the desires of the committee. The Civil Service Commission has the authority now to authorize agencies to make temporary appointments, but it has not exercised that authority to the extent that it should. For instance, in some of the departments today, if folks in the active Reserve are called into military service, the Department is directed to put in a permanent employee in that position. When the man comes back from the service he is entitled to the return of his job, and then the Department has two full-time employees on its hands. The amendment I offer directs the Civil Service Commission to exercise its full authority to place such employees on a temporary basis so as not to increase the total number of permanent positions. In addition to that, during the last war and since then, many persons transferred to other agencies, mostly wartime, where they were upgraded, and then when they went back to the old agencies they went back at several grades higher and competed with all of those in the Federal service at the increased grades. Here we set out that they shall be transferred at the same grade, and if they go back to the other agency they go back at the grade which they left.

Mr. Chairman, I have discussed this with members of the Committee on Civil Service as well as the Committee on Appropriations, and I hope the amendment will be adopted. It will, in my opinion, save millions and, together with subsections B and C already in the bill, will result in tremendous savings to the Government, will provide experienced personnel to the armed services, and prevent the building up of a greatly increased number of permanent Federal employees.

Mr. TABER. Mr. Chairman, if the gentleman will yield, I might say that the representatives of the minority who have been studying that question are in accord with it, and believe it will be a step forward.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was agreed to.

Mr. PRIEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRIEST: Page 18, after line 10, insert: "National Science Foundation. Salaries and expenses. For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, including personal services in the District of Columbia, printing and binding, $200,000."

Mr. PRIEST. Mr. Chairman, I hope very much that the Committee may see fit to accept this amendment. Public Law 507 was approved on May 10 after passage by the House and Senate. That law, as you know, establishes a National Science Foundation in the executive branch of the Government.

Mr. Chairman, it was specified in the bill as it passed this chamber that the appropriation for the fiscal year 1951 would not exceed $500,000. The Bureau of the Budget sent up a request for $475,000. The committee, as I understand, did not see fit to approve any amount for the National Science Foundation.

The situation briefly is this, Mr. Chairman: The President, as I understand, has the recommendations ready to send to the Senate for the 24-member Board, and perhaps for the Director, of the Foundation, a Foundation established by law. There are no funds whatsoever available for the next fiscal year for this Foundation. It was my understanding, Mr. Chairman, that the committee in considering this item did not believe it to be an important matter insofar as it related to the question of national defense.

Mr. Chairman, I have a copy of Public 507 before me. Without going into all of the details, may I point out that one of the functions of the Foundation is that, at the request of the Secretary of Defense, the Foundation may initiate and support specific scientific research activities in connection with matters relating to the national defense by making contracts or other arrangements for the conduct of such specific scientific research. I think all of us are aware, Mr. Chairman, that without the services of OSRD during World War II we surely would have been in a most difficult situation.

I do not claim that the Science Foundation with $200,000 for the next fiscal year could in any manner approach the work done by the OSRD. I believe it is important, Mr. Chairman, that this board be set up and that a director be appointed and that they be allowed enough money to get this foundation to engage in basic research started during this fiscal year.

You know, or at least many of you know, that this legislation has been in process for about 4 years, ever since Dr. Vannevar Bush issued his report, "Science—The Endless Frontier," at the conclusion of World War II.

I hope, Mr. Chairman, that the committee will see fit to allow this foundation which has been authorized by law, signed on May 10, to have enough funds to get started during this fiscal year. I believe it is important from the standpoint of national defense. We limited the appropriation for the first year to a half a million dollars and then limit the appropriation thereafter to $15,000,000 a year. I hope the committee will accept, and the House will approve, this amendment calling for $200,000 for the National Science Foundation.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. PHILLIPS of California. The gentleman should be reassured that the committee was not passing upon the merits of the objective, but on the fact that no justification had been made upon which the subcommittee could properly base an appropriation. I read to you part of the justifications:

It is anticipated the Foundation's principal activity will be the examination of the existing needs in respect to the basis of this.

And then again, not to take up the gentleman's time, I read from page 288,

which I suggest that the gentleman also read. When I asked about the research, the gentleman's statement is not confirmed by the justification, because the justification said the Foundation will not get into applied research, but will deal only with basic research, and so forth.

Mr. PRIEST. That of course is the purpose of the Foundation, but the gentleman may recall that we did write into the law, feeling that in the case of emergency every scientific group in the country should be called upon and be able to render service, that at the request of the Secretary of Defense the Foundation might initiate and support basic scientific research in whatever field the request was made by the Secretary of Defense.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. RICH. The gentleman is one of the majority leaders here in the House of Representatives as majority whip, and is asking for additional funds. Has the question ever occurred to you, the same as it has occurred to the taxpayers of America: Where are you going to get the money?

Mr. PRIEST. I am sure, if it had not occurred to me, otherwise, it would have occurred to me many times as a result of the questions asked by the gentleman. I do not mean to be trivial about it. I realize that $200,000 compared with the total amount of this bill is not a great amount. It is less than half of the budget request for an agency that the Congress has established. I feel it is our responsibility at least to let them get started.

Mr. RICH. Well, you just have one agency after another and the trouble of it is that you do not run the agencies that you have in the right way.

Mr. ANDREWS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the bill authorizing the creation of this Science Foundation was passed by the House in May, prior to the Korean invasion. The members of our committee feel there is no direct relation between the establishment of the Foundation and the war effort. Since that time, as you know, we have appropriated in this deficiency bill approximately $11,000,000,000 for our national defense. We felt this was no time to take on a new expense, particularly in view of the fact there is no relation between the Science Foundation and our national defense; and, further, the fact that as of this date there has been no member of the Foundation appointed, and no office established in Washington.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to my friend from Tennessee.

Mr. PRIEST. No office could be established. They cannot rent an office downtown or anywhere else without some money. That is exactly one of the points I have been trying to make. The authorization was granted, but they cannot open an office, and they cannot start a person working until they can pay him. I simply ask the $200,000 for the Foundation so that they can proceed to do the job that Congress told it to do.

Mr. ANDREWS. Mr. Chairman, the committee felt that this was a bad time to start a new agency, and I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. PRIEST].

The question was taken; and on a division (demanded by Mr. ANDREWS), there were—ayes 57, noes 83.

So the amendment was rejected.

Mr. RICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH: Page 30, line 11, strike out all of lines 11 to 23, inclusive.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. RICH. Mr. Chairman, I listen with a great deal of anxiety to many Members of the Congress come in on a bill that is already framed by the Appropriations Committee and other committees of the House, asking for more funds to carry on some new project, or to add money to some that have already been established.

It is the easiest thing in the world, and it sounds good to the people back home, when you say, "I asked for the money to do this and to do that for you." But when the people back home say to you, "I have to reach down into my pocket four times a year to pay taxes until it hurts," when the people of this country find that the high cost of living is coming because many of you Members of Congress are trying to add additional funds to some of the appropriation bills, and when they find out that the cost of living they have to pay is because this Congress is squandering the dollars of the American taxpayers, it would seem to me that some Members of Congress should try to save your taxpayers from bankruptcy.

I offer this amendment in good faith. It cuts this appropriation bill $4,000,000,000. I have never offered an amendment that was more sincere in my life. I am trying to knock out $30 for every man, woman, and child in America from this bill. You are giving over to the President by this bill $4,000,000,000 to spend in foreign countries just as he sees fit by ECA. This is the third or fourth time this year you have offered money to the President in various forms to arm the nations that joined the North Atlantic Pact, or under ECA, which has amounted to hundreds of dollars to each American citizen in the last several years, for the purpose of giving things to these foreigners when we should be doing something for our own American people. For the life of me I cannot see how you can continue to drain our resources in this manner under the guise that it is good for America to be wasting our substance by giving it away to other people. Don't make sense to me, more risk in doing it than not doing it. I want to have a heart and to try to aid and assist the people of any nation in the world, but in the last 3 years you have established some things such as giving away the people's money and substance that has never happened in our 150 years of history until the New Deal came into being. First, under lend-lease, which was one of the worst pieces of legislation that was ever passed; then, under the Marshall plan. You thought that was a fine thing for the people of this country, but it is a raw deal.

I am here talking to the Congress because I believe in what I am saying; I believe in economy; I practice it and I vote it.

The time is here when it takes a lot of intestinal fortitude to get up here and try to save America—save it from a socialistic state of mind and socialistic state. That is my only desire; I have not any desire to do anything else. But you are only wrecking America in the things that you are doing in passing such legislation as this.

You talk about peace and you say the only way to get security for your own country is by coming in here and trying to get after the American people to go over there and arm all those foreign countries so they will be militaristically strong. That is not the way to get peace; it never has brought peace, and it never will get peace; it will get you war and more war; war you will get, not peace.

How would you feel if some foreign country came over here and armed Cuba and Mexico? You would hold up your hands in holy horror; yet you go over there and interfere in the affairs of every foreign country and tell them what to do. I do not want others interfering in the affairs of this country, and I do not think we should interfere in the affairs of foreign countries; let them manage their own affairs. Do not think you are buying friendship when you arm these other countries; all you have done is spent the substance of our own people. Remember, they are not going to be your friends. You never bought a friend that turned out to be worth a hoot. Real friends do not have to be bought. The New Deal tried to buy Russia by giving them twelve and one-half billions of lend-lease. Are they your friends? The Fair Deal tried to buy China by giving them two and one-half billions. Are they your friends? You have given billions to other nations. They are for you so long as the money goes forth. When you are broke and can pass out the funds no longer, watch out. They will not come to your aid. A word to the wise is sufficient.

The CHAIRMAN. The gentleman from Florida [Mr. SIKES] is recognized.

Mr. SIKES. Mr. Chairman, naturally no one of us wants to spend any part of this money, but we recognize a condition which apparently makes it necessary. I would like to remind everybody here that the chips are down. World conditions are, indeed, grave. We are seeking to arm the people we hope are going to stand by us in emergencies that now appear inevitable.

These expenditures are going to result in a build-up of military strength which

may benefit us more than anyone else. The measure puts arms in the hands of people throughout the world whom we have been helping get into a stronger economic position. We want to be sure they can defend themselves and not fall like a ripe plum to invaders. Let us not forget that arms aid is the least expensive part of the program.

I hope the amendment will be defeated. But while I do not question the importance of helping to arm our allies, I do feel that the American people are entitled to safeguards, and I want to touch upon that point.

I want to know—I think Congress wants to know, the administration should want to know—that there are positive advantages to be gained by arming our allies. Not only do we want to know that at some future date these arms will not be used against us, we want to know that they will actually be used to help us if need requires.

If we are going to base the reasons for this program on the support received in Korea to date, we must admit the money we have spent is largely wasted. Let us not try to dress it up, or apologize for it, or make it appear other than it is. The support we have received in Korea is almost entirely token support. The assurances of future support we have received for Korea are but little more.

Because of that fact, I hope our Government will require some definite and positive assurances of help in time of trouble, before another four billions is handed over.

Future monetary and arms aid to foreign nations should be based entirely upon their help in the present conflict in Korea. If they will not stand by us in a little fight, we can be sure that they will not help us when we get into a major struggle. We should keep our money at home unless we know that it is really going to be a mutual assistance program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

Mr. MARSHALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL: Page 13, line 16, after the word "construction", strike out "$205,000" and insert in lieu thereof "$285,000."

Mr. MARSHALL. Mr. Chairman, I dislike coming before the Members of the House and making a request of this kind. I am aware that the House in order to have sound legislation must rely upon their committee members. The Committee on Appropriations has been very considerate to me. I appreciate the amount of work they have to do. I know that committee members have not been given the opportunity to hear testimony because the bill authorizing the expenditure of these funds did not become a law until August 17, 1950.

This problem started back in 1937 when the Walker school district annexed some Indian land including an Indian school at Onigum. This was done for the purpose of better school administration. In taking this under their jurisdiction the agreement was that they would provide for the education of the Indian children, and the Federal Government had agreed that they would provide the facilities and assist them in other ways. When World War II broke out the Indian school had a difficult time obtaining teachers. For that reason it was decided that instead of hiring a teacher at the separate school maintained for the Indians they would bring those children into the public schools, which worked out very satisfactorily. However, there was one problem that came up in connection with it and that was that it created within that public school an extremely crowded condition. Prior to this the children were attending an Indian school. This school was a frame building, which was old and obsolete, and was later demolished.

Later on it was recognized that they were crowded, that they would need additional facilities. Accordingly, in 1941, the Congress appropriated $65,000 in order to build a school on the Indian reservation. That was determined to be insufficient, so it was increased by the Congress of the United States in 1947 $35,000, which meant a total of $100,000.

What has happened in the meantime? The public school has been crowded. They advertised contracts, but they found that the money was insufficient. It has been recognized since that the people who made a study of the problem at that time insisted that the money which was allotted was insufficient. Of course, the cost of building construction has increased in the interval. They proceeded to let a contract for this public school to a contractor last spring, recognizing that the school was crowded to the extent that they no longer had a choice. They either had to say to these children of Indian parentage: "We can no longer take care of you in this crowded school," or "We are going to have to do something to alleviate that by building an addition to the school."

So they proceeded to build an addition to the school. They built the building in skeletonized form. So, now, they have the outside walls built, they have a roof over the building, they have some few things on the inside of the building; but they lack sufficient funds to complete it.

The Public Lands Committee authorized in this session of the Congress, realizing that additional authorization was needed, an amount of $80,000 to complete the structure. This became law on August 17 of the present year.

I am informed that the contractor who is presently engaged will complete work as far as the funds go and should finish by the 1st of October this year. He has on hand all of the material which is needed to complete this structure, or what is left for completion within the school, which consists of the plastering, the woodwork, toilet facilities, lights, desks, equipment, and things of that nature that are needed. While this contractor is there and on the premises he can complete the structure at a saving to the taxpayers of the United States because he is there, he has the material, he is in a position where he can fulfill the provisions of the contract. If the contractor pulls up stakes it will leave this building in the next year unsuitable for school work. It will leave the building without lights, without adequate toilet facilities, without plastering, without cabinets, without adequate heating facilities, and without the other necessary items to complete the school.

I maintain, Mr. Chairman, that my amendment would alleviate that situation and would make it possible for the United States Government to live up to its agreement with the local people and would provide for the children proper school facilities. I hope, therefore, my amendment will be agreed to.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JACKSON of Washington. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Oklahoma.

Mr. MORRIS. Mr. Chairman, if there is one phase of the Indian Service that everyone agrees is essential, it is the education of the Indian children. Now, let us go along with the gentleman from Minnesota. It does not mean anything in the world to me—nothing to me personally or otherwise—but let us go along with the gentleman from Minnesota [Mr. MARSHALL] and help take care of these poor children. Why not? We are spending money for many things—some essential things, that is true—but why not finish this schoolhouse and let those Indian children have a comfortable and proper place in which to go to school? There just is not any reason why this amendment should not be adopted, as I can see it, and I hope the committee will go along with it.

As the author of this amendment explained, the authorization bill has just recently become a public law, and I am certain that had it become law sooner this great Appropriations Committee would have authorized this appropriation and it would not have been necessary to have offered this amendment.

May I suggest to you, in conclusion, that it will not be economy to wait because definitely the money is going to be appropriated sometime; of course it will. This Congress is not, in my judgment, going to permit a situation like that to exist long, and sometime is going to make the appropriation. Why not do it now so that the Indian children can be given a proper educational set-up and given it immediately? May I suggest to you as a final word that this authorization bill itself provides that in consideration of the amount heretofore appropriated and the amount which may be appropriated to carry out the provisions of this section, all Indian children residing in such district shall be admitted to the schools of the district without further cost to the United States for instructional operation and maintenance purposes. I say to you that the gentleman from Minnesota is entitled, in my judgment, to the vote of every member

of this committee to help to properly educate those children; and, in the long run, this appropriation wil' be economical.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON of Washington. Mr. Chairman, I rise in opposition to the amendment. This has not been approved by the Bureau of the Budget. I am very sympathetic with the desire of the gentleman from Minnesota to take care of the Indian school children in his area. I would like to invite the attention of the House to the fact that there are some 15, 20, or 30 similar situations throughout the country that are now pending. His bill was just recently authorized. He has been very diligent in getting it through the House. If we were to approve this project we would have to approve some 15 or 20 other projects. I would also like to invite the attention of the House to the fact that this year we are spending some $22,000,000 for the education of the Indians of the United States. Our committee has been very generous; I think it is about double what it was a few years back. We cannot do too much to help educate the Indians of this country. We still have a long way to go and I know the gentleman appreciates the fact that it is necessary to take these projects up in a way in which justice will be done to the other school districts that are similarly situated. I will say to the gentleman that I have a school in my district that is in identically the same situation as that of the gentleman from Minnesota. They have asked for money. They are going through the regular process of submitting it to the Bureau of Indian Affairs for next year's budget. I hope that we can take care of this project and the others in next year's budget.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I want to say that I have had the very finest cooperation from the members of the Committee on Appropriations. I do want to restate, however, that because of the lateness of the passing of the authorization bill I have not had the opportunity to go before his committee, and I also would like to say this to you, which I neglected to say and which no doubt has a great bearing on the gentleman's opinion, that the Bureau of the Budget did approve this measure.

Mr. JACKSON of California. For authorization.

Mr. MARSHALL. I realize the equities involved.

Mr. JACKSON of California. In that connection I think the gentleman realizes the necessity for taking care of all these projects in their entirety.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. MARSHALL].

The question was taken; and on a division (demanded by Mr. JACKSON of Washington) there were—ayes 41, noes 97.

So the amendment was rejected.

Mr. REES. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. REES: On page 20, strike out lines 23 and 24.

Mr. REES. Mr. Chairman, this amendment proposes to save $2,900,000. The item appears under the caption of "Flood control—General." There is no description in the bill as to what flood control is intended. Certainly, that is not the way to legislate. Someone will come along later and tell us what it is for. We will be told of the great importance for spending nearly $3,000,000 in some section of the country.

It was my understanding that this bill under consideration, introduced only 2 days ago, is for war emergency. Money needed right away for the war effort. Yet, we find items in this measure, not for war effort but to build dams and reservoirs. You ask this House to pass a $16,000,000,000 war emergency bill and then include these items in the bill. It just is not right, and you know it. You put the item in the bill the last minute.

Perhaps this item might, and I am sure does, have considerable merit. But do not jam it through in this war-defense legislation. The least you could do is to let it be considered on its merits with legislation dealing with similar subject matter.

Furthermore, it might be all right if we had the $3,000,000 in the Treasury. We just do not have it to spare as a matter of right. This House ought to strip every item of request for funds to the very limit. It should be in consideration of the need for funds to pull our country through the terrible crisis in which we are engaged. I have just learned this item is to start a project that is estimated to cost, when completed, between thirty and forty million dollars.

We ought not to expend any money unless it is absolutely necessary.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished ranking minority member of the great Committee on Appropriations.

Mr. TABER. I can see no reason why this is in the bill except that the committee put it in. There was no proper justification for it. This could not be completed for several years, and perhaps 4 or 5 years. I do not know whether the gentleman from Idaho wants it, or not. I wonder if the gentleman does.

Mr. WHITE of Idaho. I do not. It will ruin two of the best valleys in north Idaho if this thing goes through, and it will not help our State at all.

Mr. REES. Well, we just now discover that it is for a project to be built in the State of Idaho. It will probably be suggested that the project is in the interest of the war effort. And yet it will not be completed for at least 4 years. In any event—and the least we should do is to strike the item from this bill and save $3,000,000 for the taxpayers of this country. Of course, it will help some section of the country, or the item would not be here. You ought not to spend this money with so little information to the Members and so little consideration on the floor of the House. I realize few Members will care to speak out against this legislation. In my opinion, this is one of many projects that could well be put off for a while. I do not think it is an emergency matter.

Mr. Chairman, only a few days ago this House approved an appropriation bill for $35,000,000,000. That bill appropriated millions for projects of various kinds. I hardly see how you can, in view of world conditions, ask the taxpayers of this country to contribute the further sum of $11,000,000, most of which will be used for projects that have not yet been started.

Mr. HORAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first I might call to your attention the fact that the Grand Coulee Dam was constructed and began to generate power 5 months before Pearl Harbor. Nobody in the United States disputes the fact that it was almost an act of God so great was the blessing that we had the Grand Coulee Dam producing. It helped us to produce the atomic bomb, as well as doing many other things. In the Columbia River drainage area we have some 73 tributaries to the river system of the Columbia and the Snake which makes it the greatest river in the world, where the greatest amount of hydroelectric energy exists. That is a national asset. This item is merely one more step in the harnessing of this great national asset. In order to properly harness that river, you have to have storage dams and regulating dams from the headwaters at the crest of the Rockies and other watersheds down to the ocean. If you are going to have capacity at Bonneville, McNary, Chief Joseph, and Grand Coulee Dams you have to have great regulating dams.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I do not yield at this time.

Such a dam will be this one at Albeni Falls on the Priest River. It will regulate the flow and create enormous benefits downstream. I think the case is very well stated by this committee where, on page 33 of their report, they explain why they have chosen to take action at this time on the Albeni Falls Dam.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. HOLMES. I commend the gentleman for making those remarks. I also commend the committee upon the report they made and the reference made by my friend to this Albeni Falls Dam.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. JACKSON of Washington. I wish to concur in everything that the gentlemen from Washington have said in connection with this project. It is an integral part of the whole reserve development along the Columbia River and its

tributaries. If you knock out this project you are upsetting other projects that have already been constructed and are under development at the present time.

Mr. HORAN. That is correct.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. WHITE of Idaho. Is it not a fact that the Bonneville and Grand Coulee are now producing 14,000,000,000 kilowatts a year, and is it not a fact that the dams now under construction at Hungry Horse, McNary, Chief Joseph, and Detroit will produce another 14,000,000,000 kilowatts a year; and this dam will produce only 210,000,000 kilowatts, 1 percent of the power that is now in production and will be in production when the dams now under construction are completed, and by building this dam you include the Kootenai River and leave Bonners Ferry and all the diking districts in north Idaho to the mercy of the floods of the Kootenai, and you will flood Clarks Fork and the Pend Oreille and the country around it and destroy two of the finest valleys in north Idaho and only gain 210,000,000 kilowatts? Is that not a fact?

Mr. RANKIN. I just wanted to correct the gentleman from Idaho. He means kilowatt-hours.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. MANSFIELD. Is it not true that the only thing to complete this situation is the building of the Libby Dam?

Mr. HORAN. Yes.

Mr. MANSFIELD. Hungry Horse furnishes only 235,000 to 250,000 kilowatt-hours per year.

Mr. HORAN. Yes.

In reply to the remarks of the gentleman from Idaho, referring to the Kootenai River, the building of the dam at Jennings, on the Kootenai River, not the Priest, would help the Bonners Ferry situation.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. REES. If this matter is of such importance as has been mentioned by the gentlemen from Washington, where have you been all the time? Why did you not bring this before the House in the regular bill?

Mr. HORAN. It is before the House in the regular way. It is right here on page 127.

Mr. REES. But I mean in the general appropriation bill.

Mr. HORAN. This has been through the Budget. It was authorized a year ago in June.

Mr. REES. I am talking about the general appropriation bill.

Mr. HORAN. We did. Where have you been?

Mr. REES. I have been here all the time. Why do you come in with this now? You did not bring it in in the general appropriation bill.

Mr. HORAN. The gentleman from Kansas is not correct in that.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 5 minutes.

Mr. WHITE of Idaho. Mr. Chairman, I object.

Mr. CANNON. Mr. Chairman, I move that all debate on this amendment, and all amendments thereto, close in 5 minutes.

Mr. H. CARL ANDERSEN. Reserving the right to object, the gentleman from Idaho [Mr. WHITE] has been trying to get the floor all afternoon. I am just asking out of a spirit of fairness to give him 5 minutes.

Mr. CANNON. I am proposing to give him 10 minutes.

Mr. H. CARL ANDERSEN. That is fine.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 10 minutes, 5 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. FORD. Mr. Chairman, I object.

Mr. CANNON. Mr. Chairman, I move that all debate on this amendment, and all amendments thereto, close in 15 minutes, and while I cannot include it in the motion, it is with the understanding that the last 5 minutes will be reserved for the committee.

Mr. MORRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORRIS. As a matter of fairness, if the gentleman from Idaho [Mr. WHITE] is given 10 minutes I should like to know so we shall know how to vote on it. I am not interested in it personally at all. I do not know how I am going to vote on it. But it was understood by the House that the gentleman who offered the motion would have 10 minutes. If he gets the 10 minutes I will know how to vote; otherwise I will not.

The CHAIRMAN. The last request of the gentleman from Idaho was objected to; there was no agreement on that.

Mr. MORRIS. That was my parliamentary inquiry. Under the motion of the gentleman from Missouri the gentleman from Idaho gets 10 minutes.

The CHAIRMAN. Not under this motion.

The question is on the motion offered by the gentleman from Missouri that debate on this amendment and all amendments thereto be limited to 15 minutes.

The motion was agreed to.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that 10 of the 15 minutes be given to the gentleman from Idaho and 5 be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. MACK of Washington. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Idaho is recognized.

Mr. WHITE of Idaho. Mr. Chairman, you will see from the map that the State of Washington gets all the benefit of this power development and every man of the Washington delegation is in favor of flooding our communities and our farm lands and wrecking north Idaho.

This item for flood control in this bill that we are voting on is not flood control at all. They propose here at Albeni Falls right on the line between Idaho and Washington to build a dam and back the water up and flood all the low-lying lands along the Pend Oreille River around Pend Oreille Lake and clear up the Clarks Fork River to the Idaho-Montana line.

Here at the confluence of the Clarks Fork River is one of the richest, finest valleys to be found anywhere in this country, a valley cleared by settlers, reclaimed from stump land. They propose flooding most of the level land in this country.

What is proposed in this bill is an abandonment of the orderly flood-control program started by building Hungry Horse on the upper waters of the river, abandoning the plan to build the Glacier View Dam, abandoning the Paradise Dam, and also the dam at Cabinet Gorge.

If we would follow the flood-control program in this bill so that work could be started on the other dams upstream below the Hungry Horse project then we would have flood control and make a rich and potentially wonderfully productive valley. Now by building this dam first and neglecting Libby Dam, which is approved and on the construction program, and has already been reported by the Bureau of the Budget as necessary to protect the town of Bonners Ferry, to protect the 13 levee districts of the Kootenai Valley, it would be the logical thing to do.

Instead it is now proposed to build this dam here at Albeni Falls and neglect and abandon the whole flood-control program.

This item is not for flood control; it will be flood control in reverse; it will mean that we will destroy the good lands in Clarks Fork and Pend Oreille valleys before the orderly flood-control plan is carried through.

Mr. Raver and the Bonneville Power Administration have a power line along there, and they want to get the revenue from this Albeni Falls project which will practically all go to the State of Washington and nothing to Idaho. They want to get this project hurried through.

This thing has been railroaded from start to finish; it has been railroaded through the Bureau of the Budget. They even got hold of President Truman when he was out there and got the Bureau of the Budget to hurry this budget estimate over here. Where do we find this item? We find this item in a deficiency bill. Why was it not put in the regular bill? Why do we wait until the last minute in the closing hours of this session to rush it here? Remember, building this dam before building the Libby Dam to control the floods on the Kootenai River will leave all that beautiful valley along the Kootenai at the

mercy of the floods of the Kootenai River. This program to build Albeni Falls Dam ahead of the Libby Dam will destroy two of the finest valleys in north Idaho, and all the benefit will go to the State of Washington. No wonder Washington is on the job here to a man in favor of this project.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. Briefly.

Mr. JENSEN. Without that the Bonneville Power Administration could not get control of all the power in the Northwest.

Mr. WHITE of Idaho. That is what they are after. Bonneville and Grand Coulee together are producing 14,000,000,000 kilowatt-hours of electricity a year. The dams now under construction, Hungry Horse, McNary, Chief Joseph, and Detroit, will produce another 14,000,000,000 kilowatt-hours of electricity a year, more than ample for all future needs in the Northwest. They cannot get this power until these dams are finished, which will be 3 years from now.

When the dams now under construction are finished, they will have ample power. They will have a surplus of power in the Northwest. But, no, they have to rush this thing through and destroy these valleys that the people have reclaimed from stump lands and built up beautiful towns and communities. All of this property in Idaho is to be destroyed just to add less than 1 percent more power to the 14,000,000,000 kilowatt-hours they now have in production and the 14,000,000,000 kilowatt-hours additional power that will be produced when the dams now being built are finished.

Let me repeat that by building Albeni Falls Dam, they will get only 1 percent more power than the 28,000,000,000 kilowatt-hours they will have from the total production of Grand Coulee and Bonneville and the dams now under construction.

We are told that this project is for the regulation of the river. If they want to regulate the river, why do they not build these other dams in an orderly flood-control program. The one at Glacier View or at Paradise? Why do they not carry it through on an orderly basis and give us protection from floods? This means we will be flooded out. This is not flood protection in any way you look at it. It means these Idaho valleys will be flooded out and ruined, it means that Bonners Ferry will be left to floods of the Kootenai River. Only on the assurance of the Bureau of the Budget that Libby Dam would be built this year the Senate pulled out $100,000 for the revetment dikes around Bonners Ferry and the Kootenai Valley with the result that three of the levy districts went out.

Mr. Chairman, I hope the Members will give us a little protection for Idaho and take this item out of the bill. Give the Army Engineers and the congressional committees a little time to consider this project in an orderly way.

THE PEOPLE OF IDAHO ARE NOT GETTING A SQUARE DEAL

This project has been rushed so fast through the departments and so hastily considered by the committee that no consideration has been given to Idaho or plans made as have been made in dealing with other States to reimburse them for the loss of the tax revenue on the property that will be destroyed or taken over by the Government, as you will note from the following letter signed by the Board of County Commissioners of Bonner County, Idaho:

COUNTY OF BONNER,
STATE OF IDAHO,
Sandpoint, Idaho, August 17, 1950.

Hon. COMPTON I. WHITE,
Congressman from Idaho,
Washington, D. C.

DEAR CONGRESSMAN: You will recall that a year or two ago the suggestion was made that the above-proposed dam be located across the boundary in the State of Washington and as a result thereof strong protest was filed because it was plain to see that the dam would inundate valuable property in that State.

We have recently been informed that the Army engineers are seriously considering the construction of this dam just inside the Idaho boundary and that as a result thereof a lake will be formed across our State to the Montana boundary, a lake which will forever deprive this county of approximately $1,000,000 of assessed valuation and which will ruin the economy of this region as we now know it because our seed-potato industry will be destroyed and our dairying industry reduced in size because of the loss of base properties now existing along the Clarks Fork River.

While we of Bonner County and northern Idaho have no desire to stop progress it has been called to our attention by our legal adviser that in the case of the Boulder Canyon Project Act the Congress did considerable to do equity by the State of Nevada and the State of Arizona as well. Inasmuch as the water to be impounded by the Albeni project as well as the power to be produced is eagerly awaited by potential customers within the State of Washington, we feel it is timely that any legislation that is enacted by the Congress for the purpose of authorizing and expediting the construction of the Albeni Dam project should give us the same equitable protection that the Boulder Canyon Project Act has granted to the States of Arizona and Nevada. Turning for a moment to the situation of the Boulder Dam we find not only an annual lieu tax payment to both Arizona and Nevada but we also find that the city of Los Angeles is the second largest taxpayer in the State of Nevada because it owns the transmission lines going from Boulder Dam as well as much of the electrical and generating equipment.

It is our understanding that the assessed valuation in Nevada of the city of Los Angeles property is in excess of $5,000,000. It is also our understanding that the city of Spokane and other empire basin communities are to be the beneficiaries of any power produced at Albeni Falls as well as the beneficiaries of any water that is impounded. While the circumstances may be such that it is impossible for the city of Spokane and other interstate areas to build and pay for similar installations within our State in connection with the Albeni Falls project yet it would be a simple matter for the Congress to weigh the power rate charged those communities in order to pay back to our community those sums which we would ordinarily receive in taxes if the venture were a private enterprise undertaking.

As we see the picture, this dam will be a liability to our county and to our State and the natural resources to be controlled and produced thereby would be used primarily for out-of-State purposes.

It has been called to our attention that in 1945 the Massachusetts Legislature provided a method whereby the equities are adjusted by the State treasurer between the taxing districts and the counties which are flooded as a result of the construction of Federal water-control projects, for the benefit of taxing districts and counties lying below. We think that such a practice represents the application of sound equitable principles but unfortunately action in this case by the Idaho Legislature of a similar nature would be fruitless. Therefore, our only protection and our only chance for justice must come through congressional legislation patterned after the Boulder Canyon Project Act.

Our attention has recently been called to the fact that the Congress recently amended the Boulder Canyon Project Act by providing for the payment of tuition to the Boulder City school district upon the children of the Federal employees in the community, the cost of which is reflected by a higher power rate charged the city of Los Angeles. We have been informed by persons who personally handled that subject before the Congress some 2 years ago that the city of Los Angeles was willing to pay said increased costs of some $80,000 per year without a quibble. We feel certain that the power consumers in the Spokane area and other Columbia Basin project communities would act the same toward our school district if we gave them the opportunity by and through the enactment of the necessary Federal legislation.

It has just been called to our attention that an interstate and an interbasin committee is now at work upon a preliminary draft of a proposed interstate compact affecting the Columbia River and its tributaries. Since most of the plans that we have seen relative to the development of the Columbia River Basin call for the flooding of the fertile valleys of Montana and Idaho for the benefit of States and communities farther down the stream, we feel that no such compact would be complete unless it would include the usual provisions for the division of water as between the States and also earmark power for future use for the States of Montana and Idaho as the Boulder Canyon Act does for the State of Nevada, and, furthermore, that no such compact would be complete unless it provided an equitable method for the creation and distribution of lieu tax payments to the school districts and counties which are to be flooded for the benefit of downstream areas.

If all parties concerned are unwilling to do equity of that character the dam should fall back upon private enterprise because in that way taxes will be paid in perpetuity upon reservoir sites as well as upon transmission lines and generating equipment.

Unless and until the Congress is willing to come to grips with the problem raised by our letter we request that you vigorously oppose any and all attempts to expedite the construction of the Albeni Falls project as a Federal undertaking.

We would appreciate it very much if you will meet with us either at Sandpoint or in Spokane on Saturday, September 23, at 1 p. m., for the purpose of discussing this subject with us. In the meantime, we repeat our request that no action be taken until Congress has done as much for northern Idaho as it has done for the State of Nevada.

Respectfully submitted.

BOARD OF COUNTY COMMISSIONERS,
BONNER COUNTY, IDAHO,
M. D. HART, *Chairman.*
GLENN REED, *Commissioner.*
CALVIN HUFF, *Commissioner.*

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, this Albeni Falls Dam matter

was fought out at the time the authorization bill was under consideration.

The gentleman from Idaho [Mr. WHITE] advanced the same arguments at that time that he has presented here today. The House at that time, after listening to all his arguments, voted overwhelmingly to authorize this dam as a much needed and necessary project.

The Albeni Falls Dam is one of the smallest power dams which it is proposed to build on the Columbia River. This dam, because of its small size, can be built cheaper than any other dam on the river. It will cost only $32,000,000. The Albeni Falls Dam can be built quickly. It can be entirely completed within a period of 2 years.

The dam itself will produce at the dam site 42,000 kilowatts of electricity. The main purpose of the Albeni Falls Dam, however, is to provide water storage by backing up the water behind the dam. This storage when released will step up the power production at all dams lower downstream. United States Army engineers estimate that with a capacity at the dam of 42,000 kilowatts and with the stored-up capacity behind the dam, 250,000 additional kilowatts can be produced on the Columbia River as a result of the building of this dam which will cost a total of $32,000,000 when finally completed and it can be completed within 2 years.

It is highly essential that the dam be completed as quickly as possible. We have on the lower Columbia River a large number of plants engaged in the production of aluminum, which is, as you know, a highly essential war material. This aluminum must be produced abundantly if we are going to win a war. It can be produced most efficiently if it is produced by cheap electricity.

The Albeni Falls Dam, therefore, will contribute to increased aluminum production by providing a more abundant supply of electricity. It can provide this additional electricity at a very small cost per kilowatt. Albeni Falls can produce electricity cheaper than any dam proposed for the river.

I have talked to Dr. Paul Raver, who is in charge of the Bonneville power operation. He says Albeni Falls Dam is highly essential as a defense installation. He says the Albeni Falls Dam should be started. He says it can be completed quickly and at small cost. Dr. Raver says this dam is needed now to provide electricity for defense industries.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Washington.

Mr. HORAN. There has been a statement made about flooding out northern Idaho. The Army engineers state it will flood approximately 6,000 acres and that only 1,800 of those are tillable land.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Washington.

Mr. HOLMES. The committee went over this very carefully and made a report. I am sorry the committee did not report out the Ice Harbor budget recommendation, but in turn they did report Albeni Falls. That was gone into thoroughly in committee.

Mr. MACK of Washington. This matter was debated for more than an hour at the time the authorization bill was considered, and at that time the committee was almost unanimous in favor of the Albeni Falls Dam. They voted to authorize the Albeni Falls Dam after the gentleman from Idaho had advanced then the very same arguments he made against this dam during today's debate.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. I talked to Colonel Peak yesterday, and he said it would take 4 years to build this dam. He said that you will have the flood, and with those now under construction you will have 14,000,000,000 kilowatts. You will have more power than you will know what to do with.

Mr. MACK of Washington. There is no dam on the Columbia River that is scheduled for completion before 1953. If the Albeni Falls Dam is started now, it can be completed by 1952, according to Dr. Raver, or a year ahead of any dam that is now under construction.

Mr. HORAN. It is stated in the committee report:

> The benefits at the downstream dams will be effective in 1952.

That is in the committee report.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON of Washington. Mr. Chairman, I rise in opposition to the pending amendment.

First, it should be said that the reason why this item is contained in the supplemental appropriation bill is that this particular project was not authorized until just recently in connection with the regular rivers and harbors and flood-control act.

The second thing is that I think our good friend from Idaho has taken a very narrow view of this project. He seems concerned because it is going to flood some land in Idaho. The truth is that, if you build any project of this kind, you are bound to flood some land. We are concerned with the over-all development of our great power resources in the entire Pacific Northwest. The power that goes into that pool is available not just to the State of Washington; it is available to Oregon, Idaho, to Montana, to the entire region.

So that the Members of the House will understand the urgent need for this project, I might point out that we have in the Pacific Northwest 33,000,000 potential kilowatts of hydroelectric power and we have only developed 10 percent of that great potential. The importance of the development of the hydroelectric resources at this time certainly should be obvious to everyone. It is rather amazing to me that the gentleman from Idaho should oppose this project when, in the southern part of Idaho, we are building a great atomic energy plant at Arco. This project is going to need power. And we have at Hanford, in eastern Washington, the greatest atomic energy plant, we hope, in the world.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Washington.

Mr. HOLMES. On that point may I say to the gentleman from Washington that the Hanford Engineering Works during the last 12 months has consumed 100,000,000 kilowatts of electricity.

Mr. JACKSON of Washington. That is right, and the power shortage in the Northwest has been so acute that not more than a month ago the Hanford Engineering Works was temporarily interrupted because of the strain on the power facilities in that area. The State of Washington and the Northwestern States together are producing half of the aluminum in the United States. We are in the process of expanding our aircraft program. We need every bit of aluminum we can get, and if you are going to get aluminum, you are going to have to have an abundance of power. We are expanding the project at Arco, and it is just getting under way. A lot of power is needed there, and more power will be needed at Hanford. More power will be needed for the aluminum plants in the Northwest. I say in all sincerity the Albeni Dam project now under consideration is vital to the national defense program. We will be making a serious mistake if we cut this item out of the bill.

Mr. WHITE of Idaho. Is Washington going to do all the talking here?

Mr. JACKSON of Washington. I think the gentleman from Idaho did not even use all his time. But go ahead.

Mr. WHITE of Idaho. I want to ask the gentleman if it is not a fact that the 14,000,000,000 kilowatt-hours now being produced by Grand Coulee and Bonneville are not supplying the Northwest and the atomic plant, and you are going to have another 14,000,000,000 kilowatt-hours if you do not build this at all. This will only add 1 percent to the 28,000,000,000.

Mr. JACKSON of Washington. The gentleman from Idaho amazes me. Living in the Pacific Northwest, he should know better than to come in here and argue that we have enough hydroelectric power. We are short of power.

Mr. WHITE of Idaho. What are you going to do with McNary, Hungry Horse, and Chief Joseph Dams when they are completed, with another 14,000,000,000 kilowatts?

Mr. JACKSON of Washington. I think the best answer to that is that the people of the Pacific Northwest do not agree with the gentleman from Idaho.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Washington.

Mr. MACK of Washington. Is it not true that the authorization for the Albeni Falls Dam was contained in the last authorization bill which was not signed by the President until May 27? There was no opportunity for getting

this matter in a bill except this last bill presented to the Congress.

Mr. JACKSON of Washington. That is right. And I will say that I believe every Representative from the Pacific Northwest is in agreement on this particular item except the gentleman from Idaho.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Washington.

Mr. HORAN. On page 146 of the hearings there is a schedule of the deficit in power in the Pacific Northwest, which shows that by 1952 we will have a deficit of 842,000 kilowatts.

Mr. JACKSON of Washington. That is right. All of these views are concurred in by the National Security Resources Board.

Mr. Chairman, I am sure that the House will vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was rejected.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that debate on any further amendment be limited to 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Page 30, line 16, strike out the figure "$4,000,000,000" and insert in lieu thereof "$4,010,000,000."

Mr. JUDD. Mr. Chairman, this amendment is offered merely as a means of getting time to speak. It is offered to the section which appropriates funds to the President for the mutual defense assistance program. That is the most workable program that has yet been developed for providing collective defense for a certain group of countries, the 12 countries which have subscribed to the North Atlantic Treaty. It is good, as far as it goes, but, in my judgment, it does not go far enough. The North Atlantic community, this inverted horseshoe, the United States, Canada, Iceland, the Scandinavian countries, England, and western Europe down to the Mediterranean is not enough. We need the manpower of the rest of the free world, too, if we are to have strength enough to resist the Soviet's world aggressions.

Therefore, a group of us yesterday, 18 Members of the House, 9 from each party, joined with 16 Senators from both parties, in introducing a resolution, or rather two resolutions which differ only in nonessential language, to express the sense of the Congress that the President ought to bring before the United Nations now a concrete specific proposal for the establishment of a United Nations police force made up of volunteers from small nations. We believe we should take advantage of the so-called United Nations armed force developing in Korea, to try to get a workable permanent police force that can move at once into any situation where aggression or breaches of the peace occur, instead of the United States having to carry the bulk of the load as we are doing now in Korea.

The United Nations machinery has worked, or appeared to work, against aggression in the Korean crisis because of two fortuitous circumstances: First, it operated as if the veto did not exist—because of Russia's absence; and second, it was able to operate as if it had a police force—because the United States had four divisions right at hand in Japan which we promptly put at the service of the United Nations. But we cannot depend on that kind of situation existing in the future. Malik is not likely to be absent again; we do not want to provide all the soldiers. So the UN must get a police force of its own and under conditions where it can operate despite Russia's veto. This is one proposal under which the United States can get more than it gives. We cannot go on indefinitely contributing most of the money and providing most of the men. This resolution in essence provides that the United Nations should establish a police authority which should have a professional, volunteer, well-paid, balanced land, sea, and air force operating on a full-time basis and recruited from all nations except the Big Five. The latter would have their own national armed forces, of course, but their citizens would not be permitted to go into the international contingent directly under the United Nations.

Mr. Chairman, there would be many advantages for America. One is that it would save American lives because this international contingent could alone handle all but major breaches of the peace. A second is that it would save American money. It would be possible to support such a force at a fraction of the cost required for a force of American GI's of similar size. A third is that it would increase our own security. With units of this UN force stationed at key places in the world, for example, western Germany, or the Middle East, or Japan, or Singapore, they would be in a position to move immediately on the orders of the UN Police Authority, while other nations were deciding what to do with their own national contingent or mobilizing and transporting them to the trouble spot.

A fourth advantage is that it would help to solve the problem of Germany. The free world needs the strength of Germans but fears an armed Germany. Germans could volunteer for this police force, just as some volunteer for the French Foreign Legion. Thus we could have armed Germans under international control without creating fear in the countries of Western Europe that have suffered from German militarism. It would also permit Japanese and Italians, up to a fixed percentage of the total, to join and thus be usable under international control to help in combating aggression.

A fifth advantage is that it would give the small countries greater protection than they can get by their own strength. They have more at stake in an effective international police force than any one else. Thousands of their citizens would volunteer. Mr. Chairman, I am taking this time now merely to call this resolution to the attention of the Congress and the country. This is a sensible, workable proposal through which the United States and others can get increased security at reduced cost. There are difficulties of course. There will be complications. But surely it presents no difficulties comparable to those we are already struggling with in situations where Americans have to go in and carry almost the whole burden of fighting aggression, as in Korea, now, with the possibility of a good many more such aggressions throughout the world.

Mr. Chairman, the other Members from the minority side who have joined in introducing identical resolutions are the gentleman from Oregon [Mr. ELLSWORTH], the gentleman from New York [Mr. GWINN] the gentleman from Maine [Mr. HALE], the gentleman from Massachusetts [Mr. HERTER], the gentleman from Connecticut [Mr. LODGE], the gentleman from California [Mr. NIXON], the gentleman from Connecticut [Mr. PATTERSON], the gentleman from Oregon [Mr. STOCKMAN].

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to my friend from Arkansas who has joined with me in introducing this resolution, as we have introduced various resolutions designed to strengthen our peace machinery and our bipartisan foreign policy on at least four previous occasions beginning in 1944 in the Seventy-eighth Congress.

Mr. HAYS of Arkansas. I assume that the purpose of the gentleman offering this amendment is to call attention to the resolution.

Mr. JUDD. That is right.

Mr. HAYS of Arkansas. I want to commend the gentleman and want to point out that among the Members on our side, the gentleman from South Carolina [Mr. RICHARDS], the ranking member of the Committee on Foreign Affairs, and the gentleman from Montana [Mr. MANSFIELD], also a member of the Foreign Affairs Committee, have joined in this. The thing that is common to our two resolutions, although there are some differences, is this: That the President is requested by the Congress to take steps to inaugurate a United Nations police force.

Mr. JUDD. That is right.

Mr. HAYS of Arkansas. The lives of American men are being lost in Korea today because that was not done years ago. Everyone knows it was not the fault of the United States, but the fault of the Soviet Government. Our purpose in this resolution is to make sure that not only money will be saved, to the American taxpayers for the protection of our position in the world, but infinitely more important, that American lives will be saved by having men of other nations fighting with us in Korea or in any similar situation elsewhere under the mandate of the United Nations.

It is an extremely important step. I am glad the gentleman has called it to the attention of the House. Other Members from the majority side introducing identical resolutions are the gentleman from New York [Mr. BYRNE], the gentleman from Minnesota [Mr. MARSHALL], the gentleman from Tennessee [Mr.

PRIEST], the gentleman from Connecticut [Mr. RIBICOFF], the gentleman from Oklahoma [Mr. STIGLER], and the gentleman from Indiana [Mr. WALSH].

Mr. JUDD. I thank the gentleman. May I say that we are not wedded to the particular language of this concurrent resolution—either his version or mine—or to the details proposed for the organization of the police authority and its international contingent. We are merely saying that a United Nations police force which was contemplated and authorized in the United Nations Charter, but which Russia has sabotaged and blocked, is a necessity in today's world and that the free world has to devise means by which this necessary agency can be created and made effective in spite of or in circumvention, somehow or other, of Russia's opposition—either through recommendation of the General Assembly or under article 51, or both.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JUDD. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that debate on the bill and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WHITE of Idaho. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of Idaho: Page 20, line 24, after the word "expended", strike out the period and insert: "No part of the $2,900,000 appropriated in this section for flood control shall be expended for the construction of the Albeni Falls Dam until the removal of the narrows in the Pend Oreille River 5 miles upstream from Albeni Falls at Priest River is included in the Albeni Falls construction plan."

Mr. WHITE of Idaho. Mr. Chairman, this is a "safety first" measure. This is the amendment I have been waiting to offer all afternoon.

The gentleman from Kansas [Mr. REES] offered an amendment striking out the item which I think should have prevailed.

Here is the situation: Lake Pend Oreille has an area of 40,000 acres. It is proposed to back up the water and use Lake Pend Oreille as a storage reservoir, which will back the water all over the low-lying land around Pend Oreille Lake and Pend Oreille River clear up to the Clarks Fork River to the Idaho line, and flood out the farmlands of the Clarks Fork Valley. The Army engineers contend that they can go down 10 feet lower than the narrows of Priest River and control the level of the lake by opening the gates. That will be installed in the Albeni Dam. We know better. Years ago we organized a drainage district at Clarks Fork to lower the flood level of Lake Pend Oreille and protect the farmlands of the Clarks Fork Valley and around Lake Pend Oreille, and we employed engineers. These engineers made their investigation and told us long ago that it did not make any difference what you did at Albeni Falls; our trouble was at the narrows above the falls at the mouth of Priest River, which is 10 miles above the site of the power dam. Now when the construction of Albeni Dam was proposed the Army engineers gave us assurance that that narrows would be widened above the low water level so that in the high water period the river could spread out and the flood water could escape and could actually be controlled by opening the gates at the dam. But there is no provision in the present plan to do anything at the narrows at Priest River. If that is not taken care of in the plan, then we will be at the mercy of the floods when they store the water in the lake, and when there is a late spring and extra high water in the river the whole country will be drowned out.

So we are asking that this amendment be adopted, so that as part of the Albeni Falls Dam construction program they will also excavate the soft earth banks on both sides of the river at the narrows so that we can be sure that there will be actual flood control by operating the gates at the Albeni Falls Dam.

For that reason I ask you to support this amendment to provide that widening the narrows at Priest River be made a part of the Albeni Falls program, that they widen the narrows to insure that we will not have disastrous floods in the Clarks Fork Valley, and also around the lake and down the Pend Oreille River. It is of vital importance to the people of Idaho. We are entitled to that protection.

This item in the bill is carried as a flood-control item, but what they propose to do will leave that whole country menaced by periodic floods which come down the Clarks Fork River. For that reason, I hope you will support the amendment and see to it that we have flood-control protection. The whole program is premised on flood control, but the way it is handled it will be a flood menace and not flood control, unless this provision is put in the bill that they widen the narrows in Priest River and that that is made a part of the program.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

THEY PLANNED IT THIS WAY—NOW IT'S HARVESTTIME

Mr. JENSEN. Mr. Chairman, every member of the Appropriation Committee on both sides of the aisle knows that even though the Republican members of that committee, joined by the economy-minded Democrats on the committee, were successful in cutting out or reducing a little over $2,000,000,000 of fat, pork barrel, and needless items in the President's budget request for nondefense items, that there is much more fat and waste that should have been cut out.

Mr. Chairman, as a Member of Congress I am not at all proud of the action taken by the general over-all conference committee of appropriations by shifting the constitutional duty of Congress by directing the Budget Director to make additional cuts in nondefense items in the amount of $550,000,000. To me that act is a tragedy and pure political cowardice on the part of the party in power which planned it that way. How well we remember the New Deal brag of the thirties, "We planned it this way," but now that our American boys are again shedding their blood on foreign soil for the third time under the socialist-controlled war party's planned program for America, they are today desperately in search of a scapegoat they can blame for the Korean war and for our bankrupt United States Treasury and this whole terrible mess.

They say now, "Oh my, we didn't plan it this way at all," but say what they will every thinking American knows that their program and performances, such as spending and giving aid and comfort to the Communists and fellow travelers right here in high Government positions and all over our Nation, to say nothing about how effectively they have in the past collaborated with the Communists all over the world, has brought us to the terrible economic financial condition and world war III in which we find ourselves this very minute. Remember the great New Deal slogan, "Spend and spend; elect and elect," which the New Deal, then the Fair Deal, and now the Socialists in power have followed to the last ditch, which is a very dark and dismal ditch you, Mr. America, find yourself at the bottom of, right now.

This $60,000,000,000 appropriation bill may not in itself destroy our free Republic, even though we know that the quickest road to national suicide is through the bankruptcy route, but surely, Mr. Speaker, a combination of this kind of spending of the taxpayers' dollars along with the socialization of farming, business, and industry as recommended by the Socialist-controlled party in power, added to the burden of continuous wars will in due time destroy our American freedom and everything we hold dear in America.

My friends, we must quit kidding ourselves longer. We must support our men at the front with everything they need to win, but while they are facing the bullets at the battle front, we must face our responsibilities, on the home front, which is to see to it that the way of life for which they fight and die is preserved against the evil forces of socialism and communism right here within our own shores. That, my colleagues, will be the test of every loyal American in this hour. We must not fail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The question was taken; and on a division (demanded by Mr. WHITE of Idaho) there were—ayes 36, noes 93.

So the amendment was rejected.

Mr. REES. Mr. Chairman, the House has just completed action on appropriations against the Federal Treasury amounting to $60,000,000,000. This is the biggest appropriation of money of any Congress. Tremendous expenditures are necessary because of the critical and dangerous situation in which we find our country today. Like other Members of this great body, I support the expenditure of every dollar that is required for the defense of this country and for the prosecution of the war effort. I voted for reductions in items that I believed to be nonessential when the House bill was considered.

In view of that extraordinary demand, we ought to reexamine all expenditures and authorizations in the light of the present crisis. Every nondefense item and every nondefense activity ought to be determined by the test as to whether it it absolutely needed in the light of the present emergency.

A few weeks ago, and before the Korean incident, the House passed an appropriation bill that in my judgment was more than liberal with nondefense expenditures. Among other things, it contained plenty of "pork barrel" items. I was disappointed to find that the body at the other end of the Capitol had seen fit to increase those items by millions of dollars, including some items not even authorized. I am informed those increases amounted to more than $132,000,000. How you can expect your Government to meet obligations by following that procedure is difficult to understand. The conference reduced this amount but, in my opinion, should have reduced it more. I do not doubt the value of the projects affected. It is my feeling we should wait until the present crisis is subsided. So, I hope those in charge of expenditures for projects not essential to the war effort will withhold the spending of these funds until the situation with respect to our country is brighter than it is now.

Mr. Chairman, let me suggest that in view of international commitments, and more commitments to be made at home and abroad, all unnecessary projects at least be deferred. As I have said, some of them might be worth while, but a good many harbors and inlets are more important for yachting and pleasure boating, and in some cases boondoggling than for the interests of our country.

Let me suggest, Mr. Chairman, that demand be made of each and every nondefense agency requiring that they proceed to economize in the use of manpower and money. Take credit for saving and not spending. Do it in a realistic manner. Where employees are not absolutely needed, let them be transferred to jobs that are required for the emergency. Let it be understood that just because an agency has funds, that it not be the reason why it should be spent. I have just read where the Government has just awarded $286,000 for visitors' facilities and exhibit building at Shasta Dam, Calif. It is said the structure will contain an auditorium, observation decks, and exhibit rooms. I am informed good accommodations exist for those who wish to see the power dam. That is just one example of disregard to taxpayers' funds. There are many other items that have nothing to do with the war effort.

The public would be astounded to know of the thousands of automobiles owned by the agencies, and the chauffeurs that go with them, not required for the defense of the country.

The thing that concerns the people of this country is that nonessential spending has not abated one bit.

The world is in the greatest peril it has known. We need desperately to build our defenses in all ways—and one of these ways is rigorous State and Federal economy. Government waste is always bad. At a time like this it is criminal.

Mr. KERR. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments adopted in the Committee of the Whole with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1952, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. KERR. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. BATES of Kentucky. Mr. Speaker, I demand a separate vote on the Teague amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them engrosse.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 2, line 1, strike out "$30,000" and insert "$290,000."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. CANFIELD) there were—ayes 73, noes 141.

Mr. CANFIELD. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CANNON and Mr. H. CARL ANDERSEN asked for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 310, nay 1, not voting 119, as follows:

[Roll No. 255]

YEAS—310

Abbitt	Fugate	Mahon
Abernethy	Fulton	Mansfield
Addonizio	Gamble	Marsalis
Albert	Garmatz	Marshall
Allen, Calif.	Gary	Martin, Mass.
Allen, Ill.	Gathings	Merrow
Allen, La.	Gavin	Meyer
Andersen, H. Carl	Gilmer	Michener
	Golden	Miller, Md.
Anderson, Calif.	Goodwin	Mills
Andresen, August H.	Gordon	Mitchell
	Gossett	Monroney
Andrews	Graham	Morris
Aspinall	Grant	Morton
Baring	Gross	Moulder
Bates, Ky.	Guill	Murdock
Bates, Mass.	Gwinn	Murphy
Battle	Hale	Murray, Tenn.
Beckworth	Halleck	Nelson
Bennett, Fla.	Harden	Nicholson
Bennett, Mich.	Hardy	Noland
Bentsen	Hare	Norblad
Bishop	Harris	Norrell
Blatnik	Harrison	O'Brien, Ill.
Boggs, Del.	Hart	O'Brien, Mich.
Bolton, Md.	Harvey	O'Hara, Ill.
Bolton, Ohio	Havenner	O'Hara, Minn.
Bonner	Hays, Ark.	O'Konski
Bramblett	Hedrick	O'Sullivan
Breen	Herlong	O'Toole
Brehm	Herter	Pace
Brooks	Heselton	Passman
Brown, Ga.	Hill	Patman
Bryson	Hobbs	Patten
Buckley, Ill.	Hoeven	Patterson
Burdick	Hoffman, Ill.	Perkins
Burke	Hoffman, Mich.	Peterson
Burleson	Holmes	Philbin
Burton	Hope	Phillips, Calif.
Byrne, N. Y.	Horan	Phillips, Tenn.
Byrnes, Wis.	Howell	Pickett
Camp	Huber	Plumley
Canfield	Hull	Poage
Cannon	Irving	Polk
Carlyle	Jackson, Wash.	Price
Carnahan	James	Priest
Carroll	Javits	Rabaut
Case, N. J	Jenison	Rains
Case, S. Dak.	Jenkins	Rankin
Chatham	Jennings	Reed, Ill.
Chelf	Jensen	Reed, N. Y.
Chesney	Jonas	Rees
Chiperfield	Jones, Ala.	Ribicoff
Christopher	Jones, Mo.	Richards
Clevenger	Jones, N. C.	Riehlman
Cole, Kans.	Judd	Robeson
Colmer	Karst	Rodino
Combs	Karsten	Rogers, Fla.
Cooley	Kearns	Rogers, Mass.
Cooper	Keating	Rooney
Corbett	Kee	St. George
Coudert	Kelley, Pa.	Sanborn
Cox	Kelly, N. Y.	Saylor
Crosser	Kennedy	Scott, Hardie
Cunningham	Kerr	Scrivner
Curtis	Kilburn	Scudder
Dague	Kilday	Secrest
Davenport	King	Shafer
Davis, Ga.	Kruse	Shelley
Davis, Tenn.	Lane	Sheppard
Deane	Lanham	Short
DeGraffenried	LeCompte	Sikes
Delaney	LeFevre	Simpson, Ill.
Denton	Lind	Sims
D'Ewart	Linehan	Smathers
Dolliver	Lodge	Smith, Va.
Dondero	Lovre	Smith, Wis.
Donohue	Lyle	Spence
Doughton	Lynch	Staggers
Doyle	McCarthy	Stanley
Eberharter	McConnell	Steed
Ellsworth	McCormack	Stefan
Elston	McCulloch	Stigler
Evins	McDonough	Stockman
Fallon	McGrath	Sullivan
Feighan	McGregor	Taber
Fenton	McGuire	Tackett
Fernandez	McKinnon	Talle
Fisher	McMillan, S. C.	Taylor
Flood	McSweeney	Teague
Fogarty	Mack, Ill.	Thomas
Forand	Mack, Wash.	Thompson
Ford	Macy	Thornberry
Frazier	Madden	Tollefson

Towe	Welch	Willis
Trimble	Wheeler	Wilson, Ind.
Underwood	White, Calif.	Wilson, Okla.
Van Zandt	White, Idaho	Wolcott
Velde	Whitten	Wood
Vinson	Whittington	Woodhouse
Vorys	Wickersham	Woodruff
Vursell	Widnall	Yates
Walter	Wier	Young
Weichel	Wigglesworth	Zablocki

NAY—1

Rich

NOT VOTING—119

Angell	Gorski	Murray, Wis.
Arends	Granahan	Nixon
Auchincloss	Granger	Norton
Bailey	Green	O'Neill
Barden	Gregory	Pfeifer,
Barrett, Pa.	Hagen	Joseph L.
Barrett, Wyo.	Hall,	Pfeiffer,
Beall	Edwin Arthur	William L.
Biemiller	Hall,	Potter
Blackney	Leonard W.	Poulson
Boggs, La.	Hand	Powell
Bolling	Hays, Ohio	Preston
Bosone	Hébert	Quinn
Boykin	Heffernan	Ramsay
Brown, Ohio	Heller	Redden
Buchanan	Hinshaw	Regan
Buckley, N. Y.	Holifield	Rhodes
Bulwinkle	Jackson, Calif.	Rivers
Burnside	Jacobs	Roosevelt
Cavalcante	Johnson	Sabath
Celler	Kean	Sadlak
Chudoff	Kearney	Sadowski
Clemente	Keefe	Sasscer
Cole, N. Y.	Keogh	Scott,
Cotton	Kirwan	Hugh D., Jr.
Crawford	Klein	Simpson, Pa.
Crook	Kunkel	Smith, Kans.
Davies, N. Y.	Larcade	Smith, Ohio
Davis, Wis.	Latham	Sutton
Dawson	Lichtenwalter	Tauriello
Dingell	Lucas	Wadsworth
Dollinger	McMillen, Ill.	Wagner
Douglas	Magee	Walsh
Durham	Marcantonio	Werdel
Eaton	Martin, Iowa	Whitaker
Elliott	Mason	Williams
Engel, Mich.	Miles	Wilson, Tex.
Engle, Calif.	Miller, Calif.	Winstead
Fellows	Miller, Nebr.	Withrow
Furcolo	Morgan	Wolverton
Gillette	Morrison	
Gore	Multer	

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Whitaker with Mr. Angell.
Mr. Green with Mr. Wolverton.
Mr. Chudoff with Mr. Brown of Ohio.
Mr. Granahan with Mr. Cole of New York.
Mr. Keogh with Mr. Crawford.
Mr. Klein with Mr. Davis of Wisconsin.
Mr. Celler with Mr. Eaton.
Mr. Heller with Mr. Leonard W. Hall.
Mr. Heffernan with Mr. William L. Pfeiffer.
Mr. Dollinger with Mr. Gillette.
Mr. Roosevelt with Mr. Cotton.
Mr. Joseph L. Pfeiffer with Mr. Beall.
Mr. Clemente with Mr. Arends.
Mr. Quinn with Mr. Auchincloss.
Mr. Multer with Mr. Latham.
Mr. Powell with Mr. Miller of Nebraska.
Mr. Gorski with Mr. Hinshaw.
Mr. Tauriello with Mr. Sadlak.
Mr. Biemiller with Mr. Simpson of Pennsylvania.
Mr. Jacobs with Mr. Wadsworth.
Mr. Wilson of Texas with Mr. Hugh D. Scott, Jr.
Mr. Hébert with Mr. Kean.
Mr. O'Neill with Mr. Kearney.
Mr. Gregory with Mr. Hand.
Mr. Morrison with Mr. Blackney.
Mr. Williams with Mr. Mason.
Mr. Winstead with Mr. Potter.
Mr. Miller of California with Mr. Smith of Kansas.
Mr. Sabath with Mr. Withrow.
Mr. Sadowski with Mr. Edwin Arthur Hall.
Mrs. Norton with Mr. Barrett of Wyoming.
Mr. Dingell with Mr. Martin of Iowa.
Mr. Boggs of Louisiana with Mr. Kunkel.
Mr. Bailey with Mr. Poulson.
Mr. Hays of Ohio with Mr. Engel of Michigan.
Mr. Boykin with Mr. Werdel.
Mr. Holifield with Mr. Johnson.
Mr. Buckley of New York with Mr. Nixon.
Mr. Elliott with Mr. Murray of Wisconsin.
Mr. Barrett of Pennsylvania with Mr. Hagen.
Mr. Crook with Mr. McMillen of Illinois.
Mr. Wagner with Mr. Keefe.
Mr. Magee with Mr. Smith of Ohio.
Mr. Sasscer with Mr. Lichtenwalter.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING INVESTIGATION OF PROPOSED TUNNEL CONSTRUCTION THROUGH LAGUNA MOUNTAINS

Mr. McKINNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6339) to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif., with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, strike out "way, railway, and aqueduct" and insert "way and railway."

Page 2, line 2, strike out all after "Mountains" down to and including "supply" in line 7.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is agreeable to the gentleman from Michigan [Mr. DONDERO], the ranking minority member of the committee?

Mr. McKINNON. That is correct. It has been agreed upon with the gentleman from Mississippi [Mr. WHITTINGTON], chairman of the committee.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FILING OF SUPPLEMENTAL REPORT ON H. R. 5506

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to file a supplemental report on the bill H. R. 5506, from the Committee on Public Lands.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

SPECIAL ORDER GRANTED

Mr. DONOHUE asked and was given permission to address the House for 15 minutes on Tuesday next, following the legislative program and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. ROONEY asked and was given permission to revise and extend the remarks he made today in Committee of the Whole and include certain reports and other extraneous matter.

Mr. GILMER asked and was given permission to extend his remarks and include an article from the journal of the bar association of the State of Oklahoma.

Mr. MADDEN asked and was given permission to extend his remarks and include an editorial.

Mr. ZABLOCKI asked and was given permission to extend his remarks.

Mr. WHITE of Idaho asked and was given permission to include a communication from the county commissioners of his county in his remarks on the Rees amendment.

Mr. HOFFMAN of Michigan (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include a newspaper article.

Mr. SHAFER asked and was given permission to extend his remarks in two instances, and include extraneous matter in each.

Mr. WIGGLESWORTH asked and was given permission to extend his remarks on the repair of reserve fleet vessels provided for in the bill just passed.

Mr. HESELTON asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and include a House resolution and other matter.

Mr. GAVIN asked and was given permission to extend his own remarks.

Mr. ANGELL (at the request of Mr. H. CARL ANDERSEN) was given permission to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. STEFAN asked and was given permission to revise and extend the remarks he made in the Committee of the Whole on the supplemental appropriation bill and include a table.

Mr. VAN ZANDT asked and was given permission to extend his own remarks.

Mrs. HARDEN asked and was given permission to extend her own remarks.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1586. An act for the relief of Harold E. Trautwein;

H. R. 1874. An act for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault;

H. R. 3919. An act for the relief of John S. Steber;

H. R. 4221. An act for the relief of Patricia Joyce Dunn;

H. R. 6095. An act for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.; and

H. R. 7454. An act for the relief of Robert C. Watters, Mrs. Martha L. Watters, C. E. Nivens, E. O. Nivens, and the estate of J. W. Gillum, deceased.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that

that committee did on August 25, 1950, present to the President, for his approval, bills of the House of the following titles:

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes;

H. R. 4800. An act to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes; and

H. R. 6209. An act to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes.

ADJOURNMENT

Mr. McKINNON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 17 minutes p. m.), the House adjourned until Monday, August 28, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1652. A letter from the Acting Secretary of Commerce, transmitting a draft of a bill entitled "To authorize the construction and equipment of a geomagnetic station for the Department of Commerce," was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURDOCK: Committee on Public Lands. H. R. 5506. A bill to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes; with amendment (Rept. No. 1297, pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. Pursuant to 59 Stat. 434; without amendment (Rept. No. 3003). Ordered to be printed.

Mr. KILDAY: Committee on Armed Forces. S. 2724. An act to amend the Armed Forces Leave Act of 1946, as amended, and for other purposes; without amendment (Rept. No. 3004). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. S. 3768. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; without amendment (Rept. No. 3005). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on the District of Columbia. H. R. 1188. A bill defining and regulating the practice of the profession of engineering and creating a Board of Registration for Professional Engineers in the District of Columbia; with amendment (Rept. No. 3006). Referred to the Committee of the Whole House on the State of the Union.

Mr. CARNAHAN: Committee on Foreign Affairs. H. R. 9484. A bill to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States Armed Forces during World War II in violation of neutral rights; without amendment (Rept. No. 3007). Referred to the Committee of the Whole House on the State of the Union.

Mr. CARNAHAN: Committee on Foreign Affairs. H. R. 8546. A bill to amend the Philippine Property Act of 1946; without amendment (Rept. No. 3008). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VINSON:

H. R. 9554. A bill to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes; to the Committee on Armed Services.

By Mr. HAVENNER:

H. R. 9555. A bill to amend the Selective Service Act of 1948 to provide for the deportation of certain citizens of foreign countries relieved from liabilities for training and service; to the Committee on Armed Services.

By Mr. HOLIFIELD:

H. R. 9556. A bill to strengthen the national defense by affording further relief to persons in the military service of the United States through the suspension of the enforcement of civilian liabilities or obligations secured by home mortgages or by similar security arising out of the ownership of certain residential real property, and for other purposes; to the Committee on Banking and Currency.

By Mrs. HARDEN:

H. R. 9557. A bill to amend the Railroad Retirement Act of 1937 to provide increased annuities for retired railroad employees and their widows; to the Committee on Interstate and Foreign Commerce.

By Mr. SHELLEY:

H. R. 9558. A bill to amend the Merchant Marine Act, 1936, as amended, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H. R. 9559. A bill to amend the Merchant Marine Act, 1936, as amended, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FORD:

H. J. Res. 534. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Committee on Foreign Policy; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DEANE:

H. R. 9560. A bill for the relief of Sheppard B. Yates; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 9561. A bill for the relief of Elizabeth Constance Winslow; to the Committee on the Judiciary.

By Mr. HOLMES:

H. R. 9562. A bill for the relief of Teresa Florence Shimizu and her minor son; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 9563. A bill for the relief of Peter Szecsi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2345. By the SPEAKER: Petition of Charles H. Nutting, secretary, Fifth Congressional District Conference of Townsend Clubs, Ormond, Fla., petitioning consideration of their resolution with reference to requesting that emergency legislative measures be taken in dealing with the vital, social-security problem; to the Committee on Ways and Means.

2346. Also, petition of Rev. C. V. Stark, and other citizens of Sanford, Fla., petitioning consideration of their resolution with reference to requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2347. Also, petition of J. Kennedy Carr and other citizens of Daytona Beach, Fla., petitioning consideration of their resolution with reference to requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2348. Also, petition of Mrs. Minnie Newhart and other citizens of Orlando, Fla., petitioning consideration of their resolution with reference to requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2349. By Mr. CANFIELD: Petition supporting our Government's action in Korea adopted at a forum of Americans of Polish descent in Passaic, N. J., commemorating the thirtieth anniversary of the victory of the Polish Army over the Russian Bolshevik forces in Warsaw; to the Committee on Foreign Affairs.

SENATE

MONDAY, AUGUST 28, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. W. Ralph Ward, Jr., S. T. M., minister, Mount Lebanon Methodist Church, Pittsburgh, Pa., offered the following prayer:

Eternal God, the Father of us all, whose everlasting power and presence sustains us and all creatures, we bow before Thee in awe and humility with minds eager for truth, hearts hungry for wisdom, and souls in need of strength. We thank Thee for the vast resources and abundant wealth of our country, for the people known and unknown whose lives of integrity and moral earnestness form the bedrock of her prosperity and power. To the trust and opportunity committed to us in the administration of her affairs grant us, we pray, courage for the hour and wisdom for the day. Marching under the command of the latest, set before us the compulsion of the lasting. Teach us again the ancient truth that unless the Lord build the temple they labor in vain that build it.

Subdue now our personal fears and animosities, calm our fretful souls and anxious hearts, that we may seek Thy peace and pursue Thy righteousness and wrestle victoriously with the tremendous issues of the hour.

Acknowledging our frailty but confident in our likeness unto Thee, we would

ask Thy blessing upon our labor, our country, and the world that Thy will may be done and Thy kingdom come on earth as it is in heaven. This we pray in the Master's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 25, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 25, 1950:

S. 816. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.;

S. 918. An act for the relief of Clara Sogor;

S. 1420. An act for the relief of Antonio Garcia Jiminez;

S. 1426. An act to authorize the sale of lands allotted to James Brown on the Crow Reservation, Mont.;

S. 1457. An act to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.;

S. 1568. An act for the relief of Anna Rajmann;

S. 2173. An act for the relief of Giuseppe Moschetti and his wife, Dina Bartoli Moschetti;

S. 2401. An act for the relief of Elizabeth Martha Haug;

S. 2617. An act for the relief of Ermalinda Mary Pizzuto;

S. 2780. An act for the relief of Jaime Riel;

S. 2897. An act for the relief of Hyman D. Langer and Alta Jourard Langer;

S. 2954. An act for the relief of Agnes Biro and Anna Biro;

S. 3005. An act for the relief of Olga Haddad;

S. 3289. An act for the relief of Hisako Okamoto;

S. 3325. An act for the relief of Isolde Bezner; and

S. 3614. An act for the relief of John B. Underwood, Jr., TMC, United States Navy.

On August 26, 1950:

S. 1866. An act for the relief of Mrs. Clayre Louise Forsyth;

S. 2257. An act for the relief of Hyman Winterman;

S. 3610. An act for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department;

S. 3611. An act for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer; and

S. 3709. An act for the relief of certain disbursing officers and former disbursing officers of the naval service, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 456) to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendment to the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. KILDAY, Mr. SHORT, and Mr. ARENDS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PETERSON, Mr. MURDOCK, and Mr. D'EWART were appointed managers on the part of the House at the conference.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1586. An act for the relief of Harold E. Trautwein;

H. R. 3919. An act for the relief of John S. Steber; and

H. R. 6095. An act for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 1874. An act for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault;

H. R. 4221. An act for the relief of the legal guardian of Patricia Joyce Dunn, a minor;

H. R. 6339. An act to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.;

H. R. 7454. An act for the relief of Robert C. Watters, Mrs. Martha L. Watters, C. E. Nivens, E. O. Nivens, and the estate of J. W. Gillum, deceased; and

H. R. 9134. An act to amend title 46, United States Code, section 251.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3463. An act for the relief of Mr. and Mrs. Fred A. Fletcher;

H. R. 3666. An act for the relief of the Lillington Roller Mills, Inc.;

H. R. 4365. An act for the relief of Fe R. Dumaguing;

H. R. 5022. An act for the relief of Henry Leonard Hoffmann;

H. R. 6106. An act for the relief of Daniel Kokal;

H. R. 6528. An act for the relief of the Western Chemical and Manufacturing Co.;

H. R. 6990. An act for the relief of Christina Karamanos Demas and Antonia Karamanos Demas;

H. R. 7095. An act for the relief of Rosette Selina Romano, a minor;

H. R. 8136. An act for the relief of Joseph Umberto Montalban-Troy;

H. R. 8152. An act for the relief of Guy Thomas and others;

H. R. 8337. An act for the relief of William A. Hogan;

H. R. 8362. An act for the relief of Bernard Croft;

H. R. 8687. An act for the relief of Angelo Messina;

H. R. 9144. An act for the relief of Mrs. Olga Kowalik and Czeslawa Kowalik;

H. R. 9434. An act for the relief of Christina Shalfeieff;

H. R. 9526. An act making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes; and

H. J. Res. 511. Joint resolution providing for recognition and endorsement of the Inter-American Cultural and Trade Center.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 272) authorizing correction of chapter and section numbers in the enrollment of H. R. 7786, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1586. An act for the relief of Harold E. Trautwein;

H. R. 1874. An act for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault;

H. R. 3919. An act for the relief of John S. Steber;

H. R. 4221. An act for the relief of Patricia Joyce Dunn;

H. R. 6095. An act for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.; and

H. R. 7454. An act for the relief of Robert C. Watters, Mrs. Martha L. Watters, C. E. Nivens, E. O. Nivens, and the estate of J. W. Gillum, deceased.

ORDER OF BUSINESS

Mr. LUCAS. I suggest the absence of a quorum.

Mr. WHERRY. Mr. President, will the Senator from Illinois withhold the suggestion for a moment?

Mr. LUCAS. I withhold it.

Mr. WHERRY. Mr. President, as I understand, the conference report on the appropriation bill is to be taken up immediately after obtaining a quorum.

Mr. LUCAS. That is correct.

The VICE PRESIDENT. Unanimous consent was given to consider the conference report this morning.

Mr. WHERRY. Therefore, the conference report on the appropriation bill will be taken up immediately after a quorum is obtained.

The VICE PRESIDENT. That is correct.

CALL OF THE ROLL

Mr. LUCAS. I renew the suggestion of the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Ferguson	Johnson, Colo.
Anderson	Flanders	Johnson, Tex.
Brewster	Frear	Johnston, S. C.
Bricker	Fulbright	Kefauver
Bridges	George	Kem
Butler	Gillette	Kerr
Byrd	Graham	Kilgore
Chapman	Green	Knowland
Chavez	Hendrickson	Langer
Connally	Hickenlooper	Leahy
Cordon	Hill	Lehman
Darby	Hoey	Lodge
Donnell	Holland	Long
Douglas	Humphrey	Lucas
Ecton	Hunt	McCarran
Ellender	Ives	McCarthy

McClellan	Neely	Taylor
McFarland	O'Conor	Thomas, Okla.
McKellar	O'Mahoney	Thomas, Utah
McMahon	Pepper	Thye
Magnuson	Robertson	Tydings
Malone	Russell	Watkins
Maybank	Saltonstall	Wherry
Millikin	Schoeppel	Williams
Morse	Smith, N. J.	Withers
Murray	Sparkman	Young
Myers	Stennis	

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. HAYDEN] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Idaho [Mr. DWORSHAK] and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Indiana [Mr. JENNER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART], the Senator from South Dakota [Mr. GURNEY], and the Senator from Maine [Mrs. SMITH] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate, and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, FEDERAL SECURITY AGENCY (S. Doc. No. 207)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Security Agency, in the amount of $134,170,300, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, TENNESSEE VALLEY AUTHORITY (S. Doc. No. 208)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $28,500,000, for the Tennessee Valley Authority, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REVISED SUPPLEMENTAL ESTIMATE, GENERAL SERVICES ADMINISTRATION (S. Doc. No. 209)

A communication from the President of the United States, transmitting a revised supplemental estimate of appropriation, General Services Administration, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

TRANSPORTATION FACILITIES FOR PERSONNEL OF NAVAL ESTABLISHMENTS

A letter from the Under Secretary of the Navy, transmitting, pursuant to law, a report on transportation facilities to and from their places of employment for personnel attached to or employed by naval establishments, fiscal year 1950 (with an accompanying report); to the Committee on Armed Services.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Port Orange, Fla., Townsend Club No. 1, favoring the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

A resolution adopted by the Citizens-Taxpayers Association of Westerly, R. I., relating to the passage of the amendment to the social-security law; ordered to lie on the table.

AMENDMENT OF RAILWAY RETIREMENT ACT—RESOLUTION OF SYSTEM FEDERATION NO. 101, ST. PAUL, MINN.

Mr. LANGER. Mr. President, I am in receipt of a letter from Clyde A. Brittan, secretary-treasurer of System Federation No. 101, St. Paul, Minn., transmitting a resolution adopted by that federation, in convention assembled in the city of Spokane, Wash., June 28 and 29, 1950, favoring the enactment of Senate bill 3295, to amend the Railway Labor Act to make it possible for railway labor organizations to bargain for some form of union security. I present the letter and resolution for appropriate reference, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the letter and resolution were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

SYSTEM FEDERATION NO. 101,
St. Paul, Minn., August 24, 1950.

Hon. WILLIAM LANGER,
United States Senate Office Building, Washington, D. C.

DEAR SENATOR: Attached is a copy of a resolution endorsed by Great Northern System Federation No. 101, Railway Employees' Department, A. F. of L., in convention assembled in the city of Spokane, Wash., June 28 and 29, 1950.

This resolution calls for support of Senate bill S. 3295, which has for its purpose the amending of the Railway Labor Act to make it possible for railroad men to secure some form of union shop.

We hope that you will give this bill your favorable consideration.

Respectfully yours,

CLYDE A. BRITTAN,
Secretary-Treasurer.

RESOLUTION NO. 7

Whereas the amended Railway Labor Act contains certain prohibitions which deny the railway workers the right to negotiate with their management for any form of union security; and

Whereas the Labor-Management Relations Act (Taft-Hartley Act) permits labor organizations under certain conditions to bargain for some form of union security; and

Whereas the amended Railway Labor Act imposes an obligation upon the collective bargaining agent to represent, negotiate for, and protect the interests of nonunion railway employees without imposing any obligation whatsoever on a nonunion railway employee to pay his fair share of the cost of union representation: Therefore be it

Resolved, That System Federation No. 101 in convention assembled in the city of Spokane, Wash., June 28 and 29, endorse Senate bill S. 3295 and House of Representatives bill H. R. 7789, which have for their purpose the amending of the Railway Labor Act to make it possible for railway labor organizations to bargain for some form of union security, and be it further

Resolved, That copies of this resolution be forwarded to all United States Senators and Congressmen of the 10 Northwest States through which the Great Northern Railway operates, and to the executive board members of the Railway Employees' Department, A. F. of L., and to the offices of the presidents of all the affiliated international unions.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 163. A bill to authorize Sacramento Valley irrigation canals, Central Valley project, Calif.; with an amendment (Rept. No. 2447); and

H. R. 1662. A bill authorizing the Secretary of the Interior to acquire on behalf of the United States Government all property and facilities of the Rainer National Park Company; without amendment (Rept. No. 2448).

By Mr. HUNT:

From the Committee on Armed Services:

S. 4029. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; with amendments (Rept. No. 2449).

From the Committee on the District of Columbia:

H. R. 8797. A bill to exempt property of the Young Men's Christian Association of the city of Washington (incorporated under the act of Congress of June 28, 1864, 13 Stat. L. 411) from taxation; with amendments (Rept. No. 2451).

By Mr. GREEN, from the Committee on Foreign Relations:

H. J. Res. 334. Joint resolution to amend certain laws providing for membership and participation by the United States in certain international organizations; with an amendment (Rept. No. 2450).

By Mr. LEAHY, from the Committee on the District of Columbia:

S. 4036. A bill to provide for the exchange of certain national park land situated in the District of Columbia for certain lands owned by the New Temple Committee, Inc.; with an amendment (Rept. No. 2452);

H. R. 7240. A bill to amend the act entitled "An act to regulate barbers in the District of Columbia, and for other purposes," approved June 7, 1938, and for other purposes; without amendment (Rept. No. 2453); and

H. R. 8710. A bill to provide for the improvement of stadium facilities at the Eastern Senior High School in the District of Columbia; with amendments (Rept. No. 2454).

By Mr. KEFAUVER, from the Committee on the District of Columbia:

S. 2362. A bill to provide for flight experience for certain students in the senior high schools of the District of Columbia; with an amendment (Rept. No. 2455).

STATEHOOD FOR HAWAII—SUPPLEMENTAL REPORT OF A COMMITTEE (PT. 2 OF REPT. NO. 1928)

Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, submitted a supplemental report on the bill (H. R. 49) to enable the people of Hawaii to form a constitution and State government and be admitted into the Union on an equal footing with the original States, heretofore reported from that committee with amendments, which was ordered to be printed as part 2 of Report No. 1928.

INTERNAL SECURITY—MINORITY VIEWS (PT. 2 OF REPT. NO. 2369)

Mr. KILGORE (for himself, Mr. GRAHAM, and Mr. LANGER), members of the Committee on the Judiciary, submitted, pursuant to authority of the Senate of August 25, 1950, minority views on the bill (S. 4037) to protect the internal security of the United States, and for other purposes, which were ordered to be printed as part 2 of Report No. 2369.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 28, 1950, he presented to the President of the United States the following enrolled bills:

S. 2484. An act to authorize the Secretary of Commerce to provide war risk and certain marine and liability insurance; and

S. 3724. An act for the relief of Maria Sulikowska Forbes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. FERGUSON:

S. 4099. A bill to authorize the payment by the Administrator of Veterans' Affairs of a gratuitous indemnity to survivors of members of the Armed Forces who die in active service and for other purposes; to the Committee on Finance.

S. 4100. A bill to grant succession to the War Damage Corporation; to the Committee on Banking and Currency.

By Mr. LANGER:

S. 4101. A bill for the relief of Alex Abdul Ghane Tassie; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 4102. A bill relating to contracts for the transmission of mail by pneumatic tubes or other mechanical devices; to the Committee on Post Office and Civil Service.

PRINTING OF ADDITIONAL COPIES OF PUBLIC LAW 734, THE SOCIAL SECURITY ACT AMENDMENTS OF 1950

Mr. GEORGE submitted the following resolution (S. Res. 339), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed 25,000 additional copies of Public Law 734, Eighty-first Congress, second session, the Social Security Act Amendments of 1950, of which 5,000 copies shall be for the Senate document room and 20,000 copies for the House document room.

REVENUE ACT OF 1950—AMENDMENTS

Mr. FLANDERS submitted an amendment intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. HUNT submitted an amendment intended to be proposed by him to House bill 8920, supra, which was ordered to lie on the table and to be printed.

Mr. BUTLER submitted amendments intended to be proposed by him to House bill 8920, supra, which were ordered to lie on the table and to be printed.

AMENDMENT OF HOME OWNERS' LOAN ACT OF 1933, RELATING TO FEDERAL SAVINGS AND LOAN ASSOCIATIONS—AMENDMENT

Mr. FREAR submitted an amendment intended to be proposed by him to the bill (S. 2006) to amend the Home Owners' Loan Act of 1933, with respect to Federal savings and loan associations, which was ordered to lie on the table and to be printed.

DEFENSE PRODUCTION ACT OF 1950—CHANGE IN CONFEREE

Mr. MAYBANK. Mr. President, the junior Senator from New Hampshire [Mr. TOBEY] has advised me that he will be unable to serve as a conferee on the control bill, and I ask he be excused and that the senior Senator from New York [Mr. IVES] be appointed in his place.

The VICE PRESIDENT. The Chair appoints as a conferee on the part of the Senate the Senator from New York [Mr. IVES] in place of the Senator from New Hampshire [Mr. TOBEY], on the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 3463. An act for the relief of Mr. and Mrs. Fred A. Fletcher;

H. R. 3666. An act for the relief of the Lillington Roller Mills, Inc.;

H. R. 4365. An act for the relief of Fe'R. Dumaguing;

H. R. 5022. An act for the relief of Henry Leonard Hoffmann;

H.R. 6106. An act for the relief of Daniel Kokal;

H. R. 6528. An act for the relief of the Western Chemical & Manufacturing Co.;

H. R. 6990. An act for the relief of Christina Karamanos Demas and Antonia Karamanos Demas;

H. R. 7095. An act for the relief of Rosette Selina Romano, a minor;

H. R. 8152. An act for the relief of Guy Thomas and others;

H. R. 8337. An act for the relief of William A. Hogan;

H. R. 8362. An act for the relief of Bernard Croft;

H. R. 8687. An act for the relief of Angelo Messina; and

H. R. 9144. An act for the relief of Mrs. Olga Kowalik and Czeslawa Kowalik; to the Committee on the Judiciary.

H. R. 8136. An act for the relief of Joseph Umberto Montalban-Troy; and

H. R. 9434. An act for the relief of Christina Shalfeieff; ordered to be placed on the calendar.

H. R. 9526. An act making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes; to the Committee on Appropriations.

H. J. Res. 511. Joint resolution providing for recognition and endorsement of the Inter-American Cultural and Trade Center; to the Committee on Foreign Relations.

ADDRESS BY LOUIS JOHNSON, SECRETARY OF DEFENSE, BEFORE AMERICAN LEGION CONVENTION AT CHARLESTON, W. VA.

[Mr. KILGORE asked and obtained leave to have printed in the RECORD the address delivered by Hon. Louis Johnson, Secretary of Defense, before the American Legion convention, Department of West Virginia, Charleston, W. Va., August 26, 1950, which appears in the Appendix.]

AVAILABILITY OF ELECTRIC POWER FOR AMERICAN INDUSTRY—STATEMENT BY JAMES W. PARKER

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD a statement by James W. Parker, president, Detroit-Edison Co., respecting availability of electric power for American industry, which appears in the Appendix.]

MESSAGE FROM THE MANAGEMENT TO EVERYONE IN THE LA SALLE NATIONAL BANK

[Mr. FLANDERS asked and obtained leave to have printed in the RECORD a message to everyone in the La Salle National Bank, of Chicago, from the chairman of the board and president of the bank, which appears in the Appendix.]

WHAT CAN WE AMERICANS DO TO START A "MARSHALL PLAN OF IDEAS"—TOLEDO BLADE ADVERTISEMENT

[Mr. FLANDERS asked and obtained leave to have printed in the RECORD a Toledo Blade advertisement entitled "What Can We Americans Do To Start a 'Marshall Plan of Ideas'," published in the Paris edition of the Herald Tribune, which appears in the Appendix.]

LET THE CHURCH SPEAK UP FOR CAPITALISM—ARTICLE BY DR. NORMAN VINCENT PEALE

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD an article entitled "Let the Church Speak Up for Capitalism," written by Dr. Norman Vincent Peale, and published in Reader's Digest for September 1950, which appears in the Appendix.]

IS HISTORY REPEATING ITSELF ON SHIPPING LEGISLATION?—ARTICLE FROM THE SHIPPING SURVEY

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an article entitled "Is History Repeating Itself on Shipping Legislation?" from Shipping Survey for August 1950, which appears in the Appendix.]

THE WAR AND WOOL—ARTICLE FROM THE WYOMING WOOL GROWER

[Mr. HUNT asked and obtained leave to have printed in the RECORD an article entitled "The War and Wool," published in the August 17, 1950, issue of the Wyoming Wool Grower, which appears in the Appendix.]

AS 1960 SEES US—EDITORIAL FROM THE SATURDAY REVIEW OF LITERATURE

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "As 1960 Sees Us," published in the Saturday Review of Literature for August 5, 1950, which appears in the Appendix.]

CONTRIBUTIONS TO VOLUNTEER FIRE COMPANIES

Mr. ROBERTSON. Mr. President, I ask unanimous consent that I may proceed for 1 minute to make an announcement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Virginia may proceed.

Mr. ROBERTSON. Mr. President, several months ago a Virginian constituent brought to my attention that the Bureau of Internal Revenue in the examination of income-tax returns was disallowing contributions made to volunteer fire companies, notwithstanding three definite rulings on the point by the Tax Court and one by a circuit court of appeals. On the 22d of August the Secretary of the Treasury sent a letter to the chairman of the Committee on Finance, with whom I had previously discussed the matter. The Secretary said the Bureau of Internal Revenue would recognize the decisions of the Tax Court, and that contributions to voluntary fire companies, without which, of course, they cannot function, would be recognized as gifts to charities, which are deductible under the income-tax law.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. GEORGE. I entered directly into the RECORD the letter from the Secretary of the Treasury confirming precisely what the distinguished Senator has said.

Mr. ROBERTSON. I thank the distinguished chairman of the Committee on Finance for his fine assistance in this matter, because it is a subject in which every State is interested.

GENERAL MACARTHUR'S MESSAGE ON FORMOSA

Mr. WHERRY. Mr. President, in the press and over the radio we hear reports of President Truman's order putting a gag on Gen. Douglas MacArthur's message on Formosa to the meeting of the Veterans of Foreign Wars in Chicago yesterday. Such action is outrageous and will be resented by every American.

Apparently there are fundamental differences over Far East American policy between Secretary of State Dean Acheson and General MacArthur, but General MacArthur, as a good soldier, is obeying and carrying out the orders of the Commander in Chief as dished up to him by the bungling Acheson.

General MacArthur knows more about what needs to be done in the Far East to correct the mistakes of Secretary Acheson than anyone in the Truman administration. And the American people have complete confidence in General MacArthur's judgment.

For years I have been trying to find a way for General MacArthur to come home and make a report to the Congress and the American people on conditions in the Far East, but always I have been handed a lateral pass by the administration.

The present, in view of the war in Korea, may not be opportune for General MacArthur to return; but a radio address by him from Tokyo to the American people is definitely in order to clarify the present muddled situation.

The vagueness and complete lack of direction to the administration's policies in the Far East are intolerable at a time when our boys are fighting and dying in Korea. Only our faith in the rugged Americanism of General MacArthur buoys our hopes in that conflict. Let us hear from General MacArthur, and woe to him who dares say he shall not speak.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Debate is not in order. Under the unanimous-consent agreement under which we are proceeding at this time, debate is not in order.

Mr. DONNELL. May I have unanimous consent to address one question to the Senator from Nebraska?

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Missouri may proceed.

Mr. DONNELL. The question I should like to ask is whether or not the Senator from Nebraska knows if a certain declaration by General MacArthur to Clyde A. Lewis, the commander in chief of the Veterans of Foreign Wars of the United States, Chicago, Ill., which appears in United States News and World Report of September 1, 1950, has been incorporated in the RECORD.

Mr. WHERRY. I do not believe it has been.

Mr. DONNELL. Would the Senator have any objection to its being incorporated at this point?

Mr. WHERRY. I certainly would not.

Mr. DONNELL. I ask unanimous consent that this article, which appears in United States News and World Report for September 1, 1950, be incorporated in the RECORD. Because of its importance, I ask that it be printed in the body of the RECORD. The headline is "Formosa must be defended."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORMOSA MUST BE DEFENDED

(A declaration by Gen. Douglas MacArthur, supreme commander in Japan for the allied powers)

To: Clyde A. Lewis, commander in chief, Veterans of Foreign Wars of the United States, Chicago, Ill.

Your inspiring message of the 17th has moved me deeply and I trust that you will convey to all of my comrades in arms of the Veterans of Foreign Wars assembled on the occasion of our fifty-first annual national encampment my assurance that their confidence and support will give this command much added strength to meet the tests of battle which lie immediately ahead. Tell them that I am happy to report that their successors in arms now engaging the enemy along our battle lines in South Korea are exemplifying that same high standard of devotion, fortitude, and valor which characterized their own march to victory when they themselves engaged in combat in the field. From senior commanders down through all ranks, their tactical skill, their invincible determination, and their fighting qualities against a fanatical foe, well trained, expertly directed and heavily armed, have upheld our country's finest traditions. Toward victory, however difficult the road, they are giving an account of themselves which should make every American heart beat with pride and infinite satisfaction.

In view of misconceptions currently being voiced concerning the relationship of Formosa to our strategic potential in the Pacific, I believe it in the public interest to avail myself of this opportunity to state my views thereon to you, all of whom having fought overseas understand broad strategic concepts.

To begin with, any appraisal of that strategic potential requires an appreciation of the changes wrought in the course of the past war. Prior thereto the western strategic frontier of the United States lay on the littoral line of the Americas with an exposed island salient extending out through Hawaii, Midway, and Guam to the Philippines. That salient was not an outpost of strength but an avenue of weakness along which the enemy could and did attack us. The Pacific was a potential area of advance for any predatory force intent upon striking at the bordering land areas.

All of this was changed by our Pacific victory. Our strategic frontier then shifted to embrace the entire Pacific Ocean, which has become a vast moat to protect us as long as we hold it. Indeed, it acts as a protective shield for all of the Americas and all free lands of the Pacific Ocean area. We control it to the shores of Asia by a chain of islands, extending in an arc from the Aleutians to the Marianas, held by us and our allies.

From this island chain we can dominate with air power every Asiatic port from Vladivostok to Singapore, and prevent any hostile movement into the Pacific. Any predatory attack from Asia must be an amphibious effort. No amphibious force can be successful without control of the sea lanes and the air over those lanes in its avenue of advance. With naval and air supremacy and modest ground elements to defend bases, any major attack from continental Asia toward us or our friends of the Pacific would be doomed to failure.

Under such conditions the Pacific no longer represents menacing avenues of approach for a prospective invader—it assumes instead the friendly aspect of a peaceful lake. Our line of defense is a natural one and can be maintained with a minimum of military effort and expense. It envisions no attack against anyone nor does it provide the bastions essential for offensive operations, but properly maintained would be an invincible defense against aggression. If we hold this line we may have peace—lose it and war is inevitable.

The geographic location of Formosa is such that in the hands of a power unfriendly to the United States it constitutes an enemy salient in the very center of this defensive perimeter, 100–150 miles closer to the adjacent friendly segments—Okinawa and the Philippines—than any point in continental Asia.

At the present time there is on Formosa a concentration of operational air and naval bases which is potentially greater than any similar concentration on the Asiatic mainland between the Yellow Sea and the Strait of Malacca. Additional bases can be developed in a relatively short time by an aggressive exploitation of all World War II Japanese facilities.

An enemy force utilizing those installations currently available could increase by 100 percent the air effort which could be directed against Okinawa as compared to operations based on the mainland and at the same time could direct damaging air attacks with fighter-type aircraft against friendly installations in the Philippines, which are currently beyond the range of fighters based on the mainland. Our air supremacy at once would become doubtful.

As a result of its geographic location and base potential, utilization of Formosa by a military power hostile to the United States may either counterbalance or overshadow the strategic importance of the central and

southern flank of the United States front-line position. Formosa in the hands of such a hostile power could be compared to an unsinkable aircraft carrier and submarine tender ideally located to accomplish offensive strategy and at the same time checkmate defensive or counteroffensive operations by friendly forces based on Okinawa and the Philippines.

This unsinkable carrier-tender has the capacity to operate from 10 to 20 air groups of types ranging from jet fighters to B–29 type bombers as well as to provide forward operating facilities for short-range coastal submarines. In acquiring this forward submarine base, the efficacy of the short-range submarine would be so enormously increased by the additional radius of activity as to threaten completely sea traffic from the south and interdict all sea lanes in the western Pacific. Submarine blockade by the enemy with all its destructive ramifications would thereby become a virtual certainty.

Should Formosa fall and bases thereafter come into the hands of a potential enemy of the United States, the latter will have acquired an additional fleet which will have been obtained and can be maintained at an incomparably lower cost than could its equivalent in aircraft carriers and submarine tenders. Current estimates of air and submarine resources in the Far East indicate the capability of such a potential enemy to extend his forces southward and still maintain an imposing degree of military strength for employment elsewhere in the Pacific area.

Historically, Formosa has been used as a springboard for just such military aggression directed against areas to the south. The most notable and recent example was the utilization of it by the Japanese in World War II. At the outbreak of the Pacific war in 1941 it played an important part as a staging area and supporting base for the various Japanese invasion convoys. The supporting air forces of Japan's Army and Navy were based on fields situated along southern Formosa.

From 1942 through 1944 Formosa was a vital link in the transportation and communications chain which stretched from Japan through Okinawa and the Philippines to southeast Asia. As the United States carrier forces advanced into the western Pacific, the bases on Formosa assumed an increasingly greater role in the Japanese defense scheme. Should Formosa fall into the hands of a hostile power, history would repeat itself. Its military potential would again be fully exploited as the means to breach and neutralize our western Pacific defense system and mount a war of conquest against the free nations of the Pacific Basin.

Nothing could be more fallacious than the threadbare argument by those who advocate appeasement and defeatism in the Pacific that if we defend Formosa we alienate continental Asia. Those who speak thus do not understand the Orient. They do not grasp that it is in the pattern of Oriental psychology to respect and follow aggressive, resolute and dynamic leadership—to quickly turn from a leadership characterized by timidity or vacillation—and they underestimate the oriental mentality.

Nothing in the last 5 years has so inspired the Far East as the American determination to preserve the bulwarks of our Pacific Ocean strategic position from future encroachment, for few of its peoples fail accurately to appraise the safeguard such determination brings to their free institutions.

To pursue any other course would be to turn over the fruits of our Pacific victory to a potential enemy. It would shift any future battle area 5,000 miles eastward to the coasts of the American continents, our own home coasts; it would completely expose our friends in the Philippines, our friends in Australia and New Zealand, our friends in Indonesia, our friends in Japan, and other areas, to the lustful thrusts of those who stand for slavery as against liberty, for atheism as against God.

The decision of President Truman on June 27 lighted into flame a lamp of hope throughout Asia that was burning dimly toward extinction. It marked for the Far East the focal and turning point in this area's struggle for freedom. It swept aside in one great monumental stroke all of the hypocrisy and the sophistry which has confused and deluded so many people distant from the actual scene.

Mr. DONNELL subsequently said: Mr. President, I ask unanimous consent, in connection with the letter, being a declaration by Gen. Douglas MacArthur, which I presented a few moments ago for printing in the RECORD, to have appear in the RECORD, as a part of my remarks immediately following what I presented at that time, the statement that the letter I presented is the full text of the message which General MacArthur prepared for presentation to the convention in Chicago of the Veterans of Foreign Wars, in response to greetings from that organization.

The VICE PRESIDENT. Without objection, that will be done.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The VICE PRESIDENT. Is there objection?

The Chair hears none, and the Senator may proceed.

Mr. KNOWLAND. Mr. President, the gagging today of General MacArthur is another in the long series of efforts to keep the truth from the American people.

Action by the administration in directing General MacArthur to withdraw his message to the Veterans of Forcign Wars relative to the importance of Formosa strongly indicates that Secretary of State Acheson and Trygve Lie, Secretary-General of the United Nations, are now preparing for another Munich with the Republic of China and the Island of Formosa as the pawns.

Our moral leadership was undermined by the secret deals of Yalta, regarding which neither the Congress of the United States nor the American people had information until years later.

The suppression of the Wedemeyer report on China for 2 years, and the report by General Wedemeyer on Korea, which has now been held in secrecy for 3 years, has allowed the State Department to lose for us in the Far East all that our fighting men had won in World War II at great sacrifice.

For the past several years our responsible military men have been required by the administration to support budget requests before the Congress which their professional training warned them were not adequate to the safety of this Nation. The pushing around we have taken in Korea is one of the results of this gag policy.

Now once again the administration is gagging a patriotic soldier, who sees the danger facing our Nation in the Far East, and wants to warn our people before it is too late.

It now appears that the only way in which the truth will be known is for the American people to elect a Congress that will make some real investigations without fear or favor, and will be prepared to recommend impeachment proceedings where the facts justify.

It is now obvious that those who have a vested interest in our past mistakes and bankrupt far-eastern policy intend to pursue their way as far as they are allowed to by the Congress and the citizens of this country. A solemn referendum by the American people on our far-eastern policy—past, present, and future—is now an urgent necessity.

A REAFFIRMATION OF LOYALTY TO THE NATION BY THE GRAND MASTERS OF PRINCE HALL MASONS

Mr. LUCAS. Mr. President, the Conference of Grand Masters of Prince Hall Masons presented to President Truman on August 17, 1950, a statement reaffirming the loyalty and devotion of Negro Masons of America, and restating their unadulterated opposition to communism. Thirty-two of the Nation's 39 Prince Hall grand lodges were represented at Boston, participating in the program to commemorate the one hundred and seventy-fifth anniversary of Negro Masonry. I ask unanimous consent to have placed in the RECORD the reaffirmation of loyalty to our Nation as proposed and adopted at the Conference of Grand Masters of Prince Hall Masons.

There being no objection, the reaffirmation of loyalty was ordered to be printed in the RECORD, as follows:

A REAFFIRMATION OF LOYALTY TO OUR NATION

BOSTON, MASS., *August 17, 1950.*

From: Conference of Grand Masters of Prince Hall Masons.

To: The President of the United States.

The Conference of Grand Masters of Prince Hall Masons of America, assembled in historic Boston to commemorate the one hundred and seventy-fifth anniversary of the birth of Prince Hall Masonry and to receive renewed inspiration through a visit to Prince Hall's grave, located in Copp's Hill Burying Ground, and to strengthen anew our love for liberty and freedom by viewing the original charter issued by the Mother Grand Lodge of England to Prince Hall and 13 other Negroes of Boston in pre-Revolutionary days, hereby reaffirms its loyalty and devotion to all of those principles that were exemplified by America's first Negro Mason, a pioneer patriot, leader and soldier, and that were embodied in the lives, words, and deeds of our founding fathers.

We aver that America is great because she has striven continuously to reach and maintain those high ideals that are our cherished legacy. We submit that perfect adherence to those principles and ideals have not and do not obtain but we have faith and confidence that progress toward their full attainment, wherein all Americans of every color and faith will dwell together and labor together as brothers, is being made with increasing rapidity and convincing certainty.

Once again, our country finds itself embroiled in a conflict wherein our citizens must rally to the principles enunciated by our Chief, the President of the United States, in the matter of our fighting forces being now engaged in mortal combat in Korea.

It is clear to all thinking people that the issue is distinctly drawn and resolves itself to just this: Shall the world be dominated by communism or shall the peoples of the world be free to select the form of government they themselves like best, free from all fear of aggression, a police state, and ultimate slavery?

As Grand Masters of the various States of the Union and as chosen leaders of thousands of Negro Masons, we are ready and willing to do all that we can to enhance the all-out efforts of our Nation to put down tyranny and crush the arch enemies of democracy.

To further crystallize our actions and endeavors, we have designated Sunday, September 10, 1950, that day being the Sunday nearest September 12, which is the birthday of our noble and sainted progenitor, as Prince Hall Day and as an occasion for his legion of followers to assemble in communities throughout the land for the purpose of reaffirming their unyielding loyalty to America and its Government and to strengthen the fight for democratic ideals and practices, the real brotherhood of all free men being our goal. With the help of the Almighty, on whose side we are ever to be found, we shall come forth victorious.

CONFERENCE OF GRAND MASTERS OF PRINCE HALL MASONS,
AMOS T. HALL,
Chairman, Grand Master of Oklahoma.
WM. MCKINLEY NEWBY,
Secretary, Pennsylvania.

PROTECTION OF INTERNAL SECURITY—LETTER FROM ATTORNEY GENERAL MCGRATH

Mr. LUCAS. Mr. President, I have in my hand a letter from the Attorney General, the Honorable Howard McGrath, dealing with Senate bill 4037, known as the McCarran anticommunism bill. I ask unanimous consent that the letter may be printed in the body of the RECORD in order that all Senators may have an opportunity to read it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., August 26, 1950.

Hon. SCOTT W. LUCAS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I am writing to you concerning S. 4037, known as the McCarran bill, which will shortly be considered by the Senate.

As you know, sections 18, 19, 20, 21, and 23 of that bill generally embody the President's recommendations for strengthening existing laws with respect to national security. Sections 18–21 are derived from S. 595 (the internal security bill proposed by the executive branch) which as H. R. 4703 has already passed the House of Representatives by an overwhelming vote. These sections considerably broaden and tighten up the espionage laws, extend the statute of limitations under the espionage laws from 3 to 10 years, extend the Foreign Agents Registration Act to cover persons with foreign training in espionage or sabotage, and give to the Secretary of Defense broad powers to issue regulations protecting defense installations from sabotage.

The provisions which I have described conform to the President's recommendations except in one important respect. Section 21 of S. 4037 (the McCarran bill) omits a provision of S. 595, as passed by the House, which would have authorized the President, in time of war or national emergency, to extend the antisabotage provisions of that section "to such property and places as the President may designate * * * in the interest of national security." The restoration of this provision would serve the important purpose of enabling the President to provide for the exclusion from any industries or facilities relating to the national security of any persons suspected of a purpose to engage in sabotage or espionage. You will note that H. R. 9490 (another version of the Mundt-Ferguson provisions) as recently reported by the House Committee on Un-American Activities, provides for the exclusion from employment in defense plants designated by the Secretary of National Defense of any person who is a member of a Communist-controlled or Communist-front organization registered or required to register under what is section 7 of S. 4037 (the McCarran bill). As I shall point out, these registration provisions will not be operative for a considerable time, if ever. What is needed is authority to take preventive action against the specific danger of sabotage without prolonged legal proceedings. The authority requested by the President, and which I hope will be restored in S. 4037, will provide the tools for this necessary job.

Section 23 of the McCarran bill is derived from H. R. 10 (the Hobbs bill) and deals with the problem arising out of the fact that many aliens under final orders of deportation cannot actually be deported because no other country will receive them. Section 23, in accordance with the President's recommendation, provides the Attorney General with new powers of supervision over such aliens which in my judgment will be sufficient to cope with the problem. As you know, the President in his recent message to the Congress strongly opposed any provision for the indefinite detention of such aliens. I should also like to add that in my opinion the provision for criminal penalties recommended by the President, and set forth in section 7 of S. 4061 will be more enforceable than the corresponding paragraph (c) of section 23 of S. 4037 (the McCarran bill) and I urge that it be substituted for the latter provision.

With these changes, sections 18 through 21 and section 23 of S. 4037 (the McCarran bill) will embody all of the recommendations of the Interdepartmental Intelligence Committee consisting of representatives of the military intelligence services and the Federal Bureau of Investigation. If enacted into law, they will provide the additional weapons which we need to deal with fifth-column tactics, while leaving intact our constitutional liberties.

Sections 1 through 17 of S. 4037 embody the provisions of S. 2311, better known as the Mundt-Ferguson-Johnston bill. Since I am sure that you are familiar with the constitutional problems posed by these provisions, I shall only state that in my judgment they will be completely ineffective to accomplish their purpose. They will be ineffective because the registration provisions, upon which most of the other provisions are hinged, will not apply to any Communist organization until after prolonged administrative and judicial proceedings. When, finally, an organization is required to register, it will in all probability dissolve itself, then reappear with a new name and new officers. Even if this registration process could be made effective, most of the penalties which would be imposed upon registered organizations and their members would be superfluous in that they are already applied under existing law. Communists and fellow travelers are already excluded and removed from Federal employment under the President's loyalty program, the State Department denies passports to Communists, and the Bureau of Internal Revenue withholds tax exemptions and deductions from subversive organizations and their contributors—and all this without going through the cumbersome procedures of the Mundt-Ferguson provisions. Thus, the new result of these procedures will be meager in contrast with the staggering and perhaps futile enforcement burden which would be placed upon the Department of Justice.

Also, I wish to point out that section 22 of the McCarran bill, embodying the objectives of S. 1832, would change the laws governing the exclusion and deportation of aliens in respects that will probably create serious problems in the conduct of our foreign relations. I trust that these proposed changes will receive the most careful consideration.

Finally, it must be assumed that these provisions will have the effect of hastening the present tendency of the Communist Party to go underground. In this connection, I wish to call your attention to a paragraph contained in the Department's report to the Judiciary Committee of the Senate on an earlier form of this legislation:

"Outlawing of the Communist Party appears to this department to be unwise, even if doubts as to the constitutionality of such a step were removed. Outlawing would materially increase the Department's problem of law enforcement. Whereas the Communist Party, to some extent, now operates on the surface, if this bill becomes law it will be forced underground where surveillance of its activities will become increasingly difficult. Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation of this Department, in his testimony before the House Un-American Activities Committee in March 1947, admonished that he would hate to see a group that does not deserve to be in the category of martyrs have the self-pity that they would at once invoke if they were made martyrs by some restrictive legislation that might later be declared unconstitutional."

The present world situation requires the prompt enactment of practical and constitutional legislation which will give to the Department of Justice adequate weapons to deal with the precise dangers which we face, while preserving our traditions of personal liberty. We in the Department favor the general purpose of this type of legislation, but we do not feel that there is time enough remaining for novel experiments in law enforcement over a period of years, with doubtful, meager, and inadequate results.

Yours sincerely,
J. HOWARD MCGRATH,
Attorney General.

PROMOTION OF VETERANS IN FIELD SERVICE OF POST OFFICE DEPARTMENT—VETO MESSAGE

Mr. JOHNSTON of South Carolina. Mr. President, I do not see the majority leader in the Chamber at the moment, but I wish to have brought up at the earliest possible opportunity the veto message on House bill 87. That bill has already been passed by the House of Representatives, over the veto, by a vote of 213 to 71. I hope the matter may soon be taken up by the Senate.

The VICE PRESIDENT. It cannot be brought up at this time, under the agreement in regard to procedure.

GENERAL APPROPRIATIONS, 1951—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a conference report on the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The conference report will be read for the information of the Senate.

The report was read.

(For conference report see pages 13458–13472, CONGRESSIONAL RECORD of August 24, 1950, House proceedings.)

Mr. McKELLAR. Mr. President, I move that the report be adopted.

Mr. BRIDGES. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee wish to be recognized now to speak on the conference report?

Mr. McKELLAR. Let me inquire whether the Senator from New Hampshire has any objection to adoption of the conference report.

Mr. BRIDGES. I wish to make a few comments on it, first.

Mr. McKELLAR. Of course; but let the report be adopted now.

Mr. BRIDGES. No; I wish to speak on it before it is adopted.

The VICE PRESIDENT. Unless the Senator from Tennessee wishes to speak at this time, the Chair will recognize the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, this is the conference report on the first over-all appropriation bill which the Congress has acted on. It naturally involved a tremendous task on the part of the conference committee. It is entirely conceivable that in such a huge over-all bill, touching so many subjects and relating to items, and containing so many figures, mistakes may be made. However, by and large, I think the conference committee has done an excellent job.

There are two items I wish to comment on, however. One is the so-called 10-percent-cut amendment, which was adopted by the Senate by a very substantial margin. That was the amendment offered by the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES], and some 35 other Senators. That amendment was agreed to in the Senate by such an overwhelming vote that certainly the Senate conferees should have given very special attention to the particular approach by which that cut was proposed to be made.

It was not a blank-check cut or a meat-ax cut, but the Bridges-Byrd amendment spelled out specifically how the cut was to be made and the specific exemptions which were to be granted for certain agencies and departments mainly of a defense and security nature. The exemptions exempted agencies which are of vital importance at this particular time.

However, the conference committee saw fit to ignore that approach, and, instead, agreed to an amendment which was proposed by one of the House Members, which is a meat-ax approach, a blank-check, and everything which many Members of the Senate have been speaking against. It is a complete delegation of authority; it grants to the President and to the Bureau of the Budget complete blank-check authority.

I wish to point out that that is exactly contrary to the approach of the Byrd-Bridges amendment, which was supported overwhelmingly in the Senate. I regret very much that the Senate conferees saw fit to yield on a very important matter of principle in that connection. As the ranking Republican member of the Senate Appropriations Committee, and as a member of the conference committee, I could not concur in the action taken by the conference committee on that item, and I did not agree to that part of the report.

Let me call attention to another part of the conference report, as agreed to by the conferees. I refer to the elimination of the appropriation for the Children's Fund. I stood on the floor of the Senate and spoke and voted to cut the appropriation for the Children's Fund 10 percent in line with my general desire to make such cuts. The Senate, in its wisdom, by a record vote, defeated the attempt to cut the Children's Fund appropriation 10 percent; the Senate was not willing to cut that appropriation even 10 percent. Yet the conferees have eliminated the item entirely. If the Senate was not willing to cut the item 10 percent, how can the Senate conceivably agree to cut the item 100 percent—in other words, to eliminate it?

These are some of the inequities of the conference report.

However, by and large, I think the conferees have done a good job. I think the work they undertook on this over-all appropriation bill was most difficult, and I think generally speaking they should be commended. Nevertheless, there are certain inequalities and inequities in the situation of which I think the Senate should be aware when it acts on the report.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. SALTONSTALL. Will the Senator describe briefly what the conferees did with regard to the Bridges-Byrd amendment?

Mr. BRIDGES. They eliminated the so-called 10-percent cut proposed by Bridges-Byrd amendment, which was adopted by the Senate by an overwhelming vote, and substituted an instruction to the executive branch of the Government—namely, the President and the Bureau of the Budget—to cut $550,000,000 from the fund. Under that instruction, they could cut it anywhere; for instance, they could cut the appropriation for the armed services if they wished to do so, and if they deemed that such a cut would not be harmful to the national defense, or they could cut the appropriations for the FBI or for the Bureau of Internal Revenue or for any other agency or function of government. In this respect the action by the conferees proposes a wide delegation of authority, a blank check. That is what I object to.

Mr. SALTONSTALL. From reading the newspapers, I do not understand that the President or the Bureau of the Budget would have to make the cut; my understanding is that it would be somewhat discretionary on their part.

Mr. BRIDGES. I believe the cut is mandatory, but if the cut is not mandatory, then the amendment is worse than I have stated. I assume from its wording that it is mandatory that the cut be made.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. SMITH of New Jersey. From reading the press, I understood that the conferees had specifically cut the ECA appropriation $200,000,000; or was that left to the discretion of the President?

Mr. BRIDGES. No; the conferees cut the ECA appropriation $200,000,000. The Senator from New Jersey will recall that in the Senate he made a successful fight to exempt the ECA appropriation from the 10-percent cut; but in the conference the ECA appropriation was cut $200,000,000.

Mr. SMITH of New Jersey. Two hundred million dollars more than the appropriation was as the Senate left it?

Mr. BRIDES. Yes.

Mr. SMITH of New Jersey. In other words, the conferees have cut that appropriation an additional $200,000,000. Is that correct?

Mr. BRIDGES. Yes.

Mr. SMITH of New Jersey. I should like to call attention to that fact for the record, because later it may be necessary for the ECA to make a further request for appropriations.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. ROBERTSON. With respect to the Children's Fund, is it not true that it is the only international cooperation fund for which the local contribution has been far more than our contribution?

Mr. BRIDGES. Yes.

Mr. ROBERTSON. When we put up $25,000,000, for instance, $100,000,000 has been contributed from other sources, and that fund has taken care of approximately 3,000,000 helpless children.

Mr. BRIDGES. I believe the Senator is correct.

Mr. LANGER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from North Dakota?

Mr. BRIDGES. I yield.

Mr. LANGER. In the event the conference report is agreed to, can the distinguished Senator from New Hampshire tell us what will be the net result in dollars by way of a reduction in the recommendations of the Budget Bureau?

Mr. BRIDGES. I do not have the exact figure in mind, but it is over $2,000,000,000. The specific cuts, I may say to the Senator from North Dakota, total $1,640,000,000-plus, and in addition thereto a reduction of $550,000,000 is authorized. So the appropriations would be some $2,000,000,000 below the budget estimates.

Mr. LODGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Massachusetts?

Mr. BRIDGES. I yield for a question.

Mr. LODGE. What did the conference committee do regarding the amount for technical and economic assistance to economically underdeveloped areas?

Mr. BRIDGES. It is my understanding that the conference agreed upon a sum of $15,000,000, and, from what I have read in the press, I understand that the House disagreed to that provision of the conference report and so it now restored the original figure of $26,500,000.

Mr. LODGE. So it has not been cut, then. Is that correct?

Mr. BRIDGES. The conference committee cut it to $15,000,000, and then, as I understand, under the further procedure, when the report was considered by the House, instead of accepting the

amount of $15,000,000 as recommended by the conferees, the House voted to overturn that item in the conference report and to restore the full figure.

Mr. LODGE. I should like to know about that, if the Senator will yield further.

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Massachusetts?

Mr. ROBERTSON rose.

Mr. LODGE. Mr. President, I should like to have the Senator from New Hampshire yield to the Senator from Virginia, if he can give the answer.

The VICE PRESIDENT. The Senator from Virginia is seeking the floor in his own right.

Mr. ROBERTSON. There are two matters connected with the report which I desire to discuss.

Mr. LODGE. I think it is an item that is utterly indispensable to making our foreign commitments effective.

Mr. ROBERTSON. Mr. President, I intend to vote for the conference report, but I desire to mention two items in it in which I have had particular interest. One has to do with the appropriation for civil functions. The committee recommended a figure to the Senate which was 10 percent below the Budget estimate. That is point No. 1. Point No. 2 is that the Senate adopted the Bridges-Byrd amendment and cut it another 10 percent. When it went to the conference it was cut $76,000,000 more. Then, in addition to that, a provision was inserted that no project under that title of the bill should be proceeded with unless the President certified it was a contribution to the national-defense program.

Mr. RUSSELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Georgia?

Mr. ROBERTSON. I yield.

Mr. RUSSELL. That provision relates only to new projects, not to projects which are under way at the present time.

Mr. ROBERTSON. It relates to the new projects, then.

Mr. RUSSELL. Yes.

Mr. ROBERTSON. Then, I wrote to the Chief of the Army and asked him to give me an answer as to what would have been the result of the 50 percent cut proposed by the Douglas amendment, had it been adopted. I voted against it, because I felt there were involved hydroelectric projects which could be brought into operation within the next year, which were highly essential to the war effort, and to stop which now would be poor economy from every standpoint. He wrote me that in his opinion if we had made a 50 percent horizontal cut across the board of all those projects we would have to pay liquidated damages to contractors, and we would have left unfinished construction so exposed to the elements that in his opinion there would have been no saving whatever by that cut.

But, the way we have operated, we do have a saving. We saved 10 percent on the Bridges-Byrd amendment. We saved $76,000,000, which was further cut, and we saved on all new projects in the bill, including some of those items about which I frankly had some doubt, which doubt I expressed in the committee. However, I do not have the controlling vote. They cannot be started unless the President certifies that they are essential to the defense effort.

So, Mr. President, I feel that those of us who believed in economy but who did not believe in the approach to it on this particular item advanced by the Douglas amendment, have been fully justified in the stand which we took.

The other item to which I desire to refer is the loan to Spain, which has created quite a bit of discussion. We provided that the Export-Import Bank was to make a loan to Spain of $100,000,000, and everyone knows that the bank has control over loans of that kind, to see how the funds are expended. The conference committee cut that to $62,500,000, and left the Senate provisions in the bill rather intact, except to this extent: The ECA is required to exercise the same type of administration and supervision over the use of this fund that is used in any ECA country.

Why did I vote for a loan to Spain? I believe in democracy. I believe in the system of private enterprise. I do not believe anyone more firmly believes in that than I. My colonial ancestors left the Church of England to join with Thomas Jefferson in America in the fight for religious freedom. They joined a Baptist church, and we have been Baptists ever since. We believe in religious freedom of every kind, and in complete separation of church and state. But what was the situation which confronted us? We spent untold billions of dollars and the flower of our youth on foreign battlefields to win a war against aggression. Did we win the peace? We did not. Then, when our constituents said, "Bring the boys home. Bring the boys home" we brought them home. We demobilized the greatest army we had ever had, and the greatest Navy the world has ever seen. Then one of our allies, Russia, would not allow us to have a peace in accordance with the Charter of the United Nations, of which she was a member. We set out to buy the peace. We put $22,000,000,000 into a program and into an effort to buy the peace. Still we did not get the peace.

So what were we then forced to do? We were compelled to add some $20,000,000,000 to an already burdensome defense program and to add $4,000,000,000 to the Atlantic Pact nations. We urged Mr. Hoffman to channel ECA funds as far as possible into military preparedness instead of business as usual in western Europe. We did not stop there.

What else did we do? We made our plans to win the peace. We made an Export-Import Bank load of $20,000,000 last year to Tito, and we made another Export-Import loan of $20,000,000 to him this year. Then I called the president of the Export-Import Bank and said, "Did you get any collateral for the loan to Tito?" "Why," he said, "of course not." I said, "You made it on the faith and credit of Yugoslavia?" He said, "Of course." I said, "Do you think you will get that loan repaid if Russia moves against Tito and overruns and controls Yugoslavia?" "Well," he said, "I do not know." I said, "You ought to know, because you ought to know that one of the first things the Communists did in Russia was to repudiate every obligation of the Czarist government." They never paid a nickel of it that was due. They never paid anything that was due us from Russia in World War I. And, of course, they are not going to pay a nickel of this. Why then was the loan made to Tito? If it had any validity, it was because Tito had said to the Politburo, "If you start to cross my border, I am going to fight—and we have something to fight with."

Is Tito an exponent of representative democracy? He is as much a Communist dictator as anyone who can be named. I visited in Spain last fall. There is a great deal more personal freedom in Spain than there is in Yugoslavia. I could circulate anywhere in Spain. As a matter of fact, I said to the Prime Minister of Spain, "The treatment which you have given my Baptist and Methodist friends over here is a stumbling block to closer unity between Spain and the United States." He said, "You have my permission to visit anywhere in Spain. You may investigate every alleged act of intolerance, and," he said, "when you come back, I will take your word and the word of your Baptist missionaries for what is done over here."

I replied, "Mr. Prime Minister, I do not have an opportunity to make that investigation, but I certainly appreciate your willingness to let me make it." Do Senators think that Tito would let me make an investigation of what was done to Archbishop Stepanic and to the other of the Catholics in Yugoslavia? Of course he would not. Do Senators think there is any comparison between the situation in Spain and what has been done in the way of religious intolerance in Yugoslavia? Of course not.

But we accepted the credit risk of Yugoslavia, because we thought Tito would fight the Russians if they tried to cross his border.

Anyone can draw any distinction he pleases between a dictator in Yugoslavia and a dictator in Spain. I cannot draw such a distinction. I found in Europe that the Communists in Italy and in France—and they total approximately 4,000,000—were so bitter against Franco because he destroyed communism in Spain that they prevailed upon those nations to sponsor a resolution in the United Nations that we would not recognize Spain or have anything to do with that nation, that we would treat her as an outcast. We went along with that program.

Last winter the Secretary of State told me that he was planning to pull away from that agreement. I now understand that he does not plan to pull away from it.

I was recently at the White House, and the President had some remarks to make about those who voted for a loan to Spain. I said, "With all due deference,

Mr. President, we have 92 employees in the Embassy in Madrid, and there is no one to speak over there on the level of a cabinet officer. We have a full staff in Yugoslavia. We recognized Yugoslavia and made a loan to her."

Let those who please draw a distinction. I am for taking steps to meet the Communist aggression. I intend to support the McCarran bill with such appropriate amendments as I think will be adequate, and I hope we shall consider that bill as soon as the other "must" bills are completed. We must combat communism on our home front.

I rejoice in our support of Greece, because Greece fought the Communists and won, and I think, if necessary, she will fight them again. I was very much encouraged when I was in Oslo and found the indomitable, irrefragable spirit of the Norwegians against communism. They will stand up and fight to the last man. When I went to Madrid and asked about Communists, I was told, "If there are any of them here we do not know where they are. They are underground, if they are here."

If Spain will not fight against communism, no one will fight against communism. When we are pouring out billions of dollars to stem the tide of future communistic aggression, let those who will draw the distinction between furnishing funds to the Communists in Yugoslavia to help them make their fight and denying funds to the anti-Communists in Spain, who have more men under arms today and a larger potential of men than Tito ever hoped to have. There are between 300,000 and 400,000 men, well trained and equipped soldiers, in Spain, and a million men could be brought to the colors and trained within 6 months, if they had the support of planes, tanks, and the heavy artillery they need. Certainly the Pyrenees are a barrier that will not be easily crossed.

I heard over the radio that regardless of what we do, the President claims the right to impound any money we appropriate. I do not challenge that right. If, after Congress appropriates funds, he sees fit to decide that he is not going to spend a nickel of the amount, that will be his responsibility. Spain may never get any of this money and we may never receive any help from Spain. Some day we may be on the battle front in western Europe fighting the onrushing tide of communism and wanting allies who have been receiving not $62,500,000, but hundreds of millions of dollars of ECA money, and they may say "Gentlemen, we prefer to be neutral. We are so sorry, but we can not put our cities in this situation. Please count us out."

If anyone thinks we have bought lasting friends with ECA money, he should go to Europe and take a quick look at the situation. I have been in favor of voting ECA funds because I felt that if we did not give the western European nations rehabilitation funds, the propaganda put out by the Communists would sway so many poverty-stricken people that they would yield to it. It is not poverty, as someone recently pointed out, that makes Communists. We can go to some of the mountain areas in Virginia where the people do not know what $250 cash means, but they would fight, until their gun barrels got hot, for freedom and against communism. We are dealing in Europe with many people who have never known real freedom. We have tried to sell them a conception of democracy and the enterprise system which they do not know anything about. I have been saying that if we tried to sell them the principles of the Christian religion, on which our democracy is founded, they would know something about it. We do not have to tell them the meaning of God or of the ethical principles of the Bible which the Communists seek to destroy.

But the point I make, Mr. President, is that we spent approximately $2,000,000,000 in a program of trying to buy friends and trying to buy peace, and it did not work. Therefore I exercised the privilege, with other Members of the Senate, to use my best judgment as to how to appropriate future funds in a struggle in which our destiny and our future are vitally concerned.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. BYRD. Mr. President, I am in complete agreement with the statement which has been made by the Senator from New Hampshire [Mr. BRIDGES] in regard to the fact that the Senate conferees apparently made little effort to secure the rentention of the amendment adopted by the Senate by an overwhelming vote to reduce nondefense spending by 10 percent. This amendment was very carefully prepared. It was prepared after consultation with the Budget Bureau, with the Comptroller General, and other officials of the Government. It was so prepared that it required a 10-percent reduction in nondefense spending by each department. Instead of that, the Senate conferees have agreed to an amendment suggested by the House which permits the President to cut nondefense expenditures by $550,000,000, approximately the same reduction which would have resulted from the Bridges-Byrd amendment. Under the provision now contained in the conference report the President can in the case of any department of the Government use a meat ax and cut those things he does not like, or, perhaps, hold the power given him as a threat over the heads of Senators in connection with appropriations in their own States, such as those for rivers, harbors, and other public improvements. He can suspend the construction of public works and say that it is the result of the reduction contemplated by the conference report.

Mr. President, I am very sorry that the Senate has abdicated in this matter. I think Congress should say where its appropriations are to be cut. The amendment which was proposed and adopted by the Senate was effective and workable, and was so declared by the Budget Bureau. It would have accomplished the desired result and we should still have retained control of the purse strings, which is the duty of the Congress.

Mr. BYRD subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared in defense of an omnibus appropriation bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD IN DEFENSE OF THE ONE-APPROPRIATION BILL

The Congress today, has completed legislative action on what may be regarded as the complete regular appropriation side of the Federal budget. This was accomplished in the first consolidated appropriation bill of modern history.

The last of the 11 appropriation bills required for the expenditure budget for fiscal year 1950 was not passed until October 29, 1949. The consolidated bill for fiscal year 1951 embracing virtually all of the appropriations for the current year, except those incident to the unanticipated Korean outbreak, is ready for the President's signature two full months ahead of the budget completion date last year. At this date last year less than half of the 1950 appropriations had been enacted.

As an advocate of the consolidated appropriation bill procedure, I cannot refrain at this time from remarking on the record that Congress has made in the first year of its operation. Actually the single appropriation bill this year accomplishes what was done last year in 11 separate and virtually unrelated supply bills. With the exception of the interest on the debt and some other permanent and indefinite appropriation items the single appropriation bill this year embraced the appropriation objects covered by Presidential requests in January totaling $34,800,000,000 including contract and loan authorizations and reappropriations. As the bill goes back to the President, the total has been reduced by $2,000,000,000, the largest reduction yet made in an appropriation bill.

In contrast Presidential requests covered by the 11 separate bills last year totaled $38,800,000,000 and congressional action, spread over 10 months resulted in increasing the aggregate by nearly $100,000,000.

Last year the actual debate on the 11 bills in the House and the Senate totaled 290 hours in the aggregate. This year actual debate on the single appropriation bill in the two Houses totaled 236 hours; a reduction of 54 hours.

Last year 292 Members of the House and Senate participated in the debates on the 11 bills. This year 308 Members of the 2 Houses participated in the debate on the single appropriation bill; an increase of 16.

From the RECORD there is no way of computing the Members on the floor at all times when a bill is under consideration, but the RECORD does show that the average number of announced absentees on days during which the 11 appropriation bills of last year were under debate in the Senate was 14. Absentees announced on days when the single appropriation bill was debated this year averaged the same number—14.

In summary, the record shows that enactment of the single appropriation bill this year required less time, promoted fuller participation and resulted in savings rather than increases.

These statements are based on examination of the RECORD itself and they are submitted in the nature of a factual reply to criticism which may be summarized by the remarks of the majority leader of the Senate, who, at the conclusion of the debate on the single appropriation bill, August 4, 1950, (column 3 of p. 11821 of the RECORD), said:

"When the Congress convenes next year I think it will seriously consider the repeal of the rule which provides that an appropriation may be considered in one package. I am convinced that, as the result of the ex-

perience we have had this year, the work we are now going through has saved no money, so far as decreases in appropriations are concerned. I am convinced that we have consumed more time than was necessary in handling this appropriation bill collectively than would have been consumed had we considered the bill in separate categories. I have talked with many Senators and have found none who disagreed with this particular thought."

As a sponsor of the resolution for the single appropriation bill procedure which was approved by unanimous votes in both the Senate Rules Committee and the Senate itself, I would not expect the majority leader to have included me among those to whom he talked in an effort to find agreement with his view that we should seriously consider changing the procedure. Of course I know that the single appropriation bill required changes—changes in committee procedure, changes in committee staff work, changes, in some cases, in committee and subcommittee organization, changes in preparation of the bill and report, and changes in the management and presentation on the floors of Congress. And I know that changes in long established customs are the most difficult changes to make. But I believe in this case, the record shows that the changes have been good and progressive in all of the aspects involved.

I believe especially they have been in the interest of more intelligent consideration of the budget by the Congress, individually and collectively. I dare say more Members of Congress know more about what is in the budget this year than at any other time since World War I, when the budget first began to assume colossal proportions.

Contrary to the views which were found by the Senate majority leader, the chairman of the House Appropriations Committee, who more than anyone else in Congress has the responsibility for appropriation legislation, on June 20, after he had steered the single appropriation bill through the House Committee and the House itself, said "the single appropriation bill offers the most practical and efficient method of handling the annual budget and the national fiscal program. Judged by our experience there is no legitimate reason which can be advanced against it. Conversely, there is every reason for the consideration of all appropriations in one bill. The consolidated bill is in conformity with the best business thought of the Nation. It is supported by the weight of public opinion. It has been approved by metropolitan newspapers in every section of the country."

These are quotations this year, after he had worked with the single appropriation bill, by the chairman of the House Appropriations Committee. He summed up his remarks on experience with the single appropriation bill, in contrast with his long experience with the old methods to which the majority leader of the Senate, would return, by saying:

"It is inconceivable that the Congress should consider taking a backward step reverting to multiple supply bills. They are the quill and pen and the three-legged stool in an adding-machine age. They are the oxcart and the kayak in a jet-plane era. The decision on the applicability of the one bill to modern budgetary conditions determines whether under our form of Government the representatives of the people can control national spending or whether they will continue on down the rapidly accelerating declivities of the road to unbalanced budgets and mounting national debt."

These quotations from the Hon. CLARENCE CANNON are taken from the beginning and the end of his June 20 estimates of the value of the single appropriation bill. In between he refuted every criticism that has been made of the new procedure.

As to the charge that the single appropriation bill opens the way for more partisan manipulation of the budget, Mr. CANNON said: "Neither party can possibly gain or lose any political advantage except by making it in any case an instrument for carrying out more completely and more effectively its platform pledges for economy and better administration."

Chairman CANNON's answers to other criticisms may be paraphrased as follows:

1. The single appropriation bill provides a means of proper and orderly retrenchment through better allocation of funds.

2. The single appropriation bill permits earlier reporting of the appropriation recommendations in the aggregate. (The House had the full appropriation bill before it on March 21.)

3. The single appropriation bill lends itself to better organization of subcommittee, and committee staff organization, with the result of a more thorough consideration and processing of estimates and appropriations. The effect was demonstrated by the relatively few changes made in the committee recommendations found by the House to be necessary.

4. The single appropriation bill, lending itself to a more complete and comprehensive understanding of the fiscal situation, protects the bill against ill-conceived and poorly drafted amendments.

5. The chairman of the House Appropriations Committee found that the single appropriation bill tended to keep members on the floor during its consideration.

6. He emphatically refuted the contention that the single appropriation bill would be conducive to increased log-rolling. Actually, he said experience with the single appropriation bill this session demonstrates that it effectively disposes of the old system of log-rolling so prevalent in the consideration of individual departmental bills.

7. The House chairman said the single bill visualizes at a glance the outline of national income and expenditures and centers the attention of the country on the national fiscal program. "It was the pitiless limelight of national attention concentrated on the final votes" he said, "that offset the pleas and importunities of the pressure groups and special interests."

8. He said that the single appropriation bill procedure eliminated the practice of a dozen or more subcommittees, working in their segregated corners of the budget, spending in the dark.

9. He said the single appropriation bill, in itself, tends toward the elimination of conflicts, duplications and overlapping expenditures.

10. He said the single appropriation bill discourages the practice of attaching irrelevant riders either in committee or by floor amendment.

11. The House chairman disclaimed the contention that the Senate must mark time until final action on the single appropriation bill is taken by the House. On the contrary, he said, under the new system the Senate may begin work much sooner than before—within a week or two after the session opens—because the House subcommittee transmit to the Senate committee the printed hearings as they progress.

12. As to the item veto objection, Chairman CANNON first referred to the constitutional question involved and then said the item veto could be used on the single appropriation bill as well as on the separate bills and that the veto power would be stronger on the single bill than on any of the separate bills because operation of virtually all of the Government instead of a relatively small segment would be involved.

13. Chairman CANNON said the most untenable of all the objections to the single appropriation bill was that it was unwieldly. To this he replied the experience of every major nation in the world and every State in the Union belies such criticism.

. These are the views, based on experience with both the old system and the new, of the man who has the prime responsibility for appropriation legislation in Congress.

Anything I would say, of course, would be anticlimatic. But in my humble judgment the Congress has done a better, a more thorough and a more intelligent job on appropriations this year than at any time since I have been privileged to be a Member of the Senate. That goes for the membership of the committees as well as the full membership of both Houses. . I think the procedure has been more orderly, the debate more complete and enlightening, and the action has by far been based on better consideration as a whole.

I believe the public has a better comprehension of the task involved, that it has a better appreciation of the problems which have to be solved, and that it, too, has benefited from the more intelligent debate.

This in itself is progress. I believe that we would have come close to producing a balanced budget, despite the President's January requests for $5,000,000,000 of deficit financing, if it had not been for the outbreak in Korea.

I believe under normal conditions, with the single appropriation procedure we can do a better job, a more intelligent job, and balance the budget with less time consumed and a fuller participation in debate. It is certain that it would have been impossible to write $2,000,000,000 of reduction in 11 regular appropriation bills scattered hit and miss over the 8 months since January.

Even if it had taken half of an entire session to pass the appropriation bill, the time and the effort and the study would be fully justified, for the budget of the United States is the biggest fiscal operation on earth. And without sound financial conditions in this Government there can be no hope for the preservation of our freedoms, or security against invasion.

Mr. WHERRY. Mr. President, I concur in the remarks made by the distinguished ranking minority member of the Appropriations Committee [Mr. BRIDGES] and also in the remarks just made by the distinguished senior Senator from Virginia [Mr. BYRD], with reference to section 508 of the conference report. I do so as a Member of the Senate and as one who sat as a conferee attempting to iron out the differences confronting the Senate and the House.

The so-called Bridges-Byrd amendment was worked out over many weeks. It provided a sound formula. If we are to make cuts in appropriations from now on, I doubt if we could find a formula which would be more practical than the one that was submitted. The Bridges-Byrd amendment, calling for a 10-percent cut was adopted by the Senate by an overwhelming majority. Under it the responsibility would be placed squarely on the Congress. We would not have delegated the authority. I remember the complaint that was made a year ago by columnists throughout the country. They said, "This is a meat-ax cut. You are simply squirming out of your responsibility and putting it on the shoulders of the President." Yet here we are supplanting the so-called Bridges-Byrd formula with the old meat-ax formula. That is exactly what is being done. The power is delegated to the President to make the cuts where he pleases. Granting that he would make them and get the most efficient economy possible, yet it is very

difficult to do the job. It is very difficult, indeed, because the bill contains one chapter here, another chapter there, and various subsections in the chapters. They were all gone over very carefully, and the Congress accepted the full responsibility and told the Bureau of the Budget and the executive agencies where to make the cuts percentagewise. That constituted a sound formula. It was adopted, as I said before, by an overwhelming vote of the Senate. Now it has been taken out in conference. That is to say, there was no agreement on it because of the pressure to pass the appropriation bill. It was said "We must pass the appropriation bill out. If you hold it out any longer, this and that will be jeopardized."

If the conference report is adopted, I trust that the membership of the Senate will remember that the formula we are adopting is the old meat-ax formula. The cuts will be made by the President through his executive agencies, and they will be made where and when he wants to make them. He takes the full responsibility off the shoulders of Congress under a delegated authority. It is contrary to the basic theory of the Byrd-Bridges amendment, which I think would have been most successful in application.

Mr. President, no doubt the conference report will be adopted. There are other things about which I might comment, because I worked very diligently with the committee. I voted with the Senator from New Hampshire to strike out section 508, because I felt that if cuts are to be made, they should be made under the formula, not in the manner in which they would be made under the conference report, with instructions to the President to cut approximately $550,000,000 from appropriations which now total, or will total, when we add the supplemental deficiencies to the omnibus appropriation bill, in the neighborhood of $60,000,000,000.

Mr. President, I hope when the Committee on Appropriations does its work in another year, the program which was industriously worked out by the members of the committee will not be disregarded. If it were not for the fact that apparently there is much anxiety about having the appropriation bill passed, I think this would be one time when Members of the Senate would be justified in attempting to resist the conference report in order to strike out the provision delegating the authority to the President, and reinsert the Byrd-Bridges amendment. It seems to me that if we want to do the job and do it right, and provide a formula which can be used from now on, we should not disregard the formula, which we would surely do if we were to accept the conference report.

Mr. McKELLAR. Mr. President, I regret to hear my friends denounce the conference report and charge that the reduction is to be made with a meat ax. The committee took almost 10,000 pages of printed testimony. It heard practically everyone who wanted to be heard; no one was denied a hearing. The committee did not turn down the Bridges-Byrd amendment. There was all kinds of evidence about the Byrd-Bridges amendment. We took evidence on practically every item in the bill, which consists of nearly 500 pages—478 pages as I recall—and embraces many subjects. Meat ax? Oh, no. It is based on testimony. Since January 28, 1950, the committee has been diligently at work. It did not work for some weeks and then do nothing the next week, but it worked diligently every day and every week. Meat ax? Oh, no. That is ridiculous, Mr. President. I am astonished that my friends should complain about the Byrd-Bridges amendment not being retained and that the committee used a meat ax. What in the world would they want us to do? Let us look at the report. By how much did the committee reduce the appropriations originally contained in the bill? I have some figures before me.

The House bill as passed—I am making a recapitulation of the figures—appropriated $27,346,713,664. The Senate bill as passed appropriated $32,577,362,231. The conference action, as is usually true in conference actions, was a compromise. Incidentally, in this instance there was a real and free conference, not only in the opinion of myself, but in the opinion of many other members of the conference committee. The conference action provides appropriations of $32,253,455,425, which is under the amount in the Senate bill by $323,906,806. It is under the Budget estimate by $1,646,753,223. Does that look as though the committee had used a meat ax?

Let me tell the Senate something else. The Appropriations Committee worked from the 26th of January to the 28th of August, or approximately 7 months, in preparing the bill.

It is said we should have cut the appropriations 10 percent, and left them there. There is not a Senator in this body who would have done that; not one would have voted for such a thing. Would any Senator have voted to cut by 10 percent the amount required to pay the interest on our bonds? Would any Senator have voted to cut 10 percent from the amount going to our soldiers and sailors of the First World War, the Second World War, or any other war, who went forth to fight for the Nation? It is said the conferees excepted those items. They did except some, it is true. But what about a proposal that would take in everything, and make no exception?

This is the first unified bill we ever had. The chairman of the committee time and again said we were going to give the unified bill the fairest show in the world, and if the committee did not give the unified plan a fair show, then it is impossible to give it one, because we made every effort to do so. There was not a member of the committee who did not try to give it a fair show.

Before we went to conference, the House had abandoned the plan for a reduction to the extent of not including the ECA funds.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. McKELLAR. I will state the reason.

Mr. BYRD. I think the Senator should tell the whole story. The authorization bill had not been passed.

Mr. McKELLAR. That was the excuse for it; but it could have been put in just as easy as not.

Mr. President, that is not all. The House abandoned something else. Names were given for the various appropriations, like the "Army bill," the "Navy bill," the "Treasury bill," and the various other bills. The House changed those to "chapters," but the bills are virtually the same as before. The various appropriations are contained as "chapters," instead of being designated "Army bill," and various other bills.

Before I leave the subject of the 10-percent reduction, I wish to say that we have reduced the bill more than 10 percent. As I remember the figure, it is reduced by nearly 12 percent. It has not been reduced by guess, not by a formula that says it shall be reduced 10 percent whether the appropriation is good, bad, or indifferent. We have not reduced it in that way. We have taken proof, we have heard evidence on the bill, and after taking the proof and after cutting as much as we could, we had to make provision for war expenses. Some might have conceived that we would have a war, but I do not think all did. That changed the action of the committee to some extent. It should have changed it. We had to change it.

Mr. President, I am a realist when it comes to some things. Looking at both sides of the Senate, not leaving out the Republicans on the other side, I ask if there is a Senator who thinks we should not have increased the war items when requested to do so by the President after we got into the Korean war. If there is one, I would like to have him hold up his hand. I want to see what Senator would have reduced those items by 10 percent or any other percentage.

Under our rules, the committee hears the evidence and determines on the evidence what the appropriations shall be, and after we pass a bill we have a conference with the House. As I have said, we worked on this bill for more than 7 months and we worked on it daily, not merely when Senators happened to be in town.

While I am talking about what the committee itself has done, I wish to say a word or two about those in the employ of the committee, from Mr. Everard Smith on down to the last employee. I have never known the employees of a committee to do such outstanding work as has been done by the attachés of the Committee on Appropriations in this case, and I take my hat off to them. I would not say a word in criticism of any of them. I cannot agree with my friends who are so violently opposed to the conference report. I believe six or seven Senators already have spoken stating this was the most outrageous bill ever to be passed. These men are well-intentioned, but the members of the Committee on Appropriations are not violent characters one would assume they were from what has been heard from five or six speakers. They are fine men, and they want to do what is right,

and have tried to do what is right. As God is my judge, I have had but one idea, and that was to do the best I could for the people of the country. That has been emphasized as we met the unfortunate circumstance of being in war. We have had to increase the appropriations. We could not decrease them by 10 percent.

Mr. President, what has been the history of this body? The Senate has been in existence since 1789, and the committees have been in existence for that time. There is nothing in the law, there is nothing in the rules, providing that appropriations shall be reduced according to percentages.

My good friend the senior Senator from Virginia [Mr. BYRD] is seated just in front of me. He is one of the finest men God ever made; there never was a finer. I have known him since he was a youngster, and there is nothing but good I could say about him. But he cannot demonstrate that a straight cut of 10 percent would be a cure-all for the difficulties in which we find ourselves with regard to appropriations. They have to be investigated. They have to be examined. The committee has to take testimony. It has to know where to make a cut and where not to make a cut.

Mr. President, I am asking the Senate to stand by the committee. Of course, errors have been made by the members of the committee. I know errors have been made by the chairman of the committee. I freely confess to mistakes and errors. But we were trying to do our best for the country, and that was emphasized when the war unexpectedly came on. It was unexpected to me. I never dreamed we would be in a war. That made the condition worse and made the obligation on the members of the committee greater. I want to say to Senators who are for this bill and Senators who are against the bill that the committee has done its best to do what is right.

At this point I wish to read the remainder of the recapitulation to show what the committee has done. From what has been said about the committee's action one might think it had not done anything. One might think that perhaps the members of the committee had looked into the committee room occasionally, but had not really done anything. One would think our employees have not done anything. Mr. President, I wish to say that in all my life I have never seen any employees work like those of the committee.

What are the savings the committee has effected? I have the figures before me. I shall state first of contract authority. The amount carried in the House bill was $2,147,626,500. The amount carried in the Senate bill was $2,184,570,000. The conference action left the amount at $2,170,145,000. The reduction made in conference is $14,425,000. That is in contract authority alone.

In cash the total amount of the reduction made in conference is $323,906,806, which added to the contract authority reduction of $14,425,000, makes a total of $338,331,806.

We have taken $1,600,000,000 off the bill, and authorized the President to take off more. Some say we should not have done that. As a general thing, I should say it would have been better not to have done so. It was done this time, however, because the President wrote a letter to the Congress, which he gave out to the press, as well, in which he told us what he wanted to do. The Constitution says he must do so. He merely carries out his duty as President. He may be wrong. I do not know. Presidents are sometimes wrong. But certainly there is no reason in the world to think that he would disregard the wishes of Congress. The Congress said, "We will cut off 10 percent and give you authority to change the percentage if you want to." We have appropriated for the specific items. We have told the President what we wanted. It is going to be done, too. We all know that.

Those of us who have been here these many years, who have seen Presidents come and go, and some have even seen Senators and Representatives come and go, know how these matters are carried out. I believe that President Truman will do his duty. He did his duty when he was a member of the Appropriations Committee of the Senate. He was a member of that committee for a number of years. He is familiar with the committee, its operations, and the thoughts of the members of the committee. In my judgment, he wants to do the right thing.

I have seen a number of Presidents ever since President McKinley. I have seen President McKinley, President Theodore Roosevelt, President Taft, President Wilson—one of the greatest human beings I ever laid my eyes on, one of the most remarkable statesmen who ever walked these halls. I have seen President Harding, President Coolidge, President Hoover, President Franklin Roosevelt, and President Truman. I think every one of them was an honorable man and wanted to do what was best for his country.

Mr. President, I do not have much sympathy for abuse of men. Perhaps that is because I myself have received too much of it in my own life. But I think we could get along better perhaps by looking at things in a kindlier way. Sometimes it is necessary to use somewhat stern language, but it is not often necessary, and we should endeavor to avoid the use of such language as much as we can. Why should the Appropriations Committee be abused in view of the hard work it has done? We have passed on every item it was necessary for us to act upon. We have dealt with every problem with which we were confronted. We have heard every witness who desired to be heard. We have denied to no one the right to come before the committee and testify. Believe me, many witnesses came before us. There are 10,000 printed pages of hearings in connection with this one bill.

Mr. ECTON rose.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from Tennessee yield to the Senator from Montana?

Mr. MCKELLAR. I yield for a question.

Mr. ECTON. No, Mr. President. I wanted to make a few remarks.

Mr. MCKELLAR. I thought the Senator from Montana wanted to ask me a question.

Mr. President, I wish to say a word or two about some other matters. Much has been said about the Byrd-Bridges amendment. More has been said about that particular item than any other item in the bill. The Congress has never adopted such a method of dealing with appropriations. I know the Senator from Virginia so well and I know the Senator from New Hampshire so well that I know they want to save money, and that they honestly believe their method is the best way to save money. I have the same feeling as they do; that is, I want to save every dollar that can be saved. The bill resulted in saving more than $2,000,000,000, when all items are included. The bill was $2,000,000,000 under the budget estimate. It is not often a committee reports a saving of $2,000,000,000. Did anyone hear of that having been done before? Any Senator who has ever heard of the Appropriations Committee saving more than 2,000,000,000 in one bill let him hold up his hand. I do not see any hands held up. I did not see any hands held up a while ago when a similar question was asked. We have taken $1,600,000,000 off the bill and authorized the President to take off $550,000,000 more. The committee has saved more than $2,000,000,000 in this one bill, Mr. President. Why has that been done? It has been done because of a plan.

Mr. President, it is a remarkable thing that today we have reached the rather unusual situation in which a man cannot be a statesman unless he has a plan. We have the Jones plan, the Smith plan, innumerable plans. If a Senator is to be regarded as a statesman, he must have a plan. Let me say to the Senator from Virginia, whom I know affectionately as Harry, that I think that is one mistake he and I have made; I do not believe either of us ever has reached the point of having a plan. Under present circumstances, it seems to be obvious that a Senator cannot be a statesman unless he has a plan; he must have a plan. Similarly, legislation is not regarded as the kind of legislation it should be unless it is based on a plan; there must be a plan.

My friend the Senator from Minnesota [Mr. HUMPHREY] is looking at me now, and is smiling—delightful gentleman that he is. I say to him that he had better get a plan as soon as possible.

My good friend—I started to say my lifelong friend, for he is very nearly that—the Senator from Nevada [Mr. MCCARRAN], one of the handsomest and one of the best men I know, has a plan, does he not? He has been so successful that I am rather inclined to think he does have some plan.

Mr. President, not long ago I was talking to an outsider about the same thing. He said the mistake I have made in my official life has been that I never had a plan; and he pointed out that if a man is to be a statesman he must have a plan. I suppose that is so.

Of course, Mr. President, there are plans and plans—some of them very good, some not so good.

Although I have not had a plan, I wish to assure the Senate, Mr. President, in the presence of Almighty God, that I have had but one desire in connection with this bill, and that has been, and still is, to save as much money as possible and, at the same time, to provide the necessary funds in order to permit the Government to realize its ideals and to effectuate its policies to the greatest extent possible. I believe that has been the attitude which all of us have maintained, and certainly it has been mine.

The able Senator from New Hampshire [Mr. BRIDGES], who preceded me as chairman of the Appropriations Committee, is one of the finest men in the world. Despite all he has had to say about this measure, I think that inwardly he knows that this is the way to legislate, namely, to legislate item by item, to take the proof, to obtain the facts, and to legislate on the basis of the facts, not on the basis of guesses.

Mr. President, let us not legislate on the basis of percentages. Whenever I think of percentages, I think of my early days, when I had to borrow some money. I did not like percentages then because I had to pay a good deal more than is required to be paid in these days when a person borrows money. I never liked percentages then, and I am still not wedded to percentages. They are all right in a way, but I am not wedded to them insofar as legislation is concerned. I think we should be more reasonable, more accurate, and more aware of exactly what should be done so that we can deal in exact amounts rather than in percentages.

Mr. President, complaint is made because the conferees voted to provide a little more money for ECA—although we voted to reduce the amount by $200,000,000—than some persons thought should be provided. Some Members of Congress think we should reduce that amount by an additional 10 percent.

I wonder whether the Senators who now are listening to my remarks—and I thank them very much for doing so—remember that about a year ago I tried my best to have the Senate reduce the amount of the appropriation for ECA. I am in favor of the ECA appropriation carried in this bill because the Senate directed me to be in favor of it. The Senate voted for the largest amount proposed for that purpose, and so I have tried to do my duty, just as my friend who is sitting across the aisle—I refer to the Senator from New Hampshire [Mr. BRIDGES], who is smiling, as he always is—always tries to do his duty. The Senate will recall that a majority of the Senate voted against me in connection with that item, and a majority of my own committee voted against me then. After my own committee opposed me on the question of reducing our gifts to foreign countries, I accepted the judgment of my friends in the Senate, for this is a wonderful body, made up of wonderful men, and all Senators should stand by its collective judgment. I am not one of those who disbelieve in the Senate or who disbelieve in our form of government. I am not one who believes in a one-man government. In my opinion the time will never come when we have a one-man Government.

I am in favor of the United States Government as it is constituted under our wonderful Constitution. I held up my hand before Almighty God and took an oath forever to defend this Government of the United States, and I will always do so.

I think the Senate is a great body—although not because the Senate usually goes along with me, for actually the Senate usually goes against me. Many of my friends on the committee have voted against me at this time. Nevertheless, I know that the Senate does what it thinks is best for the Republic, and I commend the Senate.

Mr. President, there is another thing which I do not think should be done. I refer to the way some Senators voted in regard to the appropriation for Spain. I shall not go into the details of that matter, other than to say that the committee voted in favor of the proposal, and the House agreed to it, and the item is carried in the conference report. So I think it is our duty to uphold what has been done by the committee, by the House and by the Senate up to this time.

Mr. President, I hope to heaven this conference report will be adopted promptly. I was in hope that it would be agreed to very quickly, as quickly as I have seen many other conference reports on appropriation bills agreed to—in short, without any discussion at all. In fact, I was so much in hope of having that done that, as Senators know, I had not even prepared a speech on this measure.

A short time ago I was talking about the conference report to another member of the committee, and he wished to know how long I would speak on it. I told him I would not speak at all, if I could avoid doing so. He said, "I think the report will be adopted in about 45 minutes." Well, Mr. President, we have already been considering the conference report for over an hour now, and and we have not yet begun to vote on it.

Ordinarily the Senate does not take long to act on a conference report on an appropriation bill which has been thoroughly considered, a bill which the committee has gone over thoroughly, item by item, and then has reported to the Senate, and after the Senate has gone over all the items and has argued every one of them. Every one of the items which has been referred to in the debate today has been argued before this body and has been approved by this body by an overwhelming majority, and then has gone to the House, and the House conferees have agreed to it; and the House itself has agreed to all these items, with one exception, which I shall mention in a moment. Certainly the Senate already has voted in favor of these items. Under these circumstances, the Senate usually takes very prompt action on a conference report on such a measure.

By the way, Mr. President, one of the finest men I ever knew was a predecessor of mine. Some persons know him simply because he was General Pershing's father-in-law, but I knew him as Francis E. Warren, a Senator from Wyoming, an able and splendid man, conscientious to the highest degree. He served as governor of his State, and he served his people well and faithfully; he served them as few men ever did.

I have seen him do as I have done, when I attempted quietly to lay a conference report before the Senate and move that it be agreed to. I have seen Senator Warren time and again rise to say, "Mr. President, I submit the conference report, and ask for its immediate consideration"—and he got what he wanted. He would then say, "Mr. President, I move that the Senate agree to the conference report." Without objection, the conference report would be agreed to. Frequently I have seen conference reports agreed to without objection, though, of course, if any Senator opposed it and wanted a vote he could have a vote and be recorded as voting against it.

Mr. President, I wonder whether Senators knew that some of those who supported the bill seem now to be against it. I am not referring to my friend the Senator from New Hampshire [Mr. BRIDGES], because he told us when he signed the report that there was one item in it which he did not like, but he would sign the report because he thought the bill ought to pass.

Mr. President, this bill ought to pass. It is now nearly 2 months overdue. That, by the way, brings up something else. I wonder whether I can state it. In doing so I hope I may be able to state it without offense to anyone. Senators will remember that when early in the session the question came up of a unified appropriation bill—not 12 or 13 separate appropriation bills, as we had before that, but of combining them all in one bill—I did not favor it. We were informed by Members of the House that a unified bill would be passed by the House and sent to us for consideration by April 15, and that we would have 2½ months in which to pass it. It was not long until, judging from the newspapers, it appeared that it would be impossible for the House to pass it by April 15. June 1 was being discussed. First, it was thought it could be passed by May 15, I think it was, and then by June 1. I called upon our committee to begin work on it. We took testimony on the bill before it ever came to us. I was about to say we took tons of testimony—it was not tons, but there were 10,000 pages of it, all told. We began in January, and when we concluded, about April 15, we were informed it would be about May 1 before the bill would reach the Senate; which was later changed to May 15, then to June 15, and then to July 1. I think it came to the Senate about June 26. Am I correct in that? Mr. President, I believe this is the first time I have ever wanted to ask a question of one of our able assistants to the Appropriations Committee when they were not on hand. I see that Mr. Everard Smith is on hand. He is always on hand. He informs me the bill passed the House on May 10. But it reached the Senate later than that. I desire to be accurate in my statements, and if I am in error I shall ask to have it corrected. I have no desire to say anything except what is the truth.

Senators see how the unified bill works. I may say it has worked the Senate Appropriations Committee tremendously hard. But we have done our duty. I ask Senators, not as members of the Democratic Party or as members of the Republican Party, but as Senators to stand by the good work which the committee has done in cutting one bill—think of it—more than $2,000,000,000. I am very proud of that. I may be the only Senator who is proud of it. Other Senators may think it should have been cut less. It may be said we could have saved a great deal more than that by adopting certain rules. Yes, Mr. President, by adopting a rule, perhaps we could have saved the entire $34,000,000,000, the amount we are to appropriate this year. We could have saved the entire amount, not by cutting it 10 percent, but by cutting it all out.

Mr. President, I believe I have now said everything I wanted to say, except on the subject of Spain. Let me return to that for a moment. I have never talked to Mr. Franco. In fact, I have not talked with any of the men who control the affairs of other countries. But, in times gone by, when I did not have so much work to do, when I had a little free time after the courts had adjourned for the summer, I occasionally went to Europe. In fact, I went a number of times. I saw the people there. All their governments are very similar. Why should Spain be excluded? Why should we treat her differently from other European countries? I am not going to argue the question at all. A lady once wrote me a letter in which she gave me, if I may use the expression, "unshirted Hades" for favoring such a tyrant as Franco. I do not know Mr. Franco. There may be other Senators who know him, and if so, they know whether he is a tyrant; I do not know. I did not make my decision on that basis. I decided it upon the facts. I am a great believer in that. I know there were many people in the city of Memphis where I lived who sold goods to Spain. I took it up with them, and they informed me that the Spaniards paid their debts certainly as well if not better than the people of any other European nation. That is a pretty good recommendation. In these days it is an exceedingly good recommendation. I like people who pay their debts.

I was trying to reach a conclusion, and I did so. I believe that if we lend them money they will pay it back. We are not giving it to them; we are loaning it to them.

With that, Mr. President, I leave things to take care of themselves.

One other point, and I am through. It has been stated that there should be a horizontal cut. I want to have an experience meeting here. I wonder if there is a Senator listening to me—and there are a goodly number on both sides who, I think, are my friends—I wonder if there is a Senator in this body, including my very dear friend whom I see before me now, Mr. CORDON, who believes we should reduce expenditures by horizontal cuts. If there is such a Senator present, I should like to have him hold up his hand.

I see no hands held up.

In what do Senators believe? They believe, with me, that we should get the facts and pass upon the items of the bill, just as the committee did, and cut certain items.

I see my friend from Oregon looking at me rather quizzically.

Mr. CORDON. And approvingly.

Mr. McKELLAR. He is one of the ablest members of the committee. I want to take time to say that, Mr. President. He is one of the ablest men on the committee. I have told him, confidentially, of course, that if I should get into trouble, if I were ever prosecuted for any offense, I wanted to engage him as my lawyer so that I would be certain that he was on my side and not on the other side.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield. I yield to the Senator every day.

Mr. CORDON. The Senator from Oregon would suggest that this is the first time he has ever found the distinguished chairman of the Appropriations Committee off base.

Mr. McKELLAR. I shall take a chance on that. I have taken a great many chances in my life, and I shall probably take a great many more.

Mr. President, I have already consumed too much time. I say to those who are taking such a strong stand on the other side that they may be right and I may be wrong, but there is no chance to put through their plan this time. If there is anything in the plan, it will certainly be adopted in days to come. The appropriation bill is on its last legs. We have fought over it for nearly 8 months. Let it go through. Ordinarily, the chairman of a committee, when he presents a bill to the Senate, makes a speech about it, and he should do so. I have already done that. I had hoped that after the bill had gone through all the processes, when it came to agreeing to the conference report, there would be an agreement without debate. When I talked to my friend from Georgia [Mr. RUSSELL] it was his idea that it would take approximately three-quarters of an hour to agree to the conference report. I did not think it would take that long.

Mr. President, we should adopt the report now. It does not give the President any greater powers than any President has had. The statement of the President was in every way a proper and able statement.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The question is on agreeing to the conference report.

Mr. ECTON. Mr. President, I think we all appreciate what the very able and distinguished Senator from Tennessee has said. We likewise appreciate the long months of hard work which he devoted to the consideration of this bill. I do not believe there is any Member of the Congress who would even intimate that he did not think the Senator from Tennessee and his committee had done a good job.

Mr. McKELLAR. I thank the Senator.

Mr. ECTON. I want my very good friend to understand that what I am going to say is absolutely no reflection on him, on the members of his committee, or on any member of the conference committee, but I still do not like the conference report. I appreciate the fact that there are many thousands of words printed with reference to the appropriation bill. I also appreciate the fact that the Senator from Tennessee and his committee labored day and night listening to everyone, on both sides, with reference to the intended appropriations. I want to compliment them on their judgment and their recommendations. They made some splendid recommendations to the Senate, and the Senate supported them by a substantial majority on most of their recommendations. But what concerns some of us is that after they had devoted to the bill many months of consistent hard work, they felt they had to abdicate in conference.

I am not blaming them. I realize what they were up against. I realize they could not do anything else. But, Mr. President, I think it behooves us all to recognize now what happened in the conference committee and in the conference report. If we open our eyes we can really see bureaucracy in action behind what has been done.

I am not talking about the cuts on various items. I am going to talk about something about which I think I know a little bit, for it pertains to my own State. Otherwise I would have nothing to say. I believe in the importance of each and every man who represents a State knowing the problems which confront his State a little better than they are known by anyone else.

I express my appreciation to the distinguished Senator from Tennessee on the way he and his committee have always treated me in connection with the problems concerning my State when I have appeared before the committee and asked for consideration. I could not wish for any better attention or for any more wholehearted consideration than I have received.

Mr. President, I do not know whether we realize just what is happening in this country. We are going a long way toward a goal, and I think we shall be very sorry about it some time. Not only have the people been warned but time and time again over the years, and yet it is being said, "Oh, it cannot happen in America. This is America. It cannot happen here."

I believe the Senate of the United States recognizes what can happen and what might happen in this country. I congratulate the Senator from Tennessee and his committee again for making specific recommendations in the report which was submitted to the Senate on this bill some time ago.

At this time, the Reclamation Bureau is busily engaged in building numerous dams and making plans for building many more in my State. We have all been in favor of reclamation. We all recognize that the arid West must have dams, electricity, and new

acres of land brought under cultivation and under irrigation.

It has been recommended by the Senate time and time again that the Government should work in cooperation and in unison with private capital and private industry to help bring these things about.. The Committee on Appropriations has made such recommendations. Mr. President, if I may, I should like to read from the committee report at page 145. It relates to a power company which operates in Montana and tries to formulate a policy which Congress should follow.

The funds appropriated in the fiscal year 1950 were appropriated with the understanding that the funds would not be used by the Bureau if a wheeling agreement could be entered into with the Montana Power Co. whereby the REA's in the area involved could be supplied with power at the Reclamation Bureau rate. Such a wheeling agreement was not entered into and testimony at the Senate hearing this year was to the effect that the Reclamation Bureau felt it should build these facilities even though a wheeling agreement should be entered into with the Montana Power Co. On April 12, 1950, the Montana Public Service Commission approved a 5½ mills per kilowatt-hour rate for all REA's on the Montana Power Co. system, which rate is identical with the rate offered REA's by the Reclamation Bureau. Inasmuch as any savings to REA's in Montana resulting from the construction of the Havre-Shelby transmission line and substations by the Reclamation Bureau have been met by the new REA rate of the Montana Power Co. approved by the Montana Public Service Commission, the committee does not believe the Reclamation Bureau should continue its work on these facilities, which was only recently begun.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ECTON. I yield.

Mr. McKELLAR. The chairman of the subcommittee which has the matter in charge is not present today. I refer to the Senator from Arizona [Mr. HAYDEN]. He is in Arizona. I am sorry he is not present, because probably he could give the Senate the reason why the Senate conferees yielded on this amendment. However, I have the idea—and the Senator can correct me if I am wrong—that it involved a fight between the power companies in Montana and the REA, and the House would not accept the amendment under the circumstances after hearing all the proof.

Mr. ECTON. I believe the Senator has been misinformed in that respect.

Mr. McKELLAR. I am asking the Senator for information.

Mr. ECTON. I do not think it is a controversy between the power companies and the REA. The difficulty lies with the Reclamation Bureau in Washington, which wants to monopolize all the power in Montana, and put our own companies out of business. That is where the trouble lies. Nine REA's signed contracts with the Montana Power Co. after the first of the year under which the REA's were to get a rate equal to the Bureau's rate. All they had to do was to have their contracts O. K.'d in Washington. What happened? The contracts have not been O. K.'d yet.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ECTON. I yield.

Mr. LANGER. Is it not correct to say that the nine REA's had to sign the contracts?

Mr. ECTON. They did.

Mr. LANGER. But they did not sign it until after the construction of the Havre-Shelby transmission line had commenced.

Mr. ECTON. They were not in on the Havre-Shelby transmission line.

Mr. LANGER. Is it not true that the line which the Senator is discussing was supposed to have been completed on the first day of September?

Mr. ECTON. It will be completed.

Mr. LANGER. It will be?

Mr. ECTON. Yes.

Mr. LANGER. As a matter of fact, the entire matter was gone into very carefully, and it would have meant the loss of over a million dollars if the line had not been completed.

Mr. ECTON. It would mean a loss of $3,000,000 to the Federal Government.

Mr. LANGER. But it would have meant the loss of over a million dollars to the Bureau of Reclamation, because the work would have to be abandoned.

Mr. ECTON. I realize nothing can be done about it now. What I am trying to have the Senate understand is that after the Montana Power Co. reduced its rate to the level of the Bureau rate, and the Senate committee had recommended that construction of the line be not continued, the Bureau went ahead and worked practically day and night to get the line as nearly completed as possible. I admit they have gone so far that no one can buy them out. The Government is in the power business in Montana at the expense of the taxpayers. The Bureau would never have needed to build that line in the first place if they had let the Montana Power Co. take it over and operate it.

Mr. LANGER. Is it not correct to say that unless the Bureau of Reclamation had built it the farmers in that area would not have obtained the cheap rate.

Mr. ECTON. No; that is not correct.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. ECTON. Yes.

Mr. LANGER. What were the farmers charged before the Bureau of Reclamation put in the line?

Mr. ECTON. The Bureau of Reclamation operating through the REA's told them they would never get electricity unless the Government built the line. That is what they said.

Mr. LANGER. That is true, is it not?

Mr. ECTON. When the Bureau of Reclamation was first created it was designed to bring land under irrigation. They have forgotten all about irrigation. The main thing they are interested in is corralling all the power in the country. I venture to say, Mr. President, that one investigation that will have to be made within the near future is an investigation of the policy and determination of the Bureau of Reclamation to get into the power business.

Mr. LANGER. The Senator knows, does he not, that literally thousands of farmers in Montana and North Dakota would not have REA current on their farms if it were not for the Bureau of Reclamation?

Mr. ECTON. The Bureau of Reclamation had nothing to do with setting up the REA. We were all in favor of rural electrification long before the Bureau of Reclamation ever thought about it. They had nothing to do with it. We had REA in Montana before the Bureau of Reclamation ever started to get in there.

Mr. LANGER. Will the Senator yield further?

Mr. ECTON. Yes.

Mr. LANGER. The Senator knows, does he not, that the Bureau of Reclamation has built lines in North Dakota.

Mr. ECTON. I do not know anything about North Dakota. I will leave the interests of that State to be taken care of by the Senator from North Dakota. I would appreciate it if sometimes someone else thought that I knew something about my own State. When the Bureau of Reclamation was created, it was established on a bipartisan basis. It was not ever designed as a political medium. I venture to say that the Bureau has resorted to the direst kind of questionable politics during the past few years, and it will continue to do so. It condemns the private power companies on the ground they have a monopoly. That is what the Bureau want themselves. They want a Government monopoly. To my way of thinking, it is 10 times worse to have a Government monopoly than a private monopoly, which is financed by individual stockholders. I do not own any stock in any private power company. If I did, I could at least sell the stock and get something out of it. I would like to know how much the Federal taxpayers can get out of the stock if they own Federal power lines all over the United States.

Mr. President, I wish to make it plain that I never opposed Federal power lines where they were necessary. What I am disgusted with, and what I condemn Congress for, and what I condemn the bureaucracy for furthering, is the building of power lines at taxpayers' expense, parallel to power lines which have already been built by private enterprise.

We hear many people condemning capitalism in this country. When they talk about it, they are talking about the old feudal capitalistic system of Europe. Our economy is based on a people's capitalism. It is from the people that the money comes to form the corporations to manufacture the articles which we use—automobiles, refrigerators, radios, and the like. The people individually invest in the companies. It is people's capitalism.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ECTON. I yield to the Senator from North Dakota.

Mr. LANGER. I know it is true in Montana, because the same company operates there that operates in North Dakota, but is it not true that before the

REA's came in, a utility company line would go by a farmer's house, even though it was only four or five poles away, and the company would charge from a thousand to fifteen hundred dollars to hook the farm up to the company line? That is why the REA came into existence.

Mr. ECTON. I do not know about that, but I do know what happened in my own experience. I was in an REA one time trying to get electricity to my ranch, and we were to obligate ourselves to pay in the neighborhood of $10 every month for 20 years. I never figured it out. We had to guarantee that we would put up that much to the REA in order to get them to hook up.

We fooled around 2 or 3 years and we could not complete the project. Then the Montana Power Co. in that neighborhood offered to permit us to hook up to their line. They built the first 1,000 feet free, and if we were more than 1,000 away from their line, they built the line, and we paid them 15 cents a foot for building it. We did not have to look after the wire, or poles, or insulators, or transformers, or anything of that kind. They gave every farmer the first 1,000 feet, and then charged 15 cents a foot thereafter. We had the same rate after that as if we had lived in town. If one had a pumping station or shop equipment, he got a reduced rate, just as the industrialist in town gets a little reduction on the quantity he uses. So do not say they did this and did that. I know what happened in my own actual experience.

Mr. President, probably some private companies did have bad relationships with public officials; I do not know anything about that. I am not here defending anyone. I am merely telling what could have been done and what the Senate was willing to do and recommended being done. But the conferees on the part of the House had the advantage. There are more of them, they are backed up by the bureaucracy downtown and all they have to do is to sit tight. The conferees on the part of the Senate do not have a chance. They have to accept what is offered.

Does anyone think the men on the conference committee over there would do anything about parallel lines in Montana? They did not ask me about conditions. I doubt if they asked the other Senator from Montana.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ECTON. I yield to the Senator from Tennessee.

Mr. McKELLAR. This is one time we did not have to do what the Senator has indicated we did.

Mr. ECTON. I have the information here. I can almost prove it.

Mr. McKELLAR. Then I ask the Senator to prove it. The Senator made a statement a while ago that the bureaucrats in Washington——

Mr. ECTON. I said it was bureaucracy in action.

Mr. McKELLAR. That it was a bureaucracy matter. I wish to say that not a single member from a Government bureau called on me at any time.

Mr. ECTON. Certainly not; they would know better than that.

Mr. McKELLAR. No lobbyists called on me, either.

Mr. ECTON. They did not have to. They get the job done. The Senator has been around here for a good many more years than I hope to be——

Mr. McKELLAR. The Senator does not mean what he said, surely. He does not mean that I am controlled by anybody, surely. I resent that statement.

Mr. ECTON. I beg the Senator's pardon; I am not accusing the Senator of anything.

Mr. McKELLAR. Yes, the Senator is. I desire to say it is absolutely without the slightest foundation in fact that anyone controls me. I have been controlling myself a long time, and I still do it, and I am very active about it. I do not talk to a lobbyist that I know of, and I think they all know me and that I do not talk to them at all. I do not talk to lobbyists in the Government or lobbyists out of the Government. I think they all know it. The Senator has not been here long enough, or he would not have made such a statement about me.

Mr. ECTON. I am not accusing the Senator of anything. I said that the Senate conferees did not have a chance.

Mr. McKELLAR. That is wholly incorrect. The Senate conferees got more out of this appropriation bill from the conferees of the House than they have ever received in any conference since I have been a member of the Committee on Appropriations, and that has been a long time.

Mr. ECTON. That may be, but at the same time they restored all the items for parallel public power lines, and that is what I am objecting to, after the Senate recommended that they be left out. The testimony was brought out.

Mr. McKELLAR. I was not on the subcommittee; therefore, I do not know what the facts are. I am taking the facts as the Senator has stated them. I believe the Senator from Arizona [Mr. HAYDEN] was chairman of the subcommittee having this matter in charge, and he is not now present, but I had the very distinct impression, as a member of the committee, that there was a fight between the private power companies and the rural electrification people.

Mr. ECTON. Oh, sure, that is the old gag.

Mr. McKELLAR. It may be an old gag, but it is a well-known gag, I tell the Senator. I do not believe there are many here who do not know the difference between the power companies and the Rural Electrification Administration. The latter has done wonders in my State, and I hope it has done wonders in the Senator's State. I like to see the whole country improved.

The PRESIDING OFFICER. The Senator from Montana can yield only for a question.

Mr. ECTON. Mr. President, I want the Senator from Tennessee to understand that I have not intended to impugn his motives in any wise.

Mr. McKELLAR. That is very kind of the Senator, and I accept what he says in the spirit in which he says it.

Mr. ECTON. Mr. President, in order to show that this is not merely a question of the REA's, raised under amendment 273, the conference committee provided an appropriation of $295,828,000, instead of $297,467,000 as proposed by the House, and $294,713,000 as proposed by the Senate. That is for construction of the Brighton-Brush transmission line substations, Colorado-Big Thompson project.

But with the following exceptions to such ratification:

(a) In addition to $343,000 allowed by the Senate for the Fort Peck project, Montana, $750,000 is also allowed to complete construction of the Havre-Shelby transmission line and substations. This is in lieu of the $1,400,000 allowed by the House and of the entire disallowance of funds for this line as proposed by the Senate.

In other words, money was provided so as to insure that the Havre-Shelby line would be completed after the Montana Power Co. on April 12 reduced their rates to equal the Bureau rates. On top of that, the Montana Power Co. offered to purchase from the Government at cost all the materials which had been delivered on the project at that time. After they built that line as fast as they could, the Montana Power Co. made a cash offer in addition to a stretch of line between two places in Montana that did not have a line. The company offered to purchase that, and hook it up to their own line in order to supply the farmers and the people in that section of the State at the same rate as that charged by the Bureau. The Senate recommended that that be done.

I agree with the Senator from Tennessee that now it is too late to take corrective action. I agree with the recommendations of the conference committee in that respect for the line has been completed at public expense, at the taxpayers' expense, although the Montana Power Co. has a line there, and another line was not needed. So there is nothing to do but to proceed with the line and operate it at the taxpayers' expense. That is what happened.

Let us now consider item (b) of amendment No. 273. This is the thing that makes one's hair stand on end. This is what prompted me to say what I have said. The Bureau of Reclamation is building what they call the Canyon Ferry Dam in Montana. I think I know what I am talking about when I speak of that project, because it is only about 80 miles from where I live. What did the conference committee do? They put back in the bill $365,000 for the Bureau of Reclamation to build a line from Canyon Ferry Dam to Great Falls. The Bureau of Reclamation knows that the Montana Power Co. has two 100,000-volt lines into Great Falls from East Helena. It is only 17 miles from East Helena to the Canyon Ferry Dam, and the Montana Power Co. offered to build a line to take the power off the Canyon Ferry Dam when the dam is completed. Then the conferees put back $365,000 for the Government to build a parallel line from Canyon Ferry into Great Falls, when there are already two 100,000-volt lines running between the two points.

Money has been provided in the bill to build a 115,000-volt line. That line will serve no REA's in that territory.

The contention is made that it is REA versus Montana Power Co. No, Mr. President; it is not. The farmers of that area are told that the Montana Power Co. is out to get them. That argument is made for political reasons. The line from Canyon Ferry to Great Falls will serve no REA. It will be a duplicate transmission line. That is all it will be, pure and simple.

Mr. President, I realize it is useless for me to make any comments on this subject now. I realize it is useless for me to oppose the conference report because of this item. The damage has already been done. We thought we might be able to have inserted a proviso that if the power company did not permit the use of their lines into Great Falls, that is, enter into an agreement or complete negotiations to that effect with the Bureau within a reasonable time, then the Bureau could proceed and build these lines. But no, Mr. President, there is nothing in the bill like that; $365,000 was put back in the bill with which to proceed and duplicate power lines at the taxpayers' expense.

The people of my State are becoming tired of such things, Mr. President. We have a public service commission which regulates the power companies within my State. The three members of the commission are elected directly by the people. Then we find some board or bureau in Washington, in the name of reclamation, going into Montana and putting up parallel power lines. When we come down to the real nub of the matter, we cannot blame the Bureau of Reclamation. The fault lies with Congress. It is our fault because we give the Bureau the money. Those in the Bureau would not amount to a hill of beans if they did not have the Federal Treasury behind them. You and I, Mr. President, could be big shots, too, if we had the Federal Treasury to back us in all our plans. We could then be statesmen, as the Senator from Tennessee [Mr. McKELLAR] said earlier today. We could all formulate plans if we could dig into the Treasury and back up our plans with the Treasury's dollars.

Mr. President, I say the time has come when a halt must be called on the actions of the Bureau of Reclamation. As I said before, they are no longer interested in irrigation. They are interested in creating power and controlling it. There was a man some years ago in the Bureau whose name was Raushenbush, or something like that. I remember he made the statement that one man within the Bureau with his plans is worth a hundred outside. Sometimes I believe there is not only one man with a plan in the Bureau, but that there are many such men, and that it will take thousands on the outside, yes it will take more than that, it will take the Congress of the United States to put a stop to their doings.

I am not against the Government building transmission lines where it is necessary, but I am against the Bureau of Reclamation building power lines at taxpayers expense, duplicating and paralleling already existing facilities. I am mighty sorry that the conferees saw fit to restore to the bill the $365,000 item with which to build the line from Canyon Ferry to Great Falls when it is not at all needed.

As I said before, it is useless to say anything now about the matter. It was railroaded through the conference committee. I cannot hold up the plan, and I suppose the Senate cannot either, because the conference report has already been adopted by the House. It was adopted there under such rules that no Representative dared speak on the subject except the chairman of the subcommittee, as I understand.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HUMPHREY obtained the floor.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield, provided I do not lose my right to the floor. Mr. President, I ask unanimous consent that I may yield to the Senator from Montana without losing my right to the floor.

Mr. MURRAY. Mr. President, I rise to support the conference report. I regret very much that my distinguished colleague from Montana [Mr. ECTON] finds it necessary to make a serious attack upon the conference report. I think he is making a great error when he says that the people of Montana are tired of the program which has been carried on in respect to these transmission lines in our State.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MURRAY. I cannot yield, for I have been yielded to by the Senator from Minnesota.

Mr. ECTON. When the Senator says the people are not tired of the program which has been carried on——

The PRESIDING OFFICER. The Senate will be in order. The Senator from Minnesota has the floor, and can yield only for a question.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the senior Senator from Montana may make a brief reply, without causing me to lose my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. BRIDGES. For how many minutes will the Senator from Montana speak?

Mr. MURRAY. I should like to speak for 5 or 6 minutes.

Mr. HUMPHREY. Let us provide 6 minutes for the Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the senior Senator from Montana is recognized for 6 minutes.

Mr. MURRAY. Mr. President, I do not rise to make any criticism of my colleague. He has a perfect right to take the stand he has taken. I know his position very well. Since he has been a Member of the Senate, he and I have cooperated very nicely, and I do not criticize him for the stand he now takes. He has a perfect right to attack the program which has been carried out in Montana, but I think he makes a great mistake when he does so.

Heretofore the farmers of Montana have been compelled to pay high rates for electric power. Transmission lines did not reach some parts of Montana, and as a result it was necessary for the REA to undertake a program of making power available to the farmers. As a result of the building of the Hungry Horse Dam, it has also been necessary to build transmission lines. A huge transmission line carrying electric power from that dam to Anaconda, to serve the area there, has been built. It has also been necessary to build transmission lines in the Canyon Ferry-Great Falls area.

With reference to the Havre-Shelby transmission line, let me say that matter has been a subject of controversy here for a number of years. Last year we had a long debate in regard to that project, and after a full discussion the Senate finally voted in favor of the Havre-Shelby transmission line and provided appropriations for its construction.

Later on the Montana Power Co. sought to have construction of that line discontinued; but the line was in the course of construction, and as authorized it was completed. It already had been approved by the Congress. So it seems to me it is very unwise now for Senators to talk about discontinuing a line which has been wholly completed and will be of great benefit to the people of Montana.

As a result of this power development in Montana, our State now, for the first time in 40 years, is beginning to develop industries and, as a result, new settlers are beginning to come into the State. As a result of the reclamation program and the power-development program we have instituted, new industries are coming into Montana and the population is increasing, whereas theretofore the population had been decreasing.

So I think it is a great mistake for anyone now to attack a program so beneficial to Montana, especially after there was complete debate on it in 1949, and inasmuch as the program and the appropriations for its construction have been settled so far as the conference report is concerned. I submit that it is a very valuable program for the State of Montana and will be of tremendous benefit to all our people.

Mr. HUMPHREY. Mr. President, I rise for the purpose of directing my remarks to the portion of the conference report pertaining to the elimination of the International Children's Emergency Fund, under the United Nations.

Before I refer directly to that portion of the conference report, let me say that I appreciated and enjoyed very much and, I am sure, benefited from the remarks of the able chairman of the Appropriations Committee, the distinguished Senator from Tennessee [Mr. McKELLAR].

Many comments have been made today regarding the conference report. I suppose several of us are a little unhappy about the report. Nevertheless, all of us realize the great responsibility

involved in connection with the preparation of an appropriation bill.

I, for one, as a newcomer in the Senate, wish to say that I did not find the over-all, one-package appropriation bill very desirable as it has operated to date. I believe it was much easier for us to know what is going on and to know the facts behind each appropriation request and recommendation when the appropriations were handled individually. With only one large appropriation bill and one over-all report on it, the detailed factual material we needed was not available. To be sure, the members of the Appropriations Committee are fully informed; and, as the Senator from Tennessee has said, they act on the basis of the facts and the testimony, not on the basis of guesses and percentages. Nevertheless, those of us who are not on the Appropriations Committee, but who have a vote—a vote which is just as important as that of the committee members—must form our judgments on the basis of the report the committee makes. I have found that on the basis of the over-all, one-package appropriation bill, the one-package committee report was not as documented or detailed as it could have been under the procedure of handling the appropriations under a series of bills, as has been done in former years.

I shall not speak in regard to how best to make the proposed cuts, except I wish to say it should be clearly understood that substantial cuts were made in the appropriation items. It is always difficult to know whether there should be percentagewise cuts or cuts straight across the board, or whether certain exclusions should be provided for when cuts are made in the appropriations.

Be that as it may, the committee has reached its decision. The committee has decided to make a cut of approximately half a billion dollars in the appropriations—in fact, almost the same cut as would have been provided by the Byrd-Bridges amendment. Of course the exact method of making the cut is a matter of judgment which I shall not discuss now.

Neither shall I debate the merits of the Franco loan or of the loan to Yugoslavia. I listened with keen interest to the junior Senator from Virginia [Mr. ROBERTSON], who made a very persuasive argument. I feel that any loan which is made should meet uniform conditions. However, once the decision is made, we have no choice but to follow it. After all, we operate on the principle of majority rule.

A decision has been made in reference to the United Nations Children's Emergency Fund. Certainly I am not going to balk at adoption of the conference report and try to prevent its approval, as one Member of the Senate, just because I do not care for this particular decision. However, I feel that it is important to have the record clear in regard to what happened in the conference committee to the appropriation for the children's fund. I understand that a deficiency appropriation bill is being prepared. Therefore, I make these remarks now for the benefit of the RECORD and for the benefit of the committee. The points I shall make in this connection have been fairly well substantiated, I think, by the evidence produced before the committee.

I was literally shocked and amazed when I read in the newspapers that the provision in the appropriation bill for the International Children's Fund had been eliminated from the conference report. The appropriation for that purpose was $12,500,000, and it had been voted by the Senate after considerable debate. I cannot understand how the Senate conferees could recede from supporting that appropriation, when it had been strongly supported by the Senate.

Let me remind the Senate what happened in regard to that item.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I am happy to yield.

Mr. SMITH of New Jersey. Does the Senator realize that, as I have been told, the House conferees were under the impression that $25,000,000 was left over from last year's appropriation and would be available this year? However, that appropriation expired; and our whole point in providing $12,500,000 in this measure was because the previous appropriation had expired and had not been extended.

Mr. HUMPHREY. That is correct.

Mr. SMITH of New Jersey. It is my judgment that the conferees were laboring under a misapprehension in regard to the facts.

I am entirely in accord with the remarks of the Senator from Minnesota, and I think this point should be made for the RECORD, because the Children's Fund is one of the finest enterprises which has been under way since the war; but now it must go by the board, because no appropriation will be made for it, so far as this measure is concerned.

I thank the Senator from Minnesota very much for bringing up this question.

Mr. HUMPHREY. I thank the Senator from New Jersey for his remarks, for he has been in the forefront of the fight to obtain this appropriation. I recall very well the valiant effort he made a few months ago in its behalf, and I thank him for the observation he has made and for the information he has given the Senate.

Mr. McKELLAR. Mr. President——

Mr. HUMPHREY. I now yield to the Senator from Tennessee.

Mr. McKELLAR. I should like to say that there was such a statement made before the committee, as the Senator from New Jersey says. For myself, I am very much in favor of the fund designed to aid children. I think the Government of the United States should participate, and later on, we shall have a bill coming up at this session of the Congress, at which time it might be well to submit the matter.

Mr. HUMPHREY. Mr. President, I thank the Senator from Tennessee, the distinguished chairman of the Appropriations Committee, for his last words, because it is our hope that we may come before his committee to plead again the cause of the children's fund.

Mr. McKELLAR. The committee will be glad to have the Senator do that.

Mr. HUMPHREY. The distinguished chairman has always been most courteous and most generous with his time, and I know he will give us a friendly hearing.

I desire now to go over the record, so that we have it clear in the RECORD as to what happened. Twenty Senators, from both sides of the aisle, including the very distinguished leaders of the minority and of the majority, sponsored the original authorization for $25,000,000. On the floor of the Senate this authorization was confirmed without a dissenting vote in connection with the Foreign Assistance Act of 1951. Then, thirdly, the conferees under the authorization bill cut the authorization from $25,000,000 to $15,000,000, and gave the President wide discretion in the use of the money.

Fourth. When the conference report was returned to the Senate floor it was severely criticized for the changes made by the conference committee.

Fifth. The Appropriations Committee tightened the legislation, but at the same time made another cut to $12,500,000, which is 50 percent of the original authorization. This appropriation was again supported, and I remind the Senate that it was supported without a dissenting vote, on the floor of the Senate. Then, later, on my request for a yea-and-nay vote on the amendment offered by the Senator from New Jersey [Mr. SMITH] to exclude the Children's Fund from the 10 percent, this body voted 44 to 41 against the 10-percent reduction. Right down the line there is a record of support in the Senate of the United States for the Children's Fund that is without equal. What is the logic then in exempting this organization from the 10-percent reduction, and then ultimately eliminating it entirely?

There has been much criticism of the United Nations on the floor of the Senate, and I am sure that most of that criticism has resulted generally from the idea that the United Nations is purely a public forum in which the delegates talk about international problems but never make an attempt to do anything about them. I do not concur in that statement, but there are some people who feel that way. But the United Nations Children's Fund program is a No. 1 demonstration that the United Nations can and has acted.

The PRESIDING OFFICER. It will be necessary to have order on the floor of the Senate. Let the Chair observe that the speakers would be more limited in their remarks if they were getting closer attention. I think we can all save time by giving the speakers undivided attention, thereby letting this bill move along.

Mr. HUMPHREY. Mr. President, this speaker has not very much more to say. But he is talking about a subject which is important in terms of world peace and world understanding. This program is a demonstration that the United Nations can and has acted to save millions of children from malnutrition and disease. At the same time it is establishing permanent services for child health and welfare. I still think that the value of this program must be measured not only

in the terms of direct assistance to millions of children in 54 countries throughout the world but also in terms of the measure of cooperation which it has stimulated. I point out that this program operates in 54 nations of the world. First of all, there are 43 governments which have made voluntary contributions in the sum total of $30,000,000. In addition, the people of 45 countries have contributed another $10,000,000. In turn the recipient governments where the Children's Fund is used have provided more than another $100,000,000 in local supplies and services. The administrative costs of this fund have been from 2 to 4 percent—as low as 2 percent and 4 percent.

Mr. President, I point out that every newspaper in America, with very few exceptions, has supported this fund, and that many prominent citizens have supported it. I have a list here of people from public life, from agriculture, from labor, and others, starting, first of all, with former President Hoover, who, in April of this year wrote a letter to the Senator from New Jersey [Mr. SMITH] supporting this program. There are also endorsing letters from William Green, president, AFL; Philip Murray, president, CIO; John Lynn, legislative director, American Farm Bureau; Wallace Campbell, the Cooperative League; Mr. Sanders, the National Grange; and Russell Smith, National Farmers Union.

There were also endorsing letters from all the church organizations. How in the name of common sense, with all that support, with the House and with the Senate of the United States again and again reiterating support of this fund, it could have been dropped in conference is more than I can understand.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Massachusetts?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. I may say in answer to the Senator's question—and he put it in the form of a question—that I was a member of the conference committee. I voted for the international children's fund in the subcommittee and also in the full committee. I tried to retain it in the bill. The only reason the Senate conferees allowed it to be dropped was that they were convinced that it would be impossible to get a conference report without doing so. The conferees on the part of the House were adamant in their opposition to it.

Mr. HUMPHREY. I see.

Mr. SALTONSTALL. If there is any method by which an appropriation for the children's fund can be provided, as the Senator wishes, that is another matter.

Mr. HUMPHREY. I am very grateful for the action and statement of the Senator from Massachusetts. I also understand that our State Department was not in support of the children's fund.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. The State Department was not enthusiastically in favor of the International Children's Fund, either before the subcommittee or the full committee. In spite of that, the Senate voted a substantial amount for it, which it yielded in conference, when it became perfectly clear, in the opinion of one conferee—myself—that it would be impossible to obtain an agreement to have the item included.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Michigan?

Mr. HUMPHREY. I yield.

Mr. FERGUSON. Being a member of the conference, I want to assure the Senator from Minnesota that the Senator from Michigan was in favor of the Children's Fund. It had passed the Senate, and he felt that it had a place in our scheme of things. But I am also satisfied, as was the Senator from Massachusetts, that it was impossible to get agreement with the House on a report on the omnibus appropriation bill with the Children's Fund in it, and it was therefore removed, over the protests of conferees on the part of the Senate. In the final compromise it had to be omitted in order to get a bill. It was not because of the merits or the lack of them, so far as the Senate was concerned at all. As the Senator has indicated, the State Department was not enthusiastic about it, but that was not a reason for omitting it from the bill.

Mr. HUMPHREY. I am very grateful for that information.

Mr. GREEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Rhode Island?

Mr. HUMPHREY. I yield.

Mr. GREEN. Mr. President, I may say that I desire to submit a report from the Committee on Foreign Relations. It will only take a moment.

Mr. HUMPHREY. I shall conclude in a moment.

Mr. GREEN. I thought the Senator had concluded.

Mr. HUMPHREY. No, I am not through, but when I have concluded, I shall be more than happy to yield the floor to my friend from Rhode Island.

All I want to say is this: We are appropriating billions and billions of dollars for the war—and that is absolutely essential. Here is one program which is directed toward the lives of children who have not made up their minds what kind of politics they favor, whether they are going to be Communists or non-Communists, whether they are going to be social democratc or Christian democrats, who have not made up their minds as to what their party politics may be. To think that the Congress of the United States would miss this opportunity for psychological advantage, for what I call effective political advantage, is something that I simply cannot quite understand. I shall go before the Appropriations Committee, and I understood my friend, the Senator from Illinois [Mr. DOUGLAS], is going to appear before that committee, and, if the House of Representatives is adamant in its resistance, then we shall have to break down the resistance, because this is an important program.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not also true that the State Department must bear a large share of responsibility for the defeat of this program?

Mr. HUMPHREY. I was referring to that but a moment ago. I want to say now that if the State Department is opposed to this program, the State Deparment is wrong, it is lacking in vision, and it is about time that some of us who have supported the State Department told the State Department to get in line, where it belongs, which is on the side of the people.

Mr. DOUGLAS. It is my judgment that the State Department has been almost a malignant enemy of the children's fund, that it is not interested in saving the lives of children, that it is primarily interested in conferences, where there is talk, talk, talk, with very little action. In my judgment, the State Department should be told to keep out of appropriation matters and to let the Congress of he United States legislate. I say that as one who has supported most of the proposals of the State Department.

Mr. HUMPHREY. Mr. President, I concur in the statement of my friend from Illinois and tell him, very frankly, that I think his position is sound. The Senator from Minnesota is very much aware of the validity of the comment of the Senator from Illinois. I had taken upon myself, as one Member, to express a very sharp rebuke to members of the State Department for opposing this appropriation measure. They always seem to get themselves, on this issue, on the wrong side. Why, in the name of common sense, they cannot understand that this is an operating agency of the United Nations where we learn to work together before we get together politically, I do not know.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Does the Senator from Minnesota mean to emphasize the word "this" when he says the State Department is on the wrong side of this issue?

Mr. HUMPHREY. The Senator from Minnesota put the proper emphasis on the proper word at the right time. We will take up the other issues one by one. This is the children's fund.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. KEM. Mr. President, when the appropriation bill was under consideration in the Senate, and before final passage on August 4, I made some remarks about it. These remarks appear in the CONGRESSIONAL RECORD at page 11817. I do not need to repeat at this time what I then said. What I said about the bill I believe to be equally true of the confer-

ence report. It is my belief that the report is unrealistic in that it does not take into consideration the demands upon the Government and upon the American people for national defense at this time. It represents the thinking of the Appropriations Committee prior to the time the bill was reported, and in that sense it is not in keeping with the present situation. This is unfortunate.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. O'CONOR. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a statement which I have prepared on the subject of the conference report on the omnibus appropriation bill.

There being no objection, Mr. O'CONOR's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR O'CONOR

In acting today upon the conference report on the omnibus appropriations bill, the Congress of the United States has opened the way for deserved consideration to the already overburdened taxpayers of the country. With approval of the conference report it remains for the President to take decisive action to affect substantial reductions in the budget.

It is a tribute to the earnestness and patriotism of the American people that they have expressed such a general willingness to supply whatever funds are needed to see us through the emergency caused by the conflict in Korea. This state of mind entails a great responsibility on the part of the Congress and of the Executive Department of the Government. There is an imperative need for elimination of nondefense items for the saving of critical material and manpower in this time of crisis.

There is ample authority under the bill for the President to cut nondefense spending to the limit. In fact there is unmistakable evidence of the determination of the people, speaking through their elected legislative representatives that numerous projects be eliminated or reduced.

I feel it is the will of the Congress and of the people that such items should be cut to the fullest extent possible, without impairment of any essential functions of Government, and I sincerely trust that the sum of $550,000,000, recommended in the bill be realized by deferment of the nondefense projects. This action by the Executive will go far to convince the citizenry of the readiness of Government to curtail in times of grave emergency.

In this connection I ask that an editorial from this morning's Baltimore Sun entitled "Nondefense Spending Is the Place To Save" be inserted in the RECORD as an appendix to my remarks, as follows:

"NONDEFENSE SPENDING IS THE PLACE TO SAVE

"Now that the House has passed the $16,771,384,479 emergency defense bill we begin to realize what the operation in Korea and other defense measures are going to cost us. This is just a beginning. We are warned that the Defense Department is preparing an additional request for approximately $10,000,000,000.

"In his report from Washington on the action of the House, Mr. William Knighton, Jr., calls attention to the unpleasant prospect that the total budget for the fiscal year ending next June 30 will be around $70,000,000,000. In short, $20,000,000,000 to $25,000,000,000 are being added to military outlay.

"It should be obvious that with this vast emergency expenditure for defense involving all-out war in Korea, partial mobilization and arms for our allies, life in this country cannot go on without change. Unless we are to invite financial disaster drastic efforts must be made to meet a part of these excessive expenditures as they occur.

"Without question there must be an increase in taxes. The Senate is debating a bill that would raise personal income taxes by $2,700,000,000 and corporation taxes by $1,500,000,000 for a total of $4,200,000,000. But that will go a small way to balance the emergency defense costs.

"Another means of bringing expenditures more into line with income is to cut down on nondefense expenditures. Attention already has been called here to the claim of Senator BYRD, of Virginia, that nondefense spending can be cut as much as $10,000,000,000. Yet, he says, that would still leave the administration as much to spend for its domestic schemes as it had in 1948.

"It is not necessary to check Senator BYRD'S estimate to the exact dollar to know that there are many public works projects and other programs for the outlay of Federal funds that are not urgent. They have nothing to do with national defense. They could easily wait until more propitious times. But as yet, little more than a start has been made in this direction. Our best efforts at defense will be useless if they result in national bankruptcy. Our enemies know that all too well. The safeguard is to cut down on nondefense spending."

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. BRIDGES. Mr. President, I shall not, so far as I am personally concerned, ask a record vote on the adoption of the conference report. I think it is quite evident from the speeches of Senators today that there is dissatisfaction with certain sections of the report. I think there is an over-all need of passing the bill; as has been stated, the major portion of the bill is satisfactory. On most points the conference committee did a good job; but I think what I said earlier, and what other Senators have said, should show that there is dissatisfaction with some parts of the report which are very fundamental. I think the necessity for the adoption of the report and the fact that such an excellent job was done on most sections of it warrants the position I take in not asking for a record vote.

Mr. FERGUSON. Mr. President, as a member of the conference on the omnibus appropriation bill, I desire to make a few remarks.

I am not satisfied with the report. I feel that $550,000,000 is not a sufficient reduction in the nonessential expenditures provided for by the bill. There are other items with which the Senator from Michigan is not at all pleased, but he had to come to the conclusion, after the sessions with the House conferees, that it was necessary to take the bill as it now stands. Otherwise, we would be unable to agree upon the report.

That does not mean, Mr. President, that we do not at times have to compromise on some figures. I hope the President of the United States, when he receives the bill, will revamp his thinking and that the Budget Director and his organization will revamp their thinking as to where they can cut certain items and reduce the cost of Government. I have come to the conclusion that it is very difficult, if not impossible, for committees to take the fat out of the cost of Government. Every department which appears before the committee lays stress upon the fact that every item is essential; every project must be given its full amount in order that the agency requesting the appropriation may function at all. That is not a fact, but we are unable to get from the witnesses who come before the committee any idea as to where we can cut the budget.

Last year the Senator from Michigan was of the opinion that there should be a cut very similar to the one recommended this year, and that the President of the United States should do the cutting, because he would be able to eliminate the excess and get down to rock bottom. The Senate thought otherwise. This year there may be a reason why the President will decide actually to take $550,000,000 out of the various funds. Let me say, for one, that if he should take much more out, $550,000,000 should not be a limitation; it should be only a suggestion. He will find many places in which he can eliminate more than that amount. He saw last year places in the defense budget amounting to more than a billion dollars, which could be eliminated, and he said he would not expend the amount. Therefore, Mr. President, I hope he will find in the civilian end of the budget this year that there are items as to which he can save money, that it is unnecessary to spend the full amount of money which we have appropriated and which we shall appropriate for national defense, and that he can save more than a billion dollars, even though we have limited the reduction he may make to $550,000,000.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. Was not the Byrd-Bridges amendment, on which the Senator from Michigan worked so hard over a number of months, the most practical method which could be found by the group who worked on it, without hurting any Government agency or any of the defense departments involved?

Mr. FERGUSON. The Senator from Michigan feels that the Byrd-Bridges amendment, of which he was a cosponsor, together with the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Nebraska [Mr. WHERRY], was the ideal way of saving a part of the cost of government without in any way adversely affecting the Defense Department or any of the other essential departments of government; but in the conference committee we discovered that the House conferees argued about the method we had been using, which was, in effect, a scientific method, which had been taken up with the Office of the Comptroller General, with the Office of the Director of the Budget, and had been worked out so that it would not create any hardship. They had a small rider they wished to insert which would not compel the President to do the cutting, so that no one would be on the spot.

It is the old practice of passing the buck. We could have made the cut under a scientific method. That was the proper way of doing it. However, it

could not be done that way, and therefore it was essential that we take the bill as we find it now.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WHERRY. Does the distinguished Senator from Michigan agree—and I am satisfied that I should also ask the same question of the Senator from Massachusetts, in view of the fact that he raised the question—that approving the conference report in no way convinces the Senator from Michigan, the Senator from Massachusetts, or the Senator from Nebraska that the formula which was submitted is not the proper way to make the cuts in the appropriations. If the conference report is adopted without a record vote, it does not mean that the Senator from Michigan is repudiating in any way the formula that ought to be used in making cuts in appropriation bills. To the contrary, we are accepting the conference report because apparently there is no other way of getting the bill passed.

Mr. FERGUSON. The Senator from Nebraska is correct. It is not a repudiation. If I had the right to vote on a method of effecting cuts in the appropriation bill, I would vote to do it under the Bridges-Byrd amendment, because I think that is the proper way. However, in the Senate of the United States one does not always get a vote on the exact issue involved. Sometimes we get a vote, as we are getting one today, on what it is possible to get through the Senate. Therefore if we can save $550,000,000, as I said before, as a suggestion to the President that Congress wants a cut in unnecessary expenditures, he should do the rest and make a real cut in expenditures.

Mr. CONNALLY. Mr. President, in connection with the pending conference report, I ask unanimous consent that there be inserted in the RECORD a letter from Mr. Paul G. Hoffman, administrator of the Economic Cooperation Administration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., August 28, 1950.

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.

DEAR SENATOR CONNALLY: The news which greeted me upon my return to Washington that the Congress is considering a further $200,000,000 cut in the ECA appropriation came as a great shock. We requested from the Senate Appropriations Committee an appropriation of $2,653,000,000. Since that request was made, prices of goods to be purchased under the program (largely in the United States of America) have increased by approximately $300,000,000. That means, of course, that there must be a cutback in the goods supplied under the program to offset this increased cost. Then the Senate made a further cut of $203,000,000, which, of course, involved another cutback. Now an additional cut of $200,000,000 is proposed. I would be derelict in my duties as administrator of ECA if I did not state that this latest cut represents a serious threat to the effectiveness of our program.

It is also proposed that there be a reduction of ECA administrative funds by $1,250,000. This comes at a time when the administrative task of ECA has become more difficult and complicated as a result of superimposing an intensive rearmament effort upon our program for economic recovery. We will, of course, continue to operate this program as economically as possible, but if we are effectively to supervise the expenditure of funds entrusted to us, it may be necessary to apply to Congress after the first of the year for additional administrative funds.

I stated that the cuts made in the ECA appropriation came as a shock to me. I was shocked because these cuts indicated that too many people have not yet recognized that to safeguard the security of the United States we must not only step up our military program, but also our programs in the economic, political and informational fields in those areas of the world vital to our security, which certainly include the areas in which ECA now operates. In those areas, we must, in my opinion, help (1) to build up the military strength so that aggression can successfully be resisted, (2) to build up economic strength so the people will have a real incentive to resist communism, and (3) to promote an understanding through intensive informational activities of the advantages to them of democracy and of the perils of communism.

In closing, I would like to extend my thanks to you as chairman of the Senate Foreign Relations Committee, the other members of your committee, and all those Senators who have fought so stalwartly for the Economic Cooperation Administration.

Sincerely yours,
PAUL G. HOFFMAN, *Administrator.*

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7786, which was read, as follows:

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered

(Chapter II) 11, 15, 16, 17, 18, 20, 23, 26, 28, 39, 46, 47, 48, 49, 51;

(Chapter III) 94, 107;

(Chapter V) 142, 148, 151;

(Chapter VI) 157, 166, 201, 223, 224, 232, 234;

(Chapter VII) 254, 275, 277, 278, 279, 285, 295, 300, 302, 306;

(Chapter VIII) 342, 353;

(Chapter IX) 398;

(Chapter X) 417, 418, 451, 456;

(Chapter X–B) 474, 478, 480, 481, 482, 483, 485, 486, 488; to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 35, and concur therein with an amendment as follows:

In line 13 of the Senate amendment, strike out "$832,000" and insert the following: "$722,000, and the affairs of the Joint Committee on Foreign Economic Cooperation, provided for in Senate Resolution 298, Eighty-first Congress, shall be liquidated not later than August 31, 1950."

That the House recede from its disagreement to the amendment of the Senate numbered 68, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment insert: "of which sum $100,000 may be available for the purpose of preserving friendships with the peoples of western European countries by means of radio broadcasts, said programs to be created and produced under the supervision and control of the Department of State by experienced private international broadcasting organizations; and"

That the House recede from its disagreement to the amendment of the Senate numbered 72, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment insert "$1,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 92, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment insert: "$17,500."

That the House recede from its disagreement to the amendment of the Senate No. 175, and concur therein with an amendment, as follows:

In lieu of the matter stricken by said amendment insert the following: ", including $30,000 for the acquisition of land and construction of buildings for inspection of livestock at Canadian border ports of entry."

That the House recede from its disagreement to the amendment of the Senate No. 189, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment insert: "$1,250,000."

That the House recede from its disagreement to the amendment of the Senate No. 192, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment insert: "$750,000."

That the House recede from its disagreement to the amendment of the Senate No. 198, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment insert: "$700,000."

That the House recede from its disagreement to the amendment of the Senate No. 200, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment insert: "$41,000."

That the House recede from its disagreement to the amendment of the Senate No. 209, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment insert: "$8,315,000."

That the House recede from its disagreement to the amendment of the Senate No. 215, and concur therein with an amendment, as follows:

In lieu of the matter stricken by said amendment insert the following: ": *Provided further*, That not to exceed 5 percent of the allocation for the agricultural conservation program for any county may be allotted with the approval of the State committee to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program and the funds so allotted shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such county."

That the House recede from its disagreement to the amendment of the Senate No. 238, and concur therein with an amendment, as follows:

In lieu of the words "on or before August 1, 1950" in said amendment insert the following: "within 30 days after enactment of this act."

That the House recede from its disagreement to the amendment of the Senate numbered 284, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment insert: "payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate

compacts without reimbursement or return under the reclamation laws;".

That the House recede from its disagreement to the amendment of the Senate numbered 288, and concur therein with an amendment, as follows:

In lieu of the matter stricken out and proposed by said amendment insert: ": *Provided*, That no part of any appropriation made herein shall be available pursuant to the act of April 19, 1945 (43 U. S. C. 377), for expenses other than those incurred on behalf of specific reclamation projects except $7,200,000 under the head 'General administrative expenses' and $1,193,205 ($197,925 for reconnaissance, $769,080 for basin surveys, and $226,200 for general engineering and research) under the head 'General investigations.'"

That the House recede from its disagreement to the amendment of the Senate numbered 289, and concur therein with an amendment, as follows:

In the last line of the matter proposed by said amendment, before the period, insert: ": *Provided*, That amounts equal to the value of all property transferred hereunder and used shall be charged, in the same manner as appropriations are charged, as part of the construction or appropriate other costs of the Columbia Basin project, such value to be determined by appraisal approved by the Administrator of General Services of the market value of such property current at the time of transfer hereunder less expenditures on such property by the Bureau of Reclamation prior to such transfer."

That the House recede from its disagreement to the amendment of the Senate numbered 319, and concur to the same with an amendment, as follows:

In lieu of the matter stricken out and inserted by said amendment insert the following:

"Displaced Persons Commission: For expenses necessary to carry out the provisions of the Displaced Persons Act of 1948, as amended by the act of June 16, 1950 (Public Law 555), including personal services and rents in the District of Columbia; travel expenses, including travel expenses outside continental United States without regard to the Standardized Government Travel Regulations, as amended, and the rates of per diem allowances under the Subsistence Expense Act of 1926, as amended; purchase (not to exceed three) and hire of passenger motor vehicles; printing and binding, including printing and binding outside the continental limits of the United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); expenses incident to the primary and secondary education of American children who are dependents of Government personnel paid from this appropriations and stationed overseas; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); payment of tort claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); employment of aliens; and payment of rent in foreign countries in advance; $8,000,000: *Provided*, That allocations may be made from this appropriation by the Commission upon approval by the Bureau of the Budget to any department, agency, corporation, or independent establishment of the Government for direct expenditure for the purposes of this appropriation, and any such expenditures may be made under the specific authority herein contained or under the authority governing the activities of the department, agency, corporation, or independent establishment to which amounts are allocated: *Provided further*, That the Commission may enter into agreements with United States governmental agencies and may make payment in advance or by reimbursement for expenses incurred by such agencies in rendering assistance to the Commission in carrying out the provisions of this act."

That the House recede from its disagreement to the amendment of the Senate numbered 337 to said bill and concur therein with an amendment as follows:

In lieu of the sum named in said amendment insert: $4,350,000".

That the House recede from its disagreement to the amendment of the Senate numbered 338 to said bill and concur therein with an amendment as follows:

In lieu of the sum named in said amendment insert: "$1,324,000".

That the House recede from its disagreement to the amendment of the Senate numbered 345 to said bill and concur therein with an amendment as follows:

In lieu of the sum named in said amendment insert: "$9,889,600 (and any part of the amounts of $100,000 for valuations of pipelines, and $3,831,920 for the work of the Bureau of Motor Carriers, contained in this paragraph, may be transferred as the Commission may determine for carrying out other functions of the Commission)."

That the House recede from its disagreement to the amendment of the Senate numbered 354 to said bill and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: "or, in any case involving charges of such collaboration or disloyalty which have not been adjudicated by any such court, where the Commission, after hearing and evidence, certifies that it is satisfied that the person so charged is guilty of such collaboration or disloyalty."

That the House recede from its disagreement to the amendment of the Senate No. 361 to said bill and concur therein with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert the following: ": *Provided*, That not to exceed $64,875,000 of the funds and contract authority made available for new ship construction, including reconditioning and betterment, in the Independent Offices Appropriation Act, 1950, shall continue to be available until December 31, 1950: *Provided further*, That no part of this appropriation or contract authorization shall be used (1) to start any new ship construction for which an estimate was not included in the budget for the current fiscal year; or (2) to start any new ship construction the currently estimated cost of which exceeds by 10 percent the estimated cost included therefor in such budget unless the Director of the Bureau of the Budget specifically approves the start of such ship construction and the Director shall submit forthwith a detailed explanation thereof to the Committees on Appropriations of the Senate and of the House of Representatives; and, as used herein, the term 'budget' includes the detailed justification supporting the budget estimates."

That the House recede from its disagreement to the amendment of the Senate No. 363 to said bill and concur therein with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: ": *Provided further*, That no part of the foregoing appropriation shall be available for obligation, nor any obligation made, for the payment of an operating-differential subsidy for any number of ships in excess of the number of 263, unless a certificate has been received from the Director of the Bureau of the Budget, with the approval of the Secretary of Defense, that an operating-differential subsidy is required for a larger number of such ships in connection with national defense."

That the House recede from its disagreement to the amendment of the Senate No. 373 to said bill and concur therein with an amendment as follows:

In lieu of the sum named in said amendment insert: "$15,024,000."

That the House recede from its disagreement to the amendment of the Senate numbered 388 to said bill and concur therein with an amendment as follows:

In line 13 of said amendment, and after the figure $76,000, change the colon to a period and strike out the remainder of the paragraph.

That the House recede from its disagreement to the amendment of the Senate numbered 399 to said bill and concur therein with an amendment as follows:

In line 2 of said amendment strike out the words "not to exceed 23."

That the House recede from its disagreement to the amendment of the Senate numbered 467 to said bill and concur therein with an amendment as follows:

Strike out the language proposed by the said amendment and insert in lieu thereof the following: "'During the current fiscal year, appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, shall not be subject to the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended by section 1111 of this act.'"

That the House recede from its disagreement to the amendment of the Senate numbered 471 to said bill and concur therein with an amendment as follows:

In lieu of the sum named in line 15 of said amendment insert "$2,250,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 472 to said bill and concur therein with an amendment as follows:

In lieu of the sum named in line 6 of said amendment insert "$62,500,000."

That the House recede from its disagreement to the amendment of the Senate numbered 473 to said bill and concur therein with an amendment as follows:

In lieu of the sum named in said amendment insert "$14,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 475 to said bill and concur therein with an amendment as follows:

In lieu of the sum named in said amendment insert "$500,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 476 to said bill and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment insert ": *Provided further*, That after November 1, 1950, no funds herein appropriated shall be made available to any nation of which a dependent area fails in the opinion of the President to comply with any treaty to which the United States and such dependent area are parties."

That the House recede from its disagreement to the amendment of the Senate numbered 477 to said bill and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment insert ": *Provided further*, That no part of the funds herein appropriated shall be used to provide assistance to any participating country which, in the opinion of the President, has failed, refused, or neglected to support the United Nations in resisting aggression."

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 68, 72, 92, 175, 189, 192, 198, 200, 209, 215, 238, 284, 288, 289, 319, 337, 338, 345, 354, 361, 363, 373, 388, 399, 467, 471, 472, 473, 475, 476, and 477.

The PRESIDING OFFICER. Does the Senator wish to be recognized on his motion?

Mr. McKELLAR. I think not. They are all inconsequential amendments. The one disagreement will be explained by the Senator from Nevada in a few moments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. McKELLAR. Mr. President, I send an amendment to the desk and ask that it be stated.

The LEGISLATIVE CLERK. In lieu of the matter proposed by the House to the amendment of the Senate numbered 35, it is proposed to insert the following:

Eight hundred and thirty-two thousand dollars, and the affairs of the Joint Committee on Foreign Economic Cooperation, provided for in Senate Resolution 298, Eighty-first Congress, shall be liquidated not later than August 31, 1950.

Mr. McKELLAR. Mr. President, I move that the Senate agree to the amendment proposed by me to the amendment of the House to the amendment of the Senate numbered 35.

The PRESIDING OFFICER. The Chair understands it is the remaining amendment.

Mr. McKELLAR. It is on what is known as the watchdog committee. It will be explained by the Senator from Nevada, the chairman of the subcommittee. It is the only remaining amendment in the conference report.

Mr. McCARRAN. Mr. President, this is an amendment adopted by the House with reference to the watchdog committee, which would eliminate the joint committee. The amendment which came over from the House reduced the amount of the appropriation by $100,000. The Senate amendment would reinstate the $100,000, to which we understand the House will agree. However, the Senate agrees that the watchdog committee as a joint committee will, under the language of the Senate amendment, go out of business.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCARRAN. Yes.

Mr. LUCAS. May I inquire where the money is to come from? Under the present arrangement, does it come out of the contingent fund?

Mr. McCARRAN. It is an appropriation which goes into the contingent fund of the Senate, the same as any other appropriation that goes to the contingent fund.

Mr. LUCAS. The joint committee would be eliminated by the adoption of the amendment?

Mr. McCARRAN. It would go out of business on August 31, 1950, by the adoption of the amendment offered by the Senator from Tennessee.

Mr. LUCAS. We would have a watchdog committee composed of Senators only?

Mr. McCARRAN. Probably we would have a watchdog committee composed only of Senators.

Mr. LUCAS. How much is involved in the amendment? What is the total amount involved?

Mr. McCARRAN. One hundred and ten thousand dollars.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. McCARRAN. Yes.

Mr. SMITH of New Jersey. I am not quite clear what is happening. As a member of the watchdog committee, may I inquire what responsibility we are assuming?

Mr. McCARRAN. The language of the amendment adopted on the floor of the House would eliminate the joint committee entirely. As the Senator will recall, in July or August the House passed an appropriation bill declaring that the joint committee should wind up its affairs on June 31 of this year. In the meantime the Senate passed a resolution giving the joint committee $130,000 to carry on its work. In order to get that money it had to go into the contingent fund of the Senate.

Mr. SMITH of New Jersey. Will the Senator yield further?

Mr. McCARRAN. I yield.

Mr. SMITH of New Jersey. Was that action taken by the watchdog committee when the Senator from New Jersey was absent? I do not recall any action authorizing that appropriation.

Mr. McCARRAN. It was taken by the Committee on Appropriations, providing $130,000 to continue the work of the watch dog committee. It came entirely out of the contingent fund of the Senate. It did not come about by the joint action of the House and Senate. It came entirely out of the contingent fund of the Senate. The House amendment strikes out the language which would continue the joint Committee, strikes out $110,000 from the appropriations which would go into the contingent fund of the Senate and declares that the affairs of the joint committee shall be terminated on August 31. That is the language of the House amendment. In the meeting today of the Committee on Appropriations the committee decided to accept the language of the House, thereby doing away with the joint committee, but restored the $110,000 to the contingent fund of the Senate. The Senate Committee on Appropriations can do as it likes about watching its own appropriations.

Mr. SMITH of New Jersey. May I understand what we are doing? Do I understand what is left of the watch dog committee is only the Senate part of it, and the committee will have $130,000 to spend for its operations?

Mr. McCARRAN. No.

Mr. SMITH of New Jersey. Is that still in abeyance?

Mr. McCARRAN. The joint committee goes out of business. Therefore the entire committee goes out of business. It applies to both the Senate and the House parts of the committee. As I understand, it will go out of business by August 31, 1950. As chairman of that committee, I say I think we are in a position so that we can finish the business of the committee by August 31, and the balance we have on hand will go into the contingent fund of the Senate.

The House struck $110,000 completely out of the appropriation for the contingent fund of the Senate. The House is now content that we restore the $110,000 to the contingent fund of the Senate, but we agreed to the language of the House which abolishes the joint committee.

The House language is really an amendment to a legislative bill. We could have amended it, but we did not do so. We thought it best not to hold up the appropriation bill, but rather to agree to the House language, let the joint committee go out of business, and the Committee on Appropriations, if it sees fit, can set up its own committee, or do as it likes.

Mr. SMITH of New Jersey. I thank the Senator.

Mr LUCAS. Mr. President, I wish to make a statement, in view of what the Senator from New Jersey has said about having a joint committee, which has taken no action whatever on this appropriation, yet the Committee on Appropriations assumed the jurisdiction to appropriate $110,000 for a committee that is not in existence.

Mr. McCARRAN. I beg the Senator's pardon for interrupting——

Mr. LUCAS. I yield to the Senator.

Mr. McCARRAN. The Senator is in error. Let me again clear the atmosphere as best I can. By the language inserted by the House, the joint committee goes out of business. By the change which the Senate committee would suggest, we restore $110,000 to the contingent fund of the Senate, that is all. We give nothing to the joint committee whatever. The joint committee goes out of business.

Mr. LUCAS. Who is going to handle the $110,000 if the joint committee is out of business?

Mr. McCARRAN. The Senate of the United States.

Mr. LUCAS. Another committee will have to be appointed if a watchdog committee is desired?

Mr. McCARRAN. Yes; if the Senate wants a watchdog committee, another committee will have to be appointed. It can be appointed by the Committee on Appropriations or by the Committee on Foreign Relations.

Mr. LUCAS. Mr. President, I think I understand the situation. I was under the impression in the beginning that $110,000 had been appropriated for a committee that was not in existence; but the Senator from Nevada has explained that the $110,000 goes into the contingent fund.

Mr. McCARRAN. That is correct.

Mr. LUCAS. The Committee on Appropriations has agreed that that be done. Perhaps that is the best thing to do. However, the committee that has been called the watchdog committee, according to what the Senator from New Jersey has said, has had nothing to say about this particular $110,000 item.

I thought it was a mistake for the Congress to appropriate money for the joint committee out of the contingent fund of the Senate, and I so stated on the floor of the Senate when this matter was up a couple of months ago. It did not seem to me to be the way to do business. In other words, we were paying all the freight.

I am very glad we have gotten completely out from under the joint committee, and are now appropriating a certain amount of money to go into the contingent fund. Whether or not the committee will be established remains for the Senate to say in the future.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

The Presiding Officer laid before the Senate House Concurrent Resolution 272, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of H. R. 7786, the general appropriation bill, 1951, is authorized and directed to correct chapter and section numbers.

Mr. McKELLAR. Mr. President, I move that the Senate agree to the concurrent resolution.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3659) to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of special use identification tags, and for other purposes.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 2887. An act to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare;

H. R. 6804. An act for the relief of certain Italian aliens;

H. R. 7447. An act to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits and news reels; and

H. R. 8726. An act to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 6343. An act relating to customs duties on articles coming into the United States from the Virgin Islands;

H. R. 6832. An act for the relief of Choko Nishida; and

H. R. 8219. An act for the relief of Tadeusz Herka.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1838) to amend title 28 of the United States Code relating to fees of United States marshals.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7265) to provide for the conduct of a periodic census of governments.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7824) to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. DAVIS of Georgia, and Mr. REES had been appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8992) to eliminate the additional internal-revenue taxes on coconut oil coming from the trust territory of the Pacific islands, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. COOPER, Mr. MILLS, Mr. REED of New York, and Mr. WOODRUFF had been appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2484. An act to authorize the Secretary of Commerce to provide war risk and certain marine and liability insurance;

S. 3724. An act for the relief of Maria Sulikowska Forbes;

H. R. 6339. An act to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.; and

H. R. 9134. An act to amend section 4311 of the Revised Statutes (46 U. S. C. 251).

DISTRICT OF COLUMBIA PUBLIC AIRPORT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 456) to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia, which were, on page 1, lines 3 and 4, strike out "Administrator of Civil Aeronautics (hereinafter referred to as the 'Administrator')" and insert "Secretary of Commerce (hereinafter referred to as the 'Secretary')"; on page 1, line 10, strike out "Administrator" and insert "Secretary"; on page 2, line 9, strike out "Administrator" and insert "Secretary"; on page 2, line 15, after "days" insert "*: Provided further*, That the choice of site by the Secretary shall be made only after consultation with the governing body in the county in which the airport is to be located, with respect to the suitability of the site to be selected, and its possible impact on the vicinity"; on page 2, line 16, strike out "Administrator" and insert "Secretary"; on page 2, line 24, strike out "Administrator" and insert "Secretary"; on page 3, line 14, strike out "Administrator" and insert "Secretary"; on page 3, lines 20 and 21, strike out "Civil Aeronautics Administration" and insert "Department of Commerce"; on page 3, line 21, strike out "Administrator" and insert "Secretary"; on page 3, line 22, strike out "Administrator" and insert "Secretary"; on page 4, line 4, strike out "Administrator" and insert "Secretary"; on page 4, line 23, strike out "Administrator" and insert "Secretary"; on page 5, line 2, strike out "Administrator" and insert "Secretary"; on page 5, line 6, strike out "Administrator" and insert "Secretary"; on page 5, lines 6 and 7, strike out "Civil Aeronautics Administration" and insert "Department of Commerce"; on page 5, lines 8 and 9, strike out "Administrator" and insert "Secretary"; on page 5, line 22, strike out "Administrator" and insert "Secretary"; on page 5, line 25, strike out "Administrator" and insert "Secretary"; on page 5, line 25, strike out all after "the" where it appears the second time over to and including "Interior," on page 6, line 2, and insert "Secretary of the Interior, in his discretion,"; on page 6, line 8, strike out "Administrator" and insert "Secretary"; on page 6, line 10, strike out "Administrator" and insert "Secretary"; on page 6, line 17, strike out "Administrator" and insert "Secretary"; on page 6, line 20, strike out "Administrator" and insert "Secretary"; on page 7, line 1, strike out "Administrator" and insert "Secretary"; and on page 7, lines 4 and 5, strike out "Administrator" and insert "Secretary."

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate concur in the House amendments.

Mr. WHERRY. Mr. President, may we have an explanation?

Mr. JOHNSON of Colorado. Mr. President, Senate bill 456 is an authorization for the building of a new airport in the vicinity of Washington, D. C. The bill passed the Senate and passed the House. The House added some technical amendments. The Senate bill called upon the CAA Administrator to do certain things, and after one of the reorganization plans had gone into effect it was necessary to change the designation to the Secretary of Commerce instead of the CAA Administrator.

Mr. WHERRY. Mr. President, the matter I am about to bring up is a minor one, but to me it seems rather important. Does the distinguished Senator contemplate that in the construction of the new airport those responsible will build an iron fence around it and install a hedge so that people cannot see in, and they will charge admission for a view of the airplanes as they land and take off, as has been done at the present airport in Washington?

Mr. JOHNSON of Colorado. I do not know what the plans for the security and safety of peeping Toms, or anything of the kind, are.

Mr. WHERRY. What about the public generally, not about peeping Toms? I know that many a time I have gone down to the airport and looked over and have been inspired to see the beautiful planes landing and taking off. There is now a hedge about the field, about 30 feet high, and an iron fence, so that it is not possible for those outside to see anything. I wonder if some money is in prospect by granting a concession under which a fee is charged to view the planes. Could not the distinguished Senator, who is an expert and an authority on transportation, have the new airport built without a high fence and

hedge, so that the public generally could see the activities on the landing field?

Mr. JOHNSON of Colorado. I certainly hope that when the airport is constructed, since it is to be constructed from public funds, there will be no impediments of any kind, except to prevent the public being hit by propellers, or the lives of people endangered in some way.

Mr. WHERRY. After one would pay his dime or 25 cents, or whatever the fee might be, he would still have those hazards to avoid. I am serious about this. It seems to me the interest in aviation is so great, especially among young people, that every possible opportunity should be given to the public generally to have a chance to see what goes on, rather than take it away from them.

Mr. JOHNSON of Colorado. I should be very glad to call the attention of those who are going to construct the airport to what the Senator has said. I agree with him that the public must be treated fairly.

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado to concur in the House amendments.

The motion was agreed to.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The PRESIDING OFFICER. The business before the Senate is the tax bill. The pending question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] for himself and the Senator from Texas [Mr. CONNALLY].

Mr. LUCAS. Mr. President, I should like to explore the situation for a moment to ascertain whether or not we may not reach some agreement about voting on the tax bill. It is my understanding that there are two or three very controversial amendments, and that after the Senate votes on those amendments, perhaps we can get along very speedily toward final disposition of the measure. I wonder whether the distinguished chairman of the Finance Committee, the Senator from Georgia, would care to express an opinion as to when he thinks we might be able to finish the bill, in view of what has transpired in the past.

Mr. GEORGE. Mr. President, I have no way of knowing how much further debate there will be on the excess-profits-tax amendment, as well as on the amendment which has been offered to it, and some other amendments which are independent of it. It is quite impossible for me to say. I will say that these amendments, of course, raise issues which cannot be intelligently or properly settled on the floor. I do not know whether the Senate is going to recognize that fact, or whether it will proceed to write a tax bill of the most complicated and technical kind on the floor. If so, there is very little need of a Finance Committee or any other committee. The Senate might as well write all its tax bills on the floor. The Finance Committee has done the very best it could, and followed faithfully—I repeat the word faithfully—the requests and recommendations made by the President and by the Secretary of the Treasury, and tried to eliminate from the bill highly controversial matters which require further consideration, and which the Treasury itself desires to consider further. Therefore, we in the committee decided that we would pass certain things over to the regular bill, the general tax bill, which would immediately follow this bill. We gave instructions to the committee staff to begin work on certain of these important matters.

The committee did not feel that it had sufficient information, based upon the House committee hearings or upon the Senate committee hearings, to pass upon such highly complicated questions as the appropriate taxation of cooperatives, of building and loan associations, of mutual savings banks, and other like organizations. It felt that it would have to have some hearings upon those particular matters. The committee was certain from the beginning and, as I thought, without substantial opposition to the view, that we would have to have some hearings upon an excess-profits tax before we could formulate a proper tax that would be both effective as a tax and yet not destructive of business.

So we promptly said that we would let the subject of the cooperatives, the building and loan associations, and other like organizations go over for study for the general tax bill, and also the excess-profits tax. It was also requested by certain members of the committee, the committee agreeing, that we would ask for certain reports and studies from the staff on the turn-over tax and other types of tax that might have the approval of the committee, or at least be considered by the committee when it undertook to consider the general tax bill.

So, Mr. President, I will say in answer to the question of the Senator from Illinois that I do not know. We are confronted with an excess-profits tax proposal. The amendment on the subject which was submitted to the Senate committee I undertake to say was wholly unworkable. It provided a credit for corporations of 175 percent of their base-period earnings, whereas under the wartime excess-profits tax, the credit was only 95 percent. That provision was probably a mistake. Subsequently there were other excess-profits proposals submitted to the Senate. One was submitted on the 22d and one on the 24th. The latter is the last edition I have seen of the excess-profits tax amendments. I undertake to say, and it can be demonstrated mathematically, that the excess-profits tax amendment of August 24 would not produce any more revenue of any consequence at all for 1950 than the committee bill itself would produce. The excess-profits amendment would produce only from $37,000,000 to $40,000,000 more than the committee bill in 1950. That is less than the 10-percent tax on television will bring into the Treasury.

I do not know what other amendments are going to be offered on the excess-profits tax proposal. So far as I am concerned I am perfectly willing to stay right on without any vacation. In fact, I have no particular desire to leave Washington. I would much rather write a sound tax bill if it can be written, and I would much rather stay here and have some hearings that would give us some facts on which we could base intelligent conclusions, than to rush through an excess-profits measure which would be more or less destructive of our economy and which would fail to raise any revenue. I do not think the committee would want to sponsor that sort of a measure. So I am wholly unable to say how much time will be required, I will state in reply to the Senator from Illinois.

We are confronted with an amendment with respect to copper. While personally I favored the reduction or further suspension of the tariff on copper, at the same time the committee was against me. That amendment is to be offered. When that amendment is offered, inasmuch as the committee was almost unanimously against it, only two of us voting for the amendment, I would feel it to be my duty to make a motion to table it. I cannot say what the Senate will do about it.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ROBERTSON. I had a good deal of experiencce in the last war in attempting to draw an excess-profits tax bill. We drew two during that period. I know how difficult it was to draw one then. It is much more difficult now. Is it not true that in the opinion of the distinguished chairman of the Finance Committee, of the chief of staff of the Joint Committee on Internal Revenue, Mr. Stam, who is rated as one of the best tax experts in the Nation, and of a majority of the Finance Committee, that committee does not now have ready to be presented to the Senate for action a proper excess-profits tax measure, and that action on such a proposal—since it will produce no additional revenue in the next few months—should be postponed until we can secure a proper one?

Mr. GEORGE. Yes. And the committee has gone on record, at least the chairman has gone on record, as assuring the Senate that an excess-profits tax bill, if approved by the Senate, would be made effective at the beginning of 1951, that is January 1, next year. But all those assurances seem to carry no conviction with those who would write an excess-profits tax measure—and I congratulate them on their optimism—on the floor of the Senate. I simply cannot do so. The committee has not had hearings.

I should like to add to what the Senator from Virginia has said, that not only has he stated the opinion of the committee, but the joint committee staff and the Treasury itself are working to produce an excess-profits tax which they will be willing to recommend if it seems advisable to present such a recommendation to the committee in connection with the general tax bill which will follow immediately.

Mr. ROBERTSON. Mr. President, will the Senator yield for a further question?

Mr. GEORGE. I yield.

Mr. ROBERTSON. Is it not true that in the last war we had an excess-profits tax law which provided two methods of base, one of invested capital and one of average earnings during a bona fide prewar period, and then from time to time we had to make additional provisions for new companies, and for unusual situations? We had to adopt amendment after amendment. Whereas, the excess-profits tax amendment to be voted on here, offered by the distinguished Senators from Texas [Mr. CONNALLY] and Wyoming [Mr. O'MAHONEY], has only the one base in it, and those are not normal years. It has no invested-capital base.

Mr. GEORGE. No, I think it has. I cannot very well interpret the amendment, I must be frank; I cannot now actually apply the amendment to a given case which involves anything but the simplest imaginable situation. However, I think the amendment contemplates having both an earnings base and an invested-capital base.

Mr. ROBERTSON. I wish to say that I am very much in favor of an excess-profits tax, and I hope one will be properly drawn. However, I am not sure that in this particular period we should leave to the industries of the United States a net effective profit of only 15 cents out of every dollar they earn. I understand that is one of the provisions the amendment carries.

Mr. GEORGE. The last amendment has provision for a flat tax of 85 percent, yes.

Mr. ROBERTSON. Under the last excess-profits tax we found instance after instance of corporations having only 15 cents of profit left out of each dollar of earnings, with the result that it made no difference to them what expenses they incurred, because all expenses were deductible. Thus the corporations lost all incentive and initiative, since, regardless what they earned, they had remaining only 15 cents of profit out of every dollar of earnings.

Mr. GEORGE. The Senator is entirely correct. Now the situation is completely reversed from that which obtained under the last excess-profits tax. At that time we had a base period of 1936 to 1939 and we had a depressed industry and we had average earnings of corporations which might be effected of probably not more than between $5,000,000 and $6,000,000. When we passed that excess-profits tax bill, it was quite possible that it would bring in considerable revenue, because we were starting from such a low base; and during the war period of course there was a rapid increase in corporate earnings.

However, at this time corporate earnings are at a peak, probably the very peak. Certainly I would say they are at the peak. So to impose an excess-profits tax now on the abnormal base of these prewar years will produce little revenue, except out of middle-size and small corporations. The large corporations that have brought up the general average of their earnings in this postwar period will have such enormous average earnings and invested capital as to escape, practically speaking, the excess-profits tax. That would not be true in all instances; but the general effect of levying a tax based upon these abnormal years, which is the base set up in the last amendment, would be practically to eliminate and excuse from the payment of excess-profits taxes most of the large corporations, which in themselves have accounted in large part for the high average earnings.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. SALTONSTALL. Although I did not hear all the distinguished Senator from Georgia has said, yet I gather from what I have heard him say that one who is interested in and who believes that ultimately we should have some form of excess-profits tax, will be given an opportunity to vote for a well-worked-out, well-considered tax bill to date from January 1, 1951, if the Senate Finance Committee's recommendation at the present time is followed. Is that correct?

Mr. GEORGE. That is exactly true. I myself have said that although I recognize weaknesses in an excess-profits tax—and there are many—at the same time I recognize that it is a system or a method through which we can gain revenue. However, we shall not obtain the revenue unless we have a wider base upon which the tax is to be applied than is provided in any one of the amendments now submitted to the Senate.

In other words, if we can widen the base by a readjustment of the base period or a readjustment of the invested capital credits or a readjustment of the general formula, then we can obtain revenue under an excess-profits tax; but we cannot obtain the revenue from a comparatively few corporations.

I doubt very much whether under any one of the amendments which have been submitted—and the fact that there already have been three of them clearly ought to illustrate that we are not proceeding with full information or with any accurate information—more than 20,000 corporations in the United States would pay any excess-profits tax. There are 383,000 profit-earning corporations; but under these amendments the base would be so narrowed that we would obtain no considerable revenue. The tax would be the most disappointing excess-profits tax one could imagine, if we were to adopt the scheme which has been presented to us.

The only way to obtain considerable revenue, in view of the abnormally high rate at which corporate earnings are now running, is to widen the base upon which we apply the tax. The amendments which have been proposed do not approach the problem from that angle at all, in my opinion.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. O'MAHONEY. Did I correctly understand the Senator from Georgia to say that in his opinion the base which is set forth in the amendment offered by the Senator from Texas and myself is too low, or is it his opinion that the base is too high?

Mr. GEORGE. I undertake to say that the base would excuse from the proposed tax nearly all the corporations having large excess-profits earnings. Probably the entire automotive group would pay only very small excess-profits taxes. The great steel organizations would pay none. I say that most of the revenue the Senator's measure would produce would come from the moderate-sized or medium-sized or the rapidly growing smaller-sized corporations.

I wish to add that the committee has not had hearings and does not have sufficient information on the subject—and neither does the Treasury have sufficient information—upon which we now can formulate an excess-profits tax measure which will produce revenue and at the same time will at least be bearable—not easy, but at least bearable—by the corporations which will pay the tax.

Mr. O'MAHONEY. Mr. President, will the Senator yield, to permit me to ask another question?

Mr. GEORGE. I yield.

Mr. O'MAHONEY. I should like to preface the question by restating what I understood the Senator to say a moment ago, namely, that under the amendment, no considerable revenue would be received by the Federal Government.

Mr. GEORGE. I said especially for 1950, and I said the revenue received under the amendment would be disappointingly low for 1951.

Mr. O'MAHONEY. Then the Senator's objection must be on the ground either that the base is too high or that the rate is too low. Will the Senator be kind enough to tell the Senate which of those alternatives he adopts?

Mr. GEORGE. I have stated the matter to the Senate as clearly as I could. I wish to preface my reply by saying that the chairman of the Finance Committee and most of the other members of the Finance Committee are at least not omniscient; unless an adequate study is made, we cannot tell what base should be adopted, and we cannot determine how the rates should be applied so as to cover a wider base to obtain more revenue, and at the same time impose a rate of taxation which would operate justly upon the corporations.

I have done everything within my power. I have followed, and the committee has followed, faithfully the recommendations of the Treasury and of the administration. We have done everything within our power to assure the Senate that, early in the year—and certainly it makes no difference whether it be March or April, but early in the year—we will bring to the Senate a bill which will impose an excess-profits tax, if the Senate approves it, effective on January 1, next. There is no harm in that, because we can give advance information that we propose to make it effective for the full year. For that reason I have thought Senators would permit us to have the study, on which we could proceed with some degree of confidence.

Mr. O'MAHONEY. Mr. President, on the basis of what the Senator has just said, that under his interpretation of this amendment it would produce inconsiderable revenue for the year 1950, what possible harm can be done to anyone by getting that additional inconsiderable revenue now, and then having the Senator, the Treasury Department, the Finance Committee, and the Ways and Means Committee bring in a substitute, which will be much more expertly drawn, perhaps, than that which we have presented? The Senator takes the position that the fault of this amendment is that it raises no considerable revenue. Very well. I say to the Senator and to the Senate, if this amendment adds but 10 cents to the revenue of the Federal Government, it is beneficial.

Mr. GEORGE. Let me ask the Senator a question. Does he propose to amend his last amendment, which was submitted to the Senate on the 24th of August?

Mr. O'MAHONEY. I shall offer a perfecting amendment.

Mr. GEORGE. Very well. When that is done, we can take a look at it. That will be the fourth, I believe. If the Senator is going to do it, then he might be able to get some revenue for 1950, but I do not know by what method he is going to get it. I am saying that his last amendment will produce no revenue for 1950 of any consequence.

Mr. KERR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. GEORGE. I yield.

Mr. KERR. Is that the same amendment which the Senator from Wyoming told the Senate, on Friday, would produce, in his opinion, $2,700,000,000 for 1950?

Mr. GEORGE. It is the same amendment. I do not remember what the Senator from Wyoming said it would produce for 1950.

Mr. KERR. I shall refer to the RECORD and will advise the Senate. But if that is what the Senator said with reference to it, will the chairman of the Finance Committee now tell the Senate that a study of that amendment discloses that in reality it would produce no revenue for 1950 above the approximate $30,000,000 to which he referred?

Mr. GEORGE. I say to the Senate, and I speak deliberately, that a careful estimate based upon that amendment, made by the staff of the Joint Committee on Internal Revenue Taxation, shows that for the full half of 1950 it will produce from corporate earnings only from $37,000,000 to $40,000,000 more than the bill which the committee itself submitted to the Senate. That is mathematically demonstrable, and it is based upon the amendment of August 24.

Mr. O'MAHONEY. Mr. President, will the Senator be good enough to yield to me, in order that I may make straight the record with respect to what I said on that day?

Mr. GEORGE. Yes. I did not undertake to quote the Senator.

Mr. O'MAHONEY. The Senator did not. I was very well aware of that, and I was grateful to the Senator for it. I responded to the inquiries of the Senator from Oklahoma, as I recall our exchange, and I said to him that this amendment was intended to produce revenue on the amount of excess-profits-tax income, which would be the upper 20 percent of the base period which was chosen. I told him that the amount of revenue which would be produced would depend upon the amount of profits which accrued, and that if it were assumed that those profits for 1950 would amount to $28,000,000,000, it was my judgment that, for half of the year 1950, the income would be $40[illegible],000,000. The $2,400,000,000 to which the Senator from Oklahoma referred a moment ago had to do with the full year's income, the full year's tax, when the income was at a slightly higher rate.

Mr. KERR. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. GEORGE. I am glad to yield to the Senator.

Mr. KERR. I am reading from the RECORD of August 25, page 13432, the first column:

> Mr. KERR. Having identified ourselves in that regard, would the Senator give us the benefit of his judgment as to what his amendment would produce in excess of what the committee bill would produce for the year 1950?
>
> Mr. O'MAHONEY. I shall answer the Senator's first question first. It is my opinion, which the chart bears out, that, with prices rising, as they are rising—and I refer to the record, and not to anyone's judgment, because we have the record as reported by the Federal Reserve Board—our national income by the end of 1950 will have reached certainly not less than thirty-seven or thirty-eight billion dollars. It may go to $40,000,000,000.
>
> Mr. KERR. Is the Senator speaking of corporate profits?
>
> Mr. O'MAHONEY. Corporate profits. If it goes to $40,000,000,000 the profits on the annual base would be $5,400,000,000. On the 6 months' basis it would be half of that. It would be $2,700,000,000.
>
> Mr. KERR. Yes. The Senator from Oklahoma understands—and I should like the Senator from Wyoming to confirm it or deny the understanding—that it is the judgment of the Senator from Wyoming that if his amendment is adopted—and I refer now to the last amendment——
>
> Mr. O'MAHONEY. The one in which I joined with the Senator from Texas [Mr. CONNALLY].
>
> Mr. KERR. Yes. If that amendment is adopted the Senator from Wyoming advises the Senator from Oklahoma that, in the opinion of the Senator from Wyoming, it would produce in the year 1950 something over two and a half billion dollars in revenue above what would be produced by the committee bill.
>
> Mr. O'MAHONEY. Provided that the corporate profits reached the $40,000,000,000 rate.
>
> Mr. KERR. Is it the judgment of the Senator from Wyoming that they will reach that rate?
>
> Mr. O'MAHONEY. That is correct.

Is that the colloquy which took place?

Mr. O'MAHONEY. That is exactly the colloquy.

Mr. KERR. I thank the Senator for having yielded for that question.

Mr. O'MAHONEY. The Senator from Oklahoma will observe that he read the proviso that I inserted: "Provided that the corporate profits reached the $40,000,000,000 rate." The Senator from Oklahoma did not read this extract from our colloquy, which starts in the last column of page 13431.

Mr. KERR. Does it precede the other?

Mr. O'MAHONEY. It precedes it. I was speaking. Responding to the Senator, I said:

> It was the intention to draw the amendment in such a fashion that it would have an impact on 1950 only for the last half of the year. The best estimates I can make are those which I have already presented, namely, that since the impact of the tax begins after the average income reaches $26,100,000,000, the revenue which would be produced would depend upon how much the income rose above that figure. Therefore, if the corporate income in 1950 should reach, let us say, $28,100,000,000, according to our calculations the revenue on that amount would be, for the full year, $300,000,000. Inasmuch as the amendment was drawn to levy the tax only upon a half year, the production at that level would be $400,000,000. If on the contrary, the average income were $30,100,000,000, the return for 1950 would be $800,000,000.

Mr. KERR. Did the Senator read the next question and answer?

Mr. O'MAHONEY. Of course. Does not the Senator from Oklahoma understand that I was telling him that the amount of revenue to be derived would depend wholly upon the amount of income?

Mr. KERR. The Senator from Oklahoma understands that perfectly. He read the RECORD in which the Senator from Wyoming said that if corporate profits reached $40,000,000,000, the profits on the 6 months' basis would be $2,700,000,000; and the Senator further said that, in his opinion, corporate profits would reach $40,000,000,000.

Mr. O'MAHONEY. That is correct.

Mr. KERR. Therefore, he gave it as his opinion that the amendment as presented by him and the Senator from Texas would yield in excess of $2,700,000,000 in revenues for 1950 above what the committee bill would produce. Then I asked the chairman of the Finance Committee what, in his opinion, the amendment of the Senator from Wyoming and the Senator from Texas would produce above what the committee bill would produce, and the chairman of the Finance Committee told us that mathematically it should not produce in excess of $37,000,000.

Mr. O'MAHONEY. The Senator from Oklahoma, I am sure, will agree that what I said last Firday and what I now repeat is that the production from this proposed excess-profits tax in the manner in which it was intended to be drawn will vary according to the amount of the income above the base. If it is a low level above the base, it would be low. I stated that if in 1950 the corporate income should reach $28,100,000,000——

Mr. KERR. I beg the Senator's pardon, but——

The PRESIDING OFFICER. The Senator from Georgia has the floor. He yielded only for a question.

Mr. GEORGE. That is all.

Mr. O'MAHONEY. The Senator was very kind.

Mr. GEORGE. Of course, what any given rate will yield depends upon the state of the economy. Under the third amendment, if we have some increase in corporate profits, there will be a difference of only $37,000,000 in 1950 as between what the committee bill will bring in and what the excess-profits amendment would produce, because what will raise the excess profits will raise the normal tax and the surtax.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. DOUGLAS. Is it not a fact that the statement which the Senator from Georgia has just made is only true on the assumption that the corporate-profits tax will apply for the whole year, and that the excess-profits-tax proposal of the Senator from Wyoming and the Senator from Texas will apply for only half the year?

Mr. GEORGE. No. The corporate normal and surtax proposal which the committee is presenting applies for one-half a year only, from July 1 to the end of the year. It is projected over the entire year, at a rate of 42 percent rather than 45 percent, in order to take care of inequalities.

Mr. DOUGLAS. The rate of 42 percent is projected over the year as a whole?

Mr. GEORGE. Yes.

Mr. DOUGLAS. That is the point I was trying to make. If that system is retained in the proposal of the Senator from Wyoming and the Senator from Texas, namely, a basic 42-percent tax on corporate profits as a whole for the entire year, plus an 85-percent tax on surplus profits over the 80-percent base, the tax proposed by the Senators from Wyoming and Texas represents a net addition to the revenues which would be obtained by the proposal of the committee. Certainly more than $37,000,000 would be raised.

Mr. GEORGE. No. Let me say to the Senator from Illinois that the excess-profits-tax amendment which the distinguished Senators from Wyoming and Texas last proposed provides for a rate of 42½ percent on excessive profits over the whole year, which means a change in the effective rate as of July 1, just exactly as the committee amendment provides.

Mr. DOUGLAS. It is my understanding that the Senator from Wyoming and the Senator from Texas are proposing a perfecting amendment which removes this weakness and will make the excess-profits tax a net addition.

Mr. GEORGE. I understand that is in another amendment, which I have not seen.

Mr. DOUGLAS. I understand that it is coming. It is that point to which the discussion should be directed.

Mr. GEORGE. Not before I have seen it. I am not exactly disposed to accept an excess-profits-tax amendment which I have never even seen. I am submitting the fact only that it seems to be necessary to have four or five excess-profits-tax proposals before we can perfect it to a proper point. That is very conclusive proof that we should not write an excess-profits-tax measure on the floor.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield for a question.

Mr. O'MAHONEY. My only reason for asking the Senator to yield is to clarify the matter for the benefit of the Senate. I shall be very glad to take the floor later on if it becomes necessary. But, knowing the Senator as I do, I am sure that we can work it out here.

May I ask the Senator if it is not a fact that the criticism which he and the Senator from Colorado made of the pending amendment last Friday was that during the year 1950 it would not raise any considerable amount of revenue more than would the bill reported by the Finance Committee?

Mr. GEORGE. That is exactly what I said.

Mr. O'MAHONEY. The Senator did not say it would not produce a larger amount for the year 1951?

Mr. GEORGE. No. But I do undertake to say that it would be a very disappointing excess-profits-tax provision for 1951.

Mr. O'MAHONEY. Let me ask the Senator if his criticism was not based upon the fact that as he read the amendment, it seemed——

Mr. GEORGE. Please say "as the amendment read."

Mr. O'MAHONEY. I shall be very glad to do that.

Mr. GEORGE. Because it was printed three or four times.

Mr. O'MAHONEY. And it was presented by the Senator from Wyoming to the Finance Committee at a hearing of that committee on the 4th of August, which was almost a month ago.

Mr. GEORGE. That is the first version.

Mr. O'MAHONEY. It may be worthy of note that no record was kept of that meeting.

Mr. GEORGE. I am not sure about that.

Mr. O'MAHONEY. There was no stenographer there. I stood there for an hour and a half or two hours.

Mr. GEORGE. It was an executive session.

Mr. O'MAHONEY. That is correct. The Senator was kind enough to permit me to present the matter on the 4th of August. But is it not a fact that the only defect to which Senators have been referring is that the amendment, as it reads, does not appear to grant a credit for normal and surplus taxes for excess-profits-tax net income, as provided in section 26 (e) of the code?

Mr. GEORGE. It grants a credit for a full year against the normal and surtaxes; that is, in computing them. It cuts down the income subject to the normal and surtax to a point where the committee bill would produce nearly as much money as would the Senator's amendment and the committee bill combined.

Mr. O'MAHONEY. Does the Senator not recall that I stated to him in the committee that my purpose was to provide an excess-profits tax which would collect only half of the excess-profits tax for the year 1950? In other words, that I intended to make the impact of the tax fall after the Korean war started.

Mr. GEORGE. The Senator said he was not desiring to make it effective beyond the date the committee's bill would become effective, which would be July 1.

Mr. O'MAHONEY. That is correct.

Mr. GEORGE. As we then contemplated, and as we subsequently proposed in the bill.

Mr. O'MAHONEY. The Senator now says this amendment provides a tax for half the year and a credit for the full year. Is that the Senator's statement?

Mr. GEORGE. No. It does not provide a tax for the full year. It provides a credit which would greatly reduce the normal and surtax base.

Mr. O'MAHONEY. Will the Senator not agree, then, that if a perfecting amendment is presented, as I intend to present one, which will make clear that the credit will be prorated for 1950, that defect will be removed?

Mr. GEORGE. No; I will not admit that, because other questions are involved. Let me say to the Senator from Wyoming and other Senators that it may seem like a very simple thing to write an excess-profits tax bill. Actually, the only way to write it, to be fair and yet get revenue, is to work out formula after formula and case after case based upon actual facts. When the facts have been ascertained a bill can be formulated which will at least substantially accomplish justice as between various corporations, and at the same time get an adequate amount of revenue. The only purpose the Committee on Finance could have in writing an excess-profits tax bill at this time would be to get revenue. First of all, in order to accomplish that purpose we must have a widened base. Because of the abnormality in our present economy and in the whole postwar period, nothing less than that can suffice. From an actual study of case after case, and fitting a formula into them, we can establish an adequate base at proper rates—and not confiscatory rates—and thus obtain a reasonable return from the tax.

I frankly say to the Senator that in actual practice if he could have his way his tax proposal would hit awfully hard the medium-sized and rapidly growing smaller corporations. The big corporations, about which one hears so much today, would escape, because while they have had abnormally high average earnings, they have also built up abnormally large invested capital bases, and through one or the other of those circumstances or facts they would pay under the Senator's tax amendment very little in the way of an excess-profits tax. Many of them would pay none at all. Some money would be raised, but unfortunately it would come primarily from the smaller corporations and those which did not move up into very high earnings. It would fall against those corporations and against the rapidly growing smaller type of corporation.

Mr. O'MAHONEY. Mr. President, will the Senator yield for another question?

Mr. GEORGE. Yes.

Mr. O'MAHONEY. The Senator has stated that it is the purpose of the Committee on Finance to study the matter and bring in an excess-profits tax bill in the new year.

Mr. GEORGE. Exactly, The Senator is correct. That was the decision reached in committee.

Mr. O'MAHONEY. May I ask the Senator whether the application of the excess-profits tax would be retroactive to July 1, 1950?

Mr. GEORGE. I do not think that we would undertake to make it retroactive to July 1. However, it would be applicable and effective from January 1, 1951. Perhaps it would be a bit harsh to make it effective from July 1. Of course, I cannot speak for the committee on that point, but I doubt if the committee would be willing to make it retroactive. The committee was not willing to make the increase in the normal and surtax rates retroactive beyond July 1, 1950.

I again remind the Senator that we have put some very heavy burdens upon corporations for the last half of this year. We have gone up to 45 percent on most of them, or at least on the larger ones. Not only that, but we have added about $800,000,000 in 1951, and nearly $1,000,000,000 in each of the years 1952 through 1955, which they must pay at an earlier date through the adoption of what we call the Mills formula.

Mr. O'MAHONEY. Mr. President, may I ask another question of the Senator?

Mr. GEORGE. Yes.

Mr. O'MAHONEY. If it be true that the proposed excess-profits tax which the Senator will bring to the floor of the Senate some time next year is not made retroactive to July 1, 1950, all profits above the base of 80 percent of the average of the years 1946, 1947, 1948, and 1949 will escape taxation.

Mr. GEORGE. Oh, no. They would not escape taxation.

Mr. O'MAHONEY. I mean an excess-profits tax.

Mr. GEORGE. They will have to pay a heavy tax because we are putting the rates up higher, and they will be taxed higher. We are making the increased rates applicable as of July 1.

Mr .O'MAHONEY. I was asking about an excess-profits tax.

Mr. GEORGE. I may say with equal plausibility and logic that all corporations which in 1949 made more than 80 percent of the average earnings in a base period have escaped an excess-profits tax. We did not have such a tax.

Mr. O'MAHONEY. That was because there was no Korean war.

Mr. GEORGE. It was because we did not have an excess-profits tax.

Mr. O'MAHONEY. Yes; and because we were not trying to balance the military budget. The proposition which the Senator is arguing for is to relieve corporations from the burden of an excess-profits tax for the 6 months from July 1 to at least January 1.

Mr. GEORGE. Oh, no. The Senator is entirely wrong. I repudiate his statement. I am arguing for time to have the industries of the country furnish us with information which will enable us to write a fair, just, and comprehensive excess-profits tax bill which will bring in revenue. That is precisely what the Treasury Department is asking for. They have not submitted, and they have said they are not in a position to submit, an excess-profits tax plan. That is all we are trying to do. Let me repeat that there is no likelihood the bill can be passed in time to become effective by October 1 unless we act quickly on it. What the Senator is proposing to do is to lose the increase on individuals, because after October 1 it will not be feasible to increase the tax rates on individuals.

Mr. O'MAHONEY. Mr. President, will the Senator yield further?

Mr. GEORGE. Yes.

Mr. O'MAHONEY. I should like to ask the Senator whether he has seen the table which appears at page 13534 of the CONGRESSIONAL RECORD of last Saturday, when the House was acting on the supplemental appropriation bill of some $16,700,000,000. The table shows the prices being paid by the armed services for certain commodities. It shows that the prices have risen as follows between April 1950, and the current purchasing period:

Fuel oil, up 54.5 percent. Gasoline, up 12.4 percent. Diesel fuel, up 15.1 percent. Cloth, cotton, up 12.8 percent. Cloth, cotton twill, up 25.2 percent. Shirts, cotton khaki, up 8.5 percent. Cloth, wool serge, up 28 percent. Trousers, cotton khaki, up 16.2 percent. Beef carcass, up 7.5 percent. Pork, up 42.5 percent. Lard, up 27.7 percent. Hams, up 28.8 percent. Coffee, up 23.3 percent. Lumber, up 28.7 percent.

I say to the Senator that in the face of that record I cannot see how we can be satisfied with a tax bill which purports to raise less than $5,000,000,000.

Mr. GEORGE. I have not seen the table, but I would suppose that the control bill was designed to reach that very situation. If the control bill is not effective to reach the price of pork, the price of gasoline, the price of fuel oil, and so forth, then it is a very poor bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. GEORGE. Just let me finish my statement. I had also assumed that the contract renegotiation bill, which I have been advised was in the House ready for action, and which at least it is hoped it may become law soon, would affect all direct contracts made by the Government.

Mr. O'MAHONEY. But no indirect contracts.

Mr. GEORGE. Yes, subcontractors.

Mr. MAYBANK. Mr. President——

Mr. GEORGE. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I merely wish to say that we will meet to consider the control bill conference report tomorrow at 10 o'clock, and hope to have it ready to submit on Wednesday. I think the control bill as agreed to will cover some of the things which have been mentioned by the Senators.

Mr. GEORGE. I should certainly think it would reach some of those situations.

Mr. O'MAHONEY. A tax bill would be the most efficient and effective method of keeping prices down.

Mr. GEORGE. Mr. President, I again say that I challenge that statement. I do not hope to convince the distinguished Senator from Wyoming, but I wish now to repeat that an excess profits tax bill will not directly affect prices. The only way in which an excess-profits tax bill can affect prices is by raising enough revenue to keep the Government from borrowing from the banks and borrowing from outsiders. The one type of tax that is definitely inflationary is the excess-profits tax.

Let me ask the Senator, whose dollar goes to the market? Is it the corporation's dollar that goes to the market to buy beef, to buy fruits, and vegetables? It is the dollar of the individual, the baker, the candlestick maker, the professional man, the worker. That is the dollar that goes to the market.

Mr. O'MAHONEY. The dollar of all of us.

Mr. GEORGE. Of all of us. It is not the corporate dollar that goes directly to the market. I tried to say, and I repeat, and I am willing to stand on it, that the excess-profits tax is directly inflationary, until wages and prices of commodities are controlled.

Mr. O'MAHONEY. On that point the Senator and I completely disagree, because the record before us I think is clear that most of the raw material products, most of the minerals, most of the basic commodities, are produced by corporations, and what they charge goes through the whole economy. We are struggling here to put a brake upon inflation, by an excess-profits tax, an inflation which could easily destroy the economy.

Mr. GEORGE. I agree that any sort of excess-profits tax will of course affect the rise of inflation. It has a direct bearing on it, and if it reduces the necessity for the Government to borrow money, or anything of the kind, it of course is helpful. But the committee is not trying to deny the Senate or the country the opportunity to have an excess-profits tax bill. The committee has said in all frankness, under the earnest recommendation of the President and of the Treasury, that all we want is, between this time and January, to learn enough of the facts to enable us to write a bill that will be effective in raising revenue, and have a wider base, and one which would actually leave industry, or particular industries, able to travel under the heavy burden of any sort of wartime taxation. That is what the committee has asked, and that is all it has asked.

I regret to say—and I measure my words—that there are those who think that this sort of highly technical tax bill can be better written on the floor of the Senate than it can be by an honest, conscientious committee that is working on the problem, and proposes to work on it constantly and continually, rather than be driven into the acceptance of an excess-profits tax proposal at this time without any actual knowledge of how it will work.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield for a question; but I did not want to take much of the time this afternoon

Mr. DOUGLAS. I have heard the Senator state on several occasions that if we insisted on trying to insert an amendment providing for excess-profits taxation, and if the effort were successful, it would prevent a tax bill either from being written at all or from being written before the first of October. I have heard that statement, and I am puzzled as to why that would be the effect. It would seem to me that if the Senate decided that it was desirable to take a portion of the excess profits above 8 percent, on an average, in the country, during the last half year, that could be done rather quickly, and then the House would act rather quickly.

Mr. GEORGE. I do not think that it can be done quickly, and fairly and effectively.

Mr. DOUGLAS. In the opinion of the Senator from Illinois it can be.

Mr. GEORGE. But the Senator is passing more or less on a principle, without study. What I am saying is that the committee certainly ought to permit industry to bring to us their cases, so that we can work out a formula which will result in an effective excess-profits tax, because there is practically nothing to be lost.

What I mean to say is that unless we get a tax bill on the books very quickly the Treasury cannot supply the forms for withholding for individual taxpayers, and the increased income taxes could not go into operation until practically the first of the year, because if the forms are not printed and sent out until after October we will get surprisingly little revenue from the individual taxpayers.

Mr. DOUGLAS. Mr. President, I hope the Senator is not saying, and I do not think he is saying, that if the Senate in its judgment should adopt an excess-profits tax provision, there would then be a move to recommit the whole bill.

Mr. GEORGE. No, I am not saying that.

Mr. DOUGLAS. I am very much reassured.

Mr. GEORGE. I am not saying I would make any motion to recommit, but I say now to the Senator from Illinois and to all other Senators that the Committee on Finance will take a few days, if it is necessary, to get the facts on which we can hurriedly write a bill. The committee also has a responsibility. We recognize the judgment of the Senate as being controlling on the basis and on the years, but we must write a bill that is workable.

I am anxiously awaiting the latest amendment which the distinguished Senator from Wyoming and the distinguished Senator from Texas intend to submit, because I desire to see how they have dealt with this very intricate problem, which after all, is a small problem in an excess-profits tax amendment.

Mr. DOUGLAS. Mr. President, will the Senator from Georgia yield for a further question?

Mr. GEORGE. I yield.

Mr. DOUGLAS. The Senator stated that the Treasury was unprepared to deal with the subject of excess-profits taxes. Is it not true that if the Treasury is unprepared to deal with the question of excess-profits taxes that is an indication of gross and indeed almost criminal negligence on the part of the Treasury, not to be ready, in the event of a national emergency such as the present emergency, to have a system of excess-profits taxes?

Mr. GEORGE. I do not think so at all. I would hesitate to allow that implication, or charge, or accusation, to stand unchallenged.

Mr. KERR. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Oklahoma.

Mr. KERR. In the opinion of the Senator from Georgia, is it not possible that the Treasury, out of its long experience, and the knowledge it has gained from it, is aware of the fact that it is not possible to write an adequate or equitable excess-profits tax measure on the spur of the moment?

Mr. DOUGLAS. My point is that it should not be on the spur of the moment.

Mr. GEORGE. I would like to say for the Treasury that it could write an excess profits tax. It could copy one from the World War I act. But that would not fit the present conditions, because the conditions then were absolutely opposite to and the reverse of present conditions. I mean the conditions are different as of the dates of the passage of the two acts.

Mr. President, what the Treasury means is, that until it undertakes to apply the general principles of an excess profits tax to the economic conditions as they actually exist, and until it has had the opportunity of fitting the facts into the formula and seeing how an effective excess-profits tax and at the same time a reasonably equitable excess-profits tax can be formulated, such a tax simply cannot be written. I beg the Senator to bear in mind that in the opinion of the Treasury—and I add that I think they are right—it takes a little while to do it. But there can be practically no loss to the Treasury with a reasonably effective price-control bill—the distinguished Senator from South Carolina assures us that the conference report on that bill will be submitted this week—and particularly if we have a contract renegotiation act, which we already have on the books so far as airplanes and other matters are concerned. Perhaps one of the large expenditures in the immediate future for national defense will be in the field of the aviation industry, the producing end of it.

Mr. DOUGLAS. Mr. President, will the Senator pardon me if I ask one more question?

Mr. GEORGE. Yes, I pardon the Senator. I am glad to answer his questions.

Mr. DOUGLAS. The Senator from Georgia is always gracious. The Senator from Georgia is aware of the fact that under the supplemental deficiency bill passed by the House, and which will be before the Senate probably by tomorrow, and which the Senate will probably pass, we will be committing ourselves to an added appropriation of nearly $17,000,0000,000 a year on top of the present budget, and that this is merely a foretaste of things to come; that the expenditures during the remainder of the year will run at a high level; that the tax bill reported by the Finance Committee will yield only a portion of the added outlay, and that the result will be that the Treasury will be forced to borrow from the banks, with an inflation of credit, and a further rise in prices, which no price-control bill, however stringent, can stop. So that we are in a race with inflation. It seems to me that in view of the fact we must act quickly to raise more revenue.

Mr. GEORGE. Mr. President, I am not in disagreement with the Senator's general philosophy. Indeed as lawyers would say it is sort of hornbook text. I am not quarreling with it at all. But what I am saying is that until we go on a wartime controlled economy we are on the most dangerous ground when we undertake to enact an excess-profits tax provision, because the inevitable result of it is to add to waste and extravagance, and to run prices up, and especially to run wages up.

That is not the reason why we are not ready with an excess-profits tax bill. The Senator from Illinois must remember that we did not have the time table for the Korean war. The other fellow started it, and we had to meet his time table. We were not better prepared with an excess-profits tax bill because we could not anticipate nor read the future any better than could the Treasury. That does not mean the Treasury is not prepared, but until it applies the facts of the present picture to the general principles of an excess-profits tax it cannot formulate an excess-profits bill that will be equitable and at the same time be effective and raise a really substantial amount of revenue. I do not believe the Senate will want an excess-profits tax that does not raise a substantial amount of revenue.

Mr. DOUGLAS. Mr. President, one more question, please.

Mr. GEORGE. I yield.

Mr. DOUGLAS. It is the practice of any general staff to have ready a wide variety of military plans, depending upon the actual military contingency which occurs. A general staff will have perhaps 50 different sets of war plans ready. If the opponent makes move A, we will put into effect plan 1. If the opponent makes move X, we will put into effect plan 26. And so on. The Treasury should have foreseen the possibilities of hostilities involving great military expenditures, and have had a series of financial plans ready for the various contingencies. If they have not done that, I want to say that in my judgment the Treasury has failed in its duty.

The PRESIDING OFFICER. The Senator from Georgia has the floor and can yield only for a question.

Mr. GEORGE. Mr. President, I will ask the Senator from Illinois a question. I am very glad to have his statement. I want to ask the Senator, What war plans did the Army have to put into effect in Korea on June 25?

Mr. DOUGLAS. I am not on the Armed Services Committee, but we put

some divisions into Korea, and we arrested, or we slowed down the movement of the North Koreans. We took action, and we are supplying the divisions in Korea. Now, my objection, if I may put it as such, to the distinguished committee, and I have great respect for its chairman and for its members, and to the Treasury, is that apparently—and I put the chief blame on the Treasury—they were not ready for the financial contingency which developed. In view of that situation, when Members such as the Senator from Texas and the Senator from Wyoming are trying to repair that defect on the floor, I think they should be patted on the back and encouraged, and technical defects in their amendment should be smoothed away, rather than that pitfalls should be put before them at every turn.

Mr. GEORGE. Let me say that the Treasury did have a plan. The President did have a plan. The Treasury asked the committee to postpone, for the time being, consideration of a tax-reduction bill, and subsequently sent to the committee specific recommendations which are contained in the bill before the Senate. The Treasury and the President repeatedly urged that we not go far afield with the necessary effect of delaying action upon the recommendations which they themselves submitted.

I think the Treasury did the best it could. But the Treasury differs from the Senator from Wyoming, the Senator from Illinois, and the Senator from Texas. I do not think the Treasury is necessarily culpable. It was trying to meet a situation. It sent to the Congress specific recommendations and the committee faithfully followed the recommendations.

Mr. DOUGLAS. Is it not true that the plan which the Treasury submitted would have yielded only $5,000,000,000 in a full year of application, and now, as whittled down by the committee, it would yield only $3,000,000,000 for the current year, despite the fact that the Department of the Defense was sending up a budget asking for nearly $16,000,000,000 in appropriations for the same year? The two things simply do not meet. We cannot pay for the war when we have presented to us a bill for $16,000,000,000, against which we collect a tax of $3,000,000,000.

Mr. GEORGE. And it will not be paid for with the committee bill plus the excess-profits tax as it has been proposed.

Mr. DOUGLAS. It will more nearly be paid for by the two.

Mr. GEORGE. The addition of the excess-profits tax will pay very little more. Of course, more will be paid under any bill if we are to continue in a period of constantly rising production.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MILLIKIN. First, I should like to observe that I hope the distinguished chairman of the committee will continue to yield so graciously to the distinguished junior Senator from Illinois. Today he has condemned the President, the Treasury, and the State Department. Yield to him another time and he will condemn the whole caboodle, which he ought to do.

Mr. DOUGLAS. I may say in reply to the very witty Senator from Colorado——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Illinois?

Mr. GEORGE. I yield to the Senator from Illinois.

Mr. DOUGLAS. I may say in reply to the very witty Senator from Colorado that this touching devotion on the part of the Senator from Colorado and the members of the Finance Committee to the recommendations of the President and the Secretary of the Treasury is very appealing indeed. This is about the first time since I have been in the Senate that I have heard the Senator from Colorado take refuge in the recommendations of the President. I wonder why this new-found affection and devotion has suddenly developed on his part.

Mr. MILLIKIN. But it is war, Mr. President, and we must agree as far as we can with the indispensable Commander in Chief. [Laughter.]

Mr. President, will the Senator yield?

Mr. GEORGE. I shall be glad to yield the floor.

Mr. MILLIKIN. Is it not true in the opinion of the distinguished Senator from Georgia that we shall have a tax bill next year?

Mr. GEORGE. Undoubtedly that is so.

Mr. MILLIKIN. If we are to have a tax bill next year, is it not also true that since notice has been given to the corporations and taxpayers generally, we will be able to obtain, in fact, all the revenue needed, by means of retroactive action?

Mr. GEORGE. I think that is undoubtedly true.

Mr. President, I now yield the floor.

Mr. BUTLER. Mr. President, I wish to discuss for a few minutes the general subject which has been under debate for the past hour or two.

Mr. President, in my judgment, it is extremely unfortunate that my distinguished friend, the Senator from Wyoming [Mr. O'MAHONEY], has chosen this particular time to inject the question of excess-profits taxation into the debate in the Senate. I say it is unfortunate because, in my opinion, the Senate is simply not in position to take proper action on such a complex and intricate subject at this time.

When I first became aware that the subject of excess-profits taxation would be brought up for consideration, I immediately set to work to gather what data I could on the subject. I checked with the staff of our Joint Committee on Internal Revenue Taxation. I asked whether any thorough study had been made by the staff of the Joint Committee of the actual operations of the excess-profits tax we had during World War II. I learned that no such study had yet been made. I checked with the Treasury, especially with the office of Mr. Vance Kirby, the tax legislative counsel of the Treasury, who has been working day after day with the Finance Committee on all the various tax problems that are dealt with in this bill. Mr. Kirby's office has made no study or thorough investigation of the experience with the excess-profits tax we had during the war.

During the last few years, Treasury tax experts have made a number of excellent studies of various other aspects of our tax and revenue system. They have incorporated the results of their studies in documents which are very useful to any student of tax questions. Unfortunately, they have not yet gotten around to making any such study of our excess-profits-tax experience.

When the question was raised, "Should we add an excess-profits tax to the pending bill?" the only answer I could get was, "The President has not recommended it, and the Treasury is not in position to make any recommendation as to the form it should take at this time." Then I asked, "If Congress should decide to put on some kind of an excess-profits tax at this time, would the amendment proposed by the Senator from Wyoming be the best form to follow for such a tax?" The only answer I could get to that question from the Treasury was, "We are not even in a position to make a recommendation as to that."

In short, Mr. President, the Senator from Wyoming asks us to proceed virtually in the dark. He asks us to ignore all of the experience we acquired with the excess-profits tax during World War II, to neglect the lessons we might learn from that experience, and to accept on the floor of the Senate a hastily drafted amendment designed, he says, to "draft profits along with manpower."

Mr. President, I certainly believe that every Member of the Senate is willing to draft profits, at least to the same extent that we are willing to draft manpower. That is not the issue today, however.

An excess-profits tax is one of the most intricate, complicated pieces of legislation that any taxing committee could be called on to develop. In order to take the profits out of war, we must levy taxes on excess profits at rates which are virtually confiscatory. That means that we must so draft the legislation as to levy these extremely high rates on profits which are excess but, at the same time, exempt entirely from the excess-profits tax the profits which are not excess. Such profits—normal profits—should, of course, be subject to the regular corporation tax rates, which are high enough; but I am sure the Senator from Wyoming will agree that we do not want to levy an excess-profits tax on profits which are not excess.

In other words, the definition of "excess profits" is all-important. It is much more important, I think, than the rates. Most of us will, in due course, I am sure, be willing to vote for very heavy rates on excess profits, but some of us want to be sure that we do not catch normal profits, legitimate profits, in our definition of "excess."

That is the big problem in talking about excess-profits taxation. Unfortunately, that is exactly the type of problem that it is absolutely impossible to deal with intelligently in the hurried way that we must operate on the floor of the Senate at this time. That is the type of problem that can be handled properly

only through long hours, days and perhaps weeks of careful study and consideration in a committee.

In his remarks the other day, the Senator from Wyoming [Mr. O'MAHONEY] stated that he had been working on this question for several years and that he had had the advantage of consultation with the technicians of the Treasury. Knowing the Senator from Wyoming as I do, I am sure he has studied these problems most carefully, and that he is as well qualified as any other Member of the Senate to draft such an amendment and to reach wise decisions on the various technical problems that arise. Nevertheless, even he must attempt to work under the same obstacles and handicaps which have confronted the committee. No careful study and thorough investigation of our experience with the excess-profits tax of World War II was available to him. No really detailed examination of the results of that experience has been made.

As a result, the amendment which has been drafted ignores all the lessons we might have learned from that experience. It proposes simply to reenact all the provisions, both the wise and the unwise, the workable and the unworkable, of the World War II tax—except those pertaining to rates and the tax base. Every other provision of the World War II tax is to be placed again in full force and effect.

Surely the Senator from Wyoming knows that not every paragraph of the old tax law worked perfectly. Surely he knows that many of those procedures and devices were found to be unjust or inadequate. I am sure he realizes that many cases of grave injustice existed, and never have been corrected. Nevertheless, the amendment proposes to restore every line and paragraph of the system we struggled under during the war.

Let me give just one example of the type of difficulty we labored under as a result of the way the 1940 act was drafted. Under that act, the earnings base adopted was the period 1937 to 1939. Of course, that was a logical and natural base to use. It happens, however, that those years, 1937 to 1939, were very poor years in the State of Nebraska. We had a drought and various other difficulties to contend with; and earnings were not good, generally speaking.

As a result, the wartime earnings of thousands of corporations in Nebraska, when compared with the earnings in the base years, 1937 to 1939, fell within the definition of "excess", as set forth in the law. Some relief was supposed to be provided in that type of situation, of course. There was supposed to be a recognition of such factors under section 722, so that corporations caught in such a situation could expect those administering the law to realize that the earnings during the base period were not in any sense normal. As the distinguished chairman of our committee recently pointed out on the Senate floor, section 722 has not worked at all satisfactorily from the point of view of most of us on the committee. It has simply not provided the measure of relief it was supposed to provide.

I do not intend to be caught, or to have the people of my State caught, in that type of situation again if I can help it. I believe that the Senate Finance Committee and the House Ways and Means Committee have a responsibility to work out methods of giving real relief to those taxpayers who deserve it. I do not believe that adequate measures of relief can be worked out hastily on the floor of the Senate.

It is all right to talk about taxing 85 percent of earnings which are really excess. It is something else to take 85 percent of earnings which are really normal, and not actually excess.

Let me say that so far as I know, I have no particular reason for objecting to the years, 1946–49, proposed as a base period in the amendment that is pending. So far as I know, these years were generally good, normal years for corporations throughout the country. So far as I know, the selection of those years would do no particular injustice to the taxpayers of my State.

But the difficulty is that those years, or any other years that might be selected, might not be a fair and equitable base for every class of taxpayer in every part of the country. It is a common experience that even during boom times some particular industries or some particular States are relatively depressed. As a result, their base period gives them a relatively low level of normal earnings, for excess profits tax purposes, and the high rates of the excess profits tax may be a crushing burden on taxpayers caught in that situation.

I can give one example off-hand where that might be the case. The Territory of Hawaii, with whose problems the Senator from Wyoming is very familiar, has since the end of the war been visited with a series of devastating strikes. Not a single year has gone by without a prolonged industrial struggle in one or more of the three or four industries on which all business in the Islands depends. Last year—1949—for example, as I am sure the Senator recalls, the entire business life of the Territory was brought virtually to a dead halt by a strike of the longshoremen which lasted about 6 months. During that period, shipping could not move. The sugar mills and sugar plantations curtailed operations or closed them down completely because they could not ship their products. The commercial establishments dependent on these basic industries saw their sales slump. I have not tried to secure exact figures for the earnings of corporations in Hawaii for 1949, but I cannot imagine that anyone made very much money during that year, if any.

The Senator's amendment, by including the year 1949 in the tax base, would require Federal taxpayers in Hawaii to consider 1949 as a normal year for tax purposes. Any earnings above that level would be considered excess and taxable at 85 percent. In 1946, 1947, and 1948, likewise, there were damaging strikes, although not so bad as the one of 1949. I feel sure that the Senator's amendment, if enacted, would bear down extremely heavily on the taxpayers of Hawaii, who are struggling to recover from the series of disastrous losses and to rebuild the economic productivity of the Territory.

Of course, situations of this type are supposed to be taken care of by the various provisions for relief contained in the basic statute. During the war we had the "75 percent" rule, the "growth formula," and, in some cases, a predecessor's earnings. Then we had section 722. Section 722 was supposed to provide in all those cases which could not be reached by any of the other provisions of the act.

The simple fact, however, is that all these relief provisions taken together did not really solve the problem. On that point, let me quote but one sentence from an article by the distinguished economist, Roy Blough, who has recently been named a member of the President's Council of Economic Advisors. In an article entitled "Measurement Problems of the Excess-Profits Tax," appearing in the National Tax Journal, December 1948, Mr. Blough says:

> Neither the relief afforded by the 1918 act, nor that by the 1942 act, can be considered a success.

In the face of this record, the amendment proposes to restore intact the system that we had during World War II.

Now, as to the specific provisions of the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY], as I understand, in his latest proposal he intends to use 80 percent of the average earnings of the years 1946 to 1949 as the base, and to apply the 85-percent rate to earnings above that level. As I stated before, I have no particular objection offhand to the selection of these years, but I question the proposal to take 80 percent of average earnings as a legitimate base for an excess-profits tax.

It is clear that the Senator from Wyoming considers the earnings of some of those years too high. He wants to cut them all back to 80 percent of what they made during that period. In other words, this proposal is not a war-profits tax at all. The earnings of 1946 to 1949 may have been too high or not, but they were peacetime earnings. They were properly subject to normal tax and surtax, and, under this bill, the tax rates on those earnings will already be increased sharply up to a level of 45 percent—nearly half.

The Senator from Wyoming feels that that does not go far enough. He wants to apply the excess-profits rate of 85 percent to a portion of the peacetime earnings of substantially all the larger corporations. He wants to place this 85-percent rate on top of the 45-percent rate of normal tax and surtax which the committee has recommended.

It may be that that is the thing to do, but I do not believe that is the type of decision the Senate wants to make hastily on the floor. The distinguished chairman of the committee has promised that the committee will go promptly to work at drafting a proper excess profits tax law, and that, if enacted, it will be retroactive to January 1, 1951. I want to register now my support for the chairman in that program. I believe, however, that when the committee gets into

this question it will want to go very carefully into this problem of the appropriate base, above which the excess-profits tax would apply. It is rather important whether we should decide that the base be the average earnings of taxpayers during a series of normal peacetime years or, as the Senator from Wyoming has proposed, whether that base should be only 80 percent of the normal peacetime earnings of the taxpayers.

Senators will please remember that we are already proposing to tax all these earnings of the larger corporations at 45 percent. We are not proposing that the large peacetime profits at the 1946–49 rate, to which the Senator from Wyoming objects, should go scot free.

The committee bill has already provided that we take nearly half of those earnings. I cannot see why we must be so hasty about taking 85 percent of the other half of earnings no greater than those received by taxpayers during the peacetime years of 1946 to 1949.

As a matter of fact, the proposal of the Senator from Wyoming is not based purely on our need of revenue to finance the war. The Senator from Wyoming has been in favor of an excess-profits tax for a long time. Two or three years ago, when we were all more hopeful of a prolonged period of peace, he proposed that we add an excess-profits tax to our regular peacetime revenue system. He would be glad enough to have an excess-profits tax adopted by the Congress at any time, peace or war. His insistence on adoption of this amendment right now, instead of a few months from now, is an indication of his feeling on that matter.

I do not question his right to hold those views. He has a perfect right to advocate an excess-profits tax at the height of prosperity or in the depth of depression, during war or peace, or both. I am merely trying to point out that the chairman has promised us that there will be an excess-profits tax within a very few months, if the present crisis continues. He has promised us that it will be a more carefully considered and carefully drafted measure than the amendment we have before us.

We all know the headaches which result from improperly drawn tax laws. No single subject that the Senate has to consider requires more careful consideration, more conscientious attention to detail and to the exact shade of meaning of every word in every paragraph. It is an absolute certainty that if we adopt this amendment we shall have to do the whole job over again next year. I know that Members of the Senate will not want to have to apologize to constituents in their States because they voted for a bill which does not mean exactly what we thought it would mean. Yet that is what we may have to do if this amendment is adopted.

Mr. President, I hope the Senate will stand by the distinguished chairman of the Senate Finance Committee. We all know that no Member of the Senate has had the years of experience with tax matters that he has. He has promised us that the staff of the joint committee will go promptly to work on this problem and that we will have an excess-profits tax bill to act on early next year. We all know that we can depend absolutely upon his promises. He has repeatedly proved to the Senate that he will not use his position as chairman to pigeonhole or stall or delay any measure on which the Senate desires to vote and reach a decision.

As chairman of the committee, he feels he has the responsibility to make sure that the tax legislation enacted by the Senate is fair and workable, whether he happens to agree with every provision of it or not. He is entitled to our support in carrying out that responsibility.

Now it is proposed to thrust on him from the floor of the Senate a highly complicated and technical tax program on which the Treasury has never passed judgment, the committee has never passed judgment, and the staff of the Joint Committee on Internal Revenue Taxation has never reached a conclusion. I believe the Senate should support the chairman and the committee and give us an opportunity to do this job properly in the way he feels that it should be done.

Mr. President, in conclusion I ask unanimous consent to insert in the RECORD at this point an editorial from the Washington Evening Star of August 25, 1950, entitled "Delay Would Be Wiser," with the thought that it expresses, to my mind, the general opinion of people throughout the country.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington (D. C.) Star of August 25, 1950]

DELAY WOULD BE WISER

There is little doubt that an excess-profits tax will be added to other methods to raise the enormous amount of extra revenue required to finance the war in Korea and to build up our defenses. Certainly there is no inclination on the part of the administration to resist such a tax. But the President's tax program is more sensible than the drive now headed by Senator O'MAHONEY to attach an excess-profits tax, by Senate amendment, to the quickie tax bill now pending in the Senate.

This bill is designed for quick passage, in time to apply the higher personal income and corporation taxes in the final quarter of this year, which starts in October. All the machinery for collecting the tax is available. But the perfection of a workable and fair excess-profits tax will require more time, both in the writing of the bill and in preparing for its administration. The tax is a complicated one. The Government is still cleaning up the leftovers of this tax levied in World War II and its technicians are still trying to improve on its form.

To attempt to attach an excess-profits tax provision to the pending bill, without benefit of careful committee examination, is apt to snarl the works. It may delay passage of any tax bill. The more reasonable procedure would be to enact the stop-gap bill now, in the knowledge that its provisions will be supplemented later—perhaps in January—by additional measures, including an excess-profits tax.

DISPOSAL OF REMAINING GOVERNMENT LOTS IN ST. MARKS, FLA.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla., and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. O'MAHONEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. O'MAHONEY, Mr. MURRAY, and Mr. BUTLER conferees on the part of the Senate.

ADMINISTRATION OF PERFORMANCE-RATING PLANS FOR CERTAIN GOVERNMENT OFFICERS AND EMPLOYEES

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 7824) to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON of South Carolina. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. FREAR, Mr. LONG, and Mr. DWORSHAK conferees on the part of the Senate.

INTERNAL REVENUE TAXES ON COCONUT OIL FROM TRUST TERRITORY OF PACIFIC ISLANDS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 8992) to eliminate the additional internal-revenue taxes on coconut oil coming from the Trust Territory of the Pacific Islands, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT conferees on the part of the Senate.

PERIODIC CENSUS OF GOVERNMENTS—CONFERENCE REPORT

Mr. JOHNSTON of South Carolina. Mr. President, I submit a conference report on the bill (H. R. 7265) to provide for the conduct of a periodic census of governments, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7265) to provide for the conduct of a periodic census of governments, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

OLIN D. JOHNSTON,
HUBERT H. HUMPHREY,
WILLIAM LANGER,
Managers on the Part of the Senate.

TOM MURRAY,
GEORGE P. MILLER,
EDWARD H. REES,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. LEHMAN. Mr. President, ever since the end of World War I, during all the period between the end of that war and the present time, the people of the United States have felt that if we should ever confront another great national emergency such as the last one, we would pay on a current basis as large a part of the cost of that emergency as would be possible. Today we are advised that we confront a deficit this current fiscal year of at least $20,000,000,000, of which sixteen and a half billion dollars are ascribable to recent new expenditures recommended by the President; the balance represents a deficit carried over from the appropriations voted some weeks ago and finally approved today. Against that deficit it is proposed that we pass a tax bill which, according to estimates by the distinguished chairman of the Finance Committee, will bring to the Treasury of the United States approximately four and a half billion dollars, or less than 25 percent of the amount we need to meet the impending deficit. That is far from pursuing a policy of pay as you go.

Mr. President, the people of this country feel strongly that it would be a great mistake if we do not increase our tax revenues and put into effect as rapidly as may be possible a pay-as-you-go policy.

The excess-tax proposal sponsored by the distinguished senior Senator from Wyoming and the eminent senior Senator from Texas would, at least to some extent, bring about the result that is desired.

We all know that nothing could more seriously and harmfully affect the economy and the well-being of this country than inflation. I hope the control provisions of the defense-production bill will be effective in combatting inflation. Certainly, if the high hopes we hold for it are realized, that measure would control inflation to a very considerable degree. But it will not, by any means, control all inflation. Therefore, in my opinion, it is tremendously important that we soak up all possible excess profits, and thus hold in check the amount of money that will be used to compete for and bid up the limited supply of materials, goods, housing, and other facilities which may be available.

The proposed amendment of the Senator from Wyoming and the Senator from Texas will, I believe, greatly help in controlling the inflation with which we probably shall be confronted unless we take every possible means to combat it.

There are other reasons which impel me to support and to urge the approval of the excess-profits-tax amendment. I think the people of this country are, to some degree, dissatisfied because they feel an inequality in the sacrifices which are being called for and made. Many of the sons, brothers, and husbands of our people are being called upon to run the risks of combat and, in many cases, to lay down their lives. I think we would fail in our duty and betray the people of the country if we did not make it perfectly clear, if we did not demonstrate beyond any doubt, that we are not only conscripting human lives, but also profits. That would be brought about under the amendment which is now pending.

The distinguished chairman of the Finance Committee has pointed out the difficulty of writing a bill which is shown to be perfectly drafted and sound. I appreciate the difficulties. I know that the Finance Committee has given to this important subject a great amount of thought and will continue to do so. I want to make it clear that I do not in any way minimize the difficulties in connection with the writing of an excess-profits-tax provision. The chairman of the committee has already stated on the floor of the Senate that his committee will present such a provision at the next session.

The amendment which is now before us, I think the distinguished Senator from Wyoming will agree, is not perfect. It is very difficult to write a perfect excess-profits-tax bill. But I submit that the pending proposal is workable and that it will save many months in its operation. Certainly it can be perfected next year. If it saves these next few months, it will bring in vitally needed additional revenues, and promptly.

I am quite certain that the distinguished chairman of the Finance Committee will agree with me that profits are today at an extremely high level.

The President's Council of Economic Advisers has reported that the third quarter profits are running at the highest rate in all United States history. Certainly we should not lose them, to the detriment of the entire Nation. We would lose some of the benefit of those high profits if we delayed action on the bill until next year. I have no means of knowing the exact amount of revenue which the amendment would produce, but it has not been questioned that it would increase our revenues to a considerable extent. I believe it would increase our revenues to a far greater degree than has been admitted on the floor of the Senate. However, whatever they are, why should we sacrifice these revenues. Why should we delay? Why should we not capitalize on these excess profits for the benefit of the people of the Nation? It may very well be that the base which has been set for the years 1946, 1947, 1948, and 1949 is too high. It may be that we should reduce the base. Certainly even on a reduced base, revenues would be increased under the proposed amendment offered by the Senator from Texas [Mr. CONNALLY] and the Senator from Wyoming [Mr. O'MAHONEY].

Finally, Mr. President—I have talked to many labor people. I know of no group in America which is more willing to do its full part in the war effort than the representatives of labor and the workers—the men and women in the shops and mines, and in the fields—but I think that they want to be assured that capital will also be doing its full share, and that industry and business and commerce will be doing their full share, too. The working people of this Nation will not be satisfied unless we have an excess profits tax, and I predict unless we enact an excess profits tax, we shall very soon see a wave of demands for increased wages, which will be difficult if not impossible to withstand. I think labor feels that unless it is assured that the burden of carrying on the war, which is the responsibility of every American, is fairly, justly, and equally carried, then labor should not be asked to accept the burdens that others refuse to carry.

So, Mr. President, for the reasons I have given, and for many others—and I have not attempted to cover the entire field, because I am eager to have the bill come to a vote—I very strongly urge prompt enactment of a tax on excess profits, as provided in the amendment offered by the able Senator from Wyoming [Mr. O'MAHONEY] and the eminent Senator from Texas [Mr. CONNALLY].

Mr. O'MAHONEY. First, let me say that I very much appreciate the remarks of the Senator from New York. During the course of the debate this afternoon, and, indeed, during the course of the debate on Friday, it was pointed out on behalf of the Committee on Finance by the Senator from Georgia and the Senator from Colorado that in their opinion the amendment offered by the Senator from Texas [Mr. CONNALLY] and myself would produce no considerable amount of revenue for the year 1950. I had stated clearly what the purpose of the amendment was. However, in the course of debate it appeared that the statement of the two Senators, to the effect that the production of revenue would be slight, was based upon their conclusion that a technical defect existed in the amendment.

Of course I took that situation into consideration, immediately made a reexamination of the amendment, and called in the experts of the legislative drafting service, and others. As I stated to the Senator from Georgia earlier in the day, as a result of that reexamination, on behalf of the Senator from Texas and myself I am submitting modifications of the amendment, and I now offer them. In order that the modifications may be available tc all Members of the Senate, I send the modified amendment

to the desk and ask that it may be printed.

The VICE PRESIDENT. The amendment, as modified, will be received, printed, and lie on the table.

Mr. O'MAHONEY. In order that it may be clear precisely what we are doing, I call specific attention to the basic change which is proposed to be made by the amendment. In attempting to draft an excess-profits tax, it becomes necessary first to determine the base upon which it is to be computed; second, the rate at which it is to be computed; and thereafter the exemptions and credits which are to be provided. It has been said over and over again in debate on behalf of those who oppose the amendment that an excess-profits tax should not be drafted on the floor of the Senate.

Mr. President, I submit that is not what we are trying to do. The tax in its essentials was presented formally to the Committee on Finance on the 4th of August. Sufficient opportunity was offered for the closest possible scrutiny of the measure. The report of the Committee on Finance was not made until last Wednesday. So that almost 20 days elapsed between the time the amendment was presented to the Committee on Finance and the date upon which the bill was reported. I am reliably informed that no evidence of any kind was taken after I appeared before the committee.

It is also apparent that it is not an attempt to write an amendment on the floor of the Senate, when I say that it is practically a restatement of the World War II excess-profits tax, with the base and rate changed. Instead of providing for a base of the average profits of the 4 years, 1936 to 1939, we have set up a base, not of the average profits of the period 1946 to 1949, 10 years later, but only 80 percent of it. The World War II tax fixed its base upon the average profits, without any percentage reduction. Moreover, the rate provided for in the amendment is 85 percent. The rate which was in effect in the World War II act was 95 percent. Therefore, Mr. President, it seems to be perfectly clear that in the pending amendment we have presented a much more moderate excess-profits tax than was provided in World War II.

It happened that when the tax bill of 1945 was enacted Congress did not repeal the excess-profits tax, it merely suspended it. But it did repeal section 26 (e) of the code, which provided that in the computation of the normal surtax upon corporations credit should be given for the excess-profits tax net income. So in presenting the amendment on which I spoke the other day there was a paragraph beginning on page 6, line 15, entitled "Technical Amendments." These were amendments which were designed to gear the new excess-profits tax, with the new base and the lower rate, into the excess-profits-tax law which was suspended, and to gear it also into the bill as reported by the committee.

In subsection (j) on lines 22 and 23 we have a provision which would have the effect of reinstating section 26 (e) relating to the credit for income subject to the excess-profits tax.

There was an omission. That omission was that section 26 (e) was not made effective for the computation of the normal and surtax upon corporate profits. So that the important part of the modification which I have sent forward is designed merely to provide that section 26 (e), which was repealed by the act of 1945, shall be reenacted, and made applicable, as it was in the World War II excess-profits tax, as a credit upon the income of corporations subject to normal and surtax.

Mr. President, I felt that it was desirable to make this explanation, to show that the modification is what I described it to be, namely, a technical modification designed to repair an omission which resulted in the situation described by the Senators from Georgia and Colorado, namely, that without this credit reestablished the excess-profits tax would be very much smaller than was intended. But there is no doubt that the Senator from Texas and I stated from the very beginning that it was our purpose that the excess-profits tax provided in the amendment should be applicable for only 6 months of the year 1950. The technical omission is repaired in the modification which I have sent forward, and as there will be no attempt to have a vote upon this matter today, when it comes up in the morning the full text of the amendment, with the technical corrections, will be available to all the Members of the Senate.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY].

Mr. SCHOEPPEL. Mr. President, I suggest the absence of a quorum.

Mr. O'MAHONEY. Mr. President, will the Senator withhold the suggestion for a moment?

Mr. SCHOEPPEL. I am glad to withhold it.

Mr. O'MAHONEY. It is my understanding that no attempt will be made to have a vote this evening. The Senator from Texas [Mr. CONNALLY] desires to speak upon the amendment, and I think there are other Senators who desire to speak. I believe it is not the desire of the Senator from Georgia to ask for a vote this evening.

Mr. WILLIAMS. Mr. President, I might say that the amendment which I have offered to the amendment of the Senator from Wyoming and the Senator from Texas is the pending question, and before a vote on that amendment is taken, I had promised other Senators that there would be a quorum call. However, the hour is late, and I would really prefer waiting until tomorrow.

Mr. SCHOEPPEL. Mr. President, I withdraw the suggestion of the absence of a quorum.

Mr. O'MAHONEY. Mr. President, in the absence of the senior Senator from Illinois [Mr. LUCAS], I should like to discover where there is any other Senator who desires to speak upon the amendment.

Mr. HUMPHREY. Mr. President, is the Senator from Wyoming speaking directly with reference to the excess-profits tax amendment?

Mr. O'MAHONEY. I have finished what I care to say today. I was endeavoring to ascertain whether or not the Senator from Illinois desired to have any executive business taken up, and I suggest that one of the staff of the Senate make inquiry as to what his desire is.

Mr. HUMPHREY. Mr. President, the Senator from Minnesota has a number of amendments, and I wish to discuss them, but I think it might be better to wait until we have had full discussion of the excess-profits tax amendment, because the amendments in which the Senator from Minnesota and other Senators are interested are amendments to the committee bill, with deletions, and reverting back to the House language, and they are not new additions to the bill, as is the excess-profits tax amendment.

Mr. O'MAHONEY. If the Senator will permit me, I suggest that his discussion of those amendments might better take place tomorrow, it is now so late. It is correct, as the Senator from Delaware has just stated, that he offered ar amendment to the excess-profits tax amendment, an amendment which, I may say, is wholly irrelevant to the excess-profits tax amendment, inasmuch as it does not deal with excess profits at all, but deals with cooperatives, and for that reason I feel it should not be attached to the excess-profits tax amendment.

Mr. WILLIAMS. Mr. President, I may say that I differ with the Senator from Wyoming that this amendment is not germane, because it was what the Senator from Wyoming suggested so eloquently on the floor of the Senate that led me to offer the amendment to his amendment, when he said all corporations should be made to pay their proportionate part of the war expenses, and said that he would not only raise corporate taxes to 45 percent, which represents a 20-percent increase, but would include an excess-profits tax. Surely it seems that this is the time when we should consider a tax on those who are not paying any taxes at all.

Mr. O'MAHONEY. Mr. President, with regard to the logic of considering the amendment, that is true, but my point is that it should be considered in connection with the bill as reported by the Committee on Finance and not in connection with the amendment. But that is not a matter which we could decide this evening.

Mr. WILLIAMS. It was my understanding that the Senator was hopeful that his amendment would become a part of the bill, and if we adopted my amendment, we would have a much better bill, an all-inclusive bill.

Mr. O'MAHONEY. I appreciate the solicitude of the Senator for the excess profits tax amendment.

Mr. WILLIAMS. While the argument has been made that no hearings have been held on the subject matter of the excess profits amendment, that is not true as to the subject matter of my amendment.

Mr. O'MAHONEY. There was a hearing, and I was there.

Mr. WILLIAMS. There were rather extensive hearings on the cooperative provision, which have been held during the course of the past several years, and I was hopeful that the Senator from Wyoming would accept my amendment as a part of his amendment.

Mr. O'MAHONEY. I fear I shall not be able to grant the Senator's request.

Mr. HUMPHREY. Mr. President, it is my intention to address myself tomorrow to the committee bill as amended, and to refer in particular to what I consider to be the loopholes in the bill, and some of the language of the bill which I believe adds to the loopholes which the President called to our attention in his message on the tax program some months ago. The committee bill as it was accepted in amended form contains about 12 particular provisions which need real discussion, to determine whether or not we are now opening up the gate just a little wider than it was open, particularly since this is supposed to be an interim bill, it appearing that as an interim bill we ought not to leave the floodgates any further open than they are. It is for that reason that I shall address myself tomorrow on the 12 points I have outlined as being highly questionable as tax legislation.

Mr. O'MAHONEY. I am very glad to hear that the Senator from Minnesota is going to do so.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the amendment of the Senate to the amendment of the House to the amendment of the Senate No. 35 to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 2633) to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes, and it was signed by the Vice President.

GRAND TETON NATIONAL PARK, WYO.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes, which were, on page 6, line 21, strike out "four" and insert "nine," and on page 6, line 23, after "land" insert a comma and "together with any improvements thereon,".

Mr. O'MAHONEY. I move that the Senate disagree to the amendments of the House; ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. O'MAHONEY, Mr. MURRAY, Mr. MCFARLAND, Mr. BUTLER, and Mr. MILLIKIN conferees on the part of the Senate.

THE SITUATION IN KOREA—LETTER FROM THE PRESIDENT TO AMBASSADOR AUSTIN

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter from the President of the United States to Ambassador Austin, dealing with the situation in Korea.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTER FROM THE PRESIDENT TO AMBASSADOR AUSTIN

DEAR WARREN: As I told you on the telephone this morning I want to congratulate you on your able presentation of the views of the United States Government in the Security Council of the United Nations from the first onset of the aggression against the Republic of Korea. Throughout the entire course of the proceedings you have represented this Government with great effectiveness and in full accordance with my directions.

The letter which you addressed to the Secretary General of the United Nations on August 25 on the subject of Formosa admirably sums up the fundamental position of this Government as it had been stated by me on June 27 and in my message to the Congress on July 19. You have clearly set forth in that letter the heart and essence of the problem. You have faithfully set down my views as they were then and as they are now.

To the end that there be no misunderstanding concerning the position of the Government of the United States with respect to Formosa, it may be useful to repeat here the seven fundamental points which you so clearly stated in your letter to Mr. Lie.

(1) The United States has not encroached on the territory of China, nor has the United States taken aggressive action against China.

(2) The action of the United States in regard to Formosa was taken at a time when that island was the scene of conflict with the mainland. More serious conflict was threatened by the public declaration of the Chinese Communist authorities. Such conflict would have threatened the security of the United Nations forces operating in Korea under the mandate of the Security Council to repel the aggression on the Republic of Korea. They threatened to extend the conflict through the Pacific area.

(3) The action of the United States was an impartial neutralizing action addressed both to the forces on Formosa and to those on the mainland. It was an action designed to keep the peace and was, therefore, in full accord with the spirit of the Charter of the United Nations. As President Truman has solemnly declared, we have no designs on Formosa, and our action was not inspired by any desire to acquire a special position for the United States.

(4) The action of the United States was expressly stated to be without prejudice to the future political settlement of the status of the island. The actual status of the island is that it is territory taken from Japan by the victory of the Allied forces in the Pacific. Like other such territories, its legal status cannot be fixed until there is international action to determine its future. The Chinese Government was asked by the Allies to take the surrender of the Japanese forces on the island. That is the reason the Chinese are there now.

(5) The United States has a record through history of friendship for the Chinese people. We still feel the friendship and know that millions of Chinese reciprocate it. We took the lead with others in the last United Nations General Assembly to secure approval of a resolution on the integrity of China. Only the Union of the Soviet Socialist Republics and its satellites did not approve that resolution.

(6) The United States would welcome United Nations consideration of the case of Formosa. We would approve full United Nations investigation here, or on the spot. We believe that United Nations consideration would contribute to a peaceful, rather than a forcible solution of that problem.

(7) We do not believe that the Security Council need be, or will be, diverted from its consideration of the aggression against the Republic of Korea. There was a breach of the peace in Korea. The aggression attacked, has been condemned, and the combined forces of the United Nations are now in battle to repel the aggression.

Formosa is now at peace and will remain so unless someone resorts to force.

If the Security Council wishes to study the question of Formosa we shall support and assist that study. Meanwhile, the President of the Security Council should discharge the duties of his office and get on with the item on the agenda; which is the complaint of aggression against the Republic of Korea, and specifically, the recognition of the right of the Korean Ambassador to take his seat and the vote on the United States resolution for the localization of the Korean conflict.

These seven points accurately record the position of the United States.

In the forthcoming discussion of the problem in the Security Council you will continue to have my complete support.

Sincerely yours,

HARRY S. TRUMAN.

AUGUST 27, 1950.

FORMOSA—LETTER FROM WARREN R. AUSTIN TO SECRETARY-GENERAL TRYGVE LIE

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated August 25, 1950, from Warren R. Austin, United States Representative in the United Nations, to Secretary-General Trygve Lie, on the Formosa question.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Following is the text of a letter dated August 25, 1950, by Warren R. Austin, United States Representative in the United Nations, to Secretary-General Trygve Lie on the Formosa question:

"EXCELLENCY: There has been circulated to members of the Security Council a paper which charges the United States with aggression against Formosa. The paper asks the Security Council to consider the question of Formosa.

"The United States Government does not intend to discuss at this time this paper or the ridiculous falsehoods which it contains. It does wish to take this occasion to make a further statement about the Formosan question.

"On June 27 the United States Representative read at the Security Council the following statement of the President of the United States:

" 'In Korea the Government forces, which were armed to prevent border raids and to preserve internal security, were attacked by invading forces from North Korea. The Security Council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the thirty-eighth parallel. This they have not done, but, on the contrary, have pressed the attack. The Security

Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution.

" 'In these circumstances, I have ordered United States air and sea forces to give the Korean Government troops cover and support.

" 'The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances, the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area.

" 'Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.

" 'I have also directed that United States Forces in the Philippines be strengthened and that military assistance to the Philippine Government be accelerated.

" 'I have similarly directed acceleration in the furnishing of military assistance to the forces of France and the Associated States in Indochina and the dispatch of a military mission to provide close working relations with those forces.

" 'I know that all members of the United Nations will consider carefully the consequences of this latest aggression in Korea in defiance of the Charter of the United Nations. A return to the rule of force in international affairs would have far-reaching effects. The United States will continue to uphold the rule of law.

" 'I have instructed Ambassador Austin, as the representative of the United States to the Security Council, to report these steps to the Council.'

"Since then, the President of the United States, on July 19, made the following declaration in a message to the Congress:

" 'In addition to the direct military effort we and other members of the United Nations are making in Korea, the outbreak of aggression there requires us to consider its implications for peace throughout the world. The attack upon the Republic of Korea makes it plain beyond all doubt that the international Communist movement is prepared to use armed invasion to conquer independent nations. We must therefore recognize the possibility that armed aggression may take place in other areas.

" 'In view of this, I have already directed that United States forces in support of the Philippines be strengthened, and that military assistance be speeded up to the Philippine Government and to the Associated States of Indochina and to the forces of France in Indochina. I have also ordered the United States Seventh Fleet to prevent any attack upon Formosa, and I have requested the Chinese Government on Formosa to cease all air and sea operations against the mainland. These steps were at once reported to the United Nations Security Council.

" 'Our action in regard to Formosa was a matter of elementary security. The peace and stability of the Pacific area had been violently disturbed by the attack on Korea. Attacks elsewhere in the Pacific area would have enlarged the Korean crisis, thereby rendering much more difficult the carrying out of our obligations to the United Nations in Korea.

" 'In order that there may be no doubt in any quarter about our intentions regarding Formosa, I wish to state that the United States has no territorial ambitions whatever concerning that island, nor do we seek for ourselves any special position or privilege on Formosa.

" 'The present military neutralization of Formosa is without prejudice to political questions affecting that island. Our desire is that Formosa not become embroiled in hostilities disturbing to the peace of the Pacific and that all questions affecting Formosa be settled by peaceful means as envisaged in the Charter of the United Nations. With peace reestablished, even the most complex political questions are susceptible of solution. In the presence of brutal and unprovoked aggression, however, some of these questions may have to be held in abeyance in the interest of the essential security of all.'

"These statements and the facts to which they related make perfectly clear certain fundamental points which the people of the world will have clearly in mind:

"1. The United States has not encroached on the territory of China, nor has the United States taken aggressive action against China.

"2. The action of the United States in regard to Formosa was taken at a time when that island was the scene of conflict with the mainland. More serious conflict was threatened by the public declaration of the Chinese Communist authorities. Such conflict would have threatened the security of the United Nations forces operating in Korea under the mandate of the Security Council to repel the aggression on the Republic of Korea. They threatened to extend the conflict through the Pacific area.

"3. The action of the United States was an impartial neutralizing action addressed both to the forces on Formosa and to those on the mainland. It was an action designed to keep the peace and was, therefore, in full accord with the spirit of the Charter of the United Nations. As President Truman has solemnly declared, we have no designs on Formosa, and our action was not inspired by any desire to acquire a special position for the United States.

"4. The action of the United States was expressly stated to be without prejudice to the future political settlement of the status of the island. The actual status of the island is that it is territory taken from Japan by the victory of the Allied forces in the Pacific. Like other such territories, its legal status cannot be fixed until there is international action to determine its future. The Chinese Government was asked by the Allies to take the surrender of the Japanese forces on the island. That is the reason the Chinese are there now.

"5. The United States has a record through history of friendship for the Chinese people. We still feel the friendship and know that millions of Chinese reciprocate it. We took the lead with others in the last United Nations General Assembly to secure approval of a resolution on the integrity of China. Only the Union of the Soviet Socialist Republics and its satellites did not approve that resolution.

"6. The United States would welcome United Nations consideration of the case of Formosa. We would approve full United Nations investigation here, or on the spot. We believe that United Nations consideration would contribute to a peaceful, rather than a forceable solution of that problem.

"7. We do not believe that the Security Council need be, or will be, diverted from its consideration of the aggression against the Republic of Korea. There was a breach of the peace in Korea. The aggressor attacked, has been condemned, and the combined forces of the United Nations are now in battle to repel the aggression.

"Formosa is now at peace and will remain so unless someone resorts to force.

"If the Security Council wishes to study the question of Formosa we shall support and assist that study. Meanwhile, the President of the Security Council should discharge the duties of his office and get on with the item on the agenda, which is the complaint of aggression against the Republic of Korea, and, specifically, the recognition of the right of the Korean Ambassador to take his seat and the vote on the United States resolution for the localization of the Korean conflict.

"I request that this letter be circulated to members of the Security Council."

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Raymond A. Hare, of Iowa, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia, and to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Kingdom of Yemen, which was referred to the Committee on Foreign Relations.

The VICE PRESIDENT. The Secretary will state the first item on the Executive Calendar, a treaty.

THE CHARTER OF THE ORGANIZATION OF AMERICAN STATES

The Senate, as in Committee of the Whole, proceeded to consider the charter (Executive A, 81st Cong., 1st sess.), a Charter of the Organization of American States, formulated at the Ninth International Conference of American States and signed at Bogota in the English, French, Portuguese, and Spanish languages on April 30, 1948, by the plenipotentiaries of the United States of America and by the plenipotentiaries of the other American Republics, which was read the second time, as follows:

CHARTER OF THE ORGANIZATION OF AMERICAN STATES

In the name of their peoples, the states represented at the Ninth International Conference of American States,

Convinced that the historic mission of America is to offer to man a land of liberty, and a favorable environment for the development of his personality and the realization of his just aspirations;

Conscious that that mission has already inspired numerous agreements, whose essential value lies in the desire of the American peoples to live together in peace, and, through their mutual understanding and respect for the sovereignty of each one, to provide for the betterment of all, in independence, in equality and under law;

Confident that the true significance of American solidarity and good neighborliness can only mean the consolidation on this continent, within the framework of democratic institutions, of a system of individual liberty and social justice based on respect for the essential rights of man;

Persuaded that their welfare and their contribution to the progress and the civiliza-

tion of the world will increasingly require intensive continental cooperation;

Resolved to presevere in the noble undertaking that humanity has conferred upon the United Nations, whose principles and purposes they solemnly reaffirm;

Convinced that juridical organization is a necessary condition for security and peace founded on moral order and on justice; and

In accordance with Resolution IX of the Inter-American Conference on Problems of War and Peace, held at Mexico City,

Have agreed upon the following

CHARTER OF THE ORGANIZATION OF AMERICAN STATES

PART ONE

Chapter I

Nature and purposes

Article 1

The American States establish by this Charter the international organization that they have developed to achieve an order of peace and justice, to promote their solidarity, to strengthen their collaboration, and to defend their sovereignty, their territorial integrity and their independence. Within the United Nations, the Organization of American States is a regional agency.

Article 2

All American States that ratify the present Charter are members of the Organization.

Article 3

Any new political entity that arises from the union of several Member States and that, as such, ratifies the present Charter, shall become a Member of the Organization. The entry of the new political entity into the Organization shall result in the loss of membership of each one of the States which constitute it.

Article 4

The Organization of American States, in order to put into practice the principles on which it is founded and to fulfill its regional obligations under the Charter of the United Nations, proclaims the following essential purposes:

(a) To strengthen the peace and security of the continent;

(b) To prevent possible causes of difficulties and to ensure the pacific settlement of disputes that may arise among the member States;

(c) To provide for common action on the part of those States in the event of aggression;

(d) To seek the solution of political, juridical, and economic problems that may arise among them; and

(e) To promote, by cooperative action, their economic, social, and cultural development.

Chapter II

Principles

Article 5

The American States reaffirm the following principles:

(a) International law is the standard of conduct of States in their reciprocal relations;

(b) International order consists essentially of respect for the personality, sovereignty, and independence of States, and the faithful fulfillment of obligations derived from treaties and other sources of international law;

(c) Good faith shall govern the relations between States;

(d) The solidarity of the American States and the high aims which are sought through it require the political organization of those States on the basis of the effective exercise of representative democracy;

(e) The American States condemn war of aggression: Victory does not give rights;

(f) An act of aggression against one American State is an act of aggression against all the other American States;

(g) Controversies of an international character arising between two or more American States shall be settled by peaceful procedures;

(h) Social justice and social security are bases of lasting peace;

(i) Economic cooperation is essential to the common welfare and prosperity of the peoples of the continent;

(j) The American States proclaim the fundamental rights of the individual without distinction as to race, nationality, creed, or sex;

(k) The spiritual unity of the continent is based on respect for the cultural values of the American countries and requires their close cooperation for the high purposes of civilization;

(l) The education of peoples should be directed toward justice, freedom, and peace.

Chapter III

Fundamental rights and duties of States

Article 6

States are juridically equal, enjoy equal rights and equal capacity to exercise these rights, and have equal duties. The rights of each State depend not upon its power to ensure the exercise thereof, but upon the mere fact of its existence as a person under international law.

Article 7

Every American State has the duty to respect the rights enjoyed by every other State in accordance with international law.

Article 8

The fundamental rights of States may not be impaired in any manner whatsoever.

Article 9

The political existence of the State is independent of recognition by other States. Even before being recognized, the State has the right to defend its integrity and independence, to provide for its preservation and prosperity, and consequently to organize itself as it sees fit, to legislate concerning its interests, to administer its services, and to determine the jurisdiction and competence of its courts. The exercise of these rights is limited only by the exercise of the rights of other States in accordance with international law.

Article 10

Recognition implies that the State granting it accepts the personality of the new State, with all the rights and duties that international law prescribes for the two States.

Article 11

The right of each State to protect itself and to live its own life does not authorize it to commit unjust acts against another State.

Article 12

The jurisdiction of States within the limits of their national territory is exercised equally over all the inhabitants, whether nationals or aliens.

Article 13

Each State has the right to develop its cultural, political, and economic life freely and naturally. In this free development, the State shall respect the rights of the individual and the principles of universal morality.

Article 14

Respect for and the faithful observance of treaties constitute standards for the development of peaceful relations among States. International treaties and agreements should be public.

Article 15

No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic, and cultural elements.

Article 16

No State may use or encourage the use of coercive measures of an economic or political character in order to force the sovereign will of another State and obtain from it advantages of any kind.

Article 17

The territory of a State is inviolable; it may not be the object, even temporarily, of military occupation or of other measures of force taken by another State, directly or indirectly, on any grounds whatever. No territorial acquisitions or special advantages obtained either by force or by other means of coercion shall be recognized.

Article 18

The American States bind themselves in their international relations not to have recourse to the use of force, except in the case of self-defense in accordance with existing treaties or in fulfillment thereof.

Article 19

Measures adopted for the maintenance of peace and security in accordance with existing treaties do not constitute a violation of the principles set forth in Articles 15 and 17.

Chapter IV

Pacific settlement of disputes

Article 20

All international disputes that may arise between American States shall be submitted to the peaceful procedures set forth in this Charter, before being referred to the Security Council of the United Nations.

Article 21

The following are peaceful procedures: direct negotiation, good offices, mediation, investigation and conciliation, judicial settlement, arbitration, and those which the parties to the dispute may especially agree upon at any time.

Article 22

In the event that a dispute arises between two or more American States which, in the opinion of one of them, cannot be settled through the usual diplomatic channels, the parties shall agree on some other peaceful procedure that will enable them to reach a solution.

Article 23

A special treaty will establish adequate procedures for the pacific settlement of disputes and will determine the appropriate means for their application, so that no dispute between American States shall fail of definitive settlement within a reasonable period.

Chapter V

Collective security

Article 24

Every act of aggression by a state against the territorial integrity or the inviolability of the territory or against the sovereignty or political independence of an American State shall be considered an act of aggression against the other American States.

Article 25

If the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an armed attack or by an act of aggression that is not an armed attack, or by an extracontinental conflict, or by a conflict between two or more American states, or by any other fact or situation that might endanger the peace of America, the American States, in furtherance of the principles of continental solidarity or collective self-defense, shall apply

the measures and procedures established in the special treaties on the subject.

Chapter VI

Economic standards

Article 26

The member states agree to cooperate with one another, as far as their resources may permit and their laws may provide, in the broadest spirit of good neighborliness, in order to strengthen their economic structure, develop their agriculture and mining, promote their industry, and increase their trade.

Article 27

If the economy of an American State is affected by serious conditions that cannot be satisfactorily remedied by its own unaided effort, such state may place its economic problems before the Inter-American Economic and Social Council to see through consultation the most appropriate solution for such problems.

Chapter VII

Social standards

Article 28

The member States agree to cooperate with one another to achieve just and decent living conditions for their entire populations.

Article 29

The member States agree upon the desirability of developing their social legislation on the following bases:

(a) All human beings, without distinction as to race, nationality, sex, creed or social condition, have the right to attain material well-being and spiritual growth under circumstances of liberty, dignity, equality of opportunity, and economic security;

(b) Work is a right and a social duty; it shall not be considered as an article of commerce; it demands respect for freedom of association and for the dignity of the worker; and it is to be performed under conditions that ensure life, health, and a decent standard of living, both during the working years and during old age, or when any circumstance deprives the individual of the possibility of working.

Chapter VIII

Cultural standards

Article 30

The member States agree to promote, in accordance with their constitutional provisions and their material resources, the exercise of the right to education, on the following bases:

(a) Elementary education shall be compulsory and, when provided by the State, shall be without cost;

(b) Higher education shall be available to all, without distinction as to race, nationality, sex, language, creed, or social condition.

Article 31

With due consideration for the national character of each State, the Member States undertake to facilitate free cultural interchange by every medium of expression.

PART TWO

Chapter IX

The organs

Article 32

The Organization of American States accomplishes its purposes by means of:

(a) The Inter-American Conference;

(b) The meeting of Consultation of Ministers of Foreign Affairs;

(c) The Council;

(d) The Pan American Union;

(e) The Specialized Conferences; and

(f) The Specialized Organizations.

Chapter X

The Inter-American Conference

Article 33

The Inter-American Conference is the supreme organ of the Organization of American States. It decides the general action and policy of the Organization and determines the structure and functions of its Organs, and has the authority to consider any matter relating to friendly relations among the American States. These functions shall be carried out in accordance with the provisions of this Charter and of other inter-American treaties.

Article 34

All Member States have the right to be represented at the Inter-American Conference. Each State has the right to one vote.

Article 35

The Conference shall convene every 5 years at the time fixed by the Council of the Organization, after consultation with the government of the country where the Conference is to be held.

Article 36

In special circumstances and with the approval of two-thirds of the American Governments, a special Inter-American Conference may be held, or the date of the next regular Conference may be changed.

Article 37

Each Inter-American Conference shall designate the place of meeting of the next Conference. If for any unforeseen reason the Conference cannot be held at the place designated, the Council of the Organization shall designate a new place.

Article 38

The program and regulations of the Inter-American Conference shall be prepared by the Council of the Organization and submitted to the Member States for consideration.

Chapter XI

The meeting of consultation of Ministers of Foreign Affairs

Article 39

The Meeting of Consultation of Ministers of Foreign Affairs shall be held in order to consider problems of an urgent nature and of common interest to the American States, and to serve as the Organ of Consultation.

Article 40

Any Member State may request that a Meeting of Consultation be called. The request shall be addressed to the Council of the Organization, which shall decide by an absolute majority whether a meeting should be held.

Article 41

The program and regulations of the Meeting of Consultation shall be prepared by the Council of the Organization and submitted to the Member States for consideration.

Article 42

If, for exceptional reasons, a Minister of Foreign Affairs is unable to attend the meeting, he shall be represented by a special delegate.

Article 43

In case of an armed attack within the territory of an American State or within the region of security delimited by treaties in force, a Meeting of Consultation shall be held without delay. Such Meeting shall be called immediately by the Chairman of the Council of the Organization, who shall at the same time call a meeting of the Council itself.

Article 44

An Advisory Defense Committee shall be established to advise the Organ of Consultation on problems of military cooperation that may arise in connection with the application of existing special treaties on collective security.

Article 45

The Advisory Defense Committee shall be composed of the highest military authorities of the American States participating in the Meeting of Consultation. Under exceptional circumstances, the Governments may appoint substitutes. Each State shall be entitled to 1 vote.

Article 46

The Advisory Defense Committee shall be convoked under the same conditions as the Organ of Consultation, when the latter deals with matters relating to defense against aggression.

Article 47

The Committee shall also meet when the Conference or the Meeting of Consultation or the Governments, by a two-thirds majority of the Member States, assign to it technical studies or reports on specific subjects.

Chapter XII

The Council

Article 48

The Council of the Organization of American States is composed of one Representative of each Member State of the Organization, especially appointed by the respective Government, with the rank of Ambassador. The appointment may be given to the diplomatic representative accredited to the Government of the country in which the Council has its seat. During the absence of the titular Representative, the Government may appoint an interim Representative.

Article 49

The Council shall elect a Chairman and a Vice Chairman, who shall serve for 1 year and shall not be eligible for election to either of those positions for the term immediately following.

Article 50

The Council takes cognizance, within the limits of the present Charter and of inter-American treaties and agreements, of any matter referred to it by the Inter-American Conference or the meeting of Consultation of Ministers of Foreign Affairs.

Article 51

The Council shall be responsible for the proper discharge by the Pan American Union of the duties assigned to it.

Article 52

The Council shall serve provisionally as the Organ of Consultation when the circumstances contemplated in article 43 of this Charter arise.

Article 53

It is also the duty of the Council:

(a) To draft and submit to the Governments and to the Inter-American Conference proposals for the creation of new Specialized Organizations or for the combination, adaptation, or elimination of existing ones, including matters relating to the financing and support thereof;

(b) To draft recommendations to the Governments, the Inter-American Conference, the Specialized Conferences or the Specialized Organizations, for the coordination of the activities and programs of such organizations, after consultation with them;

(c) To conclude agreements with the Inter-American Specialized Organizations to determine the relations that shall exist between the respective agency and the Organization;

(d) To conclude agreements or special arrangements for cooperation with other American organizations of recognized international standing;

(e) To promote and facilitate collaboration between the Organization of American States and the United Nations, as well as between Inter-American Specialized Organizations and similar international agencies.

(f) To adopt resolutions that will enable the Secretary General to perform the duties envisaged in article 84;

(g) To perform the other duties assigned to it by the present Charter.

Article 54

The Council shall establish the bases for fixing the quota that each government is to contribute to the maintenance of the Pan American Union, taking into account the ability to pay of the respective countries and their determination to contribute in an equitable manner. The budget, after approval by the Council, shall be transmitted to the governments at least 6 months before the first day of the fiscal year, with a statement of the annual quota of each country. Decisions on budgetary matters require the approval of two-thirds of the members of the Council.

Article 55

The Council shall formulate its own regulations.

Article 56

The Council shall function at the seat of the Pan American Union.

Article 57

The following are organs of the Council of the Organization of American States:

(a) The Inter-American Economic and Social Council;

(b) The Inter-American Council of Jurists; and

(c) The Inter-American Cultural Council.

Article 58

The organs referred to in the preceding article shall have technical autonomy within the limits of this Charter; but their decisions shall not encroach upon the sphere of action of the Council of the Organization.

Article 59

The organs of the Council of the Organization are composed of representatives of all the member states of the organization.

Article 60

The organs of the Council of the Organization shall, as far as possible, render to the governments such technical services as the latter may request; and they shall advise the Council of the Organization on matters within their jurisdiction.

Article 61

The organs of the Council of the Organization shall, in agreement with the Council, establish cooperative relations with the corresponding organs of the United Nations and with the national or international agencies that function within their respective spheres of action.

Article 62

The Council of the Organization, with the advice of the appropriate bodies and after consultation with the governments, shall formulate the statutes of its organs in accordance with and in the execution of the provisions of this Charter. The organs shall formulate their own regulations.

(A) The Inter-American Economic and Social Council

Article 63

The Inter-American Economic and Social Council has for its principal purpose the promotion of the economic and social welfare of the American nations through effective cooperation for the better utilization of their natural resources, the development of their agriculture and industry and the raising of the standards of living of their peoples.

Article 64

To accomplish this purpose the Council shall:

(a) Propose the means by which the American nations may give each other technical assistance in making studies and formulating and executing plans to carry out the purposes referred to in Article 26 and to develop and improve their social services;

(b) Act as coordinating agency for all official inter-American activities of an economic and social nature;

(c) Undertake studies on its own initiative or at the request of any member state;

(d) Assemble and prepare reports on economic and social matters for the use of the member states;

(e) Suggests to the Council of the Organization the advisability of holding specialized conferences on economic and social matters;

(f) Carry on such other activities as may be assigned to it by the Inter-American Conference, the Meeting of Consultation of Ministers of Foreign Affairs, or the Council of the Organization.

Article 65

The Inter-American Economic and Social Council, composed of technical delegates appointed by each member state, shall meet on its own initiative or on that of the Council of the Organization.

Article 66

The Inter-American Economic and Social Council shall function at the seat of the Pan American Union, but it may hold meetings in any American city by a majority decision of the member states.

(B) The Inter-American Council of Jurists

Article 67

The purpose of the Inter-American Council of Jurists is to serve as an advisory body on juridical matters; to promote the development and codification of public and private international law; and to study the possibility of attaining uniformity in the legislation of the various American countries, insofar as it may appear desirable.

Article 68

The Inter-American Juridical Committee of Rio de Janeiro shall be the permanent committee of the Inter-American Council of Jurists.

Article 69

The Juridical Committee shall be composed of jurists of the nine countries selected by the Inter-American Conference. The selection of the jurists shall be made by the Inter-American Council of Jurists from a panel submitted by each country chosen by the Conference. The Members of the Juridical Committee represent all Member States of the Organization. The Council of the Organization is empowered to fill any vacancies that occur during the intervals between Inter-American Conferences and between meetings of the Inter-American Council of Jurists.

Article 70

The Juridical Committee shall undertake such studies and preparatory work as are assigned to it by the Inter-American Council of Jurists, the Inter-American Conference, the Meeting of Consultation of Ministers of Foreign Affairs, or the Council of the Organization. It may also undertake those studies and projects which, on its own initiative, it considers advisable.

Article 71

The Inter-American Council of Jurists and the Juridical Committee should seek the cooperation of national committees for the codification of international law, of institutes of international and comparative law, and of other specialized agencies.

Article 72

The Inter-American Council of Jurists shall meet when convened by the Council of the Organization, at the place determined by the Council of Jurists at its previous meeting.

(C) The Inter-American Cultural Council

Article 73

The purpose of the Inter-American Cultural Council is to promote friendly relations and mutual understanding among the American peoples, in order to strengthen the peaceful sentiments that have characterized the evolution of America, through the promotion of educational, scientific, and cultural exchange.

Article 74

To this end the principal functions of the Council shall be:

(a) To sponsor inter-American cultural activities;

(b) To collect and supply information on cultural activities carried on, in, and among the American States by private and official agencies, both national and international in character;

(c) To promote the adoption of basic educational programs adapted to the needs of all population groups in the American countries;

(d) To promote, in addition, the adoption of special programs of training, education, and culture for the indigenous groups of the American countries;

(e) To cooperate in the protection, preservation, and increase of the cultural heritage of the continent;

(f) To promote cooperation among the American nations in the fields of education, science, and culture by means of the exchange of materials for research and study, as well as the exchange of teachers, students, specialists, and, in general, such other persons and materials as are useful for the realization of these ends;

(g) To encourage the education of the peoples for harmonious international relations;

(h) To carry on such other activities as may be assigned to it by the Inter-American Conference, the Meeting of Consultation of Ministers of Foreign Affairs, or the Council of the Organization.

Article 75

The Inter-American Cultural Council shall determine the place of its next meeting, and shall be convened by the Council of the Organization on the date chosen by the latter in agreement with the Government of the country selected as the seat of the meeting.

Article 76

There shall be a Committee for Cultural Action of which five States, chosen at each Inter-American Conference, shall be members. The individuals composing the Committee for Cultural Action shall be selected by the Inter-American Cultural Council from a panel submitted by each country chosen by the Conference, and they shall be specialists in education or cultural matters. When the Inter-American Cultural Council and the Inter-American Conference are not in session, the Council of the Organization may fill vacancies that arise and replace those countries that find it necessary to discontinue their cooperation.

Article 77

The Committee for Cultural Action shall function as the permanent committee of the Inter-American Cultural Council, for the purpose of preparing any studies that the latter may assign to it. With respect to these studies the Council shall have the final decision.

Chapter XIII

The Pan American Union

Article 78

The Pan American Union is the central and permanent organ of the Organization of American States and the General Secretariat of the Organization. It shall perform the duties assigned to it in this Charter and such other duties as may be assigned to it in other inter-American treaties and agreements.

Article 79

There shall be a Secretary General of the Organization, who shall be elected by the Council for a 10-year term and who may not be reelected or be succeeded by a person of the same nationality. In the event of a vacancy in the office of Secretary General, the Council shall, within the next 90 days, elect

a successor to fill the office for the remainder of the term, who may be reelected if the vacancy occurs during the second half of the term.

Article 80

The Secretary General shall direct the Pan American Union and be the legal representative thereof.

Article 81

The Secretary General shall participate with voice, but without vote, in the deliberations of the Inter-American Conference, the Meeting of Consultation of Ministers of Foreign Affairs, the Specialized Conferences, and the Council and its organs.

Article 82

The Pan American Union, through its technical and information offices, shall, under the direction of the Council, promote economic, social, juridical, and cultural relations among all the Member States of the Organization.

Article 83

The Pan America Union shall also perform the following functions:

(a) Transmit ex officio to Member States the convocation to the Inter-American Conference, the Meeting of Consultation of Ministers of Foreign Affairs, and the Specialized Conferences;

(b) Advise the Council and its organs in the preparation of programs and regulations of the Inter-American Conference, the Meeting of Consultation of Ministers of Foreign Affairs, and the Specialized Conferences;

(c) Place, to the extent of its ability, at the disposal of the Government of the country where a conference is to be held, the technical aid and personnel which such Government may request;

(d) Serve as custodian of the documents and archives of the Inter-American Conference, of the Meeting of Consultation of Ministers of Foreign Affairs, and, insofar as possible, of the Specialized Conferences;

(e) Serve as depository of the instruments of ratification of inter-American agreements;

(f) Perform the functions entrusted to it by the Inter-American Conference, and the Meeting of Consultation of Ministers of Foreign Affairs;

(g) Submit to the Council an annual report on the activities of the Organization;

(h) Submit to the Inter-American Conference a report on the work accomplished by the Organs of the Organization since the previous Conference.

Article 84

It is the duty of the Secretary General:

(a) To establish, with the approval of the Council, such technical and administrative offices of the Pan American Union as are necessary to accomplish its purposes;

(b) To determine the number of department heads, officers, and employees of the Pan American Union; to appoint them, regulate their powers and duties, and fix their compensation, in accordance with general standards established by the Council.

Article 85

There shall be an Assistant Secretary General, elected by the Council for a term of 10 years and eligible for reelection. In the event of a vacancy in the office of Assistant Secretary General, the Council shall, within the next 90 days, elect a successor to fill such office for the remainder of the term.

Article 86

The Assistant Secreary General shall be the Secretary of the Council. He shall perform the duties of the Secretary General during the temporary absence or disability of the latter, or during the 90-day vacancy referred to in Article 79. He shall also serve as advisory officer to the Secretary General, with the power to act as his delegate in all matters that the Secretary General may entrust to him.

Article 87

The Council, by a two-thirds vote of its members, may remove the Secretary General or the Assistant Secretary General whenever the proper functioning of the Organization so demands.

Article 88

The heads of the respective departments of the Pan American Union, appointed by the Secretary General, shall be the Executive Secretaries of the Inter-American Economic and Social Council, the Council of Jurists and the Cultural Council.

Article 89

In the performance of their duties the personnel shall not seek or receive instructions from any government or from any other authority outside the Pan American Union. They shall refrain from any action that might reflect upon their position as international officials responsible only to the Union.

Article 90

Every member of the Organization of American States pledges itself to respect the exclusively international character of the responsibilities of the Secretary General and the personnel, and not to seek to influence them in the discharge of their duties.

Article 91

In selecting its personnel the Pan American Union shall give first consideration to efficiency, competence and integrity; but at the same time importance shall be given to the necessity of recruiting personnel on as broad a geographical basis as possible.

Article 92

The seat of the Pan American Union is the city of Washington.

Chapter XIV

The specialized conferences

Article 93

The Specialized Conferences shall meet to deal with special technical matters or to develop specific aspects of inter-American cooperation, when it is so decided by the Inter-American Conference or the Meeting of Consultation of Ministers of Foreign Affairs; when inter-American agreements so provide; or when the Council of the Organization considers it necessary, either on its own initiative or at the request of one of its organs or of one of the Specialized Organizations.

Article 94

The program and regulations of the Specialized Conferences shall be prepared by the organs of the Council of the Organization or by the Specialized Organizations concerned; they shall be submitted to the Member Governments for consideration and transmitted to the Council for its information.

Chapter XV

The specialized organizations

Article 95

For the purposes of the present Charter, Inter-American Specialized Organizations are the intergovernmental organizations established by multilateral agreements and having specific functions with respect to technical matters of common interest to the American States.

Article 96

The Council shall, for the purposes stated in article 53, maintain a register of the organizations that fulfill the conditions set forth in the foregoing article.

Article 97

The specialized organizations shall enjoy the fullest technical autonomy and shall take into account the recommendations of the Council, in conformity with the provisions of the present Charter.

Article 98

The specialized organizations shall submit to the Council periodic reports on the progress of their work and on their annual budgets and expenses.

Article 99

Agreements between the Council and the specialized organizations contemplated in paragraph (c) of article 53 may provide that such organizations transmit their budgets to the Council for approval. Arrangements may also be made for the Pan American Union to receive the quotas of the contributing countries and distribute them in accordance with the said agreements.

Article 100

The specialized organizations shall establish cooperative relations with world agencies of the same character in order to coordinate their activities. In concluding agreements with international agencies of a world-wide character, the Inter-American Specialized Organizations shall preserve their identity and their status as integral parts of the Organization of American States, even when they perform regional functions of international agencies.

Article 101

In determining the geographic location of the specialized organizations the interests of all the American States shall be taken into account.

PART THREE

Chapter XVI

The United Nations

Article 102

None of the provisions of this Charter shall be construed as impairing the rights and obligations of the Member States under the Charter of the United Nations.

Chapter XVII

Miscellaneous provisions

Article 103

The Organization of American States shall enjoy in the territory of each Member such legal capacity, privileges, and immunities as are necessary for the exercise of its functions and the accomplishment of its purposes.

Article 104

The Representatives of the Governments on the Council of the Organization, the representatives on the organs of the Council, the personnel of their delegations, as well as the Secretary General and the Assistant Secretary General of the Organization, shall enjoy the privileges and immunities necessary for the independent performance of their duties.

Article 105

The juridical status of the Inter-American Specialized Organizations and the privileges and immunities that should be granted to them and to their personnel, as well as to the officials of the Pan American Union, shall be determined in each case through agreements between the respective organizations and the Governments concerned.

Article 106

Correspondence of the Organization of American States, including printed matter and parcels, bearing the frank thereof, shall be carried free of charge in the mails of the Member States.

Article 107

The Organization of American States does not recognize any restriction on the eligibility of men and women to participate in the activities of the various Organs and to hold positions therein.

Chapter XVIII

Ratification and entry into force

Article 108

The present Charter shall remain open for signature by the American States and shall

be ratified in accordance with their respective constitutional procedures. The original instrument, the Spanish, English, Portuguese, and French texts of which are equally authentic, shall be deposited with the Pan American Union, which shall transmit certified copies thereof to the Governments for purposes of ratification. The instruments of ratification shall be deposited with the Pan American Union, which shall notify the signatory States of such deposit.

Article 109

The present Charter shall enter into force among the ratifying States when two-thirds of the signatory States have deposited their ratifications. It shall enter into force with respect to the remaining States in the order in which they deposit their ratifications.

Article 110

The present Charter shall be registered with the Secretariat of the United Nations through the Pan American Union.

Article 111

Amendments to the present Charter may be adopted only at an Inter-American Conference convened for that purpose. Amendments shall enter into force in accordance with the terms and the procedure set forth in Article 109.

Article 112

The present Charter shall remain in force indefinitely, but may be denounced by any Member State upon written notification to the Pan American Union, which shall communicate to all the others each notice of denunciation received. After 2 years from the date on which the Pan American Union receives a notice of denunciation, the present Charter shall cease to be in force with respect to the denouncing State, which shall cease to belong to the Organization after it has fulfilled the obligations arising from the present Charter.

In witness whereof the undersigned Plenipotentiaries, whose full powers have been presented and found to be in good and due form, sign the present Charter at the city of Bogotá, Colombia, on the dates that appear opposite their respective signatures.

For Honduras:
M. A. Batres
Ramón E. Cruz
Virgilio R. Gálvez
(30 de abril de 1948)

For Guatemala:
L. Cardoza y Aragón
J. L. Mendoza
Virgilio Rodríguez Beteta
M. Noriega M.
José M. Saravia
(30 de abril de 1948)

For Chile:
J. Hernández
E. Barros Jarpa
W. Muller
Julio Barrenechea
D. Bassi
J. Ramón Gutiérrez
Rodrigo González
Gaspar Mora Sotomayor
(30 de abril de 1948)

For Uruguay:
Dardo Regules
Pedra Chouhy Terra
Juan F. Guichón
Héctor A. Grauert
Gen. Pedro Sicco
R. Píriz Co lho
Nilo Berchesi
Ariosto D. González
Blanca Mieres de Botto
Carlos Manini Ríos
(30 de abril de 1948)

For Cuba:
O. Gans y M.
Ernesto Dihigo
Carlos Tabernilla
Ricardo Sarabasa
Guy Pérez Cisneros
E. Pando
(30 de abril de 1948)

For the United States of America:
Norman Armour
Willard L. Beaulac
William D. Pawley
Walter J. Donnelly
Paul C. Daniels
(30 de abril de 1948)

For the Dominican Republic:
Artura Despradel
Minerva Bernardino
Temístocles Messina
Joaquín Balaguer
E. Rodríguez Demorizi
Héctor Incháustegui
(30 de abril de 1948)

For Bolivia:
J. Paz Campero
E. Montes y M.
Humberto Linares
H. Palza
A. Alexander
(30 de abril de 1948)

For Peru:
A. Revoredo I.
V. A. Belaúnde
Luis Fernán Cisneros
Juan Bautista de Lavalle
G. N. de Arámburu
Luis Echecopar García
E. Rebagliati
(30 de abril de 1948)

For Nicaragua:
Luis Manuel Debayle
Guillermo Sevilla Sacasa
Modesto Valle
Jesús Sánchez
Diego M. Chamorro
(30 de abril de 1948)

For Mexico:
J. Torres Bodet
R. Córdova
Luis Quintanilla
José M. Ortiz Tirado
P. Campos Ortiz
J. Gorostiza
E. Villaseñor
G. Ramos Millán
J. López B.
M. Sánchez Cuén
E. Enríquez
Mario de la Cueva
F. A. Ursúa
(30 de abril de 1948)

For Panama:
Mario de Diego
Roberto Jiménez
R. J. Alfaro
Eduardo A. Chiari
(30 de abril de 1948)

For El Salvador:
Héctor David Castro
H. Escobar Serrano
Joaquín Guillén Rivas
Roberto E. Canessa
(30 de abril de 1948)

For Paraguay:
César A. Vasconsellos
Augusto Saldívar
(30 de abril de 1948)

For Costa Rica:
Emilio Valverde
Rolando Blanco
José Miranda
(30 de abril de 1948)

For Ecuador:
A. Parra V.
Homero Viteri L.
P. Jaramillo A.
Gen. L. Larrea A.
Alberto Puig Arosemena
H. García Ortiz
B. Peralta P.
(30 de abril de 1948)

For Brazil:
João Neves da Fontoura
Arthur Ferreira dos Santos
Gabriel de Rezende Passos
Elmano Gomes Cardim
João Henrique Sampaio Vieira de Silva
A. Camillo de Oliveira
Jorge Felippe Kafuri
Ernesto de Araújo
(30 de abril de 1948)

For Haiti:
Gustave Laraque
J. L. Dejean
(30 de abril de 1948)

For Venezuela:
Rómulo Betancourt
Luis Lander
José Rafael Pocaterra
Mariano Picón Salas
30 de abril de 1948

For the Argentine Republic:
Enrique Corominas
Pascual La Rosa
Pedro Juan Vignale
Saverio S. Valenti
R. A. Ares
30 de abril de 1948

For Colombia:
Eduardo Zuleta Angel
Carlos Lozano y Lozano
Domingo Esguerra
Silvio Villegas
Luis López de Mesa
Jorge Soto del Corral
Carlos Arango Vélez
Miguel Jiménez López
Augusto Ramírez Moreno
Cipriano Restrepo Jaramillo
Antonio Rocha

I hereby certify that the foregoing document is a true and faithful copy of the authentic texts in English, French, Portuguese, and Spanish, of the Charter of the Organization of American States, signed at the Ninth International Conference of American States, held at Bogotá, Colombia, from March 30 to May 2, 1948, and that these texts have been duly examined for purposes by coordination by the Special Commission appointed to that end by the Council of the Organization of American States.

Washington, D. C., September 30, 1948.

WILLIAM MANGER,
Secretary of the Council of the Organization of American States.

The VICE PRESIDENT. The charter is open to amendment. If there be no amendment to be proposed, the charter will be reported to the Senate.

The charter was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification, with the reservation, will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive A, Eighty-first Congress, first session, the Charter of the Organization of American States, formulated at the Ninth International Conference of American States and signed at Bogotá in the English, French, Portuguese, and Spanish languages on April 30, 1948, by the plentipotentiaries of the United States of America and by the plenipotentiaries of the other American republics, subject to the following reservation:

That the Senate give its advice and consent to ratification of the Charter with the reservation that none of its provisions shall be considered as enlarging the powers of the Federal Government of the United States or limiting the powers of the several states of the Federal Union with respect to any matters recognized under the Constitution as being within the reserved powers of the several States.

The VICE PRESIDENT. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification with the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the

resolution of ratification, with the reservation, is agreed to, and the Charter is ratified.

ADVISORY BOARD FOR THE POST OFFICE DEPARTMENT

The legislative clerk read the nomination of Morris L. Ernst, of New York, to be a member of the Advisory Board for the Post Office Department.

Mr. WHERRY. Mr. President, I ask that that nomination be passed over, at least until tomorrow.

Mr. LUCAS. It should go over.

The VICE PRESIDENT. The nomination will be passed over.

DIRECTOR OF CENTRAL INTELLIGENCE

The Chief Clerk read the nomination of Walter Bedell Smith, Lieutenant General, United States Army, to be Director of Central Intelligence.

Mr. MORSE. Mr. President, Friday afternoon, after I reported this nomination in behalf of the Armed Services Committee, I withdraw it after the Senator from Iowa [Mr. HICKENLOOPER] asked me to find out whether or not Mr. Smith intended to accept this appointment as a career, or whether he had any intention of accepting it only as an interim appointment, pending his accepting some other position in private industry. In view of that question having been raised, I thought it was only a matter of courtesy owing to the Senator from Iowa to withdraw the appointment until I could secure the information I needed to answer the question.

I have this afternoon talked to General Smith. He took the position which I think is quite proper and right for him to take, namely, that he could not and would not commit himself to any promise that under no circumstances would he accept another position if in the future he decided, for personal reasons or otherwise, that he cared to accept another position that might possibly be offered to him.

I think that is a perfectly reasonable and understandable position for anyone nominated to a Federal position to take. I do not think we have any right to say to anyone who is named to any Federal position that the confirmation of his nomination should be made dependent upon a promise from him that under no circumstances would he accept another appointment.

General Smith said, for example, that he had been under consideration, along with a group of other men, for the presidency of a university. He said he wanted to have it clearly understood before the Senate passed upon this confirmation, that he would not commit himself not to accept the presidency of a university if he should decide, in case such an offer were made to him, that he could perform, according to his lights, a better service in that position than in the position for which he had been nominated. However, he said he thought I would also be within the realm of a completely accurate statement if I notified the Senate this afternoon that it was not his present intention or contemplation to accept another position if one should be offered to him in the immediate future. That he was planning to proceed with this particular work, because he thought it offered to him a fine opportunity of great public service. Then he added that he wanted the Senate fully to understand, that he considered himself, if confirmed to this position this afternoon, perfectly free at any time, without feeling that he was under any obligation to the Senate, to resign his position as head of CIA if in the future he should decide for his own reasons he should take some position either in industry or in the field of education or in another field. I think, Mr. President, that is a very accurate report of my conversation with General Smith.

Now I wish to say, as a member of the Armed Services Committee in charge of this nomination on the floor, that I also consider it to be a satisfactory answer on the part of General Smith, fully aware as I am of the desirability of long continuity of service in the CIA. Nevertheless, I do not believe we have any right ever to seek to bind a man when we are appointing him to a Federal post as important as this, to any commitment that under no circumstances will he accept another appointment. I think that this position is such a vital one in the critical hour in which we now live, Mr. President, that the appointment of General Smith, with his background, his knowledge of Russia and Russian tactics, is a highly desirable one, even—and I will put this now by way of overstatement—even though it may mean that he will take the position for a relatively short time. However, I have every reason to believe that in all probability General Smith will serve in this position for a considerable length of time, and probably this will be his final career service so far as his public work is concerned.

Therefore, in behalf of the Armed Services Committee, I urge confirmation of the nomination of General Smith.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. WHERRY. Does the evidence taken before the Armed Services Committee reveal a continuity of tenure of office on the part of those preceding the appointee in that position?

Mr. MORSE. The evidence reveals that about four different persons have filled that office.

Mr. WHERRY. In what period of time?

Mr. MORSE. Since approximately 1947, I believe.

Mr. WHERRY. The basic law was written in 1947, as I recall. Inasmuch as the distinguished Senator from Oregon has raised the question of continuity, let me say that I agree with him that any attempt to bind the appointee not to accept appointment elsewhere would not be for the best. However, I think the Senator will agree with me that continuity in this important office at this time is most important; is it not?

Mr. MORSE. It is very desirable. We have reason to believe that we shall have continuity of service in that position for whatever time is required in order to have worked out for the Central Intelligence Agency some policies which need to be worked out.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. MORSE. Certainly.

Mr. WHERRY. Did any of the evidence which was adduced show a need for a new appointment in this position at this time? In other words, was there evidence as to whether the services of those who have previously served in this position were completely satisfactory?

Mr. MORSE. The committee did not go into that question at all; so far as I know, no question was raised as to the services of the predecessors in office. We were simply confronted with the fact that a vacancy had occurred and that a new appointment had been made.

Mr. WHERRY. I understand.

Mr. MORSE. We conducted no inquiry into the record of the predecessor in that office, because we did not consider that to be a question before us, in respect to the qualifications of this particular nominee.

Mr. WHERRY. I thank the Senator. I did not read all the testimony. However, judging from some of the newspaper reports, and accepting them for whatever they may be worth, it would seem that a change was made in this position for some particular reason; and I wondered what the reason for it might be.

I have known Admiral Hillenkoetter for many years, and I have a very fine and high opinion of him.

Mr. MORSE. I share the Senator's opinion of Admiral Hillenkoetter.

Mr. WHERRY. Of course, it may be that he desires to return to service in the Navy, at sea; and perhaps he is needed there as much as he is needed in the Central Intelligence Agency. However, when it is stated in some of the press reports that Admiral Hillenkoetter has failed in his service as head of the Central Intelligence Agency, I wish to say that I think he has done a great job as Director of the Central Intelligence Agency. If a change is necessary because of circumstances, I certainly have no objection to the pending nomination, but at least I should like to have the RECORD show my feeling in regard to Admiral Hillenkoetter.

Mr. MORSE. I see that the only other member of the Armed Services Committee who now is on the floor is my friend, the Senator from Virginia [Mr. BYRD]. As I discuss this matter, if he has any comments to make, I hope he will feel free to make them.

I think he will verify the statement I make to the Senate this afternoon in regard to the attitude of the Armed Services Committee regarding this matter.

Mr. WHERRY. I think the report shows what the Senator has said.

I have no objection at all to the appointment of General Smith; but I wish the record to show that so far as I am concerned, the change is not being made because of any failure on the part of Admiral Hillenkoetter. I say that because I have questioned him, and I am satisfied that he has done a fine job in the Central Intelligence Agency.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to state sundry nominations in the Public Health Service.

The VICE PRESIDENT. Without objection, the nominations in the Public Health Service are confirmed en bloc.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

The VICE PRESIDENT. Without objection, the nominations in the Army are confirmed en bloc.

That completes the calendar.

LEGISLATIVE SESSION

The Senate resumed the consideration of legislative business.

WITHDRAWAL OF MOTION TO RECONSIDER CONFERENCE REPORT ON JOINT RESOLUTION RELATING TO NATURALIZATION

Mr. LUCAS. Mr. President, on August 14, I moved that the Senate reconsider the vote taken on the conference report on the joint resolution, House Joint Resolution 238, to provide for the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence. I now ask unanimous consent to withdraw the motion to reconsider.

The VICE PRESIDENT. Without objection, it is so ordered.

PERSONAL STATEMENT BY SENATOR MORSE REGARDING A RADIO BROADCAST

Mr. LUCAS. Mr. President, I shall now move that the Senate take a recess until 12 o'clock noon tomorrow.

Mr. MORSE. Mr. President, will the Senator withhold the motion for a minute or two?

Mr. LUCAS. Yes.

Mr. MORSE. Mr. President, in order that there may be no misunderstanding and, certainly, no injustice done the junior Senator from Oregon in regard to a radio program in which he participated over the week end, and about which there has been some inquiry today either as to what I said or as to what I meant to say, let me make a brief statement at this time for the RECORD:

Over the week end I participated in a radio program with three distinguished Senators, namely, the Senator from Louisiana [Mr. LONG], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Michigan [Mr. FERGUSON]. It was an extemporaneous program. In the course of our discussion, in talking about the possibilities of war and the effects on the United States of a war with Russia, at the end of the program it appears that the Senator from Louisiana asked me a question in regard to what I thought might be the effects upon our country of a war with Russia. I understand now that included within his question was a reference to the atomic power of Russia.

At the time I did not catch the fact that his question included the phrase "atomic power"; I thought he was asking me what I thought would be the effect upon the United States of a sudden war with Russia. I said, in speaking on that program, what I have said many times in recent months, and what happens to be a conviction of mine, namely, that if we should get into a war with Russia as soon as next week, I happen to believe that within a very short space of time thereafter, even as short a space as a month thereafter, the striking power of Russia would be such that several American cities would be rubble. I happen to believe that, and I said so on that program. However, I did not say that with any intention of giving the impression that I thought Russia had atomic power sufficient to reduce several American cities to rubble. I think Russia has the power to do that irrespective of whether she has any atomic power at all.

I hope this statement by me will clarify any misunderstanding regarding my intent which may have arisen by virtue of various inquiries which have been made today.

RECESS

Mr. LUCAS. I renew my motion that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 29, 1950, at 12 o'clock noon.

NOMINATION

Executive nomination received by the Senate August 28 (legislative day, July 20), 1950:

DIPLOMATIC AND FOREIGN SERVICE

Raymond A. Hare, of Iowa, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia, and to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Kingdom of Yemen.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 28 (legislative day, July 20), 1950:

DIRECTOR, CENTRAL INTELLIGENCE

Walter Bedell Smith, lieutenant general, United States Army, to be Director of Central Intelligence.

PUBLIC HEALTH SERVICE

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of acceptance

Edgar A. Hawk	Paul M. Duffy
Clyde H. Steffee, Jr.	George F. Cameron, Jr.
Thomas J. Kennedy, Jr.	William van Herick
Paul H. Ohliger	Robert C. Jackson
Marvin Lillian	Everett C. Sutter
Charles F. Naegele	H. Wayne Glotfelty

To be assistant sugeons (equivalent to the Army rank of first lieutenant), effective date of acceptance

Donald E. Love	John D. Goss, Jr.
Robert N. Philip	Harry F. Brumbach, Jr.
Ira L. Myers	
Byron C. Hollenback	

To be senior assistant dental surgeons (equivalent to the Army rank of captain), effective date of acceptance

Robert C. Likins	Oswald Spence
Quentin M. Smith	Fredric A. Ledward
Robert W. Bonds	Hubert Fields, Jr.
Charles G. Sleichter, Jr.	John W. Heck
	Harry V. Borg

To be assistant dental surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance

Richard L. Hayes	Harold R. Stanley, Jr.
Paul C. Reid	Norman W. Littleton
William D. Sterrett, Jr.	Viron L. Diefenbach
Dorrance I. Anderson	James E. Kelly

To be senior assistant sanitary engineer (equivalent to the Army rank of captain), effective date of acceptance

Donald D. Gold

To be junior assistant sanitary engineers (equivalent to the Army rank of second lieutenant), effective date of acceptance

Harold W. Wolf
Frederick A. Flohrschutz
Raymond E. Matthews

To be senior assistant scientist (equivalent to the Army rank of captain), effective date of date of acceptance

Robert K. Ness

To be senior assistant sanitarian (equivalent to the Army rank of captain), effective date of acceptance

Leo Kartman

To be senior assistant nurse officers (equivalent to the Army rank of captain), effective date of acceptance

Alma Marlin	Lillian S. Dick
Marion E. Becker	Catherine N. McDuffie
Faye G. Abdellah	Helen L. Roberts

To be assistant nurse officer (equivalent to the Army rank of first lieutenant), effective date of acceptance

Nina A. Ramacciotti

To be senior surgeon (equivalent to the Army rank of lieutenant colonel)

Paul A. Lindquist	Robert A. Hingson
George K. Massengill	Kenneth W. Chapman
Michael B. Shimkin	Benno K. Milmore
Lloyd S. Rolufs	James K. Shafer
Joseph C. Sturgell	

To be surgeons (equivalent to the Army rank of major)

Richard S. Yocum	Keith F. Farr
Ardell B. Colyar	Robert E. Staff
Andrew W. Para	John W. Smillie
Gerald R. Clark	Sidney Krohn
Warfield Garson	Leo J. Gehrig
William P. Ramey	Robert Leslie Smith

To be senior assistant surgeons (equivalent to the Army rank of captain)

John J. Walsh
Joseph A. Gallagher

To be senior dental surgeons (equivalent to the Army rank of lieutenant colonel)

Clovis E. Martin
James O. Blythe, Jr.

To be sanitary engineer (equivalent to the Army rank of major)

Joseph H. Coffey

To be assistant pharmacist (equivalent to the Army rank of first lieutenant)

Paul H. Honda

To be senior assistant nurse officers (equivalent to Army rank of captain)

Alice M. Driscoll
Phyllis B. Kyte

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES IN THE GRADES AND CORPS SPECIFIED, UNDER THE PROVISIONS OF SECTION 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), TITLE II OF THE ACT OF AUGUST 5, 1947 (PUBLIC LAW 365, 80TH CONG.), PUBLIC LAW 625, EIGHTIETH CONGRESS, PUBLIC LAW 36, EIGHTIETH CONGRESS, AND PUBLIC LAW 36, EIGHTIETH CONGRESS, AS AMENDED BY PUBLIC LAW 514, EIGHTY-FIRST CONGRESS, SUBJECT TO PHYSICAL QUALIFICATION

To be majors

Robert J. Bernucci, MC, O1686859.
Frederick M. Jacobs, MC, O397758.
Jose A. Willie, MC, O490267.
H. Haskell Ziperman, MC, O423565.

To be captains

John R. Arbucci, DC, O1692363.
John W. Collard, DC, O937810.
David J. Ellis, DC, O1775628.
James K. Foster, Jr., DC, O985463.
Russell J. Gale, MC, O1705085.
Roger M. Mitts, MC, O1786788.
Loren E. Mott, MC, O495266.
Jacob F. Schirmer, MC, O937207.
Frank J. Shannon, Jr., MC, O1726524.
Francis O. Stalker, DC, O976464.
Douglas A. Zimmerman, MC, O1756905.

To be first lieutenants

Glen K. Arney, MC, O978749.
Loren R. Baumgartner, MC, O965211.
Robert A. Dietzschold, DC, O960387.
Stella G. Duc, ANC, N802083.
Austin J. Gerber, JAGC, O523223.
Harold R. Hayes, Jr., DC, O965056.
Bertha J. Hoehn, ANC, N779773.
Harry Levin, DC, O965209.
Martha E. Mayfield, ANC, N764689.
Thomas H. Morton, JAGC, O982159.
Wallace S. Murphy, JAGC, O974892.
Mary J. Olssen, ANC, N754136.
Agnes J. Ratcliff, WMSC, R2517.
Waldemar E. Santiago, MC, O963246.
Faye R. Sullivan, ANC, N785300.
Earl C. Thomas, JAGC, O980761.
Billie G. West, DC, O965610.
Edward J. Whalen, JAGC, O969761.
Warren N. Wheeler, DC, O1284068.

To be second lieutenants

Margaret M. Brosmer, ANC, N804086.
Elizabeth A. Chapman, WAC, L1010077.
Marian R. Christensen, ANC, N804273.
Martha J. Eason, WMSC, M2862.
Irma L. Jaakkola, WMSC, M2856.
Jane E. Jacoby, ANC, N792972.
Mary H. Koenig, ANC N792857.
Claire V. LeBlanc, ANC, N792320.
Ethel Liebowitz, ANC, N792175.
Katherine M. Marta, ANC, N792742.
Hanssen Schenker, MSC, O407736.

APPOINTMENTS IN THE MEDICAL CORPS, REGULAR ARMY OF THE UNITED STATES, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), SUBJECT TO COMPLETION OF INTERNSHIP, AND SUBJECT TO PHYSICAL QUALIFICATION

To be first lieutenants

Edgar L. Cook, O975704.
Edwin G. Eklund, Jr., O975711.
Ralph H. Forrester, O971615.
Harvey J. Galloway, Jr., O975085.
David E. Johnson, O976275.
William A. Williams, O975088.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), SUBJECT TO PHYSICAL QUALIFICATION

To be second lieutenants

Louis G. Broad, Jr., O1341072.
Charles J. Buchanan, O2202641.
Joseph P. Carniglia, O954410.
Cosimo L. Cataldi.
Alfred J. deLorimier.
Samuel S. Dugan.
John C. Eargler, Jr.
Lee V. Frazier.
Nicholas George.
Robert L. McClure.
Allan M. Sheets, O2202656.
Charles E. Strigle.
Charles C. Stringfellow.
James R. Woodall, Jr., O2207186.

DISTINGUISHED MILITARY STUDENTS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), SUBJECT TO DESIGNATION AS DISTINGUISHED MILITARY GRADUATES, AND SUBJECT TO PHYSICAL QUALIFICATION

To be second lieutenants

Carroll G. Allen.
Daniel O. Fox.
Rodney P. Harrington, O2202533.
John F. Harris.
Richard H. Jacobs.
Richard E. Leithiser.
George A. McClellan, Jr.
James E. Price, Jr., O972126.
James B. Stewart, O2206904.
John P. Sullivan, Jr.
Whitfield F. Woodhead.
Thomas W. Worthington.

DISTINGUISHED MILITARY STUDENT FOR APPOINTMENT IN THE MEDICAL SERVICE CORPS, REGULAR ARMY OF THE UNITED STATES, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 506 OF THE OFFICER PERSONNEL ACT OF 1947 (PUBLIC LAW 381, 80TH CONG.), SUBJECT TO DESIGNATION AS A DISTINGUISHED MILITARY GRADUATE, AND SUBJECT TO PHYSICAL QUALIFICATION

To be second lieutenant

Dan C. Cavanaugh, O971021.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 28, 1950

The House met at 12 o'clock noon.

Rev. E. Butler Abington, pastor, Trinity Baptist Church, Lake Charles, La., offered the following prayer:

O God, Thou who art everlasting, without beginning and without end; upon whom we all are dependent. However, Father, Thou who art in heaven we bless Thy name for every privilege and every manifestation of Thy love and mercy. Thou hast kept us, providences of God have followed us like the lovely, beautiful stream, life-giving and refreshing. All we are individually and collectively we acknowledge all that is good comes from God. We invoke Thy benedictions upon this session today of the House of Representatives of our country.

May the Lord give wisdom and strength and guidance to all these noble men. May we understand that every good and perfect gift cometh from heaven above and may we give more time and attention to the things of God, the things of heaven, the things that are eternal, those things that do not pass away.

Hear our prayer this morning and have mercy upon us as we pray in the name and for the sake of the Lord Jesus Christ. Amen.

The Journal of the proceedings of Saturday, August 26, 1950, was read and approved.

CUSTOMS DUTIES ON ARTICLES COMING INTO THE UNITED STATES FROM THE VIRGIN ISLANDS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6343) relating to customs duties on articles coming into the United States from the Virgin Islands, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 7, after "duty", insert "generally."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. RICH. Mr. Speaker, reserving the right to object, is this going to permit merchandise to come in from the Virgin Islands without duty?

Mr. DOUGHTON. This is a bill that was unanimously reported by the committee and passed by the House. This is only a minor amendment and does not change the general legislation in any way.

Mr. RICH. Since we are the guardians of the Virgin Islands there may be some merit to this. But they are talking about reducing the tariffs by the reciprocal trade agreements route on things coming in from foreign countries, thus putting the people of this country out of business.

Mr. DOUGHTON. This amendment really limits the scope of the bill as it passed the House, I may say to the gentleman.

Mr. RICH. I hope you may do everything you can to keep the tariff-making body in the hands of the Ways and Means Committee instead of the State Department from now on. If the gentleman will do that he will be doing the country a great good.

Mr. DOUGHTON. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, the purpose of this bill is to permit free entry of articles coming into the United States or its possessions from the Virgin Islands when such articles contain foreign materials which may be imported directly into the United States free of duty. The Senate amendment merely adds the word "generally" at the end of the bill in order to limit its application to articles which are generally free of duty, regardless of the country of origin. The bill would not apply, therefore, in the limited area of articles given preferentially free admission, such as ar-

ticles from Cuba or the Philippine Islands, for such articles would not be admitted free of duty when imported from all other countries.

EXEMPTING FROM DUTY SOUND RECORDINGS FOR NEWS BROADCASTS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8726) to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 6, after "States", insert "or suitable for use in reproducing sound in connection with moving-picture news reels."

Amend the title so as to read: "An act to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts and in connection with moving-picture news reels."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, the bill as passed by the House would amend the Tariff Act of 1930 by providing for the free entry of sound recordings transcribed or recorded abroad for radio or television news broadcasts in the United States. As explained at the time of original consideration of this bill by the House, the bill would merely extend treatment to sound recordings for news broadcasts similar to that accorded to dispatches sent back to the United States by news correspondents.

The Senate amendment would extend this same exemption to sound recordings transcribed or recorded abroad which are suitable for reproducing sound in connection with moving-picture news reels in the United States. A similar provision was included in H. R. 7447, the bill amending the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits and news reels, but the Senate struck the provision from H. R. 7447 and added the substance of that amendment to H. R. 8726.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDING TARIFF ACT OF 1930

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7447) to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits and news reels, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, strike out lines 10 to 19, inclusive.

Amend the title so as to read: "An act to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits."

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, the purpose of this bill is to simplify the present administration of customs collection for sound recordings by establishing a specific rate of duty per linear foot for recordings suitable for use in reproducing sound in connection with motion-picture exhibits. As passed by the House, the bill would also have provided that such recordings should enter duty-free if suitable for use in connection with moving-picture newsreels. The Senate amended this bill by striking out the provision with respect to the duty-free entry of sound recordings for use in connection with newsreels, the substance of which has been added to another bill, H. R. 8726, which exempts from duty sound recordings for news broadcasts.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ELIMINATING ADDITIONAL INTERNAL-REVENUE TAXES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8992) to eliminate the additional internal-revenue taxes on coconut oil coming from the Trust Territory of the Pacific Islands, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs DOUGHTON, COOPER, MILLS, REED of New York, and WOODRUFF.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, the Senate amendment restores to the bill the language of section 2, as originally introduced, which was deleted by the House upon recommendation of the Committee on Ways and Means. It also includes amendatory language intended to comply with a recommendation of the Department of State believed to be defective in certain respects.

AMENDING TITLE 28, UNITED STATES CODE

Mr. HOBBS. Mr. Speaker, I call up the conference report on the bill (S. 1838) to amend title 28 of the United States Code relating to fees of the United States marshals, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2994)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1838) to amend title 28 of the United States Code relating to fees of United States marshals, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

SAM HOBBS,
PETER W. RODINO, Jr.,
WILLIAM M. MCCULLOCH,
Managers on the Part of the House.

PAT MCCARRAN,
ALEXANDER WILEY,
JAMES EASTLAND,
By MCCARRAN,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1838) to amend title 28 of the United States Code relating to fees of United States marshals, submit the following explanation of the effect of the action agreed upon in conference and recommended in the accompanying conference report.

The House passed the Senate bill after amending it by striking out the first section, which proposed to make the fee chargeable by marshals for the sale of property uniform in all judicial districts, and to make applicable to all sales the fees presently authorized for the sale of property under process in admiralty. The Senate recedes.

SAM HOBBS,
PETER W. RODINO, Jr.,
WILLIAM M. MCCULLOCH,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PERIODIC CENSUS OF GOVERNMENTS

Mr. MURRAY of Tennessee. Mr. Speaker, I call up the conference report on the bill (H. R. 7265) to provide for the conduct of a periodic census of governments, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2969)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7265) to provide for the conduct of a periodic census of governments, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

TOM MURRAY,
GEORGE P. MILLER,
EDWARD H. REES,
Managers on the Part of the House.

OLIN D. JOHNSTON,
HUBERT H. HUMPHREY,
WILLIAM LANGER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7265) to provide for the conduct of a periodic census of governments, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill requires that the Secretary of Commerce take a periodic census of governments. The Senate amendment provides that the Secretary of Commerce may at his discretion take such a census. The Senate recedes.

TOM MURRAY,
GEORGE P. MILLER,
EDWARD H. REES,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PERFORMANCE-RATING PLANS

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7824) to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MURRAY of Tennessee, DAVIS of Georgia, and REES.

ITALIAN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6804) for the relief of certain Italian aliens, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "Nini" and insert "Mini."

Page 1, line 7, strike out "Angela Felini" and insert "Angelina Fellini."

Page 1, line 7, strike out "Baccielli" and insert "Bacchielli."

Page 1, line 8, strike out "Caterina" and insert "Catherina."

Page 1, line 9, strike out "Ginevra" and insert "Ginevia."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CHOKO NISHIDA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6832) for the relief of Choko Nishida, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, strike out all after the enacting clause down to and including "War II" in line 11 and insert: "That the provisions of the immigration laws relating to the exclusion of aliens inadmissable because of race shall not hereafter apply to Choko Nishida, the Japanese financée of Clifford Mr. Sergent, a citizen of the United States and an honorably discharged veteran of World War II, and that Choko Nishida may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TADEUSZ HERKA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8219) for the relief of Tadeusz Herka, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That for the purposes of the immigration and naturalization laws, Tadeusz Herka shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of his last entry into the United States, upon the payment of the required visa fee and head tax. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

BRITISH AID TO RUSSIA

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I know it is not the policy of our country to dictate or delve into the sovereign rights of other countries; but there is no doubt that many of us, upon reading Churchill's charges that a British factory is turning out tools for the Soviets, became alarmed and bewildered. Just what is this? It may be politics—but I believe in the old adage: "Where there is smoke, there is fire."

It is unbelievable that, in these critical times, an ally receiving economic and military aid would deliberately permit delivery of strategic materials to the U. S. S. R. Our boys in Korea, our young men called to service, surely must wonder what a world we are living in. The Kremlin knows no compromise, respects no agreements, violates treaties left and right, instigates sorties in the various ominous areas of this troubled world; and the British Ministry of Supply must shamefully confess that manufacturers are turning out strategic materials for the Soviets. We would expect to be betrayed by our enemies—but is there no ethics among our allies? The United States banned delivery of strategic materials to Russia and the satellites; surely our allies should comply in like manner. An explanation is in order—and it better be good. The American public is friendly, kind, generous, humane; but it expects a little decency.

POLICY-MAKING WOMEN OF AMERICA

Mrs. BOSONE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Utah?

There was no objection.

Mrs. BOSONE. Mr. Speaker, my colleagues of the House: The Washington Post says that the Gallup Poll indicates that people in these United States are interested in a citizens committee being formed to assist United States foreign policies. Those interviewed by the poll suggested names of prospective members.

I was thrilled to see the name of Mrs. Eleanor Roosevelt listed with men of wide experience in industry, education, and security; but I was amazed that there was an omission of other women's names.

Do not you and I know by now that a prime interest of the women of this country—yes, and the whole world—is eternal peace? Do we not realize yet that the mothers and the sisters and the wives of men are interested in the security of those they love dearest? It is just about time that men in high office and throughout the Nation realize that women have a contribution to make in permanent security, because of their vital interest. Do not tell me there are not qualified women who have succeeded in industry,

education, human welfare and security—do not tell me that the women of this Nation who head national groups do not express that which is in the hearts of the women of this Nation.

I hope the heads of the various important women's groups—the mothers of men—are not going to be forgotten any longer when it comes to making policies in the United States.

SPECIAL ORDER GRANTED

Mr. BIEMILLER asked and was given permission to address the House for 1 hour on Wednesday next, following the legislative business of the day and any other special orders heretofore entered.

APPEARANCE OF LEE PRESSMAN BEFORE COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, a few minutes ago I came from the Committee on Un-American Activities, after witnessing what to me was a sickening performance. In calling the lying rascal, Lee Pressman, before the committee, the committee simply provided a forum for him to justify his membership in the Communist Party before the American people. At the beginning he was permitted to make a preliminary statement, by which he was able, in effect, to take the play away from the committee, and when I left the hearing he was naming the conditions under which he would agree to answer questions propounded by the committee.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I, too, just left the hearing being conducted by the Committee on Un-American Activities, and I find myself in violent disagreement with my beloved friend from Georgia. I am quite certain that Mr. Pressman, by appearing before that committee and making a straightforward statement, in which he admitted his membership in the party and in which he described how he had been recruited into the party by Mr. Ware, who was an adviser in the Department of Agriculture from 1925 to 1932, should encourage others who realize now that communism and nazism are one and the same thing to come forward and contribute something to the inquiries being conducted by that committee. Mr. Pressman named others who were members of the same group with which he was associated.

Mr. COX. Four.

Mr. WALTER. Four. The committee knew the names of those four people, and by repeating those names nothing was contributed, but I think he made a great contribution to the work of that committee and of this Congress by appearing before the committee, thereby encouraging others to come forward and make the same kind of statement. I am sure the Voice of America will make good use of the fact that Mr. Pressman appeared before the Committee on Un-American Activities this morning.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. VURSELL addressed the House. His remarks appear in the Appendix.]

GEN. DOUGLAS MACARTHUR

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the reprimand of General MacArthur by the President because it was a reprimand, commanding him to withdraw his statement to VFW, is reminiscent of the reprimand and ouster of Admiral Louis Denfeld when he dared to tell the country what we needed to win the war, the demotion of Admiral Boone, the demotion and ouster of a young naval officer, for daring to speak also are very reminiscent of this case. I trust that General MacArthur will not be removed because of his statement. Certainly no one has done so much with so little as has General MacArthur in defense of Korea, and if he should be removed, America could have no assurance that freedom of speech would continue here. We would then no longer be a free country.

Mr. RANKIN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. RANKIN. I am surprised that the lady did not also refer to the persecution of General Billy Mitchell when he was destroyed in the twenties which resulted in the destruction of our air force. Pearl Harbor was the result.

Mrs. ROGERS of Massachusetts. I have talked very much about that in the past; I am known all over Massachusetts for talking about it.

SPECIAL ORDER GRANTED

Mr. CURTIS asked and was given permission to extend his remarks in today's RECORD following the last special order of the day.

SAMUEL URZETTA

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there no objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, yesterday was a great day for the family and host of friends of Sammy Urzetta, for the village of East Rochester, his home town, and for America. The new United States amateur golf champion returned home in triumph.

Golf was once known as the sport of the wealthy, of bankers and occasionally Congressmen. That illusion has been shattered once and for all.

Sammy Urzetta is the son of hard-working, God-fearing parents, both of Italian extraction. He was a caddy at one of the Rochester country clubs and because of his attractive personality and fine character was asked to become a member.

He graduated last year from St. Bonaventure College, where he displayed the qualities of a natural athlete and true sportsmanship. He is a pleasant, modest young man, altogether the embodiment of the finest traits which all American sports lovers have learned to admire.

The destiny of this great country is assured so long as it remains open to the Sammy Urzettas to rise to the top through sheer ability in their chosen vocations.

DISCRIMINATION AGAINST VETERANS

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, with all the mail that comes across my desk, nothing has been so revolting to me as the information conveyed in a new release from the Information Service of the Veterans of Foreign Wars of the State of Connecticut, stating that veterans have been dropped from jobs as war looms. This release refers specifically to two instances where bakery route salesmen lost her positions due to the present crisis. It is self-explanatory, completely voices my resentment both as a member of the Congress and a member of the Veterans of Foreign Wars. I bring this protest to the attention of my colleagues, adding to it my hope that other employers will not take such drastic action without checking applicable laws and considering the great contributions made by their veteran employees.

The release follows:

Two young veterans, one with wounds, both with families, were fired from their bakery route salesman jobs here this week because they might be called again to serve their country.

The firm which has discharged the two is Mrs. Kavanagh's English Muffins, with a main plant in Dorchester, Mass., and a distributorship here. The veterans affected are John E. Tierney, of 9 Plane Place, and Edward Clark, of 809 Main Street, East Hartford. Both have built up a route here for the muffin company.

Tierney is married, has one child, and is a Navy veteran with 3 years' service. Clark is

married, served 6 years in the 101st Airborne, and was wounded in action.

It was stated that a short while ago two men were sent from the Dorchester bakery to survey the route. These men were instructed to take over as the local veterans were fired. Both the latter have laid their stories before the Manchester (Conn.) Veterans Service Center.

The letter discharging Tierney was signed by A. M. Kavanaugh, and is addressed:

"DEAR FRIEND: Under present conditions, and the uncertainty of our war condition, which may call both Clark and yourself, I feel better to let the two men driving with you and Clark to take over starting this coming Monday. The last war left me high and dry without help and a bakery in Manchester idle. If things clear up in the near future, I feel you can be sure of a position and with new products make much more money."

Department Commander P. A. Testa, of the Veterans of Foreign Wars, vigorously protests the action taken by Mrs. Kavanaugh's English Muffins in the firing of these two veterans.

The action by Mrs. A. M. Kavanaugh is ridiculous and un-American. It was these same two veterans and millions of others who have made it possible for her to continue in business in America. Her action is a direct insult to our flag, country, and those who have fought and died for America.

Commander Testa calls on all veteran organizations to file a protest. A copy of his protest will be mailed to press, radio, both Senators and Congress.

GEN. DOUGLAS MACARTHUR

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, not only as a Representative in the United States Congress, not only as a member of the Veterans of Foreign Wars, but also as an average American citizen I have been deeply disturbed by the events of the past 24 hours. From my earliest childhood I have been taught that in this American Republic, a representative constitutional republic, if the American public were told the truth they make the right decisions, and that the truth would make—and keep them free. The orders which have manifestly gone forward muzzling MacArthur and directing that he cannot tell the truth on far-eastern conditions, the Formosan situation, is an attempt to keep from the American public the truth. If the truth is kept from them this Nation cannot long remain free.

I am glad the story will be printed despite the fact that the statement will not be read at the VFW convention in Chicago.

We should—we must—know the facts as only General MacArthur can know them.

HON. FRANCIS P. MATTHEWS

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. Mr. Speaker, I think that the statement, attributed by the press, to the Secretary of the Navy, Francis P. Matthews, that this country should be willing to pay any price, even the price of instituting a war to compel cooperation for peace, was both unwise and un-American.

If we should do such a thing, who would make the awful decision? Under our Constitution, Congress alone could do so and if it should, would not the process be such as to give the enemy every advantage? What would be the effect on world opinion? Would we not lose the greatest force we have, a force even more powerful than the atomic or hydrogen bomb, the moral force of America? Would we not set a precedent that would give any nation from then on an excuse for attacking any other nation in the name of peace?

THE UNITED NATIONS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, as long as the Congress sits idly by and lets a few misguided fanatics try to run this country from what is called the United Nations, America will be headed for destruction.

I am not willing to see my country subordinated to the domination of a gang of crackpots who do not have sense enough to run their own countries.

It is about time the Congress of the United States woke up and resumed its prerogatives of legislating for the American people, as the Constitution provides, and not let a gang of international highbinders destroy this country.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. COX. Mr. Speaker, I would like to say that no craft that sails the sea of public opinion is mighty enough to carry Dean Acheson. He will sink any boat upon which he rides.

Mr. RANKIN. Mr. Speaker, I want to read a dispatch from China:

> The War Department received a cable from Tientsin, China, stating that American forces were repulsed late yesterday in a battle at Tientsin.

How many of you saw that? Mighty few, I am sure; because the date of it is July 17, 1900.

We now seem to be getting back to where we were 50 years ago.

The SPEAKER. The time of the gentleman from Mississippi has expired.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia Day. The Chair recognizes the gentleman from South Carolina [Mr. MCMILLAN], chairman of the Committee on the District of Columbia.

REGULATING THE PRACTICE OF THE PROFESSION OF ENGINEERING

Mr. MCMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 1188) defining and regulating the practice of the profession of engineering and creating a Board of Registration for Professional Engineers in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc.,

SECTION 1. Short title: This act shall be known and may be cited as the "Professional Engineers' Registration Act."

SEC. 2. Definitions: As used in this act—

(a) The term "practice of engineering" shall mean the performance of any professional service or creative work requiring engineering education, training and experience, and the application of special knowledge of the mathematical, physical, and engineering sciences to such professional services or creative work as consultation, investigation, evaluation, planning, design, and supervision of construction for the purpose of assuring compliance with specifications and design, in connection with the utilization of the forces, energies, and materials of nature in the development, production, and functioning of engineering process, apparatus, machines, equipment, facilities, structures, works, or utilities, or any combinations or aggregations thereof employed in or devoted to public or private enterprises or uses. The term "practice of engineering" comprehends the practice of civil engineering, mechanical engineering, electrical engineering, chemical engineering, and mining engineering, the pursuit of any of which affects the safety of life, health, or property, or the public welfare. Said practice includes the doing of such architectural work as is incidental to the practice of engineering.

(b) The term "professional engineer" shall mean a person who, by reason of his special knowledge of the mathematical and physical sciences and the principles and methods of engineerings analysis and design, customarily acquired by a prolonged course of specialized intellectual instruction and study and practical experience, is qualified to engage in the practice of engineering as attested by his certificate of registration as a professional engineer.

(c) The term "engineer-in-training" shall mean a candidate for registration as a professional engineer who has been granted a certificate as an engineer-in-training after successfully passing the first stage of the prescribed examination in fundamental engineering subjects, and who, upon completion of the requisite years of training and experience in engineering under the supervision of a professional engineer or similarly qualified engineer and satisfactory to the Board, shall be eligible for the second stage of the prescribed examination for registration as a professional engineer.

(d) The term "responsible charge" shall mean such degree of competence and accountability gained by education, training, and experience in engineering of a grade and character sufficient to qualify an individual to engage personally and independently in and be entrusted with the work involved in the practice of engineering.

(e) The term "institution" shall mean a school, college, university, department of a university, or other educational institution granting baccalaureate degrees in engineering, reputable, and in good standing in

accordance with the rules prescribed by the Board.

(f) The term "Board" shall mean the District of Columbia Board of Registration for Professional Engineers.

(g) The term "Commissioners" shall mean the Board of Commissioners of the District of Columbia.

SEC. 3. Practice of engineering declared to be subject to regulation: In order to safeguard life, health, and property, and promote the public welfare, the practice of engineering in the District of Columbia is hereby declared to be subject to regulation in the public interest. It is further declared to be a matter of public interest and concern that the profession of engineering merit and receive the confidence of the public and that only qualified persons be permitted to engage in the practice of engineering. All provisions of this act relating to the practice of engineering shall be construed in accordance with this declaration of policy.

SEC. 4. Practice of engineering without registration prohibited: Any person engaged in or offering to engage in the practice of engineering in the District of Columbia shall submit evidence that he is qualified to practice and shall be registered as hereinafter provided; and it shall be unlawful for any person to engage or offer to engage in the practice of engineering in the District of Columbia, or by verbal claim, sign, advertisement, letterhead, card, or in any other way represent himself to be a professional engineer, or through the use of the title including the word "engineer" or words of like import, or any other title, imply that he is a professional engineer, unless such person is registered under the provisions of this act.

SEC. 5. Board of registration; appointment of members; qualifications; terms; removal of members. There is hereby created the District of Columbia Board of Registration for Professional Engineers, whose duty it shall be to administer the provisions of this act. The Board shall consist of five members who shall be appointed by the Commissioners. Each appointment to the Board shall be from a list of three eligibles submitted by the representative organizations of the engineering profession in the District of Columbia. A person to be eligible for appointment to the Board shall be a citizen of the United States, shall have been engaged in the practice of engineering for 12 or more years, of which at least 5 years shall have been in responsible charge of important engineering work, and at the time of appointment shall have been actively engaged in the practice of engineering in the District of Columbia for a period of at least 5 years next preceding this appointment. The Board shall at all times include one representative for each of the chemical, civil, electrical, and mechanical branches of engineering. The members of the first Board shall be appointed within 3 months after the effective date of this act to serve for the following terms: One member for 1 year, one member for 2 years, 1 member for 3 years, 1 member for 4 years, and 1 member for 5 years from the date of their appointment, or until their successors are duly appointed and qualified. Each member of the Board shall receive a certificate of his appointment from the Commissioners, and before beginning his term of office shall file with the Secretary of the Board of Commissioners his written oath for the faithful discharge of his official duty. Each member of the Board first appointed hereunder shall be registered as a professional engineer under this act. On the expiration of the term of any member of the Board, the Commissioners shall appoint for a term of 5 years a professional engineer to take the place of the member whose term on said Board is about to expire. Each member shall hold office until the expiration of the term for which such member is appointed or until a successor shall have been duly appointed and shall have qualified. The Commissioners may remove any member of the Board for incompetency, misconduct, neglect of duty, or for any sufficient cause. An appointment to fill an unexpired term on the Board shall be made within 3 months after the vacancy occurs, and shall be for the period of such unexpired term.

SEC. 6. Compensation of members of Board: Each member of the Board shall be entitled to receive such reasonable compensation for his services as may be determined by the Commissioners not to exceed $25 per day for each day he may be actually engaged upon business pertaining to his official duties as such Board member.

SEC. 7. Board meetings and organizations: The Board shall hold a meeting within 10 days after its members are first appointed and thereafter shall hold at least two regular meetings each year. The Board shall elect annually from its members at least the following officers: A Chairman and a secretary-treasurer. A quorum of the Board shall consist of not less than three members, and no action shall be taken without three members in accord.

SEC. 8. General powers of Board: The Board shall have power:

(a) Approval of institutions: To investigate and to approve those institutions that provide and maintain satisfactory standards for the education of students desiring to engage in the practice of engineering.

(b) Registration of professional engineers: To register as a professional engineer any person of good character and repute who is a citizen of the United States, at least 25 years of age, and who speaks and writes the English language, if such person—

(1) holds a license or certificate of registration to engage in the practice of engineering issued to him by proper authority of a State or Territory of the United States in which the requirements and qualifications for obtaining such license or certificate of registration are reasonably equivalent in the opinion of the Board to the standards set forth in this act. A person may be registered under this subdivision without examination; or

(2) holds a certificate of qualification issued by the National Bureau of Engineering Registration of the National Council of State Boards of Engineering Examiners: *Provided, however,* That the requirements and qualifications of said body for obtaining such certificate are reasonably equivalent, in the opinion of the Board, to the standards set forth in this act. A person may be registered under the provisions of this subdivision without examination; or

(3) has had 4 or more years' experience in engineering work of a grade or character satisfactory to the Board, and indicating that he is qualified to assume responsible charge of the work involved in the practice of engineering and either holds a certificate as an engineer-in-training issued to him by the Board or by proper authority of a State or Territory in which the requirements and qualifications of said bodies for obtaining such certificate are reasonably equivalent, in the opinion of the Board, to the standards set forth in this act, or is a graduate in engineering from an institution having a course in engineering of 4 or more years, and who, in either event, successfully passes a written, or written and oral, examination prescribed by the Board of engineering subjects. In the case of the examination of an engineer-in-training, his examination shall be directed and limited to those matters which will test the applicant's ability to apply the principles of engineering to the actual practice of engineering. In the case of an applicant who is not an engineer-in-training, the examination shall be for the purpose of testing the applicant's knowledge of fundamental engineering subjects, including mathematics and the physical sciences, and those matters which will test the applicant's ability to apply the principles of engineering to the actual practice of engineering; or

(4) has completed an approved secondary-school course of study or equivalent and has had 12 or more years of combined education and experience in engineering of a grade and character satisfactory to the Board and indicating that he is qualified to assume responsible charge of the work involved in the practice of engineering, and who successfully passes a written, or written and oral, examination prescribed by the Board for the purpose of testing the applicant's knowledge of fundamental engineering subjects, including mathematics and the physical sciences, and those matters which will test the applicant's ability to apply the principles of engineering to the actual practice of engineering; or

(5) submits evidence that he is an engineer of established and recognized standing in the engineering profession and that he has been lawfully engaged in the practice of engineering for 12 or more years, of which at least 5 years shall have been in responsible charge of important engineering work of a grade and character satisfactory to the Board. A person may be registered under this subdivision without examination; or

(6) submits evidence that he was a resident of the District of Columbia, or that he was engaged in the practice of engineering in the District of Columbia, prior to the date this act was approved and for 1 year immediately preceding the date of his application, and submits evidence of experience in engineering, of a grade and character satisfactory to the Board, indicating that he is qualified to assume responsible charge of the work involved in the practice of engineering. Registration shall not be granted under the provisions of this subdivision unless the application therefor is filed with the Board within 1 year after the date of enactment of this act. A person may be registered under this subdivision without examination.

The requirement of this subsection of residence or practice of engineering in the District of Columbia for one year immediately preceding the date of application shall not be applied to applicants who were on active duty in the armed forces of the United States during such year, and who entered on such duty after October 16, 1940, but any such applicant for license under this subsection must have been a resident or engaged in the practice of engineering in the District of Columbia for at least one year prior to the effective date of this act.

(c) Certification of engineers-in-training: To provide for and to regulate the certification and to certify as an engineer-in-training any person of good character and repute who is a citizen of the United States, at least 21 years of age or has graduated from an institution, and who speaks and writes the English language, if such person—

(1) is a graduate in engineering from an institution having a course in engineering of four or more years and who successfully passes a written, or written and oral, examination prescribed by the Board for the purpose of testing the applicant's knowledge of fundamental engineering subjects, including mathematics and the physical sciences. A person may be certified as an engineer-in-training under this subdivision without a written, or written and oral, examination: *Provided, however,* That the application therefor is filed with the Board within 1 year after enactment of this act; or

(2) has completed an approved secondary school course of study or equivalent, and has had eight or more years of combined education, training, and experience in engineering, of a grade and character satisfactory to the

Board, and who successfully passes a written, or written and oral, examination prescribed by the Board for the purpose of testing the applicant's knowledge of fundamental engineering subjects, including mathematics and the physical sciences.

(d) Registration of noncitizen professional engineers: To register as a professional engineer any person who is not a citizen of the United States, who is of good character and repute, at least 25 years of age, and speaks and writes the English language, if such person submits evidence, of a grade and character satisfactory to the Board, that he is an engineer of established and recognized standing in the profession of engineering in his own country, and who submits certification as to character and qualifications from at least two professional engineers of the District of Columbia. Such registration shall entitle the holder to engage in the practice of engineering only for the duration of and in connection with a specific project for which it was granted, and shall be subject to annual renewal and to suspension or revocation as registration granted as otherwise provided in this act. Engineers to whom such temporary registration has been granted shall be separately listed in the roster.

(e) Application form: To require all candidates for registration as professional engineers to file with the secretary-treasurer of the Board a written application on a prescribed form and accompanied by the required fee. Such application shall contain statements made under oath, showing the applicant's education, detailed summary of his experience in engineering work, and the general field or fields of engineering in which he has his principal activity, and shall contain not less than five references, of whom three or more shall be engineers having personal knowledge of his engineering training and experience.

(f) Investigation of applications. Determination of qualification and competency of applicants: To investigate the allegations contained in any application for registration as a professional engineer in order to determine the truth of such allegations, and to determine the competency of any person applying for a registration to assume responsible charge of the work involved in the practice of engineering, such competency to be determined by the grade and character of the engineering work actually performed. Any person having the necessary qualifications prescribed in this act to entitle him to registration or certification shall be eligible therefor, although he may not be practicing his profession at the time of making his application. Evaluation of experience in engineering shall be based upon the applicant's knowledge of the fundamental engineering subjects, which shall be broad in scope and of a nature to develop and mature the applicant's engineering knowledge and judgment. In considering the qualifications of an applicant who has graduated in engineering from an approved institution; each year, but not exceeding 2 years, of successful postgraduate study in engineering, and each scholastic year, in excess of 4, of an approved 5- or 6-year engineering curriculum, and each year of teaching engineering subjects, in an approved institution may be considered as equivalent to 1 year of experience in engineering. In considering the qualifications of an applicant who is an undergraduate in engineering, or who has graduated in a curriculum other than engineering, from an approved institution; each equivalent year of approved engineering education, as determined by evaluation by the Board of the educational records submitted, may be considered as equivalent to 2 years of combined education and experience in engineering. Experience in engineering gained under the supervision of a professional engineer or similarly qualified engineer, and experience in engineering gained subsequent to the attaining of an equivalent of the minimum requirements for certification as an engineer-in-training, of a grade and character satisfactory to the Board, shall be given full credit. In any case when the evidence presented in the application does not appear to the Board conclusive nor warranting the issuance of a certificate of registration or a certificate as engineer-in-training without examination, the applicant may be required to present further evidence for the consideration of the Board, and may also be required to pass an oral or written examination, or both, as the Board may determine. Whenever the Board determines otherwise than by examination that an applicant has not produced sufficient evidence to show that he is competent to assume responsible charge of the work involved in the practice of engineering, and shall refuse to examine or to register such applicant, it shall set forth in writing its findings and the reasons for its conclusions, and furnish a copy thereof to the applicant.

(g) Examinations: To prescribe the scope, manner, time, and place for the examination of applicants for registration as professional engineers, to provide for the conduct of and to conduct such examinations, and to make written reports of such examinations. The prescribed examinations shall be written, or written and oral, and designed to permit an applicant for registration as a professional engineer to take the examination in two stages. The first stage of the examination shall be designed to test the applicant's knowledge of fundamental engineering subjects, including mathematics, physical and applied sciences, properties of materials, and the principles of engineering design. Satisfactory passing of this portion of the examination shall constitute a credit for the life of the applicant or until he is registered as a professional engineer. The second stage of the examination shall be designed to test the applicant's ability to apply the principles of engineering to the actual practice of engineering in the field of engineering in which he has indicated his principal activity. An applicant failing to pass an examination may apply for reexamination at the expiration of 6 months and will be reexamined upon payment of the prescribed fee.

(h) Certificate of registration; form and execution; expiration; duplicate certificate; biennial renewal of registration; renewal fee; penalty for delayed renewal: To issue a certificate of registration and a pocket registration card to each professional engineer granted registration under the provisions of this act. The certificate of registration shall authorize the registrant to practice as a professional engineer, show the full name of the registrant, have a serial number, and be signed by the members of the Board under the seal of the Board. The pocket registration card issued with the certificate shall show the full name and registration number of the registrant, state that the person named therein has been granted registration to practice as a professional engineer for the period ending on the 31st day of October in the second year of the then current biennial registration renewal period, and be signed by the Chairman and secretary-treasurer of the Board; to provide for and regulate the renewal of registration of professional engineers registered under this act. On or before the 1st day of August 1950, and biennially thereafter, the secretary-treasurer of the Board shall mail to every professional engineer registered under this act a blank application for biennial renewal of registration, addressing such application to the last known post-office address. Upon receipt of such application blank, a registrant shall execute and return the application for his biennial registration renewal card to the Board together with the biennial registration renewal fee of $2. Upon receipt of such application and renewal fee the Board shall issue a pocket registration renewal card which shall show the full name and registration number of the registrant, be signed by the Chairman and secretary-treasurer of the Board, and state that the person named therein has been granted registration to practice as a professional engineer for the period beginning November 1 in the year of issue and expiring on the 31st day of October in the second year following. Application shall be made biennially on or before the 1st day of November and if not so made an additional fee of $1 for each 30 days delay beyond the 1st day of November, and up to the 1st day of March following shall be added to the current biennial registration renewal fee to be paid upon renewal; to issue a duplicate certificate of registration to replace a certificate lost, destroyed, or mutilated, subject to the rules of the Board, and upon payment of the prescribed fee. The issuance of a certificate of registration by the Board shall be presumptive evidence in all courts and places that the person named therein is entitled to all the rights and privileges of a registered professional engineer while said certificate remains unsuspended, unrevoked, or unexpired.

(i) Certificate of registration to a noncitizen; form and execution; expiration; renewal of registration; renewal fee: To issue a special certificate of registration and pocket registration card to every noncitizen professional engineer granted registration under the provisions of this act. The special certificate of registration shall authorize the registrant to practice as a professional engineer in connection with a specific project, show the full name of the registrant, have a registration number, and be signed by the members of the Board under the seal of the Board. The special pocket registration card issued with such certificate shall show the full name and registration number of the registrant, state that the person named therein has been granted temporary registration to practice as a professional engineer, state the specific project in connection with which the special registration is granted, the period for which it is granted, not to exceed 1 year from the date of issue, and be signed by the Chairman and secretary-treasurer of the Board. Temporary registration may be renewed at the discretion of the Board for periods not in excess of 1 year upon application therefor and payment of the annual renewal fee.

(j) Certificate as engineer-in-training: To prescribe and to issue a certificate, attested by its seal and signed by the members of the Board, to any applicant who in the opinion of the Board has satisfactorily met all the requirements of this act for certification as an engineer-in-training.

(k) Roster of registrants: To keep a roster of all professional engineers registered under this act, showing the registrant's name, place of business or employment, registration number, and the general field or fields of engineering in which registrant qualified to practice, and a roster of engineers-in-training certified under this act. These rosters, together with other information deemed to be of interest to the engineering profession, shall be published in booklet form by the Board on the 1st day of March of each even year, beginning with 1950, or as soon thereafter as practicable. The Board shall also, upon the 1st day of March of each odd year, beginning with 1951, or as soon thereafter as practicable, publish a supplemental roster of all registered professional engineers and certified engineers-in-training. Such published rosters shall contain at the beginning thereof the words: "Each professional engineer receiving this roster is requested to report to the Board the name and addresses of any persons known to be engaged in the practice of engineering in the District of Columbia whose names do not appear in this roster. The names of persons giving such information shall not be divulged." Copies of these ros-

ters shall be mailed or otherwise sent to each registered professional engineer and engineer-in-training and be furnished to other persons upon request.

(l) Official seal; minutes and records: To adopt and have an official seal, and to keep minutes and records of all its transactions and proceedings, and a complete record of the credentials of each applicant and registrant. A transcript of an entry in such minutes and records, certified by the secretary-treasurer under the seal of the Board, shall be prima facie evidence of the original entry in such minutes and records.

(m) Member of National Council of State Boards of Engineering Examiners; dues: To become a member of the National Council of State Boards of Engineering Examiners; and to pay such dues as said council shall establish, and to send a delegate to the annual meeting of said council and to defray his reasonable and necessary expenses.

(n) Administrative rules and regulations; employees: To adopt, amend, rescind, promulgate, and enforce such administrative rules and regulations not inconsistent with this act, as are deemed necessary and proper by the Board to carry into effect the powers conferred by this act. To employ such clerical or other assistants as are necessary for the proper performance of its duties. The regular annual employees of the Board shall, for the purpose of laws relating to compensation, classification, retirement, and leave, be employees of the District of Columbia. The Board may at its discretion fix and change from time to time, without reference to the Classification Act of 1923, as amended, the compensation of employees of the Board employed on a temporary or part-time basis.

(o) Enforcement of laws; investigations; attendance of witnesses; production of books and papers; subpena procedure; witness fees: To enforce the provisions of this act, to investigate for unauthorized and unlawful practice, to employ such persons as it may deem necessary to assist in the investigations and prosecutions incident to enforcement, to require the attendance of witnesses and the production of books and papers, and to require such witnesses to testify as to any and all matters within its jurisdiction. The Chairman and secretary-treasurer of the Board shall have power to issue subpenas, and each shall have authority to administer oaths. Upon the failure of any person to attend as a witness, when duly subpenaed, or to produce documents when duly directed by said Board, the Board shall have power to refer the said matter to any justice of the District Court of the United States for the District of Columbia, who may order the attendance of such witness, or the production of such documents, or require the said witness to testify, as the case may be, and upon the failure of the witness to attend, to testify, or to produce such documents, as the case may be, such witness may be punished for contempt of court as for failure to obey a subpena issued or to testify in a case pending before said court. Witnesses who have been subpenaed by the Board, and who testify if called upon, shall be paid the same fees that are paid witnesses in the District Court of the United States for the District of Columbia.

(p) Refusal, suspension, and revocation of certificates: To refuse to issue a certificate to any person, or to suspend or revoke the certificate of registration of any professional engineer or the certification of any engineer-in-training issued hereunder if such person—

(1) has been convicted of a felony;

(2) has been found guilty of deceit, misrepresentation, violation of contract, fraud, or gross incompetency, in his practice;

(3) has been found guilty of fraud or deceit in obtaining his registration or certification;

(4) has aided or abetted any person in the violation of any provision of this act;

(5) has violated any provision of this act;

(6) has been declared insane by a court of competent jurisdiction and has not thereafter been lawfully declared sane.

(q) Reissuance of revoked certificates: To reconsider the application of any person whose application has been refused or to reissue a certificate of registration to any professional engineer or a certification to any engineer-in-training whose certificate has been revoked for reasons the Board deems sufficient, upon payment of the prescribed fee for such reissuance.

SEC. 9. Complaints; hearings; proceedings; appeals: (a) The Board may upon its own motion, and shall upon the sworn complaint in writing of any person setting forth charges which would constitute grounds for refusal, suspension, or revocation of a certificate, as set forth in section 8 (p) of this act, investigate the acts of any person holding or claiming to hold a certificate. All charges, unless dismissed by the Board as unfounded or trivial, shall be heard by the Board within 3 months after the date on which they shall have been filed.

(b) The Board shall, at least 30 days prior to the date set for the hearing, notify the accused in writing, of any charges made, and shall afford him an opportunity to be heard in person or by counsel in reference thereto. Such notice may be served by its delivery personally to the accused licensee by the United States marshal in the manner prescribed for service of original process in the District Court of the United States for the District of Columbia, or by mailing it by registered mail with return receipt demanded, to the place of business last theretofore specified by the accused in his last notification to the Board. At the time and place fixed in the notice, the Board shall proceed to hearing of the charges and both the accused and the complainant shall be accorded ample opportunity to present in person or by counsel, such testimony, evidence, and argument as may be pertinent to the charges or to any defense thereto. The Board may continue such hearing from time to time and shall give notice in writing to all parties in interest of the date and hour to which the hearing has been continued, and the place at which it is to be held.

(c) The Board shall preserve a complete record of all proceedings at the hearing of any case wherein a certificate is refused, revoked, or suspended. The notice of hearing, complaint, and all other documents in the nature of pleadings and written motions filed in the proceedings, the transcript of testimony and the orders of the Board shall be the record of such proceedings. The Board shall furnish a transcript of such record at cost to any person interested in such hearing.

(d) If, after completion of the hearing, the Board shall be of the opinion that the accused is guilty of the charges, or any of them, the Board shall issue an order refusing, suspending, or revoking the certificate. Such order shall be served upon the accused person either personally or by mailing it by registered mail to the address specified by the accused person in his last notification to the Board.

(e) Any person aggrieved by the action of the Board in refusing, suspending, or revoking a registration or certification or by any other action of the Board, which is alleged to be improper, unreasonable, or unlawful may appeal from such action of the Board to the District Court of the United States for the District of Columbia.

(f) Appeals from suspension or revocation of registration and certification must be taken within 30 days after such refusal, suspension, or revocation. In the case of appeals from other actions of the Board, the appeal may be taken at any time by the person aggrieved by such action. No such action shall act as supersedeas unless specially allowed by the court.

(g) Proceedings shall be conducted according to the Rules of Civil Procedure for the District Courts of the United States and the appeal shall be heard by the judge or judges of the court without a jury. The court shall affirm the decision of the Board, unless it shall find the same is in violation of the constitutional rights of the appellant, or is not in accordance with law, or was made upon unlawful procedure, or that any finding of fact made by the Board and necessary to support its adjudication is not supported by substantial evidence. If the adjudication of the Board is not affirmed the court may set aside or modify it in whole or in part, or may remand the proceeding to the Board for further disposition in accordance with the order of the court.

(h) Either party may appeal from the decision of the District Court of the United States for the District of Columbia to the United States Court of Appeals of said District. Any appeal on behalf of the Board may be filed without bond. The decree of the United States Court of Appeals shall be final and conclusive.

SEC. 10. Exemptions: Nothing in this act shall be construed to affect or prevent the following:

(a) The practice of engineering by any person who, within 1 year after the enactment of this act, has filed with the Board an application for registration under this act. This exemption shall continue only for such time as the Board may require for consideration of said application.

(b) The practice of engineering for not exceeding 30 days in the aggregate in one calendar year by a nonresident not having a place of business in the District of Columbia, if such person is licensed or registered to engage in the practice of engineering in a State or Territory in which the requirements and qualifications for obtaining a license or registration are reasonably equivalent to those specified in this act.

(c) The practice of engineering for more than 30 days by a nonresident not having a place of business in the District of Columbia, or by a person who has recently become a resident of or has recently entered the practice of engineering in the District of Columbia, and who has filed with the Board an application for registration, if such person is registered or licensed to engage in the practice of engineering in a State or Territory in which the requirements and qualifications for obtaining a license or registration are reasonably equivalent to those specified in this act. Such practice shall be permitted only for such time as the Board requires for the consideration of the application.

(d) The performance of engineering work by any person who acts under the supervision of a professional engineer, or by an employee of a person lawfully engaged in the practice of engineering, and who, in either event, does not assume responsible charge of design or supervision.

(e) The practice of engineering as a consultant, officer, or employee of the Government of the United States or the government of the District of Columbia while engaged solely in such practice for said governments.

(f) The practice of any other legally recognized profession.

(g) The practice of engineering exclusively as an officer or employee of a public-utility corporation (act March 4, 1914, 37 Stat. 974, ch. 150, sec. 8, par. 1) by rendering to such corporation such service in connection with its facilities and property which are subject to supervision with respect to safety and security thereof by the Public Utilities Commission of the District of Columbia and so long as such person is thus

actually and exclusively employed and no longer: *Provided, however,* That each such public-utility corporation shall employ at least one registered professional engineer who shall be in responsible charge of such engineering work.

(h) The practice of architecture by a person authorized to use the title of architect or registered architect under the provisions of the Architect's Registration Act, approved December 13, 1924, and as amended, and his doing such engineering work as is incidental to his architectural work.

(i) The execution of construction work as a contractor, or the superintendence of such construction work as a foreman or superintendent, or the work performed as a salesman of engineering equipment or apparatus.

(j) The operation or maintenance of boilers, machinery, or equipment when the operators are duly licensed under the provisions of the act of Congress entitled "An act to regulate steam engineers in the District of Columbia", approved February 28, 1887, as amended.

SEC. 11. Seal of registrants: (a) Each person registered under this act may obtain a seal of a design authorized by the Board which shall bear the registrant's name and registration number, the legend "Registered professional engineer", and such other words or figures as the Board may deem necessary. Such seal, or a facsimile imprint of same, shall be stamped on all plans, specifications, and reports by the registrant responsible for the accuracy and adequacy of such plans, specifications, and reports, when filed with public authorities.

(b) It shall be unlawful for a registered engineer to affix or permit his seal to be affixed to any plans, specifications, or drawings for which he does not assume full responsibility for the adequacy and accuracy thereof.

(c) It shall be unlawful for any person to use such seal during the period the registration of the holder thereof is expired, suspended, or revoked, or to use a seal of any design not approved by the Board.

SEC. 12. Display of certificate of registration: Whoever engages in the practice of engineering shall keep displayed in a conspicuous place in his established place of business the certificate of registration granted him under this act, and evidence of current renewal.

SEC. 13. Fees; payment of expenses; audit: Each application for registration as a professional engineer shall be accompanied by the appropriate prescribed application fee and the registration fee. A person desiring certification as an engineer-in-training shall pay the prescribed application fee for such certification with his application and shall pay the additional application fee and the registration fee upon filing his application for registration as a professional engineer.

Should the Board deny the issuance of a certificate of registration to any applicant, the registration fee deposited with the application shall be refunded.

The amount of the fees prescribed in this act is that fixed by the following schedule:

(a) The application fee for professional engineer with first- and second-stage examination is $20.

(b) The application fee for professional engineer without examination is $10.

(c) The application fee for engineer-in-training with examination is $7.50.

(d) The application fee for engineer-in-training without examination is $5.

(e) The application fee for professional engineer with sesond-stage examination is $12.50.

(f) The fee for reexamination shall be determined by the Board not to exceed $10.

(g) The registration fee for professional engineer is $5.

(h) The biennial registration renewal fee for professional engineer is $2.

(i) The fee for reissuance of a revoked certificate of engineer-in-training is $7.50.

(j) The fee for reissuance of a revoked registration certificate is $20.

(k) The fee for issuance of a duplicate certificate of registration is $5.

(l) The penalty for delinquence is $1 for each month after the date upon which the biennial renewal fee became due: *Provided, however,* That the total shall not exceed $4.

The secretary-treasurer of the Board shall receive and account for all money derived from the provisions of this Act and shall keep such money in a separate fund to be known as "Professional engineers' fund," such fund to be disbursed only by the secretary-treasurer, upon itemized vouchers approved by the Chairman and attested by the secretary-treasurer of the Board. The secretary-treasurer shall furnish bond for the faithful discharge of his duties, in such form and amount as the Commissioners shall require. The premium on such bond shall be regarded as a proper and necessary expense of the Board. The secretary-treasurer of the Board shall receive such salary as the Commissioners shall determine, in addition to the compensation provided for in section 6. The Board may make expenditures from this fund for any purpose which, in the opinion of the Board, is reasonably necessary for the proper performance of its duties under this Act: *Provided, however,* That such expenditures shall in no event exceed the total of receipts. It shall be the duty of the Auditor of the District of Columbia to audit annually the accounts of the Board and make a report thereof to the Commissioners. For the purpose of performance of such duty the Auditor shall have free access to the books of account, records, and papers of the Board.

SEC. 14. Penalties: Whoever shall engage or offer to engage in the practice of engineering without being registered, or exempted, as provided in this Act, or by verbal claim, sign, letterhead, card, or in any other way represent himself to be a professional engineer or through the use of any title including the word "engineer" or words of like import, or any other title, imply that he is a professional engineer without being registered as provided in this Act, or shall present or attempt to use as his own the registration certificate of another, or shall give any false or forged evidence of any kind to the Board, or to any member thereof, in order to obtain registration as a professional engineer, or shall use any suspended or revoked registration, or shall otherwise violate the laws relating to the practice of engineering shall be guilty of a misdemeanor and shall be punishable by a fine of not more than $500 or imprisonment for not more than one year, or both.

SEC. 15. Prosecutions: (a) All violations of laws relating to the practice of engineering in the District of Columbia shall be prosecuted in the municipal court for the District of Columbia by the corporation counsel. The corporation counsel shall render such other legal services as may from time to time be required by the Board.

(b) The Superintendent of the Metropolitan Police Department shall detail such members of his force as may be necessary to assist the Board in the investigations and prosecutions incident to the enforcement of this Act.

(c) The corporation counsel is hereby authorized to apply for relief by injunction to restrain a person from the commission of any act which is prohibited by this Act. In such proceedings it shall not be necessary for the corporation counsel to allege or prove either that an adequate remedy at law does not exist, or that substantial and irreparable damage would result, from the continued violation thereof.

SEC. 16. Annual report: The Board shall submit an annual report to the Commissioners on the first Monday in August, containing a statement of moneys received and disbursed and a summary of its official acts during the next preceding fiscal year, and recommendations for such further legislation relating to the practice of engineering as may be necessary in the public interest.

SEC. 17. Saving clause: If any section or sections, clause or clauses, of this Act, or any regulations promulgated thereunder, be declared unconstitutional or invalid, that shall not invalidate any other sections or clauses of this act, or any other regulations promulgated thereunder.

SEC. 18. Repeal of conflicting legislation: All laws or parts of laws and regulations promulgated thereunder in conflict with the provisions of this act shall be, and the same are hereby, repealed.

With the following committee amendments:

Page 2, strike all of lines 14 and 15 and insert in lieu thereof "those branches of engineering."

Page 6, line 1, strike the words "effective date" and insert the words "date of enactment."

Page 17, line 14, strike figures "1950" and insert "1952."

Page 20, line 7, strike figures "1950" and insert "1952."

Page 20, line 9, strike figures "1951" and insert "1953."

Page 21, lines 23 and 24, strike "1923" as amended and insert "1949."

Page 22, line 16, following the word "the", insert the words "United States."

Page 22, at end of line 16 and beginning of line 17, strike the words "of the United States."

Page 22, line 16, following the word "the", insert the words "United States."

Page 22, at end of line 16 and beginning of line 17, strike the words "of the United States."

Page 23, line 1, following the word "the", insert "United States."

Page 23, line 2, following the word "court", strike the words "of the United States."

Page 24, line 19, following the word "the", insert the words "United States."

Page 24, line 20, following the word "court", strike the words "of the United States."

Page 26, line 3, following the word "the", insert the words "United States."

Page 26, line 4, strike the words "of the United States."

Page 27, line 2, insert the words "United States" before the word "District."

Page 27, line 2, following the word "court", strike the words "of the United States."

Page 29, line 12, following subsection (h), insert the following subsection (i):

"(i) The construction or alteration of a building that does not cover over one thousand square feet of ground area and does not have a height of over 20 feet above to the uppermost ceiling, or two habitable floors above a basement."

Page 29, line 16, strike identifying letter "(i)" and insert identifying letter "(j)."

Page 29, lines 25 through line 3 page 30, insert new subsection as follows:

"(1) The usual supervision of construction or installation of equipment within a plant under his immediate supervision by a person ordinarily designated as supervising engineer or chief engineer of power."

Page 35, following line 16, add:

"SEC. 19. This act shall take effect 90 days after its enactment."

The committee amendments were agreed to.

Mr. SIMPSON of Illinois. Mr. Speaker, will the chairman of the Committee on District of Columbia please explain this bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to define the practice of professional engineering; regulate the practice and to license persons engaged in the practice.

Section 2 defines terms used in the bill.

Section 3 declares the practice of engineering a subject of regulation for the purpose of safeguarding life, health, property, and in the interest of public welfare.

Section 4 prohibits the unlicensed practice of engineering.

Section 5 creates a board of registration for professional engineers of five members to administer the act. The District of Columbia Commissioners are authorized to appoint persons with certain qualifications who will serve for a term of 5 years.

Sections 6 and 7 provide for semiannual meetings and annual election of officers and requires a quorum of three to transact business. Compensation is limited to $25 per day when actually on duty.

Section 8 outlines the general powers of the Board as—

(a) Approval of institutions of learning.

(b) Registration of engineers, both by examination and without examination.

(c) Certification of engineers in training.

(d) Registration of noncitizen professional engineers.

(e) Application form.

(f) Investigation of applications, determination of qualifications and competency of applicants.

(g) Examinations—scope, manner, and time.

(h) Certificate of registration form and execution; expiration; duplicate certificate; biennial renewal of registration; and renewal fee, penalty for delayed renewal.

(i) Certificate to noncitizen, form and execution; expiration, renewal of registration and renewal fee.

(j) Certificate as engineer in training.

(k) Roster of registrants.

(l) Official seal, minutes, and records.

(m) Member of National Council of State Boards of Engineering Examiners—send delegate to annual meeting.

(n) Administrative rules and regulations with respect to employees.

(o) Enforcement of laws; investigations, attendance of witnesses, production of books and papers; subpena, witness fees.

Section 9, complaints, hearings, proceedings, appeals.

Section 10, exemptions:

(a) Applicants while application is pending.

(b) Licensed nonregistered engineers for 30 days.

(c) Thirty days for person recently become resident.

(d) Performance of work under supervision of a person lawfully approaching engineering.

(e) Consulting engineer of Government in practice for Government.

(f) Practice of any other legally recognized profession.

(g) Practice of engineering as an officer or employee of public utility corporation under the direction of a licensed engineer.

(h) Engineering work when it is incidental to the practice of architecture.

(i) Construction of small building.

(j) Execution of construction work as contractor, and so forth.

(k) Operator licensed under act to regulate steam engineers.

(l) Supervision of construction or installation of equipment within a plant by supervising engineer or power engineer.

Section 11, licensed engineer to obtain seal.

Section 12, display of certificate of registration required.

Section 13, covers fees to be charged, payment of expenses, audit.

Section 14, outlines penalties.

Section 15, prosecutions and procedure:

(a) Prosecution in municipal court by corporation counsel.

(b) Superintendent of police to detail members to assist in investigations and prosecutions.

(c) Corporation counsel authorized to apply for injunction to restraint commission of act prohibited.

Section 16, annual report.

Section 17, saving clause.

Section 18, repeal of conflicting legislation.

Section 19, effective date—90 days after enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUPPLEMENTING DISTRICT OF COLUMBIA TEACHERS' LEAVE ACT OF 1949

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 9524) to supplement the District of Columbia Teachers' Leave Act of 1949, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, effective July 1, 1949, the days of leave with pay provided for by the District of Columbia Teachers' Leave Act of 1949, approved October 13, 1949, shall mean days upon which teachers and attendance officers would otherwise work and receive pay and shall be exclusive of Saturdays, Sundays, holidays, and vacation periods authorized by the Board of Education.

SEC. 2. In any case during the period beginning July 1, 1949, through October 12, 1949, where any teacher or attendance officer was absent from duty under the rules of the Board of Education then in force and a substitute was employed in place of such teacher or attendance officer and such substitute was paid by the absent teacher or attendance officer, the District of Columbia is authorized to reimburse such teacher or attendance officer the amount or amounts paid to such substitutes at the rates approved by the Board of Education. The appropriation for "General supervision and instruction, public schools," contained in the District of Columbia Appropriation Act of 1950 shall be available for such reimbursements.

Mr. McMILLAN of South Carolina. Mr. Speaker, this legislation is necessary because of the fact that a recent ruling by the District of Columbia Auditor made it necessary that the Board of Education must include Saturdays, Sundays, and holidays in computing leave periods with pay for teachers and attendance officers.

This ruling discriminates against the personnel of the Board of Education because Saturdays, Sundays, and holidays and other nonworking days are not included in computing the leave periods with pay for classified employees and school officials, who are subject to the provisions of the annual and sick leave act of March 14, 1936.

The provisions of this legislation have the approval of the Board of Education, the auditor, the budget officer, and the corporation counsel of the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EXCHANGE OF CERTAIN NATIONAL PARK LAND SITUATED IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 9362) to provide for the exchange of certain national park land situated in the District of Columbia for certain lands owned by the New Temple Committee, Inc., and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to accept, on behalf of and without cost to the United States, conveyance by the New Temple Committee, Inc., of a full and clear title to two parcels of land situated in the District of Columbia and more particularly described as follows:

(1) Eastern parcel: Starting at the intersection of the center line of former public alley and west line of Thirty-ninth Street at a point twenty feet north of lot eight hundred and fourteen, thence due south a distance of approximately sixty-two feet along west line of Thirty-ninth Street, thence due west, a distance of approximately one hundred and thirteen feet to the north line of lot sixteen, thence in a northeasterly direction, north sixty-nine degrees fifty-two minutes forty-two seconds east a distance of approximately seventy-four feet, thence in a northerly direction, north seven degrees forty-eight minutes forty-two seconds east (being the center line of former public alley) a distance of approximately thirty-nine feet, thence in an easterly direction, south eighty-two degrees eleven minutes eighteen seconds east, a distance of approximately thirty-three feet to point of beginning, and containing three thousands and eighty square feet; and

(2) Western parcel: Starting at the northwest corner of parcel numbered 32/13 and running in an easterly direction, south eighty-nine degrees fifty-five minutes forty-eight seconds east a distance of fifty feet along the northern property line of said parcel, thence in a southwesterly direction south twenty-eight degrees fifty-nine minutes eight seconds west a distance of one

hundred two and ninety-six one hundredths feet to the west property line of said parcel, thence north no degrees three minutes twelve seconds west a distance of ninety feet along west property line of said parcel to point of beginning, and containing two thousand two hundred and fifty square feet.

Upon acceptance of such title to such parcels the Secretary of the Interior is authorized and directed to convey, without cost, to the New Temple Committee, Inc., all right, title, and interest of the United States in and to certain national park land in the District of Columbia more particularly described as follows:

Starting at a point on the north property line of parcel 32/13 located forty feet east of the northwest corner of said parcel, thence in a northeasterly direction north twenty-eight degrees fifty-nine minutes eight seconds east a distance of seventeen and sixteen one-hundredths feet, thence in an easterly direction south eighty-nine degrees fifty-five minutes forty-eight seconds east, a distance of approximately three hundred and ninety-one feet to northern property line of lot sixteen, thence in a southwesterly direction south sixty-nine degrees fifty-two minutes forty-two seconds west a distance of one hundred thirty and forty-five one-hundredths feet, thence in a northeasterly direction, north fifteen degrees fifty-one minutes thirty seconds east a distance of thirty-one and twenty-two one hundredths feet, thence in a westerly direction, north eighty-nine degrees fifty-five minutes forty-eight seconds west (along northern property line of parcel 32/13) a distance of two hundred thirty-two and forty-eight one-hundredths feet to point of beginning, and containing five thousand two hundred and eighty square feet.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Interior is authorized and directed to accept, on behalf of and without cost to the United States, conveyance by the New Temple Committee, Incorporated, of a full and clear title to two parcels of land situated in the District of Columbia and more particularly described as follows:

"(1) Part of lots 13 and 16 in block 8 of Fairview Heights, as per plat recorded in the office of the Surveyor of the District of Columbia in Book County 6, page 72; and part of alley closed, as per plat recorded in the office of the Surveyor of the District of Columbia in Book 131, page 48, described in one parcel, as follows:

"Beginning for the same at a point on the west line of Thirty-ninth Street, said point of beginning being one hundred ninety-two and sixty-seven one-hundredths feet north of the intersection of the northerly line of Macomb Street and the west line of Thirty-ninth Street, and running thence due west one hundred thirteen and two-tenths feet to a point on the northerly line of said lot 16; thence along said northerly line of said lot 16 north sixty-nine degrees fifty-two minutes forty-two seconds east seventy-nine and forty-four one-hundredths feet to the center line of said alley closed; thence along said center line of said alley closed north seven degrees forty-eight minutes forty-two seconds east forty and ten one-hundredths feet; thence south eighty-one degrees twenty-four minutes thirteen seconds east thirty-three and fifty-four one-hundredths feet to the said west line of Thirty-ninth Street; thence along said west line of Thirty-ninth Street due south sixty-two and five one-hundredths feet to the point of beginning, containing three thousand four hundred seventeen and ten one-hundredths square feet; and

"(2) Part of a tract of land numbered for the purpose of assessment and taxation as parcel 32/13, described as follows:

"Beginning for the same at a point on the westerly line of a tract of land numbered for the purpose of assessment and taxation as parcel 32/13, said point of beginning being the two following courses and distances from the intersection of the northeasterly line of Massachusetts Avenue and the northerly line of Macomb Street: (1) South eighty-nine degrees fifty-five minutes, forty-eight seconds east one hundred three and nine-tenths feet to the said westerly line of a tract of land numbered for the purpose of assessment and taxation as parcel 32/13; (2) thence along said westerly line of parcel 32/13 north no degrees four minutes twelve seconds east exactly sixty feet to the point of beginning of the parcel herein intended to be described; thence along said westerly line of parcel 32/13 north no degrees four minutes twelve seconds east exactly ninety feet; thence south eighty-nine degrees fifty-five minutes forty-eight seconds east exactly fifty feet; thence south twenty-nine degrees seven minutes thirty-two seconds west one hundred two and ninety-six one-hundredths feet to the point of beginning, containing exactly two thousand two hundred and fifty square feet.

"Upon acceptance of such title to such parcels the Secretary of the Interior is authorized and directly to convey without cost, to the New Temple Committee, Incorporated, all right, title, and interest of the United States in and to certain national park land in the District of Columbia more particularly described as follows:

"Part of lot 17, of block 6 of Fairview Heights, as recorded in the office of the Surveyor of the District of Columbia in Book County 6, page 72; part of Massachusetts Avenue closed, as recorded in the office of the Surveyor of the District of Columbia in book 88, page 17; and part of a tract of land numbered for the purpose of assessment and taxation as parcel 32/10, described in one parcel, as follows:

"Beginning for the same at a point on the northerly line of said lot 16, said point of beginning being the three following courses and distances from the intersection of the northerly line of Macomb Street and the west line of Thirty-ninth Street: (1) Due north along said west line of Thirty-ninth Street one hundred ninety-two and sixty-seven one-hundredths feet; (2) thence due west one hundred thirteen and twenty one-hundredths feet to the said northerly line of lot 16; (3) thence along said northerly line of lot 16 south sixty-nine degrees fifty-two minutes forty-two seconds west eighty and nine one-hundredths feet to the point of beginning of the parcel herein intended to be described; thence still with the said northerly line of lot 16 and a continuation thereof south sixty-nine degrees fifty-two minutes forty-two seconds west one hundred twenty-two and ninety one-hundredths feet; thence north fifteen degrees fifty-one minutes thirty seconds east twenty-eight and forty-nine one-hundredths feet; thence north eighty-nine degrees fifty-five minutes forty-eight seconds west two hundred thirty-two and forty-eight one-hundredths feet; thence north twenty-nine degrees seven minutes thirty-two seconds east seventeen and sixteen one-hundredths feet; thence south eighty-nine degrees fifty-five minutes forty-eight seconds east three hundred thirty-one and seventy-five one-hundredths feet to the point of beginning, containing five thousand six hundred forty-eight and eight-tenths square feet.

"All land descriptions set forth in this act are in accordance with a Plat of Computation recorded in the office of the Surveyor of the District of Columbia in Survey Book 155, page 166."

The committee amendment was agreed to.

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to permit the New Temple Committee, Inc., to exchange approximately 5,667 square feet of property owned by the committee for approximately 5,648 square feet of property owned by the United States Government National Park Service.

The New Temple Committee has completed plans for the construction of a synagogue in the vicinity of Macomb and Thirty-ninth Streets and after plans had been made for the construction of this project it was learned that the United States Government National Park Service had future plans for condemning a portion of the committee's property for use in building a clover leaf at the corner of Macomb Street and Massachusetts Avenue.

So that this difficulty might not arise in the future the United States National Park Service has agreed to exchange that portion of their property described in the bill for that part of the property owned by the New Temple Committee, Inc., so that this organization might proceed with the building of a synagogue at an early date.

This legislation has the approval of the Commissioners of the District of Columbia, the United States Government National Park Service, and the National Capital Park and Planning Commission which are both under the Interior Department.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

BOARD OF EDUCATION OF THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the bill (S. 2028) to permit the Board of Education of the District of Columbia to participate in the foreign teacher exchange program in cooperation with the United States Office of Education and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Board of Education of the District of Columbia is authorized to participate in the teacher foreign exchange program in cooperation with the United States Office of Education.

Any employee of the Board of Education of the District of Columbia who is subject to the provisions of the District of Columbia Teachers' Salary Act of 1947 (Public Law 163) shall, with the approval of the Board of Education, be eligible to participate in such program, and shall if accepted for such foreign assignment serve for a period not to exceed one calendar year, and shall at the conclusion of such service be returned to the position which he held before the exchange was effected.

SEC. 2. The Board of Education of the District of Columbia is authorized to pay the full salary of the educational employee of said Board during the time such employee is performing teaching duties in a foreign country under such exchange program, in the same manner and to the same extent as if such educational employee were actually performing his teaching duties in his regularly assigned position in the public schools of the District of Columbia, and any such educational employee participating in such

program shall for purposes of promotion, computation of annual increment, computation of service for pension credit, including salary contributions to the pension fund, and leave of absence credits, be considered as performing teaching duties in the schools of the District of Columbia.

SEC. 3. (a) Each professionally qualified person from a foreign country exchanged under the provisions of this act with an educational employee of the Board of Education of the District of Columbia shall during the period of such exchange serve as a substitute for the exchanged teacher and shall be assigned in the public schools of the District of Columbia as the Board of Education shall determine. Such exchange teacher shall serve without compensation for such service from the District of Columbia or any agency thereof: *Provided further*, That the term of such assignment or exchange shall not exceed one calendar year.

(b) Notwithstanding any other provision of law, any foreign teacher, instructor, or professor assigned to duties in the public schools of the District of Columbia under the provisions of this act shall not be required to take an oath of office or any oath of allegiance or loyalty to the United States, but shall satisfy the Board of Education of the District of Columbia as to his personal, moral, and professional fitness to teach in the public schools of Washington, District of Columbia.

Mr. McMILLAN of South Carolina. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCMILLAN of South Carolina: On page 2, line 5, after the word "effected", strike out the period and insert a colon and add the following language: "*Provided*, That in any one calendar year not more than 10 such employees shall participate in such program."

The amendment was agreed to.

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to authorize the Board of Education of the District of Columbia to participate in the foreign-teacher-exchange program in cooperation with the United States Office of Education.

Under this legislation any employee who is subject to the District of Columbia Teachers Salary Act of 1947 would be eligible for participation in the program upon the approval of the Board of Education. Any such participation would be for a period not exceeding one calendar year and at the end of the foreign assignment the employee would be returned to the position which he held before the exchange was effected.

Under section 2 of the bill the employee is paid the full salary during the time he is performing teaching duties in a foreign country as if he were actually performing such duties in the public schools of the District of Columbia.

The bill has the approval of the Commissioners of the District of Columbia and was recommended by the Board of Education of the District of Columbia.

The legislation proposed under this bill gives the Board of Education of the District of Columbia practically the same authority as that now given to 46 States to enter into the exchange program.

In a meeting of the Committee on the District of Columbia on August 24 the Committee reserved the right to offer an amendment from the floor to the bill which would restrict the number of teachers that might participate in this program at any one time. The clerk of the committee was instructed to discuss the matter with the Superintendent of the schools of the District of Columbia and in so doing and upon the recommendation of the Superintendent of Schools it was determined that a total of not more than 10 teachers should be permitted to participate in the program at one time. An amendment for this specific purpose probably will be offered from the floor at the time the bill is considered.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARCHITECTS' REGISTRATION ACT FOR THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2887) to amend the Architects' Registration Act for the district of Columbia in order to safeguard life, health, and property, and to promote the public welfare, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 6, line 4, after "practical", insert "architectural."

Page 11, after line 12, insert:

"SEC. 8. This act shall take effect 90 days after its enactment."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

DEALERS' IDENTIFICATION TAGS

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the bill (S. 3659) to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of special use identification tags, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (e) of section 1 of title IV of the District of Columbia Revenue Act of 1937, as amended, is amended to read:

"(e) The term 'dealer' means any person engaged in the business of manufacturing, distributing, or dealing in motor vehicles or trailers."

SEC. 2. That section 1 of such title, as amended, is amended by adding at the end of such section the following:

"(j) The terms 'operate' and 'operated' shall include operating, moving, standing, or parking any motor vehicle or trailer on a public highway of the District of Columbia."

SEC. 3. That section 2 of such title, as amended, is amended to read:

"(a) No motor vehicle or trailer shall be operated (except motor vehicles or trailers operated by nonresidents, except under the provisions of section 8 of the District of Columbia Traffic Act, 1925, as amended, motor vehicles or trailers covered by a dealer's registration as provided in subsection (b) (1) of this section, and motor vehicles or trailers covered by a special use certificate as provided in subsection (b) (4) of this section) unless registered in the department of vehicles and traffic of the District of Columbia by the owner thereof. Upon receipt of an application from the owner of a motor vehicle or trailer and (except in the case of a motor vehicle or trailer covered by subsection (b) (2) of this section) payment of a registration fee computed as provided in section 3, and if there is in force with respect to such motor vehicle or trailer a valid certificate of title issued under the District of Columbia Traffic Act, 1925, as amended, the director shall issue to such owner a registration certificate and identification tags for such motor vehicle or trailer.

"(b) The Commissioners of the District of Columbia by regulation shall provide for the issuance by the director—

"(1) annually to any dealer, upon payment of the fee prescribed in section 3, of a registration certificate and identification tags bearing a distinguishing dealer's mark, for interchangeable use on motor vehicles and trailers in accordance with regulations promulgated by the Commissioners;

"(2) annually, without charge, of certificates of registration and identification tags for all motor vehicles and trailers owned by the United States or by the District of Columbia, or officially used by any duly accredited representative of a foreign government;

"(3) of duplicate registration certificates or duplicate identification tags, upon proof satisfactory to the director of loss, mutilation, or destruction thereof, upon payment of a fee of $1 for each set of duplicate tags or 50 cents for each duplicate registration certificate; and

"(4) to any person, upon payment of a fee of $1, of a special use certificate and special use identification tags bearing a distinguishing mark, valid for a period not exceeding 10 days, for use on a motor vehicle or trailer in accordance with regulations promulgated by the Commissioners: *Provided*, That if any person be convicted of a violation of such regulations, the director may refuse thereafter to issue a special use certificate and special use identification tags to such person for a period of 1 year: *Provided further*, That the issuance of a special use certificate and special use identification tags for a motor vehicle or trailer shall not constitute a registration of such motor vehicle or trailer for any purpose.

"(c) Every registration made under this title shall expire at midnight on the last day of the registration year for which the registration was made, unless the time be extended by the Commissioners. Any such registration may be renewed for the ensuing registration year upon application made by the owner during the months of February and March, and upon payment of the fees required by law. During the month of March it shall be lawful to operate a motor vehicle or trailer registered for the ensuing registration year. For the purposes of this title, a registration year shall be deemed to begin on April 1 and end on March 31.

"(d) Upon the sale or other transfer to another owner of any motor vehicle or trailer registered under this title, the registration thereof shall expire. The owner selling or otherwise transferring such vehicle or trailer may register another motor vehicle or trailer for the unexpired portion of the registration year upon payment of a fee of $1 and a sum

equal to the difference between the registration fee originally paid and the fee computed for such other motor vehicle or trailer under section 3, in case the latter is the greater. Upon the death of a joint owner of a motor vehicle or trailer registered under this title the registration thereof shall be transferred to the survivor or survivors and the fee for such transfer shall be $1.

"(e) The Commissioners of the District of Columbia are authorized to prescribe such regulations as may be necessary to carry out the provisions of this title and shall prescribe such forms of application for registration and for a special use certificate, such forms of registration and special use certificate, such design of identification tags, and provide for the keeping of such records of registration and issuance of special use certificates and transfers of registration as will facilitate the identification and the regulation of motor vehicles and trailers operated in the District of Columbia.

"(f) The Commissioners of the District of Columbia are further authorized to prescribe regulations under which the director may revoke or suspend the registration of any dealer who shall cease to be a dealer as defined in this title, or who shall have violated the provisions of this title or the regulations promulgated thereunder by the Commissioners, and to revoke or suspend and provide for the return to the director of all dealers' identification tags issued to such dealer, subject to review by the Commissioners under rules and regulations prescribed by them. Pending such review, any such order of revocation or suspension shall be stayed unless the Commissioners shall otherwise direct. No order of the director or the Commissioners hereunder shall be set aside or suspended by any court unless such order is arbitrary or capricious."

SEC. 4. That paragraph (a) of section 3 of such title, as amended, is amended to read:

"(a) There shall be levied, collected, and paid for each registration year for each motor vehicle or trailer required to be registered hereunder, the registration fee provided in this section."

SEC. 5. That so much of paragraph (b) of section 3 of such title, as amended, as reads:

"Class F. For dealers' identification tags, first three sets of tags, $25, and $5 for each additional set."

is amended to read:

"Class F. For dealers' identification tags, first three sets of tags, $50, and $10 for each additional set."

SEC. 6. That paragraphs (c) and (d) of section 3 of such title, as amended, are amended to read:

"(c) When application for registration of any motor vehicle or trailer or for registration as a dealer or for issuance of dealers' identification tags is received by the director on or after October 1, the registration fee, or the fee for issuance of dealers' identification tags shall be one-half the amount otherwise provided.

"(d) All proceeds from fees payable under this title and all moneys collected from the motor-vehicle-fuel tax, and fees charged for the titling of motor vehicles and trailers, including fees charged for the issuance of permits to operate motor vehicles, shall be deposited in a special account in the Treasury of the United States entirely to the credit of the District of Columbia and shall be appropriated and used solely and exclusively for the following purposes:

"(1) For construction, reconstruction, improvement, and maintenance of public highways, including the necessary administrative expenses in connection therewith;

"(2) For the expenses of the office of the director of vehicles and traffic incident to the regulation and control of traffic and the administration of the same; and

"(3) For the expenses necessarily involved in the police control, regulation, and administration of traffic upon the highways: *Provided, however,* That the total amount to be expended under this item shall not exceed 15 percent of the total amount appropriated for pay and allowances of officers and members of the Metropolitan Police force."

SEC. 7. That paragraph (a) of section 4 of such title, as amended, is amended to read:

"(a) It shall be unlawful—

"(1) for any person to operate any motor vehicle or trailer upon any public highway of the District of Columbia (except motor vehicles or trailers operated by nonresidents exempted under the provisions of section 8 of the District of Columbia Traffic Act, 1925, as amended) (A) if such motor vehicle or trailer is not registered or covered by a dealer's registration or by a special use certificate as required by this title, (B) if such motor vehicle or trailer does not have attached thereto and displayed thereon the identification tags required therefor, or (C) if such person does not have in his possession or in the motor vehicle or trailer operated the registration certificate or special use certificate required therefor;

"(2) for the owner of any motor vehicle or trailer knowingly to permit the operation thereof contrary to any provision of paragraph (1);

"(3) to use a false or fictitious name or address in any application for registration or for a special use certificate, or any renewal or duplicate thereof, or knowingly to make any false statement or conceal any material fact in any such application."

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to authorize the issuance of a special-use license tag. The issuance of such tag is made for the purpose of assisting a resident of the District of Columbia who buys an automobile outside of the District of Columbia in returning the automobile to the District of Columbia with these special license plates so that the car may be licensed and registered. This special-use tag would be issued for a temporary period not to exceed 10 days and at a nominal fee of $1. The bill would also permit a dealer's license to be revoked for a proper cause. For instance where a dealer's franchise is revoked by the automobile manufacturer or where he has gone out of business and has no need for the use of dealers' tags the Commissioners have authority to revoke his registration. Under existing law the Commissioners do not have such authority.

The bill would further increase the cost of dealers' tags and provide mid-year reductions. The cost of dealers' tags would be increased from $25 for the first three sets of plates and $5 for each additional set to $50 and $10 for each additional set, respectively. The increased cost of dealers' license plates would be compensated by a mid-year reduction of 50 percent as authorized in this legislation. This reduction is now offered on other license tags.

This legislation would also authorize the use of dealers' tags by dealers who sell trailers. Under existing law no dealer is authorized to use tags for trailers. This has caused much trouble and confusion among trailer dealers and was obviously due to an oversight in drafting the present legislation.

This bill has the support of the Commissioners of the District of Columbia, the Bureau of the Budget, and the Automobile Dealers Association.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETURN OF ITALIAN COLONIES

Mr. McGUIRE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. McGUIRE. Mr. Speaker, I am today introducing a bill to return the colonies of Italy to that nation. This is a "must" piece of legislation that I hope will be acted upon without delay. Of all the nations in Europe, Italy is the worst off with regard to population density and raw materials. Premier Alcides de Gasperi has estimated that millions must find new homes outside the country, in order that all may maintain a decent standard of living. Since other nations restrict immigration, these people are limited in where they can go. I believe it is imperative that Italy's colonies be returned to her. The Italian people carry with them the spirit of democracy. It is no accident that after World War II, Italy was the only country which was not occupied and directed by the Allies. Wherever Italians move, they carry with them individual freedom and the desire for a high standard of living. Africa will benefit as well as the forces of democracy throughout the world.

EXTENSION OF REMARKS

Mr. LYLE asked and was given permission to extend his remarks in two instances; to include a short theme, and a short poem.

Mr. PATMAN asked and was given permission to extend his remarks in two instances and include certain statements and excerpts.

Mr. BARTLETT asked and was given permission to extend his remarks and include a newspaper article.

Mr. WIER asked and was given permission to extend his remarks and include an editorial from one of the newspapers in his district.

Mr. LANHAM asked and was given permission to extend his remarks in two instances, and in each case to include extraneous matter.

Mr. MURPHY (at the request of Mr. ROONEY) was given permission to extend his remarks and include a sketch of Garibaldi's life.

Mr. FELLOWS asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. BURDICK asked and was given permission to extend his remarks and insert some facts prepared by Miss Kendall of Washington.

Mr. RICH asked and was given permission to extend his remarks and insert an article which will appear in tomorrow's Look entitled "Primer for America."

Mr. SADLAK asked and was given permission to extend his remarks in two instances and in each to include extraneous material.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include extraneous matter.

Mr. LEFEVRE asked and was given permission to extend his remarks and include an article by Mark Sullivan.

Mr. D'EWART asked and was given permission to extend his remarks and include an editorial.

Mr. CELLER asked and was given permission to extend his remarks.

Mr. McCORMACK asked and was given permission to extend his remarks and include an address by Secretary of the Air Force, Hon. Thomas K. Finletter, and an address by Gen. Hoyt S. Vandenberg, both recently made in Boston, Mass.

Mr. WHITE of California asked and was given permission to extend his remarks.

SELECT COMMITTEE TO INVESTIGATE ABUSES IN EDUCATION AND TRAINING PROGRAM OF WORLD WAR II VETERANS

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 474 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there is hereby created a select committee to be composed of nine Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of the alleged abuses in the education and training program of World War II veterans, and of action taken or the lack of action taken by the responsible officers and employees of the Veterans' Administration and State approving authorities to prevent abuses under the Servicemen's Readjustment Act, as amended.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

Mr. COX. Mr. Speaker, as the reading of the resolution discloses, this is simply a proposal to set up a special committee to investigate alleged abuses in the education and training program of World War II veterans. I have had no requests for time.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield to me?

Mr. COX. Mr. Speaker, I yield as much time as he desires to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I have just asked for this time in a friendly way to call the attention of the Washington Post to an editorial carried on yesterday, Sunday's paper, which was absolutely incorrect. It is rather amusing, if not somewhat amazing to me, that in their Sunday edition they should carry an editorial criticizing the failure to call up this resolution when on last Friday, as the CONGRESSIONAL RECORD shows, I announced that it was going to be programed for Monday.

Of course it is human to err, and the Washington Post, being run by human beings, of course makes errors. But I was very much amused Sunday when I read this editorial in the paper, entitled "GI School Abuses," proceeding upon the theory that an effort was being made by the leadership, and particularly the Speaker of the House of Representatives, to prevent this resolution from being programed, when, as a matter of fact, it had been programed 2 days before the editorial appeared.

Might I also say to the Washington Post, if the resolution had not been programed, the fault would have been mine, and I would be the one to blame and not the Speaker of the House. But in any event, the resolution was programed for today on last Friday.

If the Washington Post wants to do the nice thing and live up to the great principle of freedom of the press, which means a fair press, it would print an editorial of apology to the Speaker of the House, although the Speaker does not need it. Still, that would be the nice and proper and decent thing to do.

Also, it is rather comforting for us to know that even on the editorials which are supposed to be so carefully written, that after all those who write those editorials are human beings, and that they make mistakes too, as we all do now and then. So my remarks are no more than a friendly observation and a mild criticism of the Washington Post and if they had followed the CONGRESSIONAL RECORD, as I know they do, they would have known that the resolution was programed as of last Friday, and the editorial would never have been written.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman for a friendly observation, or any observation that he cares to make, although I hope it is friendly.

Mr. HOFFMAN of Michigan. I am always friendly. It is impossible to be otherwise when consulting the gentleman. If my observation is not friendly, it will be due to my lack of intelligence.

Mr. McCORMACK. No; I would not say that.

Mr. HOFFMAN of Michigan. The friendly spirit is here all right.

Mr. McCORMACK. I know the gentleman is both friendly and intelligent.

Mr. HOFFMAN of Michigan. I wonder—are you really suggesting that the Washington Post might be wrong about something?

Mr. McCORMACK. The gentleman can draw his own conclusion.

Mr. HOFFMAN of Michigan. I just want to understand you. Your remarks suggest that——

Mr. McCORMACK. Well, to give the gentleman a straight answer, of course in this case "yes."

Mr. HOFFMAN of Michigan. Oh, that is too, too bad.

Mr. McCORMACK. It is too bad, but I am suggesting that they correct it in an appropriate way.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Speaker, may I say, following the remarks of the distinguished majority leader, Mr. McCORMACK, of Massachusetts, that he is entirely correct. I know from former appearances before the Rules Committee that the Rules Committee has acted speedily in reporting the matter, and that the leadership has acted speedily in scheduling it for consideration by the House. Any statement to the contrary is certainly an error.

Mr. Speaker, may I say this resolution was introduced by our colleague, the gentleman from Texas [Mr. TEAGUE]. He is unable to be here today. He asked that I help bring up this resolution if it was presented today. I am glad to do this because this is a meritorious measure. I am also glad to do it because I had introduced a similar resolution. I would have preferred that the Rules Committee report my own resolution, still I am supporting this resolution here today because it is an objective we are seeking to accomplish, rather than the passage of any individual resolution.

The purpose of the resolution is to name a special committee, to be named by the Speaker, a bipartisan committee, consisting of nine members, both Republicans and Democrats, to make a full, fair, and complete investigation and study of the veterans' education and training program under the Servicemen's Readjustment Act and report to the Congress.

We know that this education and training of our veterans has been a vast program operating since the war. More than 1,000,000 veterans have received a college education under this program. More than 2,000,000 other veterans have received valuable training in trades and skills; yet more than $10,000,000,000 has been spent on this program. According to the Veterans' Administration, the Government has spent under this program, a total of $7,078,100,813 for subsistence; $2,662,196,779 on tuition; and $357,619,935 on books, supplies, and equipment, bringing the total expenditures to $10,097,317,527.

With such a vast program, there naturally have arisen abuses and irregularities.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. EVINS. I yield.

Mr. COX. I would like to testify to the diligence of the gentleman from Tennessee in getting consideration of the question dealt with in the resolution. I have no idea as to who will be named as members of the committee, but whoever the committeemen may be, I think, to the extent that is possible, they should carry

on in cooperation with General Gray, who heads the Veterans' Administration. I am not drawing any implications from the resolution unfavorable to the head of the Veterans' Administration and I hope none will be drawn by others. This is a matter that the Administration might have handled itself, but the Rules Committee, to whom the gentleman presented an application for this rule, thought it well to recommend House consideration of the resolution.

Mr. EVINS. I agree that there should be full cooperation between the committee that is to be created and the Veterans' Administration. The Administrator of veterans' affairs, General Gray, has issued a report on the education and training under the Servicemen's Readjustment Act, which is printed as House Document 210, and which contains a list of some 200 schools throughout the United States in which irregularities or abuses have been widespread. We know of incidents in many States throughout the country. In my own State of Tennessee there have been recent disclosures of irregularities and some 10 top-flight VA personnel were suspended. Some of these men have resigned, others have been dismissed, some restored to their jobs, while the cases of others are still pending. I understand that in Pennsylvania a grand jury is now investigating this program. There have also been reports of irregularities and abuses in Texas and other States. There is widespread demand and need for this. The press, the public, many of the veterans and veterans' organizations themselves, and certainly the taxpayers and the public generally, are asking for action on this resolution.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. EVINS. I yield to my friend, the gentleman from Pennsylvania.

Mr. EBERHARTER. It occurs to me that perhaps the investigation is coming too late, after all this money has been spent and these abuses have occurred, when the investigation should have taken place earlier.

Mr. EVINS. In response to the gentleman, may I say that the program has several years yet to continue. As we all know, enrollments under the program must be begun before June 30, 1951. Thereafter training may proceed for two or three more years. The program is not over yet, although it is tapering off. There is a great need for this investigation in order that the Congress and the country may have the facts. This is public demand for this inquiry. Although there has been much good to come from the program, the bad apples in the barrel should be uncovered. In addition, the Congress needs the facts for legislating in the future.

In my mail today I had a letter from a mother who has a son in the service in Korea, and she asks that Congress enact legislation to assure the same benefits to her son as applicable to the veterans of World War II. Because of the fact that there is a possibility and a probability that there will be new veterans' legislation, certainly the Congress should have the facts. We should have the information and we should know the successes and the failures of the program. I certainly urge the adoption of the resolution.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, in behalf of the gentleman from Illinois [Mr. ALLEN], I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and in part, to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, with reference to this particular resolution, it was my understanding that when the reorganization bill was passed we were to do away, to some extent, with special committees to investigate various matters. I cannot see why the jurisdiction for this investigation does not come within the purview of the House Committee on Expenditures in the executive departments. So much for that.

LEE PRESSMAN

All of us, I think, sometimes recall from boyhood memories, illustrations that are of benefit to us in our later days.

I can understand the position of the gentleman from Georgia [Mr. COX], who is disturbed over what he seemed to think was the welcoming reception given Mr. Pressman this morning and the position of the gentleman from Pennsylvania [Mr. WALTER], with reference to Lee Pressman's appearance before the committee this morning. The gentleman from Pennsylvania [Mr. WALTER], appeared to believe that the committee had gained a valuable assistant. That may or may not be true.

Future events will determine whether Mr. Pressman wishes to combat communism or whether he seeks protection from rising public indignation.

Mr. Pressman, in a former appearance before the committee, refused to answer many questions, one being whether he was or was not a Communist, or was or was not affiliated with the Communist Party.

Mr. Pressman, being a very shrewd individual, well versed in the law, is well aware that, if he was again subpenaed by the committee and the same questions put to him, he would be required to either admit that he had been a Communist, for the record showing that fact is now available; or, if he refused to answer, would undoubtedly be cited and convicted of contempt.

Giving Mr. Pressman the benefit of the doubt, we should assume that he really desires to assist in exposing Communists, rather than now seeks to take advantage of an opportunity to appear and answer the committee's questions.

Communism and Communists are, if it may be stated in that way, now out of style. They are no longer receiving open public support from the administration.

The following account of the crucifixion of our Christ may be of interest:

And there were also two other, malefactors, led with him to be put to death.

And when they were come to the place, which is called Calvary, there they crucified Him, and the malefactors, one on the right hand, and the other on the left.

* * * * *

And the soldiers also mocked Him, coming to Him, and offering Him vinegar.

* * * * *

And one of the malefactors which were hanged railed on Him, saying, if Thou be Christ, save thyself and us.

But the other answering rebuked him, saying, Dost not thou fear God, seeing thou are in the same condemnation?

And we indeed justly, for we receive the due reward of our deeds: but this man hath done nothing amiss.

And he said unto Jesus, Lord, remember me when Thou comest into Thy kingdom.

And Jesus said unto him, Verily I say unto thee, today shalt thou be with me in paradise.

The one wrongdoer was assured that, because of his repentance he was going to get to heaven.

Now, it is just possible, as the gentleman from Pennsylvania [Mr. WALTER] said—I will not say "just possible," maybe it should be "probable," maybe it is certain, that Mr. Pressman has seen the light, and, like Whittaker Chambers, he is going to go along now and really give us some worth-while information about his former Communist friends and coworkers.

Mr. COX. Mr. Speaker, will the gentleman yield to me there?

Mr. HOFFMAN of Michigan. I will yield to the gentleman if he will give me 2 minutes.

Mr. COX. I will give the gentleman 2 minutes.

Mr. HOFFMAN of Michigan. That is collective bargaining.

Mr. COX. The difference is that in the case of Chambers he was crucified; the poor man was crucified when he had his reformation and sought out responsible heads in the different departments of the Government to make full and complete disclosure in order that steps might be taken to protect the country against the influences with which he had been identified. In this particular case, this lying rascal, Lee Pressman, is treated as a repentant sinner coming back to the fold.

Mr. HOFFMAN of Michigan. I can well understand the attitude of the gentleman from Georgia [Mr. COX], who has fought the Communists so long and so vigorously, but certain verses, perhaps more familiar in my boyhood days, occurred to me.

Those about the lamb, and I am not intimating that Mr. Pressman is a lamb, are these:

How think ye? if a man have an hundred sheep, and one of them be gone astray, doth he not leave the ninety and nine, and goeth into the mountains, and seeketh that which is gone astray?

And if so be that he find it, verily I say unto you, he rejoiceth more of that sheep, than of the ninety and nine which went not astray.

If I get Mr. Pressman's present attitude, it is that once he was a sinner.

For sinners, the Scripture has consolation. May I quote:

I say unto you, that likewise joy shall be in heaven over one sinner that repenteth, more than over ninety and nine just persons, which need no repentance.

* * * * *

Likewise, I say unto you, there is joy in the presence of the angels of God over one sinner that repenteth.

Mr. COX. Well, anyway, the one was crucified and the other glorified.

Mr. HOFFMAN of Michigan. Oh, yes, I get it. And I would say to the gentleman from Georgia that while none of us has the right to question the sincerity of the repentance of reformation of another, I can understand and respect the gentleman's uncertainty in view of Mr. Pressman's record and the fact that so far he—at least I have not seen anything to that effect—he has not been giving us any very valuable information.

I have met Mr. Pressman several times at committee hearings. I never saw a man whom I thought had more ability than Lee Pressman, more legal ability, or a man who was shrewder, a man who was more evasive, if you get what I mean, than was Lee Pressman in testifying before congressional committees.

I recall one instance when he was testifying at hearings before the Smith committee that had to do with the National Labor Relations Board. He was an attorney and then I think represented the CIO. Nathan Witt was there at the same hearing, as attorney for the NLRB. He was now admittedly another Communist. Those two gentlemen, Lee Pressman, and Nathan Witt were the men who were back of strikes in the steel industry in Pittsburgh, and elsewhere.

I hope that Lee Pressman has seen the light, that he will devote just a fraction of the ability, the energy, and the persistence to exposing Communists that he did before in covering up Communist-inspired strikes as disclosed by the hearings of the Smith committee.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. RANKIN. When Whittaker Chambers came before the committee and confessed his former membership in the Communist Party, he did not hesitate to give the names and addresses of every traitor that had been mixed up with him or had connived or dealt with him in giving away the secrets of this Government.

Mr. HOFFMAN of Michigan. Well, as long as we hold ourselves out to be Christians, we should give Lee Pressman the benefit of any doubt while keeping an eye on him, yes, keep an eye on Lee Pressman—he is a very capable man.

Mr. RANKIN. No; make him answer the questions. That is what we ought to do.

Mr. HOFFMAN of Michigan. Certainly, require him to give full complete information about his own works while with the Communists and, so far as he knows, about the activities of each and every one of his coworkers.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, Secretary of the Navy Matthews in his Boston speech last Friday night, according to the press, said, and I quote:

What Mr. Matthews said in his Boston speech which stirred up the hornet's nest was this: The United States should arm itself strongly to ward off any possible attack. In addition, we should boldly proclaim our undeniable objective to be a world at peace. To have peace we should be willing, and declare our intention, to pay any price, even the price of instituting a war to compel cooperation for peace.

Now, I want to comment on these remarks and say that in my opinion this sensational statement is merely a smoke screen to cover his past mistakes; and effort to direct the American people's thinking away from his failure to back up and support the Navy, Navy Air, and the Marine Corps after the B–36 investigation in August of last year.

I might say to the Secretary that if he had taken the same position after the B–36 investigation of last year as he takes today, and if he had assumed the responsibilities he was charged with as Secretary of the Navy to support his part of the defense set-up, rather than acting as a yes man to the economy-minded group in the Department of Defense, the Navy would not have been moth balled, cut back, and scuttled. And they would have been in a position to meet the demands made upon them brought about by the Korean war.

It has taken Secretary Matthews many months to wake up to the fact that Admiral Denfeld was right.

The Secretary's talk last Friday night was untimely and attempts to confuse the public's mind as to his past performances and mistakes. Instead of expressing his opinions about initiating a war, it would be wiser to get the Navy and its counterpart in shape to meet any emergencies that might arise. If the Secretary paid as much attention to getting Navy battlewagons, the Navy Air Corps, and the Marine Corps in shape as he does to sounding off with an ill-advised speech, the Navy and the country would be better off.

I want to call the attention of the House to the fact the Secretary listened to the B–36 investigation, he heard the testimony given, he had his chance when the investigation was being conducted to back up the Navy and the preparedness program. He definitely muffed it, and I am inclined to believe his Boston speech was set up to be startling, to attract the public, to cover up for his previous action after the B–36 investigation.

At that time the Secretary was new on the job and until he found out what it was all about it was his right to fight for the Navy, but what happened? The carrier was cancelled, the fleet was moth balled, Navy air was cut back, the Marine Corps skeletonized, and Admiral Denfeld fired; and the Secretary's blind, unreasonable thinking is the cause for us now desperately trying to get the fleet back into action.

My recommendations are, if he remains where he is, that he stick to his job, and quit making speeches to muddy up the waters and get the Navy, Navy Air, and Marine Corps in shape to do a job when called upon, that he quit trying to make an impression on the American people after his mistakes of a few months ago.

I might say to the Members of the House that our thinking in the Armed Services Committee was sound, our program for national defense was comprehensive, but a few willful men were able to frustrate our thinking and efforts. The question is whether the will of the Congress is to be carried out after action has been taken.

The other day on this floor we heard—after we had taken a position on the Spanish loan—that we were invading territory where we had no right to intrude; and that is in the field of policy making. Now, I want to ask the Members of the House who has a better right than the 435 Members of the House and the 96 Members of the Senate, duly elected by the American people to express the will and thinking of the folks back home; particularly after the stupidity, blundering, and indecision evident during the past several years? It is about time that the Congress asserted itself to determine policies that express the will of the people. And when it has been expressed by Congress, it should be carried out and not left to a few individuals to do what they think should be done rather than what the Congress thinks should be done; especially when they have been consistently wrong.

I say that we had better wake up before it is too late because time is running out on us.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall support the present resolution which provides for the creation of a special committee to investigate GI training. It would be very helpful to the Committee on Veterans' Affairs which was created to take care of the needs of the veterans and I believe the committee will welcome any additional information that may be received. Therefore, I am very happy to support this resolution. I have introduced a bill for the granting of GI training for world war III veterans.

Mr. Speaker, I rise also at this time to ask the Rules Committee if it will give me a hearing on the bill H. R. 374 to create a Committee on Psychological Warfare and Peacefare.

It was obvious listening to the debate during the supplement on appropriations bill on Saturday and on Friday that the Members of the House are very much concerned over the lack of proper, adequate, comprehensive informational broadcasts that are sent abroad and the digest of the information coming from foreign countries to this country. A special committee of this House could give a great deal of time to it. It could

constantly watch the Voice of America broadcasts, the digests, and take them to the State Department and the War Department and all of the military services, the ECA, and suggest legislation to the appropriate committees in order to secure a real voice, a real radio voice going out from this country that would be helpful in the protection of this country instead of having unwise broadcasts going out over several different "voices," as was said on the floor the other day. It is true there is an ECA voice, a Voice of America, and other "voices," and the people in foreign countries do not know which voice to listen to. I have suggested that they have a Radio Washington and everyone would know that the information going out from Radio Washington would come as authoritative information from our Government; it would come from the administration and the legislative branch of the Government. I think it would be a remarkable step forward in bringing together the different agencies interested in giving information, for instance, to Russia. It would be very helpful to us in the conduct of the war, instead of having haphazard broadcasts go out, and often very damaging information going out, as was brought out by the gentleman from New York [Mr. TABER] and the gentleman from Nebraska [Mr. STEFAN] and the gentleman from Pennsylvania [Mr. FLOOD], various Members on the majority side of the aisle, the party in power.

We are today engaged in a conflict—call it what you will—in which American boys are dying. It is the job of psychological warfare to lessen the number of fatalities. Good psychological warfare can save lives. Bad psychological warfare does not save lives. It wastes time and manpower and money which might be more gainfully employed in this crisis.

We have, therefore, a vital operation, a life-saving task to which some $132,000,000 will be devoted. Will this House shun its just responsibility? Will this House trust haphazard liaison methods which have failed in the past? Will this House neglect to keep constant contact with the means which may save the life of a son of a man within the range of my voice?

My faith in my colleagues as lawmakers, as fathers, as Americans leads me to believe you will side with me in this my firm resolve.

I think, Mr. Speaker, if the Committee on Rules would grant a hearing and report out my resolution which would enable a select committee of the House to meet our common responsibility toward psychological warfare, just as you have a Select Committee on Un-American Activities which has proven very valuable, you would find it well worth while, and I believe the heads of the Defense Department, the Department of State, and the President himself, would approve such a very valuable committee. They could meet much more often than any special committee of the Committee on Foreign Affairs or the Committee on Appropriations. It was obvious on Saturday that those two committees have not been able to accomplish very much; in fact, very little, if anything has been done.

The Rules Committee has just reported out this bill for a special investigating committee. House bill 374 is certainly just as important, and it may well mean the saving of many lives, even America itself.

Mr. COLMER. Mr. Speaker, I yield such time as he may require to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON. Mr. Speaker, those of us whose duties have brought us into intimate touch with the affairs of the Panama Canal must very early come to recognize the importance of our relationship with the Republic of Panama.

Our task in maintaining the Canal with its tremendous importance to ocean commerce and to the defense of the Western Hemisphere is made much less difficult because we have the friendship of the courageous people of our neighboring Republic. The sincerity of this fine friendship was demonstrated by the President of the Republic of Panama in a message to his people and to the world on August 3. He pledged "moral and material cooperation with the Nations of which Panama is one of the charter members."

I was so impressed with the significance of his message that I placed the full text of it in the CONGRESSIONAL RECORD of August 22. On August 25, the President of the Republic of Panama sent me a cablegram which also impresses me very greatly and which moves me very deeply. In accordance with his request and my own desires, I have the honor to place in the CONGRESSIONAL RECORD a translation of the cablegram which President Arnulfo Arias of Panama sent to me.

[Translation]

PANAMA, *August 25, 1950.*

Hon. CLARK W. THOMPSON,
House of Representatives,
Washington, D. C.:

I wish to express to you my most sincere thanks for the gracious phrases of your recent address in the august House of Representatives of the United States of America regarding the attitude taken by my government on behalf of my country in relation to the defense of the Panama Canal and of democracy, treacherously attacked in Korea by communism.

I beg you to place on permanent record in the legislative annals the point I reiterate to you and to the noble North American people: the assurance that Panama will faithfully carry out her pacts with the United Nations and with the United States. We will give all aid and assistance in defense of liberty and international justice menaced by tyranny.

ARNULFO ARIAS,
President of Panama.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISSEMINATION OF TECHNOLOGICAL, SCIENTIFIC, AND ENGINEERING INFORMATION TO AMERICAN BUSINESS AND INDUSTRY

Mr. COLMER. Mr. Speaker, I call up the resolution (H. Res. 808) providing for the consideration of S. 868, a bill to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that, I yield myself such time as I may require.

Mr. Speaker, this is an open rule making in order the consideration of the bill S. 868. The bill, briefly, has a fourfold purpose. One, it would establish a clearinghouse in the Department of Commerce for the dissemination of information obtained from foreign and domestic sources of value to American business, particularly small business, with limited research facilities and technical staffs. Two, it would provide immediate reference sources of technical information for all American business. Three, the Department estimates the cost of the service is less than a million dollars a year. The fees for the publications and services will make it at least partially self-sustaining.

I understand the bill was unanimously reported out of the committee.

Mr. Speaker, I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, the gentleman from Mississippi [Mr. COLMER] has explained the main provisions of the bill. I do not know of any objection on this side.

I now yield 5 minutes to the gentleman from Iowa [Mr. GROSS], and I ask unanimous consent that he may speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GROSS. Mr. Speaker, in prefacing the remarks I am about to make in relation to the Department of Defense and related subjects, I want to go back to the CONGRESSIONAL RECORD of August 3, 1949, and quote from my remarks in support of the stand I took against so-called unification of the Armed Forces.

Here is what I said, in part:

I voted against this legislation for several reasons, but chiefly because I am convinced

it is virtually a moral betrayal of the democratic processes of this Republic to place almost unlimited military power in the hands of one man in peacetime.

Continuing, I said:

In my brief experience in Congress I have never listened to more qualified statements in behalf of a measure of such vast importance than those offered apparently in support of this so-called unification bill.

The distinguished chairman of the Armed Services Committee [Mr. VINSON], in setting forth the objectives of this legislation, time after time resorted to the qualification of, we hope this measure will do thus and so. Seldom did we hear positive statements as to the positive effects that could reasonably be expected.

Another speaker, the distinguished gentleman from Missouri [Mr. SHORT], ranking minority member of the committee, said this:

I do not like the vast powers granted to one man.

Here were the two ranking members of the committee approaching revision and continuance of the Unification Act with doubt and misgiving. They hoped for the best, yet feared the worst. May I suggest that at least some of their fears were confirmed.

Continuing my remarks on that August day a year ago, I submitted that the Joint Chiefs of Staff, with a minimum of implementing legislation, could resolve their problems and yet maintain their separate entities so vital to the well-being and morale of all the Armed Forces.

Under the guise of unification, I said at that time, the public is being led to believe that the dumping of vast, undreamed-of power into the hands of one man is going to solve these problems, and I predict a sad awakening.

The first awakening as to the meaning of unification in the hands of political favorites and yes-men came with the opening of hearings by the Armed Services Committee into the bitter quarrel over scrapping of the super aircraft carrier and the B–36 investigation. If you need proof and enlightenment read the printed hearings that evolved from the testimony given before the Armed Services Committee during October and early November. Through the courtesy of the committee, I sat in on several of those hearings and remained in Washington last October after the adjournment of Congress for that purpose and to attend a series of conferences at the Pentagon Building. I do not deal in hearsay when I say that I heard not once but at least two dozen times the now ignominious statement that "if the Reds strike at 4 a. m. we'll be ready at 5 a. m."

Important is the testimony of Gen. Clifton B. Cates, commandant of the Marine Corps, to which all too little publicity has been given.

On Monday, October 17, 1949, General Cates said this:

There does exist, within our corps, a continuous feeling of apprehension and annoyance sometimes bordering on outright indignation. We know that we exist solely as an element of the national defense. That is our business. We understand it and we know there is much to be done. Yet, during the past 2 years, the time, energy, and attention of our leadership has been steadily consumed by the effort necessary to resist the inroads and incursions of those who appear unwilling to accept the verdict of Congress. A constantly increasing effort is required to withstand those who would circumvent the plain provisions of the law or extend its terms toward ends repeatedly denied by Congress.

It follows that, at a time when the great requirement within the services is for a continuous integrated effort, uncertainty and instability are the rule. As long as this persists and the services are kept off balance * * * there can be no effective organization of the Nation's military potential in the manner envisaged by the National Security Act.

To you Members of Congress who are asked what was wrong in the Military Establishment when the blow fell in Korea there is your answer. It is the old and sordid story of politics as usual; of wanton disregard by Secretary of Defense Johnson for the intent of Congress if not for the specific provisions of the law; of a military commander who was forced to spend his time, not in making secure the defense of this Nation, but to ward off the lust for power and prestige by ambitious politicians.

General Cates, for his sheer courage and candor, is worthy of all the fine tradition of the Marine Corps. Not a member of the Joint Chiefs of Staff, he did not have even the questionable protection of a provision, written by this House in 1949 into the National Security Act, which provided that a member of the Joint Chiefs of Staff could, on his own volition, testify before a committee in Congress and be protected in that right by law. Of course, it is now a matter of record that Secretary of the Navy Matthews and President Truman thumbed figurative noses at Congress and made a mockery of that provision of the law when Admiral Denfeld was forced to "walk the plank."

Yes, the President and his naval expert, Secretary Matthews, rigged the plank for Denfeld while the invisible hand of Louis Johnson provided at least some of the momentum that skidded him out of the Navy.

But let us return for a few more words of testimony before the Armed Services Committee from General Cates. He said:

The Marine Corps emerged from the last war feeling it had performed creditably. With the Navy, it had pioneered and developed the field of amphibious warfare for the use of the entire Allied world. This new technique proved to be the key to victory on every major front in the war. * * * In addition, our own field forces played a decisive role in the reduction of the island fortresses held by the Japanese.

And then this statement from the marine general:

Thus, it came as a great surprise to find ourselves at the war's end placed almost in the capacity of a culprit or a defendant.

Let it be remembered that General Cates was giving this testimony one short year ago; not only fighting before a committee of this Congress for an already decimated Marine Corps, but for even the continued existence of that specialized fighting force. And he was risking on the political executioner's block his rank and a long and honorable record.

In that hour, two short months ago, when the Defense Department's dismal failure was stripped of all its political gloss by the rip-tide of events in Korea, it would be interesting to know whether Louis Johnson, and others constituting the layers of political fat in the Pentagon Building, could share the deep sense of public satisfaction that there was still in existence at least the nucleus of a Marine Corps.

And public satisfaction would have been even greater had there been more admirals, sarcastically referred to as Fancy Dans in some quarters, walking the decks of more aircraft carriers and battleships near the Korean coast line, their planes and heavy guns raking the North Korean lines of communications in those first days of the war.

This Nation suffers from a unification act that was doomed to failure from its inception because of administration by those who believed and undoubtedly still believe that the Military Establishment offers the same political happy hunting ground that is found in the Post Office Department, the Department of Agriculture, and other agencies of government.

It was an alleged unification program that promoted disunity; that played a part in the wastage of billions of dollars, provided by the taxpayers; billions of dollars which the taxpayers and Members of Congress had every reason to believe was bringing into being a powerful military force.

Something was said here Saturday by the gentleman from Florida [Mr. SIKES] concerning the failure of Central Intelligence.

I have in my possession a publicity release from the Korean-American Council, located in the Columbian Building in Washington, D. C. I have confirmed that this Council holds semi-official status with the Korean Embassy, which has offices in the same building.

This release is dated May 21, 1950, and I assume it was sent to all Members of Congress. I further assume it was easily available to the Department of Defense and Secretary of State. Listen to the information that was provided in this release more than a month before the southern Korean roof caved in:

The northern [Korean] force—

Said the release—

is exerting greater and greater pressure on the thirty-eighth parallel. * * * Behind their heavy garrisons already on the line, they are stacking up bigger units of combat power. With Communist artillery possessing greater range than ours, with the Chinese Communists contributing rifles to the northern Korean force, we defend the parallel under severe handicap. And we live with a sense of something worse.

Continuing, this release warns that—

Arms, uniforms, and other material needed no longer by the victorious Chinese Communists, including American rifles furnished to the Chinese Army during the Japanese war, are flowing into north Korea. * * * In other indications lies evidence that the north is undergoing nearly total mobilization.

I saved and filed this publicity release because I knew it came from a source close to the Korean Embassy and because

of the ominous warning contained therein. But I had no way of giving it evaluation. I trusted Central Intelligence just as I voted every dollar requested for the Military Establishment and trusted the Department of Defense to spend it wisely and well; just as I hoped and silently prayed that somehow there would be evolved by the State Department a sound and firm foreign policy which would be in balance with our military capacity.

I am bitterly disappointed and disillusioned.

If we are to keep faith with the men and boys we are sending forth to be killed and maimed in the cauldron of fire in Korea, we can do no less than demand an accounting here at home. And the first step in that accounting should be a demand now, on the part of President Truman, for the resignation of Secretary of Defense Johnson, Secretary of State Acheson, and Secretary of the Navy Matthews.

There is no reasonable excuse for their tragic blundering, and if their resignations are not forthcoming they should be fired immediately.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. PRIEST. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 868, with Mr. WHITTEN in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. PRIEST. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill, S. 868, passed the other body just about a year ago. The purpose of the bill is to establish a clearinghouse in the Department of Commerce for the collection, compilation, and dissemination of technological information obtained from domestic and foreign sources. Such a clearinghouse would make readily available to American business and industry, particularly to the small and independent businessman, the results of Government-sponsored and Government-financed research, the technological discoveries which were brought back from Germany after the last war, and such information emanating from private sources as may be voluntarily made available for that purpose.

This information would be of inestimable value to all American business and industry, particularly the small businesses which have limited research facilities and technical staffs.

Mr. Chairman, I would like to emphasize that point for just a moment. The large industrial corporations, or most of them, have their own research laboratories and their own research staff. Whether they have a research laboratory or not, they have a staff that can gather for the larger corporations such technological and scientific information on patents, processes, and formulas that they need. Small business is not in position to do that. This bill should greatly assist small business all over the country.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Connecticut.

Mr. SADLAK. How small must a business be? The gentleman refers to small business.

Mr. PRIEST. There is no limitation either as to bigness or smallness insofar as the benefits of this bill are concerned. A little one-man operation is entitled to the information just the same as, we will say, General Motors, using a much larger corporation.

Mr. SADLAK. I am in full agreement with the gentleman. I was just wondering whether it might be based on the number of employees.

Mr. PRIEST. No. There is no limitation whatsoever.

In recent years, hundreds of millions of dollars have been appropriated annually for Government research. Usually the results of research are compiled in reports which go into the files of the Government agency sponsoring the work. Even reports on nonclassified research are filed away and rarely, if ever, reach the industrial community. If this information could be carefully cataloged and centrally recorded, both the Government and industry could use it and would not waste time and money in fruitless duplication.

Our Government recently spent approximately $3,000,000 to collect industrial and scientific discoveries of I. G. Farben, Krupp, and other great German laboratories. This information has not been organized in a form suitable for utilization by small business. Much of it still lies crated up in warehouses. Some large companies have profited because they sent engineers to Europe along with our Government scientists and participated in the collection. However, small businesses have not had equal access to it. This $3,000,000 investment could be made to yield manyfold if small business firms are given an opportunity to utilize this rich deposit of technological knowledge.

During the last war, the Department of Commerce instituted a program of collecting, compiling, and disseminating technological information. This activity was found to be needed and demanded by our business, industry, and Government. In deference to this demand, the Department continued the program subsequent to the end of hostilities. In 1947 and 1948, however, the Department's requests for appropriations to carry on this activity were stricken by the House of Representatives on points of order.

They had been carrying on this particular function under appropriation language. In those 2 years that was stricken on a point of order. Of course, it was subject to a point of order.

The Department then took the view that such activity was authorized by the organic act of the Department which provides, among other things, that it shall be the duty of the Department to "foster, promote, and develop the foreign and domestic commerce" of the United States. That is in the act of February 14, 1903.

Accordingly, the Senate authorized the appropriation, and it was included in the Appropriation Act as finally passed. Nevertheless, to avoid continued uncertainty as to authority for this activity and to facilitate the continued operation and planning of the program, the Department is of the opinion that express statutory authority should be granted. This bill would satisfactorily accomplish two major objectives sought by the Department, and the first one of these is that it will provide the Department with explicit authority to search for, to collect, and to compile scientific, technical, and engineering information; and, in the second place, to disseminate such information to American business, industry, and the general public.

The Department has estimated that the cost of administering the program proposed by the bill will be less than $1,000,000 a year, since the bill makes the function to a considerable extent self-sustaining in the form of fees for publications and services, and with the deletion of section 3 of the bill as proposed by the committee, the cost will be less than $1,000,000, even for the first year of operation, and it is believed by the Department that after the bill has been in operation for a year or two it will be entirely self-sustaining.

I might say that this bill was unanimously reported by the Committee on Interstate and Foreign Commerce. I now yield to a member of the committee, the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. I thank the gentleman. On the last point the gentleman made I think it would be useful not only in terms of outlining the scope of the bill, but particularly in terms of indicating the unanimous desire of the committee that this program should become just as far as possible self-sustaining in the future, to point to the language in the bill itself: "It is the policy of this act, to the fullest extent feasible and consistent with the objectives of this act, that each of the services and functions provided herein shall be self-sustaining or self-liquidating, and that the general public shall not bear the cost of publications and other services which are for the special use and benefit of private groups and individuals."

The latter part of that particular paragraph does point out that there are some services in both the agencies and the instrumentalities of the Federal Government that might well be carried on where the general public is benefited, and it is my understanding that that is the reason for the use of the words "feasible and consistent with the objectives of this act."

Mr. PRIEST. The gentleman is entirely correct.

Mr. HESELTON. I believe the committee does not have an estimate of how

much less than $1,000,000 this might be as the result of the elimination of the original section 3, but I also feel that the members of the committee would want to impress on the Department of Commerce that by the use of a realistic schedule of fees they could aim toward practically eliminating anything except what is necessary for intergovernmental service, and for the benefit of the public as a whole. Am I right about that?

Mr. PRIEST. The gentleman is right. And I am glad the gentleman emphasized that so that it will be a part of the record and the legislative history of the bill at this point, because I believe as the matter was discussed in our committee it was the sense that emphasis should be placed on that particular point. I am glad the gentleman brought it up at this time.

Mr. WOLVERTON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the explanation which has just been given by the gentleman from Tennessee [Mr. PRIEST], chairman of the subcommittee of the Committee on Interstate and Foreign Commerce, that had this legislation under consideration, has been able, clear, and forceful. It will not be necessary for me to take any considerable time to emphasize the importance of the bill.

The purpose of the bill is to make the results of technological research and development more readily available to industry and business and to the general public through a central clearinghouse.

The Secretary of Commerce is directed to establish a clearinghouse within the Department of Commerce for the collection and dissemination of scientific and technical information obtained from foreign and domestic sources. For this purpose he is directed to take necessary steps to search for, classify, and integrate such information, and to make it available through preparation of abstracts, translations, and so forth, either directly or in trade and other publications. Within the limits of national security and his authority, and with the consent of competent authority, the Secretary is to effect the removal of restrictions on the dissemination of such information. However, he shall respect security classifications certified by the President or his designee as essential to national defense.

The Secretary is authorized to make the rules necessary to carry out the provisions of the act, and to establish a schedule of fees for services and publications furnished under the act. Fees received for publications are to be deposited in a special Treasury account available to reimburse the current appropriation chargeable with the cost of furnishing such copies. These services are to be as fully self-sustaining as possible so that the general public does not bear the cost of publications for the special use or benefits of private groups.

In carrying out this act the Secretary is authorized to utilize the personnel and existing facilities of the Department of Commerce, and he may call on other Government agencies to provide available services which are helpful.

The Secretary is directed to refer information of immediate or potential military significance to the armed services, and other information to the appropriate Government agency.

There is in the possession of the Government million of dollars' worth of technological and scientific information which was obtained by our Armed Forces during the last war from Germany and elsewhere. At the present time it is packed away in cases, and piled up in warehouses and of no use to anyone. Undoubtedly that information would be of great value and very useful to the business interests of America if it were made available to them. It would be particularly valuable to small business, although it will be available to industry in general, both big business and little business. It was unanimously reported by the committee.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. JONAS. Does this bill contemplate an additional bureau with additional personnel and additional expenses, so far as the Department of Commerce is concerned?

Mr. WOLVERTON. Of course, to effectuate the full purpose of the service to be rendered under the bill, it may require some additional help. As to that I do not know—I assume that to be the case because it has been represented to the committee that at the beginning, that is, during the first year, the cost might be as much as a million dollars. But that is to set the thing up. But the Secretary of Commerce is directed to fix fees and charges to be paid by those who utilize the service. This will produce enough revenue, so we are told, to be sufficient to carry the entire cost.

Mr. JONAS. Assuming that the Department of Commerce takes on this responsibility, does this bill contemplate that big business which carries on its own laboratory research must pay for that work from its private funds, but that small business will get this benefit from the Government at the expense of the taxpayers? How is this bureau to be self-sustaining? What is to be its income, its source of income?

Mr. WOLVERTON. This bill draws no distinction between big business and little business. The information is available to each. It will undoubtedly be particularly helpful to small business. Big business is financially well able to search out this information on its own, as it does at the present time, and as it has done in the past. But in any event, whether it is big business or little business which will avail itself of this information, the information will be gathered together in a clearinghouse, so to speak, by the Department of Commerce, and the charge will be made to whomever uses it.

Mr. JONAS. I thank the gentleman for the information. What, in detail, is the source of income? The gentleman has explained that this is to be a self-sustaining bureau. From what sources will this bureau obtain funds, thereby becoming self-sustaining?

Mr. WOLVERTON. It will come from those who utilize the service, the abstracts, booklets, and other publications to be issued by the Department of Commerce.

Mr. JONAS. Is there provision in the bill which establishes a schedule or a program whereby the Government can make certain fixed charges?

Mr. WOLVERTON. The bill does not set forth a schedule of charges; that is left entirely to the Secretary of Commerce. He determines what fees shall be charged.

Mr. JONAS. In other words, when you say it might be self-sustaining, the basis of it is in the hands of the Secretary of Commerce to establish a schedule or table whereby he fixes the rates which will ultimately meet the expense?

Mr. WOLVERTON. That is correct.

Mr. JONAS. I thank the gentleman.

Mr. WOLVERTON. The underlying purpose of the bill is good. It was originated and put in practice during the last war. Since the conclusion of the war it has been carried on but always subject to a point of order on the appropriations bill. This bill fixes the statutory authority to do in the future more effectually what has been done in the past. I hope it has the support of the House.

Mr. PRIEST. Mr. Chairman, I have no further requests for time.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, I think a complete explanation has been given by my colleagues, the distinguished gentleman from Tennessee [Mr. PRIEST] and the distinguished gentleman from New Jersey [Mr. WOLVERTON]. I simply want to add to what they have said by stating that there was a great deal of interest in this bill by the so-called small-business people.

The need for the authorization for the legislation was, as the gentleman from New Jersey [Mr. WOLVERTON] has emphasized, that a great deal of work is necessary to separate, catalog, and gather this information, which is in bales, uninvestigated and uncataloged, in the Department of Commerce, containing various scientific and technological information which has largely been obtained from Germany.

I would like to express my own deep interest in this bill. There was one controversial feature of the bill, namely, section 3, the so-called patent section, which drew some objections from some of those interested in the bill. That has been stricken by the committee, and I think removed the only matter of controversy in the bill.

Personally, I would like to say that I think the two gentlemen who have preceded me have so fully explained the provisions of this bill that I merely want to express to them my own appreciation of their deep interest which both the gentleman from Tennessee [Mr. PRIEST] and the gentleman from New Jersey [Mr. WOLVERTON] have given to this legislation.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. REES. Approximately how many additional employees do you expect will be put on the payroll on account of this proposed legislation?

Mr. O'HARA of Minnesota. In fairness to the gentleman, I must say I do not know and I refer the question to the gentleman from Tennessee.

Mr. PRIEST. Will the gentleman yield to me to answer the gentleman from Kansas?

Mr. O'HARA of Minnesota. Yes, I gladly yield to the gentleman from Tennessee.

Mr. PRIEST. May I say that it is not contemplated that any additional personnel will be required. There is already in the Department of Commerce the Office of Technical Services. That office has, in a sense, been doing this thing, and did it for 2 or 3 years. Then it was stopped because of a point of order made on an appropriation bill. It is my best opinion that additional personnel will be required, but, if so, it will be a very small number to do the uncrating, the assembling, and classifying of this information that is piled up in boxes in warehouses. It may, for a period, require some additional persons to get that work done. But the Office of Technical Services is already there. They have already done this thing to the best of their ability under appropriation language. Then they had to stop it because of a point of order. But I do not believe it will require any additional permanant staff.

Mr. REES. As I understand this proposal, it will cost approximately $1,000,000. That is the figure suggested by the author of the bill. Assuming that the employees in the Department of Commerce have all they can do, otherwise they would not be employed. Otherwise, somebody is going to have to do some extra work. If there is going to be additional work done it will cost money. I believe you will have to have additional employees, unless the gentleman infers that some employees do not have work to do at present.

Mr. O'HARA of Minnesota. May I reply to the able and distinguished gentleman from Kansas that I know full well in the important Post Office and Civil Service Committee he is assiduously watching and working for economy in our National Government, and I have every confidence that he will see to it that the taxpayers of this country are fully protected.

Mr. REES. My reply to the distinguished gentleman is just this: I am going on the assumption that those presently employed have all the work they can do. This legislation may have merit. I am persuaded it may have some merit because of the very strong statement made by the gentleman from Tennessee [Mr. PRIEST], but my notion is that we should curtail all unnecessary employment in the departments and use it in the war effort. If, as the gentleman from Tennessee [Mr PRIEST] has suggested, the present employees can do this work, then why the extra $1,000,000 that you are asking for in this bill?

Mr. PRIEST. If the gentleman will yield, I stated originally that it would cost less than a million dollars, and that was an estimate even with section 3 in the bill. Section 3 was eliminated. I do not have the exact figure. I do know that only $200,000 was requested in the budget for the Office of Technical Services for the next fiscal year. That is considerably less than a million dollars.

May I say to the gentleman from Kansas that a great deal of the additional expense will not involve personnel, but the question of printing and making copies of this information to be mailed out. That is the expense which, in turn, will become self-sustaining as the fees for the service are paid for, but it has to get started. There is a tremendous amount of information, a lot of Farben processes and formulas in great bulk. They want to reduce it to where the little-business man, say, in the State of Kansas, can use it. They have to go into it and make printed excerpts. That costs a little money. I am sure, however, that the expense will not be very great and that in the end it will be self-sustaining.

Mr. REES. You have reduced the estimate from $1,000,000 to $200,000. There is quite a difference between an estimate for a million and an estimate for $200,000.

Mr. PRIEST. Just to keep the record straight on that fact, my statement was that it would be a little less than a million. Then I stated that in the current budget the Office of Technical Services which is already in the Department of Commerce asked for only $200,000.

Mr. REES. It is my view that we should hold down expenses as much as possible and not engage in unnecessary activities that do not relate directly with this war—and we are in a war whether it is admitted or not. I am calling attention to the additional expense by reason of this new activity. If it is very necessary and the people of the country really want to expand this activity and spend the additional funds. I am not in position to criticize. I hope the objective of this legislation may be reached without unnecessary expenditure of funds.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself two additional minutes.

May I say to the gentleman from Kansas that I compliment him and I know he is sincere, for I know his record in supporting economy.

Mr. REES. I appreciate the gentleman's statement.

Mr. O'HARA of Minnesota. But I believe that under this bill there will probably have to be some additional temporary employees in order to unbale and catalog this information. I do not want to see this made a job-handout proposal and a lot of new people employed. I believe it should be run efficiently and economically. On the other hand, I do not want a lot of employees put on; and I am sure the Department is going to have to justify its request to the Appropriations Committee for money to carry this out, and we know the Appropriations Committee is very cautious about these matters.

Mr. REES. That is right. I want to be assured this activity is really necessary at this time, and no unnecessary funds will be required.

Mr. O'HARA of Minnesota. But I do say to the gentleman from Kansas that I believe this expenditure is necessary to make this technological information available to our people. I believe this information will prove to be of a great deal more value than the cost of the operation. I believe, as do others who have expressed themselves, that this venture will prove to be self-liquidating when this information is available to be sold to the public.

Mr. REES. I know about the watchfulness of the distinguished gentleman from Minnesota. If he were in charge of the operation of this legislation I know the expense would be held down as low as possible.

Mr. ALLEN of Illinois. I may say to the gentleman from Minnesota that the gentleman from Kansas [Mr. REES], only works 15 hours a day. I do not see why he cannot work a little longer and go into this thing more thoroughly.

Mr. O'HARA of Minnesota. I understand the gentleman from Kansas gets down here around 7:30 in the morning and does not go home until late.

Mr. REES. The gentleman's statement is appreciated. I should say that the gentleman from Kansas is glad to work for a few extra hours when there is work to be done.

Mr. PRIEST. Mr. Chairman, I have no further requests for time.

Mr. WOLVERTON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the purpose of this act is to make the results of technological research and development more readily available to industry and business, and to the general public, by clarifying and defining the functions and responsibilities of the Department of Commerce as a central clearinghouse for technical information which is useful to American industry and business.

CLEARINGHOUSE FOR TECHNICAL INFORMATION

SEC. 2 The Secretary of Commerce (hereinafter referred to as the "Secretary") is hereby directed to establish and maintain within the Department of Commerce a clearinghouse for the collection, dissemination, and exchange of scientific, technical, and engineering information, and to this end to take such steps as he may deem necessary and desirable—

(a) To search for, collect, classify, coordinate, integrate, record, and catalog such information from whatever sources foreign and domestic, that may be available;

(b) To make such information available to industry and business, to State and local governments, to other agencies of the Federal Government, and to the general public, through the preparation of abstracts, digests, translations, bibliographies, indexes, and microfilm and other reproductions, for distribution either directly or by utilization of business, trade, technical, and scientific publications and services;

(c) To effect, within the limits of his authority as now or hereafter defined by law, and with the consent of competent authority, the removal of restrictions on the dissemination of scientific and technical data

in cases where consideration of national security permit the release of such data for the benefit of industry and business.

RECORDING OF TECHNICAL DEVELOPMENTS

SEC. 3. Any invention, product, or scientific or technical process devised, created, or developed by any person (including any department or agency of the Federal Government, or any employee thereof), may be filed with the Secretary in such manner and upon such conditions as the Secretary shall prescribe, and the Secretary shall make a record of each such invention, product, or process. When certified, under the seal of the Department of Commerce, by the Chief Clerk of the Department of Commerce, or by such other official as the Secretary may designate, such record or a copy thereof, shall be admissible in any patent or other proceedings, and in suits and actions in the courts of the United States, as evidence as to the date of filing of such invention, product, or process.

RULES, REGULATIONS, FEES

SEC. 4. The Secretary is authorized to make, amend, and rescind such orders, rules, and regulations as he may deem necessary to carry out the provisions of this act, and to establish, from time to time a schedule or schedules of reasonable fees or charges for services performed or for documents or other publications furnished under this act: *Provided,* That all moneys hereafter received by the Secretary in payment for publications under this act shall be deposited in a special account in the Treasury, such account to be available, subject to authorization in any appropriation act, for reimbursing any appropriation then current and chargeable for the cost of furnishing copies or reproductions as herein authorized, and for making refunds to organizations and individuals when entitled thereto: *And provided further,* That an appropriation reimbursed by this special account shall, notwithstanding any other provision of law, be available for the purposes of the original appropriation.

It is the policy of this act, to the fullest extent feasible and consistent with the objectives of this act, that each of the services and functions provided herein shall be self-sustaining or self-liquidating and that the general public shall not bear the cost of publications and other services which are for the special use and benefit of private groups and individuals; but nothing herein shall be construed to require the levying of fees or charges for services performed or publications furnished to any agency or instrumentality of the Federal Government, or for publications which are distributed pursuant to reciprocal arrangements for the exchange of information or which are otherwise issued primarily for the general benefit of the public.

REFERENCE OF DATA TO ARMED SERVICES

SEC. 5. The Secretary is directed to refer to the armed services all scientific or technical information, coming to his attention, which he deems to have an immediate or potential practical military value or significance, and to refer to the heads of other Government agencies such scientific or technical information as relates to activities within the primary responsibility of such agencies.

GENERAL STANDARDS AND LIMITATIONS

SEC. 6. Notwithstanding any other provision of this act, the Secretary shall respect and preserve the security classification of any scientific or technical information, data, patents, inventions, or discoveries in, or coming into, the possession or control of the Department of Commerce, the classified status of which the President or his designee or designees certify as being essential in the interest of national defense, and nothing in this act shall be construed as modifying or limiting any other statute relating to the classification of information for reasons of national defense or security.

UTLIZATION OF EXISTING FACILITIES

SEC. 7. (a) The Secretary may utilize any personnel, facilities, bureaus, agencies, boards, administrations, offices, or other instrumentalities of the Department of Commerce which he may require to carry out the purposes of this act.

(b) The Secretary is hereby authorized to call upon other departments and independent establishments and agencies of the Government to provide, with their consent, such available services, facilities, or other cooperation as he shall deem necessary or helpful in carrying out the provisions of this act, and he is directed to utilize existing facilities to the full extent deemed feasible.

RELATION TO OTHER ACTS

SEC. 8. Nothing herein shall be construed to repeal or amend any other legislation pertaining to the Department of Commerce or its component offices or bureaus.

Mr. PRIEST (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that it be printed in the RECORD and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 3, strike out "collection, dissemination, and exchange" and insert in lieu thereof "collection and dissemination."

Page 2, strike out beginning with line 23 down through line 12, on page 3.

Page 3, line 14, strike out "4" and insert in lieu thereof "3."

Page 4, line 21, strike out "5" and insert in lieu thereof "4."

Page 5, line 5, strike out "6" and insert in lieu thereof "5."

Page 5, line 17, strike out "7" and insert in lieu thereof "6."

Page 6, line 5, strike out "8" and insert in lieu thereof "7."

The committee amendments were agreed to.

The CHAIRMAN. If there are no further amendments under the rule, the Committee rises.

Accordingly, the Committee rose; and Mr. MILLS having resumed the chair as Speaker pro tempore, Mr. WHITTEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes, pursuant to House Resolution 808, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. BARING. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 256]

Anderson, Calif.	Green	Multer
Angell	Gwinn	Murphy
Arends	Hale	Murray, Wis.
Barden	Hall,	Nelson
Barrett, Pa.	Edwin Arthur	Nixon
Barrett, Wyo.	Hall,	Norblad
Bentsen	Leonard W.	Norton
Blackney	Hand	O'Konski
Boggs, La.	Hart	Pace
Bolling	Hays, Ohio	Pfeifer,
Bolton, Ohio	Hébert	Joseph L.
Bonner	Heffernan	Pfeiffer,
Boykin	Heller	William L.
Brown, Ohio	Herlong	Philbin
Buckley, N. Y.	Herter	Phillips, Tenn.
Bulwinkle	Hinshaw	Plumley
Burleson	Holifield	Powell
Burnside	Jackson, Calif.	Quinn
Burton	James	Ramsay
Cannon	Javits	Reed, Ill.
Celler	Jenison	Regan
Chatham	Johnson	Riehlman
Chiperfield	Kean	Rivers
Clemente	Kearney	Roosevelt
Cooley	Kearns	Sabath
Corbett	Keefe	Sadowski
Coudert	Kelly, N. Y.	Scott, Hardie
Crawford	Kennedy	Scott,
Crook	Keogh	Hugh D., Jr.
Davenport	Kerr	Shelley
Davies, N. Y.	Klein	Smith, Kans.
Davis, Wis.	Lane	Smith, Ohio
Dawson	Larcade	Smith, Va.
Delaney	Latham	Stanley
Dingell	Lichtenwalter	Taylor
Dollinger	Lodge	Teague
Donohue	Lynch	Thomas
Durham	McCulloch	Van Zandt
Engel, Mich.	McGrath	Wadsworth
Engle, Calif.	McGregor	Weichel
Fogarty	McMillen, Ill.	Werdel
Fulton	Macy	Whitaker
Furcolo	Martin, Iowa	Williams
Gamble	Mason	Wilson, Ind
Gillette	Miller, Calif.	Winstead
Gilmer	Morgan	Withrow
Gore	Morrison	Wolcott
Granahan	Morton	Yates

The SPEAKER pro tempore (Mr. MILLS). On this roll call 287 Members have responded to their names; a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HIGHWAY ACT OF 1950

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the conferees on the bill (H. R. 7941), the Highway Act of 1950, may have until midnight tonight to file a conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

TRANSPORTATION OF GAMBLING DEVICES IN INTERSTATE AND FOREIGN COMMERCE

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 807), and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3357) to prohibit transportation of gambling devices in interstate and foreign commerce. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and at this time I now yield 5 minutes to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Speaker, this rule makes in order the consideration of a bill to prohibit interstate shipment of slot machines. For 2 years I have undertaken to assemble information and data on this subject. I have long since felt that there was not any real justification for the existence of a device or for the use of a device that took from the pockets of the American people $3,000,000,000 each year. I felt that the use of this device, which is never in any way fair, simply drained from the economy of the various communities of the States large sums of money which trickled into the pockets of racketeers and gangsters in most cases.

I was thinking this morning in connection with the bill that at the other end of the Capitol they are considering a tax bill to raise about $4,000,000,000 to meet the war emergency. The operation of slot machines is illegal except in four States and two counties of a fifth State. Yet, these slot-machine operations take almost that amount of money out of the pockets of the people annually, usually from the people least able to lose it. It does not come from the wealthy or the rich people, but usually from the fellow who has only a dollar in his pocket, but who thinks he can take a chance and double it. I am satisfied that at one time or another there is not a Member on the floor who has not contributed some of his money to these devices. Some of them are set as high as 90 to 10 against the player.

I want to call your attention to the history of this business. In the year 1885 when various States of the Union formed a national lottery policy and called on Congress to prohibit the interstate shipment of lottery tickets, Congress did so. The slot machine was invented in the same year and doubtless to take the place of the lottery business. Six years later it was improved upon. In 1891 a man by the name of Mills invented the same type of machine that we use today, and the largest company in America today manufacturing these machines bears the name of Mills in the State of Illinois. They have tried to regulate this evil; various States have undertaken to legalize it and control it, but in almost every instance they have found they could not do it. They have tried in Florida. The gentleman from Florida [Mr. ROGERS], who has taken a great deal of interest in this bill in the committee, and who will be the floor manager for it today, will tell you what happened in his State. They tried it in Louisiana under the administration of Huey Long and they soon abolished the law because the result was more racketeering and gangsterism. They legalized them in Idaho on a local option basis and four of the principal cities in that State did likewise. They soon revoked the law making it legal in those cities. It is true that in the State of Washington it is legal only in private clubs. It is entirely legal in the State of Montana, the State of Nevada, and in two counties in the State of Maryland. Elsewhere it is absolutely illegal.

Despite the existence of these statutes they are operating almost freely throughout the United States. There are some exceptions. The State of Wisconsin has done a fine job in controlling and regulating them. They perhaps have done more than any other State in the Union. But generally speaking they operate almost unhampered.

Why is this possible? How can they do it in these places and operate when it is against the law of the land or certainly of the States? The answer is corruption. In every crime report that has been submitted on gambling in the United States they have charged again and again that the corruption of public officials has resulted in the free operation of slot machines. It is no secret that wherever they operate at least 20 percent of the gross take from these machines usually falls into the hands of the law-enforcement officers.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. COX. Does the gentleman wish one or two additional minutes?

Mr. PRESTON. I thank the gentleman from Georgia, but I will secure additional time later.

Certainly we should adopt the rule.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Speaker, this bill (S. 3357) which is to be debated if the rule is adopted came to our body from the Senate where it was passed without very much discussion. It came from the Senate committee and insofar as I know very meager hearings were held on the bill on the other side of the Capitol.

The bill was referred to the House Committee on Interstate and Foreign Commerce and there, I must say, it received very serious consideration and lengthy hearings. It should be understood what this bill provides.

This is not sumptuary legislation in the sense that it prohibits the use of slot machines or other gambling devices. This prohibits the transportation of slot machines in interstate commerce to those States where the use of such device is prohibited by State law. That is all the bill does, that is all it is designed to do.

I presume a good many constitutional authorities will say that an attempt to outlaw slot machines in the various States by Federal legislation would be unconstitutional. Such legislation if it were passed most emphatically would be subject to attack on constitutional grounds. But I repeat, this bill does not attempt to outlaw slot machines in the various States. It merely prohibits the transportation of slot machines to those States where their use is prohibited or limited by local law.

The background for this legislation stems back to a meeting of law enforcement officers, which was held some months ago in the city of Washington, and I believe another meeting of State attorneys general.

There was at those meetings a good deal of discussion about interstate gambling rackets. Both those meetings asked the Congress to pass this kind of legislation. That is the reason the Senate passed the bill, and should be very persuasive to the Members of the House of Representatives.

There is a real need for it, too. In my own State of Iowa, there has been a definite effort, and I think a very sucessful effort, to eliminate the use of slot machines in that State. That has come about by the enforcement of the State laws by State and local authorities. Of course, that is the crux of this problem.

This bill will give the local and State authorities assistance in getting the job done. That is all it proposes to do.

I am not revealing any secrets—I am sure I am not—when I say that the attorneys general of the various States very much desire this law. It has a very good analogy when we remember it is a violation of Federal law to transport stolen automobiles across State lines. This is an exact analogy in those States where slot machines are illegal. Accordingly, as the motor-vehicle law did, this law will assist the State authorities in enforcing the law.

We had before us a representative of the State attorney general in the person of Mr. Hammond, attorney general of the State of Maryland, who came before our committee and testified on behalf of his organization.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman one additional minute.

Mr. DOLLIVER. Mr. Speaker, at this hearing the following colloquy took place. I did the questioning:

Mr. DOLLIVER. The passage of a law by the Federal Government prohibiting gambling in any of the States would not be constitutional, would it?

Mr. HAMMOND. Not in my opinion; no sir.

Mr. DOLLIVER. Because of the provision of the Constitution that the Federal Government is a Government of delegated powers, and all residual powers rest in the State governments. Or in the people? Is that correct?

Mr. HAMMOND. Correct, sir.

Mr. DOLLIVER. So, accordingly, what is attempted here, and the thing that the at-

torneys general resolved upon, was merely an assist on the part of the Federal Government, rather than any primary legislation on the subject of gambling.

Mr. HAMMOND. And an assist which is within their control; to call upon, or not to need, as they determine.

Mr. Speaker, I hope this rule will be adopted and that the bill will be passed.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks and include an article appearing in Collier's.)

Mr. HOFFMAN of Michigan. Mr. Speaker, those who have paid any attention of late to vice as controlled by the national racketeers in the cities realize that many times elections are swayed by the money that comes from slot machines.

Sometimes, too, those who have been convicted and are serving time in Federal and other prisons are liberated because of the corrupt use of the funds which come from slot machines.

I recall that in a previous Congress, when the Capone gangsters had been sentenced to prison terms of 10 years each, their attorneys had pleaded for a short term of 10 years. Those attorneys said that because of the character of the offense—conspiracy to extort a million or more from members of a union—there was no possible hope of any of those men being released on parole or pardoned before the expiration of their terms.

Nevertheless, money enough was collected from slot machines in the city of Chicago so that influence enough was purchased—and the hearings show that—to obtain paroles for those men. Later some of them were sent back to prison and some were not.

The point is this, that all over the country in the cities of this land, those operating slot machines collect funds running sometimes into the hundreds of thousands, sometimes approaching nearly a million dollars, which they use to buy up, if I may use that expression, the law-enforcing officers. They buy protection.

I hold in my hand an article from Collier's, dated September 2, which I ask unanimous consent to insert at this point in my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. A careful reading of this news story will show that someone is paying for, is getting, protection. It is captioned: "They get away with murder in Pittsburgh." The article reads as follows:

THEY GET AWAY WITH MURDER IN PITTSBURGH—THE RECORD SHOWS THAT THE CITY'S POLICE DEPARTMENT, HAMSTRUNG BY POLITICS, IS INCREDIBLY INEPT

(By Howard Whitman)

On the night of last November 25, Pittsburgh had a murder which made its citizens' hair stand on end. It was a shocker. In fact, the only thing about it which was more shocking than the crime itself was the incredible way the police handled it.

An attractive young woman, Jean Brusco, who worked as a sales girl in a dress shop, was on her way home between 11:15 and 11:30 p. m. She was almost home. Another 200 feet and she'd have been safely in her house at 5532 Howe Street, in the Shadyside section of Pittsburgh. Then, seemingly out of nowhere, a rape-killer came up behind her and cracked her over the head, probably with a hatchet or cleaver, splitting her skull.

On the third floor of a house at 5530 Howe Street, next door to the Brusco residence, Mrs. Ellen Flanagan gasped in horror and incredulity. Looking out through a venetian blind, watching for friends to return from the movies, she had witnessed the appalling scene. It was lighted, like some melodrama on a Broadway stage, by the shimmering rays of a street lamp. Mrs. Flanagan saw Jean Brusco go down, saw the attacker start to drag her away. She told her husband.

He telephoned No. 6 police station and told the desk sergeant what had happened. But, Mr. Flanagan was informed, No. 6 was the wrong station; the scene of the crime was in No. 11's territory. So (as often happens in Pittsburgh's antiquated communications system, where there is no central headquarters for receiving calls and dispatching police) Flanagan's call had to be relayed to No. 11 station.

This time the station was right. But the desk sergeant got the address wrong. He told three plain-clothes men, who happened to be walking into the station house at the time, to go to 5503 Howe Street instead of 5530.

The plain-clothes men drove off—to the wrong address—in a private car belonging to one of them and not radio-equipped. Naturally, they found nothing wrong at 5503, but they hung around, without contacting the station, while precious time slipped by.

Flanagan and two neighbors went outside and found a puddle of blood and a purse on the spot where the woman had been hit. From papers in the purse they learned with consternation that she was Jean Brusco, their next-door neighbor. Still without aid or intervention of police, they informed the Brusco family.

Nearly 45 minutes passed, and the police still had not shown up. Jean Brusco's brother fractically phoned again. This time, since No. 11 station's radio cars were busy on a hold-up, a patrol wagon was sent to the scene from No. 6. Eyewitnesses who had been in the Flanagan house told me the patrol wagon hove up between 12:30 and 12:35 a. m.—a full hour after the police first had been summoned.

The plain-clothes men, meanwhile, were still down the street on their wrong-address mission. They saw the two wagon cops pull up at 5530 Howe Street and, at last, joined them at the right address.

Acting on the neighbor's theory that Miss Brusco had been taken away in an automobile, the police then proceeded to commit two more boggles hardly imaginable outside of a Keystone comedy. In kindergarten logic, the neighbors' theory must have been (A) right, or (B) wrong. If it were right—that is, if Miss Brusco had been dragged into a car and driven away—an immediate radio alarm should have gone out alerting every police car and foot patrolman (as well as police in adjacent municipalities and counties—to spread a net for a car involved in kidnaping and possible murder. If the neighbors' theory happened to be wrong—which it was—then Miss Brusco or her dead body, and possibly her assailant, too, were somewhere in the neighborhood. It should have been searched from gutters to rooftops.

Neither step was taken.

Another desk sergeant, who came on duty at the shift of turns in No. 11 station, failed to inform headquarters or the police radio for a full hour after he got his report from the scene. It was a total of 2½ hours after the crime was reported to the police that the first teletype or radio message went out.

The neighborhood was not searched at all.

It was left for a milkman, making his deliveries the next morning, to find Jean Brusco's body. She lay in a horrible grotesquerie of rape and murder, bloody, partly nude, in a back yard right across the street from where she was struck.

It was evident that the killer spent some time with his dying or dead victim after he had dragged her into the back yard. It may have been anywhere from a few minutes to half an hour or more. Indeed it is possible that he was right there in the back yard at the time when police should have been scouring the neighborhood.

If the police can't swing into action in a case like that, when they have an eyewitness, then when on earth can they?

What kind of police force is it that cannot even find the body of a woman when she lies murdered a few hundred feet from her own front door?

CITIZENS ARE INDIGNANT—AND AFRAID

A good many honest folks in Pittsburgh want to know. They are fed up with having murders and sex criminals roam at large in their town because of the police department's classic ineptitude. They are tired of hearing the taunt, "Murder is safer in Pittsburgh"—safer for the murderer. They are sick unto death of a bureau of police so hamstrung with pol'tics that an inexperienced hack can be picked off the street today and sworn in as a detective tomorrow, if a ward chairman so decrees. They are afraid—for themselves, for their wives and kids—in a city where the police chief is reduced to a puppet, where the war against crime is under the generalship of bungling politicians, where the police force is the grab bag of a political machine.

"We hate to see our city smeared over this. But I'm afraid truth is our only weapon. It is the only way good will come."

The speaker was Dean N. R. H. Moor, of the Trinity (Protestant Episcopal) Catherdral. He is chairman of Pittsburgh's new Citizens Crime Committee, 30 leading citizens who realize their town's predicament and have the courage to do something about it. Like many another Pittsburgher, Dean Moor is proud of his town—its remarkable industries, its smoke-control program, its new Point Park development.

But he raises the question, "What good are grand civic improvements if you can't walk out among them without fear of getting knocked over the head?"

Besides the Brusco case, two other unsolved murders have left a virulent blight on Pittsburgh's peace of mind:

Carole Lee Kensinger, a pretty little girl of 12, was sadistically set upon—stabbed 39 times—in the kitchen of her home on Brushton Avenue the evening of December 10, 1948. In her red T-shirt and pink apron, the child had been mixing a cake for her mother and father, who were due home shortly from an outing with their neighborhood bowling league. After the attack, with blood pouring from her body, she crawled with her last strength to the dining room and was found there—her hands clutching out for the telephone.

The tragedy is over. But Pittsburghers don't like the thought that the sadistic killer at this writing is still at large.

Last March 26th, just 4 months after the Brusco murder, another young woman, Josephine, San Filippo, was shot to death in a mysterious assault as she walked down Reedsdale Street, just a block from her home. Police have no idea who fired the .32 bullet which smashed into the right side of her head.

That killer is still at large, too.

But murder tells just part of the story.

Last December 13 an employee of Pitt University's Psychiatric Institute and Clinic

was shot down (fortunately not killed) by a hoodlum who accosted her as she went for her car in a parking lot behind the institute. Eight days later a woman was assaulted on the street in East Liberty by a gunman who choked her, and rasped, "Keep quiet—or you'll get what the Brusco girl got."

On January 3 a woman was slugged in her own house in Squirrel Hill, then held captive while two hoodlums pillaged her home. A week later an 18-year-old girl was beaten over the head, her scalp laid open, as she walked near her home in Mount Washington. Four days after that a young mother with a 3-month-old baby in her arms was grabbed in the hallway of her home in Oakland. "If you scream, I'll kill the baby," her assailant threatened.

On April 8 a mother of four children was set upon as she was returning to her Mount Washington home from a shopping trip. A man dashed out of an alley, yoked her from behind, then—in a mad, psychopathic attack—rammed a wood chisel into the back of her neck. He darted off as she collapsed to the sidewalk.

So goes Pittsburgh's calendar of crime.

Storekeepers in some parts of town have taken to closing up early. They remember, with an icy chill, the attack on Harry Friedman, a 67-year-old tailor, and his wife on February 23. Five hoodlums invaded Friedman's shop on Dinwiddie Street, beat him over the head with an iron pipe, stripped and threatened to attack his 66-year-old wife, then tied and locked up the aged couple while ransacking the shop.

Mrs. Arnica Macfarlane, who runs a children's apparel store on South Highland Avenue, started something new in shopkeeping. After a thug invaded her store, knocked her down and locked her in the washroom, she decided that if the police couldn't protect her she's protect herself. She kept the door of her shop locked all day long, unbolting it only for customers.

"A fine way to do business in a big, modern city," one Pittsburgh merchant remarked.

Pittsburgh, for the year 1949, reported to the FBI a total of 23 murders, 587 robberies, 322 aggravated assaults, 2,528 burglaries, 945 grand larcenies and 1,506 auto thefts. These figures—as figures—do not shape up badly. In fact, if one ventured a comparison with other cities (which one should not venture) they would reflect a pretty pure town. But it is best to read these figures in conjunction with another document of the FBI, to wit, a report on the record keeping of the Pittsburgh Bureau of Police, made by FBI investigators:

"There is no headquarters control over police business," states the FBI report. "The recording of complaints is scattered throughout the precincts and various divisions of the bureau. There is no method of insuring that all complaints and requests for police service are recorded. As a result of this decentralization and lack of administrative control, the tabulations and recapitulations prepared from compilations forwarded to the headquarters records room do not present to the administering officials or the public a true or complete picture of the police problem of the city * * *. For example, only 60 percent of the crimes were reported by one precinct (picked at random) whose records were examined. The city crime reports are 40 percent incomplete on this basis."

Later the FBI report was specific:

"Officers assigned to complaints or requests for police service report verbally to their precinct desk officer, who either prepares a letter-size complaint report for furnishing to headquarters or enters the information in a miscellaneous book. Crimes are apparently listed in the miscellaneous book when it is 'thought' there is nothing to the crime. However, an examination of the miscellaneous book (veriously referred to as the 'butcher book' and the 'undercover book') will show that, when an arrest is made, an entry in the miscellaneous book then reaches the dignity of a matter worthy of reporting to headquarters and the item is crossed out of the miscellaneous book and a complaint report prepared."

In bygone days it was common fakery in police departments to hide crimes in the bottom drawer and pull them out only when an arrest was made. The FBI has worked hard to change this and so has the International Association of Chiefs of Police. So have the people who pay the salaries of policemen—you and I, the citizen taxpayers.

At a citizens' meeting in Pittsburgh's Liberty School last October, Kennedy Smith, an attorney, rose to his feet and asked Police Superintendent Harvey J. Scott how he could justify the hiding of crime reports—the "butcher book" procedure. Scott's reply was that other cities do it too and he didn't want to give Pittsburgh a black eye.

"I don't care about other cities," Attorney Smith persisted. "Is it good police method?"

There was no reply.

One after another, our major cities have overhauled their crime reporting in recent years and most of them today are giving the citizens an honest count. Today the bigger "black eye," as Scott called it, is to phony up the statistics. For we live in a new era of crime against people, wherein the depredations of the hoodlum, the rapist, the child molester, the mugger, cutthroat, and slugger are visited upon our own neighborhoods. The terror in our cities cannot be hidden away in "butcher books" or bottom drawers—it is in the streets. The people know about it, feel it.

Two hundred Pittsburgh women marched on the city council last December 13 in vociferous protest against street terror. Their leader, Mrs. R. Templeton Smith, president of the Allegheny County League of Women Voters, declared:

"The women of the city of Pittsburgh are afraid—and mad. They're afraid to be out alone at night on the streets of Pittsburgh; they're afraid, not only for themselves, but for their children. * * * We want no more clutching hands to reach out and grab us when we step out of our doors at night."

Nurses at West Penn, Shadyside, and Mercy Hospitals have been accosted, molested, and terrorized going to and from evening shifts. Girls from Carnegie Tech and Pitt—even while riding in streetcars—have been affronted by exhibitionists driving in automobiles alongside. At Carnegie Tech's Morewood Gardens dormitory, 450 coeds voted in their council to go abroad after darkness only in groups of three or more. Salesgirls in department stores, afraid to go home alone, dipped into their hard-earned funds to take taxis. In the East End and North Side, car pools were formed—as in war days—to take women to and from streetcar stops.

Girls who came to wait on table at Shadyside Presbyterian Church dinners were afraid to walk home. They had to be sent home in cars. The Help of Christians Church, which customarily held a 2-week Easter mission—1 week for men, 1 week for women—condensed it to 1 week this year because women wouldn't attend without their men for protection. The Sts. Peter and Paul Roman Catholic Church curtailed all evening activities, except on Fridays, after street attacks upon its parishioners.

How great was the feeling of insecurity? The Reverend Wilburn C. Campbell, then of Pittsburgh's Episcopal Church of the Ascension, and now Bishop Coadjutor of West Virginia, epitomized that feeling when—in an admittedly unusual request—he called upon Pennsylvania Gov. James H. Duff to turn out the National Guard. "The National Guard should be used to patrol the city and pick up criminals running loose on our streets," he exhorted.

It was probably too drastic a move to be considered seriously. But off in Washington, D. C., Pennsylvania Congressman HARRY J. DAVENPORT also felt that the situation was probably too much for Pittsburgh to handle alone. He pressed for national legislation—something like the Lindbergh law—to protect women and children from attack and ravishment. Congressman DAVENPORT knew the score. His home is in Shadyside, just a block from where Jean Brusco—one of his constituents—was murdered. It was also in his district that little Carole Kensinger was done to death.

What's wrong in the fine, outstanding city at the confluence of the Allegheny and Monongahela? You don't have to go further than the nearest Pittsburgher to find the answer. The cabdriver will tell you. So will the lawyer, merchant, teacher and newspaper reporter. In fact, a good many honest cops will tell you too—if you don't quote them.

Mrs. Smith put her finger on it the day she and her women voters marched on the city council. "The only way that this problem can be solved is for the mayor and the council to remove politics from the police force. If you are going to make the streets of Pittsburgh safe for women and children, this is a must," she said.

To get the impact of this statement you have to know something about the Pittsburgh Bureau of Police. You have to know that police promotions are made without regard to standings in civil service examinations, that a man who makes a miserable 75 on a lieutenants' exam can get the job over a man who makes 98. You have to know that the job of detective in the Pittsburgh Police Department is like those jobs Grandma took during World War II—"No experience necessary." A man doesn't even have to be a cop to become a Pittsburgh detective. You have to know, too, that no one above the rank of lieutenant is protected by civil service. The detectives, inspectors and Superintendent Scott himself can be sacked at a moment's notice by the same political satraps who okayed their jobs in the first place.

To knowledgeable observers of American police systems this is what is known plainly and simply as a political police department. There are a few of them still around. Most have long since been fumigated.

BOSSES RUIN POLICE MORALE

As Mrs. Smith put it to the city council—"It is common gossip that if you wish to be on the police force, a ward chairman or someone powerful in politics has to be your sponsor * * * We realize that the largest police force in the world would continue to be inefficient as long as ward chairmen are permitted to exercise any control over the police department.

"When ward chairmen abuse their political power by bringing pressure to bear on policemen, forcing them to toe the line or be relegated to undesirable beats or shifts, forcing them to pitch in and round up the vote at election time, demanding that they turn a deaf ear to the rackets profitable to political bosses—then only a hard-hitting cleanup campaign, backed by the administration and citizens, determined to strip unscrupulous ward bosses of all control over police, can give us efficient, dependable police protection in Pittsburgh."

A number of police, in past years, have gone in for politicking on their own. It was common to find members of the police force doubling as ward chairmen, city committeemen or constables. A count early this year showed that 47 police officers were also members of the powerful Democratic City Committee. Four detectives doubled in the elective job of constable, and two detectives and an inspector were ward chairmen.

In April, red-faced at the political involvements of its police force, the city council passed an ordinance forbidding policemen to hold political office. While this would seem

elementary and obvious in most cities, in Pittsburgh it qualified as reform. Cops couldn't run for office any more; all they could do was finish out their terms, which, in the case of some cop-constables meant nearly six more years of political tenure.

I visited the headquarters of a combination cop-and-ward-chairman on primary day. He wasn't in.

"Where is he?" I asked another officer.

"He's out electioneering," the officer replied.

"But I thought cops couldn't hold office any more——"

The officer laughed. "Don't worry about that."

"But the cops are out of politics," I persisted, quoting a line Mayor David L. Lawrence had said to me that morning.

"Yeah, sure," the officer replied with a grin. "If they're out of politics, they're out of a job."

When the citizens' crime committee was organized last winter, two of its leaders went to Mayor Lawrence, the generalissimo of Pittsburgh's Democratic machine, and asked him some straight-from-the-shoulder questions. The interview was not recorded nor was either of the crime committee representatives able to take it down verbatim. But both of them are ministers of the gospel, and they transcribed the proceedings immediately afterward.

THE MAYOR ANSWERS QUESTIONS

Here is a revelatory selection:

"Question. The ward chairman sponsors the men to be appointed or promoted in the police force. Do you believe that is right?"

"Answer (by Mayor Lawrence). Yes. They know the needs of their direct community and the men who could most ably do the job.

"Question. Would you be willing to make the (position of) superintendent of police a nonpolitical job?

"Answer. No. The present system is more in keeping with the democratic process. A mayor should have the right to place men in positions that will help carry out his program."

Perhaps this is what the Pittsburgh Post-Gazette meant when it referred to the bureau of police as "a political auxiliary of the Democratic Party."

Certainly Mayor Lawrence knows that under the American system political parties do not have police auxiliaries. True, Lawrence is the Democratic national committeeman for Pennsylvania, but that doesn't make him the gauleiter for Pittsburgh.

What kind of police service do the taxpayers get from Mayor Lawrence's political auxiliary?

One Pittsburgh woman tells of a bottle being thrown through her bedroom window at night, apparently by a prowler. Badly frightened, as any woman would be, she called the police. In an utter travesty on police work, they told her, "As soon as you find out who did it, we'll go out and arrest him."

Waiting lengthily for Pittsburgh's cops to show up, once they are summoned, is a common and rankling experience. The dilly-dally and delay in the Brusco case brought the matter to a shocking climax, and there was an ephemeral change for the better. But 3 months later, Ray Sprigle, hard-hitting reporter for the Post-Gazette, again wanted to know, "Why does a citizen with murder on his doorstep, or armed prowlers breaking into his home, have to wait interminably for police to answer his call?"

Fed up with the police, some Pittsburgh citizens have hired their own private protection. In the fine neighborhoods of Schenley Farms and Breeze Point, residents pay special guards to give their homes and families some measure of security. A businessman and members of the Citizens Crime Committee, living in Squirrel Hill, remarked, "If I were to leave my home on vacation, I would inform the private guards. But I wouldn't bother telling the police—I don't think that would do any good."

The detective division, which Pittsburghers depend upon to solve their crimes, hardly adds to their confidence. The fantastic fact that no experience is necessary has resulted in a force of headquarters detectives in which only 12 men out of 35 have had any previous service whatever on the police force. Others have been appointed smack out of civilian life, their previous vocations including that of truck driver, barber, pugilist, hotel clerk, and sidewalk pitchman.

Sprigle reported in the Post-Gazette, "Neither Superintendent of Police Harvey Scott nor Director of Safety George E. A. Fairley ever has had a hand in appointing a detective. Appointments come directly from city hall at the behest of ward chairmen."

Inspector Adam A. Geisler, Pittsburgh's new chief of detectives, instituted a few reforms since his appointment in February. He will suspend any man who is caught drinking while on duty. What's more, he doesn't want detectives pursuing criminals by streetcar any more—he thinks it's high time they use automobiles. In Pittsburgh, this too is reform.

Willard Schauer, formerly a sergeant of the Pennsylvania State Police and now a reporter for the Pittsburgh Sun-Telegraph, is constantly agog at local police operations. Well trained by the troopers, he marvels at the city's Keystone coppery. Schauer recalls the murder of a jeweler in 1948 which, despite the fact that 6 shots were fired, the police at first labeled a suicide. Apparently they went on the theory that the jeweler was a bad marksman—he missed himself 4 times, then hit himself twice.

When eventually they agreed that this had obviously been an exchange of bullets with a holdup man (the showcases were shot up and there was a blob of blood near the door), Schauer suggested, "Why not cut out this strip of linoleum with the blood on it? That's the blood of your murderer. It should be tested."

A police official replied, "I can't test it. I don't have the facilities."

The Pittsburgh Bureau of Police has neither of the two essentials of modern crime detection—a crime laboratory and a ballistics bureau. Recently, in response to popular clamor, it was announced that the county chemist's laboratory, wherein a major activity has been the testing of cement, would do some lab work for the police. And as for ballistics, Inspector Geisler said, "I use the ballistics man at the district attorney's office—when I can."

When he can't, Geisler has to pack a man off to Washington to get ballistics help from the FBI. Recently two men—an extra one from the coroner's office—went to Washington as escorts for 2 bullets. (Keep this up and the costs of transportation alone could equip a ballistics bureau.)

The police record bureau operates on what one official described with a straight face as "the 1-man system." Edward V. McFadden, a civilian carried on the police payroll as a messenger, does all the work singlehanded for $2,538 a year. Lucky that McFadden is a competent, hard-working citizen or Pittsburgh crime recording would be even more miserable than the FBI found it.

From top to bottom, the Pittsburgh Bureau of Police is run on a pinch-penny basis. Its 1950 budget is $4,606,639, which even Director Fairley acknowledges is extremely small. Compare it to other cities' budgets—San Francisco, $6,500,000; Boston, $10,268,000; St. Louis, $8,526,000; Washington, $7,420,000. All you have to do is ride in a Pittsburgh police car to know how run-down the bureau's equipment is. I rode in one car in which it was almost impossible to shift gears. I was glad we weren't chasing any bandits when the perspiring cop at the wheel tried to put it in high.

A NEW CAR—BUT NOT FOR COPS

Next morning I learned that the city of Pittsburgh had just bought a new car. For the cops? No, for the mayor. It cost $5,384. When a newspaperman compared it to the personal carriage of the King of England, Mayor Lawrence delivered the classic retort, "It's just a regular custom-made machine."

The police radio station, WPIM, is in the dilapidated garage of the old Municipal Hospital. It is on top of Herron Hill, remote from any police station, and is manned by two dispatchers who are not policemen. They spell each other at the microphone. "Once I dozed off and woke up to find a rat staring me in the face," one of them related.

When I visited WPIM, late at night, the door downstairs was open and there wasn't a soul in the old garage except the two dispatchers upstairs in what is called the hayloft. Neither of them was armed. Suppose the visitor had been a thug? With just a sawed-off shotgun he could have held the dispatchers at bay, ordering them to send the radio cars on wild-goose chases while his buddies looted the town.

There is another horrifying consideration. Pittsburgh, called the "industrial heart of America, would be a prize plum for wartime saboteurs and subversives. Page 1 of the Nazi-Communist handbook reads, "Seize the radio stations—spread confusion." What a job could be done in that dilapidated old hayloft.

Upon the insistent demand of its newspapers and its Citizens Crime Committee, Pittsburgh has gone through some motions of reform in the past 9 months. Mayor Lawrence, a big gun in Pittsburgh politics long before he donned the robes of the mayoralty, knows just how to lower the public's temperature.

With much éclat, 100 policemen were added to the force after the Brusco murder. But the city still is 400 cops short.

Dramatically, the mayor doubled the night foot patrol. But what kind of patrol is it? At one police roll call, I heard a cop gently chided for selling newspapers on the corner when he was supposed to be walking a beat.

The city has been promised a new police communications center, modeled after the one in St. Louis. But a mere $45,000 has been appropriated—and the St. Louis center cost at least a quarter of a million. Anyway, politicians have been promising Pittsburgh a modern police communications system since 1937.

OFFICIALS ARE BAWLED OUT

As a final blow for reform, Mayor Lawrence personally read the riot act to Director Fairley, Superintendent Scott, and all the inspectors and lieutenants on the police force. "We will not tolerate any further slovenly work anywhere in the department," he said in well-publicized bawlings out. Pittsburgh insiders chuckled.

"Here was the puppeteer, bawling out the puppets," one of them remarked.

The Post-Gazette called it window dressing to obscure the main job—the need for top-to-bottom excision of politics out of the police bureau. The citizens want a responsible police department. They want a police chief with the power to run his own department, to win praise if he runs it well, to get the ax if he botches it. They don't want the hidden hands of politicians pulling the strings.

A nucleus of good cops within the department are up in arms themselves. They are fed up with browbeating from cigar-chewing politicos. As one of them put it, "I'd give anything in the world to throw a ward chairman in the clink—instead of having to lick his boots.

The Fraternal Order of Police has sponsored legislation, vainly so far, to get what any self-respecting police department must have: promotions in order of merit, appointment of detectives from the ranks, and independence from politics. Only then will a policeman put his heart in his work—and make Pittsburgh safe.

The Citizens Crime Committee, proceeding with delicacy, wants to give Mayor Lawrence himself a chance to free the police bureau before the citizens unlimber any big guns. "Our first objective is to get the city administration to do its own house cleaning," Dean Moor stated.

Less delicately, but to the same purpose, the Post-Gazette declared, "The police bureau will never be worth a darn until its members know * * * that their assignments and promotions will be based upon merit alone, and that they and their superiors will not be subject to the dictates of the city's 32 ward chairmen. The mayor and only the mayor has it in his power to make these reforms."

It would seem—if you want to take Pittsburgh's word for it—that Mayor David L. Lawrence has his work cut out for him.

The situation up there was so serious that the Congressman from that district, the gentleman from Pennsylvania [Mr. DAVENPORT], felt called upon to protest, and on the first page of this article there is a photograph which, of course, cannot be printed in the RECORD, showing the gentleman from Pennsylvania appearing with some of the officers there evidently making a protest. The photograph is at the spot where this young woman was murdered just a few steps from the door of her home.

There is undoubtedly need for Federal legislation, and I might suggest that while the House Committee on Lobbying is investigating the organizations which advocate constitutional government, the right of petition, the right to a free press, the right to a free speech—and I see the gentleman from Georgia [Mr. LANHAM], who is a strong advocate of those rights, here—that while they are investigating the sources of the income of those groups the committee claims are lobbying, the committee might well turn its activities toward the city of Pittsburgh—I understand one of their counsel, or one who formerly was counsel, came from the city of Pittsburgh; I understand he has resigned since or his services dispensed with—that the committee turn its attention to the city of Pittsburgh and ascertain who it is that is doing the lobbying and who is doing the collecting of the funds in the city of Pittsburgh where robbery, rape, and murder are prevalent—lobbying and fund raising which buys the protection which the rapists, the robbers, the murderers, according to this news story enjoy. Take a look up that way, I say to the gentleman from Pennsylvania [Mr. BUCHANAN], whose district is close to Pittsburgh, and see who is collecting the money and what lobbying is being carried on as a result of those collections and which, according to Collier's, enables the criminals to "get away with murder in Pittsburgh."

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Speaker, my objection to S. 3357, when it came up on the Consent Calendar 2 weeks ago, was not based upon the moral standpoint of the issue, but rather upon the fact that the State of Nevada has legalized gambling, and I had a legal and legitimate reason for objecting to the bill.

Personally, I believe that this is a measure which should be legislated upon by each individual State, and not by the Federal Government. We can all remember only too well the effects that the Volstead Act had upon this country, and the enactment of this present legislation would be a repetition of those results. You cannot legislate morals. I should like to quote from a letter which came to me from someone in the State of Texas, which reads as follows:

Just as so-called prohibition increased drinking, so the hide-out for slot machines increases gambling. Being a rather regular visitor to your fine country of Nevada, I have been impressed with the orderly conduct of both drinking and of gambling, as against our bootleg methods down here. Would that my friends, TOM CONNALLY and BOB POAGE, could go along with you and put a stop once and for all to such silly agitation as slot-machine fights.

However, as I said before, I objected to the bill to protect Nevada's legalized gambling interests. I should like to quote from a telegram which I received from the president of the First National Bank in Reno, Nev.:

Gambling is a legalized business in Nevada and you are to be complimented on your action in opposing S. 3357, since this bill as drawn would seriously affect the owners of coin machines and cripple this industry within our State. You have my support and I have asked our chamber of commerce to voice their approval of your action. We trust that the bill now being reviewed by the Rules Committee may be so amended that it will not affect transportation of gambling devices including coin machines and parts either into Nevada or to points outside of the State and return following repairs. Final bill should be so drawn as not to require enabling legislation by Nevada. Your efforts appreciated.

I am also acting upon the advice of the Reno Chamber of Commerce and the Las Vegas Chamber of Commerce, from whom I have received telegrams, as well as many individual concerns who will be hurt by this measure.

AUGUST 18, 1950.

Hon. WALTER S. BARING,
Congressman from Nevada,
House Office Building,
Washington, D. C.:

Board action taken by this chamber commends you for initiative in sponsoring amendment to S. 3357 regulating interstate shipment of slot machines. Unless amendment is adopted permitting interstate transit between the points of origin and Nevada, operators face serious operating handicaps. Respectfully urge your usual vigilance and continued efforts toward passage this amendment. Kindest regards.

J. M. MCQUILKIN,
Las Vegas Chamber of Commerce.

AUGUST 17, 1950.

Hon. WALTER S. BARING,
House Office Building,
Washington, D. C.:

We desire to thank you for your vigilance in trying to protect Nevada's interests in connection with S. 3357. Your amendment most certainly should be a part of the bill and we have asked Senators MCCARRAN and MALONE to give all possible support.

RENO CHAMBER OF COMMERCE
WILLIAM BRUSSARD, *Manager.*

I have other telegrams here from the various political parties in my State which I will not read at this time. But I want to point out a few of the issues at stake here. The supplemental report of the committee says that they had no public hearings. That was the Committee on Interstate and Foreign Commerce of the other body. I do not think any bill should come up on the floor of the House without any public hearings. Nearly every one of you gentlemen have slot-machine interests in the States which which you represent, such as officers' clubs in the camps, the Moose, Elks, American Legion and various other organizations which sponsor such good organizations as the Girl Scouts and the Boy Scouts with the proceeds made from these machines.

Mr. LYLE. Mr. Speaker, will the gentleman yield?

Mr. BARING. I yield.

Mr. LYLE. I think the gentleman need not be too concerned about this because it is really superficial. As I look at the bill, they can still manufacture the parts and send the parts over the State line without being in violation of the law. Is that not correct?

Mr. BARING. I do not believe that is so. I take exception to that interpretation of the bill.

Mr. LYLE. I would say it is entirely superficial because they can manufacture the parts wherever they please and send them wherever they please, and as I read the legislation, the parts could be assembled at any place, is that not correct? Therefore, it is purely a matter of sending the parts across the State line.

Mr. BARING. I appeared before the committee and tried to put in an amendment to that affect, which they refused to accept. I do not think that is in the bill. Perhaps some of you Members who are lawyers may be able to point out where that is.

Mr. LYLE. The point I am getting at is do you think the bill says that they cannot manufacture the parts and ship them across the State lines?

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. BARING. I yield.

Mr. HARRIS. I believe the gentleman will find that his interpretation of the language is a little different because it specifically states that the drum-type machines, or any parts thereof, cannot be shipped in interstate commerce or into a State where the machines are prohibited by law. I believe the gentleman will find the interpretation that he has placed on it is incorrect.

Mr. BARING. That is what I have been trying to find out.

Mr. HARRIS. I would like to find out, too, may I point out to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. I have not found it in the bill.

Mr. BARING. I should like to say that after 3 months work by the committee and after 303 pages of testimony, there was still a doubt as to the lan-

guage of the bill. I refer you to the testimony of the gentleman from Michigan [Mr. BENNETT], which appears on page 303 of the committee report:

I would like to get an answer to that question because we do not agree on the interpretation of this language. I think from the questions that have been asked here, there are doubts in the minds of every member of the committee as to what this language means.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. BARING. I yield.

Mr. BECKWORTH. I believe the purpose of the committee was to make it possible to send into a State a part of a machine, if that machine is legal in a given State. I think the language of the bill very definitely provides that.

The SPEAKER pro tempore. The time of the gentleman from Nevada [Mr. BARING] has expired.

Mr. COX. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. BECKWORTH. On the other hand, if a given machine is illegal in a State, that is, a gambling device, as is described in this legislation, then the parts to that particular machine likewise would be illegal.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. BARING. I yield.

Mr. HARRIS. Referring to page 3 of the bill, paragraph 3, of section 2, where it says:

Any subassembly or essential part intended to be used in connection with any such machine or mechanical device—

That would be prohibited?

Mr. BARING. That is prohibited, yes.

Mr. HUBER. Mr. Speaker, will the gentleman yield?

Mr. BARING. I yield.

Mr. HUBER. I understand the Federal Government collects a tax on each slot machine used.

Mr. BARING. Yes. The Government gets $100 from every machine. Up to this time the Government has not been too "choosey" as to where they got this tax money. We are sparring around for new avenues to raise additional taxes. There is one concern in Nevada which pays nearly a million dollars in gambling taxes every year. The Government has the opportunity to collect revenue from all of the machines throughout the country. This year's tax bill increased the amount on each machine from $100 to $150.

Mr. HUBER. If this resolution is passed, then would the Federal Government collect a tax from machines in Nevada and not from the machines in other States?

Mr. BARING. That is a question of doubt. They could in Nevada, but presumably not in other States. However, you know there are thousands of machines in every Elk's Club and every other beneficial organization right now.

Mr. HARRIS. This bill does not repeal any provision of the tax law; so, consequently, if they are operating machines in a State where it is not prohibited, that would not prohibit the Government from collecting the $100 tax.

Mr. BARING. I still think it should be left up to the individual States. We are talking about socialized legislation. This is another chance of centralizing control.

The SPEAKER pro tempore. The time of the gentleman from Nevada has again expired.

Mr. COX. Mr. Speaker, I yield myself 1 minute.

There is a great deal of merit in what the gentleman from Nevada [Mr. BARING] has had to say. However, the question that is troubling him it appears to me might better be handled when the House goes into the Committee of the Whole. This measure is something in the nature of a blue-sky law and it is little respect or patience that I have ever had for such laws. The whole thing is hardly more than a piece of foolishness. However, public opinion has indicated it wants legislation, and I think the House should be given an opportunity to work its will upon the measure.

I therefore move the previous question on the resolution, Mr. Speaker.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MILLS). The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. BARING) there were—ayes 76, noes 3.

So the resolution was agreed to.

Mr. ROGERS of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3357) to prohibit transportation of gambling devices in interstate and foreign commerce.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3357) prohibiting transportation of gambling devices in interstate and foreign commerce, with Mr. JACKSON of Washington in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Florida [Mr. ROGERS] is entitled to 30 minutes and the gentleman from New Jersey [Mr. WOLVERTON] to 30 minutes.

The gentleman from Florida is recognized.

Mr. ROGERS of Florida. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am going to be very brief in making a statement on this bill, for I think we all know what it is.

This is a bill that arose out of a meeting of the Attorney Generals' Conference on Organized Crime that met here in Washington in February of this year. The meeting was attended by the prosecuting officers of the States and their political subdivisions. They passed a resolution asking and demanding this particular legislation.

A bill prepared by the Department of Justice was introduced in the Senate and that bill passed the Senate within a very brief period of time. It was then sent over to the House and was referred to the Committee on Interstate and Foreign Commerce of which I am a member. Your committee gave serious consideration to this bill. A similar bill was introduced in the House by the gentleman from Georgia [Mr. PRESTON]. When the Senate bill reached us the committee considered the two bills together, and inasmuch as the Senate bill had already passed that body we took the Senate bill and amended it in certain particulars, and those particulars are definitely set out in the report, which I hope the membership has read.

The gentleman from Nevada has misunderstood this bill entirely. This is not a matter of interfering with States' rights; it particularly reserves to the States the rights to have these one-armed bandits if they want them; there is no question about that. The legislatures of the various States of the Union, if they want to make the one-armed bandit, the slot machine, or any gambling device, if they want to make them legal, this bill does not interfere with them. This is only a policy of this Government which has been invoked for years and years. The Federal Government, so to speak, is the father of the children, the various States, and says that we will give them cooperation, that we will give them a little help when they want to enforce the criminal laws of their States. That is all it does.

Let me read an excerpt from the letter of the Attorney General, Mr. McGrath, written to the committee in connection with this bill. There is not a man within the sound of my voice who can object to this bill, as I see it, because it does not take any rights away from the States at all. It leaves in the State the right to control gambling. Here is the purpose and purport of the bill; here is what the Attorney General says:

In this approach your committee has complete agreement with the views of the Attorney General with respect to the purpose of the recommended legislation as stated by the representatives of the Attorney General in the course of the hearings.

The only thing that the Federal Government is being asked to do under this bill is to stop in the channels of commerce the shipment of these machines which the States are powerless to keep out of the channels of interstate commerce. Actual enforcement against those people who gamble or use these machines wrongfully in the States is left to the States, and with the legal officials, and there is absolutely no intention on the part of the Federal Government, express or implied, or otherwise in this bill or anything that accompanies it to get us into a prohibition era.

It just lends to these States, and there are some 44 States of this Nation that prohibits them, a little aid in enforcing their laws. The prosecuting attorneys of the various States in a seminar here in Washington, acting through the Justice Department, has asked this branch of the Government, their legislative body, to give them the power to keep these one-armed bandits from the channels of commerce. That is all there is to this; that is all we are asked to do. Of

course, in those places where the Government has jurisdiction these gambling devices are prohibited.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Texas, my colleague on the committee.

Mr. BECKWORTH. There has been a good deal of concern expressed by those who are interested in what might be called the simple amusement machines and vending machines whether the legislation will apply to them.

Mr. ROGERS of Florida. It excepts those specifically. If the gentleman will read the definition of the word "gambling" he will see that it excludes amusement devices, vending machines, and music boxes; it excludes all those. The main purpose is to get at the slot machines. That is a racket. The Crime Commission of California says that the people each year spend some $2,000,000,000 on the slot machines, and they are owned and controlled by criminal syndicates.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Arkansas.

Mr. HARRIS. I think the gentleman did propound a question that perhaps needs clarifying right at this point. The gentleman from Florida made a statement a moment ago that certain types of machines were specifically excluded. The language of the bill states that "gambling" as used in this act means—then it defines slot machines or any other machine or mechanical device the essential part of which is a drum or reel with an insignia thereon. That means these others are not specifically excluded, but by nature of the definition this includes only slot machines and such other machines with drums and reels?

In Georgia they have a law prohibiting slot machines.

Mr. ROGERS of Florida. Yes.

Mr. HARRIS. Consequently this bill would prevent the transportation of interstate commerce and across State lines from Florida to Georgia or vice versa.

I want to say that during 1937 I was a member of the Florida Legislature and I helped sponsor a bill at that time to make the use and the possession of slot machines illegal. I am glad to have the opportunity now to assist, if I can, to prevent the channels of interstate commerce from being used to ship these slot machines or gambling devices into States in which they are illegal. So far as the other States that legalize them are concerned such as the State represented by my friend from Nevada, the machines can be shipped into those States.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. ROGERS of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. SUTTON].

Mr. SUTTON. Mr. Chairman, I am heartily in favor of the motives behind this bill. There is, however, one section I would like to call to the attention of the committee. I have an Army camp in my district and I have had numerous requests from enlisted men as well as officers there who run the enlisted men's and officers' clubs. They call attention to section 5 of this bill which reads as follows:

SEC. 5. It shall be unlawful to manufacture, recondition, repair, sell, transport, possess, or use any gambling device in the District of Columbia, the Territories and possessions of the United States, on any lands reserved or acquired for the use of the United States and under the exclusive or concurrent jurisdiction thereof or within Indian country as defined in 18 United States Code 1151.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from North Carolina.

Mr. REDDEN. I understand from the gentleman from Florida [Mr. ROGERS] that if this bill becomes law it will prohibit the transportation of all Florida slot machines into North Carolina and Georgia, and for that reason I am for the bill.

Mr. SUTTON. What I would like to bring to the attention of the committee is this: It so happens that these enlisted men's clubs, Army and Navy camp clubs, make their money for recreational purposes in their clubs off of their own slot machines. They do not rent them from gamblers. They own their own slot machines. The money that they get from these slot machines goes toward buying all of their recreational facilities. Your officers' clubs are in the same situation, although the officers add a little additional money out of their own pockets to buy baseballs and so forth. This will prohibit the enlisted men and their clubs and the officers and their clubs from using slot machines.

I think that this will actually hinder the morale of the boys in the camps. Some may get up and say, "Well, a boy should not be taught gambling in the Army or the Navy." Regardless of what you want to teach a boy 18 years of age in the Army or the Navy, he is going to gamble if he wants to. So I think if the committee would reconsider just a little and exempt those boys in the Army and in the Navy and permit a pastime which creates their recreational funds and which, in turn, buys the equipment that they need, that it would be a big moral factor to the boys in the Army and the Navy and also would not hurt a soul in the United States of America.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. I want to say that the gentleman's interpretation is correct; that it is the intention of this legislation to exclude the operation of slot machines in enlisted men's clubs where it is prohibited by State law, as well as the officers' clubs, as well as in all fraternal organizations that may have machines.

Mr. SUTTON. Of course, the fraternal organizations are exempt from their use, but this prohibits the use on United States territory which, of course, are Army camps. The Veterans of Foreign Wars, the American Legion, the Elks, and so forth, can use slot machines; this does not prohibit them, but it prohibits the shipment for use on Army bases, and Marine and Navy bases.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WOLVERTON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. SUTTON. I hope that the committee will reconsider that feature and that someone on the committee will offer an amendment to exclude the Army camps and the Navy camps. It is like I say, a boy 18 years of age, who is old enough to fight for his country, knows whether he should gamble or not. He is actually not gambling; he is donating to the recreational fund, for example, of the Army and the Navy clubs there. Actually he is donating, that is right; he is not gambling. You cannot get an enlisted man to reach down in his pocket and put up $5 to buy a baseball bat or a glove, but he will pull these one-armed bandits down and in that way donate to the fund.

Mr. O'HARA of Minnesota. I trust there will be not too much misunderstanding about the language of this legislation. It does not in any way affect any club in an Army camp or in any other place in any State from operating machines, where it is lawful.

Mr. SUTTON. Oh, yes, the gentleman is wrong there.

Mr. O'HARA of Minnesota. It prohibits the transportation.

Mr. SUTTON. The use also. Let me read it:

It shall be unlawful to manufacture, recondition, repair, sell, transport, possess, or use any gambling device in the District of Columbia, the Territories and possessions of the United States, on any lands reserved or acquired for the use of the United States and under the exclusive or concurrent jurisdiction thereof or within Indian country as defined in 18 United States Code 1151.

Mr. O'HARA of Minnesota. The gentleman is talking about Federal property.

Mr. SUTTON. That is right. In other words, in Army camps or Navy camps they cannot even use them.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Indiana.

Mr. JACOBS. I want to congratulate the gentleman in making it so clear that what most people believe is, when they put their money in, that they are actually donating.

Mr. SUTTON. That is right.

Mr. JACOBS. I am wondering whether most people understand that, or whether that is what they have in mind.

Mr. SUTTON. They find it out anyhow.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Utah.

Mr. GRANGER. Since listening to the colloquy between the gentleman from Arkansas and the gentlemen from Georgia and Florida as what is in this bill, I hope it is plain that it is not illegal to transport race horses and dogs into the State of Florida.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. WOLVERTON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this legislation came to the Committee on Interstate and Foreign Commerce from the Senate in a very unsatisfactory form. It was objectionable from many standpoints. The Committee on Interstate and Foreign Commerce conducted long hearings and has given the bill very careful consideration. The Attorney General of the United States made known to us that his interest in the legislation was due to a resolution that had been passed by the Conference of Attorneys General held in the city of Washington some months ago. The State attorneys general of the several States discussed, during their conference, many phases of vice and crime coming within their jurisdiction. They passed a resolution requesting the Federal Government to pass legislation that would assist them in making effectual the laws of their several States against slot-machine gambling. The legislation now before the House was considered by the Committee on Interstate and Foreign Commerce from the standpoint of passing legislation that would be helpful to the several States in supplementing their laws.

It is not the first time that the Federal Government, through the Congress, has passed legislation of this type. You will remember that under the Webb-Kenyon Act Congress enacted legislation that prohibited the interstate transportation of intoxicating liquors into those States that had prohibition laws.

Congress also passed legislation making it a Federal offense to transport stolen automobiles from one State to another. Congress passed the Mann white-slavery act. It has passed an act which prohibits the interstate transportation of prison-made goods into certain States. It has even passed legislation which prohibits the interstate transportation of game birds contrary to State laws. Congress has also passed legislation which would prohibit the transportation of lottery tickets into States opposed to lotteries. One of the most outstanding illustrations of the passage of laws of this character was that known as the Connally hot-oil bill, which prohibits the interstate transportation of petroleum produced in States beyond the quota fixed by that particular State. However, there is a part of this bill as has just been mentioned by the gentleman from Tennessee where the Congress is called upon to legislate beyond this theory of supporting State laws, and that relates to the definite prohibition against the use of the gambling devices described in the bill in and upon lands or territories governed by the Federal Government. That would undoubtedly eliminate their use in servicemen's clubs throughout the country.

How much will be accomplished under this law depends upon the local enforcement officer. After all, whether there is any real enforcement of the law depends upon the attitude of the local prosecuting or law-enforcement officials. Too frequently, notwithstanding the fact that there are State laws prohibiting the use of these machines, it comes back to the question whether the prosecuting official is going to prosecute, and I believe we are all aware of the fact that, in some instances at least, they do not prosecute. There are times when this is true because the sentiment of the people in their locality is not opposed to gambling. In such instances the law officer does nothing. It is an unfortunate condition whenever there is a disposition to ignore the law by the law-enforcement officials and the people are content to let them ignore the law.

In that connection I recently read a letter which was written to the Evening Bulletin of Philadelphia and published in its issue of August 12, of this present year.

It illustrates very well the thought I have just expressed to you. It is as follows:

GAMBLING PROBLEM, AND WILLIAM PENN'S WORDS

Criticism of public officials seems to be the ruling fashion these days, and we hear little or nothing about the responsibility of the average citizen for prevailing conditions. Currently popular is the attack on our police for alleged loose handling of the gambling problem.

Gambling flourishes because it is supported by great numbers of citizens. So long as people are willing to risk thousands and millions of dollars on games of chance, there will be gambling to take it from them. When citizens stop feeding their money to the gamblers, the rackets will die of starvation.

These citizens should be jolted into a deeper sense of their individual responsibilities to help maintain good government. They should realize that no law can ever be enforced to any degree higher than the support for it which exists in the collective hearts and minds of the people themselves.

When in 1682 William Penn formulated the first rules by which our city and State were to be guided, he wrote these significant words:

"Governments, like clocks, go from the motion men give them; and as governments are made and moved by men, so by them they are ruined, too. Wherefore governments depend rather upon men, than men upon governments. Let men be good, and the government cannot be bad. If it be ill, they will cure it. But if men are bad, let the government be ever so good, they will endeavor to warp and spoil it in their turn."

Certain it is that the higher the moral and spiritual tone of a community is, the better we may expect its government to be. There is a warning in Penn's words that we may well take to heart today.

Magistrate KELLER H. GILBERT.

If you will pardon a personal reference for a moment, I would like to say that I have had the responsibility of the enforcement of State laws. While I am in favor of the passage of this bill, because it has been asked by the State attorneys general as an assistance to them in the performance of their duty, I want to tell you that as far as this law is concerned. I am fearful that it is greatly overestimated as to the results that would be obtained. I never found any necessity, during the years that I was a law-enforcement official in New Jersey, to have a law of this character. It may be that others have had different experiences. I know that if you have the mind and the will to enforce the law it does not make any difference whether the machines are brought across a State line or where they come from. They can be taken over and put out of business if the law officers have the will to do so. I never felt the lack of a Federal law to make it illegal to transport machines into New Jersey precluded me or made it more difficult for me to enforce the law. When they were brought into my county I saw that the machines were confiscated and the violators were brought to justice for violation of the gambling laws of the State of New Jersey.

I mention this not in a derogatory way as to this legislation, because I am in favor of this bill, and believe the law-enforcement officers are entitled to have all the help and support we can give them. Certainly, the conditions that prevail today make it necessary for good citizens to uphold the law and to assist those who, under difficulty at times, seek to enforce it. If it is the opinion of the State attorneys general and the United States Attorney General that this bill will be helpful to them, then they should have it and I am in favor of it.

In drawing this law, due recognition has been given to what may be the desire of the people in those States which are not opposed to gambling, such as Nevada and some other States. The bill gives recognition to that fact. This bill does not attempt to impose upon any State any law with respect to gambling. All the bill does is to say if a State has a law against gambling, then this law makes it illegal to transport into that State a slot machine for gambling purposes. It is supplemental to the State law and within the jurisdiction that applies to a Federal law. On the other hand, if a people of a State, such as that for which the gentleman from Nevada speaks, take a different view of it, there is no intention to change the law of that State. They, as the people of a sovereign State, fix the matter of policy with respect to gambling within their own State by the act of its legislature.

In conclusion, I wish to make the following general references to the provisions of the bill:

First. Definition of gambling devise: "Gambling devise" means, first, any slot-machine type of devise which when operated may deliver or entitle the operator to receive, as the result of the application of an element of chance, any money or property; second, any machine or mechanical device which is designed to operate by means of the insertion of a coin, token, or similar object, so that when operated it may deliver, as the result of the application of an element of chance, any money or property; third, any subassembly or essential part intended to be used in connection with any such machine.

Second. Transporting gambling devices in interstate commerce: It is made unlawful knowingly to transport any gambling device to any place in a State, the District of Columbia, or a Territory or possesion of the United States, from outside such State, District, and so forth, except that this shall not apply to such transportation to a State or to a subdivision thereof as to which this provision shall be made inapplicable by enactment of State law.

This shall not be taken to reduce the authority of the Federal Trade Commission.

Third. Registration and reports of manufacturers and dealers: Each manufacturer and dealer in gambling devices, when commencing business and yearly thereafter on or before July 1, is required, first, to register with the Attorney General; and second, to file with the Attorney General a monthly record of all sales and deliveries of gambling devices, showing the mark and number identifying each article and the name and address of the buyer or consignee thereof and the carrier. Duplicate bills or invoices may be used for this.

Fourth. Identification of gambling devices and packages: Each device, or part thereof, if shipped in unassembled form, must be made individually identifiable by the manufacturer or dealer.

All such devices and packages containing them, when transported, shall be plainly marked to show the name and address of the shipper and the consignee and the nature of the article or contents.

Fifth. Prohibition of gambling devices within Federal Territorial jurisdiction: The manufacture, sale, reconditioning, repair, transporting, possessing or using, and so forth, any gambling device in the District of Columbia, Indian lands, Federal lands, or Territories or possessions of the United States, is made unlawful.

Sixth. Penalties: A fine of $5,000 and/or imprisonment for 2 years is provided for violations of numbers 2 to 5, above.

Any gambling device manufacturer, shipped, repaired, sold, possessed, and so forth, in violation of the above shall be seized and forfeited to the United States, and all laws relating to seizure, forfeiture, and condemnation, and so forth, for violation of the customs laws shall apply where not inconsistent with the above.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. SUTTON. Do you not think while we are doing this, if we are going to outlaw gambling, that we are going off half cocked; that we should put in parimutuels and other gambling devices, as well as slot machines?

Mr. WOLVERTON. When you ask my opinion with respect to that I can answer only from a personal standpoint. My personal feeling is that I have no use for gambling. It does not do anybody any good. I have seen too many ill effects that have resulted from gambling. So that I can only answer the question you propose from a personal standpoint. I leave it to every Member to answer according to his own conscience, based upon his own experience.

Mr. SUTTON. But if we are going to regulate gambling, do you not think we should go all the way and not come up with just one little item here? The slot machine is not the big gambling item in the United States of America.

Mr. WOLVERTON. Well, I do not know anything about that myself. This bill is the result of what the Attorney General of the United States asked us to do as a result of a conference that was held by the State attorneys general of the several States, and we are giving them what they asked for.

Mr. BARING. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. BARING. The gentleman said the committee was careful that no infringement would be made upon any one particular State. I refer to section 2, line 11, which definitely states that Nevada, for example, will have to pass enabling legislation when the next legislature meets, in order to fit the requirements of this bill. In other words, for the next 4 or 5 months, between now and the time the legislature meets, we will be violating the Federal law in Nevada; that is, until the next legislature meets.

Mr. WOLVERTON. Does the gentleman have any idea that Nevada would not pass such a law?

Mr. BARING. Nevada has legalized gambling and they will pass such a law; but in the meantime we would be in violation of this act.

Mr. WOLVERTON. I do not believe that you would be if you have those powers now.

Mr. BARING. Pardon me, but the bill contains the following statement:

> This section shall not apply to the transportation of any gambling device to a place in any State which has enacted a law providing for the exception of such State from the provisions of this section.

Mr. WOLVERTON. I think I am correct in my interpretation. I do not think that any one would seriously contend other than that, under present conditions, gambling would be approved in the State of Nevada. Gambling is being conducted there at the present time under State law. The gambling machines are operating, are they not? There is nothing in this bill that would stop the gambling machines that are there now from being used. All that is done in this bill for the time being at least so far as Nevada, is concerned, is to stop the transportation of slot machines into the State of Nevada until it passes legislation in conformity with the provisions of this bill. There are gambling machines operating there now. This bill does not interfere with them, nor take from the State of Nevada the right to operate them so long as the people of that State legalize them to do so.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. I would like to refer to a comment that this would be more or less an idle gesture unless it were enforced, and the gentleman has expressed himself that that depends for enforcement on the law-enforcement officer. Would the gentleman estimate how many hundreds and hundreds of United States marshals it would take to attempt to enforce this law if it were to be enforced by the Federal Government?

Mr. WOLVERTON. I am not able to estimate under the present administration how many it would take.

Mr. O'HARA of Minnesota. Obviously it means that the State authorities and the local authorities would bear the brunt of carrying on the burden of the enforcement of this act. Is not that true?

Mr. WOLVERTON. I think that is true. The members of the House committee in bringing this legislation to the House have recognized that the Congress does not have the authority of deciding for any State the right or the wrong of gambling. That is a matter entirely with the jurisdiction of the State. It is left entirely to the individual State to work its will in this respect. I believe the bill is good legislation and should be approved by the House.

Mr. ROGERS of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Chairman——

Mr. ROGERS of Florida. Mr. Chairman, I wish to state to the gentleman from Nevada that he is under a misapprehension as to the effect of this law. Nevada can operate all the machines within its borders and can manufacture new ones if Nevada desires without any new law. This does not affect that at all. I understand there are approximately 69,000 slot machines in existence at the present time on which they are collecting taxes.

Mr. BARING. The gentleman from Florida has made several statements here and has declined to yield to me althought I yielded to him.

First of all, I care not what any other State does. I am controlled by the State of Nevada, alone, and not by the syndicates. I am acting here today under the direction of the chambers of commerce from our various sections in the State, as well as bank presidents and others who have written me, including the various political parties in the State. I am a States' rights Democrat. I believe that we should sustain our States' rights, for when the Government starts making these controls we approach a socialized form of government. These are controls which each State should handle for itself. Now, in regard to another subject, there has been a lot of talk here as to whether other machines should be included.

The language is very discriminatory. It refers only to the drum-type slot machines. The gentleman knows that there are various types of slot machines. There is the flat-top type that has a pay box on it. There are also the race-horse machines, and numerous others. They could take the pay boxes off the machines and ship them. Then they would not be gambling devices. The pay box can be shipped out in a suitcase and put on again at its destination, in whatever State that may happen to be. Therefore, the language of the bill makes this legislation discriminatory. Why should one particular type of manufacturer have to suffer at the expense of others?

There are thousands and thousands of men working in these manufacturing plants in Chicago and probably at other big cities who will be thrown out of work if this bill is passed.

Personally, I hope that the legislation will be defeated. I have several letters

here I would like to put in the RECORD just to show that I am not standing alone in this matter. Here is one from the mayor of the town of Marksville, La., and it reads as follows:

MARKSVILLE, LA., *August 17, 1950.*

Hon. A. LEONARD ALLEN,
Congressman, Eighth Congressional District, State of Louisiana,
Washington, D. C.

DEAR CONGRESSMAN ALLEN: We understand that there is now a bill pending in Congress which, if passed, will prohibit the shipping of slot machines from State to State.

Now, we of the town of Marksville are very much opposed to this measure, since we owe all of our progress for the past 4 years directly to slot machines.

We are definitely opposed to the wording of the present bill, as it will jeopardize the future of the town of Marksville.

Please give Mr. Walter Young, vice president of O. D. Jennings & Co. an audience.

Mr. Young will call on you in the near future, at your office in Washington.

Trusting that you will give this matter your serious attention from every angle and hoping that this bill is defeated.

Thanking you in advance for what you might do in our behalf, I remain,

Yours very truly,

ALTON R. DENUX,
Mayor, Town of Marksville.

Mr. Chairman, I also have here a letter from the American President Lines reading as follows:

AMERICAN PRESIDENT LINES,
Washington, D. C., August 21, 1950.

The Honorable WALTER S. BARING,
Representative at Large,
State of Nevada,
House Office Building,
Washington, D. C.

DEAR MR. BARING: I have been watching with a great deal of interest your unfailing efforts to clarify and combat some of the provisions contained in S. 3357, designed to prohibit transportation of gambling devices in Interstate and Foreign Commerce.

The shipping industry has no desire to offer opposition to legislation designed to outlaw gambling devices in areas where the individual States deem it in the best interests of their citizens, but it is concerned over the foreign-commerce position, as it places American-flag passenger vessels at a definite disadvantage to those of foreign-flag registry.

We do not believe that it is actually the intent to enact legislation that seeks to prohibit the use of slot machines on the open sea beyond the territorial limits of the United States aboard common-carrier vessels operating in interstate and foreign commerce. The transportation of these machines as cargo between two States prohibiting the use of such devices is an entirely different question and for that reason some clarification as to the actual intent is certainly desirable under the circumstances.

At this writing it is unknown just what action will result from the proposed legislation, but we do want you to know that your efforts have not gone unnoticed nor unappreciated.

Sincerely yours,

GEORGE KILLION,
President.

Mr. Chairman, may I also call attention to the list of parts in these machines. There are some 300 parts which are used in making these slot machines and you can find them in any hardware store in the United States. It would put every hardware dealer in the United States under jeopardy if the provisions of this act were passed.

I have several statements in regard to that, including one from the Guardian Electrical Manufacturing Co.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

Mr. WOLVERTON. Mr. Chairman, I yield the gentleman one additional minute.

Mr. BARING. Mr. Chairman, I shall quote briefly from this letter of the Guardian Electric Manufacturing Co. as follows:

AUGUST 24, 1950.

J. HOWARD MCGRATH,
Attorney General,
Washington, D. C.

DEAR SIR: It has just come to our attention that description (3) under bill S. 3357, Union Calendar No. 988 of the Eighty-first Congress, an act to prohibit transportation of gambling devices in interstate and foreign commerce, that this description in section 1 states that "any subassembly or essential part intended to be used in connection with any such machine or mechanical device" would be included in the term "gambling device."

This third description would, in our opinion, make it impossible to police our approximately 3,000 customers, many of whom make amusement devices, and some of whom make amusement as well as gambling devices, as defined in the first two sections of the bill. The parts are often interchangeable, and we will have absolutely no way of knowing whether or not these devices were for gambling or for amusement.

Also, since the end of the war, a great many of the surplus parts which we manufactured were sold by the Government, and many of these found their way to the various electrically operated devices, some of which were gambling devices. If we sold a part originally designed as a service device, it would have, under the terms of this bill, become a part of a gambling device inadvertently, in case the customer was using the part for such purposes.

To sum up, it would be absolutely impossible for this company to determine whether or not the items it manufactures would be used in gambling devices. We believe that there are a great many other companies who manufacture such parts as light sockets, wire, transformers, vacuum tubes, relays, resistors, and such similar parts, that would be in exactly the same situation. We could not assume the responsibility of the investigations that would become necessary under the terms of the bill as outlined above, because it would require us to check every customer we have, on every order they send us.

We would deeply appreciate any information from your office that would tend to right the situation so that we would not have to comply with such an unworkable ruling.

Very truly yours,

GUARDIAN ELECTRIC MANUFACTURING CO.
J. J. ROWELL, *Secretary.*

You are going to have a lot of manufacturers wondering whether they are actually violating Federal laws if this bill goes through.

I would like to see one amendment adopted, which would help the State of Nevada, and that would be to give us the right to send these machines back to the maker if in need of repair, or in exchange.

The CHAIRMAN. The time of the gentleman from Nevada has again expired.

Mr. WOLVERTON. Mr. Chairman, I yield the gentleman one additional minute.

Mr. BARING. Mr. Chairman, I desire to refer to the statement made in committee by the gentleman from Michigan [Mr. BENNETT]:

I agree that the Federal Government should not concern itself with matters involving enforcement of gambling laws on a local basis.

Mr. Chairman, that is a very good statement from the standpoint that if the Government goes in and enforces this type of law, there are countless organizations throughout the country which will suffer. We have Boy Scouts, the Moose Lodge, the Elks Club, and various organizations all over the country whose clubhouses are sustained by the use of slot machines. If this law is enacted, these clubs and organizations will suffer, and I do believe that this legislation should be sent back to the committee for further study.

The CHAIRMAN. The time of the gentleman from Nevada has again expired.

Mr. ROGERS of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Chairman, I feel differently about this legislation than does my colleague, the gentleman from Georgia [Mr. COX], who calls it tomfoolery. It was not tomfoolery when the Congress wrote the kidnapping law, nor when they wrote the law prohibiting the interstate shipment of stolen automobiles, or the antilottery law, and this is not tomfoolery today. The Attorney General's Crime Conference devoted much time in making a very thorough investigation before they made their recommendations for the enactment of this legislation now, with reference to the enforcement of the law if passed.

The gentleman from New Jersey [Mr. WOLVERTON] spoke about his doubts in this connection, but I would like to say that all States do not impose upon the Attorney General the responsibility of enforcing the laws. In some States, as in my own and many others, the Attorney General is the legal adviser to the Governor and the State agencies, and he assists in carrying all cases to the appellate courts. He is not a law enforcement officer. Generally speaking, that is the responsibility of the sheriff; in some instances the State police, and in some instances the county police, and in some instances the municipal police.

Now, in answer to what the gentleman from Nevada said about parts in a hardware store: Yes, you can go into a hardware store and get a common nut or bolt or a spring, perhaps, but you do not find in any hardware store of this country these discs with the bells, the lemons, and the cherries on them. You cannot tell me that you can find such a gadget in any hardware store in the country. Why, this is one of the most ingenious devices ever made, and when you strike at the interstate shipment of parts, it would be absolutely necessary to include parts if you are going to make complete the purposes of the legislation and if you are going to effect the desired result. So, have no fear about any hardware merchant or manufacturer quaking in his boots about something that he might have on his shelf in his hardware store,

because he does not carry spare parts for slot machines; no, he does not do that.

Now, about the officers' clubs and the enlisted men's clubs that the gentleman from Tennessee [Mr. SUTTON] is concerned about. In the establishment of enlisted men's clubs and officers' clubs during this present emergency on new bases and camps there will not be any cash to buy slot machines. They have no funds on hand. They have no money, so consequently they cannot at this time begin to put these machines into the enlisted men's clubs or the officers' clubs, except on a profit-splitting basis.

When the committee was considering this bill, one of the operators from Virginia came to my office and he said, "I would like to have you come with me to the officers' club in Virginia and let me show you how they are pegged up." He said, "I give them a very fair break." So, he put them in there, and they have them all over the country. Now, I have no time or sympathy with this proposition of operating slot machines on military posts. You are just helping him squander his pay, that is all. You are just helping him throw his money away when he gets about half tanked on beer in the PX, and he waddles over there and puts his money in there, money he ought to be sending home to his wife and children, the people we were pleading for here the other day, and properly so, when we passed the Family Allotment Act. No, do not let us help these boys squander their money and let the sharpies have it.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Tennessee.

Mr. SUTTON. When you talk about that boy who gets souped up by buying beer in the PX, would you not rather have him put that money into a recreational fund than go across the street and spend it for foolishness?

Mr. PRESTON. I do not want some character who lives in luxury, collecting this money and taking it out of the pockets of these boys.

Mr. SUTTON. It is not always a thug who goes in and collects this money. In Fort Campbell those boys own their own slot machines.

Mr. PRESTON. There are exceptions, I grant to the gentleman from Tennessee.

Let us not get weak in the knees here today about this legislation. Let us put this law on the statute books and let us state to the Attorney General, "We are going to help you." And let not anyone say that they are not going to vote for this because they believe in States' rights, or civil rights. My friends, we are not interfering with the several States. Let every State do what they want to do on this subject. We have passed other legislation to help the various States, and this will do the same thing.

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I have never suffered any violence at the hands of the one-armed bandit. At rare intervals they have been tolerated in my section of the country. I support this legislation for the reason that I believe it is the supreme purpose of law to make it as easy as possible for people to do right, and as hard as possible for them to do wrong. Old and hardened gamblers and men who have money to waste are not apt to be hurt by the one-armed bandit, but schoolboys and people who cannot afford to lose money are the victims of these machines. I can understand why the people of Nevada might favor this of means of income. I assume if the people of Nevada were the only people who played these slot machines out there, they would not reap a very good harvest. But you know it was Barnum, I believe, who said that a sucker is born every minute. I think there is a bigger output of suckers than one a minute. There is a flood of suckers born every minute; and when those suckers from somewhere else go to Nevada, that is where the one-armed bandit gets in his work.

Of course, I suppose if a fellow has money enough to get in an automobile and visit that pleasure spot, I imagine he would have money enough to get back home after he has played the slot machines. But I was especially struck by one statement made by my good friend from Nevada who said that the Boy Scouts out there could not properly function and prosper if we passed this legislation.

Mr. BARING. Mr. Chairman, will the gentleman yield? I would like to correct that statement.

Mr. JENNINGS. Just what did you say about the Boy Scouts?

Mr. BARING. The American Legion and other beneficial organizations operate them so they may get funds which go to support the Boy Scouts.

Mr. JENNINGS. I understood you to say something about the Boy Scouts.

Mr. BARING. I am sorry if you got the information in that light. I meant the American Legion sponsored Boy Scout meetings.

Mr. JENNINGS. Of course I would not impute anything to my good friend which he did not say, but it just struck me with peculiar force that if the Boy Scouts are dependent for the growth and success of their organization by being attracted or lured into the organization by reason of an opportunity to put their few nickels into a one-armed bandit, that would probably have a bad effect upon the Boy Scouts.

I favor this bill because I know that the more opportunities there are for gambling the more widespread it becomes. Of course I know enough about the violation of anti-liquor laws and anti-gambling laws to know that where the State laws forbid that sort of calling—if you should designate it as such—somebody has to pay off somebody whose sworn duty it is to uphold the law.

But let us make it just as hard as possible for people to indulge in, foster, or promote gambling and carry on their nefarious practices.

Mr. ROGERS of Florida. Before I yield to the gentleman from Indiana, I wish to make this statement for the information of the committee. This proposed legislation has been approved in principle by the Attorney General, the Department of State, the Treasury Department, the Department of Commerce, the Interstate Commerce Commission, the Federal Trade Commission, and the Bureau of the Budget. All of them approve of it.

Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, in rearing my son I have always tried, and successfully, I believe, to teach him that he had no right to take anything from anyone without rendering a service or giving up something of value. The instinct that makes a man gamble is the same instinct, different in degree only, that makes a man steal. He wants something for nothing. That is why it has been made unlawful.

But the greatest objections to gambling and gambling devices, and slot machines, is that it corrupts law-enforcing machinery, as has been noticed here today. It is usually the easy money boys that finance themselves through slot machines and other forms of gambling, and they pass on to bigger things.

For example, Mr. Chairman, I should like to call the attention of the Members to the Appendix page A6103, a statement placed in the RECORD yesterday by the gentleman from Pennsylvania [Mr. BUCHANAN], in which he mentions a lobbyist by the name of Samuel P. Haines, who has contingent-fee contracts for trying to influence legislation in this Congress. I know a good deal about Mr. Haines. He is a constituent of mine. I am not always proud of my constituents, but let me say this, and I hope the United States Attorney for the District of Columbia will read the RECORD. This gentleman lives at 4407 Sixteenth Street NW., and I understand he has a battery of slot machines in his basement. He admits having one. He has got a sign up over them that says "For charity." A lot of people who operate gambling have some little bit taken out for charity. I think in this case Mr. Haines is going on the old adage that charity begins at home.

But what are we doing here? Are we not exercising the constitutional prerogative to regulate interstate commerce? The States cannot regulate interstate commerce. The Federal Government must do so. Yet, through the channels of interstate commerce flow these devices that do nothing but corrupt, in that they teach young people to try to get something for nothing. I would think they would learn mighty quick that they cannot, but they do not seem to.

As the gentleman from Tennessee [Mr. SUTTON] said, when you put money in them you are donating it to something, and it doesn't take long to donate it, either.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WOLVERTON. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. JACOBS. But I understand that 44 States have outlawed slot machines, and the Federal Government has jurisdiction over interstate commerce. Shall the Federal Government be so helpless and unhelpful that it cannot and will not cleanse the flow of commerce over which

it has jurisdiction, and in aid of the 44 States that outlaw slot machines? Now, actually I think this law will have a very salutary effect.

There is one angle that has not been explained here. If it is unlawful to ship slot machines into a State, then it will be a conspiracy for anyone to participate in a scheme to bring slot machines within the State. It is a well-known fact that once in a while—perhaps not too often, but as the gentleman from Tennessee [Mr. JENNINGS] mentioned—law-enforcement officials have a great deal of knowledge of these slot machines, and where they came from, and it has even been known that raids were conducted by sheriffs, and the slot machines were not used up by sledge hammers. In fact, it was a hijacking proposition, to get the slot machines into the hands of other operators. Those men will come under the conspiracy laws if they cooperate to violate this law by bring slot machines into a forbidden State. I believe the gentleman from Tennessee will agree with that. Believe me, this ilk do not like to enter into conspiracies where Uncle Sam can move against them. In my opinion, if this law is passed it will stop the traffic in slot machines, which I understand are largely manufactured in Cook County, Ill. I think it will stop the shipment of slot machines. In my opinion, it should be stopped, and this bill should be enacted.

I would like to say with reference to slot machines in the PX's: You ask the mothers of this country whether they want those machines in the PX's to teach their sons to gamble, and you will get the answer, because the whole business of the slot machine is a great deal like the fellow who operated a restaurant and charged his customers $2 for a ham sandwich. The customer said, "Why do you charge me $2 for a ham sandwich?" And he said, "Because I need the money."

Mr. BARING. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. Yes, I yield.

Mr. BARING. Will the gentleman vote for this bill if pari-mutuel machines, racing horses, and racing dogs are included?

Mr. JACOBS. I would have to see the language of the amendment, naturally. I may also say this to the gentleman, a slot machine is good for no earthly thing except to gamble. I can ride a horse; I cannot ride a slot machine.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. ROGERS of Florida. Mr. Chairman, I yield one additional minute to the gentleman from Indiana.

Mr. BARING. Does the gentleman mean to say he cannot gamble on horses?

Mr. JACOBS. I can take a copy of the Scriptures and gamble on it; I can bet you that you will cut the book at a certain page with a knife. But I am talking about a device that has no earthly use in the world that anyone has ever been able to think of except as a gambling device. The Bible has other uses. I did suggest once that a slot machine would make a good piggy-bank, because it is harder to get your money out of it than a piggy-bank.

Mr. ROGERS of Florida. Mr. Chairman, I yield the balance of my time to the gentleman from South Carolina [Mr. BRYSON].

Mr. WOLVERTON. Mr. Chairman, I yield the gentleman from South Carolina the balance of my time.

The CHAIRMAN. The gentleman from South Carolina is recognized for a total of 3½ minutes to conclude general debate.

Mr. BRYSON. Mr. Chairman, I am indebted to my colleague, Congressman ROGERS of Florida, for the privilege of thus closing the debate in favor of S. 3357. I am not surprised to find Representative ROGERS so wholeheartedly in favor of this type of legislation. It is generally known that he is one of the most adroit Members of the House, that he is constantly on the alert, either sponsoring or supporting measures that will work for the good of our great country.

Previous speakers have indicated their opposition to this measure on the ground that it impinges States' rights. I happen to be from the State which might rightfully claim to be the originator of the theory of States' rights. Of course, I am in favor of States' rights. In supporting this measure, I can see no conflict between States' rights and the provisions of this proposed law.

Surely a community has reached bottom when it publicly admits that its existence is solely dependent upon the profits from gambling. I was surprised to hear our colleague from Nevada read a letter, which I believe he said was from Louisiana, stating that all of that particular community's progress had been made from legalized gambling.

I have thought that most of us are potential gamblers. In a sense, life itself is but a gamble. I have noticed youngsters, including my own, and in fact remember from my own experience when I was much younger, have a desire to gamble. There are those of us who have weaker tendencies than others in one direction or another. I think we should try to protect at least the youth of the land from the temptation of the gambling devices set out in the provisions of this bill. The accessibility or availability of these gambling devices is a great temptation. I realize that it is difficult to improve morals by legislation. We can, however, minimize if not remove altogether some of the temptations which confront our younger people. I would not complicate the controversy by injecting whisky or dope into the discussion because the evils surrounding either liquor, dope, or gambling are sufficient for one debate. I am told, however, that, among the population of this country generally, one person in 3,000 becomes a dope addict. Whereas, among the doctors, nurses, pharmacists, and others with medical knowledge, one in every 100 becomes an addict. I do not know whether this is a correct statement or not, but the point I am trying to make is that the availability of accessibility of morphine, like that of gambling devices, constitutes a temptation to which some of our finest people yield.

It will be observed under the terms of the bill that no effort is made to control, regulate, or affect intrastate activities. The States themselves cannot legislate concerning interstate matters. Thus not only the privilege but the express duty of the Congress is to enact proper measures affecting interstate transactions. The distinguished minority member of the House Committee on Interstate and Foreign Commerce has listed the many measures heretofore enacted by Congress on this subject.

The CHAIRMAN. The time of the gentleman from South Carolina has expired. Time for general debate has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That as used in this act the term "gambling device" means any machine or mechanical device, or parts thereof, designed or adapted for gambling or any use by which the user as a result of the application of any element of chance may become entitled to receive, directly or indirectly, any thing of value.

SEC. 2. It shall be unlawful knowingly to transport or cause to be transported in interstate or foreign commerce any gambling device, or knowingly to take, receive, possess, or dispose of any gambling device transported in violation of this act: *Provided,* That the provisions of this section shall not apply to the course of unbroken interstate transportation of any gambling device into any State where the use of such device is legal, as certified by the governor of the State to the Attorney General of the United States and published by the Attorney General in the Federal Register. In the absence of such certification and publication, the use of gambling devices in any State shall, for the purposes of this act, be presumed to be illegal; and all persons and officials affected by the provisions of this act shall be entitled to act in reliance upon the presumption.

Nothing in this act shall be construed to interfere with or reduce the authority, or the existing interpretations of the authority, of the Federal Trade Commission under the Federal Trade Commission Act, as amended (15 U. S. C. 41–58).

SEC. 3. Upon first engaging in business, and thereafter on or before the 1st day of July of each year, every manufacturer of and dealer in gambling devices shall register with the collector of internal revenue for each district in which such business is to be carried on, his name or trade name, the address of his principal place of business, and the addresses of his places of business in such district. On or before the last day of each month every manufacturer of and dealer in gambling devices shall file with the collector of internal revenue for each district in which he maintains a place or places of business an inventory and record of all sales and deliveries of gambling devices as of the close of the preceding calendar month for the place or places of business in the district. The monthly record of sales and deliveries of such gambling devices shall show the mark and number identifying each article together with the name and address of the buyer or consignee thereof and the name and address of the carrier. Duplicate bills or invoices, if complete in the foregoing respects, may be used in filing the record of sales and deliveries. For the purpose of this act, every manufacturer or dealer shall mark and number each gambling device so that it is individually identifiable. In cases of sale, delivery, or shipment of gambling devices in unassembled form, the manufacturer or dealer shall separately mark and number the components of each gambling device which a common

mark and number as if it were an assembled gambling device. It shall be unlawful for any manufacturer or dealer to sell, deliver, or ship any gambling device which is not marked and numbered for identification as herein provided; and it shall be unlawful for any manufacturer or dealer to manufacture, recondition, repair, sell, deliver, or ship any gambling device without having registered as required by this section, or without filing monthly the required inventories and records of sales and deliveries.

SEC. 4. All gambling devices, and all packages containing any such, when shipped or transported shall be plainly and clearly labeled or marked so that the name and address of the shipper and of the consignee, and the nature of the article or the contents of the package may be readily ascertained on an inspection of the outside of the article or package.

SEC. 5. It shall be unlawful to manufacture, recondition, repair, sell, transport, possess, or use any gambling device in the District of Columbia, the Territories and possessions of the United States, on any lands reserved or acquired for the use of the United States and under the exclusive or concurrent jurisdiction thereof or within Indian country as defined in 18 United States Code 1151.

SEC. 6. Whoever violates any of the provisions of section 2 or 5 of this act shall be fined not more than $5,000 or imprisoned not more than 2 years, or both.

Whoever violates any of the provisions of sections 3 or 4 of this act shall be fined not more than $2,000 or imprisoned not more than 1 year, or both.

SEC. 7. Any gambling device transported, delivered, shipped, manufactured, reconditioned, repaired, sold, disposed of, received, possessed, or used in violation of the provisions of this act shall be seized and forfeited to the United States. All provisions of law relating to the seizure, summary and judicial forfeiture, and condemnation of vessels, vehicles, merchandise, and baggage for violation of the customs laws; the disposition of such vessels, vehicles, merchandise, and baggage or the proceeds from the sale thereof; the remission or mitigation of such forefeitures; and the compromise of claims and the award of compensation to informers in respect of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this act, insofar as applicable and not inconsistent with the provisions hereof: *Provided*, That such duties as are imposed upon the collector of customs or any other person with respect to the seizure and forfeiture of vessels, vehicles, merchandise, and baggage under the customs laws shall be performed with respect to seizures and forfeitures of gambling devices under this act by such officers, agents, or other persons as may be authorized or designated for that purpose by the Attorney General.

SEC. 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Mr. ROGERS of Florida (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that it be printed in the RECORD and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 1, strike out lines 3 to 10, inclusive, and lines 1 to 13, inclusive, on page 2 and insert the following:

"That as used in this act the term 'gambling device means—

"(1) any so-called slot machine or any other machine or mechanical device an essential part of which is a drum or reel with insignia thereon, and (A) which when operated may deliver, as the result of the application of an element of chance, any money or property, or (B) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property; or

"(2) any machine or mechanical device designed and manufactured to operate by means of insertion of a coin, token, or similar object and designed and manufactured so that when operated it may deliver, as the result of the application of an element of chance, any money or property; or

"(3) any subassembly or essential part intended to be used in connection with any such machine or mechanical device.

"SEC. 2. It shall be unlawful knowingly to transport any gambling device to any place in a State, the District of Columbia, or a Territory or possession of the United States from any place outside of such State, the District of Columbia, or a Territory or possession: *Provided*, That this section shall not apply to transportation of any gambling device to a place in any State which has enacted a law providing for the exemption of such State from the provisions of this section, or to a place in any subdivision of a State if the State in which such subdivision is located has enacted a law providing for the exemption of such subdivision from the provisions of this section."

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment to the committee amendment for clarification.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida to the committee amendment:

Page 2, strike out lines 14, 15, and 16 and insert in lieu thereof the following:

"That as used in this act—

"(a) The term 'gambling device' means—

"(1) any so-called slot machine or any other machine or mechanical device an essential part of which."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS] to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. ROGERS of Florida. Mr. Chairman, I offer another amendment to the committee amendment:

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida to the committee amendment: On page 3, after line 6, insert the following:

"(b) The term 'State' includes Alaska, Hawaii, Puerto Rico, the Virgin Islands, and Guam.

"(c) The term 'possession of the United States' means any possession of the United States which is not named in paragraph (b) of this section."

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Florida [Mr. ROGERS].

The amendment to the committee amendment was agreed to.

Mr. ROGERS of Florida. Mr. Chairman, I offer another amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida to the committee amendment: On page 3, in line 9, strike out "Territory or"; and in line 11 strike out "a Territory or."

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Florida [Mr. ROGERS].

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will report the following committee amendments.

The Clerk read as follows:

Page 4, line 2, strike out "collector of internal revenue for each district in which such business is to be carried on" and insert "Attorney General."

Page 4, line 8, strike out "collector of internal revenue for each district in which he maintains a place or places of business" and insert "Attorney General."

Page 5, line 24, after the figure "2" insert "3", "4."

Page 6, strike out lines 1 to 3, inclusive.

The committee amendments were agreed to.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 5, line 18, strike out "the Territories and possessions" and insert in lieu thereof "in any possession."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

The CHAIRMAN. The clerk will report the next committee amendment.

The Clerk read as follows:

Page 5, lines 19 to 21, strike out "on any lands reserved or acquired for the use of the United States and under the exclusive or concurrent jurisdiction thereof."

Page 5, line 22, strike out "18 United States Code 1151" and insert "section 1151 of title 18 of the United States Code or within the special maritime or territorial jurisdiction of the United States as defined in section 7 of title 18 of the United States Code."

Mr. HESELTON. Mr. Chairman, the members of my committee have asked me if I would explain this amendment, which, as those of you who heard it read know, is technical in nature in the sense that it refers to another provision of the United States Code and to the special maritime and territorial jurisdiction of the United States as defined in section 7 of title 18. What that does is broaden the coverage of the section so that it will apply to gambling devices on American vessels on the high seas or within the admiralty or maritime jurisdiction of the United States. The first part of title 18, section 7, reads the term "special maritime or territorial jurisdiction of the United States" as used in this title includes: (1) the high seas, any other waters within the admiralty and maritime jurisdiction of the United States and out of the jurisdiction of any particular State, and any vessel belong-

ing in whole or in part to the United States or any citizen thereof, or to any corporation created by or under the laws of the United States, or of any State, Territory, District, or possession thereof, when such vessel is within the admiralty and maritime jurisdiction of the United States and out of the jurisdiction of any particular State.

The question arose during the consideration of this bill as to whether or not United States shipping should be exempt, and a very able representative of the National Federation of American Shipping, Inc., Mr. Alfred U. Krebs, came before the committee and asked that our vessels, carrying our flag, should be exempted. While he was being examined by members of the committee, and particularly by the gentleman from Minnesota [Mr. O'HARA], it developed that in certain of our States, and specific mention was made of California, there are laws which prohibit the use of those machines within the territorial jurisdiction of the States. Consequently, while they use them on the high seas, they have to put them away in special compartments and lock them up when they reach the point where the State jurisdiction comes into effect, and keep them closed until they leave and get outside of that point. I know it was my opinion and I think it was the opinion of the members of the committee that if we were going to do anything with this bill insofar as transportation is concerned, it was highly illogical for us to tolerate and exempt an operation under the American flag, where this Congress has jurisdiction and responsibility. We prohibit the use of these one-armed bandits in the District and in the Territories and possessions, with the exception of Alaska and Hawaii, so far as their legislation may exempt themselves. Then we were asked to ignore the one other place which is considered American soil, and subject to the laws of the United States, and that is American shipping. If it is bad in one instance it is bad in all. We should not go halfway in this effort. Although there may be some who feel we might be damaging the economic interests of American shipping, I, for one, do not think American shipping should rest its case upon participating in keeping alive a racket that is estimated to run close to $4,000,000,000 a year, and in the testimony before our committee carrying with it approximately 20 percent of that amount, or $800,000,000 a year for bribery and corruption of public officers, for graft and protection.

I hope I have been able to explain what this amendment does. I hope it will appeal to the membership.

I would like to conclude by saying that among others who testified in favor of this legislation, not before the committee but in other places, was Mr. J. Edgar Hoover, who certainly knows as much as anybody does in this country as to the probable constructive effect of this kind of legislation. He said, "There is considerable merit in outlawing interstate shipment of slot machines."

I hope this bill will pass.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Florida [Mr. ROGERS].

The amendment was agreed to.

Mr. BARING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARING:

Page 3, line 3, strike out "or" and insert the following new paragraph immediately thereafter: "(3) any parimutuel machine; or."

Page 3, line 4, strike out "(3)" and insert in lieu thereof "(4)."

Page 7, after line 4, insert the following new section:

"SEC. 8. (a) The provisions of sections 2, 5, 6, and 7 shall apply with respect to racing horses and racing dogs in the same manner and to the same extent as they apply to gambling devices.

"(b) Those provisions of section 3 which relate to the registration of manufacturers and dealers in gambling devices shall apply with respect to—

"(1) dealers in racing horses or racing dogs,

"(2) owners, breeders, or trainers of racing horses or racing dogs, and

"(3) officers and employees of tracks for the racing of horses and dogs.

"(c) Every person required to register under subsection (b) shall file with the Attorney General such reports with respect to sales and deliveries of racing horses or racing dogs as the Attorney General may by regulations prescribe."

Page 7, line 5, strike out "SEC. 8" and insert in lieu thereof "SEC. 9."

Mr. HESELTON. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane to the bill.

The CHAIRMAN. Does the gentleman from Nevada desire to be heard on the point of order?

Mr. BARING. Mr. Chairman, I merely introduce the amendment for the reason that I believe that if we are going to enact discriminatory legislation against gambling, then let us go all out, and at least eliminate discrimination. I feel that this bill discriminates so far as the particular types of machines are concerned, for they throw out certain types and let others operate. Anybody knows that you can take the pay box off of a machine and post the winning combinations on the wall. The winners can then be paid off at the table or counter. For that reason, I believe that if you are going to discriminate against certain types of machines, then throw all the machines out, such as the pari-mutuel machines. I believe the amendment is in order, Mr. Chairman.

The CHAIRMAN (Mr. JACKSON of Washington). The Chair is ready to rule.

The bill in question is an act to prohibit the transportation of gambling devices in interstate and foreign commerce. Certain amendments have been adopted by the Committee of the Whole. The bill as now amended is not directed at gambling in general. Rather, it relates directly to prohibition against the shipment in interstate commerce of specific types of machine or mechanical gambling devices. The amendment offered by the gentleman from Nevada [Mr. BARING] goes beyond the scope of the legislation under consideration, and therefore the Chair holds that the point of order made by the gentleman from Massachusetts is proper, and the Chair sustains the point of order.

Mr. SUTTON. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SUTTON: On page 5, line 22, strike out the period and insert the following: "*Provided*, That this section shall not apply in the case of gambling devices owned by officers, noncommissioned officers, or enlisted men's clubs of the Armed Forces."

Mr. SUTTON. Mr. Chairman, this is not in contradiction to the purposes of the bill at all. When the bill was written they provided on page 5 a prohibition against the use or possession of slot machines in all phases on land reserved or acquired for the use of the United States, which includes, of course, Army camps, Navy camps, and Marine camps. It is common knowledge to anyone who has in any way been connected with the Armed Forces that your clubs are operated by the money received from slot machines.

In view of the questions that have been raised about gamblers going in and taking their haul out of the rental fee, I want to say this: Under this amendment these machines have to be owned by the enlisted men's club, the noncom clubs, and the officers' clubs before they would be permissible. Then they are only used for amusement purposes and to equip the club where they, the enlisted men and officers, spend their spare time. I am just as opposed to gambling as anyone, but if a soldier can get his mind off of the horrors of war and still have what little money he may lose used for his own enjoyment to equip the club, the matter is somewhat reconciled.

In that way you help the morale of the boys. You will keep them on the camp, out of gambling houses, and at the same time they will be adding to the kitty with which to buy recreational facilities.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. WHEELER. Would not that which the gentleman is having to say about people in the service apply to members of the Veterans of Foreign Wars clubs and the American Legion clubs?

Mr. SUTTON. No this does not apply to machines used in the VFW or the American Legion homes. I am talking about the Army camps.

Mr. WHEELER. I have personal knowledge in many instances where the VFW and the Legion do own the machines. Would the gentleman let me ask him this further question; that is, whether or not the gentleman has asked the gentleman from Florida [Mr. ROGERS] if he would accept the amendment?

Mr. SUTTON. I have talked to several members of the committee and they

agree that this amendment should be adopted.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. JONAS. How does the gentleman reconcile his amendment with upholding the constitutionality of such an act, where you single out a certain group and give them a privilige in discrimination against everybody else?

Mr. SUTTON. May I say to the gentleman that war itself is unconstitutional.

Mr. JONAS. If you will exclude a district or a certain area or territory, I can see the wisdom of that sort of an amendment, but you certainly do not contend that you can pick out a group of soldiers or sailors or marines and say that they can gamble in their own private club and the rest of the public cannot do so?

Mr. SUTTON. I do not say anything of the kind. I say they are donating for the purchase of their own recreational facilities. Whenever they put a nickel in that slot machine, they know they will not get it back but they also know they are helping to equip their club.

Mr. JONAS. But primarily they are using a gambling device to secure funds to make donations to a charitable enterprise.

Mr. SUTTON. It is not a charitable enterprise. It is just a means of raising money to buy baseballs and footballs and recreational facilities.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WHEELER. Mr. Chairman, I ask unanimous consent that the gentleman may continue for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. BATES of Massachusetts. Of course, the gentleman realizes that the reason they need these machines is because the Congress no longer provides the money for welfare recreation, as it did at one time.

Mr. SUTTON. That is right.

Mr. BATES of Massachusetts. They cut down on the post exchanges and the ship's service programs. The only other recourse for them is through the slot machines.

Mr. SUTTON. That is right.

Mr. BATES of Massachusetts. And this will automatically mean the end of most enlisted men's clubs.

Mr. SUTTON. Yes, sir.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. WHEELER. The gentleman said a little earlier in the debate on the rule that an American citizen who was old enough to fight for his country and be stationed at one of these military installations was old enough to know whether or not he wanted to gamble and in which manner he wanted to gamble.

Mr. SUTTON. I would not say gamble, just amusement, to keep the club equipped; we do not appropriate funds for that purpose.

Mr. WHEELER. Would not that statement hold true with regard to men who have already fought for their country and who are now members of the VFW and the Legion clubs?

Mr. SUTTON. No, sir; this amendment does not permit their use in American Legion or VFW clubs.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. PLUMLEY. I interrupt to suggest that among the several reasons why I will support this bill are the reasons which have been advanced by the gentleman from Massachusetts [Mr. BATES].

Mr. SUTTON. I thank the gentleman. I am heartily in support of this bill. I am trying to take care of these boys to help build up their morale. This is the least thing we could do to help these boys get recreational facilities in clubs which we as Members of Congress have refused to appropriate money with which they could buy them. I know something of a soldier's mental suffering. If we can alleviate his mental horrors by helping to equip his place of recreation, even if it does cost a few nickels, let us help him to the extent of a little innocent fun. Money is not all there is in this life, a fighting man's conscience must be considered. I agree with General Sherman's definition of war. I know that their mental suffering is almost unbearable. They have my utmost sympathy and I would be happy if I could bring them a few minutes of happiness at the close of their lonely days.

Mr. BARING. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. BARING. By your amendment you are giving this privilege to the veterans. Does not the gentleman think this is the right of every American, that he should have the privilege, if he desires?

Mr. SUTTON. Under this bill they cannot use slot machines, but under this amendment the men in the armed services can use them. By this bill the members of the Armed Forces and the District of Columbia are the only people who are excluded from the use of slot machines.

Mr. PRESTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Tennessee.

I think it would be very unwise to adopt the amendment offered by the gentleman from Tennessee. First of all, to make it permissible for ownership to be had in members of the Armed Forces according to the terms of the amendment or by an enlisted man's club would simply invite collusion between the owners of the machines who cannot otherwise use them and place them in the hands of the operators of the clubs, master sergeants, sergeants, corporals, or privates, with no intent and purpose of making a sale of these machines but at a stipulated sum for the use of them, resulting in collusion between the owners of the machines and the operators of the clubs.

It is a well-known fact that a new enlisted men's club has no funds other than those which are allocated to it by the Special Services Branch of the Armed Forces. Certainly to finance the enlisted men's organizations of our armed services through any lawful means, means that are unlawful, illegal, means that have been prohibited by the Congress through the use of an interstate commerce prohibition, is simply a confession that we do not provide enough recreational facilities and entertainment facilities at our military bases. I am sure that out of the military budget we have provided adequate provision can be made for the soldiers, sailors, and marines of our country without a specific act of Congress permitting them and placing the stamp of approval of Congress to use slot machines to pay for their recreational facilities.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. SUTTON. In a case like that we ought to appropriate more money for them, for we have not provided recreational facilities for them for the past 10 years.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. HOBBS. I wish to ask simply this one question: How can it be recreational to contribute involuntarily to the "kitty" of the clubs? It seems to me that the gentleman from Tennessee, brilliant as he is, contradicts himself; and his statement is repugnant in itself. As he said in his former statement, if our armed services cannot maintain their morale without slot machines, which he admits are nothing but stealing devices to rob the pockets of the enlisted men, I do not see how it can be classed as recreation.

Mr. PRESTON. I thank the gentleman for his most appropriate observation.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. SUTTON. I might say to my good friend from Alabama that it is recreation to some people to see those balls roll in there.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. VORYS. How would it be possible for a new outfit to buy these machines except on time? Is it not quite true that these machines all over the country, unless you have the professional gang in supervising these machines, they just do not seem to operate right? You have to be in with the right crowd and have them servicing the machines, for if you try to own them yourself—and we had some at some of our Legion posts; they tried the experiment. They said they would own the machines themselves. But for some reason or other they just would not operate right, and they could not operate them right until they had them put under a rental arrangement with a local racketeer. If they were to transfer title so as to comply with this amendment you

would still find that the same crowd that is operating these machines outside would be working the machinery in the back of the machines handling the take at the Army base.

Mr. PRESTON. The gentleman is eminently correct. My observation from my investigation of these machines is that it would take a Massachusetts Institute of Technology graduate to fix one of the infernal things once it broke down.

Mr. ROGERS of Florida. Mr. Chairman, I rise in opposition to the amendment.

I am going to be brief, Mr. Chairman. I think this is a very bad amendment to this legislation. The committee had full hearings. Not a single person or organization, not even from the Defense Department, came before our committee and made such a frivolous suggestion as this.

I want to say that our soldiers are honest and they want to be honest. If you put these things in for them to be dishonest, it is not a very good thing. We can raise money for the soldiers and the servicemen other than through these one-armed bandits. Let us do away with them. They are not good for the public then they are not good for the servicemen. Let us not tempt our servicemen and take their money for nothing.

Mr. Chairman, I hope the amendment will be defeated.

Mr. PLUMLEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am not going to have many more opportunities to talk with these many friends of mine who surround me; yet very seriously if there is anything that can afford any enjoyment or any comfort that these boys in Korea can find any fun in, whatever it may be, I am for it.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Arkansas.

Mr. HARRIS. I should like to say to the gentleman that I have some very grave aversions to the amendment proposed here for the simple reason that under the Selective Service Act we are calling boys from 19 to 25 into the service. For this Congress to take action, if it passes this legislation, exempting the Army camps, permitting these boys to walk right into the trap so far as slot machines are concerned, I think is wrong.

The Secretary of Defense has already removed them from the Athletic Club in the Pentagon building and Mr. O'Keefe of the Department of Justice told the committee it was the policy of the Government to prohibit the use of them in and on Government owned and controlled property.

If the Congress were to adopt this amendment, the reaction from the parents and mothers especially, of the boys being drafted throughout the country will be terrific.

Mr. CHRISTOPHER. Mr. Chairman, it seems strange to me, the reluctance with which we face an evil that has got a little money attached to it. You know, I very reluctantly oppose the amendment offered by my good friend and my next door neighbor. I have not made a friend or an acquaintance since I have come to Congress that I value more than the friendship of the gentleman from Tennessee [Mr. SUTTON]. Still I must say that I am in absolute opposition to his amendment.

We would be in a very indefensible position here if we were to say it is wrong to have a slot machine in a restaurant, it is wrong to have a slot machine in a hotel, it is wrong to have a slot machine even in a beer joint, but it is perfectly all right to have one in the PX or in the officers' club or where our boys meet together evenings. It is all right for them, but it is wrong for everybody else. I could not face the mothers in my district if I supported such an amendment—absolutely I could not do it.

Mr. Chairman, this whole piece of legislation does not suit me. I am going to vote for it, but I do not like it and I will tell you why. It does not go far enough. It is like hunting a grizzly bear with a crossbow. I would like to see outlawed race horses, racing dogs, fighting cocks, dice boxes, and so forth. Outlaw gambling altogether. I do not believe in gambling. I do not believe in the temptation that it throws before our people, especially our young men.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Tennessee.

Mr. SUTTON. I would like to say to my good friend that this bill does not prohibit the use of slot machines in beer joints or in any place else, but by my amendment it will keep those boys in the army camps from going into a beer joint and donating their money to them, and if you adopt this amendment they will donate to the army camps.

Mr. CHRISTOPHER. I wish I could agree with my friend from Tennessee, but it is impossible for me to do so. As I have said previously, this bill is weak but I hate slot machines so badly that I am going to vote for any legislation that seeks in any way to limit their use. They have been outlawed in my State, and I hope they will never again be legalized. Gambling, dope, and alcoholism—three fiends with which it is fruitless to seek to compromise. Some of my colleagues here today have offered as an argument against this legislation the statement that this legislation would not abolish gambling. The commandment, "Thou shalt not kill," and the laws of man upholding that commandment have not abolished murder, but no one considers repealing the law against it. We, as a Nation, have already compromised too much with evil. We spend $9,000,000,000 a year for alcoholic beverages and $3,000,000,000 per year to educate our children who will be the men and women of tomorrow. This bill legalizes slot machines when used for charitable purposes and where they are operated by fraternal or charitable organizations. This bill reminds me of a story.

In a certain city the city council had made it a rule to take no action respecting the city regulation unless they could find authority for their action in the city ordinances. They had a great volume in which all the ordinances that the city council had ever passed had been assembled. One day a dog developed rabies and was found roaming the streets of the town and the citizens sought their homes, brought their children indoors, and notified the city council. Such a thing had never happened in the town before and the city council spent days studying their book of ordinances. At last a clause was found that seemed to bear on the situation. This passage read as follows: "In case a beast shall rage and rave so that he endanger the public safety, his tail shall forthwith be removed." Then the argument begun anew, as it sometimes seems to do in this House. One said a dog does not bite with his tail, another said a dog with no tail can bite as hard and be just as dangerous as a dog with a tail a yard long. Another councilor who believed the laws were all right advanced the theory that a dog with no tail would be easier controlled than one with a tail because in the case of the tailless dog there would be less dog to regulate.

While the argument proceeded the first dog bit other dogs and conditions in the town were becoming worse every hour. Finally a young man came before the assembly and asked to have the passage referred to read to him. When the young man heard it, he said, "The law is sufficient. It does not state in the law the point at which the dog's tail shall be removed. I move that we cut the dogs' tails off just 1 inch behind their ears." The motion carried unanimously and the application of that measure ended the mad-dog menace in the town once and for all. This bill just cuts the dogs' tails off but I am going to support it because it is one step in the right direction but still a very short step.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The question is on the amendment offered by the gentleman from Tennessee [Mr. SUTTON].

The amendment was rejected.

Mr. BARING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARING: Page 3, line 11, after the word "possession" strike out down to and including the word "section" on line 18, and insert: "Provided any State that has enacted a law legalizing or licensing the use of gambling devices shall be exempt from the provisions of this act. Any subdivision of any State that has enacted a law and has the approval and sanction of said State shall be exempt from the provisions of this act."

Mr. BARING. Mr. Chairman, this amendment clarifies one of the doubts that I have on this bill where it vitally

affects Nevada. If this amendment is passed, Nevada will not have to have enabling legislation and a special session of the State legislature. We could continue on with our usual form of business in our State if this amendment were passed. This is one of the points, as I said, that vitally affects Nevada.

Mr. ROGERS of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to say that we have provided in this bill that it does not affect the State of the gentleman from Nevada at all; in other words, all the machines he has in Nevada at the present time could be operated. And, I want to say this, Mr. Chairman, that if the legislature of any State of this Union desires to come without the provisions of this bill, the only thing they have to do is to pass a law and out they come. Now, there is no other State affected like Nevada. Nevada is an open gambling State. You can use slot machines or any other machine, I understand, out there. Now, we are not affecting them.

Mr. ROONEY. Mr. Chairman, will the gentleman from Florida yield?

Mr. ROGERS of Florida. I yield to the gentleman from New York.

Mr. ROONEY. Does the distinguished gentleman mean to infer that there are no gambling machines in the State of Florida?

Mr. ROGERS of Florida. I never said a thing about the State of Florida; not a thing. There might be so far as I know, but if I could take one swoop of the pen and get them out, they would not be there, I will say that, or in Nevada either.

I think the amendment ought to be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nevada [Mr. BARING].

The question was taken; and on a division (demanded by Mr. BARING) there were—ayes 23, noes 78.

So the amendment was rejected.

Mr. BARING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARING: Page 7, line 10, after the period insert: "*Providing*, That the provisions of this act shall not apply to the transportation involving the return to the original consignor of a gambling device by the original consignee who resides in a State or subdivision thereof where such devices are licensed."

Mr. BARING. Mr. Chairman, this is the other amendment as proposed by my State, which will make it possible for the machines which are sold on consignment to be sent back to the manufacturer for repairs or exchange.

Mr. ROGERS of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an inappropriate amendment. In addition, if these machines wear out, and they have parts in the State of Illinois where most of them are made, then let them ship those parts down to Nevada and give the people in Nevada the work to do instead of shipping the machines back up to Illinois. We are trying to take care of the gentleman from Nevada, if he will let us, but he will not let us take care of him.

Mr. Chairman, I hope the amendment does not pass.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nevada [Mr. BARING].

The question was taken; and on a division (demanded by Mr. BARING) there were—ayes 28, noes 64.

So the amendment was rejected.

Mr. REES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I don't want to criticize this legislation. I support it as far as it goes. But it seems to me the discussion is sort of a tempest in a teapot. Some of the discussion on this bill would make it appear that this legislation would outlaw most of the gambling in the United States. I wish that were true. What you propose to do is to prevent the transportation of certain gambling machines from one State to another. Some one said a few minutes ago that many of the gambling devices are made in the State of Illinois. Of course, under this measure that State will not be affected by this approval of this bill. Machines made within any State can be used within that State. The gentleman from Indiana, I think explained that situation a few minutes ago.

I would not have you think I am against this bill. I am in favor of it. I wish it could go further. I know it has the approval of many law enforcement officers throughout the country who are presently having difficulty in dealing with a bad situation that appears to be getting out of hand. I think we all agree that unless those administering the laws within the respective States, do their part, little can be done on a Nation-wide basis. You must have law enforcement within the States.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Arkansas, who is very much interested in this problem. I know he is anxious to do everything possible to correct it.

Mr. HARRIS. I assume the gentleman has observed that the real purpose of this proposal, which is the proposal of the conference of attorneys general of the various States of the Union, is to get at the syndicated slot-machine racket. That was the problem which was posed to the Department of Justice by this conference. The conference brought it with the assistance of the Department of Justice to our committee. The committee, after recognizing that problem, which we were advised was a real problem to the country, reported this bill, at the same time recognizing the rights of the States and the responsibilities of the several States in connection with crime and law enforcement.

Mr. REES. I hope this syndicated crowd that the gentleman has talked about will be outlawed by this bill and put out of business. They have taken thousands of dollars from the young people of this country under the guise, in many instances, that the money going into the machines would be, after all, used for a worthy purpose. I hope the objective described by the distinguished gentleman from Arkansas may be realized. I know he is in earnest and wants to do the thing that is right. The thing you are going to need most is the cooperation of the officers in the various States.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to my distinguished friend from Minnesota.

Mr. O'HARA of Minnesota. I am sure the gentleman is going to support this legislation, as am I, but will not the gentleman agree with me that this law does not mean anything unless it is enforced?

Mr. REES. Oh, certainly. If it is not enforced, it is no good. That is true. I am going to support the legislation, but I say it does not go far enough. This bill says, in substance, these machines cannot be shipped outside the States where they are made.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. REES. Yes, I am glad to yield to my distinguished friend, who is always courteous. On rare occasions we may not quite agree, but I have always found him to be eminently fair.

Mr. ROONEY. I thank the gentleman. I have great respect for the gentleman's opinion, and certainly great respect for his earnestness, but does the gentleman think that he can legislate gambling out of existence?

Mr. REES. I doubt very much that gambling, as such, can be legislated out of existence. I think we should go further than to say that gambling devices cannot be used if they are made outside of the State where they are operated. I am referring especially to the big operators that have been referred to this afternoon. Federal officers are called upon, time after time, to deal with high-powered criminals who are connected, either directly or indirectly with the syndicates which the gentleman from Arkansas [Mr. HARRIS] has so ably described. Again, I hope this legislation will do the things hoped for by the sponsors of the bill.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield again to the distinguished gentleman from Arkansas.

Mr. HARRIS. As far as the Congress is concerned, the authority is given to the appropriate agencies to see that they are put out of business.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman and able lawyer from Arkansas.

Mr. TACKETT. You say the bill does not go far enough. I presume you mean that by just curbing interstate shipments of these gambling devices it does not go far enough, and that this Congress should actually prohibit gambling within any of the States. Is that correct?

Mr. REES. Well, I realize the problem with respect to interfering with State laws.

Mr. TACKETT. Then, how far does the gentleman think the bill ought to go?

Mr. REES. I can understand the gentleman's interest in protecting what is known as States' rights. We all under-

stand that unless we have the cooperation and the active assistance of State and local officials, it will be most difficult to enforce this measure if enacted into law.

We read through the newspapers almost every day of the crimes that are being committed and the racketeering going on on a national scale. We are told that a great deal of the racketeering is being done by what are known as big-time gamblers of the underworld who exact millions of dollars from innocent victims of this country. We are also told about the only way the Government can get at them is through income-tax evasion, if you can find it. Now, you say the only way you can approach this angle of the problem is to prevent the use of gambling machines made outside the State. Surely, since this crime problem, so dramatically described here this afternoon, has reached such terrific proportions and has become Nation-wide, there must be a way of outlawing the thing on a Nation-wide scale. I am talking particularly about what is described here as big-time gambling.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TACKETT. Mr. Chairman, I move to strike out the last word.

The proposal to prohibit the shipment of slot machine gambling devices through interstate commerce into areas wherein slot machines have not been legalized amounts to no more or less than an unenforceable policy calling upon the members of this House to protest sin. Just like the majority of you, I, too, shall vote against sin, well knowing that this legislation will never amount to a hoot.

No law is any stronger than the will of the people within the involved localities. There are no one-arm bandit slot machines in the areas where the people do not want them. Regardless of prohibitive law, there will continue to be one-arm bandit slot machines within the areas where the people want them. I am thankful that the people still rule in this democracy.

I served as a prosecuting attorney of the Ninth Judicial Circuit of the State of Arkansas. I can prove by every official and citizen of that circuit that there was not one single, solitary slot machine within the circuit during my tenure in office. We had no slot machines because the people did not want them. The court officials and the local officers can control this type of crime if they want to and if the people demand it. As when I served as prosecuting attorney, there are now no slot machines in the Ninth Judicial Circuit of Arkansas. The prosecuting attorney of that circuit well knows that his constituents do not intend to tolerate such devices; and that should he allow this mode of crime, the people would be immediately looking for a more effective prosecuting attorney. There are other judicial circuits that will continue to have slot machines in compliance with the wishes of the people residing in that area, regardless of Federal statutory policy to the contrary.

Several Members of this House have argued that this bill does not go far enough. I will admit that the proposal amounts to little, but it would certainly be impossible for us who believe in the rights of States to favor a stronger proposal. Actually, this bill goes too far because it allows the Federal Government to infringe upon the rights, duties, obligations, and responsibilities belonging to the States. Of course, we are voicing ourselves against sin; and, therefore, are willing to overlook fundamentals and perhaps set a precedent that will in the near future be difficult to reconcile. Should the bill go as far and be as effective as some Members would have you feel it should, I cannot understand how those of us who believe in the rights of the States, rather than Federal regimentation, could support the measure. Those advocates could have no other intention than to authorize the Federal Government to abolish State functions and obligations, which would eventually lead to the abolition of State lines and the federalization of our people. Those advocates would form a Federal Gestapo to supervise the people within our districts.

It is interesting to note that the leading proponents of this legislation are likewise the leading proponents for the retention of States' rights. This attitude is difficult to reconcile. In one breath certain of us argue that the States should control crime within the States, and in the next breath we are willing to allow the Federal Government—by such legislation as is now under consideration—to regulate State functions by the back-door method. You well know the tune that would be sung by those advocates of this legislation should it be for the purpose of allowing the Federal Government to set up a Fair Employment Practices Commission to govern our people, or to establish Federal antilynching jurisdiction, or any of the other so-called civil rights measures. Then, many of the advocates of this legislation would be hollering those were the functions for the local people and that the Federal Government should not infringe upon the responsibilities of the various States. Oh, yes, it will be argued with reference to the so-called civil rights legislation that the Federal Government has no jurisdiction and that any such proposed activities would be contrary to the Constitution. I am in accord with such argument, but the Federal Government has no more authority to regulate slot-machine activities than it has to regulate other State crimes. The proponents of this legislation contend that the Federal Government is only regulating interstate commerce. For instance, that is exactly the contention of those who advocate Federal civil rights jurisdiction. The fair employment practices proposal would regulate civil rights phases of labor engaged in interstate commerce and thereby, in effect, regulate civil rights phases of all labor legislation within the States.

I could discuss the Federal jurisdictional contention advanced by the advocates of all other civil rights proposals, but it all comes down to proposing that the Federal Government regulate the local people wherein the State has sole jurisdiction by allowing the Federal Government to regulate activities wherein it is contended that the Federal Government has authority. To prohibit the shipment of slot machines in interstate commerce to or from territories in which this mode of gambling has not been legalized has for its purpose the prohibition of this type of gambling within the States. None of you will argue that the Federal Government has any authority to control gambling within the State, but by this legislation—if it were effective—we would be authorizing the Federal Government to do just exactly that. As some of you contend, the proposal will be ineffective unless the Federal Government be authorized to outright control gambling within the States. I am also in accord with that argument, but I shall never support any legislation which has for its purpose the abolition of local functions and the federalization of our people.

I am reminded of the days spent by this House not long ago debating civil-rights legislation. What a different tune is today being sung by many who were then protesting Federal infringement upon State jurisdiction. The holler of the civil-rights opponents was certainly contrary to their contentions today.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. POULSON. It is only 2 months until November. Perhaps that might make some difference.

Mr. TACKETT. No; that does not make any difference to those of us who do not believe in Federal infringement and nationalization. The people in my area do not believe in State lines being abolished by the Federal Government. We still contend that all rights were retained by the people and their States, with the exception of those which were specifically granted by our Constitution to the Federal Government. In that same area, we are opposed to slot-machine devices, and there is no one in this House who more dislikes this method of gambling than I. That is actually not the point involved. Murder and rape are even more heinous crimes than slot-machine gambling, but would any of you who believe in local government argue that the Federal Government has jurisdiction in these crimes. Even those who argue that the Federal Government should have jurisdiction in lynching cases are at a loss to favor Federal jurisdiction for murder, rape, and gambling.

Again, I wish to repeat that every statutory law is just as strong as the will of the people within the involved area.

Mr. FERNANDEZ. And if the local people want you to vote for it, you will vote for it?

Mr. TACKETT. I was not sent to Congress to represent the interests of BOYD TACKETT, but as their Representative to vote their wishes. The establishment of a law contrary to their wishes will amount to nothing, because the people rule.

None of us believe in lynching, but I contend that the Federal Government has no more right dabbling into local lynchings than it has to prosecute for

murder committed within the boundaries of a State. The Federal Government certainly has no more authority for controlling slot-machine activities than it has for controlling the more heinous crimes of murder and rape. I do not believe that slot-machine gambling can be justified; in fact, I consider it one of the most vicious types of gambling. Your people do not need tolerate one-arm bandits. They elect their local officials by the same method and at the same time they elect you.

This bill in its present form amounts to nothing, but I shall strongly protest any efforts to so modify its provisions as to establish a Federal Gestapo to take over the operations and functions of the States.

(By unanimous consent the pro forma amendments were withdrawn.)

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. JACKSON of Washington, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 3357) to prohibit transportation of gambling devices in interstate and foreign commerce, pursuant to House Resolution 807, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not the chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BARING. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BARING. I am opposed to the bill.

The SPEAKER. The gentleman qualified. The Clerk will report the motion.

The Clerk read as follows:

Mr. BARING moves to recommit the bill to the Committee on Interstate and Foreign Commerce for further study and investigation.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. BARING) there were—yeas 10, noes 116.

So the motion was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 272. Concurrent resolution authorizing correction of chapter and section numbers in the enrollment of H. R. 7786.

The message also announced that the Senate had ordered that the Senator from New Hampshire [Mr. TOBEY] be excused as conferee on the bill H. R. 9176, entitled "An act to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes," and the Senator from New York [Mr. IVES] be appointed in his stead.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7786) entitled "An act making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 68, 72, 92, 175, 189, 192, 198, 200, 209, 215, 238, 284, 288, 289, 319, 337, 338, 345, 354, 361, 363, 373, 388, 399, 467, 471, 472, 473, 475, 476, and 477; and be it further

Resolved, That the Senate concur in the amendment of the House to the amendment of the Senate numbered 35, with an amendment to the above-entitled bill.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 30 minutes tomorrow at the conclusion of the legislative business and any special orders heretofore entered.

GENERAL APPROPRIATION BILL, 1951

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7786) making appropriations for the Government for the fiscal year ending June 30, 1951, and for other purposes, with a Senate amendment, and consider the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the Senate amendment as follows:

Amendment No. 35: In lieu of the matter proposed by the House amendment, insert the following: "$832,000, and the affairs of the Joint Committee on Foreign Economic Cooperation, provided for in Senate Resolution 298, Eighty-first Congress, shall be liquidated not later than August 31, 1950."

Mr. McGRATH. Mr. Speaker, I ask unanimous consent that the House concur in the amendment of the Senate to the amendment of the House to Senate amendment No. 35.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PUERTO RICO AND THE VIRGIN ISLANDS

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3546) to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 3 (b) of the act of June 6, 1933 (48 Stat. 113), as amended, is hereby amended to read as follows:

"(b) Whenever in this act the word 'State' or 'States' is used, it shall be understood to include Hawaii, Alaska, Puerto Rico, and the Virgin Islands."

SEC. 2. Section 5 of said act is amended to read as follows:

"(a) There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts from time to time as the Congress may deem necessary to carry out the purposes of this act.

"(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State which (i), except in the case of Puerto Rico and the Virgin Islands, has an unemployment compensation law approved by the Secretary under the Federal Unemployment Tax Act and is found to be in compliance with section 303 of the Social Security Act, as amended, and (ii) is found to be in compliance with the Act of June 6, 1933 (48 Stat. 113), as amended, such amounts as the Secretary determines to be necessary for the proper and efficient administration of its public employment offices."

SEC. 3. Sections 6 and 7 of the act are hereby repealed.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LAKE ASHTABULA

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 163) to designate the reservoir above the Baldhill Dam in North Dakota as Lake Ashtabula.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the reservoir located above the Baldhill Dam in North Dakota shall hereafter be known as Lake Ashtabula, and any law, regulation, document, or record of the United States in which such reservoir is designated or referred to shall be held to refer to such reservoir under and by the name of Lake Ashtabula.

The joint resolution was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

BERNARD F. ELMERS

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4803) for the relief of Bernard F. Elmers, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BYRNE of New York, DENTON, and KEATING.

ANNOUNCEMENT

Mr. MARCANTONIO. Mr. Speaker, on last Saturday, I was unavoidably absent. If present on roll call No. 255, I would have voted "nay." This is the roll call by which the bill H. R. 9526, making supplemental appropriations for the fiscal year ending June 30, 1951, was passed.

ADMINISTRATION SUPPRESSION OF GENERAL MACARTHUR'S REPORT ON DEFENSE OF FORMOSA

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, the action of President Truman directing General Douglas MacArthur to suppress his communication to the Veterans of Foreign Wars, constituting his appraisal of the necessity to defend Formosa, is an unfortunate act.

It is to be taken by the American people as another flagrant example of the incredible bungling by the administration over the past 5 years, bungling which delivered Manchuria and most of China to the Communists and which culminated in the Korean conflict. It is simply another chapter in a long series of blunders whereby sound military advice was suppressed and political decisions, in keeping with the policy of appeasing the Soviet Union, were superimposed for political reasons. It is simply another exhibit of a bankrupt leadership which suppressed the Wedemeyer report for 2 years because it urged aid for the enemies of communism in China.

General MacArthur is not only the supreme commander in Japan for the allied forces, but he is the Commander in the Field for the United Nations, and in the latter capacity has already submitted two reports to the United Nations Security Council, which is presided over by Jacob Malik, the Soviet Union's delegate. Certainly, if the Soviet Union is entitled to MacArthur's views, through Jacob Malik, then the American people likewise have a right to them.

Although the White House has authority to suppress the utterances of the military, we in America still are fortunate enough to have a free press. Therefore, I am able to hold in my hand a copy of the suppressed MacArthur communication to the Veterans of Foreign Wars, which has been printed in the United States News and World Report in its issue which will appear on the newsstands tomorrow and which was already off the press and in the mails and could not be recalled. Thus, the White House scheme to withhold General MacArthur's views has been thwarted by one of the cornerstones of American liberty, a free press.

Mr. Speaker, because of the importance of this document, I now ask unanimous consent to have General MacArthur's communication, as published in the United States News and World Report, appear in the RECORD at this point as part of my remarks and the proceedings of the House.

I would call the attention of the House to one of the probable reasons for the suppression of this report. You will recall that last January 12 Secretary of State Acheson, in a speech to the National Press Club here in Washington, declared that our (and I quote) "defensive perimeter runs along the Aleutians to Japan and then goes to the Ryukyus," (unquote) thus virtually inviting the Communists to go in and take Korea and Formosa, both of which were beyond Mr. Acheson's "perimeter."

General MacArthur, in his suppressed communication to the Veterans of Foreign Wars, lays down a much more realistic defense perimeter which embraces all free lands off-shore Asia in the Pacific—which, of course, includes Formosa. I would also like to call your attention to the General's words, in contrast to those of our political Secretary of State, Mr. Acheson, and I quote General MacArthur: "If we hold this line, we may have peace—lose it and war is inevitable."

Mr. Speaker, I am sorry I cannot conclude the rest of this statement, but I hold in my hand a copy of General MacArthur's statement which appears in the United States News and World Report of September 1, 1950, which undoubtedly will go to every part of the United States. If this publication is permitted to use it, certainly the rest of the people of the country should have it.

Therefore, Mr. Speaker, I ask unanimous consent that it be incorporated in my remarks as part of my statement.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

(The statement is as follows:)

FORMOSA MUST BE DEFENDED—A DECLARATION BY GEN. DOUGLAS MACARTHUR, SUPREME COMMANDER IN JAPAN FOR THE ALLIED POWERS

To Clyde A. Lewis, commander in chief, Veterans of Foreign Wars of the United States, Chicago, Ill.:

Your inspiring message of the 17th has moved me deeply, and I trust that you will convey to all of my comrades in arms of the Veterans of Foreign Wars assembled on the occasion of our fifty-first annual national encampment my assurance that their confidence and support will give this command much added strength to meet the tests of battle which lie immediately ahead. Tell them that I am happy to report that their successors in arms now engaging the enemy along our battle lines in South Korea are exemplifying that same high standard of devotion, fortitude, and valor which characterized their own march to victory when they themselves engaged in combat in the field. From senior commanders down through all ranks, their tactical skill, their invincible determination, and their fighting qualities against a fanatical foe, well trained, expertly directed, and heavily armed, have upheld our country's finest traditions. Toward victory, however, difficult the road, they are giving an account of themselves which should make every American heart beat with pride and infinite satisfaction.

In view of misconceptions currently being voiced concerning the relationship of Formosa to our strategic potential in the Pacific, I believe it in the public interest to avail myself of this opportunity to state my views thereon to you, all of whom having fought overseas understand broad strategic concepts.

To begin with, any appraisal of that strategic potential requires an appreciation of the changes wrought in the course of the past war. Prior thereto the western strategic frontier of the United States lay on the littoral line of the Americas with an exposed island salient extending out through Hawaii, Midway, and Guam to the Philippines. That salient was not an outpost of strength but an avenue of weakness along which the enemy could and did attack us. The Pacific was a potential area of advance for any predatory force intent upon striking at the bordering land areas.

All of this was changed by our Pacific victory. Our strategic frontier then shifted to embrace the entire Pacific Ocean, which has become a vast moat to protect us as long as we hold it. Indeed, it acts as a protective shield for all of the Americas and all free lands of the Pacific Ocean area. We control it to the shores of Asia by a chain of islands, extending in an arc from the Aleutians to the Marianas, held by us and our allies.

From this island chain we can dominate with airpower every Asiatic port from Vladivostok to Singapore and prevent any hostile movement into the Pacific. Any predatory attack from Asia must be an amphibious effort. No amphibious force can be successful without control of the sea lanes and the air over those lanes in its avenue of advance. With naval and air supremacy and modest ground elements to defend bases, any major attack from continental Asia toward us or our friends of the Pacific would be doomed to failure.

Under such conditions the Pacific no longer represents menacing avenues of approach for a prospective invader—it assumes instead the friendly aspect of a peaceful lake. Our line of defense is a natural one and can be maintained with a minimum of military effort and expense. It envisions no attack against anyone nor does it provide the bastions essential for offensive operations, but properly maintained would be an invincible defense against aggression. If we hold this line we may have peace—lose it and war is inevitable.

The geographic location of Formosa is such that in the hands of a power unfriendly to the United States, it constitutes an enemy salient in the very center of this defensive perimeter, 100 to 150 miles closer to the adjacent friendly segments—Okinawa and the Philippines—than any point in continental Asia.

At the present time there is on Formosa a concentration of operational air and naval bases which is potentially greater than any similar concentration on the Asiatic mainland between the Yellow Sea and the Strait

of Malacca. Additional bases can be developed in a relatively short time by an aggressive exploitation of all World War II Japanese facilities.

An enemy force utilizing those installations currently available could increase by 100 percent the air effort which could be directed against Okinawa as compared to operations based on the mainland and at the same time could direct damaging air attacks with fighter-type aircraft against friendly installations in the Philippines, which are currently beyond the range of fighters based on the mainland. Our air supremacy at once would become doubtful.

As a result of its geographic location and base potential, utilization of Formosa by a military power hostile to the United States may either counterbalance or overshadow the strategic importance of the central and southern flank of the United States front-line position. Formosa in the hands of such a hostile power could be compared to an unsinkable aircraft carrier and submarine tender ideally located to accomplish offensive strategy and at the same time checkmate defensive or counteroffensive operations by friendly forces based on Okinawa and the Philippines.

This unsinkable carrier-tender has the capacity to operate from 10 to 20 air groups of types ranging from jet fighters to B–29 type bombers as well as to provide forward operating facilities for short-range coastal submarines. In acquiring this forward submarine base, the efficacy of the short-range submarine would be so enormously increased by the additional radius of activity as to threaten completely sea traffic from the South and interdict all sea lanes in the Western Pacific. Submarine blockade by the enemy with all its destructive ramifications would thereby become a virtual certainty.

Should Formosa fall and bases thereafter come into the hands of a potential enemy of the United States, the latter will have acquired an additional fleet which will have been obtained and can be maintained at an incomparably lower cost than could its equivalent in aircraft carriers and submarine tenders. Current estimates of air and submarine resources in the Far East indicate the capability of such a potential enemy to extend his forces southward and still maintain an imposing degree of military strength for employment elsewhere in the Pacific area.

Historically, Formosa has been used as a springboard for just such military aggression directed against areas to the south. The most notable and recent example was the utilization of it by the Japanese in World War II. At the outbreak of the Pacific War in 1941, it played an important part as a staging area and supporting base for the various Japanese invasion convoys. The supporting air forces of Japan's Army and Navy were based on fields situated along southern Formosa.

From 1942 through 1944 Formosa was a vital link in the transportation and communications chain which stretched from Japan through Okinawa and the Philippines to southeast Asia. As the United States carrier forces advanced into the western Pacific, the bases on Formosa assumed an increasingly greater role in the Japanese defense scheme. Should Formosa fall into the hands of a hostile power, history would repeat itself. Its military potential would again be fully exploited as the means to breach and neutralize our western Pacific defense system and mount a war of conquest against the free nations of the Pacific basin.

Nothing could be more fallacious than the threadbare argument by those who advocate appeasement and defeatism in the Pacific that if we defend Formosa we alienate continental Asia. Those who speak thus do not understand the Orient. They do not grasp that it is in the pattern of oriental psychology to respect and follow aggressive, resolute and dynamic leadership—to quickly turn from a leadership characterized by timidity or vacillation—and they underestimate the oriental mentality.

Nothing in the last 5 years has so inspired the Far East as the American determination to preserve the bulwarks of our Pacific Ocean strategic position from future encroachment, for few of its peoples fail accurately to appraise the safeguard such determination brings to their free institutions.

To pursue any other course would be to turn over the fruits of our Pacific victory to a potential enemy. It would shift any future battle area 5,000 miles eastward to the coasts of the American continents, our own home coasts; it would completely expose our friends in the Philippines, our friends in Australia and New Zealand, our friends in Indonesia, our friends in Japan, and other areas, to the lustful thrusts of those who stand for slavery as against liberty, for atheism as against God.

The decision of President Truman on June 27 lighted into flame a lamp of hope throughout Asia that was burning dimly towards extinction. It marked for the Far East the focal and turning point in this area's struggle for freedom. It swept aside in one great monumental stroke all of the hypocrisy and the sophistry which has confused and deluded so many people distant from the actual scene.

MACARTHUR.

LET US STAND ON PRINCIPLE

Mr. CURTIS. Mr. Speaker, today we are reaping the harvest that comes to a Nation whose leaders have turned their backs on the principles of justice and righteousness.

Our whole sordid history of the recognition of the Communist government of Russia early in the Roosevelt administration and the sending to the Communists of billions of dollars of supplies and money to make the Communists strong has been the big mistake of our generation.

All through the past years, Communist Russia has been the same cruel, aggressive military power with the same ideas and the same notions as she has today. Our leaders in the administration of lend-lease, the conduct of the war, the distribution of billions of dollars' worth of postwar relief and in the conferences at Yalta, Potsdam, and Tehran have sought to appease Russia and have failed to stand for the principle of right.

The suggestion some months ago by former President Herbert Hoover calling for reorganization of the United Nations, leaving out Russia and her satellites, has had my careful consideration. And I have concluded this change should be made.

The United Nations ought to be an organization of the anti-Communist nations throughout the world. A program could then be developed in which these nations could work together for their common defense and for the peace of the world. The United Nations would then become a bulwark for human freedom everywhere. This, of course, would not preclude the exchange of notes and messages or conferences of United Nations leaders with Russia and other Communist countries in an effort to get the Communist world to cease their program of aggression.

We should not lose sight of the fact that Korea is one country. North Koreans and South Koreans speak a common language, have common customs, religion, and economy. The country's division results solely from a decision at the close of World War II by the Pentagon in Washington to allow the Russians to accept the surrender of Korea—then Japanese-controlled—north of an arbitrarily drawn line on the map, the thirty-eighth parallel, and the Americans accepted surrender south of that line. The Russians then moved in, stayed there, communized and militarized North Korea. Today North Korea is an aggressor.

We are told that the forces fighting with South Korea now are the United Nations' forces. Americans complain—and justifiably so—that they have had to bear the brunt of the fighting for the United Nations in Korea.

Suppose a world police force were established by the United Nations, made up of troops and officers of the member countries, such a world police force or world army would, under the present set-up, include Communists. This, then, would give them a golden opportunity to go into every trouble spot in the world and to keep their Communist troops there, just as they have done in North Korea. It would put Russia and other Communist countries in a position to destroy all the efforts of anti-Communist countries seeking to establish peace.

Today what would happen if Russia's Deputy Foreign Minister Jacob Malik, now president of the Security Council, were to announce he was going to visit the front in the Korean war? If Mr. Warren Austin, our chief United Nations delegate, were president, we would insist he had that right. Suppose Mr. Malik, as head of the Security Council, decided to change commanders or to appoint some staff officers for the United Nations in South Korea.

The present situation is like having Satan as a member of the church board.

Yet it is contended by some who are very well informed and well qualified that the Communists should continue to participate in United Nations affairs. But as a UN member the Communists can sabotage all our efforts.

If the United Nations becomes an organization of the anti-Communist countries of the world, deliberation can then be opened with a prayer for divine guidance. It can declare where it stands and be a beacon light to the entire world. It would be a final answer as to whether or not the Red Government of China should come into the United Nations. Red governments everywhere would be barred.

Freedom-loving people would be welcome. It would be the strongest possible inducement for wavering countries to oust their Communist control and to join those nations who want to preserve civilization and human freedom.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. YATES (at the request of Mr. MCGUIRE), for an indefinite period, on account of illness.

To Mr. BURTON (at the request of Mr. FUGATE), for Monday, August 28, on account of illness.

To Mr. ANGELL (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of illness in family.

EXTENSION OF REMARKS

Mr. CANFIELD asked and was given permission to extend his remarks and include an editorial.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6339. An act to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multi-purpose tunnel through the Laguna Mountains in San Diego County, Calif.; and

H. R. 9134. An act to amend section 4311 of the Revised Statutes (46 U. S. C. 251).

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2484. An act to authorize the Secretary of Commerce to provide war-risk and certain marine and liability insurance;

S. 2633. An act to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes; and

S. 3724. An act for the relief of Maria Sulikowska Forbes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.), the House adjourned until tomorrow, Tuesday, August 29, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1653. Under clause 2 of rule XXIV, a letter from the Under Secretary of the Navy, transmitting a report by the Department of the Navy pertaining to transportation of personnel for the fiscal year 1950, pursuant to Public Law 560, Eighteenth Congress, was taken from the Speaker's table and referred to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. H. R. 7332. A bill to authorize an appropriation for cooperation with joint district No. 5, towns of Almon, Barthelme, Morris, and Seneca, and the village of Bowler, Shawano County, Wis., for the construction, extension, improvement, and equipment of public school buildings at Bowler, Wis., to be available to both Indian and non-Indian children; with amendment (Rept. No. 3009). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTINGTON: Committee of conference. H. R. 7941. A bill to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; without amendment (Rept. No. 3010). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VINSON:

H. R. 9564. A bill to provide for the renegotiation of contracts, and for other purposes; to the Committee on Ways and Means.

By Mr. ABBITT:

H. R. 9565. A bill to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. KING:

H. R. 9566. A bill to extend medical benefits to dependents of Coast Guard personnel and to widows of deceased Coast Guard personnel; to the Committee on Interstate and Foreign Commerce.

By Mr. GUILL:

H. J. Res. 535. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a Select Joint Committee on Foreign Policy; to the Committee on Foreign Affairs.

By Mr. McGUIRE:

H. Con. Res. 273. Concurrent resolution to express the sense of the Congress with respect to the disposition of certain Italian colonies; to the Committee on Foreign Affairs.

By Mr. JACKSON of California:

H. Res. 829. Resolution to direct the Attorney General to transmit to the House of Representatives certain information with respect to the arrest, detention, and deportation of Rafael Garcia Travesi-Carral; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY:

H. R. 9567. A bill for the relief of Joseph M. Burr; to the Committee on the Judiciary.

H. R. 9568. A bill for the relief of Mrs. Yoshiko Hata Shockey and her minor daughter; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2350. By the SPEAKER: Petition of Frank Sneberger, clerk, Slovak Calvinistic Presbyterian Union, Jersey City, N. J., relative to "pressure being brought upon the Government of the United States of America to open the doors of this beloved country of ours to questionable characters;" to the Committee on the Judiciary.

2351. Also, petition of A. Fred Roberts, secretary, Citizens-Taxpayers Association of Westerly, R. I., relative to the adoption of an amendment to the social-security law; to the Committee on Ways and Means.

2352. Also, petition of Mrs. Nettie Kisor, secretary, Port Orange Townsend Club, No. 1, Port Orange, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2353. Also, petition of Neva C. Lamphere and others, Winter Park, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2354. Also, petition of Mabel Kelly and others, Port Orange, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

TUESDAY, AUGUST 29, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

The day returns, O Lord, and brings us the round of concerns and duties. Help us to perform them with a sense of expediency, but let our hearts be filled with high intent and good will. Lead us to perceive what Thou dost require of us even to do justly, to love mercy and to walk humbly with our God. Grant that in all things we may be masters of ourselves that in the best sense we may be truly the servants of others. Enable us to keep faith in our fellowmen and remain sound of heart in spite of ingratitude. Open wide our souls that we may breathe in the great and good things of life. In the name of our strong deliverer. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 28, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 28, 1950:

S. 819. An act for the relief of Herman L. Weiner;

S. 1506. An act for the relief of Andre Lan;

S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi;

S. 2614. An act for the relief of O. O. Haugen;

S. 3129. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Rosebud Indian Agency, S. Dak.;

S. 3238. An act for the relief of Dr. Frederick Daniel McDade; and

S. 3698. An act to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work.

On August 29, 1950:

S. 2204. An act for the relief of Rudolph Farcher.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the

House had passed, without amendment, the following bill and joint resolution of the Senate:

S. 3546. An act to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes; and

S. J. Res. 163. Joint resolution to designate the reservoir above the Baldhill Dam in North Dakota as Lake Ashtabula.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 868. An act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes; and

S. 3357. An act to prohibit transportation of gambling devices in interstate and foreign commerce.

The message further announced that the House had passed the bill (S. 2028) to permit the Board of Education of the District of Columbia to participate in the foreign teacher exchange program in cooperation with the United States Office of Education, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4803) for the relief of Bernard F. Elmers; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. DENTON, and Mr. KEATING were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1188. A bill defining and regulating the practice of the profession of engineering and creating a Board of Registration for Professional Engineers in the District of Columbia;

H. R. 9362. A bill to provide for the exchange of certain national park land situated in the District of Columbia for certain lands owned by the New Temple Committee, Inc.; and

H. R. 9524. A bill to supplement the District of Columbia Teachers' Leave Act of 1949.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 2887. An act to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare;

H. R. 6343. An act relating to customs duties on articles coming into the United States from the Virgin Islands;

H. R. 6804. An act for the relief of certain Italian aliens;

H. R. 6832. An act for the relief of Choko Nishida;

H. R. 7265. An act to provide for the conduct of a periodic census of governments;

H. R. 7447. An act to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits;

H. R. 8219. An act for the relief of Tadeusz Herka; and

H. J. Res. 238. Joint resolution to amend the Nationality Act of 1940, as amended.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. KNOWLAND was excused from attendance on the session of the Senate today.

On request of Mr. MAYBANK, and by unanimous consent, Senate conferees on the Defense Production Act, Messrs. MAYBANK, TAYLOR, FULBRIGHT, ROBERTSON, SPARKMAN, CAPEHART, FLANDERS, and IVES, were excused from attendance on the session of the Senate today, beginning at 2 o'clock p. m.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on the Judiciary was authorized to meet during the session of the Senate today.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Anderson	Hill	Maybank
Benton	Hoey	Millikin
Brewster	Holland	Morse
Bricker	Humphrey	Mundt
Bridges	Hunt	Murray
Butler	Ives	Myers
Byrd	Jenner	Neely
Capehart	Johnson, Colo.	O'Conor
Chapman	Johnson, Tex.	O'Mahoney
Chavez	Johnston, S. C.	Pepper
Connally	Kefauver	Robertson
Cordon	Kem	Russell
Darby	Kerr	Saltonstall
Donnell	Kilgore	Schoeppel
Douglas	Langer	Smith, Maine
Dworshak	Leahy	Smith, N. J.
Ecton	Lehman	Sparkman
Ellender	Lodge	Stennis
Ferguson	Long	Taylor
Flanders	Lucas	Thomas, Okla.
Frear	McCarran	Thomas, Utah
Fulbright	McCarthy	Thye
George	McClellan	Tydings
Gillette	McFarland	Watkins
Graham	McKellar	Wherry
Green	McMahon	Williams
Gurney	Magnuson	Withers
Hendrickson	Malone	Young

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Arizona [Mr. HAYDEN] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from California [Mr. KNOWLAND], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate, and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. 3980. A bill to extend the requirements for fixing the minimum number of deck officers on steam vessels to certain additional vessels of the United States, and for other purposes; with amendments (Rept. No. 2457).

By Mr. HILL, from the Committee on Labor and Public Welfare:

H. R. 7940. A bill to provide financial assistance for local educational agencies in areas affected by Federal activities, and for other purposes; with an amendment (Rept. No. 2458).

By Mr. McCARRAN, from the Committee on the Judiciary, without amendment:

S. 995. A bill for the relief of Irene George Livanos (Rept. No. 2459);

S. 2279. A bill for the relief of Panajotis John Papathansiu (Rept. No. 2460);

S. 2961. A bill for the relief of Magdalena L. Jardeleza, Jr. (Rept. No. 2461);

S. 3444. A bill for the relief of Victor Francis Oberschall (Rept. No. 2462);

S. 3551. A bill for the relief of Joseph MacGuffie and Eugene Rohrer (Rept. No. 2463);

S. 3945. A bill to amend sections 3052 and 3107 of title 18, United States Code, relating to the powers of the Federal Bureau of Investigation (Rept. No. 2464);

H. R. 1601. A bill for the relief of the La Fayette Brewery, Inc. (Rept. No. 2465);

H. R. 2758. A bill for the relief of the Fisher Brewing Co. (Rept. No. 2490);

H. R. 6106. A bill for the relief of Daniel Kokal (Rept. No. 2466);

H. R. 6750. A bill for the relief of Achileus Maroulis (Rept. No. 2467);

H. R. 7563. A bill for the relief of Dr. Nicola Di Palma (Rept. No. 2491);

H. R. 7854. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Board of County Commissioners of Sedgwick County, Kans. (Rept. No. 2468);

H. R. 8563. A bill for the relief of Alonzo P. Brown (Rept. No. 2469);

H. R. 8761. A bill for the relief of Susan E. Scott (Rept. No. 2470);

H. R. 9056. A bill for the relief of Hideko Kasshara and her minor child (Rept. No. 2471);

H. R. 9077. A bill for the relief of Kimie Kurio (Rept. No. 2472); and

H. R. 9334. A bill for the relief of Mrs. Else Samstag Yurchak (Rept. No. 2473).

By Mr. McCARRAN, from the Committee on the Judiciary, with an amendment:

S. 1139. A bill for the relief of Mrs. Robert P. Horrell (Rept. No. 2492);

S. 2106. A bill for the relief of Harvey Marden (Rept. No. 2474);

S. 2711. A bill for the relief of K. C. Be, Swannio Be, Wie Go Be, Wie Hwa Be, Wie Bhing Be, and Swie Tien Be (Rept. No. 2475);

S. 3015. A bill for the relief of Walter Tyson (Rept. No. 2476);

S. 3406. A bill for the relief of Lee Yee Yen (Rept. No. 2477);

S. 3431. A bill for the relief of Tatiana Moravec (Rept. No. 2478);

S. 3824. A bill for the relief of Kenneth Bruce Kohei Kozai (Rept. No. 2479);

H. R. 8452. A bill for the relief of Ronald Mow and Angeline Cecilia Mow (Rept. No. 2480); and

H. R. 9084. A bill for the relief of Hifumi Kato and her minor son, Kazuyuki Kato (Rept. No. 2481).

By Mr. McCARRAN, from the Committee on the Judiciary, with amendments:

H. R. 3406. A bill for the relief of Ellen Fullard-Leo (Rept. No. 2482); and

H. R. 5244. A bill for the relief of Lt. Col. Charles J. Trees, Army of the United States (Rept. No. 2483).

By Mr. ECTON, from the Committee on Interior and Insular Affairs:

S. 3403. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Eloise Whitebear Pease; with amendments (Rept. No. 2484); and

S. 3814. A bill authorizing the Secretary of the Interior to issue patents in fee to certain allottees on the Blackfeet Indian Reservation; with amendments (Rept. No. 2485).

By Mr. McFARLAND, from the Committee on Interior and Insular Affairs:

H. R. 4901. A bill to authorize the Eastern Band of Cherokee Indians, North Carolina, to lease certain lands for a period not exceeding 40 years; with amendments (Rept. No. 2486);

H. R. 8874. A bill to authorize the sale of lands to the city of Flagstaff, Ariz.; without amendment (Rept. No. 2487); and

H. J. Res. 490. Joint resolution to authorize and direct the Secretary of the Interior to study the respective tribes, bands, and groups of Indians under his jurisdiction to determine their qualifications to manage their own affairs without supervision and control by the Federal Government; without amendment (Rept. No. 2488).

NATIONAL SERVICES FOR DISABLED PERSONS AMENDMENTS OF 1950—REPORT OF A COMMITTEE

Mr. DOUGLAS. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 4051) to assure the provision of all necessary services to prepare disabled persons for and establish them in remunerative employment, to make special provision for the blind and other severely disabled persons, and for other purposes, and I submit a report (No. 2456) thereon. The bill was approved by the committee in executive session on Friday, August 25, 1950.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

AMENDMENT OF WAR CONTRACTORS RELIEF ACT RELATING TO CONTRACT HARDSHIP CLAIMS—REPORT OF A COMMITTEE

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (S. 3906) to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes, together with the message from the President of the United States of August 21, 1950, returning the bill, without his approval, submitted a report (No. 2489) thereon, with the recommendation that the bill be passed, notwithstanding the objections of the President.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 29, 1950, he presented to the President of the United States the enrolled bill (S. 2633) to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FERGUSON:

S. 4103. A bill to authorize certain work projects as an aid in rehabilitating inmates of Federal and State penal and correctional institutions, to improve the resources of federally owned conservation lands and to provide increased benefits from these properties, and for other purposes; to the Committee on the Judiciary.

By Mr. DONNELL:

S. 4104. A bill relating to holding terms of the Court of Appeals for the Eighth Circuit; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 4105. A bill creating a temporary additional district judgeship for the southern district of Florida; to the Committee on the Judiciary.

By Mr. GREEN:

S. J. Res. 202. Joint resolution to provide for the establishment and maintenance of the National Portrait Gallery, and for other purposes; to the Committee on Rules and Administration.

INTERNAL REVENUE ACT OF 1950—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the amendments intended to be proposed by Mr. O'MAHONEY (for himself and Mr. CONNALLY) to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which was ordered to lie on the table and to be printed.

SUPPLEMENTAL APPROPRIATIONS, 1951—AMENDMENT

Mr. JOHNSTON of South Carolina submitted an amendment intended to be proposed by him to the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred to the Committee on the District of Columbia:

H. R. 9362. A bill to provide for the exchange of certain national park land situated in the District of Columbia for certain lands owned by the New Temple Committee, Inc.; and

H. R. 9524. A bill to supplement the District of Columbia Teachers' Leave Act of 1949.

RADIO ADDRESS BY SENATOR GILLETTE

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD a radio address entitled "The Thirty-eighth Parallel and Beyond," delivered by him over Station WGN, Chicago, on August 26, 1950, which appears in the Appendix.]

BUILDING A UN POLICE FORCE—EDITORIAL FROM THE NEW LEADER

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an editorial entitled "How To Build a UN Police Force," published in the July 15 issue of the New Leader, which appears in the Appendix.]

THE PRICE OF COFFEE—ARTICLE FROM HANSON'S LATIN-AMERICAN LETTER

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an extract from Hanson's Latin-American Letter of August 25, 1950, relating to coffee, which appears in the Appendix.]

GREETINGS TO THE LOYAL ORDER OF MOOSE

[Mr. NEELY asked and obtained leave to have printed in the RECORD fraternal greetings from 14 Members of the Senate to the Sixty-second Annual International Convention, Loyal Order of Moose, which appears in the Appendix.]

AMERICA IS CHALLENGED—ADDRESS BY BRIG. GEN. DAVID SARNOFF

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address entitled "America Is Challenged," delivered by Brig. Gen. David Sarnoff, chairman of the board, Radio Corp. of America, before the National Encampment of Veterans of Foreign Wars, at Chicago, Ill., on August 28, 1950, which appears in the Appendix.]

LINDSAY C. WARREN—ARTICLE FROM THE RALEIGH (N. C.) NEWS AND OBSERVER

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article entitled "Tar Heel of the Week—Lindsay C. Warren," written by Jack Riley and published in the Raleigh (N. C.) News and Observer on August 27, 1950, which appears in the Appendix.]

FOR A SOUND ECONOMY—ARTICLE FROM THE WASHINGTON EVENING STAR

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article entitled "For a Sound Economy," published in the Washington Evening Star for August 28, 1950, which appears in the Appendix.]

HARNESSING THE MISSOURI—ARTICLE FROM THE REPORTER

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "Harnessing the Missouri," published in the August 29 issue of The Reporter, which appears in the Appendix.]

BLAME FOR UNPREPAREDNESS—EDITORIAL FROM THE DAILY OKLAHOMAN

[Mr. SCHOEPPEL asked and obtained leave to have printed in the RECORD an editorial entitled "You Are To Blame," published in the Daily Oklahoman of August 25, 1950, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING—EDITORIAL COMMENT

[Mr. MARTIN asked and obtained leave to have printed in the RECORD editorials from the Pittsburgh Post Dispatch, the Pittsburgh Press, and the Daily News of Philadelphia, supporting universal military training, which appear in the Appendix.]

DEMOCRACY BEGINS AT HOME—ARTICLE BY CHESTER C. DIETTERT

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an article entitled "Democracy Begins at Home," written by Chester C. Diettert, and published in the School Board Journal for August 1950, which appears in the Appendix.]

EAVESDROPPERS—EDITORIAL FROM THE WASHINGTON POST

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an editorial entitled "Eavesdroppers," published in the

Washington Post of August 29, 1950, which appears in the Appendix.]

HAPPENINGS IN WASHINGTON—RADIO BROADCAST BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a broadcast by him to the people of Pennsylvania on August 28, 1950, on "Happenings in Washington," program No. 32 in the series, which appears in the Appendix.]

CONDITIONS IN THE PHILIPPINE ISLANDS—ADDRESS BY GERALD WILKINSON

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an address by Gerald Wilkinson, president of Theodore H. Davies & Cole, Far East, Ltd., and vice president of the Philippine Association before the Rotary Club of Honolulu, July 18, 1950, which appears in the Appendix.]

THE STAKE OF THE PHILIPPINES IN THE BATTLE FOR KOREA—STATEMENT BY GEN. CARLOS P. ROMULO

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an address on the Philippine stake in the war in Korea, by Gen. Carlos P. Romulo, Philippine Secretary of Foreign Affairs, before a committee of the Philippine Congress, which appears in the Appendix.]

PRICE INCREASES DURING THE PAST 90 DAYS

Mr. MAYBANK. Mr. President, I ask unanimous consent that I may be permitted to read a statement which will not take more than a minute.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina?

The Chair hears none, and the Senator may proceed.

Mr. MAYBANK. Mr. President, Secretary of the Navy Matthews and Admiral Sherman appeared this morning before the Committee on Appropriations. I asked Admiral Sherman and the Secretary of the Navy about the rise in costs during the period between the time the request for appropriations was first made and shortly before the Secretary of the Navy gave me the statement. Wire-wound resistors have gone up 25 percent. Precision resistors have gone up 20 percent.

Mr. President, I ask unanimous consent to have the entire list printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Examples of price increases during last 60–90 days

	Percentage increase
Wire-wound resistors	25
Precision resistors	20
Voltmeters	15
Copper	20
Crude rubber	300
Aluminum	3
Corrosion-resistant steel	3
Fire hose	61
Radiak training sets	227
Beef, boneless (1-pound units)	4
Pork	13
Chicken, undrawn	8
Adhesive tape	15
Surgical gloves	24
Fats and oil, and glycerine	25
Medicine cabinets	13

Mr. MAYBANK. Mr. President, I refer to this matter to show the absolute necessity for having the control bill passed as soon as possible, so that some selective controls may be placed in effect, in order that the money requested will go at least two-thirds of the way in making the necessary purchases.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. I inquire if beef is on the list?

Mr. MAYBANK. Yes. Beef has gone up 4 percent, and pork has gone up 15 percent.

PERSONAL STATEMENT BY SENATOR BREWSTER

Mr. BREWSTER. Mr. President, I ask unanimous consent to make a brief statement.

The VICE PRESIDENT. Without objection, the Senator from Maine may proceed.

Mr. BREWSTER. Mr. President, a very questionable character about town, apparently well known to the police, is being used by some ingenious minds to make personal attacks upon me.

Using the protection of a Senate committee to secure publication in the press this utterly irresponsible character already publicly identified as the lowest order of humanity—concerned with pandering to the vilest tastes of mankind—has qualified himself as a confidant of the late Senator Bailey, of North Carolina, one of the finest southern gentlemen that ever lived.

The picture of Senator Bailey descending to the level of a corridor discussion with a man of this character will be beyond belief to any of his friends.

The office of the district attorney inquired of me some time ago as to whether I would be available to testify in a perjury charge against this character. Ample witnesses were apparently available to support the charge.

Following this inquiry this person with no visible means of support suddenly had important business in Mexico City and returned to use the Senate committee as a shelter for the publication of his scandalous and utterly perjured testimony in the press.

I am quite prepared to make this statement in any forum—in fact I made it off the floor—but found it necessary to make it on the floor in order to protect the press in an adequate characterization of the man and his statement.

This situation comes under the category of arguing the right of way with a skunk, which is never desirable, but it is even more interesting to look behind the scenes and see who is pulling the strings.

JULIO LAFFITTE—VETO MESSAGE (S. DOC. NO. 210)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary and ordered to be printed:

To the United States Senate:

I return herewith, without my approval, the enrolled bill (S. 305) for the relief of Julio Laffitte.

The bill would provide that Julio Laffitte shall be considered to have been lawfully admitted into the United States for permanent residence as of October 11, 1946. It would also direct the Secretary of State to instruct the quota-control officer to deduct one number from the nonpreference category of the appropriate immigration quota.

The record discloses that Julio Laffitte is a native and citizen of Spain, having been born in that country on March 5, 1897. He entered the United States at the port of New York on October 11, 1946, when he was admitted pursuant to section 3 (2) of the Immigration Act of 1924 as a temporary visitor for 3 months. Subsequently, he was granted until April 28, 1948, within which to depart from the United States.

Mr. Laffitte stated that he came to this country primarily to study American methods of dress designing as well as to visit a friend and that it was his intention to return to Spain at the expiration of his visit. Instead of departing from the United States within the period granted him, he has accepted employment as a fur and dress designer. In his last application for a further extension of his temporary stay, Mr. Laffitte stated "Please let me emphasize again that I do not seek to remain here permanently. I request an extension of just 1 year to enable me to fulfill the commitments which have been made by me and because of me." The nature of his employment, however, as well as the testimonials submitted in his behalf indicate that he now desires to reside in the United States permanently, despite the fact that he gained entry as a visitor.

According to reports contained in the record, he is an artist of skill and repute in the field of fur and dress designing for fashionable women. That part of our business structure is, however, too narrow in its scope to affect the economic welfare of the United States as a whole so extensively as to warrant granting him an exemption from the normal requirements of our immigration laws as one possessing unusual and unique skill. The Spanish quota, to which he is chargeable, is greatly oversubscribed, and immigration visas thereunder are not readily obtainable. The enactment of this measure would undoubtedly encourage other aliens, also chargeable to oversubscribed quotas, to attempt to enter the United States as visitors for a temporary period and, thereafter, seek exemption from the requirements of the immigration laws.

Accordingly, I am constrained to withhold my approval from the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 29, 1950.*

J. DON ALEXANDER—VETO MESSAGE (S. DOC. NO. 211)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary and ordered to be printed:

To the Senate of the United States:

I return herewith, without my approval, S. 1800, an act for the relief of J. Don Alexander.

The bill would authorize and direct the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to J. Don Alexander, of Colorado Springs, Colo., the sum of $16,720.41, in full satisfaction of his claim against the United States for refund of an erroneous payment of income tax for the year 1929 which covered the capital net gain from the sale of 9,000 shares of stock in the Alexander Industries, Inc.

Mr. Alexander's claim for special relief is based upon a judicial determination in the case of *Alexander* v. *Theleman* (69 F. (2d) 610), that the stock sold upon which he paid the tax in question was not his, and upon the claim that such determination was not made until after expiration of the period of limitations during which a claim for refund of the taxes might be made. The facts set forth in that case indicate that in 1929, Mr. Alexander was president and general manager of Alexander Industries, Inc., of which he and his family owned 70 percent of the common stock. Both the corporation and Mr. Alexander had stock of the company for sale, and both had given options to the same third party. A second option given by Mr. Alexander for 9,000 shares at $15 a share was later exercised by the third party, Mr. Alexander furnishing the stock, and the resultant $135,000 was paid to Alexander Industries, Inc., the transaction being carried on the books as a debt due Mr. Alexander. When the corporation later became bankrupt Mr. Alexander filed a claim for the balance of this sum as a debt due him from the corporation. The referee in bankruptcy decided against him and found that the 9,000 shares which were sold had been the corporation's stock, Mr. Alexander merely loaning his shares so that prompt delivery might be made. This finding was sustained by a trial court and affirmed in the case referred to above.

The Congress has determined it to be sound policy to include in the revenue laws statutes of limitations by the operation of which, after certain period of time, it becomes impossible for the Government to collect additional taxes or for the taxpayer to obtain a refund of moneys paid to the Government. Controversies over stale claims are thus prevented and impartiality and certainty of administration result. These principles on which the statute of limitations is grounded are of particular significance in this case, in which the refund claim relates to transactions which took place 21 years ago.

Moreover, while exceptional circumstances may sometimes exist where it becomes desirable to extend the time limit beyond which the Congress has determined that as a matter of sound policy taxpayers may not obtain refunds of tax overpayment and the Government may not collect additional taxes, this case does not appear to fall within that category. An examination of the available evidence, as set forth in the reported case, indicates that even as early as the time of the sale of the stock there was some question regarding the ownership of the stock sold. Furthermore, in the early part of 1930 when there was ample time for Mr. Alexander to claim a refund, an executive committee of the corporation presented a report to a directors' meeting at which Mr. Alexander presided, which report indicated it was the corporation's stock that had been sold. Therefore, Mr. Alexander was aware at all times within which he could have filed a refund claim that grave doubt existed as to the ownership of the stock.

The granting of special relief in this case, 21 years after the amounts sought were paid to the Government, and where a refund was not claimed in the time and manner required by law would, in the absence of special circumstances which do not appear to exist here, constitute a discrimination against others similarly situated, would create an undesirable precedent and would violate the principles noted above on which the statute of limitations is grounded. Under the circumstances, therefore, I am constrained to withhold my approval of the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 29, 1950.*

Mr. LODGE. Mr. President, more than 2 months have now elapsed since the Korean aggression began. It appeared at first that the heroism and the tragic loss of life in Korea would at least be compensated to some extent by the fact that the Korean aggression would wake us up and be the Pearl Harbor which would cause us to build strength. Unfortunately, the most authoritative facts that I can get constrain me to the conclusion that, although we have had our Pearl Harbor, we are not yet awake.

This does not mean that some headway has not been made in alerting Europe, in making appropriations of funds, in enacting economic controls, and in producing munitions of war. But the real test of whether we have abandoned politics as usual and business as usual is in connection with manpower. The published figures indicate that the amount of manpower for which funds will be forthcoming will mean a total of 2,120,000 men under arms in the Army, Navy, and Air Force at the end of the present fiscal year. This is 658,648 larger than the total for the fiscal year which ended June 30, 1950. Compare this total of some 2,000,000 men with the grand total of 14,000,000 under arms at the end of World War II and you can answer for yourself whether this is or is not a major effort—whether we are building military strength as rapidly as possible.

The breakdown of strength actually on hand on June 30, 1950, and the strength projected for the fiscal year ending June 30, 1951, is as follows:

	Fiscal year 1950	*Fiscal year 1951*
Army	593,168	834,000
Navy (including Marines)	456,908	718,000
Air Force	411,277	568,000
Total	1,461,352	2,120,000

These are all public figures.

I should like to say that these are all public figures, and there is no question of any violation of secrecy in connection with these figures.

Mr. WHERRY. Mr. President, will the Senator yield? If the Senator wishes to complete his prepared statement, very well. But if he does not object to yielding——

Mr. LODGE. No; I do not object. I yield.

Mr. WHERRY. Is the figure of 2,120,000 the firm figure of the increase in manpower we can expect in 1951?

Mr. LODGE. That is what is projected to be in existence as of June 30, 1951, in accordance with the appropriations and the plans which have been made. That is an increase of 658,000 above the number of men actually in the armed services as of June 30, 1950.

Mr. WHERRY. Is it then contemplated that there will be an increase after 1951?

Mr. LODGE. Oh, yes; I think there is. That, of course, is a secret figure which I do not know.

Mr. WHERRY. I am not asking for it.

Mr. LODGE. I have heard estimates, but I will not go into them. I am talking about what has been published and announced.

Mr. WHERRY. I thank the Senator from Massachusetts. I happen to be on the Armed Services Subcommittee of the Appropriations Committee. I gained the impression that the number for which we appropriated was a trifle larger than 2,120,000.

Mr. LODGE. Yes; but that comes after——

Mr. WHERRY. After 1951.

Mr. LODGE. Yes. We begin to get that effect after June 30, 1951.

Mr. WHERRY. I thank the Senator.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. MARTIN. I notice the Senator in his figures gives an increase of 240,000 men for the Army in the year.

Mr. LODGE. That is correct.

Mr. MARTIN. It is correct, is it not, that if that increase were used for ground forces alone it would mean only the adding of about 12 divisions?

Mr. LODGE. It means adding about five or six divisions.

Mr. MARTIN. If all the men represented by that increase were put into divisions it would mean adding 12 divisions. Of course the men have to be put into other bodies. We have to have housekeeping troops and other troops in addition.

Mr. LODGE. Yes.

Mr. MARTIN. What I was trying to get at is that the increase is not much of an increase in our fighting forces.

Mr. LODGE. That is what I think, and I am going to try to develop the point.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. AIKEN. Do the figures in every case include National Guard members that may not be called or members of the inactive Reserve that may not be called?

Mr. LODGE. This could include National Guard troops.

Mr. AIKEN. In other words, would those figures mean men who are actually in training or in the field?

Mr. LODGE. This would include only the National Guard and reservists who are on extended active duty.

Mr. AIKEN. That already have been called or will be called?

Mr. LODGE. Yes; to extended active duty.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. LUCAS. I do not believe that the last statement made by the Senator from Vermont is accurate. In other words, he said those who have been called or may be called. Now surely those who are not called at the present time are not included in this figure?

Mr. LODGE. Oh no, not the ones who have not been called. The figure of 834,000 men for June 30, 1951, could be made up in part by Reservists and National Guardsmen who are called to extended active duty, or it could also be made up all of draftees.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. LODGE. I yield.

Mr. LUCAS. In other words, the increase of approximately 240,000 men in the Army certainly does not include the Illinois National Guard at the present time, which is composed of two divisions of approximately 20,000 men. It certainly would not include them.

Mr. LODGE. It does not include any civilian components which are not on extended active duty. However, of course, we cannot build up the Army without calling out the members of the Organized Reserves and the National Guard.

Mr. LUCAS. I understand that, but I mean that the men who are in the National Guard and who have not been called up for active duty are not included in these figures. Is that correct?

Mr. LODGE. That is correct.

These figures, insofar as the Army, the Navy, and the Air Force are concerned, are the figures for the full-time strength which is available 24 hours a day on extended active duty.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. The distinguished Senator from Massachusetts has stated that the 2,120,000 are personnel who will be made available by the appropriations which have been made. Is that correct?

Mr. LODGE. And in accordance with the plans, which have been approved, and for which funds have been appropriated.

Mr. WHERRY. There is no doubt, of course, that all the appropriations which have been requested have been made in order to raise that number of personnel.

Mr. LODGE. The Senator is a member of the Appropriations Committee, and he knows more about that than I do. Nevertheless, I think what he has said is true.

Mr. WHERRY. I do not wish to interfere with the Senator's speech; but so far as I know personally the total appropriations which have been requested have been approved by the Appropriations Committee and have been voted by the Senate in order to make that number of men available.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. MARTIN. The distinguished Senator from Massachusetts is giving us some very valuable figures. Is it not also true that if we activate the entire National Guard of the United States that will mean the addition of less than 400,000 men; but we have not provided funds for activating the entire National Guard.

Mr. LODGE. I think that is true. However, the Senator from Pennsylvania knows more about the National Guard than I do. So I should be prepared to accept his estimate as to that matter. I have not made that calculation.

Mr. MARTIN. I would not wish to give that figure as being entirely accurate because I have not seen the figures for the National Guard for some time. But if the ones I have in mind are accurate, I think the total, including communications forces and all others, would be less than 400,000 men.

Mr. LODGE. I am unable to speak of that matter authoritatively myself, because I have not studied it. However, if the Senator from Pennsylvania is prepared to give the figure, I accept it, because I am aware that he knows a great deal about the National Guard.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. A moment ago the Senator said the necessary appropriations have been made in order to provide the additional funds required for the force of 2,120,000 men. It is true, however, that there is a supplemental appropriation bill. So when the Senate passes the supplemental appropriation bill, all the funds required will be provided.

Mr. LODGE. Yes.

Now I wish to take up the figures for the Army, because I think they are of special interest, since in relation to the Soviet Union the Army is by far our weakest arm—and the weakest arm of the free nations. The proposed increase is of only 240,883 men—which must be considered in the light of the vital interests in Europe, the Far East, and other places which we and our allies must protect. It is hard to see how this increase, which might be expected to furnish between five and six additional divisions—that is the estimate—will be enough to build quickly an army of combat troops which will be of such manifestly effective strength as to enable us to regain the diplomatic initiative. Stated in another way, a grand total of 18 United States Army divisions does not look terribly impressive when placed against a grand total of 175 Soviet divisions—even if allowance is made, as it should be, to be fair and candid, for a number of factors favorable to the United States.

In other words, I do not think we have to have 175 United States divisions or divisions on the free side of the world in order to be able to more than hold our own against 175 Soviet divisions. After all, we cannot contemplate this matter purely mathematically.

I am not a military expert; but on the basis of all the information I have been able to obtain and on the basis of the opinions of the authorities with whom I have discussed this matter, it seems to me that a total of 18 United States divisions by the end of the fiscal year 1951, when we consider for a moment the demands on us in the Far East and in Europe, is cutting the matter rather thin.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. LUCAS. The comparison of 18 United States Army divisions against the grand total of 175 Soviet divisions certainly is not very impressive, so far as we are concerned. However, I am wondering whether the Senator has any information with respect to the number of the 175 Soviet divisions which have the necessary equipment and training and would be ready to fight.

Mr. LODGE. I do not have any information that is at all accurate in that respect. I have the information which most persons have, namely, that the Soviets are in a position to move into Europe divisions which the free nations' divisions which now are in Europe could not oppose successfully at all.

Mr. LUCAS. I understand that; but I am wondering whether we are giving out some information which might be misleading to the public, unless we actually know what equipment and training the 175 Soviet divisions have.

Mr. LODGE. I am unable to speak authoritatively as to the state of training and equipment of the Soviet divisions; but in any kind of competition, whether war or anything else, I think it is most imprudent to assume that one's opponent is weak and stupid. I think it is always much better to assume that he is strong and smart, and then prepare ourselves on that basis. If subsequently we find that he is not quite so strong or not quite so smart as we had assumed him to be, so much the better for us.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. LODGE. I yield.

Mr. LUCAS. Undoubtedly, we are woefully weak in ground troops. Does the Senator from Massachusetts believe that following World War II, the United States would have supported an Army of 5,000,000 men?

Mr. LODGE. I am not going back to 1945, unless the Senator from Illinois wishes me to do so.

Mr. LUCAS. What I had in mind was whether the Senator believes that at the end of the war this country would have supported a ground force of, let us say, from 3,000,000 to 4,000,000 men.

Mr. LODGE. I say to the Senator from Illinois that there is nothing in the statement I am making which goes backward. This is a forward-looking statement, and I am trying to be helpful for the future. I do not wish to go back and rehash the past, may I say to the Senator from Illinois.

However, if he wishes me to go back and analyze all the mistakes which were made in 1945 and around that period, I shall be glad to do so.

Mr. LUCAS. No, I do not care to debate that question.

However, leading up to the question before us, the Senator from Illinois is discussing a comparison of 18 United States divisions with 175 Soviet divisions. We know that the Soviets have

maintained that army from the time of the ending of hostilities in World War II. Of course they have demobilized to a certain extent, but as the Senator has pointed out in his statement, they also have kept 175 divisions which probably are ready to fight.

There has always been a question in my mind, however, as to whether the Soviet total of 175 divisions have all the equipment and training required, and also how long they should function in view of the economy which exists in their country at this moment.

Mr. LODGE. That is a fair question. We have been told by authoritative sources that the Soviets have an immense tank-building program and a gun-building program and a plane-building program. I think we would be wishful thinkers if we assumed that they were not fairly well equipped.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. LODGE. I yield.

Mr. LUCAS. I certainly agree with the Senator that undoubtedly a great number of Soviet divisions, and many, many more than we have, are certainly equipped and ready to fight. There can be no question about that. With the manpower which we have at the present time in Europe, plus the manpower of our allies that could be thrown into battle, we could not stop the Soviets. If they wanted to go through Germany and France and Italy, they could do it, and they could do it, in my judgment, within a short while.

Mr. LODGE. Yes.

Mr. LUCAS. I think that is generally agreed by the military experts throughout the United States.

Mr. LODGE. I think Prime Minister Churchill said that the free nations of Europe were not relatively quite so strong as the South Koreans. I saw in the Washington Post, 2 or 3 weeks ago, a story which as a matter of fact quite surprised me. It gave the names and the divisional insignias of the divisions in Korea. I never could understand why all those details were published, but I think that story showed at least five or six divisions in Korea. Senators can figure it out. That is a pretty big percentage of 18.

Mr. McMAHON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Connecticut?

Mr. LODGE. I yield.

Mr. McMAHON. I think this is a good place to state in the RECORD that, if the Soviets started through western Europe, through Germany, and through France, either at a slow pace or at a speedy pace, they would absorb some terrific punishment.

Mr. LODGE. Yes.

Mr. McMAHON. I shall not stand here to prophesy whether they can come through at a snail's pace, or whether they can come through as fast as some persons think they can. But I do say that the Soviets might as well be informed—and I think we should all, both our Allies and ourselves, take it into consideration—that if they desire to pursue that wanton course of aggression, they will meet and have to absorb a great deal of punishment. I do not think we ought to underwrite that cost. I do not think we ought to be encouraging them any by telling them that they are merely going to march through without any opposition.

Mr. LODGE. No; I quite agree.

Mr. McMAHON. I do not think our Allies feel that way and we do not feel that way.

Mr. LODGE. That is correct.

Mr. McMAHON. The cause of freedom is going to be defended, and it is going to be defended by freemen. I have an abiding confidence in the ability of freemen to do a job on slaves, if they are forced to march.

Mr. LODGE. If they are in the Army. Of course, freemen who are employed in factories or who are out on the farms, or who are performing various kinds of civilian work are not going to be terribly effective in combat. My point is—if I may finish my reply to the able Senator from Connecticut—there is no man in the Senate who is more optimistic about the outcome of this struggle than I am. I think we are a supremely strong country. I think we would be effete and degenerate beyond description if we were not able to carry through this international crisis to a successful conclusion within a period of from 3 to 5 years. But we are not going to do it if we do not take the young man and put him into the service, and that is what we have not yet apparently screwed up our determination to do.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LODGE. Let me finish this thought. Of course, if the Russians started to invade Europe now, they would take a terrific amount of punishment, and there is no use in spelling out just how that punishment would come. We all know how it would come, and that is a powerful deterrent, and I hope it is a powerful enough deterrent to prevent a ground invasion. But, as the Senator knows even better than I, that advantage which we now possess is a wasting asset; we are not going to have it forever. That is why we have agreed, I think unanimously—as I recall the Military Assistance bill was passed by a unanimous vote—that we must build up the ground strength in Europe, and we must build up our own ground strength. My point is that we have said we are going to do these things, and that we are in favor of them, but that we are not doing them. It is the typical Washington dilemma—the ones who frustrate us are the persons who do not do anything, not those who oppose us.

Mr. LUCAS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Illinois?

Mr. LODGE. I yield.

Mr. LUCAS. Mr. President, I did not want my statement misunderstood, in view of what the able Senator from Connecticut [Mr. McMAHON] has said. Certainly I know, and the Russians know, that if they were to start to march through Germany and on to the Mediterranean, which could be their goal, that they would take an unusual amount of punishment, and that, in the final analysis, in my judgment, they could not win.

Mr. LODGE. The trouble with that, I may say to the Senator from Illinois, is that the punishment that we might inflict on them as they go through Europe would not be a satisfactory way to do it, because many of our friends would be punished at the same time.

Mr. LUCAS. I understand all that, but I still maintain my original position that, with the power they have, if they desired to march tomorrow, they could do so, regardless of what we and our allies can put up in the way of defense. Ultimately, we could win, and we shall win. Certainly I agree with the Senator from Massachusetts that, if the time ever comes when we give way to the defeatist idea here in this country, the idea that we cannot win, that liberty cannot win over tyranny—which has been an age-old struggle from the beginning of civilization—then we are through.

Mr. LODGE. I will go the Senator from Illinois one better and say that not only will we ultimately win, but that if we hurry up with this armament program, they would never even be able to get started. That, I think, is the objective we have at heart, to be strong enough in western Europe so that they cannot even begin the ground invasion; and that is a perfectly possible thing. But I do not see how we are going to do it when we are refusing to meet this manpower issue head on.

Mr. LUCAS. I concur in what the Senator says. The Senator well knows that I have been an advocate of everything which involves the help of the western democracies of Europe.

Mr. LODGE. That is correct.

Mr. LUCAS. It seems to me—and I have repeated it over and over—that the western democracies are the key to the whole problem, both in Europe and in Asia; and we have got to keep them as our allies and friends in this fight, and we have got to give them the arms and the weapons with which to defend themselves as fast as we possibly can. I do not think there is any doubt about it that if we do not, we are finally going to be standing alone in this country.

Mr. BREWSTER rose.

Mr. LODGE. I will yield to the Senator from Maine in a moment. My point is that it is much better, if we have made up our minds to do a certain thing, to do it, and to do it quickly—to do it, say, in 2 years, than to try to spread it out over 10, 15, or 20 years. It is like the man who needs to have a serious operation: He had better go ahead and have it and get it over with. I yield to the Senator from Maine.

Mr. BREWSTER. Apropos—

If it were done, when 'tis done, then 'twere well
It were done quickly.

But, bearing on what the Senator from Illinois has said—and I found myself in rather complete agreement with what he said as to the general estimate of the difficulties in western Europe, with which I understood the Senator from Massachusetts to agree—I was considerably

disturbed by the Senator from Connecticut, who indicated an entirely different picture, namely, that there would be terrific punishment. Coming from that source, it, of course, immediately causes pondering as to its implication. I thought the Senator from Massachusetts was very wise to point out that we would be punishing many of our friendly allies.

Mr. LODGE. Of course, it could be done in such a way that it would not; but it also could be done in such a way that it would.

Mr. BREWSTER. I think that very definitely we realize what the problem is, and we have the same problem in Korea. The Senator from Illinois inquired about the equipment of the Russian divisions. Certainly the sampling which we have had in Korea has not been encouraging that the Russians do not adequately plan their movements.

Mr. LODGE. Certainly we would not be prudent in assuming anything else.

Mr. BREWSTER. The Senator from Connecticut indicated this difficulty. I think we ought to have as clear a picture as is humanly possible, particularly in view of the statement of Winston Churchill, for whom I think most of us have considerable respect. If, as the Senator from Massachusetts said, western Europe is weaker than South Korea, it certainly occasions pause as to whether we should encourage the idea that there would be any considerable delay in the movement of the Russians if they started to attack. I do not understand how it is possible to reconcile the two things.

Mr. LODGE. I think we in the Senate have all demonstrated that we agree that while the atomic bomb gives us a certain temporary advantage, we have got to start building a balanced force among the nations of the free world. We have all agreed to that principle. We have had a unanimous vote of the Senate on record to that effect. All I am discussing is not whether we ought to do that, or whether we ought not—all I am doing today is making inquiry as to whether we are doing it or not, whether we are doing what we say we want to do. That is all I am going into.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Connecticut.

Mr. McMAHON. Mr. President, so that the mind of the Senator from Maine may be at rest, let me say that the Senator from Connecticut was simply calling attention to the obligation which we have assumed in the North Atlantic Pact. We regard an attack upon western Europe as an attack upon our own vital interests. I simply wanted to call to the attention of those who might be watching this debate the fact that if Russia starts aggression we would not be unable to make that attack a costly one. That is very simple language, and I am sure that the people in Moscow as well as the Senator from Maine can understand it.

Mr. LODGE. Yes; I think it is.

Mr. McMAHON. There can be no doubt about it. I fully agree with the Senator as to many of the viewpoints he has expressed regarding the necessity for this Nation's getting more strength, not only physical and material strength, but moral strength as well. But while doing that I want to invite the attention of those who think there would be a walkaway during this interim period that such would not be the fact.

Mr. LODGE. I think that is correct.

Mr. McMAHON. I think that should be understood.

Mr. LODGE. I think there is no doubt about that. I think it is understood, and I think it is understood just where we want to have it understood. That is why Europe is not being invaded at this moment.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. BREWSTER. I should like to have either the Senator from Massachusetts or the Senator from Connecticut differentiate between the situation in western Europe and that in Korea as to the devastating defense we might present.

Mr. LODGE. I shall be glad to go into that later.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. LONG. Mr. President, it seems to me that one point should be made clear. We are speaking about what this country could do in the event the Soviet Union decided to move. It seems to me we should understand what the Soviet Union can do if she has atomic bombs and planes that can deliver them. We know we could expect to receive the same treatment from the Soviet Union that we would expect to give, and I think it is time to tell the American people what they can expect to receive in return.

Mr. LODGE. I think that is a sobering thought and a valuable contribution.

Mr. BREWSTER. Mr. President, will the Senator yield further?

Mr. LODGE. I yield.

Mr. BREWSTER. I think we are all skirting around the edges, but the simple, calm assumption that the Russians have the atom bomb in operational capacity is not so simple as the Senator from Louisiana would indicate. I read the statement of the Senator the other day, if he was quoted correctly, that the simple, undisputed fact is that the Russians have the atom bomb. I think those were the exact words. As I understand, Dr. Compton has indicated that he, at least, is not completely satisfied that that is the case. Some of our diplomats have indicated similar doubt, such as has Dr. Murray.

Mr. McMAHON. Who, incidentally, does not know anything about it.

Mr. BREWSTER. The Senator is not speaking of Dr. Compton, I am sure.

Mr. McMAHON. No; I am speaking of Dr. Murray.

Mr. BREWSTER. I think the American people are entitled to know that the Senator from Massachusetts is correct when he says that the reasons the Russians are not moving is that they still fear the atom bomb in our hands.

Mr. LODGE. This little disquisition of mine started in on the question of manpower for the Army, and I should like to continue, if I may.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Connecticut.

Mr. McMAHON. I should like to make one more observation in line with that made by the Senator from Louisiana. The record is replete with statements, I may say to the Senator from Louisiana, not only by the Senator from Connecticut but other Senators, pointing out the evil consequences of the possession of total power by those who are capable of total evil. The Senator from Connecticut started to point that out in 1945, 1946, 1947, and again last February and March. The American people have been told the facts, I think. There are many persons who dislike very much, and it is a very human thing which I understand, to face some of the situations which have been created. But we are going to have to face them, and I am confident we shall.

Mr. LODGE. I should like to proceed with my discussion.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. I am interested in the appropriations, and I am certainly interested in the subject at hand, which is manpower being discussed by the distinguished Senator from Massachusetts. During the debate on last Friday it was brought out very forcefully by the Senator from Wyoming that 71 percent of our total appropriations for this year were in the interest of national defense. The question which I asked of members of the Appropriations Committee was, "What is our total bill up to this time?" It was agreed that it was in the neighborhood of $60,000,000,000, $42,000,000,000 of which is for national defense. Yet, the Senator from Massachusetts is pointing out that the total increase in manpower, for the Army, Navy, and Air Corps, is, roughly, only 650,000 men. I have not applied to the appropriations the figures which the distinguished Senator has revealed to us this morning. We were told that this is the best we can do this year. Are we now to know that we are going to get an increase of only 650,000 personnel, out of the total appropriation of $42,000,000,000?

Mr. LODGE. That is what will happen unless some new step is taken. That is the point to which I wish to address myself, that it seems to me we do not confront a local police action; we confront a struggle for existence. If we do not think it is a struggle for existence, then we should not vote for economic control or any of these other things.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Illinois.

Mr. LUCAS. I think that is the most important statement the Senator has made, that this is a struggle for our existence and our survival.

Mr. LODGE. That is correct.

Mr. LUCAS. It is a struggle between two ideologies, one which we know as the Russian ideology which believes the state is everything, and our ideology which believes that the human being is everything. The sooner the people of

this Nation understand what the Senator is now saying, that this is a struggle for our existence, and the sooner they start pulling in their belts and thinking about the sacrifices they must make in order to win in the struggle, the better off we shall be.

Mr. LODGE. I am glad to hear the Senator say that. I hope the statement he has made will be echoed in the executive branch so that there will not be any doubt in anyone's mind that we believe it is a struggle for existence. I believe that if we are resolute and firm about it, with God's help, we can win this struggle in a period that need not be more than from 3 to 5 years. That is what I think we can do if we do not temporize with it.

Mr. SALTONSTALL. Mr. President, will my colleague yield?

Mr. LODGE. I yield.

Mr. SALTONSTALL. The Senator has used for the fiscal year 1951 a figure of 834,000 men in the Army, 718,000 in the Navy, and 568,000 in the Air Force, or a total of 2,120,000.

Mr. LODGE. Yes.

Mr. SALTONSTALL. Those figures, as I understand, are absolutely correct as of last Saturday. Since that time, from the information I received this morning, which I have tried to check, the Defense Establishment figures more than 1,000,000 men in the Army, more than 750,000 men in the Navy, and more than 560,000 in the Air Force. In other words, those are the minimum figures. The exact figures are not stated, for security reasons. It would make a total of 2,310,000 men as the minimum number.

As I understand, the Selective Service Act was amended by Public Law 599, which was approved on June 30 of this year. It takes the top limits off the Army, Navy, and Air Force, so that, so far as procurement is concerned, there can be any number of men that are available. So far as the number is concerned, the Defense Establishment has changed its limits since the Senator spoke to them last Saturday. The figures were correct as of Saturday last. But now the question is, How much money will be needed to support a larger force than the Senator has suggested?

As I understand, again from the same information, there will be additional requests for appropriations. I understand that is in line with what the Senator has been saying.

Mr. LODGE. I think that is a report of progress, and I hope it is confirmed. I hope what the Senator has been told over the telephone is confirmed officially. I hope they really mean it, and that they do not stop there. I think 2,310,000 is better than 2,120,000, although I do not think even that is enough. As I shall demonstrate in a minute, I do not think our present legal structure is adequate to provide for the number of men we need.

It is clear that we are in a struggle for existence, and the Senator from Illinois agrees with me that it is a strugle for existence although in the executive branch there seems to be still some hesitation about it. The struggle will last for a period of time which cannot now be defined, although I do not believe that with vigorous and resolute action and with God's help it need be more than from 3 to 5 years. However, under these circumstances, it would be unjust to draft men into military service "for the duration" since no one knows what the duration will be.

Mr. President, I should like to have order.

The VICE PRESIDENT. The Senate will be in order.

Mr. LODGE. These are vitally important figures, Mr. President. They involve the very existence of our country. It would be unjust to draft men into the military service "for the duration" since no one knows what the duration will be. It is also unjust to take Marine reservists, Army reservists, the National Guard men with years of World War II combat experience as is now being done, and to send these reserves into combat on a few days' notice, without at the same time drastically accelerating the training and induction into the service of the younger men who have not served in combat at all.

I am sure every Senator has had some heartbreaking cases brought to his attention from his State. I had one case brought to my attention the other day. It involved a Marine Corps veteran who had served at Iwo Jima, had 3 years of combat experience, was wounded in both legs, and has a wife and baby. He was notified on a Tuesday and on Wednesday he was on his way. The same thing is being done with National Guard men, Army reservists, and Purple Heart men. The armed services are right in sending only trained men overseas, but if they call up combat veterans, I believe the younger men, who have not yet carried their share of the load of combat, ought to be subjected to an accelerated period of training.

Mr. THYE. Mr. President will the Senator yield?

Mr. LODGE. I yield.

Mr. THYE. I should like to inquire why the Government has not been calling up men under the selective service law.

Mr. LODGE. I do not know.

Mr. THYE. It would seem to me that is a serious question so far as the Army officials and the administration are concerned. They have the responsibility of carrying on the functions of Government in that respect.

Mr. LODGE. I will say to the Senator from Minnesota——

The VICE PRESIDENT. The Senator will suspend until order is obtained. The Senator from Massachusetts has asked for order, and the Chair has asked for order. Senators will preserve order. Any whisper or audible conversation can be heard all over the Chamber. It is very annoying and disturbing to speakers who try to address the Senate to have a constant buzzing going on all over the Chamber, both from the rear and from the front.

Mr. LODGE. I thank the Chair. The reason why the immediate shortages in combat personnel are being taken from World War II veterans is because quite properly the defense authorities do not want to send anyone overseas who is not trained for combat. I do not criticize them at all for taking that stand. I think they are right in taking trained veterans. My only comment is that if they are to impose this unusual load on the veterans, who in most cases are men who have already had 3 years of combat service in World War II, we should set up an accelerated training period for the young men who have not had combat experience, so that they, too, may bear their fair share of the load.

Mr. THYE. The reason I asked the question of the Senator was because I am one who on the floor of the Senate in the past week stated I was in favor of universal military training, and I restate my position as of now. However, it would take some time before universal military training could be effectively put into operation, even though the Senator and I were to be successful in having such a law passed.

Mr. LODGE. Not only that, but universal military training would be a positive detriment at the present time, because it would require taking regulars out of combat units for the purpose of training trainees. The trainees could not be assigned to combat units.

Mr. THYE. The Senator and I are in the position of having to answer correspondence on the subject, which comes to us every day. We are asked every day, "Why should I have to go back into service when I had these many years of military service, or combat service of so many months?" How are we to answer that kind of question unless we reinstitute our selective service program and call up young men and give them the required training so that they can fill the ranks and thus permit men who have had many years of service to be discharged?

Mr. LODGE. That is precisely the argument which I am trying to make. I agree 1,000 percent with the Senator from Minnesota. The just and realistic course would be to require universal military service—not training—under which every able-bodied man would serve for a period of 18 months. There would then be units which would be on an actual war footing, and manned quickly on a basis which would be fair to all.

Mr. THYE. If the Senator will permit me to ask another question, I should like to note that the Korean crisis occurred in June, and we have not been calling up men under the selective service law during this period of at least 2 months. It would seem to me that the military authorities and the administration should proceed as speedily as possible.

Mr. LODGE. That is correct.

Mr. THYE. The men who have seen combat and the men who are Reserves are being called up now, with the result that they must lay their businesses aside and say goodbye to their families, and they must be on their way in a matter of a few weeks. If we are to give some relief to these men in the future we must bring in the young men and train them. Otherwise we shall be calling them up in a hurry and sending them overseas without the necessary military training which they should have in order to properly protect themselves.

Mr. LODGE. That is precisely my argument. I agree with everything the

Senator has said. The point I wish to make is that we are not undertaking to initiate the kind of fair and practical program which the Senator suggests. Instead of that we have a renewal of the old scheme for universal training, which, while it does build up a splendid peacetime civilian reserve, does not furnish one single man for actual service in a combat or any other kind of normal military unit, either in this country or in Europe, or the Far East—two areas in which American combat veterans are critically needed.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. LODGE. I shall be glad to yield in a moment. Under the universal military training scheme a young man can be put only into organizations composed of other young men of the same age, in separate camps, and cannot be used for service either at home or abroad. Universal military training is obviously better than nothing, and I shall vote for it if it is the best I can get. However, in the light of the threatening world situation, it is second best to military service.

Mr. THYE. The Senator from Massachusetts, as a member of the Committee on Armed Services——

Mr. LODGE. I am not a member of the Committee on Armed Services.

Mr. THYE. The Senator from Massachusetts is a member of the Committee on Foreign Relations, and therefore he has before him constantly the international situation. Furthermore, the Senator has served in the military service. Is it the Senator's conviction that the Selective Service Act is the type of national draft law that we should have in effect for the present, so that we may be able to call men into the military service immediately, and then institute universal training so that we may have a permanent set-up in the future?

Mr. LODGE. As a long-range proposition?

Mr. THYE. Does the Senator propose a new type of Selective Service Act?

Mr. LODGE. If the Senator will bear with me, I will tell him exactly what I intend to propose.

Mr. THYE. Then I shall sit down and wait.

Mr. LODGE. It will take about a minute and a half.

I merely wish to give some background on this matter of universal military training.

Dr. Karl T. Compton, chairman of the Advisory Committee on Universal Military Training, admitted in 1947 that the committee did "not advocate universal training as a panacea which in and of itself will give us security." This underscores the contention that more is needed if we are quickly to have the strength which we need.

Time magazine in its August 28 issue said:

> UMT had suddenly acquired a lot of congressional support as a fine-looking gesture of preparedness * * * but, militarily, events had taken from UMT whatever value it might once have had * * *. On its face MT was an appealing idea. At less cost and without the disruption caused by maintaining big standing armies, the Nation would presumably get a militia, ready to spring to arms at a moment's notice. But the program as constituted would not have accomplished this, even in peacetime 1947, when it was first laid before Congress * * *. Last week the United States apparent need was not for men as trained reserves but for combat soldiers. To take veteran soldiers out of fighting units to train UMTers would also cut down the United States combat effectiveness just when it was most needed.

That is the end of the quotation from Time magazine. If there are separate Army UMT camps and separate Navy UMT camps and separate Air Force UMT camps and separate Marine Corps UMT camps, there are four overheads that must be maintained, made up of regular personnel, that have to come out of the hard-pressed regular forces, who are busy enough now. We have to pull them all back in order to set up this quadruple overhead to take care of these young men, and when we have the young men, we cannot use them for actual service.

Mr. President, it is becoming increasingly clear that if the United States and the rest of the free world actually do develop military strength quickly, the arrow of political and diplomatic pressure which is now pointing from the east toward the west will start pointing from the west toward the east. When that happens, we can have some real hope of organizing peace on a durable basis. In a very real sense, therefore, peace is within our grasp. Yet, we are faltering and are failing to put our manpower into the military service in significant numbers—which would provide the sole reliable basis upon which peace can be built and without which we could not win the war if, in spite of our efforts, it should come. We must have more combat units and that takes manpower.

Mr. WHERRY. Mr. President——

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. LODGE. I yield.

Mr. WHERRY. I am certainly interested in the questions asked by the distinguished Senator from Minnesota, and the answers.

Mr. LODGE. I am just coming to the answers. If the Senator will subside for 2 minutes, he will get the answers.

We should not leave Washington until we have amended the Selective Service Act so that it can provide an Army of at least 30 divisions and armed forces totaling at least 3,000,000 men. The present law is not intended to carry a manpower procurement load above 2,500,000. We should set up the legal machinery now. It is better to have it and not need it than to need it and not have it.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Pennsylvania.

Mr. MARTIN. We owe a very great debt of gratitude to the distinguished Senator from Massachusetts. I agree with very much of what he says, but I should like to ask two or three questions, if he will permit.

Does not the Senator think we are in a particularly fortunate position in the United States, because we are only 5 years removed from a war in which we had millions of well-trained men in actual combat?

Does he not think we should put through universal military training, but, in addition, at the present time should there not be universal military service? We could call in a great number of veterans, some of whom are wounded, who have had the finest possible training for training men to go into combat.

Does not the Senator think we should furnish the money and get the manpower to do these things?

I realize that what the Senator has said is absolutely correct, that if we merely train men for the future, it takes a group of the best officers and noncommissioned officers we have. But I believe that about as good training as troops can get to go into combat is to be trained along with combat units.

For example, take my own division, which is going into service within the next few days. That would be an exceptionally good place to train men for cadres in other divisions.

What we need now is good fighting forces. Does not the Senator agree with that?

Mr. LODGE. The Senator is absolutely correct when he says that one of the greatest military assets we possess is the fact that 5 years after World War II we have all these men who have had combat experience, and who are in a position not only to provide actual combat leadership, but to superintend training. But, as I said to the Senator from Connecticut, it is not enough that these men should just exist in this country. We want to take this potential and make it into an actuality, and, as the Senator from Pennsylvania well knows from his long military experience, the first thing we have to do is to train the trainers. We have to start teaching the teachers. Before we can begin inducting men in large numbers, we have to have people who know how to teach them. We have not even begun to get to that point yet.

The Senator is entirely right when he says that we have this great human asset, and that we should proceed to utilize these men and get all we can out of them as quickly as possible.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Minnesota.

Mr. THYE. Speaking about training the trainees, are there not a great number of noncommissioned officers in the various branches of the service who could be designated as lieutenants or, say, captains, who might assume the leadership of these men, and could we not in that manner speedily train a unit so that it could be utilized? If we are going to call men from every walk of life and train them to be instructors in various military camps, I can foresee that it will be a number of months before we will have an actual combat unit that can go overseas and relieve the men who are fighting now, because they are veterans of World War II and have had military service, some with Purple Heart decorations, as

has been said. We must mobilize and must train men for combat, and I believe we could draw from the noncommissioned officers to staff training camps with men of experience in military operations.

Mr. WHERRY and Mr. MARTIN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield, and, if so, to whom?

Mr. LODGE. Let me answer the Senator from Minnesota, then I shall yield further.

I do not believe we should bring noncommissioned officers back from Korea, and I do not believe the Senator from Minnesota thinks we should.

Mr. THYE. I do not. I refer to personnel we have throughout the world as of today, in Germany and in some of the other places. Certainly there are noncommissioned officers in the different military camps in the United States. There are many noncommissioned officers who were second and first lieutenants on an active basis, at the conclusion of the war, who went back to their permanent status as technical sergeants, and in other ranks.

Mr. LODGE. I would not be in favor of bringing any Regulars, whether commissioned officers or noncommissioned officers, back from the units which are now overseas. I believe we should try to build up what we have overseas. I do believe that the Senator from Minnesota is entirely correct when he says that we have a great many men who were noncommissioned officers in World War II and are now in civilian life whom we could call back, and we ought to call them back. I agree with the Senator from Nebraska that the fact that we have all these men whose military experience has been quite recent means that we can get on a strong footing more quickly than we did in World War II or World War I. But I still say it is a slow business at best. It still takes time to get to the mobilizing of men and processing them, giving them their shots, teaching them how to sleep on the ground, teaching them how to know each other, training them in the use of their weapons, in small-unit training and in maneuvers for divisions, corps, and larger units. All those things take much time. Maybe it will take less time than it took in World War II. Maybe it will take 3 or 4, or even 5 months' less time. It is still a very slow business. What I ask is: What are we waiting for? I have been asking that question of everybody in authority around here. Nobody can give me the answer. And I ask again: What are we waiting for?

Mr. THYE. Mr. President, that is exactly the question that is in my mind. What are we waiting for?

Mr. LODGE. I should like to know.

Mr. THYE. We have not called out men under the selective-service law which is on the statute books, and this is the latter part of August.

Mr. LODGE. Exactly.

Mr. THYE. And we are confronted now with the situation of having American troops on the Korean front who have not had any rest for more than 6 weeks, and we are not in a position to give them relief, and we are not calling up men. We have the commissioned officers necessary to train troops.

Mr. LODGE. And the American people are thoroughly prepared to do their full duty if they get any leadership.

Mr. THYE. They are. In fact, they are ahead of us at the present time.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. If the recommendation of the distinguished Senator from Massachusetts to amend the Selective Service Act to provide an Army of at least 30 divisions were carried out, would it be practical to put that into effect if we also had the Universal Military Training Act put into effect at the same time?

Mr. LODGE. I can foresee very serious complications if we try to do that. I think universal military training is a wonderful idea. It would give us the best civilian peacetime reserve we have ever had in all our history. But to put it into effect now when we have to take Regulars away from actual fighting units to do the training I think would introduce complications. And I understand that those who are urging UMT now are doing so on a standby basis.

Mr. WHERRY. So that would be the judgment of the distinguished Senator from Massachusetts, whether his amendment were agreed to or not. I am inclined to think that his judgment as expressed in the last paragraph of his recommendation should receive the utmost consideration by every one of us. I think he has made a good point with reference to the manpower of the country. I am alarmed by the fact that we are spending $42,000,000,000 and not getting any more manpower than the figures disclose.

Mr. LODGE. Particularly when every American citizen is agreed that we should have it. That is the thing that is staggering to me.

Mr. WHERRY. Mr. President, will the Senator yield for one last question?

Mr. LODGE. I yield.

Mr. WHERRY. Even though the recommendations of the Senator from Massachusetts relative to selective service are not adopted, does the Senator feel that UMT should not be put into effect at the same time that the selective-service law is in operation?

Mr. LODGE. I think great complications would result if we began building up our Army for service and starting in with universal military training at this same time. We ought to have UMT in existence long before war comes, building up a peacetime reserve, and then those men could be utilized to build up the actual units.

Mr. SALTONSTALL. Mr. President, will my colleague yield?

Mr. LODGE. I yield.

Mr. SALTONSTALL. I am very much interested in the subject, because the Senator knows I am a member of the Armed Services Committee. I have read the last paragraph of my colleague's speech. We passed an act on August 3, 1950, Public Law 655, which did away with all restrictions upon the authorized strength of the Armed Forces until July 31, 1954. As I understand—and I am much in agreement with what the Senator has said—there is no limit on the authorized strength of the armed services. We have the power, under the Selective Service Act, to get all the men we want until July 1, 1954.

Mr. LODGE. If my colleague will permit me, the way the law now stands, is it not true that there are so many deferments written into the law that we could not get the requisite number of men?

Mr. SALTONSTALL. There may be deferments. I agree with that.

Mr. LODGE. That is a very vital matter. That is the very point.

Mr. SALTONSTALL. But it is a question of appropriations rather than a question of changing the authorization in the present law.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WHERRY. It is not merely appropriations, is it, that the Senator is asking for?

Mr. LODGE. No. What I hope is that the Armed Services Committee will look into the question of changing the Selective Service Act, which I am told was never designed to provide more than two and a half million men for the armed services, and which is so full of deferments for different groups that it cannot provide more than 2,500,000 men. It seems to me that the obvious practical step to take is to look into the Selective Service Act to see if we cannot change the deferments so we can obtain 3,000,000 men.

Mr. WHERRY. What the Senator wants is an Army now.

Mr. LODGE. What I want is an Army now. What I want is a Navy now. What I want is an Air Force now and a Marine Corps now. I want them right now. I wanted them 3 months ago.

Mr. WHERRY. And universal military training will have to take its place in the future when the situation which is now so acute is out of the way? Is that correct?

Mr. LODGE. I think we can enact it on a stand-by basis.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. SALTONSTALL. I think the Senator is making some very wise observations. I would say to him that the universal military training bill which is now being considered by the Armed Services Committee of the Senate will carry out just about what the Senator has suggested. If it becomes law, it will put universal training into operation, but not put it into operation until we make sure that the present manpower needs of the armed services are met. Then it will come along.

Mr. LODGE. But the committee are not considering altering the deferments and the exemptions in the present Selective Service Act, are they?

Mr. SALTONSTALL. They are not, because up to the present time we have not been advised that the number of men requested by the armed services are not being met by the present Selective Service Act.

Mr. LODGE. I wish the committee would go into that. I think it would take a very simple bill to change the selective-service law so that it would be a dependable vehicle for providing 3,000,000 men. I do not think we ought to leave Washington until we have provided the legal machinery to get the men who are needed for the Army, particularly when the Congress is a unit in thinking that it should be done, and particularly when public opinion in the Nation is ahead of the Government in Washington in realizing that this is a struggle for existence. If this is a struggle for existence, I repeat my question: What are we waiting for?

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. WATKINS. I wish to associate myself with the remarks of the Senator from Massachusetts. I agree most heartily with most of what he has said. I wonder if he can inform the Senate whether the armed services, or the Defense Department, are in a position to house for training purposes large groups of men, if they were brought into service immediately and put into training.

Mr. LODGE. I imagine they can house them somehow. They might not be able to house them in the style to which they are accustomed.

Mr. WATKINS. Is it not a fact that most of the temporary barracks which we built for training the troops in World War II have now been destroyed or sold?

Mr. LODGE. There is such a thing as putting troops under canvas, I will say to the Sentaor from Utah, and we are blessed in this country by having a large area of the United States where the climate is relatively mild in the winter, and where training can proceed.

Mr. WATKINS. Does the Senator think the fact that we do not have the barracks we used to have would not be any handicap?

Mr. LODGE. I do not say it would never be a problem, but I say we do not get started on that problem until there is a little pressure to do something about it. I know how these things work.

Mr. WATKINS. Would not the matter of proper housing be one of the things to be considered in connection with the proposal now being made by the Senator?

Mr. LODGE. That is one of the excuses that will be made for not doing the things I suggest should be done. That will be one reason advanced as to why what I am now suggesting may be put off.

Mr. WATKINS. I wish to suggest to the Senator that in connection with the other things he is suggesting be done, he should include at the same time these preliminary matters.

Mr. LODGE. The strongest pressure for getting such things done is to have it made known that the men are beginning to arrive. That brings more pressure than any other thing.

Mr. WATKINS. I may say that very recently in Alaska, where the need for housing has been apparent for a long time, we did not have housing, and we have a limited number of men in Alaska by reason of the fact that we do not have housing.

Mr. LODGE. This is a different situation from that.

Mr. WATKINS. I hope it is different, because housing seems to be one of the necessary things to be had in connection with the entire training program.

Mr. LODGE. I agree that there should be adequate shelter.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. MARTIN. I should like to make this comment: There has been considerable discussion to the effect that the American people are aroused to the present situation. However, I am fearful that the American people are not aroused to the present situation. The old regiment with which I began to serve, and which I commanded, will be going into service in a few days, and this will be the first time in its history that it will not go into service with its ranks filled by volunteers.

Many speeches have been made encouraging men to enter the service. I have asked questions about that matter, and the answer is that the people do not know what the situation is.

So I think the distinguished Senator from Massachusetts has performed a fine service today by calling attention to this very important subject. What we need in America now is to begin to train troops. I am one of the old-fashioned group who feel that before a soldier is sent to the front line, he should have 12 months of training.

Mr. LODGE. And should have fired all the weapons. I am sure the Senator from Pennsylvania will agree with me as to that.

Mr. MARTIN. Yes, he should have used or fired all the weapons, and he should know hygiene and geography and how to read maps, and so forth. It is not fair to send a man to the front line under any other circumstances.

However, I think we should have universal military training plus universal military service. We have in America enough men who are qualified to do the training in order to do that job, and we should begin it now. That is the way to preserve peace in the world, and it is the only way. We should begin on that job now.

Mr. President, I wish to say that the distinguished junior Senator from Massachusetts has done a fine job in calling this matter to our attention and to the attention of the people of the country generally. I thank him most sincerely for doing so. I am in favor of universal military training, but I would go further, and make it universal military service; and instead of 30 divisions, I would double that number. Then I believe we would have peace in the world. While we are becoming that strong militarily, we should add to our spirtual power. The people of America should go all over the world, teaching the people of the world what Americanism really means. The trouble is that so many Americans do not know what Americanism really means.

Mr. LODGE. Let me say to the Senator from Pennsylvania, in connection with his comment about the Pennsylvania regiment which soon is going into service for the first time in its history without having its full complement of men, that that situation is not at all a basis for criticism of the men, because they simply have not been informed whether the present situation is a struggle for existence or whether it is a local police action.

When the Senator from Illinois today stated that he agrees with me that this is a struggle for existence, I consider that that statement by the Senator from Illinois justifies the effort I have made to make this presentation, because that is the first time that any prominent person in the group now in control of the Government has gone that far.

If the statement were made generally that this is a struggle for existence, and is not simply a local police action, I believe there would be no trouble at all in getting the necessary numbers of men, because the American people always do their duty when it is clear to them.

Mr. MARTIN. Mr. President, I should like to make it perfectly clear to the Members of the Senate that my old regiment of the National Guard has been, up to now, organized on a basis of peacetime strength. Now it is trying to get up to wartime strength. As that regiment goes into active service in a few days, it will be the first time in its history that it has gone to war and into a bivouac area in that connection, without having a full complement through volunteers.

The matter of housing has been mentioned. Let me say that the greatest Army this country ever produced was produced without any housing. So an army can be produced without adequate housing. I have soldiered without housing, and so has the junior Senator from Massachusetts. We simply cannot wait for housing. In World War II I took a division into a cantonment where the housing was not completed; and we had a great struggle to move equipment, because there were no roads. However, I think that sometimes men make better soldiers when they are confronted with a few adversities.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. THYE. I simply wish to say to the very able Senator from Massachusetts that not only has he rendered himself great credit by the statement he has made in the Senate today, but he has done a great service for his country, for he has pointed out the situation with which we are confronted. I know that many editorials will be written about the statement he has made to the Senate today.

Of course we find that one difficulty is that the soldiers do not know what the present situation is all about. I have received quite a number of letters from parents and from young men in the service who do not know what is involved in the present situation. I honestly believe that the President of the United States should have made a specific statement, long ago, as to why we are fighting in Korea, and also he should have clarified his previous statement that we were closer to peace than we had been at any time since the end of the war.

If the President had clarified that statement, I think today there would be in the Armed Forces more men who would know what the score is and why we are fighting and why there is need for reinstating the selective service and thereby getting men into the military camps, to be trained to fill the gaps which have been shot in our front-line troops at the present time.

Again I wish to say to the Senator from Massachusetts that he has done himself great credit and he has rendered a great service not only to the Members of Congress, for whom I speak as one, but to the people of the United States, by pointing out the nature of the present situation and calling it to the attention of the people of the United States.

Mr. LODGE. Mr. President, I thank the Senator from Minnesota very much.

I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PETERSON, Mr. MURDOCK, Mr. MORRIS, Mr. CRAWFORD, and Mr. D'EWART were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7941) to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 274) authorizing the correction of the enrollment of the bill (H. R. 7941) to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and it was signed by the Vice President.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. HUMPHREY. Mr. President, I wish to address myself to the pending measure, House bill 8920, the tax bill. I am convinced that this measure is a fundamental part of our mobilization program, and that its speedy passage is of vital importance.

In its simplest terms, the subject of taxes is the determination of who shall pay the cost of running the Government and just how much. The subject, however, is one of the most complex to face the Congress of the United States.

I have been most interested in noting, when we discuss tax legislation, how difficult it is to obtain pertinent, detailed informed observations on the subject from eacl and every person to whom we may talk. To be sure, the members of the committee are informed and have the details in mind. However, not only does this subject affect the members of the Finance Committee, but is one which should be of deep concern to every Member of Congress.

In addressing the Senate now, Mr. President—and I say this in particular to the very distinguished and able chairman of the committee—I do not do so with confidence of mastery of the tax law, because this is a new experience for me, but rather with a desire to know more about this important subject. As one Member of this body, I intend to spend a considerable amount of time in studying taxation. I speak not primarily to impart knowledge, but to seek information to better enable me, and, perhaps others, to understand the far-reaching implications of existing tax laws, and of the many changes that would be made by the pending bill.

A wiser and more experienced Member of this body commented to me a few days ago: "When you consider appropriations and taxes, all the other powers of Congress seem relatively unimportant." The more I have thought about this observation, the sounder it has seemed.

We all understand, for example, that an increase in taxes on wage earners of just a few percentage points can wipe out the benefit of a 5- or 10-cent-an-hour wage increase, especially when the increase in cost of living is also taken into account.

To digress for a moment, Mr. President, let me say that it has always amazed me that those who represent wage earners have not been more concerned about tax laws and the financial and credit policies of their country. I think it is quite obvious to anyone who has ever had to pay interest on a mortgage or who has ever been indebted to another that he who controls the purse really controls, and that those who direct the financial policy of a country are really very much in control of the direction of the country.

For example, speaking of taxes on wage earners, what a $3,000-a-year married man has left after taxes today, which is approximately $2,747, will buy, roughly, what the $2,200-a-year married man could buy with his $1,957 after taxes, in 1944.

To put it another way, if H. R. 8920, as amended by the Finance Committee, should become law, a $3,000-a-year married man in 1944, a peak year of World War II, would need to earn more than $1,000 a year more—$4,050—in 1950 to be able to maintain his 1944 standard of living. Next year he will need to earn, even if the cost of living does not rise above present levels, $4,150, or $1,150 more than he did in 1944, if he is to keep pace with higher taxes and inflation.

This bill would involve corresponding increases in the tax burden of small-business men, farmers, and other persons with income below $5,000. These are the people from whom nearly half of all Federal individual income taxes would be collected. (See table 3 on p. 7 of the committee report.)

I am convinced that most Americans want to make whatever sacrifices may be necessary for quick termination of the Korean war, and to provide us with the military strength with which to protect the democratic world against further aggression.

Mr. WILLIAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Delaware?

Mr. HUMPHREY. The Senator from Minnesota will not yield until he has completed this section of the body of his remarks. I have a statement which I want to present fully.

Mr. WILLIAMS. Mr. President——

Mr. HUMPHREY. The Senator from Minnesota does not now yield. I have worked a long time to prepare my statement, and I think it needs to be said. The people want assurance, however, that all individuals and all corporations will pay their fair share of the tax load. When anyone fails to pay as much taxes as he rightfully owes, this results in higher taxes on somebody else. When any corporation takes a bigger deduction for tax purposes than it does in reporting profits to its stockholders, this amounts to a tax subsidy that must be made up from taxes on other corporations.

That is why it seems to me to be so essential for the American people and all their representatives in Congress to know much more about Federal taxation. It is not enough merely to know that a graduated individual income tax is desirable—it is not enough to know that a sales tax is bad because it hits hardest those with lowest incomes and largest families. In order to insure that everyone pays his fair share of income taxes, we have several considerations which must be taken into account:

First. We have to weed out those who misrepresent the amount of their income when they fill out their tax returns. This is primarily the job of the Bureau of Internal Revenue, but the rest of us can help out by frowning upon sharp tax practices and assuming our responsibilities as citizens.

Second. We have to keep a sharp lookout that our graduated income-tax system is not defeated by efforts of individuals or corporations to divide or "split" their income with other persons in such a way as to avoid payment of taxes, while at the same time retaining effective economic control of the income.

Third. Another source of trouble has been the availability of a much lower rate of tax on so-called long-term capital gains, with the resultant temptation to taxpayers to try to claim, and to use every trick in the book to claim it, that

ordinary, recurrent income is really a capital gain.

Fourth. There is constant pressure upon taxpayers—and those who do not want to pay taxes—to reduce their taxable income by charging off greater deductions than would normally be allowable under proper rules of accounting.

Finally, as the fifth point, there are pleas—usually upon some claim of injustice, discrimination, or unconstitutionality—that all or part of the income of an individual or corporation should not be subject to any tax at all. This summation of the principal current problems of Federal income taxation may wreak havoc with the erudite concepts of the tax lawyers, accountants, and economists. But I have taken this approach in an earnest effort to understand how the income-tax part of the Federal tax system really operates.

Perhaps a little unorthodoxy can help us dispel some of the fog which enshrouds the twists and turns of Federal taxation as tightly as do all the security regulations in the field of atomic energy.

If we analyze the provisions of the pending bill, and the decisions of the Committee on Finance, there are a number which seem to fall within the broad confines of the five areas I have outlined.

I. TAX EVASION

A. DIVIDEND WITHHOLDING

A simple problem of tax evasion that could readily be corrected is the failure of stockholders to report about a billion dollars received in dividends each year.

The House bill contained a provision which would have required corporations to withhold at least a portion of the Federal income tax at the time dividends are paid.

For several years now wage earners have had income tax withheld before they receive their pay. Why should we continue to tolerate tax evasion by coupon clippers?

We do not tolerate tax evasion by persons who work with their hands in a factory. They have payroll withholding. I insist that if it is good enough for the rank and file of people who work with their hands, it is good enough for coupon clippers.

The only arguments that have been advanced in justification of continuing this $170,000,000 a year loss in revenue rightfully due the Government are as follows:

First. It is claimed that the amount of under reporting on individual income-tax returns which the estimates indicated have not been substantiated. Let me quote the facts, which were submitted by the Treasury Department and published in the hearings before the Finance Committee on House bill 8920. In 1947, a year for which data from statistics of income are actually tabulated, so that the area of estimation is substantially narrowed, the Treasury Department states that net dividends paid by corporations amounted to $6,500,000,000. In the same year, individuals and taxable fiduciaries reported only $4,900,000,000 on income-tax returns, leaving $1,600,000,000 to be accounted for.

After allowance was made for dividends not reported, either because they were received by tax-exempt organizations, nontaxable fiduciaries or persons who were not required to file returns, the remaining gap was $900,000,000. Using these figures as a base, the Treasury estimates that the gap has risen since 1947 to over $1,000,000,000, a reasonable estimate, since dividends have risen by over 20 percent. The Joint Committee of Internal Revenue Taxation estimates are about the same. In view of these facts, it is clear that substantial amounts of dividends are underreported or just not reported. No amount of juggling with the figures will produce estimates which are substantially different from these.

Second. It is argued that the dividend-withholding system is not needed. It is said that the Bureau of Internal Revenue would have enough information to check returns if corporations were required to submit lists of the amounts of dividends paid to individuals and if individuals were required to itemize each dividend payment separately. The Treasury Department makes this comment on this argument.

I quote from the hearings before the Committee on Finance:

> The cost of collecting the additional revenue from dividends without a withholding system would be prohibitive, even if taxpayers are required to itemize their dividends and corporations were required to submit information returns with respect to all dividends paid. Although firm estimates of the additional cost cannot be made, it is clear that the amount would be very large.

I continue to quote from the hearings:

> The additional enforcement cost in relation to the amount of revenue it would produce would be very high and could not be justified from the viewpoint of proper allocation of tax enforcement resources. Even if it were possible to obtain a large enough appropriation, it would not be profitable to follow through individually on the hundreds of thousands of stockholders with small amounts of dividends.

In view of this strong statement, there should be no doubt that anything short of a withholding system will not be sufficient to curb the evasion of tax by dividend recipients.

I come now to the third argument which is made. I may say that all these arguments may appear plausible, and I suppose that every one of the arguments on its own has a certain amount of merit. However, as to what their effect would be, we must look at them not only individually, but collectively.

It is argued that a withholding system would be too much trouble for corporations and individuals and would raise the cost of compliance for corporations. I cannot understand the reasoning in this argument, in view of the fact that as a substitute for withholding it is suggested that corporations should be required to submit detailed lists of the amounts of dividends paid to all their stockholders. The withholding system which the House bill would provide would not increase the work substantially—and I point out that the House bill did provide for a withholding system—unless we regard the collection of the tax at 10 percent a great deal of work.

Mr. President, may I have order?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Senate will be in order. Senators will please cease conversation.

Mr. HUMPHREY. If I could get every Senator to listen to the proposal of tax withholding on dividends, perhaps we could do more for economy in one stroke than we did in a whole week of fighting over the appropriation bill, because here is an opportunity to collect $170,000,000 from people who ought to pay it. If we could collect the money it would be of some help in trying to balance the very precarious national budget.

As for individuals, experience with the wage withholding system indicates conclusively that individuals prefer to have their taxes collected currently. Familiarity with withholding on wages will make the transition to the new dividend withholding system relatively simple. I am sure that the majority of the people who receive dividends would prefer to have a withholding system than to allow the minority who escape their fair share of taxes to continue to get away with it.

Mr. President, I emphasize that point. It is only the minority which escapes. It is the minority that gets by. The majority of American shareholders who are getting dividends, which they rightly deserve, are paying their fair share of the taxes. When income-tax rates are increased, we must make every effort to collect at a minimum of cost the taxes which are due.

Fourth. It is argued that withholding on dividends would mean that there would be overwithholding on tax-exempt organizations and nontaxable individuals. Tears are shed for those who would be eligible for refunds of taxes withheld on dividends, but nothing is said about the present overwithholding on wages and salaries. Every year more than 9,000,000 wage earners receive tax refunds amounting to a sum in excess of $400,000,000. Wage earners have accepted this withholding and overwithholding as necessary, and they have not complained. There is no reason why there should be any complaint from dividend recipients. What the junior Senator from Minnesota is saying is that the wage earner is given one kind of treatment, and the dividend receiver is given another kind of treatment. It is the position of the junior Senator from Minnesota that the dividend gainer or, as he is referred to in the vernacular, the coupon clipper, should be given exactly the same kind of justice, particularly when the vast majority of dividend gainers or people who gain profits from dividends, are paying their fair share of the taxes. There is no reason why the minority of dividend gainers should be excluded.

The Secretary of the Treasury stated that withholding provides an economical method of securing substantially improved compliance in this area, as it has in the case of wages and salaries. Wage earners pay their taxes through a withholding system. I repeat, I cannot see why dividend recipients cannot be asked to do the same. In view of the evidence given before the House committee and the Senate committee, in view of the fact that there is incontrovertible evidence to the effect that there exists a billion

dollars of unaccounted-for dividends, insofar as taxes are concerned, and in view of the desire of the Congress to plug loopholes instead of opening loopholes, it appears to me that here is one place where we can really strike a blow for equitable taxation. The dividend withholding provision should be restored to the bill, and I have joined with the junior Senator from Illinois, the present Presiding Officer [Mr. DOUGLAS], and the junior Senator from New York [Mr. LEHMAN], in offering an amendment which would do that. The amendment we offer is very simple. We merely strike the Senate language and restore the House language. It means that we would set up a dividend withholding system which would work. Any inequity which may arise could be taken care of by a tax refund. I come now to the second category in my layman's analysis of the pending tax measure.

II. SPLITTING OF INCOME

B. FAMILY PARTNERSHIPS

Just before World War II, Congress raised the surtax rates on individual incomes and imposed an excess-profits tax on corporate incomes. At about the same time the war boom began to increase enormously the incomes of most businesses owned by individuals and corporations. Almost overnight some few expressed themselves as unwilling to assume a fair share of the money or tax burden of the war. People who had always operated their businesses as individuals suddenly decided to take in their wives and even infant children as business partners. Men who had operated their businesses as corporations suddenly dissolved their corporations and formed so-called partnerships with their wives and children.

Usually, the wives and children—and certainly the infants—knew nothing about the business. They did not intend to work in the business. They did not put any money of their own into the business.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at the moment. I shall be very glad to yield when I have concluded my remarks. If the Senator from Oklahoma will remain in the Chamber I shall consider it a privilege to answer his questions.

Mr. KERR. The Senator from Oklahoma will remain because he is interested in the Senator's remark with reference to the very meager knowledge wives have about businesses.

Mr. HUMPHREY. I may say to the distinguished Senator from Oklahoma that the Senator from Minnesota has great respect for womankind, and was about to criticize the male specie for having kept their wives out of their business affairs. If the Senator will wait I shall try to explain this very intricate problem.

Mr. KERR. The Senator from Oklahoma will remain in the Chamber.

Mr. HUMPHREY. The Senator is most courteous.

The income tax rate is graduated. The more money earned, the greater the rate which is paid. If all business incomes were taxed to the one who earned and controlled the income he would have to pay the higher taxes which Congress assessed. The important thing is not who earns it, but who controls the income. It is the control over the money which is important. As a matter of fact that is why the big banks exercise great influence. It is not that a banker has all the money which a bank has, but that he controls the use of other people's money. That is where the real power exists. By artificially and temporarily—and I emphasize both words—dividing the profits among members of his family, the businessman avoids the graduated scale of taxes. I again emphasize the words "artificially" and "temporarily."

During World War II the Bureau of Internal Revenue with the help of the courts was able to stop this flagrant tax avoidance technique of dividing "one earned income into two or more through the device of family partnerships" (*Commissioner* v. *Tower*, 327 U. S. 280, 284 (1946)). The courts held that these family partnerships would not be recognized for tax purposes unless the parties genuinely intended to work together as partners. I point out that if persons genuinely work together as partners, they are entitled to what may be called a split-up of the income. Anyone who assumes a share of the responsibility, and anyone who contributes a particular asset to a business, is entitled to his share of the income. If a man's wife and child really work in the family business—and I want the Senator from Oklahoma to listen very carefully now—or put up capital of their own which was not previously subject to the risks of the business, the right of the wife or child to a share of partnership income was not questioned.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to continue on.

Mr. KERR. The Senator referred to the Senator from Oklahoma.

Mr. HUMPHREY. I shall yield.

Mr. KERR. There is a law under which gifts may be made by one member of a family to another upon the payment of stipulated or designated tax, is there not?

Mr. HUMPHREY. That is correct.

Mr. KERR. The gift having been made and the tax having been paid, that which is given becomes the property of the one to whom it is given, does it not?

Mr. HUMPHREY. That is correct.

Mr. KERR. That having been done, then is it not just as lawful for the one who thus owns the property to put it into a partnership where it may receive what it is entitled to, not for management, but purely from the standpoint of the value of capital, as though it had been acquired in any other manner?

Mr. HUMPHREY. I appreciate the observation of the Senator from Oklahoma. There is just one thing wrong with it. When one gives someone a gift he loses control over it, but under the family partnership device, the business is split up, and one does not lose control over it. This is a tax-evasion device. The courts of the United States have held that it is a tax-evasion device. Let us get down to cases.

I repeat, during World War II the Bureau of Internal Revenue with the help of the courts was able to stop this flagrant tax-avoidance technique of dividing "one earned income into two or more through the device of family partnerships." The courts held that such family partnerships would not be recognized for tax purposes unless the parties genuinely intended to work together as partners, and the committee has done extraordinarily good work in getting the rates up. But the sham arrangements entered into exclusively to avoid the graduated wartime surtax were struck down.

Now, another war is starting. This very bill increases individual and corporate rates—for the sole purpose of helping to pay for that war. This provision, like a number of others, however, legalizes a flagrant war-boom tax avoidance scheme.

During World War II, when Federal income-tax rates soared, the number of partnership returns filed with the Bureau of Internal Revenue jumped from a little over 200,000 to more than 800,000. This 4-to-1 increase resulted to some extent from attempts to avoid the excess-profits tax imposed on corporations, but a great part of the increase stems from attempts by businessmen to cut their individual income taxes.

Those whose businesses flourished in World War II should not now be forgiven a substantial part of the taxes they, as individual businessmen, rightfully owe the Government.

I call my colleagues' attention particularly to page 144 of the bill, where it is provided that the family partnership item shall be retroactive to December 31, 1938.

I heard it said on the floor of the Senate yesterday that we could not have an excess-profits tax made retroactive to July 1. When the Senator from Georgia was asked if the excess-profits tax proposed by the Finance Committee, after a study was made, would not go back to July 1, 1950, the answer was "No."

I know that in this bill, in connection with insurance taxation, which I shall discuss later, the argument has been made that the provision cannot be retroactive, but let us see what the bill provides when it comes to the matter of dividing up family incomes.

I read from page 144:

> The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1938.

Mr. President, I should like to know if that is equity. This is supposed to be an interim tax bill. We have been told in connection with the excess-profits tax that we have not time to be considering new changes, that we are merely raising the rates. Then why is there plenty of time to fix up the taxes that were paid during the war years?

I repeat, those whose businesses flourished in World War II and who took advantage of the family-partnership scheme, which was stopped by the courts, should not now be forgiven a

substantial part of the taxes they as individual businessmen rightfully owe the Government.

It is certainly disheartening to see this type of legislation presented at a time when, once again, American soldiers, sailors, airmen, and marines must risk everything in the service of their country without regard for either profits or taxes.

Under the pending bill a businessman who has a wife and three infant children can arrange to pay even lower taxes than he has paid during the recent years of uneasy peace. By virtue of the income-splitting provisions of the 1948 act he does not even have to take his wife into his business, if he fears that she might interfere. All he needs to do is set up a trust for each of his three children. The trusts need never receive the partnership profits allocated to them. The profits can remain in the business subject to the businessman's control.

After 10 years the trust can be dissolved and the accumulation returned to the grantor.

Either way the result is shocking. According to the rates scheduled in the bill we might get the impression that a man with a net income of $50,000 pays a tax of $23,181. If he is married and his wife has no income his tax liability is $19,360. But if he takes advantage of the tax-avoidance scheme afforded by this section, creates trusts for his three children and makes his wife and the trusts partners in his business, the war becomes not so bad after all. The family enjoys just the same $50,000 income. But the family tax bill is $11,280 instead of the $23,181 we thought he might pay.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. HUMPHREY. In a moment, when I finish this thought. What started out to be a tax with a top bracket of 75 percent ends up as a tax with an effective rate of a little more than 20 percent on a man who takes in $50,000 in income for a war year.

I now yield to the Senator from Oklahoma.

Mr. KERR. Did I correctly understand the Senator to say that the bill would permit a parent to create a temporary trust for his children, and then at the end of the period of the trust revoke the trust and take back into his own ownership the assets which had been the body or most of the trust?

Mr. HUMPHREY. I was just about to ask the Senator from Oklahoma this question——

Mr. KERR. I say, is that what the Senator said?

Mr. HUMPHREY. I was about to say that if that were the effect of the bill, I should like to be so informed by the able distinguished chairman of the Finance Committee, or one of his colleagues. I should like to have the information.

Mr. KERR. What is the Senator's interpretation?

Mr. HUMPHREY. That is my interpretation.

Mr. KERR. Does not the Senator know that the statement of facts which he has made, regardless of whether the measure is adopted or not, is totally in error, and that other than an irrevocable trust over which the grantor has no control, no trust can be created under which the grantor can reclaim it or any part of his assets? No such trust is permitted under any phase or element of the law at this time, or under the measure the Senator is discussing?

Mr. HUMPHREY. No, I do not know that at all. As a matter of fact, the Senator from Minnesota has discussed this matter very definitely with experts in the Treasury Department and with tax experts, and I am more than happy to go into the details, as I was about to do, on each and every amendment.

Mr. KERR. If the Senator will read the law, both actual and prospective, I think he will find that the matter will be subjected to all possible scrutiny in the department with reference to the bona fides, and in case bona fides are found not to exist, it will be disregarded and treated as a nullity, and not operate as the Senator has described at all.

Mr. HUMPHREY. I am very happy to have that observation from the Senator from Oklahoma, because one of the purposes of this participation on the part of the junior Senator from Minnesota is to get a legislative history built up on the pending bill that will make it perfectly clear exactly what some of its language means, because the language is subject to a great deal of interpretation. It is entirely possible that the interpretation which is built up here by the members of the committee will have a great deal of effect.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS. The Senator from Minnesota pointed out a few minutes ago the extraordinary growth of family partnerships during the war. Perhaps some of those partnerships were started to cut down taxes. But is it not a fact that a large number of such partnerships were started as the result of a number of small-business men being drafted into the Army, and they had to form the partnerships so their wives could carry on?

Mr. HUMPHREY. Yes, that may have happened, but a 2-month-old child could hardly have made a contribution as a participating partner.

Mr. WILLIAMS. If the Senator from Minnesota will consult with the Treasury I believe he will find that no minors were allowed to be partners in a partnership.

Mr. HUMPHREY. It is entirely possible under the trust fund provisions for minors to be members in a partnership.

Mr. WILLIAMS. I am speaking of the family partnerships.

Mr. HUMPHREY. I am speaking of the family partnerships, and had the Senator from Delaware been present he would have heard what the report of the junior Senator from Minnesota was. If the Senator from Delaware is willing, he can go into certain important cases, such as that decided in the middle district of North Carolina, in 1949, where the court made a ruling in a partnership case which involved not only the wife, but also the children. I am speaking of something which has actually happened.

Mr. WILLIAMS. I think if the Senator will review those cases all through he will find that the money that was furnished by the minor was money that was inherited through legal channels. Perhaps the father used it. I still say, and I think my statement will be supported, that the Treasury Department allows no family partnership when a man puts up the money for a minor.

Mr. HUMPHREY. The only purpose of the junior Senator from Minnesota is to make sure that this honest observation made by the Senator from Delaware really is a fact.

Mr. WILLIAMS. I thank the Senator.

Mr. HUMPHREY. And that there is no language within this bill which makes the way open, and may well provide a sluiceway for tax evasion through family partnerships. We saw what happened in World War II, and we know that one of the reasons this kind of language was placed in the bill in the committee was because of the decisions in the cases handed down in World War II.

Mr. WILLIAMS. I am not criticizing the Senator for making sure that the loopholes are blocked, but I want to say that I think it is unfair to make a blanket indictment against all such partnerships, because many of them were bona fide partnerships formed as a result of the husband having to go to war.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. What the junior Senator from Minnesota has said is absolutely true. There is not the least doubt in the world, in fact it is a matter of record, that little children 2, 3, 4, 5, 6, months old were taken into partnerships. That was a scheme which was devised first by a lawyer in Chicago during World War II. I am delighted at the very fine speech my friend, the distinguished Senator from Minnesota, is making.

I call attention to the fact that the junior Senator from Iowa [Mr. GILLETTE], during World War II raised similar questions upon the Senate floor. At that time we were unable to get anywhere. For example, at that time the law provided that a visitor in this country, no matter how much money he made on the stock exchange, was not required to pay any income tax at all. The senior Senator from Iowa at that time [Mr. GILLETTE] laid the figures squarely before the Committee on Finance, and read them off upon the floor of the Senate. He showed that at that time so-called refugees, so-called visitors, failed to pay $800,000,000 of income taxes. If the same profits had been made by citizens of the United States, they would have had to pay income taxes on them.

I am delighted that the junior Senator from Minnesota is endeavoring to close up some of the loopholes which afford opportunities to escape taxation, because I remember so well that the very able Senator from Ohio in a speech he delivered during the war, listed a total of $800,000,000 of income taxes not paid by so-called visitors to the United States, refugees to the United States who were designated as visitors and not as citizens.

I think the junior Senator from Minnesota is doing a magnificent job. I certainly want to associate myself with him and with the Senator from New York [Mr. LEHMAN] and with the distinguished occupant of the chair, the Senator from Illinois [Mr. DOUGLAS]. What is now sought to be done is something which ought to have been done years and years ago. As a matter of fact, the family partnership arrangement was an absolute disgrace. It was a scheme devised by some shrewd lawyers, and it was widely adopted. I know of my own knowledge of cases, in the city of Chicago, of children 3, 4, 5, and 6 months old, up to 10 years old, being taken into the sort of partnerships referred to.

Mr. HUMPHREY. I thank the Senator from North Dakota. I want to make a further statement in support of this point which, by the way, we are going to come back to whenever we offer the amendments. I do not want to use all the ammunition at once, I may say to my friend from Oklahoma. We are merely trying to state, what we consider to be objections, before the committee, as I explained to the distinguished chairman of the committee. When we come to each amendment, as we bring them up, we will have the opportunity to debate them in full. I have discussed this matter with members of the committee and with staff members.

I have discussed it with eminent tax attorneys and with persons who have been in the tax courts. I find from their interpretation that it is entirely possible that this provision would permit the recipient of business income to add his daughter in finishing school and his son in a nursery school as so-called partners in a business enterprise in order to split up business income among them, and thus avoid his fair share of income tax, which all of us must bear.

Let me point out that the only limitation imposed upon this universal authorization of tax avoidance is the rather vague one that if the allocation of partnership income does not "substantially" reflect the proportionate value of the services rendered by any partner, a reasonable allowance will be attributed to the partner rendering the services. Presumably, but it is by no means certain, the portion of the profits attributable to the services rendered by each partner will be properly allocated. But that seeming restriction would have slight effect, if any, upon the loophole created by this provision. If the owner of the business is retired and if the business is operated by managers upon a salary basis, the provision has no effect whatsoever. If the owner is active in the conduct of his business, the proportionate value of the personal services rendered by him is, let us say, $50,000, as it would be for the chief executive of a corporation of substantial size. Then the only effect would be to reduce by $10,000 the distributive partnership shares of the four other newly inducted alleged partners. But whatever the effect of this allocation rule, the fact remains, that the 1-year-old infant is recognized for tax purposes as a valid partner, notwithstanding the fact that the infant renders no service and makes no contribution and has no participation in the management or direction of the enterprise or any voice in the distribution of partnership income.

I wish to point out that the reason this provision was put into the bill was that those who want to benefit from it said they were confused by the court rulings handed down during World War II and they said there was confusion because of the rulings of the Bureau of Internal Revenue. So, Mr. President, we see that this fight is something like the old basing-point fight, where confusion was alleged, and where the way suggested for getting rid of the confusion was to add more confusion, so that no one would know what it was all about. In the meantime some interests would obtain rather sizable sums of money.

I shall return to a discussion of this matter. However, I have 12 loopholes to discuss, 12 loopholes which the President suggested should be closed. However, instead of closing them, a welcome mat has been put out in front. Instead of closing the loopholes, the skids have been greased, so that it will be easier to slip through.

The question which I address to the able members of the committee is this: Do we want to validate these fictitious tax partnerships, which permitted tax dodgers to operate in World War II? I say that with restraint, because the court has said——

Mr. KERR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Minnesota yield to the Senator from Oklahoma?

Mr. HUMPHREY. I yield.

Mr. KERR. Did the court call all partners using such income-sharing provisions tax dodgers,

Mr. HUMPHREY. I did not say that. I said the court said this was a tax-dodging device.

Mr. KERR. Did the Senator say there were 800,000 family partnerships?

Mr. HUMPHREY. The total number had increased from 200,000 to 800,000.

Mr. KERR. So the Senator has said there were 800,000 tax dodgers——

Mr. HUMPHREY. I regret to hear the Senator from Oklahoma make that charge, because what I have said repeatedly is that only a minority of the people have abused the law, for, as in the case of dividend holdings, the vast majority of the people are honest and do not have a chance to get hold of a fancy Chicago lawyer to help them dodge paying their just bills.

Mr. KERR. Does the Senator take the position that there should be no provision with respect to the payment of taxes by reason of the fact that there is more than one member of a family?

Mr. HUMPHREY. The Senator from Oklahoma heard me say precisely that wherever a member of a family makes a contribution to a business or renders any form of service or capital, that is a legitimate partnership.

The question is asked, Is there something wrong in bringing a child into a business? I say there is not a thing wrong in doing so. The moment a child can get behind the counter in a drugstore, for instance, and can jerk a Coca-Cola, he is sharing in the business, and is a partner to that extent. However, a child should not be recognized as a partner of the business if he is unable to render service to the business.

Mr. KERR. When a child is a partner, he is entitled to receive a return for whatever benefit his service is to the property; is he not?

Mr. HUMPHREY. Yes.

Mr. KERR. Does not the Senator know that is all this bill permits?

Mr. HUMPHREY. No; I know the bill permits the grantor of the profits to control the use of the money; and so does the Senator from Oklahoma know that. The Senator knows that the funds which may go to a 6-year-old child may be controlled by the "old man," so to speak; and it is no gift when someone else uses your money.

Mr. KERR. I would say to the Senator that in the case of a child who holds property, either the Senator from Minnesota does not understand the bill or the committee does not understand the bill; and I assure the Senator that the committee probably has spent as much time on the bill as the Senator from Minnesota has.

Mr. HUMPHREY. I am confident the committee has done so.

Not only do I say that the committee spent enough time on the bill; but wise men outside the realm of the United States Senate are perfectly convinced that the Senate committee not only spent enough time on this matter, but got the right kind of language into the bill, so that what the courts frowned upon in World War II now will be made legal.

I remind the Senate that this provision of the bill is retroactive to December 31, 1938. Why do we have to go back 12 years, Mr. President? It is because during that period of time the courts and the Bureau of Internal Revenue were not willing to let the government be fleeced out of certain taxes which should come to the government. At least there was some disagreement.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is there not a case in which a leading accountant made his 1-year-old son a partner in his accountancy business, and then divided the income of the business between himself and his one-year-old son, as his partner?

Mr. HUMPHREY. That is correct; that case is well known.

Mr. DOUGLAS. Is it not true that the same accountant would have been grievously offended if it had been said that the profession of accountancy was so simple that a one-year-old child could master it?

Mr. HUMPHREY. I am sure that is a wise observation by the Senator from Illinois.

Nevertheless, for tax purposes, 1-year-old Charlie became a member of that firm.

Mr. DOUGLAS. I do not know that he had a certificate as a certified public

accountant, but certainly he shared in the emoluments of the firm.

Mr. HUMPHREY. Yes. Not only did the 1-year-old child realize the great pleasure and honor of sharing in his father's firm and the prestige which came from knowing that he was associated with his distinguished father, but he did not have a single worry about what would happen to his money, because his father took care of that and took control of the entire business. The advantage the father obtained by means of such an arrangement, was that he did not have to pay as large a tax as he would have had to pay if he had waited until his son became old enough actually to perform work for the firm, before taking his son into the firm as a partner.

Mr. DOUGLAS. By means of that arrangement, the father reduced the taxes he had to pay, although he remained in control of the business.

Mr. HUMPHREY. That is the point I have been making.

Mr. DOUGLAS. Under the amendment proposed by the committee, such an arrangement would be legalized.

Mr. HUMPHREY. That is correct.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MILLIKIN. That would not at all be legalized under this amendment. The direct contrary is true.

The value of the son's proportionate contribution would be recognized, and such recognition would be legalized. The Senator must know that.

Mr. HUMPHREY. I realize that. I want that language interpreted, because it says "substantially contribute to". What is the power of allocation? What are these allowances? How do we spell this out?

Mr. MILLIKIN. The Bureau of Internal Revenue will spell it out, and undoubtedly will do so in a very arbitrary way for the taxpayer. That is the precise reason for those words, namely, to stop the very thing the Senator is talking about.

Mr. HUMPHREY. I am glad the Senator has said that, for the only reason those words are in the bill at all is because of the Bureau of Internal Revenue decisions and court decisions that were handed down in World War II, which were to stop the thing the Senator is talking about. I want to find out whether the new language in the bill will permit that to be legalized. If it is not, if we can get from the distinguished Senator from Colorado, who is an eminent and well known and well informed expert on taxation, a positive statement that this in no way will upset the case of Commissioner versus Tower and that it will in no way upset what is considered to be the legitimate family partnership, then, perhaps well and good.

Mr. MILLIKIN. I will make this positive statement to the distinguished Senator: No. 1. There had to be a valid gift. If there was no valid gift, then the whole thing collapsed.

Mr. HUMPHREY. That is correct.

Mr. MILLIKIN. And the Bureau of Internal Revenue, in the first instance at least, judges that question.

No. 2, if there is a valid gift, then the value of what is put into the partnership by infant Charlie is weighted, and the Bureau of Internal Revenue does the weighting. In other words, he cannot jerk the soda, but if he has put money into it which belongs to him, whether he is young or old, the value of that money in the business is assayed and valued by the Bureau of Internal Revenue. In other words, the purpose is precisely opposite to that attributed by the distinguished junior Senator from Illinois.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I have never seen, I have never heard such a perversion of clear-cut language of an amendment as we have just witnessed.

Mr. HUMPHREY. There are going to be 10 more amendments, if the Senator will yield further.

Mr. MILLIKIN. Then there will be 10 more perversions, if that is the Senator's pattern.

Mr. HUMPHREY. Let me say as one Member of the United States Senate, after having looked over the record of some of the cases in World War II, that our cause is just. That is exactly why this provision should be tightened rather than loosened. It is perfectly obvious that during the years of World War II, there was a flagrant abuse of family partnerships and the splitting of incomes.

Mr. DOUGLAS. Mr. President, the Senator from Minnesota has called attention to the provisions on page 143, dealing with family partnerships. Would it be helpful if some of the lines were read at this point?

Mr. HUMPHREY. I should very much appreciate it.

Mr. MILLIKIN. Mr. President, if the Senator will yield, I shall be very glad to have them read.

Mr. KERR. Mr. President, the Senator from Oklahoma——

Mr. HUMPHREY. Mr. President, I yielded to the Senator from Illinois. We are perfectly willing to receive all the help we can, but preferably, one at a time.

Mr. DOUGLAS. Mr. President, will the Senator be kind enough to read the passage beginning on line 19, continuing to the bottom of the page, with the word "family"?

Mr. HUMPHREY. The passage referred to reads:

> For the purpose of this section, the term "family partnership" shall mean any partnership as defined in section 3797 (a) (2) which includes two or more members of the same family as defined in section 24 (b) (2) (D), and for this purpose a trust for the benefit of a member of a family shall be considered a member of such family.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I notice that a family trust is regarded as a "member of the family," and a family trust can therefore be a partner, and that by creating a family trust for the benefit of a child, the family trust then becomes a "member of the family" and a "member of the partnership."

Mr. HUMPHREY. And the family trust is under the control and domination of the parents, is it not?

Mr. DOUGLAS. Yes; of course, that is the essence.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Colorado.

Mr. MILLIKIN. I repeat most respectfully what was said by the distinguished junior Senator from Oklahoma that unless the trust represents an irrevocable gift, it cannot be a valid trust; and hence the whole thing collapses from the beginning. Will the junior Senator from Minnesota please be good enough to read the language which assigns the weight to the money and to the services?

Mr. HUMPHREY. I shall be more than happy to read that:

> In case of a family partnership, the allocation of partnership income according to the terms of the partnership agreement shall be recognized unless such allocation does not substantially reflect the proportionate value of the services or capital of the family members, taking into account the contribution of services and capital of each. If it does not so reflect the proportionate value of services, a reasonable proportionate allowance for such services shall be attributed to the partners rendering such services.

Now, what does that mean?

Mr. MILLIKIN. So far as I am concerned, with my limited knowledge of English, it is as clear as a bell. It says to the Commisisoner of Internal Revenue, "You weigh the value of the service, you weigh the value of the capital, and attribute their proper weight to them," which is directly opposite to the statement of the junior Senator from Illinois.

Mr. HUMPHREY. No, it is not, I respectfully suggest.

Mr. MILLIKIN. Not only is there a weighing the value of services, but it provides in specific language for weighing the value of the capital.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota be kind enough to read the sentence immediately following the two sentences he has just read? It is page 143, line 15.

Mr. MILLIKIN. I did not ask the Senator, but I appreciate the comment. I shall be glad to have him read all of it, and I think he should read it.

Mr. HUMPHREY. Here is the point the Senator from Illinois is calling to our attention:

> The fact that a partner does not actively participate in the management or conduct of the partnership business shall be taken into account in determining the proportionate value of services and capital, but shall not otherwise affect his status as a partner.

Mr. DOUGLAS. Mr. President, is it not true, under that clause of the amendment proposed by the committee that, even though the partner, which may be a family trust for an infant son, "does not actively participate in the management or conduct of the partnership business," and even though no contributions are given, yet his status as a partner shall not be affected? He remains as a partner, entitled to share in the net income of the partnership.

Mr. HUMPHREY. That is my understanding. I think that that is a very valid observation. Now, I shall be glad to hear from the Senator from Colorado. What is his observation on that?

Mr. MILLIKIN. If he is an honest partner, if he contributes value to the partnership, if the other fellow is a valid donee of a gift and if the value of the gift contributes to the partnership, the Commissioner of Internal Revenue will weigh the respective contributions and judge how the profits shall be divided.

Mr. HUMPHREY. Why was this provision needed in the bill?

Mr. MILLIKIN. It was needed for the simple reason that case after case showed that the Bureau of Internal Revenue resolved every doubt against the taxpayer, assumed from the beginning that it was a phony gift when it was a genuine gift, and the provision was inserted in the bill to stop that practice.

Mr. HUMPHREY. How many people will it help, and whom does it help?

Mr. MILLIKIN. Let me say to the distinguished Senator that a couple of years ago, when a tax bill was before the Senate, case after case arose, particularly in Iowa and Nebraska and other States in that area, which disclosed that they had become used to the partnership method of doing business because they did not like corporations. They were, like the distinguished junior Senator from Minnesota, suspicious that there is a devil in the corporation, that the devil must be flogged, and that the sin must be beaten out of him, even if it kills the owner of the corporation and those on the payroll of the corporation and the managers.

Mr. HUMPHREY. I never have——

Mr. MILLIKIN. I am delighted to hear this confession of repentance.

Mr. HUMPHREY. Repentance? It is merely a reaffirmation of faith. A man cannot repent unless he is with sin.

Mr. MILLIKIN. Unless he cannot distinguish between virtue and vice.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield, then I should like to proceed.

Mr. DOUGLAS. I should like to ask the Senator from Minnesota this question: Does it not seem passing strange, when the Committee on Finance declares that the purpose of this bill is to raise revenue, and only to raise revenue, when they say they want a simple bill, when they say the question of excess profits is too complicated for them to consider and should be ruled out because they want a simple bill, that, nevertheless, they should put such a clause as this in it? It certainly is susceptible to varying interpretations, and may open wide the floodgates of the Treasury to enormous refunds dating back to 1938. I repeat, does it not seem strange, passing strange, mysteriously strange?

Mr. HUMPHREY. I thank again the Senator from Illinois for his very profound observation, well stated. It is certainly, in other words, what the junior Senator from Minnesota was trying to say a few moments ago. Here we find a provision in the bill which is retroactive back to 1938, yet yesterday the excess-profits amendment could not become retroactive even to July 1950. Now we come to a provision in the bill concerning which honest men and perhaps misinformed men or informed men may have honest differences of opinion, because I can assure the members of the committee that there are people, experts in the field of tax legislation, people from the Bureau of Internal Revenue, men who have spent a lifetime of service with tax problems, who have informed the junior Senator from Illinois, the junior Senator from New York, and the junior Senator from Minnesota that this provision is opening up a sluice gate of refunds and of problems in the tax field for the Government.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Pennsylvania.

Mr. MYERS. Does not the Senator believe this amendment makes it easier to avoid taxes through such partnerships, rather than to make it more difficult to avoid taxes?

Mr. HUMPHREY. That is exactly the viewpoint and judgment of the junior Senator from Minnesota. I cannot see where this amendment tightens the tax law; I cannot see how it will produce any more revenue; I cannot see where it offers any more justice. Rather than close a loophole, it opens it further a little bit.

Mr. MYERS. A little bit?

Mr. HUMPHREY. I am being generous.

Mr. MYERS. I am sure the Senator realizes that under the present law a father can give a legitimate gift to a son and establish a bona fide partnership which is recognized by the Bureau of Internal Revenue and by the courts.

Mr. HUMPHREY. That is correct.

Mr. MYERS. Through this amendment, does not the Senator believe that there can be much more avoidance of taxes than would be possible if it were not included in the bill?

Mr. HUMPHREY. That is exactly the substance of my argument. I realize that I am up against a giant. Seldom have I enjoyed debate in the Senate more than I have enjoyed the debate between the distinguished Senator from Georgia and the distinguished Senator from Wyoming. I said, "This is indeed a battle of giants." I do not think there is any better way in the world to find out what goes on in framing a tax bill than to get into a little scrap about the facts.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Oklahoma.

Mr. KERR. I should like to ask a few questions. First, the Senator just replied to the Senator from Pennsylvania, saying that the law ought to be that a father can make a bona fide gift to a son and then establish a bona fide partnership with the son. Does not the Senator from Minnesota know that that is the only purpose of the amendment, only that and nothing more?

Mr. HUMPHREY. Is it not true that under present law, it is not only entirely possible but it is permitted, and considered to be legal, to do just what the Senator is talking about? There is no doubt about that.

Mr. KERR. Under the law, but not under the practice.

Mr. HUMPHREY. It is under the practice, too, is it not?

Mr. KERR. If the Senator were as familiar with the cases as he has indicated he feels he is——

Mr. HUMPHREY. As a matter of humility, may I say to the Senator——

Mr. KERR. The Senator was asked if the amendment would not open up the subject of refunds back to 1938, and he said it would. Will the Senator show me the language that would do that?

Mr. HUMPHREY. It opens up the opportunity to dispense with cases which are now in court and which are now being tested under the terms of the law.

Mr. KERR. Does not the Senator know that it does not open up the sluicegates for any refund?

Mr. HUMPHREY. No; I do not know that at all.

Mr. KERR. With reference to the retroactive feature, it is applicable only to cases which are in litigation, and it does not open the subject up for any refund to anyone who has paid his tax.

Mr. HUMPHREY. Of course. The Senator well knows that anyone who paid any substantial amount of tax, under the former law, where it would amount to something in dollars, has a good case.

Mr. KERR. Under the law, the taxpayer must show that it is a bona fide transaction, a bona fide gift, and an actual partnership.

Mr. HUMPHREY. Of course. The only reason there are such cases is that there is an honest difference of opinion. I know there is an honest difference of opinion. But under the language on page 144, which is quite specific, it is provided:

> The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1938.

Mr. KERR. That is only on the basis of the law, which requires two things, that for a partnership to be treated as such it must be bone fide, and if the Department moves against the partnership it must show that it is not bona fide.

Mr. HUMPHREY. Wait a moment. The Senator is interpreting the language as he sees it. The Senator from Illinois [Mr. DOUGLAS] and the Senator from Pennsylvania [Mr. MYERS], who is on the Finance Committee, interpret it a little differently. If the partnership is bona fide, if it is an honorable transaction, we do not need this amendment, because the transactions which have already been given the blessing of the Bureau of Internal Revenue are those which the Senator from Pennsylvania has pointed out.

Mr. MYERS. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. MYERS. How is it possible to have a bona fide partnership with a child 1 year old or with a child of 8 years of age?

Mr. HUMPHREY. I am only assuming that the 1-year-old child is capable of understanding the law.

Mr. MYERS. I do not call that a bona fide partnership. A father can give a gift to his son and take the son into partnership, and the transaction can become a bona fide partnership. But if it provides capital for a 1-year-old son, and then the tax is split, so that each one pays less tax, that is not a bona fide partnership.

Let me refer to the case which the Senator from Oklahoma suggested. The amendment will not only deprive the Government of tax revenue, but will make legitimate what is now looked upon by the courts as illegal.

I have before me a case in which two brothers, who were partners in a manufacturing business, provided a trust interest for their wives and children, in 1938. The children of one brother were 1 and 8 years of age. The children of the other brother were 15 and 18 years of age. The total amount of the income-tax deficiency involved for the brothers in a single year was more than $95,000. In a decision in the middle district of North Carolina the court ruled that this partnership was invalid for tax purposes. The case is now being appealed to a higher court.

It is my understanding that under the provisions of this amendment the court would be bound to find the partnership valid, and the partnership would be entitled to a refund of the entire $95,000. I believe it would apply to those cases which are in litigation. There are numerous cases in litigation. Under the present law the courts have held that they involve invalid partnerships for tax purposes. This amendment would validate those partnerships, and the partners would be entitled to a refund.

Mr. HUMPHREY. That is my understanding, and I thank the Senator from Pennsylvania, who is a member of the Finance Committee, for the observation which he has made, because the junior Senator from Minnesota believes that the amendment does not tighten a loophole. It opens it so that everyone can shoot through.

Mr. MYERS. There were many matters which came before the Finance Committee in the consideration of the proposed legislation. Most of them were deferred until we can write a new, complete bill next year. It seems to me that this matter is highly controversial, and it can well be delayed until next year. I wish that had been done. Several members of the committee throught it should be deferred, but the majority of the committee thought it should be written into this bill. I think some consideration ought to be given to family partnerships. I think probably some change in the law may be necessary. I am not sure about that, but I think we should have more time to consider the subject, which is so highly controversial. If this amendment is adopted, the Government will lose millions upon millions of dollars in tax revenues.

(At this point Mr. HUMPHREY yielded to Mr. LUCAS, who made an announcement concerning the legislative program, and debate ensued, all of which appears at the conclusion of Mr. HUMPHREY'S speech.)

Mr. KERR. Mr. President——

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Minnesota yield, to the Senator from Oklahoma?

Mr. HUMPHREY. I yield.

Mr. KERR. I should like to ask the Senator from Minnesota if he takes the position that an American citizen must be old enough or educated enough to understand the law before his valid and vested rights under the law should be either recognized or protected?

Mr. HUMPHREY. Of course not. The Senator from Oklahoma knows the obvious answer. I appreciate his question.

Mr. KERR. The Senator from Oklahoma thinks an infant has as much right and is as much entitled to the protection of the law as though he were a patriarch.

Mr. HUMPHREY. Of course as a citizen of our country an infant is entitled to the full protection of the law, although we have certain laws which pertain to the responsibility, obligations, and duties of juveniles or children.

Mr. KERR. Are they in conflict with the right to protection of whatever their property rights may be?

Mr. HUMPHREY. It may be so.

Mr. KERR. They are in conflict?

Mr. HUMPHREY. At times.

Mr. KERR. Will the Senator explain what he means?

Mr. HUMPHREY. A normal, sane adult is generally in full control of his property. A normal, sane child is usually not in control of his property. It is usually in control of a parent or guardian.

Mr. KERR. But the infant's rights to protection are just as valid and just as far removed from being in conflict with any other valid law as though he were of age?

Mr. HUMPHREY. Absolutely. I now yield to the Senator from Colorado.

Mr. MILLIKIN. In view of the colloquy just had, I should like to suggest that a valid gift of a share of stock could be made to an infant, and the infant would have absolutely nothing whatever to do with the management of the corporation, but its right to receive dividends would be firm.

Mr. HUMPHREY. Absolutely.

Mr. MILLIKIN. Operating perhaps through a guardian, the child's rights would be just as firm as though the infant were in fact of age.

Mr. HUMPHREY. Yes.

Mr. MILLIKIN. I should like to ask the distinguished Senator whether he challenges the statement which I am about to make. Does he challenge the statement that the operation of this amendment would not authorize any refunds back of the normal period of limitation?

Mr. HUMPHREY. I understand it would be operative back to 1938. That is my understanding.

Mr. MILLIKIN. Only insofar as laying down a rule of law for governing cases which are now in court.

Mr. HUMPHREY. Which are now pending.

Mr. MILLIKIN. Which have been pending since 1933?

Mr. HUMPHREY. Yes.

Mr. MILLIKIN. This amendment lays down a rule of law for decision in those cases, but there can be no payment of refund reaching beyond the present statute of limitations?

Mr. HUMPHREY. I would accept that as the proper interpretation, but I would say with equal candor that most of the cases which are substantial and which involve large sums of money are in contest, in court, or in litigation.

Mr. MILLIKIN. It might mean tax relief, and, on the contrary, it might have the opposite result. When we say that the proportionate value of the capital and of the services shall be attributed according to the relative contribution to the enterprise, that might cause a lot of cases which are in court to topple, and cause the taxpayer to lose his case.

Mr. HUMPHREY. I thank the Senator from Colorado for the fine explanation.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that new cases can be opened within the limits imposed by the statute of limitations, or back to December 31, 1943, 7 years, so that there is an opportunity for new cases to be opened, as well as for existing cases to be adjudicated?

Mr. KERR. For 3 years only.

Mr. HUMPHREY. Three years, which would be back in 1947.

Mr. MILLIKIN. As to new cases, we go back 3 years, as to refunds we cannot override the present statute of limitations. As to the rule of law, we go back to 1938.

Mr. HUMPHREY. Would the Senator from Colorado say there seems to be some difference of opinion amongst informed tax experts—and I am not including the present speaker—as to the application of the amendment?

Mr. MILLIKIN. I would say that they are informed, and very fine gentlemen, but they are not tax experts.

Mr. HUMPHREY. I am not speaking of the Members of the Senate who are discussing this matter, but having talked and visited with men who are considered to be very able tax experts, I find that there seems to be quite a difference of opinion as to whether or not this would be an amendment to tighten a loophole, or whether it is an amendment which would expand a loophole.

Mr. MILLIKIN. If this bill said 2 and 2 were 4, it would be possible to find distinguished men from the Treasury and from the profession who would say "That ain't so." [Laughter.]

Mr. HICKENLOOPER and Mr. JOHNSTON of South Carolina addressed the chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. HUMPHREY. I wish to continue for a few moments. I have been trying to hold the debate together in terms of the subject matter.

Mr. HICKENLOOPER. Mr. President, the question I wish to submit has a direct bearing on what has been under discussion.

Mr. HUMPHREY. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I was one of the Members of the Senate who appeared before the Senate Committee on Finance over a year and a half ago in connection with this very problem, and I should like to ask the Senator from Minnesota a question or two in a preliminary way.

If a member of a family, either a father or a mother, or any other member of an immediate family, makes a gift which is completely, perfectly valid as a gift, transfers full title to certain property to another member of the family, upon which the full Government gift tax has been paid, and under which the donor relinquishes and gives to the donee all control, supervision, or interest of every kind whatsoever in the gift, does the Senator think that could be considered by the Internal Revenue Bureau as a complete vesting of interest and a complete alienation of interest on the part of the donor to the donee?

Mr. HUMPHREY. I would say so, if the conditions are as outlined by the Senator.

Mr. HICKENLOOPER. I agree with the Senator thoroughly. I think the Senator is sound in his opinion, because I happen to agree.

Mr. HUMPHREY. I thank the Senator.

Mr. HICKENLOOPER. Does the Senator think, then, that under those circumstances, where there is a complete divesting of all control, interest, or ownership, legal or otherwise, in the gift to the donee, the donor should thereafter be charged with responsibility for the payment of income tax on the property which he had previously completely transferred and alienated to a perfectly lawful receiver of it under State law? In other words, if I may simplify it——

Mr. HUMPHREY. I think I understand it; but the Senator may proceed.

Mr. HICKENLOOPER. In other words, when a father makes a complete and irrevocable gift to a child, or to his wife, which, under the laws of our State he has a right to do, in which he relinquishes all control, and can never reappropriate the gift or any part of it to himself by any strings which he may have left on it, so that it becomes completely the property of the donee, does the Senator think that the donor should thereafter, under those circumstances, be charged by the Internal Revenue Bureaus with the payment of income tax on that property of which he had completely divested himself?

Mr. HUMPHREY. It depends on whether the donor still has control of the funds.

Mr. HICKENLOOPER. I say, when the donor completely divests himself of the control of the property itself, except perhaps in some managerial capacity of which he may be a part, as in a business, as the president of a corporation, or something of the kind.

Mr. HUMPHREY. Under the definition of the terms, and with the details as outlined by the Senator from Iowa, it would appear to me that this was a bona fide arrangement, and that the property should be considered as individual property, or the income should be considered as individual income.

Mr. HICKENLOOPER. There may be some argument on either side of that question so far as partnerships are concerned, where the donor may participate in the management of the property of which he has divested himself.

Mr. HUMPHREY. That was the question we were arguing here a moment ago.

Mr. HICKENLOOPER. Let me go a step further and suppose another case to the Senator, where the donor may give property away completely—and when I say "give," I assume the complete divesting of his interest so that he has no control over it.

Mr. HUMPHREY. I understand.

Mr. HICKENLOOPER. He may give to a trustee certain property, the returns from which and the ultimate ownership of which will vest in his children. In other words, he gives it to a trustee for the benefit of his children or his wife. He takes no part in the management of the trust estate, and has no authority to control it or control its activities, and is as completely removed from the trust estate as a perfect stranger. Does the Senator think that the Internal Revenue Bureau should charge such a donor thereafter with the personal responsibility of paying the income tax on that property, of which he had completely divested himself, and put completely out of his control, and into the hands of a third party to whom he could not dictate in any way?

Mr. HUMPHREY. Under the conditions outlined by the Senator, it would appear not, but the facts must be studied.

Mr. HICKENLOOPER. I thank the Senator.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HICKENLOOPER. May I complete my questions? These questions have been rather lengthy, but I will say to the Senator that it was exactly upon case after case with such terms and conditions clearly established that I appeared before the Senate Committee on Finance over a year and a half ago, and presented cases in which there had been complete divestment of title, completely valid under the Iowa laws, a complete divestment of control over the property so far as the body of the property was concerned, so far as the donor's ever recapturing it or any part of it was concerned, yet, when the gift tax had been paid to the Government by the donor, and the donor had completely removed himself from all control of the property, arbitrarily, in my judgment, and completely in disregard of the legality, and complete legality, of these business transactions under the laws of the State of Iowa, the Internal Revenue Bureau on numerous occasions held the original donor completely responsible, under the individual income tax liability, for the entire tax on the property, which he had given up years before, and which he could in no way recapture, under our laws, and the income of which he could not recapture under our laws.

I presented those cases. I did not appear before the Committee on Finance this year in connection with this matter, but the Senator from Pennsylvania said a while ago that they should study the matter.

I suggest to the Senator from Minnesota and the Senator from Pennsylvania that the Finance Committee of the Senate to my knowledge—and I am sure the Members will agree—has had this very troublesome and difficult question before them for more than 2 years, with examples from many States, from which it appears to me at least that the Internal Revenue Bureau has been arbitrarily violating and refusing to recognize the validity of the law of gifts and the validity of the law of partnerships, which has become an inherent part of our whole economic and legal system as a matter of doing business.

Mr. President, I do not want to support anyone who is attempting to evade taxes. But there has always been a principle in this country that a person may avoid the undue or unnecessary or excessive payment of taxes as a matter of perfectly moral and legal right. If he evades the payment of taxes a different philosophy enters into the situation. Tax evasion has been considered immoral. Tax avoidance has been considered a perfectly legitimate and proper step to take, because the Internal Revenue Bureau itself issues instructions on what is popularly known as tax avoidance. They tell the taxpayer that he need not pay more taxes in certain fields than necessary, and they instruct him how to save money on his tax structure. I say that merely because I was one of those who appeared before the committee with a number of cases that were, in my opinion, flagrant indeed, in which the Internal Revenue Department started out with the presumption that every transaction between a man and his children, a parent and child, or between a husband and wife, or between children of the same family, was fraudulent in its inception. I disagree with that philosophy and I disagree with the philosophy of resolving all doubt against the taxpayer. I would rather see our Government resolve questions of doubt in favor of the taxpayer wherever that should be done.

Mr. HUMPHREY. I thank the Senator from Iowa, because it is perfectly obvious that the testimony he presented before the committee had much to do with the committee's consideration of additional language in the bill. I think this is valuable legislative background for the record, so that when the bill is enacted, with whatever provisions it may contain, an appropriate interpretation may be placed upon it.

I think the Senator will agree, however, that one of the reasons there has been a good deal of discussion about family partnerships and income-splitting is because of the acceleration in the rate of the partnership agreements at a time when two factors were present. No. 1, greatly increased service and corporation taxes and individual income taxes,

such as occurred in World War II. Secondly, greatly increased profits. I never believed a man should be convicted on circumstantial evidence. But it is perfectly obvious that there were two circumstances, higher tax rates and higher profits, which produced a 4-to-1 increase in the number of partnerships over a period of time. That does not mean that all the family partnerships were entered into because of any desire to evade taxes. I think that would be a wrong assumption. I do not say that. I do say, however, that the courts have held as a rule that a family partnership that is entered into as a bona fide partnership, or the transfer of money, property, or services as a bona fide gift, is considered to be legal. There is no penalty, and it is considered to be legal.

Mr. HICKENLOOPER. Except——

Mr. HUMPHREY. Except when the evidence indicates that it is on the basis of avoiding payment of taxes.

Maybe the zeal of some of the men in the Internal Revenue Department has made them go too far. Certainly it is the duty of the Congress to see to it that the zeal of those who wish to be the tax collectors and the tax gatherers is within reasonable limitations. We should, however, also thank the Government experts for their zeal.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is not the real test in the question of the divestment of control, whether that divestment is actually real or whether it is probably nominal and, shall I say, fictional? There can be an apparently legal transfer of control of family trusts for one-year-old children to third parties. I suppose it could be argued that this would be an actual gift of which the donor had divested himself of control, and that therefore the family trust should be allowed to share in the profits of the partnership, and that there should not be a tax on the income of the original donor. But suppose the trustee created for the infant child is a stooge, in popular parlance. Technically he is a third person, but in reality he is under the control of the first person. In such cases there may be the condition with respect to which the senior Senator from Iowa has been pleading—divestment of control legally, but not actually. Has not the Bureau of Internal Revenue been trying to determine where actual control rests?

Mr. HUMPHREY. That has been the basis of the Bureau of Internal Revenue's action. I accepted the conditions of the Senator from Iowa because he stated them so explicitly and so definitely and with such deep conviction, that it seemed to me his argument was plausible. But where there is only the fiction of transfer of ownership or control, where there is a legal fiction, that is another matter.

Mr. DOUGLAS. Mr. President, will the Senator again yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that since the rate of taxation of gifts tends to be less than the rate of taxation of income, full justice has not been done to the government in case of such fictional trustees by the payment of gift taxes rather than the payment of income tax which is at a higher rate?

Mr. HUMPHREY. That is true, and I thank the Senator from Illinois, who has been very helpful, and who has a complete knowledge of these problems.

I desire to direct my attention to the third catalog of cases to which I referred, since we have well worked this one over, and I thank every Senator who has helped me, the Senator from Oklahoma [Mr. KERR], my friend the Senator from Colorado [Mr. MILLIKIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Pennsylvania [Mr. MYERS] and the Senator from Illinois [Mr. DOUGLAS].

Those of us who have sponsored these amendments feel that our amendments have merit. We feel we have a valid case. We know that sometimes the language of the bill is subject to real interpretation, and that the legislative history behind the language of the bill is as important as is the language itself.

The Senator from Colorado recently expressed his view as to retroactivity under the portion of the bill on page 144. That is going to be very helpful in the application of this law. Therefore we feel we are performing a service. So I ask the Senate to bear with us and look upon us with a spirit of charity and understanding.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WHERRY. The Senator was talking about an amendment in the bill having to do with family partnership returns.

Mr. HUMPHREY. Yes.

Mr. WHERRY. I did not hear all the colloquy.

Mr. HUMPHREY. The Senator was spared much, believe me.

Mr. WHERRY. I am very much interested in the family partnership matter because of the legality of family partnerships in the State of Nebraska. Is the Senator opposing the amendment in the bill?

Mr. HUMPHREY. Yes.

Mr. WHERRY. Does the Senator have an amendment to the particular committee amendment?

Mr. HUMPHREY. Yes; to strike out the committee amendment.

Mr. WHERRY. To strike it out?

Mr. HUMPHREY. Yes.

Mr. WHERRY. Does the Senator feel that the committee does not provide a rule under which family partnerships can be entered into if they are legal partnerships and so recognized in a State?

Mr. HUMPHREY. It is the feeling of the cosponsors of the amendment, I may say, that the language in the bill does not clarify. If it does anything it opens up further what we consider to be a loophole.

Mr. WHERRY. Will the Senator point out the difference between the effect of this amendment and the bill without the amendment? Of course, if the amendment is deleted, the law will remain as it is at the present time. Is not that correct?

Mr. HUMPHREY. That is correct.

Mr. WHERRY. What is the principal objection to the committee amendment?

Mr. HUMPHREY. The principal objection to the amendment is that it permits the creation of family partnerships which in fact are not partnerships affecting the actual operation of the business.

Mr. WHERRY. In other words, an attempt is made to avoid the payment of taxes; is that the case?

Mr. HUMPHREY. Yes. I must point out that the language of the amendment, if strictly applied—and we are having some rather strict interpretations in this connection—may possibly be effective. I should like to point out that beginning with line 15, through line 19, on page 143 of the bill, in the committee amendment we find the statement that—

> The fact that a partner does not actively participate in the management or conduct of the partnership business shall be taken into account in determining the proportionate value of services and capital, but shall not otherwise affect his status as a partner.

In other words, under the amendment such a person can still be an effective partner.

Mr. WHERRY. Does the Senator from Minnesota feel that language would clarify the present situation under the law?

Mr. HUMPHREY. No, because I understood that the purpose of the bill is to plug loopholes and to raise revenue.

Mr. WHERRY. I understand that the amendment applies only to pending cases.

Mr. HUMPHREY. That is correct.

Mr. WHERRY. The amendment does not go back to them, I understand. I believe it will also apply to future cases.

Mr. HUMPHREY. Yes; it will permit the reopening of cases for 3 years back, I understand, or the filing of new cases.

Mr. WHERRY. Certainly a great many different interpretations have been made by the Bureau of Internal Revenue in regard to family partnerships. I think anything which can be done to clarify the situation will be most helpful, especially in the case of States where the community property laws are in full force and effect.

Mr. CORDON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. HUMPHREY. I yield for a question.

Mr. CORDON. Is the Senator from Minnesota of the view that assuming that an injustice has been done by the Bureau of Internal Revenue in its decisions with reference to returns in which a family partnership is claimed, the only effect this amendment will have will be to leave those who made their claims, and had their cases adjudicated adversely, in the position they are in now—in other words, they have paid their tax,

and that money has gone into the Treasury; but the amendment will "give a break" only to those whose cases are still pending?

Mr. HUMPHREY. That is my interpretation. It will mean that in cases which are pending, and which go as far back as 1938, will still be pending, relief may be obtained.

Mr. CORDON. Then the amendment does not guarantee that equity will be done by the Congress. On the contrary, the amendment will permit an inequity to be confirmed by the Congress.

Mr. HUMPHREY. That is my view of the amendment.

Mr. CORDON. I cannot see how the amendment can do justice if provision is made for the retroactive application of the amendment, unless those who have paid their taxes are permitted to claim a refund.

Mr. HUMPHREY. I thank the Senator very much for his question.

Mr. GEORGE. Mr. President, if the Senator will permit me to say a word, before he leaves this point——

Mr. HUMPHREY. Certainly.

Mr. GEORGE. I should like to say that although I did not vote for the amendment in the committee, yet at the same time the committee had a right to attempt to settle the issue, and it did so.

The able Senator from Pennsylvania [Mr. MYERS] and I, the chairman of the committee, as I recall voted against including this amendment. My primary reason for opposing the amendment was that I wished to keep the bill simplified, as the President and the Treasury desired, and because I thought this matter could be covered in a subsequent tax bill.

However, I call attention to the fact that nothing is said in the amendment about a refund.

Mr. HUMPHREY. That is true.

Mr. GEORGE. Therefore, the applicable statute will be the ordinary refund statute.

I also wish to point out that the law relating to tax returns by family partnerships is in a dreadful state of confusion. This matter did not come up only at this session of Congress, but it has been before us for several years, off and on. The American Bar Association has dealt with this question. In fact, this amendment is in substance a recommendation made by the American Bar Association in an effort to clarify this extremely confused question.

When everything is said and done, the amendment does contain a valuable suggestion as to a method of clarifying this extremely important feature of the law.

Since the passage of the provision which permits the splitting of income between husband and wife, this particular question does not have the importance it had at one time, because most of these cases—not all of them, but many of them—have arisen over the question of whether the wife was a valid partner.

Mr. HUMPHREY. Yes.

Mr. GEORGE. Now that question is substantially disposed of, because of the passage of the act permitting the husband and the wife to split income or to make a joint tax return.

I wish to call the attention of the Senator to the fact that although I did not support the amendment, in point of principle I do not regard the amendment as bad; and I think it can be made into a perfectly good and valid provision of the law, and I think it deals with a subject which should be clarified.

Mr. HUMPHREY. I thank the chairman of the committee, and I appreciate his expression as to his position in the committee at the time when this amendment came up.

I do not think there is any doubt at all that the situation needs to be clarified. I am positive of that. Everyone to whom I have talked has said, just as the distinguished chairman of the committee has said, that this is one of the most confused and muddled provisions of the tax law. I am sure that it requires the kind of attention which the committee is capable of giving it. I want to commend the chairman of the committee and any of his associates who felt that possibly this bill ought to be kept narrowed down as far as possible to the express purpose of raising revenue, rather than going into the broader aspects of modifying the tax law in terms of some of the difficulties with the Bureau of Internal Revenue.

I have in my hands an article from the Wall Street Journal dated August 18, 1950, which contains an explanation, as the Wall Street Journal sees it, in reference to this amendment. The headline reads: "Legislators seek to end tax muddle on family partnerships"—I think that is what the Senator has said, it is a tax muddle. The headline continues: "Plan would mean many refunds."

It is the feeling of the finance writer in the Wall Street Journal—and I quote the last paragraph:

> This is one of the few provisions in the bill that would result in considerable revenue losses. While there were no estimates on its revenue effect, one tax expert guessed the amount of refunds alone will amount to "more than chicken feed."

The article goes on to explain why this matter was brought up before the committee, and who sponsored it. I believe the distinguished Senator from Nebraska [Mr. BUTLER] sponsored one amendment, and it was supported, as has been said here, by the committee except for the Senator from Georgia [Mr. GEORGE] and the Senator from Pennsylvania [Mr. MYERS]. I intend to offer an amendment for the information of the Senate to strike this provision from the bill. I feel that if it is stricken from the bill, it will give further time to the committee in which to make a proper study.

Now, I should like to go along to another problem which is involved in the bill, and on which I am sure I shall have many helping hands.

III. CONVERSION OF ORDINARY INCOME TO CAPITAL GAINS

The following provisions of the bill, which would authorize the conversion of ordinary income into capital gain, are of primary concern to single individuals with income above $18,000 a year, and married couples above $36,000 a year. This is because the 25-percent alternative rate of tax on long-term capital gains is not applicable below those levels. That is, it at least is not effective below those levels.

C. REDUCTION IN HOLDING PERIOD FOR LONG-TERM CAPITAL GAINS

Let us take a look first of all at the reduction in the holding period for long-term capital gains. I understand there has been considerable argument in committee and out of committee as to how long a holding period there should be before ordinary earned income can be converted into capital gains.

The capital-gains provisions of the Internal Revenue Code have long constituted the most flagrant instance of preferential treatment under the income-tax laws—available generally to the wealthy.

Under present law, any individual who sells a capital asset, such as a stock, a bond, a house, commodities, and so on, after a period of 6 months includes only half of the profit from such a transaction in taxable income. In addition, the law states that where the tax on this half is more than 50 percent, he can use an alternative rate of 50 percent. In effect, the provision taxes capital gains at no more than half the rates on ordinary income and, for individuals in the higher brackets, at a maximum of 25 percent, or less than one-third the rates on ordinary income. The wealthier the individual and the higher the tax bracket the greater the preference.

The present bill does not alter the capital-gains rate as such. However, it reduces the so-called holding period from 6 to 3 months. Thus, at present a speculator who keeps stock for say 4 months and then sells it, is taxable at ordinary rates. Under the bill he would be subject to the reduced capital-gains rates.

Mr. FLANDERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. HUMPHREY. I yield.

Mr. FLANDERS. Mr. President, I ask permission of the Senate to be absent on official business for the month of September.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. FLANDERS. I thank the Chair.

Mr. HUMPHREY. I wish the Senator well.

Mr. FLANDERS. I may say, Mr. President, that I am a temporary alternate Governor of the World Bank.

The PRESIDING OFFICER. The Chair wishes the Senator much success. I am sure the World Bank will be better fortified during the month of September than ever before.

Mr. HUMPHREY. Mr. President, I think it was an appropriate request to make as we are discussing the tax bill, since it has to do with the World Bank, and, therefore, perhaps, is germane.

Mr. President, I was citing what would be the effect under this bill of the capital-gains section with the reduction from the 6 months to the 3 months' period.

The major reason for taxing capital gains at reduced rates has always been that it would be inequitable to tax in full

income that has accumulated over a long period of time in the year that it is realized. In other words, the idea, as I understand it, behind capital gains was that such income was something that a man would realize over a period of 2 or 3 or 4 or 5 years, and then would have the benefit of the income coming in all at once, on the sale of the property. In that case the normal income-tax rate would be unfair on that person, because it would give no recognition to the fact that several years of labor or of saving or of accumulation went into the amount of money which was realized at the time of the sale. So the capital-gains low tax rate, or at least the preferential rate, was placed in the tax legislation to give proper recognition to that kind of prudent saving and prudent and wise investment. The capital-gains structure gave him a chance of getting a reduced rate, which would compensate for his effort. The tax concession for this purpose is altogether too high, however, and I believe it should be reduced.

Here, however, we are concerned not with profits accumulated over a long period of time. We are not talking about a profit made after much effort nor of someone who has sacrified for years in order to clear for himself a little homestead, but we are now concerned with profits accumulated in less than 6 months. What conceivable inequity can there be, if such profits are taxed at the same rates as wages or dividends or business income?

I am probing now for information. Some time ago I understand the capital-gains rate applied to property held for 18 months. It may, perhaps, have been in operation up to 1942. That, I think, was at least moderate and reasonable. Later on, it was reduced to 6 months. That permitted many people who had been playing the real-estate market to hold a piece of property for 6 months, catch the accelerated real-estate market, get the profit on the sale of the house, and instead of having to pay a tax on the profit as earned income, to report it as a capital gain.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator from Minnesota has performed a great service in pointing out the degree to which speculators in real estate who sell their capital holdings within a short period of time can charge to capital gain what is in reality income. Is it not also true that speculators in commodities can hold the commodities for only a brief period of time, and, if they hold the commodities for more than 3 months, according to the amendment proposed by the Finance Committee, the gains which they realize will be charged as capital gains rather than as income?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. They can turn over their capital at least three times during the year, or really more than three times during the year, get their income for the year, but have the successive gains within the year taxed at a rate one-half what it would be if they were taxed as income?

Mr. HUMPHREY. That is my understanding. I may say that this could be done by persons operating on the commodity exchanges. They could hold the commodity for 3 months, then transfer it or sell it, and, rather than paying the regular earned-income tax rate, which the average American citizen has to pay, they could pay the capital-gains rate.

I point out, Mr. President, that I am not opposed to the capital-gains-tax principle. I think it was put into the tax law as a very essential factor in tax legislation. The capital-gains principle was put in to reward people for honest, true effort. It was not put in as a loophole so that some persons, by clever shenanigans and clever manipulation, could transfer property, sell it, and get the benefit of a lower-base rate, while other people who did not know all about these things, who had kept their property, or if they had to sell it, had to pay a higher rate.

My proposal is to strike out that provision of the bill which pertains to the capital-gains rate, and restore it to at least what it was 6 months ago.

Proponents of this measure will answer that its purpose is to encourage people to sell assets who otherwise would hold on because they do not want to pay tax on the profits. But we are already granting a tax concession for this purpose for all assets held over a period of 6 months.

We used to get along very nicely on an 18-month period, and it produced a reasonably healthy economy. Then the period was reduced to 6 months. This meant that property could be held for 6 months, disposed of at a high price, while a neighbor down the street, busy running a factory or a clothing store or a filling station, keeps on paying a substantially higher rate.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not a fact that within the past 8 weeks there have been enormous increases in the commodity market?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Under the amendment proposed by the Committee on Finance, so long as commodities are held at least 3 months, and then later resold within the year at a higher price, the gains will not be taxed as income, but as capital gains, and, therefore, the rate of taxation will be approximately half of what it otherwise would be. Therefore, it would diminish the rate of tax for those who have made enormous speculative gains since the outbreak of the Korean war.

Mr. HUMPHREY. It has been the subject of much controversy and much discussion. I recall the time when General Eisenhower was writing a book, and the question was whether the income from his book should be taxed as earned income. The Senator from Illinois has written a book or two, and I venture to say that he was taxed on the income from the sale of the books. The issue with reference to General Eisenhower's book was before the Bureau of Internal Revenue, and the question was: Can this be considered to be a capital gain, or is it merely earned income? I think it was the ruling of the Bureau of Internal Revenue that it could be considered capital gain, because it was based on the idea that there had been years of service that had gone into the preparation of the material.

(At this point, Mr. HUMPHREY yielded to Mr. CHAVEZ, who submitted the conference report on the Federal-Aid Highway Act of 1950, and debate ensued which appears in the RECORD following Mr. HUMPHREY's speech.)

Mr. HUMPHREY. Mr. President, the Senator from Minnesota will decline to yield except for a question with reference to the bill. I wish to get through with the presentation of my address, because I hope we shall be able to vote on the bill and all amendments by tomorrow.

It is also advanced that the capital-gains preference is owing to investors, as distinguished from speculators, and that the retention of property for 3 months brings its holder into the former class.

This argument is probably persuasive enough to those who make their living out of the stocks and commodity exchanges, either as brokers or as investors who are constantly trading for profits. How it sounds to wage earners or to small-business or professional men is something else again. As tax rates rise, it becomes increasingly difficult for men who work throughout the year for three or four thousand dollars to understand why some presumed technical difference between investors and speculators should justify either class from paying less taxes on their quick profits than the former pay on their annual earnings.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. LEHMAN. Is it not a fact that the proposed amendment, changing the period from 6 months to 3 months during which securities, commodities, and other property must be held would result in an actual loss, for the reason that today the law provides that securities—and I am addressing myself largely to securities and commodities—must be held for 6 months?

Mr. HUMPHREY. Yes.

Mr. LEHMAN. Many people hold securities and commodities for 6 months even if they could have a profit, for fear that during that period the price may decline and their profit would be wiped out. Under the proposed amendment, which reduces the holding period to 3 months, the risk, of course, would be vastly diminished, because it would pertain to a 3 months' period. Therefore a man who might hesitate to hold his securities or commodities for 5 or 5½ months, because he feared the risk, would ordinarily hold them for 3 months, and on the ninety-first day he could sell the securities, take his profit, and be taxed at only one-half or less than one-half of the rate that he would have to pay otherwise.

Mr. HUMPHREY. That is correct.

Mr. LEHMAN. I think it is obvious that there would be a substantial loss under those circumstances and it would encourage speculation rather than diminish it.

Mr. HUMPHREY. It is the judgment of the junior Senator from Minnesota that it would increase speculation, result in a loss, and provide discriminatory legislation.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Would the Senator think it better to have one sell a capital asset after 3 months, make a profit and pay a tax, than hold it for 5½ months, take a loss, and pay no tax?

Mr. HUMPHREY. As I understand, the real problem in America is the problem of controlling inflation and trying to get down to a price structure and holding within bounds the economy, and I submit that a 4 months' period to gain the benefit of preferential treatment of the capital gains tax structure will do but one thing, and that is to promote speculation on the commodity exchanges to the point of raising prices, because what it does is to put a premium on the investor to get rid of his commodities as quickly as possible in an ever-rising market. In addition, it is not fair. There is such a thing as being honorable.

Mr. KERR. Does not the Senator know that an investor who is buying and selling does not get the benefit of the capital-gains rate with reference to what he buys and sells?

Mr. HUMPHREY. The Senator knows very well that if one holds a home, which he bought for speculative purposes, for a period of 3 months, under the pending bill he would get the benefit of the capital-gains structure.

Mr. KERR. Does not the Senator know that if he is in the business of buying and selling real estate, he cannot treat his profit on the capital-gains basis, whether it is 3 months or 6 months?

Mr. HUMPHREY. Every man knows that the way to make money is to engage in some side transactions, or in something which is not related to his own particular business. Let us say, for example, that a man is in the grain and feed business, and that as a result he has made a little profit. He decides to buy some apartment house in the way of a sound investment. He holds the apartment houses, because he knows the Government has fixed a ceiling or has ordered a curtailment on construction. He holds the apartment houses for 4 months. Under this bill, what would happen to him? He would get the benefit of the capital-gains 25-percent tax. However, if he wanted to use the money which he made in his grain and feed business in his own business, he would be taxed as an ordinary gain, and he would pay the ordinary income tax or the corporate tax. The Senator from Oklahoma knows that as well as does the Senator from Minnesota.

Mr. KERR. And the Senator from Oklahoma knows that the Senator from Minnesota knows it as well as does the Senator from Oklahoma.

Mr. HUMPHREY. That makes us even.

Mr. LEHMAN. Mr. President, will the Senator yield, so that I may make reply to the Senator from Oklahoma?

Mr. HUMPHREY. Yes.

Mr. LEHMAN. Of course the entire principle of capital gains, so far as securities and commodities are concerned, is to encourage investment rather than mere speculation. I think the Senator from Oklahoma will agree that if the Senator from New York or the Senator from Oklahoma buys securities and makes a profit he must pay a tax to the Government on the transaction whether he holds them for 3 months or 6 months. The Senator from Oklahoma asked whether it would not be better for him to pay a profit after 3 months.

Mr. KERR. To pay a tax after 3 months.

Mr. LEHMAN. To pay a tax after 3 months. My reply is very definitely yes, provided he pays the tax at the same rate that other people who buy for purely speculative purposes would pay. Under the bill he would not be required to do that. He could hold his securities for only 91 days and sell them at the end of that time. I do not think there can be any valid contention that a man who buys a security or a commodity and holds it only 90 days is an investor. In my opinion he buys the security or commodity for speculative purposes.

Mr. HUMPHREY. I may say with reference to what the Senator from New York has stated, that people who are in the market for investment purposes would not gain from this provision. The only people it would help are those who have frequent transactions in capital assets. Those are mostly speculators or traders. I see no reason why their taxes should be reduced, and I urge that this section be eliminated. It may have a detrimental effect upon the commodity exchanges, particularly on the price structure, but I cannot overlook the fact that nearly everyone else is called upon to pay substantially higher taxes.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. MILLIKIN. I rise to suggest that the Senator's argument is based on a false or partially false premise. It assumes that markets are constantly rising. Those who have watched the stock market since the beginning of World War II know that markets do not constantly rise. It is apparent that they go up and down. The whole course of business shows that markets of all kinds go up and down. There is no assurance that it will not always be so. After all, no one has yet invented a continuous profit-making machine. If a man is speculating, or if his business is speculation, he must get out fast. The men who went on the theory of a constantly rising, never-ending profit scheme, had their shirts taken off in 1928 and 1929.

Mr. HUMPHREY. That is correct.

Mr. MILLIKIN. If a fellow were not in a position to get out at once, at least hedge some of his stocks, he would be broke. He would not be in the position the Senator is discussing at all. He would not be the beneficiary of profits, he would be the beneficiary of losses. Capital gains are associated with capital losses.

Mr. HUMPHREY. We will get to capital losses a little later. A pretty good deal is provided in that case also. I point out that I am not unaware of the fact that the market fluctuates, but I am aware of the fact that at this particular period, when the Government of the United States is going to be spending $70,000,000,000—and that is only a beginning—when we are starting to pour out billions and billions of dollars for war materials, the market will not collapse. This is a speculator's heyday. This is the time when he is laying money away. Speculators are playing the black market and the gray market.

Mr. MILLIKIN. I agree that if there were no controls of any kind, the expenditure of $70,000,000,000 additionally would cause the market to rise. I may say that over a long period of observation I cannot pretend to be a market expert, but if controls are put on—and I assume they will be put on—and if we do not time and pace those controls so that that which is depressed in the civilian market is equal to the gain in the military market, we may go into a tailspin in this situation, just as well as from following false economies of any other kind.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that no controls are being imposed on the prices of stocks and securities, and it is not at all certain that the controls imposed in the Senate bill on commodities will be effective? So there is every prospect that we may have increases in the prices of securities and increases in the prices of commodities, and, as the Senator from Minnesota has said, the net advances will certainly be greater than the net decreases.

Mr. MILLIKIN. Mr. President, the controls may not operate on the prices of securities, but they operate on that which reflects the prices of the securities.

Mr. HUMPHREY. The price of a security in an inflationary period does not always reflect the true value of the product behind it. We found that out in 1927, 1928, and 1929, when the prices of securities had little or no relation to the actual productivity of the particular plants where they were manufactured.

I shall not prolong this point, but I should like to ask this question: "What has been so bad about the 6 months' period?" I do not like to encourage speculators. I think they cause the country all kinds of trouble. They do not understand some of the basic problems which confront American industry, American labor, or the American farmer. I do not know why we should give them any special tax treatment, so that all they have to do is to hold the soybeans they buy for 90 days and get the tax reduction. The farmer who produces the soybeans, or the cattle, or the wheat, or the corn, or the oats, must pay his earned-income rates, while the fellow who fools around with his products and makes a killing, not knowing the difference between bubblegum and soybeans, will get a benefit.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Colorado.

Mr. MILLIKIN. I repeat, the Senator's argument proceeds on the theory that we are in a never-ending rising market. He is confusing speculators with investors. A man who proposes to tie up what he has for 3 months and still consider himself a speculator is a fool.

Mr. HUMPHREY. There have been very many fools then who have made profits.

I do not care to labor this point. This is not a fundamental of the bill. Why should we cut down the 6 months' period to a 3 months' period so that those who use the capital-gains structure can have 3 months quicker relief under the schedules? What is wrong with the 6 months' period? Heretofore we have cut it down to 6 months, and I venture to say that someone will be here proposing that because we are moving so fast with jet propulsion and have railroads that go 100 miles an hour, and planes that go 600 miles an hour, we should cut it down to a month.

Mr. DOUGLAS. Or a week.

Mr. HUMPHREY. Or a week.

Mr. DOUGLAS. Or a day. [Laughter.]

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. LEHMAN. I should like to ask the Senator from Minnesota whether he has heard any argument whatsoever advanced in support of this committee amendment, whether he has heard any argument advanced that it would increase the revenue, help the Government, help the people of the country generally, or help anyone except a few who wish to make quick returns in the stock market or other markets.

Mr. HUMPHREY. I leave that to the chairman of the committee to answer.

Mr. GEORGE. Mr. President, the Senate Committee on Finance did not devise this provision for the particular advantage of anyone. It was devised by one of the distinguished Senator's colleagues from the great State of New York. It was put into the bill in the House, and unfortunately for quite a good deal of the logic in which my friend engages, it actually was put in before the Korean war. I call the Senator's attention to that fact, because we merely said we would not upset it. We saw no good reason for doing so.

The principal reason why the period was cut from 6 months to 3 months was in order to produce additional revenue. For many years the capital-gains provision produced almost no revenue. People could not sell, they could not afford to sell, and when the tax rates were very high they would find themselves in a high bracket, and pay the ordinary income tax. So the rate was cut for the first time in a long time, and we have been getting some revenue from the capital-gains tax.

Mr. HUMPHREY. Is that under the 6 months' provision?

Mr. GEORGE. Yes; under the 6 months' provision. The provision alluded to came into the bill in the House, but the Finance Committee saw no good reason for upsetting it.

I should like to remind the Senator also that there are very many eminent and reasonable people in the world who do not think that a capital gain is any true-sense income. Indeed, England, from whom we got our first concepts of an income tax, does not tax capital gains as such, though the person who engages in the business of buying and selling securities, and the like, does have to pay a tax. But ordinarily again on the sale of securities are not regarded as income, and in no sense is a capital gain true income. It is, indeed, taxed, but under our system it has been thought by many close students that if we could leave to the judgment of the owner of the investment the discretion as to when to sell and when to buy, we would get a more even flow of taxable income from the capital gains provision.

The man who deals in real estate, of course, does not get any capital gains. That is his business, and his gains are treated as ordinary income.

Mr. HUMPHREY. It is a side operation.

Mr. GEORGE. Yes. It is a debatable question, but I thought I might explain it to the Senator from New York.

Mr. LEHMAN. Will the Senator permit me to make an observation?

Mr. GEORGE. Certainly.

Mr. LEHMAN. I understood the Senator to say that this proposal was made by some Representative from the State of New York. I do not know whether he said a Senator or a Member of the House of Representatives.

Mr. GEORGE. It was a distinguished member of the Ways and Means Committee of the House of Representatives.

Mr. LEHMAN. I merely desired to make it clear that it was not the junior Senator from New York.

Mr. GEORGE. But he is a distinguished citizen of New York State, and a most honorable and able representative of the State of New York.

Mr. LEHMAN. I do not doubt that.

Mr. HUMPHREY. First of all, I want to thank the chairman of the committee. I assure him that the Senator from Minnesota does not think his committee is a wicked one. In fact, I stand in awe before that committee. I know the committee has done a tremendous piece of work. I recognize that the chairman of the committee and various members of the committee entertain different views respecting various portions of the bill. All we are trying to do is to point out that the bill contains a few points of contradiction. For example, the family partnership amendment of the committee will not produce more revenue. It will decrease the revenue, as Senators have pointed out. Moreover, as the chairman has pointed out, it is a very complicated proposition. It is alleged that the amendment will produce more revenue because it comes under the 3 months' provision rather than the 6 months' provision. But the junior Senator from Minnesota says you can not have your cake and eat it too. You can not be riding both horses at the same time.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Let me first yield to the Senator from Illinois, who has been waiting for me to yield to him for a considerable period of time.

Mr. DOUGLAS. Mr. President, I should like to ask the Senator from Minnesota a question. If the proposal was made in the House prior to the Korean war, prior to the great upsurge in the price of commodities, is that not an added reason why it should now be taken up, because the market has become a buyer's market, which is a still further reason why speculative gains should be counted as income, and not taxed at a lower rate as capital gains.

Mr. HUMPHREY. I feel that way. The Senator from Georgia very properly pointed out the difference in points of view as to whether capital gains should be considered as income at all. But we made that decision in the law of the land sometime ago. Now the question is merely one of degree, which the Senator from Illinois is explaining. When should the tax be placed upon a a transaction?

Mr. DOUGLAS. Should we tax as capital gains, gains which accrue in a time period shorter than that on which income is computed? We compute income on the basis of a year. If capital gains are extended for a period longer than a year, then it is proper to prorate them over the time period. I think even the 6 months' provision is too liberal, because that permits two sets of income to be received during the year, but taxed at only half the rate, and that mistake is doubled when the period is reduced from 6 months to 3 months, making it possible for four profits to be obtained on the same amount of capital during the year, and yet taxed at only half the rate at which it would be taxed if it were income for the year.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Is it not also true that while there may be an apparent increase in the amount received from the capital gains tax, there is an invisible loss in the amount which would have been received on the income had it not been possible to shift the income from income as such to capital gain?

Mr. HUMPHREY. That would be true providing that the same amount of revenue transaction takes place, the same value of dollar transaction. I think it is reasonable to presume that, to the degree that gains are shifted from income to capital gains, what happens is that the amount of income tax received is reduced by twice the amount that the capital gains tax is increased.

I now yield to the Senator from Colorado.

Mr. MILLIKIN. It occurred to me, Mr. President, to suggest also that the Treasury offered no objection to this 3 months' period during the Senate hearings; I assume on the theory that there would be no loss of revenue, and that it would probably produce more revenue.

Mr. PEPPER. Mr. President, will the Senator speak a little louder?

Mr. MILLIKIN. I was saying that the Treasury did not object to the 3 months'

period before the Senate Finance Committee.

As to the Senator's point that you cannot eat your cake and have it too, I will simply suggest again, as I have suggested before: What is the use of having a cake if you do not eat it?

Mr. HUMPHREY. Well, I am not adverse to baking cakes if I know that someone is going to eat them.

Mr. PEPPER. May it not be a question of who is going to eat the cake?

Mr. HUMPHREY. That is correct. It appears to me that the only issue involved here is one again of degree and of moderation. It is whether we should cut a 6 months' provision down to 3 months. As the Senator from Illinois has pointed out, most income is calculated on a yearly basis. We would put it up to 18 months. We have an amendment to strike out the provision reducing the time to 3 months, and putting it up to 18 months. If we should lose in the struggle for the 18 months' provision we shall immediately carry the battle to strike out the 3 months' provision and regain the 6. As I gather, very few people have suffered from the capital gains tax structure under the 6 months' provision. In fact, I gather it has been quite equitable. There have been arguments made on both sides. But to date I do not think any Senators or Representatives have received letters from constituents saying, "Will you please do something to change the capital gains holding period. Will you change it to 3 months." I have not had one letter to that effect, and I do not think other Senators have.

D. CORPORATE SPIN-OFFS

Section 207 of H. R. 8920 as reported by the Finance Committee deals with the tax-free distribution of common stock in connection with a reorganization. This is commonly referred to as the spin-off provision. Its general effect is to allow the business conducted by one corporation to be conducted by two. Unless strictly safeguarded, it can result in a loophole which will enable a corporation to distribute earnings and profits to stockholders without payment of the usual income taxes.

Thus, if corporation A conducts a lock-and-key business, it may, under this provision, transfer the key business to new corporation X, in exchange for X's common stock, and then distribute to the corporation A stockholders all the stock of X, free of tax. At present the Treasury would attempt to impose a tax upon the stockholders of A, based upon the receipt of X stock. The value of the X stock would ordinarily be taxed as a dividend. This is where the change in the law would occur.

If the A stockholders merely wish to divide the two businesses, for good business reasons, and operate them by means of two corporations, the provisions of section 207 allowing the tax-free distribution of the X stock do not result in tax avoidance; the stockholders merely continue to operate the same business, but through two, rather than one, entities.

Clauses (A) and (B) of section 207 provide very important safeguards against the tax avoidance which would be possible if section 207 were adopted without clauses (A) and (B). To illustrate, let us assume that corporation A has a factory and a very large amount of cash and Government bonds or undistributed earnings which it does not particularly require in its business. If the corporation declares a dividend of the cash and bonds, the shareholders are taxable on the full value of the cash and bonds at ordinary surtax rates. In the normal operation in the case of a company which declares a dividend, all the dividends would be subject to the ordinary surtax rates.

However, if the protection afforded the revenue by paragraphs (A) and (B) were removed, the stockholders might obtain the cash and bonds at low capital gain rates in the following manner—and this is where the capital-gains "deal" comes in. We remember the alchemist who always was trying to convert some basic metal into gold. This provision of the bill would permit one to come as close to success in a similar endeavor as man has ever been able to come—namely, to convert earnings which normally would be taxed at the higher rate into earnings which would be taxed at the capital-gains rate, which is a much reduced rate. If that were done, it would be possible, in effect, to convert, iron, copper or lead into gold. There are in the bill clauses which may perhaps give some reasonable protection if they are properly applied. However, I wish to explain what has happened.

Corporation A, claiming some trumped up business purpose, would transfer the cash and bonds to new corporation X, in exchange for X's stock, and then would distribute X's stock to the stockholders of corporation A. After permitting a decent interval to elapse, corporation X would be liquidated. Corporation X would thus be set up by means of funds obtained from the operations of corporation A. The stockholders of corporation A would have all the stock in the new corporation X.

The stockholders would receive the cash and bonds in liquidation—which transaction gives rise to a capital gain, rather than to ordinary income; or the stockholders could merely sell their stock and "cash in" on their dividend at capital gain rates.

Paragraphs (A) and (B) prevent this type of avoidance by requiring that in order for the distribution of stock in corporation X to be tax-free, both corporations A and X must be intended to carry on active business after the reorganization, and by providing that corporation X must not be used as a device to distribute the earnings and profits of either corporation.

It may be significant, therefore, that an amendment has already been proposed here in the Senate to strike out these safeguards (A) and (B) from the committee amendment.

There is one type of tax avoidance possible under the spin-off which is not prevented by paragraphs (A) and (B).

Moreover, I wish to point out that there is a proposal to strike out the committee's proposals (A) and (B). If that is done, there will be an opportunity to change undistributed profits and undistributed earnings into capital gains, and thereby make it possible to take advantage of the capital-gains tax rate. The American people should understand that the capital-gains tax rate is substantially lower than the normal tax rate. The capital-gains tax rate gives preferential treatment, and it applies to those who have incomes of over $18,000, or incomes of over $36,000 in the case of a married couple.

It is my opinion, and I knew it is the opinion of the Senator from Illinois [Mr. DOUGLAS] and of other Senators who are cosponsors of the amendment, that we should make impossible the tax avoidance which is possible under this spin-off provision, and which is not prevented by paragraphs (A) and (B), namely, a corporate tax on appreciated assets and a tax upon the proceeds of a sale of these assets. Going back to the lock-and-key business owned by corporation A, let us assume that corporation A wants to get out of the lock business, and receives a very advantageous offer for the lock assets. If corporation A sells the lock assets, the profit will be taxable income to corporation A; and then when the profit is distributed as dividends to the stockholders, the dividend is taxable to them as ordinary income. That is a normal procedure: first, the corporation tax on profits, and then the dividend tax on the dividends. However, under section 207 as it now stands, it might be possible—and I wish the chairman of the committee to bear me out on this matter—for corporation A to transfer the lock-business assets to corporation X, in exchange for X's stock, and then distribute X's stock to the corporation A stockholders. In all these corporate exchanges, no gain or loss is recognized or taxed under the reorganization sections. The stockholders would then sell the stock of X corporation, and would receive the proceeds as capital gains. Accordingly, both the corporate tax and the tax upon the distribution as a dividend could be avoided if the transaction were properly handled.

If the section is to remain—and the provision is not without merit in effectuating bona fide business adjustments—a further safeguard should be added to meet the last example. This safeguard might be a provision to the effect that the distribution of X corporation stock, in the example, would be tax free only if there were no intention to sell the stock at the time of its distribution and if there were in fact no sale for a period of 3 years thereafter.

The Senators who are sponsoring this provision are suggesting to the committee that at least somewhere it be stated, in connection with the legislative history of this matter, that the distribution of such stock would be tax-free only if there was no intention to sell the stock, at the time of its distribution, and if in fact there were no sale for 3 years thereafter. In other words, we want to have positive evidence that the transaction is in good faith, not to avoid taxes.

It will also be noted that only the common, not the preferred stock, can be distributed free of tax. The limitations is important since it prevents indirect so-called "preferred stock bail outs."

This is a term applied to the issue of preferred stock to common stockholders, its sale and then its redemption out of accumulated earnings. The stockholders sell at capital gain rates and continue to retain control of the corporation and use its surplus to retire the preferred. Using the same example, if there were no limitation on the tax free issue of preferred stock, A corporation could transfer stock assets and a considerable amount of cash to X corporation in exchange for 100 shares of common stock and 100,000 shares of preferred. The common and preferred X corporation stock would be distributed to the stockholders who would then sell the preferred to others realizing capital gain on the stock. Some months later, possibly pursuant to an understanding with the purchasers, corporation X would redeem the preferred stock with the cash transferred for the purpose. The common stockholders would have undiluted control of the corporation and would have, in effect, removed the cash from the corporation without paying ordinary surtax upon it as they would have if it had been declared as a dividend.

Now, I should like to ask some member of the Finance Committee to advise me whether the amendment to strike out clauses (A) and (B) would not open wide the gates of a serious loophole?

I understood that the junior Senator from Virginia [Mr. ROBERTSON] offered an amendment to strike out that language of the bill on the corporate spin-off, sections (A) and (B), which provide some safeguards. I wonder whether the chairman of the committee can tell me whether, if the amendment which has been intended to be proposed, to strike out clauses (A) and (B) were adopted, it would not open a very serious loophole in the pending bill.

Mr. GEORGE. I do not know that I can answer the distinguished Senator; I may say, because I have not considered it. It was the opinion of the committee that this amendment should be presented in this form.

Mr. HUMPHREY. That is, as it is written in the bill?

Mr. GEORGE. Yes. I may say to the Senator that the identical thing can be done under the same circumstances, under the existing law, by splitting up, rather than by a spin-off, and it seemed reasonable, as we thought, on very sound economic principles, that this particular section, properly safeguarded, should go into the bill. It tends to prevent a corporation from launching out, becoming a monopoly, and extending itself, and if it wants to come back and put stock in the hands of the real owners, it has, we thought, a good purpose.

Mr. HUMPHREY. I think the Senator, the chairman of the committee, has stated the situation pretty much as I see it. The only feeling that those of us who were considering this amendment had was that we wanted to be quite sure that the spin-off procedure, if used for the transfer of certain assets, would be used for the legitimate purpose of creating a new industry or creating a new business, a new corporate enterprise.

Mr. GEORGE. It was the viewpoint of the committee that it must be strictly a bona fide transaction, not colorable, not for the purpose of evading the tax.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The fact that split-off gains are now to be taxed on the capital gains rather than on the income features would not justify the extension of this principle, which would reduce it in the case of a spin-off, would it not?

Mr. HUMPHREY. No, it would not.

Mr. DOUGLAS. And in the case of a split-up, it is a case of the original parent company losing its identity and developing by fission, so to speak, two more companies; whereas, by the spin-off, the original company continues, but merely as an auxiliary company. Furthermore, in the spin-off, the parent company in reality controls its auxiliary company, whereas in the case of the split-up the control may be divided, so that the fact that the split-up is used in part as a method of tax avoidance is no justification for extending it to the spin-off, and there are degrees of protection, even, which might justify the treatment of these gains as undoubtedly gains in the case of a split-up, which would not apply to the spin-off.

Mr. GEORGE. I should like to say to the distinguished Senator that in the case which he has supposed, the parent corporation does not control.

Mr. DOUGLAS. That is, on the split-up?

Mr. GEORGE. Yes.

Mr. DOUGLAS. That is what I wanted to make clear. In the case of the spin-off it does.

Mr. GEORGE. No, not under this provision. This provision requires the distribution of the stock by the parent to the stockholders.

Mr. DOUGLAS. But initially, at least, since the ownership of the stock will be identical, it can be presumed that the management will be substantially similar.

Mr. GEORGE. Now, the ownership is identical anyway, before taking any of these initial steps.

Mr. HUMPHREY. As we see the spin-off, it is a very doubtful transfer of certain assets into new business, and as the Senator pointed out, at least to prevent a monopolistic condition to exist, and to create a new enterprise. But it can be abused. I do not say it will be, but I think we have to be on guard, that it could be abused, so that the transfer of the assets, the securities and the bonds, and the ultimate transfer of the stock could be liquidated on a capital-gains basis, so as to avoid the normal dividend income-tax rate or the normal corporate rate.

E. STOCK OPTIONS

Mr. President, I should like now to say a few words about stock options. I realize that this is a highly controversial section of the bill, and I am going to run through it briefly for the RECORD, because I feel we ought to give it some consideration.

Section 220 of House bill 8920, as reported by the Finance Committee, frees from tax the receipt of stock under certain so-called employee stock options.

Under this provision corporate executives would be allowed to pay at capital gains rates in lieu of normal and surtax rates, on that part of their salary received in the form of options to buy company stock at less than market price. Under this provision, an unmarried executive earning $30,000 a year would pay $12,000 more in taxes if given a $20,000-a-year cash bonus. If the bonus is paid in stock options, under the Finance Committee bill he would pay only $5,000 more in taxes.

That is, provided he could sell the stock.

It is not denied that the receipt of stock in this fashion enriches the recipient. In fact, that is the purpose of the stock option. Nor is it denied that he receives it in connection with his employment by the transferor; in fact, it is only to such cases that the provision applies.

I want to make clear, Mr. President, that I am not opposed to the principle of stock option.

The tax consequences may be illustrated as follows: Suppose Mr. A already has $100,000 of taxable income and the corporation which employs him wishes to compensate him handsomely. If they increased his salary by $100,000 his net income after the tax increase, under the rates for 1951 in this bill, would be increased by about $10,000.

However, if they give him a stock option which is worth only $50,000 his net income after tax would be increased by $37,500. The higher the tax bracket of the individual the more profitable this transaction would be. In extreme cases, the corporation could actually reduce the nominal salary of the corporation executive and triple or quadruple his actual salary after tax by the use of this device.

Contrast Mr. A's experience under the Senate version of House bill 8920 with that of Mr. B, an employee of H corporation, earning $5,000 per year. He also has a wife and 2 children and under present law his income tax is about $345. Under House bill 8920 this would increase to $420 in 1951. Thus, Mr. B, the $5,000 wage earner, will be called upon to pay 20 percent more tax out of the same wages, and also meet the higher cost of living, while Mr. A, the $100,000 corporate executive gets a substantial increase in his actual salary.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS. That is almost as bad as the benefits which Congress gave the President last January, is it not?

Mr. HUMPHREY. I understand the Senator from Delaware has some observations to make on the matter of nontaxable income of the President, and even of Senators.

Mr. WILLIAMS. I was looking forward to the Senator from Minnesota helping to repeal the special tax exemption.

Mr. HUMPHREY. Apparently the Senator is perfectly willing to see the $2,500 taken from every Senator or fixed so that the only persons who can afford to come to Washington as Senators will be those who do not have to worry about money.

A tax provision that can produce each result is both inconsistent with accepted principles of progressive taxation and unconscionable in the present emergency.

The reason given for this provision, Report No. 2375, Committee on Finance, page 59, is that such options "are frequently used as incentive devices by corporations who wish to attract new management, to convert their officers into 'partners' by giving them a stake in the business, to retain the services of executives who might otherwise leave, or to give their employees generally a more direct interest in the success of the corporation."

This statement has the virtue of being revealing as to the practical uses of stock options. Their customary beneficiaries in the order mentioned in the Finance Committee report and in the actual order of their importance, are "management," "officers," "executives," and "employees generally." Those last named run a poor fourth—to wage earners, equity investments are not the most attractive form of compensation.

But as to justifying the provision, the statement leaves something to be desired. Cash bonuses and stock bonuses are incentive devices, but they are not exempt. In fact, capitalist theorists have often preached that all compensation for services is merely an incentive device. Why this particular stock option incentive device should be preferred is not clear.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I should like to ask the Senator two questions to see if I understand the point which he is making and the net effect of the provision of the Finance Committee on this point.

Am I correct in understanding that under the present law, if a corporation grants to an executive an option to purchase stock in the corporation, the entire amount, that is, the difference between the option price and the fair market value of the stock, is taxable as ordinary income?

Mr. HUMPHREY. That is my understanding. He is given a preferential rate of $85. The difference of $15 is taxable as income.

Mr. DOUGLAS. Suppose the provision of the Finance Committee were put into effect, what would happen to the spread between the option price and the sale price realized? Would that be taxed as a long-term capital gain, if there is a 15-point spread, and if the employee exercises the option and holds the option and the stock combined for at least 2 years, and the stock alone for at least six months?

Mr. HUMPHREY. I understand it is a capital gains tax which is involved. There is the hole in that theory.

Mr. DOUGLAS. But if the stock were held for only 6 months, and it later was sold at $100, the gain of $15 would not be taxed as income, but would be taxed as capital gains, and at a rate approximately half of what the rate would be if it were taxed as income.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. He can sell within a period of 6 months.

Mr. DOUGLAS. That is the way I understand the provision.

Mr. HUMPHREY. If the stocks are sold after being held for 6 months, there is a capital-gains tax structure rather than an income-tax structure.

Mr. DOUGLAS. Even though within the current year it has increased the actual income of the recipient?

Mr. HUMPHREY. That is correct. That is the difference between the present law and the committee amendment. The present law would make the differential of $15 a test case as sort of a preferential price at normal income tax rates, but if the committee amendment is adopted, the $15 would be taxed one-half the amount of tax, or even less than that.

Mr. DOUGLAS. The Senator from Minnesota will remember that in the period of the bull market stock was sold in advanced positions at a lower price than it had been voted on the market.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Even in that period the holders would have to pay taxes on the gains which they realized from having their stock put on the preferred list.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Of course the preferred list has been largely abolished, but it is now possible to give to executives the power to purchase stock at less than the market price; and the proposal of the committee is to free them from income taxes, and if they sell within 6 months and make a gain, then they are charged capital-gains tax, and the income tax is cut in half.

Mr. HUMPHREY. The Senator from Illinois has stated the truth as if he were standing on the mountain and receiving divine inspiration. That is what we mean by capital gains.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GEORGE. Under the committee bill the stock acquired under the option must not be sold within 2 years of the time the option was issued nor within 6 months after the date on which the stock was purchased. The optionee may buy the stock in on the same afternoon he receives his option, but, in that case, he must hold it for 2 years.

Mr. HUMPHREY. Oh, no.

Mr. GEORGE. In that case, he must hold for 2 years the stock which he gets on the option. The 2 years will absorb the 6 months' period, but after 2 years he may sell the stock.

Mr. HUMPHREY. What is the reason for the 6 months' period?

Mr. GEORGE. Ordinarily, when an employee buys stock under one of the stock-option programs, he will wait, possibly, until his option is about to expire. He may wait 20 months or 24 months, and then he must hold the stock, after he gets it, at least 6 months. In case he takes up the option immediately, of course, the 6 months' period would be absorbed in the option period, which must run for 2 years. There seemed to be some misapprehension on that point. Therefore I thought I should try to clarify it.

Mr. DOUGLAS. I am grateful to the Senator from Georgia, and I am sure the Senator from Georgia is well aware of the fact that the salient passages with respect to that point are contained on lines 23 and 24 at page 137, and on the first three lines at page 138, which read:

> If stock is transferred to an individual, pursuant to his exercise after 1949 of a restricted stock option, and no disposition of such stock is made by him within 2 years from the date of the granting of the option or within 6 months after the transfer of such stock to him—

It would, therefore, seem to the junior Senator from Illinois that once the stock had been transferred only the 6-month period held.

Mr. GEORGE. No. The Senator from Illinois is wrong in his understanding. If the Senator from Georgia should be wrong, I make the same plea which our distinguished friend from Wyoming [Mr. O'MAHONEY] and our distinguished friend from Texas [Mr. CONNALLY] made when they repeatedly excused themselves to present another amendment.

Mr. DOUGLAS. The Senator from Georgia is most gracious.

Mr. GEORGE. So if the section is not clear, it would be made clear.

Mr. DOUGLAS. I should like to show the same leniency to the Senator from Georgia which I hope the Senator from Georgia will display toward the Senator from Wyoming and the Senator from Texas. If the Senator from Georgia wishes to submit a perfecting amendment in order to make clear his real intent, I would welcome his doing so, provided that he would permit the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY] to submit their clarifying amendment.

Mr. GEORGE. I think the wording is clear, and that the only confusion is in the mind of my distinguished friend from Illinois. I merely wanted to clarify his understanding of it. I wish to call attention also to the fact that this is what the committee believed to be the proper provision in the law, and we undertook to safeguard it. An employee cannot own more than 10 percent of the stock. Therefore, he is not in control of the corporation, and he must have the option for 2 years. Of course, he can exercise the option earlier and limit the period during which he holds it, but if he holds the option for 2 years and then exercises it, he must hold the stock for an additional 6 months. That is the purpose of the amendment.

Mr. HUMPHREY. What the Senator from Illinois and the Senator from Minnesota were striving for was to try to get the interpretation which the Senator has now given.

Mr. GEORGE. That was the intent of the committee beyond any doubt.

Mr. HUMPHREY. In other words, the idea is not to have a quick liquidation of the stock in order to get the benefit of the capital gains tax rate.

Mr. GEORGE. That is correct.

Mr. HUMPHREY. As a matter of fact, I recognize that there must be some incentive and there must be some way of rewarding people.

Mr. GEORGE. That is the view of the committee. It would apply to a bona

fide employee, particularly in the young managerial and executive branches. It is very difficult for them to accumulate anything. Yet it is in the general interest of the corporation to have them do so. Therefore, so long as the corporation is a legitimate one and operating for a legitimate purpose, it is possible to use an option to identify such a person with the business, to which he will contribute very largely if the business succeeds.

Mr. DOUGLAS. Do I understand the Senator from Georgia as saying that he would welcome a clarifying amendment to make the provision clear?

Mr. GEORGE. I think if the Senator will look in the report of the committee he will find that it is made perfectly clear. However, if there is any confusion we shall be glad to make it clear.

Mr. DOUGLAS. In other words, the Senator from Georgia would welcome an amendment, just as the Senator from Wyoming has introduced an amendment on excess profits, which would eliminate any doubt or ambiguity. So that we would be washing out the defects in two amendments, so to speak, and preserving the equities of the taxpayer in both.

Mr. HUMPHREY. I thank my very good friend. We would welcome an amendment which would make clear the understanding that we have reached on the floor. If it is the intention to apply the amendment as the Senator from Georgia has stated, there would be no need to change the language, except by way of qualification.

Mr. GEORGE. I do not think it is necessary to make any change, and I make clear that that was the original intention of the committee.

Mr. HUMPHREY. I thank the Senator.

Mr. GEORGE. I think the report must be considered also.

Mr. HUMPHREY. Yes. I now approach a very controversial subject. It is the subject of oil royalties. Perhaps it is a case of fools rushing in where angels fear to tread. I would ask that Senators who are engaged in the debate stand close at hand so that we may not be outflanked, because we are getting into a very important subject.

F. OIL ROYALTIES

Section 214 of the bill, which was added by the committee, would give favorable capital gains treatment to ordinary income derived from so-called 'short-term in-oil payments."

I believe the members of this body should have a full understanding of the effect of this obscure amendment. If I make a misstatement either of fact or law, I shall appreciate being corrected. As I understand the present law, if a person has an interest in an oil producing property, as the lessee and operator, or as the land owner and lessor participating in the fruits of the operation, he is taxed on his income from the oil property at ordinary income-tax rates and not at capital-gain rates.

Mr. DOUGLAS. I wish to assure my good friend that I am approaching his flank not in any unfriendly maneuver, but merely to clarify my own mind. The issue, of course is: What is defined as income in the case of oil?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. That is, income is taxed at income-tax rates, but the query is: How much is taken out of income before it becomes taxable income?

Mr. HUMPHREY. That is part of the fight.

Mr. DOUGLAS. The junior Senator from Illinois has sought to understand this particular system of taxation for some time, and has had some difficulty about it. However, in a spirit of humility and with a desire to learn he would like to ask a few simple questions of the junior Senator from Minnesota.

Mr. HUMPHREY. Would the Senator from Illinois permit the Senator from Minnesota to get into the RECORD a little more of what he would call grounding in this subject?

Mr. DOUGLAS. Very well. I shall sit attentively at the feet of the Senator from Minnesota and listen. As questions come to mind I shall ask them for my own elucidation.

Mr. HUMPHREY. A common type of arrangement would be for the operator to obtain a lease from the owner of the land for oil exploration. The owner of the land in return for the least would retain, say, a one-eighth royalty interest which entitles him to one-eighth of the return from the oil produced. The lessee or operator of the oil-producing property would retain the remaining interest, which would be a seven-eighths working interest. The return to each of those persons is clearly income taxable at ordinary rates, the same as rental income to a lessor or royalty income to the owner of a patent or invention.

The owner of the oil royalty or working interest under existing law can sell a part of his interest for the whole life of the interest and obtain capital gains treatment.

That is because he is selling the capital asset that he owns, or a part of it, and not just the income from that asset for a short period which is taxable to him at ordinary income-tax rates.

So much for the typical situation as it exists today.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Did I correctly understand that the present situation is that if he sells his venture for the entire duration the gains which he makes will be chargeable as capital gains?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. But if he sells it for, let us say, 3 years in advance, the profit is not regarded as a capital gain?

Mr. HUMPHREY. That is my understanding.

Mr. DOUGLAS. It is my understanding also, but I wanted it clear.

Mr. HUMPHREY. I shall surely stand correction on this if I am wrong, and one of the reasons for bringing this matter to the Senate was to get any clarification we needed.

Mr. DOUGLAS. I would say certainly that that understanding is correct.

Mr. HUMPHREY. I think it is. That is the typical situation we have talked about as it exists today, but a new device or wrinkle has lately emerged in increasing importance, the effect of which is that the owner of the interest assigns the income coming to him for a short period and thus seeks to escape the application of ordinary income tax rates and to get the favorable capital gains treatment at a top rate of 25 percent.

Mr. DOUGLAS. He does not sell all of it?

Mr. HUMPHREY. No, he assigns a certain amount of income from his interests.

Mr. DOUGLAS. For a short period of time?

Mr. HUMPHREY. For a short period of time.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Colorado.

Mr. MILLIKIN. The owner's interest is an interest in oil in place. He sells all of it, and there is a capital gain. Why should it not be a capital gain if he sells part of it?

Mr. HUMPHREY. That is something I intend to discuss and to give my observations on, and I shall ask the Senator's attention to my remarks, and I shall then yield to him to make his observations.

Mr. MILLIKIN. I suggest that if he sells 200,000 barrels over a period of time he has sold a part of his capital estate in the oil in place, whether it is in actual barrels or whether it is in proceeds of actual barrels. He has sold a part of his capital estate. If we tax the profit on the sale of all the capital estate as a capital gain, why not tax as capital gain what he makes on the sale of a part of it, regardless of the duration, simply in terms of that part of his capital estate which he sold?

Mr. HUMPHREY. Let me proceed. I shall refer to that, and I desire to refer to it in due progress of the discussion.

The owner of the interest makes an assignment of a so-called short-term in-oil payment. The owner assigns to a third person the income from his royalty interest for a short period, expressed in terms of an assignment of the income up to a fixed amount, say $100,000. Or to the same effect, but more deviously, the owner purports to assign the income from a certain number of barrels of oil to be produced from the property. Thus, if the owner of the royalty interest anticipates that his returns for the next year from the oil property taxable to him at ordinary income tax rates will amount to $100,000, he assigns his interest up to the extent of $100,000 of yield on the royalty interest. He now claims that on that transaction he is entitled to receive capital gains treatment instead of the application of the higher income tax rates.

Mr. MILLIKIN. Mr. President, has he not depleted his capital by barrels or barrels in terms of dollars?

Mr. HUMPHREY. He would have depleted his capital under the other arrangement.

Mr. MILLIKIN. Assuming it to be true that his capital estate is worth that much less.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that we have to take into consideration not merely the query as to whether one assigns a portion of the future yield, but also the question as to the period during which this future yield will occur? It has been the contention of the junior Senator from Illinois that we should not treat as a capital gain something which accrues in a period shorter than that over which income is computed.

Mr. MILLIKIN. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MILLIKIN. I am merely asking the question why, if we consider capital gains on the sale of all, should we not consider capital gains on the sale of a part? That is all I am addressing myself to.

Mr. HUMPHREY. I should say that the reason has been explained by the Senator from Illinois. If one sells all, he relinquishes his control over it. If he sells it and the oil remains, he still has basic control of the property, except for a brief period of time. In fact, he is not operating in any different manner from that in which he would be operating under what we call the typical situation, when he would have paid income-tax rates.

Mr. MILLIKIN. But is it not true that the capital estate has been depleted by the amount of the oil taken out of the ground to meet the particular contract?

Mr. HUMPHREY. There is no doubt it has been depleted.

Mr. MILLIKIN. If I chop my house in half and sell half of it to the Senator, I pay capital gains on what I make on the half. If I sell it all to him, I pay the capital gains tax on the profit on all of it. What difference does it make?

Mr. HUMPHREY. The difference seems plain. The Senator has possession——

Mr. MILLIKIN. Of half.

Mr. HUMPHREY. He has possession of that which he has relinquished after the date of the contract.

Mr. MILLIKIN. That is what the Senator had on the date of the contract less what he had at the end of the contract.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that in the oil industry—and I speak with humility, because there are many experts in the oil industry present, of whom I am not one—is it not true that in the oil industry it is possible to foretell with appreciable accuracy for a certain period in advance what the probable yield of a well will be? And that is particularly true now that we have allocations and control in the field, so that we know in advance what the yield of a well will be for a year or two in advance.

Suppose we know that the yield for a year will be 400,000 barrels, and that the royalty will be x units per barrel. Suppose we assign 200,000 barrels and get a lump-sum payment for it, which will be satisfied within 6 months. The amount received is received within a period of 6 months. Then let us say we assign another 200,000 barrels, which will accrue in the next 6 months. So that we treat as capital gains the profit on the full 400,000 barrels we obtain from the well during the year, and we pay on the amount received for the 400,000 barrels, not an income tax, although it is during that year that it is received, but a capital gains tax, which is approximately only half what the income tax is.

Mr. HUMPHREY. And we knew all the time how many barrels were going to be produced.

Mr. DOUGLAS. Or approximately.

Mr. MILLIKIN. Mr. President, the basic fallacy is, I respectfully suggest, in the first assumption indulged in by both of the distinguished Senators, that it is possible to tell with accuracy——

Mr. DOUGLAS. Approximate accuracy.

Mr. MILLIKIN. With approximate accuracy, what it is possible to produce over a given period of time. I have one case in mind in which a 30-mile pipeline was built, a camp was installed, and there were 10 producing wells. They started to try to fill the pipeline, the whole operation being under the supervision of the best petroleum engineers there were in that part of the country. The wells went dry. There was not one complete day of shipment through that pipeline.

I could bring to the attention of Senators case after case where, in a so-called proved field, dry holes are drilled. I doubt whether there are any fields which do not contain some dry holes within their productive areas. Some pretty good calculations can be made, but sometimes they go completely haywire. There is a great element of risk in the business. Within the last few months a gentleman was in my office and told me that he knew of a place where eight wells had been drilled, one after the other, in a so-called proven area, at a cost of over a million dollars per well, with not a smell of oil.

Mr. HUMPHREY. I may point out in that connection, that is a problem unto itself. That comes under the item of percentage depletion, which I shall discuss.

Mr. MILLIKIN. No, that goes to the suggestion that it can be predicted, with reasonable accuracy, what one is going to get over the next year.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I am afraid I did not make myself clear. The Senator from Colorado has an extremely fine mind, and if the Senator from Illinois fails to make his point clear, it is due to the defect of the Senator from Illinois. What the Senator from Illinois tried to state was that once a well is in production, once oil is obtained, then it can be predicted, within a certain margin of error, what the approximate yield will be the next year. The State conservation laws of the Southwest make that a surety by making provision that wells will not be drained off by adjacent wells.

Mr. MILLIKIN. Mr. President, I challenge that statement frontally. I say that perhaps prediction can be made on the average of a large number of wells over a large area. But if we are dealing with a lease—and these problems come down to a lease—if we are dealing with a lease, I challenge the proposition that it can be said that the well in which an interest is being sold will be sure to produce or reasonably sure to produce within a period of any reasonable length.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. It seems to me that when a man sells his interest in a royalty he is not divesting himself of any property. He is simply cashing in on income. It seems to me it is very analogous to a man owning an office building, which yields an income of $200,000 a year. If he sells one-half interest in that building, and he has held it for a certain length of time, of course he is taxed only on the basis of the capital profits. But if he should sell for a limited period half of the income of the building, it would certainly seem to me that under this bill he would be responsible for his tax on the basis of ordinary level.

It would seem to me that it is very much the same thing in the case of an oil well. If a man sold for all time his interest in the well then, of course, I assume there would be no question as to his being entitled to pay on the basis of a capital-gains tax. But if he sells the income, either actual or prospective, for a limited period—for 1, 2, or 3 years, or even for a shorter period—it would seem to me that it is clearly an earning; not a tax that should be levied on capital.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Has the Senator from New York finished?

Mr. LEHMAN. Yes.

Mr. HUMPHREY. I yield.

Mr. MILLIKIN. The Senator from New York has pointed up several things about which we have to be careful in this discussion. One is whether an individual is selling his capital interest or whether he is selling income. If he is selling oil in place, he is selling a part of the capital, because that is what he has. It is not like selling income from an asset which does not waste. If an individual has a million barrels of oil in place, estimated—of course, one does not know how much he has until he exhausts his field—but let us assume under estimates of the type the distinguished Senator from Illinois is talking about, an individual has a million barrels of oil in place, that is his capital, and when he has disposed of 100,000 barrels of it, he has disposed of 10 percent of his capital, because it is a nonreplenishable resource.

Mr. HUMPHREY. That is certainly a very different provision than that dealing with depletion of oil reserves. It is more liberal than any other.

Mr. MILLIKIN. Because of the very reasons we have discussed.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. An office building also depreciates. True, it depreciates at a much slower rate than an oil well. But in the case of the office building there is depletion and depreciation. In the case of an owner he does not divest himself of his ownership in the royalty for a continuing period of time, as he would if he sold it outright, without any strings at all, as would be the case if an owner of an office building sold his interest. He is simply for a very limited period cashing in on his prospective or actual profits. He may make a good deal or a bad deal. But he has received a certain amount of money for that, and it would seem to me that he ought to pay a regular tax on it.

Mr. MILLIKIN. When a person has a nonreplenishable resource, every time he sells any of it he has diminished his capital by that amount.

Let me illustrate that with the case of a farm. An owner sells his farm. He is on the basis of capital gain or loss. He sells the product of his land. He is on an income basis. He is not necessarily depreciating or depleting his land. He is not selling 10 acres of his land every time he sells a thousand bushels of wheat.

Mr. LEHMAN. If a man has an orchard, and he sells half of it, or some other part of it, of course that represents a capital gain. But if he contracts to sell the yield of the orchard for a year or two, I assume that does not represent a capital gain.

Mr. MILLIKIN. Where we are failing to make distinctions is as to whether we are selling income or whether we are selling part of our capital. There are interests in the oil business that are truly income interests. There are interests in the oil business—and they all carry technical terms—where a measurable part of capital is being sold.

Mr. HUMPHREY. That is the issue at question. What is income and what is capital involved in this subject? I think the Senator from Illinois has an observation to make on that subject. He made it to me privately a moment ago. I think it is in point, and I should like to have the Senator from Illinois state what he was saying to me in private conversation in reference to this particular oil provision.

Mr. DOUGLAS. The question I should like to ask the Senator from Minnesota relates to the point that the distinguished junior Senator from Colorado was making when he said that the yield of an individual oil well was unpredictable even in the relatively short future, and that therefore one could not sell income, but one would be selling capital. Is it not true that in the Southwest the banks will lend money to the owner of royalty rights, taking as security the yield for a stated short-time period in advance, and that the interest rate on these loans, as I am informed, is relatively low, maybe less than 2 percent? I think that is the fact. The banks, which are notably cautious institutions, would not make loans at low rates of interest unless they were pretty sure that the expected yield would actually occur. Is not that very strong evidence to indicate that yields for individual wells can be predicted with substantial accuracy for short periods in advance?

If that is so, then it is income, not capital, which is being transferred.

Mr. HUMPHREY. I thank the Senator from Illinois. I think the observation he has made is a most pertinent one, and bears upon the point of the accuracy with which it is possible to determine the production or flow from a particular oil well.

Mr. MILLIKIN. Mr. President——

Mr. HUMPHREY. I now yield to the Senator from Colorado.

Mr. MILLIKIN. Mr. President, it is entirely true that banks make loans on production. If a bank were making a loan on the production from one well, the bank might very well find itself in a hazardous position, unless the loan were secured in other ways. Of course, a cautious banker secures his loan so that he is sure to get his money back. None of us would want to put money into a bank the head of which made loans on any other basis.

The banker is sure to get his money back if he makes the loan on the basis of a range or spread of wells, and possibly has the protection of other security, as well.

Mr. HUMPHREY. Mr. President, I know that it will be said that this provision is not intended to include a bald assignment of a specified amount of income, say $100,000, expected to be returned on the oil interest within the near future, let us say a few months, a year, or 18 months. It will be said that under the terms of the amendment such bald escape from taxation will be prohibited, and capital gains treatment would be permitted only if he makes an assignment of a definite amount of oil in place. But the difference is a formal one only, and has no substance.

It is common knowledge that with modern exploration and discovery processes and all the recent techniques of science, the yield from an oil-producing property over a given period of time can be predicted with remarkable accuracy. If a certain well is a known producer, it is as certain as anything in the course of human events can be that oil will continue to be produced at least over the short period of time covered by the type of assignment with which we are dealing here.

Mr. MILLIKIN. Mr. President, if the Senator will yield at this point, let me say that obviously that might be true or obviously it might not be true.

Mr. HUMPHREY. Yes; of course.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that the rights could be sold on the 1st of January, let us say, and the expected yield might be 400,000 barrels for the entire year, and might also have been 400,000 barrels for the year before the rights were sold. Let us say that in the next year another 400,000 barrels would be produced, and that that would be the yield for the next year. In each year the sale would cover the total amount of oil produced; is that correct?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. And therefore it would cover the total amount of income received, would it not?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. But instead of being taxed under the normal income tax rates, it would be taxed under the capital gains rate, which is a much lower rate. So the effect would be that the income from oil production would be taxed at a much lower rate than income coming from other sources; is that true?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. Suppose the owner of an oil well were extremely wealthy, having an income of a million dollars or so a year. The super-tax rates would require, I believe, that he pay a tax of 85 percent, under the bill of the Senate committee; but under the capital gains tax, the maximum tax would be at the rate of 25 percent, I believe.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. So the amendment would mean writing down or scaling down the tax of the millionaire oil man from 85 percent to 25 percent.

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. Is that correct?

Mr. HUMPHREY. That is my judgment in connection with this matter, and that is why I looked askance upon this amendment, which permits the same old procedure of making tax payments under the capital-gains rate, which is much lower, rather than under the normal income tax rate, which is much higher.

Mr. DOUGLAS. And would not that benefit be added to the benefit coming from the depletion allowance?

Mr. HUMPHREY. Yes. In other words, it would be preferential treatment.

Mr. DOUGLAS. In fact, it would be a further preferential treatment, would it not?

Mr. HUMPHREY. Yes.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MILLIKIN. I suggest that the point made by the distinguished Senator from Illinois is misguided, because a capital asset does not become income, nor does it cease remaining a capital asset because of the particular person involved in the transaction, or at least it should not. The fact that he is rich or poor should not result in converting a capital asset into income.

Mr. HUMPHREY. That is correct.

Mr. MILLIKIN. I suggest that has nothing at all to do with the case at hand.

Mr. DOUGLAS. Mr. President, I am surprised that the Senator from Colorado, with his classical knowledge, did not bring in Gilbert and Sullivan, and say that—

The flowers that bloom in the spring have nothing to do with the case.

Mr. MILLIKIN. The Senator should not forget to add the "Tra-la." [Laughter.]

Mr. DOUGLAS. The point is that it has much to do with the case, because, as the Senator from Colorado is well aware, the larger the income, the higher the tax rate.

Mr. HUMPHREY. And the greater the incentive to have the tax imposed under the capital-gains tax.

Mr. DOUGLAS. Yes; because the maximum capital-gains tax is 25 percent.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. So we are not singling out these persons for opprobrium, but we believe that the committee unintentionally has singled them out for favoritism.

Now that this matter has been revealed, I am sure the Senator from Colorado will agree that when production rights are sold for a period greater than that for which there is reason, such income should be taxed as normal income, not as a capital gain.

Mr. MILLIKIN. I believe that when we are operating a capital-gains system, we should first determine whether the particular matter involves capital.

I suggest that if selling of capital involves capital gains, then if part of it is sold for a profit, that also involves a capital gain. That is all I am talking about. Being rich or being poor or what funds a man may have in a bank has "nothing to do with the case, tra-la." [Laughter.]

(At this point Mr. HUMPHREY yielded to Mr. HUNT on whose request Senate bill 4029 was considered, and, after some debate, was passed, the proceedings in connection which appear at the conclusion of Mr. HUMPHREY's speech.)

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the interruptions which have occurred during the course of my remarks be placed at the conclusion of my speech, so that there will be a rather uninterrupted debate on the tax question, which is the pending business. My request includes announcement of the majority leader, action on the conference report on the highway bill, the so-called physicians and dentists bill and comments from the floor which were not germane particularly to the tax measure. I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Delaware.

Mr. WILLIAMS. I ask unanimous consent that I be recognized the first thing tomorrow after the Senate meets so that I may speak on the pending amendment.

Mr. DOUGLAS. Mr. President, reserving the right to object, the Senator from Minnesota had a speech prepared which would probably not have taken him more than an hour to deliver had he been allowed to proceed without interruption, but there have been continuous interruptions both from members of the Committee on Finance and from those of us who are not members of the committee, and other extraneous business has been transacted, so that the Senator from Minnesota I believe has had opportunity to conclude only approximately half his speech, though he has been on the floor for 4 hours.

In view of the fact that the Senator from Minnesota has discussed this important subject at great length, and in view of the fact that there have been other matters dealt with, would it not be better if we reached a unanimous-consent agreement to recess tonight with the understanding that the Senator from Minnesota may have the floor when the Senate resumes its session tomorrow, and that following the address of the Senator from Minnesota the Senator from Delaware may speak? I apologize to the acting majority leader for making the suggestion.

The PRESIDING OFFICER. Is there objection?

Mr. FERGUSON. Mr. President, do I understand correctly that the Senator from Minnesota desires to yield the floor now? The Senator from Michigan has remarks to make in the delivery of which he could consume about 15 minutes this evening, if the Senator from Michigan yields the floor.

Mr. HUMPHREY. The Senator from Minnesota would be happy to yield the floor, provided he could get a unanimous-consent agreement which would permit both the Senator from Minnesota and the Senator from Delaware to proceed tomorrow, in that relative position. I should like to be able to continue my remarks tomorrow. I know the Senator from Delaware has been 2 days seeking opportunity to get his remarks in the RECORD in reference to his amendment.

Mr. WILLIAMS. Mr. President, I sent an amendment to the desk on Friday, which is the pending amendment, and at the request of some Senators I waited until Monday to explain the amendment, then I waited until today, and have waited all day, and I feel it is proper that the amendment should be explained to the Senate and the country.

I understand the position of the Senator from Minnesota. About 2 o'clock he started on what we thought would be an hour's speech. If we could have it understood that there would be no vote on the amendment tomorrow, I could speak just as well on the next day.

Mr. HUMPHREY. So far as the Senator from Minnesota is concerned, I told the Senate yesterday that it was my intention to discuss the 12 amendments which are being sponsored by the junior Senator from Illinois [Mr. DOUGLAS] and myself, and some by the junior Senator from New York [Mr. LEHMAN] and the junior Senator from Illinois [Mr. DOUGLAS] and myself. The junior Senator from Massachusetts [Mr. LODGE] obtained the floor today for what was thought would be a short talk, and he continued for more than an hour, and when the Senator from Minnesota got the floor, there was one interruption after another for the transaction of business. There have been several committee reports and several discussions on the floor not at all concerned with the pending matter, but which were vital items of business. I desire to complete my address, because the amendments are on the table awaiting action.

Mr. WILLIAMS. Do I correctly understand the Senator will take about 40 more minutes?

Mr. HUMPHREY. If there are no interruptions.

Mr. WILLIAMS. I wonder if I could modify my unanimous-consent request so that I may have the floor tomorrow at 1 o'clock.

Mr. HUMPHREY. I cannot predict what will happen in the intervening period of time. I spoke to the Senator from Georgia about my remarks. In fact, I told him ahead of time some of the things I wanted to bring up, and I wanted to receive his observations on my points of view.

Mr. WILLIAMS. I withdraw my request.

Mr. WHERRY. Where does that leave the Senate tonight?

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. MYERS. Mr. President, why is it not possible to enter into such a unanimous-consent agreement, as has been suggested, that the Senator from Minnesota may have the floor tomorrow when the Senate convenes, and that immediately following his remarks the Senator from Delaware may have the floor? It is now 20 minutes after 6 o'clock, and I think it would accommodate all Senators if we could enter into such an agreement. It would not inconvenience the Senator from Delaware to wait until half past 1 or 2 o'clock tomorrow, and at the same time we could accommodate the Senator from Michigan, who could conclude the remarks he desires to make this evening before the Senate takes a recess.

The PRESIDING OFFICER. (Mr. LONG in the chair). Does the Senator from Pennsylvania make such a request?

Mr. MYERS. I should like to make such a request.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS. Mr. President, I have no objection. I do not care whether I shall be recognized at 12 o'clock, 1 o'clock or 2 o'clock tomorrow. I sat in the Senate Chamber all day yesterday waiting to obtain the floor. I thought I was going to secure the floor today. I did not. I have been waiting all day today to secure the floor. I do not want to go through the same experience tomorrow.

The PRESIDING OFFICER. The Senator from Pennsylvania has asked unanimous consent that when the Senate meets on tomorrow, the Senator from Minnesota [Mr. HUMPHREY] will have the floor, and that at the conclusion of the address of the Senator from Minnesota the Senator from Delaware [Mr. WILLIAMS] will be recognized. Is there objection?

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I regret that the request for unanimous consent agreement was objected to. I say that I know the Senator from Delaware has waited a long time, but I can say with equal candor that the Senator from Minnesota has been 2 days on the floor waiting to present his material.

I shall now continue with my statement.

I know it will be said in reference to the provision we were speaking about, on the matter of royalty payments, commonly known as short-term-in-oil-payments, that this provision is not intended to include a bald assignment of a specified amount of income, say $100,000, expected to be returned on the oil interest within the near future, say 6 months, 1 year, or 18 months. It will be said that under the terms of the amendment such bald escape from taxations will be prohibited and capital gains treatment will be permitted only if the individual makes an assignment of a definite amount of oil in place. But the difference is a formal one only and has no substance.

It is common knowledge that with modern exploration and discovery processes and all the recent techniques of science, the yield from an oil-producing property over a given period of time can be predicted with remarkable accuracy. A certain well is a known producer and it is as certain as anything can be in the course of human events that oil will continue to be produced at least over the short period of time covered by the type of assignment with which we are here dealing.

This was discussed in detail by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Illinois [Mr. DOUGLAS].

So the owner of the interest, to obscure the fact that it is an assignment in all reality of a certain specified amount of income over the very near future, would now under this provision make an assignment of a certain number of barrels of oil to reach the identical result. The going price per barrel of oil is determinable, and there is a going discount for future income over the short period of the assignment. So the assignment, instead of being expressed in terms of a short-term assignment until the yield reaches $100,000, will now be expressed in terms of a certain number of barrels of oil which at the going market price less discount for advance payment will yield substantially the same sum. That is the effect of this provision. With its adoption the owner of the working interest or the royalty interest has readily at hand a legalized device for transmuting ordinary income which might be taxable to him at rates in high brackets, to capital-gains treatment. Thus by successive short-term assignments, an oil promoter could remove his oil income from the progressive rates effective against ordinary income and be subject only to the maximum effective capital gains rate of 25 percent.

Under this section these types of dealings in oil would be carved out to be given extraordinary favorable tax treatment not accorded in other areas of business. The owner of leased real estate may and often does assign his rental income for one or more years to another person. This particular point of view was discussed very ably by the Senator from New York [Mr. LEHMAN]. Nevertheless that type of assignment has always been treated as merely an assignment of future income, and the rental income continues to be taxed to the owner of the property at ordinary income-tax rates.

I repeat, that the Senator from New York used as an analogy the relationship of real property in the terms, let us say, of an office building, or an apartment building, and the assignment of income from a share of that income, and that is taxable at normal tax rates, while in the matter of oil the assignment is made on the reference to a certain number of barrels, and the income from that is fixed, not at the normal income-tax rates, but at the capital-gains rate.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. If Mr. X holds a royalty which brings in $100,000 a year, as I understand, he pays on that income of $100,000 a year.

Mr. HUMPHREY. That is correct.

Mr. LEHMAN. Now Mr. X sells his royalty, or the production from his royalty, for the period of a year and he receives $100,000. Under the proposed amendment he pays a capital-gains tax of less than one-half of what he would otherwise pay.

Mr. HUMPHREY. That is correct.

Mr. LEHMAN. Nobody has given me any evidence that simply by selling his interest for a year that man is entitled to be relieved of one-half the tax. It is perfectly clear that under the one condition he pays an income tax, and under the other condition, which really has not changed his status as an owner of the royalty, he has to pay only one-half the tax.

Mr. HUMPHREY. I think the Senator has given us a very clear-cut demonstration of what the amendment is about and what its effect would be. If the Senator was present when I discussed the present law and how it operated, I stated at that time that if there was any mistake in facts or in my understanding of the law, I would want the committee to call it to my attention—he heard me point out that the income would be taxable under the regular normal income-tax rates. But the provision of the committee amendment in the bill as it came from the Finance Committee provides that the capital-gains procedure, or the capital-gains schedule could be used, thereby reducing the amount of tax that is paid, even though the individual is the same individual, and even though the property has not been relinquished.

Mr. LEHMAN. And the same amount of oil is involved and the same amount of income is involved.

Mr. HUMPHREY. Yes.

Owners of copyrights or patents also may make short-term assignments, but they receive no such tax advantages which would be accorded by this amendment. A corporate executive might find it advantageous for tax purposes, if it were permitted to him, to assign to another person his entire salary for the coming year, and thus claim capital-gains treatment on his salary, but you and I know that is not permitted and could not be permitted.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. May I go into the question of copyrights for a minute?

Mr. HUMPHREY. I would be very happy to have the Senator do so.

Mr. DOUGLAS. Suppose we consider the case of a well-known author whose books are almost certain to sell at from 50,000 to 100,000 copies. Suppose that at the first of the year he sells the royalties on 40,000 copies which he is to receive, say at an average of 45 cents a copy; that would be $18,000. He sells that for $18,000. As I understand, under the present law, that is income.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. And it is to be taxed as income.

Mr. HUMPHREY. As earned income.

Mr. DOUGLAS. And it is not treated as capital gains.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. And it would continue to be treated as income.

Mr. HUMPHREY. Under the new tax, yes.

Mr. DOUGLAS. Under the new tax?

Mr. HUMPHREY. Correct.

Mr. DOUGLAS. But in the case of oil, then it is shifted from income to a capital gain under the new tax, and the rate is reduced.

Mr. HUMPHREY. That is my understanding of it. It surely appears to me that if this is to become the law of the land, then we ought to have equality of treatment, particularly for authors, for artists, for inventors, for people who have their entire property in the skill they possess and in the knowledge they possess. But they do not get the benefit of that particular provision.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I am happy to yield.

Mr. KERR. Does the Senator understand that in the case of minerals, whether oil or gas or coal or copper or lead or zinc or iron, the interest owned is a limited interest, an irreplaceable interest, and that as any part of it is sold a part of the total estate is sold, and it is not replenishable?

Mr. HUMPHREY. I understand that; indeed, I do.

Mr. KERR. In the case of an author who has an income from 40,000 books, or even from 400,000 books, when the books are sold the printer can print another 40,000 or another 400,000, can he not?

Mr. HUMPHREY. Yes; if there is a market for them.

Mr. KERR. But is there any way for the owner of a mineral asset who has sold 100,000 barrels of oil or 100,000 tons of ore to replace it, with reference to the asset from which it was sold?

Mr. HUMPHREY. No. I understand the Senator's point, but let me point out——

Mr. KERR. Then is it possible that that differentiates his position from that of an author?

Mr. HUMPHREY. That could be.

Mr. KERR. Is there or is there not that difference?

Mr. HUMPHREY. There is a difference; but let me point out that under existing law the income of the same oilman from the same oil well or the same oil-producing property is taxed at regular rates, whereas what is now being proposed is a device by which the income from a certain number of barrels of oil would be converted from earned income into a capital gain, and thereby would be taxed as a capital gain, thus subjecting that income to the capital-gains tax, which is low.

Mr. KERR. Does the Senator understand that the amendment would not make the capital-gains tax rate available to income, as such?

Mr. HUMPHREY. It is a question of what is regarded as income.

Mr. KERR. The amendment would make that rate available to the sale of the capital itself.

Mr. HUMPHREY. It is a very fine technicality the Senator is drawing.

Mr. KERR. Is not that the provision of the bill.

Mr. HUMPHREY. Yes; there is no doubt that the bill says that.

But I would point out, as the Senator from New York has pointed out, that the life of an apple orchard or a cherry orchard may be 10 years; yet if the manager of that orchard were to assign a guaranteed portion of the production of the orchard for the next 3 years, he would be taxed on the basis of income, not on the basis of capital gains. The orchard has only a certain life, which can be calculated with as much accuracy as can the life of an oil well.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The very able Senator from Oklahoma declared that oil and mineral resources are wasting assets and are subject to depletion, and therefore are not comparable to the services of a writer or an author.

Is it not true that the human qualities of an author are certainly subject to depreciation and wastage? Lyric poets, for example, seldom continue to be noted as lyric poets after their thirtieth year; they wax for a period, and then they tend to wane.

Great novelists tend to write themselves out in a short period of time. The old age of such literary men tends to be one of honors, it is true, but also a period of more or less desuetude, from the point of view of the production of literary works.

Therefore, are not the two rather similar?

Mr. HUMPHREY. I think they are. I think it is a question of what we wish to call income and what we wish to call property and what we wish to call assets.

The only property or asset an artist has is his genius; and, to be sure, it is just as subject to exploitation and diminution with the passage of time and the effects of age and the elements and the vicissitudes of life as is an oil well or some other mineral deposit.

My position, and I am sure it is that of the Senator from Illinois, is that under present law there is a basis for figuring, for tax purposes, earned income coming from oil wells or other mineral deposits as a capital gain, and thus having it subject to the capital gains tax, which is a low tax.

Of course, banks are willing to make loans on the basis of the calculation of an estimated production from a particular oil well—which indicates that it is possible with a fair degree of accuracy to estimate how much oil will be obtained from a particular well.

In short, we are considering a device to which I have been referring almost all afternoon, when I have said that a person who takes advantage of that procedure becomes a political alchemist. Is not that a good word to use in this case?

Mr. DOUGLAS. I am sure it is.

Mr. KERR. I will agree that it is, but I should like to have the Senator tell us what it means.

Mr. HUMPHREY. I shall do so. That device would permit one, in effect, to change into gold some ordinary material which he might take from a pit or mine.

Mr. DOUGLAS. It is the transmutation of income into a capital gain, in order to avoid the higher tax, and those who would do so become modern alchemists.

Mr. HUMPHREY. Yes. I have already referred to the methods used by the old-time alchemists, by which they attempted by elaborate means, including the use of steaming cauldrons, kettles, pipes, and other complicated devices, to transform into gold some of the basic metals.

Mr. DOUGLAS. In the present case, those who make this attempt are even more remarkable alchemists than were those of the Middle Ages, for in this case the attempt which is made is to engage in the transmutation of oil into gold. [Laughter.]

Mr. HUMPHREY. Indeed so.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. The Senator from Minnesota is aware of the fact, is he not, that if a man is producing oil and if he sells it, the income is taxable as a capital gain?

Mr. HUMPHREY. Yes, if he sells it. As the Senator has said, when he sells it, he sells it forever.

Mr. KERR. And that is taxed as a capital gain, is it not?

Mr. HUMPHREY. That is correct.

Mr. KERR. The Senator from Minnesota has said that it is possible to tell how many barrels of oil may be obtained from a given well.

Mr. HUMPHREY. I have said it is possible to calculate that with a reasonable degree of accuracy.

Mr. KERR. If that were true and if the owner wanted to sell a certain number of barrels of oil, and if a purchaser wanted to buy a certain number of barrels of oil, if the owner of the well could determine the amount of oil which the well would produce, all he would have to do, in order to sell 10,000 barrels or 1,000 barrels, as the case might be, would be to sell a proportionate part of his interest in the oil well, equivalent to the production of that quantity of oil, inasmuch, as my friend has said, as the amount of oil the well would produce would be determined in advance, and thereby the owner would be able to sell that amount of oil, not as a certain number of barrels of oil, but as a proportionate part of his interest in the well; and that income would be taxable as a capital gain. Is not that true?

Mr. HUMPHREY. However, my friend the Senator from Oklahoma knows that there would be very little use in selling the oil, if the owner could for a few short years assign his interest in that property, and thus could obtain the benefit of having his income taxed as a capital gain.

Mr. DOUGLAS. In fact, it would be assigned, not only for a few short years, but for a few short months.

Mr. KERR. But the Senator knows that it is impossible to tell how many barrels of oil will be obtained from a given well, or how many tons of ore can be obtained from beneath a mountain. Therefore the basis of the Senator's argument is not sustainable.

Let me say to the Senator that if he can determine how much oil is under a given piece of ground or how many tons of a certain mineral are in a given area, then the Senator from Oklahoma and many others with whom he is acquainted would love to learn the secret of that process; and I would say to the Senator that the fol-de-rol which has been engaged in here, in reference to statements about turning anything into gold, would become a certainty, on the basis of such a process.

Mr. HUMPHREY. If I possessed that great secret knowledge. I would not be willing to sell it until I was sure that my income from its sale would receive the benefit of being regarded as a capital gain, because I would wish to obtain the benefit which others are obtaining.

Mr. KERR. I understood the Senator to say that is already being done.

Mr. HUMPHREY. No; I referred to an oil well which is producing perhaps 1,000 or 10,000 barrels of oil a day, and has been producing it day after day, month after month, and year after year, plus the fact that the geologists, who are supposed to know about such matters, have determined with a fair degree of accuracy the number of barrels of oil in that given field.

After all, our newspapers are able to report how many barrels of oil we have in reserve and how many barrels we are short. Those calculations are supposed to be accepted by reasonable men. I submit that if one makes an assignment of the oil production, a certain number of barrels, and sells that assignment for a certain stipulated price, after that well has been in production and has a record of production, there is not too much of a risk. I submit that the Senator from Oklahoma and his associates in the oil industry know as well as the Senator from Minnesota and the Senator from Illinois that it is possible to calculate within a reasonable degree of accuracy, at least over a considerable number of wells, that 2 months from now, if a well is providing so many barrels of oil now, it is pretty apt, within reasonable bounds, to produce a certain number of barrels for the next few months.

Mr. DOUGLAS. I should like to ask the Senator from Minnesota, is it not true that the various State conservation laws which are passed in the Southwest determine how much can be taken out, because of the fact that the State conservation laws set limits?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. They prevent predatory drilling, and they have allocations and pro rata agreements, do they not?

Mr. HUMPHREY. They surely do.

Mr. DOUGLAS. So that in the short run—and that is all the Senator from Minnesota is talking about——

Mr. HUMPHREY. We are talking about the short term in oil payments.

Mr. DOUGLAS. It is possible to predict with reasonable accuracy the physical yield, is it not?

Mr. HUMPHREY. That is correct.

Mr. KERR and Mr. HICKENLOOPER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield, and if so, to whom?

Mr. HUMPHREY. I yield to the Senator from Oklahoma.

Mr. KERR. The Senator from Oklahoma would like to state that he agrees with the Senator from Minnesota that he does know as much about this as either the Senator from Minnesota or the junior Senator from Illinois.

Mr. HUMPHREY. I am sure he knows more.

Mr. KERR. But he wants to disclaim anything like the knowledge which the Senator from Minnesota referred to, that anyone possesses, to determine how much oil is under a piece of ground.

Mr. HUMPHREY. The Senator from Minnesota has said simply this: There is a way to observe and to calculate what the production of a particular well has been, it is reasonable to presume that if a well has been producing a certain number of barrels of oil a day over, let us say, the last 2 years, it is possible to estimate what its production will be for the next 6 months or the next year.

Mr. DOUGLAS and Mr. HICKENLOOPER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield, and if so, to whom?

Mr. HUMPHREY. I decline to yield at the moment. I will yield later. It is amazing to me that in many of the particular portions of the bill we are discussing a continuous effort is made to convert earned income, undistributed profits, and undistributed dividends, which would be taxable under normal legitimate income-tax rates, into capital gains. Why? Because capital gains is of particular advantage only to the people who have an income of $18,000 a year, single, or $36,000 a year married, which takes in a very small percent of the American population.

Mr. HICKENLOOPER and Mr. DOUGLAS rose.

Mr. HUMPHREY. We are with this bill permitting stock options. We permit family partnerships. We permit the corporate spin-off. We permit the use of corporate undivided earnings and profits that have accumulated to be spun off into a new corporation, the stocks to come back to the stockholder of the parent corporation, with capital-gains treatment to follow.

I want to remind the Senate of the United States that this bill is giving special privilege to a few and is raising the tax rates of the many. I now yield to the Senator from Illinois.

Mr. DOUGLAS. I wonder whether the Senator from Minnesota would think it apropos if the junior Senator from Illinois were to repeat a little verse of poetry which was suggested to his mind by the very interesting statement of the Senator from Oklahoma about his ability in the oil industry. Both the Senator from Minnesota and the Senator from Illinois, of course, have great respect and affection for the Senator from Oklahoma, who is a very charming gentleman, and, of course, he is one of the best dialecticians on the floor. But this verse occurs to me, and if it is not pertinent or if it is somewhat impudent, I hope both the Senator from Oklahoma and the Senator from Minnesota will correct me and we shall have the verse expunged from the RECORD. It is this:

> He is an Englishman.
> For he himself has said it,
> And it's greatly to his credit,
> That he is an Englishman.

Mr. HUMPHREY. I do not think we shall expunge that from the RECORD.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield now to the Senator from Iowa.

Mr. HICKENLOOPER. I thank the Senator from Minnesota. My question is based partly on the affirmation of the Senator from Minnesota that oil in the ground is reasonably capable of being measured by modern methods. I know nothing about the oil business. I could not dispute that statement, one way or the other.

Mr. HUMPHREY. I may say the Senator from Minnesota is only reporting what competent people in the field have reported to him.

Mr. HICKENLOOPER. I do not mean to labor that particular point, but the Senator had advanced that argument. Therefore, when one sells a portion of it prospectively, for the ascertainable future supply, he should be taxed on income. This is my question: I wonder whether the Senator would contend that a farmer who has approximately 240 acres of land—which is reasonably ascertainable—should desire to sell 40 acres of that land, he should be taxed for the proceeds he receives from the 40 acres, as income, or whether, if he should have 100 cattle, more or less, and should desire to sell off 25 of the cattle, the entire proceeds from the 25 cattle should be taxed as capital gain, or as income, rather than the increment which is normally taxed as capital gain on such transactions, when there is a capital gain.

Mr. HUMPHREY. Let us assume the example of the Senator from New York. Here we have 160 acres of land. You have a quarter of a section. You put an orchard on that land. That orchard has a certain period of life. As surely as anything could possibly be, if it is possible to prognosticate anything, it can be determined that the trees are only going to last a definite period, under the best conditions, and they may not last even that long. They may be destroyed by some sort of termite or by plant disease, or something else. Now, if Mr. Jones, the farmer, goes and makes an assignment of the income from that orchard on the basis that the orchard has, over the years, produced, let us say, 1,000 bushels of pears or 1,000 bushels of peaches, and he takes an assignment on those pears and those peaches, his income is taxed as earned income, not as capital gain.

Mr. HICKENLOOPER. Yes; but the peaches and the pears replace themselves.

Mr. HUMPHREY. In what space of time?

Mr. HICKENLOOPER. They replace themselves each year.

Mr. HUMPHREY. No; there is no guaranty. There is no more certainty than there is with an oil well.

Mr. HICKENLOOPER. The crops come out of the ground.

Mr. DOUGLAS. The trees get old, too.

Mr. HUMPHREY. They get old, and they are destroyed by disease.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Is the Senator aware of the fact that if the farmer sells timber off his land, it is treated as capital gain?

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. When the Senator from Minnesota enumerated the various loopholes which exist in the tax law, I wonder if he did not omit one which I think is probably the most serious, namely, the provision which permits an oil company, the owner of oil property, to deplete over an unlimited period of years at a rate which makes it possible for the cost of the well to be amortized, not once, not to the full amount, but five times, ten times, possibly fifteen or twenty times, and all out of income.

Mr. HUMPHREY. I want to say to the Senator from New York that I intend to speak on that particular portion of the bill in the next item of my schedule, in connection with what I consider to be excessive deductions. I also want to remind the Senate of another loophole, which is the failure to place a withholding tax on dividends. I find little excuse for the failure to do that. The arguments presented have been rather cogent and persuasive, and it is incredible to me that a measure which is attempting to raise a sufficient amount of revenue to pay for the tremendous cost of war should ignore the fact that a tremendous amount of dividends, exclusive of those going to nonprofit organizations, are going unreported. We are missing the opportunity to collect any tax on them.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. KERR. Can the Senator tell us the total amount of dividends payable in the United States this year?

Mr. HUMPHREY. Pretty well. I did quote the figures, possibly while the Sen-

ator from Oklahoma was not on the floor. I said that $6,500,000,000 worth of dividends were distributed, $5,300,000,000 reported. It was estimated by the Treasury Department that approximately $700,000,000 of that amount was unreported or went to nonprofit organizations. Approximately $700,000,000 went unreported. Since that time dividend payments are up about 20 percent.

Mr. KERR. Is the Senator aware of the fact that persons with incomes below the minimum fixed by the law are exempt from reporting their incomes?

Mr. HUMPHREY. The Senator from Minnesota is very well aware of that.

Mr. KERR. Is it not entirely possible that some considerable portion, or even all the dividends, are payable to persons of small income, whose income is not taxable, and for that reason they are not reported?

Mr. HUMPHREY. It is possible, but it is not highly probable. If they were taxed, they could get a refund, as millions of American workers get refunds. I read from the House report:

> Statistical studies indicate that a substantial percentage of the dividends paid out by the corporations of this country is not declared as taxable income. The latest data from statistics of income show that the net cash dividends paid out by corporations in 1947 were about $6,500,000,000. The net cash dividends reported by individuals and fiduciaries in that year were about $5,300,000,000, leaving a difference of $1,100,000,000, of which only about $300,000,000 can be accounted for by dividends paid to tax-exempt institutions and to individuals with incomes below the filing requirement. With the large increase in dividend payments since 1947 it is probable that the unreported dividends may now amount to around $1,000,000,000 annually. While to some extent this represents outright evasion, the larger proportion is probably due to the failure of taxpayers to keep accurate records of the occasional dividend checks which they receive. In most instances such errors of omission would not be disclosed by the information returns filed by the payor corporations because of the $100 limitation. The chances of disclosure are reduced further by the failure to require the shareholder to itemize his dividends on his annual income-tax return.

All that the Senator from Minnesota is saying is that if we are to have a revenue bill to raise revenue, let us plug the loophole. The House committee did plug the loophole, and the Senate committee opens it as wide as a gate. Here is a case in point where we have every right to fight for the restoration of the House language. We can collect, and if we overcollect we can pay the money back. We can handle the situation with as much dispatch and efficiency as we have handled the situation on salary withholding taxes. What we are trying to do is to have an equality of sharing. I submit that should be the purpose of the bill, or else let us not fuss around with it at all. I should have been perfectly content to vote for a bill that merely raised the rates, instead of tampering with it and putting in exemptions and interpretations. The report of the committee shows that it is an interim bill, and that an excess-profits tax would require months and months of study. I am perfectly willing to admit that there is no committee in the Congress that has a more difficult assignment than has the Senate Finance Committee. It has a tremendous job. I have the greatest respect for its chairman and for the ranking minority member. They have devoted a lifetime of service on this work. But if we are out to raise revenue for the balance of 1950, this is no time to be tacking on all sorts of amendments and adaptations that will provide favors for the few at the expense of the many.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Is the Senator aware of the language in the report of the Senate committee, as follows:

> Existing law gives the Commissioner of Internal Revenue power to require corporations to report the payment of dividends in any amount to all stockholders.

Mr. HUMPHREY. Yes; I am aware of that.

Mr. KERR. I read further:

> It is understood by your committee that the Commissioner proposes to revise the existing regulations so as to require complete reporting.

Mr. HUMPHREY. That is correct.

The Senator from Minnesota referred to that in some detail in his early remarks. He also pointed out that the Treasury Department had informed him that it would be an almost impossible job. Unless we have the reports of corporations that distribute dividends and follow through the thousands and thousands of small dividend recipients, it would be an almost impossible job. All I say is: Why do we not do it the right way, the easy way, the way which has proved feasible, which is by a withholding tax?

Let us go along on the business of oil interests. We are apparently not making too much progress. There is an honest difference of opinion, but at least we have had a chance to discuss it.

It is said in defense of this special treatment of oil interests that oil is an exhausting asset and hence deserves such special recognition. But I call your attention to the fact that under existing law the owner of the royalty interest or the working interest is already entitled to take as a deduction from income his equitable share of the special depletion allowance accorded oil, at the rate of 27½ percent of gross income from the property. That allowance is more than ample recognition of the fact that the interest is a depletable one.

Our tax laws have been under criticism for many years because of the opportunities they afford ingenious tax avoiders to take advantage of the difference between the tax rates on regular income and the lower preferential rates on capital gains. The President and the Secretary of the Treasury have earnestly appealed to the Congress that loopholes of this type be eliminated. Now at a time when most of our people are asked to pay virtually wartime tax rates, we are presented in this bill with a provision, section 214, which would extend this avenue of tax avoidance even further and without a semblance of what I consider to be sound reasoning.

It is time that we recognize how such unobtrusive provisions as this one erode the tax system. Here we have a bill—designed for emergency revenue purposes—which, if section 214 were approved, would be used as a vehicle for fostering specially favorable tax treatment to a limited group. And this is the same group which now receive the excessive percentage depletion allowance, which has been described by the President as the worst loophole in the tax law. At the very least this body should not approve provisions which clearly extend tax loopholes.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator has just made a very important statement. The supporting reasons for the present tax bill is that it is an emergency measure, to raise additional tax revenue to meet the added cost of the Korean war.

That has been the reason assigned by the Committee on Finance for not considering an excess-profits tax. They say it would take too much time to discuss and work out a proper system. Here we have the same committee coming in with a provision which would not raise additional revenue. In fact, it would decrease revenue in many ways. Yet the provision would make a permanent change in the tax structure. So the Committee on Finance is putting itself in the position that they will not basically alter the tax structure of the country if it brings in additional revenue, because they say it takes too much time to do so. However, they have not been deterred from altering the tax structure of the country if it gives tax favors to particular groups.

Mr. HUMPHREY. I assure the Senator from Illinois that he has pointed out what I consider the basic weakness in the tax bill before us. We have the choice of writing emergency tax legislation or a complete revision of the tax structure, which I am sure is something that requires more time than we are able to give at this time.

Now I shall proceed to a discussion of excessive deductions, and the failure to act on excessive tax depletion for mineral property. I am sure that we shall have some more discussion on this subject.

Mr. DOUGLAS. Mr. President, since it is now 7 o'clock, I wonder if the distinguished Senator from Delaware would not withdraw his objection previously made to the request for a unanimous-consent agreement. It was formerly requested that we recess for the evening, that when we reconvene tomorrow the Senator from Minnesota would have the floor, and after the Senator from Minnesota finished the Senator from Delaware would be recognized. I should now like to inquire if it would not be possible to work out an agreement, satisfactory to all parties, under which the Senator from Minnesota would have the floor when we reconvene tomorrow, with the understanding that the Senator from Delaware would be recognized when the Senator from Minnesota had finished, and in any case not later than at a given hour. Under those conditions, I wonder

whether the Senator from Delaware would not be willing to withdraw his objection to a unanimous-consent agreement.

Mr. WILLIAMS. Mr. President, reserving the right to object, the Senator from Minnesota started about 2 o'clock this afternoon on a speech which was to have taken 1 hour to deliver. Approximately an hour ago he resumed on what was to be a 40-minute speech. If it is to take 3 hours to finish the address, I am willing to stay until the Senator finishes with it. I am interested in his speech.

Mr. HUMPHREY. I think the Senator is right. I think we should stay until the address has been completed. It will provoke a certain amount of comment and discussion. Tax legislation is something that ought not to be brushed aside quickly. I offer an admonition to so-called liberals in American Government and others that if they wish to do a great job for humanity, they had better interest themselves in taxation, they had better start interesting themselves in the policies of the Federal Reserve Board, and they had better start interesting themselves in the basic financial structure of this country. This is the heart of the matter. If one does not keep himself intelligently informed or reasonably informed on questions of basic finance and credit, and the form of the tax structure, the rest is nothing more than window dressing. This is the body, the structure of the entire economy that we are talking about.

Mr. DOUGLAS. I wonder if the Senator would be willing to yield so that I could make a specific unanimous-consent request. The request is that we recess tonight and reconvene tomorrow, with the Senator from Minnesota having the floor, but with the understanding that the Senator from Delaware would have the floor as soon as the Senator from Minnesota had finished, not later in any case than 3 o'clock in the afternoon. I hope the Senator from Delaware will not object to that kind of unanimous-consent agreement, because we are being cooperative. I may say that the Senator from Wyoming [Mr. O'MAHONEY], who is in charge of the debate on our side on the excess-profits-tax amendment, which started the whole discussion, is absent from the floor because of the illness of his wife. He is taking his wife to the hospital and cannot be here. Therefore, in view of that situation, I hope very much the Senator from Delaware will give his consent to the agreement.

Mr. WILLIAMS. Mr. President, once again I point out that on Friday I sent an amendment to the desk, and at the request of some of my colleagues, which was proper, the hour being late on Friday, it was carried over until Monday. This is the first time I can recall when the sponsor of an amendment was not offered the opportunity at least to explain his amendment in the RECORD. I have been waiting for three days. I know the amendment I offered is controversial. However, it is not new legislation. It was submitted in 1947, 1948, and 1949, and again in 1950. I therefore hesitate to sit around another day to wait for an opportunity to explain the pending amendment. The Senator from Minnesota has made a speech on the tax bill, but I fail to see where he has touched upon the pending question before the Senate, which is the amendment proposing to tax cooperatives. Of course his speech is germane to the subject, but I still want to get back to the pending business, and I must object.

Mr. DOUGLAS. What the Senator from Delaware is saying is that he wants to keep the Senate in session tonight and keep the Senator from Minnesota on his feet, who has already been on his feet for 5 hours, in order that the Senator from Delaware may speak, let us say, at 1 o'clock, instead of at 3 o'clock. It is unlike the generous nature of the Senator from Delaware.

Mr. WILLIAMS. I may say once again that we started at 2 o'clock to listen to a 1-hour speech. I never heard of a 1-hour speech stretching into 5 hours.

Mr. HUMPHREY. I should like to ask that the Senator from Minnesota be allowed to take care of himself. I have just learned that generosity is generally not rewarded. The Senator from Minnesota has yielded again and again during the afternoon to everyone who has come on the floor for any purpose at all, including the making of insertions in the RECORD, in an effort to be cooperative. However, we shall have no more discussion of it. The Senator from Minnesota feels fine, and he will continue with his address. The address of the Senator from Minnesota is directed to 12 amendments which affect the revenue of this country. If the amendments were adopted they would affect the revenue of our country to the tune of approximately $1,000,000,000. If it takes the Senator from Minnesota 6 hours to get a billion dollars for his country, he is glad to do so. One measure alone which we have discussed, namely, the withholding of dividends, would produce revenue to the tune of $170,000,000. There is no hourly rate that could pay the Senator from Illinois and the Senator from Minnesota for services like that. I wish to assure the able Senator from Delaware that he will be given his due time. He has one amendment. If he takes 30 minutes to explain one amendment he will be talking on the pro rata basis of 6 hours. The Senator from Illinois and the Senator from Minnesota have offered 12 amendments. We have had at least 20 interruptions. The description of the 12 amendments will be completed very shortly.

IV. EXCESSIVE DEDUCTIONS

G. THE FAILURE TO ACT ON EXCESSIVE TAX DEPLETION FOR MINERAL PROPERTIES

The President of the United States has declared we need higher taxes to pay for the war in Korea. The Senate and the House of Representatives seem to agree with President Truman to the tune of at least $4,500,000,000, and this is probably just a beginning.

The new tax bill is going to make a lot of people tighten their belts, to put it bluntly. Congress has decided to raise taxes, starting with the single man who earns the princely wage of about $12 a week. You do not need very big ears to know that this is going to hit just about everybody—and I mean everybody.

Most of our people know that the war will cost many times $4,500,000,000, and realize Uncle Sam needs the money. We are now keeping the tax on ladies' pocketbooks, cars, and railroad tickets, putting a tax on television sets, and taking almost half of every dollar that a corporation earns. We will probably have to do all these things and many more besides.

But while we are raising the income tax of the man or woman who makes $12 a week—and grocery bills are not going down—while some people are giving up their jobs to get back into a uniform, there is one very obvious source that we have not touched for the revenue we need so badly.

There is one group of individuals and corporations who might pay as much as one-half of a billion dollars more a year in income taxes, merely by being taxed at the same rates as everyone else. I am referring to what is called "percentage depletion," which is for the benefit of the oil companies, the oil well owners and, to a lesser degree, the owners of many other mineral properties.

Real depletion to an oil well or mine is simply what depreciation is to machinery or buildings used in a business. The theory is that oil wells are exhausted in the process of working them and producing income. Consequently part of every dollar received is not taxed because it is only a return of the money originally invested.

This kind of depletion, however, is already fully covered by section 23 of the Internal Revenue Code.

Percentage depletion of oil and gas wells was first allowed in 1925. The Treasury has been pointing out the inequity and pointlessness of this subsidy to the oil industry for at least 13 years.

Percentage depletion, as applied to oil and gas, simply means an income tax deduction of 27½ percent—over one-fourth—of the gross income from the property, or one-half of the net income, whichever is smaller.

This bonus has nothing to do with the cost the owner is entitled to recover, and continues as long as the oil or gas well is in operation. The owner may recover the cost of his investment a hundredfold, through these so-called depletion allowances.

The Secretary of the Treasury has told us that in 1947 we lost nearly $400,000,000 in excess depletion deductions by corporations alone. And 85 cents out of every one of these dollars went to an oil company.

Still more taxes are lost through excessive depletion deductions of individual oil-well owners. The Treasury recently cited a number of cases where wealthy individuals, with annual incomes averaging over a million dollars a year, paid an average income tax of only 22½ percent. See page 59 for examples of hearings before Committee on Ways and Means, Revenue Revision 1950.

Again the Treasury has shown that in 1947 the oil companies worth over $100,000,000 claimed percentage depletion of more than 13 times actual depletion on an original cost basis. In

plain language, that is practically equivalent to allowing a businessman to recover the cost of his plant 13 times through tax-free depletion or depreciation deductions. As long as we are going to play that game I suppose it is only fair to allow taxicab drivers to deduct the cost of their cab 13 times for income tax purposes.

The cab drivers certainly need it and probably deserve it just as much as the oil companies. Once a cab is gone, it is gone, and it must be replaced.

Percentage depletion does not end there. Special provisions allow oil companies to deduct development costs, costs of a kind that cannot be currently deducted by other businesses for tax purposes.

The cab driver's percentage depletion is allowed on the same expenses in the same year. As the Secretary of the Treasury has said, this is "a double deduction for the same costs, once when they are incurred and again under percentage depletion."

The following statement of President Truman is of interest here. In his tax message early this year he said, "I know of no loophole in the tax laws so inequitable as the excessive depletion exemptions now enjoyed by oil and mining interests." And the President documented his charges as follows:

> For example, during the 5 years 1943–47, during which it was necessary to collect an income tax from people earning less than $20 a week, one oil operator was able, because of these loopholes, to develop properties yielding nearly $5,000,000 in a single year without payment of any income tax. In addition to escaping the payment of tax on his large income from oil operations, he was also able through the use of his oil-tax exemptions to escape payment of tax on most of his income from other sources. For the 5 years his income taxes totaled less than $100,000, although his income from nonoil sources alone averaged almost $1,000,000 each year.
>
> This is a shocking example of how present tax loopholes permit a few to gain enormous wealth without paying their fair share of taxes.
>
> I am well aware that these tax privileges are sometimes defended on the ground that they encourage the production of strategic minerals. It is true that we wish to encourage such production. But the tax bounties distributed under the present law bear only a haphazard relationship to our real need for proper incentives to encourage the exploration, development, and conservation of our mineral resources. A forward-looking resources program does not require that we give hundreds of millions of dollars annually in the tax exemptions to a favored few at the expense of the many.

Mr. President, this is what the Senator from Minnesota is fighting about and talking about, because the Senator from Minnesota lives in an area where the vast bulk of the people are going to pay their little individual income taxes, and the rates are going up. I submit that if there is to be any equality, it should apply to all, and that there should not be loopholes now, at a time when it was supposed the bill would be restricting loopholes.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Did the Senator from Minnesota hear the very interesting comment by the chairman of the Committee on Finance and by the senior minority member of the Committee on Finance, that in dealing with excess profits they were following the recommendations of the President?

Mr. HUMPHREY. I surely did.

Mr. DOUGLAS. Does the Senator remember how the leaders of the Finance Committee pledged undying devotion to the fiscal policies of the administration?

Mr. HUMPHREY. I most certainly do.

Mr. DOUGLAS. How does the Senator account for the fact that on the question of oil depletion, when the President asked that this loophole be plugged, the "A" members of the Committee on Finance are not following the advice, and not only not following the advice, but not following the admonition, of the President? Why is this dual standard of action?

Mr. HUMPHREY. It is very intriguing. It seems that sometimes the voice of the President comes through like a clarion call, and sometimes it seems to be muffled so that nobody can hear it.

Mr. BUTLER. Mr. President, I should like to answer the question the Senator from Illinois just asked. When the President is right, as a member of the Committee on Finance I am with him, but when he is wrong, I am against him.

Mr. HUMPHREY. I agree with the Senator from Nebraska. But I also believe, and I gather that my colleague, the junior Senator from Illinois, believes, that the President's mesasge in relation to the depletion allowance was just about as pointed as in reference to the excess-profits tax. I think we should judge these things on their merits. I am like the Senator from Nebraska; I want to judge the requests of the President and his admonitions on the basis of their merit. I believe in this instance that this particular judgment and recommendation of the President is sound, and I say with equal candor that the statement from the President on the excess-profits tax was in my opinion unsound.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Nebraska.

Mr. WHERRY. I desire to ask the Senator about the last statement he made. I have enjoyed the Senator's argument. I have listened to it very attentively, and there are some points which have been raised which I think should have been raised.

Mr. HUMPHREY. I thank the Senator.

Mr. WHERRY. I understand the committee reported the bill unanimously, that there was no minority report.

Mr. HUMPHREY. I do not believe there was.

Mr. DOUGLAS. Some Senators had very serious reservations, however.

Mr. WHERRY. I think the bill has come out of the committee approved by the Democratic side of the committee.

Mr. DOUGLAS. The Senator——

Mr. WHERRY. I have the floor.

Mr. DOUGLAS. No; the Senator from Minnesota has the floor.

Mr. WHERRY. He yielded to me.

Mr. DOUGLAS. For a question only.

Mr. WHERRY. Will the Senator yield to me to ask a question?

Mr. HUMPHREY. Ask me the question.

Mr. WHERRY. I ask for order.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. WHERRY. Mr. President, I ask for order just the same.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WHERRY. The Senate ought to know what that means.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. I now yield to my friend, the minority leader, the Senator from Nebraska.

Mr. WHERRY. The question I want to ask is—

Mr. President, I ask for order.

The PRESIDING OFFICER. The Senate will be in order. Senators desiring to converse will please leave the Chamber.

Mr. WHERRY. I thank the Chair. I am not talking about the merits, but in view of the last statement made by the Senator from Minnesota, is it not a fact that the Committee on Finance has reported the bill unanimously?

Mr. HUMPHREY. It is my understanding that there is no minority report.

Mr. WHERRY. Mr. President, I did not ask the question with the thought in mind that the answer given by the Senator from Minnesota would cause the Senator from Illinois to fall out of his chair. I agree, however, that there was no minority report.

Mr. HUMPHREY. It is my understanding that there were some objections registered respecting some particular provisions.

Mr. WHERRY. I wish to ask the Senator another question. Evidently the committee did a great deal of work on the subject and made a report on it, whether the report is right or wrong. I want to say again that the Senator from Minnesota has raised some questions here today that I think should receive serious consideration.

Let us now come to the excess-profits tax proposal, which I think is also highly important; but if the reports of what the President has said are true, and we must assume that the statements in the newspapers concerning the statements by the President are true, the President is not at this time in favor of an excess-profits tax. Is that correct?

Mr. HUMPHREY. I understand that the statement of the Senator is correct.

Mr. WHERRY. The point I want to make is in connection with an attempt to resolve the differences that exist. The bill is an interim bill, and the committee makes certain recommendations with respect to it. I wish to ask this question: Shall we follow the advice of the Senator from Minnesota regarding the bill which has been reported by the committee, or not follow it? Or shall we

follow the advice of the President relative to an excess-profits tax? That to me is a very vital question. We have to be careful in what we do. In the one case we have the recommendation by the Senator from Minnesota. In the other we have the President going along with the committee respecting the excess-profits tax. The chairman of the committee, representing the majority of his party, has made a statement in that respect.

Mr. HUMPHREY. I understand the feeling of the Senator from Nebraska.

Mr. WHERRY. It is rather a difficult situation.

Mr. HUMPHREY. Each Senator must follow his own judgment. I am happy to know if I hear correctly that my friend from Nebraska feels as kindly as I do toward the need for an excess-profits tax. I will join with my friend from Nebraska in attempting to have an excess-profits tax enacted.

Mr. WHERRY. The Senator ought not put words in my mouth. I never said a word about how the junior Senator from Nebraska felt concerning an excess-profits tax.

Mr. HUMPHREY. I am sorry. I gathered that the Senator was in favor of it.

Mr. WHERRY. I said the President had stated he was not for an excess-profits tax at this time. I said that the distinguished Senator from Minnesota this afternoon had raised many questions that ought to have the consideration of the members of the committee. I agree with the Senator that they should be considered. The Senator raised the question of partnerships. I went through a partnership deal in Nebraska and I know something about it. I wish to say to the Senator that the whole subject needs clarification. Whether the way urged by the Senator is the proper way to proceed I am not yet sure. I want to go into the question, however. The Senator has raised some very important objections to this particular committee amendment. The subject needs clarification, as I have stated. It is simply impossible to follow all the regulations and all the rules that have been put in force by the Bureau of Internal Revenue so far as family partnerships are concerned, and as to what is and what is not a partnership, and whether it is legal or is not legal, and how the income must be reported for taxpaying purposes. There are many things that have to be considered in connection with the subject.

With regard to the excess profits tax, certainly if the Korean war is to continue, if huge profits are to be made, and there is going to be a continuation of inflation——

Mr. DOUGLAS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. I should like to ask whether the Senator from Nebraska is asking a question or making a speech. If he is asking a question, he is in order. But I submit that if he is making a speech, he is out of order. I ask that the Chair rule on the point of order.

The PRESIDING OFFICER. The Senator from Nebraska can only ask a question.

Mr. WHERRY. Mr. President, I am attempting to ask a question. I have made a statement on which I wish to base my question. If the Senator, however, does not want to answer the question, which I think is a logical and sensible question, he does not have to do so. And if the Senator from Illinois, who is ordinarily so generous and courteous, wants to cut me off because I wished to make myself plain, then I will not take up any more time of the Senator from Minnesota. I will let him proceed. That is all right with me. I really feel, however, that a Senator not only has the right to ask a question, but to lay a premise for the question.

Mr. HUMPHREY. Go ahead.

Mr. WHERRY. The question is this: Does the Senator feel that we are ready now to pass an excess-profits tax? I am sincere in that question. Does the Senator feel we are ready to adopt an excess-profits tax amendment on the basis of the hearings we have had, or rather on what we have not had, and establish a base that apparently will not be satisfactory to the senior Senator from Georgia, the chairman of the committee, who is a Democrat, and who is speaking no doubt for the Democratic Party. Does the Senator feel that we should take his advice about waiting 2 or 3 months until we can compare all the individual cases and from such a comparison produce a formula, or does the Senator feel that we ought to adopt such an amendment in connection with this bill on the basis of what evidence has been adduced in the hearings? That is a question I should like to have the Senator answer, because I think it is a very pertinent question.

Mr. HUMPHREY. I shall be glad to give my point of view to the Senator.

Mr. WHERRY. I appreciate that.

Mr. HUMPHREY. I will make this observation first. Had the committee come forward with a bill that was merely a revenue-raising bill, without any amendments, any additions, any adaptations, then it seems to me that the position of the members of the committee would be much stronger in terms of holding back on the excess-profits tax, because they could say: "We are not trying to amend the law particularly. We are raising the rates and schedules, to be sure, but we are not trying to take care of the loopholes and deviations in the law." But that was not done. Significant tax law changes have been made in this bill. Furthermore, I personally believe that we have had enough experience with excess-profits taxes in World War I and World War II so we are capable of making a legislative enactment with respect to excess-profits taxes. I am willing to acknowledge that possibly it will not be as good an excess-profits tax bill as would come out of the Finance Committee with considered study, and testimony, and all the help that is needed there, because the problem is a difficult one.

But I say to my friend from Nebraska—and I thank him for his comments at this point in the discussion—that the last 6 months' period of this year from July 1 to December 31, is going to be one of the most profitable 6 months' period possibly in the history of our country.

This is a period of crisis. This is a period of trial. There are many psychological factors involved. The people want a uniform degree of sacrifice. I submit that as we are trying to build a united America it is not sound public policy to ignore the wishes of the American people. From what I have heard from the people, and from what I believe, the people would like an excess-profits tax. I want to see such a tax bill written on the floor.

I want to say to my friend from Nebraska that I was in error when I mentioned that the Senator was for such a bill. He had not made a statement to that effect. That, however, is a matter for his own judgment. I do feel, however, that the Senators who have offered the bill, the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY] will present—one has already presented it—a very forcible argument.

Mr. WHERRY. Mr. President, will the Senator yield there?

Mr. HUMPHREY. Yes.

Mr. WHERRY. Has the Senator from Minnesota analyzed the so-called O'Mahoney amendment, to which the chairman of the committee has referred?

Mr. HUMPHREY. No; I have not. I am not even prepared to make a comment about it.

Mr. WHERRY. That is, to see how much money the last formula might raise? It has been suggested that it may raise a certain amount.

Mr. HUMPHREY. No; I have not examined it. I am not a cosponsor of the excess-profits tax amendment, even though I support it. I wish I could have been a cosponsor. I am going to vote for it when it comes up for a vote.

My point is that if it raises only $50,000,000 or $100,000,000 or $500,000,000, it represents a worth-while effort, and I submit it will be worth while, not only economically but in the realm of psychology, because the American people today are suffering from high prices in the consumer market, and men and women who are under sacrifices because of this war would like to see a reasonable degree of uniformity in the matter of taxes.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. WHERRY. I am asking questions, in which I think every Senator is very much interested, in regard to excess-profits taxation.

In view of the statement made by the distinguished chairman of the committee, for whom all of us have the highest respect, and in view of his assurance that almost immediately after the beginning of the next session, possibly not later than March or April, as I recall his statement, his committee will have completed its study of individual cases, and will transmit to the Senate a formula to cover these matters, does the Senator

feel that it would be just as well for us to proceed on that basis and let the committee bring in such a bill at that time?

Mr. HUMPHREY. If we could have a retroactive excess-profits tax, we might not even be debating this matter. If the chairman of the committee and the ranking minority member and other members of the committee, in the responsible positions they occupy, would say to the Senate, "We need more time to study excess-profits taxation, and we will bring in an excess-profits tax bill next March or April, and it will be retroactive to 1950," then I think that would probably take care of the matter.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. WHERRY. Of course the Senator will agree with me, I am sure, that it is very difficult for the chairman of any committee to guarantee that his committee will do exactly what he wishes to have done. Of course we have respect for the work of the committees. If a unanimous report is brought in from a committee, it is very difficult to get around such a report, unless one feels very strongly about such matters. Especially is it difficult to circumvent a report of that nature when the President of the United States is also opposed to excess-profits taxes at this time.

In view of that admonition and in view of the statement made by the distinguished chairman of the committee, it seems to me that those of us who are seeking light on the observations which have been made, not only in regard to excess-profits taxes, but also in regard to other provisions of the tax bill, should give ample consideration to such matters before we attempt to impose a tax which might result in the establishment of a different base—perhaps a better one, of course—than the one suggested by the distinguished Senator from Wyoming [Mr. O'MAHONEY].

Mr. HUMPHREY. I thank the Senator. I certainly respect his judgment. Of course it is a matter of opinion.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that the distinguished chairman of the Finance Committee said yesterday, on the floor of the Senate, in response to a question, that if an excess-profits tax were enacted in the year 1951, it would not be retroactive to the year 1950? Thus, the question now before us is whether we are going to tax excess profits for the last half of 1950—in other words, tax them currently—or else not tax them at all.

Mr. HUMPHREY. Yes, I think that is the issue.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WHERRY. The committee did bring in that recommendation, did it not?

Mr. HUMPHREY. Yes.

Mr. WHERRY. We cannot say whether such a bill will or will not be reported to the Senate finally, of course. However, if the committee, in whom we have faith and confidence, will guarantee to report such a bill, are not we justified in proceeding on that basis? That is my question.

Mr. HUMPHREY. It is my personal judgment that we should act now. It appears to me that there has been a considerable background of experience. I believe it to be our duty to try to analyze this bill to the best of our ability.

Now I wish to proceed with my prepared statement, Mr. President.

I have been referring to the operations of the oil and gas industry.

Indeed, the comparative profitability of the oil and gas industry is found in recent statistics showing net income expressed as a percentage of sales, as released by the National City Bank in its monthly letter for April 1950. That report shows that in 1948, 40 companies producing oil and gas had a return of 34.8 percent on their book assets, as compared with an average of 13.6 percent for 3,322 companies drawn from all industries. In 1949, the comparable ratios were 21.7 percent for oil and gas, and 11 for all industries. Expressed as a percentage of sales, the profits of the oil and gas producers were 33.1 percent in 1948, and 26.9 percent in 1949. The equivalent percentages for the entire group of 3,322 corporations were 7.3 percent in 1948 and 6.6 percent in 1949. Those are the actual profit percentages.

There is no use in my repeating any more obvious facts. The examples given above could be and have been repeated and expanded indefinitely. Presidents, Secretaries of the Treasury, general counsels of the Treasury, and dozens of others have given us the real facts, time and time again. The unchallengable statements against percentage depletion, as those statements appear in the printed reports of many hearings before the House and Senate, would fill volumes.

All the arguments for percentage depletion have been refuted again and again, while the arguments against it remain almost unanswered and unanswerable.

A dean of tax experts and former counsel of the Treasury has well summed up the case against percentage depletion and oil and gas, as follows:

> [Subsidies] are inexcusable when they serve no public purpose and indiscriminately favor entire industries which are in an established financial position far beyond need of special Government help. For then their effect is to shift part of the tax burden to the shoulders of others who are less able to bear that burden. A sound tax system will permit no one segment of business to ride roughshod over others.—(Randolph Paul, Taxation for Prosperity (1947), p. 307.)

I sincerely hope that this Chamber will find the conscience and the courage to dispense equal justice to the oil company and the taxicab driver.

That is the argument I wish to make in reference to the depletion allowance.

H. AMORTIZATION OF EMERGENCY FACILITIES

Section 218 of this bill might well have been entitled "The Korean Bonanza" or "How To Coax Business To Make More Profits on the War," for it is by nothing short of enormous tax savings and the lure of extraordinary gains that this section proposes to encourage supposedly reluctant businessmen to produce the vital war weapons needed by our fighting forces. No sacrifice is too great, it seems to say, to spare harassed industry on the home front the pain and indignity of only normal war profits. In return for accepting such profits, the bill deems it only fair that industry be given tax-free plants, as well.

Briefly, the section promises to anyone who is good enough to engage in the construction of direly needed war production facilities that he can completely amortize his building expenses within 5 years. In other words, for example, a businessman need only build a factory, from which he will almost assuredly reap rich profits through war contracts, and the Government—that is, we other taxpayers—must in effect repay him what he has spent. The last time we had a provision like this in the revenue law, it was in conjunction with an excess-profits tax, as I mentioned a moment ago. Now there is no excess-profits tax. The net result under the bill is that the businessman would get his extra large profits and, in 5 years, a free factory, to boot.

Moreover, the Brewster Special Committee Investigating the National Defense Program in its Report No. 440, part 2, Eightieth Congress, second session, on pages 11 and 12, reported as follows:

> Legal profiteering resulted from certificates of necessity. Many companies came out of the war with new, valuable, fully amortized facilities which they could either use, or as some have done, sell. In this way a facility actually paid for out of a contractor's war taxes was additional war profit to him to the extent of its postwar value.
>
> Many administrators of the Renegotiation Act think that the largest unjustifiable war profits were made as a result of the certificate-of-necessity program.

Despite the fact that a 100 percent tax deduction has already been obtained, the owner of an amortized emergency facility can dispose of his asset, and the proceeds would be taxable only at capital gains rates, even though the amortization deduction were fully offset against income taxable at the usual normal and surtax rates, and even excess-profits tax rates.

For World War II we at least waited to pass a measure giving this advantageous tax treatment until an excess-profits tax was enacted. The least we can do now is to postpone this subject until we are ready to put an excess-profits tax on the books.

I wish to say again that this measure goes far beyond any emergency, interim bill. I wish to repeat, with all the conviction I can muster, that if it is improper and unwise for us to enact an excess-profits tax at this time, then it is exceedingly improper and unwise for us to pass a quick amortization procedure measure, so that manufacturers now will be the beneficiaries of both quick profits and a quick amortization period, and no excess-profits tax.

That simply is not right. It does not smack right. It does not taste right, it does not look right, and it is not right. It is about time that we recognize that

there has not been a consistent policy in this bill. I repeat that not only are we finding this one of the most lush and profitable periods of American economic history, in these months since June, but we are finding ourselves now with a tax bill which is going to provide a quick amortization for any new plant, and which is going to provide no excess-profits tax on either new or old plants. It simply does not add up. We must make changes in this bill to correct the inequities.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS. I must say, though I disagree somewhat with the Senator from Minnesota, that it does seem wrong that we should allow a manufacturer to depreciate his plant in 5 years, when we consider that farmers, in many instances, are required to take from 30 to 40 years to depreciate a barn.

Mr. HUMPHREY. That is correct. I may point out something else—that established factories which were not built as wartime factories, and which yet may have to take on the real major problems of production, many of them, do not get any quick depreciation allowance; none at all. They are under normal depreciation allowance.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WHERRY. In view of the statement made by the chairman of the committee that legislation would be proposed regarding the renegotiation of contracts, does the Senator feel that if such legislation were passed, it would to a degree solve the problem?

Mr. HUMPHREY. It might help.

Mr. WHERRY. But it would not help enough to accomplish the purpose of the Senator from Minnesota; is that correct?

Mr. HUMPHREY. Yes.

Mr. WHERRY. That is, provided such a bill is brought before the Senate.

Mr. HUMPHREY. That is correct. All these matters are parts of a general picture, and I recognize that the committee cannot perform a miracle and bring everything in overnight. But what I am asking now is that if we are going to come in with renegotiation legislation, and if we are later going to come in with excess-profits legislation, then let us not be sticking in the amortization legislation now. Let us keep this thing clean. This is but an interim bill. But this interim bill seems to have a few sneakers in it. It seems to have a few provisions in it all the time that make it anything but interim; in fact, they become very permanent.

Now, for World War II we, as I said, at least waited to pass this advantageous tax treatment until an excess-profits tax was enacted.

To our young men we say, "You must leave your homes, your schools, and your jobs, join our forces in far-off places, and fight, if necessary die in defense of the principles we believe." To American industry we say, "You may, if you like, help supply our boys with fighting equipment to protect us. Of course, you will be well paid for your efforts. And to ease the strain, we will let you amortize all new construction in 5 years so that you can build and keep it at little or no cost to yourself." And then we add, "at the end of it, you can sell it, and all the profit that you reap over that, you can declare a capital gains tax on. In the meantime, we are going to give you 6 months of no excess profits." It is unfair. It just does not add up.

I want to say very frankly, my friends in the Senate, my colleagues, that we can go around here passing anti-Communist legislation—and I am sure we are going to pass some, and I think we ought to pass some—we can go around here and pass all kinds of legislation to control subversives, but all we have got to do in this country is let enough people think that they are getting a bad deal, and you will never be able to catch subversives as fast as they grow. That is what is going to happen. There are many disgruntled, unhappy young men right now. There are many instances of fellows leaving wives and kids and going off to Korea. I saw the family allowance bill that we passed here. I am happy we got it, but I want to say that the generosity which was demonstrated on a placard showing the family allowance to the dependents of veterans was peanuts compared to the generosity that is demonstrated in this tax bill. As one United States Senator, I intend to tell a few of these fellows about it, because they have their future tied up in this.

Once upon a time there was a fat horse riding in the sleek comfort of his big, handsome carriage while the weary horses in harness approached a steep hill. They traveled slowly because the road was hard and a storm was coming up. The fat horse leaned out the carriage window and said, "Come on now, boys, we're all in this thing together, you know. Let us all pull—hard." The other horses cursed him aloud but he could not hear them. They strained and pulled harder than ever before, but just could not make it. The storm got worse. Finally the horses slipped and fell. The carriage toppled over and the fat horse was hurled to the bottom of a nearby gulch. Moral: No matter how big your carriage, it is harder to draw when some of the horses ride rather than pull. Furthermore, it is not only unfair, but it may land you in a gulch.

I. LIFE INSURANCE COMPANIES

The life insurance industry has admitted assets of about 60 billion dollars, and net investment income of about $1,500,000,000 a year. The life insurance business is growing at a rapid rate in volume of business in force. The investment of the assets of the industry competes with investment of other available private capital. I want to remind the Senate of the fact that the investments of the insurance business compete with the investments of all other available capital.

It has been difficult for many people to believe that even the most technical provisions of the tax law could result in complete exemption of this great industry from payment of Federal income taxes for 1947 and 1948. Yet that is the result of a mistake in the formula for taxation of the life insurance companies written into law in 1942.

Although the caption of this amendment, section 401 of the bill, is entitled, "Correction of Formula Used in Computing Income Taxes of Life Insurance Companies," it is now urged that the life insurance companies should be forgiven any tax liability whatever for 1947 and 1948 taxable years.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MILLIKIN. Was there any liability in those years?

Mr. HUMPHREY. I am about ready to show that there was some.

Mr. MILLIKIN. That was not collected?

Mr. HUMPHREY. Yes, I am about ready to show what the presidents of the respective insurance companies felt that they owed the Government, by their own professed statements, under oath.

Mr. MILLIKIN. By liability, or by voluntary desire to escape possibly the club of the Government?

Mr. HUMPHREY. No, by what they considered to be the interpretation of the law, until this technicality was discovered, under which they could escape.

Mr. MILLIKIN. During the period of this so-called technicality, were the insurance companies obligated to pay taxes under the law?

Mr. HUMPHREY. Yes, they were obligated to pay taxes.

Mr. MILLIKIN. Under the provisions of the law?

Mr. HUMPHREY. No; that is what the argument is about. But they felt that they were obligated.

Mr. MILLIKIN. Why should there ever be an argument about a man's not paying taxes when the law does not require him to pay taxes?

Mr. HUMPHREY. Let me proceed for a minute. I will then receive questions, because this subject develops very well. I solicit the attention of my colleagues.

On the excuse that the imposition of taxes for those years would be retroactive, the Committee on Finance would make the corrected formula applicable only for 1949 and 1950. The report of the House Committee on Ways and Means on House Joint Resolution 371, which was included in the Senate hearing on that measure (p. 13), shows that conference between the Treasury Department and the life-insurance representatives beginning in 1947 were conducted with the initial understanding that whatever solution might be reached would apply to 1947 and subsequent years. And at the hearings before the Finance Committee, I am informed that practically every industry representative indicated that his company had set aside reserves for the payment of anticipated Federal tax liabilities for 1947 and 1948.

I ask unanimous consent to place at this point in the RECORD excerpts from the Hearings before the Senate Finance Committee on the joint resolution (H. J. Res. 371) relating to the tax reserves set up by life insurance companies.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

TAXATION OF LIFE INSURANCE COMPANIES

(Quotations from hearings before the Senate Finance Committee on H. J. Res. 371, relating to the tax reserves set up by life insurance companies.)

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The CHAIRMAN. Mr. McAndless, may I ask you this question: "Are there any companies, so far as you know, or to bring it down to a finer point, is there a company that would find itself embarrassed by the payment of this tax retroactively at this time?"

Mr. MCANDLESS (chairman, joint committee on Federal income taxation of life-insurance companies). It is pretty wel known in the life-insurance business that this tax may be retroactive. I am chairman of the committee, and although I know a great many men in the business, I have only heard from one company that it would be embarrassing to them, and that was a very small institution.

The CHAIRMAN. That was why I was asking.

Mr. MCANDLESS. But that company paid $10,000 in dividends last year, when they did not increase their surplus, so I did not think the objection was very valid.

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Mr. ADAMS (president, the Ohio Life Insurance Co., Columbus, Ohio). Yes. I can only speak for myself. This 1947 law took us by surprise. We had expected to pay taxes in 1947. We put up reserves in 1946 and 1947, and when through the vagaries of the law it developed that no tax was payable, we took down that reserve and put it into our surplus.

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Mr. PARKINSON (Thomas I. Parkinson, president, Equitable Life Assurance Society, New York, N. Y.). We in the Equitable increased our dividends in 1947, increased them again in 1948."

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It appears that Equitable's share of the total tax burden under House Joint Resolution 371 as passed by the House would be $8,300,000.

Mr. STANNUS (W. N. Stannus, secretary, Pyramid Life Insurance Co., Little Rock, Ark.). Actually, we filed our income tax return for 1947 and 1948 and forgot about it. Then in late 1949 we understood that there was a possibility of its becoming retroactive and at the end of the year did set up what we estimated might be our tax for those other years.

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Mr. KLOCKSIN (Clarence C. Klocksin, legislative counsel, Northwestern Mutual Life Insurance Co., Milwaukee, Wis.). Although, as I go on in my statement, I will show that we have set up a liability for those proposed retroactive taxes.

The books of our company, as well as those of others, were closed in 1947 and 1948 and all funds were either disbursed or earmarked or accounted for at that time. Before closing our books for 1949, we set aside or reserved the sum of $3,600,000 for tentative Federal tax liability for the years 1947, 1948, and 1949, as contemplated by the pending joint resolution.

The reason for such action was that Congress had given definite indications for imposing back taxes for 1947 and 1948, so that the responsibility therefor, if the joint resolution is approved, will belong to the Congress.

We find in the case of our company, under House Joint Resolution 371, if it is approved our back-tax liability will be for 1947, $1,116,000. For 1948, it will be $1,004,000, and for 1949, it would be $1,480,000.

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Mr. SCHMUCK (Edward J. Schmuck, general counsel, Acacia Mutual Life Insurance Co., Washington, D. C.). There is one other consideration that I might advance in that connection, and that is the first knowledge that we had in our company that the Treasury was proposing retroactive legislation was July of 1949; contrary to some of the statements that have been made here, we, and I believe a very substantial number of other companies, had not established reserves for taxes for the years 1947 and 1948, and we did not do so until December of 1949.

Senator MARTIN. If this question is improper, why, we will strike it out. Have you set up anything on your books to take care of the taxes retroactive for, we will say, 1947 and 1948?

Mr. SCHMUCK. We set that up, sir, as of December 31, 1949, because the first information that we had was in July of 1949, and as a result, the end of the year, when we set up our reserve accounts, was the first opportunity to do so.

(P. 111. It appears that the Mutual Life Insurance Co. of New York's share of the total tax burden under H. J. Res. 371 as passed by the House would be $3,400,000.)

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MILLIKIN. There was testimony by several companies to the effect that they did not participate in 1947 in those talks, and knew nothing about them; that 1948 was the first year they had any information about it whatsoever. I also suggest, that probably it could be solved on a numerical basis, that even though some company might be able to pay taxes which they did not owe, any number of other people, voting together, have no right to impose taxes on others who would not feel similarly disposed.

Mr. HUMPHREY. I thank the Senator for his observation. I am sure he feels deeply and sincerely about this, because of the nature of the bill. But the chairman of the joint committee on Federal income taxation of life insurance companies, whose name is McAndless, said:

It is pretty well known in the life insurance business that this tax may be retroactive. I am chairman of the committee, and although I know a great many men in the business, I have heard from only one company that it would be embarrassing to them, and that was a very small institution.

The Ohio Life Insurance Co., the Equitable Life Assurance Society, the Pyramid Life Insurance Co., the Northwestern Mutual Life Insurance Co., the Acacia Mutual Life Insurance Co., presented their views and some of them and others stated that they expected the bill to carry a retroactive provision, so that they would pay sums which they thought they were going to have to pay. The money is in reserve.

This bill is supposed to raise revenue. We are supposed to be raising money.

Mr. MILLIKIN. Mr. President, I think the Senator has either misread his notes, or that they are in complete error. The Equitable, Acacia, and Union companies protested the retroactive payment of taxes and said they had not set up reserves.

Mr. HUMPHREY. I have here quotations from the hearings before the Senate Finance Committee on House Joint Resolution 371, relating to the tax reserves set up by life insurance companies, citing pages 40, 46, 48, 58, 60, 96, and 111.

Mr. MILLIKIN. Is the Senator referring to the statement of Mr. Parkinson, of the Equitable Life Assurance Society, the representative of the Acacia company, and the Union company?

Mr. HUMPHREY. Yes.

Mr. MILLIKIN. They were violently opposed to it.

Mr. HUMPHREY. I have put into the RECORD statements transcribed from the committee hearings.

Mr. MILLIKIN. Even though they set up reserves, if there was no liability to pay they had the right to protest payment.

Mr. HUMPHREY. They had the right to protest payment. But the Senate Finance Committee is in business to raise revenue and to protect the public interest.

Mr. MILLIKIN. Mr. President, we are not in business to collect taxes where taxes are not due.

Mr. HUMPHREY. Nor are we in business to forgive taxes that are due.

Mr. MILLIKIN. We should do what we think serves the interest of justice.

Mr. HUMPHREY. I noticed that in connection with family partnerships we were going to pass a new law to be retroactive.

I submit that these insurance companies are companies which at least are financially capable of paying, and a sizable proportion of them are prepared to pay. The man who represented the life-insurance companies, so far as their taxation program is concerned, Mr. McAndless, chairman of the Joint Committee on Federal Income Taxation of Life Insurance Companies, specifically stated:

It is pretty well known in the life-insurance business that this tax may be retroactive. I am chairman of the committee, and although I know a great many men in the business, I have only heard from one company that it would be embarrassing to them, and that was a very small institution.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. It is not merely a question of legal obligation, but it is also a question of moral obligation. Is it not true that a great many of the insurance companies have recognized the moral obligation to pay taxes, and not to take advantage of legal loopholes?

Mr. HUMPHREY. I think that is an accurate statement. These quotations prove that the life-insurance companies are prepared to pay their liabilities for 1947 and 1948, and have reserves set aside for that purpose.

I also refer to an interview which appeared in the New York Times of February 21, 1950, placed in the CONGRESSIONAL RECORD by Representative LYNCH and appearing on page A1364 of the Appendix to the CONGRESSIONAL RECORD. In it Mr. Leroy A. Lincoln, president of the Metropolitan Life Insurance Co., defended the retroactive features of the tax measure on life-insurance companies. I ask unanimous consent that the article from the New York Times be placed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LINCOLN DEFENDS RETROACTIVE TAX ON LIFE INSURANCE COMPANIES—NINETY-THREE MILLION DOLLARS LEVY BACK TO 1947, PASSED BY HOUSE, WAS A COMPROMISE, METROPOLITAN HEAD SAYS—DENIES IT SETS PRECEDENT

The Government's proposal for an income tax levy of $93,000,000, retroactive to 1947, on life insurance companies is eminently fair, Leroy A. Lincoln, president of the Metropolitan Life Insurance Co., said yesterday.

In his statement, made at a press conference at which he presented the annual statement of his organization, largest life insurance company in the world, Mr. Lincoln took issue with critics in business, finance, and the life insurance industry itself who have attacked the retroactive features of the tax measure as establishing a dangerous precedent. The measure has been passed by the House.

The retroactive proposal, Mr. Lincoln said, was the result of 3 years of conferences of committees representing the House Ways and Means Committee, the Treasury Department, and the life insurance companies. It was a compromise, he added, between two measures, one of which would have made the companies include the $93,000,000 assessment as part of their 1949 incomes.

"There was no way of insuring that the alternative measure which would have fixed the back taxes as current parts of the 1949 levy would have disappeared from the law books within a single year," Mr. Lincoln said. "Those who argue that the proposal which the Metropolitan along with 84 other life insurance companies approved would set a dangerous precedent so far as retroactive Federal taxes are concerned, are in error.

"Because of the special circumstances surrounding our approval of the retroactive measure, it can hardly be argued that the special bill can be used as a precedent to apply to other industries. It is also certain that it will not force insurance companies to pay the special levy again in future years because of some legislative oversight."

Mr. Lincoln reported that his company had paid out $768,627,888 to policyholders and beneficiaries last year, the highest total in the company's 82-year history.

He added that the company closed its books for the year with $41,699,549,717 of life insurance in force, compared with $39,958,517,854 at the end of 1948. The amount of new life insurance issued was $2,778,793,267 in 1949 compared with $2,904,157,071 the year before.

The new insurance issued last year was divided into $1,656,021,996 in ordinary life insurance, $701,920,796 in industrial life, and $420,850,475 in group life.

Mr. Lincoln added that by March 1 the company will have written more group life insurance in 1950 than it did for the entire 12 months of last year. This, he said, will be due chiefly to the fact that his company has been designated as the insuror in Bethlehem Steel Co.'s new $325,000,000 group life and disability insurance program.

At the end of 1949 the company held assets of $9,707,947,682 for its 33,000,000 policyholders in the United States and Canada. The interest yield on all of the company's investments averaged 3.07 percent for the year, compared with 3.03 percent in 1948 and 2.94 percent in 1947.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MILLIKIN. With reference to the moral obligation to pay taxes, a life-insurance company is the highest type of trust. Insurance companies operate the largest trust business in the country. I respectfully suggest that morally no group of directors of any life-insurance company has the right to pay one penny in taxes that the law does not exact. That is a common principle in the management of all trusts.

Mr. HUMPHREY. I would say that the Senator is entirely right, but the junior Senator from Minnesota is asking that the law exact the amount which they should justly pay.

Mr. MILLIKIN. The Senate Finance Committee carried this bill back as far as it could see evidence of general information in the industry. Beyond that it would not go, because that would violate the principle of retroactivity.

Mr. HUMPHREY. I want to point out that there have been some charges with reference to the constitutionality of this procedure, and a charge that it would be a general precedent for general retroactive income taxation. I doubt whether there is substantial foundation for those charges. Certainly there is no Supreme Court decision that has any relevance to the unusual circumstances surrounding the industry's efforts to work out a tax problem with appropriate officials of the Government.

In support of the constitutionality of the collection of taxes for 1947 and 1948, see the statement by the manager of House Joint Resolution 371, Representative LYNCH, in the CONGRESSIONAL RECORD of January 26, 1950, page 982.

The adoption of my amendment will bring into the Treasury over $50,000,000 which rightfully belong to the Government, but otherwise will go as a windfall to the life insurance industry which already has so much money it does not know what to do with it.

Here is an amendment which will raise $50,000,000. Some companies have stated that they should pay and were negotiating for that purpose.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WHERRY. Does the Senator have a statement to the effect that some of the companies would like to pay?

Mr. HUMPHREY. It is in the record.

Mr. WHERRY. Mr. President, if we are going to leave this subject, I should like to ask one more question. I am interested in the statements, and I assure the Senator that I shall read them. Does the Senator feel that because insurance companies have set up reserves to pay taxes, that is an admission of their liability?

Mr. HUMPHREY. No; I do not say it is a clear admission of their liability. I say it is a recognition on their part that Congress probably would pass retroactive legislation and because they are responsible for other people's money they were getting ready to pay the particular retroactive tax. I would not want to put words into their mouths or to make any accusations as to their intentions. I simply say that some of the representatives of the largest insurance companies have stated that they are prepared to pay, and have expressed their recognition that retroactivity would be likely. All I am saying is that here is a place where we can pick up $50,000,000 without seriously injuring life insurance companies. It was expected in 1942 that the money would be forthcoming. Congress once acted with intent to get the money, and then, under a technicality in the law, found that it could not get the money.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MILLIKIN. We can probably take a dark lantern and a blackjack and go out and take money away from people, and perhaps they would not be seriously injured if we did it. However, it would not be a legitimate ground for action of that kind. I do not believe that in all the testimony there can be found the admission of a single representative of an insurance company that the insurance companies owed that money during the time they were not paying the taxes.

Mr. HUMPHREY. I am not saying that.

Mr. MILLIKIN. I suggest further to the Senator from Minnesota—and I am talking of legal liability—that probably the reason why the insurance companies, or some of them, were rushing in to pay their policyholders' money, when they had no obligation to pay it, was because they feared that they might be earning the very unprofitable enmity of the Treasury Department if they did not do so. There is some intimation of that in the record also.

Mr. HUMPHREY. I could not read into the record or understand from a reading of the record the psychology of the insurance representatives. All I can read from the record is what is there. They were prepared to pay it. They have been negotiating with the Treasury Department for 2 years. I can read in the record that the law of 1942 at least intended that they should pay these taxes. Then a technicality was discovered under which they did not have to pay the tax. I do not expect that anyone would come down to Washington and say, "Look, folks, you forgot about taxing me." That would be unheard of. Yet here we had responsible and honorable American business people, with trusts of honor to fulfill and guard, saying if Congress passed a retroactive procedure to take care of the technical defect of a previous congressional enactment, they were prepared to pay the tax, and they have been negotiating for it in the past 2 years.

Mr. DOUGLAS. Does not the Senator from Minnesota believe that the leaders in the insurance field deserve public commendation and approval for the fine attitude that they are taking?

Mr. HUMPHREY. I so want to express myself, and I am happy that the Senator from Illinois did so express what my feeling is.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MILLIKIN. I suggest that when a trustee pays one penny which he is not obligated by law to pay he deserves reprobation, and not commendation.

Mr. MYERS. Is it the opinion of the Senator from Colorado that these executives deserve condemnation for coming to Washington and advocating what

they did? I fail to understand the statement of the Senator from Colorado to the effect that they deserve condemnation for what they did. They believed it was a moral obligation that they should pay these taxes, and they came here to say so, and have not raised any objection. Certainly they are not deserving of condemnation for doing that.

Mr. MILLIKIN. I repeat that a trustee is never permitted to expend funds of a trust in the absence of a legal liability to do so, and a trustee who spends such fund without legal liability does not deserve commendation.

Mr. MYERS. The statute would provide legal liability.

Mr. HUMPHREY. That is correct.

Mr. MYERS. The executives have no objection to the Congress of the United States legalizing their liability, because they firmly believe a moral obligation exists.

Mr. HUMPHREY. Yet Congress has not been willing to take the legislative step which is essential to be taken in order to bring in this money.

Mr. DOUGLAS. I believe the insurance companies believe it would be good public relations to get behind this system.

Mr. HUMPHREY. As a matter of fact, it is a very moderate tax. It is incredible that we should have a group of responsible business people negotiating with the Government to pay taxes with money that is available and that the committee should decide, "No; you do not have to pay." We are supposed to be raising revenue.

Mr. MILLIKIN. The committee may in part have decided that a man should not have to pay with a pistol at his head. The committee bill carries the retroactive feature as far as the committee felt there was evidence of ample notice.

Mr. HUMPHREY. Mr. President, at this point in the RECORD, following the discussion on the insurance companies and the retroactive features of the tax, I should like to include in the RECORD a statement, rather than read it, which my legislative counsel has brought to me. It deals with income taxes of life-insurance companies.

The PRESIDING OFFICER (Mr. KERR in the chair). Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INCOME TAXES OF LIFE INSURANCE COMPANIES

Section 401 of the above title would amend section 202 (b), defining the term "reserve and other policy liability credit" for purposes of the taxes imposed on life insurance companies by section 201 of Supplement G of the Internal Revenue Code for taxable years 1949 and 1950.

Under present law, the tax base for life insurance companies consists of its gross investment income from the larger investment sources reduced by investment expenses applicable thereto and further reduced by that proportion of such income which under the life insurance contracts the companies are under an obligation to set aside for the benefit of policyholder reserves. That proportion varies in fact in the case of every company, and it is the feature of the present law as adopted in 1942, that the same proportion in an amount proclaimed by the Secretary shall be used by every company. This feature is known as the industry-wide method, and the definition contained in section 202 (b) relates to the nature of the proportion so proclaimed. This proportion has been well in excess of 90 percent since 1942 and, since 1946, has exceeded 100 percent, thereby providing for a deduction in excess of the gross income. It is the purpose of the proposed amendment so to modify the elements making up the Secretary's determination, by eliminating therefrom a constant factor which is no longer realistic, as to bring the resulting proportion down below 100 percent.

As passed by the House, the change made would also have been available to 1947 and 1948. The point has been made, however, in connection with the Senate's amendment, not only that the House provision would have been retroactive for the years 1947 and 1948, but that it would provide for taxes for those years which some companies would be unable to pay. It is appropriate that the nature of this last objection be better defined in terms of the number of companies to which it relates and in terms of tax dollars involved for those years as compared to the surplus position of the companies. Thus, the quotations attached taken from the hearings before the Committee on Finance, would indicate (p. 40) that as of the date of that testimony only one company, a very small institution, had indicated that the taxes for 1947 and 1948 would actually be embarrassing to them. It was indicated that even that company had been able to pay dividends to policyholders during the year so that the embarrassment was rather one of timing than of ability to pay. Similarly, at pages 64 and 111, it appears that the share of the total tax for 1947, 1948, and 1949 of two of the larger companies amounted, respectively, to $8,300,000 and $3,400,000. As appears from an exhibit submitted by Mr. Bruce E. Shepperd, manager, Life Insurance Association of America, in connection with his testimony before the Committee on Ways and Means last winter (pp. 679–682 of vol. 1 of the hearings) the four largest companies had an increase in surplus for 1948 alone (after dividends to policyholders) of in excess of $35,000,000 each. Four more out of the first 12 had increases in surplus in excess of $10,000,000 each.

The exhibit referred to sets forth data for the taxable year 1948 for 215 companies, which together had 99 percent of the admitted assets of all life insurance companies. The table is divided into eight sized groups, and column 3 sets forth the increase in surplus figure for each company, while column 4 sets forth the tax for the year 1948, computed by making use of the revised figure, the same as provided for in H. R. 8920 as passed the House for the year 1948. It will be noted that the totals for all 215 companies were, in column 3, increase in surplus, $369,896,000 and, in column 4, the tax for the year 1948, $38,204,000.

One may assume, first, that similar figures, if not larger ones, would reflect the increase in the surplus situation for the companies in 1949. Assuming, then, that no company set up a reserve for taxes during 1947 and 1948, it is interesting to inquire how many companies would be able to meet the total 1947, 1948, and 1949 burden under the revised formula out of their 1949 increase in surplus. The total tax for all those 3 years is estimated at approximately $90,000,000. Taking the companies as a whole, a $90,000,000 tax on a $370,000,000 surplus is approximately a tax on that surplus of 25 percent. It would appear from the table that of the 215 companies approximately 24 would not be able to carry their share of the total taxes for all 3 years out of their increase in surplus for 1949.

Comparing, in the case of each company, the tax for 1947 and 1948 against that company's increase in surplus for each of those years, instead of adding it to the 1949 taxes for purposes of measuring total taxes against increase in surplus in 1949, it becomes apparent that far less than 24 companies would be unable to meet each year's tax out of that year's increase in surplus. In fact, under the industry-wide system, a number of companies, usually the smaller ones, are called upon to pay a tax when, on their own experience, they have no available investment income with which to pay it; some companies, it may be presumed, must pay a tax (and for the years 1942–46 did pay a tax) lacking even an increase in surplus.

In addition to the increase in surplus figure of approximately $370,000,000 set forth above, the fact cannot be ignored that there was also distributed in 1948 (and presumably a comparable amount was distributed in 1949) to policyholders a total of $563,000,000 in dividends. This amount can be determined after the payment by the company of all proper charges, and it can be considered, therefore, as a fund available for taxes. This amount relates to actual distributions and is in addition to and separate from any amounts set aside for policyholder reserves on account of which the deduction for tax purposes, referred to above, has been allowed. As in the case, therefore, of the one company referred to on page 40 of the testimony before the Committee on Finance, the availability of this fund for taxes would probably permit most of the 24 companies which could not meet the taxes for the 3 years out of increase in surplus alone to meet those taxes without impairing their financial position.

Mr. HUMPHREY. Mr. President, the next item deals with tax-free redemption of stock to pay estate taxes.

J. TAX-FREE REDEMPTION OF STOCK TO PAY ESTATE TAX

Under section 210 of the bill, estates of owners of corporations would be allowed to draw down accumulated earnings and profits free of income tax to the extent used to pay estate and inheritance taxes. This amendment has practical application under present gift and estate tax exemptions only to single persons with estates of $250,000 and over, or to married persons with estates of $500,000 or more.

The situation arises somewhat as follows: An individual builds a corporation and through the years manages in one way or another to accumulate large sums in the corporation without paying them out in dividends. Sometimes these accumulations are invested in additional plant and equipment; in many cases they are merely in the form of cash or Government bonds. Throughout these years, had the individual distributed these accumulations to himself in the form of dividends, he would have been subject to the income tax. Instead, he prefers to avoid paying the income tax and retains his wealth in the corporation.

When he dies, he may leave little else but stock in the corporation to his heirs. The estate tax cannot be paid out of the other assets of the estate because there are few other assets. If the estate asked the corporation to pay out dividends, these dividends would be taxable at income-tax rates. The cases are such that the income tax would be close to the maximum tax of 87 percent under the rates in the new law. With such a tax, there is not enough money or assets in the corporation to pay out sufficient dividends, so that there will be enough left

after the payment of income tax to pay the estate tax when it comes due. Note, however, that the reason this happened is that the original owner successfully avoided paying income taxes during his lifetime on his accumulated earnings.

The original House provision relating to this situation provided that, where stock in a closely held corporation constitutes more than 70 percent of the assets in an estate, stock from that corporation could be redeemed income tax-free if the proceeds are used to pay estate tax. This was bad enough, but the Finance Committee went even further. It took out the 70-percent limitation altogether, apparently a minor change, but one which opens the door wide for tax avoidance.

Under the provision which is now in the bill, any estate owning stock in a closely held corporation could redeem its stock income tax-free to pay estate taxes. Consider what this means. Suppose an individual owns such a corporation and has substantial other assets. Beginning in the latter part of his lifetime he decides to begin setting aside enough money for the tax on what he expects to leave to his heirs. He then starts to accumulate earnings in his closely held corporation and, if he calculates correctly as most people with good tax lawyers will, he will accumulate enough to pay all of the estate taxes which will become due at his death. After his death, these accumulated earnings will be paid out to the estate, no income tax being due thereon, and the estate will be able to discharge the entire estate liability with these funds. In effect, the owner of the business has been able to pay estate tax with money which should have been subject to income tax. He would thus pay his estate tax with money that actually belongs to the Government.

I say again that this would apply to those who earn $250,000 a year if single, and $500,000 a year if married.

The Congress should not give prizes to tax avoiders. This is a time to close loopholes not to stretch them.

Some hardship cases may occur where the bulk of an individual's estate is tied up in his corporation. Of course if the corporation had obeyed the law and distributed unneeded earnings and profits, the stockholder could have usually accumulated sufficient funds outside his corporation to provide for the inevitable estate tax. But the proposal here permits the few hardship cases to serve as a front for brazen tax avoiders. The House version of this proposal at least had the virtue of relieving only the hardship cases. But even this limitation has disappeared from the bill before us now. This proposal will increase the tax burden of those least able to bear it, in order to save those best able to pay from one inconvenience of great wealth.

K. DISTRIBUTION IN LIQUIDATION OF FOREIGN SUBSIDIARIES

The House bill would have closed a loophole in the existing law under which domestic corporations can liquidate subsidiaries operating abroad, such as oil companies, and bring back tax-free profits that have never passed through the Federal income tax stream. The committee bill would retain this glaring loophole.

Even before the outbreak of the Korean war, the Ways and Means Committee of the House of Representatives reported to the House, and the House passed a bill which reduced some tax rates. But this bill sought a more equitable distribution of the still heavy tax burden by closing important loopholes in existing law. The Finance Committee now reports a bill which raises rates, but strikes out important loophole-closing provisions which the House considered important even before the outbreak of the war. One of these provisions passed by the House and deleted by the Finance Committee relates to the liquidation of foreign subsidiaries of domestic corporations.

Foreign corporations owned by American corporations pose a difficult tax problem. There is no reason why an American corporation earning money abroad should not bear just as much of the Federal tax burden as a corporation which earns its income at home. As a practical matter, it is difficult to reach and tax the income of an American-owned foreign corporation earned abroad until it is distributed to the stockholders of the foreign corporation. But when the income of a foreign corporation is distributed to its American owner, that owner should have to pay a tax.

Section 112 (b) (6) of the Internal Revenue Code generally permits the liquidation of a subsidiary corporation into the hands of its parent without tax. Where the subsidiary is a domestic corporation subject to tax on its annual income, there is usually no tax loss. But an American corporation may accumulate substantial earnings and profits in a foreign subsidiary without any tax liability. On liquidation under 112 (b) (6) these earnings pass from the foreign subsidiary into the hands of the American corporate parent—again without tax liability. These accumulated earnings thus escape the Federal corporate tax entirely.

Section 112 (i) of the code taxes these liquidations of foreign subsidiaries where the liquidation has "as one of its principal purposes the avoidance of Federal income taxes." But there is no reason why any of these earnings should escape taxation whenever they reach the hands of the American parent. We say again and again that we must impose heavy taxes. The Congress must insure that the burden is equitably distributed consistent with that purpose. For this reason I have joined with the junior Senator from Illinois [Mr. DOUGLAS] and the junior Senator from New York [Mr. LEHMAN] in introducing an amendment to restore section 206 of the bill as passed by the House of Representatives. That section, may I say, is a beginning toward plugging up a very critical loophole.

CONCLUSION

Mr. President, a tax program which began as a drive to close tax loopholes and reduce excise taxes, has been changed beyond recognition.

The pending bill would deny excise-tax relief to consumers, and would impose an additional $3,000,000,000 in income taxes on individuals, and $1,500,000,000 on corporations. All this is understandable as a result of the Korean war and the gloomy international outlook. But it is unconscionable that this body should not only refuse to close loopholes in existing tax laws, but actually add new tax loopholes. It is equally disturbing that there should be delay in the passage of an excess-profits tax.

If it is true, as the Finance Committee alleges, that now is not the time to enact excess-profits tax and that further study is required, then it is equally true that now is not the time to widen tax loopholes and allow certain individuals and corporations to receive added tax advantages.

If this is to be a revenue measure alone, then there is no room in it for the strengthening of loopholes.

Finally, Mr. President, I urge that while GI's are dodging Russian bullets and ducking Communist bombs, we must not make it possible for a new crop of war profiteers to dodge their rightful share of Federal income taxes.

Mr. President, that is the message, and I believe that at least we have made a reasonable contribution to an intelligent understanding of this very intriguing bill.

I wish to say in all sincerity that I am indebted to the Senator from Colorado [Mr. MILLIKIN], the Senator from Georgia [Mr. GEORGE], the Senator from Oklahoma [Mr. KERR], and all the other Senators who have participated in the debate. I understand there may be some weaknesses in my presentation, but I realize that it is of the utmost concern and importance to the Members of the Senate to be vitally interested in these tax measures. Nothing can induce more discord and unhappiness in America than to have American citizens feel that they themselves are being discriminated against under the tax laws.

I wish to pay special tribute to the acting majority leader, the senior Senator from Pennsylvania [Mr. MYERS], a member of the Committee on Finance, who has some amendments of his own. I believe I have touched on some of those in the discussion. He has been a member of the Committee on Finance, and comes to us with experience and knowledge of the tax program. I hope he has enjoyed at least a little bit the presentation today. I thank him for his confidence and his participation, because his has been a contribution which has been very helpful. I give my profound thanks to the Senator from New York [Mr. LEHMAN] for his wisdom and support.

To the junior Senator from Illinois [Mr. DOUGLAS] I say, ever thanks again my dear friend, noble gentleman, scholar, and great Senator.

Mr. WHERRY. What about the rest of us who have listened to this presentation? Will the Senator let us in on his commendations?

Mr. HUMPHREY. I am happy the minority leader mentioned that, because there is none who pays a greater sacrifice than those who have to listen to such a long address. Let me say to the Senator from Nebraska that this address

could have been very brief had not some of us become so interested in the subject matter.

Mr. WHERRY. I thank the Senator for his eloquent address.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. First I wish to congratulate the Senator from Minnesota for what I think is one of the ablest speeches ever delivered on the floor of the Senate in recent years; and I have been reading the CONGRESSIONAL RECORD for a number of years. It was an extraordinarily able speech.

I should like to ask the Senator one question. Has the Senator made any computation as to the added revenue which would come to the Government if the loopholes which have been opened up by the committee were plugged, or, putting it in a different way, how much money of the United States Treasury is the committee giving away by the proposals it has made?

Mr. HUMPHREY. I think I have a statement I have prepared on that. The statement I issued about a week ago, when the bill first came up, indicated that it would be between 900,000,000 and a billion dollars, on a rather conservative estimate.

Mr. DOUGLAS. Do I understand the Senator correctly to tell the Senate that the amendments proposed by the committee will in his judgment result in a loss to the Treasury of close to a billion dollars a year?

Mr. HUMPHREY. It is my understanding that if all the amendments which have been proposed, the 12 amendments discussed, were agreed to, and these loopholes closed up, we could produce, according to the present estimates of income levels from July on, about nine hundred million to a billion dollars.

Mr. DOUGLAS. Part of the proposals of the Senator from Minnesota are to plug loopholes which already exist?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. But part of the amendments are to close loopholes which do not now exist, but which are being opened by the Committee on Finance?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. I have been making some rough computations as the Senator has been speaking, and it seems to me that the proposals of the committee would give up from $600,000,000 to $700,000,000 a year in revenue, and that the proposals of the Senator from Minnesota would save that and add about $300,000,000 more.

Mr. HUMPHREY. That is as close an estimate as we have been able to make.

Mr. DOUGLAS. Should this bill of the Finance Committee be regarded as a tax-loophole-plugging bill, or a bill to facilitate tax avoidance?

Mr. HUMPHREY. Mr. President, I should like to repeat the concluding sentence of my address.

I urge that while GI's are dodging Russian bullets and ducking Communist bombs, we must not make it possible for a new crop of war profiteers to dodge their rightful share of Federal income taxes.

That is the summation statement.

Mr. DOUGLAS. One further question. The Senator is familiar with the table appearing on page 3 of the report of the Committee on Finance, which estimates that the Finance Committee bill will raise four and a half billion dollars, when their proposal is in full operation, and a little short of $3,000,000,000 for the current fiscal year ending July 1, 1951.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. But this provision does not include the money that will be lost by the tax-avoidance feature of the bill. If the Senator from Minnesota is correct, he should deduct around $600,000,000 to $700,000,000 from this feature, which will mean that the net increase in income for the current years will not be $3,000,000,000, but around $2,400,000,000, and the net increase for future years will not be $4,500,000,000, but a little less than $4,000,000,000.

Mr. HUMPHREY. For example, if the amendment offered by the Senator from Illinois and the Senator from Minnesota were adopted the increase received from life-insurance companies, instead of being plus $80,000,000, as shown in the table, would be plus $130,000,000, because another $50,000,000 could be collected.

Mr. DOUGLAS. That is one of the amendments that would add to the income received.

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. But some of the amendments of the committee, as the Senator from Minnesota has brought out, will result in an actual decrease in income, and those invisible items are not carried on the balance sheet submitted to the committee, and to the degree that they are not accurate there should be deducted and reduced the estimated increases in income which the committee claims.

Mr. HUMPHREY. I feel that that is a proper evaluation of the effect of those amendments and I again thank the Senator and the Senate.

I now yield the floor.

ANNOUNCEMENT AS TO PROGRAM

During the delivery of Mr. HUMPHREY'S speech,

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LUCAS. Mr. President, I want to make an announcement which I think will be of interest to all Senators. It is not in reference to the tax bill. At a meeting of the Democratic Policy Committee, which concluded a few moments ago, it was the unanimous agreement of the members of that committee that when the Senate concludes its session on Friday, it shall take a recess until the following Tuesday, so as to give every Senator an opportunity to go home over Labor Day, if he so desires. When we return on Tuesday and start in again, we shall work, if necessary, both day and night in order to finish up everything that we believe advisable to do during that week. In other words, it is our hope that we may be able to say that a week from Saturday night, so far as the Senate is concerned, the business of the Eighty-first Congress has come to a close.

I thought I should make that announcement.

I am hopeful that we may make some progress with the consideration of the tax bill in the way of entering into a unanimous-consent agreement, if possible, to vote on Thursday or Friday, or as soon as possible. Then we shall move on to the McCarran anti-Communist bill. In addition, there are two or three minor bills on which I do not think there will be too much controversy.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I wonder if the Democratic Policy Committee discussed the form of resolution under which the Senate would recess.

Mr. LUCAS. I am glad the Senator asked me the question. It seems that the House of Representatives is insisting that the Congress adjourn sine die. Frankly, I do not agree with that viewpoint. Sometime next week the minority leader and any other Senators whom he wishes to attend from his side, and the majority leader and Senators from this side of the aisle, together consisting of a committee of perhaps three or four Senators, could sit down and try to work out an arrangement which could be agreed to by unanimous consent, which we could present as our position to the leaders of the House of Representatives. We discussed the possibility of recessing to a day certain, and also discussed the possibility of recessing for 3 days at a time, with the understanding that nothing would be done, without even any speeches being made, but merely to meet and then recess for 3 days at a time, thus always being in a position of standing by and being ready to return on a moment's notice in the event the emergency decreed that we should.

Mr. WHERRY. Will the majority leader yield further?

Mr. LUCAS. Yes.

Mr. WHERRY. I wish to thank the majority leader for making the announcement, because it gives notice to the Members of the Senate of what is anticipated in the present program. I wish to state that the majority leader and Senators who are interested on this side of the aisle will be glad to confer with the majority leader relative to the type of resolution we should adopt in order that we may either recess or adjourn sine die.

At this time I shall not discuss the proposals to take 3-day recesses, to recess to a day certain, or to adjourn sine die, because I understand the majority leader will give us an opportunity to discuss the matter later. I hope as soon as possible the majority leader will take it up with the minority, because adjournment a week from Saturday may depend somewhat on the resolution which it is proposed to adopt. It is hoped that we will be able to get some unanimity relative to recessing or adjourning.

Mr. LUCAS. I shall be glad to sit down with the Senator from Nebraska and Members of the Senate from his side

of the aisle, perhaps later in the week, in order that we may discuss various possibilities. I am familiar with the various types of resolutions which were used in the past under similar circumstances, and we have rather definite ideas on our side of the aisle as to how it should be done, but I am satisfied that we can get together and work out a satisfactory resolution. At least we will be able to agree on something that we can present to the House. There should not be too much trouble about doing that.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. LUCAS. Yes.

Mr. WHERRY. Relative to entering into a unanimous-consent agreement on the present bill—and I have conferred about it with the majority leader—I had hoped that the managers, if I may refer to them as such, of the pending bill would confer with Senators who have offered amendments and see if it is possible to either eliminate some of the amendments or agree on a limitation of time with respect to them. I think the amendment which is bothering us most is the so-called copper amendment. If the amendment is offered, I may as well say to the majority leader that there will be extended debate on the amendment. If the amendment were not to be offered, I do not believe that there would be any difficulty about reaching a unanimous-consent agreement.

Mr. LUCAS. I cannot give the minority leader any assurance with respect to the copper amendment. The Senator from Connecticut [Mr. MCMAHON], who is a member of the Democratic Policy Committee, advised us today that he would press his amendment. We discussed the possibility of having the Senator from Wyoming and the Senator from Delaware withhold their amendments for the moment in order that the copper amendment could be pressed to a vote. However, the Senator from Wyoming said that he believed it would weaken his case, and he would rather not do so.

Mr. WHERRY. As one who has done some work in trying to get a unanimous-consent agreement, I think if the copper amendment is not offered we can arrange a unanimous-consent agreement. I hope an agreement can be worked out to bring it up next January or later in the session, if necessary. If the amendment is offered, I know there will be considerable debate.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. I do not have the floor. The Senator from Minnesota has the floor.

Mr. HUMPHREY. For the purpose of discussing the matter at hand, I gladly yield to the Senator from Delaware.

Mr. WILLIAMS. I have no desire to delay action on the bill, but before reaching a unanimous-consent agreement, I should like to have the opportunity of presenting the case for my amendment, which has now been pending for 3 days.

Mr. LUCAS. I am sure the Senator will be granted an opportunity to present his persuasive arguments, although I hope it will be defeated after he does so.

I thank the Senator from Minnesota for yielding to me.

FEDERAL-AID HIGHWAY ACT OF 1950—CONFERENCE REPORT

During the delivery of Mr. HUMPHREY'S speech,

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CHAVEZ. I wonder if the Senator from Minnesota will yield to me for a privileged matter.

Mr. HUMPHREY. Mr. President, I want to cooperate, but every time we get going some Senator has a privileged matter or a special committee report. I would ask the Senator if it is something about which we will have to argue, or can it be disposed of quickly?

Mr. CHAVEZ. It is the conference report on the so-called highway bill, in which the Senator from Minnesota was deeply interested.

Mr. HUMPHREY. I was, indeed, deeply interested. May I ask the Senator if he can hold it up for a little while? This is a labor of love. With all the hard work I have gone through in connection with it, I feel very much as does my friend from New Mexico.

Mr. CHAVEZ. I feel so deeply about the matter which the Senator is discussing that I know I shall be on his side.

I do not think the matter will take long. The House has already approved the conference report.

Mr. HUMPHREY. I think it would be a good idea for the junior Senator from Minnesota to yield to his good friend from New Mexico.

Mr. CHAVEZ. The Senator has sold me so thoroughly on his idea that I shall be on his side.

Mr. President, I submit the conference report on the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read.

(For conference report, see page 13714 of the House proceedings of August 28, 1950.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. CHAVEZ. Mr. President, in order to save the time of the Senate, I ask unanimous consent that a statement which I have prepared in connection with the conference report may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NOTES ON CONFERENCE REPORT ON FEDERAL AID HIGHWAY BILL

The highway bill as agreed to by the conferees carries out substantially the same proposals and principles in the bill as it passed the Senate. The Senate conferees accepted three or four reductions proposed by the House conferees, and in turn felt it necessary to accept two increases insisted upon by the House conferees. The principal differences before the conferees were in the authorizations for the secondary and urban systems, for the forest roads and trails, the Inter-American Highway, emergency fund, access roads, and public-domain roads.

With respect to the funds for the secondary and urban systems, the House conferees insisted that their amounts, that is, $150,000,000 for the seconday system and $125,000,000 for the urban system, be retained in order to hold to the established balance among the three Federal-aid systems. Senators will recall that on the floor of the Senate $15,000,000 was cut from the secondary system and $12,500,000 from the urban system. A proportionate cut for the primary system was also proposed on the Senate floor, but that motion was defeated, with the result that the ratio among the three systems was thrown out of balance. This time-tested ratio was established many years ago after long and careful deliberations of the committees of both the House and the Senate. It consists of 45 percent for the primary system, 30 percent for the secondary system, and 25 percent for the urban system. The House conferees insisted that we should maintain these percentages and keep faith with the State highway authorities and the users of our Federal highway systems. Since the figure for the primary system had not been disturbed and was not in conference, there was no alternative but to agree to restoring the House figures on the other two systems in order to maintain the established balance. We felt that this restoration of the House figures was further justified by our action in insisting upon the elimination of the separate authorization of $70,000,000 for the Interstate System, which the House had placed in the bill.

With respect to secondary roads, the conferees were in unanimous agreement on the intent and purposes of the Senate language calling for spreading these funds to local rural roads and roads of the county class. The conferees made some minor changes in the Senate language in order to reassure some of the more heavily populated States that they would be adequately protected in handling their secondary roads to permit them to spend the funds on higher class roads where they have no local road problems. The modified language emphasizes that the funds will be used on local rural roads and roads of the country road class, including township roads as well as on the other types of secondary and feeder roads. Furthermore, it gives the local road officials an equal voice with the State officials in selecting projects and setting the specifications. With these provisions in the language protecting the States with no local road problems on the one hand, and the States where emphasis on the building of local roads has been long neglected on the other hand, it is our belief that we can begin to make some good progress in this local road field.

The Senate conferees receded on the amount for forest roads and trails, accepting the House figure of $17,500,000. Likewise, we also accepted the House proposal to reduce the term of years for the authorizations on the Inter-American Highway from 4 years to 2 years, which is the same period for the other items in the bill. This effected a further saving of $8,000,000.

The language for access roads was modified at the insistence of the House conferees to remove the revolving fund features and restate the authorization as a definite $10,000,000 amount.

With respect to the Maybank amendment referring to alteration of bridges over navi-

gable waters, the conferees were in sympathy with the objectives and agreed that there was merit in this proposal. However, due to the fact that no hearings had been held on this subject and since the total cost of the proposal is not known at the present time, the House conferees insisted that it be removed entirely without prejudice and suggested that it should be taken up as a separate bill.

This summarizes the principal features agreed to in conference. Other details are shown in the House managers' statement, which has been printed in the RECORD.

I should like to call the attention of Senators to the comparisons of the authorization amounts contained in this bill, because I think there has been considerable misunderstanding on this point. I have here a table showing the amounts in the bill as recommended by the budget, as passed by the House, as passed by the Senate, and as recommended by the conferees. I want to say that contrary to our own feelings with respect to the very great need for further improvement of our highways and contrary to many reports which have been circulated, the bill, both as passed by the Senate and as recommended by the conferees, is not only below the House figures, but it is also below the budget recommendations. I hope that there will be no misunderstanding on this point. I feel, and I think many other Senators feel, that we should be doing much more for our roads. There is no question of pork or fat involved here. We all know how much we need the roads in wartimes, as well as in peacetimes. But, recognizing that our expenditures must be scrutinized and held down to a minimum, I hope all Senators will note that we have reduced this highway bill below both the figures adopted by the House and the figures recommended by the Bureau of the Budget and the President.

Summary of amounts, H. R. 7941

Item	Budget recommendations	House	Senate	Conference
Primary	$225,000,000	$225,000,000	$225,000,000	$225,000,000
Secondary	150,000,000	150,000,000	135,000,000	150,000,000
Urban	125,000,000	125,000,000	112,500,000	125,000,000
Interstate	[1]	70,000,000	0	0
Forest highways	25,000,000	20,000,000	20,000,000	20,000,000
Tongass Forest roads (Alaska)	7,252,000	0	3,500,000	3,500,000
Forest roads and trails	20,000,000	17,500,000	20,000,000	17,500,000
Park roads and trails	15,000,000	10,000,000	10,000,000	10,000,000
Parkways	20,000,000	13,000,000	13,000,000	13,000,000
Indian roads	10,000,000	6,000,000	6,000,000	6,000,000
Emergency fund	10,000,000	10,000,000	5,000,000	5,000,000
Inter-American Highway	[2] 8,000,000	0	[3] 4,000,000	[4] 4,000,000
Rama Road, Nicaragua	8,000,000	0	0	0
Access roads	10,000,000	0	10,000,000	10,000,000
Roads on public domain	2,500,000	0	5,000,000	5,000,000
Total	635,752,000	646,500,000	569,000,000	594,000,000

[1] No additional funds, but recommends earmarking $150,000,000 from primary and urban systems.
[2] For each of 8 years.
[3] For each of 4 years.
[4] For each of 2 years.

Mr. STENNIS. Mr. President, I notice in the conference report no reference to secondary highways or how the funds should be spent, and on what type of roads. The language has been somewhat changed as passed by the Senate, where the great emphasis was on county roads. May I ask the Senator from New Mexico if the change in the language was with any idea of abandoning emphasis on county roads, or was it to make more flexible the language so as to adapt it to the peculiar situations in various States.

Mr. CHAVEZ. The conferees not only did not want to abandon the purpose which the Senate had in mind, but they wanted to emphasize the idea. But in order to carry out that very purpose, it was thought necessary that the language should be changed in order to meet technical difficulties.

Mr. STENNIS. Mr. President, will the Senator yield for a further question?

Mr. CHAVEZ. I yield.

Mr. STENNIS. I notice in the language a reference to school bus routes and rural mail routes, which was already in the old law. Is it the Senator's understanding that when those terms are used we are referring to school bus routes and rural mail routes that extent to county roads and on the county level, rather than to highways already improved.

Mr. CHAVEZ. That is the purpose of the language. That was the understanding of the conferees and what they had in mind. Not only that, but school busses can go to the extent of crossing townships, towns, parishes, or even States.

Mr. STENNIS. Mr. President, I should like to compliment the conferees for adopting language that gives the local authorities an actual place at the conference table in deciding what projects are going to be constructed. That puts them in a position which they have never before occupied.

The conferees also brought forward section 2 of the Senate bill which would create within each highway commission a unit charged with the responsibility of promoting the building of county roads and roads on the county level. I think that is a step forward in legislation of this kind, and for it I commend the Senator from New Mexico and all other Senators connected with it.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

CORRECTIONS IN ENROLLMENT OF H. R. 7941

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 274, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of the bill (H. R. 7941), the Federal-Aid Highway Act of 1950, is authorized and directed to make the following corrections: In the provisos of section 5 strike out the words "subsection" wherever they occur and insert the words "section."

Mr. CHAVEZ. Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

Mr. CHAVEZ. I thank the Senator from Minnesota very much for yielding.

Mr. WHERRY. Mr. President, will the Senator from Minnesota yield for one question of the Senator from New Mexico?

Mr. HUMPHREY. Certainly.

Mr. WHERRY. Of course the conference report is a privileged matter, and I understand the conference report has been adopted. Therefore I am not asking any questions about the conference report. We have had a presentation of it by the Senator from New Mexico. However, a concurrent resolution was also adopted.

Mr. CHAVEZ. Yes. After the conference report was filed last night by the House it was discovered that there was a technical error in the use of the word "subsection" where the word should have been "section."

Mr. WHERRY. I thank the distinguished Senator.

PRIORITY OF OBLIGATION FOR MILITARY SERVICE AMONG PHYSICIANS AND DENTISTS

During the delivery of Mr. HUMPHREY'S speech,

Mr. HUNT. Mr. President, will the Senator yield?

Mr. HUMPHREY. For what purpose does the Senator request that I yield?

Mr. HUNT. I wish to ask unanimous consent for the present consideration of Senate bill 4029, but without causing the Senator from Minnesota to lose the floor.

Mr. HUMPHREY. Mr. President, if I may yield for that purpose without losing my right to the floor, so that I may continue this discussion as soon as the matter to which the Senator from Wyoming refers is disposed of, I shall be more than happy to yield, so as to expedite the work of the Senate.

The PRESIDING OFFICER (Mr. LONG in the chair). The Senator from Minnesota asks unanimous consent that he may yield in order to permit the consideration of Senate bill 4029. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, although I shall not object, I should like to ask the distinguished Senator from Minnesota whether he expects to conclude his formal remarks before today's session ends.

Mr. HUMPHREY. Indeed, I do. My remarks would have been concluded long ago, except for the interruptions, which we have permitted in order to expedite the handling of other business of the Senate.

It is my intention to stay here this evening until I conclude my remarks.

Mr. WHERRY. I am not complaining about the length of time the Senator has spoken. I think his remarks are

most informative, and certainly he has a perfect right to the floor.

Let me inquire how long he believes it will take him to conclude his remarks, if he is not interrupted.

Mr. HUMPHREY. It will not take me more than an additional 40 minutes to conclude, I am sure, if I am not interrupted. However, if I am interrupted—as I hope I shall be, because the interruptions are what make the real contribution—it will take me a little longer to conclude.

Mr. WHERRY. I am not objecting to the interruptions, and I care not how long the Senate remains in session.

Mr. HUMPHREY. I know that.

Mr. WHERRY. Several Senators on this side of the aisle wish to address the Senate; but as a result of the colloquy we have just had, they now are informed as to the length of the Senator's speech, and they can govern themselves accordingly.

I have no objection to consideration of the bill referred to by the distinguished Senator from Wyoming.

Mr. HUMPHREY. I understand that I shall not lose my right to the floor, but can resume my discussion of the pending business as soon as the other bill is disposed of, if unanimous consent is given for that purpose.

The PRESIDING OFFICER. That is understood.

Is there objection to the request for the present consideration of Senate bill 4029?

There being no objection, the Senate proceeded to consider the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, and for other purposes, which had been reported from the Committee on Armed Services with an amendment, to strike out all after the enacting clause, and insert:

That section 4 of the Selective Service Act of 1948, as amended, is hereby amended by adding at the end thereof the following subsections:

"(i) (1) Notwithstanding any other provision of this title, except subsections 6 (j) and 6 (o), the President is authorized to require special registration of and, on the basis of requisitions submitted by the Department of Defense and approved by him, to make special calls for male persons qualified in needed—

"(A) medical and allied specialist categories who have not yet reached the age of 55 at the time of registration, and

"(B) dental and allied specialist categories who have not yet reached the age of 45 at the time of registration.

Persons called hereunder shall be liable for induction for not to exceed 21 months of service in the Armed Forces. No such person who, on August 16, 1950, is a member of a Reserve component of the Armed Forces shall, so long as he remains a member thereof, be liable for induction under this subsection, but nothing in this subsection shall be construed to affect the authority of the President under any other provision of law to call to active duty members and units of the Reserve components. No person in the medical and allied specialist categories shall be inducted under the provisions of this subsection after he has attained the fifty-sixth anniversary of the date of his birth and no person in the dental and allied specialist categories shall be inducted under the provisions of this subsection after he has attained the forty-sixth anniversary of the date of his birth.

"(2) In registering and inducting persons pursuant to paragraph (1) of this subsection, the President shall, to the extent that he considers practicable and desirable, register and induct in the following order of priority:

"First. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the categories referred to in clauses (A) and (B) of paragraph (1) of this subsection, who have had less than 90 days of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"Second. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the above categories, who have had 90 days or more but less than 21 months of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"Third. Those who did not have active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940.

"Fourth. Those not included in the first and second priority who have had active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940. Inductions of persons in this priority shall be made in accordance with regulations prescribed by the President which may provide for the classification of such persons into groups according to the number of full months of such service which they have had and for the induction of the members of any such group prior to the induction of the members of any other such group having a greater number of full months of such service.

In the selection of individuals from among the categories established by subsection (i) for induction, the President is authorized, under such rules and regulations as he may prescribe, to provide for the deferment of any individual whose deferment is found to be equitable and in the national interest, taking into consideration the length of his previous service in the Armed Forces (including the Coast Guard and the Public Health Service) of the United States, the extent of his participation in the Army specialized training program or similar program administered by the Navy, reasons of hardship or dependency, and the maintenance of the national health, safety, or interest.

"(3) It is the sense of the Congress that the President shall provide for the annual deferment from training and service under this title of numbers of premedical and predental students at least equal to the numbers of male premedical and predental students in attendance at colleges and universities in the United States at the present levels, as determined by the Director.

"(j) The President shall establish a National Advisory Committee which shall advise the Selective Service System and shall coordinate the work of such State and local volunteer advisory committees as may be established to cooperate with the National Advisory Committee, with respect to the selection of needed medical and dental and allied specialist categories of persons as referred to in subsection (i). The members of the National Advisory Committee shall be selected from among individuals who are outstanding in medicine, dentistry, and the sciences allied thereto, but except for the professions of medicine and dentistry, it shall not be mandatory that all such fields of endeavor be represented on the committee.

"(k) (1) Clause (3) of subsection 203 (a) of the Career Compensation Act of 1949 (Public Law 351, 81st Cong.) is amended by striking out the words 'volunteered and' and 'volunteer and.'

"(2) Subsection 203 (b) of the Career Compensation Act of 1949 is amended by striking out '*Provided further*, That the commissioned officers described in subsection (a) (3) of this section shall be entitled to receive the pay provided by this subsection only during periods of volunteer service'."

SEC. 2. Section 202 of the National Security Act of 1947, as amended, is hereby amended by adding at the end thereof the following subsections:

"(g) Under such regulations as he shall prescribe, the Secretary of Defense, with the approval of the President, is authorized to transfer between the armed services, within the authorized commissioned strength of the respective services, officers holding commissions in the medical services or corps including the Reserve components thereof. No officer shall be so transferred without (1) his consent, (2) the consent of the service from which the transfer is to be made, and (3) the consent of the service to which the transfer is to be made.

"(h) Officers transferred hereunder shall be appointed by the President alone to such commissioned grade, permanent and temporary, in the armed service to which transferred and be given such place on the applicable promotion list of such service as he shall determine. Federal service previously rendered by any such officer shall be credited for promotion, seniority, and retirement purposes as if served in the armed service to which transferred according to the provisions of law governing promotion, seniority, and retirement therein. No officer upon a transfer to any service from which previously transferred shall be given a higher grade, or place on the applicable promotion list, than that which he could have attained had he remained continuously in the service to which retransferred.

"(i) Any officer transferred hereunder shall be credited with the unused leave to which he was entitled at the time of transfer."

Mr. HUNT. Mr. President, this bill is a very urgent one. Otherwise I should not have interrupted the Senator from Minnesota to ask for its immediate consideration. It is a bill designed to establish a priority of obligation for military service among physicians and dentists. I should like to say to the Senate that in establishing the priority in which physicians and dentists may be called into the service, it is necessary, primarily for this reason: A considerable number of young men took advantage of the Navy V–12 program, and the ASTP program of the Army, and concluded their training about the time the war ended. Unfortunately, neither the Army, the Navy, nor the Air Force has any hold of any kind on that group of physicians and dentists. However, during the war great numbers of physicians and dentists gave up their private practice to go into the service for 4 and 5 years, and have retained their membership in the Reserve Corps. They are, of course, subject to call, but I say to the Senate it is absolutely unfair again to call these men who

have given their time and service, after an intervening period of but 4 or 5 years, while there are others who have been educated at the expense of the Government, who have given no service.

Mr. President, that is the primary object of the bill. There are other minor technical matters which I think it hardly necessary to explain to the Senate. I shall be very glad to answer any questions. The Senator from South Dakota [Mr. GURNEY], who is the author of the bill, I am sure will be very pleased also to answer any questions.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. GURNEY. Mr. President, I should like to say that quite a few of the medical and dental students who were educated during World War II did not complete their training until the war was almost over, or actually was over. They had no opportunity to serve in uniform as medical or dental officers. Quite a few of them feel an obligation to tender their services, but those who are not in the Reserve, as many of them are not, would not be called without the passage of this bill. The bill gives them an opportunity to serve, and in that way to pay back the Government for the education which they had in the medical or dental profession during World War II. I think many of them will welcome this opportunity.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. SALTONSTALL. Mr. President, as another member of the Armed Services Committee, I should merely like to say that under the leadership of the subcommittee headed by the Senator from Wyoming [Mr. HUNT], this measure was very carefully considered. It is a very much needed bill, and I believe it is in the best possible form. I myself tried to go through it as carefully as I could.

It is my understanding, subject to confirmation by the Senator from Wyoming, that the medical profession as a whole favors this bill, because it gives to its individual members a chance to know where they stand and where they may go in the future. In other words, it will enable them to make their plans. It also is the fairest possible bill to the men who gave service in World War II and who are now practicing their professions at home. Many of them have about reached middle life and some the latter part of life. The passage of the bill will afford them a greater opportunity to finish their life's work in a civilian status and will place a heavier obligation on those who, as the Senator from South Dakota has said, received their training, but who have not as yet given their services to the Armed Forces. Among other things, the bill provides:

First. Those who participated as students in the Army specialized training program or similar programs administered by the Navy or as cadets at the United States Military Academy or as midshipmen at the United States Naval Academy, and persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one or more of the above categories, and who have had less than 90 days of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

I certainly am in full accord with the purposes of the bill. I should like to ask the Senator from Wyoming whether it is not his understanding that the medical profession as a whole favors the bill.

Mr. HUNT. Yes. Testimony was adduced before the committee from the president of the American Medical Association, representing, of course, the entire profession. Testimony was also presented by the president of the American Dental Association. The bill is requested by the Defense Department. An identical bill has been introduced in the House, and has been favorably reported to the House. I know of no opposition within or without the Senate to the passage of the bill.

Mr. JOHNSTON of South Carolina. Mr. President, if the Senator will yield, does this bill come from the committee by unanimous report?

Mr. HUNT. It does.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HUNT. I yield.

Mr. WHERRY. Last year there were severe dislocations caused by doctors going into the military service. Of course, the service must have them, and no one is disputing that. How will this bill remedy the situation which existed during the last war, when doctors were taken from communities, with the result that in large areas there were no doctors? Is this bill for the purpose of setting up a system of priorities to alleviate that situation?

Mr. HUNT. I may say to the distinguished minority leader that there is a provision establishing advisory committees on a national, State, and local level, designed to prevent the taking of physicians and dentists from a given locality at the expense of the civilian population, entailing suffering on the civilian population. While it is not compulsory that the recommendations of the advisory committee be followed, it is very definitely provided in the bill that the local committees are expected to designate or pass on which dentists and which physicians shall be taken.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. GURNEY. The Senator from Nebraska knows that during World War II we had volunteer advisory committees which were established by Executive order to help the Selective Service System in selecting doctors, and to enable it to do as good a job as possible, so as not to take all the doctors from any one community; in other words, to avoid jeopardizing the health of the civilians.

I may mention the fact that the advisory committees in the States and localities did not have the benefit of a law back of their appointment. The Committee on Armed Services thought it better to establish under law such advisory committees, which would give them a sanction and enable them to feel greater assurance in making their selections.

Mr. WHERRY. Mr. President, a question arises from a letter signed by Louis Johnson, the Secretary of Defense, addressed to the chairman of the Committee on Armed Services. It is set forth in the report which I have just received. In part, the letter states:

The purpose of the bill appears to be to provide the necessary authorizations through which the Department of Defense can meet the demands being made for additional medical aid to support our forces in the Far East and the expanding military forces at home without requiring the large-scale call to active duty without their consent of Reserve officers of the medical services who have had substantial periods of service in World War II.

Mr. GURNEY. This bill is the answer to that question.

Mr. WHERRY. If the Senator will permit, the letter continues as follows:

So far volunteer entry of physicians and dentists into the military services has been small, and it can be expected that, within a few months, provided no means is available by which to require individuals with small amounts of prior service to enter the military service, it will be necessary to make substantial calls from the pool of 29,000 physicians and dentists, who, subsequent to their long service in World War II, consented to have their names placed on the list of Reserves who could be called in case of need.

As drafted, the bill provides for priorities in which order these individuals would be called to the service, and establishes those priorities in such an order as to assure that the first individuals called will be those who participated as medical trainees at the expense of the Government during the past war, and who have had no military service.

Mr. GURNEY. That accords with the statement made by the Senator from Wyoming, when he called up the bill.

Mr. WHERRY. The point I desire to raise is, Is the organization which is to be set up to have merely voluntary authority to see that the priorities are carried out, or is it to have mandatory authority to carry them out according to the provisions outlined in the letter from the Secretary of Defense?

Mr. HUNT. I should say it is to be advisory. However, the situation is such that, after the bill passes, the priorities will be so established that the work of the advisory committees will be made rather simple.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. HUNT. I yield.

Mr. THYE. The Selective Service will administer the act, once it is passed, and therefore the Selective Service machinery in each community will call the doctors and dentists, but, if any injustice should be claimed either by a doctor, dentist, medical association or State, or otherwise, then the voluntary committee, as provided for in the bill, would proceed to investigate and would attempt to remove any injustice in the selection of the men, would it not?

Mr. HUNT. Yes. Let me say to the Senator that in case one of these graduates happens to be located in a certain community where he is serving a considerable population and is the only

physician there, it would not be wise to call him into the service and leave no physician in his place.

Mr. THYE. Mr. President, will the Senator yield for another question?

Mr. HUNT. I yield.

Mr. THYE. Even in such a case I would not agree with the Senator's statement. I believe that in the instance which the Senator has cited, if the young man had received his education and training at the expense of the Government and had secured an excellent practice in a community, he owes an obligation to the Government. I feel that the Advisory Board should proceed to find a medical man to take his place and let this young man serve his country because the country educated him.

Mr. HUNT. I agree with the Senator, but the Advisory Board should not do that until it has replaced the physician.

Mr. THYE. That is correct. I would not want to leave the impression that because he had secured a good practice he should be left there. I think some other physician should be brought in to take over the practice and let the young man go and serve his country, because the Government educated him during the time the youth of the land were fighting for their country.

Mr. GURNEY. If I may interrupt, the bill solves that question by providing that those who secured their training at Government expense during World War II shall be in the first priority.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. WHERRY. I wish to recur to the question asked by the Senator from Minnesota. He cited a case which I would have cited myself. I should like to ask what authority the board would have to make the priority effective? I agree with the principle that members of the medical and dental professions who received their training at the expense of the Government and have not seen service, should serve. That is the proper procedure, as I told a friend of mine, a medical man, in Nebraska. But this board acts before the Selective Service comes into play.

Mr. HUNT. I would say they act in conjunction.

Mr. WHERRY. The board certainly would have to act before the Selective Service called the man if they were going to supplant him with a doctor from some other place.

Mr. HUNT. Let me say that I think the wording of the bill is such that there will be very few questions along the line of that which the Senator suggests, because there are four priorities in which men shall be called. Under the four priorities, if there is a hardship case, or some other real reason why a physician should not be taken from the community, the advisory board should step in.

Mr. WHERRY. But the advisory board's function is to attempt to solve the question of priorities before the Selective Service calls a doctor. If they do not have that function, it seems to me they would have very little to do. But let us forget the medical service for a moment.

Mr. THYE. Mr. President, if the Senator will withhold his statement——

Mr. WHERRY. It is not a statement; it is a question. But I shall be glad to withhold it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. THYE. In the event a medical man from some community were selected by the Selective Service, he could file an appeal. I do not believe the advisory board would proceed to say to a selective-service board, "Take Dr. Smith and Dr. Jones, they will be available to you to draft." I do not believe they would operate in quite that way.

Mr. HUNT. It is not a mandatory provision.

Mr. THYE. In other words, in the event the young physician who is drafted should appeal, the advisory board would then review the case to make certain that no hardship had been caused. That would be the way I should anticipate the board would function.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. WHERRY. Is that the way the advisory board would function after the draft board has called a physician?

Mr. HUNT. No.

Mr. GURNEY. It would not operate in quite that way.

Mr. WHERRY. How would it operate?

Mr. GURNEY. First, there is a call from the Defense Establishment for so many doctors for each branch of the service. Let us start further back than that. First, all the doctors are registered. They are placed in categories in each State of the Union and in each county, in accordance with the bill. There comes a call from the Defense Establishment for X number of doctors. There is a complete record of how many doctors are registered all over the Nation, so many in priority 1, New York State, so many in Arizona, and so forth, and the call for doctors is spread in accordance with the number registered in each State.

Mr. WHERRY. Percentagewise, I suppose?

Mr. GURNEY. That is correct; those who are in class A in the Nation at large. Then we come to so many being called from each State. The State advisory committee knows in advance how many class I men they have and who are most available. They then advise with the local selective-service board in several counties. Dr. Brown is at the top in this county; Dr. Jones has second priority; and pretty soon they get the dozen or two dozen doctors necessary for the State's quota. At the present time that is the way the calls have been placed in the States. I think 750 were called from the Nation at large. I do not remember the figures exactly, but in Nebraska and South Dakota approximately 150 were called to make up the national call for 750.

Mr. WHERRY. So the Advisory Board comes into play, makes a survey, ascertains the number of doctors eligible in class 1 priority, and from there on attempts to get doctors without dislocating to a great extent the situation when the call is finally made.

Mr. GURNEY. Yes.

Mr. WHERRY. I want to say that I think that is an improvement over what we had the last time.

Since the distinguished Senator from South Dakota is on the floor, let me ask if it is the policy to send over for combat service men who have been drafted or who have been called up as Reserves, without any training?

Mr. GURNEY. Does the Senator refer to medical men?

Mr. WHERRY. No; I am speaking now about another matter. It has nothing to do with medical men.

Mr. GURNEY. The Senator is referring to inductees?

Mr. WHERRY. Either to inductees or men who are in the Reserve. I have in mind a boy who, when 17 years of age, enlisted in the Marine Corps Reserve. He had received light training in the summertime.

Mr. GURNEY. I am quite sure that every one coming into the service would receive at least 4 months' basic training.

Mr. WHERRY. Before they are sent across the water?

Mr. GURNEY. Yes. They would receive training which with their previous training would bring them to a point of efficiency which would equal 6 months of basic training.

Mr. WHERRY. I have in mind a member of the Eighteenth Marine Battalion, from my section. He volunteered when he was 17 years of age and was placed in the Reserve. He is now 19 years of age. He has received no training except the 2 weeks, or whatever it is, in the summertime. He is interested in his country and wants to do what he can for it. He was sent to Camp Pendleton in California. He arrived there last Friday and today he was told he was going overseas. He has been assigned to a combat unit which will immediately go into battle.

Mr. GURNEY. I would say that the Marine Corps felt the reserve had had training in the past 3 years equal to a 4-month basic training which he would otherwise get.

Mr. WHERRY. Does the Senator believe that the boy has had ample opportunity to acquaint himself with the weapons of war so as to be ready to fight?

Mr. GURNEY. I would not express an opinion unless I knew the exact case which the Senator has in mind.

Mr. WHERRY. I am asking for information. I know the Senator has the information.

Mr. GURNEY. The Marine Corps could answer the question. If he has not had the equivalent of 4 months' basic training, he should not put him in combat.

Mr. WHERRY. Would he get any training between here and overseas?

Mr. GURNEY. Perhaps he would get it very quickly at the front.

Mr. WHERRY. But that is not my question. He is being sent to a combat division.

Mr. GURNEY. If the Senator from Nebraska will contact the Marine Corps, they would immediately tell him that if the reserve has not received the necessary basic training, he would not now be assigned to a combat unit.

Mr. WHERRY. I am here to tell the distinguished Senator that the man has already been sent there. He is now in a unit which is on its way overseas. He has not had the requisite training. I am asking what the policy is. I will do the best I can with the case.

Mr. GURNEY. They may give him a job which is not front-line duty.

Mr. WHERRY. He is in a combat unit.

Mr. GURNEY. I know, but——

Mr. WHERRY. He is a foot soldier in the Marine Corps.

Mr. GURNEY. Perhaps, but they may assign him to duty in back of the lines somewhere.

Mr. MARTIN. Mr. President, will the Senator from Wyoming yield so that I may ask a question of the Senator from South Dakota?

Mr. HUNT. I yield to the distinguished Senator from Pennsylvania.

Mr. MARTIN. The distinguished Senator from South Dakota has had much experience because of his work on the Committee on Armed Services. From his service does he think that 4 months of basic training is sufficient for a ground soldier?

Mr. GURNEY. No; I do not. I should like to have them get a great deal more training if we had the time to give them the training. I should like to give them a training of 6 months or a year. Six months or a year would be much better, of course.

Mr. MARTIN. If we would start now, would it not be possible to give every ground soldier 1 year of training? It would not have to be all basic training. A soldier could be given training as to how to take care of himself. He could be given some training in personal hygiene, in the firing of various weapons, in communications, and things of that kind. Does not the Senator think that the more training a soldier receives the greater will be the chance that he will not become a casualty?

Mr. GURNEY. Certainly the more training he has had the greater will be the chance that he will come home. However, we have not enacted legislation which would give soldiers the opportunity to get that kind of training in peacetime. We are up against it now when we must put boys into front-line service too soon.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. HUNT. I yield.

Mr. THYE. We have had the Selective Service Act on the statute books. Could not the administration or the War Department have called men up and trained them during the last 12 months?

Mr. GURNEY. They could have if they had asked for additional money, and if Congress had appropriated the additional money.

Mr. THYE. Did Congress ever reject any appropriation request which would have permitted them to call men up under the Selective Service Act?

Mr. GURNEY. Every request which has been made by the administration in that respect has been granted by Congress.

Mr. THYE. For that reason if a request had come for appropriations with which to continue the Selective Service Act and to call up men under the act, I am sure the Committee on Appropriations would have granted the money, and these youths, and many of whom are only high-school kids, would not be called into service today and be on their way to the front with no training whatsoever except a couple of weeks in the past 2 years. I know some chaps who have had only 2 weeks of training last year and 2 weeks of training this summer, and they are at Oceanside, Calif., in Camp Pendelton, getting ready to go overseas in a Marine division.

Mr. GURNEY. I do not wish to argue with the Senator from Minnesota. He is asking me a question and he expects an answer. However, I wish to remind him that only a few days prior to the ending of the Draft Act this summer it was finally extended for an additional year. It ran almost to the termination date.

Mr. WHERRY. Mr. President, will the Senator yield so that I may ask a question of the Senator from South Dakota?

Mr. HUNT. I yield.

Mr. WHERRY. Neither the administration nor anyone speaking for it came before the Committee on Appropriations and asked for funds, did they?

Mr. GURNEY. That is correct.

Mr. WHERRY. So the statement which the Senator from Minnesota made is correct. The draft law was in effect, and if the administration had asked for an appropriation they could have had these men trained. Instead, the administration followed a policy under which they felt it would not be necessary. Is that not true?

Mr. GURNEY. The Selective Service Act of 1948 called for a total ground force in the Army, Navy, and Air Force of 844,000 men.

Mr. WHERRY. That is, the appropriation called for it.

Mr. GURNEY. The appropriation called for the amount of money to provide for that number.

Mr. WHERRY. That is all they asked for.

Mr. GURNEY. One year after that the size of the Army was reduced, and appropriations were asked for 700,000. The size of the ground forces was reduced 100,000. The second year we had a request for appropriations for a ground force of about 620,000. That is the record with respect to selective service.

Mr. WHERRY. The Selective Service Act was in effect, and if the administration had asked for more money they could have brought more men into service.

Mr. GURNEY. If Congress had granted the request.

Mr. WHERRY. Congress granted all the money they asked for.

Mr. GURNEY. Yes.

Mr. MARTIN. Mr. President, I should like to make an observation. It is not only the recruit who is being endangered by insufficient training, but also his comrades on his right and left, if he is not a properly trained soldier. It is unfortunate to send a man into action without sufficient basic training, and that includes part of the training of a soldier. That is why I have been talking about universal training, and I have about come to the conclusion and will say tomorrow that we must have universal military service in order to protect the young men of our country.

I should like to make the further observation that the making of officers to lead our boys is of even greater importance than the matter of training the individual soldier.

Mr. KEM. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. KEM. I should like to ask the Senator from Wyoming about Senate bill 4029.

Is there any difference between the compensation to be received by a person in a specialist category who enters active service under this bill, if enacted into law, and one who enters active service under the other statutes?

Mr. HUNT. I think the Senator's question is whether there is any difference between those who volunteer under the act and those who have previously volunteered or those who are drafted into the service.

Mr. KEM. That is correct.

Mr. HUNT. I would say yes, there is a difference. When a medical or dental officer volunteers or is taken into service he receives $100 extra compensation a month. At first that was provided as an incentive. However, I would say to the Senator that now the thinking has changed on that point, and the $100 is considered as extra compensation for the extra years of college training and the extra service which he renders to the armed services. In other words, he is being paid $100 a month extra because his education is over and above that of the usual line officer.

Mr. KEM. Mr. President, if this bill is enacted into law, will the persons with the necessary qualifications still be accepted as volunteers?

Mr. HUNT. Yes.

Mr. KEM. Even though this law is in effect?

Mr. HUNT. Yes; they still will have the opportunity to volunteer.

Mr. KEM. Will any person who is covered by the bill likely wait to be called under its provisions? Would he not, in order to obtain the additional compensation, take advantage of the other provision?

Mr. HUNT. I believe that under the provisions of this bill, as soon as it is passed we will have a tremendous number of volunteers in the categories covered.

Mr. KEM. Even after the bill is passed the opportunity to volunteer will still be open?

Mr. HUNT. It will still be open.

Mr. GURNEY. Mr. President, will the Senator from Wyoming yield?

Mr. HUNT. I yield.

Mr. GURNEY. I would agree with the Senator from Wyoming in his answer to the Senator from Missouri, but I desire to call his attention to the fact that as soon as this bill passes every graduate doctor or dentist must register. Then he could volunteer, but he would volunteer through selective service and the State advisory committee, because the State advisory committee still retains its function to take care of the medical needs of the civilian population. In other words, there might be a group of doctors in one community who would get together and say, "We will all volunteer," leaving no medical service for the community. So I agree with the Senator that they will volunteer, but they will have to get the okay of the advisory group in any State. I hope the Senator from Wyoming agrees with me in that statement.

Mr. HUNT. I agree with the Senator. I think I should say one other thing. We have provided for the annual deferment of medical and dental students taking predental and premedical courses, because we all know the shortage of dentists and physicians throughout the United States and unless we have a constant flow of young men taking dentistry and medicine, in the case of another war we will have the same great shortage.

I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment is an amendment to the title, which will be acted upon after the Senate passes the bill.

The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes."

Mr. HUNT. I wish to thank the Senator from Minnesota for allowing us to consider and pass this important bill.

Mr. HUMPHREY. It was a very important matter, and all of us are grateful to the Senator for the expeditious manner in which he handled the bill. I was very happy to be able to yield to him.

THE DEFENSE PRODUCTION ACT OF 1950

Mr. DWORSHAK. Mr. President, in reply to questions asked of me, I wish to explain why I did not call up my amendment to the defense production bill, relating to section 703 of that bill. On August 14, when that measure was before the Senate, I pointed out that the President would be granted authority to create new agencies, and that I was fearful he might interpret that to mean that he could justify the creation of a valley authority, for instance, like the Columbia Valley Authority in the Northwest. However, at that time assurances were given to me by the majority leader and by the chairman of the Senate Committee on Banking and Currency, that it was not intended by the committee to give any such authority to the President. When that record was made, I conferred with reclamation leaders of the Western States, and they were satisfied that in the face of that record it was not necessary to call up my amendment.

I desired to cooperate with the leaders who wanted no action on the amendment which would have prevented the President from creating a valley authority. I believe their assurances are adequate, and that the President will not seek to circumvent the will of Congress by creating a valley authority under the power granted him by section 703 of the Defense Production Act.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

S. 665. An act for the relief of Margaret D. Scott;

S. 858. An act for the relief of Mrs. Sanford Pruitt;

S. 986. An act for the relief of Carlos Riggenbach;

S. 1913. An act for the relief of Adelaide Giovanna Summa;

S. 2047. An act for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito;

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915;

S. 3094. An act for the relief of Miriam Rosenblum;

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Majorie, and his daughter, Janina;

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts;

S. 3426. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife;

S. 3546. An act to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes;

S. 3659. An act to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of special use identification tags, and for other purposes;

H. R. 8726. An act to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts and in connection with moving-picture news reels; and

S. J. Res. 163. Joint resolution to designate the reservoir above Baldhill Dam in North Dakota as Lake Ashtabula.

EXECUTIVE SESSION

Mr. MYERS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Post Office and Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. LEAHY, from the Committee on the District of Columbia:

Emory Byington Smith, of the District of Columbia, to be an associate judge of the municipal court for the District of Columbia, to fill a new position.

RECESS

Mr. MYERS. Mr. President, since the nominations have been laid down, that is all we desire to have done in executive session.

Therefore, as in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 8 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 30, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 29 (legislative day of July 20), 1950:

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Mary M. Gunn, Jackson, Ala., in place of C. C. Calhoun, deceased.

ARIZONA

Margaret H. Connor, Clarkdale, Ariz., in place of M. L. Davey, retired.

Fred E. Morris, Coolidge, Ariz., in place of J. B. Boone, retired.

ARKANSAS

Alfred Wade Bishop, Lincoln, Ark., in place of Walter Finley, resigned.

Elmer Peter Blanton, Marked Tree, Ark., in place of R. E. Pace, Jr., resigned.

CALIFORNIA

Leon M. Boice, Lincoln Acres, Calif., in place of Arthur Patterson, resigned.

Vivian L. Hemenway, Pine Grove, Calif., in place of Enid Penrose, resigned.

COLORADO

Frank A. Pomponio, Denver, Colo., in place of J. O. Stevic, retired.

Clarence F. Matthews, Ordway, Colo., in place of F. F. Hensler, transferred.

GEORGIA

Horace Wright, Douglasville, Ga., in place of N. M. Hawley, retired.

Howard William Butler, Unadilla, Ga., in place of J. C. Pickren, retired.

George Weldon Prickett, Union Point, Ga., in place of B. L. Boyd, retired.

ILLINOIS

Fred J. Rudloff, Carterville, Ill., in place of Gertrude Tippy, removed.

INDIANA

Sara B. Brammer, Mount Summit, Ind., in place of Louane Neff, retired.

MAINE

Eugene S. Fitzgerald, Smyrna Mills, Maine, in place of A. S. Fitzgerald, deceased.

MARYLAND

Benson W. Matthews, Marion Station, Md., in place of E. R. Woodland, deceased.

MICHIGAN

Schuyler D. Wade, Swartz Creek, Mich., in place of A. M. Lewis, resigned.

MINNESOTA

Martin E. Jensen, Luverne, Minn., in place of Jacob Ohlsen, retired.

Cormac A. Suel, Shakopee, Minn., in place of H. C. Mertz, deceased.

MISSOURI

Ralph D. Hall, Doniphan, Mo., in place of S. F. Scanlon, resigned.

Joseph O. Burchfield, Marshfield, Mo., in place of W. T. McMahan, retired.

Charles E. Jones, Rolla, Mo., in place of H. J. Baysinger, deceased.

Maurice G. Lentz, Sumner, Mo., in place of M. K. Turner, resigned.

NEBRASKA

Sterling D. Barrett, Dix, Nebr., in place of W. J. Baur, transferred.

Orlo R. Kreutz, Harvard, Nebr., in place of T. A. Siefken, retired.

NEW HAMPSHIRE

Charles H. Dalton, West Lebanon, N. H., in place of H. A. Aher, retired.

NEW YORK

George A. Christensen, Clymer, N. Y., in place of J. J. Reagan, retired.

Abraham Finkle, Far Rockaway, N. Y., in place of E. M. Fitter, retired.

John D. Allardice, Hudson, N. Y., in place of A. G. Harvey, deceased.

Marjorie H. Schneider, Islip, N. Y., in place of E. S. Raynor, deceased.

Robert L. Patterson, Thousand Island Park, N. Y., in place of M. A. Cupernall, retired.

George C. Pharmer, Lake George, N. Y., in place of G. W. Caldwell, deceased.

Horace V. Orton, Wingdale, N. Y., in place of J. W. Hodge, retired.

OKLAHOMA

Perry H. Townsend, Jr., Asher, Okla., in place of J. A. King, removed.

OREGON

Harold T. Lay, Enterprise, Oreg., in place of C. H. Reavis, deceased.

PENNSYLVANIA

Norman L. Lausch, Adamstown, Pa., in place of S. M. Rathman, retired.

George Harold Smith, Charleroi, Pa., in place of J. W. Manon, retired.

John W. Allen, Elkland, Pa., in place of G. W. Allen, resigned.

Joseph E. Summers, Graterford, Pa., in place of I. E. Clark, resigned.

Francis X. Walsh, Jessup, Pa., in place of F. J. Langan, resigned.

Elizabeth M. Foreman, Pulaski, Pa., in place of V. R. Nosik, resigned.

Russell S. Powell, Sr., Riegelsville, Pa., in place of C. B. Rufe, retired.

Raymond A. Bucher, Schaefferstown, Pa., in place of J. N. Backenstose, deceased.

James L. Woodard, Shinglehouse, Pa., in place of F. A. Phoenix, deceased.

Earle V. Miller, Union City, Pa., in place of J. D. Brakeman, deceased.

SOUTH CAROLINA

Charles J. Brockington, Jr., Andrews, S. C., in place of N. G. Anderson, transferred.

Murph R. Mahaffey, Jr., Duncan, S. C., in place of L. L. Hadden, deceased.

SOUTH DAKOTA

Wallace J. Schiferl, Davis, S. Dak., in place of H. P. Temple, retired.

TEXAS

John Boyd Lawson, Arlington, Tex., in place of A. C. Barnes, deceased.

Nora B. Elkins, Saginaw, Tex., in place of A. Z. Wakefield, retired.

Allen S. Lawrence, Sinton, Tex., in place of E. F. Bonorden, deceased.

Daniel M. Hannan, Taylor, Tex., in place of J. L. Brunner, retired.

James D. Trainer, Sonora, Tex., in place of R. D. Lancaster, removed.

Ray W. Oliver, Weatherford, Tex., in place of R. K. Phillips, deceased.

VIRGINIA

John F. Harlan, Charlottesville, Va., in place of R. H. Perry, resigned.

Frank L. Davis, Jr., Courtland, Va., in place of W. J. Story, retired.

Charles H. Owens, Draper, Va, in place of E. T. Pratt, deceased.

Robert M. Owen, Emporia, Va., in place of B. M. Garner, deceased.

Paul S. Gilmer, Lebanon, Va., in place of C. S. Hendricks, deceased.

WASHINGTON

Donald W. Fern, Maple Valley, Wash., in place of E. J. Trana, deceased.

WEST VIRGINIA

Herman Taylor, Hopemont, W. Va., in place of John Speicher, deceased.

Lillie M. King, Switchback, W. Va., in place of M. L. Shrader, resigned.

Vaughn L. Fleming, Wallace, W. Va., in place of C. D. Ashcraft, deceased.

WISCONSIN

Richard P. Koenigs, Campbellsport, Wis., in place of W. J. Sullivan, resigned.

John G. Stoffel, Richland Center, Wis., in place of J. P. Kelly, retired.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 29, 1950

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., the Chaplain, offered the following prayer:

God of all grace and goodness, Thou hast entrusted Thy servants with a high and sacred vocation. May they earnestly covet the benediction which Thou dost bestow upon the faithful.

Grant that daily we may bear witness to our kinship with Thee, counting it our greatest privilege to avail ourselves of Thy divine companionship, our highest wisdom to seek and follow Thy guidance, and our loftiest aspiration to incarnate the spirit of our blessed Lord and to manifest that spirit in all the spheres of human relationships.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 456. An act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7824) entitled "An act to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FREAR, Mr. LONG, and Mr. DWORSHAK to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8992) entitled "An act to eliminate the additional internal-revenue taxes on coconut oil from the Trust Territory of the Pacific Islands, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 8028) entitled "An act to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. MURRAY, and Mr. BUTLER to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3409) entitled "An act to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. MURRAY, Mr. MCFARLAND, Mr. BUTLER, and Mr. MILLIKIN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to a bi" and joint resolution of the House of the following titles:

H. R. 7265. An act to provide for the conduct of a periodic census of governments; and

H. J. Res. 238. Joint resolution to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On August 23, 1950:

H. R. 2121. An act to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials.

On August 25, 1950:

H. R. 4136. An act for the relief of Helen M. Booth;

H. R. 2854. An act for the relief of the estate of Wade H. Noland;

H. R. 4584. An act to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes;

H. R. 7155. An act to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest-land owners, and for other purposes;

H. R. 7209. An act authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources;

H. R. 8112. An act to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States; and

H. R. 9023. An act to amend the Hatch Act.

On August 26, 1950:

H. R. 7439. An act to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes.

On August 28, 1950:

H. R. 6000. An act to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes; and

H. J. Res. 510. Joint resolution to exempt certain counsel employed by committee from certain Federal laws under Special Committee on Campaign Expenditures, 1950.

RESIGNATION FROM AND APPOINTMENT TO COMMITTEE ON APPROPRIATIONS

The SPEAKER laid before the House the following resignation from a committee:

The Honorable the SPEAKER,
House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Appropriations.

Respectfully,

CHARLES A. PLUMLEY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 830) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved That NORRIS COTTON, of New Hampshire, be, and he is hereby elected a member of the standing Committee of the House of Representatives on Appropriations.

The resolution was agreed to.

HON. CHARLES A. PLUMLEY

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, it is with deep regret I note the resignation of my good friend of many years, CHARLIE PLUMLEY, from the Committee on Appropriations. It is an indication of his determination not to return to the next Congress.

Mr. PLUMLEY is retiring voluntarily. He could have been reelected without difficulty but felt he was entitled to a few years when he could rest, travel, and enjoy more of the comforts of life.

Mr. PLUMLEY has had a long and brilliant public career. He has served the people of his State in many fields of activity.

He was a valued legislator in his home State of Vermont where he presided with grace and dignity as Speaker of the House. He was known as one of the ablest Speakers ever to preside over the Vermont Legislature.

He served for years as president of Norwich University, an outstanding military college. The institution is popularly called another West Point. From this school have come many men who won high rank in military and civilian life of our country.

Here in Washington Mr. PLUMLEY has served for years as a valued Member of the House. He was a member of the hard working Appropriations Committee and for years an invaluable member of the Naval Affairs Subcommittee. During the war years and since he has had a prominent part in building a strong American Navy.

Mr. PLUMLEY is a man of acknowledged ability and strong in his convictions. He believes in America and works diligently to make a better country.

He is blessed in his family life, a gracious and lovely wife and a fine family are the joy of his life.

His daughter, Mrs. Adams, I am pleased to say, is one of my good friends and constituents in the town of Wellesley.

Here in the House of Representatives, Mr. PLUMLEY is universally esteemed on both sides of the aisle, and I know I speak for all when I say we all wish him many years of health and happiness in the years that lie ahead.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, I join with the distinguished gentleman from Massachusetts [Mr. MARTIN], the minority leader in the fine expressions of praise about our friend, the gentleman from Vermont [Mr. PLUMLEY], who has rendered outstanding service while a Member of this body. CHARLES PLUMLEY is a man deeply versed in international law. His forebears were not only great students of international law, but some of them occupied most prominent positions in our Government in previous generations, and made marked contributions to the progress of our country, particularly to the solution of the grave international problems of their day.

Mr. WIGGLESWORTH. Mr. Speaker, I, too, regret very much that the decision of our good friend, CHARLIE PLUMLEY, of Vermont, is to deprive us of our daily association with him here in the House.

Few Americans can point to public services extending over a longer period of time, service to both State and to the Nation.

Fifty-six years ago CHARLIE PLUMLEY entered the public service as assistant secretary of the Vermont Senate.

Since that time he has served as clerk of the house of representatives in Vermont, as commissioner of taxes, as a member of the house of representatives, as speaker of the house of representatives, and for 18 years as a Member of the Congress of the United States.

In addition, he was for the period of 4 years president of Norwich University, where students were trained to take their places in the Armed Forces of the Nation and he has himself served in the Vermont National Guard and in the Officer's Reserve Corps.

For many years, while a Member of this House, he has served as a member of the powerful Appropriations Committee and as a high-ranking member of that committee, bringing to its deliberations his knowledge of and love for the Armed Forces of the country.

We have worked shoulder to shoulder in the work of the committee.

His long and distinguished record of service will always, I know, be a source of genuine satisfaction to him and to those close to him.

He will be greatly missed by his many friends here on both sides of the aisle.

I join in wishing for him health and every possible happiness in the years to come in his well-earned retirement.

MRS. CAROLYN MULDOWNEY

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 823) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. Carolyn Muldowney, widow of Joseph D. Muldowney, Jr., late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed $350 toward defraying the funeral expenses of the said Joseph D. Muldowney, Jr.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FEDERAL-AID HIGHWAY ACT OF 1950

Mr. WHITTINGTON. Mr. Speaker, I call up the conference report on the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3010)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7941) to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as

follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That for the purpose of carrying out the provisions of the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), and all Acts amendatory thereof and supplementary thereto, and for continuing the construction and reconstruction of highways in accordance with the provisions of the Federal Aid Highway Act of 1944 approved December 20, 1944 (58 Stat. 838), as amended and supplemented by the Federal Aid Highway Act of 1948 (62 Stat. 1105), there is hereby authorized to be appropriated the sum of $500,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953.

"The sum herein authorized for each fiscal year shall be available for expenditure as follows:

"(a) $225,000,000 for projects on the Federal-aid highway system.

"(b) $150,000,000 for projects on the Federal-aid secondary highway system or as may hereafter be added to such system in accordance with the provisions of paragraph (b) of section 3 of the Federal Aid Highway Act of 1944 (58 Stat. 838), as amended and supplemented by the Federal Aid Highway Act of 1948 (62 Stat. 1105): *Provided*, That such funds shall be expended on the secondary and feeder roads, farm-to-market roads, rural mail routes, public school bus routes, local rural roads, county roads, township roads, and roads of the county-road class, with types of construction that can be maintained at reasonable cost to provide all-weather service, and the projects for construction shall be selected and the specifications with respect thereto shall be determined by the State highway department and the appropriate local officials in cooperation with each other. This provision shall not be construed to modify any of the other provisions of paragraph (b) of section 3 of the Federal Aid Highway Act of 1944 (58 Stat. 838), as amended by the Federal Aid Highway Act of 1948 (62 Stat. 1105).

"(c) $125,000,000 for projects on the Federal-aid-highway system in urban areas.

"The said sums, respectively, for any fiscal year, shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal Aid Highway Act of 1944 approved December 20, 1944: *Provided*, That the census figures used in making said apportionments shall be those shown by the latest available Federal census.

"Any sums apportioned to any State under the provisions of this section shall be available for expenditure in that State for two fiscal years after the close of the fiscal year for which such sums are authorized, and any amount so apportioned remaining unexpended at the end of such period shall lapse: *Provided*, That such funds for any fiscal year shall be deemed to have been expended if a sum equal to the total of the sums apportioned to the State for such fiscal year is covered by formal agreements with the Commissioner of Public Roads for the improvement of specific projects as provided by this Act.

"SEC. 2. Any State desiring to avail itself of the benefits of the funds apportioned for expenditure on the Federal-aid secondary highway system shall establish in its State highway department within six months after the close of the next regular session of its legislature, a secondary road unit and such department shall be suitably organized to discharge to the satisfaction of the Secretary of Commerce, the duties herein required: *Provided*, That any State highway department may arrange with any county or group of counties having competent highway engineering personnel, suitably organized and equipped to the satisfaction of the State highway department, to supervise construction and maintenance on a county-unit or group-unit basis for the construction and maintenance of secondary road projects: *Provided further*, That the term "county" as used in this section shall be construed to include corresponding units of government under any other name in States which do not have county organizations, and likewise in those States in which the county government does not have jurisdiction over highways it may be construed to mean any local governmental unit vested with jurisdiction over local highways.

"SEC. 3. For the purpose of carrying out the provisions of section 23 of the Federal Highway Act (42 Stat. 218), as amended and supplemented, there is hereby authorized to be appropriated (1) for forest highways the sum of $20,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953; (2) for forest development roads and trails the sum of $17,500,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953; and (3) for forest highways within, adjoining, or adjacent to the Tongass National Forest, the additional sum of $3,500,000 for the fiscal year ending June 30, 1951, and a like sum for the fiscal year ending June 30, 1952, to provide for the improvement and extension of the highway facilities to serve the present and potential traffic incident to the further development of the timber and other resources of southeastern Alaska: *Provided*, That immediately upon the passage of this Act, the appropriation herein authorized for forest highways for the fiscal year ending June 30, 1952, shall be apportioned by the Secretary of Commerce for expenditure in the several States, Alaska, and Puerto Rico, according to the area and value of the land owned by the Government within the national forests therein which the Secretary of Agriculture is hereby directed to determine and certify to him from such information, sources, and departments as the Secretary of Agriculture may deem most accurate, and hereafter, on or before January 1 next preceding the commencement of each succeeding fiscal year the Secretary of Commerce shall make like apportionment of the appropriation authorized for such fiscal year: *Provided further*, That the Commissioner of Public Roads may incur obligations, approve projects, and enter into contracts under the apportionment of such authorizations, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof: *Provided further*, That the appropriations made pursuant to authorizations heretofore, herein, and hereafter enacted for forest highways shall be considered available to the Commissioner of Public Roads for the purpose of discharging the obligations created hereunder in any State or Territory: *Provided further*, That the total expenditures on account of any State or Territory shall at no time exceed its authorized apportionment: *And provided further*, That appropriations for forest highways shall be administered in conformity with regulations jointly approved by the Secretary of Commerce and the Secretary of Agriculture.

"SEC. 4. (a) For the construction, reconstruction, improvement, and maintenance of roads and trails, inclusive of necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the Act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of $10,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953: *Provided*, That hereafter appropriations for the construction, reconstruction, and improvement of such park and monument roads shall be administered in conformity with regulations jointly approved by the Secretary of the Interior and the Secretary of Commerce.

"(b) For the construction, reconstruction, improvement, and maintenance of parkways, authorized by Acts of Congress, on lands to which title is vested in the United States, there is hereby authorized to be appropriated the sum of $13,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953: *Provided*, That hereafter appropriations for the construction of parkways shall be administered in conformity with regulations jointly approved by the Secretary of the Interior and the Secretary of Commerce: *Provided further*, That $3,000,000 of the sum authorized for the fiscal year ending June 30, 1952, shall be available for contract immediately upon the passage of this act.

"(c) For the construction, improvement, and maintenance of Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands under the provisions of the Act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of $6,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953: *Provided*, That the location, type, and design of all roads and bridges constructed shall be approved by the Commissioner of Public Roads before any expenditures are made thereon, and all such construction shall be under the general supervision of the Commissioner of Public Roads.

"SEC. 5. Any State, county, city, or other political subdivision that shall issue bonds and use the proceeds of such bonds for the construction of toll-free facilities in order to accelerate the improvement of the National System of Interstate Highways, the Federal-aid primary highway system or the Federal-aid highway system in urban areas, may apply any portion of the funds herein, or hereafter, authorized for expenditure on said systems of highways and apportioned to such State under the provisions of section 1 to aid in retirement of annual maturities of the principal indebtedness of such bonds to the extent that the proceeds of such bonds are actually expended in the construction of said systems of highways: *Provided*, That payment of Federal funds on the principal indebtedness of such bonds shall be made only on account of any such facility that is constructed in accordance with plans and specifications approved in advance of construction by the Commissioner of Public Roads: *Provided further*, That payment of Federal funds pursuant to this section shall not exceed the pro rata basis authorized by section 1: *And provided further*, That payments to any State pursuant to this section shall be made exclusively from apportionments to such State from funds authorized by the Congress to be apportioned for expenditure on said systems of highways and this section shall not be construed as a commitment or obligation on the part of the United States to provide such funds.

"SEC. 6. That section 14 of the Federal Highway Act, approved November 9, 1921 (42 Stat. 212), is hereby amended to read as follows:

" 'SEC. 14. It shall be the duty of the State to maintain any highway within its boundaries after construction under the provisions of this Act. If at any time the Commissioner of the Bureau of Public Roads shall find that any such highway in any State is not being properly maintained he shall call such fact to the attention of the highway department of such State and if within ninety days after receipt of such notice said highway has not been put in a proper condition of maintenance, then the Commissioner of Public Roads shall withhold approval of further projects in such State until such highway has been restored to a proper condition

of maintenance: *Provided*, That in any State wherein the highway department is without legal authority to maintain a highway so constructed as a secondary or an urban road project the highway department of such State shall enter into a formal agreement with the appropriate officials of the county or city in which such highway is located for its maintenance, and if at any time the Commissioner of Public Roads shall find that such highway is not being properly maintained he shall call such fact to the attention of the highway department of such State and if within ninety days after receipt of such notice said highway has not been put in proper condition of maintenance then the Commissioner of Public Roads shall withhold approval of further secondary or urban road projects in such county or city until said highway shall have been placed in a proper condition of maintenance.'

"SEC. 7. That subsection (a) of section 5 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838), is hereby amended by increasing the Federal share payable on account of the costs of rights-of-way from 'one-third' to not to exceed 'one-half' of such costs.

"SEC. 8. Section 3a of the Federal Highway Act of November 9, 1921, as amended by the Act of February 20, 1931 (46 Stat. 1173), is hereby amended to read as follows:

" 'SEC. 3a. That the Secretary of Commerce is authorized to cooperate with the State highway departments and with the Department of the Interior in the construction of public highways within Indian reservations and national parks and monuments under the jurisdiction of the Department of the Interior, and to pay the amount assumed therefor from the funds allotted or apportioned under this Act to the State wherein the reservations and national parks and monuments are located.'

"SEC. 9. Not to exceed $5,000,000 of any money heretofore or hereafter appropriated for expenditure in accordance with the provisions of the Federal Highway Act, as amended and supplemented, shall be available for expenditure by the Commissioner of Public Roads, in accordance with the provisions of the Federal Highway Act, as amended and supplemented, as an emergency relief fund, after receipt of an application therefor from the highway department of any State, in the repair or reconstruction of highways and bridges on the primary or secondary Federal-aid highway systems, which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophes in any part of the United States, and there is hereby authorized to be appropriated any sum or sums necessary to reimburse the funds so expended from time to time under the authority of this section: *Provided*, That no expenditures shall be made with respect to any such catastrophe in any State unless an emergency has been declared by the Governor of such State and concurred in by the Secretary of Commerce: *Provided further*, That the Federal share payable on account of any repair or reconstruction project provided for by funds made available under this section shall not exceed 50 per centum of the cost thereof.

"SEC. 10. For the purpose of carrying out the provisions of section 3 of the Federal Highway Act (42 Stat. 212), as amended by the Act of June 24, 1930 (46 Stat. 805), there is hereby authorized to be appropriated for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations the sum of $5,000,000 for the fiscal year ending June 30, 1951, and a like sum for the fiscal year ending June 30, 1952, to remain available until expended: *Provided*, That such funds shall be available for expenditure in the lands hereinbefore described on the basis of need in such States, respectively, as determined by the Commissioner of Public Roads upon application of the highway departments of the respective States and without regard to any law for the apportionment of such funds among said States: *Provided further*, That $2,500,000 of the sum authorized for the fiscal year ending June 30, 1951, shall be available for contract immediately upon the passage of this Act.

"SEC. 11. (a) Section 1 of the Act entitled 'An Act to provide for cooperation with Central American Republics in the construction of the Inter-American Highway', approved December 26, 1941 (55 Stat. 860), is hereby amended to read as follows:

" '(b) There is hereby authorized to be appropriated in addition to the sums heretofore authorized, the sum of $4,000,000 for the fiscal year ending June 30, 1951, and a like sum for the fiscal year ending June 30, 1952, to be available until expended, to enable the United States to cooperate with the Governments of the American Republics situated in Central America—that is, with the Governments of the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama—in the survey and construction of the Inter-American Highway within the borders of the aforesaid Republics, respectively. Not to exceed $2,000,000 of the appropriation hereinabove authorized for each fiscal year may be expended without requiring the country or countries in which such sums may be expended to match any part thereof, if the Secretary of State shall find that the cost of constructing said highway in such country or countries will be beyond their reasonable capacity to bear. The remainder of such authorized appropriations shall be available for expenditure only when matched to the extent required by this Act by the country in which such expenditure may be made. Expenditures from the sums available on a matching basis shall not be made for the survey and construction of any portion of said highway within the borders of any country named herein unless such country shall provide and make available for expenditure in conjunction therewith a sum equal to at least one-third of the expenditures that may be incurred by that Government and the United States on such portion of the highway. All expenditures by the United States under the provisions of this Act for material, equipment, and supplies shall, whenever practicable, be made for products of the United States or of the country in which such survey or construction work is being carried on. Construction work to be performed under contract shall be advertised for a reasonable period by the Minister of Public Works, or other similar official, of the government concerned in each of the participating countries and contracts shall be awarded pursuant to such advertisements with the approval of the Secretary of Commerce of the United States. No part of the appropriations herein authorized shall be available for obligation or expenditure for work on said highway in any cooperating country unless the government of said country shall have assented to the provisions of this Act; shall have furnished satisfactory assurances that it has an organization adequately qualified to administer the functions required of such country under the provisions hereof; and then only as such country may submit requests, from time to time, for the construction of any portion of the highway to standards adequate to meet present and future traffic needs: *Provided*, That no part of said appropriations shall be available for obligation or expenditure in any such country until the government of that country shall have entered into an agreement with the United States which shall provide, in part, that said country—

" '(1) will provide, without participation of funds herein authorized, all necessary right-of-way for the construction of said highway, which right-of-way shall be of a minimum width where practicable of 100 meters in rural areas and 50 meters in municipalities and shall forever be held inviolate as a part of the highway for public use;

" '(2) will not impose any highway toll, or permit any such toll to be charged, for use by vehicles or persons of any portion of said highway constructed under the provisions of this Act;

" '(3) will not levy or assess, directly or indirectly, any fee, tax, or other charge for the use of said highway by vehicles or persons from the United States that does not apply equally to vehicles or persons of such country;

" '(4) will continue to grant reciprocal recognition of vehicle registration and drivers' licenses in accordance with the provisions of the Convention for the Regulation of Inter-American Automotive Traffic, which was opened for signature at the Pan American Union in Washington on December 15, 1943, and to which such country and the United States are parties, or of any other treaty or international convention establishing similar reciprocal recognition; and

" '(5) will provide for the maintenance of said highway after its completion in condition adequately to serve the needs of present and future traffic.'

"SEC. 12. For the purpose of carrying out the provisions of section 6 of the Defense Highway Act of 1941 (55 Stat. 765) as amended, there is hereby authorized to be appropriated the sum of $10,000,000, to remain available until expended: *Provided*, That $2,000,000 of the sum authorized by this section shall be available for contract immediately upon the passage of this act: *Provided further*, That the roads authorized to be constructed under this section shall be certified to the Secretary of Commerce as important to the national defense by the Secretary of Defense or such other official as the President may designate.

"SEC. 13. Any State highway department which submits plans for a Federal-aid highway project involving the by-passing of any city or town shall certify to the Commissioner of Public Roads that it has had public hearings and considered the economic effects of such a location.

"SEC. 14. The Commissioner of Public Roads is authorized and directed to assist in carrying out the action program of the President's Highway Safety Conference and to cooperate with the State highway departments and other agencies in this program to advance the cause of safety on the streets and highways: *Provided*, That not to exceed $75,000 shall be expended annually for the purposes of this section.

"SEC. 15. All provisions of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838), and the provisions of the Federal-Aid Highway Act of 1948, approved June 29, 1948 (62 Stat. 1105), not inconsistent with this act, shall remain in full force and effect.

"SEC. 16. The Secretary is authorized to delegate to the Commissioner of Public Roads any authority vested in him by this Act.

"SEC. 17. If any section, subsection, or other provisions of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

"SEC. 18. That all Acts or parts of Acts in any way inconsistent with the provisions of

this Act are hereby repealed, and this Act shall take effect on its passage.

"SEC. 19. This Act may be cited as the 'Federal-Aid Highway Act of 1950.'"

And the Senate agree to the same.

WILL M. WHITTINGTON,
GEORGE H. FALLON,
CLIFFORD DAVIS,
J. W. TRIMBLE,
GEO. A. DONDERO,
PAUL CUNNINGHAM,
J. HARRY MCGREGOR,
Managers on the Part of the House.

DENNIS CHAVEZ,
JOHN L. MCCLELLAN,
JOHN SPARKMAN,
ROBERT S. KERR,
ARTHUR V. WATKINS,
GEO. W. MALONE,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7941) to amend and supplement the Federal Aid Highway Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck all after the enacting clause of the House bill and inserted in lieu thereof an amendment which was a complete substitute for the text of the House bill. However, the provisions of the House bill and the Senate amendment were in large part identical. The following statement indicates the differences between the House bill and the Senate amendment and the action of the conferees with respect to these differences.

BILL AS AGREED CARRIES AMOUNTS IN HOUSE BILL FOR PRIMARY, SECONDARY AND URBAN FEDERAL AID ROADS

Section 1 of the conference agreement and section 1 of the House bill authorize $500,000,000 for appropriations for the fiscal years ending June 30, 1952 and June 30, 1953, on the basis of 45 percent for the Federal-aid primary system, 30 percent for the Federal-aid secondary system, and 25 percent for the Federal-aid urban system, thus authorizing $225,000,000 for the primary highway system, $150,000,000 for the secondary highway system, and $125,000,000 for the urban system. The Senate authorized the identical amount as did the House for the Federal-aid primary system, but reduced by $15,000,000 the authorization for the secondary highway system and by $12,500,000 the authorization for the urban areas. The percentages of the availability of the funds for expenditure was disrupted by the Senate amendment reducing the authorizations for secondary highways and for urban highways. Inasmuch as the authorization for Federal-aid primary roads is the same in the House and in the Senate bills, there was no way to maintain the percentage of expenditures of the funds except to raise the Senate authorizations to the amounts carried in the House bill. There are other reductions, however, in the bill as agreed to in conference that make the aggregate of the authorizations both direct and indirect, in the bill as agreed to in conference, less than they were in the Senate bill.

The authorization in the bill as agreed to for primary, secondary, and urban roads in the sum of $500,000,000 is the same as the amount carried by the House for these roads and the amount recommended by the President's budget.

SECONDARY ROADS

The Senate, in section 1, undertook to provide that secondary highway funds should be spent only on local rural roads or county roads or roads of the county road class. The House took the position that the language defining secondary and feeder roads in the acts of 1944 and 1948 should be brought forward and that the Senate language should be modified so as to promote the intent that the secondary road funds should be used for the local rural roads and roads of the county road class including township roads as defined in existing law with flexibility in the States desiring to use the secondary funds on the State roads that were on the secondary road system. The intent of Congress is that the funds shall be used as directed on the secondary and feeder roads as described in the conference report. The Senate language was therefore modified so as to emphasize the use of secondary road funds on the roads as defined in the acts of 1944 and 1948, and on roads of the local rural road and county road class, with the flexibility to accomplish their use as indicated. The language in the conference agreement with respect to secondary and feeder roads emphasizes the intent of Congress that local rural roads are to be constructed. Among the benefits of Federal-aid secondary roads is that, as a result of the experience of all of the States which will be made available to each of the States, a better type of local road will be constructed that will be an example of a better type of local road to the townships, counties, and States. With the emphasis on local roads, the funds are to be expended on the secondary and feeder roads as defined by the acts of 1944 and 1948. The conference agreement developed new language covering secondary roads which more clearly defines the roads to be included in the Federal-aid secondary highway system and improved with Federal-aid funds. The new language also provides that the State highway departments and the local officials will select the projects for construction with these funds and will determine the specifications for their construction. Following this cooperation projects will be submitted to the Commissioner of Public Roads in the usual way.

Section 2 of the conference agreement includes section 2 of the Senate bill which requires a secondary road unit in the State highway departments to be established within 6 months.

Section 3 of the conference agreement retains the authorization of section 3 of the House bill for $17,500,000 for forest roads and trails, and it includes the amendment of the Senate bill authorizing $3,500,000 for the Tongass National Forest in Alaska, as recommended by the Director of the Budget.

Section 4 (a), (b), and (c) of the conference agreement is section 4 (a), (b), and (c) of the House bill with a modification of the House provisos so as to permit the construction as provided by existing law and so as to provide for the construction, maintenance, and improvement of parkways, in subsection (b) as provided by the Senate bill, under existing law, and with contract authority for $3,000,000 in (b).

In section 5 of the conference agreement the House conferees accepted the Senate amendment to eliminate a special authorization of $70,000,000 for improvement of the national system of interstate highways. The House conferees also accepted the Senate amendment to authorize counties, cities, or other political subdivisions, as well as States, to issue bonds, the proceeds of which would be used to accelerate the construction of toll-free facilities on the Federal-aid primary and Federal-aid urban systems and to be reimbursed for the principal of bond proceeds so used from future Federal-aid apportionments in the legal pro rata for such Federal-aid projects. All projects financed in this manner will be submitted to the Bureau of Public Roads in the usual way by the State highway department; and future payments of Federal-aid funds to assist in the retirement of the principal of bonds issued by a State, county, city, or other political subdivision and used on such projects will be made to the State.

Sections 6, 7, and 8 of the conference agreement are identical with sections 6, 7, and 8 of the House and Senate bills.

Section 9 of the conference agreement is the same as section 9 of the House bill with the authorization reduced to $5,000,000 as provided in section 9 of the Senate bill.

Section 10 of the conference agreement is section 10 of the Senate bill, which authorizes $5,000,000 a year for 2 years for construction under the act of June 24, 1930, with modifications. There was no such authorization in the House bill.

Section 11 of the conference agreement authorizes appropriations on the Inter-American Highway of $8,000,000 in 2 years instead of $16,000,000 in 4 years as carried in the Senate bill. There was no similar authorization in the House bill but the Budget submitted a recommendation for $64,000,000 for a period of 8 years. The section as agreed to provides for a modification of the Senate language by striking out the language with respect to construction under contracts with the government of the country in which the construction is to be done and leaves the approval of works and contracts for works to the Secretary of Commerce or the Commissioner of Public Roads.

Section 12 of the conference agreement eliminates section 12 (a) and (b) of the Senate bill and provides in lieu thereof an authorization of $10,000,000 for defense highways as provided by the Defense Highway Act of 1941. The Senate provisions would have deducted the $10,000,000 from other road authorizations to be replaced. Under subsection (b) of the Senate section 12 there was no limitation. Section 12, therefore, in the conference agreement is a material reduction from the unlimited authorizations in section 12 (b) of the Senate bill.

Section 13 of the conference agreement was not in the House bill, and it is section 13 of the Senate bill as amended to strike out "villages" and to provide only for hearings for bypassing cities and towns.

Section 14 of the conference agreement is section 10 of the House bill and is identical with section 14 of the Senate bill.

Section 15 of the conference agreement strikes out section 15 (a) and (b) of the Senate bill providing for the raising of bridges over navigable streams at Federal expense with no limit on the authorization, and inserts in lieu thereof section 5 of the House bill, which provides that the acts of 1944 and 1948 not inconsistent with this act remain in full force and effect. The conferees felt that inasmuch as there had been no hearings in either the Senate or the House Committee on Public Works there should be hearings on the raising of bridges and that the authorizations should be in a separate bill.

Sections 16, 17, 18, and 19 of the conference agreement are identical with the same numbered sections of the Senate bill and with sections 11, 12, 13, and 14 of the House bill.

WILL M. WHITTINGTON,
GEORGE H. FALLON,
CLIFFORD DAVIS,
J. W. TRIMBLE,
GEO. A. DONDERO,
J. HARRY MCGREGOR,
PAUL CUNNINGHAM,
Managers on the Part of the House.

Mr. WHITTINGTON. Mr. Speaker, the statement of the managers on the part of the House and the conference report are available to all Members. I therefore ask unanimous consent that the further reading of the statement be dispensed with and that the statement be printed at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The question is on agreeing to the conference report.

Mr. WHITTINGTON. Mr. Speaker, the Senate struck all after the enacting clause of the House bill and inserted in lieu thereof an amendment which was a complete substitute for the text of the House bill. The provisions of the House and Senate bills, however, were in large part identical. In lieu of the Senate amendment the bill as set forth in the conference report will take the place of both the House and Senate bills which, as stated, were similar in many respects.

There is in the statement of the managers on the part of the House an analysis of the bill agreed to in conference which sets forth, section by section, the differences between the bills of the House and Senate. It would be difficult for me to add anything to the very clear statement of the House managers.

PRIMARY, SECONDARY, AND URBAN FUNDS—SECTION 1 OF THE CONFERENCE AGREEMENT

The House bill, and the Senate bill, each carried $225,000,000 for the primary highway system. The Senate bill carried $15,000,000 less than the House bill for secondary roads, and $12,500,000 less than the House bill for the urban areas. The percentages of the total appropriation in the acts of 1944 and 1948 were 45 percent for primary roads, 30 percent for secondary roads, and 25 percent for urban areas. The Senate bill was out of balance and disrupted the percentage of funds as between the three classes of roads adopted in the acts of 1944 and 1948. Inasmuch as the amount of the primary funds was not in dispute, the House amounts for secondary roads and for urban areas are retained in the conference agreement. The total authorization is identical with the amounts of the House bill and is in accord with the recommendation of the President.

SECONDARY ROADS

The House bill provided that secondary road funds should be expended according to the acts of 1944 and 1948. The Senate bill undertook to change this provision so as to require that the funds be spent on county roads and local rural roads. There was no flexibility that would enable States desiring to do so to use these funds on secondary roads that are in the State system. The language of the Senate bill was at least conflicting with the language of the acts of 1944 and 1948 respecting secondary roads.

It was the intent of the House bill and the Senate bill to provide for local secondary roads in language flexible enough to enable States to use secondary funds on a higher type of State roads of the secondary system if they so desired. The Senate language was stricken and the provision covering secondary roads as set forth in the conference agreement was adopted. A full explanation is set forth in the statement of the managers on the part of the House. Under the conference agreement all projects for secondary and feeder roads and all projects selected, and all specifications with respect thereto, and all secondary roads selected for construction, are to be approved by the Commissioner of Public Roads as provided in the acts of 1944 and 1948.

SEVENTY-MILLION-DOLLAR INTERREGIONAL HIGHWAY SYSTEM

The House bill included $70,000,000 for the improvement of the national system of interstate highways. This provision is eliminated in the conference agreement.

AMOUNTS

The House bill provided for a total annual authorization of $646,575,000. The bill as agreed to in conference provides for $594,075,000 annually for the two fiscal years, or substantially $50,000,000 less than the total of the House bill.

It is fair to say that while the Senate bill provided for a definite total of $569,075,000, there were two indefinite authorizations that would have more than made up the difference between the definite amounts as carried in the Senate bill and the House bill of approximately $25,000,000 annually. The indefinite amounts covered access and defense highways and bridges as carried in the Senate bill.

Section 2 of the conference agreement includes section 2 of the Senate bill which requires a secondary road unit in the State Highway Departments and this section was recommended by the Commissioner of Public Roads. As a matter of fact, such units have been set up in practically all of the highway departments of the States.

The conference agreement carries the amounts of the House bill for forest roads and trails, with an additional $3,500,000 for the Tongass National Forest in Alaska as recommended by the Director of the Budget.

The conference agreement carries the amounts as provided in the House bill for construction of parkways and for roads in Indian reservations and Indian lands, and with contract authority of $3,000,000 as provided in the Senate bill for parkways.

The conference agreement reduces the authorization for emergency funds in the House bill from $10,000,000 to $5,000,000.

The conferees ageed to retain section 10 of the Senate bill which authorizes $5,000,000 annually for 2 years for construction under the act of June 24, 1930, with modifications. There was no such authorization in the House bill. I trust there will be no such authorization in future bills.

INTER-AMERICAN HIGHWAY

The Senate bill authorized appropriations of $16,000,000 for 4 years on the Inter-American Highway system. The conference agreement carries $8,000,000, or $4,000,000 annually for 2 years, with modifications of contract authority as contained in the Senate bill, and as set forth in the statement of the managers on the part of the House.

ACCESS AND DEFENSE HIGHWAYS

The Senate bill authorizes $10,000,000 for defense highways with provisions for indefinite amounts for access and defense highways. The conference agreement eliminated the Senate provision and authorized $10,000,000 for defense highways. This is a material reduction in the amount of the Senate bill. The $10,000,000 was recommended by the President.

The conference agreement adopts the Senate provision with respect to hearings for bypassing cities and towns. The provision for hearings with respect to villages was eliminated. There was no similar provision in the House bill and the House conferees reluctantly agreed.

The conference agreement eliminates the section of the Senate bill providing for the raising of bridges over navigable streams and for Federal authorizations to contribute to the cost thereof. There were no hearings before the Committee on Public Works of either House. This section, therefore, was eliminated without prejudice to further consideration or hearings respecting the amendment.

The conference agreement provides for continuing the constructive Federal-aid highway program of the acts of 1944 and 1948 for the fiscal years 1952 and 1953.

Mr. Speaker, inasmuch as the conference report provides for the adoption of the last major bill that I shall present before the expiration of my term at the close of the present session, I wish to express my appreciation to the members of the House Committee on Public Works for their loyalty, cooperation, and confidence accorded to me as chairman of the committee. At the time the pending bill was originally considered and passed by the House, and when other major bills during the present session reported by me as chairman of the committee on Public Works were under consideration, and especially on the occasion of my seventy-second birthday on May 4, 1950, members of the committee, and other Members of the House, were most gracious, as shown by the proceedings of the House, in their expressions of commendation of my work as a member of the committee and of the House. I am most grateful to you, Mr. Speaker, to the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], to the minority leader, the gentleman from Massachusetts [Mr. MARTIN], to the former majority leader, the gentleman from Indiana [Mr. HALLECK], to my colleagues from Mississippi, and to the Members of the House, for generous tributes to me on the floor of the House. I express my grateful appreciation to the many other Members of the House and the Senate who have spoken to me personally and referred most generously to my services as a Member of the House during the present session.

At the conclusion of my present term, I shall retire, gracefully, I trust, and gratefully I know. I have had the honor and privilege of serving as a Member of

the House of Representatives for 13 consecutive terms. Members have been kind enough to say they will miss me. I will miss them more than they miss me. While my eyes are toward the setting sun and the span of my life is drawing, I trust slowly, to a close, I retire from the membership of the House, with good wishes for the success and prosperity of all Members and with an abiding belief in the American system of Government, with the two-party system and majority rule, with the sovereignty of the Union, and with the rights and responsibilities of the States. My interest in public affairs and in good government will continue to the end of my life.

Mr. Speaker, I have no requests for time. I understand the report is generally satisfactory. I know of no opposition.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. DONDERO. Mr. Speaker, this is a unanimous report from the conferees, and I have no requests for time and know of no opposition.

Mr. WHITTINGTON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Con. Res. 274), to correct a typographical error.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of the bill H. R. 7941, the Federal Aid Highway Act of 1950, is authorized and directed to make the following corrections: In the provisos of section 5 strike out the words "subsection" wherever they occur and insert the words "section."

Mr. WHITTINGTON. Mr. Speaker, the resolution is self-explanatory. It was simply a typographical error. The word "subsection" occurred and it should be "section."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on the Federal Highway Act.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

HIGHWAYS AND THE WAR EMERGENCY

Mr. STOCKMAN. Mr. Speaker, in the face of the potentialities of the present international situation, highway transportation may well look to the lessons of World War II. The impact of Pearl Harbor was sudden and dramatic. Crude rubber sources were suddenly cut off; oil, steel, and the capacities of the automotive industry were wholly devoted to the machinery of war. Depleted in manpower, and with new equipment and essential materials unavailable, the highway departments were called upon to maintain a road system that was already inadequate.

The need was urgent, for the main highways and the access roads to war plants, military establishments, and sources of raw materials were vital links in our production line. Though pleasure travel ceased to exist, truck travel remained almost at a prewar level and average loads increased appreciably, particularly for the heavier vehicles. Parts for planes, ships, and guns were in many cases hauled hundred of miles to the final assembly plants and thence trucked to ports of embarkation. Passenger cars played their part by providing transportation for millions of workers to and from factories, often located miles from the nearest city.

The lesson in all this is obvious; highways so essential in times of emergency cannot be built when the demand is greatest; they must be built now. The greatest usage, in war as in peace, is on the principal highways of the Nation. In this the Department of National Defense concurs.

Traffic has increased tremendously since the war. Forty-five million motor vehicles were registered in 1949, and they traveled 424,000,000,000 vehicle-miles in that year. But seven-eighths of that travel was on the 660,000 miles of city streets and main rural highways. A fifth of all travel was on the 40,000-mile national system of interstate highways, which comprises little more than 1 percent of the total mileage of public roads and streets.

Ton-miles of freight carried by trucks have increased from 28,000,000,000 in 1936 to 89,000,000,000 in 1949. Heavier loadings are evidenced by the fact that in 1936 only 43 trucks per 1,000 weighed 15 tons or more while in 1949 the number had risen to 148. Axle loads exceeding 18,000 pounds increased almost six-fold in frequency during the same period.

The highway load continues to increase. The production of motor vehicles is running at a rate of well above 5,000,000 units a year. Vehicle-mileage of travel is now up about 8 percent over last year.

Highway inadequacy, age, and obsolescence are with us more than ever before. Even on the 40,000-mile interstate system—the most important roads in the country—the average age of all surfaces is 12 years, and the average age of the roadbeds on which these surfaces rest is 17 years. In less than 10 years from now, more than half of the existing surfaces of this network will be worn out. Many of the existing surfaces are deficient in width, strength, and sight distances, and have excessive curves and grades. A survey of the system in 1949 by the State highway departments and the Bureau of Public Roads revealed that only 6 percent of the existing mileage was entirely adequate for the traffic it carried.

The primary Federal-aid system, which includes as its important core the interstate system, consists of 219,000 miles of rural primary State highways and 14,000 miles of important city streets. The condition generally of the system is not much different from that of the interstate system. The urban portions particularly are obsolete and tremendously congested.

Much has been done since the end of World War II. Contracts awarded by the State highway departments for highway construction amounted to $0.8 billion in fiscal year 1947, $1.0 billion in 1948, and $1.1 billion in 1949; corresponding mileages of construction were 47,100, 41,000, and 39,800. Federal-aid improvements constituted a large segment of these State programs. The anomaly of increasing expenditures and decreasing mileages is accounted for in part by the rise in construction costs which, in 1948, were more than double those of 1940 and only began to decline slightly in 1949. Additionally, the contracts awarded in the more recent years include a larger proportion of the complex urban expressways.

The Congress has recognized the urgent need for highway improvement, compounded by the enforced hiatus during the last war and the tremendous growth of traffic since. Authorizations for Federal aid for highways were $500,000,000 each for the fiscal years 1946, 1947, and 1948, and $450,000,000 for 1950 and 1951. Estimated highway expenditures in 1949 by the Federal, State, and local governments combined were $3.7 billion, but only 54 percent of this was for replacement and new construction. To overcome the deficiencies of our entire 3.3 million miles of roads and streets will cost, according to various estimates, from $42 to $47,000,000,000. More than $11,000,000,000 of this would be for the important interstate system alone.

It is imperative that we overcome these deficiencies soon. Our peacetime economy is geared to the wheels of our $45-000,000 cars, busses, and trucks. Congestion, delay, and excessive wear on these vehicles because of our inadequate roads, and the innumerable accidents resulting from the congestion and the inadequacy, are costing us far more than it would to provide the remedies.

Needs of the national defense require a rapid improvement, especially of the vital interstate system. Should a war come, it can be taken for granted that money, men, and materials will not be available for highways except for maintenance and the most essential of improvements. Yet the highways will be called upon as never before. They will be part of the assembly, production, and transmisison lines of war materials. They will be vital for the strategic movement of troops. They will be important for the mass evacuation of urban centers.

The railroads, as in the last war, can carry a large proportion of the long-distance bulk hauling. At present, however, there is a serious shortage of box

cars, and a sudden emergency now might throw an even heavier burden on the highways.

Important in war or peace are our forest highways, as means of access to sources of essential minerals and timber. The supply of timber on private lands was very nearly exhausted during the last war. Timber stands in national forests adjacent to forest highways amount to 358,000,000,000 board feet, and are capable of supplying 5,000,000 board feet annually. The old forest highways took a pounding from heavy loads of logs during the war and need reconditioning. New forest roads are needed to tap additional timber stands.

The importance of highway transportation in my own State of Oregon is indicated by the estimated two and eight-tenths billion vehicle-miles of travel on the 6,800 miles of State highways in 1949. The problems common to the Nation exist at home, but are compounded by Oregon's rapid population growth, expanding economy, and increased per capita vehicle ownership and use—all of which surpass the average for the United States as a whole.

Oregon's highway problems were studied exhaustively in 1948. A comprehensive factual report was prepared for a legislative interim committee, showing the deficiencies and needs of the State's highway transportation systems. The total needs were estimated at $705,000,000, of which $469,000,000 was for State highways. In the report Highways Needs of the National Defense made to Congress in 1949 it was estimated that the 700 miles of the interstate system required improvements costing $118,000,000. The report to the State legislative committee recognized that the interstate system is of the greatest importance to travel service as well as national welfare.

Oregon moved toward solution of its highway problems in 1949 by increasing its gasoline tax from 5 to 6 cents per gallon. Total road-user revenues in the State amounted to $33,000,000, and Federal aid provided an additional $6,500,000. Thus Federal aid, amounting to 17 percent of the State's highway income is essential to the continued improvement of Oregon's main roads and streets.

The 1,382 miles of forest highways in Oregon—6 percent of the Nation's total forest mileage—provide access to timber stands of great importance to the entire country. In the fiscal year 1949, 40 miles of construction were completed at a total cost of $2,900,000, and 114 miles were under construction at an estimated cost of $6,000,000. Both of these amounts were very largely from Federal funds.

SPECIAL ORDERS GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative business of the day and any other special orders heretofore entered, and to revise and extend her remarks and include an editorial.

Mr. MADDEN asked and was given permission to address the House for 30 minutes on tomorrow, Wednesday, August 30, 1950, following the legislative business of the day and any other special orders heretofore entered.

NEW GRAND TETON NATIONAL PARK

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. PETERSON, MURDOCK, MORRIS, CRAWFORD, and D'EWART.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in two instances; to include in one an editorial appearing in this morning's Washington Post, and in the other a memorandum relating to the majority opinion of the Ninth Circuit Court of Appeals releasing Harry Bridges on bail.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and that those remarks may appear in the permanent RECORD following the remarks of the gentleman from Michigan [Mr. HOFFMAN] and others regarding the gentleman from New York [Mr. COLE] on August 24.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FENTON asked and was given permission to extend his remarks and include a newspaper article.

Mr. POTTER asked and was given permission to extend his remarks and include a newspaper article, and in another instance to include a speech by the gentleman from Wisconsin [Mr. DAVIS].

Mr. SADLAK asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. WOLVERTON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. WEICHEL asked and was given permission to extend his remarks in three instances and include news items.

Mr. ELLSWORTH asked and was given permission to extend his remarks and include a letter.

Mr. COLE of New York asked and was given permission to extend his remarks and include a newspaper article.

Mr. DONDERO asked and was given permission to extend his remarks and include an editorial.

Mr. HILL asked and was given permission to extend his remarks and include an editorial.

Mr. LANE asked and was given permission to extend his remarks in five instances, and include extraneous matter.

Mr. BRYSON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. O'TOOLE asked and was given permission to extend his remarks and include an editorial from today's New York Times.

Mr. BIEMILLER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. KRUSE asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. O'NEILL asked and was given permission to extend his remarks and include two articles from the Scranton Times and two from the Scranton Tribune.

Mr. HOLIFIELD (at the request of Mr. PRICE) was given permission to extend his remarks.

Mr. EVINS asked and was given permission to extend his remarks.

Mr. ASPINALL asked and was given permission to extend his remarks and include an editorial from the Denver Post.

Mr. GORSKI asked and was given permission to extend his remarks and include an article from the Buffalo Courier Express.

Mr. THORNBERRY asked and was given permission to extend his remarks and include an article from Collier's, notwithstanding the fact that the Public Printer estimates the additional cost will be $184.50.

Mr. DOYLE asked and was given permission to extend his remarks in two instances and in each to include extraneous matter.

Mr. COLMER asked and was given permission to extend his remarks in two instances and include extraneous matter.

PROGRAM FOR THE BALANCE OF THE WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I take this time in order to make an announcement for the information of the Members in connection with the program for this week. After the Wood bill is disposed of by the House, I do not say immediately, but some day this week, contempt proceedings will be brought up, having been voted out by the Special Committee on Lobbying, against Edward A. Rumely, William L. Patterson, and Joseph P. Kamp.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. As the gentleman knows, I am the ranking Republican member of the Select Committee on Lobbying Activities, hence this inquiry: Can the gentleman give us any more definite information as to when these citations may be called up? There is a great deal of interest in them. Would it be tomorrow or Thursday? Or is not the gentleman prepared to say?

Mr. McCORMACK. It will be either Wednesday or Thursday, in my opinion. I do not want to be held fast to following

the Wood bill because there may be some conference reports or other bills that may be reported out of committee that we would want to dispose of. But it is the intention to have them brought up in the House either Wednesday or Thursday. I wish I could give more definite information but I think that is pretty definite. It will be called up after the Wood bill is disposed of or as quickly thereafter as possible.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MARTIN of Massachusetts. Does the gentleman intend, then, that they shall precede the bill providing for the drafting of doctors and dentists?

Mr. McCORMACK. No; that is why I wanted leeway. Any legislation, of course, of that kind which may come out I feel should be given priority.

The SPEAKER. The gentleman from Georgia [Mr. Cox] is recognized.

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 257]

Angell	Hoffman, Mich.	Pfeiffer,
Barden	Holifield	William L.
Barrett, Wyo.	Johnson	Phillips, Tenn.
Blackney	Kearney	Poulson
Boggs, Del.	Kee	Powell
Buckley, Ill.	Keefe	Quinn
Buckley, N. Y.	Keogh	Regan
Bulwinkle	Klein	Rivers
Burleson	Larcade	Roosevelt
Corbett	Latham	Sabath
Crook	McCulloch	Sadowski
Davies, N. Y.	McKinnon	Scott, Hardie
Dingell	McMillen, Ill.	Scott,
Durham	Martin, Iowa	Hugh D., Jr.
Engel, Mich.	Mason	Shelley
Engle, Calif.	Miller, Calif.	Smith, Ohio
Furcolo	Morgan	Werdel
Gillette	Morrison	Williams
Gregory	Murray, Wis.	Willis
Gwinn	Norton	Winstead
Hall,	O'Konski	Withrow
Edwin Arthur	Pace	Wolcott
Heffernan	Pfeifer,	Yates
Hinshaw	Joseph L.	

The SPEAKER. On this roll call 362 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

REGISTRATION, CLASSIFICATION, AND INDUCTION OF CERTAIN MEDICAL, DENTAL, AND ALLIED SPECIALIST CATEGORIES

Mr. VINSON. Mr. Speaker, I ask unanimous consent that it may be in order any time this week to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 9554) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes; that there shall be not to exceed 2 hours general debate to be confined to the bill, to be equally divided and controlled by myself and the gentleman from Missouri [Mr. SHORT], and that the bill be then read for amendment under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MICHENER. Mr. Speaker, reserving the right to object, all the gentleman does is to waive the rule.

Mr. VINSON. That is all it does.

Mr. MICHENER. And his unanimous consent request embodies what would be in the rule.

Mr. VINSON. Exactly.

Mr. MICHENER. It simply saves time.

Mr. VINSON. The gentleman is right.

Mr. LYLE. Mr. Speaker, reserving the right to object, will the gentleman tell me whether or not there is any provision in this bill to provide for doctors at service hospitals to take care of veterans?

Mr. VINSON. Not specifically, but it will be open for discussion under the 5-minute rule and under general debate. I am familiar with what is in the gentleman's mind. There will be ample opportunity for discussion.

Mr. LYLE. Further reserving the right to object, I know the gentleman is familiar with what I have in mind, but is he with me?

Mr. VINSON. I cannot say that I am with you or against you, but I will say that the matter about which the gentleman is concerned is a very important one and it will be debated, no doubt, when the bill comes up. All I am asking now is, as the gentleman from Michigan said, to dispense with the rule. The request embodies everything that would be in a rule.

Mr. HARE. Mr. Speaker, reserving the right to object, on August 22 I introduced the bill H. R. 9501, which is a bill designed to put into law the Holloway plan, similar to that which has gone in effect for the training of naval officers, but it will provide Government scholarships for doctors and dentists on the condition that they serve an equal number of years in the Armed Forces that we provide them with education. My reservation at this time, Mr. Speaker, is to ask if I may be accorded some hearings on that bill.

Mr. VINSON. I may state to the gentleman from South Carolina that the Committee on the Armed Services right now is conducting hearings on departmental bills of high priority. Just as soon as we can get around to his bill I will be delighted to give him a hearing, and I will try to do that before we adjourn.

Mr. HARE. Further reserving the right to object, I might observe that from what I learn concerning the present bill it is designed to care for the situation at the present time.

Mr. VINSON. That is right.

Mr. HARE. It is my impression that if we can inaugurate a program that will train these dental and medical officers and obligate them to serve in the armed services that it will obviate the necessity of a proposal such as is now before the House.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

SUBVERSIVE ACTIVITIES CONTROL AND COMMUNIST REGISTRATION ACT

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 826, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9490) to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Un-American Activities, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, this resolution makes in order consideration of the so-called Wood bill, reported by the Committee on Un-American Activities. It is, of course, a controversial measure concerning which people have various opinions. In my judgment the bill does not go far enough. It is a step in the right direction, however, and I trust that the rule will be adopted.

Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, it is not my intention to indulge in any extended remarks with respect to this rule or as to the bill which will be brought before the House if the rule is adopted. I merely desire to remind my colleagues of the House that this bill, for which a rule is requested, is intended to meet a very, very important problem and to solve it. It is a problem that has commanded our attention for some years.

Most of the Members of the House will recollect that in the Eightieth Congress a bill with this same objective was reported from the Committee on Un-American Activities. I happen to recollect the consideration given to it because it was my fate to preside over the Committee of the Whole while the bill was under consideration. The debate lasted 16 hours and the bill was passed by the House by an overwhelming majority but did not receive favorable action in the other body.

This bill, as I gather, has the same objective as the bill presented in the Eightieth Congress, but, in my humble judgment, approaches the matter more wisely. I may only say to the Members of the House that as a member of the Committee on Rules I was deeply impressed with the descriptions given of this measure by the chairman of the committee that reported it, the gentleman from Pennsylvania [Mr. WALTER] and the gentleman from California [Mr. NIXON]. It was apparent that they and the other members of the committee had given very, very serious consideration to the questions involved, and especial consideration to the protection of American citizens in the right of free speech and freedom of thought. My humble judgment is they have done an excellent job.

I hope not only that the rule will be adopted but that eventually after debate the bill itself in approximately its present form will be passed.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I naturally hesitate to run against the current. I fear me this bill will pass with a preponderating vote; nonetheless those who differ with the proponents of the bill should have the right to have their day in court, and I am exercising that right now.

Not so long ago the President sent a message to this House wherein he said as follows:

> Today we can agree that all good Americans are anti-Communist, but we must never assume that the degree of a man's anticommunism is a test of his American patriotism or his devotion to the things in which we believe. Hitler was an all-out anti-Communist; so was Mussolini. The real test of a man's genuine Americanism today is not merely that he is anti-Communist but also that he is devoted to the ideals and traditions which have made this country great—our concepts of democracy, of individual rights, and of equal opportunity for all.

Apparently, however, the shadow of Russia and the sad events in Korea have high lighted a sort of fear, a hysteria, that has gripped the Nation, and I shall say has even gripped many Members of the House. I do hope that confusion will not track down our wisdom and that our hysterical feelings on anticommunism will not warp our judgment. Let us not see who will do the most breast beating. Let us not enter a race of demagogic patriotism. Remember opponents of the bill can be just as loyal and as patriotic as proponents.

I fear me that this bill, because it is inept, nonconstructive, and unconstitutional, will not carry out the intentions and the purposes expressed by the proponents of the bill. There is no doubt that communism is a cancerous growth on our body politic. Communists are like maggots. I loathe maggots as you do, because they feed on decay and destroy that which is sound and healthy.

I may say also that Communists, to paraphrase the word "maggots" are Maliks. I loathe Maliks just as much as you loathe them. But in fighting communism I do not want to surrender to the concepts of communism. I do not want to surrender to the Communist technique, and I do not want to surrender to the Communist methods.

This bill is an abject surrender to the methods and techniques of communism. The leader of the distinguished party, whose members are on my left, Governor Dewey, you may remember, in the last Presidential campaign, said this:

> Here is an issue of the highest moral principle. In the present issue the people in this country are being asked to outlaw communism. That means this: Shall we in America, in order to defeat the totalitarian system which we detest, voluntarily adopt the method of that system?

This bill, in effect would outlaw the Communist Party. It could not live under the weight of the penalties of this bill. Governor Dewey opposed such outlawry.

Consider experience the Canadians had with outlaws of this party and its leaders. In 1932 the Providence of Ontario prosecuted 8 leaders of the Communist Party under the provisions of the Criminal Code of the Dominion of Canada, section 98. The Criminal Code sections were not originally designed to serve to outlaw the Communist Party. Communist leaders were convicted and given short prison sentences. In 1934 the Dominion Parliament repealed section 98 under which the Communists had been prosecuted.

In 1940 the Minister of Justice of Canada banned the Communist Party. In 1943 the Communist Party formed the Labor Progressive Party which the Canadian Minister of Justice declared legal.

Ontario outlawed the Communist Party in 1932 and Quebec did the same in 1937. Both later rescinded their actions.

The Daily Worker was banned in London in January 1941. The results, according to Times Magazine (September 7, 1942; page 45) was a tremendous increase in membership of the Communist Party. The ban was lifted in 1942.

You might formally wipe out the party but the evil would remain. The Communist cells and cadres would go underground. You could not then put your finger on them. The members thereof are clever, resourceful, and mercurial. The groups would become like chameleons—change color and form quite readily.

The party would not register. It would simply for appearance's sake go out of existence within a short time after the bill's enactment. Then nobody can be punished for failure to register. Many of the 70,000 known Communist Party members would join other parties and attempt to bore from within. They will be no less harmful. In fact they would become more harmful—more resourceful, more resentful. They would continue to meet—in one way or another. As Prof. Z. Chafee, Jr., of Harvard, said:

> Anybody who has studied the history of Irish societies which were working to give Roman Catholics the vote, in the days of Daniel O'Connell, can tell pretty well what will happen. Every time a particular society was declared unlawful, it was promptly dissolved and its former members started a new society to do exactly the same thing. The same process was repeated under Parnell. So we can expect the formation of a large number of Shakespearean Societies, Dante Institutes, chess clubs, indoor baseball associations, etc., Meanwhile you will no longer know whether there are 70,000 Communists at heart or 700,000. In short, if we are scared about the possibility of Communists under the bed, let us cling hard to the existing system which encourages most of them to get on the bed where you can see them.

History has a habit of repeating itself. In 1798 to 1801 the United States faced the French Revolution and Napoleon, as today we face the Communists and Stalin. The lawyers who prepared the Alien and Sedition Act of 1798 and the judges who approved the act believed they were stamping out a foreign menace—a danger as bad as the one we face today. The same arguments were used then as now, only then it was France, now it is Russia. Here is a dire prediction expressed in the report of a committee of this House in 1799, which report recommended continuance of the Sedition Act for two more years:

> France appears to have an organized system of conduct toward foreign nations; to bring them within the sphere, and under the dominion of her influence and control. It has been unremittingly pursued under all the changes of her internal polity. Her means are in wonderful coincidence with her ends; among these, and not the least successful, is the direction and employment of the active and versatile talents of her citizens abroad as emissaries and spies.
>
> As late as January 1801, after the Federalists had lost the Presidency, one of them was still trying to get the House to prolong the statute, by charging French agents with buying several American newspapers with foreign money for the purpose of spreading disaffection.

Let us not ride out on a rail those with whom we violently disagree.

Let us not become heresy hunters. We do with this bill.

The foundation of this bill is that ideas are dangerous—Communist ideas. But it has been fundamental in this country (ever since the Alien and Sedition Act of 1798 was allowed to lapse in 1800) (1) that unhealthy ideas are best countered by healthy ones and (2) that suppression of ideas is grave danger to our national interest. Opinions of Communists are vile, odious. But they only threaten national security when their ideas become acts and they engage in sabotage and espionage.

Then strengthen our laws against sabotage, espionage, spying—protect our internal security as the President suggested. I have embodied his suggestions in a bill and in due course will offer it as a substitute for the Wood bill.

The Wood bill would not: (1) Stop communism. They would go under. Their party would take new form; (2) will not help catch spies and saboteurs; (3) will not protect internal security; (4) it will punish men for their thoughts; (5) it will punish men for expressing ideas.

Communism and Communists should be contained and controlled, because they are indeed fifth-column agents of the Soviet Union. They are Trojan horses for propaganda, sabotage, espio-

nage. But this bill will not accomplish that purpose either promptly or effectively.

The registration provisions of the bill offends the Constitution, especially the first amendment.

No one can be forced to obtain a license or permit to say things protected by the first amendment, free speech, any more than he can be punished after he has said them.

Registration is not dissimilar to a license or permit.

The Supreme Court said in *Thomas* v. *Collins* (323 U. S. 517):

> If the exercise of the rights of free speech and free assembly cannot be made a crime, we do not think this can be accomplished by the device of requiring previous registration as a condition for exercising them and making such a condition the foundation for restraining in advance their exercise and for imposing a penalty for violating such a restraining order.

Registration, therefore, cannot be made a condition precedent for expression for assembly, for formation of a party, for exercise of rights under the Constitution.

But registration is more than disclosure of information—certain sanctions and penalties flow therefrom, for example, first, exclusion from Government service; second, denial of passports; third, Communist label for publications, label for radio broadcasts, label for television; fourth, denial of income-tax deduction.

Take exclusion from Government service of members of Communist action or front organizations—for example. This is already being accomplished by the President's loyalty program and by the bill we passed permitting certain sensitive departments to dismiss employees without hearing or disclosing the reasons therefor, if they are deemed to be security risks.

Denial of passports is now within the discretionary powers of the Secretary of State. Paul Robeson's passport was recalled. Earl Browder was punished for obtaining a passport by fraud. Rockwell Kent has been asked to return his passport.

The labeling requirement applies to all publications, be they innocent, praiseworthy or dangerous. It is not limited to political propaganda. New organizations could be created to distribute such literature in the place of the banned organizations. Thus the labeling provisions will become abortive.

Already the Bureau of Internal Revenue refuses exemption from income of organizations marked subversive by the Attorney General and there can be no deduction by individuals making contributions to such organizations.

Thus there may be no need for these proscriptions and sanctions.

While section 15 provides for criminal penalties for failure to register, all the other provisions are not self-executing.

Failure to register is not punished until after the Subversive Activities Control Board, created by section 12, passes a final order requiring the organization or individual to register. But such an order may be issued only after hearings under the terms of the Administrative Procedures Act. There may be a review by the United States Court of Appeals, and then by certiorari, by the Supreme Court.

The Board's order is to be sustained only if supported by the preponderance of the evidence. All the criteria set forth in section 13 must be taken into consideration by the Board in determining a Communist-action organization or a Communist-front organization. This would permit of an extremely wide range of evidence. The hearings and trials would be prolonged and stretched into months.

Be it remembered that no one registered under the Voorhis Act. The leaders of the Communist Party have publicly announced that they will not register under the bill. They will exhaust all their remedies. That will take until doomsday. It would take 2 years to obtain a final order requiring an organization to register, or exposing its members to sanctions.

None of these sanctions like—

First. Denial of passport,

Second. Exclusion from Federal employment,

Third. Labeling of publications and broadcasts,

Fourth. Denial of tax exemption and deductions can take place until the organization has registered or there is a final order by the Board requiring it to register.

Assume there is the final order and still no registration, there must then follow a series of criminal prosecutions for failure to register, followed by appeals.

No one would be finally fined and/or imprisoned for another 2 years, or about 4 years after passage of the bill.

I respectfully and humbly ask my colleagues to consider well what they say and do in these Chambers today. I ask them to give pause and consider fully their heritage. This is a time for soberness and judgment, for solid, hard, and clear thinking. It is easy enough to excuse or rationalize excesses in the name of patriotism: it is perhaps not so simple to cut through the fogs of emotion and politics and to follow the truth wherever it may lead.

We are mature men and women and must act out of maturity. We are the ones who face the challenges; on us, the Members of Congress, is placed a trust—a grave trust—not to give way to fear, to hysteria—not to run amok when faced with the problems of our age. We must set our faces like flint against this erosive subversion of our hard won liberties.

At the word "communism" do we turn and run leaving the shreds of the Constitution behind us? The word "communism", I know all too well, has an infuriating sound—the most infuriating ring in history. It connotes the ugly, angry thrust for power. It connotes the obscene rigidity which admits no crime too vile if such crime serves its end. It connotes degradation of the individual to mental slavery until there is only one orthodoxy, and one way of thinking, and only one way of life. But we dare not give aid and comfort to the enemy within us by aping any single one of his tactics for in so doing communism in the United States has won its first victory. We surrender to communism if we create the iron curtain of the mind.

The bill before us, H. R. 9490, is, I repeat—to put it simply—inept, foolish, unrealistic, and unconstitutional. As one listens to all the sound and fury that has accompanied the provisions now before us, one gets the impression of children preparing to play the game of blind man's buff, running helter-skelter around the room in the futile catch-as-catch-can fray.

I say that it is pitiable that we are so lacking in imagination and so paralyzed by fear that we are willing to plunge into legislation of this kind without counting the cost. Are we so afraid to go back home and tell our constituents that our civil liberties, our faith in our way of life and the strength of the Constitution are far more potent than some meaningless dribble of law that cannot even accomplish what it sets out to do? Are we afraid to stand up before our constituents and tell them that there are laws on the books that can and do protect us against subversive activities without departing from our basic and decent principles? Good intentions are not enough. As has been said, the road to hell is paved with good intentions. Ask yourselves, What precedents are you here to establish? What hornets' nest of history are you opening? What shutters are you closing in the minds of men?

The bill is so written as to establish a precedent against all criticism, healthy as well as sinister. It is so written as to rob the individual of all honest spontaneity in thought and judgment. By passing this bill you will establish the precedent so that there are no logical limits to the possibility of proscribing an opposition party.

Mind you I am not saying that where our laws are lacking, that lack should not be supplied. But I cannot in all honesty—try as I may and popular as I know the appeal of H. R. 9490 to be and knowing as well what accusations will follow in the mail after I have made this statement—see any merit in the bill before us. I will not be a party to the rape of the Constitution, nor follow the road away from the strength and protection of political freedom. Necessary safeguards; yes. Effective safeguards; yes. But not hollow, fear-inspired legislation because it gives men the opportunity to appear fervently patriotic.

Let it not be said of this Eighty-first Congress, "Liberty, what crimes are committed in your name."

Just exactly what do we gain with this legislation? There is not one provision aimed against sabotage or espionage activities which concern directly the internal security of the United States. My substitute, H. R. 9502, does that. The Wood bill is aimed solely against the dissemination of unorthodox ideas. True, they are sick, tortured ideas—but ideas which have made very little impact in the country as a whole. The American ideal is strong enough to meet in open competition with this totalitarian ideology. The effect of the bill would prevent exactly that kind of open competition, and would drive the Communists underground. The only spectacle that

would ensue would be that of the United States Government hunting phantoms.

Saboteurs and spies are another problem. With these we deal with concrete, exact laws already on our books or we strengthen them with such measures as are offered in my bill, H. R. 9502—the substitute.

Boiling the Wood bill before us down to its essence, we find that we are legislating not against communism, but against the Bill of Rights. Assuming for a moment that it is wise—and I for one make no such admission—to legislate against ideas rather than actions, let us examine the bill to see how effective it can be.

I ask you, What will this kind of legislation accomplish? It carries that which no criminal statute can carry and still be upheld, and that is vagueness of the definition of crime. It disregards the first and fifth amendments of the Constitution. It embraces the unacceptable theory of guilt by association. Yet were all these errors of construction to be removed, it would still remain unsound in principle. Yes, un-American, because it moves against what a man thinks and not against what a man does. Blood has been shed in many battles over many centuries to establish the right of man as an individual to believe and think as he wants to believe and think. By passing legislation of this kind, we deny the martyrs of liberty. The heart is sorely troubled these days because of the movements we see all over the world departing from liberty. Can we not—we the most powerful, the richest, and the freest country in the world—stem that tide by asserting over and over again the principles of freedom—by asserting over and over again that we are not afraid to match our ideals with those of totalitarian countries? Let there be no iron curtain of the mind in the United States.

Mr. WADSWORTH. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, House bill 9490, presented to the House by the gentleman from Georgia [Mr. WOOD], chairman of the Committee on Un-American Activities, should really be known as the Mundt-Nixon-Wood bill, for it is constructed and builded upon the original Mundt-Nixon bill which was passed by this House in the last Congress, and, as the gentleman from New York [Mr. WADSWORTH] has explained, was not acted upon in the other body.

This rule makes in order consideration of the Wood bill under 2 hours of general debate. I am sure every provision of the measure will be discussed fully and ably by the members of the Committee on Un-American Activities which reported it out unanimously.

Mr. Speaker, this is a nonpolitical bill; it is an American bill for the protection and the defense of this country. It seems to me that while American boys are fighting and dying 7,000 miles from home, with their backs to the sea, for the avowed purpose of defending human liberty, stopping aggression and preventing the spread of communism in South Korea, that we cannot do less than take any action which may be necessary to properly defend our own country on the home front.

Yes, as I said a moment ago, this bill should really be known as the Mundt-Nixon-Wood bill. However, this measure does go considerably further, is a stronger bill, and makes a more positive approach to the internal security problem, than the original Mundt-Nixon bill. This measure, of course, does not outlaw, or make a crime, membership in the Communist Party, but it does require registration of members of the Communist Party, and of their active organizations. It does require the furnishing of a list of the officers and members of all Communist organizations, and goes even further. It also requires the filing of proper reports, giving the names of officers, and other information, by Communist-front organizations, and there are too many of those.

The bill also requires and provides that Communists, and members of Communist-front organizations, are to be denied passports.

Sometimes I wonder how wise that may be. Perhaps if we would grant a few passports to some of these undesirable individuals to permit them to leave this country, and then not permit them to come back again, we might be better off here in America.

The bill before us also provides for restrictions on, and the practical prohibition of, as I understand it, employment by the Government in appointive positions and in nonelective offices, of members of the Communist Party and of the Communist-front organizations. It also puts certain restrictions upon the employment of such individuals in the defense plants of the Nation.

I am not sure the bill goes so far as to prohibit the commissioning of Communists in the Armed Forces of the United States, as was ordered in World War II, but I hope it does. It prohibits, of course, wrongful possession of classified information, and makes it a crime to have such classified information, if you are a member of one of these organizations, or pass it on to the representative of some foreign nation.

This legislation also extends the period of time in which the Government may prosecute those who have been guilty of subversive activities within or against the Government. In other words, the time limitation in which prosecution can be conducted of the Wadleighs and Hisses for their traitorous activities against the Government would be extended from the present 3 years to 10 years. I feel that is well and good.

I wish to point out again, as the gentleman from New York has already so aptly said, that this is a very direct and at the same time a very constructive approach to the whole security problem.

I believe the committee has produced a better piece of legislation—certainly a bill that is more airtight—than the original Mundt-Nixon bill, and certainly a measure which is quite a bit tougher than that measure. This is stronger than the original Mundt bill, but will not, in my opinion, in any way violate the civil rights or the personal rights of any decent, God-fearing, loyal, American citizen. However, it will put the straps on those who do not believe in our form of government and way of life, and want to destroy that which we have here in America—that which we ourselves hold are our sacred rights as citizens.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. DONDERO. From the gentleman's reading of the bill, does he find anything in it which will take the Communist Party off the American ballot?

Mr. BROWN of Ohio. No; I do not believe this measure will bar the Communist Party from the ballot, but it will certainly require the Communists to do one of two things, as will undoubtedly be pointed out in debate—according to which way you may feel about this matter—either require to come out in the light and to register as Communists or go underground. But, of course, some of the most dangerous of these subversive individuals have been underground for some time.

Mr. DONDERO. May I say I have introduced a bill to do just that on the ground that the Communist Party is not a political party but a revolutionary party.

Mr. BROWN of Ohio. I appreciate the gentleman's comment. I commend him for his many years of study and hard work in the effort to protect the best interests of this country against the encroachment of communism.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the distinguished gentleman from Pennsylvania, a member of the Committee on Un-American Activities [Mr. WALTER].

Mr. WALTER. In recent days the charges have been made that this legislation attempts to control thought. In support of that argument, paragraph 4 on page 32 is pointed out. It reads as follows:

> The extent to which the positions taken or advanced by it from time to time on matters of policy do not deviate from those of any Communist-action organization, Communist foreign government, or the world Communist movement referred to in section 2.

I would like to point out to the membership that this section must be read in connection with the other four sections. It merely provides another element that must be considered by the Board in determining whether or not an organization is a Communist-front organization. That of itself is not sufficient to justify the finding of this Board, which finding incidentally is reviewable in the courts.

Mr. BROWN of Ohio. I appreciate the gentleman's statement. I, too, was concerned as to this section, and gave it considerable study.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. BROWN] has expired.

Mr. WADSWORTH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. BROWN of Ohio. But I came to the conclusion, after careful review, that this section simply sets up a standard, a gage, or a measurement, by which to help determine and to decide whether some group is a Communist-front or-

ganization. In other words, when one sees an animal with a stripe down his back, with a bushy tail, and it excretes a liquid with a pungent and sickening odor, sooner or later, after one has put all those facts together, he cannot help but come to the conclusion that the animal is a skunk.

Mr. RANKIN. Governed mostly by the odor, of course.

Mr. BROWN of Ohio. Therefore, this provision is just an attempt to set up another method or another standard by which to judge whether some organization is a Communist-front organization.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. CELLER. It is true, is it not, that that criteria that has just been read by the gentleman from Pennsylvania [Mr. WALTER] are material criteria with which to judge these Communist-front organizations?

Mr. BROWN of Ohio. Well, I presume all criteria are material. I hope so. I am sure we want to get every bit of light that we possibly can. Certainly there is no desire on the part of any decent American to persecute anyone or to be unfair to any citizen, but I want to say to the gentleman from New York there is a very great and a very growing desire on the part of decent Americans that this country be protected from the work and the machinations of those people who have been attempting to destroy the very liberties and freedoms which we have extended to them here in America.

Mr. CELLER. That is well spoken, and I agree with the gentleman wholeheartedly, but this particular provision would have the following effect: Suppose a group advocated something directly opposing our policy in Korea or Formosa——

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. BROWN] has again expired.

Mr. WADSWORTH. I yield the gentleman one additional minute.

Mr. BROWN of Ohio. I believe I understand the gentleman's point. Under this bill I can conceive of a situation arising where some individual may be discriminated against a bit. Possibly he may be hurt, but in a time of crisis and of danger there are some citizens who are always hurt and injured. Today American boys are being hurt, and killed, on the battle line, through no fault of their own. That is a risk we must take, that is a cost, we must pay, to protect the liberties and freedoms of the people of this country. If we are to have national security, in a time like this, I say to you, sir, we cannot afford to take chances now. There are times when it becomes necessary to even set aside some of the rights of individuals in order to protect the whole of the population of a great country such as this. Even though there might be, under some particularly farfetched circumstance, such as the gentleman from New York has mentioned, an injustice done some citizen, we had better do one injustice to one individual than to do injustice to all the American people.

The SPEAKER pro tempore. The time of the gentleman from Ohio has again expired.

Mr. COX. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I would like to have my position stated clearly for the RECORD. Not only do I oppose this legislation, which I deem to be an extreme assault upon the Constitution, but I likewise oppose the legislation which the gentleman from New York [Mr. CELLER] has introduced in behalf of the administration. One assails the Constitution, and the other rips the Constitution. I oppose both.

As far as this particular legislation is concerned, I think it would be wise for the Members of the House to go to the library and have brought to them the edicts that were issued by Mussolini and the laws promulgated by Hitler. In fact, I put in the RECORD a parallel comparison in 1948 when we debated the Mundt bill. You will find the similarity between the Fascist-Nazi laws and this legislation shocking. The similarity is frightening, and, incidentally, the conditions under which those laws were invoked against the people of Italy and Germany are the same as we have here now. Always, throughout history, whenever a hatchet job had to be done on the liberties of the people, we have heard speeches similar to the ones we have heard today and that we have heard on other occasions when we have had this type of legislation before us. Hitler and Mussolini uttered similar speeches to destroy the constitutional rights of the Communists—singling them out first; then the Jews were put in concentration camps, and trade-unions and the liberties of all the people destroyed all the way down the line.

I do not want to make any personal reflections here, but I think that despite the hysteria which motivates most of you—and someday this veil of hysteria is going to be cast aside, and the truth is going to be seen by the American people—this form of domestic fascism will be regretted by honest men here. You see the difference between me and those who want to repress people is that I have faith and confidence in the intelligence of the American people, and have always had.

The SPEAKER pro tempore (Mr. LYLE). The time of the gentleman from New York has expired.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield me one additional minute?

Mr. COX. Mr. Speaker, I yield the gentleman one additional minute.

Mr. MARCANTONIO. I am confident that the American people are going to see this thing through. Those who are against them say they want this kind of repressive legislation to preserve freedom. What freedom? The Taft-Hartley freedom that you who promote this legislation have imposed on American labor? The Jim Crow freedom that you leaders in this drive to impose this tyranny on America have imposed upon 15,000,000 Negro people in this Nation? What freedom? You are destroying the freedom the founders of this country of ours laid down in this Constitution; you are destroying the 10 amendments written in there with the blood of Americans who fought a revolution to win them. We seldom hear this word "revolution" used in this Chamber, but it was only through revolution that the 10 amendments were written into the Constitution. You are ripping them; you are tearing them to pieces. You are using the war hysteria to do it, and incidentally to promote an insane war policy about which there is so much confusion and which no one has as yet attempted in honesty to justify.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

(Mr. RANKIN asked and was given permission to revise and extend his remarks and include certain excerpts from publications.)

ENEMIES WITHIN OUR GATES

Mr. RANKIN. Mr. Speaker, it has been most amusing to listen to the two gentlemen from New York [Mr. MARCANTONIO and Mr. CELLER]. You can hardly tell which is which when they really get started. They both reminded me of Mr. Wingo's description of the Snake Railroad. He said:

> It wiggled in and wobbled out,
> And left the people all in doubt.
> Whether in its zigzag track
> It was going west or coming back.

I wonder when anything was ever written into the Constitution of the United States to protect these traitors whose names I am going to read to you today. Communism is out not only to destroy our form of government but also to destroy the Christian religion—the Christian civilization. Not a single one whose name I shall read to you today has ever been a member of a Christian church. There is not a white gentile in the entire group, and the same may be said of at least 75 percent of the Communists in this country.

We have the right to protect America, and God being our helper, we are going to protect her against our enemies, at home and abroad.

The statement of the gentleman from New York, comparing the Communists with Irish patriots, such as Robert Emmet, is simply ridiculous.

LEE PRESSMAN

You just had the case of Lee Pressman, one of the outstanding Communists, who was a member of the Communist Party, and who, when it became dangerous, went underground and kept his treason a secret until brought before the Committee on Un-American Activities.

You have just witnessed an exhibition of whining and dodging by this Lee Pressman, an admitted Communist, who according to Who's Who in American Jewry, volume 3, page 825, has been a member of several law firms in New York and was counsel for the Works Progress Administration under Harry Hopkins in 1935, at which time, he now

admits, he was a member of the Communist Party.

While he claims to have relinquished his membership in the Communist Party about 1936, he merely went underground, as I said, and continued his connections, affiliations, and conspiracies with the Communists in this country until the fire got so hot that he was compelled to come before the Committee on Un-American Activities and admit his treason.

There are thousands of other Reds, Communists, stooges, and fellow travelers in this country today on the Federal, State, and municipal payrolls of the Nation, who are plotting the overthrow of this Government, the destruction of our Christian civilization, and our American way of life.

HARRY GOLD—ALIAS GOLODNITSKY

Then you have Harry Gold, alias Golodnitsky, who has just been convicted. His real name is Golodnitsky. Arrested on charges of espionage May 23, 1950, this notorious traitor was put under $100,000 bail.

He admitted to, and gave detailed accounts of his contacts with Klaus Fuchs, one of the most dangerous atomic spies on earth.

Born in Switzerland of Russian parentage, or born in Russia, he entered the United States with his parents and claimed "derivative" citizenship. Their name was changed from Golodnitsky to Gold.

He attended Drexel University, University of Pennsylvania, Columbia University, and Xavier University in Cincinnati.

He was placed in Holmesburg County, Pa., prison for failure to post bond, and entered a plea of guilty. Sentencing, which could be death, was postponed until September. He is now in prison where all his followers should be lodged.

DAVID GREENGLASS

Then you have David Greenglass, one of the confessed spies, and one of the cohorts of Harry Gold. He was defended by John Rogge, a Communist attorney down here who put in his time persecuting, and using the powers of this Government to persecute, real Americans who were trying to expose communism and drive it from the country. Some of the ones he persecuted died here in Washington, and never did get a trial; they never were tried.

Greenglass was arrested on June 16, 1950, and charged with giving highly secret atomic bomb information to Harry Gold, a confessed spy, who then turned the information over to Anatoli A. Yakovlev, former vice consul of the Russian Soviet consulate in New York. O. John Rogge was retained as his attorney. He was born in New York. His father was a native Russian and his mother was a native of Poland. He admitted joining the Young Communist League in 1938. He was inducted into the Army on April 5, 1943, and discharged on February 29, 1946. From August 1944, until discharged from the Army, he was a machinist at an atom-bomb project at Los Alamos, N. Mex. Here he gained the confidential information he later turned over to our enemies. He was indicted by a Federal grand jury on July 6, 1950, at Santa Fe, N. Mex., and his bail was set at $100,000.

SANFORD LAWRENCE SIMONS

Then there is Sanford Lawrence Simons, another one who is charged with participating in this Gold, or Golodnitsky, treason to turn over our atomic secrets to Russia.

Simons was arrested on August 22, 1950, for stealing a glass vial of top secret plutonium from the Los Alamos laboratory of the Atomic Energy Commission in 1946. He is now held in jail in lieu of $10,000 bond.

MORTON SOBELL

Then there is Morton Sobell, who was arrested on August 18, 1950, on charges of spying for Soviet Russia.

He is a former civilian employee, engineer, for Navy Ordnance, and is charged with conspiring with his brother-in-law, Julius Rosenberg, and others, in sending national defense information to the Soviets while employed on restricted Navy work at the General Electric plant in Schenectady, N. Y., from 1942 to 1947.

He was supposed to conduct radar research for the Navy during the late war.

He was arraigned on August 24, 1950 and held on bail in the amount of $100,000.

ANATOLI H. YAKOVLEV

Then there is Anatoli H. Yakovlev, former Russian vice consul in New York, who was indicted on August 17, 1950, on charges of conspiring to spy for atom-bomb secrets.

He is believed to have returned to Russia in December 1946.

JULIUS ROSENBERG

Here is the record on Julius Rosenberg who was arrested July 17, 1950, and charged with conspiracy to commit espionage. He is, or was, owner and operator of Pitt Engine Products, Inc., in New York.

He was linked with Greenglass and Gold in transmitting atom secrets to Russia.

He was born in New York City May 12, 1918, and is a City College of New York graduate.

He has been a junior engineer in the War Department's Signal Service in Brooklyn, and an assistant engineering inspector in the Signal Corps at Philadelphia.

The FBI said he was removed as associate engineering inspector by the Secretary of War in February 1945 on the recommendation of his commanding officer on the basis of information indicating Communist Party membership. His attempts at reinstatement were unsuccessful.

MRS. ETHEL ROSENBERG

There is also Mrs. Ethel Rosenberg, wife of Julius Rosenberg, whose record follows:

She was arrested on August 12, 1950, and bail was set at $100,000.

The charge was conspiracy to commit espionage.

She is a native New Yorker and in 1940 she was a United States Census clerk on the Federal payroll. Her father was born in Russia and her mother was born in Austria. She has long been affiliated with the Communists and was indicted on the above charge on August 17, 1950.

The following are some of the others who have been engaged in these subversive activities:

MIRIAM MOSKOWITZ

This individual, who was arrested on July 29, 1950, on charges of conspiracy, was born on June 16, 1916, at Bayonne, N. J., graduated from City College of New York, and was employed by the War Manpower Commission in New York from 1942 to 1944. An officer of the Brothman engineering concern this party was indicted for obstructing justice in allegedly influencing Gold's testimony before a Federal grand jury investigating subversive activities, and bail was fixed at $25,000.

ABRAHAM BROTHMAN

This outstanding Red was arrested on July 29, 1950, on charges of conspiracy, and charged with having influenced and intimidated Harry Gold into giving false testimony concerning their relationship.

J. Edgar Hoover disclosed that Gold and Brothman had been brought together by Semen H. Semenov, an official of Amtorg, which, you all know, is a Russian corporation.

According to Gold, a Russian official, in commending Brothman, told him that his work for the Soviet Union was equal to the efforts of one or two brigades of men.

He was head of an engineering concern, A. Brothman Associates, Inc., Long Island City. He was born in New York on August 15, 1913.

He was indicted for obstructing justice in allegedly influencing Gold's testimony before a Federal grand jury investigating subversive activities, and bail was set at $25,000.

ALFRED DEAN SLACK

Then there is Alfred Dean Slack who was arrested on June 16, 1950, charged with passing on a sample of a new secret high explosive to Harry Gold for the Russians.

At the time he was supplying this secret data, and samples, to the Russians, Slack was employed in the Holston Ordnance Works, at Kingsport, Tenn. He was born in Syracuse, N. Y. on August 6, 1905, attended Syracuse University, Central City Business Institute, and later worked on the Manhattan Project at Oak Ridge.

After his arrest, he was taken to the Onondaga County (N. Y.) penitentiary pending removal to Knoxville, Tenn., for action by a Federal grand jury there, and his bail was fixed at $100,000.

SIDNEY WEINBAUM

One Sidney Weinbaum was also arrested on June 16, 1950, on a charge of falsely concealing a Communist Party connection in applying for an assignment to a secret military research project at the California Institute of Technology.

He was released on $5,000 bail for preliminary hearing, July 11.

He was a physicist at California Institute of Technology, and worked on jet propulsion. He was formerly with the Bendix Aviation Corp. and Curtiss-Wright research laboratories, and was formerly a senior physicist at the Cornell University Aeronautical Laboratory. He came to the United States in 1922 after studying at "Charkoff" Institute of Technology.

He was naturalized in 1927, dropping his original first name of Israel.

Mr. Speaker, these are the people who have been stealing our atomic secrets, to aid this enemy of civilization known as communism to blow the United States to pieces.

There is not a single Christian or a single white gentile among these Communists which I have just named, who have been plotting the overthrow of this Government and the destruction of our Christian civilization.

If we fail to pass this bill, and to take every other step necessary to protect our people against these enemies within our gates then, God save America.

Mr. WADSWORTH. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend by remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TALLE. Mr. Speaker, last Friday I directed the attention of this Chamber to the fact that the Army Surgeon General's office is contracting with private doctors and hospitals to administer chest X-rays to inductees on a fixed-fee basis of $5 per examination. A Milwaukee physician is currently raking in more than $1,100 per day from "operation jackpot."

Over the week end the Surgeon General was quoted in the press as stating that the program is of an emergency nature and that the Armed Forces will provide their own examinations as soon as they can replace the X-ray equipment that was disposed of at a tremendous loss following World War II. But the Surgeon General neglected to point out in his press interview that it would be a simple matter for him to secure these X-rays in the interim period at no cost to the Armed Forces.

Surely, Mr. Speaker, the Surgeon General of the Army must know that our taxpayers and the public-spirited citizens who purchase tuberculosis seals at Christmastime are already paying for a program which offers free chest X-rays to every citizen in the land above the age of 15. This survey is being carried on in every State under the auspices of the United States Public Health Service and certain quasi-public nonprofit institutions including the National Tuberculosis Association, chapters of the American Red Cross, local medical societies, and various city, county, and State health departments. Approximately 14,000,000 persons are being X-rayed annually at a cost of less than 50 cents per X-ray. The film itself costs only a few pennies—the 50 cents including the taking, processing, and reading of the X-ray as well as the administrative and promotional expenses.

Some 700 mobile and portable units are presently being operated in this mass survey. And there is no question but that the Public Health Service and the other organizations cooperating in the survey are ready, willing, and able to provide free X-ray service at the 108 induction centers throughout the United States until the Armed Forces are again prepared to handle the examination of inductees.

Here in Washington, for example, a private hospital has X-rayed approximately 2,000 inductees at a fee of $5 each since mid-July. Every cent of that $10,000 was tossed down the drain. The Armed Forces could have obtained these X-rays without any charge whatever merely by marching the inductees to one of the three local X-ray units: the C Street Chest Clinic, the Polk Health Center, or the Southwest Health Center. Remember, each one of these boys who is being inducted is eligible for a free chest examination merely by visiting one of the X-ray units.

Mr. Speaker, the Defense Department's utterly stupid give-away program reflects a callous disregard for the taxpayer's pocket book and constitutes a brazen affront to his intelligence. If this is a typical sample of the Department's spending policies, the Congress should immediately establish a special watchdog committee to investigate all phases of military expenditures.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Georgia, the very able chairman of the Armed Services Committee.

Mr. VINSON. I may say to the distinguished gentleman from Iowa that yesterday the Armed Services Committee authorized an investigation to be made. We, too, had read those articles in the paper. It looks like something is wrong somewhere, where some doctor has been able to get $16,000 for examining enlistees.

Mr. TALLE. I am indeed happy to have assurance that an investigation will be made, and I am confident that the gentleman's committee will conduct a thorough investigation.

Mr. VINSON. The matter will be thoroughly investigated.

Mr. TALLE. I thank the gentleman very much.

Mr. WADSWORTH. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Speaker, the basic problem we have confronting us today with respect to the pending legislation is simply the question whether or not a legislative body representing an overwhelming majority of a free people has the right and the obligation to legislate for the general welfare and for the public safety. I do not think that any of us are naive enough to believe that the Communist Party is in any way, shape or form, a political organization in the accepted sense. It is, in fact, and has been proven to be, an international conspiracy, in which individual members perform duties and obligations that are set forth and detailed for them by a foreign power. Certainly, that abuse of citizenship is something entirely alien to the American philosophy of government.

Much has been said about the possible loss of the civil rights of those who hold membership in organizations proscribed by the passage of legislation such as is here proposed. But, I think all of us realize that the members of the Communist Party owe no allegiance to the United States; they owe no allegiance to our institutions or to our ideals. The only allegiance that is owed by a member of the Communist Party is allegiance which is paid direct to Moscow. It is not an allegiance that is paid to Washington as the Capital city of a great Nation and it is not allegiance that is paid to any State capital or to any local subdivision of government. It is a foreign allegiance, an allegiance which requires the destruction by Communists and fellow travelers of every constitutional form of government in the world that does not agree in every detail with the system or the form of government practiced in the Soviet Union.

So, Mr. Speaker, I feel that we have a very real obligation to discharge in bringing these individuals and their front organizations into the light of day. It is idle to talk about driving them underground. They have been underground ever since the Communist manifesto was written. The Communist Party is like an iceberg. You have one-eighth of it above the surface and the rest of the organization performs its functions underground. I am very much in favor of stringent controls upon the Communist Party and I am confident that 99 percent of the American people take the same position.

Mr. COX. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Speaker, not one word, not one paragraph, not one section in this bill ought to be offensive to any good American. Those it does offend I think ought to be required to step up and register so that they could be reviewed by all good Americans.

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER.]

Mr. MICHENER. Mr. Speaker, as suggested by the gentleman from New York [Mr. WADSWORTH], an anti-Communist bill, known as the Mundt-Nixon bill, in a little different form and language than the Wood bill we are now considering, was before the Congress in 1948, at which time it was debated in the House for 16 hours. In addition, ample opportunity was given to offer and discuss amendments. The necessity for and the purpose of the Mundt-Nixon bill are to all intents and purposes the same today as they were in 1948. We are told that this bill is an improvement. Surely enough has transpired since 1948 to convince the most naive that communism is a threat to civilization and the American way of life.

Mr. Speaker, the revelations made within the last 48 hours before the Un-American Activities Committee by Lee Pressman, Harvard graduate, who held an important position in the Department of Agriculture and later was chief counsel of the CIO, must convince all of us that surely there is inadequate legislation on the statute books to deal with this Communist peril or else there is a woeful lack of desire on the part of our law-enforcing authorities to cope with these subversive activities. We are told that the bill now before the House is a stronger bill; that experience in the last 2 years has made it possible to include language that will stop up some of the loopholes found to exist in the original Mundt-Nixon bill.

While the two bills are not exactly the same, however, fundamentally and objectively they are the same. When the Mundt-Nixon bill was being considered by the House in 1948 I made some remarks which, generally speaking, are just as germane today as they were then. In these circumstances, I ask unanimous consent to revise and extend and include the remarks I made at that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. My remarks referred to are as follows:

Mr. MICHENER. Mr. Speaker, the debate on this bill has continued for days. The Committee on Un-American Activities has led the fight for the bill. The gentleman from New York [Mr. MARCANTONIO] has spearheaded the opposition. Suffice it to say that each side has been adequately presented.

The first decision under our responsibility as legislators requires that we answer this question: Is communism throughout the world and in our own country such a threat and menace to our free institutions, our personal liberties, and our form of government, as to require the interposition of the legislative powers of the Congress?

No one has had the temerity to directly defend communism in this forum. This legislative proposal has been otherwise attacked. It is insisted that there are but few known Communists in the United States, and that to attempt by legislative fiat to hamper or control the activities of these Communists in our midst might interfere with our constitutional guaranties.

The gentleman from New York [Mr. MARCANTONIO] insists that there are in existence two well-known laws: The Voorhis Act, which provides for the registration of foreign agents, and the McCormack Act, which makes it a criminal offense for anyone to willfully advocate overthrow of the Government by force and violence. In addition, of course, there is the law against treason.

It is argued that there is no necessity for passing additional legislation inasmuch as the enforcement of present laws will adequately protect the country against communism. I cannot agree with my friend from New York in this particular. My conclusion is strengthened by the statement made by the Attorney General when he appeared at the hearings before the House Committee on Un-American Activities. In explaining the necessity for additional law, he said:

"I lack the precise mandates which Congress should provide to give me the authority to move in against the subversive Communists."

The committee then made further inquiry as to the type of legislation the Attorney General felt he needed to make it possible for him to properly protect the Government against communism.

The committee's study and investigation found fruition in this Mundt bill which is now before us. I agree with the committee that the Constitution does not deny to the Congress the power to enact laws which will defend the Nation from those who would use liberties guaranteed by the Constitution to destroy it. Communism as an economic, social, and political theory is one thing; communism as a secret conspiracy, devoted to subverting the interests of the United States to that of a foreign dictatorship, is another. If communism in the United States operated in the open, without foreign direction and without attempting to set up a dictatorship subservient to a foreign power, legislation directed against Communists might not be justified or necessary. As we all know, this, however, is not the case.

Our country is today resisting Communist aggression abroad, and it naturally follows that if we have communism at home, the part of wisdom suggests that we proceed at once to put our own house in order. The Communist fifth column in this country is real and dangerous. It takes its direction from Moscow. It operates in secrecy and behind closed doors. Deception is one of its cardinal principles. In these circumstances it is not surprising that the American Communists are all upset. If this Mundt bill becomes a law, they will be forced to give their right names.

Ten years of investigation by the House Committee on Un-American Activities, the Department of Justice, and the Federal Bureau of Investigation have established these facts:

First. That the Communist movement in the United States is foreign controlled.

Second. That its ultimate objective with respect to the United States is to overthrow our free American institutions in favor of a Communist totalitarian dictatorship to be controlled from abroad.

Third. That its activities are carried on by secret and conspiratorial methods.

Fourth. That its activities, both because of the alarming march of Communist forces abroad and because of the scope and nature of Communist activities here in the United States, constitute an immediate and powerful threat to the security of the United States and to the American way of life.

It is easy to argue that additional law is not needed, yet the fact remains that existing law has proved ineffective. It it pretty hard to devise means of combating the tactics of communism, which have been evolved by shrewd men who spend their lives perfecting methods to circumvent the law and law-enforcement machinery of every country in which they operate.

The Mundt bill does not outlaw the Communist Party as such. It is aimed at exposure of Communist activities. It will take the wolves out of sheep's clothing. It will remove the false whiskers.

Section 4 of the bill provides:

"CERTAIN PROHIBITED ACTS

"SEC. 4. (a) It shall be unlawful for any person—

"(1) To attempt in any manner to establish in the United States a totalitarian dictatorship the direction and control of which is to be vested in, or exercised by or under the domination or control of, any foreign government, foreign organization, or foreign individual;

"(2) To perform or attempt to perform any act with intent to facilitate or aid in bringing about the establishment in the United States of such a totalitarian dictatorship;

"(3) Actively to participate in the management, direction, or supervision of any movement to establish in the United States such a totalitarian dictatorship;

"(4) Actively to participate in the management, direction, or supervision of any movement to facilitate or aid in bringing about the establishment in the United States of such a totalitarian dictatorship;

"(5) To conspire to do anything made unlawful by this subsection."

I ask you, does this section take away any of the rights, guaranties, or privileges to which those affected are entitled under the Constitution? The answer is, of course not. Be it remembered that there has been more opposition to this section by Communists, fellow travelers, their comrades and organizations, than to any other provision in the bill. Be it also remembered that this section has reference only to an organization controlled by a foreign power.

The reading of the section should convince all patriots it is only a proper and necessary safeguard to our Republic.

The committee report states that—

"A careful analysis of the strategy and tactics of communism in the United States discloses activities by reason of which the committee has concluded that legislation can and should be directed toward—

"(1) Making unlawful all activity which has as its purpose setting up a totalitarian government in the United States under foreign control;

"(2) In view of its foreign-directed character, requiring the Communist movement in the United States to operate in the open rather than underground;

"(3) Cutting the threads which bind the international Communist conspiracy together by restricting travel of members of the American section of the world Communist movement; and

"(4) Protecting the integrity of the Government itself by denying Government employment to members of the American section of the world Communist movement."

Mr. Speaker, is there an individual here, unless he be a Communist or a Communist sympathizer, who does not agree with these conclusions? If these facts are admitted, then it is high time that the Congress does something about it.

The other section of the bill which makes the Communist Party and its sympathizers squirm is the provision requiring the party and its front organizations to register with the Attorney General. This registration must include the names of officers, the sources and use of funds of all front organizations; also the names and addresses of all members of the Communist Party. It is also made unlawful for Communists to accept Federal employment without revealing their connections and it will be likewise unlawful for any Federal officer knowingly to appoint a Communist to a Government position. What is wrong about that?

It short, it will not be unlawful to entertain Communist views; and free speech, as contemplated by the Constitution, will be preserved. If Communists are operating in the country, certainly they should be compelled to make their identities known and when their identities are known, then there should be a law against their subversive activities. That is all this bill contemplates.

I repeat that the Communist Party is not outlawed. Neither are Communist-front organizations, but both are required to advocate their philosophy in the open and not underground. If any American wants to run with the Communists, he should be willing to face the consequences. If he advocates a cause because of conviction, he should be willing to take his stand openly. The footlights of public inspection should be turned on so that all of us can see the act. The floodlights of legal exposure will be most helpful. As has been so aptly said,

there should be no dark corners of conspiracy in the United States.

Executive orders issued by the President are advisable and necessary at times; however, the democratic way is to permit representatives of the people in Congress, after adequate public hearings and debate, to write laws rather than for the people to be controlled by Presidential proclamations issued without public hearings or public debate. At present, by virtue of a Presidential order, the Attorney General, after an ex parte investigation issues a list of Communist-front organizations. It seems to me the better way is for the Attorney General to hold public hearings and permit these organizations to be heard before they are listed and published as subversive. This bill does just that thing, and more. If these organizations are not satisfied with the findings of the Attorney General, a right of review in the courts is provided. That is the American way, and do not forget that the facts must be established by a preponderance of the evidence and not merely by the presentation of any substantial evidence.

The Mundt bill has the endorsement of the American Legion, the Veterans of Foreign Wars, the Catholic War Veterans, the National Catholic Welfare Conference, and such patriotic organizations as the Daughters of the American Revolution, in addition to what I believe to be a vast majority of the American people.

Naturally all Communists are opposed to any legislation restricting their activities. This does not mean that all of those who oppose the Mundt bill are Communists. Some sincere, public-spirited, and thoroughly patriotic individuals and groups doubt the wisdom of passing it. They have been misinformed about the bill. Their views are entitled to every consideration but, in the end, it is the duty of the Congress to weigh all the evidence and then act without fear or favor in the interst of the United States of America.

Mr. Speaker, the Mundt-Nixon bill passed the House by a vote of 319 for to 58 against. This was not a political, partisan vote and is pretty good evidence that the majority sentiment of the country found expression in the votes of the Representatives in Congress at that time.

I do not believe that this bill is unconstitutional. If I were so convinced, of course, I would vote against it. Mr. Speaker, we will be warned today that this law cannot be enforced and that the Communists will not respect it, especially with reference to registration. Indeed, in 1948 every Member of Congress received a personal letter from William Z. Foster, chairman of the Communist Party, U. S. A., dated May 7, 1948, protesting against any legislation of this type, and advising the Congress:

The Communist Party will not register should the Mundt bill become law.

This is a threat and a promise. Mr. Foster set forth their reasons for opposing the law and those same reasons are advanced in opposition to this bill. A telegram has just been handed to me which reads as follows:

DETROIT, MICH.,
August 28, 1950.

EARL C. MICHENER,
Michigan Representative,
House Office Building,
Washington:

By unanimous convention action taken August 27, the American Legion, Department of Michigan, requests your favorable action on Mundt-Ferguson-Wood antisubversive bill.

LESLIE H. ALEXANDER,
Department Adjutant.

Mr. Speaker, I am thoroughly persuaded that the safety of the Republic demands, and that the overwhelming majority of our people demands, that legislation of this type be enacted now.

Mr. WADSWORTH. Mr. Speaker, we have no further requests for time.

Mr. COX. Mr. Speaker, the committee sponsoring this Wood bill has evidently exercised great care and caution, I think too much, lest they transgress the provisions of the Constitution, and particularly certain decisions of the Supreme Court. It is the least, Mr. Speaker, that the Congress ought to do, and I am confident it is the least that Congress will do. As for myself, I do not think the bill goes far enough. I believe that under the Constitution and even some of the extreme decisions rendered by the Supreme Court, we could go very much further and deal much more realistically and more effectively with this menace.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. BOGGS of Louisiana). The Chair will count. [After counting.] One hundred and eighty-two Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 357, nays 1, not voting 72, as follows:

[Roll No. 258]

YEAS—357

Abbitt	Bolton, Ohio	Cole, Kans.
Abernethy	Bonner	Cole, N. Y.
Addonizio	Boykin	Colmer
Albert	Bramblett	Cooley
Allen, Calif.	Breen	Cooper
Allen, Ill.	Brehm	Corbett
Allen, La.	Brooks	Cotton
Andersen, H. Carl	Brown, Ga.	Coudert
	Brown, Ohio	Cox
Anderson, Calif.	Bryson	Crawford
Andresen, August H.	Buchanan	Crosser
	Burke	Cunningham
Andrews	Burleson	Curtis
Arends	Burnside	Dague
Aspinall	Burton	Davenport
Auchincloss	Byrnes, Wis.	Davies, N. Y.
Bailey	Camp	Davis, Ga.
Baring	Canfield	Davis, Tenn.
Barrett, Pa.	Cannon	Davis, Wis.
Bates, Ky.	Carnahan	Dawson
Bates, Mass.	Carroll	Deane
Battle	Case, N. J.	DeGraffenried
Beall	Case, S. Dak.	Delaney
Beckworth	Cavalcante	Denton
Bennett, Fla.	Celler	D'Ewart
Bennett, Mich.	Chatham	Dollinger
Bentsen	Chelf	Dolliver
Biemiller	Chesney	Dondero
Bishop	Chiperfield	Donohue
Blatnik	Christopher	Doughton
Boggs, La.	Chudoff	Douglas
Bolling	Clemente	Doyle
Bolton, Md.	Clevenger	Eaton
Eberharter	Kearns	Rabaut
Elliott	Keating	Rains
Ellsworth	Kee	Ramsay
Elston	Kelley, Pa.	Rankin
Evins	Kelly, N. Y.	Redden
Fallon	Kennedy	Reed, N. Y.
Feighan	Kilburn	Rees
Fellows	Kilday	Rhodes
Fenton	King	Ribicoff
Fernandez	Kirwan	Rich
Fisher	Kruse	Richards
Flood	Kunkel	Riehlman
Fogarty	Lane	Robeson
Forand	Lanham	Rodino
Ford	LeCompte	Rogers, Fla.
Frazier	LeFevre	Rogers, Mass.
Fugate	Lichtenwalter	Rooney
Fulton	Lind	Sadlak
Furcolo	Linehan	St. George
Gamble	Lodge	Sanborn
Garmatz	Lovre	Sasscer
Gary	Lucas	Saylor
Gathings	Lyle	Scrivner
Gavin	Lynch	Scudder
Gilmer	McCarthy	Secrest
Golden	McConnell	Shafer
Goodwin	McCormack	Shelley
Gordon	McDonough	Short
Gore	McGrath	Sikes
Gorski	McGregor	Simpson, Ill.
Gossett	McGuire	Sims
Graham	McMillan, S. C.	Smathers
Granahan	McSweeney	Smith, Va.
Granger	Mack, Ill.	Smith, Wis.
Grant	Mack, Wash.	Spence
Green	Macy	Staggers
Gross	Madden	Stanley
Guill	Magee	Steed
Hagen	Mahon	Stefan
Hale	Mansfield	Stigler
Hall, Leonard W.	Marsalis	Stockman
	Marshall	Sullivan
Halleck	Martin, Mass.	Sutton
Hand	Merrow	Taber
Harden	Meyer	Tackett
Hardy	Michener	Talle
Hare	Miles	Tauriello
Harris	Miller, Md.	Taylor
Harrison	Miller, Nebr.	Teague
Harvey	Mills	Thomas
Havenner	Mitchell	Thompson
Hays, Ark.	Monroney	Thornberry
Hays, Ohio	Morris	Tollefson
Hedrick	Morton	Towe
Heller	Moulder	Trimble
Herlong	Multer	Underwood
Herter	Murdock	Van Zandt
Heselton	Murphy	Velde
Hill	Murray, Tenn.	Vinson
Hinshaw	Nicholson	Vorys
Hobbs	Nixon	Vursell
Hoeven	Noland	Wadsworth
Hoffman, Ill.	Norblad	Wagner
Holmes	Norrell	Walsh
Hope	O'Brien, Ill.	Walter
Horan	O'Brien, Mich.	Weichel
Howell	O'Hara, Ill.	Welch
Huber	O'Hara, Minn.	Wheeler
Hull	O'Neill	Whitaker
Irving	O'Sullivan	White, Calif.
Jackson, Calif.	O'Toole	Whitten
Jackson, Wash.	Passman	Whittington
Jacobs	Patman	Wickersham
James	Patten	Widnall
Javits	Patterson	Wier
Jenison	Perkins	Wigglesworth
Jenkins	Peterson	Willis
Jennings	Philbin	Wilson, Ind.
Jensen	Phillips, Calif.	Wilson, Okla.
Jonas	Pickett	Wilson, Tex.
Jones, Ala.	Plumley	Wolverton
Jones, Mo.	Poage	Wood
Jones, N. C.	Polk	Woodhouse
Judd	Potter	Woodruff
Karst	Poulson	Young
Karsten	Preston	Zablocki
Kean	Price	
	Priest	

NAYS—1

Marcantonio

NOT VOTING—72

Angell	Byrne, N. Y.	Gwinn
Barden	Carlyle	Hall, Edwin Arthur
Barrett, Wyo.	Combs	
Blackney	Crook	Hart
Boggs, Del.	Dingell	Hébert
Bosone	Durham	Heffernan
Buckley, Ill.	Engel, Mich.	Hoffman, Mich.
Buckley, N. Y.	Engle, Calif.	Holifield
Bulwinkle	Gillette	Johnson
Burdick	Gregory	Kearney

Keefe	Norton	Scott, Hardie
Keogh	O'Konski	Scott,
Kerr	Pace	Hugh D., Jr.
Klein	Pfeifer,	Sheppard
Larcade	Joseph L.	Simpson, Pa.
Latham	Pfeiffer,	Smith, Kans.
McCulloch	William L.	Smith, Ohio
McKinnon	Phillips, Tenn.	Werdel
McMillen, Ill.	Powell	White, Idaho
Martin, Iowa	Quinn	Williams
Mason	Reed, Ill.	Winstead
Miller, Calif.	Regan	Withrow
Morgan	Rivers	Wolcott
Morrison	Roosevelt	Yates
Murray, Wis.	Sabath	
Nelson	Sadowski	

So the resolution was agreed to.

The result of the vote was announced as above recorded.

The doors were opened.

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9490) to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9490, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOOD. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, need for legislation in this field has been apparent to the members of this committee for many years. Recent occurrences, both domestically and on the foreign front, have pointed up more vividly than ever before the real necessity for such legislation at the present time.

Your committee has given months of earnest consideration to legislation proposed here, and this bill was finally evolved by the committee unanimously and reported by it to this body.

I would like to pause at this moment to pay tribute to the Committee on Un-American Activities for the earnestness and total absence of partisanship and tireless effort given by the Members in the preparation of this legislation.

We have been very fortunate in having the advice and counsel of the trained legal minds and earnest, sincere, and loyal efforts of the very able gentlemen that I have been privileged to work with in the promulgation of this proposed legislation.

The bill which is presented here, as has been pointed out already, is founded somewhat on the legislation we had before this body 2 years ago. There are some very pertinent additions, however, and some changes in the text of that legislation embodied in the one now before us. I desire only to call attention to a few of the provisions of the bill and particularly to the definitions set forth in pages 6, 7, and 8. I believe the most pertinent of these definitions for the consideration of the legislation proposed in the body of the bill is the definition of "Communist-action organization" on page 7, beginning at line 3; the definition of what constitutes a Communist-front organization, beginning on line 15, page 7; and the definition of what constitutes a defense plant, appearing on page 8, line 9.

The importance of the definition of what constitutes a defense plant lies in the fact that the bill seeks to penalize members of the Communist-front or Communist-action organizations who remain in the employment of a defense plant as defined in the bill or conceal the fact of their membership in such organizations at the time they make application for employment.

There is also a section—section 6 of the bill—which denies the use of passports to members of these organizations as described in these definitions. There is also a provision in the bill requiring these organizations to register if they have been found by the board that is set up by the provisions of this act to come within the purview of the provisions of the act.

A failure to so register calls for a penalty which is somewhat in excess of the penalties which were provided in previous proposed legislation.

It also penalizes individuals who are members of those organizations for failing to make known their membership when such organizations are required to be registered and their names are not in fact included in the registration.

It is difficult for me to conceive how any person can find any real objections to the provisions of this bill, because while your committee makes no claim that it is a cure-all for the evils which confront us in this infiltration, this cancerous growth on the body politic of the American people, it is, we believe, the nearest approach to the question which we could evolve without infringing upon the liberties and the freedom of thought and freedom of speech of the American people.

I sincerely believe it is the best approach this committee can make, and therefore we offer it to you in the hope that it may meet with your approval and be enacted into law.

Mr. Chairman, I yield myself one additional minute.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield.

Mr. JACKSON of Washington. I would like to ask this question as a matter of information. It is quite clear that in time of war anyone who tries to interfere with the war effort is subject to severe criminal penalties under existing law, up to and including treason. For all practical purposes, we are engaged in a war in Korea, although we are not formally in a state of war. No declaration of war has been passed by the Congress. What is there in this bill that would make it a violation of existing law for a person to interfere with the Korean war effort, to do everything in his power, short of violence, through advocacy and other means, to stop the shipment of goods to Korea, or to encourage people not to work in any effort engaged in the Korean war effort?

Mr. WOOD. I believe that the existing espionage statutes cover the question. At any rate, it was not deemed advisable in the preparation of this control act to go into that field.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. NIXON. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I do not feel that it is necessary to argue the need of legislation on this subject. When the President of the United States who has taken the position he has at various times with respect to legislation of this sort, comes out with an announcement that he now wants some, certainly the need for legislation ought to be admitted by the most objective person.

We are here dealing with a bill which comes before the Congress, in the words of the gentleman from Pennsylvania [Mr. WALTER] with the most deliberative consideration of any bill, he said, with which he had been associated. We started with a bill passed by the Eightieth Congress, known as the Mundt-Nixon bill. Public hearings were held for many days on the subject of legislation and on the provisions of the bill as it was reintroduced in this Congress by the gentleman from California [Mr. NIXON], and in connection with related legislation which was introduced by the chairman of the committee, the gentleman from Georgia [Mr. WOOD].

Following those extended hearings, the committee met in closed session, sat around the table, day after day, considering the proposals of the bill. I have not had too much experience in detailed drafting of legislation of this character, because most of my service in the House has been on the Committee on Appropriations, as the Members know. But I want to say for myself that in sitting around that table during the days that we did discuss this word and that provision and the meaning of this section, and its relation to other sections, I, too, was impressed by the consideration that was being given to the drafting of this bill.

I was particularly impressed by the quick, penetrating mind of the gentleman from California [Mr. NIXON] and his thorough knowledge of this field of law, and likewise, I was impressed by and appreciative of the judicial and comprehensive approach always maintained by the chairman of the committee, the gentleman from Georgia [Mr. WOOD]. As he has said, there has been no partisanship in the handling of this bill.

Each member of the committee has made some contribution to the bill as it is now before you. I believe it is a well-prepared piece of legislation.

In addition to the fact that all members of the committee except myself were lawyers, we had the benefit of very able counsel in the person of Mr. Tavenner. I do not know whether the Members of the House generally know that Mr. Tavenner, counsel for the Committee on Un-American Activities, was connected with the prosecution of war crimes in Japan and made a very fine record there. He is not impulsive or vindictive but judicious, painstaking,

and courteously firm. He is a distinguished member of the Virginia bar and could easily draw greater fees than he receives in salary as counsel for the committee. When I learned what I did of his background, I was surprised that the committee was able to secure his services in this Congress. He is a patriotic American who seeks to serve his country.

Now then, I was a little surprised by the statement which the gentleman from New York [Mr. CELLER] made as to his impression of the bill. He spoke of surrendering to the techniques of communism. If the gentleman really has any feeling that that was done in this bill, I trust that he will read the bill very carefully. I would like to have him give a bill of particulars on that point.

In fact, the remarks that have been made against this bill on the floor today dealt in generalities, which I feel would largely disappear if people would address themselves actually to the provisions of the bill as it is drawn.

There is considerable difference between this bill and the bill which was passed 2 years ago—differences that I would say extend in two directions. In the first place, I think the bill is tightened from the standpoint of general legislative draftsmanship. In the second place, it is a better bill because we can all see the problem a little more clearly, and the provisions are designed to meet the clear and present danger which the committee believes exists today.

An important change in the bill, I feel, is the change in the term that we used for describing a certain form of Communist organization. In the bill 2 years ago the term "Communist political organization" was set over against the term "Communist front organization." That has laid the legislation open to the rather quick assumption of some people that we were dealing with an attempt to control thoughts; that we were dealing with an attempt to control a political party in the ordinary sense of a political party.

When we got to deliberating and were wrestling with the problem of expressing exactly what we meant, we found we were talking about conduct and methods of carrying out ideas; it was action and not sheer advocacy of an idea that we sought to control—subversive activities, if you please. That suggested the term "action" as opposed to "political," and I proposed that we use that term. So in the bill that we now have before us we are not dealing with and we do not talk about Communist political organizations as distinguished from Communist-front organizations. We set forth and describe and talk about Communist-action organizations as distinguished from Communist-front organizations.

And that brings us more clearly, members of the committee feel, within the description which has been given in recent court decisions of the clear and present danger cited by Judge Hand in the appeal of the 13 Communists who were tried in New York, and the concurring opinion of Judge Chase. It also brings us within the language which was used by the Court in passing upon the provision of the Taft-Hartley Act which requires the filing of an affidavit of non-Communist membership by the officers of labor organizations. You will find that the term has been changed throughout the bill so that it speaks of "Communist action organizations" and not "Communist political organizations."

The bill opens with a finding which appears in section 2 entitled "The Necessity for Legislation." That finding is also tightened up from a legislative standpoint. I might give you one or two illustrations of that to show as part of the legislative history of the bill.

In section 2 of the bill, subsection (2), for example the old bill used the words "the ruthless suppression of all opposition to the party in power and the complete subordination of the rights of individuals to the state" are no longer in the bill. We dropped the words "ruthless" and "complete" so that it reads "the suppression of all opposition to the party in power" and "the subordination of rights," and so forth.

Again, in subsection (3) the old bill carried a final clause which referred to the identity between the single political party of totalitarian dictatorships and the Government as being "an identity so close that the party and the Government itself are for all practical purposes indistinguishable." In the revised bill we dropped that clause and in a line above inserted the word "substantial" so it is party with "substantial identity between such party and its policies and the Government and governmental policies of the country in which it exists."

Such limited exposure as I have had to the practices of courts in passing upon definitions and descriptions would seem to make it sounder to say "by a substantial identity" rather than throwing upon the prosecution and the courts the burden of determining whether such identity was so close that it was for all practical purposes indistinguishable.

Then in subsection (6) of section 2 the old language had the phrase "by bringing about the overthrow of existing governments and setting up a Communist totalitarian dictatorship." We inserted there the phrase "by force if necessary" so that the new language in the clean bill which is before us reads:

"By bringing about the overthrow of existing governments by force if necessary" there again following the thought of the courts who have passed upon allied questions that the language which characterizes communism and distinguishes the Communist Party from the ordinary political party is not merely that it advocates a change of government but that it advocates a change in government by the use of force if necessary.

That, it seems to me, is the thing which the country should understand and the Congress should understand, that we are here dealing not with a political party which can advocate changes in government by constitutional methods or by normal elections, or by education, but we are dealing with a political organization which advocates the use of force if necessary to accomplish its purposes.

That it seemed to us was thoroughly within the language of the courts and the intent of the Constitution in providing a method or means of protecting itself against violent overthrow.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. DONDERO. Does the gentleman think the Communist Party is a political party?

Mr. CASE of South Dakota. I do not.

Mr. DONDERO. And that it is controlled by a foreign power?

Mr. CASE of South Dakota. That is a part of the findings in section 2 of the bill. It is one of the things which identifies communism—control by a foreign dictatorship. We do not regard it as an ordinary political party. And if the gentleman is interested in the duration of my convictions on the matter, he will find, and I remember the date because I had occasion recently to refer to it, that on the 3d of July 1941, on the floor of the House I said that for years we had been told that the Communist political party was not an ordinary political party at all but represented an international conspiracy which sought to overthrow governments, by force if necessary, through infiltration and other subversive methods. At that time, months before Pearl Harbor, I protested the effort to build unity by linking arms with communistic Russia and placed the menace of communism alongside that of nazism.

So, we are trying to make clear here in this legislation that we are not dealing with an ordinary political party but we are dealing with a revolutionary party which deals in action, which is under the domination and control of a foreign authority which is practically synonymous with a foreign government; and the language on that is definite in the legislative findings of section 2.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Tennessee.

Mr. EVINS. I notice in the report the committee states that more than 70 countries have outlawed the Communist Party. Did the committee give consideration to that question?

Mr. CASE of South Dakota. Some consideration was given to that. The thought perhaps was that that was another problem, a somewhat different problem than we were here dealing with. We felt we were on sound constitutional grounds in handling the matter covered here. I did not know and the committee did not know just what the constitutions of all these countries were, and whether or not the legislation they might adopt would be something that we could adopt within the purview of our Constitution. That was a question that was not determined.

Mr. EVINS. Did the committee have an expression from the Attorney General on that subject?

Mr. CASE of South Dakota. The Attorney General was consulted when the original bill was drafted.

Mr. NIXON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. NIXON. During the Eightieth Congress we were considering this same legislation which we have before us today. We did get an expression of the Attorney General on outlawing the Communist Party. The Attorney General was definitely opposed to outlawing the Communist Party.

Mr. EVINS. Was there an expression from Mr. Hoover of the FBI?

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. NIXON. Mr. Chairman, I yield the gentleman five additional minutes. Mr. Hoover of the FBI did not appear before the committee when we were considering the bill during the Eightieth Congress or in this Congress because the general understanding was that any appearance on behalf of legislation would have to be made by the Attorney General himself. The Attorney General obviously was the only representative from the Justice Department who has appeared in that respect. Mr. Hoover, as far as the committee is concerned, is not on record on the question of outlawing the Communist Party.

Mr. CASE of South Dakota. Mr. Chairman, I now must decline to yield until I state some of the provisions of the bill which will make clear to you that we have gone further than the old bill; further perhaps than some think this bill should go in accomplishing the objectives to be sought but also not as far as others might go.

The provision requiring registration, as the old bill provided, is continued here. This bill, as the old bill, provides for a board of review. The membership of this board is increased from three members as proposed in the old bill to five members, no more than three of whom shall be members of a single political party. This board will have the responsibility of determining, in case there is a question, whether or not an action organization or a front organization should be required to register. That board will also be a forum for an individual who feels he has been incorrectly listed and who may ask for a hearing.

Having made the requirement, however, that both action and front organizations register and that the membership of the action organizations be registered, certain things happen.

First of all, when an organization is registered, any contributions to that organization may not be deducted for income tax purposes.

Second, the literature distributed by such organizations may not be carried through the mails without being labeled that it is printed and put out by such organizations.

Third, the registration of the organization itself must be made and kept public.

Fourth, annual reports are required of the finances of the organizations.

Those are things which I think there will be little question about.

Now, then, as to the members themselves, certain things are denied to members of these organizations. These things that are denied are all things which are conferred as benefits of government. We acted upon what I think is sound ground that when the Government itself creates certain rights or confers certain benefits, it can withhold them. That is in line with the same requirement of the Taft-Hartley Act, for example, in which we require the officers of labor organizations to file affidavits of non-Communist membership. The penalty for failure to comply with the provisions of it subjects the members of those organizations to a denial of the benefits created by the act itself. That requirement has been upheld by the courts.

These are some of the things that are denied to those persons who are members of Communist organizations, either action or front organizations:

First. The getting of classified information; second, the denial of employment; and that denial of employment runs to nonelective offices, and to appointive positions within the Government, and to employment in defense plants.

That feature, I think, has not been generally understood, for this part of the bill does go to this question that was raised here about those who interfere with the Korean war. It denies to members of Communist organizations employment in defense plants as well as denying them the privilege of holding nonelective offices and appointive jobs.

Again, members of the Communist organizations also would be denied passports.

Also, those who are employed in defense plants and those who are working for the Government in these described positions may not then contribute funds or services to Communist organizations.

All those denials are denials of things which grow out of the benefits of government, employment created by the Government, either in government establishments themselves or in defense plants, or privileges created by stable government.

The issuance of passports, the possession of classified information are the property, you might say, of the Government. So, I personally feel that the committee is on sound ground in presenting a bill which proposes to deny these persons who are members of these organizations these benefits which are either created by or conferred by the Government. On that basis, it seems to me the legislation is sound. It goes further than the old legislation did because it extends this nonemployment to defense plants. It is more specific in its definitions and other provisions so that generally speaking the whole legislation is tightened up considerably, with benefits both to the Government and to the individuals who may be affected thereby.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman issued a challenge at the very beginning of his speech to those who oppose the bill with respect to a bill of particulars regarding its unconstitutionality. I ask the gentleman and the other proponents of this legislation one question: In the light of the legislative finding in section 2, and in the light of the definitions which follow the legislative finding—and the definitions refer to the legislative finding and do incorporate them as part of the definitions—plus the registration feature of the bill, will the gentleman explain to me how he squares these features of the bill with the prohibition in the Constitution against bills of attainder?

Mr. CASE of South Dakota. I would say to the gentleman in the very brief time I have, that of course, the gentleman's question on that point should really be answered by the legal lights on the committee. The gentleman knows that I am not an attorney. However, I have tried to review some recent decisions, and as for myself I feel that the main constitutional question is answered by the clear and present danger which Judge Hand found in the decision he rendered in the case in New York and which was concurred in by Justice Chase at the same time. Questions on the registration requirement, I think are met by the language of the Supreme Court recently in upholding the requirement of the Taft-Hartley Act for the filing of a non-Communist affidavit by the officers of labor organizations. I shall read portions of that decision into the debate as we proceed.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. WOOD. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MCSWEENEY].

Mr. MCSWEENEY. Mr. Chairman, I wish to concur in the statement made by the gentleman from South Dakota [Mr. CASE] relative to Mr. Tavenner, who has been our counsel and has cooperated diligently and effectively and efficiently in bringing about what we consider at this time an effective bill.

Mr. Chairman, I cannot understand a Communist. I have been faithful in my attendance at the hearings of the Un-American Activities Committee, of which I am a member. I have tried to understand the reasoning and arguments of the Communist witnesses who have appeared before us. I find that there is a basic similarity among all of them, and yet I have not been able to formulate a definition which will cover them all.

I served in the United States Army overseas in both World Wars. In the first war I fought in France and Belgium; in the second war I fought in Africa, Sicily, and Italy. I later served in Italy as foreign representative of American Relief for Italy. In this later capacity I was in every section of Italy and in almost all of its towns and little mountain villages. From these two war experiences overseas I can partly understand why the people would grasp at the straw of communism. In these countries the average farmer owns practically nothing—he has tilled a landlord's fields for generations with barely a living as a return. This is true in the other countries where I have been. Anything seemed better than what these poor people had. But what of America?

I have taught United States history for years in Wooster High School. From the pages of history we can learn that we, as a country, have made mistakes also, but at no time since the founding of America have our conditions not been better than those in other lands.

Surely we had to conquer a wilderness, but it was a hopeful work; our ancestors knew that what they improved would be theirs. Surely we had periods when unscrupulous landholders treated the persons who tilled their soil unjustly. Surely we had periods when cruel and thoughtless employers of labor kept men working 12 and 13 hours underground in our mines—kept women and children working long and dreary hours under terrible conditions. Surely we had vicious and avaricious men who tried to crush the small-business man and the small producer, but at no time during this sad part of our country's development were not conditions better than that of other lands. Back of all our difficulties lay our great Constitution, with its provisions for our protection. Surely we had flouted these provisions, but there was the hope that they would be corrected by the orderly processes of law.

We today are trying to improve by legal methods all of these conditions. We will not tolerate subversive groups or individuals who would make any changes in our Government by other than the legal processes under the wise provisions of our Constitution. Now one might understand why a man or woman could, as I said before, grasp at the straw of communism in another country, but for the life of me I cannot see why it would enter the head of an American. Surely we get discouraged at the slowness of our processes, but again that does not justify any person wishing to destroy those processes.

I was interested, when the 11 Communists were convicted by our courts under the orderly process of law, that they sought the protection of our constitutional provisions—when, betrayers of our country themselves, were in trouble they sought the protection of the great instrument of Government which they wish to destroy.

When I think of the noble, industrious, and law-abiding citizens, who have come from the various lands of the earth, to this great haven of refuge, America, where their industry and abilities in many instances have brought them prosperity, have brought opportunities for fine living for their children, and, in turn, have brought them an opportunity to improve the communities in which they happen to live; they are a real asset to America. Then, on the other hand, I think of those other citizens who have come to this country, who have accepted our hospitality, who have been given a chance to work, but instead of working probably have thought of us kindly disposed, law-abiding Americans as easy prey for their avaricious desires, they began breaking our laws and began encouraging other people to do the same. They not only wished to break our laws but they wished to destroy the Government that provided these laws.

I know of no better way to express my attitude toward these ingrates within our land than to quote an old song of my youth:

If you don't like your Uncle Sammy
Then go back to your home o'er the sea,
To the land from which you came—whatever be its name
But don't be ungrateful to me.

If you don't like the stars and Old Glory,
If you don't like the red, white, and blue
Then don't act like the cur in the story:
Don't bite the hand that is feeding you.

Now we are considering legislation which is designed to protect our Government and our people against the subversive, cruel, and dastardly actions of those who would destroy our Government. Anyone who has fought in the Army can have a decent respect for the soldiers of the enemy country but he can have no respect for these men who, as I said before, have accepted our opportunities to live and to work and even to become citizens, and, at the same time, seek to destroy us. So, today, we, as legislators, are trying conscientiously to preserve our Constitution and all of its splendid provisions for the protection of the individual but, at the same time, to provide legislation that will keep that constitutional Government from being destroyed.

One of our basic concepts is the law of self-preservation. We have a right to do everything possible to exist. One of the sad things in war training is that you must take a peaceful farm boy, or a boy who has been working in a factory, or one who has been attending school, and try to convert that happy-go-lucky youngster into a soldier, impregnating him with the idea that for his own sake and the sake of his country he must do everything to survive in the conflict; that he must resort to every method possible to destroy his enemy rather than to have himself destroyed. This is all part of the law of self-preservation. Now, if this is true of the individual can we not say then that it is true of a society like America? Have we not a right to provide laws that will make it possible for us to take stringent action against those who would destroy us? This can be done, I am sure, without in any way jeopardizing the liberties that our laws provide for us; without in any way allowing Government to encroach upon the individual who is in the last analysis the entity of democracy. If we would allow Government ruthlessly to destroy its individuals then we would be permitting Government to destroy itself. I have been most painstaking in my efforts to go over these bills and with my limited capacity, I can say that it is entirely justifiable for us to provide this protection which is contemplated by these proposed laws. I hope that a gracious God will temper our minds and hearts so that our interpretation of these safeguards which we throw around our Government and our people in these trying times will be used wisely and so that we shall not permit any cure to be worse than the disease itself; that we will approach this question thoughtfully with no malice in our hearts and with no hysteria, realizing that if we are not careful what might appear to be for our protection today could be for our enslavement tomorrow. But we Americans are determined by every right God has given to man that we are going to survive as a nation and we are going to help other peoples of the world who love freedom to survive with us. With that thought, I am going to support this legislation.

Mrs. BOLTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McSWEENEY. I yield to the gentlewoman from Ohio.

Mrs. BOLTON of Ohio. During the course of his remarks, the gentleman mentioned history and what it teaches us. Unfortunately, in many places our schools have no histories of America at all.

Mr. McSWEENEY. If that is true, it is indeed a very serious situation, and one that should be remedied. Every American should learn all he can about his country. The more he or she learns about America the more he or she realizes that this great land is worth our every effort to protect and preserve.

Mr. NIXON. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I wish to compliment this very able and patriotic committee of the House of Representatives for the splendid work they have done and for the comprehensive and well-prepared bill they have brought to the House for our consideration. In many respects it is similar to the bill which the House passed during the Eightieth Congress and which did not receive the approval of the other body.

I have always regarded the right of self-defense as the first law of nature. I believe that justice to the guilty is mercy to the innocent. This committee has not ill-advisedly nor hastily come to the conclusion that the facts which it reports are true. Exhaustive hearings have been held, and people who know the facts have testified. The truth of it is, the wayfaring man, though a fool, knows that in this country there are today not less than 550,000 members of the Communist Party who are dangerous to our institutions and the liberties which those institutions protect.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. VORYS. The gentleman used the figure 550,000. I had understood there was supposed to be 55,000 Communists and 10 times that many who were their stooges.

Mr. JENNINGS. Well, I do not differentiate between them, because a fool when misled, is probably as dangerous as an intelligent man. I heard a friend say once that he would rather live by a rascal than by a fool. You have no protection against a cheerful idiot. I do not think that these fellow travelers are as foolish as they pretend to be. That is one defense they have when charged with crime. A fellow who is a member of the Communist Party, and a party to the conspiracy to overthrow this country or to betray it is as dangerous as some of these fellows who claim they can see

danger to the liberties of the people in a bill like this. So much for that.

Coming back to my proposition that there are thousands in our midst who seek the overthrow of our Government, the people of this country have, since the surrender of Germany and Japan, paid a fearful price for protection against the Russian world-trade conspiracy to dominate and communize the free peoples of the world. This Government has appropriated, since the last World War, not less than $50,000,000,000 to keep the world from going Communist. We have been consoling ourselves with the fact, if it be a fact, that but for the European aid which we have extended to Italy, to France, to Britain, and to other European countries, those countries would have gone Communist. We like to think, we like to flatter ourselves that these tremendous sacrifices we have made by pouring out the wealth of this Nation like sand all over the world, we have slowed up the march of world communism. Do we have communism here at home? All we need to do is to look back over the recent past. We have had men and women in high places from time to time steal the secrets of this Nation and deliver them, gratis or for pay, to the emissaries of foreign enemies of this country. Not so long ago we witnessed the trial of one Alger Hiss before a jury in a Federal court in New York on the charge that he perjured himself in denying treason. This fellow Hiss was brought into the official service of this Government by a man who stands today among the mighty. He is perhaps the most influential man in America, and he has placed more men in key Federal offices, in a position to destroy this Nation than any other man within the territorial boundaries of this country. Hiss and others of his ilk were brought to Washington, sponsored by that man. Hiss was put in the State Department.

Mr. RANKIN. Mr. Chairman, will the gentleman yield? To whom does the gentleman refer?

Mr. JENNINGS. Let me proceed as I am undertaking to do.

We witnessed the trial of this man Hiss involving the charge that while he was a sworn official of this Government, sworn to protect and uphold its Constitution and to serve with fidelity and to the best of his ability his country which has done so much for him and for all of us, while in this position of trust and responsibility and power he disclosed secrets within his keeping to an avowed enemy of his country. Then, after 12 good and loyal jurors found him guilty—not of treason, because it was too late to try him for that, but of perjury, which is just about as bad—he had called the Almighty to witness the fact that he was on oath, and he blistered his lips, and perjured his soul with a lie. After Hiss was convicted of that crime, the Secretary of State of this Nation rung his hands in anguish and his head turned into a fountain of tears, so to speak, and he said it did not make any difference to him how many courts thereafter held Alger Hiss guilty, "I will never turn my back on Alger Hiss."

The Secretary of State of this country today sets himself up in opposition to this Nation's greatest administrator and greatest soldier, Gen. Douglas MacArthur. The American people will not have any trouble making up their minds whom they will support in this controversy, Douglas MacArthur or Mr. Acheson. So there is a real need and demand for a law like this measure we are now considering. The legal right of self-defense must and can only be exercised if we have a law that will protect our people against the traitors at home and their allies abroad.

What manner of government are we seeking to defend? Why would anyone here, born beneath the flag or who comes here by our grace and sufferance from other lands—seek to destroy this Government? In the preamble of our Constitution we have ample warrant for the enactment of this proposed law.

Let us read it together:

> We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity do ordain and establish this Constitution for the United States of America.

Under this Constitution the American people have enjoyed a larger measure of human freedom than has been enjoyed by any other people in all the 5,000 years of recorded history that precede the founding of this Republic.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. NIXON. Mr. Chairman, I yield the gentleman from Tennessee four additional minutes.

Mr. JENNINGS. Under our system of free enterprise, enjoyed by free men and free women in a free country, the American people have enjoyed a larger measure of prosperity and more of the good things of this earth than any other people in the world. And yet there are those among us who wish to destroy this Republic, this country of ours, this house of our existence. If you have eyes and will look, you can see that it is no ordinary building of dead stones and unmeaning timbers; it is a living thing, building and built upon. If you have ears and will listen, you can hear within it the beating of human hearts, the nameless music of men's souls, yes, the laughter of little children. Inscribed upon its walls are the deathless principles of the Declaration of Independence and the first 10 amendments to the Constitution which cover the citizen all over with the armor of the law. This is the Government they seek to destroy by conspiracy, by perjury, and by treason. They come with pretended fear and apprehension and cry out against the proposed law. They say we in some way will trespass upon their rights. Our reply to them is: You have no right to destroy this country; you have no right to overthrow this Government; you have no right to commit treason under our flag. And today as we talk about this measure we know not how many American boys have fallen and are falling on far-away battlefields, in death or maimed and wounded. If they fall into the hands of our ruthless foes they will be butchered. Organized communism is the power we are arrayed against here, and in ruthless and Godless might it is the power that sets its forces in battle against our country abroad. Communists never think about the Constitution, nor the law, nor the courts, until they feel the halter draw, and then whining, and whimpering, and cringing like the miserable curs they are, they run to our courts and appeal to the Constitution and to the law of the land. Let us go after them; let us leave no stone unturned and no law unwritten that will protect the people of this country against the enemies, hidden and open, who seek the overthrow of our Government and the destruction of our liberties. This country is God's last hope for the world. We shall be recreant to our trust and false to our people if we do not write this law upon the statute books just as it has been reported by this splendid committee of the House.

Mr. WOOD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, it is almost exactly 2 years ago that I stood in the well of this House and told you that if you passed the Mundt-Nixon bill, which we were then discussing, by that very bill I could eliminate the opposition, the only opposition, I had to my reelection in the then forthcoming elections of November 1948. The man who was running against me had been dubbed throughout the country as the No. 1 Communist. I pointed out to you how we could eliminate him from the political life of this country and how I could eliminate my adversary if you passed the bill. I urged you not to do it.

My charges were vindicated yesterday when that man appeared before the committee which is responsible for this bill and admitted that he had joined the Communist Party back in 1933 or 1934, and only as late as August 10 of this year had, as he put it, disaffiliated himself ideologically from Soviet communism. We are rid of him in the political life of this country and we did it without a Mundt-Nixon bill and without a Wood bill. I think the bill is still a bad bill.

Let me say first that I do not for one moment believe that any member of this committee responsible for the bill is doing anything but his sworn duty as he sees it for the best interests of our country. I do not accuse any of them of any ulterior motives. I am ready to accede to the statement that has been made several times here that they are doing a good job as they see it.

But, as has also been said here, this bill will not accomplish the purposes it is intended to accomplish. It does not safeguard but rather destroys the Bill of Rights that was fought so hard for so many times.

The Wood bill in at least one respect is worse than the Mundt-Nixon bill. You will remember that you wrote into the Mundt-Nixon bill a provision exempting from its operation labor unions. You have no such exemption in this bill. We have a labor union in New York that is dominated by an avowed Communist, but the union workers in that union are not Communists. They are earning their means of livelihood as members of

that union. That man in order to comply with the Taft-Hartley law stated publicly that he has now resigned from the Communist Party, without in any way resigning his belief in its ideologies. That was in order to comply with the Taft-Hartley law so that the union could get the benefits of the law. Under this bill that union will be outlawed. You thereby will deprive those hard-working men and women of their only means of earning a livelihood. This bill will label every one of them as subversives unless they resign. If they resign, they lose their jobs.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Will the gentleman point out the section of the bill under which that union could be outlawed?

Mr. MULTER. All you need to do is to read the entire bill with its definitions of Communist organizations and Communist-front organizations. There you get the picture painted.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. MARCANTONIO. The answer is very simple. When five men find that that union or any other union comes within not only the loose definitions but the very loose criteria established for a finding, then that union can be outlawed through the registration provisions.

Mr. MULTER. I think the stronger answer to that is that we found it necessary to exempt unions in the bill 2 years ago. There can be neither reason nor excuse for not doing the same in this bill.

Mr. NIXON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from California.

Mr. NIXON. I know the gentleman is earnestly concerned about the problem of unions being covered by this bill. Just so that we can have a clearer version of what the bill will do in that respect, I have before me copy of a letter which was written by Mr. Louis Waldman, whom the gentleman will probably recognize, a labor attorney in New York City, a very able lawyer as well, written to the Honorable JOHN MCCORMACK, majority leader, part of which states:

> In proposing this omnibus law I want to emphasize that there is not a vestige of truth in the claim that the provisions of the Mundt-Ferguson bill are antilabor. This is a false issue from beginning to end. Nor, in my opinion, would the inclusion of the Mundt-Ferguson bill, as I urged above, violate civil liberties.

That is another viewpoint which I know the gentleman would like to hear.

Mr. MULTER. I have differed with that gentleman before and I do so now. I much prefer to take the opinion of Philip Murray, of the CIO, which is directly to the contrary of the one you quoted. The CIO and the AFL are both vigorously opposed to the Wood bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. NIXON. Mr. Chairman, I yield the gentleman one additional minute.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. CELLER. I think if one reads carefully the criteria that must guide the Subversive Activities Control Board, one will see that very broad discretion is given. For example, members of groups that may have thoughts and express thoughts which are similar to those expressed by the Russian Government and its emissaries would come under the bill's proscription. These innocent groups, because they merely believed as do Communists could be judged to be members of Communist-action organizations or Communist-front organizations. These groups would merely have to believe in some causes that Stalin espouses. Because of the loose way in which those terms appear in the bill a union that might be extremely liberal could easily come within the four squares of the definitions of Communist organizations. That is why Mr. Murray sent me this morning a wire violently opposing this bill and asked that we vote against it.

Mr. MULTER. In the short time at my disposal I will point out several other items in this bill which make it a very bad one.

Section 4 of the bill prohibits the disclosure of "any information of a kind which shall have been classified as affecting the security of the United States."

Obviously that language is too loose for enforcement within the meaning of the decided cases. For instance, if a particular secret process applying to manufacture of armament is "classified" then any kind of process applying to manufacture of that armament, even though fully disclosed in letters patent, would be within the prohibition.

Section 5 of the bill requires the Secretary of Defense to "determine and designate, the identity of each defense plant" in order to prevent the employment of subversives

It should require no argument to demonstrate how dangerous such designations will be. How our enemies would welcome a public declaration of our secret defense plants.

Section 12 sets up a board to be appointed by the President. In the last sentence of subdivision (a) the President may discharge its members only for neglect of duty or malfeasance in office, "but for no other cause."

In other words, if convicted by a court and jury of larceny or any crime involving moral turpitude, a member could not be fired. In fact, if one of its members turned out to be a Communist he could not be fired.

There is one further matter I desire to touch upon briefly.

All through the ages, fanatics have denounced all who differed with them. Color of one's skin, difference in religious belief or place of origin are too often the straws upon which the condemnation rests.

We had one such demonstration today. We can honestly differ as to the manner of accomplishing the desirable results of this bill. No self-respecting American, however, can countenance support for any part of this bill because of religious persuasion.

The words of President Harry S. Truman are most apropos. I quote them:

> We have only recently completed a long and bitter war against intolerance and hatred in other lands. A cruel price in blood and suffering was paid by the American people in bringing that war to a successful conclusion. Yet in this country today there exists disturbing evidence of intolerance and prejudice similar in kind, though perhaps not in degree, to that against which we fought the war.
>
> Discrimination, like a disease, must be attacked wherever it appears.

There was a very definite attempt here today to insinuate that my coreligionists are not good Americans.

Need I remind you of the Jews who traveled with Columbus on his first voyage to America, financed by Jews and aided by Jewish maps and instruments; or of the Jews who aided in the defense of New Amsterdam; or the Jewish heroes of all our wars beginning with the Revolutionary War and of every one through and including World War II. The highest military honor was awarded only last week to a young Jewish lad from Brooklyn, N. Y., for outstanding bravery and conduct beyond the call of duty in the instant Korean conflict.

For those unfamiliar with that record I heartily commend the book, Jews in American Wars, by J. George Fredman and Louis A. Falk. The following is a summary of the war record of American Jews in World War II, as taken from that book:

A summary of the war record of American Jews, World War II

Total population of the United States	135,000,000
Total Jewish population of the United States	4,500,000
Total number in the armed services of the United States	13,000,000
Jews serving in the Armed Forces of the United States	550,000
Percentage of Jews to the total population—percent	3.33
Percentage of Jews in our Armed Forces—percent	4.23
Casualties:	
Died in service	11,000
Wounded	40,000
Decorations:	
Congressional Medal of Honor	1
Distinguished Service Medal and Cross and Navy Cross	157
Silver Star	1,600
Other decorations, citations, and awards	50,242
Total	52,000

Distribution among services: 80 percent served in the Army, 17 percent served in the Navy, 2 percent served in the Marine Corps, 1 percent served in the Coast Guard.

About 16⅔ percent served in the Infantry, 8½ percent served in other ground forces, 33½ percent served in the Air Corps.

About 60 percent of all Jewish physicians in the United States under 45 years of age were in service.

Multiple family contributions: 4 Jewish families contributed 8 members each, 12 Jewish families contributed 7 members each, 19 Jewish families contributed 6 members each.

(The above figures are necessarily approximate, since statistics are still being received and the returns are not yet complete.)

I can find no better way to conclude these remarks than to read to you H. I. Phillips' Study in American Strength, which was based upon the following news item: "Three American airmen, Edward Mallory Vogel, Tennessee; Izzie Goldberg, the Bronx, N. Y.; and Edwin J. Sipowski, Waukegan, Ill., killed in a takeoff in San Juan Harbor, were buried side by side, with a Protestant chaplain, a Roman Catholic priest, and a rabbi officiating. The flag for which they fought flew over them."

Mr. Phillips' poem, which appeared in the New York Sun, is as follows:

A chaplain, a priest and a rabbi—
Protestant—Catholic—Jew—
Three Yanks in three simple caskets—
Three colors, red, white and blue—
A hush on a tropic island
As notes from a bugle fall—
Three rituals slowly chanted—
Three faiths in a common call!

A lad from the Bronx; another
Who joined up in Tennessee;
A third one from far Waukegan—
A typical bunch, those three!
A crash in a naval airplane—
A rush to its crumpled side—
And nearby Old Glory marking
The reason the trio died.

They answered a call to duty
From church and from synagogue—
From hillside and teeming city—
Three names in a naval log!
Each raised in his separate concepts—
Each having his form to pray—
But all for a faith triumphant
When rituals fade away!

A prayer in Latin phrases—
And one with more ancient lore;
A Protestant simple service—
All one on a distant shore!
"Qui tollis peccata mundi"—
And, "Enter ye unto rest"—
A blessing from ancient Moses—
For three who had met the test!

This is the story mighty
Making our sinews strong:
Boys from the many altars
Warring on one great wrong!
This is the Nation's power,
This is its suit of mail:
Land where each narrow bigot
Knows that he can't prevail!

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. NIXON. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I am in full accord with purposes and objectives of H. R. 9490, to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations. I commend the Committee on Un-American Activities for the care and consideration, as well as the fair manner, in which this important matter has been approached. The bill as prepared by the committee, and, presented to the House, shows that every consideration has been given to the provisions of our Constitution that have direct application to the subject matter.

The need for legislation to control Communist activities in the United States cannot be questioned. Through 10 years of investigation, hearings, and consideration by the Committee on Un-American Activities, supplementing the work of the FBI and many patriotic organizations, it has been made indisputably plain, First, that the Communist movement in the United States is foreign-controlled; Second, that its ultimate objective with respect to the United States is to overthrow our free American institutions in favor of a Communist totalitarian dictatorship to be controlled from abroad; Third, that its activities are carried on by secret and conspiratorial methods; and, Fourth, that its activities, both because of the alarming march of Communist forces abroad and because of the scope and nature of Communist activities here in the United States, constitute an immediate and powerful threat to the security of the United States and to the American way of life.

The Communist program of conquest through treachery, deceit, infiltration, espionage, sabotage, corruption, and terrorism has been carried out in country after country and is an ever-growing threat to the national security of this and other countries. There is ample evidence that one of the primary objectives of the world Communist movement, directed from within Russia, the most powerful existing Communist totalitarian dictatorship, is to repeat this pattern in the United States.

The bill now before Congress is the result of careful investigation as to the aims and purposes of Communist activities in this country and the methods that are utilized to effect its objectives. Likewise a study has been made as to the manner in which Communist domination has been brought about in foreign countries. On the basis of all of this information the bill was drawn from the standpoint of offsetting in an effectual way the undercover methods utilized by Communist technique in advancing its objectives. A careful analysis of the strategy and tactics of communism in the United States discloses that the legislation to be effective should provide the following and the bill before us does make such provision.

First. Making it unlawful for any officer or employee of the United States to give any information affecting the security of our country to any agent or representative of a foreign power or a member of a Communist organization, unless specifically authorized to do so by competent authority.

Second. Making it unlawful for any agent or representative of a foreign government or member of a Communist organization to obtain or receive from any officer or employee of the United States any information affecting the security of our country unless authorized by competent authority.

Third. Making it unlawful for any member of a Communist organization, in seeking, accepting, or holding any nonelective office or employment under the United States, to conceal the fact that he is a member of such organization, or to hold any nonelective office or employment under the United States.

Fourth. Making it unlawful for any officer or employee of the United States to contribute funds or services to a Communist organization.

Fifth. Making it unlawful for a member of any Communist organization, in seeking, accepting, or holding employment in any defense plant, to conceal the fact that he is a member of such organization, or to engage in any employment in a defense plant.

Sixth. Making it unlawful for any individual employed in a defense plant to contribute funds or services to a Communist organization.

Seventh. Making it unlawful for a member of a Communist organization to make application for a passport or the renewal of a passport, or to use or attempt to use any such passport.

Eighth. Requiring the registration with the Attorney General of all Communist-front organizations.

Ninth. Requiring the registration of any individual who is or becomes a member of a Communist-action organization concerning which there is in effect a final order of the Subversive Activities Control Board requiring such organization to register and such organization does not register.

Tenth. Requiring the registration of any individual who is or becomes a member of a Communist-action organization which has registered, but which has failed to include his name upon the list of members thereof filed with the Attorney General.

Eleventh. Making it unlawful for any Communist organization to transmit or cause to be transmitted through the United States mails, or by any means or instrumentality of interstate or foreign commerce, any publication which is intended to be circulated or disseminated among two or more persons unless there is printed on such publication and envelope and elsewhere, the name of the organization disseminating such publication and the fact that it is a Communist organization; or to broadcast or cause to be broadcast any matter over any radio or television unless such matter is preceded by a statement of the name of the organization sponsoring the program and the fact that it is a Communist organization.

Twelfth. Denying of income-tax deductions and exemptions in the case of contributions made to or for the use of any Communist organization.

Thirteenth. Denying to any Communist organization the benefit of exemptions from Federal income tax under section 101 of the Internal Revenue Code.

Fourteenth. The establishing of subversive activities control board, which shall have the task of supervising the enforcement of this act with its many provisions.

The threat of communism cannot be overlooked nor should it be minimized. We must face the danger in a forthright manner and without equivocation. It is our duty and obligation to do everything possible to strike down this menace to our American way of life. To coddle communism is only to invite destruction. It is no red herring. It is a real danger and anyone who treats it lightly, or, of no great consequence, is doing a disservice to his country. We must make sure that the democracy for the world, for which our gallant and heroic boys have

fought in two world wars, and, now again in what may develop into world war III, is not lost in our own country.

This legislation now before the House will not be in itself, alone, a complete defense against the insidious methods of communism. However, it will undoubtedly be helpful in ferreting out the enemies of our country from their hiding places. It will be helpful in ascertaining those within our Government who are affiliated with the Communist Party. It will strengthen and assist us in our fight against communism.

Our national security demands immediate enactment and vigorous enforcement of this bill. We dare not temporize longer with Communist cells throughout America, particularly while American men and arms are fighting communism in distant Korea. The threat of Communist sabotage to our military production program is immediate. To longer neglect this vital feature of the home front would be to invite disaster. The time has come to wipe out communism in America. Then, and only then, will we be in a position to put our full might and power in the battle for freedom and justice.

This bill has my full and earnest support. I am confident it likewise has the support of the great majority of this House. The passage of this bill will again evidence the fact that the spirit of America is not dead but liveth.

Mr. NIXON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, I think probably there is no more important measure pending before this body or before the Congress previous to adjournment than some form of very strict Communist control legislation such as is envisaged in this bill. It is my personal opinion that the Committee on Un-American Activities has done a splendid job and that the members of that committee, from the chairman on through, on both sides of the committee table, are to be congratulated for the work they have done. I should like to take this opportunity to single out one member of the Committee on Un-American Activities, not that he has contributed more than any of the others, but because his contribution has been a unique one. The House and the country owe a great debt of gratitude to our distinguished colleague, the gentleman from California, the Honorable RICHARD M. NIXON. Had it not been for his tenacity in following through on the Hiss-Chambers case it is likely that that worthy would still be in Government and probably in a position of considerable authority. In the Hiss case DICK NIXON displayed the courage, the sound reasoning, the fair-minded approach and the tenacity of purpose that brought the culprit to trial and to ultimate conviction.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Connecticut.

Mr. LODGE. I, too, should like to join my friend from California in paying tribute to our colleague, the gentleman from California [Mr. NIXON]. I have felt for a long time, as I am sure many of you have, that he has rendered an invaluable service, and that he has conducted himself in a most effective and statesmanlike manner in connection with legislation which is as important as it is fraught with emotional overtones. In the face of extreme difficulties and pressures he has maintained a most judicial and balanced attitude. He has demonstrated both fairness and courage. His participation in the deliberations of this body will be greatly missed. But it is heartening to know that his distinguished services are available in an even larger capacity. I congratulate my friend and colleague on his notable and patriotic work. I wish him well.

Mr. JACKSON of California. I thank the gentleman.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Michigan.

Mr. POTTER. I wish to join my colleagues in expressing my thanks to our good friend and able Congressman, the gentleman from California [Mr. NIXON], for his forthright industry in bringing about or playing a great part in bringing about this very vital legislation.

Mr. JACKSON of California. I thank the gentleman.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from New York.

Mr. KEATING. I am anxious to associate myself with the gentleman in his remarks made regarding our colleague, the gentleman from California [Mr. NIXON]. In many discussions of this measure with him and in discussions of the bill which was introduced in the Eightieth Congress dealing with the same subject, I have been impressed with his deep understanding of the problem and with his genuine concern that any legislation which is enacted shall be fair and shall keep within the constitutional limitations. The gentleman from California [Mr. NIXON] has performed a great service to our Nation, and I am bolstered by the confidence that his services to the Nation will continue.

Mr. JACKSON of California. I thank the gentleman.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Michigan.

Mr. FORD. I likewise would like to join the able gentleman from California [Mr. JACKSON] and my other colleagues in complimenting our most distinguished colleague, the gentleman from California, DICK NIXON. His superb services on behalf of his district and his Nation in the Eightieth Congress and again in this Congress unquestionably merit the support of the citizens of the great State of California in November 1950 and in the years to come. DICK NIXON's mature ability, his forthrightness, and his tenacity are a great invaluable asset. We in the House will miss his great contributions. In closing, let me emphasize that DICK NIXON is no "Johnny come lately," in the vital struggle against the insidious Communist forces that would destroy our Nation.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Ohio.

Mr. JENKINS. I just wish to say that all the fine things said about DICK NIXON are due to the fact that he springs from the soil of my district. He was born and raised there and lived there until he went west to make California his home. Now I hope he will be a Senator from California.

Mr. JACKSON of California. I thank the gentleman.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I also would like to add my tribute to those of my colleagues. I have admired the work of the gentleman from California [Mr. NIXON], since I have been a Member of this House. I have particularly admired his objectiveness and his fair-mindedness. These are very great attributes and all too rare in these days of hysteria and emotionalism. I, too, hope that his services to this Nation will continue.

Mr. GUILL. I think Texas should be represented here. I want also to congratulate Mr. NIXON because among the thousands of letters in my office a great many of them said, "Do something about the Communists." I know DICK NIXON has been working on this for 2 years and has done much in bringing the present bill to the floor of the House.

Mr. JACKSON of California. I think it can be said of Mr. NIXON that there is no finer American in this country. Nor one more devoted to the traditions and ideals of our system. His presence will be missed in the House of Representatives next year. He is fair, decent, a true and loyal friend, a man of great ability and unquestioned integrity. But we feel confident that as he leaves the House he is going on to greater service to America and to the whole of mankind as a distinguished member of another great legislative body.

Mr. WOOD. Mr. Chairman, I yield to my distinguished colleague, the gentleman from Georgia [Mr. DAVIS], such time as he may desire to use.

Mr. DAVIS of Georgia. Mr. Chairman, I have long supported legislation to provide the protection to America and Americans which this bill does provide. I want to thank the members of this committee for the long and laborious work they have done in perfecting this bill and for the great wealth of information regarding Communists and communism which they have presented to the American people while carrying on this work.

The Committee on Un-American Activities have brought witnesses before that committee who have testified in minute detail regarding the methods used by Communists in spreading the conspiracy of communism, in training their members in sabotage and revolutionary tactics, and the communistic methods of obtaining control of governments and peoples.

Although it has been a long, and at times, a seemingly hopeless fight, America and the world are belatedly

recognizing communism for the menace that it is, and are seeing it now in its true colors.

Communism during the last 25 years has cruelly, ruthlessly, and without the slightest compunction, murdered millions of people in many sections of the earth. It has starved, actually starved, millions of men, women, and children through a deliberate, planned program of starvation. It has placed other millions of men, women, and children in actual slavery. It has cruelly separated husbands from wives, and parents from children.

It has destroyed virtue and debauched womanhood. It has attacked religion, and has taught men, women, and children to embrace and commit the vilest crimes imaginable.

One of the greatest obstacles in fighting communism is the fact that its vileness, its cruelty, and its treachery are so shocking and unbelievable, that a normal, decent person finds it next to impossible to believe that such a thing in fact does exist. However, the House Committee on Un-American Activities has brought positive, inescapable proof of the horrors of communism to the attention of the American people through the many tedious hearings which it has conducted.

Many people have been inclined to belittle the dangers of communism because of the relatively small number of known members of the Communist Party in this country.

It is a great mistake to underestimate the strength of Communists, or the effect of their activities, because they may be few in number.

It is of the utmost importance to know who are Communists, and to keep a check upon them at all times.

The number of Communists in this country has been estimated at various figures ranging from 55,000 to 100,000.

This bill will enable us in great measure to keep a check upon the members of the Communist Party in this country. It is most important that this be done.

In 1946, Mr. J. Edgar Hoover spoke to the American Legion Convention in San Francisco, and said:

> The fact that the Communist Party in the United States claims some 100,000 members has lulled many Americans into a feeling of false complacency. I would not be concerned if we were only dealing with only 100,000 Communists. The Communists themselves boast that for every party member there are 10 others ready to do the party's work. These include their satellites, their fellow travelers, and their so-called progressive and phony liberal allies. They have maneuvered themselves into position where a few Communists control the destinies of hundreds who are either willing to be led, or have been duped into obeying the dictates of others.

Let us consider what it means to the United States if there are 100,000 actual members of the Communist Party in this country today.

The official publication issued by our Government in 1947, entitled "Communism in Action" says on page 97:

> When the Bolsheviks seized power in Russia in 1917, there were only 200,000 members, and the party has remained small, although with a heavy turn-over of membership following the periodic purges.

This official booklet gives the membership of the Communist Party in Russia in 1921, 4 years after the revolution, as 650,000 members, and in 1941 as being only 2,515,481.

It is, therefore, seen that great numbers are not at all necessary to render the Communist Party effective. In fact, the Communist Party purged its membership in Russia in 1939 down to the low figure of only 1,588,000. Yet the Communist Party was not weakened in Russia as a result of this purge. On the contrary, the party seems to have been strengthened, not only in Russia, but throughout the world.

Let us not be lulled into a sense of security because of the relatively small number of members of the Communist Party in the United States.

Those who are members are active and zealous, and the party is constantly engaged in increasing its membership, and in teaching those who are members how to achieve the goals and purposes of the party, which are revolution and seizure of power.

It is important that we pass this bill today.

However, it is also important that we understand fully that the passage of this bill will not of itself take care of communism and Communists in this country. We cannot pass this bill and then forget about communism. Communists will continue to zealously work to spread communism in this country after this bill has passed.

We need to clean our Government from top to bottom of Communist sympathizers. This has not been done. We have been able to eliminate a few such as Alger Hiss. However, the people responsible for bringing Alger Hiss into our Government are still firmly entrenched in positions of great power. The man who said, "I will not turn my back on Alger Hiss," is still Secretary of State. Two members of the Supreme Court of the United States who testified to Alger Hiss' good character when he was convicted still have their seats on the Supreme Court, and still participate in the decisions of the highest court of our land.

Our Government should be cleansed of these people, and all of their kind. If they are not eliminated from our Government by resignation or removal, I hope to see the day when there will be enough Members of the House and Senate to impeach them. Our Government will not be safe so long as they and others like them can be a part of it.

The passage of this bill now under consideration is a step in the direction of destroying communism and its dangers in this country. However, it is only a step. We must not let anything lull us into a sense of security. We must continue to be alert to the dangers of communism, Communists, and Communist sympathizers. Nothing short of an all-out, continuing fight will do the job.

Mr. WOOD. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I did not know that I was going to walk into a political campaign or political issue here. This is a very serious question with me. But, before I make my formal statement, I want to say I have listened with a great deal of interest to the statements of the Members and have observed the position taken by the several Members who have spoken on this legislation. It is too bad that the practical application of this legislation cannot be made down where the damage is done, or will be done under this legislation.

As you know, for 25 years I have been an active full-time official of the American Federation of Labor in my city. During those 25 years, particularly in the twenties and in the early part of the thirties, I had considerable experience with this kind of problem. I take second place to no one in the House of Representatives in my loyalty to my country, and in my service in the military forces of my country, or to my sincere interest in the people who toil in America. That is perhaps the outstanding reason for my presence in the House of Representatives today. I am very proud of my 25 years of association with the people in the lower strata of our society.

It is true that I have been on the picket lines and that I have helped to negotiate contracts and have helped to organize thousands of workers to help prevent them from being exploited and to try to make tomorrow a better day for them.

Mr. Chairman, time will not permit to give the answers to some of the questions that have been raised here this afternoon as to why good, loyal Americans have become followers of the Communist Party. There is an answer to it, however.

I want to add that in addition to my labor experience I have had some political experience. I have served as a member of the house in the State of Minnesota for 6 years. I served as a member of the Minneapolis School Board for 9 years, and now I am in the House of Representatives.

In all those political campaigns, because of my association with this great mass of good, loyal American workers, striving for better conditions, inevitably I was confronted in those campaigns, whether it was in the Minnesota legislative battles of the twenties, or the school board campaign in the thirties or in the campaign for a seat in the House of Representatives, I have been confronted with this left-wing label, and it was used extensively in my race for a seat in this House of Representatives: "That because of his asscciation with this great mass of people; because he has been on the picket lines; and because he has organized these workers in fighting for their interests, he must be allied with or a bedfellow of the Communist Party."

I have seen great big sheets put out saying "Is WIER a Communist—Is WIER a safe risk?" I am not deterred by that. I am not disturbed about that. Usually I have been successful in my campaigns in opposition to that sort of thing. Even on the floor of the House of Representatives in the last 2 weeks I have heard the inference made that because I vote and support this legislation or that legislation of a social nature or having to do with labor and other such programs as I believe are in the interest of this great

mass of loyal people, the Members get up and say, "We will find out who the goats are. We will find out who the bedfellows and the pinks are," the inference being that because my philosophy leads in that direction that I may be a bedfellow, a pink, or a goat. That I resent. And that is my reason for stating very emphatically that I do now and have for years opposed this type of police legislation.

What used to be called the Mundt-Nixon bill has had its face slightly washed and is now before the House for action. It still remains in its essentials as objectionable and as repugnant to American traditions as when it was first spawned by the House Committee on Un-American Activities more than 2 years ago.

Styled the "Subversive Activities Control Act of 1949," it is an outright sedition bill comparable to nothing ever enacted by the Congress of the United States since the odious Sedition Act of 1798.

Apart from its dubious constitutionality and its indubitable violation of long-settled American principles, this bill is a stupid bill because it entirely misconceives the danger it is intended to meet. The danger does not lie in the propaganda of the Communist-front organization. There is a security danger in this country, but not a political danger and the security danger most probably comes from agents who are not allowed to be formal Communists.

The premise on which this sweeping proposal rests is that ideas are dangerous to the internal security of the United States. But it has been a fundamental American premise for a century and a half—ever since the unfortunate Sedition Act of 1798 was allowed to lapse in 1800—that unhealthy ideas are best countered by healthy ones and that the gravest danger to the sources of national strength lies in the suppression of opinion.

Yes, the opinion of the Communists are odious. But they are not, as opinions, dangerous. There is no sign that they are contagious or that they have infected more than a tiny handful of sick Americans. Communists are nuisances, but they are not, as Communists, threats to internal security. They threaten security only if they engage in espionage or sabotage. And this is why it is wise to strengthen the statutory provisions against spies and saboteurs, as the President has recommended.

The subversive control provisions of this bill would not contribute in the smallest degree to the detection and frustration of spies and saboteurs. They would not protect internal security, they would serve only the other purposes of the bill, particularly the dangerous and essentially totalitarian purpose of punishing men for the holding or expression of disloyal thoughts.

We need to strive, of course, to keep outside our borders the agents of communism who would attempt to injure our military defenses. But it is craven folly, peculiarly Communist in character, to bar all who disagree with us. Security is not promoted by panicky fears, it calls for rational precautions. The bulk of this bill is aimed at shadows and serves purposes which have nothing to do with security. Yet in the name of security it threatens freedoms which have been the historical sources of American strength.

I am aware that Communists are reaching into this country, trying to use our freedom of speech in order to destroy our freedoms; trying to subvert our constitutional guaranties for totalitarian ends. They think this will succeed, because they believe freedom of speech is unworkable.

Men like Mr. Harold Stassen and the gentleman from California [Mr. NIXON], sincere and conscientious though they may be, have, unfortunately for all of us, the same lack of faith in the strength of our democratic institutions that Russia has. They do not want to trust the American people to reject communism through the process of free election in which ideas subversive to our own system may be advocated and voted down.

Such men are unwittingly walking arm in arm with the Communists. They have become fellow travelers without knowing it. They are undermining the confidence of the American people in the effectiveness of free speech and free association as a bulwark of democracy, and that precisely is what Russia is trying to do.

There have been times in the past, like today, when we wavered in our confidence and faith in democracy, when we prosecuted dissenting groups with ideas which were contrary to our way of life.

Our Puritan oligarchy saw in the Quakers a threat against their church government. They passed savage legislation to drive Quakers from New England. The result was to strengthen the Quakers and to write a chapter in our history of which today we are ashamed.

After the Revolution, the Federalist Party passed the infamous alien and sedition law aimed at suppressing agents of the French Government who were the Communists of that time. Instead of strengthening the Federalist Party, those laws helped to destroy it.

In the sixteenth century Spain had a great empire spreading over the Old World and the New. Elizabeth of England was a heretic. That to the Spaniards meant what communism today means to us. Elizabeth was conducting a cold war against Philip, using, like Stalin today, every device of chicanery and deception. She secretly commissioned privateers like Drake and Hawkins to prey on Spanish commerce, while publicly denying it.

Philip of Spain thought he had the answer. He believed that he could strengthen Spain by destroying heresy, and so every time Elizabeth's privateers sank a Spanish ship or raided a Spanish town, heretics were burned.

This solved no problems for Spain. Instead, it bled Spain white.

Today we are attacking our scientists, we are creating a paralyzing atmosphere of doubt and fear over this country. If we meet those who join a party to promote communism in democratic debate at the polls, we will not only beat them, we will reduce them to a crackpot rate.

Governor Dewey said that so far as protection against foreign agents or danger of violence is concerned, our present laws are sufficient. He implied that if you take the unconstitutional part out of the Mundt bill, there will be nothing left which adds anything to what we already have.

I only regret that he did not point out that the Mundt bill is a symptom of panic that adds fuel to the witch hunt that is now going on, that in substance is an expression of lack of confidence in American democracy.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. WIER] has expired.

Mr. WOOD. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I want to answer the gentleman from South Dakota [Mr. CASE] who asked me to identify the portions of the bill that involved Communist technique.

There are three provisions in the bill which involve: first, self-incrimination; second, thought control; and, third, guilt by association. That is the methodology of Communists—the technique of totalitarian regimes.

Let us take up self-incrimination. Do not take my word for it. Take the view of the Attorney General of the United States. He says as follows in a communication addressed to us:

> Insofar as section 8 would require a member of the Communist Party to register himself as such, it presumably violates the command of the fifth amendment that "no person shall be compelled in any criminal case to be a witness against himself."

If a leader or those in control of an organization, determined to be a Communist action or Communist-front organization, fail to include in registration of members, fail to include for any reason whatsoever, the name of an individual, the latter is compelled to register himself. Failure to do so is a violation and penalties are incurred of the individual not registering.

It may be said that on page 11, lines 9 to 13, subdivision (e), you have immunity. That language reads as follows:

> The fact that the registration of any person under section 7 or section 8 of this act as an officer or member of any Communist organization shall not be received in evidence against such person in any prosecution for any alleged violation of subsection (b) of this section.

But the immunity in the act is limited to any prosecution under subsection (b) of this section. But if you compel a man to register and you invoke penalties and sanctions against him if he does not register, he can be held for a violation of various acts now on the statute books, for example, the Foreign Agents Registration Act; he can be held for violation of the Smith Act. The immunity only applies to a provision of the instant bill. Other laws may be invoked against the one registering. Read section 2 of this act, and if a man is dubbed a member of a Communist-front organization or a Communist-actions organization, he may as well fold up shop and kick the bucket.

He will become a marked man. He will be held in opprobrium. He is by section 2 practically declared a spy, he is declared a minion of Russia, all sorts of sanctions are visited upon him. He cannot get a passport and go abroad. He could not get a job in the Government. He cannot get a job in a defense plant. All sorts of penalties are visited upon him. The jig would be up. He becomes a pariah, shunted about, hunted and hounded. You make a man, nonetheless, incriminate himself, make those penalties fall upon him if the Subversive Activity Board says he is a member of a Communist group, although he may not be one who necessarily believes in all the things that his comembers believe in.

The immunity, to be effective, must be perfect immunity, complete immunity. That is now the case here. *Counselman* v. *Hitchcock* (142 U. S. 547) stands for the proposition that incriminating testimony can be compelled only in exchange for complete immunity from prosecution on the matters to which the testimony relates. This case stands for the proposition that a provision as in the instant bill which merely provides that the compelled testimony may not be used against the witness is insufficient. The compelled disclosure of membership could be a lead to other evidence of violation of the instant bill as a violation of other acts. In other words a witness need not answer unless he is given blanket immunity. If disclosure of membership would develop and lead to other evidence that could be forged about the individual, then the immunity is insufficient. Thus the bill tends to force incrimination.

You do not in this bill grant complete immunity, and therefore the bill is vitiated. Thus the bill follows one of the techniques of the Communists.

The bill provides for thought control. Take page 30 and see the criteria that govern the Subversive Activities Board to determine whether or not an organization is a Communist-front or a Communist-action organization. One of the criteria is as follows:

> The board must consider the extent to which its views and policies do not deviate from those of such foreign government or foreign organizations.

Suppose I am a member of a perfectly innocuous organization that believes in the covenant on human rights; that believes in the advocacy of the covenant on genocide; that believes in the justice of opposition to the use of the atomic bomb; that is opposed to our foreign policy on Korea or Formosa. It may just happen that the Government of Russia or Commie organizations have views which coincide with the views of that innocent organization. What may happen? You give the power to this Subversive Activities Board to declare that organization a Communist-front organization. That is a fine kettle of fish. The result is thought control. You frighten, you cow the people of the Nation. You thereby restrain expression. You hobble discussion. The dissidents, those who might be unpopular because they disagree, are branded as traitors, spies and Communists. If that is not thought control I will eat my hat.

Then you provide guilt by association. What are the criteria to govern the Subversive Activities Board? One criteria is the extent to which the organization sends members or representatives to any foreign country for instruction or training in the principles, policies, strategy, or tactics of such alien Communist government. Perhaps the Progressive Party, of which I am not a member, but which had a large membership in the last Presidential election, suppose the Progressive Party had some members who believed in the principles, policy, and strategy and principles of the Communist government; suppose there were some members of that party who went to Moscow and received instructions from the Kremlin. There were over 1,000,000 in that party—they voted for Wallace and the Progressive Party in the last Presidential election. Yet the Subversive Activities Board could have compelled the Progressive Party to register every single member. Well, you figure out for yourself, registering a million or so members who voted for the Progressive Party. I opposed Wallace. I did not believe in his views. They were anathema to me. Yet there were countless thousands of innocent people who did vote for Wallace and who believed in his ideas. They would be branded—all of them—conceivably if this bill had been law in 1948. If that is not guilt by association, again I will eat my hat. Because thousands of the party were associated with some members who took dictation from Moscow, those thousands no matter how innocent, would be ostracized and branded because of association.

Because of self-incrimination, guilt by association, and thought control I cannot, I will not vote for this bill.

Mr. WOOD. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON. Mr. Chairman, the commendation and praise of Mr. Frank S. Tavenner that have come from both the Republican members and the Democratic members of this committee is a matter of personal satisfaction to me, because I had the honor of first having brought his talents to the attention of the committee. For many years, our committee counsel was a distinguished United States district attorney for the western district of Virginia. While acting as such he so commended himself to the Department of Justice that he was designated a roving prosecutor by the Department to handle important litigation throughout the country.

At the time of the prosecution of the Japanese war criminals, he was designated Mr. Keenan's chief assistant, and he was in Japan, aiding in that prosecution, for several years. He then returned to this country and took up his duties with this committee. He has performed them with efficiency and effectiveness that have merited clearly the eloquent testimonials given here today by both Democrats and Republicans.

Mr. Chairman, I was very much moved by the prophecy of disaster of my distinguished friend from New York [Mr. CELLER]. I have the very highest and warmest personal feeling for him and I must say he almost moved me to tears. I say "almost" because the song that he sang I have heard him sing before. You know, we have on the statute books today the Smith Act, which was written in 1939 by my distinguished colleague from Virginia, Mr. HOWARD W. SMITH. In practice, it has proved a most useful tool in dealing with subversive activities in this country. Under it, the 11 Communist leaders were convicted by a jury trial that lasted many months. On the other hand, the law has been careful to preserve the constitutional rights of every accused citizen.

In its opinion upholding the Smith Act, the circuit court of appeals commended the Congress for its wisdom 10 years ago in having enacted this measure and putting it on the statute books. In recognition of his services as the author of the law, the American Legion of his State, at a recent State convention of that organization, bestowed a medal upon Judge SMITH.

The Smith Act has proved its worth, and its worth has been recognized.

But the gentleman from New York [Mr. CELLER] had very definite ideas about it when it was before this House. Here is what he said about it in 1939:

> An unsuspecting alien may possess a sawed-off shotgun or some other weapon interdicted by this act; he may go out hunting—and be it remembered that a citizen might very well have a similar weapon without molestation from the authorities—yet this poor alien can be nabbed, taken into custody, and without trial.

I do not know what the alien—or the citizen, for that matter—in my distinguished colleague's illustration proposed to hunt with his shotgun, but I have heard no complaints from anyone having a legitimate use for a sawed-off shotgun that he had been denied due process of law by invocation of the Smith Act.

And, back in 1939, the gentleman from New York [Mr. CELLER] quoted from a statement made by James Madison in the General Assembly of Virginia on January 23, 1799. Mr. Madison was speaking about the Alien and Sedition Act, and he said:

> But this bill contains other features, still more alarming and dangerous. It dispenses with the trial by jury. It violates the judicial system; it confounds legislative, executive, and judicial powers; it punishes without trial; and it bestows upon the President despotic powers over a numerous class of men. Are such measures consistent with our constitutional principles?

My good friend from New York [Mr. CELLER] thereupon, in a dire prophecy of doom for sacred American principles of justice, declared flatly that the Smith Act was of a piece with the legislation against which Mr. Madison inveighed in 1799.

Mr. Chairman, the gentleman from New York stated that the bill before us now will drive the Communists underground. It seems to me it is high time we drive the Communists somewhere. From Washington to Korea, from Korea to Washington, they are driving us. The survival of the Republic is in issue and

every measure that will harry, neutralize, or jail subversives is an urgent need.

For my part, it would seem that the time is nearly at hand when the Communists should be put underground—6 feet underground.

These are harsh words, but it must be evident to all of us by now that the realities of the hour are harsh, indeed. We cannot discard our free principles in this time of trial, even though the Communists in our midst wring from them every drop of perverted advantage. But we can and must, in the Nation's vital interest, take all practicable steps to prevent the abuse of these principles.

Despite the anguish of the eminent gentlemen from New York [Mr. CELLER]—anguish as misplaced today as it was when he spilled it over the Smith Act more than a decade ago—I am not afraid of the measure before us. If it makes some of the Communists afraid—if it brings to an accounting even a few of the secretly sworn enemies of our way of life—I say it will have been justified, as our enactment of the Smith Act has been so powerfully justified.

I have no apologies for my support of the pending bill, or for having associated myself with a legislative project which has made, and will continue to make, many enemies among subversive elements.

Our distinguished committee counsel, Mr. Tavenner, has earned the bitter hate of these groups for his conscientious and persistent effort to expose and nullify them. If his present position were an elective office, he most certainly would be subjected to unbridled vilification by one set up to oppose him on behalf of the Communists and their friends.

It may be that I, who was privileged to bring his superb qualifications to the notice of the committee, may become subject, in the left wingers' good time, to such vilification. This would be of no consequence. It is a peculiar circumstance of this disordered day that self-styled liberal defenders of our national principles seek diligently to attach an onus of shame and ridicule to those who are trying, without claims of omniscience or perfection, to fashion legal weapons to match the insolent guile of those who value law only as an interim device in their nefarious and ruthless scheme.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. NIXON. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, this bill is entitled "Subversive Activities Control and Communist Registration Act." It is designed to deal with the spread of communism and Communist activities in this country.

Communism is not a political party in any sense of the word. It is an ideology. It is a foreign ideology. It is the foremost menace to democracy today. It is ruthless, inhuman and imbued with hatred toward our civilization and the American way of life.

The existence of this ever-growing menace in this country has been well known for a considerable period of time. It has been coddled and pampered right here in America. I regret to say its growth and increase has been encouraged in some areas in this great country of ours.

Time and again attention has been called to the growing influence and influx of communism in America. The thing that has disturbed me is the manner in which officials in responsibility have protected Communists and their fellow travelers right within our own Government.

I have some first-hand experience in dealing with one comparatively small part of this problem as it relates to Government employment. As a member of a subcommittee that held brief hearings, I called attention to Communist influence in one of our agencies. The report of that subcommitte and its recommendations was the basis for what is known as the President's loyalty order.

Only recently, Mr. Chairman, I served on a committee headed by the gentleman from Missouri, Hon. RAYMOND W. KARST. There again attention was called to Communist activities in one of the important agencies of our Government. An informative report with respect to communistic influences in that agency is on file with the House of Representatives.

Now it appears that during the last days of the second session of this Eighty-first Congress, the leadership has deemed it expedient to submit legislation designed to curb communism in the United States. Why have you waited so long, and then decide all at once the legislation must be passed within a period within an afternoon. There must have been an urge that came from the people of this country.

In any event it has been determined all at once that this legislation should be put through right away and not wait until December. Newspaper reports state the Chief Executive has consented to approve legislation dealing with this subject matter. The regrettable thing is that men in high places have not shown more concern with regard to this problem long ago.

Some of the situations with respect to our Government, the best Government in all the world, seem almost incredible. Here we are spending the wealth. Spending money and goods to combat communism in foreign countries. But the real important thing, and the most serious situation is that we are sending our boys, the flower of American manhood to sacrifice their lives, if need be, to combat the onslaught of communism in countries thousands of miles away. They are told it is necessary for the protection of the United States of America against a potential enemy that embraces, and fosters and spreads a doctrine that would take over a government by force or violence, if it is for the interests of the Communists to do so. Mr. Chairman, the incredible thing is that while the situation I have just recited is carrying on, attention is called to the fact so little has been done right here in America to deal with this problem. It is incredible that the number of Communists and fellow travelers in this country has grown by the thousands in recent years. But, worst of all, it is absolutely inexcusable that men should be permitted to hold positions in our own Government who embrace the doctrine of communism. Such a thing is not only unfair to the people of this country, but manifestly unfair to the hundreds of thousands of loyal employees in our Government. How can anyone justify the employment of men like Alger Hiss in policy-making positions in our Government? There are others who have held lesser, but important places in our Government. A number of them have been named by this committee. Has it occurred to you that it is this committee and the legislative branch that has instigated the removal of a good share of the undesirables from Government service.

Mr. Chairman, it is no wonder the American people are asking for protection against Communist agents who are busily engaged in an attempt to weaken, and if possible, destroy our Government. Let us look at some of the individuals who have been brought to light. The cases of Marzani, Whittaker Chambers, Hiss, Fuchs, Eisler (who was permitted to escape this country), also Judith Coplon and others, have attracted national attention because of revelations made regarding their Communist activities in our Government.

Mr. Chairman, the much-discussed "red herring" has turned out to be a Red menace of the worst kind.

Mr. NIXON. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, any bill that will curb the activities of the Communists should have the full approval of every patriotic American. I am glad that a very large percentage of the Members of this House are opposed to any and all communistic activities. I am sorry that a few Members of the House are always found to be opposed to any legislation that seeks to curb the activities of Communists. Their reasons for their actions are very artful, devious, and shallow.

When I first came to Congress I was assigned to membership on the Committee on Immigration. In those days we were writing the immigration laws under which our country has lived for the past 25 years. I had the privilege and honor to prepare and introduce a number of bills which were enacted into law and which provided for restrictions of the movement of aliens into our country and also of their movements in and about our country. These laws kept out of our country many thousands of undesirables who were seeking entrance. But in spite of these restrictive laws, thousands of undesirables have found their way into our country and are here today. Many of these never miss an opportunity to talk and act against our country and its institutions.

Mr. Chairman, there is no question that communism is the greatest menace confronting our country today. This sinister philosophy has had the espousal of many smart and crafty persons who would be glad to see our country destroyed. Many of these are in high places in the Government. No doubt that there are thousands of them who

get their daily bread from the salaries that they draw from the Federal Treasury which is financed from the taxes of the American people.

Mr. Chairman, this great threat that we call communism was given the greatest impetus by one Franklin D. Roosevelt. You will recall that when Woodrow Wilson was President of these United States he refused to give national recognition to Russia because he felt that communism was inimical to the best interests of our country. Likewise President Harding and President Coolidge and President Hoover refused to recognize Russia. But Franklin D. Roosevelt ran rapidly to recognize this unlawful and un-Christian group that called themselves Russia. Since that time our country has been overrun by the most dangerous Communists that Russia could send into our midst. F. D. R. took them into his confidence. Mrs. Eleanor Roosevelt and their whole family threw the White House open to any and all the Communists that might wish to enter. President Roosevelt took one of the leading Communists with him to the world conferences. No doubt that Alger Hiss who was Roosevelt's chief assistant at one of these world conferences exerted sufficient influence over the ailing Roosevelt that he made many concessions that have worked greatly to the disadvantage of the United States and to the advantage of Russia. I have no doubt that if Roosevelt had not taken these Communists with him to these conferences we would not now be in the Korean war.

Mr. Chairman, I was one of those who advocated the establishment of the Committee on Un-American Activities. I have voted for its continuance and for increasing its power on every occasion. I have voted for the appropriations required to finance the expense of this committee. I know of the fine work this committee has done in spite of the fact that the New Deal under Roosevelt and Truman has consistently opposed it and have studiously and persistently put every obstruction in its way. Mr. Truman's wisecrack about the red herring will long be remembered.

Mr. Chairman, I know that this bill will pass by an overwhelming vote and hope that this committee shall be encouraged to keep up its good work.

The people of my district are intensely patriotic. I doubt that there are any active Communists in my district. Our people are unanimously opposed to Communists and all their nefarious activities. I shall vote for this bill and for all legislation that restricts and punishes communistic activities.

Mr. NIXON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, this bill to try to curb the activity of Communists throughout the Nation is practically the Mundt-Nixon bill under a new name which was passed last year by an overwhelming vote of the House and sent to the Senate where through the opposition of the President and the leadership of that body it was held up without action.

The opposition to this legislation, spearheaded by the CIO leaders, has brought to bear all of its influence upon the administration to prevent the passage of such legislation. All of the fellow-travelers, left-wingers, radicals, and Communists have joined in this effort. They are still opposed to this piece of legislation.

The delay in the passage of this legislation is an indication of the tremendous influence these groups are able to wield.

Mr. Chairman, this legislation should and will pass the House. I believe it will be speedily approved in the other body. It will do much to curb the dangerous influence of Communists in our country, who unless brought under closer scrutiny and control could in the event of war, and, of course, would, join with the Communist enemies in sabotaging this country to a fearful degree.

Such legislation as this may prevent the use of the atomic bomb through their connivance in the event of war that would wreck our industrial plants and cost the lives of hundreds of thousands of people. Yet, this legislation has been delayed too long.

Mr. Chairman, we are at war with the Communists in Korea and are trying to curb their activities throughout the world at the cost of billions of dollars. Men are giving their lives in great numbers daily on the battlefields of Korea.

We should relentlessly drive against the Communists in this country. Some have said it would drive them underground. Anyone should know that the leading Communists do not now have their names on record as Communists. Those who can do the greatest damage are already underground, so to speak.

The trouble is that they have been driving us and driving against the interest of this country.

They have infiltrated Government departments, have stolen the secrets of the atomic bomb and given them to Russia. They have made it possible for Russia, through their traitorous connivance to produce the atomic bomb 3 years ahead of time. They have helped to put the instruments of death against our people in the hands of Stalin.

It is time this Congress; yes, and long past the time that this administration which has opposed this legislation, join in this drive against the Communists who threaten the security of our Nation.

Mr. Speaker, for my part, I believe citizens of this country who have enjoyed the blessings under our form of Government that no other country offers, and who are in league with the Kremlin in Russia to destroy this country, really ought to be driven underground 6 feet in depth and kept there.

They want to destroy this Government and murder its people. They will unless we prevent it. Let us pass this legislation by an overwhelming vote.

Mr. NIXON. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, with our American boys dying on foreign fields fighting forces seeking world domination, this act is a logical corollary which will protect us from those same subversive Communist forces here at home, and this bill should be passed.

Mr. NIXON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Chairman, a great many compliments have been paid today to the members of the Un-American Activities Committee and its counsel, Frank Tavenner. I concur in the opinions expressed here by other members that Frank Tavenner has done excellent work since he has become counsel for the committee and his great legal ability was of material assistance in producing this bill, H. R. 9490.

But I feel too that a compliment should be paid to the courageous investigators of our committee who have long realized the serious problem confronting our Nation by the infiltration of Communists' influences in America. The investigative staff is headed by Louis Russell, former FBI agent, who has been with the committee as an investigator for several years. Other investigators on this committee who have worked tirelessly and obtained evidence in the many hearings that we have held are Donald T. Appell, William A. Wheeler, Courtney E. Owens, W. Jackson Jones, and Alvin Stokes.

Mr. Chairman, H. R. 9400 is, as has been said before, a clean bill based on the Mundt-Nixon bill passed by the Eightieth Congress. When it was finally suggested by President Truman that a Communist registration bill was needed, members of the committee seriously gave consideration to his proposal. It is with great pride that I can say that his proposal for weak-kneed Communist registration bill was rejected unanimously by the committee, and it was decided to use the original Mundt-Nixon bill as the basis for the much-needed legislation.

I cannot say that this bill under the title of the distinguished gentleman from Georgia, chairman of this committee, is a perfect bill by any means. I do not say that H. R. 9490 will solve the problem confronting our Nation. I do say, however, that it is the nearest possible solution which we could produce in view of the fact that all members of the committee were interested in protecting the rights of all minority groups and the freedoms guaranteed by our Constitution as well as protecting our internal security and bolstering our national defense.

I might add that in terms of meeting the problem involved the Wood bill is somewhat stronger than the original Mundt-Nixon bill. We have had occasion to need a stronger bill than the original Mundt-Nixon bill because in the last 2 years we have learned a lot about the Communist menace that we did not know beforehand.

We have seen a complete reversal of foreign policy in the executive department of Government. We have seen our Armed Forces sent again to foreign lands to defend our American way of life and we have seen the trial of the 11 Communists in New York City and its outcome.

In defining the need for this legislation we are greatly indebted to the decision of the distinguished Justice, Learned Hand, upholding the constitutionality of the Smith Act under which the 11 Communists were convicted. Part of his opinion rendered in the case of that appeal

is incorporated in the findings of this bill. I want to quote one of those findings at the present time:

The Communist movement in the United States is an organization numbering thousands of adherents, rigidly and ruthlessly disciplined. Awaiting for and seeking to advance a moment when the United States may be so far extended by foreign engagements, so far divided in counsel, or so far in industrial or financial straits, that overthrow of the Government of the United States by force and violence may seem possible of achievement, it seeks converts far and wide by an extensive system of schooling and indoctrination. Such preparations by Communist organizations in other countries have aided in supplanting existing governments. The Communist organization in the United States pursuing its stated objectives, the recent successes of Communist methods in other countries, and the nature and control of the world Communist movement itself, present a clear and present danger to the security of the United States and to the existence of free American institutions, and make it necessary that Congress, in order to provide for the common defense, to preserve the sovereignty of the United States as an independent nation, and to guarantee to each state our form of government, enact appropriate legislation recognizing the existence of such world-wide conspiracy and designed to prevent the Communist organization from accomplishing its purpose in the United States.

I want to point out that this bill does not outlaw communism and it does not make it a crime to be a member of the Communist Party, as several Members have claimed. This is a registration bill purely and simply and nothing else could be made of it. The bill requires the Communist Party to register with the Attorney General. It requires all members of the Communist Party to register.

Further provisions of the bill require that Communist-front organizations register and list their officials but it does not require the registration of the members of the Communist-front groups.

The only criminal penalty which might be imposed for violation of this bill is for failure of the Communist action organization or its membership to register with the Attorney General.

The committee members were very earnest in their desire to insert safeguards for the protection of all constitutional freedoms and liberties. The power to determine whether or not a person or organization is communistic is vested in a Subversive Control Board, which consists of five members, not more than three of which can be members of any one major political party. The members are appointed by the President of the United States by and with the consent of the Senate.

The bill provides that hearings before the Board shall be open and that each of the defendants shall have the right to be represented by counsel, the right to cross-examination of witnesses, and, of course, the right to appeal to the Circuit Court of Appeals of the District of Columbia and to the Supreme Court of the United States in case of dissatisfaction with the Board's decision.

The procedure before the Board offers more guaranties to a defendant than is permitted under the Administrative Procedures Act.

No Member of this House need be afraid to vote for this bill, and any Member interested in preserving the constitutional form of government and all the blessings it has bestowed upon us will vote for it. I hope it passes by an overwhelming majority.

Mr. NIXON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, when we were sent here it was my understanding that one of the things a legislator had to do was not to be fooled by the label on a bill. This bill which is before us today has an attractive label:

To protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes.

But I think I would be less than a legislator and less than a good American if in the exercise of good conscience and some professional judgment on my part I would take the bill on faith because of that label, a label of measures against Communist activity which I have supported in connection with the European recovery program, the mutual defense assistance program—arms for western Europe—Greek-Turkish aid program, Korean aid program, and a series of other measures for which I not only voted but fought for very hard—and not always successfully—on the floor of the House. I think it should be clear that we having that background of vigorous, long standing and deeply convinced anti-Communist activity, who speak in opposition to this particular measure love our country just as much as those who speak in support of it.

Mr. Chairman, why am I afraid of this bill? I am afraid of it because it sets a precedent with regard to placing critically serious disabilities on people because of what they believe in. That I think is very dangerous to my country because that can be extended far beyond the ideas sought to be interdicted in this bill. It can at the least refer to any other international movement whether it is a church or a faith, or a fraternal order or an international organization of any kind—social, economic, religious, or educational—if a majority of the Congress feels like it. Once you have started this business there is no end to it.

As soon as the Congress, as in this bill, starts to define ideas it does not like and then punish people for entertaining those ideas or belonging to organizations which entertain such ideas instead of punishing people for acts which they commit and which are declared unlawful, a new and a mischievous conception of our law has been created which every minority in the country must fear for the majority could use it against any minority. I believe that for this reason alone the bill must be opposed and some of us must stand up against it in the interest of all minorities. My district is a composite of such minorities. I believe the best interest of the people of my district require this stand.

Secondly, I believe that in practical effect the provisions of this bill are so stringent that it amounts to outlawing the people whom it is trying to reach. And on the subject of outlawing even the Communist Party and driving it underground I take my stand with Governor Dewey and Senator TAFT who in the 1948 Presidential campaign both opposed it. Senator TAFT then said: "Under our Constitution, we cannot, and should not, make it illegal for an American citizen to think communism or to express his opinions, so long as he does not advocate a violent overthrow of the Government."

J. Edgar Hoover, Director of the FBI, who certainly should know this subject, said in his annual report for 1949: "Suppression and outlawing subversive organizations by legislative enactment are not the answer." I take my stand with him, too.

I think we have so many other weapons to deal with our problem. I think this one adopted in this bill is just too dangerous for our fundamental constitutional democracy and one which is especially inimical to the interests of minorities.

We must remember that nothing would suit the Communists better than to imperil our minorities and to lose our constitutional freedoms in the very process of dealing with Communists whom we despise; the mischief that would create would be a great success for them.

We should get a little perspective on this measure, and I think some proponents may agree with me in this perspective. This measure will not stop our boys from undergoing the hazards of battle in Korea. This measure will not dispose of the Communists in the United States. This measure will not even punish those who conspire to overthrow the Government by force; it contains no such provision. That provision is contained in the Smith Act, under which the 11 Communists were convicted in New York. This measure will not deport undesirable aliens; it will not go further to punish those who give away secrets than is already in laws on the statute books or measures well on the way through the legislative process. These matters are already in the laws of the United States. There is a great deal of legislation on the statute books against espionage and the overthrowing of the Government by force, against violating Government secrets and against aliens abusing the hospitality of the United States. The administration has offered as its plan and there will be offered here as a substitute for this bill legislation tightening up these laws, and I shall support such a substitute.

What this bill is trying to do, however, is to reach something else again. It is trying to find a technique with which we can reach people who have certain ideas. No matter how you describe it, no matter how you dress it up, that is what this bill is trying to do, and that is what is started in this bill before us. To start in that way, the bill does something very unusual in legislation. It first defines the ideas and then goes on to say that anybody who believes in any organization or in any way subscribes to any of these ideas, that person is interdicted, and he labors under certain very grave difficulties. Let us remember that means that a citizen may be a member of an organization

today; it may be a bowling club—I will name no organization because I do not want to prejudice anybody—and after this law passes he is heavily penalized; it is not illegal now, it is perfectly okay in the United States today for him to belong to that organization, but once this bill passes, it becomes subject to very great disabilities.

Let me show you what those are. A person can be a member of what is defined here as a Communist-front organization, and that only means that the organization advocates some ideas, perhaps only trade-unionism, or anti-discrimination on grounds of race, creed, or color, which Communists also advocate—and we all know they advocate such liberal ideas, too, at the same time that they advocate communism—and that person has no right of appeal to the Attorney General to be taken off any list because he is not listed. The only people required to register in the Communist-front organizations are the officers of such organizations. So, that person cannot go to the Attorney General and say "Take me off." He cannot go to the Subversive Control Board and say, "I am listed," because he is not on at all, nor can he appeal to the courts; he has no remedy whatever. And, yet he cannot hold Government employment. If he tries to, he is guilty of a felony, if it is proved ultimately that he is a member of a prescribed organization. He cannot get a job in a Government defense plant, and the way things are going today, that could mean a chance for a job of any character whatever except perhaps work in a shoe-shine parlor; and he cannot get a passport. That person is not listed; he cannot go to court and he cannot go to the Attorney General, but he is completely interdicted by this bill just the same.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. He can withdraw from the organization.

Mr. JAVITS. Yes, he can withdraw from the organization, and that is exactly the point with respect to this bill. What you are doing, is to say that such a person must stop entertaining ideas. Because if he belongs to an organization which is identified with certain ideas he believes in he has to withdraw from it or suffer serious damage and probably loss of a chance of livelihood. That is just the point I am making.

Mr. CASE of South Dakota. May I point out that that is on all fours with the decision of the Supreme Court in the Communications case which relates to the filing of non-Communist affidavits of membership.

Mr. JAVITS. In that case the man disqualified himself from holding office in a labor union. He had to file an affidavit. I pointed out here that the man in the example I gave does not file anything; he does not give any notice of any kind, but he is completely interdicted. All he knows is if he is found to be a member of that organization, he is interdicted under this bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. NIXON. Mr. Chairman, I yield the gentleman one additional minute.

Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from California.

Mr. NIXON. I think it is important to point out that what we are concerned with here is the present system and the change that this will make in it. At the present time the Attorney General of the United States without hearing, proceeding ex parte, with no notice to the front organization involved whatever, with no opportunity to cross examine witnesses, from time to time issues a list of subversive organizations. Those lists are the basis for the President's loyalty program, and individuals are held to be eligible for Government employment by loyalty boards on the basis of whether or not they belong to those organizations now or may have belonged to them in the past.

Now, contrast that with this bill. Here the organization cannot be cited until it has had a hearing and until it has had an opportunity to present its case and until it has had an opportunity to appeal to the Supreme Court of the United States.

Secondly, and the most important point, an individual is not prohibited from having a Government job unless he is a present member of that organization and remains in it after that organization has been found to be a Communist front, and after that decision has been upheld by the courts. I submit to the gentleman that is a great improvement over the present proceedings of the Attorney General.

Mr. JAVITS. I would just like to make these two points in response to that. First, this bill deprives the person not only of Government employment but of civilian employment; and secondly, there is nothing in this bill whatever changing the present Loyalty Board rule. That continues. This bill is in addition.

The CHAIRMAN. The time of the gentleman from New York has expired.

H. R. 9490 IS A NECESSARY BILL IN RIGHT DIRECTION OF PROTECTING FREEDOM OF THOSE WHO WOULD DESTROY IT WITHOUT INFRINGING UPON THE FREEDOM OF PATRIOTIC AMERICANS

Mr. DOYLE. Mr. Chairman, I rise in support of H. R. 9490, the bill which emanated from the Committee on Un-American Activities under the authorship of Chairman WOOD, it being properly designated as "a bill to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes."

Granting that such legislation is always laden with questions involving constitutional rights of all people concerned; granting that it is always heavily laden with practical difficulties; yet, Mr. Speaker, it is not too early to vigorously prosecute to early conclusion this sort of legislation for it, no doubt, will be more than 1 year in time before the important legal implications rising out of this or any similar bill can be processed through the lower courts and to the United States Supreme Court for a final and ultimate decision as to the legality of its text. The time element, therefore, is one of the reasons I feel that we must today pass this legislation for we have no time to lose.

Aggressive communism has stuck its ugly head out into the destiny of the world prominently and positively in terms of aggression in South Korea. It may stick its ugly head out in other places ere long.

I am pleased to note the statement by the committee, wherein it said:

> We must not mortally wound our democratic framework in attempting to protect it from those who threaten to destroy it.

If it were a fact that communism in our great country carried on its operations as a political party and without foreign domination and direction and also without undertaking to and vigorously proceeding to erect a dictatorship in the United States subservient to an aggressive communistic control, then, Mr. Speaker, in all likelihood, this legislation would not be presently conceived.

Furthermore, by unanimous vote, the Un-American Activities Committee of this session of Congress has recommended the passage of H. R. 9490, and in its report it says:

> In considering the problem, the committee found it necessary at the outset to distinguish those features of Communist activity against which legislation cannot and should not be directed from those in the case of which legislative restraints are clearly practicable and necessary. Communism as an economic, social, and political theory is one thing. Communism as a secret conspiracy, dedicated to subverting the interests of the United States to that of a foreign dictatorship, is another.

Debate refreshes my memory of the fact that on April 16, 1946, on this very floor, I spoke out and voted to uphold the hands of the Un-American Activities Committee in the position it claimed before us, and at that time I said:

> As long as it appears that the committee (Un-American Activities) has acted within the law as we gave it to do, I shall feel compelled to back its lawful actions.

And, on May 17, 1946, in the House of Representatives, I then said:

> Mr. Speaker, I voted for the issuance of the contempt subpenas asked for by our House Un-American Activities Committee. If there is any Member who would be immediately intolerant of my words to be this day spoken, that Member could not have done more than I have in upholding the arms of the committee, when apparently within its jurisdiction as a duly constituted committee of this House. May I make it further clear, if that $75,000 is an insignificant sum when the principle of the American form of Government, as designated by our American Constitution, is under threat of subversive activities or destruction either from within or without, I will not knowingly tolerate the creation of any propaganda or activity designed to result in the use of force or violence against our form of government as guaranteed by our Constitution. So, with me, it is not the amount of money involved which is the determining factor.

And, on August 1, 1946, in this great legislative body, I said:

> "Ours will only stay a democracy where freedom of speech and freedom of worship endure, regardless of race, creed, or color, if we protect it to the maximum by an eternal vigilance. In doing this it is fundamental and basic that wherever the civil rights and

liberties of men are involved they be clearly defined and perpetuated by man-made laws, rather than the interpretations of different men who have not the mandate of written law defining their liberities to guide or control them.

And, now, again today, Mr. Chairman, the issue of how far and what steps should be taken by us, as representatives of the American people in the immediate situation existing in the destiny of the world, is before us.

The boys of America and other liberty-loving peoples in the world are being shot down and crippled for life in Korea because of aggressive communism, because of the vigorous, active, tireless promotion of communism over the length and breadth of more and more geographical areas.

Like progress in human relations and the history of individuals and masses of people, legislative history is best made by the method of trial and error. I am not afraid to take another step toward a more effective control of and handling of the Communist subversive peoples and organizations in our great country. I believe it is imperative that this bill this day be enacted into law.

The Un-American Activities Committee, after what appears to be adequate hearings, tells us that there is irrefutable evidence to support the premise that the Communist organization has been engaged in the training of espionage specialists who are taught to infiltrate and destroy our own American form of government from every angle. The American Bar Association has benefited us, as Members of Congress, by sending to our committee a statement that the constitutionality of H. R. 7595, which was a prior bill forming the nucleus of H. R. 9490, in its judgment, is constitutional.

It may even be, Mr. Chairman, that some parts of this H. R. 9490 may ultimately be held as unconstitutional. But let us press this or any other legislation deemed necessary by Congress in this field to the attention of the Supreme Court of the United States at the earliest possible date and find out what the ultimate legal rights of the people of America are to protect their form of Government from the penalties of a dedicated and consecrated and historical decision and premise to always protect the rights of all peoples within our gates.

I have frequently claimed that our own effective, efficient FBI should be given whatever resources are necessary to permit it to even expand its protective facilities of the people and of this Nation against Communist and subversive influences and programs. I repeat today that such should be the case.

And, Mr. Chairman, even if we have to add to, take away, amend or modify, or strengthen or change the text or content of H. R. 9490 from time to time, based upon actual experience, nevertheless, this should not deter us from today taking this important step by voting this bill.

Mr. WOOD. Mr. Chairman, I yield to the gentleman from West Virginia [Mr. RAMSAY] such time as he may desire.

MR. PRESSMAN AND COMMUNISM

Mr. RAMSAY. Mr. Chairman, on Monday Mr. Lee Pressman appeared before the House Un-American Activities Committee and reported that back in the mid-thirties he had been a Communist, briefly; that although he disassociated himself from formal Communist organizations when he joined the CIO as general counsel, he did not make a complete ideological break until the brutal invasion of South Korea by the Communist armies.

He further testified, in substance, that at no time while serving the CIO did he permit his personal ideology to influence his official decisions, opinions, acts, or advice.

Mr. Chairman, I have no desire to kick Mr. Pressman while he is down. He made a forthright statement. I believe him when he says he has broken completely with communism. I believe he firmly believes that his ideology did not influence his decisions as CIO general counsel.

But I wonder, no matter how we try and regardless of our intellectual honesty, how successful any of us can be in subordinating our personal beliefs when making objective decisions. How objective is it possible for any man to be?

I see some significance in an experience I had with Mr. Pressman in 1941. During the Seventy-seventh Congress I introduced a bill making it a criminal offense for a Communist to be a member of a labor union, or an employee of the Federal Government.

Mr. Pressman's official opinion of the bill said that it was an attempt to strangle labor unions. He referred to me as a labor baiter, despite my record of fighting for the rights and privileges of labor since 1902.

Reading Mr. Pressman's remarks about my bill, one would have thought that my first act each morning was to bow reverently in the direction of Mr. Westbrook Pegler.

Mr. Chairman, in a letter to labor leaders of my district at that time, I said:

Today, as always, I stand for freedom of labor, but observing the effect of Communist and Nazi control over the liberties of the peoples of Europe causes me to love America now more than ever before. Two of my greatuncles served as soldiers in the Civil War and fought to preserve for me this great Nation as a unit, undivided and one people, with liberty and freedom for all. I would be base indeed if I sat idly by and permitted the Communists and Nazis of America to seek control of our labor unions and political parties, to bring us to the same state they forced upon the peoples of Europe, without action or protest on my part as a representative of the American people in their National Halls of Congress.

Mr. Chairman, that paragraph is as true a statement of my beliefs today as it was in 1940.

Mr. WOOD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I could not help but think as I was sitting back there what would happen to a great portion of the membership of the House if this legislation became law, and if its stated as well as its unstated objective were carried out. Let us assume you killed off communism and destroyed it and there were no more Communists left—I wonder what you would do for speeches? It would be pretty sad for a lot of people. You would have to face some of the real issues confronting the people of this country because this red bogey could not be used as a dodge by which to evade the real responsibility that the legislators have to the American people in these critical times.

As for this bill, I think the committee let the cat out of the bag when it wrote this report. I call your attention to the language beginning at the bottom of page 2. It says:

In considering the merits of the various proposals before it, the committee found that it was confronted with a most perplexing and difficult problem—

And now get this—

one of which the framers of the Constitution could have had little conception, and one which required the most comprehensive analysis and study.

I do not think that is so. Anybody with any knowledge of American history must admit that that is not so. The framers of the Constitution wanted no part of this repressive legislation. The Constitution was adopted in 1787 and in 1798, shortly thereafter, similar attempts as the one before us to smash the people's liberties were made. The Alien and Sedition Acts were imposed by the Congress then under similar conditions, and the Alien and Sedition Acts were wiped out only 2 years later by the people who had won the Revolution.

Then again the committee reveals and confesses its game here when it says on page 5:

To make membership in a specifically designated existing organization illegal per se would run the risk of being held unconstitutional on the ground that such an action was legislative fiat.

This is what has been bothering the committee. Then its guilty conscience is revealed again when the committee says:

This legislation does not constitute a fiat.

In other words, you could not write into the law what you are trying to do. You know the Constitution prevents you from doing it. You could not pass a bill of attainder proscribing individuals and sending them to jail for mere membership in any organization. Nor can you illegalize that organization without doing violence to the Constitution. So what do you do? You try to do by indirection what you cannot do directly. You try to bypass with this legislative device known as the Wood bill the prohibition in the third clause of section 9 of article I of the Constitution.

No bill of attainder or ex post facto law shall be passed.

At the same time you bypass the fifth amendment, the prohibition against self-incrimination. Here is how you violate both of these fundamentals of American freedom: You require that members of certain organizations must register. If they do not register they are subject to 5 years' imprisonment, and for every single day thereafter that they do not register they are subject to another 5 years' imprisonment. Then what do you do? Then you define those organizations, and you actually give the dimensions, the height, the width, the size of

the people you are trying to persecute here. Then they are put up against this situation: If they do not register they go to jail for not registering; but if they do register, what happens to them? Well, you state here a few things that happens to them. You deprive them of the right to travel, the right to work in Government, even in certain plants, but you add something else. When you read the definition of the organizations that must register as Communist action organizations, and you read in connection with those definitions the legislative findings which you incorporate in them, you subject these people who register to prosecution for many and vague crimes. You say organizations that advocate the forcible overthrow of government, organizations that are a part of an international conspiracy, organizations that infiltrate, and so on—I have not been able yet to analyze the number of crimes——

The CHAIRMAN. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. WOOD. Mr. Chairman, I yield the gentleman one additional minute.

Mr. MARCANTONIO. I have not been able as yet to discern all of the large number of crimes that a person can be charged with the moment he registers as a member of a Communist-action organization. So that by registering he is forced to incriminate himself, and by this device you are legislating guilt against specified individuals. Your device is obvious. You are trying to bypass the Constitution, trying to bypass the prohibition against bills of attainder and the prohibition against self-incrimination.

Now, what else are you doing? You are also violating the first amendment. The violance is quite clear under many of the court decisions, which I shall incorporate in the RECORD. When you label a person you set up a restriction of freedom of speech. The Communists were labeled in Germany. Look at all of the others who were later labeled in Germany. You are following the road that leads to the concentration camp, and I say that is un-American. This un-American device of yours is put over under the hysteria of a war which is not in the interests of American democracy or of the American people.

The CHAIRMAN. The time of the gentleman from New York [Mr. MARCANTONIO] has again expired.

Mr. WOOD. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. DEGRAFFENRIED].

Mr. DEGRAFFENRIED. Mr. Chairman, I want to pay tribute to this committee which has given such thought and so much work to this bill which they have brought here for our consideration today. I think the explanation given by the gentleman from California a few moments ago about some of the things which are provided in the bill was a very succinct and clear explanation.

The gentleman from New York a moment ago said he did not know what we would talk about when we got through with this Red bogey. I want to say to you, Mr. Chairman, that the people of America do not feel like we are dealing with any Red bogey today. The people of America never were more alive than they are today to the issue that we face, and the people of America are demanding that this Congress take every step possible, in a military sense, in an economic sense, and in a sense of protecting this country from this sinister influence at home. They are demanding the adoption of the provisions of this bill today. They are demanding that we take every step along all lines to fight this foe that we face today. We never have faced a more sinister force than we face today. I want to say to you without any excitement that I do not believe that our great country has ever faced a greater danger than we face today. When we think of the number of Russian divisions, when we think of the number of Russian tanks, when we think of the number of Russian planes, when we think of their entirely different form of economy, when we think that if we cope with those things over a period of years and years by building up a military machine to meet theirs at any moment's notice, that this Nation would, in all probability, go bankrupt, and when we think of the forces here at home in our very midst that seek to destroy us, how can we dodge the issue and how can we say that we face a Red bogey here today? There never was a more serious time in the history of our country than today.

I have been practicing law since 1921. I have heard the constitutional questions on this bill discussed. I believe the bill is constitutional. We have some fine lawyers on this committee and the help of able counsel to assist this committee. I am willing to go on the fact that I believe this bill is constitutional. You cannot bring a bill to the floor of this House that would suit the minds of all lawyers who wanted to question its constitutionality if they were in their hearts really against the bill.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DEGRAFFENRIED. I yield.

Mr. RANKIN. This might be some slight solace to those who are treading the Red border line and attacking this bill: This man Brotham when they caught him, a Russian official in commenting on him told the FBI that Brotham's work for the Soviet Union was equal to the efforts of one or two brigades of men in this country.

Mr. DEGRAFFENRIED. I thank the gentleman.

In conclusion let me say we do not know right now, you and I wonder if war were declared at this moment what would happen in this country; we wonder where sabotage would break out first; we wonder what planes would crash; we wonder what ships would go down; we wonder what factories would be wrecked. This bill in all probability does not go far enough, but at least it is a step in the right direction and I, for one, intend to vote for it.

Mr. NIXON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I think it is significant at this point in this debate on this very important measure to read a news article from the Los Angeles Times of August 23 which states that the Los Angeles County Board of Supervisors, on which I served as a member for 11 years before coming to Congress, yesterday adopted an emergency ordinance requiring immediate registration of all known Communists or sympathizers anywhere in Los Angeles County.

The move is a pioneering step to control spread of communism by specific laws, stated the Los Angeles County counsel in describing its legal effects to the Board of Supervisors. Under the three-phase edict the sheriff is empowered to demand registration of persons with subversive leanings in three categories, as follows: First, those who desire extension of Communist ideology to embrace all government but who do not advocate force and violence as a means of overthrowing presently organized systems of rule. Presumably this group relies on parliamentary procedure to attain its ends.

Second. Those who urge the use of force and violence as a means of gaining Communist domination and of organized sabotage in wartime or in civilian defense.

Third. Avowed Communists who support without qualification the philosophy of Marx, Lenin, and Stalin as at present practiced in Russia. These would compel rule of the minority over the majority by any method, including trickery, force, or violence.

I think it is significant that the Los Angeles Board of Supervisors in a county of 4,000,000 people, one of the largest counties in the United States, has taken this step to protect the people of Los Angeles County against Communists and subversive elements and that its action should have a stimulating influence on the House to pass this bill H. R. 9490.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. RANKIN. The gentleman will remember that the people of Los Angeles sent a petition here urging the continuance of the Committee on Un-American Activities so long that when I threw it down it unrolled entirely across the House and hit the feet of the gentleman from New York [Mr. MARCANTONIO].

Mr. McDONOUGH. I recall that. I am proud of the action my former colleagues have taken in adopting this vital and timely ordinance.

It calls for registration of citizens in the three groups within a period of 10 days. Communists entering the county after that period are required to register with the sheriff within 2 days.

The Los Angeles County counsel said the Communist-control measure is based upon recent decisions of the United States Supreme Court which defined communism in America as "a clear and present danger."

He stated that the regulations are county-wide, rather than applicable in county territory only, because "any citizen who may reside in any city in the county comes under this measure whenever he sets foot in county territory."

He pointed out that the penal clauses in the laws are powerful, inasmuch as

each offense, punishable by a $500 fine and/or 6 months in jail, is regarded as a separate offense for every day the registration clause is disregarded.

We no longer can pamper and coddle enemies of this Nation within the United States. American boys in Korea who have been shot in the back with their hands tied, defenseless victims of the cruelty and insatiable violence of the Communists, have given tragic proof of the consideration we can expect at the hands of the enemy.

But in the United States, a hands-off policy has been pursued by the administration. Men who owe no allegiance except to the Kremlin, but have assumed the cloak of citizenship in this country, whine about constitutional rights while they plot and plan the assassination of America. Communists born in this country, but with no loyalty to it, neglect to renounce their citizenship when they accept orders from foreign agents, but are quick to claim all the rights and protection of citizenship when any attempt is made to curb their traitorous activities.

An American who is loyal to his country can have no objection to stating his loyalty even as every official who takes office in our Nation gives his oath of allegiance. And any individual who believes in the cause of communism and is willing to lend himself to the scheming of a foreign power should be forced to declare and register publicly proclaiming his allegiance to the Communist Party line.

If legislation requiring the registration of Communists and Communist organizations had been enacted earlier, our Nation might not have fallen into the Communist traps in Asia. If the Communist collaborators had been driven out of the Administration, had been exposed, it is possible that our foreign policy would have been realistic, that we would have seen the danger in permitting Communist aggression to triumph in China with the resultant outbreak of hostilities in Korea, that we would have acted to prevent the Communist domination of Asia which now threatens the peace of the world.

Communism is an insidious conspiracy against freemen everywhere. It adopts methods of concealment to spread its poison. It works through front organizations where the unsuspecting can be drawn in and used. Through front organizations and for false objectives, it collects money from citizens who would not knowingly contribute to the Communist cause. It publishes and distributes cleverly disguised propaganda which plants the seed of Communist ideology in the minds of citizens who have not been schooled to recognize it for what it is. With lying promises of utopian results the Communists lure the uninformed down the road toward Communist slavery.

It is a well established fact that the Communist gives his allegiance to the international organization with headquarters in Moscow. Thus every Communist is a potential if not an actual foreign agent ready and willing to give whatever information he can obtain to a foreign power unfriendly to the United States. He is a potential saboteur who threatens our internal defense at home.

We have waited I say again, too long to take measures to protect our Nation from the Communist within our gates. Communists should be required to register. If they are not citizens and are illegally in this country, they should be deported without delay. Communist organizations and Communist-front organizations should be required to register with the Government. And all literature published and distributed by the Communists should be clearly identified for what it is, Communist propaganda.

The Republicans in Congress have long recognized the danger to our Nation from the pursuit of the administration's do-nothing policy with regard to the Communists. At long last, in the face of an overwhelming cry of protest from the people of America, the administration has been forced to face the issue and admit the need for some control of Communists in the United States.

It is a late hour for the administration's turn-about in the face of its obstinate opposition to every attempt by the Republicans in both the House and the Senate to provide adequate laws to control and curb Communist activities in this Nation.

On February 12, 1947, I introduced a resolution, House Resolution 99, to define communism, and to declare it to be not a political policy, but an international conspiracy and an anti-Christian ideology which advocates and practices deceit, confusion, subversion, revolution, and the subordination of man to the state, and which has for its purpose and intention the overthrow of any democratic form of government by force and violence if necessary. My resolution further required that any person, either citizen or alien, adhering to or expounding the purposes and intentions of communism, should be exposed and revealed as an enemy of the United States and dealt with accordingly.

But no action was taken on my resolution. The Un-American Activities Committee after exhautive investigations brought the startling facts before the American people proving the dangerous extent to which Communists had undermined the Government through infiltration. The Mundt-Ferguson-Nixon bill, which incorporated part of my earlier resolution, was introduced. But the willful refusal of the administration to recognize the danger continued, and no action was obtained.

Now, at long last, after the complete fiasco of the Truman foreign policy has been exposed, and with American boys dying in combat with Communists in Korea, the administration has finally conceded that some control of Communists is necessary.

The bill before us provides for a minimum regulation and control of Communists within the United States for the protection of our Nation. It will require every member of the Communist Party to register. It will require Communist organizations and Communist-front organizations to register. And it will require Communist propaganda literature to be labeled for what it is.

It cannot reach the Communist sympathizer, the parlor pink, who also does the will of the Communist Party. But it will require Communist organizations and front organizations to declare their sources of income, which will give our Federal Bureau of Investigation an opportunity to examine the records of persons who support communism without joining Communist organizations.

The bill further provides that registered Communists cannot hold Government jobs or work on defense contracts.

Passage of this legislation is a long step toward adequate control of communism and Commmunist activities in the United States. It should have been enacted years ago in the interests of national defense. It must be enacted now for the protection of our Nation.

Mr. NIXON. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. GOLDEN].

Mr. GOLDEN. Mr. Chairman, it is perfectly ridiculous to me that any person would take the floor of this House and argue that a great Republic such as we are is powerless to deal with a public enemy within our midst. These questions of constitutionality concerning this bill have all been properly met by this great committee and the counsel that serves the committee.

These traitors among us, Americans and others who claim the protection of the Constitution, have already stolen and sold many secrets of this Government that may cost a million American lives. If the Members of this body will read the recent opinion of the Supreme Court where Associate Justice Jackson answered the arguments we have heard today, they can with full confidence vote for this bill.

Mr. NIXON. Mr. Chairman, I yield one minute to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, it will be recalled that during the last Presidential campaign there was a radio debate out in Portland, Oreg., between two candidates for the Republican nomination, dealing in part with this very subject of whether or not the Congress should pass legislation to bring out into the open, to the best of our ability, the members or affiliates or supporters of organizations dedicated to the overthrow of our free Government. The results of that debate showed that public opinion at that time was not aware of the menace threatening our country, or felt that the proposal was not the right way to meet it. Interestingly enough, that member of the debate who advocated such legislation, Mr. Harold Stassen, made a Nation-wide broadcast a couple of weeks ago in which he made a comprehensive review and analysis of the Communist movement in the world and, in addition to concrete suggestions for dealing with the conspiracy abroad, he advocated measures for exposing the conspiracy at home similar to the bill under consideration. Following the broadcast there has been an amazing flood of letters to the broadcasting company, asking for copies of the speech or expressing interest and approval. So much so that CBS is rebroadcasting that speech tonight over its network. It can be heard at

10:30 p. m. over WTOP if any of you failed to hear it previously.

This experience shows how far public thinking in our country has moved in the last 2 years, on this issue. Even more, it shows how hungry our people in this time of confusion are for positive leadership and for policy decisions that will face up to the menace of world communism instead of further drift and deterioration of our position.

Mr. WOOD. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, I wish to commend the Committee on Un-American Activities for its long study and its very sincere effort in presenting this bill. There is no finer patriotic gentleman in this entire House than the gentleman from Georgia, the chairman of this committee, Mr. WOOD. I commend him and his entire committee not only for the work they have done in bringing this bill to us for our consideration but in also ferreting out noted Communists in this country. This committee has gotten the evidence which was the direct cause of several outstanding Communists being tried and convicted. I have always strongly supported this committee, and I shall continue to do so. Without the effective work of the House Committee on Un-American Activities, we would be in a much worse shape today.

Mr. Chairman, this bill presents a sincere effort to get at the root of the Communist menace in this country. The bill is unquestionably an improvement over the other bills which have been presented with this objective. However, I wish the committee had found it possible to go even further in this legislation. There are able constitutional lawyers on this committee and these gentlemen have gone into the question very carefully, and I assume they feel they have gone into this bill about as far as they could go under our constitutional system. I hope that later this committee will find ways and means of going even further into the question of suppressing communism in this country.

I have listened to all of the debate on this bill today. I have been interested in hearing the wailings of unconstitutionality upon the part of some who are, in all probability, against all legislation of this type. There are those here who profess to be seriously disturbed about this bill affecting liberty. Well, I am not disturbed about this bill affecting the liberty of any patriotic American. I hope, Mr. Chairman, that this bill does seriously affect the opportunity of those subversive individuals and organizations who use the cloak of American liberty to undermine or destroy our form of Government and thus strike down the liberty which we all have. In Russia there is no liberty. In all the satellite nations of Russia there is no liberty, and if Russia has her way about it, there will be no liberty left here. Therefore, Mr. Chairman, it seems to me that the wailings of those who are opposed to this bill should not have the slightest bearing upon the action of this House.

The people of America have been a patient people, probably entirely too patient. They have wanted to set an example of tolerance and good will to all the world—and this is splendid. But they have been imposed upon. They have been imposed upon by those who have taken advantage of our great system of liberty. They have been imposed upon by people who have come here from other lands and who have sought to misuse the liberty which they gained in this land. Not all of those who have come here, Mr. Chairman, have sought to do that. Many of them are fine people. This Congress long ago should have passed legislation like this bill, and even stronger. We cannot afford to delay any longer.

The very life of America is at stake. Our country today is in the most serious condition in its history. American men are fighting and dying at this very hour. There is genuine fear that we are facing another world war. Why is all this, Mr. Chairman? The answer lies solely in the fact that one nation in the world is bent on destroying the liberty of the world. One nation—Russia—is disturbing and threatening the peace of all the world. And it is tragic to think that right here in America there are even American citizens, some of them native-born, who are aiding and abetting that nation, its plans, and schemes against our Nation and against our Christian civilization. I can have no sympathy whatsoever for any person in our country enjoying our blessings and privileges who will do anything to undermine and destroy our Nation. And yet, Mr. Chairman, that is going on.

I therefore support this legislation wholeheartedly and, I repeat, I wish it could be made stronger. I hope it will not be weakened by amendments in this House, and I hope that the other body will pass a bill as strong as this—or stronger. I am for the very strongest possible legislation along this line. And then, Mr. Chairman, when it becomes a law, I do hope that those entrusted with the responsibility of executing the law and ferreting out and punishing the guilty will be relentless in dealing with those subversive individuals and groups who violate its provisions. There must not be any place in America for anyone who is not willing to place this country first.

Mr. WOOD. Mr. Chairman, I yield such time as she may desire to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, upon this we all agree: Spies, traitors, and saboteurs must be routed out, prosecuted, and punished. They must be routed out by duly constituted authorities, prosecuted in the courts, and punished under the law. Subversive elements and poor security risks must be removed from Government service and from defense jobs. I not only support complete internal protection, I demand it.

We have numerous laws on the statute books to protect the country against disloyal and dangerous persons. We have administrative machinery for screening out persons who are not fit for employment by the Federal Government.

Under one of these laws the top leaders of the Communist Party have been tried, convicted, and sentenced to prison.

Those who are now effectively enforcing the laws against subversives have told us that certain gaps and loopholes must be closed in existing statutes for the complete protection of the country. I am in complete support of legislation specifically and reasonably directed toward that objective.

But I will not sacrifice the liberty of the American people on an altar of hysteria erected by those without vision, without faith, without courage, who cringe in fear before a handful of crackpot, traitorous, Communist cronies.

I have confidence in the American people. I have confidence in our institutions and our principles. I have confidence that those institutions and principles can be protected against subversives without destroying the basic guaranties on which those institutions and principles are founded.

The so-called Mundt-Nixon bill and all the bills patterned on it will begin that destruction. They infringe on liberty. They crack the sacred shell of democracy. I will vote against them.

We are fighting today in Korea for a free world. Our moral and economic strength will be mobilized for that fight in whatever measure is needed to assure the triumph of freedom and democracy. We will win—in Korea and wherever else we are called upon to resist Communist aggression.

But that victory, with all that it entails in sacrifice of blood and treasure, would be hollow if, in winning, we sacrificed our own freedom and democracy.

I, for one, will fight as hard for freedom at home as for freedom in Korea, Iran, or western Europe.

In the past I have opposed all measures such as the Mundt-Nixon bill. I have stood firm for the rights and privileges of American citizens under the Constitution. I will not be stampeded by hysteria nor will I waiver for political expediency. My record and my conscience are clear.

We who love our country cannot let this heritage of freedom be whittled away piece by piece.

Let us legislate with reason and with careful regard for the security of America.

Mr. NIXON. Mr. Chairman, I yield the balance of the time on this side to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, some entirely sincere people, as well as large numbers from insincere and improper motives, contend that we should not try to deal with the Communist menace in this country by legislation because of the grave constitutional issues involved. Admittedly, it is not easy to frame a measure which will have meaning and be effective and still not violate constitutional guaranties. I share emphatically the view that we must not adopt the totalitarian methods of those we condemn to gain a short cut to even a laudable

objective. I am also, however, completely convinced that the Constitution of the United States does not prohibit us from passing a law to protect our Nation against those who would use the liberties guaranteed by our Constitution to destroy it.

It is not enough for the opponents of this measure to cry in generalities, "It is unconstitutional; it violates the Bill of Rights." They must point to the precise provisions of the Constitution which they claim are violated by its terms. If pinned down, a position which is always particularly distasteful to those who prefer loudness to logic—the proponents of legislative inaction on this subject, so far as I am aware, refer solely to the first and fifth amendments to the Constitution as a basis for argument against the passage of this bill. Let us examine these claims separately.

First, it is contended freedom of speech and of the press guaranteed by the first amendment is restricted by this measure.

No doubt, its effect will be to curtail both, insofar as, by words or writings, attempt is made to further in this country the interest of a foreign power as against the best interest of this country. It is, however, well recognized in a long line of decisions that freedom of speech and of the press does not mean unbridled license to preach or publish any doctrine or contention, no matter how vicious, harmful, or subversive. These freedoms can and frequently have been held properly to be curtailed where there is a clear and present danger which the Government seeks to meet.

Thus, Mr. Justice Holmes said in Schenck against United States:

> We admit that in many places and in ordinary times the defendants in saying all that was said in the circular would have been within their constitutional rights. But the character of every act depends upon the circumstances in which it is done. The most stringent protection of free speech would not protect a man in falsely shouting "Fire" in a theater and causing a panic. The question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent.

In *Okamoto* v. *U. S.* ((C. C. A. 10, 1945) 152 F. 905) a decision by the Circuit Court of Appeals sitting in the city from which hails the gentleman from New York [Mr. MARCANTONIO], who spearheads the opposition to this measure, the court had this to say:

> Freedom of speech, freedom of the press, and freedom of assembly guaranteed by the first amendment are fundamental rights. But, though fundamental, they are not in their nature absolute. These rights are not unbridled license to speak, publish, or assemble without any responsibility whatever. Their exercise is subject to reasonable restriction required in order to protect the Government from destruction or serious injury. The delicate and difficult question usually presented is whether speech, press, and assembly are of such nature as would produce, or are calculated to produce, a clear, present, and imminent danger of a substantive evil which Congress has the constitutional power to prevent.

There is no doubt in my mind that the measure before us sets out the facts and circumstances indicating the seriousness and immediacy of the danger sought to be repelled.

Abundant evidence has been produced to support the findings in this bill. One need go no farther than to read the testimony on Hon. J. Edgar Hoover, which appears at pages 35, 36, and 43 of the House hearings on H. R. 1884 and H. R. 2122, Eightieth Congress, first session, 1947, to realize the extent to which our country faces a "clear and present danger."

This widely respected and admired public servant testified, out of the abundance of his experience and breadth of his knowledge, that the Communist Party in the United States is dedicated to force and violence, if necessary, for the overthrow of the United States Government; that the party maintains as a fundamental principle support of Soviet Russia, as is daily evidenced by the mouthings of its adherents; and that the "Communist Party of the United States is a fifth column if there ever was one" and is "far better organized than were the Nazis in occupied countries prior to their capitulation."

This is no time for complacency. This is no time to minimize the danger which faces our Nation and everything we hold most dear. It was only a short time ago that our neighbor on the north, the Dominion of Canada went through an experience, happily without too serious consequences, which should serve as a lesson to us that a danger does exist, that we must remain on the alert.

Even more recently we have witnessed all over the world one country after another engulfed not by force of arms but through the subversive tactics of a tiny minority operating under the direction of a shrewd, ruthless, totalitarian dictatorship probably unequaled in resourcefulness and unprincipled cunning in all recorded history.

In my study of this problem I asked the Coordinator of Information of the House of Representatives to inform me regarding the number of actual Communist Party members in the various European countries and the percentage which they bore to the total population. These figures are extremely revealing. In Italy, for instance, where the recent elections reveal that nearly one-third of the people voted for a totalitarian regime, the actual Communist Party members are said to be 2,000,000 or about 4 percent of the population. In Poland, where the lights of freedom have been extinguished only 2 percent are said to be actual members of the party. In Rumania, 3 percent; in Hungary, 7 percent; in Yugoslavia, 11 percent; in Czechoslovakia, 11 percent; in Bulgaria, 12 percent; and in the Soviet Union it is only 3 percent or 6,000,000 souls.

In the face of the overwhelming testimony presented in public hearings and in the light of the experience of other countries which have at times scoffed at the seriousness of the communistic threat, only to wake up too late, the existence of a "clear and present danger," amply sufficient to sustain this legislation, appears to me to be established beyond reasonable opposition.

Prof. Zachariah Chaffee, Jr., of Harvard Law School, a well-known liberal, recognizes in his Free Speech in the United States, 1941, at page 31, that despite the first amendment, there are purposes of government, such as order and protection against aggression, which must be balanced against the right of unlimited discussion interfering with these functions.

As was said in *United Public Workers* v. *Mitchell* ((1947) 330 U. S. 75–95):

> The essential rights of the first amendment in some instances are subject to the elemental need for order without which the guaranties of civil rights to others would be a mockery.

The argument that a bill such as this invades the private or personal rights of anyone is well answered by the statement of the court in *United States* v. *Josephson*—a name well known to this body—((C. C. A. 2d) (1947), 165 Fed. (2d) 82, certiorari denied (1948) 16 L. W. 3253), where it was said:

> If * * * propaganda takes the form of, for example, advocacy of the overthrow of the Government by violence, it is rightfully called un-American, and a sensible regard for the self-preservation of the Nation may well require its investigation, with a view to the enactment of whatever remedial legislation may be needed or to the amendment thereof. One need only recall the activities of the so-called fifth columns in various countries both before and during the late war to realize that the United States should be alert to discover and deal with the seeds of revolution within itself. And if there be any doubts on the score of the power and duty of the Government and Congress to do so, they may be resolved when it is remembered that one of the very purposes of the Constitution itself was to protect the country against danger from within as well as from without. See The Federalist, Nos. II–X. Surely, matters which potentially affect the very survival of our Government are by no means the purely personal concern of anyone.

It is also contended that this measure does violence to the fifth amendment, providing that no one shall be deprived of his liberty without due process of law. It is well settled that a criminal statute such as the one before us can in part be properly described, must define the offense with such definiteness that it is not necessary to indulge in speculation to determine whether the acts committed by an accused constitute the crime under prosecution. Otherwise the statute is subject to successful constitutional challenge under the fifth amendment.

Offenses in this bill to which criminal penalties attach fall into two general categories. First are the directly prohibited acts set forth in Section 4, all having to do with what is generally recognized as the crime of espionage. This section provides for extending the time within which a prosecution may be maintained from 3 to 10 years, a much-needed reform. I have heard no objection to this section on the

ground that it did not clearly state the acts which would constitute the offense.

Then there are other penal provisions relating to failure to register, application for passport, or application for Federal employment or in a defense plant, which fall in a separate category. The Communist-action organization, its officers and members must register. As to the Communist-front organization, only registration of the organization itself and its officers is required. The members are not subject to the provisions of this law. In each case, viz: The employment provision, the passport provision, and the registration provision, a necessary element of the illegal action, is that one, in order to run afoul of the law, must be a member of a Communist organization and must know that the organization is registered as such or that an order for such registration has been made and has become final. With great particularity are spelled out the considerations to be measured in determining whether an organization is Communist in character.

Communism as a political, economic, and social theory parts company with communism as a part of a world-wide conspiracy to subject this country to the domination of a foreign power. It is only the latter inhibited by this law.

The proposed statute is not open to the challenge that it uses indefinite terms such as the word "gang," criticized in one decision, about the meaning of which a person is required to speculate. The meaning of the phrases "Communist-action organization" and "Communist-front organization" are here defined with clarity and, I believe accuracy.

Since the fourteenth amendment to the Constitution prohibits a State not only from depriving a person of life, liberty, or property without due process of law, but also denying to any person the equal protection of the laws, it has been held that a denial of the equal protection of the laws by a Federal statute would be inhibited by the fifth amendment. In other words, although not expressly prohibited, it is to be considered implied. Therefore, the contention has been advanced that requirement of registration and the filing of annual reports by Communist organizations does violence to the due-process clause contained in the fifth amendment in that it is such an unreasonable discrimination as is condemned by the equal-protection doctrine.

This same argument was raised against the New York statute which required the Ku Klux Klan to register in that State. A prosecution was brought against one who remained a member of that group, knowing that it had failed to comply with the registration requirements. The registration provisions of the measure before us follow closely the language of those set forth in the Supreme Court opinion in the Ku Klux Klan case known at *Bryant* v. *Zimmerman* (278 U. S. 60). Just as the Communists argue here that they should not be singled out for discriminatory treatment any more than the Democrats or the Republicans, so in this case the defendant argued that the statute discriminated against the acts of the Ku Klux Klan when it should equally apply to labor unions, the Masonic fraternity, the Odd Fellows, the Grand Army of the Republic, and the Knights of Columbus. The Court, however, had little difficulty in reaching the conclusion that the classification was justified by radical differences between the Ku Klux Klan on the one hand and the other classes of associations on the other hand. No greater difficulty will be encountered in distinguishing between that party, on the one hand, which seeks to serve a foreign master and those others which, however they may differ among themselves, yield their allegiance solely to the United States of America.

One case advanced by the opponents of this measure is *Thomas* v. *Collins* ((1944) 323 U. S. 516). It is true that the Supreme Court said in this case with respect to a speech by a union organizer, that one who is "required to register as a condition of his right to make a public speech to enlist support for a lawful order" is deprived of his rights under the first amendment. The Court, however, expressly based its decision on the premise that "lawful public assemblies, involving no element of grave and immediate danger which an existing state is entitled to protect, are not instruments of harm which require previous identification of the speakers."

In other words, the very basis of the decision was the absence of a "clear and present danger." In this case the Court referred to Bryant against Zimmerman, distinguished it, but did not overrule it or question its authority as a sound expression of the Court's present view of the law on this subject.

It is significant that the Circuit Court of Appeals for the Second Circuit in reviewing the conviction of the 11 Communist leaders in New York City has recently held that the facts shown in that case demonstrated clearly that communism does present a clear and present danger to this country and its free institutions.

In conclusion, therefore, although I recognize the constitutional as well as the practical difficulties which have been encountered by the framers of this legislation, I feel confident that it is the most sensible and rational approach as yet suggested to deal with an extremely serious problem which affects the liberty and security of every man, woman, and child in the country.

Great care I know has been taken in the drafting of this legislation to insure that no constitutional guaranty of any citizen is infringed. In my opinion, success has been achieved in keeping within the four walls of the Constitution.

Mr. WOOD. Mr. Chairman, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, at the outset there was some mention made about considering legislation under an atmosphere of hysteria. The only hysteria that I have seen during this debate comes from those who would obscure the issue involved. The only real opposition to any of the bills considered by the Committee on Un-American Activities that has any real basis came from the CIO, and you must bear in mind this fact, that at the time the representatives of that great organization testified, they were discussing a bill that is not before the House today.

Mr. Chairman, this measure comes before us as a result of long, careful study and with careful consideration of the viewpoints of everybody interested in the legislation. The bill that the opposition was directed to contained provisions which all of us agreed might have violated the constitutional guaranties, and because of the representations made by the spokesmen for the CIO and others we deleted those objectionable features and came up with this bill known as the Wood bill.

Mr. VELDE. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Illinois.

Mr. VELDE. The gentleman mentioned a minute ago that the only opposition to this bill came from the CIO.

Mr. WALTER. I beg the gentleman's pardon. I remember distinctly the Communist Party appearing in opposition to the bill.

Mr. VELDE. I do not want to dispute the gentleman's word, but I believe the A. F. of L. also had witnesses at our hearings. I understand now that there is a possibility that the A. F. of L. has changed and is now supporting this bill.

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Wisconsin.

Mr. BIEMILLER. I would simply like to state for the RECORD that I conferred with the American Federation of Labor, and they are opposed to the Wood bill.

Mr. WALTER. I do not know whom the gentleman talked with. I talked with representatives of that organization in my district. They are for it. They sent me a telegram congratulating the committee on coming up with this legislation.

Now let me call attention to the objection to the bill that was first considered. A very basic objection to these bills, that is, the Wood bill, the Mundt-Nixon bill, the Ferguson bill, and others was its purpose to police and regulate, not action or conduct, but thought and expression. I say to you that there is nothing in this bill that in anywise attempts to regulate thought or expression.

Of course, if you take this one section and read a paragraph out of it without regard for the other paragraphs in the section, it would indicate that that is the objective. But it is necessary to read all of the things which must be considered by the board in order to determine whether or not an organization is a Communist-front organization.

Further, the CIO testified they were against this bill because there are not many Communists in the United States. They said we ought not to legislate because they were few in numbers. They went so far as to testify, "We think it is too flattering to the Communist movement." In other words, they claim it is too flattering to legislate against what, in my opinion, is a very serious menace to our free institutions.

In that regard, may I say when I first became a member of the Committee on

Un-American Activities I felt, as I am sure many of my colleagues felt, and still do feel, "that there is not any great danger presently; that there were only a few thousand Communists in the United States: we know but a few in our own communities, so why pay much attention to them?"

As I sat in that committee day after day and day after day and saw and heard this parade of witnesses unfolding the kind of conspiracy which must necessarily affect our way of life, if it is not curbed, I concluded that the American people were not fully aware of this menace. We had many witnesses testify as to the manner in which trained Communists—Communists trained in Moscow—were placed in strategic positions and how, when they got into those positions, in order to strengthen their hands, they took advantage of a lot of little innocent people. I think one of the most serious things connected with this entire subject is the protection of people who become members of Communist-front organizations innocently. When this committee conducted hearings recently in Hawaii, it was perfectly shocking to see how a handful of California-trained Communists had taken advantage of ignorant little people, not only in the laboring movement, but in our own great Democratic Party. They saw that in certain sections of Honolulu there was little or no interest in the Democratic organization. Into each of those sections they planted a trained Communist conspirator so that come the time when the Democratic organization met, they had a majority of one in the Democratic committee.

So that, to all intents and purposes, this handful dominated the activities of the party that I am so proud to be a member of.

Not only in this case have we seen the hand of Moscow reaching for control, but we have seen it in professional organizations and in church organizations. Why, not too long ago our committee suppressed a list of names of clergymen who had been persuaded to assist in a Communist-front organization. I say to you, unless people know what these organizations are, who the people are who are running them, they stand in great danger. You can multiply those cases of innocent association in the Communist movement by the thousands.

Mr. Chairman, this bill ought to be enacted into law.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Subversive Activities Control and Communist Registration Act."

NECESSITY FOR LEGISLATION

SEC. 2. As a result of evidence adduced before various committees of the Senate and House of Representatives, Congress hereby finds that—

(1) there exists a world Communist movement which, in its origins, its development, and its present practice, is a world-wide revolutionary movement whose purpose is, by treachery, deceit, infiltration into other groups (governmental and otherwise), espionage, sabotage, terrorism, and any other means deemed necessary to establish a Communist totalitarian dictatorship in the countries throughout the world through the medium of a world-wide Communist organization;

(2) the establishment of a totalitarian dictatorship in any country results in the suppression of all opposition to the party in power, the subordination of the rights of individuals to the state, the denial of fundamental rights and liberties which are characteristic of a representative form of government, such as freedom of speech, of the press, of assembly, and of religious worship, and results in the maintenance of control over the people through fear, terrorism, and brutality;

(3) the system of government known as a totalitarian dictatorship is characterized by the existence of a single political party, organized on a dictatorial basis, and by substantial identity between such party and its policies and the government and governmental policies of the country in which it exists;

(4) the direction and control of the world Communist movement is vested in and exercised by the Communist dictatorship of a foreign country;

(5) the Communist dictatorship of such foreign country, in exercising such direction and control and in furthering the purposes of the world Communist movement, establishes or causes the establishment of, and utilizes, in various countries, action organizations which are not free and independent organizations, but are sections of a world-wide Communist organization and are controlled, directed, and subject to the discipline of the Communist dictatorship of such foreign country;

(6) the Communist action organizations so established and utilized in various countries, acting under such control, direction, and discipline, endeavor to carry out the objectives of the world Communist movement by bringing about the overthrow of existing governments by force, if necessary, and setting up Communist totalitarian dictatorships which will be subservient to the most powerful existing Communist totalitarian dictatorship. Although such organizations usually designate themselves as political parties, they are in fact constituent elements of the world-wide Communist movement and promote the objectives such movement by conspiratorial and coercive tactics, instead of through the democratic processes of a free elective system or through the freedom-preserving means employed by a political party which operates as an agency by which people govern themselves;

(7) in carrying on the activities referred to in paragraph (6), such Communist organizations in various countries are organized on a secret, conspiratorial basis and operate to a substantial extent through organizations, commonly known as "Communist fronts", which in most instances are created and maintained, or used, in such manner as to conceal the facts as to their true character and purposes and their membership. One result of this method of operation is that such affiliated organizations are able to obtain financial and other support from persons who would not extend such support if they knew the true purposes of, and the actual nature of the control and influence exerted upon, such "Communist fronts";

(8) due to the nature and scope of the world Communist movement, with the existence of affiliated constituent elements working toward common objectives in various countries of the world, travel of members, representatives, and agents from country to country is essential for purposes of communication and for carrying on of activities to further the purposes of the movement;

(9) in the United States those individuals who knowingly and willfully participate in the world Communist movement, when they so participate, in effect repudiate their allegiance to the United States and in effect transfer their allegiance to the foreign country in which is vested the direction and control of the world Communist movement;

(10) in pursuance of communism's stated objectives, the most powerful existing Communist dictatorship has, by the methods referred to above, already caused the establishment in numerous foreign countries of Communist totalitarian dictatorships, and threatens to establish similar dictatorships in still other counries;

(11) the Communist movement in the United States is an organization numbering thousands of adherents, rigidly and ruthlessly disciplined. Awaiting for and seeking to advance a moment when the United States may be so far extended by foreign engagements, so far divided in counsel, or so far in industrial or financial straits, that overthrow of the Government of the United States by force and violence may seem possible of achievement, it seeks converts far and wide by an extensive system of schooling and indoctrination. Such preparations by Communist organizations in other countries have aided in supplanting existing governments. The Communist organization in the United States, pursuing its stated objectives, the recent successes of Communist methods in other countries, and the nature and control of the world Communist movement itself, present a clear and present danger to the security of the United States and to the existence of free American institutions, and make it necessary that Congress, in order to provide for the common defense, to preserve the sovereignty of the United States as an independent nation, and to guarantee to each State our form of government, enact appropriate legislation recognizing the existence of such world-wide conspiracy and designed to prevent the Communist organization from accomplishing its purpose in the United States.

DEFINITIONS

SEC. 3. For the purposes of this act—

(1) The term "person" means an individual or an organization.

(2) The term "organization" means an organization, corporation, company, partnership, association, trust, foundation, or fund; and includes a group of persons, whether or not incorporated, permanently or temporarily associated together, for joint action or any subject or subjects.

(3) The term "Communist-action organization" means any organization in the United States (other than a Communist-front organization as defined in paragraph (4) of this section, and other than a diplomatic representative or mission of a foreign government accredited as such by the Department of State) which (A) is substantially directed, dominated, or controlled by the foreign government or foreign organization controlling the world Communist movement referred to in section 2 of this act, and (B) operated primarily to advance the objectives of such world Communist movement as referred to in section 2 of this act; or any section, branch, fraction, or cell of such organization.

(4) The term "Communist-front organization" means any organization in the United States which (A) is substantially directed, dominated, or controlled by a Communist-action organization, (B) is primarily operated for the purpose of giving aid and support to a Communist-action organization, a Communist foreign government, or the world Communist movement referred to in section 2

of this act, and (C) whose actual membership does not consist exclusively of members of a Communist-action organization.

(5) The term "Communist organization" means a Communist-action organization or a Communist-front organization.

(6) The term "to contribute funds or services" includes the rendering of any personal service and the making of any gift, subscription, loan, advance, or deposit, of money or of anything of value, and also the making of any contract, promise, or agreement to contribute funds or services, whether or not legally enforcible.

(7) A "defense plant" shall include any plant, factory, or other manufacturing or service establishment, or any part thereof, owned or operated by the United States, any department or agency thereof, any wholly owned Government corporation, or any private individual, corporation, firm, or other organization, which, in the capacity of a contractor or subcontractor, or otherwise, is engaged in the production or furnishing for the use of the United States, or any department, agency, or military or naval force thereof, or any wholly owned Government corporation, of any commodity or service, or any part thereof, which the Secretary of Defense shall determine and designate to be of such character as to affect the military security of the United States.

(8) The term "publication" means any circular, newspaper, periodical, pamphlet, book, letter, post card, leaflet, or other publication.

(9) The term "United States," when used in a geographical sense, includes the several States, Territories, and possessions of the United States, the District of Columbia, and the Canal Zone.

(10) The term "interstate or foreign commerce" means trade, traffic, commerce, transportation, or communication (A) between any State, Territory, or possession of the United States (including the Canal Zone), or the District of Columbia, and any place outside thereof, or (B) within any Territory or possession of the United States (including the Canal Zone), or within the District of Columbia.

(11) The term "Board" means the Subversive Activities Control Board created by section 12 of this act.

(12) The term "final order of the Board" means an order issued by the Board under section 13 of this act which has become final as provided in section 14 of this act.

CERTAIN PROHIBITED ACTS

SEC. 4. (a) It shall be unlawful for any officer or employee of the United States or of any department or agency thereof, or of any corporation the stock of which is owned in whole or in part by the United States or any department or agency thereof, to communicate in any manner or by any means, to any other person whom such officer or employee knows or has reason to believe to be an agent or representative of any foreign government or an officer or member of any Communist organization as defined in paragraph (5) of section 3 of this act, any information of a kind which shall have been classified by the President or by the head of any such department, agency or corporation (with the approval of the President) as affecting the security of the United States, knowing or having reason to know that such information has been so classified, unless such officer or employee shall have been specifically authorized by the head of such department, agency, or corporation to make such disclosure of such information.

(b) It shall be unlawful for any agent or representative of any foreign government, or any officer or member of any Communist organization as defined in paragraph (5) of section 3 of this act, knowingly to obtain or receive, or attempt to obtain or receive, directly or indirectly, from any officer or employee of the United States or of any department or agency thereof or of any corporation the stock of which is owned in whole or in part by the United States or any department or agency thereof, any information of a kind which shall have been classified pursuant to subsection (a) of this section as affecting the security of the United States, unless special authorization for such communication shall first have been obtained from the head of the department, agency, or corporation having custody of or control over such information.

(c) Any person who violates any provision of this section shall, upon conviction thereof, be punished by a fine of not more than $10,0000, or imprisonment for not more than 10 years, or by both such fine and such imprisonment.

(d) Any person may be prosecuted, tried, and punished for any violation of this section at any time within 10 years after the commission of such offense, notwithstanding the provisions of any other statute of limitations.

(e) The fact of the registration of any person under section 7 or section 8 of this act as an officer or member of any Communist organization shall not be received in evidence against such person in any prosecution for any alleged violation of subsection (b) of this section.

EMPLOYMENT OF MEMBERS OF COMMUNIST ORGANIZATIONS

SEC. 5. (a) When a Communist organization as defined in paragraph (5) of section 3 of this act is registered, or there is in effect a final order of the Board requiring such an organization to register, it shall be unlawful for any member of such organization, with knowledge that such organization is registered or that such order has become final—

(1) in seeking, accepting, or holding any nonelective office or employment under the United States to conceal the fact that he is a member of such organization; or

(2) to hold any nonelective office or employment under the United States.

(b) When a Communist organization as defined in paragraph (5) of section 3 of this act is registered, or there is in effect a final order of the Board requiring such an organization to register, it shall be unlawful for any officer or employee of the United States—

(1) to contribute funds or services to such organization; or

(2) to advise, counsel, or urge any other officer or employee of the United States to perform, or to omit to perform, any act if such act or omission would constitute a violation of subsection (a) of this section.

(c) When a Communist organization as defined in paragraph (5) of section 3 of this act is registered, or there is in effect a final order of the Board requiring such an organization to register, it shall be unlawful for any member of such organization, with knowledge that such organization is registered, or that such order has become final—

(1) in seeking, accepting, or holding employment in any defense plant, to conceal the fact that he is a member of such organization; or

(2) to engage in any employment in any defense plant.

(d) When a Communist organization, as defined in paragraph (5) of section 3 of this act is registered, or there is in effect a final order of the Board requiring such an organization to register, it shall be unlawful for any individual employed in any defense plant—

(1) to contribute funds or services to such organization; or

(2) to advise, counsel, or urge any other officer or employee of the United States to perform, or to omit to perform, any act if such act or omission would constitute a violation of subsection (2) of this section.

(e) The Secretary of Defense, acting through such personnel of the Department of Defense as he shall designate from time to time, shall determine and designate, as the occasion arises, the identity of each defense plant, as such term is defined by this act.

(f) The fact of the registration of any person under section 7 or section 8 of this act as an officer or a member of any Communist organization shall not be received in evidence against such person in any prosecution for any alleged violation of subsections (a) and (c) of this section.

(g) As used in this section, the term "member" shall not include any individual whose name has not been made public because of the prohibition contained in section 9 (b) of this act.

DENIAL OF PASSPORTS TO MEMBERS OF COMMUNIST ORGANIZATIONS

SEC. 6. (a) When a Communist organization as defined in paragraph (5) of section 3 of this act is registered, or there is in effect a final order of the Board requiring such organization to register, it shall be unlawful for any member of such organization, with knowledge that such organization is registered or that such order has become final—

(1) to make application for a passport, or the renewal of a passport, to be issued or renewed by or under the authority of the United States; or

(2) to use or attempt to use any such passport.

(b) That fact of the registration of any person under section 7 or section 8 of this act, as an officer or a member of any Communist organization shall not be received in evidence against such person in any prosecution for any alleged violation of subsection (a) of this section.

(c) As used in this section, the term "member" shall not include any individual whose name has not been made public because of the prohibition contained in section 9 (b) of this act.

REGISTRATION AND ANNUAL REPORTS OF COMMUNIST ORGANIZATIONS

SEC. 7. (a) Each Communist-action organization (including any organization required, by a final order of the Board, to register as a Communist-action organization) shall, within the time specified in subsection (c) of this section, register with the Attorney General, on a form prescribed by him by regulations, as a Communist-action organization.

(b) Each Communist-front organization (including any organization required, by a final order of the Board, to register as a Communist-front organization) shall, within the time specified in subsection (c) of this section, register with the Attorney General, on a form prescribed by him by regulations, as a Communist-front organization.

(c) The registration required by subsection (a) or (b) shall be made—

(1) in the case of an organization which is a Communist-action organization or a Communist-front organization, on the date of the enactment of this act, within 30 days after such date;

(2) in the case of an organization becoming a Communist-action organization or a Communist-front organization after the date of the enactment of this act, within 30 days after such organization becomes a Communist-action organization or a Communist-front organization, as the case may be; and

(3) in the case of an organization which by a final order of the Board is required to register, within 30 days after such order becomes final.

(d) The registration made under subsection (a) or (b) shall be accompanied by a registration statement, to be prepared and filed in such manner and form as the Attorney General shall by regulations prescribe, containing the following information:

(1) The name of the organization and the address of its principal office.

(2) The name and last-known address of each individual who at the time of filing of

such registration statement, and of each individual who was at any time during the period of 12 full calendar months next preceding the filing of such statement an officer of the organization, with the designation or title of the office so held, and with a brief statement of the duties and functions of such individual as such officer.

(3) An accounting, in such form and detail as the Attorney General shall by regulations prescribe, of all moneys received and expended (including the sources from which received and the purposes for which expended) by the organization during the period of 12 full calendar months next preceding the filing of such statement.

(4) In the case of a Communist-action organization, the name and last-known address of each individual who was a member of the organization at any time during the period of 12 full calendar months preceding the filing of such statement.

(5) In the case of any officer or member whose name is required to be shown in such statement, and who uses or has used or who is or has been known by more than one name, each name which such officer or member uses or has used or by which he is known or has been known.

(e) It shall be the duty of each organization registered under this section to file with the Attorney General on or before February 1 of the year following the year in which it registers, and on or before February 1 of each succeeding year, an annual report, prepared and filed in such manner and form as the Attorney General shall by regulations prescribe, containing the same information which by subsection (d) is required to be included in a registration statement, except that the information required with respect to the 12-month period referred to in paragraph (2), (3), or (4) of such subsection shall, in such annual report, be given with respect to the calendar year preceding the February 1 on or before which such annual report must be filed.

(f) (1) It shall be the duty of each organization registered under this section to keep, in such manner and form as the Attorney General shall by regulations prescribe, accurate records and accounts of moneys received and expended (including the sources from which received and purposes for which expended) by such organization.

(2) It shall be the duty of each Communist-action organization registered under this section to keep, in such manner and form as the Attorney General shall by regulations prescribe, accurate records of the names and addresses of the members of such organization and of persons who actively participate in the activities of such organization.

(g) It shall be the duty of the Attorney General to send to each individual listed in any registration statement or annual report, filed under this section, as an officer or member of the organization in respect to which such registration statement or annual report was filed, a notification in writing that such individual is so listed; and such notification shall be sent at the earliest practicable time after the filing of such registration statement or annual report. Upon written request of any individual so notified who denies that he holds any office or membership (as the case may be) in such organization, the Attorney General shall forthwith initiate and conclude at the earliest practicable time an appropriate investigation to determine the truth or falsity of such denial, and, if the Attorney General shall be satisfied that such denial is correct, he shall thereupon strike from such registration statement or annual report the name of such individual. If the Attorney General shall decline or fail to strike the name of such individual from such registration statement or annual report within 5 months after receipt of such written request, such individual may file with the Board a petition for relief pursuant to section 13 (b) of this act.

(h) In the case of failure on the part of any organization to register or to file any registration statement or annual report as required by this section, it shall be the duty of the executive officer (or individual performing the ordinary and usual duties of an executive officer) and of the secretary (or individual performing the ordinary and usual duties of a secretary) of such organization, and of such officer or officers of such organization as the Attorney General shall by regulations prescribe, to register for such organization, to file such registration statement, or to file such annual report, as the case may be.

REGISTRATION OF MEMBERS OF COMMUNIST-ACTION ORGANIZATIONS

SEC. 8. (a) Any individual who is or becomes a member of any organization concerning which (1) there is in effect a final order of the Board requiring such organization to register under section 7 (a) of this act as a Communist-action organization, (2) more than 30 days have elapsed since such order has become final, and (3) such organization is not registered under section 7 of this act as a Communist-action organization, shall within 60 days after said order has become final, or within 30 days after becoming a member of such organization, whichever is later, register with the Attorney General as a member of such organization.

(b) Each individual who is or becomes a member of any organization which he knows to be registered as a Communist-action organization under section 7 (a) of this act, but which has failed to include his name upon the list of members thereof, filed with the Attorney General pursuant to the provisions of subsections (d) and (e) of section 7 of this act, shall within 60 days after he shall have obtained such knowledge, register with the Attorney General as a member of such organization.

(c) The registration made by such individual under subsections (a) and (b) of this section shall be accompanied by a registration statement to be prepared and filed in such manner and form, and containing such information, as the Attorney General shall by regulations prescribe.

KEEPING OF REGISTERS; PUBLIC INSPECTION; REPORTS TO PRESIDENT AND CONGRESS

SEC. 9. (a) The Attorney General shall keep and maintain separately in the Department of Justice—

(1) a "Register of Communist Action Organizations", which shall include (A) the names and addresses of all Communist-action organizations registered under section 7, (B) the registration statements and annual reports filed by such organizations thereunder, and (C) the registration statements filed by individuals under section 8; and

(2) a "Register of Communist-Front Odganizations", which shall include (A) the names and addresses of all Communist-front organizations registered under section 7, and (B) the registration statements and annual reports filed by such organizations thereunder.

(b) Such registers shall be kept and maintained in such manner as to be open for public inspection: *Provided,* That the Attornew General shall not make public the name of any individual listed in either such register as an officer or member of any Communist organization until 60 days shall have elapsed after the transmittal of the notification required by section 7 (g) to be sent to such individual, and if prior to the end of such period such individual shall make written request to the Attorney General for the removal of his name from any such list, the Attorney General shall not make public the name of such individual until 6 months shall have elapsed after receipt of such request by the Attorney General, or until 30 days shall have elapsed after the Attorney General shall have denied such request and shall have transmitted to such individual notice of such denial, whichever is earlier.

(c) The Attorney General shall submit to the President and to the Congress on or before June 1 of each year (and at any other time when requested by either House by resolution) a report with respect to the carrying out of the provisions of this act, including the names and addresses of the organizations listed in such registers and (except to the extent prohibited by subsection (b) of this section) the names and addresses of the individuals listed as members of such organizations.

USE OF THE MAILS AND INSTRUMENTALITIES OF INTERSTATE OR FOREIGN COMMERCE

SEC. 10. It shall be unlawful for any organization which is registered under section 7, or for any organization with respect to which there is in effect a final order of the Board requiring it to register under section 7, or for any person acting for or on behalf of any such organization—

(1) to transmit or cause to be transmitted, through the United States mails or by any means or instrumentality of interstate or foreign commerce, any publication which is intended to be, or which it is reasonable to believe is intended to be, circulated or disseminated among two or more persons, unless such publication, and any envelope, wrapper, or other container in which it is mailed or otherwise circulated or transmitted, bears the following, printed in such manner as may be provided in regulations prescribed by the Attorney General, with the name of the organization appearing in lieu of the blank: "Disseminated by ————, a Communist organization"; or

(2) to broadcast or cause to be broadcast any matter over any radio or television station in the United States, unless such matter is preceded by the following statement, with the name of the organization being stated in place of the blank: "The following program is sponsored by ————, a Communist organization".

DENIAL OF TAX DEDUCTIONS AND EXEMPTION

SEC. 11. (a) Notwithstanding any other provision of law, no deduction for Federal income-tax purposes shall be allowed in the case of a contribution to or for the use of any organization if at the time of the making of such contribution (1) such organization is registered under section 7, or (2) there is in effect a final order of the Board requiring such organization to register under section 7.

(b) No organization shall be entitled to exemption from Federal income tax, under section 101 of the Internal Revenue Code, for any taxable year if at any time during such taxable year (1) such organization is registered under section 7, or (2) there is in effect a final order of the Board requiring such organization to register under section 7.

SUBVERSIVE ACTIVITIES CONTROL BOARD

SEC. 12. (a) There is hereby established a board, to be known as the Subversive Activities Control Board, which shall be composed of five members, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than three members of the Board shall be members of the same political party. Two of the original members shall be appointed for a term of 1 year, two for a term of 2 years, and one for a term of 3 years, but their successors shall be appointed for terms of 3 years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Board. Any member of the Board may be removed by the

President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

(b) A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board, and three members of the Board shall, at all times, constitute a quorum. The Board shall have an official seal which shall be judicially noticed.

(c) The Board shall at the close of each fiscal year make a report in writing to the Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees of the Board, and an account of all moneys it has disbursed.

(d) Each member of the Board shall receive a salary of $12,500 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment.

(e) It shall be the duty of the Board—

(1) upon application made by the Attorney General under section 13 (a) of this act, or by any organization under section 13 (b) of this act, to determine whether any organization is a "Communist-action organization" within the meaning of paragraph (3) of section 3 of this act, or a "Communist-front organization" within the meaning of paragraph (4) of section 3 of this act; and

(2) upon application made by the Attorney General under 13 (a) of this act, or by any individual under section 13 (b) of this act, to determine whether any individual is a member of any Communist-action organization registered, or by final order of the Board required to be registered under section 7 (a) of this act.

(f) Subject to the civil-service laws and Classification Act of 1923, as amended, the Board may appoint and fix the compensation of a clerk and such examiners and other personnel as may be necessary for the performance of its functions.

(g) The Board may make such rules and regulations, not inconsistent with the provisions of this act, as may be necessary for the performance of its duties.

(h) There are hereby authorized to be appropriated to the Board such sums as may be necessary and appropriate to carry out its functions.

PROCEEDINGS BEFORE BOARD

SEC. 13. (a) Whenever the Attorney General shall have reason to believe that any organization which has not registered under subsection (a) or subsection (b) of section 7 of this act is in fact an organization of a kind required to be registered under such subsection, or that any individual who has not registered under section 8 of this act is in fact required to register under such section, he shall file with the Board and serve upon such organization or individual a petition for an order requiring such organization or individual to register pursuant to such subsection or section, as the case may be.

(b) Any organization registered under subsection (a) or subsection (b) of section 7 of this act, and any individual registered under section 8 of this act, may, not oftener than once in each calendar year, make application to the Attorney General for the cancellation of such registration and (in the case of such organization) for relief from obligation to make further annual reports. Within 60 days after the denial of any such application by the Attorney General, the organization or individual concerned may file with the Board and serve upon the Attorney General a petition for an order requiring the cancellation of such registration and (in the case of such organization) relieving such organization of obligation to make further annual reports. Any individual authorized by section 7 (g) of this act to file a petition for relief may file with the Board and serve upon the Attorney General a petition for an order requiring the Attorney General to strike his name from the registration statement or annual report upon which it appears.

(c) Upon the filing of any petition pursuant to subsection (a) or subsection (b) of this section, the Board (or any member thereof or any examiner designated thereby) may hold hearings, administer oaths and affirmations, may examine witnesses and receive evidence at any place in the United States, and may require by subpena the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed relevant, to the matter under inquiry. Subpenas may be signed and issued by any member of the Board or any duly authorized examiner. Subpenas shall be issued on behalf of the organization or the individual who is a party to the proceeding upon request and upon a statement or showing of general relevance and reasonable scope of the evidence sought. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing. Witnesses summoned shall be paid the same fees and mileage paid witnesses in the district courts of the United States. In case of disobedience to a subpena, the Board may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence. Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any person, issue an order requiring such person to appear, and to produce documentary evidence if so ordered) and give evidence relating to the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. No person shall be held liable in any action in any court, State or Federal, for any damages resulting from (1) his production of any documentary evidence in any proceeding before the Board if he is required, by a subpena issued under this subsection, to produce the evidence; or (2) any statement under oath he makes in answer to a question he is asked while testifying before the Board in response to a subpena issued under this subsection, if the satement is pertinent to the question.

(d) All hearings conducted under this section shall be public. Each party to such proceeding shall have the right to present its case with the assistance of counsel, to offer oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. An accurate stenographic record shall be taken of the testimony of each witness, and a transcript of such testimony shall be filed in the office of the Board.

(e) In determining whether any organization is a "Communist-action organization," the Board shall take into consideration—

(1) the extent to which its policies are formulated and carried out and its activities performed, pursuant to directives or to effectuate the policies of the foreign government or foreign organization in which is vested, or under the domination or control of which is exercised, the direction and control of the world Communist movement referred to in section 2 of this act;

(2) the extent to which its views and policies do not deviate from those of such foreign government or foreign organization;

(3) the extent to which it receives financial or other aid, directly or indirectly, from or at the direction of such foreign government or foreign organization;

(4) the extent to which it sends members or representatives to any foreign country for instruction or training in the principles, policies, strategy, or tactics of such world Communist movement;

(5) the extent to which it reports to such foreign government or foreign organization or to its representatives;

(6) the extent to which its principal leaders or a substantial number of its members are subject to or recognize the disciplinary power of such foreign government or foreign organizations or its representatives;

(7) the extent to which, for the purpose of concealing foreign direction, domination, or control, or of expediting or promoting its objectives, (i) it fails to disclose, or resists efforts to obtain information as to, its membership (by keeping membership lists in code, by instructing members to refuse to acknowledge membership, or by any other method; (ii) its members refuse to acknowledge membership therein; (iii) it fails to disclose, or resists efforts to obtain information as to, records other than membership lists; (iv) its meetings are secret; and (v) it otherwise operates on a secret basis; and

(8) the extent to which its principal leaders or a substantial number of its members consider the allegiance they owe to the United States as subordinate to their obligations to such foreign government organization.

(f) In determining whether any organization is a "Communist-front organization," the Board shall take into consideration—

(1) the extent to which persons who are active in its management, direction, or supervision, whether or not holding office therein, are active in the management, direction, or supervision of, or as representatives of, any Communist-action organization, Communist foreign government, or the world Communist movement referred to in section 2; and

(2) the extent to which its support, financial or otherwise, is derived from any Communist-action organization, Communist foreign government, or the world Communist movement referred to in section 2; and

(3) the extent to which its funds, resources, or personnel are used to further or promote the objectives of any Communist-action organization, Communist foreign government, or the world Communist movement referred to in section 2; and

(4) the extent to which the positions taken or advanced by it from time to time on matters of policy do not deviate from those of any Communist-action organization, Communist foreign government, or the world Communist movement referred to in section 2.

(g) If, after hearing upon a petition filed under subsection (a) of this section, the Board determines—

(1) that an organization is a Communist-action organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such organization an order requiring such organization to register as such under section 7 of this act; or

(2) that an individual is a member of a Communist-action organization (including an organization required by final order of the Board to register under sec. 7 (a)), it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such individual an order requiring him to register as such under section 8 of this act.

(h) If, after hearing upon a petition filed under subsection (a) of this section, the Board determines—

(1) that an organization is not a Communist-action organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts; issue and cause to be served upon the Attorney General an order denying his petition

for an order requiring such organization to register as such under section 7 of this act; and send a copy of such order to such organization; or

(2) that an individual is not a member of any Communist-action organization, it shall make a report in writing in which it shall state its findings as to the facts; issue and cause to be served upon the Attorney General an order denying his petition for an order requiring such individual to register as such member under section 8 of this act; and send a copy of such order to such individual.

(i) If, after hearing upon a petition filed under subsection (b) of this section, the Board determines—

(1) that an organization is not a Communist-action organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts; issue and cause to be served upon the Attorney General an order requiring him to cancel the registration of such organization and relieve it from the requirement of further annual reports; and send a copy of such order to such organization; or

(2) that an individual is not a member of any Communist-action organization, or (in the case of an individual listed as an officer of a Communist-front organization) that an individual is not an officer of a Communist-front organization, it shall make a report in writing in which it shall state its findings as to the facts; issue and cause to be served upon the Attorney General an order requiring him to (A) strike the name of such individual from the registration statement or annual report upon which it appears or (B) cancel the registration of such individual under section 8, as may be appropriate; and send a copy of such order to such individual.

(j) If, after hearing upon a petition filed under subsection (b) of this section, the Board determines—

(1) that an organization is a Communist-action organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such organization an order denying its petition for the cancellations of its registration and for relief from the requirement of further annual reports; or

(2) that an individual is a member of a Communist-action organization, or (in the case of an individual listed as an officer of a Communist-front organization) that an individual is an officer of a Communist-front organization, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served upon such individual an order denying his petition for an order requiring the Attorney General (A) to strike his name from any registration statement or annual report on which it appears or (B) to cancel the registration of such individual under section 8, as the case may be.

JUDICIAL REVIEW

SEC. 14. (a) The party aggrieved by any order entered by the Board under subsection (g), (h), (i), or (j) of section 13 may obtain a review of such order in the United States Court of Appeals for the District of Columbia by filing in the court, within 60 days from the date of service upon it of such order, a written petition praying that the order of the Board be set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the Board shall certify and file in the court a transcript of the entire record in the proceeding, including all evidence taken and the report and order of the Board. Thereupon the court shall have jurisdiction of the proceeding and shall have power to affirm or set aside the order of the Board. The findings of the Board as to the facts, if supported by the preponderance of the evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material, the court may order such additional evidence to be taken before the Board and to be adduced upon the proceeding in such manner and upon such terms and conditions as to the court may seem proper. The Board may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by the preponderance of the evidence, shall be conclusive, and its recommendations, if any, with respect to action in the matter under consideration. If the court shall set aside an order issued under subsection (j) of section (13) it may, in the case of an organization, enter a judgment canceling the registration of such organization and relieving it from the requirement of further annual reports, or in the case of an individual, enter a judgment canceling the registration of such organization and relieving it from the requirement of further annual reports, or in the case of an individual, enter a judgment requiring the Attorney General (A) to strike the name of such individual from the registration statement or annual report on which it appears, or (B) cancel the registration of such individual under section 8, as may be appropriate. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in title 28, United States Code, section 1254.

(b) Any order of the Board issued under section 13 shall become final—

(1) upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; or

(2) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Board has been affirmed or the petition for review dismissed by the United States Court of Appeals for the District of Columbia, and no petition for certiorari has been duly filed; or

(3) upon the denial of a petition for certriorari, if the order of the Board has been affirmed or the petition for review dismissed by the United States Court of Appeals for the District of Columbia; or

(4) upon the expiration of 10 days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the Board be affirmed or the petition for review dismissed.

PENALTIES

SEC. 15. (a) If there is in effect with respect to any organization or individual a final order of the Board requiring registration under section 7 or section 8 of this act—

(1) such organization shall, upon conviction of failure to register, to file any registration statement or annual report, or to keep records as required by section 7, be punished for each such offense by a fine of not more than $10,000; and

(2) each individual having a duty under subsection (h) of section 7 to register or to file any registration statement or annual report on behalf of such organization, and each individual having a duty to register under section 8, shall, upon conviction of failure to so register or to file any such registration statement or annual report, be punished for each such offense by a fine of not more than $10,000, or imprisonment for not more than 5 years, or by both such fine and imprisonment.

For the purposes of this subsection, each day of failure to register, whether on the part of the organization or any individual, shall constitute a separate offense.

(b) Any individual who, in a registration statement or annual report filed under section 7 or section 8, willfully makes any false statement or willfully omits to state any fact which is required to be stated, or which is neecssary to make the statements made or information given not misleading, shall upon conviction thereof be punished for each such offense by a fine of not more than $10,000, or by imprisonment for not more than 5 years, or by both such fine and imprisonment. For the purposes of this subsection—

(1) each false statement willfully made, and each willful omission to state any fact which is required to be stated, or which is necessary to make the statements made or information given not misleading, shall constitute a separate offense; and

(2) each listing of the name or address of any one individual shall be a separate statement.

(c) Any organization which violates any provision of section 10 of this act shall, upon conviction thereof, be punished for each such violation by a fine of not more than $10,000. Any individual who violates any provision of section 5, 6, or 10 of this act shall, upon conviction thereof, be punished for each such violation by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or by both such fine and imprisonment.

APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT

SEC. 16. Nothing in this act shall be held to make the provisions of the Administrative Procedure Act inapplicable to the exercise of functions, or the conduct of proceedings, by the Board under this act, except to the extent that this act affords additional procedural safeguards for organizations and individuals.

SEC. 17. This act shall be construed as being in addition to and not in modification of existing criminal statutes.

SEC. 18. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remaining provisions of this act, or the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CELLER. Mr. Chairman, I offer a substitute amendment.

The CHAIRMAN. The Clerk will report the substitute offered by the gentleman from New York.

The Clerk read as follows:

Substitute amendment offered by Mr. CELLER: Page 1 strike out all after the enacting clause and insert the following:

"That this act may be cited as the 'Internal Security Act of 1950.'

"SEC. 2. (a) The Congress hereby finds that—

"(1) Totalitarian political movements, and individuals and associations of individuals giving aid or support to such movements, endanger the military security and constitute a serious threat to the existence of American institutions and the peaceful enjoyment of the American way of life.

"(2) The Congress from time to time has enacted various statutes designed to protect the Government against injury resulting from activities of those who adhere to or furnish aid or support to such movements,

including the following provisions of existing law:

"(A) sections 2384 and 2385 of title 18 of the United States Code, which prohibit advocating and teaching the overthrow of the Government by force or violence, organizing any groups for such purpose, or any conspiracy therefor, and the constitutionality of which has recently been upheld by the United States Court of Appeals for the Second Circuit in affirming the conviction thereunder of 11 leaders of the Communist Party of the United States;

"(B) the act of June 8, 1938, as amended (22 U. S. C. 611–621), which requires agents of foreign governments to register with the Attorney General and to label their propaganda;

"(C) the act of October 16, 1918, as amended (8 U. S. C. 137) and section 19 of the Immigration Act of 1917, as amended (8 U. S. C. 155) which provide for the exclusion and deportation from the United States of aliens who advocate the overthrow of the Government by force or violence;

"(D) section 2381 of title 18 of the United States Code, which embodies the constitutional definition of treason; and

"(E) chapter 105 of title 18 of the United States Code, which prohibits the sabotage of materials, premises, and utilities relating to the national defense.

"(3) In addition, various other provisions enacted by the Congress and certain administrative practices of agencies engaged in carrying out such provisions have been useful in providing further protection against such injury including—

"(A) the provisions of law dealing with the issuance of passports (22 U. S. C. 211–299), under which the Secretary of State has denied passports to Communists and others in the interests of national security.

"(B) the internal-revenue laws, under which exemption from taxation under section 101 of the Internal Revenue Code is denied to certain organizations determined by the Attorney General to be subversive, and under which contributors are denied deductions for their contributions to such organizations;

"(C) chapter 79 and section 1001 of title 18 of the United States Code, which deal with perjury and the making of false statements, and which have been effective in the prosecution of persons who have untruthfully denied affiliation with subversive groups; and

"(D) the provisions of section 9A of the act of August 2, 1939, to prevent pernicious political activities (5 U. S. C. 118j), which prohibit membership by Government employees in organizations which advocate the overthrow of the Government by force or violence, and other provisions of law under the authority of which a program has been established for the exclusion from Federal employment of Communists and other persons of doubtful loyalty.

"(b) The Congress therefore declares that—

"(1) The policy embodied in the foregoing statutes is hereby reaffirmed and such statutes should be vigorously enforced so as to minimize the present danger to the national security resulting from activities of associations and individuals aiding and supporting the world Communist movement.

"(2) In the light of existing world conditions, certain of the statutes herein referred to should be amended in certain respects in order to strengthen their provisions and facilitate their enforcement, in accordance with the recommendations of the President and the departments and agencies directly charged with responsibility for internal security functions.

"SEC. 3. Section 793 of title 18 of the United States Code is hereby amended to read as follows:

"'§ 793. Gathering, transmitting, or losing defense information

"'(a) (1) Whoever, for the purpose of obtaining information respecting the national defense with intent or reason to believe that the information is to be used to the injury of the United States, or to the advantage of any foreign nation, goes upon, enters, flies over, or otherwise obtains information concerning any vessel, aircraft, work of defense, navy yard, naval station, submarine base, fueling station, fort, battery, torpedo station, dockyard, canal, railroad, arsenal, camp, factory, mine, telegraph, telephone, wireless or signal station, building, air force base, office, or other place connected with the national defense, owned or constructed, or in progress of construction by the United States or under the control of the United States, or of any of its officers, departments or agencies, or within the exclusive jurisdiction of the United States, or any place in which any vessel, aircraft, arms, munitions, or other materials or instruments for use in time of war, including items related to nuclear energy, are being made, prepared, repaired, processed, or stored, or are the subject of research and development under any contract or agreement with the United States, or any department or agency thereof, or with any person on behalf of the United States, or otherwise on behalf of the United States, or any prohibited place so designated by the President by proclamation in time of war or in case of national emergency in which anything for the use of the Army, Navy, or Air Force is being prepared or constructed or stored, information as to which prohibited place the President has determined would be prejudicial to the national defense; or

"'(2) Whoever, for the purpose aforesaid, and with like intent or reason to believe, copies, takes, makes, or obtains, or attempts to copy, take, make, or obtain, any sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, document, matter, writing, or note of anything connected with the national defense; or

"'(3) Whoever, for the purpose aforesaid, receives or obtains or agrees or attempts to receive or obtain from any person, or from any source whatever, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, matter, or note of anything connected with the national defense, knowing or having reason to believe, at the time he receives or obtains, or agrees or attempts to receive or obtain it, that it has been or will be obtained, taken, made, or disposed of by any person contrary to the provisions of this chapter; or

"'(4) Whoever, lawfully having possession of, access to, control over, or being entrusted with any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, matter, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits, or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit, or cause to be communicated, delivered, or transmitted, the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it on demand to the officer or employee of the United States entitled to receive it; or

"'(5) Whoever having unauthorized possession of, access to, or control over any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance matter, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits, or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit, or causes to be communicated, delivered, or transmitted, the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it to the officer or employee of the United States entitled to receive it; or

"'(6) Whoever, being entrusted with or having lawful possession or control of any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, note, matter, or information relating to the national defense—

"'(A) through gross negligence permits the same to be removed from its proper place of custody or delivered to anyone in violation of his trust, or to be lost, stolen, abstracted, or destroyed; or

"'(B) having knowledge that the same has been illegally removed from its proper place of custody or delivered to anyone in violation of his trust, or lost, or stolen, abstracted, or destroyed,

and fails to make prompt report of such loss, theft, abstraction, or destruction to his superior officer—

"'Shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"'(b) If two or more persons conspire to violate any of the foregoing provisions of this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be subject to the punishment provided for the offense which is the object of such conspiracy.

"'(c) No prosecution shall be brought under this section or under section 792 or 794, except upon the express direction of the Attorney General of the United States.'

"SEC. 4. (a) The analysis of chapter 213 of title 18, United States Code, immediately preceding section 3281 of such title, is amended by adding at the end thereof the following new item:

"'3291. Espionage and security of defense information.'

"(b) Chapter 213 of title 18, United States Code, is amended by adding after section 3290 the following new section:

"'§ 3291. Espionage and security of defense information

"'An indictment for any violation of section 792, 793, or 794 of this title may be found at any time within 10 years next after such violation shall have been committed: *Provided*, That such period of limitation shall not commence to run in regard to any such violation or violations by any officer, agent, or employee of the United States during any period that such individual holds the office, position, employment, or appointment he held at the time such offense was committed: *And provided further*, That nothing contained in this section shall be construed to impose any limitation in the case of offenses punishable by death.'

"SEC. 5. The act of June 8, 1938 (52 Stat. 631; 22 U. S. C., 611–621), entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," as amended, is hereby further amended as follows:

"(a) Strike out the word 'and' at the end of section 1 (c) (3), insert the word

'and' at the end of section 1 (c) (4), and add the following subsection immediately after section 1 (c) (4):

"'(5) any person who has knowledge of, or has received instruction or assignment in, the espionage, counterespionage, or sabotage service or subversive tactics of a government of a foreign country or a foreign political party, unless such knowledge, instruction, or assignment has been acquired by reason of civilian, military, or police service with the United States Government, the governments of the several States, their political subdivisions, the District of Columbia, the Territories, the Canal Zone, or the insular possessions, or unless such knowledge has been acquired solely by reason of academic or personal interest not under the supervision of or in preparation for service with the government of a foreign country or a foreign political party or unless, by reason of employment at any time by the Department of Justice or the Central Intelligence Agency, such person has made full written disclosure of such knowledge or instruction to officials within those agencies, such disclosure has been made a matter of record in the files of the agency concerned, and a written determination has been made by the Attorney General or the Director of Central Intelligence that registration would not be in the interest of national security.'

"(b) Add the following subsection immediately after section 8 (d):

"'(e) Failure to file any such registration statement or supplements thereto as is required by either section 2 (a) or section 2 (b) shall be considered a continuing offense for as long as such failure exist, notwithstanding any statute of limitation or other statute to the contrary.'

"SEC. 6. (a) The analysis of chapter 67 of title 18, United States Code, immediately preceding section 1381 of such title, is amended by adding at the end thereof the following new item:

"'1385. Promulgation of security regulations.'

"(b) Chapter 67, title 18, United States Code, is amended by adding after section 1384 the following new section:

"'§ 1385. Promulgation of security regulations.

"'(a) Whoever willfully shall violate any such regulation or order as, pursuant to lawful authority, shall be or has been promulgated by the Secretary of Defense and approved by the President of the United States for the protection or security of military or naval aircraft, airports, airport facilities, vessels, harbors, ports, piers, water-front facilities, bases, forts, posts, laboratories, stations, vehicles, equipment, explosives, or other property or places subject to the jurisdiction, administration, or in the custody of the National Military Establishment, or of any department or agency of which said establishment consists, or of any officer or employee of said establishment, department, or agency, relating to fire hazards, fire protection, lighting, machinery, guard service, disrepair, disuse, or other unsatisfactory conditions thereon, or the ingress thereto, or egress or removal of persons therefrom, or otherwise providing for safeguarding the same against destruction, loss, or injury by accident, or by enemy action, sabotage, or other subversive actions, shall be guilty of a misdemeanor and upon conviction thereof shall be liable to a fine of not to exceed $5,000 or to imprisonment for not more than 1 year or both.

"'(b) Every such regulation or order shall be posted in conspicuous or appropriate places.

"'(c) In time of war, or national emergency as proclaimed by the President, the provisions of this section may be extended by Presidential proclamation to include such property and places as the President may therein designate in the interest of national security.'

"SEC. 7. If any provision of this act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of this act and the application of such provision to other circumstances shall not be affected thereby."

Mr. WOOD (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the substitute be considered as read, and printed in the RECORD at this point.

Mr. WALTER. Mr. Chairman, reserving the right to object, I would like to inquire of the gentleman from New York [Mr. CELLER] if the substitute he is proposing does not contain two measures which have already passed the House and are now pending in the Senate.

Mr. CELLER. Mr. Chairman, is this to be taken out of my time?

The CHAIRMAN. No. The gentleman has reserved the right to object.

Mr. MARCANTONIO. Mr. Chairman, I think this bill should be heard by everybody. It is the administration bill, and I maintain there is very little difference between the two. I object.

Mr. CASE of South Dakota. Mr. Chairman, I reserve points of order on the amendment.

The Clerk concluded the reading of the substitute amendment.

The CHAIRMAN. The gentleman from New York [Mr. CELLER] is recognized for 5 minutes in support of his amendment.

Mr. CASE of South Dakota. Mr. Chairman, I withdraw my reservation of the point of order.

Mr. CELLER. Mr. Chairman, this substitute is really H. R. 9502 which I offered the other day. It is the administration bill with all the provisions relative to immigration stricken therefrom. I did not prepare this bill. It was drafted by representatives at the White House, and I cheerfully present it to this House as a substitute for the so-called Wood bill. It is worthy of your unqualified support.

The Wood bill deals in ideas and opinions and thoughts, despite the declarations to the contrary which you have heard here this afternoon.

My bill deals with action, subversive action, sabotage, spying, counterspying, and antidotes for same, prevention and punishment for same. The adoption of my substitute is the only way whereby we can wipe out these nefarious activities of Communists and pseudo-Communists and representatives of the front organizations and agents of foreign groups.

This substitute has the unqualified approval of the CIO. I understand it is supported by the A. F. of L. I place in the RECORD a telegram sent to me by Mr. Philip Murray, president of the Congress of Industrial Organizations:

WASHINGTON, D. C., *August 29, 1950.*

Hon. EMANUEL CELLER,
House of Representatives,
House Office Building,
Washington, D. C.:

The executive board of the Congress of Industrial Organizations has just adopted a resolution urging Congress to pass legislation which directly and affirmatively deals with the problems of espionage, sabotage, and subversive activity. The CIO firmly supports legislation which is properly framed to achieve these objectives immediately. The Wood bill (H. R. 9490) which the House will today take up is not effective antisubversive legislation. Just the contrary. Its elaborate provisions would be ineffective against espionage, sabotage, or genuine subversive activity. And, at the same time, it would set up a thought-control machinery which would seriously damage the very democracy which we are fighting to preserve against communism. It contains definite threats to the continued free functioning of bona fide labor organizations. It is both useless as a weapon against communism and a propaganda boon to the world-wide Communist movement. The substitute which Representative CELLER will offer embodies the direct measures which President Truman has urged the Congress to adopt and avoids the useless, dangerous, and probably unconstitutional provisions of the Wood bill. I urge all Members of Congress strongly not only to vote for but also to support actively the Celler substitute.

PHILIP MURRAY,
President, Congress of Industrial Organizations.

This substitute has the approval of the Society of Friends, the International Association of Machinists, the United Council of Church Women, Americans for Democratic Action, the National Association for the Advancement of Colored People, the American Unitarian Association, the American Civil Liberties Union, the American Jewish Committee, and the American Jewish Congress, the Council for Social Action of the Congregational Christian Churches, and numerous other praiseworthy groups.

My substitute concerns itself with the gathering, transmitting, or loosing of information relating to the national security. The statute in existing law relating to these activities is greatly strengthened in that no showing of intent is necessary as an element of the offense, provided the possessor of information has reason to believe that the material communicated would be used to the detriment of the United States or to the advantage of a foreign nation.

The existing statute is further strengthened in that it need not be shown that a demand has been made upon an unauthorized possessor of certain classes of information by the authorized officials. Existing law provides no penalty for the unauthorized possession of material unless a demand for it is made by a person entitled to receive it. The substitute uses the term "unauthorized possession" in preference to "unlawful possession," so as to preclude the necessity for proof of illegal possession.

H. R. 9052, the substitute furthermore, amends the existing law—which presently provides for the punishment of those who are entrusted with items relating to the national defense and negligently permit their unauthorized removal—by applying the penalty also to such persons who know the material entrusted to them has been lost, stolen, abstracted, or destroyed, and fail to report it promptly to a superior officer.

Another section of the bill increases the punishment for conspiracy to commit the forbidden acts from $10,000 or 5 years, or both, as is now the case under the general conspiracy statute, that is to $10,000 or 10 years, or both. Thus, the conspiracy to commit the crime is as grave as the crime itself.

The bill likewise increases the statute of limitations with respect to prosecution of violations of the espionage statutes from 3 to 10 years.

The bill likewise amends the Foreign Agents Registration Act so as to make the failure to register a continuing offense in order to postpone the commencement of the statutory period of limitation for prosecution, and requires registration of persons who have knowledge of or have received instruction in the espionage, counterespionage, or sabotage tactics of a foreign country or a foreign political party—subject to certain exceptions. These exceptions include persons whose knowledge of that kind was derived from service with the civilian, military, or police authorities of the United States; or whose knowledge was obtained by reason of academic studies pursued independently and without connection with a foreign government or foreign political party, or those engaged in intelligence activity for the Department of Justice.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Colorado.

Mr. CARROLL. Will the gentleman say that in his bill or the bill labeled the administration bill, it covers all of the points of section 4 in H. R. 9490, having to do with making it unlawful for any officer or employee of the United States to communicate, and with the subsection which makes it unlawful for any agent of a foreign government to receive?

Mr. CELLER. Yes; that is in the substitute.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. DONDERO. Were there any hearings held on this substitute?

Mr. CELLER. Yes. There were hearings held on a bill almost like it before the Judiciary Committee.

Mr. DONDERO. Does the gentleman know who drew that bill?

Mr. CELLER. The bill bore the name of our distinguished colleague from South Carolina [Mr. BRYSON].

Mr. DONDERO. Did he draw the bill?

Mr. CELLER. I take it that the gentleman from South Carolina [Mr. BRYSON] drew the bill. He is a very well-qualified, a very distinguished, and a very able member of our committee. I am very happy to associate myself with him in anything he does, although sometimes we disagree.

Mr. DONDERO. He is one of the most cultured men of the House.

Mr. CELLER. Mr. Chairman, continuing with an explanation of the substitute:

Section 6 delegates to the Secretary of Defense the power to promulgate orders and regulations approved by the President of the United States, violations of which are made punishable by fine and imprisonment, and further provides that in time of war and national emergency, as proclaimed by the President, the provisions of this section of the bill may be extended by Presidential proclamation to include such property and places as the President may designate in the interest of national security.

Mr. Chairman, in my humble opinion, the adoption of the substitute will be an effective way to stop subversion, spying, espionage, counterespionage, and sabotage. This is the constitutional way of attacking the problem, unlike the way involved in the Wood bill.

Mr. WALTER. Mr. Chairman, I rise in opposition to the substitute offered by the gentleman from New York.

Mr. Chairman, I do not know how often we have to approve a measure in this body before the Senate acts on it. But what you have just heard read is two bills.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. No.

Mr. CELLER. It is one bill.

Mr. WALTER. Mr. Chairman, the House has already acted on the two proposals contained in this substitute, and I submit it is being offered for the purpose of obscuring the real issue. Perhaps this substitute is germane, I do not know, the question was not raised, but, after all, we are now dealing with a question of registration and nothing else.

If the Hobbs bill, from which part has been deleted, goes too far, then I submit the other body can very easily amend it, and when that bill in the usual and orderly fashion goes to conference, out of that conference will come something which will deal adequately with the problem we attempted to deal with when we passed the Hobbs bill.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New York.

Mr. MARCANTONIO. I simply want to state that as for me the same constitutional arguments that are raised against the Wood bill can very properly and with full consistency be raised against the substitute that has now been offered.

Mr. WALTER. Yes; I will agree with the gentleman, only I do not think that the grounds are well-founded. I do not believe that this House ought to establish the precedent where we will kill one bill by acting on a bill that has already passed this body by an overwhelming vote. I urge you to vote down this substitute.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yielded to the gentleman from New York.

Mr. CELLER. I will say to the gentleman that the so-called Hobbs bill is stricken from the substitute and it is not even mentioned. No single provision is in it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, because the gentleman from New York [Mr. CELLER] has raised the constitutional argument again and because I now have the decision to which I referred when I was answering the query of the gentleman from New York [Mr. MARCANTONIO], I take this time to put in the RECORD at this point some pertinent excerpts from the recent decision of the Supreme Court as voiced by Chief Justice Vinson on May 8, 1950, in the cases of American Communications Association, CIO, against Charles T. Douds, a regional director of the NLRB, an appeal from the Southern District of New York and the United Steelworkers of America against the National Labor Relations Board, on a writ of certiorari to the United States Court of Appeals for the Seventh Circuit. The cases had been presented in the October term, 1949.

The points particularly at issue in these cases were similar to the questions here, going both to the question of free speech as protected in the first amendment and the question of bills of attainder forbidden by the Constitution. Chief Justice Vinson said at the very outset:

> These cases present for decision the constitutionality of section 9 (h) of the Labor-Management Relations Act of 1947.

And then his opinion recites that provision which relates to the filing of an affidavit of non-Communist membership by the officers of the labor union which seek the benefits of the National Labor Relations Act. I shall not, of course, read the entire decision, but a few pertinent sentences therefrom. With respect to the first amendment the Court said:

> Section 9 (h), in other words, does not interfere with speech because Congress fears the consequences of speech; it regulates harmful conduct which Congress has determined is carried on by persons who may be identified by their political affiliations and beliefs.

And again the Court says:

> Section 9 (h) is designated to protect the public not against what Communists and others identified therein advocate or believe, but against what Congress has concluded they have done and are likely to do again.

The Chief Justice concludes on that point by saying:

> That amendment requires that one be permitted to believe what he will. It requires that one be permitted to advocate what he

will unless there is a clear and present danger that a substantial public evil will result therefrom. It does not require that he be permitted to be the keeper of the arsenal.

In the portion of the Court's opinion No. 7, the Chief Justice takes up the argument that the National Labor Relations Act violates the first article, paragraph 9 of the Constitution: No bill of attainder or ex post facto law shall be passed. That is particularly in point because similarly the problem involved holding Communist membership while seeking benefits conferred or created by the Government which the National Labor Relations Act denies those labor unions where the officers do not file an affidavit of nonmembership. The Court says:

The unions' argument as to bill of attainder cites the familiar cases, *United States* v. *Lovett* (328 U. S. 303); *Ex parte Garland* (4 Wall. 333); *Cummings* v. *Missouri* (4 Wall.). These cases and this also, according to the argument, involve the proscription of certain occupations to a group classified according to belief and loyalty. But there is a decisive distinction.

In the previous decision the individuals involved were in fact being punished for past actions.

I might interpolate that the word "past" is in italics. The Court goes on:

Whereas in this case they are subject to possible loss of position only because there is substantial ground for the congressional judgment that their beliefs and loyalties will be transformed into future conduct.

The word "future" again is italics.

Of course the history as to past conduct is the foundation for the judgment as to what the future conduct is likely to be; but that does not alter the conclusion that paragraph 9 (h) is intended to prevent future action rather than to punish past action.

Then the Court points out:

This distinction is emphasized by the fact that members of those groups identified in paragraph 9 (h) are free to serve as union officers if at any time they renounce the allegiances which constituted a bar to signing the affidavit in the past.

There I might interpolate again to say that in the pending bill those who want to obtain the benefits of Government-created employment are free to do so if they renounce the allegiances which constitute the barrier.

The opinion on this point concludes:

Past conduct, actual or threatened by their previous adherence to affiliations and beliefs mentioned in paragraph 9 (h), is not a bar to resumption of the position. In the cases relied upon by the unions on the other hand, this Court has emphasized that, since the basis of disqualification was past action or loyalty, nothing that those persons proscribed by its terms could ever do would change the result. (See *United States* v. *Lovett*, supra, at p. 314; *Cummings* v. *Missouri*, supra, at p. 827.) Here the intention is to forestall future dangerous acts; there is no one who may not, by a voluntary alteration of the loyalties which impel him to action, become eligible to sign the affidavit. We cannot conclude that this section is a bill of attainder.

Similarly, it would seem to me that the courts would find that the provisions of the pending legislation do not constitute a bill of attainder.

The CHAIRMAN. The time of the gentleman from South Dakota has expired. All time has expired.

Mr. MARCANTONIO. Mr. Chairman, in reply to the gentleman from South Dakota [Mr. CASE] I submit that the registration and labeling provisions of the bill violate the Constitution.

It is apparent that registration carries with it severe consequences for the organization which has registered and for its members and supporters. Some of these consequences are expressly provided for in the bill itself. Thus an organization which is required to register must, under pain of severe penalties, publicly divulge its members and financial affairs. Its literature and radio and television broadcasts must, under section 10, be individually labeled. The organizations are denied tax exemptions and contributions to them are not tax deductible. They are cut off from receiving contributions from Government and defense-plant workers. Members of organizations ordered to register may not hold nonelective Federal office, cannot obtain passports, and may not work in defense plants.

These disabilities, severe as they are, are mild compared to the unexpressed social and economic consequences which will befall the members of a registered organization. A registered organization is, under the bill's definition, conspiratorial, disloyal, and seditious. Obviously any organization which either voluntarily publicly describes itself in such terms, or is so described by governmental action, is subject to intense public odium, as are those persons hardy enough to remain members therein.

It is perfectly apparent, therefore, that no organization can or will voluntarily register under these provisions, nor can any individual register as a member of such an organization. Attorney General Clark pointed this out. He said with respect to one of the progenitors of this bill:

It can be assumed that no organization would confess guilt by registration (p. 424, hearings on H. R. 5852).

The simple fact is that the mere act of registration would cause an organization either to disappear or to become an illegal, underground society. No organization could retain open membership and support if it either voluntarily registered or was ordered to do so by official governmental action requiring disclosure of its membership. Its officers, members, and contributors must either depart from the organization or be subject to the most onerous, and increasingly familiar actions of public odium, including loss of employment, social stigmatization, expulsion from legitimate organizations, and perhaps mob violence. Even registration would not wholly save the victims because the names must be filed of all those who were members at any time in the preceding year.

Accordingly, the sponsors of the bill misstate the case when they assert that the bill merely performs disclosure functions, and does not outlaw any organization. The fact is that the bill envisages not that any organization will register, but rather that individuals will be relentlessly prosecuted for belonging to organizations which have failed to register and for not registering themselves as members of such organization.

And the organizations which are so outlawed are outlawed on the basis of criteria which are to be applied by an administrative body, which are extremely vague, and which are to be applied according to the views and policies advocated by the organizations.

The registration and labeling provisions are thus unconstitutional for the following reasons.

First. Sections 5 and 6 deny the right of Federal and defense-plant employment and the right to obtain passports merely for membership in a Communist organization. These penalties and the drastic social and economic consequences of belonging to a prosecuted organization apply without regard to any action, fault, or wrongful intent on the part of the individual. The individuals affected are thus made second-class citizens. They are branded and made to suffer disabilities on the assumption that they are agents of a foreign government or political group, although not the slightest proof is required that in fact they are anything of the kind. This is the clearest application of the unconstitutional doctrine of guilt by association. Under our law, guilt is personal, and our courts have recognized that members of an organization notoriously do not adhere to all of its tenets.

Second. Organizations may be destroyed and their members subjected to legal, social, and economic disabilities merely because of the views they advocate, regardless of how peaceable their conduct, their intent, and regardless of the absence of any incitement to unlawful action. Thus the first amendment, which guarantees freedom of speech and assembly, is violated.

Third. Registration imposes severe punishment on the organizations and their members. This punishment is imposed on the basis of vague and irrelevant standards, and hence violates the due-process clause of the fifth amendment.

A special observation should be made with respect to the provisions of section 10. This section is a clear abridgment of freedom of speech and of the press, since it requires speech and writings to be invidiously labeled regardless of their contents merely because the organization which communicates them has incurred governmental displeasure. It is obvious that the labeling requirement is an effective restraint on the dissemination of information. Thus no periodical could expect to obtain mail subscribers if it is contained in a wrapper which labels it as a virtually treasonable document.

The invalidity of the registration provisions of the bill appear clearly from the recent Supreme Court decision in *American Communications Association* v. *Douds* (94 L. ed. 597). Speaking for the Court, Chief Justice Vinson said in that case (at 610):

The fact that no direct restraint or punishment is imposed upon speech or assembly does not determine the free speech question.

Under some circumstances, indirect discouragements undoubtedly have the same coercive effect upon the exercise of first amendment rights as imprisonment, fines, injunctions, or taxes.

Chief Justice Vinson then added language that is exactly applicable to the provisions of this bill: "A requirement that adherents of particular religious faiths or political parties wear identifying arm bands, for example, is obviously of this nature."

The Court thus condemned the results and aims of this bill, its attempt to force a label on certain ideas and beliefs, and by so labeling such ideas and beliefs to deny them an equal opportunity to gain acceptance in the market place of ideas by the free competition that is guaranteed by the Constitution.

Registration provisions of the character contained in the bill have been specifically condemned in *Thomas* v. *Collins* (323 U. S. 516). The Court there said at page 540:

If the exercise of the rights of free speech and free assembly cannot be made a crime, we do not think this can be accomplished by the device of requiring previous registration as a condition for exercising them and making such a condition the foundation for restraining in advance their exercise and for imposing a penalty for violating such a restraining order. So long as no more is involved than exercise of the rights of free speech and free assembly it is immune to such a restriction. If one who solicits support for the cause of labor may be required to register as a condition to the exercise of his right to make a public speech, so may he who seeks to rally support for any social, business, religious, or political cause. We think a requirement that one must register before he undertakes to make a public speech to enlist support for a lawful movement is quite incompatible with the requirements of the first amendment.

The Court in that case cited with approval the following passage from *De Jonge* v. *Oregon* (299 U. S. 353, 365):

The question, if the rights of free speech and peaceable assembly are to be preserved, is not as to the auspices under which the meeting is held but as to its purpose, not as to the relations of the speakers but whether their utterances transcend the bounds of freedom of speech which the Constitution protects. If the persons assembling have committed crimes elsewhere, if they have formed or are engaged in a conspiracy against the public peace and order, they may be prosecuted for their conspiracy or other violation of valid laws. But it is a different matter when the State, instead of prosecuting them for such offenses, seizes upon mere participation in a peaceable assembly and a lawful public discussion as the basis for a criminal charge.

Mr. JACKSON of Washington. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JACKSON of Washington. Mr. Chairman, I rise in support of the Celler amendment, H. R. 9502, as amended by my amendment.

Let me make it crystal clear at the outset that I am in favor of effective anti-Communist legislation. I believe I am as aware of the threat of communism—in the United States and in the world—as any Member of this House.

I believe I am as familiar with the aims and the tactics of American Communists as any Member of this House.

I want to state unequivocally that I am in favor of legislation which will equip our Government to meet the threat that communism and Communists present to this country.

And that is why I support the Celler bill. I support it because I believe it will be far more effective in enabling the Government to control the evils of communism at home than will the so-called Wood bill. And I am not going to ask you to take my word for it—for I am no expert. I am going to present the words of someone who is an expert in counter-intelligence.

On August 21, Mr. Frank Edwards, a news commentator on the Mutual Broadcasting System, interviewed one of the crack counter-intelligence officers of World War II, Mr. Paul H. Jensen. Mr. Jensen spent 5 years in the Army, from 1941 to 1946. During most of that time he was a counter-intelligence officer. He was head of counter-intelligence for the United States Seventh Army, under General Patton. He was commandant of the Counter Intelligence Corps School in Africa, which trained all CIC personnel for the Sicilian and Italian operations. He served as counter-intelligence officer to General Eisenhower's headquarters.

So Mr. Jensen is no amateur in the field of counter-espionage work. He is an expert.

Incidentally, he is a lifelong Republican, and is now executive secretary for the chamber of commerce at Eau Claire, Wis.

Mr. Edwards was asking Mr. Jensen for his views on the so-called Mundt-Ferguson-Johnston bill.

Here, in his own words, is what a crack counter-intelligence expert—a professional, mind you—has to say about the method of trying to combat communism through registration:

First. Assuming this bill should be passed, how long will it be before one subversive or one enemy agent actually ends up behind bars? I predict it would take years because, first, the Control Board established by the bill must register the Communist organization and its individuals. The organization has the right to appeal to the District Court of Washington, D. C., and, in turn, upon certiorari to the United States Supreme Court. This means, in turn, that 2 to 3 years could easily elapsed before an individual was required to register. I've known many Communists, here and abroad, and they will seek every legal loophope relative to delayed hearings and review to escape prosecution. Thus, it might be 4 or 5 years, or more, before any one agent actually is jailed.

Further, relative to the impracticability of the bill, can you imagine a died-in-the-Redwool Communist running to the United States Attorney General hollerin, "Hey, I'm not on the list. I'm a Communist. I'm out to overthrow your Government"? I hardly think so. That's like asking all saboteurs, enemy agents, thugs, and slugs to immediately turn themselves in to the nearest police station.

Senator MUNDT claims that his bill will expose the Communists, drive them into the open, expose them to the full glare of public disapproval. Well, sir, as a counterintelligence expert, and I believe after 6 years' experience, I qualify as such, I disagree. On the contrary, this bill, if passed, would drive the Communists underground. History is a stern teacher and we might well pay attention to some of her lessons:

Did you know that Russia was the first country in the world to outlaw the Communist Party? In 1917 Lenin and Trotsky were exiled. Communists by the thousands, that is, the so-called exposed Communists, were exiled to Siberia. Yet, within a few short months, fewer than 6,000,000 nonregistered Communists took over a nation of 180,000,000 Russians.

And, another example: Czechoslovakia in 1940 outlawed the Communist Party. It went underground. The Communists came out of their holes in 1946 when American troops were withdrawn and we can chalk up another nation for the Reds.

And, closer to our own borders, Canada in 1929 passed a law rather similar to Senator MUNDT's proposal. Net result, the law was repealed in 1936 because communism flourished under pressure. A stronger version of the law was again passed in 1940. What happened? The most powerful atomic spy ring in world history sprang into existence. Needless to say, Canada has again repealed her version of the Mundt-Nixon bill.

And, as a life-long Republican I've another reason for opposing the Mundt-Nixon bill. It creates yet another governmental agency. There's a bit of the spy in all of us but darned if I want another police agency created. Those we have, particularly the FBI are professionals, know what they're about and do not infringe upon personal liberties. We've had too many amateurs messing in this spy-catching business.

Now, Mr. Jensen did not confine himself to a criticism of the registration method of attacking the Communist threat in America, and I do not want to confine myself to that either. As I said, I am interested in getting effective anti-Communist legislation.

Mr. Jensen was asked what he thought would be effective in keeping the Communists from inflicting harm on this country. Here is what he said:

Well, sir, few people, other than subversives, realize it, but we presently have 27 laws on the books which deal with espionage, sabotage, subversives, and other undesirables. We have a good framework of law established during this Nation's history of freedom. All of our action is founded upon the Constitution, the Bill of Rights, with due regard to due process of law. These are sound laws which protect the innocent from hysterical charges and now is certainly no time for hysterical ill-conceived legislation. Answering your question, specifically, Frank Edwards, there is a bill before the Senate which makes sense. It follows the security proposals suggested by the President. It has been drafted by experts including the Department of Justice and our armed services intelligence divisions. This bill operates within the framework of existing and tested law. It does provide for the tightening up of our espionage and sabotage laws (largely through more precise definition) and extends additional powers to the Attorney General over undesirable aliens. This bill, drafted by professionals, is designed to catch spies, not headlines.

That bill, to which this crack counter-intelligence officer refers, is the Celler bill, which I support. That bill is designed to equip our Government to handle the Communist menace at home most effectively, in two main ways:

First. It tightens up our antispy laws and closes certain loopholes in those

laws to enable the Government more effectively to go after the spies and saboteurs in our midst.

Second. It makes provision for supervising the activities of aliens who have been ordered deported from this country by a court of law.

The most significant thing about the Celler bill is that it enables the Government to get after the wrong-doers themselves—and does not try to spread out a dragnet that will draw in many thousands of loyal Americans, on the chance that one or two of them might be true Communists.

I should like to remind the committee of just two things, Mr. Chairman.

First. I should like to suggest that our most expert and safest bulwark against Communist activity is an effective investigative agency—which we have in the FBI. During two World Wars, the United States—a country of 3,000,000 square miles and well over a hundred million people—did not experience one major act of sabotage. You would think that in a country this large, it would be pretty easy for one or two individuals to accomplish an act of violence. We were able to prevent this—without a system of mass registrations. This was accomplished through a competent investigative system—headed up by the FBI. The FBI is still with us, and still just as competent. I believe that we ought to pass laws that will equip it to do its investigative job. The Celler bill is such a law.

Second. Mr. Chairman, I should like to say that it is true that we have found spies in our midst—and their discovery is not reassuring. But it should be remembered, I think, that not one of these spies would have registered under the Wood bill or any other bill. It is their job to keep their identity hidden. They were discovered through the professional investigations of the FBI. When caught, they were tried and convicted in a court of law.

I believe that the Celler bill will be effective in doing this job. I hope the Celler bill, as amended will be adopted.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JACKSON of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACKSON of Washington to the amendment offered by Mr. CELLER: On page 19, after line 8, insert a new section:

"SEC. 8. Whenever the United States Armed Forces are engaged in hostilities in behalf of the United Nations all the laws relating to sabotage, espionage, and sedition, shall be in full force and effect in the same manner and to the same extent as if war had been declared by the United States."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. JACKSON], to the substitute amendment offered by the gentleman from New York [Mr. CELLER].

The amendment to the substitute was agreed to.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York, as amended.

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 55, noes 138.

Mr. CELLER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CELLER and Mr. WALTER.

The Committee again divided; and the tellers reported there were—ayes 64, noes 153.

So the substitute amendment was rejected.

Mr. WOOD. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WOOD: Page 11, line 20, after the word "knowledge" insert the words "or notice"; page 12, line 20, after the word "knowledge" insert the words "or notice"; page 14, line 9, after the word "knowledge" insert the words "or notice"; page 22, after line 19, insert the following new paragraph:

"(d) Upon the registration of each Communist organization under the provisions of this act the Attorney General shall publish in the Federal Register the fact that such organization has registered as a Communist Action organization, or as a Communist Front, as the case may be, and the publication thereof shall constitute notice to all members of such organization that such organization is so registered."

Page 35, line 22, insert the following new paragraph:

"(k) When any order of the Board requiring registration of a Communist organization becomes final under the provisions of section 14 (b) of this act, the Board shall publish in the Federal Register the fact that such order has become final, and the publication thereof shall constitute notice to all members of such organization that such order has become final."

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes in support of the amendment.

Mr. WOOD. Mr. Chairman, I do not desire to take 5 minutes. The amendment simply provides for the publication in the Federal Register of orders of the Board requiring the registration and provides that the fact of that publication shall be noticed. And in the other parts of the bill where it was necessary, the word "notice" as well as "knowledge" is inserted.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. WOOD. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WOOD: Page 11, line 13, strike out the period at the end of the sentence and add the words "or for any alleged violation of any other criminal statute."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. CAVALCANTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAVALCANTE: Page 11, line 8, strike out the period at the end of said line and insert a colon and the following: *"Provided,* That if such person is an officer or an employee of the United States, or of any department or agency thereof, or of any corporation the stock of which is owned in whole or in part by the United States or any department or agency thereof, such person may be prosecuted, tried, and punished for any violation of this section at any time within 10 years after such person has ceased to be employed as such officer and employee."

Mr. CAVALCANTE. Mr. Chairman, I have offered this amendment in order to cover what I think is a weakness in this bill. This same discussion came up sometime ago on another bill. Here we have a situation, let us say, where an officer or employee in the Government service has control of the records or is custodian of the records, or information which we are here trying to protect; and while this public officer or employee is in charge of those records one of these offenses is committed, but because he has the evidence in his custody and control, the offense remains undisclosed and suppressed. Suppose he remains in that office or employment for a period of 10 years and then ceases to be the officer or employee in custody or control of this evidence? After the 10 years are up, of course, he is protected; he cannot be tried or prosecuted or punished.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CAVALCANTE. I yield.

Mr. RANKIN. Had this amendment been in effect, those traitors, such as Alger Hiss, would not have escaped punishment for their crimes.

Mr. CAVALCANTE. That is correct, exactly.

Mr. RANKIN. Because of the absence of such a statute they had to prosecute Hiss for perjury, for lying about his connection with these Communist organizations.

Mr. CAVALCANTE. That is precisely the case I am trying to cover with my amendment.

Mr. RANKIN. I hope the amendment is adopted.

Mr. CAVALCANTE. Section 4 to which this amendment is offered covers officers and employees of the United States Government, and under subsection (b) any agent or representative of a foreign government. I am perfectly satisfied to allow the 10-year limitation to apply to the agents or representatives of a foreign government, because we surely ought to have evidence sufficient to convict them in our possession within that time, but as to an officer and employee of the Government the 10 years should start to run when he leaves Government service.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. CAVALCANTE. I yield.

Mr. WOOD. Is not this the same character of amendment that was offered to the Hobbs bill by the gentleman from Indiana [Mr. JACOBS] and adopted by the committee?

Mr. CAVALCANTE. The gentleman is correct. This is the identical amendment, and I think it ought to be accepted by the committee.

Mr. WOOD. Mr. Chairman, will the gentleman yield further?

Mr. CAVALCANTE. I yield.

Mr. WOOD. I may say to the gentleman from Pennsylvania that the committee, as far as I have been able to canvass them since the amendment has been offered, has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. MARCANTONIO. Mr. Chairman, I ask unanimous consent to extend my remarks immediately following those made by the gentleman from South Dakota [Mr. CASE].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BENNETT of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida: Page 11, after line 13, insert:

"(f) It shall be unlawful for any person knowingly to collaborate with any agent or adherent of a foreign nation in working for the overthrow, destruction or weakening of any government in the United States, whether or not by force or violence."

Mr. WALTER. Mr. Chairman, I make the point of order that the amendment is not germane. This is a registration act. The amendment would properly be to the Smith Act.

The CHAIRMAN. The Chair would like to inquire of the gentleman from Pennsylvania if he has taken into consideration that on page 9, in section 4 there are certain prohibited acts?

Mr. WALTER. Mr. Chairman, I call the attention of the Chair to the fact those prohibited acts are on the part of employees of the Government. The amendment goes further and applies to anybody who conspires to overthrow the Government, either by force or violence or by peaceful means.

The CHAIRMAN. The Chair appreciates the assistance of the gentleman from Pennsylvania. It is true that the amendment offered by the gentleman from Florida [Mr. BENNETT] deals with acts relating to the destruction or weakening of any government in the United States, which the Chair would interpret to mean the government of any subdivision of the country, referring to section 4. The bill before the committee deals only with the Federal Government of the United States. Therefore the Chair is constrained to rule that the amendment is not germane to the bill now under consideration.

Mr. BENNETT of Florida. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida: Page 11, after line 13, add:

"(f) It shall be unlawful for any person knowingly to collaborate with any Communist organization or agent thereof in working for the overthrow, destruction or weakening of the Government of the United States, whether or not by force or violence."

Mr. WALTER. Mr. Chairman, I make the point of order that is the same amendment only stated in different wording.

The CHAIRMAN. The Chair would point out to the gentleman from Pennsylvania that the amendment now offered relates only to the Federal Government of the United States. The Chair is therefore constrained to rule that it is germane and overrules the point of order.

Mr. BENNETT of Florida. Mr. Chairman, the first day I came to Congress I introduced H. J. Res. 9, which redefines the crime of treason to include "collaborating with any agent or adherent of a foreign nation in working for the overthrow or weakening of the Government of the United States, whether or not by force or violence."

In order to comply with the ruling of the Chair, the provisions of the amendment I have just offered are somewhat different from those outlined in House Joint Resolution 9 but the purposes are similar.

Mr. Chairman, I have tried to strengthen our laws against Communists ever since becoming a Member of Congress by speaking on the floor of this House, by conferring with members of the Committee on the Judiciary, by personal contacts, and by writing letters I tried in every way I possibly could to get 2 or 3 minutes before the Committee on the Judiciary to be heard on the constitutional amendment; but I have been repeatedly refused a hearing on that bill.

The bill before us does not go as far as I would like to see it go but I think this amendment would strengthen the bill. There are some objections to this bill but I think the valid objections to the bill as it now stands are objections of omission rather than objections of inclusion. I will certainly vote for it but I would also like to strengthen it.

Mr. Chairman, the people of the country want to see the Communists tried for treason. This amendment does not redefine the crime of treason, because an amendment to the constitutional definition cannot be made by the bill before us. However, we are here handling the crime in another way. The people of this country want to see the Communists behind bars. They do not want to see them go to bail. They want to see the penalties applied to everybody guilty, not just guilty Federal employees. They want to see the statute of limitations eliminated or at least lengthened and they want to see the Attorney General be forceful in his actions in bringing these people to prompt justice. I heartily agree with these sentiments.

I have introduced other legislation of this type in Congress some of which I am going to offer as amendments later on under section 15 of this bill. I will do this to care for some of the needs just mentioned but not covered by the amendment I now offer. This amendment simply makes it a crime for anybody to collaborate with the Communist Party or an agent thereof in seeking to overthrow the United States Government. That provision is not found in the Smith Act, because in the Smith Act you have to have force and violence involved. If a person collaborates with the Communist Party or an agent thereof, we should at least be able to put a statutory penalty on such a person. I think this will be an improvement of our statutory law; and I hope that it will eventually be a part of our Constitution that a person shall be guilty of treason if he collaborates with an agent of a foreign country in seeking to overthrow our Government. I certainly hope that the House will vote for this amendment to make it possible for the first time to provide a criminal penalty for collaborating with the Communist Party or an agent thereof in seeking the overthrow of our Government, whether or not force or violence are involved.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. BREHM. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Chairman, I would like to say to the gentleman from Florida [Mr. BENNETT] that I am in complete sympathy with the objective which he is attempting to obtain by the introduction of this amendment. The fact is that the first speech which I ever attempted to deliver on the floor of Congress some 8 years ago was in support of an identical amendment as the one now presented by the gentleman from Florida, which I had introduced at that time.

The point which concerned me at that time and which is still causing me some anxiety is that no apparent procedure exists for dealing with those individuals who may attempt to overthrow our Government by means other than force or violence. I repeat that which I stated 8 years ago; namely, that if we should be so unfortunate as to lose our present form of government, that it would not be brought about by force and violence but rather by subversive tactics from within.

It was pointed out by some of my colleagues, at the time referred to, that an amendment of this nature was flying directly into the face of the Constitution. They further insisted that it would be perfectly all right for our form of government to be changed providing it was accomplished, for instance, at the ballot box. In other words, they insisted that it would be contrary to the free-speech clause of the Constitution to adopt an amendment such as I had introduced and such as the gentleman from Florida now has pending.

In the face of this opposition by good legal-minded colleagues I withdraw my amendment, still feeling, however, that certainly some appropriate language could be found to prevent subversive elements from taking over our American way by means other than force or violence. It seems to me that if subversive influences engaging in a program of propaganda, subterfuge, deceit, and, yes, downright lying, succeeded in influencing the voters to change our form of government at the polls, that those unscrupulous individuals assisting this subversive influence should definitely be punished. The results are what counts, and the results of destroying our American system would be exactly the same regardless of whether those results were

accomplished by force and violence or some other means.

I wish to assure the gentleman from Florida that I will support his amendment wholeheartedly and sincerely trust that it will prevail. If this is not the proper way in which to deal with this subject, then I trust that those who agree in principle with this objective but who oppose the method of procedure herein attempted, will come forth with legislation looking toward a solution of this very serious situation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. BENNETT].

The question was taken; and on a division (demanded by Mr. BENNETT of Florida) there were—ayes 21, noes 82.

So the amendment was rejected.

Mr. JACKSON of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACKSON of Washington: Page 24, after line 11, insert a new sentence as follows:

"SEC. 12. Whenever the United States Armed Forces are engaged in hostilities in behalf of the United Nations all the laws relating to sabotage, espionage, and sedition shall be in full force and effect in the same manner and to the same extent as if war had been declared by the United States."

Mr. WOOD. Mr. Chairman, I make the point of order that the amendment is not germane to the bill under consideration.

Mr. JACKSON of Washington. Mr. Chairman, would the gentleman reserve his point of order?

Mr. WOOD. I reserve the point of order, Mr. Chairman.

Mr. JACKSON of Washington. Mr. Chairman, the purpose of this amendment is to make applicable all existing laws that relate to sabotage, espionage, and sedition which are only applicable in time of war. Under my amendment the statutes in question would be applicable whenever the United States Armed Forces are engaged in hostilities in behalf of the United Nations.

At the present time a person can advocate almost anything he wants to to hinder, to hamper, in fact, to incite others against our effort in Korea in behalf of the United Nations. To my knowledge there is no law on the statute books today that can be invoked to deal with this problem. There must be a formal declaration or state of war to invoke these statutes. I emphasize this because I think a lot of Members of the House have an idea that the wartime statutes now apply to this situation. The truth is that a person today can advocate and incite others not to assist in our Korean war effort without violating Federal statutes. This is due to the fact that technically a state of war does not exist between the United States and North Korea.

I called the Department of Justice this afternoon about this matter and was informed that I am correct in my interpretation of the law. So, if some Members of the House have an idea that this bill and the pending bills cover the situation, they are mistaken. I think it is important that this amendment be approved.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield to the gentleman from Mississippi.

Mr. COLMER. I think the gentleman has a good point there.

I think his amendment should be adopted, and I hope the distinguished chairman of the committee will not insist upon his point of order, since it seems that the amendment would best bring about the results that the committee desired to bring about.

Mr. JACKSON of Washington. If we were at war it would be a violation of law for these individuals to carry on the way they are carrying on now. They would be guilty of seditious conduct but for the fact that we are not formally at war, they can get away with it. It ought to be obvious to any thinking person that the boys in Korea need the greatest assistance that we here at home can give to them to make sure that we get supplies and matériel of war to them. In addition our own effort on behalf of the United Nations, should not be hampered or interfered with in any way.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. FEIGHAN. Would the statutes to which you refer be effected if the President declared a national emergency?

Mr. JACKSON of Washington. No, it is my understanding under existing law there has to be an actual declaration or state of war.

Mr. FELLOWS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. FELLOWS. Are we not at war now?

Mr. JACKSON of Washington. For all practical purposes we are.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JACKSON of Washington. Mr. Chairman, I ask unanimous consent to proceed for an additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. FELLOWS. I have this in mind. We passed a War Powers Act not by virtue of the police action in Korea, but by virtue of the fact that we were and are at war. That is what I have in mind.

Mr. JACKSON of Washington. Yes, I understand. But the point is that in order to make these statutes effective, there has to be a declaration of war, and it must relate to giving aid and comfort to an enemy of the United States. The only enemies that exist under the declaration of war previously made are Germany, Japan, and Austria. Those governments do not exist today. Obviously, therefore, no one would be engaged in giving aid and comfort to those specific countries.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. HOBBS. I believe whoever advised the gentleman that there must be a declaration of war could not be right. There has never been a declaration of war in the history of this country.

Mr. JACKSON of Washington. There has not been a declaration of war?

Mr. HOBBS. Never—not one. We have had the power ever since 1787, and we never yet have exercised it. The only thing we have ever done is to say that a state of war exists.

Mr. JACKSON of Washington. If I am wrong, there can be no harm in including this.

Mr. HOBBS. The gentleman will understand, of course, that I am not arguing against his amendment.

Mr. JACKSON of Washington. I thank the gentleman.

The CHAIRMAN. Does the gentleman from Georgia insist on his point of order?

Mr. WOOD. Yes, Mr. Chairman; I insist on the point of order.

The CHAIRMAN (Mr. GORE). The Chair is ready to rule. The bill before the Committee deals with the registration of Communist organizations and for other purposes, closely related thereto. The amendment offered by the gentleman from Washington [Mr. JACKSON] deals with matters going beyond the scope of the bill, specifically sabotage, espionage, and sedition. Therefore, the Chair sustains the point of order.

Mr. CAVALCANTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAVALCANTE: On page 12, line 11, after the semicolon, strike out the conjunction "or"; and on page 12, line 15, strike out the period at the end of the line and insert a semicolon and the conjunction "or", and a new subparagraph, as follows:

"(3) to employ any person knowing such person to be a member of such organization."

Mr. CAVALCANTE. Mr. Chairman, I have tried in this amendment to cover what I believe to be a weakness in this bill. On page 11 is where section 5 starts. Subparagraph (a) provides that if a Communist organization is registered or there is in effect a final order of the Board requiring such an organization to register, then it shall be unlawful for any member of such organization, with knowledge that such organization is registered or that such order has become final, to seek, accept, or hold any nonelective office or employment under the United States, to conceal the fact that he is a member of such organization; or, second, to hold any nonelective office or employment under the United States.

Then, subsection (b) holds that when a Communist organization as defined in paragraph (5) of section 3 of this act is registered, or there is in effect a final order of the Board requiring such an organization to register, it shall be unlawful for any officer or employee of the United States to contribute funds or services to such organization; or to advise, counsel, or urge any other officer or employee of the United States to perform, or to omit to perform, any act if such act or omission would constitute

a violation of subsection (a) of this section.

The point is this: A public officer and employee is prohibited from contributing funds and from advising, counseling, or urging any other officer and employee to do certain things, but the officer and employee is not prohibited from employing a person, even though the officer and employee may know that such person is a member of a Communist organization.

This amendment is intended to cover only officers and employees of the Government. Subsection (c) on page 11 of this same section applies to defense plants, and the managers and officers and employees of defense plants. There it is made unlawful for an officer or employee of a defense plant to contribute funds, or to advise, counsel, or urge the doing of certain acts, but any individual employed by the defense plant can also employ a person even though such person is a member of a Communist organization.

My amendment does not interfere with the officers and employees of a defense plant, although I think perhaps we ought to cover them. But why should we not cover officers and employees of the Government and require them not to employ a person whom they know to be a member of a Communist organization?

The argument has been advanced or may be advanced, "Well, here is an executive of the Government, sitting at his desk. A clerk comes in and says that a certain person has been employed in the department." The executive may approve the appointment. Would that make him guilty of violating the act? My amendment takes care of that. It simply says that an officer or employee of the Government must not employ a person when that officer or employee knows that that person is a member of a Communist organization. The way the bill now reads there is no duty upon the public officer or employee to inspect the registers to see whether such an organization has registered or whether there is an order requiring it to register. He does not have to look into that. There is no coercive feature in the bill that requires him to do so. Under my amendment, before the executive makes the appointment or hires a person he is put on notice to ascertain whether such person is a member of a Communist organization.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CAVALCANTE] has expired.

Mr. WOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, your committee had this identical amendment under very serious consideration. In fact, I believe it was embodied in the legislation passed some years ago, but because of the reason which the gentleman just pointed out, that is, the difficulty of ascertaining at all times just who the employer is, and the further reason that Government employment is controlled by civil-service regulation and that we run into considerable trouble in enforcing the civil-service regulations, the committee decided to leave it out of the bill. In principle, I think the members of the committee would largely accept the provisions of this amendment, if it could be enforced fairly, so as not to do an injustice to anybody and without doing violence to the civil-service regulations. But because of those two facts the committee determined to delete that provision from the bill.

I simply wanted to make that known to the members of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CAVALCANTE].

The amendment was rejected.

Mr. SHELLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHELLEY: Page 32, strike out lines 14 to 18, inclusive.

Mr. SHELLEY. Mr. Chairman, this section, section 4 on page 32, is I think a catch-all which will create a great deal of danger and lends itself to a great deal of injustice. I know that the proponents of the bill will say they think this is a safeguard against injustice. I think the very fact this language is in there and says that such board as may be set up shall give consideration to, and so forth, puts the responsibility on them to look into whether a completely loyal individual may have placed himself in jeopardy. They may do this by accident, through appearances before public bodies and the taking of a position which it may be found some Communist organization has also taken without there being any collusion or collaboration between them. This would create a situation in which such an individual would be stigmatized by this board.

It has been my task in the past to appear before legislative bodies on programs that were initiated without any collaboration and with utterly pure and sincere contempt for the Communist Party and its principles, only to find afterwards that they had taken a similar position. This section places with the board the responsibility of determining that even a similarity of thought exists. This I think is a very dangerous thing to do. I think we would be exposing many organizations to a program of harassment made possible by this language.

I can think of a situation just a few days ago when there were many Members of this House who were extremely anxious, if I judge the conversations correctly, that there not be a roll-call vote on the loan to Franco Spain. The Communist Party has been advocating no loan for Spain also. Many other people in this country who are not Communists and whom no Member would ever think of calling a Communist or charge them with being a Communist sympathizer oppose the loan to Spain. Yet under this language you place upon this board the responsibility of giving some weight to the fact that they all wound up in taking the same positions.

I think that the striking out of this language will improve the bill. I think it is dangerous language that should be eliminated, and I ask that the amendment be adopted. There are other provisions of the Wood bill with which I do not agree, and which I consider present a danger to our basic American freedoms. However, this particular provision in section 4 is, I think, the most dangerous of these objectionable features. I feel so strongly on the question of guilt by association of mere ideas that, if my amendment is not adopted, I shall feel forced to vote against the bill on the vote for final passage.

Mr. RABAUT. What language does the gentleman's amendment strike out?

Mr. SHELLEY. Section 4, page 32, lines 14 to 18, inclusive.

Mr. WOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is only one of four conditions which the board is directed to take into account, certain things in determining the question whether or not an organization shall be registered. It is not the sole reason; it is only one of four, and there is no direction that the Board shall make its findings upon any one of these directives.

I call attention further to the fact, Mr. Chairman, that this board is an independent organization as provided for in this legislation, and its actions are in no degree final. It is provided in the bill that any organization or person involved in its findings has the right to appeal to the courts for a judicial determination.

We were particularly zealous to guard the rights of the people in that we did not restrict the findings of the Board to being final on substantial evidence as has been done in many instances by this Congress, but we provided in the bill that it shall be final only if supported by a preponderance of the testimony. So in those circumstances we could see no reason for striking this language or any harm that could come from it.

Mr. NIXON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I recognize that the gentleman from California [Mr. SHELLEY] is very sincerely concerned about this particular section, and I would say that his concern would be justified if the interpretation which he placed upon the section were an interpretation which actually might be placed on it in the event this bill becomes law. I think, as the chairman of our committee so well pointed out, that the particular standard which the gentleman would strike from this section is only one of four that the Subversive Activities Control Board is to take into consideration in determining whether or not an organization is a Communist front organization.

I would point out further that if this particular standard is stricken out, it would be virtually impossible in many cases to get sufficient evidence before the Subversive Activities Control Board to justify a finding that an organization was a Communist front.

Mr. Chairman, a point that should be borne in mind is this, and it is something that has not yet been mentioned in the debate up to this time: In the hearings before the Subversive Activities Control Board, in which the evidence is presented concerning whether or not an organization is a Communist front, we must bear in mind that the organization which is charged has the opportunity to come in and present witnesses in its own behalf; it has the

opportunity to cross-examine the witnesses for the Government; it has the opportunity after the finding is made to appeal to the courts.

In addition we wrote a very significant provision into the bill. Usually, as most of those in the House who are members of the Bar will recognize, where there is an appeal to the courts from an order of an administrative body, a scintilla of evidence in some cases and in other cases only substantial evidence, is needed to sustain the findings of the administrative body in the courts. But in this bill we provide that when an organization which has been found by the Subversive Activities Control Board to be a Communist front or a Communist-action organization makes its appeal to the court, the court on appeal must find that the decision by the board is sustained by a preponderance of the evidence, a standard which I may say goes much further than any law on the books at the present time governing appeals from administrative bodies.

I should at this point say that the reason we did this was that we recognized we were dealing here in a field which should be distinguished from legislation affecting property rights, and we felt it was essential to give every possible procedural guaranty to the individuals or organizations involved.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. NIXON. I yield to the gentleman from California.

Mr. SHELLEY. The gentleman said that the interpretation I placed on this section is not the interpretation intended. Does not that very statement by the gentleman place more credence to my fear in reference to this section? It shows an interpretation that might be put upon it.

Mr. NIXON. I think the gentleman probably misunderstood the intended meaning of my remarks. What I intended to say was that as the bill is written the only reasonable interpretation that can be placed upon it is the one I mentioned—that all of the evidence taken together must sustain the finding that the front organization is controlled by a Communist-action organization, which, of course, would be the Communist Party. The fact that an organization may in one instance have followed the Communist line is only one of the pieces of evidence which may be considered. The Board must also take into consideration the extent to which an organization's officers and members are members of the Communist Party, the extent to which the organization receives financial support from the Communist Party, and the extent to which it receives and follows directives from the Communist Party. Only when all the evidence together establishes that the organization is controlled by the Communist Party and is operated primarily to carry out the policies of the Communist Party can a finding be made that the organization is a Communist front.

I think the gentleman in raising this point in debate, even assuming that the gentleman's amendment will not carry, has rendered a service in clarifying any question that might exist as far as the legislative interpretation of this section of the bill is concerned.

Mr. Chairman, I think the amendment should be defeated.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Georgia.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

Mr. BIEMILLER. Mr. Chairman, I object.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. O'HARA of Illinois. Mr. Chairman, I had not intended speaking on this bill. It will be passed by a large vote, and what we are going through now in the way of debate is merely a gesture in good legislative conduct.

Most of the Members of this House on both sides of the aisle with whom I have talked would prefer not to vote for this measure because among other reasons (1) it is not sound legislation and, in the setting of a pattern, may be dangerous legislation, (2) it will not accomplish the purpose sought in destroying or weakening the subversive forces of disloyalty, but inevitably must operate to drive them underground where the difficulties in proceeding against them will be greatly multiplied by the job of first detecting them, and (3) in view of the very serious questions raised by the Attorney General and which the greatest constitutional lawyers among us cannot with any confidence of certainty dismiss, there is at least the possibility that what we have done in our enthusiasm to wipe out something that is hateful to all clean men will be held by the eminent and wise guardians of our constitutional liberties serving on the Supreme Court of the United States to have been done in a manner violative of the Constitution we have sworn to uphold.

KNOWN ONLY BY ITS LABEL

Yet, most of the Members of this body, both Democratic and Republican, will vote for the bill, and that is understandable. I can find no fault with any Member for hesitating to take a position which might be misunderstood and misrepresented and thus falsely affect the voting at the elections 2 months or so away. Few voters will ever read this bill. Most voters will know it only by a label—as the anti-Communist bill. The label and not the content of the measure will fix it in the popular mind. As legislators, however, it is our responsibility and our duty to be guided in our consideration by what is actually in a bill and how well the content justifies the label by which it is fixed in the minds of those who are not charged with the responsibility of its close study and analysis.

Moreover, and aside from every influence of political expediency, Members of the Congress of the United States all must entertain a feeling of loathing for those, living among us and enjoying the benefits of the finest land on earth, who nevertheless conspire against the common welfare and security and in hidden ways seek to undermine the national morale. It is, therefore, easily to be understood why Members who do not think this is a sound bill and an effective manner of dealing with the subversive problem will vote for it in the hope that it will prove much better in operation than seems likely.

I am frank in saying that I myself am seeking for some way in which I can both vote for this bill and retain a feeling of self-respect in the sense that by so voting I have not turned my back on everything I have believed in, have stood for, and have fought for during a lifetime.

That is why I have taken the floor to support the amendment of the gentleman from California [Mr. SHELLEY]. I pray that you will listen to my argument with open minds and will be unafraid to act if I convince you that the bill will be strengthened and not weakened by striking from it a wholly unnecessary provision but one which could become the authority for the establishment of the very Fascist state that we fought World War II to destroy.

LOVE OF COUNTRY IN PEACE AND WAR

I love my country with all the devotion of my heart. Every Memorial Day, as a very little boy, carrying the flag of our country I marched with the other children through the dust of a country road to a village cemetery. The graves of veterans lying in that village cemetery, graves decorated by the surviving veterans joining with little children growing up under the warm and intimate influence of their example, made for me an altar of patriotism.

LOVE OF COUNTRY BECAME PART AND PARCEL OF MY VERY BEING

The exemplars of patriotism to the boyhood of my generation, who led the line of march and left the flag of country on comrades' graves, all are gone. They threw the torch to my generation, and I shall go to the end of the road carrying my bit of the torch with the same old-fashioned Americanism with which they carried it. In old-fashioned Americanism love of country is something real that possesses the mind and heart and soul.

I trust that in my humble way I have lived my life true to the love of country which is part of me, as it has been part of the other men and women of my generation. One of the happiest days of my life was when, as a boy of 15, I put on the uniform of my country and, shortly turning 16, left for Cuba and the campaign around Santiago. And the girl who waved good-by when I left for that war waved good-by again when another war came and remained at what she accepted as her post of duty in her love of

country, as well as of husband, to watch over and care for a little girl and three little boys, our children, while the husband and the father again wore the uniform of the country they both loved at what they thought to be his post of duty.

Is it any wonder that I detest disloyalty to this country, to its institutions, and to its Government? It could not be otherwise. You cannot, my friends and colleagues, live a life one way and be another kind of man.

CONFUSION IN PHRASEOLOGY

I would like to go along with you with this bill, hoping that it would do some good and that, once the immediate problem of communistic infiltration were attended to, the dangerous pattern might be discarded. As to the measure not proving effective, inasmuch as it will drive the really traitorous and dangerous underground, that I can take a chance on as being at least experimental and always, of course, the chance that it might really work out as we would hope. I can take a chance on the courts holding it unconstitutional, because there is always the chance that they might not. That is, I can overlook or discount those two objections and vote for the bill in good conscience even though I do not think it presents the best and most effective method of dealing with disloyal and subversive practices.

I perhaps, too, can take a chance on some of the statements and definitions the reading of which leaves me in much confusion as to what meaning they intend to convey, what their import may be when separated from the present situation and applied as rules established by us to destroy our system of representative government and in the guise of law to establish a Fascist state. If I should suggest that some of this language you might simplify and clarify by amendment, I know that the answer would be that such language was deemed necessary to lay the foundation for a test on the question of constitutionality and could not with safety be played with. So I shall take a sportsman's chance that the language is intended only to apply in the instant case and will not press you for the simplification and clarification that I know would be denied for the reasons stated.

I cannot refrain, however, asking my colleagues with long experience in the framing of party platforms in national conventions and later the efforts to validate them by enactments in these legislative halls if there is not an identity in interest and in policy between any honest political party and the Government it has taken over by vote and mandate of the people to conduct on the pattern and according to the policies of the party as set forth in its party platform?

Yet the language of this bill—if you divorce its application from the immediate subject—would imply at least that a perfectly proper and a highly commendable fidelity of an American political party in retaining its policies announced during a campaign after it had taken over the responsibility of public office was a bad and evil thing.

I think there is a more direct and safer way of saying what we have in mind than in attempting general definitions. Still I appreciate that the authors of the bill were under the driving necessity of building as best they could against the attack on constitutional grounds. What I am afraid of is that in this maize of words, which not a Member on this floor can honestly say is as clear to him as the sunshine of day, is not something which will be used at some future time in our own country to prepare the way for the establishment of a brutal Fascist state by destroying the labor organizations, which are the bulwarks of the rights of the workers, and other associations of free and independent men and women.

TEST OF REAL SINCERITY

When I recall some of the editorials in die-hard reactionary newspapers after the Roosevelt-Landon election, when the Republican Party carried only two States in the Union and having lost the confidence of the people had ceased to exist as a vital force, I cannot but wonder if the fine hand that wrote those editorials possibly might have toyed with some of the language in this bill. I hope that such was not the case.

If the language was put in for a pure and patriotic purpose—if there is no ulterior motivation to take advantage of the present concern felt by all of us in the matter of communistic infiltration to destroy the right of freemen to act in concert and thus prepare the way for a Fascist state—then surely the proponents of this measure will be only too happy to join in striking from the bill language and provisions wholly unnecessary and as far removed from any legitimate and logical connection with the present problem and the professed purpose of this bill as the North Pole from the South Pole.

If they insist on retaining all of this wholly unnecessary language, and refuse to confine the bill to a definite, clear-cut and positive proceeding against the reprehensible conduct of a foreign government in interfering in the domestic affairs of this Nation through infiltration and subversive practices, then there is only one conclusion to be drawn.

The vote on the Shelley amendment is a test of the sincerity of the proponents of this bill.

WHAT SHELLEY AMENDMENT DOES

The amendment strikes out subsection 4 on page 32, the subsection which would give the right to a board of five members to declare as a Communist-front organization any group of American citizens that among the various positions taken by it holds to one or more that are similar to the declared positions on the related subjects by any Communist-action organization, Communist foreign government, or the world Communist movement.

Thus, under this measure we are asked to approve today, any church federation committee, any labor organization, any civic body, any group of American citizens of any character whatsoever, no matter how pure and lofty, could by a board of five members and without any supporting evidence be branded as a Communist front for the one and only reason that it had criticized the Taft-Hartley Act or had supported a Fair Employment Practice Act or in time of a critical housing shortage had supported necessary rent controls.

If the real estate lobby should actually come into power with the election of a reactionary President in 1952, and a board of five members named by such real-estate-lobby-controlled government had the power sought to be conveyed by this provision the gentleman from California [Mr. SHELLEY] seeks to strike out, I am afraid that the very able and conscientious veterans who appeared as spokesmen for the American Legion, Veterans of Foreign Wars, and AVC before the Banking and Currency Committee for public housing, rent control, and other good and wholesome measures would be called on the carpet and threatened with Communist-branding unless they retracted.

WOULD BE KREMLIN'S TRIUMPH

It is a well-known fact that Communist instrumentalities do include in their declaration of principles, and as a means of creating confusion as to their real objective, many matters which are taken bodily from the creed of good and wholesome and patriotic American societies and associations. Would anything in all the wide world give greater pleasure to the Kremlin, and a louder chuckle to Joe Stalin, than to receive the word over the cable that we had passed a law making it possible for the brand of Communist to be stamped on the American Federation of Labor and the CIO and of every other group and person who had said something critical about dear old Taft-Hartley.

Let us keep our heads and let us serve America and democracy, and not the Kremlin, by supporting the great labor organizations of the United States in the great fight they have made and are making to halt infiltration at the places where its maximum strength is hurled.

Why, my colleagues, all Joe Stalin would have to do, if this subsection 4 becomes a law, to have the Sons of the American Revolution and the Daughters of the American Revolution placed within the power of a board of five members to brand communistic and disloyal would be to pick out a few of the positions of policy for which those worthy and revered societies stand and proclaim them as his own. Certainly this is an extreme and unlikely case, but when you establish a pattern—a more dangerous pattern it would be impossible to conceive—and make the pattern the permanent law of the land, no one has the wisdom to say with certainty that it will not be carried to such extremes.

Let us use our common sense and not put into a bill a clause that I think every good lawyer in this Chamber knows can be used unwisely. It makes it possible to place the brand of disloyalty upon any individual merely because of the very many opinions he holds on many subjects there are some that he holds in common with those who are not loyal to this country.

SILLY RULE OF SIMILARITY

Why, my colleagues, I would hate to think that in everything I thought exactly alike with some other human be-

ing. That is my individuality. All Americans glory in their independence and in their individuality, if you please. Condemning man or woman, not by what he or she is, not by what is said or done or capable of any sort of proof, but by the silly rule of similarity tucked into this bill for no good purpose is repugnant to every American sense of right and wrong and the suggestion that when one is shown similar in a few things with some other person he is proved similar in everything, and because similar is guilty of treason and the other crimes of the other, is contrary to every known rule of evidence and violative of the very spirit of justice. It never should be enacted into law. The statement of the gentleman from California [Mr. NIXON] that similarity is only one circumstance that the Board should consider does not remove the objection. The bill does state on pages 31 and 32 the four matters into which the Board shall inquire, but there is nothing in the language of the bill which would prohibit the Board basing its findings, largely if not entirely upon the similarity clause. The fact not to be denied is that the first three paragraphs (1), (2), and (3) cover adequately and completely the subject and that paragraph (4) is added for no apparent reason.

The amendment of the gentleman from California [Mr. SHELLEY] should be adopted. I commend him for his effort.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, I rise in support of the Shelley amendment. I think the crux of the opposition to this bill centers around the section which the amendment proposes to eliminate. I think it is only fair that we should recognize that those who are opposing the legislation that is now before the House are not opposing legislation designed to check the growth of communism and curb communist conspiracy. I think we should recognize that the AFL, the CIO, and the Machinists Union, in their opposition to this bill have stated in no uncertain terms that they are quite ready and willing to support legislation that will really stamp out subversive activities. They believe definitely, however, that the bill before us could be used for a bad form of thought control, an un-American practice in itself.

The labor groups are joined by many religious leaders in this view.

I think we might also, for example, listen for a moment to the words of Bishop Sheil of Chicago, who said recently:

> It is stunning to consider the vigor and deadliness with which the Mundt-Nixon bill is being sponsored in the Federal Congress. Here we have another instance of hysteria acting as the means which can decidedly corrupt and defeat a good end, namely, the extirpation of political subversion.
>
> I have had occasion to say this before, but it cannot be repeated too often. Police-state tactics will not destroy communism, but they may introduce into a democratic nation the very poison of statist thought control which such tactics are calculated to destroy.

Mr. Chairman, as I read the bill before us, some of the objectionable features of the earlier Mundt-Nixon bill have been taken out. The principal remaining section that makes many of us loath to support the bill is the section which the gentleman from California wants to strike.

Let me show you what we fear the import of such a section could be. The gentleman from California and the gentleman from Illinois have both spoken eloquently pointing out the danger of the possibility of branding innocent people because they happen to support a measure which the Communist Party also supports. I think, for example, all of us are cognizant of the fact that the Communist Party supports the TVA; so do many Members of this House support the TVA. Would we, therefore, accuse them of being Communist?

May I also point out that the Daily Worker has consistently supported the positions on foreign policy which have been backed by many Members of this House, particularly friends of mine on the other side of the aisle. Now, certainly, I would not want to condemn Members of this House, who vote their conscience on matters of public policy, because they happen to be in line with the Communist Party position on that issue, as Communists or tools of the Communist Party.

May I further state that during the war the Communists were enthusiastic in their support of a piecework policy. So was the National Association of Manufacturers. Does that make the NAM Communist?

Those are the kind of problems that concern many of us, and we feel we could meet this issue by striking out this section of the bill.

I yield to my friend, the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. What church is that bishop you quoted from?

Mr. BIEMILLER. He is the auxiliary bishop of the Catholic diocese of Chicago, Ill., Bishop Sheil.

I yield to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. I do not want to condemn these people who might occasionally have a similar viewpoint, but I call the attention of the gentleman to the fact that this language was rather carefully selected. If they said that one of the measuring sticks, or yardsticks, might be the extent to which the positions taken were similar to, or are similar to those views, then the gentleman's fear might be very well founded. But we do not say that. We do not say the extent to which the views are similar to those of any Communist organization, but the extent to which they do not deviate from them. It is put the other way around. I think that is a definite safeguard against the fears the gentleman expresses.

Mr. BIEMILLER. I yield to the gentleman from California [Mr. SHELLEY] author of the amendment.

Mr. SHELLEY. The answer, Mr. Chairman, is what deviation was there between the position taken by many people and the position taken by the Communist Party on the loan to Franco Spain? There was no deviation from the position. There was not just a similarity. There could be no deviation. But yet there was no collaboration or collusion on the part of many, many people and organizations.

Mr. CASE of South Dakota. That, of course, would overlook the other three yardsticks that are also provided.

Mr. BIEMILLER. But the point made by the gentleman from California [Mr. NIXON] was that without the fourth proviso he did not believe it would be possible to prove some of these situations. That is what concerned us, and then you get into very serious ground.

Mr. CASE of South Dakota. It is a question of deviation, rather than of similarity.

Mr. BIEMILLER. May I stress again those of us who support this amendment, who object to the bill in its present form, do not fight legislation designed to really curb communism. I supported the Celler amendment—the administration proposal—because it would really get action and would not subject the American people to thought control.

Surely no one can dispute the fact that the CIO has cleaned out the Communists who infiltrated that organization. No one can say that the A. F. of L. has not always been in the forefront of the fight against communism. Over a decade ago when some of those who have recently discovered the Communist menace were unaware of the conspiratorial tactics of the Communists, I was fighting them as an organizer for the Wisconsin State Federation of Labor, the A. F. of L. State body in our great State. I will remember when I purged one such person from the Waukesha Central Labor Union.

Certainly on the international front the great labor bodies of this country have been unceasing in their fight against communism. Yet they reject this bill because they want action.

In my State the secretary of the Eau Claire Chamber of Commerce, Paul Jensen, a Republican of long standing, who was head of the Seventh Army Counter-Intelligence Corps during World War II, has recently spoken out against the legislation before us and backed the administration proposal. In a recent radio interview with the commentator Frank Edwards, he said:

> Mr. EDWARDS. In your opinion, Mr. Jensen, is the Mundt-Nixon bill an effective method of dealing with Communists in the United States?
>
> Mr. JENSEN. No, it is not, Mr. Edwards—and there are sound reasons behind that rather vehement "No." First off, as an attorney, I believe the registration section of the bill is definitely in violation of the first and fifth amendments of the Constitution—but that is for more able attorneys and judges than I to decide—my principal objections are more on the "meaty" side, if you will, relative to the practicability of the Mundt-Nixon bill, its chances for success and the harm it might do.
>
> I believe Senator MUNDT and Mr. NIXON have highly laudatory intentions— but their

craft isn't seaworthy for the following reasons quite aside from the constitutional issues:

First. Assuming this bill should be passed—how long will it be before one subversive or one enemy agent actually ends up behind bars—I predict it would take years because first, the control board established by the bill must register the Communist organiaztion and its individuals. The organiaztion has the right to appeal to the District Court of Washington, D. C. and in turn, upon certiorari to the United States Supreme Court. This means, in turn, that 2 to 3 years could easily elapse before an individual was required to register. I've known many Communists, here and abroad, and they will seek every legal loophole relative to delayed hearings and review to escape prosecution. Thus, it might be 4 or 5 years, or more, before any one agent actually is jailed.

Further, relative to the impracticability of the bill, can you imagine a dyed in the redwool Communist running to the United States Attorney General hollering, "Hey, I'm not on the list; I'm a Communist. I'm out to overthrow your Government!" I hardly think so. That's like asking all saboteurs, enemy agents, thugs and slugs to immediately turn themselves in to the nearest police station.

Senator MUNDT claims that his bill will expose the Communists—drive them into the open—expose them to the full glare of public disapproval. Well, sir, as a counter-intelligence expert—and I believe after 6 years' experience I qualify as such—I disagree. On the contrary, this bill, if passed, would drive the Communists underground. History is a stern teacher and we might well pay attention to some of her lessons.

Did you know that Russia was the first country in the world to outlaw the Communist Party? In 1917 Lenin and Trotsky were exiled. Communists by the thousands, that is, the so-called exposed Communists, were exiled to Siberia. Yet, within a few short months, fewer than 6,000,000 nonregistered Communists took over a nation of 180,000,000 Russians.

And, another example—Czechoslovakia in 1940 outlawed the Communist Party; it went underground. The Communists came out of their holes in 1946 when American troops were withdrawn and we can chalk up another nation for the Reds.

And, closer to our own borders, Canada in 1929 passed a law rather similar to Senator MUNDT's proposal * * * net result, the law was repealed in 1936 because communism flourished—under pressure. A stronger version of the law was again passed in 1940—what happened? The most powerful atomic spy ring in world history sprang into existence. Needless to say, Canada has again repealed her version of the Mundt-Nixon bill.

And, as a life-long Republican, I've another reason for opposing the Mundt-Nixon bill—it creates yet another governmental agency. There's a bit of the spy in all of us but darned if I want another police agency created. Those we have, particularly the FBI are professionals, know what they're about and do not infringe upon personal liberties. We've had too many amateurs messing in this spy catching business.

Mr. EDWARDS. Well, Jensen, that makes some sense. But constructively, what do you have to offer? What is your opinion of the President's proposal for dealing with subversives?

Mr. JENSEN. Well, sir, few people, other than subversives, realize it, but we presently have 27 laws on the books which deal with espionage, sabotage, subversives, and other undesirables. We have a good framework of law established during this Nation's history of freedom. All of our action founded upon the Constitution, the Bill of Rights with due regard to due process of law—these are sound laws which protect the innocent from hysterical charges and now is certainly no time for hysterical ill-conceived legislation. Answering your question specifically, Frank Edwards, there is a bill before the Senate which makes sense. It follows the security proposals suggested by the President. It has been drafted by experts, including the Department of Justice and our armed services intelligence divisions. This bill operates within the framework of existing and tested law. It does provide for the tightening up of our espionage and sabotage laws (largely through more precise definition) and extends additional powers to the Attorney General over undesirable aliens. The bill is Senate proposal No. 4601, sponsored by the Administration. This bill, drafted by professionals, is designed to catch spies—not headlines.

Eternal vigilance is the price of freedom. Let's not go to sleep on this one; for if you do, we may all do our future sleeping, if any, under the repressive blanket of a police state.

Mr. Jensen expresses opinions in this broadcast held by many. Let us recognize that in voting down the Celler amendment we rejected a bill proposed by experts in the field.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SHELLEY].

The question was taken; and on a division (demanded by Mr. SHELLEY) there were—ayes 71, noes 130.

Mr. SHELLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SHELLEY and Mr. WOOD.

The Committee again divided; and the tellers reported there were—ayes 65, noes 149.

So the amendment was rejected.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I never expected to be in Congress at a time when we were legislating in a spirit of hysteria. That is what is the matter with this Congress right now. There are a great many Members who will vote for this bill who know that they should not, because they do not dare to vote against it. They think the people want them to strangle the Communists and that this bill will do it. Maybe I am not familiar with Communists. We have only 75 in North Dakota, according to last reports, but I want to say to you that you cannot legislate over the mind of man. Thomas Jefferson said:

> I have sworn on the altar of God eternal hostility against any form of tyranny over the mind of man. I am for freedom of speech and freedom of the press. I am opposed to silence by fear instead of reason, any complaint or criticism, just or unjust, by the people against the Government.

You cannot stop men from thinking by passing any law. I do not hold any brief for any Communists. I do not stand aside in patriotism to this Government, because my folks have been in it since 1634, in every war we have ever had, both lines of my family have fought to preserve this Government. But on this occasion I think we are voting because we think the people want us to do anything that can be done under the sun to strangle men who think, even though they think wrong. I would not stop a man from thinking, if he was thinking wrong. Let him think. If we cannot outthink him, then we are not deserving of a free government.

So many amendments have been offered to this bill that I think the bill should be recommitted. I am not particularly sold on every single amendment that has been offered to this bill, yet I think somebody should offer a motion to recommit this bill for further study. It is now apparent to me that there are many provisions of the bill that will increase communistic thinking instead of arresting it.

I suppose there is nobody on my side of the aisle who would contest with me the right to recommit the bill because they are all going to vote for it. Many Democrats are going to vote for it because you are afraid—you are afraid not to. I want to tell this Congress right now and the people of the country that I am not afraid to vote any way that my conscience dictates. Lord; I do not have to be in this Congress. I was doing something useful before I got here, and I can do it when I get out; and I can make an honest living for myself when I do get out. But I will tell you right now that I am not going to vote for this bill, and I want the people of the country to know it. It is not because I want to help anybody; it is not because I do not want to give my last cent for the protection of this Government; it is not because I don't want to give everything I possess now or ever hope to have in the defense of my country, but I am not going to stand here in 1950 in a period of hysteria and pass a law that strangles the thinking capacity of any man in this country. I will not do it.

Under this bill when a citizen thinks out a certain plan of action that ought to be followed in government, and some communistic group announces a similar conclusion, then that citizen can be declared a Communist and branded as an undesirable citizen and excluded from all Government employment or any employment in any way connected with the Government. He is thus branded merely because some communistic group somewhere agrees with him, although he may never have seen a Communist. Is that freedom from fear? Is that the doctrine our fathers fought for when this Government was established? If this can be done, what has become of the Bill of Rights? What has become of the Constitution? Have the cardinal principles of the Declaration of Independence been suspended just because we are at war with a communistic country?

I realize that many supporters of this bill think the bill should be passed and they have the right to so think. I am fearful that those supporters in their zeal to defend democracy, are now doing the very thing that will destroy democracy. Here today are we following the principles of the "four freedoms" for which World War II was fought? Are we preserving in this great liberty-loving Nation freedom from fear? If this bill becomes law every citizen will be afraid to speak his mind for fear that he might announce a thought that some Communist organization had at some time or other announced. Criticism of the Gov-

ernment will end and that is the first step to destroy freedom and replace it with a dictatorship.

My desire to remain in office is not as strong as my desire to preserve the greatest democracy on earth. The clouds of hysteria will pass away some day and when the sun shines again on our institutions, our liberties, and this fair land, I hope our freedom, bought by such a terrible price, will not be supplanted by any form of dictatorship, or emasculated principles of free government.

Mr. BENNETT of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida: On page 40, after line 6, insert the following:

"SEC. 16. The Attorney General of the United States is hereby authorized and directed to commence criminal proceedings against all persons whom he has reason to believe are, or have been, members of the Communist Party of the United States or participants in the world Communist movement and whom he has reason to believe have committed any offense punishable by any law of the United States.

"SEC. 17. Rule 46 (a) of the Federal Rules of Criminal Procedure is hereby amended to read as follows:

"'(a) Right to bail.

"'(1) Before conviction: A person arrested for an offense shall be admitted to bail if the offense is not punishable by death and if the offense is not punishable under section 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, or 2390 of title 18 of the United States Code. A person arrested for an offense who is not entitled to bail under the preceding sentence may be admitted to bail by any court or judge authorized by law to do so in the exercise of discretion, giving due weight to the evidence and to the nature and circumstances of the offense.

"'(2) Upon review: Bail may be allowed pending appeal or certiorari only if the offense is not punishable under section 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, or 2390 of title 18 of the United States Code and only if it appears that the case involves a substantial question which should be determined by the appellate court. Bail may be allowed by the trial judge or by the appellate court or by any judge thereof or by the circuit justice. The court or the judge or justice allowing bail may at any time revoke the order admitting the defendant to bail.'

"SEC. 18. In the case of any offense punishable under section 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, or 2390 of title 18 of the United States Code, if the period of limitation therefor would, except for this section, expire within the 2-year period immediately following the date of enactment of this act, such period of limitation is hereby extended to 10 years after such date of enactment."

Mr. MARCANTONIO. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. I make a point of order against the amendment on the ground that it is obviously not germane; it deals with many subjects beyond the scope of the bill itself.

The CHAIRMAN. The point of order is sustained.

Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9490) to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes, pursuant to House Resolution 826, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BURDICK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BURDICK. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BURDICK moves to recommit the bill (H. R. 9490) to the Committee on Un-American Activities for further studies.

Mr. WOOD. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 354, nays 20, not voting 56, as follows:

[Roll No. 259]

YEAS—354

Abbitt	Breen	Cotton
Abernethy	Brehm	Coudert
Addonizio	Brooks	Cox
Albert	Brown, Ga.	Crawford
Allen, Calif.	Brown, Ohio	Crosser
Allen, Ill.	Bryson	Cunningham
Allen, La.	Buchanan	Curtis
Andersen, H. Carl	Buckley, Ill.	Dague
	Burke	Davenport
Anderson, Calif.	Burleson	Davies, N. Y.
Andresen, August H.	Burnside	Davis, Ga.
	Burton	Davis, Tenn.
Andrews	Byrne, N. Y.	Davis, Wis.
Arends	Byrnes, Wis.	Dawson
Auchincloss	Camp	Deane
Bailey	Canfield	DeGraffenried
Baring	Cannon	Delaney
Barrett, Pa.	Carlyle	Denton
Bates, Ky.	Carnahan	D'Ewart
Bates, Mass.	Case, N. J.	Dolliver
Battle	Case, S. Dak.	Dondero
Beall	Cavalcante	Donohue
Beckworth	Chelf	Doughton
Bennett, Fla.	Chesney	Doyle
Bennett, Mich.	Chiperfield	Elliott
Bentsen	Christopher	Ellsworth
Bishop	Clemente	Elston
Boggs, Del.	Clevenger	Engle, Calif.
Boggs, La.	Cole, Kans.	Evins
Bolling	Cole, N. Y.	Fallon
Bolton, Md.	Colmer	Feighan
Bolton, Ohio	Combs	Fellows
Bonner	Cooley	Fenton
Boykin	Cooper	Fernandez
Bramblett	Corbett	Fisher
Flood	Kilday	Reed, Ill.
Fogarty	Kirwan	Reed, N. Y.
Forand	Kruse	Rees
Ford	Kunkel	Rhodes
Frazier	Lane	Ribicoff
Fugate	Lanham	Rich
Fulton	LeCompte	Richards
Furcolo	LeFevre	Riehlman
Gamble	Lichtenwalter	Robeson
Garmatz	Linehan	Rodino
Gary	Lodge	Rogers, Fla.
Gathings	Lovre	Rogers, Mass.
Gavin	Lucas	Rooney
Gilmer	Lyle	Sadlak
Golden	Lynch	St. George
Goodwin	McCarthy	Sanborn
Gordon	McConnell	Sasscer
Gore	McCormack	Saylor
Gorski	McDonough	Scott, Hardie
Gossett	McGrath	Scrivner
Graham	McGregor	Scudder
Granahan	McGuire	Secrest
Granger	McKinnon	Shafer
Grant	McMillan, S. C.	Sheppard
Green	McSweeney	Short
Gross	Mack, Ill.	Sikes
Guill	Mack, Wash.	Simpson, Ill.
Hagen	Macy	Simpson, Pa.
Hale	Madden	Sims
Hall, Leonard W.	Magee	Smathers
	Mahon	Smith, Va.
Halleck	Mansfield	Smith, Wis.
Hand	Marsalis	Spence
Harden	Marshall	Staggers
Hardy	Martin, Mass.	Stanley
Hare	Merrow	Steed
Harris	Meyer	Stefan
Harrison	Michener	Stigler
Hart	Miles	Stockman
Harvey	Miller Md.	Sullivan
Hays, Ark.	Miller, Nebr.	Sutton
Hays, Ohio	Mills	Taber
Hedrick	Mitchell	Tackett
Heffernan	Monroney	Talle
Heller	Morris	Tauriello
Herlong	Morton	Taylor
Herter	Moulder	Teague
Heselton	Murdock	Thomas
Hill	Murphy	Thompson
Hinshaw	Murray, Tenn.	Thornberry
Hobbs	Murray, Wis.	Tollefson
Hoeven	Nelson	Towe
Hoffman, Ill.	Nicholson	Trimble
Holmes	Nixon	Underwood
Hope	Noland	Van Zandt
Horan	Norblad	Velde
Howell	Norrell	Vorys
Hull	O'Brien, Ill.	Vursell
Irving	O'Hara, Minn.	Wadsworth
Jackson, Calif.	O'Neill	Wagner
Jackson, Wash.	O'Sullivan	Walsh
Jacobs	O'Toole	Walter
James	Passman	Weichel
Jenison	Patman	Welch
Jenkins	Patten	Wheeler
Jennings	Patterson	Whitaker
Jensen	Perkins	White, Calif.
Jonas	Peterson	White, Idaho
Jones, Ala.	Philbin	Whitten
Jones, Mo.	Phillips, Calif.	Whittington
Jones, N. C.	Pickett	Wickersham
Judd	Plumley	Widnall
Karst	Poage	Wigglesworth
Karsten	Polk	Willis
Kean	Potter	Wilson, Ind.
Kearns	Poulson	Wilson, Okla.
Keating	Preston	Wilson, Tex.
Kee	Price	Wolcott
Kelley, Pa.	Priest	Wolverton
Kelly, N. Y.	Rabaut	Wood
Kennedy	Rains	Woodhouse
Keogh	Ramsay	Woodruff
Kerr	Rankin	Young
Kilburn	Redden	Zablocki

NAYS—20

Aspinall	Chudoff	King
Biemiller	Dollinger	Marcantonio
Blatnik	Douglas	Multer
Bosone	Eberharter	O'Brien, Mich.
Burdick	Havenner	O'Hara, Ill.
Carroll	Huber	Shelley
Celler	Javits	

NOT VOTING—56

Angell	Eaton	Johnson
Barden	Engel, Mich.	Kearney
Barrett, Wyo.	Gillette	Keefe
Blackney	Gregory	Klein
Buckley, N. Y.	Gwinn	Larcade
Bulwinkle	Hall, Edwin Arthur	Latham
Chatham		Lind
Crook	Hébert	McCulloch
Dingell	Hoffman, Mich.	McMillen, Ill.
Durham	Holifield	Martin, Iowa

Mason	Phillips, Tenn.	Smith, Ohio
Miller, Calif.	Powell	Vinson
Morgan	Quinn	Werdel
Morrison	Regan	Wier
Norton	Rivers	Williams
O'Konski	Roosevelt	Winstead
Pace	Sabath	Withrow
Pfeifer, Joseph L.	Sadowski	Yates
Pfeiffer, William L.	Scott, Hugh D., Jr.	
	Smith, Kans.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Williams for, with Mr. Roosevelt against.

Mr. McCulloch for, with Mr. Klein against.

Mr. Pace for, with Mr. Holifield against.

Mr. Morrison for, with Mr. Dingell against.

Mr. Crook for, with Mr. Powell against.

General pairs until further notice:

Mr. Hébert with Mr. Werdel.

Mr. Vinson with Mr. Angell.

Mr. Wier with Mr. Eaton.

Mr. Yates with Mr. Gillette.

Mr. Miller of California with Mr. Gwinn.

Mr. Chatham with Mr. Hoffman of Michigan.

Mr. Winstead with Mr. Blackney.

Mr. Quinn with Mr. Barrett of Wyoming.

Mrs. Norton with Mr. Latham.

Mr. Barden with Mr. Withrow.

Mr. Regan with Mr. Hugh D. Scott, Jr.

Mr. Larcade with Mr. Johnson.

Mr. Lind with Mr. Kearney.

Mr. Morgan with Mr. Edwin Arthur Hall.

Mr. Durham with Mr. Engel of Michigan.

Mr. Sabath with Mr. Martin of Iowa.

Mr. Rivers with Mr. Smith of Kansas.

Mr. Sadowski with Mr. Phillips of Tennessee.

Mr. Buckley of New York with Mr. William L. Pfeiffer.

Mr. Bulwinkle with Mr. O'Konski.

Mr. Joseph L. Pfeifer with Mr. Mason.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WOOD. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the bill H. R. 9490 just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

UNITED STATES-MEXICAN BOUNDARY

Mr. KEE submitted a conference report and statement on the bill (S. 3934) to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary.

FORM OF NATIONAL BUDGET AND DEPARTMENTAL ESTIMATES; GOVERNMENTAL ACCOUNTING AND AUDITING METHODS AND PROCEDURES

Mr. DAWSON. Mr. Speaker, I call up the conference report on the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 3002)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9038) entitled "An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Budget and Accounting Procedures Act of 1950'.

"TITLE I—BUDGETING AND ACCOUNTING

"PART I—BUDGETING

"SEC. 101. Section 2 of the Budget and Accounting Act, 1921 (42 Stat. 20), is amended by adding at the end thereof the following:

"'The term "appropriations" includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure.'"

"SEC. 102. (a) Section 201 of such Act is amended to read as follows:

"'SEC. 201. The President shall transmit to Congress during the first fifteen days of each regular session, the Budget, which shall set forth his Budget message, summary data and text, and supporting detail. The Budget shall set forth in such form and detail as the President may determine—

"'(a) functions and activities of the Government;

"'(b) any other desirable classifications of data;

"'(c) a reconciliation of the summary data on expenditures with proposed appropriations;

"'(d) estimated expenditures and proposed appropriations necessary in his judgment for the support of the Government for the ensuing fiscal year, except that estimated expenditures and proposed appropriations for such year for the legislative branch of the Government and the Supreme Court of the United States shall be transmitted to the President on or before October 15 of each year, and shall be included by him in the Budget without revision;

"'(e) estimated receipts of the Government during the ensuing fiscal year, under (1) laws existing at the time the Budget is transmitted and also (2) under the revenue proposals, if any, contained in the Budget;

"'(f) actual appropriations, expenditures, and receipts of the Government during the last completed fiscal year;

"'(g) estimated expenditures and receipts, and actual or proposed appropriations of the Government during the fiscal year in progress;

"'(h) balanced statements of (1) the condition of the Treasury at the end of the last completed fiscal year, (2) the estimated condition of the Treasury at the end of the fiscal year in progress, and (3) the estimated condition of the Treasury at the end of the ensuing fiscal year if the financial proposals contained in the Budget are adopted;

"'(i) all essential facts regarding the bonded and other indebtedness of the Government; and

"'(j) such other financial statements and data as in his opinion are necessary or desirable in order to make known in all practicable detail the financial condition of the Government.'

"(b) Section 203 of such act is amended to read as follows:

"'SEC. 203. (a) The President from time to time may transmit to Congress such proposed supplemental or deficiency appropriations as in his judgment (1) are necessary on account of laws enacted after the transmission of the Budget, or (2) are otherwise in the public interest. He shall accompany such proposals with a statement of the reasons therefor, including the reasons for their omission from the Budget.

"'(b) Whenever such proposed supplemental or deficiency appropriations reach an aggregate which, if they had been contained in the Budget, would have required the President to make a recommendation under subsection (a) of section 202, he shall thereupon make such recommendation.'

"(c) Section 204 of such Act is amended to read as follows:

"'SEC. 204. (a) Except as otherwise provided in this Act, the contents, order, and arrangement of the proposed appropriations and the statements of expenditures and estimated expenditures contained in the Budget or transmitted under section 203, and the notes and other data submitted therewith, shall conform to requirements prescribed by the President.

"'(b) The Budget, and statements furnished with any proposed supplemental or deficiency appropriations, shall be accompanied by information as to personal services and other objects of expenditure in the same manner and form as in the Budget for the fiscal year 1950: *Provided*, That this requirement may be waived or modified, either generally or in specific cases, by joint action of the committees of Congress having jurisdiction over appropriation: *And provided further*, That nothing in this Act shall be construed to limit the authority of committees of Congress to request and receive such information in such form as they may desire in consideration of and action upon budget estimates.'

"(d) Section 205 of such Act is amended to read as follows:

"'SEC. 205. Whenever any basic change is made in the form of the Budget, the President, in addition to the Budget, shall transmit to Congress such explanatory notes and tables as may be necessary to show where the various items embraced in the Budget of the prior year are contained in the new Budget.'

"(e) The last sentence of section 207 of such Act is amended to read as follows: 'The Bureau, under such rules and regulations as the President may prescribe, shall prepare the Budget, and any proposed supplemental or deficiency appropriations, and to this end shall have authority to assemble, correlate, revise, reduce, or increase the requests for appropriations of the several departments or establishments.'

"(f) Section 214 of such Act is amended to read as follows:

"'SEC. 214. The head of each department and establishment shall prepare or cause to be prepared in each year his requests for regular, supplemental, or deficiency appropriations.'

"(g) Section 215 of such Act is amended to read as follows:

"'SEC. 215. The head of each department and establishment shall submit his requests for appropriations to the Bureau on or before a date which the President shall determine. In case of his failure to do so, the President

shall cause such requests to be prepared as are necessary to enable him to include such requests with the Budget in respect to the work of such department or establishment.'

"(h) Section 216 of such Act is amended to read as follows:

"'SEC. 216. Requests for regular, supplemental, or deficiency appropriations which are submitted to the Bureau by the head of any department or establishment shall be prepared and submitted as the President may determine in accordance with the provisions of section 201.'

"Government statistical activities

"SEC. 103. The President, through the Director of the Bureau of the Budget, is authorized and directed to develop programs and to issue regulations and orders for the improved gathering, compiling, analyzing, publishing, and disseminating of statistical information for any purpose by the various agencies in the executive branch of the Government. Such regulations and orders shall be adhered to by such agencies.

"Improved administration of executive agencies

"SEC. 104. The President, through the Director of the Bureau of the Budget, is authorized and directed to evaluate and develop improved plans for the organization, coordination, and management of the executive branch of the Government with a view to efficient and economical service.

"Business-type budgets

"SEC. 105. The first two sentences of section 102 of the Government Corporation Control Act of 1945 (59 Stat. 597), are amended to read as follows: 'Each wholly owned Government corporation shall cause to be prepared annually a business-type budget which shall be submitted to the Bureau of the Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented.'

"PART II—ACCOUNTING AND AUDITING

"Short title

"SEC. 110. This part may be cited as the 'Accounting and Auditing Act of 1950'.

"Declaration of policy

"SEC. 111. It is the policy of the Congress in enacting this part that—

"(a) The accounting of the Government provide full disclosure of the results of financial operations, adequate financial information needed in the management of operations and the formulation and execution of the Budget, and effective control over income, expenditures, funds, property, and other assets.

"(b) Full consideration be given to the needs and responsibilities of both the legislative and executive branches in the establishment of accounting and reporting systems and requirements.

"(c) The maintenance of accounting systems and the producing of financial reports with respect to the operations of executive agencies, including central facilities for bringing together and disclosing information on the results of the financial operations of the Government as a whole, be the responsibility of the executive branch.

"(d) The auditing for the Government, conducted by the Comptroller General of the United States as an agent of the Congress be directed at determining the extent to which accounting and related financial reporting fulfill the purposes specified, financial transactions have been consummated in accordance with laws, regulations or other legal requirements, and adequate internal financial control over operations is exercised, and afford an effective basis for the settlement of accounts of accountable officers.

"(e) Emphasis be placed on effecting orderly improvements resulting in simplified and more effective accounting, financial reporting, budgeting, and auditing requirements and procedures and on the elimination of those which involve duplication or which do not serve a purpose commensurate with the costs involved.

"(f) The Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget conduct a continuous program for the improvement of accounting and financial reporting in the Government.

"Accounting and reporting provisions

"SEC. 112. (a) The Comptroller General of the United States, after consulting the Secretary of the Treasury and the Director of the Bureau of the Budget concerning their accounting, financial reporting, and budgetary needs, and considering the needs of the other executive agencies, shall prescribe the principles, standards, and related requirements for accounting to be observed by each executive agency, including requirements for suitable integration between the accounting processes of each executive agency and the accounting of the Treasury Department. Requirements prescribed by the Comptroller General shall be designed to permit the executive agencies to carry out their responsibilities under section 113 of this part, while providing a basis for integrated accounting for the Government, full disclosure of the results of the financial operations of each executive agency and the Government as a whole, and financial information and control necessary to enable the Congress and the President to discharge their respective responsibilities. The Comptroller General shall continue to exercise the authority vested in him by section 205 (b) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 389) and, to the extent he deems necessary, the authority vested in him by section 309 of the Budget and Accounting Act, 1921 (42 Stat. 25). Any such exercise of authority shall be consistent with the provisions of this section.

"(b) The General Accounting Office shall cooperate with the executive agencies in the development of their accounting systems, including the Treasury Department, in the development and establishment of the system of central accounting and reporting required by section 114 of this part. Such accounting systems shall be approved by the Comptroller General when deemed by him to be adequate and in conformity with the principles, standards, and related requirements prescribed by him.

"(c) The General Accounting Office shall from time to time review the accounting systems of the executive agencies. The results of such reviews shall be available to the heads of the executive agencies concerned, to the Secretary of the Treasury, and to the Director of the Bureau of the Budget, and the Comptroller General shall make such reports thereon to the Congress as he deems proper.

"SEC. 113. (a) The head of each executive agency shall establish and maintain systems of accounting and internal control designed to provide—

"(1) full disclosure of the financial results of the agency's activities;

"(2) adequate financial information needed for the agency's management purposes;

"(3) effective control over and accountability for all funds, property, and other assets for which the agency is responsible, including appropriate internal audit;

"(4) reliable accounting results to serve as the basis for preparation and support of the agency's budget requests, for controlling the execution of its budget, and for providing financial information required by the Bureau of the Budget under section 213 of the Budget and Accounting Act, 1921 (42 Stat. 23);

"(5) suitable integration of the accounting of the agency with the accounting of the Treasury Department in connection with the central accounting and reporting responsibilities imposed on the Secretary of the Treasury by section 114 of this part.

"(b) The accounting systems of executive agencies shall conform to the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 (a) of this part.

"SEC. 114. (a) The Secretary of the Treasury shall prepare such reports for the information of the President, the Congress, and the public as will present the results of the financial operations of the Government: *Provided*, That there shall be included such financial data as the Director of the Bureau of the Budget may require in connection with the preparation of the Budget or for other purposes of the Bureau. Each executive agency shall furnish the Secretary of the Treasury such reports and information relating to its financial condition and operations as the Secretary, by rules and regulations, may require for the effective performance of his responsibilities under this section.

"(b) The Secretary of the Treasury is authorized to establish the facilities necessary to produce the financial reports required by subsection (a) of this section. The Secretary is further authorized to reorganize the accounting functions and install, revise, or eliminate accounting procedures and financial reports of the Treasury Department in order to develop effective and coordinated systems of accounting and financial reporting in the several bureaus and offices of the Department with such concentration of accounting and reporting as is necessary to accomplish integration of accounting results for the activities of the Department and provide the operating center for the consolidation of accounting results of other executive agencies with those of the Department. The authority vested in and the duties imposed upon the Department by sections 10, 15, and 22 of the Act entitled, 'An Act making appropriations for the legislative, executive, and judicial branches of the Government for the fiscal year ending June thirtieth, eighteen hundred ninety-five, and for other purposes', approved July 31, 1894 (28 Stat. 162, 208–210), may be exercised and performed by the Secretary of the Treasury as a part of his broader authority and duties under this section and in such a manner as to provide a unified system of central accounting and reporting on the most efficient and useful basis.

"(c) The system of central accounting and reporting provided for herein shall be consistent with the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 of this part.

"SEC. 115. (a) When the Secretary of the Treasury and the Comptroller General determine that existing procedures can be modified in the interest of simplification, improvement, or economy, with sufficient safeguards over the control and accounting for the public funds, they may issue joint regulations providing for the waiving, in whole or in part, of the requirements of existing law that—

"(1) warrants be issued and countersigned in connection with the receipts, retention, and disbursement of public moneys and trust funds; and

"(2) funds be requisitioned, and advanced to accountable officers under each separate appropriation head or otherwise.

"(b) Such regulations may further provide for the payment of vouchers by authorized disbursing officers by means of checks issued against the general account of the Treasurer of the United States: *Provided*, That in such case the regulations shall provide for appropriate action in the event of

delinquency by disbursing officers in the rendition of their accounts or for other reasons arising out of the condition of the officers' accounts, including under necessary circumstances, the suspension or withdrawal of authority to disburse.

"SEC. 116. The Comptroller General is authorized to discontinue the maintenance in the General Accounting Office of appropriation, expenditure, limitation, receipt, and personal ledger accounts when in his opinion the accounting systems and internal control of the executive, legislative, and judicial agencies are sufficient to enable him to perform properly the functions to which such accounts relate.

"Auditing provisions

SEC. 117. (a) Except as otherwise specifically provided by law, the financial transactions of each executive, legislative, and judicial agency, including but not limited to the accounts of accountable officers, shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. In the determination of auditing procedures to be followed and the extent of examination of vouchers and other documents, the Comptroller General shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of accounting organizations and systems, internal audit and control, and related administrative practices of the respective agencies.

"(b) Whenever the Comptroller General determines that the audit shall be conducted at the place or places where the accounts and other records of an executive agency are normally kept, he may require any executive agency to retain in whole or in part accounts of accountable officers, contracts, vouchers, and other documents, which are required under existing law to be submitted to the General Accounting Office, under such conditions and for such period not exceeding ten years as he may specify, unless a longer period is agreed upon with the executive agency: *Provided,* That under agreements between the Comptroller General and legislative and judicial agencies the provisions of this sentence may be extended to the accounts and records of such agencies.

"General provisions

"SEC. 118. As used in this part, the term 'executive agency' means any executive department or independent establishment in the executive branch of the Government but (a) except for the purposes of sections 114, 116, and 119 shall not include any Government corporation or agency subject to the Government Corporation Control Act (59 Stat. 597), and (b) except for the purposes of sections 111, 114, and 116 shall not include the Post Office Department.

"SEC. 119. The head of each executive agency is authorized to designate the place or places, at the seat of government or elsewhere, at which the administrative examination of fiscal officers' accounts will be performed, and with the concurrence of the Comptroller General to waive the administrative examination in whole or in part: *Provided,* That the same authority is hereby conferred upon the officers responsible for the administrative examination of accounts for legislative and judicial agencies.

"TITLE II—APPROPRIATIONS

"TRANSFERS BETWEEN APPROPRIATIONS

"SEC. 201. After the end of the second full fiscal year following the date of enactment of this Act, with the approval of the President, the head of each department and establishment in the executive branch of the Government is authorized to make transfers and adjustments between appropriations within his department or establishment in order to promote economy and efficiency, but no appropriation shall be increased or decreased thereby during any fiscal year by more than 5 per centum. Reports of such transfers and adjustments with the reasons therefor shall be made currently to the President and the Congress and shall be summarized annually in the Budget.

"AUTHORIZATIONS FOR APPROPRIATIONS

"SEC. 202. No requests for legislation, which, if enacted, would authorize subsequent appropriations for a department or establishment in the executive branch of the Government, shall be transmitted to the Bureau of the Budget, to the President, or to the Congress by such department or establishment, or by any organizational unit thereof, without the prior approval of the head of such department or establishment.

"ADJUSTMENT OF APPROPRIATIONS FOR REORGANIZATION

"SEC. 203. (a) When under authority of law a function or an activity is transferred or assigned from one agency within any department or establishment to another agency in the same department or establishment, the balance of appropriations which are determined by the head of such department or establishment to be available and necessary to finance or discharge the function or activity so transferred or assigned may, with the approval of the President, be transferred to, and be available for use by, the agency to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

"(b) When under authority of law a function or activity is transferred or assigned from one department or establishment to another department or establishment, the balance of appropriations which are determined by the President to be available and necessary to finance or discharge the function or activity so transferred or assigned, shall be transferred to and be available for use by the department or establishment to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

"TITLE III—REPEALS AND SAVING PROVISIONS

"REPEALS

"SEC. 301. The following Acts and parts of Acts are hereby repealed:

"(1) Section 10 of the Act of August 1, 1914 (38 Stat. 680; U. S. C., title 31, sec. 582).

"(2) So much of section 4 of the Act of June 20, 1874 (18 Stat. 109; U. S. C., title 31, sec. 583 (1)), as reads: '; and hereafter the Secretary of the Treasury shall annually submit to Congress detailed estimates of appropriations required for said expenses;'.

"(3) The last proviso in the first paragraph under the heading 'Judgments; United States Courts' of the Act of April 27, 1904 (33 Stat. 422; U. S. C., title 31, sec. 583 (2)).

"(4) The last sentence of section 5 of the Act of August 5, 1882 (22 Stat. 256; U. S. C., title 31, sec. 583 (3)).

"(5) So much of the matter appearing under the heading 'Mints and Assay Offices' of the Act of March 4, 1911 (36 Stat. 1292; U. S. C., title 31, sec. 583 (4)), as reads: ', and the Secretary of the Treasury shall, for the fiscal year nineteen hundred and thirteen, and annually thereafter, submit to Congress in the regular book of estimates, detailed estimates for the expenses of this Service'.

"(6) So much of the matter appearing under the heading 'Treasury Department' in the Act of August 26, 1912 (37 Stat. 596; U. S. C., title 31, sec. 583 (5)), as reads: '*Provided further,* That estimates hereunder shall be submitted in detail for the fiscal year 1914, and annually thereafter'.

"(7) The last sentence of the paragraph under the heading 'Federal Farm Loan Board' of the Act of September 8, 1916 (U. S. C., title 31, sec. 583 (7)), appearing on page 803 of volume 39 of the Statutes at Large; and the third and last paragraph under the heading 'Federal Farm Loan Bureau' of the Act of March 3, 1917 (U. S. C. title 31, sec. 583 (7)), appearing on page 1084 of volume 39 of the Statutes at Large.

"(8) The last sentence on page 48 of volume 30 of the Statutes at Large, in the Act of June 4, 1897 (U. S. C., title 31, sec. 583 (8)).

"(9) The first sentence of section 6 of the Act of March 3, 1919 (40 Stat. 1309; U. S. C., title 31, sec. 583 (10)).

"(10) The last proviso under the heading 'Officer of the Chief Signal Officer' of the Act of March 2, 1907 (34 Stat. 1159; U. S. C., title 31, sec. 583 (11)).

"(11) The sixth full paragraph appearing on page 648 of volume 29 of the Statutes at Large in the Act of March 3, 1897 (U. S. C., title 31, sec. 583 (13)).

"(12) So much of the matter following the heading 'Bureau of Mines' in the Act of March 3, 1915 (38 Stat. 858; U. S. C., title 31, sec. 583 (14)) as reads: ', estimates shall be submitted specifically for all personal services required permanently and entirely in the Bureau of Mines at Washington, District of Columbia, and previously paid from lump-sum or general appropriations:'.

"(13) The proviso at the end of the fourth paragraph on page 312 of volume 37 of the Statutes at Large, in the Act of August 17, 1912 (U. S. C., title 31, sec. 583 (15)).

"(14) The third paragraph appearing on page 1082 of volume 32 of the Statutes at Large, in the Act of March 3, 1903 (U. S. C., title 31, sec. 583 (16)).

"(15) So much of section 12 of the Act of June 26, 1906 (34 Stat. 480; U. S. C., title 31, sec. 583 (18)), as reads: 'and he shall annually submit to Congress estimates to cover the cost of the establishment and maintenance of fish hatcheries in Alaska, the salaries and actual traveling expenses of such officials, and for such other expenditures as may be necessary to carry out the provisions of this Act'.

"(16) The proviso at the end of the first full paragraph on page 456 of volume 32 of the Statutes at Large, in the Act of June 28, 1902 (U. S. C., title 31, sec. 583 (20)).

"(17) The second full paragraph on page 841 of volume 38 of the Statutes at Large, in the Act of March 3, 1915 (U. S. C., title 31, sec. 583 (21)).

"(18) The fourth full paragraph on page 2 of volume 38 of the Statutes at Large, in the Act of May 1, 1913 (U. S. C., title 31, sec. 583 (22)).

"(19) The proviso at the end of the second paragraph under the heading 'Bureau of Immigration and Naturalization' of the Act of March 4, 1907 (34 Stat. 1329, 1330; U. S. C., title 31, sec. 583 (23)).

"(20) The second full paragraph on page 374 of volume 35 of the Statutes at Large, in the Act of May 27, 1908 (U. S. C., title 31, sec. 583 (25)).

"(21) So much of the last paragraph on page 396 of volume 37 of the Statutes at Large, in the Act of August 23, 1912 (U. S. C., title 31, sec. 583 (26)), as reads: 'For the

fiscal year nineteen hundred and fourteen and annually thereafter estimates in detail shall be submitted for all personal services required in the Indian Office,'.

"(22) The proviso at the end of the first full paragraph on page 646 of volume 41 of the Statutes at Large, in the Act of May 29, 1920 (U. S. C., title 31, sec. 584).

"(23) Section 3660 of the Revised Statutes (U. S. C., title 31, sec. 585).

"(24) Section 4 of the Act of June 22, 1906 (34 Stat. 448; U. S. C., title 31, sec. 586).

"(25) Section 4 of the Act of March 4, 1909 (35 Stat. 907; U. S. C., title 31, sec. 587).

"(26) Section 2 of the Act of June 30, 1906 (34 Stat. 762; U. S. C., title 31, sec. 588); and the proviso in the first paragraph on page 1367 of volume 34 of the Statutes at Large, in the Act of March 4, 1907 (U. S. C., title 31, sec. 588).

"(27) Section 3661, as amended, of the Revised Statutes (U. S. C., title 31, sec. 589).

"(28) So much of the first paragraph on page 255 of volume 24 of the Statutes at Large, in the Act of August 4, 1886 (U. S. C., title 31, sec. 590), as reads: ': *Provided further*, That all printing and engraving for the Geological Survey, the Coast and Geodetic Survey, the Hydrographic Office of the Navy Department, and the Signal Service shall hereafter be estimated for separately and in detail, and appropriated for separately for each of said bureaus'.

"(29) Section 3662 of the Revised Statutes (U. S. C., title 31, sec. 591).

"(30) Section 3663 of the Revised Statutes, as amended (U. S. C., title 31, sec. 594).

"(31) Section 3664 of the Revised Statutes (U. S. C., title 31, sec. 597).

"(32) Section 3665 of the Revised Statutes (U. S. C., title 31, sec. 598).

"(33) The second paragraph under the heading 'Revenue-Cutter Service' in the Act of March 2, 1889 (25 Stat. 907; U. S. C., title 31, sec. 600).

"(34) So much of the second full paragraph on page 512 of volume 24 of the Statutes at Large, in the Act of March 3, 1887 (U. S. C., title 31, sec. 601), as reads: 'That the Secretary of the Treasury shall for the fiscal year eighteen hundred and eighty-seven, and for each fiscal year thereafter in the annual estimates, report to Congress the number of persons employed outside of the District of Columbia, as superintendents, clerks, watchmen and otherwise, and paid from appropriations for the construction of public buildings showing where said persons are employed, in what capacity, the length of time and at what rate of compensation.'

"(35) So much of the sixth full paragraph on page 374 of volume 26 of the Statutes at Large, in the Act of August 30, 1890 (U. S. C., title 31, sec. 601) as reads: ': and hereafter the Secretary of the Treasury shall annually report to Congress in the book of estimates a statement of the expenditure of the appropriation for "repairs and preservation of public buildings" which shall show the amount expended on each public building and the number of persons employed and paid salaries from such appropriations'.

"(36) So much of section 1317 of the Revenue Act of 1921 (42 Stat. 314; U. S. C., title 31, sec. 602) as reads: '; and the Secretary of the Treasury shall submit for the fiscal year 1921, and annually thereafter, an estimate of appropriations to refund and pay back duties or taxes erroneously or illegally assessed or collected under the internal-revenue laws, and to pay judgments, including interests and costs, rendered for taxes or penalties erroneously or illegally assessed or collected under the internal-revenue laws.'

"(37) The first paragraph on page 133 of volume 22 of the Statutes at Large, in the Act of July 1, 1882 (U. S. C., title 31, sec. 603).

"(38) The eighth paragraph under the heading 'Foreign Intercourse' of the Act of May 3, 1905 (33 Stat. 1214; U. S. C., title 31, sec. 603).

"(39) The last paragraph on page 48 of volume 30 of the Statutes at Large, in the Act of June 4, 1897 (U. S. C., title 31, sec. 604).

"(40) The eighth paragraph under the heading 'Under the Engineer Department' of the Act of February 13, 1913 (37 Stat. 671; U. S. C., title 31, sec. 605).

"(41) The sixth paragraph under the heading 'Fortifications in Insular Possessions' of the Act of March 3, 1905 (33 Stat. 847; U. S. C., title 31, sec. 606).

"(42) So much of the first section of the Act of August 4, 1886 (24 Stat. 246; U. S. C., title 31, sec. 607), as reads: 'the estimates for the Army and Navy hospital service shall be submitted as a part of the military establishment'.

"(43) The first full paragraph on page 117 of volume 31 of the Statutes at Large, in the Act of April 17, 1900 (U. S. C., title 31, sec. 609).

"(44) Section 3668 of the Revised Statutes (U. S. C., title 31, sec. 610).

"(45) So much of the first paragraph on page 357 of volume 20 of the Statutes at Large, in the Act of March 3, 1879 (U. S. C., title 31, sec. 611), as reads: ': Provided, That hereafter, in making his estimates for railway mail service the Postmaster General shall separate the estimate for postal-car service from the general estimates; and in case any increase or diminution of service by postal cars shall be made by him, the reasons therefor shall be given in his annual report next succeeding such increase or diminution'.

"(46) So much of the first paragraph under the heading 'United States Geological Survey' in the Act of March 3, 1887 (24 Stat. 527; U. S. C., title 31, sec. 612), as reads: '; and hereafter the estimates for the Geological Survey shall be itemized'.

"(47) The first paragraph on page 455 of volume 32 of the Statutes at Large, in the Act of June 28, 1902 (U. S. C., title 31, sec. 612).

"(48) Section 4 of the Act of August 15, 1876 (19 Stat. 200; U. S. C., title 31, sec 613).

"(49) The fourth paragraph of section 26 of the Act of June 30, 1913 (38 Stat. 103; U. S. C., title 31, sec. 613).

"(50) The eighth full paragraph on page 1421 of volume 36 of the Statutes at Large, in the Act of March 4, 1911 (U. S. C., title 31, sec. 614).

"(51) The eighth full paragraph on page 1206 of volume 33 of the Statutes at Large, in the Act of March 3, 1905 (U. S. C., title 31, sec. 615).

"(52) The fourth full paragraph under the heading 'Government in the Territories' of the Act of July 16, 1914 (38 Stat. 479; U. S. C., title 31, sec. 616).

"(53) The first full paragraph on page 492 of volume 39 of the Statutes at Large, in the Act of August 11, 1916 (U. S. C., title 31, sec. 617).

"(54) The proviso in the first paragraph under the heading 'Rent in the District of Columbia' of the Act of March 4, 1915 (38 Stat. 1108; U. S. C., title 31, sec. 617).

"(55) The seventh paragraph on page 433 of volume 32 of the Statutes at Large, in the Act of June 28, 1902 (U. S. C., title 31, sec. 618).

"(56) The ninth full paragraph on page 755 of volume 36 of the Statutes at Large, in the Act of June 25, 1910 (U. S. C., title 31, sec. 618).

"(57) The fourth full paragraph on page 362 of volume 27 of the Statutes at Large, in the Act of August 5, 1892 (U. S. C., title 31, sec. 619).

"(58) The first full paragraph on page 764 of volume 36 of the Statutes at Large, in the Act of June 25, 1910 (U. S. C., title 31, sec. 620).

"(59) Section 6 of the act of August 1, 1914 (38 Stat. 679; U. S. C., title 31, sec. 621).

"(60) The last full sentence in the first paragraph on page 254 of volume 23 of the Statutes at Large, in the Act of July 7, 1884 (U. S. C., title 31, sec. 622).

"(61) Section 5 of the Act of June 30, 1906 (34 Stat. 733; U. S. C., title 31, sec. 626).

"(62) The proviso at the end of the first paragraph on page 579 of volume 37 of the Statutes at Large, in the Act of August 24, 1912 (U. S. C., title 31, sec. 626).

"(63) Section 7, as amended, of the Act of August 26, 1912 (37 Stat. 626; 37 Stat. 790; U. S. C., title 31, sec. 629).

"(64) The fourth full paragraph on page 854 of volume 37 of the Statutes at Large, in the Act of March 4, 1913 (U. S. C., title 31, sec. 630).

"(65) The proviso at the end of the seventh paragraph on page 1030 of volume 31 of the Statutes at Large, in the Act of March 3, 1901 (U. S. C., title 31, sec. 633).

"(66) The second paragraph under the heading 'Contingent, Bureau of Ordnance' of the Act of July 12, 1921 (42 Stat. 128; U. S. C., title 31, sec. 636), down through the first proviso therein.

"(67) So much of the third paragraph under the heading 'Contingent Expenses, Navy Department' of the Act of June 22, 1906 (34 Stat. 427; U. S. C., title 31, sec. 637), as reads: 'and hereafter it shall not be lawful to expend, for any of the offices or bureaus of the Navy Department at Washington, any sum out of appropriations made for the naval establishment for any of the purposes mentioned or authorized in the said foregoing paragraph'.

"(68) So much of the paragraph under the heading 'Increase of the Navy, Equipment' of the Act of March 3, 1915 (38 Stat. 952; U. S. C., title 31, sec. 648), as reads: 'and beginning with July first, nineteen hundred and fifteen, equipment outfits shall be charged to appropriation "Increase of the Navy, Construction and Machinery" '.

"(69) The two provisos in the paragraph under the heading 'Fuel and Transportation' of the Act of March 3, 1915 (38 Stat. 944; U. S. C., title 31, sec. 649).

"(70) The proviso in the tenth paragraph on page 236 of volume 28 of the Statutes at Large, in the Act of August 6, 1894 (U. S. C., title 31, sec. 650).

"(71) The fourth full paragraph on page 1175 of volume 34 of the Statutes at Large, in the Act of March 2, 1907 (U. S. C., title 31, sec. 655).

"(72) So much of the first full paragraph on page 1391 of volume 42 of the Statutes at Large, in the Act of March 2, 1923 (U. S. C., title 31, sec. 656), as reads: 'and the Budget estimates for each of such appropriations shall hereafter carry separately the amounts required for such transportation costs'.

"(73) The proviso in the seventh full paragraph on page 520 of volume 32 of the Statutes at Large, in the Act of June 30, 1902 (U. S. C., title 31, sec. 657).

"(74) The proviso in lines 2 through 8 on page 710 of volume 36 of the Statutes at Large, in the Act of June 25, 1910 (U. S. C., title 31, sec. 664).

"(75) Section 3682 of the Revised Statutes (U. S. C., title 31, sec. 674).

"(76) Section 3683 of the Revised Statutes (U. S. C., title 31, sec. 675).

"(77) The second full paragraph on page 1303 of volume 41 of the Statutes at Large, in the Act of March 3, 1921 (U. S. C., title 31, sec. 676).

"(78) The proviso in lines 7 through 17 on page 203 of volume 20 of the Statutes at Large, in the Act of June 19, 1878 (U. S. C., title 31, sec. 677).

"(79) Section 3684 of the Revised Statutes (U. S. C., title 31, sec. 681).

"(80) Section 6 of the Act of May 30, 1908 (U. S. C., title 31, sec. 683).

"(81) So much of the paragraph under the heading 'Pay of Assistant Custodians and Janitors' on pages 1153 and 1154 of volume 31 of the Statutes at Large, in the Act of March 3, 1901 (U. S. C., title 31, sec. 684),

as reads: ', and hereafter no other fund appropriated shall be used for this service'.

"(82) The second paragraph under the heading 'United States Commerce Court' of the Act of March 4, 1911 (36 Stat. 1234; U. S. C., title 31, sec. 687).

"(83) Section 26 of the Act of June 30, 1913 (38 Stat. 103; U. S. C., title 31, sec. 688).

"(84) Section 400 of the Second Deficiency Appropriation Act, 1947 (U. S. C., title 31, sec. 694).

"(85) Section 607 of the Act of June 30, 1945, as amended (59 Stat. 304; U. S. C., title 5, sec. 947).

"(86) Section 3 of the Act of March 3, 1875, as amended (18 Stat. 370; U. S. C., title 31, sec. 624).

"(87) So much of the Act of March 26, 1934, as amended (48 Stat. 466; U. S. C., title 5, sec. 118c), as reads: 'with the Budget estimates'.

"(88) So much of the paragraph under the heading 'Department of State' in the Act of August 5, 1909 (36 Stat. 119; U. S. C., title 5, sec. 157), as reads: 'and estimates for further appropriations hereunder shall include in detail salaries for all persons to be employed and paid in the Department of State at Washington, District of Columbia'.

"(89) The last proviso under the head 'Working Capital Fund' in the Act of July 12, 1943 (57 Stat. 393; U. S. C., title 5, sec. 558a).

"(90) So much of section 17 of the Act of May 22, 1920, as amended (41 Stat. 620; U. S. C., title 5, sec. 730), as reads: 'annually to the Bureau of the Budget'.

"(91) Section 31 of the Act of September 7, 1916, as amended (39 Stat. 749; U. S. C., title 5, sec. 782).

"(92) The last sentence of section 35 of the Act of September 7, 1916, as amended (39 Stat. 749; U. S. C., title 5, sec. 785).

"(93) So much of section I of the Act of October 1, 1890 (26 Stat. 653; U. S. C., title 10, sec. 214), as reads: 'and the Signal Corps of the Army shall remain a part of the Military Establishment under the direction of the Secretary of War, and all estimates for its support shall be included with other estimates for the support of the Military Establishment'.

"(94) The last proviso of section 4 of the Act of March 12, 1926 (44 Stat. 206; U. S. C., title 10, sec. 1597).

"(95) So much of section 1 of the Act of June 12, 1917, as amended (40 Stat. 153; U. S. C., title 16, sec. 452), as reads: 'and the Secretary of the Interior is directed to submit, for the fiscal year nineteen hundred and nineteen and annually thereafter, estimates of the amounts required for the care, maintenance, and development of the said parks.'

"(96) So much of section 1 of the act of July 24, 1876, as amended (19 Stat. 99; U. S. C., title 24, sec. 278), as requires estimates for the care and maintenance of the national military cemeteries to be submitted annually by the Director of the National Park Service.

"(97) So much of section 1 of the Act of January 24, 1923 (42 Stat. 1208; U. S. C., title 31, sec. 12), as reads: 'The aggregate of all estimates of appropriations from the "reclamation fund" contained in the Budget for any fiscal year shall be included in the totals of the Budget for that year.'

"(98) The second paragraph under the heading 'Pay, Miscellaneous' of the Act of March 3, 1909 (35 Stat. 754; U. S. C., title 31, sec. 609a).

"(99) The third paragraph under the heading 'Office of the Fourth Assistant Postmaster General' of the Act of June 9, 1896 (29 Stat. 316; U. S. C., title 31, sec. 610a).

"(100) The last proviso under the heading 'National Home for Disabled Volunteer Soldiers' of the Act of October 2, 1888, as amended (25 Stat. 543; U. S. C., title 31, sec. 719).

"(101) Section 119 of the Act of June 3, 1916 (39 Stat. 213; U. S. C., title 32, sec. 25).

"(102) So much of the fourth full paragraph on page 558 of volume 39 of the Statutes at Large in the Act of August 29, 1916 (U. S. C., title 34, sec. 504), as reads: 'and the Secretary of the Navy shall each year, in the annual estimates, report to Congress the number of persons so employed, their duties, and the amount paid to each'.

"(103) The last proviso in the third paragraph on page 377 of volume 37 of the Statutes at Large in the Act of August 23, 1912 (U. S. C., title 39, sec. 769).

"(104) Section 27 of the Act of January 12, 1895, as amended (28 Stat. 604; U. S. C., title 44, sec. 37).

"(105) The eighth full paragraph on page 382 of volume 35 of the Statutes at Large in the Act of May 27, 1908 (U. S. C., title 44, sec. 37).

"(106) The last paragraph under the heading 'Government in the Territories' in the Act of June 20, 1874 (18 Stat. 99; U. S. C., title 48, sec. 1456).

"SAVING PROVISIONS

"SEC. 302. (a) The omission of any provision of law from the provisions of law repealed under section 301 shall not be construed as limiting the application of section 201 or 216 of the Budget and Accounting Act, 1921, as amended, or the powers of the President thereunder, or as evidencing an intent that such provision was not to be superseded by such sections.

"(b) Whenever any law authorizes expenditures for a particular object or purpose to be made from an appropriation item referred to in such law by the specific title theretofore used for that appropriation item in the appropriation Act concerned, and thereafter such title is changed or is eliminated from such appropriation Act, expenditures for such object or purpose thereafter may be made from any corresponding appropriation item.

"(c) Except where authority for performance of a function is specifically repealed in section 301, none of the provisions of such section shall be construed as affecting the jurisdiction or responsibility of any agency or officer of the Government over any function or organizational unit referred to in such section.

"(d) Existing laws, policies, procedures, and directives pertaining to functions covered by this Act, and not inconsistent herewith or repealed hereby, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority."

And the Senate agree to the same.

WM. L. DAWSON,
CHET HOLIFIELD,
FRANK M. KARSTEN,
CLARE E. HOFFMAN,
HAROLD O. LOVRE,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
CLYDE R. HOEY,
HUBERT H. HUMPHREY,
KARL E. MUNDT,
ANDREW F. SCHOEPPEL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute text. The House recedes from its disagreement to the Senate amendment with an amendment which is a substitute for both the House bill and the Senate amendment. Except for technical and minor drafting changes, the differences between the House bill, the Senate amendment, and the conference substitute are explained below.

Section 101 of the House bill added to section 2 of the Budget and Accounting Act, 1921, language which defines the term "appropriations" to include, wherever appropriate, funds and authorizations to create obligations by contract in advance of appropriations. The Senate amendment added to such definition the words "or any other authority making funds available for obligation or expenditure" in order to broaden the scope of the term "appropriations" and make it more inclusive. The conference substitute retains the language added by the Senate amendment.

In retaining the language of the Senate amendment, the committee wishes to make it clear that it is not intended to change the form of the estimates now submitted for wholly owned Government corporations under the Government Corporation Control Act, or to affect the Federal Deposit Insurance Corporation or its funds. The funds of the Federal Deposit Insurance Corporation are received from assessments on insured banks and are used only for the purposes of deposit insurance. These funds have never been under the Budget and Accounting Act for the reason that they are not Government moneys or appropriations and there was no intention of including such funds in this amendment.

Section 102 of the House bill amended section 201 of the Budget and Accounting Act, 1921, to provide that the Budget shall set forth, among other things, in form and detail determined by the President, the functions and activities of the Government. The Senate amendment added the words "constituting a performance budget" as a description of the resulting form of the Budget. The matter of submission of the Budget on the basis of functions and activities does not depend upon the words added by the Senate amendment but upon the specific requirement to that effect included in both the House bill and the Senate amendment that functions and activities be shown. Therefore the words "constituting a performance budget" have been eliminated as surplusage from the conference substitute, since these additional words might in the future be given a restrictive construction not intended.

The House bill contains a provision in section 102 (c) amending subsection 204 (b) of the Budget and Accounting Act, 1921, to insure that the so-called "green sheets," giving information as to personal service and other objects of expenditure, would accompany the Budget. The House provision with respect to waiver or modification of the requirements of such subsection would permit the green sheet procedure to be dispensed with in whole or in part if the appropriations committees jointly should find such action desirable. The Senate amendment contained no comparable provision. The conference substitute adopts the House provision.

Section 103 of the Senate amendment gave authority to the head of each department and establishment in the executive branch of the Government to make certain transfers and adjustments between appropriations within his department or establishment during a transitory period of two fiscal years following the date of enactment in order to reflect the financial requirements of the

functions and activities of the department or establishment. The House bill contained no comparable provision. The conference substitute eliminates this provision of the Senate amendment.

Section 201 of the Senate amendment gives the head of each department and establishment in the executive branch of the Government the authority to make transfers and adjustments between appropriations within his department or establishment with the approval of the President. No appropriation may be increased or decreased by more than 5 percent during any fiscal year by reason of such transfer or adjustment. Section 201 would take effect after the end of the second full fiscal year following the date of enactment and would give the head of each department and establishment administrative flexibility in promoting economy and efficiency in the operation of his department and would tend to decrease the need for supplemental and deficiency appropriations. To avoid abuse, reports on such transfers, with reasons therefor, are to be made currently to the President and to the Congress and are to be summarized annually in the Budget. The House bill contained no comparable provision. The conference substitute retains section section 201 of the Senate amendment.

Section 203 of the Senate amendment provided for reserves to be established, and modified from time to time, against appropriations when the President determines the purposes of the Congress could be accomplished with lesser expenditures. The House bill contained no comparable provision. In view of the similar and more general authority provided in section 1111 of the General Appropriation Act, 1951, as passed by both Houses, the conference substitute eliminates section 203 as unnecessary.

WM. L. DAWSON,
CHET HOLIFIELD,
FRANK M. KARSTEN,
CLARE E. HOFFMAN,
HAROLD O. LOVRE,
Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. CANNON. Mr. Speaker, I note with regret that the conference report includes a provision which was omitted in the House bill after very careful study and consideration. It authorizes the head of each department or establishment in the executive field of the Government to make transfers and adjustments between appropriations; in other words, it delegates to the executive branch of the Government the power and authority and the prerogative of making appropriations, a power vested exclusively in the legislative branch of the Government under the Constitution.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from New Jersey.

Mr. CANFIELD. As a member of the Appropriations Committee, I concur in the statement made by the chairman of that committee.

Mr. DAWSON. Mr. Speaker, may I say for the benefit of the Members of the House that the managers on the part of the House gave every consideration to the bill passed by us and there were only two slight changes made in conference. This amendment provides that the heads of departments may within an agency transfer up to 5 percent of the money appropriated in the budget for that particular agency.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Missouri.

Mr. CANNON. That is to say, it gives the head of the agency the right to spend money for a purpose other than that for which it was appropriated.

Mr. MARTIN of Massachusetts. Which means that we will never save any money.

Mr. DAWSON. I want to explain fully why the managers on the part of the House reached this conclusion. The budget is made up 18 months ahead of time and we felt that giving the head of the agency a flexibility within 5 percent it would not cost more money because they cannot appropriate 1 cent more, they cannot get 1 additional cent by this amendment because that flexibility within the agency of 5 percent allows them to carry out the purposes of the agency and not for any new purpose not already appropriated for.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from New York.

Mr. ROONEY. Does that not give the agency the power to use money appropriated by the Congress for projects and purposes that the Congress would not otherwise permit?

Mr. DAWSON. No. I do not think we should put that construction upon it and in the discussion it was not construed exactly like that.

Mr. ROONEY. Let us assume a small project of $25,000 that the Appropriations Committee, after having scanned, decides there shall be no funds for. Under this amendment could not the agency or department transfer money to that particular project which had been turned down by the Appropriations Committee?

Mr. DAWSON. No.

Mr. ROONEY. Why not?

Mr. KARSTEN. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Missouri.

Mr. KARSTEN. Under this section of the bill reports of such transfers and adjustments must be made currently to the President and to the Congress.

Mr. ROONEY. After they have been made?

Mr. KARSTEN. After it has been done. I may say that I was not in favor of this provision. I would like to point out to the House further that this is a limitation on the Eighty-second Congress. We have no authority to legislate for the Eighty-second Congress. This will not take effect for 2 full fiscal years after the passage of this bill.

The Senate insisted on this particular amendment. I do not believe it realized it was attempting to legislate in the Eighty-second Congress. That is exactly what is sought to be done by this amendment.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from New York.

Mr. TABER. The effect of this amendment is just going to be, if it stays in, that every single appropriation bill will have to have a provision in it in the future prohibiting the transfer of funds and, as far as I am concerned, I am going to do everything I can to see that that is done. There is no sense in our delegating to the executive department the authority to appropriate money.

Mr. DAWSON. May I say to the distinguished gentleman from New York that we appreciate that could be done by no one but the Appropriation Committee. This is a good bill and there were only two differences between the bill as passed by the House and this bill as agreed on by the conferees. The bill as passed by the Senate varied in many, many ways from the present bill. One amendment was really a clarifying amendment. The other amendment was this one that we felt could be taken care of by the Appropriations Committee. We believe we—the House conferees, were the victors in the conference and the purposes of the bill are good if they go into effect. The Appropriations Committee can protect itself against that provision, if it is not in favor of it. When you take into consideration all of the ends attained by this bill, you have to compliment the managers on the part of the House for the report they bring back.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. I want to join in what has been said by other members of the Appropriations Committee. I think this has been tried on several occasions and has been proven to be a bad provision. It is most unfortunate that it is included in the bill at this time.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Iowa.

Mr. JENSEN. Does the gentleman realize that in an appropriation bill, such as we have just passed, involving some $40,000,000,000, if we permit a 5 percent transfer of funds, as the gentleman is advocating, all of the departments of the Government will have $2,000,000,000 to play with, to put wherever they want, to spend at their own discretion, regardless of what the Congress says? As I say, it is $2,000,000,000, which is more money than I want anyone to have to play with or to do anything they want with.

Mr. DAWSON. I am sure the gentleman appreciates that no department of this Government will have $2,000,000,000 to play with.

Mr. JENSEN. The gentleman just said they would. The gentleman is asking to give the agencies of the Government a leeway of 5 percent in transferring funds. Five percent of $40,000,000,000 is $2,000,000,000.

Mr. DAWSON. For the purposes authorized by Congress in their appropriations.

Mr. JENSEN. Well, I realize that. They cannot transfer any money until we appropriate the money to them.

Mr. DAWSON. Furthermore, we felt that this provision would do away with so many supplemental appropriations.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from New York.

Mr. ROONEY. Is not the matter of supplemental appropriations a matter for the Committee on Appropriations and not for the Committee on Expenditures in the Executive Departments?

Mr. JENSEN. The gentleman from New York is absolutely right.

Mr. DAWSON. I appreciate that the matter of supplemental appropriations, if they are needed, and if they are required, is a matter for the Committee on Appropriations. But this will do away with the requirement of supplemental appropriations.

Mr. JENSEN. Congress should decide that question.

Mr. DAWSON. Congress is deciding that question, sir. We are the Congress.

Mr. JENSEN. Not in my books are they going to decide that way, and I do not think we are going to stand for it and I do not think the House of Representatives will ever let a thing like this happen.

Mr. CANFIELD. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CANFIELD. Mr. Speaker, this issue is so important that I think the entire House should be informed. I make the point of order that a quorum is not present.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to withdraw the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Does the gentleman from New Jersey withdraw his point of order?

Mr. CANFIELD. I do, Mr. Speaker.

SOUTHERN FIREPROOFING CO.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 699)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 627, "For the relief of the Southern Fireproofing Co., of Cincinnati, Ohio."

The bill confers jurisdiction upon the United States Tax Court to hear, determine, and render judgment upon the claim of Jacob Lichter and Jennie L. Lichter, partners doing business as Southern Fireproofing Co., of Cincinnati, Ohio, arising under certain negotiation agreements between them and the Secretary of War, now the Secretary of the Army. The bill provides that the passage of the act shall not be construed as an inference of liability on the part of the Government of the United States.

It appears that on October 20, 1944, a unilateral order was issued by the War Department determining that claimant company had realized excessive profits of $70,000 during the calendar year 1942, less a tax credit of $42,980.61, or the sum of $27,019.39. The company disagreed with the finding, but did not file a petition for review in the United States Tax Court within 90 days of the order, as provided in the Renegotiation Act. When payment was not made on the order, the Government brought suit in the United States district court to collect the amount. An answer was filed by the company which challenged the constitutionality of the Renegotiation Act and alleged that for various reasons the subcontracts were exempt from renegotiation by virtue of the terms of the Renegotiation Act itself. The court upheld the constitutionality of the act and ruled that it was without jurisdiction to hear the substantive defenses of the partners, because under the provisions of the act the Tax Court had exclusive jurisdiction over such matters. Accordingly, it granted the Government judgment in the amount of $27,019.39 with interest thereon from November 6, 1944, until paid. Upon appeal, the judgment of the district court was affirmed by the Circuit Court of Appeals for the Sixth Circuit and by the United States Supreme Court. On June 30, 1948, the company paid the judgment in the amount of $32,935.32, which represented $27,019.39 excessive profits and $5,916.13 in interest thereon.

It has long been an established principle that, in the adjudication of issues of the nature presented by this bill, time limitations for filing appeals to judicial bodies from administrative decisions must be followed strictly, if the cases are to be brought to final conclusion within a reasonable period of time. There is obvious need for adherence to such limitations if legal issues are to be resolved in an orderly and efficient manner. Nevertheless, I feel that special circumstances in this case would justify a departure from strict application of such requirements.

The legislative history of this jurisdictional bill indicates that the claimants failed to file a timely petition in the United States Tax Court, thus reserving their rights in that court, because their counsel had advised them that the matter could be tried and heard in the usual fashion in the United States district court and that resort to the United States Tax Court was optional only. The record shows that there was considerable basis for the advice given the claimants that their contracts completed in 1942 were specifically exempt from the provisions of the Renegotiation Act, which accords the United States Tax Court exclusive jurisdiction over review of certain renegotiation cases. Indeed, in the Supreme Court decision in this case (*Lichter* v. *United States*, 334 U. S. 742), Justice Douglas relied upon this very ground in dissenting from the majority opinion which denied these claimants the right to a hearing in the United States district court. Furthermore, the claimants were involved in the first challenge of the constitutionality of the important legislation embodied in the Renegotiation Act. Accordingly, they were exercising their basic prerogatives in contesting the validity of this statute up to the highest court of appeal in the land. It appears, then, that with respect to these claimants' case there was sufficient doubt about a basic procedural issue to have justified reliance upon a defense in the district court to which they clearly had access prior to the 1943 amendments to the Renegotiation Act.

For the above reasons, I would be inclined to give my approval to this measure which proposes to accord to these claimants a day in court. I am advised, however, that there is serious doubt that this bill, as now worded, would enable the United States Tax Court, in hearing this case, to treat the claimants in the same fashion it would have treated them, had a timely petition been filed with that court. Thus, there may be question whether section 403 (e) of the Renegotiation Act, which provides that the Tax Court may determine excessive profits in amount greater than that previously determined, would apply. Needless to say, it would be an extremely unfortunate precedent to allow a party to improve his position in the United States Tax Court by special congressional action purporting merely to give him an opportunity for a judicial determination of his claim against the United States Government.

Accordingly, I would be willing to approve a measure which would confer jurisdiction upon the United States Tax Court to hear the case of these claimants under the provisions of the Renegotiation Act, provided their petition is filed within a reasonable period of time after the effective date of the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE,
August 29, 1950.

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

SPECIAL ORDER GRANTED

Mr. BUCHANAN asked and was given permission to address the House for 15 minutes today following the other special orders heretofore entered.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 274. Concurrent resolution authorizing the correction of the enrollment of H. R. 7941.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7941) entitled "An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes."

SPECIAL ORDER GRANTED

Mr. YOUNG asked and was given permission to address the House for 10

minutes today following the legislative program and any special orders heretofore entered.

The SPEAKER pro tempore. Under previous order of the House the gentleman from Ohio [Mr. YOUNG] is recognized for 10 minutes.

DEMOCRATIC INSTITUTIONS WILL OUTLAST TYRANNY AND COMMUNIST DICTATORSHIPS

Mr. YOUNG. Mr. Speaker, what we do during the next few years—the degree of intelligent world leadership our public men display—will determine whether this great peace-loving people must again suffer the heartbreak, sorrows, and afflictions of a brutal, filthy, savage, devastating world war, or enjoy permanent peace, contentment, and security.

We intervene in Europe and Asia not for the purpose of domination but to prevent domination by the Soviet Union. We intervene not to impose our system of government but to allow other peoples to choose their own system. We intervene to protect freedom. We intervene to achieve world peace. We intervene to protect the integrity of small nations like Italy, Greece, Turkey, and South Korea—to safeguard our own national security and with it the peace of the world.

Only an economically sound world can be a free and peaceful world. We must urge a program to aid free governments to resist Soviet aggression; a firm program for the achievement of lasting peace by international cooperation, through the machinery of the United Nations; a sound reciprocal trade program. We must avoid inflation and then depression—boom and bust. We must realize that labor, business, and agriculture are all interdependent and that our whole Nation cannot enjoy stable prosperity unless all groups receive their fair share of the national income. We must establish a decent standard of living as a minimum for every American and constantly improve the distribution of our production so that all benefit.

We propose to enhance the opportunities of our people for free development in the enrichment of their spirit and well-being.

In the first instance, this can only be achieved by keeping our Nation strong and our people united in their faith in democracy. The democratic example is the only lesson that the United States has to teach the world. America is predestined to accept the vast responsibilities of world leadership, under the guidance of our President and Congress, and we will not falter. If we Americans count our pennies now we shall have to count our war dead later. In this threatening period, with the Soviet Union acting as an aggressor in the Hitler pattern, we must determine what this Nation will do about hunger that knows no politics and about want that will not wait.

Dictatorship once again threatens us. The ECA program, or Marshall plan, has succeeded in Europe to this good hour in rolling back the tide of Red fascism or communism—it matters not by which name you term it—and were we to stop now, before the nations of western Europe are able to proceed on their own, it is probable that the few remaining citadels of freedom in the Old World would be unable to prevent themselves from becoming black holes of oppression.

In Italy, to cite an example of which I have personal knowledge from 27 months' service overseas in the Armed Forces, the Axis armies in their retreat adopted a well-planned scheme of demolition, the like of which the world has never seen. As the Fifth Army went forward from Salerno to the Brenner Pass, the Germans and Fascists, in their retreat throughout the length and breadth of Italy, destroyed what the shells and the bombs of the armies did not demolish. Italy and other nations of western Europe were shattered and famine stricken. They would have been easy prey to communism, had it not been for the Marshall plan and the great and unselfish aid this Nation has given. As a result of the ECA program, Greece, Italy, and Turkey now stand firm against Communist Russia. Who is there to say that any of these nations would have a government of their own choosing if we had not aided them?

The American people may well have a feeling of confidence and satisfaction that they have, in Washington, a President and a Congress, preparedness-minded, courageous, and resolute in dealing with the Soviet Union.

The alliance of the free nations of Europe and this Nation, as is evidenced by the North Atlantic Treaty and by the entire ECA program, attests that a strong unconquerable America is determined to achieve a just and lasting peace in a democratic world. If the Soviet Union should assail us this year or in the years to come as an aggressor nation in the Hitler pattern, a powerful force must be alert and prepared to hurl back the aggressor.

We Americans have real cause to fear that Soviet dictators will provoke a series of local wars in different parts of the world. What has Russia to lose by this method? It is cheap aggression by proxy, one might say. We could lose treasure and precious lives. Our Armed Forces would be spread thin all over the world. We may take it for granted that a satellite aggression anywhere will be repulsed by our Armed Forces acting for the United Nations; that every satellite nation used for aggression will in turn be invaded, its people liberated from Soviet control and its national integrity and independence restored. Such a policy would mean that North Korea would be liberated and forcibly separated from the Soviet Union.

We are engaged in two kinds of war—one against Communist aggression in Korea—the other against inflation here at home. We must not lose either of these wars, for if we do our American way of life is threatened. It is important that your Congress remain at its job and provide adequate protection on the inflationary front here at home. The American people, and that includes all of us, are likely to be subjected to restrictions and discipline such as were in effect in World War II. In fact, price and wage stabilization might be more drastic. This Korean war is bound to cost the lives of many of our finest young men before final victory and while they are making sacrifices for us, we must not tolerate any war profiteering here at home.

The total economic and military aid to South Korea between 1946 and July 1, 1950, is $776,000,000. This does not include the amount allocated to Korea under the Mutual Defense Assistance Act of 1949. These figures, for security reasons, must not be disclosed. Exclusive of this aid, the total military aid to South Korea between 1946 and July 1, 1950, is $310,000,000—economic aid alone totaled $466,000,000.

Our stake in Korea is very great. The larger issues are—whether any of the freedom-loving peoples of Asia are to have any confidence that the United States, and that means all of us, will stand behind them in their hour of need, as we have stood behind Greece, Turkey, Italy, and other nations of Europe; and whether anyone anywhere can place any confidence whatsoever in the United Nations.

Trying days and grave dangers lie ahead. We must not permit political prejudices and partisanship to mislead us on important issues. No one but the Communists of the Soviet Union will determine whether and when there is to be a world war III. I assert we should put politics aside on issues involving Korea and the Soviet Union—in fact involving all foreign affairs and the fighting of a cruel war in which we find ourselves.

We must remember that the faith of free nations has been confirmed and renewed by the fact that we have gone all-out against Soviet aggression. The Communists know now that Soviet aggression will be resisted wherever encountered. This Nation will not back down. Appeasement, like blackmail, is the certain road to destruction.

Common effort for the United Nations has been mobilized to try to prevent the fall of one little country—it could be any country—to naked force.

Our Nation must not alone defend freedom and maintain for free people their simple dignity as creatures of God. We must also convince the peoples of Asia and Europe that our system is better than the Communist system and that under it we will continue to produce more in goods and services and distribute them fairly in undertaking a preventive war against Soviet aggression.

Today we live, grim though it be, in a period of international anarchy. Only those will survive who are able to defend themselves. Murder, tyranny, and oppression stalk across the world. Violence has become an international philosophy and those, who would by peaceful means settle the perplexing problems of the day are branded as cowards, and the government which they represent is pictured as weak and vacillating. What the future holds no person can predict. One guess I will hazard, and it is that democratic institutions will outlast tyranny, oppression, and Communist dictatorships which seek to strike them down, and the desire for human freedom will eventually break asunder and destroy the bonds now being forged by the dictators

of the Soviet Union. World War II left us the most powerful Nation on earth. With that power goes a responsibility we must not ignore.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House the gentleman from Washington [Mr. MITCHELL] is recognized for 20 minutes.

(Mr. MITCHELL asked and was given permission to revise and extend his remarks and include a resolution.)

AFTER KOREA, WHAT NEXT?

Mr. MITCHELL. Mr. Speaker, the people here at home and in the whole free world are asking, "After Korea, what next?" The people of this country are of one mind in their support of the United Nations action in Korea. They want this war to be brought to a speedy and successful close. They want the Nation to be prepared for any other emergency that may be precipitated by Communist aggression.

In Korea we have taken a stand against naked and brute aggression. We did not ask for this war. We covet no nation's territory or possessions. We have nothing of any material value to gain from it. On the contrary, it will cost us dearly in American blood and treasure, and in the manifold hardships and inconveniences of daily life always brought on by defense mobilization.

Our gain is a moral one. We are fighting for the principle of the United Nations—the principle that condemns aggression against any nation as a crime against the organized nations of the world.

We moved, boldly and decisively, when the challenge to that principle was thrown in our face. We fight under the banner of the United Nations. The flag of the United Nations flies side by side with our own. Fifty-two nations support this action, and a number have rallied to the call for help.

Today, General MacArthur commands not only American military units but all the forces of freedom fighting in Korea. Our own country bears the brunt of the combat. Our soldiers, sailors, and marines, together with regrouped South Korean forces, are fighting magnificently against a fanatic and ruthless enemy. They are buying time with blood. They are holding out against heavy odds until the day when the build-up of manpower, supplies, and weapons will enable us to take the offensive.

This offensive will be taken at the proper time. We of the United Nations shall push the aggressor back across the thirty-eighth parallel. I dare say, the United Nations' forces will go farther and occupy the whole of Korea.

The question is, Mr. Speaker, where do we go from there? It is not too early to ask that question. In days past we were wont to say: "Let us get on with the war, let us win it first and think later of peace terms and reconstruction." America, it has been said, wins wars, but loses the peace.

That limited vision, that emphasis on short-range military objectives, will not suffice today. This is a different kind of war. We hope to confine the fighting to Korea, but we do not know where in the world it will break out afresh.

Korea is the battleground today, but the enemy pursues a strategy of world domination. His strategy is elusive and clever. His forces are deployed throughout the world, but they are not all committed at one time. The masters in the Kremlin can pull the strings and have their armored puppets marching in a dozen different places. Therefore, we dare not spend our substance so much in one place that it leaves us weakened and exposed in another. We must decide where we are going and exactly what we are fighting for.

Among the nations of western Europe we have done well in helping our allies become strong factors again in the fight for freedom. By economic assistance in large amounts we have demonstrated our desire to put these nations back on their feet and in a position to resist the encroachment of communism. We have begun to plan with them in concrete ways for joint military protection.

Communism in western Europe is on the defensive; it is receding before the determined and organized efforts of the free nations.

In Asia the story is different, Mr. Speaker. There communism is on the offensive. It is making headway among massed millions of people who lack even the rudiments of decent living.

Millions upon millions of people in Asia dwell in chronic poverty, ignorance, disease, and despair. They are bowed down by the crushing burdens of archaic systems of land tenure. Their rice bowl is meager and often empty.

It should occasion no surprise that the outward forms of political democracy do not inspire the starving and oppressed millions of Asia. They do not miss free elections when they lack the bare means of subsistence.

The agents of communism are experts in making mass appeals based on the elemental needs of life. They do not hesitate to follow up these appeals with direct action. However ruthless and arbitrary this action may seem to us, it is driving recruits into the Communist camp.

We are told that the North Koreans are dividing up the land as they advance and occupy it. No matter that sometime in the future their Communist bosses might want to seize it back and form large agricultural collectives. The point is that the North Koreans are securing their advances by making allies every step of the way by anchoring land-hungry peasants onto a patch of soil. These peasants will fight for their little part of the battleground.

We need desperately to make allies of those peoples in Asia not yet submerged by the Communist tidal wave. From that vantage point we can go on to the momentous task of persuading people in the submerged areas that communism is a false prophet of their destiny, a vehicle of slavery and not of freedom.

We must make allies in Asia or we are doomed to protracted, costly, and indecisive wars. That is exactly what the Kremlin has in store for us. Unless we plan with wisdom and foresight to defeat the long-range Kremlin strategy, victory in Korea will have been an empty one, an illusion that by winning a battle we won a war, and a further illusion that by winning a war we won the peace.

To make the struggle in Korea count for something real and permanent, to make allies in Asia, we will have to acquire a new perspective and a new kind of realism about the ways to solve age-old problems of Asia that cry for solution.

What should this perspective be? Editorials in the Portland (Oreg.) Oregonian are indicative of the questioning attitude of the people of the United States. On June 27 it wrote, "Down come the Communists from the north like the wolf in the fable, and the sheep have so little to lose they are indifferent. Why should they care who eats them?"

And the Oregonian adds: "All over the globe history has tricked us into the position of supporting ancient economic organizations in the name of democracy."

In a July 5, 1950, editorial, this newspaper wrote: "There is no way out—and no common sense—except in making democracy dynamic. Democracy again must become a shattering force. Otherwise we will never have truly gratified friends in these countries where we are compelled to operate."

No, it will not suffice to give merely lip service to the common aspirations of Asian peoples struggling for independence and self-rule. We cannot hold up the hands of corrupt rulers and reactionary regimes. We will not win friends in Asia by trying to weave together the remnants of outmoded colonial governments. Democracy must become a shattering force in raising the living standards, and thus the hopes of millions of underprivileged in Asia.

It has been aptly said that to get at the problems of Asia we will have to get down to the "rice roots." However difficult and painful the task, we must proceed to acquaint ourselves with the needs and aspirations the people at the bottom. No longer can we look with cold and distant eyes at this wretched half of the world's population. We must go beyond the diplomatic niceties and penetrate the top layers of officialdom to understand what the people of Asia are struggling for.

With our understanding must go help—practical help, free from the taint of colonialism and sufficient to lift these people from the morass of misery in which they are sunk.

The task is formidable and costly, but unless we come to grips with it, Asia will be completely lost to the agents of communism. Today we are spending billions to arm ourselves and more billions to arm western Europe. If all Asia were arrayed against us, the ultimate cost in armament would be so enormous that we cannot even begin to imagine the burdens it would entail. It is time for large investments in winning friends, to cut down the cost of preparing for enemies.

The point 4 program, however well-inspired, is still a paper program. It has not even begun to scratch the surface of the needs that must be served in Asia. We have authorized a few paltry millions for this program. To win

out in the race against communism, we had better be thinking and acting in terms of billions for projects that will reach the "rice roots" and persuade the masses of Asia that their true destiny lies with the free nations of the world.

Thoughtful observers have maintained that India is the great focal point of our relations with Asia. If India keeps common cause with us, we can hope that other countries of Asia will be so inclined. If India withholds her support, our efforts might be largely in vain.

Frequently we hear the charge by Indian leaders that the United States is too much concerned with its own problems or those of western Europe to view the Far East with sympathy and understanding. If this be so, Mr. Speaker, and I believe it is, we should move promptly to correct our faulty vision. We should vest in the authentic spokesmen for Asia, who believe in the purposes and principles of the United Nations, and who prefer freedom to slavery, the responsibility for deciding how Asia can best serve the cause of freedom.

In so doing, we must utilize to the full the resources of the United Nations. The Korean crisis has reaffirmed the American faith in the principle of the United Nations. We have not allowed ourselves to become the victims of cynicism and defeatism. However much our patience has been tested by Soviet obstruction and delay, however great the set-backs encountered in trying to make the United Nations a successful working organization, we have refused to give up our belief that the road to peace must be traveled in association with other peace-minded nations.

Granted that the Security Council decision in Korea was made possible only because the Soviet Union was not present to cast its inevitable veto. Granted that the international police force contemplated by the United Nations Charter has not yet been established. It still remains true that United Nations facilities can be used to plan a successful program for the aftermath of the Korean war and for the future of Asia.

Despite Soviet obstruction, I repeat, the road to peace will be through cooperation with other peace-minded nations in the United Nations. But this does not mean we should blind ourselves to the facts. It does not mean that we should expect results from the Economic Commission for Asia and the Far East with Soviet Russia on the board. What we need today is not its paper planning and paper shuffling, but action. I contend it is time we stopped hoping the Soviet will help without imposing its police government on those in need of help.

But we need not stop the drive for economic advance because the Russian aim is to hinder rather than help.

The General Assembly of the United Nations, which is not affected by the veto, offers wide possibilities for action that should be promptly examined.

As a first step, I urge the General Assembly to establish a temporary commission on reconstruction and economic progress for non-Communist Asia, the temporary commission membership to be confined to representatives of these non-Communist nations. I should like to see such a commission meet in New Delhi or some other appropriate far-eastern center, as a symbol to the world that the future of Asia depends upon Asia itself with only the helping hand of other free nations. Upon such a designated unit of the General Assembly should be placed the initial responsibility for preparing a reconstruction program in Korea and for drafting a charter of principles and a plan of project action to which all the non-Communist countries of Asia can subscribe.

But this plan of action should do more than state pious hopes. It should outline a definite, attainable program of economic improvements; improvements which will better the lot of the average citizen. On this basis, Asia could call upon all of the free world to help in its attainment by technical assistance and by the advance of funds for capital needs.

The prestige and the power of the United States can be a dynamic and shattering force to break the shackles of poverty which keep Asia from taking its rightful place among the community of free nations. By taking the initiative and by giving unstinted support, the United States can give eloquent assurance to the peoples of Asia that we share in their yearning for self-determination and that we are prepared to help them and support their recommendations to achieve it. All we need ask is that it be sought in truly democratic ways with full and fair consideration to all peoples.

What would it cost to bring hope to the 600,000,000 people of non-Communist Asia? Let us contrast that figure with the cost of an Asia completely dominated by Soviet communism?

Even though an Asian development program costs as much as the European recovery program, and it would not, there is abundant evidence that it would pay both Asia and the free world tremendous dividends. Comparatively small capital expenditures could accomplish wonders.

An offer by the United States to join all free nations and advance $20,000,000,000 in capital and technical aid to raise Asian living standards would have a tremendous shock effect. Shock effect great enough to give even the downtrodden Asian a new insight into his role as an individual in a great, free world. Surely the ability to make the offer would be full proof that, as of this day, it is the democratic system which has proved its ability to produce in the interest of a steadily rising standard of living for mankind.

Let us measure carefully the meaning of a world-wide increase in the standard of living. We have always said that poverty anywhere threatens prosperity everywhere. Now we can add a further frightening promise to this threat. In addition to the threat of Asian poverty to undermine prosperity its continuance is almost a sure promise of eventual capture of all Asians by communism.

In the face of this some say we should use the billions democratic productivity has made available just to build bigger atomic bombs, bigger tanks, and more guns. Yes; we have to do all of this, but do we have to prepare in utter hopelessness for the eventual conflagration which will consume everyone?

No, the fight against communism is one of both guns and ideas. Democracy has the ideas even as it has three-fourths of the productive capacity for war. We know we can use that productive capacity for war. We must learn better how to use the strength of democracy to fashion an answer and a challenge to the cunning, deceitful claims of communism, which actually promise only Russian imperialism and slavery.

The arsenal of democratic ideas is ours to use. Let us get it started by telling the downtrodden of Asia we stand ready to support, even up to a cost of $20,000,000,000, a feasible development program which alone can make a charter of democratic principles a possibility in Asia.

It is time we stopped talking big about a small point 4 program and started acting big. Deep down we know that an armaments race can only be successful if the free world becomes stronger and stronger through economic and social improvement.

To this end, Mr. Speaker, I am introducing a House concurrent resolution, expressing the sense of Congress that our Government urge the establishment of a temporary commission on reconstruction and economic progress in Asia under the auspices of the General Assembly of the United Nations which I ask to be printed in the RECORD at this point, declaring it to be the sense of of the Congress that the United States should support action in the General Assembly of the United Nations looking toward the establishment of a temporary commission on human welfare, economic progress and reconstruction in Asia:

Resolved by the House of Representatives (the Senate concurring), That (a) it is hereby declared to be the sense of Congress that spokesmen for the non-Communist countries of Asia who command the respect and support of their peoples, who believe in the purposes and principles of the United Nations, and who prefer democratic freedom to totalitarian slavery, are best qualified to frame a charter of principles as an embodiment of the aspirations of the people of Asia and to frame a minimum economic program essential to gradual attainment of these aspirations.

(b) It is further declared to be the sense of Congress that the United States would support action in the General Assembly of the United Nations looking toward the establishment of a temporary commission on human welfare, economic progress and reconstruction in Asia on which the non-Communist country spokesmen would be the sole members. The commission would have the function of preparing a minimum program of action on economic, social, and health problems facing the non-Communist countries of Asia and of developing and drafting a charter of principles for solving such problems to which all such countries could subscribe. The commission would, in addition, have the function of outlining a program of joint action whereby the permanent organs and agencies of the United Nations, and the facilities of the individual member nations of the United Nations, could be used to assist such countries in putting such principles into effect. The commission would submit such charter of

principles and such program of action, together with such recommendations with respect thereto as it deems appropriate, to the General Assembly of the United Nations.

(c) It is further declared to be the sense of Congress that the United States should assist the commission and/or any member nation of the commission through technical assistance and otherwise, to the end that a feasible minimum program supported by necessary technical information be drafted in the shortest possible time. It is further declared to be the sense of Congress that the United States should investigate any adopted program of action with the view of supporting to the fullest through technical assistance and the advance of capital any feasible program promoting human welfare, economic progress and reconstruction to the end that poverty and misery be eradicated, thereby allowing the new nations of Asia to take their rightful places in the world community as bulwarks in the cause of freedom.

SEC. 2. The President of the United States is hereby requested to take such action as he may deem appropriate to carry out the policy set forth in the first section of this concurrent resolution.

The SPEAKER pro tempore. Under previous order of the House the gentleman from South Carolina [Mr. BRYSON] is recognized for 30 minutes.

TARIFFS AND THE COTTON TEXTILE INDUSTRY

Mr. BRYSON. Mr. Speaker, yesterday I wired Secretary of State Acheson as follows: "A representative of largest textile district, respectfully urge postponement of Torquay Conference in view of present international complications."

On September 28, 1950, an American delegation is to meet with delegations from 17 other countries for reciprocal tariff and other trade-barrier concessions. The meeting is to be held in Torquay, England. It is so important in its possible effects upon the great area which I represent in Congress that I feel it incumbent upon myself to speak. I had anticipated that I would attend the Torquay Conference at my own expense to express to the best of my ability the wishes of the cotton growers and the spinning and weaving communities of that great part of the United States which I represent. However, the pressure of affairs here at home makes such an action inadvisable. On the floor of this House, however, I intend to fight to the last ditch for my people. Their struggle is my struggle for it is my duty to make their wishes known to Congress.

I wish to repeat that this is an independent statement of the viewpoint of my constituents; yet, at the same time I should say, this statement represents the view of large numbers of other like thinking people. My sentiments in the matter of tariff reductions insofar as they concern cotton textiles stem from the fact that I represent more cotton growers and more workers in cotton textile spinning and weaving factories than any other Congressman representing any other part of the United States. I have received such strong representations from my constituents that I felt it advisable to present their views to Congress.

As you know, before the State Department announced its list of the members comprising the delegation to be sent to England to negotiate tariff concessions, hearings were held by the United States Tariff Commission on the various items to be placed on the agenda for discussion. Amongst these items was schedule nine comprising the various cotton fabrics and yarns. Most of the cotton associations in the United States, whether growers or processors, were heard officially in the hearings held in Washington, D. C. These associations are not to be represented at the Torquay meeting. I am not in Congress as a member or a representative of these various cotton textile associations. If my views should coincide with the views expressed by the various sections of the cotton textile industry then this would merely emphasize the importance of the arguments.

I believe that this is not the time to negotiate tariff concessions. Events in Korea make the future of the whole United States economy and that of world trade completely unpredictable. All of you assembled here know for a certainty that "business as usual" will not return for many years, regardless of the outcome of the war in Korea. Most of the economies of Europe, as well as ours, may be subject to partial or total mobilization, and all that this entails, so that I am constrained to say at the outset that tariff negotiations as usual, or as scheduled before the conflict in Korea, should await a more settled period.

As you no doubt know, American tariffs on cotton textiles have in many cases been reduced by 75 percent below the rate set in our Tariff Act of 1930. Our successive reductions of tariffs have enabled foreign countries, notably England, Japan, France, Germany, Belgium, the Netherlands and Turkey, to obtain a ready market in the United States. Naturally, we are most concerned with the potential expansion of this market by the United Kingdom and Japan. Concerning the latter country we feel that Japan's market has always been oriented toward southeastern Asia, the Pacific, and Africa and that every attempt should be made to have Japanese cotton textile production channeled toward those areas. On the other hand, the United Kingdom has had her markets in her foreign empire; traditionally this sterling market has belonged to England, and every attempt should be made first of all to supply this British market. Every yard of cotton textiles which Great Britain exports to dollar countries such as the United States and Canada automatically deprives the sterling area of a commodity for which they in turn have to expend precious dollars.

It is common knowledge in the United States that our British friends are currently making so much profit shipping cotton textiles to soft-currency countries that they have no desire to work hard for a part of the American market. In the United Kingdom at present there is many months' backlog of unfilled orders and a shortage of textile labor. British textile exporters hope that further reductions in American tariffs will be made while they are making such profits elsewhere. Thus, it will be easier for them to come into the American market later, at their convenience.

The United States Government has often stated its fundamental belief that the multilateral expansion of foreign trade will result in raising living standards throughout the world. Great emphasis is made in our utterances and governmental attitude upon an increase of imports from foreign countries to the United States in order that foreign countries may earn dollars so as to improve their economies. It is needless for me to say that during the first 2 years of the Marshall plan there was great emphasis on increased production in ERP countries. I should say that it is much to the credit of the European countries that increased production has taken place to such an extent that the emphasis has now shifted to selling the surpluses in dollar areas, notably the United States and Canada.

One expression of our foreign economic policy has been the giving or loaning of American dollars. We are happy that the European countries are able to earn dollars by trading with us.

It is the earning of dollars by European countries and Japan at the expense of our cotton industry which concerns us in America.

I shall stress the part which our own cotton textile industry plays in the expression of United States foreign economic policy.

The American cotton textile industry has always been willing and will continue to be willing to contribute its fair share to the success of any program or policy which is clearly in the interest of our national well-being. Our cotton industry has certainly played a remarkable part in assisting American foreign policy and enabling it to be successful. The following facts should bear out this contention:

First. During the first quarter of 1950, imports of cotton goods from the United Kingdom into the United States were 15 percent above those imported during the same period of 1949. In countable cotton cloths alone the imports from all sources during the first 5 months of 1950 have exceeded those for the entire 12 months of 1949.

Second. During the first quarter of 1950 exports of cotton cloth, duck, and tire fabrics, from the United States, have dropped 57.3 percent compared with the same period of 1949.

Third. Our average ad valorem tariff rates now in effect on schedule 9 of our Tariff Act on cotton manufactures, represent a minimum 25 percent reduction from those in effect in 1930. Since our rates are based on foreign values and comparable prices of the same commodities in the United States are far higher than those of the commodities imported, the differential is far greater than 25 percent.

Fourth. The currency devaluations of September 1949, in the various countries of Europe have more than offset the average ad valorem tariff duties on cotton goods. Our average tariff rate on cotton is only 23.9 percent whereas the average currency devaluation in Europe

in September 1949, amounted to more than 30 percent. This makes it apparent that with this differential our tariff rate is virtually nonexistent.

My friends, I do not wish to bore you with a statement of facts of which, no doubt, you are well aware. However, it seems essential to me that I should reiterate them since they are part of my plea against a reduction of tariffs.

One such matter that I should mention is the present availability of exportable surpluses of cotton textiles in foreign countries for the first time. During the war, the United States was asked to supply its own enormous war needs as well as those of its allies. Our cotton textile industry rose nobly to the challenge. All over the world stocks were drained, and it took several years after peace came before foreign inventories were built up. Thus the years 1946, 1947, 1948, and 1949 did not show an appreciable export of cotton goods to the United States.

Another fact, however, obtrudes itself immediately. The United States has made very large sums of money available through the Marshall plan for the rehabilitation of Europe. This has amongst other items meant an expansion of the textile industry of Europe, but only toward the end of 1949 did a surplus of cotton textiles become available for export. The larger total of imports by the United States of America, however, has been from Japan, as compared to that of Europe. As you all know, the Economic Cooperation Administration in one of its latest reports stated that the production of textiles in western Europe is now 20 percent above prewar and it is very evident to us that with their need for dollars the producing countries will inevitably turn to the American market. Not only is this swing toward the American market very evident, but I should state that our own governmental policies are attuned to this swing by urging other countries in every way possible to concentrate more on the American market.

This new policy has been brought about because of the concept of bridging the dollar gap, namely, that the United States should import more and export less so as to enable foreign countries not to have such large debits in their balance of payments.

In my opinion it is starting with an entirely wrong concept, to hold that those large sums of money which we extend to foreign countries by means of services and goods should be recorded as exports. In other words, the dollar gap is not as large as stated. The larger the gifts, the greater the dollar gap that will have to be overcome. Please, do not misunderstand me. I do not say that we should not assist foreign countries toward recovery. I mean that the free goods and raw materials which we ship for European recovery should not rightfully be termed "exports."

You all know how our Government has not only made large grants and loans available through the Marshall plan but is also actually financing technical assistance programs by which groups of European textile industry leaders are enabled to come to the United States and learn of American desires and American marketing practices.

In addition, we are clarifying and simplifying our customs procedures and regulations to further assist foreign countries to export to the United States.

I should mention another fact which is of importance in present-day international transactions, namely, the rapid building up of gold reserves in the respective European countries. When we consider the phenomenal growth of European gold reserves, as compared with their reserves 1 year ago, I should say that their internal fiscal policies which enabled them to increase their reserves have much to recommend themselves. On the other hand, the very fact that European countries have been able to build up such reserves in so short a time shows the lessening of their need for American money, as well as their increasing ability to pay in dollars for the goods they import from us.

We in America are vitally concerned about the competition of the fine goods currently to be discussed in tariff reductions which European countries and Japan are able to ship to America under an apparent advantage of low labor cost production. Currently we are paying our textile operatives 3½ times higher wages than the British operatives receive, and approximately 12 times that which the Japanese textile workers receive. This gives foreign textile manufacturers an enormous advantage.

It is recognized that in our spinning and weaving industries we have an enormous advantage, namely, that our per-operative production is approximately 2 times higher than that of the British operative. However, you will note that the American advantage is more than offset by the lower wages received by the British or Japanese workmen.

Gentlemen, in the foregoing statements I have gone to some length to show United States policy as regards increasing exports from foreign textile industries. I have attempted to show that not only does our Government assist European and Japanese textile manufacturers in competing with our own domestic industries, but that they have an added advantage due to lower labor costs, their new ability to pay for imports, their currency devaluations and also our current tariff rates. On top of all this, our negotiators are now going to Torquay, England, to negotiate further tariff cuts.

I think it is inadvisable at this time to consider the reduction of present tariffs in fine cotton goods or yarns. Categorially, my reasons are very simple. By increasing foreign exports of fine cotton goods other nations automatically compete at an advantage on our domestic market and to the detriment of our own producers of the same goods. The price differential of such goods is certainly in their favor. The larger the amount of goods imported from overseas, the more extensive will be the repercussions on the American cotton industry. Such repercussions have a contagious effect on other segments of the industry. Already our domestic cotton industry is being influenced by increasing imports during late 1949 and 1950 to such an extent that approximately 175 of our spinning and weaving mills have been closed, throwing literally thousands of our skilled workmen out of employment. This trend would have continued but has now stopped because of the need for textiles due to the Korean crisis.

Our cotton industry employs approximately 500,000 operatives and also supplies a livelihood for approximately one and a half million cotton-growing families. Our cotton textile workers and our cotton growers have become accustomed to a certain standard of living not yet available in Europe or in the Orient. I personally represent such a large number of these operatives in our Congress that I would like to see that standard of living retained. This we cannot do if we allow an ever-increasing competition from overseas in the very fields in which we excel. As you are all aware we have now a minimum-wage law. Under this law no worker in our cotton mills can be paid less than 75 cents per hour. You will readily understand what an enormous buying power there is in such high wages and what a standard of living such wages makes possible.

Why, I started my working life by working in a cotton mill at 2 cents per hour. This was not so long ago. Conditions have changed and I shall fight to the utmost to prevent such conditions from returning. I wish to safeguard the earning potential of my cotton-working constituents.

If large-scale unemployment follows on increased imports, repercussions will be felt in all other segments of the United States economy. Not that our cotton industry is the most important industry in the United States. The point is merely that contraction of business in any one segment of the United States economy is contagious to all other segments.

Finally, I wish to state that the dismal picture of total unemployment and depression does not yet stare us in the face. The question for us today is whether the trend of increasing exports from Europe in the textile field will have profound repercussions on our cotton textile industry in the United States. Whether our tariff reductions will enable Europe to build up an industry at our expense; whether our ever-expanding economy with its high standard of living should be allowed to be cut down in any one segment; whether our governmental policies of assisting foreign nations even by tariff reductions should be continued, or, whether the present time is opportune for tariff discussions, is not for me to say. I certainly cannot stand idly by and allow intergovernmental manipulations in tariff concessions to undercut the livelihood or standard of living of my very kith and kin in the cotton textile industry. I wish to state most emphatically that my sentiments are that any further reductions in our cotton tariffs are inimical to American interests, inimical to the standard of living of our American textile workers, and in the interest of the rest of the world as well as of the United States should not be allowed.

I spoke before the Tariff Commission at the hearing here in Washington, my speech appearing in the Appendix of the CONGRESSIONAL RECORD, page A4292.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. DONOHUE] is recognized for 15 minutes.

TRUTH—NOT FICTION—ABOUT TIMING MECHANISMS AND OUR NATIONAL DEFENSE

Mr. DONOHUE. Mr. Speaker, I am greatly concerned about the recent attack made upon our small domestic jeweled watch industry by the importers of foreign watches. The importers have circulated a misleading statement which was placed in the CONGRESSIONAL RECORD for August 2 by the gentleman from Ohio [Mr. WAGNER].

This statement, entitled "Domestic and Foreign Production of Watches," apparently has been mailed to every jeweler in the United States, to many Government departments and agencies, and to many other persons.

While the statement is so plainly exaggerated that many readers will cast it aside, its implications are too dangerous for it to be left unchallenged.

The production of jeweled watch movements here and abroad is a subject to which I have given a great amount of study, and I have several times spoken about it on the floor of the House. Two years ago my interest was aroused by difficulties which confronted the Waltham Watch Co. of Waltham, Mass. As the congressional Representative of Waltham, I spent a great deal of time and effort in studying the problems of that company. I became aware that the problem of jeweled watch production is not merely a local question, or one of restricted importance, it is a matter in which the entire Nation has a very real stake.

The jeweled watch industry is one of the most vital industries to the national defense. Without the most accurate timekeeping devices, the Air Force, the Navy and the ground forces would be virtually impotent in modern, high-speed warfare. Recently, Mr. Hubert Howard, chairman of the Munitions Board, made the following statement in a letter to a subcommittee of the Senate Finance Committee:

> As I pointed out in my prior letter, the maintenance of a healthy watch industry is essential to the national security. In addition to the items which it alone can produce, the industry undoubtedly would be called upon for the production of other items for which it is not the sole producer. In view of this, it is our feeling that, as a matter of precaution against probable future needs, every effort should be made to prevent the dissipation of the productive capacity of the industry and to maintain it in a healthy condition.

It is a well known fact that during the last war the faciilties of our domestic jeweled watch industry were devoted 100 percent to military production. The United States Tariff Commission stated in a report in 1947 that—

> Except for the existence of established manufacturers of jeweled watches of quality, the Army and Navy could not have procured precision time instruments of the high quality, and in the large quantities and in the limited time in which they did. In any future national emergency, the Army and Navy would again almost certainly be dependent upon such manufacturers. The continued existence of facilities such as these manufacturers possess may, therefore, be regarded as essential to the maintenance of our national security.

There is no jeweled watch industry of any importance anywhere in the world except in the United States and Switzerland. In the event of war, we would be entirely dependent upon our own industry for military timepieces of all kinds, as we were during the past war. The Swiss industry is much larger, has strong support from its Government, and pays wages which are, on the average, only about 40 percent of the average wage paid by the industry in this country. The American industry has been faced with intense competition from imported Swiss movements for many years and the effects of that competition have been becoming increasingly more evident.

Today there are only three wholly domestic producers—Hamilton Watch Co., Elgin National Watch Co., and Waltham Watch Co.—and Waltham is operating on a limited scale at present. Bulova, the largest importer of Swiss movements, has facilities for manufacture of part of its products at Woodside, Long Island, N. Y. Whether it is actually manufacturing any completed movements for which no parts are imported from Switzerland, is not known. Gruen Watch Co., a large importer, has set up some facilities for the manufacture of parts for a small part of its product in Cincinnati. Gruen's chief plant is located at Bienne, Switzerland.

Before the war, the domestic industry made overtures to our Government to increase the duties on Swiss watches to a point that would give the domestic industry an equal chance in the domestic market. They have renewed these requests since the war. The importers have at all times opposed these efforts. Bulova Watch Co. has recently been less vigorous in its opposition, but a small group of other importers have fought savagely to preserve their commercial advantage.

In their many recent appearances before the Government agencies and before congressional committees, the domestic producers have tried to present facts and figures which could be supported. It has been their conviction apparently that their case can rest upon the record and the facts before any group which is willing to separate facts from fiction. The importers, on the other hand, have sought to confuse the issue by generalizations based more often than not on unsupportable assertions and deliberate misstatements. The contents of the remarks of August 2, which were circulated by the importers, represent an aggravated example of these tactics.

I have every respect for the integrity and ability of the gentleman from Ohio [Mr. WAGNER], but I question the accuracy of the statements made in the remarks to which I refer. It is not surprising that people are confused by statements of that sort, for they have been built up over a period of years for the specific purpose of muddying the water. The cleverness of this campaign does not alter the fact that it is for the most part a tissue of misstatement and exaggeration, most of which have been repeatedly exposed in other places.

It is extremely important that the Congress and the executive departments and agencies, as well as the public and the importers themselves, understand that there is here a question vital to national defense, and that it deserves better and more factual treatment than it has hitherto been accorded by the importers.

Alarmed at the fact that both the legislative and executive branches of the Government are finally beginning to realize the dangers of allowing the domestic jeweled watch industry to decline, these importers are now seeking to persuade this country that it is dangerous for the Nation to take any steps to assure that we have within our borders a strong and healthy jeweled watch industry. They seek to convince the Congress, the public, the retail jewelers, and all who will listen that it is to our national interest to continue to be dependent on a foreign country for the majority of our horological instruments. The remarks of August 2 state that the American companies are operating at a level which currently supplies less than 30 percent of the domestic peacetime market and that total capacity is only about 40 percent, and yet those remarks urge that the Government should not take steps which might gradually improve this situation. The importers' figures are assumed figures and have no real basis, for published statistics show that in 1949 the three domestic companies sold 1,860,000 watches in a market of approximately 8,700,000. This is about 21 percent, not 30 percent, of total apparent consumption. But even using the importers' incorrect figures, it is quite clear that the needs of the Nation in case of an emergency would be far in excess of its peacetime resources. The domestic industry is not even large enough now to supply the horological instruments which would be required of it by the armed services for this country alone in the event of a real emergency. It certainly could not supply the armed services, and essential civilian needs, and the needs of the other members of the United Nations. And yet we are told that it is actually against the interests of the United States to take even the mild measures proposed by the domestic manufacturers to improve our domestic source of supply. We are urged instead to rely upon a tenuous foreign source.

It is difficult to understand how such a position can be justified. An attempt was made to justify it on the ground that a contraction in the American market would result in Switzerland providing Russia with the products of its technical skill. It is said that we must keep the mechanical genius of the Swiss occupied in supplying us. This is not a threat from the Swiss themselves, it sounds more like the pronouncement of a prejudiced importer. But the argument itself indicates how uncertain our supply from Switzerland may be. If it

is true that the Swiss industry is so ready to trade with a nation unfriendly to the United States, that is all the more reason that we assure ourselves of a strong domestic industry. In all probability we should take quicker and more positive action than the domestic industry has proposed. Moreover, aside from this obvious fact that the importer's suggestion would perpetuate a dangerous situation, it is true, as these importers well know, that the greater portion of the Swiss production is already available to countries other than the United States. The United States buys roughly 30 percent of Swiss watch production.

The authors of this statement then repeat the old claim that the importers of finished movements are just as much watchmakers, and just as important to our national defense, as the companies who can actually produce timepieces in this country. They attempt to create the impression that there is no difference in the skill and training required to manufacture movements for watches and the skill required in making the case, putting the movement in the case, and other similar small operations. Nothing could be further from the truth. The skill required to produce in volume the extremely small parts of a movement, to tolerances in some cases as close as one part in ten thousand is not found anywhere but in the organizations of watch movement manufacturers. The fact is that although movements for military timepieces were badly needed during the war no assembler ever made such a movement, with the exception of Bulova Watch Co. Bulova supplied a very small percentage of two out of ten military items. All the remainder were made by the Hamilton, Elgin, and Waltham companies.

I have not overlooked the fact that some of the assemblers produced less intricate military items, and in large quantities, especially mechanical time fuzes. They made a substantial contribution in these fields. But other industries also produced and can again produce the same items, while no other industry has produced or can produce timepieces.

Moreover, the suggestion that the importers participated in the war effort to an extent equal to that of the domestic producers is intolerable. The importers in general grew fat on commercial business during the war by selling imported Swiss movements, while Hamilton, Elgin, and Waltham were virtually out of the commercial market because they were devoting 100 percent of their efforts to military production. For example, a report on the Gruen Watch Co., of Cincinnati, prepared by Shields & Co., an investment house, on July 3, 1945, stated:

> The company was also called upon to undertake some precision-instrument work for the Government but such business has been relatively small, never exceeding 10 percent of sales, and because of the low margin basis on which these war contracts were accepted, the contribution to net profits from this source was less than 1 percent. War work is expected to be finished during the next 60 days, so that the company can thenceforth concentrate exclusively on regular business.
>
> The company faces no reconversion problems. Only $50,000 of special war equipment is owned, and this will shortly be sold. Moreover, no large outlays are believed to be required for plant expansion for this will mainly involve new equipment and more labor than additional plant construction.

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The importers did war work, but they also had and seized the opportunity to take over an additional share of the commercial market formerly supplied by the domestic industry. Many of the importers first went into business on the strength of the war-created shortage of watches. I have no objection of giving the importers whatever credit may be due, but because of these facts, I especially dislike their dangerous and misleading efforts to underplay the vital wartime importance of the skill of our domestic-movement industry.

These same facts lead me to resent the crocodile tears which these importers are shedding over the American consumer. The importers know that the American producers have asked the Trade Agreements Committee to increase existing duties by a maximum of $1.37. But to alarm consumers, they state without mentioning the figure, that this would greatly increase the retail cost of watches and even say that it would create a void or scarcity of watches. As far as price is concerned, the brand name importers probably could absorb this increase and still retain a substantial cost advantage over the American producer. As for the suggestion that such an increase in duty would exclude foreign-made movements in the face of our domestic demand for watches, the idea would be laughable under other circumstances. The importers well know that from 1930 to 1935 when the rates in question were at approximately the level which the domestic producers are now seeking, there was no shortage of imported watches.

The increases in retail price charged by many importers during the last war showed how little they are concerned about consumers. They also show how little the domestic industry is asking in comparison with what the importers will take whenever the opportunity arises. In October of 1938, a popular ladies' model, with bracelet, sold to the consumer at $42.50. The same watch in July of 1943 sold for $57.50. This watch was in the line of one of the largest and most firmly entrenched importers. The smaller, less known, importers took advantage of the situation to an even greater extent. As illustrative of what happened, a ladies' 17-jewel movement in a rolled-gold plate case having a steel back and cord attachment, which in 1937 sold to the consumer at $22.75, sold in 1944, without tax, for $33.75. Again, in 1937, a ladies' 7-jewel movement, with a rolled-gold plate case and cord combination, was selling at $17.74 retail. It sold in 1944, without tax, at $24.75.

Direct increases in prices were not the only means employed in obtaining larger margins of profit by the Swiss importer. Some of the larger importers limited purchases by retail jewelers to 25 percent in the lower price brackets, thereby forcing them to accept 75 percent of their orders in the consumer price bracket of $33.75 and over on which the importer generally enjoyed a larger profit. In some instances, too, the consumer price remained the same, but the retailer's mark-up was reduced.

But there were further increases. As of September 2, 1943, the Office of Price Administration authorized an increase in the ceiling prices of "assemblers of watches containing imported movements." Under the authorization, the assembler, in the case of watches identical to those sold prior to August 23, 1943, simply added to his price the increase, over March of 1942, in the landed cost of the movement. On new items, he totaled movement cost, case cost, and assembling cost; took the percentage mark-up over cost of the most nearly comparable watch he sold prior to August 23, 1943; and applied that percentage mark-up to the new unit. The Swiss superholding trust raised the prices of the Swiss manufacturers, and the increases, in turn, could be passed on to the United States consumer with OPA permission, whereas, the prices of American manufacturers were frozen. Under this system, both Swiss manufacturer and American importer had no difficulty in bettering their financial situation. The only limit was what the traffic would bear. Thus all importers and the Swiss producers profited, at the expense of American consumers.

In their efforts to enlist the aid of workers in the jewelry trade, these importers advance another distorted argument, accompanied by a misstatement of fact. They say that a reduction of Swiss imports would imperil the jobs of thousands of American workers. They make no mention of the fact, which they know, that between February and June of this year approximately 2,000 workers had to be laid off at the plants of Hamilton and Elgin, or of the fact that while Waltham was closed, there were 4,000 fewer people engaged in producing watch movements in the country than on December 31, 1948. The effect of cheaper imports in putting these people out of work is of no concern to the importers. They seek only to alarm those who deal directly or indirectly with importers.

The statement that assemblers using Swiss movements, "in fact are the larger part of the industry," appears to be a deliberate distortion on the part of the importers. It was said that some 45,000 workers are engaged in the "production of American assembled watches." The assertion that there are "several thousand workers" on Time Hill, the home of Gruen Watch Co., in Cincinnati, is a fair measure of the accuracy of this claim. Best available estimates place Gruen's employment there in the neighborhood of five or six hundred employees, certainly less than one thousand. The reckless use of such figures is absolutely regrettable. To reach a total of 45,000, the importers would have to include not only employees engaged in placing imported movements in cases, of which there are probable not more than 1,000 all told, but those persons engaged in the manufacture of watch cases, straps and metal bracelets, boxes and cartons for shipments, plus approximately 40,000 clerks in the jewelry

stores. The domestic manufacturers have repeatedly pointed out that those who make cases, bracelets, straps and boxes and cartons for the importers, can and do furnish the same items to the domestic industry. Every watch requires these accessories whether it contains a Swiss or American made movement. They have also pointed out that the employees of the jewelry stores will still be selling watches whether they contain American or Swiss made movements. It is an obvious fact that substantially every job performed in connection with an imported watch must also be performed on a domestic watch. Yet, the importers continue to peddle their propaganda about the displacement of 45,000 American workers in hope of persuading the retail jewelers and the manufacturers of accessories that the requests of the American manufacturers would result in their unemployment.

The treatment accorded the question of comparative costs is typical of the importers. The contention is that the importers have no substantial advantage. It was stated that the average cost of American made movements is about $10 and that the importer's cost, plus duty is about $10. The importers have no basis for the suggestion that $10 is the average cost of an American movement and have never furnished any figures to prove the average costs of imported movements after duty. Until such figures are made available in authentic fashion we have only the general information published by the United States Tariff Commission that the average cost of imported movements containing 7 to 15 jewels was $4.87 in 1949 and that the average cost of imported movements containing 16 or 17 jewels was $6.17. The average duty is approximately $2.10. A pound of watch movements can be shipped by air from Geneva to New York for about $1.20 and, on smaller sizes, 100 movements weigh considerably less than a pound. Consequently virtually no transportation charge is involved.

The problem of costs, although a complicated one, can be established by proper study and accurate figures. Until it is approached on this basis, no heed should be paid to confusing generalizations. The importer's argument requires convincing proof, for it is unreasonable on its face. The duties on watch movements were designed to equalize costs in 1930. Under the trade agreement with Switzerland, they were reduced by over 30 percent in 1936. Subsequently the Swiss devalued their franc by about 30 percent, and the United States had a period of inflation which exceeded the inflation in Switzerland. It is hardly likely that rates which have been so whittled down are now adequate to anywhere near equalize costs.

The State Department has announced that the Swiss trade agreement will be terminated in February of 1951, unless by October 15 of this year the Swiss agree to inclusion of a standard escape clause. This action came after the trade agreements committee had carefully considered evidence on behalf of the importers and the domestic industry—and that committee does not make such recommendation lightly. It is certainly to be expected that the Swiss will agree to such a clause, since termination of the agreement would automatically place in effect the higher 1930 rates. The escape clause procedure is cumbersome and protracted, and the Swiss would naturally hope that they and the importers can stymie any efforts of the American industry to obtain relief under such a clause.

There will be concerted effort by the importers and the Swiss to defeat everything the small American industry can do. I for one believe that the best solution for all parties is to realize that we do not wish to exclude Swiss imports, but that it is necessary to make sure, beyond doubt, that we have a strong jeweled watch industry in this country, as an essential part of our national defense system, and to proceed in accordance with this purpose. If it is true that the importers have no advantage—that movements can be as cheaply made in this country—then let some of the importers become domestic manufacturers, if they will, as Bulova is doing. The domestic industry has always said that this is what the industry needs, and it most assuredly would be best for the country, especially now when we are engaged in a struggle for the very survival of America.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. MILLS). Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements, excerpts, and other extraneous matter.)

RUMELY THE FASCIST ATTEMPTING TO MOLD PUBLIC OPINION

Mr. PATMAN. Mr. Speaker, I rise to warn the American people and the Congress of the United States about a man, an evil man, and an evil institution he directs. This man constitutes as grave a threat to the well-being and security of the United States as any Communist within our borders, yet he is no Communist.

He does use their tactics; for example, the constant repetition of the big lie. He defies the constitutional authority of the House of Representatives just as the Communists have consistently done. He is as fraudulent as they are. He is at least as arrogant. He wraps himself up in the cloak of our Constitution, and he assumes a super-duper patriotism. He pretends to be a defender of our freedom. Actually he would destroy it.

Gentlemen, this man and the organization he runs aim to spread confusion and dissension among the American people as would any Communist individual or organization.

In years past I warned you about this man and his sinister purpose. I told you who Ed Rumely was. He was an American Fascist, plain and unadulterated, when I first revealed his un-American activities in 1944. Ed Rumely is the same plain, unadulterated native Fascist today, and his committee for a Fascist government in the United States, alias the Committee for Constitutional Government, is up to its old tricks of trying to fool all the people all the time on legislative matters of vital importance to the people of this Nation.

Gentlemen, I have used strong words. When you have the facts to back up these strong words, you owe it to the Nation to employ them to throw a revealing spotlight on this man and his outfit who pretend to defend our Constitution.

Before I finish my remarks today, I shall call upon the Republican Members of this House to publicly denounce Ed Rumely, the notorious ex-convict—I will give details of his criminal past later in my remarks—posing as a hip, hip, hooray patriot, and thus cleanse the Republican Party of a strange kinship with him. I shall not expect them to denounce him until I present my facts. Rumely and his committee for a Fascist Government in the United States have deceived a vast number of innocent and good people, including a large number of my honored Republican colleagues.

Rumely and his Committee for a Fascist government in the United States have fooled a considerable number of ministers of God and school teachers and small-business men and decent, ordinary citizens who do not know the background of this exconvict and who do not know the real objective of his fascistic committee.

WHAT IS A FASCIST AND FASCISM?

Now, the word Fascist, like the word Communist, has been bandied about rather loosely in recent years. Ed Rumely and his crowd would call anyone a Communist who voted for any legislation designed to aid the general public. The Daily Worker would call anyone who disagreed with the Moscow Party line a Fascist.

I will tell you precisely what I mean by Fascist and fascism, and in the course of my remarks you will learn that Ed Rumely and his extreme, reactionary committee fit the descriptions.

Just what is a Fascist? A Fascist is a man who is totally and absolutely antidemocratic. A Fascist is a man who in reality does not believe in the rights of man. A Fascist is a man who, ignoring all human rights, worships property rights and power. Such were the kind of men who put Hitler into power, and before Hitler, Mussolini.

Just what is fascism? The late, renowned Heywood Broun called it a "dictatorship from the extreme right, a government which is run by a small group of large industrialists and financial lords. The mere presence of the Supreme Court, a House of Representatives, a Senate, and a President would not be sufficient protection against the utter centralization of power in the hands of a few men who might hold no office at all."

Fascism cynically denies the ability of the people to govern themselves through their own chosen representatives. Under fascism, as under communism, the individual is a vassal of the state. Under fascism, the rich get richer and the poor, more downtrodden. Under fascism, monopolies are handed over to the chosen few in the government hierarchy. Under fascism, labor unions are used to suppress labor. Under fascism, taxation

is not based upon ability to pay; the tax load is thrown upon those least able to pay while the rich are encouraged to become wealthier. Under fascism, any forward-looking legislation such as social security, soil conservation, veterans benefits, public housing, national-health insurance—all such legislation is ridiculed and dubbed socialism or communism.

Under fascism, just as under communism, religion is ridiculed, because the individual would look to a higher power than the state. The state cannot tolerate people looking to any power higher than itself.

Gentleman, practically every piece of propaganda turned out the past decade or more—running into tens of millions of copies of speeches, articles, and statements—from Ed Rumely's phony constitutional committee has been saturated with the obnoxious odor of fascistic bias. This propaganda, if we examine a single item, would not necessarily prove fascistic, but when you add all of the material together, you cannot escape the fact that what Ed Rumely and his committee are trying to perpetrate upon the American people is a violently reactionary government, which adds up to the Fascist state.

Let me repeat that: A single item from Ed Rumely's propaganda machine may or may not be fascistic, but through the years, adding all the component parts, he and his committee spell but one thing for America: fascism.

HOW A FASCIST PROPAGANDA MILL OPERATES

Millions of dollars have been collected by Rumely to run his propaganda mill. In 1944 his committee issued a pamphlet which contains the following statement:

In mobilizing and educating public opinion on constitutional issues, the committee has sent out since 1937:

Eighty-two million pieces of literature—booklets, pamphlets, reprints of editorials and articles, specially addressed letters, and 760,000 books.

More than 10,000 transcriptions, carrying 15-minute radio talks on national issues, besides frequent national hook-ups for representatives of the committee.

Three hundred and fifty thousand telegrams to citizens to arouse them to action on great issues.

Many thousands of releases to daily and weekly newspapers.

Rumely's auditor reported that in 1943 26,456,636 pieces of literature were printed. In lobbying reports on file with the Clerk of the House of Representatives, the Fascistic Committee for Constitutional Government lists the following expenditures:

1946	$216,575.39
1947	460,908.11
1948	450,000.63
1949	620,632.07
First 6 months (1950)	517,580.19

The Select Committee on Lobbying Activities discovered a subterfuge designed by Rumely's conniving brain to avoid revealing the source of large contributions from millionaires. The Committee for a Fascist Government, alias Committee for Constitutional Government, and its phony front organizations—such as Fighters for Freedom, America's Future, and the Constitution and Free Enterprise Foundation (note the patriotic names Rumely gives his enterprises)—print and distribute books, produce radio shows, and feed propaganda generally. Rumely, incidentally, gets a 4-percent commission (above $16,000 sales) on every book sold.

By law, the names of all contributors of $500 or more must be reported under the Lobbying Act. So Rumely calls money sent to him "contributions" only if it is less than $490. These contributions are used to distribute Rumely's propaganda booklets and to pay for his office overhead. If you send in more than $490, he will take it, but he will not call it a "contribution" even though you do. He uses it to finance the distribution of his books, just as he uses the small contributions, but this time he calls it a sale of books. He may or may not use it to pay office overhead, too. The Lobbying Committee could not find that out because he refused to give a constitutionally established committee of the United States Congress information that it was legally authorized to obtain.

Usually the purchaser of Rumely's "bunkum" does not know where the books, pamphlets, and other fascistic material are sent. Sometimes Rumely asks the mass purchaser to signify what schools and universities he would like to saturate with his poison. Very often the sucker complies.

The sale of books and literature operation has another purpose to the so-called Committee for Constitutional Government besides hiding the identity of its financial backers. It has been used as an inducement for individuals and corporations to supply the CCG with funds on the basis of a tax benefit to the purchaser—donor. The 1944 leaflet soliciting book purchases and direct contributions contains this statement:

It is legal for corporation funds to be expended for the purchase of literature to educate employees, or the public, as to necessity for preserving those constitutional principles of law and order upon which the successful maintenance of free enterprise and the corporate activities of all stockholders depend.

RUMELY THE FRAUD

Earlier in my remarks, I said that the former inmate of a United States jail, Ed Rumely, was a fraud. The subterfuges I have just presented to you show that I was not exaggerating. Here is some more proof.

Rumely says that his Committee for Constitutional Government is an "educational institution," and that he is really a publisher as well as an educator. My esteemed colleague, the gentleman from California, CLYDE DOYLE, a member of the House Select Committee on Lobbying Activities, gave the lie to this one. Said the gentleman from California [Mr. DOYLE]:

The Committee for Constitutional Government is one of the heaviest spending lobbying groups on record. It has reported spending over $2,000,000 since the Lobbying Act went into effect, and yet has never revealed the identity of its big financial supporters.

From time to time this organization has described itself as an ordinary commercial publisher. This lobbying organization differs from commercial publishers in many respects, some of which are:

1. A commercial publisher takes the normal risks of operating a private business—he does not beg the public for money to help him carry on.

2. A commercial publisher expects to pay income tax on his receipts—he does not seek tax exemption.

3. A commercial publisher is in business for profit; he is not primarily an advocate. He does not constantly grind out pamphlets, leaflets, books, etc., which present only one side of the subject.

4. A commercial publisher does not couple his publishing activities with incessant appeals to the citizenry to bring pressure to bear on Members of Congress in order to influence legislation.

The commercial publishers of the United States are not governed by the Federal Lobbying Act in any way, and need not file reports under it. They are not attempting to influence legislation; they are attempting to make money. They should not be confused by attempts of out-and-out lobbying organizations to conceal their activities from Congress and the public.

The Committee for the Constitutional Government has also attempted to liken itself to educational institutions; but it ignores the following facts:

1. An educational institution does not spend millions of dollars in pamphleteering campaigns designed to influence congressional action on legislation.

2. An educational institution does not engage in a constant campaign for funds to carry on lobbying activities.

3. An educational institution does not couple its activities with incessant appeals to the citizenry to bring pressure to bear on Members of Congress in order to influence legislation.

4. An educational institution presents both sides of the question in an objective fashion for appraisal. It does not continually present only one viewpoint on each issue it considers.

Considering all the aforementioned we can reach but one conclusion: Edward A. Rumely is not an educator. He is not a publisher.

Mr. Speaker, I agree with Congressman DOYLE. Rumely is a plain fraud, an ex-convict, a poisoner of the American brain. He is an illegitimate defender of the Constitution. He is a disseminator of the big lie. He is completely antidemocratic and antisocial. He would destroy America's freedom. He would make the rich richer; the poor poorer. He is the willing and paid agent of the most selfish and short-sighted wealthy individuals in America. He is a spreader of confusion and dissension among our people, but he is no publisher or educator.

INTERNAL REVENUE MOVES INTO CCG

The Bureau of Internal Revenue got wise to Rumely's fraud and ruled that CCG was not an educational institution and was, therefore, not entitled to a tax-exempt status and that contributions to it were not tax-exempt.

So the long-time conspirator, Rumely, figuring out another way to fleece Uncle Sam, came up with his ingenious device to make it profitable taxwise for the simple-minded fat cats to give their silly money to CCG. The amount involved in applying this device is not held to $490; it is unlimited. The purchasers of the books and pamphlets donate the con-man Rumely's propaganda to

churches and universities for distribution and thus enjoy an income-tax exemption based upon such donations.

Rumely makes all the arrangements and handles all the money although Sumner Gerard is officially the treasurer or agent. The fat cat gets his tax exemption, and hoaxed schools and churches distribute the malicious misinformation and half-truths to students, teachers, and church members. As an example of how this deceitful man operates, I quote from a letter sent out in the fall of 1947 by CCG:

If you have not yet used up your 15-percent tax-deductible allowance, or if your company has not yet used its 5 percent of net allowance for educational and philanthropic work, make a contribution to colleges to distribute this book. Presidents of schools have asked for 65,000 copies, which we will supply as soon as donors have been found. For this special purpose, make your check payable to Sumner Gerard, agent. Mr. Gerad will earmark and make the funds available to colleges for purchase of Norton books. Committee for Constitutional Government, Inc.

The Norton book just mentioned is called the Constitution of the United States, Its Sources and Applications. The book takes each clause of the Constitution and slyly interprets it, emphasizing above everything else the property-rights twist. It makes freedom and property rights synonymous. It makes Government appear to be a great encroachment on the people if property rights are in any way regulated through, for example, taxation for the general welfare. The book fails completely to take into consideration constitutional law since 1932. This is the book that Ed Rumely sends to schools and colleges today to disseminate information about the Constitution of the United States.

Incidentally, at least two the direct fronts of the Committee for Constitutional Government—America's Future and the Constitution and Free Enterprise Foundation—enjoy tax deductibility status. I am calling this matter to the attention of the Justice and Treasury Departments.

RUMELY, CCG, AND THE BIG LIE TECHNIQUE

The big lie that Ed Rumely spews, hoping that by repeating it the people will come to believe it truth, is that everything that has happened in America since the advent of Franklin D. Roosevelt is socialistic and communistic, and he does not differentiate between New Dealism, the Truman Fair Deal, socialism, or communism—this cruel untruth in spite of the fact that one major corporation in America last year made $600,000,000 net after all taxes. Rumely would have the people believe that white is black and black is white. He tries to frighten people with scare words. He is against rheumatism, socialism, communism. Well who is not?

But let us see what he means by socialism or communism. Ed Rumely and his committee, which consistently through the years has worked against the best interests of the people of the United States, have fought, when badly needed, all rent control and low-rent and veterans' housing bills. Such measures he calls socialistic or communistic. He tried to do away with the income tax on high-bracket incomes.

"SOCIALISM—COMMUNISM"

He fought labor's magna carta, the Wagner Act, using the same scare words: "Socialism — communism." Rumely wants labor to believe that unions are against their own interests, that the Taft-Hartley law is the finest thing that ever happened to labor. He tries to make people who are benefited by the minimum-wage law believe that those who favor such legislation are plotting to undermine the country and make them unemployed. The minimum-wage law is dubbed socialistic or communistic.

And so, too, every other forward-looking measure part and parcel of the Roosevelt and Truman programs. Day in, day out, year in, year out, he seeks to divide the country, to make the farmer believe that anything that benefits labor will work against the farmer and vice versa. Those measures designed to help the people are socialistic or communistic, and those who espouse such measures are Socialists, Communists, or planners and fellow travelers.

Gentlemen, if this renegade, Rumely, had his way and could succeed in abolishing all of our social legislation passed since 1933 under Roosevelt and Truman, we would have complete anarchy in America. We would have what the Communists pray for—revolution in America.

ATTENTION, SUPPORTERS OF CCG

I am speaking to you today, hoping that my remarks will somehow get back to those unthinking, irrational millionaire suckers who are counting upon Ed Rumely and his ilk to save their America. I hope these foolish men wise up and dry up their contributions. I hope that they will come to understand that the way to defeat communism, which they fear and we deplore, is to make America a country worth while living in for all of our citizens, not alone for a favored few. These men, for their own self-interest, should have enough sense to learn before it is too late that only anarchy and disillusionment and hatred of all kinds among classes and religious groups and races would be the order of the day if the spider Rumely were successful in wooing enough flies into his fascistic web. That web is the so-called Committee for Constitutional Government and its Rumely-spawned phony, patriotic-front organizations.

RUMELY, CCG, AND HIS REPUBLICAN FRIENDS

Now, earlier in my remarks I said that I would call upon my esteemed Republican colleagues to denounce publicly Ed Rumely and his personal un-American activities committee alias Committee for Constitutional Government. I stated that in this manner they could cleanse the Republican Party of a strange kinship with him. The House Select Committee on Lobbying Activities unearthed some letters which indicate this strange kinship. Let me give you chapter and verse.

Ed Rumely wrote a letter to Mr. R. B. Dresser of Edwards & Angel, 15 Westminster Street, Providence, R. I. I will not bother you with the full content of the letter. A few lines will certify the point that I wish to make. Mr. R. B. Dresser, incidentally, was a delegate to the 1944 and 1948 Republican Presidential conventions for milk-of-human-kindness ROBERT TAFT.

Wrote Ed Rumely to Dresser:

The committee spent almost $10,000 last June going back home to stir up support for killing the rent-control bill in committee. I did this on the urging of Chicago real-estate men.

Further on, Rumely complains to the Taft delegate:

The real-estate people do not realize first that it takes money to fight a battle against union pressure with its vast treasuries, and second that they cannot expect individual small contributors to put up the funds needed for an effective campaign. When rent control and public housing come up in Congress at least 500,000, or preferably 700,000 or 800,000, people should be reached with literature and as many as possible aroused to speak up.

You see, Rumely, the constitutional authority, was really interesting in killing rent control and public housing to eliminate slums rather than in being what he claims to be, the great defender of American liberty and the Constitution. Dresser, bear in mind, is part and parcel of Rumely's gang.

Dresser is appropriately the author of the brief in favor of the constitutional tax amendment, widely circulated by Rumely, which calls for limitation of the power of Congress to tax upper-bracket incomes and to dispense with inheritance and estate taxes. Dresser is just as appropriately a board member of the National Association of Manufacturers. During the depression he was a stanch advocate of apple peddling. On August 22, 1950, the Republican Providence Journal quoted from a lengthy letter written by this same Dresser to Guy Gabrielson and all members of the Republican National Committee. According to the Providence Journal, in his statement to the Republican National Committee, he admits quoting from the long-time hate-monger Joseph P. Kamp, who at the present moment is residing in a Federal jail for contempt of Congress.

At the present moment, Robert Dresser, one of Rumely's chief lieutenants, is busy rendering counsel and financial support to the lost cause of trying to elect the Republican Austin Levy to the United States Senate.

Now let me quote from a telegram signed by patriarch Lammot du Pont, one of the most unreconstructed Tories in America, who has not learned that, if you do not throw a bone to a hungry dog, the dog might bite you. Mr. du Pont is one of the principal donors to any and all reactionary causes, including the lost cause of the GOP. Wires Mr. du Pont to a host of big corporation executives:

Last year we had other Delaware citizens helped finance America's future. * * * Treasury ruled gifts deductible. Please make your company's check payable America's Future, Inc., care of William J. Laird, Wilmington Trust Co.

America's Future is one of Ed Rumely's phony front organizations.

THE THIN ODOR OF PEW AND OTHERS

Mr. J. Howard Pew, one of the principal owners and operators of the Grand Old Party, who for nearly two decades has thrown vast sums away in 48 States and nationally for the lost cause of the GOP, also worked hard sending telegrams for Rumely's front organization, America's Future.

Now, let us take a look at the ex-convict's stationery for his Committee for Constitutional Government. Partial list of Advisory Board:

Edward H. Moore, Tulsa, Okla.—Ed Moore was a one-term Republican Senator who thought that the Congress of the United States operated exclusively for millionaires.

Frank E. Gannett, Rochester, N. Y.—This New York publisher ran for the Vice Presidential nomination several times. Even the old-guard wing of the GOP could not stomach this Fascist-minded gentleman.

Louis J. Taber, Columbus, Ohio.—An alleged farm leader whose advice to farmers has long been that of a glassy-eyed banker. Taber was a Hoover farm adviser, and you remember what happened to the farmers under the administration of the great engineer.

J. H. Gipson, Caldwell, Iowa.—State Director, Republican State Advisory Committee, in 1945.

O. R. McGuire, Washington, D. C.—Was counsel for the National Association of Property Owners and Taxpayers, an arch-Republican outfit.

Mrs. Henry Doorly, Omaha, Nebr.—Her husband owns and operates the Omaha World Herald that is so fiendishly Republican it frequently makes Colonel McCormick's Chicago Tribune look like a pro-administration newspaper by comparison.

And so on down the list it goes so far as Rumely's advisory board is concerned.

Now, it is a well-known fact that most upper-income people, particularly corporation heads and monopoly chieftains, are Republicans. Let me quote from a letter, signed by Rumely, written to a Member of Congress:

Attached hereto a booklet, Suggestions, by Robert B. Dresser, one of our trustees, of which the first 60,000 are going into circulation currently. One of our trustees, Harvery Fruehauf, is sending 6,600 copies to his stockholders, writing them, urging them to speak up to Congress. He is also writing to corporation presidents urging them to distribute this to their stockholders.

Last spring the trustees voted to begin a long-range program of education on the tax issue. A copy of the resolution is enclosed. We distributed several hundred thousand Would You Like To Double Your Income? last spring and arranged in selected districts to have friends of the committee enlist 20 to 30 leading individuals to write to their Representatives.

The Harvey Fruehauf mentioned above is the wealthy trailer manufacturer on Rumely's advisory board who spends a fortune on lost causes, including the GOP. I cited the afore-mentioned letter because it shows how stockholders are fooled by such moral deviates as Rumely and his venal henchmen. Now, let me quote from a letter written to Mr. Fruehauf on November 19, 1948, signed by Ed Rumely:

As we are asking you to write to the 17,000 corporation presidents, we asked Ed Hutton to write to 20,000 individuals worth $500,000 to $1,000,000 and over. Copy of his letter is attached. * * *

If you care to, you might say "This committee is in on way political. If it were, I would not support it * * * but it does try to shield public officials regardless of party from the revenge tactics of the rulers of labor monopolies. It distributes to the public nonpartisan educational material on vital constitutional and free-enterprise issues that are under consideration."

I do hope that we can have on Monday your O. K. for your letter is the only good key that we have to open the door to the most important group that we must reach immediately.

Parenthetically, I shall add that Mr. Edward F. Hutton, 61 Broadway, New York, N. Y., is the principal partner of E. F. Hutton & Co., one of the largest Wall Street brokerage houses. He also finances lost causes such as the GOP.

FIGHTERS FOR FREEDOM GROUP

Now I want to quote from a long letter, dated October 7, 1949, from Ed Rumely to former Republican Senator Albert Hawkes, who at one time was president of the United States Chamber of Commerce.

Your telephone call was a source of great encouragement.

A grass roots organization across the Nation is a major job which the committee could not undertake except for its 12-year-long background. During this period we have accumulated a list of about 75,000 who have given financial support aggregating a total of $5,500,000. Mainly, these same supporters have projected America's future, contributing to it an additional $1,000,000.

During the last 8 months we have been carefully, step by step, preparing the Fighters for Freedom movement.

Now, if I have been derelict in explaining to the Congress the tie-up between Ed Rumely and some principal owners and operators of the most reactionary elements of the GOP, then I must apologize for what I said earlier in my speech about the strange kinship between the ex-convict and the Republican Party. Can it be said the Republicans will never turn their backs on Rumely?

I do wish to call to my esteemed Republican colleagues' attention something that has disturbed me and a great many churchgoers in the United States. Many of these church members are Republicans. This cancer on the American body politic, Rumely, and the coterie of blind Tories that support him are sending out across the Nation a book written by a psychopath named John T. Flynn. The book, The Road Ahead, has been called by America, the liberal Catholic magazine, the road to nowhere. Flynn proves in his book the big lie that Roosevelt, Truman, the Fair Deal, the New Deal, socialism, communism are indistinguishable.

RUMELY, CCG, JOHN T. FLYNN, AND THE "KINGDOM OF GOD" OFFEND PROTESTANTS

In this book Rumely distributes by the hundreds of thousands is a chapter called The Kingdom of God. I will quote from this chapter because I do not believe that the Republican Party wishes deliberately to offend the great mass of churchgoers in America. If they do not wish to do this, then the Republican Tories who keep Rumely going had better see that he at least eliminates part of chapter 10 before he mails it out so promiscuously and the Republicans endorse it so enthusiastically.

There is an organization known as the Federal Council of Churches of Christ in America. Its constituent members are 25 Protestant denominations in America. These denominations claim to represent 142,354 local congregations with a membership of 27,000,000 Christian men and women and youth. This organization is governed by about 450 representatives—delegates from the constituent denominations. But the actual directing body is an executive committee of 80 members.

What the political and social views of these 80 members may be I do not know. But I do know that this powerful Council issues periodicals, pamphlets, books, and booklets and sends out preachers to preach the gospel, and that it is by all odds the most powerful apparatus in existence for propaganda among the Christian laity of America. And I know moreover, and assert, that many of the men most powerful in directing its affairs are using its machinery to promote the interests of a Socialist revolution in America.

A postal card soliciting bulk purchases of The Road Ahead says:

If you and others help distribute to millions this eye-opening book, they will see the perils ahead and reverse our movement into socialism.

Mr. John T. Flynn must enjoy poking into hornets' nests—and his buddy, Ed Rumely, too—because right now the most important single Protestant church organization in America is after them for spreading such lying propaganda as I have just quoted.

In America it is an accepted practice for political demogogues and crackbrained authors to malign their Government. But when two of such like Ed Rumely and John T. Flynn malign the Federal Council of Churches of Christ in America, our greatest Protestant organization, they may have started something they had not reckoned with. They may have cast the rope that will hang both of them.

I call this to the attention of my esteemed Republican colleagues so that they will not be led to the same scaffold.

RELIGIOUS INTOLERANCE

Speaking as a Baptist, I would be guilty of religious intolerance were I to denounce the Catholic Church. There is no danger of my doing so. I detest bigots. I risked my life to vigorously oppose and condemn the KKK at a time when the Klan was riding high, but speaking as a Protestant, I resent the Catholic John T. Flynn's denouncing leading, world-renowned members of the Protestant Church, and furthermore I condemn vigorously the distribution of such false propaganda in the Protestant homes and Protestant churches throughout the United States as contained in the book "The Road Ahead."

RUMELY, PHONY DEFENDER OF CONSTITUTION, DEFIES CONGRESS

Consistently through the years this ex-convict, who has long been a Fascist, says one thing in his propaganda while acting precisely contrary to it. For example, while this subversive character, Rumely, pretends to laud the Congress and is forever expressing fear that its

power is being diminished, he is contemptuous, in reality, of not only the Members who are wise to him and expose him, but of those who serve him. While he pretends to be the great defender of the people's liberty and their Constitution, he makes a practice of defying the people's constitutional representatives in the Congress whenever they hail him before a duly constituted congressional authority to find out what he is doing and who is paying his bills.

The contrast between his propaganda and his actions will show you precisely what I mean. His Committee for a Fascist Government, alias Committee for Constitutional Government, put out a pamphlet called "Needed Now: Capacity for Leadership, Courage To Lead," which contained the following words:

> The one agency of our Government in Washington that is close to the people is Congress. It is the people's champion. * * * Whatever diminishes the authority of Congress impairs the security of your liberty.

Now let's check those words against Ed Rumely's deeds. Let us see who would contemptuously impair the authority of the Congress.

In 1938 the United States Senate set up a special committee to investigate lobbying activities—the Minton committee, headed by the present Supreme Court Justice—and empowered it to "make a full and complete investigation of all lobbying activities and all efforts to influence, encourage, promote, or retard legislation, directly or indirectly, * * * and to require by subpena or otherwise the attendance of such witnesses and production of such correspondence, books, papers, and documents, * * * as it deems advisable." In spite of Rumely's great love for the Constitution and insistence on maintaining the powers of Congress, he refused to comply with the committee's subpena, which required him to furnish the committee with certain specific information. He was later indicted for his refusal to comply with the subpena.

Again, in 1944, the House of Representatives set up a committee to investigate campaign expenditures, known as the Anderson Campaign Expenditures Committee. This committee was to determine who was financing certain political activities. The committee requested, by subpena, that Rumely furnish it with the names of persons who contributed more than $100 to the Committee for Constitutional Government. Again Rumely, after trying to evade the issue, categorically declined to comply with the subpena. Again he was indicted, but managed to escape punishment for his unlawful conduct.

Among other reasons given by Rumely for refusing to supply the information requested was:

> We felt all the information we gave you would be misused (p. 480, hearings).

The committee was a duly authorized committee of the United States House of Representatives. Despite Rumely's pious words toward Congress, in practice his real attitude was expressed in the words I have just quoted.

In view of the action taken by the Buchanan Lobby Investigating Committee on Saturday, August 26, 1950, recommending that the Congress cite Ed Rumely for contempt, I deem it essential to quote at this time from the 1944 record of the Anderson Campaign Expenditures Committee hearing. After that I will show from personal experience that the ex-convict Rumely lied at that hearing. This will also show how contemptuous he is of Congress, the constitutional legislative body elected by the people.

This year he lied and arrogantly employed the same tactics before the Buchanan Lobby Investigating Committee, as I shall prove. But, first, here is a section of the Anderson committee hearing:

> The CHAIRMAN. Dr. Rumely, you are executive secretary of the Committee for Constitutional Government, Inc.?
>
> Mr. RUMELY. I am.
>
> The CHAIRMAN. Did you receive a subpena dated September 18 from a messenger of the House of Representatives?
>
> Mr. RUMELY. I did.
>
> The CHAIRMAN. Asking you to appear on September 25 at 10 a. m.
>
> Mr. RUMELY. I did.
>
> The CHAIRMAN. And asking you to produce and bring with you the books, papers, records, and documents of the Committee for Constitutional Government, Inc., under the laws of the District of Columbia, showing the name and address of each person, partnership, committee, association, corporation, and any other organization or group of persons who has made a contribution to or for such Committee for Constitutional Government, in one or more items of the aggregate amount or value, within the calendar year 1944, of $100 or more, together with the amount and date of such contribution.
>
> Mr. RUMELY. I did
>
> The CHAIRMAN. You received that subpena?
>
> Mr. RUMELY. I did.
>
> The CHAIRMAN. Have you brought with you the books, papers, and documents called for under the subpena?
>
> Mr. RUMELY. No.
>
> The CHAIRMAN. Do you intend to produce such books, papers, and so on?
>
> Mr. RUMELY. No.
>
> The CHAIRMAN. Are they under your control and jurisdiction?
>
> Mr. RUMELY. Under my sole control so long as I am executive secretary.
>
> The CHAIRMAN. Doctor, in view of the specific order, the committee hereby demands from you these books, papers, records, and documents; and your reply is * * *.
>
> Mr. RUMELY. I will not produce them.
>
> The CHAIRMAN. Thank you. That is all.

RUMELY, CCG "NONPOLITICAL"

Now, gentlemen, Rumely claimed that one of his reasons for not complying with the terms of the subpena was that his outfit the Committee for Constitutional Government, was nonpolitical. Before the Buchanan committee he claimed that he was an educator and a publisher even though he was registered as a lobbyist, as he put it, "under protest."

Let us see how nonpolitical this Fascist really is and has been. On September 21, 1944, the Fascist-minded millionaire publisher, Frank Gannett, who put up Rumely's first money for CCG, addressed a letter to the press and the Members of Congress in which he tried to explain why CCG would not comply with the subpena. He said:

> We believe that our committee has the right to advocate a philosophy of government, and so long as we do not urge anyone to vote for or against any candidate or party, and spend no money to that end, that we are not a "political" committee within the meaning of the law.

I can personally dispute this one, and did, because a pamphlet called "$10,000 Is a Lot of Money" was distributed throughout my district in 1944 under the direction of Gannett and Rumely. After making several misleading implications, the following "nonpolitical" statements were made in the pamphlet:

> Your city will tell a similar story. I mention Texarkana because it is the home of Congressman WRIGHT PATMAN, who is one of those who thinks nothing of debt * * *.
>
> What about the spenders? Do they care what happens to you?
>
> People ask me—What can I do? The answer is simple. Put an X in the right square. But first get a good man's name in front of the square.

Now, let us see how Rumely, the Judas-like defender of our Constitution and American liberty, acted when he was requested by the Buchanan Lobby Committee to reveal what he was doing and who was paying his bills. You will find that this exconvict and long-time Fascist, who says, "Whatever diminishes the authority of Congress impairs the security of your liberty," again and again and again contemptuously defies the constitutional authority of the Congress. He wants to hide, not reveal, the millionaire sources of his gold which enables him to poison the minds of the American people, year in and year out, with Fascist drivvel.

RUMELY, CCG THUMB NOSE AT LOBBY INVESTIGATION

Now see again how he contemptuously defies the constitutional authority of the people—this time before the Buchanan Lobby Investigating Committee, June and August of 1950. He contended throughout the hearings that he was nonpolitical, that he was, in reality, an educator and a publisher. Let us see how nonpolitical this scheming Fascist really is.

In the course of his testimony on June 28, 1950, Rumely refused on several occasions to furnish information in response to questions addressed to him. The record of the proceedings on June 28, 1950, during which such refusals occurred is set forth in part as follows:

> Mr. FITZGERALD. I want to conclude with the letter from Mr. Rumely to Mr. Fletcher, of February 9, 1950, in which he discusses The Road Ahead, and he says that the industry of America has bought books, such as The Road Ahead to saturate the community and make a long-time imprint on its thinking.
>
> Mr. RUMELY. That is right. We are going to do that in Cleveland, Toledo, in Buffalo, in Rochester, in Niagara Falls, in Dallas, and we are going to do it in just as many cities as we can put a full-page ad into the paper—you must help stop socialism in America—and we will send, if we can get the money to do it, a book into every fifth home, a copy of The Road Ahead, into every fifth home.

I dined, the night I came here, with a good woman from Toledo; she gave $2,000——

Mr. FITZGERALD. What is her name, doctor?

Mr. RUMELY. I am not going to give you her name.

On June 29, 1950, Rumely further refused to answer a number of questions addressed to him in the proceedings before the Select Committee on Lobbying Activities. The record of these proceedings during which such refusals occurred are set forth in part, as follows:

Mr. FITZGERALD. As a matter of fact, Mr. Rumely, your organization did subsequently handle the program for a constitutional limitation on individual income tax, did it not?

Mr. RUMELY. Yes. We did that, all along; we have led on that, for the whole country, for a long period of time.

Mr. FITZGERALD. You have been the one that has been out in front on that one?

Mr. RUMELY. I won't say we have been out in front, but we have put out much printed matter. One year we reached 650,000 people.

Mr. FITZGERALD. How long have you had that program?

Mr. RUMELY. Since 1942, I think.

Mr. FITZGERALD. To get into another subject, Mr. Rumely, I notice that the book, Labor Monopolies and Freedom—you publish that?

Mr. RUMELY. We did.

Mr. FITZGERALD. And distribute it?

Mr. RUMELY. Yes.

Mr. FITZGERALD. It deals specifically with several legislative proposals. The general thesis of that book is shown in the following quotation on page 152:

"What we should do is to repeal all Federal labor laws on wages, hours of labor, collective bargaining, minimum wages, etc., and abolish all boards, bureaus, and commissions that result from these laws."

Then with regard to collective bargaining it states:

"* * * the abuse to be eliminated is collective bargaining itself * * *."

Mr. RUMELY. That is right.

The CHAIRMAN. Is that the platform of the Fighters For Freedom?

Mr. FITZGERALD. No; those are excerpts from the Committee for Constitutional Government publication, Labor Monopolies and Freedom.

Mr. RUMELY. John W. Scoville wrote the book. That is his opinion. We don't censor every line in a book we publish.

Mr. FITZGERALD. In your appearance before this committee on June 6, 1950, one of the members of this committee stated:

"If you have any booklets similar to that, in which you have set forth the reasons why certain legislative proposals before Congress should be enacted, or certain legislative proposals should be defeated, and you have sent those out over the country wholesale, either as gifts or through other organizations, then I think this committee has an absolute right to demand information on them."

You replied: "We have issued no such books."

Mr. RUMELY. That is right.

Mr. FITZGERALD. I ask you——

The CHAIRMAN. What member of the committee made the interrogation?

Mr. FITZGERALD. That was transcript of hearing, June 6, page 62, I think Mr. BROWN made that remark.

You replied: "We have issued no such books."

Mr. RUMELY. That is right.

Mr. FITZGERALD. Now, I ask you, Mr. Rumely, has the Committee for Constitutional Government received more than $500 in any one calendar quarter for the purpose of distributing copies of that book?

Mr. RUMELY. I can't tell you now; but that book does not come in the classification that you are trying to place it in. The passage is simply a passage relating to this man's opinion that labor monopoly is just as bad as business monopoly; and when the Government encourages labor monopoly, it is engaging in a wrong economic policy. That isn't legislation; that is a general economic principle.

Mr. FITZGERALD. Will you produce the records set forth in the subpena of June 6, 1950, so that this committee may make its own independent determination on that subject?

Mr. RUMELY. Give me the passage that you referred to.

Mr. FITZGERALD. The question was, Has the Committee for Constitutional Government received more than $500 in any one calendar quarter for the purpose of distributing copies of that book Labor Monopolies?

Mr. RUMELY. I would like to see the passage.

Mr. FITZGERALD. That isn't the question.

Mr. RUMELY. Before I answer the question, I would like to see the copy; where is the reference?

Mr. FITZGERALD. Page 152.

The CHAIRMAN. That has no reference to the question.

Mr. DOYLE. I would say this: That the text of the book speaks for itself. I don't think it is subject to any interpretation by the witness.

Mr. O'HARA. He has a right to look at it.

Mr. DOYLE. Sure he has. The book speaks for itself.

Mr. FITZGERALD. The question is, Has the Committee for Constitutional Government received more than $500 in any one calendar quarter for the purpose of distributing copies of this book?

Mr. RUMELY. Probably.

Mr. FITZGERALD. What is that?

Mr. RUMELY. Probably; yes.

Mr. FITZGERALD. State the names, dates, and amount as best you remember them.

Mr. RUMELY. I can't.

Mr. FITZGERALD. Why can't you?

Mr. RUMELY. I don't carry in my mind the purchasers.

Mr. FITZGERALD. Will you get the names for us?

Mr. RUMELY. I am maintaining that that book is not a direct influence on legislation and, therefore, is privileged as other books that we publish.

Mr. FITZGERALD. You refuse to give access to any records pertaining to the distribution of this book?

Mr. RUMELY. I do.

Later on the same day the testimony went as follows:

Mr. DOYLE. I think, Mr. Chairman, as a member of this committee, that the material which our counsel has asked in the last few questions, and which he asked for yesterday, and which information this witness has refused to give, repeatedly, is material which is pertinent, and, in accordance with the legal rights and responsibilities of this committee, and I believe that it is necessary to the proper function of this congressional committee, that this witness be required to answer these questions. I believe it is within the jurisdiction of Congress, which assigned this responsibility to us, under House Resolution 298.

I make this statement because I want the record to show that I believe this witness has refused contemptuously to answer questions that are pertinent and perfectly proper, perfectly legal, and which are material and which are in the best interests of the people of this country. I want the record to show that is my belief and my position.

The CHAIRMAN. The witness refuses, of course.

Mr. RUMELY. I certainly refuse to disclose those names—not contemptuously, but respectfully, because I feel it is my duty to uphold the fundamental principles of the Bill of Rights. I think that there is no power to require of a publisher the names of the people who buy his products, and that you are exceeding your right.

Mr. FITZGERALD. Because of the witness' refusal, I have no further material to offer at this time.

RUMELY AND CCG'S WICKED TAX SCHEME

One of Rumely's most vicious efforts to date, in attempting to limit the powers of Congress, began in the early 1940's. It was a campaign run through the fascistic Committee for Constitutional Government to sneak through a constitutional amendment to limit the power of Congress to levy taxes on income, estates, or gifts at rates higher than 25 percent, no matter how large their size.

In a series of speeches in 1944 and 1945 I exposed their brazen effort to peonize the American people, pointing out that, if the proposed amendment were to be adopted, we would not be able to supply any services to the then returning veterans, to have any old-age assistance or social security, to make soil-conservation payments to farmers, and that educational, charitable, and religious institutions would be threatened with financial ruin because Congress would have been forced to repeal existing income-tax deductions for donations to such institutions.

In our system of government the sound discretion of Congress decides the sort of programs upon which the country and the Government embark. Congress also has the power to tax in order to provide the funds for running the Government and for carrying out these programs. Congress is given this power expressly by the Constitution. It is also a necessary adjunct to put into practical operation and carry out the programs that Congress has deemed to be desirable. Of course, money is needed to carry out these programs.

The constitutional amendment proposed by Rumely and his gang would have taken away from Congress the power to use its discretion in the rates of tax to be imposed on various-sized incomes and estates. As a practical matter, and this is most important, it would have taken from Congress the power to use its discretion in deciding what programs the Government should pursue. Without money to pay for them, all of the legislation in the world would not enable the Government to carry out a single program passed for the benefit of the people. The constitutional amendment proposed by Rumely would have prevented Congress from using its discretion because its power to raise money would have been crippled. Therefore, the real intentions of Rumely and his crowd are to cripple the power of Congress, not to build Congress up as they so piously claim.

With the power of Congress so limited, economic conditions would rapidly deteriorate and Congress would be helpless to deal with them in an effective way. When people would lose faith in their Congress the stage would be set for the entrance of a muscle man who would

promise them anything if they would follow him. The Fascist dictatorship would then be a reality.

RUMELY, CCG CONTEMPTUOUS OF UNITED STATES JUDICIARY

Mr. Speaker, throughout my remarks I have called Ed Rumely an ex-convict. Before I finish, I promise to present the full story of how he was indicted, tried, and convicted of a most heinous crime, namely, violating the Trading With the Enemy Act in World War I. For the past several minutes, I have given ample proof that Rumely and his malevolent Committee for Constitutional Government have been most contemptuous of the constitutional legislative body of the people, namely, their Congress. Now I wish to show that time and time again Rumely and his gang have sought to tear down respect for our constitutional judicial system.

As you might suspect, Ed Rumely has laid down a continuous stream of propaganda about maintaining the power and integrity of the Supreme Court. This line, though worthy, is employed by him as a mere subterfuge. It is just another one of his devices to create distrust and confusion among our people.

Actually, when the Supreme Court renders decisions which are contrary to Rumely's Fascistic ideas, it receives somewhat the same abuse as the Congress receives whenever it passes a law in favor of the people. An example of this was the Southeastern Underwriters case, in which the Supreme Court decided that the insurance business is in interstate commerce and therefore subject to the Sherman Antitrust Act. The CCG reprinted, in pamphlet form, an editorial appearing in the Hearst newspapers and sent it out all over the country. It was called Growth of Statism. It quotes one of Rumely's mouthpieces, Charlie McCarthy Pettengill. You can easily discern the source of this editorial. I quote from it:

> But the Supreme Court, not content to let well enough alone, has now held that all insurance comes under Federal supervision.
>
> That is part of the march into totalitarian control of all our lives.
>
> The decision of the Court that private insurance is "interstate commerce" is so preposterous that it is on a par with decreeing the birth of your baby as "interstate commerce."
>
> Samuel B. Pettengill, former Representative from Indiana and an American individualist and States' rights man of the old strip and stripe, in commenting on this federalization of insurance in a powerful article in the Hearst papers, says:
>
> "And so the savings of the people pass to the control of the most wasteful and profligate Government this world has ever known. The door is now open for the New Dealers to regulate and control every life-insurance policy in America. The socialization of insurance now has a green light."
>
> * * * * *
>
> These insurance billions, as Mr. Pettengill further avers—and truly—will now fall under the control of a Government which has failed to pay its bills in a single year for 14 years.
>
> The Supreme Court has ordered the federalization of your insurance policy.

Rumely, I might point out, seems also to have little regard for the courts and for the judicial process in personal matters and in matters where his friends are concerned. Although an American jury decided that he was guilty beyond a reasonable doubt of a conspiracy to violate the Trading With the Enemy Act, and the evidence was convincing, Rumely has always maintained his conviction was based on something in the nature of wartime hysteria. Although his guilty acts took place during the war, conviction followed it by 2 years. His claim that his conviction was the result of war hysteria and the pressure of public opinion shows little regard for the American judicial process—nor is it in accord with the facts, as you will learn when I soon present them.

RUMELY'S BUDDY A MURDERER AND KLANSMAN

There is a case in which Rumely, in spite of the beautiful generalities he distributes about maintaining the power and the integrity of the judiciary, disagreed with American justice when the result reached was unsatisfactory to his scheme of things. I refer to the conviction of D. C. Stephenson, Ku Klux Klan leader, for the commission of a nefarious crime. I refer to the following testimony in 1938 before Senator Minton's Committee To Investigate Lobbying Activities:

> The CHAIRMAN. You knew D. C. Stephenson; didn't you?
>
> Mr. RUMELY. I knew D. C. Stephenson; yes, sir.
>
> The CHAIRMAN. Where did you get acquainted with him?
>
> Mr. RUMELY. I met him once in the home of a friend in Connecticut, unexpectedly happened to be calling on him.
>
> The CHAIRMAN. You never had any connections with him at all?
>
> Mr. RUMELY. I never had any interest in the Klan, never participated, never was a a member of the organization, never had any relation.
>
> I call on Stephenson; I rather like the fellow.
>
> The CHAIRMAN. Where do you call on him?
>
> Mr. RUMELY. What is that?
>
> The CHAIRMAN. Where do you call on him?
>
> Mr. RUMELY. In Michigan City.
>
> The CHAIRMAN. In the penitentiary?
>
> Mr. RUMELY. Yes. The fellow has been my friend. I am perfectly willing to go and see him, and I do go and see him.
>
> The CHAIRMAN. You just met him once at a friend's in Connecticut.
>
> Mr. RUMELY. No.
>
> The CHAIRMAN. He was convicted of an atrocious crime in Indiana and he was sentenced for life and he is up there now and you go and see him because he is your friend?
>
> Mr. RUMELY. No; because he is a man in great trouble, and any man that is a lawyer who reads the record in his case must have a serious question——
>
> Senator GREEN (interposing). You seem to have a serious question with most convictions. Is not this a little inconsistent with your proclaimed respect for the court?
>
> Mr. RUMELY. Public opinion is a very great force. I respect the courts.

Through the years, Rumely has been friendly with other unsavory individuals besides the murderer, Klansman Stephenson.

RUMELY, CCG AND HATE-MONGER MERWIN K. HART

Take the case of the wonderful friendship between Rumely and the crackpot anti-Semitic, self-admitted Fascist, Merwin K. Hart. Hart runs an equally violent propaganda outfit as the Committee for Constitutional Government—the National Economic Council. Frequently, Rumely and Hart have dinner together and discuss their mutual problems. I might add that they have mutual millionaire and big-business backers, including several members of the du Pont family; Sears, Roebuck; Monsanto Chemical Co., John Raskob, William Volker & Co., Armco Steel Co., Gulf Oil Corp., Albert Hawkes, J. I. Case Co., Gen. Robert E. Wood, McCrory Stores, S. H. Kress & Co., Republic Steel, and others. They do have a lot in common. Hart has long been one of the Fascist dictator Franco's leading apologists. After the war, in one of his weekly hate sheets, he ran a propaganda campaign to gain sympathy for the poor, abused Nazi war criminals.

Not infrequently, Rumely's CCG sends out some of Hart's weird stuff. There is no question but that Rumely, the stronger and shrewder of the two characters, influences Hart's policy and activity. I do not know whether he had anything to do with Hart's Economic Council letter of January 15, 1948, which stated:

> We have one concrete suggestion to make to every citizen who is impressed by the potential danger. Let him possess himself of one or more guns, making sure that they are in good condition, that he and other members of his family know how to use them, and that he has a reasonable supply of ammunition.
>
> But in any event we advise all our readers to proceed lawfully to equip themselves so they and their households may not be defenseless if what happened in Spain and France happens here.

Mr. Speaker, I do not exaggerate when I say that Fascists, in their effort to destroy the constitutional democratic process, do their utmost to frighten our people, just as the Communists do.

Organizational connections have been maintained between Rumely and Hart through groups of which Hart was a member or of which he was co-founder with one or more of Rumely's stooges for his constitutional government set-up.

RUMELY, CCG, AND AMERICAN ACTION—FASCISTS ALL

Such a connection existed in American Action, whose co-founders were Hart and the Fascist-minded radio commentator, Upton Close. Sam Pettengill, one of Rumely's ex-lieutenants in CCG, was in at the beginning of American Action. Close's fascistic radio series was sponsored by the National Economic Council. His manager, Leo F. Reardon, was a former confidential adviser to Father Coughlin. Another strand in this web of fascism shows Thomas N. Creigh, former general counsel for the Cudahy Packing Houses, and head of the Chicago branch of Hart's National Economic Council, a founder of American Action. American Action financial supporters were Gen. Robert E. Woods, of Sears, Roebuck; Col. Robert A. McCormick, Ernest T. Weir, and you guessed it, Lammot du Pont.

Another organization in Rumely's black spider web of reaction is one I know about from personal experience. As chairman of the House Small Business Committee in the Seventy-ninth and

Eighty-first Congresses, my investigators discovered how fraudulent were the National Small Businessmen's Association and the Small Business Economic Foundation, both run by one DeWitt Emery.

In a report issued by the committee of which I have the honor to be chairman, it is disclosed that Emery was indiscreet enough to boast of his big-business backers, including United States Steel, Sears, Roebuck, Republic Steel, Chrysler Corp., Goodyear Tire & Rubber, American Rolling Mill Co., Inland Steel, and B. F. Goodrich, plus the big oil companies: Standard Oil of New Jersey, Standard Oil of Indiana, Socony-Vacuum, aid the Texas Co. Emery was one of Rumely's handservants in the formation of American Action, Inc., where Rumely was represented directly through Samuel B. Pettengill.

"DEMOCRACY STINKS"

Now, it is a fact that Rumely, Hart, Joe Kamp, DeWitt Emery, the NAM—all advocates of extreme reaction and/or actual fascism in America—team up whenever there is a job to do against the American people. These evil men and the antidemocratic groups they represent all work with one of the worst enemies of the people: Herb Nelson, executive vice president of and lobbyist for the National Association of Real Estate Boards. How Rumely, Hart, and Joe Kamp think can be summed up in a brief letter their good friend, Nelson, wrote to T. H. Maenner, of Omaha, on May 31, 1949, on the latter's taking office as president of the National Association of Real Estate Boards, in which he said:

> Now and then there are those who are worried about my own political philosophy. I assure you that I don't try to inject it in any way into our activities because it is so different from that of most of our members that I know it would not be acceptable. I do not believe in democracy. I think it stinks. I believe in a republic operated by elected representatives who are permitted to do the job, as the board of directors should. I don't think anybody except direct taxpayers should be allowed to vote. I don't believe women should be allowed to vote at all. Ever since they started, our public affairs have been in a worse mess than ever.

It is a significant fact that, in every major move Herb Nelson and others of the real estate lobby have made in the past decade or more, Ed Rumely and the Committee for Constitutional Government have been with them against rent control, public housing, veterans' housing, low interest rates on Federal home and farm loans, and so forth.

RUMELY, CCG MOSCOW'S BEST FRIENDS

Just as Rumely and the CCG have been handmaidens of the housing lobby through the years, so have they consistently propagandized for extreme reaction in other fields. Were Rumely and the CCG to have their way, I repeat, Mr. Speaker, communism would be the end result in America. Communism breeds on reaction; it dies under democracy. Moscow knows this. Certainly the Politburo understands that Ed Rumely and his fake Committee for Constitutional Government are doing their all in serving Moscow's purpose by attempting to destroy the real democracy in America and to replace it with black reaction. Ed Rumely and the CCG are more useful to them than the Communist Party in America.

Let me show you the type of legislation which would create such a revulsion among our people, were it on our statute books, that they would revolt and destroy the Government which foisted it on them. Here are some random quotes from Rumely's propaganda. The CCG proposes:

> To advocate repeal of the sixteenth amendment; which was the first step toward socialism, and which perpetuates statism. (This is the income-tax amendment.)
>
> To abolish compulsory "social security," and other compulsory legislative enactments denying freedom of choice.

Rumely and the CCG propose:

> Free open-shop labor—as opposed to slave closed-shop labor.
>
> Taxation for revenue only—as opposed to taxation for redistribution of wealth, social reform, Government in business and the purchase of votes.

Let me illustrate further that Rumely and his Fascist committee are the best friends communism has in America. A Paul Revere message issued by Rumely first notes the moneys collected for social security purposes to date. Then it says:

> It [this money] will never be seen again. It has not been saved at all. This incredible sum was entrusted to three trustees: to Oscar R. Ewing, Federal Security Administrator; Maurice J. Tobin, Secretary of Labor; and John W. Snyder, Secretary of the Treasury, or their predecessors. They have spent every dime of the collections taken by force from the wage earners. Instead of saving the collections they spent them and entered on their books that they owed $21,184,528,734.59 to the wage earners. In private finance the act would be embezzlement.
>
> Congress passed a law that saves these men from arrest. But how any self-respecting people can lend name to this kind of chicanery is impossible for most of us to understand.

Now, the implication that these outstanding public servants have committed anything bordering on embezzlement is a deliberate attempt to have the people lose faith in their public servants, their Government, and its entire social security machinery. If such tactics do not create distrust and confusion among our people and a revulsion against our legitimate Government, then I am in error. If this is not precisely what the Communists want our people to think, then again I am in error. If this is not the type of thinking that would pave the way for a muscleman on a white horse to seize our Government and destroy our democracy, then I am once again in error.

Ed Rumely and the CCG are in total agreement with Herb Nelson and his remark that "democracy stinks" for here is a quotation which was part of a CCG release:

> All of the democracies of history were tryants in the hands of the majority.

If that is not Fascist dogma, then I am still in error.

RUMLEY, THE CONVICTED TRAITOR

Now, Mr. Speaker, I am going to present the sordid story of Ed Rumely, the convicted traitor. If all my words to this moment have been unconvincing, if everything I have said is dubbed a political smear, which it most certainly is not, what I am about to say and the documentary proof I am about to present should convince this august body that Ed Rumely deserves no more support than any of America's Judas Iscariots. Just as Judas turned against Christ, so did this man Rumely turn against his country in its time of great trial. You may discount, should your conscience permit, all of his fascistic activities since the formulation of his committee of black reaction, but you can not discount the pertinent fact that this man was charged, tried, and convicted of trading with the enemy of the United States.

Some of you may say, "Well, he got a Presidential pardon from Coolidge," but, Mr. Speaker, that does not wipe the record clean. A thousand pardons cannot erase the fact that this subversive character, who deserves the affection and support of no man really interested in the welfare of his Nation, was charged, tried, and convicted of trading with the enemy even though his case went to the highest court in the land—the United States Supreme Court. Mr. Speaker, I will now tell the sordid story.

Edward A. Rumley was born in La Porte, Ind. He was of German descent and received strong Germanic home training. His early education in the United States was of the best, including attendance at Rensselaer College (Indiana) and 2½ years at Notre Dame. At the age of 18 he left for Europe to continue his education. He remained at Oxford, in England, for over a year and then went to Germany. He studied at the University of Heidelberg for a year and then spent 3½ years at the University in Freiburg, where he took his degree in medicine in 1906. During his stay in Germany he made the acquaintance of many prominent German educators and industrialists. Being at an impressionable age, he became thoroughly indoctrinated with Germanic ideas with which he was daily in contact.

RUMELY WANTED TO PRUSSIANIZE AMERICAN YOUTH

Upon his return to the United States, Rumely had the urge to spread Germanic ideas in the United States. As a start, he founded the Interlaken School for Boys. The school's bulletin observed: "Dr. Rumely is carrying out in American form the soundest ideas of German education," and further remarked: "It is almost solely by the power of its new type of education that Germany has forged to the front in the last 25 years."

World War I soon came along and Rumely felt that the American press was not presenting the Kaiser's side of the war to the public. As Rumely himself expressed it: "There was a great deal of resentment against biased reports that were coming and that bias I had recognized was due to the absence of a news flow from the Central Powers." Rumely received $200,000 from Dr. Heinrich F. Albert, the fiscal agent of the Imperial German Government, which was used for an advertisement in the foreign-language press of the United States. It was entitled "An Appeal to the American

People" and was against furnishing aid to the Allies.

After extensive conferences with pro-German groups in the United States, including agents of the German Embassy, a much larger sum of the Kaiser's money—$1,200,000—was also made available to Rumely for the purpose of purchasing a newspaper to disseminate pro-German propaganda to the American people. To avoid having the ownership of the newspaper—the New York Evening Mail—appear in the name of the German Government or in the name of an agent who was a German national, the transaction took the form of a loan to Rumely of funds which were used for the purchase of the paper.

Later, as I have indicated, Rumely was indicted, tried and convicted of violating the Trading With the Enemy Act, and served a term in prison. Specifically, he was convicted of conspiring to defraud the United States by obstructing and preventing the United States from seizing the indebtedness which Rumely owed to the German Imperial Government and making false and misleading reports to the Alien Property Custodian by concealing the fact of such indebtedness.

THE COURT GIVES LIE TO RUMELY'S LIE

Rumely is no ordinary rabble-rouser, but is a shrewd and diabolical operator, sensitive to all phases of public relations work and the techniques of influencing public opinion. Like some of the political and economic prevarications that he has repeated through the years in the hope that repetition will result in belief, he has consistently maintained that he was not a German agent in World War I, knowing that public knowledge of such conduct would detract from the effect of his present propaganda work. Nevertheless, Rumely had a fair trial and was convicted by a jury of twelve of his fellow Americans. Rumely has denied, and continues to deny, the fairness of his trial. Here, in part, is what the United States Circuit Court of Appeals had to say about his trial:

The trial began on November 3, 1920, and occupied 30 court days. During the trial 166 witnesses were examined, 670 exhibits were received in evidence, and the record fills 4 volumes of 2,139 printed pages. There are 249 assignments of error, which occupy 116 printed pages. Of these assignments of error, 206 relate to the admission or exclusion of evidence, 24 to the charge to the jury, 7 to the denial of motions to set aside the verdict, 8 to the denial of motions to dismiss the indictment, and 3 to the denial of motions requiring the Government to elect on which counts it would go to trial. We have on several occasions condemned the practice of taking so numerous assignments of error. The practice is not conducive to the administration of justice in appellate courts. Many such assignments of error are inconsequential, and of so little importance that the court should not be asked to review them.

* * * * *

The omission of comment upon all the errors assigned must not be construed as due to the failure of the court to consider them. We have examined this case carefully, the indictment, the admission and exclusion of evidence, the charge of the court, and whatever errors have been assigned. We have found no sufficient reason, in any of the errors assigned, which would justify this court in setting the judgment aside. The defendants had a fair trial under a valid indictment. The jury has found them guilty, and we cannot say that there was no evidence which could justify the verdict which has been rendered.

Judgment affirmed.

MORE RUMELY LIES EXPOSED

Rumely never denied purchasing or running the Evening Mail. In the trial he maintained that the funds came from two wealthy German-Americans, although he could not even claim to have met the persons in question. The Government of course questioned the likelihood that even people of wealth would loan as large as $1,200,000 to a person that they had not even met. Moreover, evidence was adduced that Rumely did not even claim to have given security for the alleged loan from the parties in question.

One of the parties whom Rumely claimed had furnished the money to buy the Evening Mail to carry on German propaganda work made the following deposition which appears as testimony in Rumely's trial:

My name is Lilly Busch. I reside at No. 1 Busch Place, in the City of St. Louis, State of Missouri. In the month of May, 1914, I visited Germany, and returned to the United States in the month of June, 1918. While in Germany, after the beginning of the war, mail from the United States was interrupted frequently, and communication between the United States and Germany for the period of this time was suspended. I at no time furnished to anyone any money by subscription, loan or otherwise, for the purchase of the New York Evening Mail or any interest in it.

LILLY BUSCH.

The other party, Herman Sielcken, was living in Germany and died there while it was still at war with the United States. His widow testified that he had no place for the transaction of business in Germany, that he was very ill from a time previous to Rumely's purchase of the Evening Mail that she was with him almost constantly. ["I was constantly with him and looking out for him. His condition of health necessitated that."] That she was familiar with what business affairs he did have during the period of time he was in Germany as well as his property and accounts there, and that while her husband was alive she never even heard of Rumely.

Question. Now, did you know or hear at any time of the name of Dr. Rumely (objection)?

Answer. After my husband's death in November, 1917, I got a newspaper slip from Switzerland, something about Dr. Rumely and the Evening Mail. That was the first time I heard anything about Dr. Rumely.

Sielcken's partners testified that they never heard anything about the Evening Mail transaction either.

RUMELY REFUSES TO TELL TRUTH

It is obvious that the funds which purchased the Evening Mail for German propaganda purposes in the United States, were German Government funds and not those of United States citizens as Rumely claimed and continues to maintain.

The cross-examination, on deposition, of Dr. Heinrich Albert, fiscal agent for the Imperial German Government, clinched the Government's case. In his lengthy testimony Albert reluctantly disclosed and admitted the numerous conferences with Rumely and others in regard to the anti-Allies advertisement in the foreign language newspapers and the deal consummating in Rumely's acquisition of the Evening Mail. He disclosed that Rumely received the funds for the Evening Mail purchase from Albert from funds of the German Government.

The testimony, especially in regard to the conferences and the nature of the funds, is quite lengthy and complicated. A few short excerpts from his cross-examination are illuminating, however.

The following is in regard to the advertisement in the foreign-language newspapers:

Question. Don't you remember having paid money to Edward A. Rumely to be turned over to the persons who controlled the Irish-American?

Answer. I don't remember it at this time; I don't think I did.

Question. But you are sure that you did not?

Answer. I am rather positive about it—that I did not.

Question. Can you say that Dr. Fuehr did not do so, then?

Answer. I don't know anything about Dr. Fuehr paying money anywhere. I had no control over him.

Question. But you saw him frequently, didn't you?

Answer. Rather frequently.

Question. And you discussed with him this general question of getting this German point of view before the American public, didn't you?

Answer. I certainly did; yes.

Question. Do you remember an advertisement which appeared in the foreign-language press of the United States headed "An Appeal to the American People"?

Answer. Yes; I certainly remember that.

Question. You gave Dr. Rumely money for that, didn't you, Dr. Albert? (Objection.)

Question. You gave Dr. Rumely money for that, didn't you, Dr. Albert?

Answer. Let me think it over about that. I don't remember whether I paid it to Rumely or to Hammerling directly.

Question. You remember that the amount you did pay was $200,000, don't you?

Answer. That is the amount as I remember it.

Question. But the payment of it was made in two checks, each for $100,000, was it not?

Answer. Yes.

Question. And you are not able to say it was not to Rumely himself that you paid that money?

Answer. I don't remember.

Question. But Rumely was connected with that transaction, was he not?

Answer. I think that Rumely even suggested that idea of putting in advertisements against the shipping of munitions and that I thought it a splendid idea, I or Dernberg, to appeal to the humanity of the people and that was how this advertisement came to be put out in the newspapers. Because you remember at that time even Americans were opposed to the shipping of munitions and I was sure it would be a good idea to make such an appeal.

Question. And Rumely thought so too, didn't he?

Answer. I suppose so.

Question. You discussed the phraseology of it, didn't you?

Answer. Of the advertisement?

Question. Yes.

Answer. I don't remember that I discussed the wording of the advertisement with Rumely. I may have with Hammerling.

Question. Isn't it a fact that Dr. Rumely wrote it?

Answer. I don't remember that.

Question. At any rate, Rumely arranged with Hammerling for the publication of it, did he not?

Answer. I think he did arrange that, yes.

Question. And that was before the purchasing of the Evening Mail?

Answer. I am not clear on that.

The following is pertinent to Rumely's story of the purchase of the Evening Mail:

Question. It was immediately after the sinking of the *Lusitania* that this purchase of the Evening Mail was put through, wasn't it?

Answer. Rather soon after it.

Question. Rumely had made no claim of having had newspaper experience, had he?

Answer. I don't remember if he made any claim.

Question. He never stated that he had, did he?

Answer. I don't remember.

Question. And you had never had anything to do with a newspaper, had you?

Answer. No.

Question. And I take it you prefer not to have any?

Answer. I entirely agree.

Question. This has been a dead loss, has it not?

Answer. Yes.

Question. And then the situation was that Dr. Rumely, who had nothing to do with any newspaper in his life, came to you with a proposition to buy a certain New York newspaper, and that the newspaper was to be edited in such a way as to set forth fairly the German position. That is right, is it not?

Answer. The German position? No, all sides of it.

Question. But you did not care about the English position, did you, Dr. Albert?

Answer. On the other hand, but I must make this point. There was nothing said about making the Evening Mail a pro-German paper; on the contrary.

Question. Well, what I mean is this: In your judgment and that of your associates, the persons whom you met from time to time at 1123 Broadway, the English and French sides were being set forth very fully in the United States, perhaps not entirely correctly in the United States?

Answer. According to my judgment, entirely wrong.

Question. In favor of the Entente, that is. And it was also your opinion that what may be called the German position was not being adequately or fairly stated, and what you desired to do, you and those who were interested in this matter, was to see that the German side was presented fairly, at least as far as one newspaper could do it. Isn't that right?

Answer. Yes, certainly.

Question. And the proposition was to secure the Evening Mail or any other newspaper so that the cause of the German people might have a fair hearing in the United States; isn't that so?

Answer. I think that is so.

Question. It was desired that it have such a form, wasn't it?

Answer. Yes.

Question. And it was thought that one way was to have a newspaper?

Answer. Yes, I think so.

Question. And you entered upon this transaction with the idea of giving the German side a fair presentation, isn't that so?

Answer. I did not enter into it at all; the proposition was brought to me by Rumely and I was authorized to give a loan to him, and I thought that the personality of Rumely was a certain guaranty that it was to be a loan on a fair proposition.

Question. You did not care about the English side; whether it was represented or not?

Answer. Exactly.

Question. And your idea was that with the Evening Mail in Dr. Rumely's hands the result would be——

Answer. The result would be the representing of the German side as Dr. Rumely was a man who had studied in Germany and knew German ways and ideas.

Question. You had discovered that from your talks with him?

Answer. And from what Dernberg told me.

Question. From reliable information and from your own conversations with him, you knew he was a person who understood the German point of view?

Answer. As a matter of fact it was more from what Mr. Dernberg said; I did not like him so very much.

Question. Your experience with him had been unfortunate?

Answer. Yes.

Question. Now Dr. Albert, if you don't understand the meaning of any of these questions ask me what they do mean. The purpose of the question, however, is a matter which after all it is not really for a witness to judge. Your business here is to answer the questions which are asked if you can answer them truthfully and if you cannot to say that you cannot. Now I will ask you a question over again and see if I can't get an answer. I asked you whether it was not a fact that you did undertake negotiations as a result of which $750,000 was placed in the hands of Edward A. Rumely. Is that right?

Answer. Yes.

Question. And I asked you whether that money was not intended to be devoted to a newspaper enterprise; was it?

Answer. Yes.

Question. And one of the facts was that Dr. Rumely, so far as you knew, or so far as you were able to report to anybody, had had no newspaper experience whatever; is that not so?

Answer. Yes.

Question. It was also a fact, was it not, that you yourself had had no newspaper experience whatever?

Answer. Yes.

Question. And therefore you were not capable of judging whether any particular enterprise justified an investment or not, were you?

Answer. I would not draw that conclusion; I think much higher than that of my ability.

Question. Now, what did you report to Mr. Sielcken about this?

Answer. I did not report to him at all.

Question. Did you ever write to him about this?

Answer. No, I did not.

Question. Did you ever cable to him about it?

Answer. No, I did not.

Question. Or communicate with him in any way?

Answer. No, I did not, not directly.

Question. Or indirectly?

Answer. Certainly I did.

Question. Through whom did you communicate with him?

Answer. Dernberg went over and straightened it out.

Question. And did he cable to you?

Answer. No, why should he?

Question. Did he write to you about it?

Answer. No.

Question. Did Mr. Sielcken write to you about it?

Answer. No.

Question. Did the German Foreign Office communicate with you about it?

Answer. I don't think so.

Question. Did any person in Germany communicate with you about it?

Answer. I don't think they did.

Question. That is to say before you went to employ Mr. Kaufmann to put through these transactions resulting in the purchasing of the Evening Mail and the loan of $750,000 to Edward A. Rumely you did not have any communication with any person in Germany?

Answer. No; but with Dernberg.

Question. Where was he then?

Answer. In New York.

Question. Who was Dr. Dernberg?

Answer. He was one of the most prominent bankers in Germany and if he gave me his word I would put even a few million dollars in anything.

Question. He was an official of the German Imperial Government, was he not?

Answer. Not at that time. He had been colonial secretary.

Question. And he had come over to the United States about the time you did, shortly after the outbreak of the war, had he not?

Answer. Yes.

Question. And he had been very busy writing articles and making speeches in the United States, hadn't he?

Answer. Yes.

Question. He had been present at all of these meetings?

Answer. Most of them; yes.

Question. And he was in communication with the German Embassy in Washington, wasn't he?

Answer. Yes; we all were.

Question. Now, then, on the simple word of Dr. Dernberg you agreed to turn over $750,000 to Dr. Rumely?

Answer. Certainly I did. And again and again I would do it.

Question. But as a matter of fact, you did not look behind Dernberg, did you? You never did have a word of writing from Mr. Sielcken about it, did you?

Answer. No; and I did not expect it.

I think the Congress should have the dates of the trial, appeal, conviction, attorneys, etc. Here they are:

DATES

Trial: Began November 3, 1920; verdict, December 18, 1920; sentence, December 20, 1920.

Circuit court of appeals decision: July 27, 1923.

Supreme Court denial of certiorari: October 22, 1923.

ATTORNEYS

District court (verdict of "guilty") for Edward A. Rumely: Stephen C. Baldwin, Frederick J. Powell (Powell, Wynne & Roberts). For codefendants S. Walter Kaufmann and Norvin R. Lindheim: Max D. Steuer, Herbert R. Lemburg, William L. Wemple, Arthur Garfield Hays.

Circuit court of appeals (judgment affirmed) (293 Fed. 532) for Edward A. Rumely: Henry J. Johnson. For codefendants S. Walter Kaufmann and Norvin R. Lindheim: Walter C. Noyes, William L. Wemple, Herbert R. Lemburg, Arthur Garfield Hays.

Supreme Court (certiorari denied) (263 U. S. 713), Walter C. Noyes, William L. Wemple, Arthur Garfield Hays, Henry B. Johnson.

RUMELY STILL PLOTTING AGAINST AMERICA THROUGH CCG

Mr. Speaker, you now see why Rumely was convicted for trading with the enemy of the United States in World War I. You now see this ex-convict for what he was—a traitor to his Nation. That crime alone should forever have rid us of such a despicable character. But this man has lived on in American public life as, unfortunately, other evil men sometimes do. He has never held an office, but he is so thoroughly indoctrinated

with subversive ideas and the will to spread them that he keeps at his nefarious work—constantly scheming and plotting. He tries insistently to give us fascism, as I have proved.

But now I wish to show that he is up to the same traitorous scheming against America in its difficulties with Korea—that he is trying to get away with treason once again, treason in its subtlest form—propaganda.

I will now present an analysis of a piece of propaganda distributed by Rumely's gang, dated August 4, 1950. At the top of the piece is this line:

This is how one of the best-known economists in America (who for personal reasons prefers to remain anonymous) views the movement in Congress to put our whole economy into a strait-jacket.

Note in this Rumely propaganda he does not want the public to know who is really back of what follows. I do not blame him, because what follows, as you will see if you analyze it carefully, is as despicable as any propaganda from Moscow.

The entire release went to all editors in the country. The whole statement is propaganda designed to lessen our defense effort. Its purpose is to weaken the Nation in this grave moment when we are trying to mobilize our strength for our difficulties in the Far East. Read the piece and see if Rumely, the Fascist, is not serving the purpose of a Russian Axis Sally, trying to lull our people to sleep. The CCG release asked this general question:

Are additional Government controls over our economy generally desirable or necessary at this time?

It then states:

A careful analysis of the facts, present and past, from an economic angle, leads to an unqualified "no" for such reasons as the following.

It then lists 14 reasons claimed to be based on facts. In reality, they are based on nothing, or half-truths, and add up to a wonderful dose of subversive subterfuge.

The slight amount of factual material presented is slyly distorted to suit the traitorous purposes of Ed Rumely. This is accomplished by blending misrepresentation and distorted interpretation of fact with obvious truths.

Some of Rumely's psychologically treasonable tract I quote:

RUMELY SEEKS TO CREATE CONFUSION

1. Because of the apparent sudden "about face" of our Government with respect to the far eastern situation, both Congress and the people are confused, excited, and almost hysterical. This is a time for cool heads, stout hearts, and deliberate action—rather than for further compromise with mob psychology.

This point—which is the basic assumption of the whole piece—that our Government has made an about face with respect to the far eastern situation is not true. Our foreign policy the world over, first and foremost, has been to make every effort to maintain peace. In implementing our basic policy, our Government has always cooperated with the United Nations, the agency designed for and most immediately concerned with maintaining the peace of the world. As an integral part of our fundamental policy, it has been deemed wise to stop the spread of communism because its aggressive encroachments are apt to lead to world conflict.

Peace sometimes is won by a show of arms; it has never been won by appeasement. The United Nations and our Government have followed the consistent policy that aggression must be halted in Korea or anywhere else.

As for the need for "deliberate action," the utilization of necessary economic controls is exactly that. The CCG wants inaction with the resulting chaos and inflation paralyzing our defense effort.

The "mob psychology" mentioned by CCG in reality is the demand by the people that effective measures be taken.

RUMELY SOFT-PEDALS GRAVITY OF KOREAN SITUATION

2. We have not declared war. No one has declared war on us. We have not been invaded. No one can actually invade us. It is even questionable whether our alleged and potential enemy, Russia, can drop atomic bombs on us. Such a situation hardly calls for economic mobilization on any drastic scale.

Of course, no one has declared war on us, and we haven't been invaded, but if we permit Russia or any other power to carry on continuous aggression, we become weaker, and if aggression is not stopped in its tracks as we are stopping it in Korea, then our very existence is imperiled. Rumely and his coterie of blind men should have learned this lesson December 7, 1941.

RUMELY'S "ABOUT FACE"

3. Some 9 or 10 years ago we were faced by three or four well-prepared and mighty enemies—Germany, Russia, Japan, Italy—all armed to the teeth and all ruthless. They were strong both on land and on sea, while we were almost totally unprepared.

Ed Rumely in World War I was a traitor. He preached isolationism. In Rumely's eyes, Germany was no enemy of the United States either under Kaiser Wilhelm or Adolf Hitler.

RUMELY WOULD LULL US TO SLEEP

4. Now we have only one potential enemy, Russia—a nation which may be tired of the drain of military preparedness, and which continually asserts that she wants peace, not war. On the other hand, we have, in reserve, much trained manpower, particularly officers, much equipment and matériel, much stand-by munition plant capacity, and vast stockpiles of strategic materials.

Russia certainly is our chief potential enemy, but all of the countries which have fallen under its domination are being forced at gun point to contribute to the Russian war potential. It would not be wise for Uncle Sam to think that he can fight a new war with the weapons and equipment of the last. Rumely knows this but wants the people to think the opposite.

The CCG states that we need not mobilize because Russia "continually asserts that she want peace, not war." I did not think that I would see such an assertion printed these days outside of the pages of the Daily Worker; it does that much violence to the facts. I would think that only a Communist would try to make us believe that Russia's intentions are peaceful.

RUMELY PAINTS ROSY PICTURE OF OUR PRESENT STRENGTH

5. Further, we have left over from our recent war barracks, camps, improved harbor facilities, forts, military roads, great air fields, airplanes and airplane carriers, ships—both for battle and for commerce and transport, tanks, trucks, guns, small arms, ammunition, atomic bombs, precision tools, surplus clothing, army and navy stores, etc. * * * All of these things should save us untold billions each year should we be again plunged into an "all-out" war effort.

Of all the items mentioned, what has not been dismantled is mostly in moth balls. Rumely conveniently forgets that a great deal of equipment is obsolete, as improvements are constantly being made. With the increasing importance of mechanization, our requirements, in case of another full-scale war, will be much greater than in the last war. We must face facts and not bury our head in the sand. The CCG statement is intended to paint a cozy and illusory picture of our present situation. In times such as the present, such intentions constitute a threat to the security of the Nation.

RUMELY DISTORTS FIGURES TO MISLEAD PUBLIC

6. Moreover, our total manufacturing capacity is at least 50 percent greater than it was some 9 or 10 years ago—and we have recently been turning out goods at a rate 60 percent higher than in the good year 1940. Our steel capacity is much greater, and is still increasing. Our capacity to produce electric power has almost doubled; our railroads are in better condition—and they did not fall down once in the last war. We are now virtually independent of natural rubber. We have a surplus of almost everything of importance in our economy.

If this shows anything, it only indicates that figures may be distorted so as to be able to prove almost anything. In the first place, we have been operating our productive units in general at a higher percentage of capacity than we were 10 years ago. Thus, there is less untapped capacity than there was.

As for steel, we even had shortages before the present emergency developed. If prompt action is not taken to increase and effectively utilize our production, we will find ourselves woefully unprepared to meet the emergency. This is no time to be complacent and Rumely knows it.

RUMELY SAYS WE CAN BE SATISFIED WITH ALLIES' STRENGTH

8. Our allies in western Europe and elsewhere, whom we have assisted at great expense for several years, are now in a much improved position. Their drain on our physical and financial resources should, in the future, be much smaller than in the past.

Rumely is well aware that our allies will have to intensify their efforts to meet the new international conditions. Because of this they will need more, not less, assistance.

RUMELY THE MILITARY EXPERT

9. The immediate war effort called for by the President is by him estimated to add about $10,000,000,000 to our Government expenditures. This is scarcely 4 percent of our gross national product, now running at the rate of more than $265,000,000,000 per annum.

Under present conditions, as above outlined, we cannot, without wanton waste, spend any large proportion of our national effort on either the present or any probable future defense effort. Ten billion dollars additional should be enough to put 2,000,000 additional troops under arms.

Every Congressman knows this is pure bunkum. So does Rumely.

RUMELY IGNORES HISTORY OF INFLATION

10. With few and relatively minor exceptions, there is plenty of everything for everybody in this country, and even under prospective war conditions. As soon as the initial hysteria dies down, panicky buying will cease, and prices will revert toward their earlier and lower levels. * * *

Any responsible person knows this also is pure bunkum.

RUMELY'S SHORT MEMORY

12. And, by the way, all history shows that price fixing by Government has never worked, even when enforceable by the death penalty. Our memories regarding the gray and black markets of the last war are too short.

Rumely forgot that we avoided ruinous inflation in World War II. Our national debt today would be over $100,000,000,000 higher had it not been for price controls. This does not take into consideration $200,000,000,000 or more saved by consumers.

RUMELY, TOOL OF DICTATORS, GIVES SERMON ON LIBERTY

14. To impose either the partial controls as requested by the President, or the all-out controls advocated by Mr. Baruch, seems both unwise and unnecessary. To do so would hamper rather than help the defense effort. It would plunge us at once, under generally peaceful conditions, into a totalitarian form of government, akin to the very thing which we are now opposing with armed force. It would destroy our customary liberties, and take away our freedom for an indefinite period. Such a policy should be vigorously opposed by all sound thinking and patriotic citizens.

The President's bill is reasonable regulation designed to save us from a Fascist and a totalitarian regime which would result from the chaos caused by failure to impose the controls. There is a vast difference when the elected representatives—freely chosen by all the people—work out our program and approve it—and work it out in such a way that our fundamental liberties are preserved and our Constitution remains the living instrument it has always been, been, not what Rumely would like to make of it.

THE POET BYRON ON ED RUMELY

Mr. Speaker, the great poet, Lord Byron, said:

There is no traitor like him whose domestic treason plants the poniard within the heart which trusted to his truth.

Long ago, Ed Rumely, I have shown was guilty of trading with a foreign enemy. The psychologically traitorous propaganda I read you, that Rumely and his Fascist committee have distributed throughout the land, illustrates the Poet Byron's brilliant line. Yes, "domestic treason plants the poniard within the heart which trusted to his truth." If enough American hearts trusted to Rumely's truth, our country would move from the great nation that it is—the foremost country on earth—to one of decadence and obscurity. Rumely knew, when he distributed that tract, that he was weakening our war effort. Rumely, the ex-convict traitor who despises our democracy, wants it to fall apart, wants to substitute for it the kind of government that is despised by good peoples all over the earth—a Fascist government. He wants fascism in America.

I have shown what fascism is, in my early remarks. Then I proved that Rumely and the Committee for Constitutional Government fit that definition. I wish now to quote from a monograph, "Fascism in Action," which was written by the Library of Congress, at my request, in 1946. In the foreword to that pamphlet, I said:

Perhaps the best means of fighting fascism is to recognize it no matter under what title it may masquerade. * * * It is my belief that pertinent and fearless exposure will kill pro-Fascist organizations and discredit the individuals who have formed them. * * * I believe we are forced to admit that fascism today is an everpresent danger to our democracy * * * Public opinion appears, in general, to hold that fascism is wholly European or at least a wholly foreign movement. Yet there are many strong symptoms of fascism in our own democratic system. This movement in the United States masquerades under other names than the discredited one of fascism, but whatever it may be called, its peculiar characteristics are alarmingly evident.

In my efforts to fight fascism, I am certainly not unmindful of the world-wide menace of communism. But I wish to point out, gentlemen, that in our own preoccupation with fighting the Communist menace we cannot afford for one moment to relax our vigils in the eternal fight against domestic reaction in the form of fascism.

AMERICAN PEOPLE WANT MORE DEMOCRACY, NOT RUMELY AND CCG

Our people want not less but more democracy. Moscow and Ed Rumely want less democracy. Moscow knows that it would have a compartively easy task in defeating us were Ed Rumely and his fascistic committee to have their way in the United States.

I have shown that Rumely has been consistently contemptuous of the Congress, the judiciary, and the administrative arm of our Government. I have shown that he is deliberately weakening our war effort, just as he attempted to do in World War I. I have shown that he is a despicable man. I have shown why he should be isolated from American society. I ask that every single Member of this great Congress vote to cite Ed Rumely for contempt of the Congress of the United States when such a motion is offered on the floor of this House. When that vote is taken, I hope that every Member reads the line I quoted from Byron:

There is no traitor like him whose domestic treason plants the poniard within the heart which trusted to his truth.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes tomorrow, following the legislative program and any special orders heretofore entered.

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

THE WALTHAM WATCH CO. AND THE TEXTILE INDUSTRY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I heartily endorse the views of the able gentleman from Massachusetts [Mr. DONOHUE] who has made such a great fight against the closing of the Waltham Watch Co. I have many constituents who work in that company in Waltham. I suspect very strongly that there were Swiss influences at work to close the Waltham Watch Co., so that the Swiss interests could take over.

Mr. Speaker, I would also like to endorse the views of the gentleman from North Carolina, Judge BRYSON, regarding the fear that the textile industry all over the country has over the conferences to be held on trade agreements in Torquay, England. I have repeatedly requested that the administration send Members of Congress to sit in to observe these trade-agreement conferences.

As far as I can tell, every other country that is interested has observers at this conference. It is very important that we have ours there.

The SPEAKER pro tempore. The time of the gentlewoman from Massachusetts has expired.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. BUCHANAN] is recognized for 15 minutes.

CITATION OF EDWARD A. RUMELY, WILLIAM PATTERSON, AND JOSEPH P. KAMP FOR CONTEMPT OF CONGRESS

Mr. BUCHANAN. Mr. Speaker I shall, if recognized by the Speaker, call up tomorrow recommendations for contempt citations against Edward A. Rumely, executive secretary of the Committee for Constitutional Government, William L. Patterson, executive secretary of the Civil Rights Congress, and Joseph P. Kamp, executive vice chairman of the Constitutional Education League. Kamp is now in jail serving a sentence for contempt of Congress in 1944.

The three reports charge Rumely, Patterson and Kamp with having deprived the House Select Committee on Lobbying Activities of answer to pertinent questions.

In each instance, the witness had refused to give to the committee in answer to a supena data on the sources of the receipts of his organization. I wish to point out that the information requested from these witnesses, and refused by them, was identical in nature to the material asked and received from all other groups which had appeared before the House Lobby Investigation Committee.

The report on Rumely points out that this witness had taken the position that the congressional investigators had no right to information on the names of those who have given $500 or more to the Committee for Constitutional Government to aid that organization in the

distribution of propaganda bearing on legislative issues.

The report on Patterson, whose organization has been labeled subversive and Communist-led by the Department of Justice, details Patterson's refusal to provide any account, any list, of those who have given material support to the organization. Patterson based his refusal on the assertion that "I didn't regard this organization as a lobbying organization."

The report on Kamp contains testimony showing Kamp's refusal to turn over to the investigating committee any information on his organization or its receipts until the congressional committee were able to establish its right to his satisfaction to have any of this information. Even if such a right were established to his satisfaction, Kamp had testified he would reserve decision as to whether he would comply or take the consequences of refusal. Kamp is now in jail for taking the consequences of a similar refusal to a previous congressional investigating committee.

Rumely's organization files reports under the Lobbying Act. Patterson's used to but ceased doing so. Kamp's never did.

In addition, Mr. Speaker, I should like to bring to the attention of the House, a report prepared by the Legislative Reference Service on proceedings involving contempt of Congress and its committees.

PROCEEDINGS INVOLVING CONTEMPT OF CONGRESS AND ITS COMMITTEES

The power of Congress and its committees to obtain information deemed necessary to the legislative process and the assertion and exercise of this power has been of extreme interest throughout the history of the national lawmaking body. That Congress considered this power to be inherent in the national legislative body is indicated by the act of May 3, 1798,[1] which reads:

"SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President of the Senate, the Speaker of the House of Representatives, a chairman of a committee of the whole, or a chairman of a select committee of either House, shall be empowered to administer oaths or affirmations to witnesses, in any case under their examination.

"SEC. 2. *And be it further enacted,* That if any person shall willfully, absolutely, and falsely swear or affirm, touching any matter or thing material to the point in question whether he or she shall be thus examined, every person so offending, and being thereof duly convicted, shall be subjected, to the plans, penalties and disabilities, which by law are prescribed for the punishment of the crime of wilful and corrupt perjury."

Since that date there has evolved a considerable body of law and precedent which serves as a guide to the Congress and its committees in requiring the production of information and the attendance of witnesses and in dealing with recusancy and contumacy. In recent years the practice has been to leave the punishment of recalcitrant witnesses up to the courts under Revised Statutes 102.

CONGRESSIONAL POWER OF INVESTIGATION GENERALLY

At the outset it is deemed advisable to list the following 17 guiding principles. Particular attention is invited to Revised Statutes 102,[2] which applies to every person who fails to appear as a witness or produce the papers requested.

1. The Constitution grants the legislative authority to Congress

Any authority of a congressional committee is essential to the legislative process must be found in the powers granted to Congress in article I, section 1, and in section 5, clause 2, of the Constitution.

"SECTION 1. All legislative power herein granted shall be vested in a Congress of the United States which shall consist of a Senate and House of Representatives.

"SEC. 5. * * * Each House may determine the rules of its proceedings, punish its Members for disorderly behavior, and, with the concurrence of two-thirds, expel a Member."

2. The constitutional grants do not spell out express powers of Congress to compel disclosures by means of contempt proceedings

It is certainly true that there is no power given by the Constitution to either House, to punish for contempts, except when committed by their own Members. Nor does the judicial or criminal power given to the United States, in any part, expressly extend to the infliction of punishment for contempt of either House, or any one coordinate branch of the Government. Shall we, therefore, decide that no such power exists?

It is true that such a power, if it exists, must be derived from implication, and the genius and spirit of our institutions are hostile to the exercise of implied powers. Had the faculties of man been competent to the framing of a system of government which would have left nothing to implication, it cannot be doubted that the effort would have been made by the framers of the Constitution. But what is the fact? There is not in the whole of that admirable instrument a grant of powers which does not draw after it others, not expressed, but vital to their exercise; not substantive and independent, indeed, but auxiliary and subordinate.[3]

3. Power to compel pertinent disclosures is implied in the grant of all legislative power to Congress

There is no provision expressly investing either House with power to make investigations and exact testimony to the end that it may exercise its legislative functions advisedly and effectively. So the question arises whether this power is so far incidental to the legislative function as to be implied.

In actual legislative practice power to secure needed information by such means has long been treated as an attribute of the power to legislate. It was so regarded in the British Parlament and in the Colonial legislatures before the American Revolution; and a like view has prevailed and been carried into effect in both Houses of Congress and most of the State legislatures.[4]

4. A legislative purpose will be presumed in authorizing a congressional investigation

We cannot assume on this record that the action of the Senate was without a legitimate object, and so encroach upon the province of that body. Indeed, we think it affirmatively appears that the Senate was acting within its right, and it was certainly not necessary that the resolutions should declare in advance what the Senate meditated doing when the investigation was concluded.[5]

The only legitimate object the Senate could have in ordering the investigation was to aid it in legislating; and we think the subject matter was such that the presumption should be indulged that this was the real object. An express avowal of the object would have been better; but in view of the particular subject matter was not indispensable * * *.[6]

* * * "We are bound to presume that the action of the legislative body was with a legitimate object if it is capable of being so construed, and we have no right to assume that the contrary was intended."[7]

5. A congressional inquiry may be as broad as the legislative purpose requires

A legislative inquiry may be as broad, as searching, and as exhaustive as is necessary to make effective the constitutional powers of Congress * * *. A judicial inquiry relates to a case, and the evidence to be admissible must be measured by the narrow limits of the pleadings. A legislative inquiry anticipates all possible cases which may arise thereunder, and the evidence admissible must be responsive to the scope of the inquiry, which generally is very broad. Many a witness in a judicial inquiry has, no doubt, been embarrassed and irritated by questions which to him seemed incompetent, irrelevant, immaterial, and impertinent. But that is not a matter for a witness finally to decide. Because a witness could not understand the purpose of cross-examination, he would not be justified in leaving a courtroom. The orderly processes of judicial determination do not permit the exercise of such discretion by a witness. The orderly processes of legislative inquiry require that the committee shall determine such questions for itself. Within the realm of legislative discretion, the exercise of good taste and good judgment in the examination of witnesses must be entrusted to those who have been vested with authority to conduct such investigations. * * *.[8]

6. Appeals by persons investigated to courts for aid should be timely and necessary

Once information is in the possession of a committee, courts are reluctant to interfere with its use.

And so we think the law is settled that if appellant were before the Senate committee as a witness and were questioned as to matters unrelated to the legislative business in hand, as his bill alleges is true of the messages in question, he would be entitled to refuse to answer; and if, for his supposed contumacy, he were imprisoned, he could secure his release on habeas corpus. And so, also, if a Senate committee were to attempt to force a telegraph company to produce telegrams not pertinent to the matters the committee was created to investigate, the company could be restrained at the instance of the sender of the telegrams, for as the Supreme Court said in *McGrain* v. *Daugherty* * * * the decisions in *Kilburn* v. *Thompson* * * * and *Marshall* v. *Gordon* * * *, point, in such circumstances, to admissible measures of relief. We are, therefore, of opinion that the court below was right in assuming jurisdiction as to the commission, and if the bill had been filed while the trespass was in process it would have been the duty of the lower court by order of the commission or the telegraph companies or the agents of the committee to enjoin the acts complained of. But the main question we have to decide is in a different aspect. Here, as appears both from the bill and by admission of parties, the committee has obtained copies of the telegrams and they are now physically in its possession; and this means neither more nor less than that they are in the hands of the Senate, for the committee is a part of the Senate * * * created, as we have seen, by the Senate for the purpose of investigating the subject of lobbying, in aid of pro-

[1] 1 Stat. 554, ch. XXXVI.
[2] U. S. C. 2: 192—item 10.
[3] *Anderson* v. *Dunn* (1821), 6 Wheat. 204, p. 224.
[4] *McGrain* v. *Daugherty* (1927), 273 U. S. 135, 161.
[5] *In re Chapman* (1897), 166 U. S. 661, 670.
[6] *McGrain* v. *Daugherty* (1927), 273 U. S. 135, 178.
[7] Quoting *People* v. *Keeler*, 99 N. Y. 473, p. 178.
[8] *Townsend* v. *United States*, 95 F. 2d 352, 361.

posed legislation. The prayer of the bill is that the committee be restrained from keeping the messages or making any use of them or disclosing their contents. In other words, that if we find that the method adopted to obtain the telegrams was an invasion of appellant's legal rights, we should say to the committee and to the Senate that the contents could not be disclosed or used in the exercise by the Senate of its legitimate functions. We know of no case in which it has been held that a court of equity has authority to do any of these things. On the contrary, the universal rule, so far as we know it, is that the legislative discretion in discharge of its constitutional functions, whether rightfully or wrongfully exercised, is not a subject for judicial interference.[9]

7. Congress should enforce its own process

* * * It has been customary for the Senate—and the House as well—to rely on its own power to compel attendance of witnesses and production of evidence in investigations made by it or through its committees. By means of its own process or that of its committee, the Senate is empowered to obtain evidence relating to the matters committed to it by the Constitution. *McGrain* v. *Daugherty* * * *. And Congress has passed laws calculated to facilitate such investigations.[10]

8. Pertinency of the evidence is not determined by its probative value

Appellant earnestly maintains that the question was not shown to be pertinent to any inquiry the committee was authorized to make. The United States suggests that the presumption of regularity is sufficient without proof. But, without determining whether that presumption is applicable to such a matter, it is enough to say that the stronger presumption of innocence attended the accused at the trial. It was therefore incumbent upon the United States to plead and show that the question pertained to some matter under investigation. * * *

The question of pertinency under section 102 [U. S. C. 2: 192] was rightly decided by the court as one of law. It did not depend upon the probative value of evidence. That question may be likened to those concerning relevancy at the trial of issues in court, and it is not essentially different from the question as to materiality of false testimony charged as perjury in prosecutions for that crime. Upon reasons so well known that their repetition is unnecessary, is it uniformly held that relevancy is a question of law.[11]

9. Witnesses may be punished for mistakes of law in refusing to answer

* * * A witness may exercise his privilege of refusing to answer questions [before a committee] and submit to a court the correctness of his judgment in so doing, but in the event he is mistaken as to the law it is no defense, for he is bound rightly to construe the statute * * *. Beyond this, he must conform to the procedure of the committee and respond to its questions * * *. He cannot be heard to plead justification and, hence, lack of willfulness in defiantly leaving a hearing because he does not like the questions propounded to him—remedy by objection and refusal to answer both being open to him.[12]

There is no merit in appellant's contention that he is entitled to a new trial because the court excluded evidence that in refusing to answer [the committee] he acted in good faith on the advice of competent counsel. The gist of the offense is refusal to answer pertinent questions. No moral turpitude is involved. Intentional violation is sufficient to constitute guilt. There was no misapprehension as to what was called for. The refusal to answer was deliberate. The facts sought were pertinent as a matter of law, and section 102 made it appellant's duty to answer. He was bound rightly to construe the statute.[13]

10. Contumacy may be punished either by Congress or as a misdemeanor under United States Code 2: 192 (Rev. Stat. 102)

Every person who having been summoned as a witness by the authority of either House of Congress to give testimony or to produce papers upon any matter under inquiry before either House, or any joint committee established by a joint or concurrent resolution of the two Houses of Congress, or any committee of either House of Congress, willfully makes a default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $1,000 nor less than $100 and imprisonment in a common jail for not less than 1 month nor more than 12 months.

The authority to punish under this section rests with Congress and its committees and not with its employees.[14]

Counsel contend * * * that the law delegates to the District of Columbia Criminal Court the exclusive jurisdiction and power to punish as contempt the acts denounced, and thus deprive the House of Congress of their constitutional functions in the particular class of cases. * * *

The refusal to answer pertinent questions in a matter of inquiry within the jurisdiction of the Senate, of course, constitutes a contempt of that body, and by the statute this is also made an offense against the United States.

* * * We grant that Congress could not divest itself, or either of its Houses, of the essential and inherent power to punish for contempt, in cases to which the power of either House properly extended; but, because Congress, by the act of 1857, sought to aid each of the Houses in the discharge of its constitutional functions, it does not follow that any delegation of the power in each to punish for contempt was involved; and the statute is not open to objection on that account.[15]

Where proceedings of the Senate require secrecy, judgment for contempt may be pronounced in secret session.

It was also contended in argument that although the Senate might hold secret sessions, they could not in secret session punish a man for a contempt. The court, however, cannot perceive any reason why the Senate should not have the same power of punishing contempts in secret as in open session.[16]

11. Whether or not the witness has purged himself of contempt is for the House of Congress having jurisdiction to decide

* * * MacCracken contends that he is not punishable for contempt, because the obstruction, if any, which he caused to legislative processes had been entirely removed and its evil effects undone before the contempt proceedings were instituted. He points to the allegations in the petition for habeas corpus that he had surrendered all papers in his possession; that he was ready and willing to give any additional testimony which the committee would require; that he had secured the return of the papers taken from the files by Givven, with his permission; and that he was in no way responsible for the removal and destruction of the papers by Brittin. This contention goes to the question of guilt, not to that of the jurisdiction of the Senate. The contempt with which MacCracken is charged is "the destruction and removal of certain papers." Whether he is guilty, and whether he has so far purged himself of contempt that he does not now deserve punishment are the questions which the Senate proposes to try. The respondent to the petition did not, by demurring, transfer to the court the decision of those questions. The sole function of the writ of habeas corpus is to have the court decide whether the Senate has jurisdiction to make the determination which it proposes.[17]

12. Members of a committee may plead immunity to prosecution for false arrest of a witness

The House of Representatives is not an ordinary tribunal. The defendants set up the protection of the Constitution, under which they do business as part of the Congress of the United States. That Constitution declares that the Senators and Representatives "shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same; and for any speech or debate in either House they shall not be questioned in any other place." [18]

* * * the plea set up by those of the defendants who were Members of the House is a good defense, and the judgment of the court overruling the demurrer to it and giving judgment for those defendants will be affirmed. As to Thompson [the sergeant at arms], the judgment will be reversed and the case remanded for further proceedings.[19]

13. The plea of privilege may be denied to witnesses

No witness is privileged to refuse to testify to any fact, or to produce any paper, respecting which he shall be examined by either House of Congress, or by any joint committee established by a joint or concurrent resolution of the two Houses of Congress, or by any committee of either House, upon the ground that his testimony to such fact or his production of such paper may tend to disgrace him or otherwise render him infamous.[20]

We think the resolution and proceedings give no warrant for thinking the Senate was attempting or intending to try the Attorney General at its bar or before its committee for any crime or wrongdoing. Nor do we think it a valid objection to the investigation that it might possibly disclose crime or wrongdoing on his part.[21]

14. Forcing officers of the executive department to divulge information may be a question of expediency rather than one of authority

A certain amount of discretion in making disclosures will ordinarily be exercised by an executive officer [Hinds' Precedents of the House of Representatives * * * 1907, vol. III, sec. 1738]. "The mischief of the House calling for documents might easily be a very great one * * *" (sec. 1700).

Congress has gone far at times in asserting its authority to investigate activities in the executive department; for examples, the resolution to investigate, in 1792, the failure of the expedition under

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[9] *Hearst* v. *Black*, 87 F. 2d 68, 71.

[10] *Reed* v. *County Commissioners*, 277 U. S. 376, 388.

[11] *Sinclair* v. *United States*, 279 U. S. 263, 298.

[12] *Townsend* v. *United States*, 95 F. 2d 361.

[13] *Sinclair* v. *United States*, 279 U. S. 263, 299.

[14] See *Ex parte Frankfeld*, 32 F. Supp. 915.

[15] *In re Chapman*, 166 U. S. 661, 671, 672.

[16] *Ex parte Nugent* (1848), 18 Fed. Cas. 483.

[17] Compare *Barry* v. *United States ex rel. Cunningham* (279 U. S. 597); *Henry* v. *Henkel* (235 U. S. 219); *Matter of Gregory* (219 U. S. 210) (*Jurney* v. *MacCracken*, 294 U. S. 125, 152).

[18] *Kilbourn* v *Thompson* (103 U. S. 168, 201).

[19] *Kilbourn* v. *Thompson* (103 U. S. 168, 205).

[20] R. S. 103, U. S. C. 2:193.

[21] *McGrain* v. *Daugherty* (273 U. S. 135, 179–180).

Major General St. Clair [22] and the creation of a joint committee on the conduct of the war in 1861.[23]

On the other hand, President Jackson resisted with vigor an attempt of a committee of the House to secure his assistance in an investigation of his administration.[24]

15. The authority of the President to pardon persons punished by either House for contempt has not been determined

This is an interesting question for which there is no settled law. Certainly the intent of Congress should not be permitted to be defeated by the Presidential pardoning power. The pardoning power is limited to relief from undue harshness or evident mistake. Many people have urged that criminal contempts should not be held within the pardoning power because it would tend to destroy the independence of the judiciary. Undoubtedly the courts would differentiate between the pardoning of the contempt of a committee when prosecuted under the statutes and the pardoning of a contempt when prosecuted before the bar of the House or Senate as an enforcement in their own right.

16. The life of a House committee expires with a Congress but that of a Senate committee depends upon its authorization

* * * It is said in Jefferson's Manual: "Neither House can continue any portion of itself in any parliamentary function beyond the end of the session without the consent of the other two branches. When done, it is by a bill constituting them commissioners for the particular purpose." But the context shows that the reference is to the two houses of Parliament when adjourned by prorogation or dissolution by the King. The rule may be the same with the House of Representatives whose Members are all elected for the period of a single Congress; but it cannot well be the same with the Senate, which is a continuing body whose Members are elected for a term of 6 years and so divided into classes that the seats of one-third only become vacant at the end of each Congress, two-thirds always continuing into the next Congress, save as vacancies may occur through death or resignation.

Mr. Hinds in his collection of precedents says: "The Senate, as a continuing body, may continue its committees through the recess following the expiration of a Congress"; and, after quoting the above statement from Jefferson's Manual, he says: "The Senate, however, being a continuing body, gives authority to its committees during the recess after the expiration of a Congress." So far as we are advised, the select committee having this investigation in charge has neither made a final report nor been discharged, nor has it been continued by an affirmative order. Apparently its activities have been suspended pending the decision of this case. But, be this as it may, it is certain that the committee may be continued or revived now by motion to that effect, and, if continued or revived, will have all its original powers.[25]

17. Investigatory powers are granted to the standing committees of the Senate by Public Law 601, Seventy-ninth Congress

SEC. 134. (a) Each standing committee of the Senate, including any subcommittee of any such committee, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to take such testimony and to make such expenditures (not in excess of $10,000 for each committee during any Congress) as it deems advisable. Each such committee may make investigations into any matter within its jurisdiction, may report such hearings as may be had by it, and may employ stenographic assistance at a cost not exceeding 25 cents per hundred words. The expenses of the committee shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

VIII. RIGHTS OF A WITNESS

There are few safeguards for the protection of a witness before a committee. His treatment oftentimes is dependent upon the skill and attitude of the chairman and members of the committee. While an immunity statute (Revised Statute 859) protects him from forced self-incrimination, he has no protection against embarrassment (Revised Statute 103), and as committees are not bound by rules of evidence, a hapless witness may find objections futile. The following statement by Professor McGeary in his dissertation the Developments of Congressional Investigative Power [26] indicates some problems:

"Procedure in hearings: The procedure employed in the hearings, perhaps more than any other aspect of investigations, has been the object of criticism both by witnesses and by outside observers. It must be admitted that, in many instances, the hearings can by no means be considered as models of an effective examination of witnesses and that the tone of the proceedings often leaves much to be desired. Too frequently the investigators have ignored the need for a careful preparation. The hearings are impromptu. The questioners are ill-informed. The witnesses, because the examination is fumbling, are the more willing to risk being held in contempt of the committee. They resort, therefore, to persiflage, and they parry the questions. Indeed, some of the inanities in the records of the hearings are incredible. They have to be seen to be believed."

While it is possible that the adoption of uniform standards of procedure and basic rules of evidence might substantially improve and facilitate the work of an investigatory committee, practicing lawyers could point out from court experience that these improvements would not necessarily be an ironclad safeguard or assurance that investigations would be conducted on a higher plane or that a witness would be handled in a judicious and fair manner. The wisdom and courtesy used in conducting an interrogation would probably bear a more direct relationship to the individual membership of the committee than to any rules and procedures which might be adopted. However, be that as it may, much confusion and ill feeling might be avoided by the adoption in each house of the Congress of standard rules and procedures for the guidance of committees conducting investigations. As a minimum, the right of cross-examination should be considered.[27] While the administration of an oath to a witness adds dignity to the proceeding, it is not necessarily essential. An oath, if administered, however, comes within the provision of Revised Statute 101,[28] and perjury is punishable under section 125 of the Criminal Code.[29]

X. GENERAL OBSERVATIONS AND SUGGESTIONS

If the general investigatory powers of Congress are derived by implication from the vesting by the Constitution of all legislative powers in the Congress, then as a necessary corollary these powers must rest with the Congress, together with the right to effectively invoke them, rather than with the committees and subcommittees which merely exercise authority actually assigned. Stated otherwise, the ultimate power to punish a recusant witness rests with the Senate or the House of Representatives rather than with the committees, the subcommittees, or their chairmen. Even in instances where Revised Statute 102 is invoked, this is done upon the determination of the parent body. See in this connection the statement of Senator Walsh before the Senate, March 22, 1924 (C. R. 65: 4725–6).

1. General types of contempt cases

Two types of cases should be noted in any discussion of the exercise by Congress of its investigatory power. The first type involves the person whose attitude and actions are unruly and obstreperous and indicate contempt of Congress and its powers. The only recourse available in this instance is punishment at the bar of the House or the Senate. For excerpts of testimony illustrative of this type of case, see McGeary. The Development of Congressional Investigative Powers, pages 74–79. The chairman in the recounted instance warned the witness of possible proceedings before the bar of the Senate. See also Cannon's Precedents, value VI, sections 332–334.

The second type of case arises where the witness, though otherwise courteous and cooperative, refuses to give requested information. In this instance he may be taken before the bar of the Senate or House or he may be prosecuted under Revised Statute 102.[30] The observations and suggestions in this section are directed to this second type of case.

2. Limitations on investigatory powers

Inasmuch as the investigatory powers of Congress are derived by implication from the grant of all legislative power in article I, section 1 of the Constitution there can be no express constitutional limitations on the exercise of these powers. The only general constitutional provision affording an absolute safeguard appears to be the privilege against self-incrimination found in the fifth amendment. However, the constitutional right (fourth amendment) to be free from unreasonable searches and seizures may be protected by a timely application to the proper court.

No assumption should be made that, because there are few absolute limitations or protective safeguards, the witness is completely at the mercy of a subcommittee, for its authority and activities are subject not only to review by the courts, but also to review and control of the whole committee as well as the Senate or the House, as the case may be. An omission in this chain of review occurs when Congress is not in session. Then the violation of Revised Statute 102, instead of being reported to the Senate or House, is reported to the President of the Senate or the Speaker of the House who in turn certifies the statement of fact under seal to the appropriate United States attorney for submission to the grand jury for action.[31] However, in certifying these facts—it necessarily follows that either the President of the Senate or the Senate itself must determine to be true what the committee has found prima facie, namely, that it has propounded a pertinent question and the witness has refused to answer that pertinent inquiry.[32]

3. Relevancy and pertinency

With regard to this matter of relevancy or pertinency, no set rule can be stated at this time. Congressional investigations are part of the legislative process and are used to obtain facts and information for legislative purposes. They are not criminal prosecutions, grand jury inquisitions, nor any

[22] Hinds', sec. 1725.
[23] Hinds', sec. 1728.
[24] Hinds', sec. 1737. See generally Hinds', vol. 6, secs. 404–437.
[25] *McGrain* v. *Daugherty*, 273 U. S. 135, 181.
[26] Pp. 74–79.
[27] See McGeary, p. 80.
[28] U. S. C. 2; 191.
[29] U. S. C. 18; 231.
[30] U. S. C. 2; 192.
[31] U. S. C. 2:194.
[32] Senator GEORGE, discussing the Sinclair case, C. R. 65:4726.

other type of judicial proceeding and therefore committees conducting such investigations are not bound by rules of evidence or other court procedural safeguards. A witness may take issue with a committee on the question of relevancy or pertinency and leave the correctness of his judgment to the final determination by the court as a question of law if he is prosecuted under R. S. 102.[53] But as pointed out before if he is mistaken, that will not save him from punishment though he acted in good faith or on advice of counsel. Relevancy is by precedent left largely to the determination of the committee.[54]

4. Recommending action to the executive branch

Mindful, then, of the fact that a legislative inquiry is not a judicial proceeding and is therefore not bound by court rules and procedural safeguards, a committee or a subcommittee should carefully avoid actions which indicate usurpation of judicial or grand jury functions. Granted that investigations seeking facts and information may disclose crimes, or that they may have certain salutary supervisory aspects with regard to administration of the laws, these are merely incidental though perhaps important results. Inviting the attention of proper administrative agencies informally to pertinent disclosures may be defensible but the formal transfer by a chairman of information obtained to the executive branch with a demand for action as a matter of practice is open to serious question. At least one safeguard suggest itself—if such formal reference is to be made it should be done upon the recommendation of the full committee as approved by the Senate or the House.

MICHAEL J. McDERMOTT

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, and to revise and extend my remarks and include therewith a very interesting item appearing in the columns of the Boston Traveler on yesterday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I would like to take this opportunity to go along with the President in extending to Michael J. McDermott my congratulations on his thirtieth anniversary with the Department of State on August 28, 1950, which was yesterday.

Mr. McDermott, who was born in Peabody, Mass., on July 2, 1894—which is in my congressional district—is presently special assistant (press relations) to Secretary of State Dean Acheson. In his present position he is responsible for the press relations of American foreign policy.

His Government service goes back to 1917 when he served in the War Department and in the White House as a shorthand expert on President Wilson's staff. Mr. McDermott, who is dean of all Government press officers, has served under 11 Secretaries of State.

He has been a credit to the Commonwealth of Massachusetts and the city of Peabody, and all of us are proud of his many accomplishments over the years.

Congratulations Mr. McDermott on your long and faithful service to our Government. May you have many more successful years to come.

The following article appeared in the news columns of the Boston Traveler, Monday, August 28, concerning our respected friend:

GENIAL PEABODY IRISHMAN WINDS UP 30 YEARS AS STATE DEPARTMENT SPOKESMAN

WASHINGTON, August 28.—Michael J. McDermott, the genial Peabody, Mass., Irishman, known around the world as the top State Department spokesman, winds up 30 years of service with the State Department today.

Mike won't retire, though. He wants to die in the harness.

His Government service goes back to 1917 when he served in the War Department and at the White House as a shorthand expert on President Woodrow Wilson's staff. He was then only 23 years old.

He looks back today over the years in which he served under 11 Secretaries of State. He worked for Secretary Robert Lansing and Secretary Elihu Root before he formally joined the State Department August 20, 1920.

In his present job as special assistant to Secretary Dean Acheson, McDermott is responsible for the press relations of American foreign policy. He works at it day and night, much like a doctor.

It is a rare night when Mike gets an opportunity to sleep straight through without receiving telephone calls from reporters or Department officials.

The peak number of telephone calls received at his home on a Sunday was a little over 70. They come in from London, Paris, Holland, and Scandinavian countries to Washington RA-6715, during the tense times in world affairs.

McDermott for many years has attended top international conferences throughout the world. He can give dates and places for over 30 meetings. Two events seem to stand out, however. These were the visit of the King and Queen of England in 1939 when McDermott didn't go to bed for four nights, and the 1945 UN conference at San Francisco when he made arrangements for 2,690 correspondents.

After serving under Wilson at the White House, McDermott was sent to Versailles with the rank of warrant officer as confidential secretary to Gen. Tasker H. Bliss. He then attended the Paris peace conference with Lansing.

Since entering the State Department, McDermott has worked in various capacities under Secretaries Bainbridge Colby, Charles Evans Hughes, Frank B. Kellogg, Henry L. Stimson, Cordell Hull, Edward R. Stettinius, James F. Byrnes, Gen. George C. Marshall, and Acheson.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield gladly to my friend from New Jersey.

Mr. CANFIELD. I am very glad to hear the gentleman from Massachusetts extend this tribute to Mike McDermott. I have known Mike ever since I first came to Capitol Hill to labor, almost 27 years ago. We went to law school night classes together. I know him to be a devoted public servant and intensely patriotic. I hope he will continue to enjoy good health in his most important assignment for many years to come.

Mr. LANE. I thank the gentleman for his kind remarks and I, too, well know that he was one of his very dearest friends over the years here in the National Capital.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. LANE] has expired.

EXTENSION OF REMARKS

Mr. JACKSON of Washington asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and include therein certain extraneous material.

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a report made by my Committee on Genocide, notwithstanding the fact that it is over the regular amount.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BOYKIN asked and was given permission to extend his remarks and include a statement by John Steelman.

Mr. MULTER asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. MULTER asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. McGRATH (at the request of Mr. MULTER) was given permission to extend his remarks and include extraneous matter.

Mr. FALLON asked and was given permission to extend his own remarks.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances and in each to include extraneous matter.

Mr. JENSEN asked and was given permission to extend his own remarks.

Mr. POULSON asked and was given permission to extend his remarks and to include extraneous matter.

Mr. JENISON asked and was given permission to extend his remarks and include a brief editorial.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KLEIN (at the request of Mr. McGRATH), for the balance of the week, on account of illness.

To Mr. ROOSEVELT (at the request of Mr. HELLER), for the balance of the week, on account of illness.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2887. An act to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare;

H. R. 6343. An act relating to customs duties on articles coming into the United States from the Virgin Islands;

H. R. 6804. An act for the relief of certain Italian aliens;

H. R. 6832. An act for the relief of Choko Nishida;

H. R. 7265. An act to provide for the conduct of a periodic census of governments;

H. R. 7447. An act to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits;

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[53] *Townsend* v. *U. S.*, supra; *Sinclair* v. *U. S.*, supra; and *McGrain* v. *Daugherty*, supra.

[54] *Townsend* v. *U. S.*, supra; *McGrain* v. *Daugherty*, supra; and *U. S.* v. *Dennis* ((1947) 72 F. S. 417, 420).

H. R. 7786. An act making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes;

H. R. 8219. An act for the relief of Tadeusz Herka;

H. R. 8726. An act to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts and in connection with moving-picture news reels; and

H. J. Res. 238. Joint resolution to amend the Nationality Act of 1940, as amended.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 665. An act for the relief of Margaret D. Scott;

S. 858. An act for the relief of Mrs. Sanford Pruitt;

S. 986. An act for the relief of Carlos Riggenbach;

S. 1913. An act for the relief of Adelaide Giovanna Summa;

S. 2047. An act for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito;

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915;

S. 3094. An act for the relief of Miriam Rosenblum;

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina;

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts;

S. 3426. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife;

S. 3546. An act to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes;

S. 3659. An act to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of special use identification tags, and for other purposes; and

S. J. Res. 163. Joint resolution to designate the reservoir above Baldhill Dam in North Dakota as Lake Ashtabula.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 1586. An act for the relief of Harold E. Trautwein;

H. R. 1874. An act for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault;

H. R. 2887. An act to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare;

H. R. 3919. An act for the relief of John S. Steber;

H. R. 4221. An act for the relief of Patricia Joyce Dunn;

H. R. 6095. An act for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.;

H. R. 6339. An act to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.;

H. R. 6343. An act relating to customs duties on articles coming into the United States from the Virgin Islands;

H. R. 6804. An act for the relief of certain Italian aliens;

H. R. 6832. An act for the relief of Choko Nishida;

H. R. 7265. An act to provide for the conduct of a periodic census of government;

H. R. 7447. An act to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits;

H. R. 7454. An act for the relief of Robert C. Watters, Mrs. Martha L. Watters, C. E. Nivens, E. O. Nivens, and the estate of J. W. Gillum, deceased;

H. R. 8219. An act for the relief of Tadeusz Herka;

H. R. 9134. An act to amend section 4311, Revised Statutes (46 U. S. C. 251); and

H. J. Res. 238. Joint resolution to amend the Nationality Act of 1940, as amended.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 46 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 30, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1654. A letter from the Under Secretary, Department of the Air Force, transmitting a report covering the period of July 1, 1949, through June 30, 1950, pursuant to section 2, Public Law 560, Eightieth Congress (to provide for furnishing transportation for certain Government and other personnel and for other purposes); to the Committee on Armed Services.

1655. A letter from the Secretary of the Interior, transmitting copies of certain legislation passed by the Municipal Council of St. Thomas and St. John and by the Municipal Council of St. Croix, V. I., pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STANLEY: Committee on House Administration. House Resolution 823. Resolution granting 6 months' salary and $350 funeral expenses to Mrs. Carolyn Muldowney; without amendment (Rept. No. 3011). Ordered to be printed.

Mr. PHILBIN: Committee on Armed Services. S. 780. An act to authorize the Secretary of the Navy to review the records of commissioned naval officers who failed of advancement during the war, and for other purposes; with amendment (Rept. No. 3012). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Armed Services. S. 1507. An act to amend section 10 of the act of August 2, 1946, relating to the receipt of pay, allowances, travel, or other expenses while drawing a pension, disability allowance, disability compensation or retired pay, and for other purposes; with amendment (Rept. No. 3013). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. H. R. 9554. A bill to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes; with amendment (Rept. No. 3015). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on Foreign Affairs. H. R. 7445. A bill authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.; with amendment (Rept. No. 3016). Referred to the House Calendar.

Mr. KEE: Committee of conference. S. 3934. An act to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary; without amendment (Rept. No. 3018). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SHORT: Committee on Armed Services. S. 3579. An act for the relief of Midshipman Willis Howard Dukelow, United States Navy; without amendment (Rept. No. 3014). Referred to the Committee of the Whole House.

Mr. GAVIN: Committee on Armed Services. S. 3807. An act to authorize the President to appoint Col. Henry A. Byroade as Director of the Bureau of German Affairs, Department of State, without affecting his military status and perquisites; without amendment (Rept. No. 3017). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JACKSON of Washington:

H. R. 9569. A bill to provide for a vehicular bridge across the Portage Canal in the State of Washington to the naval ammunition depot on Indian Island, Jefferson County, Wash.; to the Committee on Armed Services.

By Mr. REED of New York:

H. R. 9570. A bill granting additional time for filing claims for refunds of overpayments of income tax by members of the Armed Forces; to the Committee on Ways and Means.

By Mr. SMATHERS:

H. R. 9571. A bill creating a temporary additional district judgeship for the southern district of Florida; to the Committee on the Judiciary.

By Mr. CANNON:

H. J. Res. 536. Joint resolution to provide for the reappointment of Harvey N. Davis and Arthur H. Compton as members of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Mr. ELLIOTT:

H. Con. Res. 275. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. MITCHELL:

H. Con. Res. 276. Concurrent resolution declaring it to be the sense of the Congress that the United States should support action in the General Assembly of the United Nations looking toward the establishment of a temporary commission on human wel-

fare, economic progress, and reconstruction in Asia; to the Committee on Foreign Affairs.

By Mr. WOLVERTON:

H. Res. 831. Resolution creating a select committee to conduct an investigation and study of the extent of the exportation of materials and instruments of war to countries whose possession thereof is inimical to the national defense and security; to the Committee on Rules.

By Mr. TEAGUE:

H. Res. 832. Resolution providing for the expenses of the investigation and study to be conducted by the select committee created by House Resolution 474; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOLLINGER:

H. R. 9572. A bill for the relief of Senta Ziegler; to the Committee on the Judiciary.

H. R. 9573. A bill for the relief of Mrs. Freda Seltzer Siegel; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 9574. A bill for the relief of George Lukes; to the Committee on the Judiciary.

H. R. 9575. A bill for the relief of Sook Kat; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 9576. A bill for the relief of Robert B. Cooper; to the Committee on the Judiciary.

By Mr. TAURIELLO:

H. R. 9577. A bill for the relief of Aleksander Wieczorek; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2355. Mr. CANFIELD presented a resolution of the Paterson Diocesan Council of Catholic Women, opposing any legislation extending any Federal aid to Communist China, which was referred to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, AUGUST 30, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

O God, author of the world's joy, bearer of the world's pain, make us glad that we are men and that there has been placed upon us a major responsibility for the welfare of the world. We acknowledge our human frailties and we pause to lean our weakness against the pillars of Thy almightiness. Grant us wisdom, courage, and understanding adequate to meet the demands of these responsibilities in each recurring day. We pray in the name of Thy Son. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 29, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 29, 1950, the President had approved and signed the following acts:

S. 2491. An act providing for the conveying of land and buildings at Fort Phillip Kearney Military Reservation to the State of Rhode Island; and

S. 3099. An act to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 9490) to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 456. An act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia; and

H. R. 7941. An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MYERS, and by unanimous consent, the subcommittee of the Committee on the District of Columbia investigating wire tapping was authorized to meet during the session of the Senate today.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Graham	Long
Anderson	Green	McCarran
Benton	Gurney	McCarthy
Brewster	Hendrickson	McClellan
Bricker	Hickenlooper	McFarland
Bridges	Hill	McKellar
Butler	Hoey	McMahon
Byrd	Holland	Magnuson
Capehart	Humphrey	Malone
Chapman	Hunt	Martin
Chavez	Ives	Maybank
Connally	Jenner	Millikin
Cordon	Johnson, Colo.	Morse
Darby	Johnson, Tex.	Mundt
Donnell	Johnston, S. C.	Murray
Douglas	Kefauver	Myers
Dworshak	Kem	Neely
Ecton	Kerr	O'Conor
Ellender	Kilgore	O'Mahoney
Ferguson	Knowland	Pepper
Frear	Langer	Robertson
Fulbright	Leahy	Russell
George	Lehman	Saltonstall
Gillette	Lodge	Schoeppel
Smith, Maine	Thomas, Okla.	Wherry
Smith, N. J.	Thomas, Utah	Williams
Sparkman	Thye	Withers
Stennis	Tydings	Young
Taylor	Watkins	

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from Illinois [Mr. LUCAS] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate on official business as a temporary alternate Governor of the World Bank.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. MYERS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The VICE PRESIDENT announced that on today, August 30, 1950, he signed the following enrolled bills and joint resolution, which had previously been signed by the Speaker of the House of Representatives:

S. 665. An act for the relief of Margaret D. Scott;

S. 858. An act for the relief of Mrs. Sanford Pruitt;

S. 986. An act for the relief of Carlos Riggenbach;

S. 1913. An act for the relief of Adelaide Giovanna Summa;

S. 2047. An act for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito;

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915;

S. 3094. An act for the relief of Miriam Rosenblum;

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina;

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts;

S. 3426. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife;

S. 3546. An act to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes;

S. 3569. An act to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and

suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of special use identification tags, and for other purposes;

H. R. 8726. An act to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts and in connection with moving-picture news reels; and

S. J. Res. 163. Joint resolution to designate the reservoir above Baldhill Dam in North Dakota as Lake Ashtabula.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred, as indicated:

SUPPLEMENTAL ESTIMATE, FUNDS APPROPRIATED TO THE PRESIDENT, EXPENSES OF DEFENSE PRODUCTION (S. Doc. No. 214)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $60,000,000, for funds appropriated to the President, expenses of defense production, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, TREASURY DEPARTMENT (S. Doc. No. 216)

A communication from the President of the United States, transmitting supplemental estimates of appropriation, in the amount of $4,218,700, for the Treasury Department, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. Doc. No. 217)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $7,500,000, fiscal year 1951, for the Department of the Interior (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, CIVIL SERVICE COMMISSION (S. Doc. No. 212)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $1,860,000, for the Civil Service Commission, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, GENERAL SERVICES ADMINISTRATION (S. Doc. No. 213)

A communication from the President of the United States, transmitting a suppemental estimate of appropriation, amounting to $13,740,000, for the General Services Administration, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REVISED SUPPLEMENTAL ESTIMATE, CLAIMS FOR DAMAGES, AUDITED CLAIMS, AND JUDGMENTS (S. Doc. No. 215)

A communication from the President of the United States, transmitting a revised supplemental estimate of appropriations involving an increase of $617,546.71, in the amount necessary for payment of claims for damages, audited claims, and judgments (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

LAWS ENACTED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Councils of St. Thomas and St. John and St. Croix, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON ADMINISTRATION OF FOREIGN AGENTS REGISTRATION ACT

A letter from the Attorney General of the United States, transmitting, pursuant to law, his report on the administration of the Foreign Agents Registration Act of 1938, as amended, for the 5-year period from January 1, 1945, through December 31, 1949 (with an accompanying report); to the Committee on the Judiciary.

GEOMAGNETIC STATION FOR COMMERCE DEPARTMENT

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to authorize the construction and equipment of a geomagnetic station for the Department of Commerce (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF SECTION 410 OF THE COMMUNICATIONS ACT

A letter from the Chairman of the Federal Communications Commission, recommending the amendment of section 410 of the Communications Act to provide for reimbursement to the Commission for the compensation, transportation, and subsistence expenses of its employees made available to State commissions to act as consultants or witnesses in regulatory matters involving common carriers which are pending before such commissions; to the Committee on Interstate and Foreign Commerce.

REPORT ON TRANSPORTATION FURNISHED CERTAIN GOVERNMENT AND OTHER PERSONNEL

A letter from John A. McCone, Department of the Air Force, Washington, D. C., transmitting, pursuant to law, a report on transportation furnished certain Government and other personnel, for the period July 1, 1949, through June 30, 1950 (with accompanying papers); to the Committee on Armed Services.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by Roy F. Alley Post, 4893, Veterans of Foreign Wars, Franklin, Tenn., favoring the removal from office of the Secretary of State and the Secretary of Defense; to the Committee on Armed Services.

A resolution adopted by members of the Fifth Air Force Society, Philadelphia, Pa., relating to the war in Korea; to the Committee on Armed Services.

A resolution adopted by the board of directors of the Wharton (Tex.) Chamber of Commerce, relating to the Supreme Court decision in the Texas tidelands case; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Tribal Council, Standing Rock Sioux Tribe of North and South Dakota, protesting against the enactment of House bill (H. R. 5372) to authorize the negotiation, approval, and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, as reported by the Senate Committee on Interior and Insular Affairs; to the Committee on Interior and Insular Affairs.

GOVERNMENT IN BUSINESS—RESOLUTION OF KIWANIS CLUB OF WESTMINSTER, MD., INC.

Mr. O'CONOR. Mr. President, the members of the Kiwanis Club of Westminster, Md., in the exercise of their constitutional prerogative, have adopted a formal resolution voicing concern about legislative proposals which would seem to threaten the rights of the American people in the possession of their property and enterprises. The resolution reaffirms their faith in the principles of constitutional law and urges that the Congress preserve the intent and purpose of the Constitution through an amendment to the Constitution which would provide that the Government shall not engage in any business or other enterprise except as specified in the Constitution.

Representing as they do a solid and substantial portion of the business and civic life of their community, the members of the Westminster Kiwanis Club have thus expressed formally what many other Americans in all walks of life may well feel, regarding the many, many proposals which have been and are being advanced to authorize invasion by Government of the private and business rights of our people on the pretense of furnishing greater security against want and privation.

I ask unanimous consent that the resolution be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas America is the product of a people's faith in constitutional law designed to protect the property and enterprises of each citizen from political competition or confiscation; and

Whereas attacks upon this principle have produced many governmental agencies which are now in active conflict with the individual enterprises of the American people; and

Whereas many proposals now before Congress will, if adopted by a mere majority, further jeopardize the rights of the American people to their individual property and enterprises; and

Whereas the intent and purpose of the tenth amendment to the Constitution was to prohibit governmental exercise of powers not specifically delegated to it; and

Whereas the intention of the fifth article of the Constitution was to provide a means for the proper delegation of powers to Government through a procedure which requires a two-thirds majority of both Houses of Congress and the approval of three-quarters of the States: Therefore, be it

Resolved, That we, the members of Kiwanis Club of Westminster, Inc., Westminster, Md., in regular session assembled this 11th day of July, 1950, exercise our constitutional power to petition the Congress to preserve the intent and purposes of the Constitution

by initiating an amendment to the Constitution, for submission to the people of the various States, to provide that the Government of the United States shall not engage in any business, professional, commercial, or industrial enterprise in competition with its citizens except as specified in the Constitution; and be it further

Resolved, That a copy of this resolution be spread upon the minutes of this meeting and that copies of it be sent to (1) the President of the United States, (2) both Members of the United States Senate from this State, (3) Members of the House of Representatives from this and adjacent districts, (4) the Governor of this State, and, (5) two copies to the American Progress Foundation, 7190 Sunset Boulevard, Los Angeles, Calif.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McMAHON, from the Joint Committee on Atomic Energy:

S. 3437. A bill to amend the Atomic Energy Act of 1946; with amendments (Rept. No. 2493).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

H. R. 9430. A bill to amend the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," approved August 2, 1946 (60 Stat. 806), to simplify administration in the Government service, and for other purposes; with amendments (Rept. No. 2495).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 3856. A bill for the relief of Andrew Halasz; with an amendment (Rept. No. 2497).

By Mr. KILGORE, from the Committee on the Judiciary:

S. 2702. A bill for the relief of Louis E. Gabel; without amendment (Rept. No. 2496).

By Mr. CORDON, from the Committee on Interior and Insular Affairs:

H. R. 1920. A bill to amend the Columbia Basin Project Act with reference to State lands; with an amendment (Rept. No. 2498).

INVESTIGATION OF PROBLEMS RELATING TO MERCHANT MARINE—REPORT OF A COMMITTEE (REPT. NO. 2494)

Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, submitted, pursuant to Senate Resolution 50, Eighty-first Congress, authorizing an investigation of problems relating to the United States merchant marine, domestic land and water transportation, and radio, telegraph, and telephone communications, a final report thereon, which was ordered to be printed.

MEMORIAL PLAQUE TO THE MEMORY OF STEPHEN COLLINS FOSTER

Mr. GREEN. Mr. President, as acting chairman of the Committee on Rules and Administration, I report favorably, without amendment, House Joint Resolution 385, providing for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The clerk will state the joint resolution by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 385) providing for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. GEORGE. If there is to be any debate, I shall not consent to consideration of the resolution at this time.

Mr. GREEN. I think the Senator from Georgia is vitally interested in one of the resolutions I shall report.

Mr. WHERRY. Mr. President, this is a joint resolution which just came from the Committee on Rules and Administration, is it?

Mr. GREEN. It is.

Mr. WHERRY. As I understand, no appropriation is involved in the resolution at all, and it merely provides for the acceptance of a plaque. Is that correct?

Mr. GREEN. That is correct.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection the joint resolution was considered, ordered to a third reading, read the third time, and passed.

PRINTING OF ADDITIONAL COPIES OF PUBLIC LAW 734, THE SOCIAL SECURITY ACT AMENDMENTS OF 1950

Mr. GREEN. Mr. President, from the Committee on Rules and Administration I report favorably, with amendments, Senate Resolution 339, submitted by the Senator from Georgia [Mr. GEORGE] on August 28, 1950. I ask for the immediate consideration of the resolution.

The VICE PRESIDENT. The clerk will read the resolution by title.

The CHIEF CLERK. A resolution (S. Res. 339) providing for the printing of additional copies of Public Law 734.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with amendments, in line 1, after the word "printed", to strike out "twenty-five" and insert "twenty-one"; in the same line, after the word "thousand", to insert "five hundred"; in line 4, after the word "which", to strike out "five" and insert "three"; in line 5, after the word "and", to strike out "twenty" and insert "eighteen", and in the same line, after the word "thousand", to insert "five hundred", so as to make the resolution read:

Resolved, That there be printed 21,500 additional copies of Public Law 734, Eighty-first Congress, second session, the Social Security Act Amendments of 1950, of which 3,000 copies shall be for the Senate document room and 18,500 copies for the House document room.

The amendments were agreed to.

Mr. KNOWLAND. Mr. President, may we have an explanation of the resolution?

Mr. WHERRY. Mr. President, this resolution provides for the printing of additional copies of Public Law 734, and one of the amendments was submitted by the Senator from Georgia [Mr. GEORGE] which reduced the number from 25,000 to 21,500, at a maximum cost of $1,200. Is not that correct?

Mr. GREEN. The Senator is correct.

Mr. WHERRY. Does the Senator desire to make any further explanation in order to comply with the request of the Senator from California?

Mr. GREEN. I will ask the Senator from Georgia to make the explanation, if he thinks it desirable.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Georgia if he would care to make any comment about the reduction in the number of copies to be printed. The amendment reported by the committee would make available 21,500 copies of the social-security law which was passed.

Mr. GEORGE. That is correct.

Mr. WHERRY. At a maximum cost of $1,200.

Mr. GEORGE. The demand for copies of the law from all the State agencies, and a large number of individuals throughout the country, has been extraordinarily heavy. We figured 21,500 would be the minimum number necessary to meet the demand.

The VICE PRESIDENT. The question is on agreeing to the resolution as amended.

The resolution, as amended, was agreed to.

INCREASE IN LIMIT OF EXPENDITURES BY SPECIAL COMMITTEE ON CRIME INVESTIGATION

Mr. GREEN. Mr. President, from the Committee on Rules and Administration, I report favorably, with an amendment, Senate Resolution 334, submitted by the Senator from Tennessee [Mr. KEFAUVER] on August 22, 1950, and I ask for its immediate consideration.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, I believe an explanation now would be better than after the resolution is before the Senate for consideration, because there is an amendment. I should like to have the distinguished Senator from Rhode Island explain what the resolution provides.

Mr. GREEN. I think that it would be better to have it read. It is very short.

The VICE PRESIDENT. The clerk will read the resolution.

The resolution was read, as follows:

Resolved, That the committee established by Senate Resolution 202, agreed to May 3, 1950 (creating a special committee to investigate interstate gambling and racketeering activities), is hereby authorized to expend from the contingent fund of the Senate $100,000 in addition to the amount heretofore authorized for the same purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with

an amendment, in line 5, after the word "Senate", to strike out "$100,000" and insert "to carry out the purposes of Senate Resolution 202, $50,000", so as to make the resolution read:

Resolved, That the committee established by Senate Resolution 202, agreed to May 3, 1950 (creating a special committee to investigate interstate gambling and racketeering activities), is hereby authorized to expend from the contingent fund of the Senate, to carry out the purposes of Senate Resolution 202, $50,000 in addition to the amounts heretofore authorized for the same purposes.

Mr. GREEN. Mr. President, the explanation is that the very important committee investigating interstate gambling and racketeering activities, through its chairman, asked for an additional appropriation of $100,000 to carry out the duties devolving upon the committee. After hearing various witnesses, including the chairman of the committee asking for the increase, the Committee on Rules and Administration decided that $50,000 was all that was necessary now, and that if more is needed later authority can be given.

Mr. WHERRY. I am not objecting to the resolution. I am in favor of the resolution as amended. It would give the distinguished chairman of the committee all the funds he has asked for, practically for a period of 7 months. I believe it would provide about $10,000 less than the total amount he has asked for, for an additional 7 months. Is that correct?

Mr. GREEN. No, that is not correct. The statement with respect to the matter showed the need for only half as much as had been requested.

Mr. WHERRY. I appreciate that statement very much indeed. At the expiration of the period, if there is need for a further increase I am satisfied the Committee on Rules and Administration will give the subject every consideration.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ORDER OF BUSINESS

Mr. O'MAHONEY. Mr. President, I have two conference reports which I am sure will not take long to consider.

The VICE PRESIDENT. The Chair would suggest to the Senator from Wyoming that they are matters which do not seem to be contemplated under the unanimous-consent agreement that Members of the Senate may be permitted to insert routine matters in the RECORD, and introduce bills and so on. What the Senator has reference to are privileged matters which can be brought up later.

Mr. O'MAHONEY. The reason I attempted to bring them up is because the Senate has acted on several resolutions which have been reported. Therefore, I thought the matters I wished to present were in order at this time.

The VICE PRESIDENT. Probably they are as much in order as the resolutions which have been acted upon. It has, however, been the habit of the chairman of the Committee on Rules and Administration to report resolutions from that committee and ask for their immediate consideration.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 30, 1950, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 456. An act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia;

S. 665. An act for the relief of Margaret D. Scott;

S. 853. An act for the relief of Mrs. Sanford Pruitt;

S. 986. An act for the relief of Carlos Riggenbach;

S. 1913. An act for the relief of Adelaide Giovanna Summa;

S. 2047. An act for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito;

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915;

S. 3094. An act for the relief of Miriam Rosenblum;

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina;

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts;

S. 3426. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife;

S. 3546. An act to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes;

S. 3659. An act to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of special-use identification tags, and for other purposes; and

S. J. Res. 163. Joint resolution to designate the reservoir above Baldhill Dam in North Dakota as Lake Ashtabula.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARRAN:

S. 4106. A bill for the relief of Vernon Crudge; to the Committee on the Judiciary.

(Mr. MARTIN introduced Senate bill 4107, to extend reemployment rights under the Selective Service Act of 1948 to any person who enlists for 4 years in the Armed Forces of the United States or the Coast Guard, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. SPARKMAN:

S. 4108. A bill for the relief of Tsuneko Furuyama; to the Committee on the Judiciary.

AMENDMENT OF SELECTIVE SERVICE ACT OF 1948

Mr. MARTIN. Mr. President, I introduce for appropriate reference a bill to amend the Selective Service Act of 1948 and ask unanimous consent to offer a brief explanation.

The Selective Service Act of 1948 protects the job rights of persons whose enlistment does not exceed 3 years. Any enlistment in excess of 3 years automatically loses the protection of the act.

The Army at the present time is accepting 3-year enlistments, but the Navy is refusing to accept enlistments for a period of less than 4 years.

Unless this bill is enacted, therefore, all persons enlisting in the Navy will lose the job rights protection of the Selective Service Act. In my opinion we should not penalize persons who happen to choose to enlist in the Navy.

The bill would extend reemployment rights under the Selective Service Act of 1948 to any person who enlists for 4 years in the Armed Forces of the United States or the Coast Guard.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4107) to extend reemployment rights under the Selective Service Act of 1948 to any person who enlists for 4 years in the Armed Forces of the United States or the Coast Guard, was read twice by its title, and referred to the Committee on Armed Services.

SUPPLEMENTAL APPROPRIATIONS, 1951—AMENDMENT

Mr. STENNIS (for himself, Mr. GEORGE, Mr. MURRAY, Mr. RUSSELL, Mr. THOMAS of Utah, Mr. MCCARRAN, Mr. LEHMAN, Mr. NEELY, Mr. GRAHAM, Mr. THOMAS of Oklahoma, Mr. KERR, Mr. HUMPHREY, Mr. JOHNSTON of South Carolina, and Mr. PEPPER) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 9526) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

INTERNAL REVENUE ACT OF 1950—AMENDMENTS

Mr. CAPEHART submitted amendments intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. ROBERTSON. Mr. President, the pending tax bill carries a new provision regarding gifts made in anticipation of death. The provision puts a limitation of 3 years behind which the Bureau of Internal Revenue cannot go.

I send to the desk an amendment intended to be proposed by me to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, and request that it be printed and lie on the table, until it can be reached, which extends the coverage to existing cases that have not been settled. I ask unanimous consent that the amendment and a brief explanation thereon be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the amendment and statement by the Senator from Virginia will be printed in the RECORD. The Chair hears no objection.

The amendment and statement are as follows:

AMENDMENT ON TRANSFERS IN CONTEMPLATION OF DEATH

On page 223, beginning with line 24, strike out everything through line 2, page 224, and insert in lieu thereof the following:

"(c) Effective date: The amendments made by this section shall be applicable with respect to estates of decedents dying after January 1, 1945. No interest shall be allowed or paid on any overpayments resulting from the application of this section with respect to any payment made prior to the date of enactment of this act."

STATEMENT BY SENATOR ROBERTSON

TRANSFERS IN CONTEMPLATION OF DEATH

Section 501 is intended to relieve, as far as possible, both the Government and the executors of decedents' estates of the burden of the futile and unnecessary disputes which inevitably arise with respect to decedents' inter vivos gifts as to whether they were made in contemplation of death and consequently are includible in the gross estate. It is particularly intended to relieve executors from being forced, by the expense of litigating these disputes, to agree to settlements with respect to gifts made long before the decedent's death.

It does this by extending the presumption in favor of the Government to all gifts made within a period of 3 years prior to the decedent's death, and, on the other hand, by prohibiting the application of the contemplation of death clause to any earlier gifts.

In the present bill, this provision is declared to be applicable only to estates of decedents dying after the date of enactment. This amendment would make the provision applicable retroactively to the estates of decedents dying since January 1, 1945, for in these cases the statute of limitations will not have run nor will a court decision have become final. Much could be said for making the amendment effective February 10, 1939, the date of enactment of the code.

The reasons impelling the enactment of section 501 itself apply as well to estates presently in the process of administration as they do to those which will come into existence in the future through the deaths of persons now living. Extended litigation which is costly to both the Government and the taxpayer can be avoided by making the provision retroactive.

The Government is protected by a provision in the amendment that no interest shall be allowed or paid on overpayments resulting from the application of the section with respect to payments of tax made prior to the date of enactment.

Mr. MARTIN. Mr. President, I submit for appropriate reference an amendment intended to be proposed by me to the pending bill (H. R. 8920) to reduce excise taxes, and for other purposes, and I ask unanimous consent that an explanatory statement of the amendment be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received and appropriately referred, and, without objection, the explanatory statement will be printed in the RECORD. The Chair hears no objection.

The explanatory statement presented by Mr. MARTIN is as follows:

STATEMENT BY SENATOR MARTIN

This provision, which is aimed at relieving the situation of decedents' estates faced with the problem of financing the estate tax out of holdings consisting largely of shares in a family corporation, has been so closely circumscribed in one respect that its benefits will not be available to estates most deserving of relief.

This is because of the requirement that any distributions, in order to be covered by the provision, must be made "within the period of limitations for the assessment of estate tax."

Under this language, those executors of estates presently in the process of administration who have conscientiously proceeded to discharge their estate tax liability with borrowed funds, but are still faced with the same basic problem of discharging the loan, would be arbitrarily denied the benefits of the section.

The amendment would delete this requirement, and substitute a proviso which would limit the provision so that it can be invoked only by those executors who use the proceeds of the distribution for the prescribed purposes, either directly or indirectly.

AGREEMENTS FOR CERTAIN SWITCHING SERVICE—AMENDMENT

Mr. HUMPHREY. Mr. President, I submit for appropriate reference an amendment intended to be proposed by me to the bill (S. 1596) to authorize the Postmaster General to enter into special agreements for certain switching service by railway common carriers, and for other purposes.

I submit this amendment because I am convinced it is in the public interest and merits action this year. Its enactment would result in substantial savings to the American people and is in my judgment a most concrete and positive step toward governmental economy. It is an amendment which would repeal the so-called round-trip provisions of the Railway Mail Pay Act of 1916. I invite the attention of the Senate to this amendment because it carries out in practice a frequently expressed intent of the Senate for governmental economy. It is a form of economy, however, which in no sense will affect vital services for the American people nor will it in any way interfere with necessary legislative steps and Government programs to bolster our economy and the health and welfare of the American people.

I ask unanimous consent that an explanatory statement of the amendment which I have prepared be printed at this point in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table; and, without objection, the explanatory statement will be printed in the RECORD. The Chair hears no objection.

The explanatory statement presented by Mr. HUMPHREY is as follows:

EXPLANATORY STATEMENT BY SENATOR HUMPHREY

My amendment to S. 1596 would restore a provision in that bill to repeal the so-called round-trip provisions of the Railway Mail Pay Act of 1916. The Postmaster General and other agencies of the Government, including the General Accounting Office, have urged the repeal of these provisions. The committee in reporting the bill eliminated the repealer and requested the Post Office Department, among others, to make a comprehensive study and submit a further report on these so-called round-trip provisions. My amendment is prompted by the vital information submitted in the Postmaster General's report which, in my view, makes it mandatory that the Senate act without further delay.

These so-called round-trip provisions impose upon the United States an obligation to pay the railroads at full rates for the movement of mail in both directions, although mail is actually transported in only one direction. No private shipper, no other governmental agency is subject to such a requirement. It is wasteful of Government funds. It lends itself to tremendous abuses and as the Postmaster General so clearly brings out in his report, it is impossible to administer.

Many sound reasons are set forth in the Postmaster General's report for the repeal of these inequitable provisions, but, in my opinion, there is one outstanding fact that of itself calls for their immediate repeal. The fact is that operation under these provisions requires public funds to be paid out of the United States Treasury without an adequate opportunity for complete verification of railroad claims. It has been estimated that $31,000,000 was paid by the Government for unused space in 1949. Yet, there is evidence which indicates that close to 20 percent of the claims filed are incorrect. The Postmaster General points out that this fact was uncovered in a Nationwide field study undertaken as a part of the pending railway-mail-pay case. In other words, this study, the first of its kind to be made in 20 years, brought to light the fact that claims were submitted by the railroads upon which adequate checks could not be made, and as a result payments have been made to the railroads under these provisions upon improperly filed claims.

At this point I want to say the repeal of the round-trip provisions as provided by my amendment would not deprive the railroads of the right to charge mail with the cost of returning empty equipment occasioned by the heavier flow of mail in one direction than in another. It would merely leave to the Interstate Commerce Commission the job of providing adequate compensation for this factor in fixing one-way rates for mail as it does in the case of all other traffic.

To understand the difficulty of verifying claims of the railroads for empty return of the so-called deadhead cars, for which the Post Office Department today has to pay a loaded-car rate, the Postmaster General sets forth clearly and concisely the tremendous change that has taken place in the matter of mail movements in recent years. Parcel post has grown by leaps and bounds, so that today most of the mail traffic does not constitute letters and newspapers but small and large parcels which are transported in any type of railroad car that is available. Almost 75 percent of the mail is transported in baggage and express cars, horse cars, milk cars, refrigerator express cars, converted freight cars, and coaches.

Under the round-trip provisions the Post Office Department is required to pay for the empty return movement of cars used for mail which are not used in the return movement by the railroads for other purposes. There are 6,500,000 movements of such cars each year in what is termed "head-end" service in passenger trains. Complete verification of deadhead claims would require the physical inspection of virtually all head-end movements. The magnitude of this task must be evident to anyone. The Postmaster General says that as a practical matter it is an impossible task, and that the Government has no alternative but to pay the railroads on the basis of claims submitted without a complete verification.

As I have said, on this fact alone I think the round-trip provisions should be repealed, thus permitting the Interstate Commerce Commission to prescribe a fair and reasonable one-way rate which, of course, would take

into consideration the cost of returning empty cars properly assignable to mail.

But there are other reasons why these provisions should be repealed. The Postmaster General points out that they encourage the railroads to operate empty equipment in the return direction in order to obtain deadhead-mail pay. The obvious reason is that they get more for running a car empty than they do in hauling it full of commercial traffic. A railroad representative admitted as much. The evidence before our committee shows that railroads have issued instructions not to load any other traffic in particular cars "in order to fully protect our return-mail pay," and to withhold other traffic if necessary in order to accomplish this. There is also evidence that empty refrigerator cars were transported east from the west coast as a basis for obtaining deadhead mail revenue at a time when similar cars were needed in the West to bring the fruit crop east. This, of course, is featherbedding in its simplest form. The only way to stop it is to remove the incentive, and that can be done here without depriving the railroads of any compensation to which they are justly entitled, merely by prescribing rates for mail service on the same basis as the rate prescribed for other traffic.

These provisions result in other abuses which are set forth in the Postmaster General's report. The Postmaster General concludes that in view of the changed conditions since the passage of the round-trip provisions in 1916, operation thereunder has resulted in an administrative nightmare for both the railroads and the Post Office Department, and for the reasons stated in his report, they should be repealed forthwith.

HOUSE BILL PLACED ON CALENDAR

The bill (H. R. 9490) to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes, was read twice by its title, and ordered to be placed on the calendar.

ACTIVITIES OF THE SENATE SUBCOMMITTEE ON MERCHANT MARINE AFFAIRS—STATEMENT BY SENATOR O'CONOR

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD a statement prepared by him in regard to the work of the Senate Subcommittee on Merchant Marine and Maritime Affairs, which appears in the Appendix.]

CELEBRATION OF ONE-HUNDRED-AND-FIFTIETH ANNIVERSARY OF THE BOSTON NAVAL SHIPYARD—ADDRESS BY THE SECRETARY OF THE NAVY

[Mr. ECTON asked and obtained leave to have printed in the RECORD an address delivered by the Secretary of the Navy, Hon. Francis P. Matthews, at the celebration of the one-hundred-and-fiftieth anniversary of the Boston Naval Shipyard, on August 25, 1950, which appears in the Appendix.]

JAMES M. MEAD—ARTICLE FROM THE ENGINEMEN'S MAGAZINE

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a biographical sketch of former Senator James M. Mead, published in the Enginemen's magazine for July 1950, which appears in the Appendix.]

INSIDE IN WASHINGTON—ARTICLE BY MAY CRAIG

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article entitled "Inside in Washington," written by May Craig and published in the Portland Press-Herald of August 28, 1950, which appears in the Appendix.]

POTATO SCANDAL—EDITORIAL FROM THE PORTLAND PRESS HERALD

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an editorial entitled "Potato Scandal," published in the Portland Press Herald of August 28, 1950, which appears in the Appendix.]

RENEGOTIATION—EDITORIAL FROM THE PORTLAND PRESS HERALD

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an editorial entiled "Renegotiation," published in the Portland Press Herald of August 28, 1950, which appears in the Appendix.]

FRANCO AND FREE ENTERPRISE—ARTICLE FROM THE NEW LEADER

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an article entitled "Franco and Free Enterprise," published in the magazine the New Leader for August 19, 1950, which appears in the Appendix.]

THE SELECTIVE SERVICE ACT

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that I may read into the RECORD two letters which I feel are of importance in the present emergency. It will not take me more than 3 minutes to do so.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Massachusetts may proceed.

Mr. SALTONSTALL. Yesterday my colleague [Mr. LODGE] made a very provocative speech on the very important subject of the armed defense of our country and the number of men required. At the conclusion of his remarks he raised the question whether the selective-service law needed changes at the present time. As a consequence, yesterday afternoon I wrote a letter to Maj. Gen. Lewis B. Hershey, the Director of the Selective Service System, as follows:

AUGUST 29, 1950.

Maj. Gen. LEWIS B. HERSHEY,
Director, Selective Service Headquarters, Washington, D. C.

MY DEAR GENERAL HERSHEY: The question came up this morning in a debate on the floor of the Senate during a speech by my colleague, Senator LODGE, as to whether or not the Selective Service Act in its present form is capable of raising and maintaining an armed force of 3,000,000 men.

One assumption I make is that you would take into consideration in giving me your opinion that the Defense Department would utilize the services of the National Guard and the Reserve Forces in implementing the other forces of our country. I also assume that you will make as certain as possible that our country will be secure.

The armed services now have no authorized top limit. I am informed that the minimum strength now contemplated by the Department of Defense is 2,300,000 men. Such strength will require more money to be appropriated than is now asked for. It may well be necessary within a comparatively short time to raise this number of men or an even greater number. That is the reason for my asking this question.

If the family allowance bill becomes law, and I assume it will very shortly, it may result in a change in the regulations which will permit you to draft men now exempted as family men.

I realize that it will take a considerable period of time to bring into the armed services so many additional men. Consequently, the present selective-service law may be sufficient until the first of the year when Congress will meet again. I would appreciate your considered opinion at the earliest possible moment as I believe this problem should be considered at the present session if the selective-service law in its present form is incapable of raising the manpower that may become necessary.

Sincerely,

LEVERETT SALTONSTALL,
United States Senator.

General Hershey responded as follows in a letter dated August 30, 1950:

NATIONAL HEADQUARTERS,
SELECTIVE SERVICE SYSTEM,
Washington, D. C., August 30, 1950.

Hon. LEVERETT SALTONSTALL,
United States Senate.

DEAR SENATOR SALTONSTALL: Your letter of August 29, 1950, requests an opinion as to whether or not the Selective Service Act in its present form is capable of raising and maintaining an armed force of 3,000,000 men.

It is my opinion that two changes would be necessary in order to raise and maintain a force of 3,000,000 men. First, it would require a change in regulations, which could be accomplished without legislation, which would place the registrants under Selective Service on the same basis in regard to dependency as are the members of the National Guard and the Reserve Forces who are being called to active duty. This statement presumes the passage of an act by Congress which provides for allowances for dependents.

I may say parenthetically that such a bill was agreed to in conference yesterday.

In addition to this change in the regulations to raise and maintain an armed force of 3,000,000 would require an amendment to the Selective Service Act to permit the induction of persons with prior military service which again would be placing the registrants under 26 years of age in the same position relative to service as are the veterans of World War II who are members of the National Guard and of the several Reserves.

There is necessity for both of these actions to raise the force even if maintenance was not necessary.

Sincerely yours,

LEWIS B. HERSHEY, *Director.*

TORQUAY TARIFF NEGOTIATIONS

Mr. GREEN. Mr. President, yesterday afternoon I received a very important letter from the Secretary of State, in response to a letter I wrote to him on August 11, 1950, on the subject of the possible postponement of the Torquay reciprocal-tariff negotiations. As an alternative to reading the correspondence, I ask unanimous consent to have it printed in the RECORD as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 11, 1950.

The SECRETARY OF STATE,
Washington, D. C.

MY DEAR MR. SECRETARY: I am concerned about the possibility that tariff concessions may be made at the meeting to be held in Torquay, England, next September which may affect certain particular industries in our country adversely. I note in particular that several new countries have been listed to participate in the meeting and that Korea is one of these countries.

Since the conclusion of the public hearings held by the Committee for Reciprocity Information, at which time representatives of industry presented their views regarding proposed negotiations, the Korean situation has developed and it seems to me a survey should be made immediately relative to the postponement or cancellation of the Torquay meeting.

I fully appreciate the importance of this conference in furthering the objectives of our Government's economic and foreign policy. However, since the hearings have been completed by the Committee for Reciprocity Information developments in the international situation deem it advisable, in my opinion, to postpone the proposed negotiations.

As you know, I have been a firm supporter of legislation furthering reciprocal-trade agreements, and have voted consistently for legislation supporting and extending the Trade Agreements Act of 1934. I am convinced, however, that because of the unsettled world conditions, it would be in the best interest, not only of the United States, but of all other participating countries, that the proposed meeting be postponed until the international situation is more stable.

I would appreciate your comments on my suggestion.

Yours sincerely,

THEODORE FRANCIS GREEN.

DEPARTMENT OF STATE,
Washington, August 28, 1950.

MY DEAR SENATOR GREEN: The Department has given careful consideration to your letter of August 11, 1950, in which you raise the question whether, because of unsettled world conditions it would not be in the best interests of the United States and of the other participating countries to postpone the Torquay tariff negotiations.

It is the Department's conclusion, after carefully reviewing the situation in the light of the Korean crisis and the possible consequences it may entail, that the postponement of the Torquay negotiations would be contrary to our own best interests as well as the interests of other free nations who are cooperating with us.

There are several considerations which have led the Department to this conclusion. One of these is the effect which the tariff negotiations at Torquay can have upon the efforts of the United States and of other friendly countries, in the months to come, to combat inflationary tendencies in their respective economies. To the extent that tariff reductions succeed in increasing the volume of United States imports, or in decreasing the prices which such imports would otherwise command in our domestic markets, they will contribute to restraining the inflationary pressures with which we will have to deal in the months ahead. Moreover, tariff reductions resulting from the Torquay negotiations can reasonably be expected to contribute to counterinflationary efforts not only in the United States but in most of the friendly countries of the world, since the effect of such reductions will be to help hold down prices throughout the world.

Another consideration of great importance is the effect which the successful conclusion of the Torquay negotiations can have in helping to correct the present imbalance in our trade by increasing the dollar earning capacity of other friendly countries. The increased defense efforts of our allies promises to increase their need for dollar goods in the years to come. These needs can be met in either of two ways: either by increased sales of goods to dollar areas, or by increased financial assistance by the United States. Of these two means, the former is clearly the more desirable. A reduction in the need for financial aid not only reduces the burden to our own taxpayers but also increases the self-reliance of the nations associated with us in the defense effort.

I should like also to refer to still another consideration, the effect which the Torquay negotiations can have in reducing trade barriers existing between other countries, particularly the nations of western Europe. The United States has heretofore expended great efforts in furthering closer economic cooperation in western Europe. There is general agreement that the Korean situation has increased rather than diminished the necessity for such cooperation. The Torquay negotiations promise to make an important contribution in this direction by reducing tariffs affecting trade among European countries themselves and thus facilitating intra-European trade. In this connection, it may be recalled that western Germany is also to participate in the Torquay negotiations, which will thus be the means whereby that country will be able formally to reestablish its trading links with other western European countries and the United States. Such a step is certain to have considerable significance in linking western Germany more firmly to the Western World.

It is noted that you are concerned about the possible adverse effects of the Torquay tariff negotiations upon particular domestic industries. You can be assured that the interdepartmental Committee on Trade Agreements, which is responsible for directing the administration of the trade-agreements program, will not make a recommendation to the President for the modification of a duty on any product which in its considered judgment would be likely to result in serious injury to a domestic industry. The Department believes that current and prospective increases in economic activity in the United States make even more remote than is normally the case the possibility of injury to our domestic industries. Furthermore, because of the established policy of including an adequate escape clause in our trade agreements, all concessions granted by the United States during the Torquay negotiations may be modified or withdrawn if, contrary to expectations, imports should cause or threaten serious injury to a domestic industry producing like or directly competitive products.

In connection with the fear which has been expressed that the Torquay negotiations may result in serious injury to certain Rhode Island industries, I enclose a copy of the Department's letter of August 18, 1950, to Congressman FORAND in reply to his request on behalf of the Rhode Island Delegation in Congress that certain items be eliminated from the list of products to be considered for possible negotiations at Torquay.

In its review of the desirability of going forward with the Torquay negotiations, the Department has been guided by the conviction, which the President has emphasized, that the task of creating a defense against aggression is not exclusively a military one. The ability of this and of other free nations to resist aggression, even by military means, is ultimately dependent upon assuring that our economic strength and theirs is not impaired, and upon taking additional measures to foster the continued growth of the individual and joint strength of the free nations.

Sincerely yours,

DEAN ACHESON.

Mr. GREEN. Mr. President, I also ask unanimous consent to have printed in the RECORD as a part of my remarks previous correspondence between the Secretary of State and the Rhode Island delegation in Congress.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

JULY 31, 1950.

Hon. DEAN ACHESON,
Secretary of State,
Department of State,
Washington, D. C.

MY DEAR MR. ACHESON: By direction of the Rhode Island delegation in the Congress, I am transmitting to you herewith a copy of letter we addressed to the committee for reciprocity information asking that there be eliminated from the list of items to be considered at the tariff reduction meeting to be held in Torquay, England, next September, certain items which are competitive with products of the State of Rhode Island.

We have set forth in some detail the several items which particularly affect our State and we would appreciate it very much if you could find it possible to support the position we are taking on this subject knowing, as you well know, our viewpoint in favor of reciprocal trade agreements.

You realize, I am sure, that we have gone a long way in accepting tariff reductions on items manufactured in Rhode Island. We find however that further reductions in tariff rates on the items we discuss would prove damaging to the economy of our State.

Sincerely yours,

AIME J. FORAND.

JULY 27, 1950.

The COMMITTEE FOR RECIPROCITY INFORMATION,
Washington, D. C.

GENTLEMEN: We, the undersigned, comprising the entire delegation in the congress from Rhode Island are greatly concerned at the continuing high rate of unemployment in our home State.

Businessmen and workers alike are fearful that the unemployment situation will be aggravated if further tariff concessions are made on items in competition with the products they manufacture. They are upset by the knowledge that these particular items have been singled out by the Committee for Reciprocity Information for possible further tariff reductions at the meeting scheduled for September in Torquay, England.

Only a few weeks ago His Excellency John O. Pastore, Governor of Rhode Island, told the Committee for Reciprocity Information that 45,000 workers in Rhode Island were out of jobs. Of this number, 25,000 have exhausted their unemployment compensation benefits.

Rhode Island has been classified as a distressed area ever since President Truman announced last year that Government procurement orders would be channelled into distressed areas; that is, areas where more than 12 percent of the labor force is unemployed. It was intended that these Government procurement orders would materially help to relieve the unemployment situation but up until now few, if any, orders have been channelled into Rhode Island under that directive.

We believe in, and have consistently supported, the Reciprocal Trade Agreements program. Rhode Island has contributed much to the success of this program through the reduction in the tariff rates on its products. Now we feel that we have gone as far as it is possible to go without seriously damaging our economy.

If further tariff concessions are to be made, it seems to us that fairness would dictate that such concessions be made on articles manufactured on a Nation-wide basis rather than those of a limited area.

Rhode Island and New England have been materially affected by past concessions made on fine cotton textiles, laces, woolens, jewelry, semiprecious and synthetic stones, the bulk

of which is typical of New England manufacturing.

If textiles must be considered at the Reciprocal Trade meeting to be held in England, we respectfully suggest that the fine weaves be not included, but that discussions be on the coarser weaves only. This would remove the discrimination now existing in favor of the South, to which most of the coarse weave plants have migrated from New England.

The present low tariff rates applicable to products in competition with those of Rhode Island have resulted, we are informed, in a great increase in importation. These tariff rates coupled with the depreciated currency of foreign countries present a dire threat to Rhode Island industries and bodes ill to our employment situation which, as stated above, is already in such a deplorable condition that Rhode Island has been declared a distressed area.

The representatives of the several industries mentioned above have presented to the Committee for Reciprocity Information facts and figures which support these statements. We wish to emphasize further that in the textile industry, which is the backbone of the economy of Rhode Island, employment has been reduced 12 percent from March 1948 to March 1950. In other words, in March 1948, there were employed in Rhode Island textile mills 70,400 workers, while in March 1950, these same mills were employing only 61,800, a reduction of 8,600.

Contributing to this reduction in employment are cases such as that of the Lonsdale Co. We quote here two paragraphs from a letter written by L. H. Burton, president of the company, which tell the story.

"Lonsdale Co., prewar, was an extremely important producer of typewriter ribbon fabrics. This production we gave up during the war period in order to make HH balloon and airplane fabrics for defense. Since the war, we have never been able to reestablish this business, and 384 looms which were primarily on typewriter cloth, have remained stopped for the last 3 years. These stopped looms and their preparatory machinery mean the loss of employment for about 400 people.

"Only last week, we quoted on a typewriter cloth at our cost, and found that a domestic potential consumer was buying an identical imported fabric at approximately 5 cents a yard below our costs. On this basis, it is less expensive for us to keep these machines shut down. I am very sure that many New England mills have had experiences similar to ours. A further lowering of the tariff would inevitably put more New England mills out of business."

Jewelry manufacturing, the bulk of which is centered in Rhode Island, also has been seriously affected. Thousands of jewelry workers have been walking the streets due in part, we are informed, to the importation of low-priced jewelry from foreign countries.

The lace industry is a small industry. Of the 65 lace mills in this country, more than 40 of them are located in Rhode Island. Spokesmen for the lace industry have furnished briefs to, and made oral statements before, the Committee for Reciprocity Information, showing that not only are imports threatening that small industry, but that the devaluation of currency has served to reduce the tariffs to a point where it may well cause complete liquidation of the industry in this country.

Representatives of the printing equipment industry also inform us that the devaluation of foreign currencies has already operated in effect as a reduction in the tariff on products manufactured by them in Rhode Island and that any further reduction would result in the laying-off of employees—many of them highly skilled technicians—and thus swell the already large number of unemployed workers.

Another small industry which we are informed is seriously threatened is the paper tube industry, whose products are used by the textile industry. Even at existing tariff rates, German and French producers are selling paper tubes in this country below what American manufacturers can sell them for.

In view of all these facts, the undersigned respectfully request that most serious consideration be given to the elimination of the above-mentioned articles from the list of items which are to be considered at the Torquay, England, meeting next September.

Sincerely yours,

THEODORE FRANCIS GREEN.
EDWARD L. LEAHY.
AIME J. FORAND.
JOHN E. FOGARTY.

AUGUST 18, 1950.

The Honorable AIME J. FORAND,
House of Representatives.

MY DEAR MR FORAND: Reference is made to your letter of July 31, 1950, in which you state that further reductions in the duties on certain products manufactured in Rhode Island would prove damaging to the economy of the State.

The Department of State is fully appreciative of the support which the Members of the Rhode Island delegation have given in the past to the reciprocal-trade agreements program. Insofar as the Department's participation is concerned you and your colleagues can be assured that the program will continue to be administered in accordance with procedures designed to advance the interests of Rhode Island and of the Nation as a whole. Enclosed with your letter was a copy of a letter from the Rhode Island delegation in the Congress to the Committee for Reciprocity Information. The delegation's letter discusses the situation of certain industries located in Rhode Island and requests that particular products be removed from the published list of items which will be considered for possible tariff concessions at the proposed Torquay trade-agreement negotiations in September. The Department would like to address itself to several points raised in your letter and its enclosure, namely, the significance of including an item in the list of products on which this Government will consider granting tariff concessions, the employment situation in Rhode Island, and the conditions affecting certain industries in Rhode Island.

The inclusion of a product in the list of those on which this Government will consider granting tariff concessions does not mean that the duty on such product will necessarily be modified during the course of the negotiations. Products are listed so that the interdepartmental trade-agreements organization may obtain the views of all interested persons, such as the views expressed by the Rhode Island delegation in the case of the products under consideration, and so that it may receive all pertinent data relating to the industries concerned, such as the competitive situation in any industry, the probable effects of increased imports on domestic production, the employment situation within given industries, and so forth. Such information must be available before the Committee on Trade Agreements can discharge its function of advising the President concerning the desirability of adjustments in United States duties in return for concessions by other countries.

After the Committee on Trade Agreements carefully considers the views expressed to the Committee for Reciprocity Information, it is ready to formulate its recommendations to the President as to the concessions which should be offered to, and the requests for concessions which should be sought from, other countries. Depending upon the facts of each individual case the committee has several courses of action which it might consider when formulating its recommendations relating to the concessions to be offered. It might, for example, recommend that a duty be bound, reduced, or increased, or that no action whatsoever be taken with respect to a duty. It might recommend that tariff quotas be established on the importation of certain products, or that any duty binding or reduction be limited with respect to the quality or value of the imported product.

A final decision as to what concession, if any, should in fact be granted by the United States on a particular product cannot be taken until the negotiations are substantially completed and it is definitely known what concessions will be obtained in return.

The removal of certain items from the published list of products in advance of the conclusion of negotiations, and before all factors bearing on the desirability of concessions on particular products can be taken into account, would undermine the whole trade-agreements procedure. If such action were taken on one item, equal consideration would have to be given to similar requests by producers interested in a multitude of other items, and a basis for our negotiations with other countries would no longer exist.

The Department can assure you, however, that the committee will not make a recommendation to the President for the modification of a duty on any product which in its considered judgment would be likely to result in serious injury to a domestic industry. In addition, because of the inclusion in the General Agreement on Tariffs and Trade of an adequate escape clause, all concessions granted by the United States during the Torquay negotiations may be modified or withdrawn if, contrary to expectations, imports cause or threaten serious injury to a domestic industry.

It is the Department's understanding that Providence at the end of July was one of the five remaining "E-areas" in New England. It seems unlikely, however, in view of recent developments, that this situation will exist much longer. One of the factors responsible for making Providence an "E-area" was the unemployment situation in the metals and machinery industry. Recently employment in this industry has picked up, and, according to a recent article in the New York Times (August 13, 1950), Rhode Island textile mills are "flooding textile-machinery manufacturing plants in the area with orders." The article continued that "Machinery men say that the surge of orders, although it coincided with the outbreak of Korean hostilities, is not war business. The textile outlook had brightened noticeably before the war in Korea began, and they believe that textile manufacturers are going ahead with plant improvement because their confidence in the future of the industry has been reestablished."

With respect to unemployment in the textile industry, according to the Bureau of Labor Statistics, employment in this industry in Providence increased from 43,300 employees in May 1949 to 55,700 in June 1950. It has been estimated that about one-third of the unemployment in the Rhode Island textile industry in 1949 was caused by the partial or total outmigration of plants from the area. This trend now appears to have stopped.

The jewelry industry in Providence is reported to be doing well. Although the industry was in a seasonal low period, employment in June 1950 showed a 6.8 percent increase over employment in May. According to reports received by the Government, all indications point to a good season for the jewelry industry this fall. It should be noted that although seasonal trends in the industry have been less marked than formerly, employment in some months in 1950 has exceeded employment in the same months in 1947. In June 1947 there were 15,000 employees in the Providence jewelry

industry; whereas in June 1950 there were 15,700 employees.

The delegation's letter expresses the view that imports are to a large extent responsible for the difficulties confronting important Rhode Island industries. A review of the production and trade situation in a number of these industries will, it is believed, show that imports are in fact a relatively minor factor. On the other hand, certain Rhode Island industries are engaged extensively in the export trade. The decline in total American exports during the last half of 1949 and the first half of 1950 make it clear that we cannot hope to maintain or expand our export markets on a self-supporting basis unless we are also prepared to afford wider opportunities for foreign countries to earn dollars by selling us more goods and services.

The following specific comments on the trade situation affecting certain industries may be useful:

COTTON TEXTILES

It should be noted that despite increased imports the United States is still on an export basis with respect to cotton textiles. Although exports of cotton cloth in 1949 declined from the amount exported in 1947, they were still more than 40 times greater than imports. As noted in the delegation's letter, only the duties on cloths finer than 60's have been affected by trade-agreement negotiations. In 1947, the most recent year for which production data are available, imports of cotton cloth of yarn counts exceeding 60's represented the equivalent of 11 percent of domestic production of cotton cloth of this class. The bulk of cotton cloth made in the United States is of the coarse and medium counts, 40's or less.

LACES

Lace consumption in the United States, as well as its style, texture, and quality, depends very largely on fashion trends. Largely because of changes in fashion the consumption of lace in the United States has declined considerably in the last 30 years. The decrease in consumption has usually been reflected more in reduced imports rather than in smaller domestic production. The value of domestic production in 1947 was $30,000,000. It declined to about $25,000,000 in 1949; in the years 1935–39 the value of the average annual production was in the neighborhood of $9,500,000. The domestic industry has supplied the bulk of laces coarser than 12 point and a large part of imports have consisted of types and styles not generally produced by the domestic industry. Imports in 1949, on a value basis, represented the equivalent of about 29 percent of domestic production as compared with 44 percent in 1939.

JEWELRY

The foreign-trade situation of the domestic jewelry industry can be summed up in a few words, namely, that the value of United States jewelry exports has greatly exceeded that of imports in recent years. Imports were only three-tenths of 1 percent of domestic production in 1937 and four-tenths of 1 percent in 1947. Exports in 1949 were about 16 times greater than in 1929. Also in 1949, exports were eight times as large in value as imports. The competitive strength of the domestic industry is due in part to the fact that domestic suppliers, being located nearer their customers, can follow style changes in the domestic market more easily than can foreign suppliers.

PAPER TUBES

The following information may help to allay the concern of the delegation about the effect of imports on the domestic paper-tube industry. It is estimated that the annual domestic production of parallel tubes is valued at about $1,500,000 and production of tapered tubes at approximately $3,000,000. In the years 1939–43, 1946, and 1948 no paper tubes were imported into the United States. Imports of tubes in 1947 and 1949 were valued at $490 and $89, respectively. Even though imports during the first 5 months of this year were higher than before they were valued at only $1,969 during the 5-month period.

More detailed information on these industries and on the procedures followed in the reciprocal trade-agreements program is provided in the attached memoranda.

To summarize:

While it would not be practicable to remove from the published list of products for possible negotiation the items referred to in the delegation's letter, the listing of these products does not mean that a concession on them will necessarily be granted. Existing trade-agreements procedures should adequately safeguard the interests of Rhode Island and the views expressed by the delegation in this connection will be fully considered.

It is believed that such factors as the readjustment to a lower level of business activity, the outmigration of industries, and the decrease in exports of commodities which Rhode Island traditionally exports to all parts of the world were largely responsible, rather than increased imports, for the decline of employment in Rhode Island in past months. Recent reports indicate that prospects for the jewelry industry in 1950 are bright; and that the other principal industries in Rhode Island are taking on more people and are planning to expand.

It is to Rhode Island's interest that our foreign-trade increase rather than decrease in view of the dependence of the jewelry, textile, and machinery industries on export markets. It is hoped therefore that Rhode Island will continue to support the principles of the trade-agreements program which is designed to bring about such expansion.

Sincerely yours,

JACK K. MCFALL,
Assistant Secretary
(For the Secretary of State).

THE DEFENSE PRODUCTION ACT OF 1950—STATEMENT RESPECTING THE CONFERENCE REPORT AND LEAVE OF ABSENCE

Mr. MAYBANK. Mr. President, I wish to state that Representative SPENCE will today ask leave to file in the House of Representatives the conference report on the so-called defense production bill, and request that it be considered by the House tomorrow. I hope that by tomorrow afternoon it will come to the Senate. In the meantime by reason of the many technical features and the changes which have been made in the bill I ask unanimous consent that the conferees on the part of the Senate, who are members of the Committee on Banking and Currency, may be excused from attendance on the session of the Senate this afternoon.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF PROPOSAL TO CONSIDER VETO MESSAGE ON HOUSE BILL 87 TOMORROW

Mr. JOHNSTON of South Carolina. Mr. President, I wish to notify the Senate that tomorrow, immediately after the morning hour, I shall ask for immediate consideration of the President's veto message on House bill 87. That is a highly privileged matter. I make the statement so that Senators will be put on notice of what is proposed to be done. The Senator from North Dakota [Mr. LANGER], the ranking Republican member on the Committee on Post Office and Civil Service, joins me in this statement.

The VICE PRESIDENT. Senators will take notice.

Mr. WHERRY. Mr. President, will the Senator yield for a question respecting his announcement?

Mr. JOHNSTON of South Carolina. Yes.

Mr. WHERRY. The Senator spoke of the morning hour tomorrow. Does the Senator mean that he intends to bring up the veto message for consideration immediately after routine matters have been placed in the RECORD under the unanimous-consent agreement which is usually entered into at the beginning of the day's session? Technically there will be no morning hour tomorrow. I believe the Senator means that he intends to ask for recognition immediately after routine matters have been considered.

Mr. JOHNSTON of South Carolina. Yes, I do. I thank the minority leader for bringing that distinction to my attention and to the attention of the Senate.

NOTICE OF INTENTION TO SPEAK TOMORROW

Mr. SMITH of New Jersey. Mr. President, I wish to announce that tomorrow, as soon as I can secure recognition after the usual priorities have been satisfied, I propose to ask for recognition so I may make certain remarks at that time.

The VICE PRESIDENT. Is the Senator notifying the Senate or the Chair?

Mr. SMITH of New Jersey. I am notifying the Senate and also the Chair that I will seek recognition as soon as I can do so for that purpose.

GEORGE WASHINGTON CARVER NATIONAL MONUMENT — CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit a conference report on House bill 7302, to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes, and I ask unanimous consent for the immediate consideration of the report.

The VICE PRESIDENT. The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7302) to amend the Act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the language proposed to be inserted by the Senate insert the following:

"SEC. 4. There are authorized to be appropriated such sums not to exceed $150,000

as may be necessary to carry out the provisions of this Act.", and the Senate agree to the same.

JOSEPH C. O'MAHONEY,
JAMES E. MURRAY,
HUGH BUTLER.
Managers on the Part of the Senate.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
FRED L. CRAWFORD,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. O'MAHONEY. Mr. President, let me say that this conference report places a limit of $150,000 on the authorization. As the bill passed the House it contained no limit upon the authorizations.

Mr. WHERRY. However, the conference report will increase the amount authorized from the amount passed by the Senate, namely, $80,000 to $150,000; is that correct?

Mr. O'MAHONEY. Yes.

Mr. WHERRY. In the final analysis there is now a ceiling, whereas the bill as it passed the House contained no ceiling at all; is that true?

Mr. O'MAHONEY. Yes.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

DISPOSAL OF REMAINING GOVERNMENT LOTS IN TOWN SITE OF ST. MARKS, FLA.—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit a conference report on the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla., and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla., having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the language stricken by the Senate amendment insert the following:

"The Secretary of the Interior is hereby authorized to acquire not to exceed five acres of land in the town site of Saint Marks, Florida, surrounding and including Fort San Marcos, by the exchange of public lands of equal value within said town site, and to transfer said lands so acquired to the State of Florida as a historic site.", and the Senate agree to the same.

JOSEPH C. O'MAHONEY,
JAMES E. MURRAY,
HUGH BUTLER,
Managers on the Part of the Senate.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
WESLEY A. D'EWART,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. O'MAHONEY. Mr. President, as the bill came from the House, it contained an additional provision authorizing the Secretary of the Interior to transfer to the State of Florida such lands surrounding and including Fort San Marcos in such townsite as might be acquired by the Secretary of the Interior through the exchange of public lands. The Senate committee regarded that provision as vague, and therefore struck it out.

The provision was rewritten, and now it is limited so as to provide authority with respect to not to exceed 5 acres immediately surrounding the fort.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

SHIPMENT OF MATERIALS OF WAR FROM ECA COUNTRIES TO RUSSIA AND SATELLITE COUNTRIES

Mr. WILLIAMS obtained the floor.

Mr. KEM. Mr. President, will the Senator yield to me, so that I may make a brief statement, not exceeding 10 minutes.

The VICE PRESIDENT. The Senator from Delaware has been seeking recognition, and now he has been recognized.

Mr. WILLIAMS. I am willing to yield to the Senator from Missouri.

The VICE PRESIDENT. Then the Chair will recognize the Senator from Missouri, with the consent of the Senator from Delaware, although he does not have to yield.

Mr. WILLIAMS. Very well.

Mr. KEM. Mr. President, on several occasions recently I have invited the attention of the Senate to the distressing fact that Great Britain and other Marshall plan nations are shipping materials of war to Russia and her satellites. In some cases these are materials which have originated in the United States, and are banned by this country for direct export to Russia.

I have pointed out that, as in the case of scrap iron exported to Japan before the last war, we seem to find our boys again being killed and maimed by materials coming from ourselves, this time through the Marshall plan countries. This time we ourselves are banning such shipments, only to have them pour out to our potential enemies from our friends.

Mr. President, there is no denying the fact that the United States sits on a powder keg which may explode at any moment. There is no question, I suppose, that if war does come to the world again, Soviet Russia will be our enemy.

We have already spent billions of dollars, and we are called upon to spend billions of dollars more during the current fiscal year, to strengthen the ability of Great Britain and other Marshall plan countries to resist the Soviet Union. Are responsible officials of Marshall plan countries playing "footsie" under the table with the Soviet bear? We may speculate as to the intent, but the facts are plain.

I quote now from an Associated Press dispatch from London, appearing in the Kansas City Star under date of August 26, as follows:

Winston Churchill declared tonight that a British factory is turning out tools for the Russians suitable for the repair of tanks. The Ministry of Supply quickly conceded that several British machine tool manufacturers are turning out products for Russia.

Churchill said Russian inspectors are admitted into the plant. The Ministry of Supply spokesman said this was true in all the plants engaged in making tools for the Russians.

"Fancy going on like this while everything is getting worse, and when we are literally begging the United States for aid in every form," Churchill asserted.

Mr. President, I ask unanimous consent that the entire dispatch may be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Kansas City Star of August 26, 1950]

TOOLS TO SOVIETS—CHURCHILL DECLARES A BRITISH FACTORY IS SUPPLYING EQUIPMENT OF WAR VALUE—LET RUSSIANS IN PLANT—GOVERNMENT CONCEDES THAT THE KREMLIN'S INSPECTORS DO WATCH PRODUCTION—ADDRESS ATTACKING ATTLEE REGIME WARNS OF NEW COMMUNIST MOVES SOON

LONDON, August 26.—Winston Churchill declared tonight that a British factory is turning out tools for the Russians suitable for the repair of tanks. The Ministry of Supply quickly conceded that several British machine-tool manufacturers are turning out products for Russia.

Churchill said Russian inspectors are admitted into the plant. A Ministry of Supply spokesman said this was true in all the plants engaged in making tools for the Russians.

"Fancy going on like this while everything is getting worse, and when we are literally begging the United States for aid in every form," Churchill asserted. The charge came in a political broadcast in which he accused the Labor government of "infirmity and disconnection of thought and action in shaping defense plans."

HIS SOURCE NO SECRET

He based his statements on information from officials of one of the tool-manufacturing plants.

The United States has banned a long list of strategic materials from shipment to Russia and her satellites. The same ban has been applied to nations receiving United States aid.

The United States this week revealed that a British firm transshipped 50 tons of American molybdenum—a bright metal used for hardening steel—to Russia. Another 150 tons scheduled for shipment here was stopped.

The British Board of Trade asserted the deal was legal but admitted the United States Government is investigating this case.

A spokesman for the board of trade said Britain applies strict export controls and has drawn up its own blacklist of strategic materials for shipment to Communist countries.

It sends such things as steel, electrical equipment, and generators under a wartime act.

DISTURBED BY TREND

Churchill said the head of the Craven Bros. machine tool works at Stockport—Britain's second largest machine tool firm—informed me that he had for more than 2 years asked the Government whether he should fulfill contracts for making machine tools for Russia, particularly of the class required for the manufacture and repair of tanks, when so many of our own royal ord-

nance factories are in sore need of renovation for this very purpose.

The Craven firm's chief, Churchill said, "told me his highly skilled craftsmen were seriously disturbed at doing work for Soviet satellite Poland, which they feared would weaken our country and strengthen its most likely assailant.

"They also did not like the presence of Russian Government inspectors under present conditions inside their workshops where a lot of confidential production is also being done for His Majesty's Government."

"Surely," he argued, "orders should be given now to stop the export by any firms of machine tools, Diesel engines, and the like to Russia. I trust that Mr. Attlee will be able to tell us when he speaks next week that this at any rate has been done."

POINTS TO AGREEMENT

Faced with Churchill's statements, a Ministry of Supply spokesman said, "It is quite true that several machine-tool manufacturers, including Craven Bros., are fulfilling contracts for Russia." The Ministry's task is the obtaining of British weapons and looking after atomic research.

"A proportion of these orders were covered under the Russian-British trade agreement of 1948, and in return we get grain and other useful commodities," the spokesman said. He did not say how the other orders—beyond the "proportion" under the trade agreement—were placed.

"It is also true that Russian inspectors are permitted to go into these factories," he said. "If Russia is buying, she has the right to see how they are made."

He said that "it is a responsibility of the firm, of course, to insure that the inspectors do not see things which should not be seen."

PREDICTS A RED ATTACK

In the international field, Churchill predicted that the Communists may soon launch attacks upon Tibet and Iran but added "the supreme peril is in Europe."

He said the only way to deal with Communist Russia is by having "superior strength in one form or another, and then by acting with reason and fairness. This is the plan of the battle for peace and the only plan which has a chance of success."

He deplored the fact that Prime Minister Attlee did not make an effort last fall to seek new high level talks with the Russians, as Churchill had suggested.

Mr. WHERRY Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. WHERRY. The Senator previously has raised this point, and I remember the colloquy which occurred between him and the Senator from Vermont [Mr. FLANDERS]. At that time one of the items the distiguished Senator was complaining about was tools which were being shipped to the satellite countries in eastern Europe, and which could be used in the satellite countries to make tools which would be used to make implements of war which might find their way into the Soviet Union. Is not that correct?

Mr. KEM. I think the Senator from Vermont [Mr. FLANDERS] said that a machine tool was one of the few inanimate objects which could reproduce itself.

Mr. WHERRY. That is the point, and that is the point the Senator from Missouri is making today, I understand.

Mr. KEM. Yes. I think most of us will remember the tremendous effort which was made during the last war to destroy the German machine-tool factory at Schweinfurt. We remember that in one raid the United States lost 52 airmen, who were shot down in bombing that factory. We considered that operation to be of extreme importance.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. SALTONSTALL. Has the Senator from Missouri taken up this matter with the ECA or with any other Government agency, to see what can be done to stop such shipments?

Mr. KEM. Some time ago I had conferences with officials of the ECA, to see what could be done, and there have also been conferences between the officials of various of the Government departments and agencies and members of my office staff.

The facts establish beyond any question that this traffic is going on. We are sending or giving to the Marshall plan countries articles and commodities which are potential war materials; and those countries are, in turn, shipping the same sort of materials to Russia and her satellites, the only difference being that we are giving them away, whereas the Marshall plan countries are selling them.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. KEM. I am glad to yield.

Mr. WHERRY. In reference to the question just asked by the distinguished Senator from Massachusetts, is it not a fact that the Senator from Missouri submitted an amendment to prohibit countries which are recipients of ECA aid shipping strategic materials into the Russian satellite countries?

Mr. KEM. That is a fact. On May 5, 1950, when the ECA authorization was under consideration in the Senate, I offered an amendment, providing as follows:

The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that such country exports or permits the exportation, to Russia or any of its satellite countries, after the date of enactment of the Economic Cooperation Act of 1950, of any article or commodity which, in the opinion of the Administrator, could be used to maintain or expand, directly, or indirectly, the military forces of any such country.

That amendment was rejected. The Senator from Nebraska will remember that, when the ECA appropriation bill was before the Senate, he, himself, offered an amendment. The amendment offered by the Senator from Nebraska reads as follows:

That during any period during which the Armed Forces of the United States are actively engaged in hostilities, while carrying out any decision of the Security Council of the United Nations, no part of the funds appropriated in this paragraph shall be used to provide assistance to any participating country which exports or permits the exportation to the Union of Soviet Socialist Republics, or any of its satellite countries, including Communist China and Northern Korea, of any article or commodity usable by or which may be used in the manufacture of any article or commodity which may be useful to the armed forces of the Union of Soviet Socialist Republics or such satellite countries.

Mr. WHERRY. Mr. President, will the Senator state what the vote was on that amendment, when it was acted upon by the Senate.

Mr. KEM. I do not recall the vote.

Mr. WHERRY. But it was rejected, was it not?

Mr. KEM. It was rejected.

Mr. WHERRY. The question I should like to ask the junior Senator from Missouri is whether he does not agree that the facts he has presented this morning and the press dispatch which he has inserted in the RECORD are but further justification of the position taken by those who supported both the amendments just referred to by the Senator when the authorization bill was before the Senate, and that it is quite as necessary to take that position now as it was then, if not more so.

Mr. KEM. I would say it certainly is confirmation of what was said by the proponents of those two amendments in the discussion in the Senate.

Mr. FERGUSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Michigan?

Mr. KEM. I yield.

Mr. FERGUSON. We have a treaty with the North Atlantic Pact countries providing for a common defense, and the implementing legislation provides that the money which we are furnishing under the so-called military-assistance program shall be expended for our common defense. Our difficulty is that we have been unable to convince those who are in the common defense effort and in the same program that materials supplied by us should not be furnished to those who could use them against our security and theirs, and they will not join us in a common effort to ban articles which may be used against our common security? Is not that where we find ourselves?

Mr. KEM. It seems to be exactly so. All allies are accepting our gifts of war material, but in turn are carrying on a profitable traffic with Russia and the satellites.

Mr. FERGUSON. Is it not true that what we have got to do, if it is possible, under the common defense program which we are endeavoring to effectuate, is to convince the participating countries that when they furnish material to the Soviet Union or its satellites they are in effect breaking down the common defense?

Mr. KEM. I think so. We ought to use something more than mere argument. We ought to say to them, "So long as you are sending materials of war to our potential enemies, you cannot receive our gifts of the same material."

Mr. FERGUSON. Then, is it not the duty of those who administer this plan for our common defense to provide for a boycott—let us call it what it is—against any country which furnishes aid and comfort to a prospective enemy under the common-defense program?

Mr. KEM. I think perhaps it is the duty of the ECA. But, Mr. President, I think there are two agencies of the Government which can effectively deal with this situation. The first is the President of the United States, and the second is the Congress. The President has made

it abundantly clear by his inaction that he does not intend to grapple with the situation. The Congress, therefore, is face to face with these plain and unmistakable facts. I do not think we can escape our responsibility by saying that Administrator Hoffman ought to do something about it. I think it is plain that, unless we do something, nothing will be done. Surely the Senate is not satisfied with the record which has been made.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Missouri yield further to the Senator from Michigan?

Mr. KEM. I am glad to yield.

Mr. FERGUSON. Can the Senator now present to the Senate a method which we might use in order to accomplish the objective he has in mind in behalf of our national security?

Mr. KEM. I have nothing to suggest which would be better than the amendment offered by the distinguished Senator from Nebraska when the ECA appropriation bill was before this body. The language of that amendment is plain and explicit. Let me refer to it.

Mr. WHERRY. Will the Senator kindly read it again?

Mr. KEM. It reads:

That during any period during which the Armed Forces of the United States are actively engaged in hostilities, while carrying out any decision of the Security Council of the United Nations, no part of the funds appropriated in this paragraph shall be used to provide assistance to any participating country which exports or permits the exportation to the Union of Soviet Socialist Republics, or any of its satellite countries, including Communist China and Northern Korea, of any article or commodity usable by or which may be used in the manufacture of any article or commodity which may be useful to the armed forces of the Union of the Soviet Socialist Republics or such satellite countries.

I have nothing better to suggest than that. I would not change it by the crossing of a "t" or the dotting of an "i." I think it fits the situation like a glove. I was astonished when the Senate rejected the amendment when it was considered by the Senate, and I think every day that goes by without similar legislation is unfortunate.

Mr. FERGUSON. The Senator from Michigan was in favor of that amendment, because he believed it was one way to accomplish the desired purpose. He cannot understand why the Senate, in its wisdom, felt that to legislate specifically upon a question of this kind was the wrong way to go about it. At least, that is the only impression which the Senator from Michigan could derive from the action of the Senate in rejecting the amendment. But, having rejected it, is there not a remedy through the executive branch of the Government, by action which may be taken by those who are serving us in connection with the military assistance program and the ECA program to call this circumstance vividly to the attention of our allies in the North Atlantic Pact, and to let them understand that it is against their interest as well as against the interests of the United Nations and of the United States to ship to Russia or its satellites any materials which can aid in the prosecution of a war of aggression against either America, the allied North Atlantic countries, or the United Nations? Does it not become their duty to take such action?

Mr. KEM. I think the Senator from Michigan is entirely correct. I must confess that I have been unable to follow the argument made on behalf of the ECA in declining to stop these shipments under the present circumstances. I should definitely insist that the shipments from the Marshall plan countries to Russia or its satellites be stopped, so long as our gifts are being received. I understand the argument runs something like this, that we cannot interfere with the internal government of another country. But we certainly have a right to say how the money of the American taxpayers is to be spent.

Recently there was before the Senate a Federal highway bill, which provided that the authorities in Washington should have the right to say how the money was to be used in the building of county roads anywhere in the United States. We insisted upon that. I remember very well that in the conference committee the highly respected chairman of the House conferees, Representative WHITTINGTON, of Mississippi, insisted on it, and said it was unsound for any money appropriated by Congress to be spent without some direction on the part of officials of the Federal Government in Washington. How absurd it is to be giving billions of dollars, spending it like drunken sailors in the 16 nations in vestern Europe, and, at the same time, hesitating to say how it shall be spent.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. WATKINS. Is it not a fact that in the original ECA Act there is a provision making it unlawful, and putting the burden upon the ECA, to give help to any nation that sends potential war materials to any nations with which we are having difficulty?

Mr. KEM. That is an interesting point. The act has been before the Senate on two different occasions, but if attention was called to that provision it escaped my notice.

Mr. WATKINS. It seems to me that in the debate there was some reference to it.

Mr. KEM. I think the Senator from Utah would be making a valuable contribution to the discussion if he would find that provision and insert it in the RECORD.

Mr. WATKINS. I shall attempt to do so. I know it was mentioned during the debate, and I wondered if the Senator had in mind, if there is such a provision in the law, whose fault it is if it is not being enforced.

Mr. KEM. If the Senator from Utah is correct, and there is such a provision in the law, it would seem to be time for action, because it is very clear first that gifts are going to Great Britain, and second that Great Britain is sending war materials to Russia.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. WHERRY. With reference to the observation made by the distinguished Senator from Utah, does not the Senator from Missouri remember that the argument was made that the Administrator had the authority to investigate and to prohibit shipments of materials to the satellite nations if, in his wisdom, he felt that that should be done, and that he should proceed according to the definition of strategic materials accepted in the United States?

Mr. KEM. That is correct.

Mr. WHERRY. I am quite sure I am correct in saying that there is nothing in the basic law in the way of a prohibition relative to the shipment of strategic materials to satellite nations, such as is provided in the amendment of the distinguished Senator from Missouri or that of the Senator from Nebraska, which calls for legislative action to accomplish the purpose which the distinguished Senator from Missouri is now calling to the attention of the Senate.

Mr. KEM. My recollection is that the argument was made that Mr. Hoffman was a good administrator and would do what was right and proper under the circumstances. In the meantime our boys are being killed in Korea with armored tanks made of steel which is so hard that our bullets drop off like paper pellets. Molybdenum, the mineral which produces that hardened steel, is going from the United States to Russia by way of transshipment from England. I shall bring out the facts in a few moments.

Mr. WHERRY. With reference to what the distinguished Senator from Michigan [Mr. FERGUSON] said, is there not some way that the desired result can be accomplished? I suggest to the distinguished Senator from Missouri that in answer to that question the Senator from Michigan offer to the tax bill an amendment similar to that offered by the Senator from Missouri and the Senator from Nebraska to the ECA bill, in view of the fact that the Administrator has not done, apparently, what could have been done under the act in an administrative way. In that way another opportunity will be afforded to accomplish the purpose which the Senator from Missouri desires to have brought about.

Mr. KEM. In my judgment, Congress cannot escape responsibility. The situation has been brought to the attention of the Senate. It has had two opportunities to act in the matter. It has declined to do so. I do not think that any Senator can shift the responsibility and say that Mr. Hoffman should have attended to it.

Mr. President, in an Associated Press news report from London reference is made to the fact that a British firm transshipped to Russia 50 tons of American molybdenum, a metal used for hardening steel. In other words, this steel-hardening material from the United States was temporarily stopped in transit on the way to Russia. There was what lawyers call a stoppage in transitu, in England, on the way to Russia, although at the time direct shipment of the mate-

rial from the United States to Russia was prohibited under existing law and regulations, which are being rigorously enforced by our Department of Commerce.

Some additional interesting information about these molybdenum transactions is contained in an article by Philip Warden, which appeared in the Washington Times-Herald of August 28. This article quotes a United States Department of Commerce official as saying:

Once the shipment of a war material gets to Britain, it is Britain's responsibility and subject to their export controls, if any.

Of course that is plain. Once the shipment reaches Britain, it is out of our hands. We cannot do anything about it. It is subject to the British export controls, if any.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the Associated Press dispatch from London, dated August 29, published in the Washington Evening Star of yesterday. It is entitled "Soviet Gets Priority on Tools Over Home Firms, Briton Says."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of August 29, 1950]

SOVIET GETS PRIORITY ON TOOLS OVER HOME FIRMS, BRITON SAYS

LONDON, August 29.—British firms, asking for machine tools needed for defense production, are being told they will be served after Russian orders are filled, a tool manufacturer charged yesterday.

Joseph Greenwood, chairman and managing director of Craven Bros., Britain's second largest engineering firm, said his company will be tied up for many months fulfilling a £1,000,000 ($2,800,000) order for Soviet Russia.

For British firms, he said, "We cannot contribute so much as a split pin for 3 years."

LETTER MADE PUBLIC

Mr. Greenwood made public a letter which he said he had sent to the Labor government yesterday and which said in part:

"It is a horrible thought that a firm with the specialized production of Craven Bros. is so tied up when they wish to help the rearmament drive of the country."

Later a spokesman for the Ministry of Supply was asked whether Craven Bros. is obligated to keep producing for Russia under terms of an Anglo-Russian trade agreement unless Britain abrogates the contract. The spokesman said:

"I don't think so. It seems to me that the contracts were signed between the Russian trade negotiators and the individual firms. That is my understanding."

POINT UNCLARIFIED

Mr. Greenwood and board of trade officials were not available immediately to clarify this point.

Mr. Greenwood told newsmen Sunday that his firm has been doing business with Russia for 20 years. He said: "I and the company want to go on doing the work, but under present conditions we have to ask ourselves whether we are doing the right thing. That question I have been putting to the Government for over 2 years * * * but I could get nowhere with the Government."

Winston Churchill, wartime Prime Minister and leader of the Conservative opposition, brought the subject into the open in a radio speech Saturday night.

Mr. KEM. Mr. President, the foregoing article contains an interview with Joseph Greenwood, chairman and managing director of Craven Bros., Britain's second largest engineering firm, who says that his company will be tied up for many months fulfilling a £1,000,000 order for Soviet Russia. That amounts to $2,800,000.

"For British firms," he said, "we cannot contribute so much as a split pin for 3 years."

In other words, his firm, which is the second largest engineering firm in Great Britain, is tied up for 3 years making materials of war for export to Russia, and yet we are being asked to tax the American people to send gifts for economic assistance and of war materials to Great Britain. It seems, Mr. President, like an idiot's dream.

Mr. President, I ask unanimous consent that the article by Philip Warden, entitled "Officials Here Blame Britain in Molybdenum Leak to Reds," be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OFFICIALS HERE BLAME BRITAIN IN MOLYBDENUM LEAK TO REDS—LONDON EFFORT TO CREDIT ERROR TO UNITED STATES PROTESTED BY COMMERCE SPOKESMAN

(By Philip Warden)

The Commerce Department yesterday took sharp issue with British Board of Trade officials who implied that the United States was responsible for an American shipment of molybdenum to Britain being transshipped from Britain to Russia.

A Department spokesman said the Department would have no official comment to make on the case until an investigation can be completed. He made it clear, however, that all the facts uncovered so far show that the United States was not at fault. Press statements from Britain Friday quoted British officials in such a way as to imply America alone was responsible.

CONCEDE NO LAW BROKEN

The spokesman agreed with the British officials that the indications are that no law was broken in the deal that gave a big shipment of this scarce and vital war material, intended for British steel mills, to the Reds. Molybdenum is a steel-hardening agent essential to the production of virtually all munitions.

"These facts are known," the Commerce official said. "An American firm was issued a license to ship a cargo of molybdenum to a firm in England. Naturally we would not license a shipment of this material to Russia. But Britain is a friendly power, and this shipment was approved.

"Our license applications require the exporter to state who will be the recipient of the shipment, and its final destination. In this case, it was a British firm and the final destination was listed as England."

FIFTY TONS SLIP TO RUSSIA

"The molybdenum was shipped from here in May. It was transshipped from Britain in June or July. Investigation shows that approximately 50 tons of molybdenum, having a total value of approximately $45,000, went to Russia."

The Commerce official said that "once the shipment of a war material gets to Britain, it is Britain's responsibility and subject to their export controls, if any." The molybdenum was stored in British warehouses before being loaded on a Russian freighter.

Trade sources reported that Britain did not have any export controls on molybdenum at the time the shipment was made, although she does now. The Commerce Department officials observed that if this were true, then British Board of Trade officials are correct in their contention that no laws were broken. He refused comment on whether Britain lacked such export controls over molybdenum.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. WHERRY. Did the Senator place in the RECORD an article from the Baltimore Sun of August 30?

Mr. KEM. I have not seen that article.

Mr. WHERRY. If the Senator will permit me, I ask unanimous consent that there be printed at this point in the remarks of the Senator from Missouri an article entitled "Senators Demand Britain Halt War Shipments to Soviet Bloc."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATORS DEMAND BRITAIN HALT WAR SHIPMENTS TO SOVIET BLOC

(By William Knighton, Jr.)

WASHINGTON, August 29.—Members of the Senate today demanded that Britain halt her shipping of critical war materials to Russia, and her satellites, terming such action to be outrageous and indefensible.

They feared that some of the war materials sent to the Soviet Union may finally reach the Korean battlefield, if some has not already done so, and be used against American troops, and perhaps those of Great Britain herself.

CHURCHILL CITES TOOL SHIPMENTS

Some Senators, particularly Senator KEM, Republican, Missouri, and Senator WHERRY, Nebraska, Republican leader, have been protesting for months the extended trade between Britain and other western European countries on the one hand and Russia and her satellites on the other, included in which have been heavy shipments of items valued at many millions of dollars necessary for the conduct of a war.

Winston Churchill revived their interest in the issue when he revealed that British factories were making tools necessary for the repair of tanks for the Russion Government, and the British Board of Trade, an official Government department, confirmed that the Soviets will receive $1,319,743 worth of these items in the first 7 months of this year.

A few days previous, this same British agency confirmed that a British firm recently transshipped 50 tons of American molybdenum to Russia. This is a metal used for hardening steel. The board of trade said the transaction was perfectly legal, although another shipment of 150 tons of the same metal was stopped in Britain.

RECALLS SHIPMENTS TO JAPAN

KEM likened this to the scrap iron this country shipped to Japan before World War II and which was returned at Pearl Harbor in the form of bombs.

When considering the molybdenum deal, KEM said "our minds go back to the reports from Korea about the dismay of our boys when they found that the Russian armor was turning off our bullets like so many paper pellets."

KEM, an opponent of the Marshall plan, said it was particularly distressing that the countries being aided financially by the American people should continue to send materials of war to Russia and her satellites, some of the materials originating in this country.

BOYS BEING KILLED, MAIMED

"We seem to find our boys again being killed and maimed by materials coming from ourselves through the Marshall plan countries," he said.

"This time we, ourselves, are banning such shipments, only to have them pour out to our potential enemies from our friends."

Senator O'CONOR (Democrat, Maryland), noting the machine-tools deal, said Britain could make a no more indefensible move, particularly when the Russian delegate to the Security Council was defying every other nation in the world, including Great Britain, in their collective peace efforts.

"This is a poor way for England to show its appreciation to Americans who have furnished so generously the funds which made possible the manufacture of these very tools," the Marylander said.

RIGHT TO BE CONCERNED

The people of the United States particularly have a right to be concerned over this shipment, the products of which may well appear shortly on the battlefields of Korea against our troops under the flag of the United Nations.

For England to use American dollars for this purpose under the present circumstances is to "add insult to injury," O'CONOR declared.

Senator WHERRY charged that the administration was "compounding the betrayal of American interests and security" by not stopping this "outrageous action" by Britain and other ECA countries, after noting the "delay" in aiding South Korea.

GREED BEFORE PRINCIPLE

In helping Russia in her preparedness, they were putting greed before principle, WHERRY said, adding:

"God forbid that this reckless disregard for humanity come back to slay the youth of our beloved country in Korea and those of Great Britain and other freedom-loving nations, when their sons reach the battlefield."

Both WHERRY and KEM called on President Truman and the administration to take some action to halt this trade, but the latter added that it was clear that the Chief Executive did not intend to grapple with the situation.

Arthur Bottomley, British Secretary for Overseas Trade, explained that only supplies outside of those necessary as war materials had been shipped to Soviet Union, and that Britain had received only essential supplies from Russia.

CITES CRAB MEAT, FURS

But WHERRY thought Britain had been sent some items that she considered not to be essential and did not even want, for instance Russian crab meat and furs, for those items were recently transshipped to this country and they got shipped back again because United States longshoremen refused to unload the Russian goods.

WHERRY said this British attempt to palm off on us Russian stuff she does not need and which competes with American factories and labor also should be looked into.

Recently, in conjunction with a table showing a partial list of critical materials sent to Russia and her satellites by Marshall-plan countries, KEM told the Senate that during the first 4 months of this year the United Kingdom had exported more than $6,800,000 worth of electrical machinery to the Soviet Union.

INCREASE OF 50 PERCENT

This was a 50-percent increase over the same period of last year, he said.

The same country shipped machine tools worth $1,087,000 to the Russians in the first 4 months of this year, or 10 times the amount for the same period of last year, he added. Neither of these items included exports to other iron-curtain countries.

His figures, including the table, were obtained by members of his staff from the Department of Commerce, he told the Senate.

This table—a partial list, he explained—showed that Britain sent behind the iron curtain during 1949 the following:

Machinery, $45,172,400, including $5,138,000 in machine tools; ball and roller bearings and parts, $243,600; vehicles, including locomotives, ships, and aircraft, $13,361,600; iron, steel, and manufactures, $12,140,800; electrical goods and apparatus, $6,806,000; nonferrous metals and manufactures, $4,062,800, including $618,000 in aluminum and alloys.

OTHER NATIONS DO SAME

His table showed similar exports from other western European countries to behind the iron curtain.

All of these materials he considered to be essential for Russia in the building up of the Soviet war potential.

Another table worked up by the staff of Senator WHERRY showed that the 17 Marshall-plan countries last year exported $1,098,905,000 in goods to the Soviet European bloc, although he was not able to state what proportion of that amount consisted of war materials.

He said his staff obtained these figures from the Economic Cooperation Administration.

ASK CHANGES IN BILL

Both WHERRY and KEM have proposed amendments to ECA bill designed to prevent shipments of critical materials to eastern Europe, but the Senate each time has turned them down.

Tonight Tell Berna, manager of the Machine Tool Builders' Association, issued a statement saying that weapons used by the Korean Communists to kill American GI's may have been produced on tools financed by Marshall-plan dollars.

Besides Britain, he said, France, Italy, and west Germany are also shipping machine tools to Russia or satellites.

DOES NOT MAKE SENSE

Pointing out that this country cut off such shipments to behind the iron curtain 2½ years ago, he said, "This picture simply does not make sense."

He demanded that the Government take "immediate corrective action," although previous protests have produced no results, he added.

"For all we know," he said, "the tanks and guns used by the North Korean army may have been made on machine tools the production of which our own ECA money helped to finance."

Mr. KEM. I thank the Senator from Nebraska for his valuable contributions to this discussion.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. KEM. I yield.

Mr. WHERRY. Mr. President, I should like to ask unanimous consent, if the Senator from Missouri will permit, to insert another article following the one I have just inserted in the RECORD. It is entitled "British Still Ship Machines."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH STILL SHIP MACHINES—SEND $2,000,000 WORTH A MONTH UNDER TRADE PACT

(By Howard Norton)

LONDON, August 29.—This year Britain is sending Russia more than $2,000,000 worth of machinery every month, on an average.

In the 31 months since the Attlee government signed its 1948 trade agreement with the Soviet Union, the British have shipped $44,000,000 worth of machinery to the Russians.

These shipments are continuing in spite of the new situation created by the Korean war, and in spite of the strict ban on such shipments imposed by the Board of Trade on July 8, this year.

OFFICIAL EXPLANATION

The reasons for this, according to one informed Government official are:

1. Because the Russian orders were placed long before the Korean war began and long before the export ban was imposed, and the Government holds therefore that these Russian contracts are not affected by the recent prohibitions.

2. Because the British Government feels it cannot summarily repudiate its trade agreement with Russia without causing great complications, and without sacrificing Britain's reputation of standing by her treaties.

3. Because Britain needs the things Russia sends her in exchange for the machinery.

SHIPMENTS TO INCREASE

Unless the Government changes its mind and does something to prevent it, the British shipments to Russia are going to skyrocket between now and the end of 1951.

The first orders for heavy machinery which the Soviet purchasing agents placed 2 years ago, just after the treaty was signed, are now just beginning to be completed, and the heavy shipments are about to begin.

Some of this machinery is made according to Russian specifications and could not be used in England. But much of it could be used anywhere.

Among the things Britain is making for Russia under the 1948 treaty are 1,100 narrow-gage locomotives, 2,400 narrow-gage flat cars, 2,400 winches, half of them fitted with electric motors; 210 heavy excavating machines, 54 caterpillar loading cranes, 4 dredges, 14 tugboats, 250 auto-timber carriers, 200 self-propelled cranes, 150 mobile Diesel electric generators of 50 kilowatts each, 24 steam-power turbine stations of 500 kilowatts each, $1,000,000 worth of timber-mill machinery, and $3,000,000 worth of machinery for making plywood.

COMPLETE OIL REFINERIES

Other big items include equipment for 10 complete oil refineries, 300 heavy electric motors, 18 complete ball mills for grinding copper ore, 3 rod mills for grinding ore, 8 ball mills for grinding apatite, 1 electrodredger, 4 pile drivers mounted on pontoons, 4 sets of winding gear, 2 gyratory crushers, 8 spiral-type classifiers, 3 railway-steam cranes, 48 heavy-type voltage transformers, 6 complete electrical distributing sets, and 45 isolating switches for high-power electrical work.

Britain also has furnished Russia with 35,000 long tons of light railway rails complete with fishplates and bolts and nuts.

Fifteen thousand tons of the 35,000 were to be supplied by agreement, out of British military surplus.

TO AID TIN PURCHASES

Under her agreement with the Soviet, the British Government also promised to facilitate Russian purchase of tin—an important military item—as well as rubber, wool, aluminum, cocoa beans, and coffee.

Export of machine tools to Russia—about which Winston Churchill complained in his broadcast to the nation last Saturday—is still on a comparatively small scale.

In the first and second months of this year the Soviet has received only $1,300,000 worth of British machine tools.

In the whole of 1949, British exports of machine tools to Russia amounted to only $500,000. And in 1948 they totaled less than $200,000.

THREE MILLION DOLLAR ORDERS FOR ONE FIRM

But Joseph Greenwood, managing director of Craven Brothers, Ltd., said today that his firm alone has nearly $3,000,000 worth of machine-tool orders for Russia and Poland nearing completion, and other plants are getting ready to make heavy shipments.

Greenwood declared that he and other machine-tool makers would happily obey a Government order not to ship to Russia; in fact, Greenwood has urged the Government to issue such an order, but he said officials have turned him down flat.

Britain's exports to Russia in the first 6 months of this year amount to $17,640,000, out of which machinery exports totaled $15,700,000. Britain's shipments to Russia in the first half of this year amounted to about six-tenths of 1 percent of her total world export trade for that period.

BOUGHT MORE FROM RUSSIA

In the same 6 months Britain bought from Russia more than two and a half times the amount she sold, or about $42,000,000 worth.

Of the $42,000,000, more than $36,000,000 represented purchases of Russian grains and flour.

Three million dollars went for the purchase of Russian furs and skins, and the remaining $3,000,000 was scattered over a wide range of items, including: canned goods, animal feeds, timber, textiles, raw materials for papermaking, gasoline, paper, cardboard, brushes, and plastics.

The British Government began to clamp down on trade with Russia in April of last year when it barred the export of armaments and related materials to any Communist country.

EXPORT SYSTEM REVISED

Then, on July 8 of this year—just 2 weeks after the outbreak of the Korean war—the British Board of Trade revised its entire export-licensing system.

Without actually mentioning Russia, the board announced that henceforth virtually everything made out of copper, aluminum, iron, or steel would be subject to export licensing.

But the enforcing officers decided that contracts already accepted would not be affected by the new licensing set-up.

This decision had the effect of releasing to Russia all the machinery and other items she had already ordered under the 1948 agreement, though it appeared to cast doubt on British acceptance of any further orders.

NEWSPAPERS INDIGNANT

Most British newspapers are indignant over the Government's attitude.

The Daily Telegraph declares:

"It is intolerable that measures necessary for the national security should be defeated—and continue to be defeated on an increasing scale until 1951—because the manufacturers are under obligation to fulfill orders placed before the prohibition.

"How to relieve them of an obligation against which they and their work people are the first to protest, is a question which must be resolved by the Government which made the trade agreement with Russia."

The paper acknowledges it is a difficult problem to repudiate a contract on which Britain has already received deliveries from Russia, but points out that the kind of goods Britain is shipping to Russia is a direct menace to western security because it helps to lessen the technical lead of the western powers over the Soviet Union.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] to the amendment of the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY].

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have inserted at the beginning of my remarks an analysis of this amendment as prepared by the legislative counsel.

There being no objection, the analysis was ordered to be printed in the RECORD as follows:

EXPLANATION OF PROPOSED AMENDMENT TO GENERAL TAX REVISION BILL RELATING TO INCOME TAX TREATMENT OF COOPERATIVES

I. IN GENERAL

Section 101 (12) of the Internal Revenue Code exempts from the income tax on corporations farmers', fruit growers', or like associations organized and operated on a cooperative basis for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of the sales, less necessary expenses, or for the purpose of purchasing supplies and equipment for the use of members or other persons at cost plus necessary expenses. The exemption is not denied to such an association because it (1) issues capital stock, provided the dividend rate on the stock does not exceed 8 percent and provided substantially all of the voting stock is owned by producers who market their products or purchase their supplies through the association, or (2) accumulates reserves as required by State law or for any necessary purpose.

Section 101 (13) exempts from the income tax on corporations certain corporations organized by an association exempt under section 101 (12).

Under regulations issued by the Treasury Department and the Bureau of Internal Revenue, cooperatives enjoy certain tax benefits, even though they are not exempt from the income tax by sections 101 (12) or 101 (13). Under these regulations a corporation may, under conditions prescribed by the Commissioner of Internal Revenue, exclude from gross income the amount of patronage dividends paid or credited to members and patrons, or allocated to members and patrons, although not paid in cash.

It is the purpose of the proposed amendment (1) to tax what are at present exempt cooperatives on their income except patronage dividends that are paid in cash to members, and to require, as a condition for eligibility for deducting cash patronage dividends, that the association restrict its operations to selling or buying for its members only; (2) to tax presently non-exempt cooperatives (and those cooperatives which d not restrict operations to selling or buying for their own members) on all income, without giving credit for income paid out or allocated as patronage dividends, but treating these like other dividends; (3) to make all cooperatives taxable on accumulated profits in the same manner as corporations are taxed under the present law (sec. 102 of the code); and (4) to require cooperatives to file information returns concerning accumulated profits, patronage dividends, and the interest of the members in the association similar to the information returns at present required of corporations concerning dividends paid or declared, accumulated profits, etc. (sec. 148) of the code).

To accomplish these objectives, it was thought that the best approach would be to repeal outright the present tax exemption of cooperatives, and to provide in lieu thereof an exclusion in computing net income of cash patronage dividends paid by those cooperatives to which, as a matter of policy, it is believed this exclusion should be applicable. In carrying out this approach to the objective, it was also necessary (1) to specifically amend the tax laws so as to prevent nonstatutory tax escape under Treasury regulations, through payment of patronage dividends, and (2) to stipulate that patronage dividends may be excluded in computing net income to the extent paid in cash by cooperatives dealing with members only and meeting certain other requirements.

In this manner of approach to the problem, it was thought unnecessary to give special treatment to the problem of accumulated reserves of cooperatives (patronage dividends are not paid out to members or patrons but retained by the association). The present provision permitting exempt cooperatives to accumulate reserves for any purpose would be eliminated by the repeal of sections 101 (12) and 101 (13). All patronage dividends not paid in cash would be taxable to all cooperatives. Section 102 of the code, which taxes profits of corporations accumulated above reasonable needs, would be applicable to all cooperative corporations.

II. SECTIONAL ANALYSIS

Subsection (a) repeals sections 101 (12) and 101 (13) of the Internal Revenue Code. These sections provide for exemption of certain agricultural cooperatives.

Subsection (b) amends section 4 of the Internal Revenue Code, which lists various classes of taxpayers affected by special provisions, by adding a new subsection: "(m) Cooperative Corporations—Supplement V," and by inserting the new supplement V after section 421 of chapter I of the Code.

Subsection (a) of the new supplement V so inserted (1) defines cooperative corporations, (2) provides that patronage dividends may be excluded in computing net income only under specified circumstances, (3) in general prevents patronage dividend payments from affecting gross receipts from sales, (4) specifies certain circumstances where patronage dividends may be recognized as part of purchase price paid producers, (5) defines patronage dividends, and (6) defines members of cooperatives.

Subsection (c) of the bill requires cooperatives to file information returns.

Subsection (d) of the bill provides that the amendments and repeals made by it shall apply to taxable years beginning after December 31, 1947.

III. PRINCIPAL PROVISIONS OF SUPPLEMENT V

Supplement V defines cooperative corporations very broadly, making it clear that the definition includes not only corporations that describe themselves as cooperatives but any which pay or hold themselves out to pay patronage dividends, or to otherwise operate for the mutual benefit of their patrons. The definition, however, specifically excludes mutual insurance companies (which are presently subject to special tax provisions) and also excludes various organizations exempt under section 101 of the Code.

The supplement provides that in computing net income, patronage dividends may be excluded only by cooperatives which confine their activities to marketing members' commodities or selling goods to or performing services for members exclusively, where the patronage dividend is confined to money derived from these transactions and is paid in cash not later than 60 days after the close of the taxable year.

The supplement also deals with situations where the producer's goods are acquired under marketing agreements or other arrangements where the theoretical aggregate price payable is not then determinable, or is subject to later adjustment, on a patronage dividend basis. It provides that in such cases the acquisition price of the goods shall not include the payments falling within the definition of patronage dividend unless the

cooperative establishes, pursuant to the Commissioner's regulations, that the application of the exception provided would more accurately reflect income in which case the acquisition price may include such payments, but not to an extent which would result in the permitted acquisition price exceeding the market price.

Mr. WHERRY subsequently said: Mr. President, on behalf of the Senator from Missouri [Mr. KEM] and myself, I submit an amendment intended to be proposed by us jointly to the pending bill, H. R. 8920, to reduce excise taxes, and for other purposes.

The amendment is in line with the remarks of the distinguished Senator from Missouri [Mr. KEM]. It would prohibit the shipment of strategic materials to satellite countries.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. WILLIAMS. Mr. President, reference has been made to the amendment relating to excess profits offered by the Senator from Wyoming and to the fact that hearings had not been held before the appropriate committees. I desire to point out that the subject matter contained in the amendment which is now before the Senate is one upon which extensive hearings have been held.

Mr. WHERRY. If the distinguished Senator from Delaware is about to make an address on his amendment, I wonder if he would be willing to yield for the suggestion of the absence of a quorum. It seems to me we are about to consider a very important amendment and Members of the Senate should have the benefit of the information of the Senator from Delaware relative to the amendment. I shall abide by his decision.

Mr. WILLIAMS. With the understanding that I will not lose the floor——

The VICE PRESIDENT. It can be done only by unanimous consent.

Mr. WHERRY. Mr. President, I ask unanimous consent that the distinguished Senator from Delaware be permitted to yield for the purpose of calling a quorum without prejudicing his rights to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Morse
Brewster	Humphrey	Mundt
Bricker	Hunt	Murray
Bridges	Ives	Myers
Butler	Jenner	Neely
Byrd	Johnson, Colo.	O'Conor
Capehart	Johnson, Tex.	O'Mahoney
Chapman	Johnston, S. C.	Pepper
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Darby	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Langer	Smith, N. J.
Dworshak	Leahy	Sparkman
Ecton	Lehman	Stennis
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Frear	McCarran	Thomas, Utah
Fulbright	McCarthy	Thye
George	McClellan	Tydings
Gillette	McFarland	Watkins
Graham	McKellar	Wherry
Green	McMahon	Williams
Gurney	Magnuson	Withers
Hendrickson	Malone	Young
Hickenlooper	Martin	

The PRESIDING OFFICER (Mr. TAYLOR in the chair). A quorum is present. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] to the O'Mahoney-Connally amendment. The Senator from Delaware has the floor.

Mr. WILLIAMS. Mr. President, as I said a few moments ago, there have been rather extensive hearings held over a period of time on this question of cooperatives enjoying an unfair tax advantage. My amendment proposes to correct certain inequities in our tax law relating to these cooperative organizations. The House Ways and Means Committee in 1947 and 1948 held extensive hearings and published the hearings in two volumes, both of which I have here.

The Department of Agriculture, through the Farm Credit Administration, surveyed the question of taxation of cooperatives, and published two or three volumes, some of which are on my desk now.

The Committee on Small Business of the Senate conducted a study on this subject and submitted a report entitled, "The Competition of Cooperatives With Other Forms of Business."

The Treasury Department itself has conducted a study relative to this subject, and published a report with its recommendations under date of October 31, 1947, Bulletin S. 520.

All the different departments of the Government affected, and all the committees of the Congress to which I have referred, have made studies of this same subject. Therefore, it cannot be said by anyone that we are discussing a new subject today.

The very amendment now pending, or one similar to it, was offered by me in 1948 at the time the Senate was considering the 1948 tax-reduction bill. At the time I submitted the amendment I made the statement that I was not going to press its adoption and I further stated that I would not bring the amendment up on the floor of the Senate during that session of the Congress, because I did not think the Members had had an opportunity to study it properly. I did state that I was going to resubmit the amendment at the next opportunity.

In 1949, when the Eighty-first Congress convened, I submitted the amendment in the form of a bill, and it was referred to the Senate Committee on Finance in order that that committee might be put on notice that the bill would be brought up for consideration. I know that the Senate Committee on Finance could not report a tax bill, but that was the manner in which I served notice to them that I wanted this question considered.

When H. R. 3905 was passed by the House, and the Senate Finance Committee placed on that bill last year certain amendments which would repeal the excess profits tax, I resubmitted the amendment and said I would press for its adoption if the bill was taken up for consideration by the Senate. However, action on that bill was postponed indefinitely, due to the outbreak of the Korean war.

Later, when H. R. 8920 came before the Senate Finance Committee, I resubmitted the amendment, and I made the statement that if it was not accepted in the committee, the amendment would be resubmitted to the Senate when the bill came to the floor. That is the position we are in at this time.

I may say further that in 1948 I sent a copy of the amendment with an explanation of what was proposed to be accomplished by it—the explanation having been prepared by the legislative counsel—to each Member of the United States Senate and to each Member of the House of Representatives. At that time I served notice to each Member that at the first opportunity, the amendment which I was submitting to them would be brought before them for their consideration. Therefore, I think we are in the position that no Member of the Senate can say that he is being called upon now to vote upon a subject which the Senate has not had time to study.

We have before us today a bill which proposes to raise the income tax on corporations by an average of about 20 percent, or from 38 to 45 percent. The purpose of the tax bill, as everyone knows, is to raise additional revenue to provide for the cost of the Korean war.

I wish to read an estimate of what adoption of this amendment will provide. The best estimate I have been able to find is one which was given before the House Ways and Means Committee in its hearings in 1947 and 1948. I quote from the testimony of Mr. Lovell H. Parker, who for 12 years held the same position which Mr. Stam now holds, as chief of staff of the Joint Committee on Internal Revenue taxation. I think every Member of the Senate is familiar with Mr. Parker's character and ability. For the information of the Senate at this time I want to read excerpts from the testimony of Mr. Parker as given to the House Ways and Means Committee. It is to be found on pages 2710, 2711, 2712, and 2713 of volume 4 of those hearings. I quote from Mr. Parker's statement:

> As many members of this committee know, as former chief of staff of the Joint Committee on Internal Revenue Taxation, I have had some 12 years' experience in estimating revenue yield and related matters. The estimates referred to have not proven inaccurate to any considerable extent. In making estimates of this kind, it is, of course, necessary to proceed from the known to the unknown. This method should furnish conservative estimates upon which the committee may rely. It is my desire to give the committee conservative estimates. * * *
>
> The principal sources of factual information which I have used are the statistics published by the Farm Credit Administration of the United States Department of Agriculture; the statistics published by the Bureau of Labor; and the statistics published by the Bureau of Internal Revenue.

I am not going to read the full text of this statement, which is available to any Member who wants to read it, or how he summarized his compilations. However, I will read one paragraph in which he concludes his statement with respect to the estimates.

> At the present time—

This was in 1947—

> At the present time the revenue loss is approximately $300,000,000 annually. The rev-

enue loss in the next 5 years will probably be $2,000,000,000.

He goes on to point out that his assumption is made on the basis of no change in the existing tax laws, and if the rate of expansion of cooperatives should continue.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. May I ask who made the estimate the Senator has just read?

Mr. WILLIAMS. That estimate was made by Mr. Lovell H. Parker, who was for 12 years the chief of staff of the Joint Committee on Internal Revenue Taxation. He held the same position as Mr. Colin F. Stam now holds.

Mr. AIKEN. What is he doing now?

Mr. WILLIAMS. I understand he is a tax consultant working downtown. I am not at all sure about that, however.

Mr. AIKEN. May I ask under whose auspices he appeared at the hearing and made such estimates?

Mr. WILLIAMS. He appeared at the hearings on behalf of the National Tax Equality Association. But I want to read further from the statement of Mr. Parker. He said:

> I am * * * assuming sole responsibility for my estimates. My estimates will be given for the 9-year period covering 1942 to 1950, inclusive, and of course are made on the basis of the continuation of the present tax law.

I know what the Senator from Vermont has in mind. He is trying to discredit Mr. Parker's testimony by discrediting the National Tax Equality Association. But whether one agrees with the amendment or does not, or whether Mr. Parker was representing the National Tax Equality Association at that particular time, is beside the point. I am quoting from Mr. Parker, because every Member of the Senate Finance Committee, and those Members of the Senate who knew him can speak for the integrity of Mr. Parker.

As Mr. Parker said, the statement he made was not prepared by any organization. His statement is the result of an extensive study made when he was working in the position of chief of staff of the joint committee, and the figures are his own estimate. He indicates in his statement that the full data were available to the House committee. They are only summarized in the report. As to Mr. Parker's integrity and ability, I believe there can be no question. If the Senator has an estimate which he wishes to submit, I shall be glad to have him do so at this time.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. As I understand, Mr. Parker submitted no proof whatever in support of his statement, and according to the Senator from Delaware he was engaged to appear as a witness by the organization which is opposed to farm cooperatives. That is all I wanted to bring out; that he was not representing the Internal Revenue Bureau at this time, but was hired by the so-called Tax Equality Association.

Mr. WILLIAMS. He was employed at that time by this organization but to indict them as anticooperative merely because they propose a correction in the inequity of the existing tax law is just as erroneous as it would be to indict all who oppose that idea as antibusiness or antifree enterprise. The amendment which I offer should be discussed on its merits and not personalities.

Mr. AIKEN. And that association is supported largely by a few major special privilege corporations.

Mr. WILLIAMS. I do not know who supports the National Tax Equality Association. I do know that American small business is in back of my amendment.

Mr. AIKEN. No one has been able to find out, I may say to the Senator from Delaware.

Mr. WILLIAMS. Mr. Parker's full statement is to be found beginning on page 2710 of volume 4 of the committee hearings and I am putting it into the RECORD for what it may be worth as to an estimate of the revenue. I am not personally in a position to say how much revenue will be gained. Although I call particular attention to the fact that the Treasury Department recognized Mr. Parker as an authority in this field.

Mr. AIKEN. When he was working for the Treasury?

Mr. WILLIAMS. He was not with the Treasury. The Treasury Department's bulletin was published October 31, 1947.

Mr. AIKEN. Does the Senator know how Mr. Parker's present income compares with the income he received as an employee of the Treasury?

Mr. WILLIAMS. I have no knowledge of what Mr. Parker's income is and do not consider it any of my business. I might say to the Senator from Vermont that this is not a trial of Mr. Parker or the National Tax Equality Association. The question before us is whether or not cooperatives are paying their fair proportion of taxes. I am not concerned with any smear campaign that may be undertaken against those who say the cooperatives should be taxed or those who say they should not be taxed. I want to point out again that there is absolutely nothing in my amendment which would take the tax exemption away from a cooperative if the cooperative does what it says it is doing, namely, working for the benefit of its members and distributing its proceeds to its members.

Mr. AIKEN. The expression "working for the benefit of its members" is subject to different interpretations, depending upon the viewpoints.

Mr. WILLIAMS. I am very much interested in the viewpoint of the Senator from Vermont, and I have followed some of his speeches about cooperatives in which he said that the cooperatives are paying all the taxes that business corporations are paying. I think I will prove by the Treasury Department's own statements that the cooperatives are not paying the tax that business organizations are paying. I shall completely explode the statement that they are being used as partnerships or that either the cooperative or the farmer is paying the tax in all instances, because there are loopholes in the law which make it possible for neither to be paying their taxes.

Mr. AIKEN. Does the Senator from Delaware think there is greater evasion of taxes among farmers than there is on the part of the average corporation?

Mr. WILLIAMS. I think there is less among the farmers. I am not saying that the farmers are evading taxes. I wish to say that the large number of cooperatives in the United States are not affected by my amendment.

It may be interesting to Senators to note that in the Treasury Department's bulletin, reference is made to a sample survey which was made, and 25,000 cooperatives were listed at that time. The bulletin shows that 4,397 of them were surveyed and 53 or about 1 percent of the number they surveyed reported 40 percent of all the income of the cooperatives.

To go further, 7 of them reported 20 percent of all the assets. Those are the type of cooperatives which my amendment will affect.

I should like to have the Senator from Vermont explain to me, because I am as much interested in farmers as he is, since I was raised on a farm, and have lived in an agricultural county which will outrank any in the State of Vermont——

Mr. AIKEN. Again that is a matter of viewpoint.

Mr. WILLIAMS. It is a matter of record.

I should like to have the Senator from Vermont tell me what right the Broadmoor Apartment, in Washington, D. C., has to have a tax exemption by virtue of calling itself a cooperative, and thus getting an exemption under a law which was set up to protect the farmers. What can the farmers obtain in the way of benefits from the Broadmoor Apartment, which is occupied to a considerable extent by Members of Congress, both Members of the Senate and Members of the House.

Mr. AIKEN. It has about the same right as the American Railway Express and other organizations not connected with farming have a right to function under the cooperative law.

Mr. WILLIAMS. You still have not answered my question. Any of the organizations the Senator has referred to would be taxed under this amendment, and once again I ask you why should not they pay taxes?

Mr. AIKEN. But I understand they do pay taxes. The Senator from Delaware does not mean to say that the Broadmoor apartment house does not pay taxes, does he?

Mr. WILLIAMS. If they are paying taxes, they have nothing at all to fear, nor any reason at all to be concerned about my amendment.

Mr. AIKEN. Is the Broadmoor apartment house concerned about the Senator's amendment or about the cooperative law?

Mr. WILLIAMS. It is getting an exemption, and the Senator from Vermont knows as well as I do that the reason it formed a cooperative was in order to be able to obtain a certain tax exemption under the cloak of a law passed originally for the benefit of farmers only.

Mr. AIKEN. I wish to ask the Senator from Delaware a question. He says that

a Mr. Parker, who at one time was employed by the Bureau of Internal Revenue——

Mr. WILLIAMS. No; he was not employed by the Bureau of Internal Revenue, so far as I know. He was employed for 12 years as chief of staff of the Joint Committee on Internal Revenue Taxation. He held that same position, I understand, that Mr. Stamm now holds. The Senator from Vermont was a Member of the Senate at the time when Mr. Parker was employed in that position.

Mr. AIKEN. Is that a congressional committee?

Mr. WILLIAMS. Yes. That is one of the most important of congressional committees, whose chairman is the distinguished Senator from Georgia [Mr. GEORGE]. Its vice chairman is Congressman DOUGHTON.

Mr. AIKEN. He estimated that if the farm cooperatives were taxed all that he evidently thought they should be taxed, there would be $300,000,000 more revenue accruing to the Government. Will the Senator from Delaware tell us how much of that $300,000,000 will be collected if the amendment he is offering now is approved and enacted into law?

Mr. WILLIAMS. I am making no estimate on my own behalf, but I assume the full amount.

Mr. AIKEN. I have heard other estimates which did not nearly approach $300,000,000.

Mr. WILLIAMS. I have, too. The only reason I quoted that estimate was that it is the most authoritative. There are other estimates, some of which run as high as $2,000,000,000. There are many other estimates, but none from a more reliable source than Mr. Parker.

The Senator from Vermont could check with the Joint Committee on Internal Revenue Taxation now and could find out as to how these figures were arrived at. Their chief of staff, Mr. Stamm, is now on the floor.

Mr. AIKEN. I do not think the figure $300,000,000 has the least bit of meaning unless we know how it was obtained, whether the $300,000,000 applies to the total tax on the business of the cooperatives or the tax on consumer business alone, or on what the figure is based. The figure means nothing to me, particularly when in his testimony Mr. Parker evidently did not submit conclusive proof to back up his estimate.

Mr. WILLIAMS. Oh, yes; he submitted proof. I simply did not go to the trouble of reading it into the RECORD.

Mr. AIKEN. In what way was the $300,000,000 tax avoided, and from what would it have come if it had been paid?

Mr. WILLIAMS. I suggest that the Senator from Vermont read the testimony submitted before the committee before he begins to ask questions.

Mr. AIKEN. But there are about 600 pages in that volume of testimony.

Mr. WILLIAMS. Yes; and the Senator from Vermont should read it, as I did.

However, the size of the tax which was evaded is beside the point. So far as I am concerned, it makes no difference whether the tax which was evaded was $3,000,000 or $300,000,000. My point is that there is an inequity in the tax law, and it should be corrected. If it does not exist, then, inasmuch as the Senator from Vermont has said that the cooperatives are paying taxes, they should not be afraid. If they are paying taxes, why would they oppose this amendment?

Mr. AIKEN. I do not know Mr. Parker.

Mr. WILLIAMS. I called Mr. Parker and asked him whether these estimates were his own estimates or whether they were the estimates of an organization which employed him. He said that, while he was employed to appear before the committee, he would assume sole responsibility for the estimates which he gave to the committee and reviewed at length how he arrived at those figures.

Frankly, I wish the Senator from Vermont would take time to read the hearings.

Mr. AIKEN. I read the cooperative law a long time before I knew the genial Senator from Delaware, and I know fairly well the arguments for and against that law.

Mr. WILLIAMS. Mr. President, I wish to read, from the 1947 hearings, a statement by the chairman of the House Ways and Means Committee. I shall read now from page 2569. Those hearings were held at a time when the general counsel of the Consumers' Cooperative Association, of Kansas City, Mo., was testifying before the Ways and Means Committee. Mr. Olmsted was testifying for the Consumers' Cooperative Association, of Kansas City. I read now from the hearings:

> The CHAIRMAN. In looking over your exhibits, the Chair can well understand why you increased your assets in 1946 from $16,453,161.21 to $24,804,624.44 in 12 months, which is an increase, according to your own figures, of 50.76 percent. It appears to the Chair that your organization has gone pretty far from the original intent of Congress, and the Chairman was a Member of Congress when we passed the Capper-Volstead Act.
>
> What so many of you evidently ignore is the huge national debt of $260,000,000,000.

Mr. AIKEN. Will the Senator state the date of that testimony?

Mr. WILLIAMS. The hearings were held in November 1947. I have been reading from the statement of the chairman of the House Ways and Means Committee, Mr. Knutson.

Mr. AIKEN. Who was chairman at that time?

Mr. WILLIAMS. Mr. Knutson. Mr. Knutson said:

> Conditions in the world are unsettled. War may break out tomorrow; we do not know. We are spending billions of dollars to stop the march of communism. And here at home we are carrying on an active program subsidized by the Government that will ultimately lead to the socialization of this country. You are an intelligent man, you know that is true?
>
> Mr. OLMSTED. That is right.
>
> The CHAIRMAN. It is inevitable that it will lead to socialization. Personally, the chairman cannot see much difference between socialization and communization, although I think he would prefer to take his chances in a socialized country rather than in a communized country; but be that as it may, where are we going to get the money to run this Government? Here we have an instance where a tax-exempt organization has increased its assets in 1 year from $16,000,000 to $24,000,000. Where is this tax exemption going to stop?
>
> By your own testimony you have acquired a large number of concerns that had previously paid taxes. Terry Carpenter paid taxes.

Terry Carpenter is one of the concerns which they pointed out as having been bought.

> He was a former Member of Congress and a very successful distributor of petroleum products, I recall. When you took his business over, it went off the tax rolls, did it not?
>
> Mr. OLMSTED. Yes; it did.

This is an example of how the cooperatives have gradually been taking over other concerns that have been paying taxes and getting a tax exemption for themselves?

Mr. AIKEN. Does the Senator from Delaware believe that the cooperative movement leads to communism?

Mr. WILLIAMS. No; nor did Mr. Knutson say that.

Mr. AIKEN. Then the Senator would not believe that part of the testimony, would he?

Mr. WILLIAMS. Does the Senator from Vermont indicate, by asking that, that he believes that the tax-exempt cooperative expansion is the answer rather than the protection of our American free-enterprise system. If so, who is going to pay the taxes to cover the cost of our Government? Many business concerns are today being purchased by cooperatives and thereby dropping from the tax roll.

Mr. AIKEN. I would not be surprised at any statement by one who would let the property of that company go off the tax roll. Answering the Senator's question, I would say I think cooperatives afford the strongest bulwark against Government ownership today, whether one calls them socialistic or communistic or anything else.

Mr. WILLIAMS. I was reading the statement of the chairman of the committee, and the Senator knew the chairman better than I did. If he seeks to discredit the chairman, that is his responsibility.

Mr. AIKEN. I knew Representative Knutson very well, and liked him very much. I used to have breakfast with him on D Street very frequently. I do think that his attitude toward cooperatives had a great deal to do with his not coming back to Congress. However, I did not know Mr. Parker, and I was simply attempting to identify Mr. Parker, and finally did identify him as a representative of the National Tax Equality Association.

Mr. WILLIAMS. He was temporarily employed by the National Tax Equality Association, as I understand, and as he said in his own remarks, Mr. Knutson was a Representative in Congress and held one of the key positions in Congress on taxation for 12 years. Both had a distinguished record of service to our country.

Mr. AIKEN. I should like to know how the estimate given by Mr. Parker

compares with the estimate made by the Internal Revenue Bureau.

Mr. WILLIAMS. The Internal Revenue Bureau did not put an estimate in its report.

Mr. AIKEN. Would it not be advisable to get an estimate from the Internal Revenue Bureau before undertaking to remake the law?

Mr. WILLIAMS. Once again I say this is not a question of estimates, it is a matter of principle.

I might point out that in this amendment there is nothing which affects rural electrification cooperatives. I point that out because the question has been raised by several Members of the Senate. The REA is exempted under section 101 (10), and it is not touched by this amendment. I have not gone into that subject. The memorandum furnished by the legislative counsel contains this statement:

> Inasmuch as rural electrification cooperatives are exempt from the income tax under section 101 (10) your proposed amendment, which repeals sections 101 (12) and 101 (13) of the code would not affect the tax-exempt status of rural electrification cooperatives. Furthermore your amendment specifically provides that the term "cooperative corporation" as used therein does not include any corporation exempt under section 101 of the code.

For several years I have watched the phenomenal growth of tax-exempt cooperatives, and I have viewed with apprehension the unjust tax advantages which certain cooperatives enjoy over private corporations both large and small. Therefore, upon assuming my present position as a Member of the United States Senate, I began an intensive study of this subject, and as a result of this study I am fully convinced that our present tax laws must be amended, removing certain inequities so that private corporations and cooperative corporations will both be placed upon a more equal basis. If this is not done, there is not any hope for the continued existence of our system of free enterprise.

With that thought in mind, I submitted to the Senate this amendment, the purpose of which is to correct this inequity. In the closing days of the Eightieth Congress I introduced a similar amendment and at that time stated that I was not expecting any action to be taken on it at that session but that I was merely placing the amendment on record along with an explanation for study by the Members of the Senate during the recess.

This whole question of exempting farmer cooperatives from the payment of income taxes was started in 1916, at which time Congress saw fit to exempt from the payment of taxes—and I quote from the law—"farmers, fruit growers, and like associations," acting as mere selling agents for their members.

During the succeeding years, through laws enacted by Congress and liberal interpretations of those laws by the Treasury Department, numerous additional advantages have been given to these groups, until today their cooperative advantages have reached such proportions that Congress is going to be forced to take some action to preserve our system of free enterprise.

I am not suggesting that the cooperatives should be destroyed or prohibited from doing business, and there is nothing in the amendment which I offered that would have the effect of repealing the present tax exemption of bona fide cooperatives, nor would it prohibit a group of farmers or consumers from joining together, pooling their purchases or sales, and dividing the profits received therefrom. It does remove their tax exemption, however, if and when this same group decides to set themselves up as a competitive business organization, buying and selling in competition with private enterprise. It is then under my amendment that they would become subject to the same tax laws as apply to other corporations.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. WATKINS. A moment ago the Senator claimed that such rapid growth was being made by cooperatives that they were threatening free enterprise. I wonder if the Senator has in mind the amount of business now being done by cooperatives as compared with the amount being done by so-called private business.

Mr. WILLIAMS. Yes, I think so.

Mr. WATKINS. Is the Senator acquainted with the report of the United States Department of Commerce which states that 76 percent of wholesale or retail establishments doing 39.3 percent of sales are proprietorships; that 10.7 percent of wholesale or retail establishments doing 12.4 percent of all sales are partnerships; that 11.8 percent of wholesale or retail establishments doing 47.1 percent of all sales are corporations, and that 0.18 percent of wholesale or retail establishments doing 0.34 percent of all sales are cooperatives?

Mr. WILLIAMS. Yes.

Mr. WATKINS. The Treasury Department states that the position during the past 10 years has been practically the same. In other words, the great danger which the Senator says is threatened by reason of cooperatives, when it comes down to figures, is actually less than 1 percent of the total business done.

Mr. WILLIAMS. Yes; but as I pointed out to the Senator from Vermont, that included all the business of the United States, including the United States Steel Corp., General Motors, and other large corporations, and the cooperatives are localized in one particular group of business. If we took out all the other groups and compared their volume with the volume of their competitors the percentage would be entirely different.

Mr. WATKINS. Is the Senator familiar with the estimate which has been made, that in any city or town in the United States 99 percent of the business is done by businesses other than cooperatives? I have lived in places where there are cooperatives, and they are so small in number that they are hardly worth mentioning.

Mr. WILLIAMS. I wonder if the Senator has ever tried to operate a business in competition with one of the cooperatives?

Mr. WATKINS. I have not, but I have tried to operate a business with the help of cooperatives. Many of the farmers in my State, including myself, have not been able otherwise to operate a fruit growing business. I have never seen a legitimate business in my State that has been injured by cooperatives. For the first time, because of the cooperatives, the poultry business in the State of Utah is worth while. They have found markets for produce where they bargain as a group, and they have gone to other sections of the United States and brought back many millions of dollars to the State of Utah to help balance the trade between Utah and other States.

Mr. WILLIAMS. I assume that your cooperatives pass the benefits on to the farmers.

Mr. WATKINS. Certainly.

Mr. WILLIAMS. Then such a cooperative has nothing to be concerned about. If cooperatives have been doing that, they are not affected by my amendment. If they have been holding out on the farmers, they will be affected by it. I will later place some examples of how certain cooperatives have expanded at the expense of the farmer and the American taxpayer in general.

Mr. WATKINS. Mr. President, will the Senator yield for another question?

Mr. WILLIAMS. I yield.

Mr. WATKINS. I find that no hearings have been held by the Senate on this subject. There may be some racketeers in the business. There are racketeers in corporations and in partnerships, but as one who has been associated with the management of cooperatives for many years, who has helped to organize them and been a member of them, and has represented them as an attorney, I think there should be a hearing held before the Senate committee and let representatives of the cooperatives come before the committee. As one member of a cooperative, I should be very happy to try to work out an amendment that would take care of racketeers. I think one of the greatest blows that could be dealt to business in this country would be to destroy the cooperatives. The Senator from Delaware is against crooks and racketeers who try to get in. I note that the repeal of the so-called tax exemption is one of the smallest parts of the Senator's amendment. It goes away beyond that.

Mr. WILLIAMS. There is a great deal in what the Senator says, that the amendment should be studied, but I repeat what I said in the beginning, that extensive hearings were held before the House Ways and Means Committee. Those hearings are available to every Member of the Senate. A study has been made by the Treasury Department. A study has been made by the Farm Credit Administration. A study has been made by the Small Business Committee. In fact, we have been studying it but not doing anything about it. I proposed this amendment in 1948. The Senator from Utah was a Member of the Senate at

that time. I placed in the RECORD an explanation of the amendment prepared by the legislative counsel, and during the recess of the Congress I wrote a letter to each Member of the Senate, including the Senator from Utah, sending a copy of the analysis, and requested that you study the question.

Mr. WATKINS. Is it not a fact that ordinarily the Members of the Senate are so busy that they do not have enough time to make a study of these questions until they reach one of their own committees?

Mr. WILLIAMS. I have not made my statement in any criticism of him. I merely point out that the only way Members got interested in it was today when they knew they were going to have to vote on the subject, and then they had to begin to study it.

Mr. WATKINS. Does not the Senator think it should be studied by our own Finance Committee?

Mr. WILLIAMS. I point out that the same amendment has been pending before the Senate Finance Committee for nearly 2 years, because I sent it there.

Mr. WATKINS. The Senator is a member of the Finance Committee, is he not?

Mr. WILLIAMS. I was for 1 year, but I could not get my amendment acted on.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. A few minutes ago the Senator from Delaware asked the Senator from Utah if he had ever tried to do business with one of these cooperatives. I take it that the Senator did not approve of that competition. Would his amendment do away with the terrible competition to which certain types of businessmen are objecting?

Mr. WILLIAMS. I am not criticizing the competition of the cooperatives. The very life of our free economy is based on competition. I am only interested in seeing that the businessman on the west side of the street should be placed on the same footing as is the businessman on the east side of the street. No man can operate a business, pay taxes under the existing rates, and compete with a tax-exempt business on the other side of the street.

Mr. AIKEN. Does the Senator from Delaware believe that any businessman should be taxed on profits which he refunds to his customers as some of our large department stores do today?

Mr. WILLIAMS. No; and there is nothing in the amendment that would apply to such a situation. I am only proposing to tax what they hold back from their customers.

Mr. AIKEN. The Senator's amendment would not affect REA, would it?

Mr. WILLIAMS. Not at all.

Mr. AIKEN. What type of cooperative does it affect?

Mr. WILLIAMS. Any cooperative covered under section 101 (12) and (13).

Mr. AIKEN. Would it put the American Railway Express out of business?

Mr. WILLIAMS. It would not put any group out of business; besides, just what has the American Express to do with this subject? Cooperatives have built their business on the theory that they are not in business for profit. All I am asking them to do is to live up to their own rules. If a cooperative wants to hold out half its earnings from the farmer, instead of letting the farmer pay the tax on something that he does not have, and for all he knows will never get, let the one who keeps the money pay the tax.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ECTON. I should like to ask a few questions of the very able Senator from Delaware, which I think will clear up the purpose of his amendment. In the first place, does the Senator from Delaware understand that a true farmer cooperative is a combination or an organization of producers or consumers who band themselves together to do business as a cooperative organization which refunds profits from its operations to its patrons in patronage dividends?

Mr. WILLIAMS. In the true sense that is a cooperative. Assuming that the patronage dividends are paid in cash and not withheld.

Mr. ECTON. Is that the Senator's understanding of a cooperative?

Mr. WILLIAMS. Yes. It is an organization operating for the benefit of its members.

Mr. ECTON. That being the case, would the Senator's amendment tax the patronage dividends before they are returned to the owners of the cooperative stock or to its patrons?

Mr. WILLIAMS. No. The cooperative is allowed 60 days after the close of the fiscal year to make up its books and compute what is coming to each member of the organization. Therefore there would be 60 days within which to get the checks out to its members. What the Senator from Montana has described is a true cooperative. I do not criticize the principle of a cooperative. I am a member of three or four cooperatives myself. I know how they operate. I say if instead of distributing all of the profits to its members it decides to hold out half of them, the farmer pays the tax on what he receives, and the cooperative pay the tax on the portion that it retains. It is not taxed in both instances.

Mr. ECTON. I may say to the distinguished Senator from Delaware that if his definition or interpretation of his amendment does not tax the patronage dividends before they are returned to the patrons who are members of the cooperative, I cannot see why so much opposition has been engendered against his amendment.

Mr. WILLIAMS. I will tell the Senator why opposition has been engendered. It has been engendered by the giant cooperatives, who have been holding out on the farmers for a number of years. They have been getting their tax exemptions in the name of the farmers, and they are making a terrific howl. Naturally they are trying to safeguard their favored position. I repeat that there is nothing in the amendment which would prohibit a bona fide cooperative from doing business, or a group of farmers from getting together and forming a cooperative, provided at any time within 60 days after the close of the year it figures out on a percentage basis what is coming to each member and refunds it to him in cash. If it refunds all of it in cash there is no tax. If it keeps out half of it, the half which is retained is taxable at regular corporate rates, or if they engage in unrestricted competition with private industry, buying and selling from anyone, both members and nonmembers, they lose their tax exemption and properly so. A bona fide cooperative does serve a purpose if it is operated for the benefit of its members.

Mr. ECTON. I may say to the distinguished Senator from Delaware that I personally belong to several cooperatives. In fact, I have organized a cooperative in my home community. The cooperative was established on a true cooperative basis, as the Senator from Delaware has defined what he believes to be a true cooperative. I cannot see why there should be any opposition to the Senator's amendment. As a a member of several cooperative groups, which are true cooperatives, I have always taken the position that so long as they hewed to the original intent of a true cooperative, by distributing their profits to the owners of the cooperative stock, or the membership of the cooperative, they should not be taxed. In other words, there would be nothing on which a tax could be levied. However, if a cooperative retains any part of its profits for expansion, or for the purpose of going into any other business, which some of them do, in order to make money, it should be subjected to the laws that apply to any other corporation.

Mr. WILLIAMS. That is exactly the position I have taken.

Mr. ECTON. Let me say further to the able Senator from Delaware that I do not believe that any other course should be followed during these precarious times, when we are in need of additional revenue, not only to support our home economy, but to support our war economy. I do not believe that there are very many farmers, if they were properly informed, who would object to paying such a tax as is defined in the Senator's amendment. In fact, the correspondence which I have had from members of cooperatives who understand my position, as I have related it here, are perfectly willing that cooperatives should be taxed, and believe they should be taxed, if they are in competition with a private business and operating as if they were corporations.

Mr. WILLIAMS. I am glad to hear the Senator say so.

Mr. ECTON. If I may make one further observation, I should like to say that we are living in a different age and different times than when cooperatives were first organized. I remember when we organized our first cooperatives. The farmers of the country were down to bedrock. They were unable to borrow money. They were unable to beg money. They were unable to get anywhere. The only way in which they could protect themselves and get along in any way

during those precarious times was to band together and save what little profit the so-called middleman was taking in handling the products which they produced.

Since those days, what has happened in this country? There is an extensive farm program, and the farmers of the United States pretty generally are behind it, and they appreciate it. Cooperatives these days can get credit. If they cannot get credit from the local bank, there are lending agencies of the Government where they can go as individuals or as cooperatives and borrow money.

The situation is entirely different from what it was when the cooperatives were first organized. I believe the Senator from Delaware has been very fair in preparing an amendment which can help a little and yet not damage any true cooperative which operates along the lines of those which were first organized.

Mr. WILLIAMS. Mr. President, I thank the Senator from Montana for his contribution. If I thought there was anything in my amendment which would prohibit a group of farmers from claiming their American right to organize and pool their resources and do business, I would be the first to oppose it.

Mr. ECTON. I am sure the Senator would, and I appreciate his statement. It would be grossly unfair on the part of anyone, I do not care who, to accuse the Senator from Delaware of trying to eliminate cooperatives, or doing anything derogatory or not to the best interests of the true cooperative.

Mr. WILLIAMS. I should like to point out, as the Senator from Montana has said, that there is nothing in my amendment which would prohibit a group of farmers from performing in the manner which he has described. But under the existing law the practice has gone far afield, and it has gone mostly far afield in recent years as the Senator has pointed out. There are certain ones who have taken advantage of the loopholes in the law, and have tried to turn the loopholes to their own advantage. I point out one loophole where the farmer is not adequately protected. Most of the cooperatives define their membership as one who has dealt with the cooperative for the past 2 years. Some limit it to 1 year. If a Member fails to deal with a cooperative for 1 year, he loses his membership. Some of the cooperatives even provide in their charter that if the board of directors at any time decides to expel a farmer for any reason, they can expel him and can cause him to forfeit his stock. They can expel a farmer at any time they wish to do so. They can then say that John Jones must sell his stock to Joe Smith for the par value, or the book value, whichever is the lowest, whichever figure they want to take, and they can force him to sell it. It is not an American principle.

Another point, some cooperatives hold out on the members. They have not been distributing all their earnings.

Suppose when John Doe retires, after dealing with a certain cooperative 20 years, he would have received $10,000 in cash, but at the same time he has accumulated a $5,000 unallocated reserve. If he quits dealing with them 1 year, he has lost membership and his equity. He has never paid any taxes on it, and the cooperative has not. They get the money. Why has not John Doe a right to pass this equity on to his children, or sell it? It is his earned money. It is money which has been invested in the plants, and I say that regardless of whether he has lost his membership or not, that which was accumulated from his patronage during the period in which he was a member belongs to the farmer.

The farmers are not getting it, and my amendment would correct that condition. There was one in my own area, where a cooperative for a number of years had operated successfully. They paid patronage dividends in stock and the farmers received them. The farmer who was a member paid his income tax on the patronage dividend. This continued over a period of years, and then the cooperative went broke. The farmers who financed this cooperative thought they were making money, have paid income tax on the earnings which were distributed as patronage dividends. They paid their taxes on something they never have had and never will have.

If this amendment were agreed to, the farmer would pay the tax only on what he gets in cash. The cooperative which retains the money would pay the tax on what they keep, and the remaining equity, after the cooperative has paid its tax, would accumulate in the names of the farmers. The farmer could then pass that on down to his children, and no man can stop him.

If I buy a share of "X" stock—I do not care if every stockholder in the company does not like it, if the board of directors does not like it, under the law I cannot be robbed of my proportionate part of the earnings accruing on my share of stock, and I should not be. The farmers are entitled to this same protection.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Vermont.

Mr. AIKEN. I believe that most of what the Senator from Delaware has said is equally applicable to corporations. If a corporation goes broke, there is no way that the holder of the scrip or the stock can get his money out of it.

Mr. WILLIAMS. No; that is not applicable. There is this wide difference. If a cooperative goes broke, there is a situation in which a farmer has paid income tax on his patronage dividends yet has never received the money while the stockholder, pays the tax only on that which he receives in cash. There is no stockholder of any corporation who pays a tax on the remainder which is left in the corporation.

Mr. AIKEN. If my money earns $10 for General Motors, they do not send me the full amount. I expect they are required to maintain a reserve.

Mr. WILLIAMS. They pay tax on it, and that is what we are asking be done in this case.

Mr. AIKEN. Let me agree with the Senator that he has put his finger on the one thing in which there are probably abuses on the part of cooperatives, namely, in not making the patronage refunds within a reasonable time after they are earned. I do not say there are no abuses; I admit there are some.

Mr. WILLIAMS. The Senator from Vermont will admit that with me—I know the abuses exist, and the loophole I have been referring to should be plugged before we have some major multimillion dollar cooperative failure taking the farmers down with it.

Mr. AIKEN. I do not think the 60 days the Senator from Delaware allows is adequate.

Mr. WILLIAMS. In my first amendment, which I offered in 1948, I did not provide the 60 days. Later I was talking with an officer of one of our large cooperatives—and I do not mean to infer he endorses the amendment, but he pointed out that one of the unworkable provisions of the amendment would be the fact that I did not give him any period of grace because as of December 31 they could not get their checks out and make the computations. It was his opinion that 60 days would be a reasonable time. I told him that I did not care whether it was 60 days or 90 days. The point I want to make is that if the farmer is going to be called upon to pay his tax I want him to have unrestricted control over that on which he is paying the tax. No one proposes to tell the farmer, John Jones, that after he receives $500 in cash from his cooperative he cannot reinvest it in the cooperative, in General Motors, or in anything he sees fit to buy. There is no law on that subject. No one proposes to tell the farmer what he is going to do with his money. We do not do that with a corporation. I simply wanted to be sure that he did not pay tax on something that he does not get possession of.

Mr. AIKEN. I should like to ask the Senator from Delaware one question. I notice that besides his amendment which pertains to cooperatives, he also has an amendment which exempts corporations from the first $25,000 of their—I think the technical name is "unreasonable accumulation of surplus"—from the surtax. If the Senator from Vermont would agree to the amendment offered by the Senator from Delaware, would the Senator from Delaware then agree to exempt farmers from the first $25,000 of their earnings?

Mr. WILLIAMS. I thank the Senator from Vermont for his support, because the amendment to which he refers specifically exempts the cooperatives from it. I thank the Senator for his support. We are now in complete agreement that both cooperatives and corporations should have the same exemption.

Mr. AIKEN. I was asking about farmers.

Mr. WILLIAMS. Yes.

Mr. AIKEN. Under the Senator's amendment, any farmer with an income below $25,000 would pay no surtax.

Mr. WILLIAMS. No; if the Senator will read the amendment he will find that section 102 relates only to corporations and proposes that on any unreasonable accumulation of reserves there would be a penalty tax assessed. I point

out that during the past 10 years, since 1940, the Treasury Department, under that section of the law, has collected from corporations only $21,151,458. That is in 10 years. The amendment, while it does not provide an exemption of tax for anyone, merely says that the small-business man can hold something for the expansion of his business without paying the penalty on the first $25,000. He still must pay his normal tax. It is made specific to be equally applicable to cooperative organizations.

Mr. AIKEN. The amendment uses the word "corporation." Is it the purpose of the amendment to relieve the corporations of an existing tax?

Mr. WILLIAMS. No; the purpose of the amendment is not to relieve the corporation of any normal tax.

Mr. AIKEN. Would not that be the effect of it?

Mr. WILLIAMS. That amendment relates only to the undistributed earnings and exempts cooperatives as well.

Mr. AIKEN. The Senator means they would pay more taxes, or what?

Mr. WILLIAMS. If the Senator will check I think he will find that it is made equally applicable to every corporation in the country, including the cooperative associations and will result in very little loss in revenue.

Mr. AIKEN. Would not that depend on the type of law under which they were incorporated?

Mr. WILLIAMS. No. The amendment merely extends to the small corporations an opportunity to do what all cooperative organizations have been doing for years, including the multi-million-dollar organizations. With respect to the $25,000 accumulation, they must still pay their normal tax, as the Senator will find if he reads the amendment.

Mr. AIKEN. It exempts the amount up to $25,000, does it not?

Mr. WILLIAMS. Only under section 102 if the Senator will consult with Mr. Stam, the representative of the Joint Committee on Taxation, who is sitting in the Chamber, he will confirm the fact that the amendment does not exempt a corporation from its normal tax by one dime.

Mr. AIKEN. It says $25,000.

Mr. WILLIAMS. No, it does not exempt it from normal tax. They are fully taxable on all income earned at normal rates.

Mr. AIKEN. What is the purpose of the amendment if it does not exempt them?

Mr. WILLIAMS. The amendment has to do with the accumulating of reserves only. Surely the Senator from Vermont would not be opposed to that amendment, because he told me that if it was equally applicable to corporations and cooperatives, he would support both my amendments. I surprised him when I told him they were applicable to both.

Mr. AIKEN. I make no promise to the Senator from Delaware. I only asked him a question.

Mr. WILLIAMS. I then misunderstood the Senator. I thought I had enlisted his support.

Mr. AIKEN. There was a question mark after my question.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. WATKINS. As I understand the Senator from Delaware—and I want to be clear about it—he said it is perfectly all right for the cooperatives to make the patronage refunds, or as a true co-op man would say—and I understand the Senator from Delaware is a co-op man—the savings which had been made by the agent he had appointed to do business for him, either to sell for him or to buy for him: The Senator says it is perfectly all right for the cooperatives to make such refunds, and they ought to do so, and yet pay no tax on what they refund.

Mr. WILLIAMS. Assuming that the cooperatives are perfectly willing to distribute the savings to the farmer, provided they do so with no strings attached and confine their activities to their members; yes.

Mr. WATKINS. Does the Senator believe in the right of a member to make a contract with a cooperative?

Mr. WILLIAMS. Yes. Unless it conflicts with some law.

Mr. WATKINS. Suppose, instead of having the money handed over to him each year, the member who has the savings from what business the cooperative has done for him as his agent, signs a contract with the cooperative which provides: "You can keep my savings, and use them as borrowed money from me, instead of writing checks which I have to endorse and give back to you, and going through all that monkey business. Instead of doing that you can keep the money and use it for a certain period of time. You can put it on your books as a debt owing to me, and retain it."

Mr. WILLIAMS. And you mean by doing so a tax exemption is brought about. I answer that question in this way: We speak of the right of contract. We all have the right to contract to a certain extent, provided we keep our contracts from being in conflict with law. Suppose I make a contract with a corporation in which I say: "Instead of you paying me the dividends on my stock you keep those dividends and reinvest them for me, and I can thus save paying taxes." If that were to be done, who would finance the Government? If the right to do that is extended to one group of corporations and stockholders, then how are we to prevent another group from doing so? Someone has to pay the cost of this Government.

Mr. WATKINS. The Senator is begging for a question.

Mr. WILLIAMS. Somewhere down the line someone has to pay to finance the Government. I think that can be best illustrated by reading a statement by an official of a cooperative itself which has been receiving a tax exemption for a period of years.

Mr. WATKINS. Will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. WATKINS. Is there anything wrong in my signing a contract to let the cooperative hold back the money that belongs to me, instead of writing the checks each time the money comes due, and then I endorsing them over and giving them back to the cooperative? I may say to the cooperative: "You do not need to do that. I am willing to sign a contract with you that you can keep the money that is coming to me." That is my money, in other words. That money never did belong to the co-op, because the co-op is acting as my agent in conducting business for me. It is my money. I say, "I am going to lend the money to you. I am going to let you have it. You do not have to go through all the monkey business of sending checks to me, and my signing the checks and turning them back to you. Put the amount on your books. Then tell me each year how much you have put on the books, how much you owe me, and I will pay my income tax on that amount, because it is a part of my income, and it comes from my money." Is there anything wrong with signing that kind of a contract?

Mr. WILLIAMS. The tax must be paid.

Mr. WATKINS. What is wrong with it?

Mr. WILLIAMS. That cannot be done. If we extend that privilege to every corporation and every stockholder, I should like to ask: Who is going to finance the Government? Another point is that if under this bill, we continue the privilege of the farmers to do that, then we will not block the loophole which I have pointed out. Let us assume a farmer signs such a contract and that the contract is effective for 20 years, and that the farmer pays his taxes. Then the cooperative goes broke. Under the provision of the law there is nothing that would protect the American farmer.

Mr. WATKINS. It is the risk he would take, is it not?

Mr. WILLIAMS. I would say that we have an obligation to protect him.

Mr. WATKINS. It is the risk the individual would take.

Mr. WILLIAMS. We pass laws to protect those who cannot protect themselves.

Mr. WATKINS. In other words, the Senator from Delaware thinks the farmer cannot protect himself in the matter of these risks.

Mr. WILLIAMS. No, I do not think he can protect himself against some of the practices which have developed under the operations of certain cooperatives.

I have as much respect for him as has anyone else. But we pass laws to prevent corporations from taking advantage of investors. It is not a question of whether the investors can take care of themselves. We placed the Securities and Exchange Act on the statute books with the intention of protecting the investors. We place statutes on the books to protect the farmers. I say that in this instance the farmer needs protection to guarantee that anyone who holds his money must safeguard it.

I should like to read to the Senator a statement of a cooperative official.

Mr. WATKINS. I do not think the Senator is answering my question; I think he is evading it.

Mr. WILLIAMS. No, I am not evading it. I do not think any individual has a right to enter into a contract the pur-

pose of which is to circumvent the tax laws.

Mr. WATKINS. Let me see whether I understand the Senator correctly. If a cooperative gives me the money it owes me, is that a violation of the tax laws? If I get the money under those circumstances, a tax on it is not levied against the cooperative, because the money never belonged to the cooperative.

Mr. WILLIAMS. I do not wish the Senator to misunderstand me. Now you are saying that if you get the money, before you were describing the case where you did not get the money. You had better get that straight.

Mr. WATKINS. Would the Senator's amendment change that situation?

Mr. WILLIAMS. It would let those who get the money pay the tax.

Mr. WATKINS. In what way?

Mr. WILLIAMS. Stated very simply, the amendment would provide that the one who keeps the money will pay the tax. After all, he will have the money with which to pay the tax.

Mr. WATKINS. But does not the Senator recognize the right of a man to lend money to a cooperative?

Mr. WILLIAMS. Yes; but I do not recognize his right to tax exemption.

Mr. WATKINS. He would not have tax exemption under those circumstances; he would still pay the tax.

Mr. WILLIAMS. I ask the Senator to wait a minute, please.

Recently a cooperative in Oklahoma made the same argument, but let me read a statement which appeared in the press in August of this year, since my amendment has been before the Senate. According to this statement in the press, the cooperative voluntarily recognized, and I commend it for doing so, that it is an unfair exemption, which it is getting under the law. The members of the cooperative say they are perfectly willing to pay the tax. They estimate that their tax will be in the neighborhood of a million dollars for 1950, so they must have been making money.

I read now from the article which appeared in the press regarding the decision of the Union Equity Cooperative Exchange, of Enid, Okla.:

> The membership decided that in all fairness and equity, and particularly in view of the fact that our Government will need vast sums of money immediately to finance its operations currently made necessary by the gathering war clouds, the regular corporation tax should be paid immediately to the Government on these profits.

They are speaking of their own earnings. They say:

> No definite figures were available, but it was estimated by Puckett that the income tax which will be paid by Union Equity to the Government for 1950 will approach very closely a million dollar figure, which as he pointed out should buy a lot of guns and tanks for our boys in Korea.

I commend the cooperative for taking that stand.

This does not mean that the cooperative has been violating the law heretofore. It is no reflection on any cooperative that it has not been paying taxes; if we disapprove we should amend the law.

Today many of the cooperatives are frank to admit that there is an unjust exemption which they are enjoying.

This amendment will not destroy one cooperative. However, if the only way a cooperative can operate is by means of withholding the payment of such taxes, then such a cooperative certainly cannot justify its existence.

I think the cooperatives can justify their existence on the basis of the service they render to their communities.

I think the Senator from Vermont agreed with me on that one point, at least.

Mr. AIKEN. I did not understand the point the Senator has just made. The Senator from Delaware and I do not agree too much on matters pertaining to cooperatives.

Mr. WILLIAMS. Perhaps so, but I think we agree that the law should be amended so that a farmer should not be called upon to pay taxes, over a period of years, on something he never had an opportunity to cash, and which he might never get. I do not think he should pay a tax on something until he gets it into his immediate possession. Let the corporation or cooperative pay the tax on all money it withholds.

Mr. AIKEN. I agree with the Senator from Delaware that undoubtedly there have been abuses of the cooperative law.

I do not agree with him that we should undertake to rewrite the cooperative law, particularly the part pertaining to taxation, here on the floor of the Senate, as an amendment to this tax bill.

I do not agree, either—and I think I am on safe ground when I say this—that the evasions occurring under the cooperative law——

Mr. WILLIAMS. I would not use the word "evasions," because that would indicate that someone was doing something illegal.

Mr. AIKEN. I do not think there has been any more—well, I cannot think of a word to use in place of the word "evasion."

Mr. WILLIAMS. I suggest the word "avoidance."

Mr. AIKEN. Very well, I shall use the word "avoidance." I do not think there has been any more avoidance under the cooperative law than there has been under any other laws; and in the aggregate undoubtedly there has been far, far less under the cooperative law.

Mr. WILLIAMS. No doubt that is so but still there are large areas of tax inequality.

Mr. President, I do not wish to leave the impression that I think this is the only loophole existing in the present tax law. I think there are loopholes in the tax law as it applies to corporations. Yesterday the Senator from Minnesota spoke on that subject. I do not agree with all the points he raised, but certainly I agree with him in regard to some of them. Undoubtedly there are tax loopholes as regards corporations which should be plugged. I am not saying that everything the corporations have done is holy, because that is far from being the case.

However, the loophole I am discussing is a recognized inequity. Not only is it a loophole from a tax-revenue standpoint, but it is also a loophole from the standpoint of protection of the farmer himself.

I do not think we should permit to remain on the statute books a law which gives a cooperative a right to expel a member without leaving on the cooperative an obligation to pay that member everything that is coming to him.

I repeat that this amendment only removes the tax exemption if and when that group decides to set itself up as a competitive business organization, buying and selling in competition with private enterprise. In such case, under my amendment that group or organization would become subject to the same tax laws as those which now are applicable to all corporations.

Mr. President, the controversy in this whole question centers around the definition of "profits." In private industry, "profit" is defined as the margin which exists between the cost of an article and the sales price, minus the actual expense of doing business. As a part of those expenses the private corporation is allowed to deduct a limited depreciation charge on equipment and buildings. On the remaining net income a private corporation is required to pay at the present rates, approximately a 38 percent corporation tax, prior to the distribution of any dividends. This will be increased to 45 percent under House bill 8920.

A cooperative is allowed the same deductions which are allowed to industry, and in addition it is allowed to deduct patronage dividends and to set aside and accumulate, before the computation of taxes, reserves not only for current needs but for future expansion.

This tax-exempt accumulation of reserves is one of the greatest inequities in the whole question; and to emphasize the importance of this I shall quote the exact language of that exemption as outlined in a recent Treasury Department bulletin:

> The regulations provide that "the accumulation and maintenance of a reserve * * * to provide for the erection of buildings and facilities required in the business or for the purchase and installment of machinery and equipment or to retire indebtedness incurred for such purposes, will not destroy the exemption." Consequently, it is possible under existing law for an exempt cooperative association to reinvest a substantial portion of its earnings in plant and equipment without either the association or the patron being taxable thereon.

This is the principal joker in the whole question. When the proponents of the measure argue that cooperatives are paying taxes or that their members personally pay income taxes on their proportional part of the accumulated earnings, they are not telling the whole truth, because prior to the computation of the members' equity or the payment of patronage dividends, either in the form of cash or in the form of a noncash distribution, the cooperatives are deducting substantial reserves for the purpose of

obtaining capital funds for future expansion.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. THYE. What percent is allowed to be deducted, without jeopardizing the tax exemption?

Mr WILLIAMS. There is no law stating the percentage of reserves which can be set aside.

Mr. THYE. Surely the Treasury Department has a regulation on that matter.

Mr. WILLIAMS. No; it does not have one.

Mr. THYE. I think the Senator from Delaware should check with the Department on the question of whether any cooperatives have lost their exemption rights. I think the Senator will find that there has been many an instance where a cooperative has been tax exempt, but because of certain withholdings the cooperative had disqualified itself from further tax exemption, and was compelled to pay an income tax, going back over a great number of years. So I think the Senator wants to be certain when he checks the record, as to that percentage.

Mr. WILLIAMS. I presume the Senator from Minnesota has checked that, and I should be glad to have him insert in the RECORD at this point any statement he has in support of what he has just said.

Mr. THYE. Mr. President, the Senator from Minnesota is not the one who is making the charge about the evasion of the income tax. It is the Senator from Delaware who is making the charge, and the Senator should have an example to prove his argument.

Mr. WILLIAMS. I merely quoted the Treasury Department's bulletin, Mr. President, and I have a letter here which I shall put in the RECORD, at the appropriate time supporting my arguments.

Quoting from the Treasury's Bulletin, page 17 of Bulletin S–520:

> Consequently, it is possible under existing law for an exempt cooperative association to reinvest a substantial portion of its earnings in plant and equipment without either the association or the patron being taxable thereon.

Mr. THYE. Mr. President, if the Senator will yield further, the word "substantial" could be magnified to look tremendously large in the imagination of a man, if he were reading the RECORD. It is for that reason that I just asked the Senator from Delaware that, when he is making such a statement, it would be well if he placed in the RECORD what the Revenue Department will consider as an allowable percentage of the business, which can be taken.

Mr. WILLIAMS. There is no percentage that is established, and the Treasury Department will tell the Senator that. It refers only to this reserve in terms of "reasonable," "necessary," and "substantial," and there is no definition percentagewise of what is reasonable or necessary.

Mr. THYE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Does the Senator from Delaware yield further to the Senator from Minnesota?

Mr. WILLIAMS. I yield.

Mr. THYE. Who is going to determine the reasonableness of it?

Mr. WILLIAMS. The Treasury Department makes the final decision of what is reasonable.

Mr. THYE. Will the Treasury Department allow 10 percent, 5 percent, 20 percent, or 50 percent, as a reasonable sum? I think the Senator from Delaware should go back into the records of the cooperatives, relative to what the Revenue Department has said would be the allowable sums or percentages as an exemption under the income tax regulations. If the Senator will do that, he will find that the cooperatives in certain States or in certain communities had withheld a higher percentage than the Revenue Department would consider a reasonable sum, and that they had done business with more nonstockholders than substantially all stockholders, and that they had disqualified themselves for tax exemption, and that the Revenue Department thereby proceeded to impose an income tax plus penalties and interest back over a great number of years, in fact, back to the very commencement of the income tax laws. So the Senator can make out a beautiful picture, a picture that would make one weep—that is, the person who is compelled to pay the taxes—whereas the cooperatives are not paying the tax. But if we get down to the individual case and find the number of cooperatives that have been compelled to pay income taxes, and who have had their records checked for a number of years back, it would then be found that tax exemption is based specifically on the fact, first, that it is a partnership. As many farmers as join together thereupon become a partnership and are recognized as a cooperative. And yet, to group all partnerships would be similar to the situation which would exist if the Senator and his brothers, let us say, were in business. As soon as the profit is taken out of that business, one is compelled to record the profits received as part of the income, and to pay a tax on them. In the supposed case the Senator and his brothers would all have to do that.

Mr. WILLIAMS. I should like to answer this one point, if I may.

Mr. THYE. Yes.

Mr. WILLIAMS. There is a vast difference under existing law between a partnership and a cooperative, in this, that in a partnership there is no exemption for this accumulation of reserves. What I am about to quote is not a matter of my words, but I am about to quote from the Treasury Department. The language is contained in their own bulletin.

> In addition to the mandatory general reserves—

To which the Senator has just referred, under State laws—

> In addition to the mandatory general reserves, cooperatives are also allowed to accumulate certain other reserves for specific purposes.

Mr. THYE. What are they, if I might ask?

Mr. WILLIAMS. If the Senator will wait I will give him the answer. I shall start from the beginning:

> In addition to the mandatory general reserves, cooperatives are also allowed to accumulate certain other reserves for specific purposes.

It then goes on to say:

> First, there are specific contingency reserves, i. e., reserves for foreseeable losses or expenses which are properly chargeable in whole or in part to the current accounting.

It continues:

> Second, there are "reasonable and necessary" reserves for expansion purposes.

The words "reasonable and necessary" are within quotation marks.

> The regulations provide that the accumulation and maintenance of a reserve * * * to provide for the erection of buildings and facilities required in the business or for the purchase and installment of machinery and equipment or to retire indebtedness incurred for such purposes, will not destroy the exemption.

The regulation continues:

> Consequently, it is possible under existing law for an exempt cooperative association to reinvest a substantial portion of its earnings in plant and equipment without either the association or the patron being taxable thereon.

In a partnership there is no exemption whereby a certain amount of earnings can be withheld for plant expansion without the partners being taxable thereon.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I will yield in a moment. I want to point out that the words which are used in this regulation to describe this reserve are "reasonable and necessary," and later in the same regulation it is referred to as "substantial." That is the way it is defined, and there is no percentage formula for computing that reserve. I have a letter from the Treasury Department here, in which I asked the specific question, "What percentage is reasonable or necessary?" Their answer is there is no exact percentage on which one may place his finger.

Mr. THYE. Mr. President, if the Senator will yield for a moment, certainly I would agree that either as an individual, a corporation, or a partnership, they would be allowed depreciation and would be allowed other deductions, such as business losses, if any occurred, and expenses which the business might have incurred.

Mr. WILLIAMS. Those exemptions are allowed, and for those exemptions there are formulas for allowances. But a corporation or a partnership cannot write off the cost of a building before it is constructed. That can be done under the existing law by cooperative associations which can show a need for the facilities which they are going to acquire.

Mr. THYE. Mr. President, will the Senator yield for another question?

Mr. WILLIAMS. I yield.

Mr. THYE. The Senator surely could ascertain whether the reasonable deduction to which he has referred is either 1 percent, 2 percent, 3 percent,

or even 5 or 10 percent of the net earnings of the cooperative as a legitimate withholding on the part of the cooperative, without jeopardizing the income-tax exemption.

Mr. WILLIAMS. I placed that same question before the Treasury Department It gave me a great deal of concern because there was no formula except what the Treasury Department decided to define as reasonable or necessary. I could not understand it, because in private business we depreciate a plant 5 or 10 percent, or there is a percentage of depletion across the board. A farmer is allowed a fixed percentage of depreciation on his barns. As evidence that such a formula does not exist I should like to quote from a letter from the Assistant Secretary of the Treasury, Mr. John S. Graham, dated November 16, 1949, in which he says:

> The law and regulations do not place any mathematical limit on the proportion of earnings that may be retained as reserves.

That is exactly what I have been saying all the time and I hope it will finally convince the Senator from Minnesota [Mr. THYE]. Under my amendment the formula would be fixed exactly as it is now with private corporations or partnerships. It should be done.

Mr. THYE. I would suggest to the Senator from Delaware that this is a very complicated question, which requires more study than he and I can put into it while standing on the Senate floor, and it is a question that must be gone into by a committee. If the Senator from Delaware would sit down with an attorney or with an auditor who had the responsibility of auditing cooperatives, the attorney or auditor would give him specific information relative to how careful they must be in establishing what becomes a reasonable deduction without jeopardizing the income-tax status of the cooperative. If the Senator questioned an auditor who is in the habit of auditing the books of cooperatives he would get an explanation from him as to what the Treasury Department does demand of the cooperative as to what it must declare; yes, he would get a complete explanation of deductions; he would find that the Treasury Department is not permitting income-tax exemptions to cooperatives in a manner as to which there could be much complaint, either in the way of evasion of taxes or negligence on the part of the Treasury Department in collecting taxes.

So I would say to the able Senator from Delaware, who is probably better qualified to use his pencil in detecting percentages and in ferreting out what we might term an evasion——

Mr. WILLIAMS. I prefer to use the word "avoidance," because, as I said before, the cooperatives are not evading taxes. It is legal for them to escape taxes.

Mr. THYE. Mr. President, I resent the statement that it is legal to escape taxes on the part of cooperatives.

Mr. WILLIAMS. It is legal for them to escape paying taxes. The Treasury Department refers to it as avoidance——

Mr. THYE. If the Senator will yield——

Mr. WILLIAMS. Just a moment. I have the floor.

Mr. THYE. I grant that. I was trying to pay the Senator a compliment.

Mr. WILLIAMS. I am not saying that these cooperatives are tax evaders or tax dodgers. I have already done what the Senator has suggested. I have spent hours and weeks in discussion with representatives of cooperatives, and have spent several days with representatives of the Treasury Department. The Treasury Department was very cooperative in assisting me in understanding how the law operated. I assure the Senator I have studied this question.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. THYE. I was trying to pay the Senator a compliment on his ability and his unusual talent in digesting a report and getting the facts from it, but I was interrupted. I do not want the RECORD to stand as if I had been attempting in any manner to discredit the ability of the Senator. I wanted to pay him an honest and just tribute. I say, in all sincerity, that the Senator has gone into the figures and has put forth great effort to understand the provisions of the Income Tax Act so far as it relates to cooperatives. I should like, if the Senator will not interrupt me for a couple of minutes, to explain to him that I have known cooperatives that operated for a number of years; in fact, for close to 20 years. But they found themselves in jeopardy of their income-tax exemption provision, and they were liable to have to pay taxes running clear back to the time when the act went on the statute books. They themselves had to audit every single individual account. They had to prorate to the individual producer the percentage deducted from his milk income for the entire period, and then refund him that money. They had to proceed in an accurate manner in order to qualify themselves to continue their exemption under the Federal income-tax law.

I could go on and relate many other instances in which a cooperative found itself in the same predicament.

If the Senator will bear with me for one more illustration or example of what a cooperative actually is, let us suppose that 100 farmers band themselves together and say, "We are going to build a plant to process our commodity." They build a plant. How are they to pay for the construction and the cost of it unless they can in some manner retire the indebtedness incurred? If I were a member of that group of 100 farmers and earned $25 as a dividend, and I assigned that $25 to the organization to pay a part of the indebtedness incurred in the building of the plant, how in the world could the Senator say there was a tax evasion, when the amount has been assigned to retire the debt incurred in the building of the plant?

I am for the little-business man. I want to help him, because he is the backbone of the Nation, but I do not know how we can get around that question.

Mr. WILLIAMS. A cooperative can pay taxes and expand just as readily as can the man across the street who hangs out his shingle as an independent business-man.

All that I am asking under this amendment is for the cooperative to confine its activity to its members only and pass those earnings to its members in cash on a percentage basis according to the volume of purchases; or if they elect to enter into unrestricted competition with private industry then pay taxes the same as private industry. If a farmer has $1,000 coming to him let them pay him in cash.

Mr. THYE. The Senator used the figure of $1,000. That is far above what the average farmer earns from a cooperative.

Mr. WILLIAMS. It would be the same percentage, whether it was $10 or $1,000.

Mr. THYE. Yes. However, I believe it would be more appropriate if we used a figure of $25, $30, or $100, instead of a figure of $1,000. In the imagination of a man who reads the RECORD, a farmer is represented as receiving, tax exempt, $1,000 from a cooperative. I think the Senator would have to use his pencil a good deal in order to defend the statement that a farmer may have received $1,000 or that many farmers had received $1,000 by way of a tax exempt refund. I think we should get that clear in the RECORD.

Mr. WILLIAMS. Do not overlook the fact that some of the cooperatives are multi-million-dollar concerns, operating every conceivable type of business.

All I am saying is that the farmer should not be made to pay a tax on the money unless he has unrestricted control over it. As a cooperative, if I were to hold back a thousand dollars belonging to the farmer—why should I be able to keep the thousand dollars and pay no tax on it merely by sending scrip to the member of my cooperative and say to him, "I have a thousand dollars of your money, which I will pay to you when and if I ever get ready to pay it, provided I do not go broke before I make up my mind"? The farmers are not actually getting payments. All they get is the privilege of paying a tax on a scrip of paper which may never be redeemed.

Mr. THYE. If the Senator will tolerate one further interruption so that I may put forth another fact to the Senator, I should like to suggest that as Members of the Senate we have the responsibility of dealing with this question. Let us take a cooperative which is operating with perhaps 300 or 400 patrons. Such a cooperative would represent a substantial business in the community. Supposing the cooperative, in order to justly avoid paying taxes—and I am saying justly avoid the paying of taxes, because they have no profit in the business they are transacting—and let us assume that it is a grain cooperative, and the farmer brought his grain in there and received every cent that the grain brought at the terminal. Let us assume he received every cent. Let us assume that each farmer assessed himself the necessary amount to pay the salary of the manager of the grain cooperative. I say to the Senator that type of competition would drive a man out of business in every community within hauling distance of that grain cooperative. Why? Because of the 5-, 6-, 7-, or 8-cent-a-bushel permissible commission which is paid to the average

grain buyer or to the cooperative. With such competition no one could stay in competitive business with it. The farmer could assess himself by saying, "My share of the manager's wages for this month is $10, or $15. My fuel and light cost in that business is $5, or $10. The total cost to me is probably $25 for the month." He would pay it. He would have in return every penny which the grain brought him at the terminal. The same would apply to the oil and other type of business. That type of competition would drive every man off Main Street as fast as a cooperative stuck out its shingle. So the fact of the matter is that the exemption is allowed in order to permit the cooperative to do business at the same percentage of commission which the ordinary, legitimate storekeeper, grain-elevator operator, or oil-station manager is allowed to charge. At the end of the year the farmer receives patronage dividends, which he lists as part of his income, and he pays a tax on that income, or he says, "I will permit the organization to retain the patronage dividend for a period of so many months or a period of a year, in order to buy a churn for a creamery, or put in a feed room for mixing of feed in connection with the grain business." This is about how I see the picture, and I have made quite a study of the subject.

Mr. WILLIAMS. I have heard that argument advanced many times, and I disagree with it, with all due respect to the Senator from Minnesota. I say there is nothing in my amendment which would prohibit farmers from doing exactly what the Senator from Minnesota has described. They could handle produce and assess themselves at the end of the year for the necessary expense of distribution, or they could tack on an estimated margin, and at the end of the year if there was any excess, they could repay it to themselves. Under these circumstances naturally there would be no tax liability. The argument has been advanced, and I have heard it many times, that if we were to adopt the amendment, the cooperatives would go out and refund to the customers all of their earnings in cash and thus drive all private organizations out of business. I am not concerned with that, because I say that if a private business enterprise cannot compete with a cooperative on an equal footing, there is something wrong with the system under which the private business is operating. I do not think there is anything to that argument. I think our private business organizations can operate in competition with any other type organization, whether it is a cooperative or any other type of organization, provided they are on an equal footing.

I have been in small business for 25 years. The competitor who gave us the least worry was the competitor who opened up with the idea that he could sell at cost and run everyone else out of business. Nature has a way of taking care of situations like that, and nature would take care of that kind of competition, whether it came from a cooperative or any other type of business.

Give the businessman tax equality and he will operate.

The special exemption to which I have referred is one which permits a cooperative to set aside reserves, which are not taxed either to the patron or the association. This makes it possible for a cooperative to charge against current earnings the cost of a property which they intend to buy at some future date, whereas in private industry only a limited depreciation is allowed after a purchase is made.

In view of this favoritism it is easy to understand why the cooperative movement enjoyed the greatest period of expansion during the war years, when the excess profits tax rates in private industry ran as high as 90 percent.

During this period of high corporation taxes, tax-exempt cooperatives, instead of paying 90 percent of their earnings into the Federal Treasury, were setting aside reserves and buying additional properties, including oil wells, railroads, lumber yards, etc., and evidence that this advantage was not being overlooked was conclusively proven by a statement made in 1942 by Mr. A. G. Black, Governor of the Farm Credit Administration, during his speech before the American Institute of Cooperatives. That was about the time when Congress was increasing the taxes to cover the costs of World War II. Mr. Black said:

> Farmer cooperatives, as such, have been given by the people, through their Congress, some very important advantages—advantages not accorded to privately or corporately owned business. If no changes are made in laws relating to these advantages, they are going to bulk larger and larger. For example, tax exemption under certain conditions, if there is no change, will result in a tremendous advantage to the cooperative form of organization. As taxes on private and corporate business increase that advantage to cooperatives becomes greater. Under conditions of low taxes, of course, it is of some advantage, but when taxes are absorbing a large part of the earnings of private business, the cooperative form of business really provides an enormous advantage.

Mr. President, that speaks for itself. Mr. Black pointed out to this group that as they entered the period of wartime taxation, they could expect their best period of expansion. If we study the report issued by the Treasury Department in 1947 we find that it clearly indicated that such was the case, and if we study the reports of any of the individual cooperative organizations, we will find that their period of rapid expansion was during the recent war years, when private industry was having to bear such a heavy load of taxation.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Minnesota.

Mr. THYE. The Senator has a point in his argument relative to the type of cooperative expansion he has been discussing. That type of expansion might well be given very close study. I desire to be fair on the question, and I would not for one moment wish to see private enterprise placed in jeopardy by exemptions, or laws permitting exemptions in an unreasonable manner. But I do not believe we have given the subject sufficient study, and gone far enough into research into the entire matter, to enable us to vote intelligently on an amendment to a tax bill offered on the floor of the Senate, and we expect we will vote on it either as of this date, or tomorrow, or the next day. I believe the question is serious enough to justify sufficient study to enable us to have the answers as to the manner in which these cooperatives expanded themselves in oil fields, as the Senator has mentioned, and factory operations, to which he has alluded.

We have all seen statements and articles written about it and heard stories told, but I would want to see some concrete figures on it, and know the amount of taxes imposed, and what percentage of the patronage dividends of the patrons were assigned to and entered into such plant expansion.

I know the Senator has many figures, but I have seen many figures which have been produced which I would like to see given the acid test of investigation by a tax committee.

Mr. WILLIAMS. Mr. President, I recognize that it is unfortunate we are trying to write a tax bill on the floor of the Senate. I have the greatest respect for the ability of the Finance Committee to write such a tax bill in the committee. However, we are going to be asked to vote on an excess-profits tax for corporations which has not been reviewed by the Finance Committee, and if we are to vote on that, I felt it was only proper we should vote on both these amendments together.

The figures I am putting into the RECORD, while I accept criticism if they are found to be wrong, are figures which I have tried to assemble from the most authoritative sources I could find, and most of them have been checked by the Treasury Department.

As I said before, the Treasury Department has been most cooperative in working with me on this subject. They have not expressed any opinion on my amendment, and I did not ask them to do so. The two gentlemen from the Treasury who came to see me and discuss the amendment were not policy-making officials. I did not put them on the spot by asking them whether they thought the amendment was right or wrong. What I was trying to ascertain was what actually happened under existing law and regulations.

We developed one hypothetical case, of X corporation. For 4 years it set aside their reserves in the manner I have spoken of, to buy additional mills. We went through the process of how this X corporation set aside in reserves the cost of a mill before they bought the mill. In other words, out of current earnings they wrote off the cost of a mill they proposed to buy at a later date. In order to get the exemption, the Treasury Department pointed out very clearly that the cooperative would have to justify the need of the mill. But that could be done.

To make it even more unfair, after they had written off the cost of this mill prior to its erection, after its erection they could even take the normal depreciation charge which is taken by private indus-

try. That is, they could figure depreciation on the mill which had been written off before it was built. That sounds fantastic, but the Treasury Department letter here under date of November 16, 1949, confirms this hypothetical case. It should be evident to all that private industry cannot compete indefinitely against this type of inequality.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Minnesota.

Mr. THYE. In what year was this revenue department ruling?

Mr. WILLIAMS. The letter to which I am referring was in 1949. The letter is dated November 16, 1949.

Mr. THYE. The Senator means it was in the year 1949 that the Treasury Department made the ruling?

Mr. WILLIAMS. I do not know when they made the ruling.

Mr. THYE. My reason for asking the question is that the ruling may have applied to a war year, and it may have been an absolute necessity for a cooperative to convert from a certain type of process over into another type of process the War Department was in great need of. Many a cheese factory was reopened during the war years and was reactivated for the purpose of making cheese, because the commodity was not perishable, and lent itself to being shipped to England and to other sectors where food was a necessity. The same was true of powdered milk. I assume the War Department had some influence with the revenue department, which made the revenue department see the justification of such an allowance. The corporations were allowed to follow the same identical method of doing business.

Mr. WILLIAMS. The Senator is completely wrong in his assumption. In the first place the war was not going on in 1949.

I believe the Senator from Minnesota misunderstood the date. The date when the Treasury Department gave him this recent interpretation of the regulation was November 16, 1949, which was 4 years after the ending of World War II. The regulation was still in effect, and had been in effect for a number of years. I do not know just when it went into effect, but Mr. Black referred to it in his speech in 1942, so evidently it was in effect prior to that date. Under no circumstances, to my knowledge, has industry ever been extended the right to charge against this year's earnings the cost of construction which they planned to make the next year. One does not figure depreciation on a building until he gets his construction actually under way.

I do not believe the Treasury Department or anyone else can justify such an inequality.

Mr. THYE. If the Senator will yield further I will say that it is obvious the Senator from Delaware asked the Bureau of Internal Revenue for information relative to that particular section.

Mr. WILLIAMS. That is correct.

Mr. THYE. The letter is dated in the year 1949. I think the Senator stated that Mr. Duggan had referred to this provision in 1942.

Mr. WILLIAMS. No, Mr. A. G. Black was the Governor then. He referred to it.

Mr. THYE. In 1942. If the Senator will permit me to complete my thought. The question that comes into my mind in connection with the letter is that if Mr. Black referred to it in 1942 it must have come in as a regulation during the war years, because the war was on us in 1942; and if it is in existence again it is a matter of a discretional authorization and a discretional allowance by the Internal Revenue Bureau.

Mr. WILLIAMS. No, the Senator is wrong in that statement. I do not know just exactly when the ruling came into existence, but I did ask the gentleman from the Treasury who was down here, and he said he thought it had been in existence pretty much since the inception of the cooperative law.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. As I understand the Senator from Delaware presented a hypothetical case to the Treasury Department.

Mr. WILLIAMS. That is correct.

Mr. AIKEN. Could the Senator from Delaware give us an actual rather than a hypothetical case where this kind of exemption has occurred?

Mr. WILLIAMS. No, because it is not permissible to take an actual tax return of a corporation.

Mr. AIKEN. On the floor——

Mr. WILLIAMS. I would not do it. I do not think it is proper to present an actual income tax return on the floor.

Mr. AIKEN. The Senator can call the corporation X, Y, or Z.

Mr. WILLIAMS. We made what they call a hypothetical case. It was simplified to show how this one exemption—namely, the setting aside of reserves for future expansion—would work. I am perfectly willing to show that, and I will do so a little later. It is the same thing whether it is X corporation or Y corporation. The point is that the exemption does exist whereby a cooperative can charge against today's earnings the cost of a mill which they are going to buy tomorrow or next year. That is not allowed to private industry. Most any member of the Finance Committee will confirm that.

Mr. AIKEN. But the Treasury showed in reply to the Senator from Delaware what could be done rather than what had been done.

Mr. WILLIAMS. No, it was what could be done, and they were very clear that it had been done, and they know it will be done. There is that loophole in the law which can be utilized by a cooperative organization. The Treasury Department is not referring to the earnings which are allocated. These are the unallocated earnings, earnings upon which neither the cooperative nor the farmer pays any tax. It should be corrected.

Mr. AIKEN. Mr. President, may I ask the Senator from Delaware if it is not true that under the law when a cooperative member's earnings, or rather the amount that is due him—I would not call it earnings; it is the amount that is due him—is withheld for expansion purposes and he is notified of the same, he is supposed to pay a tax on that?

Mr. WILLIAMS. Yes; that is correct. But what I am referring to now is a different type of reserves. There is another reserve which they can set up for future expansion. The Treasury Department refers to it in this manner:

> Consequently it is possible under existing law for an exempt cooperative organization to reinvest a substantial portion of its earnings in plant or equipment without either the association or the member paying tax thereon.

That is not tax evasion. That is the law. That is the ruling of the Treasury Department. It is under this regulation that a large number of plants and factories have been built by these cooperative organizations.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. THYE. I want to thank the Senator for having yielded so graciously. I should like to remain on the floor to hear the complete statement the Senator will make. However, I have an appointment to which I was committed on yesterday for 3:30, and it is now 3:30, so I am going to leave the floor.

I know the Senator from Delaware is sincere. I also know that the Senator has made a deep study of the question. There are, however, some questions which have not been answered. I do not mean they have not been answered here this afternoon, but I mean there are unanswered questions relative to tax exemption, and tax-exemption claims that have been made and have been allowed. But some allowances have been made in the past, and it may be found that the cooperative may not be qualified for the tax exemption to which the cooperative thought it was entitled, and the cooperative may have to pay the tax.

I want to say to the Senator, and for the benefit of all who may refer to the Record, that the cooperative organizations are doing a better job of auditing, reporting, accounting, and bookkeeping year by year improving every single year and getting on a more accurate basis year by year, and there is not the tax exemption and tax evasion that the average person is led to believe there is.

Mr. WILLIAMS. Perhaps not but is getting larger each year, and action is necessary.

Mr. THYE. Absolutely, because at one time I had the responsibility of assisting the cooperatives to amend their bylaws and to write their articles of incorporation. As Dairy and Food Commissioner, I had the responsibility of being in charge of the Audit Division which audited the cooperatives. Some of the largest cooperatves in the Midwest were audited by our Audit Division. I know the headaches the cooperatives had because they thought they were exempt, whereas they were not exempt; and the Bureau of Internal Revenue did impose back taxes on them for many, many years, although all that time the cooperatives had thought they were tax exempt.

So I wish to be certain that we do not cast reflection on the many, many fine cooperatives which exist in almost every community in the Nation, and which have rendered excellent service to the public, and some of whom have been the organizations which have helped clean up the situation existing in many communities in which the grain buyers had been taking a little bit more in grade and quality and weight, and so forth, than they should have taken. That was the situation which brought many of the cooperatives into being.

One reason why a certain cooperative came into existence in my youth was the practices of the independents in regard to obtaining milk. When the independents needed milk, they were happy to purchase it from the farmers; but in the flush period of milk production, in the spring, when the independents did not need all the milk the farmers were producing, the independents would let the farmers' cans of milk sit on the back platforms of the railroad stations, in the sun, almost all day long; and of course under such conditions the milk became what we know, in ordinary parlance, as "sour," as the bacteria content of the milk multiplied. Then the milk began to foam, and finally the cover was forced off the milkcan.

Then, before the "milkshake" came along again—we refer to the afternoon train as the "milkshake"—the agents of the independent would put on that can of milk a tag reading "Unfit for human consumption," and then would not pay for the milk, but would return it to the farmer, who had to suffer that loss.

After 2 or 3 years of such operation, the farmers banded together and organized their own creamery, and commenced to process the milk. It was only a short time thereafter that the independents said to them, "We will buy this fluid milk from you." From then on, the independents did not let the milk cans stay out in the heat of the day, causing the milk to sour, and no longer put on the milk cans, at about 4 o'clock in the afternoon, a tag "Unfit for human consumption," and sent back the cans of milk, on the milk train to the farmer.

That is the history of that matter.

It was because of that situation that the Bureau of Internal Revenue and other Government agencies were somewhat lenient in regard to the type of exemption allowed cooperatives, because the development of the cooperatives was a necessity as of that time, just as from time to time the Congress has recognized similar necessities in the case of other operations.

Of course there are abuses, but I am not willing to join in writing a new tax law on cooperatives, here on the floor of the Senate, when only approximately one dozen Senators are listening to the debate, because too much is involved in respect to the cooperative processing organizations throughout the United States, to place them in jeopardy in one tax-law amendment.

Mr. WILLIAMS. Mr. President, I wish to reemphasize to the Senator from Minnesota that I have no intention of making a blanket indictment of the cooperatives.

In 1916 no one ever dreamed, I venture to say, that there would be an apartment house in Washington or a department store in Alexandria, Va., which would operate on the basis of the tax benefits conferred by a law which refers only to farmers, fruitgrowers, and like associations.

I know there are several other loopholes in the tax law which need to be plugged; but at this moment we are discussing this particular one, and it is a most important one as far as the American businessman is concerned. Failure to correct could lead to a destruction of free enterprise.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. The Senator from Delaware has referred to 1916. I should like the RECORD to show that the Capper-Volstead Act was passed in 1923, when Calvin Coolidge was President of the United States. He was a great supporter of cooperatives. The Council of Cooperatives passed a resolution of appreciation, and presented it to President Calvin Coolidge, for his great interest in and support of farm cooperatives. I simply wish to have credit given where credit is due.

Mr. WILLIAMS. My purpose in mentioning 1916 was because that was the date of the original income-tax law.

Mr. President, there never has been any intention on the part of any Congress to take away the right of farmers to work together to protect their own interests. Unfortunately, so many times when any suggestion is made that any of these inequities should be corrected, we immediately are confronted by the proponents of the cooperative movement with the charge that those who propose to make any change in this law are attempting to ruin the farmers or to destroy their organizations.

I repeat that there is nothing in the amendment which I propose which in any way would hinder a group of farmers or consumers from joining together as a cooperative group or from distributing to themselves as members, in cash, the profits or savings derived from their united operations, so long as they confine their activities to their members. However, if that group decides that, instead of distributing the earnings to their members, they will accumulate them in their treasury, and will use them to buy an office building, railroad, oil well, or otherwise to enter into unrestricted competition with private industry, it is then that they would and should become subject to the same rate of taxation that is applied to private industry.

The expression of concern for the farmers by the proponents of the cooperative movement is only a smokescreen to cover up what has developed into wholesale tax evasion or avoidance by large monopolistic interests or large groups which are operating in the name of the American farmer.

A bulletin, to which I referred earlier in my remarks, recently issued by the Treasury Department disclosed that in an examination of 2,909 cooperatives out of a total of 25,000 or more existing in this country today, it was found that 16 of those cooperatives, or less than 1 percent, controlled over 33 percent of all the assets. These 16 cooperatives each had assets ranging from $5,000,000 to $50,000,000, and were engaged in all types of business imaginable.

The loss in income to the Federal Government resulting from these inequities has been conservatively estimated by Mr. Parker, at $300,000,000 annually. Assuming that no action is taken by Congress to correct this tax exemption, and also assuming that the current rate of expansion is continued by the cooperatives, it is estimated that in less than 5 years the loss to the Federal Government resulting from tax exemption will reach the staggering sum of $1,000,000,000.

The necessity of a solution to this whole question is not based altogether upon the amount of revenue lost, although that in itself is important, but the real danger lies in the fact that a continuation of these present inequities will ultimately destroy our system of free enterprise. Under the existence of our present and anticipated future tax rates, industry cannot successfully compete with this cooperative movement, and ultimately, unless corrected, more and more industrial corporations will sell out to cooperatives. Do not overlook the fact that each time a tax-paying enterprise is absorbed by a tax exempt cooperative, those remaining in business are required to absorb the additional tax load.

During the past 20 years numerous committee have been appointed to visit Europe and to study the cooperative movement in various countries and to recommend ways in which the system could be best extended here in America. These Government officials, while publishing glowing reports of how the cooperative system is progressing in European countries and at the same time supporting the principle of this tax inequity, have completely failed to point out the fact that practically every one of those countries operating under this system are today and have been for the past several years living off the dole of the American taxpayers.

To emphasize that point, I quote from a speech by the Honorable Winston Churchill at Glasgow, Scotland:

> Even our present standards can only be maintained because we are receiving a large part of our needs from capitalist America, at whose system our Socialist rulers never cease jeering.

When we stop to consider that our Government is financed by revenue derived from tax on industry, we can readily visualize the time in the near future when the lack of sufficient revenue will necessitate our Government's taking over complete control of not only the remaining private industry but also the cooperatives themselves.

I am sure that private enterprise, which is the basis of our economic life, will share my apprehension for the continued existence of our free enterprise system when it realizes that it is now being called upon to accept a 20-percent increase on the existing 38 percent Federal income tax on profits while cooperatives engaged in competitive business pay little, if any, taxes. Largely because

of this unjust tax exemption the cooperatives have increased their business volume from $4,000,000,000 in 1939 to $14,000,000,000 in 1947, and it is conservatively estimated that it soon will reach $20,000,000,000.

The problem today is not whether we are going to destroy this cooperative movement, as some claim, but whether these organizations should, as competitive business enterprises, pay taxes on an equal basis with the business enterprises with which they are competing.

The power to tax is recognized as the power to destroy. The Socialist and Communist Party leaders know this very well. Through this power competitive free enterprise is being challenged, and those who want cooperatives to continue to escape the payment of taxes would by their votes limit individual initiative and ultimately concentrate economic power in an all-powerful state.

I make bold to assert, therefore, that if this issue is not resolved, the American way of life, as we have known it for a century and a half, will ultimately be destroyed.

Mr. President, to conserve time, I ask unanimous consent to have inserted in the RECORD eight examples of how different cooperatives have expanded during the past few years under this exemption.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CALIFORNIA FRUIT GROWERS EXCHANGE

When we speak of monopolies in this country, I can think of none greater than that which exists in the situation where one cooperative, the California Fruit Growers Exchange, is allowed to control the marketing of 85 percent of all the lemons and over 33 percent of all the oranges in the United States (vol. 1, p. 50).

In addition to practically controlling the citrus markets of the United States, this same cooperative owns 100,000 acres of timberland; the entire town of Westwood, Calif., with a population of about 5,000; the telephone, electric, and sewerage systems of that town; and a railroad. This property was purchased from the Red River Lumber Co. for the reported price of $11,000,000. In the year previous to its purchase the Red River Lumber Co. paid nearly $1,000,000 in Federal income taxes. The California Fruit Growers is so-called nonexempt, but like other cooperatives in this category it is able to escape all but a small fraction of Federal income taxes. They get their exemption from a law originally designed for the benefit of farmers only (vol. 1, p. 68).

CONSUMERS COOPERATIVE ASSOCIATION, INC., NORTH KANSAS CITY, MO.

The Consumers Cooperative Association was incorporated in 1929 with 7 members and a capitalization of $3,000. In 1946, 17 years later, the invested capital was listed at $9,614,557.15, an increase of more than 3,000 percent.

It owns a soybean mill, a cannery, a cola bottling plant, an oil compounding plant, a printing plant, a feed mill, an alfalfa dehydrating plant, and 11 warehouses in addition to its extensive oil operations.

In 1939 it organized a subsidiary cooperative, Cooperative Refinery Asociation, Phillipsburg, Kans., to build and operate an oil refinery with a rated capacity of 3,400 barrels daily. In 1942 they purchased a 1,500-barrel refinery of the Terry Carpenter, Inc., at a cost of $700,000. One year later the 13,500 barrel refinery at Coffeyville, Kans., was purchased from the National Refinery Co. for $4,000,000. In 1943 this cooperative joined with the Central Cooperative Wholesale of Superior, Wis., the Midland Cooperative Wholesale of Minneapolis, Minn., the Farmers Union Central Exchange of St. Paul, Minn., and the Farmers Union State Exchange of Omaha, Nebr., and organized the National Cooperative Refinery Association with an authorized capital of $2,010,000. This newly organized cooperative then purchased the 17,500 barrel refinery of the Globe Oil & Refining Co. at an estimated cost of $5,000,000. Prior to 1943 the Globe Oil & Refining Co., which they purchased, had been paying Federal income taxes for the previous 11 years. Included in this purchase was a 229-mile pipeline from McPherson, Kans., to Council Bluffs, Iowa.

In 1946 the Consumers Cooperative Association sales volume equaled $26,243,652.71; earnings for this same year were reported at $1,665,298.82.

The manager of this giant cooperative has been given the credit for coining the phrase "Factories are free to cooperatives."

The operations of this giant cooperative had reached such staggering proportions and had drifted so far from the original concept of a farmer cooperative that last year Hon. Edward F. Arn, the Attorney General for the State of Kansas, thought it necessary to instigate a suit asking for the dissolution of this giant cooperative, which, using his own terms, was characterized as an industrial empire. The suit asked for the dissolution and charged them with violating State marketing act and the sale of $7,000,000 unregistered securities in violation of the laws of Kansas.

The attorney general also pointed out that this giant cooperative which was operating under the immunity which Congress had originally intended for the benefit of small farmers only, had extended their operations in international trade and that such sales included 3,000,000 gallons of motor oil exported to 10 foreign countries during the year 1946.

The net result of the gradual accumulation by this giant cooperative of these various once privately owned enterprises meant the gradual reduction of the number of taxpayers who were carrying the load of our Government expenditures.

In the bulletin published by the Farm Credit Administration entitled "Handbook of Major Regional Farm Supply Purchasing Cooperatives, 1944 and 1945," the following statement was contained in reference to this same corporation: "Of the net worth as of August 31, 1945, 19 percent was accumulated through sale of stock, and 81 percent represented retained savings."

(P. 65, book No. 1. Rest of the above information from pp. 39–44 of book No. 1.)

FARMERS UNION GRAIN TERMINAL ASSOCIATION, ST. PAUL, MINN.

Another example is the Farmers Union Grain Terminal Association, St. Paul, Minn. This cooperative was incorporated in 1938 with a capitalization of $30,000. By 1946 its net worth had increased to $10,680,000. In 1946 it showed net earnings of $3,650,000, upon which a private corporation or enterprise would have paid Federal income taxes of nearly $1,400,000 (vol. 1, p. 48).

The Farmers Union Grain Terminal Association markets grain in 39 States and handles more than 100,000,000 bushels per year. The grain comes from more than 500 cooperative country elevators including 150 owned outright. Through its affiliate, the Farmers Lumber & Supply Co., it operates 75 lumber yards and 54 coal yards throughout a 6-State area (vol. 1, p. 49).

As evidence that this cooperative has been able to capitalize its rapid expansion almost entirely out of tax-exempt earnings, I shall read a statement from their ninth annual report for 1946 in which they told their members (vol. 1, p. 64):

"If the net savings of the year ending May 31, 1946, had ben paid out in cash refunds, this is what your GTA could not have done; (1) GTA could not have increased its liquid capital, $864,399.54. (2) GTA could not have paid off the mortgage debt, $1,249,650. (3) GTA could not have purchased additional properties, $817,700."

NATIONAL FARM MACHINERY COOPERATIVES, INC.

National Farm Machinery Cooperatives, Inc., was organized in April 1940, but was unable to do much business during the war because it had no allocations of steel.

It purchased the plant of the Ohio Cultivator Co. at Bellevue, Ohio, in 1943, for an announced price of $1,000,000. As a private company the Ohio Cultivator Co. had paid Federal income tax for 1943 amounting to $197,767 (vol. 1, p. 52). It now pays no income tax at all (B, p. 20).

National Farm Machinery Cooperative also controls a plant at Shelbyville, Ind., which produces co-op corn planters and it has a contract with the Cockshutt Plow Co. at Brantford, Ontario, Canada, to make co-op labeled corn planters, tractors, plows, combines, hay rakes, hay loaders, and mowers. National Farm Machinery Cooperative has 13 large regional cooperative corporations associated with it as members (vol. 1, p. 52).

SOUTHWEST VIRGINIA COOPERATIVE, INC., LEBANON, VA.

Again, I cite the experiences of the Southwest Virginia Cooperative, Inc., Lebanon, Va. This cooperative was organized October 20, 1945, with a paid-in capitalization of only $10,000. At the end of the first year's business it was found that this corporation with only $10,000 capitalization had borrowed $175,000 from the Government at a low rate of interest. During this same period the Government had given to this cooperative 3,050 tons of fertilizer with a market valuation in excess of $85,000 for free distribution to their customers. As if this were not enough, the Government actually paid out additional cash to this cooperative to cover the handling charges of the free goods so distributed. It is utterly impossible for any private business enterprise to compete with such subsidized competition.

COOPERATIVE GRANGE LEAGUE FEDERATION EXCHANGE, ITHACA, N. Y.

This cooperative owns 3 feed mills, 10 fertilizer and chemical plants, 3 canning plants, and controls 223 service stores, 44 bulk petroleum plants and 46 local cooperative associations.

Its sales for 1945 exceeded $170,000,000 on which earnings totaled over $4,300,000. An ordinary corporation with equal earning power would have paid on corresponding earnings for the same period over $1,500,000.

In 1945 the net worth and reserves of this corporation equaled $17,234,751.31. The records disclose that their net worth had increased during the past 10-year period approximately 330 percent.

(From pp. 44–45, Book No. 1; see p. 78 of same book.)

EASTERN STATES FARMERS EXCHANGE, WEST SPRINGFIELD, MASS.

This cooperative operates principally in Delaware, Maryland, Pennsylvania, and the New England States.

It owns a feed mill at Buffalo, N. Y. valued at $5,780,000. The volume of business in 1946 was estimated at over $56,000,000 and earnings were listed as $1,452,000 which was divided as follows: $953,207 was retained for capital expenditures while the remainder of $499,296 was declared savings. At the end of 1945 this cooperative had assets totaling $9,331,179.

(P. 44, Book No. 1.)

LAND O'LAKES CREAMERIES, INC.,
MINNEAPOLIS, MINN.

Beginning originally as a butter marketing agency, this cooperative has now expanded to an annual business volume of more than $100,000,000. As of December 31, 1946, it had assets totaling nearly $24,000,000. Total assets of this cooperative increased at the rate of $4,500,000 during 1944, $4,600,000 during 1945, and $3,250,000 during 1946. The earnings for the year 1946 were estimated at approximately $1,940,000, upon which amount of earnings an ordinary corporation would have been required to pay a tax of approximately $737,000. The manner in which these substantial tax-exempt earnings have been used to build up this super corporation can best be explained by quoting from one of their own bulletins issued in March 1945 in which they said: "The capital structure of our association, now amounting to $6,411,319.42, is made up entirely of members' and patrons' equities. * * * The members' and patrons' equities have been built up during the past years almost entirely from earnings and savings which accrue only to the patrons on the basis of patronage" (p. 65, Book No. 1).

This cooperative operates, among other facilities, 3 butter making plants, 3 cheese plants, 21 dry milk plants, 7 poultry and egg processing plants, and 1 evaporated milk plant (pp. 52–53, 65, Book No. 1).

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point an example of what has been taking place in the Southern States Cooperative Association. It is an example of their growth over a period of 20 years. It shows that during that time their net worth has increased from $11,000 in 1924 to nearly $14,000,000 in 1947.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Facts about Southern States' growth—Dollar volume, net savings, total assets, and net worth of Southern States Cooperative, Inc.

[Fiscal years from June 30, 1924, through June 30, 1947]

Year	Dollar volume	Net savings	Total assets	Net worth
1924	$105,000.00	$390.00	$15,106.80	$11,000.00
1925	190,000.00	1,610.00	43,517.69	39,248.00
1926	376,465.89	9,493.61	58,619.73	44,755.00
1927	449,816.33	4,197.76	109,120.60	55,957.82
1928	510,000.00	5,483.56	231,736.73	101,988.03
1929	618,741.97	18,361.33	201,089.29	116,937.98
1930	2,524,000.00	31,122.76	197,652.73	132,914.10
1931	4,194,000.00	17,625.25	184,915.36	141,235.61
1932	2,315,000.00	17,804.19	201,056.19	147,611.54
1933	2,841,000.00	38,253.48	191,692.01	172,032.05
1934	2,494,573.23	28,997.41	566,552.48	190,782.44
1935	3,036,315.66	32,727.91	624,714.40	208,849.56
1936	3,586,101.88	91,857.53	703,386.51	306,993.30
1937	7,242,716.41	300,039.94	1,414,122.30	646,391.32
1938	7,949,829.91	177,185.53	2,419,636.76	1,026,278.88
1939	7,868,899.75	433,483.27	2,771,207.90	1,303,855.32
1940	10,168,855.76	590,097.64	3,165,858.48	1,403,633.77
1941	11,513,995.19	581,201.22	4,169,589.56	2,098,083.91
1942	17,723,696.23	1,093,795.45	6,491,625.78	3,275,699.31
1943	27,503,932.87	1,596,689.88	7,343,119.82	4,682,808.74
1944	40,130,581.02	2,719,067.66	8,911,887.29	6,915,234.38
1945	40,459,448.01	1,312,241.63	9,703,300.14	8,678,127.83
1946	41,939,193.02	1,392,916.44	12,685,968.62	11,430,945.38
1947	53,162,125.85	1,512,161.66	19,449,279.40	13,988,002.21
Total	288,904,288.98	12,006,805.11	19,449,279.40	13,988,002.21

Mr. WILLIAMS. Mr. President, I ask unanimous content to have inserted in the RECORD at this point a table giving a breakdown of 2,909 cooperative organizations, showing that 7 of this number controlled 20 percent of all the assets, while 67 of that number controlled 55 percent of all assets.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 8.—*Distribution of returns of tax-exempt farmers' cooperative marketing and purchasing associations filing balance sheets, by asset classes, 1943*

[Returns received in the Bureau of Internal Revenue through Dec. 31, 1944]

Total assets classes	Number of returns			Total assets		
	Number	Percentage	Percentage cumulated	Amount	Percentage	Percentage cumulated
				Thousands		
Under $1,000	67	2.3	2.3	$25	[1]	[1]
$1,000 to $5,000	126	4.3	6.6	348	0.1	0.1
$5,000 to $10,000	122	4.2	10.8	933	.2	.3
$10,000 to $15,000	166	5.7	16.5	2,104	.4	.7
$15,000 to $25,000	401	13.8	30.3	8,021	1.6	2.3
$25,000 to $50,000	811	27.9	58.2	29,509	6.0	8.4
$50,000 to $100,000	601	20.7	78.9	41,834	8.6	16.9
$100,000 to $250,000	381	13.1	92.0	58,294	11.9	28.8
$250,000 to $500,000	103	3.5	95.5	34,328	7.0	35.9
$500,000 to $1,000,000	64	2.2	97.7	45,688	9.3	45.2
$1,000,000 to $5,000,000	51	1.8	99.5	104,871	21.4	66.7
$5,000,000 to $10,000,000	9	.3	99.8	66,002	13.5	80.1
$10,000,000 to $50,000,000	7	.2	100.0	97,087	19.9	100.0
Total	2,909	100.0		489,044	100.0	

[1] Less than 0.05 percent.

Treasury Department, Division of Tax Research.
Source: Supplement to Statistics of Income for 1943, Part 2.

Mr. WILLIAMS. I yield the floor.
Mr. CONNALLY obtained the floor.

Mr. HOLLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Morse
Brewster	Humphrey	Mundt
Bricker	Hunt	Murray
Bridges	Ives	Myers
Butler	Jenner	Neely
Byrd	Johnson, Colo.	O'Conor
Capehart	Johnson, Tex.	O'Mahoney
Chapman	Johnston, S. C.	Pepper
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Darby	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Langer	Smith, N. J.
Dworshak	Leahy	Sparkman
Ecton	Lehman	Stennis
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Frear	McCarran	Thomas, Utah
Fulbright	McCarthy	Thye
George	McClellan	Tydings
Gillette	McFarland	Watkins
Graham	McKellar	Wherry
Green	McMahon	Williams
Gurney	Magnuson	Withers
Hendrickson	Malone	Young
Hickenlooper	Martin	

The PRESIDING OFFICER (Mr. STENNIS in the chair). A quorum is present.

Mr. CONNALLY. Mr. President, I very much hope the Senate will reject the amendment offered by the Senator from Delaware [Mr. WILLIAMS] to the pending amendment. I say that without regard to its merits or demerits, but it has no relationship to the amendment offered by the senior Senator from Wyoming and the senior Senator from Texas, and it has simply a confusing effect. It should be offered to some other part of the bill, in the regular way, just as our amendment is offered. So I hope the Senate will not include the amendment of the Senator from Delaware in our amendment. It can be considered later on its own particular merits, without tying it to the amendment now pending.

Mr. President, we are going through a period in which the country has to call upon all its citizens, not merely some of them, but all, for sacrifices in the national interest. Is it the desire of the Senate to make a large segment of the population sacrifice more than they have been sacrificing, and allow to another group more advantages and more income and more profits than they have been receiving in the immediate past? That is one of the issues involved in the amendment of the Senator from Wyoming and the Senator from Texas.

Unless an excess-profits amendment is made a part of the tax bill, we are saying to the ordinary taxpayers, "You must go on paying what you have been paying, and must pay more on top of that," but we are saying to those who are reaping greater profits than have ever been reaped in the history of the Republic, "We simply tax you along with the other taxpayers, but we will not tax adequately or sufficiently on the tremendous advantages you are going to gain out of the misfortunes of your own neighbors and of your own countrymen." The ones to whom we are saying that are the ones who, after all, should have to bear the burden.

Mr. President, one of the cardinal principles of taxation is the ability to pay. Where does that ability lie? Does it lie in the poor, who are having their taxes increased by the pending bill, or does it lie in those who are going to have more income, higher profits, and greater wealth, with which to pay taxes in the future? I submit that, according to the standard of ability to pay, we must lay a heavier hand upon those receiving excess profits. What does "excess" mean? It means more than normal, of course, excess over the normal amounts received in the way of profits.

I shall show a little later what some of the excesses are, how much more corporations are making now than they made last year, how much more they made in the first half of 1950 than in the first half of 1949. And all the evidence points to even greater profits in the second half of 1950 than in the first half.

Does not the making of such excesses affect the ability to pay? Does it not affect the whole basis and the whole justice of laying a tax upon such profits?

Mr. President, I have here some statistics I should like to present to the Senate. The first is a statement showing the profits of selected corporations in the first 6 months of 1950 compared with the first 6 months of 1949.

There was no Korean war in 1949; there was no other extraordinary emergency which caused all the people to make sacrifices, to dig down a little deeper in their pockets and to sweat a little more as they toiled in order to aid the Government.

Let us compare the first 6 months of 1950 with the similar period in the year before. Corporations were doing pretty well the year before. All of us were doing pretty well in 1949.

Let me give a few examples. The Goodyear Tire & Rubber Co. made $11,914,465 in the first 6 months of 1950, equal to $5.08 a common share, compared with $8,133,358 in 1949, equal to $3.24 a common share, an increase of 46 percent in the first half of this year.

The Curtiss-Wright Corp. made $3,385,267, equal to 32 cents a common share, compared with a loss of $1,909,309 in 1949. They were losing money last year. Now they are making tremendous gains.

Electric Auto-Lite Co., $5,187,591, or $3.47 a common share, compared to $3,593,707, equal to $2.40 a common share—an increase of 44 percent within a year. There was a cause for that. Conditions were favorable to their making profits, and they made profits. Other conditions now are making it possible for them to make still higher profits. We know what is happening.

I refer now to a company which has a plant in my State, but whether it is located in my State or in your State, Mr. President, it ought to pay taxes. In the 12-month period ended May 31, 1950, the profits of the Dow Chemical Co. increased 33 percent. Is that normal? Should any company ever be allowed a 33 percent profit increase without adequate taxation? That company had an increase in profits of 33 percent, to $33,813,105.

The Association of American Railroads estimates a net for all class 1 railroads in the first 6 months of 1950 of $210,000,000 compared to $174,000,000 in the comparable period of 1949.

I cite those figures without any venom toward any of those companies. I simply cite them to show how favorable have been the conditions in America for them to make profits. Senators know what the Korean war did. It made those conditions much more favorable to the earning of profits. We know that ever since the war fever began and since the hostilities in Korea broke out prices have shot up. They began to shoot up immediately. The prices of the things which all the people have to buy and which a few large companies produce immediately went up.

From whom are these high profits made? They are made from the great masses of the people whose taxes are to be lifted by the pending bill, and if excess profits are allowed to remain untaxed, it will still mean increasing taxes upon the great masses and upon the consumers.

Here are some data on the price increases caused by the armed collision in Korea. Wholesale price index of all commodities, June 20, 157.1. August 15, 165. There is a difference of 8 percentage points in a few days; an 8-point increase on the average of all commodities in only a few days. Was that because of a great tornado that swept over the country and destroyed property? No. Was it caused by any other great calamity such as fire that swept away our supplies? No. It was caused by the war, by the armed collision in Korea. As a result these companies have greatly increased their profits. That is true of farm products, of food products, and all other commodities.

On June 20 all other commodities were 148.3. August 15, 154.2. That simply illustrates, Mr. President, the effect of the armed conflict in Korea Senators are aware of it. If they go into a store, or if they look at the bill the grocery man sends them at the end of the week or month, they are bound to know that prices are advancing all along the line, and that therefore profits are advancing all along the line.

Mr. President, I have long favored a tax on excess profits. As a young Member of the House of Representatives at the end of World War I, I heard Woodrow Wilson, a great President, an outstanding world statesman, address the House of Representatives. I shall not read all he said. I shall read a portion of it.

> I hope that the Congress will find it possible to undertake an early reconsideration of Federal taxes in order to make our system of taxation more simple and easy of administration and the taxes themselves as little burdensome as they can be made and yet sufficient to support the Government and meet all its obligations.

I shall leave out much of what he said. He further stated:

> We have found the main sources from which it must be drawn.

He was referring to the Government's revenue.

> I take it for granted—

He said, "I take it for granted." It was not somebody's dream. It was not somebody's complaint. It was not somebody's saying that this was going to hurt employment or something else.

> I take it for granted that its mainstays will henceforth be the income tax, the excess profits tax, and the estate tax.

This was Wilson speaking. Wilson—was he a demagog? Was he a cheap politician? Wilson, according to my humble view, was one of the great minds of the world in his time. He was one of the great historians of all times. He was a great statesman. And he clearly saw the justice of an excess profits tax. He told the people of his country and he told the Congress what he thought of the excess profits tax. Then he said:

> All these can so be adjusted to yield constant and adequate returns, and yet not constitute a too grievous burden on the taxpayers * * *.
>
> The excess profits tax need not long be maintained at the rates which were necessary while the enormous expenses of the war had to be borne; but it should be made the basis of a permanent system—

He went much further than a good many of us would go now. He advocated that—

> It should be made the basis of a permanent system which will reach undue profits.

Undue profits. Undue profits caused by an armed conflict for which those making the profits are enduring no sacrifice, but for which all the rest of the people will be called upon to make tremendous sacrifice. Some of them will be called upon to sacrifice their lives, the supreme sacrifice. Others will be called upon to send their boys to death in Korea. Others will be taxed at higher rates than they have ever been taxed. But though these concerns secure higher profits than they have ever secured, they want their profits simply to be taxed in the routine way, and that no greater levy be placed upon them on account of the emergency.

Mr. President, the question is raised as to the yields. We have heard a good deal of debate, a good deal of talk, about the fact that the amendment will not yield much revenue. Let us see about that.

This amendment is drawn largely as a reenactment or repetition of the excess-profits tax which obtained during World War II. Under that measure, excess-profits collections—collections, Mr. President, not simply tax liability—were certainly impressive. I shall read the figures showing the collections. These figures are bound to be correct because they were given to me by Mr. Stam, of the Joint Committee on Internal Revenue Taxation. Certainly we cannot question his authority. The figures are as follows:

In 1941 we collected $201,000,000.

In 1942 we collected $1,675,000,000.

In 1943 we collected $5,148,000,000. That was a rather sizable amount, was it not?

Senators say we shall not get any revenue now from an excess-profits tax, or some Senators say we shall collect from

such a tax only $33,000,000 in 1950. They say that is all that will be collected from an excess-profits tax, and they say Congress should not enact a law which will result in bringing in so little revenue or perhaps no revenue. Those Senators say the Congress should enact a law which will bring in substantial revenue.

Well, Mr. President, the figures I have just read constitute the record of the collections obtained under the excess-profits-tax law during World War II.

In 1944 we collected by means of the World War II excess-profits tax $9,482,651,000. That is a rather sizable amount, is it not? It will be rather nice to be able to go to the holders of the Government bonds—those to whom the public debt is owed—and say to them, "Pull out your books; we want to pay $9,000,000,000 on the Government's debt." Yet there are those who do not want to apply that amount to the public debt; they say they would prefer to let that money stay in the pockets of the profiteers or those who make excess profits.

I have given the figure for the collections in 1944 under the World War II excess-profits tax.

What was the situation in 1945? In that year we collected, under the World War II excess-profits tax—and these figures are for the actual collections, not simply figures or estimates on a slip of paper—$11,147,497,000. That was the revenue collected in that 1 year, under the excess-profits tax of World War II, upon which this amendment is modeled, except that this amendment is more moderate; it will not bring in so much revenue as was brought in by the corresponding tax during World War II. However, the figures I am stating now for the RECORD show what the amendment can do. As I have just pointed out, under the World War II excess-profits tax, $11,000,000,000 was collected in 1945 alone.

In the face of that record, in 1945 we suspended the excess-profits tax of World War II. However, in 1946 the Government still had certain charges remaining against some corporations or companies as a result of the application of the excess-profits tax in the preceding years, and eventually the Government collected $7,913,653,000, in addition to the amounts collected in prior years. In other words, under the excess-profits tax in the previous years, not all the taxes due were collected; and the Government had more or less to search the pockets of various corporations and companies and open their books. As a result, thereafter the Government collected an additional $7,000,000,000—$7,000,000,000 besides what had been collected even in 1945, when $11,000,000,000 was collected on the basis of the World War II excess-profits tax. Thereafter, in 1947, the Government collected another $3,621,661,000, by the same process. At that time the excess-profits-tax law of World War II had been suspended, and no new collections were being made under that law for operations then current; but the Government was making collections from corporations and companies on the basis of what they owed during the period when the World War II excess-profits-tax law was in effect.

Mr. President, this morning I felt really shocked when I received a communication from the executive committee of the Chamber of Commerce of the United States, which also has gone on record in favor of higher taxes, including an excess-profits tax. What do Senators think of that? The Chamber of Commerce of the United States now favors an excess-profits tax. That organization gradually is acquiring some sense and learning how to see things as other persons see them. The Chamber of Commerce of the United States knows that taxes must be increased. That organization says it favors an increase of taxes, including an excess-profits tax. That means a real tax, not simply a gesture.

Mr. President, the executive council of the American Federation of Labor, when meeting in Chicago earlier this month called for an effective excess-profits tax, "to take the profits out of profiteering."

When the Government taxes an individual, it taxes him on the basis of a graduated rate, meaning that if he has an income of a certain amount, he is taxed at a certain rate; but if he has a larger income, he is taxed at a higher rate; and the rate becomes higher and higher as his income increases, until in the upper income brackets, almost all the additional income is taken by means of the tax.

Mr. President, what is there about a corporation which is so sacred that it should be immune from a graduated tax of that sort? If a corporation makes profits of 10 percent on its invested capital, let it pay, for instance, a tax of 10 percent of those profits; but if another corporation makes a profit of 20 percent on its capital or investment, then it should pay a tax at a higher rate than the rate of tax applying to a corporation making profits of only 10 percent on its investment. Similarly, the tax rate should become higher and higher as the earnings of corporations increase from 20 percent to 30 percent to 40 percent or to 50 percent of their invested capital.

Mr. President, now I should like to discuss the situation existing when we were considering suspension of the excess profits tax of World War II. I opposed the suspension of that tax; I did so both in committee and on the floor of the Senate. I made a motion to recommit, but that attempt was not successful, as Senators will remember. The result was that those groups obtained all the money to which I referred a moment ago.

At that time I said to the Senate:

> Mr. President, it is said the war is over. Yes; the shooting is over, the artillery is quiet, and the airplanes have ceased to fly. But when it comes to paying the tremendous indebtedness which we incurred during the war, the war is not yet over.

It is not over yet, Mr. President.

I also said to the Senate at that time:

> We talk about reconversion, but I believe that the coming year will afford an opportunity for profiteering on account of inflation and the anxiety of the public to buy goods which they have not heretofore been able to buy. The great corporations from which a tax burden of two and one-half billion dollars will be removed, will make as much money as they made during the war, and, perhaps in some instances, more money.

I wish to refer to a witness who came before the Committee on Finance. He was making a plea for a repeal of the excess-profits tax.

He was simply crying about the need of getting rid of the excess-profits tax.

I read further from my statement to the Senate at that time:

> I asked him, "What is the capital of your company?" He said, "One hundred thousand dollars." I asked him, "How much excess-profits taxes did you pay?" He said, "I paid $150,000 in excess-profits taxes in 1 year."

That was a good tax collector. I read further from my statement to the Senate in October 1945:

> I said, "Then you paid the normal 40-percent tax." He said, "Yes; a total of $190,000." I asked him, "How much did you have left?"
>
> I forget whether he said $35,000 or $45,000 on his $100,000 of capital. The Senator from North Carolina suggests that it was $39,000.

In other words, here was a witness, with a little $100,000 company, pleading for repeal of the excess-profits tax. He paid $150,000 in excess profits, he paid the normal tax, and still had $39,000 income from the $100,000. Of course, that is an extreme case, but I am merely trying to show how such inordinate profits must be taxed. There is no other way to reach them but through taxes. There is no other way to whittle down these undue profits except by the long arm of the law. Those who accumulate such profits are not going to contribute them. They are not going to put them in the hat when the hat is passed around. It is necessary to twist some of the excess out of them by law, and I am in favor of doing a little of the twisting.

Let us see what the tax gatherer is going to do when we get this bill on the books. Here is a man making $600. The tax gatherer comes around and says, "Well, friend, you make an even $600, is that correct?" He replies, "That is correct." The tax gatherer says to him, "Well, you do not need to pay any taxes. Are any of your neighbors here?" The man replies, "Yes, there is a fellow here." "What does he make?" "He makes $800." That man must pay $33 under the present law. Under the pending bill he would be required to pay $40. We would raise his tax $7. Does he have any excess profits? He has no excess, except that he must work longer each day; no excess, except that he must sweat through longer hours; no excess, except that when he goes home, his wife and children are crying for something he does not have. Yet his tax by this bill would be increased $7.

Here is a man with a $1,000 income. Under the present law, he pays $66; under the pending bill, he would be taxed $80. A man with a $1,500 income is now taxed $149; under this bill, he would be taxed $180. I am not quarreling with that. I think we must all bear heavier burdens. I think we must all pay more

taxes; but I want the taxes to be equitable; I want them to be just; I want the taxes on large corporations to be somewhat in keeping with the nature of the sacrifice the people are called upon to make. I want them to be measured somewhat by the profits they are raking in, profits that they are raking in and putting down in their pockets as fast as they can.

Here is a man with an income of $2,000, a clerk or a bookkeeper, let us say. He now pays $232. Is that dependent upon any excess profits he makes because of his job? Under this bill, he will pay $280. A man with a $3,000 income now pays $409. Under this bill he will pay $488. A $5,000 man now pays $811, and he will pay under this bill $944. I shall pass along to the man with a $10,000 income. When I was a boy, that was a fat income, it was a whale of an income. I remember when I made $2,500 a year. I thought I would be satisfied with that income for the remainder of my life. All I wanted was to be guaranteed $2,500 a year. I see the Senator from Colorado is laughing at that. Of course, he lives in a big, rich State, and when I was making $2,500, he was probably making $25,000. I do not know. [Laughter.]

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. I yield.

Mr. MILLIKIN. My ambition was to be sure of $75 a month.

Mr. CONNALLY. The Senator started in a lower bracket than I did.

Mr. MILLIKIN. I am not so sure that I am in a higher one now.

Mr. CONNALLY. Yes, the Senator is. He is in a higher one now. The Senator from Texas is very modest about those things. He comes from a State supposed to be flowing with oil—not with milk and honey. I would rather have oil than milk and honey. But it is supposed to be flowing with oil, and I am always being twitted about that State. I have two little parcels of land scattered around over the State, but whenever the oil vein hits my boundary line it veers off, north 60, west to a pile of rocks in the prairie. That is the condition I am in now and the condition in which I expect to be for the remainder of my life. Frankly, this proposed excess profits tax will not get me. [Laughter.] It may get the Senator from Colorado, but it will not touch me, because I have no profits, either little or excess. I have no profits at all, except what I get out of this job.

Mr. MILLIKIN. It is not going to get me.

Mr. CONNALLY. The Senator is pretty smart—he can probably avoid it and get out of it. [Laughter.] I say that in all kindness to the Senator. I am very fond of the Senator, as he knows. I am very fond of his mind, and I wish it would go in the right direction. [Laughter.]

Now, let us consider the man with a $15,000 income. That is the income of a Senator, except that it does not take into account the tax-free $2,500 for expenses. On his $15,000, he now pays $3,894, which is a pretty sizable tax. Under this bill he will pay $4,448, nearly $600 more than he is now paying, which is an increase of approximately $50 a month. His taxes are being increased, but his profits are not. It is making his beefsteak cost more, likewise his wheat, his biscuits, and his bacon. His clothing also will cost more. Everything he buys will cost more. On top of that, this tax of $600 a year is planked down on him. Yet it is said, "Do not touch those excess profits. Oh, no; do not bother them. Let the makers of excess profits roll in them. Let them pile them up."

The man with an income of $25,000 now pays $8,600. Under the pending bill he will pay $9,796. That is hitting him; it is gouging him, all right. We shall get some excess from him.

The man with the $50,000 income now pays $23,201, and will, under the pending bill, pay $26,388.

The next is the man with an income of $100,000. I address this to the Senator from Colorado. [Laughter.] On the $100,000 income, he pays $58,762, and under the pending bill he will pay $66,798.

I address this to the Senator from North Dakota. On a $500,000 income, he pays under the present law $385,000. Under the pending bill he will pay $429,274.

On an income of $1,000,000, a man now pays $770,000. Under this bill, he will pay $870,000. We are getting up now into the higher brackets. This man has not been dealt with very tenderly. However, if he obtained the $1,000,000 in excess profits, it would be a little different, but if he received it as salary or as a return upon investments, or something of that sort, he would pay the higher tax.

Mr. President, as I suggested a little while ago, an increase in prices has been brought about by the war. Great masses of the people have to bear the burden of the increased prices. They cannot all change their occupation. One man is a blacksmith and he remains a blacksmith. Another is a farmer, and he remains a farmer, until the war is over, anyway. Yet they have to bear the increase in the cost of things which they must have in order to live. In addition to that, they are taxed. This bill would tax them directly even heavier than they are taxed under the present law. So why should not the profiteer, the man who sits back in his office and waits for the appraisals of his inventories to go up, who waits for the prices of the things he sells, his commodities, and his products to go up—why should not he, on the profits directly traceable to the public emergency, directly traceable to the remote conflict in Korea, pay an increased tax? He did not earn those profits with his hands. He did not make those profits. The boys who are dying in Korea helped to make them. The mothers and fathers of those boys helped to make them by having to send their sons to Korea. Yet, Mr. President, he does not want to pay any taxes that are caused by the emergency, by the rising prices, and by the rising profits that those persons who are sacrificing have made possible. We must all sacrifice. I want to include the profiteers as well.

The argument is made that we should postpone the imposition of the excess-profits tax. It is said, "Do not do it now; let us wait; let us wait until January, March, or April, until we have time to study this matter."

We had an excess-profits tax in World War I and in World War II. We have now available to us the experience gained under those two laws. The Treasury Department has the records. I have quoted to the Senate some of the amounts which were collected under those laws. What more study do we want? It does not take 4 months for a man to have a thought. It should not take that long, even if it is a good thought. But, Mr. President, they want to put it off until the first of the year. In the meantime, the increases in prices will be going on. It is said that we are to have controls on commodities and on labor; but are we to have no control on profits? What are we to say to the man who works with his hands? Shall we say, "Your wages are under control"? What shall we say to the farmer when he tries to sell his produce? Shall we say, "We cannot allow you any higher prices on your produce, because we have controls"? He says, "What about excess profits? What about war profits?"

"Well, we just have not got around to that yet. We shall reach that sometime, but they are not yet under control."

Shall we control labor and not control profits? Is that our doctrine?

Mr. President, I do not want to tire the Senate. I shall probably have some more remarks to make along this line or along similar lines, before the bill is concluded, but I want to say that, according to my view an excess-profits tax is amply warranted, tremendously warranted, when we are in an emergency, with rising prices and rising profits. We have proved it by the estimates. Why should we not place a tax on war profits and on war profiteers?

Mr. President, in conclusion allow me to say that our sons are dying in Korea. Many more of them will die. The mothers and fathers at home are making sacrifices of their young sons. Many of them are making sacrifices through lessened earning capacity. They are making sacrifices by the payment of higher taxes, and higher prices for what they must consume in order to live. I want the whole country to contribute its share. I want the profiteers to contribute their share. They are making tremendously increased profits, not by their own efforts, not by their sacrifices, not with their hands, but because of fortuitous circumstances which practically force them to make higher profits without any exertion, without anything except an effort to control production and an effort to control inventories.

Mr. President, my appeal to the Senate is to adopt the amendment offered by the Senator from Wyoming and the Senator from Texas and to show to the

people of the United States, to the boys yonder in Korea, and to the boys at home, whom we are drafting, that we propose to see that those who would make unholy profits out of this armed conflict shall also make sacrifices, that they shall also pay into the till the money necessary for the carrying on of the war.

We are drafting our boys, Mr. President. An officer comes and says, "Young man, go with me." The boy is not asked how much income tax he is paying or what the rate is. He is not asked how long he has been paying the tax. The officer gets him by the collar, leads him off to the recruiting station, and places him in the Army. Does that boy have any choice as to where he shall go, if he says he would rather go to some other front? He does not have any choice about it. He must go where the authorities send him, regardless of his own desire.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield for a question.

Mr. LONG. I should like to ask the Senator if he does not believe that much of actual war profiteering that will take place will be in connection with profits realized from the sale of a capital asset and dealt with under the capital-gains tax which is not being increased by the bill?

Mr. CONNALLY. No; I do not think so. They have the option of taking advantage of the income tax or the invested capital tax, just as in World War II.

Mr. LONG. Does the taxpayer have that option?

Mr. CONNALLY. The taxpayer has that option. We got $11,000,000,000 out of them in 1 year.

Mr. LONG. It strikes the junior Senator from Louisiana that most of the war profits that will be made will be declared as a capital gain and taken at a 25 percent tax rate. If we want to take the profit out we should look at the capital-gains provision which permits a man to make a million dollars and pay a 25 percent income rate.

Mr. CONNALLY. I think the Senator is incorrect in his first assumption. I shall be glad to look into it, however, and say something on it a little later.

Mr. President, we had an excess-profits tax in World War I, and it worked. It brought in revenue; it brought real money into the Treasury. It was hard money. We had an excess-profits tax in World War II, and it brought in money. Then the idea was conceived of repealing or suspending the law in 1945. That was the year in which it brought in $11,000,000,000. Would we not like to have that $11,000,000,000 now, to pay for the Korean war or to apply to the war debt? I think we would. That would save taxing the rest of the people quite so heavily as we are taxing them under this bill.

When the Excess Profits Act was suspended in 1945, I opposed it in the Senate, but I did not win. I had powerful antagonists with broad swords and all sorts of weapons against me, and they won. But that did not change my opinion. It was a just tax, and I shall contend for it as well as I can. If it is defeated, the responsibility will not be mine.

I see the Senator from South Dakota [Mr. MUNDT] on the floor. He is worried about subversives. Let me tell the Senator that failure to pass laws of the kind we are advocating on excess profits, and if we persist in that course, will create more Communists than the Senator has in the whole State of South Dakota. Undue profits, enormous profits grabbed out of an emergency, will do it. I submit that thought to the Senator from South Dakota.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CONNALLY. Mr. President, I am sort of scared to yield for fear that the Senator may think I am a Communist.

Mr. MUNDT. The Senator need have no fear of that. I merely wish to point out that in South Dakota, according to the FBI, we have 30 Communists. By everyone's admission we find that there are over five times as many Communists in the Government as we have in the whole State of South Dakota. I should like to say further that I join the distinguished Senator from Texas in being in favor of an excess-profits tax.

Mr. CONNALLY. I am glad to get that pronouncement from the Senator. Anyone who can drive Communists in the State of South Dakota down to 30, has some driving power. My suspicion is that many of them do not call themselves Communists, but perhaps call themselves Republicans, and will vote Communist when they get the chance.

I thank the Senate for its kindness and consideration. I shall probably have a few more remarks to make later in the discussion of the measure after some of the heavy artillery on the other side has lacerated and wounded the amendment and the Senators who advocate it. For the present I surrender the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3934) to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary.

AMERICAN-MEXICAN TREATY ACT OF 1950—CONFERENCE REPORT

Mr. CONNALLY. Mr. President, I submit a conference report on the bill (S. 3934) to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary, and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

(For conference report see p. 13870 of the House proceedings for August 30, 1950.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

SHORTAGE OF BOXCARS

Mr. JOHNSON of Colorado. Mr. President, this morning the Committee on Interstate and Foreign Commerce held an informal conference to ascertain what might be done about the very serious freight car shortage confronting the entire Nation, and particularly the shortage of boxcars which are so badly needed to move this year's grain crop.

Participating in the conference were members of the Interstate and Foreign Commerce Committee, Senators and Representatives from States that are experiencing severe car shortages, Col. J. Monroe Johnson, Chairman of the Interstate Commerce Commission, a representative of the Department of Agriculture and Commodity Credit Corporation, and representatives of the railroads and car builders.

Following the meeting a joint statement was issued by Colonel Johnson, Chairman of the Interstate Commerce Commission, and Mr. William T. Faricy, president of the Association of American Railroads.

I ask unanimous consent to insert in the body of the RECORD the Faricy-Johnson statement on the car shortage problem.

Mr. MORSE. Mr. President, reserving the right to object, I should like to make a very brief comment on the Senator's request, after which I shall not object. I attended the hearing of the committee this morning. I know of no Senate hearing I ever attended since I have been a Member of the Senate which was so disappointing as the hearing of the committee this morning. That was due to no fault on the part of the chairman of the committee, the distinguished Senator from Colorado [Mr. JOHNSON]. It was due in my judgment to what was disclosed as the utter and complete failure on the part of the Interstate Commerce Commission to do what it should have been doing over the years in regard to the whole question of boxcar shortages. I shall discuss the subject at greater length on another occasion.

As I listened to the chairman of the Interstate Commerce Commission, I came to the conclusion that Congress should do two things. It should clean house in the Interstate Commerce Commission, and it should go into interstate commerce law and take the steps necessary to cut much of the red tape which apparently it is possible to develop under the present law, because the Interstate Commerce Commission certainly has bound itself with a considerable amount of unnecessary red tape. We would not be in the present situation if the Commission had been on the job and the railroads had been building boxcars over the years, because at the hearing the chairmain of the Commission and the representatives of the American Railway Association admitted that they have known for years that a boxcar shortage existed and would continue to get worse.

I think the hearing this morning demonstrated clearly the need for a complete revision of the interstate commerce laws,

and the need to make the railroads of America serve the shippers. Certainly they demonstrated this morning that they are not serving the shippers. They clearly demonstrated a dereliction of duty in failing to correct the boxcar shortage.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

There being no objection, the statement of Mr. JOHNSON of Colorado was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *August 30, 1950.*

Col. J. Monroe Johnson, Chairman of the Interstate Commerce Commission, and William T. Faricy, president of the Association of American Railroads, issued a joint statement at the conclusion of a conference today on the freight-car situation called by Senator EDWIN C. JOHNSON, of Colorado. The statement follows:

"Freight carloadings have risen in the 8 weeks since the beginning of war in Korea from 783,357 to 851,025 per week, averaging 792,117, with an average reported daily shortage of 27,391.

"The maximum shortage so far reported was 38,925 in the week ending August 12 when carloadings were 847,465. In the following week, with loadings up to 851,025, which is the highest since November 1948, no increase in car shortage occurred; in fact, there was a slight decrease, the reported shortage being 38,691.

"The car shortage followed a situation of large surplus freight-car supply. In the corresponding weeks of July and August 1949, with carloadings averaging 697,792, the average surplus reported was 77,856. This surplus continued throughout the year 1949, reached a peak of 207,627 cars in February 1950 due in substantial part to strikes in other industries, and did not fall below 10,000 until the middle of May 1950.

"The existing shortage of cars is due to the combination of a sharp increase in demand, a slight decrease in supply, and a serious loss of utilization of cars, principally because of the prevalence both in industry and on the railroads of the working week of 5 days instead of 6.

"The increase in demand is the result of increased military requirements, increased stockpiling and inventory buying, and increased consumer purchases.

"As in previous years, a complicating factor is the movement of much of last year's grain, which could have moved when boxcars were in large surplus but which was held under Government loan, so that now both old grain and the new crop have to be moved at the same time. Elevators in many terminals are so nearly full that receiving operations are being slowed down, with a corresponding decrease in the utilization of cars. If it were possible to increase substantially the number of cars loaded at country elevators in the present harvest areas, the result would be congestion at the terminal markets.

"With respect to the supply of cars, Mr. Faricy points out that as compared with a year ago, there are approximately 45,000 fewer freight cars available for service. Three causes, all stemming from the low state of railroad earnings and the large surplus of cars in 1949 and early 1950, have contributed to this condition, namely—a high rate of retirement of old cars; postponement of repairs on existing cars; a low rate of orders for new cars.

"The railroads are moving energetically to increase the supply of serviceable cars. The railroads are stepping up the rate of repair and rebuilding of cars. In February 1950, when there was a surplus of more than 200,000 cars, the number of cars awaiting repair was 140,000. This was reduced to 123,000 by the end of July, and further reductions are continuing, as railroads expand their shop forces and extend their shop working time.

"The railroads have moved to increase their car supply. At a membership meeting of the Association of American Railroads, on July 28, the railroads pledged as their goal a net increase of 122,000 cars. As a first step in that direction, orders have been placed or announced for more than 100,000 cars. More cars were ordered in July than in any 1 month in the past quarter of a century.

"The railroads have received assurances of governmental and industry assistance in obtaining the steel for this enlarged program of car building. In no other way could the same amount of steel, ton for ton, be used to create so much additional transportation capacity for national needs as by enlarging the freight car fleet.

"Railroads are increasing supervision and improving their operating practices. The Car Service Division, Association of American Railroads, charged with the supervision of the country-wide flow and distribution of freight cars, is devoting all its efforts to securing an equitable car distribution among railroads and sections, such as will insure that the available supply of cars will be equitably distributed. At present, distribution is as well balanced as might be expected. It is estimated that the effect of the 5-day week is about the same as if 175,000 freight cars had been withdrawn from service.

"As the Nation moves more and more toward the practices which were so successful in meeting the transportation requirements of World War II, car shortages will be reduced below what they otherwise would be. But even so, and even if the railroads are successful in substantially increasing their supply of serviceable cars, there is every evidence that shortages will continue at least until after the autumn peak of loadings has been passed, and they may become worse before they are better."

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. HOLLAND. Mr. President, I desire to speak briefly in support of the position of our able and highly patriotic Committee on Finance, and in opposition to the amendment offered by the two distinguished Senators, the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY]. At the beginning of my brief remarks I will say that nothing is further from my mind than to question the high motives, the patriotism, or the intelligence of the able Senators who have supported the excess-profits-tax amendment to the pending measure. I can agree with almost everything I have heard said by both of the distinguished sponsors with reference to the ultimate desirability of an excess-profits tax.

I shall be heard in support of an excess-profits tax very vigorously when I think it has been properly and soundly developed. I was heard in support of it and I voted for it in 1948 when it was presented by the Senator from Wyoming, but under exceedingly different circumstances, and a very greatly different excess-profits tax it was. It will be recalled that at that time the Senator from Wyoming offered an excess-profits-tax amendment to a measure which was designed largely to reduce the income-tax load of the people of the United States. Being a strong supporter of that measure of reduction, and in particular being in support of the two items with which the Senate is familiar, the split-income provision for married couples and the increase in personal exemptions and credits for dependents, I felt at that time—and I have no apology to make for it—that the particular excess-profits-tax amendment which was offered at that time to offset in part the reduction of taxes which was involved in the general measure, was well conceived, and I supported it.

For the RECORD I want it to be remembered at this time that the measure was offered at a time when general reductions of income taxes, which were very large reductions, had been proposed and were being voted by the Senate. In many other particulars the conditions which existed then differed very greatly from the conditions which exist now, and the amendment which was then offered differed from the specific amendment which is offered now. One of the provisions in which the difference was largest was that relating to the tax exemption. At that time an exemption of $100,000 of excess income was to be allowed to a corporation before an excess-profits tax was applicable.

Mr. President, without referring further to the very great differences between conditions existing then and conditions existing now, between the amendment as presented then and the amendment as presented now, and the fact that the Senator from Wyoming, with all the fine qualities which he possesses, has offered, since I have been in the Senate, no less than four or five largely different measures in this particular field, I merely wish to say that I shall be found sponsoring, voting for, supporting, and insisting upon the enactment of an excess-profits tax when I think the time has been reached for its safe enactment, and when I think the time fairly calls for and allows its enactment, in a form which is just to taxpayers generally and in substance fair to the revenue needs of the Nation.

Mr. President, I want to remind the Senators of the principle announced about 150 years ago by Chief Justice Marshall, whose bust looks down on us with such dignity, that the power to tax is the power to destroy. That law is still part of our Federal law.

I remind them that the power to tax is the power to destroy, and for that reason the power to tax should be cautiously exercised. When that power is exercised under impulse, without proper study and without proper care, not considering merely the need for which the money is to be used, but also considering the sources from which the tax is to be supplied, there is apt to be destruction, and I am not able to clear my mind from the fear, from the apprehension, from the belief, that there would be some businesses very badly hurt and perhaps some businesses destroyed by this amendment if it should be adopted at this time as a part of this general tax bill.

Mr. President, let us recall that there has been no time, at least within my

public life, when the tax picture has changed so rapidly as to bring about such a complete reversal in ideas as that which occurred during the drafting of this particular committee bill. Let us recall that after months of study the House Ways and Means Committee brought forth a bill some months ago which was designed primarly to reduce excise taxes, which were imposed during the last war and secondarily to bring about the closing of some loopholes in our tax laws so as to offset in large part the taxes which would have been cut off through the reduction of excise taxes. Even with the closing of the loopholes it was believed by many of us that in its most favorable light the measure presented by the House, representing the thinking of the Ways and Means Committee for many months and the considered and deliberate action of the House was in essence a tax-reduction measure. It was that which we had on hand, and it was that which we were using as the basis of plans for the future tax structure of the Nation up until the time in June when the rapid developments which have since been even more rapid made it clear that we had been living in a fool's paradise, and instead of paying taxes at their present level, we must gird our loins and prepare for the production of much more national revenue in order to win the Korean war, in order to arm ourselves and our allies, in order to meet effectively any emergency which might arise.

Mr. President, our committee did not continue with the production of a measure which at the most would make certain repairs in the dike and in the main would bring about immediate reductions in tax revenues. Our committee—a devoted committee, of which I am not a member—quickly addressed itself to the new and changed task. Mr. President, my remarks about our committee will be completely objective and will be completely nonpartisan because they pertain equally to Senators on the other side of the aisle who are members of the committee, and to the distinguished Senators on this side of the aisle who, as the chairman and members of the committee, have served so ably.

Reading the record, it is apparent that these men on the committee on July 5, a few days after the outbreak of the Korean episode, had not yet glimpsed the fact—and the Secretary of the Treasury and the administration had not yet glimpsed the fact—that a completely new approach to our tax problems had to be made.

I have reread today very carefully the testimony of the honorable Secretary of the Treasury, Mr. Snyder, speaking for the administration, and if one reads his testimony very carefully from one end to the other, he will find that there is not a word about general tax increases, but only words addressed to the question of the excise-tax provisions and the so-called loophole-closing provisions of the House measure.

It was not until some days later, when the seriousness of the Korean situation and the general world situation had manifested itself and made its dreadful impact upon the minds of all of us that the committee realized—or at least from the record it would appear it was not until then that the committee realized—that a completely different approach had to be made.

I wish to pay my respect in unmeasured terms to the members of the committee who, starting with that very unfavorable background and beginning—because they were dealing with times which were gone, which were in the past, which we cannot hope for again in the near future—they turned their faces in a different direction and tried to discover how to make available quickly, in this current year, by stopgap legislation, by emergency legislation—and that is what this bill is in the main—substantial new revenues—new sinews—to stabilize and strengthen our position in the world crisis in which we exist.

They have done a splendid job, and I comment again that the job is completely nonpartisan and bipartisan; it is based upon recommendations made in executive session by the administration, not appearing in the printed record, but I am so advised by members of the committee, and releases which have been made in the press make it equally clear that the President and the Secretary of the Treasury are in support of the methods recommended by the committee to produce the additional revenue, and particularly that part of the additional revenue which is produced in the remaining portion of this particular fiscal year. It is likewise clear from recent press releases that the administration does not want the excess-profits tax amendment added to this bill.

Mr. President, it has not been sufficiently accentuated that it is true that the recommendations of the administration were given ear to and were followed, not only by those on the majority side of the committee, the distinguished chairman and his associates from his party, but equally by those on the other side of the aisle, to whom I pay my very high respects at this time.

Mr. President, let us read two brief excerpts from the committee report which I have not heard accented as we have gone through the debate. The first appears on page 4 and relates to the rates under individual income taxes. I read only one sentence:

> Your committee adopted the suggestion of the administration in respect to the individual income tax.

There are no questions about it, no hedging in it, no conditions about it, no apology or anything of the sort, but just a brief, clear, succinct statement that Senators confronted with grave questions, representing their Nation and their Government, representing both parties, and States and people all over the Nation, looking at the suggestions for effective emergency taxation, suggestions which came from the administration, without quibbling about any political objectives, acted affirmatively on those suggestions for new tax legislation.

Mr. President, I reread that sentence:

> Your committee adopted the suggestion of the administration in respect to the individual income tax.

Mr. President, that means that with reference to 50,000,000 or more individual income-tax payers the committee was taking joint action, nonpartisan action, to meet this emergency, which does not apply merely to us in the Senate, for this emergency applies to every American, wherever he lives, and to freedom-loving peoples all over the world. It applies in a large measure to the entire world. The committee reports that it has taken action regardless of differences political, and regardless of some differences which were pending at the time between the legislative body and the Executive. They have approved, so far as individual income taxes are concerned, the suggestion of the administration in respect to the raising of the taxes imposed upon some 50,000,000 of our citizens, or more, who pay individual income taxes. They have jointly assumed this high and heavy responsibility.

Mr. President, I think it is worth while to mention this fact, because I want the people to realize that here is action which is not political, here is action in which executive and legislative have stood together, and though it imposes more taxes upon the people of the Nation, it is the combined view and judgment of the members of our Finance Committee and of the Executive that here is a wise and necessary course to follow, which will more largely tap the incomes of the individual citizen wherever he may be, because everybody's income tax is increased by this bill.

Mr. President, likewise, when we get down to the corporate tax structure on page 12 of the report, there will be found this very brief sentence. I shall read it and then comment on it:

> Your committee adopted the suggestion of the administration for increasing the corporate income tax for 1951 and subsequent years.

With reference to the 1951 tax, that is for next year and subsequent years, the recommendations of the administration were adopted as submitted. They were not easy recommendations, Mr. President, because they put a level of normal tax against the corporate income of corporations 5 percent greater than the highest level of taxation levied against that class of taxpayers throughout the Second World War period. If I am correctly advised, the highest rate of tax levied during the war, against corporate income was in the 1944 act, and was at a level of 40 percent. And now the administration recommended 45 percent, and the committee accepted 45 percent. Members on both sides of the aisle in the committee said: "That is a fair levy to make against corporate revenues in this Nation from one end to the other to meet the emergency."

Mr. President, the only departure in this field from the recommendations of the administration will be found on page 13 of the committee report, in the second paragraph from the top, and it will be found there that instead of making the 45-percent rates applicable as a whole to 1950, the committee found in its wisdom—and I commend the committee; I think that its judgment was better in this regard than that of the Secretary of the

Treasury—it found, since the year was so nearly exhausted, that, instead of putting up the rate from 38 to 45 percent for 1950 income tax, and thus making the increase applicable to the entire year, the new rate should be made applicable to approximately half of the year. It is really a little more than half the year, Mr. President and Senators, if you will observe, because the rate which was worked out to be levied against corporation income for 1950 was 42 percent, or an increase from 38 to 42 percent, whereas with January 1 of next year the rate goes up to 45 percent.

Let us remember that that 42 percent is made applicable to the income for the whole year 1950, and that, so made applicable, it means that the 45 percent rate was clearly made applicable at once as from the date of the hearings, or even before that, because the year was more than half over when the hearings were being held. Senators will find in other portions of the report correct statements of what that means, and I will try to state it as fairly as I can, by saying that as to corporate income taxation the 45 percent rate went into effect on July 1, but in order to make it apply to all alike, the rate of 42 percent, between 38 and 45 percent, a little closer to 45 percent it is than to 38 percent, was approximated and fixed as the rate applicable for the entire year 1950. Of course, in the case of corporations which report on other than the calendar year basis, the exact periods of time would make the figure shift a little bit, and likewise that would be true in the case of the individual tax reports, because in the case of the individual income tax the new rate is made applicable as of October 1 in an approximate way by making the new rate figure at just 25 percent of what the full new rate would bring if applied to all of 1950.

Let us now review the situation up to date. First, with reference to the individual income tax the recommendations of the administration were meticulously followed and supported on both sides of the aisle by the members of the Finance Committee, and now appear in the bill.

Second, with reference to the corporate tax, the recommendations of the administration were meticulously supported and exactly written into the bill with reference to periods of time after January 1, 1951. But with reference to this tax year, 1950, the committee felt that to levy a new, largely increased rate of 45 percent for the whole year, would be unfair because of the fact that the change comes so late in the year, and because of the further fact, of course, that earnings in the early part of the year had little relation, if any, to any question of having been brought about by war conditions.

So, Mr. President, there we have recommendations from the administration followed by the committee and brought to the floor.

I want to say again that I take off my hat to the distinguished chairman of the committee, the Senator from Georgia [Mr. GEORGE], and to the distinguished ranking minority member, the Senator from Colorado [Mr. MILLIKIN], and to that great majority of the committee who stood with them. I believe on these points the committee stood together. That is my information, at any rate. I have nothing but respect for those who feel that we should go further than this bill recommends, but I want particularly to commend at this time the united action taken by the committee in supporting administration proposals based on Treasury experience, and I think that the sooner the country gets the idea that that is what has been done, instead of bringing out a bill that was plucked from thin air, the better it will be. These men, who were confronted with a changed problem in July completely different from anything they envisaged before, working with the Executive and working with each other, brought forth recommendations which will raise the revenues this year about $3,000,000,000. And I say that is a good job, and one for which we ought to be most thankful.

Mr. President, let me say again that I feel there has been too little recognition of the fact that under tremendous pressure and under great difficulty an excellent job has been done, resulting from real unified action.

Let me say further that I know of no instance in the recent history of the Nation when a change taking place of this magnitude, and at such a time in the year, has brought about a situation which almost caused a departure from our constitutional approach to revenue legislation. Under the Constitution the House—the Ways and Means Committee, of course, of that body—is the one which drafts revenue legislation. It is entrusted, under the Constitution, with the exclusive duty of initiating revenue legislation. It did that in producing the House bill, and it did it ably, facing problems which it thought to exist at that time. But by the time the Senate committee had reached the measure, and it reached it within a very few days after the enactment of the measure in the House, the situation was so completely changed, and that change became so visible in the weeks of the hearings of the Finance Committee, that a completely different approach had to be made, and a completely different approach was made, and we have here now a tax measure which raises largely increased revenue, which in effect was initiated in the minds and hearts of the members of the Finance Committee of the Senate, which is an interesting and a real departure from the normal constitutional approach, though a perfectly legal approach.

Mr. President, that is the bill as it was reported to the Senate.

I shall not dwell upon the loophole plugging provisions. The Ways and Means Committee had worked months on those provisions. It had the benefit of the advice of the Treasury. The Finance Committee of the Senate had to begin work in that field, of course, with the work which had been done by the House committee. It had already conducted investigations of its own, by the way. But very properly, I think, the Senate committee realized that it had to give its major attention to the measures through which new revenue was to be produced. And when it ran into the loophole closing provisions which presented great difficulties and apparent differences of opinion between the Senate and the House, it dropped some of them and confined its approach largely to the loophole closing provisions on which it had very deep convictions as to the soundness of its own findings.

As I have said, I shall not dwell, in my remarks, upon that portion of the bill. In the first place, I think the Senate committee is to be commended for its caution in approaching, under the coercion of the time limitations which confronted it, those particular provisions. I think we had better be slow and safe now, rather than be sorry later.

I wish to remind the Senate that all the loophole-closing provisions will be in conference; and I have great confidence that from the conference will come excellent provisions for some of the loophole-closing problems, as the provisions will be worked out between those of the able membership of the House Ways and Means Committee and those of the able membership of the Senate Finance Committee who will participate in the conference. I think the Senate will be able to pass the bill with full confidence that from that conference will come provisions providing for excellent handling of the particular problems about which the members of the conference committee will feel they already have sufficient information to act.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. DONNELL. I am sure the Senator from Florida would not want anything he has said even remotely to leave the impression with a reader of this portion of the CONGRESSIONAL RECORD that he is raising any question whatsoever as to the validity of the action that was taken, and to which he has referred as saying that an unusual situation has developed from a constitutional standpoint. If the Senator will permit me to do so, I should like to read into the RECORD the pertinent section of the Constitution, which is section 7 of article I.

Mr. HOLLAND. I am very happy to have the Senator do so.

Mr. DONNELL. Mr. President, I read now from section 7, article I, of the Constitution of the United States:

> All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

Although this matter has presented a most unusual situation, and one to which the Senator from Florida has most appropriately referred, I take it that there can be no doubt as to the entire validity of the proceedings taken thus far.

Mr. HOLLAND. I am glad the Senator from Missouri has raised that point. Of course, he is entirely correct. There can be no doubt, not only because the Constitution provides in the Senate the power of amendment, but also because the courts have held repeatedly that under that constitutional power the Senate can completely revise a bill, as compared with a bill when it first emerges from the House of Representatives.

Mr. President, the point of my remarks is twofold. First, I think it is interesting to note that a tax bill drawn primarily for reducing taxation has now become one for increasing or raising taxes and, that it has become such by reason of work done in the Senate.

Second, I wish to pay tribute to the Members of the Senate who participated in the performance of this task, which has brought unusual and perhaps unprecedented difficulties and responsibilities upon them, because it is true that the responsibility for initiating revenue legislation which would produce additional revenue has devolved upon them, by reason of the events transpiring between the time when the hearing was held by the House of Representatives Ways and Means Committee and the time when the hearing was held by the Senate Finance Committee.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield.

Mr. DONNELL. I wish the Senator from Florida to understand—as I am sure he does, but I should like the record to show—that my remarks, made a moment ago, were not in any sense critical of the Senator from Florida. I think the discussion has been exceedingly helpful and highly appropriate, and I wish to commend the Senator from Florida for developing the points, as he has done so succinctly and skillfully.

However, inasmuch as some reader of this portion of the CONGRESSIONAL RECORD might not have fully in mind the facts and the background of this matter, I thought it appropriate to have that particular portion of the Constitution read into the RECORD at the time.

Mr. HOLLAND. Mr. President, I appreciate very much what the Senator from Missouri has done, and also the statement he has just made.

Mr. President, contrary to the provisions of the bill, which would carry out and put into effect the recommendations of the administration, in one case without change, and in another case with only the change I have mentioned applicable to a portion of 1951, I think it is pertinent to comment that the insertion of a provision for the imposition of an excess-profits tax becomes peculiarly untimely and peculiarly unfortunate when it is realized, first, that it does not have the recommendation or the support of the Treasury or of the administration, who have more time to give to the study of this type of technical legislation than have even the members of the Senate and House committees which are entrusted with these duties.

Furthermore, Mr. President, I think it is particularly encumbent upon us to realize that a field which is new is presented now, and that it does not suffice at all to say that the excess-profits tax now suggested largely follows the pattern followed in the excess-profits taxation imposed during World War II, because the background against which it is now proposed to enact an excess-profits tax is so very different from the background existing at the time when the excess-profits tax was imposed and in force during World War II, when that tax supplied such a splendid revenue to the Nation.

I have every hope and confidence that we shall speedily tap that source of revenue again, but I hope it will not be done now, without having an adequate study made and without specific recommendations on the part of those who are specifically charged with the duty of enforcing our tax laws.

I think we should proceed, as did the members of the Finance Committee, ever mindful of the injunction of Chief Justice John Marshall that "the power to tax is the power to destroy."

Mr. President, how is it that the present situation is completely different, as presented under these two changes, one in individual income tax revenue, and the other in corporate tax revenue? How is it that the situation now presented is completely different from that prevailing during World War II?

I shall mention only two or three differences, but there are many more existing in the picture.

One of those differences—I have not heard it mentioned earlier in the debate—is one which I mentioned a moment ago, and which I wish to accentuate now, namely, that the level of corporate income taxation prescribed under the committee bill is just 5 percent higher per year than the corporate tax level prescribed in the corresponding taxation during World War II. In other words, the normal corporate tax under this bill, if it is enacted, will be 45 percent, as compared with the highest level of 40 percent which prevailed during World War II.

Does that make a difference? Mr. President, I am here to say that it makes a tremendous difference, and I think every Senator will recognize that it does give an entirely different background, and shows that the committee is taking an entirely different approach from that which was taken by the committees which reported and sponsored the World War II tax measures.

The second point to which I wish to call the attention of the Senate is the fact—already recognized and acted upon by the Senate committee, in part—that the timing of this proposed legislation has a great deal to do with the propriety and, indeed, with the justice of this particular amendment at this particular time.

Mr. President, we must recall that most of our business corporations operate on a calendar-year basis. We must recall that the legislation now proposed comes so late in the year that, in the case of individual taxpayers, that fact is reflected in the proposal to make the new tax rate applicable as to them only beginning on October 1, or only as to the last quarter of the year.

The corporations have a little more flexibility in their financial actions and performance than does the ordinary individual taxpayer, and that fact is reflected in the action taken by the committee and recommended to the Senate, and covered by one of the provisions of the bill which would make the increase of corporate taxation effective approximately July 1. Really it would be a little earlier than July 1, because if Senators will read that portion of the bill they will see that the 42-percent tax rate which is proposed to be applied to all corporate revenue for 1950 is a little more than half way up the scale between the old 38-percent rate and the 45-percent rate which is proposed to be made effective under this bill. So, with reference to corporate revenues, there is already recognition in the bill of the fact that the corporations can take it a little more heavily, and that they are given a little heavier jolt.

Mr. President, there is many a corporation, both large and small, which has made its full plans and is carrying forward its full corporate venture for the calendar year 1950, and is so far committed that, instead of having excess profits already made as compared with past years now on hand in the form of cash available to pay added taxes, it has gone ahead and invested that revenue. I present for the record the case of one taxpayer, who happens to be a man with whose business I have been familiar for many years, a man whose character is so unimpeachable that I knew he would give me the facts of his particular operation. He is agreeable to the 42-percent rate. He would be agreeable to any rate we might specify applicable to him in common with other businesses with which he competes and with which he has to live. But with respect to this excess-profits tax venture he tells me that, as a result of excellent business during the first 8 months of the year, his corporation shows a profit of between $400,000 and $450,000, and that, realizing and recognizing the fact that he was going to be called upon and he expected to perform heavily in the service of his Nation in connection with certain construction projects in our section of the country, as he did during World War II, to the very great service of the Government of the United States, he spent more than $400,000 within the last 60 days, taken, of course, out of his profits of this year, in the acquisition of new drag lines, and new heavy equipment of one type and another. It is paid for and is now available, so that when he is called upon, as he will be as quickly as the appropriate military services have time to get something ready, to perform as a citizen and as a skilled builder for the Nation, he will be equipped to render that service to best advantage.

Mr. President, he acted as a skilled businessman and as a conscientious and prudent businessman, in taking exactly that course. But I do not have to tell Members of the Senate that that investment cannot be charged off as expenses of operation this year. That kind of purchase is the purchase of long-time equipment, which he can write off only over a period of many years of operation. Instead of having on hand excess profits in cash, out of which he could answer to a demand for the payment of excess profits taxes for this particular year, he has invested in his business the profits he has had for this year, up to what he will need to pay his normal tax revenue, and he asks the question, "Is it right to thus penalize caution and pru-

dence and skillful operation and preparation to do a better job for one's country?" He reminded me, too, that his case was not the only one, it was one of many thousands. I daresay there could be found hundreds of thousands of small corporate taxpayers who would come, in greater or less degree, within the framework which I have just placed in the RECORD.

So, Mr. President, I think it becomes clearly apparent that when we talk about putting into effect an excess-profits tax, applicable at the same time that we are already making two additional levies, the one in increased individual income tax, the other in increased normal corporation tax, we are skating on very thin ice. I commend the committee and the administration for their unwillingness to venture into such an uncharted field until they have available a little clearer showing of just how business will be affected both by present conditions and by these increased taxes. Let us remember that the power to tax is still the power to destroy. I can see that the committee has well remembered and given regard to that injunction.

To put the matter into a little different framework, let me remind Senators that we already have plenty of criticism of the so-called dual tax, which takes place in the case of citizen taxpayers who derive their income from corporate dividends. In the first place, the corporation pays a tax—and it should. In the next place, the individual pays a tax on the dividends which reach him—and he should. But that amounts to dual taxation, and in each instance, under the committee proposal, that taxation is stepped up, and it is stepped up substantially. I remind the Senate that it is proposed through this excess-profits-tax amendment to place a tertiary or a third tax upon that particular class of property owner and taxpayer in the United States, because it is proposed not only to tax him on his individual income which he gets by way of dividends from the corporation, and to increase the tax on the corporation from which he gets dividends, but to limit and greatly to cut down those dividends, or possibly the opportunity of getting any dividends whatever, by imposing in addition an excess-profits tax, to be imposed at the same time that these two additions to the ordinary tax demands are created, one of those additions being materially larger than the largest level or the highest level of taxation in that particular field, even during World War II; and I speak of the normal corporate tax levy.

Mr. President, is it fair to levy a three-bladed or a three-edged tax against one citizen or one large group of citizens, all at one time, without having much more than a remote guess as to what the result will be? That is exactly the present situation. I am as sure as that I am standing here that the distinguished senior Senator from Georgia, to whom I pay tribute as the chairman of the committee who has proceeded with caution and with patriotism and has brought out a fine bill, had this matter clearly in mind. I am just as sure that he would say that it is because of the grave question in his mind and in the minds of his associates as to how that third blade would cut at this time, in view of the uncertain state of knowledge now as to what would happen because of the largely and substantially increased levels of taxes in the other two fields, that he was and is unwilling to proceed at this particular time into the field of excess-profits taxation.

Mr. President, I wish to quote again from the report of the Committee on Finance. I think that, for the protection of the members of the committee, it ought to be very clear that on the very first page of their report they have announced, not only to the Senate but to the country, that—

> The committee has instructed the staff to study the excess-profits tax and other revenue-raising measures, so that they may be considered by your committee early next year, and has announced that any excess-profits tax enacted at that time will be applicable to the income of the entire calendar year 1951.

Mr. President, both the Senator from Georgia and the Senator from Colorado have given to the Senate verbal assurance, which is in the RECORD, that they will positively produce that type of excess profits legislation, effective for the entire calendar year 1951, for the action of the Senate and the Congress of the United States early next year.

Mr. President, that means that both parties are still standing together in this approach and in this assurance. In giving that assurance, they are standing on very firm ground, because they base their unwillingness to undertake it at this time upon lack of information as to how these new changes will react in the near future. Let us remember that not only are individual income structures and corporate income structures changed largely by this bill, but let us remember, also, that the changing times themselves bring a different business situation. I realize that during World War II there were many businesses which had lush times, but there were many businesses that had hard times and were cut off from their normal course of operations. I remember that a great many dealers in automobiles and trucks in my State had to make their garages into machine shops and try to find some war work to do, different from their normal business, in order to remain in business. I remember that there were many cases of business concerns which were adversely affected.

The committee does not know, and no Senator can know, in spite of good motives and in spite of a clear desire to have every possible bit of information, what is going to be the result of the impact of this frightful situation, which may or may not develop into a global war, upon the businesses in general and upon businesses of various types.

So, Mr. President, I think we should commend rather than stand against the carefully studied recommendations of the ablest men we have in the Senate in the field of taxation, particularly when they have such sound reasons, and have advanced them, at the same time advancing the assurance of their willingness to present an excess-profits tax bill which will be in accordance with the changed and changing conditions and will make the bill effective as far back as January 1, 1951, and will present it as soon as possible in the Eighty-second Congress for consideration and for enactment.

Mr. President, I believe that concludes, in the main, the items which I wished to discuss at this time, but I should like to add one more thought, namely, that, in my humble judgment, based on only 4 years of service in the Senate, but also on some years of service as member or chairman of a finance committee in a State legislative body and 4 years of executive experience during time of war when this same kind of problem was pressing very heavily on my own State, this is an occasion in which we should use great caution, because we can so easily do terrific damage, even though we act with the best possible intentions. It seems to me that in the matter of the functioning of this committee at all times, but particularly in times such as these and under conditions when the committee had to face its responsibility without the benefit of prior study in the Ways and Means Committee, but faced it with the backing of the Executive, we should be exceedingly loath to disturb and slow to interfere with the work of the committee. And we should be slow, indeed, to add penalty provisions in the new legislation. When I say "penalty" I mean just that, because the payment of largely increased taxes does impose a penalty upon people who may have spent what they have earned this year and who are having to account and pay the new and larger levies, nevertheless, on a yearly basis.

It would seem to me, therefore, that of all times and of all circumstances, this should be the last time and the last circumstance in which we could with propriety override the recommendations coming from a unified Finance Committee, numbering among its members the most skilled and the most experienced men we have in the field of taxation, particularly when they are supported by the recommendations of the Executive.

Mr. President, there is this one more point to add, briefly, before closing, and that is the practical point of getting ready to collect the increased taxes. I discussed this point a little while ago with the head of the staff and with the distinguished chairman of the committee. They tell me that there is tremendous urgency upon the part of those who have to enforce the new law that it be enacted at the earliest possible date. Why? Because new withholding provisions have to go into effect on October 1, and because new forms, new regulations, new personnel, will be required for the handling of the fiscal and revenue-producing functions of the Government. In this particular field such a task cannot be performed overnight.

I hope we shall not muddy the water. That is exactly what we would be doing if we overrode the well considered recommendations and the very carefully drawn plans of the committee, based upon long study, who believe they do not

have sufficient facts at this time on which to recommend an excess-profits tax and who believe, to the contrary, that they should continue to study diligently the problems involved so that at the earliest possible moment after January 1 they will be able to report an excess-profits tax based upon facts produced by the impact of this new legislation and the impact of new world conditions upon the various businesses throughout the length and breadth of the land.

I hope very strongly that the Senate will vote down this amendment, proposed, as it is, with the most excellent motives, but born, I think, more out of a desire to produce additional revenue quickly, than out of a careful study of the problem, because no one can possibly have made a study of facts which are not yet in existence and will not be in existence until the conference committees have completed their work and the House and Senate have passed, and the President has signed the bill.

Mr. President, we should not impose this third tax on the income of a large number of our people at the same time these two very substantial increases are being made through the bill as recommended by the committee.

Mr. LANGER. Mr. President, first of all, I desire to commend the distinguished senior Senator from Texas [Mr. CONNALLY] for the very able speech which he delivered this afternoon. In my opinion, his speech is absolutely unanswerable. He has long been a Member of this body and has had a great deal of experience in the House of Representatives, and he is thoroughly familiar with the subject.

I invite the attention of the Senate to the fact, which I think is of the greatest importance, that when World War II broke out, we gave the Treasury a larger appropriation than it ever had received before in its history. We have continued to increase the appropriations. When World War II was over, we experienced a cold war, year after year, and we raised the salaries of all the personnel in the Treasury Department. The distinguished Senator from Texas is aware of all that. He is here fighting for the common people. I can understand why the people of Texas are justly proud of the senior Senator from Texas when he takes up the cudgels of the common people, as he has done this afternoon.

I was very much interested in what the distinguished Senator from Florida [Mr. HOLLAND] had to say about the tears of the poor corporations, and how someone who had to spend $400,000 for new things would suffer. I think back to the speech of the Senator from Texas. He talked about the man with an income of $800, to whom an increase of $33 in tax means much more than an increase means to the man who has an income of $1,000, or $2,000. I say again, Mr. President, that I think the speech of the Senator from Texas is entirely unanswerable.

CONFIRMATION OF GENERAL SMITH AS DIRECTOR OF CENTRAL INTELLIGENCE AGENCY

Mr. BENTON. Mr. President, I should like to speak about my warm friend and close associate, Gen. Walter Bedell Smith. I was absent from the Senate on Monday when his nomination to the office of Chief of the Central Intelligence Agency was confirmed. I feel that among a rather wide acquaintance of my own throughout the United States there could have been no happier appointment than that of General Smith to this key and crucial job at this particular time. I wrote President Truman that it is not often that the perfect man and the right job come together at the right time, as in this case.

Most of our people do not know how important the office of Chief of the Central Intelligence Agency is. It is one of the most important positions in the country. Our safety depends upon it. It is not too long for many of us at least to remember Pearl Harbor, and to remember that this particular office can be as essential to our safety and our welfare as the Navy itself. After all, what good is a strong and powerful Navy if it can be incapacitated, as we saw it incapacitated at Pearl Harbor, through lack of adequate incoming intelligence.

I first met General Smith when I was in the State Department, when he was appointed Ambassador to Moscow. I was immediately impressed with the clarity and incisiveness of his mind, and particularly with his grasp of world-wide psychological problems with which we were then beginning to cope. At that time this seemed to me a most unusual quality in a professional soldier. I was later to learn that more than a few of our top military officers have a far better grasp of the enormity of this problem than have a great many of our diplomats.

As Assistant Secretary of State, I launched our Russian language broadcasts on the Voice of America. General Smith, as Ambassador, sent me daily cables of constructive criticism, which were models of their kind. They were far better than I received from any other diplomatic mission. Indeed, I shall go so far as to say that they were better than I received from all the other diplomatic missions.

On July 7 of this year, when General Smith testified before the subcommittee headed by the Senator from Utah [Mr. THOMAS], which was considering Senate Resolution 243, he described his own conversion to the importance of the psychological element in international relations, as follows:

> I remember at the beginning of the war when we were organizing our staffs for the invasion of north Africa, and the ultimate conquest of Europe, and we were directed to form a psychological-warfare branch. * * * To me it was just a headache. I knew nothing about psychological warfare or propaganda, and it was just an added group of what I thought of at that time as well-meaning people, slightly crackpot, that we had to absorb while we were engaged in the really serious business of conducting a major military campaign. I have paid dearly for that, but I have learned. We should have known better, of course. For years in the Army we had been talking about morale, and we had been quoting Napoleon glibly that the morale is to the physical as three is to one. We have been asserting that civil wars are the most violently fought and most protracted of all wars because those are the only wars where the people who are doing the actual fighting on both sides have a really definite understanding of the principle for which the war is being fought—or at least think they have. But we always translated morale in terms of good food for the soldiers, good hospitalization, good quarters, decent transportation, decent and just treatment, and we never thought in terms of the psychological. I think it will pay us sometime to sit down and analyze why some of the Communist troops, as, for instance, in Korea, are fighting like the devil, while the ones who represent what we consider to be decency and democracy possibly do not do so well. * * * Soviet propaganda has been extremely effective.

General Smith put great stress on the necessity for adjusting our propaganda and information activities to the particular psychology of the people to whom it is addressed. He said:

> I think that the Voice of America and our other media of information have been constantly improving because they are beginning to reflect accurately the psychology of their listening audience and not the psychology or the taste of the people in this country who hear it or read it.

I hope that General Smith, in his new capacity, will undertake studies of the relative effectiveness of our information activities in every country of the world, and will help to guide the Voice of America into the most effective possible patterns. Incoming intelligence is greatly needed here. One of the marked weaknesses of the entire information program to date has been lack of systematic evaluation in the field and lack of funds to do the job.

We can all be proud of what General Smith has done thus far. He went into military service in 1917 with the status of a private in the Indiana National Guard. Without benefit of West Point or any university training he rose, on sheer character, intelligence, hard work, and organizing ability, to become Chief of Staff to General Eisenhower, and to become Ambassador to Moscow. He is a student as well as a man of action. He has an objective, searching mind; speaks only when he has mastered all the facts, but then very incisively and to the point. In a word, General Smith has all the qualifications for a Chief of Intelligence.

After General Smith had been in Moscow as Ambassador for 1 year, Drew Middleton, the Moscow correspondent of the New York Times, wrote about General Smith:

> The impression widely held in the Moscow diplomatic corps when General Smith arrived here a year ago was that he was just another simple soldier. He is far from that, as Moscow has learned, but training and experience have vested his personality with simplicity—a highly useful quality in his present post. Beneath this exterior is a highly intelligent, erudite, and experienced man of affairs. Although Moscow is his first diplomatic post, General Smith when he arrived had had more experience in dealing with the highest questions of state and policy than most ambassadors pack into a lifetime.

Mr. President, I think we can be particularly proud that General Smith has responded to this call of duty by the President. Indeed, only recently out of the hospital, after a very serious operation, when some of his friends were worried about his very life, he is showing a

high patriotic feeling in responding to the President's request, as he has always responded to the call of duty, accepting with humility and courage whatever assignments his Government has given him. He has carried them out zealously and aggressively, placing his country's welfare above all other considerations.

In conclusion, Mr. President, I congratulate General Smith on the selection of his deputy, Mr. William H. Jackson.

I ask unanimous consent to insert in the RECORD a splendid article entitled "No. 2 Man in the Central Intelligence Agency," written by Arthur Krock, and published in the New York Times of August 25.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN THE NATION—No. 2 MAN IN THE CENTRAL INTELLIGENCE AGENCY

(By Arthur Krock)

WASHINGTON, August 24.—Uniformly favorable comment followed the President's appointment of Lt. Gen. Walter Bedell Smith to succeed Rear Adm. Roscoe N. Hillenkoetter in October as Director of the Central Intelligence Agency. Some regret was expressed that another military man is to head this vital security agency; the grounds being that a civilian chief is more suitable for the broadening requirements of the task, and that soldiers and sailors in civilian office are disposed to call in too many other soldiers and sailors to assist them.

But, these mild and generic critics conceded, if an armed service officer was to be chosen, General Smith was the very man, and to this view little if any dissent has appeared. In World War II at the right hand of General Eisenhower, and as postwar Ambassador to Soviet Russia the chief-to-be of the CIA served with a quality which is indicated by the high professional and public acknowledgments. With the essential aid of William H. Lawrence, now in Korea for this newspaper, he produced a book on Russia and the Russians which is outstanding in the literature of that subject.

But in none of the comment seen by this correspondent has there been any evaluation of the new Deputy Director of the CIA whose appointment was announced in the same Presidential statement. Yet whatever success General Smith may have in the No. 1 post will depend in considerable degree on the record made by this deputy. That is not only inherent in the nature of such a job; it is especially true of the individual concerned, William H. Jackson, of New York City.

You don't get great public reputations, like General Smith's, on the path through life that Mr. Jackson pursued. But this does not alter the fact that he is a man of extraordinary ability and effective personality, to both of which attributes and others many high officials, high officers, and leading lawyers can testify. And, though personal sacrifice in working for the Government is credited to a good many more people than deserve the credit, in Mr. Jackson's case it is no overstatement.

MR. JACKSON'S CAREER

When General Smith asked him to become second man in the new CIA set-up, and W. Averell Harriman assured him this was the President's earnest hope, Mr. Jackson was managing director of J. H. Whitney & Co. Mr. Whitney, who is as canny at husbanding his great inheritances as he is generous in distributing its blessings, had a large and capable field from which to fill a position of such importance, interest, and financial reward. His choice was merely another exhibit in the list of Mr. Jackson's achievements thus far—he is about 48.

A Tennessean by birth, he graduated from Princeton and the Harvard Law School and went to work in the New York offices of Carter, Ledyard & Milburn, where he was to become a senior partner. Commissioned by the Army as a captain in February 1942 he passed through the Air Corps Intelligence School, a tour of duty with ground troops and various other assignments until, in January 1944 he was attached as a lieutenant colonel to the intelligence section of American Military Headquarters in London. As Chief of Intelligence to General Devers, and then Deputy Chief of Intelligence to General Bradley, Mr. Jackson served notably throughout the war in Europe, after which he was mustered out with many decorations and returned to his law firm in August 1945.

Some time later, at the suggestion of the late James Forrestal, Mr. Jackson, with Allen W. Dulles and Matt Correa, was drafted to make a study of the CIA, where he is now to go as second in command. The report they wrote is, of course, restricted. But those few who have read it consider it a model document of its kind, and it has been of great usefulness to Admiral Hillenkoetter. That devoted officer and public servant, who is being relieved after repeated requests that he be permitted to return to his own profession, and to sea duty, is among those who believe that the appointment of Mr. Jackson is a perfect illustration of the job seeking the qualified man.

WHAT HILLENKOETTER SAID

The new deputy's career has been set forth in this detail for two reasons. One was mentioned above—that there seems to be little public appreciation of the unusual qualifications of Mr. Jackson for the post or of his standing in the important groups where he has been active. The other is that the CIA has been much criticized, partly as an example of weaknesses in the entire intelligence establishment of the Government, and it is pertinent to point out that Mr. Jackson is in a special position to know which criticisms are valid and which are not.

One which has been made grows out of a statement ascribed to Admiral Hillenkoetter before an executive session of the Senate Appropriations Committee some time ago. He was being questioned as to whether his agency had given proper warning of the impending attack by the North Koreans that culminated at 4 a. m., June 25. A Senator, who obviously is not a good reporter, told the press the admiral had said his Agency did not evaluate its reports; it simply made them and let others figure out what they meant.

The fact, however, is that Admiral Hillenkoetter told the committee to the contrary. He said it was not the Agency's function to advocate, oppose, or make policy, but that it did interpret the meaning of its reports whenever made.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

Mr. MUNDT. Mr. President, in the midst of discouraging information which comes from Lake Success with respect to the manner in which the United Nations are being forced to function under the direction of Jacob Malik, and when we find that Russia has used its veto power more than four dozen times to defeat the peace-preserving programs of freedom-loving countries, I am happy to be able to report to the Senate that one important branch of the United Nations is working successfully in achieving constructive results.

I refer to the United Nations Educational, Scientific, and Cultural Organization, referred to by the initial of UNESCO.

I recall that shortly before the San Francisco Conference, at which the United Nations organization was born, it was my privilege, as a Member of the House of Representatives, to author a resolution calling upon the American delegates to the United Nations to try to establish there a division of the United Nations which came to be known as UNESCO, to bring into harness the forces of culture, education, and science among the member nations of the United Nations, for the purpose of creating a peace-preserving climate of mutual understanding and good will. That resolution, House Resolution 215 of the Seventy-ninth Congress, was adopted on the first day of the San Francisco Conference and communicated to our delegates there by long-distance telephone and by teletype. Through their efforts we were successful in having this recommendation included in the United Nations Charter, and the Senate confirmed the decision.

It is therefore an exceedingly happy occasion for me this afternoon, Mr. President, to be able to report to the Senate, from a news story carried in the New York Times yesterday, that it is indicated that UNESCO, meeting at its headquarters in the Majestic Hotel, in Paris, has taken a most important step in the direction of advancing the cause of freedom among the member countries of the United Nations. I am indeed proud of this constructive action.

Operating as it does without a veto, operating as it does under a formula of majority vote, the Executive Council of UNESCO is reported in the New York Times of yesterday as having voted unanimously to engage in a new six-point program, part of which is designed to acquaint the world with the fact that the United States military mission in Korea is being undertaken under the flag of the United Nations, as a part of the United Nations program to put down aggression.

I call to the attention of the Senate further that UNESCO has worked out two operational devices which the United Nations might do well to emulate. It has overcome two of the big roadblocks which persistently have prevented the parent United Nations Organization from achieving the ideals which were dreamed of for it by its creators. It has overcome the two major obstacles which have been preventing the successful and effective operation of the United Nations at Lake Success.

In the first place, UNESCO denies any country the use of the veto. It operates under the strict rule of majority vote. It is therefore a democratic rather than a dictatorial organization.

In the second place UNESCO has worked out a policy and a precedent whereby the representatives of any country sent to participate in the conferences of UNESCO or to serve on any of its commissions must be representatives who are acceptable to the state departments or governments of their respective countries. If we could get that reform adopted in the United Nations, so that

those for example who represent America at the United Nations would be only those who had been approved and accepted by our State Department, if we would deny to the United Nations Secretariat the right to select Americans for conferences or for commissions without consultation with our governmental authorities we would go a long way toward seeing to it that the work of the Secretariat of the United Nations and of the organization as a whole was carried forward in conformity with American principles.

Mr. President, in concluding I should like to call special attention to one of the steps being taken by UNESCO in this crucial hour. I read from the report in the New York Times.

3. To put at the disposal of the Secretary-General of the United Nations two specialists with instructions to cooperate with the United Nations Secretariat in order to assemble relevant documentation in connection with the United Nations action in Korea.

I am happy to say that resolution was adopted after it was offered by the United States representative to UNESCO, the Librarian of Congress, Mr. Luther H. Evans, who has insisted that UNESCO "can have no greater task than to uphold the United Nations as a defender of peace."

Mr. President, I am happy that UNESCO is carrying to the some 50 member nations of its organization the true story of the situation in Korea, which means, incidentally, that the story will be carried to two countries behind the iron curtain, because two of those countries are still members of UNESCO.

The VICE PRESIDENT. The Senator's time has expired.

Mr. MUNDT. Mr. President, I ask, in concluding, that the entire article in the New York Times of yesterday may be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNESCO PROGRAM ON KOREA IS VOTED

EXECUTIVE BOARD COMMITS UN BODY TO POSITIVE ASSISTANCE AND EDUCATION CAMPAIGN

PARIS, August 28.—The Executive Board of the United Nations Educational, Scientific, and Cultural Organization today unanimously committed the agency to a positive program in support of the United Nations action in Korea.

Despite some variances as to the proper function of UNESCO in the face of hostilities, members of the organization's governing body agreed to the terms of a resolution that had been hammered out over the week end by a special subcommittee meeting behind closed doors.

Today's action was essentially a reply to the resolutions previously adopted by the Security Council and the Economic and Social Council, both of which had requested the specialized agencies to give, within their competence, whatever help the unified command of the United Nations in Korea might require to assist the civilian population.

The board also responded to an appeal of the Economic and Social Council for aid in promoting the understanding and support of the peoples of the world for the action of the United Nations in Korea.

CONDEMNS ARMED ATTACK

The resolution as passed condemned by implication the "armed attack of which the Republic of Korea has been the victim." The Republic of Korea is a member of UNESCO. In an addendum the board specified what should be done by UNESCO in Korea under two headings, assistance and education.

Under the first heading, Director General Jaime Torres Bodet was authorized:

1. To send a mission to Korea to investigate the needs of the civilian population.

2. To provide educational supplies on an emergency basis if requested.

3. "To prepare in close liaison with the United Nations and other specialized agencies and launch a campaign in cooperation with nongovernmental organizations for assistance to the Republic of Korea in the field of educational, scientific, and cultural relief and reconstruction."

Under the second heading, the Director General is authorized:

1. To prepare in collaboration with the United Nations both written and audio-visual materials for use in schools, adult classes, and universities.

2. To produce and distribute these materials to the member states.

3. To put at the disposal of the Secretary General of the United Nations two specialists with instructions to cooperate with the United Nations Secretariat in order to assemble relevant documentation in connection with the United Nations action in Korea.

The latter provisions were in part a consequence of the insistence by the United States member, Luther H. Evans, Librarian of Congress, that the UNESCO "can have no greater task than to uphold the United Nations as a defender of peace," in other words, to run psychological interference for United Nations policy among the peoples of the world.

CONSISTENT UNITED STATES VIEW

Although the members of the executive board are elected, according to the UNESCO constitution, on the basis of merit and do not represent their respective governments. Mr. Evans' position reflects the view that has consistently been held by the United States delegations to the UNESCO general conferences.

Other delegates have felt that UNESCO's first duty was to education, science, and culture without any political implications, these being shunned as harmful to its universal mission.

Such a position was taken by the Indian member, Sardar Hardit Singh Malik, who declared that any incursion of UNESCO into the political field would threaten its integrity and utility.

CESSATION OF WHISKY PRODUCTION FOR THE DURATION OF THE KOREAN WAR

Mr. LANGER. Mr. President, I desire to introduce into the RECORD a news item from the New York Herald Tribune of August 17, 1950:

MAJOR DISTILLERS PUSH OUTPUT TO WARTIME RATE—STEADY EXPANSION SHOWN SINCE START OF KOREA WAR

Production of liquor by major distillers has been stepped up sharply in the last few weeks to a point where it is now reported to be at a rate equaling the wartime industrial alcohol output level of distilleries, according to liquor trade sources. Production in June, figures on which were released only recently, showed an increase of almost 5,000,000 gallons over the like month last year.

Since the outbreak of the Korean crisis, however, the production level has been lifted steadily. Although figures on the July production will not be available until next month, and the August figures not until early in October, unofficial reports indicate that July output was up sharply over June, and the August rate is running well above the July level.

Although inventories at the end of June had reached a record level, distillers are reported taking no chance of not having sufficient stocks on hand to carry them over a period of years in the event the international situation worsens and distilleries are again converted to production of industrial alcohol.

At the end of June, stocks of whisky in bonded warehouses amounted to 643,377,081 original gallons before allowances for leakage and evaporation, compared to 602,925,861 gallons a year earlier.

With warehouse facilities already taxed by the record inventories, distillers are reported to be making substantial investments in renting additional warehouse space in addition to the heavy investments in new whisky which must be laid away for aging.

Some in the trade are inclined to feel that a few distillers may have to cut back sharply on their production in another couple of months because of the warehouse problem, plus the amount of money that must be invested in the whisky which will not be sold for another 4 years.

According to this report, at the end of June stocks of whiskies in bonded warehouses amounted to 643,000,000 gallons.

Stocks of all classes of distilled spirits, according to Alcohol Tax Unit records, are in excess of 700,000,000 gallons. This is equivalent to a 10-year supply based on the rate of consumption during the past few years. This total can be compared with the highest quantity accumulated in reserve before World War II when stocks of distilled spirits reached the peak of 567,000,000 gallons and all production was stopped from 1942 to 1945, whereupon partial production was permitted.

In spite of this unprecedented accumulation of distilled spirits, the whisky producers are feverishly working on a 24-hour schedule piling up further stock. All these productive facilities should be diverted to more essential needs in view of the heavy burden already imposed on our economy by the defense program.

The Government should start immediately stockpiling alcohol, which is an essential war material needed for jet planes, smokeless powder and above all for synthetic rubber. The rubber industry has recently called the attention of the Government to the critical condition of their industry because of the inadequacy of existing supplies of natural rubber. The President has recently ordered the resumption of the manufacture of synthetic rubber by all those plants capable of utilizing petroleum for this purpose. Thanks to the whisky lobby the alcohol synthetic rubber plants are left idle. Instead of using up our precious oil reserves we should be using our surplus grain which nature can replenish.

Speaking of grain, I remember very well that before World War II one-half of all the rubber which was made in Germany was produced from grain. Apples taken from the orchards, oranges, and potatoes which could not otherwise be used were also utilized at that time for the manufacture of synthetic rubber.

We will need all the oil we can get, especially in view of the demands of the aviation industry for a higher octane gasoline.

If our supply of natural rubber should be cut off—either by submarine attacks on our shipping in the Pacific or by Communist-inspired strikes and destruction of the rubber plantations in the Far East through sabotage and civil war, we could be faced with a desperate situation. Our entire defense could be imperiled.

If we should have to feed our allies all over the world next year or the year after, and if we should ever have a crop failure, the danger would be increased. Instead of burning up grain now to pile up further unnecessary reserves for a panicky whisky industry which already has a 10-year supply, we should be building up a Government stockpile of alcohol for the needs of national defense.

How much money is the whisky industry pouring into its lobbying activities to prevent this necessary action, at a time when American boys are being slaughtered in Korea because of our lack of military preparation? An example of the misleading information fed to the press by the liquor lobby through one of its organs, the Licensed Beverage Industries, Inc., is illustrated by an article from the New York Times of August 14, 1950, headlined "Liquor Use for War Held Unnecessary."

Mr. President, I ask unanimous consent that the article may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIQUOR USE FOR WAR HELD UNNECESSARY—LBI SAYS INDUSTRIAL ALCOHOL OUTPUT RISE ELIMINATES UNITED STATES NEED OF GRAIN PRODUCT

Government need for industrial alcohol will not create a demand for the output of alcoholic-beverage industries, distilling executives held here yesterday. Conditions that preceded the last war no longer exist, and industrial alcohol produced from grain now accounts for an extremely small percentage of total output, it was explained. According to figures given out yesterday by Licensed Beverage Industries, Inc., industrial alcohol produced from grain since July 1949 accounts for less than 1 percent of total output.

A tabulation covering industrial production between July of last year and May of this year shows that 282,432,801 proof-gallons were made. Of this, 149,764,321 gallons were made from an ethyl-sulfate base and 93,874,563 from a molasses base.

This represented 53 percent and 33.2 percent, respectively, of total production. In contrast, industrial alcohol produced from grain accounted for only 2,190,328 proof-gallons, or 0.8 percent of the total output during the period covered, according to LBI figures.

Except for potatoes, grain was the smallest source of industrial alcohol during the 9-month period. Ethylene gas was used to produce 24,977,404 proof-gallons, sulfite liquors were used to make 3,291,392 gallons, and other miscellaneous materials were the source of 8,190,376 gallons.

The point distillers seek most to emphasize is that liquor production for beverage purposes is expending materials that would possibly be used later in creating a Government industrial alcohol stockpile. In view of ample supplies of other less expensive industrial alcohol bases, it was held that grain industrial alcohol production in volume would be needlessly extravagant.

Mr. LANGER. Mr. President, what this article fails to disclose is the fact that there is a tremendous shortage of industrial alcohol at the present time and it is being allocated by producers on a limited scale only to old customers. Manufacturers of ethyl-sulfate alcohol like Carbide & Carbon Co. are trying to buy alcohol abroad, not sell it.

As for molasses, this raw material is practically unobtainable. The largest producer of industrial alcohol, the Publicker Co., of Philadelphia, is now producing alcohol only from grain, being unable to buy any molasses.

How long are we going to permit the whisky lobby to feed us such lies as contained in this article in the New York Times? The truth is we should be stockpiling grain alcohol now for defense purposes. If we do not act now, hundreds of thousands of American lives may be lost later for lack of rubber. What is more important, more millions of gallons of whisky or the lives of our boys? Surely that is a question of great importance to the Senate, the Congress, and the country. I particularly ask Senators to study this question very carefully indeed.

Mr. President, while I am on my feet I wish to discuss another subject.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

RURAL ELECTRIFICATION

Mr. LANGER. Mr. President, 2 days ago considerable discussion took place on the floor of the Senate between the junior Senator from Montana [Mr. ECTON] and myself concerning the Shelby transmission line and the REA.

There has been much discussion the last few days about electric power transmission lines, generating plants, and the REA program. It brought to light once again the long struggle that has been evident to keep the people, insofar as possible, from benefiting from their electric power.

I am glad to say that by and large we have been able to beat down these efforts. I am particularly glad that the conference committee on the general appropriations bill recognized in its report the importance of the authority that REA has to make loans for power plants and transmission lines. We have all seen how one effort after another has been made to restrict this loan authority.

I see my friend, the distinguished Senator from Oregon [Mr. MORSE] upon the floor. How well I remember the vigorous fight the genial and distinguished Senator from Oregon has conducted for REA. He is one of the best friends REA ever had upon the Senate floor. I am sure many farmers in Oregon appreciate the fact that he has done much to bring light and power to their farms.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MORSE. I will say to my friend from North Dakota that I appreciate very much his kind remarks. I assure him that I agree with him completely in his stand not only on REA, but on the whole transmission-line issue.

Mr. LANGER. Mr. President, when the job has been tried out in the open, it has not gotten very far. But mostly the efforts to restrict this kind of loan have been slyly hidden behind innocent fronts. That is why the conference committee deserves to be highly commended. In straightforward language the Committee made it clear that it is not the intention of this Congress to place any restrictions whatsoever on the authority of REA to make loans for generating plants and transmission lines.

I know the farmers of the great State of North Dakota will join with farmers throughout the country in endorsing this action. We in North Dakota know what REA loans for generating plants and transmission lines can mean. Without these loans, rural electrification in North Dakota would have gotten nowhere. Without these loans, the rural electrification program would not have progressed anywhere in the country to the extent that it has today.

I say to the Senate that the farmers of America are in good shape today to meet whatever problems may grow out of the turbulent international situation. One reason they are in good shape is that so many of them have electricity to help them produce more with less manpower.

More than three times as many farms in the United States today have electricity as had it before World War II. In North Dakota 15 times as many farms have electricity today as had it then. All these electrified farms today are in a position to put power to work to produce more and to produce efficiently. Because of this tremendous growth in electrification the farmers of North Dakota represent a greater asset to their country than ever before.

Let me illustrate what electricity can do to increase the farm output and at the same time cut down on the amount of manpower needed. Two cents' worth of electricity will pump and carry all the water needed a day on an average farm in the Red River Valley. Seven cents' worth of electricity can milk a cow twice a day for a month. Electricity is new to our farmers but they are learning that it can be used as an income producer as well as a work saver.

This new hired hand is being put to work on hundreds of different farm chores. Almost daily the average farmer in North Dakota is finding new ways to utilize electricity. I have in mind farmers like John McAulay up at Grafton who uses as much as 2,800 kilowatt-hours of electricity a month in his farming operations, or Thomas Wisher up near Lawton who uses 2,000 kilowatt-hours, and the hundreds of men like John J. Dockter and Lester Van Beek near Linton whose monthly use of electricity totals more than 500 kilowatt-hours.

Yes; on some farm chores, 5 cents' worth of electricity will do what it would take a hired hand all day to accomplish.

All this comes down to one point. We have got to deliver power—and plenty of it—to the farmer, or he is no better off than he was 20 years ago.

In North Dakota there was practically no power for the farmer until REA lent our farmers the money to build their own generating plants and transmission lines.

Yet, there are some who will say that there is something sinister about the REA generation and transmission lending program. If there is anything sinister about all this, I would say that it is in the motives of those who are trying, and have been trying for so long, to keep REA from making these loans.

Power was so short in North Dakota that for many years rural electrification was at a complete standstill. Then in 1940 a group of co-ops in the eastern part of the State got a loan to build their own generating plant. Today these facilities are bringing electricity to 33,000 consumers. These people all live in an area which power companies considered unprofitable. Consequently, if it had not been for the power plant at Grand Forks these people would still be sitting in the dark.

That is the story in the eastern part of the State. The same thing is true all over the State. In the southwestern section, there was not any power either. The co-ops out there found the Dakotas Electric Cooperative at Bismarck. They worked out a plan that involved the Bureau of Reclamation, the Montana-Dakota Utilities and the cooperatives.

The $4,000,000 REA loan the new power cooperative got was used to build steam generating units and transmission lines. These facilities are integrated with the system of the Montana-Dakota Utilities and the Bureau of Reclamation. In fact, these facilities were built for the co-op by the power company which also will operate and maintain them.

The Bureau of Reclamation puts power into the power company system at one end—from Fort Peck—and the co-ops take it out at the other. The co-ops pay the Bureau directly for the power supplied them by the power company. They pay 5½ mills per kilowatt-hour for this power, about half the company's present rate for wholesale current.

I mention this set-up in some detail because it is so much like other REA loans that have been made in the last year or two to help farmers get power in other States. In the other cases, however—Missouri, Virginia, South Carolina, and Oklahoma—such loud criticism has been raised that one would think the Power Trust heaven had fallen.

I will tell Senators why. In North Dakota the farmers entered into an integration type of contract with a power company. In the other cases, the contract for power was with public power agencies. In other words, when farmers get their power direct from the public dams they helped to build, that is when the Power Trust begins to scream.

Mr. President, I want to pay public tribute at this time to Richard Dell, who at that time was REA allotment chief of funds for the States of North and South Dakota and Minnesota. He went with me to the State of North Dakota, where we had 23 meetings with the farmers of that State. He talked to the farmers and became familiar with their problems. If any man has done more than anyone else in respect to getting transmission lines and REA power in North Dakota, that man is Mr. Richard Dell, of the REA, here in Washington.

At any rate, the integration plan in southwestern North Dakota is giving 12,000 consumers better and cheaper electric service. Beyond that, our cooperatives will be able to add 25,000 new consumers to their systems within another year.

There we have another case where farm families in North Dakota got electric service because farmers could exercise their right to generate their own power and to build power lines to hydroelectric projects.

With the eastern and the western sections of the State taken care of, we still had the central counties in a power desert until about a year ago. At that time we completed plans for supplying power to the cooperatives in that area, and we got an REA loan to do the job.

The story in this case emphasizes again what I have been stating. Thousands of farm families would not get enough power or would be completely without electricity for several years until construction of the Garrison Dam, on the Missouri, is completed. Instead, however, they will now be able to get the benefits of modern living sooner and to a greater extent.

The Central Power Electric Cooperative of Carrington will soon be delivering electricity to them from a steam generating plant that an REA loan helped build.

That power plant represents the only power source available to the rural people in that area right now, because the commercial supplier from whom the cooperatives purchased their wholesale power can no longer meet the necessary load requirements of the farmer members.

Again, Mr. President, the Bureau of Reclamation enters the picture and offers great assistance to the rural electrification program in my State. It is going to let the cooperative deliver power from the steam plant over transmission lines which eventually will be part of the Garrison Dam power network, and which the Bureau will build in advance of the dam's scheduled completion in 1954. The proposal merely calls for construction of one portion of the Garrison project now, instead of later, and entails no additional expense. Congress last year specifically approved this plan.

The new steam generating plant will continue to be of great value there, even after Garrison Dam power is brought into the area. It will supply energy during seasons of the year when no secondary power will be available from Garrison Dam, and it can always be used to utilize vast amounts of dump power available at the dam, power which is of no value unless firmed up by power from a fuel-burning plant.

The central member cooperatives alone now serve 16,000 rural consumers. As soon as the steam plant goes into operation, another 10,000 rural North Dakotans will be added to their lines, people who without the REA loan would never have electricity.

As I have said, every section of North Dakota knows exactly what the REA authority to make generation and transmission loans means. We know, because without those loans electricity would still be a luxury that only some persons could enjoy.

Mr. President, I want every Senator who is interested in the Rural Electrification Administration to know that in our State we have gotten $28,372,000 in generation and transmission loans for North Dakota rural electric cooperatives. Every cent of it has been vitally needed to accomplish a most important job to all the people of the State, farmers and townspeople included. Only three other States have received more generation and transmission loans than has North Dakota. That shows just how severe the power supply problem was in our State, and what a big job we have had to do.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield to my distinguished friend the Senator from Oregon.

Mr. MORSE. The statistics the Senator from North Dakota is giving are most significant. In the Senator's opinion, would the same amount of power have been made available to the farmers of North Dakota if we had left the generation and distribution of electric power entirely in the hands of the private utilities?

Mr. LANGER. Not at all, because before the REA was established, even though the farmer was only four or five poles distant from the power line owned by a so-called public utility, the public utility would charge anywhere from $1,000 to $1,500 merely to connect the farmer's house to the transmission line, and even then the power company would still own the poles and the wires. I could cite to the Senator an almost unlimited number of cases of that sort.

I may say that North Dakota was the first State in the Union to adopt the Rural Electrification Administration program, because of course the Federal act was of no value unless the program was adopted by the States. In North Dakota, at Kindred, we have the second rural cooperative organized in the United States.

Mr. President, North Dakota had a long way to go in rural electrification. Back in the mid-thirties, only two out of every hundred farms had electricity. That answers the question my distinguished friend from Oregon asked me a moment ago.

The going was rather slow for many years, but since 1945 we have been "going to town" and in a few more years we shall have the job practically done. We shall complete in about 6 years what it took the rest of the country better than 15 years to accomplish.

That has been a huge task. I have personally given it my constant attention. I have held meetings with farm people all over the State to help them work out their rural electrification problems. A year or so ago, in company with Mr. Dell—of the REA, in North Dakota—I held 23 meetings in a week's time, in order to give the thousands of farmers who came to those meetings the facts about how they could get electricity.

Up to the middle of this summer, REA loans of all kinds for North Dakota

amounted to $95,548,000. That includes loans for distribution lines as well as loans for the generating plants I have mentioned. All of this is "doing a job" for our people, and all of the loans will be paid back with interest.

Mr. President, I wish to call the attention of other Senators particularly to the fact that already the North Dakota cooperatives have paid more than $2,000,000 on their REA loans, and I suppose a similar experience has been had in most of the other States. Of this amount, nearly $80,000 has been paid ahead of schedule. That shows how we progress in North Dakota.

Mr. President, I call particular attention to the fact that in North Dakota the payments are nearly $80,000 ahead of schedule. I mention that because of the fact that time and time again Senators have risen on this floor and have objected to the use of funds for REA loans, classifying them in the category of appropriations, although Senators who favor the REA program have made it clear that the money is to be returned, and is being returned at a fast rate.

Today we are looking forward to making the same kind of progress with the rural telephone program that we have made with the REA program. In our section of the Nation, good telephone service probably is more important than it is in any other section. Our farmers have fought for years to get that kind of service, but until now they have gotten nowhere. Now with the experience we have had in rural electrification, and with an REA program to help us out, we are getting set to do a real job. Within the past 6 weeks I have received more than 1,000 letters on this important matter, the telephone program, from individual farmers all over the State.

Mr. President, again I wish to call the attention of the Senate to the fact that the allocations relative to the important telephone program all over the United States are in the hands of the same Richard Dell, the friend of the farmer, who is in the REA organization.

It is difficult to comprehend the tremendous benefits that the rural electrification program has given not only to the farmers, but to the country as a whole. We are all living better and eating better because of them. The farmer, who necessarily is the backbone of the Nation's economy, has used electricity to revolutionize agriculture as we knew it 20 years ago. With the electric power that once was denied him, he is strengthening the Nation by producing more and better food; and with electricity, he is doing it with a minimum of manpower, a major factor in times of emergency like this.

But these benefits were fought for every step of the way, and in the face of fierce, and sometimes crippling, opposition from selfish interests who were content to see the people of rural America sit in the dark.

From the beginning of REA, the Power Trust—with those who like to speak in its behalf—has been quick to oppose the program at every opportunity. But in all the years, I have difficulty in recalling a time when the fight was as insidious and as persistent as it has been the last year or more.

Apparently no effort and no expense are being spared in the all-out drive to keep the farmer from challenging the power monopoly.

The propaganda campaign is vicious. Scare words and catch phrases—all intended to put the fear of God in the citizenry—mysteriously show up in every community that is served by a power company.

Mr. President, I wish to draw attention to another fact, and it is an important one. Whenever a so-called liberal or progressive Senator is a candidate for reelection—whenever a man such as the distinguished junior Senator from Oregon [Mr. MORSE], who has fought for the farmers of Oregon and who has fought for the farmers all over the United States in getting REA, comes up for election, what do we find? We find the Power Trust and all those who are lined up with it fighting him, just as they fought my distinguished friend from Oregon a few weeks ago when he was a candidate at the primary election. They fight him because they are afraid of him and because they know they cannot influence him.

I repeat, the propaganda campaign is vicious. Scare words and catch phrases, all intended to put the fear of God into the citizenry, mysteriously show up in every community that is served by a power company.

Actually, what the Power Trust really fears is not the socialization of the utility business, which is described in high-priced advertisements, and which everyone knows will never happen. It is the prospect of losing control of the sources of power.

First of all, the fight was to block the development of public power. When this failed, the entire effort was to get control of the power which the people had developed through their public projects.

In rural electrification, the fight in the beginning was to block development of farmer distribution cooperatives. When this failed, the effort shifted to control the wholesale power which the co-ops must have.

It is easy to see that if REA could not make loans to farmers to build generating plants or transmission lines, the farmers would be utterly helpless in getting power at a fair price.

Those of us who were attempting to get rural electrification under way 10 or 15 years ago can remember what a job it was to get wholesale power. In many areas, the companies began by asking all that the freight would bear for their wholesale power. Some were guilty of delaying tactics, to harass the farmers who were trying to get new co-ops going. Others insisted on restrictive clauses in the wholesale power contracts.

Such things caused many cooperatives, out of sheer necessity, to go into the generating business, even before the growth of farm consumption of power became the major problem.

I sincerely hope that the power industry is more enlightened than it was 10 or 15 years ago. But frankly I have little confidence that a group of farmers lacking the right to generate their own power could ever get very far in bargaining for reasonably priced power. If farmers were ever prevented from getting loans from REA, it is not difficult to guess who would be in the driver's seat.

That is the issue in rural electrification today as it has been the issue for 15 years. At last the farmer has power to bargain for his electricity. We have got to keep it that way. At last, the farmer has the right to say how much he will pay for his electricity. So, all of us can have confidence that rural electrification will continue to lift our agriculture to even greater heights of achievement.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. MORSE. Mr. President, I wish to place myself on record in favor of the O'Mahoney-Connally excess-profits tax amendment. I have listened diligently and carefully to a great deal of the debate on the floor of the Senate, and I have read in the CONGRESSIONAL RECORD all the debate up until the beginning of the session today. I want to say that I think there is a great moral issue involved in connection with this amendment, which the Senate of the United States can ill afford to ignore.

I think that moral issue can be stated in this way: That it is the clear moral duty of the Congress of the United States to give assurance to the men whom we are calling up in the service to fight this war—and we are at war—that they are going to be backed up economically on the home front. We should assure them that excess profits resulting from this war will go into the Treasury of the United States starting right now. We owe it to them to tax excess profits to pay for as much of that war as possible rather than let people make money out of this war.

I have listened to some of the arguments based upon the fear that we may be doing some great harm to business by adopting an amendment which, when boiled down to its very essence, simply establishes the principle in the tax law of this country that wartime excess profits shall go into the Treasury of the United States, not into the pockets of those forces who would seek to benefit excessively at the expense of the boys who are fighting this war. That is a moral issue. It is a moral issue which the American people understand, too. If there is any Member of this body who does not think they understand it, he is going to be educated on that moral issue when he gets back home in the not too distant future. I am willing to say here in the Senate tonight that I am satisfied there is one thing about which the American people are not confused, and that is that the Congress of the United States must take the profit out of this war. It cannot be done except through an excess-profits tax. I want to state that I was not moved to tears by any of the arguments I heard on the floor of the Senate yesterday or today by

those who are opposed to the O'Mahoney-Connally amendment. But I want to say that I have been deeply saddened in heart to think that we even have a difficult problem of passing an excess-profits tax law through the Senate of the United States. With boys being drafted into this Army of ours today, who are hour by hour making the supreme sacrifice in order that the system of government which we represent as we sit in the Senate may endure, there should be no question about passing an excess-profits tax.

All the arguments, Mr. President, about the damage that the passage of this amendment might conceivably do to some company that would have to be making very high profits before the tax could ever be applied, leave me cold. Not only that, but they leave me perplexed, Mr. President. They make me wonder just where we are going in America, when there is even any hesitancy on the part of the Senate of the United States to adopt, through this amendment, the principle of an excess-profits tax and then proceed at a later date, if action is necessary, to rectify any clear injustice that can be shown subsequently to be produced by the amendment.

The opposition to the amendment is being hard-pressed now because, in the view of the junior Senator from Oregon, the fact that the American people see this as a great moral issue, and the fact that the American people have crystallized their judgment in support of this amendment, are beginning to permeate into the Senate of the United States.

We heard an argument this afternoon upon the floor of the Senate that the strategy of the opponents of this amendment is to give assurance that if we pass the bill now, without an excess-profits-tax provision in it, and go home, then in January the committee will proceed to give further consideration to the problem and will come forward with some provision on excess profits and make it retroactive as to some date. There seems to be a little question among the proponents of this diverting tactic as to whether the retroactive date should be October 1 or July 1. Let us get the record straight on that one, Mr. President. That assurance is not even worth the air it takes to pronounce it out of the throats of the pronouncers, because those pronouncers know they cannot give an assurance of this kind that will have any binding effect at all. So let us nail that one for what it is. It is the offer of an out for those who want some kind of an alibi or rationalization that they can present to the voters when they get back home for not voting to pass an excess-profits tax at this time.

Believe me, Mr. President, the voters are going to ask the opponents of this amendment about it, and they should. Senators who are using this diverting, alibiing tactic of delay know very well that there will be an election between now and next January. I do not think anyone can predict the outcome of that election, Mr. President. Therefore, if we assume for a moment that the majority of the Senate would change from one party to another—and let me say that I hope it will, because if there is anything this administration has demonstrated by its fumbling and bumbling record in connection with international policy in recent weeks, it is the need for a new administration. [Applause.]

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Let there be order in the Chamber.

Mr. MORSE. Mr. President, may I say good-naturedly that applause from Republicans almost stopped me.

I do not know how we can possibly eliminate from positions of control men who ought to be eliminated in the public interest, save and except by a change of administration in November, so far as the Congress is concerned. I am inclined to believe that such a mandate from the American people would cause some persons high in the administration to turn their backs on people on whom they should have turned their backs a long time ago.

But, Mr. President, there are other reasons why the proposers of this "out" by way of postponing action on the amendment cannot deliver under those assurances. They have not any way of assuring the Senate of the United States that even the personnel of the committee will be the same next January. They do not have a single certainty, Mr. President, within their control on which they can rest the assurance that they are seeking to offer the Senate. So why not be frank about it? They just do not want to agree to this amendment. They want to leave the matter hanging fire to permit some selfish, greedy interests in this country to continue to make immoral profits.

I say immoral profits, because, believe me, Mr. President, having laid down my premise that there is a moral issue involved, I move to the next premise, and that is the making of excess profits out of a war and putting those profits in the pockets of industry rather than in the Treasury of the United States is an immoral act. It cannot be reconciled with the high principles of morality, spiritual values, and democratic ideals we should be fighting to defend.

I think, Mr. President, that as the representatives of the people and the guardians of our system of government within the power and jurisdiction of the Senate, we have the duty to rise to this moral obligation which rests upon us and to pass an excess-profits tax now.

Let me say, as a member of the Johnson watchdog committee, that I have already learned enough in regard to what is happening in this country in relation to war matériel to say that there can be no question as to the need for an excess-profits tax. Without disclosing the specific information on the floor of the Senate, Mr. President, I want to say that there have been increases of 300 percent and more since the outbreak of the Korean war, in some materials vital to the war effort.

I understand, Mr. President, the weaknesses of human nature. I understand that I should not be too shocked by greed, because that has been the record of war profiteers throughout our history. But I am shocked, Mr. President, that the Senate of the United States has to indulge in a prolonged debate about doing something about it in the form of the passing of an excess-profits tax that would serve, at least, as somewhat of a check upon such greed and unconscionable conduct; yes, unpatriotic conduct. I say on the floor of the Senate this afternoon that in each and every case in which any industry or the owner of any property or material needed for this war effort has increased his prices unnecessarily from the standpoint of meeting his cost of operation, not only 300 percent, but any percent beyond a reasonable increase in accordance with increases in cost of his operations, is guilty of an unpatriotic act. I think the time has come in America when we must name profiteers for what they are. I happen to be one who does not propose to stand by and see American boys called into the armed services to make the supreme sacrifice, and treat with kid gloves the profiteers who are making themselves rich on the expenditure of the blood of those boys. Profiteers are unpatriotic, and I think they ought to be disclosed to the American public for exactly what they are.

I was told this morning by a very humble but patriotic and fine American citizen, who has been working in a department store in another part of the country that very recently she was assigned the job of marking up the price on a quantity of women's dresses. The dresses had been purchased for the fall trade last April and May. They were delivered for the fall trade to the store in July and August. They were then marked for the fall trade so that the markings and tags would be on them when they were moved onto the floor for the fall trade. When first marked, to use one example—and she gave me a series of examples, but the changes in price were about the same—one large quantity of dresses was marked $29.75 per dress. A few days ago the manager of the store told her that they would have to be remarked by upping the price $10 per dress. Mind you, Mr. President, these dresses were bought last spring at prices fixed last spring, and paid for last spring. It was considered by the management that on the basis of the price the store paid for them, a fair retail price of the dresses would be $29.75. However, he ordered a $10 increase, apparently in order to take advantage of this inflationary spiral, which has started upward so fast since the Korean war started. She said, "Senator, I was only part way through with the marking when he came back to me and said, 'You have to start over again and mark them up another $5.' "

It is a simple little example of what is going on in America by way of profiteering. The American people are looking to us to do something about it, and they have a right to look to us. If we do not do something about it, certainly they will ask us when we get back home why we did not do something. I think the records had better be straight when we start to answer the questions.

No, Mr. President, we cannot run away, and should not run away, from the great moral issue which is involved

in the excess-profits tax amendment. The issue is whether or not we are going to draft also the high profits of America to fight the war, or whether we are going to draft and expend only the lives of American boys.

The question is whether or not we are going to attempt to pass to future generations of America the bill we ought to pay now.

Mr. President, let me make another point. Our failure to pass an excess-profits-tax law will play into the hands of some groups in America who will use the increase in inflation as a claimed justification, in turn, for being the cause of further inflation. I refer, of course, to what I think is in the offing if we do not stop the inflationary climb. It is the demand of labor for substantial increases in wages. I have gone through this fight before. I fought the battle of inflation before. During the war, when I was on the War Labor Board, as the RECORD will show, I opposed the second across-the-board general wage increase demand, I opposed the third one, and I opposed the fourth demand. I made the argument then, as I repeat it this afternoon, that inflationary wage increases only lessen the real wages of American labor, that inflationary wage increases only lessen the value of the dollar which the wage earner takes home, and that inflationary wage increases are a disservice to the worker.

Mr. President, we have to look at the cause of wage increases, and if we do not drain off excessive profits, if we do not impose high taxes during this period of emergency, if we do not use a large share of the income of this country for the payment of the war, we are going to jeopardize the soundness of our economy itself.

I just cannot understand the attitude of that small group of businessmen who oppose this proposal. Let me make it perfectly clear that I do not think that opposition to the excess-profits tax comes from American business as a whole. I have said that it is my honest judgment that the great and overwhelming majority of the American people want to adopt the principle of an excess-profits tax. I am equally satisfied that an overwhelming majority, and a very large overwhelming majority, of American businessmen want to adopt the principle of an excess-profits tax, because they see that what we are doing is, after all, fighting to save the American economy itself.

Mr. President, there will be no capitalistic system for any of us if we let this economy of ours collapse. We have a great duty, to put in these inflationary checks now, and I do not think anyone has successfully answered the Senator from Wyoming [Mr. O'MAHONEY] in respect to the argument he has been driving home that this excess-profits tax amendment will help check inflation. I think it will help disarm, argumentatively, those groups in American labor who think they have any right to make use of the present emergency for another round of wage increases.

Mr. President, I shall oppose that round of wage increases just as long as I can oppose it on the facts, but, of course, if we permit prices to get out of hand, if we permit selfish industrial groups in this country to make unconscionable profits out of the war, then it is automatically going to follow that no one can justify saying to American labor, "You cannot even have an increased number of cheap dollars, dollars cheap in value, to meet the daily increases in costs of living which the inflationary increases have brought down upon us."

It is not possible, in this economy of ours, to give preferential treatment to one segment of the economy and not cause an imbalance throughout the economy. It is not possible to permit certain selfish groups in this country to increase their prices up to 300 percent and more, as they have been doing since the Korean war started, and not feed the whirlwind of inflation unless we are willing to impose an excess-profits tax.

Mr. President, I therefore say on this issue that I place myself on record in favor of the O'Mahoney-Connally excess-profits tax amendment, because I think it is morally the right thing to do, because I think it is the just thing to do, because I think it is essential for national morale. Our national morale in America needs a little attention. We might just as well face the fact that the confusion which exists among our people today has been injurious to national morale.

I believe national morale would be greatly strengthened in America if Congress foresightedly, courageously, as it comes to the close of the present session, adopted the principle of an excess-profits tax in the form of the O'Mahoney-Connally amendment, and then proceeded, upon its return in January, to make any corrections in it, any improvement in it, which experience under its operation might demonstrate were needed.

SENATOR GRAHAM, OF NORTH CAROLINA

Mr. President, I think it is particularly fitting, as I close my remarks on the question of the excess-profits tax and the moral issue involved therein, as I see it, to read the words of a very great living American, and pay a brief tribute to him for his public service, in view of the fact that he is shortly to leave this body. His public service, his life, his demonstrated devotion to the ideals of democracy as I have observed him, all stamp him as having a rich understanding of the meaning of the moral principles of democracy, and of the spiritual value of our system of self-government.

Before he came to the Senate of the United States, in answer to a criticism of him which was made on the floor of the Senate, I said I considered him to be the most Christ-like man I had ever known. I repeat that laudation. I know that as a result of the rich experiences which many of my colleagues in the Senate have had with this statesman in the short time he has been a Member of the Senate, I now have supporting witnesses who would testify accordingly as to my high estimation of this great American.

Mr. President, I wish to introduce my comments upon him by reading a paragraph which I think is rich as literature, but richer still in respect to its implications relating to great ideals which I think it would be well for the American people to ponder in this great hour of national crisis. Listen to these words, because the implications, the connotations, cannot help but make one better for having heard or read them. This great American wrote recently:

> In spiritual faith and the American dream—where respect for the past is not reaction and hope of the future is not revolution—where the integrity of simple people is beyond price—this is America.

Mr. President, the words I have just spoken were penned by a true liberal and one of the finest statesmen that the great State of North Carolina has ever sent to the United States Senate.

It was to the people of his own State in particular that FRANK PORTER GRAHAM, distinguished Senator from North Carolina, wrote his message, "This Is America"—but his words are a restatement of the priceless heritage of all Americans, and a pronouncement to the world. Although written in the wake of political defeat, his words, which I now ask be written into the CONGRESSIONAL RECORD, are words of victory and of challenge that will live in the hearts of men and women of generations to come. He wrote:

THIS IS AMERICA

In spiritual faith and the American dream, America is being made safe for democracy without vulgarity, differences without hate, and excellence without arrogance; where men become brothers in the sight of God and in the human heart; where the opportunities of the children in homes and schools are the chief hope of a nobler society; where enduring progress in human relations is made through religion, education, and voluntary cooperation in the minds and hearts of the people; and where the struggle for the fulfillment of our historic Americanism is the best answer to fascism and communism in the present global struggle against totalitarian tyranny for freedom and peace in the world.

In this America of our struggles and our hopes, the least of these our brethren has the freedom to struggle for freedom; where the answer to error is not terror, the respect for the past is not reaction and the hope of the future is not revolution; where the integrity of simple people is beyond price and the daily toil of millions is above pomp and power; where the majority is without tyranny, and the minority without fear, and all people have hope. This is America. God bless America.

I say, Mr. President, that this writing by the Senator from North Carolina is great American literature, as well as an accurate representation of the hopes and the aspirations and the ideals of the democratic way of life.

What will be a loss to the Senate of the United States, Mr. President, when FRANK GRAHAM no longer participates in the deliberations of this body, can only be the gain of those associated with him in whatever new endeavor he undertakes.

Never since the founding of our Republic has there been a greater need for men and women consecrated to the American ideal to serve the cause of justice, honor, righteousness, yes, of freedom itself. Never has the need been more urgent for men of vision to interpret to a confused people the meaning of our times. For these are at once the most enlightened days of the age in

which we live, and the most hazardous in our march toward moral economic and spiritual freedom.

With the first yearnings of the oppressed of the Old World to flee from tyranny and religious domination and establish a nation in the Western Hemisphere, we have seen the conscience of mankind fanned into flame, and it has burned inexorably in the efforts of Americans in every walk of life and of every race, creed, and color, to find and maintain their places in the sun. Nothing can stay this moral advance in an atmosphere of freedom under law.

Never in the long centuries of recorded history has any people, in such large numbers, enjoyed the product of human ingenuity and scientific achievement applied to the needs of man. In the short span of 200 years, and commensurate with the burst of moral and spiritual freedom that has been vouchsafed to Americans by the Constitution of these United States human drudgery has been taken off the backs of men and assumed by the inanimate machine and the scientific tools of labor. Not alone are the social, educational, economic, and cultural horizons of Americans being pushed back, but through the advance of scientific thought and consecrated endeavor on the part of our men and women in white, the very life span of man is increasing beyond the proverbial threescore years and ten.

We are indeed standing at the threshold of new and more wonderful discoveries that will inure to future generations of Americans convicted in the principles of our Constitution and our democratic way of life.

From this pinnacle of achievement we must take account of the terrain around us, for treacherous indeed is the way of the standard bearer of freedom in a world war-torn and war-weary, yet powerless to lay down its arms in the presence of a new and more cunning aggression that has terrified the world.

The terrible paradox obtains that despite the existence of a world body of nations sitting in constant vigil, the need is upon the United States of America to be its brother's keeper and again send American youth to battle in foreign lands for a cause they do not espouse.

There is the staggering debt upon us that involvement in two world conflicts has brought, together with Government controls, restrictions, rationing, and military censorship—not common to the American way of life—but which must accompany national mobilization, if we are to win the war on the economic home front as well as on the foreign military front. There is the startling prospect that to the programs of civilian defense and home preparedness must be brought an elderly army of men and women—those beyond the age of productive effort, if not already in retirement—to work on the home front to save America for the future.

With more and more of our productive manpower, genius, and strategic materials going to, shall I say, the "world effort," there is the possibility of prolonged curtailment of the high standard of living which has long characterized our way of freedom and is the envy of the world.

Foremost of all problems on the home front, we have the frightening spectacle of the arch enemy of democracy using the very channels of freedom of speech, freedom of the press, and freedom of choice as agents of propaganda to overturn our way of life, pervert the principles embodied in our Constitution, and turn American brother against American brother.

And so I repeat, Mr. President, that at no time in the history of our Nation has there been a greater need for men of consecration to the American dream, that dream which the distinguished gentleman from North Carolina [Mr. GRAHAM], so brilliantly set forth in his message to the people of North Carolina. Never has the need been more urgent to instill in the minds and hearts of our citizens and the millions of our students in schools and colleges, their responsibility not alone to preserve our way of life, but to make it dynamic and workable here at home among us all, among the workers in our homes, shops, mines, mills and factories, the great industrial plants and on the farmsides that dot our land.

May we recall the portentous words of Nehemiah in summing up the effort of his people to close the wall at Jerusalem, withstanding as they did every subtle and crafty suggestion at the hands of Sanballat and others to come down off the wall and forsake the building. "They that builded on the wall and they that bare burdens, and those that laded, everyone with one of his hands wrought in the work, and with the other hand held a weapon" (Nehemiah 4: 17).

The weapon we each must hold, Mr. President, is deep conviction in the American ideal.

The fulfillment of our historic Americanism—

To use the words of the distinguished Senator from North Carolina [Mr. GRAHAM]—

is the best answer to fascism and communism in the present global struggle against totalitarian tyranny, for freedom and peace of the world.

CHURCHILL SAYS WAR SUPPLIES ARE BEING SHIPPED TO RUSSIA—VETERANS, WORKERS, FARMERS STOP COMMUNISM

Mr. MALONE. Mr. President, during the first Marshall plan debate in early March 1948, I called attention to shipments made under existing trade treaties between Marshall plan countries or countries in Europe destined to become Marshall plan countries, and Russia and satellite countries.

At that time the countries for which the Congress set aside $17,000,000,000 for a 5-year program, had made several trade treaties with Russia and with the iron-curtain countries, and were preparing to ship or, as a matter of fact, already had shipped, large quantities of goods, war matériel, thus permitting Russia and the iron-curtain countries to consolidate their gains in eastern Europe and to prepare for world war III with the United States.

MANUFACTURING IN TRANSIT RATE

At that time I said:

It occurs to me—after my research staff secured the information that the empire-minded nations of Europe, such as Great Britain, France, the Netherlands, and Belgium, have completed industrial treaties with Russia—that much of the material which we are sending to those nations can be compared with cattle coming off the Nevada ranges and being fed in transit—on the way to market—the same rate applying to market. In this case we are applying a manufacturing-in-transit rate on commodities which will go on to Russia. That is where much of the goods, furnished by our money, will finally go.

Mr. President, I had in mind just what has happened, according to the record, under those trade treaties, namely, that we have shipped those commodities to the Marshall plan countries, following the adoption of the Marshall plan in March 1948. Much of those goods including the war matériel did go directly to Russia or to the iron-curtain countries.

WAR EQUIPMENT

The materials shipped under those trade treaties included tool steel, electrical equipment, heavy machinery, farm machinery, excavation machinery; as a matter of fact, they included nearly every kind of machinery and goods necessary to help those countries to prepare for world war III with the United States of America, and to permit Russia and the iron-curtain countries to consolidate the gains they had made in eastern Europe.

WANT TO REMAIN NEUTRAL—BEVIN AND WILSON

On that date—March 5, 1948—I also called attention to the statements made by Mr. Bevin and Mr. Wilson, statements which were well known at that time. Mr. Bevin, of course, has been a very prominent member of the British Government, and Mr. Wilson was head of the British Board of Trade at that time.

Prior to that date they said that Britain wanted to trade with Russia and wanted to remain neutral. Note, Mr. President, that they said Britain wanted to remain neutral. They said that Britain wanted to be the bridgehead—that was the exact word they used—between the Soviet Communist government and capitalist government of America.

Mr. President, those statements quoting Bevin and Wilson, were made by me on March 4 and March 5, 1948, prior to the adoption of the Marshall plan, when the debate on that plan was occurring here in the Senate.

In my further remarks at that time I said:

I think perhaps they are in a fair way to do just that. Their interests are with Russia, since they are primarily processors and manufacturers of goods, as we are in this Nation, while Russia can furnish mainly the necessary raw materials.

TRADE TREATY—ENGLAND AND RUSSIA

Mr. President, at that time I submitted, and had printed in the CONGRESSIONAL RECORD, a list of materials covered directly in the trade treaty made between the United Kingdom and the U. S. S. R. Some of the materials covered under that treaty were 1,100 narrow-gage 75 millimeter locomotives; 2,400 flat trucks, 750 millimeter—in other words, railroad cars—2,400 winches, 2 and 3 drums; 210 excavators; 54 caterpillar loading cranes, Diesel types, in substitu-

tion for an equivalent number of excavators; 250 auto-timber carriers; 14 tugs; 4 dredges; 200 units of locomobiles; 150 50-kilowatt mobile diesel electric generators; 24 steam power turbine stations, 500-kilowatt; plywood equipment in the value of 1,050,000 British pounds; timber-mill equipment in the value of 400,000 British pounds; scientific and laboratory apparatus in the value of 150,000 British pounds; ball mills for copper-ore grinding; ball mills for grinding apatite; rod mills for grinding ores; 3 railway steam cranes; 48 154-kilovolt voltage transformers; 10 sets of oil-purifying apparatus; 300 electric motors, 100 kilowatt; and so forth.

Mr. President, I could continue reading the list of that material and equipment; but for the present suffice it to say that most of that equipment is very difficult if not impossible to secure in wartime, and is equipment which is necessary to fight a war.

1947 TRADE TREATY—BELGIUM AND RUSSIA

I wish to call attention to a further trade treaty made, not following the debate on the Marshall plan and adoption of that plan, but prior thereto. The evidence before the Senate at the time when the Marshall plan was debated and adopted showed that a trade treaty between Belgium and Russia, made in the fall of 1947—and all this material and information is set forth in the CONGRESSIONAL RECORD as of the time when the Marshall plan was being debated in the Senate—included the following. I shall read at this time just a few of the items covered by that treaty:

TRADE AGREEMENT NEGOTIATED IN FALL OF 1947 BETWEEN RUSSIA AND BELGIUM

Belgium will export to Russia the following: 50,000 tons steel, unspecified amount of copper, unspecified amount of dump cars, 3,000 to 5,000 tons of tin.

Mr. President, recently in the Senate we have been discussing copper; it has been discussed to a considerable extent within the last few days. It is also important to note that that trade agreement between Russia and Belgium called for the exportation from Belgium to Russia of 3,000 to 5,000 tons of tin, something which is very hard to get, something which we do not produce in this country.

I read further:

Belgium will export to the Soviet military government in Germany, by a treaty signed November 10, 1947, of 1 year's duration: 300 tons semimanufactured and alloys of copper, 25 tons of tin oxide, 10,000,000 Belgium franc's worth of miscellaneous machinery and machines, 400 tons of zinc powder, 60,000 tons of phosphate fertilizer, 40,000 tons of superphosphate, 500 tons of rubber.

Mr. President, all this information was available to the Senate at that time, in March 1948, prior to the passage of the original Marshall plan.

The debate which occurred in the Senate at that time shows that the Senate took very little stock in the meaning of those trade treaties, and it was stated emphatically that the Director of the Marshall plan, or of the ECA, as it is called now, would be called upon to stop such shipments if they were actually being made.

DIRECTOR ECA DID NOT STOP SHIPMENTS—WALL STREET JOURNAL DISPATCH QUOTING CHURCHILL

I want to say the Director has not stopped such shipments. They are continuing at this moment. In that connection, I call attention to a dispatch in the Wall Street Journal of August 30, 1950, headed, "ECA-financed machine-tool plants shipping output to Russia and her satellites, says industrial official." In part, it says:

West Germany machine-tool plants, financed with ECA funds, together with plants in other western European nations, are shipping machine tools to Russia and her satellites. Tell Berna, general manager of the National Machine-Tool Builders Association, asserted here.

The statement of Winston Churchill that British machines are moving the Communist-dominated countries is only part of the story, Mr. Berna said.

He declared the "picture doesn't make sense—but those are the facts, and that is the way it has stood for 2½ years."

Mr. President, every one in the Senate is familiar with the dispatches which have recently been coming from London. Mr. Churchill has made several statements that this is exactly what is happening. In other words, the tools and the machinery that we have furnished to the Marshall-plan countries with ECA money are being used to produce the machine tools which are in turn going to Russia and the eastern European countries. The dispatch further says:

England, France, Italy, and West Germany, all recipients of American financial assistance under ECA, are shipping machines to Russia or satellite countries, he charged.

He goes on to say that a large part of the products of this machinery in Russia is finding its way into Korea at this time. I ask unanimous consent to have the dispatch printed in the RECORD at this point as a part of my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

ECA-FINANCED MACHINE TOOL PLANTS SHIPPING OUTPUT TO RUSSIA AND HER SATELLITES, SAYS INDUSTRY OFFICIAL

CLEVELAND, August 30, 1950.—West Germany machine tool plants, financed with ECA funds, together with plants in other western European nations, are shipping machine tools to Russia and her satellites, Tell Berna, general manager of the National Machine Tool Builders Association, asserted here.

The statement of Winston Churchill that British machines are moving to Communist-dominated countries is only part of the story, Mr. Berna said.

He declared the "picture doesn't make sense—but those are the facts, and that is the way it has stood for 2½ years."

England, France, Italy, and west Germany, all recipients of American financial assistance under ECA, are shipping machines to Russia or satellite countries, he charged.

"In Italy, ECA helped to finance machine-tool production on behalf of postwar rehabilitation," he said. "But today there are more manufacturers of lathes and vertical drilling machines in Italy than there are in the United States."

He suggested that the Russian market is the answer to this excessive capacity in Italy.

"In west Germany, where the revival of the machine-tool industry is part and parcel of the recovery program financed by American taxpayers' money, machine tools are being built for shipment to the satellite nations in the Russian orbit, under permit from the American military authorities."

In Offenbach, for example, horizontal boring mills are being built for shipment to Poland, and in Frankfurt grinders are being built for shipment to Hungary, he said.

"For all we know," he said, "the tanks and guns used today by the North Korean army may have been made on machine tools produced with the aid of ECA money. Mr. Churchill has called international attention to a situation which cries for immediate corrective action.

"If we have in fact an Atlantic Pact for mutual defense, why should not our allies in this pact observe the same precautions which our State Department has long since ruled imperative with respect to the United States?" he asked.

"In fact, our State Department recently held up the export of certain American-built machine tools to Italy, France, and Sweden on the ground that the products made on those machines might get to Russia," he added.

The situation has been discussed by the NMTBA with the State Department, the Department of Commerce, the National Security Resources Board, and various heads of the Armed Forces without result, Mr. Berna said.

JOINT RESOLUTION TO STOP SHIPMENTS OF WAR MATÉRIEL TO RUSSIA

Mr. MALONE. Mr. President, on January 24 of this year the junior Senator from Nevada, at page 818 of the RECORD of that date, said:

Mr. President, today I intend to introduce a joint resolution which would stop any assistance of any kind whatsoever, on our part, to any nation now having trade agreements with, or engaging in trade or commerce with, or assisting in any manner any Communist nation or Communist-controlled nation or areas.

I said further:

Today I intend to show first, Mr. President, that we have no definite foreign policy; second, that we are aiding Russia to consolidate her gains in eastern Europe and in Communist China; third, that we are assisting Russia to arm for a Third World War; and fourth, that the Secretary of State should make up his mind, relative to our foreign policy, as to whether the Russian Communists are dangerous to us, and if so, that we should stop all aid to nations which are assisting Russia—the iron curtain countries—China, or any Communist area; and that we should form our own policy, and not be pushed into it by other nations with whom we are dealing.

Mr. President, subsequent to that time, of course, the China episode, the Formosa episode, and the Korean police action, so-called by the President, have all gone into history as to the action we have taken. I ask unanimous consent to have printed in the RECORD at this point a copy of the joint resolution which the junior Senator from Nevada introduced at that time. That resolution is still buried in a Democratically controlled committee.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

Joint resolution to prohibit financial aid to any foreign country engaging in trade with Russia, her satellite countries, or any other area dominated or controlled by Russia

Whereas one of the alleged basic purposes of the Marshall plan is the restoration or maintenance in European countries of principles of individual liberty, free institutions,

and genuine independence through a joint program based upon self-help and mutual cooperation; and

Whereas Russia and other Communist-dominated and controlled countries and areas have refused to participate in such joint program; and

Whereas Communist actions have endangered world peace; and

Whereas certain participating nations under the Marshall plan by trading with Russia and other Communist-dominated and controlled countries and areas and through nonaggression pacts and treaties are violating the basic principles of the Marshall plan and are aiding and fostering communism in other areas of the world through furnishing the necessary equipment, machinery, and supplies to consolidate Communist gains in eastern Europe and in Asia; and

Whereas such nations are furnishing Russia and the Communist areas necessary equipment, machinery, and supplies for World War III; and

Whereas it is the sense of the Congress and the basic policy of the Marshall plan and its enabling legislation that assistance to any participating country which fails in any way to meet its obligations to sustain and strengthen the principles of individual liberty, free institutions, and genuine independence, through cooperating with such Communist nations and areas, should be terminated: Now, therefore, be it

Resolved, etc., That on and after the date of the enactment of this joint resolution, no financial aid shall be given by the United States or any agency or officer thereof (whether by loan, grant, lend-lease, or in any other manner) to any foreign country which engages in trade or commerce on or after such date with Russia, her satellite countries, or any other Communist-dominated or controlled area in any other country.

SEC. 2. It is the sense of the Congress that no moneys shall hereafter be appropriated and no loans shall hereafter be made and no equipment or supplies of any kind shall be furnished to any nation engaging in such trade or commerce or permitting its nationals to do so.

Mr. MALONE. Mr. President, if this resolution had passed much of the war material now being used against the American Army in Korea would not have been available.

SIXTEEN MARSHALL PLAN COUNTRIES—96 TRADE TREATIES WITH RUSSIA

Mr. President, further, I wish to note that, in that same address to the Senate, on January 24, 1950, the junior Senator from Nevada submitted and had printed in the RECORD a list of 96 trade treaties which had been entered into by the 16 Marshall plan countries with Russia and the satellite countries.

They were shipping them, as I have already said, almost everything necessary for world war III with the United States. I merely call attention to the list, which appears in the RECORD as of January 24, 1950. I do not ask that it be reprinted at this time.

FRANCE AND ENGLAND—NONAGGRESSION PACTS WITH RUSSIA

Mr. President, on March 30, 1949, I made certain insertions in the CONGRESSIONAL RECORD. I want to call attention to this particular situation, because I think it is the only time that the nonaggression pacts which are now in good standing between England and Russia, and between France and Russia, were printed in the RECORD. That appeared, I believe, on March 30, 1949, in the general ECA debate of that year, and for the renewal of the Marshall plan.

I want to call attention to articles 6 and 7 of the nonaggression pact between Great Britain and Russia, signed by Anthony Eden and Molotov. Article 6 reads:

The high contracting parties agree to render one another all possible economic assistance after the war.

Article 7 reads:

Each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party.

I shall read articles 5 and 6 of the nonagression pact signed by Bidault, of France, and Molotov, of Russia. Article 5 reads:

The high-contracting parties undertake not to conclude any alliance and not to take part in any coalition directed against either of the high-contracting parties.

Article 6:

The high-contracting parties agrees to render each other every possible economic assistance after the war with a view to facilitating and accelerating reconstruction of both countries, in order to contribute to the cause of world prosperity.

Mr. President, these articles in the nonagression pacts of each of these nations—England and France—each a member of the big five of the United Nations, pacts made with Russia, are still in good standing. There has been no attempt to cancel them. They read startlingly like parts of the North Atlantic Pact, to which these nations became members, and through which they have joined with the United States of America, in apparently direct contradiction to an article in each one of these pacts. It says, as the article in each one of these pacts says, that the signatories to the pact will render every economic assistance, and will not join in any pact against the high-contracting parties.

VETERANS ASK TRADE WITH RUSSIA STOP

Mr. President, only recently the Massachusetts delegation of Veterans of Foreign Wars adopted a resolution asking that we cease help to countries assisting Russia and the iron-curtain nations. They took the resolution to Chicago, where they are now holding their national convention.

I expect that the same resolution will be adopted there. I hope it will be. They simply called for a cessation of all help by this country to any nation which is assisting the Communist-controlled areas of the world either to consolidate gains or to prepare for world war III. In other words, to determine which side they are on in this conflict.

AMERICAN LEGION DEPARTMENTS ASK ACHESON RESIGNATION

In Arizona and in California, the departmental conventions of the American Legion were recently held. Resolutions were adopted which were placed in the RECORD by the junior Senator from Nevada, calling for the resignation of the Secretary of State, Mr. Dean Acheson, and resolving that, if he refuses to resign, he be impeached.

These are serious accusations, and, in the humble opinion of the junior Senator from Nevada, anyone who would countenance any such actions on the part of the Marshall plan countries as to assist Russia and the other iron-curtain countries to rearm for world war III with this country and still recommend that this ECA and the Marshall plan be continued to these countries should be impeached.

WORKERS, FARMERS, VETERANS AGAINST COMMUNISM

Recently the junior Senator from Nevada said that if communism is ever to be stopped in this country, in his humble opinion it will be done by the workers, the veterans, and the farmers of this country. The veterans are taking action in their departmental conventions, as I have already outlined.

I want to call attention again to the dispatches that were placed in the CONGRESSIONAL RECORD by the junior Senator from Nevada, stating that the longshoremen of New York, both the AFL and the CIO are refusing to unload goods from Russia. The cargoes are being sent from Russia via England into the United States of America, and the longshoremen are simply refusing to unload the cargoes; are refusing to touch any cargo which comes from Russia.

These cargoes of crab meat, furs, and other material are being sent by Russia in repayment for industrial and war goods furnished them by the Marshall plan countries.

I believe they are right in this. It simply vindicates the junior Senator from Nevada in his statement that the workers of this country are not for communism.

They are the last ones who will take communism, socialism, or fascism. I hope they keep up their good work, and I congratulate them. I also congratulate the veterans' organizations of this country that they are at last taking cognizance of what is going on in the Marshall plan countries with relation to Russia and from the iron curtain countries in connection with the fabricated and manufactured goods that are being shipped by England into Communist China.

Mr. President, that is going on tonight. It is said that they have finally stopped shipping petroleum a few weeks ago, long after the war, or the police action, in Korea started. But manufactured goods are still going into Communist China, and there is evidence that much of them are finding their way into North Korea, to the front line, and are being used against United States troops.

Mr. George Craig, national commander of the American Legion in a recent address demanded that we cease all help to nations assisting any Communist areas.

I want to say again that I congratulate the veterans and the workingmen of the Nation that they are at last taking sides in this conflict and will insist, with all the power at their command, that the Congress of the United States stop this stupid business of arming our potential and actual enemies.

We are repeating the unpardonable sin for the second time in a short generation. We furnished the necessary scrap iron and petroleum to arm Japan prior to World War II, and then sent the boys into the Pacific areas to catch that scrap iron in their bare hands coming back out of Japanese guns. I saw part of that business, and, Mr. President, it was not pretty.

Mr. President, I ask unanimous consent to have a release from my office, dated August 23, inserted in the RECORD at this point in my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 23, 1950.—United States Senator GEORGE W. MALONE, Republican, Nevada, said today that the administration shows total ignorance of how 75 percent of the American people live and manage to make ends meet when they talk glibly about raising taxes to cut purchasing power.

In a statement demanding a stop to wasteful and unnecessary spending by the Government before taxes are raised, Senator MALONE said, "The American worker—one of that vast number who earn their living the hard way—is as patriotic as any official in Washington and is quite willing to tighten his belt and make whatever personal sacrifices may be necessary to win the war, but he does not want to be told that his taxes are to be raised to take away his raise in pay and to hold down the living standard of his family, and especially is this true since he has been saving his pennies for, say, much-needed shoes, or another dress for his daughter in high school, or some other family necessity."

Continuing, Senator MALONE said: "The President and some of the United States Senators have indicated that they think the American wage earner or salaried man has too much and that it must be taken away from him before he can spend it for something he wants. This is what they mean when they glibly talk of cutting the American citizens' purchasing power through increased taxes.

"This comes with ill grace from an administration which has not suggested that the Government save one penny anywhere. The slogan seems to be: 'Boondoggle as usual; give billions to Europe as usual; waste and spend as usual; and get more money by simply boosting the taxes on the American citizens, telling them they have too much purchasing power.'

"Such thinking shows no understanding of how the people west of Washington city limits manage to make ends meet; it shows no consideration for the hard-pressed American consumer, from whom all taxes come eventually.

"The constant raising of taxes to deplete the spending power of the wage earner makes ludicrous the Administration's brave prophecy that every American will ultimately make $200 per week. One side of the mouth says '$200 per week for everyone' and the other side of the mouth says 'raise taxes to take away purchasing power.' And don't think for a moment that this socialistic everything-for-the-Government move will end with the war's end; the Socialists are moving in. If taxes, visible and hidden, increase faster than does the wage standard, than a $200-per-week or, for that matter, a $1,000-per-week wage base would be no advantage to the wage earner, as of course the Administration must have known when it made that statement, obviously designed to attract the unwary voter.

"American people are patriotic and will make necessary sacrifices to win the war, but they object to their money being wasted. They object to $3,000,000,000 of their hard-earned money being sent this coming year for boondoggling and waste in European countries while a war must be paid for.

"The higher expenditures necessitated by war should be met first through curtailment of waste. (In a previous statement, I pointed out where savings could be made.)

"If and when it can be honestly shown that the utmost economies have been made and the vital needs of national defense are still unmet, then and only then would higher taxes be in the national interest."

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a release from my office dated August 30.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 30, 1950.—United States Senator GEORGE W. MALONE, Republican, of Nevada, charged the State Department with deception and dishonesty in its now revealed expansion plans for the point 4 program.

Senator MALONE said: "When administration spokesmen were confronted on the Senate floor with estimates that point 4 would cost the United States taxpayers thousands of millions of dollars, they blandly answered that the $45,000,000 request was not preliminary to request for larger sums and that money was to be used in this connection only to send American experts to advise the rulers of 'underdeveloped' countries about projects. They settled for $35,000,000. Yet, word comes now that $85,000,000 of ECA funds are to be spent on the point 4 program.

"Point 4 philosophy ignores the precept of common honesty in government. It was inaugurated in an atmosphere of dishonesty, the administration attempting to make it look like a small project which needed no study and but little money.

"The joker is that the measure provides that the private investments necessary for the development projects are to be guaranteed by the United States Government. In other words, losses due to socialization or confiscation of private property in foreign countries, or due to any other cause, are to be passed on to the United States taxpayer. Leading proponents of point 4 say that it is a 50-year program which will cost at least $7,000,000,000 per year, or $350,000,000,000 over a 50-year period. Other estimates run higher.

"Point 4 was never a 'plan,' but a loosely conceived form of global WPA, trotted out as 'a bold new program', hailed enthusiastically by the do-gooders who think that there is no limit to the taxes which can be taken from the American people and that we should share our taxpayers' money with foreign countries.

"To some of us, it was evident from the first that, despite claims to the contrary, the scheme contemplated the deep gouging of the United States taxpayer. If the foreign countries had national integrity and were to supply their own capital, then why wouldn't they hire their own American experts, as in the past.

"There is great merit in the idea of developing backward areas, and venture capital is abundantly available whenever foreign countries create a favorable investment climate through fair fiscal and monetary policies, demonstrated good-will toward foreign enterprises, and establish a record which assures an investor a fair chance on his money.

"The point 4 plan would shift the risk from the willing investor, seeking a profit, to the American taxpayer. The American public should not be expected to make good losses brought about by the lack of integrity on the part of foreign countries.

"Point 4 cannot do the things that are promised in its name without a much deeper drain on the American taxpayers and much severer restrictions on American freedom than the Administration has spelled out. We cannot very well establish and set in motion a program affecting millions of people for 50 years and then suddenly draw back.

"The potential of point 4 should be reviewed carefully before the Government sends experts all over the world bearing promises on which our American workers will have to make good."

NOTICE OF POSSIBILITY OF NIGHT SESSION TOMORROW

Mr. MYERS. Mr. President, I invite attention to the fact that the revenue bill of 1950, now under consideration, provides that the rates under the individual income-tax provision shall take effect as of October 1. A huge administrative and mechanical task devolves on the Treasury Department in the effort to get ready for October 1. Therefore it is imperative to have expeditious action on the bill. I wish to serve notice on the Senate that there is a possibility that we may have a night session tomorrow. That is not certain, but I think that Senators, in arranging their engagements for the late afternoon and evening, should take into consideration the possibility that we may have an evening session. The President is hopeful that we may be able to get this bill to his desk at a very early date in order that the Treasury Department may do its part in working out its plan so that the effective date of October 1 may be met. I make that announcement for the RECORD.

The PRESIDING OFFICER. The Chair is sure Senators will take due notice.

EXECUTIVE SESSION

Mr. MYERS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HUMPHREY) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

Mr. MYERS. Mr. President, I ask that the two nominations be passed over.

The PRESIDING OFFICER. Without objection, they will be passed over.

RECESS

Mr. MYERS. Mr. President, as in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 54 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 31, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 30 (legislative day, July 20), 1950:

DIPLOMATIC AND FOREIGN SERVICE

William O'Dwyer, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Marvin E. Glover, Owens Cross Roads, Ala., in place of R. M. Craft, retired.

ALASKA

Isabella D. Hume, McKinley Park, Alaska, in place of L. K. Rumohr, resigned.

ARIZONA

Elbert A. Frick, Jr., Lupton, Ariz., in place of Jack Hill, resigned.

ARKANSAS

Frank E. Denson, Fountain Hill, Ark., in place of Jethro Denson, retired.

CALIFORNIA

Frederick B. Twigge, El Dorado, Calif., in place of A. R. Schelber, resigned.

Chester M. Holcomb, Kerman, Calif., in place of C. M. Scott, retired.

Reuben C. Marks, Tecate, Calif., in place of G. M. Robinson, removed.

Florence V. Heryford, Trinity Center, Calif., in place of R. E. Tapie, retired.

COLORADO

Hollie B. Wade, Calhan, Colo., in place of R. E. Lemesany, transferred.

Harley N. Beery, Sterling, Colo., in place of W. B. Giacomini, retired.

CONNECTICUT

William G. Adams, Canton, Conn., in place of G. F. Cowles, deceased.

Leonard S. Appell, New Britain, Conn., in place of J. M. Halloran, retired.

John J. Berger, New Milford, Conn., in place of T. S. White, deceased.

FLORIDA

John R. Hartsfield, Callahan, Fla., in place of A. L. Shaw, declined.

Asa V. Phillips, Homestead, Fla., in place of S. E. Livingston, retired.

GEORGIA

Marcus A. Bomar, Glenwood, Ga., in place of H. U. Kent, resigned.

Frances S. Brady, McIntyre, Ga., in place of O. M. Shepherd, resigned.

Benjamin Turner, Point Peter, Ga., in place of M. C. Parker, retired.

William C. Layton, Swainsboro, Ga., in place of E. G. Flanders, resigned.

HAWAII

Masae Yamada, Kawailoa, T. H. Office established October 1, 1948.

Sakae Matsuura, Lawai, T. H. Office established March 16, 1949.

Mae E. Cowan, Maunaloa, T. H., in place of Kaoru Uchimura, resigned.

ILLINOIS

Michael J. Gallo, Benld, Ill., in place of G. C. Gaundino, removed.

Elwood J. Ellis, Bismarck, Ill. Office became Presidential July 1, 1945.

Charles N. Fisher, Carlyle, Ill., in place of W. S. Westermann, retired.

Alois N. Modaff, Geneva, Ill., in place of Henry Swanson, deceased.

Alvin E. Young, Hanover, Ill., in place of C. S. Ballein, deceased.

Albert T. Oswald, Springfield, Ill., in place of W. M. Rourke, deceased.

Richard L. Fisher, Villa Grove, Ill., in place of W. M. Jones, transferred.

INDIANA

Karl R. Oster, Corunna, Ind., in place of H. C. Amos, resigned.

Jacob L. Kincaid, Jamestown, Ind., in place of W. S. Courtney, retired.

Charles E. Pendry, Rising Sun, Ind., in place of Herbert Craig, deceased.

KANSAS

Dwight H. Snyder, Bucklin, Kans., in place of G. L. Smith, transferred.

Lillian A. Holshouser, Dwight, Kans., in place of J. F. Holshouser, deceased.

Robert Clark Coursen, Overbrook, Kans., in place of B. B. Maichel, retired.

Dean A. Hopkins, Protection, Kans., in place of L. J. Peacock, retired.

Elmer M. Holt, Wellington, Kans., in place of A. A. Belsley, retired.

KENTUCKY

Parker D. Moore, Bardwell, Ky., in place of B. P. Edrington, deceased.

Anna K. Rice, Ghent, Ky., in place of M. D. Diuguid, deceased.

Joseph M. Tong, Lyndon, Ky., in place of S. E. Forston, retired.

William Arthur Scott, Springfield, Ky., in place of T. C. Campbell, retired.

MARYLAND

James N. Day, Bel Air, Md., in place of J. G. Archer, retired.

George T. Perrine, Mountain Lake Park, Md., in place of K. G. O'Donnell, retired.

Frank P. Myers, Westminster, Md., in place of C. W. Klee, resigned.

MASSACHUSETTS

Thomas E. Hennessy, Danvers, Mass., in place of A. K. Bates, retired.

Harold V. Gunnason, North Adams, Mass., in place of W. W. Dooling, deceased.

MICHIGAN

Wesley M. Dawson, Ypsilanti, Mich., in place of Matthew Max, retired.

MINNESOTA

Clyde E. Allen, Champlin, Minn., in place of C. C. Howe, resigned.

John O. Barklow, Kasota, Minn., in place of A. L. Davies, retired.

Joseph C. Budik, Redwood Falls, Minn., in place of J. R. Keefe, retired.

MISSISSIPPI

Thomas V. Laird, Morton, Miss., in place of Nannie Stuart, retired.

Zelda M. Dye, Vardaman, Miss., in place of J. E. Morgan, resigned.

MISSOURI

John W. Freeman, Eminence, Mo., in place of A. A. Lewis, deceased.

Joseph S. Ford, Eugene, Mo., in place of W. O. Morris, transferred.

NEBRASKA

Cloyd D. Thomas, Clay Center, Nebr., in place of H. A. Swanson, retired.

Arthur J. Buchholz, Rulo, Nebr., in place of M. B. Kanaly, resigned.

Milan Dale Nickel, Western, Nebr., in place of M. T. Kilmer, retired.

NEW HAMPSHIRE

Bernard E. Robie, Kingston, N. H., in place of E. P. Gibson, retired.

NEW JERSEY

George N. Yantz, Belle Mead, N. J., in place of H. C. Dixon, retired.

Lindsay H. Rudd, Bloomfield, N. J., in place of M. H. Connelly, retired.

NEW YORK

Harold James Hyland, Arcade, N. Y., in place of H. J. Hyland, resigned.

James W. Ansbrow, Darien Center, N. Y., in place of E. M. Ortner, retired.

Harold C. Epke, Holley, N. Y., in place of George Heal, retired.

Edmund R. Williford, Schroon Lake, N. Y., in place of C. A. Lockwood, retired.

NORTH CAROLINA

Leon C. Frederick, Ca-Vel, N. C. Office established February 1, 1948.

Linville L. Hendren, Elkin, N. C., in place of F. W. Graham, deceased.

Howard E. Moricle, Reidsville, N. C., in place of W. S. Somers, deceased.

Leonard S. Daniel, Warrenton, N. C., in place of C. F. Moseley, retired.

NORTH DAKOTA

Leon A. Ferguson, Bottineau, N. Dak., in place of A. O. Williams, retired.

Norman W. Brudeseth, Hamar, N. Dak., in place of C. C. Brudeseth, retired.

Edmond W. Green, Hankinson, N. Dak., in place of M. A. Wipperman, retired.

Chester W. Thompson, Woodworth, N. Dak., in place of S. E. Melzer, resigned.

OHIO

Erwin A. Carrigan, Manchester, Ohio, in place of S. E. Fleming, transferred.

Marie Antoine Humpert, Mount Saint Joseph, Ohio, in place of A. M. O'Meara, deceased.

Willard W. Weinstock, Powell, Ohio, in place of M. D. Case, retired.

John Sekerak, Struthers, Ohio, in place of R. C. Boylan, retired.

Kenneth C. Lohr, Woodville, Ohio, in place of J. K. Faist, deceased.

OKLAHOMA

Bill Morgan, Hartshorne, Okla., in place of Frank James, resigned.

Jasper Francis Rankin, Haskell, Okla., in place of C. D. Trippett, transferred.

William E. Reynolds, Salina, Okla., in place of W. W. Powell, retired.

PENNSYLVANIA

John W. Supancik, Claridge, Pa., in place of J. O. Whiteman, retired.

James R. Wilson, Fairchance, Pa., in place of C. H. Wilson, retired.

Jessie Evelyn Scott, Guyaux, Pa., in place of J. M. Scott, retired.

Joseph L. Kruth, Harmarville, Pa., in place of Armena Crawford, resigned.

Edward M. Ank, Harrison City, Pa., in place of W. T. Smith, retired.

Henry E. Warmkessell, Landingville, Pa., in place of C. G. Matz, retired.

Charles J. Bennett, Jr., Mount Joy, Pa., in place of C. J. Bennett, transferred.

Joseph B. Luff, Richboro, Pa., in place of A. D. Traub, resigned.

Evlyn A. Boehringer, Silverdale, Pa., in place of Herman Gerstlauer, resigned.

Francis B. Reed, Sumneytown, Pa., in place of A. C. Hiltebeitel, resigned.

Elizabeth S. Whitesell, Washington Crossing, Pa. Office became presidential July 1, 1948.

Samuel J. Corbit, Wyomissing, Pa., in place of M. R. Luft, deceased.

SOUTH DAKOTA

Joseph E. Jiran, Bristol, S. Dak., in place of Berthold Flakoll, transferred.

Frank M. Brooks, Florence, S. Dak., in place of Ann Brooks, resigned.

Vincent W. Hanrahan, Lemmon, S. Dak., in place of C. E. Smith, deceased.

TENNESSEE

Thomas C. Tucker, Martin, Tenn., in place of F. C. Vowell, resigned.

TEXAS

Ivey B. Holt, Olton, Tex., in place of Bailey Hair, transferred.

VERMONT

George H. Huban, Middlebury, Vt., in place of F. J. Donahue, retired.

Angelo G. Restivo, Richford, Vt., in place of A. L. Esty, retired.

VIRGINIA

Percy V. Dennis, Jr., Grundy, Va., in place of I. S. Owens, resigned.

Itley O. Fowler, Royal City, Va., in place of I. O. Fowler, resigned.

WASHINGTON

Daniel G. Donovan, Monroe, Wash., in place of T. P. Hickman, resigned.

William R. Allhands, Sedro Woolley, Wash., in place of Paul Rhodius, retired.

WEST VIRGINIA

Benjamin L. Frye, Wardensville, W. Va., in place of M. W. Orndorff, retired.

Robert J. Stoetzer, Wellsburg, W. Va., in place of J. V. Emig, retired.

Robert W. Curry, White Sulphur Springs, W. Va., in place of S. J. Richter, deceased.

WISCONSIN

Robert C. Davenport, Okauchee, Wis., in place of M. O. Bartelme, retired.

Fred J. French, Prescott, Wis., in place of William Murray, retired.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 30, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, daily Thou art revealing Thy greatness and Thy goodness. Grant that in these revelations we may see more clearly that Thou art able and willing to give us all that Thou hast promised and confer upon us everything we need.

May we never yield to that devastating mood of fatalism and defeatism which makes us feel that our faith is vain and that all our plans and efforts to build a nobler civilization will be futile.

We pray that we may be loyal coworkers with Thee and with one another. Inspire us with clear vision and undaunted courage. Give us a faith which casts out fear and a hope which defies despair.

To Thy name, through Christ our Lord, we give all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4029. An act to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes.

DEPENDENTS ASSISTANCE ACT OF 1950

Mr. VINSON submitted a conference report and statement on the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. JACOBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. JACOBS addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDERS GRANTED

Mr. MADDEN. Mr. Speaker, I have a special order to address the House today. I ask unanimous consent that that special order be transferred over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MADDEN asked and was given permission to address the House for 30 minutes on Friday next, following the legislative program and any special orders heretofore entered.

GENERAL MACARTHUR

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, the haste with which President Truman apologized to General MacArthur proves that the President was wrong when he ordered MacArthur to withdraw his letter to the Veterans of Foreign Wars.

The almost unanimous approval which the American people are giving to General MacArthur's action prove that he was absolutely right in every respect.

Mr. Speaker, when? Oh when is the President going to be strong enough to rid himself and the country of Dean Acheson and his tribe? Everybody even a wayfaring man knows that Acheson's foreign policy whatever it may be has brought us into a bloody war. This war has potentialties that have brought terrific unrest to our people everywhere. It threatens the foundations of the Republic.

Mr. Speaker, there is no question but that political advantage is the measuring rule that the President and all of his White House cohorts apply to their every action.

It should not require a national election to convince them of their folly. Many American boys will die on the battlefield in the meantime.

SPECIAL ORDER GRANTED

Mr. WILSON of Indiana asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

WHO GETS US INTO WARS?

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, last night a Democrat from another body opened his political campaign in Maryland by making a great plea to the people to elect him again and stated that the Republicans are isolationists, that they were against aid to Korea, that they were for cutting off aid to Greece and Turkey, and they were against the North Atlantic Pact and also China.

Mr. HUBER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman knows the rules. He should not refer to Members of the other body.

Mr. RANKIN. Mr. Speaker, a point of order.

The SPEAKER. The Chair is just saying to the gentleman to proceed in order.

Mr. RICH. Mr. Speaker, I want you to know that when we got into World War I the President of that day was elected on the plea that he would keep us out of war. The Democrats got us into World War I. When we got into World War II the President at that time said:

I promise you mothers again and again and again your sons will not fight on foreign soil.

Who got us into World War II? A Democrat. Who is responsible for getting us into the Korean war? Nobody but the President of the United States—a Democrat. Congress had no say in it whatever. With the war record of the Democrats in the past 35 years is it not dishonest to say the Republicans are responsible for this war record of the Democratic Party. I say it is dishonest, dishonorable, and an untruth of the greatest magnitude. Are you satisfied with the aid given to Russia by Uncle Sam to the tune of over $12,500,000,000 in lend-lease? Are you satisfied with the two and one-half billion of American dollars you gave to China, besides the American lives lost in delivering the goods to China? Are you satisfied with the great national debt of $260,000,000,000 created by the inability of the Democrats to run the country economically? Are you satisfied with the Democratic high taxes? Are you satisfied with the Democratic high prices? Are you satisfied with Democratic waste and extravagance? If you are satisfied with this bad situation then give the Democrats credit. Are you satisfied to have your sons killed in Korea? For what? If you want to get out of war and keep out of war beware of New Deal, Fair Deal, "rawdeal" Democrats. Americans, a word to the wise is sufficient.

THE LATE CHARLES G. BINDERUP

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, it becomes my sad duty to announce to the House the death of a former Member of this body, the Honorable Charles G. Binderup, who served with distinction in the Seventy-fourth and Seventy-fifth Congresses.

Mr. Binderup was elected on the Democratic ticket from the then Fourth Congressional District of Nebraska.

Charles G. Binderup was born in Horsens, Denmark, March 5, 1873. He came

to America as a child of 6 months. His parents settled in Nebraska. Mr. Binderup was a life-long resident of my hometown, Minden, Nebr. He engaged in business in Minden for many, many years. He was extremely well-known and had many friends.

Mr. Charles G. Binderup was an energetic citizen, a good speaker, and was intensely interested in the economy and politics of the country. As a Member of Congress, he was widely known for his work in connection with our monetary system. He gave special attention to all the problems of agriculture and actively and successfully promoted the expansion of irrigation.

Mr. Binderup died at Minden, August 19, 1950, at the age of 77.

Mr. Speaker, I know that I speak for every Member who served here with Mr. Binderup in expressing our sorrow at his passing. We extend to his wife and daughters our deepest sympathy.

MRS. HENRY DOORLEY

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, in his remarks, yesterday, the gentleman from Texas [Mr. PATMAN] listed as a member of the advisory board of the Committee for Constitutional Government the name of Mrs. Henry Doorley, wife of the editor of the Omaha (Nebr.) World-Herald. For the benefit of the Members of the House I would like to further identify this estimable lady. Mrs. Henry Doorley is the daughter of the late, great Senator from Nebraska, the Honorable Gilbert M. Hitchcock, who served the Democratic Party long and brilliantly in both Houses of Congress. Need I remind the Members that Senator Hitchcock was the author of the party platform on which Franklin Roosevelt was elected in 1932 but which, after he was inaugurated, he immediately threw into the ashcan. He led the fight for the Federal Reserve Bank and other forward looking legislation in the administration of Woodrow Wilson. The capture of his beloved party by the New Deal was a bitter disappointment to him. Since his passing his daughter has striven mightily to carry out his ideals and his passion for constitutional government.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H. R. 9176.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

THE LATE AMBROSE J. KENNEDY

Mr. SASSCER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SASSCER. Mr. Speaker, it is my sad duty to inform the House of the death of a former colleague with whom many of the now sitting Members served in this body. Day before yesterday the Honorable Ambrose J. Kennedy, a former Member of this House from Maryland, died of a cerebral hemorrhage. All who knew Mr. Kennedy were saddened by his passing. He was an outstanding figure for years in Maryland life and in Maryland politics. I had the privilege of serving in the Maryland Senate with him some years ago. He served there with fidelity and ability. He later served as parole commissioner of Maryland and was a member of the city council of his home city. He came here with a background of valuable experience. While in this body he was chairman of the Committee on Claims, and the ranking member of the Committee on the District of Columbia. Mr. Kennedy was a forceful, able Member of the House; a man of keen intellect. He had a keen intellect and genial personality and commanded the affection and esteem of his fellow Members. His passing will be a distinct loss to his State and to the Nation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SASSCER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I join with my friend in his expression of sorrow in the passing of Mr. Kennedy. He was one of the most striking personalities that I ever met. Everyone who served with him will remember not only his outstanding ability and his devotion to duty, but also that beaming friendship and that open countenance and that fine mind that he entertained for everyone. I join with the gentlemen in expressing to Mrs. Kennedy and the loved ones he left behind my deepest sympathy in their great loss.

Mr. SASSCER. I thank the gentleman.

Mr. FALLON. Mr. Speaker, the sudden and untimely death of my very good friend, Ambrose J. Kennedy, has brought me deep sorrow. I know Ambrose Kennedy and members of his family intimately, although I did not have the privilege, as some of you had, of serving with him. But I did have the honor of being one of his constituents. He was known throughout his district as a man of courage and great ability. He was devoted to the interest and betterment of the people he represented and possessed a most unusual knowledge and grasp of the problems of his congressional district and State.

He was not only a friend and an outstanding Representative to his constituents but served also in a national capacity in Congress. He assumed his first public office when he became a member of the city council and in 1926 was elected to the State senate. While a member of the senate, he was appointed parole commissioner by Governor Ritchie. In 1932, he became a Member of Congress and was returned to the House of Representatives in 1934, 1936, and 1938. He was ranking member of the District of Columbia Committee and could have been chairman but gave up the chairmanship to retain the chairmanship of the Claims Committee. He was an advocate of improved municipal government for Washington. He became known as a real friend of the District, and was instrumental in putting through legislation which gave the District employees a holiday each Saturday. During the Seventy-fifth and Seventy-sixth Congresses, he was chairman of the Fiscal Affairs Subcommittee of the House District Committee and in that capacity, handled all of the tax bills. He successfully put through legislation giving sabbatical leave to all the teachers in the District of Columbia.

He had the admiration and respect of all who knew him and, particularly, the Members of Congress from Maryland who were so intimately associated with him. His sudden passing at the early age of 56 has ended a very useful and worth-while career. The Nation has lost an exponent of those principles of sound government which must be preserved if our democracy is to survive. I shall miss Ambrose Kennedy for I had great confidence in him and great respect for his opinion.

I am sure that the Members of the House join with me in expressing my deepest sympathy to Mrs. Kennedy, to her children, and to his relatives and many friends.

THE LATE EARL CADDOCK

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, my esteemed and beloved friend, Earl Caddock, has gone to his reward. Earl Caddock was a gentleman of the highest order, a good husband and father, and loyal friend. Earl Caddock was not only a former champion wrestler of the world; he was the ideal of many American boys, for he lived as clean as he wrestled. He was not only a champion wrestler, but he was a champion of fair play and of our Christian religion. I knew him well and admired him for all his fine qualities. He served his country with honor and credit in World War I. I grieve with his good wife and family and a great multitude of friends in Iowa and all over America. God rest his soul.

WAR

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I have before me what I think is the picture of the year. It shows a portion of that famous Alexandria Light Infantry marching off to war again. The title of the picture, which appeared in the Times-Herald this morning, says "Daddy's little girl does not want him

to say good-by," and this big staff sergeant is carrying his daughter in the line of march.

I was deeply touched by this picture because it seemed to me to be evidence of the fact that all of us are groping for an answer to this question of war. We know that history is not on our side when we prepare and build up great armies. War has never been the answer. War never brings peace. Think of it, these young men marching off to war a second time in less than 10 years. Bungled foreign policy by an inept Democratic administration is responsible.

I am wondering, Mr. Speaker, if the time has not come for us to spend more time on our knees looking to the Master for leadership and direction. Prayer could be the way to a just and lasting peace if we sincerely believe it. Let us try.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. McCARTHY addressed the House. His remarks appear in the Appendix.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

DISPOSING OF GOVERNMENT LOTS IN ST. MARKS, FLA.

Mr. PETERSON submitted a conference report and statement on the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.

GEORGE WASHINGTON CARVER NATIONAL MONUMENT

Mr. PETERSON submitted the following conference report and statement on the bill (H. R. 7302) to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes:

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, a point of order. I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 260]

Angell	Kearney	Powell
Barden	Kee	Quinn
Barrett, Wyo.	Keefe	Rabaut
Blackney	Klein	Regan
Bolton, Ohio	Larcade	Rivers
Buckley, N. Y.	Latham	Roosevelt
Bulwinkle	McCulloch	Sabath
Cooley	McMillen, Ill.	Sadowski
Crook	Macy	Scott,
Davenport	Martin, Iowa	Hugh D., Jr.
Davies, N. Y.	Mason	Shelley
Davis, Wis.	Miller, Calif.	Sikes
Dawson	Morgan	Smathers
Dingell	Morrison	Smith, Kans.
Durham	Moulder	Smith, Ohio
Engel, Mich.	Murdock	Whitaker
Gamble	Murray, Wis.	Wier
Gillette	Nixon	Williams
Gore	Norton	Winstead
Hall,	O'Konski	Withrow
Edwin Arthur	Pace	Yates
Hart	Pfeifer,	
Hébert	Joseph L.	
Hoffman, Mich.	Pfeiffer,	
Holifield	William L.	
Johnson	Phillips, Tenn.	

The SPEAKER. On this roll call 360 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. NOLAND asked and was given permission to extend his remarks in two separate instances and in each to include extraneous matter.

Mr. SASSCER asked and was given permission to extend his remarks in two instances and include a resolution.

Mr. SIMPSON of Pennsylvania asked and was given permission to extend his remarks and include an editorial from the New York Times entitled "That Children May Live."

Mr. MILLER of Maryland asked and was given permission to extend his remarks.

Mr. STOCKMAN asked and was given permission to extend his remarks and include an article appearing in the Brooks-Scanlon Pine Echoes.

Mr. TOLLEFSON asked and was given permission to extend his remarks and include extraneous matter.

Mr. REED of New York asked and was given permission to extend his remarks in four instances and include extraneous matter.

Mr. GROSS asked and was given permission to extend his remarks and include a statement.

Mr. DOLLIVER asked and was given permission to extend his remarks and include a letter written to a constituent.

Mr. WOLVERTON asked and was given permission to extend his remarks and include extraneous matter.

Mr. BRYSON asked and was given permission to extend his remarks and include a letter he received and his reply thereto.

Mr. HERLONG asked and was given permission to extend his remarks and include a speech by his colleague, Mr. GEORGE SMATHERS.

Mr. HAGEN asked and was given permission to extend his remarks and to include a resolution by the Fraternal Order of Eagles.

Mr. HUBER asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. COLE of New York asked and was given permission to extend his remarks and include therewith a resolution.

Mr. WOOD. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD an interview with Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, as carried in the United States News and World Report under date of August 11, 1950. It may slightly exceed the rule with reference to the length of such extensions of remarks, but I ask unanimous consent that, notwithstanding, the extension may be made.

The SPEAKER. Notwithstanding the cost and without objection, the extension may be made.

There was no objection.

Mr. ROONEY asked and was given permission to extend his remarks and include an editorial.

REGISTRATION, CLASSIFICATION, AND INDUCTION OF CERTAIN MEDICAL, DENTAL, AND ALLIED SPECIALISTS

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9554) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9554, with Mr. HARDY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself 35 minutes.

Mr. Chairman, I desire to announce to the Committee that when the House concludes the consideration of this bill H. R. 9554, and after it has been passed by the House, I will ask unanimous consent to take from the Speaker's table a companion bill, S. 4029, and offer an amendment to strike out all after the enacting clause and to insert the provisions of the House bill as perfected and passed by the House.

Mr. Chairman, this bill has the support of the Department of Defense. As a matter of fact, it is what you would call a department bill. It has the approval of the American Medical Association. It has the approval of the Dental Association. And if the committee will bear with me, I think I can give you the salient points in this bill so that each and every one of you can understand what the objectives and purposes of the bill are.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SHAFER. It also has the approval of the osteopaths and others in the so-called allied professions?

Mr. VINSON. The gentleman is correct.

Mr. Chairman, the Army, Navy, and Air Force have a pool of 30,000 physicians and 12,000 dentists in their Reserve components who can be called to active duty.

The problem here is to provide a fair and orderly system of priorities under which medical, dental, and related personnel will enter military service.

It is in the best American tradition of fair play that those who have rendered little or no service, and who are otherwise qualified, should be the first to serve. There are a number of doctors and dentists who have given no service at any time. On the other hand, the vast majority of doctors and dentists now on the Reserve rolls have already served their country faithfully and with distinction.

In an endeavor to furnish a more satisfactory solution to the problem, the bill now under consideration was introduced, which proposes to amend the Selective Service Act of 1948 in this regard.

The bill authorizes the President to require the special registration of all male medical, dental, and allied specialist categories under the age of 45. It authorizes the induction of qualified individuals from this group and makes them liable for military service for a period not to exceed 21 months.

Those who are members of the Reserve components would be exempted from such induction and registration. However, this provision does not affect the authority of the President to call members and units of the Reserve components to active duty under the provisions of other laws.

During World War II, Congress established what was known as the Army specialized training program and the Navy V–12 training program. These programs were established to meet the critical need for professional men in the armed services.

The trainees under each of these programs were enlisted in the Army or the Navy and paid $50 per month. All of the expenses connected with this training, such as tuition, books, rooms, food, laboratory fees, and so forth, were paid by the Government. Of course, each trainee was deferred from active duty while he was undergoing such training.

The Army had some 20,000 individuals enrolled in its ASTP doctor program. Twelve thousand and five hundred of these entered on active duty, and 1,000 were discharged for physical or other reasons. This left 6,500 who were enrolled as students at Government expense and paid by the Government who never served on active duty. The program was stopped at the end of hostilities so that not all of those 6,500 in the program finished their education at Government expense. Two thousand of these did not graduate from the course because they failed scholastically or for other reasons. However, 4,500 did complete their studies. Of these 4,500, the Surgeon General of the Army estimates that approximately 1,500 would not now be suited for active duty due to physical or other disqualifying factors. That leaves us with about 3,000 men who were trained fully or partially under the ASTP program who are now eligible for active duty as doctors.

Some 7,734 persons were likewise enrolled in the ASTP program for the study of dentistry. Of this number, 1,984 served on active duty, and 474 were discharged upon graduation because of physical disability or other reasons.

Some 5,276 received partial training at Government expense and of this number, 4,651 were discharged from the program but continued to study for their degrees. Some of these served in the Army, others failed their examinations, and others are not physically qualified. It is estimated that approximately 2,500 dentists will be subject to induction under the provisions of this bill, who were deferred from military service during World War II and who received a portion of their training at Government expense.

In the Navy V–12 doctor program, 11,176 persons were trained wholly or in part at Government expense. Five thousand, eight hundred and seventy-two have already served at least 2 years in the Navy, leaving 5,304 without service. Of these 1,429 are presently in the Naval Reserve and are now subject to call to active duty.

This leaves 3,875 who were enrolled in the program. One thousand, two hundred and sixty-two of these did not complete their studies because of physical or scholastic reasons. There are now, at the most, some 2,613 individuals who have completed their studies as doctors who would be subject to induction under the provisions of this Act.

In the V–12 dental program, 3,185 participated, of whom 2,164 served on active duty, leaving 1,021 who have not served on active duty. Of this number, 122 are now in the Dental Corps Reserve and subject to call. Of the remaining 899 who were separated without service, 397 were separated for academic, physical or other reasons, leaving 502 who would be subject to induction under the provisions of this bill, assuming they can pass the physical requirements.

Now, these doctors and dentists, if they had less than 90 days of active duty, are the first who will be subject to induction under the provisions of the proposed legislation, along with other doctors and dentists who were not trained at Government expense, but who, nevertheless, were deferred, throughout the war, from military service.. It is only proper that the first to be called, if induction is necessary, are those who received part or all of their training at Government expense, together with those deferred from service because of their professional studies.

The second group to be eligible for induction are those persons who participated as students in the ASTP or V–12 programs, and those who were deferred from military service while completing their studies who served more than 90 days, but less than 21 months in the armed services.

The third group are those who did not have active service during World War II, but who were not trained at Government expense, nor deferred because of being medical or dental students.

The fourth group include all doctors and dentists under the age of 46 who are not in the Reserve, and not included in the previous groups mentioned, but have had active service in the Armed Forces since 1940 in excess of 21 months. These people, should it become necessary, will be taken in the reverse order of their length of active service.

Now, how many doctors and dentists will we need? The Department of Defense has advised us that there were, as of July 1, 1950, 6,226 doctors in the armed services, or an average of 3.5 doctors per 1,000 men. On the basis of increased combat needs which will increase the ratio to 4.5 doctors per 1,000 men, and on the basis of an armed strength of 2,500,000 men, we were advised that the armed services will require 11,250 doctors, or approximately 5,000 more doctors than are now on active duty.

There are at present 2,358 dentists on active duty, on the basis of 2 dentists per 1,000 men—and while the ratio of dentists to armed strength will not be increased, it is estimated that a total requirement of 5,000 dentists will be needed for 2,500,000 men. Thus, the armed services will need approximately 2,650 more dentists.

Therefore, it is apparent that most of the medical and dental personnel required for the armed services can be substantially provided from the pool of those who were either trained wholly or in part at Government expense, or who were deferred from active service because of the pursuit of such training, at their own expense.

It is felt to be in the public interest to provide for the deferment of certain individuals essential to the national interest and for other compelling reasons. Accordingly, the bill authorizes the President to establish rules and regulations governing such deferment.

To insure an adequate flow of new physicians, dentists, and allied specialists to meet the Nation's needs in the future, the bill provides for the annual deferment of premedical and predental students in a number at least equal to the present level of such male students.

As a means of coordinating this whole program with the professions concerned at National, State, and local levels, and to insure that the Director of the Selective Service System has the benefit of advice from outstanding authorities, a National Advisory Committee would be established. The members would be selected from outstanding individuals in medicine, dentistry, and allied sciences.

Under the present provisions of Public Law 351, Eighty-first Congress, the Career Compensation Act, physicians and dentists who volunteer for active duty with the Armed Forces or the United States Public Health Service receive an additional $100 a month. Because of the wording of this legislation the Reserve officers and National Guard officers receiving orders to accompany their units on active duty are not eligible to receive the additional pay. This is indeed unjust. The bill, therefore, has been amended so as to permit these officers to qualify for such additional benefits, but persons inducted under the au-

thority of the proposed legislation will not be entitled to the extra pay.

In order that the talent available to the Armed Forces in the fields of medicine, dentistry, and the allied sciences may be distributed efficiently among the three military services, the Secretary of Defense may now detail such personnel between the three services as required. Officers so detailed often desire to further their careers in the service to which detailed. The bill, therefore, authorizes the Secretary of Defense to effect these transfers under the following conditions: The individual officer must request the transfer himself; both the service from which he is to be transferred, and the service he is to enter must concur. Provisions are made for protecting the promotion, seniority, retirement, and leave rights and benefits of officers who are transferred under this authority.

I think that all Members of the House will agree that the comprehensive treatment which the bill gives to this important subject furnishes a satisfactory basis upon which the Congress can enact sound legislation.

To sum up, we now have 6,226 doctors and 3,358 dentists on active duty in the armed services. By July 1, 1951, we will need a total of 11,250 doctors, and 5,000 dentists.

Thus, it is our belief that this legislation will provide the means by which the armed services will obtain 5,000 more doctors, and 2,650 more dentists.

The proposed legislation will expire on July 9, 1951—on the date the present Selective Service Act expires. Before that date, the Committee on Armed Services will review the entire Draft Act, as well as the proposed legislation.

We believe we have prepared and presented to the House a fair and equitable solution to a very difficult problem. I sincerely hope the House will enact this legislation speedily.

Mr. SHORT. Mr. Chairman, will the gentleman yield at that point?

Mr. VINSON. I yield.

Mr. SHORT. Would the distinguished chairman point out why 2,000 of them failed?

Mr. VINSON. I am unable to say for all of them.

Mr. SHORT. Due to physical disability and academic requirements.

Mr. VINSON. That is right, many of them due to physical disability.

Mr. DONDERO. Has any attempt been made to determine whether or not doctors and dentists could be obtained by voluntary enlistment without the necessity of drafting?

Mr. VINSON. I stated at the very outset of my remarks that there were some 30,000 physicians and 12,000 dentists in the Reserve components. The very purpose of this bill is to deal fairly with these professional people. The purpose of the bill is to distribute the requirements so that those who are in the Reserve components will not have to bear all the burden, in view of the fact that we have a large number who were educated and deferred at Government expense who have rendered no service whatsoever.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. KILDAY. I believe the record will show that of these 3,000 who were thus educated but who have rendered no service, individual letters were sent to all of them asking if they would volunteer their services with the result that only about 150 came into the armed services.

Mr. DONDERO. That was the information I desired.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SCRIVNER. I find there is some misgiving in the minds of some Members as to the justice of picking out a certain class or a certain group of professional men to be taken in. I have received many letters from my boys, and they are just as fine as any to be found anywhere. I am sure the chairman can say a few words of reassurance in the problem they present. It is this: During World War II there were skilled men, many specialists who were confined to merely routine desk jobs. They want to feel sure that if these men are taken in that their skill in their profession will be used and that their time will not be wasted warming a chair. Was that question gone into?

Mr. VINSON. That was discussed yesterday, and we had the assurance of the medical corps heads that when they call doctors they are going to be used for their professional qualifications.

Mr. SCRIVNER. I am glad to have that assurance.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SHORT. I am very happy that the gentleman from Kansas asked that question, because we all know there were grave abuses in the last world war. The gentleman from Texas [Mr. KILDAY], chairman of the subcommittee, found a lot of doctors sitting out in the desert doing nothing when we had an acute shortage of them back home. They were doing housekeeping work, administrative work, and so forth. We have been assured that that mistake will not be repeated.

Mr. VINSON. The gentleman is correct.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mrs. ROGERS of Massachusetts. This system will be very much better, will it not, insofar as the Veterans' Administration is concerned? Because a very great many of the doctors in the Veterans' Administration are Reserve doctors and might be taken into the service. And I think you are also working out a system whereby veterans' hospitals can be utilized and there will be no interference with the work there.

Mr. VINSON. Let me impress this upon the membership. One of the factors I emphasized at the very outset is to provide a fair and orderly system of priorities under which medical, dental, and related personnel will enter the military service. We have, as I pointed out, a large reservoir of reservists, but we want to deal fairly with them, to distribute this obligation and to see that those whom the Government has educated contribute something for the education that the Government gave them, in addition to their deferment.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield for two questions.

Mr. VINSON. I yield.

Mr. O'HARA of Minnesota. First, will this bill actually give a priority on drafting these ASTP students over men who have had some service, say just under 21 months?

Mr. VINSON. If the gentleman will read the bill, we set up the priority, and these ASTP are the first ones.

Mr. O'HARA of Minnesota. The first ones to be called.

Mr. VINSON. They are the first ones to be called.

Mr. O'HARA of Minnesota. Why did you fix 21 months' service?

Mr. VINSON. Because that is the service requirement in the draft act.

Mr. O'HARA of Minnesota. I am speaking about the 21 months as applying as an exemption to those who had served under 21 months in World War II.

Mr. VINSON. The whole thing is tied in with the system of the draft, which is 21 months for the armed services.

Mr. O'HARA of Minnesota. There was some exclusion if they had served, as I understand if a doctor had served 21 months during World War II, am I correct on that?

Mr. VINSON. If a boy has had over 21 months he falls in the fourth category, or he would probably be a Reserve officer and, of course, that is taken into consideration if he is called to active duty.

Mr. O'HARA of Minnesota. If he had served just under 21 months he would be next in order in the category of the ASTP priority; is that right?

Mr. VINSON. If you will read the bill——

Mr. O'HARA of Minnesota. I have read the bill.

Mr. VINSON. Then the gentleman saw that one who serves between 90 days and 21 months is in the second category.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. VORYS. I note that on page 2 the date August 16 for membership in the Reserve components is stricken out. Officers in the Reserve are apparently omitted from the provisions of the bill. It would appear to me that all of those ASTP and V–12 personnel could by seeking commissions evade the provisions of this bill unless the Armed Forces by regulation provided they are going to treat all the medical men equitably, whether they are officers or whether they are draftees. What about that?

Mr. VINSON. Let me say that we are hoping when this bill passes it will not be necessary to draft any doctors. We hope they will volunteer and join the reserves. We say to you, "If you do volunteer and join the Reserves then you get the extra pay of $100" which the

Career Compensation Act gives to doctors.

Mr. VORYS. Then the committee has not solved one problem and that is to set up some equitable way of calling to active duty officers in the Reserve components?

Mr. VINSON. Yes, we have. We have set it up in the priorities fixed in the bill. That is the order in which they will be called. Of course, it is true that a great many doctors have been ordered to date in the Reserve. There are a great many in the Navy. When this bill becomes law and they go to administering it, they may well have enough volunteers joining from those liable to induction from the ASTP and V–12 programs to enable the departments to give deferments to those doctors who have been ordered to active duty up to date.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Texas.

Mr. KILDAY. The departments have stated to us in committee that it will be their policy to so administer this law as to relieve the pressure on the Reserve doctor who has heretofore seen service during the war?

Mr. VINSON. Yes.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Ohio.

Mr. ELSTON. I think it should be pointed out that the passage of this act makes it possible for the service to call up the draftees first?

Mr. VINSON. That is right.

Mr. ELSTON. At the same time, if the services want to do so they can call the Reserve officers, regardless of the provisions of this act?

Mr. VINSON. Yes; under another provision of law. The Departments have assured the committee they are going to try to carry out the intent of the Congress that the law benefit the Reservists who have been ordered to active duty.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Kentucky.

Mr. GOLDEN. If a young man was not educated under either one of the Army or Navy specialized schooling acts and went into the Regular Army and later on was discharged and attended medical school under the GI bill of rights, where would he come?

Mr. VINSON. He falls in the fourth category. It is in the bill where he would fall.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Minnesota.

Mr. JUDD. What happens to a man who served in active service in the Infantry for 2 years, then was transferred to a medical-training unit, and for 2 years served in that ASTP unit?

Mr. VINSON. Then becomes a doctor?

Mr. JUDD. Yes.

Mr. VINSON. He has not rendered any service in his capacity as a doctor. He falls in class No. 2.

Mr. JUDD. It says on page 4, under "Fourth priority":

> Those not included in the first and second priority who have had active service in the Army.

That does not mean service only as a medical officer, does it? It means any kind of service?

Mr. VINSON. While we had reference to medical service, it is possible that it could include all types of active service.

Mr. JUDD. The language is ambiguous then. It ought to be spelled out better if it includes other active service than as a medical officer.

Mr. VINSON. I thank the gentleman. I think the proper construction is that it includes all service subsequent to stated periods.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from North Carolina.

Mr. BONNER. I was interested in that part of the gentleman's explanation dealing with Reserve officers who had lengthy service during World War II, and this bill relieving the pressure on them.

Mr. VINSON. It enlarges the over-all pool from which these doctors can be ordered to active duty, and thus it is bound to have its effect on those reserves with long service.

Mr. BONNER. Those officers whom the gentleman mentioned as already having been called up, who can show that their being called into service brings about a hardship on themselves and the community in which they serve, will they then be deferred or relieved from duty even though they have been called when this bill begins to function?

Mr. VINSON. The department is going to try to interpret this bill so that it will be carried out like it is written. Of course, strictly speaking, every one of these Reservists could be made to serve who received orders to serve to date; but in administering this they are going to try to grant deferments, if it is possible to do so, to those who have already actually received a notice to report, and let those who contributed nothing be called instead.

Mr. BONNER. It would be possible for a Reserve officer who has been called to ask for deferment until they begin to function under this?

Mr. VINSON. Yes, he could ask for deferment.

Mr. BONNER. The department would be expected to grant that deferment?

Mr. VINSON. The department could grant it.

Mr. BONNER. The department would be expected under this bill to grant it?

Mr. VINSON. I would not say they would be expected to, but they would at least be required to give consideration to it.

Mr. BONNER. In cases where hardship can be shown.

Mr. VINSON. Yes.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Mississippi.

Mr. COLMER. Right along that line of discussion with the gentleman from North Carolina, reference was made to those Reserve officers with long service. What about Reserve officers with not-so-long service?

Mr. VINSON. The bill does not apply to reservists, as such.

Mr. COLMER. Do I understand from that that a Reserve medical officer with less than 21 months actual service could be subject to call under the draft rather than under his reserve status?

Mr. VINSON. No. We are not calling up under this law those in the Reserve. We call them up under another provision of law.

Mr. COLMER. Active or inactive?

Mr. VINSON. Active or inactive. They are not called up and they do not have to register.

Mr. COLMER. I just wanted to clarify that.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I notice on page 5 that the President shall establish a national advisory committee, which goes on down to the States.

Mr. VINSON. That is right.

Mr. MILLER of Nebraska. Do I understand that in the selection of these physicians—and you do not expect to get enough physicians from this V–12 or ASTP program to supply the needs of the military—that the State Advisory Board will indicate what physicians should go within that particular State?

Mr. VINSON. We discussed that fully in the committee, and it is hoped it can be worked out along the same line as during World War II.

Mr. MILLER of Nebraska. That was a good program.

Mr. VINSON. Certainly. Therefore the House can understand that the National Advisory Committee is set up to consult and aid in the administration of this law and to take into consideration the civilian needs of every community.

Mr. MILLER of Nebraska. One further question. I think the committee has done a good job in bringing this bill out. I am in favor of it.

Mr. VINSON. I thank the gentleman.

Mr. MILLER of Nebraska. I would like to ask this question: Did the committee make any further survey of the number of physicians with 4.5 to each 1,000 of men in peacetime here at home that the Army presently requires?

Mr. VINSON. It is 3.5 in peacetime, and they feel their military needs will have to go to 4.5 now.

Mr. MILLER of Nebraska. The gentleman understands that in the military we have strong, healthy men, and for civilian practice in the States they average about one physician to 500 people; old men and people who are sick. There is a waste of manpower in the military that ought to be corrected. I called attention to that many times in the past, and I still say and maintain and can prove that the military wastes medical and professional manpower to an extent that is a disgrace to the service.

Mr. VINSON. No doubt there is some justification for the gentleman's statement; but you must bear in mind that we are at war in Korea, and your casualty lists run high.

Mr. MILLER of Nebraska. Four and five-tenths doctors is not enough then.

Mr. VINSON. You must bear in mind there will be 2,500,000 men under arms, and you must bear in mind that the civilian dependents of the armed forces also have some call on these doctors. In normal times we say there should be 3.5 per 1,000. When war comes we think we are justified in the manpower use going up to 4.5, and in the dentists we take 2 dentists per 1,000 men.

Mr. MILLER of Nebraska. In the field of action 4.5 per 1,000 is not enough.

Mr. VINSON. I grant you that that is the very reason for this National Advisory Committee. We want to get what we need, but we do not want to have more just to waste manpower.

Mr. CAVALCANTE. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. With reference to the shortage of doctors in the United States, I wish to make this observation to the distinguished gentlemen of this committee, that despite the fact that the population of the United States has increased approximately 20,000,000 people since 1940, the number of medical students admitted to medical schools and graduated in the United States was less in 1949 than in 1939. I have those statistics and they are available. That poses a very serious situation and shows the obvious necessity for adopting legislation such as is before us today.

Mr. VINSON. I thank the gentleman.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Connecticut.

Mr. LODGE. I would like to congratulate the gentleman upon the many helpful answers that he has given and just to say this, in connection with what the gentleman from Pennsylvania, Mr. Cavalcante, has said: I believe we have the same number of doctors in the United States today that we had when we had a population of 73,000,000 people.

Mr. VINSON. Well, as I have stated, we have, in the United States, today 201,000 medical doctors. That is the whole population.

Mr. LODGE. May I ask the gentleman this question, as to those who come in the fourth category on page 4? Does the distinguished chairman of the Committee on Armed Services anticipate that those who in class 4 will be called up, or does the gentleman think that those in the first three categories will be sufficient to meet our needs for some time?

Mr. VINSON. They may possibly come from class 4, but the bulk of them will come out of the other classes.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. JUDD. Of the 29,000 doctors who are in Reserve components, are all of them receiving compensation as Reserve officers?

Mr. VINSON. No. Some are on inactive status, and some on active.

Mr. JUDD. The gentleman does not have a breakdown as to how many in each category?

Mr. VINSON. I do not.

Mr. JUDD. Those who have been receiving compensation, I think should be called first; is that correct?

Mr. VINSON. Of course they will.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. REES. As I understand this, the National Advisory Council will function only with respect to those who have not yet joined the Armed Forces?

Mr. VINSON. That is right. It will not have anything to do with one who joins the Reserves.

Mr. REES. But after the doctor is in the service, the advice of this Board will not apply?

Mr. VINSON. It will have something to do with all the medical men who are coming in either through the draft or through the Reserve, because there will be a hesitancy on the part of the draft board to draft, if the Reserves in a particular community all had been called to the service.

Mr. REES. But after a doctor has been called into the service, then will this board have any authority to act with respect to his being released?

Mr. VINSON. No, they will have nothing to do with it because he is controlled by the military and he will have to make his peace with the military.

Mr. REES. And the advice of this board will not be in effect?

Mr. VINSON. No; he is in the service.

Mr. REES. This legislation of course comes at a time after a number of doctors have gone into the service. I have in mind a doctor who has just gone into the service, who has several dependents and has requested that he not be called because of dependents and for other reasons. This legislation is not going to affect him at all, is that correct?

Mr. VINSON. It will affect him in this way: If they get enough men and this man who is in the Reserve and has rendered service of at least 21 months or longer in a previous war, they might say, "We can afford to defer you or grant you a furlough now because we have somebody to take your place." But that is a question which addresses itself to the military.

Mr. REES. In other words there is nothing in this legislation to affect that problem?

Mr. VINSON. That is correct.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. KEATING. I think the answers that the gentleman has given pretty well answer the question I had in mind. I commend the gentleman and his fine committee for bringing out this legislation. I think it is very much needed.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. JUDD. Why should they require 4.5 doctors per thousand men?

Mr. VINSON. Because the people who administer the law and who have charge of the health of the armed services estimate that is what they need. I do not know whether it is right or wrong, and I do not think any of us is in a position to say it is too high or too low. All we want to do is to see that every man that is brought into the medical service performs the duties for which he is brought in, and that the medical force of the armed services is not overstaffed.

Mr. JUDD. Of course there probably are a few days during and following a battle when some such proportion is needed, but the great bulk of the time fewer doctors are needed than in civilian life. They do not have women to treat, they do not have old people, and they do not have children to care for, which is most of a civilian doctor's work.

Mr. VINSON. I will have to say to the gentleman that I do not know whether four and a half is right or three and a half is right, but I have to rely on the people that we charge with the health of the Armed Forces.

Mr. JUDD. It is just about three times as many doctors per thousand in the Army as among the civilian population.

Mr. VINSON. It is highly incumbent that the health of every man be closely scrutinized, and that he be given the best medical care and attention possible.

Mr. JUDD. There is no doubt about that.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. BROOKS. When a man is injured on the firing line and a doctor is needed, that doctor has to be there. He may not be needed any other time in the week except the one day, but when you need him you must have him there. It is unthinkable that we have men wounded and not have adequate medical care.

Mr. JUDD. That is certainly true. The doctors should be where the men are wounded; but the services usually have too many sitting around here in the United States without adequate work to do.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SHORT. It is quite similar to a police department or a fire department. Most members of the fire department sit around the station, but they have to be on tap if a fire breaks out. While I think there have been grave abuses in the past and a lot of wasted manpower, as far as the medical profession is concerned, and I think we did have an improper balance in the last global conflict, nevertheless it is necessary to have these doctors present or in reserve or on tap, just as you must have a police department or a fire department, whether they are working every hour of the day or not.

Mr. BROOKS. Will the gentleman yield further?

Mr. VINSON. I yield.

Mr. BROOKS. That figure, 4.5, is not the average for the continental United States. It is the over-all average for home and abroad. In Korea it will be much higher than 4.5.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr VINSON. I yield.

Mr. FERNANDEZ. It has been pointed out on the floor and in the press that very few boys who were trained at Government expense have enlisted or volunteered. Naturally, there has been an inference that there is a lack of patriotism. From the letters which I have received I have gained the impression that it is not a lack of patriotism, but that these young men who were trained want to volunteer, but the only thing they want to be assured of is that others will be used also and that they will not be called upon to bear the burden while others stay home and get the profit. I think that this bill will give them that assurance and that when this bill is passed they will volunteer.

Mr. VINSON. There is no doubt about it. I call attention to an amendment that has been put in by the committee. Every volunteer will get $100 a month more than the pay of the rank that he carries. If they are drafted they do not get that. I do not think many of them will be drafted. I think all of them will join the Reserve, and then they will be called in.

Mr. CAVALCANTE. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. CAVALCANTE. With reference to legislative draftsmanship and clarification of this bill——

Mr. VINSON. I suggest you address that remark to the distinguished gentleman from Texas [Mr. KILDAY], because he is an expert on draftsmanship.

Mr. CAVALCANTE. Very well, I will do so.

Mr. VINSON. Mr. Chairman, I reserve the remainder of my time.

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Chairman, it is difficult to follow the gentleman from Georgia, the able chairman of the Armed Services Committee, because he explains everything so clearly, so thoroughly. However, I do want to make a few observations.

If there is an absolute necessity for increasing the number of doctors and dentists in the armed services, no one can deny the propriety of the proposed legislation. The ones in the service must have the best attention possible. However, I do not believe there is any Member of Congress who knows, solely upon his own knowledge, whether there is need at this time for an increase in the number of doctors and dentists. The only thing we can do is to take the word of the military even though frequently their judgment is not the best. They say that it is needed. I subscribe to what the gentleman from New Mexico said; I believe there is no lack of patriotism by any of the doctors or dentists of the country. I believe they are a great deal like most Members of Congress; they are bewildered; they are confused; they do not know whether the plan of this administration is to have an all-out mobilization of all our people or not; they do not know the plans of the military or our State Department.

Most of us are going back to our districts within a few days and we will be asked many questions by our confused and bewildered people. They are going to ask us, for instance: What did the President of the United States mean on June 1, just 24 days before the attack on South Korea, when he said, "The world is closer now to permanent peace than anytime in the last 5 years." The people are going to ask another question: How is it that after $50,000,000,000 has been spent by this Nation for armament we found our boys reduced to fighting on a beachhead because of lack of equipment?

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. JONAS. Since this Congress has not declared war according to the Constitution of the United States, we shall have to assume that whatever war we are in is a war created by the United Nations, and we could account for it to that extent.

As to the facts and figures cited as to the number of doctors the United States asks to enlist and bring in to give our soldiers the comfort and protection to which they are entitled, what does he have to say, or can any Member produce any figures as to the number of doctors that these other 52 nations who belong to the United Nations will produce in connection with this conflict known as a peace action? I am interested in knowing how many doctors they will send.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. RICH. The gentleman from Illinois made the statement that we had spent $50,000,000,000 in preparation for war. The gentleman knows that in the last 5 years this administration has appropriated $92,500,000,000 for war, and then they try to blame it on the Republicans because they have not got the things the Democrats need now to fight a war. Why, it is a terrible situation coming in here and trying to make people believe that we are responsible for the situations the Democrats find themselves in.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SHORT. Mr. Chairman, I yield five additional minutes to the gentleman from Illinois.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. EVINS. I wish to ask the gentleman from Pennsylvania if he has anything constructive to offer. This committee was legislating here in a very orderly way with contributions being made from Members on both sides of the aisle. This procedure has been interrupted and politics injected into the debate. I think it is to be regretted that politics should be injected into the debate on this legislation. The gentleman from Pennsylvania offers lots of criticisms—but does not try to be constructive. I suggest he cease criticizing all the time and offer something constructive.

Mr. RICH. Mr. Chairman, will the gentleman yield to let me answer that?

Mr. ALLEN of Illinois. Not at this moment.

I may say that I hope there never comes a time when if mistakes are made attention cannot be called to them without being accused of politics. We should call attention to mistakes in order to benefit by them in the future. If our responsibility as Members of Congress is merely to come in here and acquiesce when we know there are mistakes being made and accept them without any honest criticism I think that it would work to the detriment of the country.

Another thing the people are going to ask you when you go back home is: What is the policy of this administration in regard to China, a nation that fought for 4 years during the last war against Japan our enemy before we got into it. China, a nation that has been our friend for over a century, helping us drive onward for peace.

Another question they are going to ask you is: What is going to happen when our boys drive the Reds north of the thirty-eighth parallel? What will be the policy of the State Department then?

We are going to be asked why the President suppressed the news of General MacArthur when about everyone rightfully believes General MacArthur knows more about the Far East than any American.

Another thing they are going to ask you about is the Un-American Activities Committee and our beloved Republican Senator from Wisconsin, JOE MCCARTHY. They are going to ask you a great deal about that and it is going to be tough for some of you to answer. I know what I am going to say. I am going to say: "I do not know whether Senator MCCARTHY has always used the right tactics. Who is immune from making an occasional mistake? I do not know whether he has used the right vehicles, but I do know" and these are the facts "that since Senator MCCARTHY and our Un-American Activities Committee members started to work Alger Hiss is on the way to the penitentiary, Judith Coplon is on the way to the penitentiary, Dr. Fuchs is out of the country and has been convicted in England, another one of our atomic experts has been indicted, Gubitchev is out of the country, Harry Bridges is on the way to the penitentiary."

So I say to the Members here, when you go back home the people are going to ask you those questions. A few misinformed and misdirected people are attacking Senator MCCARTHY and members of the Un-American Activities Committee, but the fact remains that a lot of people are on the way to the penitentiary. Even our own State Department came in before a congressional committee and said there were 291 fired from the State Department, including 91 that were thrown out for moral reasons.

So I repeat, these are some of the things you are going to have to answer when you go back home. I just received from a constituent an article from London from which I quote the following:

Russia and Communist Poland are among Britain's best customers for machine tools, a study of British trade figures showed today.

The others are Australia, South Africa, and India. In the first 7 months this year, Britain sent machine tools worth $1,208,000 to Russia, and other tools worth $1,277,000 to Poland. More shipments of tools worth $366,000 went to Czechoslovakia. Shipments of machine tools to equip new Russian factories during the first 7 months this year were more than four times those of the same period last year and 15 times those of 2 years ago.

The question is going to be asked why Great Britain, our ally, a country to which we have sent much aid, is sending these special tools over to our communistic enemy in order for them to make tanks and so forth to be used against our boys in South Korea. I could go on indefinitely in regard to some of these questions that many of my friends are going to have to answer, but I think I have said enough so that you may safeguard yourselves when you do get back to your various districts.

Mr. VINSON. Mr. Chairman, I yield myself 1 minute to straighten out the RECORD in reference to a question by the distinguished gentleman from Minnesota [Mr. JUDD]. He asked the question if all service was to be counted. Reading section 4, all service would be counted. I answered that it would be just the medical service. All service would be counted under that section.

Mr. JUDD. I thank the gentleman.

Mr. VINSON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, there is not a great deal to be added after the explanation of the bill by the chairman of the Committee on the Armed Services. I do believe that the bill is in such shape it will do justice as between the various categories affected by the bill.

The fact that this is discriminatory legislation is frankly admitted by the committee. It singles out one profession, and its allied professions, and provides for their induction into the service where others of their own age group are not inducted. I think it should be stated that the American Medical Association and the other associations affected by the bill have endorsed it. They recognize the need for medical service to the extent they are willing to accept this discriminatory legislation in the public interest.

Mr. WILSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Oklahoma.

Mr. WILSON of Oklahoma. In view of the needs of the time, is it the position of our committee that this legislation is proper and will be sustained under the constitutional authority of the Congress to raise and maintain an Army?

Mr. KILDAY. We so believe. While we regard it as being discriminatory, we think it is clearly within the provision of the Constitution which provides that the Congress shall raise and maintain an Army. You cannot maintain an Army without adequate medical personnel. We had similar legislation during the war period. That was gone into rather thoroughly and I for one on the committee contend it is within the provisions of the Constitution.

Mr. CLEMENTE. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. CLEMENTE. As an added inducement, is it not a fact when doctors are called into the armed services they are given at least a first lieutenant's grade?

Mr. KILDAY. That is correct. I point out the fact that it is discriminatory, because when you come to try to explain the provisions of this bill as other provisions of law may affect other groups, you cannot reason this out on a logical basis, because this is an individual group that is picked out of the population, subjected to special obligations and services, and entitled to certain privileges and advantages.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Ohio.

Mr. VORYS. Is not it one of the great distinctions then that they sought and obtained deferment from combat service?

Mr. KILDAY. Of course, that is in the bill. The least that they received is deferment from combat service; others received far more than that. They received all the compensation received by the combat soldier, but in addition they received their education for the most expensive profession to which a man could aspire in the United States. They received full and complete education, or some material portion of it.

The categories which we have set up require, first of all, that he either received Government assistance in acquiring his education or was deferred from combat duty while he pursued his education, and we say that the man who had less than 90 days service is first to go and the man who had 90 days or more, but less than 21 months of active duty, is the next. The third are those who had no military service. In the fourth category are those who have had service, and we place those into groups depending upon the number of months of service which they had, and then those with the lesser number of months of service shall be called first. I do not know how it could be placed on a more equitable basis.

Mr. VORYS. Has the gentleman any assurance that the armed services will apply approximately that same equitable procedure to those who have Reserve commissions? If this is successful, it might be that there would be no doctors to be inducted, because they would all get commissions. Are they going to be treated equitably?

Mr. KILDAY. When we come to the Reserves, we must remember, in the first place, that you are dealing with a group which has voluntarily submitted itself to military orders by joining the Reserves. They have received pay of their rank for 4 full days a month by attending the so-called drill period, and with your professional personnel that drill period has not amounted to much more, perhaps, than discussion of medical subjects between medical officers. But, then, throughout these years, since the time they were separated or whenever they entered the Reserves, they received compensation. It is our hope that it is the desire of the department to so administer the law as to place the lesser burden on those that had the longer service. Whether that can be done in every instance, we do not know, because you cannot get specialists when you take your young men in the V–12 or the ASTP program. Practically none of them have been out long enough to be real, outstanding specialists. But, as I say, there I think we have to go to the older groups if the men in the armed services are going to get the kind of care to which they are entitled and the adequate specialist's care from men in the profession who require long education, training, and experience.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. DOLLIVER. Was there any testimony before the committee in connection with this bill revealing what the average cost of the V–12 program and the ASTP program for the training of physicians amounts to?

Mr. KILDAY. We asked for that information and at the time the witness appearing before the committee did not have it with him. He was to supply it. I do not know whether it was supplied. I will have to ascertain.

Mr. DOLLIVER. I wonder if we could obtain that information.

Mr. KILDAY. I understand that has not as yet been received. But, we did inquire into it. It was not available in the committee room but they promised to furnish us the information.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Georgia.

Mr. VINSON. I asked that question of the Surgeon General and we were unable to get that information, so it has not been worked out as to what it cost to train a V–12 or ASTV student.

Mr. DOLLIVER. I think it would be of great interest, and it ought to be in the RECORD.

Mr. KILDAY. I think so. I assure the gentleman it will be quite considerable. It is not a small amount of money.

Mr. VINSON. Of course, you know that he gets $50 a month in addition; plus he gets his tuition, his laboratory fees, his books, and all of those other things.

Mr. DOLLIVER. I thank the gentleman.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Tennessee.

Mr. PRIEST. I have learned within the last day that 20 doctors in my own district, who served from 2½ to 4 years during World War II, have received what they consider a conditional notice alerting them that they might be called within 21 days. I think the minimum service of that group was 2½ years and the maximum service 4 years. I was wondering if under the terms of this bill, assuming it is passed and becomes effective immediately, it would affect the men in that particular category.

Mr. KILDAY. The bill itself does not in any wise affect any man in the Reserves. It has been announced as being the policy of the Department so to administer the bill as to reduce the pressure now on the persons in the Reserve.

The question was brought up as to whether the inductions under this bill might not be postponed while these men were being processed and receiving their commissions and so on. The Department—and I think properly so—stated that they could make no commitment and that would depend upon the casualties in Korea and the absolute necessity for the medical personnel to be there were needed.

Mr. GUILL. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. GUILL. After talking with the distinguished chairman of your committee the day before yesterday, I called General Robertson and found out since that he had talked with your committee. But he made the statement to me that if in a community you could get one of these chaps whose education has been paid for by the Government, to go ahead and volunteer that then for every volunteer they would scratch off one of the Reservists; that is, that it would reduce the quota. Is that correct, sir?

Mr. VINSON. I will say to the gentleman from Texas that I do not know. But of course when you increase the pool by this legislation, then in the administration of it more consideration can be given to those who have already served and are Reservists.

Mr. KILDAY. May I say to my colleague from Texas that after all these are doctors you are dealing with. They are akin. I think we can leave it to the medical profession to take care of their own. They have done a very good job up to now.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. HARRIS. It is a fact, though, that this bill will have some effect on the Reserves, because of the very thing that the chairman of the committee pointed out, when the distinguished gentleman from Georgia just mentioned that it will reduce the pressure on the Reservists by making these other men available?

Mr KILDAY. Certainly. We had all three of the Surgeons General before us at one time. They committed themselves that it would be the policy of the department in the administration of the bill to relieve the pressure upon the Reservists by reason of the availability of this additional pool of men who have not had service as against those Reserves who have seen service, in many instances long service.

Mr. HARRIS. Did I understand the gentleman to say a few moments ago that you and the committee were not able to obtain information as to the cost of educating the men under the V-12 program?

Mr. KILDAY. It is to be supplied. They did not have it with them at the time. They have agreed to supply it, but we have not as yet received it. I feel that you can be sure that it is quite a considerable amount of money in each individual case.

Mr. HARRIS. That is what I understand, that is the reason I asked the question.

Mr. KILDAY. It is no small amount. Medical education is the most expensive education that a man can get.

Mr. HARRIS. Did the committee learn any information as to what was the extra cost for the Government to educate these men, as compared to the average person who is not being educated under a program of this kind?

Mr. KILDAY. We did not go into that, but my experience has been that it always costs the Government more to do anything than it costs anybody else.

Mr. HARRIS. I think it would be interesting for the gentleman and his committee to find out just how much that is.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. SADLAK. Will the gentleman explain why this age limitation was placed at 45, rather than, let us, say, at 50 or even 40?

Mr. KILDAY. The Senate bill places the age at 55 so that if our bill passes in its present form, that matter will be before the conference to be settled as between 45 and 55. It was felt by our committee that 45 would be adequate, and that they would be younger men, and that the matter of the administrative detail would be reduced by having the younger men who could be assigned to more categories or classes of service, either in the field or aboard ship; and also that a larger proportion of men 45 and under would be physically qualified for the various services that they might be required to perform.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. COLE of New York. In fact, the Surgeons General of the services said that the age of 45 was sufficient; did they not?

Mr. KILDAY. Yes; there were sufficient men within that age bracket, and the larger percentage of them would be qualified for the various duties that might be expected of medical men in the armed services. But, as I say, that will probably be a matter for the conferees to agree upon.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. HOEVEN. Does the Committee on Armed Services have any figures or estimates as to the number of doctors and dentists needed at the present time?

Mr. KILDAY. If we go to 2,500,000 in the armed services, then we need 11,000. There are 6,000 plus in the armed services, so that we need an increase of something like 5,000. There are probably 5,000 plus available within the first two categories.

Mr. HOEVEN. Can the gentleman tell us how many men it is anticipated can be taken in under the various categories?

Mr. KILDAY. I do not believe it is possible from the information that we had, or were able to get from the Department as between the first two categories.

Mr. Chairman, I would like to speak just a minute with reference to the overall effect of this bill. It is my opinion that if this bill is adopted substantially in its present form it will never be necessary to draft a single doctor or dentist. I think they will volunteer under its provisions. The bill in its present form does not limit the date upon which the man must enter the Reserves. That is where we want him. We want him in the Reserve so that there can be an orderly calling to duty of the men in accordance with the needs of the service, together with the Advisory Committee protecting the civilian population as to the availability of medical service for the civilian population.

The provision of the Career Compensation Act, which grants $100 a month additional pay to doctors who volunteer for service will be a sufficient incentive together with the provision that if a man waits until he is drafted, he is not going to get that additional compensation. I regard that as completely just and basically necessary in legislation of this type. Had the provision of the Career Compensation Act, which was reported by the subcommittee of which I was chairman during the present Congress, not been based on voluntary service I assure you the committee would never have included it. It has never been the contention that he would get, in addition to his education at Government expense, a commission, rather than serving in the ranks, a commission as first lieutenant or lieutenant, junior grade, and not second lieutenant or ensign, and then, in addition, $100 more than the same rank in any other service of the Armed Forces. If he is going to wait to be drafted, then he will have to take the consequences. If we retain those provisions in the legislation in its final form, I will predict that the day after this legislation becomes effective you will have enough doctors on your Reserve roll to fill all of your needs without ever inducting a single one.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. GAVIN. I might point out to the gentleman that thus far this bonus that has been offered has been no inducement to bring doctors into the service. Is that not right?

Mr. KILDAY. I cannot quite agree with the gentleman on that. I think it had a very beneficial effect on the regular services.

Mr. GAVIN. How many of them volunteered?

Mr. KILDAY. Those have been in the regular service. The inducement heretofore has been in the regular service, and it has had very beneficial effect on the service.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. VINSON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. KILDAY. The fact that there were many men who liked the medical services, but who had families and could

not afford to indulge in the occupation they like best, because of their families, have now been able to take up this service on account of the additional compensation.

Mr. GAVIN. Would you give us the number who have actually volunteered since this incentive was offered?

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. REES. As I understand it, this legislation described as a draft bill is not altogether a draft bill, but it is a measure that sets forth the privileges of those who join the services voluntarily, who are in the medical profession.

Mr. KILDAY. That is right.

Mr. REES. So that it is not a drafting of doctors into the service, but it simply sets forth the privileges they will enjoy by volunteering.

Mr. KILDAY. I think it will accentuate the need that exists, as well as setting out the advantages. It calls attention to the fact that there is extreme need, and that these things are available to them if they come in voluntarily.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. VORYS. The gentleman has referred to this National Advisory Committee. On reading the bill, I find that it deals solely with reference to the drafting of medical personnel. If the letter of the law were followed, they could not advise on any other subject. So, if the plan works out as the gentleman has suggested and no doctors are drafted, the Advisory Committee will be doing nothing with reference to the needs of the community or the order of calling up the reserve officers in that community.

Mr. KILDAY. The testimony, of course, indicates that the department would be disposed to use those committees in almost identically the same manner as the voluntary boards were used during the last war. I think they called them local procurement boards. In that connection, those boards did consider the availability of men according to the civilian demands in the territory. I have every confidence that this will be administered more or less along that line.

Mr. VORYS. Why should not the proper language be put in here to give these advisory boards the status which the gentleman indicates?

Mr. KILDAY. The gentleman should address that question to the chairman of the committee. He and I did not fully agree on that particular feature.

Mr. VINSON. This bill does require every one to register, even though he may not be inducted. No doubt this National Advisory Committee will function like it did during the last war. It will be of some aid and assistance in helping the department to know who should be called up, and what the hardships would be in a community.

Mr. VORYS. What is the point of just hoping it is going to work that way? Why does not the proper language provide for that?

Mr. VINSON. If anyone is drafted, it is probable that some of them will be drafted because all of them will have to register, then the Board will function.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. ELSTON. If this committee needs any assistance, it is already provided for in the National Security Resources Board. Provision is made for the allocation of personnel.

Mr. KILDAY. That is true, of course the National Security Resources Board has control over personnel as well as other resources.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. GOLDEN. Referring to page 3, section 2, where it provides that those who have had 90 days or more but less than 21 months—in the administration of the act is it the intention of your committee that there shall be any distinction between a man who served 4 months and 20 months?

Mr. KILDAY. I do not know what the answer to that would be. The provision is only that it is more than 90 days or less than 21 months.

Twenty-one months, of course, is the period of service required of any man drafted. If he had less than the required number of months he does not qualify for deferment under the Draft Act. What the policy would be I cannot infer.

Mr. VINSON. I may say to the gentleman that under this bill authority is given to the President to establish priorities.

Mr. KRUSE. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. KRUSE. I call the gentleman's attention to section 3 on page 5. What is contemplated in regard to deferment of premedical and predental students?

Mr. KILDAY. We have stated that it is the sense of Congress that the President should establish categories for their deferment. We did not feel that we could establish deferment by law for any particular class of students but that when we had stated the intent of Congress that was as far as we could go.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VINSON. Mr. Chairman, I yield two additional minutes to the gentleman from Texas.

Mr. KILDAY. I yield to the gentleman from Minnesota.

Mr. JUDD. I still cannot figure out what happens in the case I described earlier of a man who had 2 years of combat service, was shot up, and then went into the ASTP program and got 2 years of assistance in his medical education. According to the language in the bill it seems to me he is going to be called up because he did not serve subsequent to the date of his training.

Mr. KILDAY. He got his training under the GI bill of rights.

Mr. JUDD. The first part under ASTP. Probably the remainder under GI bill of rights, I do not know.

Mr. KILDAY. He got the benefit of the GI bill of rights.

Mr. JUDD. He had 2 years of combat service before he went into the ASTP program. Does this bill cover him?

Mr. KILDAY. Under this bill it does.

Mr. JUDD. What class would he fall into?

Mr. KILDAY. He would fall into class 4.

Mr. JUDD. But class 4 says those not included in the first and second priority. He was included in the first priority.

Mr. VINSON. He is not in the first or the second because he had 21 months.

Mr. JUDD. But the language under the first and second refers only to active service. "Subsequent to the completion of his training." He did not have any service after the completion of his training; his service was before.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. SADLAK. If the gentleman will indulge one more question on my part, I have received a number of letters regarding medical officers of the forty-third National Guard who are being inducted into service. They are concerned about the $100 per month. I understand that it has now been hooked up with this bill by section 2. Can the gentleman answer that?

Mr. KILDAY. Yes; the Comptroller General has decided that the Career Compensation Act did not apply to the granting of $100 a month to a National Guard or Reserve officer when called to active duty with or without his consent. The officer in the National Guard subjects himself to military orders and is in the service just as firmly so the committee overrode the Comptroller General and placed the provision in section 2 of the bill providing that commissioned officers of the Reserve components called to active duty, with or without their consent, shall be entitled to the benefits of section 203 of Public Law 351, and get the $100 a month.

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, I take this time principally to ask some questions of the majority side or the minority side. I first make a brief statement. This bill, while not too well drawn, will have my support. The purpose of the bill is plain, it is to get these doctors who were educated at the expense of the Government into military service. But I would also point out that some of these boys would now be in the service but their service was terminated by the Armed Forces. When the war was over they were told they were not needed; they were told they were not wanted. Naturally they went into practice for themselves. Another thing I would recall to your mind is that the passage of this bill will not solve the problem as far as the medical problem is concerned. You are going to get those who have had this training, but I think you have placed your estimate too high as to how many you are going to get, because many of them are going to be disqualified because of physical and other reasons.

May I ask how many medical men the armed services will need? Is there anyone who can answer that question?

Mr. BROOKS. I can answer the gentleman. It depends on the extent to which military activities go. If this thing in Korea is called off or stopped it means, of course, there will be less. If hostilities increase they are going to need more.

Mr. MILLER of Nebraska. The gentleman has not answered my question of how many medical men the armed services will need.

Mr. BROOKS. I do not think the armed services themselves know.

Mr. MILLER of Nebraska. Then, can the gentleman tell me how many medical men are already in the armed services? Does the gentleman have the information as to the number of medical men who are now in all branches of the armed services?

Mr. BROOKS. Yes.

Mr. VINSON. Some 6,000 doctors and some 2,700 dentists. I gave that in my statement.

Mr. MILLER of Nebraska. Now in the service. How many more is it anticipated they will need?

Mr. VINSON. About 5,000 doctors and about 2,500 dentists.

Mr. MILLER of Nebraska. So in this bill you get 1,500 or 2,000 medical men. You still need 3,000, which you are going to have to go out and get from the Reserves.

I think it should also be pointed out that some of the Reserve officers are complaining about being called back into service because they had had 2 or 3 years of active military duty. When they were discharged they went into the active Reserves by choice. They were getting paid for some drill work, they were to get, I believe, a pension after some 30 years of half their regular pay. They were in the Reserves for a purpose. Now, a war comes along and they say, "Well, I have had my service. Do not call me."

Of course, you must make some allowance for that situation. This bill calling physicians into the service will not solve some of the problems you will have in the country. There are areas in which only 1 doctor is serving 2,500 people. The doctor may have been educated by the Government. When it comes to the time to call him into the service, you will have your communities that will say, "We have only 1 doctor for 2,500 people. Are you going to take him away and leave us without a doctor?"

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Ohio.

Mr. ELSTON. I think it is very important to set up this advisory committee. That committee worked very well in World War II. It was voluntary. The doctors on that committee served without compensation and I think they did an excellent job in deciding what doctors should be retained for community needs and what doctors might be available for the service. If the same kind of committee is set up again I think there will be no trouble at all so far as the needs of the various communities are concerned.

Mr. MILLER of Nebraska. They will get a replacement for that man that they take into the service. That should be done.

Here is another point I want to make to the committee. It seems to me there has been too much waste of manpower in the armed services as far as physicians are concerned. They are not being used to the fullest advantage.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SHORT. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I have requested this time to pay tribute to the thousands of men in the medical profession who rendered outstanding and patriotic service during World War II. They rendered service without complaint and in many cases, at great sacrifice. Much of that service was heroic for which little credit was received.

This is a rather drastic measure. I am informed it has the endorsement and suppport of the American Medical Association. I am advised this organization believes that, in view of the present crisis, it is fair and equitable.

There has been some criticism in the press, and also voiced on the floor of the House today that doctors have not volunteered for service as promptly as those who head the Armed Forces feel they should. I think this is answered to a great degree by those doctors who spent considerable time in the service, who feel that doctors who had training at the expense of the Government ought to be given first chance to serve. I also feel quite definitely that when the doctors and the dentists of this country are convinced of the real need of their services, there will be no difficulty in securing enough doctors and dentists to take care of the needs and requirements of the Armed Forces. I am sure many Members of this body are familiar with complaints that in too many instances during the recent war services of doctors were not effectively and fully utilized.

I hope if this legislation is made effective, there will be a complete understanding between the doctors and dentists who are called and those persons who are in charge of the leadership of the Armed Forces with respect to the proper utilization of the services of the men who are trained in the medical profession.

Mr. SHORT. Mr. Chairman, it is neither my desire nor intention to trespass upon the time or patience of the Committee at this hour. But, in the words of the prophet, I wish we would "come and reason together."

Mr. Chairman, it is exceedingly difficult, if not next to impossible, to write a general or universal formula that will deal out justice to all individuals. Certain Members of this House know my position when it comes to drafting men. It is not a pleasant thing in peace or even in time of war. But, sometimes exigencies and necessities drive us to do things that we do not like to do.

I know that there may be some inequities in this bill. I doubt if absolute equality will be dished out to everybody, but I think we all will appreciate the forthrightness and the frankness and the honesty of our colleague, the gentleman from Texas [Mr. KILDAY] when he did not hesitate to admit openly that this legislation is more or less discriminatory.

Your Committee on Armed Services does not like to draw lines of distinction between different classes of our citizens. Here is a man who has gone through law school, or through engineering, or he is an expert scientist who has, perhaps spent many years and many thousands of dollars in acquiring his education. He is drafted into the armed services; perhaps sent up into the front lines to face the fire, and even forced to give his last full measure of devotion. If he is lucky enough to escape with his life and he comes back home, he is going to have to rehabilitate himself. He is going to have to take up where he left off. He is not going to feel too kindly toward members of the medical profession or even Members of Congress who pay some other fellow citizen $100 a month extra and even give him a safer berth, particularly when you consider those who were fortunate enough to escape combat service during the last war, who were granted all the rights, privileges, and prerogatives and paid not only the same as every enlisted man received but who were given the most expensive education that any man has ever received.

After holding extensive hearings and considering all the factors involved, and particularly after listening to the Surgeons General of all the branches of our armed services, we were driven to the inevitable and undeniable conclusion that the only way we could get a sufcient number of men in the armed services, in times of peace, who could render adequate medical care to service members of the different branches was to give them an added inducement.

Of course, this time we are drafting them all. I agree with my friend, the gentleman from Texas, there is not much logical reason or, I might even say, justice, in giving additional pay or incentive to any particular group of our citizens.

I might just take one moment to point out here that maybe there is a person who believes more in private enterprise and individual initiative than I do, but I have never met him. I am going to issue a warning that if we have socialized medicine in this country it will be brought on by some of the ill-advised, if not unfair, practices of the American Medical Association.

I am not going to yield to any Member of the House of Representatives in praising the doctors and standing up for them. Ye Gods, when we get a pain in the head or in the foot or in the middle of us we are glad to see them—we are not always very happy when the bill comes in—but I know the service that they render. A little nephew of mine from his boyhood days has wanted to be a doctor. He is the apple of my eye. He has finished three years of premedical

school and has been admitted to medical school. I am glad that he has been able to make the grade, in spite of the high I. Q.'s required.

I have literally dozens, if not scores of young men who have graduated from colleges and universities, not only in my district but throughout my State and all over the country who are most eager to get into medical school. But they cannot get in. I dare say every Member of the House of Representatives has many applicants in his own district who want to get into medical school while we are preaching an acute shortage of doctors. Why cannot they get in? Who has created the monopoly? Who wants the high fees? Who is responsible for our present predicament?

I trust the Members on this side of the aisle will not think I am talking like a wild-eyed radical or a Socialist when I say it is high time that the medical profession, honorable and valuable as it is in this country, puts its own house in order.

We have been forced, I say, out of sheer necessity in the exigency of this situation to bring in this legislation, and with the gentleman from Texas, a good Democrat, I join him as the only Republican left in my State. JOE BRYSON of South Carolina says they are just saving me for seed corn. Sometimes I wonder whether it is ever going to sprout. But I think maybe it will, before too long.

But I agree with my friend from Texas in not even trying to justify certain provisions of this bill. I am going to hold my tongue when certain sections of it are read, and I will perhaps choke on my Adam's apple when I try to swallow parts of it, as the gentleman from Georgia will. He has a stronger constitution than I have.

He smiles, but he does not like some of the provisions in the bill. But we are in a great crisis. I think if the Members of this House could have sat with the members of our committee and listened to all of the testimony and evidence, or if you will take the time to read the full report, you would agree that, under all the circumstances, it is just about the best thing we can do at this time.

If there is any wrong committed, if there are any mistakes made, I am sure the gentleman from Georgia, astute and resourceful as he is, after his brief experience of 36 years in this House, after knowing just a little about human nature, out of his broad mind and philanthropic heart, will be most willing to listen, consult, and advise with any of you and bring in any additional measure to correct or rectify any wrongs that may have been perpetrated.

Mr. Chairman, I hope that we vote on the bill and pass it.

Mr. VINSON. Mr. Chairman, I yield the remainder of my time, 2 minutes, to the gentleman from Ohio [Mr. HUBER] to speak out of order.

Mr. HUBER. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HUBER. Mr. Chairman, I urge the Congress to enact excess profits tax legislation now, effective on excess profits earned after the start of the Korean war. We are told that the administration and the tax committees of the Congress would like to wait until next year to enact an excess profits tax on the ground that more study is required to develop a perfect excess profits tax. The contention of those who insist, as I do, on enactment of an excess profits tax effective for the last half of this year is that we are sending the boys to fight now, we are spending the money now, and profits, because of rising prices and inflation and war conditions, are running through the ceiling now with dangerous effects on the economy. If we wait until next year these profits will escape excess profits taxation. It is strange that the Senate Finance Committee should produce a tax increase bill raising nearly $3,000,000,000 from individuals, bearing heavily upon those in the lower income brackets, and at the same time should increase corporate taxes by only a half billion. It is true that the accelerated payment of corporate taxes is estimated to yield a billion and a half in a year but the actual tax on corporations in the bill now being debated on the Senate floor will produce only $320,000,000 additional in fiscal year 1951. Corporate profits were the last to be taxed in World War II and the first to be relieved of taxes after the war.

An important economic reason for curbing excessive profits through taxes now is that it would be one of the best anti-inflation measures we could take. Unless the working man can be assured that these profits will be subjected to just taxation, he will inevitably demand substantial wage increases in the next few weeks and months. Why? Because the cost of living has increased substantially since his last wage increase and because the corporations have the profits with which to pay these wage increases. You cannot ask labor to accept wage stabilization now while giving corporations the go ahead to jack up prices and reap unprecedented war profits.

The amendment that Senator O'MAHONEY and Senator CONNALLY are pressing in the Senate to the pending tax bill, H. R. 8920, and which I propose in the House, is a simple, workable and justifiable addition to the pending bill. Basically it simply reactivates the excess profits tax of World War II, a tax which was never repealed but merely suspended. It is brought up to date by the proposed amendment. A 4-year base, 1946–49 is substituted for the World War II base of 1936–39. Because of the super-normal profits earned by corporations during this 4-year period as a result of the liquidations of war-accumulated demand for consumer goods, and business expansion, we propose to use 80 percent of the average 1946–1949 profits as the base. Still retained, of course, is the alternative of the invested capital base as in the World War II law. The rate of tax proposed is 85 percent of excess profits after allowing for all exemptions and deductions and a $10,000 specific exemption for small companies, and an additional $10,000 exemption for new companies formed since 1945 using the invested capital base in calculating the tax. These specific exemptions will assure new and small, independent business that this tax will not be an excess burden.

It should be kept in mind that the proposed amendment merely reactivates the existing World War II excess-profits tax which is still in the tax code. There is nothing new or novel or unworkable about this amendment. Furthermore, the amendment directs the Joint Committee on Internal Revenue Taxation to make an intensive study of excess-profits taxation and to bring forth suggested perfecting amendments for the Congress to consider early in the year. These amendments, if adopted, could be made retroactive to July 1 of this year, the effective date of the excess-profits tax. Businessmen, accountants, and lawyers are generally familiar with the excess-profits tax of World War II. It worked during World War II and it could work equally well in the present emergency.

Estimated excess-profits-tax liability—Proposed amendment to H. R. 8920

Proposed base for excess-profits taxation, 80 percent of 1946–49 average ($28,900,000,000)	23.1
Exemptions at $10,000 "specific" and $10,000 for each new business	3.0
Subject to normal and surtax only	26.1

Excess-profits-tax addition to total tax at 85-percent rate is 40 percent of excess (i. e., 85 percent less 45 percent normal and surtax).

If profits in taxable year aggregate:	Yield resulting from excess-profits tax will be:
$26,100,000,000	0
$28,100,000,000	$ 800,000,000
$30,100,000,000	$1,600,000,000
$32,100,000,000	$2,400,000,000
$34,100,000,000	$3,000,000,000
$36,100,000,000	$3,800,000,000
$38,100,000,000	$4,600,000,000
$40,100,000,000	$5,400,000,000

Mr. VINSON. Mr. Chairman, I have no further requests for time on this side, and I ask that the Clerk read the bill.

The Clerk read as follows:

Be it enacted, etc., That section 4 of the Selective Service Act of 1948, as amended, is hereby amended by adding at the end thereof the following subsections:

"(l) (1) Notwithstanding any other provision of this title, except subsections 6 (j) and 6 (o), the President is authorized to require special registration of and, on the basis of requisitions submitted by the Department of Defense and approved by him, to make special calls for male persons qualified in needed—

"(A) medical and allied specialist categories who have not yet reached the age of 45 at the time of registration, and

"(B) dental and allied specialist categories who have not yet reached the age of 45 at the time of registration.

Persons called hereunder shall be liable for induction for not to exceed 21 months of service in the Armed Forces. No such person who, on August 16, 1950, is a member of a Reserve component of the Armed Forces shall, so long as he remains a member thereof, be liable for induction under this subsection, but nothing in this subsection shall be construed to affect the authority of the

President under any other provision of law to call to active duty members and units of the Reserve components. No person in the medical, dental, and allied specialist categories shall be inducted under the provisions of this subsection after he has attained the forty-sixth anniversary of the date of his birth.

"(2) In registering and inducting persons pursuant to paragraph (1) of this subsection, the President shall, to the extent that he considers practicable and desirable, register and induct in the following order of priority:

"First. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the categories referred to in clauses (A) and (B) of paragraph (1) of this subsection who have had less than 90 days of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"Second. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the categories referred to in clauses (A) and (B) of paragraph (1) of this subsection who have had 90 days or more but less than 21 months of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"Third. Those who did not have active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940.

"Fourth. Those not included in the first and second priority who have had active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940. Inductions of persons in this priority shall be made in accordance with regulations prescribed by the President which may provide for the classification of such persons into groups according to the number of full months of such service which they have had and for the induction of the members of any such group after the induction of the members of any other such group having a greater number of full months of such service.

In the selection of individuals from among the categories established by subsection (1) for induction, the President is authorized, under such rules and regulations as he may prescribe, to provide for the deferment of any individual whose deferment is found to be equitable and in the national interest, taking into consideration the length of his previous service in the Armed Forces (including the Coast Guard and the Public Health Service) of the United States, the extent of his participation in the Army specialized training program or similar program administered by the Navy, reasons of hardship or dependency, and the maintenance of the national health, safety, or interest.

"(3) It is the sense of the Congress that the President shall provide for the annual deferment from training and service under this title of numbers of premedical, and predental students at least equal to the average numbers of male premedical, and predental students in attendance at colleges and universities in the United States during the years 1945 to 1950 as determined by the Director.

"(j) The President shall establish a National Advisory Committee which shall advise the Selective Service System, and shall coordinate the work of such State and local volunteer advisory committees as may be established to cooperate with the National Advisory Committee, with respect to the selection of needed medical and dental and allied specialist categories of persons as referred to in subsection (i). The members of the National Advisory Committee shall be selected from among individuals who are outstanding in medicine, dentistry, and the sciences allied thereto, but it shall not be mandatory that all such fields of endeavor be represented on the committee.

"(k) (1) Clause (3) of subsection 203 (a) of the Career Compensation Act of 1949 (Public Law 351, 81st Cong.) is amended by striking out the words 'volunteered and' and 'volunteer and.'

"(2) Subsection 203 (b) of the Career Compensation Act of 1949 is amended by striking out '*Provided further*, That the commissioned officers described in subsection (a) (3) of this section shall be entitled to receive the pay provided by this subsection only during periods of volunteer service:'."

SEC. 2. Section 202 of the National Security Act of 1947, as amended, is hereby amended by adding at the end thereof the following subsections:

"(g) Under such regulations as he shall prescribe, the Secretary of Defense with the approval of the President is authorized to transfer between the armed services, within the authorized commissioned strength of the respective services, officers holding commissions in the medical services or corps including the Reserve components thereof. No officer shall be so transferred without (1) his consent, (2) the consent of the service from which the transfer is to be made, and (3) the consent of the service to which the transfer is to be made.

"(h) Officers transferred hereunder shall be appointed by the President alone to such commissioned grade, permanent and temporary, in the armed service to which transferred and be given such place on the applicable promotion list of such service as he shall determine. Federal service previously rendered by any such officer shall be credited for promotion, seniority, and retirement purposes as if served in the armed service to which transferred according to the provisions of law governing promotion, seniority, and retirement therein. No officer upon a transfer to any service from which previously transferred shall be given a higher grade, or place on the applicable promotion list, than that which he could have attained had he remained continuously in the service to which retransferred.

"(i) Any officer transferred hereunder shall be credited with the unused leave to which he was entitled at the time of transfer."

Mr. VINSON (interrupting the reading). Mr. Chairman, I ask unanimous consent to dispense with the further reading of the bill, and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

On page 2, line 11, strike out "on August 16, 1950."

On page 2, line 13, after the word "for", add the words "registration or."

On page 4, line 18, strike out the word "greater" and substitute in lieu thereof the word "lesser."

On page 5, line 9, add a comma after the word "premedical" and insert the following: "preosteopathic, preveterinary."

On page 5, line 11, strike out the word "average."

On page 5, line 11, after the word "premedical" add a comma and insert the following: "preosteopathic, preveterinary."

On page 5, line 13, strike out the word "during" and substitute the word "at."

On page 5, line 14, strike out the words and figures "years 1945 to 1950" and substitute in lieu thereof the words "present level."

One page 6, strike out lines 4 through 13, inclusive, and substitute in lieu thereof the following:

"SEC. 2. Notwithstanding the provisions of section 203 of Public Law 351, Eighty-first Congress, commissioned officers of the Reserve components called or ordered to active duty with or without their consent, shall, if otherwise qualified, be entitled to the benefits of section 203 of Public Law 351, Eighty-first Congress."

On page 6, line 20, strike out "2" and substitute in lieu thereof "3."

On page 1, following line 24, add the following new sections:

"SEC. 4. Notwithstanding any other provision of law, where any person who served on active duty as a doctor or dentist in the United States Army, Navy, or Air Force Medical Corps during World War II, thereafter has been, or shall be, recalled to active duty as a doctor or dentist in the Armed Forces of the United States, such person may, under regulation prescribed by the President, be promoted to such grade or rank as may be commensurate with his medical or dental education, experience, and ability.

"SEC. 5. No person inducted under the provisions of this act shall be entitled to the benefits of the provisions of section 203 of Public Law 351, Eighty-first Congress.

"SEC. 6. For the purposes of this act, the term 'allied specialist categories', shall include but not be limited to veterinarians, bacteriologists, biochemists, radiation chemists, organic chemists, parasitologists, pathologists, pharmacologists, biophysicists, radiation physicists, optometrists, pharmacists, occupational therapists, chiropodists, osteopaths, physiologists, radiobiologists, serologists, virologists, sanitary engineers, industrial hygienists, medical statisticians, industrial engineers, dietitians, psychologists, entomologists, psychiatric social workers, nutritionists, laboratory officers.

"SEC. 7. This act, except for section 2, shall terminate on July 9, 1951."

The committee amendments were agreed to.

Mr. MANSFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MANSFIELD: Page 8, line 22, insert a new section 7 as follows:

"That the second sentence of section 4 (a) of the Selective Service Act of 1948, as amended, is hereby amended to read as follows:

" 'Any citizen of a foreign country, who is not deferrable or exempt from training and service under the provisions of this title (other than this subsection), shall be relieved from liability for training and service under this title if, prior to his induction into the armed forces, he has made application to be relieved from such liability in the manner prescribed by and in accordance with rules and regulations prescribed by the President; but any person who makes such application shall thereafter be debarred from becoming a citizen of the United States and shall be taken into custody and deported.'

"SEC. 8. The amendment made by this act shall be in effect with respect to all citizens of foreign countries who have heretofore applied or who hereafter apply, under section 4 (a) of the Selective Service Act of 1948, as amended, for relief from liability for training and service in the Armed Forces of the United States.

"Renumber section 7 as section 9."

Mr. VINSON. Mr. Chairman, I reserve a point of order on the amendment on the ground that the amendment is not germane to the bill which is to provide for special registration of certain medical, dental, and allied specialist categories and does not embrace the subject matter which the gentleman is seeking to add to the bill by his amendment.

The CHAIRMAN. Does the gentleman from Georgia reserve a point of order or make the point of order?

Mr. VINSON. I reserve the point of order to give the gentleman from Montana an opportunity to express his views; but I want to say, Mr. Chairman, that these bills have been referred to the Armed Services Committee, and it is the hope of the committee to get around to giving the gentleman from Montana and the authors of the other bills a hearing just as soon as we can. We have been very busy on three or four very important bills since these bills were introduced. No doubt the committee sympathizes with them, and no doubt will try to deal with this amendment of the draft act, but we just have not had time to do so. I assure the gentleman from Montana that we will try to give him a hearing and to hear the other Members, because we have the same objective in view.

Mr. MANSFIELD. Mr. Chairman, in view of the importance of the subject matter covered by this amendment I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

The CHAIRMAN. The gentleman from Montana is recognized for 10 minutes.

Mr. MANSFIELD. Mr. Chairman, I wish to express my sentiments about the gentleman from Georgia, chairman of the Committee on Armed Services, and to tell him that I respect his integrity and sincerity, that I know he will do everything possible to help remove this road block in the Selective Service Act of 1948. The gentleman will recall that I and a number of others went to see him about getting action on this. The gentleman has expressed his entire sympathy with this proposal. I believe, Mr. Chairman, despite the point of order raised that the point of order is not good against this particular amendment, but I will refer to that at a later stage in my remarks.

I wish to call the attention of the House again to material which I received from the State of Montana relative to this particular proposition and indicate as sincerely as I can just how important this seeming little amendment is.

According to the present Selective Service Act of 1948 it is possible for an alien who is forced to register like every other eligible person in this country, to legally claim exemption from serving in the Armed Forces of the United States. This has been done by aliens in different parts of the country. I cannot see why some people in that category should enjoy a privilege superior to that enjoyed by an American. Therefore I have introduced a bill from which this amendment is taken along with various other Members, including the gentleman from Wisconsin [Mr. DAVIS], the gentleman from Michigan [Mr. FORD], the gentleman from Michigan [Mr. WOODRUFF], the gentleman from California [Mr. HAVENNER], the gentleman from Missouri [Mr. KARST], the gentleman from California [Mr. JACKSON], the gentleman from Texas [Mr. THOMPSON], the gentleman from Texas [Mr. GUILL], and others. We are all desirous that this action be considered, if at all possible, at this time.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Michigan.

Mr. FORD. I would like to compliment the gentleman for bringing this matter to the floor of the House and getting some assurance from the chairman of the committee that this kind of legislation will be reviewed by his committee and undoubtedly acted upon favorably in the near future.

Mr. MANSFIELD. I thank the gentleman.

Mr. Chairman, as far as the point of order is concerned, the present bill we are considering, H. R. 9554, is, as I read it, a bill to amend the Selective Service Act of 1948. Of course, it picks out a special category, but the bill itself, as a whole, I think is open. I believe that on the basis of the fact this is a bill to amend the Selective Service Act of 1948 the amendment which is being offered for the same purpose should be considered germane at this time.

May I ask the chairman of the Armed Services Committee, the gentleman from Georgia, if he will give us a little more than a hope, a definite promise that the committee will take action on this particular amendment this week?

Mr. VINSON. I may say to the distinguished gentleman that if the House is in session the remainder of the week or if the House is in session where we can get around to it, after we call up a conference report on the bill, I am perfectly willing to have a hearing on it. No doubt as a result of the hearing some amendment to the Draft Act dealing with this subject can be worked out. There are several phases to it that cause a little concern because when you refer to displaced persons, the bill which the gentleman is sponsoring says they shall be deported. Deported where? Where are you going to send them? Out into the ocean?

We will give the gentleman a hearing. We are sympathetic with the premise, but I cannot say whether the hearing will be tomorrow because I may not be able to get a hearing tomorrow. We are all in sympathy with the purpose the gentleman has in mind.

Mr. MANSFIELD. I want to express my thanks again to the gentleman from Georgia. Insofar as the matter of deportation is concerned, I do not think that would be so much our business as it would be to make known specifically that as far as the intent of this Congress is concerned these people who will not assume the obligations that Americans have to assume should be deported from this country and should not be allowed to breathe freedom's air here.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. I think it is entirely proper that the gentleman has brought this particular issue to the floor of the House at this time. As he mentioned, I was the author of a similar bill.

Mr. MANSFIELD. The original bill, I may say to the gentleman.

Mr. DAVIS of Wisconsin. At least one of them. I, for one minute, would not want to concede that this amendment is anything but germane, but if the Chair should rule against us I hope the chairman of the Committee on Armed Services will do everything that reasonably can be done to give us a chance to be heard before this session of the Congress adjourns.

Mr. KARST. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Missouri.

Mr. KARST. I have a letter here from a constituent, Mr. Ray Cahill, in which he makes the following statement:

My son, who is 22 years old, has to submit to the draft without any recourse, and, consequently change the entire course of his life. While a displaced person when called for the draft can stand up to the draft board and refuse to report for a physical examination, and openly declare that he will not become a citizen and refuses to fight for the United States. He does all this in spite of the fact that we, the taxpayers, fed and clothed him and transported him over here at our expense.

Will this particular amendment that the gentleman has offered cover that?

Mr. MANSFIELD. It certainly will. I may say to the gentleman that the bill that he has introduced will likewise cover the situation.

Mr. Chairman, I ask that my amendment be adopted so that this inequity in the Selective Service Act can be corrected. I ask, also, Mr. Chairman, that the point of order raised by the gentleman from Georgia not be sustained.

Mr. VINSON. Mr. Chairman, I renew my point of order.

The CHAIRMAN. Does the gentleman from Montana desire to be heard?

Mr. MANSFIELD. Mr. Chairman, I do not feel that the point of order is germane because the bill under discussion is to amend the Selectice Service Act of 1948 and my amendment has for its ultimate objective the same purpose.

The CHAIRMAN. The Chair is prepared to rule.

It is true that the bill mentions the Selective Service Act of 1948; however, it amends it in a certain specific manner and in certain specific categories.

The Chair is inclined to believe that the amendment offered by the gentleman

from Montana goes far beyond the scope of the bill now before us and therefore sustains the point of order.

Mr. SHORT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHORT: Page 5, line 9, after the word "of", insert "optometry students and"; page 5, line 10, after the word "preveterinary", insert "preoptometry"; page 5, line 12, after the word "preveterinary", insert "preoptometry."

Mr. SHORT. Mr. Chairman, this amendment simply includes preoptometrists along with the preosteopaths, preveterinarians, premedical and predental students.

Mr. VINSON. There is no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. SHORT].

The amendment was agreed to.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 2, lines 4 and 7, after "age of", strike out "forty-five" and insert "fifty"; page 2, line 20, after "attained the", strike out "forty-sixth" and insert "fifty-first."

Mr. VINSON. Mr. Chairman, we have no objection to the amendment. That just changes the age.

Mr. SAYLOR. That is all it does. It just establishes a larger group to call from.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was agreed to.

Mr. VINSON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARDY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9554) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. VINSON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. VINSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the Selective Service Act of 1948, as amended, is hereby amended by adding at the end thereof the following subsections:

"(1) (1) Notwithstanding any other provision of this title, except subsections 6 (j) and 6 (o), the President is authorized to require special registration of and, on the basis of requisitions submitted by the Department of Defense and approved by him, to make special calls for male persons qualified in needed—

"(A) medical and allied specialist categories who have not yet reached the age of 55 at the time of registration, and

"(B) dental and allied specialist categories who have not yet reached the age of 45 at the time of registration.

Persons called hereunder shall be liable for induction for not to exceed 21 months of service in the Armed Forces. No such person who, on August 16, 1950, is a member of a Reserve component of the Armed Forces shall, so long as he remains a member thereof, be liable for induction under this subsection, but nothing in this subsection shall be construed to affect the authority of the President under any other provision of law to call to active duty members and units of the Reserve components. No person in the medical and allied specialist categories shall be inducted under the provisions of this subsection after he has attained the fifty-sixth anniversary of the date of his birth and no person in the dental and allied specialist categories shall be inducted under the provisions of this subsection after he has attained the forty-sixth anniversary of the date of his birth.

"(2) In registering and inducting persons pursuant to paragraph (1) of this subsection, the President shall, to the extent that he considers practicable and desirable, register and induct in the following order of priority:

"First. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the categories referred to in clauses (A) and (B) of paragraph (1) of this subsection, who have had less than 90 days of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"Second. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the above categories, who have had 90 days or more but less than 21 months of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"Third. Those who did not have active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940.

"Fourth. Those not included in the first and second priority who have had active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940. Inductions of persons in this priority shall be made in accordance with regulations prescribed by the President which may provide for the classification of such persons into groups according to the number of full months of such service which they have had and for the induction of the members of any such group prior to the induction of the members of any other such group having a greater number of full months of such service.

In the selection of individuals from among the categories established by subsection (i) for induction, the President is authorized, under such rules and regulations as he may prescribe, to provide for the deferment of any individual whose deferment is found to be equitable and in the national interest, taking into consideration the length of his previous service in the Armed Forces (including the Coast Guard and the Public Health Service) of the United States, the extent of his participation in the Army specialized training program or similar program administered by the Navy, reasons of hardship or dependency, and the maintenance of the national health, safety, or interest.

"(3) It is the sense of the Congress that the President shall provide for the annual deferment from training and service under this title of numbers of premedical and predental students at least equal to the numbers of male premedical and predental students in attendance at colleges and universities in the United States at the present levels, as determined by the Director.

"(j) The President shall establish a National Advisory Committee which shall advise the Selective Service System and shall coordinate the work of such State and local volunteer advisory committees as may be establishd to cooperate with the National Advisory Committee, with respect to the selection of needed medical and dental and allied specialist categories of persons as referred to in subsection (i). The members of the National Advisory Committee shall be selected from among individuals who are outstanding in medicine, dentistry, and the sciences allied thereto, but except for the professions of medicine and dentistry, it shall not be mandatory that all such fields of endeavor be represented on the committee.

"(k) (1) Clause 3 of subsection 203 (a) of the Career Compensation Act of 1949 (P. L. 351, 81st Cong.) is amended by striking out the words 'volunteered and' and 'volunteer and'.

"(2) Subsection 203 (b) of the Career Compensation Act of 1949 is amended by striking out 'Provided further, That the commissioned officers described in subsection (a) (3) of this section shall be entitled to receive the pay provided by this subsection only during periods of volunteer service:'."

SEC. 2. Section 202 of the National Security Act of 1947, as amended, is hereby amended by adding at the end thereof the following subsections:

"(g) Under such regulations as he shall prescribe, the Secretary of Defense with the approval of the President is authorized to transfer between the armed services, within

the authorized commissioned strength of the respective services, officers holding commissions in the medical services or corps including the Reserve components thereof. No officer shall be so transferred without (1) his consent, (2) the consent of the service from which the transfer is to be made, and (3) the consent of the service to which the transfer is to be made.

"(h) Officers transferred hereunder shall be appointed by the President alone to such commissioned grade, permanent and temporary, in the armed service to which transferred and be given such place on the applicable promotion list of such service as he shall determine. Federal service previously rendered by any such officer shall be credited for promotion, seniority, and retirement purposes as if served in the armed service to which transferred according to the provisions of law governing promotion, seniority, and retirement therein. No officer upon a transfer to any service from which previously transferred shall be given a higher grade, or place on the applicable promotion list, than that which he could have attained had he remained continuously in the service to which retransferred.

"(i) Any officer transferred hereunder shall be credited with the unused leave to which he was entitled at the time of transfer."

Mr. VINSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON: Strike out all after the enacting clause of S. 4029 and insert the provisions of H. R. 9554, as amended, as follows:

"Be it enacted, etc., That section 4 of the Selective Service Act of 1948, as amended, is hereby amended by adding at the end thereof the following subsections:

"'(i) (1) Notwithstanding any other provision of this title, except subsections 6 (j) and 6 (o), the President is authorized to require special registration of and, on the basis of requisitions submitted by the Department of Defense and approved by him, to make special calls for male persons qualified in needed—

"'(A) medical and allied specialist categories who have not yet reached the age of fifty at the time of registration, and

"'(B) dental and allied specialist categories who have not yet reached the age of fifty at the time of registration.

Persons called hereunder shall be liable for induction for not to exceed 21 months of service in the Armed Forces. No such person who is a member of a Reserve component of the Armed Forces shall, so long as he remains a member thereof, be liable for registration or induction under this subsection, but nothing in this subsection shall be construed to affect the authority of the President under any other provision of law to call to active duty members and units of the Reserve components. No person in the medical, dental, and allied specialist categories shall be inducted under the provisions of this subsection after he has attained the fifty-first anniversary of the date of his birth.

"'(2) In registering and inducting persons pursuant to paragraph (1) of this subsection, the President shall, to the extent that he considers practicable and desirable, register and induct in the following order of priority:

"'First. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the categories referred to in classes (A) and (B) of paragraph (1) of this subsection who have had less than 90 days of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"'Second. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the categories referred to in clauses (A) and (B) of paragraph (1) of this subsection who have had 90 days or more but less than 21 months of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"'Third. Those who did not have active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940.

"'Fourth. Those not included in the first and second priority who have had active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940. Inductions of persons in this priority shall be made in accordance with regulations prescribed by the President which may provide for the classification of such persons into groups according to the number of full months of such service which they have had and for the induction of the members of any such group after the induction of the members of any other such group having a lesser number of full months of such service.

In the selection of individuals from among the categories established by subsection (i) for induction, the President is authorized, under such rules and regulations as he may precribe, to provide for the deferment of any individual whose deferment is found to be equitable and in the national interest, taking into consideration the length of his previous service in the Armed Forces (including the Coast Guard and the Public Health Service) of the United States, the extent of his participation in the Army specialized training program or similar program administered by the Navy, reasons of hardship or dependency, and the maintenance of the national health, safety, or interest.

"'(3) It is the sense of the Congress that the President shall provide for the annual deferment from training and service under this title of numbers of optometry students and premedical, preosteopathic, preveterinary, preoptometry, and predental students at least equal to the numbers of male premedical, preosteopathic, preveterinary, preoptometry, and predental students in attendance at colleges and universities in the United States at the present level as determined by the Director.

"'(j) The President shall establish a National Advisory Committee which shall advise the Selective Service System, and shall coordinate the work of such State and local volunteer advisory committees as may be established to cooperate with the National Advisory Committee, with respect to the selection of needed medical and dental and allied specialist categories of persons as referred to in subsection (i). The members of the National Advisory Committee shall be selected from among individuals who are outstanding in medicine, dentistry, and the sciences allied thereto, but it shall not be mandatory that all such fields of endeavor be represented on the committee.'

"SEC. 2. Notwithstanding the provisions of section 203 of Public Law 351, Eighty-first Congress, commissioned officers of the Reserve components called or ordered to active duty with or without their consent, shall, if otherwise qualified, be entitled to the benefits of section 203 of Public Law 351, Eighty-first Congress.

"SEC. 3. Section 202 of the National Security Act of 1947, as amended, is hereby amended by adding at the end thereof the following subsections:

"'(g) Under such regulations as he shall prescribe, the Secretary of Defense with the approval of the President is authorized to transfer between the armed services, within the authorized commissioned strength of the respective services, officers holding commissions in the medical services or corps including the Reserve components thereof. No officer shall be so transferred without (1) his consent, (2) the consent of the service from which the transfer is to be made, and (3) the consent of the service to which the transfer is to be made.

"'(h) Officers transferred hereunder shall be appointed by the President alone to such commissioned grade, permanent and temporary, in the armed service to which transferred and be given such place on the applicable promotion list of such service as he shall determine. Federal service previously rendered by any such officer shall be credited for promotion, seniority, and retirement purposes as if served in the armed service to which transferred according to the provisions of law governing promotion, seniority, and retirement therein. No officer upon a transfer to any service from which previously transferred shall be given a higher grade, or place on the applicable promotion list, than that which he could have attained had he remained continuously in the service to which retransferred.

"'(i) Any officer transferred hereunder shall be credited with the unused leave to which he was entitled at the time of transfer.'

"SEC. 4. Notwithstanding any other provision of law, where any person who served on active duty as a doctor or dentist in the United States Army, Navy, or Air Force Medical Corps during World War II, thereafter has been, or shall be, recalled to active duty as a doctor or dentist in the Armed Forces of the United States, such person may, under regulations prescribed by the President, be promoted to such grade or rank as may be commensurate with his medical or dental education, experience, and ability.

"SEC. 5. No person inducted under the provisions of this act shall be entitled to the benefits of the provisions of section 203 of Public Law 351, Eighty-first Congress.

"SEC. 6. For the purposes of this act, the term "allied specialist categories" shall include, but not be limited to, veterinarians, bacteriologists, biochemists, radiation chemists, organic chemists, parasitologists, pathologists, pharmacologists, biophysicists, radiation physicists, optometrists, pharmacists, occupational therapists, chiropodists, osteopaths, physiologists, radiobiologists, serologists, virologists, sanitary engineers, industrial hygienists, medical statisticians, industrial engineers, dietitians, psychologists, entomologists, psychiatric social workers, nutritionists, laboratory officers.

"SEC. 7. This act, except for section 2, shall terminate on July 9, 1951.'

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 363, nays 1, answered "present" 1, not voting 65, as follows:

[Roll No. 261]

YEAS—363

Abbitt	Douglas	Keogh
Abernethy	Doyle	Kerr
Addonizio	Eberharter	Kilburn
Albert	Elliott	Kilday
Allen, Calif.	Ellsworth	King
Allen, Ill.	Elston	Kirwan
Allen, La.	Engle, Calif.	Kruse
Andersen, H. Carl	Evins	Kunkel
	Fallon	Lane
Anderson, Calif.	Feighan	Lanham
Andresen, August H.	Fellows	LeCompte
	Fenton	LeFevre
Andrews	Fernandez	Lichtenwalter
Arends	Fisher	Lind
Aspinall	Flood	Linehan
Auchincloss	Fogarty	Lodge
Bailey	Forand	Lovre
Baring	Ford	Lucas
Barrett, Pa.	Frazier	Lyle
Bates, Ky.	Fugate	Lynch
Bates, Mass.	Fulton	McCarthy
Battle	Furcolo	McConnell
Beall	Garmatz	McCormack
Beckworth	Gary	McDonough
Bennett, Fla.	Gathings	McGrath
Bennett, Mich.	Gavin	McGregor
Bentsen	Gilmer	McGuire
Biemiller	Golden	McKinnon
Bishop	Goodwin	McMillan, S. C.
Boggs, Del.	Gordon	McSweeney
Boggs, La.	Gorski	Mack, Ill.
Bolling	Gossett	Mack, Wash.
Bolton, Md.	Graham	Madden
Bonner	Granahan	Magee
Bosone	Granger	Mahon
Breen	Grant	Mansfield
Brehm	Green	Marsalis
Brooks	Gregory	Marshall
Brown, Ga.	Gross	Martin, Mass.
Brown, Ohio	Guill	Merrow
Bryson	Gwinn	Meyer
Buchanan	Hagen	Michener
Buckley, Ill.	Hale	Miles
Burdick	Hall, Leonard W.	Miller, Md.
Burke	Halleck	Miller, Nebr.
Burleson	Hand	Mills
Burnside	Harden	Mitchell
Burton	Hardy	Monroney
Byrne, N. Y.	Hare	Morris
Byrnes, Wis.	Harris	Morton
Camp	Harrison	Moulder
Canfield	Hart	Multer
Cannon	Harvey	Murdock
Carlyle	Havenner	Murphy
Carnahan	Hays, Ark.	Murray, Tenn.
Carroll	Hays, Ohio	Nelson
Case, N. J.	Heffernan	Nicholson
Case, S. Dak.	Heller	Nixon
Cavalcante	Herlong	Noland
Celler	Herter	Norblad
Chatham	Heselton	Norrell
Chelf	Hill	O'Brien, Ill.
Chesney	Hinshaw	O'Brien, Mich.
Chiperfield	Hobbs	O'Hara, Ill.
Chudoff	Hoeven	O'Hara, Minn.
Clemente	Hoffman, Ill.	O'Neill
Clevenger	Holmes	O'Sullivan
Cole, Kans.	Hope	O'Toole
Cole, N. Y.	Horan	Passman
Colmer	Howell	Patman
Combs	Huber	Patten
Cooley	Hull	Patterson
Cooper	Irving	Perkins
Corbett	Jackson, Calif.	Peterson
Cotton	Jackson, Wash.	Philbin
Coudert	Jacobs	Phillips, Calif.
Cox	James	Pickett
Crawford	Javits	Poage
Cunningham	Jenison	Polk
Curtis	Jenkins	Potter
Dague	Jennings	Poulson
Davenport	Jensen	Preston
Davies, N. Y.	Jonas	Price
Davis, Ga.	Jones, Ala.	Priest
Davis, Tenn.	Jones, Mo.	Rabaut
Davis, Wis.	Jones, N. C.	Rains
Dawson	Judd	Ramsay
Deane	Karst	Rankin
DeGraffenried	Karsten	Redden
Delaney	Kean	Reed, Ill.
Denton	Kearns	Reed, N. Y.
D'Ewart	Keating	Rees
Dollinger	Kee	Rhodes
Dolliver	Kelley, Pa.	Ribicoff
Dondero	Kelly, N. Y.	Rich
Donohue	Kennedy	Richards
Doughton	Kerr	Riehlman
Robeson	Steed	Wagner
Rodino	Stefan	Walsh
Rogers, Fla.	Stigler	Walter
Rogers, Mass.	Stockman	Weichel
Rooney	Sullivan	Welch
Sadlak	Sutton	Wheeler
Sanborn	Taber	White, Calif.
Sasscer	Tackett	White, Idaho
Saylor	Talle	Whitten
Scott, Hardie	Tauriello	Whittington
Scrivner	Taylor	Wickersham
Scudder	Teague	Widnall
Secrest	Thomas	Wigglesworth
Shafer	Thompson	Willis
Shelley	Thornberry	Wilson, Ind.
Sheppard	Tollefson	Wilson, Okla.
Short	Towe	Wilson, Tex.
Simpson, Ill.	Trimble	Winstead
Simpson, Pa.	Underwood	Wolcott
Sims	Van Zandt	Wolverton
Smith, Va.	Velde	Wood
Smith, Wis.	Vinson	Woodhouse
Spence	Vorys	Woodruff
Staggers	Vursell	Young
Stanley	Wadsworth	Zablocki

NAYS—1

Marcantonio

ANSWERED "PRESENT"—1

Hedrick

NOT VOTING—65

Angell	Holifield	Plumley
Barden	Johnson	Powell
Barrett, Wyo.	Kearney	Quinn
Blackney	Keefe	Regan
Blatnik	Klein	Rivers
Bolton, Ohio	Larcade	Roosevelt
Boykin	Latham	Sabath
Bramblett	McCulloch	Sadowski
Buckley, N. Y.	McMillen, Ill.	St. George
Bulwinkle	Macy	Scott, Hugh D., Jr.
Christopher	Martin, Iowa	
Crook	Mason	Sikes
Crosser	Miller, Calif.	Smathers
Dingell	Morgan	Smith, Kans.
Durham	Morrison	Smith, Ohio
Eaton	Murray, Wis.	Werdel
Engel, Mich.	Norton	Whitaker
Gamble	O'Konski	Wier
Gillette	Pace	Williams
Gore	Pfeifer, Joseph L.	Withrow
Hall, Edwin Arthur	Pfeiffer, William L.	Yates
Hébert	Phillips, Tenn.	
Hoffman, Mich.		

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Smathers with Mr. Latham.
Mr. Roosevelt with Mr. William L. Pfeiffer.
Mr. Hébert with Mr. Smith of Ohio.
Mr. Klein with Mr. Macy.
Mr. Williams with Mr. Martin of Iowa.
Mr. Holifield with Mr. Johnson.
Mr. Crook with Mr. Werdel.
Mr. Morrison with Mr. Blackney.
Mr. Yates with Mr. Angell.
Mr. Dingell with Gillette.
Mr. Sadowski with Mrs. St. George.
Mr. Joseph L. Pfeifer with Mr. Eaton.
Mr. Miller of California with Mr. Engel of Michigan.
Mr. Quinn with Mr. Bramblett.
Mr. Rivers with Mr. Gamble.
Mr. Buckley of New York with Mr. Hoffman of Michigan.
Mrs. Norton with Mr. Kearney.
Mr. Morgan with Mr. Withrow.
Mr. Pace with Mr. Smith of Kansas.
Mr. Whitaker with Mr. O'Konski.
Mr. Blatnik with Mr. McCulloch.
Mr. Boykin with Mr. Mason.
Mr. Powell with Mrs. Bolton of Ohio.
Mr. Sabath with Mr. Barrett of Wyoming.
Mr. Regan with Mr. Keefe.
Mr. Wier with Mr. McMillen of Illinois.
Mr. Sikes with Mr. Murray of Wisconsin.
Mr. Larcade with Mr. Plumley.
Mr. Durham with Mr. Hugh D. Scott, Jr.
Mr. Gore with Mr. Phillips of Tennessee.
Mr. Powell with Mr. Edwin Arthur Hall.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

By unanimous consent the proceedings whereby the bill H. R. 9554 was passed were vacated, and that bill laid on the table.

AMENDING CIVIL AERONAUTICS ACT OF 1938

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 823, Rept. No. 3023), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9320) to amend the Civil Aeronautics Act of 1938, as amended, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without intervention of any point of order the substitute committee amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and any Member may demand a separate vote in the House on any amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, and such motion to recommit may contain instructions germane to the bill or committee substitute.

AMERICAN-MEXICAN TREATY ACT OF 1950

Mr. KEE. Mr. Speaker, I call up the conference report on the bill (S. 3934) to amend the act of May 13, 1944 (43 Stat. 108), as amended, relating to the United States-Mexican boundary, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3018)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3934) to amend the Act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this

Act may be cited as the 'American-Mexican Treaty Act of 1950.'

"TITLE I—AUTHORIZATIONS FOR CARRYING OUT TREATY PROJECTS

"SEC. 101. That the Secretary of State, acting through the United States Commissioner, International Boundary and Water Commission, United States and Mexico (herein referred to as the 'Commission'), in connection with any project under the jurisdiction of the United States Section, International Boundary and Water Commission, United States and Mexico, is authorized: (a) to purchase, or condemn, lands, or interests in lands, for relocation of highways, roadways, railroads, telegraph, telephone, or electric transmission lines, or any other properties whatsoever, the relocation of which, in the judgment of the said Commissioner, is necessitated by the construction or operation and maintenance of any such project, and to perform any or all work involved in said relocations on said lands, or interests in lands, other lands, or interests in lands, owned and held by the United States in connection with the construction or operation and maintenance of any such project, or properties not owned by the United States; (b) to enter into contracts with the owners of the said properties whereby they undertake to acquire any, or all, property needed for said relocation, or to perform any, or all, work involved in said relocations; and (c) for the purpose of effecting completely said relocations, to convey, or exchange Government properties acquired or improved under clause (a) above, with or without improvements, or other properties owned and held by the United States in connection with the construction or operation and maintenance of said project, or to grant term or perpetual easements therein or thereover. Grants or conveyances hereunder shall be by instruments executed by the Secretary of State without regard to provisions of law governing the patenting of public lands.

"SEC. 102. The United States Commissioner is authorized to construct, equip, and operate and maintain all access roads, highways, railways, power lines, buildings, and facilities necessary in connection with any such project, and in his discretion to provide housing, subsistence, and medical and recreational facilities for the officers, agents, and employees of the United States, and/or for the contractors and their employees engaged in the construction, operation, and maintenance of any such project, and to make equitable charges therefor, or deductions from the salaries and wages due employees, or from progress payments due contractors, upon such terms and conditions as he may determine to be to the best interest of the United States, the sums of money so charged and collected or deducted to be credited to the appropriation for the project current at the time the obligations are incurred.

"SEC. 103. There are hereby authorized to be appropriated to the Department of State for the use of the Commission, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of the Treaty of February 3, 1944, and other treaties and conventions between the United States of America and the United Mexican States, under which the United States Section operates, and to discharge the statutory functions and duties of the United States Section. Such sums shall be available for construction, operation and maintenance of stream gaging stations, and their equipment and sites therefor; personal services and rent in the District of Columbia and elsewhere; services, including those of attorneys and appraisers, in accordance with the provisions of Section 15 of the Act of August 2, 1946 (5 U. S. C., sec. 55a), at rates for individuals not in excess of $100 per diem and the United States Commissioner is hereby authorized, notwithstanding the provisions of any other Act, to employ as consultants by contract or otherwise without regard to the Classification Act of 1949, as amended, and the civil-service laws and regulations, retired personnel of the Armed Forces of the United States, who shall not be required to revert to an active status, and who shall be entitled to receive, as compensation for such temporary service, the difference between the rates of pay established therefor and their retired pay during the period or periods of such temporary employment; travel expense, including, in the discretion of the Commissioner, expenses of attendance at meetings of organizations concerned with the activities of the Commission which may be necessary for the efficient discharge of the responsibilities of the Commission; hire, with or without personal services, of work animals, and animal-drawn and motor-propelled (including passenger) vehicles and aircraft and equipment; acquisition by donation, purchase, or condemnation, of real and personal property, including expenses of abstracts, certificates of title, and recording fees; purchase of ice and drinking water; inspection of equipment, supplies and materials by contract or otherwise; drilling and testing of foundations and dam sites, by contract if deemed necessary; payment for official telephone service in the field in case of official telephones installed in private houses when authorized under regulations established by the Commissioner; purchase of firearms and ammunition for guard purposes; and such other objects and purposes as may be permitted by laws applicable, in whole or in part, to the United States Section: *Provided*, That, when appropriations have been made for the commencement or continuation of construction or operation and maintenance of any such project, the United States Commissioner, notwithstanding the provisions of sections 3679, 3732, and 3733 of the Revised Statutes or any other law, may enter into contracts beyond the amount actually appropriated for so much of the work on any such authorized project as the physical and orderly sequence of construction makes necessary, such contracts to be subject to and dependent upon future appropriations by Congress.

"SEC. 104. The United States Commissioner, in order to comply with the provisions of articles 12 and 23 of the treaty of February 3, 1944, between the United States and Mexico, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande below Fort Quitman, Texas, is authorized to acquire, in the name of the United States, by purchase or by proceedings in eminent domain, the physical properties owned by the Imperial Irrigation District of California, located in the vicinity of Andrade, California, consisting of the Alamo Canal in the United States, the Rockwood Intake, the Hanlon Heading, the quarry, buildings used in connection with such facilities, and appurtenant lands, and to reconstruct, operate and maintain such properties in connection with the administration of said treaty.

"SEC. 105. Funds heretofore appropriated to the Department of State under the heading 'International Boundary and Water Commission, United States and Mexico' shall be available for the purposes of this title: *Provided*, That authorizations under this title shall apply only to projects agreed upon by the two Governments in accordance with the treaty of February 3, 1944.

"TITLE II—DOUGLAS-AGUA PRIETA SANITATION PROJECT

"SEC. 201. That the Secretary of State is authorized, notwithstanding any other provision of law and subject to the conditions provided in this title, to enter into an agreement with the appropriate official or officials of the United Mexican States for the operation and maintenance by the International Boundary and Water Commission, United States and Mexico, of the Douglas-Agua Prieta sanitation project, located at Douglas, Arizona, and Agua Prieta, Sonora, Mexico, heretofore constructed by the said Commission, which agreement shall contain such provisions relating to a division between the two Governments of the costs of such operation and maintenance, or of the work involved therein, as may be recommended by said Commission and approved by the Government of Mexico and by the Secretary of State on behalf of the Government of the United States: *Provided*, That no such agreement shall be entered into until the governing body of the city of Douglas, Arizona, has given assurances satisfactory to the Secretary of State that it will so long as such agreement remains in force, contribute an equitable proportion, as determined, by the United States Section of said Commission, subject to the approval of the Secretary of State, of the costs of such operation and maintenance allocated to the United States.

"SEC. 202. There is authorized to be appropriated to the United States section, International Boundary an Water Commission, United States and Mexico, such sums as may be necessary to defray such costs as may accrue to the United States arising out of any such agreement for the operation and maintenance of such project: *Provided*, That funds heretofore appropriated to the Department of State under the heading 'International Boundary and Water Commission, United States and Mexico', shall be available for expenditure for the purposes of this title: *Provided further*, That any moneys received from the United Mexican States under the terms of any such agreement shall be available for expenditure in connection with any appropriations which may be available or which may be made for the purposes of this title: *And provided further*, That moneys received from the city of Douglas, Arizona, pursuant to the provisions of this title shall be available for expenditure in connection with any appropriations which may be available or which may be made available for the purposes of this title.

"TITLE III—CALEXICO-MEXICALI SANITATION PROJECT

"SEC. 301. That the Secretary of State is authorized, subject to the conditions provided in this title, to enter into an agreement with the appropriate official or officials of the United Mexican States for the construction, operation, and maintenance by the International Boundary and Water Commission, United States and Mexico, of a sanitation project for the cities of Calexico, California, and Mexicali, Lower California, Mexico, which agreement shall contain such provisions relating to a division between the two Governments of the cost of such construction and operation and maintenance, or of the work involved therein, as may be recommended by the said Commission and approved by the Government of Mexico and by the Secretary of State on behalf of the Government of the United States: *Provided*, That no such agreement shall be entered into until the governing body of the city of Calexico, California, has given assurances satisfactory to the Secretary of State that, so long as such agreement remains in force, the city of Calexico will contribute an equitable proportion, as determined by the United States Section of said Commission, subject to the approval of the Secretary of State, of the costs of such construction, operation, and maintenance allocated to the United States.

"SEC. 302. There is authorized to be appropriated to the United States section, International Boundary and Water Commission, United States and Mexico, such sums as may be necessary to defray such costs as may accrue to the United States arising out of any

such agreement for the construction, operation, and maintenance of such project: *Provided,* That funds heretofore appropriated to the Department of State under the heading 'International Boundary and Water Commission, United States and Mexico', shall be available for expenditure for the purposes of this title: *Provided further,* That any moneys received from the United Mexican States under the terms of any such agreement shall be available for expenditure in connection with any appropriation which may be available or which may be made available for the purposes of this title: *And provided further,* That moneys received from the city of Calexico, California, pursuant to the provisions of this title shall be available for expenditure in connection with any appropriations which may be available or which may be made available for the purposes of this title."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill.

JOHN KEE,
JAS. P. RICHARDS,
A. S. J. CARNAHAN,
ROBERT B. CHIPERFIELD,
JOHN M. VORYS,
Managers on the Part of the House.

TOM CONNALLY,
ELBERT D. THOMAS,
J. W. FULBRIGHT,
H. ALEXANDER SMITH,
H. C. LODGE,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3934) to amend the Act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican Boundary, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

S. 3934, the original Senate bill, contained only what is now Title I. The House version of Title I is substantially the same as the original Senate bill. This title, and Titles II and III, were originally before the House in H. R. 6304. H. R. 6304 itself is a combination of three bills referred to the Committee on Foreign Affairs.

H. R. 6304, as originally introduced, contained only what is now Title I. Title II, the Douglas-Agua Prieta project, was originally introduced as H. R. 7691. Title III, the Calexico-Mexicali project, was originally introduced as H. R. 6031. The Committee on Foreign Affairs combined the substance of all three bills and reported one bill—H. R. 6304—with three titles. The Senate bill was passed in lieu of H. R. 6304, after striking out all after the enacting clause and inserting the provisions of H. R. 6304 as reported.

The conferees have retained the House provisions of Title I, but have agreed to modifications of language which, for the most part, clarify the provisions of Titles II and III without altering the substance. In effect, these changes provide that the United States section of the International Boundary and Water Commission, United States and Mexico, shall, with the approval of the Secretary of State, determine the equitable share of costs of operation and maintenance to be paid by the cities of Douglas and Calexico. In the House version, the determination of cost rested with the Secretary of State.

Under existing law, the municipalities bear the full cost of operating and maintaining these projects. However, a tremendous increase in population has taken place in the Mexican cities. Agua Prieta is now about three or four times larger than Douglas, its adjoining American city. Mexicali is now about 12 times larger than Calexico, its American neighbor. When the projects were planned, the cost to be paid by the United States cities was determined on the current estimates of population growth on both sides of the border. The Mexican cities have grown faster than their United States neighbors, and the rate of increase could not be foreseen. Because of this, it may become necessary for the Federal Government to assume a part of the burden until it can settle with Mexico the share to be paid by the Mexican cities.

In the House version, the municipalities would operate and maintain the projects. The conference agreement places this responsibility on the International Boundary and Water Commission. In both sanitation projects, the American municipalities concerned will make an "equitable contribution" for operation and maintenance. This would have been true in the House version. This principle has not been changed in the conference agreement.

As for operation and maintenance by the International Boundary and Water Commission rather than by the municipalities, the conferees agreed that a more efficient use of the projects would result from Commission operation and maintenance than from municipal operation and maintenance. The cities do not have adequate staffs to service the projects adequately. When official dealings with the Mexican cities are necessary—almost a certainty in projects of this type—the municipalities are not adequately equipped, and, as a matter of international law, have no authority. Such dealings are in law and fact international. The International Boundary and Water Commission is equipped to do this. For these reasons, the conferees concluded that operation and maintenance by the Commission was preferable.

JOHN KEE,
JAS. P. RICHARDS,
A. S. J. CARNAHAN,
ROBERT B. CHIPERFIELD,
JOHN M. VORYS,
Managers on the Part of the House.

Mr. KEE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FORM OF NATIONAL BUDGET AND DEPARTMENTAL ESTIMATES: GOVERNMENTAL ACCOUNTING AND AUDITING METHODS AND PROCEDURES

Mr. DAWSON. Mr. Speaker, I call up the conference report on the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, and ask unanimous consent that it be recommitted to the committee of conference.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I am not going to object, this is merely referring the conference report, which we had up yesterday, back to the committee of conference?

Mr. DAWSON. That is right, sir.

Mr. CANFIELD. Mr. Speaker, further reserving the right to object, I hope that the gentleman will insist upon the position which has been taken against the Senate amendment, which would practically abrogate the rights of the appropriating committees of the Congress.

Mr. DAWSON. I have an idea how the House feels about it. I shall follow the wishes of the House.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DAWSON. And I further ask unanimous consent, Mr. Speaker, that the conferees on the part of the House may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PHILIPPINE PROPERTY ACT OF 1946

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8546) to amend the Philippine Property Act of 1946.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman please explain this bill?

Mr. CARNAHAN. This bill will allow the Philippine Alien Property Custodian to clear up his cases by June 30 of next year, and it provides that claims will then have to be filed in the United States courts rather than in the courts of the Philippines.

Mr. VORYS. Mr. Speaker, further reserving the right to object, there are 90 more days given for filing claims in the Philippines, and then the suits must be filed in the United States.

Mr. CARNAHAN. That is right.

Mr. VORYS. And it has a unanimous report, I believe.

Mr. CARNAHAN. That is right.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. TABER. I wonder to what date that 90-day provision will carry?

Mr. CARNAHAN. Ninety days after the date that this act would go into effect.

Mr. TABER. When will the 90 days begin to run and when would it end?

Mr. CARNAHAN. After the enactment of this bill.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the final proviso of section 3 of the Philippine Property Act of 1946 (60 Stat. 418) is hereby amended to read as follows: *"And provided further,* That any suit authorized under the Trading

With the Enemy Act, as amended, with respect to property vested in or transferred to the President of the United States, the Alien Property Custodian, or any officer or agency designated by the President of the United States hereunder, which at the time of such vesting or transfer was located within the Philippines, shall after July 4, 1946, be brought, in the appropriate court of first instance of the Republic of the Philippines, against the officer or agency hereunder designated by the President of the United States with such right of appeal therefrom as may be provided by law, but suits with respect to such property shall after 90 days from the enactment of this act be brought only in the courts of the United States."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF CLAIMS FOR LOSSES AND DAMAGES INFLICTED UPON THE PORTUGUESE TERRITORY OF MACAO

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9484) to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States armed forces during World War II in violation of neutral rights.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this involves only the small payment of $200,000 to a country which was of great help to the allied cause during the last war. The Portugal Government was a friendly neutral and generously gave us airports which permitted us to prosecute the war. This is but a belated acknowledgment of our indebtedness.

Mr. CARNAHAN. That is right.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay the sum of 1,172,762.39 patacas with interest at the rate of 71.49 patacas daily from December 31, 1949, to the date of payment to the Government of Portugal in full and final settlement of claims for losses and damages inflicted by United States Armed Forces upon persons and property in the territory of Macao during World War II in violation of neutral rights; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $202,559.52 together with such additional sums as may be necessary, due to any increase in the exchange rate or to the accumulation of interest, to carry out the terms of the settlement.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST EDWARD A. RUMELY

Mr. BUCHANAN. Mr. Speaker, I submit a privileged report from the Select Committee on Lobbying Activities.

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING EDWARD A. RUMELY

The House Select Committee on Lobbying Activities, created by the House of Representatives under House Resolution 298 of the Eighty-first Congress, was authorized and directed to conduct a study and investigation of (1) all lobbying activities intended to influence, encourage, promote, or retard legislation; and (2) all activities of the agencies of the Federal Government intended to influence, encourage, promote, or retard legislation.

The Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York, N. Y., and its executive secretary, Edward A. Rumely, have registered and reported as lobbyists under the Federal Regulation of Lobbying Act since October 7, 1946. Since that date the Committee for Constitutional Government, Inc., has reported spending approximately $2,000,000. One of the chief functions of the Committee for Constitutional Government, Inc., is the distribution of books and pamphlets presenting one side of national legislative issues. In the period 1937 to 1944, prior to the enactment of the Federal Regulation of Lobbying Act of 1946, the Committee for Constitutional Government, Inc., distributed some 82,000,000 booklets, pamphlets, and other pieces of literature, or at the rate of about 12,000,000 pieces a year.

The Committee for Constitutional Government, Inc., accepts two types of contributions:

1. Those under $490.
2. Those over $490.

Contributions under $490 are accepted in any form; i. e., cash, check, for the general fund of the committee, or for specific purposes, like distribution of copies of John T. Flynn's book, The Road Ahead.

Contributions of more than $490 are accepted in only one form, i. e., for specific purposes. Anyone wishing to give the Committee for Constitutional Government, Inc., more than $490 must state the specific purpose for which the contribution is to be used, and that purpose must be to distribute one or more of the committee's pamphlets, books, and so forth. The Committee for Constitutional Government, Inc., then applies the term "sale" to such contributions and does not report them as contributions under the Federal Regulation of Lobbying Act.

Our study of this organization indicates very clearly that its most important function is the distribution of books and pamphlets in order to influence legislation directly and indirectly. It attempts to influence legislation directly by sending copies of books, pamphlets, and other printed materials to Members of Congress. It attempts to influence legislation indirectly by distributing hundreds of thousands of copies of these printed materials to people throughout the United States.

Of particular significance is the fact that Edward A. Rumely and the Committee for Constitutional Government, Inc., in recent years have devised a scheme for raising enormous funds without filing true reports pursuant to the provisions of the Federal Regulation of Lobbying Act. This scheme has the color of legality but in fact is a method of circumventing the law. It utilizes the system outlined above whereby contributions to the Committee for Constitutional Government are designated as payments for the purchase of books, which are transmitted to others at the direction of the purchaser, with both the contributor of the money and the recipients of the books totally unaware of the subterfuge in most cases.

The establishment of a separate category of money received from the sale of books and pamphlets benefits the Committee for Constitutional Government in that it permits it to accomplish distribution of propaganda at reduced expenses.

The distribution of printed material to influence legislation indirectly by influencing public opinion is the basic function of the Committee for Constitutional Government. If a person gives a sum of money to the Committee for Constitutional Government to help them in their work, this money must bear the expense of distribution of the printed material. On the other hand, when a contributor makes his contribution under the guise of a purchase of books and pamphlets, and distributes them himself, the distribution is accomplished without expense to the Committee for Constitutional Government.

A Committee for Constitutional Government pamphlet Octopus on the Potomac, indicated that the Committee for Constitutional Government, Inc., is well aware of the savings inherent in this method of operation. It noted that—

"A telephone girl * * * could mail out 1,000 or more * * * folders in a few days during her slack time.

"Use the * * * folder as a 'tuck-in' in mail to suppliers, place bulk quantities at meetings of service clubs. Professional men may welcome receiving bulk quantities to distribute from their reception rooms. Some firms have mailed thousands of such enclosures when sending dividend checks to stockholders."

Because of the refusal of the Committee for Constitutional Government, Inc., to produce pertinent financial records, this committee was unable to determine whether or not the Committee for Constitutional Government, Inc., is evading or violating the letter or the spirit of the Federal Regulation of Lobbying Act by the establishment of class or contributions called "Receipts from the sale of books and literature," or whether they are complying with a law which requires amendments to strengthen it.

The policy of the Committee for Constitutional Government, Inc., of refusing to accept contributions of more than $490 unless earmarked for books, etc., may also involve: (1) Dividing large contributions into installments of $490 or less, and causing the records of the Committee for Constitutional Government to reflect receipt of each installment on a different date, and/or causing the records of the Committee for Constitutional Government, to give credit for the several installments, to various relatives and associates of the actual contributor. (2) Causing the Committee for Constitutional Government's records as to "contributions" to reflect less than the total amount of contributions actually received, by labeling some part of such funds as payments made for printed matter.

Because of the refusal of the Committee for Constitutional Government, Inc., to produce pertinent financial records, this committee was unable to determine whether or not the Federal Regulation of Lobbying Act requires amendment to prevent division of large contributions into installments, or to prevent the crediting of contributions to others than the real contributor, or to prevent the use of other subterfuges.

Some of the booklets and pamphlets distributed by this lobby are as follows: The Road Ahead, by John T. Flynn; Why the Taft-Hartley Law, by Irving G. McCann; Compulsory Medical Care and the Welfare State, by Melchior Palyi.

Postal cards, dodgers, and leaflets are used to stimulate contributions to aid the Committee for Constitutional Government, Inc., distribute these books. These solicitations tie the books in with legislation. For example:

(a) A postcard, set forth in the record as exhibit A of the committee's proceedings under the date of June 27, 1950, soliciting mass purchases of The Road Ahead, states that "if you and others help distribute to millions this eye-opening book, they will see the perils ahead and reverse our movement into socialism."

(b) A leaflet, set forth in the record as exhibit B of the committee's proceedings under the date of June 27, 1950, entitled "Rent Control Plunderbund," sets out arguments against rent control, notes that "rent control is one step leading to socialism in the United States of America. Read The Road Ahead if you want to know the entire story. * * * Send this folder to others and help accomplish wide distribution. * * * Write for a quantity of these folders and send one to your councilman, to your mayor, your Congressman and Senator; and to your State legislators. Send them with a brief note expressing your own opinion; distribute them to friends, members of service clubs, to tenants and landlords, fellow employees or stockholders; to your physician, dentist, and lawyer; mail a copy to the editor of your newspaper."

(c) A leaflet set forth in the record as exhibit C of the committee's proceedings under the date of June 27, 1950, entitled "Our Medical Schools—Will They Be Next? S. 1453 Would Set Pattern for Nationalization of All Professional Schools," gives arguments against this bill (which is also H. R. 5940), the so-called Emergency Professional Health Training Act of 1949. This leaflet notes that many phyisicians have reexamined their position on this bill—

"Such reappraisal has been sharply stimulated by John T. Flynn's current book, The Road Ahead * * * (which) leaves no room for doubt as to the inevitable destination of our present course. If every thinking person could be induced to read this book, to use it as a text, and to tell his Senators and Congressmen what he expects of them, it might turn the tide."

(d) A leaflet set forth in the record as exhibit D of the committee's proceedings under date of June 27, 1950, entitled "Compulsory Medical Care and the Welfare State," contains quotations in praise of this book and a reprint of an editorial, Sugar Coated Tyranny. The editorial notes that the book "is of primary importance to American today. * * * Armed with such material as is included between the covers of Compulsory Medical Care and the Welfare State, you may be able to ward off this calamity."

This book was not published by the Committee for Constitutional Government, Inc., but is being distributed by that group.

(e) A leaflet set forth in the record as exhibit E of the committee's proceedings under the date of June 27, 1950, entitled "Why the Taft-Hartley Law?" outlines the nature of the book, which favors that law. I note:

"As soon as the book comes from the presses, free distribution must be made to top-level, opinion-molding groups such as 16,000 editors and publishers of daily and weekly newspapers—religious, labor, farm, etc.—to Members of Congress, to 7,000 State legislators and governors, to 40,000 farm leaders, 1,700 presidents of universities, etc."

A note at the bottom of the order form reads:

"Purchase of educational literature to educate public opinion in upholding constitutional principles on which our free enterprise system rests, is legitimate corporate expenditure."

(f) A leaflet set forth in the record as exhibit F of the committee's proceedings under the date of June 27, 1950, entitled "Wagner Act Should Be Repealed" states five reasons why this law should be repealed, then advertises Labor Monopolies—or Freedom, by John Scoville, which shows why you cannot have both.

The leaflet continues:

"Express your convictions to your Senators and Congressmen. Enclose with your letter a copy of this leaflet. Also send them the book, Labor Monopolies—or Freedom."

(g) A confidential memorandum set forth in the record as exhibit G of the committee's proceedings under the date of June 27, 1950, entitled "Committee for Constitutional Government, Inc., and Fighters for Freedom, Memorandum, Confidential, Not for Publication," instructs the reader to circulate the book The Road Ahead and to make The Road Ahead dominate national thinking and do its important job soon after the next session of Congress opens.

These leaflets and memoranda, coupled with the books themselves, are evidence that their distribution by the Committee for Constitutional Government, Inc., constitutes an attempt by that organization to influence legislation, directly and indirectly. It is submitted that the House Select Committee on Lobbying Activities and the Congress are entitled to know the identity of the large financial backers of the Committee for Constitutional Government, Inc. The mere identification would not in any way restrict or curb the activities of this organization, but would permit the Congress to know the source of the indirect pressures created by this distribution. That knowledge will put the Congress in a better position to evaluate those pressures.

The reports filed by the Committee for Constitutional Government, Inc., do not identify the bulk purchasers, nor do they disclose the respective amounts of such bulk purchases. The House Select Committee on Lobbying Activities has obtained comparable information from other organizations, including some which are not registered and do not report under the Federal Regulation of Lobbying Act, but the Select Committee on Lobbying Activities has been unable to obtain from the Committee for Constitutional Government, Inc., this kind of information. It has also been unable to obtain information as to loans made to the Committee for Constitutional Government, Inc., in connection with certain of its publications.

The chairman of the House Select Committee on Lobbying Activities issued and caused to be served a subpena duces tecum on said Edward A. Rumely, directing him to be and appear before the said Select Committee on Lobbying Activities on June 6, 1950, at 10 a. m. and to bring with him such records of the Committee for Constitutional Government, Inc., as would disclose the identity of all persons for whom $500 or more had been received in a given period whether under the name of "contributions" or "purchases" of books and pamphlets between the period January 1, 1947, and May 1, 1950, and then and there to testify touching matters of inquiry committed to said Committee on Lobbying Activities. The subpena duces tecum served upon Edward A. Rumely is set forth in words and figures as follows:

"By Authority of the House of Representatives of the Congress of the United States of America

"To: Benedict F. FitzGerald:

"You are hereby commanded to summon Edward A. Rumely, Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York, N. Y., to be and appear before the Select Committee on Lobbying Activities of the House of Representatives of the United States, of which the Honorable Frank Buchanan is chairman, and to bring with him such of the records of said committee as indicated:

"(1) the name and address of each person [1] from whom a total of $1,000 or more has been received by the committee during the period January 1, 1947, to May 1, 1950, for any purpose, including, but not limited to (a) receipts from the sale of books, pamphlets, and other literature, (b) contributions, (c) loans;

"(2) as to each such person [1] the amount, date, and purpose of each payment which formed a part of the total of $1,000 or more, in their chamber in the city of Washington, on Tuesday, June 6, 1950, Room 362, Old House Office Building, at the hour of 10:00 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 25th day of May 1950.

"[seal] Frank Buchanan

"Frank Buchanan, *Chairman.*

"Attest:

"Ralph R. Roberts, *Clerk.*"

The said subpena duces tecum was served on Edward A. Rumely by Benedict F. FitzGerald, Jr., counsel for the Select Committee on Lobbying Activities. The return of the service of the subpena, endorsed thereon, is set forth in words and figures, as follows:

"Served on Edward A. Rumely at the offices of the Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York City, on Friday, May 26, 1950, at about 5 p. m. by delivery in hand to the said Edward A. Rumely, by the undersigned.

"Benedict F. FitzGerald, Jr.,
"Counsel, House Select Committee on Lobbying Activities."

Pursuant to said subpena, Edward A. Rumely appeared before the Select Committee on Lobbying Activities on June 6, 1950, but failed and refused to produce certain records called for in the subpena duces tecum, and as a result of such refusal the Select Committee on Lobbying Activities was deprived from receiving information concerning a matter committed to said committee. The record of the proceedings before the Select Committee on Lobbying Activities held on Tuesday, June 6, 1950, during which the said Edward A. Rumely refused to furnish certain material pertinent to the subject under inquiry, is set forth in part as follows:

"House of Representatives,
"House Select Committee on Lobbying Activities,
"Washington, D. C., Tuesday, June 6, 1950.

"The committee met, pursuant to call, at 10:40 a. m., in the caucus room, Old House Office Building, Hon. Frank Buchanan (chairman) presiding.

"Present: Representatives Buchanan, Lanham, Albert, Brown, and O'Hara.

"Also present: Benedict F. FitzGerald, Jr., committee counsel.

"The Chairman. The committee will come to order.

* * * * *

"The Chairman. Mr. Brown, if you will yield for just a moment, I would like to record here the fact that we have a quorum present, and I shall announce the members of the committee and make acknowledgment of that fact as a part of the record.

"Mr. Lanham, Mr. Albert, Mr. Brown, Mr. O'Hara, and myself. A quorum is thus present.

"The Chairman. Will you be sworn, Mr. Rumely?

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[1] Includes any individual, partnership, corporation, association, or other organization or group.

"Do you swear that the statements you make to the committee will be the truth, the whole truh, and nothing but the truth, so help you God, to the last great day?

"Mr. RUMELY. I do.

"TESTIMONY OF EDWARD A. RUMELY

"The CHAIRMAN. Give your name and address, please.

"Mr. RUMELY. Edward A. Rumely, R-u-m-e-l-y.

"The CHAIRMAN. What is your official connection with the Committee for Constitutional Government?

"Mr. RUMELY. I am executive secretary.

"The CHAIRMAN. How long have you been with this committee, sir?

"Mr. RUMELY. Since it was founded in 1937.

"The CHAIRMAN. Where are your official offices located?

"Mr. RUMELY. 205 East Forty-second, New York City.

"The CHAIRMAN. Are you or your organization registered under the Lobbying Act?

"Mr. RUMELY. We are, under protest.

"The CHAIRMAN. Under protest?

"Mr. RUMELY. Yes.

"The CHAIRMAN. A subpena was issued on the 25th day of May 1950, by authority of the House of Representatives of the Congress of the United States of America, commanding Benedict F. FitzGerald, Jr., committee counsel, to summon you to be and appear before the Select Committee on Lobbying Activities of the House of Representatives, of which I, Representative FRANK BUCHANAN, am chairman, and to bring with you such of the records of the Committee for Constitutional Government as indicate: (a) The name and address of each person from whom a total of $1,000 or more has been received by the Committee for Constitutional Government during the period January 1, 1947, to May 1, 1950, for any purpose, including, but not limited to (A) receipts from the sale of books, pamphlets, and other literature; (B) contributions; (C) loans; (b) as to each such person the amount, date, and purpose of each payment which formed a part of the total of $1,000 or more.

"I have before me a copy of the subpena. Do you have your subpena with you?

"Mr. RUMELY. I do; right here.

"The CHAIRMAN. Will you examine the subpena to determine whether or not it is an exact copy?

"Mr. RUMELY. This is a photostat of the subpena that was issued.

"The CHAIRMAN. Yes.

"Mr. RUMELY. Yes, that is a duplicate.

"The CHAIRMAN. The copy is the same.

"Mr. RUMELY. It is a copy of the same subpena.

"The CHAIRMAN. And you are here in response to the subpena?

"Mr. RUMELY. I am here in response to the subpena.

"The CHAIRMAN. And you are ready to produce these records before the committee, as stated in the subpena?

"Mr. RUMELY. I am going to produce a part of the records and withhold a part.

"The CHAIRMAN. Of course, this subpena was served upon you by Benedict F. FitzGerald, Jr., Committee Counsel, on the 27th day of May, which I believe was on a Saturday; at what hour, do you recall?

"Mr. RUMELY. 4:45. I agreed to accept it at that time. Friday—I think it was Friday.

"The CHAIRMAN. Friday, at 4:45?

"Mr. RUMELY. Yes, sir.

"The CHAIRMAN. You are now before the Select Committee on Lobbying Activities at the time and place stated in the subpena; is that not a fact?

"Mr. RUMELY. Yes.

"The CHAIRMAN. Did you bring with you the records of the Committee for Constitutional Government?

"Mr. RUMELY. I brought a portion of the records that we will supply the committee. There are certain areas that you ask information on, which I believe are outside of your power. I would like to make a statement, while I am under oath and subject to cross-examination.

"The CHAIRMAN. Just a minute, sir. What did you not bring?

"Mr. RUMELY. The names——

"The CHAIRMAN. As to points (a) and (b)?

"Mr. RUMELY. I brought all on point (a).

"The CHAIRMAN. That is the receipts from the sale of books?

"Mr. RUMELY. No, sir; not receipts from the sale of books. If you will allow me to make the statement——

"The CHAIRMAN. I would like to ask you as to what you did bring, first.

"In other words, you have brought everything under section (a)?

"Mr. RUMELY. No. One moment. Section (a)——

"The CHAIRMAN. The names and addresses?

"Mr. RUMELY. No; not receipts from the sale of books, or the identity of purchasers of books. I don't mind giving the total income, but not the identity of the purchasers of books and literature.

"Mr. LANHAM. Do you have the records called for by the subpena in your custody and/or in your office?

"Mr. RUMELY. Yes.

"Mr. LANHAM. Do you refuse now to comply with the orders of the committee directing you to produce these books and records—do you have them with you?

"Mr. RUMELY. I have information on the people who contributed——

"Mr. LANHAM. We didn't ask you for information. We asked you for books and records.

"Mr. RUMELY. We have transcripts.

"Mr. LANHAM. Do you have the books and records with you this morning in court—before the committee?

"Mr. RUMELY. I haven't them here. My auditor brought some.

"Mr. LANHAM. Do you have them here and are you ready to produce them for the committee?

"Mr. RUMELY. No; I do not have the books of account. We have the transcripts of them.

"Mr. LANHAM. I asked you whether you had the documents called for in the subpena, here before the committee this morning?

"Mr. RUMELY. I have a portion of the documents called for.

"Mr. LANHAM. You do not have all of the documents?

"Mr. RUMELY. I do not have all of the documents.

* * * * *

"Mr. BROWN. I would like for him to make a statement as to why he feels the way he does. If the committee is in error, we should know it. We have a right to have his views, what he is going to furnish, and what he feels he shouldn't furnish.

"Mr. RUMELY. May I have the opportunity of making a statement, while I am under oath, and subject to cross-examination?

"The CHAIRMAN. Mr. BROWN asked a question, as to what you brought with you.

"Mr. BROWN. And I asked for a statement explaining what he brought and what he didn't bring.

"Mr. LANHAM. I object to his reading any statement until he has produced the records that the committee has asked for. He is in contempt of the committee until he does produce those records, and I object to his reading any statement until he has accounted for the production of those records.

"Mr. BROWN. I am really amazed and ashamed that this committee will not permit any citizen to say he is furnishing certain material requested and why he cannot, or he feels he should not, furnish other material.

"Mr. LANHAM. I do not object to his stating what he is supplying. I want him to state that, but object to his making a long statement.

"Mr. BROWN. I think we should be proud of our great democracy, of our great Republic, and of the way this committee has been conducted this morning.

"Mr. LANHAM. He just wants to use the committee as a sounding board.

"Mr. BROWN. I am afraid the committee has been used as a sounding board.

"The CHAIRMAN. May we have order, please.

"Mr. LANHAM. As long as he is in contempt of the committee——

"Mr. BROWN. I don't know that he is in contempt.

"Mr. LANHAM. I object to his reading any statement.

"Mr. BROWN. I don't know whether he is in contempt of the committee.

"The CHAIRMAN. Mr. BROWN asked you a question, Dr. Rumely. I would like to have you give an answer to the question. Will you state it again?

"Mr. BROWN. Yes. I would like to know what records you are willing to produce, and what records you feel you should not produce, and the reason therefor?

"Mr. RUMELY. I am willing to produce the records of all contributions of $1,000 or more within the period designated; I am willing to produce the records of all loans within the period designated, except a few that related to the promotion of The Road Ahead, and advertising Fighters for Freedom, which has nothing to do with lobbying. I am not going to produce the names of people who bought books because, under the Bill of Rights, that is beyond the power of your committee to investigate.

* * * * *

"Mr. BROWN. It is your contention that, inasmuch as you are in the publishing business, that, as a publisher—I want you to get this question very clear: Is it your contention that as a publisher, operating under a constitutional guaranty of the freedom of the press, that you are perfectly ready and willing to submit to this committee any information, any records that you may have, which you feel, or which the committee may feel, after you have had an opportunity to explain, in any way would come under the purview of the Lobby Registration Act, or under the purview of this committee, but that you do not feel you can be compelled to report to anyone as to your activities as a publisher, only as it may be in the direction of influencing legislation?

"Mr. RUMELY. That is true. That is an exact statement of our position.

"Mr. BROWN. In other words—and I think the press of the country should pay attention to this—the Congress has a right to investigate and to look into, under this resolution, the activities of any publisher when it comes to attempting to influence legislation—perhaps the postal rate bill might be a perfect example—but that no one in the Congress has the right to inquire into the certain field that has been held sacred under the constitutional freedom of the press, that is your right to publish books, magazines, newspapers, or whatever it is that you may publish legally, so long as they are not subversive or against the best interests of the United States.

"Mr. RUMELY. That is exactly the position.

* * * * *

"Mr. LANHAM. I can't agree with the gentleman. There is no question of freedom of the press, at all, involved here. Here is a lobby organization whose primary purpose is that of influencing legislation. Then, incidentally, they turn to trying to influence legislation indirectly by trying to help form public opinion. That, too, is no doubt perfectly legitimate; but it seems to me that if an organization, whose primary purpose

is stated to be that of lobbying, incidentally engages in the publication of books to influence public opinion, especially where the record will show, as I believe it will in this case, the accepting of payments, of contributions, of not more than $490, and anything above that being used to purchase books, it seems to me that certainly is subterfuge in the collection of funds for lobbying purposes, and I think that is what the record will show.

* * * * *

"Mr. LANHAM. Could we get back to the question at issue?

"Mr. BROWN. We have been right on it; dead center.

"Mr. LANHAM. You refuse to produce for the committee this morning the names of persons to whom you have sold these publications?

"Mr. RUMELY. Yes.

* * * * *

"The CHAIRMAN. Of course, you don't want to furnish to the committee the names of those who purchased these books?

"Mr. RUMELY. No. We think that is beyond your power to inquire into.

* * * * *

"The CHAIRMAN. I would be very pleased if you would furnish to the committee those records that you have this morning. You have refused to give the names of people who have purchased books?

"Mr. RUMELY. I will give you, Mr. BUCHANAN——

"The CHAIRMAN. Under the terms of the subpena that has been issued to you.

"Mr. RUMELY. Yes.

"The CHAIRMAN. That is all I wish to comment on at this time.

"Mr. RUMELY. I want to read one sentence——

"The CHAIRMAN. Will you turn that over to the committee——

"Mr. RUMELY. I will turn that over to the committee if you will let me make one statement, read one sentence.

"Mr. O'HARA. Why can't he make his statement?

"The CHAIRMAN. I would like to see what he has.

"Mr. LANHAM. Mr. Chairman, this committee cannot accept anything conditionally. If he is ready to produce, all right.

"Mr. RUMELY. I am depending on your good grace.

"(Some documents were passed to the chairman.)

"The CHAIRMAN. We will let him make a statement.

"Mr. BROWN. Certainly, there is such a thing as a constitutional guaranty.

"Mr. LANHAM. Not until he produces the records——

"The CHAIRMAN. In other words, these two sheets here are all that you care to furnish at this time in answer to the subpena; is that right?

"Mr. RUMELY. Yes; that is right.

* * * * *

"The CHAIRMAN. But you have not furnished the committee with the complete list of things that you were subpenaed to furnish?

"Mr. RUMELY. I have not furnished the committee the list of buyers of our books and a few loans we made to publish the books.

"The CHAIRMAN. And you still refuse to furnish us with that information?

"Mr. RUMELY. I have been advised by counsel not to do that.

"The CHAIRMAN. You may file your entire statement.

* * * * *.

"Mr. BROWN. * * * The gentleman has mentioned a certain cross-examination I made of Mr. Goodman, who is secretary, I think, of some CIO housing committee, in connection with certain housing legislation activities. The pamphlets to which he referred were pamphlets in direct support of housing legislation and housing proposals then before the Congress. They were not books or booklets of general information. They were used primarily and only for the purpose of being distributed among those individuals who wished them, and were also presented to Members of the Congress in argument as to why housing legislation should be enacted. Therefore, I think they come generally under the lobby law.

"Mr. Rumely, if you have any booklets similar to that, in which you have set forth the reasons why certain legislative proposals before Congress should be enacted, or certain legislative proposals should be defeated, and you have sent those out over the country wholesale, either as gifts or through other organizations, then I think this committee has an absolute right to demand information on them.

"Mr. RUMELY. We have issued no such books.

"Mr. BROWN. However, if your publication field were——

"Mr. RUMELY. We have issued no such books.

* * * * *

"The CHAIRMAN. At this point, will you permit the Chair to interrogate the witness?

"You have in your own statement stated that you have published the Constitution of the United States, by Thomas James Norton, and The Road Ahead, by John T. Flynn. Two additional books, not mentioned by you, were published and distributed: Compulsory Medical Care, by Melchior Palyi; and Why the Taft-Hartley Law, by Irving B. McCann. In your own statement, you admit publishing those and distributing them.

"Mr. RUMELY. Yes, sir; we are distributing them.

"The CHAIRMAN. To whom?

"Mr. RUMELY. The McCann book isn't yet printed, but we will be distributing it in 4 or 5 weeks.

"The CHAIRMAN. To whom?

"Mr. RUMELY. We have about 10,000 orders on hand.

"The CHAIRMAN. Now, that is the purpose of the subpena——

"Mr. ALBERT. Mr. Rumely, you say you already furnished to the committee everything except the names of the purchasers of your books and those who have made loans for the purpose of publishing books?

"Mr. RUMELY. Yes, sir. Just for the express purpose of publishing the book or printing ads on Fighters for Freedom. It has no relation to lobbying.

"Mr. ALBERT. Has the committee got all of your other records except those; does the committee have in its possession all other records except those?

"Mr. RUMELY. Your committee has; yes. All that you asked for, except you will find in my statement what was excepted, and what I have told you is a fact, that we have declined to give the names of the quantity purchasers of the books; 90 percent, 95 percent, are bought in quantities of 1 to 10; but, for example, a doctor in the West with a big clinic, he bought a few thousand copies of John Flynn's book, and wrote to all his patients of 10 years, "If you will write me a postcard, I will send you a copy." If I drag his name in—he isn't lobbying. The FBI bought a big bunch of the Constitution book. How would they feel? They wanted their agents to know what was legal. How would they feel if we reported they were engaged in lobbying?

"Mr. ALBERT. It is not a question of how they feel. It is a question of fact. We are trying to find out what you have done and what you intend to do.

"Mr. RUMELY. Yes.

"The CHAIRMAN. That is all.

"Mr. RUMELY. They got 350 copies.

"Mr. LANHAM. If the doctors bought this book that you say you were publishing, against socialized medicine, they would be lobbying.

"Mr. RUMELY. No. May I tell you what the book is? The book is a result of a 6-month study in Europe by one of the greater European economists, to see what happens under compulsory medical care in every country. There isn't one word about socialized medicine in this country. It is a study of what happened in Europe.

"Mr. LANHAM. You distributed because you want to discourage that sort of legislation, and a doctor, if he were to distribute it, would be getting it from you for that purpose, would he not?

"Mr. RUMELY. We distribute it because we want to preserve private industry. I do it with enthusiasm, because I worked as a medical intern under the Bismarck system, and I know how disruptive that kind of medicine can be.

"Mr. LANHAM. I agree with you on socialized medicine. I am not in favor of it. But the point is, if you distribute this book, and if the doctors buy it and distribute it, they are engaged in lobbying, in an attempt to influence legislation.

"Mr. RUMELY. They are certainly not. If building informed public opinion is lobbying, then our whole conception of freedom is wrong. There is a copy of that book here. Look at it.

"Mr. LANHAM. I don't want to see it now. I am dealing with principles. You are attempting to influence, indirectly, legislation that is now pending before Congress.

"Mr. RUMELY. You have no right to go against—go into the field in which public opinion is made; you are out of bounds."

* * * * *

Thereafter, Edward A. Rumely appeared further before the Select Committee on Lobbying Activities voluntarily in response to a request for such appearance by the chairman on Tuesday, June 27, Wednesday, June 28, and Thursday, June 29, 1950. Throughout the proceedings on said dates a quorum of the committee was present.

At the June 27 hearing Edward A. Rumely described the lobbying activities of the Committee for Constitutional Government, Inc., in part as follows:

"Mr. RUMELY. Our lobbying consists of going out with a viewpoint to the country and informing people and letting the people talk to their Members of the Congress.

"The CHAIRMAN. The grass-roots approach?

"Mr. RUMELY. It is helping people get the facts on which to do their thinking.

* * * * *

"Mr. LANHAM. That seems to indicate pretty well that they are engaged in lobbying [indicating letter].

"Mr. RUMELY. We don't deny that.

"Mr. LANHAM. I think you said you registered under protest.

"Mr. RUMELY. We don't come down to Congress. We went back to the people and told them what would happen if we got a contingent of our population housed by the party in power. Ninety-five percent would vote to keep the 'ins' in; the housing would be expensive; it would disrupt our free-enterprise system. What we put out was sound information.

"Mr. ALBERT. May I ask a question here, Mr. Chairman?

"The CHAIRMAN. Mr. ALBERT.

"Mr. ALBERT. Does your organization take a positive stand on definite legislative proposals, such as rent control, the Taft-Hartley law, compulsory health, for instance?

"Mr. RUMELY. When the Taft-Hartley law was under discussion we published Labor Monopolies or Freedom, which we distributed; we distributed 250,000 copies. All Members of Congress got a copy. It went to publishers. People who could take opin-

ion that way, and mint it into small coin to distribute to others.

* * * * *

"Mr. RUMELY. We try to supply the public such sound information that they will come to the right conclusions and uphold the right things.

"Mr. ALBERT. Didn't you tell me a minute ago that the book that you wrote, Labor Monopolies or Freedom, was placed on the desks of every Member of Congress?

"Mr. RUMELY. I think Mr. Frank Gannett paid for that distribution. Frank Gannett sent a copy to every newspaperman in the United States because he was impressed with the contents of the book. If I recall right, he included the Congressmen in his personal distribution.

* * * * *

"Mr. DOYLE. Mr. Rumely, I have here a letter dated April 1950, on the stationery of the Committee for Constitutional Government, addressed to 'All Members of Congress, on the Taft-Hartley law.'

"Mr. RUMELY. Yes.

"Mr. DOYLE. I will ask you to look at that and identify it, and then state if that isn't one of the techniques you used to influence Members of Congress? It is over your own signature. I received it through the mail, the United States mail, from your office.

"You identify it, don't you?

"Mr. RUMELY. That, certainly, i a letter that we put out."

* * * * *

In the course of his testimony on June 28, 1950, Edward A. Rumely refused on several occasions to furnish information in response to questions addressed to him. The record of the proceedings on June 28, 1950, during which such refusals occurred is set forth in part as follows:

"Mr. FITZGERALD. Now, passing on, I want to show you a carbon copy of a letter under date of June 16, 1949, to the Honorable RALPH W. GWINN, Congressman from New York. This letter purports to have been drawn by Williford I. King, chairman of your organization.

"Is that not his letter?

"Mr. RUMELY. That is his letter.

"Mr. FITZGERALD. And I direct your attention to paragraph 2 thereof. It says:

" 'It was fine of you to go along with us to see J. Howard Pew. He is certainly a very able and public-spirited gentleman. I believe your presence was extremely beneficial.'

"Is that Mr. J. Howard Pew, from Pennsylvania?

"Mr. RUMELY. It is.

"Mr. FITZGERALD. And he is one of your contributors, Mr. Rumely?

"Mr. RUMELY. He has bought books; and I am not going to give you information on that.

"Mr. FITZGERALD. You refuse to answer that question?

"Mr. RUMELY. I refuse to answer that question.

* * * * *

"Mr. FITZGERALD. I want to conclude with the letter from Mr. Rumely to Mr. Fletcher, of February 9, 1950, in which he discusses The Road Ahead, and he says that the industry of America has bought books, such as The Road Ahead to saturate the community and make a long-time imprint on its thinking.

"Mr. RUMELY. That is right. We are going to do that in Cleveland, Toledo, in Buffalo, in Rochester, in Niagara Falls, in Dallas, and we are going to do it in just as many cities as we can put a full-page ad into the paper—you must help stop socialism in America—and we will send it, if we can get the money to do it, a book into every fifth home, a copy of The Road Ahead, into every fifth home.

"I dined, the night before I came here, with a good woman from Toledo; she gave $2,000——

"Mr. FITZGERALD. What is her name, Dr. Rumely?

"Mr. RUMELY. I am not going to give you her name.

* * * * *

"Mr. RUMELY. We print books. Book publishing is as much under the protection of the first amendment as the printing of newspapers.

"Mr. FITZGERALD. If the committee would like to have it, I have a long brief on that subject, on the first amendment, showing that the freedoms guaranteed by the first amendment are not absolute; they may be the subject of governmental inquiry or control in the interest of restraining abuses within the constitutional ambit of governmental activity.

"What we have proposed to do is not to stop Dr. Rumely from producing any of his propaganda. It is merely to make inquiry into it and see what he is doing, so that his activities will be placed in the 'goldfish bowl.' There is no restraint whatsoever.

* * * * *

"Mr. DOYLE. May I ask this, please: Those exhibits that I referred to, those were also mailed to Members of the Congress?

"Mr. RUMELY. Certainly. I mailed them to all Members of the Congress, to all Washington correspondents, to all editors of daily newspapers, to all periodical publications, and to a few other smaller groups.

"Mr. DOYLE. Mr. Chairman, I have two other questions along that line:

"When these books are purchased, under your theory, the purchasers do not know in advance to whom those books may be mailed by you?

"Mr. RUMELY. Most of the purchasers buy them, 90 percent, to be shipped to themselves; they know darn well whom they are going to give them to.

"Mr. DOYLE. Then you send them to the purchaser?

"Mr. RUMELY. Or the purchaser may say, "I want this group sent to farm leaders," and if he designates it, as his choice, we will make the mailing.

"Mr. DOYLE. You use the list in your office? If he says "farm leaders," then you use the list in your office?

"Mr. RUMELY. Yes. So they don't get duplicates.

"Mr. DOYLE. But he doesn't have the list?

"Mr. RUMELY. He can have it, if he wants it. He designates it.

"Mr. DOYLE. But he doesn't name the particular persons to whom you mail those books?

"Mr. RUMELY. He mentions a particular group of persons. For example, this book, Compulsory Medical Care, we have one donor who has paid to send 15,550 libraries a copy of that book.

"Mr. FITZGERALD. What was that?

"Mr. RUMELY. I won't tell you.

"Mr. FITZGERALD. You refuse?

"Mr. RUMELY. Certainly, I refuse to tell you.

"Let me finish.

"I am looking around now for another donor to send a copy to 15,000 editors, because we wish that book to hit the editors on the same day that the library gets it, because the editor may be moved to say something about it, and build up interest in it.

"Therefore, I am holding back the distribution of 15,500 to the libraries, until I can find some generous, public-spirited organization or person to pay for the distribution to the newspapers.

"The CHAIRMAN. Do you actually publish this book?

"Mr. RUMELY. We publish it.

"The CHAIRMAN. In your headquarters—do you have a printing press?

"Mr. RUMELY. No; we hire the printing done outside.

"The CHAIRMAN. In other words, you are just the distributor of the material?

"Mr. RUMELY. All publishers—only a few have printing presses—generally, they can buy it much more cheaply than they can print it.

"Mr. FITZGERALD. In regard to the attack upon the committee, on the ground that they do not have any authority, I want at this time to offer for the record, borne out by evidence, that the committee is fully within its rights.

"In the recent case of *Oklahoma Press Publishing Co.* v. *Walling*, supra, the validity——

"The CHAIRMAN. Is this a Supreme Court decision?

"Mr. FITZGERALD. Yes; 327 U. S. 186. A subpena requiring a publisher to disclose the source and receipt of advertisements was upheld against the same constitutional objections asserted here.

"The breadth of Congress' right of inquiry, and specifically its right to find out the source of an individual's or corporation's receipt of funds as against the same constitutional objections raised here, is also demonstrated by the recent cases against the Hollywood writers, Lawson and Trumbo, certiorari denied April 10, 1950. These cases established that a congressional committee may compel disclosure of one's political beliefs and associations. Surely, Edward A. Rumely is not entitled to a greater immunity from disclosure of the names of the purchasers of the literature of the Committee for Constitutional Government, Inc.

"Mr. HALLECK. Counsel may be right about his legal conclusions, but, after all, there is an issue drawn that cannot be settled here.

"Mr. RUMELY. You cite me for contempt and bring me to trial, and you will get an education on the Bill of Rights.

"The CHAIRMAN. Mr. Rumely, will you permit Mr. HALLECK to continue.

"Mr. HALLECK. All I wanted to say, Mr. Chairman, was that I have no objection to counsel putting that in the record, but whatever legal issue may be raised by the refusal of Dr. Rumely to give to the committee the name of persons who bought books, it is a matter that will have to be settled in the courts; obviously, it can't be settled here.

* * * * *

"Mr. DOYLE. That is one of the purposes of the committee, Dr. Rumely, to get the honest facts, whatever they are.

"Mr. RUMELY. I am perfectly willing to give everything except one thing. I haven't withheld anything, except the names of the buyers of our books. Those, you can't have."

On June 29, 1950, Edward A. Rumely further refused to answer a number of questions addressed to him in the proceedings before the Select Committee on Lobbying Activities. The record of these proceedings during which such refusals occurred are set forth in part as follows:

"Mr. FITZGERALD. As a matter of fact, Mr. Rumely, your organization did subsequently handle the program for a constitutional limitation on individual income tax, did it not?

"Mr. RUMELY. Yes. We did that, all along; we have led on that, for the whole country, for a long period of time.

"Mr. FITZGERALD. You have been the one that has been out in front on that one?

"Mr. RUMELY. I won't say we have been out in front, but we have put out much printed matter. One year we reached 650,000 people.

"Mr. FITZGERALD. How long have you had that program?

"Mr. RUMELY. Since 1942, I think.

"Mr. FITZGERALD. To get into another subject, Mr. Rumely, I notice that the book, Labor Monopolies and Freedom—you publish that?

"Mr. RUMELY. We did.

"Mr. FITZGERALD. And distribute it?

"Mr. RUMELY. Yes.

"Mr. FITZGERALD. It deals specifically with several legislative proposals. The general thesis of that book is shown in the following quotation on page 152:

" 'What we should do is to repeal all Federal labor laws on wages, hours of labor, collective bargaining, minimum wages, etc., and abolish all boards, bureaus, and commissions that result from these laws.'

"Then with regard to collective bargaining it states:

" ' * * * the abuse to be eliminated is collective bargaining itself * * *.'

"Mr. RUMELY. That is right.

"The CHAIRMAN. Is that the platform of the Fighters for Freedom?

"Mr. FITZGERALD. No; those are excerpts from the Committee for Constitutional Government publication, Labor Monopolies and Freedom.

"Mr. RUMELY. John W. Scoville wrote the book. That is his opinion. We don't censor every line in a book we publish.

"Mr. FITZGERALD. In your appearance before this committee on June 6, 1950, one of the members of this committee stated:

" 'If you have any booklets similar to that, in which you have set forth the reasons why certain legislative proposals before Congress should be enacted, or certain legislative proposals should be defeated, and you have sent those out over the country wholesale, either as gifts or through organizations, then I think this committee has an absolute right to demand information on them.'

"You replied: 'We have issued no such books.'

"Mr. RUMELY. That is right.

"Mr. FITZGERALD. I ask you——

"The CHAIRMAN. What member of the committee made the interrogation?

"Mr. FITZGERALD. That was transcript of hearing, June 6, page 62, I think Mr. Brown made that remark.

"You replied: 'We have issued no such books.'

"Mr. RUMELY. That is right.

"Mr. FITZGERALD. Now, I ask you, Mr. Rumely, has the Committee for Constitutional Government received more than $500 in any one calendar quarter for the purpose of distributing copies of that book?

"Mr. RUMELY. I can't tell you now; but that book does not come in the classification that you are trying to place it in. The passage is simply a passage relating to this man's opinion that labor monopoly is just as bad as business monopoly; and when the Government encourages labor monopoly, it is engaging in a wrong economic policy. That isn't legislation; that is a general economic principle.

"Mr. FITZGERALD. Will you produce the records set forth in the subpena of June 6, 1950, so that this committee may make its own independent determination on that subject?

"Mr. RUMELY. Give me the passage that you refer to.

"Mr. FITZGERALD. The question was, Has the Committee for Constitutional Government received more than $500 in any one calendar quarter for the purpose of distributing copies of that book Labor Monopolies or Freedom?

"Mr. RUMELY. I would like to see the passage.

"Mr. FITZGERALD. That isn't the question.

"Mr. RUMELY. Before I answer the question, I would like to see the copy; where is the reference?

"Mr. FITZGERALD. Page 152.

"The CHAIRMAN. That has no reference to the question.

"Mr. DOYLE. I would say this: that the text of the book speaks for itself. I don't thing it is subject to any interpretation by the witness.

"Mr. O'HARA. He has a right to look at it.

"Mr. DOYLE. Sure he has. The book speaks for itself.

"Mr. FITZGERALD. The question is, Has the Committee for Constitutional Government received more than $500 in any one calendar quarter for the purpose of distributing copies of this book?

"Mr. RUMELY. Probably.

"Mr. FITZGERALD. What is that?

"Mr. RUMELY. Probably; yes.

"Mr. FITZGERALD. State the names, dates, and amount as best you remember them.

"Mr. RUMELY. I can't.

"Mr. FITZGERALD. Why can't you?

"Mr. RUMELY. I don't carry in my mind the purchasers.

"Mr. FITZGERALD. Will you get the names for us?

"Mr. RUMELY. I am maintaining that that book is not a direct influence on legislation, and, therefore, is privileged as other books that we publish.

"Mr. FITZGERALD. You refuse to give access to any records pertaining to the distribution of this book?

"Mr. RUMELY. I do.

"Mr. LANHAM. What is that book?

"The CHAIRMAN. You have engaged in mass distribution, through the Committee for Constitutional Government, have you not?

"Mr. RUMELY. I put out 250,000 copies of that.

"Mr. FITZGERALD. What is the date of publishing of this book, Labor Monopolies or Freedom—1946, is it not, Doctor?

"Mr. RUMELY. 1946.

"Mr. FITZGERALD. I am attempting to establish the position of the witness very clearly, with reference to specific persons and specific books as well as generally.

"The CHAIRMAN. As to mass distribution?

"Mr. FITZGERALD. Yes. The question of whether the witness should be cited for contempt for refusal to produce documents and answer questions should, in my opinion, be based on a very clear, complete record.

"What about the book, Why the Taft-Hartley Law, by McCann?

"Mr. RUMELY. That isn't published yet.

"Mr. FITZGERALD. The Road Ahead?

"Mr. RUMELY. The Road Ahead, I have told you all along, we put out 600,000. I am not going to give you the names of the people who bought it.

"Mr. FITZGERALD. Don't you feel The Road Ahead deals with specific legislation?

"Mr. RUMELY. The Road Ahead deals with stopping the march into socialism and the destruction of our form of Government.

"Mr. FITZGERALD. I think that the true significance of The Road Ahead can be obtained only by reading it in its entirety, and I respectfully suggest that the committee read it. It condemns practically all of the social legislation which has been passed by the Roosevelt and Truman administrations, and opposes practically all of the present legislative program of President Truman. However, it does deal with specific legislation from time to time.

"For example, it deals with the war powers. On page 158 it states: 'We must curb the grasping hand of the Federal Government. We must restrain the grasping hand of the Executive. And our very first step must be to make a list of the emergency powers granted to the Executive for war purposes and then repeal every one of them.'

"It opposes compulsory national health insurance, the Brannan plan, Government credit regulation and direct Government lending, as exemplified by the Farm Credit Administration, Housing and Home Finance Agencies, home-loan banks, Federal savings and loan institutions, FHA, Public Housing Administration, and Federal Deposit Insurance Corporation. The members of the committee were furnished with a memo on that book, and several others, when Mr. Rumely appeared.

"The CHAIRMAN. Is this your opinion, Mr. Counsel?

"Mr. FITZGERALD. Precisely.

"The CHAIRMAN. The committee——

"Mr. O'HARA. I don't think we are bound by that.

"The CHAIRMAN. The committee has been furnished with the notation.

"Mr. DOYLE. Counsel, will you fix the date of publication of The Road Ahead—what was the first date of publication?

"Mr. RUMELY. The Road Ahead was published in the spring of 1949 by Devin-Adair & Co., for the book trade.

"Mr. FITZGERALD. The date of publication?

"Mr. RUMELY. The date of publication was about June, as I recall.

"Mr. FITZGERALD. The date of distribution?

"Mr. RUMELY. We began to distribute in December 1949. Our first printing was 150,000 copies; our second printing, in December 1949, was 250,000 copies; our third printing, in February, 150,000; our fourth printing, in April 1950, was 200,000 copies; making a total of 750,000 copies.

"Mr. FITZGERALD. How many copies of Labor Monopolizes Freedom have you distributed?

"Mr. RUMELY. About 250,000.

"Mr. FITZGERALD. How many copies of Compulsory Medical Care?

"Mr. RUMELY. We have distributed about 130,000.

"Mr. FITZGERALD. When did you distribute them?

"Mr. RUMELY. In the last 4 or 5 months.

"Mr. FITZGERALD. After the Lobbying Act went into effect?

"Mr. RUMELY. Yes; after the Lobby Act went into effect.

"Mr. FITZGERALD. That is so with Labor Monopolies or Freedom?

"Mr. RUMELY. Yes.

"Mr. FITZGERALD. How many copies do you plan to distribute?

"Mr. RUMELY. As many as we possibly can.

"Mr. FITZGERALD. How about the book, Why the Taft-Hartley Law?

"Mr. RUMELY. As soon as that is ready, we will print one hundred to one hundred and fifty thousand copies, and I will see what I can do to push it to large distribution.

"Mr. FITZGERALD. You refuse to give us any information on those books?

"Mr. RUMELY. I refuse to give the names of the purchasers of quantities of that book, on the ground that you are invading the first article of the Constitution.

"Mr. FITZGERALD. Even though you might be subject to citation for contempt on this particular point?

"Mr. DOYLE. Mr. Chairman, may the record show that there is a quorum of the committee present at this time, and has been for the last hour?

"The CHAIRMAN. That has been established.

* * * * *

"Mr. FITZGERALD. Has the Committee for Constitutional Government received any loans of over $500 in any one calendar quarter from any person since 1946?

"Mr. RUMELY. We reported the loans that we have received except—give me my statement of June 6. I made an exact statement of what we were doing. I said: 'I am going to produce the records on all contributions of $1,000 or more within the period designated. I am willing to produce the record of all loans within the period designated, except a few that related to the promotion of The Road Ahead and advertising Fighters for Freedom, which has nothing to do with lobbying. I am not going to produce the names of people who bought books, because, under the Bill of Rights, that is beyond the power of your committee to investigate.'

"Mr. FITZGERALD. And you take that position today?

"Mr. RUMELY. Yes, sir.

"The CHAIRMAN. I might say that the total amount of loans and contributions that you did furnish to the committee aggregate a very small amount; in fact, I think it is about $25,000, in contrast to the very wide ramifications of conduct of your Committee for Constitutional Government, which, running as of the current quarter, will exceed $1,100,000 this year. I think that we have a right to know and have a right to seek that information.

* * * * *

"Mr. FITZGERALD. You do distribute books to the school department in New York, to each teacher in New York City—copies of The Road Ahead?

"Mr. RUMELY. Not in New York City. We have, in some cities.

"Mr. FITZGERALD. What cities?

"Mr. RUMELY. In Houston. An attorney wrote in that he would get a few people to contribute money, enough to send The Road Ahead to every teacher in the town. We got an order for 3,000 copies. What we did was to send the Bill of Rights to about 200,000 schoolrooms, so that they could hang it up and have a ceremony, reading the Bill of Rights.

"Mr. FITZGERALD. Had the American Medical Association ever sent the Committee for Constitutional Government more than $500, for books or other purposes?

"Mr. RUMELY. The American Medical Association never sent the Committee a penny. They want to spend their own money. Some State organizations have bought books.

"The CHAIRMAN. State medical societies or State medical groups?

"Mr. RUMELY. Some State organizations have bought books.

"Mr. FITZGERALD. Where have they been located?

"Mr. RUMELY. I won't tell you. I am not giving the names of the people who bought books.

"Mr. FITZGERALD. That is one of the things you refuse to do?

"Mr. RUMELY. That is one of the things I refuse to do.

"Mr. FITZGERALD. Are there more than 20 State medical associations that have sent the committee more than $500?

"Mr. RUMELY. No, no. There happen to be a few that have taken active leadership, and they bought, maybe, five or six.

"Mr. FITZGERALD. Has the Physicians' Committee for the Extension of Medical Care ever sent you more than $500?

"Mr. RUMELY. Not a penny for The Road Ahead. We made a deal to acquire Compulsory Medical Care, which had been worked up before they disbanded. One of the great European economists was sent from country to country to study the effects of socialized medicine. He put it into manuscript form.

"The CHAIRMAN. How about the National Institute of Professional Service?

"Mr. RUMELY. That was organized by——

"The CHAIRMAN. They sent you a contribution of $20,000; is that right?

"Mr. RUMELY. We turned around and bought, for $18,000 of that, an edition of the book they had on hand, and spent $2,000 in sending those books out; so that it washed out, but left us with——

"The CHAIRMAN. The cost of distribution?

"Mr. RUMELY. Copyright use to publish the book further.

"Mr. FITZGERALD. Has any person or group ever sent in more $500 at any one calendar quarter since January 1, 1947, for books, pamphlets, or for other purposes, other than the loans we have spoken of?

"Mr. RUMELY. Loans and contributions——

"Mr. FITZGERALD. Has any person——

"Mr. RUMELY. If you let me, I will give you an answer to that. Probably 15 percent of the total number of books that we have put out have been bought in quantities of 100 or more; 85 percent have been bought in quantities of from 1, 2, 5, 10, or 20. We desire the small purchasers, because it gives us a lot of enthusiastic workers who may buy more. Fifteen percent of the total volume has been purchased in larger quantities.

"Mr. FITZGERALD. Those are the names that you do not wish to divulge?

"Mr. RUMELY. Those are the names that I decline to give you; I decline to give you any names of people who bought our books.

"Mr. FITZGERALD. I see.

"This is all at this time, Mr. Chairman.

"The CHAIRMAN. Mr. Doyle.

"Mr. DOYLE. I think, Mr. Chairman, as a member of this committee, that the material which our counsel has asked in the last few questions and which he asked for yesterday, and which information this witness has refused to give, repeatedly, is material which is pertinent, and, in accordance with the legal rights and responsibilities of this committee, and I believe that it is necessary to the proper function of this congressional committee, that this witness be required to answer these questions. I believe it is within the jurisdiction of Congress which assigned this responsibility to us, under House Resolution 298.

"I make this statement because I want the record to show that I believe this witness has refused contemptuously to answer questions that are pertinent and perfectly proper, perfectly legal, and which are material and which are in the best interests of the people of this country. I want the record to show that is my belief and my position.

"The CHAIRMAN. The witness refuses, of course.

"Mr. RUMELY. I certainly refuse to disclose those names—not contemptuously, but respectfully, because I feel it is my duty to uphold the fundamental principles of the Bill of Rights. I think that there is no power to require of a publisher the names of the people who buy his products, and that you are exceeding your right.

"Mr. FITZGERALD. Because of the witness' refusal, I have no further material to offer at this time.

* * * * *

"Mr. DOYLE. I have been thinking about a matter that was raised—

"It is the contention of Mr. Rumely that he is in the publishing business rather than in lobbying business.

"The Committee for Constitutional Government is one of the heaviest spending lobbying groups on record. It has reported spending over $2,000,000 since the Lobbying Act went into effect, and yet has never revealed the identity of its big financial supporters.

"From time to time this organization has described itself as an ordinary commercial publisher. This lobbying organization differs from commercial publishers in many respects, some of which are:

"(1) A commercial publisher takes the normal risks of operating a private business—he does not beg the public for money to help him carry on.

"(2) A commercial publisher expects to pay income tax on his receipts—he does not seek tax exemption.

"(3) A commercial publisher is in business for profit; he is not primarily an advocate. He does not constantly grind out pamphlets, leaflets, books, etc., which present only one side of the subject.

"(4) A commercial publisher does not couple his publishing activities with incessant appeals to the citizenry to bring pressure to bear on Members of Congress in order to influence legislation.

"The commercial publishers of the United States are not governed by the Federal Lobbying Act in any way, and need not file reports under it. They are not attempting to influence legislation; they are attempting to make money. They should not be confused by attempts of out and out lobbying organizations to conceal their activities from Congress and the public.

"The Committee for Constitutional Government has also attempted to liken itself to educational institutions; but it ignores the following facts:

"1. An educational institution does not spend millions of dollars in pamphleteering campaigns designed to influence congressional action on legislation.

"2. An educational institution does not engage in a constant campaign for funds to carry on lobbying activities.

"3. An educational institution does not couple its activities with incessant appeals to the citizenry to bring pressure to bear on Members of Congress in order to influence legislation.

"4. An educational institution presents both sides of the question in an objective fashion for appraisal. It does not continually present only one viewpoint on each issue it considers.

"Considering all the aforementioned we can reach but one conclusion; Edward A. Rumely is not an educator. He is not a publisher. He is an ordinary, everyday run-of-the-mine lobbyist."

Thereafter on August 21, 1950, the chairman of the House Select Committee on Lobbying Activities issued and caused to be served a subpena duces tecum on said Edward A. Rumely, directing him to be and appear before the said House Select Committee on Lobbying Activities on August 25, 1950, at 10 a. m., and to bring with him such records of the Committee for Constitutional Government, Inc., as would disclose the identity of all persons from whom $500 or more had been received in a given period, whether under the name of "contributions" or "purchases" of books and pamphlets between the period from January 1, 1947, and August 1, 1950, and then and there to testify touching matters of inquiry committed to said House Select Committee on Lobbying Activities. The subpena duces tecum served upon the said Edward A. Rumely is set forth in words and figures as follows:

"BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES OF AMERICA

"To Wm. Earl Griffin:

"You are hereby commanded to summon Edward A. Rumely, executive secretary, Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York City, N. Y., to be and appear before the Select Committee on Lobbying Activities of the House of Representatives of the United States, of which the Honorable FRANK BUCHANAN is chairman, and to bring with him the following documents in his custody (see Annex) relating to—

"(a) The organization and finances of the Committee for Constitutional Government, Inc., and

"(b) The activities of the Committee for Constitutional Government, Inc., its members, officers, directors, representatives, agents, and employees pertaining to legislation, in their chamber room 362, Old House Office Building, in the city of Washington, on Friday, August 25, 1950, at the hour of 10, then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 21st day of August 1950.

"[SEAL] FRANK BUCHANAN, *Chairman.*

"Attest:

"RALPH R. ROBERTS, *Clerk.*

"SUBPENA ANNEX—COMMITTEE FOR CONSTITUTIONAL GOVERNMENT

"1. Such of the records of the committee as indicate:

"(a) The name and address of each person[2] from whom a total of $500 or more has been received by the committee during the period from January 1, 1947, to August 1, 1950, for any purpose.

"(b) as to each such person,[2] the amount, date and purpose of each payment which formed a part of the total of $500 or more, and all correspondence[3] relating to each such payment.

"2. Each monthly statement for each bank account maintained by the Committee at any time between January 1, 1947, and August 1, 1950, including but not limited to the following:

"a. at the National City Bank, East Midtown branch, accounts denominated Deposit Account "C"; Disbursing Account "C"; Deposit Account "I"; Disbursing Account "I"; General Fund Account "A."

"b. Accounts in Knoxville, Tenn.

"c. Accounts in Nashville, Tenn.

"d. Accounts in Memphis, Tenn.

"e. Accounts in Chattanooga, Tenn.

"3. Each check drawn on each such account referred to in paragraph 2 which has returned to the possession of the Committee.

"As to all documents called for in this subpena, carbon, photostat, or recordak copies should be produced in the event that original documents are not in the possession of the Committee."

The said subpena duces tecum was served on Edward A. Rumely by Earl Griffin, clerk for the House Select Committee on Lobbying Activities. The return of the service of the subpena endorsed thereon is set forth in words and figures as follows:

"Subpena for----------

"before the Committee on the----------

"Served: This subpena, together with the annex affixed hereto, was served in hand by me on Edward A. Rumely, at the offices of the Committee for Constitutional Government, suite 300, 205 East Forty-second Street, New York City, N. Y., Tuesday, August 22, 1950, at 2:15 p. m.

"WM. EARL GRIFFIN,
"Clerk, House of Representatives."

Pursuant to the said subpena, Edward A. Rumely appeared before the House Select Committee on Lobbying Activities on August 25, 1950, but failed and refused to produce certain records called for in the subpena duces tecum, and as a result of such refusal the House Select Committee on Lobbying Activities was again deprived from receiving information concerning a matter committed to said committee. The record of the proceedings before the House Select Committee on Lobbying Activities held on Friday, August 25, 1950, during which the said Edward A. Rumely refused to furnish certain material pertinent to the subject under inquiry, is set forth in part as follows:

"HOUSE OF REPRESENTATIVES,
"SELECT COMMITTEE INVESTIGATING LOBBYING ACTIVITIES,
"Washington, D. C., Friday, August 25, 1950.

"The committee met pursuant to adjournment, at 10:05 a. m., in the caucus room, Old House Office Building, Hon. FRANK BUCHANAN (chairman), presiding.

"Present: Representatives BUCHANAN, LANHAM, ALBERT, DOYLE, BROWN, and O'HARA.

"Also present: Benedict F. FitzGerald, Jr., counsel to the committe.

"The CHAIRMAN. Will you take your seat, Mr. Rumely?

"The meeting will come to order, please. The House is scheduled to meet this morning at 11 a. m., and we would like to finish in time to attend the session.

* * * * *

"Now, the hearing was called for a specific purpose. This is not a hearing inquiring into lobbying techniques and methods such as we went into with the Committee for Constitutional Government before, or at their scheduled hearings back in June. It is a specific request for information from the witness.

"As we all know, Mr. Rumely refused on June 6, in answer to a subpena, to produce certain records of his organization dealing with receipts and contributions.

"When he was called later on June 27, 28, and 29, 1950, for the series of hearings into the Committee for Constitutional Government's lobbying activities and methods and operations, he again refused to provide information on the names of contributors and the amounts of their payments. Since then we have obtained from numerous sources information dealing with the payment of specific sums of money to the Committee for Constitutional Government, and I have given to Mr. Rumely the citations of some of these specific payments, so that he knows exactly the ones that we are most interested in today.

"We have asked him to bring in the information on these particular instances. It is regrettable to me that we have had to go to the lengths that were necessary in order to dig out essential facts about this lobbying organization.

"This investigation is not and never has been a snooping expedition, and it is regrettable to me when a committee of Congress is set aside in such manner that requests for information that it requires in order to make a comprehensive, intelligent, and objective investigation are refused so that we have had to resort in invoking our powers of subpena and getting the information where it could be found.

"I would like to have recorded here the fact that there is a quorum present consisting of myself, Mr. LANHAM, Mr. ALBERT, and Mr. DOYLE; Mr. BROWN and Mr. O'HARA are on their way over, and you will note as they enter the room, Mr. Stenographer, that a quorum is present at this time.

"Will you be sworn, Mr. Rumely?

"Will you solemnly swear by Almighty God that the statements you make before this committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. RUMELY. I do.

"The CHAIRMAN. Counsel will proceed.

"Mr. FITZGERALD. You appear this morning in response to a subpena served on you calling for your appearance here, is that not so?

"TESTIMONY OF EDWARD A. RUMELY (ACCOMPANIED BY NEIL BURKINSHAW, COUNSEL)—RESUMED

"Mr. RUMELY. I do.

"Mr. FITZGERALD. I want to direct your attention to this exhibit that I hold in my hand which purports to be a carbon copy of a subpena issued by the chairman, FRANK BUCHANAN, on the 21st day of August 1950. Is that an accurate copy?

"Mr. RUMELY. That is the one that was served on me.

"Mr. FITZGERALD. And that requires your appearance here on Friday, August 25, 1950, at 10 o'clock. You are now before the committee mentioned in the subpena?

"Mr. RUMELY. I am.

"Mr. FITZGERALD. Have you brought with you the documents that have been described in this subpena and annex affixed thereto?

"Mr. RUMELY. I have brought along information on all the 25 points about which Chairman BUCHANAN telephoned.

"Mr. FITZGERALD. I did not ask you that question. I asked you if you had brought the material that is mentioned in this subpena. I am not mentioning any telephone call or anything else—this subpena and the annex affixed thereto, have you brought that material?

"Mr. RUMELY. As far as it was physically possible. But you asked for things that could not be produced in the course of months if we put six or eight people to work on it; so far as we physically could, I did, and I have got a statement outlining exactly the situation if you——

"Mr. FITZGERALD. Because of the limited time, I will go through these then, Mr. Rumely, and at this time I would like to offer the copy of the subpena in evidence, to make it part of the record.

"The CHAIRMAN. Without objection it will be included as a part of the record.

* * * * *

"Mr. FITZGERALD. Have you brought each of the returned checks drawn on the Committee for Constitutional Government, Inc., Deposit Account 'C' maintained at the National City Bank, East Midtown Branch, New York, N. Y.?

"Mr. RUMELY. We put in four men to work on it, and it took 43½ hours.

"Mr. FITZGERALD. Have you got it?

"Mr. RUMELY. For 1 month. I have got a statement here that will explain the situation, and that you ask an impossible thing.

* * * * *

"Mr. FITZGERALD. By 'returned check' I mean, Mr. Rumely, a check that was drawn on the account delivered to another person, and then returned to your bank and charged to your account after having been deposited by the payee or some endorser, you understand that?

"Mr. RUMELY. I have 1 month here, and you are asking for 37 months, and it took us 43½ hours and four people.

"Mr. FITZGERALD. And you only have 1 month here?

"Mr. RUMELY. Yes.

"Mr. FITZGERALD. But you have neglected to bring the rest?

"Mr. RUMELY. I have not neglected.

"Mr. FITZGERALD. You have neglected to bring the other months?

"Mr. RUMELY. You ask an impossible thing.

"Mr. FITZGERALD. The answer is that you have not brought them because it is an impossibility.

"Mr. RUMELY. You ask an impossibility.

"The CHAIRMAN. Aren't these the same things we asked for at the previous hearing in June, Doctor?

"Mr. RUMELY. No; they are not the same things.

"The CHAIRMAN. In general, are they not the same? In general, are they not the same?

"Mr. RUMELY. No; these checks were never asked for before.

"The CHAIRMAN. Well, we asked for your complete financial record, which would include these checks, and you did not submit them to the committee at that time, June 27, 28, or 29, 1950?

"Mr. RUMELY. There was no indication that you wanted the canceled checks.

"The CHAIRMAN. You have a complete list of what we asked for?

"Mr. RUMELY. Yes.

* * * * *

"Mr. FITZGERALD. Mr. Rumely, what records does the committee keep on contributions on any specific person? For example, supposing you wanted to find out for yourself how much Irénée du Pont had given your committee as donations and how much he had remitted to you for pamphlets or other literature to be

[2] The term "person" as here and hereinafter used throughout this subpena includes an individual, partnership, corporation, association, committee, and any other organization or group of persons.

[3] The term "correspondence" means letters, telegrams, memoranda, and transcripts or memoranda of telephone conversations.

distributed by you or to be sent by you to him for distribution? What records do you have that will show how much that one individual gave to your committee?

"Mr. RUMELY. We list every day on sheets about as big as a newspaper page the names and amounts and the purpose—the sheet has columns "Literature," "Books," "Contributions," or whatever there is there, and we list each day the name, the amount, and the purpose on that sheet, and we have about, in the period that you cover, we have between four or five thousand sheets with a hundred thousand entries.

* * * * *

"Mr. FITZGERALD. The subpena calls for the names and addresses of all persons sending $500 or more.

"Mr. RUMELY. If you will take my statement, you will get my answer.

"Mr. FITZGERALD. You did not bring them all?

"Mr. RUMELY. It was an impossibility, just as you asked the bank to bring the copies of the checks, and the bank said it would take 10 men a year to do that. If you ask a thing that cannot be done in 4 months to be done in 2½ days you are asking the impossible.

"The CHAIRMAN. We might say, Mr. Rumely, that we sent one accountant up to the bank, and he did the job in 3 or 4 days, and worked about 4 hours a day.

* * * * *

"Mr. FITZGERALD. Now, in your previous testimony you made mention of the following individuals who had made large payments to the Committee for Constitutional Government. You said J. Howard Pew, of Pennsylvania, had made some large payments. How much did he make, or how much did he——

"Mr. RUMELY. I don't recall that testimony.

"Mr. FITZGERALD. You say or you said that a woman from Toledo gave you $2,000. Do you remember that in your previous testimony?

"Mr. RUMELY. For distribution of The Road Ahead.

"Mr. FITZGERALD. Who was that woman?

"Mr. RUMELY. We are not giving you the names of the people who bought our books.

"Mr. FITZGERALD. Now, you refuse to give that information?

"Mr. RUMELY. I refuse to give the names of people who bought our books. You are invading our constitutional right as publishers.

"Mr. FITZGERALD. Even though you are registered as a lobbyist, and you realize——

"Mr. RUMELY. I am registered not for that activity, but because I send to Congress releases and other material, and as we have a publishing enterprise, two-thirds of our activities, or more, is the sale of books and literature, and we are not going to——

"Mr. FITZGERALD. You refuse, even in the light of the fact that we have subpenaed you here this morning, and we have a quorum present at the present time, and we might find you in contempt should you fail to comply with the questions that are proper and are pertinent to this occasion?

"Mr. RUMELY. They are not proper and pertinent; when a subordinate law of Congress conflicts with the organic law in the Constitution the subordinate law has to give way, and the organic law prevails, and you are trying to bust up the Bill of Rights and you are going to set the precedents of doing it.

* * * * *

"Mr. FITZGERALD. Now, with respect to the names of the State medical associations which have purchased books from you, or furnished you with contributions, you refuse to give us that information also, is that right?

"Mr. RUMELY. We have not been furnished contributions; they have bought books, and——

"Mr. FITZGERALD. How many medical associations have bought books?

"Mr. RUMELY. Probably a dozen.

"Mr. FITZGERALD. What are the names of those?

"Mr. RUMELY. I will not give the names of purchasers of books, I have told you that repeatedly.

* * * * *

"Mr. FITZGERALD. Mr. Rumely, I want to be perfectly fair with you, to give you this opportunity to answer these questions. Remember that this committee has contempt powers and they might be exercised should you fail.

"In view of that, would you change your mind and give us this information?

"Mr. RUMELY. I cannot where a constitutional question is involved. If we set the precedent of yielding against our conviction and against the advice of our lawyers that the first and fourth amendments cover our book operations, why then, we, instead of upholding constitutional government are setting a precedent to break it down, and we are not going to do it. It is a hot spot; I do not want to be in the spot.

"The CHAIRMAN. It is indicated to counsel that the answer of the witness is in negation of the question, and counsel will continue.

"Mr. RUMELY. I stated again——

"The CHAIRMAN. We do not need to go any further."

* * * * *

"AUGUST 25, 1950.

"MEMORANDUM

"To. Hon. FRANK BUCHANAN, chairman, House Select Committee on Lobbying Activities.

"From: Benedict F. FitzGerald, Jr., counsel, House Select Committee on Lobbying Activities.

"Subject: Committee for Constitutional Government, Edward A. Rumely, executive secretary.

"On August 21, 1950, a subpena duces tecum was issued by you, commanding Edward A. Rumely, executive secretary of the Committee for Constitutional Government, Inc., 205 East Forty-second Street, New York, N. Y., to appear before the House Select Committee on Lobbying Activities on Friday, August 25, 1950, at 10 a. m.

"The said Edward A. Rumely appeared at the date and hour mentioned and remained until 11:10 a. m.

"During the period of his appearance the said Edward A. Rumely, failed to comply with the aforesaid subpena duces tecum in the following manner:

"1. He failed to produce original documents of any type whatsoever.

"2. He failed to produce either the originals or photostats of the records of the Committee for Constitutional Government, Inc., as indicate:

"(a) The name and address of each person from whom a total of $500 or more has been received by the committee during the period from January 1, 1947, to August 1, 1950, for any purpose.

"(b) As to each such person, the amount, date, and purpose of each payment which formed a part of the total of $500 or more, and all correspondence relating to each such payment.

"3. The original or photostats of each 'returned' check drawn on each account maintained by the Committee for Constitutional Government, Inc., during the period from January 1, 1947, to August 1, 1950, in the following banks:

"(a) National City Bank, East Midtown Branch, New York, N. Y., in the following accounts:

"(1) Disbursing Account C.

"(2) Disbursing Account I.

"(3) General Fund Account A.

"(b) Commercial National Bank, Knoxville, Tenn.

"(c) Commercial Union Bank, Nashville, Tenn.

"(d) Hamilton National Bank, Chattanooga, Tenn.

"(e) Ohio National Bank, Columbus, Ohio.

"BENEDICT F. FITZGERALD, JR.,
"Counsel, House Select Committee on Lobbying Activities."

Because of the foregoing, the said Select Committee on Lobbying Activities was deprived of answers to pertinent questions propounded to said Edward A. Rumely relative to the subject matter which under House Resolution No. 298 of the Eighty-first Congress the said Select Committee on Lobbying Activities was directed to investigate, and the refusal of Edward A. Rumely to furnish the information in response to the subpenas duces tecum hereinabove set forth, or in response to questions addressed to him under oath before a quorum of the Select Committee on Lobbying Activities during Edward A. Rumely's voluntary appearances before said committee, deprived the Select Committee on Lobbying Activities of necessary and pertinent testimony and information and places the said witness, Edward A. Rumely, in contempt of the House of Representatives of the United States.

A copy of the resolution prepared for presentation in connection herewith is set forth in words and figures, as follows:

(Mr. BUCHANAN submitted the following resolution:)

Resolved, That the Speaker of the House of Representatives certify the report of the Select Committee on Lobbying Activities as to the refusal of Edward A. Rumely to answer questions and produce documents before the said Select Committee on Lobbying Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Edward A. Rumely may be proceeded against in the manner and form provided by law.

Mr. BUCHANAN (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I offer a privileged resolution (H. Res. 834) certifying the report of the Select Committee on Lobbying Activities as to the refusal of Edward A. Rumely to answer questions and produce documents before the said committee, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Select Committee on Lobbying Activities as to the refusal of Edward A. Rumely to answer questions and produce documents before the said Select Committee on Lobbying Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Edward A. Rumely may be proceeded against in the manner and form provided by law.

Mr. BUCHANAN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the Select Committee on Lobbying Activities, of which I have the honor of being chairman, was directed to investigate "all lobbying activities intended to influence, encourage, promote, or retard legislation."

At the time our investigation started, the Federal Regulation of Lobbying Act of 1946 had been in effect for a little over 3 years. We set about trying to find out how well this statute worked, whether it had any loopholes, ambiguities or other defects which would require corrective legislation. We found that the terms of the lobbying act were very broad. It is important to note at this point that the text of the statute nowhere includes the word "lobbying." It refers, instead, to groups or individuals who receive contributions, expend money, or engage themselves for any consideration for the purpose of influencing the passage or defeat of any legislation by the Congress, directly or indirectly. The words "contribution" and "legislation" are specifically defined in that statute, and give a very broad meaning.

So we started with a very broad field to cover. At the outset we made preliminary surveys of the financial reports which had been filed with the clerk of the House by organizations which were admittedly attempting to influence legislation. We found that the Committee for Constitutional Government had reported spending over $2,000,000 for lobbying and yet had never disclosed the name of one single contributor.

We investigated further into the subject and found that the committee had always refused to disclose the identity of its financial backers. In fact, it has gotten so that Rumely brags about not letting anyone know who his financial angels are. On of the recent releases of the Committee for Constitutional Government said of our investigation:

> Just as the Black-Minton committee of 1938 and the Anderson campaign expenditures committee of 1944 were frustrated in their demands for the names of our contributors, so now again the names will not be revealed.

Rumely is not the only one connected with the Committee for Constitutional Government who brags about refusing to tell Congress and the public the identity of their financial supporters. One of the exhibits introduced at our hearings is a letter from Sumner Gerard, treasurer of the Committee for Constitutional Government, to Henry Bass, of Enid, Okla. It speaks of the Committee for Constitutional Government and says:

> Unlike most of those groups that flourish for a while like the green bay tree and then fade out of sight, our committee has been functioning for over 10 years, and we have many scalps in our belt. Twice have we been before congressional investigating committees who sought to learn how we manage to survive. We even licked them there and refused to give them the names of our supporters.

So you see they are quite adept at this sort of covering up of identity of contributors.

Now we wanted full and complete information about all of the financial operations of the Committee for Constitutional Government for several reasons. We had noted that their lobbying reports announced that the organization received no contributions of more than $490. But the same reports carefully listed large sums of money which were alleged to have been received for the sale of books and pamphlets. The large sums of money were reported, but not the identity of the person from whom the money had come. The listing of the gross amounts of such receipts was accompanied by statements to the effect that such receipts could not possibly be considered as contributions under the Lobbying Act, but they reported them just the same, and that made us wonder. Was it possible that a means of evading the act had been devised? Could it be that this organization took in money in any amount, but applied the word "contribution" only if the sum of money were less than $500, and called the transaction a sale if the amount received was more than $500?

If so, our committee wanted to give serious thought to the question of amending the Lobbying Act to cover such a situation, if it were not already covered. Our study of this lobbying group has convinced me that our suspicions were true, and I also believe that this is an evasion of the act and is within the scope of the law as it now reads. I am, therefore, going to recommend to the Justice Department that they conduct an FBI investigation of the Committee for Constitutional Government with a view to prosecution for failure to comply with the Lobbying Act.

In addition to the subterfuge outlined above, I felt that the policy of the Committee for Constitutional Government of refusing to accept contributions of more than $490 unless earmarked for books, and so forth, might involve: First, dividing large contributions into installments of $490 or less, and causing the records of the Committee for Constitutional Government to reflect receipt of each installment on a different date, and/or causing the records of the Committee for Constitutional Government to give credit, for the several installments, to various relatives and associates of the actual contributor; or, second, causing the Committee for Constitutional Government's records as to contributions to reflect less than the total amount of contributions actually received, by labeling some part of such funds as payments made for printed matter.

In order to find out whether our suspicions about Rumely's organization were true or not, we subpenaed him to testify and produce financial records on June 6, 1950.

The subpena called for the name and address of each person who had given $1,000 or more to the Committee for Constitutional Government in a 3½-year period, plus the date, amount, and purpose of each payment which went to make up the $1,000 total. Now, since we were trying to get to the bottom of this phony sale dodge, we had to ask for such information in broad language, and not restrict ourselves to the word "contributions" because we knew Rumely would apply his own narrow interpretation to that word and come in and tell us the answer was "none." So we said in the subpena that the records produced should be for money received for any purpose, including, but not limited to:

(A) Receipts from the sale of books, pamphlets, and other literature.

(B) Contributions.

(C) Loans.

When Rumely appeared, I asked him (Rept., p. 7):

> And you are ready to produce these records before the committee, as stated in the subpena?

And he replied:

> I am going to produce a part of the records and withhold a part.

Later in the same day I asked him (Rept., p. 7):

> Did you bring with you the records of the Committee for Constitutional Government?

And he replied:

> I brought a portion of the records that we will supply the committee. There are certain areas that you ask information on, which I believe are outside of your power.

When I asked Rumely if he had brought the records of what he calls sales of books and other literature, he said:

> No; not receipts from the sale of books, or the identity of purchasers of books. I don't mind giving the total income, but not the identity of the purchasers of books and literature.

Then, the gentleman from Georgia [Mr. LANHAM], wishing to establish that the records we were seeking did actually exist, asked:

> Do you have the records called for by the subpena in your custody and/or in your office?

And Rumely replied:

> Yes.

Then the following colloquy ensued between the gentleman from Georgia, Judge LANHAM, and Rumely:

> Mr. LANHAM. Do you refuse now to comply with the orders of the committee directing you to produce these books and records—do you have them with you?
>
> Mr. RUMELY. I have inforformation on the people who contributed—
>
> Mr. LANHAM. We didn't ask you for information. We asked you for books and records.
>
> Mr. RUMELY. We have transcripts.
>
> Mr. LANHAM. Do you have the books and records with you this morning in court—before the committee?
>
> Mr. RUMELY. I haven't them here. My auditor brought some.
>
> Mr. LANHAM. Do you have them here and are you ready to produce them for the committee?
>
> Mr. RUMELY. No; I do not have the books of account. We have the transcripts of them.
>
> Mr. LANHAM. I asked you whether you had the documents called for in the subpena, here before the committee this morning?
>
> Mr. RUMELY. I have a portion of the documents called for.
>
> Mr. LANHAM. You do not have all of the documents.
>
> Mr. RUMELY. I do not have all of the documents.

So, you see, he had not brought any records at all. He brought transcripts of the portions of the records which he thought were fit for us to see, but not the records themselves. This callous de-

fiance was aimed at preventing us from achieving our announced objective, which was to find out whether this book sale business was an open and honest operation or just a way of evading the Lobbying Act section which called for the names of contributors.

But Rumely insisted on refusing to produce the records which would show what we wanted. He said (Rept., p. 8):

I am willing to produce the records of all contributions of $1,000 or more within the period designated; I am willing to produce the records of all loans within the period designated; except a few that related to the promotion of The Road Ahead, and advertising Fighters for Freedom, which has nothing to do with lobbying. I am not going to produce the names of people who bought books because, under the Bill of Rights, that is beyond the power of your committee to investigate.

Of course, when he said he was willing to produce the names of contributors he meant the names of those who were contributors as he interpreted that word. He would not let the committee investigate and make its own finding on the facts.

The same goes for loans. He refused to produce the books of his organization showing loans, except those loans he wished us to have. He specifically refused, as I have just quoted, to give us information about loans for advertising Fighters for Freedom and promotion of The Road Ahead because he had decided they had nothing to do with lobbying. We wanted those records so we could decide that question. We did not want to leave it up to Mr. Rumely to decide, in view of his past history.

Also on this point, I asked Mr. Rumely (Rept., p. 9):

But you have not furnished the committee with the complete list of things that you were subpenaed to furnish?

And he replied:

I have not furnished the committee the list of buyers of our books and a few loans we made to publish the books.

Mr. Rumely very succinctly stated the reason for his refusal (Rept., p. 10):

You have no right to go against—go into the field in which public opinion is made; you are out of bounds.

On June 27, Rumely was once again before the committee, this time voluntarily and not in response to a subpena. Hundreds of documents were introduced into the record showing the lobbying activities of the Committee for Constitutional Government. Mr. Rumely, in one frank remark said (Rept., p. 11):

Our lobbying consists of going out with a viewpoint to the country, and informing people and letting the people talk to their Members of the Congress.

The CHAIRMAN. The grass-roots approach?

Mr. RUMELY. It is helping people get the facts on which to do their thinking.

On the same day, Mr. LANHAM, referring to a letter from the files of Rumely's organization, said (Rept., p. 11):

That seems to indicate pretty well that they are engaged in lobbying.

And Mr. Rumely replied:

We don't deny that.

In an appearance before the committee on June 28, the following dialogue took place (Rept., p. 12):

Mr. FITZGERALD. I want to conclude with the letter from Mr. Rumely to Mr. Fletcher, of February 9, 1950, in which he discusses The Road Ahead, and he says that the industry of America has bought books, such as The Road Ahead, to saturate the community and make a long-time imprint on its thinking.

Mr. RUMELY. That is right. We are going to do that in Cleveland, Toledo, in Buffalo, in Rochester, in Niagara Falls, in Dallas, and we are going to do it in just as many cities as we can put a full-page ad into the paper—you must help stop socialism in America—and we will send, if we can get the money to do it, a book into every fifth home, a copy of The Road Ahead—into every fifth home.

I dined, the night I came here, with a good woman from Toledo; she gave $2,000——

Mr. FITZGERALD. What is her name, Mr. Rumely?

Mr. RUMELY. I am not going to give you her name.

Just last week, on Friday, August 25, Rumely appeared again before our committee in response to a subpena which called for such of the records of the Committee for Constitutional Government as show the name and address of each person from whom a total of $500 or more had been received in a 3½-year period, and the date, amount, and purpose of each payment which formed a part of the total of $500 or more. He was also subpenaed to produce monthly statements and cancelled checks from various bank accounts of the Committee for Constitutional Government.

At that time Mr. FitzGerald asked him several questions about the financial dealings of the Committee for Constitutional Government and the manner in which it deposited its receipts. The following colloquy is very illuminating—transcript, page 609:

Mr. FITZGERALD. When you deposit your money in your A, C, and I accounts you make no effort to differentiate between money received in amounts under $500, called contributions, and any amounts over $500 called receipts from the sale of books, do you?

Mr. RUMELY. We do not in that.

So you see it all goes into the same bank account. It is all money, and it is all used to finance the committee's avowed objective—the mass distribution of books and pamphlets giving one side of questions having legislative significance.

Then Mr. FitzGerald asked—transcript, page 610:

* * * what records does the committee keep on the contributions of any specific person? For example, supposing you wanted to find out for yourself how much Irénée du Pont had given your committee as donations and how much he had remitted to you for pamphlets or other literature to be distributed by you or to be sent by you to him for distribution? What records do you have that will show how much that one individual gave your committee?

Mr. RUMELY. We list every day on sheets about as big as a newspaper page the names and amounts and the purpose—the sheet has columns "Literature," "Books," "Contributions," or whatever there is there, and we list each day the name, the amount, and the purpose on that sheet, and we have about, in the period you cover, we have between four and five thousand sheets with a hundred thousand entries.

But Rumely did not produce these sheets, although he had taken the time to get an approximate count on them, and even the number of entries, which we had not asked for. But we had asked for the name and address of each person from whom a total of $500 or more had been received during a 3½-year period, and the date, amount, purpose, and all correspondence in connection with each such payment which formed a part of the total of $500 or more.

Those sheets would have given us a long start toward the answers to the questions in our mind, but Mr. Rumely refused and failed to produce them.

Another reason why we were interested in Mr. Rumely's alleged "book sales" is contained in a letter dated February 9, 1950, from Rumely to Mr. John Fletcher, Sr., Chattanooga, Tenn., which is one of our hearing exhibits. It reads in part as follows:

Here is a copy of a letter that Harvey C. Fruehauf is sending to 100,000 business leaders. Nothing that we have ever put out has brought such a response as is coming in to the book, The Road Ahead. We have 1,900,000 of these cards in circulation now and expect to add another 1,100,000 during the next 10 days. The book not only convinces, but arouses people to action. The industries that buy are requested to set aside one-third of their purchase for leadership distribution for homes in the community and to earmark two-thirds for their own employees. This plan will so saturate a community as to make a long-time imprint on its thinking. The sale of books provides funds to pay for the ads and the enlistment letters preceding it.

So now we have Mr. Rumely in letters admitting that he is attempting to saturate the thinking of the community, and also admitting that this book-sale business financed other activities of his organization. Yet this witness had the brazen effrontery to tell our committee that Congress had no right to even ask about their phony book-sale dodge.

On June 27, when Rumely appeared before our committee, he said:

We receive fifteen to twenty thousand contributions a year, and we get, on the average, over-all, $15 or $20 about what a union labor member pays. If we took the few names that give $500, it would look as if our committee had millionaire support * * *. You misrepresent the sources of support when you pick out a few rich men, able to give $500.

For all of his posturing as a man of the people, the fact remains that Mr. Rumely and his organization are living on the largess of those few rich men, able to give $500. An analysis of the bank deposits of the Committee for Constitutional Government and two allied groups, America's Future and the

Constitution and Free Enterprise Foundation, give the true picture. I would like to introduce it into the RECORD at this time.

Group	Period	Total deposits	Amount of checks of $500 or more	Percentage of total deposits [1]	Number of checks of $500 or more	Average size of checks of $500 or more
America's Future	1947–50	$1,054,721.65	$560,883.49	53.1	423	$1,326
Constitution and Free Enterprise Foundation, Inc	1947–50	139,239.17	85,095.00	61.1	71	1,199
Committee for Constitutional Government (deposit account C)	1947–50	1,285,125.82	508,343.04	39.6	383	1,320
Total					877	

[1] High as these percentages are, they do not include multiple contributions of $490 by the same person or group. These are frequent because of Committee for Constitutional Government's professed unwillingness to accept larger general contributions in order to avoid disclosure under the Lobbying Act.

Mr. Rumely grossly misrepresented the truth when he insisted that large contributors were merely incidental to his operations. On the contrary, it is to these contributors that Mr. Rumely owes his present prosperity, particularly since he received a 4 percent commission on all Committee for Constitutional Government receipts.

The analysis shows that in a 3-year period more than 53 percent of the dollar value of all deposits of America's Future consisted of checks of $500 or over. The average size of the checks of $500 or more was $1,326. Over $560,000 in America's Future income came from checks of $500 or more.

In the 3-year period from 1947–50, more than 61 percent of the dollar value of all deposits of the Constitution and Free Enterprise Foundation consisted of checks of $500 or more. The average size of the checks of $500 or over was $1,199. Over $85,000 of the foundation's income came from checks of $500 or more.

In the 3-year period from 1947 to 1950, more than 39 percent of the dollar value of deposits in one account of the Committee for Constitutional Government consisted of $500 or more. The average size of the checks of $500 or more was $1,320. Over $508,000 of the Committee for Constitutional Government's income came from checks of $500 or more.

Of course, the subpena we served related only to the Committee for Constitutional Government, and not for the other two groups, but the testimony shows clearly that they are subsidiary adjuncts of the Committee for Constitutional Government.

Late in May we sent a questionnaire letter to business corporations, farm and labor groups, asking about expenditures relating to attempts to influence legislation, directly or indirectly. The replies to this letter have been almost uniformly illuminating. They have given us a wealth of information about twentieth century lobbying.

Among other things, they show very clearly that the mass distribution of literature is being utilized by many business corporations and public utilities to influence the people on legislative issues. Millions of copies of books like The Road Ahead and similar books are being distributed to foremen and supervisory personnel, community leaders, the clergy, and other opinion-molding groups.

One corporation which responded to our questionnaire letter, the Eli Lilly Co., stated that they had contributed $25,000 to the Committee for Constitutional Government. This aroused our curiosity, since Rumely claimed he did not take contributions of over $500.

We wrote to the Eli Lilly Co. and asked them to send us the photostatic copy of the check and photostatic copies of all correspondence relating to their contribution of $25,000 to Rumely's organization. Their reply was frank, honest and very revealing.

The correspondence between the Eli Lilly Co. and the Committee for Constitutional Government started on January 10, 1950, when the Lilly Co. wrote to Rumely's organization:

> This is to advise you that our budget committee has approved a contribution of $25,000 to the Committee for Constitutional Government for the calendar year 1950.
>
> In approving this contribution, it was the consensus of opinion of our budget committee that we should like to have you use some of these funds in distributing books, pamphlets, Paul Revere messages, etc., to a mailing list which we will supply you with. Such a mailing list would include school teachers, members of the clergy, and other influential groups of our local community.

Sumner Gerard, treasurer of the Committee for Constitutional Government, replied on January 17, 1950:

> Your letter of January 10 announcing a $25,000 purchase of our educational material was a source of great encouragement to Dr. King and myself.

Please note that Eli Lilly used the word "contribution" and merely asks that an unspecified portion of the contribution be applied to the distribution of Rumely's books and leaflets. The letter of acknowledgment from the Committee for Constitutional Government, however, nowhere mentions the word "contribution" but very carefully attempts to make the entire $25,000 contribution appear as a "purchase of * * * education material." This is exactly what we suspected had been going on.

At this point in the record I would like to introduce a letter of our committee to the Eli Lilly Co., together with their reply, which includes the text of the correspondence which Eli Lilly had with the Committee for Constitutional Government concerning their $25,000 contribution.

ELI LILLY & CO.,
Indianapolis 6, U. S. A., July 21, 1950.

Hon. FRANK BUCHANAN,
House Office Building,
House Select Committee on Lobbying Activities, Washington, D. C.

MY DEAR MR. BUCHANAN: This will acknowledge receipt of your letter of July 13 which was not delivered to our offices until July 17.

In accordance with your request we are enclosing herewith photostatic copies of correspondence relating to our payment of $25,000 in 1950 to the Committee for Constitutional Government. A photostatic copy of the canceled check by which the payment was made is included with this material.

Very truly yours,

W. M. WHEELER, Jr.

JANUARY 10, 1950.

COMMITTEE FOR CONSTITUTIONAL GOVERNMENT,
205 East Forty-second Street,
New York 17, N. Y.

GENTLEMEN: This is to advise you that our budget committee has approved a contribution of $25,000 to the Committee for Constitutional Government for the calendar year 1950.

In approving this contribution, it was the consensus of opinion of our budget committee that we should like to have you use some of these funds in distributing books, pamphlets, Paul Revere messages, etc., to a mailing list which we will supply you with. Such a mailing list would include school teachers, members of the clergy, and other influential groups of our local community. Can you advise me as to how large a mailing list this contribution will supply with the educational material which your committee publishes?

It is also our opinion that perhaps distribution of every publication to these individuals might be so excessive as to do more harm than good. The tendency might arise for these people to throw everything that comes in the mail into the nearest waste basket. Therefore, would it be possible, in case we so desire, to supply you with a mailing list and to have you mail to them only those publications which we designate.

With all good wishes for a very successful year, I am

Sincerely yours.

COMMITTEE FOR CONSTITUTIONAL GOVERNMENT,
January 17, 1950.

Mr. E. L. NOYES,
Eli Lilly & Co., Indianapolis 6, Ind.

MY DEAR MR. NOYES: Your letter of January 10 announcing a $25,000 purchase of our educational material was a source of great encouragement to Dr. King and myself. Because of Mr. Gannett's frequently expressed admiration and friendship for you, we sent him a copy of your letter. On Monday morning he telephoned from Miami Beach greatly pleased over this news.

Your substantial purchase so early in the year will enable us to lift our committee's activities to higher levels of effectiveness. We have found that money put to work in January multiplies itself several fold during the year by bringing in additional support. This purchase of material should be charged on your books as an outright purchase and not as a contribution.

The firm of Farabaugh, Pettengill, Chapleau & Roper have given us an opinion that such purchases of material to uphold our free-enterprise system are legitimate corporate expense, like other advertising, and the Treasury Department has accepted in hundreds of cases such expenditures as legitimate corporate purchases. When purchasing, it is necessary for the purchaser to do exactly what you suggest, namely, to designate the material purchased and the direction of its distribution.

We will service a list of 5,000 names at $4 per individual name 22 times between February and December 1950; or a list of 10,000 eleven times; or of 25,000 four times. In connection with this we will include the distribution of 5,000 copies of Norton's great book The Constitution of the United States: Its Sources and Its Application, and 3,000

copies of Pettengill's For Americans Only. We stand ready to cooperate with you in working out in detail, as may best suit your wishes, the servicing of such lists as you designate.

We suggest that you set aside $8 per name for the full Paul Revere messages service to 300 including all State legislators in Indiana (150), the balance of 150 to go to names that you particularly designate in your own organization or in the city of Indianapolis. We will include in this service a copy of the Norton book and a copy of Dr. King's The Keys to Prosperity which should have a special value to State legislators.

With $20,000 for the mailings, $2,400 for this Paul Revere service to 300 names, there would be left $2,600. We would suggest that you set aside this amount, at $1 per copy, for 2,600 copies of Compulsory Medical Care and the Welfare State, by Melchior Palyi. The report upon which this book is based was worked up at a substantial expenditure by the National Physicians Committee before it disbanded. We expect to have shortly 20,000 copies in book form, publication price $2. Our price to you will be $1 per copy.

The contents of the book are of such great importance that distribution to key leaders in national thinking and in positions of public influence should be made soon. If you agreed to allot $2,600 to this distribution we will bear distribution cost and send to all Members of Congress, all Governors, to selected editors, newspaper columnists, and radio commentators, and to 600 of the top level leaders in the medical profession, including all officers of State medical associations.

Any portion of this distribution where you desired it we would be glad to include your courtesy card as donor. Otherwise we shall distribute over the name of the committee itself. In the case of Palyi's book we shall seek some individual of public influence to write an accompanying letter calling attention to the book and its great importance. In the distribution to Congress we might have Congressman Smith himself—the head of a medical clinic and highly respected in both Houses of Congress—write the accompanying letter asking that every Member read the content. Please note copy of the telegram to members of the Rules Committee enclosed herewith.

Our trustees will meet on January 25 and it would be a matter of great encouragement if we could have this transaction closed by that date.

In the meantime, if you or any other member of your organization come to New York City, do give Dr. King and other members a chance to exchange thought with you.

Sincerely yours,

SUMNER GERARD, *Treasurer.*

JANUARY 24, 1950.

COMMITTEE FOR CONSTITUTIONAL GOVERNMENT,
205 East Forty-second Street,
New York 17, N. Y.

(Attention: Mr. Sumner Gerard, Treasurer)

DEAR MR. GERARD: Thank you very much for your reply of January 17, which fully answered the questions which we raised. Therefore I am enclosing our check of $25,000 and with it goes our best wishes for success in the committee's efforts.

I am turning over your letter to Mr. J. F. Modrall of our industrial relations division, who is working very closely with the Indianapolis Chamber of Commerce on the community part of our company's over-all program. You will undoubtedly hear from him at some future date concerning the mailing of your various publications.

Very truly yours,

COMMITTEE FOR CONSTITUTIONAL GOVERNMENT,
February 20, 1950.

Mr. NIKOLAS L. NOYES,
Treasurer, Eli Lilly & Co.,
Indianapolis 6, Ind.

MY DEAR MR. NOYES: Attached hereto is your receipt for $25,000 for which a credit is being set up on our books against which you may draw for any literature we distribute.

We have available now in a preliminary fiber-bound edition Dr. Palyi's Compulsory Medicine and the Welfare State. We have entered the printing order and have in process a second printing of 100,000 copies with the Perma-board covers. The retail price is $2; bulk price $1.10. You may wish to draw against this book supply for distribution to lists in which you are interested, charging to the credit established.

We have just mailed the 310 top leaders of AMA the letter Dear Fellow-American, copy of which is enclosed.

Thanks again for your helpful cooperation in the purchase and distribution of the committee's educational literature.

Sincerely yours,

EDWARD A. RUMELY,
Executive Secretary.

ELI LILLY & Co.
Office of E. L. Noyes, Assistant Treasurer,
Indianapolis 6, Ind.

Distribute the committee's literature. Government by citizens can work successfully only if citizens are informed, interested, willing to make effort and sacrifices. There must be leadership on national issues in every locality. We as voters must exercise our rights and fulfill our duties or democracy will fail. Make yourself a committee of one in your circles and community; send for any or all of the items of literature described on the back of this receipt; up to 10 free, postpaid, of any piece; for a larger supply you may wish to make some remittance to cover cost. Use this material to arouse and inform others. The committee's leadership will become increasingly effective is you and citizens everywhere respond and give support.

Help enlist others.

We are deeply grateful to you for your support of the committee and your help in the distribution of its educational literature.

Voluntary aid such as you have given makes it possible to intensify and broaden the scope of this nonpartisan educational effort.

---------- Tear here ----------

No. 81164

We hereby acknowledge receipt of $25,000.

Your remittance has been applied as directed for one or more of the following purposes:

------ A—General work of Committee for Constitutional Government, Inc.

------ B—For books, literature, or special purpose or fund, as directed by you.

COMMITTEE FOR CONSTITUTIONAL GOVERNMENT, INC.,
205 East Forty-second Street,
New York 17, N. Y.

Per (signed) H. HIMSWORTH,
Auditor and Assistant Treasurer.

Date: January 26, 1950.

Ask for free literature listed below, sent anywhere, postage prepaid:

"I Am the Bill of Rights" folder. Up to 20 free; 150 for $1; $5 per thousand; postpaid anywhere.

"Bismarck's Golden Chain." Leaflet showing evils of compulsory health insurance. Up to 10 free. $1 for 300; $3 per 1,000; postpaid anywhere.

"Webster Leaflet. A More Glorious Edifice." Up to 20 free. $1 for 400; $2 per 1,000; postpaid anywhere.

"What American Democracy Means to Me." How much Americans gain from the Constitution and American way of life. Valuable for school children and adults. Up to 20 free. $1 for 200; $4 per 1,000; postpaid anywhere.

"The Church and Business—Friend or Foe." Up to 10 free. $1 for 150; $5 per 1,000; postpaid anywhere.

"Free Prices and Full Employment." A common-sense analysis showing why price controls check employment and prosperity. Up to 6 free. $1 for 60; $2 for 150; $8 per 1,000; postpaid anywhere.

"The Man on the Street." Holds America's fate in the hollow of his hand. Folder showing benefits of private enterprise and need for thrifty investors. Up to 6 free. $1 for 100; $2 for 225; $8 per 1,000; postpaid anywhere.

"The Only Path to Tomorrow," by Ayn Rand. Collectivist doctrine that supremacy of common good enslaves men. Only one source of progress: Individual man in independent action. Up to 5 free. 40 for $1; 100 for $2; 200 to 700 at $1.60 per 100; 1,000 for $15; postpaid anywhere.

"Why Democratic Socialism Breaks Down" (leaflet)—Politicians controlling jobs promise high wages and low prices, hence bankruptcy or inflation. Five copies free; 40 for $1; 100 for $2.50; 200 to 700, $2 per 100; 1,000 or more, 1½ cents each.

"Politicians Put This Burden on Your Back." Shows how each 100 families had to support two jobholders in 1930, three in 1940, and five today; also why bureaucratic horde fostering needless waste must be kicked off citizens' backs by taxpayers' rebellion. Up to 20 free. One dollar for 100; postpaid anywhere.

"Extracts From Hearings by House Committee on Labor and Education." Testimony by Dr. Willford I. King on harmful effects of labor monopolies. Shows why we should return to equality before the law to get maximum production and highest real wages—44 packages. One dollar for 10; 25 to 200, 8 cents each; larger quantities, 6 cents per name, if address is supplied on gummed labels; postpaid anywhere.

"What the Election Did Not Prove" (leaflet). Analysis showing how vital issues were not presented to the voters. Twenty copies free; 200 for $1; $4 per 1,000.

"What Is Ahead—Inflation or Deflation?" Proves last 2 years' price rise based on velocity, which may end with falling prices if confidence gives way to pessimism. Two copies free; 10 for $1; 25 to 700, 8 cents each; 1,000 or more, 6 cents each.

"Political (Socialized) Medicine". Shows how Washington politicians controlling health funds will undermine the medical and dental care that all citizens' families will receive. Six copies free; 25 for $1; 100 to 700, 3 cents each; 1,000 or more, 2½ cents each.

"Warning." Description of best book on "The Constitution of the United States; Its Sources and Its Application." Twenty copies free on request; postpaid anywhere.

"Suggestions for Changes in the Federal Tax Laws," by Robert B. Dresser (booklet). Sets forth nine steps that should be taken immediately, and the reason why. Immediate wide distribution important. Twenty-four-page booklet. Ask for three copies free; in bulk, 20 to 800, 5 cents per copy; 1,000 or more, 4 cents per copy; postpaid anywhere.

Continued on reverse side under Leaflets, Folders, Booklets.

(See other side.)

MAKE YOUR HELP MOST EFFECTIVE BY PURCHASING AND DISTRIBUTING THE COMMITTEE'S EDUCATIONAL MATERIAL AND SERVICES

Corporate or individual support can be effectively and usefully furnished by purchase of any or all of the items or services provided by the committee. Such purchases do not fall in the category of contributions

SERVICES

Paul Revere Messages—two or more a week mailed biweekly. Authoritative comments on

the vital issues confronting the United States. An informative service calculated to guide the thinking of readers in a constructive and persuasive fashion. Forceful and convincing writers with backgrounds on the subjects covered.

Single subscriptions, one year $10; two 1-year subscriptions $17; 3 to 24 subscriptions at $8 each; 25 to 80 at $7.50 each; 100 or more at $7 each. (Send lists of names with multiple subscriptions.)

King Economic Puzzles (10 separate bulletins). A course in fundamental economics discussing the all-important wage and profit structure. Done in plain English and attractively printed in brief form. Adapted for employee lists, for school and college work and desirable for teachers, members of the clergy, state and national legislators.

Mailed at stated intervals to lists furnished at $1 per name.

All committee releases—News bulletins, reports, special research data including reprints from the CONGRESSIONAL RECORD, roster of Congress by States and Districts and selected Paul Revere Messages.

Serviced to lists furnished at $10 per name for 1 year.

Americanism series (six separate mailings). Comprising material that strengthens appreciation of our constitutional system and the American way of life; series featured by initial presentation of a book and Bill of Rights wall piece.

Serviced to lists furnished at $2 per name.

BOOKS

Book price schedule

Title	Single copy	3 copies for—	5 to 80 copies, per copy	100 to 700 copies, per copy	1,000 or more, per copy
1. Labor Monopolies or Freedom—John Scoville	$1.00	$2.00	$0.60	$0.55	$0.50
2. Constitution of the United States—Thomas J. Norton	.69	2.00	.63	.62	.60
3. For Americans Only—Samuel B. Pettengill	.60	1.38	.42	.40	.35
4. The Keys to Prosperity—Willford I. King:					
Fiber-bound	2.00	5.70	1.80	1.70	1.60
Cloth-bound	4.00	9.60			
5. Hunger and History—E. Parmelee Prentice	1.00	2.85	.90	.85	.80

1. Labor Monopolies or Freedom (Scoville), card-bound, pocket size, 168 pages. A sledge-hammer attack at the fallacies underlying the evil of labor monopolies. Scoville makes his economics of freedom understandable to the simplest mind on the Bowery, or on Main Street.

2. The Constitution of the United States (Norton), card-bound, pocket size, 320 pages. Every home, office, school, and library should have this volume. A thoroughly accredited text and reference book about Our Constitution—the Civil Bible of America. (Available also in cloth-bound edition.)

3. For Americans Only (Pettengill), card-bound, 192 pages. A staggering revelation of what totalitarian planners have done to undermine constitutional liberties; for all who love this country and are willing to fight encroachments of national socialism, this book is indispensable.

4. The Keys to Prosperity (Willford I. King) Economic Principles for a Modern Society. As basic as Adam Smith's The Wealth of Nations. A must book. Distribute widely. (Available also in cloth-bound edition.)

5. Hunger and History (E. Parmelee Prentice), How Economic Freedom brought food abundance.

PARTIAL LIST OF EDUCATIONAL LEAFLETS, FOLDERS, BOOKLETS

FACTUAL DATA ON FEDERAL TAX ISSUE

Would You Like to Double Your Income? (leaflet)—30 for $1; 100 or more at 3 cents each.

On Income Taxation, as presented by Dr. Willford I. King to House Ways and Means Committee (leaflet)—5 cents each or 100 for $4.50.

Congress Can Provide Tax Relief (open letter by R. B. Dresser)—40 for $1; 90 for $2; 100 or more 2 cents each.

Postwar Federal Taxes, analyzing proposed constitutional amendment (leaflet)—100 for $2; 300 for $5; or $12 per 1,000.

Are Corporation Profits Too Large?—Exhaustive analysis shows for every $3 received by stockholders, Government takes $5 in taxes while $36 goes into wage-salary totals. Two copies free; 16 for $1; 100 to 600, 4 cents each; 1,000 or more, 3½ cents each.

Do You Want to Pay Higher Taxes? (leaflet)—Should go to millions. Fighters For Freedom (grass-roots F. F. F.) urges fighters for freedom forever to oppose politicians, regardless of party, squandering tax moneys to buy socialistic legislation the votes of minority groups. Five copies free; 40 for $1; 200 to 700, 2 cents each; 1,000 or more, 1½ cents each.

SPECIAL RELEASES ON LABOR ISSUE

Why Not Arbitrate (leaflet)—Shows why arbitration of wage rates by politically selected or influenced arbitrators will destroy stockholders' rights, and lead to fascism. Five copies free, 20 copies for $1. Larger quantities 4 cents per copy, postpaid anywhere.

Labor-Boss Candidates and You Make It. We Take It. (postcards), 50 for $1; 100 or more, 1½ cents each; $10 for 1,000.

The Housewife's Dilemma—No. 2 (leaflet)—25 copies for $1; 200 to 700 copies, 3 cents each; 1,000 or more copies, 2½ cents each.

Unions Defy Your Government (ad)—2 cents a copy, in bulk.

What Raises Wages? (leaflet)—60 for $1; 150 for $2; or $12 per 1,000.

Equality Before the Law (leaflet)—150 for $1; 1,000 for $6.

Labor's Bill of Rights Defined (folder)—200 for $1.

SPECIAL BULLETINS, MAIL TUCK-INS, FOLDERS

Statistical X-Ray Shows Up a Horseshoe—Proves that cost of living since 1939 has gone up less than weekly earnings and average real earnings of industrial workers. Three copies for 10 cents; 40 for $1; in bulk, $2 per 100.

Freedom Train and Where Karl Marx Went Wrong (leaflet)—Timely educational matter for youth and adults on the Constitution, and against communism. Three copies free; 20 for $1; 50 to 100, 4 cents each; 200 or more, 3 cents per copy, postpaid anywhere.

Workers Republic (folder)—125 for $1; 275 for $2; or $7 per 1,000.

Raising the Workingman's Scale of Living (8 pages)—10 for $1; 24 for $2; 100 to 800 at 7 cents each.

Capitalism the Creator (32 pages)—12 for $1; up to 100 at 7 cents each; over 100 at 6 cents.

The Man on the Street (folder)—100 for $1; 225 for $2; or $8 per 1,000.

Roster of Congress (leaflet)—100 for $1; $8 per 1,000.

The American Constitution and Its Significance (booklet)—in any quantity, 1 cent each.

(See other side.)

Eli Lilly & Co., Indianapolis, U. S. A. No. 822816. Pay to the order of Committee for Constitutional Government, $25,000. Chemical Bank & Trust Co., New York. Eli Lilly & Co.

Pay to the order of the National City Bank of New York, Sumner Gerard, Treasurer, Fighters For Freedom, Committee for Constitutional Government, Inc.

I am sure that files of the Committee for Constitutional Government contain hundreds of other letters just like this one which will indicate very clearly that the Committee for Constitutional Government takes money of any size but only applies the word "contribution" to remittances of $490 or less. As to those remittances which are more than $490 the Committee for Constitutional Government calls them "purchases of educational material."

Mr. Rumely's contemptuous refusal to produce these letters pursuant to the subpena of our committee has hindered us in our efforts to get the facts and consider the advisability or necessity for changes in the Federal Lobbying Act.

Further along in this letter Sumner Gerard suggests that $2,600 of the contribution be set aside for the distribution of copies of "Compulsory Medical Care and the Welfare State," a book by Melchoir Palyi. Gerard states:

The contents of the book are of such great importance that distribution to key leaders in national thinking and in positions of public influence should be made soon. If you agree to allot $2,600 to this distribution we will bear distribution cost and send to all Members of Congress, all governors, to selected editors, newspaper columnists, and radio commentators, and to 600 of the top level leaders in the medical profession, including all officers of State medical associations.

Any portion of this distribution where you desired it we would be glad to include your courtesy card as donor. Otherwise we shall distribute over the name of the committee itself. In the case of Palyi's book we shall seek some individual of public influence to write an accompanying letter calling attention to the book and its great importance. In the distribution to Congress we might have Congressman SMITH himself—the head of a medical clinic and highly respected in both Houses of Congress—write the accompanying letter asking that every Member read the content. Please note copy of the telegram to members of the rules committee enclosed herewith.

So you see the evidence is quite clear that the Committee for Constitutional Government is attempting to influence legislation directly and indirectly, through the distribution of these books. They attempt to influence legislation directly by sending copies of books and also telegrams, leaflets, and other printed material to Members of Congress, and they attempt to influence legislation indirectly by distributing the same material to thought leaders, newspaper editors, and so forth.

Our committee does not have and has never had the slightest desire to prevent or regulate this tremendous flow of books and pamphlets in any way regardless of the point of view presented. We feel that the Members of Congress and the general public are entitled to this information under the constitutional guaranties of freedom of speech and of the press. We also feel that such distribution can be a salutary influence on our

great democracy, provided that the Congress knows the identity of the financial backers of these mass efforts to influence legislation.

In recent days Mr. Rumely has been laying down a propaganda barrage aimed at muddling the issues. Free speech and free press are involved here, but not in the manner Mr. Rumely would have you believe. Our great free press is on the receiving end of millions of pieces of Rumely's pamphlets and releases on legislative issues. Rumely distributes these hoping to influence editorial opinion. The editors of the Nation's newspapers are entitled to know who pays for the distribution of these highly charged pamphlets.

The constitutional arguments advanced by Mr. Rumely are properly matters to be decided by the courts of our land.

Mr. Rumely's refusal to answer the committee's questions and produce the documents subpenaed constitutes a contempt of this great body, and it is my duty to recommend to you at this time that you so find.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. ROONEY. A moment ago the distinguished gentleman from Pennsylvania said that there would be some issue this afternoon on the question as to whether or not this organization should be registered as a lobby organization. I wish to remind him that his report contains the following question and answer on page 11 thereof:

Mr. LANHAM. That seems to indicate pretty well that they are engaged in lobbying? (Indicating letter.)

Mr. RUMELY. We do not deny that.

Is there any question but that this group should be registered as lobbyists?

Mr. BUCHANAN. It is very clear, of course, that they are registered lobbyists, and in the reports filed in 1949 they were the second largest spender.

Mr. ROONEY. Since they are properly registered as lobbyists, is there not a provision in the Lobbying Act that they must account for contributions beyond a certain amount? And is not the Lilly Co. contribution over that amount?

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. BUCHANAN. Mr. Speaker, I yield myself one additional minute.

The Corrupt Practices Act provides that all contributions of $100 or more shall be reported; in the Lobbying Act it is $500 or more, they must list their names.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Massachuetts.

Mr. McCORMACK. We cited only the other day 56 persons for contempt, refusal to answer question before the Un-American Activities Committee. It so happened they were Communists or we felt they were Communists. But the reason they were cited was because of contempt of a committee. They refused to answer questions. They thought they were bigger than the House of Representatives and bigger than one of the committees of the House of Representatives. That is the issue involved here. They refused to answer. It is all repeated through this testimony, the refusal to produce records, the refusal to testify. The record is clear on the basic question.

In the case of the Communists it was refusal. If we refuse, with this record, to cite this man and the others for contempt, why, then, the message will go out to the country that only Communists are cited and others who have contempt for a committee where they have friends in the Congress of the United States need not fear being cited for contempt.

Mr. BUCHANAN. I thank the gentleman.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. BUCHANAN. Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I trust that the membership will not be completely overwhelmed at this display of lawbooks. As I brought them down I recalled that on the occasion of the first speech I ever made here I got a little excited and I referred to the Speaker as "His Honor," not that our Speaker is without honor, but certainly it demonstrated that prior to my coming here I had had some little experience in the courtroom.

This is largely a legal matter. That is why I regret the statement just made by our distinguished majority leader from Massachusetts [Mr. McCORMACK]. The observation that he made could not contribute anything to sanity of action or the exercise of fair judgment on the matter before us. It could only be calculated to try to divert attention from what is the real issue. I certain trust that my colleagues on both sides of the aisle will not be so diverted.

The chairman has said there is no clear definition of "lobbying" and there is none. As a matter of fact, the statute is so indefinite that many, many people do not know when they are in compliance and when they are not. They do not know when to register and when not to register. That is why the work of the committee has been particularly onerous.

The majority leader referred to people with friends here. I say to him and to my colleagues, and I think my colleagues, on the committee will bear this out, I have worked and served on that committee without partisanship, without fear or favor, undertaking to let the chips fall where they may. I have some sincere convictions about this matter that is before us and I am going to express them. I am certainly not going to be drawn off the track by anything that is outside the issue, and I am sure you are not going to be.

I think the gentleman from Pennsylvania [Mr. BUCHANAN] has made it quite apparent that the only information Dr. Rumely refused to give to the committee was naming the purchasers of his books in quantity. He was requested on 26 separate and distinct matters to appear before the committee. He responded completely on 25 of them. For some 2 weeks investigators of our committee, I think four in number, were in the offices of the Committee for Constitutional Government. They had access to all documents and records of the committee except that Dr. Rumely insisted that his rights under the first amendment to the Constitution guaranteeing the right of a free press, relieved him from the necessity of disclosing purchasers of his books and pamphlets.

It is true that Dr. Rumely registered under the Lobbying Act, and the committee has filed reports under the Lobbying Act. Parenthetically, that is not the situation in respect to the other two citations to be presented here today. But 6 years before the Lobbying Act ever was put on the books the Committee for Constitutional Government entered the publishing business and brought out books and pamphlets which it sold to the public, like any other publisher. Why, we had the former Attorney General, Mr. Biddle, of Americans for Democratic Action before our committee. I asked him whether there was any distinction in the freedom of the press between a newspaper and a book or a magazine. Good lawyer that he is, he said, "No; there is none." Of course there can be none. So, the publisher falls in that category.

Now, my friends of the House, one of these books about which information was refused was condensed in the Reader's Digest. I understand that over 3,000,000 reprints of that condensation were sold by the Digest to people in this country who then distributed them among their friends and others. I know some Members of the House who bought those reprints and mailed them out. Is there anything wrong in that? Are you going to cite the Reader's Digest for contempt if it refuses to disclose who bought its reprints?

Now, my friends, it comes down to the first amendment to the Constitution which guarantees the right of a free press. That right is inviolate. No government, no majority can override it; that is why it was written.

Now, there is precedent for my position. In the State of Louisiana is a case known as the Grosjean case. The State government undertook to levy a tax of 2 cents on every dollar of advertising received by newspapers of over 20,000 circulation a week. The 12 Louisiana newspapers challenged this as an invasion of the free press. Here is what the Supreme Court said in that case in volume 297 of the United States reports at page 244:

The tax imposed is designated a "license tax for the privilege of engaging in such business"—that is to say, the business of selling, or making any charge for, advertising. As applied to appellees, it is a tax of 2 percent on the gross receipts derived from advertisements carried in their newspapers when, and only when, the newspapers of each enjoy a circulation of more than 20,000 copies per week. It thus operates as a restraint in a double sense. First, its effect is to curtail the amount of revenue realized from advertising, and, second, its direct tendency is to restrict circulation.

The Court went on in that decision to say:

In the light of all that has now been said, it is evident that the restricted rules of the English law in respect of the freedom of the press in force when the Constitution was

adopted were never accepted by the American colonists, and that by the first amendment it was meant to preclude the National Government, and by the fourteenth amendment to preclude the States, from adopting any form of previous restraint upon printed publications, or their circulation, including that which had theretofore been effected by these two well-known and odious methods.

The Court said further, after reviewing another case:

The conclusion there stated is that the object of the constitutional provisions was to prevent previous restraints on publication; and the court was careful not to limit the protection of the right to any particular way of abridging it.

And then finally the Court said:

Judge Cooley has laid down the test to be applied: "The evils to be prevented were not the censorship of the press merely, but any action of the Government by means of which it might prevent such free and general discussion of public matters as seems absolutely essential to prepare the people for an intelligent exercise of their rights as citizens."

Further the Court said:

The predominant purpose of the grant of immunity here invoked was to preserve an untrammeled press as a vital source of information. The newspapers, magazines, and other journals of the country, it is safe to say, have shed and continue to shed, more light on the public and business affairs of the Nation than any other instrumentality of publicity; and since informed public opinion is the most potent of all restraints upon misgovernment, the suppression or abridgement of the publicity afforded by a free press cannot be regarded otherwise than with grave concern.

Now then, what is the situation here? Testimony before the committee that the publication disclosed that the Committee for Constitutional Government's sale of printed matter has already been hampered and impeded by the action that is here being taken. Here is an organization that admits it does certain things that come under the Lobbying Act and so reports; but apart from that it carries on a publishing business.

When this interrogation of Dr. Rumely was first made, a publisher in a far west State wrote me saying:

Look! I have published and sold wherever I could books that deal with general problems before the country. Am I to be called before a committee of Congress and required to divulge who the purchasers of my books and publications are? Why, that holds me up to obloquy, it could restrain my operation, abridge my right to publish these books and to sell them.

Who can deny the effect? Who can deny that will be the effect of requiring the publisher to come in and disclose his personal business affairs? Will you say in this legislative chamber that the publishers of the Washington Post or the Evening Star can be called before a committee of the Congress and be required to disclose who buys their papers, or who buys their advertising? Of course not. That would be a direct abridgement of the freedom of the press guaranteed by the Constitution of the United States.

Page 22 of the report indicates clearly that this is the issue. Mr. FitzGerald, our counsel, asked this question:

Mr. FITZGERALD. How many medical associations have bought books?

Mr. RUMELY. Probably a dozen.

Mr. FITZGERALD. What are the names of those?

Mr. RUMELY. I will not give the names of purchasers of books; I have told you that repeatedly.

That is the only issue.

Let it be said for Dr. Rumely further that he said:

I cannot where a constitutional question is involved. If we set the precedent of yielding against our conviction and against the advice of our lawyers that the first and fourth amendments cover our book operations, why then, we, instead of upholding constitutional government are setting a precedent to break it down, and we are not going to do it. It is a hot spot; I do not want to be in the spot.

I sympathize with him. I think the House of Representatives ought to take him off that spot, because he has not been in contempt of the Congress of the United States.

I want to pursue another point, wholly apart from questions involved in the first amendment of the Constitution. The courts have consistently held that the right of a congressional committee to require an individual citizen to testify on matters that can only be the subject of legislative function is the true function of the Congress of the United States. It is not proper nor constitutional nor legal for a committee of the Congress of the United States to inquire into any matter that does not come within that purview. The courts have held that time and again. They held it in the celebrated Kilborn case, and reaffirmed it in the case of McGrain against Dougherty which I want to read to you if I have the time.

The point I want to make is this: The citation sought here has nothing to do with the influencing of legislation in the ordinary ways of seeing Members of Congress or communicating with them. It has only to do with the formation of public opinion among the people of the country. I have struggled with this entire problem, and I do not believe the Congress of the United States, under the Constitution, can enact legislation to limit and abridge the rights of a citizen acting individually or collectively with others to speak his mind and his opinion to his neighbor or to write it down in a paper or magazine or a book and distribute it. I do not believe the Congress has that right. I do not believe we can limit and abridge the right of a citizen to do that as against the guaranty of free speech and press in the first amendment.

If I am correct in that, then any activity of a citizen or group of citizens which falls in that category cannot properly be a subject of interrogation by a congressional committee because it would not be in aid of any legislative process to which the Congress of the United States might resort. Does that make sense, or not? I think it does.

Let me read the summarization of the Kilborn case to show what I am getting at:

The question referred to in the Kilborn case was whether the House of Representatives had exceeded its power in directing one of its committees to make a particular investigation.

The decision was that it had. The principles announced and applied in the case are that neither House of Congress possesses a general power of making inquiry into the private affairs of citizens; that the power actually possessed is limited to inquiries relating to matters of which the particular House has jurisdiction.

Again, if this right can be asserted against the Committee for Constitutional Government and Dr. Rumely, it can be asserted against any publisher of any magazine or any newspaper or any book. They could be hailed before a committee of Congress and forced to disclose their own private affairs. I do not believe that the Members of the House are going to take that position.

I wish to refer to one more case: That of Hearst against Black, and it is a matter of some interest that the contempt then sought against Mr. Hearst was brought about by a Senate committee investigating lobbying under the terms of a resolution practically identical with the one under which we operate. That case came up for decision in the Circuit Court of Appeals of the District of Columbia and the decision was written by Judge Groner. This is what he said:

And so we think the law is settled that if appellant were before the Senate committee as a witness and were questioned as to matters unrelated to the legislative business in hand, as this bill alleges is true of the messages in question, he would be entitled to refuse to answer.

You know there they issued a dragnet to call in all of the private telegrams that had been sent.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. BUCHANAN. Mr. Speaker, I yield the gentleman one additional minute.

Mr. HALLECK. "And if for his supposed contumacy he were imprisoned, he could secure his release on habeas corpus."

To my mind, these decisions make it abundantly clear that the issue here is as I have pointed out. You have all received a telegram from the publisher of Editor and Publisher regarding this matter and its effect upon the freedom of the press.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I am sorry. I want to conclude.

The editorial was written and appeared in Editor and Publisher on June 10, the final paragraph of which is:

The current investigation of the House committee is an invasion of the guaranteed right of the American people to own, hire, and use a printing press without interference.

To my mind, that is an inalienable right—a right enabling the people of this country to continue to be the master of Government instead of Government becoming their master. It is the only way by which deeds and misdeeds of Government and agencies of Government may be controlled by the people.

I am making no idle argument. I never studied more carefully about anything in my life. I am presenting this as a matter of principle, and I trust my views meet with your approval.

The SPEAKER. The time of the gentleman from Indiana has again expired.

Mr. BUCHANAN. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, I am glad that the gentleman from Indiana [Mr. HALLECK] made one statement. That was that these people, the Committee for Constitutional Government and Mr. Rumely, are in the same class with newspapers and magazines. My answer to his contention is, that if we were trying to restrain Mr. Rumely or restrict Mr. Rumely, or if we were trying to hamper Mr. Rumely and the Committee for Constitutional Government in any way in the exercise of their right to publish whatever they please, his argument would be valid. But we have never sought to do that. The only thing we have asked of him is for the names of the persons who are contributing and making possible the publication of these books. That very thing is required of every newspaper and magazine in America and has been since 1912, and the courts have upheld it. The courts have said that that is legitimate and that it is for the best interests of this country of ours for the people to know who is backing, financially, every newspaper and every magazine in this country. That is all we ask. We ask that Mr. Rumely and every other lobbyist and every other publisher of information that is sent out to influence legislation shall disclose the backers, the financial angels of that organization. We have not sought in any way to restrain or restrict or to limit the freedom of the press. That claim is absolutely absurd.

I have been asked by the chairman to discuss the legal problems involved. Of course, I cannot do it in 5 minutes. I can only hit the high spots, but remember, in spite of everything that is said, that has been said, or that may be said on the other side, we have not attempted and we are not now attempting to restrict or restrain or in any way hamper either Mr. Rumely or the Committee for Constitutional Government. All we ask is a revelation of the financial backers of the organization, just as I say every newspaper in America and every magazine already has to do.

Oh, the gentleman from Ohio [Mr. BROWN] will say that it is to get the privilege of mailing under the second-class classification. Of course it is. That was the basis on which the Government could require the disclosure of the financial backers of every magazine and of every newspaper in America.

A careful analysis of Mr. Rumely's defense will show that it involves two separate and distinct legal propositions. His first contention is that the committee was out of bounds, as he phrased it, and had no authority to investigate the Committee for Constitutional Government and its allied organizations, because he claims they were not engaged in lobbying. This claim was made in spite of the fact that he himself registers as a lobbyist for the Committee for Constitutional Government.

The second contention is that the Committee on Lobbying Activities is in violation of his constitutional rights guaranteed under the first amendment to the Constitution and the fifth, when it seeks to make him produce a record of all persons contributing more than $500 to the Committee for Constitutional Government. He claims this is a violation of his constitutional rights because he says these contributions are not really contributions, but are for the purchase of books, pamphlets and other propaganda published and distributed by the Committee for Constitutional Government.

Let us consider first the right of the House Select Committee on Lobbying Activities to investigate Mr. Rumely, and the Committee on Constitutional Government.

Congress has the power to obtain information at its hearings on a wide range concerning all matters having direct or indirect bearing on the subject. Congress has broad discretion in determining the subject matter of study and the scope and extent of the inquiry and can investigate if the subject under scrutiny has any possible materiality, no matter how remote, to some possible legislation. (*United States* v. *Bryan*, 72 F. Supp. 58, affirmed *Barsky* v. *United States*, 167 F. 2d 241, 83 App. D. C. 127, cert. denied, 344 U. S. 843, 68 S. Ct. 1511, 92 L. Ed. 1767, affirmed, *Morford* v. *United States*, 176 F. 2d 54.)

These books that Rumely has been publishing and sending out include a book entitled "The Taft-Hartley Law and Why it Should be Kept on the Statute Books." Does not that influence and refer to legislation that was pending in the Congress at that time? He has sent out literature that opposes rent control. Was not rent control legislation pending in the Congress at the time? This book, The Road Ahead, whatever else may be said about it, is certainly propaganda against all New Deal legislation of the past and what has been proposed since. Certainly directly, not indirectly, those publications directly refer to legislation that was pending in the Congress.

The authority for the statement I have just made is found in the case of *United States* v. *Bryan* (72 Fed. Sup., and others).

Obviously, from these decisions there is no merit to Mr. Rumely's contention that the committee was out of bounds and had no right to investigate the Committee for Constitutional Government and its satellite agencies, which he seeks to take with him behind an iron curtain of secrecy.

The pertinence and relevance of the financial data sought from the Committee for Constitutional Government may be seen by examining Senate Report 1400 on S. 2177, Seventy-ninth Congress, which became the Federal Lobbying Act. That report clearly indicates that the main object of the statute was to bring out into the open the financial sources of pressures on public issues:

> Full information regarding the * * * source of contributions * * * of organized groups would prove helpful to Congress in evaluating their representatives and weighing their worth. Publicity is a mild step forward in promoting the democratization of pressure groups.

Consider the instant factual situation in this light. A group which accepted contributions of any size up to the passage of the Lobbying Act suddenly refuses to accept any contributions of more than $490.

Mr. Rumely admitted that and admitted that he did it for the purpose of escaping the necessity of making public the names of contributors.

Those who wish to give more than that are informed that they may "purchase" unlimited amounts of pamphlets and booklets dealing with the legislative matters, which will be distributed by the committee as the purchaser directs. Is the Congress powerless to determine whether this situation is defeating the purpose for which the law is passed? Is the Congress powerless to find out the facts so that it may recommend means to strengthen the act, if necessary? Certainly the Congress has the power to find out the names and addresses of these persons.

In this connection I call attention to an excerpt from a radio address delivered by Samuel B. Pettengill on November 9, 1947, and introduced into the CONGRESSIONAL RECORD by our able and distinguished colleague from Michigan, Hon. ROY O. WOODRUFF, and I quote an excerpt from Mr. Pettengill's speech:

> I hold that Congress has as much right to have Communists labeled as it has to require food and drugs to be truly labeled, as it has to require the ownership of newspapers to be honestly declared.

Coming now to a discussion of the second proposition that is whether it is constitutional and lawful to require Mr. Rumely, the executive secretary for the Committee for Constitutional Government, to disclose contributions in excess of $500, whether by contributions or loans or, as he contends, for the purchase of books.

The obvious lack of merit in the Committee for Constitutional Government's basic contention is demonstrated by the cases holding that the first amendment does not immunize the press from governmental controls applicable to other types of business (*Oklahoma Press Publishing Co.* v. *Walling* (327 U. S. 186); *Associated Press* v. *Labor Board* (301 U. S. 103); *Associated Press* v. *United States* (326 U.S. 1)). The freedoms guaranteed by the first amendment are not absolute; they may be the subject of governmental inquiry or control in the interest of restraining abuses within the constitutional ambit of governmental activity (*American Communications Association, CIO*, v. *Douds* (339 U. S. 382); *United Public Workers* v. *Mitchell* (330 U. S. 75); *Kovacs* v. *Cooper* (336 U. S. 77)).

The power of Congress to investigate is certainly as broad as the power which it may validly confer upon an administrative official. In that field it has been held that the first amendment does not preclude a subpena by an administrative official requiring a newspaper to disclose the interstate distribution of its paper, dissemination of its news, or the source of its advertising receipts—Oklahoma Press Publishing Co. against Walling, supra.

In *Lewis Publishing Co.* v. *Morgan* (229 U. S. 288 (1913)) the Supreme Court upheld the constitutionality of the requirements of section 2 of the Post Office Appropriation Act of August 24, 1912, amended by Thirty-ninth United States

Code Annotated, page 233. This section provides:

SEC. 2. * * * That it shall be the duty of the editor, publisher, business manager, or owner of every newspaper, magazine, periodical, or other publication to file with the Postmaster General * * * on blanks furnished by the Post Office Department, a sworn statement setting forth the names and post-office addresses of the editor and managing editor, publisher, business managers, and owners, and in addition, the stockholders, if the publication be owned by a corporation; and also the names of known bondholders, mortgagees, or other security holders; and also, in the case of daily newspapers, there shall be included in such statement the average of the number of copies of each issue of such publication sold or distributed to paid subscribers during the preceding six months: * * * *Provided further*, That it shall not be necessary to include in such statement the names of persons owning less than 1 percent of the total amount of stocks, bonds, mortgages, or other securities. A copy of such sworn statement, shall be published in the second issue of such newspaper, magazine, or other publication printed next after the filing of such statement. Any such publication shall be denied the privileges of the mail if it shall fail to comply with the provisions of this paragraph within 10 days after notice by registered letter of such failure.

The court held these requirements were not an unconstitutional abridgment of the freedom of the press protected by the first amendment or a denial of due process of law under the fifth amendment, or as a denial of the use of the mail, but only a requirement relating to second-class mail matter sanctioned by exclusion from the privileges of the mail in that regard.

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I take the floor today because I regard the issue raised in this proposed contempt citation to be so fundamental that I want to place my position and my views squarely in the RECORD. May I say, first, Mr. Speaker, that these citations are far different from those previously offered on the floor of the House. The other citations involved men and women whose loyalty to our Government was in issue. It involved the question of subversion. That is far different from the question which is raised today, where there is no loyalty involved, but a question of how far a committee of the House is privileged to go in prying into private affairs.

We are not dealing here with an ordinary matter. We are confronted with a question that is raised squarely on one of the cornerstones of American liberty—freedom of the press.

This is no mere issue of lobbying. This is no mere question of a man named Rumely, Smith, or Jones. This is no mere question of the merits or demerits of an organization that calls itself the Committee for Constitutional Government. All of these questions are transcended by the fundamental issue.

To state this in the simplest terms possible, here is what confronts this House—

It is the fundamental question of whether the American people under the guarantee provided by the first amendment to the Constitution have the right, without fear of governmental inquiry, to purchase whatever products of a free press they please, so long as that product is not of an indecent, salacious, or subversive nature.

If the Members of this House will reason with me I think that we can reach the inevitable answers to this question by very simple and fundamental logic.

First, we must consider the nature of the special committee which is requesting this House to vote a contempt citation—the Select Committee on Lobbying Activities. This committee was specifically directed by this House under a resolution passed in the first session of this Congress "to conduct a study and investigation of (1) all lobbying activities intended to influence, encourage, promote, or retard legislation, and (2) all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation." That was its authority and its only authority.

Second, we must consider the position taken by certain members of this select committee and certain members of its staff. That position is: That an organization represented by Dr. Edward A. Rumely, and known as the Committee for Constitutional Government is in contempt because that organization, through its representative, refused to respond to a subpena calling for the names of all purchasers of its many published books, tracts, and pamphlets.

Third, the committee does not allege that these books, tracts, and pamphlets were indecent, salacious, or subversive, in fact, it concedes—if I have read the hearings properly—that these publications were of a general nature involving the state of the Union and, in one instance, involving a law which is on the statute books, namely, the Taft-Hartley Act.

Fourth, we should consider that the organization, through its representative Dr. Rumely, responded to 24 of the 25 demands by the select committee for the records of this organization, but refused to respond to the twenty-fifth demand on the ground that making available a list of the purchasers of its publications violated the Bill of Rights, specifically the first amendment to the Constitution, regarding freedom of the press.

Now, it is pertinent to our deliberations to determine the nature of the books, tracts, and pamphlets published by this organization. Here are some of the titles according to the Select Committee's transcript:

The Constitution of the United States, by Thomas James Norton.

Jefferson, the Forgotten Man.

Challenge to Freedom, by Henry M. Wriston, the esteemed president of Brown University.

For Americans Only, by Samuel B. Pettengill, an honored and respected former Democratic member of this House.

Smoke Screen, by William G. Ross.

Hunger and History, by E. Parmalee Prentice.

The Keys to Prosperity, by Dr. Willford I. King.

Needed Now.

Capacity for Leadership, the Courage to Lead, with a prologue by the Rev. Norman Vincent Peale, a prominent New York minister of national reputation.

Revolution, by Robert Hunter.

The Road Ahead, by John T. Flynn.

I am familiar with some of these books and by no stretch of the imagination could a thinking man declare them—and I now quote from the House resolution which set up this committee—"intended to influence, encourage, promote, or retard legislation."

They are dissertations on American political life, the American system of government, and the philosophies alien to that system of government which is of course the subject of thousands upon thousands of books, tracts, pamphlets, and other printed matter published in the United States every year.

Now, it has been argued by certain members that the organization in question was financed to a considerable extent by the sale of these books, and it has been intimated that frequent purchasers of the books bought not one copy but many copies. Therefore, these members appear to reason that there was something insidious in such action although the sworn testimony of the witness, Dr. Rumely, was that his organization sold the overwhelming portions of its publications in small quantities as 1, 2, 3, 5, or 10 books at a time.

Be that as it may, when did it come within the scope of the lobbying laws of this country for a determination to be made that a purchaser of a book or books must undergo public identification by an investigating committee of Congress, particularly when such publications were in the realm of general discussion of public affairs?

It so happens that I know a Member of this House who last year during the holiday season bought and distributed to a number of his friends copies of a book discussing general political trends in this country. It is to be presumed that the publisher of this book sold many copies in addition to those purchased by this Member because the book was on the best-seller lists. It also happens that this publishing firm deals largely in books of a political and economic nature. By the logic of the members of the select committee who are pressing this House to vote a contempt citation today, this publishing house also could be subjected to the same ordeal if it stood on its rights under the Bill of Rights and refused to disclose the name of the purchasers of this particular book, including the Member of this House who made his purchase in quantity.

Now, let us see how far afield reasoning—and I use the word advisedly—can be carried down the road in this attempt to cause the House to participate in a miscarriage of justice which could undermine one of the basic freedoms of America. I want to read to you an exchange of questions and answers by my distinguished colleague, the gentleman from Georgia [Mr. LANHAM], who is a member of the select committee, and Dr. Rumely, the witness:

Mr. LANHAM. You distributed it because you wanted to discourage that sort of leg-

islation, and a doctor, if he were to distribute it would be getting it from you for that purpose, would he not?

Dr. RUMELY. We distributed it because we wanted to preserve private industry. I do it with enthusiasm because I worked as a medical interne under the Bismarck system and I know how disrupting that kind of medicine can be.

Mr. LANHAM. I agree with you on socialized medicine. I am not in favor of it. But the point is, if you distribute this book, and if the doctors buy it and distribute it, they are engaged in lobbying in an attempt to influence legislation.

Now, let us consider that proposition for a moment. The book in question is entitled "Compulsory Medical Care" and according to Doctor Rumely is a study by a European economist of compulsory medical care in every country. Dr. Rumely testified: "There is not one word about socialized medicine in this country—it is a study of what happened in Europe."

Now let us weigh the implications of these facts for a moment.

First, there are several bills introduced in both Houses of the present Congress involving medical care of varying sorts, including one sponsored by the administration. All of the authors, including the administration, claim the bills in no way embrace compulsory medical care or socialized medicine. Yet, we have a finding here by a distinguished member of the select committee that should any doctor buy a copy of the book in question and give it to somebody else, the doctor would then be engaged in lobbying against legislation that is pending.

Dr. Rumely testifies that there is not a word in the book involving this country in our legislation before this Congress. I have not read this book but let us assume that is so. Are we to conclude under the findings of our distinguished colleague that the mythical doctor would be guilty of lobbying because some day in the future—how many years from now apparently would make no difference—somebody might introduce a bill which could be properly characterized as providing for compulsory medical care?

I urge the House to consider carefully the twilight zone it will be in, the dark corners of suppression that it will be walking in, if we today vote a contempt citation on the basis of such specious premises.

Now let us return to the question of financing of the activities of the Committee for Constitutional Government for one moment. I am not a member of the Select Committee on Lobbying Activities, but I have read the transcript, and Dr. Rumely testified that he had provided the committee with a list of all contributors who made contributions to his organization of $1,000 or more. That does not sound like concealment of proper information to me.

I must confess I am mystified by the proceedings that have been brought before this House. These are times like the world has not seen for centuries—perilous times, dangerous times. Nearly one-half the world is hidden behind the iron curtain of totalitarianism. In that half of the world, people smuggle forbidden books and newspapers to one another, handling them like gold nuggets in their search and hunger for information that in the other half of the world is as free as the air we breath.

Perhaps you or I have purchased publications sold by Dr. Rumely and the Committee for Constitutional Government. I say—so what? I also purchase the Saturday Evening Post, I also purchase Collier's National Weekly, I also purchase other magazines and other publications of a similar nature, any one of which devotes up to 50 percent of its space to discussing public issues directly affecting congressional legislation. Are the publishers of these magazines to be subjected to similar treatment? Should they refuse to make public a list of their subscribers? Is contempt citation to be brought before this House against them?

I cannot believe for one moment that my colleagues in this House can join in this adventure into the shadowland of thought control and thought suppression. With the sun already setting on liberty in half the globe, the least we can do here today is to make certain that it does not cross the horizon of the other half.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Georgia.

Mr. COX. Mr. Speaker, I have asked for this time in order to make the statement that I have given the better portion of my life to the service of my country and in the endeavor to protect the rights of the citizens in the enjoyment of the freedoms guaranteed to them. Mr. Speaker, this effort to cite these people for contempt is as phony as is the alleged renunciation of communism by Lee Pressman made recently before one of the committees of this House. I have protested and I now protest to the further use of an arm of this Congress as an instrument with which to inflict vengeance upon those who have spoken up for their country. If there is anything bad in the publication of the Rumely organization such fact has not been disclosed. Mr. Speaker, I regret that I have not the time or the opportunity to pull aside the veil and reveal what is behind this whole movement. I have seen like committees operate heretofore, all under the inspiration of those leftist influences which we are now combating even in war. I observed that this committee, when it came into existence, became the object of the attention of those same influences with the result that a staff of pinkos was put together to labor for the committee, and when this fact became known the committee had to let go the counsel that they had engaged. I witnessed the examination of the people out of which this citation arose and I want to testify that the people in question were not given decent consideration by the committee. The counsel that the committee later had to dismiss sat beside the chairman and prompted him in the conduct of the investigation.

This citation is an outrage, Mr. Speaker, and ought to be repudiated.

Mr. MARTIN of Massachusetts. I thank the gentleman from Georgia.

In conclusion, we must never forget that this is more than a contempt citation. It is a precedent—a precedent by this House—which will be set if we vote this action. I am convinced it is a dangerous precedent which this House—one of the few great parliamentary bodies left in the world—can ill afford to establish. There is far more at stake here than the prestige of this great body. We must face the fact that not the honor of the House or one of its committees is at stake but that one of our great basic freedoms—freedom of press—is in jeopardy if we take this action. Let the Members ponder this well, and I am certain that no one can find it in his heart or mind to vote the contempt citation sought here today.

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, I have an idea that when I made the observation that Rumely had pretty powerful friends in this House, that I must have hit the right spot, because of the present two leaders of the Republican Party coming down here on a technical question and defending this man who, on two previous occasons, has been cited for contempt before congressional committees for refusal to answer questions, and on each occasion advanced the same argument that there was a constitutional question involved. As a matter of fact, the Communists that we cited only the other day claimed that there was a constitutional question involved.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield? The gentleman has made a charge against me, and I think I have a right to reply.

Mr. McCORMACK. Well, the gentleman can reply in his own time.

Mr. MARTIN of Massachusetts. I have no time. The gentleman knows that.

Mr. McCORMACK. Was the gentleman talking individually or as leader?

Mr. MARTIN of Massachusetts. I was talking as an individual.

Mr. McCORMACK. All right, I will withdraw the "leader" then.

Mr. MARTIN of Massachusetts. I want to tell the gentleman that I never knew Mr. Rumely or anything about him until this matter was brought up. My position is prompted entirely because I believe this is a question of the preservation of freedom of the press.

Mr. McCORMACK. All I say is, the evidence shows he has powerful friends in this House, and all I can say is that as to anybody with powerful friends in this House, if this contempt proceeding is voted down, it will mean an open invitation to defy any committee of the Congress of the United States, and the unfortunate who has no friends will take his own chances.

My friend from Georgia, whom nobody has stronger affection for than I, said it was an outrage. Outrage where? Who is Mr. Rumely? Is he an innocent individual? Yes, Mr. Rumely was convicted for receiving money from the Imperial German Government in 1915 to buy a newspaper in the city of New York

for propaganda purposes to help the German Government out in World War I.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes; to my publisher friend of several papers, do you approve of that as owner of a newspaper?

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Do you approve of that as owner of a newspaper? Is that freedom of the press?

Mr. BROWN of Ohio. The gentleman knows enough I think to tell the House that while this man was convicted he was later exonerated and pardoned.

Mr. McCORMACK. He was not exonerated. A pardon is a different proposition.

Mr. BROWN of Ohio. Why do you not give the facts?

Mr. McCORMACK. Rumely was convicted by a jury. I have the floor and the gentleman from Ohio is not clever enough to take me off the floor. Rumely was convicted by a jury, and the circuit court sustained it. The Circuit Court of Appeals sustained the conviction, which grew out of the willful failure to report to the Alien Property Custodian under the provisions of the Trading With the Enemy Act an indebtedness which this Rumely had contracted—with whom? With my friend from Ohio, Mr. BROWN? No. But with whom? The Imperial German Government. In other words, he was a spy in America for the German Government during World War I. That is whom we are dealing with. That is the man who repeatedly said, "I refuse—I defy you." And in his testimony he challenged the committee to cite him in order to go to court to thrash this out. Yet, we find here powerful men on a technical question undertaking to defend a spy in World War I, and a man who is nothing but a Fascist, who is an opponent of American institutions and American Government on the right just as much and just as strongly as the Communists are on the left.

The basic question here is whether or not we shall insist upon the dignity of the House being respected. He refused to answer proper questions. The Communists refused to answer proper questions. That is why we cited them for contempt of Congress. They were Communists. That was the color. That was the emotional influence. But I voted because they refused to answer questions which I felt were proper and within the purview of the Committee on Un-American Activities. The other two were cited for the same reason, refusal to answer questions—not whether they are of the right or of the left or of anything else. They refused to answer questions. The issue involved here is the same as in the case of the United Shoe Machinery, and other big interests many years ago, when they bought up newspapers. They bought up a Boston paper. There was a Senate investigation then of big interests buying up newspapers for propaganda purposes in America. That investigation was held to be proper and the questions were within the purview and jurisdiction of the Senate committee in its investigation.

The members of the committee asked proper questions. This man refused to answer. The question before the House is whether or not we are to maintain our own dignity by citing this man and the other two men. The issue is refusal to answer. The evidence is plentiful. The House must do its duty as it sees it, but if you do not vote to cite for contempt, you are doing an injustice in the case of those who have been cited heretofore.

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I hope, in the years I have served in the House of Representatives, if I have accomplished anything it is to have earned the reputation for being frank and outspoken, and perhaps even blunt at times.

I have been surprised, grieved, and amazed to find my good friend JOHN McCORMACK resorting to the statements he used on the floor which are exactly in line with the smear tactics which have been used so constantly, if you please, by certain members of the Committee on Lobbying Activities, so often that some of us who serve on the committee, and Members of Congress who came and listened in to the hearings, have had to publicly protest against such methods.

Let us look at the facts for a moment. The majority leader makes statements about this man Rumely being convicted as a German agent. Let us see what the facts are. The facts are Rumely was convicted under the Trading With the Enemy Act. But it was not long after he was convicted in World War I, as a result of borrowing money from an American citizen to buy a New York newspaper, that it developed evidence which would have cleared him had been suppressed by the Government. Eleven of the twelve members of the jury, when they found out the purport of the evidence which had been suppressed, signed a petition to the Attorney General of the United States—a man named Harlan F. Stone—who, after carefully studying and reviewing the case, requested the then President of the United States, another New England man, Calvin Coolidge, to pardon Rumely.

He was not only given full pardon, and restored completely to citizenship, but he was publicly exonerated, and the apology of the Attorney General went to him. Now, why use such smearing tactics here on the floor of the House?

Let us go a little further. They talk about this man Rumely having been cited twice for contempt. One attempt was made to cite him for contempt in the Senate, but the Senate refused to do so, because he had stood on constitutional grounds. The Anderson committee, back in 1944, as the gentleman from Pennsylvania [Mr. BUCHANAN] has said, did cite Mr. Rumely for contempt. I happen to have been a member of the Anderson committee and voted for that contempt citation. I was sorry afterwards that I did. Why? Because when the case came into court the Federal judge threw it out on its ears, and said that the Anderson committee did not have any right to ask Rumely those questions under the Constitution.

Then they drag in the fact that newspapers, have to give certain information in connection with ownership of the paper, to get second-class-mail privileges. But that does not bar such newspapers from printing anything that they please. The law only requires one thing, and that the newspaper give its ownership.

Let me tell you something. This committee of ours—or rather certain members of it—tried to make the publishers of newspapers tell why they wrote editorials, or who wrote them. They even criticized certain farm papers and about everything else they found to disagree with their philosophy of Government. So every newspaper in the United States is watching this particular case or action.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. Yes, I yield.

Mr. BUCHANAN. Who was the publisher of the farm paper?

Mr. BROWN of Ohio. The Lumbermen's Digest. Of course, you know. All you have to do is to look at the record. All you have to do is to read the committee hearings. You will quickly find why this citation is here. This citation for contempt against this Dr. Rumely and the Constitutional Committee is here for one reason and one reason only—because a man named John T. Flynn happened to have the courage to write a book against state socialism, The Road Ahead. Certain people have been trying to find out, if they can, who bought those books. Well, I bought some of them myself and distributed them to a few of my friends because I believed every honest-to-God American ought to read about the danger which confronts this country. Then, of course, one of the members of the committee—just read the committee hearings, if you please—had the effrontery to argue in the committee that because this Constitutional Committee had published a book by a great French economist on the history of state medicine in Europe, which did not even mention socialized medicine in the United States or the possibility that it might come here, that any doctor who might buy that book and permit any person to read it, was a lobbyist, and if he did not register as a lobbyist he should be punished under the law and sent to prison. Just how ridiculous can we get?

Look at the record and read the hearings, if you please, and you will find that 90 percent of the time of the committee was spent on getting after people who dare to stand up against state socialism. There are no citations for contempt here for the Dewey Anderson group on the other side of the street, and which did not even file a report under the Lobby Act.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. BUCHANAN. Mr. Speaker, in answer to the gentleman's question, which he directed to me, I directed a letter to the Pacific Coast Lumber Digest asking how many companies had requested copies or reprints of an editorial which had appeared in their newspaper and which was being circulated wholesale in Missouri, far from the Pacific coast. We did not question the editorial

in any way, but merely asked about its distribution. Incidentally, they never answered our inquiry. That is the matter he refers to.

Mr. Speaker, I yield the balance of the time to the gentleman from Oklahoma [Mr. ALBERT].

The SPEAKER. The gentleman from Oklahoma is recognized for 2 minutes.

Mr. ALBERT. Mr. Speaker, first of all, I want to thank our loyal, hard-working staff for the fine job it has done for the committee and to take issue with those who have criticized it. I think all Members on both sides of the committee will agree with me when I say they have done an excellent job.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. BROWN of Ohio. I must regretfully say to you that the record is filled with times that the gentleman from Ohio has protested against the type of question asked.

Mr. ALBERT. Mr. Speaker, I decline to yield further. It is true that the gentleman has objected to many of the questions that counsel has asked, and so have I, but that has nothing to do with their sincerity or with the job they have done for this committee.

Mr. Speaker, the gentleman from Indiana [Mr. HALLECK], able orator and debater that he is, has made a very excellent argument, but he has only brought us up to the edge of this issue. The Oklahoma Publishing Co. case is the latest Supreme Court case on this subject. It is more recent and more in point than any of the cases which the gentleman from Indiana has cited. The Oklahoma Publishing Co. case involved the power of the administrator of the wage-hour division of the Labor Department to subpena from a newspaper the sources of its advertising income.

The Supreme Court held that this was not in violation of the first amendment or of the right to freedom of press. It is no more a violation of the first amendment to the Constitution than is the requirement of the Registration of Lobbying Act that a lobbyist shall report to the Congress the sources of his income, a violation of the right of petition.

The SPEAKER. The time of the gentleman from Oklahoma has expired, all time has expired.

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. BROWN of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 183, nays 175, answered "present" 1, not voting 71, as follows:

[Roll No. 262]

YEAS—183

Addonizio	Bennett, Fla.	Brown, Ga.
Albert	Bentsen	Bryson
Aspinall	Biemiller	Buchanan
Bailey	Blatnik	Buckley, Ill.
Baring	Boggs, La.	Burke
Barrett, Pa.	Bolling	Burleson
Bates, Ky.	Bonner	Burnside
Battle	Bosone	Byrne, N. Y.
Beckworth	Breen	Camp
Canfield	Hedrick	O'Brien, Ill.
Cannon	Heffernan	O'Hara, Ill.
Carlyle	Heller	O'Neill
Carnahan	Hobbs	O'Sullivan
Carroll	Howell	O'Toole
Cavalcante	Huber	Patman
Chelf	Hull	Patten
Chesney	Irving	Perkins
Christopher	Jackson, Wash.	Peterson
Chudoff	Jacobs	Philbin
Clemente	Javits	Poage
Combs	Jones, Ala.	Polk
Cooley	Jones, N. C.	Preston
Cooper	Karst	Price
Crosser	Karsten	Priest
Davenport	Kee	Rabaut
Davies, N. Y.	Kelley, Pa.	Rains
Deane	Kelly, N. Y.	Ramsay
Delaney	Kennedy	Redden
Denton	Keogh	Rhodes
Dollinger	King	Ribicoff
Donohue	Kirwan	Richards
Douglas	Kruse	Rodino
Doyle	Lane	Rooney
Eberharter	Lanham	Sasscer
Elliott	Lind	Secrest
Engle, Calif.	Linehan	Shelley
Evins	Lyle	Sims
Feighan	Lynch	Spence
Fernandez	McCarthy	Steed
Flood	McCormack	Stigler
Fogarty	McGrath	Sullivan
Forand	McGuire	Sutton
Frazier	McKinnon	Tauriello
Fugate	McSweeney	Thomas
Fulton	Mack, Ill.	Thompson
Furcolo	Madden	Thornberry
Garmatz	Magee	Trimble
Gary	Mahon	Underwood
Gordon	Mansfield	Vinson
Gorski	Marsalis	Wagner
Granahan	Marshall	Walsh
Granger	Miles	Walter
Grant	Mills	Welch
Green	Mitchell	White, Calif.
Hardy	Monroney	Wickersham
Harris	Morris	Willis
Harrison	Moulder	Wilson, Okla.
Hart	Multer	Wood
Havenner	Murdock	Woodhouse
Hays, Ark.	Murphy	Young
Hays, Ohio	Noland	Zablocki

NAYS—175

Abbitt	Fallon	LeFevre
Abernethy	Fellows	Lichtenwalter
Allen, Calif.	Fenton	Lodge
Allen, Ill.	Fisher	Lovre
Allen, La.	Ford	Lucas
Andersen, H. Carl	Gamble	McConnell
	Gathings	McDonough
Anderson, Calif.	Gavin	McGregor
Andresen, August H.	Gilmer	Mack, Wash.
	Golden	Marcantonio
Andrews	Goodwin	Martin, Mass.
Arends	Gossett	Merrow
Auchincloss	Graham	Meyer
Bates, Mass.	Gross	Michener
Beall	Guill	Miller, Md.
Bennett, Mich.	Gwinn	Miller, Nebr.
Bishop	Hagen	Morton
Boggs, Del.	Hale	Murray, Tenn.
Bolton, Md.	Hall, Leonard W.	Nelson
Bolton, Ohio		Nicholson
Boykin	Halleck	Norrell
Bramblett	Hand	O'Brien, Mich.
Brehm	Harden	O'Hara, Minn.
Brooks	Hare	Passman
Brown, Ohio	Harvey	Patterson
Burdick	Herlong	Phillips, Calif.
Burton	Herter	Pickett
Byrnes, Wis.	Heselton	Potter
Chatham	Hill	Poulson
Chiperfield	Hinshaw	Rankin
Clevenger	Hoeven	Reed, Ill.
Cole, Kans.	Hoffman, Ill.	Reed, N. Y.
Cole, N. Y.	Holmes	Rees
Colmer	Hope	Rich
Corbett	Horan	Riehlman
Cotton	Jackson, Calif.	Robeson
Coudert	James	Rogers, Fla.
Cox	Jenison	Rogers, Mass.
Crawford	Jenkins	Sadlak
Cunningham	Jennings	Sanborn
Curtis	Jensen	Saylor
Dague	Jonas	Scott, Hardie
Davis, Ga.	Jones, Mo.	Scrivner
Davis, Tenn.	Kean	Scudder
Davis, Wis.	Kearns	Shafer
D'Ewart	Keating	Short
Dolliver	Kerr	Simpson, Ill.
Dondero	Kilburn	Simpson, Pa.
Doughton	Kilday	Smith, Va.
Ellsworth	Kunkel	Smith, Wis.
Elston	LeCompte	Stanley
Stefan	Velde	Wigglesworth
Stockman	Vorys	Wilson, Ind.
Taber	Vursell	Wilson, Tex.
Tackett	Wadsworth	Winstead
Talle	Weichel	Wolcott
Taylor	Wheeler	Wolverton
Teague	Whitten	Woodruff
Tollefson	Whittington	
Towe	Widnall	

ANSWERED "PRESENT"—1

Case, N. J.

NOT VOTING—71

Angell	Kearney	Plumley
Barden	Keefe	Powell
Barrett, Wyo.	Klein	Quinn
Blackney	Larcade	Regan
Buckley, N. Y.	Latham	Rivers
Bulwinkle	McCulloch	Roosevelt
Case, S. Dak.	McMillan, S. C.	Sabath
Celler	McMillen, Ill.	Sadowski
Crook	Macy	St. George
Dawson	Martin, Iowa	Scott, Hugh D., Jr.
DeGraffenried	Mason	
Dingell	Miller, Calif.	Sheppard
Durham	Morgan	Sikes
Eaton	Morrison	Smathers
Engel, Mich.	Murray, Wis.	Smith, Kans.
Gillette	Nixon	Smith, Ohio
Gore	Norblad	Staggers
Gregory	Norton	Van Zandt
Hall, Edwin Arthur	O'Konski	Werdel
	Pace	Whitaker
Hébert	Pfeifer, Joseph L.	White, Idaho
Hoffman, Mich.		Wier
Holifield	Pfeiffer, William L.	Williams
Johnson		Withrow
Judd	Phillips, Tenn.	Yates

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Roosevelt for, with Mr. William L. Pfeiffer against.

Mr. Klein for, with Mr. Gillette against.

Mr. Celler for, with Mr. Hoffman of Michigan against.

Mr. Whitaker for, with Mr. Hugh D. Scott, Jr., against.

Mr. Crook for, with Mr. Macy against.

Mr. Yates for, with Mr. Latham against.

Mr. Morrison for, with Mr. McMillen of Illinois against.

Mr. Sabath for, with Mr. Williams against.

Mr. Morgan for, with Mr. Martin of Iowa against.

Mr. deGraffenried for, with Mr. Rivers against.

Mr. Case of New Jersey for, with Mr. Mason against.

Mr. Holifield for, with Mrs. St. George against.

Mr. Miller of California for, with Mr. Eaton against.

Mr. Staggers for, with Mr. McCulloch against.

Mr. Sadowski for, with Mr. Smith of Ohio against.

Mr. Dingell for, with Mr. Werdel against.

Mr. Buckley of New York for, with Mr. Plumley against.

Additional general pairs:

Mr. Hébert with Mr. Engel of Michigan.

Mr. Gregory with Mr. Nixon.

Mrs. Norton with Mr. Murray of Wisconsin.

Mr. Pace with Mr. Angell.

Mr. Larcade with Mr. Edwin Arthur Hall.

Mr. Wier with Mr. Withrow.

Mr. Quinn with Mr. Van Zandt.

Mr. Barden with Mr. Smith of Kansas.

Mr. Joseph L. Pfeifer with Mr. Norblad.

Mr. Powell with Mr. O'Konski.

Mr. Regan with Mr. Johnson.

Mr. Gore with Mr. Kearney.

Mr. McMillan of South Carolina with Mr. Judd.

Mr. Dawson with Mr. Keefe.

Mr. Sikes with Mr. Barrett of Wyoming.

Mr. Smathers with Mr. Blackney.

Mr. Sheppard with Mr. Case of South Dakota.

Mr. Durham with Mr. Phillips of Tennessee.

Mr. BATTLE changed his vote from "nay" to "yea."

Mr. CASE of New Jersey. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. MASON]. If present, he would have voted "nay." I would have voted "yea." I therefore answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 385. Joint resolution to provide for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 7302. An act to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes; and

H. R. 8028. An act to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.

CITATION OF WILLIAM L. PATTERSON FOR CONTEMPT OF CONGRESS

Mr. BUCHANAN. Mr. Speaker, I submit a privileged report (No. 3025) from the House Select Committee on Lobbying Activities.

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING WILLIAM L. PATTERSON

The Select Committee on Lobbying Activities, created by the House of Representatives under House Resolution 298 of the Eighty-first Congress, was authorized and directed to conduct a study and investigation of "(1) all lobbying activities intended to influence, encourage, promote, or retard legislation; and (2) all activities of the agencies of the Federal Government intended to influence, encourage, promote, or retard legislation."

The Civil Rights Congress, an unincorporated association, with offices at 205 East Forty-second Street, New York City, N. Y., registered and filed reports under the Federal Regulation of Lobbying Act during the years 1946, 1947, and 1948.

Since 1946 the Civil Rights Congress has advocated or opposed many national legislative proposals and has succeeded in establishing chapters in many of the larger cities.

William L. Patterson is the national executive secretary.

The chairman of the Select Committee on Lobbying Activities issued and caused to be served a subpena duces tecum on said William L. Patterson, directing him to be and appear before the said Select Committee on Lobbying Activities on August 3, 1950, at 10 a. m.

The subpena called for the production of documents relating to (a) the organization and finance of the Civil Rights Congress, and (b) the activities of the Civil Rights Congress, its members, officers, directors, representatives, agents, and employees pertaining to legislation.

The said William L. Patterson, pursuant to said subpena and in compliance therewith, appeared before the said committee but failed and refused to answer certain questions and failed and refused to produce certain records called for in the subpena duces tecum and as a result of such failure and refusal, the Select Committee on Lobbying Activities was deprived from receiving information concerning a matter committed to said committee. The record of the proceedings before the Select Committee on Lobbying Activities held on Thursday, August 3, 1950, during which the said William L. Patterson refused to furnish certain material pertinent to subject under inquiry, is set forth in part as follows:

"CIVIL RIGHTS CONGRESS (H. RES. 298)

"HOUSE OF REPRESENTATIVES,
"HOUSE SELECT COMMITTEE
ON LOBBYING ACTIVITIES,
"Washington, D. C.,
Thursday, August 3, 1950.

"The select committee met, pursuant to call, at 10:45 a. m., in the caucus room, Old House Office Building, Hon. Frank Buchanan (chairman) presiding.

"Present: Representatives BUCHANAN (chairman), LANHAM, ALBERT, DOYLE, HALLECK, and BROWN of Ohio.

"Also present: Benedict F. FitzGerald, Jr., committee counsel.

"The CHAIRMAN. The committee will come to order.

"The House Select Committee on Lobbying Activities has this morning the Civil Rights Congress and their executive secretary, Mr. William L. Patterson.

"Will you be sworn, Mr. Patterson?

"Do you solemnly swear that the statements you make before this committee will be the truth, the whole truth, and nothing but the truth, so help you God, until the last great day?

"Mr. PATTERSON. Yes, sir.

"The CHAIRMAN. Proceed, counsel.

"Mr. FITZGERALD. Please state your name and address.

"Mr. DOYLE. Will the record show it is a quarter of 11 and we convene at 10 o'clock.

"The CHAIRMAN. Note that in the record.

"Mr. FITZGERALD. Also that there is a quorum present.

"Please state your full name and address, Mr. Patterson.

"TESTIMONY OF WILLIAM L. PATTERSON, NATIONAL EXECUTIVE SECRETARY, CIVIL RIGHTS CONGRESS

"Mr. PATTERSON. Before doing that, I would like to apologize to the committee for being late. I took a plane, 6:53 Eastern, that was due to arrive here at 8:46, and it arrived here at a quarter after 10, so that the lateness is not a matter of discourtesy at all to the committee.

"My name is William L. Patterson.

"Mr. FITZGERALD. And your address?

"Mr. PATTERSON. My address is 409 Edgecomb Avenue, New York City.

"Mr. FITZGERALD. What is your official connection with the Civil Rights Congress?

"Mr. PATTERSON. I am the national executive secretary of the Civil Rights Congress.

"Mr. FITZGERALD. And is that an incorporated organization?

"Mr. PATTERSON. It is not an incorporated organization.

"Mr. FITZGERALD. Has it filed a business certificate?

"Mr. PATTERSON. It filed a certificate of doing business; yes.

"Mr. FITZGERALD. Is it an unincorporated association?

"Mr. PATTERSON. It is an unincorporated association.

"Mr. FITZGERALD. And where are its offices located?

"Mr. PATTERSON. The offices are located at 205 East Forty-second Street, New York City.

"Mr. HALLECK. Although your organization has taken a definite position in respect to many matters that have been pending before the Congress are we to understand from what you say that you have not done anything to implement those positions that you have taken?

"Mr. PATTERSON. Yes; in certain instances we have, but the Lobbying Act——

"Mr. HALLECK. Well, as a matter of fact I know of my own observations, I think, that your organization has been very vocal and active in connection with the matter of legislation pending in the Congress.

"Mr. LANHAM. Have they not had hordes of people coming down here?

"Mr. HALLECK. Oh, yes. Is it not true, Mr. Patterson——

"Mr. FITZGERALD. Mass trips?

"Mr. HALLECK. That you and your organization and members of your organization have in an organized manner visited and talked to the Congressmen and Senators in respect to legislation?

"Mr. PATTERSON. Correct.

"Mr. HALLECK. And have you not done that with the purpose of trying to influence either the enactment or the defeat of legislation?

"Mr. PATTERSON. Yes.

"Mr. HALLECK. And those activities have been directed at either bringing about the passage of legislation or the defeat of legislation, is that not true?

"Mr. PATTERSON. I would say that was true.

* * * * *

"The CHAIRMAN. We have asked you to turn over certain records to the committee, is that not a fact, Mr. Patterson?

"Mr. PATTERSON. That is a fact.

"The CHAIRMAN. Have you turned them over to the committee?

"Mr. PATTERSON. I have not. I have brought some of the material here.

"The CHAIRMAN. Will you turn that material over to the committee?

"Mr. PATTERSON. If you mean will I turn over all of the material asked for in the 32 demands that have been propounded here, the answer is, 'I will not.'

"The CHAIRMAN. Mr. Patterson, are you now or have you ever been a member of the Communist Party?

"Mr. PATTERSON. I refuse to answer that question. It is in violation of my constitutional rights."

* * * * *

Thereafter, on August 3, 1950, the chairman of the Select Committee on Lobbying Activities issued and caused to be served a second subpena duces tecum on said William L. Patterson, directing him to be and appear before the said Select Committee on Lobbying Activities on August 4, 1950, at 10 a. m. and to bring with him the same documents identified in the first subpena.

The subpena duces tecum served upon William L. Patterson is set forth in words and figures below:

The said subpena duces tecum was served on William L. Patterson by Benedict F. FitzGerald, counsel for the Select Committee on Lobbying Activities. The return of the service of the subpena, endorsed thereon, is set forth in words and figures as follows:

"BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES OF AMERICA

"To BENEDICT F. FITZGERALD, Jr.:

"You are hereby commanded to summon William L. Patterson, executive secretary of the Civil Rights Congress, 205 East Forty-second Street, New York, N. Y., to be and appear before the Select Committee on Lobbying Activities of the House of Representatives of the United States, of which the Honorable FRANK BUCHANAN is chairman, and to bring with him the following documents in his custody: (See attachment) relating to (a) the organization and finances of the Civil Rights Congress, and (b) the activities of the Civil Rights Congress, its members,

officers, directors, representatives, agents, and employees pertaining to legislation, in their chamber, room 362, Old House Office Building, in the city of Washington, on Friday, August 4, 1950, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 3d day of August 1950.

"FRANK BUCHANAN, *Chairman.*

"Attest:

"RALPH R. ROBERTS, *Clerk.*"

"Subpena for----------

"Before the Committee on the----------

"Served the undersigned Benedict F. FitzGerald, made service upon William L. Patterson, by serving a copy of this subpena, together with an attachment, to the said William L. Patterson, on August 3, 1950, at 11:15 a. m., in room 362, House of Representatives Office Building, Washington, D. C.

"BENEDICT F. FITZGERALD, Jr.

"WM. EARL GRIFFIN, *Clerk.*

"*Attachment*

"1. Articles of incorporation and certificate of incorporation of the Civil Rights Congress, hereinafter referred to as the CRC; or other charters, articles, or certificates of association if unincorporated, or certificates to do business, etc.; and all amendments to any such documents.

"2. Such records as show the name, address, and title of each of the officers and directors of the CRC for each year from January 1, 1947, to date.

"3. All minutes and records of proceedings, including all motions made and resolutions offered, and the action taken thereon, at all meetings of (A) the board of directors, (B) the members, (C) the executive committee, (D) any other committee of the CRC from January 1, 1947, to date, relating in any way to—

"(a) Any legislation [1] proposed or pending in the Congress of the United States;

"(b) Attempts or plans to influence such legislation, either directly or indirectly;

"(c) Studies made of proposed or pending legislation."

"4. Each annual report of the CRC from January 1, 1947, to date, or a copy thereof where the original is not available, together with a copy of all reports made by any officer, agent, representative, committee, or department of the CRC, from January 1, 1947, to date, relating in any way to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

"5. Each publication, circular, letter, memorandum, pamphlet, bulletin, etc., or copies thereof where the originals are not available, issued by the CRC or any committee or department thereof, from January 1, 1947, to date, relating in any way to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

"6. All correspondence [2] between the CRC, or any of its officers, representatives, agents, or employees and members of the CRC, their officers, representatives, agents, or employees from January 1, 1947, to date, relating in any way to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

"7. All interoffice correspondence between any two or more officers, representatives, agents, or employees of the CRC from January 1, 1947, to date, relating in any way to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

"8. All correspondence between the CRC, or any of its officers, representatives, agents, or employees, and any other person [3] from January 1, 1947, to date, relating in any way to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

"9. All correspondence between members of the CRC, their officers, representatives, agents, or employees, and any other persons, from January 1, 1947, to date, relating in any way to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

"10. All correspondence between any regional, State, or local units or affiliates of the CRC, or officers, representatives, agents, or employees of such units or affiliates and any other persons, from January 1, 1947, to date relating in any way to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

"11. All correspondence between the CRC, or any of its officers, representatives, agents, or employees, and Members of the Congress of the United States or their employees from January 1, 1947, to date, relating in any way to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

"12. All press release, articles, or other informational material or copies thereof where the originals are not available, prepared by the CRC or any of its officers, representatives, agents, or employess, for submission to any newspaper, magazine, periodical, radio or television station or network, radio or television writer, announcer or commentator, from January 1, 1947, to date, relating to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

"13. All statements, or copies thereof where the originals are not available, from January 1, 1947, to date, prepared by any officer, representative, agent, or employee of the CRC for submission to any committee of the Congress of the United States by any person.

"14. Such records as show the name of each officer, representative, agent, or employee of the CRC who has assisted in the preparation of each such statement.

"15. Such records as show the name and affiliation of each person submitting each such statement, to a committee of the Congress of the United States.

"16. Such records as show the date each such statement was submitted, together with the name of the committee to which the statement was submitted.

"17. Such records as show the title and bill number of all bills, resolutions, and other legislative proposals prepared in whole or in part by any officer, representative, agent, or employee of the CRC or prepared by any other person at the behest of the CRC, or whose preparation was arranged by the CRC, from January 1, 1947, to date, together with such records as show the disposition of each such bill, resolution, or other legislative proposal.

"18. Such records as show the name of each officer, representative, agent, or employee of the CRC, who has assisted in the preparation of each such bill, resolution, or other legislative proposal.

"19. All correspondence relating in any way to each such bill, resolution, or other legislative proposal.

"20. Books of account, audits, canceled checks, deposit slips, receipts, and other supporting documents which show the receipts and expenditures of the CRC from January 1, 1947, to date.

"21. Such of the records of the CRC which indicate the name and address of each person from whom a total of $500 or more has been received in the 43-month period from January 1, 1947, to date, for any purpose, including but not limited to, receipts in the following categories:

"(a) Money received from the sale of books, pamphlets, and other literature.

"(b) Contributions.

"22. Such of the records of the CRC which indicate, as to each such person referred to in paragraph 21, the amount, date, and purpose of each payment which formed a part of the total of $500 or more.

"23. Such of the records of the CRC which show all receipts and expenditures of the CRC in relation to the borrowing, lending, or renting of mailing lists to or by the CRC.

"24. Such of the records of the CRC which show the number of mailing lists of the CRC, the identity of each type of mailing list, and the number of names on each type of mailing list.

"25. All correspondence which relates to the lending or renting of mailing lists by the CRC to other persons.

"26. All correspondence relating to mailing lists borrowed or rented by the CRC from other persons.

"27. Such records of the CRC as indicate receipts and expenditures in relation to the distribution of any material under the frank of any Member of the Congress of the United States, and all correspondence relating in any way to any such distribution.

"28. Such records, from January 1, 1947, to date, which show the name of each officer or employee of the CRC receiving a salary in excess of $5,000 per annum.

"29. All contracts, memoranda of agreements, and other records showing or defining the duties and terms of employment of each such officer and employee.

"30. Books of account, canceled checks, and vouchers showing for the period from January 1, 1947, to date, all receipts of and expenditures by Milton Kaufman, Joseph Cadden, Thomas G. Buchanan, Jr., Len Goldsmith, William L. Patterson, George Marshall, Miranda Smith, and Charles A. Doyle, relating to their activities on behalf of the CRC.

"31. Such of the records of the CRC which indicate the names and addresses of all banks, trust companies, or other financial institutions with which the CRC or Milton Kaufman, Joseph Cadden, Thomas G. Buchanan, Jr., Len Goldsmith, William L. Patterson, George Marshall, Miranda Smith, and Charles A. Doyle have accounts, or through which the CRC or Milton Kaufman, Joseph Cadden, Thomas G. Buchanan, Jr., Len Goldsmith, William L. Patterson, George Marshall, Miranda Smith, and Charles A. Doyle transact financial business together with a description of the nature of the accounts maintained and the dates during which the accounts were maintained, from January 1, 1947, to date.

"32. All correspondence, all records of receipts and disbursements of money (including but not limited to canceled checks, receipts, and deposit slips), and all other records of the CRC relating to each convention, rally, protest meeting, assembly, "march on Washington," group train or bus trip or caravan to Washington, or legislative conference relating in any way to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above, which was sponsored by or held at the behest of the

[1] The term "legislation" as here and hereinafter used throughout this subpena means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House.

[2] The term "correspondence" as here and hereinafter used throughout this subpena means letters, telegrams, memoranda, pamphlets, bulletins, circulars, and other printed or duplicated matter, and transcripts or memoranda of telephone conversations; and the term includes copies of such documents where original documents are not available.

[3] The term "person" as here and hereinafter used throughout this subpena includes an individual, partnership, committee, association, corporation, and any other organization or group of persons.

CRC or in which the CRC participated in any manner."

Pursuant to said subpena, William L. Patterson appeared before the Select Committee on Lobbying Activities on August 4, 1950, but failed and refused to produce certain records called for in the subpena duces tecum, and as a result of such refusal the Select Committee on Lobbying Activities was again deprived from receiving information concerning a matter committed to said committee. The record of the proceedings before the Select Committee on Lobbying Activities held on Friday, August 4, 1950, during which the said William L. Patterson refused to furnish certain material pertinent to the subject under inquiry, is set forth in part as follows:

"HOUSE OF REPRESENTATIVES,
"HOUSE SELECT COMMITTEE
ON LOBBYING ACTIVITIES,
"Washington, D. C.,
"Friday, August 4, 1950.

"The select committee met, pursuant to adjournment, at 10:02 a. m., in the caucus room, Old House Office Building, Hon. HENDERSON LANHAM presiding.

"Present: Representatives LANHAM (presiding), ALBERT, and DOYLE.

"Also present: Benedict F. FitzGerald, Jr., committee counsel. William L. Patterson, national executive secretary, Civil Rights Congress.

"Mr. LANHAM. Because the House meets at 10 this morning and a quorum call has already been requested and is in progress, the meeting will be adjourned until 11 this morning when we will be back.

"(Whereupon, the committee recessed at 10:03 a. m., and reconvened at 11:12 a. m.)

"(Present: Representatives LANHAM (presiding), ALBERT, DOYLE, and O'HARA of Minnesota).

"Mr. LANHAM. The committee will come to order.

"Mr. Clerk, do you know where the witness is?

"Mr. GRIFFIN. I will try to locate him, sir. I haven't been able to as yet.

"Mr. LANHAM. See if the officers can locate him and ask him to come in. We will wait a few minutes, otherwise we will ask the clerk to draw a citation for contempt.

"Let it be noted that a quorum is present at 11:15. Those present are DOYLE, ALBERT, LANHAM, and O'HARA of Minnesota.

"(Recess: 11:15–11:25 a. m.)

"Mr. LANHAM. The committee will be in order.

"TESTIMONY OF WILLIAM L. PATTERSON, NATIONAL EXECUTIVE SECRETARY, CIVIL RIGHTS CONGRESS—RESUMED

"Mr. LANHAM. Did the witness misunderstand the time of the hearing?

"Mr. PATTERSON. I find myself in the unfortunate position of having to make another apology. I saw the chairman of the committee, and I was watching from the gallery of the House, and not understanding procedure I thought the chairman absent, why——

"Mr. LANHAM. Well, the chairman is a member of the committee that is guiding the bill through the House that they have been discussing and that accounts for his absence.

"Mr. PATTERSON. I regret my absence.

"Mr. LANHAM. Would the witness proceed?

"Mr. Counsel, do you have any questions?

"Mr. FITZGERALD. Yes.

"Mr. Chairman, at this time I think we want to introduce into evidence the subpena——

"Mr. LANHAM. Let me swear the witness first, please.

"Mr. FITZGERALD. Yes.

"Mr. LANHAM. Hold up your right hand.

"Do you solemnly swear that the evidence you shall give the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. PATTERSON. I do.

"Mr. LANHAM. Mr. FitzGerald.

"Mr. FITZGERALD. Yesterday when we adjourned we were discussing the subpena that had been served upon the witness, Mr. Chairman, and today I want to introduce into evidence a copy of a subpena duces tecum dated August 3, 1950, which was served yesterday, commanding William L. Patterson, executive secretary of the Civil Rights Congress, 205 East Forty-second Street, New York, N. Y., to appear before this committee today and instructing him to bring with him documents mentioned in the attachment accompanying that supena. Thirty-two provisions are contained in that attachment.

"I would like to make that a part of the record.

"Mr. LANHAM. Without objection it will be admitted."

(The subpena and attachment referred to has been set forth above.)

* * * * *

"Mr. FITZGERALD. For the record, Mr. Chairman, the subpena that I have introduced is a new subpena which was served yesterday, and from my study of it it is perfectly in order.

"Mr. LANHAM. Was it served upon the witness as the representative of the Civil Rights Congress?

"Mr. FITZGERALD. Precisely. It was served by me in the company of Earl Griffin, clerk of our committee and the return made on the reverse side thereof so designates.

"Mr. LANHAM. All right, proceed.

"Mr. FITZGERALD. Now, Mr. Patterson, I direct your attention to this subpena which has just been introduced into evidence, and I want you to examine it and tell me whether or not that is an exact copy of the one that you have in your hand.

"Mr. PATTERSON. I find it to be so. I find it to be so. I am satisfied that it is so, rather; I haven't examined it.

"Mr. FITZGERALD. You are now before the committee, the House Lobbying Committee, which is mentioned in that subpena?

"Mr. PATTERSON. That is my understanding.

"Mr. FITZGERALD. And I direct your attention to the attachment of the subpena now. I just mentioned that there are 32 provisions in that attachment.

* * * * *

"Mr. LANHAM. Will you state which you will not supply and which you will?

"Mr. PATTERSON. I will not supply any account, any list, of those who have given material support to the organization.

"Mr. DOYLE. May I ask a question, please?

"When you got this subpena, did you look to see what material you had in the files that was referred to in the subpena?

"Mr. PATTERSON. To a certain degree, yes.

"Mr. DOYLE. To how far a degree?

"Mr. PATTERSON. To a very large degree.

"Mr. DOYLE. Did you bring it with you?

"Mr. PATTERSON. I did not.

"Mr. DOYLE. Why didn't you?

"Mr. PATTERSON. Because I didn't regard this organization as a lobbying organization.

* * * * *

"Mr. FITZGERALD. Now paragraph 20 in the attachment to the subpena mentions all the "books of account, audits, canceled checks, deposit slips, receipts, and other supporting documents which show the receipts and expenditures of the Civil Rights Congress from January 1, 1947, to date."

"What about those items? Have you brought them with you this morning?

"Mr. PATTERSON. I have not brought it this morning. I will not bring it any morning. You have subpenaed that from the bank with which I deal, and insofar as you have in your possession those bank accounts, so far as I am concerned, you will be limited to that. And I say that for this reason——

"Mr. LANHAM. Never mind your reason. Go ahead with something else.

"Mr. PATTERSON. Just a moment. I am not refusing questions categorically——

"Mr. LANHAM. You have refused to do it. We have not time to listen to a long tirade.

"Mr. PATTERSON. I am not trying to introduce any tirades here.

"Mr. LANHAM. Please answer the question and confine yourself to the direct answer to the question.

* * * * *

"Mr. PATTERSON. Such as is kept there, pursuant to the law we have, I have—may I phrase it this way: If there is such material and I do not regard it as having anything to do with lobbying, I will take that question to the Supreme Court before I will furnish it to this committee. I want that clearly understood. I am not going to be a party to the terrorization of anybody.

* * * * *

"Mr. FITZGERALD. Passing on to item 21, which also deals with financial records, do you have that in front of you? Do you propose to furnish the committee with that material?

"Mr. PATTERSON. I do not.

"Mr. FITZGERALD. With regard to item 22, do you propose to furnish the material with that—financial material is also included in 22?

"Mr. PATTERSON. I think that should be read, 21 and 22, so that my position is set forth clearly.

"Mr. FITZGERALD. All right, you may read it.

"Mr. PATTERSON. It says in 21: 'Such of the records of the CRC which indicate the name and address of each person from whom a total of $500 or more has been received in the 43-month period from January 1, 1947, to date, for any purpose, including, but not limited to, receipts in the following categories:

"'(a) Money received from the sale of books, pamphlets, and other literature;

"'(b) Contributions.'

"Now, I would say this: With relation to any moneys received from the sale of books, pamphlets, or other literature, I would not at all be adverse if I have such records to furnishing them to this committee.

"With reference to (b), the question of contributions, I shall not furnish this committee with such.

"Mr. FITZGERALD. All right. Passing on to 22, you may read that.

"Mr. PATTERSON (reading): 'Such of the records of the CRC which indicate, as to each such person referred to in paragraph 21, the amount, date, and purpose of each payment which formed a part of the total of $500 or more.'

"With relation to (a) of 22, I am not adverse to what records I have, to furnishing them. With relation to (b) of 22, I would give you the same answer.

"Mr. FITZGERALD. That is, you will not?

"Mr. PATTERSON. And for the same reason, which I want specified here clearly.

"Mr. O'HARA of Minnesota. I think that should be plain which way he means it—whether he will or will not furnish it. I do not understand, Mr. Patterson, myself that you would not furnish it.

"Mr. PATTERSON. I would not furnish these amounts.

"Mr. O'HARA of Minnesota. With reference to (b) of 21?

"Mr. PATTERSON. With reference to (b), that is, contributions.

"Mr. ALBERT. For contributions under 22?

"Mr. PATTERSON. That is what I said.

* * * * *

"Mr. FITZGERALD. Item No. 24, which is the next one, deals with what Mr. DOYLE has just described—mailing lists. [Reading:] 'Such of the records of the Civil Rights Congress

which show the number of mailing lists of the Civil Rights Congress, the identity of each type of mailing list, and the number of names on each type of mailing list.'

"Do you propose to furnish the committee with that material?

"Mr. PATTERSON. I propose to furnish no committee with the identity of individuals who can be pursued by virtue of the fact that our organization has been declared to be subversive, which it is not.

"Mr. FITZGERALD. Passing on to No. 25——

"Mr. LANHAM. Being declared by whom? The Attorney General?

"Mr. PATTERSON. That is right.

* * * * *

"Mr. FITZGERALD. Passing on to No. 30, will you read that, please?

"Mr. PATTERSON (reading): 'Books of account, canceled checks, and vouchers showing, for the period from January 1, 1947, to date, all receipts of and expenditures by Milton Kaufman, Joseph Cadden, Thomas G. Buchanan, Jr., Len Goldsmith, William L. Patterson, George Marshall, Miranda Smith, and Charles A. Doyle, relating to their activities on behalf of the CRC.'

"Mr. FITZGERALD. Do you propose to furnish that material to this committee?

"Mr. PATTERSON. There wouldn't be any in existence save that which comes within compliance with the law, which might be for 2 years.

"Mr. FITZGERALD. Do you propose to furnish the material that is in existence as you have just mentioned?

"Mr. PATTERSON. I do not.

"Mr. LANHAM. You refuse to furnish it?

"Mr. PATTERSON. I refuse.

* * * * *

"Mr. FITZGERALD. And would you identify the contributors to organization in the last year?

"Mr. PATTERSON. I might answer that question if someone asked me did so-and-so contribute. But as far as having in my memory a list of the contributors, I haven't it.

"Mr. FITZGERALD. You mean you can't list one contributor to your organization during the last year?

"Mr. LANHAM. Well, you have a list in your office, I take it?

"Mr. PATTERSON. I think that comes within the purview of the question that I said I have no intention of answering.

"Mr. LANHAM. If you refuse to answer, just tell us.

"Mr. PATTERSON. I don't say I refuse to answer here. I say as far as my memory is concerned, I say. I refuse to answer as far as furnishing a list is concerned. As far as my memory is concerned, I have no recollection.

* * * * *

"Mr. FITZGERALD. In view of the witness' refusal, Mr. Chairman, to give us evidence as to his contributors, I respectfully suggest that we adjourn at this time. I am unable to continue without that information, and I think that the witness is in contempt of this committee for refusing to answer that question and certain others, and I respectfully suggest that you adjourn because of that.

"In closing I want to point out that in the history of this committee we have only had two other individuals who have taken a similar position. I refer to Edward A. Rumely, executive secretary of the Committee for Constitutional Government, Inc., and Mr. Joseph Kamp, executive vice chairman of the Constitutional Education League. Both seem to share the identical philosophy of this individual insofar as refusing to give their lists of contributions. Apparently, the activities of these three organizations are in accord with a desire to go underground. I hesitate to recommend that you give further time to such individuals, particularly in view of the pressing war and economic problems which now confront you, and no doubt are calling you on the floor of Congress at this very moment.

"Mr. LANHAM. The committee will stand adjourned.

"(Whereupon, at 12:40 p. m., the select committee adjourned.)"

Because of the foregoing the said Select Committee on Lobbying Activities was deprived of answers to pertinent questions propounded to said William L. Patterson relative to the subject matter which under House Resolution 298 of the Eighty-first Congress the said Select Committee on Lobbying Activities was directed to investigate and the refusal of William L. Patterson to furnish the information in response to the subpena duces tecum hereinabove set forth, or in response to questions addressed to him under oath before a quorum of the Select Committee on Lobbying Activities during William L. Patterson's voluntary appearances before said Committee on Lobbying Activities deprived the Select Committee on Lobbying Activities of necessary and pertinent information and places said witness William L. Patterson in contempt of the House of Representatives of the United States.

Mr. BUCHANAN (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that further reading of the report be dispensed with.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, I believe that the record of the hearing in this case is very, very important, and that the membership should give it some attention. I am therefore constrained to object. The purpose is not to be dilatory I may say to the gentleman from Pennsylvania, but I want the Members to hear what is in the report.

The Clerk continued reading the report.

Mr. BUCHANAN. Mr. Speaker, I present a privileged resolution (H. Res. 835).

The Clerk read as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Select Committee on Lobbying Activities as to the refusal of William L. Patterson to answer questions and produce documents before the said Select Committee on Lobbying Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said William L. Patterson may be proceeded against in the manner and form provided by law.

The SPEAKER. The gentleman from Pennsylvania is recognized for 1 hour.

Mr. BUCHANAN. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. DOYLE].

COMMITTEES OF THE HOUSE ARE ENTITLED TO A PRESUMPTION OF REGULARITY AND THEIR REPORTS OF FAIRNESS AND JUSTIFICATION

Mr. DOYLE. Mr. Speaker, instead of going into a discussion of ideologies as far as my presentation of this proposed citation is concerned, I think I will just stick to the printed record and let that record speak for itself, with this observation, however, I could not help but note that my distinguished colleague, the gentleman from Indiana [Mr. HALLECK], in the very first six words he spoke, said: "This thing is largely a legal matter." So I am glad the House voted the last citation, because if the gentleman from Indiana is correct, and I believe he is, I hope it will get to the United States Supreme Court as soon as possible in order that this question of the jurisdiction of a committee of the House of Representatives in such matters as are in controversy in the case of this citation asked for against Mr. Rumely can be fairly determined by the highest court in the land.

I have the duty of presenting the proposed citation directed against William L. Patterson, the head of the Civil Rights Congress. The record will show that the Lobbying Committee agreed to take a sample out of the many we studied of the right and the left, in common parlance. We could not possibly take time for more. The extreme right was the Committee for Constitutional Government, the director of which, Dr. Rumely, we just cited; the extreme left for the purpose of taking the sampling as to methods used to lobby and other matters within the jurisdiction and purview of House Resolution 298 and not because we thought they were any worse than anyone else, but because we thought their lobbying activities were typical of the methods and means used by those on the right or on the left, whichever the case may be. That is why we are asking you to cite Mr. Patterson in this case. It is regrettable time to debate is so short.

Because I realize that many Members of this House have not recently read House Resolution 298, passed by this House August 12, 1949, I present its text to you, to wit:

Resolved, That there is hereby created a Select Committee on Lobbying Activities to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to conduct a study and investigation of (1) all lobbying activities intended to influence, encourage, promote, or retard legislation; and (2) all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation.

The committee may from time to time submit to the House such preliminary reports as it deems advisable; and prior to the close of the present Congress shall submit to the House its final report on the results of its study and investigation, together with such recommendations as it deems advisable. Any report submitted when the House is not in session may be filed with the Clerk of the House.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

And, because, by the nature of the questions asked me within the last 2 or 3

hours by Members of this busy House as to the text of the applicable sections and portions of the Regulation of Lobbying Act, being title III of the Legislative Reorganization Act of 1946, which became Public Law 601, passed by the Seventy-ninth Congress, of which I was a Member, I wish to say that section 304 and section 305, subdivision (a) (1), provides:

RECEIPTS FOR CONTRIBUTIONS

SEC. 304. Every individual who receives a contribution of $500 or more for any of the purposes hereinafter designated shall within 5 days after receipt thereof rendered to the person or organization for which such contribution was received a detailed account thereof, including the name and address of the person making such contribution and the date on which received.

STATEMENTS TO BE FILED WITH CLERK OF HOUSE

SEC. 305. (a) Every person receiving any contributions or expending any money for the purposes designated in subparagraph (a) or (b) of section 307 shall file with the Clerk between the first and tenth day of each calendar quarter, a statement containing complete as of the day next preceding the date of filing—

(1) the name and address of each person who has made a contribution of $500 or more not mentioned in the preceding report; except that the first report filed pursuant to this title shall contain the name and address of each person who has made any contribution of $500 or more to such person since the effective date of this title;

Section 307 provides:

PERSONS TO WHOM APPLICABLE

SEC. 307. The provisions of this title shall apply to any person (except a political committee as defined in the Federal Corrupt Practices Act, and duly organized State or local committees of a political party), who by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation by the Congress of the United States.

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Congress of the United States.

And section 308 provides:

REGISTRATION WITH SECRETARY OF THE SENATE AND CLERK OF THE HOUSE

SEC. 308. (a) Any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence the passage or defeat of any legislation by the Congress of the United States shall, before doing anything in furtherance of such object, register with the Clerk of the House of Representatives and the Secretary of the Senate and shall give to those officers in writing and under oath, his name and business address, the name and business address of the person by whom he is employed, and in whose interest he appears or works, the duration of such employment, how much he is paid and is to receive, by whom he is paid or is to be paid, how much he is to be paid for expenses, and what expenses are to be included. Each such person so registering shall, between the first and tenth day of each calendar quarter, so long as his activity continues, file with the Clerk and Secretary a detailed report under oath of all money received and expended by him during the preceding calendar quarter in carrying on his work; to whom paid; for what purposes; and the names of any papers, periodicals, magazines, or other publications in which he has caused to be published any articles or editorials, and the proposed legislation he is employed to support or oppose. The provisions of this section shall not apply to any person who merely appears before a committee of the Congress of the United States in support or opposition to legislation; nor to any public official acting in his official capacity; nor in the case of any newspaper or other regularly published periodical (including any individual who owns, publishes, or is employed by any such newspaper or periodical) which in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisements, which directly or indirectly urge the passage or defeat of legislation, if such newspaper, periodical, or individual, engages in no further or other activities in connection with the passage or defeat of such legislation, other than to appear before a committee of the Congress of the United States in support of or in opposition to such legislation.

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

Therefore, my colleagues, you will observe the pertinency and materiality of the questions which were asked Dr. Rumely and which he refused to answer. Certainly, Mr. Speaker, it is imperative that the representatives of the American people know the source from which the money is had and received by which the legislation which Members of Congress are asked to enact or do enact is influenced, directly or indirectly. This is not a question of freedom of the press, with all due respect to my distinguished colleagues, the gentleman from Ohio [Mr. BROWN] and the gentleman from Massachusetts [Mr. MARTIN], both of whom are able newspaper owners and editors. I declare that their appraisement of the freedom of the press being the issue is most unreasonable, unfounded and not according to the facts and issues in any of these three citations.

And as long as my distinguished committee colleague the gentleman from Indiana [Mr. HALLECK] stated that "it was largely a legal question," why not let the Supreme Court of the United States decide the constitutional rights of these parties concerned—where there is controversy over that question?

But, may I make it crystal clear that I would not knowingly vote for any bill or any citation or legislation in any form which I believed curbed the legal freedom of the press. But our high courts have held that this freedom is not absolute.

There are a few legal decisions which I wish to call to your attention at this point in my extemporaneous discussion. They are as follows:

The freedoms guaranteed by the first amendment are not absolute; they may be the subject of governmental inquiry or control in the interest of restraining abuses within the constitutional ambit of governmental activity. (*American Communications Assn., CIO* v. *Douds*, 339 U. S. 382; *United Public Workers* v. *Mitchell*, 330 U. S. 75; *Kovacs* v. *Cooper*, 336 U. S. 77.)

It is pertinent for a committee to inquire as to the finances of an organization which indulges in activities which may be the subject of legislation. (*Marshall* v. *U. S.*, 176 F. 2d 473; appeal pending; *Kamp* v. *U. S.*, 176 F. 2d 618, cert. den. May 1950.)

Many years ago the Supreme Court indicated that Congress had broad powers of investigation. In *ICC* v. *Goodrich Transit Co.*, 1912, 224 U. S. 194, that Court held that "* * * requiring * * * information concerning a business is not regulation of that business * * *" and refused to confine investigation to activities which might be regulated.

The power of Congress to investigate is certainly as broad as the power which it may validly confer upon an administrative official. In that field it has been held that the first amendment does not preclude a subpena by an administrative official requiring a newspaper to disclose the interstate distribution of its paper, dissemination of its news, or the source of its advertising receipts. (*Oklahoma Press Publishing Co.* v. *Walling*, 327 U. S. 186.)

The obvious lack of merit in the Committee for Constitutional Government's basic contention is demonstrated by the cases holding that the first amendment does not immunize the press from governmental controls applicable to other types of business. (*Oklahoma Press Publishing Co.* v. *Walling*, 327 U. S. 186; *Associated Press* v. *Labor Board*, 301 U. S. 103; *Associated Press* v. *United States*, 326 U. S. 1.)

And, now, back to this Patterson citation.

I now call your attention to the Patterson report and I ask you to observe it carefully. I am reading from pages 2 and 3 thereof:

Mr. HALLECK. Although your organization has taken a definite position in respect to many matters that have been pending before the Congress. Are we to understand from what you say that you have not done anything to implement those positions that you have taken?

Mr. PATTERSON. Yes; in certain instances we have, but the Lobbying Act——

Mr. HALLECK. Well, as a matter of fact I know of my own observations, I think, that your organization has been very vocal and active in connection with the matter of legislation pending in the Congress.

Mr. LANHAM. Have they not had hordes of people coming down here?

Mr. HALLECK. Oh, yes. Is it not true, Mr. Patterson——

Mr. FITZGERALD. Mass trips?

Mr. HALLECK. That you and your organization and members of your organization have in an organized manner visited and talked to the Congressmen and Senators in respect to legislation?

Mr. PATTERSON. Correct.

Mr. HALLECK. And have you not done that with the purpose of trying to influence either the enactment or the defeat of legislation?

Mr. PATTERSON. Yes.

Mr. HALLECK. And those activities have been directed at either bringing about the passage of legislation or the defeat of legislation, is that not true?

Mr. PATTERSON. I would say that was true.

* * * * *

The CHAIRMAN. We have asked you to turn over certain records to the committee, is that not a fact, Mr. Patterson?

Mr. PATTERSON. That is a fact.

The CHAIRMAN. Have you turned them over to the committee?

Mr. PATTERSON. I have not. I have brought some of the material here.

The CHAIRMAN. Will you turn that material over to the committee?

Mr. PATTERSON. If you mean will I turn over all of the material asked for in the 32 demands that have been propounded here, the answer is, "I will not."

Mr. Speaker, I read from page 5, article 12:

12. All press releases, articles, or other informational material or copies thereof where the originals are not available, prepared by the CRC or any of its officers, representatives, agents, or employees, for submission to any newspaper, magazine, periodical, radio or television station or network, radio or television writer, announcer or commentator, from January 1, 1947, to date, relating to the matters set forth in subparagraphs (a), (b), and (c) of paragraph 3 above.

Mr. Speaker, I wish to state to the House that some 32 items are listed here, that we demanded an inspection of and presentation of under subpena duces tecum. None of this information was produced for the record. We believed and still believe that his refusal to produce those records and that information to the lawful uses and purposes of your committee under House Resolution 298, deprived the committee of material and necessary information, records, and data needed to efficiently and adequately make our study, our survey, our report, and any recommendation we might consider making to Congress.

I think the record of the committee hearing in this Patterson matter speaks very clearly and loudly that Mr. Patterson, in his own language, stated time and time again that he would not produce the names of the contributors, and he would not produce these records which we asked for and which we were entitled to have him produce.

I hope the Members of the House will not vote for or against this citation on the ground that this man we are asking you to cite happens to come from the extreme left. Do you get my point? I am asking the Members not to vote for or against this citation on the basis that this man happens to represent the extreme left in our judgment. Mr. Rumely, in my opinion, represented the extreme right. It seems to me that we ought to deal with this question on the basis of what the record speaks. You and I must not be prejudiced against this American citizen in this citation matter merely because we know him to be what is termed on the extreme left. That is not the issue in this case. Political ideologies are not the test as to whether or not this citation should issue. I am sure you will agree with me that the record speaks very loudly and clearly this gentleman should be cited on the basis of the record for contempt of a committee of the Congress.

I cannot refrain from making this observation of my own position on the committee that I have been privileged to serve. I have enjoyed my service. I have enjoyed the work of the committee; I have enjoyed the work of the distinguished Members on the Republican side as well as those on the Democratic side. I wish to say to the Members of the House that I am satisfied, by and large, we have not been trying to catch anybody; we have not been trying to persecute anybody; we have not been trying to trap someone for the purpose of citing them to the district attorney of the United States. I wish to say that I believe the record of these hearings by the committee will show it is a fact this committee work has been objective as contrasted to being essentially partisan or petty or with small, puny motive. As to the remarks made by the gentleman from Georgia [Mr. Cox], when the gentleman from Massachusetts [Mr. MARTIN] graciously yielded to him, I wish to say that I have not known of any devious or any secret power and control of the committee or any member of the committee, and I hope that the gentleman's remarks will not be appraised by any Member of this House as inferentially even suggesting that any Member of this House on this lobbying committee has been the subject of some unseen or secret power. I believe fundamentally the House of Representatives should as far as possible uphold the arm of every committee which is legally constituted by the Congress itself. The well-established presumption in law is that the function of committees of Congress is legal, that they take legal steps; that they do not violate the law. So I am glad to see the House of Representatives sustain its own committee. We should give our own committees the benefit of the doubt, if any doubt exists.

Our highest courts have declared that a presumption of regularity and jurisdiction exists in favor of a congressional committee in the performance of its congressional investigations. And, may I say to you gentlemen on the Republican side of this House and any others who may be inclined to vote against this citation, why not take the word and appraisement of your own distinguished colleague, the gentleman from Indiana [Mr. HALLECK] as basically correct, to-wit: that this question is largely a legal question. Vote the citation if there is any doubt in your mind. Give the committee the benefit of your doubt. Send it to the United States Supreme Court and let us find out whether or not questions such as your committee asked and whether or not questions such as Dr. Rumley refused to answer and whether or not the facts the majority of your committee believes it is entitled to receive is, in fact, a violation of the freedom of the press or the violation of any other inherent right to any American. If it is, I certainly do not know it. I do not believe it is.

The voting of this citation does not send Dr. Rumely to prison. It presents a case for him to defend as well as a case for the Attorney General of the United States to prosecute under due process of law in the courts. Dr. Rumely will get full and adequate opportunity to present his defense, and he should have it.

No doubt some of the vast amounts of money received by the Committee for Constitutional Government would be allocated to see to it that he was very adequately defended. As a matter of fact, he always had with him at the committee hearings one of the most able and best-known attorneys on the eastern seaboard, a man trained by able service with the United States Government as well as in a large private practice. So Dr. Rumely was well-advised legally, and he followed his lawyer's advice.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman has referred to the report and has read to the membership certain questions and answers, some of which were put by me. Do I understand it is the gentleman's contention from those questions and and answers that the answers do definitely disclose that Mr. Patterson and his organization, not being registered under the Lobbying Act, have from time to time directly intervened with Members of Congress for and against pending legislation?

Mr. DOYLE. I will say to the gentleman I think there is no question about it. The record clearly shows, that, based on our own printed hearings which are in the possession of every Member of the House this afternoon, that this gentleman and his organization were engaged in lobbying. And I believe the record clearly speaks because Dr. Rumely frankly admitted in the hearings that the committee was engaged in lobbying your own House committee, appointed under House Resolution 293, was entitled to ask and was entitled to know the source of all moneys coming to Dr. Rumely's committee for the purpose of lobbying, either directly or indirectly—that is the clear text of the act passed in the Seventy-ninth Congress.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from New York.

Mr. MARCANTONIO. Does not the record show they did register?

Mr. DOYLE. Yes, but the record shows he refused to comply with a legal supena duces tecum.

Mr. MARCANTONIO. That is another question.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from New York.

Mr. KEATING. In order to get the issue perfectly clear here, the gentleman was reading on page 3 regarding this subpena and the witness' answer that he refused to turn over all of the material in the 32 demands. Then the gentleman ceased reading, as I remember, and I wondered whether a part of the charge here is his refusal to answer questions about membership in the Communist Party.

Mr. DOYLE. I deliberately avoided reading that question. I felt the question of whether or not this man was a Communist or whether or not he denied or admitted it was not pertinent to this citation. I felt that was a matter of ideology and it should not be emphasized in this House in order to prejudice any Member to vote for citing Patterson. The printed record should stand on its own feet as to the issuance of this citation. We are not citing this man on the ground of whether or not he is a Communist. I wish to say this, we did not vote for or against Mr. Rumely because he was a Fascist either.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. That certainly is a question within the province of the Committee on Un-American Activities, and I doubt whether our committee would have jurisdiction over that question.

Mr. DOYLE. I deliberately avoided it for the reasons stated.

Mr. KEATING. Mr. Speaker, will the gentleman yield further?

Mr. DOYLE. I yield.

Mr. KEATING. That is exactly what I wanted to indicate. It seems to indicate that that was a question which perhaps would not be within the purview of the Committee on Lobbying. Do I understand that the contempt which your committee charges has to do with his refusal to turn over some of these papers called for in the 32 demands?

Mr. DOYLE. That is correct; that is what the printed record clearly shows.

The SPEAKER. The time of the gentleman from California has expired.

Mr. BUCHANAN. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, we have had a most unusual situation here today. At least one part of this House has temporarily reformed; one part of this House got Constitution conscious today. I submit that my vote has been a most consistent vote on the question of these citations upon which the House has just voted. I always believed that the first amendment to the Constitution was applicable to 150,000,000 Americans and that it was applicable to all of them, irrespective of their color, race, or political beliefs. Part of this House has decided today to apply it to Mr. Rumely, I think only because of his political beliefs being of the extreme right, or of a reactionary character. I have no respect for Mr. Rumely; I have no respect for his views. I deem him to be a domestic Fascist, but he is one of the 150,000,000 Americans, and the first amendment applies to him just as much as it applies to anybody else. For this reason, and no other, I voted against citing him for contempt. I think the day is not far off when Members of this House are going to rue the fact that the Constitution is being disregarded daily in this House and that the Bill of Rights is being destroyed daily in this House. We are repeating the Fascist story of Italy and the Nazi story of Germany.

Now I want to address myself to this particular citation, because this citation is most unusual and stands by itself from all of the other citations that have come before this House. We just had a confession from the last speaker, the gentleman from California, speaking for the committee. He said, "You see, we took in the right" and they had two citations, at least, thought they were going to vote and finally did vote two citations against individuals who were supposed to represent the right. So, they had to balance this matter; they could not come before this House with two citations, both against the extreme right, so they had to balance it, they had to have a victim from the so-called left, and they picked on William Patterson of the Civil Rights Congress.

Now, William Patterson has been a courageous fighter for his people and the rights of his people for years. He is a Negro. The Civil Rights Congress has been listed by the Attorney General, because it happens to be one of those organizations militantly fighting for civil rights, and one which has exposed the hypocrisy of this Democratic administration on civil rights. The action of the Attorney General was sheer political vengeance. Despite this persecution, the Civil Rights Congress has been doing tremendous work. Yes, it was the Civil Rights Congress that only recently went down to Mississippi and saved Wm. McGee from the electric chair. McGee, a Negro, is the victim of a vicious frame-up. This gives you an idea of the kind of activity in which Patterson and his organization are engaged. This activity is the kind of lobbying this committee chose to investigate.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from California.

Mr. DOYLE. I wish to say to the gentleman that this committee was not thinking in terms of individuals. We selected these three as representing typical lobbying organizations.

Mr. MARCANTONIO. Yes, but the gentleman confessed that they had two citations of the right, so he said, "We had to have a sample of them among the left" and the Negro Patterson was the sample. In other words, they had to have a victim from the left in order to make a pretense at impartiality, irrespective of whether or not the Civil Rights Congress was a legitimate subject of this investigation or even remotely came within the purview of the investigation.

The kind of work the Civil Rights Congress does is not what Congress intended by lobbying in its resolution establishing this committee. It has been constantly, in every State of this Union, fighting for the civil rights of the Negro people and it has been defending Negroes who have been deprived of their rights in the various courts and by officials in the various States of this country. So, Mr. Patterson received a subpena to come in here. A victim from the left had to be produced. Here was the victim and he was a Negro. This record is very, very illuminating as to how this Negro was treated before this House committee, and I think it is about time we examine this record and hang our heads in shame. I call your attention to the report containing excerpts of the hearings.

Read the following on page 3.

The chairman asked Mr. Patterson:

Are you now or have you ever been a member of the Communist Party?

The last speaker, the chairman of the committee, and the gentleman from Oklahoma all admit now that this question did not come within the purview of this committee. Then why did you ask the question? Why did you ask the question if it did not come within the purview of these investigations? Why did you ask it? The answer is obvious. The Negro victim from the left had to be smeared and this was the beginning of the smearing of that victim. Mr. Patterson was late. He was in the gallery according to the testimony. He noticed the chairman of the committee on the floor of the House, and he figured because the chairman of the committee was on the floor of the House there would be no committee meeting without the chairman. He did not know anything about the appointment of an acting chairman. What happened? When Mr. Patterson did not get there on time that afternoon, when he was a few minutes late, Mr. LANHAM, acting chairman of the committee, said, "See if the officers can locate him and ask him to come in. We will wait a few minutes. Otherwise, we will ask the clerk to draw a citation for contempt." I wonder if officers would have been sent after a white witness.

Do you get the anxiety here? They wanted to get this victim. It had to be a victim from the left. So they sent out the officers for him. He appeared by himself. The point is, he appeared immediately. He was there. Then let me show you what short shrift they gave this man when he tried to explain his position. He was asked questions about documents and records and the record shows here that many of these documents had been obtained by subpena duces tecum served on the bank in which the organization keeps its funds. The only thing that Mr. Patterson refused to give was his list of contributors, and you gentlemen who voted "no" on the Rumely citation had better bear in mind that there is no distinction between these two cases, because the Civil Rights organization is also publishing pamphlets and selling pamphlets on the issue of civil rights and on the various cases which it has been handling. So that there is no difference between this case and the Rumely case. Of course, I know a lot of people are going to split hairs and are going to make up a lot of arguments to try to show a difference. However, any such difference will be synthetic and fake. But there is no difference and anybody with common sense and honesty will not challenge this statement. Let me get back again to show you how they treated this Negro victim from the left. Mr. Patterson said:

And I say that for this reason——

Mr. LANHAM. Never mind your reason, go ahead with something else.

This is a Negro before this committee. Short shrift with him. This is the kind of treatment he received while he was being questioned. Mind you, this man is not a lobbyist. He is a defender of his people. What has he engaged in? He has asked the Members of the Congress to vote for the civil rights bills that have come before the Congress. What has he done? He has sent letters. Yes, there have been delegations coming down here, public, open, mass delegations of hundreds of people coming down here to ask the Members of Congress to

live up to the pledges on civil rights which they made at the time they sought to be elected. He was not a lobbyist for special privilege. He was not a lobbyist for the real estate crowd. He was not a lobbyist for the loan to Franco. He was not a lobbyist for the special privileges—special privileges that go up and down these Halls of Congress, infesting the Halls of Congress like cockroaches, and doing so with immunity despite this committee. He has been petitioning the Congress of the United States. What kind of deal did he get from this committee? He was twice called a liar by the acting chairman. He finally wound up before that committee by having his race insulted, and by having 15,000,000 Negro people villified when he was called "a black * * *" epithet by the acting chairman. That happened before that committee. That happened to this witness, yes this Negro victim from the alleged left. I say that somebody is in contempt. Mr. Speaker, somebody is in contempt, but it is not Mr. Patterson. I tell you we in the House, all of us are in contempt when we permit that kind of language and that kind of insult to be hurled at 15,000,000 Americans and we do nothing about it.

Oh, sure. Let somebody now get up here and try to wash it off by hollering about "atheistic Russia," or communism, or set up the red bogey. But I tell you what we are facing here is a challenge, a challenge to fairness and justice and decency. The challenge is, shall we by voting for this citation, by voting to send this Negro victim to jail, put our stamp of approval on the use of the language in Congress to which this Negro was subjected before this committee. You want the Negro victim from the left. I cannot stop you from taking him. You have him; but you know deep down in your hearts that you are not doing what is just. Crucify Patterson. Crucify him the way you villified his people, the 15,000,000 members of his race before your committee. Go ahead and crucify him. That is within your power, but you are not only violating the Constitution, you are undermining the faith of Americans in the justice and integrity of this Congress.

Mr. BUCHANAN. Mr. Speaker, I yield 10 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, so far as I am concerned, the only Member who is going to say anything about atheistic communism in this debate is the gentleman from New York, because it does not have anything to do with the issue we are discussing here.

Mr. RANKIN. The gentleman from New York [Mr. MARCANTONIO]?

Mr. ALBERT. The gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. I have a great deal of respect for the gentleman from Oklahoma.

Mr. ALBERT. And I have a great deal of respect for the gentleman from New York, even though I disagree with him.

Mr. MARCANTONIO. I know the gentleman from Oklahoma does not need the gentleman from Mississippi to prompt him. The gentleman from Oklahoma has plenty of ability to take care of himself any time of the day without the help of the gentleman from Mississippi.

Mr. ALBERT. I always welcome the help of the gentleman from Mississippi.

Mr. RANKIN. I did not mean to interrupt. I was just asking for information.

Mr. ALBERT. The gentleman's question answers itself.

This is not a question involving the communism of William Patterson. The only question here is whether a committee of Congress asking for information, which it is entitled to have, has the power to require a witness to furnish such information and to cite for contempt such witness when he contemptuously and flagrantly refuses to give it. This witness not only admitted that he and large numbers of people representing his organization had been to Washington lobbying Congressmen on several different occasions, but that the organization at one time had reported under the Registration of Lobbying Act, an act which requires reports of receipts and expenditures. We asked him for the information that he already should have filed with the Clerk of the House when he reported under the Lobbying Act, and he refused to give it: First, because he said he did not know whethe- his was a lobbying organization; and, second, because he thought it might incriminate somebody else.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. RANKIN. This party you are talking about is supposed to represent the Civil Rights Congress. That is a Communist-front organization?

Mr. ALBERT. The Attorney General has so held, I think.

Mr. RANKIN. Have you ever heard any individual who investigated it who did not hold it was a Communist-front organization?

Mr. ALBERT. No, sir; I have not.

Mr. RANKIN. I was a member of the Committee on Un-American Activities, and I have been in close contact with the FBI. I have never found any informed person who denied that this outfit was a Communist front.

Mr. ALBERT. Even so, I would like to say to the gentleman from Mississippi that whether William Patterson is a Communist or not is not the issue here. He was clearly and flagrantly in contempt of the committee.

Mr. TOWE. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. TOWE. Did I understand the gentleman to say that this defendant, so-called, had clearly violated the law, the statute?

Mr. ALBERT. In my judgment, he has.

Mr. TOWE. I understood you previously to say that. I wondered why he has not been prosecuted under the law, rather than brought here under this contempt citation. Can the gentleman give me some information about that?

Mr. ALBERT. Of course, there are several thousand files on record with the Clerk of the House, and it is hardly to be expected that the proper administrative agency would have every possible violation of the act called to its attention.

Mr. TOWE. Could not your committee bring it to the attention of the proper governmental agency?

Mr. ALBERT. Well, we are bringing one phase of it to the attention of the proper governmental agency now.

Mr. TOWE. I understand that.

Mr. BUCHANAN. Will the gentleman yield?

Mr. ALBERT. I yield.

Mr. BUCHANAN. I might say the Civil Rights Congress has filed under the Lobbying Act, and their representatives in Washington have filed.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. RANKIN. But that does not answer the charge that it is a Communist-front organization, lined up with other Communists who are dedicated to the overthrow of this Government.

Mr. BUCHANAN. Will the gentleman yield?

Mr. ALBERT. I yield.

Mr. BUCHANAN. That was not any of our concern. It was strictly on the basis of the Lobbying Registration Act that we made these queries.

Mr. RANKIN. I will say to the gentleman from Pennsylvania that whenever any outfit dedicates itself to the destruction of this Government, then it is the duty of every congressional committee when its representatives appear before it, to make a thorough investigation.

Mr. ALBERT. Mr. Speaker, I think the issue is clear.

I ask unanimous consent to revise and extend my remarks, and also the remarks that I made during consideration of the previous resolution.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KEATING. Mr. Chairman, will the gentleman yield for a question?

Mr. ALBERT. I shall be glad to yield.

Mr. KEATING. Were the records which the witness refused to turn over to the gentleman's committee solely those relating to contributions to the Civil Rights Congress, or were there other records?

Mr. ALBERT. We called for the same records here that we called for in the Rumely case. These included not only contributions but also receipts from the sale of books. He did not give us any of this information.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. BROWN of Ohio. The real pinpoint of this thing, of course, is that he admitted that he had been lobbying, that groups had been sent here to pressure Congress but that he had never filed.

Mr. MARCANTONIO. That is not true; he did file.

Mr. ALBERT. If the gentleman wants to be correct about that, though it is immaterial to the pending matter whether he did or not, I should say that the organization did report up to the time that Patterson took it over, after that, as I remember it, it ceased reporting.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. MARCANTONIO. I think that basically, however, on the question of refusal, as far as refusal to comply with the subpena duces tecum is concerned, there is no difference between the Rumely case and this case. He was asked for contributors; he refused to name the contributors, and that is all that is involved here. That is what was involved in the Rumely case.

Mr. ALBERT. I may say to the gentleman that if there was a difference it was only a difference of degree and not of kind.

Mr. MARCANTONIO. A very slight degree.

Mr. ALBERT. Rumely did furnish the committee part of the information which it requested.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. O'HARA of Minnesota. Mr. Rumely did furnish a complete list of contributors as such.

Mr. ALBERT. That is my understanding.

Mr. O'HARA of Minnesota. His defense on the other names which he refused to disclose was that they were purchasers of books.

Mr. MARCANTONIO. Basically the proposition is the same.

Mr. ALBERT. Basically it is the same.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. RANKIN. There is this difference between the Committee for Constitutional Government and the Civil Rights Congress: The former was for constitutional government; and this outfit, this Civil Rights Congress, this Communist outfit, is for the overthrow of Government.

Mr. MARCANTONIO. The only difference is that this outfit is for FEPC, and the gentleman from Mississippi is against it and he thinks FEPC is Moscow-borne. Is not that right?

Mr. RANKIN. Of course, it is.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. BUCHANAN. I may say with respect to bank records of the Civil Rights Congress that there were a total number of check items all over $500 that were not reported in August 1950, mind you, of $29,775; 1949, of $36,601; in 1946 of $156,563; and in 1947, $80,990; a total of $303,935.40.

Mr. ALBERT. I thank the gentleman.

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Speaker, I listened carefully to the evidence in these two cases, as I did to the evidence in the Un-American Activities Committee's pilot case we heard the other day. I am unable to see a particle of difference in any of them. There is a basic question involved. That is the question of law and order; it is the question of whether or not we will have respect or contempt for constituted authority. It does not matter to me one bit whether the man who refused to answer questions before a constituted committee of this Congress was a Fascist, a Communist, a Democrat, or a Republican, or whether his face was white, or black, or yellow.

On the question of this particular defendant's being a Negro, I believe that I have always been a friend of the Negro. But my Negro constituents also believe in law and order and obedience to the law regardless of color. I could not help but think this morning of my many law-abiding Negro constituents. Attention was called to a vile crime that was committed by a Negro over in Virginia; a case in which Justice Burton had taken some action; I could not help but think of a case that occurred a few years ago—in my district where a Negro had committed the vile crime of rape. The fact that it was a Negro was pretty well publicized. And there was great praise for two detectives who solved the case and brought him to justice. Their skill and devotion to duty was described and praised. But the significant fact that was omitted was that these two detectives themselves were Negroes. There were two good citizens and one bad one. All three were born with black skin. Only one had a black soul, but the other two, as do most of all races, possessed white souls. So to me it makes no difference; it is a question of law and order. The white man and the black man are both subject to the law and must be judged in the same balance of justice.

The question was asked me recently by a mother whose 18-year-old son is sleeping on Iwo Jima: "Why did he have to die?"

It is because there are those in the world who do not believe in submitting themselves to law and order. They seek freedom for themselves and shackles for fellow creatures. License for themselves, slavery for the other fellow. There will be evidence of that here in the House today when we compare the vote that we just took on Mr. Rumely with the vote that was taken on those gentlemen the other day and on this case. There has been distinctions drawn here as to whether the man was right or whether he was left. What difference it makes under the American system of government I have yet been unable to understand. Both are amenable to the law. Neither can be a law unto themselves. Neither can have a special law. All men must be measured by the same yardstick.

Let us take up some of the technical arguments that were offered a moment ago against the Rumely citation. They are just as applicable in this case as they were in the Rumely case. Both involved contributors. Mr. Rumely refused and Mr. Patterson refused to name their contributors. Why? They say because that money was used for printing, or received for the sale of printed matter, hence to inquire of the sources would infringe upon freedom of the press. Just exactly the same attitude as the fellow who says he can be a Communist behind the cloak of secrecy.

Let us take an illustration. The name of an old and famous pharmaceutical house, the Eli Lilly & Co., which happens to be in my own congressional district, was brought into the discussion this afternoon. It was stated they had made certain contributions to the Committee for Constitutional Government.

Well, they made contributions to my Republican opponent in 1948, and I made fun of it. I said, "I don't care how much money you spend." And I did not. The Lilly's contributed to my opponent in 1948, and I expect them to do the same this year. Yet Mr. Eli Lilly has communicated with me on legislation and matters of service a Congressman owes a constituent. And I have responded and measured his suggestions with the same yardstick I measure the proposal of any other man. And regardless of how vigorously he opposed me I would always do the same. To me that is America; it is her tradition. That is why I voted against the establishment of the lobbying committee. We are supposed to be men. We should be able to resist pressure. They can all come and see me; I will listen to both sides, then try to make a proper decision. I do not care how much money they spend; I do not care how much money they convert into print. Ninety percent of the press was against Mr. Truman, and he was elected anyway. In my district 99.99 percent of the press opposed my election. But the people elected me. Most of the opposition press treated me fairly in news coverage. Thus I was able to get my message to the people. And then I went to the radio. The people have a better capacity to understand and discern than we ofttimes believe.

The sooner we learn that the people are smart enough to see through a lot of propaganda, the better off we are going to be. Most of these violently partisan speeches are wasted. They only gratify those who are violent partisans, a small percent of our countrymen. The broad hard core of American people are sound, clear thinkers. So I for one did not favor the establishment of the committee and voted against it. But the fact remains the committee was established; it is a legal committee, and I do not care whether they are tomcats or alley cats when they are brought before the committee. They are supposed to answer these questions. I know of and will always defend the right to speak and print every viewpoint. But I know of no vested right to remain anonymous in the exercise of that right. In my State we must name the sponsors of every political slate. No one has been hurt thereby.

Now let us examine these arguments; that because these contributions, or receipts were spent for or bought printed matter.

Suppose some one gave me a thousand dollars for my campaign expenses. Suppose I used that money to print political literature. The Corrupt Practices Act says I must list my contributors. But I refuse to. I say this money was given to me for printing—and printing is free to proceed without interference. This is press work—in that field I enjoy freedom of the press—hence this money is anointed with the special license and freedom of dark dank secrecy.

Why, the judge would throw the book at me.

Now these folks, Rumely and Patterson, both print political literature. I get it by the bushel. Read a lot of it, too. But if I cannot separate the grain from the chaff I have no business here.

Yet this committee was established. Its existence is of the fiber, the warp and woof of the lawful authority of this Congress; and this Congress is of the American people. Law and order demands submission to lawful authority—and no man is too big and no man is too small—in the single sovereign scales of the law. All men must be weighed alike.

That is why it will be interesting to note how many of us will vote—whether we will weight these two men in the same scales.

Because I believe in constituted authority—in upholding it even though I might disagree, I am voting for these citations as I did the fifty-odd citations recently presented by the Un-American Activities Committee.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken and the Speaker announced that the "ayes" had it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 239, nays 106, not voting 85, as follows:

[Roll No. 263]

YEAS—239

Abbitt	Burleson	Dollinger
Abernethy	Burnside	Dolliver
Addonizio	Burton	Donohue
Albert	Byrne, N. Y.	Doughton
Allen, La.	Camp	Douglas
Andresen, August H.	Canfield	Doyle
	Cannon	Eberharter
Andrews	Carlyle	Elliott
Aspinall	Carnahan	Engle, Calif.
Auchincloss	Carroll	Evins
Bailey	Case, N. J.	Fallon
Baring	Cavalcante	Feighan
Barrett, Pa.	Chatham	Fernandez
Battle	Chelf	Fisher
Beckworth	Chesney	Flood
Bennett, Fla.	Christopher	Fogarty
Bennett, Mich.	Chudoff	Forand
Bentsen	Clemente	Ford
Biemiller	Clevenger	Frazier
Bishop	Cole, Kans.	Fugate
Blatnik	Combs	Fulton
Boggs, La.	Cooley	Furcolo
Boiling	Cooper	Garmatz
Bolton, Md.	Crosser	Gary
Bonner	Curtis	Gathings
Bosone	Davenport	Gordon
Boykin	Davies, N. Y.	Gorski
Brooks	Davis, Ga.	Granahan
Brown, Ga.	Davis, Tenn.	Granger
Brown, Ohio	Deane	Grant
Bryson	DeGraffenried	Green
Buchanan	Delaney	Halleck
Buckley, Ill.	Denton	Harden
Burke	D'Ewart	Hardy
Harris	McKinnon	Richards
Harrison	McSweeney	Robeson
Hart	Mack, Ill.	Rodino
Havenner	Mack, Wash.	Rogers, Fla.
Hays, Ark.	Madden	Rooney
Hays, Ohio	Magee	Sadlak
Hedrick	Mahon	Sasscer
Heffernan	Mansfield	Secrest
Heller	Marsalis	Shelley
Herlong	Marshall	Sims
Hobbs	Miles	Smith, Va.
Hoffman, Ill.	Mills	Spence
Howell	Mitchell	Stanley
Huber	Monroney	Steed
Hull	Morris	Stigler
Irving	Moulder	Stockman
Jackson, Wash.	Multer	Sullivan
Jacobs	Murdock	Sutton
Javits	Murphy	Tackett
Jenison	Murray, Tenn.	Tauriello
Jennings	Noland	Taylor
Jones, Ala.	Norrell	Teague
Jones, Mo.	O'Brien, Ill.	Thomas
Jones, N. C.	O'Hara, Ill.	Thompson
Karst	O'Hara, Minn.	Thornberry
Karsten	O'Neill	Trimble
Kee	O'Sullivan	Underwood
Kelley, Pa.	O'Toole	Van Zandt
Kelly, N. Y.	Passman	Wagner
Kennedy	Patman	Walsh
Keogh	Patten	Walter
Kerr	Perkins	Welch
Kilday	Peterson	Wheeler
King	Philbin	White, Calif.
Kirwan	Pickett	White, Idaho
Kruse	Poage	Whittington
Lane	Polk	Wickersham
Lanham	Preston	Willis
Lind	Price	Wilson, Ind.
Linehan	Priest	Wilson, Okla.
Lyle	Rabaut	Wilson, Tex.
Lynch	Rains	Winstead
McCarthy	Rankin	Wood
McCormack	Redden	Woodhouse
McGrath	Rhodes	Young
McGuire	Ribicoff	Zablocki

NAYS—106

Allen, Calif.	Hand	Morton
Andersen, H. Carl	Harvey	Nelson
	Herter	Nicholson
Anderson, Calif.	Heselton	Patterson
Arends	Hill	Phillips, Calif.
Bates, Mass.	Hinshaw	Potter
Beall	Hoeven	Reed, Ill.
Boggs, Del.	Holmes	Reed, N. Y.
Bolton, Ohio	Hope	Rees
Bramblett	Horan	Rich
Brehm	Jackson, Calif.	Riehlman
Burdick	James	Rogers, Mass.
Byrnes, Wis.	Jenkins	Sanborn
Chiperfield	Jensen	Saylor
Cole, N. Y.	Jonas	Scott, Hardie
Corbett	Judd	Scrivner
Cotton	Kean	Scudder
Crawford	Kearns	Shafer
Cunningham	Keating	Short
Davis, Wis.	Kilburn	Simpson, Ill.
Dondero	Kunkel	Simpson, Pa.
Ellsworth	LeCompte	Smith, Wis.
Elston	LeFevre	Stefan
Fenton	Lichtenwalter	Taber
Gamble	Lodge	Talle
Gavin	Lovre	Tollefson
Golden	Lucas	Towe
Goodwin	McConnell	Velde
Graham	McDonough	Vorys
Gross	McGregor	Vursell
Guill	Marcantonio	Wadsworth
Gwinn	Martin, Mass.	Weichel
Hagen	Merrow	Widnall
Hale	Meyer	Wigglesworth
Hall, Leonard W.	Michener	Wolcott
	Miller, Md.	Wolverton

NOT VOTING—85

Allen, Ill.	Durham	Klein
Angell	Eaton	Larcade
Barden	Engel, Mich.	Latham
Barrett, Wyo.	Fellows	McCulloch
Bates, Ky.	Gillette	McMillan, S. C.
Blackney	Gilmer	McMillen, Ill.
Breen	Gore	Macy
Buckley, N. Y.	Gossett	Martin, Iowa
Bulwinkle	Gregory	Mason
Case, S. Dak.	Hall, Edwin Arthur	Miller, Calif.
Celler		Miller, Nebr.
Colmer	Hare	Morgan
Coudert	Hébert	Morrison
Cox	Hoffman, Mich.	Murray, Wis.
Crook	Holifield	Nixon
Dague	Johnson	Norblad
Dawson	Kearney	Norton
Dingell	Keefe	O'Brien, Mich.
O'Konski	Regan	Smith, Ohio
Pace	Rivers	Staggers
Pfeifer, Joseph L.	Roosevelt	Vinson
	Sabath	Werdel
Pfeiffer, William L.	Sadowski	Whitaker
	St. George	Whitten
Phillips, Tenn.	Scott, Hugh D., Jr.	Wier
Plumley		Williams
Poulson	Sheppard	Withrow
Powell	Sikes	Woodruff
Quinn	Smathers	Yates
Ramsay	Smith, Kans.	

So the resolution was agreed to.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Rivers with Mr. Allen of Illinois.
Mr. Roosevelt with Mr. McCulloch.
Mr. Klein with Mr. Miller of Nebraska.
Mr. Hébert with Mr. Nixon.
Mr. Holifield with Mr. Withrow.
Mr. Sabath with Mr. Kearney.
Mr. Sadowski with Mr. Latham.
Mr. Staggers with Mr. Macy.
Mr. Whitaker with Mr. Mason.
Mr. Morgan with Mr. William L. Pfeiffer.
Mr. Morrison with Mr. Dague.
Mr. Dingell with Mr. Coudert.
Mr. Crook with Mr. Angell.
Mr. Celler with Mr. Hoffman of Michigan.
Mr. Breen with Mr. Gillette.
Mr. Gilmer with Mrs. St. George.
Mr. Larcade with Mr. Hugh D. Scott, Jr.
Mr. Smathers with Mr. Woodruff.
Mr. O'Brien of Michigan with Mr. Werdel.
Mr. Sikes with Mr. Smith of Kansas.
Mr. Yates with Mr. Blackney.
Mr. Vinson with Mr. O'Konski.
Mr. Williams with Mr. Poulson.

Mr. BREHM, Mr. GOODWIN, Mrs. ROGERS of Massachusetts, Mr. JUDD, Mr. MERROW, and Mr. HOLMES changed their vote from "yea" to "nay."

Mr. DAVENPORT changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

GENERAL LEAVE TO EXTEND

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to revise and extend their remarks on the contempt citation just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

RESERVE COMPONENTS OF THE ARMED FORCES OF THE UNITED STATES

Mr. BROOKS submitted a conference report and statement on the bill (H. R. 8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

ANNOUNCEMENT

Mrs. BOLTON of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, legislation to strengthen the defenses of this country and to build all parts of our

Military Establishment has had my consistent support.

It was particularly difficult for me to accept the fact that I missed by less than 10 minutes the vote on H. R. 9554 to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories because weather conditions held up the plane on which I was returning to Washington.

Had I been on the floor I would have voted for the bill. I am delighted indeed that the measure passed so overwhelmingly.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 60 minutes.

(Mr. BIEMILLER asked and was given permission to revise and extend his remarks and include certain speeches which he has heretofore made on the floor of the House.)

AMERICAN MEDICAL ASSOCIATION OPPOSES ALL PROGRESSIVE LEGISLATION—NEW RIVAL FOR NAM

Mr. BIEMILLER. Mr. Speaker, as the final session of the Eighty-first Congress draws to a close, I want to call to the attention of the Members of this House the singular record of the American Medical Association on the health and social legislation which has come before this Congress.

It is a record untainted by a positive act or a progressive idea, a 99 and 44/100 percent pure record of negation, of opposition and obstruction on every legislative measure proposed to advance the Nation's health, safety, and security.

Lest the hierarchic officialdom of the AMA mistake these words for praise—and such is their lexicon that they might—I say this in bitter criticism of the AMA, its leaders, its ideas, and its methods.

If the record made by the AMA's representatives on matters before this Congress stood alone, there would be reason to regard these political medicine men with suspicion and distrust. When that record is added to the steadfastly reactionary attitudes and actions of the AMA over the last 25 years, it is ample evidence that the AMA now stands with the NAM and the most reactionary forces in American life—not on matters affecting medicine and health alone, but on the whole social-political front.

Let us take apart the record of this new monolith on the political scene. Item by item it is a demonstration that a private organization with a dog-in-the-manger philosophy has taken to itself the privileges and powers of semipublic and public institutions, has indeed, partially succeeded in persuading the public that the public should have no voice in matters concerning its own health and general welfare.

The record of the AMA in the Eighty-first Congress is a sort of proof perfect that the organization is not fitted for its present high trust and responsibilities. That is not to say that individual doctors are not competent to perform their medical tasks, it is rather to point out that their political leaders are a unique combination of selfishness, obtuseness, and a kind of paranoid malice.

But back to the AMA's legislative record in the Eighty-first Congress. I recite the record from personal knowledge of the opinions expressed, the pressures exerted, and the finagling used to paralyze the legislative machinery whenever the great public-health needs of this Nation came up for consideration.

BLOCKED AID TO MEDICAL SCHOOLS

I make no attempt to list the AMA's acts of violence against public-health legislation in order of importance, but I will place its filibustering against Federal aid to medical education at the top of the list. I have not hesitated to tell you of the importance of this legislation in the past and I will not hesitate now or in the future.

The AMA is the only group in the United States today which opposes emergency federal aid to our schools of medicine, dentistry, nursing and public health. The AMA's own members who really know the situation intimately—including the deans of these schools—oppose the AMA's official stand vehemently, pointing out that the very future of the finest medical schools in this country is at stake; that without Federal aid they must consistently fall short of the standards of quantity and quality of personnel demanded by a Nation whose requirements grow annually. These critics-from-within do not even have to recite the medical needs of the potential civil disasters of a future war to prove their point. The facts of the past and the present speak eloquently enough. As previously documented in the CONGRESSIONAL RECORD of July 13 most of the deans of the medical colleges, the nursing and dental associations, the public health administrators and almost everybody else in the country not tied to the AMA by the bands of medical bondage recognize the shortages of trained medical personnel of all kinds. And now that this country is engaged in the Korean conflict, the Armed Forces have become acutely aware of the situation.

President Truman, Secretary of Defense Johnson, and VA Administrator Carl Gray, have all urged immediate approval of this legislation as vital to national health and security. The Senate was so impressed with the needs of the finest medical schools in the nation—which reported a net deficit of more than $10,000,000 last year—that it passed a Federal-aid bill unanimously. Yet in the past year we have made no progress in providing the aid which is needed so desperately—simply because the AMA is not interested in getting enough doctors to go around.

BLOCKED BILL IN COMMITTEE

It has filibustered this legislation endlessly. When one of its criticisms is accepted and a compromise introduced into the legislation, the AMA comes up with a new objection. When the new objection is compromised—seemingly satisfactorily—a third objection is raised. Apparently the only kind of medical aid bill the AMA would approve is a measure which would place unlimited public funds in the hands of the AMA itself to dispense as it sees fit after paying its lobbying and propaganda expenses to the distinguished crew of wreckers and hucksters who made it all possible.

Afraid of a decision in an open House vote on this legislation, the AMA has three times blocked the bill in committee by a single vote—and with the feeblest of excuses.

Here, for instance, is part of the most recent public statement on this legislation by an AMA official. In a letter from Dr. Frank Wilson, one of the AMA's official Washington representatives—lobbyists to those of us who understand that sort of thing—to every member of the House Interstate and Foreign Commerce Committee, it was declared that the Korean conflict had no bearing on the aid to medical education legislation because the bill would not produce any more doctors for a minimum of 6 to 8 years. Besides showing a sublime disregard for all other kinds of medical training such as nursing and dentistry, the letter reveals a willful begging of the question. Aid to medical education means better education in a matter of a year. And, even if it did not, are we to refuse to meet the quantity situation 6 or 8 years hence? Unless we start now it will never be met.

KOREAN CONFLICT MAKES NEED GREATER

The present significance of the Korean conflict would seem to be that we are involved in a long and costly struggle which may reach its peak at any time during the next 10 to 15 years. Korea is a warning and a portent. To say that it is meaningless in terms of our shoring up our national health defenses, that it has no bearing on the numbers and quality of our medical personnel, is to deny the wisdom of preparedness of any kind. I hardly think we could have had a more explicit warning of the dangers of our current shortages of doctors and others with medical training than the need to pass a medical draft in order to get enough doctors for the limited demands of the Korean conflict.

That is not nearly enough on the subject, but it is all I can take time for today. The RECORDS for this session are filled with the need for action. I discussed the problem at some length on July 13 and ask unanimous consent to insert my remarks at that time at this point in the RECORD.

MEDICAL COLLEGES, OTHER INSTITUTIONS TRAINING HEALTH PERSONNEL IN SERIOUS FINANCIAL STRAITS—PASSAGE OF H. R. 8886 OF VITAL IMPORTANCE

Mr. BIEMILLER. Mr. Speaker, the Eighty-first Congress is nearing the end of its existence. We are rapidly approaching that time when this Congress will no longer be able to correct its own errors of commission or make amends for its errors of omission.

The wisdom or folly of what we have done and what we have left undone will be matters for decision by the electorate in November. In many cases there is time enough to wait for that judgment—and to be guided by it in the next Congress. In some matters, however, the delay of months, even 6 or 7, may be more than we can afford. In such matters our failures may be written large

and indelibly on the record before the Eighty-second Congress ever convenes.

That is why I speak today. A bill vital to the welfare of this Nation, the health of our Armed Forces and our civilian population alike, is in danger of being left in the debris of the unfinished business of this Congress. H. R. 8886, the Emergency Health Training Act, better known as aid to medical education, is a measure which should be passed now, not 6 or 12 or 18 months from now. And all the stalling, twisting, turning, conniving tactics of the American Medical Association cannot conceal the stark need for this legislation.

The word "emergency" has seldom meant more than it does in the official title of H. R. 8886. This Nation is now involved in an enormously difficult and costly police action in Korea. The evolution of this conflict into a full-fledged modern war is a distinct possibility, a possibility not entirely within the power of this country to control. Even if we should escape a major holocaust, no one believes that the Communist's adventure in Korea will be their last.

Yet, at this moment as at every recent critical moment in our history, we do not have enough doctors or dentists or nurses or public-health personnel to meet peacetime requirements, much less the demands of our mobilizing Armed Forces and civilian defense. And we have not taken a single step to end the critical shortage of every kind of trained health personnel.

As a matter of honest and disturbing fact, our national resources for training health personnel are rapidly deteriorating instead of improving. Financial difficulties are forcing our professional health-training schools, particularly our medical schools, to curtail their programs drastically. Both the quality and quantity of training are being slashed. Fewer individuals are receiving training in some schools and the training is falling short of minimum standards in others. Some of our medical schools—and by no means the weakest in an academic sense—are near to closing because of their desperate financial state.

This situation is intolerable in a Nation that may soon need more doctors, nurses, and other trained health personnel than it ever dreamed were necessary before World War II. And even if it were not for the possible demands of war, we would need these people to take advantage of the expanding opportunities for better health in a peaceful world.

The Eighty-first Congress must reverse this trend to neglect and potential disaster by immediate action on Federal aid to medical education. We must, by our action, recognize that you cannot train doctors and their assistants overnight, that we are already far too late in getting a program under way, that our inaction in years and months past has created our present health-personnel shortage, and that inaction now will create shortages for the next crisis.

The minute we moved into Korea—and I believe there is near unanimous support in this House for that move—the Armed Forces started to look for doctors, dentists, and nurses. If the experience of World War II is repeated, and it is certain to be because of present shortages, the Armed Forces will never find as many as they need. And the ones they do find and take will be those whose services are fully needed by civilians.

It is proper that the needs of our Armed Forces come first. It is hardly proper for congressional inaction to permit this choice of life and health for one group as against sickness and occasional death for another group when there should be no real need to make the choice. We have it within our power to make adequate care available for all.

For those who may hesitate to believe that our present situation is really so bleak—and I know there are doubters among the Members of this House—I will cite a large number of chapters and verses at a later point in this speech. Most of them will come directly from the best authorities on health education in the Nation—the deans of the Nation's leading medical and dental schools, public and private alike, and the heads of associations of nurses and public-health personnel. It is also worth noting that the American Dental Association is on record for the bill.

Right now, however, I want to discuss the general situation of the bill to aid medical education with particular reference to its only vocal opposition—the American Medical Association.

H. R. 886 is still in the Interstate and Foreign Commerce Committee, scheduled for further consideration August 8, if this House and its committees are still in a position to consider any legislation at that time. This despite the fact that corresponding legislation passed the Senate last September and shortly thereafter went to the Rules Committee of this House with the blessing of the full Interstate and Foreign Commerce Committee.

Who and what are responsible for this sudden reversal in the legislative process? Who is responsible for this inexcusable delay in meeting a vital national need this late in the grim struggle of the free world against the forces of communism? Why do I stand here in July of 1950 and plead for action on a measure which most of us well know should have been law months ago?

The answer is always the same—the American Medical Association.

Until recently I though I had grown calloused to the AMA's dog-in-the-manger selfishness in its efforts to defeat almost every progressive public health measure offered in this Congress. I thought I had grown used to the double talking, double dealing methods of the AMA and its huckster representatives in their defense of a status quo riddled with inadequacies. I thought I had learned to brace myself against the overwhelming weight of the AMA hierarchy's $3,000,000 advertising and political slush fund.

Well, I was wrong. When the AMA maneuvered to kill by indirection this literally life-and-death legislation, I lost my calluses. I want the Members of this House to know the whole story of this measure and the AMA's opposition. Perhaps it will furnish an insight into the operations of this organization which some of you have not always displayed in the recent past.

I do not mean to say this is the only story of AMA duplicity and reaction in the face of the health needs of the people of this country. Many others come immediately to mind. There is the slander campaign against national-health insurance which calls it socialized medicine despite the fact that the AMA well knows it is not socialized medicine at all. Part of this campaign is the attempt to use the completely discredited alleged quotation from Lenin that "socialized medicine is the keystone of the arch of the Socialist state." The AMA has been called upon to either document or stop using that quotation many, many times. Its officials have admitted that the quotation cannot be documented. Experts at both the Library of Congress and the University of Chicago have declared there is no such statement in the known works of Lenin. Yet the quotation continues to be used in published material, in public speeches, and in political assaults. The use of such falsehoods is typical of the AMA approach to issues of public health, and they can no longer be defended on the lame grounds of ignorance of the truth. They are willful perversions of the truth.

Then there is the attempt to discredit the Federal Security Agency and its Administrator with completely unfounded and disproved charges that they wish to dictate to American medicine. There is the constant pounding at the slogan, "Keep politics out of this picture," while the AMA tops the Nation's lobbyists in expenditures and publicly prepares a political blast in the Nation's newspapers for next October, while its incoming president, Dr. Elmer Henderson, delivers a violent political tirade against the Fair Deal at the annual AMA convention in San Francisco.

He attacked our Government as "sick with intellectual dishonesty, moral laxity, and with reckless excesses," and charged the administration with a campaign to gain control over all fields of human endeavor to make this a Socialist state. Dr. Henderson ignored his responsible position as head of an organization which says it wants nothing to do with politics to engage in political mud slinging and use of misrepresentations and distortions.

There are many other items. There is the AMA's cooperation in spreading the hate-mongering nonsense of John T. Flynn's book, The Road Ahead, across the country in hundreds of thousands of volumes—volumes which the conservative New York Times has very properly labeled "pernicious flummery."

There is the back-scenes battle against school health measures. There is the long history on voluntary medical insurance plans related in the Harpers magazine article, The Dogged Retreat of the Doctors. There is indeed an overwhelming mass of evidence to show that the hierarchic officialdom of the AMA is one of the most reactionary forces in American life today. But I think the story of the bill to bring Federal aid to the medical education is the most devastating illustration of all of the AMA's complete disregard for the national interest when it conflicts with the narrow, selfish interest of the AMA.

The history of the legislation to provide Federal aid to the Nation's medical schools is the story of conflict between two forces. On one side is the desperate need of the medical schools and the health requirements to the Nation, on the other side is the American Medical Association.

In 1946, immediately after the war, it was generally agreed that this country must proceed to make up its deficiencies in medical personnel, to get sorely needed doctors, dentists, nurses, and trained public health technicians into rural and other shortage areas, to make available enough health personnel to put into practice all that we have learned about how to keep people healthy and well. It was recognized that the only way to do this would be to step up the numbers of individuals receiving training and to improve the quality of that training.

Even the American Medical Association permitted official spokesmen to discuss the need. Dr. Herman Weiskotten, dean of the Syracuse University College of Medicine and a member of the Council on Medical Education and Hospitals of the AMA, declared that approximately half of our medical schools were operating on budgets far below the essential basic minimum required for the conduct of a satisfactory educational program. And in February 1947 he added, and I quote:

"The American people should realize that the first and most important step in improving the health and the medical care of our people is the more adequate support of more than half of the medical schools of this country."

In October 1947 Dr. Anderson, secretary of the same council, told of a study made by the AMA, of which he said, and again I quote:

"We are prepared to contend that the maximum deficit that could possibly be forecast for 1960 does not exceed 15,000 physicians."

Only 15,000. When you consider that the average physician's patient list runs between 500 and 1,000, you get some idea of what number of people would get inadequate care with such a shortage. It could not conceivably run below seven and a half million. And this in peacetime. Yet there you have the statement of a responsible AMA official

predicting a doctor shortage—and even more astounding, not worrying about it.

Well, the AMA, for all its later denials and present insistence that the Federal Government do nothing to help medical schools, recognized at that time that some help must come if the schools were not to collapse. So in February 1948 its board of trustees decided that it would seek voluntary assistance in order to avoid bringing the Federal Government into the matter. A commendable idea, but it just did not work.

The 1948 report of the Council on Medical Education of the AMA said medical schools required an addtiional $15,000,000 in support for operations and some $197,000,000 for construction of needed facilities, and commented:

"The question that remains is whether the public will provide this support voluntarily or whether it will have to be provided by direct Federal subsidy."

That, indeed, was the question. The trouble was the answer. In July 1948, a meeting authorized by the board of trustees was held in New York City. Representatives of universities, business, industry, banking, educational foundation, and private philanthropic organizations discussed a national campaign for raising about $15,000,000 a year to support medical education. A lot of hopes were raised by that meeting, but as of this date, 2 years later, no money.

So we have arrived finally at the set of circumstances which led to introduction of the aid to medical education legislation.

Something had to be done—and still does, for that matter. It could not be done privately or through State governments. Only the Federal Government was in a position to act. Did the AMA admit this? Not the AMA. The report of its council on medical education and hospitals on October 30, 1948, as much as declared that if the problem could not be solved the AMA's way, there was no problem. The report was naturally a bit confused, but I will quote it anyway to give you the full flavor:

"These studies have led to the conclusion that there is no need for any great increase in the number of medical graduates and the gradual expansion of facilities for medical education that is taking place will adequately meet the Nation's needs. The council will continue to give close attention to this problem."

Where did that word "problem" come from again? Was there or was not there one? There was one.

Dr. Weiskotten pops up with this admission in a statement in February 1949, in which he points out:

"Paradoxic as it may appear in the face of the present plight of the existing medical schools, there is developing a demand that these schools greatly increase the sizes of their student bodies and that new schools be established."

At this juncture it became clear that only Federal aid could help with this problem, a very real one growing more acute with every evasion and statement of the AMA. So bills were introduced in both the Senate and the House. At the end of the open Senate hearings a group of the most distinguished experts in every sector of the professional health training field, including important AMA representation, agreed on a set of 13 general principles among which were statements that the schools were in a financial emergency, that there are recognized shortages of manpower in the health professions, and that existing private sources of income are not able to meet the needs for either operation or construction. They supported Federal aid and even agreed that scholarships as well as operation and construction grants would be helpful in equalizing and expanding educational opportunities for qualified individuals.

This group also set up a series of guides to the Senate committee for the writing of the bill. The bill conformed to those guides as closely as possible and was passed as S. 1453 in September 1949. Before passage, at an August meeting in Washington, Dr. George F. Lull, of the AMA, told reporters the organization favored aid to medical education.

After Senate passage, the House Interstate and Foreign Commerce Committee took up H. R. 5940, the House companion bill which I sponsored. The committee unanimously approved the bill and sent it to the Rules Committee for a rule. The rule was refused not because of opposition, but because of the press of time just before the close of the first session of this Congress. During this entire process the AMA was almost quiet. Only a few words broke the welcome silence and they were far from ominous. In a report to the AMA House of Delegates in November, the AMA's Council of Medical Education declared, and I quote:

"While the council is not entirely satisfied with the bill, it does incorporate several modifications suggested by the council's representatives and it is a distinct improvement over any other bill for Federal aid to education that has been introduced."

The honeymoon, however, was soon over. In a supplementary report of the board of trustees in December 1949 there was the following statement:

"Since S. 1453 has now passed the Senate and since it appears doubtful that further changes will be made by the House in the companion bill, H. R. 5940, the board of trustees feels it must oppose this bill."

There was no explanation of what happened between November and December.

And so it has gone ever since. Attempts have been made to satisfy the AMA objections which were made after this December declaration. H. R. 8886, a considerably changed version of H. R. 5940, which goes at least half way in compromising both major and minor issues, has been the result. And still the AMA opposition is adamant. There is neither rhyme nor reason in their opposition, but nothing apparently will change it. The Federal Government is involved and while the Federal Government safely makes all other sorts of laws for the United States, the AMA is not going to have it even take note of the health needs of the Nation's citizens.

Despite the AMA's exasperating attitude, despite this long "compromise and then oppose the compromise" period extending way into June, we have done everything possible to write a bill which would get at least the tacit approval of the AMA. We might as well have saved our energy. No matter what was said or done, the AMA stalled and temporized. Typical was a proposal that we wait until still another survey, the survey on medical education of the AMA, be completed.

I asked a participant in the survey, Dr. Joseph C. Hinsey, dean of the Cornell University Medical School and chairman of the executive council of the Association of American Medical Schools, if this request was valid. I will not read his whole reply, but let me give you one paragraph:

"I strongly recommend that you do not hold up action on H. R. 5940 (now H. R. 8886). The final report of the survey committee will be available for the use of the National Council on Education for Health Professions (a group set up by the proposed legislation) before it submits its recommendation on January 1, 1953."

I repeat 1953. Well might Hinsey add later, as he does—

"There seems no reason to wait."

There is only one conclusion. The AMA does not want the Federal Government to help the Nation's medical schools, no matter how desperate their plight. And since there is no other aid forthcoming, it looks very much as if the AMA did not want medical schools and other professional health-training schools helped at all.

As a matter of fact, many of the schools and professions affected are beginning to realize this sad truth and break with the reactionaries of the AMA. This Congress would do well to follow their example.

Earlier I promised to cite chapter and verse on the entire health training situation in this country. We must all know something of the general picture. Time printed a piece discussing the plight of the medical schools recently. The Philadelphia Inquirer carried an editorial the other day which told of the closing of private rooms and wards in voluntary hospitals in New York because of the shortage of nurses. Other newspapers have noted both nursing and public health personnel shortages. The New York Times carried a long, analytic article in one of its Sunday magazine sections asking for urgent action on Federal aid to dental and medical schools.

But to get down to the chapter and verse let us turn to the statements of the best qualified experts in America, the men who run the professional health training schools of all kinds. I am going to read just a few excerpts on the floor, but I ask that the entire communications be made part of the RECORD.

I have already read some of Dr. Hinsey's remarks as head of the organization to which almost all of the medical school deans in the country belong, but I want to quote from another letter written January 12, 1950, in which he discusses this need the AMA denies. First making clear that the AMA acted on aid to medical education without consulting the Association of American Medical Colleges, he goes on to tell the schools' sentiments in the matter. Here I begin to quote:

"Our committee on financial aid to medical education decided unanimously that we should poll the individual medical colleges by telegrams in order to fairly determine our over-all position.

"This committee on financial aid to medical education is made up of Dean Arthur C. Bachmeyer, of the University of Chicago; Dean George P. Berry, of Harvard University; Dean Walter A. Bloedorn, of George Washington University; Vice President Ward Darley, of the University of Colorado; and Dean Joseph C. Hinsey, of Cornell University, chairman. After its study and work with this legislation, this committee is unanimous in its support of H. R. 5940. The poll of the membership, with definite returns in from 63 schools, shows 47 favorable to the legislation in H. R. 5940 and 16 opposed. Of the 26 State-owned schools, 14 favored and 12 opposed. Two municipally owned institutions were favorable. Of the 35 private institutions, 31 were favorable and 4 were opposed. Even if the 15 schools not reporting were to be opposed—and I have reason to believe strongly that this would not be the case—there would still be a strong majority in favor of the legislation."

Other letters I have from individual deans support Dean Hinsey. The AMA did not consult them, they point out, and they, after all, are the ones who know the facts of the situation.

Dr. Willard C. Rappleye, dean and vice president in charge of medical affairs at Columbia University, writes:

"May we express the earnest hope that your committee will give favorable consideration. * * * This is a matter of great urgency."

Dr. R. S. Cunningham, dean of the Albany Medical College at Union University, writes:

"Only if our income is substantially increased can we maintain the high level of medical education from which the public benefits so greatly. In view of these facts, I hope that you will exert your full influence to secure passage of the bill."

Dr. W. E. Brown, dean at the University of Vermont, adds:

"I hope we can count on you to help medical education in Vermont and throughout the United States by supporting H. R. 5940 or its substitute House bill for aid to medical education. * * * Most American medical schools, and this includes the University of Vermont College of Medicine, must radically curtail educational programs unless substantial financial support is forthcoming within the next 2 months."

That letter, gentlemen, was dated May 12.

It is the same with the University of Buffalo, Marquette University, Creighton University, Meharry Medical College, the University of Virginia, Loyola University, and dozens of others.

The Association of Urban Universities wired this in October of 1949:

"The Association of Urban Universities, whose membership are carrying a large percentage of the burden of medical, dental, and nursing education, voices its approval of the emergency health training bill."

And now that we have begun to hear of the other schools beside the medical schools, let me read you a part of a letter from the deans of all the schools of medicine, dentistry, and public health in Massachusetts. The dentistry, nursing, public health, and other training included in this bill is just as important as the training of doctors. This is what the deans of these varied schools at Harvard, Tufts, and Boston University wrote:

"We are convinced that the present desperate plight of our professional schools not only in Massachusetts but throughout the United States, has already interfered with the quality of professional education and is preventing the development of adequate medical and health personnel for the country.

"We make this statement in full awareness of the position recently taken by the American Medical Association. We vigorously oppose that position. The American Medical Association in adopting its position was in no way authorized to speak for the professional schools of Massachusetts.

"Early passage of H. R. 5940 will enable the professional schools of the United States to start immediately on an expanded, more effective total program of training. We do not believe that this urgent need can be met without such a program."

Then there are the letters from the administrators of huge universities like Chicago and Illinois.

Chancelor Robert Hutchins, of the University of Chicago, also chairman of the committee on Federal aid to medical schools of the American Association of Universities, wired:

"President Conant's recent statement on the precarious financial condition of Harvard medical and public health schools is applicable in my opinion, to every school in the country training personnel for the professions concerned with health. * * * Without operating funds schools will be unable to maintain current enrollments—already dangerously low—and improve present standards of instruction * * * I therefore urge prompt passage of H. R. 5940."

Dr. A. C. Ivy, vice president in charge of the College of the Health Professions at the University of Illinois—including medicine, dentistry, nursing, and pharmacy—expresses similar sentiments with this interesting statement thrown in for good measure:

"Everyone knows that more physicians, nurses, dentists, pharmacists, and public health officers are needed in our State and county. In some places this is true to such an extent that the principle of free enterprise and free choice of a physician is not operative."

That, as the AMA has been telling us all along, is intolerable.

There is much more of the same and I include it all in the RECORD, an editorial from the University of Southern California Medical Bulletin, the statement of need from the joint congressional Committee on the Economic Report which saw many low-income families without proper medical care because of health personnel shortages and the Hoover Commission's task force recommendations.

There is the recent speech by Father Michael I. English, regent of the Loyola University of Medicine in Chicago in which he criticized the AMA for deciding against Government aid to medical schools without consulting medical leaders, calling the organization more than conservative. Among the endorsements of Federal aid to medical education which I am attaching to this record is one from Father English in which he not only endorses the bill despite AMA opposition, but indicates that at least one AMA sponsored amendment would hurt rather than help the bill.

It all adds up and it all adds up to this. H. R. 8886, the latest version of the Emergency Health Training Act, is of vital importance to build our national health defenses for both peace and war. Our health-training schools cannot do the job without Federal aid. The only opponent of Federal aid is the AMA, as the AMA has so often been the only opponent of bills designed to improve the health of the American people.

We must pass H. R. 8886 over the objections of a blindly selfish AMA officialdom which either stupidly or wilfully is interfering with the welfare of our Armed Forces and our civilian population. We must either pass H. R. 8886 or relinquish to the AMA our right to promote the general welfare through health legislation. *

As Brig. Gen. James S. Simmons, dean of the Harvard School of Public Health, told the same AMA convention at which Dr. Henderson's disgraceful mangling of the truth took place 2 weeks ago, "all problems of health assume a dominant role" in the present uncertain international situation.

We must, among other things, be prepared to meet the entirely new threat of unannounced atomic war and biologic warfare. What we need most, and again the words are those of General Simmons, is to "shore up our national health defenses."

H. R. 8886 is the first step in that most urgent task. It cannot wait for another Congress.

ASSOCIATION OF AMERICAN MEDICAL COLLEGES, OFFICE OF CHAIRMAN OF THE EXECUTIVE COUNCIL,
New York, N. Y., January 12, 1950.

The Honorable ANDREW J. BIEMILLER,
Fifth District of Wisconsin,
House of Representatives,
Washington, D. C.

DEAR MR. BIEMILLER: As president of the Association of American Medical Colleges and chairman of its committee on financial aid to medical education, I am writing you regarding H. R. 5940 which your subcommittee has studied and passed. Our association is the one qualified to speak for the medical schools of the United States and to present their needs. We wish to state our position as accurately as we have been able to determine it. Our association is made up of the staffs of our member colleges, representing the ones approved for membership in the United States and affiliate members in Canada and the Philippine Islands. Here we speak for the 78 approved schools in the United States of which 72 are 4-year schools and 6 are 2-year schools. Of these 41 are privately endowed, 34 are State-owned (including 3 schools now in the process of becoming State-owned), and 3 municipally owned.

Because of the variety of our schools with problems peculiar to each, our Association of American Medical Colleges has refrained, up to this time, from taking one stand on the legislation in H. R. 5940 and its companion bill S. 1453. We have encouraged each medical college to communicate with the legislators from their respective districts. Thus the problem inherent in and the criticisms directed at it could be worked out in a democratic manner. We appreciate your sponsorship of this bill and your interest in the problems with which it deals. We are grateful for the fact that our representatives were given the opportunity to appear before you and your colleagues of your committee and to participate in the bipartisan conferences preceding the final writing of the legislation. It was recognized that H. R. 5940 contained imperfections but at the same time, it would go a long way to helping solve the financial problems plaguing some of our institutions in meeting what they deem their obligations in the various health sciences.

The action by the board of trustees, the house of delegates, and the council on medical education and hospitals of the American Medical Association opposing H. R. 5940 after it had passed your committee, and the companion bill S. 1453 after it had passed the Senate, was taken independently of our Association of American Medical Colleges and without a poll of our membership. Our committee on financial aid to medical education decided unanimously that we should poll the individual medical colleges by telegrams in order to fairly determine our overall position.

This committee on financial aid to medical education is made up of Dean Arthur C. Bachmeyer, of the University of Chicago; Dean George P. Berry, of Harvard University; Dean Walter A. Bloedorn, of George Washington University; Vice President Ward Darley, of the University of Colorado; and Dean Joseph C. Hinsey, of Cornell University, chairman. After its study and work with this legislation this committee is unanimous in its support of H. R. 5940. The poll of the membership, with definite returns in from 63 schools, shows 47 favorable to the legislation in H. R. 5940 and 16 opposed. Of the 26 State-owned schools, 14 favored and 12 opposed. Two municipally owned institutions were favorable. Of the 35 private institutions, 31 were favorable, and 4 were opposed. Even if the 15 schools not reporting were to be opposed, and I have reason to believe strongly that this would not be the case, there would still be a strong majority in favor of the legislation.

A number of suggestions were offered to make for improvements in the bill. Two schools strongly urged scholarship aid for needy medical students. Some 14 schools favoring H. R. 5940 expressed hope that the safeguards in section 2, Senate bill 246 (Educational Finance Act of 1949) might be substituted for section 352 of H. R. 5940. However, it is our firm conviction that a strong majority of our medical colleges believe that the general provisions of H. R. 5940 are essential for the maintenance of their programs.

Our committee is prepared to come for discussions or hearings of this bill. We hope that this letter will help clarify the positions of the medical schools. We are aware that this legislation is of vital importance to nursing, dentistry, and to schools of public health, and that the positions of some of these have been made known to you. Likewise, you have heard from our medical colleges, some of whom favor the legislation, while others vigorously oppose it. There is nothing in this legislation that would make any institution participate in its benefits against its better judgment.

Respectfully submitted.

JOSEPH C. HINSEY,
Chairman, Committee on Financial Aid to Medical Education.

HARVARD MEDICAL SCHOOL,
OFFICE OF THE DEAN,
Boston, Mass., January 5, 1950.

The Honorable ANDREW J. BIEMILLER,
House of Representatives,
Washington, D. C.

DEAR MR. BIEMILLER: We, the undersigned deans of the professional schools of medicine, dentistry, and public health in the State of Massachusetts, individually and jointly, urge your strong support of H. R. 5940, the bill proposing an emergency 5-year program of grants and scholarships for education in the medical and health fields. We hope that you will work for early priority for this bill in the Rules Committee and will vote for its passage when it comes on the floor of the House.

We are convinced that the present desperate financial plight of our professional schools, not only in Massachusetts, but throughout the United States, has already interfered with the quality of professional education and is preventing the development of adequate medical and health personnel for the country.

We make this statement in full awareness of the position recently adopted by the American Medical Association. We vigorously oppose that position. The American Medical Association in adopting its position was in no way authorized to speak for the professional schools of Massachusetts.

Early passage of H. R. 5940 will enable the professional schools of the United States to start immediately on an expanded, more effective total program of training. We do not believe that this urgent need can be met without such assistance.

Very truly yours,

DWIGHT O'HARA, M. D.,
Dean, Tufts College Medical School.
JAMES M. FAULKNER, M. D.,
Dean, Boston University School of Medicine.
JAMES M. DUNNING, D. D. S.,
Dean, Harvard School of Dental Medicine.
C. D. MARSHALL-DAY, D. M. D.,
Dean, Tufts College Dental School.
GEORGE PACKER BERRY, M. D.,
Dean, Harvard Medical School.
JAMES S. SIMMONS, M. D.,
Dean, Harvard School of Public Health.

JANUARY 23, 1950.

Re H. R. 5940; grants-in-aid for education in the health professions.

I am writing you in my capacity as vice president of the University of Illinois in charge of the colleges of the health professions (medicine, dentistry, nursing, and pharmacy) because one important point for the people of the State of Illinois has not been introduced into the discussions of H. R. 5940.

And, since you represent the people of the State of Illinois on the House committee considering this bill, I feel it to be my duty to call the point to your attention.

This is the point:

I. THERE IS A SHORTAGE OF HEALTH PERSONNEL IN OUR COUNTRY

1. Everyone knows that more physicians, nurses, dentists, pharmacists, and public health officers are needed in our State (rural areas) and county. In some places this is true to such an extent that the principle of free enterprise and free choice of a physician is not operative.

II. THE COST OF TRAINING HEALTH PERSONNEL IS VERY HIGH AND MORE PERSONNEL CANNOT BE PRODUCED BECAUSE OF LACK OF PHYSICAL FACILITIES AND OPERATING FUNDS—THE DEFICITS ARE NOW ALMOST INTOLERABLE

2. It is a matter of common knowledge that the cost of medical education in the health professions is very high. This is because much learning and considerable experience must be imparted and acquired in view of the great medical advances, before the student can be released to practice.

3. The majority of medical and dental schools and schools of public health operate on a large annual deficit. This draws money from other areas of university education. And, many university presidents, if they could morally do so, would like to drop their colleges in the health professions because these colleges are such a financial drain and handicap on the other educational functions of a university.

III. LARGE URBAN AREAS MUST PRODUCE THE HEALTH PERSONNEL FOR OUR COUNTRY

4. For obvious reasons, medical, dental, and nursing education is most economically and best given in urban areas where there is a concentration of charity or semicharity patients.

5. For this reason it is necessary to have several medical schools and dental schools, etc., in Chicago.

IV. CHICAGO PROVIDES EDUCATION FOR 20 PERCENT OF THE PHYSICIANS WHO PRACTICE IN OUR COUNTRY AND FEDERAL MEDICAL SERVICES

6. Chicago provides some or all of the undergraduate or postgraduate education of 20 percent of the physicians who now are in private practice or practice in Federal governmental medical services.

V. THE COST OF THIS HEALTH EDUCATION PROVIDED IN CHICAGO IS BORNE ALMOST ENTIRELY BY STATE TAXES AND BY ILLINOIS CITIZENS WHO ARE BENEFACTORS OF THE PRIVATELY ENDOWED SCHOOLS

7. Since there is practically no money for the support of these schools in Chicago which train personnel in the health professions not only to take care of the citizens of Illinois but also the citizens of other States in and out of the Federal medical services, the taxpayers of Illinois and the citizens of Illinois, who make gifts to the schools in Chicago, pay more than their share for the training of health personnel.

VI. FROM AN EQUITABLE AND ECONOMIC VIEWPOINT, THE FEDERAL GOVERNMENT SHOULD DEFRAY APPROXIMATELY 33 PERCENT OF THE COST OF EDUCATING HEALTH PERSONNEL

8. It is not fair, and it is not good economy for the citizens of Illinois to bear the expense of training physicians, dentists, nurses, and pharmacists for other States and the Federal Government.

9. The only fair and economical way to bear this expense equally is for the Federal Government to appropriate for approximately one-third the cost of medical, dental, nursing, and public-health education.

10. This argument not only applies for Illinois but all those States wherein reside medical schools because of the ready availability of charity patients and clinical facilities for training physicians, dentists, nurses, and public-health officers.

11. The claim that this cannot be done by the Federal Government without the Federal Government dictating what should be taught is an unfounded fear and challenge to the democratic representative form of government. The statement does not hold for compulsory health insurance, to which I am opposed, because compulsory health insurance, as shown in Germany and Russia, is conducive to the development of an attitude with rights and dignity.

The Federal Government should awaken to its responsibility and assume its share of the cost of training personnel for the health professions.

I believe that this foregoing point should be kept clearly in mind by the congressional representatives of the people of Illinois; namely, that it is not a economy move to oppose Federal aid to health education but a matter of equity in meeting a humanitarian and a national need.

I should add that the colleges of the health professions of the University of Illinois are not in critical need as regards the anticipation of a deficit in operating expenses, unless wages of employees are increased. However, for 4 years the people of the State have exerted much pressure on us to provide them with more physicians, dentists, nurses, and pharmacists and to accept for admission to our colleges of the health professions more young men and women of the State of Illinois who are qualified. Each year, because of lack of facilities, we must turn away over 400 students qualified to study medicine or dentistry.

So, when I make the foregoing point, I am making it for the people of Illinois and also for the people of other States who have to support colleges of the health professions for the people of States who do not have such colleges.

With best wishes, I am,

Yours sincerely,

A. C. IVY, Ph. D., M. D., D. Sc.,
Vice President.

TASK FORCE REPORT ON FEDERAL MEDICAL SERVICES

[Appendix O]

THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT, JANUARY 1949

* * * * *

1. That an initial survey of the acute emergency needs be made by the Public Health Service, with the aid of advisory groups representing the public, the medical schools, and those philanthropic foundations which have given so generously to medical education. Where financial problems of an emergency nature are found which threatens the survival of medical schools or the maintenance of high standards of medical education, emergency financial aid should be supplied promptly by the Federal Government if it is clear that the schools and their universities themselves are making maximum efforts.

2. That a long-range study of the economics of medical education be made to determine ways and means of insuring the maintenance of current output at present standards and of expanding output and elevating standards. This study should define the extent to which present facilities can be better utilized and need to be expanded.

3. A plan of fellowships for brilliant men, particularly those who evidence an especial interest in the fields in which there is the greatest shortage, including Federal medical service.

These recommendations are predicated on the principle of not diminishing the essential independence of the schools in professional educational policies, or their self-support to the full extent possible, or the private initiative now supporting them.

A sufficient principle on which to justify such Federal aid is that the Government is the largest single customer for medical personnel even in peace, and by far the greatest customer of all in war.

OCTOBER 12, 1949.

Congressman ANDREW J. BIEMILLER,
Washington, D. C.:

Appreciate your telegram regarding H. R. 5940. I hope that it will have favorable action in committee and on the floor of the House.

JOHN S. HIRSCHBOECK,
Dean, Marquette University School of Medicine.

BOSTON UNIVERSITY
SCHOOL OF MEDICINE,
Boston, Mass., January 6, 1950.

The Honorable ANDREW J. BIEMILLER,
House of Representatives,
Washington, D. C.

DEAR MR. BIEMILLER: I hope that H. R. 5940, to provide financial assistance for medical education, will be acted upon promptly and favorably. The financial plight of the medical schools, particularly of the privately supported schools, is so serious as to call for immediate action. I urge your continued support of this bill.

Very sincerely yours,
JAMES M. FAULKNER, M. D.,
Dean, School of Medicine.

HARVARD SCHOOL OF DENTAL MEDICINE,
Boston, Mass., January 6, 1950.

The Honorable ANDREW J. BIEMILLER,
House of Representatives,
Washington, D. C.

DEAR MR. BIEMILLER: I want to add my individual word on behalf of the Harvard School of Dental Medicine to the joint letter I have just signed as a member of a group of deans of medical and dental schools in the State of Massachusetts. Our school strongly backed House bill 5940 to provide financial assistance to schools of medicine, dentistry, and public health. We have a small school in which we try to give a large amount of individual instruction and an opportunity for students to perform individual research projects in the laboratories. This type of instruction is expensive and our tuition, though high, does not begin to cover the cost per student.

As you may know, both the American Association of Dental Schools and the American Dental Association, through its house of delegates, have endorsed H. R. 5940 in principle. The American Medical Association cannot speak for the dental schools of the country.

Very sincerely yours,
JAMES M. DUNNING, D. D. S.,
Dean.

TUFTS COLLEGE MEDICAL SCHOOL,
Boston, Mass., January 6, 1950.

HON. ANDREW J. BIEMILLER,
House of Representatives,
Washington, D. C.

DEAR MR. BIEMILLER: As dean of Tufts College Medical School, I am writing to say that we here at Tufts favor very strongly the passage of House bill 5940. If we are to continue to train medical doctors under the present standards of quality and quantity, we shall need urgently the provisions for aid which are provided in this bill. We hope, therefore, that you will do everything you can to bring this bill before the House and to secure favorable action upon it.

With full appreciation of your insight into these matters and all you have done for public health in this country in the past, I am

Sincerely yours,
DWIGHT O'HARA, M. D.,
Dean.

TUFTS COLLEGE DENTAL SCHOOL,
Boston, Mass., January 6, 1950.

HON. ANDREW J. BIEMILLER,
Fifth Congressional District of Wisconsin, Washington, D. C.

DEAR MR. BIEMILLER: As dean of Tufts College Dental School, I am writing to you to strongly urge your continued support of House bill 5940 for the provision of grants and scholarships for education in medicine, dentistry, and public health.

It was clearly shown during the hearings on this bill that there is a desperate need of funds for our professional schools responsible for training personnel to whom will be entrusted the health of the Nation.

As already noted by the Public Health Subcommittee of the Committee on Interstate and Foreign Commerce, the number at present being trained by our professional schools falls far behind the number lost annually by death and retirement, even without consideration of normal population increases. Unless the professional schools are able to obtain the necessary financial assistance, it will be impossible to train sufficient experts to effectively take care of the health of the country. Private beneficence can no longer be relied upon to provide adequate assistance, and the present desperate financial plight of the schools emphasizes the critical need for Federal aid.

As one who has had experience in the administration of Government-aided institution in other countries, notably in New Zealand and in India, the undersigned has no fear of undue government interference with professional teaching institutions. Furthermore, the present need for an expanded and more effective total health training program is too urgent for such unlikely considerations.

Early passage of House bill 5940 will do much to alleviate the present unfortunate and highly dangerous situation. For this reason I would once again strongly urge that everything possible be done so that high priority may be given to this bill by the Rules Committee.

May I extend my sincere thanks for your cooperation.

Yours very truly,
S. D. MARSHALL-DAY, *Dean.*

UNIVERSITY OF VERMONT
AND STATE AGRICULTURAL COLLEGE,
COLLEGE OF MEDICINE,
Burlington, Vt., February 23, 1950.

The Honorable ANDREW J. BIEMILLER,
The House of Representatives,
Washington, D. C.

MY DEAR MR. BIEMILLER: As dean of the College of Medicine of the University of Vermont and State Agricultural College, with the consent of the president of the university, I am sending this memorandum to various Members of the House of Representatives and the Senate urging the prompt passage of H. R. 5940 to give financial aid to professional schools in the field of medicine and health.

The reasons for asking Federal tax support of such programs are as follows:

1. Both privately endowed and State supported medical schools are in desperate need of immediate financial support. Unless funds become available in the near future, some schools may close. Others, like the College of Medicine of the University of Vermont, will be forced to curtail teaching programs and possibly to reduce the number of students accepted. This at a time when pressure is greatest for expansion of schools and the education of more physicians.

2. At the present time the State of Vermont and the University of Vermont and State Agricultural College must add at least $3 to every dollar the medical student pays in tuition charges. Tuition is already higher than is considered compatible with the income of the vast majority of the families of our students.

3. The continual deficit of the College of Medicine of the University of Vermont, like many other university medical schools, has drawn heavily on university funds and has already necessitated serious curtailment of the university funds available for other important activities.

4. Approximately 45 percent of the graduates of the University of Vermont College of Medicine are either admitted as nonresidents of the State of Vermont or, as graduates, practice in States other than the State of Vermont. In this sense, all colleges of medicine are national institutions entitled to some partial Federal support.

5. State appropriations and voluntary gifts in general have not and will not be made in sufficient amounts to meet the costs of medical education. If appropriations from States and gifts from individuals are made, there is no liklihood that they will be available in time to meet the present financial crisis in medical education the country over.

6. Congress has already appropriated for defense upward of sixteen billions of dollars during the current year. This will be spent by the military services for the maintenance of adequate defense.

The Army, Navy, Air Force, and United States Public Health Services, charged with the problems of defense, have already turned to the colleges of medicine to recruit necessary medical personnel. Twenty percent of the graduates of the class of 1949 of the college of medicine of the University of Vermont entered one of these medical services. Vermont paid three-fourths of the cost of educating this personnel.

In the event of another war, there will be an even greater draining off of medical graduates into military services. The demands upon the colleges of medicine will become increasingly greater and will far exceed those of World War II.

7. Unless financial support is forthcoming in the near future, it is unlikely that medical colleges will be able to graduate adequate numbers of properly trained physicians to meet the increasing demands of the country at large, to say nothing of military demands for physicians.

8. The problem of our national health is the most vital. This can only be adequately met by a reasonable increase in the number of well-trained physicians graduated from properly supported colleges of medicine.

In general, the problem of medical education, its proper support and supervision, falls quite properly on the shoulders of the Association of American Medical Colleges. Its committee on financial aid to medical education has already explored the field of increased financial support. The committee has cooperated with the committees of both Houses of Congress in the study of proposed Federal aid. The committee has polled the medical colleges and has gone on record in favor of Federal aid to medical education. The committee has advocated suitable controls to keep medical education free from political or Government interference. All are agreed on the importance of this phase of the problem.

We hope you will support H. R. 5940 and see that it is given a prompt hearing on the floor of the House of Representatives. All medical colleges must in the near future prepare budgets for the year 1950–51. Hence the urgent need for prompt action.

We all hope that a note of false economy may not be used to defeat this important piece of legislation. The best economy in the field of medical education today is adequate support and expansion of the facilities now available in well-established medical colleges.

I will be very glad to answer any questions regarding the urgent need for this important measure.

Very truly yours,
W. E. BROWN, M. D., *Dean.*

JANUARY 27, 1950.

HON. ANDREW J. BIEMILLER,
United States House of Representatives,
Washington, D. C.:

As chancelor of the University of Chicago and chairman of the committee on Federal aid to medical schools of the American Association of Universities, I want to bear urgent witness to the critical and immediate need of the medical schools of this country. President Conant's recent statement on the precarious financial condition of Harvard

Medical and Public Health Schools is applicable in my opinion to every school in the country training personnel for the professions concerned with health. The cost of providing instruction of high quality for doctors and other medical personnel far exceeds the funds available from tuition and other sources. Without operating funds, schools will be unable to maintain current enrollments—already dangerously low—and improve present standards of instruction. Public support in the form of Federal funds is essential if schools are to fulfill their public responsibility, providing enough well-trained personal to meet the health needs of the Nation. Whatever action may be taken on any other aspect of providing adequate health services, the country cannot afford to let existing shortages of trained health personnel increase in severity. I therefore urge your efforts toward prompt passage of H. R. 5940, feeling convinced that in its present form the bill affords adequate protection of academic and administrative freedom while providing reasonable contrcl of the expediture of public funds.

ROBERT HUTCHINS,
Chairman of the Committee on Federal Aid to Medical Schools of the American Association of Universities and Chancelor of the University of Chicago.

MARCH 7, 1950.

EXCERPT FROM JOINT CONGRESSIONAL COMMITTEE ON THE ECONOMIC REPORT, SUBCOMMITTEE ON LOW-INCOME FAMILIES

Senate recommendations, including—

2. Federal assistance in training of doctors and nurses.

3. Federal assistance to existing medical schools and to establish new medical schools where needed.

Majority supporting: Senator SPARKMAN; Senator FLANDERS; Representative WALTER HUBER, Democrat, Ohio; Representative FRANK BUCHANAN, Democrat, Pennsylvania.

RICH opposed to health plan.

[From the University of Southern California Medical Bulletin of April 1950]

Why has the cost of medical education ben discussed earnestly at every meeting of the Association of American Medical Colleges held in the past few years? What is the situation in the Nation's medical schools? Is such grave concern justified?

The general rise in costs during and since the war has engulfed medical schools in serious financial difficulties. Engaged in a type of education which has always been highly expensive, they have recently been confronted with 30–50 percent increases in salaries, a 50–150 percent rise in the cost of equipment and supplies, and the added expense of increased enrollments demanded by the public.

Meanwhile, earnings on investments have fallen, and universities have suffered a decline in income which has become critical. To offset this somewhat, tuition has been raised, but in no school to a compensatory level. The result has ben a disastrous increase in the proportion of educational expenses not covered by tuition.

The seriousness of this problem is well illustrated by the experience of our own school of medicine, for which the figures in the table below are presented.

The most significant figures are those showing a rise of more than 450 percent in educational costs not covered by tuition and fees. These costs amounted to about $1,054 in the early 1930's for a 4-year medical education for one student. The cost of such an education today, above and beyond that portion met by tuition and fees, is more than five times as great, or about $5,884. On the basis of this figure, each class of 65–67 students requires an expenditure by the university of over $388,000 by the time it has graduated. Such an amount is not easily provided. It represents a considerable sacrifice by the university and is an annual contribution to the medical profession and to the community which deserves to be recognized.

The problem at our institution is not different from that at other medical schools, and the above figures coincide closely with those presented by Alan Valentine, president of the University of Rochester, in an address to the Association of American Medical Colleges in May 1948. He pointed out that for American schools as a group, tuition and fees covered approximately 70 percent of the cost of medical education in 1910, but less than 30 percent in 1948.

	1933–34	1949–50	Percent increase
Teaching budget [1]	$108,000	$555,175	322
Undergraduate enrollment	158	267	69
Total cost per student per year	$683	$2,079	204
Tuition and fees per year	$420	$608	47
Percent of cost covered by tuition	61	29	−53
Cost not covered by tuition, per student per year	$263	$1,471	458

[1] Not including funds for operation of teaching and research facilities (light, heat, telephones, etc.).

The resulting financial problem is particularly serious for those schools which are maintained by private universities, including those which are heavily endowed, and has obvious implications for the medical profession since for years 66 percent of all American physicians have graduated from private universities.

The medical schools of State universities have not entirely escaped the situation either, for they have been confronted with the same rising costs, and their increasing budgetary requests have been received by State legislatures with growing concern.

It is readily understandable, then, why both private and public medical schools are appealing so earnestly to their alumni for support. It is also clear why these schools, through the Association of American Medical Colleges, have finally turned to the Federal Government for aid, not only to support their research programs, but to provide necessary funds for at least minimal teaching expenses.

On August 3, 1949, the United States Senate Committee on Labor and Public Welfare reported favorably on a bill to provide Federal subsidies to medical schools. This bill, S. 1453, provides $500 for each medical student up to the school's average past enrollment, and $1,000 for each additional student up to 30 percent of the past average enrollment. Total payments may not exceed 40 percent of the school's budget. These subsidies are not scholarships, and Federal scholarships will not be awarded unless schools are unable to fill their enrollments. Funds under this bill would be provided for 5 years except scholarship funds which would extend over 8 years. Although as originally proposed this bill contains certain controversial provisions, an acceptable measure providing for such Federal aid may soon become law.

It will be almost impossible to prevent a gradual deterioration of medical education in the United States, and a fall in the standards of medical practice throughout the Nation, unless such Federal aid is provided, or unless markedly increased private philanthropic support can be obtained.

The University of Southern California is a private, nonsectarian institution. It stands for opportunity, individual initiative, and private enterprise. Together with other private educational institutions, it forms a stanch bulwark of our modern society. If its credo is to be better upheld, and if its position in our society is to be strengthened, the greatest proportion of its support must come from private citizens.

The financial need of our medical school is a grave problem. It must be given serious attention by every student, teacher, and graduate of the school, and every layman interested in its welfare. It must be placed before the public as sympathetically, clearly, and forcefully as possible.—R. B. B. and J. N. D.

THE CREIGHTON UNIVERSITY,
SCHOOL OF MEDICINE,
Omaha, Nebr., May 4, 1950.

The Honorable ANDREW J. BIEMILLER,
Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D. C.

DEAR MR. BIEMILLER: I would like to call your attention to the present status of H. R. 5940 which is now under consideration by the Committee on Intertsate and Foreign Commerce.

It is believed that if the critical financial condition of most of the privately owned schools of medicine was known by the Members of Congress, the present bill, H. R. 5940, would be approved and passed with very few changes.

The average cost of medical education per student per year in the United States is about $2,500. The average yearly tuition paid by each of these students is about $600. The medical schools are, therefore, required to pay out of their own funds the difference between the cost of education and the tuition which amounts to an average of about $1,900 per year per student.

The Creighton University is opposed to the recommendations of the American Medical Association that Federal aid to medical education is limited to 30 percent of the school's annual cost of instruction. The Creighton University favors that the limit remain at not less than 40 percent of the annual cost of instruction as is shown in the present bill.

Section 372 of H. R. 5940 "Payments to schools for costs of instruction" is entirely acceptable to this school.

The Creighton University is opposed to the payments being made to the various States instead of directly to the schools because, as you can well understand, the private universities would not receive any of the funds because many of these States have laws forbidding the allocation of any funds to private schools.

The Creighton University naturally is opposed to any type of Federal control over medical education, but believes that her interests are adequately protected by both Senate and House bills. However, if provisions similar to those contained in section 2, S. 246, are desired by others interested in medical education these changes would be entirely satisfactory to the Creighton University.

If there is any doubt in the minds of any of the committee members concerning the attitude of the representatives of the privately owned schools of medicine regarding Federal aid to medical education, I recommend that the committee ask each medical school to send a representative to appear before the committee without expense to the Government and explain the stand taken by his school in this matter.

I am sure that it is the general opinion of the administrators of the privately owned medical schools that the matter of Federal aid to medical education is not the problem of the medical schools as the American Medical Association does not provide any funds whatsoever to help in the maintenance of the schools. The medical schools are independent organizations and, as such, their representatives should be asked to appear before the committee to give first-hand information regarding this subject.

Sincerely yours,

P. J. CARROLL, M. D., *Dean.*

MEHARRY MEDICAL COLLEGE,
Nashville, Tenn.

The Honorable ANDREW J. BIEMILLER,
House Office Building,
Washington, D. C.

DEAR SIR: Without unforeseen and seemingly unavailable grants from private philanthropy and without Federal aid to medical, dental and nursing education as proposed in legislation now pending before Congress, Meharry Medical College of Nashville, Tenn., an institution that continues to train over 50 percent of the Negro physicians and dentists for this country, may be forced to curtail its program in 1950–51 below the standards required for national accreditation.

This would be a staggering blow to an institution that has successfully maintained national standards in the face of almost unsurmountable difficulties since its founding in 1876.

The administration, the faculty, staff, and student body, along with 3,000 loyal alumni urge that you carefully consider the plight of this and other privately endowed institutions when this bill is brought before you for decision.

We hope that aid will be forthcoming from your vote. With a prayer, we leave this important matter in your capable hands.

Sincerely,

M. DON CLAWSON,
President.

UNIVERSITY OF VIRGINIA,
DEPARTMENT OF MEDICINE,
Charlottesville, May 6, 1950.

The Honorable ANDREW J. BIEMILLER,
Member of the House of Representatives,
Washington, D. C.

DEAR MR. BIEMILLER: May I urge that you, as a member of the Committee on Interstate and Foreign Commerce, give favorable consideration to the Emergency Professional Health Training Act of 1950, H. R. 5940.

The financial status of many of the finest medical schools in the United States is insecure and it is generally agreed that unless Federal aid is obtained, the quality of instruction will deteriorate or some schools may find it necessary to close. Furthermore, we are under constant pressure to increase enrollment and produce a larger number of physicians to meet the needs of the country, yet cannot do so within the limitations of our existing staffs and facilities.

Certainly, the keystone of the health program is the production of an adequate number of well-trained personnel. I know of no better investment of Federal funds in the fields of health or education than one which would accomplish that objective.

Sincerely yours,

VERNON W. LIPPARD, M. D., *Dean.*

RESOLUTION OF THE ASSOCIATION OF URBAN UNIVERSITIES, OCTOBER 31, 1949

The Association of Urban Universities, whose membership institutions are carrying a large percentage of the burden of medical, dental, and nursing education, voices its approval of S. 1453, the emergency health training bill, which would provide outright Federal financial aid to institutions supporting education in these health fields.

COLUMBIA UNIVERSITY,
COLLEGE OF PHYSICIANS
AND SURGEONS,
New York, N. Y., May 19, 1950.

The Honorable ANDREW J. BIEMILLER,
Committee on Interstate and Foreign Commerce, House of Representatives,
Washington, D. C.

MY DEAR MR. BIEMILLER: May we express the earnest hope that your committee will have favorable consideration to the bill now before your committee proposing an amendment of the Public Health Service Act and Vocational Education Act of 1946 to provide an emergency 5-year program of grants for professional education.

This is a matter of great urgency in the over-all problem of supplying adequate numbers of well-qualified physicians and other professional personnel to meet the needs of the country. Many of the professional schools are in serious need of financial assistance if they are to maintain their public responsibilities.

Hoping that this important legislation may have favorable consideration, I am,

Respectfully yours,

WILLARD C. RAPPLEYE, M. C.,
Dean and Vice President in Charge of Medical Affairs, Columbia University.

THE UNIVERSITY OF BUFFALO,
Buffalo, N. Y., June 3, 1950.

Hon. ANDREW J. BIEMILLER,
Interstate and Foreign Commerce Committee, House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN BIEMILLER: I am writing to urge you to vote favorably on the passage of H. R. 5940, the bill for the support of medical and other professional education which is to be considered by the Committee on Interstate and Foreign Commerce on June 6.

The University of Buffalo, a privately endowed institution, now trains medical students, dental students, and nursing students. Plans have been prepared for the construction of a new medical school which will enable the university to increase by 25 to 50 percent the number of medical and dental students it can train. The University of Buffalo has increased the budgetary support of the medical school very considerably over the last few years, but cannot supply what is really needed to develop the present school to the full. It certainly needs Federal assistance to increase the number of graduates. The problem which faces this school faces all medical schools and universities in some measure. Hence the urgent need for the support of the proposed bill, H. R. 5940, on which I again urge your favorable action.

Sincerely yours,

S. P. CAPEN.

LOYOLA UNIVERSITY,
SCHOOL OF MEDICINE,
Chicago, Ill., May 31, 1950.

The Honorable ANDREW J. BIEMILLER,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: The purpose of this letter is to make a statement with reference to the emergency health training bill, H. R. 5940, providing Federal aid to institutions engaged in training for the health professions. (The companion bill, S. 2246, has already been passed.)

The position of Loyola University, comprising a medical school, a dental school, and a school of nursing education, is as follows:

1. We earnestly favor the passage of H. R. 5940.

2. We understand that the American Medical Association wanted the financial limit of aid set at 30 percent. This, of course, would mean that the schools which most need the aid would get far less help than if the figure had been left at 40 or 50 percent of the total budget of the school is far more consonant with the purpose of the bill.

Any assistance that you might extend will be noted and appreciated.

Respectfully yours,

MICHAEL I. ENGLISH, S. J., *Regent.*

MARQUETTE UNIVERSITY,
COLLEGE OF NURSING,
Milwaukee, Wis., June 1, 1950.

The Honorable ANDREW J. BIEMILLER,
The House of Representatives,
Washington, D. C.

DEAR MR. BIEMILLER: We would like you to know that we are interested in bill H. R. 5940, relative to Federal aid to health education. If nursing schools and other schools engaged in health education are to continue to function as educational institutions, it is imperative that they receive Federal aid. We have over 500 students enrolled in our school. Of this number, about 150 are in the basic program, the others are graduate nurses preparing for teaching, supervision, and public health positions. We shall appreciate your efforts in behalf of bill H. R. 5940.

Very truly yours,

Sister M. THOMAS, O. S. F.,
Dean, College of Nursing.

UNIVERSITY OF LOUISVILLE,
Louisville, Ky., May 31, 1950.

The Honorable ANDREW J. BIEMILLER,
House of Representatives,
Washington, D. C.

DEAR MR. BIEMILLER: Thank you for having taken the time and trouble to reply so carefully and thoughtfully to my recent letter to you concerning the mental-health legislation. Thank you in particular for going out of your way to call my attention to the present status of H. R. 5940.

I did not know that the latter bill would be up for consideration on June 5, but I had already written Congressman UNDERWOOD in connection with that bill, as you have suggested. With some of the objections to the bill eliminated, as I understand they have been, I do hope that you will see your way clear to support it vigorously so that our medical schools can do the job they should do, but are not now able to, to the end that the welfare of the people will be better safeguarded.

Very sincerely,

J. MURRAY KINSMAN, M. D., *Dean.*

UNION UNIVERSITY,
ALBANY MEDICAL COLLEGE,
Albany, N. Y., May 11, 1950.

Hon. ANDREW J. BIEMILLER,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN BIEMILLER: I understand that the Committee on Interstate and Foreign Commerce now has before it a substitute bill for H. R. 5940, a bill to aid medical education. I am familiar with the major changes made by the subcommittee and feel that these changes are sound and wise.

I know that you are well aware that the quality of medical care the patient receives from his physician is largely determined by the quality of medical education the physician has experienced. I know also that you are aware of the forces, completely outside the control of medical colleges, which have so greatly increased their costs in the past 5 or 6 years. Speaking only for Albany Medical College, although I think you will find similar situations at most other medical colleges, I can say that only if our income is substantially increased can we maintain the high level of medical education from which the public benefits so greatly.

In view of these facts, I hope that you will exert your full influence to secure passage of the substitute bill to aid medical education.

Sincerely yours,

R. S. CUNNINGHAM, M. D., *Dean.*

As far as I am concerned, the deaf, dumb, and blind attitude of the AMA on this subject is its number one crime against the public interest in this session of Congress.

AMA KILLED PERMANENT DISABILITY INSURANCE

The mounting tempo of AMA activity on the congressional front is also evidenced in our social security legislation. It was AMA testimony that was primarily responsible for the Senate's removal of a permanent disability insurance program from the social security

bill, H. R. 6000, after it had been approved by the House. Note the significance here. In the first session of this Congress the Senate approved Federal aid to medical education unanimously and the House was proud to include disability insurance as a progressive part of its broadening and improving of our social security system. In the second session, a House committee has tied the aid to medical education bill in knots and a Senate committee slashed the permanent disability insurance program to ribbons. Could it be that hundreds of thousands of dollars expended in lobbying in the interim are paying off?

The testimony of the AMA representatives on disability insurance is revealing in several other ways. For instance, although the AMA's national ruling group, the House of Delegates, was careful to oppose disability insurance only, several of its representatives delivered broadsides against the widely accepted principles of social security in general. And all spoke as standpatters who believed that any improvement in our present public health standards of systems would inevitably lead to the abysmal pit of "socialized medicine."

Dr. R. L. Sensenich, then immediate past president of the AMA and a member of the omnipotent board of trustees, had extraordinarily interesting reasons for opposing disability insurance—which would simply provide that people eligible for old age benefits who became permanently disabled before the usual age for retirement receive their benefits at that age. They are after all in equal need of funds and as deserving of them. In fact, many of those receiving old age benefits are better able to earn their own livings than those who have been early crippled by the accidents or illnesses so frequent in our complex society.

Said Dr. Sensenich about protecting these people:

> It will only multiply the opportunity for malingering.

The American people have been the subject of autocratic insult before, but that one is topped only by Dr. Sensenich's further remark:

> It places a brake on the incentive of the sick and disabled to desire recovery.

I hesitate to make serious answer to such patently insubstantial and slurring testimony, but the record of the permanent disability insurance program under the Railway Retirement Act is too perfect an answer to pass by. It is the unanimous opinion of those who have administered this legislation that there has been a minimum of anything that might possibly be called malingering, that anybody who can get well is only too happy to do so.

FOUGHT ENTIRE SOCIAL SECURITY BILL

There is other equally interesting testimony including that by the representative of the Colorado Medical Society who pronounced himself opposed to the entire social security bill. And there were no murmurs of dissent from his colleagues. I will only note one other statement here, one of particular interest to me because it comes from Dr. Gunnar Gundersen of LaCrosse in my own home State of Wisconsin.

Dr. Gundersen concurred in a statement that our state medical society surveyed the entire State in 1936–37 and found:

> Nobody in the State needing medical care but what had access to it from the standpoint of proximity and their ability to pay for it.

That statement ignores the bitter battles still being waged in Wisconsin's rural areas to get refugee doctors licensed by the State board—controlled by the State medical society—because of the desperate physician shortages in their areas. The statement blandly ignores the truth. There are plenty of people in Wisconsin, just as elsewhere, who need medical care who are not getting it because of shortages of medical personnel or of cash to pay for it. I suspect the State society's survey was made among doctors and the people who came into their offices, not those remote or unable to pay the price.

BLOCKED SCHOOL HEALTH BILL

How about item number three? Well, there is the rear guard action against aid to local public health units, the operational units of public health, the units which really carry the health battle in the field. Also the AMA can take credit for blocking the school health bill—a bill to strengthen health work for all children.

There is also the continuing battle against national health insurance, a battle waged with unremitting ferocity of phrase and word pictures calculated to lift the scalps of unsuspecting patients who never heard before that insurance was socialistic or that the Democratic Party was really the front for Marxist plotters against the welfare of the Nation. The story of that national health insurance struggle is properly one that concerns more than this one session of Congress, one that I want to recite as background for the AMA's remarkable recent achievements. But before I begin that story, let me complete the record for the Eighty-first Congress, the record of deadly dedication to the status quo summed up in a remarkable pamphlet distributed only to members of the AMA in attendance at what was called the Second National Conference of the National Education Campaign of the AMA in February of this year in Chicago.

AMA CAMPAIGN STRATEGY

Part II of this booklet is titled Campaign Strategy and Policies. It is written by Clem Whitaker, the male half of the husband-wife huckster team, the directors of this so-called educational campaign. For your edification, this is what it says, and again I quote exactly:

> From our standpoint, the fundamental question involved in compulsory health insurance is much more adapted to effective, clear-cut presentation than the hidden threat in a bill to provide Federal aid to medical education, the danger in a sickness-disability section of a proposed social-security program, or the entering wedge for socialized medicine that is adroitly wrapped in a school health bill.

I interrupt at this point in Mr. Whitaker's adroit presentation to raise the possibility that the hidden threats are hard to find because they are not threats at all, that they are neither dangerous nor entering wedges, that no one who proposes them favors socialized medicine. But, to continue with the master of medical ceremonies, Mr. Whitaker:

> No one of the fringe bills, by itself, would usher in a complete system of socialized medicine—

Note the adroit wrapping of understatement—

> but each of the bills is designed to achieve part of that objective.

Now Mr. Whitaker does not define what a fringe bill is, but the record would seem to indicate that it is any public-health bill. Which brings us to the most recent of the AMA's official positions on a measure involving the public health and security.

AMA BLOCKS SOLDIERS' DEPENDENTS BENEFITS

I quote from a United Press report of August 21:

> The American Medical Association today blasted as impractical and harmful to national defense a proposal to give Government medical care to dependents of men in the Armed Forces.
>
> Dr. Walter P. Martin, of Norfolk, Va., told a House Armed Services Subcommittee that the plan would have far-reaching possibilities of harm to the defense effort and would overload military hospitals with women and children.

The motivation of a statement like that is apparent almost on the surface. The provision itself was the product of the Defense Department's analysis of the situation, an attempt to see that the men we have called upon to make the only real sacrifice as a result of the Korean situation would not have double sacrifice inflicted upon them through the hardships of their dependents.

Did the AMA have a substitute proposal ready? No.

The issue presented by this opposition has not yet been resolved in this Congress, but the AMA's calm indifference to the needs of women and children is on the record in permanent fashion.

The foregoing recital certainly would indicate the AMA's interest in legislation on social and health matters beyond any question. But you say you have only talked about the bills they oppose. Certainly an organization with the professional standing and membership of the AMA has made some constructive, concrete proposals for improving the Nation's health. Certainly there has been some yea-saying to go along with all this nay-saying. But you will search in vain for any constructive proposal in this session initiated by the AMA.

LONG RECORD OF REACTION

Well, you may say, there is another possible explanation of all this that will not bring too great discredit on those who have misled the doctors of the United States. Perhaps, this is just one reactionary administration, a clique which has briefly seized power and has been responsible for this indefensible record during the period of the Eighty-first Congress. I am afraid that analysis fails too. Let us look at the AMA's history of activities up to and including

the arrival of hucksters Whitaker and Baxter as grand viziers to the hierarchy.

This is the history which led 170 of America's most eminent—and also conservative—men of medicine to send an open letter of protest to the AMA when its ruling group first voted a secret assessment of $25 per doctor for its multimillion dollar war chest. In this action, later supported by thousands who refused to pay the assessment despite fears of such reprisals as loss of hospital connection or of membership in the all important local medical societies, these doctors warned their fellow physicians and the American public:

If the funds are to be used for propaganda and legislative lobbying instead of developing a comprehensive medical-care program, we are heartily opposed to the levy and shall refuse to pay it, and we urge all physicians with a sense of responsibility for the future of American medicine to register their protest. The significance of stand-pat propaganda will not escape the public. This will add to the already firmly rooted suspicion that the association's objectives are primarily economic and selfish. * * * Now is the time to voice our disapproval of the leadership and policies of the association.

What did the AMA political lobby do? Let me quote Senator WAYNE MORSE, Republican of Oregon, who told the United States Senate how this lobby retaliated against the distinguished pediatrician, Dr. Myron E. Wegman of Louisiana State University, one of the 170 signers: "This doctor, who is a member of the faculty of one of our leading medical schools, had been invited to lecture at a postgraduate course for practicing physicians in Arkansas to help improve their techniques in caring for babies and protecting the lives of babies." Senator MORSE then traced how the Arkansas State Medical Society brought pressure to force withdrawal of the invitation, although the program had already been published.

"As a result," Senator MORSE declared, "the doctors of Arkansas did not get the benefit of the knowledge of this expert on how to save the lives of babies. I am shocked at this callous disregard of basic rights by the American Medical Association and its allies and satellites."

DOCTORS FEAR RECRIMINATION

This is a specific instance—but by no means an isolated one—of the high-handed, repressive methods organized medicine will use to prevent individual doctors from expressing themselves against the AMA's vicious campaign against the President's health program. From virtually every city and State come reports of doctors who deeply resent the tactics of organized medicine, but who are forced into acquiescence, lest they jeopardize their professional careers. In Baltimore, for example, a prominent physician declared: "There are not three doctors in this whole city among all those who are for national health insurance who will dare to speak out in public debate. And one of those three is a Negro doctor whom the AMA can't hurt anyhow, since he is barred from the local medical society because of color."

Everywhere, doctors who want to support the President's national health program are afraid to state their position publicly. They know that recrimination will be swift if they accept invitations to speak on the radio, or address civic groups, or write letters to the editor or exercise their right as individuals to work for the program they believe will provide better medical care for all our people. And so these honest doctors have been pressured and intimidated into silence.

CALLED VOLUNTARY PLANS COMMUNISM

The AMA's record toward voluntary plans is an excellent demonstration of its emotional oppostion to even the most modest steps to extend adequate medical care to our people. Today, the AMA claims that voluntary plans by themselves can finance America's health needs. Faced with the demand for national health insurance, the AMA's lobby pays lip service to the very plans which it once so bitterly condemned. And even while publicly praising voluntary health insurance, behind the scenes, organized medicine is still trying to destroy those consumer plans which it cannot dominate.

Here are some high lights from that long, devious record:

In 1932, the AMA—now the great defender of voluntary insurance—blasted these plans in its Journal as "socialism, communism—inciting to revolution." It likened group medical practice to "medical soviets."

The AMA rejected the majority report of the famed Committee on the Costs of Medical Care, headed by the late Dr. Ray L. Wilbur, former AMA president, ex-Secretary of the Interior under Herbert Hoover. Thirty-five out of the forty-eight members of that committee urged that medical care be financed through voluntary prepaid insurance. Nine members of the AMA hierarchy signed a minority report hostile to voluntary plans. They said flatly: "These schemes have everywhere failed." The majority was for voluntary plans. In the AMA's usual fashion, the minority will prevailed and was espoused in the Journal as "Americanism versus Sovietism for the American people."

ORIGINALLY FOUGHT BLUE CROSS

The early history of Blue Cross proved that the policy of organized medicine was flatly hostile to voluntary plans. When Blue Cross began in 1933, it faced fierce opposition from local medical societies.

A half-baked scheme—

Declared the AMA Journal—

all sorts of hospitalization insurance schemes [are] mechanization of medical practice.

When the American College of Surgeons approved Blue Cross, the AMA's ruling clique promptly lashed out at this distinguished professional group, calling its recognition of Blue Cross "an apparent attempt to dominate and control the nature of medical practice." When Blue Cross plans offered subscribers X-ray and laboratory services, organized medicine again cried "invasion of private medical practice." It called the extension of these services "socialized medicine."

Thus, these cries of "Wolf, wolf, socialized wolf," were originally hurled by the great defender of the voluntary plans at these very same plans just a few short years ago.

When the AMA found itself unable to halt the growing public demand for voluntary insurance, it tried a new battle-plan. It set up its own Blue Shield plan offering limited surgical care. At the same time, organized medicine continued to use legal and professional pressures to block all consumer plans. Organized medicine did not drop its feud, however, with Blue Cross. In Wisconsin, for example, as late as 1940, the State Medical Society forbade local units to cooperate with Blue Cross.

In 1934, AMA declared as official policy:

All features of medical service in any method of medical practice should be under the control of the medical profession. No other body or individual is legally or educationally equipped to exercise such control.

ESTABLISHED MEDICAL MONOPOLY

Accordingly, in line with this new battle-plan, organized medicine secured restrictive laws in 22 States which prevented the public from organizing their own volutary plans. Thus, between 1939 and 1946, farmers, co-ops, labor unions, and other consumer groups lost the right to set up comprehensive insurance plans with qualified doctors and surgeons of their own choice.

In many instances, the consumer plans fought for survival and, backed by the public, they won. In Washington, D. C., a nonprofit prepayment plan began its fight in 1937 against the AMA—that great defender of the voluntary plans—and did not rest until it won it 6 years later. In 1943, the United States Supreme Court unanimously upheld a lower court conviction of the AMA and its local medical society for violation of the anti-trust laws.

The public's fight for freedom to organize voluntary plans is continuing against organized medicine this very day. In San Diego, Calif., an independent nonprofit consumer plan has hailed the local medical society into court, charging it with a systematic drive to destroy the consumer plan through whispering campaigns, smear ads, and reprisals against the plan's doctors and patients.

In Oregon, too, local medical societies have been prosecuted by the Federal Government for conspiracy to monopolize prepaid plans and for resort to the same unfair practices as in San Diego. Some one hundred physicians have charged that organized medicine took action against them when they attempted to work with consumer plans.

This pattern is duplicated in many parts of this country. The Department of Justice has found it necessary to investigate some sixteen medical societies following the complaints of doctors and patients of consumer plans.

Even for its own plans, AMA enthusiasm has always been lukewarm at best. A proposal to put Blue Cross and Blue Shield on a national basis was rejected only 2 years ago, causing Dr. Paul Hawley, then director of both plans, to warn the leaders of organized medicine:

The demand for more comprehensive medical care and budgeting its costs has grown

within 10 years from a whisper to a roar. Our people will not be denied much longer. I emphasize that the welfare of our people must be given at least as much consideration as the welfare of the health professions. Too many physicians regard medical care as their exclusive prerogative. We must recognize that the consumer of medical care also has a great stake in it.

The basic reason for AMA rejection of Dr. Hawley's proposal was voiced as far back as 1936 when its then president-elect, Dr. J. Tate Mason, condemned voluntary plans as the start of a trend toward general socialization.

In another instance, when a voluntary rural prepayment hospital plan was launched at Elk City, Okla., the local medical society translated AMA obstructionist policy into unscrupulous action. The society eliminated the plan's founder, Dr. Michael Shadid, by the device of meeting, voting to disband, then reorganizing without his name on its rolls.

These are but a few examples that are taken from hundreds of instances of continuous obstructionist activity. In the face of this record, however, the American Medical Association has the cynical audacity to tell Congress that it supports voluntary plans and believes they can provide adequate medical care for all our people.

What is the reason behind this two-faced maneuver? In their Simplified Blueprint of the Campaign Against Compulsory Health Insurance, the AMA's highly paid lobbyists state baldly: "Defeating compulsory health insurance is the immediate job." In order "to get medicine off the defensive," they propose to promote voluntary health insurance.

But organized medicine has not limited its activities solely to fighting National Health Insurance. It has stepped again and again beyond the proper bounds of medical care to prescribe economic treatment for our body politic. Here are a few pills that organized medicine has tried to force down the public throat in the past:

FOUGHT TB REPORTING

First. Organized medicine opposed a generation ago the requirement that all cases of tuberculosis be reported to a public authority—the foundation of all tuberculosis control methods.

Second. Organized medicine opposed inoculation against smallpox, diphtheria immunization and other preventive measures against contagious disease by public-health agencies on the ground that it would hurt the economic interests of private physicians.

Third. Organized medicine fought workmen's compensation, denouncing it as "socialism."

Fourth. Organized medicine's ruling body unanimously opposed the National Tuberculosis Control Act a week before Congress unanimously passed it.

Fifth. Organized medicine opposed the first bills to grant Federal aid to the States to reduce infant and maternal mortalities. When Congress passed the Sheppard-Towner Maternity Welfare bill in 1921, the AMA house of delegates labeled the act "Federal bureaucratic interference with the sacred rights of the American home." Again in 1930, the same body again condemned the measure as unsound in policy and tending to promote communism.

CALLED SOCIAL SECURITY COMMUNISM

Sixth. Organized medicine took a jaundiced view of the Social Security Act, passed in 1935. Declared the AMA Journal:

> The Social Security Act is designed to work a revolution in the social and political relations of the people and of the several States to the Federal Government. To what extent it is constitutional and to what extent unconstitutional is a question that the journal cannot decide.

In behalf of the AMA Board of Trustees in 1939, Dr. Fishbein condemned old-age and unemployment insurance as a "definite step toward either communism or totalitarianism." The board of trustees cried that social security would "be the first step in the breakdown of American democracy, a beginning invasion by the State into the personal life of the individual."

Seventh. Organized medicine opposed the creation of venereal disease clinics. Again, it saw an invasion of private practice and an economic threat to doctors.

Eighth. Organized medicine opposed—and still does—the creation of free diagnostic centers for tuberculosis and cancer. These are viewed as further steps to socialized medicine.

Ninth. Organized medicine fought the American Red Cross plan of 1947 to set up a Nation-wide reserve of civilian blood banks. Free blood for transfusions made organized medicine see red, as usual. It castigated the Red Cross for "pushing socialized medicine." A number of local societies went even better. Said the New Orleans Medical and Surgical Journal in March 1948:

> The American Red Cross, while not politically dominated, operates with Government sponsorship; not with tax money, but with public subscription. The allotment of blood and its products by the American Red Cross should ultimately lead to the effect of having the Red Cross practice medicine. The transition from this arrangement to state medicine could become an imminent danger.

Tenth. Organized medicine has displayed varying degrees of hostility to the development of medical research and knowledge by such great foundations as the Rockefeller Foundation, the Rosenwald Fund, the Commonwealth Fund, the Milbank Memorial Fund, the Twentieth Century Fund, and the American Foundation. It has termed these efforts, which resulted in tremendous health gains for all people, "lay interference" and "intrusion."

THE GREAT-LIE TACTIC

This record of obstructionism, of opposition to every forward move, is just part of AMA's record of the last few decades. It would take many more hours to cover the full list of shoddy, ill-advised AMA policies which have repeatedly jeopardized not only our standards of health care, but also the professional integrity and freedom of our press.

Through a calculated public-relations campaign, organized medicine has sought to manipulate public opinion. The AMA's first front group was the National Physicians Committee, whose origins date back to 1938. It was organized and led by some high-ranking officers of the AMA, and separately set up merely to protect the AMA's tax exemption. The National Physicians Committee was financed by contributions from large patent-medicine corporations and from other sources which closed their eyes to the shocking and irresponsible tactics which placed all honest medical practitioners in bad odor.

The National Physicians Committee, like all well-controlled front groups, never deviated from the AMA line. It put to good use the tactic of the great lie, repeating over and over the smear that national health insurance is socialized medicine and that all its supporters are in effect acting on orders from the Kremlin. In the 7 years of its existence, this group spent well over $1,000,000 in its propaganda efforts and distributed more than 25,000,000 pamphlets. It published thousands of full-page advertisements, hurling the term "socialized medicine" over the radio, through the mails, and through every known technique of public relations, including the direct lobbying of Senators and Congressmen.

PUBLIC-RELATIONS FIRM QUITS

Responsible elements in the AMA protested against the National Physicians Committee and achieved a purely temporary victory when the public-relations firm of Raymond Rich Associates was hired to represent the AMA. This firm's excellent reputation, it was hoped, would help rescue the AMA's own name from the disrepute it was gathering under the direction of the National Physicians Committee. But after 17 trying months, Raymond Rich Associates confessed that the AMA showed no real desire to follow the truth. AMA politicos turned down Rich's honest recommendations, particularly one that urged dissociation from the National Physicians Committee. In its public statement of resignation, which was sent to all AMA officers and to Congress, this firm declared:

> The very integrity and sincerity of the association are at stake * * *. Stated simply, the association has yet to take unequivocal and effective action on the policies which it adopted on our recommendation last year: to seek the truth on the economic and social aspects of medicine, to put the public first, and to become adequate to its responsibilities.

Once freed from the moral restraints imposed by Raymond Rich, the National Physicians Committee swept on without rein. Two incidents in its checkered career indicate the depths to which it willingly descended.

The first concerns the pressures exerted on the American press through this lobby's unvarnished attempt to buy editorial support. Two years ago the National Physicians Committee placed large advertisements in journalism's two leading trade publications, Editor and Publisher and Publisher's Auxiliary. These ads announced cash awards for cartoonists totaling $3,000 for the effective portrayal of the meaning and implications of political distribution of health care services in the United States.

The contest's first rule declared that cartoons must have been published to be eligible. Just to make certain that all cartoonists understood that only anti-health insurance jibes were wanted, the National Physicians Committee printed the illustration which showed national health insurance as putting American people in the hands of a political quack while free enterprise was in a coffin ready for the graveyard.

There is no mistaking the National Physicians Committee's intent. Even so conservative a magazine as Editor and Publisher was shocked. In its next issue, it editorialized: "The contest rules leave no doubt that this is a subtle bribe to cartoonists to support or oppose certain political beliefs * * * in other words, large cash awards are offered to cartoonists for doing a propaganda job in behalf of the physicians' committee."

It is gratifying to note that doctors themselves joined with editors and cartoonists in condemning the ethics of the so-called contest. Fourteen nationally prominent physicians declared in Editor and Publisher that the National Physicians Committee did not speak for all doctors, and that they as physicians were ashamed of these tactics. The doctors further charged the National Physicians Committee with distributing canned editorials which misrepresented national health insurance and attempted to smear it as a collective doctrine which emanates from Moscow.

REPUDIATED BY JOURNALISTS

A number of newspapers made their positions clear. John S. Knight, editor of the Akron Beacon-Journal scored the contest. The Minneapolis Star, through its cartoonist, Al Judd, and the Youngstown (Ohio) Vindicator also stated publicly that they refused to place their editorial views on sale. Ralph L. Crosman, director of Colorado University's School of Journalism, wrote: "Everyone who understands the purpose of a free press in a democracy will deny the right of the committee thus to attempt to corrupt the press." A number of prominent journalists and professional societies urged that the contest be boycotted.

Public opinion thus frustrated the National Physicians Committee's attempt to buy editorial opinion. But nothing could reform these political doctors whose next trick was an unabashed stooping to racial and religious prejudice. The National Physicians Committee paid $3,000 to the so-called "Reverend" Dan Gilbert for a public letter addressed from him to all Protestant clergymen. The epistle began with the salutation "Dear Christian-American" and continued for four pages of thinly disguished anti-Semitism compounded with wholly irresponsible attacks on national health insurance, calling it a "real threat to religious liberty."

Wrote Dan Gilbert on this issue:

> This monster of anti-Christ * * * this monstrosity of Bolshevik bureaucracy * * * would establish quotas for the baby crop in the same way that the Agriculture Department sets quotas for farm production.

The National Physicians Committee sent this letter to all AMA members, hailing it as one of the few really vital pronouncements of an age. The National Physicians Committee asked that doctors, even at personal sacrifice, use the zero-hour certificate and return the envelope today with $250 or more.

Instead of checks, hundreds of protests poured into AMA headquarters. Indignant doctors pointed out what the National Physicians Committee had been so careful to conceal—that Gilbert was a former associate of Gerald Winrod, William Dudley Pelley, and the Fascist Silver Shirt gang indicted by the Federal Government for sedition during the war. These doctors also pointed out that the so-called Reverend Gilbert had not graduated from any recognized theological school and that his record as a rabid race baiter hardly qualified him to speak either in behalf of American medicine or democratic principles.

The determination of honest doctors throughout the country to dissociate themselves from such shameful practices finally forced the AMA to kill the National Physicians Committee this year. But even so, the journal of the AMA, in a farewell editorial, whitewashed the NPC, declaring it had been a leader in the defense of American medicine and had the approval of the house of delegates of the American Medical Association.

HIRES HUCKSTER FIRM

The failure of all these efforts to stem the growing public demand for national-health insurance compelled the AMA to even further last-ditch tactics. To build a war chest, they secretly voted the $25 assessment described earlier. To head their misnamed national education campaign, AMA hired Whitaker and Baxter, a California public relations firm with a long record of lobbying victories in behalf of State antilabor laws, sales taxes on consumers, and special interest measures ranging from utility corporations to dog-racing combines. For the services of these lobbyists, the AMA is paying $100,000 a year.

What sort of people are Whitaker and Baxter? What sort of professional ethics have they? Are they really conducting a bona fide educational campaign, exploring both sides of the issue, then leaving it to the American people to judge for themselves on the basis of all the evidence?

Their own record provides the best answer.

One of the chief recommendations of this firm was its proud boast that after helping to elect Earl Warren, Governor of California on a platform that included State health insurance, Whitaker and Baxter were chiefly responsible for directing the State medical society campaign that wrecked this proposal. Apparently, professional ethics have never troubled Whitaker and Baxter.

This propaganda firm made clear at the outset that the AMA's campaign would be an "education" campaign in name only. In their opening addresses they announced bluntly that American doctors were not to debate the subject of national health insurance in public. Their intent, clearly, was to deny the American people the chance to hear both sides of the question and make up their own minds. Rather than fair debate for both sides, Whitaker and Baxter prefer to rely on a saturation campaign which would lay down a barrage on the American public in their own words "of emotional fighting prose." Their goal is the distribution all over the country of 100,000,000 copies of such appeals to emotion, bias, ignorance, and fear.

Shortly after Whitaker and Baxter assumed command, the Minnesota State Medical Association blossomed forth with a resolution remarkably reminiscent of the tactics employed to buy editorial opinion by both the National Physicians Committee and Whitaker and Baxter. In a public statement, the Minnesota State Medical Association sacrificed its time-honored ban on paid advertisements by doctors to allow unlimited advertising space for "special greetings, announcements, messages, and other material." In explaining its action, the medical society declared:

> One frequent criticism heard from the press is that the medical profession expects the press to maintain the entire burden of indirect publicity from the doctors [against national health insurance] to the public without remuneration.

Thus, the State medical society is clearly offering newspapers paid advertisements in exchange for editorial support to block the President's program.

Unethical tactics such as this are causing doctors as much concern about Whitaker and Baxter as they felt about the National Physicians Committee. Let me quote from a letter which Dr. Thomas E. Mattingly, a prominent Washington physician wrote to the Washington Star:

> I was present as a visitor in our house of delegates when our new leadership was introduced and given a noisy vote of confidence. We, who revolted at politicians invading the Nation's sickroom now have a husband and wife publicity team directing our strategy. Miss Baxter is going to stop the socialization of medicine with a holy relic: By keeping politics out of Sir Luke Feldes' picture of The Doctor, she seriously proposes to satisfy our growing hunger for solvent social security within the framework of true democracy.
>
> Miss Baxter's husband, Clem Whitaker, is the atomic task force of our new public relations. With the fervor of an evangelist, he exhorted us about things done and to be done. If he missed a single suffocating cliche, it was not for lack of time. When he was through, we gathered that Oscar Ewing would never socialize medicine as long as Whitaker and Baxter had $3,000,000 to spend on tracts, holy relics, and stamps. As a family doctor, I have never been much for cure by testimonial. Whitaker and Baxter did not change my mind.
>
> As Dr. Fishbein was the repudiated symbol of our old reactionary leadership, Whitaker and Baxter are symbols of the new. We have turned healing over to publicity experts. In the future, if you are sick, listen to your radio and don't forget to open your morning mail. "Doctors" Whitaker and Baxter may be sending you a magic tract.

EDITORIAL DIRECTOR QUITS

Whitaker and Baxter may feel no qualms of conscience in the way they seek to mislead the American public through their so-called education campaign. But a little over a year ago, one of their key assistants, resigned. David

Brown, former editor of Liberty magazine, left his $15,000-a-year position as editorial director of the AMA's campaign after a few weeks because he could not stand Whitaker and Baxter's methods. The immediate cause of disagreement was Whitaker and Baxter's claim that the Department of Justice was seeking to intimidate the American Medical Association by bringing antitrust suits against certain medical societies, and by investigating others for possible action. Whitaker and Baxter have widely trumpeted those investigations as proof that the AMA was being persecuted for opposing national health insurance.

Did Whitaker and Baxter make even a passing reference to the United States Supreme Court decision in 1943 upholding a lower court conviction of the AMA as a medical monopoly?

Did Whitaker and Baxter acknowledge that antitrust investigations have been pending against a number of medical societies for some time?

Did Whitaker and Baxter offer one shred of evidence to support the claim that—in their own wild words—"a police arm of the Government (was) in a campaign to discredit American medicine and terrorize physicians into abandoning their opposition to compulsory health insurance."

Whitaker and Baxter certainly did not. Nor did they state the obvious truth—that these antitrust investigations were undertaken by the Justice Department solely because doctors and patients in county after county throughout the United States were fighting back against the monopolistic practices of organized medicine.

Whitaker and Baxter may have deliberately closed their eyes to these facts, but their editorial director, David Brown, could not do so in good conscience. Brown was obviously shocked when these irresponsible announcements were made by Whitaker and Baxter at a Washington press conference, and he investigated the charge privately, then resigned when he found no evidence to support Whitaker and Baxter's irresponsible headline efforts.

Nor have Whitaker and Baxter been above using outright fabrications in their propaganda. They have invented a spurious quotation allegedly from Lenin in an effort to smear their opposition. I exposed that lie in a speech to the House on August 26. I ask unanimous consent to insert that speech at this point in the RECORD.

AMERICAN MEDICAL ASSOCIATION MISLEADS THROUGH FALSE QUOTATIONS

Mr. BIEMILLER. Mr. Speaker, I find myself rising in defense of this Nation against a ghost.

Yes, a sinister, unscrupulous, conspiratorial ghost who has been loosed upon us from the grave to threaten every cherished American institution.

His name, Mr. Speaker, is Vladimir Illyitch Lenin.

A GHOST WALKS

They tell me that the body, pickled and patched and preserved in perpetuity, lies under glass within a stone tomb in Moscow's Red Square.

I wish the ghost were there, too. I am very sure it does not approve of America, and if it does not like this country, I wish it would go back where it came from. I know there are many colleagues in this House who will join me in saying I do not want any part of this baleful Communist phantom.

We do not want Vladimir Lenin over here, man or ghost.

Our State Department has not issued him a visa. Our immigration authorities, our border guards, would toss him out on his ear the minute he reached our ports of entry or our national boundaries.

Then how did Vladimir Illyitch Lenin get over here? Who let him in? Who is shielding him and coddling him and quoting him as he goes about his errand of trying to sabotage American institutions?

Mr. Speaker, among good Americans Lenin is nobody's hero. But the historians tell us that neither is Lenin anybody's fool. I am sure he would be smart enough not to come over here of his own accord, to a country where he is not wanted, a country he would hate, and where—thank God—his philosophy has not a chance.

No, Mr. Speaker, Vladimir Illyitch Lenin is not here on a Cook's tour, or even voluntarily as a spy and saboteur. He has been yanked out of his tomb on Red Square, and smuggled through the customs lines by a group of ideological importers who have their own use for him here.

A GHOST TALKS

For example, only a few days ago, this apparition of Russian bolshevism was dragged by the heels across the consciousness of the House of Representatives. He was made to say to you—and I now quote right out of the phantom's mouth: "Socialized medicine is the keystone of the arch of the socalistic state."

End of unwritten and unuttered quotation from incorporeal source.

I say "unuttered and unwritten," Mr. Speaker, because these words which have been put into the mouth of the man who is dead were never spoken or set down by him while he was alive.

Actually, what you were witnessing when you heard them spoken before this House, or when you read them printed in the CONGRESSIONAL RECORD, was one of the greatest feats in the spiritual existence of mankind; namely, the bridging of the River Styx, the transmission for terrestrial ears of voices from the great beyond.

SAME QUOTATION USED BEFORE

There was an earlier attempt, Mr. Speaker, to perform this world-shaking feat. Some months ago this same voice of Vladimir Illyitch Lenin was heard to utter the same words—or so we were informed by an organization which called itself the National Physicians Committee—the busy and always open mouthpiece of the American Medical Association.

But the National Physicians Committee was out of its field. Their leaders were specialists in political lobbying, not mesmerism. They therefore made no claim of hearing the voice of Vladimir Illyitch Lenin, the dead. They simply stated that these were the words, these the sentiments of Vladimir Illyitch Lenin, the living.

Alas, Mr. Speaker, here too, the National Physicians Committee was shown to have erred. Apparently they were better lobbyists than they were historians. The research staff of the Library of Congress, among the ablest specialists in America in tracing historical documents and quotations, after making an exhaustive search of the entire collection of Lenin's public utterances and writings, reported that Vladimir Illyitch Lenin has never made such a statement.

QUOTATION CANNOT BE TRACED

Mr Speaker, I quote from a letter sent by the Legislative Reference Service of the Library of Congress to Senator JAMES E. MURRAY, and dated May 2, 1949, as follows:

DEAR SENATOR: The purported quotation from Lenin to the effect that "Socialized medicine is the keystone to the arch of the Socialist state" has been the subject of considerable search from time to time. However, all of our efforts to trace this or similar statements by Lenin have been to no avail. Our Russian specialist, Dr. Yacobson, states that "the Senator's doubt as to the authenticity of this quotation is justified."

Very truly yours,

W. C. GILBERT.

Not that statement, Mr. Speaker, or similar statements—that is to say, anything like that statement—was ever made by Vladimir Illyitch Lenin. Not while he was alive.

To pursue the matter further, the same task of research was put before the Russian specialist of the University of Chicago. He, too, came back after long and arduous researches with the bewildered query, "Where did you ever find it? I can't."

Whereupon the National Physicians Committee itself was challenged to produce the source of its quotation. But there was only silence—a silence as deep and unfathomable as the tomb in Red Square where the body of Vladimir Illyitch Lenin lies in pickled perplexity, wondering when those Americans will leave his ghost alone.

AMA CONTINUES USE OF FABRICATION

And yet the American Medical Association has continued to bespatter the country with literature containing this phantom quotation. The AMA's high-powered and high-priced lobbyists, the advertising firm of Whittaker & Baxter, has produced a number of pamphlets trying to scare the daylights out of the American people. One of these, The Voluntary Way is the American Way, of which, I understand, over a million copies have been circulated, again repeats this fabrication, this completely spurious quotation.

It is therefore peculiarly interesting that I should be in receipt of a letter from Dr. K. H. Doege, president of the Wisconsin State Medical Society, admitting that the AMA has not been able to document this alleged statement.

His letter is as follows:

DEAR MR. BIEMILLER: I finally received a report from Whitaker & Baxter, of the National Education Campaign Committee of the American Medical Association, dated August 12. According to a Mr. Tod Bates, who signed the letter, the quotation is from page 27 of Lawrence Sullivan's book entitled "The Case Against Socialized Medicine," published by the Statesman Press, of Washington, D. C., in 1948. Mr. Sullivan's authority for this quotation has not been established. Apparently Whitaker & Baxter have made an effort to go behind the quotation in the Sullivan book, but because of translation difficulties, the enormous quantity of material by the prolific Lenin to be examined, and the fact that the statement may have been made orally, and never committed to record, they have not yet been able to provide chapter and verse for this quotation.

I am very sorry indeed that I cannot document this quotation. I suppose many of us go through life attributing expressions to certain persons without ever having any primary factual basis for the quotation. I can assure you that if I ever encounter anything more definite on this I will let you know.

Respectfully yours,

K. H. DOEGE, M. D.

All that the high-powered publicity boys of the AMA can come up with is that the purported quotation is carried in a brochure written by a notorious poison-pen artist. He does not document it, and, I repeat, the American Medical Association has not been able to find any human source.

FALSE QUOTATION, DANGEROUS AND IRRELEVANT

Furthermore, Mr. Speaker, I submit those responsible for bringing to America this

ghost who talks like a man, are not only confusing the true issues, but carried to a logical conclusion, might place our American institutions in real danger.

Before this House, just a few days ago, the words that were spoken across the void were quoted for the purpose of discrediting and discouraging those of us who advocate national health insurance as the only means of bringing medical care to all at a cost all can afford.

Actually, this posthumous utterance from the lips of Lenin not only has no relevance but is a deliberate perversion of the facts: The truth is that national health insurance is the opposite of Soviet medicine; in fact, it is our only bulwark against socialized medicine.

You have heard this pointed out and proven many times. But it makes no difference how often the provisions of the national health-insurance bill itself are read and shown to be almost the complete antithesis of socialized medicine. That term continues to be repeated, again and again, by those who hope to enlist fear on their side if they cannot enlist reason. Their aim is to scare the people.

Now they have Lenin doing it. They do not like national health insurance. So here is the formula: Call it socialized medicine, and tell the American people Lenin likes it. Anything Lenin likes, we do not like. We will have no part of it.

MISUSE OF FALSE QUOTE LEADS TO ABSURDITY

But, Mr. Speaker, that is a dangerous formula. It is so happened that Lenin liked public education, public schools.

If those who have smuggled Lenin's ghost into America are going to let him go around telling our people, through the mouths of Congressmen, what he liked and did not like, and if we let ourselves be guided accordingly, then what is to become of our compulsory public-school system? Are we to abolish them because Lenin liked public schools?

Shall we stop eating bread because Lenin liked it?

Lenin was one of the greatest exponents in his country of mechanized agriculture. Is this America's cue to scrap all our tractors and threshing machines?

Finally, although Lenin never made the statement attributed to him in this House last Monday on the subject of socialized medicine, he did have a great deal to say about the health of the people. He was all for it. Does this mean, Mr. Speaker, that because Lenin was for health we must be for sickness?

AMA USED TO CALL VOLUNTARY HEALTH COMMUNISTIC

There was a time when the American Medical Association called the voluntary health insurance they now advocate communism. That was a misnomer. If we are going to debate voluntary health insurance, let us call it by its true name, and not communism. And if we are going to debate as between voluntary and compulsory health insurance, let us not deceive ourselves that we are debating between communism and socialism.

Let us not call our public-school system socialized education because it happens to be compulsory.

Let us not call our workmen's compensation laws socialized insurance because they are enacted by legislatures.

AMERICA'S DOCTORS WILL NOT ACCEPT LIES

And let us not call health insurance socialized medicine merely because it is the logical and inevitable complement to much other legislation that has been passed to safeguard our American way of life.

I have an abiding faith in the integrity of the rank and file of the medical profession. I believe America's doctors are honest. I do not believe they will tolerate the spread of untruth—demonstrated untruth—even to win a point in the bitterest controversy.

I believe there are thousands of American doctors who do not like to see their profession demeaned by the wheedling, soap-selling techniques and sloganeering which are being employed by the political hucksters who are now speaking in their names to the American people.

These men are busy with their medical practice. They have neither the time, the opportunity nor the inclination to check such a matter as the writings and public utterances of Lenin or of anybody else the AMA lobby chooses to quote as authority.

But when they know deliberate untruths are being spoken by those whom our doctors are forced to pay as their organized publicity agents, I do not believe America's doctors will stand for such tactics.

AMA MUST WITHDRAW MISLEADING PAMPHLET

I believe these doctors, good Americans, and their fellow citizens in all other walks of life, will join me in demanding that the American Medical Association stop circulating the pamphlet entitled "The Voluntary Way Is the American Way," a scurrilous and misleading attack on President Truman's health program, which contains, among many other misstatements, the alleged but nonexistent quotation from Lenin.

In the name of common honesty, let the American Medical Association prove the authenticity of that quotation, or let them announce their intention to cease publishing it.

Above all, Mr. Speaker, let us ask the AMA to send the ghost of Vladimir Illyitch Lenin back to Russia and—for all time—leave him there.

Mr. Speaker, I renew my demand that this misleading pamphlet be withdrawn from circulation as an act of honest decency.

But apparently these actions of Whitaker and Baxter are only the beginning. The AMA has already promised an unprecedented multimillion-dollar advertising barrage to be laid down in the peculiarly strategic and political month of October.

TIE-IN WITH REACTIONARY GROUPS

The new management of the AMA is not content with its lobbying and political advertising campaign either. One of organized medicine's strangest adventures into alliance with other reactionary groups is a tie-up with the Committee for Constitutional Government, an organization whose prime mover, Dr. Edward Rumely, is now the target of the House Lobby Committee's contempt-citation proceedings.

State medical societies have bought and distributed tens of thousands of copies of John T. Flynn's hysterically anti-Fair Deal nonsense. The Road Ahead, a book distributed by the Committee for Constitutional Government in the hope it would persuade the emotionally unstable that the American people have been voting for the wrong leaders and policies for the last 20 years.

A more direct connection has been the participation of the AMA's top Washington lobbyists in the formation of the National Committee to Limit Federal Taxing Powers. Who were the fellow participants? Why, such Washington luminaries as Herbert ("Democracy Stinks") Nelson the big real-estate lobbyist, Representative RALPH GWINN, the paid columnist of the Committee for Constitutional Government, and all the other ultrareactionaries who believe that the Federal Government is not really here to stay.

While this more formal alliance is relatively new, the ideological tieup is a matter of history. Poor Dr. Fishbein, of whom one doctor wrote that he was sent to his prison cell without even the usual privileges of pencil and paper, was one of the most strident voices in America for 25 years, and the stridency was always at the prospect of change in the status quo.

AMA PRESIDENT'S SPEECH STRICTLY POLITICAL

One of his successors is no less noisy, no less committed to turning the clock back and keeping it in the calendar year of 1875. That is Dr. Elmer Henderson, new president of the AMA. In his inaugural address, for which the AMA bought national network radio time in one of the finest illustrations of bad judgment in organizational history, he delivered himself of some really resounding platitudes.

It was worth listening to for one reason, it once and for all put the AMA on the side of those conservative Republicans of the Gabrielson line and it showed exactly where AMA money was going to be spent during the campaign ahead. It accused the present elected representatives of the people of the United States—the men for whom a majority of Americans had cast their votes with respect and confidence—of being sick with intellectual dishonesty, avarice, moral laxity, and reckless excesses.

That, coming from the AMA.

I commented on Dr. Henderson's speech on June 29 at some length. Everything I said then still holds. I ask unanimous consent to insert these remarks at this point in the RECORD.

THE AMERICAN MEDICAL ASSOCIATION

Mr. BIEMILLER. Mr. Speaker, the American Medical Association is now holding its annual meeting in San Francisco. The AMA is the country's largest scientific organization. By its very nature, the AMA must play a major role in the advancement of the national health. The delegates to its convention carry a tremendous responsibility to the welfare not only of this country, but the world. Those delegates represent the finest health facilities and the greatest fund of technical knowledge in medical history.

It is only natural that a good many Americans should have looked to San Francisco this week for guidance in many matters. If they heard the inaugural address of Dr. Elmer Henderson, incoming president of the AMA, they must now be looking elsewhere.

Just this Tuesday, with the United States in the midst of crisis, facing the possibility of a major war, Dr. Henderson ignored the urgent need to shore up our national health defenses in the shortest possible time. Instead he delivered a cliche-packed, reactionary tirade against the elected Representatives of our Government.

He attempted to ally the doctors of America, many of whom oppose Dr. Henderson's personal political beliefs, with the most extreme elements of right-wing conservatism.

Standing directly under Sir Luke Fildes' famous picture of a physician and patient with the AMA motto "Keep politics out of this picture," Dr. Henderson not only put politics into the picture, but did it with an unseemly violence and a resort to political mudslinging unmatched in the ordinarily dignified behavior of medical meetings.

Dr. Henderson's address rang with the patent insincerity of the huckster slogans

and phrases of the publicity team which now speaks for America's doctors in the name of the AMA. He attacked our Government as "sick with intellectual dishonesty, moral laxity, and with reckless excesses," and charged the administration with a campaign to gain control over all fields of human endeavor to make this a socialistic state. These wild charges and political mudslinging will become the head of an organization whose objective should be scientific progress.

The rest of Dr. Henderson's talk bears out the fact that scientific truth is not the goal of the present leadership of organized medicine. An analysis of his remarks will show that he used the same misrepresentations and distortions that many doctors and other thoughtful Americans have unhappily come to associate with the AMA. Here are a few examples:

First. In attacking national health insurance as socialized medicine, Dr. Henderson is merely repeating the same scare phrase that was used to characterize old-age and unemployment insurance and other measures passed by the administration with the enthusiastic support of the American people. The American people know that national health insurance is in fact the best protection against state medicine.

Second. In extolling American health records as the best in the world—which they are—Dr. Henderson proudly cited declining death rates resulting from tuberculosis, diphtheria, and smallpox as an achievement of American medicine. He neglected to add that the AMA fought against reporting communicable diseases, compulsory vaccinations for smallpox, and public provision for immunization against diphtheria—measures that made the campaign against these diseases possible. The AMA also called these measures socialistic. The decline in infant mortality also cited is largely due, as Dr. Henderson ought to know, to local and State public health departments and to the Children's Bureau of the Federal Security Agency.

Third. Dr. Henderson denies that there is a doctor shortage. Politicians, he says, are attempting to "create a crisis over an alleged shortage in this country; the ratio of doctors to population is higher than anywhere else in the world except Israel." But the AMA's own propaganda admits that there is a serious doctor shortage in many areas. Right now to bring every State up to the present standards of the 12 best equipped States, we need 20 percent more doctors—and that is just the basic minimum. The deans of the leading medical schools support Federal aid to enable their schools to enlarge their student bodies. And our Armed Forces have never been able to get the necessary numbers of doctors to meet a real crisis.

Fourth. Dr. Henderson points to our growing hospital system, stating that there are 1,500,000 hospital beds in this country now serving 16,000,000 patients. Is it a mere oversight that he did not also say that over two-thirds of these beds are operated by Government—local, State, and Federal agencies—because private hospitals have never met our needs.

But what is even more important, certain areas of this country are woefully lacking in hospital facilities. Dr. Henderson must know that only 14 counties in every 100 meet the minimum accepted standard of 4½ general hospital beds per 1,000 population. Four out of 10 counties where 15,000,000 Americans live have no acceptable general hospital.

Fifth. Dr. Henderson states that voluntary health insurance is the way to take the economic shock out of illness. He predicts that in a few years the problem will be largely resolved. What problems? Why the problem whose existence he spends so much time denying, the problem of adequate medical care for all. Dr. Henderson did not mention that Blue Shield plans with their limited coverage protect only 9 percent of the population and provide little other than protection for some types of surgery. He failed also to point out that only 2 percent of the American people have complete insurance protection such as they would get under national health insurance—because only 2 percent can afford such protection at the high rates charged by existing voluntary and commercial insurance plans.

Millions of Americans know from bitter experience that high-priced voluntary plans automatically exclude those who need protection most, the aged, those with chronic diseases, and those who simply cannot afford the high cost and the low benefits which the voluntary plans offer.

Dr. Henderson did not mention the AMA's own shabby record of opposing any voluntary plans which it cannot control—consumer, farm and labor cooperatives. In 1943, the Supreme Court convicted the AMA of monopoly practices in fighting one health cooperative and two more cases are before the courts right now for the same reason. The AMA's real attitude toward voluntary health insurance was summed up when the voluntaries first began, when they were described in an editorial in the AMA Journal as socialism, communism, inciting to revolution. For 20 years, the AMA took this official stand despite pressure from its own members to change. The change took place only when the AMA officialdom saw they must offer some substitute for a good comprehensive national health plan.

The charges levelled by Dr. Henderson this week might carry more weight if organized medicine had shown any inclination to work out a sound, constructive program for solving our health problems. So long as organized medicine turns its energies away from scientific advancement and toward irresponsible political attacks on our elected Government, so long will the AMA have to be regarded as a reactionary, self-seeking interest.

The oath of office which Dr. Henderson took Tuesday night over a Nation-wide hookup adjured him to "promote public health and welfare, to improve health standards of the American people, and to devote himself to the task of bringing improved medical care within the reach of the American people." How can Dr. Henderson live up to that solemn oath when he refuses even to admit that public health and welfare is a genuine concern, that health standards need improving, or that adequate health care is now beyond the reach and the pocketbooks of millions of Americans?

Dr. Henderson might well read carefully the address of one of his fellow speakers at the AMA convention, that of Brig. Gen. James Stevens Simmons, dean of the Harvard School of Public Health.

In his talk as reported in the New York Times, General Simmons pointed out that in the present uncertain international situation "all problems of health assume a dominant role."

In addition to the general problems of public health, he warned, we must be prepared to meet the entirely new threat of unannounced atomic and biologic warfare.

General Simmons might have added that we badly need more doctors and more nurses to meet these new conditions. Yet, the AMA continues its stubborn opposition to legislation to help failing medical schools meet their growing obligations.

As the general concluded, and I quote:

"I am also sure that the American physician now has his greatest opportunity to serve the Nation by giving his complete support not only to good medical care, but to preventive medicine and public health. The future security of the country will reflect the manner in which he fulfills this responsibility."

We have spoken of advertising campaigns, of alliances, of national speeches—all of which cost money. How much money has all this cost? Well, as of the latest lobbying reports filed with the House, the AMA lobby and its allies—big business, insurance, and real-estate lobbies—averaged about $10,000 a day every day from January 1 to March 31. There has been no slowing of that rate since and the millions-plus to be spent in October will jump even that astronomical figure. In 1949, the AMA alone spent $2,000,000 for these purposes and distributed 55,000,000 pieces of literature containing everything from its discredited quotations from Lenin to the downright lies about national health insurance.

In all this there is of course a moral, a moral so obvious that it need hardly be stated, but so important that it must be repeated over and over again.

The AMA, through a combination of circumstances, has become as selfish, as avaricious, as politically dangerous as the NAM. Those of us who serve in Congress have long recognized the NAM for what it is. We have refused to bow to its demands, to truckle to its point of view. We have recognized the obligations of the government to the people it serves and have acted on them regardless of the NAM. We have known that there could be no compromise with the NAM troglodyte, that it would always oppose any honest liberal, no matter how limited his liberal views.

Let us recognize that the same is now true of the AMA. You will not satisfy its crusted clique of phrasemongers with opposition to national health insurance, with refusal even to consider Federal aid to medical education. If you are for public housing or rent control, for an excess-profits tax or equitable labor legislation, the AMA will be on the side of your opponents. This is war and we might as well recognize it.

I, for one, accept the gauntlet. Until the doctors now buried beneath the hard crust break through and reorganize the AMA in the image of its many decent and progressive members, let it be war. Only I warn the AMA that it fights not just a vocal few, it fights the American people who want a decent health standard for all, just as they have wanted and for the most part achieved a decent living standard for all.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks and include a letter from the National Association of Woolen and Worsted Overseers.)

TEXTILE TARIFFS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to remind the House that over 2 months ago I asked for a hearing on my bill which would authorize the Speaker to appoint Members of Congress to be observers at the Torquay, England, Reciprocal Trade Agreement Conference. It is perfectly obvious,

as per this letter that I am inserting in the RECORD, that many of our industries will have great difficulty in having any business at all if the tariff is still further cut, and we certainly ought to have concessions if our people are to be kept at work. It is vitally important at this time that the economy of our country be strong.

Mr. Speaker, the letter I referred to is as follows:

NATIONAL ASSOCIATION OF
WOOLEN AND WORSTED OVERSEERS,
Holyoke, Mass., August 22, 1950.

Hon. EDITH NOURSE ROGERS,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN: At our recent semiannual meeting our association unanimously voted to send you this letter protesting against any further cuts in the textile-tariff rates because we honestly believe that they threaten the future of our industry and our jobs as well as those of the help under us in the textile mills of the country.

In this connection, we would like to give you an outstanding example in corroboration of our fears. If you will remember, Mr. President, after World War I the Japanese textile economy became highly developed. As a consequence, and because of its low-wage scale and longer hours of work Japan was able to undersell the world in textiles. The influx of Japanese wool and cotton goods into this country became so serious that the cotton industry of the South sent a commission to Japan to ask the Japanese textilists to not only stop increasing their sales of textiles to this country but to reduce them if possible. Our textile industry simply could not meet the ruinous prices of the Japanese under the tariff rates that then existed even with our modernized equipment in place. And this was before there was as much reduction in textile rates as now exists.

Moreover, what Japan did to the textile industry of this country and to other high-wage textile nations at that time, other low-wage textile countries were able to duplicate like, for instance, Czechoslovakia which undersold us on shoes, linens, and other textile items. So we ask you, Mr. President, in all sincerity how much worse will the situation become if the textile tariff rates are given a further cut that will enable the low-wage textile countries to sell their goods on our markets easier than before in competition with our textile industry operating under the highest wage scale in the world.

Multiply the examples of Japanese and Czechoslovakian potentialities with that of other low-wage textile nations out to sell us under still more attractive textile tariff rates and perhaps you can then understand our fears for our industry and our jobs.

For your own information the National Association of Woolen Worsted Overseers, established in 1885, is the largest organization of its kind in the world reaching into every mill in the wool-manufacturing industry. It is the parent organization of all the overseer group organizations that recently sent you a combined letter of protest against any further cuts in the textile tariff. The letter was headed by the Pennsylvania Textile Executives Association and we, as a body, voted to unanimously subscribe to its contents.

For your further information there are over 900 wool-manufacturing plants in the United States in which more than 4,700 production executives are employed. Under the direction of these men there are anywhere from 40 to 100 employees in each department of a textile plant so you can visualize that our association is one of high standing, influence, and authority in the production end of the textile industry.

Trusting that you will weigh as carefully as you can our strong reasons for asking that there be no further cuts in the textile tariff, we are,

Respectfully yours,
NATIONAL ASSOCIATION OF WOOLEN AND
WORSTED OVERSEERS,
CHARLES AULERICH, *President.*
JAMES J. BURNS, *Secretary.*

P. S.—To you, a Member of Congress from the textile States, to whom we are sending a copy of this letter to President Truman—we ask that you add your unqualified appeal to the President and the State Department not to cut the textile tariff rates any further if we are to preserve our industry and our jobs from ruinous low price foreign competition. A note from you placing yourself on record will be most appreciated.

The SPEAKER. Under previous order of the House the gentleman from Indiana [Mr. WILSON] is recognized for 5 minutes.

FOREIGN POLICY

Mr. WILSON of Indiana. Mr. Speaker, I have tried never to impose on the membership of this body of legislators with political harangues meant only to pass the time, fill up columns in the CONGRESSIONAL RECORD, and get pet gripes off my chest. I am not that eager to see my name in print, and I hope I never sink to that sort of demagogy. The time has now come to speak a piece which has been in a slow boil inside me for a long time. If my words seem to cut a little deeply in places, remember they have been honed against the sharp practices of the present administration.

It is beyond my powers of self-control, Mr. Speaker, to stand quietly while such a man as the President stoops to cut-throat politics against such a man as General MacArthur. It is common knowledge that the brilliance of MacArthur, the sheer genius of the man as a military leader, and his luster as a public figure has galled our last two Presidents to the raw. However, the better man of the two always managed to keep a civil tongue in his head, though he may have had to bite it now and again.

The lesser of our last two Presidents seems to have a tongue hung in the middle and loose at both ends—with a head to match. It is a shame that someone close to him did not joggle his elbow before he publicly spanked the man who has done more than anyone else to stop the Communists in Korea. However, this incident but proves again that the last two administrations have been in mortal fear that if and when MacArthur chose to challenge their policies publicly that the people would rally behind him in spite of everything the "free-lunchers" could do.

Consequently, any small quirk of a MacArthur finger prompts the Washington propaganda boys to jump on their mimeographs and race like crazy to the nearest headline in an effort to keep the American people from knowing the truth about this man and his heroic service to our country.

Like most of Mr. Truman's best laid plans, his criticism of MacArthur's statement about Formosa has backfired as usual. He meant to embarrass the general and squash his statement to the VFW encampment in Chicago; instead he made like Boston and by his banning of the statement caused millions to read it who otherwise never would have bothered.

Suffice it to say that Gen. Douglas MacArthur has done more to combat communism in Japan, on the very doorstep of the Kremlin, than the entire Truman administration has done to clear the Reds out of Washington.

The rebuke was pure precinct-level politics, as are 90 percent of the actions of H. Truman, incorporated. The whole sorry performance smacks of the back alley training the Missouri gang got under T. Pendergast, and as such is totally unworthy of the White House or the executive head of this country. This kind of spit-spat always follows the cutting of the presidential foot—in this case, the political embarrassment of trying to carry fumble-footed Louis Johnson against the people's wishes and trying to defend the indefensible record of Dean Acheson against the people's will, is making the President nervous.

The people of my district and I are sick to the teeth of this "'I love Harry who loves Dean who loves Alger who loves Stalin" business. This trend in Government has become a modern chain gang, with a distinguished Marylander bringing up the rear, whitewash bucket and all.

If the people of this country wonder whatever became of the sneaky little boys who used to write dirty words on outhouses, I can tell you where they are—they are in this administration behind mimeographs trying to destroy the reputations of better men than themselves.

Mrs. ROGERS of Massachusetts. Mr. Speaker, may I ask a question of the majority leader. I understand there may be a recess over next Monday, Labor Day. I think that is Consent Calendar day. Will there be another day designated as Consent Calendar day as a result of that?

The SPEAKER. That is a matter that will have to be taken care of in the future.

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in three instances and in each to include extraneous matter.

Mr. PRICE asked and was given permission to extend his remarks and include a speech before the VFW by the Secretary of Defense.

Mr. MURDOCK (at the request of Mr. MANSFIELD) was given permission to extend his remarks and to include extraneous material.

Mr. BURNSIDE asked and was given permission to extend his remarks and include an editorial from the Dominion News.

Mr. DAVENPORT asked and was given permission to extend his remarks and include an editorial from the Sun Coast News.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in three instances and include extraneous material.

Mr. VURSELL asked and was given permission to extend his remarks in two instances.

Mr. LOVRE asked and was given permission to extend his remarks.

Mr. VAN ZANDT asked and was given permission to extend his remarks.

Mr. HAGEN asked and was given permission to extend his remarks.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix.

Mr. HALE asked and was given permission to extend his own remarks in the Appendix of the RECORD and also to extend his remarks in the Appendix and include a radio broadcast on the MacArthur episode.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a letter received from Director General James S. Simmons, connected with the School of Public Health of Harvard University, in support of the medical education bill not reported out of the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7941. An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 456. An act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 7941. To amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; and

H. R. 8726. To amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts and in connection with moving-picture news reels.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 26 minutes p. m.) the House adjourned until tomorrow, Thursday, August 31, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1656. A letter from the Assistant Secretary of the Interior, transmitting copies of legislation passed by the Municipal Council of St. Thomas and St. John and by the Municipal Council of St. Croix, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; to the Committee on Public Lands.

1657. A letter from the Acting Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee of conference. S. 4071. An act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes; without amendment (Rept. No. 3019). Ordered to be printed.

Mr. PETERSON: Committee of conference. H. R. 8028. A bill to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.; without amendment (Rept. No. 3020). Ordered to be printed.

Mr. PETERSON: Committee of conference. H. R. 7302. A bill to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes; without amendment (Rept. No. 3021). Ordered to be printed.

Mr. COLMER: Committee on Rules. House Resolution 833. Resolution for consideration of H. R. 9320, a bill to amend the Civil Aeronautics Act of 1938, as amended; without amendment (Rept. No. 3023). Referred to the House Calendar.

Mr. BUCHANAN: Select Committee on Lobbying Activities. Report on proceedings against Edward A. Rumely (Rept. No. 3024). Ordered to be printed.

Mr. BUCHANAN: Select Committee on Lobbying Activities. Report on proceedings against William L. Patterson (Rept. No. 3025). Ordered to be printed.

Mr. BROOKS: Committee of conference. H. R. 8594. A bill to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes; without amendment (Rept. No. 3026). Ordered to be printed.

Mr. PETERSON: Committee on Public Lands. S. 3136. An act to authorize the Secretary of the Interior to transfer to the town of Mills, Wyo., a sewage system located in such town; without amendment (Rept. No. 3028). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 6862. A bill to provide for the disposition of tribal funds of the Confederated Tribes of the Colville Reservation, Wash.; without amendment (Rept. No. 3029). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee of conference. H. R. 9038. An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes; without amendment (Rept. No. 3030). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOYLE: Committee on Armed Services. H. R. 7735. A bill to authorize the Secretary of the Army to grant to the Southern California Edison Co. an easement and right-of-way for electric transmission line purposes in the Santa Fe Flood Control Basin and the San Gabriel River improvement, California; with amendment (Rept. No. 3022). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 8877. A bill authorizing the Secretary of the Interior to issue patents in fee to certain allottees on the Blackfeet Indian Reservation; with amendment (Rept. No. 3027). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H. R. 9578. A bill to provide for the eradication and control of poisonous weeds, especially Halogeton glomeratus, on range and pasture lands in the several States and territories, and for other purposes; to the Committee on Agriculture.

By Mr. CASE of South Dakota:

H. R. 9579. A bill to authorize the Secretary of Agriculture to conduct research and experiments with respect to methods of controlling and producing precipitation in moisture-deficient areas; to the Committee on Agriculture.

By Mr. KARST:

H. R. 9580. A bill to amend the Selective Service Act of 1948 to provide for the deportation of certain citizens of foreign countries relieved from liabilities for training and service; to the Committee on Armed Services.

By Mrs. ROGERS of Massachusetts:

H. R. 9581. A bill to provide that certain enlisted men retired for physical disability shall not be denied mustering-out pay; to the Committee on Armed Services.

By Mr. JOHNSON:

H. R. 9582. A bill to facilitate wine production, to modify present requirements with respect thereto, and for other purposes; to the Committee on Ways and Means.

By Mr. PATTERSON:

H. R. 9583. A bill to strengthen the national defense by affording further relief to persons in the military service of the United States through the suspension of the enforcement of civilian liabilities or obligations secured by home mortgages or by similar security arising out of the ownership of certain residential real property, and for other purposes; to the Committee on Banking and Currency.

By Mr. FULTON:

H. R. 9584. A bill to amend section 61 of of the National Defense Act, as amended (32 U. S. C. 194), for the purpose of providing authority to the several States, Territories, the District of Columbia, Puerto Rico, Virgin Islands, and the Canal Zone to organize military forces and to provide for pay and allowances, travel, arms, ammunition, uniforms, equipment, medical, and other military supplies as deemed necessary to enable such forces to execute their internal security missions within or without their respective States and Territories, and for other purposes; to the Committee on Armed Services.

By Mr. HUBER:

H. R. 9585. A bill to impose an excess-profits tax; to the Committee on Ways and Means.

By Mr. RODINO:

H. Con. Res. 277. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mr. HERTER:

H. Con. Res. 278. Concurrent resolution to clarify responsibility for acts of aggression; to the Committee on Foreign Affairs.

By Mr. JUDD:

H. Con. Res. 279. Concurrent resolution to clarify responsibility for acts of aggression; to the Committee on Foreign Affairs.

By Mr. HALE:

H. Con. Res. 280. Concurrent resolution to clarify responsibility for acts of aggression; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Pennsylvania:

H. R. 9586. A bill for the relief of David Bibliowicz, Sara Bibliowicz (nee Goldstein), and Azriel Bibliowicz; to the Committee on the Judiciary.

H. R. 9587. A bill for the relief of Josef Bibliowicz, Margalit Bibliowicz (nee Katz), Abraham Bibliowicz, and Meyer Bibliowicz; to the Committee on the Judiciary.

By Mr. BENNETT of Florida:

H. R. 9588. A bill for the relief of Sonja Lohmann and her minor son; to the Committee on the Judiciary.

By Mrs. DOUGLAS:

H. R. 9589. A bill for the relief of Robert B. Cooper; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 9590. A bill for the relief of Margaret K. N. Miller; to the Committee on the Judiciary.

By Mr. HELLER:

H. R. 9591. A bill for the relief of Anastasia Xanthos Volianitou Panagakos; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 9592. A bill for the relief of Dan Camil Manuila; to the Committee on the Judiciary.

By Mr. JACOBS:

H. R. 9593. A bill for the relief of Mrs. Aurelia McGuire; to the Committee on the Judiciary.

By Mr. KING:

H. R. 9594. A bill for the relief of Theodore C. Messerve; to the Committee on Post Office and Civil Service.

By Mr. KLEIN:

H. R. 9595. A bill for the relief of Leonard Emanuel Irving; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 9596. A bill for the relief of Violet Saliba; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. R. 9597. A bill to authorize and direct the Secretary of the Interior to convey perpetual and irrevocable rights-of-way to certain lands in the public domain and title in fee simple to certain other lands in the public domain to Kaiser Steel Corp.; to the Committee on Public Lands.

SENATE

THURSDAY, AUGUST 31, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Since it is of Thy mercy, O gracious Father, that another day is added to our lives, we pause in this quiet moment to dedicate them to the service of our fellow men. We give thanks with deep humility that we are summoned to live and give in such a time. Keep us ever mindful that we have been set apart to serve in a climactic hour, that our thoughts, our attitudes, our words, and our acts are not our own, but go out from this place to influence and to mold the structure of human relationships. For the fabric and fiber which we shall put into our task this day, prepare us now, we beseech Thee, O God. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 30, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 30, 1950, the President had approved and signed the act (S. 2868) to incorporate the Future Farmers of America, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. COOPER, Mr. MILLS, Mr. REED of New York, and Mr. WOODRUFF were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 8546. A bill to amend the Philippine Property Act of 1946;

H. R. 9484. A bill to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States Armed Forces during World War II in violation of neutral rights; and

H. J. Res. 537. Joint resolution making emergency appropriations for the fiscal year 1951, and for other purposes.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Millikin
Benton	Humphrey	Morse
Brewster	Hunt	Mundt
Bricker	Ives	Murray
Butler	Jenner	Myers
Byrd	Johnson, Colo.	Neely
Capehart	Johnson, Tex.	O'Conor
Chapman	Johnston, S. C.	O'Mahoney
Chavez	Kefauver	Pepper
Connally	Kem	Robertson
Cordon	Kerr	Russell
Darby	Kilgore	Saltonstall
Donnell	Knowland	Schoeppel
Douglas	Langer	Smith, Maine
Dworshak	Leahy	Smith, N. J.
Ecton	Lehman	Sparkman
Ellender	Lodge	Stennis
Ferguson	Long	Taylor
Fulbright	McCarran	Thomas, Okla.
George	McCarthy	Thomas, Utah
Gillette	McClellan	Thye
Graham	McFarland	Tydings
Green	McKellar	Watkins
Gurney	McMahon	Wherry
Hendrickson	Magnuson	Williams
Hickenlooper	Malone	Withers
Hill	Martin	Young
Hoey	Maybank	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arizona [Mr. HAYDEN], and the Senator from Illinois [Mr. LUCAS] are absent on public business.

The Senator from California [Mr. DOWNEY], and the Senator from Delaware [Mr. FREAR] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate on official business as a temporary alternate Governor of the World Bank.

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. MYERS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and a letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, GENERAL SERVICES ADMINISTRATION (S. Doc. No. 218)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $139,800,000, fiscal year 1951, for the General Services Administration (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED GENERAL PROVISIONS AFFECTING VARIOUS APPROPRIATIONS FOR EXECUTIVE DEPARTMENTS (S. Doc. No. 219)

A communication from the President of the United States, transmitting a proposed general provision affecting various appropriations for the fiscal year 1951 for the executive departments (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, LEGISLATIVE BRANCH, ARCHITECT OF THE CAPITOL (S. Doc. No. 223)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1951, in the amount of $20,000 for the legislative branch, Architect of the Capitol (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF JUSTICE (S. Doc. No. 222)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $6,000,000, for the Department of Justice, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, FEDERAL SECURITY AGENCY (S. Doc. No. 221)

A communication from the President of the United States, transmitting supplemental estimates of appropriation, in the amount of $23,347,000, for the Federal Security Agency, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF INTERIOR (S. Doc. No. 220)

A communication from the President of the United States, transmitting supplemental estimates of appropriation, in the amount of $44,500, for the Department of the Interior, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of General Services Administration which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with acompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

S. 4109. A bill for the relief of Leopold Leonard Reiner; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 4110. A bill for the relief of Howard Lovell; to the Committee on the Judiciary.

INVESTIGATION OF DELAYS IN REORGANIZATION OF WISCONSIN CENTRAL RAILWAY CO.

Mr. O'CONOR (for himself and Mr. IVES) submitted the following resolution (S. Res. 340), which was referred to the Committee on Interstate and Foreign Commerce:

Whereas the Wisconsin Central Railway Co. (Wisconsin Central), serving four States and operating approximately 1,900 miles of railroad has been in equity receivership or bankruptcy for 18 years; and

Whereas undue delays and protracted reorganizations can affect adversely the interests of the railroad, of individuals financially interested in it, and of the general public; and

Whereas the reorganization of the Wisconsin Central has been under consideration by the Interstate Commerce Commission for more than 3 years; and it is highly desirable to avoid unnecessary delays to the end that all segments of the Nation's transportation system be operated on a permanent basis; and

Whereas it is the aim of the national transportation policy to promote the public interest in the avoidance of anything detrimental to the service of railroads which may result from unsettled internal and organizational affairs: Now be it

Resolved, That the Senate Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation to determine if undue delays and unnecessary consideration have occurred in the handling of the equity receivership or bankruptcy of the Wisconsin Central Railway Co. (Wisconsin Central) and to ascertain reasons, if any, why the reorganization of the said railway cannot be effected promptly and the committee shall report to the Senate at the earliest practical date the results of the study and investigation together with such recommendations as it may deem desirable.

INTERNAL REVENUE ACT OF 1950—AMENDMENTS

Mr. SALTONSTALL submitted an amendment intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. THYE submitted amendments intended to be proposed by him to House bill 8920, supra, which were ordered to lie on the table and be printed.

Mr. MORSE (for himself and Mr. CORDON) submitted amendments intended to be proposed by them, jointly, to the amendment intended to be proposed by Mr. O'MAHONEY (for himself and Mr. CONNALLY) to House bill 8920, supra, which were ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 8546. A bill to amend the Philippine Property Act of 1946; and

H. R. 9484. A bill to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States Armed Forces during World War II in violation of neutral rights; to the Committee on Foreign Relations.

H. J. Res. 537. Joint resolution making emergency appropriations for the fiscal year 1951, and for other purposes; to the Committee on Appropriations.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

ADDRESS BY SENATOR KNOWLAND

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD the text of an address prepared by him for delivery today before the National Federation of Republican Women's Clubs in Cleveland, Ohio, which appears in the Appendix.]

TRIBUTE TO JAMES H. ELY BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a statement made by him at a testimonial dinner on August 26, 1950, honoring James H. Ely, of Waynesburg, Pa., upon his retirement as Grand Master of Pennsylvania, Independent Order of Odd Fellows, which appears in the Appendix.]

AN ERA OF DECISION ON CIVIL LIBERTIES—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "An Era of Decision on Civil Liberties," written by him for publication in the September 1, 1950, issue of the Advance, which appears in the Appendix.]

EMPLOYMENT OF THE PHYSICALLY HANDICAPPED — ADDRESS BY GOV. OKEY L. PATTESON

[Mr. NEELY asked and obtained leave to have printed in the RECORD an address delivered by Gov. Okey L. Patteson at the National Employ the Physically Handicapped Week meeting in Washington, D. C., August 9, 1950, which appears in the Appendix.]

PROGRAM FOR THE PHYSICALLY HANDICAPPED—ADDRESS BY W. A. BOYLE

[Mr. NEELY asked and obtained leave to have printed in the RECORD an address delivered by W. A. Boyle, president of District 27 of the United Mine Workers of America, before the annual meeting of the American Federation of Physically Handicapped, in the Statler Hotel, Washington, D. C., which appears in the Appendix.]

EXPANSION OF OVERSEAS EDUCATIONAL PROGRAM—LETTER FROM CARL K. DELLMUTH

[Mr. MYERS asked and obtained leave to have printed in the RECORD a letter dated August 2, 1950, addressed to him by Carl K. Dellmuth, of Harrisburg, Pa., on the subject of the need for expanding our overseas educational program through the Voice of America, which appears in the Appendix.]

A PRACTICAL APPROACH TO LOCAL LONG-RANGE PLANNING—ADDRESS BY BERTRAM M. GROSS

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address delivered by Bertram M. Gross before the Virginia Citizens Planning Association at Natural Bridge, Va., on August 5, 1950, on the subject of local long-range community planning, which appears in the Appendix.]

ANTISUBVERSIVE LEGISLATION—EDITORIAL COMMENT

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Hold On, Senators," published in the August 24, 1950, issue of the Raleigh Register of Beckley, W. Va.; also an editorial entitled "Caution Needed," published in the New York Times of August 31, 1950, which appear in the Appendix.]

FEDERAL, STATE, AND LOCAL GOVERNMENTAL SPENDING IN 1951 — NEWS BULLETIN

[Mr. ECTON asked and obtained leave to have printed in the RECORD an excerpt from the news bulletin entitled "Federal, State, and Local Governmental Spending in 1951 Expected To Be More Than One-third of

National Income," which appears in the Appendix.]

DANGER TO UNITED STATES IN SILENCING DEFENSE EXPERTS—ARTICLE BY DAVID LAWRENCE.

[Mr. ECTON asked and obtained leave to have printed in the RECORD an article entitled "Danger to United States Seen in Silencing Experts on Defense Problems," written by David Lawrence, and published in the Washington Evening Star of August 30, which appears in the Appendix.]

THE CASE AGAINST THE WELFARE STATE—ARTICLE BY SENATOR MUNDT

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an article entitled "The Case Against the Welfare State," prepared by him and published in the twenty-fourth annual debate handbook of the National University Extension Association, which appears in the Appendix.]

APPOINTMENT OF SMALL-BUSINESS MEN TO ADVISORY COMMITTEE OF NATIONAL SECURITY BOARD—TELEGRAM FROM GEORGE J. BURGER

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a telegram to W. Stuart Symington, Chairman of the National Security Board, by George J. Burger, vice president of the National Federation of Independent Business, protesting against the failure to appoint small-business men to the Advisory Committee, which appears in the Appendix.]

PROPOSED INVESTIGATION OF FEDERAL JUDGES—EDITORIAL FROM THE WASHINGTON STAR

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial published in the Washington Star of August 30, relating to the proposed investigation of Federal judges, which appears in the Appendix.]

THE POSITION OF NEHRU

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "The Position of Nehru," published in the New York Times of August 29, 1950, which appears in the Appendix.]

THE UNITED WORLD FEDERALISTS RESOLUTION ON KOREA

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a resolution dealing with Korea, adopted by the United World Federalists, which appears in the Appendix.]

SENDING OF UNTRAINED MEN INTO COMBAT

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement which I released this morning.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

I have just received a telegram informing me that a young man of my acquaintance, a member of the Marine Reserves, but a man who has had no basic training and no real training of any other kind except 2 weeks duty in summer camp during the past 2 years, has been called up and sent immediately overseas to the fighting front in Korea

This telegram refers to one particular case. Of course, his case is no different from that of other young men in the same position.

However, I want to protest here and now, against any policy that involves sending such untrained men into combat.

I understand fully the nature of the problem that the military authorities must face, and the need for fighting men. I do not want to do anything to hamper the efforts made to meet this Korean situation.

At the same time, I simply cannot understand why it is necessary to take comparatively untrained men. Certainly our military strength is not what it ought to be. Certainly we do not have the number of trained men in the services that we ought to have. At the same time, we did have around 1,500,000 men on active duty in the Armed Forces of the United States when the fighting started.

Certainly not all of these men have gone into action in Korea. Why is it necessary to take untrained boys and ship them into combat?

It seems to me that the armed services must have other troops in better shape to be pushed into the line. I do not believe any member of the Reserves can object to being called to duty at a time like this. But I do believe that those called up should have at least a few months of training, of hardening, before they go directly under fire.

I have always been a strong supporter of the Reserves but I have never believed that Reserve training alone could fit a man to go instantly into combat without at least a few months of stiff training. Our Reserve program may be good, but I don't believe it is that good. I believe that the armed services should establish a policy of giving every new recruit and every man called up from the Reserves from 3 to 6 months—and preferably 6 months—of hardening and concentrated training. It is hard for me to see why that cannot be done, considering the size of the Armed Forces that we had even before this rearmament program was started.

I have discussed this matter with the Marine Corps, and, in all fairness to the Corps, I want to say that it is not certain this particular unit will be put immediately in combat. However, I was not able to get any assurance to the contrary. I want to go on record as saying that I believe it should be our military policy to use in combat first those men who are already in service and in training. I believe the Reserves should have at least a little preliminary training before they are used in combat.

MOVEMENT OF STRATEGIC MATERIALS TO RED BLOC

Mr. MALONE. Mr. President, many times, starting on March 4, 1948, the junior Senator from Nevada has pointed out that we are sending equipment to Russia and iron-curtain countries through the 16 Marshall-plan countries. In that connection, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Russia's Tool Orders Get Priority in Britain, Manufacturer Charges," published in the Wall Street Journal on August 29, 1950.

We have been, and still are, indirectly arming Russia, the iron-curtain countries, and Communist China through the $17,000,000,000 to the 16 Marshall-plan countries. It is time the Senate of the United States took cognizance of this stupid two-faced policy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSSIA'S TOOL ORDERS GET PRIORITY IN BRITAIN, MANUFACTURER CHARGES — CRAVEN BROS. CHAIRMAN SAYS HIS FIRM CAN'T PRODUCE GOODS FOR BRITONS FOR MANY MONTHS

LONDON.—British firms asking for machine tools needed for defense production are being told they will be served after Russian orders are filled, a tool manufacturer charged.

Joseph Greenwood, chairman and managing director of Craven Bros., Britain's second largest engineering firm, said his company will be tied up for many months fulfilling a $2,800,000 order for Soviet Russia.

For British firms, he said, "We cannot contribute so much as a split pin for 3 years."

Mr. Greenwood made public a letter which he said he had sent to the Labor Government and which said in part: "It is a horrible thought that a firm with the specialized production of Craven Bros. is so tied up when they wish to help the rearmament drive of the country."

CHURCHILL BROUGHT UP ISSUE

Winston Churchill, wartime Prime Minister and leader of the Conservative opposition, brought the subject into the open in a radio speech Saturday night.

Mr. Churchill questioned whether British firms should be making tools for Moscow. He said some of the tools were "of the class required for the manufacture and repair of tanks."

The Board of Trade confirmed that Russia is getting the tools—$1,319,743 worth in the first 7 months of this year.

The Ministry of Supply also conceded another Churchill statement—that Russian inspectors are permitted to go into British factories to inspect the work on the Russian orders.

A Ministry of Supply spokesman said Saturday "it is a responsibility of the firm, of course, to insure that the Russian inspectors do not see things which should not be seen."

MUCH AN EXPERT CAN SEE

Mr. Greenwood retorted to that statement: "There is much that a man with an expert eye can see in a works like ours. If we were making a secret cigarette machine we might hide ourselves away in a cellar. When you are handling something that is, perhaps, 100 feet in length and 100 tons in weight it is another matter."

Mr. Greenwood said the first shipment of tools in the big Russian order will be started on the way toward the Soviet Union on Saturday. It is packed and ready to be loaded aboard ships.

Arthur Bottomley, the Government's Secretary for Overseas Trade, stated Sunday that in supplying goods to Russia, Britain "has been careful to withhold any commodities which come into the category of strategic priority."

THREE-YEAR CONTRACT WITH RUSSIA

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point an article entitled "United States Moves To Bar Europe Strategic Items to Red Bloc," published in the New York Journal of Commerce on August 29, 1950. It goes on to say that we may be fighting an economic war.

This dispatch not only flaunts the fact openly that wool and other manufacturers in the Marshall plan countries are furnishing Russia war material under contract but say they cannot fill such orders and get around to furnishing such material to their home country for a period of 3 years.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES MOVES TO BAR EUROPE STRATEGIC ITEMS TO RED BLOC

WASHINGTON, August 28.—The United States has decided to try to tighten up the system of trade controls by which strategic materials are supposed to be kept from Russia.

State and Commerce Department officials concede in talks with newsmen that important war potential goods have been leaking out to the Communist countries through loopholes. But closing those loopholes involves a difficult problem of cooperation by other governments since most of them are in western Europe.

REVIEWS DUE

Some American experts on economic policy say that what the United States is faced with here is economic warfare with the Communist countries. Others contend the question is simpler, being concerned solely with preventing the Russians from getting American or western European goods which would aid them in a military sense.

The whole matter was reviewed by the President's top policy-making agency, the National Security Council, last Thursday. Reliable sources who cannot be named say the Government then decided that steps must be taken to prevent the loss of important materials now going through to the Soviets.

The first important move along this line is expected to be taken by Secretary of State Acheson when he meets with British Foreign Minister Bevin and French Foreign Minister Schuman in New York September 12.

Recently word got out here that a shipment of about 50 tons of the steel-hardening metal molybdenum, exported from the United States to Britain, was then transshipped to the Soviet Union. Learning of this, the Commerce Department canceled the license which would have permitted shipment of a large additional quantity.

The export-control system is very loosely organized. American officials have never been satisfied with the extent to which western European governments, needing trade with the east and finding it profitable, were willing to cooperate in denying Russia certain types of goods.

THREE GROUPS

For the purpose of these controls all goods are divided into three categories: Prohibited are those like weapons or tools for making weapons; restricted and still sold in large quantities are those which, like machine tools, might be useful for war purposes; a free list covers strictly consumer goods.

In the United States all shipments openly consigned to Russia or Communist countries must be licensed, except for consumer goods. Western European countries do not all use the same licensing procedure nor are their lists of prohibited and restricted goods as tight as those of the United States.

The international problem for Acheson is to try to persuade the British, French, Belgian, and other friendly governments to switch a number of these items—all lists are secret—from the restricted to the prohibited category and to add to the prohibited class various materials now shipped more or less freely to the Soviet.

The result of this tightening up would be to cut down on trade between western Europe and the Communist bloc, but there are some responsible authorities who believe the Marshall-plan countries can no longer afford to rely on east-west trade anyway.

RUSSIAN ORDERS FILLED FIRST

LONDON, August 8.—British firms asking for machine tools needed for defense production are being told they will be served after Russian orders are filled, a tool manufacturer charged today.

Joseph Greenwood, chairman and managing director of Craven Bros., Britain's second largest engineering firm, said his company will be tied up for many months fulfilling a £1,000,000 ($2,800,000) order for Soviet Russia.

For British firms, he said, "we cannot contribute so much as a split-pin for 3 years."

Greenwood made public a letter which he said he had sent to the Labor government today and which said in part:

"It is a horrible thought that a firm with the specialized production of Craven Bros. is so tied up when they wish to help the rearmament drive of the country."

Winston Churchill, wartime Prime Minister and leader of the conservative opposition, brought the subject into the open in a radio speech Saturday night.

Churchill questioned whether British firms should be making tools for Moscow. He said some of the tools were "of the class required for the manufacture and repair of tanks."

The board of trade confirmed that Russia is getting the tools—£471,377 ($1,319,743) worth in the first 7 months of this year.

SUGGESTED REMOVAL OF SECRETARY ACHESON

Mr. MALONE. Mr. President, yesterday the Veterans of Foreign Wars, in their annual convention in Chicago, Ill., passed a resolution calling for the resignation of the Secretary of State, Dean Acheson. I ask unanimous consent to have printed in the RECORD at this point a dispatch dealing with the subject, written by George Eckel, and published in the New York Times on August 31.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VFW WOULD OUST ACHESON

(By George Eckel)

CHICAGO, August 30.—The national encampment of the Veterans of Foreign Wars, claiming to represent a membership of 1,250,000, today demanded in overwhelming votes the removal of Secretary of Defense Louis Johnson and Secretary of State Dean Acheson.

The demands were made in separate resolutions, each of which occasioned acrimonious debates.

The resolution on Mr. Johnson said the delegates "condemn those disastrous and capricious policies and procedures of the Department of Defense which have brought our Nation's defenses to their present shameful and inadequate condition in the face of the present threat of Communist world-wide aggression; and call upon the President of the United States to seek out and appoint new and competent leadership in the Department of Defense."

PRESENT POLICY DEPLORED

In the resolution of Mr. Acheson, the encampment said:

"We deplore and condemn the present policy of our Department of State, which is endangering the very existence of our beloved country.

"Those persons in the employ of our State Department whose ignorance, misfeasance and nonfeasance have resulted in failure in the field of diplomatic relations (should) be immediately discharged from Government service.

"Our foreign intelligence (should) be strengthened so that we may be second to none in the world in that field.

"Those persons in our State Department whose loyalty to American ideals is questionable shall be forthwith dismissed from the service and the President of the United States is respectfully petitioned to seek out and appoint new, patriotic, and able persons in the Department of State."

The Acheson resolution by its own terms was to be transmitted to the President, the Presiding Officers of the two Houses of Congress, and Mr. Acheson.

Though neither resolution named either Cabinet officer, floor debate made it clear that they personally were the principal targets.

The debate in each case arose after substitute resolutions were presented from the floor, which were more moderate in criticism and called for the removal only of personnel negligently responsible for inadequacies. These motions were both introduced by Baird V. Helfrich, of Peoria, Ill., legal officer of the Illinois department of the VFW and an assistant attorney general of Illinois.

Mr. MALONE. Mr. President, this is the same Secretary of State who recommends sending industrial machinery and materials to nations which are processing and manufacturing war materials, using our money and goods, and furnishing them direct to Russia, the iron-curtain countries, and to Communist China, and sees nothing wrong with the nonaggression pacts which both France and England have with Russia.

THE PUBLIC OFFICE OF THE PRIVATE CITIZEN—STATEMENT BY BISHOP LLOYD WICKE

Mr. MARTIN. Mr. President, I should like to have about 3 minutes to address the Senate, and I ask that I may do so at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Pennsylvania is recognized for 3 minutes.

Mr. MARTIN. Mr. President, I wish to call the attention of my colleagues to an example of citizen leadership originating in my State of Pennsylvania, which is deserving of our support and encouragement.

It grows out of deep concern with the part private citizens should play in relation to the problems which confront us as a people. It centers attention upon the question of how policies should be judged in the light of Christian ideals of reverence for human dignity and freedom of the individual.

During the week beginning October 23 Bishop Lloyd Wicke, of the Pittsburgh area of the Methodist Church, is bringing a group of 100 representative clergymen to Washington to study and think about how they can be better citizens. So far as I know, this is the first time such a program has been brought to the Nation's Capital.

Mr. President, I ask unanimous consent to have inserted at this point in my remarks a statement by Bishop Wicke, setting forth the purposes of the study period, and its importance to the Nation in these perplexing times.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE PUBLIC OFFICE OF THE PRIVATE CITIZEN

"After God had carried us safe to New England, and wee had builded our houses, provided the necessaries for our liveli-hood, rear'd convenient places for God's worship and setled the Civil government * * *." So spoke one of our founding fathers, describing in classical simplicity the rock of our foundation.

Upon this imperishable conjunction, homes, religion, government, our Nation was established. When any one of the members of this triumvirate is neglected, spurned, or outlawed the total structure of our way of life is threatened, if not doomed.

The democratic process (state) demands that each citizen bring the divine sanctions of religious truth from the sanctuary and employ them as indispensable beacons re-

vealing the way through the maze of public choice and administration.

These sanctions can only be realistically and satisfactorily applied when the citizen is adequately informed, not only concerning the nature and validity of the revealed sanctions, but also concerning the problems, tensions, and possibilities confronting the Government of which he is an integral and indispensable part. Only informed participation, informed on both scores, can assure us either sound policy or competent administration, looking toward a Government which will aid us in achieving the better society.

Recognizing this necessity and the obligation resting upon the church, which reveres human personality as a divine creation and manifestation, I am bringing to Washington, in cooperation with President Paul F. Douglass and the faculty and staff of the American University, a representative group of ministers to study and think about the issues which confront us all in these times.

We propose three tasks: (1) To discover how and to what extent an ordinary citizen, living on Bye Street rather than on Main Street, can ascertain the genuine facts so that he may confidently rely upon them and give them his intelligent as well as his emotional support; (2) to learn the channels and means of communication by which a citizen can express his opinion at points where that opinion will count and he may be assured that it does register; and (3) to evaluate the facts and policies in the light of his Christian standards.

When we return to our communities in the cities and hamlets, located on the hills and in the valleys of Pennsylvania, West Virginia, and New York, we hope that we will be better able to understand the problems which face us as a people, more competent to think as citizens in terms of both ideals and action programs, more helpful to our Government in its Christian purposes in this time of calamity and possibility.

DEATH OF FORMER REPRESENTATIVE AMBROSE J. KENNEDY, OF MARYLAND

Mr. O'CONOR. Mr. President, a number of my colleagues in the Senate, particularly those who have served previously in the House of Representatives, will mourn with me, I know, the death of former Representative Ambrose J. Kennedy, who represented the Fourth Maryland Congressional District for four terms. His funeral services will be held in Baltimore tomorrow.

Representative Kennedy was born a short distance from my family home in Baltimore. We grew up together in the same neighborhood and were closely associated for many years in political and official State matters. By my appointment he served as a member of the Maryland Unemployment Compensation Board. Representative Kennedy had the well-merited reputation of being unusually well informed on all matters pertaining to the functioning of the Federal Government. He was markedly successful, likewise, in his chosen field of insurance, being for many years a member of one of Baltimore's outstanding insurance firms.

His political following, centered in the old Democratic stronghold of the city where we were both born, continued to give him loyal support even after his retirement from Congress, so that he was, to the day of his death, an important figure in the public life of Baltimore.

The people of the District of Columbia also remember him most favorably because of his exceptional efforts in their behalf, as the notices of his death in the Washington newspapers so well testify. Further evidence of this respect and regard is given in an editorial entitled "District Loss," published in the Washington Post of this morning, in which Representative Kennedy's understanding of and efforts for what he regarded as his Washington constituency were highly commended.

I ask unanimous consent that the editorial from the Post be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of August 31, 1950]

DISTRICT LOSS

The death of former Representative Ambrose J. Kennedy, who till 1940 represented the Fourth Maryland Congressional District, robs the District of Columbia of a friend who understood not only its need but also its method of looking at itself. Congressman Kennedy, in other words, appreciated the psychology of Washington and its residents. He was born in Maryland, in the orbit of the District, and as a member of a constituency wholly embraced by Baltimore, fought for local suffrage. As the third-ranking member of the District Committee he introduced the bill to repeal the "red rider," the legislative enactment which would have robbed teachers of the District of their salaries if they attempted to tell their students something about the history and mechanics of communism. Representative Kennedy was a man who thought that with knowledge would come understanding and wisdom. Now he is dead, victim of a cerebral hemorrhage, and it would be a matter of pride with him if he knew that he was not as lonely in advocating District suffrage as when he started.

STATE DEPARTMENT EMPLOYEE LOYALTY INVESTIGATION — COMMUNICATION FROM ISAAC DON LEVINE

Mr. McMAHON. Mr. President, on behalf of the senior Senator from Maryland [Mr. TYDINGS] and myself, I submit for printing in the body of the RECORD a statement regarding a communication we have received from Mr. Isaac Don Levine.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We are in receipt of an impressive communication from Isaac Don Levine, to whom certain references are made in the report on the State Department employee loyalty investigation based upon allegations in the testimony of Emmanuel S. Larsen, which in all fairness and justice to Mr. Levine should be appended to the permanent record of the subcommittee created pursuant to Senate Resolution 231.

The record discloses that no American reporter or author has done more than Don Levine in exposing the Red menace to our country and to world freedom. We join The Christian Science Monitor, in its editorial statement of August 18, 1950, that "we wish to recognize the services of Isaac Don Levine in uncovering subversive activities in the United States."

The record shows that he compiled and edited in 1925 Letters from Russian Prisons, the first book of documents dealing with political persecution by the Soviet Government. He has been in advance of the legion of reporters and interpreters of the great Russian upheaval. The first book on the subject to appear anywhere was his The Russian Revolution, in June 1917. He was the first to run the blockade and penetrate Bolshevik Russia in 1919 and the first to give the world the famous Willy-Nicky Letters, the correspondence between the Kaiser and the Czar, which Winston Churchill described as the greatest journalistic scoop of the century. He was the first to publish on all continents the Letters from the Czar to the Czarina and the Letters from the Czarina to the Czar. His biography, The Man Lenin, was a first in Europe and America and his biography Stalin, published in 1931, was another first. He first brought the story of General Krivitzky, chief of Soviet Secret Service in western Europe, to public attention in the Saturday Evening Post in 1939. He edited Jan Valtin's Out of the Night, and first brought out Victor Kravchenko's story in Cosmopolitan magazine. Mr. Levine is author of half a dozen books, including a biography of Gen. Billy Mitchell.

The communication from Mr. Levine follows:

"When word first reached me that your subcommittee was proceeding with the preparation of a report, I sent you on July 6 by Western Union the following telegram:

"'In connection with Emmanuel Larsen's recent testimony in executive session before your committee reported in the press as repudiating his article on Ameriasia case published in Plain Talk for October 1946 am prepared to submit stack of original writings and numerous letters by Larsen which utterly refute his alleged testimony and which in every major respect substantiate the charges made by him in 1946. Your record would be manifestiy incomplete and unfair to me without reference to this documentary and conclusive evidence.'

"I was not summoned to appear before your subcommittee. And I find no record of the text of my telegram in the three massive volumes published by your subcommittee to date and dealing with the State Department employee loyalty investigation.

"Having now perused this record, I can state my conclusion, which I am ready to repeat under oath, as follows:

"Larsen's testimony is a tissue of downright falsehoods, of willful distortions, and of irresponsible assertions. It would take a sizable volume to analyze his testimony and to unravel his web of untruths. It will suffice here to state concisely the truth about his Plain Talk article and to cite but a few salient points from original documents in my possession which establish the facts versus Larsen's allegations.

"1. There never was any question of Mr. Larsen writing an article for publication, as he had never before published anything in the general press, had no record whatsoever as a newspaperman or writer, and laid no claim to journalistic ability. The so-called true draft of Larsen's article (exhibit 89, pt. 2, appendix) was in fact never submitted nor intended for publication in Plain Talk.

"From the very beginning my interest in Mr. Larsen was in his story, not in any article he would write himself. This Mr. Larsen understood fully and accepted without question. It is an established and common practice in all reputable magazine and newspaper editorial offices, such as the Saturday Evening Post or the New York Times or Life, to assign a professional writer to do the story of a nonliterary figure, be he a convict, a spy, a political refugee, a famous soldier, a great flyer, an exambassador, or an ex-king.

"Following Mr. Larsen's testimony before the Hobbs committee in May 1946, which let loose a flood of newspaper reports, I naturally and out of the highest patriotic motives became interested in his story of the obscure Amerasia affair. I asked Mr. Larsen to set down on paper without any attempt at completeness or literary finish an autobiographical account of his experiences to be used as background material in the preparation of his story.

"With this material in my possession, together with other memoranda on the Amerasia case, I proceeded to interview Mr. Larsen and to elicit from him the full story of the Amerasia spy ring. Mr. Larsen knew all along that the final draft would be submitted to him for correction or drastic revision. Following certain conferences, I asked him to make additional notes of his recollections; some of these notes are preserved in my files. I did the basic interviewing of Mr. Larsen. As far as I can recall, Mr. Toledano did some supplementary questioning, and that was all. Mr. Kohlberg had nothing whatever to do with the editorial preparation of the article, and to the best of my knowledge had not even met Mr. Larsen at that time.

"'I, and I alone, did the writing of Mr. Larsen's story as it appeared in Plain Talk for October 1946, having submitted it first to Mr. Larsen for approval. His allegation notwithstanding, there was no rush about this since we did not even have a deadline then. We had not even made final arrangements with a printer. It was August 14, and the first issue of Plain Talk did not go to press till the beginning of September. Mr. Larsen waxed enthusiastic over the manuscript and the accuracy of my reporting, and made a number of minor corrections only, in longhand in red ink, as can be seen in the original manuscript in my possession.

"Although I asked Mr. Larsen to affix his signature but once to the title page of the article, as is customary in all such cases, he exuberantly went out of the way to sign the article on the first and last pages, to initial the remaining 24 pages in between and to repeat the entire performance, all corrections included, on the yellow carbon copy. For a man in a hurry to catch a train, as he alleged, and as he repeated at the conclusion of the executive session on June 6, this was strange behavior indeed.

"In view of all of this, it is a travesty upon truth for Mr. Larsen to submit to the subcommittee a typewritten piece which bears no date of origin and which shows no identification with Plain Talk, and to claim for it the status of an article.

"2. Far from repudiating his article as published in Plain Talk or strenuously objecting to any part of it, Mr. Larsen hailed it within a few days after its release to the press on September 16. In a long letter written to me on September 25, 1946, the original of which is in my possession and at your disposal, he congratulated in his own name and in that of a number of readers this writer and Mr. Toledano upon the first issue of Plain Talk. 'All my friends and acquaintances,' he lamented, were 'disappointed when they learned that none (of Plain Talk) would appear on newsstands.' He offered to approach all of them for subscriptions, and added 'there were immediate and favorable reactions even in the State Department only a week after Plain Talk was published.'

"In the course of the following 3½ years, until January 1950, Mr. Larsen, far from resenting his alleged treatment at the hands of Plain Talk or its editors, continued to bombard me with letters and memoranda, offering various projects, seeking financial assistance from Plain Talk, proposing exposés of Communist and pro-Communist elements, and bolstering the original charges he had made. I have on hand numerous letters from him which prove his unremitting efforts to collaborate with Plain Talk.

"3. Your interim report accepts at its face value Larsen's repudiation of the Plain Talk article 'in all essential respects.' The fact is that Mr. Larsen was not only responsible for every essential charge made in the Plain Talk article, but often went far beyond the published charges, which can be substantiated by incontrovertible evidence. In such cases, we were careful not to use his material.

"A striking instance of Mr. Larsen's method of wholesale charges is his statement that Dean Acheson was the leader of the pro-Soviet bloc in the State Department. This was the first time that I had ever heard Mr. Acheson so labeled, and it came to me as a distinct shock. I decided to omit Mr. Larsen's characterization of Mr. Acheson from the article. Yet there can be no disputing this fact, for Mr. Larsen testified before the Hobbs congressional committee in executive session on May 11, 1946, 3 months before his Plain Talk article had been completed and 10 weeks before I met him, as follows:

" 'These people in the State Department who are forcing a pro-Communist policy so as to enhance their own little group at the head of which I consider Dean Acheson stands as the leader.'

"4. Who were the people who were 'forcing a pro-Communist policy' in the State Department and was their actions the result of a conspiracy? Your report goes as far as to claim that his so-called true draft 'contains none of the bases for charges of a plot to destroy American policy in the Far East.'

"Your attention is directed to the following passages in Larsen's so-called draft which appears as exhibit 89 in Appendix 1:

" '* * * a few minor career men in the United States Government * * * set themselves up as the reformers of China. * * * This was wrong and constituted a betrayal of their duty as diplomats. * * * A constant critical attitude, on our part, toward the de jure government of China, and a consistent flow of moral support to the Communists, tended to unduly encourage the opposition to our war ally. * * *

" 'The officers in the Department relied largely on dispatches from the field, and the writers of such dispatches, such as John Service, Emmerson, Davies, and Ludden were all violently critical of the Chungking government and full of praise for the Communists and the Democratic League. Chief believer of these field reporters was John Carter Vincent, then Chief of the China Section in the State Department and now head of the Far East Division. * * *

" 'I was now convinced that John Service, because of his anti-Kuomintang and his pro-Communist leanings, had received not only financial aid from his friends in the State Department but also sufficient pull to obtain quick and complete vindication. * * *

" 'Thus Hurley's strenuous attempts at mediation were of no avail—in fact they were willfully sabotaged. And back in the State Department, his reports were discredited by John Carter Vincent and his crew. * * *

" 'I do have a fairly good recollection of some of the outstanding reports and attached comments that would bear me out in my contention that Hurley's assistants in China sympathized so openly with the Reds and were so consistently critical of the de jure Chungking government—to which they had been officially accredited—that they did harm to our good relations with China.

" 'These field officers seemed to believe anything that the Communists told them. Thus, just as John Davies believed that the Communists had a non-Russian orientation, John Service tried hard to convince Washington that the Communists were pursuing a policy of avoidance of civil war.'

"Now, if all these statements quoted from Larsen's own so-called true draft do not add up to 'bases for charges of a plot to destroy American policy,' what do they signify? Or is Mr. Larsen now going to repudiate his true draft just as he has attempted to repudiate his testimony before the Hobbs committee and his authorized Plain Talk article?

"5. Even before the October 1946, issue of Plain Talk featuring Larsen's article had been delivered by the printers, Mr. Larsen wrote to me (the original is in my possession and at your disposal) from Washington on September 11 this unsolicited report:

" 'Yesterday I heard from XX that John Carter Vincent is soon up for promotion to minister. * * * Please see what you can do to prevent such a thing from happening; instead of being promoted he ought to be fired. * * * Now is the time to warn them in the Department not to try to promote any pro-Communist foreign service employees * * * that leftist group run by Dean Acheson, Vincent, and others.'

"I submit that this missive does not repudiate but bolster the charges made against John Carter Vincent by Mr. Larsen in his Plain Talk article.

"6. In a letter dated February 14, 1947, Mr. Larsen continued to add fuel to his charges against State Department officials. (Original addressed to Mr. Kholberg and duplicate copy signed by Larsen sent to me and in my possession.) He wrote:

" 'I went over to see Dr. Syngman [now president of the South Korean Republic], who has long been feuding with J. C. V. [John Carter Vincent]. He showed me a letter from a Stuart Ward, president of the Columbian Club in California; Ward wrote about Kilsco Kenneth Haan, a well-known Communist Korean, and said that Haan had come to see him and admitted that he was working closely with the Far East Division in the State Department. * * * Rhee also said that he knows for sure that J. Edgar Hoover of the FBI has something on Vincent that would blow Vincent sky high, but how to get it? * * * Will you or Don see what you can do in that direction?'

"7. In his testimony before your subcommittee in executive session on June 6, Mr. Larsen declared:

" 'I did not mention Stilwell, yet Stilwell was violently attacked in there. They showed me the Stilwell file they had. They even showed me a photostatic copy of a letter from General Stilwell in China written to his wife, * * * to show me Stilwell was a pro-Communist.'

"There is not a shred of truth in this statement which your subcommittee apparently accepted without any investigation. And the evidence is readily at hand. To begin with, in the notes of Mr. Larsen made in the course of my interviews with him early in August 1946, I find the following item:

" 'Page 7, third paragraph. As to Stilwell's demands, Service wrote dispatches from China to the Department supporting Stilwell and his outrageous demands. Service's reports sounded like a rabble-rouser's speeches.'

"In a letter to me dated August 29, 1947, Mr. Larsen goes much further than in the foregoing note. He proposed that we allow him to launch in Plain Talk 'a predawn attack' on the deceased General Stilwell on the occasion of the announced publication of his dairies. Wrote Larsen:

" 'It is obvious that it is the same crowd that is shopping around for every bit of material that can damage the National Government of China and promote the reputation of the Chinese Reds. It would be a great victory over them if their "next attack" could be neutralized by the prior publication of the damaging material on Stilwell—who was itching to shoulder a rifle for the Communists. * * * I have some material, but I know you have the Stilwell letter I'd love to use. Are you prepared to let me have it and write up the predawn attack for Plain Talk?'

"In my answer of September 5, 1947, I turned Mr. Larsen's offer down on the ground that I was not acquainted with the contents of the Stilwell diaries although I did express a wish to give Mr. Larsen a break 'on an important article for Plain Talk.'

"The fantastic nature of Mr. Larsen's allegations with regard to Stilwell is demonstrated further by the fact that the photo-

static copy of the purported Stilwell letter to his wife, which I am supposed to have shown to Mr. Larsen in August 1946, was not even in existence prior to February 1, 1947.

"In his letter of August 29, 1947, a year after the publication of the Plain Talk article, Mr. Larsen referred to seeing in our offices 'considerable material on Stilwell,' including the 'Stilwell letter.' In my answer of September 5, I wrote:

" 'The letter in question which you saw in this office appeared in the Daily Worker of February 1, 1947. It was not a letter but a telegram from Mrs. Stilwell to Starobin, of the Daily Worker, quoting her late husband.'

"It is self-evident that Mr. Larsen saw in the file of clippings on the Stilwell affair in the Plain Talk offices a photostat of something which could not have been made before February 1, 1947, and that he transposed something which he observed in 1947 to the period preceding the publication of his Plain Talk article.

"Of such strands of falsehood, distortion, and irresponsible talk did Mr. Larsen weave his web of testimony before your subcommittee. This is the stuff of which all the other allegations by Mr. Larsen, including his willfully perverted account of my telephone conversation with him, are made, and all of these allegations, it must be remembered, stem solely from 'a disloyal American' whose 'credibility generally is open to serious doubt,' according to your own report.

"Sincerely yours,

"ISAAC DON LEVINE."

PRIORITY OF OBLIGATION FOR MILITARY SERVICE AMONG PHYSICIANS AND DENTISTS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes, which was to strike out all after the enacting clause and insert:

That section 4 of the Selective Service Act of 1948, as amended, is hereby amended by adding at the end thereof the following subsections:

"(i) (1) Notwithstanding any other provision of this title, except subsections 6 (j) and 6 (o), the President is authorized to require special registration of, and on the basis of requisitions submitted by the Department of Defense and approved by him, to make special calls for male persons qualified in needed—

"(A) medical and allied specialist categories who have not yet reached the age of 50 at the time of registration, and

"(B) dental and allied specialist categories who have not yet reached the age of 50 at the time of registration.

Persons called hereunder shall be liable for induction for not to exceed 21 months of service in the Armed Forces. No such person who is a member of a Reserve component of the Armed Forces shall, so long as he remains a member thereof, be liable for registration or induction under this subsection, but nothing in this subsection shall be construed to affect the authority of the President under any other provision of law to call to active duty members and units of the Reserve components. No person in the medical, dental, and allied specialist categories shall be inducted under the provisions of this subsection after he has attained the fifty-first anniversary of the date of his birth.

"(2) In registering and inducting persons pursuant to paragraph (1) of this subsection, the President shall, to the extent that he considers practicable and desirable, register and induct in the following order of priority:

"First. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the categories referred to in clauses (A) and (B) of paragraph (1) of this subsection who have had less than 90 days of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"Second. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the categories referred to in clauses (A) and (B) of paragraph (1) of this subsection who have had 90 days or more but less than 21 months of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service, subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"Third. Those who did not have active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940.

"Fourth. Those not included in the first and second priority who have had active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940. Inductions of persons in this priority shall be made in accordance with regulations prescribed by the President which may provide for the classification of such persons into groups according to the number of full months of such service which they have had and for the induction of the members of any such group after the induction of the members of any other such group having a lesser number of full months of such service.

"In the selection of individuals from among the categories established by subsection (i) for induction, the President is authorized, under such rules and regulations as he may prescribe, to provide for the deferment of any individual whose deferment is found to be equitable and in the national interest, taking into consideration the length of his previous service in the Armed Forces (including the Coast Guard and the Public Health Service) of the United States, the extent of his participation in the Army specialized training program or similar program administered by the Navy, reasons of hardship or dependency, and the maintenance of the national health, safety, or interest.

"(3) It is the sense of the Congress that the President shall provide for the annual deferment from training and service under this title of numbers of optometry students and premedical, preosteopathic, preveterinary, preoptometry, and predental students at least equal to the numbers of male premedical, preosteopathic, preveterinary, preoptometry, and predental students in attendance at colleges and universities in the United States at the present level as determined by the Director.

"(j) The President shall establish a National Advisory Committee which shall advise the Selective Service System and shall coordinate the work of such State and local volunteer advisory committees as may be established to cooperate with the National Advisory Committee, with respect to the selection of needed medical and dental and allied specialist categories of persons as referred to in subsection (i). The members of the National Advisory Committee shall be selected from among individuals who are outstanding in medicine, dentistry, and the sciences allied thereto, but it shall not be mandatory that all such fields of endeavor be represented on the Committee."

SEC. 2. Notwithstanding the provisions of section 203 of Public Law 351, Eighty-first Congress, commissioned officers of the Reserve components called or ordered to active duty with or without their consent, shall, if otherwise qualified, be entitled to the benefits of section 203 of Public Law 351, Eighty-first Congress.

SEC. 3. Section 202 of the National Security Act of 1947, as amended, is hereby amended by adding at the end thereof the following subsections:

"(g) Under such regulations as he shall prescribe, the Secretary of Defense, with the approval of the President, is authorized to transfer between the armed services, within the authorized commissioned strength of the respective services, officers holding commissions in the medical services or corps including the Reserve components thereof. No officer shall be so transferred without (1) his consent, (2) the consent of the service from which the transfer is to be made, and (3) the consent of the service to which the transfer is to be made.

"(h) Officers transferred hereunder shall be appointed by the President alone to such commissioned grade, permanent and temporary, in the armed service to which transferred and be given such place on the applicable promotion list of such service as he shall determine. Federal service previously rendered by any such officer shall be credited for promotion, seniority, and retirement purposes as if served in the armed service to which transferred according to the provisions of law governing promotion, seniority, and retirement therein. No officer upon a transfer to any service from which previously transferred shall be given a higher grade, or place on the applicable promotion list, than that which he could have attained had he remained continuously in the service to which retransferred.

"(i) Any officer transferred hereunder shall be credited with the unused leave to which he was entitled at the time of transfer."

SEC. 4. Notwithstanding any other provision of law, where any person who served on active duty as a doctor or dentist in the United States Army, Navy, or Air Force Medical Corps during World War II, thereafter has been, or shall be, recalled to active duty as a doctor or dentist in the Armed Forces of the United States, such person may, under regulations prescribed by the President, be promoted to such grade or rank as may be commensurate with his medical or dental education, experience, and ability.

SEC. 5. No person inducted under the provisions of this act shall be entitled to the benefits of the provisions of section 203 of Public Law 351, Eighty-first Congress.

SEC. 6. For the purposes of this act, the term "allied specialist categories" shall include, but not be limited to, veterinarians, bacteriologists, biochemists, radiation chemists, organic chemists, parasitologists, pathologists, pharmacologists, biophysicists, radiation physicists, optometrists, pharmacists, occupational therapists, chiropodists, osteopaths, physiologists, radiobiologists, serologists, virologists, sanitary engineers, industrial hygienists, medical statisticians, industrial engineers, dietitians, psychologists, entomologists, psychiatric social workers, nutritionists, laboratory officers.

SEC. 7. This act, except for section 2, shall terminate on July 9, 1951.

Mr. HUNT. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. CHAPMAN, Mr. HUNT, and Mr. GURNEY conferees on the part of the Senate.

PROMOTION OF VETERANS IN THE POST OFFICE DEPARTMENT—VETO MESSAGE

The VICE PRESIDENT. The question now pending before the Senate is the amendment of the Senator from Delaware [Mr. WILLIAMS] to the amendment of the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY] to the tax bill.

Yesterday the Senator from South Carolina [Mr. JOHNSTON] advised the Senate to take up the veto message on House bill 87 today, and the Chair feels, therefore, that he is entitled to recognition.

Mr. JOHNSTON of South Carolina. Mr. President I, ask that the Senate reconsider the bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department, the objections of the President of the United States to the contrary notwithstanding.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina?

There being no objection, the Senate proceeded to reconsider the bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department.

The VICE PRESIDENT. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. JOHNSTON of South Carolina. Mr. President, I desire to say a few words in regard to the veto message. House bill 87 was passed by the Senate on a call of the calendar. After having passed both Houses, when it went to the President he vetoed it. As it is a House bill, that body considered the veto message first. On a reconsideration of the bill by the House the veto was overridden. It is the prerogative of the Senate to vote upon the question now. The vote in the House was 213 to 72, and in my opinion the Members of the House were right in overriding the veto.

I note from the veto message that it is stated the bill would set a precedent. It would not set a precedent. After the First World War in 1925, Congress passed exactly the same kind of a bill, giving the veterans of that war who had come into the postal service the right to count the service they had had in the Army and the Navy. The bill now before the Senate does the same thing with respect to the veterans of World War II.

Probably the suggestion will be made that if this bill is enacted all civil-service workers should be treated likewise. I answer that by saying that in other Government departments one can enter the service with a high grade in the beginning. In the postal service one starts at the bottom, and if he was called for service in the Armed Forces, even though he later returned to work in the Post Office Department, the years he spent in the armed service are not counted in computing his time in the department when it comes to the consideration of promotions.

As I have said, what this bill now proposes to do was done after the First World War. The committee was of the unanimous opinion, after studying the subject, that we should make the same provision at this time.

If Senators have any questions they desire to ask I shall try to answer them. If there are no questions, I shall take up no more time of the Senate in presenting the matter.

Mr. LANGER. Mr. President, when this matter was before the Committee on Post Office and Civil Service every veterans' organization in the United States backed the bill. The Senate has already upon two separate occasions passed bills in somewhat different form, but making the same provision.

At this time I wish to read a letter I received this morning from Omar B. Ketchum, director of Veterans of Foreign Wars of the United States, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D. C., August 31, 1950.

Re H. R. 87.

DEAR SENATOR: It is understood the Senate will vote today on a motion to override the President's veto of the bill H. R. 87, to credit certain employees of the postal service for time spent in the armed services during World War II in determining salary grade.

The forty-eighth, forty-ninth, and fiftieth national encampments of the Veterans of Foreign Wars of the United States unanimously approved resolutions calling upon the Congress to correct a grave injustice whereby nonveterans who entered the postal service during the war years possess higher salary grades than those veterans who joined the postal service upon completion of their military duty during World War II.

I cannot overemphasize the importance of this measure to World War II veterans now employed in the postal service. One of the major objectives of the Congress in these post-World War II years is to complete the process of integrating the veterans into the competitive processes of our economy. Concommitant with that objective is the equally important one of assuring that the veterans, upon reentering civilian endeavor, would not be at a disadvantage with respect to the nonveteran who entered a comparable civilian position during the war years.

In behalf of the 1,500,000 overseas veterans whom I represent and who, in three successive encampments, have unanimously urged enactment of legislation similar to H. R. 87, I strongly urge that you vote for passage of H. R. 87, the objections of the President to the contrary notwithstanding.

Respectfully yours,
OMAR B. KETCHUM, *Director.*

The VICE PRESIDENT. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. RUSSELL. Mr. President, if this measure had been presented to the Senate of the United States prior to the 25th day of June this year, I would probably have voted to pass it, the veto of the President of the United States to the contrary notwithstanding. Conditions on this earth and particularly affecting the citizens of this Nation have changed tremendously since the Communist aggression in Korea began on the 25th day of June.

I doubt not that if this matter were presented today to the veterans' organizations to which reference has been made as the sponsors of this bill, they would say that this measure could well be deferred until after the great dangers which today confront the people of the United States have passed over and we are in a more normal period. They are patriotic Americans who know what war means. They would agree that it was the part of wisdom to use the money this bill will cost to equip an armored division to go to the assistance of their hard-pressed and outnumbered fellow Americans who fight in the rice paddies of Korea.

This bill, Mr. President, according to the President's veto message, will add a total cost of $163,000,000, which means that Congress will be adding that much to our national debt of borrowed money. The bill benefits fewer than 100,000 of the 900,000 veterans of World War II who have come into the Government civil service since the war. There is not a Member of the Senate who does not know in his or her heart that if we vote this benefit to less than 100,000 veterans, we are committing ourselves to vote to confer the same privilege on the other 800,000 veterans who have come into the Government service since their discharge from the Armed Services. If provision is made for increase in payment in the same proportion for the remaining veterans, it will involve an expenditure of approximately one and a half billion dollars of borrowed money, and we cannot escape that fact. The Members of the Senate should take cognizance of that situation before they vote. It would be very pleasant for me to be able to vote for the bill. I cannot, however, do so under the circumstances which confront us at the present time.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. JOHNSTON of South Carolina. I understood the Senator from Georgia to say that the boys who were in service during the war and had come into the Government service since would not be benefited by the bill.

Mr. RUSSELL. No; I did not say that. I say the bill is designed to benefit those who have entered the Government service since the end of the war, if I understand it correctly.

Mr. JOHNSTON of South Carolina. Up to July 1.

Mr. RUSSELL. Yes, that is correct; and the President's veto message says there are 900,000 of them in that category. If it will cost $163,000,000 for fewer than 100,000 of them, how much will it cost when the Senator from South Carolina and his committee in January bring out a bill for the other 800,000 on the ground that we are making fish of one group and fowl of the other by giving benefits to postal employees that we do not give to other Government employees? All of us know that such a bill will be here in January if we pass this bill over the President's veto today.

Mr. JOHNSTON of South Carolina. No, Mr. President; my committee has

studied that matter, and there is a distinction between postal workers and the other Government employees, because other Government employees can enter the service at a higher status or a higher grade, which is not possible in the case of the postal workers.

The $163,000,000 the Senator has mentioned is not for 1 year, but will apply over a period of years.

Mr. RUSSELL. That is what I said.

Mr. President, I have voted for every bill which has been before the Senate to give advantages in securing Government employment to those who served their country in time of war. I venture to say that the vast majority of those who hold these positions, and who will receive this benefit, if this bill is enacted—although the President says the benefit is in the nature of a bonus—would not have been able to have gotten their jobs except for the veterans' preference. That preference is fair and just, and I believe in veterans' preference in civil service. However, they have already received that much recognition of their service; they have a good job, and they secured it because of their military service, and did so over and above other American citizens who had not been in the military service. That distinction is appropriate and proper, and I support the theory of veterans' preference.

Mr. President, it seems to me it is inescapable that this measure, if enacted into law, will but lead to other similar measures for other groups of Government employees. I have seen legislation of this kind brought in heretofore, legislation as to which it has been said that a great and definite distinction can be drawn between one group and others of those who work for the Government. However, Mr. President, it has been my experience that when legislation is enacted for one group of Government employees, we immediately are confronted with other proposed legislation which would apply to all other Government employees similarly situated, and the argument is made, "You have done it for them, and you will be unjust and unfair if you do not do it for us."

Mr. President, the Senate might as well face this issue squarely when it votes, in order that the people may know that if the Senate overrides the President's veto, the Senate's vote will mean the expenditure of a billion and a half dollars over and above the normal expenditures of the Government.

We now have a public debt of more than $260,000,000,000. The rearmament program will greatly increase that debt. The paramount objective of the people and the Congress today is to supply the arms to the boys fighting and dying in Korea and to strengthen our national defense. If we fail in this, all is lost, and the world will be enveloped in darkness. The billion and a half dollars of expenditures which, as I see it, is involved in this issue, should be devoted to the defense of the United States and to stay the threatening march of communism.

It seems to me this is the kind of legislation which we might well defer until a period when we are not so sorely pressed for public funds in order to preserve the institutions of Government and the freedom of the people of the United States.

I know something about the pressure which is back of this bill, and I am as susceptible to it, I suppose, as are most other Members of Congress. However, many of these employees themselves realize that the very positions they hold would be lost, as well as the liberties of all Americans, if the present tide of communism should envelop us and sweep over the entire earth. The beneficiaries of this bill have a stake in seeing us emerge safely from the present crisis. They would not accept the benefits of this bill if they knew it would weaken the defense effort.

Many persons think the Korean war is a mere incident. To the contrary, I think it is a part of a world pattern which presents to the American people as grave a danger as any which has ever confronted us since the foundation of the Republic.

Mr. President, there are other measures of similar import pending here. Most of them are desirable but they are likewise deferrable. We cannot increase civil expenditures and bear the cost of rearmament at the same time. Even our great country will crack under such a burden.

We have had many speeches in favor of economy in nonmilitary matters in order to contribute to the war effort. Those who make them have an opportunity to show their good faith when the roll is called on this measure.

I say with all due deference that the Congress has been exceedingly fair to the postal workers of the Nation. It is true that they render a fine service to our people. But we face abnormal and dangerous conditions. I do not think a bill of this nature or one providing for two deliveries of mail a day should make public servants in the Congress scuttle and run, when the Government is operating at a deficit and when its expenses for the present year will reach or exceed a total of $60,000,000,000. Let us also realize that each dollar we add to the national debt and to the deficit of Government depreciates just that much more the value of every dollar which every worker receives as wages or salary, including the employees of the postal service.

Mr. President, I have read the President's veto message, and I think he is right. If the Congress of the United States has not the courage to defer a measure of this kind until a more propitious time, then God save the people of the United States. If we show a sense of irresponsibility on an issue of this kind in such grave circumstances, the country is in more danger of being destroyed in these halls than by the action of our enemies.

Mr. O'MAHONEY. Mr. President, I wish to add just a word to what has been so magnificently and eloquently said by the Senator from Georgia.

For a part of the year 1933, I had the privilege of serving as First Assistant Postmaster General. Members who were in Congress at that time will recall that one of the first acts of Congress in that year was to pass a measure curtailing the pay of all Government workers by 15 percent. That law was passed because Congress felt that in the depths of the depression it was essential for every Government worker to cooperate in making the expenses of the Government less. It became my duty to visit various organizations of postal workers, and to discuss with them that reduction in their salaries. I was very greatly pleased to find, when I visited those organizations, that they were ready to make that contribution to the economic rehabilitation of the Nation. The leaders of their organizations said that no such reduction should be made, but the rank and file of the postal workers did not hesitate to accept the reduction, because they knew they were only making a small contribution to the rehabilitation of the country.

I have been visited by representatives of veterans' organizations and by representatives of postal employees, who have come to talk to me about this Presidential veto. To all of them I have said, "The United States is now involved in the greatest struggle in its history, a world-wide struggle. The United States alone is the powerful Nation which can protect economic freedom and political freedom; and I do not believe," I said to those gentlemen, "that you, as spokesmen, of your associates as workers, have any desire or purpose or intention of unnecessarily increasing the expenses of maintaining the Post Office Department at this time."

Mr. President, that is particularly true with respect to veterans who loyally and patriotically gave their service during the war to defend the things for which this country stands. I know that the rank and file of those veterans, who are represented to us as demanding the overriding of the veto, are ready now to contribute what they can contribute not only by way of increased payments of income taxes under the bill we are about to pass, but also by not asking for the special consideration provided by the measure now before the Senate.

So, Mr. President, it is my purpose to vote to sustain the veto of the President.

Mr. MALONE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Nevada?

Mr. O'MAHONEY. I am very happy to yield.

Mr. MALONE. What advantageous provision, so far as the veterans are concerned, is contained in the bill which is now before the Senate?

Mr. O'MAHONEY. Mr. President, I have not in mind at the moment the exact cost of the bill.

Mr. MALONE. My inquiry is, what provision of advantage to veterans is contained in the bill which the President vetoed?

Mr. O'MAHONEY. It provides for special compensation to them as employees.

Mr. MALONE. But in what way?

Mr. O'MAHONEY. The President, in his veto message, says——

Mr. MALONE. I have the President's veto message. That is his side of it. I should like to know what the bill provides.

Mr. O'MAHONEY. I do not have the bill before me. All I know is that the bill increases the cost of administering the Post Office Department, at a time when we ought to be reducing the cost.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. Mr. President, I think I can answer the Senator's question.

Mr. MALONE. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Nevada?

Mr. O'MAHONEY. I am very glad to yield for a question, but I merely took the floor to state the reasons why I personally intend to vote to sustain the President's veto.

Mr. MALONE. Then, I should like to ask the distinguished Senator from Wyoming whether it is not a fact that what the bill provides is a credit for the length of the veteran's service in the Armed Forces in the same manner as if he had served that length of time in the civil service?

Mr. O'MAHONEY. It applies to his service as an employee of the Government the term of his military service, and thereby results in increasing his compensation. In my opinion that is a thing which we should not do. It is a consideration which the veteran employed in the Post Office Department ought to be willing to postpone to a time when the Nation, whom the Post Office Department services, is not in the fiscal difficulties in which it now is.

Mr. MALONE. Mr. President, will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Wyoming yield further to the Senator from Nevada?

Mr. O'MAHONEY. Mr. President, I do not care to argue with the Senator.

Mr. MALONE. I am not arguing, I am merely trying to get information.

Mr. O'MAHONEY. The Senator may make his own statement. I am saying why I shall vote to sustain the President's veto.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. The Senator had better make his own argument and not make it by asking me questions.

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Nevada?

Mr. O'MAHONEY. I decline to yield, because I am yielding the floor.

The VICE PRESIDENT. The Senator declines to yield, and he yields the floor.

Mr. BYRD rose.

The VICE PRESIDENT. The Senator from Virginia is recognized.

Mr. MALONE. Mr. President——

The VICE PRESIDENT. The Chair has recognized the Senator from Virginia.

Mr. MALONE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Nevada?

Mr. BYRD. I should prefer to make my statement. Following that I shall be glad to yield to the Senator.

Mr. MALONE. I will complete it later.

Mr. BYRD. Mr. President, I rise to urge that the veto action of the President be sustained. I associate myself with the Senator from Georgia and the Senator from Wyoming. I think the implications of this action, if we were to override the President's veto, would be more far-reaching than the Senate realizes. I have confidence in Postmaster General Donaldson. He knows his business. I think if there is any official in the Government who knows his business, and who is at the head of a department, it is Mr. Donaldson. He came up from the ranks, and he is sympathetic to the postal employees. I think no one can deny that. I have asked Mr. Donaldson to give me a clear and concise statement as to what the action of the Congress in overriding this veto of the President would mean. I invite the attention of the Senate to it. This is a vital question, rising at a time when we are perhaps preparing for another great war, at a time when we have a debt of $260,000,000,000. Here is Mr. Donaldson's statement in a letter to me dated July 10, 1950:

H. R. 87

This is an act relating to the promotion of veterans of World War II in the field service of the Post Office Department. It passed both Houses and was vetoed by the President. The veto was overridden in the House.

The act provides that classified postal employees or classified substitute postal employees who are in the field postal service on the date of enactment of this act, or who shall enter such service after such date but prior to July 1, 1950, and subsequent to service in the military or naval forces of the United States during World War II, terminated under honorable conditions, who have not reached the maximum grade of salary shall receive credit for time served in the military or naval forces to the extent that they have not already received such credit in determining their salary grade. It further provides that on the basis of such credit each employee to whom this act applies shall be promoted to the grade to which such postal employee or substitute postal employee would have progressed had his original appointment been to grade 1.

PREVIOUS BENEFITS GIVEN TO VETERANS IN THE FIELD POSTAL SERVICE

Several measures have been enacted to give benefits to veterans of World War II. One is the Veterans' Preference Act—

In which, let me say, I fully concur.

which gives 5- and 10-point preference to veterans who participate in civil-service examinations for positions in the Federal service. Under this act a veteran with the slightest degree of disability may participate in an examination and make a grade of 60, to which he will receive a benefit of 10 additional points, which then would give him a passing grade of 70 and would result in placing his name on the eligible register ahead of all five-point veterans and all nonveterans, regardless of their eligible rating. In other words, a nonveteran could make a grade of 100, and yet the disability preference eligible could make a grade of 60 and his name would be placed on the register ahead of the nonveteran.

That is, speaking of the law as it now exists.

This Veterans' Preference Act also provides that a nonveteran may not be selected where a veteran is passed over without properly disqualifying the veteran in a disqualification approved by the Civil Service Commission.

That privilege exists under the legislation now in effect.

Commencing on October 23, 1943, all regular positions in the postal service occurring through vacancies, or through additions to the force, were held and no regular appointments made thereafter in order that persons in the military service could compete for these positions after the end of the war. Had it not been for this action in the interest of those serving in the military forces, the veterans now in the postal service who have secured their positions since the end of the war would have had little or no opportunity for appointment for the reason that these positions would have been filled before they returned from military service.

Every reasonable protection was given to the veterans in that legislation.

All persons in the field postal service who were inducted into the military service had their rights protected as their positions were held for them and automatic promotions were provided as if they had remained in the postal service.

That is the present law.

Following the close of the war, Public Law 577 was enacted for the benefit of persons who had passed examinations for the field postal service and whose names were on eligible registers but who were deprived of receiving appointments due to the fact that they were in the military service. There was merit to the provisions of this act as persons who had competed in civil-service examinations and had made eligible grades failed to receive appointments which they would have received had they not been absent in the military service.

We now come to this bill, H. R. 87. Mr. Donaldson says:

EFFECT OF THIS ACT ON THE POSTAL SERVICE

H. R. 87 is based on the bad principle of allowing credit for military service in the field postal service which is in no way related to a civil career. It would thus violate the long-established principle of granting promotions in automatic grades or increases in pay which are now based on satisfactory performance. In other words, grades are established by law for persons in the field postal service which provide for annual promotions based on satisfactory service until such employees have reached the top automatic grade. For instance in the clerical positions in first- and second-class post offices the entrance grade for a regular classified position (regular, not substitute) is $2,870 per annum and the top automatic grade is $3,670 per annum.

There are three other longevity grades, the top grade being $3,970 per annum. Prior to World War II and up to June 30, 1945, the basic entrance salary was $1,700 per annum and the top basic salary was $2,100 per annum. The automatic grades were established with the thought that employees entering the field postal service be provided with some incentive in the way of an annual promotion based on satisfactory service and performance.

Under the provisions of H. R. 87, a veteran of World War II who entered the postal service after the close of the war, for the first time, would receive credit for the time served in the military or naval forces regardless of the amount of training he had in the postal service and without regard to his performance record. If he had 5 years' military service, under the provisions of this bill he could be advanced five to nine grades now provided by law notwithstanding the fact that he had no civilian career which was interrupted by wartime service in the Armed Forces. A veteran with 5 years' mili-

tary service appointed to the postal service for the first time on June 30, 1950, under the provisions of H. R. 87 would be placed in the $3,570 salary grade while a nonveteran appointed on the same date would be placed in the $2,870 salary grade. Had there been no war, many of these persons might never have received appointments to the postal service because they would have competed with other persons who may have placed higher on eligible registers. Many of these persons might have been denied appointments or been denied participation in the examinations due to physical and age requirements, which are now waived for veterans. In the interest of the veteran all positions were held, as before stated, and preferences were granted in order that these persons who served in the military service could receive the benefit of these appointments. Because of these benefits practically all appointmnts to the postal service since the close of the war have gone to veterans.

The provisions of this act give a special benefit to a special group of veterans. It applies only to veterans in the field postal service, of which there are less than 100,000.

Of course, Mr. President, the inclusion of all Federal employees will follow if the bill is passed. I read further:

It provides no benefits for about 800,000 veterans in other branches of the Government service. It provides no benefits to more than 14,000,000 veterans of World War II who are not now and never may be in the governmental service. The act only applies to veterans in the field postal service who were appointed subsequent to the end of World War II and prior to July 1, 1950. Therefore, all veterans appointed to the postal service on and after July 1, 1950, would receive no benefits under H. R. 87. It can readily be seen that this act really provides special benefits to a special group and that the special group involves only a small number of veterans of World War II.

Public Law 428 which was effective November 1, 1949, among other things eliminated the two lower automatic grades when persons received regular appointments (not substitute) to the postal service. Therefore, the entrance salary upon receiving a regular appointment is $2,870 per annum and if the veteran to whom this act is applicable receives further credit for time served in the military or naval forces, it would have to be presumed that the veteran to be benefited by this law intended to enter the postal service. They were not in the postal service before the war, they had not participated in examinations and were not on a list of eligibles for appointment to the postal service and many of them by reason of age, lack of experience, or other work history, could not have obtained any eligibility until after completion of their military service. To give them the benefit of this act to the exclusion of all other veterans in the governmental service but not in the field postal service and to the exclusion of more than 14,000,000 veterans not now in the governmental service would be tantamount to giving this select group of veterans an indirect bonus in recognition of military service. To vote for such benefits for this select group of veterans is a rank discrimination against millions of veterans. It would be a far-reaching step in an undesirable direction.

A deficiency bill would have to be brought in to pay the additional $24,000,000 into the funds of the Post Office Department, and ultimately the cost will be much greater.

This act would cost the Post Office Department almost $24,000,000 in the fiscal year 1951 and would have a total cost of over $163,000,000. There is nothing in the act that points to where this money would be obtained excepting by a supplemental appropriation which would result in further increasing the large postal deficit, in the absence of any provisions for increasing postal revenues.

If the approximately 15,000,000 veterans of World War II are to receive a bonus it would be much better to appropriate money for the payment of a bonus to all veterans, which money would not come from postal revenues or be provided for in postal appropriations. It does not seem sound that this special benefit to a special group, to the extent of discriminating against more than 14,000,000 veterans, should provide a bonus for a special group to be paid out of postal appropriations or postal revenues.

That, Mr. President, is the statement of the Postmaster General. To me it is a very clear explanation and a very clear statement with respect to the discrimination which would result should this veto be overridden. If other departments of the Government adopted a similar policy the additional cost would run into hundreds of millions annually.

I do not want to emphasize the crisis that now confronts us. Every Member of the Senate is well aware of it. But if we yield to the demands of pressure groups whenever they see fit to apply pressure to Congress, we shall not be doing our duty to the people of America and to the United States Government. I think the postal employees are a very powerful group in this country, and deserve to have influence with Congress but Congress must decide from the standpoint of their general welfare. Their salaries have been increased; they are paid on a comparable basis, in my judgment to other employees of the Government. I have in the past and will continue to urge that the postal employees receive fair treatment. We are faced with expenditures the extent of which no man can foretell. I predict that if this situation continues as it is now we shall gradually, day by day, month by month, increase our military expenditures, and even without another outbreak either of total war or side-line wars, within a year or so we shall be spending annually from $60,000,000,000 to $70,000,000,000 in our total budget. If that should continue for a long period of time it will destroy the solvency and the strength of America, because, when our solvency goes, our free-enterprise system goes. We shall then cease to be a nation that can outproduce all the other nations of the world by reason of the private-enterprise system which is the vital spark that gives every American the opportunity to start at the bottom and go to the top.

I make this statement, Mr. President, because I think it involves much more than a mere $24,000,000, much more than $163,000,000 which is estimated to be the total cost of this legislation. If we establish this as a precedent it is going into other fields, and it will cost, as the Senator from Georgia said, perhaps some billions of dollars.

I hope, Mr. President, that the Senate of the United States will sustain the President of the United States in his veto.

Mr. LANGER. Mr. President, I was very much interested in the statement made by the distinguished Senator from Virginia. We all know how he fights for economy. The simple truth of the matter is that he has not investigated this particular subject sufficiently to know what he is talking about. We are doing here exactly what we did after World War I. The same identical bill has been before us twice. The Senator from Virginia has been talking about 15,000,000 veterans. The bill applies to a few poor veterans who are not included in the classification. We talk about the deficit of the Post Office Department. Of course, there is a deficit there, and a great part of it is due to the franking privilege which every Senator has and which every department of the United States Government has. Is the poor veteran to blame for that? Are we going to take it out of the hides of veterans of World War II? What are the facts, Mr. President? The first fact is that this bill does not provide special treatment for a special group of veterans. It merely adjusts an inequity existing at the present time. Public Law 312 provided that all men who were substitutes on July 1, 1945, would receive an additional $400 increase on becoming regular employees. All men who came in following July 1, 1945, did not receive this increase. The entrance salary in the postal service is extremely low. It is only a short time ago that a veteran with a wife and child who worked as a mail handler had a salary of only $1,950 a year. It was a Republican Congress, the Eightieth Congress, which the President condemned as being no good, which raised that poor veteran's salary $450, so that at least he would have enough to live on. That is one of the accomplishments of the Republican Party. We heard much about it in the campaign, but when it came before our committee every Democrat and every Republican voted for it. The same thing is true of this bill, Mr. President. A very full investigation was made. Every member of our committee voted in favor of the bill.

As I said a moment ago, the entrance salary in the postal service is very low. An employee who entered the postal service on June 1, 1945, received a $400 increase when he became a regular employee. An employee who entered the postal service on July 1, 1945, did not receive that increase. We have the rather peculiar situation in which two men entering the postal service 30 days apart have a $400 spread in their salary.

I call the attention of the Senate to the fact that the postal service is entirely different from other departments of Government, and it is different from private industry, in that the salaries paid the employees are dependent upon actual years of service. Regardless of one's previous qualifications, education, or experience, when he enters the postal service he starts at the lowest entrance salary. That rule applies if a person is a college graduate and a Phi Beta Kappa. An 18-year-old boy leaving high school and entering the postal service starts at the lowest entrance salary. The same thing is true of Phi Beta Kappas from the University of Virginia. A veteran of World War II, who has undoubtedly had substantial training in the military, and who perhaps served as an officer with

heavy responsibility, starts exactly in the same grade as the youngster out of high school. This is not true in private industry, nor is it true in most of the other departments of Government. That is why the argument about 15,000,000 veterans falls on deaf ears. There are different grades in which an employee can be placed in other agencies of the Federal Government. The training and experience a veteran received in the Armed Forces result in increasing his earning capacity if he enters private industry, or if he enters other branches of the Federal Government. However, Mr. President, if he enters the Post Office Department, such training and experience are of no value to him at all. His earning power suffers a loss exactly in proportion to the number of years he spent in the military service. There is no possible way that the Senate can rectify this injustice to the veterans of World War II except by the passage of H. R. 87. That is the only way in which it can be done.

Of course, I am sorry that we have a Federal debt, but I think when we are sending money to foreign countries certainly we should not take it out of the hides of veterans who went into the fox holes and fought for us during World War II. They are entitled to justice, and by unanimous vote of our committee we tried to give it to them in H. R. 87.

VETERANS' PREFERENCE CIVIL SERVICE—ARMED FORCES SERVICE—H. R. 87

Mr. MALONE. Mr. President, at the outset I want it understood that I have the highest regard for the distinguished senior Senator from Virginia [Mr. BYRD] and for all that he says about economy and all that he has said about it during the three and a half years during which the junior Senator from Nevada has been in the Senate.

I am sure the Senator speaks from the heart. However, I wish to call to the attention of the Senate some pertinent facts relative to the veterans and the treatment of veterans.

EIGHTEEN YEARS—ECONOMY THROUGH VETERANS

Since 1932 there has been no attempt at economy in the Government of the United States except through the veterans. The first attempt was in 1934 when the compensation of veterans was cut ruthlessly and without any valid reason and without investigation or hearings, as a result of which the disabled veterans could not live on the remaining compensation that was left. Ultimately, Mr. President, we were able to get the matter adjusted, but it took a long time and it was a long road back to correct an injustice consummated by a thoughtless Congress. The second attempt at economy in Government was made in 1949 and early in 1950 by the administration through the closing of veterans' hospitals, without any congressional investigation as to whether such hospitals were necessary for adequate care of the disabled veterans. That was the second attempt by the administration since 1934 to effect so-called economy, but only with respect to veterans—practically all other appropriations have continually been increased.

TWENTY-THREE MILLION FOR OUR FIGHTERS AS AGAINST SEVENTEEN BILLION FOR COUNTRIES ARMING RUSSIA

Of course it is a debatable subject, but I find it hard to be worried about an extra $23,000,000 expenditure for a veterans' preference which means a small credit for his service to his country in time of emergency when we have committed ourselves to an expenditure of $17,000,000,000 for European foreign nations, who are at this moment, and have been ever since the Marshall plan was set up, sending to Red-bloc countries tool steel, tools of various kinds, electrical equipment, heavy machinery, and, in fact, practically everything needed to fight world war III with us, and to consolidate Russia's gains in eastern Europe and in China.

TOOLS FOR RUSSIA AGAINST OUR COUNTRY

In that connection, this morning the junior Senator from Nevada submitted a news item for the RECORD. I wish to read one or two paragraphs from it. The news item is taken from the New York Journal of Commerce of August 29, 1950. I read from it:

British firms asking for machine tools needed for defense production are being told they will be served after Russian orders are filled, a tool manufacturer charged today.

Joseph Greenwood, chairman and managing director of Craven Bros., Britain's second largest engineering firm, said his company would be tied up for many months fulfilling a £1,000,000 ($2,800,000) order for Soviet Russia.

For British firms, he said, "we cannot contribute so much as a split-pin for 3 years."

Greenwood made public a letter which he said he had sent to the Labor Government today and which said in part:

"It is a horrible thought that a firm with the specialized production of Craven Bros. is so tied up when they wish to help the rearmament drive of the country."

Winston Churchill, wartime Prime Minister and leader of the Conservative opposition, brought the subject into the open in a radio speech Saturday night.

Churchill questioned whether British firms should be making tools for Moscow. He said some of the tools were "of the class required for the manufacture and repair of tanks."

The British Board of Trade has confirmed what Mr. Churchill said.

UNITED STATES FURNISHING FINANCING FOR RUSSIAN WAR MATERIAL

Mr. President, we have many such actions staring us in the face. With the reports coming back from Korea every day of our boys being wounded and killed with material, much of which probably was manufactured by the use of the tools coming from England, and from other Marshall plan countries, direct to Russia, manufactured by money furnished by the United States of America, and voted right on the Senate floor, first in March 1948, second in 1949, and third in 1950.

EVIDENCE BEFORE THE SENATE

All this is evidence of what is being done. The information was before us then, it is before us now.

JOINT SENATE RESOLUTION OFFERED JANUARY 24, 1950

The junior Senator from Nevada offered a resolution on January 24, 1950, which would have stopped United States aid to nations assisting Communist areas. I also offered for the RECORD at the time, 96 trade treaties these 16 Marshall-plan countries have made with Russia and the iron-curtain countries. It is well known that England was at that moment shipping petroleum, and manufactured and fabricated goods, into Communist China, which were finding their way into Korea, or to any place the Communists needed them.

They are still doing it, except that they do say, after considerable controversy, that they stopped shipping petroleum, but the rest of the material is going right into the hands of the North Koreans, with the Chinese Communists threatening to back up the North Koreans with the material that is going to them.

Mr. President, that was and is the final destination of much of this $17,000,000,000 committed to the 16 Marshall plan, now ECA, nations in March 1948.

That joint resolution, Mr. President, is still buried in a democratically controlled committee.

So they complain that if this bill should be passed over the President's veto, we are going to spend $23,000,000 to give the boys a civil-service preference equal to their military service. Mr. President, I hope that this Congress will not only give the boys such credit who served in World War II, but will at the proper time extend it to apply to those now serving in Korea. And I hope the bill will be passed over the veto of the President for the benefit of these boys who have served in the past, for the benefit of those who are now serving in Korea, and that it will be extended to anyone who may serve in the future.

PRECEDENT FOR CONGRESSIONAL ACTION

Mr. President, according to the report of the Senate committee on the bill, similar benefits were given to veterans of World War I under the act of February 28, 1945 (43 Stat. 1065):

Under the present and the 1925 act it is recognized that field postal employees are entitled to such consideration even though they were not in the postal service before entering the Armed Forces. The 1925 act provided that the measure should apply to those who were in the postal service on October 1, 1920, which, when related to the cessation of actual hostilities, November 11, 1918, sets up a pattern of approximately 2 years for demobilization and taking of the necessary examinations to enter the field classified service of the Post Office Department.

COST OF THIS VETERANS' PREFERENCE

Mr. President, so far as the cost is concerned, the report says:

On this percentage basis it is estimated that the additional cost for the first year, if H. R. 87 were enacted as the bill passed the House with the entrance dates as follows, would be approximately the amount set against the entrance date: July 1, 1947, $8,266,000; July 1, 1948, $13,936,000; July 1, 1949, $18,896,000; July 1, 1950, $23,621,000. Thus it will be seen that with the cut-off date as the bill passed the House, the estimated cost for the first year would be $23,621,000, with an over-all cost over a period of years, until the designated beneficiaries have been taken care of, which would be approximately $163,000,000.

Mr. LANGER. For a long period of years.

Mr. MALONE. For a long number of years not stated. There is plenty of precedent for men being given credit for military service. The Homestead Act, passed in about 1866, and the Homestead Act as of today, give a veteran credit for his service in the Army. In other words, if a man served 3 years in the Army the required 3 years under the law that he must live on a homestead is canceled. He can take it up and it belongs to him without living on the land. Otherwise he has to live on the homestead 3 years, and anyone who knows anything about living on a sagebrush homestead knows that such preference means more than any credit given under this act for veterans service.

AGAINST THE VETO

Mr. President, in closing I wish to say that I intend to vote to override the President in this matter, for two reasons—first, because it is a long standing precedent, to give veterans recognition for their service in this connection. The senior Senator from Virginia [Mr. BYRD] outlined the preference under civil-service examinations of five points.

WE OWE THE FIGHTER SOMETHING

It has long been recognized that citizens of the United States who are unable, from one cause or another, to go to war, owe something to a man who signs his name on the line when the Government needs him, and takes his chances in being sent wherever his Government sees fit to send him. If his life is lost, then he gives his life, if it results in his leg being lost, then he gives his leg, if he returns unhurt it is the chance he takes.

But for the chances he takes and for the time he gives from whatever civilian vocation he chooses to follow, the least the Government can do is to recognize that service through a preference when it comes to a civil-service position.

THE LEAST A GRATEFUL COUNTRY CAN DO

It is the least a grateful country can do for a soldier when he puts his name on the dotted line. He may go to Korea to fight the Communists, or sit over in the Pentagon Building, wherever his Government sends him. He is taking a chance which a civilian does not take and is entitled to a "break" for a job when he returns—at least to the extent that he has not lost the opportunity through his service to his country.

Mr. BYRD. Mr. President, the Senator from North Dakota stated a few minutes ago that the Senator from Virginia did not know what he was talking about. I yield in many ways to the Senator from North Dakota, to his superior intelligence and ability, but if I have to choose between the knowledge of the Post Office affairs possessed by the Postmaster General and that of the Senator from North Dakota, with all deference to my distinguished colleague I think I shall decide that I will follow the Postmaster General.

Mr. President, such a bill as this was not enacted for the veterans of World War I, notwithstanding what the Senator from North Dakota has said. The Postmaster General says:

> It would thus violate the long-established principle of granting promotions in automatic grades or increases in pay which are now based on satisfactory performance.

Mr. Donaldson also said that in bill 87 for the first time such legislation was enacted by Congress.

The Senator was mistaken when he made his statement.

I wish to make it clear that the question does not concern a postal employee who was or is inducted into the Army while he is still a postal employee.

Those who were taken out of the postal service and inducted into the military service received their automatic promotions, as they should receive them. But here is the difference. The postal employee who was appointed on or after July 1, 1950, who never had served in the postal service before, but who had served in the military service, receives 5 years' automatic promotion which amounts to about $700 a year in increased compensation.

We are assuming Mr. Donaldson knows what he is talking about. Perhaps he does not. Perhaps we have a Postmaster General who would deliberately mislead the Senate of the United States. I do not think we have. I think he knows the practical part of the working of the Post Office Department as well as any member of the President's Cabinet with whom I have come in contact. We have here a statement by the Postmaster General in writing. It is not my say-so. It is not my interpretation. It is an official communication from the Postmaster General to me, upon my request, in answer to my question as to the effect the bill would have upon the postal service in the event the bill were enacted into law.

Mr. JOHNSTON of South Carolina. I want to keep the record straight. In February 1925, there was enacted into law, a measure providing for practically the same thing as the bill now before the Senate, which the President has vetoed. The bill which was passed in 1925 did not make provision for going back as many years as the pending bill does, because the First World War did not last as many years as did the Second World War. The pending bill will be more expensive than the previous bill, because after World War I there were not so many men who went into the postal service as went into that service after the Second World War.

Let me illustrate what the bill would do. It would give the same advantage to the man who volunteered for military service, on July 1, when his Nation needed him, as to another man who entered the postal service on July 1. It would provide for equalization between the man who was in the postal service during the war, and a man who saw fit to serve Uncle Sam in the Army, the Navy, or the Air Corps, who, after the war, returned and entered the postal service, a service he would like to have worked in during the war, but could not because he served his country at that time in the armed services. Perhaps some man went into the postal service to keep from having to serve in the Armed Forces. The bill would give to the man who served in the Armed Forces the same rights as the man who went into the postal service. The veteran in the postal service who served in the Army, the Navy, or the Air Corps will be given credit for the years he served in any of those branches.

I am glad to hear some Senators say today: "Oh, the war is coming now. We cannot do what the bill would do for the boys who will go into the armed services."

Usually at such a time we would hear Senators say: "Go into the service, and when you come out we will give you everything; we will give you anything you want." So I am glad to hear Senators saying, in effect, to the prospective soldier boy, the man who is thinking about going into the military service, "You had better watch out. If you go into the postal service, your salary will be increased year after year; so, if you want to receive an increase in pay year after year, you had better think about the advisability of going into the postal service before you go into the Army, the Navy, or the Air Corps. You will not receive such increase if you go into the military service of the Nation which needs you at this particular time."

How much would the bill give to the men affected? It would give $100 a year increase to the boy who went into the military service, the same as the man who entered the postal service at the same time receives. The bill would give to the man who had previously been in the post office service, then went into military service, and then returned to work in the post office what the man who remained in the postal service and did not enter the Armed Forces received. Is that not fair? That is all the bill does; nothing more.

Mr. MYERS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LONG in the chair). The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Hoey	Martin
Benton	Holland	Maybank
Bricker	Humphrey	Millikin
Butler	Hunt	Morse
Byrd	Ives	Mundt
Capehart	Jenner	Myers
Chapman	Johnson, Colo.	Neely
Chavez	Johnson, Tex.	O'Mahoney
Connally	Johnston, S. C.	Pepper
Cordon	Kefauver	Robertson
Darby	Kem	Russell
Donnell	Kerr	Saltonstall
Douglas	Kilgore	Schoeppel
Dworshak	Knowland	Smith, Maine
Ecton	Langer	Smith, N. J.
Ellender	Leahy	Sparkman
Ferguson	Lehman	Stennis
Fulbright	Lodge	Taylor
George	Long	Thomas, Okla.
Gillette	McCarran	Thomas, Utah
Graham	McClellan	Thye
Green	McFarland	Watkins
Gurney	McKellar	Wherry
Hendrickson	McMahon	Williams
Hickenlooper	Magnuson	Withers
Hill	Malone	Young

The PRESIDING OFFICER. A quorum is present.

The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

The Constitution provides for the taking of a yea-and-nay vote on this question, and the clerk will call the roll.

The legislative clerk proceeded to call the roll; and Mr. AIKEN voted in the affirmative when his name was called.

Mr. SMITH of New Jersey. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMITH of New Jersey. Will a vote "yea" be a vote to sustain the President's veto?

The PRESIDING OFFICER. No; a vote "yea" will be a vote to pass the bill over the President's veto. A vote "nay" will be a vote against passage of the bill over the President's veto, and thus will in effect be a vote to sustain the President's veto.

Mr. SMITH of New Jersey. I thank the Chair.

The legislative clerk resumed the call of the roll.

Mr. CHAVEZ (when his name was called). Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. Senators who wish to vote to override the veto will vote "yea"; is that correct?

The PRESIDING OFFICER. A vote "yea" will be a vote to pass the bill over the President's veto.

A vote "nay" will be a vote to sustain the veto.

Mr. CHAVEZ. I vote "yea."

The legislative clerk resumed the call of the roll.

Mr. DONNELL (when his name was called). Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. I think my question was answered a moment ago, but I am not entirely certain as to the answer. Will a vote "yea" on this question be a vote to pass the bill, notwithstanding the Presidential veto.

The PRESIDING OFFICER. A vote "yea" will be a vote to pass the bill, notwithstanding the veto.

Mr. DONNELL. I vote "yea."

The legislative clerk resumed the call of the roll.

Mr. HENDRICKSON (when his name was called). On this vote, I have a pair with the senior Senator from Ohio [Mr. TAFT] and the junior Senator from New Hampshire [Mr. TOBEY], who, if present and voting, would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Delaware [Mr. FREAR] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Arizona [Mr. HAYDEN] is absent on public business, and if present would vote "yea."

The Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS] and the Senator from Montana [Mr. MURRAY] are unavoidably detained on official business.

The Senator from Illinois [Mr. LUCAS] is unavoidably absent due to the fact that the airplane on which he is flying from Chicago to Washington is delayed in its arrival.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN] and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness. If present he would vote "yea."

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate, on official business as a temporary alternate Governor of the World Bank.

The Senator from Ohio [Mr. TAFT] is necessarily absent, and the Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate. Their pair with the Senator from New Jersey [Mr. HENDRICKSON] has been announced previously.

The Senator from Maine [Mr. BREWSTER] and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business. If present and voting, the Senator from Wisconsin [Mr. MCCARTHY] would vote "yea."

The result was announced—yeas 48, nays 29, as follows:

YEAS—48

Aiken	Johnston, S. C.	Morse
Bricker	Kem	Mundt
Butler	Kerr	Neely
Capehart	Kilgore	Pepper
Chavez	Knowland	Schoeppel
Darby	Langer	Smith, Maine
Donnell	Leahy	Sparkman
Dworshak	Lehman	Stennis
Ecton	Lodge	Taylor
George	McCarran	Thomas, Okla.
Green	McFarland	Thomas, Utah
Hickenlooper	McMahon	Thye
Hill	Magnuson	Watkins
Hunt	Malone	Wherry
Ives	Martin	Withers
Jenner	Millikin	Young

NAYS—29

Benton	Graham	McKellar
Byrd	Gurney	Maybank
Chapman	Hoey	Myers
Connally	Holland	O'Mahoney
Cordon	Humphrey	Robertson
Douglas	Johnson, Colo.	Russell
Ellender	Johnson, Tex.	Saltonstall
Ferguson	Kefauver	Smith, N. J.
Fulbright	Long	Williams
Gillette	McClellan	

NOT VOTING—19

Anderson	Frear	Taft
Brewster	Hayden	Tobey
Bridges	Hendrickson	Tydings
Cain	Lucas	Vandenberg
Downey	McCarthy	Wiley
Eastland	Murray	
Flanders	O'Conor	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting not having voted in the affirmative on reconsideration, the bill fails of passage.

BERNARD F. ELMERS

The PRESIDING OFFICER (Mr. LONG) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4803) for the relief of Bernard F. Elmers, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MCCARRAN. This is a private relief bill. The House passed the bill for $12,500. The Senate reduced this to $2,500, eliminating a proposed payment for personal injuries, in view of the fact that the claimant had signed a complete release of all liability by the Government for any personal injuries resulting from his employment by the Government.

I now move that the Senate insist upon its amendments, agree to the request of the House for a conference and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KILGORE, Mr. MAGNUSON, and Mr. WILEY conferees on the part of the Senate.

AMENDMENT OF UNITED STATES CODE RELATING TO FEES OF MARSHALS

Mr. MCCARRAN. Mr. President, I submit a conference report of the bill (S. 1838) to amend title 28 of the United States Code relating to fees of United States marshals, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1838) to amend title 28 of the United States Code relating to fees of United States marshals, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the Senate recede from its disagreement to the amendment of the House and agree to the same.
>
> PAT MCCARRAN,
> ALEXANDER WILEY,
> JAMES EASTLAND,
> By MCCARRAN,
> *Managers on the Part of the Senate.*
>
> SAM HOBBS,
> PETER W. RODINO, Jr.,
> WILLIAM M. MCCULLOCH,
> *Managers on the Part of the House.*

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. MCCARRAN. This is a bill having to do with the fees of United States marshals.

The House amended the bill by striking out a provision which proposed to make uniform, in all judicial districts, the fee chargeable by marshals for the sale of property, and to make applicable to all sales the fees presently authorized for the sale of property under process in admiralty.

The Senate conferees concluded that in order to get the bill passed at the present session, it would be well for the Senate to recede from the House amendment; and the conference report so recommends.

The House has agreed to the conference report; and I ask that the Senate may now agree.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

VOICE OF FREEDOM

Mr. SMITH of New Jersey. Mr. President, it is my purpose to make some observations on the international situation. My colleagues are aware of the fact that I am a member of the Foreign Relations Committee, but what I am saying today is said on my own responsibility, and it in no way commits my colleagues to the views which I am expressing. I am aware that certain of the remarks which I am about to make may be somewhat controversial, but I shall endeavor to present to my colleagues some of my convictions regarding the present situation.

I

Mr. President, man is confronted today with the most critical and dangerous situation that he has ever faced. The immediate alternatives which face the human race are slavery under atheistic communism or a rebirth of freedom under God.

This winter I had the privilege of being a member of a subcommittee of the Foreign Relations Committee which held extensive hearings on various resolutions which had come to the Senate. These resolutions covered various approaches to the problems of world organization for peace. Among these, of course, were the resolution of the World Federalists, the resolution of the Atlantic Union group, the resolution of the group in Chicago which aimed at the writing of a world constitution, and a number of other proposals aimed at either strengthening or supplementing the United Nations as a force for peace. In addition to this we have heard from various persons throughout the country and from several of our own Senators, all aiming to find some formula for world peace. We have the very interesting and important suggestion of the Senator from Connecticut [Mr. MCMAHON], that two-thirds of the billions of dollars we are spending each year on military armament be applied to aiding the backward countries of the world and developing their economic resources, provided that a world-wide agreement can be reached for control of atomic energy. Of course, I should point out that this proposal was made by the Senator from Connecticut before the recent Korean crisis arose. We have furthermore the proposal of the Senator from Maryland [Mr. TYDINGS] for a disarmament conference embracing not only atomic weapons but also conventional weapons, with the hope that the differences among men and nations may be reconciled by rule of law rather than by rule of force.

In addition to these, I have personally received letters from friends of mine, suggesting ways of strengthening the United Nations and developing a machinery for the conciliation of disputes rather than the resort to arms. This is, of course, in line with the United Nations procedures and in line with what the United Nations leaders have been trying to do for some time.

Of course the long range objective of all these proposals is peace based on justice, and I am enthusiastic about the crusading spirit of the people in the United States, and in the world.

No one could have attended the hearings to which I have referred, and the later hearings which were held on the resolution to strengthen the Voice of America, without feeling the intense interest all our people are displaying throughout the length and breadth of the land—because they came from all parts of the country—in finding some formula for world peace. It is understandable and it is encouraging, and I want to say this word of commendation of those persons.

There is eagerness and keen intelligence being shown in many countries in the effort to find a formula for bringing about the all-desired end. We may be thankful that we have the free climate in which such ideas can develop, and we may hope that as events unfold some of them will play a decisive role in our efforts to achieve world peace.

Yet there are some aspects of these proposals which present great difficulties. In some cases I am troubled by the fact that we are asked to seek agreements which, in the present state of tension between two world blocs bent on radically different aims, could never be reached except by compromises involving a total sacrifice of principle. In other words, we are faced either with appeasement or with stalemate. In other cases I find that the main emphasis in the proposals has been placed on forms of international organization, and here it has seemed to me that new organizations cannot become firm realities until there exists among the participating nations a common conception and a common purpose.

It is to the achievement and implementation of such a common purpose and common conception among nations that I wish to address myself today. At the very outset I wish to make it clear that no community of purpose is worth having if it is to be gained by sacrificing the basic principles of our faith and our way of life. The most serious obstacles to peace, in my judgment, come from those who think we must "face conditions as they are"—meaning that we must resign ourselves to the expansion of Communist power and accommodate ourselves to those conditions by turning our backs on our own spiritual traditions and on everything that has meant so much in the development of our own great country.

These people contend that, whether we like it or not, communism, even though it is atheistic, is the "wave of the future." Communism offers the way to the down-trodden man to find his place in society. In communism, as a young man said to me a while ago, are the seeds of a brand new world.

Others who also, in my judgment, are leading us in the wrong direction are urging that we recognize the Chinese Communist government which has conquered the mainland of China. They say that, whether we like it or not, it is the actual government in power in China and should at least have de facto recognition. Another argument, and following the previous one, is that because the Chinese Communist government is in control of such a large area of China we should give it a seat in the United Nations, and especially on the Security Council, with a right of veto.

Still another approach is that the world should be divided into spheres of influence and we should agree with the Russians in a kindly and friendly way to let the Russians have their sphere, and we have our sphere. In other words we should go back to the old balance of power idea and balanced armed might.

Then there are others who suggest that we should let the dust settle and see which way things are going before we take any definite stand one way or the other.

In my judgment all these approaches of appeasement, compromise, or hesitation stem from a failure to recognize the basic issue, which I stated in my opening remarks, namely, that the human race is facing the alternative of slavery under atheistic communism or the rebirth of freedom under Almighty God. That is why these various proposals are unacceptable to those who believe in the principle of freedom which has been our great western heritage.

The spirit of 1776 was, and I quote Patrick Henry's famous statement, "Give me liberty, or give me death."

The principle so clearly enunciated in this famous statement is as true today as it was when it was first made. We believe that the greatest contribution America has made to the world is her conception of liberty based on law. We have built our great Nation on the philosophy of liberty contained in the opening phrases of the Declaration of Independence. This is our American birthright. It must ultimately become the birthright of all mankind.

Should the Communist way of totalitarianism and slavery prevail liberty would die in the battle. If, on the other hand, liberty wins, the world can still aspire to a glorious future of peace with justice and the rule of law in the place of the rule of might. The issue then is clear: Tyranny under communism, or freedom under God.

II

Our highest responsibility is, therefore, to see to it that freedom and not tyranny shall prevail throughout the world. Before making definite proposals to bring this end about, let us lift our sights for a moment and consider the nature of that freedom which has so singularly blessed this land of ours.

Freedom is not only a privilege; it is a duty and a responsibility. Every human being must have the freedom to live his own life and to make his own choices. But if he is to keep that freedom, he has two duties. First, he must actively accept his role as a free agent, and he must never give up his right of choice to any dictator. Second, he must exercise his right of choice in a moral way, a way which does justice to his nature as one of the children of God. This means that he must choose not merely what is best for himself, but also what is best for his fellow creatures everywhere. Viewed in

this way, freedom is not the way of luxury or license, nor is it the way of safety. It demands devotion and courage and a profound sense of responsibility. But it is the only condition in which it is possible for man to fulfill his great destiny.

Man has probably always longed for freedom, but he never dared to hope that he might possess it on a universal scale until Christianity gave him the faith to believe this and the courage to seek it. Even the Greeks conceived of democracy as resting upon a base composed of slaves. Freedom as we know it in western civilization is predominantly a Christian product. Our forefathers believed in God and saw this Nation conceived and born in freedom under Him.

Have we any reason to believe that our freedom will long survive without the support of the faith that gave it birth? Must we not have a world-wide rebirth of faith beginning here at home before we can look for a world-wide rebirth of freedom? We have enjoyed in America the fruits of freedom, but I fear that we have neglected to cultivate its roots. Freedom needs the climate of faith and human goodness if it is to thrive. Wherever faith is corrupted, freedom dies soon after, as we can witness in Germany and Russia in our own times. Until we regain a passionate belief in the cause of freedom and enlist all men of faith and good will of whatever race or religion in a crusade for its extension, we are risking the fate of freedom in the world. For our forefathers it was a passion and a crusade. It was won by them with toil, blood, sweat, and tears. It is our most precious heritage and cannot be held any less highly by us.

Therefore, as I see it, Mr. President, compromise is impossible. Dr. Reinhold Niebuhr, the great Protestant theologian, speaking to the assembly of the World Council of Churches at Amsterdam in the summer of 1947, stated the real issue with great clarity:

> When anyone speaks comparatively and presents the Soviet system as a possible alternative to democracy, we must insist that he has not dealt with the real tragedy of our age that consists in the horrible evils generated by the Communist alternative to our civilization. Hell knows no fury like that of a prophet of a secular religion become the priest-king of a Utopian state. Our civilization may be faulty, but the alternative is much worse. The ramparts of our civilization may be tattered, but they contain defenses of freedom which require that we support them against this new fury.

III

This thinking brings me to the consideration of what we are called upon to do in order to preserve these values which are the foundations of our world.

First, as I see it, we must be willing to face the necessity of powerful physical armament in adequate preparation for the worst. Even though I do not anticipate an inevitable hot war, I feel that our preparation must be geared to carry on such a hot war whether it comes or not. Unless we and our allies and the United Nations have an adequate force to resist the rule of might, we will be unable to head off this crusading communism which is seeking to engulf the world. In this connection I think it is vitally important that a United Nations police force be set up with our full cooperation, prepared to meet the threat of aggression wherever it may appear.

On the home front we are likewise called upon to make all sacrifices needed to win the ultimate victory for freedom. In particular we must be prepared to accept whatever controls over our economy and our individual lives may be necessary in order to maintain our strength for the tasks that lie ahead.

Complete armament for physical security and complete willingness to sacrifice individual convenience are essential elements in our battle for peace and freedom. If we hear it said that this implies restrictions on freedom in our own country, let us remember that we who are laboring for freedom in the world must accept the responsibilities that go with that task, and must subordinate our wishes to do as we please in all things to the higher cause which we are striving for. The magnitude of the personal sacrifices we are prepared to make is a measure of our devotion.

IV

Mr. President, I come now to a subject in which I have been deeply interested for a long time, a subject to which I believe we must give first consideration in our search for freedom in the world. I refer to the battle for the minds of men, which in my judgment is the fundamental struggle in the world today. Armed conflict is nothing more than a physical expression of this underlying psychological and moral struggle.

Numerous proposals have been made that we should engage more effectively in this conflict of ideas and of faith. Various religious and other groups are urging that the spiritual and moral forces of the world be organized and brought to bear on the problem. Former President Hoover recently made such a suggestion, urging that the spiritual forces of freemen everywhere should be mobilized for this vital effort. Recently I had an important interview with Dr. E. Stanley Jones, the famous Methodist missionary, who had been in close touch with Pandit Nehru, of India, in connection with the Nehru peace proposals, and who feels very keenly the basic importance of moral force in world affairs.

The question remains what practical steps Americans and other free peoples can take in an organized effort to defeat the vast propaganda of communism and to bring to the world the hopeful message of human freedom. In this connection we immediately think of our own so-called Voice of America, which thus far has been our only organized American effort in the field of ideas. We have been dissatisfied with the progress of the Voice of America to date. Its role is as important as that of our military effort, and yet thus far it has been relatively ineffective. This is partly because of the very small size of the project measured against our other undertakings, but I think it is also because we have not shown enough vision and have not seen with sufficient clarity that our central theme must be nothing less than the theme of human freedom.

As a result we have tended to avoid thinking through our campaign of ideas, whose importance is quite as great as military power. More arming to resist aggression is definitely not enough in these critical times. The Russians have outmaneuvered us in sowing the seeds of their philosophy in the minds of men. They present this philosophy with all its deceptive allurements in order to win to their way of life peoples who are in despair.

Thus far, as I have said, we have failed in this battle. We have failed not because we lacked resources, but because we have been lacking in imagination to put forward the substance of our faith in human freedom. Our task here must be to inspire others with our conception of freedom and to convince them of our abiding faith in that conception. We must rid ourselves of the tendency to take freedom for granted and to assume that other peoples understand what it means. Only thus can we get across to all peoples the true meaning of our way of life—not a life of material luxury and license, but a life of dedication to the cause of freedom and of cheerful acceptance of the great responsibilities that freedom entails. All Americans, not only in Government but in private life as well, must take up the challenge of bringing to the world this message of faith in human freedom under God.

Fortunately for us, as we have been trying to think through the improvement in the handling of this whole problem of the Voice of America, and the inculcating in the minds of the people of the world what the American tradition stands for, we are thrilled by a great event which is about to take place on Labor Day. In Denver, Colo., General Eisenhower is going to make an address on the subject of freedom, which is the outcome of many months of preparation and which has been inspired by the activities of an outstanding group of people who have been working on what they call a crusade for freedom.

This movement is headed by Gen. Lucius D. Clay, with whose great service in Germany we are familiar, and is one of the activities of the National Committee for Free Europe, the chairman of which is former Ambassador Joseph Clark Grew. The purpose of the crusade for freedom is to enroll every American in an effort to lift the iron curtain everywhere. A declaration of freedom is to be circulated throughout the United States. On September 5, the day after General Eisenhower's speech, an enrollment will begin in which all Americans will be given an opportunity to put their signatures to the declaration.

Shortly afterward, this group is planning to perform one of the most dramatic symbolic acts of our generation. A magnificent 10-ton bell, a great freedom bell, is now being forged and will be taken to Berlin next October. On United Nations Day, October 24, this great bell will peal out the message of hope which is inscribed upon its rim, a message inspired by the great words of Lincoln at Gettysburg: "That this world, under God, shall have a new birth of freedom."

Dedicated as a tribute to those who today are giving their lives in the struggle for human freedom, the freedom bell

will stand as a permanent symbol of the world's determination to resist aggression against freedom from communism or from any source. The first clap of the bell will be carried by radio to free peoples everywhere. Simultaneously bells will ring out all over America and throughout Western Europe in a dramatic demonstration of unity for freedom.

(At this point Mr. SMITH of New Jersey yielded to Mr. JOHNSTON of South Carolina to request the confirmation of certain postmaster nominations, and debate ensued, which was ordered to be transposed and printed in the RECORD following the speech of Mr. SMITH of New Jersey.)

Mr. SMITH of New Jersey. Now I should like to read to the Senate the text of the declaration of freedom which is to be deposited in Berlin in a freedom shrine under the bell itself, together with the signatures of all those who have signed it. It reads as follows:

DECLARATION OF FREEDOM

I believe in the sacredness and dignity of the individual. I believe that all men derive the right to freedom equally from God. I pledge to resist aggression and tyranny wherever they appear on earth.

I am proud to enlist in the crusade for freedom. I am proud to make the freedom bell possible, to be a signer of the declaration of freedom, and to have my name included as a permanent part of the freedom shrine in Berlin, and to join with the millions of men and women throughout the world who hold the cause of freedom sacred.

That is the declaration that is being circulated all through this country beginning next week.

I can hardly express adequately the enthusiasm that I felt when I was invited by General Clay to be a member of the group to carry on this important work. It seems to me that we may already have at hand a voluntary movement which can provide practical machinery to implement the aims I have outlined. When one reads the names of those who already have joined this voluntary committee, one is conscious that this is a Nation-wide American movement. I see the names of General Eisenhower, General Clay, Ambassador Grew, the Honorable James A. Farley, Commander Harold Stassen, Harry Emerson Fosdick, Cordell Hull, William Green, president of the American Federation of Labor, Philip Murray, president of the CIO, Eddie Rickenbacker, Norman Thomas, and many Members of our own Congress in both House and Senate, both Democrats and Republicans, together with the names of many other eminent men and women of such stature that no one can question that this movement comes from the very heart of America.

This, it seems to me, is the very kind of expression that those who have been seeking to perfect the Voice of America have been looking for. Here we have at hand a voluntary group of people carrying to the world the very essence of the message of America, the message of human freedom. In my belief it is the great message to which our own expanded Voice of America must henceforth be dedicated.

I have a suggestion to make as a way of showing the world the truth of our heartfelt convictions about our great heritage of freedom. I suggest that we elevate the Voice of America to be the Voice of Freedom. I suggest further that this Voice of Freedom be carried both to our own people and to the peoples throughout the world and that we invite all Americans to join with us in helping to define what we mean by this great concept.

If this could be done we would then not have to leave the Voice of America as it is today, a secondhand support for our military operations, but we could raise it to the position of dignity that the battle for the minds of men deserves. It would become the main weapon in our great peace offensive, carrying our most vital message to all the downtrodden people of the world and those who are looking to us for hope—the real message that we have in our hearts because of the liberty that has been given to us, the message of freedom as we conceive it, not freedom as license, but freedom under God.

V

Mr. President, while we are laying down the basic principles of our faith and our conception of what freedom really is, while we are providing for carrying our message of faith to the four corners of the earth, and while we are girding ourselves with adequate military power to defeat armed attack on our free community of nations, we must also be translating our peace offensive into concrete terms of political settlements.

It is essential that we prepare now for this task of shaping our concrete aims. It is not enough that we should have faith and seek to impart that faith to other peoples. We must also be ready to express that faith in good works. For the planning of concrete peace terms which will carry out the spirit of human freedom, I make the following suggestions:

First. We would demand that the North Koreans withdraw to the thirty-eighth parallel and lay down their arms. When this has been done, the United Nations should arrange for an election throughout all Korea, both North and South, to bring about the representation of all the Korean people in the government of the existing Republic of Korea. Such an election should be set up under the direction of the United Nations and should be held as promptly as possible. When the free and independent republic has been reestablished throughout Korea by these procedures, it should be admitted to the United Nations as a full member and remain under the protection of the United Nations. This must be insured by setting up a mobile United Nations police force to protect the Korean Republic and those other areas of the world that are entitled to UN protection. Here I have in mind areas such as Indonesia, which has set up a new republic with the aid of the United Nations and which deserves protection by the United Nations in the event that any aggression occurs there.

Second. In my judgment a settlement of this kind for Korea might well provide a pattern for settlement in other areas. The basis of such a pattern would be the independence and self-government and self-determination of all peoples. Its objective would be the central objective of our entire policy—namely, the achievement and fostering of human freedom.

I may say that during my trip to the Far East the one thing I felt from talking with the people in various areas was their yearning for freedom, their yearning for some sort of assurance from the great powers of the world that they were going to get their freedom, and that they would not have to return again to the condition of colonialism, the condition of imperialism which had been in existence in the areas before.

Such a pattern could apply particularly to the problem of Formosa which is now before the United Nations. I suggest that we should work for the ultimate goal of applying this pattern of self-determination in other areas where today freedom seems nearly to have been murdered by Communist tyranny. We should offer this hope to the peoples of China and Eastern Europe. Even though it be a remote hope we must never allow it to die.

Third. My third suggestion is that with these ideals of freedom as the foundation of its policy, the United Nations should be prepared to act in other parts of the world where there may be outbreaks and where an attempt may be made by a totalitarian aggressor to overcome and take under its control the area in question. This might apply to Indochina, it might apply to Burma, it might apply to Iran, it might apply to Thailand, it might apply to India itself, it might apply to the danger areas in the Balkans, it might apply to Germany—in fact wherever a threat of aggression exists.

Here is a challenge to the United Nations, a challenge which would clearly be within the objectives and spirit of the United Nations Charter. Here is a basis of peace on which the freedom-loving people of the whole world could well unite.

Mr. President, I make these suggestions in the hope that they will be explored, because it seems to me that if we begin from the standpoint that the United Nations should take this matter in hand—with our support, of course—we shall be beginning at the right end. We should have as our objective the freedom of the people who so yearn for freedom.

VI. CONCLUSION

Mr. President, I should like to see a wave of fresh belief in God and in freedom sweep this country and sweep the world. I should like to see the United States Senate issue a call in the spirit of this Crusade for Freedom to all of our 150,000,000 people, urging them to employ any and all legitimate and available means to this end. I should like to see the President call a conference of leaders who understand our American freedom and believe in it, to come here and confer with us as to ways and means by which all our people may be awakened to this great opportunity. I should like to see the same conference consider the ways by which the peoples of other nations, especially in backward areas, may

be helped to understand the true nature of the freedom which is their only alternative to the tyranny and slavery of communism.

I should like to ask the same group to help us determine what should be the content of this voice of freedom, this gospel of freedom, and how we may make this voice heard and understood around the world.

Mr. President, the lives of all of us depend upon the fate of human freedom, which today stands in peril everywhere in the world. I suggest that we all have a duty, as we love freedom, not only to defend it, but to extend and foster it among all human beings. I suggest that we have a duty to join in a world-wide spiritual offensive for freedom and human dignity, so that every man, of every nationality, may be inspired to apply these principles in his own country and in his own life.

The tasks that lie ahead of us are the work, not of a day or a year, but of generations. Yet we must begin them now if our civilization is to survive. The peoples of the world must be brought to understand and cherish freedom, and, cherishing it, to dedicate themselves to its fulfillment. Only as this is done can we begin to fulfill our ultimate God-given aspiration—

> That this world, under God, shall have a new birth of freedom, and that government of the people, by the people, for the people shall not perish from the earth.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. WATKINS. I desire to offer my sincere congratulations to the distinguished Senator from New Jersey for his very thought-provoking and very constructive suggestions. I feel that they are worthy of great study and possible action along the lines he has suggested. They may be history-making, and may lead to a program which will bring concrete results for peace. Such suggestions should be given the most careful attention by the American people.

I think the speech the distinguished Senator from New Jersey has made today will result in a movement which really will bring to the Russian people an understanding of the views of the American people with respect to the meaning of freedom under God.

Mr. SMITH of New Jersey. I thank the Senator from Utah.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. HICKENLOOPER. I wish to congratulate the Senator from New Jersey for his very inspiring speech, which I believe, as stated by the Senator from Utah, will be a historic document.

I know the great zeal with which the Senator from New Jersey approaches these problems, which have concerned him and all the rest of us. I know this from intimate association with him on the Foreign Relations Committee.

Mr. President, I wish to say that the Senator from New Jersey, while fully appreciating and realizing the practical problems which face us, also has touched upon what I believe to be the fundamental approach to any reliable solution for peace in the world, and that is that the solution must be found through spiritual strength in the minds and the hearts of men.

For the approach he has made to that subject in the course of his fine and outstanding address, not only do I commend him, but I commend a careful reading of his speech by all persons who are sincerely interested in the spiritual values of freedom and in the prospect and promise of tomorrow.

Mr. SMITH of New Jersey. I thank the Senator from Iowa.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Missouri.

Mr. DONNELL. It was my misfortune not to be able to be present during the delivery of all of the address of the Senator from New Jersey. I was here for a portion of it; but, unfortunately for me, my hearing of it was interrupted by another matter, in the meantime.

With respect to the address he has made to the Senate, which I shall read, and I am confident, with profit, I wish to say that it has been my privilege during a period of over 5 years to observe on the part of the Senator from New Jersey his earnest approach, from a Christian standpoint and from the standpoint of energy, determination, ability, and zeal, to great questions concerning peace.

I recall various addresses which the distinguished Senator from New Jersey has made, in the course of which I have heard him refer to the milestones on the way to peace.

All these speeches by him are indicative of the profound, conscientious, and able thought the Senator from New Jersey has given to this and to like subjects.

I congratulate him on giving us the benefit of this address, which I shall take great pleasure in reading.

Mr. SMITH of New Jersey. I thank the Senator from Missouri.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Montana.

Mr. ECTON. I desire to add my congratulations and felicitations to those which have been extended by other Members of the Senate to the distinguished Senator from New Jersey. From time to time all of us have listened with great interest to what our very able colleague the Senator from New Jersey has had to tell us regarding his thoughts and some of the finer things which he seems to have the capacity and the ability to evaluate and to present to us.

On several occasions I have heard him mention the need for a Voice of America which can resound around the world, a Voice of America which can and which will set forth what the United States of America stands for, and will create friendship between the United States of America and the other nations of the world.

It seems to me that in the very profound address given to us by the Senator he has outlined plans whereby, added to the other "political Voice of America," so to speak, we may have a voice which will be one of truth, honesty, and morality, not only for the people within this country but for people throughout the world. I am very happy and very grateful that I have been privileged to hear the splendid address of our distinguished colleague from New Jersey.

Mr. SMITH of New Jersey. I thank the Senator from Montana.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Minnesota?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. THYE. I should merely like to associate myself with the remarks of my colleagues in commendation of the address delivered by the able Senator from New Jersey. I am fortunate enough to be a seat mate of the Senator's. By reason of that fact we frequently converse quietly about certain international problems. In that manner I have many times learned of his inner convictions on the question of how we must reach the hearts and minds of men and women throughout the world, more especially those who are behind the imaginary iron curtain to which we refer—the Russian curtain—where people are held in slavery under the Communist ideology and philosophy. We must reach them with words. We can reach them in no other way. It would be far better if we could reach them with words than to have to reach them in conflict by means of bullets at some future time. For that reason, I wish to commend my colleague, the very able Senator from New Jersey, upon the words of wisdom he has spoken on the floor of the Senate to all of us this afternoon.

Mr. SMITH of New Jersey. I thank the Senator from Minnesota.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed, without amendment, the bill (S. 3995) to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes.

The message also announced that the House insisted upon its amendment to the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. KILDAY, Mr. SHORT, and Mr. ARENDS were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3409) to establish a new Grand Teton

National Park in the State of Wyoming, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to bill (S. 3959) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7302) to amend the Act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. COOPER, Mr. MILLS, Mr. REED of New York, and Mr. WOODRUFF were appointed managers on the part of the House at the conference.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

S. 3934. An act to facilitate compliance with the treaty between the United States of America and the United Mexican States signed February 3, 1944; and

H. J. Res. 385. Joint resolution to provide for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes.

BUDGET AND ACCOUNTING PROCEDURES ACT OF 1950—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a conference report on the bill (H. R. 9038) to authorize the President to determine the form of the national budget and departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

(For conference report, see p. 13770 of the House proceedings of August 29, 1950.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. WATKINS. Mr. President, may we have an explanation of the salient points of the agreement on this bill?

Mr. McCLELLAN. Mr. President, I may say there were very few major differences between the House and Senate regarding the two bills. The bills as introduced were identical. An amendment was offered on the floor of the House, which was agreed to. It related to the provision regarding the so-called green sheets, which Representative TABER was very anxious to retain in the bill. The Senate yielded on that question. The amendments which were adopted on the floor of the Senate, offered by the Senator from Virginia, are also retained in the conference report. The report is unanimous. There are no material or major changes in the bill, either as it passed the House or as it passed the Senate.

Mr. WATKINS. Do I correctly understand that the conferees were unanimous in submitting this report?

Mr. McCLELLAN. That is correct.

Mr. WATKINS. I have no objection.

Mr. SMITH of New Jersey. Mr. President, on August 9, 1950, on the call of the calendar, the Senate passed with amendments and sent to conference H. R. 9038, the companion bill to S. 3850, which provides for the modernization of governmental accounting procedures. The conference report is now before the Senate for consideration.

This bill deals with a most important but complex matter. At the request of the Citizens Committee for the Hoover Report, I ask unanimous consent to have inserted in the body of the RECORD following my remarks an analysis of the bill prepared by the staff of the citizens committee.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

CITIZENS COMMITTEE FOR THE HOOVER REPORT,
Washington, D. C., July 20, 1950.

CIRCULAR LETTER NO. 8—MEMORANDUM ON PROPOSED BUDGET AND ACCOUNTING PROCEDURES ACT OF 1950

A new Budget and Accounting Procedures Act of 1950 has been reported favorably by the Senate and House Committees on Expenditures. This measure has the full approval of the Secretary of the Treasury, the Director of the Budget, and the Comptroller General of the United States. The measures (S. 3850 and H. R. 9038), which are in most respects identical, are scheduled for early action in the respective branches of Congress.

Joint support from the three principal fiscal officials of the Government gives the bill such strength as to make its enactment at the present session highly probable.

Principal accounting provisions of the bill are contrary to a specific recommendation of the Hoover Commission. Primary accounting and auditing authorities are vested in the Comptroller General, an agent of the Congress. The Hoover Commission stated that the accounting should be a function of the executive branch under an Accountant General in the Treasury, and that the auditing should be under the Comptroller General. This is a most important difference. Proponents of the bill claim, however, that under its terms most of the specific objectives of the Commission can be achieved.

Because the bill does not follow a fundamental Hoover Commission recommendation, the citizens committee takes no stand whatsoever with respect to its accounting provisions.

The citizens committee does not wish to oppose major reorganization measures which are only in partial accord with recommendations of the Hoover Commission or which differ on one or two particulars, even on major ones. Obviously, the Hoover Commission had no monopoly on good ideas in the field of reorganization. The citizens committee must, however, always analyze reorganization measures and point out the extent of conformance or variance with the majority recommendations of that Commission.

S. 3850, designated as the Budget and Accounting Procedures Act of 1950, accords in some respects with recommendations of the Hoover Commission but is at variance with them in others.

The committee's views are set forth below in summary form:

I. The budgeting provisions of part I of title I and miscellaneous provisions and repeals in titles II and III conform fully with the Commission's views.

II. The accounting and auditing provisions in part II of title I run counter to the Commission's aims in two major respects:

(a) Failure to vest primary responsibility for accounting in the executive branch of the Government and the strengthening instead of the authority of the Comptroller General, an agent of the legislative branch. The bill provides that the Comptroller General shall prescribe principles, standards,

and related requirements for accounting to be observed by executive agencies. The Hoover Commission placed primary responsibility for accounting methods and procedures in a new Accountant General in the Treasury Department, such methods and procedures to be subject to the approval of the Comptroller General.

(b) Failures to make clear assignments of responsibilities for such accounting duties as are given the executive branch and failure to vest these responsibilities in any single official. The Secretary of the Treasury is directed to make financial reports and to provide an operating center for the consolidation of accounting results of other executive departments and agencies. He is not, however, given the authority to supervise, or direct, or even guide accounting activities throughout the executive branch as contemplated through an Accountant General in the Treasury Department recommended by the Hoover Commission. Defects in present laws include wide gaps in executive responsibilities for adequate accounting; and the absence of any official in the executive branch with authority over accounting to whom officials in the various agencies may turn.

III. Certain definite operating improvements and economies in line with the recommendations of the Hoover Commission should result from the accounting provisions of the bill, despite the variance from major policy proposals. The powers given to the Comptroller General would center responsibility for accounting to an extent that is lacking at present. These powers would be such as to make possible the implementation of accounting reforms developed in the Hoover report and in present joint voluntary program of the Comptroller General, the Secretary of the Treasury, and the Director of the Budget. Progress can be made toward elimination of duplicative and cumbersome procedures and inconsistent and improper application of accounting principles and practices. As recommended by the Hoover Commission, it should be possible to save money by eliminating the legal requirement that millions of expenditure vouchers and supporting papers be sent to Washington and to eliminate or modify such antiquated fiscal procedures as are required under the obsolete warrant system.

An analysis of the bill, with an amplification of these and other points, is attached to this memorandum as appendix A.

SAVINGS

Estimates submitted by the task force of the Hoover Commission dealing with this subject indicated that adoption of a simplified system of accounting throughout the Government under the supervision of the proposed Accountant General in the Treasury Department should result in a reduction of 6,000 employees at an average salary of $3,400, or a total saving of $20,400,000 annually. S. 3850, despite its defects, should offer opportunities for considerable savings along this line. Certainly, under the proposed legislation, it should be possible to cut the staff of the General Accounting Office by about 50 percent, preferably in the 1952 budget and, almost surely, in the 1953 budget, through passage of the proposed bill.

PERFORMANCE BUDGETING

A comprehensive overhauling of accounting practices, aside from savings, is of great importance toward the successful operation of the new performance or program budget system recommended by the Hoover Commission. Part I of title I of S. 3850 is designed to provide such changes in law as are desirable to assure the fullest effectiveness of the performance budget, already adopted to a considerable extent by the Bureau of the Budget in the submission of the 1951 budget last January.

One weakness in S. 3850, to which attention should be called, is the omission of any provisions with respect to present statutory responsibilities of the Comptroller General regarding information to be furnished to the Congress.

EXPENDITURES ANALYSIS BY GAO

Section 312 of the Budget and Accounting Act of 1921 directed the Comptroller General to make investigations and reports regarding the receipt, disbursements and application of public funds and the adequacy and effectiveness of fiscal practices. The Legislative Reorganization Act of 1946 in section 206 directed the Comptroller General to make an expenditure analysis of each agency in the executive branch, including Government corporations, to enable Congress to determine whether public funds have been economically and efficiently administered and expended.

While audits have been made of Government corporations under authority of the Government Corporation Control Act of 1945, the Comptroller General has done little toward carrying out the requirements on these points of either the Budget and Accounting Act of 1921 or the Legislative Reorganization Act of 1946.

S. 3850 does not specifically repeal any of these provisions. Absence of any reference to them, however, in the policy declarations or otherwise might be construed as minimizing their importance. The provisions in question could be of great value as means toward the improvement of fiscal practices.

Certainly, it is not the intent of Congress, unknowingly, to weaken its own hand by this measure.

SUGGESTED AMENDMENTS

The citizens committee believes that the Congress, before enacting S. 3850, will wish to consider carefully such proposals as may be made to bring it into closer conformance with the recommendations of the Hoover Commission. Some suggestions in this direction are contained in appendix B.

CONCLUSION

In conclusion, the citizens committee is unable to certify that S. 3850 is fully in conformance with recommendations of the Hoover Commission. The bill could be brought into closer conformance if amended in a number of particulars as suggested in appendix B.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the report was considered and agreed to.

AMENDMENTS TO FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a conference report on the bill (S. 3959) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. WITHERS). The report will be read for the information of the Senate.

(For conference report, see p. 13988 of the House proceedings of August 31, 1950.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. McCLELLAN. Mr. President, I might state that the conferees were unanimous in their report. The differences between the two bills were largely clerical. They did not represent major differences. The amendment is recommended by the different bureaus affected, and I am sure there could be no objection to the bill as agreed upon.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

DISSEMINATION OF TECHNOLOGICAL, SCIENTIFIC, AND ENGINEERING INFORMATION

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes, which were, on page 2, line 3, strike out "collection, dissemination, and exchange" and insert "collection and dissemination"; on page 2, strike out lines 23 to 25 inclusive, and on page 3, strike out lines 1 to 12, inclusive; on page 3, line 14, strike out "SEC. 4." and insert "SEC. 3."; on page 4, line 21, strike out "SEC. 5." and insert "SEC. 4."; on page 5, line 5, strike out "SEC. 6." and insert "SEC. 5."; on page 5, line 17, strike out "SEC. 7." and insert "SEC. 6.", and on page 6, line 5, strike out "SEC. 8." and insert "SEC. 7."

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate concur in the House amendments.

Mr. WATKINS. Mr. President, will the Senator give us a brief explanation of what this is all about? Several conference reports are being laid before the Senate, one after the other, and I do not recall the facts regarding this particular bill.

Mr. JOHNSON of Colorado. The bill was passed by the Senate in 1949. It has been in the House for more than a year. It finally passed the House. It is an act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes. It establishes a clearing house within the Department of Commerce, whereby important discoveries which are made by the Government departments may be passed on to the businesses and industries of the United States. The further purpose is that some of the formulas and chemical processes which we got from enemies after World War II ended may be passed on to business.

Mr. SMITH of New Jersey. Mr. President, has this bill been in conference?

Mr. JOHNSON of Colorado. This bill has not been in conference. The House struck out one section of it, section 3, which is the only amendment made by the House. I think the House was completely justified in striking out that section. I think the bill is much better without it. The House has this to say about the section, with which I am in complete agreement:

It will be noted that the committee has adopted an amendment to strike out section 3 of the bill. As written, its relationship to the patent laws is not believed to be sufficiently clear, and it is felt that consideration of the proposal should be deferred until more information is available.

As the Senator knows, the patent laws of the United States are very important, and they are very complicated. I think it is a very good thing not to affect the patent laws even indirectly by a bill of this nature. It is unnecessary to affect them. I agree that the House action was wise and wholesome.

Mr. WATKINS. Will the Senator state the position of his Committee on Interstate and Foreign Commerce in respect to this matter?

Mr. JOHNSON of Colorado. The position of the committee is the position which I am now stating. We favor the passage of the bill as amended by the House. The Department of Commerce is in favor of it. It is a bill which came to us from the Department of Commerce, an administration bill, and I know of no objection whatever to the bill as amended by the House.

Mr. WATKINS. Was there objection to it in the committee?

Mr. JOHNSON of Colorado. There was no objection.

Mr. WATKINS. I have no objection to the motion to concur.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to.

CONFIRMATION OF NOMINATIONS OF POSTMASTERS

During the delivery of the speech of Mr. SMITH of New Jersey,

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to report from the Committee on Post Office and Civil Service the nominations of 62 postmasters.

The PRESIDING OFFICER. Without objection, the reports will be received.

Mr. JOHNSTON of South Carolina. Mr. President, I further ask unanimous consent that the nominations of these postmasters be acted upon as in executive session. The reason I make the request is that the National Guard will be sworn in tomorrow, and in order for the nominees to be sworn in as postmasters before they are sworn into the National Guard, it is necessary for us to act on the nominations today. However, I would be glad to hold up notification of the President so as to give Senators an opportunity to object.

Mr. DONNELL. Mr. President, I should like to state that I did not hear the entire announcement of the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I was asking unanimous consent for the immediate consideration of the nominations as in executive session, with the understanding that the President would not be notified immediately, in order to give any Senator time within which to object.

Mr. DONNELL. May I ask if the list to which the Senator refers is exclusively a list of those who are to be taken into the National Guard tomorrow?

Mr. JOHNSTON of South Carolina. I do not know exactly which ones would be. I know that some are to be. Some are from the State of the Senator from Oklahoma [Mr. KERR]. I would not know about that myself. I could not pick out the names.

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Oklahoma.

Mr. KERR. If it would be agreeable to modify the unanimous-consent request, not with reference to confirmation, but with reference to those on the list who are likely to be sworn into the National Guard in their respective States tomorrow. I suggest there might be, let us say, a couple of hours beyond the time of confirmation in which to furnish the clerk the names of those who are in the National Guard, which will be disclosed by the applications, and with reference to those who are to be sworn into the National Guard tomorrow, the President could be notified today with reference to them.

Mr. WATKINS. Mr. President, I suggest to the Senator from South Carolina that inasmuch as the minority leader, the Senator from Nebraska [Mr. WHERRY] is not in the Chamber at the moment, he withhold the unanimous-consent request until the minority leader returns.

Mr. JOHNSTON of South Carolina. I wish to give any Senator opportunity to object who may desire to object.

Mr. KERR. If the Senator requests that there be a delay of 2 hours after confirmation before notification, that will take care of the matter.

Mr. WATKINS. I suggest that the Senator withhold the request.

Mr. JOHNSTON of South Carolina. I do not desire to do anything any Senator would not like to have done.

Mr. DONNELL. Mr. President, the Senator from South Carolina doubtless knows the position the Senator from Missouri has taken with reference to notification to the President of confirmations. I have no objection to the confirmation of all the nominations upon this list, but I point out the fact that under the decision in a notable case, that of the *United States* v. *Smith* (286 U. S. 6), the effect of the notification to the President, where the President issues commissions forthwith, is to waive the right of reconsideration by the Senate. I believe the right of reconsideration has been recognized as a highly important right, and it is recognized in rule XXXVIII of the Senate, where it is provided that—

> When a nomination is confirmed or rejected, any Senator voting in the majority may move for a reconsideration on the same day on which the vote was taken, or on either of the next 2 days of actual executive session of the Senate.

The objection which I have made occasionally, and which has been followed, generally speaking, without my making the objection, is based upon the fact that if the President be notified, the Senate waives what I consider a highly important and highly wholesome right, namely, the right of reconsideration. I take it that it is easily possible that in some situations the very fact that action is taken by the Senate might bring forth information from the country which it did not have at the time of confirmation.

Regarding those who are to be sworn into the National Guard tomorrow, the distinguished junior Senator from Oklahoma spoke to me a little while ago about the matter, and he presented a most appealing situation, one in which I am not disposed to insist upon my objection regarding notification to the President. I assume that the committee has made careful investigation, and the particular circumstances of the case, the fact that the men are to be sworn into the National Guard tomorrow, and the fact, as I understand, that if they are not confirmed in advance of their being sworn in, they cannot take the oath as postmasters, have induced me to arrive at the conclusion that for this reason only I should fail to make the objection.

If the Senator could segregate the list, and some time during the afternoon pick out those who are to be sworn into the National Guard tomorrow, it would not be my intention to make objection to the notification of the President as to those. But if he brings in a blanket list of names, some of whom are in that category and some are not, I have no means of knowing which are and which are not. Therefore, in the light of what I think is an extremely wholesome rule and practice, which I think should not be deviated from, I should feel it necessary to make objection.

If the Senator can and will bring in during the afternoon the information as to who will be sworn into the National Guard tomorrow, it is not my intention to raise objection to the notification of the President as to those.

Have I made my point entirely clear?

Mr. JOHNSTON of South Carolina. The point is entirely clear.

Mr. WATKINS. Mr. President, may I inquire of the distinguished chairman of the Committee on Post Office and Civil Service if the report on these postmasterships is unanimous?

Mr. JOHNSTON of South Carolina. All the Senators who were present in the committee voted to report the names.

Mr. WATKINS. Was there a quorum of the committee present?

Mr. JOHNSTON of South Carolina. I have the list here. Eleven out of the 13 were present. The Senator from Vermont [Mr. FLANDERS] is out of the city at the present time, I believe. I always give the members of the committee a chance to sign.

Mr. WATKINS. Will the Senator restate what the unanimous-consent request is? There have been some modifications, and there has been some colloquy, and I do not recall exactly what the Senator is seeking to do.

Mr. JOHNSTON of South Carolina. I think that under the circumstances I had better make the report in the regular way, with the understanding that if I furnish the names of men who are going into the service tomorrow, they may be confirmed as in executive session.

Mr. KERR. Mr. President, will the distinguished Senator be willing to make his request on this basis, that the names on the list be confirmed subject to the

minority leader's having 2 hours within which to make an objection, and then take the matter up for consideration again, and with reference to the names of those on the list of men who are to be sworn into the National Guard tomorrow, if their names are furnished to the clerk in the course of the afternoon, the President may be notified with reference to the confirmation of those particular names today, and the others would be confirmed in the regular routine?

Mr. DONNELL. Mr. President, I shall not object to that at the present time. However, I should like to have the RECORD show these two observations. In the first place, the Supreme Court has stated very clearly its position, and I quote from the decision:

> But paragraph 4 of the same rule contemplates that normally such notification shall be withheld, until the expiration of the time limited for making a motion to reconsider, and if a motion be made, until the disposition thereof; for it declares that notification shall be so withheld "unless otherwise ordered by the Senate."

I should also like to have the RECORD show the recognition by the Court of the importance of this right. A sentence of the present speaker, quoted by himself in his remarks at page 7115 of the RECORD of May 16, 1950, reads:

> In the sentence in which appears the quoted language the argument for the Senate in said Smith case thereafter employs the words "this valuable power."

The reference here is to an argument being made by distinguished counsel. As I recall, Hon. John W. Davis was one of the counsel for the Senate in that particular proceeding. Whether that was his language or not, it was the language of the counsel for the Senate, as I recall.

I wanted the RECORD to show that this is no mere baseless, technical objection I am making and expect to make in the normal case. I think it is extremely wholesome. I think the right of reconsideration by the Senate is a valuable power.

Mr. President, as I understand, it is the suggestion of the Senator from Oklahoma that if within 2 hours information shall be furnished to the clerk as to the names of those included in the list who are about to be sworn into the National Guard——

Mr. KERR. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. KERR. The 2 hours are for the minority leader to object to the general request.

Mr. DONNELL. I see.

Mr. KERR. With reference to those who will be sworn into the National Guard tomorrow the request was that the committee have the time during the course of the afternoon in which to advise the clerk in reference to those particular names.

Mr. DONNELL. And when that list of those names is presented, then the RECORD will show that they are confirmed, and that the President may be notified.

Mr. KERR. As the list of names is presented, showing that they are members of the National Guard to be sworn in tomorrow, then the request will be granted that the President be notified with reference to their confirmations today.

Mr. DONNELL. That is with reference solely to the nominations of those who tomorrow are to be sworn into the National Guard?

Mr. KERR. Yes.

Mr. DONNELL. That as to that list exclusively the President shall be notified.

Mr. KERR. Yes, and as to the others on the list their status shall remain as is the usual custom, until after the Executive Calendar is called on the second day after today.

Mr. DONNELL. I should like to make it clear that in consenting at this time to this particular procedure. I do so solely on the basis of the extraordinary circumstances and it is not considered by me, and I trust is not considered by the Senate as a precedent in any other case.

Mr. WATKINS. Mr. President, if the chairman of the Post Office and Civil Service Committee accepts the suggestion of the Senator from Oklahoma with respect to the unanimous-consent request, I shall not make any objection in behalf of the acting minority leader. Does the Senator accept that?

Mr. JOHNSTON of South Carolina. I accept that. I want to say to the senior Senator from Missouri that he is entirely correct in his objection. I can readily see that after nominations have come to the Senate, and the nominations are confirmed, the news may go out and be published in the newspapers of the land, and some one or more than one may endeavor to contact some Senator and give him information respecting those who have been confirmed, which would be of such a nature that, had the Senate known of it, the nominations might not have been confirmed, and that therefore the usual time should elapse before the President is notified. I agree with the Senator in that respect entirely.

Mr. President, I want to thank the Senator from New Jersey for his courtesy in permitting us to take up this matter. We have interrupted him in the middle of his speech. I ask unanimous consent that the proceedings which have just been had be placed at the conclusion of the speech of the Senator from New Jersey.

The PRESIDING OFFICER (Mr. WITHERS). Without objection it is so ordered.

Mr. SMITH of New Jersey. I thank the Senator from South Carolina. I was about to make the same request.

Mr. DONNELL. Mr. President, permit me to extend my thanks to the Senator from New Jersey for his courtesy. I likewise would not want to have the continuity of his address interrupted by including in them the proceedings which have just taken place.

The PRESIDING OFFICER. Without objection, the course with reference to the nomination suggested in the remarks of the various Senators who have spoken, will be followed.

Mr. KERR. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. KERR. I should like to add my thanks to those of the distinguished Senator from South Carolina and the distinguished Senator from Missouri, for permission to interrupt his speech. I wish to say to the Senator that the action we have taken was taken thus early in the day in order that word might go back home to those interested, and to give them time, before the day has expired, to take their oath of office.

Mr. SMITH of New Jersey. I understood the situation, and I was very glad to yield for that purpose.

CALL OF THE ROLL

After the conclusion of the speech of Mr. SMITH of New Jersey,

Mr. WATKINS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Millikin
Benton	Humphrey	Morse
Brewster	Hunt	Mundt
Bricker	Ives	Murray
Butler	Jenner	Neely
Byrd	Johnson, Colo.	O'Conor
Capehart	Johnson, Tex.	O'Mahoney
Chapman	Johnston, S. C.	Pepper
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Darby	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Langer	Smith, N. J.
Dworshak	Leahy	Sparkman
Ecton	Lehman	Stennis
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Fulbright	McCarran	Thomas, Utah
George	McCarthy	Thye
Gillette	McClellan	Tydings
Graham	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Williams
Hendrickson	Magnuson	Withers
Hickenlooper	Malone	Young
Hill	Martin	
Hoey	Maybank	

The PRESIDING OFFICER. A quorum is present.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. GEORGE. Mr. President, for myself and the distinguished junior Senator from Colorado [Mr. MILLIKIN], I offer an amendment in the nature of a substitute for the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY] for himself and the Senator from Texas [Mr. CONNALLY]. I shall read the amendment at this time, omitting the technical parts of it, references to pages and numbers, and stating only the substance:

> That the House Committee on Ways and Means and the Senate Committee on Finance are hereby directed to report to their respective Houses of Congress during the first session of the Eighty-second Congress, and as early as possible during said session, a bill for raising revenue by the levying, collection, and payment of corporate excess-profits taxes, with retroactive effect to October 1, or July 1, 1950, said bill to originate as required by Article I, section 7, of the Constitution.

Mr. President, I shall present now, very briefly, the reasons why we are offering the amendment in the nature of a substitute.

It is known to every Member of the Senate that in order to raise any revenue in 1950 the tax bill must be passed, and passed at a very early date, because the only cash to come into the Treasury under the bill, even with the proposed excess-profits tax, will come from the excise taxes, some few new ones having been added in the bill, and from the income tax on individuals, because these rates are increased beginning October 1. The corporate rates of course are increased beginning July 1, but corporate tax payments do not begin until March 15 of the year following the year the income is earned. That would be true also of the excess-profits tax if such a tax were to be written into the bill today. No actual cash would begin to come into the Treasury therefrom until next March.

I call attention to the further fact, Mr. President, that the amendment now pending is the fourth excess-profits-tax amendment to be presented. One was presented to the Senate Committee on Finance. A second amendment was submitted in the Senate on August 22. A third amendment was submitted in the Senate on August 24. A final one was submitted in the Senate on August 28. It seems to me there can be no clearer proof that it is impossible hurriedly to write a workable excess-profits-tax bill. In this connection I call attention to the fact that the last excess-profits-tax amendment in this series is but little better, if any better, than all the others.

First I want to say that the new excess-profits-tax amendment offered by the distinguished Senators from Wyoming and Texas is in my judgment defective in purposes, not merely technically. The amendment violates a fundamental concept of the old excess-profits law, although it is in large measure but a repetition of that law, namely, that income which is subject to the excess-profits tax should not again be subject to the normal tax and the surtax. I take that to be fundamental. I think that no debate would be required to sustain that as a sound statement of public policy. The new amendment subjects one-half of the excess profits to the normal tax and surtax as well, and does not allow any credit for the excess-profits tax paid in computing the normal tax and surtax. Therefore, the last suggestion of the two Senators named reverses a policy which the Congress believed fair and just in the World War II excess-profits tax, and results in double taxation of the same income. This I take to be fundamentally wrong.

Moreover, Mr. President, after these several attempts to perfect this amendment, we have the strangest possible situation, I think, that was ever submitted in a tax program. We have a base period stated in the amendment of calendar years 1946, 1947, 1948, and 1949. And yet with respect to 26 percent of the corporations, including some of the more important corporations, the base period varies. This result is not a mere matter of carelessness; it is a matter of great difficulty when we undertake to write a tax bill of this kind.

For corporations whose fiscal year ends January 31, the base period is 1947, 1948, 1949, and 1950. Bear in mind that time after time we have been reminded of the enormous profits corporations have been making in 1950. Yet for corporations whose fiscal years end January 31 they are given a part of fiscal year 1950 in their base, so the base period in that instance is not 1946, 1947, 1948, and 1949, but it is a part of 1947, 1948, 1949, and a part of 1950.

The corporations whose fiscal year ends February 28 also have the same base, that is to say, a part of 1946 to a part of 1950.

The corporations whose fiscal years end March 31 also have the same base, a part of 1946 to a part of 1950.

The corporations whose fiscal years end on April 30 also have four fiscal years, 1947, 1948, 1949, and 1950, and their base period includes 4 months of 1950.

The corporations whose fiscal years end on May 31 have a base which includes 5 months of 1950.

The corporations whose fiscal years end on June 30, to my utter amazement, have a base period of five full years. This is the fourth attempt to draw an excess-profits tax bill, yet under the plain mandatory provision of the last amendment a corporation whose fiscal year ends June 30 has 1946, 1947, 1948, 1949, and up until June 30, 1950, or half of 1950, as its base period. There is no typographical error here. It is just a plain misunderstanding of the basic principle of an excess-profits tax.

The corporations whose fiscal years end August 31 and September 30 actually have 1946, 1947, 1948, and 1949 as the base period.

Some 26 percent of the 383,000 profit-making corporations in the United States, including some of the most important corporations, are on the fiscal year basis. The fiscal year varies from the calendar year in every single instance, so far as those corporations are concerned. Under the amendment some of them, as I have read to the Senate, have a part, and a considerable part, of the year 1950 in their base period.

I am not arguing that 1950 should not be included as one of the base years, but I am submitting—and I am basing it on experience—that there is not anyone who can tell whether 1950 should be incorporated into the base period until there has been a hearing, and until computations have been made in a large number of particular cases, so as to obtain a true picture of what an excess-profits tax will do. That is all I have ever insisted upon.

Mr. President, that is not the only defect in the last-proposed edition. Another basic defect is that nearly all the relief provisions of the old excess-profits tax—and by that I mean the excess-profits tax of World War II—are nullified under this amendment as a result of attempting mechanically merely to move forward for 10 years a tax which was made to fit the period of 1936 to 1939, inclusive.

In general, the amendment offered by the distinguished Senator from Wyoming and the distinguished Senator from Texas restores the provisions of the excess-profits tax law which was in effect during World War II, but many of the provisions of the old law are not designed to meet the present situation.

I should like to refer to supplement A of subchapter E, which in general allows a reorganized corporation to take the base period of its predecessor. In one situation the provision is applied to a corporation which acquired, before October 1, 1940, properties of another corporation, solely as paid-in surplus or as a contribution to capital in respect of voting stock owned by such corporation. The date October 1, 1940, had reference to the time when the excess-profits tax was enacted. That date has absolutely no relevancy as used in the amendment.

Again, the section refers to corporations in existence prior to January 1, 1940, and also refers to corporations with taxable years beginning after December 31, 1940. Those dates had significance then, but they have no significance whatever now. Those dates were put in the World War II tax law as the result of long weeks of study and careful computation of the actual cases, case after case; and they had a meaning then and they were vital. Even if under the amendment, the year 1940 in the old act is required to be read as 1950, there is no logical justification for the particular months adopted.

The most expert tax man in America will have difficulty in applying these old dates to the present situation.

In the old excess-profits-tax law, the Congress wrote a provision requiring corporations with fiscal years beginning with 1939 and ending after May 31, 1940, to pay a tax on excess-profits net income for 1940, based upon the number of months ending after May 31, 1940. Even if the amendment is applied as intended by its distinguished authors to that situation, the date now would read May 31, 1950; but the entire theory of the amendment is to apply the tax according to the number of days ending after June 30, 1950, not May 31, 1950. This, to say the least, is most confusing and is another fact which renders this amendment still wholly unworkable, in its present form.

Mr. President, the base period selected by this amendment is 1946, 1947, 1948, and 1949, as I said at the beginning of my remarks. I do not say, and I cannot say, and I would not undertake to say, what a proper base period should be for a new excess-profits tax, because that is a matter requiring careful, long study, constant investigation, and actual computation of cases. However, I do call attention to the fact that 1946 was a year in which the industries of the United States were making the transition from war to peace, and generally all industries were operating at a comparatively low level at that time. In other words, that was the lowest year, in point of corporate income, which we have had since the end of World War II.

In 1946 the corporate earnings were but $23,500,000,000. In 1947 they were $30,500,000,000. In 1948 they were $32,900,000,000. In 1949 they were $27,600,000,000. I am not reciting these facts for the purpose of saying that the base period now proposed is not a correct one. I am simply citing them to point out that if we take the year proposed in the amendment, we shall throw a terrific burden upon certain industries in the United States which then were making a transition; and, unfortunately—and I think I may be pardoned for saying this—we shall strike almost a death blow at many of the industries in the entire South and, in particular, in my own State. Otherwise I would not, I think, be so acutely aware of just how the selection of these years as base-period years, without the inclusion of relief provisions, would wreck our economy.

If the amendment should be adopted, I would offer to it an amendment which at least would preserve the old base, the one we had in the 1936 to 1939 period.

Mr. THYE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield, although I prefer not to yield at this time.

Mr. THYE. My only purpose is to obtain clarification. I think the Senator from Georgia said the amendment would affect the businesses in the southern States. I could not quite follow the Senator's statement in that connection.

Mr. GEORGE. I said it so happens that the amendment would affect particularly and peculiarly the large industries which we have in the South and, in particular, those in my own State, and that is the reason why I am so acutely aware of the effect of the selection, without the inclusion of any relief provision, of the year 1946. I have no doubt that situation would apply all over the country, because corporate incomes were low in the year 1946. That was the connection in which I made that reference.

Mr. President, I wish to speak briefly, without argument, of the situation existing even under the old excess-profits tax. Over a period of many, many weeks we made every reasonable effort to devise adequate but fair and necessary relief for corporations which then were not enjoying the profits or the income which they normally might have anticipated due to causes which should be recognized, as we felt, in the law.

Finally we included in the law certain relief sections. Almost all persons—certainly all taxpayers, and also all lawyers who have to practice tax law—are familiar with section 722, the general relief sections of that bill.

Section 722 would, in my frank, honest, and sincere judgment, afford no relief, under existing conditions, to any of our corporations which would be entitled to some relief.

I wish to call particular attention to the fact that section 722 has not been effective in the case of corporations which come under the World War II Excess Profits Act. There are approximately from 13,000 to 15,000 claims arising out of the Excess Profits Tax Act pending now in a special division of the Bureau of Internal Revenue. The tax liability under those claims approximates some $3,500,000,000. The tax counsel of the Bureau of Internal Revenue has passed upon approximately 1,000 claims, and 500 of these are now in the Tax Court.

The excess-profits tax leads to more prolonged, expensive, and difficult litigation than does any other tax we can devise, though it be necessary to levy one. At best, it is simply one of the taxes which inevitably lead to long-drawn-out, expensive, and most difficult litigation.

I desire now to read from a letter received from a very good friend of mine. I shall not read the entire letter. This friend is too modest and is equally too well known in the field of accountancy and in the general field of tax legislation in this country for me to put his name in the RECORD. The letter is dated August 21. I desire to read one paragraph:

In view of the foregoing—

Referring, Mr. President, to facts which, of course, are not controverted—

it would appear wise, if not absolutely necessary, for Congress to formulate a new excess-profits tax effective beginning January 1, 1950, but even then it should not establish the tax rates until the March 15 tax returns have been filed, so that the first quarter income-tax payments can be used to determine the extent of the additional taxes required.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Florida?

Mr. GEORGE. I yield.

Mr. HOLLAND. Did the Senator read the date correctly, January 1, 1950? I refer to the date of the taking effect.

Mr. GEORGE. It was his view that it ought to begin January 1, 1950, but that, even then, we should not establish the rates until March 15, 1951, the date these tax returns are filed.

I shall now read a statement which most Senators perhaps have seen. It is a statement issued by the program committee of the Committee for Economic Development, which was issued on Monday of this week, August 28. What they have to say about an excess-profits tax is in line with what the committee has tried to say to the Senate from the beginning.

The military effort should not be the occasion for excessive profits.

Everyone will agree with that.

The most effective way to accomplish this is by strict pricing of military procurement, renegotiation of military contracts, and an over-all stabilization program that will prevent inflation.

I should like to digress for a moment to say that some days ago I referred to a law which is presently on the books regarding the renegotiation of contracts, so far as airplanes and parts are concerned. I have been reminded by the Office of the Secretary of Defense that the law providing for the renegotiation of contracts is now in effect and applies to every negotiated contract, and further, that more than 70 percent of all contracts for war materials, implements, munitions, or what not are negotiated contracts. In other words, that law is now in effect with respect to all war production, wherever the contract is negotiated. More than 70 percent of such contracts are negotiated. The others, of course, are contracts which are let, after advertisement, to low bidders. But, to read further:

An excess-profits tax is not an effective way of doing this job because it is impossible to devise a tax that will isolate a particular part of total profits as being due to the military effort rather than to other factors. Considered as a general source of revenue, the essence of the excess-profits tax is that it imposes an extremely high rate of tax on a part of profits rather than collecting the same amount of money through a less extreme rate applied to all profits. The extremely high rates of tax encourage wasteful expenditures by corporations because most of the cost is at the expense of the Treasury. Moreover it is impossible to devise an excess-profits tax that does substantial justice as between new firms and old ones, growing firms and declining ones, firms with large capital and firms with small capital. The defects of the tax would be especially serious if it were used to finance a long-continued program of rearmament such as we must now face. However, we recognize that the excess-profits tax, despite its defects, may be necessary as part of a hold-the-line effort in an extreme emergency. When and if its imposition does become necessary, careful drafting will be required to minimize its inequities and inefficiencies where possible.

I read that because it expresses the same thought that those of us on the Finance Committee have tried to express in the Senate.

Mr. BENTON. Mr. President, will the Senator yield to me for a brief statement, or does he prefer not to be interrupted at this time?

Mr. GEORGE. I am glad to yield to the Senator from Connecticut.

Mr. BENTON. Mr. President, I first met the distinguished Senator from Georgia when Secretary Jesse Jones sent Mr. Paul Hoffman and me to call on the Senator from Georgia about the formation of the Committee for Economic Development, from whose recent report the Senator has just quoted at such length. Indeed, I only resigned as vice chairman of the CED and from its research committee at the time I entered the United States Senate. I am still a member of its board of directors.

I am pleased the Senator from Georgia quoted this report. In my judgment, many of those who have been engaging in the debate in the last day or more fail to appreciate the extent to which the excess-profits tax is in fact a form of economic control. It is not just a high tax. As a form of control, it has grave dangers to our free economy.

Mr. President, I agree with the statement of the Committee for Economic Development that this excess-profits amendment which we are discussing is an incentive to waste such as has never been equaled before in any economy, at any time.

A whole army of Treasury agents, an army as large as we now have in the field in Korea, would not be large enough to police our economy and see to it that the waste generated by the incentive this

amendment provides is properly controlled.

Mr. President, I should like to remind the Senate that during World War II the excess-profits tax was accompanied by price control, wage control, by scarcities, shortages, allocations, priorities, and so forth. There were approximately 30,000,000 people manufacturing goods wholly for the war effort. A hundred billion dollars were being spent for war purposes and against a smaller total national economy than we have today. Today only twenty-five or thirty billion dollars are being provided and allocated, and against a larger total national economy than in the war years.

An 85 percent excess-profits tax, as one of a series of controls, including all other controls, is one kind of proposition. An excess-profits tax of this magnitude, and without all these other controls, is quite another proposition.

I should like to reinforce the comments of the distinguished Senator from Georgia, Mr. President, on the inequities and injustices involved in the excess-profits tax as proposed in the amendment we are discussing. Entirely apart from the kind of larger businesses to which the Senator from Georgia referred with reference to his own State, let us take a man who has started his own business within the past 5 years, and has taken little or nothing out of it in salary. This amendment does not provide such a man with an adequate base or backlog against which he can continue to operate. He may be only now reaching a point of success, and this amendment undercuts him and could destroy him.

Under this amendment, Mr. President, the rich will become richer, and the poor, the little fellow, will become poorer. It will thus have exactly the opposite effect of that which is intended, because a rich corporation can pay 85 percent in excess-profits taxes and can still obtain plenty of money with which to advance its plant and working capital. Further, the big corporation will know how to spend money on research, development, new products, new packages, advertising, and expense accounts. Working capital is no problem for the big fellow. But the little fellow, building his own business, is the one who will feel the full blow. He will have to pay up.

So, Mr. President, although I agree that the problem is urgent and that we must not permit people to become rich because of the war while our boys are fighting in Korea or while there is an increasing trend toward a war economy, I agree wholly with the Senator from Georgia that there should be a study and that hearings should be held. I want an excess-profits tax but I want one which penalizes our economy as little as possible. There is time to exact a sound tax, and a fair one—as sound and as fair as such a tax can ever be. Let us do the best we can do in working out equities in connection with a law which can then become retroactive.

In conclusion, Mr. President, I would say that all these controls on our economy are very unhappy necessities, and it behooves us not to be swept hurriedly into a sudden enactment of the kind being proposed here. Our problem is to get the maximum tax results with a minimum risk to the things for which we are fighting. Our free society rests, in large part, on our free economy. Our immediate problem is to work out an excess-profits tax along the lines the Senator from Georgia has been recommending, and which, to the maximum extent possible, will not work unjustly against enterprise, against initiative and small business.

Mr. President, the 85-percent tax as now proposed would encourage waste and extravagance, as has been pointed out by the Committee for Economic Development, and I earnestly hope the Senate will reject the amendment and follow the suggestions made by the distinguished chairman of the Finance Committee.

Mr. GEORGE. I thank the distinguished Senator from Connecticut for his valuable contribution to the general discussion of the subject.

I have emphasized the points to which I have invited attention solely for the purpose of indicating the difficulties ahead of us. The treatment under existing conditions would be wholly inadequate if we should make the decision hurriedly to impose an excess-profits tax of the kind proposed by the amendment. I am not making an argument against it, because the substitute in which the distinguished Senator from Colorado [Mr. MILLIKIN] and the chairman of the Finance Committee are joining calls for a study and for a report of an excess-profits-tax bill in the first session of the Eighty-second Congress, retroactive to either October 1 or July 1, 1950.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GEORGE. In a moment.

That seems to me to be entirely fair, Mr. President, and it seems to me it would accomplish all purposes which could be accomplished, and, at the same time, would safeguard against hurried, hasty, and perhaps harsh and unintended effects upon any segment of industry.

I shall be glad to yield to the Senator from Louisiana.

Mr. LONG. I am interested in knowing whether the Senator from Georgia is going to discuss the question to which I am about to refer. The amendment would establish a base period predicated on average earnings during peacetime, that is, immediately prior to 1950, and allow 80 percent of the earnings of the corporation. I understand that 85 percent of all profits earned would go to the Government in taxes. I believe the point has been made that that might be extremely wasteful, because a corporation which, in peacetime, was earning a million dollars each year, when it realized that all over $800,000 would be taken in taxes, could be expected to increase enormously its expense accounts for employees, and would pay higher wages to employees giving their best skill to acquiring the best possible contracts for the corporation. In that event, would it not be the case that, whereas the Government would be collecting 42 percent of the profits under $800,000, if the corporation then became wasteful of the additional amount in the excess brackets, the Government would not collect additional taxes if the corporation frittered money away in unnecessary expenses?

Mr. GEORGE. That is correct. The amendment would reduce collections from an excess-profits tax. I think the Senator is correct about it.

However, I am not going into the merits of the matter so much as the difficulty which would result from the hasty enactment of this particular proposal.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GEORGE. I shall be glad to yield.

Mr. MILLIKIN. In the reading of the substitute, the portion having to do with the preliminary study by the joint committee was not read. I wonder if the distinguished Senator would mind reading that part, so that it will officially appear as a part of the proposed substitute.

Mr. GEORGE. I certainly beg the Senate's pardon for failing to read it. I suppose I should now read it all:

(a) The House Committee on Ways and Means and the Senate Committee on Finance are hereby directed to report to the respective Houses of Congress during the first session of the Eighty-second Congress, and as early as practicable during said session, a bill for raising revenue by the levying, collection, and payment of corporate excess-profits taxes with retroactive effect to October 1 or July 1, 1950, said bill to originate as required by article I, section 7, of the Constitution.

What I neglected to read was:

(b) The Joint Committee on Internal Revenue taxation, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a full and complete study of the problems involved in the taxation of excess profits accruing to corporations as the result of the national defense program in which the United States is now engaged. The Joint Committee shall report the results of its study to the House Committee on Ways and Means and the Senate Committee on Finance as soon as practicable.

I appreciate the fact that my attention was directed to the omission.

Mr. McCLELLAN. Do I understand correctly that the amendment just read is to be proposed as a substitute for the O'Mahoney-Connally amendment?

Mr. GEORGE. It is proposed as a substitute for the excess-profits-tax amendment. I wanted to make this statement, Mr. President, repeating that it is not my purpose to discuss the merits or demerits of any particular tax program at this time, or to offer captious criticism of the amendment offered by the distinguished Senators from Wyoming and Texas, but to point out the difficulty, the inherent difficulty, the unavoidable difficulty, which does not yield to mere logic, but can yield only to a study of numerous cases; otherwise the tax will do great injustice to many, many industries.

Mr. President, a corporation may be likened to a young man who is starting out in life. He starts out at perhaps a very low wage or salary. He hopes it will increase as the years go by. He does reach a point where he can double his

wage or double his salary, or perhaps triple his wage or salary. He goes on toward his peak. He is a growing member of society. A corporation goes through precisely the same process, if it is a successful business enterprise. Then it levels off and perhaps begins to decline, as a man does. A tax which does not take into account all the stages through which a business enterprise passes, and must pass, is inevitably a most unjust and unfair system of taxation.

Therefore, Mr. President, it is the purpose of the committee, as I said in the beginning, as indeed the report said, as I have repeated, and as is now abundantly made clear by the substitute proposal which we offer, to do the studying and work and to bring before Congress a bill which will do the very best we can with this difficult problem. I assure the Senate that no time will be lost, or is being lost. Of course, it is within the competency of Congress to make it effective as of the very date proposed in the amendment, if Congress desires to do so.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. JOHNSON of Colorado. Is it true that under the substitute proposal as much revenue can be collected over the identical period covered by the original proposal, provided Congress wants to make it that way?

Mr. GEORGE. Absolutely, without any qualification. It might even collect more. It depends upon how successful we are in arriving at the proper base period, and how universally or nearly universally applicable we can make the excess-profits tax. Certainly it would produce as much, and should produce more. It would depend upon how efficiently we could do the work. We would certainly hope to raise additional revenue, rather than lose any revenue, and over the identical period, so far as that goes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WHERRY. Does the proposed substitute for the so-called O'Mahoney-Connally amendment go back to the same period retroactively as is provided in the O'Mahoney-Connally amendment?

Mr. GEORGE. It provides that it shall become effective retroactively to October 1 or July 1, 1950. July 1 is the date named in the O'Mahoney-Connally amendment.

Mr. WHERRY. I should like to ask another question if the distinguished Senator will yield.

Mr. GEORGE. Yes.

Mr. WHERRY. The distinguished Senator from Connecticut [Mr. BENTON] said he substantiated the report from which the distinguished Senator from Georgia read, relative to the impact on various businesses. I should like to ask a question in line with what he said about the situation which may develop in his own State of Georgia. Would the impact of the base period which is suggested by the so-called O'Mahoney-Connally amendment be greater on small business because of those years, than otherwise?

Mr. GEORGE. I think so. We have no large business, as large businesses go, in my State. The great bulk of them are medium- or middle-sized businesses.

Mr. WHERRY. Will the Senator yield further?

Mr. GEORGE. Yes.

Mr. WHERRY. I did not mean to apply it only to the Senator's State. In view of the statement which the Senator made about the impact in his own State, does the Senator of his own knowledge know whether or not those years, as a base period, as suggested by the O'Mahoney amendment, would have a greater impact upon small businesses than would other years.

Mr. GEORGE. Undoubtedly.

Mr. WHERRY. Does the Senator see my point?

Mr. GEORGE. Yes; because 1946 was the poorest postwar year we had, when many new struggling corporations and small corporations were pretty badly crippled. The corporations that rode out the storm were for the most part the highly capitalized and very adequately financed organizations.

Mr. WHERRY. Does that explain to a great extent the statement made by the Senator from Connecticut that, if base period set forth by the O'Mahoney amendment is used, the rich will become richer and the poor will become poorer, because of the impact upon the corporations which suffered terrific hardships in 1946?

Mr. GEORGE. That is undoubtedly true. I am sure it must have influenced the thinking of the distinguished Senator from Connecticut. However, the inevitable effect of an excess-profits tax, if the rate is made too high, is to create monopoly on the part of the big, highly capitalized corporations with large earnings because the small ones cannot grow if the tax rate is made too high.

In a war, of course, we can put taxes as high as we want to put them. England made a mistake in the early part of the war when she fixed the rate at 100 percent. She very speedily had to change it in order to prevent the absolute destruction of her industries.

Mr. WHERRY. I thank the Senator for his observations. I am in total agreement with the statement made about monopoly being created. However, it still is not the point I am trying to have answered. I think the Senator has answered the question, because he said of his own knowledge the use of those base years would be very difficult, and would cause a terrific impact on small business. If that be true, we would have more monopoly created than if we took a different base period.

Mr. GEORGE. That is quite true. Therefore the necessity exists for long, continued, and careful study, until we can arrive at a base period which will permit small growing corporations to retain a reasonable proportion of their earnings, so as to prevent their collapse and destruction.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

Mr. GEORGE. Yes.

Mr. WHERRY. The substitute amendment, which in reality is a motion with instructions to the Committee on Ways and Means of the House and the Finance Committee of the Senate to report back to Congress, will permit the study of the cases—and I suppose there will be hundreds of them—so that the committee can make a recommendation, and recommend the broadest base, with the most practicable schedule, which would give the most return with the least impact upon all corporations. Is that the situation?

Mr. GEORGE. I think so.

Mr. WHERRY. The Senator thinks that can be accomplished if study is made?

Mr. GEORGE. I think so. That is the whole purpose. Otherwise the committee would rather not undergo the hardship that is incident to this kind of a study.

What I was undertaking to say just now, Mr. President, is that everyone knows that the House is about to recess, for 10 days, perhaps. I think it quite impossible now to get House action on this bill even if we could pass it at this moment, and ask them to go into conference with us. They will not be back to work, the chairman of the Committee on Ways and Means tells me, until the 12th or 13th of September, and I fear that is going to make it too late to make the section of this bill relating to individual income taxes operative by October 1. But be that as it may, we have been delayed in the matter, and that is water over the dam, and we cannot remedy the situation.

If the substitute we are offering should be adopted by the Senate, then we would be able to hurry the consideration of the other features of the bill, in the hope of getting them through at the earliest possible time, so that insofar as there is now or will be after October 1, in a degree, a loss of some revenue, we might make the bill effective, thereby stopping the loss.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. O'MAHONEY. Is there any possibility that we might agree now on a time for a vote upon the substitute which the Senator has presented?

Mr. GEORGE. I do not know. So far as I am concerned, it would be possible, but I do not know whether we could arrive at an agreement. However, I certainly hope we can vote today or tomorrow.

Mr. O'MAHONEY. I am very anxious to facilitate the vote, and I announce now that if the Senator in charge of the bill is willing to ask for a unanimous-consent agreement whereby a vote may be had, I am sure my colleague, the Senator from Texas, and I, and all who have been interested in promoting the excess-profits tax theory, will be quite willing to agree with the Senator to vote at a time fixed.

Mr. GEORGE. I should be willing to do that, but I would rather confer with others associated with me.

Mr. MILLIKIN. Mr. President, I assume the Senator from Wyoming means a vote on the O'Mahoney amendment, as

amended, and the substitute proposal, and not on other matters brought in.

Mr. O'MAHONEY. Oh, yes. The Senator from Georgia and the Senator from Colorado have offered a substitute, so that my suggestion has to do solely with that substitute, and the original amendment to which it is a substitute, and not to any nongermane or irrelevant matter.

Mr. MILLIKIN. The amendment as amended by the Williams amendment?

Mr. O'MAHONEY. It has not been amended by the Williams amendment.

Mr. MILLIKIN. It has not been amended yet, but the Williams amendment is pending. All I want to get at—and I desire to have it made very clear—is that there is no chance to enlarge this subject beyond the O'Mahoney amendment, the Williams amendment to the O'Mahoney amendment, and the substitute.

Mr. O'MAHONEY. The Senator is quite right.

Mr. GEORGE. Mr. President, the Finance Committee has been a very hard working committee during the entire year. The committee went into early session and into early consideration of the old oleomargarine tax bill, as the first order of business, in January of this year. That bill was before the Senate for many days. Then it was in conference for quite a number of days.

The committee went actively to work on the Social Security bill on January 17 and worked upon that bill continuously until exactly 6 months later it became law by the signature of the President. Then we had to handle many, many bills affecting veterans, and minor tax measures.

Since the fifth day of July, immediately following the outbreak of the Korean war, the committee has been actively engaged, first, with the pending bill as it originally came from the House, and then subsequently, in executive session, after the requests submitted by the President and the recommendations submitted by the Secretary of the Treasury, on a bill to secure additional revenue.

I may say, and I say it in all kindness, that in my long service in the Senate I have never known a responsible committee to receive less consideration than the Finance Committee has received with regard to the pending tax bill. We are now offering, by the substitute, to direct the taxing committees of the two Houses to bring in a bill which may be retroactive to the very date of the proposed amendment, and I now bring the Senate assurance from the Chairman of the Committee on Ways and Means of the House that to the fullest extent of his ability to do so he will concur and cooperate fully in whatever the Senate Finance Committee may do with respect to the bill.

Mr. President, I am offering this suggestion also for the reason that if this bill is to become effective so far as the excise taxes and increases in individual rates are concerned, the speediest possible action must be taken, with the possibility remaining that we cannot make the bill effective even by the first day of October, as we originally contemplated.

Mr. President, I earnestly hope that the Senate will approve the substitute we are now offering.

The VICE PRESIDENT. The substitute will be printed and lie on the table. It cannot be offered until the Williams amendment has been disposed of.

Mr. GEORGE. The Vice President is entirely correct. I did not mean to offer it formally.

The VICE PRESIDENT. The Senator does wish to have it printed and to lie on the table, does he not?

Mr. GEORGE. Yes.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. O'MAHONEY. Mr. President, I desire to say that if these were ordinary days and the Congress of the United States and the people of the United States were confronted only by ordinary problems, I would be the last person to suggest to the Senate that it should not follow the recommendations of the distinguished Senator from Georgia [Mr. GEORGE] who has rendered such valuable service to his State and to his country upon the floor of the Senate. But these are not ordinary days. These are extraordinary days in which freedom for mankind hangs in the balance.

I have absented myself from a meeting of the Committee on Appropriations this afternoon in order that I might have the benefit of listening to the address—as always, an eloquent address—of the Senator from Georgia. In the Committee on Appropriations we are considering the requests of the Department of Defense and other departments of the Government for large expenditures in order to carry on the defense of liberty in the whole world. These expenditures cannot be paid for by dollar signs upon white paper. They can be paid for only by raising revenue.

I am sure that every Member of the House and every Member of the Senate must be impressed not only by what he sees and hears in Government circles and before the committees, but by what he reads day after day in the newspapers. This morning the Washington Post, on its front page, carries two headlines which must enter into the mind and the heart of every person responsible for the action of Government with respect to the financing of the great effort in which we find ourselves. Here I find upon the front page two 2-column heads. One reads:

> Acheson, Johnson testify. Three billion five hundred million dollars in tanks, planes, and guns asked for Europe.

That is only a part of the 15- or 16-billion-dollar supplemental appropriation bill just passed by the House. In a neighboring column appears another two-column headline:

> 1,000,000 men with families face draft call in the near future.

Thus, upon the one hand, we have requests for the huge appropriations which we know we must make, and upon the other hand, we in Congress are sending a notice to men with families that they must be drafted and serve the country's call. Yet we are told that we must hesitate, defer, and delay with respect to the taxation of corporate profits which have reached a peak so high that no one ever before imagined that profits could reach such a peak.

Again I say, Mr. President, we cannot meet these expenses with dollar signs upon white paper. We must call upon the economic strength of the Nation just as we are calling upon its physical strength. We take the body of the father of a family, and we put him into uniform. Does the excess-profits tax take the body of capital? Not at all. Does it take all the profits? Not at all. Does it take a great, substantial part of the profits? Under the amendment proposed by the Senator from Texas [Mr. CONNALLY] and myself the tax is levied only upon those profits which are higher than four-fifths of the average income of the base period.

Is it any argument against the justifiability of such a tax upon the huge profits to say that it is difficult to levy such a tax? Last night I was talking with a distinguished general, who was head of one of the greatest military enterprises of the last World War, and he referred to what our military forces had done to resist aggression in Korea. He said, "You may mark my words: The operation in Korea will go down in history as one of the greatest military achievements of all time." I said, "Why?" His answer was, "Because of the difficulties that were involved in getting men and material 7,000 miles across the ocean to meet the attack of the Communist North Koreans."

Did we hesitate because it was difficult to load flying boxcars with weapons, with ammunition, and with disassembled tanks that were to be assembled when they got across the ocean? Certainly we did not. Do the soldiers who are fighting in Korea hesitate when they receive an order to storm yonder heights and drive out the Communist North Koreans? No. They rise above the difficulties. And we are told that the Congress is in a hurry to adjourn, that the Congress wants to close up shop, and we cannot take time to deal with this difficult problem. All sorts of difficulties are portrayed for us.

The distinguished junior Senator from Connecticut [Mr. BENTON] told us a few moments ago that the whole Korean Army would not be large enough to police the businessmen of America who would be trying to escape this tax. Ah, Mr. President, I think that is an insult to business management in America. That is not justified by the facts.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. In a moment. Are our corporations headed by leaders who are so desirous of avoiding taxation that it would be necessary to call upon the whole Korean army to police their efforts to avoid, to expend, to waste, to throw away the money, rather than to contribute the money to the Government to support the Army which contains their own sons? The question answers itself.

I now yield to the Senator from Georgia.

Mr. GEORGE. I wanted to call the Senator's attention to the fact that he was misquoting or misinterpreting the statement of the distinguished Senator from Connecticut. The Senator from Connecticut was merely illustrating how difficult it would be to check waste which would result from this type of tax. He did not intimate nor suggest that it would take an army larger than the Korean army to police dishonest businessmen, dishonest business.

Mr. O'MAHONEY. Mr. President, the RECORD will speak for itself.

Mr. GEORGE. Well, I call attention to that.

Mr. O'MAHONEY. When the Senator from Connecticut was speaking, I made a penciled note of his remark, because I have heard the same remark before, or something similar to it. I made a penciled note of his remark, and this is it: "Korean army not big enough to police business in the avoidance of these taxes." I did not write down every word. But it has been said by many distinguished opponents of this excess-profits tax amendment that if we levy it, business management will spend the money they ought to pay in taxes to support the defense of freedom, that they will spend it in unnecessary expense accounts, in employing unnecessary labor, in increasing the wages of labor, in buying unnecessary advertising, and in doing anything and everything they can think of to keep from paying a percentage of extraordinary profits to the Government of the United States, the only great power in the whole world that can stem the advancing tide of communism.

Mr. President, it seems to me that too often we think of these days as though they were normal days. We think of the difficulties of writing a tax, and we imagine great inequities.

The Senator from Nebraska [Mr. WHERRY] addressed to the distinguished Senator from Georgia [Mr. GEORGE] an inquiry with respect to the impact of this tax upon small business. It is not necessary for us to depend upon opinion in order to obtain the answer to that question, for the facts are here. I have before me a table taken from the Treasury report on the excess-profits tax of 1944, the last year for which the returns from that tax have been fully reported. The table shows that the number of returns which were filed under the World War II excess-profits tax for the year 1944 was 55,912. There were approximately 430,000 or 440,000 corporations in the United States that year. Less than 14 percent of those corporations had to file an income tax showing excess-profits liability—less than 14 percent of more than 400,000 corporations.

However, Mr. President, the excess-profits tax proposed in our amendment is a milder one than that which applied in 1944 or throughout World War II. In the case of the World War II excess-profits tax, the base was not a percentage of the average, but was the full average for the years 1935, 1936, 1937, 1938, and 1939. The base proposed in the amendment submitted by the Senator from Texas and myself is 80 percent of the average of a period 10 years later.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I wish to go a step further, and I think by doing so I shall more clearly answer the Senator's inquiry.

Of corporations which paid an excess-profits tax, those which had adjusted excess-profits net income in excess of $1,000,000 but less than $5,000,000 numbered 1,526. The corporations which had excess-profits net income above $5,000,000 but less than $25,000,000 numbered 299. Those which had excess-profits net income in excess of $25,000,000 were 55 in number.

Those three classes numbered 1,880, and they reported 68.5 percent of the total liability for excess-profits taxes in that year. Those 1,880 were at the top of the scale with net adjusted excess-profits tax incomes of $1,000,000 or more; and they had 68.5 percent of the tax liability, or $7,146,300,000, whereas 43,719 corporations at the bottom of the scale, with excess-profits net income of $100,000 or less, had only 7.8 percent of the total liability.

The excess-profits tax provided by this amendment will not penalize small business. The figures for 1944 show that clearly. A special exemption of $10,000 is provided in this case, so no company——

The VICE PRESIDENT. The Chair instructs the doorkeeper at the main entrance to keep those who are at the door quiet.

Mr. O'MAHONEY. But to allow Senators to enter, of course, Mr. President.

The VICE PRESIDENT. Yes, of course. They can come in quietly, but they do not do so. [Laughter.]

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Yes, indeed.

Mr. WHERRY. I appreciate the import of the figures the Senator has presented. In a general way I have some knowledge of them.

I should like to request the opinion of the distinguished Senator from Wyoming in connection with the observation previously made by the distinguished Senator from Connecticut, when he said that the rich will become richer and the poor will become poorer under the formula proposed by the distinguished Senator from Georgia.

I asked the Senator from Georgia what would be the effect of using the year 1946 as the base period, when we compare the profits made in that year with the profits made in the years following it.

Under section 722 the experience in my section of the country has been that incomes for that year were so low—regardless of who reported the income—that the use of the year 1946 as the base period worked a hardship on those who made returns based on computations involving the use of that year as the base period, regardless of whether those making the returns were farmers or others.

Mr. O'MAHONEY. Yes. Let us bear in mind that the years 1936, 1937, 1938, and 1939 followed close after the depth of the depression, with the year 1936 being only 4 years after the depth of the depression; and of course, in those years many corporations were losing money.

However, the record before us, as dramatically restated in the editorial appearing in Life magazine for July 31, which I read on the day when I presented the amendment, shows what all of us know to be the fact, namely, that the corporations which today are in the losing brackets are inconsiderable in number, as compared with those which were in the losing brackets 10 years ago. Today we are living in a new era of prosperity.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. O'MAHONEY. Certainly.

Mr. WHERRY. If it were conclusively demonstrated that the selection of the year 1946, for example, would result in working a great hardship on small business, as compared with the selection of another year as the base period, and if that showing were definitely made after a thorough study of the matter, would the Senator from Wyoming be averse to having another year used as the base period, so that by so doing the impact of the tax would not be as great as would be the case if 1946, for instance, were selected as the base period?

I asked that question of the distinguished Senator from Georgia. I understood him to say that because of the great difficulties experienced in 1946—which was a time when the veterans were returning to private life, and when many of them were going into small business; and of course at that time many of them were laboring under severe handicaps—the selection of the year 1946 as the base period would result in working great hardship.

In view of the fact that the base period selected by the Senator from Wyoming includes the year 1946, I wonder whether the selection of another year for use as the base period would cause a less severe impact.

Mr. O'MAHONEY. Of course that is quite possible. In that connection, let me call attention to the fact that one of the provisions of the amendment, on page 9, in section 702, entitled "Investigation by Joint Committee on Internal Revenue Taxation" is a distinct directive to that committee to make a full and complete study of the taxation of excess profits accruing to individuals, proprietorships, partnerships, or corporations, and states that the committee shall report the results of its study to the Congress as soon as practicable, but in no case later than March 31, 1951.

We have no objection to a study. We would like to see a study undertaken, but in this great crisis of our national history we feel that there should be no reason why in a conference between the two Houses, the study cannot be carried on sufficiently to justify the imposition of an excess profits tax now.

Mr. WHERRY. Mr. President, will the Senator yield for one more question? I do not want to interfere with the continuity of his speech.

Mr. O'MAHONEY. I yield.

Mr. WHERRY. The Senator is making a very forceful argument of course in favor of the amendment, but I think it is highly important to cover the base

period. I am asking the distinguished Senator, in view of the fact that it has been pointed out that a study is to be made, what difference is there in reality between the amendment offered by the Senator from Wyoming and the proposal of the distinguished Senator from Geogia? As I understand, the Senator from Wyoming would have the amendment adopted now, and then a study made. The resolution of the distinguished Senator from Georgia, which is proposed as an amendment to the amendment offered by the distinguished Senator from Wyoming, would call for a study to be made and for the base to be determined. The tax would then be assessed retroactively to the same date as that to which the tax would accrue if the amendment offered by the Senator from Wyoming were adopted. Is that correct?

Mr. O'MAHONEY. I am very glad the Senator asked the question. Page 3 of the report of the Finance Committee gives the answer to the Senator's question. Let us bear in mind now, first of all, that the President of the United States requested a corporate tax which would be retroactive to January 1, 1950. The Finance Committee said, "Retroactive taxes are unwise, they are unsound, and they would upset business. We do not want a retroactive tax." So they reported a bill which imposes corporate taxes from July 1, 1950, only, in order that it might not be retroactive.

In connection with the table on page 3, entitled "Table 1—Comparison of the Estimated Effect of the Finance Committee's Bill and the House Bill on Tax Liabilities in a Full Year of Operation and on Collections in the Fiscal Year 1951," we find that the Finance Committee itself stated that, whereas the House bill, which was a bill to modify excise taxes and to plug loopholes and increased revenue by $100,000,000 from charitable trusts, family foundations, educational institutions, and the like, the Senate bill increases that revenue by only $60,000,000. The Senate committee cut down the tax revenue of the Government in this great crisis from this category by $40,000,000 for the year.

Mr. GEORGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Georgia?

Mr. O'MAHONEY. I yield.

Mr. GEORGE. I hope the Senator will yield.

Mr. O'MAHONEY. I certainly will.

Mr. GEORGE. The Finance Committee did not cut it down because the rates were high or excessive. The Finance Committee cut it down because we were wholly unwilling to destroy certain religious, charitable, and educational trusts.

Mr. O'MAHONEY. The Senator may have had a very good reason for it. I do not challenge the reason.

Mr. GEORGE. I wish to make it clear. What has that to do with the excess-profits tax?

Mr. O'MAHONEY. It has this to do with it, Mr. President, that the bill before us reduces revenue in some categories below that which was provided by the House bill. Another item——

Mr. GEORGE. Oh, certainly, it might do that on some particular item as to which we could not agree with the House.

Mr. O'MAHONEY. Yes.

Mr. GEORGE. But with respect to others, we agreed with the House.

Mr. O'MAHONEY. I want to point out the number of cases in which the Senate committee disagreed, upon the downside. Here is the tax on miscellaneous loopholes. The House proposed to increase the revenue of the Federal Government by $141,000,000. The Senate committee proposes to increase it by $68,000,000 only. Here is the case of life insurance companies. This is the reverse. The House bill reported an increase of $70,000,000. The Senate committee increased that to $80,000,000—a $10,000,000 increase. Here is a very interesting item—interesting because of its significance, not perhaps so much because of the amount involved, though it is a considerable sum. The House bill proposed to change the rate of interest paid by the Federal Government on overpayments of taxes. The rate in the present law is 6 percent. The House reduced it to three. Why? Because it was satisfied that a great many persons with large incomes, unable to obtain investments producing anything like 6 percent, deliberately overpaid taxes to the Government and filed claims for refund with 6 percent interest.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. GEORGE. Mr. President, I do not care to interrupt the Senator at this point, in his general onslaught upon what the committee did, but I wish to make it perfectly clear that in the Secretary of Treasury's own statement he refused to follow the House recommendation. In other words, "Your Government," he said in effect, "could not charge 6 percent upon a deficiency but pay to the citizen only 3 percent when it refunded him his money." And on a strict basis of morality the Secretary of the Treasury himself repudiated that provision.

Mr. O'MAHONEY. The Senator is quite right. I read from page 53 of his report:

(6) INTEREST ON REFUNDS AND DEFICIENCIES

Under existing law overpayments refunded by the Government bear interest at the rate of 6 percent, the same rate as is paid by the taxpayer on deficiencies. Under the House bill (sec. 602) the interest paid by the Government on overpayments would be reduced to 3 percent. Your committee is of the opinion that the resulting difference between the interest rate paid and that received by the Government is discriminatory. Therefore, the House provision has not been included in your committee's bill.

I do not now debate with the Senate committee nor with the Secretary of the Treasury. I have no doubt that Secretary Snyder agreed with the committee on this point. What I am pointing out, however, is that by the report of the Finance Committee the revenue of the Federal Government was cut by $45,000,000 below the House bill, by this action.

Mr. GEORGE. Mr. President, will the Senator defend that provision of the House bill?

Mr. O'MAHONEY. Mr. President, I just said to the Senator that I am not debating that issue at the moment. I am merely calling the attention of the Senate to the fact that in the bill reported by the Finance Committee there have been numerous reductions below the revenue-yielding capacity of the House bill. That is one of the reasons why I feel it is imperative upon us now to add the revenue which we would get from an excess-profits tax.

Mr. GEORGE. And yet I call the Senator's attention to the fact that the bill as reported would increase revenue by nearly $5,000,000,000, whereas the House reported an increased revenue of only $51,000,000.

Mr. O'MAHONEY. Yes, of course, the Senator from Georgia is correct, because he has reported a bill which is intended to raise some revenue, and the great increase over the House bill is accounted for by the fact that this bill contains individual income tax rates producing $2,745,000,000 — $2,745,000,000 upon an annual basis in individual income tax returns, but only $1,500,000,000 on corporate income.

Mr. President, those are some of the facts which can be pointed out. I should say, of course, in order to be quite just to the committee, that the House committee reduced the revenue from excise taxes by $910,000,000, and the Senate Committee on Finance has eliminated the decrease and provided new revenue amounting to $55,000,000 from that source, for which I think the committee should be very much complimented.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I appreciate the statement made by the Senator in answer to the question which the junior Senator from Nebraska asked a few moments ago with reference to what the difference was between the amendment offered by the Senator from Wyoming and the substitute. I should like to ask a further question. In reviewing these items, does the Senator feel that a study by the committee, with all the evidence submitted to it, would result in reporting a bill in which the figures might be adjusted one way or the other?

Mr. O'MAHONEY. Of course. I feel that this would be a very modest tax.

Mr. WHERRY. A study before would accomplish the same purposes as a study afterward, would it not?

Mr. O'MAHONEY. No, because we shall lose the revenue for this period unless the next Congress makes the tax retroactive.

Mr. WHERRY. Of course. That is the premise of my question.

Mr. O'MAHONEY. But how do we know?

Mr. WHERRY. If a study were made and the committee found that relief should be given or an increase should be made, it could be done just as well before the enactment of the O'Mahoney amendment as it could be done afterward. Is not that a fact?

Mr. O'MAHONEY. Yes; but the relief provision could be made effective in January and it would apply to all the taxes levied in the bill. It is the old, old story: Shall we take a bird in the hand or a bird in the bush? I say, let us take the bird in the hand. We have got it if we want it.

Mr. WHERRY. I want to make the point plain, if the Senator will yield once more. If a study is to be made in any event, is not the only difference that by the O'Mahoney amendment, the excess-profits tax would immediately be imposed, while the proposal of the committee is to make it retroactive to June? Is not that the only difference, whether it is put into effect now or later? In either instance retroactive legislation would be required.

Mr. O'MAHONEY. The difference is this, that some time next year, if Congress decides to make a retroactive tax provision, we would have whatever the next Congress gave us. But we cannot, in my judgment, postpone our responsibility and put it on the shoulders of a Congress to be elected next November.

Mr. WHERRY. The Senator has made that point very clear, but I am simply asking as to the difference. To my mind the committee's proposal is definitely to bring forth an excess-profits bill next year, perhaps by a time certain. There is no difference between the studies that are to be made; there is no difference so far as accomplishing the collection of the desired amount of money is concerned, if the tax is made retroactive.

Mr. O'MAHONEY. But the argument against it is the argument which the Finance Committee directs so well against the retroactive application of the corporate tax to January 1. In the 6 months' period Corporation X has undertaken to enlarge. It has its plans already to expand its facilities, and it would be unjust, it would be unconscionable, it would be unthinkable to levy a retroactive tax now. The company has borrowed money. It must pay the interest upon that money. Are we going to take out of the hands of the corporation the ability to pay interest on its debt?

The arguments are innumerable.

Mr. WHERRY. Just one other question. The Senator from Wyoming is interested in small business and has been a very strong advocate of it, and I think he knows that the junior Senator from Nebraska is also interested in small business.

Mr. O'MAHONEY. I know he is.

Mr. WHERRY. If a case of hardship occurred, whether we pass a law and make it effective today or make it retroactive—I want to get this straight so I shall know what I am doing when we come to vote—would it make any difference? Would not an adjustment be made?

Mr. O'MAHONEY. The Senator must realize that section 722 is still on the statute books. It applies to such cases. There can be no doubt that any corporation which is in an unusual situation, or one which has made no profit or has lost money during the test period, may petition for relief and get relief.

Mr. WHERRY. It is pretty difficult to get relief under section 722. The Senator knows that to be so. That is one of the things about which I am apprehensive. We have had a great deal of difficulty in my State in that connection.

Mr. O'MAHONEY. If we change that section, if the next Congress alters it in any respect, it will be applicable all the way back to this year.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. I should like to ask the Senator from Wyoming a series of questions based upon the proposal of the senior Senator from Georgia. I have before me the transcript of the proposal of the senior Senator from Georgia, which reads as follows:

> That the House Committee on Ways and Means and the Senate Committee on Finance are hereby directed to report to the respective Houses of Congress during the first session of the Eighty-second Congress, and as early as possible during said session, a bill for raising revenue by the levying, collection, and payment of corporate excess profits taxes with retroactive effect to October 1 or January 1, 1950, said bill to originate as required by article I, section 7, of the Constitution.

Supposing this pledge is loyally carried out and made effective, it would be possible for the committee, under the terms of the agreement, to make the tax retroactive only for the last quarter of 1950, and not for the third quarter. Is that correct?

Mr. O'MAHONEY. That is what the substitute amendment provides.

Mr. DOUGLAS. If the income runs at the rate estimated by the Senator from Wyoming, there would be a loss of approximately one and a quarter billion dollars.

Mr. O'MAHONEY. The loss would be incalculable. The profits of the corporations in the United States in the third quarter are estimated to be greater than they were in the second quarter. Prices are rising. The costs of Government materials are rising every day. The Department of Defense is already worried about the decline in the value of the defense dollar. But we hesitate about bringing in the revenue to help pay for it, magnifying the difficulties, by reading the technical language of the bill, and speaking about the perils and difficulties of putting into realization the thought of the people.

Mr. DOUGLAS. I understood the very able Senator from Wyoming to say that if corporate income, before taxes, rose to a level of $40,000,000,000 a year, as it was his expectation it would by the end of the year, the yield from the schedule proposed by the Senator from Wyoming would be at a yearly rate of $5,000,000,000, so that a loss of a quarter of this amount would be approximately $1,250,000,000. Therefore, the amendment offered by the Senator from Wyoming and the Senator from Texas would yield $1,250,000,000 more than would the proposal of the Senator from Georgia, if October 1 is made the date at which the retroactivity starts. Is that correct?

Mr. O'MAHONEY. The Senator is quite correct.

I should like to point out another difference between the House bill and the Senate bill.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. Is it not true that if a bill were presented making the tax retroactive to the 1st of October, and if the results were as dire as those predicted by the distinguished junior Senator from Illinois, the Senate and the House would have the privilege of amending it to conform to the conditions at that time?

Mr. O'MAHONEY. Of course the Senate and the House would.

Mr. MILLIKIN. There is no assurance that the committees would bring out a perfect bill, and the Senate would have the same privilege it has now, and the same would apply to the House.

Mr. O'MAHONEY. Yes; I should like to add that when I hear discussion of the kind I heard today, it seems that if one ventures to offer an amendment to a committee bill he is under the obligation of presenting a letter-perfect amendment.

Mr. DOUGLAS. Will the distinguished Senator yield for another question?

Mr. O'MAHONEY. Yes.

Mr. DOUGLAS. Of course, I am a neophyte in this Chamber.

Mr. O'MAHONEY. The Senator is learning very rapidly.

Mr. DOUGLAS. I should like to ask the distinguished Senator, from his long experience, whether one Congress can bind another Congress?

Mr. O'MAHONEY. Of course not.

Mr. DOUGLAS. Therefore, it would be simply a gentlemen's agreement, and in no sense a binding resolution?

Mr. O'MAHONEY. Of course, we all know that. The question is between our assuming our responsibility as we see it and placing it on the shoulders of a new Congress, which has not yet been chosen.

Mr. DOUGLAS. I have one or two more questions which I should like to ask the distinguished Senator if he will be good enough to yield.

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. If Congress did not act on an excess-profits tax before the 1st of March 1951 does the Senator believe it would be possible to make it retroactive for any period in 1950, since the first payment on the tax would have to be made on the 15th of March?

Mr. O'MAHONEY. The Senator is pointing out obvious pitfalls in the great problem we have of raising money in order to enable the Government to carry on the defense of civilization.

Mr. DOUGLAS. In other words, it would be necessary to act within the first 2 months of the new year even if this agreement were entered into.

Mr. O'MAHONEY. Yes.

Mr. DOUGLAS. Of course, there is no assurance, much as we value the very able members of the Committee on Finance, that they would of necessity return to the Committee on Finance. Political fortunes ebb and flow. It may be

that certain fortunes would ebb and other fortunes would flow, with the result that the composition of the committee would change, and the new committee would not feel bound by this gentlemen's agreement made by a previous committee of an entirely different composition.

Mr. O'MAHONEY. I must be frank enough to say I believe if a provision of this kind were written into the law that the Committee on Finance at the next session would feel under an obligation to observe it. However, there is also the possibility—and I sincerely hope it will come to pass—that by the time the next Congress shall have assembled the Korean War may be a thing of the past. If it were, the obstacles to the enactment of a retroactive excess-profits tax would be practically insurmountable. As the Senator from Vermont [Mr. FLANDERS], who was at one time president of the Federal Reserve Board in Boston, and who was the head of the research committee of the Committee on Economic Development, said the other day, in giving support to the amendment, it is important for the preservation of the capitalistic system and for the avoidance of a war deficit that we have some money to spend if we can possibly get it.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Yes.

Mr. MILLIKIN. Referring to the fear of the junior Senator from Illinois that future Congresses may not agree with this Congress, and that a future committee may not agree with the committee that exists at the present time, there is no assurance, is there, if the Senator's amendment were adopted that it would be accepted in conference?

Mr. O'MAHONEY. Of course not.

Mr. MILLIKIN. Or that it would be accepted by the House of Representatives?

Mr. O'MAHONEY. Of course not. However, I say that we should let the Senate assume its responsibility.

Mr. President, I promised the senior Senator from Florida [Mr. PEPPER] that I would not take very much time. The 5 or 10 minutes I thought I would take have practically multiplied themselves 10 times. I should like to yield the floor so that the Senator from Florida may present his argument. There is one little matter I should like to present before I yield the floor. I see the senior Senator from Colorado desires to ask a question.

Mr. JOHNSON of Colorado. Something was said about retroactivity and legality of such legislation. I should like to remind the Senator that after World War I we made a tax bill retroactive for more than a year.

Mr. O'MAHONEY. Yes. I do not know that anyone challenges the legality of it.

Mr. JOHNSON of Colorado. I understood the Senator from Illinois to be challenging the legality of the retroactivity.

Mr. O'MAHONEY. No; he challenged the reality of it.

Mr. DOUGLAS. As I remember, the tax bill was passed in February 1919, and was made retroactive to 1918, but it was passed within a special time so that forms could be made ready for the March 15 collection of the tax. May I say it is a question of whether one Congress can bind another.

Mr. MILLIKIN. Mr. President, will the Senator yield for one observation?

Mr. O'MAHONEY. Yes.

Mr. MILLIKIN. We are constantly passing legislation which is intended to bind future Congresses until a future Congress repeals the legislation. Every tax bill we have passed has had an initial binding effect on future Congresses until a future Congress decided otherwise.

Mr. O'MAHONEY. The Senator knows that I make no point at all of that issue.

Mr. MILLIKIN. As to retroactivity, is this not a correct summary of the situation? We can make a law of this kind as retroactive as we want to make it, subject to a constitutional question when we make it retroactive beyond a period of notice.

Mr. O'MAHONEY. Yes.

Mr. MILLIKIN. Surely the country has received ample notice that it may expect retroactive legislation.

Mr. O'MAHONEY. The Senator from Illinois was pointing out that a directive to the next Congress to do a certain thing is not as effective as doing it ourselves while we are here in the body, with tongues to proclaim our intention. I should like to point out one further thing, which I think is extremely important. I was reciting to the Senate from the report of the committee at page 3, table 1, the manner in which certain items of revenue as proposed in the House bill have been greatly reduced in the Senate bill. I was giving the material from the table which shows the effect of the liability in the full year of operation.

I now refer to the effect on collections in the fiscal year 1951. The most important factor to which I wish to draw attention is the statement in these two columns with respect to corporations. The Senate Finance Committee tells us that the House bill would have produced an increased revenue of $177,000,000 by rate changes upon corporations, and an additional revenue of $780,000,000 by accelerated payments. The Senate bill increases the revenue by way of rate changes to $320,000,000, an increase over $177,000,000. With respect to accelerated payments it provides an increase of $20,000,000, $800,000,000 in the Finance Committee bill, and $780,000,000 in the House bill.

This acceleration of payments is merely a legal device of payments whereby the payments of the liability incurred are advanced. So that the increase for the first effective 6 months of the bill from corporate rates is only the difference between $320,000,000 and $177,000,000.

Mr. President, I say that is obviously and completely inadequate. Unless we are willing to give our profits to the defense of the profit system, we shall not be able to muster the defense we must muster against advancing communism.

Mr. President, I ask unanimous consent that table No. 1, from which I have been quoting appearing on page 3 of the report of the Finance Committee, may be printed in full at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Comparison of the estimated effect of the Finance Committee's bill and the House bill on tax liabilities in a full year of operation and on collections in the fiscal year 1951*

[Increase (+) or decrease (−); in millions of dollars]

	Effect on liabilities in a full year of operation		Effect on collections in the fiscal year 1951	
	Finance Committee's bill	House bill[1]	Finance Committee's bill	House bill[1]
Income taxes:				
Corporations:				
Rate changes	[2]+1,500	[2]+450	[2]+320	[3]+177
Accelerated payments	0	0	+800	+780
Individual income-tax rates	+2,745	----------	+1,624	----------
Charitable trusts, family foundations, educational institutions, etc	+60	+100	----------	----------
Miscellaneous loopholes, etc	+68	+141	+18	+19
Percentage depletion	----------	−35	----------	−15
Life-insurance companies	+80	+70	+75	+166
Interest rate on refunds	----------	+45	----------	+5
Accelerated payment of income taxes of trusts and nonresident aliens	0	0	+90	+80
Withholding tax on dividends	----------	+190	----------	+78
Excise taxes (net)	+55	−910	[3]+30	[4]−670
Total net change	+4,508	+51	+2,957	+620

[1] These estimates are based on current levels of income and profits and hence differ from the estimates contained in the report of the Committee on Ways and Means.
[2] Net amounts after allowing for reduced individual income taxes because of lower dividends.
[3] Assuming the changes become effective on Oct. 1, 1950.
[4] Assuming the changes become effective on Sept. 1, 1950.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. O'MAHONEY. Mr. President and Members of the Senate, I end as I began: let us not discuss this bill or vote upon the bill as though these were times of peace, as though these were times in which we should give greatest consideration to the fiscal power of corporations and their income, the amount they may retain, and the amount they may use for expansion. Our need now is to turn to every source of revenue which we can find to support the soldiers on the fighting front and to prevent inflation upon the home front.

If we fail, how can we expect our armed forces to succeed? If we are unwilling to give them financial sustenance in the largest measure of our power to

contribute, how can we call upon them to give the last element of their strength, and perhaps to pour out their blood upon the battlefield?

We are weak, we are backward, we are timid, we are failing in the responsibility that is ours, if at this great crisis of civilization we should hang back on levying taxes because of technical difficulties.

EMERGENCY APPROPRIATIONS, FISCAL YEAR 1951

Mr. PEPPER obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield that I may call up a continuing joint resolution which has just passed the House?

Mr. PEPPER. I yield.

Mr. McKELLAR. Mr. President, from the Committee on Appropriations, I report favorably, without amendment, the joint resolution (H. J. Res. 537) making emergency appropriations for the fiscal year 1951, and for other purposes, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

Mr. WHERRY. Mr. President, I should like to have the distinguished chairman of the Committee on Appropriations give an explanation of what this joint resolution is.

Mr. McKELLAR. Mr. President, we have not yet passed the supplemental appropriation bill. Perhaps it will not be passed for several days.

Mr. WHERRY. Is that because the House expects to take a recess for 10 days?

Mr. McKELLAR. No, it is not. We have not taken all the testimony. The Senate committee has many witnesses to examine.

Mr. WHERRY. Because of the recess, it is necessary to pass a continuing resolution?

Mr. McKELLAR. Yes.

Mr. SALTONSTALL. Mr. President, the Senator from Nebraska was not in attendance upon the meeting of the Committee on Appropriations. I happened to be there. Am I not correct when I say that the joint resolution is a little different from some, in that it permits the departments to spend what they could spend if the supplemental budget had been passed, as agreed upon by the House, which amounted to $16,770,000,000?

Mr. McKELLAR. That is exactly correct.

Mr. WHERRY. I think I understood what the Senator from Tennessee stated. What actually happens is that we use the House figures in the continuing joint resolution, do we not?

Mr. McKELLAR. And charge it up to the bill.

Mr. WHERRY. Yes.

The VICE PRESIDENT. Is there objection to the consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. I thank the Senator from Florida very much for having yielded to me.

Mr. PEPPER. I am always glad to accommodate the Senator from Tennessee.

THE WAR IN KOREA

Mr. PEPPER. Mr. President, hell is not hot enough for those Red criminals who have thrust upon a world still groaning from one war another war—who have betrayed not only their own revolution but the sacrifices of both the living and the dead all over the earth for a peaceful world.

This is no time for pharisaical patriotism or holier than thou patriots. If, in this crisis, all of us follow the admonition of the Master that he who is without fault shall cast the first stone, there will be little rock throwing about the past, either from individuals or from the leadership of any political party. There have been a lot of mistakes made in the past by a lot of people, and we could spend our time in recrimination. But recrimination tears down instead of building up our strength; it divides rather than unifies our people; it retards instead of progresses the cause of peace. And the American people will have little patience with those who in this awful period of challenge have nothing to offer but captious criticism for political gain.

This is a time when no party, but our whole Nation, a way of life, the right of peace-loving peoples of the world to have peace, the chance of men, women, and children to live in decency and dignity instead of in the dungeons of slavery and serfdom, manacled and shackled by a godless tyranny, is in frightful issue. The outcome of that struggle is the supreme overpowering problem facing not only this Nation but mankind today. It rises above every other issue as the imperative of our time. Everything we do and say and think must be devoted to the winning of that struggle or else all is lost.

Today we are in a shooting war, even if it is a relatively small shooting war so far. That shooting war is on the mainland of Asia, 6,000 miles away from continental United States and immediately adjacent to North Korea with a population of 10,000,000 and an army of 200,000; to Communist China with a population of 463,000,000 and at least 2,000,000 in her armed forces, and to the Soviet Union with a population of over 220,000,000, with over 2,900,000 in her armed forces.

With Japan disarmed, the Philippines weak and engaged in internal turmoil, we do not have a single friendly nation in that area to help us nearer than Australia, 7,850 miles away from us, with a population of 7,710,229 and armed forces of 20,000, and New Zealand, 6,740 miles away, with a population of 1,841,424 and armed forces of 3,000.

Fifty-three of the 59 nations in the United Nations have pledged their faith with us in resisting Communist aggression in South Korea, and the unity of strength of the peace-loving nations of the United Nations is a most heartening effort, but most of these nations are far away from the theater of combat and so far have not shown themselves ready, able, and willing to put sizable forces by our side. Yet our sacred honor is pledged to the defense of South Korea. We cannot and we will not withdraw or surrender. We will and we must go forward until we carry out the United Nations mandate to thrust back Communist aggression and let Russia and her satellites know the time has passed when they can win the fruits of war without paying the price of war.

But our obligations go immeasurably beyond defending South Korea. We and other members of the United Nations who take our covenants seriously are pledged not to commit aggression but to resist aggression. We know that the only hope of peace is to show a steadfast willingness to stop aggression when it appears. The people of the United States are grateful to, and proud of, their President for the courage, the vision, and the steadfastness he has shown in supporting the United Nations and its high purposes, and in resisting aggression, even at the expense of the shedding of sacred American blood.

But all around the perimeter of Russia, in the vast area from Singapore to the Mediterranean, and from the Mediterranean to the North Sea and the Baltic Sea, there are hundreds of millions of people who stand relatively helpless before the might and power of the Soviet Union and her satellites, and have no real security, save what the people of the United States primarily, and they themselves secondarily, can give.

While on paper the non-Communist world is more populous, possessed of greater industrial and agricultural power, and has a higher level of living and a greater tradition of leadership and organization than the Communist forces of aggression, nevertheless, in respect to immediately available and effective fighting power in terms of men and equipment, the non-Communist, non-Soviet world has 2,100,000 men under arms and the Soviet-Communist area has 6,000,000 men under arms.

The Soviet Union spent at least, in terms of dollars, $6,000,000,000 more in the last fiscal year upon its military establishments directly than we did.

The Soviet Union is a vast, contiguous territory, and its satellites upon its perimeter are under the iron Soviet fist. That whole mighty mass of power can be mobilized into a terrible instrument of destruction, and can be let loose almost in an instant to wreak terrible havoc and ruin.

The non-Soviet, non-Communist world is divided into many nations, with all the weakness that comes from division, if not disunity, in spite of the magnificent harmony we have achieved in certain areas. Our part of the world is struggling to recover from the damage of war or to raise the standard of living of the people, or both. It has been putting its money into butter instead of into guns.

The non-Soviet, non-Communist world wants peace, progress, and prosperity; its people want to follow the pursuits of peace; they are tired of war. They are sick of the heartache caused by the cost of war. They see the futility and folly of war; they want to let others alone, and they want to be let alone.

But the forces arrayed against us have taken advantage of these very facts to press their philosophy by force and threat, to push out the reaches of their power to seize and to dominate new and more territory and peoples and resources. They have exploited our desire for peace and our weariness of war, to gain the rewards of war without the ordeal of war. They have the compulsion of an ancient national aspiration and a dynamic and fanatical philosophy and a devilish desire to exploit their new-found power to the fullest. They have strangled the United Nations as best they could; they have tried to retard the forces of progress and prosperity; they have maneuvered to keep other peoples weak and to aggravate their misery, so they could profit by it.

Now, misjudging the determination of the free world, the character of the American people's President, and the character of the American people themselves, they have at last shown their willingness to use force to gain strategic positions, to extend their domination.

WHAT ARE WE TO DO IN THE FACE OF SUCH A SITUATION?

The answer is clear: We must support with all our might and main the United Nations, which is the basic, real hope of stopping these evil forces and preserving peace and promoting well-being in the world.

Second, we must help to strengthen the peace-loving world, so that together the peace-loving world can successfully resist aggression, and in its strength and unity will be able to deter the war forces from assaulting.

Third, we must build up our strength to lead the mighty procession of the democratic world.

Fourth, we must make the free world know and believe with all its heart that the United States is its friend; that its people, loving freedom, want all men to be free, and knowing and valuing the better life, want all other people to have a better life; and that the people of the United States not only want to, but will, out of enlightened selfishness, as well as humanitarianism, help other peoples to rise higher, to be independent, and to find their destiny in a free world.

The brightest hope and glow in this whole dreary picture is the United Nations. At least since the Truman doctrine of March 10, 1947, we have made clear to Russia that we would resist her military aggression. Like others, after the war, I have spoken kind words about Russia; seeing that peace and cooperation between the United States and Russia were the key to world peace, I hoped until the last that we could have honorable accord. But speaking in the Senate on April 10, 1947, I said, in referring to Russia's threat to the Dardanelles:

> If you assault them, we are your enemy. We will throw the American Fleet, the American Air Force, the atomic bomb, and American men between you and them; and, God giving us the strength, we will stop you to the best of our ability.

Again, on the same day, with respect to Russia's threat to Greece, I said:

> If Russia, with her great might, were on the threshhold of that heroic little country, threatening her independence with her might and power, then I would say God speed our weapons to arrest their progress and to preserve that little country.

But we made it clear that we were going to work in and through the United Nations in stopping aggression.

Again, on the 10th of April 1947, I said in the Senate:

> Mr. President, let us make this clear. We will not allow Russia directly or indirectly to dominate the world, but if she threatens aggression, the instrument now to check and hold her or any other aggressor is the United Nations or at least those who shall rally to the standards, like Lincoln's volunteers, of the United Nations.

Again, on April 10, 1947, in the Senate, I said:

> America's role is to lead the world to peace, not war; to help mankind up, not to push it down; to build, and not to destroy. If there be those who will not harken to the appeal of right or respect the sentiments of justice, if there be those who would trample upon their fellowmen as aggressors, we shall not be slow to defend the cause of the oppressed. But we have not been singled out alone to stand in the Thermopylae of right against the invading hosts of wrong. We have solemnly pledged that we will work—and, if needs be, fight—with the other members of the United Nations against war makers if all possible methods of peaceful adjustment have failed. That is the kind of team to which we have already committed ourselves. That is truly befitting the American character. That is the American tradition. There, in the United Nations, is America's rendezvous with destiny.

One week later, on April 17, 1947, I said, again:

> I started to say that I want to stop Russian aggression wherever it exists, and I want to stop communism wherever it exists, when we can.
>
> * * * Then we can refer the security aspects of this measure to the Security Council of the United Nations, where they should be referred, and we can go to the United Nations and tell them that we are ready to do our share, and more, to protect the security of Turkey and of Greece and of every other country in the world, and that if Russia vetoes the action of the Security Council of the United Nations organization, while committing aggression, we are ready to put up forces against them—that we are willing to do what Lincoln did, to call for volunteers to save the Union.

How gloriously the United Nations has now risen to the test. Between 4 and 5 o'clock on the morning of June 25, 1950, the North Korean communistic forces invaded the Republic of Korea territory at several points south of the 38th parallel. On the same day, the distinguished Secretary General of the United Nations convoked the Security Council, and the Security Council adopted a resolution determining that that action by the North Korean communistic forces constituted a breach of the peace, called for an immediate cessation of hostilities, and called upon every member to render assistance to the United Nations in carrying out the resolution and to refrain from giving assistance to the North Korean forces.

Two days later, June 27, 1950, that order not having been complied with, the Security Council condemned North Korea as guilty of aggression and called upon all members of the United Nations to assist in hurling back the aggressor. On the same day, President Truman ordered United States air and sea forces to give the Korean Government cover and support, and ordered the Seventh Fleet to prevent any attack on Formosa, and asked Moscow to act to terminate the fighting in Korea.

On June 30, 1950, President Truman, after a meeting with the Secretary of Defense and the Joint Chiefs of Staff, authorized General MacArthur to use supporting ground units and the United States air forces to conduct missions on specific military targets in North Korea, and ordered a naval blockade of the entire Korean coast.

On June 29, 1950, Trygve Lie, Secretary General of the United Nations, asked members of the United Nations what assistance they would provide to implement the resolution of the Security Council of June 27.

On July 7, 1950, the Security Council adopted a resolution requesting all members to provide military assistance according to the previous resolutions, to make such assistance available to a united command, under the United States, requesting the United States to designate the commander of such forces, and authorizing the united command, at its discretion, to use the United Nations' flag, concurrently with other flags, in the course of operations against North Korean forces.

On July 8, 1950, President Truman designated General MacArthur as commanding general of the military forces of the United Nations in Korea, and to use the United Nations flag and other flags concurrently.

On July 14, 1950, the United Nations flag was officially accepted by our military forces in Korea, and was raised with the American flag at Tokyo.

What a magnificent picture: 53 nations joining together to denounce an aggressor. Already 5 nations have sent fighting forces and military help to the area of combat, and 15 others have promised other contributions; so the great free world is moving in concert to maintain the integrity of the high peace principles of the United Nations' Charter.

We must continue to build up the strength of the peace-loving world; we must grow closer together; we must help one another more and more; we must coordinate, preferably through the instrumentalities of the United Nations, our economies more and more completely; for we know that prosperity, like peace, is indivisible, and weakness anywhere in the democratic world makes all of us more vulnerable.

THE UNITED STATES MUST BE STRONG

We have the strongest economy in the world, but there are many places where it needs to be strengthened. We must produce more and more and more from factory and farm; we must be ever more efficient; we must constantly employ the education and skills of our people; we must constantly advance our techniques, marvelous as they are. We must have all parts of this vast machine working together and in harmony toward a common goal.

How splendidly have the Congress and the people of the country recognized and met this overpowering need, by the action of Congress in voting to the President, for the Government, the control and the powers which will make it possible for us to strike, as one arm, the decisive blows for human freedom and dignity.

We must, of course, prepare ourselves not only economically but militarily. We demobilized after the war because our men and women wanted to go home, as their loved ones wanted them to come home. We had won the war, and we thought we had peace. Now we are having to go back over the old road again, to build up in might, to take more and more men and women away from home and job and school, and make them warriors of freedom until freedom is safe, to use more and more of our capacity for military purposes.

TO WHAT STRENGTH SHALL WE BUILD?

Some say the strength to which we should build should equal our greatest wartime forces; but that would mean over 10,000,000 of our people under arms, that would mean an annual budget of sixty or seventy billion dollars, that would mean virtually continuing regimentation by the Government of our economy and our people. It would mean crushing taxes or mounting deficits and debts; it would mean the strangling of our program of progress.

But, more ominous, living constantly under that kind of strain and annoyance would dangerously tax the restraint of the American people and would stimulate a sentiment to get it over with, even if that meant at the sacrifice of another world war. If we got into that situation, the consequences are as indescribable as they are unforeseeable.

If we had a maximum military strength, poised at all times to strike, and trained to tension, and then if nothing happened, we wonder what the impatient and the short-sighted would be saying about whether we could or should maintain such an effort at such a peak, especially against a so-called peace program cleverly propagandized, that would seem to make all that preparation unnecessary, and would tend to portray us, the lovers of peace, as the only ones who really seemed to want to make war.

I believe the Soviet Union does not want war. I think they do not wish to jeopardize what they already have gained; they do not want to retard their own development and the raising of the standard of living of their people.

Indeed, I believe they would prefer to avoid war, so that they may continue to expand by means of their propaganda and their exploitation of the weaknesses of other peoples on occasions when they can take advantage of disunity in the opposing world.

Yet, Mr. President, that does not mean that the Soviet-Communist forces in Russia and China will not force us into costly and sustained conflict in the hope that they may wear us out if they cannot intimidate us or push us out in Asia.

I do believe they will not stop their aggression to push the western nations out of Asia until they have lost the power to progress it. There may be sorties elsewhere, there may be diversions from time to time; but I think they are determined to seek for themselves, Russia and Communist China, the complete mastery of the Asiatic mainland and the islands approximate thereto.

Then there is, of course, the danger that they will mount a war in other areas. Hence, we must be strong enough, with our associates, to make the aggressors understand that they cannot attack any smaller area by force of arms without meeting forces assuredly equal or superior in strength and vigor and determination not to yield; and that they cannot assault larger areas without being prepared to pay the price of war.

WHAT STRENGTH, THEN, ON OUR PART AND ON THE PART OF THOSE WHO WILL PREPARE WITH US, MUST WE RAISE?

In terms of men under arms by the United States, it should be a number which would make it possible for us, with other peace-loving United Nations members, to meet limited aggression in any part of the world effectively and promptly, and to hold full aggression until we could fully mobilize.

As a rule-of-thumb method, our United States Armed Forces in being should immediately be brought to approximately equal the armed forces of the Soviet Union, now 2,900,000 men.

We shall have to rely upon other peace-loving peoples in Europe to build their forces in being to the point where they, with our forces there, would be able to hold for a reasonable time the attacking forces in Europe, and so that they and we, together, within a reasonable time in any area of the earth, would be able to hold aggression until we could together mobilize further strength.

The military experts will, of course, have to fix the final figures. But the strength we need to accomplish that objective should be achieved in the shortest possible time; I mean as quickly as possible, taking into account the manpower and the equipment available, regardless of the financial cost or even the economic dislocation of doing so.

In short, what we decide is a minimum strength commensurate with safety should be brought into being at the soonest possible time, with an all-over national effort.

If today we fail to achieve at least the minimum of safety, in view of the risk we face, we shall jeopardize our very being and everything we hold dear.

To raise needed manpower, I prefer universal service to universal military training. The important thing is to get the strength we need in the best way. I still believe this is an emergency which will pass in time if we meet and master it, and I regret to see odious tyranny force upon this country a peacetime system of military training which, once adopted, would be almost irremovable.

Universal service means the recognizing the duty of every citizen to do his or her part in a great system of national preparedness. None of us should ask more of others or be willing to do less ourselves than to have all our people play their full part. Doing a full part is the duty of the whole people, and not just of the young men who happen to reach 18 and 19 years of age each year.

That means, first, raising immediately, through selective service, a force roughly equal, as I said, to the armed forces of the Soviet Union. Second, it means training those of combat age and fitness for combat, so that there can be built up a reserve of those who can be called to the colors as emergency may demand. The two methods would afford us in a short time an adequate reservoir of potential fighting strength in manpower.

It is not enough, in terms of providing material, that we just have available the equipment needed to provide adequately for our minimum fighting forces in being. Of course, that equipment must be readily at hand, with necessary replacements for instant use upon challenge. But we should go far beyond that, and should keep in being and immediately available at all times the fighting equipment which might be needed as fast as reserves could be called or new forces trained, up to the point of supplying as many forces as could be thrown into action in, say, 6 months or a year.

We should, in addition, have surplus equipment available to friends who might be fighting on our side, if they should not have enough for their own needs, and to supply the additional manpower that they might bring in within 6 months or a year. Of course, all this will require a vast program of stockpiling, so that at all time the raw materials will be on hand for a protracted period of production.

In short, let us have available to our men, on the first day they go to the fighting front, the very best equipment we have been able to design and produce, and in quantity all they can use.

This will mean, of course, spending a great deal of money in the stockpiling of raw materials and of equipment. It will mean having certain stand-by factories ready to produce at an instant's notice; and all the tools and the trained manpower will have to be ready to convert plants from peace production to war production in a matter of hours. This will cost money, of course, and some may say it is uneconomical; but he is a foolish man who will gamble his country's security and the democratic way of life against a few dollars.

In this great crisis, in the onslaught of Russian aggression, labor and business, the true bulwark of democracy in the United States and in our sister democracies, must stand shoulder to shoulder. Russian aggression is the greatest threat in history to free democratic labor organizations and free business enterprise.

Men and women from the ranks of labor, management, and investors are fighting in Korea now; others are serving on the home front in our factories and on the farms, producing the implements and food essential to our victory.

Unless profits and prices are fixed, labor must be protected under free collective bargaining, and the workers welfare must be assured against injurious and unfair rises in the cost of living.

The consumers' price index is now almost 5 points above the January 1950 level, and is now nearing the peak in 1948. The House and Senate already have passed separate bills on the question of controlling the rises in the cost of living, and those bills delegate to the President power to control the various components, such as excessive prices or wages.

I hope to see labor carry out the same kind of nonstrike pledge they gave during World War II, as I hope to see our newspapers exercise, without any compulsory censorship, their own judgment in the nonpublication of information which might be useful to the enemy.

The Senate Subcommittee on Labor-Management Relations, of which I am a member, is scheduled to begin an investigation of the subject of war labor disputes and how best these disputes can be handled in our democratic way. I hope to see created a National War Labor Board, similar to the one we had during World War II, with power to solve any labor disputes, but without any compulsion.

We all know how small-business lost out during World War II. Trade and industrial firms that employed less than 50 people in 1939 accounted for 34 percent of all the employees in this type of firm. In 1943 they accounted for only 25 percent. Most of the increases in employment occurred in the manufacturing industries in which big business and monopoly have a strong control, industries such as iron and steel, ordnance, electrical machinery, transportation equipment, and the like. Of the primary war contracts, which amounted to over $2,000,000,000 in World War II, about 70 percent went to firms with over 500 employees, and 250 of the largest manufacturing corporations operated 79 percent of all new privately operated plant facilities built with Federal funds.

Small business has not been able to survive in competition with big business. In 1948 alone, 370,000 businesses were discontinued; and the rate of disappearance in 1948 was almost twice the 1947 rate. It is obvious that small business has thus far not been able to secure sufficient bank credits and loans for operating purposes and capital improvement. Small business needs tax assistance because of its small share in national income.

The mobilization bill, which has just passed the Senate, authorizes the RFC to loan $2,000,000,000 to small business, to enable it to participate in our preparedness program. The tax bill, which is now before the Senate, lowers the tax burden on small corporations earning under $50,000 a year, and permits small business to amortize business losses in any year over a period of 5 years, instead of over a period of 2 years, which is the present requirement. I joined with the senior Senator from Montana and the junior Senator from Minnesota in sponsoring a bill, the features of which have been incorporated in the tax legislation now being considered in this body.

The Senate has established a special small business committee to watch over the problems of small business. I know that this watch-dog committee, like the Special Committee to Investigate the National Defense Program, in World War II, will diligently watch out for the interest of small business firms in the military procurement program in the present emergency.

In order to do his full part, each citizen must be willing to sacrifice profit, and, if need be, property, as well as liberty or perhaps life, according to what one can best give.

Ever since World War I, the cry of the veterans has been, "Take the profit out of war."

There is no justice if one man gives his life or his limb and if another man is unwilling to give his genius, his leadership, his know-how, his productivity, his profits, or anything else which to him involves the same degree of sacrifice as that required of the man called into the thick of battle.

PROPOSED EXCESS-PROFITS TAX

Now I come to the pending question: How shall we support all this effort financially? What sort of a tax system shall we have?

I shall support the amendment of the distinguished Senator from Wyoming and the distinguished Senator from Texas. That amendment will make those who are best able to pay, pay more; yet it will leave them still with rich rewards—the greatest that business has ever had. It may relieve us from the necessity of imposing other and more ominous controls. It will bring us nearer to paying as we go. It will reach toward the long-time American Legion goal: "Equal sacrifice to all, special profits to none." It will give confidence to all to know that the Government of a free people expects and demands everyone to do his duty.

Surely let us plug the loopholes through which the clever escape, and let us place a fair burden upon all to meet the challenging demand. If we call to the colors those who are physically the fittest, let us call to their full duty those who are financially the fittest.

I recall that in the minority views which I submitted on the question of industrial mobilization for war in 1948, I stated:

> I agree with the committee suggestion that we may well give consideration to universal service to assure that each citizen shall do his proper part in the defense of this country and to eliminate unjust enrichment. As Mr. Louis Johnson pointed out at the hearings, the American Legion has advocated for years the desirability of enacting a universal-service law in order to take the profits out of war. Our efforts in the Congress in that direction should be unfailing. There should be no favored few in fighting a war. The present committee and its predecessors have conducted some hearings on the subject of taking unfair profits out of war and out of preparation of war to eliminate the unjust enrichment of a few at the expense of our people. The present committee, in a previous report, has already made recommendations to the Congress on the subject of renegotiations of war contracts. I fully agree with the conclusion of the committee that new techniques of this character must be constantly developed.

However, Mr. President, even the excess-profits-tax amendment, now proposed, does not go far enough Although I support the excess-profits-tax amendment offered by these able Senators, whom I esteem so highly, yet I say, with all due deference and respect, that if we come to a real state of emergency or a real state of war, that amendment will not be found to go far enough; or, at least, it will not go far enough if the conflict widens and deepens. In short, if we do reach the point of dire emergency or war, we should adopt a recommendation of President Roosevelt, made in 1942, when he said:

> I, therefore, believe that in time of this grave national danger, when all excess income should go to win the war, no American citizen should have a net income, after he has paid his taxes, of more than $25,000 a year.

That was a recommendation of President Roosevelt to the Congress of the United States.

If men and women face the enemy and are shot to pieces, if men live in foxholes and women endure the hardships they confront in modern war, there is no American in the safety of home, thousands of miles behind the battlefields, who should not be willing to survive the ordeal of living on $25,000 a year, net, after the payment of taxes.

It is estimated that such a tax, together with the corporation taxes and excise taxes customary in war, would make it possible for us substantially to pay for the war as we fought it, or the emergency as we passed through it. My authority for that statement is the opinion of the learned adviser of the Joint Committee on the Economic Report, given to me this week.

That, too, is the kind of universal service I hope to see if the emergency develops into one of extreme danger.

Of course there will be much to do in other fields. We will curb the saboteur and the slimy traitor within our walls, but we will not blindly and savagely destroy the very freedom we are fighting to preserve. Even in such a period of crisis, it still is better that on occasion we permit—as we do under our criminal laws—a guilty man to go free, rather than to cause an innocent man to be hanged.

LET US LEAD THE PEOPLES OF THE WORLD TO A BETTER LIFE

We cannot win the battle of democracy with guns and ships and planes, guided missiles or atom bombs, we cannot win the war for democracy with guns, if we lose the minds and souls of the people of the world.

Men fight best when they have something to fight for. We must let the people to whom the Communists are making their special appeal, know that the Communist way is a mess of pottage for their bodies and their minds and

their souls, but the democratic way offers them freedom for their bodies, for their minds, and for their souls, and a better and richer life, with more to eat, more or better clothes to wear, a better place in which to live, better education for their chilrden, better health, and richer opportunity to have an expanding life.

On April 10, 1947, during the debate in the Senate on the Greek-Turkish aid bill, I said:

> We are not going to see the world overrun by communism. But the spread of ideas cannot be stopped with guns or bayonets or even atom bombs. Even all the wealth of America is not enough alone to hold off the surging forces of the people, only a small part of whom are Communists, who are reaching out, some of them blindly, some frantically, some in desperation, many misguided, for the rungs of hope upon which to pull themselves from their misery. Only through the United Nations, through the Social and Economic Council and through all the other agencies of the United Nations, through wise leadership and planning and intelligent and sincere cooperation with all of us doing our utmost, can we really establish in the world conditions under which democracy can hope to live.

On April 17, 1947, in the Senate, I said:

> Mr. President, is there not enough for all of us? Out there in India and China, in the Middle East, in the backward areas of other lands of the world, if we go in and work together and build dams and build roads and build airlanes and set up an economy that will be strong and vital and virile, it will mean business for American businessmen. It will mean more jobs for the American workmen.

I could have added, with prophecy, Mr. President, that it will contribute to the peace of the world.

A day or two ago I read an article in the Washington Post in which it was stated that the Communist Government in China had reduced the governmental tax upon the people, diminished the exaction from the people of the amount of grain they had to contribute every year as their share of the national tax. Previously I had observed that their government had forced the landlords to reduce the tenants' rent. I have seen other evidences that they have tried to install some kind of health and educational program. If, somehow, by their lying propaganda, they can make the people feel that they are their friends, and that we are not their friends, no amount of American blood, no quantity of American shot and shell, can win the war for us. They are engaged in a battle for the minds and souls of men, as well as for territory, in the great struggle with which we are so much concerned.

Only this afternoon, Mr. President, the head of the Middle East desk in the State Department told me, in the corridor off this Chamber, that the area of India and the Middle East to which we have given, so far, no economic aid, is one of the crucial areas of the earth affecting the outcome of the terrible struggle in which we are engaged.

It is not a question of whether we like it or not, or whether we think we can afford it. In the revolutionary age in which we live, we cannot afford not to help these backward peoples attain a higher level of material living. We know, Mr. President, that ours is the best way of life, but we must make them know it also.

Between July 1, 1945, and June 30, 1950, the United States has given succor and aid in the form of relief to the nations of the world in the amount of $4,700,000,000. In the same period, we have gladly given $27,100,000,000 in the form of grants and loans to enable the countries of the world to recover from war and to strengthen their economies and to raise the living levels of their peoples. We have provided to other peoples military assistance in the amount of $2,700,000,000, and we are now in the process of providing $4,000,000,000 more of such assistance. History had never seen or dreamed of any nation which would do so much for so many, to build a peaceful world and to prevent war.

Whatever we save by decreasing our expenditures for the point 4 program, we shall have to make up by spending thousands, if not millions, of times the amount of those savings on the Military Establishment and perhaps to defray the cost of war, not to speak of the price we shall have to pay in terms of human suffering and the loss of life.

Let me say, Mr. President, that I think it is a grievous tragedy that by means of the appropriation bill we provide billions of dollars for so many things, but not half a hundred million dollars for the point 4 program, which means so much in the ideological struggle as well as in the military struggle in which we are engaged.

The time has passed when we can carry out our policy in Asia, for example, by sending a battleship to an Asiatic port. Many of us believe that communism never would have developed in China if the Chinese people had had more democracy, better living, and more unity around a dynamic, democratic program and purpose.

Mr. President, I do not know of any instance in history where communism has come to a nation which ever has had real democracy, unless it was forced upon it by military power. We could say that in Czechoslovakia the military might of the Red army made it possible for a little group of Communists to dominate that Government. But not all the people of Czechoslovakia are Communists. They have too grand a tradition of democracy to embrace such a devilish philosophy, if they were not coerced into doing so by the power of the Red army. I say, again, I know of no instance in history where people who once had a virile and a reasonably prosperous democracy have ever abandoned it, save by the compulsion of outside force, to adopt the devilish philosophy of communism.

So I say again, Mr. President, we must devise—through the United Nations, of course—a way by which the more fortunate nations of the world can help to lift up the less fortunate; a way by which we can bring to them the techniques we have long known and so well used, so as to make things better for them and, incidentally, for all of us at the same time.

We must expand the International Trade Organization; we must continue to lower tariff barriers, so as to facilitate multilateral trade and reciprocal trade; we must work toward an exchangeable, convertible, and stable currency in the peace-loving world; we must expand the International Health Organization, UNESCO, and all the other agencies of the UN, thus building a stronger and a better world edifice, and lightening the load upon human hearts and shoulders.

As we grow in the unity and strength of freedom and of progress, not only shall we have force which will deter the aggression of evil nations, but we may be able to convince them that international crime does not pay; that peace is, like honesty, the best policy; that the doors of the world will be open to the realization of all legitimate aspirations; that peace and progress and prosperity are indivisible.

What a tragedy, as well as a source of indignation, has been the course of the Soviet Union generally since World War I. How could a nation which suffered so much from war, and which could have profited so much from peace, bring the world again to the verge of war? What has happened to Stalin, who, in the days of the war, in the opinion of so many persons, seemed anxious to cooperate for peace and prosperity for all people? What could have induced him, after leading his people to such a glorious victory over the tyranny of fascism, to have become today's symbol of another tyrannical totalitarianism?

Even if they felt that they had been wronged, how could they have resorted to such stupid and offensive efforts to seek redress? How can Stalin's conscience feel when he recalls his betrayal of Benes, of Czechoslovakia, who said so often at the beginning of Czechoslovakia—Soviet relations that he knew he could trust Stalin because Stalin was his friend. Yet they murdered Benes and Masaryk. The world has a right to be indignant at these scheming, designing, heartless men who have betrayed their own revolution and the aspirations of their own people and the sacrifice of their dead, as well as the hopes of their own living.

They know we do not claim to be perfect, nor without error; but they know they lie when they say we seek to take the life, the liberty, or the property of any nation, man, woman, or child. They know we recognized them when they were a Communist nation; and we fought a war to a glorious victory with them, notwithstanding that they were a Communist nation.

They know that today our men are dying in Korea; they know, too, that their satellites are dying in Korea—not because they and their satellites are Communist, but because they marched with force of arms across the border of a free people and began to kill, rob, plunder, and burn; they waged unprovoked war. They know that the billions we have spent and are spending and will spend, are not to march one man across their borders, to trample upon one inch of their territory, or to attempt

to destroy their system of government, hating it as we do. They know that the United Nations, with its marvelous unity, acted not against them, but for the defense of others, whom they assaulted and would destroy. They know that the mighty structures we have so nobly built are the edifices of cooperation among free nations for our common security against their threats, and are not aimed at taking what belongs to them or at strangling their peaceful pursuits.

Why will they now thrust the world back again over the precipice of conflict, into the hell of war? Why will they make all of us use up our substance and impoverish our people, instead of permitting all of us to use the modern techniques we all know and the riches of the good earth to lift men to a higher living than they have ever known?

Mr. President, in 1945 I visited 19 countries. The poorest-dressed people I saw in all those countries were in the city of Moscow. Russia needs so much for its own people. Yet last year Russia spent on her military establishment $6,000,000,000 more than we spent on ours.

When will they see that the course they are following is leading the world to a conflict in which none can be victor, but in which all probably will be vanquished? If they have misjudged the temper of the people of the United States, indeed the temper of the people of the free world, it would be well that they consider the subject again. Both we and they have fought our battles in the past; both of us are capable of sacrifice; both of us are tenacious and not lacking in courage. We know they have had their glorious victories; but our own part in history is not ignoble; and although we love peace, we can engage in war if duty hands us the sword.

Under article 2 of chapter I of the United Nations Charter, the following principles are set forth:

4. All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

5. All members shall give the United Nations every assistance in any action it takes in accordance with the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

6. The Organization shall insure that states which are not members of the United Nations act in accordance with these principles so far as may be necessary for the maintenance of international peace and security.

Under sections 42, 43, and 45 of the Charter, the Security Council may take the necessary military actions by air, sea, or land, as may be necessary to maintain or restore international peace and security; and all member nations are required to make available such armed forces, assistance, and facilities as may be necessary for international peace and security.

Article 6 of chapter II provides:

A member of the United Nations which has persistently violated the principles contained in the present Charter may be expelled from the Organization by the General Assembly upon the recommendation of the Security Council.

Russia already has done enough to be expelled from the United Nations. The Russian leaders have refused to abide by decisions of the Security Council; they have refused to observe their solemn duty not to give help to an aggressor.

Those who are not their satellites know very well that upon the Kremlin rests the moral guilt of the North Korean aggression. Yet it is still best, I believe, in spite of the shameful prostitution of the Security Council by their Malik, that they remain in the spotlight and focus of world opinion, where they shall have either to account for their conduct or show the world that it cannot be defended by their sordid failure.

One thing is now clear. We shall never go back in the United Nations to a time when the veto will prevent the effective functioning of the United Nations as the instrument for the preservation of the peace of the world. Veto or no veto, in the United Nations a way has been found, and hereafter will be found, to mobilize all the fearful might of the free world against those who would destroy their freedom by force of arms. This example of what the free world can do in the United Nations when it has the courage and wisdom to do it, has electrified the hope and confidence of the peace-loving world in the United Nations, and in the possibility of peace.

Here upon the floor of the Senate there sits a learned and able Senator, the senior Senator from Texas [Mr. CONNALLY], who had one of the principal parts in fashioning that great document, the Charter of the United Nations. We miss greatly the presence of his distinguished colleague, with whom he labored in that high endeavor—the senior Senator from Michigan [Mr. VANDENBERG]. Many others deserve the encomium of their country and of the free world for the majesty of the United Nations, the institution which their genius and persistence have created. For the evolution and thrilling growth of the United Nations into its magnificent stature, we have to thank this crisis. Not only have we found a pattern by which in the future we can mobilize the peace-loving members of the United Nations against aggression, but I hope that through the Assembly of the UN we shall be able de facto, if not de jure, to admit—veto or no veto—other nations of the world who are deserving of membership in the United Nations.

It may be that history will say one day that among all who have died, none have ever accomplished more for mankind than those who have given their lives as soldiers of the United Nations, to make the United Nations rise in majesty to the ideals and the high purpose of its Charter.

Think of what this means, as they see it from "over there," to Woodrow Wilson and Franklin Delano Roosevelt and all the others who throughout history have fought to build an organization which could do that.

Let us remind the masters of the Kremlin, or any others who would make aggressive war, of the Nuremberg trials and the Japanese trials, when those who, when speaking and acting as the heads of nations, had waged aggressive war and had committed crimes against humanity, were adjudged guilty and were hanged by the neck in the cold dawn of a dreary day in a jail yard.

Let those who today would turn the world into ghastly war for shoddy gain, remember that international crime does not pay.

Let them recall Mussolini and Hitler. I saw both of them strutting in their arrogance. After a little while we saw pictures of the braggart Mussolini, as Churchill called him, hung by the heels, jibed at and ridiculed by the people whom he once ruled. Those who have visited Hitler's destroyed cellar bunker can see to what an ignoble end he came. Let them recall Mussolini and Hitler and, before them, all their historical predecessors, and then ask themselves what happened to those men, also arrogant with power in their time.

Out of all the long and tortuous past, a lawful society is emerging. The day of the international brigand has passed; and there has come about, out of the courage and steadfastness of the peace-loving members of the United Nations, an international courthouse, and a "sheriff," if you please. There has emerged at long last a dream which we can trace to Micah and Isaiah, a dream that there might be a peaceful and orderly and lawful world. The dead have not died in vain.

I have heard it said that in the Chinese language the word "crisis" has a double meaning. One meaning is "danger"; the other is "opportunity." Here, surely, crisis laden with fearful danger is borne upon the wings of glorious opportunity.

How fortunate is the world that we have a President and a leadership in Congress and country, and that the peace-loving world has men and women in authority, to grasp this great challenge and rise to master it.

We know not through what valleys and shadows and hardships the course we have chosen may lead us, but we know that, God helping us, we have set our course and we shall never stop or falter until we have emerged, freemen, in the sunlight of a free world.

Our father's God, to Thee,
Author of liberty,
To Thee we sing.
Long may our land be bright
With freedom's holy light,
Protect us by Thy might,
Great God, our King.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. THYE. Mr. President, I offer an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. THYE. Mr. President, this amendment merely clarifies the Federal income-tax law so as to bring the sales

of farm, dairy, and breeding stock within the benefits of the capital-gains provision as it is found in section 117 (j).

Mr. President, I should like to have inserted in the body of the RECORD following my remarks and supporting my amendment a letter I have received from the Minnesota Livestock Breeders Association, as well as a telegram which I have received from Mr. Tom R. Armstrong, and a letter I wrote to the Honorable George J. Schoeneman, Commissioner of Internal Revenue, Treasury Department, and his reply to me. The letter and telegram, and the other two letters, will clarify the question, and the reason for the amendment.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there objection to the request of the Senator from Minnesota?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

MINNESOTA LIVESTOCK BREEDERS' ASSOCIATION,
St. Paul, Minn., February 24, 1950.

Hon. EDWARD J. THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: At the annual meeting of this association on February 3, the members adopted a resolution requesting the Congress to amend and clarify the Federal income-tax law so as to bring sales of draft dairy and breeding stock within the benefits of the capital gains provisions—section 117 (j) of the Internal Revenue Code.

The resolution is prompted by the distress that has been brought to thousands of Minnesota farmers by a ruling of the Commissioner of Internal Revenue (I. T. 3712). This ruling denies the right of farmers to treat the sales of dairy, draft, or breeding animals as sales of "equipment used in the trade or business," and therefore as eligible for assessment at 50 percent of the long-term gain on such transactions.

We should like to emphasize that, in making this request, the farmer is asking for no right or privilege which is not enjoyed by every other proprietor of a private business; that the benefit sought was available to farmers until the Commissioner's ruling discriminated against them; that the right to this benefit, equally with other business proprietors, has been upheld by the United States Circuit Court of Appeals.

In spite of several court decisions against his ruling, the Commissioner of Internal Revenue refuses to concede their generality. The tax collectors continue to extort these unjust and inequitable levies. Since the farmer taxpayer cannot afford prolonged and repeated litigation to defend his rights in this matter, he is now compelled to ask his Representatives in Congress to make such unmistakable definition of these rights as will preserve them from the chimerical interpretations of the Internal Revenue Bureau.

If you are not already familiar with the details of this cause, you will find the points at issue and the justice of our complaint admirably stated in the leading case of *Albright* v. *the United States* (173 Fed. 2d 339).

When you have assured yourself that our appeal is justified, we ask you to assist in the enactment of legislation which will give the needed relief to all the Minnesota livestock and dairy producers who are now the victims of the unwarranted and illegal demands of the Collector of Internal Revenue.

Very truly,
MINNESOTA LIVESTOCK BREEDERS' ASSOCIATION,
FRANK B. ASTROTH, *President.*

KINGSVILLE, TEX., *August 6, 1950.*

Senator EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

The Treasury is again pressing upon Congress this time through the Senate Finance Committee an amendment of section 117–J of the Internal Revenue Code calculated to deprive farmers and ranchers of capital gains limitations upon the taxation of gains from the sale of their breeding cattle.

In a long series of decisions beginning with the Albright case in the court of appeals, eighth circuit, the courts have without exception held that breeding cattle owned by a cattle raiser are a part of his machinery of production and that as such they are to be treated for tax purposes in the same manner as the machinery of production of any other producer of goods. Accordingly, the courts hold that gains from the sale of breeding cows and bulls are to be treated like gains from the sale of other capital assets. The Treasury contends that this allows a loophole in that the Treasury cannot tell which cattle are breeding cattle and which are held for sale in the ordinary course of the farmers and ranchers business. No person familiar with cattle raising has any difficulty in distinguishing between the two types of cattle; in fact nature has marked them indelibly as producers. The Treasury's difficulty in doing so is due to their lack of understanding of the cattle business and their lack of knowledge should not form a basis for the denial to farmers and ranchers of the same tax treatment as is accorded to all other producers.

The Treasury contends that because the cost of maintaining breeding cattle is deductible to the cattle raiser as an ordinary expense that the gain from the sale of breeding cattle should be ordinary income. The fallacy in this argument is that the current expense which the cattle raiser deducts is not incurred in raising a cow which is already of breeding age but is incurred in maintaining her as a producing machine to produce calves, the proceeds of the sale of which are recognized to be ordinary income. I earnestly solicit your opposition to the amendment proposed to section 117–J of the Internal Revenue Code.

TOM R. ARMSTRONG.

WASHINGTON, D. C., *January 9, 1950.*

The Honorable GEORGE J. SCHOENEMAN,
Commissioner of Internal Revenue,
Treasury Department,
Washington, D. C.

DEAR COMMISSIONER SCHOENEMAN: During the past year I have had correspondence with you concerning the Bureau's interpretations of section 117 (j) of the Internal Revenue Code as it applies to the gains or losses derived from the sale of a farmer's livestock which was held primarily for draft, breeding, or dairy purposes. You wrote me on October 12 that pending clarification in the circuit court of appeals, the Bureau would not follow the Albright case decision, but will continue to litigate "appropriate cases" in the light of your own interpretation of the law.

I am again receiving letters of complaint from farmers who are being called upon for audits and assessed for deficiencies in their tax returns in cases where they have treated sales of livestock held for at least 6 months as capital gains and not as ordinary income. As you know, this interpretation is in conformity with the circuit court of appeals decision in the Albright case, but contrary to the Bureau's rule that only where there is a reduction in the herd may such sales be considered as embracing capital assets.

Will you advise me as to whether the Bureau has yet reached a decision to revise its interpretation of the section of the code in question to conform to the court decisions? Is it now intended to carry the case to the Supreme Court to clarify the regulations, or does the Department recommend legislative action?

I have been informed that in 1944 and 1945 the Bureau of Internal Revenue followed a policy with relation to section 117 (j) in line with the subsequent court decision in the Albright case, but that your present interpretation relating to the reduction-in-herd factor was put into effect in February 1947. I shall also appreciate your furnishing me an outline of these interpretations.

Sincerely yours,
EDWARD J. THYE,
United States Senator.

TREASURY DEPARTMENT,
Washington, March 16, 1950.

Hon. EDWARD J. THYE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Reference is made to your letter of January 9, 1950, which the Commissioner of Internal Revenue has referred to me, making further inquiry regarding the application of section 17 (j) of the Internal Revenue Code to sales of livestock used for breeding or dairy purposes. You refer to the Commissioner's letter of October 12, 1949, advising that the Bureau of Internal Revenue would not follow the Albright decision by the Circuit Court of Appeals for the Eighth Circuit but would continue to tax these transactions as outlined in its published rulings and to litigate similar cases in other circuits. You state that you are again receiving letters from farmers complaining of this practice. You inquire whether the position of the Bureau is still as outlined by the Commissioner and whether it is now intended to carry the matter to the Supreme Court or to recommend legislative action. You also ask for a historical outline of the Bureau's position in the light of suggestions received by you to the effect that the present interpretation was not adopted until 1947 and is inconsistent with that followed in 1944 and 1945.

The income-tax treatment of cattlemen and dairymen who regularly sell and replace a part of their breeding or dairy herds has been carefully reviewed by this Department. Conceptually it is difficult to justify any difference in treatment between profits realized on such transactions and the other business profits of these taxpayers. Also, notwithstanding the Albright decision, it is believed that the Bureau rulings and practice are in conformity with present law.

From the standpoint of litigation policy the status of this matter is still as outlined in the Commissioner's letter of October 12. Cases are still being litigated and if a conflict with the Albright decision should develop the Supreme Court may be called upon to decide the question.

At the same time, because of the danger that other courts may follow the lead of the Eighth Circuit, this Department has recently recommended to the Committee on Ways and Means of the House of Representatives that legislation be enacted to make it clear that these transactions do not qualify for capital-gains treatment.

I believe that you will find a detailed answer to your final question in the letter which the Commissioner wrote you on October 4, 1947. As indicated in that letter, the rulings which define the present Bureau practice were published in 1944 and 1945.

If further correspondence relative to this matter is necessary, please refer to IR:CC:I:GHS.

Very truly yours,
THOMAS J. LYNCH,
Acting Secretary of the Treasury.

Mr. GEORGE. Mr. President, I should like very much to see if we cannot dispose of the amendment offered by the distinguished Senator from Delaware to the amendment of the Senator

from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY].

Mr. WILLIAMS. Mr. President, I have no objection, and am perfectly willing to have a vote on the amendment now.

Mr. WHERRY. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Nebraska.

Mr. WHERRY. If there is some way in which the distinguished Senator from Delaware, and the distinguished Senator from Georgia, speaking for the committee, can arrive at some understanding about the amendment, it will be perfectly agreeable to proceed. I should like to see if that can be worked out, because if the amendment comes to a vote, I should like to suggest to the distinguished Senator from Georgia that we might make a supreme effort tomorrow after the Senate convenes to vote on all the amendments. I think that would be in order. I am satisfied that can be accomplished if we set our minds to it tomorrow.

Mr. GEORGE. I am most anxious to move along with the bill.

Mr. WHERRY. If there is some way by which the Senator from Delaware and the Senator from Georgia can agree upon taking the amendment to conference, or something of the kind, I have no objection, but I hope that if there is to be a vote, we can vote on all the amendments tomorrow, or at least at an early date.

Mr. GEORGE. I had hoped the Senator from Delaware would be willing to withdraw the amendment. The question of the taxation of cooperatives was brought to the attention of the Senate Committee on Finance, and we worked some time on the problem. We did not have extensive hearings on it, although in the House there were extensive hearings. We heard only briefly from 2 or 3 witnesses who discussed the issue.

The committee wishes very much to go into the questions of cooperatives, of building and loan associations, of mutual savings banks, and loan associations, as well as the so-called mutuals, because we believe that appropriate taxation ought to be applied in this particular field. But we did not have accurate information, and we did not have hearings, as I have said, on anything, except to hear one or two witnesses who touched on the farm cooperatives. The committee therefore felt that we should leave the amendment which was offered on behalf of the Senator from Delaware until we came to consider a general tax bill, which must come. No one need worry about another tax bill not coming along. There will probably be worry about the burdens of it before we finish with it. But this is one of the matters we left over for the general tax bill, and made special note of it, and specifically asked that the staff complete its study and furnish all the information necessary for us to have so that when we reach a general bill we will then be prepared to act.

I may say to the Senator that I cannot give any assurance, of course, of what the committee may do. I believe there is some misapprehension about what a true cooperative is and what the incidence of taxation should be as applied to cooperatives. But I am also firmly convinced, speaking for myself alone, that there are appropriate taxes which should be imposed upon cooperatives, even farm cooperatives, and building and loan associations, savings banks, and so-called mutuals. I do not see how we can long allow certain organizations to escape all taxes. But the tax should be an appropriate one, taking into consideration the real character and nature of these organizations. That we were unable to do without hearings.

I can give the Senator assurance that the subject will be considered. I can also give him assurance that I myself think that we should strive to impose an appropriate tax provision so far as cooperatives are concerned. I believe I should say that the committee recognizes that cooperatives generally, and farm cooperatives especially, have a legitimate and proper place in the economy of the country. Nevertheless, there are appropriate steps which should be taken to tax them, and that will be done in the next tax bill.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Illinois.

Mr. LUCAS. I should like to point out to the Senator from Delaware that the point covered by his amendment is merely one of a great number of so-called inequities which are involved in the tax structure at present, which the staff has been directed to work upon between now and next January. So, it seems to me that the Senator from Georgia is absolutely correct in making his request, because, from what I know about the cooperative movement, so far as taxation is concerned, the matter is one of complexity, and it will take some hearings to enable us to work out an adequate and proper bill, if we are to tax them at all.

I commend the Senator from Georgia on the position he takes, and I had hoped that the Senator from Delaware, might, under the circumstances, withhold his amendment until the staff of specialists could work upon the problem the Senator from Georgia has been discussing.

Mr. GEORGE. I thank the distinguished majority leader for his statement.

Mr. MILLIKIN. Mr. President, I wish to join in the assurance that there is a very serious interest in the Senate Finance Committee on this subject. There is no desire whatever to postpone consideration of the matter indefinitely. That has been stated both by the chairman of the committee and by the distinguished senior Senator from Illinois. The committee has already instructed its staff to be prepared with all technical questions by the time we get to the next tax bill. I am completely confident that those things will be done.

Mr. WILLIAMS. Mr. President, I hesitated at the time I offered the amendment, because I recognize that there is much merit in what the Senator from Georgia has said, that writing a tax bill, as technical as it is, is a hard task to accomplish on the Senate floor.

I did feel very sincerely that an appropriate time for the consideration of this amendment by all means was when we were increasing taxes, because, from my point of view, I am firmly convinced that there are inequities in the tax law as it relates to cooperative organizations. I believe there are inequities, and I think that as a result of the debate here yesterday, it is generally conceded by Members of the Senate that such inequities exist. I do not mean to claim that the amendment I have offered is the perfect answer. I prepared it in the best manner I could. In my opinion it would correct these inequities and at the same time protect the legitimate farm cooperative. I was glad to hear the Senator from Illinois [Mr. LUCAS] say that he would like to see the committee go further and deal with other situations in which there exist just as great inequities. The reason I offered the amendment, and the reason why I intended to push it at this time was that, as I stated yesterday, so many studies have been made in the past by congressional committees that it seemed to me we had now come to the time when action should be taken rather than merely studies being made. I felt it was very important that action should be taken on this question, as we approach this critical era, with proposals for another series of high tax rates. It was for that reason I selected the amendment offered by the Senator from Wyoming and the Senator from Texas as the appropriate amendment to which to offer my amendment, because if we are to attach an excess profits tax to the bill, I feel we should go across the board.

However, I now have the assurance of the Senator from Georgia and the recognition on the part of members of the Senate Finance Committee and of other Members of the Senate that inequities do exist and that there is merit to my arguments that something should be done. With the promise that when the next tax bill is brought before us at the next session of Congress that the committee will take some action to correct some of these inequities. I am going to withdraw my amendment at this time. I shall go along with the chairman of the committee, and I thank him for the assurance that he and his committee will take care of this proposal at the next session of Congress.

The PRESIDING OFFICER. The Senator from Delaware has withdrawn his amendment.

Mr. GEORGE. Mr. President, I wish to thank the Senator from Delaware for his generous attitude about this matter. I can reassure him that the matter will have the careful attention of the committee. I myself have felt all along that we were not justified in taxing charitable, religious, and educational institutions if we were not willing to take a fair look at these purely economic organizations, although we recognize, as I have said before, the economic value as well as other values of farm cooperatives.

Mr. President, I wish to offer formally, on behalf of myself and the Senator from Colorado [Mr. MILLIKIN], the substitute

amendment which was presented this afternoon, so that it may be the pending question tomorrow.

The PRESIDING OFFICER. The question then will be on agreeing to the amendment offered by the Senator from Georgia on behalf of himself and the Senator from Colorado as a substitute for the so-called O'Mahoney-Connally amendment.

The amendment proposed by Mr. GEORGE (for himself and Mr. MILLIKIN) to the amendment proposed by Mr. O'MAHONEY (for himself and Mr. CONNALLY) to the bill (H. R. 8920) to reduce excise taxes, and for other purposes, is as follows:

TITLE VII—EXCESS PROFITS TAX

SEC. 701. Excess profits tax.

(a) The House Committee on Ways and Means and the Senate Committee on Finance are hereby directed to report to the respective Houses of Congress during the first session of the Eighty-second Congress, and as early as practicable during said session, a bill for raising revenue by the levying, collection, and payment of corporate excess profits taxes with retroactive effect to October 1, or July 1, 1950, said bill to originate as required by article I, section 7, of the Constitution.

(b) The Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a full and complete study of the problems involved in the taxation of excess profits accruing to corporations as the result of the national defense program in which the United States is now engaged. The joint committee shall report the results of its study to the House Committee on Ways and Means and the Senate Committee on Finance as soon as practicable.

DEPENDENTS ASSISTANCE ACT OF 1950—CONFERENCE REPORT

Mr. CHAPMAN. Mr. President, I submit a conference report on the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

(For conference report see p. 13977 of the House proceedings for August 31, 1950.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question now is on agreeing to the report.

Mr. WHERRY. Mr. President, may we have an explanation of the report, please?

Mr. CHAPMAN. Mr. President, one important point of difference between the Senate version of the bill and the House version was in respect to the amount authorized as a basic allowance for the men in the armed services.

Under the terms of the bill as it was passed by the Senate, the amounts were $45 for an enlisted man with one dependent, $67.50 for an enlisted man with two dependents, and $75 for an enlisted man with three or more dependents.

The House version of the bill provided $45 for an enlisted man with one dependent, $70 for an enlisted man with two dependents, and $85 for an enlisted man with three or more dependents.

The conferees have agreed to the amounts provided by the Senate, except in the case of an enlisted man with three or more dependents, for whom the amount, as agreed by the conferees, is to be fixed at $85, as provided in the original House version of the bill.

The only other very material difference was that the House version of the bill provided for contributions by enlisted men in the lower three grades, whereas the Senate version of the bill provided for contributions by enlisted men in all the pay grades, all seven of the grades. The House conferees receded on that point, and accepted the Senate version.

The remainder of the conference report is substantially in the form of the bill as it was passed by the Senate. The conference report contains certain technical amendments suggested largely by officials of the Department of Defense in the interest of clarification and administration.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. O'MAHONEY. Mr. President, I wish to ask the Senator from Georgia if it is not possible now to enter into an agreement fixing the time on which to vote on the amendment offered by the Senator from Texas and myself?

Mr. GEORGE. I shall be very glad to vote at any hour tomorrow. The earlier we vote the better, because so many amendments will be offered to the tax bill that it will take some time to dispose of them.

Mr. O'MAHONEY. I may say on behalf of my associate, the senior Senator from Texas, that is precisely our feeling, too; the sooner we vote the better.

Mr. GEORGE. I shall be very glad to vote, if it is agreeable to the majority leader and the minority leader, at 2 o'clock tomorrow, with the provision that no extraneous or irrelevant matters may be offered to the amendment.

Mr. LUCAS. Mr. President, I, too, hope that we may be able to vote upon the substitute amendment tomorrow. If the substitute should fail, then we vote on the O'Mahoney-Connally amendment. A number of other amendments will be offered. The one which I believe will be most highly controversial and which will result in some debate is the so-called copper amendment, to be offered by the Senator from Connecticut [Mr. MCMAHON]. I see no reason, however, why at least we cannot agree to get the substitute for the O'Mahoney-Connally amendment and the O'Mahoney-Connally amendment out of the way by entering into a unanimous-consent agreement to vote on them at an early hour, and then take up the other amendments. It seems to me we should do so. I should like, if it were possible, that the Senate complete action on the bill tomorrow.

I also hope the Senate can complete action on the conference report on the defense production bill, which will come to the Senate around 3 o'clock tomorrow. I think it is essential that we get the tax bill out of the way. It is also essential that we get the conference report on the defense production bill acted upon as soon as we possibly can. I hope we may have that acted upon before we recess tomorrow night. I believe that if we move with determination in that direction we can finish action on the conference report.

I yield the floor.

Mr. MILLIKIN. Mr. President, I desire to have a very clear understanding of the scope of what we will vote on if we agree to vote. As I understand, it will be on the substitute, and if the substitute amendment is agreed to, that ends the matter so far as the O'Mahoney-Connally amendment is concerned. Assuming the substitute amendment is not agreed to, then we will vote on the O'Mahoney-Connally amendment in its present form, and there will be no amendments, no substitutions, no vote on anything except those two amendments before us. Is that correct?

Mr. O'MAHONEY. That is correct.

The PRESIDING OFFICER. No request for unanimous consent has been made.

Mr. WHERRY. Mr. President, I hope no request will be made for unanimous consent to vote tomorrow. I can assure the Senate——

The PRESIDING OFFICER. The Senator from Colorado has the floor. Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. MILLIKIN. I yield.

Mr. WHERRY. I can assure Members of the Senate that those on this side of the aisle would be glad if a vote could be taken earlier than 2 o'clock tomorrow. I suggest that we vote at 1 o'clock on the pending amendment, that is on the substitute for the O'Mahoney-Connally amendment. If the substitute is not agreed to, then, of course, we will vote on the O'Mahoney-Connally amendment, or any amendment thereto.

Mr. MILLIKIN. No, Mr. President; not any amendment thereto.

Mr. WHERRY. Mr. President, I withdraw that statement. That is not correct. We will first vote on the substitute for the O'Mahoney-Connally amendment, and if that is not agreed to, then we will vote on the O'Mahoney-Connally amendment. I will say that Senators on this side of the aisle are ready to vote. Instead of waiting until 2 o'clock tomorrow, however, I hope the distinguished chairman of the committee will endeavor to have a vote on the substitute as near to 1 o'clock as possible.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me,

Mr. MILLIKIN. I yield to the distinguished Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I desire to say that so far as the Senator

from Texas and I are concerned, we are perfectly willing to agree to a vote at any time tomorrow, first upon the substitute amendment offered by the Senator from Georgia and the Senator from Colorado, and then, in the event that amendment should not be adopted, to proceed immediately to vote upon the amendment offered by the Senator from Texas and myself in its present form, without any alteration or any additional amendment of any kind.

Mr. MILLIKIN. That will be entirely agreeable to the junior Senator from Colorado. I should like to say, Mr. President, that whether it be 1 o'clock or at some later hour, I should like to have, let us say, 15 minutes, before we come to the voting time, because I have not made any formal remarks on this question.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. McMAHON. Mr. President, I am the author of perhaps the most controversial amendment other than the amendment now pending. I am told that under the parliamentary situation which now exists, I have a right to offer my amendment as an amendment to the pending amendment. I assured the chairman of the Finance Committee, the distinguished Senator from Georgia [Mr. GEORGE], that I had no intention at all of doing so; and I do not think any other Senator is interested in doing so.

I should like to have the excess-profits tax amendment gotten out of the way, and then I intend to offer my amendment.

I wanted the Senator from Colorado to know that, in view of his statement in regard to any amendment which might be offered to the so-called O'Mahoney-Connally amendment.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. WHERRY. After the so-called George-Millikin substitute or after the O'Mahoney-Connally amendment is disposed of—depending on which one is adopted—is it the intention of the distinguished Senator from Connecticut to bring up his amendment?

Mr. McMAHON. Yes.

Mr. WHERRY. Does the Senator know how long that will take?

Mr. McMAHON. So far as I am concerned, I guarantee that I will not speak for more than 10 minutes.

Mr. WHERRY. Mr. President, I have contacted the three or four Senators to whom I had said that I understood no unanimous-consent agreement would be reached today in regard to a time for the Senate to vote on these matters. I believe it is satisfactory to all parties concerned to have a unanimous-consent agreement entered to have the Senate vote on the so-called George-Millikin substitute and on the so-called O'Mahoney-Connally amendment "as is," without any further modification or amendment, commencing at 1 o'clock tomorrow afternoon. That understanding would apply only to the two amendments, the first being the George-Millikin amendment. Of course, if that amendment is adopted, we shall not need to have a vote, subsequently, on the O'Mahoney-Connally amendment; but if the George-Millikin amendment is rejected, then it is understood that the agreement will apply to the vote on the O'Mahoney-Connally amendment.

The PRESIDING OFFICER. If the Chair may be permitted to make a statement, on advice of the Parliamentarian the Chair will say that if the substitute offered by the Senator from Georgia and the Senator from Colorado is adopted, it will then be necessary for the Senate to vote on the original amendment as amended.

Mr. WHERRY. Yes; but I do not wish to agree to unanimous consent in regard to a vote on a further modification of the O'Mahoney-Connally amendment.

I am perfectly willing to agree to a unanimous-consent proposal to have the Senate vote first on the George-Millikin amendment, as has been stated; and if that amendment is adopted, of course the O'Mahoney-Connally amendment as thus amended will have to be voted on.

However, if the George-Millikin amendment is rejected, then the only vote about which I would agree at this time to have a unanimous-consent agreement entered would be the vote on the O'Mahoney-Connally amendment as now offered, and without any modification or amendment thereto.

The PRESIDING OFFICER. No unanimous-consent agreement is pending.

Mr. WHERRY. However, I should like to make that statement, in the event one is proposed.

Mr. MILLIKIN. Mr. President, in connection with the same request or understanding, I should like to have it agreed that I shall be allowed not more than 15 minutes between the time of the taking of the recess tonight and 1 o'clock tomorrow, to discuss these amendments.

Mr. WHERRY. I shall be perfectly willing to agree to have the voting begin at 12:30 tomorrow, with the 30 minutes between noon and 12:30 p. m. to be divided equally between each side.

However, I think it would be advantageous to have the voting begin at 1 o'clock tomorrow.

Mr. MILLIKIN. I think so, too.

Mr. MORSE. Mr. President, I am very desirous of having the Senate proceed as quickly as possible tomorrow to vote on the George-Millikin amendment or substitute and on the O'Mahoney-Connally amendment—depending on the outcome of the first vote, of course. However, there is one complication which may place me in a very difficult position, if unanimous-consent agreement is reached to have the Senate vote on the O'Mahoney-Connally amendment as is, following the vote on the George-Millikin substitute, or on any amendments which are germane thereto. Let me explain the situation in that respect, please. I might as well do so now, inasmuch as I have the floor. It will take me only a minute or two to make the explanation.

This afternoon I am offering an amendment, on behalf of myself and my senior colleague from Oregon [Mr. CORDON], to the end of attempting to prevent what we think would be an unwarranted hardship which the O'Mahoney-Connally amendment would impose upon regulated public utilities.

Let me make perfectly clear that both the senior Senator from Oregon and I believe that regulated public utilities should pay an excess-profits tax if they make excess profits; but here we are dealing with a particular problem arising because of the financial structure of publicly regulated utilities and because of the fact that they, in turn, are regulated.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. O'MAHONEY. I desire to have the Senator yield in order that I may make a statement in an attempt to facilitate the reaching of an agreement in regard to the time when the Senate will vote.

It is my understanding—and let me say that the Senator from Oregon has spoken to me about the amendment—that the amendment to which he has referred is one which is altogether germane to the Connally-O'Mahoney amendment. The concern of other Senators with respect to amendments to that amendment is lest some matter which is wholly irrelevant be proposed. I have also been advised that some Senators who desire to vote on the Connally-O'Mahoney amendment, if the substitute should not prevail, would find it difficult to do so before 3 o'clock. So I am wondering, with the indulgence of the Senator from Oregon, whether in all these circumstances it would not be possible to make an agreement along this line: That tomorrow, at not later than 1 o'clock, the Senate proceed to vote upon the substitute amendment, with the understanding that the Senator from Colorado should have 15 minutes, between the time the Senate assembles and 1 o'clock, in which to make any comment he may desire to make, and if, thereafter, the amendment should not prevail and it became necessary to vote upon the Connally-O'Mahoney amendment, that we proceed to vote on that amendment at 3 o'clock. Perhaps I should better have said—and this would be a perfection of the unanimous-consent request—that the time between 12 and 1 o'clock be divided between the sponsors of the substitute and the sponsors of the O'Mahoney-Connally amendment. That would give the Senator from Oregon ample opportunity to explain his amendment tomorrow, in the event the substitute does not prevail.

Mr. MORSE. Mr. President, I want to say to the Senator from Wyoming that I am perfectly willing to desist for a moment while an effort is being made to perfect the unanimous-consent agreement, if one can be perfected. But when that is done, I would want the majority leader to give me the assurance that I may have 3 or 4 minutes. I am almost through with the explanation now, but I would want 3 or 4 minutes to explain the amendment and then to offer it, so it can be printed and lie on the table.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Orgeon yield to the Senator from Illinois?

Mr. MORSE. I yield the floor.

Mr. LUCAS. I should like to ask the Senator from Oregon whether the amendment he is going to offer is not only germane to the O'Mahoney-Connally amendment, but also to the bill?

Mr. MORSE. It is germane to the bill. But I think we ought to act on it before we act on the O'Mahoney-Connally amendment.

Mr. LUCAS. The only reason I ask the question is this: If the substitute should be adopted, there would be no reason for the Senator from Oregon to offer his amendment after that, unless it were germane to the bill.

Mr. MORSE. I understand that.

Mr. LUCAS. That is the point I make. If the Senator, in the event the substitute carries, is going to offer his amendment as one which is germane to the bill, it occurs to me that perhaps we ought to make some sort of agreement, in view of the position taken by the Senator, not to vote at 1 o'clock but to vote on the amendments at 3 o'clock; in other words, to start at 1 o'clock and vote, one after another, on the amendments.

Mr. O'MAHONEY. That would be quite satisfactory to me.

Mr. LUCAS. It would give the Senator from Oregon an opportunity to explain his amendment, between the time the Senate convenes and the time of the vote.

Mr. MORSE. I would not need time to explain the amendments tomorrow.

Mr. LUCAS. I am not so sure about that. I have heard the Senator say that before.

Mr. MORSE. I said, to explain my amendment. It will speak for itself.

Mr. MILLIKIN. Mr. President, it is my understanding that the distinguished senior Senator from Colorado [Mr. JOHNSON] has an amendment which he may desire to offer in connection with the O'Mahoney-Connally amendment, if that survives the first test we have tomorrow. So I want a note of the fact made in the RECORD, because he, too, would have an interest in the O'Mahoney amendment somewhat similar to that of the distinguished Senator from Oregon.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Of course, if the pending amendment is voted upon, if it fails of adoption it will then become necessary for the Senator from Oregon to offer his amendment, if it is an amendment to the so-called O'Mahoney amendment, prior to the time that the O'Mahoney amendment is voted upon, because, if that amendment should be agreed to, it would not then be subject to amendment. Therefore, I would include in my unanimous-consent request, now that the distinguished Senator from Oregon has stated what his amendment is going to be, that after the George-Millikin substitute has been voted on, and if it does not prevail, the Senate proceed to vote upon the Johnson amendment, if it is offered to the O'Mahoney amendment, and the amendment of the Senator from Oregon, if it is then offered to the O'Mahoney amendment; and then to vote on the O'Mahoney amendment without further amendment or modification. That would get everybody within the parliamentary situation, and it would shut out any amendment which is not germane before the vote on the O'Mahoney amendment. I would be glad to agree to that. Many Senators on both sides of the aisle have indicated to me their desire to begin voting early on the amendments.

It seems to me, if the majority leader will permit, it would be satisfactory if we were to divide the time, after 12:30, allowing 15 minutes to a side, and vote on the first amendment, and then, if desired, after the first amendment is disposed of, to allocate another 30 minutes to a side on the next amendment, if it is not deemed necessary to have as much time as that, then 10 minutes to a side.

In my opinion, if we want to expedite the matter, 3 o'clock is a long time to wait to start to vote on the first amendment. I hope the majority leader, if he feels so inclined, will permit a vote on the George-Millikin amendment at 1 o'clock, with the time between 12:30 and 1 o'clock divided between the proponents and opponents, and then, when that vote is taken, if either one of the other amendments is offered, the Johnson amendment, and the Morse amendment, that they be voted on in turn, allowing say 10 minutes to a side for discussion, if necessary, or 20 minutes, or 30 minutes, if that is what Senators want, and then continue voting until we have voted on those two, and then the O'Mahoney amendment, itself, without further amendment.

Mr. CAPEHART. Mr. President, I should like to call to the attention of the majority leader the fact that the conference report on the defense production bill will no doubt be ready to be voted on tomorrow afternoon. It is a privileged matter, and I am wondering what effect such an agreement as is proposed would have on the conference report, and whether it is the intention of the majority leader to keep the Senate in session tomorrow night until the conference report on the defense production bill is agreed to.

Mr. LUCAS. I made a statement a moment ago, in the absence of the Senator from Indiana.

Mr. CAPEHART. I am very sorry.

Mr. LUCAS. I stated that the conference report on the defense production bill would come before the Senate sometime tomorrow afternoon, and that the moment it was submitted, of course, we would proceed to consider and dispose of it.

Mr. McCARRAN. Mr. President, I regret I was unable to hear the Senator.

Mr. LUCAS. We would proceed to the consideration of the conference report upon the defense production bill, which would come in tomorrow afternoon, and dispose of it, before we leave here tomorrow night.

Mr. CAPEHART. I thank the majority leader. I think it is very important that the Senate act upon it and get it out of the way tomorrow, before leaving for the week end.

Mr. LUCAS. I am very happy to hear the Senator say that, and I concur with him wholeheartedly in that position.

Mr. CAPEHART. I shall stay here.

Mr. WHERRY. Mr. President, I desire to make a unanimous-consent request, though I do not want to assume the position of offering many such requests. I have asked unanimous consent two or three times. In the absence of a definite request, I make the following unanimous-consent request:

That tomorrow between 12:30 and 1 o'clock, the time on the pending amendment be equally divided, the time of the proponents of the amendment to be in charge of the distinguished Senator from Georgia, and the time of the opponents to be in charge of the distinguished Senator from Wyoming; that the Senate vote at 1 o'clock on the so-called George-Millikin amendment to the O'Mahoney amendment, which is the pending question——

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. WHERRY. I should like to complete the unanimous-consent request.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. WHERRY. I continue: That thereafter, after the vote is taken, whatever hour may be fixed, in the event the distinguished Senator from Colorado [Mr. JOHNSON] offers his amendment to the so-called O'Mahoney amendment, 20 minutes be allowed on the Johnson amendment, 10 minutes to a side, the time to be divided equally between the proponents of the amendment and the opponents; that after that amendment, if it is offered, has been disposed of, the next amendment, the so-called Morse-Cordon amendment, if it is offered, be treated likewise, so far as the division of time is concerned, and that thereafter, whenever a vote is had on that amendment, the Senate proceed to vote immediately on the O'Mahoney amendment without further amendment or modification.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. Reserving the right to object—and of course, I shall not object to the unanimous-consent request which is now being offered with reference to the tax bill—I should like the distinguished majority leader and the distinguished minority leader to know that we have concluded the conference report on control bill and it has been signed by all the conferees of the Senate and the House with one exception, and there is a special order in the House to consider it at 11 o'clock tomorrow. I am assured that it will be in the Senate by 1 o'clock. As the conference report on the control bill is a privileged matter, I expect to call it up.

Mr. WHERRY. The majority leader has already gone over that and has

stated that, if necessary, the Senate will hold a night session. I am in total agreement with the majority leader. There is no reason why we cannot finish the tax bill and the control bill tomorrow without any difficulty. I suggest to the distinguished Senator from South Carolina, if this unanimous-consent request is agreed to, that immediately after the O'Mahoney amendment has been disposed of, he exercise his right to bring up the conference report on the control bill.

Mr. MAYBANK. I shall be glad to, with the understanding that it can be concluded tomorrow.

Mr. WHERRY. Certainly. I should be glad to remain here tomorrow night until both bills are concluded.

Mr. MAYBANK. I wanted that assurance.

Mr. WHERRY. The Senator has it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. AIKEN. Mr. President, I understood the distinguished minority leader to say that it is possible to finish the tax bill tomorrow night. I understood the Senator from Connecticut [Mr. McMAHON] to say that he would offer his so-called copper amendment, which would have a terrific impact at a time when we need production more than we ever needed it before. I do not see how it is possible to conclude the tax bill and the discussion of the McMahon amendment tomorrow.

Mr. WHERRY. If it is to be debated up and down, we might be here a long time tomorrow night. I say I am perfectly willing to stay here.

The PRESIDING OFFICER. The unanimous-consent request does not include any time to vote on the bill.

Mr. WHERRY. No.

Mr. AIKEN. I was wondering, Mr. President, if it might be possible to finish the tax bill tomorrow night. This certainly is no time to put the small mines of the country out of business.

Mr. WHERRY. There is no mention at all of the copper amendment in the pending unanimous-consent request.

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. I intended to give notice today that on tomorrow I would bring up the veto mesasge pertaining to Senate bill 3906 to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes which would amend Public Law 697 of the Seventy-ninth Congress. I am asking now whether or not the unanimous-consent request, if agreed to, will interfere with my purpose. If it will, I shall certainly object.

The PRESIDING OFFICER. It would exclude it during the life of the agreement. Of course, the unanimous-consent request is only that the Senate vote on 4 amendments, as the Chair understands, and the voting would start at 1 o'clock. Excluding voting time, there would be only 40 minutes of debate after 1 o'clock.

Mr. McCARRAN. I should like to ask whether the copper amendment is coming up. I am not going to consent to any agreement at any time that will limit debate on the copper amendment.

The PRESIDING OFFICER. The copper amendment is not included in the unanimous-consent request.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WHERRY. Further than that, the unanimous-consent request forecloses the copper amendment being offered as an amendment to the O'Mahoney amendment. It cannot be offered under this unanimous-consent request.

The PRESIDING OFFICER. The Chair has a memorandum of the unanimous-consent request. Other Senators have come into the Chamber, and the Chair will state the request and ask the Senator from Nebraska to follow the Chair.

The Senator from Nebraska offers the following unanimous consent request:

That at 12:30 tomorrow the time will be divided between the Senator from Georgia [Mr. GEORGE] and the Senator from Wyoming [Mr. O'MAHONEY]. From then until 1 o'clock there will be debate on the so-called George-Millikin amendment; that at 1 p. m. the George-Millikin amendment is to be voted on, and that thereafter the Senator from Colorado [Mr. JOHNSON], if he so desires, may offer his amendment, and there will be 10 minutes' debate on each side.

Mr. WHERRY. Provided, that the George-Millikin amendment does not prevail.

The PRESIDING OFFICER. The Senator from Colorado [Mr. JOHNSON] may have the privilege of offering his amendment. If it is offered there will be a vote thereon, and thereafter the Senators from Oregon may offer their amendment. If it is offered, there will be 10 minutes' debate on each side and a vote thereon. Thereafter, without further amendment or debate, the O'Mahoney-Connally amendment will be voted on.

Mr. WHERRY. Without further amendment or modification.

Mr. McCARRAN. Mr. President, to what time does that bring us?

The PRESIDING OFFICER. Excluding voting time, that is only 40 minutes after 1 o'clock.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Nevada yield for that purpose?

Mr. McCARRAN. If I have the floor I shall be glad to yield.

The PRESIDING OFFICER. The Senator has the floor.

Mr. MAYBANK. Mr. President, as I understand the rules of the Senate, when a privileged matter, such as the conference report on the control bill, is brought up, it will be immediately considered.

The PRESIDING OFFICER. Any Senator who is recognized may present a conference report.

Mr. MAYBANK. Mr. President, I intend to do so at that time.

Mr. McCARRAN. Mr. President, I want to give notice that tomorrow, following the vote as outlined in the proposed unanimous-consent request, I shall bring before the Senate and ask that there be laid before the Senate the veto message of the President as to Senate bill 3906 to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes.

I want to give that notice at this time so that Senators may understand that it is coming up.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCARRAN. Mr. President, if I have the floor, I shall be glad to yield.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. MILLIKIN. I should like to address an inquiry to the distinguished minority leader. It is my understanding that it is a part of the proposed unanimous-consent request that the so-called George-Millikin amendment shall not be subject to amendment.

Mr. WHERRY. That is correct.

The PRESIDING OFFICER. The Chair does not think the suggested agreement covers that.

Mr. WHERRY. I thought I had stated that there is to be no modification of the amendments. They have already been outlined. We want to be sure that there will be no further modifications.

Mr. McCARRAN. Mr. President, I yield the floor.

Mr. LUCAS. Mr. President, there is now a question in my mind, in view of the type of unanimous-consent request that has been offered, as to whether a quorum call should be had. I do not want some Senator on my side of the aisle accusing me a little later on——

Mr. O'MAHONEY. Mr. President, if the Senator will yield, I have already been advised that a vote earlier than 3 o'clock upon the George substitute would make it impossible for at least one Senator who desires to be recorded upon that matter to cast his vote, because of his absence from the Senate. So far as the Senator from Texas and myself are concerned, we are ready to have a vote at the earliest possible moment and to limit debate. We understand that a privileged matter, the conference report, will be taken up.

Mr. MAYBANK. Mr. President, will the Senator yield? I will be glad to——

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. O'MAHONEY. The Senator from South Carolina will present a conference report, which of course is a privileged matter. He advised me that it would probably not take long to dispose of it. May I address an inquiry to the Senator from South Carolina as to how long he

believes the disposal of this privileged matter will require?

Mr. MAYBANK. I should like to be able to answer my distinguished friend from Wyoming. I know my good friend from Indiana, who has been working with me very closely for a month, will agree that we do not know how long it will take. So far as I am concerned, it should take about 10 minutes to present. Is that the understanding of the Senator from Indiana? I know that my distinguished friend from Indiana and the Senator from Ohio will try to cooperate.

Mr. CAPEHART. I do not want to anticipate what any Senator might do, but I should think that the conference report would have to be voted up or down, and I should think 2 hours would be sufficient.

Mr. MAYBANK. The conference report was unanimously agreed to with the exception of one Member of the House.

The PRESIDING OFFICER. The Chair will state the question before the Senate.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Nevada?

Mr. LUCAS. I yield to the Senator from Nevada.

Mr. McCARRAN. Both the conference report and the veto message are privileged matters. Am I correct?

The PRESIDING OFFICER. Both are privileged matters.

Mr. McCARRAN. The question of priority arises. I have no desire to take the time of the Senator from South Carolina. What I want to do is have the Senate know that as soon as we can do so we shall take up the veto message. If it be the will of the Senate to take up the conference report first, I shall not stand in the way of it. However, I do want to take up as soon as possible the President's veto message. I think the Senate is entitled to have it considered. The Judiciary Committee has passed on the matter and has directed the chairman to present it and to request that the President's veto be overridden by the Senate. I wish to present it tomorrow. I do not wish to displace the Senator from South Carolina, if it is evident that the conference report will take no longer than an hour.

Mr. MAYBANK. I cannot assure my good friend from Nevada how long it will take to consider the conference report on the control bill. I can only say that the conferees believe it will take no longer than 1 or 2 hours. I cannot speak for any other Senator. I am not sure. We shall try to dispose of it as speedily as possible.

Mr. O'MAHONEY. If the Senator from South Carolina will yield at this point, it seems that the discussion has been very illuminating and offers an opportunity now for the solution of this matter and the fixing of a time to vote in a manner which will be satisfactory to all concerned. The Senator from Nevada and the Senator from South Carolina have privileged matters to present. The Senator from South Carolina believes the conference report of which he is in charge can be determined within 2 hours. If I understood him correctly in response to a private inquiry which I made of him, the primary concern of the Senator from Nevada is to have the veto matter taken up tomorrow, but he is not particularly concerned about the time when it may come up.

Mr. McCARRAN. Excepting that I do not want it to go into the night.

Mr. O'MAHONEY. Yes. The situation with respect to the George-Millikin substitute and the Connally-O'Mahoney amendment is such that there will be no protracted debate upon either of them. It was my understanding that the Senator from Colorado and the Senator from Georgia were concerned only that the Senator from Colorado have an opportunity to make a statement with respect to the substitute, since he has not made any formal argument upon the excess-profits-tax issue. It seems to me therefore that it would be quite possible to agree that when the Senate assembles tomorrow the report of the conferees shall become the unfinished business. Would it be available at that time?

Mr. MAYBANK. I should like to suggest that Representative SPENCE has obtained a rule in the House to take it up at 11 o'clock in the morning. It is hoped that discussion of it would take perhaps no more than 2 hours. Certainly it should be sent to the Senate by 2 o'clock.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Yes.

Mr. WHERRY. Of course I understand that the Senator wishes to get the privileged matters out of the way before we take a vote on the George amendment. However, there is much uncertainty about when the conference report on the control bill will come over from the House. Furthermore, while it may be the best judgment of the Senate conferees that consideration of the report would take an hour or 2 hours, no one knows. There is so much conjecture that it would be impossible to take up the privileged matters in order to expedite the other matters.

Mr. McCARRAN. I suggest that the matter of the veto message could be taken up first and disposed of. I think that an hour, and not to exceed an hour and a quarter, would be sufficient.

Mr. O'MAHONEY. The Senator from Nevada has just made the alternative suggestion, which I was about to come to. In view of the statement of the Senator from South Carolina, I propound a substitute unanimous-consent agreement, that when the Senate assembles tomorrow the veto matter mentioned by the Senator from Nevada shall become the pending business, and that at the hour of 3 o'clock——

Mr. GEORGE. At this time I would have to object. I could not agree to that.

The PRESIDING OFFICER. Objection is heard.

Mr. GEORGE. I realize that the veto matter may be privileged. I do not know whether it is in order at this time. I would not make any point about it. However, I think if we want to get an agreement, the first one suggested is about the only one that strikes me as being feasible. Debate has gone on for a long time now. Of course, privileged matters can be taken up. I have been as patient as any man could possibly be. I think the other arrangement should be made, if possible, so that we may have a vote on the substitute amendment, to be followed by whatever the Senate wishes to take up. I have no concern with that. However, I do not want the vote on the substitute amendment to come later than 1 o'clock.

Mr. O'MAHONEY. If I may address an inquiry to the Senator from Georgia, does he have any serious objection to having the vote on the substitute amendment come at 3 o'clock instead of at 1 o'clock, only 2 hours later?

Mr. GEORGE. Yes; I would rather have the vote come at 1 o'clock. I do not know how to handle the bill without meeting these issues as they come up. I think we should have an early vote on the substitute amendment.

Mr. O'MAHONEY. I feel likewise, but I am trying to propound a request which will accommodate itself to the desires of Senators. I do not want to be placed in the position of objecting to an early vote, because I am not objecting.

Mr. GEORGE. I understood the Senator himself first to suggest 1 o'clock.

Mr. O'MAHONEY. I did indeed, but after I made the suggestion and after the discussion proceeded, it was suggested to me that 1 o'clock would be too early. It is too early for one Senator, it is too late for another. So why can we not get together?

Mr. WHERRY. Mr. President, I propounded a unanimous-consent request which I am satisfied would suit the majority of the Senate. I made an effort to fix an hour that would be satisfactory. The Senator stated that 1 o'clock would be all right, and I hope the unanimous-consent request may be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request as outlined by the Chair.

Mr. MALONE. Mr. President, do I understand correctly that the unanimous-consent request, if it is agreed to as propounded by the minority leader, will mean that no amendments of any kind other than those mentioned can be brought before the Senate in connection with the so-called O'Mahoney-Connally amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. MALONE. Until the O'Mahoney-Connally amendment is out of the way?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCARRAN. Mr. President, was there a quorum call before this agreement was proposed?

The PRESIDING OFFICER. A quorum call is not required.

Mr. McCARRAN. I am not going to enter into any unanimous-consent agreement until there is a quorum called, and I suggest the absence of a quorum.

Mr. WHERRY. Mr. President, will the Senator withhold the suggestion?

Mr. McCARRAN. I will withhold it, but I shall insist upon it. Let me say to the Senator from Nebraska that I do not have the floor——

Mr. WHERRY. I am glad to yield to the Senator.

Mr. McCARRAN. It seems to me it is high time to stop entering into unanimous-consent agreements with only a small coterie of Senators present. For one, I am not going to consent.

Mr. WHERRY. Of course, the distinguished Senator from Nevada, for whom I have the highest regard, has a perfect right to suggest the absence of a quorum. I merely wanted to call to his attention the fact that it is not required that there be a quorum call to enter into a unanimous-consent agreement for a vote on an amendment. It is required where a final vote on a bill is to be taken. We are considering only amendments, and for that reason the absence of a quorum was not suggested. I am trying to expedite the business of the Senate. I was reluctant to offer the suggestion, but I am satisfied that if it is accepted, it will meet with the concurrence of a majority of the Senators this afternoon.

Mr. McCARRAN. I am fully cognizant of the fact that a quorum call is not required. Nevertheless, it has been a custom that is very salutary and at times very much worth while to have a quorum call before entering into unanimous-consent agreements. To bind the greater group of the Senate in absentia does not seem to me to be in keeping with the best methods of running this body. I am going to object to anything unless we have a quorum present.

The PRESIDING OFFICER. Does the Senator suggest the absence of a quorum?

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McCARRAN. Mr. President, I ask that further proceedings under the quorum call be dispensed with, and that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the order for the quorum call is vacated.

Mr. WHERRY. Mr. President, I have just talked with the distinguished Senator from Nevada, and he insists on a quorum call. The only thing at issue is the unanimous consent request, and I am perfectly willing to withdraw the request if the Senate does not want to enter into it. I withdraw it, and the distinguished majority leader can move a recess, or do what he pleases.

Mr. MORSE. Mr. President, I now wish to return to a very brief discussion of the amendment which the senior Senator from Oregon and the junior Senator from Oregon desire to offer at this time to the O'Mahoney amendment.

It will take me only 3 or 4 minutes to explain the amendment we have offered, and if I may have the privilege of yielding to a couple of my colleagues for insertions in the RECORD without losing my right to the floor, I shall yield to the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. Is there objection to the Senator yielding for insertions in the RECORD without losing the floor? The Chair hears none.

(At this point Mr. MORSE yielded to several Senators for insertions in the RECORD which appear elsewhere under the appropriate headings.)

INTERNAL SECURITY LEGISLATION—EDITORIAL FROM THE NEW YORK TIMES

Mr. LEHMAN. Mr. President, this morning's New York Times carried a sober and sensible editorial on the internal security legislation soon to be the pending business before the Senate. I hope that all the Members of the Senate may find occasion to read the editorial. I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CAUTION NEEDED

Now that the House has passed its own antisubversive bill (H. R. 9490) the Senate has for its consideration this week no less than four distinct measures dealing with this highly controversial subject. Maneuverings of both Democrats and Republicans to snare the credit for whatever legislation of this type is enacted may obscure—but cannot lessen—the urgent necessity of examining such proposals with the greatest care.

We have already expressed our opinion regarding the three major Senate bills on antisubversive activities: the Mundt-Ferguson bill (S. 2311), the McCarran omnibus bill (S. 4037), and the administration bill (S. 4061). We have explained why we think the first two, going far beyond the proper and laudable aim of making the Communists harmless, represent a potentially serious threat to American civil liberties. The bill which the House passed on Tuesday is a modified version of the Mundt-Ferguson measure; but it still contains such drastic registration provisions, it leaves such great power in the hands of an administrative board, and it is couched in such broad language that we feel that it, too, is more far reaching than necessary or advisable. By and large, the law as it now stands appears adequate to protect us against the Communist menace, so far as any law as such can protect us. In fact, between the upper millstone of present legislation and the nether millstone of the American voters' common sense, communism is not getting very far in the United States. But improvement in existing law can certainly be made, and this the administration bill, generally speaking, would do.

It is natural in these times that there should be a demand for anti-Communist legislation; but it is imperative that in our haste to pass such legislation we do not endanger the freedom of thought and speech that is a vital part of the American tradition and is, in fact, essential for the proper functioning of democratic government.

LEAVE OF ABSENCE

On request of Mr. LUCAS, and by unanimous consent, Mr. MAGNUSON was excused from attendance on the session of the Senate tomorrow because of public business.

GRAND TETON NATIONAL PARK, WYO.—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit a conference report on the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3409) To establish a new Grand Teton National Park in the State of Wyoming, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the Senate recede from its disagreement to the amendments of the House numbered 1 and 2; and agree to the same.
>
> JOSEPH C. O'MAHONEY,
> JAMES E. MURRAY,
> HUGH BUTLER,
> EUGENE D. MILLIKIN,
> *Managers on the Part of the Senate.*
>
> J. HARDIN PETERSON,
> JOHN R. MURDOCK,
> TOBY MORRIS,
> FRED L. CRAWFORD,
> WESLEY A. D'EWART,
> *Managers on the Part of the House.*

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

Mr. MORSE. Mr. President, I wish to review what I have already said about the Morse-Cordon amendment to the O'Mahoney amendment so that there will be some place in the RECORD where there is a continuous explanation of the amendment.

As I stated a few minutes ago, the junior Senator from Oregon believes that regulated public utilities should pay an excess-profits tax when they make excess profits. A very careful analysis has been made of the application of the O'Mahoney amendment to regulated public utilities, and it has been found that in this particular business field, that of regulated public utilities, the application of the O'Mahoney amendment to some public utilities would work great injustices because of the financial structure of the particular utilities.

The Portland General Electric Co. of my State is a good example of the point I make. This utility operates on a capital which is 50 percent indebtedness. Because of the specific provisions of the O'Mahoney-Connally amendment, this particular utility would not be given credit for the 50 percent of indebtedness upon which it operates to save it from what would be a very unfair charge by way of claimed excess profits under this amendment. I have talked to the advisers and experts connected with the committee, who have worked closely with the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY], and they have agreed with the two Senators from Oregon that because of the financial structure of the Portland General Electric Co., and possibly because of similar financial structures in the case

of other regulated public utilities, the amendment would have a very disadvantageous result.

What is the seriousness of it, Mr. President? Simply this: The amendment would take away from utilities with this particular type of financial structure, characterized by a large base of debt—in this particular instance 50 percent of its capital being represented by borrowings or by debt—the money they would need to expand their facilities so that they could serve in their communities consumers who are clamoring for the service, and who will get the service as rapidly as utilities such as the Portland General Electric Co., out of earnings can obtain the money with which to expand facilities.

Mr. President, that type of expansion should be encouraged, and under such circumstances, if the company is not to be given the advantage of its capital debt, in determining the base on which the tax is to be imposed, a great injustice will be inflicted.

I am aware of the fact that we must be very careful, in the handling of companies with this kind of a financial structure. The O'Mahoney-Connally amendment carries over into this new emergency period the same type of exemptions and calculations which operated under the excess profits tax during the last war. But it will carry over in respect to such a company as this, a hardship which I do not think we should inflict. Therefore, in explanation of the amendment which I am about to offer, I ask unanimous consent to have incorporated in the Record, as a part of my remarks at this point, two telegrams which I have received from the Portland General Electric Co.—my colleague, the senior Senator from Oregon [Mr. CORDON] having received similar telegrams—setting forth the particular financial plight in which this utility would find itself if there should not be included in the O'Mahoney-Connally amendment some language which would make it possible to relieve this particular company of this hardship and injustice.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *August 30, 1950.*

Senator WAYNE B. MORSE,
United States Senate,
Washington, D. C.:

I am informed the excess profits tax bill and amendments being principally sponsored by Senator O'MAHONEY will likely come to a vote tomorrow or the next day. Although we fully recognize propriety of increased taxes to drain off excess war profits, the O'Mahoney bill is not the answer. We respectfully urge you do everything possible to either defeat this bill in its present form or refer it back to the committee so that it can be amended and put into shape to get a proper job done. As presently drawn, this proposed legislation, insofar as the regulated public utility industry is concerned, would completely stop future financing which will be absolutely necessary if the industry is to provide new facilities necessary to carry on the war effort and meet the demands of existing customers. Basically keep in mind the fact that under State and Federal regulation utilities cannot earn more than a reasonable rate of return, and therefore excess-profits-tax legislation is not logically applicable to them. For illustration, Portland General Electric Co. has earned only slightly over 6 percent, after taxes, upon its original cost-rate basis and before payment of interest. We calculate the O'Mahoney proposals would cost us at least $600,000 upon the basis of average earnings, or $1,000,000 annually calculated upon the invested capital method at rates in effect in 1944–45. This would reduce our earnings per share from $2.74 to $1.94 or barely enough to cover the current dividends. Since roughly 40 percent of the new capital must be raised through equity securities, this, in my opinion, would completely stop any new financing by this company unless a rate increase were granted to cover. Such a rate increase is not feasible; because at the 75-percent rate it would require $4 from the public to get $1 for the company, and at the 90-percent rate, the ratio would become 10 to 1.

Please refer to my letters of last March, relative excise taxes, which show this company now paying an effective rate of 50 percent instead of the 38 percent paid by other corporations. Due to the impact of existing 3½-percent excise tax, this is a factor which should be given consideration. Also, please refer to exhaustive report and recommendations against the imposition of excess-profits taxes upon utilities made in 1944 by the National Association of Railroad and Utility Commissioners. George Flagg was on this committee.

If this legislation inevitable now, would suggest the following simple amendment, which would at least be very helpful:

"With respect to regulated public utilities, the excess profits net income shall be that income, after deduction of normal and surtaxes, which exceeds 6½ percent upon the capitalization, namely, borrowed capital, equity capital, and surplus."

A separate telegram contains further alternative suggestions. Please telephone me collect if we can be helpful.

THOS. W. DELZELL,
Portland General Electric Co.

PORTLAND, OREG., *August 30, 1950.*

Senator WAYNE B. MORSE,
United States Senate,
Washington, D. C.:

Supplementing yesterday's telegram, the Edison Electric Institute, which represents most of the electric utilities of the Nation, has a joint committee with the American Gas Association and is in the process of making recommendations with respect to excess-profits-tax legislation. Their tentative recommendations, which we endorse as an alternative to those previously suggested, are as follows:

With respect to invested capital:

1. Invested capital should include 100 percent of borrowed capital.

2. Interest on borrowed capital added to normal tax net income in determining excess-profits net income should be reduced by the inadmissible asset factor applied to reduce invested capital.

3. A credit of 8 percent should be allowed on all capital additions, including equity, borrowed capital, and accumulated earnings and profits, commencing with the first excess-profits-tax year.

4. The normal tax and surtax should be deducted in determining excess-profits net income.

5. The excess-profits credit should be not less than 6 percent of invested capital on the excess of $10,000,000 with 8 percent applicable to the first $5,000,000 and 7 percent applicable to the second $5,000,000.

With respect to average earnings:

1. Base period earnings should be 100 percent of the average earnings for the four taxable years beginning on and after January 1, 1946.

2. In computing the average earnings, recognition should be given to the 75-percent rule for the lowest base period year. As provided for in section 713 (E) (1) of the Internal Revenue Code (before repeal by sec. 122 (A) of the Revenue Act of 1945) and to the growth formula, as provided for in section 713 (F) of the Internal Revenue Code (before repeal by sec. 122 (A) of the Revenue Act of 1945).

3. A credit should be allowed equal to 8 percent of all capital additions (equity borrowed capital and accumulated earnings and profits, commencing 2 years prior to the end of the base period. All capital reductions should reduce the credit at the rate of 6 percent.

4. In ascertaining excess-profits net income, a deduction should be allowed for normal tax and surtax. This deduction should apply to the current excess-profits taxable years, as well as to the base-period years.

5. In ascertaining excess-profits net income, no deduction shall be allowed for interest on net additional borrowed capital, included in item (3).

THOS. W. DELZELL,
Portland General Electric Co.

Mr. MORSE. Mr. President, the two Senators from Oregon have talked to the Senator from Wyoming [Mr. O'MAHONEY] and to the expert advisers on the staff of the committee who have been working on the O'Mahoney-Connally amendment. I think I quote the Senator from Wyoming correctly—if not I can assure the Senate I quote his meaning correctly—when I report to the Senate that this afternoon, in his conference with the two Senators from Oregon, he said: "Yes, it appears that that is exactly the way the amendment would work on this particular company. It appears also that this is apparently an exceptional case. We do not find it to be the general situation within the regulated public-utility industry, because we have not heard of other utilities that have this particular type of capital structure or financial structure that would result in such a hardship being worked upon them." He said, further, "I can understand why you two gentlemen are concerned about it. I am concerned about it, too." I think I quote the Senator very accurately as to his meaning. He said, "Of, course, the particular amendment that is suggested by the sender of the telegrams would not be a proper one because such an amendment would put the company in the most favored position that it has been in in recent years. In other words, that amendment, as my staff has analyzed the finances of the structure, would put the company in such a position that it would not be required to pay any excess-profits tax unless it made more money, and considerably more money, than it has ever made in recent years."

"Well," I said, "let us check into that. Let us be certain about that, because that is certainly not my objective in urging that an amendment to the O'Mahoney-Connally amendment be adopted. I certainly do not want it to be used as a device for guaranteeing to this company that almost no circumstance could arise by way of increased business on the part of the company, or increased income on the part of the company, that would result in its not being liable for an excess-profits tax."

I said to the Senator from Wyoming this afternoon: "Let me make perfectly clear that I think public-regulated util-

ities should pay an excess-profits tax when they make excess profits, but I do not think we ought to penalize any company as this company and others with a similar financial structure would be penalized, because of the fact that they have to operate on the basis of the capital consisting of 50 percent of indebtedness."

The Senator from Wyoming said, "I do not think so, either." He said, "Of course we need to keep in mind that one reason why this provision was written by the Congress in the old excess-profits-tax law in the first instance was that Congress did not want to encourage companies to borrow a great deal of money and to operate their business on borrowed money, on which they could get a very low rate of interest, and make a saving, insofar as taxes are concerned, by operating on borrowed money."

Of course, Mr. President, that goes to the question of intent and good faith. It is not suggested by anyone that any such type of financial manipulation would ever be indulged in by the Portland General Electric Co.

So the Senator from Wyoming said to the two Senators from Oregon: "Let us have the staff do some refiguring on this case and see what the effect of a 5-percent provision would be, instead of a 6½-percent provision"—as contained in the amendment the Portland General Electric Co. suggested to the two Senators from Oregon, and which it asked them to consider.

I now read the amendment suggested to the two Senators from Oregon in respect to this matter. It is as follows:

In respect to regulated public utilities, the excess-profits net income shall be that income, after deduction of normal and surtaxes, which exceeds 6½ percent upon the capitalization, namely, borrowed capital, equity capital, and surplus.

Mr. President, the Senator from Wyoming suggested that the two Senators from Oregon give consideration to changing the 6½ percent stated in the amendment to 5 percent. The staff advisers who have been working on the O'Mahoney amendment have done some figuring in that connection. I am satisfied that if my colleague, the senior Senator from Oregon [Mr. CORDON], were present, he would join in the point I am making at this time but it was necessary for him to go home earlier this afternoon because of a very sore throat. He sent instructions to me to proceed to act for both of us in regard to this matter, and that if I reached a conclusion that any particular amendment should be offered, he would like to have me include him as a sponsor of the amendment.

That is what I am doing but I do not wish to speak for him in regard to any conclusions I have reached since he and I had our conference this afternoon with the Senator from Wyoming, a conference to which the Senator from Wyoming already has referred in his discussion on the floor of the Senate in regard to this amendment.

So I shall state the matter in this way: Now that the members of the staff of the committee who have been working on the O'Mahoney amendment have done some figuring in respect to the substitution of the figure 5 percent for the figure 6½ percent which now appears in the proposed amendment which was sent to the two Senators from Oregon by the representative of the Portland General Electric Co. in this instance. I have come to the conclusion that the 5-percent figure would be fair and reasonable and proper.

Although I reserve the right tomorrow to modify or perfect the amendment, I now formally offer, in behalf of the senior Senator from Oregon [Mr. CORDON] and myself, the following amendment to the bill, namely, at the proper place in the bill insert the following:

In respect to regulated public utilities, the excess-profits net income shall be that income, after deduction of normal and surtaxes, which exceeds 5 percent upon the capitalization, namely, borrowed capital, equity capital, and surplus.

In conclusion, Mr. President, although it may develop that some hardships will grow out of the immediate application of the O'Mahoney amendment, I say, for the reasons I set forth in the speech I made in the Senate last night, in support of having an excess-profits tax enacted and applied now, that I think we should proceed to adopt the O'Mahoney amendment tomorrow. Then, at a later date, on the basis of the experience under that amendment, let us proceed to correct any hardships which may develop under it.

I call attention to the fact that if the particular amendment which the two Senators from Oregon now offer is adopted, and if it does not result in doing justice in keeping with the intent and spirit of the purpose of an excess-profits tax, there will be ample opportunity for the Congress later to correct the resultant hardship. Furthermore, within the proposed law, the aggrieved parties will have the procedure of review before the Bureau of Internal Revenue if they can show, for example, that any hardship they encounter is the result of application of the amendment; and if—there are two big "if's" there, but nevertheless I am talking about the procedure which will be available to them—and if the officials of the Bureau of Internal Revenue reach the finding that it is not within the framework of the intent of Congress in enacting law that such a result should flow therefrom.

Of course, I thought my senior colleague in our conference this afternoon with the Senator from Wyoming [Mr. O'MAHONEY] explained that remedy fairly well when he said, "Yes, that provision is in there."

However, of course when we undertake to operate under it, we proceed by means of a system of government by men, rather than a system of government by law, because the relief which any of these taxpayers might secure under the operation of that particular section of the law would depend entirely upon the exercise of the discretion of the officials of the Bureau of Internal Revenue.

In order that the RECORD may be perfectly clear, let me say that I have notified the officials of the Portland General Electric Co. that I would offer such an amendment; but I have also made very clear to them that I would vote for the O'Mahoney amendment even though the amendment they urge the Senate to adopt is defeated, and that in such case I would do what I could at a later date to help correct any hardship which they could show flowed from the operation of the O'Mahoney amendment when it did not include the amendment they suggest be included as a part of it.

Mr. President, I will do that for the reasons I set forth in the speech I made in the Senate last night, because from the standpoint of the national interest, from the standpoint of checking inflation, from the standpoint of obtaining at this time all the money we can get immediately to pay for the costs of this war, from the standpoint of the great moral obligation which I think is involved in the O'Mahoney amendment, and from the standpoint of national morale, I think the O'Mahoney amendment should be adopted, even though we may fail tomorrow to obtain adoption of the kind of corrective amendment which we happen to believe is only fair in order to avoid a hardship which I am sure should not be intended by the Congress in the operation of the O'Mahoney amendment.

Mr. President, I think I have already received from the Chair a ruling that the two telegrams to which I have referred shall be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Yes; that has already been done.

Mr. MORSE. I shall proceed immediately to write, for the benefit of the appropriate clerk, the amendment which I now offer and ask to have printed and lie on the table, for consideration tomorrow.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

RECESS

Mr. HOLLAND. Mr. President, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Friday, September 1, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 31 (legislative day, July 20), 1950:

IN THE NAVY

Vice Adm. Robert B. Carney, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as commander in chief, United States naval forces, Eastern Atlantic and Mediterranean.

Admiral Richard L. Conolly, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as president, Naval War College.

Rear Adm. Matthias B. Gardner, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander, Second Fleet.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 31 (legislative day, July 20), 1950:

POSTMASTERS

ALABAMA

Mary M. Gunn, Jackson.
Marvin E. Glover, Owens Cross Roads.

FLORIDA

John R. Hartsfield, Callahan.
Asa V. Phillips, Homestead.

GEORGIA

Horace Wright, Douglasville.
Marcus A. Bomar, Glenwood.
Frances S. Brady, McIntyre.
Benjamin Turner, Point Peter.
William C. Layton, Swainsboro.
Howard William Butler, Unadilla.
George Weldon Prickett, Union Point.

ILLINOIS

Fred J. Rudloff, Carterville.

KANSAS

Edward R. Marshall, Olathe.
Guy Baker, Ozawkie.

MARYLAND

James N. Day, Bel Air.
Benson W. Matthews, Marion Station.
George T. Perrine, Mountain Lake Park.
Frank P. Myers, Westminster.

MICHIGAN

Alwin L. Strevy, Ferrysburg.
Douglas J. Hill, Harbor Springs.
Roger Erlo Davis, Hickory Corners.
Howard H. Alverson, Ithaca.

MINNESOTA

Alfred H. Johnson, Belview.
Duane W. Bellefeuille, Callaway.
Hubert F. Lieder, Rockford.

MISSISSIPPI

Thomas V. Laird, Morton.

MISSOURI

Floyd E. Fewel, Leeton.

NEW MEXICO

Lawrence C. Bangert, Fort Bayard.
Charlie E. Coca, Montezuma.

OKLAHOMA

Perry H. Townsend, Jr., Asher.
Bill Morgan, Hartshorne.
Jasper Francis Rankin, Haskell.
William E. Reynolds, Salina.

PENNSYLVANIA

Chester J. Kukleski, Braddock.
Augustine A. DeBacco, Bradenville.
John Irving Cleveland, Conneaut Lake.
Edward J. Clarke, Jr., Dalton.
George T. Jamieson, Feasterville.
Leo J. Kordella, Hibbs.
Foster H. Coyle, Johnstown.

SOUTH CAROLINA

Charles J. Brockington, Jr., Andrews.
Murph R. Mahaffey, Jr., Duncan

TENNESSEE

Harry M. Patillo, Eagleville.

TEXAS

John Boyd Lawson, Arlington.
Ivey B. Holt, Olton.
Nora B. Elkins, Saginaw.
Allen S. Lawrence, Sinton.
James D. Trainer, Sonora.
Daniel M. Hannan, Taylor.
Ray W. Oliver, Weatherford.

VIRGINIA

John F. Harlan, Charlottesville.
Frank L. Davis, Jr., Courtland.
Charles H. Owens, Draper.
Robert M. Owen, Emporia.
Paul S. Gilmer, Lebanon.
Percy V. Dennis, Jr., Grundy.
Itley O. Fowler, Royal City.

WISCONSIN

John W. Grotkin, Benton.
Orville I. Anderson, Cameron.
George K. Sazama, Hatley.
Henry A. Siewert, Jr., Kingston.
Elmer H. Toepfer, Random Lake.
Alfred J. Perrault, Jr., Turtle Lake.

WYOMING

Roy Cecil Taylor, Mountainview.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 31, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou eternal God, may this moment of prayer be for each of us a cleansing and consecration of heart and mind. May it be radiant with insight and inspiration as we address ourselves humbly and confidently to the many challenging tasks and responsibilities of this new day.

Make us more acutely sensitive and more eagerly responsive to Thy voice. May the voice of America be the voice of God as we proclaim to suffering and struggling humanity the blessings of freedom and democracy. May the time be hastened when men everywhere shall be living in a social order in which they shall be enjoying the blessings of lasting peace. In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3934) entitled "An act to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 51–5.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 4029) entitled "An act to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAPMAN, Mr. HUNT, and Mr. GURNEY to be the conferees on the part of the Senate.

CERTIFICATION OF CITATIONS AGAINST EDWARD A. RUMELY AND WILLIAM L. PATTERSON

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 834, Eighty-first Congress, he did on today, August 31, 1950, certify to the United States attorney for the District of Columbia the refusal of Edward A. Rumely to answer questions and produce documents before the Select Committee on Lobbying Activities; and that pursuant to House Resolution 835, Eighty-first Congress, he did, on today, August 31, 1950, certify to the United States attorney for the District of Columbia the refusal of William L. Patterson to answer questions and produce documents before the Select Committee on Lobbying Activities.

AMENDMENT OF INTERNAL REVENUE CODE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill is, for information?

The SPEAKER. It is a request to send the bill to conference.

Mr. MARTIN of Massachusetts. I know; but what is the bill?

Mr. DOUGHTON. The Senate amendment added a new section to the bill which would amend the Internal Revenue Code dealing with certain types of gifts to charity.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. DOUGHTON, COOPER, MILLS, REED of New York, and WOODRUFF.

EMERGENCY APPROPRIATIONS

Mr. CANNON. Mr. Speaker, by direction of the Committee on Appropriations I submit a privileged report on House Joint Resolution 537, making emergency appropriations for the fiscal year 1951, and for other purposes, and ask unanimous consent for the immediate consideration of House Joint Resolution 537.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, or out of applicable corporate or other revenues, receipts, and funds, such amounts as may be necessary to carry out the projects or activities for which funds would be made available by the Supplemental Appropriation Act, 1951 (H. R. 9526, 81st Cong.), to the extent and in accord with the terms provided for by said act as passed by the House of Representatives on August 26, 1950.

SEC. 2. Appropriations and authority made available by this act shall remain available

until the enactment into law of the Supplemental Appropriation Act, 1951, or September 30, 1950, whichever first occurs.

SEC. 3. Expenditures from appropriations and funds made available pursuant to this joint resolution shall be charged to the applicable appropriations or funds whenever the Supplemental Appropriation Act, 1951, is enacted into law.

Mr. CANNON. Mr. Speaker, on August 26 we passed and messaged to the Senate the supplemental appropriation bill, H. R. 9526, providing approximately $16,000,000,000 for military expenditures with the expectation that the bill would be enacted and the money would be available within the next few days.

It is now evident that unavoidable delays will retard the appropriation of funds urgently needed for the defense program and to meet the emergency we submit the pending joint resolution, in effect a continuing resolution, authorizing expenditures carried in the bill H. R. 9526, as it passed the House.

The joint resolution merely anticipates the provisions of the supplementary bill pending final action in conference between the two Houses.

This is the best provision we can make at this time. Undoubtedly as the war proceeds defense demands will make further requisition on the National Treasury.

But taking into consideration such unpredictable requirements and amendments which will necessarily alter the supplementary bill in the other House, a general summary may be made as we approach the end of the session.

When the Korean conflict suddenly erupted in late June, the carefully prepared budget for 1951 was instantly out of gear. The precipitate demands for the Korean front and, even more imperative, the vast requirements in preparation for future contingencies, completely disorganized the fiscal as well as the military program and imposed demands on the national income far beyond the comparatively modest overdraft of some five billions previously projected in the budget.

Since VJ-day we had been endeavoring with relatively small success to bring Government costs within the national income allowing an appreciable margin for debt retirement. We had made a consistent and determined effort to economize without interfering with the efficient administration of the essential functions of government.

We were handicapped by the necessity of providing safeguards against threats to the security of free government throughout the world. Current disbursements to retard the spread of international communism and the heavy burden of obligations incurred in past wars had been absorbing something like 70 percent of our annual expenditures, leaving a correspondingly depleted proportion for nondefense expenses and for the field of prospective economy. Within that narrow field, however, we had been able to show retrenchments which had materially lessened debt expansion.

Now another war, and prospects of greater wars, are upon us and the public debt is not greatly below the World War II peak of $272,000,000,000. With a national debt of $257,000,000,000 we cannot pyramid the cost of these new demands upon that staggering burden. We must pay as we go, by additional taxes, and especially by restricting to the minimum all nondefense outlays.

We have made unprecedented reductions in this session in outlays not directly connected with the prosecution of the war. We solicit the cooperation of legislative committees in curtailing or eliminating new authorizations which must be implemented by additional funds from the treasury and in the restriction of bills establishing new bases of appropriation.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I am not going to object to this extension of time, but I think it is pretty nearly time we know something about where we are headed. By our extending this time it probably means we will delay adjournment, as it gives the Senate more time to prolong its discussions and delay adjournment.

Mr. CANNON. This has nothing to do with adjournment and unfortunately we have no control over the other body.

Mr. MARTIN of Massachusetts. We are permitting that other body, to which the gentleman refers, to tarry longer upon work they should deal with promptly.

Mr. CANNON. Of course, if the gentleman is willing to assume responsibility of not having money when the money is needed for the war program, he can urge delay; but if we want to provide money, and enough money, and provide it in time rather than too little and too late, this resolution is imperative at this present hour.

Mr. MARTIN of Massachusetts. I agree with the gentleman that the resolution is imperative, and I favor it, but the gentleman also realizes, of course, the right way is to pass the regular bill. That is the logical and the parliamentary way.

Mr. CANNON. Of course, we have something to say on proceedings in this body; we have no voice in the control of the other body. In submitting this resolution we are carrying out our responsibility for national defense and we must leave to the other body the discharge of its responsibilities.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. TABER. Under the circumstances I presume the funds that are made available by this resolution, the funds that were provided in the deficiency bill which we considered on Friday and Saturday of last week, in order to be made available, this will have to be done so that they may obligate whatever they wish and whenever they wish for the things that will be required for the war effort. I can see nothing else to do but pass this joint resolution at this time.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it the regular appropriation bill for the departments of government that the gentleman is extending the time on?

Mr. CANNON. The regular appropriation bill has gone to the White House. It has been disposed of by both Houses and is now on the desk of the President. This is the supplementary appropriation bill.

Mr. RICH. That bill was 2 or 3 months past due before it was finally settled, was it not?

Mr. CANNON. Last year it was October 29 before all appropriation bills were passed, so that we are far ahead of schedule.

Mr. RICH. It was supposed to be passed by June 30, was it not?

Mr. CANNON. Not necessarily. There are few instances in which all supply bills have been passed by June 30.

Mr. RICH. Does not the gentleman think the Eighty-first Congress is the slowest Congress he has ever seen? Now be honest.

Mr. CANNON. Not nearly as slow as the last Congress, because it was October 29 last year before we finally concluded action on all the appropriation bills. But a Congress is judged by what it does rather than the time it takes to do it.

Mr. RICH. That was the Eighty-first Congress. I think this Eighty-first Congress is the eighty-worst Congress.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The supplemental appropriation bill as passed by the House carries only $30,000 for civil defense in the District of Columbia. Does the gentleman think the Senate will give consideration to the Presidential request for $140,000,000 to disperse the Federal agencies here in the District of Columbia in the event of a possible atomic bomb attack?

Mr. CANNON. We have no way of knowing what will be done over there, but if we must judge the future by the past, they have never failed to increase the amount of any bill messaged over to them by the House.

Mr. CANFIELD. They can well do it in the name of civil defense for the District of Columbia and I hope they will.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. When the gentleman referred to the "last Congress" he meant the first session of this Congress?

Mr. CANNON. I was referring to last year.

Mr. CASE of South Dakota. He was referring to the first session of this Eighty-first Congress.

Mr. CANNON. I was referring to the last year in which we operated under the multi-appropriation bill system. This is the first year we have been operating

under the one-package bill system and under that system we have this year saved both time and money.

Mr. Speaker, may I also take advantage of the opportunity to express the regret which I am certain is shared by every member of the committee at the departure of two colleagues, Mr. PLUMLEY, of Vermont, and Mr. CASE of South Dakota. Mr. PLUMLEY is retiring of his own volition after 18 years of effective service in the House, and Mr. CASE is being transferred in the next Congress to the Senate. Both have rendered invaluable service to the committee, the Congress, and the country.

May I also call attention to the retirement today of a loyal employee who has been in the Government service since 1904. Mr. Ralph Pratt, after serving as secretary to Mr. Burroughs, of New Hampshire, Mr. Mapes, of Michigan, Mr. Jonkman, of Michigan, and Mr. FORD, of Michigan, from 1918, is retiring today. It has been my pleasure to be associated with Mr. Pratt over a large part of his service here, especially during the 17 years he was with Mr. Mapes. Mr. Mapes' office immediately adjoined mine in the Office Building, and as he was one of the outstanding parliamentarians of the House it was my privilege to be in frequent consultation with him in the discussion of problems of procedure and in the preparation of compendiums on the subject. He relied on Mr. Pratt for all office routine and I shared his friendship and confidence in his efficient secretary, and take this opportunity to congratulate Mr. Pratt on his long tenure here and wish for him continued success and happiness when he leaves the hill.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the House joint resolution.

The House joint resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the House joint resolution.

The House joint resolution was passed, and a motion to reconsider was laid on the table.

SELECTIVE SERVICE ACT OF 1948

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to file a report on the bill S. 4029.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CONFIDENCE IN LEADERSHIP

Mr. CHATHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CHATHAM. Mr. Speaker, for the benefit of our sailors, marines, aviators and soldiers—and to the mothers and fathers of these boys.

In my opinion, hysterical and irresponsible people are scaring you by attacking the leadership of our armed forces. It reminds me of the attacks on Abe Lincoln and U. S. Grant. Monday morning quarterbacks have always told us how we should have won last Saturday's game. But these quarterbacks were never the players.

I come from a family that has taken a combat part in about every war our country has had. We have been soldiers, sailors, and aviators. I have been a sailor in two wars and will expect to still be a sailor if I get a call.

I want to express my confidence in our leadership today. If I didn't have this confidence, I would not tell you about it. The best reference I can get on a man is when a friend of mine tells me what he thinks about him.

The present attacks on Secretary of Defense Louis Johnson are—in my own opinion—entirely unjustified. I know Louis Johnson. No one has asked me to speak up for him. But here is an able, patriotic, honest, experienced, and hard-working official of our Government. His record speaks for itself—a great commander of the American Legion, a successful businessman, an outstanding Assistant Secretary of War, a man who started the mobilization of industry when our country thought we were insulated from war. World War II was shortened because of the work Louis Johnson did.

If I am going to war, if my boys are going to war, if your boys are going to war, I am glad that Louis Johnson is leading our Defense Department. Our Commander in Chief has confidence in him, and our Commander in Chief has the terrible responsibility of sending our boys to war. You must know that President Truman and Louis Johnson are just as patriotic as any citizen of our country. They want peace—as you and I. Critics have small responsibilities—in many cases have small backgrounds in this country.

I think it is time for someone to stand up and talk back. I think we have the soundest and strongest leadership in this country today that we have ever had. We are at the head of the table as a world power and those who criticize so glibly, are undermining our prestige.

I am not going to go on—I like to follow strong leadership and despise little snipers. If the results would not be so tragic, I would like to see some of the snipers in high positions.

God help those people who talk so much and know so little. We have a strong and alert enemy—without principles or honesty. I take this opportunity to express my confidence in our leadership, our President, our Secretary of State, and our Secretary of Defense. I aim to follow them through thick and thin—through ups and downs, but I follow them with full confidence in their leadership.

STULTIFIERS OF EXECUTIVE HEADS

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAVALCANTE. Mr. Speaker, the Communists and subverters within our borders invoke the protection of our Constitution to justify their daily stultifying attacks against the executive heads of our Government. They invoke this protection to justify their attacks against the domestic and foreign policy adopted by our executive heads. They invoke this protection to justify their attacks upon the moral and intellectual fitness of the executive heads. They invoke this protection to justify their attacks against the allegiance and confidence that is due to the executive heads. They invoke this protection to justify their attacks against the judicial heads that administer public justice. They invoke this protection in their attacks against the law and order of our people. They invoke this protection to justify their attacks against the legislative branch. Indeed, Mr. Speaker, they have even invoked this protection to justify their attacks against the Christian character of our Constitution, laws, and civilization.

The course pursued by these Communists and subverters will lead to the doom of this Nation unless Americans call a stop to the use of the legislative floor for conduct that gives comfort, satisfaction, and encouragement to these enemies of the American brand of freedom.

It is a doleful spectacle to the American that sits in the gallery of the legislative floor, and a comfort, satisfaction, and hope to the Communist and subverter, to witness the almost daily attacks made from the floor against the executive heads; against our domestic and foreign policy; against the moral and intellectual fitness of the executive heads; against the allegiance and confidence due to the executive heads; against our courts; and against the fundamental discipline and obedience due from the subordinate to the superior. Indeed, in the throes of these attacks the gallery-sitter might frankly believe that the fellow travelers of these Communists and subverters have infiltrated the legislative floors.

The attacks against the Department of Defense and its executive head are not unwelcome to the Communist, subverter, and fellow traveler. The attacks upon the President and his authority and integrity are not unwelcome to these enemies of our brand of government.

Is it not yet evident to the demagogue and partisan that the legislative floors are not places from which to give comfort, satisfaction, and encouragement to those who seek to undermine the faith and confidence of our people in our institutions and our executives? Is it not time that these attacks be reserved by the legislator for the political platform, soap box, and street corner?

Do not the times invite the legislator to desist from conduct that, voluntarily or involuntarily, moves in harmony with Communistic and subversive party lines?

SPECIAL ORDERS GRANTED

Mr. LANE asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

Mr. STOCKMAN asked and was given permission to address the House for 20 minutes today, following the legislative program and any special orders heretofore entered.

FAITH OF OUR FATHERS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I had the great privilege last night of going out to the amphitheater in the Rock Creek Park and listening to and seeing the play Faith of Our Fathers, which you Members and the taxpayers are looking after because of your appropriations: Two acts, 18 scenes, 1783 to 1799. The scene takes place in Virginia, Maryland, New York, Massachusetts, and Pennsylvania. They asked the question there, because their treasury was bare, "Where are you going to get the money?" I think that is a good question, and I think every Member of the Congress ought to go out and see that play, as well as every visitor who comes to the city. It is really worth while, and it is something that the people of this country would enjoy, and it is something that will give you a lesson that we can follow out now in Congress. It is for States rights. Washington advises you to, "Obey the law and try to do the things that are in accordance with the law," and as George Washington said, "Keep out of foreign entanglements." I advise you all to go and get your lesson. No one in my judgment need to follow the instructions of George Washington more than this Eighty-first Congress. Oh, how we should heed if we are to preserve our Constitution and live by law, progress by hard work, and follow out the teaching of our forefathers from the founding of our country in its infancy. Go see the play—Faith of Our Fathers. Admission fee is very reasonable. It should be good for you and help keep the Treasury from paying any deficit that may be incurred.

SPECIAL ORDER GRANTED

Mr. DONDERO asked and was given permission to address the House for 20 minutes tomorrow, following the legislative program and any special orders heretofore entered.

HON. FRANK L. SMITH

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, with a heavy heart I announce the passing yesterday of Frank L. Smith, a former Member of this House from the district I am privileged to represent. This November he would have celebrated his eighty-third birthday.

For many years Colonel Smith, as he was affectionately known by his host of friends, was one of the leaders of the Republican Party in Illinois. He served in this body in the Sixty-sixth Congress but did not seek renomination. He was subsequently elected to the United States Senate from Illinois.

Colonel Smith was a successful farmer, a successful banker, and a successful businessman. He applied his remarkable ability and limitless energy to everything he undertook. He was devoted to the principles of government in which he believed, and he devoted many years in the public service, State and Federal, seeking always to serve his fellow men.

I looked upon Colonel Smith as one of the most accomplished students of governmental affairs it has been my privilege to know. When he was no longer active in public life, many of us went to him for counsel and advice. I know I shall miss him. I shall miss his words of encouragement. I shall miss his advice on perplexing problems. Just a few quiet minutes with him gave one renewed courage in disappointments and renewed determination to fight for the things in which one believes.

Mr. Speaker, with the passing of Colonel Smith I have lost a very fine friend and our country has lost a truly great American. A life of service has ended, and he has gone to the Great Beyond for eternal rest. But he will live on in our hearts and in the many contributions he has made for the betterment of all mankind.

Mr. BROWN of Ohio. Mr. Speaker, I too, at this time, desire to express my regret over the passing of Colonel Smith. I have known and respected him for many years. He was a great American and a loyal active member of the Republican Party. For years I was privileged to serve with him at many national Republican conventions. Truly, a fine American has left us.

CAPITOL HILL TELEPHONE OPERATORS

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, almost daily one can hear on the floor of the House Member after Member paying tribute to or complimenting another Member on the excellence of his work or the accomplishments of his committee.

As the session is drawing to a close, in the brief time allotted to me, I would like to pay tribute to others who are helpful in our work; I refer to the telephone operators on Capitol Hill.

They are efficient, patient, courteous, and hard working, and no matter how impatient we might become at a slight delay, they are always kind and courteous.

This has been a busy session for them as well as for us and it is my thought to say to them as we do our colleagues: You have turned in a fine performance and deserve the thanks and hearty commendations of the Members on both sides of the aisle.

ADVOCATING A STRONGER, AGGRESSIVE, AND FACTUAL VOICE OF AMERICA

Mrs. BOLTON of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, in the last days of June of this year there was held at America Haus in Berlin, Germany, a Conference of Cultural Freedom. One of the papers was given by George Schuyler, the editor of the Pittsburgh Courier. What he said about the Negro question frankly and clearly might well be said of all our processes here, and might do a very fine job for us if the Voice of America would reiterate some of the facts and truths about the kind of freedom under law which this country represents.

Mr. Speaker, I urgently recommend to the Members of the House that they read the paper, written by the editor of the Pittsburgh Courier, which will be included as part of my remarks in the Appendix of the RECORD.

COMMUNIST PARTY RADIO BROADCASTS IN THE UNITED STATES

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks, and include a letter from the Federal Communications Commission.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, on August 18 I wrote the Federal Communications Commission relative to certain Communist broadcasts being delivered in the United States. This morning I received a letter from the Commission which, to my amazement, tells me that at the present time the Federal Communications Commission has no check of the broadcasts being made in this country. The only check they require is once every 3 years when a broadcasting station asks for an extension of their license when the station is required to file for the consideration of the Commission seven typical daily programs. I think it is time we arrange to take proper steps through the Federal Communications Commission to keep a check on what is being broadcast over the air of a subversive nature to destroy the very things that our boys are fighting for in Korea.

The letter I have received from the Federal Communications Commission is as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., August 28, 1950.

HON. CLARENCE J. BROWN,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BROWN: I am in receipt of your letter dated August 18, 1950, in which you request that the Commission furnish you

with a record of the amount of radio time purchased and used by the Communist Party in its name, together with the names of such stations and the dates of the broadcasts between June 15 and August 15, 1950.

I regret that I cannot furnish you with the information which you desire for the reason that the Commission does not maintain records of all commercial time purchased by various persons and organizations on radio broadcast stations in the United States. You may be aware that radio broadcast station licenses are granted for a period of 3 years. Prior to the expiration of the licenses the licensees are required to file applications for renewals. In connection with such applications the licensees submit program logs which reflect the program service rendered by the stations on seven representative or typical days. The information which you desire appears in the program logs of the stations. However, as I have indicated, the licensees file only logs of specified days which are typical or representative of the stations' entire program service. Upon completion of the review and examination of the program logs submitted in connection with the renewal applications these logs are returned to the licensees.

In connection with your request the Commission's rules relating to the maintenance of program logs will be of interest to you since the rules indicate the types of information which are available at each radio broadcast station. Section 3.181 (3) of the Commission's rules which relates to the maintenance of program logs provides that licensees shall make entries in their logs: "showing that each sponsored program broadcast has been announced as sponsored, paid for, or furnished by the sponsor."

In addition, section 3.190 (d) which relates to broadcasts by candidates for public office provides as follows:

"Every licensee shall keep and permit public inspection of a complete record of all requests for broadcast time made by or on behalf of candidates for public office, together with an appropriate notation showing the disposition made by the licensee of such requests, and the charges made, if any, if request is granted."

Accordingly, to the extent that broadcast time was purchased by the Communist Party, or used by the Communist Party in connection with political campaigns, the records of the broadcast stations should disclose the information you desire.

If I can be of further assistance to you, please do not hesitate to call upon me.

Sincerely yours,

WAYNE COY.
Chairman.

CAPITOL TELEPHONE OPERATORS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I, too, would like to join the gentleman from Pennsylvania [Mr. GAVIN] in expressing appreciation of what the telephone operators have done. For 25 years in Congress I have known of their tireless and patient efforts. I have also known that through their efforts lives have been saved, lost children have been found, veterans have been brought back from foreign countries in order to be with their families when they have died, and an enormous amount of good has been accomplished, all patiently, cheerfully, and extremely efficiently. In peacetime and in wartime, matters of vast importance have passed through their capable hands.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

SHELTER FOR FEDERAL WORKERS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I wonder how the boys in Korea will feel when they read that President Truman has asked this Congress to appropriate $139,800,000 to provide shelter for 40,000 civilian employees of the Government so they would be out of range of any atomic bomb attack on Washington. I also wonder, Mr. Speaker, how the workmen in our vital industrial centers will feel. I wonder how the mothers and fathers of the Nation will feel since the Government apparently feels that the lives of some of these Federal employees come ahead of the protection of their loved ones be they in Korea, or in some industrial center.

Mr. Speaker, this administration has blundered us into a war. We all ought to take an equal chance. Of course there is a danger of bombs falling on many of the cities of our Nation, not just on the Capital. In times like these it seems to me that it is nothing more than plain boondoggling to propose the expenditure of this vast sum of money to provide shelter for some of the waffle-bottoms in Washington. Mr. Speaker, the House should turn down this request for additional funds. We should have none of it.

RADAR FENCE TO PROTECT AMERICA

Mr. MILLER of Maryland. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MILLER of Maryland. Mr. Speaker, in line with what the gentleman from Nebraska [Mr. MILLER] has suggested, we are spending billions of dollars for a radar fence to protect this Nation from enemy bombing attacks. The failure of the administration to bring us closer to peace makes that expenditure reasonable and proper. The radar fence will help protect all of our people—workmen, housewives, farmers, everyone.

Now the President asks us for $139,800,000 more. He wants to spend it—not for the protection of all the people—but to save the hides of 40,000 Government workers.

Let us save their hides, and save twice $139,800,000, by carrying out the recommendations of the Hoover Commission and removing 40,000 bureaucrats from the Federal payroll.

The SPEAKER. The time of the gentleman from Maryland [Mr. MILLER] has expired.

CIVILIAN DEFENSE FOR THE DISTRICT OF COLUMBIA

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, the people of the District of Columbia and our institutions of Government located here are not expendable. We have been extremely remiss in not providing the District with real civilian defense against possible atomic-bomb attack.

I wrote the President about the lack of plans for the District and other so-called target cities last September. He has today asked for $140,000,000 for the dispersal of key agencies in the District and the District Government has asked for $290,000 to activate a civilian-defense program. Last Saturday the House slashed this figure to a measly $30,000. Meanwhile, the world situation worsens.

The Passaic (N. J.) Herald-News stresses the theme I have been trying to pound home on the floor in its August 30 lead editorial. Let me read this editorial:

OUR NEGLECT OF CIVIL DEFENSE

Congress voted an appropriation recently to put a new roof on the elephant house at the Washington zoo. Members of the House, in the spirit of fun, made emotional speeches about poor Elephas indicus and his leaky roof.

But in the same week that the Congressmen showed such solicitude for beasts well used to rain, they reduced an appropriation for a District of Columbia civil defense program from $290,000 to $30,000.

Washington is the most vulnerable of all American cities. The nerve centers of the National Government are there. Its zoo is 2 miles distant from Pennsylvania Avenue and its elephants are expendable. But Washington's people are not.

When the Capital's civil defense budget was being pared down to $30,000, it's strange that nobody remembered the incredible news from Pearl Harbor that came by radio on Sunday afternoon, December 7, 1941. Had everyone forgotten how the end of the world came to the people of Hiroshima when that first atomic bomb fell on August 6, 1945? Certainly none recalled the feverish haste with which Andrews Field for interceptor planes was constructed on Washington's outskirts early in the last war, when concrete was poured during freezing weather, and when there was such fear of a German bombing raid.

Suicide raids could have been made on Washington in 1941–42, if the Luftwaffe then had the planes to spare. There are warplanes, aloft today, capable of making the return trip after a transpolar flight.

Where would the Government be without its office buildings, its records, and the people who staff the Government bureaus? Within one-half mile target area are the White House and the buildings of the Treasury, Commerce, Interior, Post Office, Agriculture, and State Departments.

Washington's civil defense program ought to be a model for the country. Instead, it reflects the Nation's blindness to the realities of war as aggressor nations wage it.

COMMUNISTS EMPLOYED IN GOVERNMENT

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, while some people are worrying about what might happen to Washington, others are worrying about what is happening in the country. They are asking today who brought the self-confessed Communist, Lee Pressman, into Government service; who brought Hiss into Government service; who brought Abt and so many leftists into Government service? The public is entitled to have those questions thoroughly explored. We should be told who has master minded this infiltration of these people into the Government, so that they, as do the termites in our buildings, can weaken and undermine the very structure of this Republic.

Who or what group has this power to place such dangerous people in positions of importance and influence, which should be held only by Americans of unquestioned and undivided loyalty?

We should know before it is too late.

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was granted permission to address the House on September 14 for 30 minutes, following the legislative business of the day and any other special orders heretofore entered.

TRADE RELATIONS WITH CZECHOSLOVAKIA?

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I call the attention of the House to a rather interesting situation. As a member of a subcommittee of the Committee on Foreign Affairs on the International Trade Fair, I received a letter dated August 4, 1950, which was also sent to the other members of the subcommittee, the gentleman from Illinois [Mr. GORDON], who was chairman of the subcommittee, and the gentleman from Montana [Mr. MANSFIELD], as well as to the Speaker of the House, and to the gentleman from West Virginia [Mr. KEE], chairman of the committee, from the chargé d'affaires ad interim of the Czechoslovak Embassy in Washington. It is rather a surprising letter to a Member of Congress, complaining, "that the policy of the Government of the United States made it impossible for Czechoslovakia to maintain with the United States normal trade relations, that is trade relations based on the purchase of such goods by each of both partners which he can best use from the production of the other."

I am today going to insert in the RECORD a rather extended answer to that letter, which I would have made if it deserved an answer, in which I say that the people of the United States would, I believe, be more than glad to resume normal trade and cultural relations with the people of Czechoslovakia if they would shake off the Communist domination of the regime there, stop being the cat's paw in foreign policy of the Soviet Union, shake off the slavery to which their workers are subject, shake off a regime engaged in distortions and lies about the United States and shake off the complete distortion of their whole economy so cruel to the Czechoslovak people by the misuse to which the Soviet Union is putting it.

I point out the long-standing friendly relations between the American and the Czechoslovak peoples and the fact that the United States was helpful in the founding of the Czechoslovak Republic after World War I which has now found such a sad fate under Soviet domination.

The text of a reply follows:

JAN VINER,
Chargé d'Affaires ad interim,
Czechoslovak Embassy,
Washington, D. C.

DEAR SIR: I have received and carefully considered your letter of August 4 addressed to the chairman of the special subcommittee on House Joint Resolution 453, to me and Representative MANSFIELD as members of the subcommittee, and to the Speaker of the House of Representatives, the Honorable SAM RAYBURN, and the chairman of the House Foreign Affairs Committee, the Honorable JOHN KEE. I note that you protest the "inconsistencies in the motivation" of the board of the International Trade Fair and state that the subcommittee became the "victim of misrepresentation" in characterizing the reasons why the Czechoslovak Government was excluded from the International Trade Fair exhibit at Chicago. You also point out that your Government had already withdrawn from the fair 2 months before the board reached its decision and made it public.

It is not too frequently that a Member of Congress gets an opportunity to comment on such a communication from the official representative of a nation as closely tied in with the Soviet orbit as is your country. There are three very important points which, as an American legislator, I should like to make to you therefore, in respect of this matter. (1) Your letter indicates either an inability or unwillingness to understand the effect upon the American people of the offenses committed by your government against amicable relations between us and your country—a country for whose establishment as a nation we had considerable responsibility. (2) An inability or unwillingness to recognize that relations between nations are not a one-way street and that reciprocity is essential in maintaining them. (3) The implication in your letter of the importance of trade relations between my country and yours and yet the inability or unwillingness to realize that your country has shifted the basis for these relations so that Czechoslovakia now wants to purchase industrial goods for totally different uses than it did before it came under the domination of the U. S. S. R.—industrial goods whose production can so easily be directed against the security of all free peoples by their use in the kind of aggression now taking place in Korea by the Communist puppet regime of North Korea against the people of South Korea.

It is this inability or unwillingness to perceive the true facts and the constant reiteration of only the Communist side of the story which is bringing about a continuing deterioration of relations between the Soviet Union and the regimes within its orbit, and the United States and the other free peoples of the world. It is this attitude which is giving the world the feeling that we are talking to ourselves, because the Soviets and its allied regimes will not listen and that hence negotiations are made almost impossible. This is certainly not in consonance with the traditional enlightenment, culture, and understanding of the Czechoslovak people.

Your letter expresses a desire to trade with the United States and that is very understandable in the light of the figures which show the trade between Czechoslovakia and the United States, both import and export is now, in terms of the prewar dollar, about one-third of what it used to be before World War II. The desire to trade is something which the people of the United States understand and would normally welcome, but how can they welcome it in the face of the harrassing treatment in Czechoslovakia of United States diplomatic representatives during the past spring, the enforced closing of the United States Information Service, the enforced reduction of the United States diplomatic representation and the press and radio campaign of calumny against the United States in Czechoslovakia—always hailed before your country came under the control of the Communist Party as the great friend of Czechoslovakia and its people.

Your country was invited into the ERP in 1947 and at the dictation of the Soviet Union—a fact widely known and publicized around the world—refused to join with the other nations of Western Europe in a program of self-help and mutual cooperation for the reconstruction of Western Europe. Since that time your country has in its domestic and foreign affairs been completely subservient to the national interests of the Soviet Union. Your trade has increasingly been oriented toward the Soviet Union and other countries in the Soviet orbit. The content of your exports has tended to change from consumer goods upon which you based your prosperity to industrial goods which being exported in large volume to the Soviet Union places your economy at its mercy. The resulting pressure on your economy is reflected not only in the loss of freedom of your workers but in the increase in their work week from 40 to 48 hours and introduction of a piece-work system of compensation which is generally opposed by free labor unions throughout the world. Compulsory work brigades have been introduced and forced labor camps established. Your industry has been completely nationalized including a complete state monopoly on foreign trade.

These are economic matters. I have not mentioned the suppression of civil rights, the introduction of "single list" elections permitting no effective opposition to the Government at the ballot box, the state control of religion, the transformation of the Czechoslovak Army into an appendage of the Soviet Army, the use of the Russian language in your schools and the rewriting of your very school textbooks to give a completely distorted picture of Czechoslovak history in Russian terms and the uncritical adulation of the Soviet Union, its leaders and institutions in your entire press and radio and their unmeasured condemnation of the leaders and institutions of the United States, which, but so recently, they regarded as a model for the Czech Republic.

No, the primary responsibility for the present status of Czechoslovak-United States trade is attributable to the Soviet domination of the present Czechoslovakia regime, it is not attributable to the policy of the United States or to the wishes of the people of the United States including among them the directors of the International Trade Fair of Chicago.

It is believed that the trade and cultural interchange with the United States and other free peoples which your government has done so much to make impossible would assist your people ultimately to find security, well being and higher standards of living. I am firmly convinced that the doom of the Soviet

effort at expansion by aggression and infiltration will collapse and that the peoples of the satellite states will realize that they have not only been cheated of freedom but of hope, and that the calculated Soviet policy of separating them from the free world is designed to insure their enslavement and impoverishment.

It is my hope that this letter will at least have had the effect of bringing these considerations forceably to the minds of the Czechoslovak people and to the minds of millions of others who suffer in the grip of the same kind of economic, spiritual and political subjugation under the aegis of the Soviet Union.

Very truly yours,

J. K. JAVITS,
Member of Congress.

TRIBUTE TO SAM HARDY ON HIS RETIREMENT

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, Sam Hardy, who has served the Committee on Ways and Means for 42½ years, has been forced to retire on account of illness in his family. I rise, therefore, to pay a well-deserved tribute to this loyal, efficient, and devoted public servant who has completed almost one-half a century of service in the Congress of the United States.

Sam began his service with the committee on February 9, 1908. Only one Member of the House of Representatives, the distinguished gentleman from Illinois [Mr. SABATH], has served Congress longer than Sam Hardy. It is almost impossible to believe that Sam has served the Committee on Ways and Means one-fourth of the time since the Declaration of Independence in 1776.

Sam was first appointed to the Committee on Ways and Means by that great former chairman, Sereno E. Payne, of New York. Since then Sam has served under nine committee chairmen, as follows: Hon. Sereno E. Payne, of New York; Hon. Oscar W. Underwood, of Alabama; Hon. Claude Kitchin, of North Carolina; Hon. Joseph W. Fordney, of Michigan; Hon. William R. Green, of Iowa; Hon. Willis C. Hawley, of Oregon; Hon. James W. Collier, of Mississippi; Hon. Harold Knutson, of Minnesota; and myself.

I am sure that I express the sentiments of all present and past members of the Committee on Ways and Means and all Members of Congress who have known Sam Hardy when I say that he is irreplaceable and that the loss of his services will be felt for years to come. Words cannot express the esteem and respect which we hold for Sam Hardy. All of us wish for him many happy and enjoyable years in his well-deserved retirement.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I want to join with my good friend from North Carolina in paying tribute to a distinguished public servant. Sam Hardy has been with Congress for over 40 years and now is about to retire. He has always been cheerful, efficient, and obliging. He has won many enduring friendships. We all ask for him continued happiness and health.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that every Member on the Republican side of the Ways and Means Committee be permitted to extend his remarks in the RECORD at this point.

Mr. McCORMACK. Will not the gentleman make it Members on both sides?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, I hope the gentleman from Ohio will not restrict his request to members of the Ways and Means Committee, for there are others who would like to say something about Sam Hardy.

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks in encomium of Sam Hardy at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. I wish to say in particular that the gentleman from New York [Mr. REED], ranking Republican member on the committee, indicated to me a desire to be here and participate in these ceremonies, but he is unavoidably absent, and I am especially interested in seeing that he has an opportunity to extend his remarks.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I served for 10 years as a member of the Ways and Means Committee before first being elected majority leader in 1940, and I got to know in that very close and personal way that is common to members of the Ways and Means Committee, this fine sterling character, this fine American. Sam Hardy is a man of integrity and of honor. His devotion to the Ways and Means Committee and to the members through many years has been outstanding. To the Ways and Means Committee he was an institution. For all practical purposes we considered him a member of the committee. He has rendered over 42 years of service to this House through this committee. He goes into retirement with the appreciation and the respect of all who knew him and of all who know of him. I join with the distinguished gentleman from North Carolina [Mr. DOUGHTON] and my distinguished friend from Massachusetts [Mr. MARTIN] in extending to Sam Hardy our congratulations for a service well done and to express the hope that he and his wife will enjoy many, many years of future happiness.

Mr. REED of New York. Mr. Speaker, I heartily agree with the sincere sentiments expressed by our beloved chairman, the gentleman from North Carolina [Mr. DOUGHTON], in behalf of Sam Hardy, a faithful servant of the Ways and Means Committee for the past 42 years. I can say without any mental reservation that Sam Hardy by his devoted service to this great committee, has set a pattern to all public servants, in efficiency, devotion, courtesy, and loyalty worthy of emulation by all who hold positions of public trust. Only those who have had the occasion to turn to this fine courteous employee for information within the purview of his office can fully realize how invaluable are the services of such a man as Sam Hardy. His retirement is a great loss not only to the Ways and Means Committee but also to the Congress.

We all rejoice, however, that we can say to Sam, "Well done thou good and faithful servant." It is our prayer and wish that you and yours may enjoy many years of health, happiness, and prosperity in your well-earned retirement.

Mr. HESELTON. Mr. Speaker, today Sam Hardy, a loyal, conscientious employee of the House Committee on Ways and Means, is retiring after 42 years of service with that committee. For many years, Sam was a true and trusted friend of my predecessor, Hon. Allen T. Treadway. Those of us who know Sam appreciate and admire his fine qualities. He has been friendly and helpful to us all. We shall miss him. But we wish him many happy years of retirement.

Mr. JENKINS. Mr. Speaker, there are certain qualities of mind and heart that mark a man as a real gentleman. One of these is industry; another is honesty and integrity; another is courtesy; another is good common sense. My good friend Sam Hardy has a complete share of all these virtues. I have known him intimately for many years. He has proved his industry and his honesty and his constant courtesy marked him as one who always wanted to do his full duty.

I am sorry that Mr. Hardy is leaving the service of the Government. I appreciate that he has reached the retirement age and I wish him and his wife the best of everything and that the sunset of their lives will bring them the joys which they so richly deserve.

Mr. HOLMES. Mr. Speaker, Sam Hardy, a loyal, faithful, and intelligent employee of the Ways and Means Committee is retiring. He has worked for the committee for almost half a century. I wish for him good health and happiness. He is a good and fine man and carries with him to retirement the good wishes and affection of everyone.

Mr. HOBBS. Mr. Speaker, although you once remarked that the main trouble with the House was that there were too many Sams in it, and though Sam Hardy has virtually been a Member of this House for 21 terms, I am sure that even in jest no Member who ever served on the Hill with Sam Hardy could include him in any list of dispensables.

While serving primarily on the staff of Ways and Means, he helped us all. His affability and daily friendly greeting "Good morning, it's a fine day," gave us

each a smile and cheerful heart, no matter how bad the weather.

This is the first time we cannot echo Sam's cheerful greeting—it is a bad and sad day because Sam is quitting.

Into his well-earned rest the best wishes of everyone on the Hill and all who have here known him will go with him, each expressing the hope that each day of a long, healthy, and happy retirement may begin with: "Good morning, it's a fine day."

Mr. DINGELL. Mr. Speaker, this day is cross-grained with both regret and happiness for it marks the retirement of Sam Hardy, a faithful and hard-working associate in the important work of the Committee on Ways and Means.

We are happy, of course, that he has earned retirement and rest, but the work of the committee with which Sam was intimately connected will never be the same. A successor of Sam's caliber will be impossible to get. His type is not one that can be trained; they are born to their task.

Sam Hardy is possessed of diligence, gentleness, and a cheerful application to his manifold duties, coupled with an intimate and human understanding that marked him as an outstanding employee of the committee. Even before a Member could fully outline his request Sam was well on his shuffling way toward completion of the assignment.

Sam is enshrined in the hearts of the members of the committee and has earned for himself their undying gratitude, but his character and personality are appreciated by all with whom he comes in contact. He is uniformly courteous, obliging and efficient. His retirement is well earned and it is my wish that, in the best of health, he will live a long time to enjoy his life's vacation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, it is a pleasure to express, on the floor of the House of Representatives, my thanks as a member of the Ways and Means Committee to an outstanding employee of that committee, Mr. Sam Hardy.

Mr. Hardy has brought to an end 42 years' employment with the Government, having served throughout that period as a messenger for the Committee on Ways and Means.

Thus, for a lifetime, Sam has served the Congress of the United States, and has rendered efficient and courteous service to the several hundred Members of Congress who were members of the Ways and Means Committee in the past 42 years.

Just as those of us with a relatively few years of service with the committee know that Sam has been well-nigh indispensable, so too, those who are gone must have been equally indebted to him. Wherever they may be, I know they join in our commendation of Sam. He kept accurate files of all committee reports and legislation, so that valuable reference material was readily available to the members of the committee. In addition, he knew where to find it, so that it became a committee truism that "Sam will find it for us."

Sam Hardy exemplifies the best American tradition of loyalty, integrity, and dependability. He has done his work well. All the Members of the House of Representatives join me in wishing Sam and his good wife, in his retirement, years of happiness, comfort, and well-deserved rest.

SPECIAL ORDER GRANTED

Mr. JACOBS. Mr. Speaker, a few weeks ago I had occasion to address my comments to Drew Pearson. This afternoon at the close of business, unless it is too late, I propose to turn the X-ray on Westbrook Pegler.

To that end, Mr. Speaker, I ask unanimous consent that at the close of all other business and all other special orders heretofore granted I may be permitted to address the House this afternoon for 40 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PROPOSED DISPERSAL OF CERTAIN GOVERNMENTAL AGENCIES

Mr. PRICE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I was very sorry to hear the two Members on the other side of the aisle criticize the President of the United States and the National Security Resources Board for fulfilling a responsibility to the people of this country. The program which was presented on yesterday to a committee in the other body is not primarily to save the life of any one individual or any thousands of individuals in the District of Columbia. It is for the preservation of instruments of this Government that will be necessary for national survival in the event of an atomic bomb attack.

It is a strange thing to me that men in this body would sink so low as to attempt to make political capital out of such a necessary program for the preservation of our democracy and of our Nation. Apparently they do not recognize their own responsibility in safeguarding the Government against enemy attack.

NEW GRAND TETON NATIONAL PARK

Mr. PETERSON submitted a conference report and statement on the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes.

PROPOSED DISPERSAL OF CERTAIN GOVERNMENTAL AGENCIES

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I agree with the gentleman from Illinois [Mr. PRICE], with reference to the statement he made about the plan to disperse some of the offices now located in the city of Washington. The diatribe of the gentleman from Nebraska, Dr. MILLER, was an indication of some of the most addled thinking that I have ever heard expressed on the floor of this Congress. It looks as though this late August heat had almost been too much for some people here.

As I understand the President's proposed dispersal plan, which incidentally is backed by all of the civic organizations and newspapers in Washington, and even the FBI, its purpose was to protect the nerve center of this country from being destroyed by one stroke of an atom-bomb attack. However, even if I have misunderstood the motive of this plan, and it is to protect lives, may I say to the gentleman from Nebraska, Dr. MILLER, that I have never heard any of the sincere, hard-working doctors in my great State of Ohio talk against saving human lives.

SHALL THE UNITED NATIONS TELL US WHEN AND WHERE TO SEND OUR BOYS TO DIE ON FOREIGN FIELDS?

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, according to the press this morning, Secretary Acheson has said that the United Nations will tell us how far to go into Korea, whether or not we shall stop at the thirty-eighth parallel.

The Constitution of the United States vests in the Congress the power to declare war, and charges the Congress with that responsibility; and I, for one, do not propose to surrender that prerogative to a group that has shown by their own actions that they are incapable of governing their own countries.

I am not willing for that group that is joining hands with the element that wants to get rid of the United States Government to subordinate us to the domination of foreign powers, and tell us when and where we shall send our boys to die on foreign soil. If that is Mr. Acheson's idea, then he ought to resign.

Towers of Babel have been collapsing amid confusions of tongues ever since the days of Genesis; and this United Nations is not going to be any exception.

The sooner we get out of it and get back to looking after our own affairs, the better it will be for the American people.

CIVIL AERONAUTICS ACT OF 1938

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9320) to amend the Civil Aeronautics Act of 1938, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman kindly explain the bill?

Mr. BECKWORTH. This is a bill that has been reported by the House

Interstate and Foreign Commerce Committee unanimously, and it is my understanding it passed the Senate unanimously. It is regarded as a bill that is important to the security of our country. I shall read a very pertinent part of the bill:

The Secretary of Commerce is authorized to establish such zones or areas in the airspace above the United States, its Territories and possessions (including areas of land or water administered by the United States under international agreement) as he may find necessary in the interests of national security.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Mississippi.

Mr. COLMER. This is the same bill that the gentleman secured a rule on, is it not?

Mr. BECKWORTH. Yes.

Mr. COLMER. And the gentleman is taking it up in this way to obviate the necessity of calling up the rule.

Mr. BECKWORTH. Yes.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Georgia.

Mr. COX. If the gentleman expected to bring this bill before the House in this manner, then why did he pester the Committee on Rules to do the foolish thing of giving him a hearing and granting a rule?

Mr. BECKWORTH. I will answer that question.

Mr. COX. It ought to be answered. If the committee is to function responsibly, it ought not to be run around, as the gentleman is now doing.

Mr. BECKWORTH. That certainly was not the purpose. May I state what the purpose was? Naturally, bills brought before the House by unanimous consent do not always pass. This bill is regarded as a very important bill. We did not want to take the chance of not being in a position to get it up some way within the next few days.

Mr. COX. The gentleman's presentation of the matter on yesterday won the favor of the committee, and the committee granted a rule. He seems to have stuck it in his pocket and resorted to some other method of bringing before the House a matter which he classifies as being of an emergency character.

Mr. BECKWORTH. That is right, and I still so classify it. This idea of bringing a bill before the Congress by unanimous consent is not a new idea. We had talked about it, and it was thought that the only reason it was necessary to get a rule was because if it does not pass by unanimous consent, the bill is so important that it ought to be brought up and passed before we get away from here. That is the only reason we did as we did. And, I want to assure the gentleman that there was no purpose whatsoever to try to take the time of the Committee on Rules simply to take up its time. That was not the purpose at all.

I do want to say one additional word about it. We all recognize that it is important to know the identity of planes that might be flying over what may be termed sensitive areas. A sensitive area will be any area that is regarded as being significant to the security of this country. It might even be an area where there is not an important defense plant, but an area where it may be anticipated that enemy aircraft might, by stealth, come, in order to do that which would be injurious to or threaten this country.

It definitely is of the opinion of our defense authorities that this is needed. It is the opinion of the CAB that it is needed; and it is the opinion of every person who is familiar with it that it is necessary according to the testimony. As a matter of fact there has been so far as we know no opposition to the bill, but we do want to be sure that it is passed before we get away.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. HINSHAW. Mr. Speaker, as the gentleman from Texas has said, this bill has the unanimous approval of the committee and of the secretaries of the various departments of Government concerned, and I am in favor of the bill.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. COX. Mr. Speaker, I agree that the presentation of the matter was convincing. It does appear that it is of such character that the House should take quick action. But your committee should at least have notified the representative of the Committee on Rules who was sitting here ready to call up the rule. It was a discourtesy to the gentleman, a member of the Committee on Rules, the gentleman from Mississippi [Mr. COLMER] who is here to help you, when you did not inform him that you were going to try to run around him in this matter.

Mr. HINSHAW. The gentleman from Georgia knows that I had nothing to do with making the unanimous-consent request.

Mr. COX. I know that you had nothing to do with it, but I am condemning this sort of action.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Civil Aeronautics Act of 1938, as amended, is amended by the addition of a new title XII, reading as follows:

"TITLE XII—SECURITY PROVISIONS

"SECRETARY OF COMMERCE AND CIVIL AERONAUTICS BOARD

"SEC. 1201. Whenever the President determines such action to be required in the interest of national security, he may direct the Secretary of Commerce and the Civil Aeronautics Board to exercise the powers, duties, and responsibilities granted in this title to the extent, in the manner, and for such periods of time as the President considers necessary.

"NATIONAL SECURITY REGULATIONS

"SEC. 1202. The Board shall consider requirements of national security as well as safety of flight in air commerce, in exercising its powers and carrying out its responsibilities under title VI of this act.

"CLASSIFICATION FOR PURPOSES OF NATIONAL SECURITY

"SEC. 1203. To insure the maximum movement of aircraft within the limits of existing facilities, the Secretary of Commerce, after consultation with the Department of Defense and the Board, is authorized to establish classifications of civil aircraft and types of civil aircraft flight operations for the purpose of facilitating the identification, location and air traffic control of aircraft in flight.

"SECURITY CONTROL OF CIVIL AIR TRAFFIC

"SEC. 1204. The Secretary of Commerce is authorized to establish such zones or areas in the airspace above the United States, its Territories, and possessions (including areas of land or water administered by the United States under international agreement) as he may find necessary in the interests of national security; and may, by rule, regulation, or order within such zones or areas, prohibit or restrict flights by such class or classes of aircraft established under section 1203 as he cannot effectively identify, locate, and control with available facilities: *Provided*, That the Secretary of Commerce shall consult with the Department of State before exercising the authority provided in this section with respect to areas of land or water administered by the United States under international agreement.

"PENALTIES

"SEC. 1205. In addition to the penalties otherwise provided for by this act, any person who violates any provision of this title, or any rule, regulation, or order issued thereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not exceeding $10,000 or to imprisonment not exceeding 1 year, or to both such fine and imprisonment."

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Civil Aeronautics Act of 1938, as amended, is amended by inserting after title XI thereof a new title XII, reading as follows:

" 'TITLE XII—SECURITY PROVISIONS

" 'SECRETARY OF COMMERCE AND CIVIL AERONAUTICS BOARD

" 'SEC. 1201. The purpose of this title is to establish security provisions which will encourage and permit the maximum use of civil aircraft consistent with the national security. Whenever the President determines such action to be required in the interest of national security, he may direct the Secretary of Commerce and the Civil Aeronautics Board to exercise the powers, duties, and responsibilities granted in this title to the extent, in the manner and for such periods of time as the President considers necessary.

" 'NATIONAL SECURITY REGULATIONS

" 'SEC. 1202. The Board shall consider requirements of national security as well as safety of flight in air commerce, in exercising its powers and carrying out its responsibilities under title VI of this act.

" 'SECURITY CONTROL OF CIVIL AIR TRAFFIC

" 'SEC. 1203. The Secretary of Commerce is authorized to establish such zones or areas in the airspace above the United States, its Territories and possessions (including areas of land or water administered by the United States under international agreement) as he may find necessary in the interests of national security; and may, after consultation with the Department of Defense and the Board, by rule, regulation, or order within such zones or areas, prohibit or restrict flights

of aircraft which he cannot effectively identify, locate, and control with available facilities: *Provided*, That the Secretary of Commerce shall consult with the Department of State before exercising the authority provided in this section with respect to areas of land or water administered by the United States under international agreement.

"'PENALTIES

"'SEC. 1204. In addition to the penalties otherwise provided for by this act, any person who violates any provision of this title, or any rule, regulation, or order issued thereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not exceeding $10,000 or to imprisonment not exceeding one year, or to both such fine and imprisonment.'"

Mr. STEFAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I do that for the purpose of inquiring of the gentleman from Texas as to the cost of this bill.

Mr. BECKWORTH. It is believed that the machinery which the CAA now has will be adequate to take care of this work. What the bill does, among other things, is simply to coordinate the CAA machinery with other machinery for ascertaining which planes are in flight in important or sensitive areas. It is not estimated that more people will be needed to take care of this, unless, of course, things should become much worse than they are now.

May I say that by cooperation today they are doing this very job, but so far as the law is concerned, the Secretary of Commerce, under whom the CAA operates, feels that he does not have that authority with reference to security. He has it with reference to safety. In other words, he can cause a person to fly in a given area if safety demands it, but not if security demands it.

Mr. STEFAN. Of course I am for the bill. But I would like to know a little something about where the CAA is coming in for appropriations in view of the fact that today almost 50 percent of the CAA operations are for national defense, and they are working in connection with the Department of Defense. Almost 50 percent of their work is what might be called war work, and they are doing most of it with existing funds. If this bill is passed, will some money be transferred to the CAA from the armed services?

Mr. BECKWORTH. I would not think so. The bill does not provide that. It provides for a closer coordination of effort.

Mr. STEFAN. Of course we all want that. I understand they are going ahead very rapidly on this, but as I view the work of the CAA, since the Korean crisis, practically 50 percent of the work done by the CAA is war work, for which they have no special funds. I am very much worried as to where the CAA is going to get the money to bring about this further coordination unless they get a transfer of funds from the defense services.

Mr. HINSHAW. Will the gentleman yield?

Mr. STEFAN. I yield.

Mr. HINSHAW. This work is done by the airway traffic controls. It is a part of their regular work, and I would not anticipate that any additional funds would be required. I have no knowledge that the Department has requested it.

Mr. STEFAN. I placed in the RECORD a few days ago the war work that is being done by the CAA at the present time and it runs into many, many thousands of dollars and it is affecting the regular necessary services of the CAA. I was wondering if they could secure transfer of funds from the military establishments.

Mr. BECKWORTH. Of course this legislation does not provide for any transfer of funds.

The SPEAKER. The time of the gentleman from Nebraska [Mr. STEFAN] has expired.

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "A bill to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes."

A motion to reconsider was laid on the table.

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3995) to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Civil Aeronautics Act of 1938, as amended, is amended by the addition of a new title XII, reading as follows:

"TITLE XII—SECURITY PROVISIONS

"SECRETARY OF COMMERCE AND CIVIL AERONAUTICS BOARD

"SEC. 1201. The purpose of this title is to establish security provisions which will encourage and permit the maximum use of civil aircraft consistent with the national security. Whenever the President determines such action to be required in the interest of national security, he may direct the Secretary of Commerce and the Civil Aeronautics Board to exercise the powers, duties, and responsibilities granted in this title to the extent, in the manner, and for such periods of time as the President considers necessary.

"NATIONAL SECURITY REGULATIONS

"SEC. 1202. The Board shall consider requirements of national security as well as safety of flight in air commerce, in exercising its powers and carrying out its responsibilities under title VI of this act.

"SECURITY CONTROL OF AIR TRAFFIC

"SEC. 1203. The Secretary of Commerce is authorized to establish such zones or areas in the airspace above the United States, its Territories, and possessions (including areas of land or water administered by the United States under international agreement) as he may find necessary in the interests of national security; and may, after consultation with the Department of Defense and the Board, by rule, regulation, or order within such zones or areas, prohibit or restrict flights of aircraft which he cannot effectively identify, locate, and control with available facilities: *Provided*, That the Secretary of Commerce shall consult with the Department of State before exercising the authority provided in this section with respect to areas of land or water administered by the United States under international agreement.

"PENALTIES

"SEC. 1204. In addition to the penalties otherwise provided for by this act, any person who knowingly or willfully violates any provision of this title, or any rule, regulation, or order issued thereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not exceeding $10,000 or to imprisonment not exceeding 1 year, or to both such fine and imprisonment.

"TERMINATION OF TITLE

"SEC. 1205. The provision of this title shall expire on such date as may be specified by concurrent resolution of the two Houses of Congress."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent the proceedings whereby the bill H. R. 9320 was passed were vacated and that bill was laid on the table.

House Resolution 833 was also laid on the table.

DEPENDENTS ASSISTANCE ACT OF 1950

Mr. BROOKS. Mr. Speaker, I call up the conference report on the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. BROOKS]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3019)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That for the duration of this

Act that part of the second sentence of section 102 (g) of the Act of October 12, 1949 (Public Law 351, Eighty-first Congress), which reads "* * * and actually resides in the household of said member" is suspended: *Provided*, That the dependency of the father or mother as required by said section 102 (g) shall be determined on the basis of an affidavit submitted by such father or mother, and such other evidence as the Secretary concerned may deem necessary under such regulations as he may prescribe, and no such father or mother shall be deemed dependent unless—

"(1) the member of the uniformed services claiming such dependency has provided over one-half of the support of such father or mother for such period of time as the Secretary concerned may prescribe; or

"(2) in the case of claimed dependency arising by reason of changed circumstances after the entrance of such member into active service subsequent to the effective date of this Act, such father or mother becomes in fact dependent upon such member for over one-half of his or her support.

"SEC. 2. For the duration of this Act the proviso in section 302 (a) of the Act of October 12, 1949 (Public Law 351, Eighty-first Congress), is suspended.

"SEC. 3. For the duration of this Act, section 302 (f) of the Act of October 12, 1949 (Public Law 351, Eighty-first Congress), is hereby amended by striking out that portion of the table appearing therein which prescribes monthly basic allowances for quarters for enlisted members in pay grades E–1 to E–7, inclusive, and inserting in lieu thereof the following new table:

	Not over 2 dependents	Over 2 dependents
E–7	$67.50	$85
E–6	67.50	85
E–5	67.50	85
E–4	67.50	85

	1 dependent	2 dependents	Over 2 dependents
E–3	$45	$67.50	$85
E–2	45	67.50	85
E–1	45	67.50	85

"SEC. 4. For the duration of this Act section 302 of the Act of October 12, 1949 (Public Law 351, Eighty-first Congress), is hereby amended by adding the following new subsections:

"'(g) Subject to the provisions of this section, enlisted members without dependents shall be entitled to a basic allowance for quarters at the rate of $45 per month.

"'(h) The payment of the basic allowance for quarters provided in subsection (f) of this section for enlisted members with dependents shall be made only for such period as the enlisted member has in effect an allotment of pay not less than the sum of the basic allowance for quarters to which he is entitled plus $40 (or in the case of enlisted members in pay grades E–4 and E–5, $60; or in the case of enlisted members in pay grades E–6 and E–7, $80), for the support of the dependent or dependents on whose account the allowance is claimed: *Provided*, That such allotment shall not be required, (1) for the calendar month in which such member enters on active duty in a pay status if the allotment is effective from the following month; (2) for the calendar month in which such member is discharged, if not immediately reenlisted; (3) for the calendar month in which such member is released from active duty; (4) for the calendar month in which dependency ceases; (5) for the calendar month in which dependency commences if the allotment is effective from the following month; (6) for the calendar month in which such member is assigned to quarters for himself and his dependents or for the calendar month in which such assignment is terminated: *Provided further*, That such allotment may be initiated, continued, modified, or discontinued in accordance with such regulations as may be presribed by the Secretary of the Department concerned: *And provided further*, That the minimum allotment required for any month shall be based on the lowest rate of basic allowance for quarters to which the member is entitled and the lowest pay grade in which the member is serving during such month.

"'(i) The allotment required by subsection (h) of this section shall be paid to or on behalf of such dependent or dependents as may be specified by the enlisted member concerned, subject to such regulations as the Secretary concerned may prescribe.

"'(j) Any delay in initiating an allotment as required by this section shall not invalidate entitlement to basic allowance for quarters, provided that such allotment is made retroactive for such period as the member may elect to claim the allowance for his dependent or dependents. If the Secretary concerned finds that such delay was caused by the exigencies of the service he may waive the allotment requirement, or the additional increment thereto, as applicable, for such retroactive period.

"'(k) The entitlement to the basic allowance for quarters provided for by this section shall be substantiated in such manner and in accordance with such regulations as the Secretary concerned may prescribe.'

"SEC. 5. Notwithstanding any other provision of law, the basic allowance for quarters to which an enlisted member may be entitled as a member with dependents shall not, for such period as the Secretary concerned may prescribe, be contingent on the right of such member to receive pay.

"SEC. 6. The Secretary concerned may, at his discretion, with or without the consent of the enlisted member concerned, authorize and direct the payment of the basic allowance for quarters and the establishment and payment of such allotment or allotments as he shall determine to be in conformity with the provisions of this Act for any enlisted member with dependents in any case in which such member does not claim such allowance.

"SEC. 7. Notwithstanding any other provision of law, the provisions of this Act shall not apply to enlisted members on training duty, to enlisted men entitled to pay and allowances pursuant to the provisions of section 507 of the Act of October 12, 1949 (Public Law 351, Eighty-first Congress), to any member of the Samoan Native Guard or Band of the Navy, or the Samoan Reserve Force of the Marine Corps. Such persons shall continue to be entitled to the appropriate allowances prescribed by the Act of October 12, 1949 (Public Law 351, Eighty-first Congress), on the day prior to the effective date of this Act.

"SEC. 8. For the purposes of this Act, personnel enumerated in sections 527 and 528 of the Act of October 12, 1949 (Public Law 351, Eighty-first Congress), with dependents as defined in section 102 (g) of said Act, as amended, shall be entitled to a basic allowance for quarters under the conditions and at the rates prescribed for members in pay grade E–4.

"SEC. 9. For the duration of this Act, the fourth proviso of section 515 (b) of the Act of October 12, 1949 (Public Law 351, Eighty-first Congress), is hereby amended to read as follows:

"'*Provided further*, That when a member is furnished Government quarters adequate for himself and his dependents, the total sum saved for him by this subsection shall be reduced at the rate of $45 per month for members in pay grades E–1, E–2, E–3, and E–4 (less than seven years' service), and $67.50 per month for members in pay grades E–4 (seven or more years' service), E–5, E–6, and E–7.'

"SEC. 10. The Secretaries of the Departments concerned are authorized to prescribe such regulations for the administration of this Act as may be deemed necessary to enable them to carry out the provisions of this Act and such regulations shall, as far as practicable, be uniform. All waivers and determinations, including determinations of dependency and relationship shall be made by the Secretary of the Department concerned or such other person or persons as he may designate, and the Secretary of the Department concerned or his designee is authorized to delegate or redelegate such authority: *Provided*, That the authority granted in this section to the several Secretaries of the Departments concerned may by joint agreement be exercised by any one of the Secretaries for any other Department or Departments concerned.

"SEC. 11. Any determinations or waivers made under this Act shall be final and conclusive for all purposes and shall not be subject to review in any court or by any accounting officer of the Government, except for cases involving fraud or gross negligence. The Secretary of the Department concerned may at any time on the basis of new evidence or for other good cause reconsider or modify any such determination, and may waive the recovery of any money erroneously paid under this Act whenever he finds that such recovery would be against equity and good conscience.

"SEC. 12. The General Accounting Office shall not refuse to allow credit in the accounts of any disbursing offices for any erroneous payment or overpayment made by him in carrying out the provisions of this Act unless such erroneous payment or overpayment was made by him as the result of his gross negligence or with the intent to defraud the United States, and no recovery shall be made from any officer authorizing any erroneous payment or overpayment under this Act unless such payment was authorized by him as the result of his gross negligence or with the intent to defraud the United States.

"SEC. 13. Notwithstanding the provisions of section 515 (c) of the Career Compensation Act of 1949, the Comptroller General, upon the recommendations of the heads of the departments concerned, or such subordinates as they may designate, and a showing that collection would be against equity and good conscience, may waive indebtednesses growing out of erroneous payments of allowances under the authority of the Servicemen's Dependents Allowance Act of 1942, as amended, and authorize payments based thereon, on applications filed by enlisted and former enlisted members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, or their dependents, and not finally acted upon prior to October 1, 1949: *Provided*, That in cases where no deductions have been made from the pay of enlisted or former enlisted members the allowances paid hereunder may be limited to the amount of the Government's contribution to such allowances: *And provided further*, That appropriations available for current pay of enlisted members of the services concerned shall be available for payments authorized to be made hereunder.

"SEC. 14. The Secretary of the Department concerned shall take cognizance of the provisions of this Act and shall establish policies, under which enlisted members with dependents may be discharged for hardship.

"SEC. 15. This act shall be effective from August 1, 1950, except that the allotment requirements of this act shall not be a condition precedent to the entitlement to a basic allowance for quarters prior to the second month following the month in which this act is enacted.

"SEC. 16. This act, except sections 10, 11, and 12 hereof, shall terminate on April 30, 1953.

"SEC. 17. This act may be cited as the 'Dependents Assistance Act of 1950'."

And the House agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
Managers on the Part of the House.

HARRY FLOOD BYRD,
VIRGIL M. CHAPMAN,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House passed the bill H. R. 9477 and then amended the Senate bill S. 4071 by striking out all after the enacting clause and substituting the House version.

There were several points of differences between the Senate bill and the House amendment. The Senate bill would have provided allowances for dependents on the following basis:

	Not over 2 dependents	Over 2 dependents
E-7	$67.50	$75
E-6	67.50	75
E-5	67.50	75
E-4	67.50	75

	1 dependent	2 dependents	Over 2 dependents
E-3	$45	$67.50	$75
E-2	45	67.50	75
E-1	45	67.50	75

The House amendment would have provided allowances for dependents on the following basis:

	Not over 2 dependents	Over 2 dependents
E-7	$70	$85
E-6	70	85
E-5	70	85
E-4	70	85

	1 dependent	2 dependents	Over 2 dependents
E-3	$45	$70	$85
E-2	45	70	85
E-1	45	70	85

The conferees of the two Houses agreed upon an amendment which will provide allowances on the following basis:

	Not over 2 dependents	Over 2 dependents
E-7	$67.50	$85
E-6	67.50	85
E-5	67.50	85
E-4	67.50	85

	1 dependent	2 dependents	Over 2 dependents
E-3	$45	$67.50	$85
E-2	45	67.50	85
E-1	45	67.50	85

The conferees therefor agreed, substantially, with the House amendment, except that enlisted members with two dependents in the lower grades, and those with not over two dependents in the upper grades will receive a quarters allowance of $67.50 per month, rather than the $70 contained in the House amendment.

The Senate conferees originally insisted upon the Senate rates, and after considerable and lengthy debate and discussion the House conferees, because of the urgency of the legislation, accepted the compromise. The House conferees insisted upon the $85 allowance for enlisted members with three dependents however, and the amendment finally agreed upon reflects this insistence. The House conferees did not believe that enactment of the legislation should be further delayed by the relatively slight difference between the amounts proposed for members with two dependents in the House amendment, as contrasted with the slightly lesser amount proposed in the Senate bill. It should also be noted that the amount now proposed for members with two dependents is the present rate of quarters allowances for enlisted men of the upper pay grades.

In the House amendment to the Senate bill enlisted men of the lower three grades were required to contribute $40 of their pay in order to be eligible for the allowances provided in the proposed legislation. The Senate bill required allotments on the part of enlisted men of all pay grades in order to be eligible for the quarters allowances. In the Senate bill enlisted men of pay grades E–1, E–2, and E–3 were required to contribute $40 of their pay and a similar provision was contained in the House amendment. However, the Senate bill required enlisted men in grades E–4 and E–5 to contribute $60 of their pay and enlisted men in pay grades E–6 and E–7 to contribute $80 of their pay in order to be eligible for the quarters allowances provided in the proposed legislation. The House conferees receded from their disagreement to this portion of the Senate bill and agreed to the Senate version which requires contributions of the above stated amounts for all enlisted members with dependents to qualify for quarters allowances provided by the proposed legislation.

In the House amendment the Comptroller General was given the authority to waive indebtedness growing out of erroneous payments of allowances made under the authority of the Servicemen's Dependents Allowance Act of 1942, as amended. The Senate bill provided similar authority for the Comptroller General but in addition contained several technical provisions which are necessary to administer the section. The House agreed to these technical changes.

The Senate bill contained a section which permits the proposed legislation to be cited as the "Dependents Assistance Act of 1950." Since there was no similar provision in the House amendment the House agreed to this title.

The Senate bill spells out in more detail requirements for the dependency of mothers and fathers. Since this substantially reaffirms existing law in this respect the House agreed to the expanded version of the Senate bill which requires sufficient evidence of dependency of mothers and fathers in order to enable the enlisted man to claim such persons as dependents.

The Senate agreed to several technical amendments proposed by the House and in all other respects accepted the House amendment.

The proposed legislation will be retroactive to August 1, 1950, as contained in the House amendment.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
Managers on the Part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

NATIONAL DEFENSE FACILITIES ACT OF 1950

Mr. BROOKS. Mr. Speaker, I call up the conference report on the bill (H. R. 8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. BROOKS]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3026)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'National Defense Facilities Act of 1950.'

"SEC. 2. It is the purpose of this Act to make provision for—

"(a) the acquisition by purchase, lease, transfer, construction, expansion, rehabilitation, or conversion, of such facilities as may be necessary for the proper development, training, operation, and maintenance of units of the Reserve components of the Armed Forces of the United States; and

"(b) the joint utilization of such facilities by units of two or more such Reserve components, and in time of war or national emergency by such units and other units of the Armed Forces of the United States or any other use by the Federal Government, to the greatest practicable extent in the interest of efficiency and economy.

"SEC. 3. Subject to the provisions of section 4 of this Act, the Secretary of Defense may, in an amount not to exceed $250,000,000 over a period of the next five fiscal years, after consultation with the respective Armed Services Committees of the Congress—

"(a) acquire by purchase, lease, or transfer, to construct, expand, rehabilitate, or convert and equip such facilities as he shall determine to be necessary to effectuate the purposes of this Act;

"(b) contribute to any State such funds as he shall determine to be necessary to expand, rehabilitate, or convert facilities owned by such State to the extent required for the joint utilization of such facilities; and

"(c) contribute to any State such funds for the acquisition, construction, expansion, rehabilitation, or conversion by such State

of such additional facilities as he shall determine to have been made essential by any increase in strength of the National Guard of the United States or the Air National Guard of the United States.

"SEC. 4. (a) No expenditure or contribution shall be made for any facility pursuant to this Act until it shall have been determined by the Secretary of Defense that—

"(1) the number of units of Reserve components of the Armed Forces of the United States located or to be located in the community or area within which such facility is to be provided does not exceed the number which reasonably can be expected to be maintained at authorized strength, taking into account the number of persons residing in such community or area who are qualified for membership in such Reserve units; and

"(2) the plan or program under which such facility is to be provided makes the maximum practicable provision for the joint utilization of such facilities.

"(b) No unit of the National Guard of the United States or the Air National Guard of the United States shall be withdrawn from any community or area, nor shall the location of any such unit be changed, pursuant to any authority conferred by this Act, until the governor of the State within which such unit is situated shall have been consulted with regard to such withdrawal or change of location.

"(c) Title to all real or personal property acquired under section 3 (a) of this Act shall be vested in the United States. The Secretary of Defense is hereby authorized, after consultation on matters of policy with the Armed Services Committees of the Congress, to administer, operate, maintain, and equip all facilities constructed, expanded, rehabilitated, or converted pursuant to section 3 (a) hereof and facilities otherwise acquired and being used for the purposes of this Act, and may (1) permit any such facility to be used from time to time by persons or organizations other than members or units of the armed services under such leases or other agreements as the Secretary shall deem appropriate, and (2) cover the payments received under such leases or agreements into the Treasury to the credit of the appropriation or appropriations from which the cost of maintenance (including providing of utilities and services) is paid, but the Secretary shall at no time permit any disposition or use to be made of such facilities which will interfere with their use for the administration and training of units of the Reserve components of the Armed Forces of the United States, or in time of war or national emergency by other units of the Armed Forces of the United States or any other use by the Federal Government.

"(d) Each contribution made pursuant to section 3 (b) or 3 (c) of this Act shall be subject to such terms and conditions as the Secretary of Defense, after consultation with the Armed Services Committees of the Congress, shall deem necessary to accomplish the purposes of this Act: *Provided*, That except as agreed at the time the contribution is made the facilities provided through contributions made pursuant to section 3 (c) of this Act shall be subject to joint utilization only to the extent deemed practicable by the State concerned. No contribution shall be made under section 3 (c) for any facility in an amount exceeding 75 per centum of the cost of the additional or improved facilities to be constructed: *And provided further*, That for the purpose of such computation the amount to be contributed by any State shall be exclusive of the cost or market value of any real estate which may be contributed by the State concerned for the purposes of section 3 (c) of this Act.

"(e) Each State which shall have acquired, constructed, expanded, rehabilitated, or converted any facility with any funds contributed under sections 3 (b) and 3 (c) of this Act may (1) permit such facility to be used from time to time by persons or organizations other than members or units of the armed services under such leases or other agreements as such State shall deem appropriate, and (2) apply the sums received under such leases or agreements to defray in whole or in part the cost of maintaining such facility, but, except as agreed at the time such contribution is made, or by subsequent modification of the agreement at no time shall such State permit any disposition or use to be made of such facility which will interfere with its use for the administration and training of units of the Reserve components of the Armed Forces of the United States, or in time of war or national emergency of other units of the Armed Forces of the United States or any other use by the Federal Government.

"SEC. 5. The Secretary of Defense may delegate all or any part of the authority conferred or the duties imposed upon him by this Act, without relieving himself of the responsibility therefor, to such department, agency, officer, or officers of the Department of Defense as he may designate from time to time.

"SEC. 6. All construction, expansion, rehabilitation, or conversion of facilities pursuant to the provisions of this Act may be performed under the supervision of the Chief, Corps of Engineers, or the Chief, Bureau of Yards and Docks.

"SEC. 7. As used in this Act, the terms—

"(a) 'facility' includes any interest in land, any armory or other structure together with any improvement thereto, and any storage or other facility normally required for the administration and training of any unit of any Reserve component of the Armed Forces of the United States;

"(b) 'State' includes (1) any State or Territory of the United States, any political subdivision thereof, any tax-supported agency therein, or any military unit situated therein; (2) Puerto Rico; and (3) the District of Columbia;

"(c) 'Reserve component of the Armed Forces of the United States' shall include—

"(1) the National Guard of the United States;

"(2) the Air National Guard of the United States;

"(3) the Organized Reserve Corps;

"(4) the United States Naval Reserve;

"(5) the United States Marine Corps Reserve;

"(6) the United States Air Force Reserve; and

"(7) the Coast Guard Reserve; and

"(d) 'joint utilization' shall mean the occupancy or use of any facility by units of two or more Reserve components of the Armed Forces of the United States.

"SEC. 8. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act. When any Act whereby any such appropriation is made so provides such sum shall remain available until expended."

And the Senate agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
Managers on the Part of the House.

HARRY F. BYRD,
LESTER C. HUNT,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The Managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8594), to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

LEGISLATION IN CONFERENCE

On August 15, 1950, the House of Representatives passed H. R. 8594, which was a general authorization bill authorizing the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of the Reserve components of the Armed Forces of the United States. On August 21, 1950, the Senate considered the House bill and amended it by striking all after the enacting clause and inserting the language of the companion bill in the Senate.

As a result of the foregoing action on the part of the Senate, a total of 27 differences between the Senate language and the House language resulted. 22 of these differences were technical in nature, such as correction of typographical mistakes, clarification of language and other similar type corrections. In only 5 instances did the Senate language differ in substance from the language of the House bill.

The House bill made no provision for the authorization of any funds to implement the provisions of the bill. On the other hand, the Senate amendment authorized an expenditure not in excess of $135,000,000 to be made available for obligation purposes at a rate not in excess of $35,000,000 for the fiscal year 1951 and $50,000,000 for each of the two succeeding fiscal years. The decision of the conferees was that an authorization in the amount of $250,000,000 would be authorized in the bill over a period of the next five fiscal years. The original House bill had provided an authorization of $400,000,000 to be expended over a period of eight years. This provision was stricken from the bill at the time the bill was considered on the floor of the House. Therefore, the decision of the conferees is a compromise between the original provision of the bill as reported by the House Committee and the provision of the companion bill in the Senate. In agreeing to the compromise position as adopted by the conferees, it is the intention of the conferees that none of the funds authorized will be made available through appropriations until such consideration is justified by a lessening of the international tension, and particularly the Korean situation. It is to be noted that before the Secretary of Defense may implement this Act, he must have consulted with the respective Armed Services Committees of the Congress. The House recedes with an amendment.

The House bill provides in each instance where authorization is given to the Secretary of Defense that consultation must have been had with the Armed Services Committees of the Congress. The Senate amendment had no such provision. The House language further provided that the consultation must be prior consultation. The Senate conferees took the position that the usage of the word "prior" was unnecessary and was mere surplusage, and moved to strike the word "prior" whenever used in conjunction with the word "consultation". The House conferees were agreeable. The Senate recedes with an amendment.

The House bill provided that the cost or market value of any real estate contributed by a State for the purposes of the bill would be exclusive of the amount contributed by the State toward the construction, expansion, rehabilitation, or conversion of any facility. The Senate amendment had no such provision. The Senate recedes.

The House bill contained a section permitting the construction, expansion, rehabilitation, or conversion of the facilities to be performed under the supervision of the Chief, Corps of Engineers, or the Chief, Bureau of Yards and Docks. The Senate amendment had no such provision. The Senate recedes.

Section 8 of the original House bill contained general authorizing language, without reference to any specific amount, the amount having been set forth in a previous provision of the bill. When the House struck all money provisions from the bill, Section 8, the general authorizing language, was also stricken from the bill. The Senate amendment contained language identical to the language of Section 8 of the House bill which had been stricken.

While the conferees were in agreement that no appropriation should be made to implement this bill at the present time, it was considered proper that the bill should have general authorizing provisions. The House recedes.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
Managers on the Part of the House.

Mr. BROOKS (interrupting the reading of the statement). Mr. Speaker, this has been printed and is available to the Members, and I ask unanimous consent to dispense with the further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman explain what this is briefly?

Mr. BROOKS. This is a measure to take care of the joint use of facilities for the Reserves. In other words, the armories. We went to conference on this bill and we filed a unanimous report.

The substantial difference between the two bills is in the amount. When our bill was reported out of the Armed Services Committee of the House, it contained a provision authorizing $400,000,000 to be appropriated over a period of 8 years. That provision was stricken out by the House. When the House bill went to the Senate, there was no provision for an amount at all, and no authorization. The Senate had previously passed a bill authorizing $137,000,000 to be appropriated for this use over a period of 3 years. In getting together with the Senate, we finally agreed on a provision authorizing $250,000,000 to be appropriated over a period of 5 years, rather than 8 years, as originally reported out of the House committee, and rather than 3 years which the Senate had agreed upon. It was a compromise. As the bill presently stands, with the authorization of $250,000,000 to be used for armories over a period of 5 years, an express understanding had been reached that there will be no request for appropriated funds during the present year. The situation is such in Korea that we do not feel justified in asking for funds during the current year. That is the most important difference between the two bills that were compromised.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. STEFAN. Will it also include the National Guard armories?

Mr. BROOKS. That is exactly what it does include; all joint facilities.

Mr. STEFAN. I introduced a bill sometime ago for these National Guard armories. I understand it has been somewhat amended.

Mr. BROOKS. The gentleman's bill was before the Committee on Armed Services. We were happy to have his ideas in writing the House bill and to give them our careful consideration. They were helpful and we think the conference report provides a very good bill.

Mr. STEFAN. I thank the gentleman.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GEORGE WASHINGTON CARVER NATIONAL MONUMENT

Mr. PETERSON. Mr. Speaker, I call up the conference report on the bill (H. R. 7302) to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. PETERSON. This is the George Washington Carver National Monument, in which a provision was made for the acquisition of land and for the improvements. In the House bill we limited the amount for the land but there was a general authorization for improvements which we thought was clear in the report, but the Senate spelled out the limitation in the report and fixed it at not to exceed a total amount of $150,000.

Mr. MARTIN of Massachusetts. And the House conferees agreed to it?

Mr. PETERSON. Yes; there is a unanimous agreement on the part of the conferees.

While I am on my feet, if I may, I will refer to the next two conference reports I will call up and possibly save some time.

One is the disposition of the old fort at St. Marks, Fla. The conference put in a limitation not to exceed 5 acres.

The other is the new Teton Park. The Senate receded and the bill is exactly as it passed the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3021)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7302) to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the language proposed to be inserted by the Senate insert the following:

"SEC. 4. There are authorized to be appropriated such sums not to exceed $150,000 as may be necessary to carry out the provisions of this act."

And the Senate agree to the same.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
FRED L. CRAWFORD,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
JAMES E. MURRAY,
HUGH BUTLER,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7302) entitled "An act to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

(1) The new wording authorizes an overall amount of $150,000 for the carrying out of the purposes of the act which includes purchase and development. As passed by the House there was a provision for the use of $80,000 for land but there was no over-all limitation.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
FRED L. CRAWFORD,
Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

DISPOSITION OF GOVERNMENT LOTS IN THE TOWN OF ST. MARKS, FLA.

Mr. PETERSON. Mr. Speaker, I call up the conference report on the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla., and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3020)

The committee of conference on the disagreeing votes of the two Houses on the

amendments of the Senate to the bill (H. R. 8028) to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of Saint Marks, Florida, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the language stricken by the Senate amendment insert the following: "The Secretary of the Interior is hereby authorized to acquire not to exceed five acres of land in the town site of Saint Marks, Florida, surrounding and including Fort San Marcos, by the exchange of public lands of equal value within said town site, and to transfer said lands so acquired to the State of Florida as an historic site."

And the Senate agree to the same.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
WESLEY A. D'EWART,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
JAMES E. MURRAY,
HUGH BUTLER,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8028) entitled "An act to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of Saint Marks, Florida," submit the following statement in explanation of the effect of the action agreed upon and recommend in the accompanying conference report as to each of such amendments, namely:

(1) The new wording incorporates the same intent and purpose as passed by the House. It merely clarifies the language and authorizes the Secretary to exchange lands now owned by the Federal Government for lands previously patented surrounding and including Fort San Marcos, and authorizes the giving of such lands so acquired to the State of Florida as an historic site.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
WESLEY A. D'EWART,
Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

NEW GRAND TETON NATIONAL PARK

Mr. PETERSON. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes, and that the statement of the managers on the part of the House may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3032)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 2 and agree to the same.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
TOBY MORRIS,
FRED L. CRAWFORD,
WESLEY A. D'EWART,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
JAMES E. MURRAY,
J. C. O.
HUGH BUTLER,
E. D. MILLIKIN,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 3409) to establish a new Grand Teton National Park in the State of Wyoming and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The Senate receded and concurred in both amendments Nos. 1 and 2, and the bill will be in the position as originally passed by the House.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
TOBY MORRIS,
WESLEY A. D'EWART,
FRED L. CRAWFORD,
Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CARL E. LAWSON AND FIREMAN'S FUND INDEMNITY CO.

Mr. BYRNE of New York. Mr. Speaker, I call up the conference report on the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co., and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2999)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Company, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same.

WILLIAM T. BYRNE,
THOMAS J. LANE,
JOHN JENNINGS, JR.,
Managers on the Part of the House.

PAT MCCARRAN,
ALEXANDER WILEY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co., submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

STATEMENTS OF FACTS

This bill as passed the House appropriated the sum of $2,000 to Carl E. Lawson and the sum of $1,038.70 to the Fireman's Fund Indemnity Co., of San Francisco, in full settlement of all claims against the United States for personal injuries and medical and hospital expenses sustained by C. E. Lawson and for reimbursement to the Fireman's Fund Indemnity Co., for expenditures as a result of an accident involving a United States Army vehicle in San Francisco, Calif., on September 30, 1942.

The Senate amended this bill by striking out the payment to the Firemen's Fund Indemnity Co. and, after meeting with the conferees, it was agreed that the House recede from its disagreement and to concur in the Senate amendment.

WILLIAM T. BYRNE,
THOMAS J. LANE,
JOHN JENNINGS, JR.,
Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EWA PLANTATION CO.

Mr. BYRNE of New York. Mr. Speaker, I call up the conference report on the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3000)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2233) a bill for the relief of Ewa Plantation Company, a Hawaiian corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with amendments as follows:

Page 1, line 3, strike out "Court of Claims", and insert in lieu thereof "District Court for the Territory of Hawaii".

Page 2, line 8, after the word "Government", insert the following: ": *And provided further*, That the Court of Claims shall have exclusive jurisdiction to review by appeal any final judgment by the said District Court for the Territory of Hawaii on any suit brought under this Act, and that in any such review the said Court of Claims shall consider both the law and the facts: *And provided further*, That the foregoing shall not deprive the parties hereto from a further ap-

peal to the Supreme Court of the United States."

Amend title so as to read: "Conferring jurisdiction upon the United States District Court for the Territory of Hawaii to hear, determine, and render judgment upon the claim of Ewa Plantation, a Hawaiian corporation".

And the Senate agree to the same.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
JOHN JENNINGS, Jr.,
Managers on the Part of the House.

G. L. WITHERS,
ALEXANDER WILEY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The bill as passed the House would appropriate the sum of $120,631.27 to Ewa Plantation Co., a Hawaiian corporation, for damages sustained as the result of aircraft, gunfire, flares, and other acts of the armed forces of the United States from December 8, 1941, through June 20, 1945, upon lands held under lease by said company, resulting in the damage to or the destruction of the crops of sugarcane belonging to said company upon its lands adjacent to Pearl Harbor on the island of Oahu, T. H.

The Senate amended the bill by striking out all after the enacting clause and conferring jurisdiction upon the United States Court of Claims, and at the conference the following facts were brought out:

The claims involved are tort claims and are not founded upon contracts either express or implied.

Title 28, section 1491, of the United States Code defines the jurisdiction of the Court of Claims in the following terms:

"The Court of Claims shall have jurisdiction to render judgment upon any claim against the United States; * * * founded upon any express or implied contract with the United States; or for liquidated or unliquidated damages in cases not sounding in tort."

In 1946 the Congress decided by overwhelming vote of both parties to grant jurisdiction to the United States district courts to hear and determine tort cases, and enacted the Federal Tort Claims Act (approved August 2, 1946). This act (title 28, sec. 1346, U. S. C.) confers "exclusive jurisdiction" upon the district courts to hear and determine cases sounding in tort.

From the above, it is apparent that the Congress, by general legislation, reached the conclusion that contract cases should be sent to the Court of Claims but that all cases sounding in tort should be sent to the district courts. Of course, it is true that Congress has the power to send a claim to any court, but it is equally true that Congress has made its decision and that no tort claim has been referred to the Court of Claims subsequent to the enactment of the Federal Tort Claims Act in 1946. Conversely, numerous private bills have referred tort claims to the district courts. (See S. 1019, H. R. 649, H. R. 4528, H. R. 4709, and H. R. 5148, all of 71st Cong. alone.)

Another point, thought to be of great importance, is that the subject claims have been considered by the Department of the Navy, the Department of Justice, and the Bureau of the Budget, and all have indicated their approval of sending the case to the district court. It is the opinion of the House judiciary Committee that to amend the bill to confer jurisdiction upon the Court of Claims would be to invite a Presidential veto and thus deprive this claimant of his day in any court.

And jurisdiction was changed from the Court of Claims to the District Court for the Territory of Hawaii, with the following amendments:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with amendments as follows:

Page 1, line 3, strike out "Court of Claims", and insert in lieu thereof "District Court for the Territory of Hawaii".

Page 2, line 8, after the word "Government", insert the following:

": *And provided further*, That the Court of Claims shall have exclusive jurisdiction to review by appeal any final judgment by the said District Court for the Territory of Hawaii on any suit brought under this Act, and that in any such review the said Court of Claims shall consider both the law and the facts: *And provided further*, That the foregoing shall not deprive the parties hereto from a further appeal to the Supreme Court of the United States."

And amend the title so as to read: "Conferring jurisdiction upon the United States District Court for the Territory of Hawaii to hear, determine, and render judgment upon the claim of Ewa Plantation Company, a Hawaiian corporation"; and the Senate agrees to the same.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
JOHN JENNINGS, Jr.,
Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

BUDGET AND ACCOUNTING PROCEDURES ACT OF 1950

Mr. DAWSON. Mr. Speaker, I call up the conference report on the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. CANFIELD. Mr. Speaker, reserving the right to object, and I shall not object, it is my understanding that the House conferees have induced the Senate conferees to recede from the Senate provision which would have given any Federal agency carte blanche authority to make a 5-percent transfer of funds voted it by the Congress?

Mr. DAWSON. The gentleman is correct.

Mr. CANFIELD. I desire to compliment the gentleman from Illinois and his fellow House conferees on upholding, as they did, the prerogatives of congressional appropriating committees and acting definitely in the cause of good government.

Mr. DAWSON. When the Senate read the record of the House as appeared in the CONGRESSIONAL RECORD of that day it came to the conclusion that the best procedure would be to recede from the position it had taken and to adopt the House version of the matter.

Mr. CANFIELD. May I say in all fairness to the gentleman from Illinois and his fellow conferees on the House side, that they were never for this provision.

Mr. DAWSON. I yielded reluctantly at the time, but went back strengthened and fortified after the session over here.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3030)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9038) entitled "An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Budget and Accounting Procedures Act of 1950'.

"TITLE I—BUDGETING AND ACCOUNTING

"PART I—BUDGETING

"SEC. 101. Section 2 of the Budget and Accounting Act, 1921 (42 Stat. 20), is amended by adding at the end thereof the following:

"'The term "appropriations" includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure.'

"SEC. 102. (a) Section 201 of such Act is amended to read as follows:

"'SEC. 201. The President shall transmit to Congress during the first fifteen days of each regular session, the Budget, which shall set forth his Budget message, summary data and text, and supporting detail. The Budget shall set forth in such form and detail as the President may determine—

"'(a) functions and activities of the Government;

"'(b) any other desirable classifications of data;

"'(c) a reconciliation of the summary data on expenditures with proposed appropriations;

"'(d) estimated expenditures and proposed appropriations necessary in his judgment for the support of the Government for the ensuing fiscal year, except that estimated expenditures and proposed appropriations for such year for the legislative branch of the Government and the Supreme Court of the United States shall be transmitted to the President on or before October 15 of each year, and shall be included by him in the budget without revision;

"'(e) estimated receipts of the Government during the ensuing fiscal year, under (1) laws existing at the time the budget is transmitted and also (2) under the revenue proposals, if any, contained in the budget;

"'(f) actual appropriations, expenditures, and receipts of the Government during the last completed fiscal year;

"'(g) estimated expenditures and receipts, and actual or proposed appropriations of the Government during the fiscal year in progress;

"'(h) balanced statements of (1) the condition of the Treasury at the end of the last completed fiscal year, (2) the estimated condition of the Treasury at the end of the fiscal year in progress, and (3) the estimated condition of the Treasury at the end of the ensuing fiscal year if the financial proposals contained in the budget are adopted;

"'(i) all essential facts regarding the bonded and other indebtedness of the Government; and

"'(j) such other financial statements and data as in his opinion are necessary or desirable in order to make known in all practicable detail the financial condition of the Government.'

"(b) Section 203 of such act is amended to read as follows:

"'SEC. 203. (a) The President from time to time may transmit to Congress such proposed supplemental or deficiency appropriations as in his judgment (1) are necessary on account of laws enacted after the transmission of the Budget, or (2) are otherwise in the public interest. He shall accompany such proposals with a statement of the reasons therefor, including the reasons for their omission from the Budget.

"'(b) Whenever such proposed supplemental or deficiency appropriations reach an aggregate which, if they had been contained in the Budget, would have required the President to make a recommendation under subsection (a) of section 202, he shall thereupon make such recommendation.'

"(c) Section 204 of such Act is amended to read as follows:

"'SEC. 204. (a) Except as otherwise provided in this Act, the contents, order, and arrangement of the proposed appropriations and the statements of expenditures and estimated expenditures contained in the Budget or transmitted under section 203, and the notes and other data submitted therewith, shall conform to requirements prescribed by the President.

"'(b) The Budget, and statements furnished with any proposed supplemental or deficiency appropriations, shall be accompanied by information as to personal services and other objects of expenditure in the same manner and form as in the Budget for the fiscal year 1950: *Provided*, That this requirement may be waived or modified, either generally or in specific cases, by joint action of the committees of Congress having jurisdiction over appropriation: *And provided further*, That nothing in this Act shall be construed to limit the authority of committees of Congress to request and receive such information in such form as they may desire in consideration of and action upon budget estimates.'

"(d) Section 205 of such Act is amended to read as follows:

"'SEC. 205. Whenever any basic change is made in the form of the Budget, the President, in addition to the Budget, shall transmit to Congress such explanatory notes and tables as may be necessary to show where the various items embraced in the Budget of the prior year are contained in the new Budget.'

"(e) The last sentence of section 207 of such Act is amended to read as follows: 'The Bureau, under such rules and regulations as the President may prescribe, shall prepare the Budget, and any proposed supplemental or deficiency appropriations, and to this end shall have authority to assemble, correlate, revise, reduce, or increase the requests for appropriations of the several departments or establishments.'

"(f) Section 214 of such Act is amended to read as follows:

"'SEC. 214. The head of each department and establishment shall prepare or cause to be prepared in each year his requests for regular, supplemental, or deficiency appropriations.'

"(g) Section 215 of such Act is amended to read as follows:

"'SEC. 215. The head of each department and establishment shall submit his requests for appropriations to the Bureau on or before a date which the President shall determine. In case of his failure to do so, the President shall cause such requests to be prepared as are necessary to enable him to include such requests with the Budget in respect to the work of such department or establishment.'

"(h) Section 216 of such Act is amended to read as follows:

"'SEC. 216. Requests for regular, supplemental, or deficiency appropriations which are submitted to the Bureau by the head of any department or establishment shall be prepared and submitted as the President may determine in accordance with the provisions of section 201.'

"Government statistical activities

"SEC. 103. The President, through the Director of the Bureau of the Budget, is authorized and directed to develop programs and to issue regulations and orders for the improved gathering, compiling, analyzing, publishing, and disseminating of statistical information for any purpose by the various agencies in the executive branch of the Government. Such regulations and orders shall be adhered to by such agencies.

"Improved administration of executive agencies

"SEC. 104. The President, through the Director of the Bureau of the Budget, is authorized and directed to evaluate and develop improved plans for the organization, coordination, and management of the executive branch of the Government with a view to efficient and economical service.

"Business-type budgets

"SEC. 105. The first two sentences of section 102 of the Government Corporation Control Act of 1945 (59 Stat. 597), are amended to read as follows: 'Each wholly owned Government corporation shall cause to be prepared annually a business-type budget which shall be submitted to the Bureau of the Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented.'

"PART II—ACCOUNTING AND AUDITING

"Short title

"SEC. 110. This part may be cited as the 'Accounting and Auditing Act of 1950.'

"Declaration of policy

"SEC. 111. It is the policy of the Congress in enacting this part that—

"(a) The accounting of the Government provide full disclosure of the results of financial operations, adequate financial information needed in the management of operations and the formulation and execution of the Budget, and effective control over income, expenditures, funds, property, and other assets.

"(b) Full consideration be given to the needs and responsibilities of both the legislative and executive branches in the establishment of accounting and reporting systems and requirements.

"(c) The maintenance of accounting systems and the producing of financial reports with respect to the operations of executive agencies, including central facilities for bringing together and disclosing information on the results of the financial operations of the Government as a whole, be the responsibility of the executive branch.

"(d) The auditing for the Government, conducted by the Comptroller General of the United States as an agent of the Congress be directed at determining the extent to which accounting and related financial reporting fulfill the purposes specified, financial transactions have been consummated in accordance with laws, regulations or other legal requirements, and adequate internal financial control over operations is exercised, and afford an effective basis for the settlement of accounts of accountable officers.

"(e) Emphasis be placed on effecting orderly improvements resulting in simplified and more effective accounting, financial reporting, budgeting, and auditing requirements and procedures and on the elimination of those which involve duplication or which do not serve a purpose commensurate with the costs involved.

"(f) The Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget conduct a continuous program for the improvement of accounting and financial reporting in the Government.

"Accounting and reporting provisions

"SEC. 112. (a) The Comptroller General of the United States, after consulting the Secretary of the Treasury and the Director of the Bureau of the Budget concerning their accounting, financial reporting, and budgetary needs, and considering the needs of the other executive agencies, shall prescribe the principles, standards, and related requirements for accounting to be observed by each executive agency, including requirements for suitable integration between the accounting processes of each executive agency and the accounting of the Treasury Department. Requirements prescribed by the Comptroller General shall be designed to permit the executive agencies to carry out their responsibilities under section 113 of this part, while providing a basis for integrated accounting for the Government, full disclosure of the results of the financial operations of each executive agency and the Government as a whole, and financial information and control necessary to enable the Congress and the President to discharge their respective responsibilities. The Comptroller General shall continue to exercise the authority vested in him by section 205 (b) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 389) and, to the extent he deems necessary, the authority vested in him by section 309 of the Budget and Accounting Act, 1921 (42 Stat. 25). Any such exercise of authority shall be consistent with the provisions of this section.

"(b) The General Accounting Office shall cooperate with the executive agencies in the development of their accounting systems, including the Treasury Department, in the development and establishment of the system of central accounting and reporting required by section 114 of this part. Such accounting systems shall be approved by the Comptroller General when deemed by him to be adequate and in conformity with the principles, standards, and related requirements prescribed by him.

"(c) The General Accounting Office shall from time to time review the accounting systems of the executive agencies. The results of such reviews shall be available to the heads of the executive agencies concerned, to the Secretary of the Treasury, and to the Director of the Bureau of the Budget, and the Comptroller General shall make such reports thereon to the Congress as he deems proper.

"SEC. 113. (a) The head of each executive agency shall establish and maintain systems of accounting and internal control designed to provide—

"(1) full disclosure of the financial results of the agency's activities;

"(2) adequate financial information needed for the agency's management purposes;

"(3) effective control over and accountability for all funds, property, and other assets for which the agency is responsible, including appropriate internal audit;

"(4) reliable accounting results to serve as the basis for preparation and support of

the agency's budget requests, for controlling the execution of its budget, and for providing financial information required by the Bureau of the Budget under section 213 of the Budget and Accounting Act, 1921 (42 Stat. 23);

"(5) suitable integration of the accounting of the agency with the accounting of the Treasury Department in connection with the central accounting and reporting responsibilities imposed on the Secretary of the Treasury by section 114 of this part.

"(b) The accounting systems of executive agencies shall conform to the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 (a) of this part."

"SEC. 114. (a) The Secretary of the Treasury shall prepare such reports for the information of the President, the Congress, and the public as will present the results of the financial operations of the Government: *Provided,* That there shall be included such financial data as the Director of the Bureau of the Budget may require in connection with the preparation of the Budget or for other purposes of the Bureau. Each executive agency shall furnish the Secretary of the Treasury such reports and information relating to its financial condition and operations as the Secretary, by rules and regulations, may require for the effective performance of his responsibilities under this section.

"(b) The Secretary of the Treasury is authorized to establish the facilities necessary to produce the financial reports required by subsection (a) of this section. The Secretary is further authorized to reorganize the accounting functions and install, revise, or eliminate accounting procedures and financial reports of the Treasury Department in order to develop effective and coordinated systems of accounting and financial reporting in the several bureaus and offices of the Department with such concentration of accounting and reporting as is necessary to accomplish integration of accounting results for the activities of the Department and provide the operating center for the consolidation of accounting results of other executive agencies with those of the Department. The authority vested in and the duties imposed upon the Department by sections 10, 15, and 22 of the Act entitled 'An Act making appropriations for the legislative, executive, and judicial branches of the Government for the fiscal year ending June thirtieth, eighteen hundred ninety-five, and for other purposes', approved July 31, 1894 (28 Stat. 162, 208–210), may be exercised and performed by the Secretary of the Treasury as a part of his broader authority and duties under this section and in such a manner as to provide a unified system of central accounting and reporting on the most efficient and useful basis.

"(c) The system of central accounting and reporting provided for herein shall be consistent with the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 of this part.

"SEC. 115. (a) When the Secretary of the Treasury and the Comptroller General determine that existing procedures can be modified in the interest of simplification, improvement, or economy, with sufficient safeguards over the control and accounting for the public funds, they may issue joint regulations providing for the waiving, in whole or in part, of the requirements of existing law that—

"(1) warrants be issued and countersigned in connection with the receipt, retention, and disbursement of public moneys and trust funds; and

"(2) funds be requisitioned, and advanced to accountable officers under each separate appropriation head or otherwise.

"(b) Such regulations may further provide for the payment of vouchers by authorized disbursing officers by means of checks issued against the general account of the Treasurer of the United States: *Provided,* That in such case the regulations shall provide for appropriate action in the event of delinquency by disbursing officers in the rendition of their accounts or for other reasons arising out of the condition of the officers' accounts, including under necessary circumstances, the suspension or withdrawal of authority to disburse.

"SEC. 116. The Comptroller General is authorized to discontinue the maintenance in the General Accounting Office of appropriation, expenditure, limitation, receipt, and personal ledger accounts when in his opinion the accounting systems and internal control of the executive, legislative, and judicial agencies are sufficient to enable him to perform properly the functions to which such accounts relate.

"Auditing provisions

"SEC. 117. (a) Except as otherwise specifically provided by law, the financial transactions of each executive, legislative, and judicial agency, including but not limited to the accounts of accountable officers, shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. In the determination of auditing procedures to be followed and the extent of examination of vouchers and other documents, the Comptroller General shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of accounting organizations and systems, internal audit and control, and related administrative practices of the respective agencies.

"(b) Whenever the Comptroller General determines that the audit shall be conducted at the place or places where the accounts and other records of an executive agency are normally kept, he may require any executive agency to retain in whole or in part accounts of accountable officers, contracts, vouchers, and other documents, which are required under existing law to be submitted to the General Accounting Office, under such conditions and for such period not exceeding ten years as he may specify, unless a longer period is agreed upon with the executive agency: *Provided,* That under agreements between the Comptroller General and legislative and judicial agencies the provisions of this sentence may be extended to the accounts and records of such agencies.

"General provisions

"SEC. 118. As used in this part, the term 'executive agency' means any executive department or independent establishment in the executive branch of the Government but (a) except for the purposes of sections 114, 116, and 119 shall not include any Government corporation or agency subject to the Government Corporation Control Act (59 Stat. 597), and (b) except for the purposes of sections 111, 114, and 116 shall not include the Post Office Department.

"SEC. 119. The head of each executive agency is authorized to designate the place or places, at the seat of government or elsewhere, at which the administrative examination of fiscal officers' accounts will be performed, and with the concurrence of the Comptroller General to waive the administrative examination in whole or in part: *Provided,* That the same authority is hereby conferred upon the officers responsible for the administrative examination of accounts for legislative and judicial agencies.

"TITLE II—APPROPRIATIONS

"Authorizations for appropriations

"SEC. 201. No requests for legislation, which, if enacted, would authorize subsequent appropriations for a department or establishment in the executive branch of the Government, shall be transmitted to the Bureau of the Budget, to the President, or to the Congress by such department or establishment, or by any organizational unit thereof, without the prior approval of the head of such department or establishment.

"Adjustment of appropriations for reorganization

"SEC. 202. (a) When under authority of law a function or an activity is transferred or assigned from one agency within any department or establishment to another agency in the same department or establishment, the balance of appropriations which are determined by the head of such department or establishment to be available and necessary to finance or discharge the function or activity so transferred or assigned may, with the approval of the President, be transferred to, and be available for use by, the agency to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

"(b) When under authority of law a function or activity is transferred or assigned from one department or establishment to another department or establishment, the balance of appropriations which are determined by the President to be available and necessary to finance or discharge the function or activity so transferred or assigned, shall be transferred to and be available for use by the department or establishment to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

"TITLE III—REPEALS AND SAVING PROVISIONS

"Repeals

"SEC. 301. The following Acts and parts of Acts are hereby repealed:

"(1) Section 10 of the Act of August 1, 1914 (38 Stat. 680; U. S. C., title 31, sec. 582).

"(2) So much of section 4 of the Act of June 20, 1874 (18 Stat. 109; U. S. C., title 31, sec. 583 (1)), as reads: '; and hereafter the Secretary of the Treasury shall annually submit to Congress detailed estimates of appropriations required for said expenses;'.

"(3) The last proviso in the first paragraph under the heading 'Judgments: United States Courts' of the Act of April 27, 1904 (33 Stat. 422; U. S. C., title 31, sec. 583 (2)).

"(4) The last sentence of section 5 of the Act of August 5, 1882 (22 Stat. 256; U. S. C., title 31, sec. 583 (3)).

"(5) So much of the matter appearing under the heading 'Mints and Assay Offices' of the Act of March 4, 1911 (36 Stat. 1292; U. S. C., title 31, sec. 583 (4)), as reads: ', and the Secretary of the Treasury shall, for the fiscal year nineteen hundred and thirteen, and annually thereafter, submit to Congress in the regular book of estimates, detailed estimates for the expenses of this Service'.

"(6) So much of the matter appearing under the heading 'Treasury Department' in the Act of August 26, 1912 (37 Stat. 596; U. S. C., title 31, sec. 583 (5)), as reads: 'Provided further, That estimates hereunder shall be submitted in detail for the fiscal year 1914, and annually thereafter'.

"(7) The last sentence of the paragraph under the heading 'Federal Farm Loan Board'

of the Act of September 8, 1916 (U. S. C., title 31, sec. 583 (7)), appearing on page 803 of volume 39 of the Statutes at Large; and the third and last paragraph under the heading 'Federal Farm Loan Bureau' of the Act of March 3, 1917 (U. S. C., title 31, sec. 583 (7)), appearing on page 1084 of volume 39 of the Statutes at Large.

"(8) The last sentence on page 48 of volume 30 of the Statutes at Large, in the Act of June 4, 1897 (U. S. C., title 31, sec. 583 (8)).

"(9) The first sentence of section 6 of the Act of March 3, 1919 (40 Stat. 1309; U. S. C., title 31, sec. 583 (10)).

"(10) The last proviso under the heading 'Office of the Chief Signal Officer' of the Act of March 2, 1907 (34 Stat. 1159; U. S. C., title 31, sec. 583 (11)).

"(11) The sixth full paragraph appearing on page 648 of volume 29 of the Statutes at Large in the Act of March 3, 1897 (U. S. C., title 31, sec. 583 (13)).

"(12) So much of the matter following the heading 'Bureau of Mines' in the Act of March 3, 1915 (38 Stat. 858; U. S. C., title 31, sec. 583 (14)) as reads: ', estimates shall be submitted specifically for all personal services required permanently and entirely in the Bureau of Mines at Washington, District of Columbia, and previously paid from lump-sum or general appropriations;'.

"(13) The proviso at the end of the fourth paragraph on page 312 of volume 37 of the Statutes at Large, in the Act of August 17, 1912 (U. S. C., title 31, sec. 583 (15)).

"(14) The third paragraph appearing on page 1082 of volume 32 of the Statutes at Large, in the Act of March 3, 1903 (U. S. C., title 31, sec. 583 (16)).

"(15) So much of section 12 of the Act of June 26, 1906 (34 Stat. 480; U. S. C., title 31, sec. 583 (18)), as reads: 'and he shall annually submit to Congress estimates to cover the cost of the establishment and maintenance of fish hatcheries in Alaska, the salaries and actual traveling expenses of such officials, and for such other expenditures as may be necessary to carry out the provisions of this Act'.

"(16) The proviso at the end of the first full paragraph on page 456 of volume 32 of the Statutes at Large, in the Act of June 28, 1902 (U. S. C., title 31, sec. 583 (20)).

"(17) The second full paragraph on page 841 of volume 38 of the Statutes at Large, in the Act of March 3, 1915 (U. S. C., title 31, sec. 583 (21)).

"(18) The fourth full paragraph on page 2 of volume 38 of the Statutes at Large, in the Act of May 1, 1913 (U. S. C., title 31, sec. 583 (22)).

"(19) The proviso at the end of the second paragraph under the heading 'Bureau of Immigration and Naturalization' of the Act of March 4, 1907 (34 Stat. 1329, 1330; U. S. C., title 31, sec. 583 (23)).

"(20) The second full paragraph on page 374 of volume 35 of the Statutes at Large, in the Act of May 27, 1908 (U. S. C., title 31, sec. 583 (25)).

"(21) So much of the last paragraph on page 396 of volume 37 of the Statutes at Large, in the Act of August 23, 1912 (U. S. C., title 31, sec. 583 (26), as reads: 'For the fiscal year nineteen hundred and fourteen and annually thereafter estimates in detail shall be submitted for all personal services required in the Indian Office,'.

"(22) The proviso at the end of the first full paragraph on page 646 of volume 41 of the Statutes at Large, in the Act of May 29, 1920 (U. S. C., title 31, sec. 584).

"(23) Section 3660 of the Revised Statutes (U. S. C., title 31, sec. 585).

"(24) Section 4 of the Act of June 22, 1906 (34 Stat. 448; U. S. C., title 31, sec. 586).

"(25) Section 4 of the Act of March 4, 1909 (35 Stat. 907; U. S. C., title 31, sec. 587).

"(26) Section 2 of the Act of June 30, 1906 (34 Stat. 762; U. S. C., title 31, sec. 588); and the proviso in the first paragraph on page 1367 of volume 34 of the Statutes at Large, in the Act of March 4, 1907 (U. S. C., title 31, sec. 588).

"(27) Section 3661, as amended, of the Revised Statutes (U. S. C., title 31, sec. 589).

"(28) So much of the first paragraph on page 255 of volume 24 of the Statutes at Large, in the Act of August 4, 1886 (U. S. C., title 31, sec. 590), as reads: ': *Provided further*, That all printing and engraving for the Geological Survey, the Coast and Geodetic Survey, the Hydrographic Office of the Navy Department, and the Signal Service shall hereafter be estimated for separately and in detail, and appropriated for separately for each of said bureaus.'

"(29) Section 3662 of the Revised Statutes (U. S. C., title 31, sec. 591).

"(30) Section 3663 of the Revised Statutes, as amended (U. S. C., title 31, sec. 594).

"(31) Section 3664 of the Revised Statutes (U. S. C., title 31, sec. 597).

"(32) Section 3665 of the Revised Statutes (U. S. C., title 31, sec. 598).

"(33) The second paragraph under the heading 'Revenue-Cutter Service' in the Act of March 2, 1889 (25 Stat. 907; U. S. C., title 31, sec. 600).

"(34) So much of the second full paragraph on page 512 of volume 24 of the Statutes at Large, in the Act of March 3, 1887 (U. S. C., title 31, sec. 601), as reads: 'That the Secretary of the Treasury shall for the fiscal year eighteen hundred and eighty-seven, and for each fiscal year thereafter in the annual estimates, report to Congress the number of persons employed outside of the District of Columbia, as superintendents, clerks, watchmen and otherwise, and paid from appropriations for the construction of public buildings showing where said persons are employed, in what capacity, the length of time and at what rate of compensation.'

"(35) So much of the sixth full paragraph on page 374 of volume 26 of the Statutes at Large, in the Act of August 30, 1890 (U. S. C., title 31, sec. 601) as reads: '; and hereafter the Secretary of the Treasury shall annually report to Congress in the book of estimates a statement of the expenditure of the appropriation for "repairs and preservation of public buildings" which shall show the amount expended on each public building and the number of persons employed and paid salaries from such appropriation'.

"(36) So much of section 1317 of the Revenue Act of 1921 (42 Stat. 314; U. S. C., title 31, sec. 602) as reads: '; and the Secretary of the Treasury shall submit for the fiscal year 1921, and annually thereof, an estimate of appropriations to refund and pay back duties or taxes erroneously or illegally assessed or collected under the internal-revenue laws, and to pay judgments, including interests and costs, rendered for taxes or penalties erroneously or illegally assessed or collected under the internal-revenue laws'.

"(37) The first paragraph on page 133 of volume 22 of the Statutes at Large, in the Act of July 1, 1882 (U. S. C., title 31, sec. 603).

"(38) The eighth paragraph under the heading 'Foreign Intercourse' of the Act of May 3, 1905 (33 Stat. 1214; U. S. C., title 31, sec. 603).

"(39) The last paragraph on page 48 of volume 30 of the Statutes at Large, in the Act of June 4, 1897 (U. S. C., title 31, sec. 604).

"(40) The eighth paragraph under the heading 'Under the Engineer Department' of the Act of February 13, 1913 (37 Stat. 671; U. S. C., title 31, sec. 605).

"(41) The sixth paragraph under the heading 'Fortifications in Insular Possessions' of the Act of March 3, 1905 (33 Stat. 847; U. S. C., title 31, sec. 606).

"(42) So much of the first section of the Act of August 4, 1886 (24 Stat. 246; U. S. C., title 31, sec. 607), as reads: 'the estimates for the Army and Navy hospital service shall be submitted as a part of the military establishment'.

"(43) The first full paragraph on page 117 of volume 31 of the Statutes at Large, in the Act of April 17, 1900 (U. S. C., title 31, sec. 609).

"(44) Section 3668 of the Revised Statutes (U. S. C., title 31, sec. 610).

"(45) So much of the first paragraph on page 357 of volume 20 of the Statutes at Large, in the Act of March 3, 1879 (U. S. C., title 31, sec. 611), as reads: ': *Provided*, That hereafter, in making his estimates for railway mail service the Postmaster General shall separate the estimate for postal-car service from the general estimates; and in case any increase or diminution of service by postal cars shall be made by him, the reasons therefor shall be given in his annual report next succeeding such increase or diminution.'

"(46) So much of the first paragraph under the heading 'United States Geological Survey' in the Act of March 3, 1887 (24 Stat. 527; U. S. C., title 31, sec. 612), as reads: ' ; and hereafter the estimates for the Geological Survey shall be itemized.'

"(47) The first paragraph on page 455 of volume 32 of the Statutes at Large, in the Act of June 28, 1902 (U. S. C., title 31, sec. 612).

"(48) Section 4 of the Act of August 15, 1876 (19 Stat. 200; U. S. C., title 31, sec. 613).

"(49) The fourth paragraph of section 26 of the Act of June 30, 1913 (38 Stat. 103; U. S. C., title 31, sec. 613).

"(50) The eighth full paragraph on page 1421 of volume 36 of the Statutes at Large, in the Act of March 4, 1911 (U. S. C., title 31, sec. 614).

"(51) The eighth full paragraph on page 1206 of volume 33 of the Statutes at Large, in the Act of March 3, 1905 (U. S. C., title 31, sec. 615).

"(52) The fourth full paragraph under the heading 'Government in the Territories' of the Act of July 16, 1914 (38 Stat. 479; U. S. C., title 31, sec. 616).

"(53) The first full paragraph on page 492 of volume 39 of the Statutes at Large, in the Act of August 11, 1916 (U. S. C., title 31, sec. 617).

"(54) The proviso in the first paragraph under the heading 'Rent in the District of Columbia' of the Act of March 4, 1915 (38 Stat. 1108; U. S. C., title 31, sec. 617).

"(55) The seventh paragraph on page 433 of volume 32 of the Statutes at Large, in the Act of June 28, 1902 (U. S. C., title 31, sec. 618).

"(56) The ninth full paragraph on page 755 of volume 36 of the Statutes at Large, in the Act of June 25, 1910 (U. S. C., title 31, sec. 618).

"(57) The fourth full paragraph on page 362 of volume 27 of the Statutes at Large, in the Act of August 5, 1892 (U. S. C., title 31, sec. 619).

"(58) The first full paragraph on page 764 of volume 36 of the Statutes at Large, in the Act of June 25, 1910 (U. S. C., title 31, sec. 620).

"(59) Section 6 of the Act of August 1, 1914 (38 Stat. 679; U. S. C., title 31, sec. 621).

"(60) The last full sentence in the first paragraph on page 254 of volume 23 of the Statutes at Large, in the Act of July 7, 1884 (U. S. C., title 31, sec. 622).

"(61) Section 5 of the Act of June 30, 1906 (34 Stat. 763; U. S. C., title 31, sec. 626).

"(62) The proviso at the end of the first paragraph on page 579 of volume 37 of the Statutes at Large, in the Act of August 24, 1912 (U. S. C., title 31, sec. 626).

"(63) Section 7, as amended, of the Act of August 26, 1912 (37 Stat. 626; 37 Stat. 790; U. S. C., title 31, sec. 629).

"(64) The fourth full paragraph on page 854 of volume 37 of the Statutes at Large,

in the Act of March 4, 1913 (U. S. C., title 31, sec. 630).

"(65) The proviso at the end of the seventh paragraph on page 1030 of volume 31 of the Statutes at Large, in the Act of March 3, 1901 (U. S. C., title 31, sec. 633).

"(66) The second paragraph under the heading 'Contingent, Bureau of Ordnance' of the Act of July 12, 1921 (42 Stat. 128; U. S. C., title 31, sec. 636), down through the first proviso therein.

"(67) So much of the third paragraph under the heading 'Contingent Expenses, Navy Department' of the Act of June 22, 1906 (34 Stat. 427; U. S. C., title 31, sec. 637), as reads: 'and hereafter it shall not be lawful to expend, for any of the offices or bureaus of the Navy Department at Washington, any sum out of appropriations made for the naval establishment for any of the purposes mentioned or authorized in the said foregoing paragraph'.

"(68) So much of the paragraph under the heading 'Increase of the Navy, Equipment' of the Act of March 3, 1915 (38 Stat. 952; U. S. C., title 31, sec. 648), as reads: 'and beginning with July first, nineteen hundred and fifteen, equipment outfits shall be charged to appropriation "Increase of the Navy, Construction and Machinery".'

"(69) The two provisos in the paragraph under the heading 'Fuel and Transportation' of the Act of March 3, 1915 (38 Stat. 944; U. S. C., title 31, sec. 649).

"(70) The proviso in the tenth paragraph on page 236 of volume 28 of the Statutes at Large, in the Act of August 6, 1894 (U. S. C., title 31, sec. 650).

"(71) The fourth full paragraph on page 1175 of volume 34 of the Statutes at Large, in the Act of March 2, 1907 (U. S. C., title 31, sec. 655).

"(72) So much of the first full paragraph on page 1391 of volume 42 of the Statutes at Large, in the Act of March 2, 1923 (U. S. C., title 31, sec. 656), as reads: 'and the Budget estimates for each of such appropriations shall hereafter carry separately the amounts required for such transportation costs'.

"(73) The proviso in the seventh full paragraph on page 520 of volume 32 of the Statutes at Large, in the Act of June 30, 1902 (U. S. C., title 31, sec. 657).

"(74) The proviso in lines 2 through 8 on page 710 of volume 36 of the Statutes at Large, in the Act of June 25, 1910 (U. S. C., title 31, sec. 664).

"(75) Section 3682 of the Revised Statutes (U. S. C., title 31, sec. 674).

"(76) Section 3683 of the Revised Statutes (U. S. C., title 31, sec. 675).

"(77) The second full paragraph on page 1303 of volume 41 of the Statutes at Large, in the Act of March 3, 1921 (U. S. C., title 31, sec. 676).

"(78) The proviso in lines 7 through 17 on page 203 of volume 20 of the Statutes at Large, in the Act of June 19, 1878 (U. S. C., title 31, sec. 677).

"(79) Section 3684 of the Revised Statutes (U. S. C., title 31, sec. 681).

"(80) Section 6 of the Act of May 30, 1908 (U. S. C., title 31, sec. 683).

"(81) So much of the paragraph under the heading "Pay of Assistant Custodians and Janitors" on pages 1153 and 1154 of volume 31 of the Statutes at Large, in the Act of March 3, 1901 (U. S. C., title 31, sec. 684), as reads: ', and hereafter no other fund appropriated shall be used for this service'.

"(82) The second paragraph under the heading 'United States Commerce Court' of the Act of March 4, 1911 (36 Stat. 1234; U. S. C., title 31, sec. 687).

"(83) Section 26 of the Act of June 30, 1913 (38 Stat. 103; U. S. C., title 31, sec. 688).

"(84) Section 400 of the Second Deficiency Appropriation Act, 1947 (U. S. C., title 31, sec. 694).

"(85) Section 607 of the Act of June 30, 1945, as amended (59 Stat. 304; U. S. C., title 5, sec. 947).

"(86) Section 3 of the Act of March 3, 1875, as amended (18 Stat. 370; U. S. C., title 31, sec. 624).

"(87) So much of the Act of March 26, 1934, as amended (48 Stat. 466; U. S. C., title 5, sec. 118c), as reads: 'with the Budget estimate'.

"(88) So much of the paragraph under the heading 'Department of State' in the Act of August 5, 1909 (36 Stat. 119; U. S. C., title 5, sec. 157), as reads: 'and estimates for further appropriations hereunder shall include in detail salaries for all persons to be employed and paid in the Department of State at Washington, District of Columbia'.

"(89) The last proviso under the head 'Working Capital Fund' in the Act of July 12, 1943 (57 Stat. 393; U. S. C., title 5, sec. 558a).

"(90) So much of section 17 of the Act of May 22, 1920, as amended (41 Stat. 620; U. S. C., title 5, sec. 730), as reads: 'annually to the Bureau of the Budget'.

"(91) Section 31 of the Act of September 7, 1916, as amended (39 Stat. 749; U. S. C., title 5, sec. 782).

"(92) The last sentence of section 35 of the Act of September 7, 1916, as amended (39 Stat. 749; U. S. C., title 5, sec. 785).

"(93) So much of section 1 of the Act of October 1, 1890 (26 Stat. 653; U. S. C., title 10, sec. 214) as reads: 'and the Signal Corps of the Army shall remain a part of the Military Establishment under the direction of the Secretary of War, and all estimates for its support shall be included with other estimates for the support of the Military Establishment'.

"(94) The last proviso of section 4 of the Act of March 12, 1926 (44 Stat. 206; U. S. C., title 10, sec. 1597).

"(95) So much of section 1 of the Act of June 12, 1917, as amended (40 Stat. 153; U. S. C., title 16, sec. 452), as reads: 'and the Secretary of the Interior is directed to submit, for the fiscal year nineteen hundred and nineteen and annually thereafter, estimates of the amounts required for the care, maintenance, and development of the said parks.'

"(96) So much of section 1 of the Act of July 24, 1876, as amended (19 Stat. 99; U. S. C., title 24, sec. 278), as requires estimates for the care and maintenance of the national military cemeteries to be submitted annually by the Director of the National Park Service.

"(97) So much of section 1 of the Act of January 24, 1923 (42 Stat. 1208; U. S. C., title 31, sec. 12), as reads: 'The aggregate of all estimates of appropriations from the "reclamation fund" contained in the Budget for any fiscal year shall be included in the totals of the Budget for that year.'

"(98) The second paragraph under the heading 'Pay, Miscellaneous' of the Act of March 3, 1909 (35 Stat. 754; U. S. C., title 31, sec. 609a).

"(99) The third paragraph under the heading 'Office of the Fourth Assistant Postmaster General' of the Act of June 9, 1896 (29 Stat. 316; U. S. C., title 31, sec. 610a).

"(100) The last proviso under the heading 'National Home for Disabled Volunteer Soldiers' of the Act of October 2, 1888, as amended (25 Stat. 543; U. S. C., title 31, sec. 719).

"(101) Section 119 of the Act of June 3, 1916 (39 Stat. 213; U. S. C., title 32, sec. 25).

"(102) So much of the fourth full paragraph on page 558 of volume 39 of the Statutes at Large in the Act of August 29, 1916 (U. S. C., title 34, sec. 504), as reads: 'and the Secretary of the Navy shall each year, in the annual estimates, report to Congress the number of persons so employed, their duties, and the amount paid to each'.

"(103) The last proviso in the third paragraph on page 377 of volume 37 of the Statutes at Large in the Act of August 23, 1912 (U. S. C., title 39, sec. 769).

"(104) Section 27 of the Act of January 12, 1895, as amended (28 Stat. 604; U. S. C., title 44, sec. 37).

"(105) The eighth full paragraph on page 382 of volume 35 of the Statutes at Large in the Act of May 27, 1908 (U. S. C., title 44, sec. 37).

"(106) The last paragraph under the heading 'Government in the Territories' in the Act of June 20, 1874 (18 Stat. 99; U. S. C., title 48, sec. 1456).

"SAVING PROVISIONS

"SEC. 302. (a) The omission of any provision of law from the provisions of law repealed under section 301 shall not be construed as limiting the application of section 201 or 216 of the Budget and Accounting Act, 1921, as amended, or the powers of the President thereunder, or as evidencing an intent that such provision was not to be superseded by such sections.

"(b) Whenever any law authorizes expenditures for a particular object or purpose to be made from an appropriation item referred to in such law by the specific title theretofore used for that appropriation item in the appropriation Act concerned, and thereafter such title is changed or is eliminated from such appropriation Act, expenditures for such object or purpose thereafter may be made from any corresponding appropriation item.

"(c) Except where authority for performance of a function is specifically repealed in section 301, none of the provisions of such section shall be construed as affecting the jurisdiction or responsibility of any agency or officer of the Government over any function or organizational unit referred to in such section.

"(d) Existing laws, policies, procedures and directives pertaining to functions covered by this Act, and not inconsistent herewith or repealed hereby, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority."

And the Senate agree to the same.

WM. L. DAWSON,
FRANK M. KARSTEN,
HAROLD O. LOVRE,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
CLYDE R. HOEY,
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute text. The House recedes from its disagreement to the Senate amendment with an amendment which is a substitute for both the House bill and the Senate amendment. Except for technical and minor drafting changes, the differences between the House bill, the Senate amendment, and the conference substitute are explained below.

Section 101 of the House bill added to section 2 of the Budget and Accounting Act, 1921, language which defines the term "appropriations" to include, wherever appropriate, funds and authorizations to create obligations by contract in advance of appropriations. The Senate amendment added to such definition the words "or any other authority making funds available for obligation or expenditure" in order to broaden the scope of the term "appropriations" and make

it more inclusive. The conference substitute retains the language added by the Senate amendment.

In retaining the language of the Senate amendment, the committee wishes to make it clear that it is not intended to change the form of the estimates now submitted for wholly owned Government corporations under the Government Corporation Control Act, or to affect the Federal Deposit Insurance Corporation or its funds. The funds of the Federal Deposit Insurance Corporation are received from assessments on insured banks and are used only for the purposes of deposit insurance. These funds have never been under the Budget and Accounting Act for the reason that they are not Government moneys or appropriations and there was no intention of including such funds in this amendment.

Section 102 of the House bill amended section 201 of the Budget and Accounting Act, 1921, to provide that the Budget shall set forth, among other things, in form and detail determined by the President, the functions and activities of the Government. The Senate amendment added the words "constituting a performance budget" as a description of the resulting form of the Budget. The matter of submission of the Budget on the basis of functions and activities does not depend upon the words added by the Senate amendment but upon the specific requirement to that effect included in both the House bill and the Senate amendment that functions and activities be shown. Therefore the words "constituting a performance budget" have been eliminated as surplusage from the conference substitute, since these additional words might in the future be given a restrictive construction not intended.

The House bill contains a provision in section 102 (c) amending subsection 204 (b) of the Budget and Accounting Act, 1921, to insure that the so-called "green sheets," giving information as to personal service and other objects of expenditure, would accompany the Budget. The House provision with respect to waiver or modification of the requirements of such subsection would permit the green sheet procedure to be dispensed with in whole or in part if the appropriations committees jointly should find such action desirable. The Senate amendment contained no comparable provision. The conference substitute adopts the House provision.

Section 103 of the Senate amendment gave authority to the head of each department and establishment in the executive branch of the Government to make certain transfers and adjustments between appropriations within his department or establishment during a transitory period of two fiscal years following the date of enactment in order to reflect the financial requirements of the functions and activities of the department or establishment. The House bill contained no comparable provision. The conference substitute eliminates this provision of the Senate amendment.

Section 201 of the Senate amendment gives the head of each department and establishment in the executive branch of the Government the authority to make transfers and adjustments between appropriations within his department or establishment with the approval of the President. The House bill contained no comparable provisions. While section 201 of the Senate amendment has certain desirable features, it was the opinion of the conferees that the section should be given further consideration and study by the Congress. The conference substitute eliminates this provision of the Senate amendment.

Section 203 of the Senate amendment provided for reserves to be established, and modified from time to time, against appropriations when the President determines the purposes of the Congress could be accomplished with lesser expenditures. The House bill contained no comparable provision. In view of the similar and more general authority provided in section 1111 of the General Appropriation Act, 1951, as passed by both Houses, the conference substitute eliminates section 203 as unnecessary.

WM. L. DAWSON,
FRANK M. KARSTEN,
HAROLD O. LOVRE,
Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS TO FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. DAWSON. Mr. Speaker, I call up the conference report on the bill (S. 3959) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 3001)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3959) entitled "An Act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That the parenthetical expression appearing in clause (1) of the final sentence of subsection (a) of section 109 of the Federal Property and Administrative Services Act of 1949 (Public Law 152, Eighty-first Congress) is amended to read as follows: "'(including the purchase from or through the Public Printer, for warehouse issue, of standard forms, blankbook work, standard specifications, and other printed material in common use by Federal agencies not available through the Superintendent of Documents).'

"SEC. 2. (a) Clause (2) of the final sentence of subsection (a) of section 109 of the Federal Property and Administrative Services Act of 1949, as hereinbefore amended, is amended to read as follows: '(2) for paying the purchase price, transportation to first storage point of supplies and services, and the cost of personal services employed directly in the repair, rehabilitation, and conversion of personal property.'

"(b) The third sentence of subsection (b) of section 109 of such Act is amended to read as follows: 'On and after such date, such prices shall be fixed at levels so as to recover so far as practicable the applicable purchase price, the transportation cost to first storage point, inventory losses, the cost of personal services employed directly in the repair, rehabilitation, and conversion of personal property, and the cost of amortization and repair of equipment utilized for lease or rent to executive agencies.'

"(c) The amendments made by this section shall be effective on the date, not earlier than July 1, 1950, on which the Administrator of General Services shall determine that appropriated funds adequate to effectuate the purposes of such amendments have been made available.

"SEC. 3. (a) The final sentence of subsection (b) of section 109 of the Federal Property and Administrative Services Act of 1949 is amended to read as follows: 'Where an advance of funds is not made, the General Services Administration shall be reimbursed promptly out of funds of the requisitioning agency in accordance with accounting procedures approved by the Comptroller General: *Provided*, That in any case where payment shall not have been made by the requisitioning agency within forty-five days after the date of billing by the Administrator or the date on which an actual liability for supples or services is incurred by the Administrator, whichever is the later, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants, or other lawful transfer documents, supported by itemized invoices.'

"(b) Section 109 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"'(g) Whenever any producer or vendor shall tender any article or commodity for sale to the General Services Administration or to any procurement authority acting under the direction and control of the Administrator pursuant to this Act, the Administrator is authorized in his discretion, with the consent of such producer or vendor, to cause to be conducted, in such manner as the Administrator shall specify, such tests as he shall prescribe to determine whether such article or commodity conforms to prescribed specifications and standards. When the Administrator determines that the making of such tests will serve predominantly the interest of such producer or vendor, he shall charge such producer or vendor a fee which shall be fixed by the Administrator in such amount as will recover the cost of conducting such tests, including all components of such cost, determined in accordance with accepted accounting principles. When the Administrator determines that the making of such tests will not serve predominantly the interest of such producer or vendor, he shall charge such producer or vendor such fee as he shall determine to be reasonable for the furnishing of such testing service. All such fees collected by the Administrator may be deposited in the General Supply Fund to be used for any purpose authorized by subsection 109 (a) of this Act.'

"SEC. 4. Paragraphs (1) and (2) of section 203 (j) of the Federal Property and Administrative Services Act of 1949 are amended to read as follows:

"'(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes or public health purposes, including research, in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph (2) or paragraph (3) of this subsection to be usable and necessary for educational purposes or public health purposes, including research.

"'(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph (3) of this subsection) is usable and necessary for educational purposes or public health purposes, including research, shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the

Administrator of General Services to tax-supported medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities, and to other nonprofit medical institutions, hospitals, clinics, health centers, schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education or health for distribution to such tax-supported and nonprofit medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State.'"

"SEC. 5. The Federal Property and Administrative Services Act of 1949 is amended by—

"(a) redesignating section 210 thereof as section 212, and wherever such section number appears in such act as originally enacted, it is amended to conform to the redesignation prescribed by this subsection;

"(b) inserting in the table of contents appearing in the first section of such Act, immediately after the line in which 'Sec. 209,' appears, the following:

"'Sec. 210. Operation of buildings and related activities.

"'Sec. 211. Motor vehicles identification.'

"(c) inserting, immediately after section 209 thereof, the following new sections:

"'OPERATION OF BUILDINGS AND RELATED ACTIVITIES

"'SEC. 210. (a) Whenever and to the extent that the Administrator has been or hereafter may be authorized by any provision of law other than this subsection to maintain, operate, and protect any building, property, or grounds situated in or outside the District of Columbia, including the construction, repair, preservation, demolition, furnishing, and equipment thereof, he is authorized in the discharge of the duties so conferred upon him—

"'(1) to purchase, repair, and clean uniforms for civilian employees of the General Services Administration who are required by law or regulation to wear uniform clothing;

"'(2) to furnish arms and ammunition for the protection force maintained by the General Services Administration;

"'(3) to pay ground rent for buildings owned by the United States or occupied by Federal agencies, and to pay such rent in advance when required by law or when the Administrator shall determine such action to be in the public interest;

"'(4) to employ and pay personnel employed in connection with the functions of operation, maintenance, and protection of property at such per diem rates as may be approved by the Administrator, not exceeding rates currently paid by private industry for similar services in the place where such services are performed;

"'(5) without regard to the provisions of section 322 of the act of June 30, 1932 (47 Stat. 412), as amended, to pay rental, and to make repairs, alterations, and improvements under the terms of any lease entered into by, or transferred to, the General Services Administration for the housing of any Federal agency which on June 30, 1950, was specifically exempted by law from the requirements of said section;

"'(6) to obtain payments, through advances or otherwise, for services, space, quarters, maintenance, repair, or other facilities furnished, on a reimbursable basis, to any other Federal agency, or any mixed-ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, and to credit such payments to the applicable appropriation of the General Services Administration;

"'(7) to make changes in, maintain, and repair the pneumatic tube system connecting buildings owned by the United States or occupied by Federal agencies in New York City installed under franchise of the city of New York, approved June 29, 1909, and June 11, 1928, and to make payments of any obligations arising thereunder in accordance with the provisions of the Acts approved August 5, 1909 (36 Stat. 120), and May 15, 1928 (45 Stat. 533);

"'(8) to repair, alter, and improve rented premises, without regard to the 25 per centum limitation of section 322 of the Act of June 30, 1932 (47 Stat. 412), as amended, upon a determination by the Administrator that by reason of circumstances set forth in such determination the execution of such work, without reference to such limitation, is advantageous to the Government in terms of economy, efficiency, or national security: *Provided*, That such determination shall show that the total cost (rentals, repairs, alterations, and improvements) to the Government for the expected life of the lease shall be less than the cost of alternative space which needs no such repairs, alterations, or improvements. A copy of every such determination so made shall be furnished to the General Accounting Office;

"'(9) to pay sums in lieu of taxes on real property declared surplus by Government corporations, pursuant to the Surplus Property Act of 1944, where legal title to such property remains in any such Government corporation;

"'(10) to furnish utilities and other services where such utilities and other services are not provided from other sources to persons, firms, or corporations occupying or utilizing plants or portions of plants which constitute (A) a part of the National Industrial Reserve pursuant to the National Industrial Reserve Act of 1948, or (B) surplus real property, and to credit the amounts received therefrom to the applicable appropriation of the General Services Administration;

"'(11) at the direction of the Secretary of Defense, to use proceeds received from insurance against damage to properties of the National Industrial Reserve for repair or restoration of the damaged properties; and

"'(12) to acquire, by purchase, condemnation, or otherwise, real estate and interests therein.

"'(b) At the request of any Federal agency or any mixed-ownership corporation (as defined in the Government Corporation Control Act) or the District of Columbia, the Administrator is hereby authorized to operate, maintain, and protect any building owned by the United States (or, in the case of any wholly owned or mixed-ownership Government corporation, by such corporation) and occupied by the agency or instrumentality making such request.

"'(c) At the request of any Federal agency or any mixed-ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, the Administrator is hereby authorized (1) to acquire land for buildings and projects authorized by the Congress; (2) to make or cause to be made, under contract or otherwise, surveys and test borings and to prepare plans and specifications for such buildings and projects prior to the approval by the Attorney General of the title to the sites thereof; and (3) to contract for, and to supervise, the construction and development and the equipping of such buildings or projects. Any sum available to any such Federal agency or instrumentality for any such building or project may be transferred by such agency to the General Services Administration in advance for such purposes as the Administrator shall determine to be necessary, including the payment of salaries and expenses of personnel engaged in the preparation of plans and specifications or in field supervision, and for general office expenses to be incurred in the rendition of any such service.

"'(d) Whenever the Director of the Bureau of the Budget shall determine such action to be in the interest of economy or efficiency, he shall transfer to the Administrator all functions then vested in any other Federal agency with respect to the operation, maintenance, and custody of any office building owned by the United States or any wholly owned Government corporation, or any office building or part thereof occupied by any Federal agency under any lease, except that no transfer shall be made under this subsection—

"'(1) of any post-office building unless the Director shall first determine that such building is not used predominantly for post-office purposes, and functions which are transferred hereunder to the Administrator with respect to any post-office building may be delegated by him only to another officer or employee of the General Services Administration or to the Postmaster General;

"'(2) of any building located in any foreign country;

"'(3) of any building located on the grounds of any fort, camp, post, arsenal, navy yard, naval training station, airfield, proving ground, military supply depot, or school, or of any similar facility of the Department of Defense, unless and to such extent as a permit for its use by another agency or agencies shall have been issued by the Secretary of Defense or his duly authorized representative;

"'(4) of any building which the Director of the Bureau of the Budget finds to be a part of a group of buildings which are (A) located in the same vicinity, (B) utilized wholly or predominantly for the special purposes of the agency having custody thereof, and (C) not generally suitable for the use of other agencies; or

"'(5) of the Treasury Building, the Bureau of Engraving and Printing Building, the buildings occupied by the National Bureau of Standards, and the buildings under the jurisdiction of the regents of the Smithsonian Institution.

"'(e) Notwithstanding any other provision of law, the Administrator is authorized, in accordance with policies and directives prescribed by the President under section 205 (a) and after consultation with the heads of the executive agencies affected, to assign and reassign space of all executive agencies in Government-owned and leased buildings in and outside the District of Columbia upon a determination by the Administrator that such assignment or reassignment is advantageous to the Government in terms of economy, efficiency, or national security.

"'MOTOR VEHICLE IDENTIFICATION

"'SEC. 211. Under regulations prescribed by the Administrator, every motor vehicle acquired and used for official purposes within the United States, its Territories, or possessions, by any Federal agency or the District of Columbia shall be conspicuously identified by showing thereon either (a) the full name of the department, establishment, corporation, or agency by which it is used and the service in which it is used, or (b) a title descriptive of the service in which it is used if such title readily identifies the department, establishment, corporation, or agency concerned, and the legend "For official use only"; *Provided*, That the regulations issued pursuant to this section may provide for exemptions from the requirement of this section when conspicuous identification would interfere with the purpose for which a vehicle is acquired and used.'

"SEC. 6. The Federal Property and Administration Services Act of 1949 is amended by—

"(a) redesigning 'title V' of such Act as 'title VI' thereof, and 'title V', wherever it appears therein, is amended to read 'title VI';

"(b) redesignating sections 501–505, inclusive, of such Act, respectively, as sections 601–605, inclusive, thereof, and wherever any such section number appears in such Act as originally enacted, it is amended to conform in numbering to the redesignation prescribed by this subsection;

"(c) inserting at the proper place in the table of contents to such Act the following:

" 'TITLE V—FEDERAL RECORDS

" 'Sec. 501. Short title.
" 'Sec. 502. Custody and control of property.
" 'Sec. 503. National Historical Publications Commission.
" 'Sec. 504. Federal Records Council.
" 'Sec. 505. Records management; the Administrator.
" 'Sec. 506. Records management; agency heads.
" 'Sec. 507. Archival administration.
" 'Sec. 508. Reports.
" 'Sec. 509. Legal status of reproductions.
" 'Sec. 510. Limitation on liability.
" 'Sec. 511. Definitions.'

"(d) inserting, immediately following title IV thereof, the following new title:

" 'TITLE V—FEDERAL RECORDS

" 'SHORT TITLE

" 'SEC. 501. This title may be cited as the "Federal Records Act of 1950".

" 'CUSTODY AND CONTROL OF PROPERTY

" 'SEC. 502. The Administrator shall have immediate custody and control of the National Archives Building and its contents, and shall have authority to design, construct, purchase, lease, maintain, operate, protect, and improve buildings used by him for the storage of records of Federal agencies in the District of Columbia and elsewhere.

" 'NATIONAL HISTORICAL PUBLICATIONS COMMISSION

" 'SEC. 503. (a) There is hereby created a National Historical Publications Commission consisting of the Archivist (or an alternate designated by him), who shall be Chairman; the Librarian of Congress (or an alternate designated by him); one Member of the United States Senate to be appointed for a term of four years, by the President of the Senate; one Member of the House of Representatives to be appointed, for a term of two years, by the Speaker of the House of Representatives; one representative of the judicial branch of the Government to be appointed, for a term of four years, by the Chief Justice of the United States; one representative of the Department of State to be appointed, for a term of four years, by the Secretary of State; one representative of the Department of Defense to be appointed, for a term of four years, by the Secretary of Defense; two members of the American Historical Association to be appointed by the council of the said association, one of whom shall serve an initial term of two years and the other an initial term of three years, but their successors shall be appointed for terms of four years; and two other members outstanding in the fields of the social or physical sciences to be appointed by the President of the United States, one of whom shall serve an initial term of one year and the other an initial term of three years, but their successors shall be appointed for terms of four years. The Commission shall meet annually and on call of the Chairman.

" '(b) Any person appointed to fill a vacancy in the membership of the Commission shall be appointed only for the unexpired term of the member whom he shall succeed, and his appointment shall be made in the same manner in which the appointment of his predecessor was made.

" '(c) The Commission is authorized to appoint, without reference to the Classification Act of 1949 (Public Law 429, 81st Congress, approved October 28, 1949), an executive director and such editorial and clerical staff as the Commission may determine to be necessary. Members of the Commission who represent any branch or agency of the Government shall serve as members of the Commission without additional compensation. All members of the Commission shall be reimbursed for transportation expenses incurred in attending meetings of the Commission, and all such members other than those who represent any branch or agency of the Government of the United States shall receive in lieu of subsistence en route to or from or at the place of such service, for each day actually spent in connection with the performance of their duties as members of such Commission, such sum, not to exceed $25, as the Commission shall prescribe.

" '(d) The Commission shall make plans, estimates, and recommendations for such historical works and collections of sources as it deems appropriate for printing or otherwise recording at the public expense. The Commission shall also cooperate with and encourage appropriate Federal, State, and local agencies and nongovernmental institutions, societies, and individuals in collecting and preserving and, when it deems such action to be desirable, in editing and publishing the papers of outstanding citizens of the United States and such other documents as may be important for an understanding and appreciation of the history of the United States. The Chairman of the Commission shall transmit to the Administrator from time to time, and at least once annually, such plans, estimates, and recommendations as have been approved by the Commission.

" 'FEDERAL RECORDS COUNCIL

" 'SEC. 504. The Administrator shall establish a Federal Records Council, and shall advise and consult with the Council with a view to obtaining its advice and assistance in carrying out the purposes of this title. The Council shall include representatives of the legislative, judicial, and executive branches of the Government in such number as the Administrator shall determine, but such Council shall include at least four representatives of the legislative branch, at least two representatives of the judicial branch, and at least six representatives of the executive branch. Members of the Council representing the legislative branch shall be designated, in equal number, by the President of the Senate and the Speaker of the House of Representatives, respectively. Members of the Council representing the judicial branch shall be designated by the Chief Justice of the United States. The Administrator is authorized to designate from persons named by the head of any executive agency concerned, not more than one representative from such agency to serve as a member of the Council. Members of the Council shall serve without compensation, but shall be reimbursed for all necessary expenses actually incurred in the performance of their duties as members of the Council. The Council shall elect a chairman from among its own membership, and shall meet at least once annually.

" 'RECORDS MANAGEMENT; THE ADMINISTRATOR

" 'SEC. 505. (a) The Administrator shall make provisions for the economical and efficient management of records of Federal agencies (1) by analyzing, developing, promoting, and coordinating standards, procedures, and techniques designed to improve the management of records, to insure the maintenance and security of records deemed appropriate for preservation, and to facilitate the segregation and disposal of records of temporary value, and (2) by promoting the efficient and economical utilization of space, equipment, and supplies needed for the purpose of creating, maintaining, storing, and servicing records.

" '(b) The Administrator shall establish standards for the selective retention of records of continuing value, and assist Federal agencies in applying such standards to records in their custody; and he shall notify the head of any Federal agency of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of such agency that shall come to his attention, and assist the head of such agency in initiating action through the Attorney General for the recovery of such records as shall have been unlawfully removed and for such other redress as may be provided by law.

" '(c) The Administrator is authorized to inspect or survey personally or by deputy the records of any Federal agency, as well as to make surveys of records management and records disposal practices in such agencies, and shall be given the full cooperation of officials and employees of agencies in such inspections and surveys: *Provided*, That records, the use of which is restricted by or pursuant to law or for reasons of national security or the public interest, shall be inspected or surveyed in accordance with regulations promulgated by the Administrator, subject to the approval of the head of the custodial agency.

" '(d) The Administrator is authorized to establish, maintain, and operate records centers for the storage, processing, and servicing of records for Federal agencies pending their deposit with the National Archives of the United States or their disposition in any other manner authorized by law; and to establish, maintain, and operate centralized microfilming services for Federal agencies.

" '(e) Subject to applicable provisions of law, the Administrator shall promulgate regulations governing the transfer of records from the custody of one executive agency to that of another.

" '(f) The Administrator may empower any Federal agency, upon the submission of evidence of need therefor, to retain records for a longer period than that specified in disposal schedules approved by Congress, and, in accordance with regulations promulgated by him, may withdraw disposal authorizations covering records listed in disposal schedules approved by Congress.

" 'RECORDS MANAGEMENT; AGENCY HEADS

" 'SEC. 506. (a) The head of each Federal agency shall cause to be made and preserved records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency and designed to furnish the information necessary to protect the legal and financial rights of the Government and of persons directly affected by the agency's activities.

" '(b) The head of each Federal agency shall establish and maintain an active, continuing program for the economical and efficient management of the records of the agency. Such program shall, among other things, provide for (1) effective controls over the creation, maintenance, and use of records in the conduct of current business; (2) cooperation with the Administrator in applying standards, procedures, and techniques designed to improve the management of records, promote the maintenance and security of records deemed appropriate for preservation, and facilitate the segegation and disposal of records of temporary value; and (3) compliance with the provisions of this title and the regulations issued thereunder.

" '(c) Whenever the head of a Federal agency determines that substantial economies or increased operating efficiency can be effected thereby, he shall provide for the storage, processing, and servicing of records that are appropriate therefor in a records center maintained and operated by the Administrator or, when approved by the Administrator, in such a center maintained and operated by the head of such Federal agency.

"'(d) Any official of the Government who is authorized to certify to facts on the basis of records in his custody, is hereby authorized to certify to facts on the basis of records that have been transferred by him or his predecessors to the Administrator.

"'(e) The head of each Federal agency shall establish such safeguards against the removal or loss of records as he shall determine to be necessary and as may be required by regulations of the Administrator. Such safeguards shall include making it known to all officials and employees of the agency (1) that no records in the custody of the agency are to be alienated or destroyed except in accordance with the provisions of the Act approved July 7, 1943 (57 Stat. 380–383), as amended July 6, 1945 (59 Stat. 434), and (2) the penalties provided by law for the unlawful removal or destruction of records.

"'(f) The head of each Federal agency shall notify the Administrator of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of the agency of which he is the head that shall come to his attention, and with the assistance of the Administrator shall initiate action through the Attorney General for the recovery of records he knows or has reason to believe have been unlawfully removed from his agency, or from any other Federal agency whose records have been transferred to his legal custody.

"'(g) Nothing in this title shall be construed as limiting the authority of the Comptroller General of the United States with respect to prescribing accounting systems, forms, and procedures, or lessening the responsibility of collecting and disbursing officers for rendition of their accounts for settlement by the General Accounting Office.

"'ARCHIVAL ADMINISTRATION

"'SEC. 507. (a) The Administrator, whenever it appears to him to be in the public interest, is hereby authorized—

"'(1) to accept for deposit with the National Archives of the United States the records of any Federal agency or of the Congress of the United States that are determined by the Archivist to have sufficient historical or other value to warrant their continued preservation by the United States Government;

"'(2) to direct and effect, with the approval of the head of the originating agency (or if the existence of such agency shall have been terminated, then with the approval of his successor in function, if any), the transfer of records deposited (or approved for deposit) with the National Archives of the United States to public or educational institutions or associations: *Provided,* That the title to such records shall remain vested in the United States unless otherwise authorized by Congress; and

"'(3) to direct and effect the transfer of materials from private sources authorized to be received by the Administrator by the provisions of subsection (e) of this section.

"'(b) The Administrator shall be responsible for the custody, use, and withdrawal of records transferred to him: *Provided,* That whenever any records the use of which is subject to statutory limitations and restrictions are so transferred, permissive and restrictive statutory provisions with respect to the examination and use of such records applicable to the head of the agency from which the records were transferred or to employees of that agency shall thereafter likewise be applicable to the Administrator, the Archivist, and to the employees of the General Services Administration, respectively: *Provided further,* That whenever the head of any agency shall specify in writing restrictions that appear to him to be necessary or desirable in the public interest, on the use or examination of records being considered for transfer from his custody to the Administrator, the Administrator shall impose such restrictions on the records so transferred, and shall not remove or relax such restrictions without the concurrence in writing of the head of the agency from which the material shall have been transferred (or if the existence of such agency shall have been terminated, then he shall not remove or relax such restrictions without the concurrence of the successor in function, if any, of such agency head): *Provided, however,* That statutory and other restrictions referred to in the provisos of this subsection shall not remain in force or effect after the records have been in existence for 50 years unless the Administrator by order shall determine with respect to specific bodies of records that such restrictions shall remain in force and effect for a longer period: *And provided further,* That restrictions on the use or examination of records deposited with the National Archives of the United States heretofore imposed and now in force and effect under the terms of section 3 of the National Archives Act, approved June 19, 1934, shall continue in force and effect regardless of the expiration of the tenure of office of the official who imposed them but may be removed or relaxed by the Administrator with the concurrence in writing of the head of the agency from which material has been transferred (or if the existence of such agency shall have been terminated, then with the concurrence in writing of his successor in function, if any).

"'(c) The Administrator shall make provisions for the preservation, arrangement, repair and rehabilitation, duplication and reproduction (including microcopy publications), description, and exhibition of records transferred to him as may be needful or appropriate, including the preparation and publication of inventories, indexes, catalogs, and other finding aids or guides facilitating their use; and, when approved by the National Historical Publications Commission, he may also publish such historical works and collections of sources as seem appropriate for printing or otherwise recording at the public expense.

"'(d) The Administrator shall make such provisions and maintain such facilities as he deems necessary or desirable for servicing records in his custody that are not exempt from examination by statutory provisions or other restrictions.

"'(e) The Administrator may accept for deposit—

"'(1) the personal papers and other personal historical documentary materials of the present President of the United States, his successors, heads of executive departments, and such other officials of the Government as the President may designate, offered for deposit under restrictions respecting their use specified in writing by the prospective depositors: *Provided,* That restrictions so specified on such materials, or any portions thereof, accepted by the Administrator for such deposit shall have force and effect during the lifetime of the depositor or for a period not to exceed 25 years, whichever is longer, unless sooner terminated in writing by the depositor or his legal heirs: *And provided further,* That the Archivist determines that the materials accepted for such deposit will have continuing historical or other values;

"'(2) motion-picture films, still pictures, and sound recordings from private sources that are appropriate for preservation by the Government as evidence of its organization, functions, policies, decisions, procedures, and transactions.

Title to materials so deposited under this subsection shall pass to and vest in the United States.

"'(f) The Administrator is hereby authorized to make and preserve motion-picture films, still pictures, and sound recordings pertaining to and illustrative of the historical development of the United States Government and its activities, and to make provisions for preparing, editing, titling, scoring, processing, duplicating, reproducing, exhibiting, and releasing for nonprofit educational purposes, motion-picture films, still pictures, and sound recordings in his custody.

"'REPORTS

"'SEC. 508. (a) The Administrator is hereby authorized, whenever he deems it necessary, to obtain reports from Federal agencies on their activities under the provisions of this title and the act approved July 7, 1943 (57 Stat. 380–383), as amended July 6, 1945 (59 Stat. 434).

"'(b) The Administrator shall, whenever he finds that any provisions of this title have been or are being violated, inform in writing the head of the agency concerned of such violations and make recommendations regarding means of correcting them. Unless corrective measures satisfactory to the Administrator are inaugurated within a reasonable time, the Administrator shall submit a written report thereon to the President and the Congress.

"'LEGAL STATUS OF REPRODUCTIONS

"'SEC. 509. (a) Whenever any records that are required by statute to be retained indefinitely have been reproduced by photographic, microphotographic, or other processes, in accordance with standards established by the Administrator, the indefinite retention of such photographic, microphotographic, or other reproductions will be deemed to constitute compliance with the statutory requirement for the indefinite retention of such original records. Such reproductions, as well as reproductions made in compliance with regulations promulgated to carry out this title, shall have the same legal status as the originals thereof.

"'(b) There shall be an official seal for the National Archives of the United States which shall be judicially noticed. When any copy or reproduction, furnished under the terms hereof, is authenticated by such official seal and certified by the Administrator, such copy or reproduction shall be admitted in evidence equally with the original from which it was made.

"'(c) The Administrator may charge a fee not in excess of 10 per centum above the costs or expenses for making or authenticating copies or reproductions of materials transferred to his custody. All such fees shall be paid into, administered, and expended as a part of the National Archives trust fund provided for in section 5 of the act approved July 9, 1941. There shall be no charge for making or authenticating copies or reproductions of such materials for official use by the United States Government: *Provided,* That reimbursement may be accepted to cover the cost of furnishing such copies or reproductions that could not otherwise be furnished.

"'LIMITATION ON LIABILITY

"'SEC. 510. With respect to letters and other intellectual productions (exclusive of material copyrighted or patented) after they come into the custody or possession of the Administrator, neither the United States nor its agents shall be liable for any infringement of literary property rights or analogous rights arising thereafter out of use of such materials for display, inspection, research, reproduction, or other purposes.

"'DEFINITIONS

"'SEC. 511. When used in this title—

"'(a) The term "records" shall have the meaning given to such term by section 1 of the act entitled "An act to provide for the disposal of certain records of the United States Government," approved July 7, 1943 (57 Stat. 380, as amended; 44 U. S. C. 366);

"'(b) The term "records center" means an establishment maintained by the Administrator or by a Federal agency primarily for

the storage, servicing, security, and processing of records that must be preserved for varying periods of time and need not be retained in office equipment and space;

"'(c) The term "servicing" means making available for use information in records and other materials in the custody of the Administrator—

"'(1) by furnishing such records or other materials, or information from such records or other materials, or copies or reproductions thereof to agencies of the Government for official use and to the public; and

"'(2) by making and furnishing authenticated or unauthenticated copies or reproductions of such records and other materials;

"'(d) The term "National Archives of the United States" means those official records that have been determined by the Archivist to have sufficient historical or other value to warrant their continued preservation by the United States Government, and have been accepted by the Administrator for deposit in his custody;

"'(e) The term "unauthenticated copies" means exact copies or reproductions of records or other materials that are not certified as such under seal and that need not be legally accepted as evidence; and

"'(f) The term "Archivist" means the Archivist of the United States.'

"SEC. 7. The Federal Property and Administrative Services Act of 1949 is further amended by—

"(a) striking out the word 'and' preceding '(2)' in subsection (d) of section 3 thereof; substituting a semicolon for the period at the end of said subsection; and adding at the end of such subsection the following: 'and (3) records of the Federal Government.

"(b) striking out, in section 208 (a) thereof, the expression 'and V', and inserting in lieu thereof the expression 'V, and VI';

"(c) striking out, in section 208 (b) thereof, the expression 'and V', and inserting in lieu thereof the expression 'V, and VI';

"(d) striking out the word 'and' at the end of paragraph (30) of section 602 (a); striking out the period at the end of paragraph (31) of section 602 (a) and inserting in lieu thereof a semicolon; and adding at the end of section 602 (a) the following new paragraphs:

"'(32) the Act entitled "An Act to establish a National Archives of the United States Government, and for other purposes," approved June 19, 1934 (48 Stat. 1122–1124, as amended; 44 U. S. C. 300, 300a, 300c–k); and

"'(33) section 4 of the Act of February 3, 1905 (33 Stat. 687, as amended; 5 U. S. C. 77).'

"(e) amending subsection 602 (b) and (c) thereof to read as follows: '(b) There are hereby superseded—

"'(1) the provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms; and

"'(2) sections 2 and 4 of the Act entitled "An Act to provide for the disposal of certain records of the United States Government", approved July 7, 1943 (57 Stat. 381, as amended; 44 U. S. C. 367 and 369), to the extent that the provisions thereof are inconsistent with the provisions of title V of this Act.

"'(c) The authority conferred by this Act shall be in addition and paramount to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this Act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841).'

"(f) amending paragraphs (17), (18), and (19) of section 602 (d) thereof to read as follows:

"'(17) the Central Intelligence Agency;

"'(18) the Joint Committee on Printing, under the Act entitled "An Act providing for the public printing and binding and the distribution of public documents" approved January 12, 1895 (28 Stat. 601), as amended or any other Act; or

"'(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within one year after the effective date of this Act should, in the public interest, stand unimpaired by this Act.'

"(g) striking out the period at the end of section 603 (a) thereof and inserting in lieu thereof a comma and the following: 'including payment in advance, when authorized by the Administrator, for library memberships in societies whose publications are available to members only, or to members at a price lower than that charged to the general public.'

"SEC. 8. (a) Subsection 3 (b) of the Federal Property and Administrative Services Act of 1949 is amended to read as follows:

"'(b) The term "Federal agency" means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction).'

"(b) Section 201 (b) of the Federal Property and Administrative Services Act of 1949 is amended by striking out the expression 'or the Senate, or the House of Representatives,'.

"(c) Section 602 of the Federal Property and Administrative Services Act of 1949 is amended by redesignating subsection (e) thereof as subsection (f), and inserting, immediately after subsection (d) thereof, the following new subsection:

"'(e) No provision of this Act, as amended, shall apply to the Senate or the House of Representatives (including the Architect of the Capitol and any building, activity, or function under his direction), but any of the services and facilities authorized by this Act to be rendered or furnished shall, as far as practicable, be made available to the Senate, the House of Representatives, or the Architect of the Capitol, upon their request and, if payment would be required for the rendition or furnishing of a similar service or facility to an executive agency, payment therefor shall be made by the recipient thereof, upon presentation of proper vouchers, in advance or by reimbursement (as may be agreed upon by the Administrator and the officer or body making such request). Such payment may be credited to the applicable appropriation of the executive agency receiving such payment.'

"SEC. 9. The Federal Property and Administrative Services Act of 1949, section 205 (h), is hereby amended by striking out the last word of the sentence 'title' and inserting in lieu thereof the word 'Act'.

"SEC. 10. (a) Whenever any contract made on behalf of the Government by the head of any Federal Agency, or by officers authorized by him so to do, includes a provision for liquidated damages for delay, the Comptroller General upon recommendation of such head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

"(b) Section 306 of the Federal Property and Administrative Services Act of 1949, is hereby repealed, and this section shall be effective as of July 1, 1949.

"SEC. 11. All laws or parts of laws in conflict with the provisions of this Act or with any amendment made thereby are, to the extent of such conflict, hereby repealed."

And the House agree to the same.

WILLIAM L. DAWSON,
RICHARD BOLLING,
CHET HOLIFIELD,
RALPH HARVEY,
HAROLD O. LOVRE,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
CLYDE R. HOEY,
HUBERT H. HUMPHREY,
KARL E. MUNDT,
ANDREW F. SCHOEPPEL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3959) entitled "An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute text. The Senate recedes from its disagreement to the House amendment with an amendment which is a substitute for both the Senate bill and the House amendment. Except for technical and minor drafting changes, the differences between the House amendment and the substitute agreed to in conference are explained below.

Section 3 (b) of the Senate bill added to section 109 of the Federal Property and Administrative Services Act of 1949 a new subsection (g). This subsection provides that whenever a producer or vendor tenders any article or commodity for sale to the General Services Administration or to any procurement authority acting under the direction and control of the Administrator of General Services, the Administrator may, with the consent of such producer or vendor, cause to be conducted such tests as he shall prescribe to determine whether such article or commodity is equal to or superior in performance standard to similar articles or commodities currently on a qualified list. The subsection provides for two categories of testing fees which may be assessed against the producer or vendor: (1) a fee sufficient to recover all testing costs, fixed in accordance with accepted accounting principles, which shall be charged whenever the Administrator determines that the making of such tests will serve predominantly the interests of such producer or vendor; (2) a fee which the Administrator determines to be reasonable for furnishing such testing service which shall be charged whenever the Administrator determines that the making of such tests will not serve predominantly the interests of such producer or vendor. All fees collected by the Administrator may be deposited in the General Supply Fund and be expended for any purpose authorized by section 109 (a) of the Federal Property and Administrative Services Act of 1949.

The House amendment struck out this subsection of the Senate bill and inserted a new subsection (g) which provides that the Administrator of General Services may charge vendors and producers of commodities considered for purchase reasonable fees for testing such commodities and, while providing that such fees may be deposited in the General Supply Fund, limits the use of such fees to the defrayment of expenses of conducting such tests as may be prescribed by the Administrator.

The conference substitute retains the Senate provision.

The House amendment added to section 210 (d) of the Federal Property and Administrative Services Act of 1949 (added to such act by the Senate bill) a new paragraph (6) which exempted the office buildings of the Senate and House of Representatives, the Supreme Court Building, the buildings occupied by the Library of Congress and the Columbia Hospital in the District of Columbia, and any other buildings and grounds under the jurisdiction of the Architect of the Capitol from the provisions of such section 210 (d) authorizing the Director of the Bureau of the Budget to transfer to the Administrator of General Services all functions vested in any other agency with respect to the operation, maintenance, and custody of any office building owned by the United States whenever the Director determines such action to be in the interest of economy or efficiency. Such provision is unnecessary because such section 210 (d) is not applicable to the Architect of the Capitol under the definition of "Federal agency" contained in section 3 (b) of the Federal Property and Administrative Services Act of 1949, as amended by section 8 (a) of the Senate bill. Therefore, the House amendment is omitted from the conference substitute.

Section 5 of the Senate bill added to the Federal Property and Administrative Services Act of 1949 section 210 (e) which authorized the Administrator of General Services to assign and reassign the space of agencies in the executive branch of the Government in buildings owned or leased by the United States and situated either in or outside the District of Columbia, whenever the Administrator determined such assignment or reassignment of space to be advantageous to the Government in the interests of economy, efficiency, or national security. The House amendment does not contain such provision. The conference substitute retains such provision of the Senate bill with an amendment which limits the authority of the Administrator by providing that such assignment or reassignment of space shall be made in accordance with policies and directives prescribed by the President under section 205 (a) of the Federal Property and Administrative Services Act of 1949 and after consultation with the heads of the executive agencies concerned.

Section 5 of the Senate bill added to the Federal Property and Administrative Services Act of 1949 a new section 211 which provides certain requirements for identification of motor vehicles used for official purposes by any Federal agency or the District of Columbia. One of the requirements of such section is that the legend "For official use only" be shown on each such motor vehicle. The House amendment struck out this requirement. Since such requirement is in keeping with the intent of the section, the House recedes and the conference substitute retains the provision. While the conference committee did not amend the section to make it mandatory that the full name of a department, establishment, corporation, or agency be shown on each of its motor vehicles in all cases, nevertheless the committee feels that such practice should be followed as a guide to the General Services Administration.

Section 8 (c) of the Senate bill added to section 602 of the Federal Property and Administrative Services Act of 1949 a new subsection (e). This subsection provided, in part, that no provision of the Federal Property and Administrative Services Act of 1949 as originally enacted or subsequently amended should apply to the Senate or House of Representatives (including the Architect of the Capitol). The House amendment contains this subsection but with a change to the effect that no provision of such act as originally enacted or as herein amended shall apply to the Senate or the House of Representatives (including the Architect of the Capitol). The conference substitute retains this subsection but simply provides that no provision of such act as amended shall apply to the Senate or the House of Representatives (including the Architect of the Capitol). The conference committee believes that the language contained in the conference substitute, in conjunction with the definition of "Federal agency" contained in section 3 (b) of the Federal Property and Administrative Services Act of 1949 as amended by section 8 (a) of the conference substitute, will serve effectively to exclude the Architect of the Capitol from the provisions of the Federal Property and Administrative Services Act of 1949, as amended, except with respect to services and facilities which may be requested by him.

WILLIAM L. DAWSON,
RICHARD BOLLING,
CHET HOLIFIELD,
RALPH HARVEY,
HAROLD O. LOVRE,
Managers on the Part of the House.

Mr. DAWSON. Mr. Speaker, may I say that this bill came before the House and was passed unanimously, without one dissenting vote. Then we moved to strike the Senate provision from S. 3959 and substitute therefor the House version.

We went to conference and came back with an agreement on some minor changes in the version as passed by the House. This was unanimously agreed to by all conferees.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BRYSON asked and was given permission to extend his remarks.

Mr. LANE asked and was given permission to extend his remarks and include two letters and a resolution.

Mr. RICH asked and was given permission to extend his remarks and include a speech by former Senator Rush D. Holt.

Mr. HOFFMAN of Michigan (at the request of Mr. POTTER) was given permission to extend his remarks and to include extraneous matter.

Mr. POTTER asked and was given permission to extend his remarks and include two letters.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in three instances; in one, to include certain material on the subject of making rain, and in another to include an address by former President Coolidge.

Mr. MILLER of Maryland asked and was given permission to extend his remarks in two instances and include in each an editorial.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks and include therewith a table.

Mr. BOGGS of Delaware asked and was given permission to extend his own remarks and include extraneous material.

Mr. LOVRE asked and was given permission to extend his remarks in two instances.

Mr. WOLVERTON asked and was given permission to extend his remarks and include extraneous matter.

Mr. JENKINS asked and was given permission to extend his remarks in two separate instances and in each to include extraneous matter.

Mr. YOUNG asked and was given permission to extend his remarks and include an article written by a constituent of his, Albert A. Woldman, an authority on Abraham Lincoln, published in the Harper's magazine entitled "Lincoln Never Said That" notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $191.

Mr. DAVIES of New York asked and was given permission to extend his remarks in two instances, in one to include a newspaper article.

Mr. PRICE asked and was given permission to extend his remarks and include an article taken from today's Washington Post.

Mr. BARTLETT asked and was given permission to extend his remarks and include a press release.

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include an editorial on statehood for Alaska and Hawaii.

Mr. HUBER asked and was given permission to extend his remarks and include an editorial.

Mr. ABBITT asked and was given permission to extend his remarks and include an editorial taken from the Plain Dealer of April 1, 1950.

Mr. RODINO asked and was given permission to extend his remarks.

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks and include an editorial by a constituent, Casey Cohlmia.

Mr. MANSFIELD asked and was given permission to extend his remarks and include extraneous material.

Mr. BIEMILLER asked and was given permission to extend his remarks and include an editorial.

Mr. HOEVEN asked and was given permission to extend his remarks.

CALL OF THE HOUSE

Mr. COX. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. BUCHANAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 264]

Anderson, Calif.	Crook	Hobbs
Angell	DeGraffenried	Hoffman, Mich.
Bailey	Dingell	Holifield
Barden	Durham	Jackson, Calif.
Barrett, Pa.	Engel, Mich.	Johnson
Blackney	Gillette	Judd
Buckley, N. Y.	Gore	Kearney
Bulwinkle	Grant	Keefe
Burton	Hall,	Keogh
Celler	Edwin Arthur	Klein
Clemente	Hare	Larcade
Coudert	Hébert	Latham

Lind	Pace	Sikes
Lyle	Patman	Smathers
Lynch	Perkins	Smith, Kans.
McCulloch	Pfeifer, Joseph L.	Smith, Ohio
McGrath	Pfeiffer, William L.	Sutton
McGregor	Phillips, Tenn.	Taylor
McKinnon	Plumley	Teague
McMillen, Ill.	Powell	Werdel
Macy	Quinn	Wier
Martin, Iowa	Regan	Williams
Mason	Roosevelt	Wilson, Ind.
Miller, Calif.	Sabath	Withrow
Morgan	Sadowski	Woodhouse
Morrison	St. George	Yates
Moulder	Scott, Hugh D., Jr.	
Murphy	Short	
Murray, Tenn.		
Norton		
O'Konski		

The SPEAKER pro tempore. On this roll call 330 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CITATION OF JOSEPH P. KAMP

Mr. BUCHANAN. Mr. Speaker, by direction of the Select Committee on Lobbying Activities I submit a privileged report.

The Clerk read as follows:

REPORT CITING JOSEPH P. KAMP

The Select Committee on Lobbying Activities, created by the House of Representatives under House Resolution No. 298 of the Eighty-first Congress, was authorized and directed to conduct a study and investigation of—

"(1) all lobbying activities intended to influence, encourage, promote, or retard legislation; and (2) all activities of the agencies of the Federal Government intended to influence, encourage, promote, or retard legislation."

The Constitutional Educational League, Inc., is a corporation organized in New York with offices at 342 Madison Avenue, New York City, N. Y. Joseph P. Kamp is the executive vice chairman.

The Select Committee on Lobbying Activities obtained information indicating that this organization was engaged in lobbying activities, including the mass distribution of pamphlets and literature, intended to influence the passage or defeat of Federal legislation directly and indirectly.

The chairman of the Select Committee on Lobbying Activities, on May 25, 1950, issued and caused to be served a subpena duces tecum on said Joseph P. Kamp directing him to be and appear before the said Select Committee on Lobbying Activities on June 6, 1950, at 10 a. m.

The subpena duces tecum served upon Joseph P. Kamp is set forth in words and figures below:

"BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES OF AMERICA

"TO BENEDICT F. FITZGERALD:

"You are hereby commanded to summon Joseph P. Kamp, Constitutional Educational League, 342 Madison Avenue, New York, N. Y., to be and appear before the Select Committee on Lobbying Activities of the House of Representatives of the United States, of which the Honorable FRANK BUCHANAN is chairman, and to bring with him such of the records of said League as indicate: (1) the name and address of each person[1] from whom a total of $1,000 or more has been received by the League during the period, January 1, 1947, to May 1, 1950, for any purpose including, but not limited to: (a) receipts from the sale of books, pamphlets, and other literature, (b) contributions, (c) loans; (2) as to each such person[1] the amount, date, and purpose of each payment which formed a part of the total of $1,000 or more in their chamber in the city of Washington, on Tuesday, June 6, 1950, Room 362, Old House Office Building, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed, to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 25th day of May 1950.

"FRANK BUCHANAN, *Chairman.*

"Attest:

"[SEAL] "RALPH A. ROBERTS, *Clerk.*"

[1] Includes any individual, partnership, corporation, association, or other organization or group.

The said subpena duces tecum was served on Joseph P. Kamp by Benedict F. FitzGerald, Jr., counsel for the Select Committee on Lobbying Activities. The return of the service of the subpena, endorsed thereon, is set forth in words and figures as follows:

"SUBPENA FOR JOSEPH P. KAMP

"Served on Joseph P. Kamp at the office of the Constitutional Educational League, 342 Madison Avenue, New York City, on Saturday, May 27, 1950, at about 2:30 p. m., by delivery in hand to the said Joseph P. Kamp, by the undersigned.

"BENEDICT F. FITZGERALD, Jr.,
"Counsel, House Select Committee on Lobbying Activities."

Pursuant to said subpena, Joseph P. Kamp appeared before the Select Committee on Lobbying Activities on June 6, 1950, but failed and refused to produce certain records called for in the subpena duces tecum, and as a result of such refusal the Select Committee on Lobbying Activities was deprived from receiving information concerning a matter committed to said committee. The record of the proceedings before the Select Committee on Lobbying Activities held on Tuesday, June 6, 1950, during which the said Joseph P. Kamp refused to furnish certain material pertinent to the subject under inquiry, is set forth in part as follows:

"HOUSE OF REPRESENTATIVES,
"HOUSE SELECT COMMITTEE ON LOBBYING ACTIVITIES,
"Washington, D. C., Tuesday, June 6, 1950.

"The committee met, pursuant to call, at 10:40 a. m., in the caucus room, Old House Office Building, Hon. FRANK BUCHANAN (chairman) presiding.

"Present: Representatives BUCHANAN (chairman), LANHAM, ALBERT, BROWN, and O'HARA.

"Also present: Benedict F. FitzGerald, Jr., committee counsel.

* * * * *

"The CHAIRMAN. The next witness, Mr. Joseph P. Kamp.

"Will the witness be sworn?

"Raise your right hand. Do you solemnly swear that the statements you make before this committee will be the truth, the whole truth, and nothing but the truth, so help you God, to the last great day?

"Mr. KAMP. I do.

"TESTIMONY OF JOSEPH P. KAMP

"The CHAIRMAN. Give your name and address, please.

"Mr. KAMP. My name is Joseph P. Kamp; my office address is 342 Madison Avenue, New York City; and my home is at 3 East Fifty-fourth Street, New York City.

"The CHAIRMAN. What is your official connection with the Constitutional Educational League?

"Mr. KAMP. I am executive vice chairman of the Constitutional Educational League.

"The CHAIRMAN. And their offices are located where?

"Mr. KAMP. 342 Madison Avenue, New York City.

The CHAIRMAN. Are you or your organization registered under the Lobbying Act?

"Mr. KAMP. We are not.

"The CHAIRMAN. A subpena was issued on the 25th day of May 1950, by authority of the House of Representatives of the Congress of the United States of America commanding Benedict F. FitzGerald to summon you to be and appear before the Select Committee on Lobbying Activities of the House of Representatives of which I, Representative FRANK BUCHANAN, am chairman, and to bring with you such of the records of the Constitutional Educational League as indicated: (a) The name and address of each person from whom a total of $1,000 or more has been received by the league during the period, January 1, 1947, to May 1, 1950, for any purpose, including, but not limited to (A) receipts from the sale of books, pamphlets and other literature, (B) contributions, (C) loans; (b) as to each such person the amount, date, and purpose of each payment which formed a part of the total of $1,000 or more.

"You were to produce these records before this committee in the city of Washington on Tuesday, June 6, 1950, at room 362, Old House Office Building at 10 a. m., where and when you were to testify touching matters of inquiry committed to this committee. Is that not a fact as stated in the subpena?

"Mr. KAMP. Yes, sir.

"The CHAIRMAN. Do you care to examine a copy of the subpena to see if it is the same subpena which has been served upon you?

"(A copy of the document was handed to the witness.)

"The CHAIRMAN. You were given this subpena by Benedict F. FitzGerald on the 26th of May 1950, at 11:30 a. m.; that is so, is it not—and is that a correct copy?

"Mr. KAMP. It appears to me to be a correct copy; a carbon copy, probably.

"The CHAIRMAN. Do you have your subpena with you?

"Mr. KAMP. I do.

"The CHAIRMAN. You are now before the Select Committee on Lobbying Activities at the time and place stated in the subpena; that is so, is it not?

"Mr. KAMP. I am.

"The CHAIRMAN. Did you bring with you the records of the Constitutional Educational League?

"Mr. KAMP. No, sir; I did not. I haven't had time to do the job that the subpena asked me to do; and, besides, I wanted the opportunity of presenting our position to this committee, our legal position.

"The CHAIRMAN. You are here in response to the subpena?

"Mr. KAMP. That is right, sir.

"The CHAIRMAN. But you do not have your records with you?

"Mr. KAMP. That is right. I haven't had time to do anything like that. That is a job, that this calls for. Since I am not sure that the Constitutional Educational League comes under the authority of your committee, as set forth in your subpena, I wanted to have an opportunity of presenting my position to you, so that I might be informed by this committee whether or not, in his judgment, we do come within your jurisdiction.

"The CHAIRMAN. * * *

"Just a moment. If you were to be given time, how much time would you think necessary to furnish the material?

"Mr. KAMP. Well, before I could begin to do the job, I would like to have the committee's statement as to how and why we come under the committee's authority. That was my purpose in coming here today. I read in the newspapers the statement of the chairman of this committee that the purpose of this hearing was to give the people who had been subpenaed an opportunity to tell this committee why we refuse to cooperate with the

representatives of the committee who called at our offices. That was my purpose.

"The CHAIRMAN. That is all.

* * * * *

"Mr. LANHAM. You say you are here in response to the subpena. Do you refuse to give to the committee now the information asked for by the committee?

"Mr. KAMP. No; I don't refuse.

"Mr. LANHAM. Do you have it with you?

"Mr. KAMP. No.

"Mr. LANHAM. Do you propose to give it to us at any time?

"Mr. KAMP. I do propose to give it to you when and if this committee can establish its right.

"Mr. LANHAM. The obligation isn't on this committee to establish any right. We are a part of the Government and given the right to investigate lobbying. We have a right to this information. You are here this morning, but refuse to give it to us.

"Mr. KAMP. I say to you that we are not engaged in lobbying; therefore, do not come under your committee's authority; and that we respect the Constitution of the United States, first.

"Mr. LANHAM. Do you respect the subpena that has been served upon you?

"Mr. KAMP. Yes.

"Mr. LANHAM. You mean to comply with it?

"Mr. KAMP. First, I respect the subpena. That is why I am here.

"Mr. LANHAM. Do you intend to comply with the subpena duces tecum to bring these records with you?

"Mr. KAMP. When and if it is established by this committee that it has a legal right to the papers and the records which it requests."

Because of the foregoing the said Select Committee on Lobbying Activities was deprived of answers to pertinent questions to be propounded to the said Joseph P. Kamp relative to the subject matter which under House Resolution 298 of the Eighty-first Congress the said Select Committee on Lobbying Activities was directed to investigate, and the refusal of Joseph P. Kamp to furnish the information in response to the subpena duces tecum herein above set forth, or in response to questions addressed to him under oath before a quorum of the Select Committee on Lobbying Activities during Joseph P. Kamp's voluntary appearance before said Committee on Lobbying Activities deprived the Select Committee on Lobbying Activities of necessary and pertinent information and places said witness Joseph P. Kamp in contempt of the House of Representatives of the United States.

Mr. BUCHANAN (interrupting reading of the report). Mr. Speaker, I ask unanimous consent that the report be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. COX. Mr. Speaker, reserving the right to object, I would like to have enough of the report read so that the membership may have an understanding as to the question involved.

The SPEAKER. Does the gentleman object to the request?

Mr. COX. Mr. Speaker, with the understanding that the gentleman in his opening statement will set forth the full facts, and I know he will do that, I will not object.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I present a privileged resolution (H. Res. 836).

The Clerk read as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Select Committee on Lobbying Activities as to the refusal of Joseph P. Kamp to answer questions and produce documents before the said Select Committee on Lobbying Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Joseph P. Kamp may be proceeded against in the manner and form provided by law.

Mr. BUCHANAN. Mr. Speaker, I yield 15 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, in response to the question asked by the distinguished gentleman from Georgia [Mr. COX] in my judgment the principal issue presented by this report is whether a witness who appears before a congressional committee and refuses to give information except upon his own terms and conditions is in contempt.

Mr. Speaker, on May 25, 1950, the chairman of the Select Committee on Lobbying Activities issued and caused to be served upon Joseph P. Kamp, executive vice chairman of the Constitutional Educational League, Inc., a subpena duces tecum. The subpena directed Mr. Kamp to appear before the committee on June 6, 1950 and to bring with him such records of the Constitutional Education League as would disclose the identity of persons from whom $1,000 or more had been received by way of contributions, loans, and receipts from the sale of books and other literature.

Thereafter, on June 6, Mr. Kamp appeared before the committee. After being sworn, he answered a few preliminary questions and was then asked whether or not he had brought with him the records called for in the subpena. He answered that he had not and stated that before he would begin to do the job of producing the records, he would like to have the committee's statement as to how or why his organization came under the committee's authority. He then proceeded to outline the terms and conditions under which he would submit the records which had been requested by the committee.

Mr. Kamp's contempt of the committee is clearly demonstrated by the extract from the hearings shown at the bottom of page 3 and the top of page 4 of the report. I quote:

Mr. LANHAM. You say you are here in response to the subpena. Do you refuse to give to the committee now the information asked for by the committee?

Mr. KAMP. No; I don't refuse.

Mr. LANHAM. Do you have it with you?

Mr. KAMP. No.

Mr. LANHAM. Do you propose to give it to us at any time?

Mr. KAMP. I do propose to give it to you when and if this committee can establish its right.

Mr. LANHAM. The obligation isn't on this committee to establish any right. We are a part of the Government and given the right to investigate lobbying. We have a right to this information. You are here this morning, but refuse to give it to us.

Mr. KAMP. I say to you, that we are not engaged in lobbying; therefore, do not come under your committee's authority; and that we respect the Constitution of the United States, first.

Mr. LANHAM. Do you respect the subpena that has been served upon you?

Mr. KAMP. Yes.

Mr. LANHAM. You mean to comply with it?

Mr. KAMP. First, I respect the subpena. That is why I am here.

Mr. LANHAM. Do you intend to comply with the subpena duces tecum to bring these records with you?

Mr. KAMP. When and if it is established by this committee that it has a legal right to the papers and the records which it requests.

Mr. CAVALCANTE. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. Does the gentleman think that the subpena served was sufficient? Are these not the records of a corporation? The subpena was served on Mr. Kamp as an individual and not as an officer of the corporation.

Mr. ALBERT. I will say to the gentleman that that is the next issue I am going to discuss. Mr. Kamp stated that he could and would produce the records called for but would not do so except on his own terms. That is the essence of his contempt.

Now, Mr. Speaker, some question has been raised as to the authority of the chairman of the Select Committee on Lobbying Activities to issue the subpena without an authorizing resolution from the committee itself. Clearly the House had the authority to confer this power upon the chairman of the committee and the following language from the resolution plainly indicates that such power was given:

Subpenas may be issued under the signature of the chairman of the committee or any member designated by him, and may be served by any person designated by such chairman or member.

From the above language there can be no doubt as to the authority of the chairman to issue the subpena. The question, however, is not material to the pending matter. Joseph P. Kamp appeared before the committee on June 6. He was sworn and submitted himself to examination. His refusal to give the information which the committee requested was not based upon any alleged defect in the subpena but upon his statement that his organization was not a lobbying organization and, not being engaged in lobbying, was not subject to the committee's authority.

Section 192, title 2, of the United States Code reads as follows:

Every person who having been summoned as a witness by the authority of either House of Congress to give testimony or to produce papers upon any matter under inquiry before either House, or any joint committee established by a joint or concurrent resolution of the two Houses of Congress, or any committee of either House of Congress, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $1,000 nor less than $100 and imprisonment in a common jail for not less than 1 month nor more than 12 months.

In discussing this statute in the case of the *United States* v. *Josephson* (165 Fed. 2d, 82) the court said:

In this connection it is to be noted, and the appellant rightly concedes, that at least as regards the second branch of the statute whether or not his appearance before the subcommittee was in response to a lawful subpena lawfully served is immaterial.

Mr. Speaker, the language of the Supreme Court is even broader. In speaking of this statute in the case of *Sinclair* v. *United States* (279 U. S. 263, 291), the Court said:

Section 102 plainly extends to a case where a person voluntarily appears as a witness without being summoned as well as to the case of one required to attend.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. O'HARA of Minnesota. So that the RECORD may be clear, will the gentleman agree that the committee itself had not authorized the chairman by action of the committee to issue the subpena on Mr. Kamp? Is that a correct statement?

Mr. ALBERT. I am sure that that is a correct statement, and that the RECORD will so reveal. I will say to the gentleman I think we ought to stick to the facts in the RECORD in dealing with this matter.

Mr. Speaker, referring back, under all these circumstances, to the question which the gentleman from Georgia [Mr. COX] raised, I think the issue here is very simple. Joseph Kamp did appear before the committee and was sworn. Nobody will deny that. He appeared and responded to several questions.

He stated that he did not refuse to give the committee the information which it had requested. He did, however, refuse to give the information except upon his own terms. The question here, Mr. Speaker, is broader than the simple question of the citation of Joseph Kamp. The question here is whether a witness has the power to prescribe the terms under which he will give information to a congressional committee. If his contention should prevail in this regard, the control of investigations will pass out of the hands of congressional committees and into the hands of any recalcitrant witness that might appear before them.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. COLMER. Just for the enlightenment of some of us who might be interested, did the gentleman ever state the condition under which he would give the information?

Mr. ALBERT. Yes. He said, "I do propose to give it to you when and if the committee can establish its right."

In another instance, he said, "I say to you we are not engaged in lobbying and therefore do not come under your committee's authority." In still another instance the record reads as follows:

The CHAIRMAN. But you do not have the records with you?

Mr. KAMP. That is right. I have not had the time to do anything like that. That is a job this calls for. Since I am not sure that the Constitutional League comes under the authority of your committee as set forth in your subpena, I wanted to have an opportunity of presenting my position to you so that I might be informed by this committee whether or not, in its judgment, we do come within your jurisdiction.

Mr. TACKETT. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. TACKETT. This gentleman appeared before the committee. Of course, I do not know anything about him, but it seems to me as if he was trying to do what is right. He said, "If it is the judgment of this committee, after I present my side of the issue, that I come under your jurisdiction, then I shall produce the evidence you have asked for."

Then later he says, "I am not denying that perhaps you have the right, and when and if it is established by this committee that it has a legal right to the papers and records which it requests, I will produce them."

Mr. ALBERT. Mr. Speaker, I point out to the gentleman that the identical position was taken by the Communist Gerhart Eisler, and by a vote of over 300 to 1 the House repudiated it. No witness has the right himself to have the committee establish its right to question him.

Mr. TACKETT. That is right. But do you not think that every person in this country who comes before a committee of the Congress is entitled to a determination by at least that committee, and maybe the courts, as to whether or not the committee has jurisdiction?

Mr. ALBERT. Mr. Speaker, in my judgment once the witness puts himself in contempt of a committee, he has no right to demand any explanation from that committee. Jurisdiction for contempt purposes is fixed by his presence before the committee. You do not have to have a trial or a hearing to determine that.

Mr. CAVALCANTE. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. CAVALCANTE. Is there not a very fundamental difference when the committee is subpenaing records which belong to an individual and when the committee is subpenaing records which belong to a corporation? There is a world of difference in the law between a corporation and an individual.

Mr. ALBERT. This man who is an officer of the corporation admitted that he was an officer of the corporation, and that the records were in his custody. He stated that he would produce the records when and if the committee met his terms. The contempt lies in his demand on the committee to satisfy him before he would do what he said he could do. He did not say that he would not deliver them because they were corporate records. He said he would not deliver them until and unless the committee satisfied him as to its right to them.

Mr. REDDEN. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. REDDEN. I would like to know who he was going to designate to be satisfied that the committee had jurisdiction before he would answer the questions. Was he to be the judge of it or his lawyers to be the judge of it or who was to be the judge?

Mr. ALBERT. Of course, he was to be the judge of it.

Mr. REDDEN. The committee's ruling would have nothing to do with whether he produced this evidence, then?

Mr. ALBERT. Of course, if we adopt this sort of procedure, a witness could come before any committee and ask to be heard for 3 minutes or 3 days before he would respond to proper questions from members of the committee, and who could say that he should not be the judge of how much time he should take to state his position? The issue here is clear.

The SPEAKER. The time of the gentleman from Oklahoma [Mr. ALBERT] has again expired.

CALL OF THE HOUSE

Mr. WHEELER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. BUCHANAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 265]

Angell	Jonas	Pfeiffer, William L.
Bailey	Judd	Phillips, Tenn.
Barden	Kearney	Plumley
Barrett, Wyo.	Keefe	Powell
Biemiller	Kilday	Quinn
Blackney	Klein	Regan
Brooks	Larcade	Roosevelt
Buckley, N. Y.	Latham	Sabath
Bulwinkle	Lind	Sadowski
Burton	Lyle	St. George
Case, S. Dak.	Lynch	Sanborn
Celler	McCulloch	Scott, Hugh D., Jr.
Clemente	McGrath	Short
Coudert	McGregor	Sikes
Crook	McMillen, Ill.	Smathers
Dawson	Macy	Smith, Kans.
DeGraffenried	Marcantonio	Smith, Ohio
Dingell	Martin, Iowa	Spence
Durham	Mason	Sutton
Engel, Mich.	Miles	Taylor
Fulton	Miller, Calif.	Underwood
Gillette	Morgan	Vinson
Gore	Morrison	Werdel
Gossett	Moulder	Wier
Hall, Edwin Arthur	Murphy	Williams
Hare	Murray, Tenn.	Wilson, Ind.
Hart	Norton	Withrow
Hébert	O'Konski	Woodhouse
Hoffman, Ill.	Pace	Yates
Hoffman, Mich.	Perkins	
Holifield	Pfeifer, Joseph L.	
Johnson		

The SPEAKER. On this roll 329 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REGISTRATION, CLASSIFICATION, AND INDUCTION OF CERTAIN MEDICAL, DENTAL, AND ALLIED SPECIALISTS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes; with an amendment of the House

thereto, insist upon the amendment of the House, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, BROOKS, KILDAY, SHORT, and ARENDS.

CITATION OF JOSEPH P. KAMP

CONGRESS MUST DEPEND UPON ITS OWN COMMITTEE AND HAS RIGHT TO—KAMP REFUSAL, IF FOLLOWED AS PRECEDENT, MAKES CONGRESS IMPOTENT

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Speaker, I think we ought to realize as Members of Congress that this Lobbying Committee is a duly constituted committee of the House. Let us not forget that. It is our creature, just like the Committee on Rules, only the Committee on Rules is a standing committee, and this is a special select committee especially created by and only after due and careful consideration of all the Members of this House in meeting assembled. Therefore, the Lobbying Committee, the ends of which you voted to uphold on two occasions and which today refers to you this third citation, to wit, the Kamp citation, is, in theory and fact, the specially created, specially deputized agent and representative of this whole Congress. That being the case, the law clearly is, that legislative investigations by Congressional committees, are presumed to have a legislative purpose, and are presumed to be acting within their authority. I take it that the Members of this House are willing to leave complicated or new legal questions up to the United States Supreme Court, instead of putting ourselves in the place of that Court, by assuming to know the whole body of law in point.

I noticed when the gentleman from Mississippi stood up a minute ago and asked my committee colleague [Mr. ALBERT] a question a few minutes ago, and on yesterday when Mr. Cox was questioning or raising objection to the citation of Mr. Rumely, I could not help but think that I would like to ask them, as distinguished members of the Committee on Rules, what position they would take if they had subpenaed witnesses before the Committee on Rules to testify, and then the witnesses said to the committee that they would testify and produce the records on their own terms, or that they would not answer the proper questions which the committee proposed until or unless the committee first established, to the satisfaction of the witnesses, that it was a duly constituted committee of Congress, and that it had authority to ask the questions propounded to the witnesses. How far would the Rules Committee get in its important functioning from day to day? You other Members of this House know full well that I am not in error when I say that the distinguished gentleman from Georgia, who yesterday opposed the citation of Dr. Rumely, and who today is objecting to the citation of Mr. Kamp, would not tolerate such a position.

But if the witnesses refused to answer the questions that our Rules Committee asked within the course of its duties and congressional committee assignment and jurisdiction, the gentleman from Georgia, with patience and with most vigorous action, would forthwith demand that these witnesses be cited for contempt.

Mr. Kamp not only did not obey the subpena duces tecum by not bringing before the committee the books and papers asked in the subpena duces tecum, but he also stated to the committee that he did not propose to answer the questions of the committee until the committee had first established its right to ask him the questions as shown clearly in the committee report in each of your hands at this minute, on page 3, in the following language:

> Mr. LANHAM. You say you are here in response to the subpena. Do you refuse to give to the committee now the information asked for by the committee?
>
> Mr. KAMP. No; I don't refuse.
>
> Mr. LANHAM. Do you have it with you?
>
> Mr. KAMP. No.
>
> Mr. LANHAM. Do you propose to give it to us at any time?
>
> Mr. KAMP. I do propose to give it to you when and if this committee can establish its right.
>
> Mr. LANHAM. The obligation isn't on this committee to establish any right. We are a part of the Government and given the right to investigate lobbying. We have a right to this information. You are here this morning, but refuse to give it to us.

What would the Committee on Rules do? What would our Committee on Un-American Activities do in its important investigations these days if witnesses came in before that Committee on Un-American Activities and said to the committee, in legal session, "Well, I am here in answer to this subpena, but you prove you have a right to these books and these records; you prove you have a right to question me first, and then I will answer your questions, and not until then."

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. COLMER. I hope the gentleman did not draw any erroneous conclusion from what I said to justify an investigation of my committee from the mere question that I asked of the distinguished gentleman who was addressing the House, the gentleman from Oklahoma [Mr. ALBERT]; I merely asked him in response to his repeated statements that the witness had said he would answer under certain conditions if he had ever stated those conditions. May I say to the gentleman further that I have a completely open mind on this matter and was merely seeking a little enlightenment. I hope the gentleman is equally open minded as I am.

Mr. DOYLE. I thank the gentleman for telling me. The gentleman did not speak over the loudspeaker system, and so I did not understand what he said, and did not hear the whole question. But I wish to call the attention of my colleagues to the presumption of law which is presently in full force and effect in this instant case under the decision of *McGrain* v. *Dougherty* (273 U. S. 135) and *Townsend* v. *U. S.* (95 F. 2d 352, cert. denied 303 U. S. 664). That presumption of law existed in favor of the committee's jurisdiction being regular and its questions being legal and within its rights when this very witness came before the committee and stated more than once in unquestionable language and with precision and vigor that he did not propose to give this information to the committee until your own Lobbying Committee, constituted by your own actions, first established its right to ask those questions and seek those records which your committee had determined were necessary and essential to enable your committee, gentlemen, to proceed efficiently and with dispatch in performing the heavy duties and responsibilities that this whole Congress had assigned to its shoulders.

And, if there is still any question in your mind that such was the declared intention of this witness, Kamp, then read again on page 4 the testimony. It is before you in the report. Read it, as follows:

> Mr. LANHAM. Do you intend to comply with the subpena duces tecum to bring these records with you?
>
> Mr. KAMP. When and if it is established by this committee that it has a legal right to the papers and the records which it requests.

This witness did not object to the subpena nor what it called for. He came in response to it. He said so. But, gentlemen, he also stated (see page 3) that he did not bring the books and records with him which were called for in the subpena duces tecum. Certainly, my colleagues, the neglect and refusal to bring those books and records with him amounted to a flat refusal to obey the subpena. How else could you possibly construe it? The subpena said to bring them, and he didn't bring them.

Dozens of you, my colleagues, in this House of Representatives are able lawyers. If you claim I am not construing it according to law, then rise up and explain why I am not construing it according to law. I hear no answer or objection to my construction of it as a flat refusal to comply with the subpena.

Am I to understand that there are Members of this House who are unwilling to apply to this Lobbying Committee of its own Congress and created by this House itself the benefit of a well-recognized and long-established presumption of law? Am I to understand that this Congress will contravene its long-established, historical policy of giving its Congressional committees the benefit of the doubt and the benefit of established presumptions in favor of its own committee?

Mr. Speaker, I assert that I do not see how any Member of this House can vote nay on this citation unless that Member takes the position that it chooses to take as its choice an individual witness instead of giving its own constituted committee of seven members the benefit of legal presumption and the benefit of acting within the jurisdiction of the House resolution which created it. Certainly this man, Kamp, did not overcome, nor did he try to overcome, the well-known presumption of law in favor of congressional committees acting in accordance with their authority.

While on yesterday two of the minority members of the Lobbyist Committee

voted against the citation to Dr. Rumely, you have not heard and I believe you will not hear them argue against the issuance of this citation against Mr. Kamp.

That presumption is a presumption of law, and I take it the Congress is willing to recognize that presumption of law was present when this man Kamp came before us as a witness and he did not overcome that presumption. If any Member of the House who is a lawyer speaks against this citation today, I ask him if it is not a fact that the presumption of law was present in favor of the committee when we had the hearing at which Mr. Kamp was present. Not only that, but if it be the fact that any Member of the House is going to vote against this citation on the grounds that the committee had no jurisdiction, I ask that Member of the House to show why we did not have jurisdiction.

I know you are aware of the fact that the record shows that this very day Mr. Kamp is in the District jail, a prisoner duly convicted by established and competent courts, for contempt of a committee of Congress in another case. The Anderson committee cited him. He had his fair and just opportunity to prove that the committee was wrong. The courts upheld the authority and actions of the Anderson committee and Mr. Kamp is in jail today for a proven contempt.

But certainly the interests of the American people, as represented by this lobbying committee of this very Congress, is paramount to either sympathy or friendship for Mr. Kamp.

In closing my extemporaneous word, may I again briefly remind you of a few of the important points in this situation.

First. Under the lobby law, passed in the Seventy-ninth Congress, of which I was a Member, it is the duty of certain people performing certain acts known as lobbying to register. Mr. Kamp did not register. He claimed he did not have to. But, under said public law and under the authority given and assignment made by this very House of Representatives to this lobbying committee, it is the duty and the obligation of this lobbying committee to check up and to ascertain what methods and means were used by Mr. Kamp and his solely owned corporation to lobby Members of Congress. I think I recall seeing copies of communications beginning as far back as 1944 to and from Members of Congress by Mr. Kamp indicating that he, Mr. Kamp, was lobbying and undertaking to influence, directly and indirectly, legislation. But, whether he was or not then or more recently, the duty of the committee was to make an unbiased investigation to see what methods he was using and to see whether or not his methods resulted in undertaking to influence legislation, directly or indirectly.

Second. Your lobbying committee has not, in any case, undertaken to dictate, control, or otherwise influence what printed matter, circulars, telegrams, or other methods were used to influence legislation, directly or indirectly. We certainly would not interfere with the freedoms guaranteed by the first amendment. That assertion is not only unsound, but it borders on a ridiculously erroneous statement, for anyone saying that ought to at least give as much faith to the patriotism and desire to live within the Constitution by other Members of this House as such person himself claims to have in his own conscience.

Third. If any Member of this House claims that this citation is not technically legal, then why not resolve that legal question in favor of your own committee and let it go to court where Mr. Kamp can have a just—a fair—trial in court and let him prove that he is being illegally cited.

Fourth. By voting this citation, we do not send Mr. Kamp to jail. He is not punished automatically. He has his day ahead of him in court. That's what he is entitled to. I want him to have it. So do you. So do all of us. That's the American way.

Fifth. Your Lobbying Committee has studied and questioned and investigated many groups, committees, and organizations which have registered under the Lobbying Act, and also some who have not registered, as you well know. But all of our investigations have been deliberately designed to investigate methods, means, and steps taken by these organizations and their representatives to, directly or indirectly, influence legislation. We have not tried to trap or to catch or to convict any person or to prove a violation of law in order that such person might later be found guilty of violation of the Lobbying Act. But, naturally, in the exhaustive study we have made, there is no doubt but that material facts have come to light which may, in the course of events, lead to a further investigation of what they testify to under oath and to what steps they have previously taken or may in the future take.

Sixth. This Congress depends upon the prompt, vigorous, efficient, fair functioning of its committees, including the special or select committees. In fact, the committees of this House are indispensable, their adequate functioning a prerequisite to all legislation and their dignity an element which must be worthy of preserving and recognizing. Take away an efficient, honest functioning of all committees of this House, and you make the Floor of the House of Representatives impoverished and impotent.

Seventh. In the performance of its duties as a necessary arm of the House itself, the Lobbying Committee has vigilantly, fairly sought to ascertain both the amount of money spent by various groups in lobbying and the source from which it came. And, if you ask why the source should be investigated, I say that the American people are entitled to know who pays the bills for whatever means or methods are used to lobby and thus to influence legislation, directly or indirectly. The American people are entitled to know who contributes, donates, and spends the millions of dollars annually which are admittedly used to influence legislation. Why should any honest-to-God contributor of clean money hesitate to let the American people know that he is honestly spending money to influence legislation. If someone is ashamed of their donation or contribution, the American people should know why. If he is afraid the American people will not judge him at face value if they know that he is spending money to influence legislation, then he falsely appraises the judgment and findings of the American people when they know the facts and the truth. Why should any group think that it was fair or the American way to print hundreds of thousands, or even millions of pamphlets of any sort designed to influence legislation and then be unwilling to have the source of the payment of the bill for that purpose secret or undiscoverable? For, gentlemen, lobbying itself is not to be discredited nor condemned. Open-faced, frank, fair lobbying is, I believe, an actual benefit, and I, as one Representative, welcome the receipt of all ideas affecting any bill or proposed bill or legislation or problem facing our great Nation and including its relationship to the world. But I respectfully insist that not only I, as a Representative in Congress, should be able to ascertain and know who is paying the bill for whatever printed or published matter I receive through the mail or otherwise for or against a legislative matter, but the American people should have a means of learning and knowing where the millions of dollars come from and where they go. This is the only way the best interests of the American people can be protected from deliberate sabotage, weakening, disillusionment and even worse.

Therefore, my colleagues, as long as some Members of this House who are lawyers choose to stand on supertechnical grounds on this citation and to act as a court and a jury at the same time—which they claim is their privilege—I state that, to me, it is comparable to a situation in which, if any Member of this body was a judge presiding in a court and a defendant was arrested for speeding and brought before that Member of Congress who happened to be sitting as a judge and stated to the honorable judge that he, the prisoner, accused of speeding, would not put up his bail money until the honorable judge proved that he, the judge, was sitting as the judge of a court which had legal jurisdiction to fix the bail which the alleged violator of law should have to deposit before he was released from jail.

And I say again, Mr. Speaker, that, for this House to refuse to cite Mr. Kamp and to thus justify his claim, frankly and boldly and vigorously made, your lobbying committee should first establish its right to ask him these questions, it would be just as ridiculous as it would be for the court I referred to to adjourn the session of court merely because an alleged violator of law claimed in open court that the court would have to prove it was a court and acting in accordance with the law before he, the prisoner, would deposit the bail.

No, my colleagues, let us not give less than the utmost credence and good faith and dignity to our own committee. Let us give them the benefit of the presumption of law. Let us give them the benefit of the personal knowledge we have of their habitual integrity and industry. Let us apply to them at least the degree of good faith and conscience and impartiality in the performance of their duties as members of their committees as we choose to seek and respect for their own faith, conscience, and impartiality.

To do less than that is to create a situation where not only the lobbying committee becomes impotent, but a condition the result of which should be applied to each and every other congressional committee, with the result that individual witnesses will be duly and legally subpenaed by committees of Congress will be determining the course of conduct of congressional committees by merely making the same ridiculous, foolish, unfounded claim made by this man, Kamp.

Let us vote the citation and vote it promptly. And I believe it should be unanimous.

The SPEAKER. The time of the gentleman from California [Mr. DOYLE] has expired.

Mr. BUCHANAN. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I know that I cannot, in reason, hope for strength to continue to carry on as a Member of this body or as a responsible citizen of the country for but a few years longer, but those years that are precious to me, I make the pledge, and call upon you and the Good Master to witness, shall be spent in combating the influence with which we are now at war.

My protest here made will probably prove unavailing, but that is no excuse as to why I should not perform my duty as I understand it to be.

I realize that adherence to what is conceived to be right and refusal to compromise with what is thought to be wrong generates hostility, but being true to my nature it is the course that I am compelled to follow. I have seen others under the pounding from the left, respond in various ways. Some I have seen bend with the wind that carried them on to high places in political life. Others I have seen crumble like eggshells and become completely submissive to the will of those bent upon reforming the world. I have seen some resist, and it happens that among that group I am one, and I bear scars or wounds inflicted in battle but I have no regrets for the course that I have followed.

Joe Kamp, as stated by others, is in jail. He is in jail under conviction for contempt of a similar committee as the one here carrying on. He is in jail because he would not violate the high ethics of the newspaper profession. He is not engaged in lobbying, in the sense that he comes down here undertaking to influence the thinking of the Congress. He simply publishes a small publication which is entirely devoted to combating communism and it is because of this that he is pursued and hounded by the leftists.

When the Anderson committee was set up, the Communists, Abt, Browder, Baldwin, Sheldon, and a host of others moved in on the committee and undertook, as I will show by the statement of the chairman of the committee, to take over the work of the committee. Joe Kamp is in jail serving sentence under a citation for contempt that was inspired by these enemies of the Republic and will probably stay there until he rots before he will be guilty of violating the ordinarily respected concepts of his profession. I have seen others hounded to their graves by these same Communists with the aid of the Government. I recall the trial of a large group of people here in Washington several years ago. I remember the case of the old minister of the Gospel that was persecuted to his death; found dead in a dingy boarding house with 30 cents in his pocket and shipped back home to his blind wife naked in a pine box. After the record was made in the Kamp case and the matter was ready to go to the courts, discovery was made that 30 pages of the testimony that he had given had been extracted from the record and documents which had been included as exhibits had been taken out.

Kamp protested to the chairman, and the chairman in making reply by letter made a disclosure of matters that is worthy of the notice of the membership of this House. March 27, in response to the plea from Kamp that the record be corrected, that the testimony extracted be restored, and that the documents be returned, said that one Dr. Sheldon of the so-called Anti-Nazi League—and others had manifested an interest that he did not like. Dr. Sheldon, I charge is leftist, a Communist, who headed the Anti-Nazi League and along with other admitted Communists sought to influence and direct the work of the committee. Mr. ANDERSON in his letter to Kamp said, and I quote:

> Mr. Sheldon of the so-called Anti-Nazi League did come to Washington several times and did try to provide information for the committee. It became apparent to me that he was a person with a special interest, and I had to say to him that we could not permit him to try to run our work for us and could not have him telling us the subjects upon which we might cross-examine and question people. I know that he had an employee planted—

Mark you, Mr. Speaker, Mr. ANDERSON, the chairman of this committee said:

> I know that he [Sheldon] had an employee planted in the office of the Committee for Constitutional Government—

The secretary of which on yesterday this House cited for contempt—

> And it was from that connection that I had an offer to have made available to me for a price all of the financial records of that organization.

Here we find this same influence here in the instant case, the same influence, mark you, moving in upon this Buchanan committee and endeavoring to accomplish what they sought to carry on with the Anderson committee.

I made the assertion on yesterday that a group of extreme left-wingers constituted the staff of this Buchanan committee. I repeat now that that statement is true. The committee in response to exposure let go the chief counsel of the committee, the retention of whom it dared not attempt to justify. Yet that was that same counsel who was present prompting the chairman of the committee in the conduct of the investigation of Joe Kamp and others and of which this citation arises.

Let me ask, How did this man become the counsel of the committee? I can tell you. It was the result of the exercise of the control of organizing the staff by one Lucien Hilmer, whom the committee had engaged as staff director.

Mr. Speaker, the director of the staff of this committee, Lucien Hilmer, has Red connections himself. It was with George Wheeler that he went into FEA in 1945 as an employee, soon after which Wheeler was charged with disloyalty. Who defended him before the Civil Service Commission? Oh, I know that it is contended that Lucien Hilmer was directed to defend him, but in giving directions whoever had the power of control chose the friend of Wheeler, Lucien Hilmer.

Here is the record of an investigation made by the Committee on Un-American Activities which I wish I had the time to read. It shows that in the trial of Wheeler, Hilmer followed the Communist line. The record is severely critical of Hilmer, and it ought to be noted that Wheeler, about 6 months ago openly declared himself to be a Communist, denounced the United States and is now in a foreign country issuing daily statements denouncing this country.

Mr. Speaker, members of this committee are endeavoring to get around the fact that the subpena issued to this man being cited for contempt was illegal, having been issued by the chairman without having first obtained the consent of his committee. That subpena was illegal, it had no force in law, and this the committee will not deny.

Here is something that establishes the invalidity of the proceeding beyond the slightest doubt. Here the record shows that the subpena was issued to Kamp individually. He was commanded to furnish the records of the corporation. When he appeard he did not have the records and, therefore, did not present them. For this man to be cited for contempt it must be shown that he had the records of the corporation in his private possession, or that he had the consent of the corporation to present them to the committee. Mark you, Mr. Speaker, the subpena is issued to Joe Kamp. He is not directed as the secretary of the corporation to produce. Joe Kamp is directed and commanded to produce evidence over which he as an individual has no control. Therefore, the whole case of the committee falls. It falls in law, it falls in fact and it falls in good conscience.

Mr. Speaker, I dislike giving offense, but I have a duty to perform and this I do without the fear of punishment or the hope of reward. Mine is an unhappy state of mind. Remembering the vote taken on the Wood bill requiring Communists to register, I am prompted to say, and I say it in the presence of people I love, if America is to survive, if her proud traditions are to endure, and if the fate of these depends upon the Congress, then the southern Members of this House must provide the vote that controls the decisions that are here made, for, I regretfully say, the majority operating in the shadow, does not always keep its heel on the head of the serpent that is stinging the Republic to death.

Mr. BUCHANAN. Mr. Speaker, I yield myself 10 minutes.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Maine.

Mr. HALE. I want to call attention to the last question and answer appearing on page 4 of the report in which the gentleman from Georgia [Mr. LANHAM] asked the witness if he intended to comply with the subpena duces tecum. Mr. Kamp replied when and if it is established by this committee that it has the legal right to the papers and records which it requests. In other words, the witness seems to recognize the right of the committee to determine its own jurisdiction. Now, whether or not the witness was right or wrong may be a question, but to my mind that is not a contemptuous reply, because it recognizes the right of the committee to pass on its own jurisdiction. I wish the gentleman would deal with that.

Mr. BUCHANAN. If the gentleman will look further on page 4, the gentleman from Georgia [Mr. LANHAM] replied:

> We are a part of the Government and given the right to investigate lobbying.

It is for that purpose reports have been given to our committee. We made investigation of his organization and found that it was collecting funds for lobbying purposes and had not registered under the Lobbying Act. We were at that time making an effort to determine whether or not the Constitutional Educational League and the only officer that we knew of, because it was a one-man organization, was Mr. Joseph P. Kamp. We wanted to find out just what their operations were, their letters of incorporation, and a series of complete questions, of course, which he refused to furnish the committee until after we had established our right.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I think it should be pointed out here that Mr. Kamp never did say that he would not give this material to the committee. As a matter of fact, he said that he would give it to the committee, implying by his own remarks that he had the authority to act on behalf of the corporation, but that he would not give it to the committee except on his own terms.

Mr. BUCHANAN. That is right.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. MULTER. As a matter of fact, the witness Kamp at no time pretended that he did not have control of these records and talked about them at all times as though they were under his control. He never raised the question that the subpena should be addressed to anybody else; is that not a fact?

Mr. BUCHANAN. That is a fact.

Mr. CAVALCANTE. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. Is it not a fact also that the subpena itself is not directed to the corporation or the individual who has custody of the corporate books, at all, but is directed to an individual, Kamp, and not the corporation?

Mr. BUCHANAN. In other words, in this organization the individual, Joseph P. Kamp, is the sole officer of this corporation as far as we were able to determine.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The matter of the validity of the subpena was brought up by the gentleman from Georgia. Is it not a fact that that is a question for the court to decide whether that subpena was valid? This is a matter to be brought up before the court?

Mr. BUCHANAN. That is exactly right. I have prepared a statement which will be enlightening to the membership as far as a survey of all the standing committees of the House is concerned, some 21 committees in number. I shall incorporate that in the RECORD in full. We had the Legislative Reference Bureau of the Library of Congress make a survey of all standing and special committees in the last 4 years as to what their practice was, and as to whether or not subpenas were issued and in what manner.

> THE LIBRARY OF CONGRESS,
> *Washington, D. C., August 8, 1950.*
> HON. FRANK BUCHANAN,
> *Chairman, House Select Committee on Lobbying Activities, House Office Building, Washington, D. C.*
>
> DEAR MR. BUCHANAN: This is in response to your request of July 31 for a study of the practice of the standing and select committees of the House of Representatives during the Eightieth and Eighty-first Congresses in respect to the issuance of subpenas. Your particular interest was in the question whether it has been a practice for the full committee formally to authorize the chairman to issue subpenas, either generally or in each instance; or whether it has been the practice for the chairman to issue the subpenas on his own initiative under the authority contained in the resolution authorizing the investigation.
>
> During the period under review the House has created nine select committees to date which have been granted the power of subpena. Select Committees on Small Business and Campaign Expenditures were created in both the Eightieth and Eighty-first Congresses, which accounts for four of the nine select committees. The other five select committees established during the period were those on Commodity Exchanges, Federal Communications Commission, Food Products, Lobbying Activities, and Newsprint Supply.
>
> During the Eightieth Congress the House agreed to eight resolutions authorizing seven of its standing committees to investigate matters within their jurisdiction and to issue subpenas. The committees so authorized were the Committees on Armed Services, Education and Labor, Expenditures in the Executive Departments, Judiciary, Post Office and Civil Service, Public Lands, and Public Works.
>
> During the Eighty-first Congress to date the House has agreed to 14 resolutions authorizing 12 of its standing committees to investigate matters within their jurisdiction and to issue subpenas. The committees so authorized were the Committees on Agriculture, Armed Services, Banking and Currency, District of Columbia, Education and Labor, Foreign Affairs, Interstate and Foreign Commerce, Judiciary, Merchant Marine and Fisheries, Post Office and Civil Service, Public Lands, and Public Works.
>
> Aside from a few slight variations in language, the subpena power is almost always granted by the House to its committees in the following terms: "Subpenas may be issued under the signature of the chairman of the committee or any member designated by him, and may be served by any person designated by such chairman or member."
>
> The subpena power was conferred upon the Committee on Un-American Activities when it was created on January 3, 1945.
>
> The results of our survey of the subpena practice of the committees of the House of Representatives during the Eightieth and Eighty-first Congresses, to date, are summarized in the accompanying table. As regards the practice of the select committees, excluding the Select Committee on Lobbying Activities, we find that three of them (those which investigated the supply of newsprint, the Federal Communications Commission, and Food Products) did not or have not yet issued any subpenas; and that the subpenas issued by the Select Committees on Campaign Expenditures, Commodity Exchanges, and Small Business were issued by the chairmen on their own initiative, acting under the authority of their resolutions.
>
> As regards the practice of the 14 standing committees which received the subpena power, we find that 7 of them did not issue any subpenas during the period under review; that 4 of them issued subpenas on the authority of the chairman of the full committee or the chairman of the subcommittee; and that the practice of 3 of them has been to obtain the approval of the committee each time before exercising the subpena power. One of these latter three, the House Committee on Post Office and Civil Service, makes doubly sure of the validity of its practice by formally authorizing its chairman to exercise the subpena power both generally and in each particular case. Individual variations in the practice of the committees of the House are explained in the footnotes to the table.
>
> Thus we may conclude that, of the 21 standing and select committees of the House which have received the subpena power during the past 4 years, 10 have not exercised this power; in seven cases it has been exercised by the chairmen acting alone; and in four cases it has been exercised by the chairmen with the express approval of their committees.

Hoping this supplies the desired information, I am,

Sincerely yours,

ERNEST S. GRIFFITH,
Director, Legislative Reference Service.

Subpena practices of House committees, 80th and 81st Congs.

Committee	Committee authorized issue		Issued on authority of chairman
	Generally	Each time	
SELECT			
Campaign Expenditures.	----------	------	X
Commodity Exchanges.	----------	------	X
Federal Communications Commission.[1]	None issued	------	--------
Food Products	No subpoenas issued yet.	------	--------
Lobbying Activities	----------	------	--------
Newsprint Supply	None issued	------	--------
Small Business[2]	----------	------	X
STANDING			
Agriculture[3]	None issued in period under review.	------	--------
Armed Services	do	------	--------
Banking and Currency	do	------	--------
District of Columbia[4]	----------	------	X
Education and Labor[5]	----------	X	X
Expenditures in Executive Departments.[6]	----------	------	X
Foreign Affairs	None issued at any time.	------	--------
Interstate and Foreign Commerce.	do	------	--------
Judiciary	----------	------	X
Merchant Marine and Fisheries.	None issued in period under review.	------	--------
Post Office and Civil Service.	X	X	--------
Public Lands	None issued at any time.	------	--------
Public Works	----------	X	--------
Un-American Activities.[7]	----------	X	--------

[1] The chairman of this committee, Mr. Harness, of Indiana, is not now a Member of the House. Mr. PRIEST, who was a member, does not remember any subpenas having been issued.

[2] Refers to the practice during the 81st Cong. According to Mr. PATMAN, the Small Business Committee did not issue any subpenas during the 80th Cong.

[3] Committee counsel doubts validity of subpenas issued without authority of majority of committee.

[4] Refers to the Davis subcommittee which was authorized by H. Res. 340, 81st Cong., 1st sess., to investigate crime in the District of Columbia.

[5] Mr. Lesinski's practice during 81st Cong. was to issue subpenas only upon request of majority of a subcommittee. Mr. Hartley's practice during the 80th Cong. was to issue subpenas himself by virtue of authority granted by House resolution.

[6] No subpenas have been issued by the Expenditures Committee during the 81st Cong. to date. During the 80th Cong. subpenas were issued on the authority of the chairman of the committee or the chairmen of its subcommittees.

[7] Investigator Russell states that the prevailing practice in the Un-American Activities Committee is for the full committee to authorize the issuance of subpenas, but that they are occasionally issued on the authority of the chairman or subcommittee chairman.

It is the consensus of opinion and especially from the lips of the gentleman from Georgia [Mr. WOOD], chairman of the Committee on Un-American Activities, in a statement to me this morning on the floor of this House, that he issued subpenas in the same manner in which the resolution directs the chairman of this committee, myself, to issue subpenas, and without any formal action of the committee. So, gentlemen, there is a committee that does it in wholesale quantities. We are just bringing in one individual case today. I shall include this report which shows that in only four committees in this House, in the past 4 years, was it shown wherein the exercise of the chairman in the issuance of subpenas was done separately, or by resolutions formally adopted in committee.

I might say that the Committee on Post Office and Civil Service makes doubly sure as to the validity of its practice by formally authorizing its chairman to exercise subpena power both generally and in each particular case.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. KEATING. This is a criminal proceeding. Does the counsel for the gentleman's committee advise the gentleman and his committee that a man can be convicted of contempt of court under a subpena directed to him to produce records which are in the control of the corporation of which he is only an officer?

Mr. BUCHANAN. Of course, in this particular case, as I reiterate again, this individual is the sole officer, as far as we were able to determine, of the corporation. The subpena was directed to him, and he did not deny at that time that he did not have the records or possession of the records and that he was not that officer in full charge. He declined, of course, on other grounds, to produce the records.

Mr. KEATING. But should not the subpena be directed to the corporation?

Mr. BUCHANAN. No. The gentleman is bringing in a technical legal question here, and that is a matter not for our committee to decide—but for the courts to decide. Our counsel has advised the committee in its deliberations, and I am sure that six of the seven Members of the committee are lawyers, and in their judgment, and as the gentleman from Oklahoma has very ably stated, the subpena was entirely legal and proper.

Mr. KEATING. And the gentleman advises the committee that under a subpena such as this the court would have the power to punish the witness for contempt?

Mr. BUCHANAN. That is the advice of our counsel.

In the discussion that was brought up about the staff director, most of the talk by the gentleman from Georgia [Mr. Cox] was in reference to the Anderson committee investigating campaign expenditures in 1944, and near the close of his remarks, he injected the name of our staff director, Mr. Lucien Hilmer, into the discussion. Mr. Hilmer was born in the State of New York in the year 1908. He is married and has two children living at the present time at Chevy Chase, Md. He is a graduate of Williams College, class of 1928, and Harvard Law School, class of 1931. He was admitted to practice in the courts of New York and the District of Columbia and the United States Supreme Court. His professional background is this: From 1931 to 1935 he was engaged in the general practice of law in New York City, with Parker, Chapin & Flattau, representing banking, commercial, and other interests. In 1936 to 1940 he was assistant, and later associate counsel to the United States Senate Committee on Interstate and Foreign Commerce, investigating railroad finance and reorganization, and assisting on related legislation.

I might say that Senator Burton K. Wheeler, of Montana, was chairman of the committee and serving on that committee was the distinguished Vice President of the United States, Mr. BARKLEY, and the distinguished President of the United States, Mr. Truman.

In 1940 to 1942 he was special counsel and later assistant general counsel to the Federal Communications Commission. In 1942 to 1946 he was section chief and later division chief of the Foreign Economic Administration, assisting in the preparation of interdepartmental plans for economic rehabilitation and adjustment of liberated occupied areas. From 1946 to date he has been engaged in private practice and he came to our committee as a result of most excellent recommendations and approval after investigation of the Federal Bureau of Investigation.

The gentleman from Georgia [Mr. Cox] has made a statement in reference to Mr. Hilmer in which he allegedly states that he had a report from the Committee on Un-American Activities about a certain gentleman, Mr. Wheeler, that he defended at one time. As counsel for the Foreign Economic Administration, the staff director of our committee, who was then chief counsel of the Foreign Economic Administration, was assigned to defend a Mr. Wheeler. In other words, a proceeding of this kind is like a court-martial proceeding.

The Administrator of the Foreign Economic Administration assigned Mr. Hilmer to defend Mr. Wheeler on a loyalty charge. It was a given assignment. That was his job.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. COX. But it is a fact that Hilmer went into the FEA with Joe Wheeler at the same time in 1945, and when Wheeler was charged with disloyalty you say he was assigned, but at least he did defend Wheeler, who 6 months ago denounced the United States, embraced the Communist faith of Czechoslovakia, and in that country is now daily issuing anti-United States statements.

Mr. BUCHANAN. I stated that as counsel for the Foreign Economic Administration he was directed by the Administrator to defend this individual on loyalty proceedings, just as any other lawyer or adjutant in the Army would be charged with the defense of a soldier charged with a crime or an offense. In fact, the first man we had on our committee as general counsel was Mr. Floyd J. Mattice of the Department of Justice who was assigned by the War and State Departments to defend the Japanese war generals. I might add that the two Japanese generals that he defended were hanged. Mr. Mattice was a member of our committee for 3 months or more.

Mrs. BOSONE. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mrs. BOSONE. Is the citation based on the testimony which is in the report?

Mr. BUCHANAN. Yes.

Mrs. BOSONE. I do not know the background of this Mr. Kamp, but if the citation is based on the testimony in the report, then my curbstone opinion would be that that is not sufficient. There must be something that the rest of us do not quite understand. There is a question in the minds of several of us if it is based on the testimony in this report.

Mr. BUCHANAN. It is based solely on those questions. Of course his appearance before the committee came about by virtue of the fact that Mr. Kamp had been collecting funds and we were investigating into the activities of the Constitutional Educational League of which he had custody of their records. He declined to give us any information. We continued further our investigation as to the functioning of this organization. We decided then to subpena Mr. Kamp.

Mr. JACOBS. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. JACOBS. Of course, the gentleman would admit that Mr. Mattice is a reputable and distinguished lawyer and served as Assistant United States District Attorney for the Southern District of Indiana and is a highly respected gentleman.

Mr. BUCHANAN. And I understood he is a constituent of the gentleman from Indiana [Mr. JACOBS] and a very close friend of the gentleman from Indiana [Mr. HALLECK]. I might add also a very splendid gentleman. That was one of the unpleasant assignments that he had to perform. I am merely calling it to the attention of the House, possibly in the case of Mr. Hilmer, our staff director, a man of high quality, a man of high reputation, and I am surprised that the gentleman from Georgia [Mr. Cox], by inference, attempts to link Mr. Hilmer with Mr. Wheeler in the manner in which he did.

Mr. COX. Read the record, and then you make up your own mind.

Mr. BUCHANAN. I know the record.

Mr. HALLECK. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. HALLECK. I would like to speak my word of commendation for Floyd Mattice. I might suggest at this time that if he had stayed on as general counsel of the committee, I would have been pleased; but he did not.

There is one other thing I am sure the chairman will permit me to say at this time. Some time ago I challenged the legality of the subpenas issued by the chairman of our committee without either specific authority flowing from the committee, following action by the committee, or general authority to the chairman. I have not changed my position in that regard. However, in respect to this particular citation, this very serious question presents itself, even without regard to the legality of the subpena originally issued, which I know is in question. There are other lawyers in the House and on the committee who say that the subpena was completely legal. But the other question is this: The witness having appeared, not having challenged the legality of the subpena, and being before the committee, not predicating any refusal to testify upon any alleged illegality of the subpena, but on completely different grounds, being before the committee, he refused to answer. I say that is a question that presents itself, and I think is a most important one.

Mr. BUCHANAN. I thank the gentleman from Indiana for that observation.

Mr. COX. Will the gentleman yield to me?

Mr. BUCHANAN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. In the Josephson case, I would like to say to the gentleman that the court, at least in obiter dicta, took up that question and said that the question of the legality of the subpena was immaterial where the witness was personally present at the hearing.

The SPEAKER. The time of the gentleman from Pennsylvania has again expired.

Mr. BUCHANAN. I yield myself two additional minutes, and I yield to the gentleman from Georgia.

Mr. COX. I wish to propound a question to the gentleman from Indiana [Mr. HALLECK]. What is the opinion of the gentleman from Indiana as to the right of the committee to compel Mr. Kamp, to whom the subpena was issued as an individual, to produce the records of the corporation with which he happens to be connected, without the consent of the corporation?

Mr. HALLECK. I might say frankly to the gentleman from Georgia that I have not heard that question raised until it was raised in this debate.

Mr. COX. In the gentleman's opinion, am I not correct in making the statement that it was not within the competency of the committee to compel Kamp to produce the records of the corporation with which he was connected, under a subpena issued to him as an individual? Is that not a sound legal proposition?

Mr. HALLECK. I will say honestly to the gentleman, I listened to what he had to say, and I am not prepared at the moment to declare myself one way or the other. But as always I respect the view of the gentleman from Georgia although now and then we do not agree.

Mr. CAVALCANTE. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr CAVALCANTE. In further answer to the gentleman from Indiana [Mr. HALLECK], the witness might have waived the regularity of the subpena as far as he himself was concerned as an individual, but it does not appear on the record that he had any authority to, or did waive the regularity of the subpena insofar as the corporation was concerned.

Mr. ALBERT. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. ALBERT. On that point the witness admitted in effect that he did have the authority and said that he would deliver those records on certain terms and conditions. Whether he had authority to deliver them or not, he was in contempt of the committee, when, after stating he would do it, he qualified his answering by saying in effect, "Provided the committee will meet my terms and conditions."

Mr. BUCHANAN. The gentleman from Oklahoma is entirely correct and the report will show the statements made by the gentleman from Oklahoma.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has again expired.

Mr. BUCHANAN. Mr. Speaker. I yield 2 minutes to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES. Mr. Speaker, the issue in this case is clear. There is no need for hair splitting. You do not need to be a legal expert to understand. If we are consistent we will act as we did 3 weeks ago on the citation cases of 57 alleged Communists. At that time only 1 vote was cast against the citation resolutions.

I support the resolution today and I want to take this opportunity to commend the Buchanan committee for the great service it has rendered the American people. I am thinking not only of the resolutions to cite three individuals, but of the important disclosures the committee has made of subversive activities of organizations which use fancy and deceptive names while seeking to destroy the democracy which they pretend to support.

Mr. Kamp is executive vice chairman of the Constitutional Educational League. This outfit, like the Committee for Constitutional Government and various Communist fronts, uses a phony name to hide its totalitarian objectives.

That, of course, is not the issue now. The real issue in this case, as in others, is the refusal of Mr. Kamp to answer questions and to give information the committee requested.

House Members cannot justify the support of Rumely or Kamp by their votes against the citation of Patterson yesterday. The maneuver by the Republican leadership in opposing the resolution to cite Patterson will not deceive many poeple.

Yesterday a Republican Member said that the people are going to ask some important questions when we get back home. I think he is right. They are going to wonder if the Republicans have a foreign policy—and if so, what it is. But they will also want to know about the friendship the Republican leadership displayed yesterday for an ex-enemy agent and these phony fronts—how you vote on this resolution today.

Yesterday it was said on this floor that there was a difference between Rumely and Patterson because the Rumely organization was for constitutional government and the Patterson group was a Communist-front outfit.

It seems to me that the Committee for Constitutional Government is no more for constitutional government than the Civil Rights Congress is for civil rights. They represent two extremes of totalitarian philosophies and both groups are deceptive and phony. The same can be

said about the Constitutional Education League.

The gentleman from Texas [Mr. PATMAN] who has done a great patriotic service in exposing totalitarianism, in all its forms, hit the nail on the head when last Tuesday he referred to the Committee for Constitutional Government as the Committee for a Fascist Government in the United States.

These citations and the good work done thus far by the House Committee on Lobbying Activities should be only the beginning. There is an important follow-up job to be done by the House Un-American Activities Committee. To me, totalitarianism is un-American whatever the brand may be. It is not enough to cite a few scapegoats. Let us check up on the fellow travelers and those who furnish them the ammunition and the weapons they use to spread confusion and hate in seeking to discredit and undermine our Government.

It was said yesterday by a Member on the other side of the House that these resolutions were nothing more than an attempt to smear.

That charge comes with poor grace when made in defense of the Rumely outfit and those who so skillfully use the technique of smear in fighting every kind of human needs and human rights legislation and all who support it.

It comes with poor grace, too, in view of the vicious smear campaign made against the gentleman from Pennsylvania [Mr. BUCHANAN] who is one of the most tolerant and respected Members of the House. This smear campaign was launched by the Rumely group and reactionary editors.

More important than the citing of Kamp, Rumely, and Patterson for contempt is that the Buchanan committee has brought to light how corporate interests evade payment of taxes by making contributions to phony front organizations. These contributions are for political purposes. It is just as surely political spending as is a contribution by a labor union for a candidate for political office, which these reactionary front organizations oppose with their beloved Taft-Hartley Act.

The Buchanan committee has also brought to light information on the free use of mails by subversive groups.

All of this is of importance to the American people because they are actually being taxed to carry the burden of these so-called lobbying activities and the propaganda which is aimed against them and their country's welfare.

The people have a right to know about these front organizations and what their real purposes are.

We all know of the powerful influence that some of these fronts have in high places in and out of Government. We know that very little of the important information disclosed by the investigating committee got to the people of the Nation because of the silent treatment this probe has been given by a large section of the American press.

Some publications and commentators have gone so far as to try to discredit the investigation and to defend the questionable activities of these front organizations.

The Kamp and Rumely outfits are political fronts for extreme reaction in this country. They are allied with powerful forces which have unlimited money to invest in every important political contest.

They have every right to propagandize and try to mold public opinion to the corporate view. But people have a right to know the truth about these groups. I am sure the people do not want to be burdened with the cost of operating these million-dollar fronts and lobbies.

I am in favor of this resolution, and I want to express the hope that these indictments will lead to further investigations on one of the greatest evils which threaten our country and its free institutions.

Mr. BUCHANAN. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Speaker, I thank the gentleman for the 3 minutes, but the things I have to say cannot be said in that length of time.

Mr. Speaker, several years ago a man with very little money came with his wife and two little girls to a midwestern town. Being cramped for capital he rented a basement room. A stairs off the sidewalk led down to the basement entrance. He applied to the city officials for a dramshop license which was granted and presently put in a stock of low-grade liquor. The better people in the town branded his place of business a rum hole, which indeed it was, and some of the leading merchants declared his place a nuisance and talked of running him out of town. It was even suggested to his landlord that he refuse to renew the man's lease of the basement room, but because the landlord was receiving two or three times as much rental as he had ever received before for the basement room he did not consider terminating the lease. It was said that the man was engaged in making drunkards, paupers, and deadbeats out of the town's citizens. The chamber of commerce and the civic clubs of the town would not admit the man to membership. The women's clubs of the town snubbed the wife and refused to associate with her. They did not like for their children to play with the children of the rum-hole proprietor. But this man continued to carry on his business and saved his money and in a period of 4 years he had laid aside enough capital, with what he was able then to borrow, to open a glass-front palace of vice on the busiest corner in town. Up at his glass-front palace a uniformed servant opened the door and took your hat and cane. Your drinks were served in cut glass on a silver tray. Copies of famous paintings adorned the walls. Behind a row of palms an orchestra played soft music. There were adjoining rooms with luxuriant divans on which you might recline if for any reason you should be taken mysteriously ill. It was not long after this palace was opened that the erstwhile rum-hole keeper received an invitation to join the commercial club and other civic organizations in the town. The wives of those businessmen discovered that the ex-rum-hole keeper's wife was indeed a very charming lady and her children were just "little dears." While this man operated the basement rum hole he paid the town only $100 per year for the right to debauch its citizens, but as the proprietor of the glass-front palace he paid the town $2,000 per year. He was still carrying on the same kind of business, but what seemed all wrong standing on $100 seemed quite right when it stood on $2,000.

The parallel to this story has recently been enacted in the House. Fifty-four Communists, just common run of the mill malefactors, were cited for contempt for having refused to give testimony to the House Committee Investigating Lobbying Activities in the Nation's Capital. The citation was just a formality, with few Members of the House rising in their defense. Their citation was almost unanimous and that was exactly as it should be. But yesterday when the case of Mr. Rumely came to the floor of this House—oh, what a difference in the attitude of the membership. Of course the first 56 were Communists, an ideology that may require world war III to decide. But Mr. Rumely represents an ideology that we fought World War II in an attempt to destroy. Fascism is just as great a threat to democracy as communism. The 56 Communists that we cited were not backed up by countless millions and perhaps billions like Mr. Rumely. We made short work of the Communists. But a solid core of Fascists, and oligarchy of great wealth, were terribly displeased when the House finally voted to maintain the dignity of the Congress of the United States by refusing to be awed by the special interests and the great wealth represented by Mr. Rumely. It has been said in rather responsible quarters in Washington that the minority members on the Committee on Lobbying Activities have, since the citation of Mr. Rumely, concluded to take a walk so far as the committee is concerned and from the way Mr. HALLECK, Mr. BROWN, and Mr. MARTIN rallied to the defense of Rumely yesterday the report may be correct. I take great satisfaction in the action of the House yesterday. Mr. Rumely was guilty of the same offense as the 56 Communists—contempt of the Committee on Lobbying. I am proud that the House voted to make no distinction between the representatives of communism on the one hand and the representatives of fascism on the other.

Mr. CAVALCANTE. Mr. Speaker, yesterday this House considered the cases of Edward A. Rumely and William L. Patterson. Today we are considering the case of Joseph P. Kamp. The cases have come before us under House resolutions and the reports of the House Select Committee on Lobbying Activities, accompanying the same. The cases pertain to the refusal of these persons to comply with subpenas issued by the select committee. The cases of Rumely and Patterson were determined yesterday. Both these persons were held to have acted in contempt of the House by their refusal to make answers to certain questions

propounded to them. The case of Kamp must now be determined.

It is manifest from all pertinent remarks and reports before us that the select committee might be slightly confused as to the questions and law involved in the case. Obviously, the principal question is whether or not Kamp has committed a contempt. But the answer to this question gives rise to other questions which require an answer. We must first answer these questions:

First. Does the select committee have power over the subject matter contained in the subpena?

Second. Is the subpena effectual to bring before the select committee the subject matter set forth therein?

Undoubtedly the select committee has power over the subject matter of the subpena. The confusion arises from the fact that the select committee does not know clearly the source of its power. The select committee has evinced neither knowledge nor awareness of the so-called power of visitation of corporations. This power is inherent in the Government that has created the corporation. By "visitation of corporations" is meant the act of examining into their affairs. The purpose of visitation is to supervise direct and control the management of the corporation. The visitatorial power, so-called, over public corporations and over private corporations is in the State. It is exercised through the medium of the courts of justice, or through visitors appointed by the legislative body. The visitatorial power, as it is sometimes called, over modern business corporations is in the State, and is exercised through the medium of its courts or officers and commissions.

The State has an undoubted right to require full information as to all its business from both domestic and foreign corporations; for the State has the right to know what its creature or one of another sovereignty which it permits to come into the State is doing. If the company, however, is not a corporation endowed by law with special franchises and rights, but a group existing by virtue of a contract of its members, then the State possesses none of the visitatorial powers which it may exercise over corporations. If such is the case, then the State has the same control over the group, and the same right to exact information that it would have over and from an individual, and not otherwise.

The cases of Rumely and Kamp are definitely ones that involve corporations. The Rumely case involves the Committee for Constitutional Government, Inc., of New York City, and the Kamp case involves the Constitutional Educational League, Inc., also of New York City. The Patterson case, however, involves an unincorporated association, with offices in the same city. Albeit this distinction is patent on the proceedings before it, the select committee has not, in its reports or remarks to the House, noted the different application of the Constitution and law to this distinction. In the Rumely and Kamp cases the subpena seeks to call before the select committee the records of the respective corporations. In the Patterson case it seeks the records of individuals. The power of the select committee over the subject matter in either case, however, is unquestionable. The difficulty facing the select committee lies in whether the substance of its subpena is sufficient and effectual to reach the records they seek.

In the Rumely and Kamp cases, the subpena is not directed to the corporation. Nor does it identify Rumely and Kamp as persons with official status in the corporation. In the Patterson case, however, the subpena is directed to Patterson, executive secretary of the Civil Rights Congress. The sufficiency and efficiency of the subpena in the Rumely and Kamp cases is exceedingly doubtful. Not so in the Patterson case.

In cases where State officers or commissions have the legal right to call upon corporations for information as to their business, the corporations cannot be permitted to determine for themselves whether they will answer or not, for the reason that it is not possible for them to do so. It is their duty in such cases, to answer candidly, so far as reasonably possible, and to state the facts which they claim excused them for not answering more fully. The fullness of the answers required will depend upon the purpose for which information is sought and the extent of the examination required to furnish it in a particular case.

My vote to support the select committee in all three of these cases is dictated by my desire to permit the courts to resolve the validity of the subpenas.

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. Cox) there were—ayes 115, noes 78.

Mr. FORD. Mr. Speaker, I make the point of order that a quorum is not present and object to the vote on the ground that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-five Members are present, a quorum.

Mr. EBERHARTER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 215, nays 115, not voting 100, as follows:

[Roll No. 266]

YEAS—215

Abbitt	Brown, Ga.	Crosser
Addonizio	Bryson	Curtis
Albert	Buchanan	Davenport
Allen, La.	Buckley, Ill.	Davies, N. Y.
Aspinall	Burke	Davis, Tenn.
Auchincloss	Burleson	Deane
Bailey	Burnside	Delaney
Baring	Byrne, N. Y.	Denton
Barrett, Pa.	Camp	D'Ewart
Bates, Ky.	Canfield	Dollinger
Battle	Cannon	Dolliver
Beckworth	Carlyle	Donohue
Bennett, Fla.	Carnahan	Doughton
Bennett, Mich.	Carroll	Douglas
Bentsen	Case, N. J.	Doyle
Biemiller	Cavalcante	Eberharter
Bishop	Chatham	Elliott
Blatnik	Chelf	Engle, Calif.
Boggs, La.	Chesney	Evins
Bolling	Christopher	Feighan
Bonner	Chudoff	Fernandez
Bosone	Combs	Flood
Breen	Cooley	Fogarty
Brooks	Cooper	Forand
Ford	Kilday	Rains
Frazier	King	Ramsay
Fugate	Kirwan	Redden
Garmatz	Kruse	Rhodes
Gary	Lane	Ribicoff
Gathings	Lanham	Richards
Gilmer	LeCompte	Rodino
Gordon	Linehan	Rogers, Fla.
Gorski	McCarthy	Rooney
Granahan	McCormack	Sadlak
Granger	McGuire	Sasscer
Grant	McKinnon	Secrest
Green	McSweeney	Shelley
Gregory	Mack, Ill.	Sheppard
Halleck	Mack, Wash.	Sims
Harden	Madden	Smith, Va.
Hardy	Mahon	Spence
Harris	Mansfield	Staggers
Harrison	Marsalis	Stanley
Hart	Marshall	Steed
Havenner	Miles	Stefan
Hays, Ark.	Miller, Nebr.	Stigler
Hays, Ohio	Mills	Stockman
Hedrick	Mitchell	Sullivan
Heffernan	Monroney	Tauriello
Heller	Morris	Teague
Hobbs	Multer	Thomas
Holmes	Murdock	Thompson
Hope	Nixon	Thornberry
Howell	Noland	Trimble
Huber	Norblad	Underwood
Hull	O'Brien, Ill.	Van Zandt
Irving	O'Hara, Ill.	Vinson
Jackson, Wash.	O'Hara, Minn.	Wagner
Jacobs	O'Neill	Walsh
Javits	O'Sullivan	Walter
Jenison	O'Toole	Welch
Jones, Ala.	Patman	White, Calif.
Jones, Mo.	Patten	White, Idaho
Jones, N. C.	Patterson	Whittington
Karst	Peterson	Wickersham
Karsten	Philbin	Willis
Kean	Poage	Wilson, Okla.
Kee	Polk	Wolverton
Kelley, Pa.	Preston	Wood
Kelly, N. Y.	Price	Woodhouse
Kennedy	Priest	Zablocki
Keogh	Rabaut	

NAYS—115

Abernethy	Gavin	Nicholson
Allen, Calif.	Golden	Norrell
Andersen, H. Carl	Goodwin	Passman
	Graham	Phillips, Calif.
Anderson, Calif.	Gross	Potter
Andresen, August H.	Guill	Poulson
	Gwinn	Rankin
Andrews	Hale	Reed, Ill.
Arends	Hall, Leonard W.	Reed, N. Y.
Bates, Mass.		Rees
Beall	Hand	Riehlman
Boggs, Del.	Harvey	Rivers
Bolton, Md.	Herter	Robeson
Bolton, Ohio	Heselton	Rogers, Mass.
Boykin	Hill	Saylor
Bramblett	Hinshaw	Scott, Hardie
Brehm	Hoeven	Scrivner
Brown, Ohio	Horan	Scudder
Burdick	Jackson, Calif.	Shafer
Byrnes, Wis.	James	Simpson, Ill.
Case, S. Dak.	Jenkins	Simpson, Pa.
Chiperfield	Jennings	Smith, Wis.
Clevenger	Jensen	Taber
Cole, Kans.	Kearns	Tackett
Colmer	Keating	Talle
Corbett	Kilburn	Tollefson
Cotton	Kunkel	Towe
Cox	LeFevre	Velde
Crawford	Lichtenwalter	Vorys
Cunningham	Lovre	Vursell
Dague	Lucas	Wadsworth
Davis, Wis.	McConnell	Weichel
Dondero	McDonough	Wheeler
Eaton	McMillan, S. C.	Widnall
Ellsworth	Merrow	Wigglesworth
Elston	Michener	Wilson, Tex.
Fallon	Miller, Md.	Wolcott
Fellows	Morton	Woodruff
Fenton	Murray, Wis.	
Gamble	Nelson	

NOT VOTING—100

Allen, Ill.	Davis, Ga.	Hall, Edwin Arthur
Angell	Dawson	Hare
Barden	DeGraffenried	Hébert
Barrett, Wyo.	Dingell	Herlong
Blackney	Durham	Hoffman, Ill.
Buckley, N. Y.	Engel, Mich.	Hoffman, Mich.
Bulwinkle	Fisher	Holifield
Burton	Fulton	Johnson
Celler	Furcolo	Jonas
Clemente	Gillette	Judd
Cole, N. Y.	Gore	Kearney
Coudert	Gossett	Keefe
Crook	Hagen	

Kerr	Moulder	St. George
Klein	Murphy	Sanborn
Larcade	Murray, Tenn.	Scott,
Latham	Norton	Hugh D., Jr.
Lind	O'Brien, Mich.	Short
Lodge	O'Konski	Sikes
Lyle	Pace	Smathers
Lynch	Perkins	Smith, Kans.
McCulloch	Pfeifer,	Smith, Ohio
McGrath	Joseph L.	Sutton
McGregor	Pfeiffer,	Taylor
McMillen, Ill.	William L.	Werdel
Macy	Phillips, Tenn.	Whitaker
Magee	Pickett	Whitten
Marcantonio	Plumley	Wier
Martin, Iowa	Powell	Williams
Martin, Mass.	Quinn	Wilson, Ind.
Mason	Regan	Winstead
Meyer	Rich	Withrow
Miller, Calif.	Roosevelt	Yates
Morgan	Sabath	Young
Morrison	Sadowski	

So the resolution was passed.

The Clerk announced the following pairs:

Mr. Celler for, with Mr. Davis of Georgia against.

Mr. Klein for, with Mr. Macy against.

Mr. Roosevelt for, with Mr. Meyer against.

Mr. Yates for, with Mr. William L. Pfeiffer against.

Mr. Lynch for, with Mr. Gillette against.

Mr. Holifield for, with Mr. Hugh D. Scott, Jr., against.

Mr. Moulder for, with Mr. Plumley against.

Mr. Crook for, with Mr. Smith of Ohio against.

Mr. Morrison for, with Mr. Hoffman of Michigan against.

Mr. Sabath for, with Mr. Coudert against.

Mr. Withrow for, with Mr. McCulloch against.

Mr. Lind for, with Mr. Taylor against.

Mr. McGrath for, with Mr. Latham against.

Mr. Murphy for, with Mr. Cole of New York against.

Mr. Young for, with Mrs. St. George against.

Mr. Clemente for, with Mr. Mason against.

Mr. Quinn for, with Mr. McGregor against.

Mr. Miller of California for, with Mr. Rich against.

Mr. Morgan for, with Mr. McMillen of Illinois against.

Mr. Magee for, with Mr. Short against.

Mr. O'Brien of Michigan for, with Mr. Sanborn against.

General pairs until further notice:

Mr. Hébert with Mr. Angell.

Mr. Larcade with Mr. Engel of Michigan.

Mr. Barden with Mr. Hoffman of Illinois.

Mr. Regan with Mr. Smith of Kansas.

Mr. Whitaker with Mr. Fulton.

Mr. Dingell with Mr. Barrett of Wyoming.

Mrs. Norton with Mr. Blackney.

Mr. Pace with Mr. Keefe.

Mr. Gossett with Mr. Lodge.

Mr. Gore with Mr. O'Konski.

Mr. Furcolo with Mr. Martin of Massachusetts.

Mr. DeGraffenried with Mr. Werdel.

Mr. Whitten with Mr. Kearney.

Mr. Williams with Mr. Johnson.

Mr. Sikes with Mr. Jonas.

Mr. Wier with Mr. Judd.

Mr. Smathers with Mr. Wilson of Indiana.

Mr. Winstead with Mr. Edwin Arthur Hall.

Mr. Sadowski with Mr. Martin of Iowa.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on the Kamp citation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DISPERSAL OF GOVERNMENT AGENCIES

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to be recognized for 1 minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, there has come to the Committee on Appropriations, and it has been referred to the Independent Offices Subcommittee, a bill seeking approximately $140,000,000 at the request of the General Services Administration to construct within a radius of 10 to 50 miles of the District of Columbia certain town units to accommodate and house governmental agencies if, as, and when the District of Columbia is bombed.

That plan contemplates the construction of perhaps 10 or 12, or even more of those units at an approximate cost of from $330,000,000 to $500,000,000.

No legislative committee has considered this program.

There is some doubt as to whether the Committee on Appropriations has jurisdiction; but regardless of that, we are inclined to think that we should request the Speaker to rerefer that bill to the appropriate legislative committee or committees to handle the matter and give it ample and full consideration.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the gentleman from Texas may proceed for one additional minute.

The SPEAKER. Permit the Chair to say that he would like to know something about what is going on, and whether there is a request pending; if so, the Chair does not know what it is, but from some of the conversation the Chair is in doubt if others know.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, after listening to the discussion by my able friend the gentleman from Texas [Mr. THOMAS], it occurs to me that if the Government is going to provide a program of protection for the people of the city of Washington that it should also consider other cities vulnerable to attack likewise. I happen to have the honor to represent a part of the greatest industrial center of the United States, if not the world, and that is the city of Detroit. It seems to me that if the suggested program is going to be established for the protection of the people of Washington here in the District of Columbia, then the people of Detroit who want to live just as well as do the people of the city of Washington, and a similiar program of protection be provided for them. We all know that Detroit, Mich., is one of the greatest centers for the production of the sinews of war.

Certainly such a city and others ought to have the same kind of program for their protection.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to my friend, the distinguished gentleman from Georgia, able chairman of the Armed Services Committee.

Mr. VINSON. Following the gentleman's logic, does he not think it would be the sane and sensible thing to do to provide enough money to defend the country instead of being required to move it in order to dodge an enemy?

Mr. DONDERO. The gentleman is right.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. TABER. I wonder if we are expected to give greater protection to the bureaucrats in Washington than we do to the ordinary folks back home?

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. KEATING. I also come from a great industrial center. I share the gentleman's view that they are desirous of protection just as much as people in Washington are.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Louisiana.

Mr. BROOKS. For years I have been urging a program of decentralization of industry, and also urging that industry be removed from exposed places along the seaboard. I would like for the committee to give thought to that sort of decentralization as a further protection to the country.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Iowa.

Mr. JENSEN. Does not the gentleman feel that we will get due and timely notice of an attack from Russia because the Communists and the fellow travelers will have knowledge of anything that might go on. They will start moving out plenty soon, so the rest of us can get out in time also.

Mr. DONDERO. I know they are here within our gates.

The SPEAKER. The Chair desires to make a statement. Nothing has come to the House for the Speaker to refer to any committee. He understands that estimates were sent to the Senate on yesterday. Certainly nothing has come to the House.

SPECIAL ORDER GRANTED

Mr. PRICE asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

ATHEISM

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, a few weeks ago we were given a horrible example of the type of man that can be the product of modern education. One of the world's most brilliant scientists stood in the dock of a famous London court charged with 7 years of treason. This man had rendered valuable service in the development of the atomic bomb and in research on a far more powerful and destructive weapon, the hydrogen bomb. He was, in one sense, one of the most powerful men in the world today, one whose work had perhaps altered the very course of history. Yet, here he was keeping the common rendezvous of criminals, facing the ancient ceremonial, and the majestic dignity and decency of an older world from which he had tried to emancipate himself, but which nevertheless called him to justice. What moral vacuum existed in this highly trained mind that he could betray his allegiance to the country that gave him sanctuary from Hitlerism and granted him the protection and privileges of citizenship? Able to probe the scientific mysteries of nuclear physics, he was blind to the moral iniquity of his treachery. In the name of loyalty which he claimed to owe to humanity in general, he was engaged in helping a potential enemy whose ruthless trampling of human beings under foot is the most shocking scandal of the ages, and he could blind himself to the baseness of his daily betrayal of his friends and of his adopted country.

In more senses than one, this scientist's confession, read in open court, could be an indictment or it could also be the epitaph of a dying civilization. His case is so frightening because he happens to be in so many respects a perfect specimen of the man that much of modern education can produce. When education, as it often does nowadays, ignores or ridicules the very notion of God; recognizes no absolute standard of good or evil, no immutable norm of right or wrong, but merely provides information and technical ability, it leaves the individual without moral principles or guidance, and oftentimes the final result is a competent, efficient, clever, brilliant but morally insensitive person such as the pitiful figure of this atomic scientist.

Every thinking person must acknowledge that the breach between religion and education is not a healthy one. Unfortunately there is a growing secularist tendency in public education—a trend that some recent decisions of the Supreme Court have encouraged and strengthened. If this trend is allowed to grow unchecked, the constitutional embargo upon merely sectarian religion may be extended to the exclusion of religious values of any kind and to the very mention of the name of God. In 1946 the Federal Communications Commission, charged with the responsibility of regulating the Nation's communication by wire and radio, inferred in the famous Scott decision that the very existence of God is a controversial subject. If one atheistic mother could upset the released time arrangement in Champaign, Ill., one wonders what a determined atheist may be able to do in the future to further impoverish the minds of our children. Side by side with the growth of secularism, there is a growing awareness among the best American minds that a definite relation exists between religion and education. Standing squarely on its centuries old position on the nature of education, the church utters a solemn warning to America and reminds this Nation that wherever Christian ideals have been generally accepted and their practice sincerely attempted, there has been a dynamic liberty. Wherever Christianity has not been taught or has been repudiated or persecuted or chained to the state, there is tyranny. As people grow hostile or indifferent to Christian faith and morals, they veer consciously or unconsciously to heathen worship of the state, to nationalistic fascism or materialistic communism; and the way is prepared for supplanting human freedom with enslaving dictatorship. If we wish to uphold our heritage of freedom we must neither neglect nor impair the transmission of our religious heritage to the minds of American children. We need the cooperation of the church with the school because there can be no liberty without morality and there can be no morality without religion. If we are to stand by in silence and indifference while in state-supported schools atheists appear to have more rights than believers in God; if atheism and secularism are to be the norms of American life, then we should erase from our coins the words "In God we trust," and we might as well strike from them the word "Liberty."

TOLL BRIDGE ACROSS THE RAINY RIVER AT BAUDETTE, MINN.

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7445) authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. VORYS. Mr. Speaker, reserving the right to object, and I shall not object, this cleared our committee by unanimous consent. I think the author of the bill, the gentleman from Minnesota [Mr. HAGEN] should say a word as to what this bill is all about.

Mr. HAGEN. Mr. Speaker, this bill would authorize the village of Baudette, Minn., its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn. It is for the purpose of expediting commerce, the postal service, and possibly military use in the future. This project has long been sought by the people of the Baudette, Minn., area, as well as the entire northern section of Minnesota. I hope and I feel sure that there will not be any objection to this bill at this time.

Mr. VORYS. It involves no expense; is that correct?

Mr. HAGEN. That is correct.

Mr. VORYS. Since this is an international bridge it comes before the Committee on Foreign Affairs. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate international commerce, improve the postal service, and provide for military and other purposes the village of Baudette, Minn., its public successors and public assigns, be, and it is hereby, authorized to construct, maintain, and operate a toll bridge and approaches thereto across the Rainy River, so far as the United States has jurisdiction over the waters of said river, at a point suitable to the interests of navigation at or near Baudette, Minn., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in Canada.

SEC. 2. There is hereby conferred upon the village of Baudette, Minn., its public successors and public assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property in the State of Minnesota, needed for the location, construction, operation, and maintenance of such bridge and its approaches as are now possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of Minnesota upon making just compensation therefor to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said village of Baudette, Minn., its public successors and public assigns, are authorized to fix and charge tolls for transit over such bridge in accordance with any laws of Canada applicable thereto, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintenance, repairing, and operating the bridge and its approaches under efficient and economical management, and to provide funds sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After funds sufficient for such amortization of said bridge and its approaches shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls. An accurate record of the cost of the bridge and its approaches, the expenditure for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to sell, assign, transfer, and mortgage to any public agency or to an international bridge authority is hereby granted to the village of Baudette, Minn., its public successors and public assigns; and any such agency or authority to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise is hereby authorized and empowered

to exercise the same as fully as though conferred herein directly upon such agency or authority.

SEC. 6. No toll or other charge shall be levied against any employee, civil or military, or any vehicle or conveyance of the United States Government for the use of such bridge in the performance of official duties.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 3, line 11, strike out "twenty" and insert "thirty."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on the bill H. R. 9184.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FIRST, SECOND, AND THIRD NATIONAL STEAMSHIP COS.

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 818 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 784) for the relief of the First, Second, and Third National Steamship Cos. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate having proceeded to reconsider the bill (H. R. 87) entitled "An act relating to the promotion of veterans of World War II in the field service of the Post Office Department," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, and passed by the House of Representatives on reconsideration of the same, it was

Resolved, That the said bill do not pass, two-thirds of the Senators present not having voted in the affirmative.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MANSFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 267]

Anderson, Calif.	Hare	Pace
Angell	Harris	Patterson
Bailey	Hart	Perkins
Barden	Hébert	Pfeifer,
Barrett, Pa.	Herlong	Joseph L.
Barrett, Wyo.	Hoffman, Ill.	Pfeiffer,
Blackney	Hoffman, Mich.	William L.
Boykin	Holifield	Phillips, Calif.
Buckley, N. Y.	Jackson, Calif.	Phillips, Tenn.
Bulwinkle	Johnson	Plumley
Burdick	Jonas	Powell
Burke	Judd	Quinn
Burton	Kearney	Rankin
Case, S. Dak.	Keefe	Regan
Celler	Kennedy	Roosevelt
Clemente	Keogh	Sabath
Cole, Kans.	King	Sadowski
Cole, N. Y.	Klein	St. George
Coudert	Larcade	Scott,
Cox	Latham	Hugh D., Jr.
Crook	Lichtenwalter	Shelley
Crosser	Lind	Sheppard
Davies, N. Y.	Lyle	Short
Davis, Ga.	Lynch	Sikes
Davis, Wis.	McCulloch	Smathers
Dawson	McGrath	Smith, Kans.
DeGraffenried	McGregor	Smith, Ohio
Dingell	McMillen, Ill.	Sutton
Durham	Macy	Taylor
Engel, Mich.	Marcantonio	Velde
Fernandez	Martin, Iowa	Vinson
Fisher	Mason	Vursell
Fulton	Meyer	Werdel
Gathings	Miller, Calif.	Whitaker
Gillette	Morgan	Whitten
Gilmer	Morrison	Wier
Gore	Morton	Williams
Gossett	Moulder	Wilson, Ind.
Granahan	Multer	Winstead
Guill	Murphy	Withrow
Hall,	Murray, Tenn.	Yates
Edwin Arthur	Murray, Wis.	
Hall,	Norton	
Leonard W.	O'Konski	

The SPEAKER. On this roll call 305 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUR OF MEETING TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

TEMPORARY APPOINTMENT OF REFEREES IN BANKRUPTCY

Mr. HOBBS submitted a conference report and statement on the bill (S. 3921) to provide for the temporary appointment of referees in bankruptcy, and for other purposes.

FIRST, SECOND, AND THIRD NATIONAL STEAMSHIP COS.

Mr. MADDEN. Mr. Speaker, on behalf of the Rules Committee, I offer an amendment to the resolution.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 1, line 2, after "resolution", insert: "the Committee on the Judiciary shall be discharged from the further consideration of the bill (S. 784)."

The committee amendment was agreed to.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, this resolution provides for the consideration of a bill that has been passed by both House and Senate in former sessions but vetoed by the President several times. It calls for authorizing and directing the Secretary of the Treasury to pay the First, Second, and Third National Steamship Companies the sum of $384,256.26, being the balance of certain sums deposited as security with the United States Shipping Board and United States Shipping Board Emergency Fleet Corporation back in 1920.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from New York.

Mr. TABER. Mr. Speaker, this bill is 30 years old anyway. How many times has it already been vetoed by former Presidents? It has been vetoed three or four times.

Mr. MADDEN. Three times.

Mr. TABER. Anyway three times.

Mr. MADDEN. Yes.

Mr. TABER. It has been up at least four times and has been vetoed by former President Roosevelt three times, anyway.

Mr. MADDEN. It has been up several times.

Mr. TABER. And it is still hanging on. I am wondering what excuse there could be for taking up a bill that has not been reported by the Committee on the Judiciary.

Mr. MADDEN. The Committee on Rules issued this rule for the purpose of debating the bill in Committee of the Whole as to its merits, and I will say to the gentleman from New York that the only knowledge I had of the bill was when the matter was reported out of the Committee on Rules, with the report that was submitted by the Committee on the Judiciary, and I believe that the members of the Committee on the Judiciary, who have made a complete investigation of the merits of this bill, when the House goes into Committee of the Whole, can explain to the Members the facts regarding the circumstances surrounding the merits of this bill and also the reasons why the late President Franklin D. Roosevelt vetoed the bill on three different occasions.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I believe out of fairness to the gentleman from Indiana it should be pointed out that this measure was presented to the Committee on Rules in a very short time, and because of the pressure of time, the gongs ringing and all this and that, that the Committee on Rules did accept the statements of those who represented the Judiciary Committee at that time and decided that they would permit the question to be settled on the floor of the House and be debated fully here rather than have the Committee on Rules pass upon the merits or demerits of the legislation involved. Certainly, the gentleman from Indiana

is in no way responsible for that situation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Following the observation made by the gentleman from Ohio [Mr. BROWN], while I am going to personally vote for the bill, I simply programed it to give it its day in court, that is all.

Mr. MADDEN. I will say for the information of the gentleman from New York that I did not happen to be present at the hearing before the Committee on Rules when this bill came before it, and I was asked to handle this rule today. The information that has been extended by the gentleman from Ohio [Mr. BROWN] is to the effect that there was an agreement or understanding on the part of the members of the Committee on Rules that the legislation would be submitted to the Committee of the Whole in order to bring out all the facts pertaining to this bill, and I believe from what I have been able to understand regarding the report and regarding the information submitted to me about the bill, that after the Members learn the facts about this legislation, then the Members will be more familiar with the facts and will have an opportunity to vote on it.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. It should be noted, I think, that there is a report on the bill. It was reported on the 25th of May and contains 38 pages. It is No. 2135. Copies are available at the desk for the information of the Members.

Mr. MADDEN. Mr. Speaker, this money, $530,000, was deposited in cash by the original shipping company back in 1920. It is my understanding that the sponsor of this legislation saved the Government something like $1,000,000 a year over a period of time, and when he returned to receive his $530,000 cash deposit, the Government returned to him something like $250,000. This money is still on deposit, and this legislation merely calls for the return of cash money that was deposited back in 1920. The amount remaining due the sponsor of this legislation is $384,265.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Michigan.

Mr. MICHENER. As a matter of fact, this is a private claim. It is one of those private claims that has been kicking around here, to my knowledge, since World War I. The $250,000 to which the gentleman has referred was a settlement between the Government and the claimant, and was so accepted. Later another one of the same bills was introduced. It finally got down to the White House on three occasions, and President Roosevelt, after careful investigation, vetoed the bills. Now it comes before the House again this year. Under the Reorganization Act the Committee on the Judiciary has charge of that claim, and it is before the Committee on the Judiciary as a claim the same as it was before the Claims Committee, before the Committee on the Judiciary took over that function. I do want it understood that at least some of us think this bill has been paid. The courts say so, the President has said so. There has been no denial of justice.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. WHITE of Idaho. The gentleman said that the bill was paid. The courts find otherwise. I read from page 3 of the report, quoting from the decision of the court:

> Plaintiff abridged no contract.

Therefore, it has not been settled.

Mr. MADDEN. I might state further, Mr. Speaker, that in the CONGRESSIONAL RECORD of July 6, 1949, at page 8912, Hon. Senator GURNEY, of South Dakota, made this statement concerning the merits of this bill:

> I am convinced that this money has been withheld too long and Congress should pass the bill and place the money back where it belongs.

Hon. J. Howard McGrath, on the same page of the RECORD made this statement:

> This case stands out as one of the great injustices done to an American.

Mr. Speaker, I believe that, considering the circumstances of this legislation, the Members should have an opportunity to debate this bill thoroughly and decide once and for all whether or not this is a legitimate claim as set out in the bill.

Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the gentleman from Indiana [Mr. MADDEN] has explained, the request for the rule on the bill S. 784 was made before the Committee on Rules on the 17th of August. Application for the rule, as I understand it, was made by the chairman of the Committee on the Judiciary, or someone speaking for the Committee on the Judiciary. If my memory serves me correctly, there were no Members or witnesses appearing in opposition to granting of the rule.

However, in executive session, if I may so state, there was some discussion, for a very short time, because it was necessary for us to adjourn to answer calls on the floor, to the effect there had been considerable dispute over this legislation and that there was a division in the Committee on the Judiciary on it. There was seemingly much opposition, as well as much support for the measure. We were told some of the members of the Committee on the Judiciary thought a great injustice had been done to those who sought enactment of this legislation and that they were entitled to the relief they were seeking.

On the other hand we were told that a settlement, as mentioned by the gentleman from Michigan, had already been made, the case was closed, and that this matter had been adjudicated and passed upon a number of times.

The Committee on Rules does not attempt to decide who is right or wrong on these measures, although we sometimes are accused of attempting to exercise that authority. The decision was made, perhaps hastily, but I still believe correctly, that, inasmuch as the majority of the Committee on the Judiciary had requested this rule be reported, the bill should have its day in court. There is no question but that there is a very decided division within the Committee on the Judiciary as to the validity of these claims and as to the justice of them, a division which exists on both the Democratic and the Republican sides of the committee.

Therefore, I feel that out of fairness to the Members of the House we should hear the members of the Committee on the Judiciary who are well informed on this legislation, who will discuss it fully. For that purpose I yield at this time to one of the members of the Judiciary Committee, who has been in favor of the legislation, the gentleman from Delaware [Mr. BOGGS]. I yield the gentleman from Delaware 2 minutes.

Mr. BOGGS of Delaware. Mr. Speaker, I just want to take a brief moment on this rule, because it would seem to me that the membership of the House is generally open-minded on the question of adopting a rule when a measure has been reported from one of the regular standing committees.

As the gentleman from Ohio [Mr. BROWN] has stated, there was a division in the committee, and I believe if this rule is adopted the distinguished and able gentleman from Alabama [Mr. HOBBS], member of the Committee on the Judiciary, who has all the facts and the law bearing on this claim, will be able to present to the House the story behind this claim in such a factual and convincing manner that there will be no doubt but what favorable action will be taken on this measure.

I urge the adoption of the rule.

The SPEAKER. The time of the gentleman from Delaware has expired.

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the remarks I am about to make are purely impersonal and constitute my personal opinions and views, which I very strongly entertain.

I have in my hand a newspaper clipping which says: "GOP plans campaign issue on MacArthur gag order."

I hope the Republican leadership will reconsider any such intention, because if they carry that out they will only be doing an injustice to a great soldier and a great American, General MacArthur.

The question involved is not one of "gag." The question as it will develop will be one of whether this is a military government or a civil government. The framers of the Constitution decided that this was a civil government and not a military government. The issue in fact will be next fall—and we do not want to raise it, but that will be the issue that will be raised and cannot be escaped, because if every military commander were to follow the same pro-

cedure, we would no longer have a democracy. The military commanders would undertake to assume the prerogatives and powers of the President of the United States under the Constitution. So that the issue, if forced, will be whether or not this is a civil government or a military government.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MILLER of Nebraska. Does the gentleman think there is any difference of opinion between the Secretary of State, Dean Acheson, and the military department of this country?

Mr. McCORMACK. That is not the question involved. This question is raised by your party, not by my party. The question is whether or not a military commander can undertake to assume the prerogatives of the President of the United States, which the Constitution vests in the President. The question of the foreign policy of our country is more far-reaching than a military consideration. This is an important consideration, but there are many other considerations which enter into the making up of the foreign policy of our country. If military commanders undertake to follow the same procedure, the inevitable result of that would be an arrogating to themselves of the functions of civil government, of the head of our civil government, the President of the United States, whoever he may be; and today that is President Harry S. Truman. The result would be a military government in the United States, which ultimately would result or could result in the impairment or destruction of our democratic institutions of government.

We do not want the issue, because we profoundly respect General MacArthur. We respect General MacArthur as a great American and as a great soldier and as a great military leader. We Democrats respect him because we further feel that a Democrat is more responsible for the great name that General MacArthur has made in World War II than anyone else. It was the late President Franklin D. Roosevelt who recalled General MacArthur into active service. We all know that General MacArthur, a great military commander, was left in a most unfortunate position in 1933 when he retired as Chief of Staff, as the result of doing his duty, following the instructions of former President Hoover, in driving out of Washington the veterans who were here during the dark days of the depression, trying to have their bonus paid in order to take care of themselves and their families. General MacArthur was a great man then; there is no question about it, one of our outstanding men, but unfortunately that left him in a position most regrettable to decent-minded people, but he was there just the same. It was President Roosevelt who put him in command of the forces in the Philippines and called him back into active service. He did it properly; General MacArthur rated it; he was a great military man and we all give him credit. But it was a Democrat who was the President of the United States then who called him back into active service as a result of which he has made the great record he has, and he will go down in the pages of history as one of the great leaders of all time. Otherwise his place in history might have been somewhat the opposite, if not directly the opposite.

It was the same President, the late Franklin D. Roosevelt, who when the American forces were trapped in Corregidor ordered him out. President Roosevelt recognized his great capacity as a military leader and ordered him out of Corregidor. They took him out, as I remember, in a submarine sent in there especially for that purpose, so that he could lead our forces.

It would be most regrettable from General MacArthur's standpoint—and I say this as one who is a great admirer of his—if this unfortunate incident were to be made a campaign issue. We do not want it. But it is not the issue of a gag, because the President of the United States is still the head of the country, the Commander in Chief of our Armed Forces under the Constitution. He is still the one who makes foreign policy.

Personally, I agree considerably with what General MacArthur said, but that is in the military field. But there are other considerations.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. In just a minute. I know you are waiting to ask me a question. I will yield later.

There are other considerations that make up our foreign policy, but if we are to have military leaders undertaking to arrogate to themselves the duties of the President, if every one of the others did it, it would be only a matter of a short time until we would have a military government, not a civil government, and we would no longer have a democracy as we understand it. The best we would have would be some kind of benign or beneficent dictatorship. Of course, General MacArthur did not have that in mind. But we are talking about issues; you are talking about making a campaign issue. The campaign issue, unfortunately, will be whether the American people want military government or whether the American people want civil government. We do not want to make it an issue; I do not want to make it an issue; but if this argument of "gag" is going to be used to make an issue, then we are going to discuss the real issue.

It is best to let the whole thing be forgotten; that is the best thing from the standpoint of General MacArthur himself and those who admire him in both parties. the best thing to do. He had no intent, of course, but unfortunately it happened. So I think in these few observations made in the most friendly way by one who is a great admirer of General MacArthur, there would be a great injustice to him, to a great American, and a great military leader if his name were dragged through the coming campaign on the question of whether or not he was "gagged," when the President of the United States did nothing more than he should have done. Under the Constitution it is his duty to preserve the prerogatives of his office. He has inherited them from past Presidents and they got them from the Constitution, which came to us from the fathers of our country. That is his job; that is his duty; and any person who did otherwise would be derelict in his duty.

While there is no intent to bring about a military government, you can easily lead into it, a President by failing to act affirmatively and positively at the right time could very easily permit a situation to develop where the natural and probable consequences would bring about what would be tantamount to a military government instead of a civil government.

I now yield to my friend from New York.

Mr. KEATING. There is no question about the contention of the gentleman being right, that the civilians should, of course, control the military; no Republican would take issue with that. But if the gentleman has read the statement of General MacArthur I would be interested in hearing from the gentleman what parts of it are anything other than a military appraisal of the situation in the Far East, and an appraisal with which many of us would concur?

Mr. McCORMACK. You and I have a perfect right to express our views, but if you were a military leader in active service, or if I were an active military leader, we should communicate our views through regular channels. We would occupy a different position than we do now as Members of Congress or as private citizens. Views properly communicated are perfectly all right. The publication of them by a man in active service is the error, and the gentleman from New York knows that just as well as I. The gentleman admits that what I said about a military government and civil government is sound and correct. Why not let us forget it? Why not on both sides forget it and not bring it into the coming campaign? Let us not bring in the name of a great man because if that is done it is not an issue. The issue will be whether the American people are going to stand for a military government.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. MADDEN. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. McCORMACK. The issue will be whether the American people will stand for a military government or will still want a civil government. We do not want that issue in the campaign. But if that issue is forced upon us, that is the real fundamental issue that will be developed and it would be most unfortunate.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. JACOBS. May I ask the distinguished majority leader if he does not see in this a repetition of the history of the Civil War when Gen. John C. Fremont, commander of the Department of Missouri, issued an emancipation proclamation which President Lincoln himself promptly rescinded?

Mr. McCORMACK. It is the law of natural and probable consequences that operate. I served in the Army. There

are just two words—"obedience and discipline." The Armed Forces must be a closely knit organization. The Armed Forces must be bound up in obedience and discipline. We all recognize that. The military in our country is to serve, not to dominate, not that General MacArthur thought that, in my opinion, but still it is very easy for these things like disease to creep in and spread, particularly if it is made an issue in a political campaign.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman has referred to MacArthur's statement.

Mr. McCORMACK. No, no.

Mr. HALLECK. And I would assume he challenges the propriety of it as an invasion of what might be the policy-making power of the President.

Mr. McCORMACK. No. I was talking about what the gentleman and others have said that the GOP plans a campaign issue on the MacArthur gag order.

Mr. HALLECK. Let me say to the gentleman or rather inquire as to whether or not he would not agree with me that in view of the fact the President in his message in respect to Korea announced a policy for the defense of Formosa, it must have been quite a shock to General MacArthur when he was directed to withdraw his statement, which was only a military man's explanation of the military features involved, based upon a policy already determined by the President of the United States?

Mr. McCORMACK. I do not know what a shock it was to General MacArthur. I admire him from a distance, never having met him. I even admired him in his dark days in 1932 because he was following the orders of his Commander in Chief. May I make another observation and that is if ever a man owes a debt of gratitude to another man to the day he will take his last breath General MacArthur owes that to the late Franklin Delano Roosevelt. The gentleman knows that a man who is a military leader in active service occupies an entirely different position under our constitutional set-up than you or I or any other citizen.

When I was a buck private, as long as I did my job I had some freedom of speech. When I became a corporal I commenced to have my freedom in that respect limited. When I became a sergeant it was limited still more and when I finally arrived at sergeant major I was more limited in my freedom of speech, even within the Army. In the Army so long as a buck private does his job well, a good officer recognizes his right to gripe, to talk and criticize, so long as he is a good soldier when he is on duty.

Mr. GAVIN. Mr. Speaker, will the gentleman yield as one sergeant to another sergeant?

Mr. McCORMACK. I yield to the gentleman.

Mr. GAVIN. I wonder if the gentleman would express his thinking, in view of the fact he has covered the MacArthur episode, on the episode of Secretary Matthews and his recent utterances in a Boston speech?

Mr. McCORMACK. They are identically the same.

Mr. GAVIN. I thought the gentleman might enlarge on that. I think it would be interesting.

Mr. McCORMACK. The gentleman's party is not making an issue over Matthews. It is making an issue over MacArthur.

Mr. GAVIN. I am making an issue over Matthews.

Mr. McCORMACK. Identically the the same. He is Secretary of the Navy. I like him personally.

Mr. GAVIN. So do I.

Mr. McCORMACK. I like them both.

Mr. GAVIN. I think he made a great mistake.

Mr. McCORMACK. Yes; and the gentleman must admit that General MacArthur made a mistake.

Mr. GAVIN. If we are to remain silent in face of the inconsistency and the continuation of these mistakes in foreign policy, where will we eventually land?

Mr. McCORMACK. The gentleman has a perfect right to express his views, so do I, but if the gentleman was a general does he think he would?

Mr. GAVIN. What does the gentleman mean?

Mr. McCORMACK. If the gentleman was a general does he think he ought to speak out loud?

Mr. GAVIN. Well, I would say yes, I would.

Mr. McCORMACK. The gentleman says yes?

Mr. GAVIN. I certainly would if I thought I was right; then I would go down like anybody would go down who speaks out of turn.

Mr. McCORMACK. The gentleman is inconsistent, that is all I have to say, but this is not the first time.

Mr. GAVIN. Maybe it will not be the last time.

Mr. McCORMACK. I have been inconsistent, so I realize that what I said might be unintentionally offensive.

Mr. GAVIN. I was going to say that the feeling is mutual.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. PRICE. Does not the distinguished majority leader feel that there is a little confusion on the other side of the aisle as to what is really at stake here? General MacArthur apparently wants the United States itself to determine the status of Formosa, whereas we are also a member of the United Nations. I wonder if the majority leader would not touch on that for the enlightenment of the brethren on the other side of the aisle.

Mr. McCORMACK. I recognize the pertinency of the gentleman's observation, but I do not want to even get into that, because my whole purpose was to call to the attention of my Republican friends that in their desperation and in their extreme political emotionalism they were grasping for any straw, and in this case they were doing a grave injustice to a great American, that the issue would be military government or civil government, and be put in the position of supporting a military government. Furthermore, you are putting a great man in the position in the coming campaign, if you carry out your plans—and I welcome them as far as I am concerned, but I hope you will not do it as far as General MacArthur is concerned—you are further placing General MacArthur in a most unfortunate position of having his name involved in a political campaign when he owes his greatness in history to a Democrat, not a Republican, because the Republicans put him in the pages which are black—he owes his place in history to a Democrat who called him back into active service. That Democrat was the President of the United States, the late Franklin Delano Roosevelt.

In conclusion, I repeat, the headlines of the newspaper reads, "GOP plans campaign issue over MacArthur gag order." I hope that you will forget your political desperation, forget your political emotionalism, and get back to reason so far as this great man is concerned.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 5 minutes and ask unanimous consent to proceed out of order and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I find myself compelled to ask permission to speak out of order, consent for which has been so very graciously given me.

Mr. Speaker, on yesterday my beloved friend, the majority leader, Mr. McCORMACK, for whom I have a true and real affection, made the statement on the floor of the House that the gentleman from Ohio could not "take me off his feet." I attempted to assure him that I was not endeavoring to take him off his feet.

But, it does seem to me, my friends, that the majority leader, who is usually very calm and collected, and always very able in debate, has been off his feet for some time. He certainly was off his feet yesterday, and has been badly off his feet today, with his head bouncing around up in the clouds, or at least near the ceiling.

Mr. Speaker, I think that the effect of recent political developments and the approaching election on our very distinguished and lovable friend has been very apparent during the last 2 or 3 days, and is perhaps the best indication in the world as to the need for an early congressional recess. So I am hoping that if we do recess tomorrow night, that perhaps in the week or 10 days my good friend, the majority leader, can spend in the old Bay State, he may be able to get his dainty feet solidly back on the ground again.

I, too, am concerned over our present national situation. I am sure my good friend from Massachusetts was speaking a few moments ago in only an absolutely nonpolitical way. I am sure there were no politics in anything he said. I am certain he was not facetious when he stated he was not speaking for political purposes or because he had any animus in his heart, but only because he wanted

so much to keep the record straight. So, to help him keep the record straight, I speak for a moment or two.

Yes, I, too, am terribly concerned over the MacArthur statement, and over the President's order to the general to retract it. I have not seen the article to which the gentleman from Massachusetts refers as to what the GOP policy may or may not be in connection with this matter. Not being one of the leaders of the party, it is only natural I have not been consulted about it. I am just one of the privates back in the ranks of the GOP. But, I am concerned over present national policies, just as the country is concerned.

I was in Ohio over the week end when the whole MacArthur-Truman episode broke loose. The President's order to General MacArthur to withdraw the statement he had sent to the convention of the Veterans of Foreign Wars was the topic of conversation everywhere.

Here are some of the thoughts and some of the questions in the minds of the people, for I found they are as much concerned, Mr. McCORMACK, about this, as I am.

First of all the people are wondering just why the President of the United States should be giving orders to the Commander in Chief of the United Nations forces in Korea, for that is the position and that is the title General MacArthur now holds.

We have been telling the Russians, all Asia, and the world for some time that the war effort in Korea is a United Nations effort; that some 53 nations have joined together to stop Communist aggression and to protect the liberties, freedoms, and lives of the South Koreans against the Red hordes who sweep down from the north; and that the military action in Korea has been that of the combined forces of 53 nations.

Of course, I will admit to the gentleman from Massachusetts that it may be difficult to sell that idea and thought to some of the American boys who are now dying on the fighting lines in Korea, but at least that has been our official position before the world—that this is not an American action in Korea, but the combined action of the 53 united nations; and that the United Nations has accepted the services of General MacArthur as Commander in Chief of all United Nations forces, and is directing all military activities in that part of the world for the United Nations.

The Soviet Union, of course, is trying to tell the people of Asia that the Korean struggle is an imperialistic war on the part of the United States, and that because we have made loans to these other 52 countries we are forcing them to give lip service, as it were, to the Korean action, which actually is just an imperialistic war of the United States.

Then suddenly the President of the United States sees fit to give an order to the commander in chief of the United Nations forces, General MacArthur, who is forced to withdraw his statement on a military matter important to all the world. I can hear the Russian voices all over Asia saying to the yellow men, "There is your evidence, and there is your proof that the United States does direct this Korean war—this imperialistic war—as they describe it—because when the President of the United States speaks, not through the United Nations, but directly as President to the man MacArthur, who is serving, not as an officer of the United States Army, but as commander in chief of the United Nations forces, he must listen and must heed his superior's orders, and must surrender his own position."

The other question the people are asking is: Why is General MacArthur being ordered to retract his statement, when, as we understand it, all that he had said is the same thing, couched in military language, that the President of the United States said and pledged as to the defense of Formosa a few days after the Korean invasion started? The people are also asking this question: Has the President of the United States again changed his mind? They are worried over whether he is going to go ahead with the policy he announced in June relative to defending Formosa, or whether he is going to do something else. That, too, is the cause of great concern.

I want to agree with the gentleman from Massachusetts [Mr. McCORMACK], because I love him so, before I sit down. The MacArthur statement episode is not to be the principal issue in the coming campaign. I question whether the gag, if it was a gag, or the charge that General MacArthur has been gagged, should or will be an issue in this campaign. But I am certain of one thing; it will not be the principal issue in the coming campaign.

I have spent my life as a newspaperman, attempting to find out what people were thinking about and to interpret their thoughts to the best of my ability in the news columns and the editorial pages of my newspapers. If I can judge correctly, the one great, one principal, one main issue in this campaign is going to revolve around this question: Is the Truman administration competent to either attain peace or to prepare for war? That is the question that you must be prepared to answer, sir, and that every Republican and every Democrat will have to discuss, because that is the question which rests heavy on the heart, and almost on the soul, of every citizen today—the fathers and mothers of America who are sending their sons into the Armed Forces, are being called upon to again accept regimentation and control, and to pay higher taxes than they have ever paid before. Yes, my friends, that will be the great issue in the days ahead, and not whether President Truman gagged our friend General MacArthur, or did not gag him.

Now, I must yield to the gentleman from Massachusetts [Mr. McCORMACK] because I mentioned his name.

Mr. McCORMACK. I can say to the gentleman his statement confirms what I have always said about him, that he is, in my opinion one of the cleverest politicians on the Republican side. If he has not been consulted, they should consult him constantly, because, without going into anything else, the gentleman's observations are pertinent. That is a matter for next fall. But I want to congratulate the gentleman for his personal renunciation of the so-called gag being a campaign issue; and that was my purpose, so it would not get into the campaign the name of a great American.

Mr. BROWN of Ohio. I appreciate the gentleman's left-handed compliment, or should I say, his sincere compliment, as to my so-called political sagacity. But I would have been much more grateful to him had he also complimented me for speaking the truth, because, after all, it is the truth that I have spoken here today, and it is the truth that makes us free.

The SPEAKER. The time of the gentleman from Ohio has again expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself one additional minute.

Mr. MILLER of Nebraska. Will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I tried to get the majority leader to yield when he was speaking, because I was greatly impressed with his solicitude for our party. But one of the issues, at least in my district, will be the "pansies," the Red-loving diplomats in the State Department. I am sure that will be one of the issues in the campaign, in my district at least.

Mr. BROWN of Ohio. Let me say to the gentleman from Nebraska, who has long been the personal friend of General MacArthur, that I believe it will not require praise from the lips of the gentleman from Massachusetts [Mr. McCORMACK], from myself or even from the gentleman from Nebraska, to fix the place of General MacArthur in the hearts of the American people, or on the pages of the history of this Nation. He is above the clouds, and it is beyond our power to either increase or lessen the glory which is and shall be his.

Mr. HALLECK. Will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HALLECK. I would simply like to add that in my opinion the people of this country have confidence in General MacArthur. I think they see in him a man who knows as much about the military situation in the Pacific as any man in the United States.

Mr. BROWN of Ohio. Or in the world.

Mr. HALLECK. Or in the world. I think they respect his judgment. I think they would like to believe that his judgment and his views, kept on the military side, involving as they may the success of our arms in the Pacific, are to be considered. To my mind, that is no invasion of the civil provinces of government. Wars are fought under the control of the Commander in Chief, truly, but as an American, under my responsibility, I want military decisions made by military men. I think the American people want it that way. I think if they believe that those decisions were to be so made they would have much greater confidence in the future.

Mr. BROWN of Ohio. And I would agree with the gentleman.

The SPEAKER. The time of the gentleman from Ohio [Mr. BROWN] has again expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa, now, returning to the question under debate, a gentleman who is one of the minority objectors on the Private Calendar.

Mr. DOLLIVER. Mr. Speaker, we have been regaled for some time now by some nonpolitical discussion and perhaps some of us have lost sight of the fact that the real matter under consideration is House Resolution 818, making in order the consideration of the bill S. 784.

As the gentleman from Ohio has indicated, my interest in this matter stems from the fact that I serve as one of the minority objectors on the Private Calendar. This bill, S. 784, came up on the Private Calendar some weeks ago as No. 898. It was objected to on the Minority side and subsequently this rule, House Resolution 818, was granted on it.

I think it is only fair that you know why the minority objectors on the Private Calendar objected to the bill and threw it off the Private Calendar, and I am going to make some comments along that line. I am going to refer to the memorandum I made when the bill was before us as objectors.

There are a number of reasons why this bill should not be passed, why even the rule should not be adopted. I will refer to only two of them, either one of which is sufficient to throw out the rule or, if the rule is adopted, to defeat the bill. The first one is that this claim is stale. It has been through the courts; it has been through this Congress three times, and three times vetoed by President Roosevelt. If there were any other reason against it that one alone should be ample to dispose of this kind of legislation. This claim for nearly half a million dollars has lost any modern interest at all because of the fact it originated way back there in World War I, has been litigated in the courts and has been disposed of by this body.

The second reason, and this is even more persuasive to me as a lawyer, is the fact that this claim was settled once. When you settle a dispute, whether it be between the United States Government and a private citizen or whether it be between two private citizens or corporations, there ought to be an end to it; it ought to stay settled. Back in 1935, 15 years ago next month, October 7, I believe, this whole controversy was settled by the payment of a quarter of a million dollars to these claimants, a quarter of a million dollars. Under the practice of law, if I know anything about it, where somebody objects to a settlement that was improvidently or fraudulently made then he ought to come back in and offer to the adverse party whatever he was paid on settlement. But there is no suggestion here that these claimants are going to pay back the $250,000 which was paid to them. This claim has been settled and should not receive even the consideration of this House again.

I hope the rule is defeated.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE.]

Mr. CASE of South Dakota. Mr. Speaker, this afternoon an Appropriations Subcommittee was asked to consider budget estimates of $139,000,000 to launch a program for building what you might term secondary capital facilities in and around the city of Washington. The matter was presented to us when we could only give it about three-quarters of an hour's hearings before those who presented it went on to the other side of the Capitol.

For all practical purposes this is a proposition to modify existing law with respect to the exercise of the offices of government at the seat of the Government. It may be that this program as presented to us is what we should do, I am not sure, but in any event it is a very far-reaching program. Not merely $139,000,000 are involved to provide possibly the office facilities for 35,000 or 40,000 Government employees, but at least twice that amount, because it is estimated that in the event of war there might be 80,000 employees involved.

Those of us who heard the rather sketchy testimony this afternoon were of the opinion it would cost at least a half billion dollars. So instead of just $139,000,000 it is a least $500,000,000, perhaps a billion dollars. We did not feel as a subcommittee of the Appropriations Committee—at least speaking for the gentleman from California [Mr. PHILLIPS] and myself as members of the minority—that we should take unto ourselves the prerogatives of what ought to be the jurisdiction of some legislative committee to consider a very grave question of policy of the Federal Government.

I understand it was expected that, with a similar short presentation to a Senate subcommittee, the funds might be included in the supplemental appropriation bill over there, to be brought back here in a conference report.

I seldom have felt that anything which came up in an appropriation hearing should be presented to the House in advance of a report, but here is a question that does involve national policy, a decision as to whether we shall disperse around Washington, or whether we shall decentralize and move some of these offices even farther, or just what should be done in the event of a major air attack upon the National Capital and what preparation we should make for it.

We were told that it might take from 12 to 18 months to accomplish this first step of the dispersal program. In view of the few hours remaining before this House will be in recess, I did not feel that question should be settled today or tomorrow and I felt that the Members of the House should know about it. That is why I have requested this time to speak out of order. I urge that either we defer action or arrange for appropriate hearings by the appropriate legislative committee.

The SPEAKER pro tempore. The time of the gentleman from South Dakota has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, in considering this rule, and if you get to the point where you consider the bill, this House will have to determine the question whether or not this Government can either by settlement through paying a man a substantial sum in compromise of a controversy, taking his receipt in full accord and satisfaction, can get rid of a claim, or whether by beating him twice in the courts of the country it can get rid of a claim it has a receipt for and a court decision in its favor.

It has long been settled law that if two parties have a lawsuit and one compromises with the other, pays him a substantial sum, takes his receipt, the party with whom he settles and to whom he pays the money cannot reopen that case until, first, he pays the money back. He cannot even go into court to challenge the settlement without first repaying the money he accepted in settlement of his claim. But here they come to Congress after 30 years have passed into the limbo of things forgotten and gone, after Schundler got ships from the governmental agency and paid down on those ships 10 percent of their value, $538,000, after he operated them on eight trips to Europe with cargoes of coal and collected over $600,000 in freight; after he did that, then refused to sign a contract submitted by the Shipping Board, after the Shipping Board took back the ships and assumed and paid out $300,000 which was the liability of Mr. Schundler, and got the ships back, then Mr. Schundler goes into the Court of Claims and sues to get back the $538,000 he paid on these ships.

That was in 1925. The suit pended in court for 10 years. During that time a commissioner heard the evidence and came to the conclusion that Mr. Schundler was properly chargeable by the Shipping Board of the Federal Government with $302,000, also with a reasonable rent for the ships. In that status of the lawsuit Schundler accepted through his attorney and personally $250,000. He executed a receipt in full and got the money. When he got the money in his jeans, he went back into court through the aid of a lawyer named Suydam and made a motion for a new trial in an effort to revive his lawsuit. He was thrown out of court. Then he began coming to Congress. In 1936 Congress passed a bill giving him the right to go back to the Court of Claims and sue again. President Roosevelt vetoed it. In August of 1940 President Roosevelt vetoed another one of those bills. Then in October Congress passed another bill to put this claim of Schundler back into the Court of Claims and President Roosevelt vetoed that. He said in his veto message that he was of the opinion that there ought to be an end to a controversy; that this was an old claim; that it had been paid off; that it had been thrown out of court; that there ought to be an end to it, and he vetoed it. Then the Senate of the United States, in December 1940, passed a resolution directing that the Court of Claims again examine the questions of fact in this case and see if Mr. Schundler had been imposed

upon, if he had been coerced or defrauded into accepting that $250,000, and to respond to all of the questions of fact involved in the case. In 1940 the court took jurisdiction of this second suit, and in 1946, after hearing proof, Mr. Schundler came in and testified the second time after he had first testified that he made the deal and the contract with Mr. Stevens, a Commissioner of the Shipping Board, and now this second time when he took the witness stand he swore that he made the contract with Admiral Benson. The attorneys actually made a motion to strike Schundler's testimony for fraud and false swearing. The court held that Schundler and the Government officials actually did not come to a final agreement on the contract. The main trouble about the contract was that Schundler insisted that there should be a clause in the contract providing that if the price of these ships fell after he bought them, he would be given credit for the depreciation in the price of the ships.

Mr. Speaker, there is the story in short. He was paid in full, kicked out of court, and now comes back and wants to get it at this time when this country is bleeding at every pore and is staggering under a back-breaking burden of taxation. This is no time to undertake to resurrect this long-dead and buried claim.

Mr. Speaker, I ask unanimous consent to include as a part of my remarks the entire minority report on S. 784, consisting of 12 pages, including the caption thereof beginning with the words "81st Congress, 2d session, Rept. 2135, part II."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The report is as follows:

81ST CONGRESS, 2D SESSION, HOUSE OF REPRESENTATIVES, REPT. 2135, PART II

FIRST, SECOND, AND THIRD NATIONAL STEAMSHIP COS.

AUGUST 22, 1950.—Committed to the Committee of the Whole House and ordered to be printed.

Messrs. JOHN JENNINGS, Jr., EARL C. MICHENER, LOUIS E. GRAHAM, WILLIAM M. MCCULLOCH, CHAUNCEY W. REED, ANGIER L. GOODWIN, J. B. FRAZIER, Jr., and ED GOSSETT, from the Committee on the Judiciary, submitted the following

MINORITY REPORT

[To accompany S. 784]

The undersigned members, from the Committee on the Judiciary, to whom was referred the bill (S. 784) for the relief of the First, Second, and Third National Steamship Cos., having considered the same, report unfavorably thereon and recommend that the bill do not pass.

The purpose of the proposed legislation is to authorize and direct the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to the First, Second, and Third National Steamship Cos. the sum of $384,256.26, being the balance of the amounts paid by H. O. Schundler, a resident of New Jersey, but with offices in New York City, during the period of time from April 17, 1920, until September 9, 1920, for the Georges Creek Steamship Co. to the United States Shipping Board for the purchase of three dry-cargo steam freight vessels, known in this record as the *Independence, Hoxie,* and *Scottsburg,* which were at the time owned by the United States.

The undisputed determinative facts of this controversy are as follows:

(1) In 1920, 30 years ago, H. O. Schundler, a wealthy ship operator of New Jersey in the name of Georges Creek Steamship Co. and First, Second, and Third National Steamship Cos., all of which were New Jersey corporations and were organized and owned by Schundler, paid to the United States Shipping Board the total sum of $538,048.23 as part payment for three Government-owned dry-cargo steamships, the *Independence,* the *Hoxie,* and the *Scottsburg.*

(2) These ships were all turned over to Schundler and his corporations in 1920, and he used them in making eight profitable shipments of coal to Europe, for which shipments he and his corporations were paid the total sum of $600,000.

(3) In September 1920, representatives of the United States Shipping Board and Fleet Corporation prepared and sent to the Georges Creek Steamship Co. and to Schundler written contracts embodying the terms of the sales of these three vessels, with a request that they be executed by the Georges Creek Steamship Co. and returned. Schundler and his companies refused to sign these contracts as submitted, claiming they were not in accordance with the terms of purchase.

(4) On December 31, 1925, the First, Second, and Third National Steamship Cos. (owned by H. O. Schundler of New Jersey) instituted in the United States Court of Claims suits Nos. E–622, E–623, and E–624 against the United States with reference to the vessels *Independence, Hoxie,* and *Scottsburg,* respectively.

On October 7, 1935, when taking of testimony had been concluded, the litigation was compromised and settled by the United States paying to the plaintiff companies the sum of $250,000. Pursuant to this settlement, the suits were dismissed and a release in full was executed to the United States by Schundler and his attorneys, acting for these corporations. This settlement was made in good faith; no reason had been shown why it should be set aside or disregarded and the plaintiff corporations and Schundler have retained and have never offered to return the $250,000.

(5) In November 1940 after President Roosevelt vetoed a bill seeking to confer jurisdiction upon the Court of Claims to again entertain a suit by said corporations against the United States Government for the very same matters which were settled and fully compromised for said sum of $250,000; the plaintiff corporations, First, Second, and Third National Steamship Cos. again brought suit in the Court of Claims to recover the moneys sought to be appropriated for said companies by the bill now under consideration. The Court of Claims in an exhaustive opinion held in deciding the second series of suits by said corporations against the United States as follows:

(*a*) The payment of the said $250,000 to said companies on October 7, 1935, was a compromise settlement of all claims of these companies against the United States Shipping Board and was in full satisfaction of all claims and demands of whatsoever nature between the parties. The court also held, there was no overreaching or advantage of the plaintiffs by the United States Shipping Board or any agent thereof, and that the plaintiffs settled and compromised said suits with full knowledge of their rights and that they knew exactly what they were doing and that the settlement made was final and binding and that the plaintiffs, after having received said sum of money dismissed the suits then pending in the Court of Claims.

(*b*) The court further held that the subject matter made the basis of said second series of suits by the said First, Second, and Third National Steamship Cos. instituted in the Court of Claims in 1940 had long since become res judicata, and that the decree entered in said former suits was binding upon the said companies and that there is no evidence in the case to establish fraud against the Government. Said suits were dismissed.

In April 1920 Schundler gave the Shipping Board two checks, one dated April 17, 1920, for $70,000 and one dated April 23, 1920, for $80,000 as deposits on vessels to be purchased by Georges Creek Steamship Co., which company was owned by Schundler and the capital stock of which was only $500, and except as to qualifying shares was owned by Schundler.

On May 17, 1920, the *Independence* was delivered to Schundler for the Georges Creek Steamship Co. It was Schundler's purpose to ship coal to Italy in this ship. He made repairs on the vessel to the amount of $10,515. This vessel was used by Schundler in making four profitable trips to Europe carrying coal. These operations were carried on by First National Steamship Co., another New Jersey corporation organized and owned by Schundler for the purpose of becoming the owner of the *Independence.* This company had a capital stock of only $500 owned by Schundler.

After May 17, 1920, negotiations between Schundler, acting for the Georges Creek Steamship Co., and the Shipping Board continued, and Schundler for the Georges Creek Steamship Co. caused further payments to be made to the Shipping Board by checks as follows:

June 3, 1920	$110,879.23
June 16, 1920	20,000.00
June 16, 1920	20,000.00
June 29, 1920	10,562.50
Aug. 24, 1920	50,000.00
Sept. 9, 1920	176,606.50

These deposits, together with the $70,000 and the $80,000 paid by Schundler on the *Independence* totaled $538,048.23 and constituted 10 percent of the book value of the *Independence, Hoxie,* and *Scottsburg,* which were $1,677,293.30, $1,437,124, and $2,226,065, respectively.

In other words, the total book value of these three ships amounted to $5,380,482.30, 10 percent of which total value constitutes the total sum paid on said ships by Schundler on behalf of the Georges Creek Steamship Co., Schundler's $500 New Jersey corporation.

On June 21, 1920, the *Hoxie* was delivered to Schundler at Baltimore, Md., for the Georges Creek Steamship Co. It was Schundler's purpose that this ship too be used as a tramp freighter of dry cargo. That it might be so used, the ship needed a ladder for the engine room, strengthening of the coal hatch combings, heavier supports for deck plates below the winches, alining of engine bed basing and tail shaft, and heavy tools and sheathing to protect the hull. Schundler, for the Georges Creek Steamship Co., had this work done at a cost of $12,797.79.

The vessel made two profitable trips to Europe, carrying coal, but on the third trip and about November 15, 1920, was heavily damged by a storm at sea and was forced to limp into Greenock, Scotland, arriving there on November 20, 1920. On the ship's arrival, it was delivered to the insurance underwriters and was later brought back to this country by the United States Shipping Board. The operation of this vessel, after it was thus acquired by Schundler, was by the Second National Steamship Co., another New Jersey corporation which Schundler organized on May 28, 1920, for the purpose of becoming the owner of the *Hoxie.* This corporation also had a capital stock of only $500, all of which except qualifying shares was owned by Schundler. All the money and assets it ever had were furnished by Schundler. This Second National Steamship Co. at the time the litigation we will hereafter refer to occurred and was finally disposed of had whatever

rights and obligations that Georges Creek Steamship Co. had with respect to the transaction involving the *Hoxie*. (See Findings of Fact of U. S. Court of Claims, p. 605–610 inclusive, vol. 106, Court of Claims Reports.)

On September 23, 1920, the *Scottsburg*, a dry-cargo vessel of 12,240 dead-weight tons, was delivered to Schundler for the Georges Creek Steamship Co. at Philadelphia, Pa., by the United States Shipping Board. It was Schundler's purpose to use the *Scottsburg* as a tramp freighter of dry cargo. For this purpose the ship needed a watertight bulkhead forward, a general utility lathe, a pipe-bending machine, and some tools. For the Georges Creek Steamship Co., Schundler installed these at a cost of $7,660.

The vessel made two profitable trips to Europe, carrying coal. This ship was operated by the Third National Steamship Co., another New Jersey corporation, which Schundler caused his associate McCauley to organize on May 28, 1920, for the purpose of becoming the owner of the *Scottsburg*. This corporation also had a capital stock of only $500, all of which, except qualifying shares, was owned by Schundler. As with the other two ships, the *Independence* and the *Hoxie*, the *Scottsburg* had a capital stock of only $500, all of which, except qualifying shares, was owned by Schundler. McCauley was its president; Schundler its treasurer, and Cutley its secretary. All the money and assets it ever had were furnished by Schundler. At the time the litigation growing out of the transactions with respect to and operation of said ships was finally disposed of, all the rights or obligations that Schundler or the Georges Creek Steamship Co. had previously owned in the *Scottsburg* belonged to said Third National Steamship Co.

In the meantime, the representatives of the United States Shipping Board and Fleet Corporation prepared and sent to the Georges Creek Steamship Co. written contracts of sale of these three vessels, with a request that they be executed by the Georges Creek Steamship Co. and returned. The Georges Creek Steamship Co. refused to execute the contracts, as did the First, Second, and Third National Steamship Cos., because they insisted that these contracts, prepared and sent to them by the Government authorities, did not clearly state the terms of purchase. For instance, as to the *Independence*, the Georges Creek Steamship Co., on its stationery showing its Singer Building, New York City, address, wrote a letter signed by Schundler on September 20, 1920, to the New York office of the Board saying:

"In reference to the contract on steamship *Independence* which you submitted, we enclose herewith letter to you of the First National Steamship Co., Inc., since it refers to their business and their steamer."

Enclosed with this letter was one of even date from the First National Steamship Co., also signed by Schundler, saying:

"The charter purchase agreement for the steamship *Independence* was delivered to the undersigned. There is a mistake about this document, since this vessel was not purchased in the manner described in the agreement which you have rendered to us for signature.

"Please be advised that this vessel was purchased on the following simple terms:

"1. Ten percent cash of total value.

"2. Vessel to be at the time of delivery class 100–A1 in British Lloyds Registry of Shipping.

"3. Insurance to be carried for the account of whom it may concern as interest may appear.

"4. Bunker oil supply per special agreement.

"5. Unfinished repairs to be repaired by First National Steamship Co., Inc., for account of United States Shipping Board, we to receive credit for same.

"6. Reference: New electric drive: We to have privilege of taking the installation of same or obtaining allowance therefor.

"7. Depreciation credits as agreed.

"If you will communicate with the Sales Department in Washington you will probably be able to obtain the proper and correct contracts which we will sign immediately."

The Shipping Board was advised of the formation of the First, Second, and Third National Steamship Cos. to take the vessels in lieu of the Georges Creek Steamship Co., and expressed no objection thereto, but the terms stated in the above-quoted letter and in the similar letters about the other vessels, including the letters of September 23, 1920, relative to the *Hoxie*, and the letter of December 13, 1920, on the stationery of the Third National Steamship Co. relative to the *Scottsburg* were not terms agreeable to the officials of the Board and the Fleet Corporation, and they continued to insist upon the execution of the contracts as written.

On December 23, 1920, the contracts as written by the Board remained unexecuted by either the Georges Creek Steamship Co. or the First, Second, and Third National Steamship Cos. J. H. Philbin, the Board's manager of ship sales, at the instruction of Admiral Benson, sent Schundler a telegram saying that if the contracts as drawn and submitted by the Board were not executed by noon that day, the three vessels would be withdrawn, and on December 27, 1920, Schundler cabled the masters of the *Independence* and the *Scottsburg*, both of which were at Genoa, Italy, to unload them and deliver them to the agents of the Shipping Board. Both vessels were surrendered January 5, 1921, and were returned to this country by the Shipping Board.

In due course Schundler petitioned the Shipping Board for a refund of his deposits and for reimbursement for the outlays he had made for insurance and improvements placed on the vessels, less only the excess of inventories aboard the vessels at the time they were delivered to the First, Second, and Third Steamship Cos. over inventories when the vessels were withdrawn and those disbursements made by the Shipping Board to pay for services and supplies to the vessels prior to their withdrawal from plaintiffs' control.

The Court of Claims then states on page 613 of its Findings of Fact that although it was the intention and desire (see opinion, Court of Claims, pp. 610–613, inclusive, vol. 106, Court of Claims Report) of Schundler and Cutley on the one hand and of Admiral Benson, Commissioner Stevens, and officials of the Board and Fleet Corporation on the other hand, that the vessels be sold to the Georges Creek Steamship Co. or to the First, Second, and Third National Steamship Cos. and, although offers to purchase vessels were made in writing and Board resolutions purporting to sell vessels were adopted by the Board, there arose disagreement with respect to the terms of the sale of the vessels which prevented the consummation of the contract of sale and that the sale was not consummated.

This further pertinent fact is then embodied in the findings of the Court of Claims:

"The principal point upon which the minds of the parties failed to meet was whether or not a 'fall' clause should be put in the three contracts. A fall clause is one in which the seller agrees that if he should later sell vessels at a reduced price, the price of the vessel covered by the sale contract would be correspondingly reduced."

The court then goes on to further find that there is no satisfactory evidence to support the contention of the three steamship companies that the vessels were delivered to them under an agreement that the Board or the Fleet Corporation or the United States would bear the expense of putting the vessels into the condition Schundler wanted them, referring to the sums of $10,515, $12,797.79, and $7,660 expended by Schundler to put the vessels in condition to use them as he desired. The court also found that there was no evidence that the Board or the Fleet Corporation or the United States agreed to bear the expense of the hull and total loss insurance on the vessels. The cost of this insurance was paid by Schundler for his four $500 insurance corporations; namely, the Georges Creek Steamship Co. and the First, Second, and Third National Steamship Cos. and amounted to $76,540.98 on the *Independence;* $44,348.27 on the *Hoxie;* and $55,959.63 on the *Scottsburg*. This insurance protected the Board, the Fleet Corporation, or the United States, as their interest might appear, as well as Schundler's steamship operating companies.

The court further found that no satisfactory evidence was introduced to support the plaintiffs' contention that there was an agreement that when the vessels were surrendered by Schundler and his companies, the United States or its agencies referred to as the Board and the Fleet Corporation would return the deposits or payments made by Schundler when he and his corporations obtained possession of said vessels.

In the preparation and the trial of the suit which Schundler, through his corporations, brought against the Government and its agencies, it was agreed by all the parties that there were $2,089.78 worth more stores, supplies, fuel and water on board the *Independence* when she was delivered to the plaintiffs than when she was returned at Genoa, Italy, and that prior to her return, the United States Government disbursed for her, on account of services and supplies, $42,738.53 for which the United States was entitled to credit. The defendant also expended $33,829.25 for services and supplies between January 5, 1921, when the *Independence* was returned at Genoa, and March 11, 1921, when the United States succeeded in getting this ship back to this country. (See pp. 613–614 of the opinion, Court of Claims Report 106). It was further agreed between the parties——

"that there were $4,222.25 worth more stores, supplies, fuel, and water on board the *Hoxie* when she was delivered to plaintiffs than when she was surrendered, and that prior to her damage at sea on November 15, 1920, the defendant disbursed for items incurred by plaintiff $17,173.88, for which defendant was entitled to a credit. The defendant also expended $66,855.44 for services and supplies between November 15, 1920, when the *Hoxie* was damaged at sea, and the date upon which the defendant got her back to this country."

It was further——

"agreed that there were $7,373.78 worth more stores, supplies, fuel, and water on board the *Scottsburg* when she was delivered to plaintiffs than when she was returned at Genoa, Italy, and that prior to her return the defendant disbursed for services and supplies incurred by plaintiffs $38,015.42, for which defendant was entitled to a credit. The defendant also expended $23,128.10 for services and supplies and in operating the vessel from January 5, 1921, when she was returned at Genoa, Italy, and February 14, 1921, when the defendant got her back to this country.

"It is agreed that the foregoing figures include all credits to which plaintiffs are entitled for advances, allotments, and cash delivered to the masters of the vessels and accounted for by them to the defendant."

An appropriate accounting between the parties is as follows:

"Deposits by plaintiffs:

Apr. 17, 1920	$70,000.00
Apr. 23, 1920	80,000.00
June 3, 1920	110,879.23
June 16, 1920	20,000.00
Do	20,000.00
June 29, 1920	10,562.50
Aug. 24, 1920	50,000.00
Sept. 9, 1920	176,606.50
Total	538,048.23

Credits in favor of defendant:

Independence:	
Difference in supplies, etc	$2,039.78
Disbursements to Jan. 5, 1921	42,738.53
Disbursements after Jan. 5, 1921	33,829.25
Total	78,657.56
Hoxie:	
Difference in supplies, etc	4,222.25
Disbursements to Nov. 15, 1920	17,173.88
Disbursements after Nov. 15, 1920	66,855.44
Total	88,251.57
Scottsburg:	
Difference in supplies, etc	7,373.78
Disbursements to Jan. 5, 1921	38,015.42
Disbursements after Jan. 5, 1921	23,128.10
Total	68,517.30
Total	235,426.43
Balance	302,621.80"

The account between the parties just set out does not take into account the reasonable rental value of the vessels while they were in the possession of Schundler's steamship companies whose gross income from the operation of these ships amounted to more than $600,000. The market value of these vessels was substantially lower than their book value, which we have heretofore pointed out was $5,380,482.30.

The payment of $250,000 on October 7, 1935, by the Government, was a payment of all moneys due and owing to Schundler's ship operating corporations on account of any valid claims of said companies existing on December 21, 1925, the date Schundler executed a receipt in full to the Government for the sum of $250,000 in settlement of all of Schundler's claims against the Government. (See opinion, Court of Claims, pp. 603–605 and p. 616 of the court's findings.) On pages 616 and 617 of the opinion by the Court of Claims, the court points out the contradictory and improbable nature of Schundler's testimony. The court states that Schundler's testimony was to the effect that his alleged agreement that the Board or Fleet Corporation agreed to bear the expense of improving the vessels and procuring insurance on them and that Schundler's deposits would be returned on the surrender of the vessels without payment of rental was with Commissioner Stevens and not with Admiral Benson, the chairman. This testimony was given by Schundler prior to the time he accepted the $250,000 from the Government in full settlement of all his claims and those of his corporations' against it. In Schundler's second suit in which he undertook to avoid the effect of his settlement of his claims against the Government, the court in its opinion points out that Schundler testified generally, and more or less specifically, to the effect that his alleged agreement was with Admiral Benson, the Chairman, and not with Commissioner Stevens. At the time he testified the first time, Admiral Benson was still living, but Commissioner Stevens was in Siam as an adviser to the Government of that country. Commissioner Stevens did, however, later testify in those cases and denied Schundler's testimony. Admiral Benson did not testify in those cases which were first tried and in settlement of which Schundler was paid $250,000, as Schundler had not claimed that the alleged agreement he had made was made with Benson, and there was therefore no reason for him to testify.

At the time Schundler testified in the second trial of this case in which Schundler undertook to avoid the effect of his settlement, both Admiral Benson and Commissioner Stevens were dead, but Commissioner Stevens' testimony taken in the former case was still available for Schundler's use in the second trial of this case. When Schundler finished his testimony on the second trial, contradicting his testimony given on the first trial, the defendant filed a special answer and plea in fraud, based upon the conflict in his testimony.

The court, in its opinion, then makes the following caustic criticism on pages 616 and 617 of its opinion of Schundler's testimony:

"The conflict in Schundler's testimony, the improbability of either Admiral Benson or Commissioner Stevens having made such a one-sided agreement as Schundler claims; the fact that it was the custom of the Board (not of its Chairman or individual members) to make or authorize contracts and then only by the adoption of resolutions, and the other testimony in the cases, negative the making of such an agreement as Schundler claims, but hardly constitute sufficient evidence to support defendant's special answer and plea in fraud, as Schundler may actually have thought that he had such an agreement worked out between the two of them."

We now call attention to the fact that this is a stale claim. It had its origin more than 30 years ago in April 1920. On October 28, 1940, President Roosevelt returned, without his approval, to the House of Representatives the bill H. R. 10440 to confer jurisdiction on the Court of Claims to hear and determine the claims of the First, Second, and Third Steamship Cos., and we include in this report the veto message of the President:

"To the House of Representatives:

"I return herewith, without my approval, a bill (H. R. 10440) to confer jurisdiction on the Court of Claims to hear and determine the claims of the First, Second, and Third National Steamship Cos., arising out of transactions involving deposits of certain sums of money by the companies with the United States Shipping Board and for reimbursement of expenditures made by the companies for purposes other than the operation of the vessels *Independence, Hoxie,* and *Scottsburg.*

"On August 28, 1940, I returned, without my approval, a bill (H. R. 10141) covering the same subject matter on the ground that the enactment of the bill would permit the companies again to litigate their claims and might deprive the Government of the defense that the claims had been settled by mutual agreement. I refrained from approving a similar bill during the Seventy-fourth Congress.

"The present bill is objectionable, first, for the reason that it would reopen a litigation that had been settled and voluntarily dismissed by the plaintiffs. It would appear that there should be some finality to a deliberate settlement such as was entered into by the claimants in this matter. Not only is the Government entitled to this protection but, in addition, unless binding effect were to be accorded to compromise agreements, other claimants would be prejudiced since the Government would be discouraged from adjusting any claims by negotiation. Second, the transactions involved in this controversy occurred approximately 20 years ago. After the lapse of so long a period of time, during which important records disappear and the memories of witnesses become faulty, the Government should not be called upon to submit to a rehearing in the absence of compelling reasons.

"Recent statements by several former officials and employees of the Shipping Board are appended to the report of the House committee which appear to support the position of the claimants. These statements are characterized in the report as newly discovered evidence. There is nothing in the report, however, to show that the authors of these statements were not available as witnesses or could not, with reasonable diligence, have been made available during the 10 years in which the case was pending in the Court of Claims. These statements are substantially a reiteration of contentions made in behalf of the claimants when the litigation was settled in 1935.

"The issues were thoroughly litigated for 10 years prior to that settlement. The evidence now submitted in the form of sworn statements is not materially different from the evidence then submitted in behalf of the claimants. Almost immediately after the vessels were withdrawn from the steamship companies, in December 1920, disagreement arose as to whether there had been an agreement to purchase. Vessel prices meanwhile had declined. Claiming there had been no agreement to purchase, the companies sought the return of moneys advanced and deposited. On the advice of its legal staff, the Board decided there had been a sale and refused to return the money.

"In 1935, with the issues and the evidence fully before the court, the claimants had an excellent opportunity to obtain a finding and determination from the Court of Claims. Because of the uncertainty attending the litigation, including the possibility of an adverse finding on the claim and a judgment in favor of the Government on ts counterclaim, the companies elected to settle the controversy for $250,000. Only a brief time elapsed before they sought remedial legislation and actually secured the enactment of a Senate resolution resubmitting the controversy to the Court of Claims for a finding and report. Proceedings instituted under that resolution were recently withdrawn. It is noteworthy that in the present bill no provision is made for a possible recovery by the Government of any amount that might be due it.

"A further objection is found in the language that permits any judgment against the United States to provide 'full reimbursement and just compensation,' followed by the provision 'that such compensation shall not be in excess of 3 per cent per annum.' Whether so intended, the bill might be construed to permit an award of interest or its equivalent. Since no interest would have been recoverable in the original action, no good reason is discerned for including a provision under which the court might be permitted or required to allow interest or its equivalent.

"Since no reason is discernible from the record why another opportunity to litigate should be extended to these claimants by special legislation, I am constrained to withhold my approval of this measure.

"FRANKLIN D. ROOSEVELT.

"THE WHITE HOUSE, *October 24, 1940.*"

The statement of facts and the logic of President Roosevelt are unanswerable.

For the first time in the history of this country the owner of three corporations who almost 15 years ago executed a release in consideration of the payment to him of $250,000 by the United State Shipping Board in full satisfaction and discharge of all his claims against the Government and those of his corporations, and who all these years has retained said sum of money, seeks a second time to assert his claims for almost a half million dollars against this Government for the matters he fully settled in 1935. This claimant has the hardihood and the brazen assurance to seek a second time to obtain this huge sum of money from the Government in the teeth of his solemn settlement and in defiance of a judgment of the Court of Claims, denying him in its opinion of May 6, 1946, the right to reopen and relitigate the claim which was settled in 1935. His settlement was made at arm's length, when he was represented by counsel and knew exactly what he was doing.

This was the attitude of the Department of Justice when on October 9, 1947, the Honorable Peyton Ford, Acting the Assistant to the Attorney General, wrote to the Honorable ALEXANDER WILEY, chairman, Committee on the Judiciary, United States Senate, as follows:

"MY DEAR SENATOR: This is in response to your request for the views of the Department of Justice as to the merits of the bill (S. 1691) for the relief of the First, Second, and Third National Steamship Cos.

"This bill would provide for the payment of the sum of $384,256.26, with interest thereon at 6 percent from January 5, 1921, to date, and interest at 6 percent on $250,000 from January 5, 1921, to October 7, 1935, which would aggregate approximately $1,100,000 to the First, Second and Third National Steamship Cos.

"The First, Second, and Third National Steamship Cos. were organized by Mr. Hans Otto Schundler in 1919 and 1920 under New Jersey laws, all the charters of which were forfeited by the State in 1923 and 1924. Previous thereto the companies had executed an assignment of their claims to Mr. Schundler. These claims, growing out of certain transactions with the Government involving a number of ships, have been the subject of a series of suits in the Court of Claims and of repeated legislative consideration. They were first litigated in three actions filed in 1924, which, on October 7, 1935, were compromised and settled for $250,000, with Mr. Schundler and each of his companies furnishing full releases 'from any and all claims, demands, and causes of action, at law or in equity, pertaining to or arising out of any or all of the transactions, the subject of suits now pending in the Court of Claims.' The suits were dismissed. Subsequently Mr. Schundler attempted a series of efforts to secure further relief by special legislation. The first measure (S. 4684, 74th Cong.) received a pocket veto (CONGRESSIONAL RECORD, vol. 80, p. 10558). On June 7, 1937, the Senate referred the claims to the Court of Claims for a report, the petition under such reference being filed on June 29, 1937, but subsequently withdrawn on June 3, 1940. A second bill for private relief (H. R. 10141, 76th Cong.) was passed and vetoed on August 28, 1940 (CONGRESSIONAL RECORD, vol. 86, p. 11158). A third bill for relief (H. R. 10440, 76th Cong.) was vetoed on October 28, 1940 (CONGRESSIONAL RECORD, vol. 86, p. 13601). Within 22 days thereafter the Senate adopted a resolution (S. Res. 327, 76th Cong.), again referring the claims to the Court of Claims for study and report to the Senate.

"The bill here under consideration is objectionable from a number of viewpoints. These claims have received repeated Executive disapproval, and the merits of the claims have been determined adversely by the rulings of the Court of Claims under the Senate reference. As stated by the veto messages on previous measures, there should be finality with respect to the settlement by the Government of claims asserted against it, the issues in which have been thoroughly litigated for 10 years prior to such settlement. Since such settlement, the interested parties have submitted their claims to the Court of Claims under the Senate reference with adverse rulings.

"In view of the foregoing circumstances, the Department of Justice recommends against enactment of this measure.

"The Director of the Bureau of the Budget has advised that there is no objection to the submission of this report.

"Sincerely yours,

"PEYTON FORD,
"Acting Assistant to the Attorney General."

The question of whether or not the minds of the parties met with respect to the terms of the contracts under which Mr. Schundler through his $500 corporations, obtained possession of these ships and the use of these ships is now beside the mark. As the Court of Claims well said on page 618 of its opinion:

"There is no dispute that plaintiffs deposited money and had possession of certain ships for some months. It cannot be assumed that plaintiffs do not owe something to the Government for the use of the ships. If there was no meeting of the minds between plaintiffs and the Shipping Board should plaintiffs' liabilities to the Government be measured on the basis of the reasonable value of the use of the ships? On this issue, the cases would have to be opened up for additional testimony.

"Neither party asked for a reopening of the cases for the purpose of offering testimony on the question of appropriate hire for the plaintiffs' use of the vessels. On the contrary, confronted with the situation described in the Commissioner's communication, the parties entered into a compromise settlement, and on October 7, 1935, the release set forth in the findings of fact was executed by H. O. Schundler individually and as a committee of one for each of the plaintiffs.

"This release was executed upon the payment October 7, 1935, of the sum of $250,000 by the United States Shipping Board Merchant Fleet Corporation to the plaintiffs.

"The check by which this payment was accomplished was endorsed by the three plaintiffs by Stanley Suydam, as attorney in fact, who had been entered as of counsel for the plaintiffs May 22, 1935.

"The Commissioner reported the cases back to the court October 18, 1935, and October 30, 1935, the plaintiffs filed a motion to dismiss the petitions.

"November 4, 1935, the court filed an order dismissing petitions and counterclaims.

"On plaintiffs' motion Stanley Suydam was substituted February 7, 1940, as their attorney of record, and on the same day the plaintiffs filed a motion for reinstatement or a new trial.

"This motion, after answer and briefs, was argued and submitted to the court May 6, 1940, and was overruled by the court June 3, 1940.

"On December 6, 1940, there was filed by the three plaintiffs the present suit, which was docketed as Congressional No. 17764. Jurisdiction is invoked under Senate Resolution No. 327, Seventy-sixth Congress, third session, November 19, 1940, and the petition prays for a judgment against the United States. * * *

"The subject matter of this suit is one over which this court has jurisdiction, damages being laid for breach of contract with the defendant, represented by the United States Shipping Board. Section 145 of the Judicial Code (36 Stat. 1087, 1136).

"The same subject matter, however, appeared in the three prior suits, already referred to, Nos. E-622, E-623, and E-624, and on November 4, 1935, on plaintiffs' motions, the petitions were dismissed. The cause has therefore long since become res judicata. The doctrine of res judicata is well founded. Otherwise, litigation would be without end. * * *

"It is elementary that the same court can only render judgment once between the same parties upon the same issue unless the judgment has been reversed or set aside, or for some other reason a new trial has been granted. When a matter has once properly passed to judgment, without fraud or collusion, in a court of competent or concurrent jurisdiction, it has become res judicata, and the same matter between the same parties cannot be reopened or subsequently considered. * * *

"Where a compromise payment has been made, and the payee seeks to rescind the compromise agreement, he must in suit tender return of the payment. The plaintiffs here make no such tender. This alone is ground for dismissal."

It was further said by the Court of Claims in its opinion on page 623:

"The deposits made by or in behalf of the plaintiffs with the defendant amounted to $538,048.23, and this was 10 percent of the combined book value of the three vessels.

"The changes that the plaintiffs made in the vessels were for their own purposes. The defendant did not agree to pay for them, and for the purposes of the Shipping Board the alterations were not necessarily improvements. They are not shown to have been of any use to the defendant.

"The expense of returning the vessels to the point of original delivery is not charged to the defendant. The place for return is the place of original delivery. * * *"

The Court of Claims then further says on page 624 of its opinion:

"The remaining question propounded in the resolution is whether the payment of the compromise sum of $250,000 'was a payment of all of the moneys due and owing said companies on account of the claims of said companies existing on December 31, 1925, notwithstanding any statute of limitations, laches, any release, settlement, accord and satisfaction, or prior adjudication.'

"For the purpose of answering this final question we first assume the absence of any statute of limitations, any laches, any release, any settlement, any accord and satisfaction, any prior adjudication.

"The balance shown in Finding No. 13 is $302,621.80. If, let us say, charter hire for the three vessels be reckoned at $52,621.80, the balance is reduced to $250,000, which is covered by the amount paid in compromise.

"Charter hire of $52,621.80 represents roughly 25 cents per deadweight ton per month, presumably not more than a nominal rate of hire, and, within this framework of accounting, all that the United States gets out of the transaction is a nominal hire and the return of necessarily deteriorated vessels with unsolicited changes made in them, not for the benefit of the United States, but for the benefit of the plaintiffs."

The court then determines all questions in favor of the defendant and concludes that the payment of the sum of $250,000 by the United States Shipping Board to the plaintiffs was in full satisfaction and settlement of all claims and demands of whatsoever nature between the parties. There was no overreaching or advantage taken of the plaintiffs by the United States Shipping

Board or any agent thereof, and the plaintiffs were fully cognizable of every step taken in the compromise settlement and agreed to, and acquiesced in, the settlement to make it final and binding. The plaintiffs, furthermore, followed this up with requests for dismissals of the suits in the Court of Claims.

Respectfully submitted, this 22d day of August 1950.

JOHN JENNINGS, Jr.
EARL C. MICHENER.
LOUIS E. GRAHAM.
WILLIAM M. MCCULLOCH.
CHAUNCEY W. REED.
ANGIER L. GOODWIN.
J. B. FRAZIER, Jr.
ED GOSSETT.

Mr. BROWN of Ohio. Mr. Speaker, may I ask the chairman if there is a plan or agreement that we would only adopt the rule tonight and then adjourn?

Mr. BYRNE of New York. That is correct.

Mr. MADDEN. Mr. Speaker, I yield the balance of the time to the gentleman from Alabama [Mr. HOBBS].

(Mr. HOBBS asked and was given permission to revise and extend his remarks and include statements which appear on pages 20 to 38 of the committee report, including extraneous matter therein.)

Mr. HOBBS. Mr. Speaker, now, then, I have 2 minutes in which to rub away some of the smoke out of the eyes of the Members of the House. In 1936 when I had the honor to become a member of the Committee on the Judiciary, the late Ambrose Kennedy was chairman of the Claims Committee and asked that a member of the Committee on the Judiciary, because of the law questions involved in this case, be assigned to aid him in the weighing of this case and in the preparation of his report. Since I had no other assignment at the time to any subcommittee, Judge Sumners asked me to do it. I got into the case then. I am no more interested in this than my distinguished friend from Tennessee. It is a New Jersey quarrel. Dr. EATON, of New Jersey, is the Congressman of this gentleman who has been so grievously wronged according to the report of this bill made for the Senate Judiciary Committee by Senator J. Howard McGrath or in his remarks on the Senate floor on the passage of this bill. Dr. EATON is the man who will answer the tirade of our dear friend who has just spoken. I regret exceedingly that his normal pleasantry and smile were absent today when Judge JENNINGS spoke, because if there ever has been an honest case presented to a committee of this Congress, this is it. It is a question whether this man's money will be filched from him by misrepresentation and fraud.

STATEMENT OF SAM HOBBS, OF ALABAMA, IN SUPPORT OF S. 784, ENTITLED "AN ACT FOR THE RELIEF OF FIRST, SECOND, AND THIRD NATIONAL STEAMSHIP COS."

This bill was passed by the Senate July 6, 1949, as reported by Senator J. Howard McGrath. The same bill in the Eightieth Congress was S. 1691 and was passed by the Senate in the summer of 1948, as reported by Senator ALEXANDER WILEY, then chairman of the Senate Committee on the Judiciary, too late for action by House committees and the House before adjournment. Both of these bills were introduced by Senator H. ALEXANDER SMITH of New Jersey, for himself and Senator CHAN GURNEY of South Dakota. Mr. H. O. Schundler of Madison, N. J., has been from their creation the owner and duly authorized representative of these three steamship companies. Each of these two latest bills were passed for the identical amount, $384,256.26, being the exact balance due on account of certain sums deposited or paid by Schundler in 1920, in accordance with his agreeenmt with Admiral William S. Benson, then chairman of the United States Shipping Board and president of the United States Shipping Board, Emergency Fleet Corporation. Verily—

"'Tis strange but true; for truth is always strange—
Stranger than fiction."

Rear Admiral William Sheppard Benson, graduated from the United States Naval Academy in 1877 and served as an officer of the United States Navy continuously until he became the Chief of Naval Operations during the whole of World War I and until September 25, 1919, when he was relieved of all active duty and retired because he had attained the statutory retirement age of 64 years. He was a member of the Commission appointed by President Wilson to confer with the Allied Powers in Europe in 1917; and of a special mission abroad in 1918; was naval representative in drawing up naval terms of the Armistice with Germany and the Central Powers; was naval adviser to the American Commission to Negotiate Peace; was awarded a citation by the President for specially meritorious service in a duty of great responsibility as Chief of Naval Operations.

Within less than 6 months after his retirement, he had been named by the President chairman of the United States Shipping Board and president of the United States Shipping Board Emergency Fleet Corporation, and still later president of the successor corporation, United States Shipipng Board Merchant Fleet Corporation. In these three capacities he served from March 13, 1920, to June 8, 1928.

Immediately upon becoming head of the Shipping Board, Admiral Benson was shocked to discover that the Government was losing millions of dollars a month in the operation of the fleet of merchant vesels now under his control.

The situation which confronted him is shown on pages 225 and 226 of the fifth annual report of the United States Shipping Board to Congress for the fiscal year ending June 30, 1921, from which the following quotation is made:

2. Division of Operations

(a)	July 1920	$5,789,404.88
(b)	August 1920	6,423,675.29
(c)	September 1920	12,403,445.00
(d)	October 1920	11,379,700.84
(e)	November 1920	7,380,801.30
(f)	December 1920	11,387,906.90
(g)	January 1921	13,170,755.87
(h)	February 1921	15,823,574.86
(i)	March 1921	16,124,580.26
(j)	April 1921	14,989,978.87
(k)	May 1921	6,523,675.04
(l)	June 1921	11,714,207.27
(m)	Total excess of cash outgo over cash income, Division of Operations	133,111,706.38

Admiral Bensor sought to discover why the Government was losing something like a million dollars a day on its shipping operations, while private operators were making profits on the same kind of operations. So, after ascertaining that Mr. H. O. Schundler was one of the most successful private ship operators, and esteemed among the members of that profession as a thoroughly honorable and trustworthy private shipping magnate, of long experience, and who had been honored by being elected governor of the Shipmasters Club, with headquarters in New York, to membership in which were eligible all those captains of vessels having proper credentials, he summoned Mr. Schundler and asked him if he would take charge of several of the Shipping Board's freighters to see if they could be run without operating losses. Mr. Schundler agreed, and in an informal agreement made between him and Admiral Benson, three ships were agreed to be placed in his charge for operation, subject to recapture for the Government by Admiral Benson at any time. Mr. Schundler was to pay all current operating expenses over and above the fixed charges and to indemnify the Government against losses that might be sustained during his operation of the vessels by any excess of outgo in operating expenses over income. Mr. Schundler suggested that he give a bond covering each vessel that was being turned over to him, but when he attempted to do so there was no Government agency authorized to accept such bonds. So Mr. Schundler suggested that inasmuch as at that time he had idle funds in his bank account, he put up a cash bond. This was agreed on and the amount fixed at the usual 10 percent of appraised value of the vessels, as was customary in maritime circles. Mr. Schundler did deposit $538,048.23 and paid for the Government at its request, in addition to this amount of cash bond deposited, $176,848.88 for insurance premiums necessary to be paid before sailing, and $30,972.79 for necessary improvements placed and paid for by Mr. Schundler on the three vessels, which were necessary to comply with the law of the land, before sailing. This made a total of $745,869.90 as the total deposits and net disbursements.

The financial statement hereinafter sets forth that there was deductible from the above total an agreed offset of $111,613.64 due the Fleet Corporation for supplies and services furnished to Mr. Schundler by the Fleet Corporation during his operation of the three vessels; this left the sum of $634,256.26 due Mr. Schundler and his companies.

There has never been any dispute as to these figures, or any of them.

Mr. Roe E. Wells was a member of the staff of Admiral Benson, and was in effect delegated to the supervision and accounting on the three vessels while they were in the custody of Mr. Schundler, and his three steamship compaines, separately and specially organized for the purpose of this test. Mr. William W. Nottingham represented the legal department of the Fleet Corporation in this matter. He was assistant general counsel of the Fleet Corporation.

Mr. J. H. Philbin was the official of the Fleet Corporation in charge of ship sales. Commander A. B. Clements was special assistant to Admiral W. S. Benson. Capt. Paul Foley was a captain in the United States Navy, and Commissioners Donald and Frederick I. Thompson were the members of the Board of Commissioners of the Shipping Board. There were those who, with Admiral Benson, were the Government representatives most intimately associated with the project from the beginning to the end of this experiment.

Quoting from the affidavit of Capt. Paul Foley:

"Deponent further says that in late 1920 the Board formulated and decided upon a definite policy which emphasized specific trade-route development, including liner services, with which policy the Schundler special operating contract was in direct conflict, because Schundler operated without restriction as to routes and rates. In consequence of this Schundler's contract was

terminated without prejudice by withdrawing the vessels from Schundler's operation.

"Deponent further says that it was his considered opinion at that time that Schundler had carried out faithfully his undertaking with the Board, and it was regrettable that Schundler was discontinued from operating Shipping Board vessels."

When Admiral Benson terminated the experiment and ordered the steamships *Independence, Hoxie,* and *Scottsburg* to be returned to the custody of the Fleet Corporation, he appointed his special assistant, Commander A. B. Clements, and Commissioner Thompson, in conjunction with Messrs. Philbin and Nottingham to investigate the subject matter of Mr. Schundler's claim. They did so, made a thorough investigation and a definite final report, which is in writing, as follows:

WASHINGTON, D. C., *March 3, 1921.*

Re steamships *Independence, Hoxie,* and *Scottsburg.*

Resolved, That the petition dated February 3 and March 2, 1921, of H. O. Schundler as agent for the principals regarding the steamships *Hoxie, Independence* and *Scottsburg,* is hereby approved with exception, however, that the Treasurer is directed to retain the sum of $200,000 which is to be deducted from the total deposits of $542,511.73 made by H. O. Schundler, as agent for the principals, and this sum shall be held in escrow for a reasonable period as a surety in favor of the United States Shipping Board against debits during custody of vessels by the operating companies; and the Treasurer is authorized to issue and deliver forthwith to H. O. Schundler as agent for the principals a warrant for the balance, viz, the sum of $342,511.73.

CLEMENTS.
THOMPSON.

PHILBIN, O. K.
NOTTINGHAM, O. K.

In his affidavit, which is set forth at length below, Mr. Philbin says:

"The aforesaid resolution was ratified and signed, as above indicated, by Commander Clements representing Admiral Benson; and by Commissioner Thompson; by Mr. Nottingham; and by deponent."

Aside from the 2-cent error—evidently a clerical misprision—made in the Philbin affidavit when quoting the resolution signed by Clements and Thompson, and O. K.'d by Philbin and Nottingham, wherein the statement of the amount of Schundler deposits, correctly stated first as $542,511.73, the second time the amount was indicated erroneously to have been $542,511.75, which is clearly shown both in the Nottingham affidavit and in the Schundler claim. Here is another discrepancy. The resolution says Schundler deposited $542,511.73. Schundler claims credit for only $538,048.23, $4,483.50 less.

This discrepancy is due to the error of the treasurer of the Fleet Corporation, Mr. Bolling, in crediting Mr. Schundler with the total of three "slop chest" accounts (so-called in the vernacular of the sea) of the three ships, which had been paid by Mr. Schundler but which had already been credited once, but when he called this to the attention of the four signers of the resolution and to Mr. Bolling, Mr. Bolling insisted on leaving his books as they were, rather than correcting them, inasmuch as he said that the $200,000 which was to be retained in escrow to cover any possible error, would be more than sufficient to cover this $4,463.50.

In spite of repeated and diligent efforts on the part of Schundler to collect his money, which had been due him since 1921, not a cent of it had ever been refunded to him when, in 1935, 15 years later, he was in financial difficulties and was threatened by his creditors with foreclosures. At the suggestion of Commissioner Ramseyer of the Court of Claims, conferences were had and $250,000 of his money deposited 15 years before was offered, and in order to avert the threatened foreclosures, he agreed to accept it. Upon being tendered a check of the United States Shipping Board Merchant Fleet Corporation for $250,000 and a release of that Corporation which he was told he would have to sign in order to get the check, he refused, stating that that was not in accordance with his understanding; that he understood that the release was to be of the United States Government; that he would release the United States Government but not those with whom he had dealt, and who still had his money. A release of the United States and all claims of Schundler and his three companies against the United States was presented and signed and the check of the United States Shipping Board Merchant Fleet Corporation was delivered, and the partial payment was received. So, although there was no dispute by any of the parties with whom he had dealt that there was $634,256.26 due him and that it had been due him for 15 years, yet by reason of the duress of his necessities he did receive $250,000 of his own money and gave a clear receipt for the whole, solely because of the partial payment.

Of course, no matter what form of release had been given nor whom it purported to acquit, it could not have been legally efficient to satisfy the whole debt, for, under the circumstances there was no consideration supporting the release of the undisputed amount of the balance due and 15 years past due.

Though the books of the various agencies show the Schundler deposits and payments; and though they, and the Government's books also, show a cash balance for larger than the Schundler claim, the agencies have been dissolved, and there is no way to get the unpaid balance of Schundler's money, absorbed by the United States Government into its General Treasury under the Maritime Act of 1936, otherwise than as S. 1691 and S. 784 authorized.

FOLEY AFFIDAVIT

STATE OF NEW YORK,
County of New York, ss:

Paul Foley, being first duly sworn, deposes and says that he is a retired officer of the United States Navy, holding the rank of captain; that from August 1917 to the end of the World War he acted as the special representative of the United States Shipping Board in Europe, under assignment by the United States Navy to said Board, and also acted as naval adviser to the Allied Maritime Transport Council, at its London office, which council had charge of all war cargo and troop movements and which also had charge of the general supervision of all allied tonnage, and that during the same time he acted as representative of the Petroleum War Service Committee, which committee had charge of the delivery of all petroleum supplies to the civil, military, and naval services of the Allied forces.

Deponent further says that upon the signing of the armistice his services were again loaned by the Navy Department to the United States Shipping Board and that thereupon he assumed duties in New York as the chartering executive to enforce certain provisions of the Trading With the Enemy Act, which act was still in force, and also as tank-steamer executive in charge of the operation of 87 tank steamers for the account of the Shipping Board.

Deponent further says that in May 1920, he became the director of operations of the United States Shipping Board, which duties he relinquished in May 1921, to again resume active duty with the United States Navy; his last duty on the active list of the United States Navy being that of technical aide to the Secretary of the Navy.

Deponent further says that on September 5, 1926, he voluntarily retired from active service with the United States Navy, having completed 30 years' service.

Deponent further says that especially during his connection with the United States Shipping Board in its American offices, he had frequent contacts with Mr. H. O. Schundler, whom deponent considers as a ship operator of outstanding ability and experience and thoroughly reliable from a moral and financial viewpoint.

Deponent recalls distinctly that Schundler entered into an operating agreement of a special nature with the United States Shipping Board sometime in the spring or summer of 1920, which operating agreement was the only one of its kind negotiated and concluded by the Board, pertaining to Board cargo vessels which were to be delivered to Schundler for operation by him. This agreement had been negotiated under the auspices of Admiral W. S. Benson, then Chairman of the United States Shipping Board as well as under the auspices of Mr. Donald, a Commissioner of the Shipping Board.

Deponent further says that he was conversant with the agreement between Schundler and the Shipping Board and that he was in entire accord therewith because he considered it to the best interests of the Shipping Board and as the best means of developing an alternative or substitute method to the method employed under standard managing agency agreements then in force between the Shipping Board and the operators handling the Board's cargo vessels.

Despondent further says that the apparent informality of the Board's agreement with Schundler did not affect its validity and mutuality and was due solely to the fact, that it was different in type than any other that the Board had pertaining to its cargo vessels, because it was the outcome of having been negotiated directly with the chairman of the Board, to whom Schundler was known to be efficient and trustworthy.

Deponent recalls distinctly because the Schundler agreement was the only one of its type, that the direct physical operating costs of the vessels were to be borne by Schundler and that the Board was protected and was to be protected by a suitable bond that Schundler would pay such operating costs; that Schundler was to collect the income from his operations and retain the same; and that in the event Schundler sustained losses from the operation of the vessels, these losses were to be borne by him and not charged against the Board as in the case of the Board's regular managing agents.

Deponent further distinctly recalls that the arrangement between the Board and Schundler was also advantageous to the Board because it protected the Board against lay-up expenses when idling vessels, trade conditions at that time having forced the Board to increase the number of vessels laid up, and further because the Board's special agreement with Schundler held the Board harmless as to the vessels in Schundler's custody, from the unfavorable results of its then standard method of operating its cargo vessels, it being the consistent experience of the Board at that time that the running direct working costs of its vessels exceeded the income therefrom when the Board's vessels were operated by the Board's operators under standard managing agency agreements.

In the opinion of deponent, the prime advantage of the special agreement between the Board and Schundler, however, was that the Board's vessels which Schundler was operating, were being kept active without running direct working expenses to the Government or the Board and that another advantage to the Board or to the Government was that by reason of such vessels being kept active their American crews and officers were kept active on sea duty instead of being idle ashore.

Deponent further distinctly recalls that it was the opinion of Admiral Benson and of

Commissioner Donald, that Schundler's experience in methods of ship operation would provide a good check on the actual costs of active physical operations as submitted by others of the Board's managing agents. This also was and is deponent's opinion. For this checking purpose, a special form of analysis sheet of physical operating costs, and income derived therefrom, was prepared by a confidential assistant to deponent, and by the use of these sheets, every detail and item of such costs and the income derived, were reported to the deponent for his confidential information.

Deponent further says that in late 1920 the Board formulated and decided upon a definite policy which emphasized specific trade-route development, including liner services, with which policy the Schundler special operating contract was in direct conflict, because Shundler operated without restriction as to routes and rates. In consequence of this Schundler's contract was terminated without prejudice, by withdrawing the vessels from Schundler's operation.

Deponent further says that it was his considered opinion at that time that Schundler had carried out faithfully his undertaking with the Board, and it was regrettable that Schundler was discontinued from operating Shipping Board vessels.

Deponent further recalls that Schundler was operating two oil-burning Board vessels known as the *Independence* and the *Scottsburg*, and recalls that the Shipping Board resumed custody of these vessels in an Italian port and that after the Board had resumed such custody, the Board's Division of Operations considered these vessels as spot vessels, and because the Board could not secure suitable cargoes for the vessels, they were ordered returned to the United States. He recalls that these vessels were inspected upon their arrival in American ports and found to be in excellent condition.

Deponent further says that he does not specifically recall the names of any other Shipping Board vessel or vessels which Schundler operated in 1920 but that he is under the impression that there was one or more such vessels under Schundler's management.

Deponent further says it is to his knowledge of the subject transactions, that the Shipping Board did not sell the vessels to Schundler but merely delivered them into his custody for operation as hereinbefore described.

Deponent further says that as tank steamer director, he negotiated, concluded, and carried out a great many transactions with established oil companies, who were operators of tank steamers, with informality similar to the informality with which the Board negotiated the Schundler transaction in respect of the ships delivered into Schundler's custody. Such negotiations and transactions with tank steamer operators were carried out faithfully and were negotiated and concluded in the first instance because such operators were known to deponent to be responsible, trustworthy, and experienced and in the same category with Schundler.

PAUL FOLEY.

Subscribed and sworn to before me this 4th day of November 1937.

[SEAL] ANNA DEMBLING,
Notary Public.

My commission expires March 30, 1939.

WELLS AFFIDAVIT

STATE OF NEW YORK,
County of New York, ss:

Roe E. Wells, being duly sworn, deposes and says:

During the war I was an officer in the United States Army, Air Corps, on active duty in Europe.

Early in 1920, having taken employment with the United States Shipping Board Emergency Fleet Corporation, I was detailed by Admiral W. S. Benson, then Chairman of the Shipping Board, to collect certain statistical data in relation to the cost of operating and maintaining freight vessels owned by the Shipping Board and employed in commercial transportation. In connection with these duties, in the spring of 1920, I was instructed by Admiral Benson to obtain the specific operating costs of a large number of Shipping Board vessels, among them three vessels known as the *Independence*, the *Hoxie*, and the *Scottsburg*.

The result of this investigation was an ascertainment that all these vessels, including the aforesaid three vessels, had been operated at losses which the Board sustained. These losses were created by the excess of active operating expenses per voyage over gross freight income per voyage, and I recall that these losses were increased when there was taken into consideration the cost of maintaining the vessels during their idleness before and after each voyage. These losses have no reference to the fixed annual costs of the vessels, which costs the Government had to bear.

Admiral Benson introduced me to Mr. H. O. Schundler a short time after I finished this report; Admiral Benson stated to me that he considered Schundler to be an able ship operator and that Schundler was going to take custody subject to withdrawal by the Board or discontinuance by Schundler on reasonable notice, of several of the Board's vessels and operate them, not on the Board's managing agency system but as his own risk. Admiral Benson stated that Schundler was not to be concerned in any way with any fixed charges, but he was to obligate himself to pay the physical operating costs of the vessels, including idle time between voyages; Schundler was also to bear losses, if any, sustained from his operation of these vessels, and would retain all income and profits, if any, derived from such operation.

It is my recollection that I told Admiral Benson that this would be a fine arrangement for the Board, but that I doubted Schundler's ability to make good because no others who were then acting as managing operators for the Board were able to operate Board vessels and show a profit for the Board. Admiral Benson stated to me that Schundler would put up with the Board a guaranty bond or a suitable cash bond to hold the Board harmless from physical operating expenses and that such bond would be about 10 percent of the bookkeeping or construction costs of the vessels which he would undertake to operate. Schundler was to keep out of coastwise and out of intercoastal traffic, but was to be free as to foreign routes as long as the vessels could safely lie afloat at their berths in the ports to which he might send the boats. He was also to have a free hand as to rates. I was instructed by Admiral Benson to explain this method of operation to Commissioner Donald of the Board. I did so. Commissioner Donald approved it.

Later I again met Schundler in Admiral Benson's office, at which time Admiral Benson suggested that I join Schundler's organization and observe and become acquainted with his methods of operation. Schundler expressed willingness to have me join his staff. Admiral Benson and Schundler agreed that I should supervise for at least 6 months the making of detailed reports on Schundler's operating costs in order that Admiral Benson might learn what the actual operating costs of commercial vessels were, when under experienced management such as Schundler's was expected to be, the Admiral believing that the operating costs of the Board's managing agents were entirely too high. It is my distinct recollection that the reports that were being made by the Board's managing operators were not satisfactory to the comptroller of the Fleet Corporation, and that the comptroller complained about this situation. I know that Admiral Benson intended, if possible, to use the result of Schundler's experience in operating Board vessels as a basis for comparison with the cost of operation by other operators.

After I joined Schundler's staff I was requested by him to see to it that the precise operating costs of every Board vessel in his custody were supplied to the Operating Division of the Fleet Corporation, and this I did; this refers to the three vessels mentioned by name above, i. e., *Independence*, *Hoxie*, and *Scottsburg*. I recall that Schundler's staff took custody of the *Independence* and of the *Hoxie* about June of 1920, and of the *Scottsburg* about September 1920. The Board's own crews continued on the vessels.

I supervised the bookkeeping, which was done by a Mr. Riley, an accountant in the employ of Schundler, and the books were kept in accordance with a formula laid down by Admiral Benson and Commissioner Donald. Inventories of deck and engine stores and other consumable supplies and fresh water and fuel aboard these vessels at the time of the commencement of Schundler's custody were checked, and the Fleet Corporation was given credit for their values. Incidentally, the same items were again checked at time of withdrawals of the vessels from Schundler's custody and respectively were entered as a debit to the Fleet Corporation.

Admiral Benson requested Schundler to secure owner's hull and total-loss insurance. Schundler objected to securing this insurance; he stated that it did not pertain to physical operating costs but was entirely an item of the owner's fixed charges, and he did not want to be charged with owner's responsibilities. He also took exception to the values, which were carried at construction costs, rather than at the reasonable commercial or replacement value of such vessels. Admiral Benson told Schundler to go ahead and procure the insurance for the Board's account, pay the premiums thereon, and charge them to the Fleet Corporation. There was some further discussion over the question of this insurance. For a while it appeared that Schundler would withdraw from the entire transaction. Schundler also suggested that he would deposit railroad and utility bonds instead of cash. Admiral Benson, however, told Schundler to make deposits of cash in lieu of bonds so as to hold the Board harmless from any liens that might be attached to the vessels during operation by Schundler by reason of the nonpayment by Schundler of physical operating costs. The end of the year, i. e., December 31, 1920, was mentioned as a date for striking accounts if circumstances so permitted, Schundler agreed to proceed on the terms set forth, and also to procure this hull and total-loss insurance and advance the money to pay for the premiums for the account of the Board.

It developed that the vessels needed certain improvements, and after Schundler had obtained the approval of Admiral Benson to make such necessary improvements, they were made, it being agreed between Admiral Benson and Schundler that the cost of such improvements were to be charged to the Fleet Corporation.

In December 1920 the vessels were withdrawn by telegraphic notice from Schundler's custody, and I assisted in making up cables to the captains of the *Independence* and the *Scottsburg*, which vessels had arrived or were about to arrive at Genoa, Italy, with cargoes of coal, instructing them to discharge their cargoes and to take inventory and to take orders thereafter from the Board or the Fleet Corporation. Instructions in this respect were carried out by the captains.

There were certain sums of cash belonging to Schundler aboard the vessels at the time of their withdrawals from Schundler. I asked Commander Clements, who was an assistant to Admiral Benson, what the Board wished done in this respect, and he requested that this cash be left on board the vessels and agreed that this cash should be charged

in the accounts against the Shipping Board, and this was done.

I recall that the *Hoxie* had been damaged at sea off Scotland; this damage was due to the perils of the sea. This vessel, which barely escaped sinking, reached the port of Greenock, Scotland, where it was turned over to the custody of the underwriters and of the owner, i. e., the Shipping Board. Schundler's custody of this vessel ceased at that time until it would be ready for his custody after repairs. Inventory was taken aboard the *Hoxie*, and the accounts were handled in the same manner as in the case of the *Independence* and the *Scottsburg*.

After the withdrawal of the vessels from Schundler's custody at Christmas of 1920 I visited Admiral Benson, who expressed regret that the decision of the Board to develop prices trade routes, and adhere to conference-controlled freight rates, had made it necessary to withdraw the vessels from Schundler, who had been "tramping" the vessels and free lancing freight rates along the line of similar vessels operated by British and Norwegian owners. I recall discussing the subject with Commander Clements, who was Admiral Benson's aide; Commander Clements expressed satisfaction with Schundler's operation of the vessels and further indicated that it was too bad that not more of the Board's vessels had been under Schundler's management, because the arrangement between Schundler and the Board safeguarded the Board from losses arising from the result of physical operation of vessels.

Admiral Benson asked me after withdrawal of the vessels what the status of the account between Schundler and the Board was, and I recall that I told him shortly after New Year 1921 that beside the cash bond deposited by Schundler, the Fleet Corporation owed Schundler about $100,000 after the inventories and supplies and cash aboard the vessels at the time they were withdrawn from Schundler were charged against the Fleet Corporation.

Admiral Benson stated to me that he assigned to Commander Clements the task of making settlement with Schundler. Commander Clements asked me to be sure to obtain receipts for Schundler's payments of the earned hull and total-loss insurance premiums charged against the Fleet Corporation. I secured such receipts.

Commander Clements stated to me that he had discussed with Admiral Benson the debits and credits, and that he concluded that it was only necessary, in order to reach an accounting, to debit Schundler with the inventories and supplies on board the ships at time of the commencement of his custody, and give him credit for the inventories and supplies on board the ships at a time of discontinuance of his custody; then to strike a balance; for Schundler to certify any items of supplies unpaid for at the time of withdrawal and to let the Fleet Corporation pay them and charge them to Schundler; for Schundler to receive credit for the costs of the hull and total-loss insurance, and for the cash on board of the ships at the time when Schundler's custody of the vessels ceased, and for the costs of the approved improvements.

Commander Clements discussed with me the result of his investigations of the operation of these three vessels by Schundler and he told me that Admiral Benson had fully approved his findings, which were based upon facts as supplied by the Legal Division, and the Insurance Division, the Ship Sales Division, the Inventory Section, and the Insurance Division of the Shipping Board, and that all the department heads approved his findings. I recall that Commander Clements has a list on which each department appeared and that he had the name of the person who represented that department. I recall that Commander Clements mentioned that Mr. Nottingham represented the Legal Division.

Commander Clements stated to me that his findings were that the major part of Schundler's cash deposits which were over $500,000 should be returned to Schundler at once and a part thereof should be held by the Board in escrow until a final accounting of the debits and credits items between the Fleet Corporation and Schundler were struck, this carrying on Schundler's guaranty to the Board against physical operating expenses.

The accounting records were kept in three separate books, one for each vessel, and these together with all vouchers and above-stated insurance records were delivered to Commander Clements. Mr. Schundler had paid the operating costs totaling over $500,000 during his custody of the vessels. His gross freight income was somewhat in excess of these costs. The data on this, which were quite complete except for some slight items, were delivered to Commander Clements.

I left Mr. Schundler's staff some time after the withdrawal of the three Government vessels from Schundler's custody. I made a complete confidential report to Admiral Benson as to my opinion why Schundler could operate Board vessels successfully in competition with foreign-flag vessels in transoceanic commerce.

ROE E. WELLS.

Sworn to before me this 8th day of November 1938.

[SEAL] MAX KAHN,
Notary Public.

NOTTINGHAM AFFIDAVIT

STATE OF NEW YORK,
County of New York, ss:

William W. Nottingham, being first duly sworn, deposes and says:

That he is an attorney at law with offices at 30 Rockefeller Plaza, New York City, N. Y.

That from August 1919 until sometime in 1928, deponent was employed as assistant counsel in the Law Department of the United States Shipping Board, and that during the year 1920 and until sometime after March 3, 1921, deponent acted for said Law Department in connection with practically all matters concerning the sale of vessels.

Deponent recalls that during the early part of 1921 there was a controversy between the United States Shipping Board and H. O. Schundler, acting as agent for First, Second, and Third National Steamship Cos., who were interested in the purchase of the steamships *Hoxie, Independence,* and *Scottsburg*. During said controversy, deponent reviewed the files of the Shipping Board in connection with said transactions, upon the instructions of Mr. A. B. Clements, special assistant to the Chairman of the Board, Admiral William S. Benson, with a view toward working out some equitable method of settling the controversy. Deponent also recalls that during this period the comptrollers department of the Board made an investigation of this matter for the purpose of determining the outstanding bills in connection with the operation of said vessels and the expense of returning certain of said vessels from foreign ports to the United States.

Deponent believes that after giving this matter full consideration it was the consensus of opinion of the various officials of the Shipping Board handling same that it was advisable to settle the controversy in such manner that the Board would be protected against out-of-pocket loss, it being deponent's opinion that such a settlement was advisable, due to the absence of executed contracts of sale and the Board's probable inability to enforce the alleged contracts of purchase, there being considerable variance between the resolutions of the Board purporting to accept the offers made by H. O. Schundler as agent for the purchase of the steamships *Hoxie, Independence,* and *Scottsburg,* and the offers of purchase actually made by H. O. Schundler, as such agent.

After considerable study a plan of settlement was drawn up for recommendation to the Board and, pursuant thereto, the following form of resolution was drawn up for submission to the United States Shipping Board.

WASHINGTON, D. C., *March 3, 1921.*

Re steamships *Independence, Hoxie,* and *Scottsburg.*

Resolved, That the petition dated February 3 and March 2, 1921, of H. O. Schundler as agent for the principals regarding the steamships *Hoxie, Independence,* and *Scottsburg,* is hereby approved, with exception, however, that the Treasurer is directed to retain the sum of $200,000 which is to be deducted from the total deposits of $52,511.73 made by H. O. Schundler, as agent for the principals, and this sum shall be held in escrow for a reasonable period as a surety in favor of the United States Shipping Board against debits during custody of vessels by the operating companies; and the Treasurer is authorized to issue and deliver forthwith to H. O. Schundler as agent for the principals a warrant for the balance, viz, the sum of $342,511.73.

CLEMENTS.
THOMPSON.

PHILBIN, O. K.
NOTTINGHAM, O. K.

Deponent recalls that said purported resolution was signed by Mr. Clements and Commissioner Thompson of the Shipping Board and that same was also O. K.'d by Mr. J. H. Philbin of the Ship Sales Department and by deponent as a representative of the legal department.

So far as deponent is advised, the said resolution was not formerly acted upon by the Shipping Board at the meeting held on March 3, 1921, at which meeting many matters were held over for consideration at a meeting of the Board scheduled to be held on March 4, 1921.

Deponent further recalls that after the adjournment of the Board meeting of March 3, 1921, a question was raised as to whether or not a meeting could be held on March 4, 1921, due to the fact that the Commissioners then in office under recess appointment, had not been confirmed by the United States Senate. After consultation with Mr. Guy D. Goff, a former general counsel of the Board, and Mr. E. M. Heyzer, the then general counsel of the Board, an opinion was prepared advising the Board members that their term of office expired as of midnight March 3, 1921, and that therefore, no action could be taken by the Board on March 4, 1921.

Deponent is therefore of the opinion that formal action on the above proposed resolution was prevented due to the inability of the Board to hold a valid meeting on March 4, 1921.

Deponent further states that subsequent to March 4, 1921, and until the appointment of a new Shipping Board in June 1921, that Admiral W. S. Benson, previous Chairman of the Board adopted the policy of acting only upon emergency matters, and therefore no definite action was taken on the controversy herein referred to from March 4, 1921, up to the date of the appointment of the new Board, of which Mr. A. D. Lasker was Chairman. Deponent is not advised as to what action, if any, was taken on this matter subsequent to the appointment of the new Shipping Board, as shortly thereafter deponent was detailed to the performance of other duties not connected with the sale of ships and the settlement of claims arising out of such sales.

WILLIAM W. NOTTINGHAM.

Sworn to before me this 15th day of December 1939.

[SEAL] SYLVIA A. YOUNG,
Notary Public.

AFFIDAVIT OF J. HARRY PHILBIN

DISTRICT OF COLUMBIA, *ss:*

I, J. Harry Philbin, being first duly sworn, depose and say, as follows:

From November 1919, until April 30, 1927, I was part of this time active in the services of the United States Shipping Board, and part of this period active in the services of the United States Shipping Board Emergency Fleet Corporation. In May 1920, I was requested to take charge of the Division of Ship Sales of the Shipping Board, as the manager of such Division.

Among the many freight vessels belonging to the Board, and which vesels were then under the control of the Fleet Corporation for commercial operations, were the freight vessels named *Independence, Hoxie,* and *Scottsburg.*

When I became manager of ship sales, I found a good deal of chaos existing in the Ship Sales Division, due to unbusinesslike methods, lack of proper business records, and lack of responsibility; also, orientation as to the effect of the then pending Jones-White Act pertinent to maritime matters was incomplete. (The act became law on June 5, 1920.) This law required appraisal and advertising of any Board vessel which was for sale, and required competitive bidding to conclude a sale of a Board vessel. The first actual appraisal of individual vessels was made in 1923, at which time I was chairman of the appraisal committee.

On May 3, 1920, Eugene Meyer, Jr., had made a report to the Board suggesting that all sales of ships should be made with a guaranty to purchasers of a so-called fall clause, i. e., that purchasers would receive a guaranty that any reduction in price of ships in the future would be allowed to purchasers of vessels at that time. This was due to the fact that the world's foreign markets, early in 1920, started rating downward, in keeping with the cash auction values obtained in Kellogg's Auction Market in London, England, which, to the best of my recollection, were, in early 1920, indicating values for efficient freight vessels under foreign flags at from $40 to $80 per ton dead weight. As a matter of fact, the average Board freight vessels were set at $30 per ton dead weight by the Board in the fall of 1921.

In April 1920, Admiral W. S. Benson, then, and until March 4, 1921, the Chairman of the Shipping Board, had ordered that no sales of Board ships should be made at any price, on any terms, under any circumstances, until a definite formula had become ascertained in keeping with the then pending Jones-White Act, which became law on June 5, 1920.

Two of the three vessels named herein, i. e., *Independence* and *Hoxie,* had been allocated, shortly before I took charge of ship sales, by the Division of Operations of the Fleet Corporation to the care and custody of H. O. Schundler, an experienced ship operator and trader in cargo loads of American bulk products. Schundler had taken on the allocation of these vessels, not on the standard terms of the then existing so-called managing agency contracts, but on a basis which provided that Schundler would relieve the Fleet Corporation of the payment of the physical or out-of-pocket operating expenses of the vessels which were necessary in order to employ the vessels in commercial use, and would pay such expenses himself, with the understanding that he would, on the other hand, collect whatever income he could produce by the commercial use of the vessels while same were in his custody. These special terms were of advantage to the Fleet Corporation because it held and guaranteed the Fleet Corporation harmless against the type of losses which the Fleet Corporation was making at that time, as a result of the excess of the physical operating costs of commercially active vessels over their incomes which the average managing agent produced by the employment of Board vessels. Schundler was not to receive any fees or commissions for managing vessels, whereas the Fleet Corporation was paying fees and commissions to their other managing agents.

I considered Schundler as a likely prospect for the purchase of vessels, he having already deposited certain cash funds with the Board and the Fleet Corporation when he took the custody of the vessels.

By direction of the Board, I informed him by letter, written in my capacity as manager of the Ship Sales Division of the Board, on June 19, 1920, in order to make sure there was no misunderstanding, the status of his companies, i. e., that the vessels *Independence* and *Hoxie* were not at that time for sale, but that if, while the vessels were in his custody and allocated to him for operation, the vessels became available for sale, he would be notified; if no sale ensued, the deposits would be returned. And that under no circumstances was the allocation of the vessels to be considered as an option for the purchase of the vessels.

On September 4, 1920, I wrote to one of Schundler's companies a like letter, referring to the *Scottsburg,* which was about to be allocated to Schundler, and was allocated to him on September 23, 1920, for management and operation, on terms the same as the *Independence* and *Hoxie.*

Until December 23, 1920, my department endeavored without success to complete a sale of these vessels to Schundler or his companies; no sale ensued; the vessels were withdrawn on December 23, 1920, from his custody and that of his companies, and from the commercial use by his companies.

Upon receipt of notice of withdrawal, Schundler objected to the withdrawals and offered to continue to pay the physical operating costs or out-of-pocket expenses of the vessels if he were allowed their commercial use until the vessels had returned to United States shores, but the Fleet Corporation refused this.

Schundler then requested of Admiral Benson, in January 1921, the prompt return of his deposits, which approximated $540,000, and also prompt reimbursement of approximately $100,000 which Schundler claimed as the excess of certain advances (connected with the Board's own fixed costs which he had outlayed for the Board at its request, i. e., general marine (hull and total loss) insurance, and certain costs of improvements to the vessels which he had paid for), which he had made for the Board's account, over certain credits due to the Fleet Corporation (for its delivery of certain supplies and services and some disbursements made by the Fleet Corporation for the companies).

Admiral Benson appointed his special assistant, i. e., Commander A. B. Clements, to investigate the subject matter. Commander Clements called upon me and W. W. Nottingham, who was the Board's assistant counsel, to assist him and to inform him of our knowledge of the matter. I advised Commander Clements that in my judgment no sale had been made by my department to Schundler and his companies. Mr. Nottingham concurred in my conclusion.

As a result, after many conferences during January and February 1921, a report was made by Commander Clements to Admiral Benson, who requested Commissioner Frederic I. Thompson to go over Clement's findings of facts and settle the matter. Commissioner Thompson called a conference at which was present Commander Clements, Mr. Nottingham, and myself. At that conference, it was agreed to report a settlement as set forth in the following resolution:

WASHINGTON, D. C., *March 31, 1921.*

Re steamships *Independence, Hoxie,* and *Scottsburg.*

Resolved, That the petition dated February 3 and March 2, 1921, of H. O. Schundler as agent for the principals regarding the steamships *Hoxie, Independence,* and *Scottsburg,* is hereby approved, with exception, however, that the treasurer is directed to retain the sum of $200,000 which is to be deducted from the total deposits of $542,511.73 made by H. O. Schundler, as agent for the principals, and this sum shall be held in escrow for a reasonable period as a surety in favor of the United States Shipping Board against any possible shortage in accounting credits against debits during custody of vessels by the operating companies; and the treasurer is authorized to issue and deliver forthwith to H. O. Schundler as agent for the principals a warrant for the balance, viz, the sum of $342,511.75.

CLEMENTS.
THOMPSON.

PHILBIN, O. K.
NOTTINGHAM, O. K.

The aforesaid resolution was ratified and signed, as above indicated, by Commander Clements, representing Admiral Benson; and by Commissioner Thompson; by Mr. Nottingham; and by deponent.

I was witness in the Court of Claims cases, E–622, E–623, and E–624, pertinent to this subject matter, and in said court hearings I gave testimony of what I knew of the subject matter, in reply to such questions as were asked of me. In the late fall of 1935, I was requested to make a declaration as to what I knew about the resolution set forth above, i. e., that of March 3, 1921, and I made an affidavit setting forth the facts pertinent thereto as I knew them.

In my judgment, as a matter of fact, the Schundler deposits should have been returned to Schundler in early 1921. As a matter of fact, in my judgment, there should have been paid in 1921 to Schundler the difference in debits and credits, resulting from crediting Schundler with premiums paid for marine insurance and value of improvements on the vessels paid for by him, and the value of consumable stores on board of vessels at time of discontinuance of his commercial use of the vessels, as compared to and set off to debiting Schundler for the value of consumable stores on board of vessels at time of commencing of his operating management and commercial use of the vessels, and the value of supplies and services delivered or disbursed by the Fleet Corporation for the Schundler companies for account of the commercial use of the vessels.

I recall the entire subject matter very clearly as a simple transaction, i. e., the Fleet Corporation had allocated on simple terms advantageous to it the three vessels to the custody and operation by Schundler and his companies; during the period of this custody, prior to its termination, attempts to sell the vessels, or other Board vessels to Schundler or his companies, were not successful; the adjustment of accounts merely required the carrying through of Schundler's simple operating agreement with the Fleet Corporation to its logical terms.

J. HARRY PHILBIN.

DISTRICT OF COLUMBIA, *ss:*

Signed and sworn to before me this 19th day of December 1939, to the best of his knowledge and belief, by the signatory J. Harry Philbin.

GUY WITHERS, *Notary Public.*

SCHUNDLER AFFIDAVIT

DISTRICT OF COLUMBIA, *ss:*

H. O. Schundler, being first duly sworn, deposes and says that he is over the age of 21 years and resides at Madison, N. J.; that he is the same H. O. Schundler who is the real party in interest in certain suits, which, until November 1935, were pending before this court, such suits being denominated as E–622, E–623, and E–624; that during the year 1920 he deposited with the United States Shipping Board-Emergency Fleet Corporation the sum of approximately $538,000; that during that same year he disbursed for the account of the Shipping Board-Emergency Fleet Corporation the sum of $176,000

for insurance premiums on hull and total loss insurance, covering three vessels, i. e., *Independence, Scottsburg,* and *Hoxie,* then owned by the Shipping Board; that during that same year he placed property in the form of machinery and equipment and permanent improvements aboard the vessels named, such property being worth approximately the sum of $30,000; that from January 5, 1921, until December 31, 1925, he diligently prosecuted his claims for the refundment to him of the net sum of $634,000, there having been an offset against him of approximately $111,000, but that during these 5 years the Shipping Board-Fleet Corporation refused to refund him his moneys; that on December 31, 1925, because the statute of limitations, applicable to such suits, was about to run, he brought suit in this court, where, from that date until the early part of 1935, he vigorously prosecuted his claims before this court; that in May 1935, having been deprived of the use of approximately $634,000 of his own cash for a period of 15 years, he found himself in such dire financial condition that it became imperative for him to come into possession of his moneys promptly or otherwise suffer irreparable loss, injury, and damage, not only in money and property but in his reputation for financial responsibility; that under these circumstances and for these reasons alone, he accepted the sum of $250,000 in October 1935, not because this sum represented his actual net claims against the Shipping Board, the Fleet Corporation, or the Government but because he had no choice or alternative in the circumstances and because of the fact that the negotiations for the return of his moneys were unnecessarily prolonged and protracted by representatives of the Government from January 5, 1921, to October 7, 1935; that he is prepared to state to this court under oath the full details of his financial situation brought about by the unwarranted withholding of his moneys by the Government, or its agencies, for a period of over 15 years; that specifically he was indebted to the American Cyanamid Co. for the sum of approximately $43,000 and was being pressed for payment by that company, as will more fully appear from the letter from the American Cyanamid Co., dated November 17, 1939, a photostatic copy of which is attached hereto and made a part hereof by reference, and by the letter dated January 17, 1940, from the American Cyanamid Co., a photostatic copy of which is also attached hereto and made a part hereof by reference; that he was indebted to the Bank of the Manhattan Co. of New York City in the sum of approximately $40,000 and was being pressed by that company for payment, as will more fully appear from the letter of that company, dated November 18, 1937, a photostatic copy of which is attached hereto and made a part hereof by reference; that the Fidelity Union Trust Co. of Newark, N. J., was the holder of a mortgage upon deponent's residence, situated at Madison, N. J., which mortgage, in the sum of $20,000, was about to be foreclosed, whereas, the reasonable value of the property at that time was approximately $65,000, all of which will more fully appear from the letter, dated November 20, 1937, from Hood, Lafferty & Campbell of Newark, N. J., a photostatic copy of which is attached hereto and made a part hereof by reference; that on October 7, 1935, he was carrying substantial insurance on his life, which was, at that time, about to lapse, unless substantial premium payments on account thereof were made, the loan privileges of such contracts of insurance having been exhausted, as will more fully appear from a letter, dated November 15,, 1937, from Gerald A. Eubank & Co., Inc., a photostat copy of which is attached hereto and made a part hereof by reference; that deponent had numerous other serious financial obligations; that the substance of the deponent's dire financial condition was imparted by his counsel to representatives of the Government at and before he was forced to accept the sum of $250,000 as aforesaid, or, as the alternative, to suffer irreparable injury, loss, and damage, as aforesaid.

H. O. SCHUNDLER.

Sworn to before me this 20th day of January 1940.

[SEAL] CHRISTIE H. FESLER,
Notary Public.

Statement of cash deposits, cash disbursements, and admitted offsets

Cash deposits by companies with Government (1920):	
First National Steamship Co	$167,729.33
Second National Steamship Co	143,712.40
Third National Steamship Co	226,606.50
Total cash deposits in possession of the Government since 1920	538,048.23
Disbursements by companies for benefit of Government (1920):	
Owner's insurance premiums:	
First National Steamship Co	76,540.98
Second National Steamship Co	44,348.27
Third National Steamship Co	55,959.63
	176,848.88
Improvements placed aboard ship Co vessels:	2,089.78
First National Steamship Co	10,515.00
Second National Steamship Co	12,797.79
Third National Steamship Co	7,660.00
	30,972.79
Total disbursements by companies for Government's account	207,821.67
Credits due to Government (1920) (credit for these were requested by Government and conceded by companies):	
Inventories:	
First National Steamship Co	2,089.78
Second National Steamship Co	4,222.25
Third National Steamship Co	7,373.78
	13,685.81
Service and supplies:	
First National Steamship Co	42,738.53
Second National Steamship Co	17,173.88
Third National Steamship Co	38,015.42
	97,927.83
Total credits due to Government	111,613.64
Net difference (disbursements over credits) in favor of companies	96,208.03
Total deposits and net disbursements due to companies since 1920	634,256.26
Received from Government in 1935	250,000.00
Net cash deposits and disbursements of companies for which no reimbursement from Government has ever been received	384,256.26

BRIEF ON EFFECT OF PARTIAL PAYMENT AS FULL RELEASE

The rule is well established that where the facts show clearly a certain sum to be due from one person to another, a release of the entire sum upon payment of a part is without consideration, and the creditor may still sue and recover the residue. If there be a bona fide dispute as to the amount due, such dispute may be the subject of a compromise and payment of a certain sum as a satisfaction of the entire claim, but where the larger sum is admitted to be due, or the circumstances of the case show that there was no good reason to doubt that it was due, the release of the whole upon payment of part will not be considered as a compromise, but will be treated as without consideration and void. As was said by Chief Justice Waite in *United States* v. *Bostwick* (94 U. S. 53, 67): "Payment by a debtor of a part of his debt is not a satisfaction of the whole, except it be made and accepted upon some new consideration." (*Fire Insurance Association* v. *Wickham* (141 U. S. Rep. 577).)

The general trend of modern decisions indicates that the courts are determined to establish a principle that he who avails himself of a plea of accord and satisfaction must bear the burden of proof; he must establish clearly that there was a meeting of the minds of the parties, accompanied by a sufficient consideration. (*Wolfe* v. *Humboldt County* (32 Nev. 174, McCarran, J.).)

BALDWIN *v.* UNITED STATES (15 C. CLS. R. 303, 304)

There is no principle of the common law better established and more generally recognized than that a payment, which is only in accordance with the terms of the contract and after its maturity, of part of a liquidated and ascertained debt is no satisfaction in law of the whole indebtedness, and that a receipt in full given upon such part payment is nudum pactum as to the unpaid balance, and not binding upon the maker. (Chittey's Con., Perkins' ed., 821, title Payment; 2 Parson's Con., 4th ed., 129; *Bostwick* v. *The United States* (94 U. S. 53, and 12 C. Cls. R. 67).)

There are some apparent, though not real, exceptions. To make the receipt of part a discharge of the whole, there must be a new consideration, or a voluntary and well-understood compromise of a disputable and disputed claim, by which each party yields something for the concessions of the other; or an accord and satisfaction, by which a new contract is substituted, or a submission to arbitration; in each of which cases a consideration is expressed or implied. All the decisions upholding part payment as a discharge of the whole debt have turned upon one or the other of these apparent exceptions. The consideration may be slight, but it must be found to exist; as the payment of a note before its maturity, or by the promise of another party, or in chattels not required by the contract, or in any other manner differing from the original agreement, which may seem to be more beneficial to the payee (*Child et al.* v. *United States* (12 Wall. 232, and 7 C. Cls. R. 209); *Mann* v. *United States* (17 Wall. 67, and 8 C. Cls. R. 125); *Comstock's case* (9 C. Cls. R. 141).)

In the present case there was no new consideration for the discharge of the whole of the claimant's demand, no voluntary compromise, and no accord and satisfaction, from which a consideration can be implied. The defendants' officers, having the power, arbitrarily reduced the liquidated debt due the claimant, by deducting from it a sum in setoff, which we have shown was not a legal and valid claim. At that time the money paid to the claimant had been long overdue, and the defendants did nothing more than to satisfy, to that extent, their long-matured obligations. It was a simple payment of part when the whole was due and ought to have been paid, nothing more. The yielding was all on

one side, which renders the receipt nudum pactum as to the unpaid portion of the claim.

REESIDE *v.* UNITED STATES (2 C. CLS. R. 55, 58)

Suppose this commission, instead of deducting a large sum from the contract prices had added the same amount to them, and these suits instead of being brought upon the contracts were upon such awards, and the position of the parties be thereby reversed, the United States defending under the contracts instead of now under the award, how would the matter stand? Could the award in such case be sustained? Clearly not. And this answers the whole argument; because, if available as a defense now, it would in the other case be equally so as a ground of suit.

"2. To support an allegation or plea of accord and satisfaction there must be some new consideration moving from the party who sets it up. The payment of a part of a debt, in consideration of the creditor relinquishing the residue, where the debt is due at the time, will not support the plea or averment (*Warren* v. *Skinner*, 20 Conn. Rep. 559, 1 Bac. Ab. 43). To sustain a release not under seal a consideration of some kind, apart from the original indebtedness, is necessary, and without such consideration it is nudum pactum and void. In support of this principle there is an overflowing flood of authorities, without sufficient countercurrent to make an eddy in the stream, or a ripple on its surface. The case of *Wentz* v. *De Haven* (1 Sergt. and K. 312), cited by the solicitor, which intimated a contrary doctrine, has been repeatedly overruled by the same court which inadvertently made it (*Whitehill* v. *Wilson*, 3 Penn. Rep. 405; *Campbell's estate*, 7 Barr, 101; *Kennedy* v. *Barr*, 445; *Kidder* v. *Kidder*, 9 Casey, 268). There is scarcely a State in the Union where it has not been repeatedly decided that a receipt in full is but prima facie evidence of payment; and that, as between the parties to it, such receipt may be explained, varied, or contradicted by parol. It is equally well-settled that part payment of a debt is not sufficient consideration to support a release of the residue, or an agreement, not to sue for it. To cite even a tithe of the cases in which this doctrine is maintained and enforced would swell this opinion beyond due bounds. A few will suffice. The leading case, upon which the others are all grounded is *Pennel's case* (5 Rep. 117). In that case "it was resolved by the whole court that payment of a lesser sum on the day, in satisfaction of a greater, cannot be any satisfaction for the whole, because it appears to the judges that, by no possibility, a lesser sum can be satisfaction to the plaintiff for a greater sum * * *. When the whole sum is due, by no intendment the acceptance of a parcel can be satisfaction to the plaintiff."

This case was followed and the principle sustained by Pratt, C. J., in *Cumber* v. *Wane* (1 Strange 426). And again, more explicitly, by Lord Ellenborough, in *Fitch* v. *Sutton* (5 East. 232). "But it cannot be pretended that a receipt of part only, though expressed to be in full of all demands, must have the same operation as a release. It is impossible to contend that acceptance of £17 10s. is an extinguishment of a debt of £50. There must be some consideration for the relinquishment of the residue, something collateral to show a possibility of benefit to the party relinquishing his further claim, otherwise the agreement is nudum pactum. But the mere promise to pay the rest when of ability put the plaintiff in no better condition than he was before. It was expressly determined in *Cumber* v. *Wane* that acceptance of a security for a lesser sum cannot be pleaded in satisfaction of a greater. That decision is directly supported by the authority of *Pinnel's case*, which never appears to have been questioned."

From this ruling there has scarcely been a departure up to the present day in England, where it is firmly established. And this same principle has been followed, as already stated, in nearly every State in the Union, its sound sense and justice commending it to the judgment and conscience of courts everywhere and at all times. A few of the American cases are here referred to, which will be found to sustain the doctrine to the full extent to which I apply it in this case: *Sigourney* v. *Sibley* (21 Pick. 101), *Miller* v. *Hemgler* (5 W. and S. 186), *Lawrence* v. *The Schuylkill Navigation Co.* (4 W. C. C. 526), *Maize* v. *Miller* (1 ibid. 328), *Hope* v. *Johnson* (11 Rich. L. 199), *Kidder* v. *Kidder* (9 Casey 268), *Pabodie* v. *King* (12 John. 426), *Cushing* v. *Syman* (44 Maine 121), *Ryan* v. *Rand* (6 Fost. (N. H.) 12), *Frink* v. *Bolton* (15 Ill. Rep. 343), *Jones* v. *Rickets* (7 Md. Rep. 108), *Hardy* v. *Coe* (5 Gill 189), *Bailey* v. *Day* (26 Maine 88), *Miller* v. *Holden* (18 Vt. 337), *Mason* v. *Peters* (4 id. 101), and *Wheeler* v. *Wheeler* (11 Vt. 60).

A careful review of the English and American authorities will demonstrate, beyond all controversy, that there is no case of recognized and established authority that contravenes the principle we apply in this case. Whenever the rule and the principle have apparently been departed from, it will be found that the debt or demand was uncertain and unliquidated. Wherever, as in our cases, the amount of the claim or debt is definite and certain, the principle is invariably applied. In such cases as are unsettled, where the parties come together and agree to settle and liquidate the demand at a certain amount, and it is paid and received in full satisfaction, in good faith, it will be sustained as accord and satisfaction, or a compromise. In the cases we are considering there is nothing for such a doctrine to operate upon. They were not open, unadjusted, unsettled claims that the claimants held. They were regular official vouchers, given by the quartermasters, stating in words and figures the amount due the parties, or were distinct written contracts specifying precisely the amount to be paid for materials furnished or services performed. So these claims are treated by this commission. The amount of the vouchers of the claimants, or of their contracts, is plainly set down. From that amount a certain sum is arbitrarily deducted, and the proposition made, "Take this less sum in satisfaction for the whole, or get nothing." It is taken and a receipt in full given, or an agreement signed not to sue for residue. Now where is the consideration for this promise? The demand was specific. The United States has so treated it in every instance. The debts were due and overdue in all the cases. What the claimants received was admitted to be due to them, irrespective of this arrangement. Where, then, is the least spark or tittle of consideration to support and sustain these pretended releases, or accords and satisfaction? Without regard to the manner in which they were wrung from the fears or necessities of the claimants, they are as bald and naked promises as could be presented to the consideration of a court. It is not pretended there was any new consideration. There was no change of time, place, or mode of payment. It was simply an agreement to receive a part in place of the whole of a specific liquidated claim. As such it is entirely without any binding force.

3. The facts set up, it is alleged, if they do not constitute an award, a release, or accord, they amount to a compromise of a doubtful and disputed right. Where a party voluntarily and without any oppression or undue influence being exercised upon him by the other, relinquishes a part of a disputed claim and accepts the less sum in discharge of the whole, it is binding on him as a compromise. It is quite clear that where a dispute arises between two parties as to the validity or amount of a claim, and they in good faith mutually agree to pay and receive a certain sum, or such sum as a third party shall award, and it is voluntarily paid and accepted in discharge of the whole claim, that it is a final and binding compromise which neither will be permitted to gainsay or reopen.

SUMMARY AND CONCLUSION

The two latest reports of bills relating to this matter are Senate Report 1717 to accompany S. 1691 of the Eightieth Congress, second session, by Senator ALEXANDER WILEY, and Senate Report No. 548 to accompany S. 784 of the Eighty-first Congress, first session, by Senator J. HOWARD MCGRATH. These reports are, of course, in writing and easily available to any Member of Congress upon application either to the Senate document room or to the Committee on the Judiciary of either House. They are full and complete and answer every contention that has ever been made in the various attempts that have been made to justify the indefensible position which the lawyers for the Government have been able to conjure up. It is hoped that these reports will be obtained and read by anyone seeking the truth.

While the alleged defenses have been called by various names, for instance, res adjudicata, accord and satisfaction, quantum meruit, compromise and so on, they all boil down to two:

1. That the contract, instead of being what all the parties who know, representing both sides, swear it was and what President Roosevelt said it was, it was a sale of the three ships by the Government to Schundler and that the money Schundler put up was partial payment of the purchase price; or

2. That more than a half million dollars cash was put up by Schundler in 1920 (when he was so rich as to have that much idle money) but 15 years later, when the turn of fortune's wheel had rendered him so poor that he couldn't pay his debts and was threatened with mortgage foreclosures, under the duress of his necessities and to save his good name and his credit, he accepted less than half of the money he put up in payment of the whole debt, giving a clear receipt and full release, and that that release was legally binding on Schundler, although his debtor still retained $384,256.26 of his money.

Six times the Congress has investigated this whole matter and said in effect that these alleged defenses couldn't be made to stand up in the light of equity and good conscience. For instance, Senator Gibson, when chairman of the Claims Committee of the Senate in Report No. 2313 said:

"In October 1935, because he was confronted with the possibility of having to default on urgent bank and payroll obligations and because the Government refused to pay more, Mr. Schundler accepted $250,000 from the Government. It appears therefore, that there still remains in the hands of the Government unreturned funds amounting to $384,256.26, leaving out of consideration the fact that Mr. Schundler has been deprived of the use of the entire principal sum for 15 years."

In his last veto message of H. R. 10440, President Roosevelt said:

"On the advice of its legal staff, the Board decided there had been a sale and refused to return the money."

In Senate Resolution 327 (76th Cong.), the primary question asked by the Senate of the Court of Claims was: "Whether there were any sales of or valid contracts to sell the subject vessels to said companies, and whether the companies breached any contracts, and thereby damaged the United States to the extent of $384,256.26, or any part thereof." This question was answered in the negative by the Court of Claims in these words:

"There were no sales of or binding contracts to sell any of the vessels to the plaintiff companies. * * * Plaintiff companies, therefore, did not breach any contracts

and thereby damage the United States to the extent of $384,256.26, or any part thereof."

While it is true that the Court of Claims, in the same opinion, went on to say that the payment of $250,000 was a fair compromise and binding and that the rest of Schundler's money should not be returned to him, no Congress has ever approved such a shocking concept of equity.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the rule.

The question was taken; and on a division (demanded by Mr. JENNINGS) there were—ayes 60, noes 55.

Mr. JENNINGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 139, nays 159, not voting 132, as follows:

[Roll No. 268]

YEAS—139

Addonizio	Engle, Calif.	Murdock
Albert	Fallon	O'Hara, Ill.
Allen, Calif.	Feighan	O'Neill
Andrews	Fernandez	O'Sullivan
Aspinall	Flood	O'Toole
Bailey	Fogarty	Patten
Baring	Forand	Peterson
Bates, Ky.	Furcolo	Philbin
Battle	Garmatz	Poage
Bennett, Fla.	Golden	Polk
Blatnik	Gordon	Preston
Boggs, Del.	Gorski	Price
Bolling	Grant	Priest
Bolton, Md.	Gregory	Rains
Bosone	Hagen	Rankin
Boykin	Hand	Reed, Ill.
Bramblett	Hart	Rhodes
Brown, Ohio	Havenner	Richards
Buchanan	Hays, Ark.	Rivers
Buckley, Ill.	Hays, Ohio	Rodino
Burdick	Hedrick	Rogers, Fla.
Burke	Heselton	Rooney
Byrne, N. Y.	Hobbs	Sasscer
Camp	Howell	Scudder
Canfield	Jackson, Wash.	Sims
Cannon	Jacobs	Spence
Carnahan	Jones, Ala.	Staggers
Case, N. J.	Jones, Mo.	Stigler
Case, S. Dak.	Karst	Sullivan
Cavalcante	Karsten	Tackett
Chelf	Kean	Thompson
Chesney	Kee	Thornberry
Christopher	King	Towe
Chudoff	Kirwan	Trimble
Combs	Lane	Wagner
Cooley	Lanham	Walsh
Crosser	McCarthy	Walter
Davenport	McCormack	Welch
Davies, N. Y.	McGuire	White, Idaho
Davis, Ga.	McMillan, S. C.	Wickersham
Deane	McSweeney	Widnall
Donohue	Madden	Willis
Douglas	Mansfield	Wolverton
Doyle	Marsalis	Wood
Eaton	Mills	Zablocki
Eberharter	Mitchell	
Elliott	Morris	

NAYS—159

Abernethy	Biemiller	Clevenger
Allen, La.	Bishop	Cole, Kans.
Andersen, H. Carl	Boggs, La.	Colmer
	Bolton, Ohio	Cooper
Anderson, Calif.	Bonner	Corbett
Andresen, August H.	Brehm	Cotton
	Brown, Ga.	Crawford
Arends	Bryson	Cunningham
Auchincloss	Burleson	Curtis
Bates, Mass.	Burnside	Dague
Beall	Byrnes, Wis.	Davis, Wis.
Bennett, Mich.	Carlyle	D'Ewart
Bentsen	Chiperfield	Dolliver
Dondero	Jensen	Poulson
Doughton	Jones, N. C.	Rabaut
Ellsworth	Kearns	Redden
Elston	Keating	Reed, N. Y.
Evins	Kelley, Pa.	Rees
Fenton	Kerr	Ribicoff
Fisher	Kilburn	Rich
Ford	Kilday	Riehlman
Frazier	Kunkel	Robeson
Fugate	LeCompte	Rogers, Mass.
Gamble	LeFevre	Sadlak
Gary	Linehan	Sanborn
Gavin	Lodge	Saylor
Goodwin	Lovre	Scott, Hardie
Gossett	Lucas	Secrest
Graham	McConnell	Shafer
Granger	McDonough	Simpson, Ill.
Gross	McKinnon	Simpson, Pa.
Gwinn	Mack, Ill.	Smith, Wis.
Hale	Mack, Wash.	Stanley
Halleck	Mahon	Stefan
Harden	Marcantonio	Stockman
Hardy	Marshall	Taber
Harris	Merrow	Talle
Harrison	Michener	Tauriello
Harvey	Miller, Md.	Teague
Herter	Miller, Nebr.	Van Zandt
Hill	Monroney	Velde
Hinshaw	Morton	Vorys
Hoeven	Nicholson	Weichel
Holmes	Nixon	Wheeler
Hope	Norblad	White, Calif.
Horan	Norrell	Whittington
Huber	O'Brien, Ill.	Wigglesworth
Hull	O'Hara, Minn.	Wilson, Tex.
Irving	Passman	Winstead
James	Patman	Wolcott
Javits	Patterson	Woodhouse
Jenison	Phillips, Calif.	Woodruff
Jenkins	Pickett	Young
Jennings	Potter	

NOT VOTING—132

Abbitt	Heller	Pace
Allen, Ill.	Herlong	Perkins
Angell	Hoffman, Ill.	Pfeifer, Joseph L.
Barden	Hoffman, Mich.	
Barrett, Pa.	Holifield	Pfeiffer, William L.
Barrett, Wyo.	Jackson, Calif.	
Beckworth	Johnson	Phillips, Tenn.
Blackney	Jonas	Plumley
Breen	Judd	Powell
Brooks	Kearney	Quinn
Buckley, N. Y.	Keefe	Ramsay
Bulwinkle	Kelly, N. Y.	Regan
Burton	Kennedy	Roosevelt
Carroll	Keogh	Sabath
Celler	Klein	Sadowski
Chatham	Kruse	St. George
Clemente	Larcade	Scott, Hugh D., Jr.
Cole, N. Y.	Latham	
Coudert	Lichtenwalter	Scrivner
Cox	Lind	Shelley
Crook	Lyle	Sheppard
Davis, Tenn.	Lynch	Short
Dawson	McCulloch	Sikes
DeGraffenried	McGrath	Smathers
Delaney	McGregor	Smith, Kans.
Denton	McMillen, Ill.	Smith, Ohio
Dingell	Macy	Smith, Va.
Dollinger	Magee	Steed
Durham	Martin, Iowa	Sutton
Engel, Mich.	Martin, Mass.	Taylor
Fellows	Mason	Thomas
Fulton	Meyer	Tollefson
Gathings	Miles	Underwood
Gillette	Miller, Calif.	Vinson
Gilmer	Morgan	Vursell
Gore	Morrison	Wadsworth
Granahan	Moulder	Werdel
Green	Multer	Whitaker
Guill	Murphy	Whitten
Hall, Edwin Arthur	Murray, Tenn.	Wier
	Murray, Wis.	Williams
Hall, Leonard W.	Nelson	Wilson, Ind.
	Noland	Wilson, Okla.
Hare	Norton	Withrow
Hébert	O'Brien, Mich.	Yates
Heffernan	O'Konski	

So the resolution was rejected.

The Clerk announced the following pairs:

Mr. Klein for, with Mr. Macy against.

Mr. Roosevelt for, with Mr. William L. Pfeiffer against.

Mr. Keogh for, with Mr. Gillette against.

Mr. Yates for, with Mr. Hugh D. Scott, Jr., against.

Mr. Celler for, with Mr. Plumley against.

Mr. Holifield for, with Mr. Coudert against.

Mr. Lynch for, with Mr. McCulloch against.

Mr. Moulder for, with Mr. Latham against.

Mr. Murphy for, with Mrs. St. George against.

Mr. Sheppard for, with Mr. Cole of New York against.

Mr. Denton for, with Mr. McGregor against.

Mr. Morrison for, with Mr. Mason against.

Mr. Noland for, with Mr. Short against.

Mrs. Kelly of New York for, with Mr. Smith of Ohio against.

Mr. Crook for, with Mr. Taylor against.

Mr. Dollinger for, with Mr. Hoffman of Michigan against.

Mr. Whitaker for, with Mr. Leonard W. Hall against.

Mr. Heffernan for, with Mr. Kearney against.

Mr. Perkins for, with Mr. Fellows against.

Mr. Multer for, with Mr. Withrow against.

Mr. McGrath for, with Mr. Lichtenwalter against.

Mr. Clemente for, with Mr. Martin of Iowa against.

Mr. Heller for, with Mr. McMillen of Illinois against.

Mr. Delaney for, with Mr. Scrivner against.

Additional general pairs:

Mr. Abbitt with Mr. Allen of Illinois.

Mr. Burton with Mr. Martin of Massachusetts.

Mr. Hébert with Mr. Nelson.

Mr. Larcade with Mr. O'Konski.

Mr. Gilmer with Mr. Hoffman of Illinois.

Mrs. Norton with Mr. Jackson of California.

Mr. O'Brien of Michigan with Mr. Fulton.

Mr. Pace with Mr. Meyer.

Mr. Williams with Mr. Angell.

Mr. Winstead with Mr. Vursell.

Mr. Whitten with Mr. Judd.

Mr. Dingell with Mr. Jonas.

Mr. Cox with Mr. Wilson of Indiana.

Mr. Chatham with Mr. Smith of Kansas.

Mr. Breen with Mr. Barrett of Wyoming.

Mr. Barrett of Pennsylvania with Mr. Blackney.

Mr. Green with Mr. Engel of Michigan.

Mr. Rivers with Mr. Edwin Arthur Hall.

Mr. Regan with Mr. Johnson.

Mr. Sabath with Mr. Tollefson.

Mr. Sadowski with Mr. Keefe.

Mr. Sikes with Mr. Murray of Wisconsin.

Mr. Underwood with Mr. Phillips of Tennessee.

Mr. HARDY and Mr. KEARNS changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

CONFERRING JURISDICTION ON THE COURTS OF THE STATE OF NEW YORK

Mr. MORRIS submitted a conference report and statement on the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties.

PERSONAL EXPLANATION

Mr. VAN ZANDT. Mr. Speaker, on page 13893 of the CONGRESSIONAL RECORD August 30 under Roll Call No. 262 I am recorded having a general pair with the gentleman from New York, Mr. T. VINCENT QUINN.

Being unavoidably absent from the House Chamber when my name was called I was unable to answer my name. If I had been present I would have voted "aye."

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate by Mr. Carrell, one of its clerks, an-

nounced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 868. An act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4803) entitled "An act for the relief of Bernard F. Elmers"; disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KILGORE, Mr. MAGNUSON, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9038) entitled "An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes."

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the House to bills of the Senate of the following titles:

S. 1838. An act to amend title 28 of the United States Code relating to fees of United States marshals; and

S. 3959. An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes.

AIR MAIL PAY

Mr. O'HARA of Minnesota. Mr. Speaker, I ask unanimous consent to have until midnight tomorrow to file minority views on the bill H. R. 9184, to provide for the separation of subsidy from air mail pay, and for other purposes and further ask that it may be printed as part of the majority report.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. WHITE of California asked and was given permission to extend his remarks.

Mr. MULTER asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. SABATH (at the request of Mr. LINEHAN) was given permission to extend his remarks.

Mr. ELLIOTT asked and was given permission to extend his remarks in three instances, and include extraneous matter.

Mr. McGUIRE asked and was given permission to extend his remarks and include an article about Alaska.

Mr. MURDOCK asked and was given permission to extend his remarks and include extraneous matter.

Mrs. BOSONE asked and was given permission to extend her remarks and include an editorial taken from the Philadelphia Inquirer of August 31, 1950.

Mr. ROGERS of Florida asked and was given permission to extend his remarks and include a resolution.

Mr. BATTLE asked and was given permission to extend his remarks relative to the so-called Stockholm peace petition.

Mr. SHAFER asked and was given permission to extend his remarks in two instances, in one to include extraneous matter.

Mr. REES asked and was given permission to extend his remarks and include an editorial.

Mr. WOODRUFF asked and was given permission to extend his remarks and include a newspaper article.

Mr. HAGEN asked and was given permission to extend his remarks in three instances and include newspaper articles, extracts, letters, and other extraneous matter.

Mr. STEFAN asked and was given permission to extend his remarks and include an open letter from a constituent in Nebraska.

Mrs. BOLTON of Ohio asked and was given permission to extend her remarks and include a statement.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper articles and extraneous matter.

Mr. O'HARA of Illinios. Mr. Speaker, on behalf of the gentleman from Illinois [Mr. SABATH], who is necessarily absent, I ask unanimous consent to have inserted in the RECORD an extension of the remarks of the distinguished dean of of the House bearing on the centennial celebration of the birth of Samuel Gompers.

I am informed by the Government Printing Office that the extension will cover two and three-quarter pages—three-quarters of a page in excess of the number of pages allowed under the rules of the Joint Committee on Printing. The cost of the speech will be $225.50 and the extra cost involved amounts to $61.50 which is included in the $225.50 estimate. Notwithstanding, I ask unanimous consent for its insertion.

The SPEAKER. Notwithstanding the cost and without objection, the extension may be made.

There was no objection.

Mr. ZABLOCKI asked and was given permission to extend his remarks and include extraneous matter.

Mr. FURCOLO asked and was given permission to extend his remarks in two instances.

Mr. BOYKIN asked and was given permission to extend his remarks in two instances and include therewith certain extraneous matter.

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. MADDEN] is recognized for 30 minutes.

POLITICIANS FORGET—THE PEOPLE REMEMBER

Mr. MADDEN. Mr. Speaker, on June 27, 1950, as permanent chairman of the Indiana Democratic State Convention, I delivered an address reviewing the accomplishments of the Democratic Party during recent years. On that date our Commander in Chief announced that aggression by communistic dictators must be halted. Our troops were ordered to Korea to fight side by side with the United Nations troops representing the free democracies of the world.

Our domestic and international problems have changed greatly in 2 months. On June 27, 1950, a new era started in world affairs. For the first time in history, free nations acting together have taken definite steps to curb aggression by dictators. The United Nations organization served notice that it will fight against the expansion of communism and protect nations who wish to live in peace and enjoy freedom. Had our Government accepted its international responsibilities after World War I, we could have avoided World War II. The youth of America should be told of the mistakes made in our foreign policy after World War I and these mistakes should serve as our international guideposts for the future. Bitter partisan politics after World War I submerged us into the depths of isolation and reaction. The Democratic Party, sponsoring Woodrow Wilson's League of Nations, was defeated in the election of 1920 by false isolationists' propaganda. Certain isolationists today, both in government and out of government, are trying to undermine the United Nations and our bipartisan foreign policy in the same manner as they did 30 years ago. When the United States, the world's greatest power, refused to join other nations to work for permanent peace, the League of Nations was destined for failure.

UNITED NATIONS WILL SUCCEED

Our present United Nations Organization, although in its infancy, is a direct descendant of Woodrow Wilson's League of Nation. The United Nations, like all great world movements, has and will continue to endure difficulties until it is firmly established. We must remember that our United States Constitution, the greatest instrument for free government ever conceived by the mind of man, had years of struggle and strife against the attacks of politicians; but it survived. Our Constitution has been amended 21 times since its adoption. The United Nations will survive because it is the only hope of a war-torn world and the only haven on the globe to which the world can look for permanent peace. The United Nations will grow stronger during generations to come. It will accomplish its survival in spite of the malicious and misleading attacks on our foreign policy. These attacks are made by selfish isolationists who are trying to ride into political power by breaking down the efforts of free nations to unify against dictators who seek to rule the world. These isolationists are carrying out the same political pattern which they used in 1920 to defeat the League of Nations and elect Warren G. Harding President of the United States.

In 1920, the American people were war-weary and despondent, and the isolationists, through criticism, gripes, and misleading propaganda, capitalized on our upset domestic economy, international problems, and defeated world

progress by placing reaction and isolationism in the saddle. America and the world have paid a great penalty for our lack of foresight 30 years ago. Had our Nation accepted its obligations after World War I, the League of Nations would have been forceful and potent—Mussolini would have been curbed in 1935 when he marched on Ethiopia—Japan would have been stopped from marching on China in 1937—Hitler would not have dared to march on Poland in 1939. World War II would have been prevented. A Mussolini, a Hitler, or a Stalin can only be stopped or curbed by power and force. The Marshall plan, the Atlantic Pact, and the European recovery program have been part of the over-all picture which has kept the United Nations as a force during its formative years. We have heard the partisan politicians make every effort to cripple and discredit the Marshall plan and the other programs to aid war-stricken democracies to become strong so they can aid in this fight for world freedom. The greatest help Stalin has had to discredit the United Nations, the Marshall plan, and so forth, has been the American Communists and certain Republican isolationists.

At this time, I wish to pay a tribute to outstanding Republican statesmen and patriots like Senator Vandenberg, ex-Senator John Foster Dulles, ex-Senator Austin, Senator Morse, and other Republican statesmen who have placed humanity's welfare above partisanship and political power.

This nonpartisan foreign policy, headed by President Truman and Senator VANDENBERG, has aided free nations to embark on a new pathway for permanent peace which has never been tried in the history of the world.

Senator VANDENBERG said, in referring to our foreign program, "This working unity typifies our finest traditions and our greatest safety in the presence of external hazards to all Americans, regardless of party. United we stand; divided we fall. I want America to stand." These words of Senator VANDENBERG will become historical and his leadership of a major section of the Republican Party away from isolationism will be recorded as one of the great examples of unselfish statesmanship of this century. The success of this bipartisan foreign policy, if it succeeds in stopping dictators from throwing the world in a war, will occupy a place in world history as one of the greatest achievements of all times.

I cannot quote from all the speeches and other propaganda the isolationist bloc has sent out to ruin this foreign-policy program, but the attacks come from the familiar pattern of sniping and criticizing all public officials who are sponsoring this forward step in international relations.

As an example, I wish to quote verbatim from a speech made by a distinguished Republican Hoosier statesman. I am quoting his exact words from the CONGRESSIONAL RECORD of May 5, 1950, page 6435; quote:

> Mr. President, there can be only one reason why the present administration would continue to peddle such a swindle as the Marshall plan to the American people as a panacea for the ills of Europe, when, in fact, it has only aggravated and postponed an inevitable crisis. The reason is that the President and his internationalist advisers are using the Marshall plan to develop new projects and schemes which are infinitely more far reaching, and which they dare not present to the American people as a whole.

The above quote reminds me of the speeches the isolationists made in the election campaign of 1920 against Woodrow Wilson and the League of Nations.

General Eisenhower; Paul Hoffman, of ECA; Eric Johnston, who was former president of the United States Chamber of Commerce; and numerous other outstanding Republicans who have worked for the success of the Marshall plan and other after-war recovery programs must wonder why the GOP in Indiana does not publicly rebuke its isolationist leadership.

In the coming campaign the American voter must give solemn thought to the statements of the designing politician who, in his effort to win votes, will magnify our war sacrifices and second guess everything, including all our international problems since Pearl Harbor. We need unity now to carry through our bipartisan program for permanent peace. The demagog and the professional politician, without any program of his own, must be ignored and rejected. We must not repeat the mistakes of the 1920's or our future generations will forever condemn our lack of foresight.

GOVERNMENT COST AND TAXATION

The 1950 isolationist has a different undercover attack than the 1920 isolationist. He sheds large crocodile tears over the high cost of Government. He compares the cost of Government today with the cost of Government 10 years ago, or 20 years ago. He always compares the present cost of Government with some year before Hitler, Mussolini, and the Japs started to conquer the world.

The reactionary isolationist deliberately misleads the people in not giving a breakdown of Government expenditures. He fails to explain that approximately 74 cents out of every Federal tax dollar is spent directly or indirectly for war. This war expenditure did not exist 10 or 20 years ago.

The following is an aproximate breakdown of the 1949 total budget expenditures of $40,057,000,000:

Expended for Army	$7,044,000,000
Expended for Navy	4,431,000,000
Expended for Air Force	1,690,000,000
Expended for Maritime Commission	$144,000,000
Expended for Veterans' Administration	6,878,000,000
Expended for atomic energy	647,000,000
Expended for ECA	4,175,000,000
Interest on public war debt	5,339,000,000
Approximate total expended for war	30,353,000,000
1949 total budget	40,057,000,000
Subtract 1949 war expenditures	30,353,000,000
Money left for operating Government after war expense in 1949	9,604,000,000
1940 total budget, approximately	9,183,000,000
Subtract 1940 war expenditures	2,214,000,000
Money left for operating Government after war expense in 1940	6,969,000,000
Our unofficial estimated national income in 1949	225,000,000,000
Our unofficial estimated national income in 1940	81,347,000,000
Increase of national come in 1950 over 1940	143,653,000,000
In 1949, money spent for Government after deducting war expense	9,604,000,000
In 1940, money spent for Government after deducting war expense	6,969,000,000
Increase in cost of Government in 1949 over 1940, minus war expense	2,635,000,000

In other words, the Republican politician and some radio commentators fail and omit to tell the public that the cost of running the Federal Government in 10 years has increased approximately $2,635,000,000, while our national income in 1949 increased approximately $143,653,000,000, over 1940.

I heard a prominent Republican in a national radio broadcast say that the annual cost of operating our Government increased $30,000,000,000 annually in 10 short years. He failed to mention a word about war and defense expenditures.

Of course our Republican leaders boast about the low taxes 20 years ago, but they fail to emphasize that the estimated annual income in 1932, the last Republican national administration, was approximately $41,000,000,000 as compared with the annual income in 1949 of approximately $225,000,000,000. In 1932 the great masses of our people in the lower brackets were not concerned about taxes because with mass unemployment, low wages, 10-cent corn and 30-cent wheat, their problem was to secure food, shelter, and clothing. They were not worried about cost of government because they were unable to pay taxes.

DEMOCRATIC ACCOMPLISHMENT

For the further information of the American youth, it might be well to review briefly the history of our two major parties during the last quarter of a century. Too often the politicians endeavor to mislead the young voter regarding political issues.

In 1912, with the aid of a Democratic Congress, Woodrow Wilson established Federal aid for the construction of highways, a workable farm credit system, the Federal Trade Commission, and the Clayton antitrust laws to modernize machinery against monopolistic practices. The Adamson 8-hour-a-day law and the Democratic Congress aided him in giving labor and agriculture a charter under which they might form associations for their advancement and protection. It was under Woodrow Wilson that the Federal Reserve System was established which gave us the soundest

and best banking system in the history of the world. He also established a good neighbor policy with the republics of the Western Hemisphere and did away with dollar diplomacy. In all these progressive reforms the Democratic Party was opposed by Republican reaction.

Then came the administrations of Harding, Coolidge, and Hoover, which were characterized in the beginning by an era of public corruption and ended in 1932 with the most devastating depression and unemployment debacle in the history of our Nation. The people, discontented and despondent, turned to the Democratic Party in those dark days of 1932 and 1933.

During this period, the farmer was near serfdom. Legislation sponsored by the Democratic Party has elevated the farmer to his present prosperity and high position in the Nation's economy. Democratic farm legislation has placed agriculture on an economic basis equal to industry. Rural America is thankful for the Agricultural Adjustment Act, soil conservation, rural electrification, farm supports, and legislation bringing about greater markets and greater uses for agricultural products. In 1935 only 12 percent of farm homes enjoyed electricity. Today over 87 percent of our farm homes have rural electrification.

A flood-control program was adopted to control our rivers and protect our valleys from recurring and devastating floods. We cooperated with agriculture on a comprehensive reclamation program.

A National Labor Relations Act which gave organized labor its first charter of freedom and equality with employer was made a reality under the Wagner Act. Maximum wages and minimum hours were also provided for the workers of the Nation.

A reciprocal trade program which has expanded our trade with the nations of the world was inaugurated and has been continued over the opposition of the antiquated Republican idea of high tariff walls.

A social-security system was initiated, providing for old-age benefits, old-age assistance, and unemployment compensation. The Democratic Party recognized the duty of society to those who have spent their lives in its service. The Eighty-first Congress has further expanded this system with greater benefits. Republican reactionary Congressmen called social security a socialistic movement when the original bill was passed in 1938, and they repeated the charge when the present Congress expanded it.

Confidence in our American banking system was reestablished by the national banking guaranty law.

Millions of American families today own their homes by reason of the Home Owners Loan Corporation and Federal Housing Administration.

Time does not permit reviewing all the progressive legislation passed under Presidents Roosevelt and Harry Truman, with the aid of the Democratic Congress. The Democratic Party has been successful in five Presidential elections because it does not complacently wait for a problem to solve itself. It takes affirmative action before the problem overwhelms us. For that reason, the American people have constantly rejected the timid and vacillating leadership of the Republican Party. Republican leaders are terrified at progress. They are forever looking fondly backward for safety. They squint timidly at the future, hoping that nothing new will ever have to be done. "The elephant never forgets" because he only dreams of the past.

Republican orators who like to forget the dark depression days of their last national administration under President Hoover, now claim we are on the road to bankruptcy and traveling the last mile to collectivism. No nation is on its way to bankruptcy, which in 1 year produced $260,000,000,000 worth of goods and services—has over 62,000,000 employed at good wages—guarantees bank deposits of its people—and whose corporations are paying the largest dividends in history—where corporate officers and directors annually receive fabulous salaries and bonuses—and agriculture enjoys its greatest prosperity in history.

The conservative and reactionary Newsweek magazine last November, stated that America could never be visited by another depression as serious as the one in the early thirties. Their reason for that statement was that the Democratic progressive legislation, some of which I have already enumerated in this speech, has formed an economic cushion which would, in spite of widespread unemployment, provide buying power and stability which would save our Nation from panic and paralysis.

LABOR, THE FARMER, AND VETERANS

The Eighty-first Congress has made a valiant effort to try to undo the irreparable damage which the Eightieth Congress inflicted upon organized labor. When President Truman vetoed the Taft-Hartley Act, in his message, he said that the law would create chaos, confusion, and bitterness between management and labor, and that it would hamper collective bargaining and prove unworkable. During the last 12 months, we have gone through a greater period of strikes and work stoppages than any year in our history, with the exception of the first 12 months after the shooting war stopped. Immediately after the war, thousands of labor-management contracts came up for negotiation which had been dormant for 5 years during the war, and the natural result was abnormal industrial disputes. With the exception of that year, the Bureau of Labor Statistics reports that the last year has been the worst strike period in our history.

Even Senator TAFT, a year ago, when the administration labor bill was up before the Congress, conceded that there should be over 20 changes in the Taft-Hartley law. Labor should not be discouraged that the Taft-Hartley law was not repealed by the Eighty-first Congress because we have made wonderful progress in the only election held since its enactment.

In the Eightieth Congress, only 81 Members voted to uphold President Truman's veto of the Taft-Hartley law, while in the first session of the Eighty-first Congress, 212 voted to recommit the so-called Wood bill, which was the Taft-Hartley bill under a different name.

The farmers of America should be as much interested in fair labor legislation as the industrial workers. Good wages promotes markets for farm products, and prosperity for the farmer means a market for the goods that labor manufactures. The Eighty-first Congress has raised the minimum wage of labor from 40 cents to 75 cents an hour, which will contribute more purchasing power and market for the farmers' products. Their interests are interdependent and agriculture and labor should go to the polls this fall, arm in arm for their own welfare and prosperity. The farmer should join labor to help unshackle the workers of America from the unfair Taft-Hartley Act.

All the practical legislation involving the veteran passed in the last 6 years originated and was sponsored by the Democratic administration. The World War II veterans should compare this record with the veteran legislation enacted after World War I by the Harding administration.

KERR AND BASING-POINT BILL AND TIDELANDS OIL LEGISLATION

All our citizens have been benefited by the fight the Democrats have made in the Eighty-first Congress for the consumer. The President's veto of the Kerr bill was an example of the Democratic Party protecting the people's interest. It is estimated that the enactment of that legislation would take over 200 million annually from the pockets of the natural gas users. The veto of the so-called basing-point bill by the President is another piece of legislation which would increase the power of monopoly and high prices to the consumer had it become a law. Remember both of these consumer-raiding bills had the almost unanimous support of Republicans in Congress.

The oil monopolies have been working for years for the enactment of legislation which would remove the tideland oil areas from control of the Federal Government and place the same under the jurisdiction of the various Coastal States. The Department of Interior has said that this legislation would give oil reserves totaling untold billions of dollars to a few States to be distributed among the various oil monopolies of the Nation. President Truman and the vast majority of the Democratic Members of Congress have fought this legislation.

CIVIL RIGHTS

One of President Truman's greatest accomplishments was the appointment of the Civil Rights Committee. This outstanding committee from all segments of society, after months of study, recommended civil-rights legislation to the Congress. The recommendation was set out under four headings:

No. 1. The right to safety and security of the person.

No. 2. The right to citizenship and its privileges.

No. 3. The right to freedom of conscience and expression.

No. 4. The right to equality of opportunity.

This civil-rights legislation failed to be enacted into law because of an unholy secret coalition between southern Democrats and northern Republicans. The Democratic Party and President Truman will continue to fight for the enactment of civil-rights legislation and do everything within our power to enforce the provisions so clearly set out in our Constitution. The voting record of the Members of Congress will clearly show which party rejected its platform and, through political connivance, prevented civil-rights legislation from being enacted in the Eighty-first Congress.

FOLLOW THROUGH AND SACRIFICE

We have learned throughout world history that the fight for liberty and free government is never ended. Only the far-sighted nations, who are willing to undergo sacrifice, will survive the threat to free government.

Satellite nations, under the control of the Communist dictator, are looking to America for guidance. Fifteen million men and women in slave labor camps in Russia are looking to America as their only hope.

Every human who believes in God and Christianity throughout the world is trusting America's leadership. Providence has given us freedom, democracy, prosperity, power, and strength. May we have the wisdom and courage to accept our responsibility, so future generations can enjoy self-government, freedom, and liberty.

We must not fail our responsibility.

NATURAL RESOURCES

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, Congress has been devoting much effort of late to strengthening our national economy to meet the demands of either peace or war. The Defense Production Act has been passed to speed production of strategic materials, and to stabilize the price structure. Additional military funds are in process of being appropriated. New taxes are being levied to finance the increased military budget.

It seems to me, however, that Congress is neglecting one of the most important aspects of national security, namely, the development of our basic natural resources. America is rich in resources, which explains our enormous industrial potential and high living standards. Nevertheless, these resources are not unlimited—many of them are being depleted—and the development of new and untapped sources of minerals, timber, fuel and power is today a matter of top priority. The resources field has been neglected too long, and it is criminal to delay action any longer in view of the serious international situation.

DEMOCRAT-FARMER-LABOR PROGRAM FOR RESOURCES DEVELOPMENT

As Congressman from Minnesota's Eighth District, I have long been aware of the importance of utilizing our natural resources. My State is rich in resources awaiting development. On the Mesabi Range there are unlimited amounts of taconite, a new source of iron and steel. Over half the peat reserves of the United States are located in my district. The proper forestry program would make productive again our vast acres of cut-over and burned-over forest lands.

It is my firm conviction that the key to the future prosperity of Northern Minnesota is the development of the taconite, peat, and timber resources which are found in such abundance in my area. This conviction caused me to sponsor the Minnesota Taconite Law of 1941 when I was a member of the State senate. This is why I have—in cooperation with the entire Minnesota DFL delegation in Congress—worked to formulate a program of resources development for our State. This 5-point program sponsored by the Minnesota DFL delegation embraces the following major planks:

First. The Blatnik Taconite bill (H. R. 8512) to authorize 30-year RFC loans for the development of taconite;

Second. The Marshall-Humphrey Peat bill (H. R. 7330) to promote the production and use of peat resources;

Third. The Blatnik Civilian Conservation Corps bill (H. R. 7523) to reestablish the CCC to provide the necessary labor force for forest management, conservation and reforestation;

Fourth. The Blatnik-Potter Package Freight bill (H. R. 8847) which recently passed the House, and which is designed to restore Great Lakes shipping—a service directly related to resources development and use; and

Fifth. St. Lawrence Seaway project—which I have sponsored—and which goes hand in hand with the fullest use of Minnesota resources.

The passage of each of these legislative proposals is essential to the welfare of Minnesota, and to the strengthening of the national economy. As such, they deserve further comment.

TACONITE—THE BLACK GOLD OF MESABI

Taconite development is today a matter of utmost necessity due to the rapid depletion of our high grade iron ore. The Minnesota Iron Range has supplied 75 percent of all United States iron ore for the last 50 years, but it cannot do it much longer. Official estimates indicate that we have left only a 10 to 15 year supply of high grade ore on the Mesabi Range at the present consumption rate of 62,000,000 tons per year.

Since we live in an iron and steel age, it is most important that new sources of iron be found before our high grade ores are exhausted. It is fortunate that we have, according to the United States Bureau of Mines, "enough taconite on the Iron Range to supply America's iron needs for a thousand years if its production becomes commercially feasible." And I say emphatically that taconite production is commercially feasible. The basic research and experimentation has been completed, and what we need now is Federal loans to expedite the production of taconite.

It is for this reason that last winter I introduced H. R. 8512, a bill to provide long-term RFC loans for taconite production. Although action on this specific bill has been postponed, we were successful in incorporating its substance into the Defense Production Act. The Government loans which should be forthcoming under this act for taconite development will mean new iron and steel supplies for America, and more employment and income for the people of my district. Taconite—the black gold of Mesabi—must be developed in the interests of the Nation.

PEAT—A NEW SOURCE OF FUEL AND POWER

There are 14,000,000,000 tons of peat in the United States, half of which is located in northern Minnesota. The fuel and power potential of these peat deposits are enormous—one ton of peat has a heat content equal to that of one-half ton of good coal, and the heat content of our total peat supply is equivalent to all bituminous coal mined in this country between 1930 and 1946, inclusive. To use another comparison, there is 10 times as much heat in the peat bogs located a few miles from Duluth than in the 350,000,000 tons of coal unloaded at the Duluth Harbor during the last 65 years.

The commercial value of peat has been demonstrated by its successful use for fuel and in power production in Finland, Sweden, France, Ireland, and Russia. But the United States has lagged far behind in the peat field, and I insist that Congress should immediately pass the Marshall-Humphrey bill to encourage the development of our peat resources.

Minnesota needs both fuel and power, and a commercial peat industry will supply this need. Peat will provide us with an unlimited local supply of cheap fuel—studies show that peat fuel can be produced at $2.40 per ton as compared to $11.40 per ton for coal. Peat can be used to generate additional electric power for rural electrification, and for helping in the production of taconite. Peat and taconite together form a combination which can lead to large-scale industrialization in northern Minnesota.

FORESTRY—A SOURCE OF NEW INCOME

Seventy-five years ago three-fifths of Minnesota—30,000,000 acres—was covered by virgin forests, and these forests were a rich source of income and employment for many years. This is not the case today. Due to lack of fire protection and the destructive and wasteful practices of the lumber barons, our forests have been largely depleted. Of the 20,000,000 acres of remaining forest land, 7,500,000 acres are either denuded or unproductive, and another 6,000,000 acres are covered by scrub timber usable only for pulp. As a result, our forest industry has become progressively less important with respect to income and employment.

Nevertheless, the forests are Minnesota's only renewable natural resource, and forestry experts are convinced that the correct program would increase annual income from forestry many times the $100,000,000 a year now received by the forest industry. Such a program requires that Congress appropriate more money for forest management, forest roads, timber surveys, and for fire protection. Federal technical service to in-

sure better forest practices should be expanded with emphasis placed on wood-lot forestry among farmers. The production of tree seedlings must be stepped up to a point necessary to reforest the millions of acres of denuded and unproductive forest lands. Finally, my CCC bill is needed to provide a labor force adequate to carry out a comprehensive program of forest conservation, management, and reforestation.

SHIPPING AND THE ST. LAWRENCE SEAWAY

Shipping and trade go hand in hand with resources development, and they complement each other. In this connection, two legislative matters should be mentioned. First, we must create a United States flag fleet on the Great Lakes. Our package freight vessels were requisitioned for war service back in 1942 and never returned. We are today short of ore vessels, and are now forced to depend upon Canadian ships to the detriment of American seamen. My package freight bill—which has passed the House and is now awaiting Senate action—will provide 10 war-surplus vessels for package freight shipping. However, it will not correct the over-all shortage of lake shipping and additional shipping legislation must be enacted by the next Congress.

The St. Lawrence seaway is essential to bring northern Minnesota into direct contact with ocean shipping and world trade, and it therefore ties in with our efforts in the field of resources development. Its completion would mean an expansion of commerce and trade, lower transportation costs, and cheaper consumer prices for the people of my State. The economic value of the seaway to this country would equal that of the Panama Canal and the Tennessee Valley Authority combined, and it would pay for itself every 10 years in lower transportation costs. As the author of the St. Lawrence seaway bill, I have been fighting for the waterway since coming to Congress, and I intend to continue this fight until success is forthcoming. The seaway has been the dream of the people of Minnesota for half a century, and we will not rest until this project has been constructed.

Mr. Speaker, we are on the threshold of new advances toward the rational use of our natural resources. The initial steps have been taken in the form of legislation drafted and introduced by myself and other members of the Minnesota Democrat-Farmer-Labor delegation. Such legislation represents the beginnings of a comprehensive program of resources development involving the active participation of the Federal Government in efforts to realize the widest use and fullest benefits from the natural resources with which our Nation is so richly endowed. Such a program is consistent with our legislative goals of full employment, economic security, and social justice, and it contributes directly to these goals. The development of taconite, peat, and forestry, the encouragement of Great Lakes shipping, and the construction of the St. Lawrence seaway, are essential to the future prosperity and welfare of the people of Minnesota's Eighth Congressional District. The development of these resources is likewise necessary to the well-being of the entire country.

INTRODUCTION OF NATURAL GAS INTO STATE OF TENNESSEE

Mr. BOYKIN. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes, and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BOYKIN. Mr. Speaker, some few weeks ago I had the distinguished pleasure of accompanying our good friend, Vice President BARKLEY and a host of other friends, to Knoxville, Tenn., to attend the dedication ceremonies to celebrate the introduction of natural gas into both middle and eastern sections of that State. I ask unanimous consent to extend my remarks at this point and include therein the speech made by our Vice President on that occasion, a speech that will touch the heart strings and inspire greater confidence in one's country and self.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

THERE IS NO UNBELIEF; WHOEVER PLANTS A SEED BENEATH THE SOD, AND WAITS TO SEE IT PUSH AWAY THE CLOD, HE TRUSTS IN GOD

Mr. BOYKIN. Mr. Speaker, some few weeks ago I had the distinguished pleasure of accompanying our good friend, Vice President BARKLEY, and a host of mutual and admiring friends, to Knoxville, Tenn. Among these were the Honorable Senator Kefauver, of Tennessee, the Honorable John Blatnik, of Minnesota, Wade V. Thompson, president of Eastern Tennessee Natural Gas Co., and Mr. Steve Harrington of St. Paul, Minn. Upon our arrival we were joined by the Honorable James E. Folsom, Governor of Alabama and Edward Livingston, Justice of the Supreme Court of my State. The occasion of the visit was to attend the dedication ceremonies planned to celebrate the introduction of natural gas into both the middle and eastern sections of that State.

I am sure that there were but few occasions in all history which so clearly exhibited the tremendous progress we have made in our great Southland more than did the event of bringing natural gas into the eastern half of Tennessee. The highlight of that momentous celebration was when a truly American gentlewoman, the gracious and beautiful wife of our beloved Vice President illuminated the scene by lighting the first flow of natural gas ever to come into that vast area.

Second only to the magnificent spectacle of that lighting was the delivery by the honored guest of one of the most inspiring and finest talks that I have ever heard.

Mr. Speaker, I doubt if history ever produced a man whose oratorical abilities have surpassed or even equaled those of our great Vice President. Certainly Demosthenes could not have inspired greater confidence, respect, and love of his hearers than that evoked by your good friend and my good friend, ALBEN BARKLEY.

A great savant—learned, sagacious, prudent—a student of ancient and medieval as well as modern history, ALBEN BARKLEY in distinguishing himself as one of the greatest political, social, and financial economists that this world has ever known, has built himself a niche in the hearts of his fellowmen that will endure for all time.

Mr. Speaker, ALBEN BARKLEY is a man who has never lost the common touch. Equally distinguished by his greatness as well as humility, he is without question one of the most respected and certainly one of the greatest beloved citizens that live today.

I would like that every school child in this land would read the speech that this great patriot and statesman made at Knoxville several weeks back. Brief as it was, it was nevertheless replete with more folklore and historical data than can be found within the bindings of some great book of history.

Mr. Speaker, it is almost inconceivable to me that any one mind could contain so vast a fund of knowledge on as many subjects as were disclosed by that talk of the Vice President.

Eloquently spoken, the Vice President painted a living word picture of a development which not alone has characterized the border States of this great Federation of States, but he pictorialized also the progress made by our cotton South from the very time of our first settlement.

I shall never forget the awesome silence that gripped that vast crowd of pure American stock when Vice President BARKLEY spoke these simple, homey words—the truth of which will ring down through all the ages:

> There is no unbelief!
> Whoever plants a seed beneath the sod, and
> Waits to see it push away the clod,
> He trusts in God.

Mr. Speaker, I have read innumerable speeches inserted into the RECORD of our proceedings in these two decades, but I say without fear of contradiction that here is a speech that should and will touch the heartstrings, inspire greater confidence in one's country and self, the Membership of this House will be better Americans and nobler men for having read the talk made by Vice President BARKLEY on the occasion of his recent visit at Knoxville, Tenn.

The speech made by our Vice President was as follows:

Governor McCord, distinguished ladies and gentlemen and friends, in view of the type of weather we have here and the likelihood we are going to have a surcease from the shower, I feel that I will be entitled to repeat the prayer uttered by a young preacher who had moved into a rather poor community. He had had no children when he moved in, in due time they had a young child born to them, and from all over the neighborhood there came gifts of all sorts: food, clothing, flour, hams, canned goods of every sort until one room was filled. When the neighbors had left, the preacher said to his wife: Let us kneel and pray. So, they both kneeled down and his prayer was: Lord, we thank Thee for this timely sucker.

The introduction given to Governor McCord, in which his various associations were recounted in some detail, reminded me of a

man in a small town about 30 miles south of Paducah who bought a bill of goods from one of our wholesale groceries in Pudacah. Time went along and he never paid for them. About 6 months later the wholesaler wrote to the station agent in that town, and asked him if the goods were delivered; he wrote to the president of the bank and asked him about the man's credit; he wrote to the mayor of the town and asked him to give him the name of a good lawyer since he might have to bring a lawsuit. In a few days, he got this letter: "Dear Sir: Your letter received. As station agent, I am glad to advise you that the goods were delivered; as president of the local bank, I have the honor to advise you my credit is good; as mayor of the town, I am compelled to say that I am the only lawyer here, and if it were not for the fact that I am pastor of the Baptist church, I would tell you to go to hell."

It is really a great pleasure to be here to participate in the ceremony of dedication and celebration over the completion of a great enterprise in Tennessee. I do not know why I should have been asked to come and to speak unless it was the fact that having served in the Senate for 22 years and now being Vice President and President of the Senate, I am supposed to be an expert on natural gas (laughter and applause). But, whatever may have been the cause, I am very glad indeed to be here; there has always been a close and intimate association between Tennessee and Kentucky.

Yesterday, at Harrodsburg, Ky., I took part in the celebration of the one hundred and seventy-sixth anniversary of the establishment of Harrodsburg, which was built upon the site of old Fort Harrod, named for James Harrod, the pioneer, and from that old fort, George Rogers Clark gathered together his little band of about 125 men, crossed the Ohio River, and at the Battle of Kaskaskia and Vincennes and other conflicts, saved the entire Northwest territory for the United States, and added it to the original territory of the Thirteen Colonies, and that Northwest territory now is the State of Ohio, Indiana, Illinois, Michigan, Wisconsin, and a part of Minnesota. And, it was due to the prowess of that little band of men in the Revolutionary War that made the Mississippi River the western boundary of the new republic rather than the crest of the Alleghany Mountain.

About a month ago, I was at Barbourville, Ky., to celebrate the two hundredth anniversary of the advent of Dr. Thomas Walker into Kentucky, who came through the Cumberland Gap; built a house; lived there 3 or 4 months, and went back to Albermarle County, Va., his home, where he had been and was the executor of the will of Peter Jefferson, the father of Thomas Jefferson and the guardian of Thomas Jefferson himself.

And a day or two later, I was at Salisbury, N. C., to celebrate the one hundred and eighty-first anniversary of the departure of Daniel Boone from Salisbury, N. C., to Kentucky; he also went through the Cumberland Gap, from which you can see into Tennessee, into Virginia and on a clear day into North Carolina. And while I was at Salisbury, I went out to an old church and a beautiful old country cemetery where my great grandfather and great grandmother were buried and I saw their names carved upon humble stone. Close by, not more than three or four graves removed, was the grave and stone of the great grandfather of James K. Polk, who was, as you know, a prominent Tennesseean and the President of the United States.

My father was born in Tennessee; his father was born in North Carolina; I was born in Kentucky; so that from the standpoint of personal ancestry and association, Kentucky and Tennessee have always been close together and I especially have revered the memory of my own ancestors who came out from North Carolina into Tennessee and thence up into Kentucky. I have during the last 37 years served in the two Houses of Congress with some of the most distinguished men of the Nation in the House and in the Senate and in other capacities from the State of Tennessee. So, very naturally, I am happy to be here, and to appear before this magnificent audience on this beautiful little hillside in this grove of trees to celebrate a great event and the consummation of a very fantastic and almost incredible struggle to bring to you one of the products of nature.

Cyrus W. Field spent many years trying to lay the Atlantic cable; he laid it 13 times and each time it broke. On the fourteenth time he laid the cable and it remained intact for the first time to cross the Atlantic by physical connection messages could be sent from Europe to America and back and forth. But as I have learned about the struggles of Wade Thompson and his associates here to establish the right to bring natural gas into Tennessee and into this region, it seems that in a degree, at least, their efforts are a parallel to the efforts of Cyrus W. Field to lay the Atlantic cable.

Wade Thompson was born in Kentucky; that may account for his success (laughter); it may account for his patience and his long suffering, his stick-to-itiveness. Mrs. Thompson also is a native of Kentucky, and as I look over this audience at this moment and see the handsome men and beautiful women—if I did not know I am in Tennessee, I would swear I was in Kentucky. (Applause.) Back in 1930, 20 years ago, he moved from Ashland, Ky., to Nashville, Tenn. That is why he said Nashville a while ago instead of Knoxville. He had been accustomed to natural gas in Ashland and in eastern Kentucky, and when he moved to Nashville, began to look around and wondered why they did not have the boon of natural gas in Tennessee. He began to investigate the possibilities of bringing natural gas into Tennessee because natural gas is just as much the gift of God to mankind as oil, or coal, or water—or any of the other natural elements man has been able to conquer for his advancement and his welfare. It took him 3 years to make the necessary investigations to make him feel justified in asking the association and the assistance of other men interested in bringing natural gas into Tennessee. He organized a company; then, he had to fight the battles against monopolies in order that he might acquire the right to bring gas here.

Now, I have always been one of those who believe that it was evil for any body to get a monopoly on any natural product. Dr. Barbour, a while ago, delivered a beautiful prayer in which he thanked Almighty God for the gifts with which He has endowed the human race and especially the American people. All the things which we enjoy, all the modern inventions which have advanced our methods of living, lifted from our backs much of the drudgery of hard work, all the modern inventions and research that has made medicine and science and education and religion and agriculture subject to modern methods of teaching and of application. The gifts of Almighty God, the waters that flow down our rivers were given to us for use—and not for exploitation, not for monopolistic enjoyment by anybody who can get control of them for their own interest—and not the interest of the people; these waters belong to the people of this country. That is why from the very beginning, during World War I and following World War I, as a Member of the House of Representatives, I was always enthusiastic in voting for and working for the development of the Tennessee Valley. [Applause.] Beginning first with Muscle Shoals which was initiated as a nitrate plant for the purpose of making nitrates for ammunition during the war, and during peace, making nitrates for fertilizer for the benefit of the farmers of the United States; and it was a wonderful development, an incredible and amazing development, that we discovered that out of the atmosphere we can recover nitrates and that we would no longer be dependent upon Chile or any other country for the nitrates that we needed to enrich our soil, and to preserve what we had left, and reclaim that which we had wasted, for the cultivation of the land to make the things necessary to feed and clothe the American people, and to find markets in other parts of the world—and out of the ground to bring everything that goes into a factory that makes anything which we enjoy because it all comes out of the ground no matter what it is—mineral or vegetable—comes out of the ground—and it has been deposited there by the Great Creator for the benefit of all the people. Therefore, beginning with Muscle Shoals during World War I, and following it on down through the years, the construction of Wilson Dam at Muscle Shoals, and finally the establishment of the Tennessee Valley Authority to develop the entire river for the benefit of the people. And it was a development that only the Government could make, because no private enterprise would be justified or feel justified in developing a whole river valley for the benefit of the people. Naturally, they would build dams for their own use, for the creation of power for their plants and factories in a given community, but no private corporation could be expected to develop a whole river valley for the benefit of the people. So, the Government of the United States, through Congress, passed the Tennessee Valley Act. And now this great valley from North Carolina to Kentucky where the Tennessee River empties into the Ohio at Paducah where I live—this whole Tennessee Valley has brought new life, new energy, new hope to one of the most beautiful sections of America and one of the finest types of American people to be found anywhere in the United States. [Applause.] And yesterday, as I flew from Harrodsburg to Knoxville, a distance that we made in 45 minutes and looking out over the Tennessee Valley and its great improvements and the beautiful lakes that are really a joy to look at and furnish a great recreation center for this whole area of America, and the power plants, and the dams and the factories that have been located here and others that will be located here, formed a justification for every vote that I have ever cast in behalf of the Tennessee Valley, and the votes that Congress passed, and the Government of the United States carried out in the development of this valley; and I would love to live to see the day, and some of you may do it, because it will come about—I would love to live to see the day, when every great river valley in America is developed along the lines of the Tennessee Valley for the benefit (applause) of the American people, to give them new life and new hope and to bring into their communities new industries and new citizens, because these rivers were given to us, not only as a means of transportation and commerce, but means of harnessing the agencies of nature for the benefit of the people.

So, the story of this enterprise from 1930 to 1950 as carried on by Wade Thompson and his associates, and particularly from 1933 to 1950, a period of 17 years, is really a chapter in the history of American industry and American fortitude which justifies over and over again the celebration in which we are participating today honoring them and rejoicing over the consummation of their great work and their great dream. Twenty years is a long time in a man's life. It is quite a hunk of years taken out be-

tween the cradle and the grave. Yet, all our great enterprises have come about as the dream of somebody. The creation of this Nation was the result of a dream, the dream of our forefathers who came here to escape economic inequality, religious strait-jackets where they were required to worship Almighty God not according to their consciences but according to a law passed by the Parliament of their country; seeking a free new atmosphere in which they might extend their lungs by breathing uncontaminated atmosphere from every standpoint—economic, political and religious. They had a vision of liberty and of equality that induced them to bare themselves to the dangers and hazards of travel across the unknown ocean in order that they might build up here a new civilization, a new society—dedicated to the proposition that all men are created equal, and that vision, that dream, came true and 3,000,000 American people coming from nearly all parts of the world—but particularly from England and the Scandinavian countries and others too—numbered 3,000,000 people stretching from Maine to Florida. Three million people are not as many people as now live in the city of Chicago; yet, when the American Revolution began in 1776, there were only 3,000,000 people in the United States—what is now the United States of America. They were brave people; they resented any handicaps thrown around their enjoyment of liberty; they resented taxation without representation; they resented the policy of the mother country in regard not only to taxation but to the quartering of soldiers on the private property of individuals. Finally they revolted against these evils, these injustices, these encroachments, and yet when you sum up all of them together, they did not constitute as many hardships as many of us endure today. Certainly the taxation of the British Parliament was nothing to compare.

Thank you, Leslie (Mr. Leslie Biffle); that looks like a glass of pure water. Well, I appreciate it, but I would like for you to know I am from Kentucky. [Laughter and applause.]

You interrupted a very eloquent speech there with that water. I was about to say that the amount of taxation that they revolted against was nothing to compare with the amount that we voluntarily and willingly submit ourselves to today, but the difference was not in the size or the amount of it; the difference lay in the method by which it was levied, and we are willingly submitting to higher taxation because our people have demanded more of their Government than any people ever demanded before, and besides we are compelled to tax ourselves in this period of what we call the cold war in order that we may preserve our power, our defense of these liberties which have been handed down to us. We hope the day—all of us hope for the day speedily to come when we may relieve ourselves of a considerable part of that burden by the elimination of fear, by the elimination of the danger of warfare, by the recognition by all the nations of the world that after all, in every war, both sides lose no matter which side wins; by recognizing the fact that another great contest like the last one might destroy civilization and Christianity themselves, and, all the works of man which have been accumulated by his genius for 1,000 years.

Therefore, we hope the time will speedily come when every man who holds public office without regard to his politics and every man and woman who vote in this country without regard to their politics, hope that the time may speedily come when all the fear and frustration and danger may be composed in a world-wide understanding and agreement to settle every dispute that arises among nations peacefully, and through the world organization that we and they have set up to preserve peace and to put down aggression—but until that time comes, we must keep our house in order. Until that time comes, we must preserve our strength. Until that time comes, we must consolidate our efforts to be ready for any effort from whatever source it may come to destroy the blessings that we enjoy as Americans, which have come to be a part of the American way of life and are known as the fundamental freedoms of the American system: Freedom of worship, freedom to go to any church or to no church, freedom to worship out under the shade of a tree as well as under the steeple of a church-house.

All men have in their souls the elements of worship. Men who are arrogant and who are vain and proud may publicly deny their reliance upon any superior being, but when the hour of test comes, when the hour of crisis arises, when all other agencies have been tried and found wanting, man instinctively turns to a divine being—for as the poet has beautifully said:

"There is no unbelief;
Whoever plants a seed beneath the sod,
And waits to see it push away the clod,
He trusts in God."

And so as a part of our American system, freedom of worship, guaranteed in the first amendment to the Constitution of the United States which says the Congress shall make no law respecting an establishment of religion nor prohibiting the free exercise thereof—thereby forever establishing the the separation of church and state in the United States; then, the freedom of speech; freedom of the press; and freedom of assembly, and those of us who enjoy these liberties here today may not recognize the fact that in one-third of the world, among 700,000,000 people out of the 2,100,000,000 who inhabit this globe, the right of freedom of worship no longer exists. The freedom of speech has been abolished; freedom of the press has been abolished, and the freedom of assembly has been abolished. All the liberties, the rights, and privileges that you and I enjoy as Americans in a system which we call free enterprise which means the right of every man and woman to pursue his or her legitimate ambitions under the protection of a free government; to build and occupy their own homes; to educate their children; to follow what Thomas Jefferson called life, liberty, and the pursuit of happiness—not as a mere will-o'-the-wisp, but pursue happiness with the hope that it may be overtaken and clasped to our bosoms and enjoyed as every man and every woman hopes by whatever means they may have tried to acquire it to obtain happiness and not simply to pursue it.

One-third of the population of the world do not enjoy this privilege and there are many Americans who do not realize that. But I happen to know myself that it is true because I have been behind the iron curtain. I have been in nations whose people did not vote for the kind of government they are compelled to live under, but had that government superimposed upon them from the outside against their will—and they do not have the power to throw it off.

We are seeking to stop that form of aggression and that form of totalitarian brutality in its tracks; to see that it shall not invade America; to see also that America shall not be compelled to become an armed camp with enemies on both sides seeking by every method of infiltration and of subversive activities to rob us of our liberties, control our lives, and fashion our destiny as they are doing in one-third of the world's population today.

And that is why it is that it is a glorious thing to see a new private enterprise, after long years of arduous toil, after long years of doubts and sometimes failure, to see a man with enough vision and hope finally to succeed in obtaining from his government, both State and national, the right to bring here into this community and into this State, or into any other community or any other State, one of God's natural gifts to the people. It is a vindication of what we call private enterprise which has demonstrated that in spite of opposition from monopolies, those who desire to keep away from the people these natural gifts unless they themselves are the agents for their distribution. In spite of all that opposition and every discouragement and every block thrown in the way of its advance, to see that the State of Tennessee, through its official channels, and the Government of the United States, through the Federal Power Commission, the War Production Board, and all other agencies, have seen the righteousness of the cause of men who have just as much right to bring natural gas into this community as any other agency has to bring oil or coal or any other thing that is the gift of Almighty God, and it is not an indication of any opposition to any of those other agencies. So far as I am concerned, they all occupy a level in the enjoyment of their rights and I would protect any other industry and any other activity engaged in the distribution of any other natural product against monopoly or injustice and against the efforts to prevent the people themselves from enjoying that which they have a right to enjoy.

The railroads of this country have been under the regulations of Congress ever since 1887 when the first act to regulate commerce was passed under the commerce clause of the Constitution written in 1787, a century before, which authorized Congress to regulate commerce among the States and with foreign nations. Congress has exercised that authority since 1887. Congress has exercised the authority to regulate steamboats which are agencies of commerce; transportation companies; it now exercises the right to regulate aircraft, flying from one end of the Nation to the other; to regulate the qualifications of pilots; to protect property and lives; regulates the radio, the wireless, television, telephone, telegraph—because they are all agencies of commerce which Congress has a right to regulate. So that a pipeline, whether it carries gas or oil, is a transportation company; it is a common carrier just like a railroad and just like a steamship, or just like a bus, or a truck or an airplane, or any of these other modern agencies that carry people and property from one end of this country to the other, and as an agent is subject to the regulation by our Government—they are entitled to all the rights that any other agency may be entitled to. And no government ought to allow one monopoly or any monopoly to prevent the people's enjoyment of the natural gifts with which God has blessed them—whether they are carried over a railroad, steamship, or by airplane or through a steel pipeline bringing gas and oil from the places where they are to the places where they have a right to be; and so this successful enterprise on the part of Mr. Thompson and his associates is a vindication and one of the newest and the most impressive vindications of the right of free enterprise in this country because against the opposition of monopolies, in one field or another, they have succeeded in convincing their government, locally and their Government nationally, of the justice of their cause and their efforts—and today we are celebrating that victory here in this beautiful place.

And I am happy as an American, not as Vice President, not as a Kentuckian, but as an American, because after all the State lines are only imaginary, we are one people united in purpose and in determination without regard to party or religion, race, color, or creed, to preserve these rights that Americans enjoy and have always enjoyed and which we must hand down to our children—and to

their children. If this democracy which we serve, and for which our armed services fight all over the world is to be preserved, we ought to rejoice, and I congratulate not only the sponsors of this great enterprise, but I congratulate the people in this community who ought to be proud of your Government and you are because without it, without its intervention, you would not now have this wonderful development that you enjoy and of which you are proud—and which is bringing people from all over this Nation here, and will bring industries and employment and recreation and joy and sportsmanship to one of the most beautiful sections in all America. I am speaking today as an American to Americans. I am speaking as a man proud of his ancestry from a personal standpoint, and proud of his country and proud of its history from a general standpoint, and I wish not only for this East Tennessee Natural Gas Co. the success which it deserves in view of its long efforts—I congratulate the people of east Tennessee and of Tennessee and of North Carolina and of Kentucky and of Alabama and all this region around about for the great blessing that has come to them through the enjoyment of the patrimony of Almighty God for which we are and ought to be thankful because we must cooperate with the only agency that organized society has that can enforce its decrees—and that is government, either national, State, or local.

So, Mr. Chairman, Mr. THOMPSON, what did you do with that iron piece? (A piece of iron shaped in the form of a gavel had been used to shorten the speech of any person who seemed to be going beyond his allotted time.) [Laughter.] I am going to draw my own remarks to a conclusion by the use of this deadly weapon. Now, I am happy to have been here and happy to have been able to speak these few words in a free atmosphere of democracy—not democracy in a narrow, partisan sense, but democracy in a sense that we enjoy the right of self-government; we participate in our Government; we help fashion it; we occupy and enjoy the responsibility of saying what the Government shall be; nobody shall interfere with it—and it is that thing that makes it necessary for us to keep ourselves strong not only from a military and naval standpoint, but from an economic standpoint and from a moral and spiritual and intellectual standpoint. We cannot preserve these liberties of ours and this free enterprise and this opportunity that comes to Americans merely by fighting when fighting is necessary although that is essential and indispensable part of the program. We must preserve these things by making ourselves economically strong, and a great enterprise like this helps to do that. We must preserve these things by making ourselves morally strong, and that is the function of our churches and our religions, regardless of their creed. We must keep these things strong by intellectual methods, and that is the function of our educational institutions. We must keep them strong spiritually, and that is the job of all of us. When we have kept them strong and determined and irresistible we will be able to hand this great land of ours and its institutions down to the generations yet unborn free and strong for them as they were handed down to us by those who settled this country in the beginning, who civilized it and established the freest and best government that has ever been devised by the brain of man, anywhere in the world or at any time in history.

I wish for this great enterprise increased success, and for the people who will be served by it increased prosperity and happiness and long life, and a renewal of your faith in yourselves, in your institutions, in your fellow man, in your Government, but, even greater than all that, renew your faith in Him who in the hollow of His hand holds the destiny of nations and of men.

AIR POWER IN DEFENSE OF UNITED STATES

Mr. BOYKIN. Mr. Speaker, I also want to call to the attention of the House fact-findings contained in a report recently written by Bernard Brodie, the nationally known naval historian and research associate of the Yale Institute of International Studies. This report, Mr. Speaker, is in relation to air power in the defense of these United States. I ask unanimous consent to extend my remarks at this point on this subject and to include therein the report referred to.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

"STRATEGIC BOMBING OF GERMANY IS NO DOUBT THE MOST BRILLIANTLY ILLUMINATED CAMPAIGN IN ALL HISTORY—IN A WAR DIRECTLY WITH THE SOVIET UNION WHICH IS IMMUNE TO NAVAL BLOCKADE—STRATEGIC BOMBING WOULD PROVE OUR CHIEF OFFENSIVE WEAPONS"—YALE INSTITUTE OF INTERNATIONAL STUDIES

Mr. BOYKIN. Mr. Speaker, the words that I have just spoken are the findings made by one of the most disinterested, impartial, unbiased research and study groups that could possibly make investigational studies as to the value of air power in relation to the defense of these United States.

What I have quoted is taken from a report recently written by Bernard Brodie, the nationally known naval historical and research associate of the Yale Institute of International Studies.

When I discovered that report in the Washington Post last Sunday headed "A New Estimate of Strategic Bombing," I not alone read and reread the same, but I sent a copy to my son, Bob, who while serving with the Thirteenth Air Force Division in the Pacific during World War II, was shot down on Negros Island.

Mr. Speaker, the altogether successful raids made by the United States Air Force as reported by the daily press and which have won such splendid commendation from General MacArthur, are certainly a far cry from the contemptible criticisms voiced on the floor of this House, in the press, and over the air less than 6 weeks ago.

Carping critics were then telling that the new jet fighters of our Air Force, carrier-based Navy, and of our Marines which streak through the air at speeds greater than sound, were of no use at all in Korea—they went too fast.

Then changing their tune—we heard that our Air Force bombers were of no use in the Korean warfare.

There is not a man, woman, or child in the country but who now knows that there is hardly a single oil well, chemical plant, bridge marshaling, or railroad yard which has not felt the smashing effects of our B–29's and our F–51 fighter planes which have almost daily rained death and destruction on the Communists in North Korea.

Ah, yes, there was also some who babbled that there was not enough tactical support of the ground forces some 2 months ago.

The mouths of the politicos who made that criticism are now also stopped. What they did not tell you was that there were no ground troops there to receive tactical support from the air. The ground troops are there now, however, and so is tactical air support.

Mr. Speaker, I do not believe that this Nation will ever see its Army, Navy, Air Force, and Marines more unified and operating more efficiently and economically in battle formation with respect to both men and money than is now being achieved at this very moment under the superb leadership and administration of the Honorable Louis Johnson, Secretary of Defense.

The brave men of our Army, Navy, Air Force, and Marine Corps whom we see photographed daily in the press are giving their all in Korea. It is unfortunate that the heroic exploits of the men of our Air Force are not susceptible to pictorialization and photography, inasmuch as many aircraft, even while in battle action, to the eye of a camera look not wholly unlike an ordinary passenger airplane on a peaceful commercial flight.

But then, when fighting in the air, it is only the results that count and certainly we are now achieving these results.

Today's Washington Post—August 29—carries a United Press dispatch from Tokyo telling that the United States Air Force B–29's have now bombed the railroad center of Chongjin, less than 60 miles away from the Russian border.

Mr. Speaker, it is no secret to tell that eminent military authorities are agreed that as of this hour there are only two things that have kept the Communists of Soviet Russia from attacking these United States. The first is our possession of a stockpile of atomic bombs, and the second is an untold number of United States Air Force B–36's that can deliver them in a nonstop flight.

The Russians know full well that the moment they start anything against our country, our B–36's will roar off the runways and not stop until they have spread death, destruction, and ruination to all major facilities and equipment in all parts of Russia, needful and necessary for the Russians to make modern warfare.

Mr. Speaker, for some time past the Honorable Louis Johnson has been criticized for having said something to the effect that if any enemy of the United States started anything against us in this country at 4 o'clock, that we would answer them by 5 o'clock.

With respect to that statement, I want to go on record as saying that the Secretary of Defense was absolutely correct.

The truth is that he well could have said that if Russia strikes at 4 o'clock, that at 4:05 o'clock our great transcontinental Air Force bombers, the B–36's, which Louis Johnson himself caused to be put into the mass production line, will roar down their runways and with a payload of atom bombs in a nonstop flight, streak direct on their courses to the very heart of the enemy country. Within but a few hours they can destroy Russia's ability to make war and at the same time spread death and destruction

over the landscape of every strategic place in the Union of Soviet States of communistic Russia.

Mr. Speaker, in order that my colleagues may read the fact findings of the noted naval historian and member of the Yale Institute of International Studies on the value of strategic bombing—which is the principal role and mission of the United States Air Force—I am asking unanimous consent of my colleagues to extend my remarks and place the same in the RECORD.

That article reads as follows:

A NEW ESTIMATE OF STRATEGIC BOMBING—B–29's COULD COMPRESS 2 YEARS INTO MONTHS

(By Bernard Brodie)

The conflict in Korea has emphasized once again the indispensability of infantry. An enemy army in motion has to be stopped, and while there may be other ways of slowing it down and making its progress costly, an opposing army is the only thing that can halt it and push it back.

These are salutary reminders of what we should never have forgotten. Americans, who are not a phlegmatic people, will be much affected by them. The detractors of strategic bombing are certainly going to have a field day—but even so our Nation as a whole is not likely to fall into the delusion that perimeter war is the only kind we ought to be worrying about. It is worth repeating that in a war directly with the Soviet Union, strategic bombing would be our chief offensive weapon.

The U. S. S. R. is as immune as we are to naval blockade, and has on two historic occasions shown that it can absorb great enemy armies and destroy them. A strong, well-equipped army supported by a powerful tactical air force is obviously indispensable for the containment of the Soviet armies.

But while western Europe and other key areas can be defended, defense alone will not win the war. Soviet power must be shattered by an offensive, and it is obvious that a strategic bombing offensive presents fewer technological and logistic difficulties than any other kind.

Of course, the strategic bombing lessons of the last war would not automatically apply to another one; the technological circumstances and the character of the target would be very different. But it is nevertheless important to know whether our bombing of Germany was a success or, as the dissenters cry, a failure.

FOUR CONCLUSIONS

The Allied strategic bombing of Germany is no doubt the most brilliantly illuminated campaign in history. The facts are available, and anyone who troubles to get at them must reach four startling conclusions.

First, our strategic bombing knocked the German war economy flat on its back. Second, this great result came too late to have anything like its full effect on the battlefields. Third, given only the air power actually in Allied hands, the decisive result achieved by bombing could have come much sooner. Fourth, the biggest single factor in delaying useful results was the effort devoted to "area" or urban bombing—which simply did not pay off militarily.

Let us examine the first point, which is so frequently denied. The often repeated argument, based on United States Strategic Bombing Survey statistics, that German war production in almost all categories increased drastically between the middle of 1942 and the middle of 1944, is quite beside the point, because the decisive bombing results we are talking about had barely begun by mid-1944.

In any case, it wouldn't matter whether or not production as a whole diminished at all if the Germans were denied even one indispensable war commodity—such as oil or liquid fuel. This, in the final stages of the war, is just what happened.

In the Second World War, Allied bombers knocked out two essential German industries—liquid fuels and chemicals. In an overlapping and partly competing campaign, they knocked out the German transportation services, upon which everything else depended.

German oil-production facilities were chosen as a top-priority target early in May 1944. Immediately, German oil production dropped precipitously. From an average of 662,000 tons per month, it went down to 422,000 tons in June, 260,000 tons in December, and 80,000 tons—or 12 percent of the preattack level—in March 1945. As for aviation and motor gasoline, our results were even better. Practically all German aviation gasoline was made in synthetic oil plants by the hydrogenation process, and these plants were the first to be hit. Aviation gasoline production declined from 170,000 tons per month to 52,000 tons the month after the oil bombing offensive began, and by the following March was eliminated.

FORTY HOURS' TRAINING

The effect on Luftwaffe operations was tremendous. German gasoline stocks had been tight to begin with, and production losses meant immediate curtailment of consumption. Flying training was steadily shortened, and, toward the end of the war, pilots were sent into action with only 40 to 45 hours of flight training. Their inexperience made them sitting ducks for our highly trained air crews.

Germany's large reserve of military aircraft was grounded with empty tanks. Only fighter missions against our bombers were permitted, and these became few and ineffective.

Effects on ground combat were somewhat slower. Gasoline was restricted first for motor transport, but before the end of the war huge numbers of intact tanks were unable to reach the fighting areas or were abandoned on the battlefields for lack of fuel. Before the end, wood or coal burning gas generators—such as had been only moderately successful on buses and trucks—had been put on some 50 tanks.

Chemicals were never singled out as a target, but since most of the chemical industry was closely integrated with synthetic oil production, attacks on the latter served to dispatch the former as well.

When two plants (Leuna and Ludwigshafen) were shut down as a result of air attacks, Germany lost 63 percent of its synthetic nitrogen production and 40 percent of its synthetic rubber production. Damage to five additional oil plants brought the loss in synthetic nitrogen to 91 percent.

Nitrogen is essential for all explosives and powder propellants. As early as August 1944, Speer was reporting to Hitler that the attacks on chemicals were threatening Germany's ability to carry on the war. Before VE-day, the Germans were filling their artillery shells with as much as 70 percent of inert rock salt.

RUHR ISOLATED

German transportation became a strategic target system in March 1944, though heavy attacks did not start until September 1944. By the end of October, carloadings were declining rapidly and showing immediate effects in over-all production. By late November and early December, all munitions production had been severely affected by the failure to move critical materials.

In late August 1944, the Germans could no longer supply coal to the steel plants of Lorraine and Luxembourg. By February 1945, the Ruhr was just about completely isolated. Such coal as was loaded was often confiscated by the railroads for locomotive fuel; even so, by March, locomotives were standing idle for lack of coal in districts where some traffic could otherwise have moved.

On March 15, when almost the whole of the Allied armies were still west of the Rhine, Speer reported to Hitler: "The German economy is heading for an inevitable collapse within 4 to 8 eight weeks." At that time, over-all carloadings were 15 percent of normal and moving toward zero.

As the strategic bombing survey put it: "Even if the final military victories that carried the Allied armies across the Rhine and the Oder had not taken place, armaments production would have come to a virtual standstill by May: the German armies, completely bereft of ammunition and of motive power, would almost certainly have had to cease fighting by June or July."

SIX MONTHS LATE

But these results of the bombing of Germany came late. The term "decisive" is ambiguous, and one could make out a strong case that our strategic bombing was decisive anyway. Certainly the fact that from the time of our Normandy landing onward our ground forces did not have to contend with any significant enemy air opposition, while our own planes were making things very rough for the German armies, owes a great deal to our strategic bombing. And undeniably the shortage of materials, especially oil, which our bombing was imposing on the Germans did in fact hasten the final collapse of their armies.

Nevertheless, the fact remains that the ultimate destruction of the German armies was practically assured at the successful conclusion of the break-out west of St. Lo late in July 1944, at which time the tangible battlefield results of our strategic bombing, apart from its contribution to suppressing enemy air activities, added up to precious little. By the time those results were making themselves felt in a really big way, the Battle of the Bulge was a thing of the past and the Allied armies were well into Germany.

If the bombing results actually achieved by February and March of 1945 had come 6 months or so earlier, no one could say that our strategic bombing of Germany had no significant effect upon the outcome of the war. How could that have been done?

PRIOR COMMITMENT

If in mid-1943 we had put into our air force some of the resources used in building up a great army and invasion armada, we would no doubt have got our air results faster; but we were committed to an invasion of France by May of 1944, and there were at the time few grounds for calling that a bad commitment. There are even fewer grounds now.

We might have suffered fewer casualties by limiting ourselves to an air and naval effort, but the Russians might have made a separate peace. If they had gone on fighting, it would have been their armies and not ours which would have liberated western Europe. Whether or not the Normandy invasion was necessary militarily, it certainly paid off politically. Besides, we must not forget that the effort we did put into strategic bombing was really colossal.

The strategic bombing of Germany was almost totally a new experiment, in which a great deal had to be learned the hard way. But some of the problems could have been better anticipated. One is especially worth mentioning because it is doubtful whether the Air Force, despite certain moves in the right direction, is paying sufficient attention to it even now.

It is remarkable indeed that the USAAF, prior to late 1942, had given very little systematic thought to the problem of target selection. Douhet, the prophet of air power, had insisted 20 years earlier that the selection of objectives, the grouping of zones, and determining the order in which they are to be destroyed, is the most difficult and delicate task in aerial warfare. Whatever its equipment, however skillful and valorous its crews, an air force can be no more effective than the logic that governs its choice of targets.

PROPER OBJECTIVE

A directive of June 10, 1943, gave both Allied air forces the primary objective of preparing the way for the invasion of France. That was an entirely proper objective, and so was the derivative conclusion that the first priority was the elimination of the Luftwaffe as an effective force.

However, the selection of the proper objective does not guarantee the choice of the proper target system. We now know that the attack upon the German aircraft industry was a failure. The attacks upon aircraft assembly plants simply induced the Germans to disperse their facilities, which proved relatively easy to do, and the temporary loss of production resulting from the movement of equipment was about all that could be chalked up to the credit of the attacks. At any rate, front line German fighter strength increased.

That increase was no doubt less than it would have been if we had not conducted our attacks upon the industry. But the essential fact is that from the moment we began our attacks upon oil in May 1944 German planes began to be rendered surplus.

The oil industry could not, like the aircraft industry, be easily dispersed. An additional great advantage of directing the attack first at the oil industry was that the resulting shortages would have been almost immediately felt on the ground as well as in the air.

To be sure, if we had gone to work on the enemy oil industry in June 1943 we could not have hit it anywhere near as effectively as we did a year later. But the same holds true for the aircraft industry.

Only 1.1 percent of the half million tons of bombs dropped on Germany before the inauguration of the oil offensive in May 1944 had been aimed at the oil industry. The tonnage of bombs ultimately aimed at oil, which destroyed the industry almost completely, was about 240,000—or half the total tonnage dropped on Germany prior to May 1944.

UNEXPECTED BONUS

Another great failure in the selection of target systems was that we never made a direct and comprehensive attack upon the German chemical industry, including the synthetic rubber plants. The fact that that industry collapsed as a wholly unexpected bonus from our attack on oil reveals how vulnerable it was. Had we elevated it to the status of a target system in itself, we could have demolished it much earlier in the war than we did and with only a small percentage of the bombs ultimately aimed at oil.

The bombing of cities turns out to have been an inordinate waste of bombs and of bombing effort. Cities are, of course, easier to find and hit than particular industrial plants, and the kind of weather encountered over Germany often left no choice. Also, insofar as plants belonging to a rational target system are to be found within cities, the latter are bound to suffer. But a good part of the "area" bombing of cities was planned as such, especially on the part of the RAF. The tonnages expended on that kind of bombing were enormous.

Prior to our oil offensive, 53 percent of the bombs dropped on Germany were aimed at "area" targets, and only 13 percent at industry. Even during the oil offensive, 27.5 percent of the million and a half tons dropped were aimed at cities and only 22 percent at industries, the latter including the 15.9 percent assigned to oil targets.

No doubt the chief objective of the deliberate attacks on urban areas was enemy civilian morale. Enemy morale of course suffered—the arguments that bombing heightened the enemy's will to resist are simply not supported by the evidence—but the effect of that diminished morale on production was spread out over all industrial enterprises, including nonessential ones, and in the end was trivial compared to the results of knocking out vital industrial complexes.

MERE CONVENIENCE

These conclusions about city bombing and the morale factor may have no relevance for the future. The atomic (or hydrogen) bomb may give a wholly new and horrible meaning to city bombing. But we cannot accept the conclusion that because atomic bombs are a convenient way of destroying cities, it is sound strategy to use them for that purpose. Even narrow military considerations might dictate other targets, and strategy cannot be guided exclusively by narrow military considerations.

The errors of our bombing campaign against Germany were not all errors of strategy, like those we made in our selection of target systems. Some were tactical, and others fall somewhere in between the strategic and the tactical. All of them added up to waste—and delay in securing results.

One trouble was in the selection of specific targets within the various target systems. In our bombing of railroad transportation, for example, a very large proportion of the effort was expended against freight-car marshalling yards, and usually we aimed at the center of the yards in order to hit the greatest amount of trackage. That usually left, near the entrance of the yards, stump yards which the Germans could use for high-priority traffic. The entrance, or throat, would have been a far better aiming point, but was rarely so designated.

Equally important, the Germans not only had a large surplus capacity in yards, but some of the most important traffic, including troop movements, used complete trains which did not require the use of such yards at all. By far the most effective way of interdicting railroad transportation proved to be by way of line cuts—at bridges, underpasses, viaducts, tunnels, and the like.

In the offensive against the oil industry, too, there was a persistently poor selection of aiming points within the plants selected for attack. Although accuracy in general was far below the pickle-barrel variety advertised before the war, vulnerable areas chosen consistently as aiming points were invariably destroyed. In only a small minority of the cases, however, were the most vulnerable sections of the target plant chosen as aiming points.

UNDERWEIGHT BOMBS

Strategic bombing has sometimes been jeered at on the grounds that plants usually had to be struck at again and again in order to keep them out of production. It is true that some targets recuperate fast. But repeat raids were often necessary where the right kind of raid would have put the plant out once and for all.

Apart from the poor selection of aiming points within plant areas, bombs were used which were much too light for the job. The USAAF's attacks were based on the observation that it is easier to hit an elephant with a shotgun than with a rifle. The average weight per bomb of the tonnage we dropped on oil and chemical targets was 388 pounds, as against 660 pounds for the RAF. But it was the heavy bombs—of 200 to 400 pounds each—which were able to do really permanent industrial damage on targets in Germany.

One could go on through the catalog and discourse at length about such things as the large number of bombs which failed to explode, but the most important shortcomings of our bombing campaign against Germany have been described. One does not have to think in terms of perfect planning, perfect intelligence, or perfect anything else to admit that a modest amount of improvement in prior planning, testing, and flexibility of doctrine would have brought vastly better results.

FRACTION EFFECTIVE

But let no one say that strategic bombing was a failure against Germany. The facts disprove it.

We know for a fact that the destruction of the German economy was achieved with a minute percentage of the bombs actually dropped on Germany. We may, therefore, conclude that given only a moderate improvement in our use of the means at our disposal, the decisive effects of strategic bombing could have come soon enough to make a great, rather than only a marginal, difference in the outcome.

What about the future? And supposing we substitute the Soviet Union for Germany? The Soviet economy is far less resilient and more thinly stretched, especially in terms of transportation, than Germany's ever was. But it is also much farther away, and much greater penetrations would be necessary to hit at vital targets.

On the offensive side there is the atomic bomb, with its hydrogen-filled cousin apparently in the offing. There is also a promise of a fairly long-range jet bomber, of perfected instrument bombing, and of guided bombs. On the defensive side there are warning radar, the jet interceptor, air-to-air rockets fitted with proximity fuses, and ground-to-air guided missiles, also with proximity fuses.

There is no guaranty that a strategic bombing campaign would not quickly degenerate into pure terroristic destruction. The atomic bomb in its various forms may well weaken our incentive to choose targets shrewdly and carefully at least so far as use of those bombs is concerned. But such an event would argue a military failure as well as a moral one, and it is against the possibility of such failure on the part of our military that public attention should be directed.

REDUCED TO MONTHS

What we have learned from the German experience is this: If we had to do the business all over again with the same weapons, we could do in a few months what in fact took us 2 years, and we would do it with far less destruction of urban areas and of civilian lives than occurred in Germany in World War II.

And this should be noted:

We would lose far fewer lives among our own combat men, both in the air and on the ground. Strategic bombing can be a way of saving life in war as well as of destroying it.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

I WAS AT PEARL HARBOR WHEN

Mr. LANE. Mr. Speaker, it was a pleasant, quiet day, that early Sunday morning of December 7, 1941, at Pearl Harbor, in the Hawaiian Islands.

Seven battleships were moored along Ford Island, like sleeping giants under the gentle sun. Some of the crew were at breakfast. Others were preparing to attend divine service or to go on shore leave. It was going to be a fine day to enjoy all the beauty of that garden in the Pacific.

Then, without warning, the Jap planes came roaring down from the skies. The battleship U. S. S. *Arizona* bore the brunt of the attack. A torpedo ripped into her port side. A large bomb went down the stack. Another bomb found the powder magazine. The great ship shuddered and exploded in billowing smoke and flame.

What was left of her twisted, tortured body settled down into the oily, muddy water of the harbor. Only part of her deck remained visible, with the flag still flying from her stern.

President Roosevelt described this deadly ambush as "a day of infamy" that will live forever.

It is also a day of consecration to the men whose sacrifice awakened the people of the United States to their peril. Never again could we turn our backs on the world and its problems. Never again can we relax until peace is forever secured by the power of a world community that is able to prevent treachery and aggression.

If we forget Pearl Harbor we shall invite, sometime in the secret future, our own, complete destruction.

If the U. S. S. *Arizona* could speak she would say:

"I was at Pearl Harbor when 1,104 of my crew lost their lives to an enemy attack caused by my own Nation's carelessness.

"It is idle to talk about what might have been.

"I have been murdered and so have my men by the neglect of those back home, whom we were trying to protect. That is the ironic tragedy of our fate.

"We do not complain about this, for it is over and done with.

"But the lesson for future use must not be forgotten, if the generations that follow are to have the chance that was denied to us.

"We are disturbed by the neglect that is repeated.

"The deck which covers my grave and those who died with me is rusty and uncared for. There is no convenience for those who might wish to come and pray and remember and return home armed with the faith to work for freedom everywhere.

"From communion with our sacrifice they will learn the vigilance that is necessary to save them from a fate far worse than ours."

So might the chorus speak from the water-filled hull of the U. S. S. *Arizona* if they did not sleep in eternal peace.

But there are men and women who can feel and speak for them.

I am indebted to such a one, Col. Joseph H. Hanken, Director of Civil Defense for the city of Revere in Massachusetts, and for his suggestion that this Congress authorize the building of a suitable shrine on the above-water deck of the Arizona.

The bill I have submitted to give form to this reverent inspiration, would provide for a place of worship at which clergymen of all denominations could conduct services from time to time, and in the separate rituals of their respective faiths, to honor the departed members of the crew.

That, from devotion to the high courage of those who suffered martyrdom for freedom, we shall be awakened to the need of protecting it from the lurking enemies who would corrupt, undermine, and destroy man's last, best hope on earth.

The men of the *Arizona* would be proud of this shrine to them and to our rededicated faith in the cause for which they died.

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. STOCKMAN] is recognized for 40 minutes.

REPORT TO THE DISTRICT

Mr. STOCKMAN. Mr. Speaker, as the Eighty-first Congress draws to a close, I have prepared a summary of the activities of this Congress in general, and have also summarized Federal activities as they concern the Second District of Oregon, which I have the honor to represent in the Congress. I now present this report to the House and shall also make it available to the people of the district I represent, as I believe they are interested in having full details with respect to Federal activities which directly concern them and also in seeing how their Congressman, LOWELL STOCKMAN, serves the district, the State, the Nation, and the people in an outstanding record of conscientious devotion and service to all.

More than 12,000 different pieces of legislation, bills, and resolutions have been introduced in the Eighty-first Congress, and several hundred have come to the floor of the House for action. I have carefully studied and considered each bill and have cast my vote each time from the standpoint of the highest principles—that is, for the best interests of the United States. As a result of this practice, I have been honored by the National Affairs League, whose president, Mr. Ralph P. Coleman, Jr., 525 Wharton Road, Baedérwood, Jenkintown, Pa., wrote me on April 12, 1950—and I quote from his letter:

The HONORABLE LOWELL STOCKMAN,
Representative from Oregon,
House Office Building,
Washington, D. C.

DEAR MR. STOCKMAN: As president of the National Affairs League, I am pleased to inform you that you are one of six Congressmen who have been selected by the League for outstanding congressional contributions toward achieving a strong and prosperous America.

Your independent and courageous voting record in Congress and your own fine personal background were the determining factors resulting in the selection. Careful analysis of your voting record on key issues has convinced us that you are always true to the best interests of the United States as you see them, regardless of the announced policy of your party.

I feel deeply honored by this recognition and shall endeavor to have my voting record continue to merit such approval. In making their selection, I feel sure the National Affairs League considered, among other matters, my support of the Hoover Reorganization Plans.

REORGANIZATION PLANS

The recommendations of the Hoover Commission came before the Eighty-first Congress early in 1950, and legislation authorizing the President to prepare and submit reorganization plans was promptly passed. The President has submitted 35 reorganization plans, and all but nine have been accepted by the Congress. The defeated plans were rejected mainly because they did not actually carry out the recommendations of the Hoover Commission. I have supported the purposes of the Hoover report, as I think it has gotten down to fundamentals and has been of definite assistance to the Congress in an effort to bring about improved and more economical ways of running the Government so that it will give better service at lower cost to all citizens. These reorganization plans have been in accord with my announced campaign slogan when I filed early this year for reelection to the Congress. I said then, and I say now, "I am for government that lives within its income and without most of yours." This means I am for national solvency which permits strong military defense and sound domestic progress but provides for paying all costs as we go and reduction of nondefense and nonessential Government expenditures. I take this position as to national finances as I believe financial preparedness is the source of all preparedness.

FOREIGN POLICY

Equally as important as fiscal affairs, from the standpoint of preparedness however, is our foreign policy. I have favored a bipartisan foreign policy that is the result of actual consultation and agreement between members of both major parties, and I regret that under the present administration we have not had a truly bipartisan foreign policy. The result has been that 5 years after World War II we find we have not only not won the peace, but also we are now faced with seeing our young men fighting and dying on a foreign battlefield to stop communistic aggression in Korea, and the likelihood of further communistic aggression is threatening in critical areas throughout the world. At the end of World War II the Soviet government controlled 200,000,000 people. Now it controls 800,000,000. I shall continue my fight against the spread of communism at home and abroad, and to this end I have supported the defense legislation required to back up the necessarily strong stand our country has made. However, I do not think America alone should furnish all of the manpower required to carry out the United Nations military operations in Korea, and I have introduced House Concurrent Resolution 260 to establish, through action of the United Nations, a world police force, which will be composed of a volunteer, paid, professional, balanced land, sea and air force, operating on a full-time basis, to be recruited from volunteers of the smaller nations of the world.

KOREA

Today our American boys are dying in the mud of Korea because of the present administration's weak and vacillating foreign policy in the Far East and constant appeasement of the Russians

which has resulted in the fall of Manchuria, China, and North Korea, and which threatens the entire continent as well as Japan and the Philippines. It must be remembered that the Congress itself has nothing to do with formulating the foreign policy of this country. That is entirely within the province of the President and the State Department.

I have favored a strong Far-Eastern policy, but Secretary Acheson told us in February 1949 it was the policy of the administration to "wait for the dust to settle" before deciding our next move in China. He also stated in January 1950, in his Far Eastern report that—

> This defensive perimeter (where the United States will defend in the Far East) runs along the Aleutians to Japan and then goes to the Ryukyus.

In other words that the United States was not interested in the defense of Korea and that only Japan, Okinawa, and the Philippines were in the perimeter of our defense set-up, thus announcing to the world that we would not intervene to halt Communist aggression in China, Formosa, or Korea, all three of which lie beyond that perimeter. To the Asiatic peoples and unquestionably to the Soviet Union, Mr. Acheson's amazing declaration was an open invitation for the Chinese Communists to complete the conquest of China by taking Formosa and South Korea.

We were told by spokesmen of the present Administration that South Korea could not be defended if attacked and that it had no military or strategic value. So we withdrew our troops, leaving $56,000,000 worth of small arms and equipment, light jeeps, clothing and food. The Republican members of the House Foreign Affairs Committee in an official document issued July 26, 1949, protested this withdrawal from Korea as occurring "at the very instant when logic and common sense both demand no retreat from the realities of the situation."

It was on January 19, 1950, exactly one week after Mr. Acheson's statement about our perimeter of defense, that a majority of the House Republican members joined 61 Democrats in rejecting the so-called Korean aid bill containing only economic assistance, with warning to the Administration that without military aid to Korea and appropriate assistance to other critical areas in Asia, the proposed $150,000,000 in economic assistance would not only be useless, but it would enhance the prize dangled before the Communist aggressors by Secretary of State Acheson in January 1950 in his Far-Eastern report. Under the terms of the bill for economic aid, we would have sent fertilizer, seed, and money for building of roads, dams and the construction of hydroelectric plants. It simply meant building up a greater and richer prize for the Communists to take over in Korea. What has actually happened in Korea today confirms our fears at that time. None of the economic aid, which was finally voted in February 1950, ever got there; and although $10,000,000 in military aid was voted for Korea, actually only the small amount of $200 worth of this aid ever got there, and that was Signal Corps wire. This accounts for the fact that when our boys were first sent to Korea they had only the small arms and equipment which had been left behind when our troops withdrew with which to fight back the heavy tanks and equipment with which the Russians had armed the North Koreans.

The present administration and the State Department have been running the show, and their first policy was as expressed by Owen Lattimore, State Department adviser for the Far East, who helped formulate the policy, "The thing to do is let her—Korea—fall but not let it look as though we pushed her." Neither the voting of military nor economic aid to Korea was consistent with such policy. On June 27, 1950, however President Truman suddenly changed his mind, and our boys were ordered to fight in Korea. I regret that the mistakes of the present Administration can now only be paid for in the high currency of blood and treasure.

SOCIALISM

It is well for us to remember here that communism got its first start as socialism, and while we are fighting communism from without, I have continued my efforts in the Congress to stop the inroads which socialism is making on our form of government. The principles of our Constitution have given the individual American citizen the basic freedoms of life, liberty, and the pursuit of happiness, and our strong economy has resulted from this privilege of thinking and acting in a free land. I realize that the more we ask our Government to take over our individual responsibilities, the more we are asking for socialistic controls of the very thought-force which has inspired inventions and productive genius so that we have had the abundance which we have enjoyed here, and I shall continue to practice the eternal vigilance which I know is necessary to protect our liberty against socialism. We must return to the fundamental principles of our Constitution before it is too late.

LABOR-MANAGEMENT

The war situation also brings us once again face to face with the importance of labor-management relations, and I believe that the welfare of all demands that labor, industry, business, agriculture, and Government accept their duties and responsibilities. I favor continuation and improvement of the Taft-Hartley law, since it protects the constitutional rights of the workingman, both as a union or as a nonunion worker, by giving him a voice in his union and saving him from the dictatorship of union leaders.

SOCIAL SECURITY

The desire of mankind to clothe its maturer years with dignity and to assure basic physical needs is a natural one, and I am glad that the Congress has taken action to broaden the social-security benefits. I voted for passage of the Social Security Act which was passed by the Eighty-first Congress and which extended coverage to 10,000,000 more persons and increased benefits to persons already retired by about 77½ percent. I am pleased that more than 3,000,000 elderly people, together with widows and fatherless children, will immediately receive larger benefit payments.

I voted for final passage of the bill, but before it came to that point, I voted against having it considered under the gag rule. It has long been my contention that in order to be fair any social-security plan for our citizens should afford broader coverage so as to give protection to more workers of the Nation. I had hoped the bill as reported to the House would have broader coverage, and for that reason I voted against having it considered on the House floor under the gag rule—a rule which would prohibit further debate or amendment to the bill. For this reason I also voted to have the bill sent back to the committee, with the hope that a way could be found to have the bill give coverage to more of our workers. The Federal Security Agency estimates that even after passage of this act about 10 percent of all wage earners are left without protection.

PUBLIC HOUSING BILL

When the public housing bill was before the House in July 1949, the Chamber of Commerce of the United States estimated that the grand total of Federal financial commitments under the bill would amount to nearly $19,500,000,000. The bill passed without my support, and the result is that the proportion of the total cost of this program which the people of Oregon will bear is about equivalent to a 40-year bond issue of $100,000,000. Under a similar plan which was adopted in 1937, nearly 200,000 public housing units were built, but not one was built in Oregon.

Not only is this expense an excessive financial burden on the taxpayers of our Nation, but it puts the Government permanently into the housing business, as all housing is affected by it. Private enterprise cannot compete with Government housing, and the long-run result is bound to be greater housing shortages,—the kind of shortages that always come with any socialistic program, when private capital is frozen out and private incentive curtailed.

This housing legislation has also proven to be one of the main influences toward the present inflation, as evidenced by the fact that one of the first items on which the Administration recently took action to restrict credit was on housing, when the down-payment requirements on housing were raised from 5 to 10 percent.

PACIFIC NORTHWEST

As you know, I have had the privilege of serving the Second District of Oregon for four terms in the Congress. I am now in the 8th year of my Congressional service, and during that time I have worked for full development of the Pacific Northwest, which includes construction of dams on the Columbia and Snake Rivers to supply critically needed electric power, adequate transmission lines to load centers, and construction of necessary reclamation projects. It has been my experience that both the Bureau of Reclamation and the Army engineers have done a wonderful job in protecting and developing the resources of the Columbia

Valley, and I think they should be entrusted with the opportunity to continue their good record, without the bureaucratic and restricting controls to which we would be subjected under a Columbia Valley Authority.

FEDERAL ACTIVITIES IN DISTRICT

The Federal Government is engaged in many activities in the Second District of Oregon. Large portions of the area are in forest and grazing lands which are owned by the Federal Government, which of course necessitates Federal activities. Also because of the magnitude of the projects of the Columbia and Snake Rivers it is generally agreed that the practical way to develop the dams and projects on these rivers is through Federal Government construction. The investment of Federal funds in eastern Oregon not only produces additional wealth for the entire Nation, but many appropriations pay for themselves and also show an annual profit to the Federal Treasury. The Bonneville Dam gives us a good example of this. This dam at the present time is 10 years ahead of its pay-out schedule, due to the extra profit which is made each year and returned to the Federal Government on this project, which originally cost $85,678,765.

During the Eightieth and Eighty-first Congresses my position on the powerful Appropriations Committee of the House has enabled me to render particularly valuable service to the State and district I represent, and I believe the people of the district will be interested to have an enumeration of some of the Federal funds and benefits they have received during the time I have represented them in the Congress.

M'NARY DAM

It is well known that the first appropriation on a project is the hardest to get through the Congress, and it was not easy to get approval of the first $2,600,000 in 1947 to begin construction of McNary Dam. However, I was able to obtain approval of the initial appropriation for construction of McNary Dam, involving a total Federal cost estimated at $227,028,000. Neither has it been easy to have the Congress make the appropriations each session in the amounts actually needed, and to keep them from being cut from year to year, but I have been able to show my colleagues on the House Appropriations Committee, of which committee I am a member, and also show my other colleagues in the Congress each year that it is good business to keep the construction work going without stoppage on this important dam. To June 30, 1950, the total amount appropriated for McNary Dam was $72,575,000 and in this last session of Congress the amount allowed for McNary Dam is between $35,000,000 and $37,500,000. The final decision as to the exact amount to be spent is left to the Corps of Engineers, and I am assured by them that this project is of such vital importance that they feel the work on it should proceed with full speed. The dam was about 27 percent completed on June 30, 1950, and on June 30, 1951, it is anticipated it will be about 40 percent completed.

I have continued to remind my colleagues in the Congress of the importance of McNary Dam, which will ultimately supply 980,000 kilowatts of power so critically needed in the Pacific Northwest. The first two units are estimated to be in operation about December 1953, bringing in an initial installment of 840,000 kilowatts. This dam will also provide navigation benefits for the next 50 years amounting to an estimated $700,000 annually, and irrigation benefits to 380,000 acres of land will be made possible by pumping water from the reservoir.

BONNEVILLE

Bonneville Power Administration is established by statute as a wholesale distributor of power in the Pacific Northwest from dams constructed by the Corps of Engineers and the Bureau of Reclamation. The present generation of electricity distributed by BPA amounts to some 2,000,000 kilowatts from Grand Coulee and Bonneville Dams, and in the next 6 years it is planned it will distribute an additional 4,000,000 kilowatts out of a total potential Columbia River Basin development of 10,000,000 to 12,000,000 kilowatts. All of the power is sold in wholesale lots to municipal or private distributing systems, public utility districts, or very large industrial users such as aluminum production. All of the funds which the Federal Government invests in these facilities—dams, transmission lines, substations, and so forth—are subject to full repayment over a period of 50 years or less out of the proceeds of sale of electricity. In actual practice today, the ability of the Bonneville system to repay its obligations has far exceeded the requirement established by the Congress. An example of this is Bonneville Dam which, as already mentioned, is 10 years ahead of its pay-out schedule.

Due to the extensive operations of the Bonneville Power Administration in the district I represent, I feel particularly interested in seeing that funds are made available for the activities of this agency. For the fiscal years 1949, 1950, and 1951, BPA has received $101,958,000 in cash Federal funds, aside from contract authorizations.

The following transmission facilities are either under construction or authorized for construction in the Second District of Oregon:

Southwest Oregon loop service—414 miles, with substations at Redmond, Klamath Falls, Medford, and Roseburg, estimated cost $24,200,000, construction to be started in fiscal year 1951.

McNary-Maupin-Detroit, Detroit-Albany—the major part of the McNary-Maupin-Detroit line is in the second district, total cost of line, including terminals, estimated at $8,947,000, construction to start in fiscal year 1951.

McNary-Big Eddy-Troutdale line—173 miles long, estimated cost $13,833,000, construction to be started in fiscal year 1951.

Goldendale-Maupin-Detroit line, estimated cost $8,848,000, and Detroit-Goshen line, estimated cost $9,174,000, scheduled for completion in December 1951.

McNary switching station, $1,023,000.

McNary-La Grande line—80 miles, to serve northeastern section of Oregon, cost $4,221,000, to be energized in 1952.

Walla Walla-Pendleton line—Pendleton substation—115,000-volt line, constructed early part of war to serve the Pendleton air base. Now serves Eastern Oregon Electric Cooperative.

The Dalles-Goldendale—enlarge the substation, to make additional capacity available to area, cost $249,000, including $6,000 cash and $67,000 contract authorization for fiscal year 1951.

RIVERS AND HARBORS AND FLOOD CONTROL

The Corps of Engineers has also proceeded with flood control and river and harbor work, and I have obtained cash funds since 1943 for the following projects in the Second Congressional District of Oregon:

Arlington, Alkali Canyon, improvement in town of Arlington, $195,000 appropriated 1948 and 1949, detailed planning completed.

Milton-Freewater, Walla Walla River, channel improvement and levee work, $20,000 appropriated in 1943, $55,000 in 1945, $300,000 in 1949, $640,000 in 1950; total, $1,085,700.

Pilot Rock, Birch Creek, channel clearance and levee work, $3,700 appropriated 1947, total cost $110,000, work getting under way.

Malheur improvement district, protection of river bank on Oregon side near Weiser, Idaho, $1,300 for planning appropriated; estimated cost, $37,600.

Columbia River, navigation improvement, Celilo to Kennewick, Wash., total since 1943, $701,500.

The Dalles-Celilo Canal, navigation improvement, $772,200.

Columbia River, Vancouver to The Dalles, $441,000 on Oregon side.

When the Rivers and Harbors and Flood Control Act for 1950 was before the Congress I realized the importance of getting congressional approval on a backlog of projects and was able to obtain authorization for construction of the following projects in the Second District of Oregon, appropriations to be obtained later;

John Day Dam, estimated first cost $379,826,000.

The Dalles Dam, estimated first cost $286,286,000.

Pendleton, Oreg., local flood protection, estimated cost $528,000.

Local flood-control projects in Columbia River Basin, $15,000,000 to be used as follows:

Malheur River, flood protection at critical points, estimated $250,000.

Grande Ronde River, channel improvement work, estimated $3,000,000.

Umatilla River, flood control, channel clearing, critical points, estimated $150,000.

John Day River, flood protection, critical points, estimated $400,000.

Prineville (Ochoco and Crooked River), channel clearing and revetment work, $150,000.

Umatilla harbor improvement, total Federal cost estimated $416,250, and $205,000 non-Federal.

IRRIGATION AND RECLAMATION

Irrigation farming in the second district of Oregon is today a multimillion-dollar business. In 1949 irrigation units in this district produced crops valued at $18,006,997 from 644,352 acres of irrigable lands under cultivation. I have constantly endeavored to obtain Federal aid to develop the natural resources of the region through irrigation, and I am glad to say that the district I represent contains more Federal reclamation projects and irrigation units than that of any other Member of the Congress.

The four major irrigation projects in the district: Deschutes, Klamath, Owyhee, and Umatilla projects represent a total investment in Federal reclamation of more than $50,000,000. The cost to the Federal Government is gradually being repaid by the water users over a period of years, and the value of crops raised on the lands in a single year almost equals half the entire construction costs.

I realize the importance of insuring maximum efficiency in operating procedure on these projects, and when the large flume in the Arnold Irrigation District in Deschutes County in 1947 was threatened with a breakdown that threatened interruption of crop production valued at more than $197,000 per year, I was able to obtain funds for emergency rehabilitation, as follows: 1947, $100,000; February 1948, $72,000; fiscal year 1950, $35,150. Total cost, $207,150.

When Ochoco Dam near Prineville on the Crooked River was found to offer threat of serious damage to irrigation farming in the region, I secured approval for construction of a new dam at a cost of $1,535,000. In this case I was able to save the water users in the district more than $1,000,000 of the cost of the dam, by negotiating repayment contracts which called for the allocation of only $500,000 of the costs of irrigation, the remainder being credited to flood control and other conservation usages not assessed against the water users.

Although the Congress has not yet authorized construction of the proposed Hell's Canyon Dam, on the border between Wallowa County and Idaho, this great dam is feasible both from an engineering and financial standpoint. Its estimated cost of $450,000,000 will be repaid largely from power revenues at little expense to the taxpayers, and it will add nearly a million kilowatts of power capacity to the area. It would also make a substantial contribution to the upstream storage needed to control devastating Columbia River floods, and improve navigation in downstream Snake and Columbia Rivers regulation. I have appeared before committees of the House and Senate in behalf of its authorization by the Congress, and I shall continue to promote it.

I have also worked closely with officials of the Bureau of Reclamation to obtain funds from the Congress for surveys for the preparation of additional projects in Oregon which I hope to be able to have authorized in the next Congress. These projects have been recommended by the Bureau of Reclamation, as follows:

Crooked River project, near Prineville, at cost of $5,277,500 will irrigate 20,210 acres and provide flood protection for Prineville.

Bully Creek extension of Vale project, costing $2,846,000 will provide water for irrigation of 4,000 acres of farm land.

West unit of The Dalles project, at cost of $2,300,000 will provide a pumping and water distribution system for 4,530 acres of irrigable land, mostly consisting of orchards threatened with destruction because of inability to obtain sufficient moisture from underground water sources.

Every year since I have been in the Congress, when the Appropriations Committee has had under consideration the question of funds for the large irrigation projects in the district I represent, I have contacted my colleagues on the House Appropriations Committee, of which committee I am a member, in behalf of adequate funds to carry on the important work of these projects. I am pleased to report here the amounts I have been able to obtain for construction on these projects since 1943:

Deschutes project, $9,708,587, now approaching completion, in central Oregon, will bring 50,000 acres under irrigation through construction of Wickiup Reservoir. Project also furnishes supplemental water to 46,000 acres in established irrigation districts through construction of Crane Prairie Reservoir, which has been completed for storage of 50,000 acre-feet of water. Wickiup Reservoir is nearing completion and is in service. Funds have been programmed for continuation of possible leak sealing in Wickiup Reservoir.

Klamath project, $6,595,065, at present 148,200 acres are furnished full water requirements and 30,000 acres a supplemental supply, ultimately will serve 208,000 acres of Upper Klamath Basin and Lost River Valley lands.

Owyhee project, $490,000, provides for irrigation of 101,500 acres. The Owyhee Dam which is an important part of this project was started in 1928 when Hon. Robert R. Butler of The Dalles, represented this district, and it was finished and dedicated when my predecessor, Hon. Walter M. Pierce, was Representative from this district. The $490,000 I have obtained for this project since I have had the honor to be your Congressman has been for operation and maintenance of the storage facilities at Owyhee Dam for the Owyhee project lands, which lie chiefly in eastern Oregon.

Vale project, $28,000, irrigates 32,000 acres of land, storage of water in Warm Springs Reservoir, on Malheur River, near Riverside.

REPAYMENT CONTRACTS

I introduced H. R. 5236 and obtained final passage through the Congress of legislation for new repayment contracts which the farmers consistently would be able to pay on the Stanfield and Westland divisions of the Umatilla project. Similar repayment contract negotiations resulted in extensive savings to water users in the Vale project, where the time period for repayment was extended from 40 to 73 years, and on the Deschutes North Unit project. My idea in introducing and securing passage of such legislation was to give the farmers a plan of repayment that is fair and not beyond their ability to meet, and yet will protect the investment of the Government and allow continued operation of the projects on a sound economic basis.

COLUMBIA BASIN WATER DIVERSION

The irrigation projects I have listed above give a good example of how very valuable are the water resources of the Columbia Basin in building and maintaining the prosperity of the Second District of Oregon. I have repeatedly protested the fantastic scheme which the Bureau of Reclamation has under consideration to divert to California the waters of the Columbia River Basin. I have pointed out that during the last 10 years Oregon has grown in population more than any other State and that if the Pacific Northwest is given another 10 years for development, there will be no surplus water. For fiscal year 1950, the Bureau spent $100,000 for their United Western investigation, and for 1951 they have $112,000 programmed for this project which is making studies in connection with its plot to divert Columbia River waters from the citizens of the Columbia Basin area who are rightfully entitled to them under the water laws and customs which have served so well to build our country into the strong Nation it is today.

I have endeavored, before it is too late, to have the question answered as to how great the cost will be, not only in increased burden on the taxpayers of the Nation to construct this gigantic and impractical project, but what the loss will be to those to whom belong the natural water rights to Columbia Basin waters under existing water laws and customs. Engineers advise that completion of the fantastic proposal would cost United States taxpayers from 5 to 10 billion dollars, and I do not accept the unsubstantiated statement of the Bureau of Reclamation that the diversion of the Pacific Northwest waters will be a "profitable national investment." I do not believe that feasibility of such a project can be established either from an economic or an engineering standpoint, and I shall continue strong opposition to it.

Nor do California citizens want these northwestern waters. I have in my files letters from three California Members of Congress, who state emphatically and without equivocation that California has neither proposed nor endorsed any such plan. They clearly state that the strategy behind the Columbia River diversion scheme is to give Congress and the Nation the impression that California does not need the Colorado River water to which it has established legal rights because water will be available to California from the Northwest. This theory is being built up in order to support the proposed Arizona project which would take from California and give to Arizona waters of the Colorado River to which California has established rights.

Not only does the scheme rob the citizens of the Columbia River Basin of their natural water rights, but it also throws them into the middle of the Arizona-

California controversy over the Colorado River waters for the Central Arizona Project which should not affect them at all. The scheme is a fantastic and nefarious attempt to rob the people of the Pacific Northwest as well as the taxpayers of the Nation, and I shall strongly continue my opposition.

RURAL ELECTRIFICATION ADMINISTRATION

In 1935, at the time of the creation of the Rural Electrification Administration, only 11 percent of the farms of the Nation received electric service from central stations, but by June 30, 1949, REA estimated that 4,582,016 farms, or 78 percent of the Nation's total farms, were electrified.

Farms in the Second District of Oregon which are served by electric lines, financed through loans made by the Rural Electrification Administration, used an average of about 300 kilowatt-hours per month of electric power. This is approximately double the national average use of REA-financed lines. I have realized the importance of REA to the district I represent, and each year I have contacted my colleagues on the House Appropriations Committee, of which I am a member, in behalf of loan authorization funds for this agency. REA loans are really a Federal investment, as they are repaid over a period of 35 years and bear 2 percent interest. I have assisted the electric cooperatives in the district I represent, and loans to 6 cooperatives, totaling $8,851,000, have been approved for construction of 3,917 miles of line in the Second District, to serve 7,241 consumers. About 2,500 miles of line are already in service and some 5,000 consumers are now connected. In other words, for the district I represent I have been able to assist in having energized more than one-third more REA-line mileage than in all the rest of the State of Oregon, to serve less than one-fourth of the consumers of the State. In eastern Oregon we have an average of less than two consumers to the mile, so that electrification in the Second District has been done under more difficult circumstances than in any other part of the State. It was considered impossible to do it where the connections per mile were so few, but it is to the credit of the people I represent that they had the initiative to go ahead and try to qualify for REA funds, and I am glad to have been able to help them in their fine accomplishment. I am also glad to say that their record of repayment is now ahead of schedule.

Loan approvals have been obtained for the following cooperatives in my district: Umatilla Electric Cooperative, Hermiston, $1,188,000; Central Electric Cooperative, Redmond, $1,782,000; Wasco Electric Cooperative, The Dalles, $1,936,000; Columbia Basin Electric Cooperative, Heppner, $1,250,000; Eastern Oregon Electric Cooperative, Pendleton, $465,000; Columbia Power Cooperative Association, Spray, $2,230,000. I have also been assisting in behalf of the loan application of Midstate Electric Cooperative, LaPine, Oreg., and from my contacts with REA officials I understand that the outlook appears good for approval of a loan of approximately $450,000 for this cooperative.

In 1949 the Congress passed a law to enable REA to make telephone loans to commercial telephone companies or cooperative or mutual nonprofit organizations for the improvement and expansion of rural telephone service. I supported this legislation, as I know the need for good rural telephone service in eastern Oregon. These loans are repayable in 35 years and bear 2 percent interest. The purpose of this legislation is to assure the availability of adequate telephone service to the widest practicable number of rural users who have either had no service or unsatisfactory service, due to unavailability of private credit to extend service to these users. I have had inquiries from the district I represent about REA telephone loans, and have been assisting with applications in this connection.

WHEAT

The wheat crop of Oregon comes largely from eastern Oregon, and I have promoted the loan program for wheat through the 8 years I have been in the Congress. Since 1942 the Commodity Credit Corporation has made loans to Oregon farmers to support the price of wheat, and while some years the CCC has had to take over large quantities of Oregon wheat, as it did in 1944, when 3,253 loans were made and 9,753,000 bushels of wheat were taken over; other years, such as 1946 and 1947, though loans were made, no wheat was taken over. Again in 1948 and 1949 the loan was greatly needed by Oregon wheat farmers in about the same amount it was used in 1944. This variation in the amount of the use of the loan program indicates the need for the program to be kept available to take care of the need when it comes. These loans have all been at the 90 percent of parity which I have endeavored to have maintained since I have been in the Congress.

EXPORT PROGRAM

With the 1945 crop the CCC began exporting wheat. I supported this export program and I am glad to report that 24,924,267 bushels of wheat left through Pacific ports in 1945, all of which came from Oregon, Washington, and Idaho. This export program was continued, and from the 1946, 1947, 1948, and 1949 crops from 33,000,000 to 54,000,000 bushels were exported each year. Over one-sixth of all United States exports from the 1949 crop came out of the Pacific Northwest.

Also the export subsidy under the International Wheat Agreement has been carried on since August 1949, and we have been able to maintain exports out of the Pacific Northwest even though they have been dropping off in other areas.

When the Foreign Aid Act of 1947 was passed, it contained a provision that the President should allow for a carry-over of wheat in the United States as of July 1, 1948, of not less than 150,000,000 bushels. I felt this specified carry-over provision was unnecessary, inasmuch as we grow approximately 2 bushels of wheat for every bushel consumed in the United States, and if the Government continued such a policy of creating an artificial surplus, this would only add to the natural surplus, and thus result in undue hardship to the wheat growers. I therefore introduced a bill in the Eightieth Congress, H. R. 5680, to do away with the above requirement. I also made a speech before the House of Representatives in behalf of removing curbs on wheat exports.

EROSION RESEARCH, PILOT FARMS

By 1948 the need for more intensive work on soil conservation research on the wheat lands of the Columbia River Basin was very evident, as the summer-fallow wheat counties of Umatilla, Union, Morrow, Gilliam, Sherman, Wasco, Wheeler, and Jefferson in the district were presenting a serious soil erosion and water conservation problem. After only 60 years of farming, the wheatlands of the area have suffered a loss of 25 to 50 percent of fertile topsoil due to erosive action of wind and water. I was therefore able to have a project initiated and established in 1948 when an initial sum of $22,145 Federal funds was made available to establish four soil erosion control pilot farms of approximately 160 acres each, in cooperation with the State of Oregon and with the large implement companies who have made large amounts of farming equipment available for experimental use on this project at approximately half cost. The project is operated from the Pendleton Branch Experiment Station, and six different systems of farming have been used on the lands now in cultivation, so that effectiveness from the erosion standpoint will be seen this fall.

Each year since 1948, I have contacted my colleagues on the House Appropriations Committee, of which committee I am a member, in behalf of this project, so that the Federal contribution has been continued. For 1950 it was $22,327. Already the appropriation is proving a good investment, as the estimated crop yield on the project this year is $10,000 which will be used to construct a greatly needed machine shed on the branch experiment station to facilitate needed modification and repair of equipment and to make all operations more efficient. Also a different type of drill has been found that is much better suited for drilling grain in a way to reduce erosion loss, and this is proving of great help to the farmers. I shall continue my efforts to have the work of this soil conservation project proceed at an even faster rate than it has, in view of the magnitude of the problem and its importance in heading off permanent losses, if not destruction, of the invaluable topsoil of the area.

ECONOMIC STUDY

In July 1949 I was also able to announce from Washington, D. C., that $15,000 in Research and Marketing Act funds would be allocated for a new research project—a study on the economics of conservation farming to be carried out in the wheat area of the Columbia River region and in the wheat-pea area near Pullman, Wash., and Moscow, Idaho, Federal funds to be supplemented by funds from the State colleges of Oregon, Washington, and Idaho. This is an economic study to be made in two areas—one in the Columbia River region in the relatively high rainfall and heavy stubble

growth area where wheat, summer-fallow is the major rotation, and the other in the vicinity of Pullman, Wash., and Moscow, Idaho, where wheat and peas grown in alternate years is the major rotation. The purpose is to determine the extent to which farm owners and operators are financially justified in adopting conservation practices, and information is greatly needed on the levels and trends of income with and without such practices. It in no way conflicts with the pilot-farm project mentioned above, but rather the pilot plots are expected to furnish some of the physical data needed for the economic analysis.

TWO-PRICE PLAN

The two-price plan for wheat has been recommended by the Oregon Wheat Growers League and endorsed generally by the farm organizations of the Pacific Northwest, and I introduced H. R. 7245 in the last session of this Congress to establish this plan which provides for parity for that part of the crop used for domestic flour and other human food while the remainder of the crop would move into export and feed and industrial markets at competitive prices. It is intended to allow the wheat farmer greater freedom from acreage controls and to give wheat a chance to compete with other grains in the export, feed, and industrial markets. Acreage allotments are particularly undesirable in the semiarid regions of the district where the limited rainfall makes it practically impossible to diversify from the planting of wheat to other crops.

GRAIN STORAGE

The question of insufficient wheat storage facilities looms as a problem each year, and in an effort to meet this problem I introduced a bill in the Eighty-first Congress, H. R. 3757, to permit the Commodity Credit Corporation to build facilities for storing wheat and other agricultural commodities at primary points close to the farms and ranches where such commodities are grown.

This would help the CCC in carrying out its program to aid the farmers. It would also not only relieve the congestion at terminal points in large cities, but would make it easier for the railroads to distribute cars to those points and handle the shipping of commodities during the peak seasons. The shortage of cars for handling the 1950 wheat crop shows the great need for remedial action on this problem, and I have been in almost daily contact recently with officials of the Interstate Commerce Commission and the American Association of Railroads in an effort to have more cars made available for moving the wheat crop as it is being harvested.

It is also apparent that encouragement is needed to have private capital invested in storage facilities. I therefore introduced in the Eighty-first Congress H. R. 3988, a bill to allow the cost of construction of farm storage facilities to be deducted for income-tax purposes, over a period of 60 months. A somewhat similar law existed from 1940 to 1945 to supply emergency facilities for storing grain of all kinds.

CROP INSURANCE

It has long been my contention that a crop-insurance program could be worked out so that it would prove its feasibility as a good business proposition, both from the standpoint of the farmer and of the Government, and I have consistently supported appropriations for the crop-insurance program. The program has been in operation several years and was in effect covering the 1949 wheat crop in 5 counties in the district I represent—Gilliam, Morrow, Sherman, Union, and Umatilla—where 258,693 acres were insured and indemnities paid to farmers amounted to $286,930. An amendment to the Crop Insurance Act also permitted it to be reestablished in the counties of Baker, Wallowa, and Wasco for the 1950 crop, while Jefferson County is being considered for future addition.

SOIL CONSERVATION DISTRICTS

Farmers in the district have shown a rapidly growing interest in themselves organizing soil conservation districts in order to use the technical facilities of the Soil Conservation Service. I have cooperated in this by supporting appropriations in the Congress for soil and water conservation programs. An outstanding example of the benefit that has come to the district is apparent on the 4,342 acres of irrigated farmland in the Langell Valley in Klamath County. Here engineers of the Soil Conservation Service have helped farmers work out improved irrigation and drainage systems on a farm-by-farm basis so that low-valued hay and pasture crops have been supplanted by high-quality grain and grass-seed crops such as barley, wheat, clover, and potatoes. The result is that these 4,342 acres in Langell Valley have, in the last few years, increased more than 200 percent in appraised value.

FORESTS

A lion's share of the wealth of Oregon is produced by its forests, as 65 cents of each payroll dollar in Oregon is the result of the forest industry. In eastern Oregon—within the district I represent—there are seven complete national forests and part of another. These forests provide protection for vital and valuable watersheds, provide timber, serve as grazing grounds for thousands of head of stock, and offer unequaled hunting, fishing, and recreational opportunities.

Through my activities in the Congress I have endeavored to have the resources of these lands used wisely, and in 1947 I was able to have the Blue Mountain Research Center established, with offices at La Grande. On these experimental forest and grange lands important work is going forward in testing and developing new forest and range management techniques which will prove valuable to all timber operators and range people of the area I represent. I contacted my colleagues on the House Appropriations Committee, of which committee I am a member, early this year in behalf of not only the budget-approved item of $33,414 for this center, but also in behalf of an additional $30,000, which the Department had advised me would be of great assistance in more adequately attacking both forest and range problems of the area.

The second district of Oregon has a lot of burned-over forest land, and I have realized the importance of getting this burned-over and poorly stocked land back into timber production. Therefore, in 1946 I was able to have established at Bend, Oreg., a Forest Service tree nursery. This nursery is now in production, and by next spring it is expected that 3,000,000 young pine trees will be ready for planting on those national forest lands that need planting. This is a definite part of the program of insuring continuous crops of timber from the national forests.

COUNTY FOREST FUNDS

Federal funds spent on Federal forests not only make increased wealth, but 25 percent of all moneys received from the Federal forests for sale of timber, grazing, and other uses is returned to the counties in which the forests are located, to be used for roads and schools, while an additional 10 percent is used for roads and trails within the forests. The 25 percent payments have been very beneficial to the counties in which national forest lands are located, as no taxes are collected by the counties on these Federal lands. However, there has been criticism of this plan because the contributions are apt to be least when prices are depressed and the need of the counties is the greatest. I therefore introduced in the last Congress, H. R. 5642, to pay annually 2 percent of the fair value of national forest lands to the States for distribution to the counties in which the lands are located. I believe such a provision would establish a larger measure of both stability and equity of contribution to the counties and enable the counties to formulate long-term county budgets in advance. The House Public Lands Committee held hearings on this general subject during this Congress, but took no action to report out a bill in this Congress. I plan to reintroduce my bill in the next Congress.

TIMBER

In order to meet the wartime and postwar demands for timber, it has been evident to me that the timber in the national forests which is mature and ready for cutting should be made available to the mills of the area. I have therefore promoted the policy of more timber production in the national forests where it could be done without overcutting and without interfering with future yield of the forests. An outstanding example of the result is the record in the Ochoco National Forest, where the cut in 1944 was only 23,000,000 board feet, and this was increased in 1949 to 86,500,000 board feet, with value of $890,000.

In another case the Bureau of Land Management advises me that as a result of legislation which I favored for passage in the Congress and which became Public Law 291 of the Eightieth Congress, the Bureau of Land Management has been able to make available for the mills of the area 23,000,000 board feet of timber from public lands in the Second District of Oregon without overcutting, or interfering with future yield. That

amounts to about one-half of all the materials sold under this act, and the act has therefore been very useful to the district I represent.

SUSTAINED-YIELD TIMBER MANAGEMENT

During World War II, when the demand for timber was very great, it became increasingly evident that legislation was needed to promote sustained-yield forest management on public forest lands. I promoted passage of such legislation, and in March 1944, Public Law 273 was passed to promote sustained-yield forest management in order to stabilize communities, forest industries, and employment, to assure a continuous and ample supply of forest products, and to secure the benefits of forests in regulation of water supply and stream flow, prevention of soil erosion and preservation of wildlife.

Recently the establishment of the Lakeview Unit under this legislation has been under consideration. The Forest Service has made surveys and has come to the conclusion that 50,000,000 board feet safely may be removed annually for the initial period from national forest lands in the Lakeview Unit. I have appeared before the House Committee on Public Lands in behalf of this unit so that the timber may be kept for, and be milled in, the communities of Lakeview and Paisley. These towns are permanent communities of the district I represent, and I have endeavored to protect them from the threat of the economic desolation of becoming ghost lumber towns.

SPRUCE BUDWORM

One of the greatest dangers in the history of the Pacific Northwest appeared with the spruce budworm infestation in the Douglas-fir and white-fir stands of Oregon and Washington. To combat this threat I urged the Congress to make the initial appropriation in 1948 for $10,000 which was used for an experimental project to eradicate this pest. The project was highly successful, and each year since then I have appealed to my colleagues on the Appropriations Committees of the House and Senate, and for the operating season of 1949, obtained $200,000 to treat 165,000 acres of Douglas fir and white fir, and $750,000 for the season of 1950. Nearly a million acres were sprayed in 1950.

GRASSHOPPER AND MORMON CRICKET CONTROL

Both grasshoppers and Mormon crickets are general feeders, and when they occur in outbreak numbers they may within a week's time destroy crops completely and move on to new areas. The necessity is very evident for having a Government set-up for control work and to make annual surveys to detect outbreaks in the early stages so that they may be stopped before they get out of hand. To this end I have supported appropriations in the Congress, and Federal funds obligated since 1943 for grasshopper and Mormon cricket control work in the Nation have amounted to $448,974. In 1949 these funds were called on to aid in the fight against the tremendous horde of grasshoppers which migrated from Nevada into Lake and Harney Counties in Oregon, but the money available was not enough to do the job. I therefore contacted my colleagues on the Appropriations Committee of the House, of which committee I am a member, in behalf of an emergency appropriation for control of this infestation. On August 8, 1947, the emergency fund was allowed by the Congress. With these funds Government workers put poison bait on the range lands in order to kill the pests before they could migrate and invade crops. It is estimated that for every dollar spent for grasshopper and Mormon cricket control $20 to $50 in crops have been saved.

GRAZING

There are six grazing districts east of the Cascades in Oregon, with a total of 12,001,109 acres of public domain land. The six grazing districts are administered from offices located in Lakeview, Burns, Vale, Prineville, and Baker, and during fiscal year 1950 permits were issued for the grazing of livestock, cattle, horses, and sheep, totaling 481,733. There are also 639,949 acres of public land outside of these 6 grazing districts but lying in eastern Oregon, and this is largely under lease to 598 lessees under section 15 of the Taylor Grazing Act. I have consistently endeavored to secure adequate appropriations to properly carry on the grazing operations, improve the ranges of eastern Oregon, and to have the vegetation and forage resources brought up to a point of maximum utilization. For the last 2 years approximately $100,000 has been spent in grazing districts in the area each year to accomplish seeding and planting, brush and weed control, firebreaks, stock-water reservoirs, springs and wells, fencing, cattleguards, stock-water troughs, retention dams, conservation surveys, and performance inventories.

The Squaw Butte Range Experiment Station near Burns is in effect a laboratory of 16,000 acres of semiarid sagebrush rangeland where basic information on the proper handling of range resources is developed and made available for general use in the industry. I have advised the committees of the Congress that adequate financing of this station will result in many benefits in the form of better ways of handling livestock on the range and in the use of various types of ranges, and I am glad to say that funds for this station have been increased in the past 3 years from $25,000 to approximately $50,000.

Grazing uses bring in a return income, and during 1950 receipts from eastern Oregon grazing districts amounted to $91,368.05. Also, slightly more than $12,000 is due the State from grazing receipts for the benefit of counties in which fees have been collected.

FRUIT

To aid in the reestablishment of foreign outlets for the apples and pears of the Second District and to assist in removal from domestic channels of commerce those apples and pears which ordinarily were exported prior to World War II, I supported the export-payment program of the Production and Marketing Administration designed to stimulate exports of apples and winter pears. Payments were made on the 1948 and 1949 crops to the growers amounting to approximately 50 percent of export sales price, but not more than $1.25 per bushel container, for shipment to countries participating in the European recovery program. For these 2 years Oregon fruit growers received $852,202.81.

Beginning with the crop of 1947 I was able to have fruit of the district, including apples, pears, canned plums, canned peaches, and apple sauce, made available to the school-lunch program and eligible institutions. In this connection, for the 1947, 1948, and 1949 crops, Oregon growers were paid approximately a million dollars under purchase and domestic diversion programs.

The Department is now considering an export-payment program on apples and pears for the approaching marketing season, and I have been in contact with them in behalf of this program. They advise me that announcement concerning it may be made some time in September.

POTATOES

The Oregon potato crop makes a significant contribution to the wealth of the State, being valued at close to $19,000,000 annually in recent years. By far, the largest part of the crop, and nearly all the commercial production, occurs in concentrated areas in the district I represent, in Klamath, Crook, Deschutes, and Malheur Counties. The potato price-support program has been a big item in recent years—big in national volume and cost, but big also by way of assurances to growers against disastrously low prices. In Oregon the Government has bought from 1,500,000 to 2,900,000 bushels per year since 1946, with exception of the short-crop year of 1947. The value of the Government purchases ranged from $1,300,000 in 1946 to $3,700,000 in 1948. Potato growers themselves took the lead in urging that the 1949 support price be reduced from 90 percent of parity to 60 percent, so there would be no incentive to overproduce. There still are many things to learn about how to keep price support and production from upsetting each other. That is the challenge to the Congress to establish and maintain a support program that is fair all around, not too costly, and capable of avoiding wild swings in production.

WINTER-COVER CROP SEEDS

In order to assist the growers of winter-cover crop seeds, which is an important crop in eastern Oregon, I have been in frequent contact with the Commodity Credit Corporation, and I am glad to say the CCC agreed to producer-purchase agreements on 1950 winter-cover crop seeds, such as vetch, clover, ryegrass, and Austrian winter peas.

The CCC also agreed to farm-storage and warehouse-storage loans on these seeds and provided also for purchase of these cover crop seeds from dealers who have paid the grower of such seed the support price, or better, for the seed.

FREIGHT RATES

While freight rates have increased all over the country, with over-all average increases amounting to 57.3 percent since

June 1946, the freight rates in the Pacific Northwest are turning us into a colonial province of the Nation. I am convinced that mile for mile the agriculture and industry of the West have been faced with a definite and substantial disadvantage in comparison with the freight rates available to producers shipping from territories in the East. The disadvantage has been to such an extent that the citizens of the district I represent in eastern Oregon are finding it increasingly difficult to ship their products into the large competitive markets of the Nation; some of them are having to go out of business altogether. Early this year the Pendleton and Milton-Freewater Chambers of Commerce held a joint meeting and discussed the effects of the unequal and unfair freight-rate increases. They reported that 18 pea-processing plants have been closed in the Northwest in the last 3 years and that their freight rate on canned peas to New York has increased 71 percent.

I introduced a bill in the Eighty-first Congress—H. R. 6905—calling for an adjustment of railroad freight rates so as not to discriminate against the Pacific Northwest. I followed that action by requesting the Interstate Commerce Commission to hold early hearings in eastern Oregon in connection with its docket 30416, a proceeding of investigation with respect to class rates within the Mountain-Pacific territory.

My next move was a speech in the House of Representatives where I pointed out many definite examples of disadvantages in freight rates which are facing the people I represent. I showed particularly the unfairness to eastern Oregon of the percentage method of freight-rate increases. On lumber, for instance, Oregon's rate to Philadelphia was 38 cents higher than Mississippi's rate to Philadelphia before the war, but after the freight increases Oregon's rate is 46 cents more than Mississippi's. On apples the rate from Hood River, Oreg., to Chicago before the war was 78 cents more than from Virginia, but now the rate is 94 cents more than Virginia's. The unfair disadvantage is enough to make it impossible to compete in these markets.

I called upon the ICC to find a better and fairer formula for freight-rate increases so that the natural mileage disadvantage which the West has to meet in eastern markets would not be worsened by the increases in freight rates. I also stated on the floor of the House that—

> I have seen enough to convince me that a complete investigation of this subject is necessary in the public interest.

The ICC has finally waked up to the need for an investigation, and on August 17, 1950, the ICC ordered a proceeding of investigation as to transcontinental class rates between Mountain-Pacific territory and eastern territories, Docket 30660. This is the opportunity the shippers of the district I represent have desired, and they can now get together and show to the ICC the discrimination in transportation costs which has meant not only loss of local industry and jobs for our people, but has meant perpetual reduction in purchasing power, inability of new industry to rise, and less taxes available for State and local governments.

BASING-POINT BILL

When the freight-absorption legislation, or the so-called basing-point bill, was on the floor of the House during the Eighty-first Congress, I had already seen what the high freight rates were doing to prevent the products of the Second District of Oregon from competing in the large eastern markets. Confusion had arisen over the recent ruling of the Supreme Court with respect to freight absorption, and it was evident that without legislation to clarify the question, the freight-rate disadvantage of eastern Oregon would be further increased, and it would be more difficult than ever to get our products into competitive markets. Some of our processing plants in the pea industry have already had to go out of business, and the beet sugar industry of eastern Oregon also depends largely upon ability to absorb freight charges in order to meet competition in the markets of the Nation. Employees and workers who depend on the marketing of these two agricultural products of our district, peas and beets, as well as other products, I felt should be protected against loss of their jobs in these industries, and I therefore favored passage of this legislation which, however, was finally vetoed by the President and the veto was not overridden.

PUBLIC WORKS AND SCHOOL AID

My best efforts have been given to the towns I represent, since I have been in the Congress, in obtaining for them funds for public works and public services.

I am glad to report that from 1943 Federal funds have been made available to the towns and cities of the district for school additions and school maintenance and operation in areas increased by Federal projects for street lights, health centers, waterworks, sewage-disposal plants, nurses' homes, child-care and recreation centers, and advance planning program as follows:

Hermiston	[1] $502,029
Stanfield	[1] 65,902
Pendleton	[1] 306,159
Umatilla County	[1] 12,144
Redmond	17,568
Bend	25,032
The Dalles	41,748
Echo	2,308
Hood River	17,511
Burns	3,000
Vale	$4,353
Culver	621
Madras	555
Sisters	7,250
Baker	4,500
Total	1,010,680

[1] Largely for federally affected schools.

The need for aid to those towns which had to provide schools for an influx of people who came in connection with Federal activities was particularly acute at Hermiston, Stanfield, Pendleton, and Umatilla County, in connection with McNary Dam, Ordnance Depot, and Pendleton Air Base, and the need continues to be serious in the towns affected by McNary Dam construction. I have supported legislation in the last Congress which would provide funds not only for school operation and maintenance, but for school construction, in areas affected by Federal activities, and I made an address on the floor of the House on July 13 in this behalf, pointing out that these towns have bonded themselves to the limit allowed under the law in an effort to provide schooling for the influx of children who have come in on account of Federal activities.

The school situation in Klamath County also needed help in 1949, as about 67 percent of the county is in nontaxable Federal ownership, and the tax levy for the county had been raised from 8 mills to more than 40 mills. Many of the students were Indian children from nontax lands. I, therefore, introduced a bill, H. R. 4510, and obtained passage of it, providing for $150,000 for construction, extension, and improvement of public-school facilities in Klamath County, to be available to all Indian and non-Indian children without discrimination.

OTHER FEDERAL BENEFITS

Other Federal benefits obtained for towns in the Second District during the Eighty-first Congress are as follows:

Baker, for planning street-lighting system, $4,500.

Hermiston, for planning 24 low-rent public housing units, $9,600.

Pendleton, for planning 50 units low-rent public housing, $20,000.

Huntington, obtained agreement of FHA to sell 10 dwelling units for emergency school housing.

Obtained FCC approval re expanded service, Klamath Falls Station KFJI; Prineville, permit to construct Station KRCO; Bend Station KBND expansion.

Bend, St. Charles Memorial Hospital, 55 additional beds, Federal funds, $296,365.

Under the Federal-aid airport program, the following received Federal funds in 1950:

Cascade Locks, $13,990, administration building, work on landing strip, and so forth.

Pendleton, $70,000, administration building and lights.

Baker, $7,000, lights.

Ontario, $7,000, lights.

Nyssa, $6,000, landing strips, and so forth.

Bend, $13,000, lights, and so forth.

Sprague River Road, $150,000 in Federal funds obtained in 1949 for work on 30½ miles from Cave Mountain to the Klamath Falls-Lakeview Highway.

For Klamath Chamber of Commerce and the Gun Club of Klamath Falls, obtained agreement and Presidential proclamation to keep 1,300 acres in Peninsula area at south end of Tule Lake in wild state as public hunting lands and 160 acres on eastern edge as recreation area.

Obtained extension of certificate of Empire Air Lines, Inc., until December 31, 1950. This line serves Ontario, Baker, La Grande, and Pendleton.

KLAMATH FALLS

For Klamath Falls I introduced H. R. 8750, to turn over to the city of Klamath Falls, for expansion of the municipal airport, portions of federally owned land and cancellation of unaccrued construc-

tion charges amounting to $19,500 on 711 acres of unproductive land to be turned over to the city.

I also introduced H. R. 5810, to remove disability of present law relating to the furnishing of accommodations at Klamath Falls for the United States District Court for the District of Oregon. I have obtained passage of this bill through the House, and it is now on the Senate calendar. The time is now short, but it has a chance to become a public law before the close of the Eighty-first Congress.

VETERANS' HOSPITAL, KLAMATH FALLS

With respect to legislation for construction of a 200-bed veterans' general medical and surgical hospital at Klamath Falls, I have contacted my colleagues in the House in behalf of approval of legislation for this hospital, and I am glad to say it has been passed in the House. In view of the tense foreign situation now confronting this country and the war in Korea where our veterans are being wounded every day, and in view of the location of Klamath Falls in the center of a vast area of 53,283 square miles which is nearer to Klamath Falls than to any existing or approved veterans' general medical hospital, and the large number of veterans within this area, some of which is mainly settled by veterans, I have done all possible to obtain final passage of this legislation. It is now pending on the Senate calendar, and I hope it will be passed before the Congress adjourns.

A report to the district would not be complete without speaking of a few bills which I have not mentioned before and which I introduced in the last session of the Congress for the benefit of the district. They are as follows:

H. R. 4175, to establish and locate the United States Air Academy in eastern Oregon.

H. R. 7157, to enable the Federal Government to construct a bridge over the Columbia River below McNary Dam.

H. R. 6200, to suspend mining assessment work for 1 year. Legislation to this effect became a law. I introduced similar legislation in 1950 and obtained 3 months' extension in which to do the mining assessment work.

CONCLUSION

This report points out some of the many things that the Representative in Congress from the Second District of Oregon is doing each day and gives an idea of the vast scope of the job and its importance to each individual in the district. The Congressman from this district represents approximately 245,979 persons, and the district—which is the fourth largest congressional district in area in the United States—embraces 66,843 square miles. It is a big district, and to represent it is a big job. I appreciate having the honor of serving as Congressman from this district during the last 8 years.

SPECIAL ORDER GRANTED

Mr. JACOBS. Mr. Speaker, in view of the lateness of the hour, I wish to ask unanimous consent that instead of addressing the House for 40 minutes today, I may have the same special order tomorrow, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 10 minutes.

THE KOREAN SITUATION

Mr. PRICE. Mr. Speaker, I would like to bring two important facts to the attention of the membership of the House in connection with the fighting of our troops and the United Nations in Korea—and I desire to stress them as strongly as possible, because I believe they may have been overlooked in some quarters by professional politicians, purposely overlooked.

Fact No. 1: Within 2 months we had in Korea more men and more arms than we sent to the invasion of north Africa in November of 1942, 11 months after Pearl Harbor.

Fact No. 2: The action in Korea does not represent the first time the United States has participated in an international army while ostensibly at peace—but the fifth time. It is the fourth time American forces have intervened in the Far East without a formal declaration of war.

In connection with fact No. 1, I believe you will be interested in what the August 21 issue of Time magazine had to say on the subject of our forces in Korea:

> The American effort and the American soldier in Korea are magnificent. Doubtless we could and should have been better prepared. But the more important fact is that never before in all our history have we been so nearly prepared at the start of any war as we were at the start of this one. Today we have in Korea more men and more arms than we sent to the invasion of north Africa in November of 1942, 11 months after Pearl Harbor.
>
> Already, though still outnumbered, we have the greater weight of arms, on the ground and in the air and at sea. We know how to use and coordinate the arms, as we did not know for many months after the start of World War II. It is a wonderful and thrilling thing to see * * * infantry in action with the support of fighters from the Air Force, bombers from a naval carrier, and, if the field commander had wanted it, bombardment from warships standing off shore. * * * The build-up of American power has been achieved at a pace and on a scale that would never before have been possible so early in a war so far from home.

As to this state of readiness of our forces, let me offer this testimony of Gen. Douglas MacArthur, commander of the United Nations forces in Korea, as stated by him on July 20, 1950:

> I do not believe that history records a comparable operation which excelled the speed and precision with which the Eighth Army, the Far East Air Force, and the Seventh Fleet have been deployed to a distant land for immediate commitment to major operations * * * it attests to their superior training and high state of readiness to meet any eventuality.

In regard to fact No. 2, in the earlier days of the Republic, American armed forces did not hesitate to intervene at the drop of a hat into affairs of other nations, sometimes without the prior authorization of the President, much less Congress. According to one historian, American armed forces, largely Marines, have been so involved more than 180 times.

Prior to the present Korean situation previous interventions in the Far East were in 1871, 1888, and 1894. At one time, American forces once fought shoulder-to-shoulder with Russian troops less than 700 miles from where GI's now are battling Russian-trained Communists.

That was in 1900–1901 during the Boxer rebellion in China when President William McKinley sent 5,000 troops to help relieve the siege of foreign concessions in Peking by Chinese rebels. These American troops were joined by Russian, British, French, German, and Japanese armed forces.

The United States has taken part in at least five international armies during peacetime—the Boxer rebellion, joined the British in 1854 during a Chinese civil war, intervened in Uruguay with other powers in 1858, bombarded the Japanese in 1864 with British, French, and Netherland forces, and acted jointly with Germany and Great Britain in Samoa in 1888.

This is the fourth time our forces have been sent to Korea. American armed forces first saw action there in 1871 when a six-ship naval squadron was fired upon while investigating a Korean attack on a United States merchant vessel. American forces were sent to Seoul in 1888 to protect American residents whose lives were endangered by a threatened outbreak, and from 1894 to 1896, a Marine guard was kept at the American Legation in Seoul to protect American lives and property during and following the Sino-Japanese war.

Intervention in foreign nations without a declaration of war or the consent of Congress has been a frequent occurrence in American history. The incidents are too numerous to mention, but we acted quickly on any occasion when it appeared there was a threat to our security and to world peace, no matter where that threat arose.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill H. R. 9176, the Defense Production Act of 1950.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BURTON (at the request of Mr. FUGATE), for an indefinite period, on account of illness in family.

To Mr. DEGRAFFENRIED, for the balance of the week, on account of official business.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the

House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 385. Joint Resolution to provide for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3934. An act to facilitate compliance with the treaty between the United States of America and the United Mexican States signed February 3, 1944.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, September 1, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1658. A letter from the Secretary, Department of the Air Force, transmitting a draft of a bill entitled "A bill to increase the appropriation authorization for the Air Engineering Development Center"; to the Committee on Armed Services.

1659. A letter from the Acting Archivist of the United States, transmitting a report of the Archivist of the United States on records proposed for disposal, pursuant to the provisions of the act approved July 7, 1943 (57 Stat. 380), as amended by the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee on Appropriations. House Joint Resolution 537. Joint resolution making emergency appropriations for the fiscal year 1951, and for other purposes, without amendment (Rept. No. 3031). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee of conference. S. 3409. An act to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes; without amendment (Rept. No. 3032). Ordered to be printed.

Mr. BUCHANAN: Select Committee on Lobbying Activities. Report on proceedings against Joseph P. Kamp (Rept. No. 3033). Ordered to be printed.

Mr. HOBBS: Committee of conference. S. 3921. An act to provide for the temporary assignment of referees in bankruptcy, and for other purposes; without amendment (Rept. No. 3037). Ordered to be printed.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 3504. An act to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof; without amendment (Rept. No. 3038). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee of conference. S. 4029. An act to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes; without amendment (Rept. No. 3039). Ordered to be printed.

Mr. PETERSON: Committee of conference. S. 192. An act to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties; without amendment (Rept. No. 3040). Ordered to be printed.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. H. R. 9184. A bill to provide for the separation of subsidy from air-mail pay, and for other purposes; with amendment (Rept. No. 3041). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee of conference. H. R. 9176. A bill to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes; without amendment (Rept. No. 3042). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. H. R. 6698. A bill authorizing the issuance of a patent in fee to Lowell Harris Spotted Elk and Benjamin Spotted Elk; with amendment (Rept. No. 3034). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 6701. A bill to authorize the sale of certain allotted inherited land of Charles Red Horse on the Rosebud Indian Reservation, S. Dak.; with amendment (Rept. No. 3035). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 6875. A bill authorizing the issuance of a patent in fee to Alice Bear Shield Knock; with amendment (Rept. No. 3036). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LANE:

H. R. 9598. A bill authorizing the erection of a shrine on the U. S. S. *Arizona;* to the Committee on Armed Services.

By Mr. MANSFIELD:

H. R. 9599. A bill to provide lump-sum life indemnity payments for survivors of members of the Armed Forces who die while on active duty, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MACK of Washington:

H. R. 9600. A bill to create a United States Academy of Foreign Service; to the Committee on Foreign Affairs.

By Mrs. WOODHOUSE:

H. R. 9601. A bill to further the objectives of the national housing program and to provide for the national security of the United States by amending the Housing Act of 1950; to the Committee on Banking and Currency.

By Mr. BUCHANAN:

H. Con. Res. 281. Concurrent resolution authorizing the printing of additional copies of hearings held before the Select Committee on Lobbying Activities; to the Committee on House Administration.

By Mr. BURLESON:

H. Res. 837. Resolution providing increased compensation to certain employees of the House, Office of the Doorkeeper; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLLING:

H. R. 9602. A bill for the relief of Hans Lenk; to the Committee on the Judiciary.

By Mr. BRAMBLETT:

H. R. 9603. A bill for the relief of Robert A. Bolton; to the Committee on Post Office and Civil Service.

By Mr. BYRNE of New York:

H. R. 9604. A bill for the relief of Mrs. Sadako Kawamura Lawton; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 9605. A bill for the relief of Sam Katz; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 9606. A bill for the relief of Mrs. Edith Abrahamovic; to the Committee on the Judiciary.

By Mr. EBERHARTER:

H. R. 9607. A bill for the relief of Ekmel Huseyin Moran; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 9608. A bill for the relief of Haruyo Takahashi; to the Committee on the Judiciary.

By Mr. MITCHELL:

H. R. 9609. A bill for the relief of Toshiaki Shimada; to the Committee on the Judiciary.

H. R. 9610. A bill for the relief of Mohamed Ben Abdesllam Drisi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2356. The SPEAKER presented a petition of Joseph F. Lamb, secretary, Knights of Columbus, New Haven, Conn., relative to the Supreme Council of the Knights of Columbus "urging the President and Congress of the United States to accord to the Government of Spain the consideration and cooperation in diplomatic and trade relations accorded to other friendly nations," which was referred to the Committee on Foreign Affairs.

SENATE

FRIDAY, SEPTEMBER 1, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Gerhard E. Lenski, D. D., pastor, Grace Lutheran Church, Washington, D. C., offered the following prayer:

Our God, our help in ages past,
Our hope for years to come,
Our shelter from the stormy blast
And our eternal home—
Beneath the shelter of Thy throne
Thy saints have dwelt secure;
Sufficient is Thine arm alone
And our defense is sure.

Our God, fulfill now in our lives the promise of this much loved hymn. In an evil day, when wisdom falters and courage fails, be Thou our strong rock,

our ever sure defense. Some trust in horses and some in chariots and some in bombs and tanks and planes. May our deepest trust ever be in Thee. To this end bless with Thy favor the deliberations of the Senate. Keep ever in Thy protecting care this dear land we love so much. Claim and keep our President as Thy servant. Grant victory to our Armed Forces as they contend for us abroad. In the midst of crisis and danger help us to talk less and to think more, to demand less and to contribute more, to forego more the things of pride and self that we may serve Thee more faithfully and acceptably in all things. So may we find a safe issue out of all our troubles and so may we come to praise and thank Thee, world without end, through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 31, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following act and joint resolution:

On August 31, 1950:

S. J. Res. 174. Joint resolution granting the consent of Congress to the entry, by the State of Missouri and by the State of Illinois, into a compact or agreement between the State of Missouri and the State of Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan District.

On September 1, 1950:

S. 1320. An act for the relief of Mrs. Barbarita Romero.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 7445) authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn., in which it requested the concurrence of the Senate.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. SCHOEPPEL was excused from attendance on the session of the Senate today.

On his own request, and by unanimous consent, Mr. IVES was excused from attendance on the sessions of the Senate throughout next week.

On his own request, and by unanimous consent, Mr. GILLETTE was excused from attendance on the session of the Senate today after 2:30 p. m., and on next Tuesday, September 5.

On his own request, and by unanimous consent, Mr. KEM was excused from attendance on the session of the Senate on Tuesday, September 5.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MAYBANK, and by unanimous consent, members of the Committee on Banking and Currency who are conferees on the part of the Senate considering Senate bill 2822, the FDIC bill, were authorized to sit during the session of the Senate today.

CALL OF THE ROLL

Mr. GEORGE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Martin
Anderson	Hoey	Maybank
Benton	Holland	Millikin
Brewster	Humphrey	Morse
Bricker	Hunt	Mundt
Butler	Ives	Murray
Byrd	Jenner	Myers
Capehart	Johnson, Colo.	Neely
Chapman	Johnson, Tex.	O'Mahoney
Chavez	Johnston, S. C.	Pepper
Connally	Kefauver	Robertson
Darby	Kem	Russell
Donnell	Kerr	Saltonstall
Douglas	Kilgore	Smith, Maine
Dworshak	Knowland	Smith, N. J.
Ecton	Langer	Sparkman
Ellender	Leahy	Stennis
Ferguson	Lehman	Thomas, Okla.
Frear	Lodge	Thomas, Utah
Fulbright	Long	Thye
George	Lucas	Watkins
Gillette	McCarran	Wherry
Graham	McClellan	Williams
Green	McFarland	Withers
Gurney	McKellar	Young
Hendrickson	McMahon	
Hickenlooper	Malone	

Mr. MYERS. I announce that the the Senator from California [Mr. DOWNEY], the Senator from Idaho [Mr. TAYLOR], and the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Arizona [Mr. HAYDEN] is absent on public business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on public business.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate on official business as a temporary alternate Governor of the World Bank.

The Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oregon [Mr. CORDON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

DEATH OF REPRESENTATIVE BULWINKLE, OF NORTH CAROLINA

Mr. HOEY. Mr. President, it is with deep sorrow that I announce the death of Maj. ALFRED LEE BULWINKLE, of Gastonia, N. C., who has been a Member of the House of Representatives continuously since March 4, 1921, with the exception of the years 1929 and 1930. Major BULWINKLE has been ill for several months and has been unable to attend many sessions of the House this year.

During his long tenure of service in the House of Representatives, it has been his privilege to represent the Ninth, Tenth, and Eleventh Districts of North Carolina. This has been occasioned by the fact that the State gained an additional Member of the House in each of the three last censuses and he was presently Representative from the Eleventh Congressional District.

Major BULWINKLE was a lawyer, a soldier, a legislator, a patriot, a statesman, and a gentleman. His record in the Congress is outstanding. He was always fearless and courageous in meeting and discharging his duties and never permitted the unpopularity of an issue to prevent his advocacy of it when convinced of the righteousness of the cause. He made many friends in the Congress. He was held in high esteem by the heads of the various departments of Government. All of those who knew him and came in contact with him had the utmost confidence in his honesty, sincerity, and high-minded public service. He leaves the heritage of an untarnished name to his beloved family and a host of admiring friends.

His body will be laid to rest in his beloved Carolina as his spirit has already joined that immortal company who have lived, served, and died but who live again in the eternal land of tomorrow.

TRANSACTION OF ROUTINE BUSINESS

Mr. GEORGE. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and with speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

INCLUSION OF COAST GUARD WITHIN PROVISIONS OF SELECTIVE SERVICE ACT

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to include the Coast Guard within the provisions of the Selective Service Act of 1948 and to authorize the President to extend enlistments in the Coast Guard (with an accompanying paper); to the Committee on Armed Services.

LAWS ENACTED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the municipal councils of St. Thomas and St. John and St. Croix, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON COAL MINE INSPECTION, BUREAU OF MINES

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, his report on the inspection of coal mines by

the Bureau of Mines, for the fiscal year ended June 30, 1950 (with an accompanying report); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Labor and Public Welfare:

"Senate Concurrent Resolution 37

"A concurrent resolution memorializing Congress to take steps in creating a Nation-wide living blood bank and plasma storage through cooperation with the United States Department of Public Health and the American Red Cross

"Whereas a coordinated national program among the several States should be instituted providing a Nation-wide living blood bank and plasma storage to protect the people of the United States of America; and

"Whereas in case of atomic warfare or other major disaster in any portion of the United States, the help and support of all the people of the United States will be required, and steps should be taken providing for basic planning and mobilization of civilian defense through the creation of a Nation-wide living blood bank and plasma storage at strategic points; and

"Whereas the American Red Cross through training and experience are well equipped to handle problems of disaster and if working in conjunction with the United States Department of Public Health should be able to formulate plans of cooperation with civilian defense units in the several States, so that the people of America can contribute and be part of a coordinated program: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring), That the members of the Michigan Legislature respectfully urge Congress to take the initiatory steps in creating a Nation-wide living blood bank and plasma storage through cooperation with the United States Department of Public Health and the American Red Cross; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, to the President of the Senate and Speaker of the House of Representatives and to the Michigan Members in the Senate and House of Representatives of Congress.

"Adopted by the senate August 31, 1950.

"FRED I. CHASE,
"Secretary of the Senate.

"Adopted by the house of representatives August 31, 1950.

"NORMAN E. PHILLEO,
"Clerk of the House of Representatives."

A resolution adopted by the executive board of the New York State CIO Council, New York, N. Y., favoring the prompt enactment of a price-control law; ordered to lie on the table.

RESOLUTIONS OF DEPARTMENT OF NEBRASKA, AMERICAN LEGION

Mr. WHERRY. Mr. President, among the resolutions adopted by the Nebraska American Legion in annual convention on August 20 were eight resolutions expressing clear and vigorous opinion on vital national and international questions currently before us. In order that these expressions by the Nebraska war veterans may be properly considered by the Members of Congress, I ask unanimous consent that the resolutions may be inserted in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

SECURE LOYALTY IN GOVERNMENT

Whereas while American youth, for the second time in a generation, are proving their undivided and unqualified devotion to the United States by fighting and dying, it has been necessary to question and investigate the loyalty of Government officials and employees at home: Now, therefore, be it

Resolved, That the American Legion, Department of Nebraska, in convention assembled in Lincoln, Nebr., this 20th day of August, 1950, deplores and condemns the fact that highly placed persons in our Government ignore the dangers of the problem of infiltrated and infiltrating communism, as they look instead to future elections rather than to future generations; to their personal political futures rather than to the welfare of their Nation; and

That it views with alarm and indignation the fact that the loyalty and integrity of some such officials is questionable, and we urge that, in this critical hour, only those men of unquestioned and unquestionable loyalty be entrusted with the destiny of our Nation; and

Therefore, if our officials cannot find such persons in their political ranks, then we, the American Legion, hereby offer to staff all of our departments of Government, and particularly our State Department, including the office of Secretary of State, with those whose loyalty we guarantee.

I hereby certify that the foregoing resolution was adopted at the thirty-second annual department convention of the American Legion, Department of Nebraska, on August 20, 1950.

R. C. PATTERSON,
Department Adjutant.

REPLACE SECRETARY OF STATE ACHESON

Whereas freedom is the most cherished heritage of a citizen of the United States, and as such must ever be vigilantly guarded; and

Whereas since the founding of our beloved country men have fought and died for the safety of our land and the preservation of our institutions and liberties; and

Whereas the freedom of the people of the United States and the freedom of all peoples is being attacked both covertly and openly in the many corners of the earth at this very hour; and

Whereas the Secretary of State, Mr. Dean Acheson, has failed our country in allowing the actions and policies of his Department to coincide with Communist policy in the United States and throughout the world, which actions are detrimental to the security of the United States and the liberty of its citizens; and

Whereas certain people residing in these United States have affiliated themselves with the Communist party, which is not a political party in the ordinary sense of the word, but a vicious fifth column wallowing and disporting itself in the slime of treachery and having as its object the destruction of the United States of America and the enslavement of its people: Now, therefore, be it

Resolved by the American Legion, Department of Nebraska, in convention assembled at Lincoln, Nebr., this 20th day of August, 1950, That said convention demand the ouster of Dean Acheson as Secretary of State, by impeachment if necessary, and his removal from any official capacity in the Government of the United States; and be it further

Resolved, That the Congress of the United States outlaw the Communist party in the United States, and immediately enact legislation providing for the confinement of its members and supporters, and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States and to the Members of the Nebraska congressional delegation.

I hereby certify that the foregoing resolution was adopted at the thirty-second annual department convention of the American Legion, Department of Nebraska, on August 20, 1950.

R. C. PATTERSON,
Department Adjutant.

RECONSTITUTE THE UNITED NATIONS

Whereas the U. S. S. R. has utilized the rostrum of the United Nations solely for its own propaganda purposes; and

Whereas the U. S. S. R. has consistently used its veto power to obstruct the objectives of the United Nations for world peace; and

Whereas the tactics and actions of the U. S. S. R. and its representatives in the United Nations have resulted in retarding and stifling all efforts of the United Nations toward an amicable solution of world problems and permanent peace: Now, therefore, be it

Resolved, That the American Legion, Department of Nebraska, in convention assembled at Lincoln, Nebr., this 20th day of August 1950, urges the President and the Congress of the United States to take immediate steps for the revision of the charter of the United Nations to the end that the U. S. S. R., and such other nations not sincerely intent upon furthering the objectives of the United Nations, be excluded from participation and membership in the United Nations; and be it further

Resolved, That copies of this resolution be sent immediately to the President of the United States and to the Senators and Congressmen from Nebraska.

I hereby certify that the foregoing resolution was adopted at the thirty-second annual department convention of the American Legion, Department of Nebraska, on August 20, 1950.

R. C. PATTERSON,
Department Adjutant.

DENY SOVIET RECOGNITION

Whereas the U. S. S. R. has violated every pledge, promise, and treaty upon which recognition of the U. S. S. R. by the United States and predicated; and

Whereas the policy of the U. S. S. R. toward the United States, since the inception of the U. S. S. R. and particularly since the year 1945, has been one of open enmity, which has now resulted in open warfare through its satellite, Northern Korea: Now, therefore, be it

Resolved, That the American Legion, Department of Nebraska, in convention assembled at Lincoln, Nebr., this 20th day of August 1950, does hereby urge the President and the Congress of the United States to withdraw immediately United States recognition of the U. S. S. R.; and be it further

Resolved, That copies of this resolution be forwarded to the Senators and Congressmen from Nebraska.

I hereby certify that the foregoing resolution was adopted at the thirty-second annual convention of the American Legion, Department of Nebraska, on August 20, 1950.

R. C. PATTERSON,
Department Adjutant.

REPUDIATE ILLEGAL TREATIES

Whereas at certain international conferences and meetings heretofore held, including those at Potsdam, Yalta, and Tehran,

attended by diplomatic representatives of the United States, agreements have been made with representatives of foreign countries; and

Whereas it has been assumed that the United States was bound by the agreements reached at such meetings, whereby our rights were restricted and practically surrendered to other powers; and

Whereas certain nations, due to action taken by the representatives of the United States at such meetings, have suffered at the hands of dictator nations and have been and are being dominated by such despotic powers; and

Whereas rights and privileges of the United States and its citizens have been abrogated by agreements made at such meetings; and

Whereas pursuant to the provisions of the Constitution of the United States, no agreement or treaty is valid unless ratified by the Senate of the United States, and these secret and illegal treaties, agreements, and understandings have not been ratified by the Senate of the United States; and

Whereas because of the said illegal treaties, the United States and its people are today placed in a precarious position: Now, therefore, be it

Resolved, That the American Legion, Department of Nebraska, in convention assembled this twentieth day of August 1950, does hereby demand of the Congress of the United States that all such secret and illegal treaties, decisions, commitments, and understandings be repudiated for the reason that they are in violation of the Constitution of the United States; and be it further

Resolved, That we urge the Congress of the United States to assert itself by assuming the duties placed upon it by the Constitution of the United States and especially that it demand the right of ratification of any and all treaties, agreements, or negotiations entered into by representatives of our Government.

I hereby certify that the foregoing resolution was adopted at the thirty-second annual department convention of the American Legion, Department of Nebraska, on August 20, 1950.

R. C. PATTERSON,
Department Adjutant.

ENACT UNIVERSAL MILITARY TRAINING

Whereas the American Legion for many years has advocated and urged a program of universal military training; and

Whereas the current conflict in Korea has found our country again in a deplorable state of unpreparedness; and

Whereas is is obvious to all thinking and freedom-loving people that this open conflict is but the beginning of a series of aggressions directed by a relentless and unholy totalitarian dictatorship bent on violent conquest and slavery: Now, therefore, be it

Resolved, That The American Legion, Department of Nebraska, in convention assembled at Lincoln, Nebr., this twentieth day of August 1950, urgently demands that the Congress of the United States immediately and without further delay enact laws and make appropriations for universal military training as heretofore recommended by the American Legion.

I hereby certify that the foregoing resolution was adopted at the thirty-second annual department convention of the American Legion, Department of Nebraska, on August 20, 1950.

R. C. PATTERSON,
Department Adjutant.

OPPOSE COMPULSORY HEALTH MEASURE

Whereas the American veterans in two World Wars have defended the American free-enterprise system, which has made possible the development in this country of the highest standards of medical care and the finest medical institutions of any country in the world, and

Whereas having experienced the shortcomings of impersonal assembly-line medical care inherent in the form of Government-controlled medicine necessary in time of war, the veteran understands the dangers of imposing such a system permanently on the entire population, and

Whereas compulsory health insurance would create new financial burdens which would increase the cost of the necessities of life and lower the standard of living of veterans and other citizens: Now, therefore be it

Resolved, That the American Legion, Department of Nebraska, in convention assembled this 20th day of August 1950, does hereby oppose any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control, and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, and to each Senator and Representative from the State of Nebraska, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

I hereby certify that the foregoing resolution was adopted at the thirty-second annual department convention of the American Legion, Department of Nebraska, on August 20, 1950.

R. C. PATTERSON,
Department Adjutant.

CONTINUE FARMERS HOME ADMINISTRATION VETERANS' AID

Whereas veterans in Nebraska have continued to be given preference in obtaining loans of all types made by the Farmers Home Administration, and

Whereas the entire allotment of funds for farm ownership loans in Nebraska for the fiscal year 1951 is to be loaned solely to veterans for the purchase of farm home, and

Whereas at least 55 percent of the allotment of funds for production and subsistence loans in Nebraska for the fiscal year 1951 is to be loaned solely to veterans engaged in, or to engage in, farming, and

Whereas veterans are given preference in the matter of loans for rural housing, and

Whereas the Farmers Home Administration has been instrumental in handling the use of loan funds primarily for veterans: Now, therefore, be it

Resolved, That the American Legion, Department of Nebraska, in convention assembled at Lincoln, Nebr., this 20th day of August 1950, does hereby acknowledge the valuable assistance to veterans by the Farmers Home Administration in Nebraska through its system of supervised credit, and be it further

Resolved, That the Congress of the United States be and it is hereby commended for having provided continuation of this policy of making loans to veterans in Nebraska to engage in farming, to purchase farms, to improve, enlarge, or irrigate farms, and to build or repair their farm homes, and be it further

Resolved, That continuation of this policy is hereby recommended, and be it further

Resolved, That copies of this resolution be sent to the Senators and Congressmen from Nebraska; that a copy be forwarded to the Administrator of the Farmers Home Administration in Washington, D. C., in acknowledgment of his efforts in helping veterans; and that a copy be furnished to the State director of the Farmers Home Administration in Lincoln, Nebr.

I hereby certify that the foregoing resolution was adopted at the thirty-second annual department convention of the American Legion, Department of Nebraska, on August 20, 1950.

R. C. PATTERSON,
Department Adjutant.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

H. R. 1133. A bill for the relief of Mrs. Merle Leatherbury Pyle, and Patricia M. Pyle; with an amendment (Rept. No. 2499).

By Mr. HUMPHREY, from the Committee on Post Office and Civil Service:

S. 4102. A bill relating to contracts for the transmission of mail by pneumatic tubes or other mechanical devices; without amendment (Rept. No. 2500).

REVISION OF THE UNITED NATIONS CHARTER, ETC.—REPORT OF A COMMITTEE

Mr. THOMAS of Utah, from the Committee on Foreign Relations, pursuant to Senate Concurrent Resolution 12, favoring the political federation of Europe; Senate Concurrent Resolution 52, favoring a supplementary agreement of members of the United Nations to aid signatories in case of attacks; Senate Resolution 133, favoring certain objectives in the implementation of the North Atlantic Treaty; Senate Concurrent Resolution 56, favoring the strengthening of the United Nations and its development into a world federation; Senate Concurrent Resolution 57, inviting the democracies which sponsored the North Atlantic Treaty to name delegates to a Federal convention; Senate Concurrent Resolution 66, favoring action looking to the adoption of a world government constitution; and Senate Concurrent Resolution 72, favoring strengthening the United Nations, submitted a report (No. 2501), which was ordered to be printed.

COMMITTEE TO ATTEND GENERAL MEETING OF THE COMMONWEALTH PARLIAMENTARY ASSOCIATION—REPORT OF A COMMITTEE

Mr. THOMAS of Utah. Mr. President, from the Committee on Foreign Relations, I report an original concurrent resolution authorizing the appointment of a committee to attend the general meeting of the Commonwealth Parliamentary Association to be held in Australia or New Zealand, and I submit a report (No. 2502) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be referred to the Committee on Rules and Administration.

The concurrent resolution (S. Con. Res. 105) is as follows:

Resolved by the Senate (the House of Representatives concurring), That the Vice President and the Speaker of the House of Representatives are authorized to appoint four Members of the Senate and four Members of the House of Representatives, respectively, to attend the next general meeting of the Commonwealth Parliamentary Association to be held in Australia or New Zealand and to designate the chairman of the delegations from each of the Houses to be present at such

meeting. The expenses incurred by the members of the delegations and staff appointed for the purpose of carrying out this concurrent resolution shall not exceed $10,000 for each of the delegations and shall be reimbursed to them from the contingent fund of the House of which they are Members, upon submission of vouchers approved by the chairman of the delegation of which they are members.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, September 1, 1950, he presented to the President of the United States the enrolled bill (S. 3934) to facilitate compliance with the treaty between the United States of America and the United Mexican States signed February 3, 1944.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DONNELL:

S. 4111. A bill for the relief of Southern Fireproofing Co., of Cincinnati, Ohio; to the Committee on the Judiciary.

By Mr. MYERS:

S. 4112. A bill for the relief of Stefan Lenartowicz and his wife, Irene; to the Committee on the Judiciary.

By Mr. HUNT:

S. 4113. A bill providing for civil suits against the United States by persons suffering damage as a result of defamations committed by Members of Congress in the course of their official activities; to the Committee on the Judiciary.

By Mr. BENTON (for himself and Mr. HUMPHREY):

S. 4114. A bill relating to the promotion to regular employees of certain substitute postal employees in the field service of the Post Office Department who are veterans of World War II; to the Committee on Post Office and Civil Service.

(Mr. HENDRICKSON introduced Senate bill 4115, to create the War Damage Corporation, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. KNOWLAND:

S. 4116. A bill to authorize the granting to Kaiser Steel Corp. of rights-of-way on, over, under, through, and across certain public lands, and of patent in fee to certain other public lands; to the Committee on Interior and Insular Affairs.

By Mr. SALTONSTALL:

S. 4117. A bill to include the Coast Guard within the provisions of the Selective Service Act of 1948 and to authorize the President to extend enlistments in the Coast Guard; to the Committee on Armed Services.

By Mr. JOHNSON of Texas:

S. 4118. A bill to increase the appropriation authorization for the Air Engineering Development Center; to the Committee on Armed Services.

By Mr. MORSE:

S. 4119. A bill for the relief of Mitsu Takanaka; to the Committee on the Judiciary.

By Mr. ANDERSON (for himself and Mr. CHAVEZ):

S. 4120. A bill to authorize the construction, operation, and maintenance of the Vermejo reclamation project, New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. KEFAUVER:

S. 4121. A bill for the relief of Emiko Cecile Manning; to the Committee on the Judiciary.

By Mr. HUNT:

S. J. Res. 203. Joint resolution proposing an amendment to the Constitution of the United States to repeal the provision granting immunity from suit to Members of the Congress for speeches and debates in their respective Houses; to the Committee on the Judiciary.

WAR DAMAGE CORPORATION

Mr. HENDRICKSON. Mr. President, during World War II, the Federal Government, through the War Damage Corporation, provided insurance to protect property owners against loss by war.

Since we did not suffer any direct attacks within our continental boundaries, the payments which the War Damage Corporation was called upon to make, were negligible.

In another global war, I doubt that we would be as fortunate in this respect as we were in World War II. I think it is quite unnecessary for me to detail the reasons for that doubt.

Suffice it is to say that the atom bomb, missile weapons, and other newly devised techniques of modern warfare make us much more vulnerable than were our enemies of the last war from our concentrated bombings.

Thus I feel that it is not only highly desirable but quite essential that the Government provide a Federal insurance plan to protect our property owners, both individuals and corporations, against war damage losses.

At this very hour, we are in the act of rebuilding our defenses to meet an aggressive war which threatens to engulf the world.

We, therefore, owe it to our great civilian population—which may, any day now, be called upon to provide the finances, production, and the supply facilities to carry on that war, should it come—to provide it with insurance against loss by war damage.

To this end, I introduce for appropriate reference a bill to create the War Damage Corporation.

The stabilizing effect which the passage of this bill or some counterpart thereof could have upon business and industry and the public at large, cannot be fully measured.

I, therefore, urge that every Member of the Senate consider carefully the far-reaching advantages of this proposal and all similar proposals which have been introduced thus far in the current session of Congress.

The bill (S. 4115) to create the War Damage Corporation, introduced by Mr. HENDRICKSON, was read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF RAILWAY LABOR ACT—AMENDMENT

Mr. JENNER submitted an amendment intended to be proposed by him to the bill (S. 3295) to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carriers' employees for certain purposes and under certain conditions, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 7445) authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn., was read twice by its title, and referred to the Committee on Foreign Relations.

ADDRESS BY SENATOR MARTIN AT ADAMS COUNTY, PA., SESQUICENTENNIAL CELEBRATION

[Mr. MARTIN asked and obtained leave to have printed in the RECORD excerpts from an address delivered by him at the crowning of the Adams County, Pa., sesquicentennial queen, at Gettysburg, Pa., on August 30, 1950, which appears in the Appendix.]

SENATOR HAYDEN, OF ARIZONA—ARTICLE BY DORIS FLEESON

[Mr. CHAVEZ asked and obtained leave to have printed in the Appendix of the RECORD an article entitled "Out To Repair Fences," written by Doris Fleeson, and published in the Washington Evening Star of September 1, 1950, which appears in the Appendix.]

COMMUNISTS IN GOVERNMENT EMPLOYMENT—EDITORIAL FROM HARTFORD (CONN.) COURANT

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an editorial entitled "The Red Herring Gets Bigger by the Day," published in the Hartford (Conn.) Courant of August 30, 1950, which appears in the Appendix.]

THE GRANGE PROGRAM FOR DEFENSE—EDITORIAL FROM THE NATIONAL GRANGE MONTHLY

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD an editorial entitled "The Grange Presents an Action Program for Defense," written by Albert S. Goss, master of the National Grange, for the editorial page of the September 1950 issue of the National Grange Monthly, which appears in the Appendix.]

TRANSOCEANIC TELEVISION — ARTICLE BY DAVID SARNOFF

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an article entitled "Our Next Frontier—Transoceanic TV," written by David Sarnoff, Chairman of the Board of the Radio Corporation of America, which appears in the Appendix.]

FRANCO SPAIN—ADDRESS BY GLEN STADLER

[Mr. MORSE asked and obtained leave to have printed in the RECORD a radio address delivered by Glen Stadler over radio station KERG, Eugene, Oreg., on December 2, 1949, on the subject of Franco Spain, which appears in the Appendix.]

TURNING POINT—ARTICLE BY FRANCES SPATZ

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an article entitled "Turning Point" written by Frances Spatz, and published in the American Weekly of August 27, 1950, which appears in the Appendix.]

ANTIMERGER LEGISLATION NEEDED—ARTICLE BY EDWARD WIMMER

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article entitled "Pass Antimerger Now," written by Mr. Edward Wimmer, president, Forward American Publishing Guild, and vice president of the National Federation of Independent Business, Inc., and published in the Sharon Press, of Sharonville, Ohio, which appears in the Appendix.]

ADDRESS BY SENATOR ANDERSON AT VANDALIA AND HILLSBORO, ILL.

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an address delivered by Senator ANDERSON at Vandalia and Hillsboro, Ill., on August 31, 1950, which appears in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF MAURICE SAPIENZA TO BE JUDGE, THIRD CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, September 8, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Maurice Sapienza, of Hawaii, to be judge, third circuit, circuit courts, Territory of Hawaii, vice Martin Pence, term expired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from Indiana [Mr. JENNER].

NOTICE OF HEARING ON NOMINATION OF HON. GERALD R. CORBETT TO BE SIXTH JUDGE OF THE FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, September 8, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Hon. Gerald R. Corbett, of Hawaii, to be sixth judge of the first circuit, circuit courts, Territory of Hawaii. He is now serving in this post under an appointment which expired July 31, 1950. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from Indiana [Mr. JENNER].

NOTICE OF HEARING ON NOMINATION OF JON WIIG TO BE FIFTH JUDGE, FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, September 8, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Jon Wiig, of Hawaii, to be fifth judge, first circuit, circuit courts, Territory of Hawaii, vice Hon. John A. Matthewman, term expired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from Indiana [Mr. JENNER].

NOTICE OF HEARING ON NOMINATION OF CHUCK MAU TO BE SECOND JUDGE, FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, September 8, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Chuck Mau, of Hawaii, to be second judge, first circuit, circuit courts, Territory of Hawaii, vice Hon. Edward A. Towse, elevated. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from Indiana [Mr. JENNER].

NOTICE OF HEARING ON NOMINATION OF HON. LOUIS LEBARON TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, September 8, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Hon. Louis LeBaron, of Hawaii, to be associate justice of the supreme court, Territory of Hawaii. He is now serving in this post under an appointment which expired July 9, 1950. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from Indiana [Mr. JENNER].

STATEMENT BY SENATOR McMAHON REGARDING REQUESTED APPROPRIATION FOR CONSTRUCTION OF SUPPLEMENTARY GOVERNMENT BUILDINGS OUTSIDE THE CAPITAL

Mr. McMAHON. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a statement I made yesterday on the subject of the President's request to Congress for an appropriation of $139,000,000 for the construction of supplementary buildings for the operation of the Government in the event of an attack upon the Capital.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR McMAHON AUGUST 31, 1950

It is a solemn fact that Soviet Russia today possesses some atomic bombs. Ordinary common sense and prudence require us to take certain steps in light of that solemn fact.

If war should come we could not fight without continuity in the operation of essential Government defense agencies. If the headquarters of the FBI, the Military Department, Intelligence, or civil defense were destroyed—or even immobilized for 24 hours—our war effort might suffer a grave set-back. The American people as a whole cannot defend themselves unless those whose training looks toward the heaviest wartime responsibility are on the job and functioning. Our society must not become chaotic, under the impact of war, because its military nerve centers are paralyzed.

The President has today asked Congress for funds to construct four large Government buildings at separated points 20 or 30 miles from the center of Washington. These supplementary structures will house essential headquarters personnel.

I believe that anyone who gives the matter careful thought will agree with me that the President's request is absolutely necessary. So long as Russia possesses atomic bombs our vital Government agencies should not be bunched together in downtown Washington.

I also believe that no thoughtful person can now evade the conclusion that international control of atomic energy is the heart question of the peace. Without such control, nothing—absolutely nothing—is fundamentally solved. For 5 years I have advanced this thesis. For 5 years I have pointed out that America would be compelled to take unprecedented steps, in self-defense, if the atomic armaments race is allowed to plunge onward. I take no pleasure whatever in seeing my predictions beginning to be confirmed.

The clock is still ticking, ticking, ticking—and with every hour that passes more materials of mass destruction are being produced both in the United States and Russia. We have fallen upon evil days. I still believe that only a great moral crusade for peace—and by peace I mean foolproof, world-wide control of weapons—can save mankind. I still believe that, given faith and boldness and positive action, we can yet win through to peace with justice.

DEFENSE OF FORMOSA—ARTICLE BY DAVID LAWRENCE

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Pacific Munich Hinted in Truman's Words on Fleet at Formosa," written by David Lawrence and published in the Washington Evening Star of today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PACIFIC MUNICH HINTED IN TRUMAN'S WORDS ON FLEET AT FORMOSA—DID MACARTHUR KNOW OF NEW APPEASEMENT MOVE, WRITER ASKS

(By David Lawrence)

Is the United States Government trying to wiggle out of its entanglement in defending Formosa and thus make diplomatic concessions to certain European governments and pave the way for appeasement of Communist China and its possible admission to the Security Council of the United Nations?

This question may well be asked now in view of the startling announcement by President Truman to his press conference that, as soon as the Korean episode is over, it would not be necessary to keep the United States Navy's Seventh Fleet in the Straits of Formosa. Mr. Truman added that the presence of this fleet in that position was just a flank protection for our forces in Korea.

This is not only an amazing contradiction of the strategy which the United States Joint Chiefs of Staff cannot but have developed for the protection of the Japan-Okinawa-Philippines perimeter of our defense, but it is a complete disavowal of the military views of Gen. Douglas MacArthur, recently given, as to the importance of defending Formosa.

COULD BE OPEN BID TO REDS

It is something even more important—it could be construed by the Chinese Communists as an open invitation to them to occupy Formosa, just as the American pronouncement of last January that our defense line didn't include Korea gave encouragement to the Communists to march below the thirty-eighth parallel.

Mr. Truman's comment has sent a shiver of apprehension through certain quarters in Congress, where it had been believed that the United States was standing firmly in the Far East and that appeasement of Communist China was unthinkable.

What is also disturbing is that either the President has now projected himself as a

military expert superior to his own Joint Chiefs of Staff and to General MacArthur, or else that he is weakening in favor of some State Department chicanery to ease the path of Great Britain and other countries with commercial interests in the Far East who want to continue to trade with and maintain diplomatic relations with Communist China.

The argument all along in some quarters—especially in Communist circles—has been that to defend Formosa would entangle us in a war with Communist China. The opposite is true—failure to defend Formosa after America has publicly declared that it doesn't belong to Communist China and must be neutralized until the treaty with Japan disposes of the question of trusteeship may indeed cause war with China. It could come if the Communists, perceiving American weakness, started an aggression similar to that in Korea, only to be met by a sudden decision by the United States to throw in sea forces to protect Formosa.

DID MAC ARTHUR KNOW?

Is this why General MacArthur risked a reprimand and spoke out so plainly on how important to the defense of continental United States the retention of Formosa in friendly hands appears to be?

Did General MacArthur know of the campaign of appeasement going on in Washington, and did he suspect that Formosa was to be tossed over to the Communists? Did he feel that, as a soldier and as the man selected to represent the United Nations in command of all the armed forces in the Far East, he should speak out so that the American people at least would know about the scuttling policy that might be under consideration this very week?

It seems strange that General MacArthur would send out an indiscreet statement. It is more logical to believe that he took the risk because he thought a fundamental principle affecting the Nation's defenses was at stake. To say that the State Department or the President alone can speak on foreign policy and that nobody else should be allowed to speak, even when a grave question of national defense is concerned, does not explain away the strange circumstances surrounding this episode.

Whom did General MacArthur have in mind when he wrote this paragraph:

"Nothing could be more fallacious than the threadbare argument by those who advocate appeasement and defeatism in the Pacific that if we defend Formosa we alienate continental Asia."

Was MacArthur's statement a last desperate attempt to ward off another Munich in the Far East—a quick way to end the Korean war by conceding to the Communists what they have wanted from the beginning—admission to the position of another veto in the Security Council? If so, then doesn't it seem that the appeasement should have begun on June 25 last? A lot of American boys would be alive today and lots more would not be suffering from the grievous wounds they received as a result of the sudden decision to defend Korea 2 months ago.

ELEVENTH ANNIVERSARY OF THE GERMAN INVASION OF POLAND

Mr. IVES. Mr. President, I have prepared a statement relative to the eleventh anniversary of the invasion of Poland by the Nazis, September 1, 1939, and I ask that the statement be incorporated in the RECORD, at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR IVES

Eleven years ago today German troops crossed the Polish border and the horrors of war were upon us. I note this day now—not only to pay humble tribute to the spirit of free men who died—but also to offer a positive message of hope and courage to the presently enslaved Polish people.

Today—11 years after—the people of Poland again struggle to lift the yoke of oppression. This battle—begun with the now historic defense of Warsaw, and continued on the battlefields of Tobruk and Arnheim—now rages fiercely in the hearts of those Poles who rebel against Russian domination.

As American men make the ultimate sacrifice that freedom may survive, we must be increasingly aware of the similar struggles of others—wherever they may fight. In the names—now hallowed—of Polish men and women who fought and died beside our forces in the European conflict, let us send to the Polish people a message of faith and hope on this historic anniversary.

May that courage which brought past victory to our common cause keep alive those dreams of freedom that today must inspire the oppressed people of Poland.

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement which I have prepared relative to the eleventh anniversary of the Nazi invasion of Poland.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMITH OF NEW JERSEY

Mr. President, on September 1, 1939, just 11 years ago today, the Nazi Army launched its brutal invasion of Poland, from the west. Then on September 17, in accordance with a secret German-Soviet agreement, the Russian Army invaded Poland from the east. The Polish people fought fanatically for their freedom, but they fought alone. Within a few days, the Russians stood at the gates of Warsaw while the heroic defenders of the city were wiped out by the Nazis.

It is well for us to remember, Mr. President, why it was that Poland had to stand alone and hopelessly outnumbered in 1939. For all practical purposes, the League of Nations had already died. Because of its failure to take effective action in Ethiopia and in Spain it had completely lost the confidence of its members. International cooperation to prevent aggression through the League had been discredited. The United States had not yet awakened to its responsibilities as a world power and a defender of freedom. And so it was that Hitler and Stalin were able to carry out their diabolical plot against Poland while the rest of the world stood helplessly by and watched a noble, freedom-loving people bludgeoned into submission.

Of course, the subsequent defeat of Germany in World War II did not bring relief to stricken Poland. It has been perfectly clear for some time that the Russian promises to include democratic elements in the Polish Government, and to guarantee free elections and freedom of the press, were empty and cynical pledges which they had no intention of fulfilling. Under Russian rule Poland has remained a land of lingering fear and slavery, drained of its strength by its Soviet masters, crippled by purges and tyranny.

Mr. President, the tragic story of Poland should constantly remind the freedom-loving world of two very important lessons. First, it should impress upon our minds the necessity of international cooperation and action through the United Nations to prevent aggression and to protect the independence of small nations. And it should also be an everlasting reminder that when the Russians speak of democracy and promise freedom they are in reality thinking of tyranny and promising slavery.

Many noble Polish patriots died to teach us these lessons, Mr. President. I hope we have finally learned them. Certainly the Communist aggression in Korea has reiterated them.

Let us consider for a moment what would have happened in Korea if there had been no United Nations. Any action taken to prevent the aggression by the Communists would have necessarily been unilateral action by the United States, or, at best, joint action by the United States and a few of our allies. Under these circumstances, I doubt very much if such action would have been taken. We know now that without help Korea would have been completely subjugated within a matter of days, since the South Korean Army was totally unprepared to combat the heavy armament that the Russians had given to the Communists and trained them to use.

If they had gained a quick and easy victory in Korea, the Russians would undoubtedly have followed up this success with similar aggressive moves all over the world. When the other nations finally awoke, it would have been too late.

And so, Mr. President, on this eleventh anniversary of the Nazi invasion of Poland, I call to the attention of the Senate the tremendous change wrought by the United Nations, and by our determination and the determination of the freedom-loving nations of the world to act with courage and with speed through the United Nations to prevent aggression.

The people in Poland and in other countries behind the iron curtain are given new hope by the action of the United Nations in Korea. These people will not submit to enslavement and brutality forever. We pledge to Poland that her fight for freedom and for independence has not been and will not be forgotten. We shall not waver in our determination to build a United Nations devoted not to peace alone, but to peace with justice—to the kind of peace that allows small nations throughout the world to work out their destinies according to the desires of their peoples.

Mr. SALTONSTALL. Mr. President, as one of the Senators representing the State of Massachusetts, I should like to join with the Senator from New York [Mr. IVES] and the Senator from New Jersey [Mr. SMITH] in the remarks which they have just incorporated in the RECORD regarding the fact that this is the eleventh anniversary of the German invasion of Poland.

Mr. LUCAS. Mr. President, I think it highly appropriate in conjunction with the debate on methods of financing national defense and international aid to recall that on September 1, 11 years ago, the totalitarian forces smashed their way across the border of Poland to launch World War II.

The original attack was made by the forces of Nazi Germany. However, that was possible only through the connivance of Communist Russia in the infamous Molotov-Ribbentrop pact. A very short time later the Red army of the Soviet Union pushed into Poland from the east. The brave Polish people, caught between the two murderous fires, were beaten into submission.

Today aggression is once again on the march. The international Communists, the same people who stabbed Poland in the back in 1939, are once again at work. They are trying to conquer the Republic of Korea, the birth of which had been so carefully fostered by the United Nations.

This aggression, however, has brought a direct and effective retaliation from

the democratic nations. The free people of the world, with Americans in the lead, have acted to halt the armies of tyranny. The free world was not prepared to act in 1939 when the Soviet Union betrayed Poland.

A new force has come into the world since those tragic days. The United States has lent its tremendous strength and influence to the United Nations. The United States has abandoned the policy of isolation which gave the totalitarians an opportunity to start World War II. The United Nations, with the strength of the United States strongly behind it, has made it clear that there will be no capitulation to aggressors and no appeasement such as marked the years before 1939.

What does this mean to Poland, now held captive within the Red orbit? I think this can only mean to the Polish people that the day when their freedom and liberation will ultimately be regained has been brought infinitely closer. I think they see a great deal more light under the curtain.

The Polish people know now that if the men in the Kremlin order an act of aggression against any nation belonging to the Atlantic Pact, there will be retaliation from the United States, our allies in the Atlantic Pact, and the whole bloc of free nations within the United Nations. This was the world for which they were waiting.

The Polish people know that the United States is aiding Poland's traditional major allies, Britain and France, to rebuild their strength through the Marshall plan and the Atlantic Pact. They know that when these and other western European nations have finally completed their recovery, they will form an invincible front with the United States against the march of international communism.

Mr. President, the Polish people are wise enough in the ways of the world to know that when the nations of western Europe attain their full economic and military strength their ultimate liberation will be much nearer to fulfillment.

Mr. President, nothing is more contagious than freedom. The spirit of freedom will slip through the iron barrier. It will stimulate the Polish people to throw off the cancer of communism.

Communism imposed upon a traditionally free and independent people such as the Poles cannot exist very long. Inexorably, communism will be driven back to its homeland in Soviet Russia.

The significance of this day, Mr. President, is that for the first time in 11 years, the people of Poland have greater hope for the free future they desire. We will do everything in our power to aid them in their struggle to regain their freedom and their right to live in peace within their traditional borders.

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by me commemorating the eleventh anniversary of the Nazi invasion of Poland.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS

Mr. President, today marks the eleventh anniversary of the brutal and unprovoked attack made by Germany upon Poland—the attack that marked the beginning of a world conflict that lasted for six long years. It is fitting, I believe, for all of us to remember that day that will go down in infamy, and to renew our efforts toward achieving freedom for Poland and all other countries now under the heel of Communist totalitarianism.

I have prepared a statement saluting freedom-loving Poles everywhere, and I ask unanimous consent that it be printed in the body of the RECORD at this point.

Today, September 1, 1950, marks the eleventh anniversary of the beginning of World War II. And today, on this anniversary, the Korean war is before the eyes of the whole world. The mounting tension between the free peoples of the world and the totalitarian tyrannies rose to a crisis on June 25 when the Communists so boldly attacked the Republic of South Korea.

We all know how this aggression has been met. The free nations of the world, through the United Nations, have proved that they are willing to take united action against aggressive acts wherever they occur. We have proved that we will not submit to the methods of appeasement so familiar in some parts of the world in the late thirties, for we know that appeasement leads only to further acts of aggression and ultimate war. We know that we cannot achieve peace and security for all unless we meet aggression with united force.

The Polish people everywhere know only too well the meaning of totalitarianism. They know, perhaps better than anyone else, what oppression means. But never once have they given up their belief in freedom and democratic ideals. During World War II, from the battle of Warsaw in 1939, through 1945, the Poles fought valiantly on the battlefield and in their underground organizations for the cause of freedom, and their faith in this freedom has survived Poland's blackest days.

I am absolutely confident that through united action by the free nations everywhere, as has been demonstrated in recent weeks, freedom and security for all peoples will be achieved. Our goal is the goal of mankind, and though the years ahead may be troubled, we will see the attainment of our ideals.

The Polish people may be sure that we in America have not forgotten their plight, that through the efforts of free nations everywhere, the day will come when Poland will once again be free from the oppression of tyranny.

Mr. McMAHON. Mr. President, this is a solemn day on the calendar of freedom.

Eleven years ago Nazi Germany wantonly attacked the Polish nation. The onslaught was made possible by the infamous Molotov-Ribbentrop "nonaggression pact," which used words of peace to mask designs for conquest. Seventeen days after the Nazi legions violated Polish territory, the Soviet armies—in utter disregard of treaty pledges—descended on the embattled Poles from the east.

Though the land was finally occupied by the partners in crime, the Polish people never bowed to their oppressors. Despite unspeakable savagery, Poland's will to resist was never extinguished. The Poles fought on—in the forests and hills and cities of their homeland—and side by side with the soldiers of France and England and the men of our own armies. Five million Poles chose to die as freemen, rather than to live as slaves.

Today Poland is again in bondage—the victim of tyrants who owe their allegiance, not to the Polish people, but to Moscow. These evil men are the original tutors of the Nazis. They are employing the same techniques of fraud and violence against church, school, and family. They fanatically work to sever Poland's historic ties with the free world. They have a single monstrous aim—to make these proud people servants of a foreign master.

Yet all the history of Poland tells us they will not succeed. The story of this valiant country is a heroic tale of rebirth after conquest.

Woodrow Wilson knew this. With his full sense of historic destiny, he led the fight for a free and independent Poland. The American people—especially the more than 6,000,000 Americans of Polish extraction—may be justly proud of the aid that we gave the young republic which quickly found its place in the community of free nations.

Americans may be no less proud of our desire to help Poland rebuild after 5 years of Nazi rapine. The helping hand of Marshall aid was extended to the Polish people, only to be rejected on the Kremlin's direct orders.

These are tragic days for the Polish people. But the nation that gave the world Chopin, Paderewski, Madame Curie, and Joseph Conrad can never be crushed by the forces of irreligion.

The Polish spirit is returning; Poland will witness a new rebirth of freedom.

Mr. LEHMAN. Mr. President, 11 years ago today World War II broke out. This date can well be recalled by all Americans, but it is especially of interest to Americans of Polish descent, for it was Poland's invasion by Nazi Germany which set off World War II. I ask unanimous consent to insert into the RECORD at this point a brief statement I have prepared commemorating this anniversary.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

September 1 should be remembered by the civilized world not only because it was the day on which World War II started 11 years ago. This day should also be remembered as a day of gratitude to Poland and to the Polish people. Their heroic resistance of that invasion set before the world a brilliant example of heroism and courage which, in the end, overcame the brute force and mechanical skill of a ruthless and totalitarian enemy.

Poland, 11 years ago, again became a martyr to the cause of liberty, a role she had played many times before in her past. Her people refused to bow to the demands of Hitler and Stalin. They chose to fight and die rather than to appease.

The two nations on Poland's border, Russia and Germany—Hitler and Stalin—joined in an unholy alliance against Poland.

Hitler is no longer with us, but his partner continues to prey upon and to oppress the Polish nation.

We in America must never relax our efforts or our hopes for liberation and justice for the people of this fine and liberty-loving nation.

Mr. BENTON. Mr. President, I wish to pay tribute to Poland today for September 1st marks the eleventh anniversary of her invasion by the Nazis. It is appropriate to add that 16 days later the Soviet Union invested Poland from the East and Poland has not seen freedom or liberty since.

There is no longer a free Poland though that proud nation was the first to sacrifice its blood and people in defense of liberty and a way of life we in America appreciate and indeed are willing to die for ourselves. We promised Poland freedom and liberty and I hope a day will come when we can execute that promise for she belongs in the camp of the democracies. It is tragic she is not there now for that I know would be the choice of Poles everywhere if Poles in and out of Poland could make the choice. Unfortunately Poland today is ruled by Communists on orders from Moscow. It is ironic that Poland, a country that sacrificed so much because it loved freedom so dearly should today find herself unable to share in the victory of the freedom she gallantly defended.

But we must never write off Poland. We must not scratch off the proud Poles from the list of peoples who love democracy and are willing to die for it. Poland has been conquered many times. But she always managed to win back her freedom. And that is the hope we who love Poland and all things democratic can cling to in these critical times. We can cling to the hope she will one day be free again.

Poland—the old free Poland—is alive in many ways throughout the world today for her fair and talented people will not let the world forget that Poland once was free. Her statesmen, her artists, musicians, painters, writers, and soldiers roam the earth today as living monuments to freedom. They want to but cannot and will not return to their beloved country so long as it is ruled by the Communist dictatorship. I think we can say no other people with the possible exception of the Jewish people have suffered more than the Poles. They have much in common, for as the Jewish people have roamed the face of the earth homeless and lonely, so the Poles today are scattered to the far corners of this globe keeping alive some tiny spark of Polish freedom that is denied those who still remain within the physical boundaries of that nation. There are 8,500,000 Poles living today outside of Poland with the largest colony, estimated at 4,000,000 or more Poles settled here in our own country. I might add, many of these 4,000,000 have been here for generations and are among our most loyal Americans, though they may in many instances preserve their glorious customs and traditions.

The Poles love their country but they love freedom more as we can see by the millions who will not return to slavery. Some 80,000 live in Czechoslovakia, 200,000 in Lithuania, 75,000 in Latvia, and 80,000 in Rumania. We should remember that these nations once enjoyed liberty. The Poles within their borders must be considered captives of the Communists.

Another 1,000,000 Poles were trapped in the Ukraine. But there are 800,000 free Poles in the free land of France, 35,000 Poles in Belgium, 4,000 in Holland, 12,000 in Denmark, and other large groups lie within the uncertain borders of Hungary and Yugoslavia. Poles in large numbers also have emigrated to Australia, to South Africa, South America, Morocco, and Algiers, and north of this Nation to Canada. Thousands live in England and the British Isles.

It would be a noble work of mankind if mankind could restore the liberty and life for which the brave Poles died. That is my hope here today in the Senate as I think of this day, the eleventh anniversary of the invasion of that good country. I hope in the years to come we may all look proudly to Poland as a free nation allied with the free world. We can offer the gallant Poles no less.

ACTION OF UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION CONDEMNING AGGRESSION AGAINST THE REPUBLIC OF SOUTH KOREA

Mrs. SMITH of Maine. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, a statement prepared by me relative to the action of the Executive Board of the United Nations Educational, Scientific, and Cultural Organization condemning the aggression against the Republic of South Korea and directing the use of UNESCO's resources in providing all possible aid and assistance to the action undertaken by the United Nations in Korea. I also ask unanimous consent to have printed in the RECORD following the statement an article which I have written on this subject.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMITH OF MAINE

The Executive Board of UNESCO, the United Nations Educational, Scientific, and Cultural Organization, has condemned the aggression against the Republic of South Korea, and has directed the use of UNESCO's resources in providing "all possible aid and assistance to the action undertaken by the United Nations in Korea."

This is heartening proof that realization of the threat in Korea to international cooperation, security, and peace has aroused leaders in all walks of life. Several agencies of the UN already had pledged their support: the Food and Agriculture Organization, the International Refugee Organization, the World Health Organization; but none has the potential influence of UNESCO.

It can reach through school systems, colleges, and universities, organizations in the fields of education, science, and the arts to create an understanding of the United Nations' responsibilities in this crisis. Its stand will influence intellectual leaders everywhere, and gradually its influence will extend to areas where propaganda has distorted the issues at stake in Korea.

The UNESCO Executive Board itself defined the limitless areas where its messages must penetrate when it asked the aid of all organizations working with UNESCO, all who wish to live in peace with their fellow men, to contribute to an understanding of the need to reinforce the defenses of peace, which the United Nations are responsible for developing and safeguarding.

I am proud of the fact that the United States National Commission for UNESCO, of which I am a member, initiated the request for a special meeting of the UNESCO Executive Board to consider UNESCO's responsibilities to the United Nations in view of the attack on Korea. I am proud that members of the UNESCO Executive Board of 10 other nationalities joined an American, Librarian of Congress Luther H. Evans, in requesting that meeting.

None of these men were under the orders of their governments, for they sit on the UNESCO Executive Board as individual leaders of the UNESCO movement in their countries. Together with the other members of the Board, they were unanimous in their condemnation of the attack on Korea and authorized a program which ranges from educational relief and reconstruction to the major effort to create a broad understanding of the principles and responsibilities of the UN.

I would like to quote from the statement of Luther Evans before the UNESCO Executive Board, because I believe it expresses the viewpoint of UNESCO leaders in the United States. I hope that UNESCO will carry out its program in the spirit of these words:

"When peace was wantonly broken in Korea by the deliberate aggression of armed forces, the United Nations was challenged to justify its existence. It met that critical test by ranging the forces of justice against the aggressor. By that act the United Nations became, in fact as well as in name, the defender of the peace.

"The purposes of UNESCO are set forth in its constitution. Foremost among these is the purpose to contribute to peace and security by furthering universal respect for justice, for the rule of law, and for the human rights and fundamental freedoms affirmed for all peoples by the Charter of the United Nations. These are the very principles which the United Nations is fighting to uphold in Korea, a member of UNESCO.

"The duty of UNESCO is plain. It must fulfill its obligation to the United Nations by explaining to the peoples of the world, with the help of teachers, scholars, writers, and other leaders in the communication of knowledge and ideas, that the issue in Korea is clearly drawn between the defense of peace and permitting brute aggression to succeed. It must help create throughout the world an understanding of the vital role that the United Nations has assumed in Korea and the responsibilities it faces in other areas of possible aggression. Naturally, UNESCO must also do its full part in rebuilding the shattered life of the Korean nation.

"The United Nations has spoken for the conscience of mankind. UNESCO can have no greater task to uphold the United Nations as the defender of peace. Let us get on with the task."

WASHINGTON AND YOU

(By United States Senator MARGARET CHASE SMITH)

WASHINGTON.—Shortly after returning from the fifth session of the General Conference of UNESCO in Florence, Italy, I expressed in this column my opinion that UNESCO (the United Nations Educational, Scientific and Cultural Organization) was too much of a debating society and not enough of an action agency, and proposed in general terms that it become an action agency—but I failed to specify in detail.

Where I failed on specification, others have succeeded. Outstanding leadership on this very point was provided by Raymond A. McConnell, Jr., past Pulitzer prize winner, and youthful editor of the Lincoln (Nebr.) State Journal. He proposed a very specific action role for UNESCO that would take it

very definitely out of the role of theoretical oratory. He proposed that UNESCO be made the "Voice of the United Nations." He forcefully pointed out that the Korean war provided a real opportunity for UNESCO to so recast its role in a character of accomplishment.

Two weeks later the Executive Committee of the United States National Commission for UNESCO adopted a resolution calling for specific action by UNESCO along the lines that McConnell, and others, proposed. That resolution intended, among other things, "devising and utilizing all available means for the dissemination of the facts concerning the causes of the present situation in Korea, and its threat to peace and world security."

The resolution also called for an emergency session of UNESCO to act on the proposals of the resolution. The chairman of the UNESCO Executive Board summoned its members to a special meeting in Paris the latter part of August, to examine the contribution that UNESCO could make to "more adequate public understanding of the United Nations action on Korea."

This sequence of action has raised my hopes for UNESCO to become an organization of action. It is heartening action in recognition that never before were the issues involved in a breach of peace, conditioned so fully by the fundamental consideration that even defensive military action must have as an underlying objective the "building of the defenses of peace in the minds of men."

Here we have the potential beginning of a "truth offensive" to counterattack against the propaganda of lies and ignorance through which evil, power mad Communist leaders seek to capture the minds of men, and enslave the world to their complete mastery.

Dissemination of the truth is not the exclusive responsibility or right of the United States. We are attempting to penetrate the iron curtain with the truth through the broadcasts of the Voice of America. Our effort alone is not enough. We must be joined by the other free nations of the world. But that effort must be a joint, integrated and coordinated effort if we are to attain maximum effectiveness in spreading the truth. UNESCO is the ideal medium for such integrated and coordinated effort.

UNESCO can be the agency of truth dissemination. It can be the effective producer of "truth bombs"—the greatest defense and offense we possess for freedom. For as Jesus said long ago, "And ye shall know the truth and the truth shall make you free."

(Distributed by United Feature Syndicate, Inc.)

KERR BILL—AFTERMATH

Mr. ELLENDER. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a letter from Commissioner Harvey Broyles of the Louisiana Public Service Commission. Mr. Broyles' letter well illustrates what a great many of the Senators anticipated after the President's veto of the Kerr bill earlier this session: First, that certain Federal bureaucratic interests would seize the veto message as a green light to encroach further on the rights and powers of the States; and second, that with the threat of Federal regulation hanging over them, many independent oil and gas companies would refuse to supply natural gas to smaller communities.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LOUISIANA PUBLIC SERVICE COMMISSION,
August 21, 1950.

Senator ALLEN J. ELLENDER,
Washington, D. C.

DEAR SENATOR: I am writing this letter for the purpose of acquainting you with the effect of the President's veto of the Kerr natural gas bill.

In a recent case decided by the Federal Power Commission involving the Mayfield Gas Co. at Mayfield, Ky., that company wished to buy gas from the Texas Gas Transmission Corp. at a point 1.7 miles from the town that it desired to serve. The gas was to be transmitted through that 1.7 miles at relatively low pressure. Federal Power Commission, in its zeal to encroach upon State regulations, asserted jurisdiction over that short pipe line, even though the gas was to be reduced in pressure and the 1.7 miles of line was simply part of the distribution system of the Mayfield Gas Co.

Certain gas companies in north Louisiana have agreed to extend gas service to some towns in this section, but they hesitate to proceed wtih their plans because the cost of separate accounting systems and complying with the tremendous amount of red tape involved in FPC proceedings would make it uneconomical to extend gas to a small community the size of Hall Summit, Quitman or Fisher.

I submit that there is no reason for permitting Federal agencies to continue to usurp the authority of the States and other agencies in the fashion that they have done for the past 20 years. The continued centralization of regulation of private business and the continued threat of competition from the Federal Government with private business can lead to but one result—the same type of economy that other nations with a lower standard of living than ourselves enjoy.

I respectfully submit that the most important function of Congress at the present time is to try and preserve a system that has made this the most prosperous Nation in the world and to stop dabbling with ideas that are borrowed from nations that would like to know how we have prospered as we have.

Very truly yours,

HARVEY BROYLES.

BUSINESS-GOVERNMENT COOPERATION—ARTICLE FROM THE MONTANA STANDARD

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as part of my remarks a very interesting article from the Montana Standard of August 19, 1950. It is an answer to those who have been trying to misrepresent the position of Dr. Paul Raver in regard to entering into contracts with private power companies for power generated at Government dams. It shows that Dr. Raver will enter into fair contracts for firm power arrangements whenever private power companies are reasonable and fair in their proposals and dealings.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDUSTRY-GOVERNMENT CONTRACT MAKES STATE FUTURE BRIGHT

Dr. Paul J. Raver, Administrator of the Bonneville Power Administration, concluded a series of conferences here Friday on the operation of a unique business-government cooperation contract which probably will mean more industry and prosperity for Montana.

The contract which provides for the Bonneville Power Administration to deliver power to Montana for distribution over Montana Power Co. lines to customers is the first of its kind ever negotiated. It may well become a pattern for similar contracts in other parts of the country, proving that such cooperation between private industry and Government will work to the benefit of the people and eliminate much harmful strife.

Dr. Raver, who was making his first visit to this area, expressed himself as completely satisfied with the conferences he participated in with officials of the Montana Power Co., Victor Chemical Co., Anaconda Copper Mining Co., and others. "I am most gratified at the spirit of cooperation on the part of the Montana Power Co. to attain our objective," he said, "and I am convinced that our contract will work."

The contract was executed several months ago. The Government will build a transmission line from Hungry Horse Dam to its 230,000-volt substation at Anaconda from where power will be distributed over the Montana Power Co. lines.

"This agreement opens up new industrial possibilities for Montana," Dr. Raver explained. "Under it we cooperatively work out a plan to use power in a constructive manner for Montana, adding to the employment opportunities and wealth of the State. And the contract in all its aspects gives protection to the people."

The principal purpose of Dr. Raver's meetings here was to make certain that all details were agreed upon for supplying power for the operation of the Victor Chemical Co.'s $5,000,000 phosphate plant which is now under construction near Silver Bow.

As the plant is expected to be in operation about September of next year—or before the line from Hungry Horse to Anaconda is completed—it will be necessary for power to be supplied from another source during the interim period. This the Montana Power Co. will do, enabling the Victor Co. to start operations sooner than would otherwise be possible if it was required to wait for the transmission line to Anaconda.

When the Government line is completed to Anaconda, the Montana Power Co. will deliver Government power from that point to the Victor Chemical Co. plant, a distance of about 18 miles.

Getting the plant in production as quickly as possible is important not only because of the economic benefits to this area but also from the standpoint of national defense, Dr. Raver said.

Establishment of the Victor Chemical Co. plant here, which brings an important new industry to Silver Bow County, actually is the result of cooperation from three sources. The Montana Power Co., Bonneville Power Administration, and the Anaconda Copper Mining Co. all played important roles in locating the new plant here. The agreement between the power company and the Bonneville Administration assured the Victor Co. that it could go immediately forward with its plans, certain that it would have ample power for its operations. Meanwhile, the Anaconda Co. made arrangements to provide the right to phosphate deposits which will be used in the manufacturing process and affords a tunnel site for development of other property. Thus, a new industry, which will add materially to the local pay roll, is being brought into existence.

The idea of close cooperation between the Bonneville Administration and the Montana Power Co. appears to be working out smoothly, Dr. Raver said, and it may now be entering upon a broad and beneficial phase for the people of the State and especially of western Montana.

As a part of the general program the Montana Power Co. at the present time is making power available to Rural Electrification Administration cooperatives at Government rates, and will continue to do so after the Hungry Horse project is completed and Government power becomes available from there.

It is believed that the contract involving the Hungry Horse-Anaconda transmission line will open the way for continued exploration of industrial possibilities in the portion of Montana west of the Continental Divide which is the boundary for Bonneville's operations. Through the same type of

cooperation between the Bonneville Administration and Montana Power Co. which enabled the Victor Chemical Co. to locate here, an aluminum industry in the western Montant area is under definite consideration.

"People of Montana can be assured that the waters of Montana and the power they generate will be used here," Dr. Raver said. "This is illustrated by the fact that Bonneville will be sending a block of power to the Montana Power Co. and that more will be available for continued industrial development in western Montana."

The whole thing is expected to demonstrate what can be attained by private industry and Government power working harmoniously together. The uniqueness of the program lies in the fact that private power and Government power, long regarded as bitter-to-the-end enemies, are here in Montana showing how each, working with the other, can truly render the maximum of service and be of the greatest benefit to the people.

Dr. Raver will go to Spokane today but expects to return in the future for more conferences in western Montana which may well result in further development of the State.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The VICE PRESIDENT. The pending question is on the substitute offered by the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN] to the amendment of the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY].

Mr. GEORGE. Mr. President, the distinguished Senator from Colorado wished to be heard on this motion.

Mr. MILLIKIN. Mr. President, let me first make my own position clear on the subject of excess-profits taxes during wartime. I believe that such taxes are inescapable. I feel certain that the corporate profits of at least the last quarter of this year will reflect wartime profits. It may be that the third quarter of this year will reflect such profits. I believe that such wartime profits should be the subject of excess-profits taxation.

The George-Millikin amendment, through its retroactive provisions, will reach this objective. The amendment is short and I shall now read it. I come to the substance of the amendment without the technical preliminaries:

(a) The House Committee on Ways and Means and the Senate Committee on Finance are hereby directed to report to the respective Houses of Congress during the first session of the Eighty-second Congress, and as early as practicable during said session, a bill for raising revenue by the levying, collection, and payment of corporate excess-profits taxes with retroactive effect to October 1, or July 1, 1950, said bill to originate as required by article I, section 7, of the Constitution.

(b) The Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a full and complete study of the problems involved in the taxation of excess profits accruing to corporations as the result of the national defense program in which the United States is now engaged. The joint committee shall report the results of its study to the House Committee on Ways and Means and the Senate Committee on Finance as soon as practicable.

In urging the adoption of the George-Millikin amendment I shall not embellish what I have to say with the blood of our servicemen in Korea. Our servicemen in Korea expect us to provide the finances necessary to sustain their effort there, and this, of course, will be done.

I doubt whether our servicemen in Korea expect the Senate to make additional drafts on their blood to decorate the polemics of this debate. I also think it should be emphasized that in order to meet the Korean situation and to prepare for its possible—yes, perhaps it might be more accurate to say, its probable—enlargement, the proposed excess-profits tax, in any form that it may take, will be but one additional revenue measure among others yet to come to cover military expenditures.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from New Jersey?

Mr. MILLIKIN. I yield.

Mr. SMITH of New Jersey. Do I correctly understand from the Senator's statement, then, that it is the purpose of the committee to apply the principle of pay-as-you-go in our financing of the terrible situation which faces us?

Mr. MILLIKIN. I am quite sure that it is the purpose of the committee to come as close to that as is feasible.

Mr. SMITH of New Jersey. One further question. From what the Senator has just said, I take it when we are practically told that unless we vote for this particular excess-profits tax amendment we are voting against excess-profits taxes and are not willing to have industry pay as far as it can for the cost of the Government's necessarily extended military program that that is a totally erroneous implication, and that those of us who feel that the approach which the committee is recommending is the best and soundest approach are quite as much in favor of applying the excess-profits-tax principle as those who may vote for this amendment. Is not that correct?

Mr. MILLIKIN. The Senator, I suggest, is entirely correct, and everything he has said is inherent in the George-Millikin amendment.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. MILLIKIN. We are going to have vastly more war taxes, and they will run all the way up and down the line. No one is going to find an umbrella under which to shelter himself from them. He is either going to pay them directly or he will pay them quite as effectively indirectly. If there are any implications in this debate that the adoption of an excess-profits tax is adequate to meet the expenses of the military program, that, I respectfully suggest, is sheer fakery or ignorance.

I mention that to remove from the debate—and if not from the debate, from opinion outside the Senate—the thought that an excess-profits tax is the complete solution, that the rich corporations are going to pay for the war, and that others will not be called on to carry additional burdens.

Mr. President, this bill already provides for additional individual income taxes.

Mr. FERGUSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Michigan for a question?

Mr. MILLIKIN. I yield.

Mr. FERGUSON. I note that line 9 of the amendment specifies an alternate date. Why is the alternative date specified? Is there any reason why it should not be July 1, 1950?

Mr. MILLIKIN. I think the question is well put. Our theory is that it will take more study before we can draw up a sound excess-profits-tax bill, and that the facts developed by such a study may indicate that it should run back to October 1, or may indicate that it should run back to July 1 of this year. Personally, I think it is bound to go back to October 1, because it seems to be quite apparent that profits from the war effort will reflect themselves in the last quarter of the year, perhaps in the third quarter of this year.

Mr. FERGUSON. The Senator from Michigan had an idea that with the speeding up of the spending of money by the Federal Government, following the outbreak of the Korean war, large profits may have accrued in July and August, and may accrue in September of the present year.

Mr. MILLIKIN. That may well be, and it might well be demonstrated. But it will take a little history and some figures and statistics to make it clearly demonstrable as to whether the retroactive date should be October 1 or July 1. So far as I am concerned, I am willing to have either date applied, on a sound basis.

Mr. MAYBANK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from South Carolina?

Mr. MILLIKIN. I yield.

Mr. MAYBANK. Mr. President, about 2 years ago the distinguished Senator from Colorado was chairman of the Finance Committee. At that time we had before us the question of repeal of the tax on oleomargarine. It was toward the closing days of the session. Later on we had the question of the community-property tax. The Senator at that time, as chairman of the Finance Committee, assured me that if those items were delayed he, as chairman, would conduct hearings, and the measures would be reported by the committee, one way or another. The Senator, of course, did so, and both bills later became laws.

During the time I have been conducting hearings on the defense production bill I have frequently been asked, "Why do you not provide for excess-profits taxes instead of controls?" I have told them that I believe in both. As I understand the situation, if I vote for the George-Millikin amendment, the Senate will have a chance to vote on excess-profits taxes, after the question has been thoroughly studied, and to vote whether excess-profits taxes should be effective as of July 1. Is that not correct?

Mr. MILLIKIN. That is correct.

Mr. MAYBANK. I thank the Senator for his statement, because I have assured everyone that I am for excess-profits taxes just as I am for controls. I simply did not want to place myself in an embarrassing position. The Senator and I have discussed other matters of taxation heretofore, when he was chairman. I also discussed with the Senator from Georgia [Mr. GEORGE] in those days, as the ranking Democratic member of the committee, both the community-property tax and the so-called Fulbright-Maybank oleomargarine repeal-tax bill. The Senator was very generous.

Mr. MILLIKIN. I remember very well the efforts of the distinguished Senator from South Carolina in connection with the community-property-tax questions which were before us.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Massachusetts?

Mr. MILLIKIN. I yield.

Mr. SALTONSTALL. The Senator from Colorado stated to the Senator from South Carolina, as I understood, something a little different from what he stated to the Senator from Michigan. He said the tax would be retroactive to July 1, 1950, as I understood him.

Mr. MAYBANK. The Senate will have a chance to vote on that question.

Mr. SALTONSTALL. I understand that what the Senator from Colorado says is that, after a thorough study, an excess-profits tax provision will be reported by the committee in such form as will be the fairest to every citizen and which at the same time will bring in the proper amount of revenue. Is that correct?

Mr. MILLIKIN. That is correct.

Mr. SALTONSTALL. Whether the tax will date back to October 1 or July 1 will depend upon that study, will it not?

Mr. MILLIKIN. That is correct.

Mr. MAYBANK. That, of course, is basic. Having been occupied with the conference on the defense production bill, I have not found it possible to be on the floor during the presentation of his statement by the distinguished Senator from Georgia, who has been handling this bill. But I understood the date would be either October 1 or July 1, whichever might be determined to be the fairest and most equitable, with the understanding, of course, that any Senator would have a right to vote for July 1, if he desired to do so.

Mr. MILLIKIN. I wish to say in reply to both the statement of the distinguished Senator from South Carolina and the statement of the distinguished Senator from Massachusetts that if I did not make it clear, I wish to make it clear that the reason for including an alternative date is that the facts, developed after careful study, will lead us to the correct date.

Mr. MAYBANK. And the Government will be able to get the most money?

Mr. MILLIKIN. And the Government will be able to get the most money on a just and equitable basis.

Mr. MAYBANK. I thank the Senator.

Mr. FERGUSON. The idea of the committee, I am sure, is to eliminate war profits. The words "excess profits" indicate that in time of war profits become enormous for one reason or another, one of which being the pyramiding of war business on top of civilian operations, and the aim is to siphon off the excess war profits, in order that there may be no profits made out of war. Is that the philosophy of the committee?

Mr. MILLIKIN. The Senator is correct. To remove excess war profits is the reason we find the question of establishing a correct base, from which to measure the increase over that base, being so fully developed during the debate. The defects in the base proposed here were thoroughly exposed by the chairman of the Finance Committee yesterday.

Mr. FERGUSON. While we use the word "corporation" in relation to excess profits, there is no attempt to shield the individual, the partnership, or the joint venture so that they will have an umbrella under which they may escape paying war excess-profits taxes.

Mr. MILLIKIN. The question of how far beyond corporations, speaking technically, we can and should apply such a tax will be entirely open for decision by the appropriate committees and by the two Houses of Congress. So far as the individual is concerned and so far as the partnership is concerned, we already have a system of taxation intended to reach them, and they will be reached by this bill and possibly by other bills to follow.

Mr. President, I am opposed to an excess-profits tax in peacetime. It probably has not escaped the attention of my colleagues that many of those who favor excess-profits taxes and who have been covering the Senate floor with the blood of our servicemen in Korea, favor excess-profits taxes all the time, in war and in peace. Korea simply adds another string to the bow.

Let me make a few suggestions, most respectfully submitted, on the problems involved in framing sound tax legislation.

In 1926 Congress reached the conclusion that it could not draft a sound tax bill on the basis of oratory, so it established the Joint Committee on Internal Revenue Taxation. I believe it is the first committee of that kind ever established in the Congress to produce legislation with the help of a permanent expert staff. The staff of the joint committee has, I believe, the complete confidence of the entire Congress. It has been a completely nonpartisan committee. Its services are available to all members of the House Ways and Means Committee and of the Senate Finance Committee. Members of Congress who are not on those committees frequently avail themselves of its services. It is called upon for all sorts of data concerning the subject of taxation. When the Eightieth Congress came in, we did not make a single change in the staff of that committee. When the Eighty-first Congress came in, not a single change was made in its staff. The members of the staff have long tenure of office. They receive accumulated wisdom from their constant dealing with these problems. Many sections of a tax bill have intimate bearing and influence on other sections. We cannot, off the cuff, write a sound tax bill.

The committees to which I have referred, the House Ways and Means Committee and the Senate Committee on Finance, rely heavily on the studies and the special knowledge of the staff of the Joint Committee on Internal Revenue Taxation.

Here we have the fifth or sixth version of an amendment prepared by individual Senators, skillful Senators, with what assistance they have secured. The Senator from Texas [Mr. CONNALLY] is a member of the Finance Committee. The Senator from Wyoming [Mr. O'MAHONEY] has had a great career in the Senate and has specialized in economic subjects. Yet, with all their wisdom, with all their experience, they have come forward with five or six defective versions of an amendment designed to put an excess-profits tax law on the statute books.

It has developed that the version prior to the one now before us would produce, I think, $36,000,000 to blot up the billions and billions of dollars of profits which it has been estimated can be attributed to the war effort.

Mr. President, I wish to read a letter, and the reason I read it is because I saw a newspaper story stating that the figure which I gave on the Senate floor was baloney. The letter is from Mr. Colin F. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation, dated August 28, 1950, written to me, and reading as follows:

> In answer to your telephone inquiry, I wish to advise you that the additional revenue to be derived from the O'Mahoney amendment for 1950—

And I interject that that was the amendment prior to the present one—

> which was discussed in the Senate last Friday is estimated by the staff at approximately $40,000,000. That is, the O'Mahoney amendment will raise only forty million additional over the Senate Finance Committee bill. This is due to the fact that Senator O'MAHONEY'S excess-profits tax rate is 42½ percent for 1950 and the Finance Committee bill's rate is 42 percent on normal and surtax net incomes. Since Senator O'MAHONEY'S amendment excludes all income subject to the excess-profits tax from the normal and surtax base, the additional amount he will secure must be derived from the difference between 42½ percent and 42 percent.
>
> Furthermore, this additional one-half percent is applied to a much smaller base than the normal and surtax base, since the excess profits tax base is decreased by the base period on invested capital credit and certain specific credits and other adjustments not allowed in arriving at the income subject to normal and surtax rates.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I shall be glad to yield.

Mr. O'MAHONEY. The Senator has laid great emphasis on the number of amendments which have been presented. He says five. My count is four. Would the Senator permit me to point

out the differences between those amendments, very briefly?

Mr. MILLIKIN. The difference between what?

Mr. O'MAHONEY. The difference between the four drafts.

Mr. MILLIKIN. Yes; I shall be very glad to have the Senator do so.

Mr. O'MAHONEY. The first draft which I presented provided a base of 75 percent of the average profits for 1947–49 but provided four rate brackets of taxation on excess profits adjusted net income.

The second draft I presented was different from the first only in this respect, that, instead of having four brackets, it had three. The reduction from 4 to 3 was made only as a matter of public relations, in order, by the elimination of the highest bracket, to convince business management that it was not the intention to confiscate all their profits even when they reached 125 percent of the base.

The third draft was the one in which the Senator from Texas [Mr. CONNALLY] and I joined. In that one, because of the discussion we had with the experts, let me say, and because of my desire to cooperate with the senior member of the Finance Committee, the base was changed from 75 percent of the average for 1947–49 in my amendment, to 80 percent of the average profits for 4 years 1946–49. This was a modification on the side of reducing tax liability. This draft, instead of three brackets on the excess-profits net income, had only one rate, namely, 85 percent, which is 10 points less than the rate in the World War II tax.

The letter from Mr. Stamm, which the Senator has just read, was based upon a computation resulting from the language of the amendment, by which it just happened to be the fact that the credit provided in section 26 (e) of the Internal Revenue Code, which I thought was allowed and which the Senator from Texas [Mr. CONNALLY] thought was allowed, was not allowed because it was inadvertently omitted from the amendment.

So the fourth draft was designed, simply to make a clarification by putting section 26 (e) clearly in the bill, so that again that the credit allowed in the World War II law might be allowed to the taxpayer.

Every modification we have made has been a modification to temper the impact of the excess-profits tax upon business, so that we might hope to induce the members of the Finance Committee to accept it, and might mollify the fears of business—although very few fears have been expressed, let me say to the Senator; every expression which has come to me, except those on the part of tax lawyers, has been that the tax should be imposed.

Let me say that far from presenting something new which was just whipped out of a hat, we have presented an amendment which embodies most of the World War II excess-profits tax law, a tax which was reported by the Senate Finance Committee and by the House Ways and Means Committee. In other words, except for the changes in the base and in the rate, this amendment is a reenactment of the World War II tax, which has had the benefit of all the study by all the experts of the Finance Committee and the Joint Committee on Internal Revenue. Moreover it has had the advantage of having been interpreted by the courts. Far from being an ill-considered measure, it is the finest of experience.

I thank the Senator for yielding to me.

Mr. MILLIKIN. I appreciate the demonstration in detail, which the distinguished Senator from Wyoming has given, of the fact that we are now on the fourth version—or is it the fifth version?

Mr. O'MAHONEY. The fourth.

Mr. MILLIKIN. Well, I appreciate the Senator's demonstration in detail that we are now on the fourth version of the amendment, as he has said—each one varying from the other in rate and in base, which are the two most important parts of an excess-profits tax.

I was starting to say that we cannot write tax bills "off the cuff," and especially is it true that we cannot write an excess-profits tax bill off the cuff, because it is perhaps the most intricate and complex part of a tax bill, requiring perhaps more testimony, requiring perhaps more hearings, requiring perhaps more expert background work than any other part of a tax bill.

In preparing an excess-profits tax bill, we should have the benefit of the experience of those who wish to testify. The Senate Finance Committee is, I believe, notable for the fact that it welcomes hearings and gives any citizen a chance to be heard.

In my own experience, I have seen preconceptions on tax subjects completely reversed as the hearings have progressed. The question of base and the question of rate, which the Senator from Wyoming skipped over so lightly, go to the heart of whether an excess-profits tax bill has a semblance of justice, or whether it is brutal, oppressive, and unfair.

The technical staff hear specialists in the field. The technical staff have their own collection of statistics reports and other useful data and have available such material in other Government agencies and from private sources.

Then the Senate Committee on Finance holds its hearing and hears witnesses. When we get through, we do not have a perfect bill, for there is no such thing; but we have a bill which, considering the complexities and difficulties of the problem, aims to be a fair bill and is drawn with skill.

In working up an excess profits bill the technical staff will apply various trial formulas to numerous sample situations and finally it will be prepared to recommend the essentials of a sound bill. These recommendations must run the gauntlet of public hearings and Senate debate.

In contrast to that process, we heard yesterday the distinguished chairman of our Finance Committee riddle this jerry-built version of an excess-profits tax measure. The George-Millikin amendment will produce excess-profits tax revenue and, as we wish it, more or less revenue than the O'Mahoney-Connally amendment will produce. In the George-Millikin amendment there is full recognition of the fact that it is just to charge excess-profits taxes in wartime, and there is full recognition in the amendment that we should do so retroactively if that is required to absorb the excess profits of war.

The Senator from Georgia has demonstrated very clearly the unworkability of the O'Mahoney amendment. An excess-profits tax must be carefully prepared, as I have said, on the basis of study and hearings, so that it will not undermine the competitive system. This is especially true when the country is not on a full war-economy basis. If one corporation making the same profits as another corporation is forced to pay a higher tax than the other, the first corporation cannot stay in business and compete with the latter. During World War II, we had corporations making exactly the same type of products, with the Government taking 80 percent of the earnings in one case and 50 percent in another case.

I am particularly concerned about the adequacy of the base period which the O'Mahoney amendment uses to determine normal profits. For calendar-year corporations, the base period 1946–49 is used. However, many of the fiscal-year corporations are allowed to include a large part of 1950 in their base period. In the case of a corporation with a fiscal year ending June 30, 5 years are allowed for the base period, instead of 4 years. The fifth year ends June 30, 1950, and thus embraces the entire half of the calendar year 1950. This erratic determination of the base period is liable to play havoc with our economy.

The Senator from Wyoming indicates that his excess-profits tax rate of 85 percent, with a base period of 1946–49, will not hurt small business. He points out that his amendment allows a specific exemption of $10,000; and, I believe, his amendment also allows an additional exemption of $10,000 for corporations organized after August 31, 1945. But the Senator cannot believe that a $20,000 exemption is sufficient to prevent a small business with an inadequate base period credit from being hurt and destroyed. The period 1946–49 involves the period of reconversion after the war. Many corporations were established during this period, and after several lean years, are now getting started. Many of our veterans returned from the battlefield and started business in this period. Surely, the Senator from Wyoming does not want to drive them to the wall with an erratic and hit or miss excess-profits tax.

The highest rates of excess-profits tax in World War II did not have their full effect upon large corporations with heavy credits.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. ROBERTSON. The Senator is making a very pertinent point as to when we would get revenue out of the various provisions of this bill. Is it not correct that at this time if we should pass an excess-profits tax which would not have its full effect immediately, the House undoubtedly would have to take

a month or more to frame an excess-profits tax which would meet the manifest objections pointed out so cogently by the distinguished Senator from Georgia yesterday? In the meantime, is it not correct that if we do not act immediately we lose the withholding tax on the increased personal incomes, which we will never be able to pick up again, and we lose the tax on television sets and other items which would go into effect as soon as we passed this bill?

Mr. MILLIKIN. I thank the Senator for his very illuminating comment. Their full impact was applied to many of the medium-sized and smaller corporations which had low base period earnings or a small invested capital.

All that the Senator from Georgia and myself are asking is that our committee be permitted to study this whole situation so that the tax may be imposed on as equitable a basis as possible. It is very important that an excess-profits tax be prepared that is workable, and which will not create unfairness and hardships among various competing business enterprises. This can only be accomplished after thorough study by the committees of the two Houses, and public hearings. The compromise proposed by the Senator from Georgia and myself will enable this study to be made.

The Senator from Wyoming has been critical of the action of the Finance Committee in eliminating from the bill some of the House provisions. Of course, the Senator did not have the benefit of the testimony upon which the committee's action was based. Therefore, a few words of explanation are in order.

The Senator complains about the item entitled "Miscellaneous loopholes" appearing in table I on page 3 of the committee report of the bill. He points out that the House figure for this amount is $141,000,000, whereas the finance bill figure was only $68,000,000. This difference is due almost entirely to the elimination of a single provision from the House bill.

The provision to which I refer would have amended section 117 (j) of the Internal Revenue Code which now provides that gains on the sale of real estate and certain other assets used in the trade or business will be taxed as capital gains while losses on sale or abandonment will be treated as ordinary losses. This formula was introduced in the Revenue Act of 1942 in order to facilitate the transference of these assets, which include machinery, into the hands of those who would make the best use of them, thus facilitating the war effort.

The House bill would change the treatment of the losses on the sale or abandonment of such assets, giving them capital loss treatment, the object being to conform the treatment of losses with gains.

The testimony at the hearings of the Senate Finance Committee brought out very clearly the fact that the House action would be most unwise. Generally speaking, a capital loss brings a tax benefit only if it can be offset against a capital gain. When no such gains are present, the results of the House bill would be most unfortunate. Representatives of the extractive industries and of the railroads pointed out at the public hearings on the bill that in those industries losses on the abandonment of property usually could not be matched against gains so that the change in the House bill would work a severe hardship. Even in those cases where the loss can be matched against a capital gain, a discrimination would exist under the House bill between a taxpayer who wrote off his investment in a machine over its ordinary life and thus got a credit against ordinary income equal to his investment in the machine, and the taxpayer who sells an asset and gets only a capital loss under the House bill. Such a change would raise a real barrier against the continued improvement of our industrial equipment, because it would penalize the junking or abandonment of unproductive, obsolete, and inefficient equipment.

For these reasons the approach taken in the House bill is clearly unworkable. The reverse procedure which involves conforming the treatment of gains to losses and taxing the gains on the sale of section 117 (j) assets as ordinary income also present serious difficulties. It would cancel out the action taken in 1942 in a time of emergency when it is again important to national security that these machines and this real estate get into the hands of those who will put them to the most effective use. Moreover, this approach would result in the taxation of all gains on the sale of poultry and livestock as ordinary income.

Hence the Finance Committee decided that it was best not to change section 117 (j) at this time. This decision accounts for almost all of the difference between the revenue obtained from miscellaneous loopholes under the House and Senate bills.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MILLIKIN. Yes.

Mr. THYE. The very able junior Senator from Colorado has referred to section 117 (j). I offered an amendment last evening to clarify this particular section as it relates to the taxes imposed on the sale of livestock. The Senator has stated that it was the opinion of the committee that no consideration should be given at this time to a change in section 117 (j). There is much confusion, and many farmers have been compelled to submit additional income tax returns because of the decision of the Internal Revenue Bureau as to how a farmer should list sales of livestock in his income tax return.

There have been four court actions with respect to that point. The Albright case has been carried up to the Eighth Circuit Court of Appeals. That court sustained Albright, and it would seem to be highly desirable to adopt some kind of a clarifying amendment, because there is nothing but confusion in the mind of the producer who files a report. I take this opportunity to make mention of the amendment I have offered and which is now lying on the table.

Mr. MILLIKIN. The Committee on Finance did exactly what it thought the people in the situation described by the distinguished Senator wanted done.

Mr. THYE. Mr. President, if the Senator does not mind my interruption——

Mr. MILLIKIN. I yield to the Senator.

Mr. THYE. I read in the committee report on page 52 this language:

> The changes made by this bill in the present section 117 (j) will not affect the status of livestock under existing law.

It is under the existing law as interpreted by the Bureau of Internal Revenue that all this confusion has come about, because the Internal Revenue Bureau changed its ruling, and instructed the various collectors' offices throughout the Nation to hold to their ruling. That resulted in the four court actions, and particularly the Albright case, to which I have referred. The Court of Appeals held that Albright was correct. But in spite of what the courts held, the Internal Revenue Bureau still continues to impose the tax upon proceeds from the sales of livestock as income rather than capital gains. The court held that Albright was right in his contention that they should be considered as capital gains instead of income, but in spite of all that, the Revenue Bureau continues to instruct its agents to proceed to find that the producer is in error if he returns the sale of breeding stock and dairy cattle as capital gains rather than income. It was for that reason that I offered the amendment. It seemed to me that it would clarify a question which has been most confused.

I thank the Senator for yielding.

Mr. MILLIKIN. I appreciate the contribution made by the Senator from Minnesota.

The Senator from Wyoming also calls attention to the fact that this estimated revenue from the new taxes on the tax exempt organizations, charitable foundations, and trusts are estimated to produce $60,000,000 annually under the Finance Committee bill whereas the House provisions are estimated to produce $100,000,000. The difference is due primarily to the deletion by the Finance Committee of a proposed tax on accumulations. While the purpose of this tax, to force so-called charitable organizations to spend currently the money which they receive for the purposes upon which their favored tax status is based, may be meritorious in most cases, the testimony before the Finance Committee revealed that the provisions to the House bill were unduly harsh and threatened to undermine the system of private charity which has been built up in this country and which has long received favored tax treatment as a matter of public policy.

This aspect of the House bill was clearly more important than the additional revenue which it might have produced, and time did not permit the extensive revision which was obviously required. Moreover, the facts necessary to appraise the extent and the significant aspects of the problem at issue are not now available. Therefore, the Finance Committee eliminated the proposed tax on accumulations and made provision for the filing of public returns by the organizations and trusts involved. This will provide the information upon which a

more adequate solution may be based. The revision of the tax status of these organizations, foundations, and trusts is not a matter to be undertaken lightly. Fundamental issues of public policy are involved. Hasty action would be most unwise.

The Senator also referred to the provision in the House bill dealing with the interest paid by the Government on overpayments of tax. The House bill would have reduced the rate paid from 6 to 3 percent, leaving the rate on deficiencies at 6 percent. Thus if the taxpayer overpaid his tax he would get 3 percent interest but if a deficiency were assessed against him he would pay 6 percent interest.

The Secretary of the Treasury quite rightly protested against this change. There are provisions in the law which set up penalties for taxpayers who deliberately understate their tax. These are not the cases at issue here. The House provision relates to cases in which there has been an honest difference of opinion. The House provision has the effect of imposing a penalty on the taxpayer in such cases when clearly no penalty is appropriate. The Finance Committee would not countenance it.

It is well known that the 6-percent rate charged on deficiencies and allowed on overpayments under existing law has been the subject of frequent complaint. However, owing to the variation in the interest rates which individual taxpayers would have to pay if they were to borrow a like amount of money, it is not easy to hit upon another rate which would be an obvious improvement. Moreover, since overpayments exceed deficiencies by a substantial amount, any reduction in the rates would involve a substantial loss of revenue.

For these reasons, the Finance Committee wisely eliminated the provision reducing the rate on overpayments to 3 percent.

The Senator from Wyoming also comments on the provision accelerating the payment of the corporate income tax. This provision is identical with that contained in the House bill. It will produce an aggregate of about $4,800,000,000 of additional collections during the fiscal years 1951 through 1956, and of this amount $800,000,000 will come in during the current fiscal year. While this provision does not increase tax liabilities, and therefore has not been taken into account in reaching the conclusion that this is a four-and-one-half-billion-dollar bill, the large amounts of additional collections which the acceleration will produce in the next few years does have the effect of reducing by $4,800,000,000 the amount which the Government will be called upon to borrow.

Mr. President, I wish to conclude with the statement that the George-Millikin amendment satisfies every reasonable purpose that has been urged before the Senate. It recognizes that there will be corporate excess-profits taxes. It recognizes that liability for them will be retroactively imposed either to July 1 or October 1, 1950. The George-Millikin amendment will afford an opportunity to have carefully prepared corporate excess-profits-tax legislation which will be just and equitable.

I thank the Senate.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN] to the so called O'Mahoney-Connally amendment. [Putting the question.] The "ayes" seem to have it, the "ayes" have it, and the amendment to the amendment is agreed to.

The question now is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY], as amended.

Mr. CONNALLY. Mr President, I wanted the yeas and nays. I was trying to get the floor.

The VICE PRESIDENT. The Chair did not understand that the Senator sought the floor.

Mr. CONNALLY. I demand the yeas and nays on the amendment of the Senators from Georgia and Colorado.

The VICE PRESIDENT. The Senator is too late now. The Chair has already announced the result.

Mr. CONNALLY. The Senator from Texas was on the floor addressing the Chair.

The VICE PRESIDENT. The Chair did not see the Senator or hear him if he was seeking recognition. At the time the Chair put the motion, the Senator from Texas voted "no." The Chair remembers that, but the Chair does not recall that the Senator was seeking recognition to ask for the yeas and nays.

Mr. CONNALLY. I ask recognition.

The VICE PRESIDENT. The Senator from Texas is recognized.

Mr. CONNALLY. What is the issue before the Senate now?

The VICE PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. CONNALLY], as amended by the substitute.

Mr. CONNALLY. Mr. President, the Senate has just adopted something that is not an amendment. It does not go to the question at issue. It does not go to the vitals of the subject. With all due respect to the Senator from Colorado and the Senator from Georgia, this amendment is simply a delaying amendment, simply a rear-guard action. If these eminent Senators, the chairman of the Committee on Finance, an expert on taxation, and the distinguished Senator from Colorado, cannot think up a way to write an excess-profits tax amendment now, they will not be able to devise one in January which will meet their requirements.

Mr. President, if one favors an excess-profits tax, he voted his chance away in adopting the so-called George-Millikin amendment, which is not an amendment at all. It is simply a motion to wait, to delay, to sabotage the O'Mahoney-Connally amendment. That is what it is, however one may seek to cover it up with flowery language about wanting more time to study the subject. We have already studied the bill. We had an experience in World War I with an excess-profits tax. We had an experience in World War II with an excess-profits tax. All of the records under those two taxes are in the Treasury Department. They can be produced almost instantly, as soon as they can be gotten here.

Mr. MORSE. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield to the Senator from Oregon.

Mr. MORSE. The Senator from Oregon completely agrees with the Senator from Texas, and desires to ask the Senator from Texas whether he will not move for a reconsideration of the action taken, because it is perfectly obvious to all that there should have been a quorum call before a vote on a question of this kind, which has held the attention of the Senate for days, and there should be a record vote on it. I suggest to the Senator from Texas that he move that the vote be reconsidered.

Mr. CONNALLY. I thank the Senator. I probably shall do so.

Mr. O'MAHONEY. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I call attention to the fact that all day yesterday there were discussions going on as to when we might have a vote upon the amendment. Last evening for 1 hour and 15 minutes the Senate was engaged in a futile colloquy in an effort to fix a time at which the vote could be taken.

I think it was generally understood that this is a matter of such grave importance that there should be a yea-and-nay vote of the Senate upon it. The Senator from Wyoming, who was seated in the Chamber, was called to another part of the Chamber while the Senator from Colorado [Mr. MILLIKIN] was still speaking. As I passed the Senator from Texas, the Senator from Texas was on his feet apparently asking for recognition. I thought the Senator was about to make some more comments upon the amendment. Apparently that was not the fact, but he was seeking to ask for the yeas and nays. The question was stated immediately after the sudden termination of the address of the Senator from Colorado. In all the circumstances, Mr. President, I feel that it will be quite proper for us to ask the Senator from Georgia and the Senator from Colorado not to take advantage of the parliamentary situation which now exists, but to agree that there may be a yea-and-nay vote, without the necessity of making the motion to reconsider the vote by which the substitute amendment has now been agreed to.

It seems to me the vital significance of this matter is so well recognized that the sponsors of the substitute amendment will agree to have the record of a yea-and-nay vote upon this issue.

Therefore, Mr. President, I ask unanimous consent that there may be a yea-and-nay vote upon this issue.

The VICE PRESIDENT. The Senator from Wyoming asks unanimous consent that the vote by which the substitute amendment was agreed to be recon-

sidered, and that the yeas and nays be had upon the substitute. Is there objection?

Mr. GEORGE. Mr. President, if the vote is to be taken without further debate we will not object to it.

Mr. CONNALLY. Mr. President, I desire to finish my remarks upon the subject. I shall want to take about 5 minutes.

Mr. GEORGE. I shall have to object then, unless the Senator is ready to conclude.

Mr. CONNALLY. I am ready to conclude in about 5 minutes. I have not taken up much time in this debate. I have spoken only once.

Mr. O'MAHONEY. Mr. President, let me make a modification so the matter can be settled; I ask that the Senator from Texas may be permitted to conclude his remarks within 5 minutes, and that we may then have reconsideration with a yea-and-nay vote.

Mr. GEORGE. Mr. President, we have no objection if we can secure a vote.

The VICE PRESIDENT. Without objection, it is so ordered. The Senator from Texas is recognized for 5 minutes.

Mr. CONNALLY. Mr. President, I want Senators to know what they are voting on. They are voting on a delaying, rear-guard action in connection with this issue. No one is going to be fooled by the talk about more time, and more time, to study the matter. The subject has been before the Congress for years, and anyone who wishes to understand it can easily understand it if he will consult the record.

It is now proposed to put the matter off. It is said, "We want more time. We want to study the matter." Both the eminent Senators from Georgia and from Colorado have been doing nothing else than studying this subject. They have been studying it since they have had it before them, but not with the thought of advancing it, but to slow it up, to put the brakes on a little tighter. Mr. President, they want to put it off for several months. We cannot put off the Korean war for several months. It is here now. We cannot put off the demand and the necessity for increased taxes. But Senators can put off taxing profiteers who are growing rich while all other citizens are being taxed at a higher rate than they paid last year.

Talk about the little man. Someone said something about small business. Under this bill the man with an $800-a-year income is going to pay more taxes than he paid last year; the man with a thousand-dollar-a-year income is going to pay more than he paid last year; but the taxes of the profiteer who is going to make more money, tremendously more money than he made last year, will in effect be decreased on the basis of the mass of his earnings. No, Mr. President, let no one fool himself about this matter. If Senators are for an excess-profits tax, let them vote down the George-Millikin amendment. If they are against an excess-profits tax let them vote for it.

Mr. President, I used to practice law. I used to have some criminal cases now and then. Every time we had a hard case, a difficult case, we made a motion for a continuance. That, in effect, is what is now being done here. The George-Millikin amendment is, in effect, a motion for a continuance. When we practiced law we made such motions in the hope that some of the witnesses would die, in the hope that some of them would leave the country, in the hope that something would happen in order to make our defense more safe. What we have now is in effect a motion for a continuance. If Senators want to adopt such tactics, let them vote for the George-Millikin amendment, but if they are for an excess-profits tax, let them vote it down.

We have had plenty of time to consider this question. The Senate can act on it and adopt some sort of amendment on this subject. The amendment can be worked out in conference between the House and the Senate conferees. We can devise an income-tax amendment. But the Senator from Colorado is so anxious, so very anxious, to get an excess-profits tax that he wants to study the subject during the interval between now and next January.

No, Mr. President, let us not fool ourselves. The issue is before us. If Senators are for an excess-profits tax, let them vote down the substitute amendment. If Senators do not want an excess-profits tax, let them vote for the amendment of the Senator from Georgia and the Senator from Colorado.

Mr. O'MAHONEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The question is on the substitute amendment offered by the Senator from Georgia and the Senator from Colorado to the amendment of the Senator from Wyoming and the Senator from Texas.

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The yeas and nays have been ordered by unanimous consent. The absence of a quorum has been suggested. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Malone
Anderson	Hoey	Martin
Benton	Holland	Maybank
Bricker	Humphrey	Millikin
Butler	Hunt	Morse
Byrd	Ives	Mundt
Capehart	Jenner	Murray
Chapman	Johnson, Colo.	Myers
Chavez	Johnson, Tex.	Neely
Connally	Johnston, S. C.	O'Mahoney
Darby	Kefauver	Pepper
Donnell	Kem	Robertson
Douglas	Kerr	Russell
Dworshak	Kilgore	Saltonstall
Ecton	Knowland	Smith, Maine
Ellender	Langer	Smith, N. J.
Ferguson	Leahy	Sparkman
Frear	Lehman	Stennis
Fulbright	Lodge	Thomas, Okla.
George	Long	Thomas, Utah
Gillette	Lucas	Thye
Graham	McCarran	Watkins
Green	McClellan	Wherry
Gurney	McFarland	Williams
Hendrickson	McKellar	Withers
Hickenlooper	McMahon	Young

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the George-Millikin substitute for the O'Mahoney-Connally amendment.

Those who favor the substitute will, as their names are called, vote "yea."

Those who oppose the substitute will, as their names are called, vote "nay."

The Secretary will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Idaho [Mr. TAYLOR], and the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Arizona [Mr. HAYDEN] is absent on public business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on public business.

The Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Washington [Mr. MAGNUSON] on this vote. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from Washington would note "nay."

The Senator from Arizona [Mr. HAYDEN] is paired on this vote with the Senator from Maryland [Mr. O'CONOR]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Maryland would vote "yea."

The Senator from Maryland [Mr. TYDINGS] is paired on this vote with the Senator from Idaho [Mr. TAYLOR]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Idaho would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate. If present and voting, the Senator from Kansas [Mr. SCHOEPPEL], would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness, and, if present, would vote "yea."

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate on official business as a temporary alternate Governor of the World Bank.

The Senator from Maine [Mr. BREWSTER], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oregon [Mr. CORDON], and the Senator from Ohio [Mr. TAFT] are necessarily absent. If present and voting, the Senator from Oregon [Mr. CORDON] would vote "yea."

The Senator from Maine [Mr. BREWSTER] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Maine would vote "yea" and the Senator from Vermont would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Wisconsin would vote "nay."

The result was announced—yeas 42, nays 36, as follows:

YEAS—42

Benton	Gurney	Malone
Bricker	Hendrickson	Martin
Butler	Hickenlooper	Maybank
Byrd	Hoey	Millikin
Capehart	Holland	Robertson
Chapman	Ives	Russell
Darby	Jenner	Saltonstall
Donnell	Johnson, Colo.	Smith, N. J.
Ecton	Kem	Stennis
Ellender	Kerr	Thomas, Okla.
Ferguson	Long	Watkins
Frear	McClellan	Wherry
George	McFarland	Williams
Gillette	McKellar	Withers

NAYS—36

Aiken	Johnson, Tex.	Morse
Anderson	Johnston, S. C.	Mundt
Chavez	Kefauver	Murray
Connally	Kilgore	Myers
Douglas	Knowland	Neely
Dworshak	Langer	O'Mahoney
Fulbright	Leahy	Pepper
Graham	Lehman	Smith, Maine
Green	Lodge	Sparkman
Hill	Lucas	Thomas, Utah
Humphrey	McCarran	Thye
Hunt	McMahon	Young

NOT VOTING—18

Brewster	Flanders	Taft
Bridges	Hayden	Taylor
Cain	McCarthy	Tobey
Cordon	Magnuson	Tydings
Downey	O'Conor	Vandenberg
Eastland	Schoeppel	Wiley

So the George-Millikin substitute for the O'Mahoney-Connally amendment was agreed to.

Mr. GEORGE. Mr. President, I move to reconsider the vote by which the Senate has agreed to the amendment to the amendment.

Mr. MILLIKIN. I move to lay the motion on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Colorado to lay on the table the motion of the Senator from Georgia to reconsider.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment, as amended by the substitute.

The amendment, as amended, was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

DEFENSE PRODUCTION ACT OF 1950—CONFERENCE REPORT

Mr. MAYBANK. Mr. President, I submit a conference report on the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes. I ask unanimous consent for the present consideration of the conference report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

(For conference report see pp. 14120–14132 of House proceedings, CONGRESSIONAL RECORD of September 1, 1950.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. It has been very difficult to hear, owing to the confusion in the Senate Chamber. What is now before the Senate?

The VICE PRESIDENT. The conference report on the so-called controls bill.

Mr. WHERRY. I thank the Chair.

The VICE PRESIDENT. The question is agreeing to the conference report.

Mr. WHERRY. Mr. President, I should like to ask a few questions.

Mr. MAYBANK. Mr. President, if the Senator will yield, I desire to make a brief statement. We have labored long, and we have labored hard, since July 19, in fact, in an effort to bring to the Senate and to the House a measure which might be agreed upon. I think my friends on the other side of the aisle will agree to that. We have before us a conference report which was agreed to by the House, with but 20 votes for recommittal. We have here a report with many different provisions. I feel every Senator probably has a question or a doubt about one section or another of the report. I have myself. It has been necessary to effectuate a compromise. All labor requires compromise between the Senate and House. For instance, the conferees omitted the Senate provision regarding confirmation of regional officers or State officers. The conferees on the part of the Senate have yielded to the House on certain things, and the House conferees have yielded to us on certain other things. The members of the conference, knowing the situation which exists in the world and having heard the testimony yesterday afternoon in executive session given by those in charge of munitions and those in charge of other important Government programs, believe that controls in the case of those programs should be extended until 1952, particularly titles 1, 2, and 3, which the President requested.

When it comes to title 4, the conference determined unanimously that the expiration date should be June 30, 1951, which would be less than 10 months.

I shall be happy to answer any questions that any Senator may desire to ask, but I hope the conference report will be agreed to by the Senate, as it has been agreed to by the House.

Mr. MARTIN. Mr. President, I do not want to take the time of the Senate to read a statement which I have prepared on the subject now before the Senate. I therefore ask unanimous consent that I may have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MARTIN

Mr. President, the conference report on the defense production bill of 1950, now before the Senate, gives the President of the United States unlimited power to impose ceilings over prices and wages as he deems necessary, to restrict consumer credit, to establish priorities and allocations for critical materials, to requisition and control inventories, and to provide for the expansion of the production and supply of materials for defense.

When the President sent his message to Congress, he did not ask for the power to fix prices and wages. He stated that these powers were not necessary. Later the President stated that if Congress desired to give him these specific powers he would be glad to accept them on his terms.

He stated that this grant of power must be so broad that he could fix prices and wages either on a selective basis or generally, and that the method of administration should be left free to the executive branch of Government. He also stated that he should be given exclusive jurisdiction in determining which agency or agencies were to administer all or part of the priority and allocation program.

When the defense production bill was before the Senate, it was the sense of this body that priorities and allocations should be administered by one agency, and we designated that agency—the Department of Commerce.

The great majority in the Senate felt that if the power to fix prices and wages was to be exercised effectively it must be general and not selective. We also felt that in order to stabilize our economy, prices and wages must be fixed simultaneously. The bill which passed the Senate made these points clear.

In a recent State-wide broadcast to the people of Pennsylvania, I said I had great fears of inflation unless effective controls were placed and placed now to protect the consumers of our Nation.

I said then and I repeat now:

"Everyone knows that prices are constantly moving upward. With increased Government spending for defense they will rush even higher. Labor is already demanding wage increases to meet the rising cost of living. Artificial shortages have been created by some unscrupulous businessmen to extort higher profits from the public.

"Unless controls are put into effect at once, clear across the board, we will have a race between prices and wages that will mean a dangerous inflation.

"Let me say that we cannot have wage control without price control. Neither can we have effective price control without wage control. They must go together."

In other words, Mr. President, if we are to halt run-away spiraling of the cost of living, controls must be placed simultaneously on both prices and wages, clear across the board.

In my opinion that is the only system of controls which have any chance of working.

The conference report, Mr. President, gives the power to the President to do the job piecemeal, as he may see fit. It gives him the power to use selective controls. In my opinion this will not and cannot work.

It will be a rank failure and must end in confusion all along the line.

Reading the conference report gives the impression that when the President establishes a ceiling on prices he must at the same time establish a ceiling on wages. But a more careful examination of this report leads me to the opinion that the President may place a ceiling on prices, and that ceiling may be a roll-back, but he has no authority to roll-back wages.

Paragraph 5 of section 402B states:

"In stabilizing wages under paragraph 3 of this subsection the President shall issue regulations prohibiting increases in wages, salaries, and other compensation."

All the President can do is to prohibit increases and nothing more. And mark you this, he need only prohibit increases in wages "which he deems would require increases in the price ceiling or impose hardships or inequalities on sellers operating under the price ceiling."

It is my contention that paragraph 5 is by way of explanation and limitation of the prior subsection. The President does not have to fix wages, salaries, and compensation simultaneously with the fixing of price ceilings although section 3 says he must. Section 5 nullifies section 3.

In approving this conference report the Congress is merely acting as a rubber stamp. We are surrendering our power to legislate to the executive branch of Government. We are saying to the executive branch, we are giving you the authority to make all the decisions. We are surrendering to you by default our congressional power to determine when, if, and how controls and ceilings should be imposed. We are saying to the President, you may invoke as little control as you wish or as much control as you wish. You may invoke it when you wish. You may do it piecemeal or otherwise.

We are saying to him you may impose price ceilings but not wage ceilings before the election if you think that is a good idea. Under this bill he may delay all action indefinitely.

The Constitution of the United States places upon Congress the responsibility for making the laws and empowers the President to execute them.

The Constitution makes no provision for Congress to sign a blank check so that the executive branch of Government can fill in the amount and the terms.

It seems to me that when we approve this conference report we are signing a blank check permitting the executive branch of the Government to fill in the amount and the terms of that check.

Mr. President, if the Congress of the United States is to carry out its function as a truly legislative body we should have the courage to pass a bill with complete and clearly stated provisions to meet the present situation immediately and effectively.

If we want to abdicate our powers and responsibilities the way to do it is to delegate the legislative function of Government to the President.

Mr. President, although I am not in agreement with the conference report in its entirety I shall vote for it in the hope that the President will exercise the broad powers granted to him in accordance with the views of the Senate as expressed in the Senate bill.

Mr. WHERRY. Mr. President, will the Senator from South Carolina yield for a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. MAYBANK. I am glad to yield.

Mr. WHERRY. It is very difficult to know all that is in the report or to know exactly what has been done. I am vitally interested in three or four amendments. Not having had an opportunity to study the report closely, I should like to ask a few questions. As the conference report comes to the Senate, we find on page 6, section 402 (b) the following language:

To the extent that the objectives of this title cannot be attained by action under subsection (a)—

That is the voluntary plan—

the President may issue regulations and orders establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service—

I come now to the language which, as I understood, was inserted by the conferees—

and at the same time shall issue regulations and orders stabilizing wages, salaries and other compensation in accordance with the provisions of this subsection.

In the next paragraph, subparagraph 2, if I read it correctly, it is provided that action under this subsection may be taken either with respect to any individual materials, and so forth, "or with respect to materials, services, and types of employment generally." I desire to ask the distinguished Senator first, does not the conference report come to the Senate with this new section, written by the conferees, which provides selective price control?

Mr. MAYBANK. The Senator is entirely correct. It comes to the Senate with a new section, but it represents the writing of a section in the nature of a compromise between the House language and the Senate language.

Mr. WHERRY. For the benefit of at least my thinking, I should like to pursue the colloquy further. As the bill left the Senate, we had a section 402 (a) under which the President may encourage and promote voluntary controls in keeping with our free economy. If voluntary controls fail, the Senate bill then provided that the President may apply mandatory controls, and in so doing price ceilings must be applied across the board, and ceilings on wages must be established at the same time.

I should next like to ask the distinguished Senator about the language in the conference report which refers to the changes which have been made in section 402 (b) of the Senate bill.

In section 402 (b), subsection (1), my question is, What is the meaning of the word "stabilizing"? The Senate bill authorized ceilings on prices and ceilings on wages. We come now to the word "stabilizing," which was stricken from the Senate bill. Let me read it. I merely want to get the interpretation of the conferees. It may help a little in connection with the legislative history. I refer to the last line on page 6, which reads: "and at the same time shall issue regulations and orders stabilizing wages." What does that mean? Does "stabilizing" mean a ceiling would be imposed on wages, as provided in the bill when it left the Senate, or does it mean that there is to be a fluctuation back and forth?

Mr. MAYBANK. As written in the report it means a fixing of wages.

Mr. WHERRY. Does the Senator mean to fix wages, as intended by the language of the Wherry-Bricker amendment? Is that what is intended by the word "stabilizing"?

Mr. MAYBANK. I should prefer to have the Senator from Indiana or the Senator from Ohio answer that question.

Mr. WHERRY. I think the Senator can give me the answer.

Mr. MAYBANK. I should like the Senator from Ohio [Mr. BRICKER] or the Senator from Indiana [Mr. CAPEHART] to answer that question.

Mr. WHERRY. Will the Senator please tell me what he understands it to be?

Mr. MAYBANK. I understand it to be authority to prohibit any increase in wages.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I shall be glad to yield.

Mr. WHERRY. Mr. President, I have the floor, and I am asking the questions. I asked the chairman of the committee first. Then I should like to ask the ranking minority member of the committee his views, and then I should be glad to have any other Senator who wants to answer the question——

Mr. MAYBANK. I have expressed my views.

Mr. CAPEHART. Mr. President, all I can say is that it was the intention of the conferees and the intention of the language to have "stabilization" mean just what it says. It means that the President will control wages and prices.

Mr. WHERRY. Does it mean that he will fix wages immediately when price ceilings are imposed? I understand the answer of the Senator from South Carolina is that that is correct.

Mr. CAPEHART. The conference report provides, on page 6, paragraph (b) (1), that—

The President may issue regulations and orders establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service, and at the same time shall issue regulations and orders stabilizing wages, salaries, and other compensation in accordance with the provisions of this subsection.

Mr. WHERRY. That is largely the language of the Senate bill.

Mr. MAYBANK. Mr. President, I am sure the distinguished Senator from Nebraska will not mind my interrupting him. That is the same language, in substance, which the Senate approved and which was in effect in World War II. I just wanted to make the RECORD clear in that respect.

Mr. CAPEHART. I think the language is perfectly clear. At the same time the President shall issue regulations and orders stabilizing wages, salaries, and other compensation in accordance with the provisions of the subsection.

Mr. WHERRY. I am only asking the definition of the distinguished Senator from Indiana of the word "stabilizing," as written in the bill.

Mr. CAPEHART. It means that the President shall fix the wages, and he has the right, in connection with both wages and prices, to take care of hardship cases.

Mr. WHERRY. I understand that.

Mr. CAPEHART. When I voted, as one of the conferees, it was with the understanding that the President would fix wages and compensation and would freeze them.

Mr. WHERRY. I thank the Senator.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. I should like to ask with reference to the last remark of the Senator from Indiana, when he used the word "freeze," whether "freeze" and "stabilizing" mean the same thing?

Mr. CAPEHART. That is my understanding, and I think it is the understanding of the conferees.

Mr. FERGUSON. May I ask the distinguished Senator from South Carolina if that is his understanding?

Mr. MAYBANK. My understanding of the section is that it is very similar to that which was adopted in World War II.

Mr. WHERRY. The Senator has already said exactly what the Senator from Indiana said.

Mr. IVES. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield to any Senator, but I want to save time. I am not interested in going any further with the questions, unless some Senator wants me to yield, because I am satisfied that the interpretation has now become legislative history. I am satisfied with the definition. I am trying to get a clear interpretation of what is meant by the conference report as it comes back to the Senate. The report discloses that the conferees have done a great deal of work. They have written many provisions of completely new legislation. I am only trying to find out their interpretation of what they meant to do. I think that should be known for the benefit of the Senate.

Let me refer to section 2 on page 7 of the report. This is all new language:

> Action under this subsection may be taken either with respect to individual materials and services and to individual types of employment, or with respect to materials, services, and types of employment generally.

That is, the President of the United States has the right, under this section, immediately to adopt selective controls or to adopt general controls.

Mr. MAYBANK. The Senator is absolutely correct.

Mr. WHERRY. Reading further:

> A ceiling may be established with respect to an individual material or service only when the President finds—

And there are five restrictions. I shall not read them all, but I want to ask this question: How is the cost of living to be determined—according to the Department of Labor statistics cost-of-living index, or by some other gage or some other measure? I ask that question with reference to these five restrictions, where it is attempted to establish that "such price increase will materially affect the cost of living or the national defense."

Mr. MAYBANK. I would say, in answer to the question of the distinguished Senator from Nebraska, that it would be according to the Bureau of Labor Statistics, although we found in the hearings that sometimes they are a little late because of lack of funds, which I hope we shall remedy.

Mr. WHERRY. Then it will be determined by the figures of the Bureau of Labor Statistics?

Mr. MAYBANK. Let me make it plain to the Senator from Nebraska that sometimes they are a little late, and it might be necessary to secure additional information.

Mr. WHERRY. But, primarily, the figures of the Bureau of Labor Statistics will be the yardstick by which the cost of living will be determined?

Mr. MAYBANK. Yes; those figures would be taken into consideration. The Bureau of Labor Statistics people say that they are sometimes a month behind, and other statistics or figures could be taken into consideration.

Mr. WHERRY. I have another question to ask the distinguished chairman of the committee.

In subparagraph (3), on page 7, the language is as follows:

> Whenever a ceiling has been imposed with respect to a particular material—

I take it that is under selective controls—

> or service, the President shall stabilize wages, salaries, and other compensation in the industry or business producing the material or performing the service.

I am aware of the fact that the so-called Wherry formula is out of this bill.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. (Mr. HOEY in the chair). Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. WHERRY. Let me finish, please. What I want to know is this: If any product is placed under selective price and wage controls as herein provided, will the control extend as well to the essential supplies and services which are interrelated to the production of the originally controlled material? I should like to have the Senator from South Carolina or the Senator from Virginia or the Senator from Indiana answer that question.

Mr. MAYBANK. I will say to my good friend from Nebraska that the reason why we have put selective controls in rather than over-all controls is that we were hopeful that we would not have to have over-all controls. We may have to have them. But if we provided for over-all controls across the board, it would necessitate some 65,000 persons being employed and a large sum of money in connection with their employment. So this plan was adopted.

The Senator from Virginia [Mr. ROBERTSON], Representative WOLCOTT, and the Senator from Indiana [Mr. CAPEHART] tried to work something out, and what they suggested was better than anything I had been able to work out. I suggest that the Senator from Indiana or the Senator from Virginia answer the question.

Mr. WHERRY. I shall be glad to yield to the Senator from Virginia.

Mr. ROBERTSON. When the conferees met, the very first problem which confronted them was this inherent conflict between the House and the Senate bills. The House bill provided for selective controls. The Bricker-Wherry amendment, adopted by a vote of 50 to 36, prohibited selective controls. We took up minor issues, but each time we would return to the main issue. We were absolutely deadlocked on that, and it looked as if we would have no bill at all. I asked the chairman of the committee if we could go back and get instructions of the Senate as to whether to yield or not to yield, and he said we could not. The House could do that, but we would have to report a failure and ask for new conferees to be appointed. In the emergency, at 10 o'clock at night——

Mr. WHERRY. Mr. President, I appreciate that, and I am not at all belittling or attempting to criticize. I am simply asking, when the conferees arrived at their decision, what the interpretation was. The question I am asking has not a thing to do with the Wherry-Bricker amendment providing controls across the board. I have reference to subsection 3 of section 402 (b) as written in the conference report. Perhaps the Senator from Virginia did not understand my question. The subsection reads:

> Whenever a ceiling has been imposed with respect to a particular material, or service, the President shall stabilize wages, salaries and other compensation in the industry—

I emphasize "in the industry"—

> or business producing the material or performing the service.

That is the point I should like to have cleared up in my mind.

Mr. MAYBANK, Mr. ROBERTSON, and Mr. CAPEHART addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. WHERRY. I shall yield first to the Senator from Virginia.

Mr. ROBERTSON. I shall be glad to tell the Senator what it means. By the original suggestion which I framed with the help of Representative WOLCOTT—and I do not know what happened to that language, or how it got out of the conference report—we wanted to make it crystal clear that wage control and price control would be tied together, and both had to be exercised at the same time.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I should like to have the Senator from Virginia finish his explanation. What the Senator has said is not what I have in mind.

Mr. ROBERTSON. I must give the Senator the background.

Mr. WHERRY. I do not think the background is necessary.

Mr. ROBERTSON. If I do not give the Senator the background, I cannot answer his question. When we first met in committee we were faced by the issue of whether or not we would tie wage controls to price controls. I suggested we use the same language which had heretofore been used, but the conferees who were familiar with the language which had been used in previous acts and all acts of Congress relating to wages, said, "You can put a price on an article which is composed of a raw material that has been processed. Labor is a part of the price that you finally fix on that article. When you control the wage you call it a stabilization act under which you stabilize a price. You stabilize it by saying that after you have fixed the price there shall not be an increase in the labor cost of that industry which would break through the ceiling you have fixed, or impose a hardship or inequity upon the producer of the price-fixed article."

Mr. WHERRY. Mr. President, that is not the question I asked.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WHERRY. Just a moment. I want to have the point clarified.

Mr. MAYBANK. Mr. President, if the Senator will yield——

Mr. WHERRY. I should like to have an answer to my question. I will ask the question again.

Mr. CAPEHART, Mr. MAYBANK, and Mr. ROBERTSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield?

Mr. WHERRY. I will ask the question of the Senator from Indiana. I want to know what is in the minds of the conferees. I want to know how they interpret the act. This act is very vital to the economy of the country, and I should like to ask a few pertinent questions. Apparently the Senator from Virginia——

Mr. MAYBANK. I can answer the questions.

Mr. WHERRY. I will ask them of the Senator from Indiana. If any product—and therefore wages—is placed under selective control, will the control extend, as a result, to the essential supplies and services which are interrelated—I say "interrelated," Mr. President—with the production of the originally controlled product? Let me give the Senator an example. If steel ingots are controlled, will prices and wages in the production of the ore be controlled? Or, if ceilings are placed on meat at the consumer level, will the prices and wages in the raising of the cattle be controlled? Will it be controlled in the pens, where cattle is still on the hoof? Will it be controlled at the slaughtering-house level? How far back does the control go? If the price of meat is controlled—and corn is a part of the production of meat—will corn be controlled? Is the production of corn to be controlled? What is in the minds of the conferees in that respect?

Mr. MAYBANK. If the Senator will yield——

Mr. WHERRY. I should like to have the Senator from Indiana answer the question.

Mr. CAPEHART. The answer to the able Senator's question is "No." It does not go as far as he suggested in his question. I should like to read the language of the subsection and explain what it does.

(3) Whenever a ceiling has been imposed with respect to a particular material—

That could be ingots, steel, shoes, or anything——

Mr. WHERRY. And wages.

Mr. CAPEHART. I continue reading:

or service, the President shall stabilize wages, salaries, and other compensation in the industry——

Mr. WHERRY. Or business.

Mr. CAPEHART. I continue reading:

or business producing the material or performing the service.

When we talk about industry, we must remember that if the President freezes the price of steel, that action takes in all steel manufacturers.

Mr. WHERRY. From where? Where does the freezing begin?

Mr. CAPEHART. Just steel.

Mr. WHERRY. At the retail level, at the fabricating level, or at the ingot level?

Mr. CAPEHART. He can freeze it at the manufacturer's price. He can freeze it at the wholesale price. He can freeze it at the retail price. He can freeze it anywhere. He does not have to freeze it all along the line. If he freezes the manufacturer's price he does not have to freeze the wholesale price, or the retail price. He can do so, but he is not forced to do so.

Mr. ROBERTSON. May I supplement the answer of the Senator from Indiana?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator from Nebraska has the floor. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. If the Senator from Indiana would like to have the Senator from Virginia make further comment with respect to the answer, I shall be glad to yield to him.

Mr. CAPEHART. I should like to finish the answer, please.

He must stabilize or freeze the wages of the same group or same people producing the service or material on which he freezes the prices.

Mr. WHERRY. I understand that wages will be stabilized at the time the price is frozen. What I am concerned with at this point is the language of the bill:

Whenever a ceiling has been imposed with respect to a particular material or service, the President shall stabilize wages, salaries and other compensation in the industry or business producing the material or performing the service.

What I want to know is how far back he would go. Let us take meat, for example. Assuming he puts a ceiling on meat at the consumer level, how far does he go?

Mr. ROBERTSON. He goes as far as is necessary to go to effectuate the purposes of the act. He starts at one place at a time. If the price on the finished steel is all that is necessary to have fixed, he stops there. If someone jumps the price on the iron ore in the meantime, and it becomes necessary to fix the price of iron ore, that price is fixed. Let us assume that some common sense will be used in the administration of the act. We must assume that some common sense and integrity will be shown in the administration of the act.

Mr. WHERRY. The same thing is true with respect to meat?

Mr. ROBERTSON. Absolutely.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WHERRY. Just a moment, please.

The PRESIDING OFFICER. The Chair will ask all Senators to resume their seats. The Senator from Nebraska has the floor. Does the Senator yield; and if so, to whom?

Mr. WHERRY. I yield to the Senator from Indiana. I understand he wishes to yield temporarily to the Senator from Virginia.

The PRESIDING OFFICER. A Senator may yield to only one Senator at a time.

Mr. WHERRY. I ask unanimous consent that the Senator from Indiana be permitted to yield to the Senator from Virginia to answer my question, without my losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. I repeat that we must assume that common sense will be used and will control the actions of the administrators of the act. While we do not set it forth in subsection 3, it must be assumed that it would extend to every level that would be involved.

Mr. WHERRY. The Senator has answered my question. I thank him very much.

Mr. ROBERTSON. I said that the words suggested by me had been left out. I now see that they have not been left out. They appear at the bottom of page 6:

To the extent that the objectives of this title cannot be attained by action under subsection (a), the President may issue regulations and orders establishing a ceiling or ceilings on the price—

And so forth.

Mr. WHERRY. I thank the Senator. He has stated—and I assume the Senator from Indiana agrees—that subsection (3), which is under the selective control part of the bill, authorizes the President to stabilize wages, salaries, and other compensation in the industry or business producing the material or performing the service, and that represents authority to go clear back to the beginning, if necessary. It would include the mining of the iron ore, it would include rates of transportation, it would apply to the farmer getting his cattle, the farmer producing meat, all the way through.

Mr. CAPEHART. It would not apply to transportation, because that is exempted.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WHERRY. The Senator from Indiana has suggested what I desired to inquire about.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Chair would admonish the Senate that the Senator from Nebraska has the floor, and he can yield to but one Senator at a time. If the Senator from Nebraska will state to whom he is yielding, or whether he is declining to yield, the the Chair will try to see that the rule is followed.

Mr. WHERRY. I thank the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield, and if so, to whom?

Mr. WHERRY. I yield now to the distinguished chairman of the committee, as the Senator from Indiana has taken his seat.

Mr. MAYBANK. Mr. President, I agree with the Senator from Indiana that all public utilities are exempted, under State law.

Mr. CAPEHART. Common carriers.

Mr. WHERRY. Mr. President, we are making history here, and I want to know what is in the minds of the distinguished conferees. We have not had much chance to go into the report, and I am vitally interested in it.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WHERRY. In a moment. I am not criticizing the conferees, I am merely trying to find out what is in their minds.

I have now been told that blanket authority is given to control prices in industry or a business producing materials, so that it would be possible to impose price ceilings and to stabilize wages in the case of those producing cattle which are finally slaughtered and processed and distributed, if ceilings are imposed at the consumer level, and the President feels, in his wisdom, that such price ceilings and the stabilization of wages should go clear down to all levels of meat production.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. In a moment.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. WHERRY. I desire to yield to the Senator from Minnesota, who has been on his feet for a long time, and rose after the Senator from Indiana took his seat. I yield to the Senator from Minnesota.

Mr. THYE. I thank the minority leader. The question that comes to my mind is this. At the time the control bill was first before the Senate we were led to believe that any time a regulation was imposed upon any industry, or upon a processor or upon a producer, they would have an opportunity to appear and testify, and that all facts relating to their business would be taken into consideration before rules and regulations were promulgated and imposed upon the industry or individual. Does that provision still remain in the bill?

Mr. WHERRY. I cannot find it in the bill.

Mr. MAYBANK. Will the Senator yield?

Mr. WHERRY. In a moment I will yield. I cannot find it in the bill, and that is one of the questions I want to have answered. It seems vital, if we are to give blanket authority to control prices and wages clear back to the origin, that each segment of an industry have an opportunity to make a showing before ceilings are imposed.

Mr. THYE. The very able chairman of the committee, the Senator from South Carolina [Mr. MAYBANK], assured me emphatically that the producer, or the processor, or the manufacturer, anyone affected by a rule that would be imposed upon him relative to prices, would be heard before the Federal agency imposed regulations.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. WHERRY. I am glad to yield to the Senator.

Mr. MAYBANK. Mr. President, I certainly told the Senator from Minnesota about a month ago what I expected might be in the bill but as the Senator knows there have been many changes since the bill was introduced. The conference committee struck from the bill some of the amendments the Senate had included, and the House refused to go along on all the provisions referred to. We gave up some provisions in conference, and in the bill we are finally presenting we have only a general provision. We do not have all individual conditions or situations covered.

Mr. ROBERTSON. Let me quote the language.

Mr. MAYBANK. Let me straighten it out with the Senator from Nebraska.

Mr. ROBERTSON. Let me quote the language.

Mr. MAYBANK. Mr. President, will the Senator from Nebraska yield to me to make a short statement?

Mr. WHERRY. Certainly; I have already yielded.

Mr. MAYBANK. This question has been before the Senate since the nineteenth of July. Many changes have come about; the worst changes have come about in the past 48 hours, and every Senator who is familiar with the situation knows that be so. In July I did make the hopeful statement to the Senator from Minnesota he has repeated, but some provisions of the earlier bill are not in the conference report. But what I hope in September is different, because the committee, the Senate and conferees, of both the House and the Senate, struck out much language. I say to the Senator that the provision to which I referred in July when I spoke to him is not in the bill. The Senator from Virgnia [Mr. ROBERTSON] has suggested that he read the language. I do not want the Senator from Minnesota to misunderstand me.

Mr. THYE. Will the Senator from Nebraska yield for a very brief comment?

Mr. WHERRY. I yield to the Senator from Minnesota.

Mr. THYE. When price-control regulations were put on industries in World War II, frequently the industries, the processors' and producers' groups affected, said that common sense had not been exercised by the administrator of price controls at the time the regulations or rules were promulgated, and in order in the future to avoid action by some Federal agency concerning some which might say that common sense was not exercised, I felt it would be well worth while to have a provision in the law which would make it necessary for the agency to call in the individuals affected in order that all the facts might be obtained, and a good, sound regulation pertaining to the control provisions or price levels could be written into the regulations before they were promulgated.

Mr. ROBERTSON. Mr. President, if the Senator from Nebraska will yield, I will read the provision as it is in the report.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. WHERRY. I am glad to yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, in answer to the distinguished Senator from Minnesota about an opportunity to be heard upon a price-fixing regulation before it is issued, we inserted, as appears on page 10 of the conference report, section 404, as follows:

SEC. 404. In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

Mr. WHERRY. Mr. President, I should like to say a word about that. That is an old provision. There is nothing new about it. All it does is to provide for the setting up of an advisory committee within an industry to consult with the President. That is not what I was talking about, and I am sure it is not what the Senator from Minnesota had in mind. What the Senator from Minnesota was discussing was exactly what the Senator from Nebraska was referring to. Before price ceilings are imposed on a great industry, the industry itself should have a right to come forward and testify as to the impact of the control. Such a provision is not in this bill.

Mr. ROBERTSON. Before the Senator says it is not in the bill, will he not read what the conference report provides?

Mr. WHERRY. I do not find it in the bill.

Mr. ROBERTSON. Let me read section 709.

Mr. WHERRY. The Senator from Virginia read section 404 as the answer to the Senator from Minnesota, and I say it is not the answer. If the provision is at some other place in the bill, I should be glad to have it pointed out. I was taking the answer the Senator from Virginia gave to the Senator from Minnesota as the answer to the question. If some other section covers the point,

I shall be glad to have it pointed out, as I have said. I appreciate the interest of Senators in this matter.

Mr. ROBERTSON. The section is 709, and the Senator will find it on page 23 of the conference report. It reads:

> Any rule, regulation, or order, or amendment thereto, issued under authority of this act shall be accompanied by a statement that in the formulation thereof there has been consultation with industry representatives, including trade association representatives, and that consideration has been given to their recommendations, or that special circumstances have rendered such consultation impracticable or contrary to the interest of the national defense, but no such rule, regulation, or order shall be invalid by reason of any subsequent finding by judicial or other authority that such a statement is inaccurate.

Mr. WHERRY. Mr. President, that, in different language, is the same thing we have just been discussing.

Mr. President, it is the industrial advisers who have been consulted. Who are they? When such advisers came before the small-business committee we found that, generally, they told us only what was the effect of directives that had previously been issued. We are asking that before a price ceiling can be placed on the cattle industry, the cattle producer, he or his representative shall have the right to come to Washington to present his case. We want the right reserved to the producer or his duly selected representatives, to be given a hearing before a directive is ever issued whether the Government agency consults with an advisory committee appointed by the President or not.

What I am saying is exactly in line with the fight I made during the years when OPA was in effect. If such a provision is not made, there is going to be a pathway worn to Washington because representatives of industry and producers are coming to Washington anyway, and they are going to be heard. They have a right to be heard. Provision for such hearing should be included in the bill. If the conferees took the provision out of the bill, it is most unfortunate. And if the only answers we have are sections 404 and 709, which have been read by the Senator from Virginia, they do not suffice. As it now is, orders can be issued and regulations made without the representatives of the great industries coming to Washington to give the Government agencies the benefit of their knowledge, at the grassroot level, if you please, respecting how the orders to be issued may have an impact on industry.

I thank the distinguished chairman of the Committee on Banking and Currency for his statement. He said he tried hard to uphold the position of the Senate. I realize that a conference report is the result of compromise. I am not condemning the conferees at all. If what is now brought to us is the best the conferees on the part of the Senate could obtain, very well. We might have obtained more had the matter been brought back to the Senate for a vote. I realize, however, the emergency situation. But certainly we have a right to have an interpretation of what is in the bill so we may know what to expect when selective control goes into effect.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. I have no difference with the Senator from Nebraska on the so-called meat or beef situation. I have cooperated with him as best I could to obtain the adoption of what was known in the past as the Barkley-Bates amendment, as it was amended by the distinguished Senator from Nebraska. I voted for the Senate's position in conference. I do not want any misunderstanding to be had about that. But we had to make changes. In conference there has to be give and take, as the Senator so ably put it. I trust the conference report, as brought to the Senate, will be appreciated.

Mr. WHERRY. I think it is.

Mr. MAYBANK. I trust it will be appreciated and understood to be a compromise between the House and Senate conferees. The report contains some things which I do not favor and which the Senator from Nebraska does not favor. The report, however, contains other things which the House does not favor.

Mr. WHERRY. Mr. President, I do not want to delay the Senate 1 minute in considering the report, but I wish to have certain matters made clear.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WHERRY. Yes.

Mr. SPARKMAN. I should like to go back to the first point the Senator raised in connection with section 402 (b) (3).

Mr. WHERRY. We are still on that point.

Mr. SPARKMAN. Yes; but then the Senator began to discuss the question of issuance of regulations, orders, and so forth.

Mr. WHERRY. The Senator from Minnesota [Mr. THYE] raised a question as to that and interrelated matters.

Mr. SPARKMAN. Yes. I thought the Senator from Nebraska was preparing to go to a third subject.

Mr. WHERRY. No; I have other questions to ask.

Mr. SPARKMAN. I am afraid the last statement the able Senator from Nebraska made with reference to the point he was discussing may have been somewhat misleading.

Mr. WHERRY. Does the Senator refer to my statement?

Mr. SPARKMAN. Yes. I should not say misleading, but the Senator's statement may not be altogether a true interpretation. I understood him to say it was his interpretation that the language meant that when the President invokes price controls upon a particular item, that means, according to the way I understood the Senator from Nebraska, to cover the whole field, everything leading up to it. I want to bring out the point——

Mr. WHERRY. No; just a minute.

Mr. SPARKMAN. Very well, We may be in agreement, but I want to be sure we are.

Mr. WHERRY. I do not say that the President is obliged to cover the whole field.

Mr. SPARKMAN. That is exactly the point.

Mr. WHERRY. I do not say that he would, but that he could. The language does give the President blanket authority, so that if in his wisdom he thinks it necessary, he can go clear back to the original producer. There is no argument about that at all.

Mr. SPARKMAN. I want to give an example. Let us suppose that price control is placed on steel. The President would, under this provision, be required immediately to place controls on wages.

Mr. WHERRY. Yes.

Mr. SPARKMAN. That is what it specifically means—wage controls on the workers in the production of steel. One of the fundamental elements in the making of steel is coal. The President would not have to control the wages of the miners who dig the coal. It might be that later on, if the price of coal went up, he would put price controls on coal, and when he did so, he would put controls on wages.

Mr. WHERRY. The authority is there.

Mr. SPARKMAN. The authority is there. But it is not mandatory on him that he do it all at once.

Mr. WHERRY. We are talking about a selective control act. This is a discretionary action on the part of the President. The bill provides that he can place price ceilings on the industry or on the business that produces the article on which he places the price ceiling. Let us consider cotton goods. Let us say that the gracious wife of the distinguished Senator from Alabama goes into a store to buy a yard of cotton goods, or this or that or the other. If the prices of such goods get out of line, the President can invoke price ceilings at the production level. If he feels that the price of the material is out of line he has authority to go as far back as the cotton farmer, if necessary, to impose price ceilings and stabilization of wages. Is that correct?

Mr. SPARKMAN. Let me make it clear. Let us put it this way. Suppose the price of cotton shirts or cotton goods is out of line, and the President places price controls on the textile product. Then he would be called upon to put wage controls upon the textile workers.

Mr. WHERRY. Certainly.

Mr. SPARKMAN. Very well. Let us take another step. If he put price control on cotton, then he could be expected to put wage controls upon those who produce the cotton.

Mr. WHERRY. I think we are in complete agreement.

Mr. SPARKMAN. I wanted to be certain we were.

Mr. WHERRY. I appreciate the information which has been afforded us by the Senator's observations. He has been a very diligent worker on the committee. He has corroborated what has already been said. The Senator from Nebraska thoroughly understands the situation, which is, that in the bill the President is given discretionary power to impose a price ceiling and to stabilize

wages. In doing so he can go back into the interrelated levels of industry or the business producing the material or performing the service that brings the commodity into being. There can be no mistake about that. I want to thank the Senators who have answered my questions.

I should like to ask one more question.

Mr. ROBERTSON. Mr. President, may I clear up one other misunderstanding?

Mr. WHERRY. Mr. President, until now there has been no misunderstanding on the part of the Senator from Nebraska. I thoroughly agree with the interpretations which have been given.

Mr. ROBERTSON. Does the Senator think that the Senate conferees yielded on some language mentioned by the Senator from Minnesota [Mr. THYE]? I want to say that there was nothing of the kind mentioned by the Senator in the bill on which we could yield.

Mr. WHERRY. Mr. President, I do not want to go into that matter, because the Senator from Minnesota made his observations on the basis of what was told him. But there is nothing in the bill, or the conference report, that permits the industry itself to come to Washington and have hearings. There is nothing in the conference report that permits the farmers from the cattle belt, the iron-ore producers, the men from the cotton belt and others to bring their cases before the Government agencies until after an order has already been issued, and then they come to Washington and try to show that the order has resulted in hardship cases in order to obtain relief.

Mr. ROBERTSON. Maybe a provision along the line suggested by the Senator should have been in the bill. But the Senate conferees did not yield on any language that was in the bill when it was passed by the Senate.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. Much of this discussion relates to something the President of the United States asked for. After hearings the committee wrote them in the bill. As chairman of the committee, I am hopeful that some of the powers granted by the bill will never be used. I am hopeful that we may do so well in the future, in spite of the trouble we are having now, that it may not be necessary for the President to use some of the authority the bill would give him. For that reason we wrote in the bill the selective controls.

Mr. WHERRY. Mr. President, I appreciate that observation. We must assume, however, when we vote for the conference report that if these powers are granted, even on a discretionary basis, they will be used, if it is necessary to use them. That is why I am so anxious to get a clear interpretation.

Mr. MAYBANK. I am sure my good friend from Nebraska agrees with me that the Congress of the United States, by joint resolution, can repeal any section it wants to repeal at any time it wishes to do so. In any event the authority expires on June 30, next.

Mr. WHERRY. I think that is one of the finest things the conferees did.

Now that the Senator has brought up this matter, I should like to ask a question about it: Does not the conference report provide that the provisions relative to price controls and stabilization shall apply for 1 year——

Mr. MAYBANK. No; for 10 months.

Mr. WHERRY. I mean for what is left of this year, and the first half of next year. Does not the conference report also provide that the provisions in reference to allocations, as those provisions are to be found in titles I, II, and III——

Mr. MAYBANK. And in title VII; and they are to continue in effect until 1952.

Mr. WHERRY. I see.

Mr. MAYBANK. That is right.

Mr. WHERRY. On that point I think the conferees have done a good job.

There is another question I should like to ask, in regard to a matter as to which I think it is vital that the meaning be made clear if we are to understand the interpretation by the conferees of the conference report.

On page 8 there is new language, I believe, if I am correct, which reads as follows:

> The President, in establishing and adjusting ceilings with respect to materials and services, and in stabilizing and adjusting wages, salaries, and other compensation, shall make such adjustments as he deems necessary to prevent or correct hardships or inequities.

I think the intention in that wording is good, namely, that if there are hardship cases because of the imposition of ceilings, an opportunity should be afforded to obtain relief in such hardship cases.

Mr. MAYBANK. That is House language.

Mr. WHERRY. I wish to ask this question: Does that provision nullify, or is there an intention on the part of the conferees to permit the nullification of, the mandatory features of any of the preceding paragraphs in respect to selective controls?

Mr. MAYBANK. I answer directly by saying, "No"; and I also answer that it was the House language.

Mr. WHERRY. But the intention there was——

Mr. MAYBANK. It absolutely is not intended to nulllify them one iota.

Mr. WHERRY. That provision is to apply only in hardship cases which are exceptional. Is that correct?

Mr. MAYBANK. That is right.

Mr. WHERRY. That provision will not in any way permit an interpretation which would open the matter wide, so that the President could do whatever he deemed necessary to be done?

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ROBERTSON. I became so concerned about the provision of the original bill that a wage increase must not be permitted to break through the ceiling and work an undue burden upon the seller that I got the Senate committee to adopt the language appearing on page 32 of the committee report, namely, that in applying that provision the President must not permit a wage increase which would not leave to the producer a reasonable profit.

In the conference the conferees first tentatively agreed to write that language into the report, but then they said, "There will be interminable fights over what is and what is not a reasonable profit, and the better language would be 'hardships and inequities'."

That is the explanation of those words.

Mr. WHERRY. I thank the Senator. I think that explanation will be very helpful in connection with understanding the legislative history of this bill.

I should like to ask another question of the distinguished chairman of the committee, who was interested in the so-called Barkley-Bates amendment. The Barkley-Bates amendment, as modified by myself, is now out of the conference report, is it not?

Mr. MAYBANK. That is correct.

Mr. WHERRY. Is there anything in the conference report which will accomplish what was intended to be accomplished by that amendment?

Mr. MAYBANK. There is a provision that, if necessary, there may be imposed certain controls which will apply to everyone. For instance, there was a textile amendment.

Mr. WHERRY. And there was a milk amendment, was there not?

Mr. ROBERTSON. The conferees adopted the House language on the so-called milk amendment.

Mr. MAYBANK. But the Senator from Nebraska asked me about a Senate amendment——

Mr. WHERRY. I have yielded to the distinguished Senator from South Carolina, Mr. President.

The PRESIDING OFFICER. The Chair is not going to permit two Senators to talk at the same time any longer, because we have only one Official Reporter present. The Chair will have to ask Senators to restrain their impatience, so that only one Senator will speak at a time.

The Senator from Nebraska has the floor, and he has yielded to the Senator from South Carolina. The Chair recognizes the Senator from South Carolina for that purpose.

Mr. MAYBANK. Mr. President, I wish to say to my distinguished friend, the Senator from Virginia, who has had much to do with working out and reconciling this extremely difficult measure, that I understood the Senator from Nebraska to ask me about the Senate version——

Mr. WHERRY. Mr. President, I should like to repeat the question, for it is only a short one. I wish to say again that I am not attempting to delay action on the conference report for even a moment, but I should like to get the answer to my question into the RECORD: The so-called Barkley-Bates amendment of the former act, as modified by me, was in the bill as it was passed by the Senate, but that provision has been deleted from the conference report.

Is there anything in the conference report which will accomplish what was

intended to be accomplished by the so-called Barkley-Bates amendment, as modified by the junior Senator from Nebraska? I have not had time to go through all the conference report carefully, and I do not believe other Members of the Senate have had an opportunity to do so, either.

I should like to know whether there is a corresponding provision of the conference report or whether there is agreement in regard to language which will produce the same result, and whether that is why the so-called Barkley-Bates amendment, was omitted from the conference report.

After all, that amendment was in effect under the old Stabilization Act; and it was in the bill as the Senate passed it, although it was modified by me at that time. To my mind, that provision is the only way in the world by which we can prevent a black market in the case of meat.

If there is a similar provision in the conference report, all right; but when that provision of the Senate bill was deleted in conference, the conferees threw out the one thing which will prevent a black market on meat in the United States.

Mr. MAYBANK. Mr. President, the Senator from Virginia knows a great deal more about meat than I do. I believe he will agree with me that in the conference we fought long and hard for the so-called Barkley-Bates amendment, as amended by the Senator from Nebraska.

The Senator from Virginia believed that the section on page 8 covered that matter. I do not know whether he believes it fully covers the matter or not; but we included this provision:

Provided, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing.

Mr. WHERRY. That provision was in the old act, and its inclusion in the conference report is simply a renewal of the old language. However, during all the long period when the previous act was in effect, that provision did not accomplish the purpose intended; and it will not accomplish the purpose now.

Mr. President, I am not complaining, of course——

Mr. ROBERTSON. Mr. President, may I explain the position taken by the House conferees?

Mr. WHERRY. I am glad to yield for that purpose.

Mr. ROBERTSON. In the conference, the Senate conferees insisted on the amendment, and finally put it in the so-called basket. The conferees on the part of the House would not agree to include that provision; and they put it off and put it off. Finally, they said, "If you permit a separate profit price on cattle, hogs, sheep, and other livestock, but not a price that will result in a fair return to the big packers who slaughter the animals, you will penalize the consumer by means of higher prices on each of those commodities, prices higher than the prices would have been under the provisions of the old OPA Act or under the provisions of this bill as the House has passed it."

They also said, "This amendment did not go into effect until 1946, when we were just about to throw out all controls."

Mr. WHERRY. Is there anything in the conference report which will take the place of the Barkley-Bates-Wherry amendment?

Mr. ROBERTSON. There is not.

Mr. WHERRY. I thank the Senator.

Mr. ROBERTSON. Except what the Senator from South Carolina refers to, namely, the provision that the President must try to give reasonable consideration to hardship cases.

Mr. THYE and Mr. MAYBANK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. I yield first to the Senator from Minnesota, and then I shall yield to the Senator from South Carolina.

Mr. THYE. Mr. President, I am confident that neither the minority leader nor any other Member is selfishly speaking for the meat producer or the meat processor or the meat packer. The only reason why there should be such a provision and why a legitimate and fair profit should be permitted to the processor and packer is to keep in business the slaughterer in the legitimate slaughterhouses or slaughter centers or packing centers, because if that is not done, all the byproducts from the animal carcasses will be lost.

As a matter of fact, during World War II in the United States we were within a few days or a few hours of exhausting the supply of insulin, which is essential in order to keep alive persons who require insulin injections. If the supply of insulin had been exhausted, the situation would indeed have been serious.

It is for that reason only that we have concerned ourselves with an attempt to write into the control bill a provision which will keep the slaughter of livestock in legitimate, established slaughterhouses, rather than in some back woods or in some old deserted barn or shed. We know how serious the situation was only a few years ago, when controls and regulations and price ceilings were established on meats. It drove the cattle out of the slaughtering centers into the back woods to be slaughtered in old, abandoned barns, and so forth.

Mr. WHERRY. I thank the distinguished Senator from Minnesota for his observation. It describes exactly the experience which was had at that time. The Senator has described the experiences which we shall again pass through, in view of the fact that this amendment is omitted from the bill.

Mr. ROBERTSON. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. WHERRY. When I complete this observation, I shall be glad to yield. The Senator from Virginia has answered my question. The Barkley-Bates amendment is out of the bill. All that the Wherry amendment to it proposed was to extend its application to each segment of the meat-processing industry. It sought merely to clarify the meaning of the Barkley-Bates amendment; that was all.

This is exactly what will happen: If the retail price is set at the consumer level, there will then be dislocations going clear back to the producer. When the price is set at that level, it will be found that the large packing plants, which the Senator has been saying such a provision would protect, will be the ones who will get the meat. That is what will happen. They will distribute it through their subsidiaries. Immediately the independent sources of supply will pass out of the picture.

Where will the meat be obtained? The large packing plants will get it where they got it the last time, namely, on the range. They will buy the cattle in the sand hills. It will be necessary to do what was done the last time, when there sprang up 26,000 little packing plants, such as those in the barnyards, mentioned by the distinguished Senator from Minnesota. The cattle will be killed there. It will be necessary to pay a black-market price in order for the packers to obtain meat, and a black-market price will be necessary in order to sell it. There will be a loss of the hides and the offal, and the innards, as a result. That was the experience the last time. The amendment attempted to provide a remedy for that condition, and it would have worked well. It is now omitted from the bill and all we have is the mere intention, a declaration that there must be a fair and full price for agricultural products. That is as good as nothing.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. ROBERTSON. Mr. President, the Senator has overlooked several factors which played an important part in what happened previously. One was that OPA, under the domination of a vice president of Armour & Co., required all the small-town slaughterhouses to have a Federal inspector. There were not enough Federal inspectors, and the establishments were closed up. That was one thing which started the farm slaughtering, which was illegal. Another thing was the unrealistic price of grain, which made it unprofitable to sell the grain with which to feed the cattle so that they could put on an extra 300 or 400 pounds. The cattle went to the market light. The supply of meat was drastically reduced, and an acute shortage of meat resulted. But that was the fault of OPA in putting on the wrong prices.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. WHERRY. Mr. President, I do not want to take up too much time of the Senate.

Mr. THYE. I assure the Senator it will not be an argument.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. WHERRY. I am glad to yield.

Mr. THYE. The able Senator from Virginia stated very clearly why it is necessary to have a hearing in order to determine what the price shall be before it is fixed by regulation. The Senator stated that when there is a dislocation, a disjointure, or an unlevel status, then there is brought into existence exactly the condition to which he referred. For that reason, it is very important that when a regulation is being considered, the industries and the individuals affected be consulted. They should be consulted before the regulation is promulgated. Only in that manner can the glaring examples of injustice and the violations which occurred under price regulation during World War II be avoided.

Mr. ROBERTSON. The Senator is exactly right.

Mr. WHERRY. Mr. President, I thank the distinguished Senator from Minnestota for his observation. While it is true that there might have been a certain amount of progress made under OPA Administrator Bowles, and others, there are those who say the directives were made selfishly, but I am not going to stand on the floor to say that. There will be trouble in the future in connection with the administration of the act, and, while what has been indicated in the observations made by the Senator, may be one of the reasons which contributed in a small degree to the difficulty, yet I speak as one who comes from the section of the country where meat is produced. What I am saying about meat can also be said about cotton.

Mr. MAYBANK. But we did not say anything about cotton.

Mr. WHERRY. What I am saying about meat may also be said about oil, or eggs. It is rather odd that the milk amendment is retained. Why? I have no objection to it. I appreciate its being retained, because milk is produced in my State. But the same thing can be said about beef that is said about milk. If we undertake to regulate beef, we have got to regulate pork, lamb, poultry, and eggs, and all the grains. What is the use of regulating meat if we do not regulate corn? Corn makes beef. The best beef there is comes from corn-fed cattle. If we regulate corn, we must regulate wheat; otherwise there will be a dislocation in grains. If we regulate corn and wheat, we have got to regulate all grains. That is why the Bricker-Wherry amendment should have been retained in the bill. It is simply impossible to make a selective control work, unless we go entirely across the board with all controls. It is impossible to make any selective control bill work because it is impossible to know where to begin or where to stop. I say that with all due respect to what was done by the conferees. I understand they were deadlocked.

Mr. MAYBANK. That is correct.

Mr. WHERRY. They did their level best to retain the Bricker-Wherry amendment. I appreciate that fact. We can see the imperfections. There is no man living who is smart enough to administer a program of selective controls, because when he starts with one, unless the controls go entirely across the board, a dislocation results all the way up and down the line.

Mr. President, I realize that I shall have to take this bill, whether I like it or not. Why? Because of the first three titles of the bill. I believe that in time of war the President certainly should have the power to allocate. In the report it is stated that the controls are necessary on behalf of the military. Certainly they are. In that field no one is more anxious to allocate than I. But, if things are in that shape, what we should have done with our domestic economy is to have gone clear across the board. We should have done a real job of price control, in an effort to stop inflation. That should have been the purpose of the Congress. We should have so provided, for as long as we had to have controls, and they should be taken off as soon as possible in peacetime, and the free economy allowed to function.

Mr. President, I shall support the conference report because of the first three titles, but I say now that it is going to be very difficult to establish price ceilings and to control wages on a selective basis. Whoever operates the program, whether the President or someone appointed by him, will have a very difficult time in attempting to administer the law equitably. I can see, now, segments of the economy coming forward, as they did before the Small Business Committee, saying, "Our business is gone. We can get no gasoline. We can get no meat. What are you going to do for us?" A man would say, "I have got to lock my door, but right across the road is a great industry which, through its subsidiaries, takes the entire supply, which they can deliver right down to the consumer level." They are going to get it, and the small independent operator is going to be out of the picture. That is exactly what is going to happen.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I should like to ask one more question, and then I shall be through. I shall yield now, if the Senator wants me to.

Mr. ROBERTSON. The Senator from Alabama fought for the meat amendment, as he did for other things, but he said, "I am not going to ask consideration for cotton if we cannot get it for Senator WHERRY'S meat."

Mr. WHERRY. I was not speaking only for meat. I think my argument can be applied to cotton or to any other basic commodity, and the Senator knows that to be so.

Mr. ROBERTSON. Certainly.

Mr. WHERRY. Mr. President, I am learning a great deal about this report as I go along. I hate to take the time of the Senate, but I certainly want to discuss the last point in which I am interested. I was very much interested in the small-business man——

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. I was greatly impressed with the distinguished Senator's interest in small business and with that of the junior Senator from Alabama. I shall ask him to explain it fully, because I know the two Senators feel alike on the subject.

Mr. WHERRY. I should like to address my question not only to the Senator from South Carolina, but to the Senator from Alabama. The conferees have changed the language of the Wherry-Sparkman amendment as it was adopted by the Senate, which was section 701 (c) of the bill as it passed the Senate. Under that amendment the President, after finding that the allocation would result in a significant dislocation of the normal distribution in the civilian market, could allocate in "such a manner as to make available, so far as practicable, to business, and various segments thereof in the normal channel of distribution of such material a fair share of the available civilian supply."

Will the distinguished Senator from Alabama be good enough to answer this question? Does the new language in the conference report require the President, whenever he allocates under this section, to make available to individual businesses, in the normal channel of distribution, a fair share of the available civilian supply?

Mr. SPARKMAN. Mr. President, I would say that the answer to that question would be "yes," with the qualifying words "so far as practicable." Let me say a word in explanation of the amendment being modified as it was. The Senator from Nebraska knows that I collaborated with him in the preparation of the amendment to which the Senate agreed. The House bill contained no similar language whatsoever. The House conferees insisted that the entire provision be stricken out. The Senate conferees stood fast in favor of the amendment which had been written into the bill. The House conferees insisted that it would tie the hands of the President and would be very difficult to administer. However, they finally agreed to yield to the Senate, provided we would adopt language which does give it more flexibility than does the language which the Senator from Nebraska and I agreed to in the amendment we proposed on the floor. I will admit that there is not as high a degree of protection to small business in the language finally adopted as there was in the amendment to which the Senate agreed, but I think this is the best we can possibly get.

There are two things that it really changes. One is by requiring the President to give due regard for new businesses that may be established. The Senator knows that we discussed that when the amendment was pending. The second is that instead of saying he must give to each individual business the same proportion it had previously, it says he must channel to businesses in the normal course of distribution, insofar as practicable, a fair share based upon a representative period prior to June 24, 1950.

Mr. WHERRY. I thank the Senator from Alabama.

Mr. SPARKMAN. I said a moment ago that I conceded that it does not give as complete protection as the amendment to which the Senate agreed, but it certainly shows the intention of Congress.

I wish to invite the Senator's attention to the fact that there is created a watchdog committee which will be ever on the alert, and I think we can count on substantial help being given to small business under the amendment as finally agreed to.

Mr. ROBERTSON. Mr. President, will the Senator yield? I can give the Senator a little more background.

Mr. WHERRY. I should like to make an observation, first, and then if the Senator has any further background, I shall be glad to hear it.

I appreciate the explanation of the Senator from Alabama. It was very clear. The point at issue is whether we shall give each individual business the protection it needs. That is the whole root of the matter. I appreciate the fact that the conference committee tried to give a fair share to a certain segment of the industry. The principal purpose of the Wherry-Sparkman amendment was to assure that the independent nonintegrated user of a material would not be cut off during an allocation period by his integrated supplier who is also his competitor. That is very applicable to the distribution of oil. The little independents fade out of the picture because their source of supply is cut off. The big sources of supply can allocate to the wholesaler or to their subsidiaries what they are entitled to, down to the man who puts the oil into his automobile. But it is difficult to assure the nonintegrated independent any opportunity of a source of supply. That was the trouble previously.

Does the Senator from Alabama agree with me about that?

Mr. SPARKMAN. No, I do not. Certainly it is not the intent of the conferees to say that the wholesaler shall have the right to ignore the little fellow at a lower level. It is our intention that the allocation shall follow through, and even though we do not specify each individual business, we certainly contemplate that insofar as practicable a fair allocation shall be made to each individual.

Mr. WHERRY. I appreciate the intent, and I know that the distinguished Senator from Alabama was attempting to do all he could. But intent is one thing, and writing it into the law is another thing. I cannot see why the House, if it is interested in small business, would not accept the Wherry-Sparkman amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. In a moment I shall be glad to yield. I should like to finish these observations.

We are going to find, right down to the retail level, that if we allocate on a volume basis to the retailers of the Nation the source of supply will be cut off unless the independent nonintegrated man is given the supply he has had during the base period. Unless that is done, he will be cut off to a great extent.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BRICKER. Mr. President, there is a conference committee which is supposed to meet at 3 o'clock on a matter of vital importance to every depositor in every bank and building and loan organization in the country——

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAYBANK. I want to suggest that the distinguished members of the conference are now awaiting that meeting.

Mr. BRICKER. Unless we can have the conference and agree upon the report there will be no protection given to depositors in banks and building and loan associations. The House will recess this afternoon and will not be back until the 14th of September. I doubt if we shall be able to get the conference report through then unless a majority returns. I am very anxious that the committee give the subject consideration.

I have prepared a statement on the conference report on the defense production bill which I intended to present to the Senate. I wanted to present clearly the fact that if the conference committee had followed the suggestion of the Senator from Ohio a month ago we would have had the law by this time. There is no use putting into the bill price or wage controls which should have been a matter subject to hearing and a careful consideration by committees of the House and Senate and not presenting to the Congress a constructive bill. As a result of the action of the majority we are now 5 weeks late in giving power to the President which everyone agrees he should have in order to conduct even the Korean affair. The international situation is becoming more difficult day by day. For that reason I signed the report, and I shall vote for it on the floor of the Senate. There are many things in it with which I do not agree. It is a power bill all the way through; it is a complete regimentation bill, and I do not believe it should be passed at this time without testimony and without consideration, but, nevertheless, the inducement to pass this bill giving the President of the United States the power to allocate, the power to give priorities, and the power to compel contracts, is so great that it is a necessary thing at this hour.

Therefore, any delay in the matter would possibly hold it up longer, prevent the conference I mentioned, and from giving adequate consideration to another bill which is of great interest. Therefore, I ask that what I had intended to present on the floor of the Senate today be printed in the body of the Record at this point, as a part of my remarks.

There being no objection, Mr. BRICKER's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BRICKER

On July 19, 1950, President Truman requested from the Congress power to allocate scarce materials, requisition materials and facilities, expand the production and supply of critical defense items, and control credit. There was never any doubt that these powers were urgently needed to meet the emergency in Korea. Why has action on these important controls required 6 weeks? Both the Senate and House committees completed action on the controls requested by the President a month ago, but Congress has devoted a full month to price and wage-control legislation—power which the President did not ask for in his message to Congress. As a result, we are 1 month late with respect to the program of economic mobilization which the President considered essential to successful prosecution of the Korean war.

Mr. President, I hope that the powers conferred by this bill do not come too late. Throughout the past 6 weeks, I have urged that we give the President the economic controls he requested at once, and that action on price and wage controls be considered as separate legislation. A majority of the Senate Banking and Currency Committee did not agree. As a result, action on vital economic controls has been seriously delayed. In addition, the price and wage-control sections of the bill show the result of hasty action without benefit of hearings on the subject.

At this time, Mr. President, I wish to discuss briefly some of the important issues as resolved in conference, and certain provisions about which there has been some misunderstanding.

By far the most important issue faced by the conferees was that of selective versus over-all price and wage controls. By a vote of 50–36 a majority of the Senate eliminated selective price and wage controls from the bill. What is not so well known is that a majority of the House also voted against authority to control prices and wages on a piecemeal basis.

The question of selective versus over-all controls was presented to the House in the Kunkel amendment. This amendment, like my amendment accepted by the Senate, eliminated section 402 (b) from the original bill expressly authorizing selectivity. In the debate on the Kunkel amendment, Congressman KUNKEL said:

"I am offering this amendment which in substance cuts out the intermediate step of selective price controls."

The Kunkel amendment was supported by Congressman COLE of Kansas who said:

"I am in accord with the gentleman that selective price controls will not work and that once the Administrator attempts to place controls on a given commodity he thus begins to throw out of gear the economic picture of the country."

In eliminating selective price and wage controls a majority of both the House and the Senate recognized that they would be most unfair to thousands of wage earners in the controlled industries. For example, Congressman KUNKEL said:

"When you put a ceiling on just one particular commodity and one particular wage, then in my judgment that is the most unfair thing you can do to the average working man in this country. It is complete discrimination between workers and business people, depending on their line of activity, at the whim of the President."

There was considerable opposition to the move to eliminate selective price and wage controls in the House as well as in the Senate. Congressman PATMAN said that the Kunkel amendment would eliminate the second step in the bill which he described as No. 2, selective controls which will permit the President to deal with certain items and certain commodities, and along with it wages as well as prices.

It was recognized in the House as well as in the Senate that the American economy is so interdependent that selective price and wage controls simply will not work. In the debate on the Kunkel amendment in the House, Congressman POAGE said:

"Are we to say that we will put a ceiling price on brick and none on cement? Do we not know that brick would go off the market and cement blocks would go up? * * * We are not going to stop inflation by pushing some prices down and letting others go uncontrolled. You must control all prices if you are to keep goods on the market at fair prices."

Congressman KEAN supported the Kunkel amendment as a result of our experience under selective controls during the last war. He pointed out:

Selective controls proved to be a failure, and in October 1942 the President recommended and the Congress passed a bill providing for over-all controls thereafter. The people of the United States and the Government during the war years paid billions more for what they needed than they should have.

"Selective controls have failed in past history; they will fail now. So I support the Kunkel amendment."

The Kunkel amendment was accepted by the House by a vote of 94 to 70 on a division and by a teller vote of 118 to 96. In view of this clear-cut expression of opinion in both Houses against selective controls many people no doubt wonder how the conference report could now include selective controls. The answer is that the Kunkel amendment was not drafted so as to accomplish its intended purpose. The House conferees, as was their right, insisted upon the letter of the House bill, and the Senate was forced to recede.

As a result, the administration has won its battle for selective price and wage controls. In my opinion, however, this will prove to be a hollow victory, and one, which from the political standpoint, cannot help but embarrass the President. There will be numerous pressure groups which will complain in the next 2 months that thousands of prices are too high. The President will be subjected to tremendous pressure to control particular commodities, the price of which, many people, rightly or wrongly, feel to be excessive. The President will be forced to initiate a piecemeal system of controls by reason of political pressure which can be exerted by certain groups. As a result, materials and labor will tend to flow from the controlled industry to the uncontrolled segment of the economy, thereby prejudicing the defense effort if the controlled industry is a vital one. Some employers and employees will find their incomes limited at a time when all other prices and wages are free to rise. Once the President embarks on selective price and wage controls, general price and wage controls will become inevitable.

The idea of trying selective price and wage controls before resorting to general controls is inconsistent with the so-called Baruch plan. Mr. Baruch's thesis, confirmed by the experience in two wars, is that any attempt to control a few prices or wages is futile. The piecemeal control provisions authorized by the conferees invite the President to initiate an unworkable program which cannot fail to result in creating distortion and chaos in the economy.

A number of people described the Bricker amendment eliminating selective price and wage controls as a political maneuver. In my opinion, Mr. President, the authority to impose price and wage controls on a piecemeal basis is a political booby trap for the President. It is not unreasonable to expect that candidates for public office will view with alarm the high price of meat, for example, and demand that the President impose price ceilings on meat and wage ceilings on packing-house employees. The administration will be helpless in the face of such demands. A majority of those voting in both the House and Senate tried to protect the President from politically inspired demands for price and wage controls on particular commodities and wages, and at the same time guard against the premature application of general, over-all controls.

It is unfortunate Mr. President, that the Senate conferees were unable to retain the Johnson amendment placing all priorities and allocation powers in the Secretary of Commerce. As a result, there is a real danger of a bureaucratic fight for the right to allocate particular commodities. For example, the right to allocate tin might be claimed by the Secretary of Commerce, the Secretary of the Interior, and the Secretary of Agriculture. The possibility of duplicating authority and confusion constitutes a threat to the defense effort. If it becomes necessary at some future time to create a new agency to administer priorities and allocations powers, it will be difficult to collect these powers from a large number of the existing departments and agencies. I sincerely hope, Mr. President, that the President will concentrate most of this authority in the hands of the Secretary of Commerce, and that Chairman Symington will be able to minimize the potential and probable jurisdictional conflicts.

Although the Senate conferees were unable to insure unified direction and control of priorities and allocations powers, they were successful in securing unified direction and control of general price, wage, and consumer rationing authority. Section 403 provides:

"At such time as the President determines that it is necessary to impose price and wage controls generally over a substantial portion of the national economy, he shall administer such controls, and rationing at the retail level of consumer goods for household and personal use under authority of title I of this act (when and to the extent that he exercises such authority), through a new independent agency created for such purpose. Such agency may utilize the services, information, and facilities of other agencies and departments of the Government, but such agency shall not delegate enforcement of any of the controls to be administered by it under this section to any other agency or department."

Section 403, for example, will prevent the Secretary of Agriculture from administering a consumer rationing program, the Secretary of Labor from controlling wages generally, and the Secretary of Commerce from controlling prices generally. If it becomes necessary to impose general price and wage controls, we will not have another Office of Price Administration with no authority over wages. One agency will be charged with controlling inflation, and that agency will have full power over prices, wages, and rationing at the consumer level. Moreover, that power cannot be delegated. In my opinion, the provision for a single independent agency represents a great improvement over the haphazard organizational structure under which we operated during the last war.

Any legislation which permits regimentation of the whole economy cannot help but involve the sacrifice of some individual liberties. In my opinion, the economic controls legislation of the last war sacrificed many rights of the individual unnecessarily. The outstanding example of unnecessary encroachment on individual liberty was the provision in the Emergency Price Control Act of 1942 which compelled the district courts to send a man to jail even though the court felt that the regulation or order which he violated was not in accordance with law, or was arbitrary or capricious. Although the Supreme Court held such a provision constitutional, the late Mr. Justice Rutledge said in dissent:

"Once it is held that Congress can require the courts criminally to enforce unconstitutional laws or statutes, including regulations, or to do so without regard for their validity, the way will have been found to circumvent the supreme law and, what is more, to make the courts parties to doing so." *Yakus* v. *United States*, (321 U. S. 414, 468).

To prevent the loss of a man's freedom as a result of violating an invalid regulation, I offered an amendment to permit the local courts to pass on the validity of price regulations in criminal and civil actions, but granting to the Emergency Court of Appeals the exclusive right to enjoin the enforcement of regulations claimed to be invalid. Although my amendment was accepted by the Senate Banking and Currency Committee, the House bill followed the 1942 price-control law.

The House conferees insisted on the provision in the House bill. However, the conference was able to work out a compromise giving defendants the right to contest the validity of the regulations which they are charged with violating. Unfortunately, under the terms of the compromise, defendants will have to go from the trial court to the Emergency Court of Appeals in order to raise the defense that a particular regulation or order is invalid.

The conference accepted an amendment of mine to the Senate bill forbidding the issuance of highest price line limitation orders. The provision is now section 402 (i), which provides:

"No rule, regulation, or order issued under this title shall require any seller of materials at retail to limit his sales with reference to any highest price line offered for sale by him at any prior time."

Although this provision is not one of major importance, I wish to correct the misconception of many people that this is a "sport-shirt amendment." In the last war, many manufacturers stopped making lower-price shirts and produced only fancy sport shorts on which a higher-price ceiling was applicable. The "highest-price line" provision has nothing to do with that situation. It applies only to retailers.

The highest price line limitation provision is designed to help the low-income consumer. During the last war, some low-overhead retail stores were prevented by OPA regulations from selling dresses, for example, in excess of $12 if that was their highest price dress on the date of the freeze. Such stores would have been able to sell dresses for $15, but were unable to do so even though the same dress could and did sell for $25 at some more exclusive, higher-overhead shop.

Title V dealing with the settlement of labor disputes was eliminated by the House, but a majority of the Senate voted for that title. Many Members of the House felt that the language of title V was so broad that it permitted compulsory arbitration, or even conscription of striking workers. Many of the Senators who voted for title V did so in the belief that only voluntary action was authorized. Title V, as reported by the conference committee, should meet with the approval of the overwhelming majority of the Members of both Houses.

In its original form, title V authorized the President, "after consultation with labor and management, to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting the national defense. * * *" The words "take such action as he deems appropriate" did not exclude the possibility of compulsion in the settlement of labor disputes. This broad language was eliminated from title V by the conferees.

In its present form, title V authorizes only voluntary action either through the use of existing mediation and conciliation facilities or as a result of Government-industry-labor conferences. Such voluntary action must be consistent with price and wage stabilization policies, the Taft-Hartley Act, and Federal labor standards statutes.

Mr. MAYBANK. I presume that what the Senator has said referred to the original Bricker amendment insofar as jurisdiction was concerned.

Mr. BRICKER. That is correct.

Mr. MAYBANK. I want to say that we on this side of the aisle had agreed to stay with the Senator as long as we could, and that we finally worked out something that we could put in the conference report.

Mr. BRICKER. That is what I wanted to discuss. I intended to discuss the situation under which an individual citizen charged criminally or civilly by his Government does not have the right to avail himself of a defense in his local court.

Mr. MAYBANK. I thoroughly agree with the Senator from Ohio, and the Senate conferees stuck together as long as they could.

Mr. BRICKER. I agree entirely that the Senate conferees stuck together, and I thank the Senator. Even though the individual rights of a citizen are involved, as I indicated, I do not desire to hold up further giving the President power which is essential for the conduct of the war, and to put us on a war economy.

Mr. MAYBANK. The Senator from Ohio will agree that I felt the same way about it.

Mr. BRICKER. That is true.

Mr. WHERRY. Mr. President, I want the RECORD to show that I deeply appreciate the work of the minority members of the conference committee. I consulted with them. They worked long hours. Certainly they have acquired a thorough knowledge of what transpired. I only regret that some of the provisions they wanted to keep in the bill were taken out. I certainly thank the Senator from Indiana [Mr. CAPEHART], the Senator from Ohio [Mr. BRICKER], the Senator from New York [Mr. IVES], and the Senator from Vermont [Mr. FLANDERS] who worked very hard on the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HUNT. Mr. President——

The PRESIDING OFFICER. The Chair is asked to recognize the Senator from Wyoming to bring up a privileged matter.

Mr. CAPEHART. What other privileged matter, Mr. President? We are considering a privileged matter now.

Mr. MAYBANK. Mr. President, I agree with what the Senator from Nebraska said. Certainly as chaiman of the committee I appreciate the cooperation of the Senator from Indiana [Mr. CAPEHART], the Senator from Vermont [Mr. FLANDERS], the Senator from Ohio [Mr. BRICKER], the Senator from New York [Mr. IVES], as well as the work of the Senators on this side of the aisle who are members of the conference committee.

Last evening some question was raised with respect to the termination date. Later on I shall offer for the record a statement in which, among other things, I set forth my understanding of the effect of the termination provisions. There can be no question about the termination date, so far as contract dates are concerned. I ask that the memorandum be printed in the RECORD.

Mr. DONNELL. Mr. President, I should like to ask the Senator to be kind enough to give his attention to title V of the conference report.

Mr. MAYBANK. Yes.

Mr. DONNELL. Section 502 contains certain language which I should like to have interpreted by the Senator from South Carolina, as a member of the Senate conferees and as chairman of the committee. The language to which I have reference is:

SEC. 502. The national policy shall be to place primary reliance upon the parties to any labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement in the national interest.

Then comes this language, to which I request particular attention of the Senator from South Carolina:

To this end, the President is authorized (1) to initiate voluntary conferences between management, labor, and such persons as the President may designate to represent government and the public, and (2) subject to the provisions of section 503, to take such action as may be agreed upon in any such conference and appropriate to carry out the provisions of this title. The President may designate such persons or agencies as he may deem appropriate to carry out the provisions of this title.

I ask the Senator by whom it is contemplated that the agreement mentioned in the second portion of the second sentence is to be made. In other words, the President is authorized to initiate these conferences consisting of, first, management; second, labor; and third, such persons as the President may designate to represent government and the public. The sentence then proceeds:

And (2) subject to the provisions of section 503, to take such action as may be agreed upon in any such conference and appropriate to carry out the provisions of this title.

The agreement of whom is required?

Mr. MAYBANK. I want to say to the distinguished Senator from Missouri that we labored hard and long on this bill. Finally, after it came to the Senate floor 2 weeks ago the distinguished Senator from New York [Mr. IVES] explained the purport of title V. We agreed that we should do something similar to what was done during the last war with respect to setting up a war labor board. We felt some agency should be established through which perhaps voluntary no-strike pledges could be proposed to management and labor. Since the distinguished Senator from New York [Mr. IVES] is familiar with this matter, I should like to have him answer the question if the Senator from Missouri does not object. Otherwise I shall be glad to do so.

The PRESIDING OFFICER. Without objection, the Senator from New York is recognized for that purpose.

Mr. IVES. I shall make direct answer to the question posed by the distinguished Senator from Missouri by making the statement that it would have to be agreed to by the conferees, who consist of all the segments indicated in the previous reference under subdivision (1). In other words, labor, management, and the public. If any group were to hold out, there would be no agreement.

Mr. DONNELL. I think I understood the answer of the Senator from New York, but I want to be perfectly sure. The conference is to consist of the three segments: (1) management, (2) labor, (3) such persons as the President may designate to represent Government and the public. Suppose management and labor agreed, but the persons selected by the President to represent the Government and the public do not agree, is there agreement under those circumstances within the contemplation of that section?

Mr. IVES. No, not in the construction that I place on the section.

Mr. DONNELL. Am I correct in understanding that in order that the President may be authorized to take the action mentioned in the second sentence of section 502 there must have been agreement by each and all of the three segments indicated, namely, management, labor, and such persons as the President may designate to represent the Government and the public?

Mr. IVES. I believe that interpretation is the correct interpretation.

Mr. DONNELL. May I ask the distinguished chairman the same question?

Mr. IVES. May I make a short statement while I am on the floor?

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. IVES. I shall take very little time, because I realize the need for speed. However, insofar as title V is concerned, I personally believe that it is an improvement over the original title V passed by the Senate. It is not exactly as it should be. There are defects in it. But certainly all the doubtful matter that was in the original title V has been cleared up. Mr. President, I believe it is workable and in line with the intent of the Congress.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DONNELL. I have the floor. May I ask the distinguished Senator from South Carolina, before we get too far away from the question I asked, whether he concurs in the answer made by the distinguished Senator from New York to my question, which I understand to be as follows: In order that the President may be authorized to take the action mentioned in the second sentence of section 502 there must have been agreement by each and all of the three segments participating in the conference, namely, management, labor, and such persons as the President may designate to represent Government and the public. Does the Senator agree with that statement?

Mr. MAYBANK. I thoroughly agree with what the Senator from New York has stated.

Mr. DONNELL. The Senator from South Carolina agrees with the statement I have made as to the construction of what the Senator from New York has stated? Am I correct?

Mr. MAYBANK. It was the desire of the Senator from New York and the Senator from South Carolina to have industrial peace in time of war. We thought that the programs which had been reasonably successful during the last war should be instituted again, and it is our hope that the President, perhaps, would take steps toward that end. The President would be able to appoint suitable persons and consult with others, so as to bring about a condition of industry-labor peace.

Mr. DONNELL. Mr. President, I am not at all questioning the desire to secure industrial peace.

Mr. MAYBANK. I thoroughly agree with what the Senator from New York has said.

Mr. DONNELL. Very well. Then I understand that in order that the President may have the authority to take the action stated in the second sentence of section 502, there must have been agreement by each and all of three elements, namely, management, labor, and such persons as the President may designate to represent the Government and the public. Am I correct?

Mr. MAYBANK. The distinguished Senator from Missouri is absolutely correct.

Mr. DONNELL. I thank the Senator.

Mr. MAYBANK. Mr. President, I ask unanimous consent that a statement I have prepared regarding the conference report be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I am very pleased to report to the Senate that your Committee on Banking and Currency and the House Committee on Banking and Currency, having met in free conference, have reconciled their differences and have agreed on a bill which I earnestly hope the Senate will approve.

Your committee has worked without interruption every day, morning, afternoon and on many evenings, since the bill was introduced on July 19. The task of your committee was a difficult one, indeed, since the subject matter was so complex and the interests involved were so tremendous and the time to act so limited. But, Mr. President, no chairman ever received more cooperation from his committee members than did I. There were differences and strong ones, but in the interests of all Americans we settled them in a way I trust you will agree was constructive.

TITLE I

In title I, priorities and allocations, there were two important differences between the House and the Senate conferees—the antihoarding provision and the location of administrative responsibility.

The House receded to the Senate's antihoarding provision with two minor clarifying amendments.

The Senate after prolonged discussion finally receded to the House in authorizing the President to delegate the power to assign priorities and allocate materials and facilities to any officer or agency of the Government rather than to the Secretary of Commerce as provided for in the Senate bill. The House insisted that it would be inefficient and unwise to require an agency unfamiliar and perhaps not equipped to deal with the problem of a particular industry, say agriculture or the petroleum industry or communications to administer the functions and allocations in connection with or for that particular industry. The conferees assume, however, that the President so far as practicable will delegate the authority with respect to any one basic commodity to a single agency of Government. The conferees further assume, as was indicated during the public hearings, that the major responsibility will, unless at some later date the President sets up a new agency for the administration of this program, be placed under the Secretary of Commerce.

The conferees further assume that in delegating his authority under the bill the President will designate an existing agency, or establish a new agency to coordinate the activities of all Federal agencies under the bill.

TITLE II

On the title concerning authority to requisition the House receded to the Senate in permitting the owner of any property requisitioned to bring suit, regardless of whether the amount exceeded $10,000, in any district court, rather than as provided in the House bill to permit recovery for sums exceeding $10,000 in the Court of Claims.

The differences between the House and Senate version on the return of requisitioned property to the original owner were settled by the House accepting the Senate version with respect to the return of real property and the Senate receding to the House provision on the return of personal property.

TITLE III

In this title providing for the expansion of productive capacity and supply the House agreed to the Senate provision with respect to the inclusion of "services" along with "production and deliveries." Likewise the House agreed with the Senate provision making eligible for loans and guarantees nonprofit research corporations.

The Senate receded to the House in authorizing the President to designate, rather than have the Board of Governors of the Federal Reserve System designate, as provided in the Senate bill any Federal Reserve bank to act on behalf of any guaranteeing agency as fiscal agent, and likewise placed the responsibility for supervision and issuance of regulations under section 301 in the President rather than in the Board of Governors of the Federal Reserve System. The conferees assume that the President will, as he did in the last war, make the fullest use of the facilities of the Federal Reserve Board to the extent he deems necessary.

The House also receded to the Senate in accepting the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] as amended by the Senator from Oklahoma [Mr. KERR] and the Senator from Texas [Mr. CONNALLY] providing for the purchases of or commitments to purchase metals, minerals, and other raw materials, for Government use or for resale; and for the encouragement of exploration, development, and mining of critical and strategic minerals and metals. A modifying amendment providing against the sale of any agricultural commodities purchased under this section at less than the current market price or the minimum price established by the Commodity Credit Corporation was agreed upon.

The House receded to the Senate provision (sec. 303 (b)) authorizing the purchases and commitments to purchase and sell to be made without regard to limitations of existing law and on terms and conditions which the President deems necessary. Purchase at above the prevailing market prices or when a loss is anticipated shall only be made where it is determined that the supply could not be increased at the lower price or that such purchases are necessary to assure the availability of overseas supplies.

For the administration of the loan and purchase program the House provided, in addition to the use of departments, agencies, officials, or corporations, for the establishment of new corporations. The Senate bill provided for the establishment of new agencies but not new corporations. The House bill authorized a revolving fund of $2,000,000,000 to be borrowed from the Treasury of the United States while the Senate authorized a fund of $300,000,000 to be borrowed from the Treasury pending the appropriation of such sums as are requested to carry out the loan and purchase programs. The House receded to the Senate with an amendment in the form of a substitute. It provides for a revolving fund of $600,000,000 to be borrowed from the United States Treasury and an additional authorization for an appropriation of $1,400,000,000.

The Senate receded to the House on the Metals and Minerals subtitle, the so-called Millikin amendment, because the House insisted it could not agree to such a provision because an identical measure had been rejected by the House. The Senate conferees also were aware that the purpose and objective of this subtitle were well provided for in section 303 (a).

The House accepted the Senate provision (the Johnson amendment) authorizing the installation of additional equipment, facilities, processes or improvements to plants, factories and facilities owned by the United States Government with an amendment providing for the installation of Government-owned equipment in plants, factories or facilities owned by private persons. The conferees wish to make it perfectly clear that the use of the word "encouragement" is not intended to interfere with or to limit the Bureau of Mines or any Government agency in their regular operations and programs.

The price and wage stabilization title which your committee added to the administration's requested production control bill was the title which created the most problems and caused the greatest difficulties for all the conferees.

The Senate bill, in addition to voluntary action for the control of prices and wages, authorized the President to impose price ceilings and wage stabilization generally, and specifically prohibited selective price or wage control. The House provided for selective control as well as general price and wage control, but the latter were only required to be instituted when ceilings had been established on materials or services comprising a substantial part of all sales at retail and substantially affecting the cost of living.

A substitute amendment was finally agreed upon by the conferees providing for selective control under certain conditions and providing for the stabilization of wages, salaries, and other compensation in the industry or business producing the material or performing the service on which a ceiling was imposed. It provided, as the House bill did, for the imposition of price ceilings and wage stabilization generally, whenever ceilings had been established on materials comprising a substantial part of all sales at retail and materially affecting the cost of living. Provision was made for adjusting ceilings and wages when the President deems it necessary to prevent hardships and inequities, and the President is authorized and required to give due consideration to the national effort to achieve maximum production in furtherance of the objectives of the act. The President in adjusting price ceilings would consider such things as profits in the particular industry and related industries; and in adjusting wages would likewise consider wages in the same industries and similar occupations in related industries.

The Senate receded on the amendment providing that no ceiling could be established or maintained which is designed to allow any seller a margin of profit greater than his normal margin when, after careful examination, all the conferees agreed that such a standard would be impossible to determine

for every one of possibly thousands and thousands of sellers.

The House receded with an amendment to the so-called hardship amendment. It is to protect those sellers who have bona fide contracts in effect for future deliveries and who would suffer a real hardship or inequity as a result of the issuance of price regulations. I wish to emphasize that this provision is not intended, and under proper administration will not be used, for those who wish to exempt themselves from the price ceilings, but rather for those legitimate businessmen whose normal business practices require contracts for future delivery, and I emphasize "normal" and "require."

The House receded to the Senate provision in section 402 (b) (3) providing ceilings on agricultural commodities with an amendment providing that the base price be the "highest" during May 24 to June 24—rather than "the price."

The Senate receded to the House and accepted the House language on the imposition of price ceilings for milk. It was recognized that difficulties might arise in the administration of these provisions, and consideration may have to be given to changes in the light of experience under the act.

The House receded to the Senate provision relating to the exception for rates charged to public utility and common carriers and providing for notice and intervention by the Federal Government before the public authority having jurisdiction to consider such rate increases by offering a substitute amendment, the net effect of which was to restrict the right of intervention to rate increases on services sold for resale and not make it applicable in the cases where applications were filed before the issuance of the stabilization regulation or order.

The House was adamant in its refusal to accept the amendment providing a reasonable margin of profits to each segment of the meat-processing industry on cattle and calves, lamb and sheep, and hogs. The Senate at the very end of the conference finally receded. The House conferees pointed out the other provision in the bill (sec. 402 (c)) designed to provide reasonable margins of profit and fair and equitable treatment. They also asserted that a reasonable profit to each segment on each species would assure excessive profits to integrated producers who normally made an over-all profit, in spite of small margins on some steps in the process.

The House receded to the Senate on section 402 (i) prohibiting the elimination or restricting the use of brand names, grade labeling, etc., except where no alternative exists for effective price control.

The House only at the very end of the conference agreed to recede to the Senate provision requiring the President to set up a single agency to administer price, wage, and rationing control whenever he imposes general price and wage controls. While there is a provision preventing the delegation of the enforcement of any controls, the conferees agreed that the investigatory and inspection services of existing agencies should be fully utilized, and the Senate provision for handling litigation through the Department of Justice was retained.

The House accepted the Senate provision removing wage stabilization regulations or orders from review by the Emergency Court of Appeals as suggested by Cyrus Ching.

The Senate most reluctantly at the very end of the conference, and only with the concurrence of the junior Senator from Ohio, yielded to the deletion of the provision (407 (d)) permitting any court of competent jurisdiction to pass upon a price regulation when involved in a case otherwise properly pending before it. The conference substitute retains the House provision, with an additional provision which permits recourse to the Emergency Court of Appeals when the validity of a regulation is questioned in a civil or criminal case in the district or other court and provides for staying such cases until the Emergency Court of Appeals makes the determination.

The Williams amendment relating to Government contracts for purchase of processed chickens and turkeys was retained.

TITLE V

The labor disputes title of the Senate was accepted by the House with amendment which merely indicates more specific avenues through which the President may bring labor and management together. Certainly the President may wish to use these and other voluntary means, such as conferences and consultations, to assist him in carrying out the purposes of this title. The President is also authorized to use such persons and agencies as he deems appropriate to carry out the provisions of this title.

It is my expectation that labor and management generally will cooperate in an endeavor to work out, in conferences and other consultations, voluntary means for the peaceful settlement of labor disputes, so as to avoid interruption of essential production. Such voluntary cooperation can, of course, only be effective if the great majority of labor, management, and the public approve the basic principles involved, and consider them fair and equitable to all interests. It is my hope and my expectation that such general agreement can and will be obtained and that there will be few, if any, who do not agree.

TITLE VI

This title was made clearly applicable only to control of consumer credit and real-estate construction credit by the addition of a new sentence at the beginning of the title. This is what the Senate had intended.

The House agreed to recede to the Senate language on control of consumer credit with an amendment authorizing the administration of Regulation W by the Board of Governors of the Federal Reserve System.

The Senate agreed to recede to the House language on the control of real-estate construction. The chief difference between the House and Senate was in the matter of administrative responsibility. The Senate had placed the responsibility for the control of conventional real-estate credit in the Board of Governors of the Federal Reserve System and the control of governmentally guaranteed and insured credit in the hands of the President after consultation with the Board of Governors of the Federal Reserve System The House simply put the responsibility on the President for him to delegate it as he chooses.

The Senate report referred to loans secured by savings and loan associations. While it is not the intention of the conferees to tell the Board how to administer credit controls, it does wish to direct its attention to the fact that if the Board, in carrying out the purposes of the title, decides to treat one type of institution or savings or share account one way, then it believes equal treatment be accorded other similar institutions and types of accounts.

TITLE VII—GENERAL PROVISIONS

The House receded to the Senate amendment requiring allocations of supplies available for civilian use on the basis of the pre-Korean pattern of distribution. The House insisted, however, on an amendment to this provision which they felt would make the provision more practicable. The House conferees felt, and urged their position vigorously, that the version of this provision adopted by the Senate seemed to give an appearance of assurance to businessmen which might be deceptive, and also that the administrative burden of assuring to each of the thousands of individual businesses in the country a fair share of an allocated material might be entirely impossible. Accordingly, the conference substitute provides that if allocation of material makes a significant dislocation of normal distribution, a fair share must be made available, so far as practicable, for business and various segments thereof, in the normal channel of distribution. The conferees expect that the importance of this provision to our economy, and in particular to independent small business, will be fully recognized. It is vital to the maintenance of our competitive free-enterprise system.

TERMINATION DATE

Under the Senate bill the act terminated June 30, 1952, but with power in the Congress and the President to terminate at an earlier date.

In the House bill the termination date was June 30, 1951, and the House also provided that the Congress or the President might terminate at an earlier date.

The conference substitute is a compromise of these two versions. It provides that title I (dealing with priorities and allocation), title II (dealing with authority to requisition), title III (dealing with expansion of productive capacity and supply), and title VII (the general administrative provisions, including antitrust exemption and voluntary agreements and the so-called watchdog committee) shall terminate at the close of June 30, 1952, but that such titles shall be effective after June 30, 1951, only to the extent necessary to aid in carrying out contracts relating to the national defense entered into by the Government prior to July 1, 1951. This means that any action may be taken under these titles between June 30, 1951, and June 30, 1952, that will aid in carrying out Government contracts entered into prior to July 1, 1951. For example, priorities could be assigned to deliveries of materials to a contractor for use in carrying out such a contract, allocations of material could be made to the contractor, and property might be requisitioned for delivery to a contractor to aid him in carrying out his contract. Furthermore, under title VII it would be possible to provide for voluntary agreements, if that were necessary to carry out such a contract, and such agreements would be within the exemption from the antitrust laws.

This would, of course, include assistance to subcontractors under Government contracts and assistance in connection with materials needed to carry out the contract even though the materials were not incorporated into the articles being bought by the Government.

On the other hand, this provision would not permit the use of the powers in titles I, II, III, and VII during the period after June 30, 1951, to assist general civilian activities in support of the defense program, nor would it permit use of these powers to maintain the essential civilian economy or to prevent the strains and dislocations on wages, prices, and production or distribution of materials for civilian use, for which they could be used during the period up to June 30, 1951.

As to title IV (relating to price and wage stabilization), title V (relating to settlement of labor disputes), and title VI (relating to credit controls), these provisions and all authority conferred thereunder terminate next June 30.

There are included in the conference substitute, first, the authority to terminate by concurrent resolution of the Congress or by Presidential action; second, continuation of new agencies for not to exceed 6 months after termination of the provisions authorizing their creation, for purposes of liquidation only; and, third, a necessary saving clause relating to disbursements of funds and carrying out of contracts, guaranties, commitments, and other obligations entered into

prior to the date of termination and permitting any action necessary to preserve or protect the interests of the United States in amounts advanced or paid out.

Mr. LUCAS. Mr. President, before the vote is taken on the report, I wish to take this opportunity to commend the conferees on both sides of the aisle who have done what I believe to be a very constructive and magnificent piece of work in bringing about an agreement on the defense-production bill. No one knows better than does the Senator from Illinois the intricate and complex problems which are involved in a measure of this character. Obviously, it is not the kind of a bill any one Senator would probably agree to in every detail, but at the same time, as has been said repeatedly, and as we all know, legislation of this kind comes about through compromise; and of course this report represents a compromise.

Mr. President, I was especially interested in the remarks made by the distinguished Senator from Ohio [Mr. BRICKER] with respect to the necessity of getting legislation of this kind on the statute books as rapidly as possible because of the world conditions which now exist.

Again, Mr. President, I commend the conferees on both sides of the aisle for the spirit of give and take which was absolutely necessary in order to bring back a bill of this character. I am sure the President of the United States will be very happy when he signs the bill and it becomes the law of the land.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from New York.

Mr. IVES. I wish to make a statement with regard to the question just posed by the Senator from Missouri, in order to clear it up so that there may be no doubt whatever regarding it.

The Senator from Missouri has raised the question as to whether agreements on the part of labor, management, and the other persons to be designated by the President, are necessary in order to meet the provisions of the section to which reference has been made. The answer is, of course, yes; and we all agree on that.

However, I do desire to point out that such agreements would not necessarily call for complete agreement among all the segments of labor and all the segments of management. We might never be able to get such an agreement, anyway. It would be indicated that there would have to be a majority vote within labor, or a majority vote within management, or presumably a majority vote of the group designated by the President, and then all three groups would have to agree among themselves.

Mr. DONNELL. Mr. President, will the Senator from Illinois yield to me?

Mr. LUCAS. I yield to the Senator from Missouri.

Mr. DONNELL. I wish to be sure that I understand the Senator from New York. I think it is extremely important that there be no misunderstanding.

I understand from the Senator from New York that in order that the President may have the power to take the action mentioned in the second sentence of section 502 there must be an agreement by a majority of the members of labor, a majority of the members of management, and a majority of the representatives appointed by the President to represent the Government and the public.

Mr. IVES. That is absolutely correct.

Mr. DONNELL. And unless there is such an agreement by each and all those several segments, the President would not have the power conferred upon him by that section.

Mr. IVES. That is absolutely accurate.

Mr. DONNELL. Is that the interpretation of the Senator from South Carolina?

Mr. MAYBANK. That is my interpretation.

Mr. LUCAS. Mr. President, as soon as the vote is taken on the conference report, the Senate will return to the consideration of the tax bill, and it is my hope that we can speed along with that measure rapidly, because we are going to pass the tax bill before we leave here tonight. I made that statement yesterday, and I repeat it today. There are some amendments to be offered, of course. I hope the Senator from Connecticut [Mr. MCMAHON] will be here immediately to offer his amendment dealing with the tax on copper; and there are some other amendments to be offered. But it seems to me we should not take too long on any of the amendments. They have been debated over and over again, and we should be able to make disposition of them in a hurry.

I know the Senator from Georgia is anxious to conclude consideration of the bill, as are all other Senators, and I do hope we will not drag it out until late this evening; but if necessary, we will remain here late to act on the bill.

Mr. SPARKMAN. Mr. President, the junior Senator from Minnesota [Mr. HUMPHREY] had to leave the floor, and he was particularly eager to have one question cleared up regarding the conference report, and I promised him I would make a very brief statement, and ask the able chairman of our committee if the interpretation I am about to state is not correct.

On page 9, section 402, subdivision (ii) it is stated that exempt from controls are "rates or fees charged for professional services."

The question the Senator from Minnesota wants propounded is this: Would the fee charged for the work of a registered pharmacist in filling a prescription likewise be exempt under that definition?

Mr. MAYBANK. Yesterday we had quite a discussion of that question in the committee, and in the opinion of the ranking minority member of the committee, and in my opinion, I say to the distinguished Senator from Alabama, such a fee would be exempt.

Mr. CAPEHART. Mr. President, there is no question about it. It was discussed by the conferees and agreed by the conferees that that was the fact.

The VICE PRESIDENT. The question is on agreeing to the conference report on H. R. 9176.

The report was agreed to.

Mr. MAYBANK. Mr. President, the conference report calls for the appointment of a committee to make further study and to keep in touch with the administration of the law. Unfortunately, the appointment of that committee was left to me. I did not vote that it should be left to me, as the Senator from Indiana [Mr. CAPEHART] knows, but since it has been done, and it seemed to be the desire of some of the members of the committee that I appoint myself on the committee, I acquiesced, with the understanding that I would appoint the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Virginia [Mr. ROBERTSON], the Senator from New Hampshire [Mr. TOBEY] and the Senator from Indiana [Mr. CAPEHART], in addition to myself.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, informed the Senate that Hon. FRANCIS E. WALTER, a Representative from the State of Pennsylvania, was elected Speaker pro tempore during the absence of the Speaker.

The message communicated to the Senate the intelligence of the death of Hon. ALFRED L. BULWINKLE, late a Representative from the State of North Carolina, and transmitted the resolutions of the House thereon.

The message announced that the House had agreed to the following resolution:

House Resolution 838

Resolved, That when this House adjourns on Friday, September 1, 1950, it will adjourn to meet in the caucus room in the New House Office Building on Tuesday, September 5, 1950, and it shall continue to meet there until otherwise ordered.

Resolved, That all rules relating to the Hall of the House shall be applicable to the caucus room.

Resolved, That the Clerk communicate these resolutions to the President of the United States and to the Senate of the United States.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 1271. An act for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.;

H. R. 2233. An act conferring jurisdiction upon the United States District Court for the Territory of Hawaii to hear, determine, and render judgment upon the claim of Ewa Plantation, a Hawaiian corporation;

H. R. 7302. An act to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes;

H. R. 8028. An act to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.;

H. R. 9038. An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes; and

H. J. Res. 537. Joint resolution making emergency appropriations for the fiscal year 1951, and for other purposes.

INDUCTION OF MEDICAL, DENTAL, AND ALLIED SPECIALISTS — CONFERENCE REPORT

Mr. HUNT. Mr. President, I submit a conference report on the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

(For conference report see p. 14138 of House proceedings, CONGRESSIONAL RECORD of September 1, 1950.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. HUNT. Mr. President, as chairman of the subcommittee I should like to say to the Senate that any changes made from the bill as it passed the Senate are of no particular consequence. They are hardly worth bringing to the attention of the Senate, and unless some Senator has some question he wishes to ask me, I shall not attempt to explain the technical and other minor changes made.

Mr. GURNEY. Mr. President, as a member of the conference committee on behalf of the Senate I wish to call one section of the conference report to the attention of the Senate, but more especially comment on it so that there will be in the RECORD at least a statement of my understanding of why the section to which I shall refer is in the report and is now a part of the bill.

I refer to the language that appears on page 3, the third sentence in paragraph (j). It has to do with the performance of the duties of the National Advisory Committee, which will do the work of selecting the physicians and dentists. The conferees agreed to raise the age limit to 50 years for both physicians and dentists, but, of course, the function of the Advisory Committee is, first, to provide the necessary professional services for the Armed Forces, and, second, to take care of the health needs of the civilian population. In order to do that, the Advisory Committee must take into consideration, not only the doctors and dentists below 50 years of age, but all the practicing physicians and dentists, no matter what their age. I shall read the subsection to which I have referred:

In the performance of their functions, the National Advisory Committee and the State and local volunteer advisory committees shall give appropriate consideration to the respective needs of the Armed Forces and of the civilian population for the services of medical, dental, and allied specialist personnel; and, in determining the medical, dental, and allied specialist personnel available to serve the needs of any community, such committees shall give appropriate consideration to the availability in such community of medical, dental, and allied specialist personnel who have attained the 51st anniversary of their birth.

It was the purpose of the conferees, and the conferees agreed, that this meant that the advisory committees on the national, the State, and county levels, should take into consideration all the practicing physicians and dentists, no matter whether they are registered or not, and no matter what their age, in deciding whether or not a physician or dentist 50 years or less than that could be taken into the service. In other words, they would get the names and addresses and record of services rendered by practicing physicians and dentists over 50 years of age, from the State boards of health, from the records of the medication associations in the various States and in the Nation as a whole, and would consider all these members of the profession in deciding the number and identity of physicians and dentists who could be taken from each community. I am quite sure the chairman of the subcommittee agrees with that explanation. I hope I have made it plain.

Mr. HUNT. Mr. President, I yield to the Senator from Kentucky, the third member of the committee.

Mr. CHAPMAN. Mr. President, the distinguished junior Senator from Wyoming, like the senior Senator from South Dakota, the former able chairman of the Senate Committee on Armed Services, both devoted a great deal of time and study in preparing the bill, which I believe will prove of great benefit to the armed services, while at the same time providing sufficient medical and dental care for the people back home.

I rose and sought recognition in order that I might call attention to a clerical error in the conference report. The Senator from Wyoming was the very able chairman of the conferees, but through an error in drafting the report, the name of the Senator from Kentucky was placed as the head of the Senate conferees. I simply wanted to call the attention of the Senate to that mistake, and to pay just tribute to both the Senator from Wyoming and the Senator from South Dakota for their magnificent contribution to this measure.

The VICE PRESIDENT. The question is on agreeing to the conference report on Senate bill 4029.

The report was agreed to.

AMENDMENT OF SECTION 3121 OF INTERNAL REVENUE CODE

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to and the Vice President appointed Mr. GEORGE, Mr. BYRD, Mr. JOHNSON of Colorado, Mr. MILLIKIN, and Mr. TAFT conferees on the part of the Senate.

JURISDICTION IN CIVIL ACTIONS INVOLVING CERTAIN INDIANS IN NEW YORK—CONFERENCE REPORT

Mr. LEHMAN. Mr. President, I submit a conference report on the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter inserted by the House amendment insert the following: "*Provided*, That the governing body of any recognized tribe of Indians in the State of New York shall have the right to declare, by appropriate enactment prior to the effective date of this Act, those tribal laws and customs which they desire to preserve, which, on certification to the Secretary of the Interior by the governing body of such tribe shall be published in the Federal Register and thereafter shall govern in all civil cases involving reservation Indians when the subject matter of such tribal laws and customs is involved or at issue, but nothing herein contained shall be construed to prevent such courts from recognizing and giving effect to any tribal law or custom which may be proven to the satisfaction of such courts:" ; and the House agree to same.

That the Senate recede from its disagreement to the amendment of the House numbered 2 and agree to the same.

JOSEPH C. O'MAHONEY,
ERNEST W. MCFARLAND,
GUY CORDON,
HERBERT H. LEHMAN,
HUGH BUTLER,
Managers on the Part of the Senate.

J. HARDIN PETERSON,
TOBY MORRIS,
WESLEY A. D'EWART,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

NATIONAL DEFENSE FACILITIES ACT OF 1950—CONFERENCE REPORT

Mr. BYRD. Mr. President, I submit a conference report on the bill (H. R. 8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

(For conference report, see page 13977 of House proceedings, CONGRESSIONAL RECORD of August 31, 1950.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

DEPORTATION OF THREE CHINESE STUDENTS—STATEMENT BY MR. MICHAEL McDERMOTT

Mr. BENTON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I have received from the Department of State in connection with the story printed in the Washington Post this morning about the three Chinese students who were, according to the Associated Press story, listed as State Department exchange students and had been ordered to leave the United States. The statement from the Department explains the status of the students and gives their background.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INFORMATION TO BE FURNISHED TO THE PRESS BY MR. MICHAEL McDERMOTT AT HIS PRESS CONFERENCE, 12 NOON, SEPTEMBER 1, 1950

The Department of State wishes to correct the Associated Press dispatch of August 31 from Boston stating that three Chinese students who have been ordered to depart by October 18 were brought to the United States under the State Department's exchange-student program. The three students in question were neither brought to the United States by the Department of State nor have they received any assistance under the Department's program of aid to stranded Chinese students in the United States. The Department has been reliably informed that these students came to the United States in 1949 on student visas under their own auspices.

All of the 2,506 Chinese students who have received grants under the current emergency program to date have been carefully screened by the Department. In addition, assistance in supervising the activities of these students is rendered by university officials designated by the presidents of some 400 universities throughout the country.

COMMENTS CONCERNING THE ARTICLE APPEARING IN THE WASHINGTON POST, SEPTEMBER 1, 1950, ENTITLED "THREE CHINESE STUDENTS SLUR UNITED STATES, GET GATE"

The Chinese students mentioned in the Associated Press dispatch from Boston came to the United States in 1949 under their own auspices, 4–E student visa, and with no connection whatsoever with the Department of State. Their names are Kuo Chuan Woo, Chung Sung Wu, Yun Chung-San. The names were obtained from the Immigration and Naturalization Service.

These students arrived in the United States after the termination date beyond which no student could receive assistance from the Department of State under the existing program of aid to Chinese students. The Department of State has developed effective controls through the university representatives to handle the students who are actually receiving assistance from the Department. There has been one case where a student was denied a grant at the University of Maine because of alleged Communist feelings. The other 2,500 students who have received grants from the State Department have, through various channels, been carefully checked and under continuous supervision through reputable men appointed by university presidents on 400 campuses to carry out this responsibility.

None of these three students came under the Fulbright program; they arrived in 1949, which indicates that they could not have come under the President's emergency fund program operative from 1945 to 1947, and there was no authority at the time of their entry whereby the Department of State could have assisted them.

The Department has remained in close contact with Immigration and Naturalization authorities at all times and has cooperated with the INS in regard to all problems concerning students.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 6920) to reduce excise taxes, and for other purposes.

Mr. McMAHON obtained the floor.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me?

Mr. McMAHON. I yield.

Mr. SALTONSTALL. Mr. President, at this time I offer a technical amendment which the Senator from Georgia [Mr. GEORGE] was good enough to say he would take to conference. The amendment deals with a question raised with me by the Navy in relation to the term "compensation received in battle zones." The Senator from Georgia stated that he believed the point was covered, but would be glad to take the amendment to conference in order to make sure that it was covered. I offer the amendment and ask that it be agreed to, if my statement is confirmed by the Senator from Georgia. If not, I shall withdraw it.

Mr. GEORGE. Mr. President, will the Senator from Connecticut yield?

Mr. McMAHON. I yield.

Mr. GEORGE. I should like to have the amendment stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 83, line 23, it is proposed to strike out the period, and insert a semicolon and the following:

(iv) The term "compensation received" as used in this paragraph shall include compensation earned in a combat zone although received outside of such zone.

Mr. GEORGE. Mr. President, I think the amendment expresses the clear intent and purpose of the Congress, and the committee has no objection to it. We will take it to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL].

The amendment was agreed to.

Mr. McMAHON. Mr. President, on behalf of my colleague [Mr. BENTON], and myself, I call up for consideration the amendment, which we have at the desk, bearing upon the suspension of the copper tariff. I ask that the amendment be read.

The VICE PRESIDENT. The amendment will be read.

The LEGISLATIVE CLERK. At the appropriate place in the bill, it is proposed to insert:

The import tax imposed under section 3425 of the Internal Revenue Code shall not apply with respect to articles (other than copper sulfate and other than composition metal provided for in paragraph 1657 of the Tariff Act of 1930, as amended, which is suitable both in its composition and shape, without further refining or alloying, for processing into castings, not including as castings ingots or similar cast forms) entered for consumption or withdrawn from warehouse for consumption during the period beginning July 1, 1950, and ending with the close of June 30, 1951.

Mr. McMAHON. Mr. President, on August 25, as the RECORD discloses, I called up this amendment. A rather extensive debate occurred on it. At that time it was pointed out that if the amendment was then considered, it would delay the consideration and final disposition of the excess-profits-tax amendment. So, on behalf of my colleague and myself, I withdrew the amendment, with the intention of presenting it later.

I have called it up at this time.

I do not intend to make an extensive argument on this subject. I believe the debate we had the other day, which was heard by most Members of the Senate, and which, I am sure, if not heard by some, was later read by those who were not present at that time, discloses fully the reason why this tax should be suspended.

The fact of the matter is that in this country we are consuming about 1,800,000 tons of copper a year, and we promise to consume more. We cannot begin to produce our requirements of copper, not within approximately 500,000 tons.

The tax is 2 cents a pound, or $40 a ton. We are fearful that the tax will succeed in driving some of the foreign copper to other markets, although we need copper desperately—so desperately, in fact, as I pointed out the other day, that the fabricators of copper, many of whom are located in the Naugatuck Valley, in Connecticut, have been forced to shut down some shifts; in fact, I understand that in one plant operations are on less than a 5-day basis.

If there is any reason at all for a tariff, it is to protect domestic producers. That connotes in my mind a surplus of production in the United States. The idea of taxing an import when there is not nearly sufficient of the commodity in this country, would seem to fly in the face of all reason.

The President of the United States has on a number of occasions evidenced his keen awareness of the effect which the imposition of this tax has upon our foreign relations. Recently the President wrote to the President of Chile a letter, in which President Truman explained the situation as best he could explain it. As I recall, in the letter the President of the United States told the President of

Chile of the fact that the matter is before the Congress, for congressional determination; and President Truman expressed his regret that our enemies have seen fit to seize upon this matter as another item on their agenda of our so-called imperialism.

This is a demonstration of the fact that our enemies are constantly on the alert to try to sow the seeds of doubt and discontent in the minds of our friendly neighbors to the south. Of course, Chile is the major exporter of copper to the United States; in fact, Chile is the chief exporter of copper, being the nation which supplies almost all the copper which is exported. It is true that during the thirties, when the tariff was in effect, the United States exported an average of 70,000 tons of copper a year. At that time we were the chief exporters of copper. In other words, at that time we competed with the so-called low-paid labor in other parts of the world.

Mr. President, copper has risen to a very high price. I understand that a year or so ago the market price of copper was approximately 16 cents a pound. Today I believe the price of copper—and the Senator from Arizona [Mr. McFARLAND], who watches the market even m re carefully than I do, can verify the accuracy of this figure—is 26 cents a pound. Is that correct?

Mr. McFARLAND. I understand it is 22½ cents a pound. However, some companies have raised their price to 24½ cents.

Mr. McMAHON. The price of some forms of copper is 23 cents a pound, but the price of other forms of copper is 26 cents a pound. In fact, the price of copper in the forms in which it is used in the plants which are located in the Naugatuck Valley, in Connecticut, is 28 cents a pound.

At this time, when we are seeking to check inflation and to control the prices of the basic materials, in order to check and stop the inflation spiral, we find ourselves adding $40 to the price of each ton of approximately 2,000,000 tons of copper, because obviously the price of the domestic production of copper will rise 2 cents a pound if we tax imported copper that amount, because there will not be two prices for copper in the United States, one price on the domestic production and another price on the imported copper.

The addition of $40 to the price of each ton of 2,000,000 tons of copper results in the addition of what is really a very substantial and sizable amount to the price structure in the United States. Copper enters into practically everything we produce in the way of durable goods. Above all, it goes into munitions of war and things of which armament is made.

I have tried to see wherein there is some justification for a continuance of this tax. I am frank to say that I am unable to find it. I do not intend to pursue the argument further, because the facts would seem to be so crystal-clear, so beyond cavil, and so beyond doubt as not to permit of sensible argumentation. Therefore, Mr. President, I shall at this moment desist. I shall yield the floor.

Mr. McFARLAND. Mr. President, before the Senator yields the floor, will he yield for a question?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Arizona?

Mr. McMAHON. I yield to the Senator from Arizona.

Mr. McFARLAND. I should like first to say to the distinguished Senator from Connecticut that I very much regret to find myself in opposition to him in regard to this amendment. However, I should like to ask him whether he does not think that those who mine copper in the United States have a right to some price stability, as well as the foreign producers of copper?

Mr. McMAHON. I may say to the Senator, I realize the problem he has in Arizona, and the problem in the other copper-producing States. I want to see those miners profitably employed, and I assure the Senator that today, from what I can ascertain, they are most profitably employed—every one of them who is able to swing a pick or to set off a charge of dynamite.

Mr. McFARLAND. Mr. President, I shall try to explain my views in that regard later, in my own time. But I want the distinguished Senator to know that when a Member of Congress from his own State of Connecticut, Representative PATTERSON, offered a resolution at a time when those who would have opposed it were off the floor, it created a fear in the minds of the people of the West who were interested in this cause. They felt that he took advantage of our Representatives who were not on the floor. For that reason, our people are more than ever determined that we must have some stability of price.

Mr. McMAHON. I may say to the distinguished Senator from Arizona that I shall not comment upon his characterization of what happened in the House. The Representative from Connecticut evidently was within his parliamentary rights at the time, and if it had an effect upon the Senators and Representatives from the copper-producing States which has resulted in their intransigence and obduracy, I am indeed regretful. I do not believe that the Representative from Connecticut intended to create that effect. If he has done so, I regret it.

Mr. McFARLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Arizona

Mr. McMAHON. I yield.

Mr. McFARLAND. I am not trying to charge the distinguished Representative from Connecticut [Mr. PATTERSON] with trying to be unfair, or anything like that. I merely want the Senator to know that in my opinion Representative PATTERSON made a grave mistake as far as the settlement of this issue is concerned. Our people do not now have confidence that they can expect much consideration from the fabricator if the price goes down.

Mr. McMAHON. Mr. President, I think I have said, at least for the present, all that I have to say on this subject, unless there are Senators who desire to ask questions.

Mr. LEHMAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from New York?

Mr. McMAHON. I yield.

Mr. LEHMAN. I have listened with interest to the statement of the Senator from Arizona to the effect that the copper mines of the United States need protection against the importation of copper. I also listened to the statement of the Senator from Connecticut to the effect that the earnings of the cooper companies today are at a very high rate. A day or two ago I noticed a statement which I believe appeared in the Washington Evening Star, as follows:

> Kennecott Copper Corp., profit for the 6 months ended June 30 was $37,744,025 or $3.49 a share versus $23,293,358 or $2.15 in the 1949 period.

That would hardly indicate that the copper mines need added protection.

Mr. McMAHON. I thank the Senator. It seems as though the fat is increasing to such an extent that the copper miners will be unable to walk around and dig, if they acquire much more of it.

Mr. MILLIKIN. Mr. President, will the Senator yield for a brief observation on my part, bearing on what the distinguished Senator from New York just said?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Colorado?

Mr. McMAHON. I yield.

Mr. MILLIKIN. It may be that some of our copper-producing mines do not need protection. The mines of the West which need protection are the mines now out of production. That is why we want protection for them, in order that we may make ourselves more self-sufficient.

Mr. McMAHON. Mr. President, in reply to the observation of the Senator from Colorado, I would call the Senator's attention to the fact that in 1943 when we put all the steam we had behind the subsidizing of low-cost and marginal producers—the most wasteful of producers, by reason of the fact that they were uneconomically mined and because it took more manpower than it should have, at a time when manpower was so short—we were able to produce the magnificent sum of 81,000 tons of copper in 1943. In that year, if I am not mistaken, we imported 600,000 tons of copper from Chile and other countries of the world. So the 2-cent tax on 2,000,000,000 pounds of copper, or $40 a ton tax, is being levied for the purpose allegedly of protecting the marginal producers of 81,000 tons of copper.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Colorado?

Mr. MILLIKIN. I repeat that the purpose of the tariff is not only to aid the producing mine and to assist it in staying in production, but the purpose also is to give a feeling of confidence to people desiring to enter the mining

business, and to discover and try to develop new bodies of copper and other ores. It is to give a feeling of confidence to those who are wavering on the edge, and who are in the process of going out of business. That is the only way we can build up our copper to the point where we will be reasonably self-sufficient, namely, to get people into the business of mining copper. The longer we continue these suspensions, the longer we keep copper mines out of any production at all, the greater we magnify our dependence on foreign sources of supply.

Mr. McMAHON. I may say to the Senator that if the price of copper goes much higher than 26 cents, the entire West ought to be covered with men, with burros and donkeys behind them, looking for copper, because certainly at 26 cents a pound, I am told there are handsome profits to be made out of the business.

Mr. MILLIKIN. Mr. President, if the Senator will yield further, a large part of the profits go to American mining companies which are shipping copper in from abroad, and it is because we are not self-sufficient that they are able to set their own price.

Mr. McMAHON. I take it, Mr. President, if they can set their own price, they certainly are doing pretty handsomely at 26 cents a pound. I should like to call attention to the statement made by the Senator from Vermont [Mr. AIKEN] recently. He alleged there was a gigantic conspiracy against his State on the part of the copper producers. The Senator from Vermont said to me, in an exchange:

> Is the Senator familiar with the report that big copper companies are deliberately refusing to deliver copper to the fabricators, for the purpose of forcing a suspension of the copper tariff? Does he know they have boosted the price to 26 cents a pound, and still do not let their customers have the copper?
>
> There is no reason for such action except to influence legislation. They have boosted the domestic price to 26 cents a pound, and apparently will not deliver any copper until Congress takes some action on the suspension of the tariff.

The fact of the matter is, Mr. President, that during past years we have had an average of some 350,000 tons each month as a carry-over. Last month there was a carry-over of 42,000 tons, which is less than 1 week's supply. So that I think that pretty effectively disposes of the Senator's conspiracy which he suggested might exist to the effect that the producers were holding the copper off the market.

I should like to make one other observation regarding an assertion made by the Senator from Arizona, who stated, as I recollect it—I do not have the exact place in the transcript at this moment—that the bottoms did not exist to bring the copper in during the past war. During the war we were fortunate, I believe, that there was only one ship that carried copper that was sunk coming up the Atlantic coast. At least enough bottoms existed to bring in 600,000 tons a year, without which we would have had a very grave situation in producing munitions of war which we used in World War II.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. MILLIKIN. Is it not a fact that we are dependent in this war on foreign sources of supply of copper?

Mr. McMAHON. We are dependent, I will say to the Senator, on our domestic production and on importations. There is no question in the world that if we do not get 500,000 or 600,000 tons of copper this year and next year from foreign sources, we shall be in very bad shape.

I will say to the Senator that there is, in my opinion—I am not an expert—no possibility of developing anything like that supply through domestic sources if the price were $1 a pound.

Mr. MILLIKIN. Let me come back to my original question. Then, would not the Senator say affirmatively that we are at the present time dependent for copper on foreign sources of supply?

Mr. McMAHON. There is no question at all about that. Unless we get copper in this country we are going to be in a sorry state indeed. But if we made the price $1 a pound we would not be able to get enough domestic copper to fulfill our needs.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. McMAHON. I yield.

Mr. MILLIKIN. I suggest that the Senator's last argument goes to the period of time we should continue to remain dependent on foreign sources of supply of copper.

Mr. McMAHON. If the Senator can prove to me that if we made the price a dollar a pound, in 10 years we could develop the domestic source of supply, the argument would not be impressive to the Senator from Connecticut, because I believe we are going to have to rearm much within that period.

Mr. MILLIKIN. The distinguished Senator would not pretend to estimate at what time a new round of shot will open up a great deposit of copper, would he?

Mr. McMAHON. No. I understand there was rather a hopeful strike made recently in New Mexico and Arizona.

Mr. MILLIKIN. Will not the Senator agree with me that the sooner we relieve our dependence on foreign sources of supply, by whatever means are within our power, the better off we shall be in this country?

Mr. McMAHON. I should be very happy indeed if everything we needed for the country's defense were here in abundance, but, unfortunately, that is not so; and I hesitate to predicate my hope for the defense of civilization and of our country on the hope that the Senator expresses, that if the price is high enough we may be able, through some prospectors, to find the huge amount of 600,000 tons of copper in time to get it in the hands of the fabricators for the building of our weapons.

Mr. MILLIKIN. I am sure the Senator will agree with me that the sooner we undertake the job, by all means available, to lessen our dependence on foreign sources, the better off this country will be.

Mr. McMAHON. I would say to the Senator that the price at which copper has been selling over the past 2 years is sufficient to warrant the utmost production of the domestic supply, and the price of $40 a ton we are imposing upon the American people is very, very excessive and unwise.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. McMAHON. I yield.

Mr. MILLIKIN. Will the Senator guarantee to the Senate or give firm assurance to the Senate that the price to which he refers will continue?

Mr. McMAHON. I will say to the Senator I am quite confident, as I read the signs of the times, that copper will not diminish in price for the next couple of years. The world situation is all against it.

Mr. MILLIKIN. I would remind the distinguished Senator that we heard exactly the same argument prior to the time of the last suspension, and in a very short time the price of copper went down to 15 cents. No one could assure that the price would go down or that it would go up.

Mr. McMAHON. It did not remain there very long. That was at a time when we were enjoying a period of forgetfulness, a period in which some of us chose to bury our heads in the sand with reference to the true situation in the world.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. McMAHON. I yield.

Mr. MILLIKIN. I would suggest to the distinguished Senator that we cannot open copper mines in the West on the theory of shifting amnesias.

Mr. McMAHON. No, but we can afford, I think, to withhold a $40-a-ton tax on the American people at a time when we are talking about checking the evils of inflation and at a time when no burdens should be put upon the immediate rearming of the Nation. I say that to predicate our action upon that theory is not to indulge in amnesia.

Mr. MILLIKIN. Is it not true that as we increase our dependence upon foreign sources of supply we put it more and more in the power of those who control those sources of supply to raise the price to any level they wish?

Mr. McMAHON. I may say to the Senator that, as a matter of fact, all the production of copper that can possibly be brought out of the ground is now going into the economy of the country, and if 200,000 tons more this coming year can be produced, we shall find use for it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. AIKEN. Is the Senator advised as to the amount of imports of copper at the present time as compared with the imports previous to July 1? I believe that was the date that the suspension of the tariff ended.

Mr. McMAHON. I believe the amount is about the same. We have been trying to get more, but we find that some of the

imports we should be getting have begun to shift to other parts of the world where the 2-cent tax is not in effect.

Mr. AIKEN. But the price of copper has increased approximately 6 cents a pound during the past few weeks. The tariff is 2 cents a pound. In other words, the producers could get 4 cents a pound more by shipping copper to the United States at this time than they could before the suspension of the tariff terminated. I do not need any further evidence to convince me that the big copper companies are deliberately holding their copper away from the United States, particularly if they are shipping it to other nations, in order to force us to continue the suspension of the 2-cent-a-pound tariff. I think that is all the more reason why we should encourage the development of domestic production. We must not be dependent for copper on a source of supply 10,000 miles away, which may or may not be delivered, according to the whim of a couple of big copper companies.

Mr. McMAHON. The Senator has maintained his argument, but has shifted the ground upon which he made it a few days ago. I pointed out earlier—I do not know whether the Senator was present or not—that there was a gigantic conspiracy——

Mr. AIKEN. I do not think I used those words.

Mr. McMAHON. I characterized what the Senator said as a gigantic conspiracy; and that is what it amounts to, I will say to the Senator from Vermont.

Mr. AIKEN. I think so too.

Mr. McMAHON. If they are in position to withhold copper from the fabricators of copper and if they have done so to force the Senate into action, it is a gigantic conspiracy, and we should get the Department of Justice after them.

Mr. AIKEN. Why do we not do so?

Mr. McMAHON. I will say to the Senator that the average carry-over for each month up to a year ago was 350,000 tons a month. That is down 42,000 tons. That does not look as if they were holding copper away from the fabricator.

Mr. AIKEN. Does that carry-over comprise all the copper in the United States or copper that is available for fabricators of all commodities?

Mr. McMAHON. I will say to the Senator, as it is given to me—and I think it is given to me accurately—the figure represents copper in the hands of producers who sell it to the fabricators. It is down from 350,000 tons to 42,000 tons.

Mr. AIKEN. The Senator said he thinks the big copper companies are shipping copper to other parts of the world. Did I understand him to make that statement?

Mr. McMAHON. No, I did not say so.

Mr. AIKEN. And will continue to do so as long as the 2-cent-a-pound tariff is in effect?

Mr. McMAHON. No, I did not say that. I indicated to the Senator from Vermont that the foreign producers naturally would not sell in a market in which they would have to deduct from the price they were to receive a tariff amounting to 2 cents a pound, when they can ship the copper to places where they can get the price without a tariff deduction.

Mr. AIKEN. What does the Senator mean by a foreign producer? Does he mean mines?

Mr. McMAHON. Yes, mines.

Mr. AIKEN. Does he mean mines owned by foreigners?

Mr. McMAHON. I mean foreign mines.

Mr. AIKEN. Mines owned by Americans?

Mr. McMAHON. I do not care who owns the mines. I am talking about copper. The tax is not put upon ownership. It is put on copper. No matter who owns the copper, when it comes into the port of New York, or any other port in the United States, it immediately is subjected to the tax.

Mr. AIKEN. With an increase of 6 cents a pound in the price of copper since July 1, why should a 2-cents-a-pound tariff prevent shipments from coming in? Apparently they can still make 4 cents a pound more than they did before.

Mr. McMAHON. The answer is that the world price of copper has gone up. While it has gone up 4 cents in this country, it has gone up 4 or 5 cents in the other copper-consuming regions of the world.

Mr. AIKEN. If Russia or any other country outbids the United States for the copper production of the foreign mines, whether owned by Americans or not, it would seem to be a more convincing argument for the development of a source of supply in the United States.

Mr. McMAHON. I am informed that none of the copper in Chile is going to Russia. I will say further that the theory of the Senator, which is shared by the Senator from Colorado, that we should start digging into every crevice and crack in order to develop a sufficient supply of copper, whether in his State or any other State, perhaps may be a permissible aspiration and wish. There are those who would, if they could, erect a wall around this country which would not permit us to deal or trade with any other nation. The Senator from Connecticut does not happen to subscribe to that principle. I would further say that even if the Senator from Vermont were right, we are still 600,000 tons away from the amount of copper we must have if we are to reach the production which we are attempting to reach. If we were to dig up the whole State of Vermont, with the exception of that part of it which is devoted to agriculture, I doubt if we would make a very material contribution to the 600,000 pounds of copper which would be needed for tanks, airplanes, and all the other materials which are not going to be needed 10 years from now, after some prospectors come along in the Senator's State and dig around for 2 or 3 years, but they are needed now, I will say to the Senator. In 1943, when all this subsidizing which is being talked about and asked for here was in effect, we took out of the ground a total of 81,000 tons, against a consumption of almost 1,500,000 tons. I say to the Senator we need copper, and we need it now. This unwarranted tax of $40 a ton is an imposition on the American people and a detriment to the achievement of the objective of American rearmament.

Mr. AIKEN. I have been informed that we never did get the 2,000,000 tons.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. McMAHON. I yield to the Senator from New York.

Mr. LEHMAN. Is it not a fact that the $40-a-ton tariff affects not only the amount of copper which is imported, but also the very much larger amount of copper which is produced in this country? In other words, if approximately 2,000,000 tons of copper are produced and imported, at $40 a ton it would add $80,000,000 to the cost of the fabricator, and would be ultimately passed on to the consumer.

Mr. McMAHON. The Senator is perfectly right. We are not going to have two prices for copper.

I promised to conclude my remarks in 10 minutes. I shall now conclude them by reading a letter which President Truman wrote to the Ambassador from Chile on August 29, 1950:

THE WHITE HOUSE,
Washington, August 29, 1950.

His Excellency Señor FELIX NIETO DEL RIO,
Ambassador of Chile,
Washington, D. C.

MY DEAR MR. AMBASSADOR: I have read with great interest your memorandum of August 21, in which you express your concern over the malicious propaganda disseminated by the Communists in Latin America in order to exploit to their advantage the recent expiration of the suspension of the United States excise tax on copper.

The decision to reinstate once again a suspension of this tax is one that is to be taken by the United States Congress on the basis of multiple considerations affecting the national interest. The factors involved include questions of our domestic economy, international trade and foreign policy.

At present, there is diversity of opinion in this country concerning this tax, determined by the various segments of industry and labor most immediately affected. After careful study of all the problems involved, I have recommended further suspension of the tax and the House of Representative has approved such extension for a period of 1 year. I hope very much that the Senate will take similar action in the very near future.

I am constantly appreciative of the mutual and traditional friendship of our two countries and of the cooperative attitude of the people and Government of Chile toward the United States. I am fully aware of the malicious propaganda devices practiced by the enemies of our democracies in an attempt to sow discord amongst us. I earnestly hope that a happy solution will be reached in this problem of benefit to both Chile and the United States and our mutual friendship.

Very sincerely yours,

HARRY S. TRUMAN.

With the reading of that letter, Mr. President, I yield the floor.

Mr. McFARLAND. Mr. President, I regret very much that I find myself in opposition to the distinguished Senator from Connecticut in the amendment which he proposes this afternoon. I regret that I am unable to agree with him in regard to the figures he has submitted and in regard to the arguments he has made in support of his amendment. In the first place, the price of copper as

reported in the New York Times is 22½ cents—some companies raised their prices today to 24½ cents. Twenty-two and one-half cents is the same price which prevailed at the time the copper tariff went into effect, which amply demonstrates that as far as the price is concerned, the raise by some of the companies was probably due to the fact that they also own foreign mines and that they may want to influence the action of Congress on this amendment. Mr. President, there is an even more important reason why this amendment should not be attached to the bill. The bill is a tax-raising bill. It is being enacted for the purpose of raising revenue. Now we are requested to add an amendment which would do away with some revenue. Mr. President, I contend the amendment has no place in the bill, and in a few moments I expect to make a motion to table the amendment.

Mr. President, I am not here today speaking for the mining companies. I wish to speak for the thousands of miners who go down into the mines to produce the precious metals needed for the war effort; these men produced them during the First World War, during the Second World War, and they are producing them to fill our needs in the present war. Not only have they produced the metals which are needed for the national defense of this country, but they have produced the metals which are needed for commercial use in the United States.

We hear talk about the profits of the mining companies. We should certainly investigate the fabricators profits. Has anyone heard of any of them going bankrupt in the last year or two? I have not.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield to the Senator from Nevada.

BRASS FABRICATORS, PRODUCTS—15 TO 65 PERCENT AD VALOREM TARIFF

Mr. MALONE. Is the distinguished Senator from Arizona aware of the fact that the brass fabricators have demanded and have received—and no doubt it is necessary to maintain the American wage standard of living, and I agree that it is necessary—a 15 to 65 percent ad valorem tariff on all their manufactured and processed material?

FEDERAL GOVERNMENT DOES NOT PAY TARIFF

It has been shown that the Federal Government does not pay the tariff on such imports—and when a fabricator or manufacturer pays the tariff or import fee and then adds such fee to any product sold the Government—so it means as far as the Government is concerned, out of one pocket and into another.

Mr. McFARLAND. I thank the Senator for his contribution. I desire to make my remarks very brief, but I should like to call attention to one or two more matters before I make the motion I have mentioned. One point is that the miners have by the sweat of their brows helped develop the West, and in that manner have produced the copper which has aided in the development of industries in Connecticut, the great State which our distinguished colleague represents.

Not only they have done that, but in addition they have built fine homes on the sides of the mountains, and in the valleys between the mountains, as fine homes as will be found in the State of Connecticut. Those people are entitled to some consideration.

One has but to live in a mining State, and visit a town dependent on mining to know what it means to have a mine shut down. I wish to say here today, Mr. President, that it is not possible just to turn a mine off and on as one does a water faucet. There are mines today which, if they were shut down, would never open again. No one knows that better than the two Senators from the State of Colorado. Some of our mines would become watered, and it would be very expensive to open them, if they could ever be opened. At least they would not be opened for years and years.

If we expect to produce this precious metal that is needed in the United States we had better encourage our own people; we had better try to take care of some of the home folks who will help pay some of the taxes proposed in this bill.

Mr. President, I could proceed indefinitely regarding the effect of the proposed amendment but I wish to say just one or two more words in regard to meeting the needs for copper. Just what did the price dropping to 16 cents mean to the State of Arizona? What did it mean in the way of wages? All of the smaller mines closed down, and the larger part of them have not opened up again. The larger mines curtailed production. It meant a loss of $3,000,000 in wages paid to the people of Arizona.

Mr. President, this is a serious matter to the people of our States. We believe in living and letting live, but did we get any cooperation from the fabricators of Connecticut when the price went down to 16 cents? We did not. The drop in the copper price meant a loss of taxes to all the States producing copper not just a small loss, but a considerable loss. It is estimated by a tax official of the State of Arizona that the 1949 slump in copper demand cost the State over $2,250,000 in income taxes alone.

There are eight counties in Arizona in which mining is the major industry. It is significant that in the month of March 1949, those eight counties paid into the State treasury $181,501 in income taxes on mining products, yet in the month of September the same counties contributed $77,972, far less than one-half the amount paid at the time Congress enacted the 50-month suspension of the excise tax on foreign copper.

Mr. President, we hear talk about what copper could be produced in the United States, and whether we could meet the local demand. I wish to say just one word in regard to the Korean war in this connection. If present hostilities are of short duration, as we all hope and pray they will be, the copper needed to end the war has already been mined. If these hostilities end in world war III, then the United States Government will take over, just as it did in the last World War, buy the copper from every possible source, and of course there will be no tax paid. So the international situation is not an argument.

I call attention to a statement made by Mr. A. B. Parsons in behalf of the United States copper producers. He is an expert upon this subject. In the statement he gives these figures:

The potential capacity to produce copper in the United States at a cost of 16 cents per pound is 680,000 tons. The potential capacity at a cost above 16 cents per pound is 256,500 tons. The total potential capacity is 936,500 tons. The total expected demand is 900,000 tons. There is a total demand of 36,500 tons more than we would produce in the United States.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

PRODUCTION 1942 ABOUT EQUAL TO 1949 CONSUMPTION

Mr. MALONE. Is the Senator aware of the fact that during the war the price was frozen on copper at about 12½ cents per pound in this country, and during a part of that time we produced in the United States over a million tons per year?—and that is within about 100,000 tons of the domestic consumption in 1949. In other words, with the price now being paid, 22 to 23 cents and above, there is a good chance of our domestic production going well above the maximum we have ever produced through the opening of other mines.

As the Senator from Arizona well knows, in order to have little mines there must be prospectors, and in order to have big mines there must be little mines.

VENTURE PRIVATE CAPITAL VERSUS FEDERAL CAPITAL

To keep prospecting and exploration alive there must be a floor under wages and investments in the form of a tariff or import fee by law.

Venture capital will not invest in new enterprises on a subsidy or premium plan basis, but such capital will be available when that differential in cost of production between this country and the competitive nations is represented and established by law.

When we drive venture capital out of the field then we must appropriate Government funds for such prospecting and exploration work—with only a small percentage of the results that can be achieved through private capital investment. One mine out of every 500 prospects may turn into a small mine, and one out of every 200 little mines may turn into a big mine. So that if the workers and investors are not so protected then we stop the very thing we want to encourage, and that is private venture capital investments in new enterprises.

Also is the Senator aware of the fact that we produced over a million tons at 12½ cents during the war years, for example?—and that at 23 cents and above that such production could well go much above that figure.

IMPORTS NOT AFFECTED—EXCEPT BY INCREASED DOMESTIC PRODUCTION

It has been amply shown before the Senate Finance Committee, which rejected the "free trade" theory, that the foreign imports cannot possibly be affected except as our own domestic production may be increased.

We all know that increased domestic production is desperately needed since the Russian snorkel submarines could not only destroy the Chile deposits—but they could probably destroy 90 percent of the shipping from Africa and South America based on World War II records.

"FREE TRADE" WOULD DEFEAT OUR ANNOUNCED OBJECTIVE

The extension of "free trade" on this product would defeat our announced objective of increasing domestic production.

Mr. McFARLAND. I appreciate what the Senator has said. I am well aware of that. And it was produced because the mining companies were willing to help win the war, and it costs them money to produce copper at that price. They would prefer to wait for a better price to produce this amount of copper.

Some remarks have been made in regard to a new discovery of ore having been made in my State. I presume the reference was to the San Manuel discovery. It is true that is one of the largest discoveries in the United States, but it is a low-grade ore. It will cost $50,000,000 to bring the mine into production. Does anyone think any mining company is going to spend $50,000,000 unless the Congress of the United States is willing to give some assurance of stability of price?

Mr. President, I ask unanimous consent that I may yield briefly to the Senator from Georgia for an observation before I make my motion, without losing the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, I regret very much to be compelled to oppose the amendment submitted by the Senator from Connecticut [Mr. McMAHON] on behalf of himself and his colleague [Mr. BENTON], but, based upon the facts as I know them, and from developments that have taken place in the Senate Finance Committee, the only way to terminate the debate, without a very prolonged consumption of time, will be for the Senate to sustain the motion which the distinguished Senator from Arizona proposes to make. While I personally have favored the suspension of the tax on copper, and would act to suspend it now if I were in position to do so without needlessly and indefinitely delaying action upon the tax bill, I will be compelled, in the circumstances, to vote for the motion to lay on the table.

I am particularly happy to say, Mr. President, that that does not preclude the possibility of other action, but simply precludes action by the proponents of the amendment on this particular bill. I am satisfied that if we are to make any progress with the bill it will be necessary to adopt the motion to lay the amendment on the table.

Mr. McFARLAND. Mr. President, I thank the distinguished Senator from Georgia for his remarks. I think enough has been said here this afternoon to demonstrate that it would take days to go into the subject carefully, to give it the consideration it merits. Everyone who desires should have the opportunity to be heard, and we should have extensive hearings on the subject. The Finance Committee has already turned down the amendment in committee. Under the circumstances, Mr. President, I am hopeful that the Senate will adopt the motion I am going to make now.

Mr. President, I move that the amendment offered by the distinguished Senator from Connecticut [Mr. McMAHON], on behalf of himself and his distinguished colleague [Mr. BENTON], be laid on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Arizona. The motion is not debatable.

Mr. McMAHON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McMAHON. Is it in order for the Senator from Connecticut to suggest the absence of a quorum?

The VICE PRESIDENT. It is.

Mr. McMAHON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Martin
Anderson	Hoey	Millikin
Benton	Holland	Morse
Bricker	Humphrey	Mundt
Butler	Ives	Murray
Byrd	Jenner	Myers
Capehart	Johnson, Colo.	Neely
Chapman	Johnson, Tex.	O'Mahoney
Chavez	Johnston, S. C.	Pepper
Connally	Kem	Robertson
Darby	Kerr	Russell
Donnell	Kilgore	Saltonstall
Douglas	Knowland	Smith, Maine
Dworshak	Langer	Smith, N. J.
Ecton	Leahy	Sparkman
Ellender	Lehman	Stennis
Ferguson	Lodge	Taylor
Frear	Long	Thomas, Okla.
Fulbright	Lucas	Thomas, Utah
George	McCarran	Thye
Graham	McClellan	Watkins
Green	McFarland	Wherry
Gurney	McKellar	Williams
Hendrickson	McMahon	Withers
Hickenlooper	Malone	Young

The VICE PRESIDENT. A quorum is present.

The question is on the motion of the Senator from Arizona [Mr. McFARLAND] to lay on the table the amendment offered by the Senator from Connecticut [Mr. McMAHON] on behalf of himself and his colleague [Mr. BENTON].

Mr. McMAHON. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. DOUGLAS (when his name was called). On this vote I have a pair with the senior Senator from Arizona [Mr. HAYDEN]. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] and the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Arizona [Mr. HAYDEN] is absent on public business.

The Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from South Carolina [Mr. MAYBANK] are unavoidably absent on official business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on public business.

The Senator from Iowa [Mr. GILLETTE] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from Wyoming [Mr. HUNT] is paired on this vote with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from New Hampshire would vote "nay."

I announce further that if present and voting, the Senator from South Carolina [Mr. MAYBANK] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate on official business as a temporary alternate Governor of the World Bank.

The Senator from Maine [Mr. BREWSTER], the Senator from Wisconsin [Mr. McCARTHY], the Senator from Oregon [Mr. CORDON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Wisconsin would vote "nay." The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Wyoming [Mr. HUNT]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Wyoming would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Iowa [Mr. GILLETTE]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Iowa would vote "yea."

The result was announced—yeas 52, nays 22, as follows:

YEAS—52

Aiken	Johnson, Colo.	Neely
Anderson	Johnson, Tex.	O'Mahoney
Butler	Johnston, S. C.	Pepper
Byrd	Kerr	Russell
Chapman	Kilgore	Smith, N. J.
Chavez	Knowland	Sparkman
Connally	Langer	Stennis
Darby	Long	Taylor
Donnell	McCarran	Thomas, Okla.
Dworshak	McClellan	Thomas, Utah
Ellender	McFarland	Thye
Ferguson	McKellar	Watkins
Frear	Malone	Wherry
George	Martin	Williams
Gurney	Millikin	Withers
Hickenlooper	Morse	Young
Hoey	Mundt	
Holland	Murray	

NAYS—22

Benton	Hill	Lucas
Bricker	Humphrey	McMahon
Capehart	Ives	Myers
Ecton	Jenner	Robertson
Fulbright	Kem	Saltonstall
Graham	Leahy	Smith, Maine
Green	Lehman	
Hendrickson	Lodge	

NOT VOTING—22

Brewster	Gillette	Schoeppel
Bridges	Hayden	Taft
Cain	Hunt	Tobey
Cordon	Kefauver	Tydings
Douglas	McCarthy	Vandenberg
Downey	Magnuson	Wiley
Eastland	Maybank	
Flanders	O'Conor	

So the motion to lay Mr. McMAHON'S amendment on the table was agreed to.

ANNOUNCEMENT IN REGARD TO CONFERENCE REPORT ON FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. MAYBANK. Mr. President, I wish to state that the conferees on the Federal Deposit Insurance Corporation bill have just completed their work. The distinguished chairman of the conferees on the part of the House, Representative SPENCE, has asked me to bring up in the Senate the conference report and the resolution which must accompany it. The report and the resolution will be ready at 6 o'clock.

I am certain that the Senator from Ohio [Mr. BRICKER], the ranking Republican member of the conferees on the part of the Senate, who was here a few minutes ago, has signed the conference report. He, likewise, is very desirous of having the report considered and acted upon as soon as possible.

I simply wish to inform the Senate that at 6 o'clock the conference report together with the papers, including the resolution which necessarily must accompany it, will be brought to the Senate.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THYE. I am happy to yield to the distinguished Senator from Illinois.

Mr. LUCAS. I have no disposition to delay action on the conference report, Mr. President; but I notice that the House of Representatives apparently is pushing the Senate a little in connection with the various conference reports, because the House wishes to get away, and will get away, all next week, notwithstanding the fact that the Senate will be in session all next week, as well as tonight. It is my understanding that there will be no session of the House of Representatives next week, and therefore the House will not be in a position to take action next week on the tax bill.

I obviously cannot complain about anything the House does. That is their business. They can do whatever they desire to do. But the Senate is going to continue to work next week, because we have work to do. I regret very much that the conferees on the tax bill, important as it is, and as long a time as it may probably take to iron out a bill between the House and the Senate, will not be able to work next week.

Mr. MAYBANK. I have no intention of defending the House before the Senate, or the Senate before the House, but it was thought by the conferees, including the distinguished Senator from Ohio [Mr. BRICKER], the distinguished Senator from Vermont [Mr. FLANDERS], whom the Senator from Ohio represented by proxy, and the Senator from Virginia [Mr. ROBERTSON], that we should file a report tonight. The House cannot act on it until next week, but it would like very much to have the report tonight so that when Members of the House return they may act upon it. I desire to say that I shall be here Tuesday morning, come sun up. I understand the Senate intends to recess until 12 o'clock Tuesday. Come sun up Tuesday morning, I shall be here. I only want to report what the conferees desire to have done. The conference report will be here at 6 o'clock.

LEAVE OF ABSENCE

Mr. MARTIN, on his own request, and by unanimous consent, was excused from attendance upon the sessions of the Senate during the remainder of this afternoon and Tuesday next.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The VICE PRESIDENT. The bill is open for further amendment.

Mr. THYE. Mr. President, I wish to call up an amendment to the bill. Last evening I submitted an amendment which has been printed. I wish to modify the amendment by changing one word in particular, namely, changing the word "cattle" to the word "livestock."

I send to the desk the amendment as it is now modified, and ask that it be stated.

The VICE PRESIDENT. The amendment as modified will be stated.

The LEGISLATIVE CLERK. On page 111, line 7, it is proposed to insert "(1)" before "The."

On page 111, after line 12, insert the following:

(2) Section 117 (j) (1) is further amended by inserting at the end thereof the following new sentence: "Such term also includes livestock used for draft, breeding, or dairy purposes and offspring of such livestock, if such livestock were owned by taxpayer for more than 3 months.

On page 112, line 13, insert after the comma the following:

except the amendment made by subsection (b) (2) which shall be applicable with respect to taxable years beginning after December 31, 1949

Mr. THYE. Mr. President, last evening I requested that a letter which I had received from the Minnesota Livestock Breeders' Association be inserted in the RECORD. It is to be found on page 14160. I also inserted a telegram which I received from Mr. Armstrong, of Kingsville, Tex., which will also be found on page 14160. My reason for referring to the letter from the Minnesota Livestock Breeders' Association and the telegram from Mr. Armstrong is that in the letter and telegram they both ask for such a clarifying amendment of the tax law. The one reason for the need to clarify the question is discussed in a statement which I have prepared on the question.

In 1942, the Congress incorporated a relief provision into the Internal Revenue Code. This provision is section 117 (j) of the code and provides, roughly, that depreciable property used in the taxpayer's trade or business may be treated as a capital asset. If such property is held in excess of 6 months, only 50 percent of the gain derived from the sale of the property is includible as income in the taxpayer's income-tax return. In 1944 and 1945, the Commissioner of Internal Revenue issued two rulings to the effect that section 117 (j) of the Internal Revenue Code could be applied to the income derived from the sale of a farmer's livestock which was held primarily for draft, breeding, or dairy purposes. For about 3 years, the farmer treated the gain derived from the sale of his draft animals, cows, sows, ewes, and the like, as gain derived from a sale of long-term capital asset under section 117 (j) of the code. Accordingly, if the farmer, during the taxable year, sold, for example, $2,000 worth of raised dairy cows, only $1,000 of the gain derived from these cow sales would be includible in his income-tax return.

In February 1947, the Commissioner stated that his collectors had misinterpreted his rulings as to the application of section 117 (j) to the farmer's dairy or breeding livestock. He ordered his collectors and deputy collectors to reaudit all farm income-tax returns which had utilized the provisions of section 117 (j) as applied to the farmer's dairy or breeding livestock. Consequently, farmers were called in for these audits, deficiency taxes were assessed, and interest on the deficiency was charged at the rate of 6 percent per annum from the due date of the return.

In an effort to clarify the Commissioner's 1947 ruling as to the application of section 117 (j) to the farmer's livestock, four test cases were taken into the courts. The case of R. W. Albright against United States was taken into the United States district court and the cases of Isaac Emerson against Commissioner of Internal Revenue, Leslie S. Oberg against Commissioner of Internal Revenue, and Fawn Lake Ranch Co., against Commissioner of Internal Revenue were taken into the United States Tax Court. The Government prevailed in the United States district court in the Albright case, and the taxpayer appealed to the Eighth Circuit Court of Appeals. On March 10, 1949, the circuit court of appeals reversed the district court and held in

favor of the taxpayer. The court held that the Commissioner's interpretation of section 117 (j) was arbitrary and unwarranted, and that the farmer taxpayer was entitled to use the relief provisions of this section in the treatment of the gains derived from the sale of his draft, dairy, or breeding livestock. On May 27, 1949, the United States Tax Court decided the Emerson and Oberg cases in the taxpayers' favor, and on June 27, 1949, the same court decided the Fawn Lake Ranch Co. case in the taxpayer's favor.

The situation, as it now stands, is that in all four cases in which the question has been determined by the courts, the courts have uniformly held that the Commissioner's interpretations were unwarranted, arbitrary, and clearly wrong, and that the farmer taxpayer was correct in applying the provisions of section 117 (j) of the code to the gain derived from his sales of draft, dairy, and breeding animals.

Cases similar to the Albright case are being litigated in the jurisdiction of other circuit courts of appeals. Pending further clarification in the circuit courts of appeals, the Bureau of Internal Revenue has stated that it will not follow the Albright decision, and will continue to litigate appropriate cases.

Thus, the Commissioner of Internal Revenue has refused to accede to the decision of the circuit court of appeals and it is now a responsibility of each individual farmer to carry his case to court.

It is for that reason that I have introduced this amendment. The average farmer is in no financial position to go to court to determine what his tax status is.

So, Mr. President, I need say no more except that I think it is a reasonable and fair amendment.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. LANGER. Can the Senator give us the approximate dates of the decisions of the courts to which he has referred?

Mr. THYE. I cannot. But one case was in Minnesota. The Albright case was in Kenyon, Minn., and was tried in the year 1948. It is all a matter of record, but the fact is I did not look up the dates.

Mr. LANGER. The Commissioner of Internal Revenue has had all the time in the world since 1948 to reverse his position.

Mr. THYE. Yes. I directed a letter to the Internal Revenue Bureau in Washington, and it is to be found on page 13958 of the RECORD. At that particular time I asked the Internal Revenue Collector the specific question, and the Collector wrote a letter to me, dated March 16, 1950. My letter to him was written on January 9, 1950, and in it I reiterated the question I had asked in October relative to these specific court cases.

Mr. LANGER. Did the Commissioner of Internal Revenue appeal the case to the Supreme Court of the United States?

Mr. THYE. No. It is left for the farmer to do. The Commissioner has done nothing in the matter. The farmer is receiving no benefit or relief. The only way the farmer can proceed is to take the question to a higher court, because the Circuit Court of Appeals of the Eighth Circuit sustained Mr. Albright, but the Internal Revenue Department pays no attention to the court's decision.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. HICKENLOOPER. With reference to the question which the Senator from North Dakota raised, I am familiar with the Albright or Albrecht case. I have a constituent in northern Iowa by the name of Albrecht. My client's name is very similar to the one which the Senator has mentioned. My correspondence file is in the Senate Finance Committee at this time.

Mr. THYE. The name of the man I have been discussing is Albright.

Mr. HICKENLOOPER. It is the Albright case, then, that was decided by the eighth circuit court in favor of the farmer. The Government let the appeal time go by in that case, and there was no appeal taken, so that the decision of the eighth circuit court has stood without appeal and with no appeal possible from it, and it stands virtually as the law of the eighth circuit and has so stood for over 2 years.

In the case of Albrecht, which is the name of my constituent, who has a similar case, I have a letter in my file from the Collector of Internal Revenue saying that the eighth circuit decision is exactly applicable to the case of my constituent, but the Bureau does not agree with the eighth circuit decision. Therefore, it will not be bound by it and will not change the regulation. My constituent lives in the eighth circuit under the jurisdiction of the very court which decided the question and there can be no question that the Bureau is arbitrarily refusing to be controlled by or to follow the decision of the circuit court in that district. They admit in writing that it is exactly the same kind of a case, but they say simply that they will not follow the court.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. ANDERSON. With reference to the Senator's amendment, I think it affects the entire livestock industry. When a farmer sells a cow that is in the mother herd, he is entitled to take capital gains, under a recent decision, but the Senator's amendment provides for "offspring of cattle owned by taxpayer for more than 3 months."

That means that every time a range cow drops a calf, and the range cow has been held more than 3 months, when the calf is sold the capital-gains tax is applicable, and the farmer pays 25 percent regardless of net income. I wonder if the Senator meant so to provide by this amendment, or whether I have misinterpreted his amendment.

Mr. THYE. It refers to cattle used for breeding purposes.

Mr. ANDERSON. There cannot be a calf on the range except from a breeding cow.

Mr. THYE. That is correct. If the Senator will wait a moment I can make an explanation. It is the intent, of course, that it shall be breeding stock. I would invite the Senator's attention to page 13958 of the RECORD of yesterday, containing a letter from Mr. Tom R. Armstrong, of the King Ranch, Mr. Kleberg's ranch, in Texas. Certainly that is in a cattle-producing area. He speaks in the same identical manner. A heifer calf going to the feed lot to be fed for the purpose of slaughter would not be recognized as foundation or breeding stock, but any animal which has served its purpose as a breeding animal and is no longer going to be used for the rebuilding of a herd, but is going to the slaughter yards as a cull cow, would be recognized as one which would come under the capital-gains tax rather than the income tax. The swine breeder who purchases a brood sow and uses her to raise several litters of pigs, and she goes to the slaughter yard after the machine is worn out, so to speak, because she is no longer a profitable producer, is in the same situation. If she is listed by the producer as an income item rather than a capital-gain item, the farmer is certainly going to be put at a disadvantage in reporting and paying his taxes.

Mr. ANDERSON. I understand that. I agree with the cattlemen in my State, but there is a ruling by the Internal Revenue Bureau to the contrary. They are setting up their breeding stock, and, after it is no longer useful as breeding stock and is sold, it is charged against capital gains. But the amendment says:

> Such term also includes cattle used for breeding or dairy purposes.

Then it goes on to refer to offspring of cattle owned by the taxpayer for more than 3 months.

What does that cover? Does it include the cow and the calf?

Mr. THYE. If the calf is kept on the premises as a breeding heifer and has served its purpose in the course of the life of the animal, she would have to be recognized as a breeding animal. I think if the Senator will discuss the question with a livestock man or with an attorney representing livestock men, the Senator would see without any question what the thought is, and what we are endeavoring to do by that language. The language may be wrong. If the language is wrong, I say to the able Senator from New Mexico that nothing would please me more than that he put his very able brain into correcting the language. But we are not going to correct the situation, so far as the producer is concerned, by rejecting the amendment because of some minor flaw in the language.

Mr. ANDERSON. I do not think it is a minor flaw. If the farmer plants seed in the ground and harvests a crop 6 months later and sells it, that is not a capital gain.

Mr. THYE. The Senator knows definitely that if the farmer is keeping a calf for the purpose of breeding, it is not going to be sold immediately.

Mr. ANDERSON. Oh, no.

Mr. THYE. If the Senator is a livestock rancher, and he has a herd, we

will say, of 50 head, and he has 25 heifer calves dropped from that herd, and he proposes to keep at least 15 of those heifers to rebuild his herd, the cull cow that goes out, which has already worn itself out, and therefore is part of the worn-out machine, is listed as a capital gain. The heifer that goes in to replace the female animal will then go into and be a part of the breeder's herd. The surplus heifers which may be sold along with the steer calves as feeder stock going into the feed lots or slaughter yards would be listed as income of the farmer. I believe the Senator knows that that is the normal operation of a rancher. It is certainly the normal operation of a dairyman and it is certainly the normal operation of a swinebreeder, as well as the normal operation of a man who handles sheep. It is simply a normal transaction. An animal retained on a farmer's premises as a female is naturally for reproduction or breeding purposes. Any animal which is sold to go into feed lots or slaughter yards would naturally be considered as income to the farmer. That is the entire story. Otherwise, I do not know how we would establish the original ownership of the heifer unless mention of it were made somewhere in the act. How did the producer obtain the calf? How long has he had the calf in his possession? Those are questions that must be answered.

Mr. WITHERS. Mr. President, will the Senator yield?

Mr. THYE. I am glad to yield.

Mr. WITHERS. I am in wholehearted accord with the Senator's view, but I am a little confused by the language of the amendment. I wonder whether the Senator refers to offspring used for breeding purposes. I do not understand what is meant by that portion of the amendment. Is it offspring used for breeding purposes?

Mr. THYE. It could not be considered in any other sense, because if a man sells a yearling or a 6-month-old heifer, the man who buys the heifer will have to establish how he acquired the heifer. He will have to tell that to the internal-revenue collector when the revenue collector examines his report. But the man who retains the heifer on his premises will not report her, because he is not selling. He has no income to report on the heifer which is held or retained. It is established through a report on the matured heifer calf when it is sold in later years, when it appears that the farmer has owned the animal from the time that it was a calf, or it appears that the farmer had acquired that animal by purchase when it was 6 months old, 2 months old, or 3 months old. I think I am on the right track. I may be a little wrong in the technicality of the language, but I think it can be corrected.

Mr. ANDERSON and Mr. WITHERS addressed the Chair.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator yield; and if so, to whom?

Mr. THYE. I yield to the Senator from New Mexico.

Mr. ANDERSON. Will the Senator clear up one point? On my place I have some cattle which are now on feed; some are cattle I have bought at sales, and I also have some calves which have been dropped by my own cows. I recognize that the cows which I have used for breeding purposes and will sell fat this fall may be regarded as capital gains. However, will the calves which those cows have dropped, and which I will also sell fat this fall, be regarded as capital gains under the amendment?

Mr. THYE. The fact of the matter is that the Senator would be selling his fat cattle, so that they could not be recognized as a capital gain, because he could state in his own mind that they were breeding stock, and were not old foundation breeding stock.

Mr. ANDERSON. Two kinds of cattle are used for breeding and dairy purposes. The Senator understands that I can sell a Holstein——

Mr. THYE. Yes.

Mr. ANDERSON. I can get $200 for an old, worn-out Holstein.

Mr. THYE. Yes.

Mr. ANDERSON. I can sell cattle which is about to be discarded and regard it as a capital gain.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ANDERSON. I can also sell the range cattle to be used for breeding purposes. However, what do I do with the offspring "owned by the taxpayer for more than 3 months"? Do I regard them as capital gains? If so, I shall want to reform my whole farming operations.

Mr. THYE. The mere fact that they have never borne a calf would immediately find the Senator in difficulty with the revenue department if he said, "It is a part of my breeding stock," because the revenue department surely would recognize that a heifer or steer could not be classed as breeding stock because they had never been used by the Senator as breeding stock, and they have never borne a calf. Therefore they would be recognized as income.

Mr. ANDERSON. But they would be offspring of cattle owned by a taxpayer for more than 3 months. I have owned the mother cow for more than 3 months.

The PRESIDING OFFICER. The Senate will be in order.

Mr. THYE. The amendment says "breeding." Therefore it is for reproduction purposes. It is the reproduction purpose which we are endeavoring to protect for the producer.

If a producer has had a dairy cow in his barn for 5 years, and that dairy cow has monthly produced an income, which the farmer reported and paid a tax or a revenue on, and that machine is worn out, why should that producer be compelled to again pay a tax as if it were income, when in reality it was part of the machine that had been earning that man the income on the farm, on which he had been taxed for many years. That is the argument. At the present time the producer is required to pay a tax on the sale of this worn-out animal, whether she is a beef-producing cow or whether she is a dairy-producing cow. If the language is wrong so far as the description of the calf is concerned, let us amend it.

Mr. LANGER. I should like to suggest an amendment to the Senator's amendment, if he would be willing to yield.

Mr. THYE. Yes.

Mr. LANGER. In line 7 of the Senator's amendment I propose to insert after the word "months" the words "and are to be used for breeding purposes."

Mr. ANDERSON. If the Senator will yield.

The PRESIDING OFFICER. The Senator has yielded to the Senator from North Dakota.

Mr. THYE. I am always glad to have the comment of the able Senator from New Mexico, because I know he is sincerely attempting to help us iron the difficulty or the objectionable feature of this amendment.

Mr. LANGER. I think my amendment would satisfy both Senators.

Mr. THYE. Does the Senator from New Mexico concede that such a revision might clarify the situation?

Mr. ANDERSON. No, because the language "used for breeding or dairy purposes if such cattle were owned by taxpayer for more than 3 months or were offspring of cattle owned by taxpayer for more than three months" is unnecessary. The Senator knows that the cattle association has been trying to regard the entire cattle operation as a capital gains transaction. I am afraid this would do it. If it were merely to take the mother cows, when they are worn out and sold, and regard that sale as a capital gain, even though I personally think it is questionable, I am very glad to say it ought to be done. When an operator of a dairy enters on his books a calf at $5 when the calf goes into the dairy, and he can sell that cow 10 years later for $200, my conscience is not disturbed if the sale is regarded as a capital gain, but if the whole calf crop is to be regarded as such, I will be against the amendment.

Mr. THYE. I will say to the Senator from New Mexico that it is not my intention to make it possible for a livestock breeder to avoid paying taxes on anything other than his breeding stock which has worn itself out earning revenue, not only for the farmer, but for the United States Treasury. On any piece of equipment which is worn out a farmer has always been permitted, first, to take his depreciation on it, and secondly, recognition is given any capital gain.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. THYE. I yield to the Senator from Georgia.

Mr. GEORGE. Under the amendment as drawn, it is very clear that a breeder of dairy cattle, and having other cows as well, might regard all of them as offspring of cattle held by him for 3 months. Section 117 (j) was intended to apply to articles held in trade or business and for the purpose of trade or business. I would think that a court would be justified in holding that breeding stock was held for trade or business. It would not be stretching it too much to say that the offspring of cows held for breeding purposes, or swine held for breeding purposes, might be included, but the way

the Senator has his amendment drawn, it covers the offspring of cattle held by the taxpayer for more than 3 months, and it is pretty hard to say even that cattle must have been held in connection with his trade or business as a breeder of cattle, or as a dairyman producing milk and butter and dairy products. It is a very broad amendment. In the Finance Committee we were told that the stock people, the dairy people, and the cattle breeding people, were willing to leave the matter under existing law. Confessedly there is some confusion in the existing law in that there has never been a final decision of the Supreme Court of the United States on this question, but it does seem to me that if the amendment were restricted to cattle used for breeding purposes and for dairy purposes, and the offspring of such cattle only, it might be much more reasonable than to make it possible for anyone to have a large herd of cattle and claim that all of them were held for trade or business.

Mr. THYE. Mr. President, it is not my intention, I assure the able Senator from Georgia, to write an amendment into the tax law which would do other than deal with just the animal that has been strictly held as a machine for reproducing, or to assist the producer in making a revenue. That is the only purpose of the amendment. It would clarify the question, which is highly confusing, and I say that for the reason that on February 24, 1950, the Minnesota Livestock Breeders Association wrote me and asked that such a clarification be written into the tax law. On August 6, 1950, Mr. Tom R. Armstrong wrote me about the very same question; and Mr. Armstrong is of the King Ranch, the big ranch we have heard about.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. THYE. I yield to the Senator from New Mexico.

Mr. ANDERSON. The King ranch is separate from Tom Armstrong's ranch. The Armstrong ranch neighbors the King ranch, but both Mr. Kleberg and Mr. Armstrong are large producers of cattle.

Mr. THYE. I have been on the King ranch, and I have been in an automobile with both Mr. Kleberg and Mr. Armstrong, and both of them acted as if they were part owners of the King ranch.

Mr. ANDERSON. Armstrong?

Mr. THYE. As I understand, Armstrong is a brother-in-law of Kleberg of the King Ranch, if we want to become technical on that point. I am not about to read Mr. Armstrong's letter for the purpose of being technical. I am reading it merely to show the views of a livestock breeder from Texas, living at Kingsville, Tex. I have met Mr. Tom R. Armstrong on his own premises, and I thought that he was a part of the King Ranch. I may be entirely in error, but that is neither here not there. Mr. Armstrong writes me and states, under date of August 6:

> The Treasury is again pressing upon Congress this time through the Senate Finance Committee an amendment of section 117–J of the Internal Revenue Code calculated to deprive farmers and ranchers of capital gains limitation upon the taxation of gains from the sale of their breeding cattle.
>
> In a long series of decisions beginning with the Albright case in the court of appeals, eighth circuit, the courts have without exception held that breeding cattle owned by a cattle raiser are a part of his machinery of production and that as such they are to be treated for tax purposes in the same manner as the machinery of production of any other producer of goods. Accordingly, the courts hold that gains from the sale of breeding cows and bulls are to be treated like gains from the sale of other capital assets. The Treasury contends that this allows a loophole in that the Treasury cannot tell which cattle are breeding cattle and which are held for sale in the ordinary course of the farmers' and ranchers' business. No person familiar with cattle raising has any difficulty in distinguishing between the two types of cattle; in fact nature has marked them indelibly as producers. The Treasury's difficulty in doing so is due to their lack of understanding of the cattle business and their lack of knowledge should not form a basis for the denial to farmers and ranchers of the same tax treatment as is accorded to all other producers.
>
> The Treasury contends that because the cost of maintaining breeding cattle is deductible to the cattle raiser as an ordinary expense that the gain from the sale of breeding cattle should be ordinary income. The fallacy in this argument is that the current expense which the cattle raiser deducts is not incurred in raising a cow which is already of breeding age but is incurred in maintaining her as a producing machine to produce calves, the proceeds of the sale of which are recognized to be ordinary income. I earnestly solicit your opposition to the amendment proposed to section 117–J of the Internal Revenue Code.

Of course, Mr. President, the amendment is intended to clarify. I shall not press this matter further, because we could debate and discuss it at length. In the event the language relative to calves is vague and questionable, the technical phase of it can be very easily cleared up, but I believe everyone will concede that the profit made on the worn-out dairy cow which has served its purpose should be recognized as capital gains when it is sold and the producer reports the sale. The same comment applies to the beef cow which has worn itself out on the range, as well as to the breeding swine; and to the ewe.

Mr. President, that is all I care to say, and I yield the floor.

Mr. MILLIKIN. Mr. President, will the Senator yield.

Mr. THYE. I shall be very glad to yield to the distinguished Senator from Colorado.

Mr. MILLIKIN. Would the Senator be willing to accept the suggestion made by the distinguished chairman of the Committee on Finance that the amendment should apply to the offspring of cattle held by a taxpayer for more than 3 months for breeding purposes?

Mr. THYE. For breeding purposes.

Mr. MILLIKIN. Would the Senator be willing to accept that?

Mr. THYE. Definitely.

Mr. MILLIKIN. It has been explained that the date in the second paragraph of the amendment will add great confusion to the cases which are pending in the courts. Would the Senator be willing to modify his amendment so that the second paragraph would read:

> On page 112, line 17, to insert a new sentence reading as follows, "The amendment made by subsection (b) (2)—

That is the main section of the amendment—

> shall be considered a part of section 117 (2) from the date of the enactment of said section 117 (2).

That would afford a rule of law for the cases pending in courts, and which are causing so much confusion.

Mr. THYE. Not being a lawyer, I naturally have to be exceedingly careful, because I might accede to something I did not know anything about. But I trust the very able ranking minority member on the committee, and know he will not try to confuse me on any legal technicalities I would not understand. All I am interested in is that if someone has fought through the courts to establish himself, he shall not be placed in jeopardy by some legal provision we might place in the law.

Mr. MILLIKIN. This matter in its present stage would not be in conference. It occurred to me that if we got something into conference, it could be adjusted there. I am merely trying to help the Senator so that we can get through with this matter and fix it up here.

Mr. THYE. I trust the able Senator from Colorado, who knows more about how this matter should be handled, because he is a very able attorney. I trust to his good judgment to write it in such a manner as to protect the livestock breeder adequately.

The PRESIDING OFFICER. Does the Senator from Minnesota offer his amendment now?

Mr. THYE. I do, Mr. President, offer the amendment as it has been clarified by the very able Senator from Colorado [Mr. MILLIKIN] and also by the very able suggestions of the Senator from Georgia [Mr. GEORGE].

The PRESIDING OFFICER. Does the Senator wish his amendment as modified, now read at the desk?

Mr. THYE. I am afraid the clerk has not been able to correct the amendment in the manner it should be corrected.

The PRESIDING OFFICER. Does the Chair understand that the modified amendment is prepared?

Mr. GEORGE. I wanted to get the amendment in proper shape. So far as the effective date of it is concerned, I think that is clarified. As I understand, the amendment would then read:

> Section 117 (j) (1) is further amended by inserting at the end thereof the following new sentence:
>
> "Such term also includes cattle used for——"

Mr. THYE. Mr. President, when I first submitted the amendment—and it is now in the hands of the clerk—the word "livestock" was used, rather than "cattle." If the word "cattle" is used, it would not apply to swine, and would not apply to sheep. We know definitely that the swine breeder and the sheep breeder is just as much entitled to consideration

as is the man with the dairy cow or the beef cow.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. ANDERSON. Do I understand that this includes sows also?

Mr. THYE. Those raised by swine breeders.

Mr. ANDERSON. Would it include poultry?

Mr. THYE. There is nothing in the language that says anything about poultry, so far as I know.

Mr. ANDERSON. Poultry is not regarded as livestock? And sheep?

Mr. THYE. Sheep I mentioned. Swine I mentioned.

Mr. ANDERSON. Horses?

Mr. THYE. Horses are draft animals, and certainly the Senator would concede that a horse that has pulled the plow all his life and goes to the pound is entitled to be considered as a capital gain.

Mr. ANDERSON. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. The Senator from New Mexico has not been recognized. The amendment is in the process of being rewritten.

Mr. THYE. The Senator from New Mexico was asking questions. I believe I still have the floor.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. THYE. Before I yield the floor I wish to say only one word. Of course, the motion to lay on the table is not debatable. All I can say is that there is a confused state of affairs so far as the producer is concerned, and it should be clarified.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. HICKENLOOPER. In line with the statement made by the Senator from Minnesota, I wish to say that in the several cases brought in the courts, the courts have found in favor of the taxpayer, that is, in favor of the capital-gains theory. The law has been pretty well established in several circuits of the country, that is, the courts have sustained the capital-gains theory of taxation.

Mr. THYE. Certainly.

Mr. HICKENLOOPER. The curse of this matter is that the Bureau of Internal Revenue adamantly refuses to obey the mandates and the findings of the circuit court of appeals in the various circuits of the United States.

Mr. THYE. The Senator from Iowa is absolutely correct in that statement. That is the reason why I have submitted the amendment.

Mr. HICKENLOOPER. Mr. President, will the Senator yield further?

Mr. THYE. I yield.

Mr. HICKENLOOPER. I ask the Senator if he does not think that it is a most unusual situation when Government agencies can defy the holdings of the courts of last resort? When a case goes to the Circuit Court of Appeals in a certain circuit, and a decision is rendered, and no appeal is taken, and the time for appeal goes by, that becomes the decision of the court of last resort, because the parties can go no further when they pass up the appeal period.

Mr. THYE. The Senator from Iowa is a very able lawyer. He knows of what he speaks. He is familiar with the cases I have read into the RECORD. The Senator is absolutely correct in his statement.

Mr. HICKENLOOPER. Just one other step. What can be said when a department of the Government defies the courts of the United States.

Mr. THYE. They have defied them.

Mr. HICKENLOOPER. Permit me to proceed.

Mr. THYE. I am sorry.

Mr. HICKENLOOPER. What can we say when a department of the Government can defy the courts of the United States? If the private citizen refuses to conform to the mandates of the circuit court of appeals of the United States, I think the Senator is well aware of what will happen to that private citizen when the wrath of the court descends upon him. If the Government agency would only conform to the decisions of the Federal circuit court of appeal so long as they stand as the last words of the courts, there would be very little trouble about this matter, because the Senator's problem would be solved. But I think he is confronted with the failure and refusal of the Government departments to obey the laws of the United States.

Mr. THYE. I should like to be able to comply with the suggestion made by the able Senator from Colorado [Mr. MILLIKIN] relative to how the amendment should be modified. If the Senator can write the language in such manner that it meets with the approval of the able Senator from New Mexico [Mr. ANDERSON], very well. I am a little bit unhappy to think that the amendment may be tabled and that we shall not have an opportunity to carry it to conference, where the questions can be ironed out.

The PRESIDING OFFICER. In the interest of enlightened procedure here would the Senator like to have his amendment now read, as modified?

Mr. ANDERSON. Mr. President——

The PRESIDING OFFICER. The Chair would like to have the pending question presented to the Senate. May the Chair have the amendment, as modified, stated?

Mr. THYE. I am most happy to have that done.

The PRESIDING OFFICER. Does the Senator have the amendment, as modified, before him?

Mr. THYE. The modification I had in mind was that suggested by the able Senator from Colorado [Mr. MILLIKIN] and also as suggested by the Senator from Georgia [Mr. GEORGE].

The PRESIDING OFFICER. The amendment, as modified, has not been stated.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. ANDERSON. I completely subscribe to what the Senator from Minnesota has said about dairy cattle. I completely subscribe to what he has said about the range cattle which are on the range, which have outlived their usefulness and the breeding stock is now being sold. I know about the court cases to which the Senator has referred. If the Senator would cover only such animals he would clarify the situation. I have had long association with the Senator, and have a deep appreciation of his fairness. But I want to say to him that when he adds livestock he brings in some new elements. He brings in the question of the person who is raising horses for breeding purposes. He brings in the question as to whether or not all swine are to be included. The life span of the sow is quite different from the life span of the dairy animal or the range herd. He brings in the question of sheep, as to which from time immemorial it has been the practice to take the slick mouth ewes when they are 3 years old and move them into the market. This puts them on the capital gains basis. If my distinguished colleague would only confine the amendment to what his amendment calls for, and strike out the words "or were offspring of cattle owned by taxpayers for more than 3 months," which frightens me, I think it would be something that could be carried to conference. The distinguished Senator from Colorado [Mr. MILLIKIN] can help work it out, as can the Senator from Nebraska [Mr. BUTLER], who is very familiar with the subject. Other Senators are familiar with it.

I should like to see established the principles for which the cattle organizations have been pleading. I think they should be extended to the dairy herds, the other breeding stock, or the cow that has been in the barn for 8 or 10 years as a dairy animal, which may then be sold and be regarded as a capital gain, because the money has come out of that product just the same as out of a manufactured product.

Mr. THYE. Mr. President, realizing that the minutes are rapidly slipping away, and that we have much labor before us, and realizing the full fairness of the men who will serve on the conference committee, and realizing the complete fairness of the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN], if they can assure me that they will take the amendment to conference and work it out in some manner so we can clarify this questionable tax feature for the producer, I am confident that they will come back with a report which will be acceptable to us.

Mr. GEORGE. Mr. President, let me suggest——

Mr. THYE. I yield to the Senator from Georgia.

Mr. GEORGE. I suggest to the Senator from Minnesota that if he will strike out the word "livestock" in the amendment, and insert the word "cattle," I suppose there will be no objection to the amendment. I do not know what would be the result of an amendment like this, in the way of loss of revenue, if the amendment relates to all the livestock family.

So, if the Senator will modify his amendment, by striking out the words "an offspring of such livestock if such livestock were owned by taxpayer for more than 3 months," and so forth, and

then will include the provision in regard to the effective date of the act—the latter provision being wholly unobjectionable, and, in fact, helpful—I shall be willing to take the amendment to conference.

However, if the amendment remains in its present form, I could not agree to do that.

So if the Senator will strike out that language, and will simply confine the effect of the amendment to the mother herd, in the case of cattle, and then will include the provision in regard to the effective date, so that the amendment will not actually militate against persons who now have in court cases which have not yet been determined, we shall be able to take the amendment to conference, and that will give us an opportunity to work out the matter in conference. Inasmuch as the House had nothing on this precise point in the House text of the bill, therefore in order to get the matter to conference it is necessary for the Senate to agree to some amendment on this subject.

Mr. THYE. Mr. President, I am very happy to agree to the suggested modifications which have been stated by the Senator from Georgia.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Without objection, the amendment will be modified accordingly.

The question is on agreeing to the amendment, as modified, submitted by the Senator from Minnesota.

Mr. WILLIAMS. Mr. President, I do not think there is any question about the effect of the amendment. I agree with the Senator from New Mexico that when we use the word "livestock" in this connection, we include all livestock, all types of farm animals, including cattle, sheep, hogs, horses, rabbits, poultry, and all other types and kinds of farm animals. The result of agreeing to the amendment as modified will be that the entire broiler industry in my State will have its income from such sources taxed at the capital-gains rate, instead of at the normal income-tax rate. And, Mr. President, if such preferential treatment is to be given to the producers of some forms of livestock, the same preferential treatment should be extended to all producers of all kinds of livestock.

It is obvious that such an amendment would result in great loss of revenue. It is unfair to other taxpayers and I will not support it.

Therefore, I now move that the amendment, as modified, be laid on the table.

Mr. THYE. Mr. President, it was for that reason that I conceded that I would wish to have my amendment handled in the conference by the able chairman of the committee, in order to have the conferees work out the exact details of the amendment.

Mr. WILLIAMS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. I have moved to lay the amendment, as modified, on the table and that motion is not debatable.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Did the distinguished Senator from Minnesota yield for the purpose of permitting the motion to table to be made? I do not believe he did.

Mr. WILLIAMS. Mr. President, I thought I was recognized.

If the Senator from Minnesota wishes to make another speech, I shall withhold the motion.

The PRESIDING OFFICER. The Senator from Minnesota had not yielded the floor.

Mr. THYE. Mr. President, I now yield the floor.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. THYE. I shall be glad to reply to a question, if I can.

Mr. DOUGLAS. Since this bill is supposed to be a revenue-increasing bill, I should like to ask the very able Senator from Minnesota how much additional revenue would be brought in by means of his amendment.

Mr. THYE. Mr. President, of course the Senator from Illinois knows the answer to that question; he knows it altogether too well.

I say to the Senator from Illinois that this amendment would not bring in any revenue, but it would certainly alleviate many and many a headache.

Mr. DOUGLAS. Would the amendment decrease the total revenue to be raised by the bill?

Mr. THYE. The amendment would not decrease the revenue; but if the Bureau of Internal Revenue attempted unjustly to exact the payment of a tax from a livestock producer, after a court had ruled that such toll should not be levied against him, I do not think anyone would classify such an attempt on the part of the Bureau of Internal Revenue as an attempt to raise revenue.

Mr. DOUGLAS. Would the effect of the amendment be to apply the lower capital-gains-tax rate to such income, rather than the higher normal-income-tax rate?

Mr. THYE. If the income tax of such a livestock producer, based on the normal-income-tax rate, were to amount to $1,000, let us say, and if his income were sufficiently large, of course the result of adopting the amendment would be that he would pay his tax on the basis of the capital-gains rate, rather than on the basis of the normal-income-tax rate, and the result would be decrease in the amount of the tax that livestock producer would pay. In such case, adoption of the amendment would result in a decrease in the amount of revenue obtained.

Mr. DOUGLAS. Therefore, would not the effect of the amendment be to reduce the income taxes which would be paid by large stock breeders?

Mr. THYE. In certain instances where such a person's income was high enough, taxation under the capital-gains rate, instead of under the normal-income-tax rate, adoption of the amendment would result in a reduction of his tax; and in such case, of course, the Treasury would lose money.

However, if such a tax would be an unjust tax, unjustly levied, no one would expect such a tax to be levied or imposed on the taxpayer.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. THYE. I yield for question.

Mr. DOUGLAS. The Senator from Minnesota is very gracious.

Is it not true that as long as the stock raiser's income was less than $18,000 a year, if he were single, $36,000 if married, there would be very little advantage to him as a result of adoption of the amendment. But if his income exceeded $18,000 a year, if single, and $36,000 a year if married, then the amendment, if adopted, would enable him to pay a much smaller tax, by virtue of the fact that in such case he would pay his tax on the basis of the capital-gains rate, rather than on the basis of the normal income-tax rate. The result would be a loss to the Treasury and a benefit, as I have said, primarily to the large stock raisers. Is not that correct?

Mr. THYE. Mr. President, there are several technical questions which could well be raised in connection with the question asked by the very able junior Senator from Illinois.

We must recognize that what the Senator from Illinois is attempting to establish is that we should not be worried about taxpayers whose incomes exceed $18,000.

However, assuming that such a taxpayer were in the process of closing out his livestock operations, the effect of the bill, if it did not include my amendment, might be to require such a taxpayer to pay a much larger tax, because in such case he would pay his tax on the basis of the normal income-tax rate, rather than on the basis of the capital-gains rate.

I wish to say that I have yielded the floor, Mr. President; and I am trying to get out of the debate, so that the Senate can act on this amendment, as modified.

The PRESIDING OFFICER. The Senator from Minnesota declines to yield further.

The question is on agreeing to the modified amendment of the Senator from Minnesota.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS. Mr. President, am I recognized in my own right?

The PRESIDING OFFICER. Yes.

Mr. WILLIAMS. Mr. President, I thoroughly agree with the Senator from New Mexico that there is only one definition of the word "livestock," as he and I view the matter, and that is that the word "livestock" means all types and kinds of farm animals. Therefore the amendent now before us would apply to all income from all types and kinds of farm animals.

I shall vote against the amendment, because I do not think any of the livestock producers should be extended such preferential treatment.

Mr. President, in accordance with my previous statement, I now move that the amendment, as modified, be laid on the table.

Mr. THYE. Mr. President, may I make a comment?

The PRESIDING OFFICER. No, for the motion is not debatable.

Mr. THYE. Mr. President, if we can define——

The PRESIDING OFFICER. The Senator will desist, please, for he is out of order.

The question is on agreeing to the amendment, as modified, offered by the Senator from Minnesota.

The Senator from Delaware has moved to lay on the table the amendment, as modified.

That question is not debatable.

The question is on agreeing to the motion to lay on the table the amendment, as modified. [Putting the question.]

The "noes" seem to have it.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested, and therefore the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Maybank
Anderson	Humphrey	Millikin
Benton	Ives	Morse
Butler	Jenner	Mundt
Byrd	Johnson, Colo.	Murray
Chapman	Johnson, Tex.	Myers
Connally	Johnston, S. C.	Neely
Darby	Kerr	Pepper
Douglas	Kilgore	Russell
Dworshak	Knowland	Smith, Maine
Ecton	Langer	Smith, N. J.
Ferguson	Leahy	Sparkman
Frear	Lehman	Stennis
Fulbright	Lodge	Taylor
George	Long	Thomas, Utah
Graham	Lucas	Thye
Green	McCarran	Watkins
Gurney	McClellan	Wherry
Hendrickson	McFarland	Williams
Hickenlooper	McKellar	Withers
Hill	McMahon	Young
Hoey	Malone	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the motion of the Senator from Delaware to lay on the table the amendment, as modified, offered by the Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, now that we have had a quorum call, is it in order to ask that the amendment as modified be read for the benefit of Senators who were not present previously?

The PRESIDING OFFICER. The Chair believes that the Senate is entitled to a statement of the amendment.

Mr. WILLIAMS. Mr. President, the pending motion is a motion to lay the amendment on the table.

The PRESIDING OFFICER. But the Senate is entitled to know what the question is. The Chair can hardly state the amendment. It is an amendment which has been modified in form.

Mr. THYE. Mr. President, if the chairman of the committee, the Senator from Georgia [Mr. GEORGE] will read the amendment as he has it——

Mr. WILLIAMS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. I ask that the clerk read the amendment.

The PRESIDING OFFICER. The Senate will please be in order.

Mr. JOHNSON of Colorado. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Just a moment, please. Let the Chair make this observation. Of course, this is certainly not by way of censure, but it is a fact that the Official Reporters of Debates in the United States Senate report to the Chair that there is so much confusion on the floor during the debate that it is extremely difficult for them to understand what is said. Now, the Chair hates to make that statement, because the statement goes into the RECORD, where the public may read it, but the Chair can certainly verify what these efficient Official Reporters have come to the Chair and stated. It is a sad fact, it seems to the Chair.

Moreover, the clerk, in calling the roll, cannot tell whether, when the name of a Senator is called, there is a response. not for the sake of the occupant of the chair, but in the name of the parliamentary body which we are, let the Chair urge Senators to take note of the situation and not contribute to the confusion.

Mr. JOHNSON of Colorado. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Colorado. Is the question on a motion to lay on the table the amendment of the Senator from Minnesota as perfected by the Senator from Georgia [Mr. GEORGE] and by the Senator from Colorado [Mr. MILLIKIN]?

The PRESIDING OFFICER. That is the pending question. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. The amendment offered by Mr. THYE, as modified, is as follows:

On page 111, line 7, insert "(1)" before "The".

On page 111, after line 12, insert the following:

"(2) Section 117 (j) (1) is further amended by inserting at the end thereof the following new sentence:

" 'Such term also includes cattle used for breeding or dairy purposes if such cattle were owned by taxpayer for more than 3 months.' "

On page 112, line 17, insert a new sentence reading as follows:

"The amendment made by subsection (b) (2) shall be considered a part of section 117 (j) from the date of enactment of said section 117 (j)."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware [Mr. WILLIAMS] to lay on the table the amendment, as modified.

Mr. MUNDT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUNDT. Was not a vote had on that question, and did not the Chair announce the result in the negative?

The PRESIDING OFFICER. No. The Chair has not announced the result. The Chair merely said, "The 'noes' seem to have it." The question is on the motion by the Senator from Delaware that the amendment as modified be laid on the table. [Putting the question.] The "noes" seem to have it.

Mr. DOUGLAS. I ask for a division.

The PRESIDING OFFICER. The Senator from Illinois asks for a division.

On a division, the motion was rejected.

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested. Is the demand sufficiently seconded? The demand appears to be sufficiently seconded.

Mr. HOLLAND. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Was the decision of the Chair announced?

The PRESIDING OFFICER. The Chair announced that the demand was sufficiently seconded.

Mr. LUCAS. Did not the Chair announce the result of the vote on the motion to table?

The PRESIDING OFFICER. On a division the motion to lay on the table the amendment, as modified, was rejected.

Mr. WHERRY. That was the result, as announced by the Chair. Therefore, the yeas and nays are not in order, I suggest.

Mr. LONG. Mr. President, I suggest that the yeas and nays are in order on the question of agreeing to the amendment as modified, but not on the motion to table.

Mr. LUCAS. Mr. President, I am asking for the yeas and nays on the amendment.

Mr. WHERRY. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota, as modified, on which the yeas and nays are demanded.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. ANDERSON. Mr. President, does the amendment include the word "livestock," or only the words "cattle for breeding purposes"?

Mr. THYE. Let the clerk read it.

The PRESIDING OFFICER. There has been a great deal of confusion.

Mr. THYE. Mr. President, if the Chair will permit the clerk to read the amendment——

Mr. LUCAS. Mr. President, I demand the regular order. We have had debate all the afternoon, and now a roll call has been ordered.

The PRESIDING OFFICER. Let the clerk proceed with the call of the roll.

Mr. ANDERSON. I only remind the Presiding Officer——

Mr. LUCAS. Mr. President, I demand the regular order, or we shall have to adjourn.

The PRESIDING OFFICER. Let the clerk call the roll.

The legislative clerk resumed the call of the roll.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

Mr. LUCAS. Mr. President, I demand the regular order. A parliamentary inquiry is not in order.

The PRESIDING OFFICER. The regular order is that the Senate be in order, because the clerk cannot hear the responses of Senators.

Mr. HICKENLOOPER. Mr. President, there is confusion as to what we are voting on.

Mr. LUCAS. Mr. President, I demand the regular order.

The PRESIDING OFFICER. The clerk will continue the call of the roll.

Mr. HICKENLOOPER. Mr. President, a point or order.

Mr. THYE. Mr. President——

Mr. LUCAS. Mr. President, I make the point of order that the Senate is not in order. The session has deteriorated into a town-hall meeting.

Mr. HICKENLOOPER. Mr. President——

The PRESIDING OFFICER. The Chair must ask the Senators to resume their seats. The Chair will see that Senators get information by having the amendment read. Senators will please resume their seats.

Mr. LUCAS. Mr. President, I ask unanimous consent that the clerk read the amendment as modified.

Mr. JENNER. I object.

The PRESIDING OFFICER. The Chair rules that in the absence of another demand for the regular order, the clerk will read the amendment for the information of the Senate. Let the clerk read the amendment.

Mr. JENNER. Mr. President, I demand the regular order.

The PRESIDING OFFICER. The regular order is demanded. When the Senate is in order the clerk will proceed with the call of the roll. The clerk cannot proceed until Members who persist in conversation decide that they are willing to desist for the time being.

Mr. KERR. Mr. President, some Senators do not know what they are about to vote on.

The PRESIDING OFFICER. The Chair thinks it is an unfair situation, but the regular order has been demanded, and the Chair is advised by the Parliamentarian that there cannot be any further statement of the question. The roll call cannot be proceeded with until there is order.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. ELLENDER], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Virginia [Mr. ROBERTSON], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Arizona [Mr. HAYDEN] is absent on public business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on official business.

Mr. WHERRY. I announce that the Senator from Washington [Mr. CAIN], the Senator from Missouri [Mr. KEM], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate on official business as a temporary alternate Governor of the World Bank, and if present, would vote "yea."

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Oregon [Mr. CORDON], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is detained on official business, and if present, would vote "yea."

The result was announced—yeas 52, nays 13, as follows:

YEAS—52

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Morse
Butler	Humphrey	Mundt
Byrd	Ives	Murray
Chapman	Jenner	Pepper
Connally	Johnson, Colo.	Russell
Darby	Johnson, Tex.	Smith, N. J.
Donnell	Johnston, S. C.	Sparkman
Dworshak	Kerr	Taylor
Ecton	Knowland	Thomas, Utah
Ferguson	Langer	Thye
Fulbright	Lehman	Watkins
George	McCarran	Wherry
Graham	McFarland	Withers
Gurney	McKellar	Young
Hendrickson	McMahon	
Hickenlooper	Malone	

NAYS—13

Douglas	Lodge	Smith, Maine
Frear	Long	Stennis
Green	Lucas	Williams
Kilgore	Myers	
Leahy	Neely	

VOTING PRESENT—1

McClellan

NOT VOTING—30

Brewster	Flanders	O'Mahoney
Bricker	Gillette	Robertson
Bridges	Hayden	Saltonstall
Cain	Hunt	Schoeppel
Capehart	Kefauver	Taft
Chavez	Kem	Thomas, Okla.
Cordon	McCarthy	Tobey
Downey	Magnuson	Tydings
Eastland	Martin	Vandenberg
Ellender	O'Conor	Wiley

So Mr. THYE's amendment, as modified, was agreed to.

The PRESIDING OFFICER. The Senator from New York.

Mr. IVES. Mr. President, I call up my amendment and ask that the clerk read it.

Mr. LUCAS. Mr. President, will the Senator yield? I had hoped that the Chair would recognize the majority leader, because he has an announcement to make.

The PRESIDING OFFICER. The Chair did not decline to recognize the Senator from Illinois.

Mr. LUCAS. No; but apparently the majority leader and the minority leader, who are more or less in control of the Senate, should have some recognition when they rise. I want to make a statement, if I may, in the Senator's time.

Mr. IVES. The Senator from New York is always glad to yield to the majority leader.

The PRESIDING OFFICER. The Chair would state that the Senator from New York was the first one to address the Chair.

Mr. LUCAS. I was on my feet. The Chair usually either looks to the majority leader or to the minority leader when they are on their feet, and I think the Chair should do so. It is a precedent in the Senate.

The PRESIDING OFFICER. May the Chair finish his statement? The Chair says the Senator from New York was the first Senator to address the Chair, and the Chair told the Senator from New York that if he was the first one to address the Chair the Chair would recognize him, but if the minority leader or the majority leader or the chairman of the committee who is in charge of the bill wished him to yield the Chair thought the Senator from New York should do so, and he said he would.

Mr. LUCAS. I do not want him to yield for a question. I want to make a statement.

The PRESIDING OFFICER. The Chair was trying to arrange for the Senator from Illinois to have the right-of-way. Does the Senator from New York yield for an unlimited purpose?

Mr. IVES. I do.

Mr. LUCAS. I wish to make an announcement with respect to the program of the Senate. On yesterday I gave notice to the Senate that we would finish consideration of the tax bill tonight. Therefore we shall finish consideration of it. I am now advising every Senator, regardless of how long it may take, that we shall finish consideration of the tax bill today. If it takes 2 hours to consider each amendment, which it has taken on the last amendment, obviously we shall be here for a very long time.

Mr. President, we are again attempting to legislate on the floor of the Senate. We are trying to do that on a very intricate tax bill. So far as I am concerned, from now on I do not want to see any amendment adopted which does not come from the committee. I shall vote against new amendments that come from the floor, because the committee has studied the bill very carefully. It seems to me that we ought to expedite consideration of the bill from now on and move along and pass on the amendments with all convenient speed.

Mr. President, a number of Senators have requested me to try to finish the tax bill tonight. I know that on Tuesday next, when we return, we shall take up consideration of the bill known as the McCarran anti-Communist bill. Two or three days of debate will be devoted

to that measure. No doubt a number of Senators will not return until Wednesday. If we do not finish consideration of the tax bill tonight it will mean that we shall come back on Tuesday and we shall find that a number of Senators will not be present and will not return until Wednesday, because some of them have long distances to travel to make speeches on Labor Day. That is one of the primary reasons why I shall try to finish the bill tonight. I plead with Senators to observe the rules of the Senate. In other words, Mr. President, when a Senator asks another Senator to yield, I hope he will ask a question, and not make a speech. We shall be able to finish the bill in a few hours, if only we will observe the rules, and not permit long debate upon the remaining amendments. If the amendment offered by the Senator from Minnesota had been agreed to in its original form the cattle people of the country would have made millions and millions of dollars.

There is no doubt about it. Yet this is supposed to be a tax-raising measure. We are presumed to be raising money to help win the war, but an amendment has just been adopted which does not raise any revenue; it does just the opposite, takes revenue away. I undertake to say that most of the amendments which will be offered will be along that particular line.

Mr. President, I hope we uphold the rules of the Senate. Since I have been a Member of the Senate I have never seen so much confusion, so much chaos, and what seems to be an apparent disposition to ignore and flaunt the rules of the Senate, as I have witnessed this afternoon.

The Chair attempted to get order times without number, and was unable to do so. On the motion to table a yea and nay vote was had, and while the roll was being called Senators rose and attempted to speak on that particular subject.

I do say with all the sincerity I possess that unless Senators observe the rules of the Senate we cannot proceed and do any parliamentary business worth while. We must have rules, and we have to observe the rules, and if Senators do not observe them, there will be chaos and confusion.

Mr. President, I make these remarks in the kindest of spirit. I am not trying to lecture the Senate. But we do have rules, as I have said, and we should try to obey them. If Senators do not know what is going on, it is their own fault, because they should be here when the discussion is proceeding.

Mr. President, I do hope that we can proceed in an orderly and businesslike manner.

Mr. MAYBANK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from South Carolina?

Mr. IVES. I yield.

Mr. MAYBANK. I appreciate very much what the distinguished Senator from Illinois has said, and I shall not attempt to bring up the conference report until the tax bill is out of the way. I understand that we can finish perhaps within 2 hours. Then I shall present the conference report.

The PRESIDING OFFICER. The Chair assures the majority leader that he was trying to arrange so that he would be recognized.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Georgia?

Mr. IVES. I yield.

Mr. GEORGE. In the interest of bringing consideration of the tax bill to a close, I should like to have a unanimous-consent agreement to limit debate upon each amendment. I am willing to limit myself to half the time allotted to the proponents of amendments. So I suggest that there be 10 minutes to the proponent of each amendment and 5 minutes to the committee.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Georgia, that debate on each amendment be limited to 10 minutes for the proponents and 5 minutes for the opponents.

Mr. WHERRY. Mr. President, in the confusion I did not hear the request distinctly. The proponents would be given 10 minutes, and the committee 5 minutes?

The PRESIDING OFFICER. The proponents would be allowed 10 minutes and the opponents 5 minutes. That would apply to all amendments, the Chair understands.

Mr. McCLELLAN. Mr. President, I would agree if the Senator included the provision that all amendments should be germane to the bill.

The PRESIDING OFFICER. Does the Senator from Georgia accept that amendment to his request?

Mr. GEORGE. Yes.

The PRESIDING OFFICER. It is understood that all proposed amendments shall be germane.

Mr. WHERRY. There is no objection, Mr. President.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. IVES. Mr. President, the Senator from New York points out that his amendment is germane, and he wonders if the clerk would read the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 81, between lines 16 and 17, it is proposed to insert the following new section:

SEC. 201. Amounts received under life insurance contracts or as first $1,800 of governmental pensions, retired pay, or annuities

(a) Exemption with respect to $1,800 of Governmental pensions, retired pay, or annuities: Section 22 (b) (2) of the Internal Revenue Code (relating to annuities, and so forth) is amended by inserting at the end thereof a new subparagraph to read as follows:

"(C) Pensions, retired or retirement pay and annuities: In the case of amounts received from the United States, any State or any political subdivision thereof, or any agency or instrumentality of any of the foregoing, as a pension, retired or retirement pay, or as a retirement annuity, so much of such pension, pay, or annuity received during the taxable year as does not exceed $1,800 shall be excluded from gross income. For the purposes of this subparagraph the term 'State' includes a Territory, a possession of the United States, and the District of Columbia. For the purposes of the second sentence of subparagraph (A) of this paragraph the amounts received as an annuity which are excluded from gross income under this subparagraph shall not be considered in computing the amount 'received as an annuity,' or the 'amount received in the taxable year,' or the 'aggregate amount excluded from gross income under this chapter.' Nothing in this subparagraph shall be deemed to require the inclusion in gross income of any amounts received during the taxable year which are excludable from gross income under other provisions of law."

(b) Effective date: The amendment made by subsection (a) shall be applicable only with respect to taxable years beginning after December 31, 1950.

Mr. IVES. Mr. President, the purpose of this amendment is to grant an income-tax exemption for retirement pensions—up to $1,800 per year—received by members of Federal, State, or municipal pension systems.

At the present time, a similar privilege of tax exclusion has been widely extended. Statutory exemptions have excluded both benefits paid under the Railroad Retirement Act and the pay of Armed Forces officers retired for medical reasons. Further, the Treasury ruling making old-age and survivors' benefits nontaxable was recently reinforced by congressional approval of the new social security law which specifically included an $1,800 exemption.

The proposed amendment would remedy an existing inequity which exempts these benefits, while pensions paid under Government retirement plans are included as taxable income.

Data submitted to me by the Civil Service Employees' Association of New York State and the New York City Employees' Retirement System show clearly the hapless position of many Government pension recipients. It is this small fixed-income group that has been hardest hit by the inflationary squeeze. As prices have risen, their meager fixed incomes have been able to purchase fewer and fewer of the necessities of daily living. Their plight should not remain ignored.

This amendment would both remedy an existing unfairness and help a group which has suffered especially by recent spiraling prices. An estimate made by the staff of the Joint Committee on Internal Revenue Taxation indicates that—were the tax exemption to be complete, and not limited to income below $2,000—the total revenue loss to the Federal Government would be $7,750,000. This comparatively small loss in revenue is more than offset by the remedial effect of this proposal on a presently inequitable situation. The larger benefits to be achieved should not be precluded by such small cost.

Mr. President, I have conferred with the distinguished Senator from Georgia, the chairman of the Committee on Finance, about the amendment, and I hope he will be willing to accept it for the purpose of taking it to conference. What the disposition of the amendment

in conference may be no one can anticipate, but if he will do that, it would be very much appreciated.

Mr. GEORGE. Mr. President, I regret that I cannot take the amendment to conference, because it gives a special exemption to those who draw benefits from the Government, either Federal, State, or municipal, in sum as large as $1,800 if the recipient of those benefits is 65 years of age. Under existing law he already has an exemption against his income tax of $1,200. So that under the amendment of the Senator from New York the recipient of ber efits from the Government would receive, if 65 years old or over, a maximum exemption of $3,000.

I know very well that the Railroad Retirement Act provides that benefit payments under that act shall be free from income tax. The Treasury has ruled that old-age and survivors insurance benefits under the Social Security Act are likewise exempt from taxes. But for the most part such benefits heretofore have been very small. I regret that I cannot see the justice in letting a pensioner of the Federal Government, who is drawing $1,500 to $2,000 a year, off from payment of his income tax on that amount, unless the ordinary citizen, who has earned something from his work, on which he owes some tax, has the same exemption. For the reasons stated I shall have to oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES].

The amendment was rejected.

Mr. WILLIAMS. Mr. President, I send to the desk my amendment lettered "E," which I offer and ask to have stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. . (a) Section 102 of title 3 of the United States Code is amended to read as follows:

"COMPENSATION OF THE PRESIDENT

"SEC. 102. The President shall receive in full for his services during the term for which he shall have been elected compensation in the aggregate amount of $150,000 a year, to be paid monthly. He shall be entitled also to the use of the furniture and other effects belonging to the United States and kept in the Executive Mansion."

(b) (1) Section 104 of title 3 of the United States Code (relating to salary of the Vice President) is amended by striking out "$30,000" and inserting in lieu thereof "$40,000."

(2) Section 111 of title 3 of the United States Code (relating to an expense allowance for the Vice President) is repealed.

(c) (1) Section 601 (a) of the Legislative Reorganization Act of 1946 (relating to salaries of Members of Congress and of the Speaker of the House) is amended—

(A) by striking out "$12,500" and inserting in lieu thereof "$15,000"; and

(B) by striking out "$30,000" and inserting in lieu thereof "$40,000."

(2) Section 601 (b) of the Legislative Reorganization Act of 1946 (relating to expense allowances for Members of Congress) is hereby repealed.

(3) Subsection (e) of the first section of the act entitled "An act to increase rates of compensation of the President, Vice President, and the Speaker of the House of Representatives" (Public Law 2, Eighty-first Congress (relating to an expense allowance for the Speaker of the House) is hereby repealed.

(d) In computing the amount to be deducted from the compensation of any official whose salary is changed by this section for the purposes of the Civil Service Retirement Act of May 29, 1930, and in computing the amount of any annuity under such act any change in compensation provided by this section shall be disregarded until further act of Congress.

(e) The provisions of this section shall take effect as of January 1, 1950, except that subsection (a) shall take effect at noon on January 20, 1953.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. WILLIAMS. Mr. President, this amendment is very simple. It merely repeals the special tax exemption which, under previous legislation, has been extended to the President of the United States, the Vice President, the Speaker of the House and the Members of Congress. Under the existing law the President of the United States is extended an extra tax exemption over and above that which the average citizen receives, of $50,000. The Vice President and the Speaker of the House each receive a special exemption of $10,000. The Members of Congress receive a special exemption of $2,500. My amendment would repeal all of those special exemptions. The Senator from Georgia just pointed out the unfairness of this policy when he opposed the amendment of the Senator from New York. We should now repeal the special privilege which has been extended to the lawmakers and to the executive branch of the Government.

This amendment does provide some additional revenue, but that is not the point, and is not the reason why I am offering the amendment.

It seems to me it is very important that we make sure that we do not set up a special privileged class in this country who are going to be exempt from the taxes which the average American is going to be called upon to pay. I think that when we as Members of the Congress, or when the President of the United States, speak of taxing those who are earning high salaries, we should be speaking also of taxing ourselves. And now that we have started in on this period of national emergency, when we are going to have to increase taxes to a higher level in order to pay the cost of the Korean War, I think it is important that we first set the example to the American people by showing that we are willing to pay our proportionate share of the cost.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MORSE. I wish to say to the Senator from Delaware that I agree with him with respect to his amendment. I took the same position at the time these unfortunate provisions were written into the law.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LANGER. When the exemptions came before the Senate, I voted against them. I did not believe in them then and I do not believe in them now.

Mr. WILLIAMS. Mr. President, I appreciate the statements made by the Senator from Oregon and the Senator from North Dakota. I think the principle of the exemption is wrong. Even if my amendment is adopted, and the exemption is repealed, Members of Congress could still, under the existing law which is applicable to all other American citizens, get the same deductions that the rest of the American people have.

The only difference is that we would have to keep track of those expenditures and itemize them in our accounts. They would have to be approved by the Treasury Department. In other words, we would submit ourselves to the same procedure that 150,000,000 other people in this country are obliged to submit themselves.

The President in addition to this $50,000 special exemption has another $40,000 expense account which is used and accounted for. The White House expenses are covered by direct appropriations. The cost of the yacht and Summer White House in Florida are covered in special appropriations. This $50,000 to which I am referring is nothing except tax-exempt salary. It should be changed.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LONG. Has the Senator computed what would be the actual net loss to the President and the Vice President in their salaries if the Senator's amendment were adopted?

Mr. WILLIAMS. No. It will result in no loss to either the President or Vice President now, since its effective date is 1953.

Mr. LONG. Can the Senator give us a statement of what the net reduction would be in the salaries the President and the Vice President receive if the amendment is adopted?

Mr. WILLIAMS. The President receives $100,000, upon which he pays taxes, and $50,000 upon which he does not pay taxes. If we repeal the exemption we repeal the $50,000 exemption in the upper brackets. I cannot say exactly what it would be under the community-property tax, but I assume it would be somewhere in the neighborhood of $30,000. I shall stand corrected on that if I am wrong. The figure can be verified. But I feel that if we want to pay the President or Members of Congress X amount of money we should pay it as a straight salary. I am not trying to take a crack at the Members of the Congress or the President or the Vice President. If we want to pay the President, the Vice President, the Speaker, and Members of Congress X amounts, we should do so by way of a straight salary, and we should then submit ourselves to taxation under the same law that is applicable to other people. I hope the Senator from Georgia will accept the amendment and take it to conference.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. WILLIAMS. I yield.

Mr. LONG. Would it not be true that whereas we are increasing taxes on the average American if the amendment presently under consideration is passed, we would be increasing the tax on the President, in effect, to a much larger

degree than that on any other American if we adopt the amendment the Senate has before it at this time? I wonder if the Senator from Delaware has considered the advisability of offering an amendment which in effect would make the increase in tax on the President about the same as it would be for the average American citizen?

Mr. WILLIAMS. I might say to the Senator from Louisiana that at the time this exemption was extended to the President he received a tax exemption far greater than any American ever did receive. I make this point, which I think the Senator from Louisiana has overlooked. My amendment would not change the salary nor the tax exemption of President Truman so long as he is serving this term. The effective date is made January 20, 1953. I venture to say neither party will have any trouble in securing plenty of candidates for the job at that time. It is applicable to the Members of Congress beginning January 1, 1951. The reason I chose that date is that if we repeal the exemption to be effective now, the Members of Congress cannot go back and reconstruct their expense account in the period of the year which has gone. The provision with respect to the Members of Congress would be effective January 1, 1951, and with respect to the President of the United States it would be effective upon the election of the next President of the United States. The same thing is true of the Vice President. It does not reduce the salary of the Vice President during his term of office. Under the Constitution, the salaries of either the President or the Vice President cannot be changed during their term of office.

Mr. GEORGE. Mr. President, I regret to say that I cannot accept the amendment. The committee tried to maintain uniformity of action and to exclude matters that were not strictly relevant to the House bill or which did not themselves tend to increase the revenue. I am willing for the Senate to vote upon the matter and determine the issue by the vote.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS]. [Putting the question.] The "noes" seem to have it.

Mr. WILLIAMS. I call for a division.

On a division, the amendment was rejected.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Roy, its Assistant Parliamentarian, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, provide for price and wage stabilization, provide for the settlement of labor disputes, strengthen controls over credit, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, and it was signed by the Vice President.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. MORSE. Mr. President, I offer the amendment which I have at the desk, and which has been printed. The amendment pertains to the question of the tax exemption of municipal securities.

I ask that the amendment be read.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 153, after line 20, it is proposed to insert:

SEC. 227. Taxability of interest on future Federal, State, and local obligations, and so forth.

(a) Limitation on tax-free interest: Section 22 (b) (4) of the Internal Revenue Code (relating to tax-free interest) is hereby amended by inserting after the word "obligations" in clause (A) of the first sentence thereof the following: ", issued before January 1, 1951".

(b) Consent to State and local taxation: The United States hereby consents to the taxation under an income tax of interest upon obligations, issued on or after January 1, 1951, of the United States, any Territory, possession, or political subdivision thereof, or the District of Columbia, by any duly constituted taxing authority having jurisdiction to tax such interest if such taxation does not discriminate against such interest because of its source. The provisions of this subsection shall, with respect to any such obligations, be considered as amendatory of and supplementary to the respective act or acts authorizing the issue of such obligations, as amended and supplemented.

(c) Amendment to the Public Debt Act of 1941: Section 4 (a) of the Public Debt Act of 1941, as amended, is hereby amended by inserting in the first sentence thereof, after the words "agency or instrumentality thereof", the following: ", or on or after January 1, 1951, by any Territory, possession, or political subdivision thereof, or the District of Columbia".

The VICE PRESIDENT. The Senator from Oregon is recognized for 10 minutes.

Mr. MORSE. Mr. President, the amendment speaks for itself. It is recommended by the Committee for Economic Development.

It is my position that in these critical times we should not permit taxpayers and investors to escape their tax liability or obligation to the Government by being able to invest in tax-exempt securities.

In view of the fact that the amendment pertains to future issues of such securities, I think the amendment is a very fair one. Now is the time to prevent any further escape from the payment of taxes on such securities.

Therefore I request the adoption of the amendment.

Mr. GEORGE. Mr. President, this matter has long been the subject of contention. The States have always resisted the adoption of such an amendment, because of their belief that if such an amendment is adopted, they will have to pay higher rates of interest.

I am not in a position to accept the amendment, and I think the Senate itself should determine this issue.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oregon. [Putting the question.]

The amendment was rejected.

Mr. DOUGLAS. Mr. President, on behalf of the senior Senator from Pennsylvania [Mr. MYERS], I call up his amendment numbered 8–24–50–Q.

Inasmuch as the amendment is rather long, I ask unanimous consent that the reading of the amendment be dispensed with, and that the amendment be printed at this point in the RECORD.

The VICE PRESIDENT. Without objection, that will be done.

The amendment proposed by Mr. DOUGLAS, on behalf of Mr. MYERS, is as follows:

On page 54, beginning with line 22, strike out all through line 20 on page 71, and insert in lieu thereof the following:

"SEC. 121. Increase in rate of corporation income taxes.

"(a) Normal tax:

"(1) Section 13 (a) (2) (relating to definition of normal-tax net income) is hereby amended to read as follows:

"'(2) Normal-tax net income: The term "normal-tax net income" means the adjusted net income minus the sum of the following credits:

"'(A) the credit for dividends received provided in section 26 (b);

"'(B) in the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h); and

"'(C) in the case of a Western Hemisphere trade corporation, the credit provided in section 26 (i).'

"(2) Section 13 (b) (relating to normal tax on corporations with normal-tax net income of more than $25,000) is hereby amended to read as follows:

"'(b) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation (except a corporation subject to the tax imposed by section 231 (a), supplement G, or supplement Q) a tax of 25 percent of the normal-tax net income.'

"(3) Section 14 (relating to tax on special classes of corporations) is hereby repealed.

"(b) Surtax: Section 15 (relating to surtax on corporations) is hereby amended to read as follows:

"'SEC. 15. Surtax on corporations.

"'(a) Corporation surtax net income: For the purposes of this chapter, the term "corporation surtax net income" means the net income minus the sum of the following credits:

"'(1) the credit for dividends received provided in section 26 (b);

"'(2) in the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h);

"'(3) in the case of a Western Hemisphere trade corporation, the credit provided in section 26 (i).

"'(b) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the corporation surtax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), supplement G, or supplement Q) a surtax of 20 percent of the amount of the corporation surtax net income in excess of $25,000.'

"(c) Western Hemisphere trade corporations: Section 26 (relating to credits of corporations) is hereby amended by ading at the end thereof the following new subsection:

"'(i) Western Hemisphere trade corporations: In the case of a Western Hemisphere

trade corporation (as defined in section 109), an amount equal to 31 percent of its normal-tax net income computed without regard to the credit provided in this subsection.'

"(d) Mutual insurance companies other than life or marine:

"(1) Section 207 (a) (1) (relating to normal tax and surtax on mutual insurance companies, other than life or marine) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"'(A) Normal tax: A normal tax on the normal-tax net income, computed at the rate provided in section 13, or 50 percent of the amount by which the normal-tax net income exceeds $3,000, whichever is the lesser; plus

"'(B) Surtax: A surtax on the corporation surtax net income, computed as provided in section 15 (b).'

"(2) Section 207 (a) (3) (relating to the normal tax and surtax on interinsurers or reciprocal underwriters) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"'(A) Normal tax: A normal tax on the normal-tax net income, computed at the rate provided in section 13, or 50 percent of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

"'(B) Surtax: A surtax on the corporation surtax net income, computed as provided in section 15 (b), or 30 percent of the amount by which the corporation surtax net income exceeds $50,000, whichever is the lesser.'

"(e) Regulated investment companies:

"(1) Section 362 (b) (3) (relating to normal tax on regulated investment companies) is hereby amended by striking out '24 percent' and inserting in lieu thereof '25 percent.'

"(2) Section 362 (b) (4) (relating to surtax on regulated investment companies) is hereby amended by striking out '14 percent of the amount thereof' and inserting in lieu thereof '20 percent of the amount thereof in excess of $25,000.'

"(f) Technical amendments:

"(1) Section 26 (h) (2) (relating to definition of public utility) is hereby amended by striking 'section 15 (a)' and inserting in lieu thereof 'sections 13 (a) (2) and 15 (a).'

"(2) Section 103 (relating to rates of tax on citizens and corporations of certain foreign countries) is hereby amended by striking out '14,' wherever appearing therein.

"(3) Section 104 (b) (relating to rate of tax on banks) is hereby amended by striking out 'or section 14 (b),'.

"(4) Section 117 (c) (1) (relating to alternative taxes of corporations) is hereby amended by striking out '14,'.

"(5) Section 201 (a) (1) (relating to tax on life insurance companies) is hereby amended to read as follows:

"'(1) In general: There shall be levied, collected, and paid for each taxable year upon the adjusted normal-tax net income (as defined in section 202) of every life insurance company a tax of 25 percent of the adjusted normal-tax net income, and upon the adjusted corporation surtax net income (as defined in section 203) of every such company a surtax of 20 percent of the amount of the adjusted corporation surtax net income in excess of $25,000.'

"(6) Section 204 (a) (1) (relating to tax on insurance companies other than life or mutual) is hereby amended by striking out 'taxes at the rates specified in section 13 or section 14 (b) and in section 15 (b)' and inserting in lieu thereof 'taxes computed as provided in section 13 (b) and section 15 (b).'

"(7) Section 231 (a) (1) (relating to tax on foreign corporations not engaged in trade or business within the United States) is hereby amended by striking out 'sections 13 and 14' and inserting in lieu thereof 'sections 13 and 15.'

"(8) Section 231 (b) (relating to foreign corporations engaged in trade or business within the United States) is hereby amended by striking out 'section 14 (c) (1)' and inserting in lieu thereof 'section 13.'

"(9) Section 251 (c) (1) (relating to tax on corporations doing business within possessions of the United States) is hereby amended by striking out 'or section 14 (b).'

"(10) Section 261 (a) (relating to corporations organized under the China Trade Act) is hereby amended by striking out 'or section 14 (b).'

"(11) Section 262 (a) (relating to China Trade Act corporations) is hereby amended by striking out 'sections 13, 14, 15,' and inserting in lieu thereof 'sections 13, 15,' and by striking out 'section 13, 14, or 15' wherever appearing therein and inserting in lieu thereof 'sections 13 and 15.'

"(12) Section 337 (c) (relating to foreign personal holding companies) is hereby amended by striking out '14.'

"SEC. 122. Credits of corporations.

"(a) Dividends received credit: Section 26 (b) (relating to credits allowed corporations with respect to dividends received) is hereby amended to read as follows:

"'(b) Dividends received.—An amount equal to the sum of—

"'(1) In general.—85 percent of the amount received as dividends (other than dividends received in taxable years described in paragraph (2) on the preferred stock of a public utility) from a domestic corporation which is subject to taxation under this chapter; and

"'(2) Certain preferred stock.—59 percent of the amount received as dividends on the preferred stock of a public utility which is subject to taxation under this chapter, but the amount computed under this subparagraph shall in no event exceed 59 percent of the adjusted net income computed without regard to the deduction allowed by section 23 (s).'

For the purpose of this subsection (but not for the purposes of computing adjusted net income), if the whole or any part of a dividend is received after the date of the enactment of the Revenue Act of 1950 in property other than money, then, with respect to such property, the shareholder shall not be considered to have received as a dividend an amount in excess of the adjusted basis of such property in the hands of the distributing corporation at the time of distribution increased in the amount of gain or decreased in the amount of loss recognized to the distributing corporation by reason of such distribution. The credit allowed under this subsection shall not be allowed in respect of dividends received from a corporation organized under the China Trade Act, 1922 (42 Stat. 849; U. S. C., title 15, c. 4), or from a corporation which under section 251 is taxable only on its gross income from sources within the United States by reason of its receiving a large percentage of its gross income from sources within a possession of the United States. In no event shall the credit allowed by this subsection exceed 85 percent of the adjusted net income computed without regard to the deduction allowed by section 23 (s).

"(c) Credit for dividends paid on certain preferred stock: The first sentence of section 26 (h) (1) (relating to amount of credit for dividends paid on certain preferred stock) is hereby amended to read as follows: 'In the case of a public utility, the amount of dividends paid during the taxable year on its preferred stock, except that only an amount equal to 31 percent of the lower of (i) the amount of dividends paid during the taxable year on its preferred stock or (ii) the adjusted net income for such taxable year minus the credit for dividends received provided in subsection (b) for such year.'

"SEC. 123. Effective date of part II.

"The amendments made by this part shall be applicable only with respect to taxable years beginning after December 31, 1949."

On page 73, beginning with line 14, strike out all through line 12 on page 74.

The VICE PRESIDENT. The Senator from Illinois is recognized for 10 minutes.

Mr. DOUGLAS. Mr. President, this amendment, offered by the senior Senator from Pennsylvania, will, if adopted, have the effect of increasing the rate of taxation on corporate incomes from a rate of 42 percent for the year 1950, as is provided by the committee bill, to a rate of 45 percent, or an increase of 3 percent for the year 1950. The amendment, if adopted, will produce approximately $600,000,000 more revenue during the year 1950 than the committee bill will produce.

It seems to me that the adoption of the amendment is most necessary, in view of the great gap which exists between the appropriations which Congress is making and the revenue to be obtained from the bill which has been reported by the committee.

As all of us know, the first deficiency appropriation bill has already been passed by the House of Representatives, and will soon be before the Senate for action by us. That bill calls for additional appropriations, for the current fiscal year, of nearly $17,000,000,000.

The bill submitted by the committee will not yield more than $4,500,000,000 a year, even when the bill is in full effect, and for the current year the bill will yield only $3,000,000,000.

Therefore we are confronted with a tremendous gap between the added appropriations the Government will have to make this year and the revenue which will be obtained under the provisions of the tax bill, as submitted by the committee. Unless we provide additional tax revenue, the Government will be forced to borrow, and it will have to borrow primarily from the banks. In that event, the banks will make their loans to the Government in the form of bank credits, on which the Government will draw. The net effect will be an increase in the total supply of credit, as compared to the quantity of goods available; and the effect will be to bring about an increase in prices.

Furthermore, as the Government issues checks against the additional credit thus created, and makes payments to individuals for both services and materials which the Government obtains, those amounts will in turn, be deposited, by the individuals who receive them, in the banks; and the banks will build up, to some additional extent, their reserves in the Federal Reserve System; and thus there will be further increase or multiplication of the total amount of credit.

Unless we increase taxes and obtain more revenue in order to avoid getting into that situation, we shall have to have increased price controls which will be largely ineffective.

Therefore, it seems to me that we must be ready for a much more rigorous system of taxation than the one provided by the bill the committee has reported.

I am very sorry the Senate rejected, this afternoon, the excess-profits-tax

amendment, for that amendment would have resulted in the raising of large additional amounts of revenue. I think the Senate made a great mistake in rejecting that amendment. However that matter is water over the dam; we cannot recall the amendment.

In view of the fact that we have rejected the excess-profits-tax amendment, it seems to me all the more necessary that we provide for raising more revenue by means of increasing the corporate tax rate. That is the purpose of the amendment of the Senator from Pennsylvania.

Mr. President, I ask unanimous consent that a statement prepared by the distinguished senior Senator from Pennsylvania [Mr. MYERS] in support of his amendment, be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS

CORPORATION TAX INCREASE

The purpose of the amendment is to increase the rate of tax on corporation income to 45 percent for the entire calendar year 1950, as was proposed in the President's interim tax recommendations.

The bill carries out the President's recommendation of an increase in corporation tax rates to 45 percent, except that the bill makes the increase applicable only as of July 1, 1950, instead of for the full year 1950, as recommended by the President. The effect of the committee action, in making the corporation tax increase effective as of July 1, 1950, is to increase corporation tax rates for the calendar year 1950 to 42 percent instead of 45 percent, as recommended by the President. The effect of the committee's action is to reduce the yield of corporation taxes applicable to 1950 incomes in the amount of $600,000,000 from what would be raised if the 45-percent rate applied beginning January 1, 1950.

Thus the provisions of this bill for increased corporation taxes fall drastically short of the President's program for interim tax legislation. As Members of this body are fully aware, the President's primary objectives in requesting interim measures to increase taxes at this time were to take a substantial step toward covering the heavier defense requirements stemming from the Korean situation and to facilitate the control of inflation. The battle against inflation can be lost if our revenues are increased either too little or too late.

The President, in his tax message at the beginning of this year, on January 23, 1950, recommended an increase in the corporate tax rate from 38 to 42 percent. The House of Representatives, on June 29 of this year, after months of hearings before the Ways and Means Committee, adopted an increase in the corporate tax rate to 41 percent, in the bill now before this body. The tax rate of 42 percent which this bill, as amended in committee, would apply to 1950 corporate incomes, is thus in effect no more than the rate which the President recommended in January of this year, many months before the situation in Korea had developed, and before we had incurred the added burden of defense expenditures stemming from the current international situation. That rate of 42 percent is only 1 percent more than the House of Representatives adopted on June 29, also prior to the Korean situation.

The fact that higher corporation taxes would be required has been widely discussed throughout this entire year; corporate executives have generally assumed that legislation for increased corporation taxes applicable to the whole year 1950 would be passed. The tax rates this bill would apply to 1950 corporate incomes are in effect hardly more than the rate which corporations had reason to anticipate since the beginning of the year. In other words, this bill proposes to tax corporations for 1950 as though Korea had never occurred.

Corporations are well able to make this slight additional contribution to swollen defense requirements as proposed in this amendment. According to a recent survey of the profits of 500 large manufacturing, mining, trade and service corporations, second quarter 1950 earnings after tax at the 38-percent rate were 50 percent higher than the corresponding quarter last year. Even at a 45-percent rate effective January 1, profits of these companies will be 6 percent higher in the first quarter than last year and 13 percent higher in the second quarter. These increases in corporate profits are the result of rising prices and increased activity before Korea. The increases for the third and fourth quarters may be much greater.

Clearly, in the interest of satisfying both the revenue requirements of the President's program and his objective of limiting inflation, the effective date of the increase in corporation tax rates to 45 percent under the pending bill should be set at January 1, 1950.

Mr. GEORGE. Mr. President, this was an issue before the Senate Finance Committee. The issue was definitely drawn. The committee voted almost unanimously against the amendment. I think the distinguished Senator from Pennsylvania [Mr. MYERS] was perhaps the only member of the committee who voted in opposition to the action taken by the committee on this amendment.

This issue arose upon a motion to fix the effective date of the increased tax rate on corporations. The issue was as between having the increased rate apply for all 12 months of 1950, the entire year, or for only one-fourth of the year or only one-half of the year. After discussing the matter, the committee, as I have stated, voted almost unanimously—with the exception of the vote of the distinguished Senator from Pennsylvania [Mr. MYERS] and perhaps the vote of one other Senator—to impose the increased rate for only one-half of the year.

The rate of 42 percent used in the bill for 1950 is figured on the entire year so as to prevent the inequities which would arise if we imposed the tax on a half of the year in which large amounts of income were concentrated.

The corporations are not getting by without a tax, for the tax imposed on corporations by the provisions of the bill will be increased to 45 percent in 1951. The 42-percent figure comes into the picture because the increase will apply for only half of the year in 1950.

However, in the case of corporations which file consolidated returns, an additional tax of 2 percent is to be imposed, thus bringing the rate up to 47 percent.

Furthermore, in view of the social-security tax and the unemployment-insurance tax, which all employers of labor have to pay, and in view of the intercompany or intercorporation dividend tax, as it is variously known, there will be a Federal tax on corporations, under this bill, of almost 50 percent—in other words, almost 50 cents out of each dollar.

In addition, Mr. President, the corporations in my State pay a tax of 7 percent to the State. As a result many corporations in Georgia would have to pay a total Federal and State tax on corporate income of between 50 and 55 percent. The 7-percent tax on corporations in the State of Georgia is not the effective rate, because of liberal allowances for deductions and so forth.

But it is a considerable tax, when all of those items are taken into consideration. Taken together these items carry the tax on corporations in the State of Georgia—and I presume it is more or less an average State in the matter of taxation—to far above 50 cents out of each tax dollar. In addition to these items, the taxing committees of this Congress are pledged thus far, if the House agrees, and I have no doubt the House will agree, to bring in an excess-profits tax which may be retroactive to July 1, 1950. So under all the circumstances I think this amendment ought to be rejected. It was the verdict of the committee that it should be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] for the Senator from Pennsylvania [Mr. MYERS].

The amendment was rejected.

Mr. HUNT. Mr. President, I call up my amendment designated "8-25-50-B."

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. Beginning with line 21, it is proposed to strike out all through line 23 and insert the following:

(c) Effective dates: The amendment made by subsection (a) shall be applicable with respect to taxable years beginning after December 31, 1949, and the amendment made by subsection (b) shall be applicable, with respect to taxable years beginning after December 31, 1946.

Mr. HUNT. Mr. President——

The VICE PRESIDENT. The Senator is recognized for 10 minutes.

Mr. HUNT. I think the distinguished chairman of the committee is familiar with this amendment, so I shall take only a moment's time to say that in this bill, for the first time, the mineral, bentonite, is mentioned. My amendment provides that the date of December 31, 1949, now appearing in the bill in subsection (c), shall be changed to December 31, 1946, so that the bentonite mining companies will receive the benefit that all other mining companies have received, for the years 1947, 1948, and 1949. I do not think any further explanation is necessary, if the distinguished chairman of the committee cares to accept the amendment and take it to conference.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. HUNT. I yield.

Mr. WILLIAMS. Do I correctly understand that this is, in effect, a retroactive tax reduction?

Mr. HUNT. That is correct.

Mr. WILLIAMS. I thank the Senator.

Mr. GEORGE. Mr. President, this is a rather peculiar situation. With respect to the deductions given to all other minerals and metals having percentage depletion allowances, the law, I think,

is fairly well fixed, though, now and then, a dispute arises in the Commissioner's office with respect to what is included in the percentage depletion. In the case of bentonite, the question has risen as to whether certain steps of the process of making bentonite marketable are the usual and ordinary processes and methods of treatment. Since the committee has acted on this matter, and has said what is included in computing the percentage depletion allowance I should not want to be bound by the form of the amendment, because I think it throws some little doubt on what the rule has been hitherto with respect to other minerals, which for quite a long time have been given the percentage depletion allowance. But if the Senate approves it, I shall be glad to take this amendment to the conference for consideration, and there see what can be worked out.

The only purpose, I understand, of the retroactive provision here is to settle issues which have risen or which now remain unsettled, and to give this metal or mineral the same treatment as that which is given to others having a similar percentage depletion allowance.

Mr. HUNT. Mr. President, the distinguished chairman is entirely correct. The purpose of the amendment is to give the bentonite industry exactly the same privileges and prerogatives as those which have heretofore been enjoyed by other minerals.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WHERRY. I do not understand the retroactive feature. I can understand that the treatment ought to be similar in the future, but why should we enact a retroactive feature for one commodity? That is what I do not understand.

Mr. GEORGE. The transportation from the mine or point of deposit is really the question at issue here. Most of the producers of ores and metals insist, of course, that the rule under the present law is that the ore or mineral must be put into a marketable or merchantable shape. I think that is correct. In the case of bentonite, that rule has been adopted in this bill. In the case of bentonite, crushing, drying, pulverizing, or granulating and loading for shipment have been included. The bentonite producers also wished to have included as a part of their cost upon which they could take percentage depletion, the cost of sacking.

Mr. HUNT. No; the sacking is not included.

Mr. GEORGE. I know; but they wished to have it, did they not?

Mr. HUNT. That is correct.

Mr. GEORGE. The bentonite producers wished to have sacking included as part of the cost upon which they could take percentage depreciation. The committee, however, did not allow this. But the committee did allow crushing, drying, and pulverizing, because, on the hearing of the testimony, those were found to be the ordinary and necessary steps in preparing bentonite and putting it into marketable and merchantable shape for its first sale.

Therefore, since there is some question as to whether this special treatment shall be given to bentonite retroactively to 1946, the committee was of opinion, and I think the committee originally intended, that the amendment should be retroactive.

The VICE PRESIDENT. The Senator's time has expired. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. HUNT].

The amendment was agreed to.

Mr. ROBERTSON. Mr. President, I have two amendments on the desk, both of which I desire to call up.

The VICE PRESIDENT. Which one does the Senator want to call up first?

Mr. ROBERTSON. I desire first to call up the one dealing with the amendment to section 207, the "spin-off" amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The Chief Clerk read the amendment as follows:

CORPORATE "SPIN-OFFS"

On page 94, beginning with the word "unless" in line 1, strike out through the word "reorganization" in line 8.

Mr. ROBERTSON. Mr. President, there are two means by which a corporation may divide, with the stockholders still owning the assets, one being called the "split-up" and the other being called the "spin-off." The Bureau of Internal Revenue has recognized the split-up but has raised some questions about the spin-off. The Senate Committee on Finance considered the matter and decided and, I think, very properly so, that the same tax treatment should be given to both means of dividing up the assets of a corporation.

It applies primarily, I may say, to a corporation which wants to give its formula to another corporation. The Senate committee adopted the language which this amendment places in the bill, but when the drafting service went over it they made a change in it which we think alters the language. I am merely asking that we go back to the language which the Senate committee adopted before the bill was written up by the drafting service.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. WHERRY. What makes the difference in the language?

Mr. ROBERTSON. The difference in the language is very technical, and it would be difficult for me to explain it, but it does, we think, make a difference in the end result.

Mr. WHERRY. What is the end result?

Mr. ROBERTSON. The end result is that if the assets are the same and the stockholders are the same, we should not charge it up as capital gains. The distinguished chairman of the committee understands it thoroughly. I made a full explanation when I first presented the amendment. I hope the Senator will be willing to take it to conference, because the House bill has nothing on the subject, and if we do not clarify here, the hands of the conferees will be tied.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment in the nature of a substitute for the amendment proposed by the Senator from Virginia. It is offered on behalf of the Senator from Illinois [Mr. DOUGLAS], the Senator from North Dakota [Mr. LANGER], and myself.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Minnesota.

The CHIEF CLERK. On page 93 it is proposed to strike out the language beginning with line 13 through line 3 on page 95.

Mr. HUMPHREY. Mr. President, the purpose of the amendment is to strike out the language which is in the committee bill which pertains to spin-offs. I discussed the amendment in complete detail on Tuesday of this week and pointed out at that time that while the committee amendment did contain some protection, insofar as the spin-off was concerned, it did not provide for the holding of the stock which would come from this kind of an operation for a period of time, let us say 2 years, thereby making it look like a more legitimate operation.

I might say to my friend from Virginia and to my other colleagues in the Senate that the committee amendment would provide an opportunity for a corporation which has undistributed earnings and undistributed profits to convert them into securities, use them to set up another corporation, and then take the stock of the new corporation. The stock could then be given to the stockholders of the parent corporation and they would be subject to a capital-gains tax rather than the regular income-tax rates. That means a much reduced tax. If the undistributed earnings which were converted into securities for transfer purposes were to be taxed on the basis of dividends, they would be taxed at a much higher rate. The spin-off is therefore a means of tax avoidance.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. ROBERTSON. Is it not a fact that what the Senator offers as an amendment to my amendment is really a provision to strike out not only my amendment, but the existing law with reference to split-ups?

Mr. HUMPHREY. That is not quite an accurate statement on the part of the Senator from Virginia because it is the considered judgment of the junior Senator from Minnesota that the amendment offered by the Senator from Virginia is nothing more nor less than an effort to take undistributed earnings which have been accumulated and which have not been declared as dividends taxed at normal dividend rates, and convert them into securities which can be turned into stock and the stock can be sold on the market on a capital-gains basis. That simply means that those who would get the benefit of such stock transfer would be relieved of their proper share of taxation.

I believe, Mr. President, that if there is any amendment that should be

adopted it is the amendment which has been offered by the Senator from Illinois [Mr. DOUGLAS], the Senator from North Dakota [Mr. LANGER], and the junior Senator from Minnesota.

The language of the amendment of the Senator from Virginia would weaken even the committee bill as I have said in previous debate; the committee bill did have some protective language in it. I felt it was weak in the sense that it did not require those who got stock of the new corporation to hold the stock for a sufficient period of time to be a truly legitimate transaction, but even if they did they could sell the stock quickly and thereby cash in at a low capital-gains tax rate rather than the higher income-tax rate.

Mr. ROBERTSON. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. The Senator used only 2 minutes of his time.

Mr. HUMPHREY. Mr. President, I should like to complete my remarks, and then I shall be glad to yield the floor.

Mr. President, rather than to burden the Senate with any more discussion, because the RECORD for last Tuesday is filled with it, I merely wish to say that the amendment offered by the Senator from Virginia is an attempt to take money that has been earned by a corporation and that has been held by the corporation, to help its stockholders to evade the process of paying the normal income tax on the money, to convert the undistributed profits into the stock of a new corporation, and the stock to be sold and the sale taxed not at the income-tax rates, but at the capital-gains rates. The amendment offered by the Senator from Virginia will weaken the existing law and will certainly weaken the committee bill. If the amendment is adopted and it comes up on its own merits, it is my intention to offer another amendment to require that the stock be held for at least 2 years.

Mr. ROBERTSON. Mr. President, I have devoted 35 years of my life to public service and I have never accumulated much of this world's goods, but I have no envy of those persons who have been more successful in business than I have been.

All corporations are subject to section 102 if they withhold personal income-tax dividends that should have been distributed.

I defy anyone to say that we have not placed heavy taxation on corporations. In our investigations in connection with small-business concerns we found that the worst handicap was the tax burden they had to carry, and we are making it heavier by this bill. Why should we say that a corporation which divides itself into new corporations, with no assets at all, should pay a new tax on top of what it already pays? That is what the proposal of the Senator from Minnesota involves. It goes beyond that. Where there is a split-up, and the corporations divide 50–50, we place a tax on them. That has been the law for years. The committee thought it would be only fair to adopt a little different method, such as that which is called a spin-off, which should have a different tax treatment. The committee agreed on it.

The language as finally perfected by the drafting service, in our opinion, would not effectuate the declared intent of the committee. I hope very much, Mr. President, that the Senate will adopt my amendment.

Mr. HUMPHREY. Mr. President, I believe I have a couple of minutes remaining.

The VICE PRESIDENT. The Senator has 5 minutes.

Mr. HUMPHREY. The purpose of the substitute amendment offered by the junior Senator from Minnesota is not to change existing law; it is to leave existing law as it is. Under existing law, legitimate split-ups and the legitimate creation of new corporations are permitted.

The amendment of the Senator from Virginia, if it be adopted, will permit companies which have huge earnings and reserves, on which they should distribute dividends to their stockholders, to convert those earnings into new stock, create a new corporation, and issue stock against that corporation, the stock coming back to the stockholders of the parent corporation, and the stockholders of the parent corporation being able to treat them as a capital gain. I submit that the proposal which has been offered is but an attempt to evade the payment of the normal income-tax rate.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. ROBERTSON. Does the Senator want to repeal the law as laid down by the Supreme Court in 293 United States 465, which held that a split-up was perfectly legal and would be recognized as a legitimate transaction?

Mr. HUMPHREY. The junior Senator from Minnesota is more than well aware of the Supreme Court case. I am happy to see the Supreme Court case. I believe in what I consider to be a going productive firm on the basis of a split-off from a parent corporation. But I submit that the language of the amendment offered by the Senator from Virginia would permit a quick liquidation of the corporation and the transfer of the cash and securities, not on the basis of normal income tax, but on the basis of a capital-gains tax.

Mr. ROBERTSON. Mr. President, I suggest that the Senator from Virginia merely puts the spin-offs on the same basis as the split-ups recognized in the decision. I contend that the amendment of the Senator from Minnesota would not only prevent that, but would repeal the law relating to it.

Mr. HUMPHREY. The amendment of the Senator from Minnesota does but one thing, Mr. President. It repeals the language of the amendment in the committee bill, in order to keep the law as it is. If there is any complaint under the existing law, I am not making it. All I say is that the existing law is adequate protection, and there is no need for further amendment. That is the purpose of the amendment of the junior Senator from Minnesota.

The VICE PRESIDENT. Does the Senator from Georgia wish to be recognized?

Mr. GEORGE. I do not approve of the spin-off provision without these qualifications put in the bill. Therefore, I would have to resist both amendments. It is clear that the business purposes doctrine will apply to spin-offs without any express statement in the law, and insofar as the limitations restate existing law they would be superfluous. However, it is thought desirable to express them in statutory language instead of relying upon judicial interpretation. I do not see that there is any special harm in expressly inserting these limitations in the law to emphasize the purpose and intent of the committee, and to show that we are not trying to justify a scheme for the distribution of earnings and profits of shareholders for any purposes of tax evasion. While I will concede that under existing law the same thing can be done indirectly which this amendment permits to be done directly, at the same time, when we legalize a direct step, it does not seem to me to be particularly harmful to put in these qualifying provisions. Therefore, I oppose the amendment offered by the distinguished Senator from Virginia. I also oppose the one by the distinguished Senator from Minnesota, because his amendment would strike the whole section. I am opposed to that amendment since the majority of the committee included the spin-off provision in the bill. I believe it is sound in principle. The sound economic reason for this provision of the bill is to decrease monopoly.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ROBERTSON. Is the Senator from Virginia correct in stating that his amendment is an amendment which the committee adopted before the bill was put in technical form by the staff?

Mr. GEORGE. The principle of the amendment was approved. Then the question arose as to how it should be framed, and it was suggested that we follow the latest form in which this particular amendment had been offered in another bill, H. R. 6712, which was approved by the House but not approved by the Senate. These limitations were in that bill.

Mr. ROBERTSON. The Senate at one time passed the very amendment I am offering today.

Mr. GEORGE. That is the amendment in principle.

Mr. ROBERTSON. It was passed by the Senate and passed by the House. Is it not true that the chairman of the Ways and Means Committee and the chairman of the Finance Committee took the provision out in conference with the understanding that it could go in the next tax bill?

Mr. GEORGE. That is correct.

Mr. ROBERTSON. Was not the objection that it should await a full revi-

sion of the reorganization provisions, and we never got a full reorganization revision? The Treasury has never made any fight on this on its merits, but says it should wait a reorganization bill.

The House has passed it, and the Senate has passed it. It was taken out in conference. The Treasury says we should wait for a reorganization bill. When will we get it? No one knows. So I say why should not the Senate adopt it now.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GEORGE. Let me reply to the Senator before I yield. The Senate adopted this amendment previously without these restrictive limitations, (a) and (b). When the House approved it, it did contain these two limitations (a) and (b). When the Finance Committee considered the provision this time, the senior Senator from Colorado, who offered the amendment in committee, agreed that these two restrictive clauses should be included in the amendment when written up.

The VICE PRESIDENT. The Senator's time has expired. All time for debate has expired.

The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from Virginia [Mr. ROBERTSON].

The amendment was rejected.

Mr. ROBERTSON. Mr. President, I call up my second amendment and ask that it be read.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 223, beginning with line 24, it is proposed to strike over everything through line 2, page 224, and insert in lieu thereof the following:

(c) Effective date: the amendments made by this section shall be applicable with respect to estates of decedents dying after January 1, 1945. No interest shall be allowed or paid on any overpayments resulting from the application of this section with respect to any payment made prior to the date of enactment of this act.

Mr. ROBERTSON. Mr. President, the purpose of the amendment is to extend the statute of limitations of 3 years to gifts made to members of a family. There are instances where a man has distributed his estate to his wife and children, with no intention of doing it at all for the purpose of avoiding the payment of an inheritance tax. The Government can go back as far as 12 years and say, "Oh, yes; you knew 12 years ago that you were going to die and you made the gifts because you thought you were going to die. We will not let you get by with it. We will put an inheritance tax on it." Therefore we want the same statute of limitation to apply. A man may look forward 3 years to the day when he thinks he is going to die. However, if he makes some distribution of his property to his wife and children and pays a gift tax on it the Government cannot come in later and harass his widow and children. I realize that it has been said it may apply to a former Member of the Senate. I merely say that it shall not apply to future deaths where the distribution was made more than 3 years before the death or to any pending case which has not been settled.

That is the whole issue. If we are to make it apply to the man who dies 1 day after the President signs the bill and not go back more than 3 years in his case, why should we make it apply to the man who dies 1 day before he signs the bill? I do not see the necessity for that kind of close distinction in the treatment of a fundamental principle of justice.

Mr. President, I hope very much that the distinguished chairman of the Committee on Finance will at least agree to take the amendment to conference, because I am fully convinced that if he says, "I am against it," that will be the end of it.

Mr. GEORGE. Mr. President, I am obliged to say I am against the amendment. I hope the Senate will not adopt it. I know that where there is any cut-off date, the things which happened the day before the cut-off becomes effective may stand morally on the same basis with what happens the day after. But there must be some cut-off date, some limitation. To make this section retroactive to 1945, although the amendment does provide for the payment of no interest or refund, as I understand, would, I think, open the statute too broadly. The House provision on this point seemed to the Committee on Finance to be adequate.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Virginia [Mr. ROBERTSON].

The amendment was rejected.

Mr. DOUGLAS. Mr. President, I send an amendment to the desk in behalf of myself and the junior Senator from Minnesota [Mr. HUMPHREY].

The VICE PRESIDENT. The Secretary will report the amendment.

The LEGISLATIVE CLERK. On page 71, after line 20, it is proposed to insert the following new section:

SEC. 124. Taxable years beginning after December 31, 1950.

Notwithstanding any other provision of this act, effective January 1, 1951, and effective with respect to taxable years beginning after December 1, 1950, the following sections of the Internal Revenue Code are amended as follows:

(a) Section 15 (b) (1) is amended by striking out "June 30, 1950" wherever appearing therein and inserting in lieu thereof "December 31, 1950", and by striking out "20 percent" and inserting in lieu thereof "25 percent."

(b) Section 207 (a) (1) (A) is amended by striking out "June 30, 1950" wherever appearing therein and inserting in lieu thereof "December 31, 1950".

(c) Section 207 (a) (3) (A) is amended by striking out "June 30, 1950" wherever appearing therein and inserting in lieu thereof "December 31, 1950", and by striking out "30 percent" and inserting in lieu thereof "37.5 percent."

(d) Section 362 (b) (4) is amended by striking out "June 30, 1950" wherever appearing therein and inserting "December 31, 1950", and by striking out "20 percent" and inserting in lieu thereof "25 percent".

(e) Section 26 (b) (2) (A) is amended by striking out "June 30, 1950" wherever appearing therein and inserting in lieu thereof "December 31, 1950", and by striking out "59 percent" wherever appearing therein and inserting in lieu thereof "61.2 percent."

(f) The first sentence of section 26 (h) (1) is amended by striking out "June 30, 1950" wherever appearing therein and inserting in lieu thereof "December 31, 1950", and by striking out "31 percent" and inserting in lieu thereof "28 percent."

(g) Section 26 (i) is amended by striking out "June 30, 1950" wherever appearing therein and inserting in lieu thereof "December 31, 1950", and by striking out "31 percent" and inserting in lieu thereof "28 percent".

(h) Section 421 (a) (1) is amended by striking out "20 percent" and inserting in lieu thereof "25 percent".

Mr. DOUGLAS. Mr. President, the Members of the Senate should not be alarmed by the reading of the amendment. It relates mostly to passages that are technical. It is a simple amendment. It merely raises the surtax on corporations by 5 percentage points, and it would raise an additional $1,500,000,000 a year in revenue.

We constantly must keep in mind the fact that the Government is going to be committed to a tremendous scale of expenditures during the coming year, for which the Finance Committee has not provided adequate revenue, and unless we raise the total amounts collected in taxation, the Government is going to be compelled to borrow from the banks, with consequent great inflation, and consequent great increase in prices.

As I have said, this is a proposal to raise $1,500,000,000 more than is provided in the bill submitted by the committee. If the amendment is successful, I then intend to propose another amendment raising an additional $1,000,000,000 a year by a 1-percent-point increase in the personal income tax rates, because I think we need to raise at least $2,500,000,000 more than the committee has provided in this bill, and probably more next year.

Mr. President, the amendment was drafted with the help of Treasury experts and the experts of the Senate's legislative counsel staff.

I ask unanimous consent that a statement and explanation I have prepared in support of this amendment and our amendment to increase the personal income tax rates if this amendment is successful, with the accompanying tables, to be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DOUGLAS

We must be prepared to further increase corporate and personal income taxes since we have not accepted the excess-profits tax. While I prefer the excess-profits tax, the desperate need for additional revenue to stem

the tide of inflation and pay for the Korean war makes such an immediate increase an absolute necessity. Our amendments would (1) increase the surtax on corporations by 5 percentage points which would yield an extra $1,500,000,000 a year and (2) increase the tax on individual incomes by 1 percentage point which would yield another billion dollars a year. The total net increase would be $2,500,000,000 per year.

The only way to avoid all-out price and wage controls is to cut down the inflationary gap—the difference between the amount spent and the amount taken in by the Government in taxes. The House of Representatives has already passed a supplemental appropriations bill of $16,700,000,000 at the request of the President for defense spending. But the tax bill recommended by the Senate Finance Committee carries with it only $4,500,000,000 in increased revenue even when in full effect and only $3,000,000,000 for the current fiscal year.

The Government was facing an estimated deficit of $3,500,000,000 for the fiscal year 1950–51 even before the Korean situation confronted us. With an increase in appropriations of $16,700,000,000, we would face a total deficit of $20,200,000,000 for the current year which would be reduced by $3,000,000,000 in the bill before the Senate. This would leave a possible inflationary gap of $17,200,000,000.

In order to pay for this deficit, we would have to borrow from the banks, which would create credit in order to furnish the money. This credit, when thrown into an economy of relative full employment, will cause prices to be bid up and inflation will set in. Prices will skyrocket, those living on fixed incomes will suffer, labor will demand higher wages and, in the end, we will have to blanket the country in all-out wage and price controls and rationing, which in turn will be largely ineffectual.

Of course, if we get into an all-out war these controls will be unavoidable. But I believe we can avoid them under present circumstances if we will take up our belts, cut nonessential spending, raise taxes substantially, and use voluntary allocations and credit controls.

The President will undoubtedly be able to cut some spending that Congress was unable to do. Also, we probably will not spend all the $16,700,000,000 in supplemental appropriations. But the inflationary gap is bound to be large enough to drive up prices and will increase. I favored an excess-profits tax to help raise the needed revenue. But since this has failed, we must do the next best thing, namely, increase the corporation and the personal-income taxes. That is why we are introducing amendments to increase the tax rate on corporations earning a net of over $25,000 by another 5 percentage points, and personal incomes by another 1 percentage point over the amounts recommended by the Senate Finance Committee.

My amendments would net an extra $1,500,000,000 from corporations and another $1,000,000,000 from individuals, bringing the ultimate total up to $7,000,000,000. If we adopt the amendments offered by Senator HUMPHREY and myself to plug up present loopholes and prevent the opening of others, we can raise the total increase in revenue to about $8,000,000,000. In my opinion, we can stave off strict wage and price controls in this manner. If the inflationary gap continues to rise, we will have to raise taxes even further—at least to the level of World War II.

We should be honest with ourselves. If we refuse to vote these increased taxes now, we are inviting a terrific case of inflation. The cure, which is unpleasant, will not be as bad as the disease.

STATEMENT OF SENATOR DOUGLAS EXPLAINING AMENDMENTS OFFERED BY HIMSELF AND SENATOR HUMPHREY FOR A FURTHER INCREASE OF $2,500,000,000 IN CORPORATE AND PERSONAL TAXES

These amendments would increase revenues over and above the yield of the bill as reported by $2,500,000,000 on an annual basis.

The first amendment would increase corporation income taxes for 1951 to yield an additional $1,500,000,000 and the second would increase the individual income tax rates to raise an additional $1,000,000,000 over the yield of the bill as it now stands.

INCREASE IN CORPORATION SURTAX

The change we propose in the corporation income tax is to increase the rate on corporate incomes above $25,000 to 50 percent in place of the 45 percent which under the bill would apply in 1951. This would be accomplished by increasing the surtax rate from 20 percent to 25 percent.

Under the amendment, the normal tax of 25 percent, which alone applies to the first $25,000 of income, would remain the same as in the bill before us. In other words, small corporations would not have their taxes increased above the level of the committee bill as a result of our amendment.

On corporations with incomes slightly above $25,000 the increase in tax under our proposal would be very small. In fact, this amendment would still permit corporations with incomes between $41,667 and $52,083, a lower tax liability than under present law. This is the result of the change in the corporate income tax rate schedule incorporated in the committee bill for the purpose of eliminating the so-called notch, which under present law, applies a 53 percent rate to the amount of income between $25,000 and $50,000.

Table I shows the effective rates of tax under the proposed amendment compared with the committee bill and present law. As will be seen from this table the increases over the committee bill generally will be relatively small unless a corporation's income amounts to more than $50,000. Only about 50,000 corporations or 15 percent of the total number of taxable corporations have incomes above $50,000 and yet these 50,000 corporations account for 90 percent of the taxes from all corporations. That is why we did not increase the rate on small corporations. Any increase in revenue would be negligible and small corporations should be encouraged.

In general, the corporations that would be affected by our proposal would have been subject to the excess-profit tax which this body rejected. We believe that under conditions short of all-out war we can justify the increased rate we are proposing because most of these corporations will be benefiting substantially from the expansion of the economy directly attributable to the increased military expenditures.

Under our amendment the corporation income tax rate would be raised to a level substantially above the wartime level. However, I want to make it clear that the income tax under the amendment would still be below the peak wartime rates on smaller corporations. Under the amendment the rate on the first $25,000 of income would not be changed from the rate in the Finance Committee bill.

For the largest corporations it is true that the amendment would increase the corporation income-tax rate about 10 percentage points above the wartime rate. However, we should remember that the corporation income tax was held to a 40-percent top rate during World War II only because an excess-profits tax was imposed. Since the excess-profits tax amendment to this bill has failed, we do not believe that we can afford to face the military expenditures already clearly indicated without a further substantial increase in the taxes on corporations.

Even the anticipation of these expenditures is causing a sharp rise in the level of corporation profits. From a level of about $31,000,000,000 in the first half of this year, we expect corporate profits to rise to an annual rate of $40,000,000,000 by the end of this current calendar year. On the $31,000,000,000 profit level corporate taxes were estimated at about $12,000,000,000 leaving about $19,000,000,000 for dividends and reinvestment of earnings. (See Economic Indicators.)

With profits of $40,000,000,000 for 1951 corporate income taxes on the basis of our proposal, more would be left for dividends and reinvestment than was left after taxes at the annual rate of the first 6 months of this year. This is true since, with a profit base of $40,000,000,000, the tax rate our amendment provides would take away about $19,000,000,000 leaving net profits after taxes of $21,000,000,000, or $2,000,000,000 higher than the comparable profits of $19,000,000,000 based on the first 6 months of this year.

Now why should we increase rates for 1951 now? Why not wait until we consider tax legislation next year? The answer is simply that we know now that we will have to provide at least this much in the future. By doing it now, we will have assurance that the increase will apply at the beginning of 1951 and we can avoid the problem of retroactivity. If this action is put off until later, we cannot be certain that the increases will apply starting January 1, 1951.

INCREASE IN INDIVIDUAL INCOME TAX RATES

The second amendment proposed would raise the individual income-tax rates under the committee bill for 1951 by 1 percentage point in each bracket.

Table 2 shows proposed rates for 1951 in contrast with present rates, those proposed in the committee bill for 1951 incomes and the wartime peak rates provided under the Revenue Act of 1944. The suggested rates are lower by 2 percentage points than the wartime peak rates in each tax bracket. However, because of other changes in the law since 1944 actual tax liabilities under the amendment will not be as close to the 1944 level as indicated by the rate schedule. The per capita exemptions were increased from $500 to $600 and income splitting was provided for married persons under the Revenue Act of 1948. Consequently, the effective rates of tax for married persons under the amendment will be less than 1944 by varying degrees. The maximum difference would occur on incomes of about $25,000 or more since these incomes derived the maximum reduction from the split-income provision.

To illustrate the extent to which the amendment would increase individual income tax liabilities, there are attached tables 3 and 4 comparing amounts and effective rates of tax for different levels of net income under present law, the rates provided in the committee bill, and the proposed increase in these rates. These tables indicate that the increase in tax under the amendment represents a rising percentage of net income as the size of income increases. This is because the increased rates apply to a smaller portion of net income at the lower income levels where the personal exemptions are relatively more important.

At the present levels of personal income this one percentage point increase in all surtax rates will raise additional revenue in

excess of $800,000,000. Allowing for the indicated increase in personal incomes during the next year, the revenue gain will in all probability be close to $1,000,000,000. This additional billion dollars of tax will not only improve the budget position of the Government but will also postpone the day when all-out price and wage controls become necessary.

The increase in individual income tax rates to be provided by the amendment should be implemented by increasing the rate at which income tax is withheld. Under the committee bill the withholding rate would be increased from 15 percent to 18 percent beginning October 1, 1950. No further increase is scheduled for January 1, 1951. The amendment would increase the withholding rate to 19 percent effective January 1, 1951, and in this way collect most of the additional tax on a current basis.

I urge enactment at this time of the higher rates for the year 1951 in order that our tax system will make a more effective contribution toward curtailing inflationary pressures that will arise from increased defense spending. If we wait until the next tax bill to make these increases we could not make them effective for the full year 1951 without the complications under the withholding system of making increases in the individual income tax retroactive. It is the duty of this body to raise taxes sufficiently so that undesirable inflationary developments will not hinder the defense program.

TABLE 1.—*Comparison of effective corporate income-tax rates under present law, the House bill, the Finance Committee's bill in 1951 and subsequent years, and the proposed amendment by Mr. Douglas and Mr. Humphrey*

Net income (normal and surtax)	Present law, effective rates	Finance Committee's bill		Douglas-Humphrey proposals		
		Effective rates	Percentage point increase or decrease (−) over present law	Effective rates	Percentage point increase or decrease (−) over: Present law	Percentage point increase or decrease (−) over: Finance Committee bill
	Pct.	*Pct.*		*Pct.*		
$1,000	21.00	25.00	4.00	25.00	4.00	0
$2,000	21.00	25.00	4.00	25.00	4.00	0
$3,000	21.00	25.00	4.00	25.00	4.00	0
$4,000	21.00	25.00	4.00	25.00	4.00	0
$5,000	21.00	25.00	4.00	25.00	4.00	0
$6,000	21.33	25.00	3.67	25.00	3.67	0
$7,000	21.57	25.00	3.43	25.00	3.43	0
$8,000	21.75	25.00	3.25	25.00	3.25	0
$9,000	21.89	25.00	3.11	25.00	3.11	0
$10,000	22.00	25.00	3.00	25.00	3.00	0
$15,000	22.33	25.00	2.67	25.00	2.67	0
$20,000	22.50	25.00	2.50	25.00	2.50	0
$25,000	23.00	25.00	2.00	25.00	2.00	0
$30,000	28.00	28.33	.33	29.17	1.17	.84
$31,250	29.00	29.00	0	30.00	1.00	1.00
$35,000	31.57	30.71	−.86	32.14	.57	1.43
$40,000	34.25	32.50	−1.75	34.38	.13	1.88
$45,000	36.33	33.89	−2.44	36.11	−.22	2.22
$50,000	38.00	35.00	−3.00	37.50	−.50	2.50
$60,000	38.00	36.67	−1.33	39.58	1.58	2.91
$70,000	38.00	37.86	−.14	41.07	3.07	3.21
$71,428.57 plus	38.00	38.00	0	41.25	3.25	3.25
$75,000	38.00	38.33	.33	41.67	3.67	3.34
$100,000	38.00	40.00	2.00	43.75	5.75	3.75
$150,000	38.00	41.67	3.67	45.83	7.83	4.16
$166,666⅔	38.00	42.00	4.00	46.25	8.25	4.25
$200,000	38.00	42.50	4.50	46.88	8.88	4.38
$300,000	38.00	43.33	5.33	47.92	9.92	4.59
$400,000	38.00	43.75	5.75	48.44	10.44	4.69
$500,000	38.00	44.00	6.00	48.75	10.75	4.75
$750,000	38.00	44.33	6.33	49.17	11.17	4.84
$1,000,000	38.00	44.50	6.50	49.38	11.38	4.88
$5,000,000	38.00	44.90	6.90	49.88	11.88	4.98
$10,000,000	38.00	44.95	6.95	49.94	11.94	4.99

TABLE 2.—*Individual rate schedule, rates under Committee bill and proposed amendment for 1951, compared with the Revenue Acts of 1944, 1945, and 1948*

Surtax net income	1944 act (highest wartime rates)	1945 act [1]	1948 act [1] (present law)	Finance Committee bill	Proposed amendment
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
0 to $2,000	23	19.00	16.60	20	21
$2,000 to $4,000	25	20.90	19.36	22	23
$4,000 to $6,000	29	24.70	22.88	26	27
$6,000 to $8,000	33	28.50	26.40	30	31
$8,000 to $10,000	37	32.30	29.92	34	35
$10,000 to $12,000	41	36.10	33.44	38	39
$12,000 to $14,000	46	40.85	37.84	43	44
$14,000 to $16,000	50	44.65	41.36	47	48
$16,000 to $18,000	53	47.50	44.00	50	51
$18,000 to $20,000	56	50.35	46.64	53	54
$20,000 to $22,000	59	53.20	49.28	56	57
$22,000 to $26,000	62	56.05	51.92	59	60
$26,000 to $32,000	65	58.90	54.56	62	63
$32,000 to $38,000	68	61.75	57.20	65	66
$38,000 to $44,000	72	65.55	60.72	69	70
$44,000 to $50,000	75	68.40	63.36	72	73
$50,000 to $60,000	78	71.25	66.00	75	76
$60,000 to $70,000	81	74.10	68.64	78	79
$70,000 to $80,000	84	76.95	71.28	81	82
$80,000 to $90,000	87	79.80	73.92	84	85
$90,000 to $100,000	90	82.65	76.56	87	88
$100,000 to $136,719.10	92	84.55	78.32	89	90
$136,719.10 to $150,000			80.3225		
$150,000 to $200,000	93	85.50	81.2250	90	91
$200,000 and over	94	86.45	82.1275	91	92
Maximum overall rate limitation	90	85.50	77.00	87	88

[1] After reduction from tentative tax.

MARRIED PERSON—2 DEPENDENTS

Net income before exemption	Amount of tax under—: Present law	Finance Committee bill: 1950	Finance Committee bill: 1951	Proposed amendment, 1951	Increase over Finance Committee bill for 1951
$2,400					
$3,000	$100	$104	$120	$126	$6
$5,000	432	452	520	546	26
$8,000	974	1,016	1,152	1,208	56
$10,000	1,361	1,417	1,592	1,668	76
$15,000	2,512	2,607	2,900	3,026	126
$20,000	3,888	4,030	4,464	4,640	176
$25,000	5,476	5,672	6,268	6,494	226
$50,000	16,578	17,152	18,884	19,360	476
$100,000	45,643	47,208	51,912	52,888	976
$500,000	358,677	369,645	402,456	407,432	4,976
$1,000,000	769,314	791,430	857,456	867,432	9,976

TABLE 3.—*Comparison of individual liability under present law, the Committee bill for 1950 and 1951, and proposed amendment*

SINGLE PERSON—NO DEPENDENTS

Net income before exemption	Amount of tax under—: Present law	Finance Committee bill: 1950	Finance Committee bill: 1951	Proposed amendment, 1951	Increase over Finance Committee bill for 1951
$600					$2
$800	$33	$35	$40	$42	4
$1,000	66	70	80	84	9
$1,500	149	157	180	189	14
$2,000	232	244	280	294	24
$3,000	409	428	488	512	44
$5,000	811	843	944	988	74
$8,000	1,546	1,604	1,780	1,854	94
$10,000	2,124	2,201	2,436	2,530	144
$15,000	3,894	4,032	4,448	4,592	
$20,000	6,089	6,301	6,942	7,136	194
$25,000	8,600	8,898	9,796	10,040	244
$50,000	23,201	23,997	26,388	26,882	494
$100,000	58,762	60,770	66,798	67,792	994
$500,000	[1]385,000	396,221	429,274	434,268	4,994
$1,000,000	[1]770,000	[2]800,000	[3]870,000	[4]880,000	10,000

[1] Taking into account maximum effective rate limitation of 77 percent.
[2] Taking into account maximum effective rate limitation of 80 percent.
[3] Taking into account maximum effective rate limitation of 87 percent.
[4] Taking into account maximum effective rate limitation of 88 percent.

TABLE 3.—Continued

MARRIED PERSON—NO DEPENDENTS

Net income before exemption	Amount of tax under—: Present law	Finance Committee bill: 1950	Finance Committee bill: 1951	Proposed amendment, 1951	Increase over Finance Committee bill for 1951
$1,200					
$1,500	$50	$52	$60	$63	$3
$2,000	133	139	160	168	8
$3,000	299	313	360	378	18
$5,000	631	661	760	798	38
$8,000	1,206	1,257	1,416	1,484	68
$10,000	1,621	1,686	1,888	1,976	88
$15,000	2,829	2,935	3,260	3,398	138
$20,000	4,247	4,402	4,872	5,060	188
$25,000	5,877	6,087	6,724	6,962	238
$50,000	17,201	17,797	19,592	20,080	488
$100,000	46,403	47,994	52,776	53,764	988
$500,000	359,662	370,657	403,548	408,536	4,988
$1,000,000	[1]770,000	792,442	858,548	868,536	9,988

MARRIED PERSON—2 DEPENDENTS

Net income before exemption	Effective rates—: Present law	Finance Committee bill: 1950	Finance Committee bill: 1951	Proposed amendment, 1951	Increase over Finance Committee bill for 1951
$2,400	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$3,000	3.3	3.5	4.0	4.2	0.2
$5,000	8.6	9.0	10.4	10.9	.5
$8,000	12.2	12.7	14.4	15.1	.7
$10,000	13.6	14.2	15.9	16.7	.8
$15,000	16.7	17.4	19.3	20.2	.9
$20,000	19.4	20.2	22.3	23.2	.9
$25,000	21.9	22.7	25.1	26.0	.9
$50,000	33.2	34.3	37.8	38.7	.9
$100,000	45.6	47.2	51.9	52.9	1.0
$500,000	71.7	74.1	80.5	81.5	1.0
$1,000,000	76.9	79.3	85.7	86.7	1.0

[1] Taking into account maximum effective rate limitation of 77 percent.

TABLE 4.—*Comparison of individual income tax effective rates under present law, the Finance Committee bill for the calendar years 1950 and 1951, and proposed amendment*

SINGLE PERSON—NO DEPENDENTS

Net income before exemption	Effective rates—: Present law	Finance Committee bill: 1950	Finance Committee bill: 1951	Proposed amendment, 1951	Increase over Finance Committee bill for 1951
$600	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$800	4.2	4.4	5.0	5.3	0.3
$1,000	6.6	7.0	8.0	8.4	.4
$1,500	10.0	10.4	12.0	12.6	.6
$2,000	11.6	12.2	14.0	14.7	.7
$3,000	13.6	14.3	16.3	17.1	.8
$5,000	16.2	16.9	18.9	19.8	.9
$8,000	19.3	20.0	22.3	23.2	.9
$10,000	21.2	22.0	24.4	25.3	.9
$15,000	26.0	26.9	29.7	30.6	.9
$20,000	30.4	31.5	34.7	35.7	1.0
$25,000	34.4	35.6	39.2	40.2	1.0
$50,000	46.4	48.0	52.8	53.8	1.0
$100,000	58.8	60.8	66.8	67.8	1.0
$500,000	[1]77.0	79.2	85.9	86.9	1.0
$1,000,000	[1]77.0	[2]80.0	[3]87.0	[4]88.0	1.0

[1] Taking into account maximum effective rate limitation of 77 percent.
[2] Taking into account maximum effective rate limitation of 80 percent.
[3] Taking into account maximum effective rate limitation of 87 percent.
[4] Taking into account maximum effective rate limitation of 88 percent.

TABLE 4.—Continued

MARRIED PERSON—NO DEPENDENTS

Net income before exemption	Effective rates— Present law	Finance Committee bill 1950	Finance Committee bill 1951	Proposed amendment, 1951	Increase over Finance Committee bill for 1951
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
$1,200					
$1,500	3.3	3.5	4.0	4.2	0.2
$2,000	6.6	7.0	8.0	8.4	.4
$3,000	10.0	10.4	12.0	12.6	.6
$5,000	12.6	13.2	15.2	16.0	.8
$8,000	15.1	15.7	17.7	18.6	.9
$10,000	16.2	16.9	18.9	19.8	.9
$15,000	18.9	19.6	21.7	22.7	.9
$20,000	21.2	22.0	24.4	25.3	.9
$25,000	23.5	24.3	26.9	27.8	.9
$50,000	34.4	35.6	39.2	40.2	1.0
$100,000	46.4	48.0	52.8	53.8	1.0
$500,000	71.9	74.3	80.7	81.7	1.0
$1,000,000	[1] 77.0	79.4	85.9	86.9	1.0

[1] Taking into account maximum effective rate limitation of 77 percent.

Mr. GEORGE. Mr. President, this amendment has not, of course, been printed. However, it is easily understood. In effect it merely increases the corporate surtax rate by five additional points. However, it would have the effect of throwing a good many things out of kilter and out of balance.

We have tried, for instance, in the case of Western Hemisphere Trade Corporations, doing business in foreign countries of this hemisphere, to limit the special tax benefit given these corporations to their present level. This was done on the recommendation of the Treasury. This amendment would throw these credits out of balance, and require us to formulate different credits in every instance.

I do not believe the amendment should be approved at this time, because we made the increase recommended by the Treasury, although we did not make it applicable to the full year 1950.

So far as the corporate rates are concerned, what I said a while ago is certainly pertinent. This is bringing the corporate rates practically up to 50 percent. Then, with the 2 percent rate in consolidated returns and the addition which must be made for intercompany dividends and for social security, to say nothing about State rates, the taxes which would have to be paid by corporations would run to nearly 60 percent in the ordinary State which imposes as much as 7 percent, which, as I pointed out, is true in my State of Georgia. So I hope the amendment will not be approved.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was rejected.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment in behalf of the junior Senator from Illinois [Mr. DOUGLAS], the junior Senator from New York [Mr. LEHMAN], the senior Senator from North Dakota [Mr. LANGER], and myself, and ask that it be read.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 226 it is proposed to restore the language stricken, beginning with line 1, through line 17 on page 241.

Mr. HUMPHREY. Mr. President, after the discussion of the amendment it is my intention to ask for the yeas and nays.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. HUMPHREY. Mr. President, does this come out of my time?

The VICE PRESIDENT. Not necessarily, but it will take the Senator off the floor.

Mr. HUMPHREY. Mr. President, I ask that my colleague and friend withdraw his request for a quorum call until the conclusion of my remarks.

Mr. DOUGLAS. Mr. President, I withdraw the suggestion of the absence of a quorum.

The VICE PRESIDENT. The Senator from Minnesota has the floor.

Mr. HUMPHREY. Mr. President, this amendment, in the mind and opinion of its sponsors, is possibly one of the most basic amendments we have to offer. I fully recognize that we are not having much success in amending the bill, and I fully appreciate the intricacies and complexities of writing a tax bill.

Mr. President, I want to make it quite clear that those of us who have offered these amendments are doing so in the spirit of attempting to improve the bill and to raise additional revenue, and to take away the inequities which, from our point of view, we see as being present in the bill.

What does the amendment now before the Senate do, as expressed in simple terms? It merely applies the principle of tax withholding on dividends just as it is applied with respect to wages and salaries. The method of withholding taxes on wages and salaries has long been in effect and it is a good method. There is no reason to believe that it would not be equally effective with respect to withholding of tax on dividends. As a matter of fact, the Treasury Department knows it will work. After careful study, the House of Representatives included this provision in their tax bill.

In 1947 the Treasury Department stated to the House committee, and I believe to the Senate committee also, that the total amount of net dividends paid by corporations amounted to 6½ billion dollars. However, in the same year, individuals and taxable fiduciaries reported only $4,900,000,000 on income tax returns, leaving $1,600,000,000 to be accounted for. After allowance was made for dividends not reported, either because they were received by tax-exempt organizations, nontaxable fiduciaries or persons who were not required to file returns, the remaining gap was $900,000,000. Using these figures as a base, the Treasury estimates that the gap has risen since 1947 to more than $1,000,000,000, a reasonable estimate since dividends have risen by over 20 percent.

The Joint Committee on Internal Revenue Taxation estimates are about the same. In view of these facts, it is clear that substantial amounts of dividends are underreported. No amount of juggling with the figures will produce estimates which are substantially different from these.

If the amendment were adopted—it is an amendment which would bring about equity of treatment—it would produce an estimated $170,000,000 of revenue that today is escaping the Treasury of the United States. I point out that there may be times, if the dividend withholding tax were applied, that there would have to be refunds made to some people, because they would not be within the taxable brackets. But the Government pays more than $400,000,000 in refunds to approximately 9,000,000 wage earners a year. The problem of refunding is not a problem which is insurmountable. The problem of accounting is not a problem which is insurmountable. But the loss of $170,000,000 in revenue because of faulty tax collection is inexcusable. Certainly the Congress of the United States wants to provide legislative language which will make it possible for the Bureau of Internal Revenue to collect the money which is justly due the Government. The amendment is not offered with the purpose of providing an increase in taxes. It is an effort to bring about equality of tax burden, of responsibility to the Government.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. Is it not true that there are many honest taxpayers who unintentionally fail to pay a tax on their dividends because they hold so small an amount of stock they simply forget about it and never do get around to reporting? For many stockholders such a provision as the Senator proposes would be an actual convenience. The millions of honest stockholders who want to pay their taxes would perhaps be glad to have them paid ahead of time, instead of finding themselves in debt at the end of the year, as many of us do.

Mr. HUMPHREY. The observation made by the Senator from Louisiana is a sound one. It is my feeling that what he has stated is an appropriate way of dealing with the problem, because there are thousands of dividend recipients who simply do not report their receipt of the dividends, not out of maliciousness or out of a desire to be tax evaders. They simply fail to report them because they believe they may be in such a low bracket that there is no tax to be paid.

Mr. LONG. Is it not true that many persons receiving small dividends, let us say of $6 or $8 or $9, do not make any note of them, and that at the end of the year they have no way of checking what they received, whereas if they were called upon to make payment they would be glad to do so, and that if the tax were withheld on their dividends it would be a convenience to them?

Mr. HUMPHREY. If there ever was an amendment which would do something for the Treasury by way of getting in more money to pay the cost of the Government, and particularly at such a time as this, when the Government must pay out such great amounts for conducting the Korean campaign, and which at the same time imposes equality of responsibility and sacrifice on the part of our people, it is this amendment. Remember that every time a dividend recipient pays his tax on his dividend, and somebody else does not pay his tax on his dividend, it is a compelling incentive to increase the tax rate. I hope we will see to it that we do not penalize those who are honestly and honorably paying their taxes on their dividends and at the same time excuse those who are not, or taking legal action later on, which is an expensive process. Every time a tax evader fails to pay his tax, it means that those who do pay their taxes are required to pay an undue share of the tax bill.

Mr. President, I shall feel compelled to ask for a quorum call in connection with this amendment, unless the distinguished chairman of the committee will be kind enough to agree to take it to conference. I know that the House adopted this provision. I feel it is so essential that $170,000,000, the amount involved, should come to the Treasury by way of revenue that, unless the distinguished chairman is willing to accept the amendment and take it to conference, I shall have to suggest the absence of a quorum. If he will accept the amendment, I shall be grateful.

Mr. GEORGE. Mr. President, this subject is already in conference. It is squarely in conference. We in the committee acted on the assumption that in conference the matter would be very carefully examined. That is one of the reasons why we did not accept the amendment in committee. But if we accept the amendment, then the subject will not be in conference. Our hands will then be bound. That will be the end of the matter.

I will say to the Senator that this is not a one-sided question. In the first place the Commissioner of Internal Revenue now has the right to require every corporation to report every dividend, in whatever amount it may be. Heretofore the Commissioner has exercised that right only to the extent of requiring corporations to report those dividends paid out which in the course of the year amounted to $100 or more. But we are advised that steps are being taken to require corporations to report every dime of dividends paid out and to whom paid. Also that the Commissioner of Internal Revenue is preparing to add a provision in the tax return requiring the taxpayer himself to itemize every dividend received.

There are many dividends which are received by tax-exempt organizations, by churches, by schools, by colleges, by all types of charitable organizations. Such organizations live largely on the investments they have in securities, in bonds. It is true such organizations would get back the 10 percent in such cases as a refund, but it is also true that it might take a year before they would receive the refund. They would not be able to carry on, they would not be able to meet the cost of operating the school or the college, or whatever the tax-exempt organization might be. All schools, all colleges, all charitable institutions at this time are and for many years have been faced with serious difficulties in getting enough revenue to meet their current expenses, because of the rapid decline in the interest rates on stocks and bonds in which so much of their investment lies. Also there are literally hundreds and thousands of small stockholders who do not owe any tax. They do not have enough income to be required to pay a tax or to make a return.

It is surprising to know how many letters were received by the Finance Committee from persons in all parts of the United States, men and women who state that they receive $400 or $200 or $300 as dividends. For instance, some of them say in their letters, "My wife and I, who are both 65 years old, have a total exemption of $2,400, and we have a little income from stocks, amounting to $1,100 between both of us"—in other words, the dividends of both of them amount to a total of $1,100. So they owe no tax; but 10 percent is proposed to be taken out or withheld, and it will be a year before they will be able to get it back.

The estimates which have been presented are wrong about this matter, Mr. President. There are not $170,000,000 of taxes on dividends which are dishonorably evaded. There is no doubt that there are some. It is estimated that $20,000,000 will be paid by the little farm cooperatives in the United States in their patronage dividends. Those patronage dividends run from $1.50 to $2 or $3 or $4, or sometimes $5. Those dividends of cooperatives could not go to taxpayers owing much tax and that is the reason why the Treasury does not get that money.

However, with the anticipated amendment to the Treasury Department regulations—which amendment the Treasury has full authority to make—requiring every corporation to submit lists of the dividends it has paid out, and with the requirement that every taxpayer must itemize the dividends received by him in the course of the year, there would seem to be no need for this rather drastic change, particularly when this entire question is to be in conference.

The House has a right to insist upon this provision, and no doubt will insist upon it; and in conference we can examine the matter more fully. In fact, we have requested certain information which we hope to have by the time the conferees meet.

Therefore, Mr. President, I hope the Senate will not tie the hands of its conferees, but will leave us free to examine all angles of this question in conference.

Mr. HUMPHREY. Mr. President, have I any time remaining?

The VICE PRESIDENT. The Senator from Minnesota has 2 minutes remaining.

Mr. HUMPHREY. Mr. President, I know this question presents a difficult problem. I have read with much interest and, let me say, with concern and real care the report of the committees in regard to this particular provision.

I wish to read one statement which appears in the report of the House committee:

> In view of the confusion which now exists with respect to the taxable status of patronage dividends, withholding is highly desirable. It makes it clear that taxable patronage dividends include not only those received in cash but also those which are held to be the equivalent of cash.

Mr. President, I also wish to point out that the record before the committee is clear and concise in stating that millions of dollars of tax payments are avoided in this situation. If the Treasury can handle with dispatch refunds to 9,000,000 wage earners, totaling approximately $400,000,000, and can do so without any great confusion or without any material complaint on the part of the wage earners, I see no reason in the world why the recipients of dividends cannot be placed under the same requirement.

To be sure, there will be difficulties, as there are in connection with the collection of any kind of tax.

However, this matter has been thoroughly considered and worked out. It seems to me that we must now tighten up the loopholes to the best of our ability, in order to obtain the revenue which it is possible for the Government to obtain if it will go out and get it.

The Treasury has said that the job of preparing lists of those who receive dividends, as suggested by the Finance Committee as a substitute for an amendment, would be an impossible one, so far as policing is concerned.

The VICE PRESIDENT. The time of the Senator from Minnesota has expired.

The question is on agreeing to the amendment offered by the Senator from Minnesota, for himself and other Senators.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. HUMPHREY. Mr. President, on this question I ask for a division.

On a division, the amendment was rejected.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the amendment.

The VICE PRESIDENT. The yeas and nays have already been requested and refused, and the amendment has been rejected.

The Senator from North Dakota has suggested the absence of a quorum, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Ives
Anderson	Fulbright	Jenner
Butler	George	Johnson, Tex.
Chapman	Graham	Kefauver
Connally	Gurney	Kerr
Darby	Hendrickson	Kilgore
Donnell	Hickenlooper	Langer
Douglas	Hill	Leahy
Dworshak	Hoey	Lehman
Ecton	Holland	Lodge
Ferguson	Humphrey	Long

Lucas	Mundt	Sparkman
McCarran	Murray	Stennis
McClellan	Neely	Taylor
McFarland	O'Mahoney	Thye
McKellar	Pepper	Watkins
McMahon	Robertson	Wherry
Malone	Russell	Williams
Maybank	Smith, Maine	Withers
Millikin	Smith, N. J.	Young

The VICE PRESIDENT. A quorum is present.

Mr. NEELY. Mr. President, I move that the Senate reconsider the vote by which the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] for himself and other Senators was rejected.

Mr. GEORGE. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Georgia to lay on the table the motion of the Senator from West Virginia. [Putting the question.] The "ayes" seem to have it.

Mr. NEELY and other Senators asked for the yeas and nays.

The yeas and nays were not ordered.

The motion to lay on the table was agreed to.

ELEVENTH ANNIVERSARY OF INVASION OF POLAND

Mr. FERGUSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement which I should like to make to the Senate, but which I am unable to make because of the limitation now applying to debate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FERGUSON

September 1 is an anniversary this Nation must not forget.

The political independence of the Polish Government was shattered on September 1, 1939, when the Nazi Armies swept eastward to begin the conflict of World War II.

The Polish people, first to fight the armies of Hitler, continued to fight throughout the war in Italy, France, and Africa.

But, despite the military sacrifices of the Polish patriots and despite the eventual defeat of the Nazi invaders, the 25,000,000 people of Poland have not regained the freedom and independence that was lost September 1, 11 years ago.

On September 1, 1950, Poland is a slave state, completely subject to the tyranny of Soviet control. The absorption of Poland within the Soviet regime and the loss of Polish identity as a satellite nation is threatened at this hour.

It is humiliating, as an American citizen, to recall events of the last 10 years that have turned the victory over the Nazi invaders into slavery and tragedy for Poland and her people.

It is disheartening to recall that the promises of the Atlantic Charter were held out to the Polish people when we needed the aid of Poland in opposing Hitler; but the same promises were forgotten when the fate of Poland was decided at the Yalta Conference of 1945.

At Yalta this Government gave concessions to the Soviet which surrendered control of Poland to a Communist puppet government. The control of Poland, which Germany was not able to win by invading forces, was handed to the Soviet in the discussions at Yalta.

Thousands of Polish exiles in western Europe and in America will remember the invasion of September 1, 1939, and will remember just as strongly the sell-out to the Soviet when the invaders were driven out. They will not forget the loss of religious freedom in Poland, the destruction of free institutions, the murder of 10,000 Polish officers by the Communists at Katyn and the deportation of more than 1,500,000 Polish patriots to Siberia.

We, in America, must remember on September 1 the pledges made in war years to support the independence of Poland and the freedom of the Polish people.

The subsequent sell-out of the rights of our Polish allies, along with the betrayal of our Chinese allies in the Yalta and Potsdam agreements, must be corrected.

Many times in the past few years, I have called upon this administration to extend aid behind the iron curtain to men and women who cherish liberty and oppose the slavery of Communist control. We surely know enough of the Polish people and of Polish history to realize that even the blanket of communism cannot extinguish the flame of freedom that has burned in Poland for centuries desite oppression of succeeding invaders.

On this September 1, we should do all we can to revive hope for Polish freedom and independence for which so much has been sacrificed in the past decade.

REVENUE ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 8920) to reduce excise taxes, and for other purposes.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The Secretary will state the amendment offered by the Senator from Illinois.

The CHIEF CLERK. On page 142 it is proposed to strike out the language beginning with line 20 down through line 3, page 144.

The VICE PRESIDENT. The Senator from Illinois is recognized for 10 minutes.

Mr. DOUGLAS. Mr. President, the amendment proposed by the Senator from Minnestota [Mr. HUMPHREY], the Senator from New York [Mr. LEHMAN], the Senator from North Dakota [Mr. LANGER], and the junior Senator from Illinois would strike out those portions of the Finance Committee bill which would validate the use of family partnerships for tax avoidance purposes. We have made some computations, and it appears that the provisions with reference to family partnerships included in the bill of the Finance Committee will cost the Treasury approximately $100,000,000 a year in revenue. Therefore it is tax avoidance and is not tax collection.

All that a successful businessman needs to do is to establish a supposed partnership between himself and other members of his family—his wife, children, brothers, sisters, nieces, his cousins, and his aunts.

The owner of the business would purport to make a gift to the other family members and they in turn would obtain a partnership share in the business by reinvesting this gift. The character of the business ownership and management would remain unchanged in all essential respects. The new partners need know nothing about the operation of the business and need not contribute any personal services to it. Control over the business would continue to vest in the original owner. The profits would continue to be retained in the business subject only to the control of the original owner. For tax purposes, however, the pro rata partnership shares of the business income would be attributed to the so-called partners. In this manner, the income of the business could be split in as many different ways as there are "cooperating" family members with corresponding avoidance of the otherwise applicable high surtax rates.

If legalized, this tax avoidance device would open an avenue for vast tax reductions. Suppose, for example, a married person with two children and a business yielding him a net income of $100,000 a year creates a four-way partnership with his wife and children. By splitting his profits four ways for tax purposes he would reduce his 1951 taxes (under the proposed rates) from $51,912 to $39,184, or 25 percent. If his net income amounts to $150,000 and he splits six ways with, say, his wife and four minor children, his tax would be reduced from $108,616 to $58,776, or 46 percent.

If adopted, this provision of the committee bill would stand as an open invitation to businessmen to avoid taxes by changing the legal form of their business. In return for a small lawyer's fee, they could avail themselves of millions of dollars in future tax savings annually.

The Finance Committee provision is not only effective prospectively but is also retroactive to past years beginning with 1939. This means that all persons who created family partnerships during the war in order to split for tax purposes their inflated wartime profits with members of their families would be eligible for huge refunds so long as their returns are still "open." Refunds would have to be made to those whose lawyers managed to keep their returns open despite the statute of limitations, but not to those who in good faith abided by what at the time seemed to be the applicable law, either by allowing their cases to be closed or by not forming such partnerships in the first place. Although the income-splitting provisions enacted in 1948 were not retroactive and provided only for division of income between husband and wife, this provision would make income fragmentation retroactive for a special group of taxpayers whose attempts at tax avoidance were thwarted but who are still eligible for refunds. It would not only provide windfalls to these taxpayers, but would also bail out those tax attorneys who originally gave them bad advice.

I should like to give a few illustrations, if I may, of how this device has been used.

First. Two brothers who were partners in a business manufacturing headache powders transferred in trust interests in the partnership to their wives and children in 1938—Stanback against Robertson, United States District Court, Middle District, of North Carolina, December 14, 1949, 50–1 United States Tax Court 9236. The children of one brother were 1 and 8 years of age; the children of the other, 15 and 18 years of age. The total amount of the income-tax deficiency involved for the brothers in the

single year 1941 is over $95,000. This case is now in appeal to the fourth circuit. Under the proposed Finance Committee provision, the court would be bound to find the partnership a valid one and the partners would be entitled to a refund of $95,000 plus interest.

Second. In a case now pending in the Bureau, two brothers owned fourteen-sixteenths of a large and profitable partnership. They have two younger sisters and a brother. They made gifts in trust to their sisters and brother, and designated each other as trustees. The trustees were made partners in the business. On the actual returns under examination in the Bureau for the partners, fiduciaries and beneficiaries, the income was split in 12 ways.

Third. Four partners in a construction business organized three related ventures involving the manufacture and sale of asphalt and concrete pipe, and the rental of construction equipment acquired from the main partnership and immediately leased back—W. F., J. C., and I. J. Scott and W. A. Britton, Jr. Wives and minor children of the partners were not even nominal members of the new firms but they had full control of the profits. The original deficiencies amounted to $387,000 and were compromised for $270,000.

We mentioned on Tuesday a large accounting firm, the head of which put his 1-year-old child in as a partner and then created a family trust for this 1-year-old child.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. The case which the Senator refers to, I believe, is the Tinkoff case, which was decided in 1949.

Is it not true that under the Senate amendment the gift of capital to an infant child would apparently require recognition of the partnership? I think the language specifically authorizes it merely by the fact that if there is a gift there is a partnership in fact.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. The Senator has gone over these cases with me many times. The Slifka case, which was an outstanding example and which was decided, I believe, in the Tax Court in 1943, held that it was an effort on the part of the family to split up the earnings of the business where the partners were declared in, and then the partners, by paying a check back to the management, which they could do, actually put all the money back under the control of the original head of the firm. This case was declared to be invalid and, as the court said, not in good faith for business purposes, but for tax purposes was a tax-avoidance measure. The proposed amendment, I have been informed by the attorneys of the Bureau of Internal Revenue, would render legal the kind of an operation which has been held to be illegal.

Mr. DOUGLAS. In my judgment the Senator from Minnesota is correct. What the committee has done has been to open wide the floodgates of the Treasury to make it possible for large refunds to be given taxpayers who have resorted to tax avoidance.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I should like to have incorporated in the RECORD a list of typical family partnership cases which would be validated by the proposed amendment to the Revenue Act of 1950, on the basis of outstanding legal opinion of tax lawyers and members of the Bureau of Internal Revenue where there has been complete fraud. The attorneys who have gone over the cases believe the amendment would make them legal.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF TYPICAL FAMILY PARTNERSHIP CASES WHICH WOULD BE VALIDATED BY THE PROPOSED AMENDMENT TO REVENUE ACT OF 1950

THE TINKOFF CASE

Mr. Tinkoff operated an accounting business in his own name until November 11, 1929. Mr. Tinkoff was a certified public accountant and attorney at law with offices in Chicago, Ill. On November 11, 1929, a son, Paysoff Tinkoff, Jr., was born to Mr. Tinkoff and his wife. On the day of the birth of his son, Mr. Tinkoff executed a formal instrument constituting a partnership in the accounting business consisting of himself, his wife, and the infant son, each having a one-third interest in the partnership. Mrs. Tinkoff was neither a lawyer, accountant, bookkeeper, nor stenographer. She never worked in an office. Neither she nor the infant son ever contributed any capital or services to the business of partnership. The Circuit Court of Appeals for the Seventh Circuit held that there was obviously no partnership for income-tax purposes. *Tinkoff* v. *Commissioner* (120 Fed. 2d 564). This case was noted in the majority opinion of Mr. Chief Justice Vinson in *Commissioner* v. *Culbertson* ((1949) 337 U. S. 733), as the "reductio ad absurdum of the theory that children may be partners with their parents before they are capable of being entrusted with the disposition of partnership funds or of contributing substantial services." See opinion at page 740, footnote 8.

Under the Senate amendment the gift of capital to the infant child and his mother would apparently require the recognition of the partnership.

THE SLIFKA CASE

Abraham and Irving Slifka were engaged in the manufacture and sale of men's belts, suspenders, garters, and small leather goods as partners under the firm name of M. Slifka & Sons. In April 1943 the brothers, Abraham and Irving Slifka, entered into an agreement with Eleanor Slifka, wife of Abraham Slifka, and Lewis Slifka, Evelyn Villoff, and Ruth Perleman, children of Irving, and Belle Slifka, proposing to establish a new partnership. The capital contributions of the new partners were effected by having Abraham and Irving Slifka draw personal checks on the partnership funds, payable to the new partners who endorsed them back to the partnership. The general management of the partnership business was vested in Irving and Abraham Slifka. Eleanor Slifka, Belle Slifka, Evelyn Villoff, and Ruth Perleman rendered no services to the partnership and distributions to their accounts were permitted to accumulate.

The Tax Court found that Eleanor, Belle, Evelyn, and Ruth were not in reality, and for tax purposes, partners in the business. (8 T. C. M. 431, aff'd (C. A. 2, 1950) 182 F. (2d) 345.)

The proposed amendment would render this partnership valid.

THE STONE CASE

Mr. and Mrs. Arthur T. Stone were, in 1942, the parents of 11-year-old twin children, Beverly Ann and Ronald Arthur Stone. In that year Mr. and Mrs. Stone were partners in a manufacturing business and in October of that year transferred a quarter interest to each of the children, purportedly making them copartners, each parent and child thereafter owning a quarter interest. The transfers were admittedly made for the purpose of lawfully minimizing income tax, the parents having been advised that a separate return might be filed for the income of each of the four partners, thus avoiding the high tax brackets theretofore encountered. Following the decision of the Tower case by the Supreme Court of the United States, the Commissioner of Internal Revenue determined that the entire income of the partnership should be returned by the father. The father conceded the correctness of the Commissioner's determination and paid the deficiency assessed against him.

Later, in 1947, Mr. and Mrs. Stone and their two children brought suit claiming that the transfers which were made in 1942 were made without consideration and that they they should be declared a nullity because they were induced by an error of fact and law and because of the failure of the family plan upon which the transfers were predicated. The Supreme Court of the State of Michigan agreed that they were entitled to equitable relief and that the partnership could be dissolved. *Arthur P. Stone et al.* v. *Grace M. Stone et al.* ((Mich., 1947), 29 N. W. (2d) 271.)

Under the proposed amendment similar partnerships would be deemed valid.

THE STANBACK CASE

Thomas M. Stanback and Fred J. Stanback, brothers, were engaged, January 1, 1938, as equal partners in the manufacture of headache powders. On that date each transferred in trust for his wife and minor children with his brother and a bank as co-trustees a share of his interest in the partnership. The children of one taxpayer were aged 8 years and 1 year, and of the other taxpayer, 18 years and 15 years at the creation of the partnership. The trustees were authorized and recommended to retain in each trust the interest in the partnership. On the same date a partnership agreement was entered into wherein the taxpayers were general partners and the trustees became limited partners and were to share in the profits in proportion to the interest transferred to each trust. The general partners had the deciding vote as to the amount of profits to be held in reserve accounts, the manner of investment of such profits, and the extent to which profits would be distributed. In all essential respects the general partners continued to exercise the same control over the business after the creation of the limited partnership as they did before.

A jury in the district court for the middle district of North Carolina found that there was no bona fide intent for the trustees for the taxpayers' wives and children to act as partners with the taxpayers during the taxable year in question. *Stanback* v. *Robertson*, USDC, Middle District of North Carolina, December 14, 1949, 50–1 USTC Par. 9236, aff'd (C. A. 4, July 26, 1950) 505 CCH Standard Federal Tax Reporter Par. 9414.

Under the proposed amendment the court would have been bound to instruct the jury that the partnership was a valid one.

TOOR *v.* WESTOVER

Taxpayers (husband and wife, who split their income as community income) made gifts in cash to trusts for two minor children, then entered into agreement making the trusts limited partners in their furniture manufacturing business, formerly conducted by the husband as individual proprietor. A bank was made trustee but was removable by

the taxpayers at any time in their sole discretion, and the trustee neither performed services nor participated in management. The partnership agreement gave the husband full control of the business and of distributions of profits; also the right on 30 days' notice to terminate the partnership at any time as to the trusts and to buy their interests at "book value". Transfers of the interests of the trusts to outsiders were restricted. Here there were valid gifts, but neither the gifts nor the partnership arrangement in any respect altered the husband's complete control of the business and of the income therefrom; the interests of the trusts were nominal and subject to the taxpayer's command. *Toor* v. *Westover*, (S. D. Calif., August 21, 1950) 50–2 USTC, 505 Standard Federal Tax Reports Par. 9430. This partnership was declared invalid.

BLALOCK *v.* ALLEN

Taxpayer and his wife and son, all of whom were recognized as partners in a construction equipment sales business, purportedly sold an interest in the business to taxpayer's father, then aged 79 and retired. The father gave notes to the other partners for his interest and paid the notes from his share of the earnings. Under the partnership agreement the father's interest was to pass to the taxpayer upon the father's death, without consideration. The father performed only minor services, for which he was paid a small salary, and he did not withdraw from the firm much of his share of the profits beyond that needed to pay the notes and the income taxes returned as due on the same income. The taxpayer used funds of the firm as his own, particularly in stock market speculation, and exercised control of the business, which earned 300 percent on invested capital. If the test here had been simply whether the father had a substantial capital interest acquired by bona fide purchase, the father would probably have qualified as a partner. It was held, however, that no genuine partnership was intended (*Blalock* v. *Allen* (C. C. A. 5, 1946) 151 F. (2d) 927.)

FLO AND ELGIN PARKER CASE

Flo and Elgin Parker, husband and wife, living in California, a community property State, were engaged in a water heater manufacturing business. They gave eighth interests to four infant children, paying gift tax thereon. They obtained a court order making the father, Elgin Parker, guardian for the children under bond, and the court approved the investment by the guardian in the partnership and the leaving of the profits in the business. The collector contested the partnership for income-tax purposes. The taxpayers argued that the guardian participated in the management as such and had 4 votes to the taxpayers' 2 votes and further alleged that capital was a material factor and that the salary adequately covered the services. A jury in the District Court for the Southern District of California returned a verdict for the collector on January 11, 1950; however, the case is not yet reported.

THE HITCHCOCK CASE

A case similar to the Parker case discussed above is the case of *Ralph C. Hitchcock*, (1949) 12 T. C. 22. Hitchcock conducted as a sole proprietorship a pattern and foundry business from 1916 to June 2, 1941. On the latter date he conveyed to each of his six children an undivided one-seventh interest in the real and personal property used by him in the business. Thereafter, he filed a petition in the probate court requesting that he be appointed guardian of the persons and property of three of the children who were minors. Immediately following the granting of this petition, Hitchcock and his six children executed articles of limited partnership which named the father and two eldest sons as both general and limited partners and designated the remaining four children solely as limited partners. A bill of sale conveying all the personal property formerly held by the father, and a lease of the real estate to the partnership were executed by the parties. Thereafter, the business was conducted by the father and the two eldest sons as general partners, the four other children exercising no control over the management or operation of the business. The tax court held partnership status existed as to the two eldest sons who were admitted by the father as general partners in the business, however, such status was denied the four other children, who had been admitted only as limited partners and who had no voice in the operation of the business or control of its management.

Under the proposed Senate amendment no distinction would be made between the status of the six children, and all of the children would probably be declared to be partners.

THE THORREZ CASE

Four partners had been operating a metal-plating business for several years. In 1941 a new partnership contract was executed by the 4 partners, and their wives, and 6 of the partners' children, making 14 alleged partners in all. Each partner split his partnership interest among the members of his family, and each family member contributed his newly acquired interest to the new partnership. No change was made in the conduct of the business, except that the profits were distributable to 14 people instead of 4. Only one wife performed any service for the firm, and even she had no voice in the management. She had worked for the former partnership as an employee on a salary. Held that the profits are distributable among the original four partners only, for income-tax purposes. *Camiel Thorrez* v. *Commisisoner* ((1945) 5, T. C. 60, aff'd (C. C. A. 6, 1946) 155 F. (2d) 791.) This case shows how many ways partnership income may be split among families if the Senate amendment becomes law.

THE SINGLETARY CASE

Mr. Singletary, with joint savings belonging to his wife and himself, both of whom were employed, and with money borrowed on his father's endorsement, bought a filling station. The wife kept the books, looked after collections, and attended the office. The business prospered and additional filling stations were bought out of earnings. Then the husband and wife executed formal articles of partnership, giving the wife a one-half interest therein. The husband reported it as a gift and paid gift tax thereon. Their joint bank account was then split into separate accounts, and thereafter each made separate investments of the profits, which each derived from the business. Early in 1941 the husband's father and mother were taken into the partnership in consideration of a $20,000 note to Singletary and his wife. New articles of partnership were signed by the four, giving the parents a one-quarter interest in the business. The note was later fully paid out of the parents' share of the profits of the business. By agreement, the parents' interests were to be left by will to Singletary to the exclusion of his brothers and sisters. Neither parent worked in the business. Singletary acted as general manager and there was no change in the conduct of the business after the parents became alleged partners.

The Fifth Circuit Court of Appeals affirmed the decision of the Tax Court (5 T. C. 365) to the effect that the parents were not partners for income-tax purposes, but reversed the Tax Court opinion as regards the wife, which the appellate court held to be a partner. *Singletary* v. *Commissioner* ((C. C. A. 5, 1946) 155 F. (2d) 207.)

The PRESIDING OFFICER (Mr. HOEY in the chair). The time of the Senator from Minnesota has expired.

Mr. MILLIKIN. This matter came before the Eightieth Congress because it became apparent that the Bureau of Internal Revenue was resolving doubts against family partnerships and their validity. Instead of resolving doubts in favor of family partnerships, instead of assuming that a legitimate purpose was encouraged to be served by a family partnership, in case after case the presumptions were held to be against persons participating in family partnerships. This amendment does not ease out a single rule of law against fraud. If there is a fraudulent relationship, if there is a fraudulent deal, this amendment does not give it exemption. The Bureau of Internal Revenue has all the power now that it has ever had. It has always had the power to stop a fraudulent deal, to tax and penalize a fraudulent deal, and in some cases to put those guilty into the penitentiary.

It is a helpful and corrective amendment. All it does is this:

When a gift of the type which has been described is made, assuming it to be a bona fide gift—of course if it is not a bona fide gift, there is no exemption—and the gift finds its way into the partnership, it is rated according to its value in relation to the value of the services.

If a child put $10,000 into a business, and the child really owns the $10,000, the $10,000 is valued against the value of the services. Full leeway is left in the Bureau of Internal Revenue to value it. There is no rule of law as to how that valuation shall be made. It is a proportionate value. The money has its usefulness in the partnership. The services have their usefulness in the partnership. The Bureau of Internal Revenue takes a look and it says that the money is worth a fourth, a fifth, a tenth, or half of the value of the services. That is the way it is done.

Mr. LANGER and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and, if so, to whom?

Mr. MILLIKIN. I yield first to the Senator from North Dakota.

Mr. LANGER. I should like to find out how a child 1 year old could put $10,000 into a business.

Mr. MILLIKIN. In the same way sir, that a child 1-year old can hold stock of a corporation. A child 1-year old does not have any control over the corporation, has nothing to do with its affairs, but is entitled to the benefits, dividends, and every right of a stockholder. This really is a proportionate valuation basis. There is no violation here of common concept, and it preserves the right of a parent or family to achieve family solidarity in order to carry on family businesses. Surely we have not gone so far into socialism or communism that we would destroy those values in life.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. HUMPHREY. Mr. President, does the Senator from Illinois have any time remaining?

The PRESIDING OFFICER. None whatever.

Mr. HUMPHREY. Does the Senator from Colorado have any time remaining?

The PRESIDING OFFICER. The Senator from Colorado has 1 minute remaining.

Mr. MILLIKIN. If I have any time remaining I shall be glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. I should like to ask the Senator whether it is correct to say that under the terms of the amendment proposed by the committee, all pending cases pertaining to family partnerships would be made retroactive to December 31, 1938.

Mr. MILLIKIN. That is one question of itself. Only the rule of law will go back to 1938. There would be no retroactive refunds beyond the usual statute of limitations for refunds.

Mr. HUMPHREY. Will the Senator yield for another question?

Mr. MILLIKIN. I yield for a simple question.

Mr. HUMPHREY. Is it not correct to say that cases in which people have already been penalized by the present law would be literally upset, in terms of the other cases that would come in? In other words, some people who would have to pay under the present law would have an exemption under the proposed law?

Mr. MILLIKIN. I say that those who have cases in court will have those cases decided by this proposed law, which would run back to the beginning, 1938. I say that if there is a refund, it would have to be computed within the normal time. If there is any injustice in that, which is highly beneficial to those who have had the old law applied to them, and the Senator would like to offer an amendment, I should be glad to have him do so.

The PRESIDING OFFICER. The time of the Senator has expired. All time for debate has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a statement on the subject prepared by the Senator from Pennsylvania [Mr. MYERS].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS

FAMILY PARTNERSHIPS

The purpose of the amendment is to eliminate from the bill section 222 which would validate the tax-avoidance device of business proprietors splitting their business income with any number of family associates by the creation of so-called family partnerships.

In a moment I will explain the provision in the legal terminology in which it is couched in the bill. But right at the outset I want it understood that the effect of the amendment is to enable the recipient of business income to add his daughters in finishing school and his sons in nursery school as so-called partners in the business enterprise in order to split the business income among all of them and thus avoid his fair share of progressive income taxes which all the rest of us must endure. The provision clearly permits that result. All that is necessary is that the gift of partnership interest to relatives be legally valid. The only restraint that the provision imposes is the negligible one that the allocation of income between the partners must recognize the differences in contributions of services by the partners. I will speak to that later.

The amendment is sought to be justified upon the argument that recent court decisions frown upon the validity for tax purposes of such so-called family partnership arrangements and have caused confusion and are upsetting to noble paternal and family motives. It is even said by exponents of this suggested tax-avoidance device that the healthy and laudable purpose of introducing sons as participants in a family business is dealt a fatal blow. Such statements are not founded in fact, and the only complexity that arises under existing law in dealing with family partnerships stems from the complexity and deviousness of the devices that are sought to be availed of in diverting business arrangements into sheer tax-avoidance devices.

As I understand the decisions of the courts, they are based upon the substance of the arrangements between the participants. The rule has been laid down, as it should be, that the ultimate test of the validity of a partnership for tax purposes is whether, looking at the facts "the parties in good faith and acting with a business purpose intended to join together in the present conduct of the enterprise." Where a father desires to associate his son or other relative with him as a partner in fact in the development of a business, nothing in the present decisions strike down a valid partnership arangement between them merely because the son received his partnership interest as a gift from the father. The courts do look at the other circumstances, however, to determine whether it was the intention to form a bona fide business partnership or merely to avoid taxes.

Section 222 of the bill flatly provides that a gift of a partnership interest to a family member automatically creates a valid partnership for tax purposes in any case where capital is a material income-producing factor of the business.

The only limitation imposed upon this universal invitation to tax avoidance is the rather vague one that if the allocation of partnership income does not substantially reflect the proportionate value of services rendered by any partner, a reasonable allowance will be attributed to the partner rendering the services. Presumably, but it is by no means certain, the portion of the profits attributable to the services rendered by each partner will be properly allocated. But that seeming restriction would have slight effect, if any, upon the circumference of the loophole created by this provision. If the owner of the busines is retired and the business is operated by managers upon a salary basis, the provision has no effect whatsoever. If the owner is active in the conduct of the business, the proportionate value of the personal services rendered by him is, say $50,000, as it would be for the chief executive of a corporation of substantial size, then the only effect would be to reduce by $10,000 the distributive partnership shares of the four other newly inducted alleged partners. But whatever the effect of this allocation rule, the fact remains that the 1-year-old infant is received for tax purposes as a valid partner notwithstanding the fact that the infant renders no services and makes no contribution and has no participation in the management or direction of the enterprise nor any voice in the distribution of partnership income.

Under the provision in the bill before you, this highway to tax evasion will be opened not only for the future but would also apply retroactively to 1939, even prior to the beginning of the last war.

The Public Treasury would be opened as a sluiceway to those with inflated wartime incomes during the entire World War II period who attempted to evade taxes on their war-swollen incomes by this device of alleged family partnership and who have been thwarted in their efforts thus far by the courts.

Members of the Senate should realize the extent of tax reduction that this provision would make possible. Assume that a person with three children and a business yielding him a net income of $100,000 a year creates a four-way partnership with his children. By splitting his profit four ways for tax purposes he would reduce his 1951 taxes from $65,232 to $39,184, or 40 percent. If his net income amounts to $150,000, and he splits six ways with, say, his three children and two other relatives, his taxes would be reduced from $108,616 to $58,776, or 46 percent. A five-way split of income of $1,000,000 could result in tax savings of from $100,000 to $200,000 depending upon the marital status of the participants. This provision, if allowed to stand, will initiate a wholesale move by businessmen to reorganize into partnerships with as many as a dozen partners.

The following case illustrates the type of situation in which refunds would be paid because of the retroactive feature of the provision. Two brothers who were partners in a business manufacturing headache powders transferred in trusts interests in the partnership to their wives and children in 1938. The children of one brother were 1 and 8 years of age; the children of the other, 15 and 18 years of age. The total amount of the income tax deficiency involved for the brothers in the single year 1951 is over $95,000. In a decision in the Middle District of North Carolina, December 14, 1949, the court ruled that this partnership was invalid for tax purposes (*Stanback* v. *Robertson*). The case is now being appealed to a higher court. Under the proposed provision the court would be bound to find the partnership valid and the partnership would be entitled to a refund of the entire $95,000 plus interest.

This is not an isolated case. There are thousands of others. Family partnerships were used very extensively during the war. From 1939 to 1946 the number of partnership returns filed rose from 291,000 to 885,000. A substantial proportion of these are family partnerships. The revenue loss from the retroactive feature of the bill alone would undoubtedly exceed $100,000,000.

The potential revenue loss involved in this provision for future years is enormous. In a few years practically every business in the United States would be split among family members. This would mean that other income recipients such as wage earners, who are bearing their share of the increased cost of the war under this bill, would have to bear extra burdens.

At a time when our people are subjected to wartime tax rates we cannot and should not tolerate the creation of new tax loopholes. I urge that section 222 of this bill be eliminated.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks a statement which I have prepared on the subject of family partnerships.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SECTION 222 OF H. R. 8920—STATISTICS ON FAMILY PARTNERSHIPS

The importance of the problem involved in this section of the bill may be emphasized by some statistics with respect to family partnership cases.

Since 1939, 304 family partnership cases have been presented to the district courts and to the Court of Claims, and over 300 cases have been decided by the tax court.

The number of partnership returns since the beginning of World War II have increased greatly. There were 290,000 partnership returns filed in 1939, and this number increased to 930,000 in 1948. It is interesting to note that of the partnership returns filed for the year 1947, approximately 30 percent indicated that the members of the partnership included the spouse or child of another member.

With respect to cases under investigation and prior to the litigation stage, at any one time during the course of the past 4 years, there have been approximately 500 family partnership cases in the hands of the Internal Revenue Agents in charge.

The tax status of so-called family partnerships, that is of partnerships where more than one member of the same family is associated in the enterprise, is set forth for purposes of present law in the decision of the Supreme Court in Commissioner v. Culbertson handed down on June 27, 1949. Under that decision the question is stated as one of whether or not, considering all the facts, the family members had the bona fide intention of joining together as partners. With respect to gift capital, that is capital contributed to the partnership by a partner who had received that capital from another member of his family who was a partner, the Court specifically stated that if the donee exercises dominion and control over that capital—and through that control influences the conduct of the partnership and the disposition of its income—he may well be a true partner. The Court's reasoning is based upon the fact that in a family income-producing situation, all may not be what it seems unless such tests are satisfied.

Under section 222 of the bill there would be substituted for the above inquiries the inquiry merely of whether the capital so received was received by way of a valid gift. It may be admitted that the gifts in most family partnership cases are, when made, and lacking further inquiry, valid gifts. The section specifically negatives the tests of the Culbertson case by providing that the fact that a partner does not actively participate in the management or conduct of the partnership business shall not affect his status as a partner.

Under the section, therefore, an interest in a business partnership in which capital is a material income-producing factor may be spread among the members of his family by the holder of that interest to the extent of the capital involved regardless of whether or not the donee partners participate in the business or are even of such an age as to be able to participate in the business. Thus, in the case of a small village store, owned and run by a man having a wife and seven children, partnership interests may be created in the wife and children to the extent of the capital represented in the store. The husband would retain only so much income from the business for tax purposes as would reflect the proper share of partnership income attributable to his services. This result would follow even though the wife had no connection with the store and even though one of the children might just have been born. The section specifically provides in this connection that a trust for the benefit of a member of a family shall be considered a member of such family for purposes of receiving the above favorable treatment. Needless to say, neither the wife nor the children in the above example would, without more, be considered as having a bona fide partnership arrangement within the meaning of the Culbertson case.

The section would be effective with respect to taxable years beginning after December 31, 1938. In view of the fact that the bar of the statute of limitations is not expressly lifted, this provision will be applicable only to such years which in any particular case may still be open. Thus, taxes for a year which has been closed by the bar of the statute of limitations cannot be reopened. Similarly, cases which have resulted in a final court determination will not obtain the benefits of the section. Although the statute of limitations is generally a 3-year statute, this time limitation is far from constituting a reliable indication of the actual effective date of the section since the section deals with a subject which in practically all of the more difficult cases has given rise to disputes between the Commissioner and the taxpayer. In the case of a dispute the statute is automatically extended and it is those cases, the most questionable ones under existing law, which will thus receive the benefits of the section for years prior to 1947 and, to the extent that disputes for those years have not been resolved, for all years back to 1938. Even with respect to the cases which have been most actively litigated, the nature of this effective date provision is such as to discriminate between taxpayers whose litigation has even only recently been finally determined and those who by some chance or delay may not yet have completed their appeals.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. HUMPHREY and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Wyoming [Mr. HUNT], the Senator from Colorado [Mr. JOHNSON], the Senator from Pennsylvania [Mr. MYERS], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Arizona [Mr. HAYDEN], and the Senator from South Carolina [Mr. JOHNSTON] are absent on public business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on public business.

The Senator from Pennsylvania [Mr. MYERS] is paired on this vote with the Senator from Colorado [Mr. JOHNSON]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Colorado would vote "nay."

Mr. WHERRY. I announce that the Senator from Washington [Mr. CAIN], the Senator from Missouri [Mr. KEM], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate on official business as a temporary alternate Governor of the World Bank.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Oregon [Mr. CORDON], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Ohio [Mr. TAFT] are necessarily absent. If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "nay."

The Senator from Indiana [Mr. CAPEHART], the Senator from California [Mr. KNOWLAND], and the Senator from Oregon [Mr. MORSE] are detained on official business. If present and voting, the Senator from Indiana [Mr. CAPEHART] would vote "nay."

The result was announced—yeas 18, nays 42, as follows:

YEAS—18

Aiken	Kilgore	Murray
Douglas	Langer	Neely
Graham	Leahy	O'Mahoney
Hill	Lehman	Pepper
Humphrey	Long	Sparkman
Kefauver	McMahon	Taylor

NAYS—42

Anderson	Hickenlooper	Maybank
Butler	Hoey	Millikin
Chapman	Holland	Mundt
Connally	Ives	Robertson
Darby	Jenner	Russell
Donnell	Johnson, Tex.	Smith, Maine
Dworshak	Kerr	Smith, N. J.
Ecton	Lodge	Stennis
Ferguson	Lucas	Thye
Frear	McCarran	Watkins
Fulbright	McClellan	Wherry
George	McFarland	Williams
Gurney	McKellar	Withers
Hendrickson	Malone	Young

NOT VOTING—36

Benton	Flanders	Morse
Brewster	Gillette	Myers
Bricker	Green	O'Conor
Bridges	Hayden	Saltonstall
Byrd	Hunt	Schoeppel
Cain	Johnson, Colo.	Taft
Capehart	Johnston, S. C.	Thomas, Okla.
Chavez	Kem	Thomas, Utah
Cordon	Knowland	Tobey
Downey	McCarthy	Tydings
Eastland	Magnuson	Vandenberg
Ellender	Martin	Wiley

So Mr. DOUGLAS' amendment was rejected.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment on behalf of the junior Senator from Illinois [Mr. DOUGLAS], the senior Senator from North Dakota [Mr. LANGER], and myself, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The Chief Clerk read the amendment, as follows:

ELIMINATION OF PROVISION REDUCING THE HOLDING PERIOD FOR "LONG-TERM" CAPITAL GAINS FROM 6 TO 3 MONTHS

On page 111, strike out the language beginning with line 13 through line 20.

Mr. HUMPHREY. Mr. President, I shall make a brief explanation of this very short amendment. I hope the Senate will listen to what it applies to. It applies to long-term capital gains.

The long term that is in the committee bill is 3 months. All this amendment provides for is the restoration of the 6 months period. In other words, those of us who sponsor the amendment

merely say that in order to get the benefit of the reduced-tax structure which is available under the capital-gains procedure, one should be required to hold property at least 6 months, so that there will be a semblance of fact to the term "long-term capital gains."

How in the name of common sense one can refer to "long-term capital gains" when one has to hold property for only 3 months is more than the junior Senator from Minnesota can comprehend. Six months is very short itself. It used to be 18 months. But certainly it should not be shortened below 4 months.

Mr. President, this amendment is very vital at this particular stage, and let me indicate why I believe it to be so vital. Right now the greatest speculation anyone has ever known is going on in many commodities, and all the speculators have to do is to hold their commodities, under the terms of the bill, for 3 months and get in under the capital-gains provision. Meanwhile an honest workingman, an honest businessman, a man who has to earn his living by the sweat of his brow or the genius of his mind, gets no such favorable treatment. In other words, he will have to pay normal income-tax rates.

Mr. President, in 1934 the period of holding property, commodities, a house, any particular commodity we could think of, before one could get in under the capital-gains procedure, was 18 months. Later it was reduced to a year, and it is now 6 months. Now, at a period when profiteering is rampant, when speculators are speculating as they have never speculated before, what reasonable evidence is there to indicate that we ought to amend the law and reduce the period of holding down to 3 months?

Let me make the situation clear. The capital-gains structure was put into the American tax law so as to benefit people who saved, who accumulated, through prudent and wise investment, so that when they liquidated their prudent and wise investments they were not taxed as though they earned any gains all in one year. A capital-gains tax of that kind is mostly of benefit to those earning $18,000 a year, if single, and $36,000 if married.

The committee bill would provide that all that is necessary is that one be sharp enough to hold something for 3 months, get the advantage of an ascending market—and let no one forget that we are in the midst of an ascending market—get the advantage of increased prices, dump the property at a big price, and after holding property for 3 months be able to get in on a tax rate that is only one-half the income-tax rate or, at most, 25 percent.

I submit that if there is any amendment which should be agreed to just for the protection of the American people it is this amendment.

Mr. ROBERTSON. Mr. President, will the Senator yield.

Mr. HUMPHREY. I yield to the Senator from Virginia.

Mr. ROBERTSON. I find myself in accord with the position of the Senator from Minnesota on this subject. In normal times, perhaps, it would be wise to have a 3-month limitation on capital gains. The 3-month provision was inserted in the House bill before we were at war. But we are at war, and we are heading toward a period which may involve the expenditure of $50,000,000,000 a year on our Military Establishment.

The Senator is correct in saying that this is a speculative period. We have a bill here recognizing the necessity of increasing income taxes. A short period of 3 months to bring one within the capital-gains provision permits those who know how to speculate in scarce commodities, or on the stock exchanges, to pay from 80- to 85-percent income taxes with 25-percent capital-gains taxes.

With all due deference, I must agree that this is not the time to make that change.

Mr. HUMPHREY. Mr. President, I thank the junior Senator from Virginia for his very helpful and, may I say, most pointed and wise statement.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. LEHMAN. Is it not a fact that the committee bill could not by any stretch of the imagination bring in any more revenue to the Government?

Mr. HUMPHREY. It is pretty obvious it would not bring in any more.

Mr. LEHMAN. Is it not equally obvious that a cut from 6 months to 3 months would result in reduced revenues for the Government and be of benefit to no legitimate investors?

Mr. HUMPHREY. The Senator from New York is absolutely correct, and his observations, I am sure, come not from theory, because he has witnessed this happen right in his own city, the city of New York. I ask favorable consideration of the amendment.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. Does the Senator know that one of the arguments made for the capital-gains provision when it was originally placed in the law was that it would stimulate trading and business activity? That was at a time when we feared we were facing more or less a recession. But does it not now actually tend to stimulate trading and inflation, which we want to discourage at the present time.

Mr. HUMPHREY. I may say that the Senator is correct in his statement. It does not encourage long-term investment. It does not encourage investment in plant. It encourages finagling. It encourages the speculation.

Mr. President, I think the amendment should be adopted unanimously by the Senate. If we do not do so, we will be underwriting inflation and underwriting war profiteering.

Mr. GEORGE. Mr. President, I do not think the amendment has anything to do with inflation. I do not think it has anything to do with profiteering. The American people have always bought and sold commodities and stocks and bonds and property of all kinds. They have always gambled, as a matter of fact, and they probably will go right on gambling.

When the 1913 act was passed it did not provide for a capital gains tax. By 1921 the business of the country was tied into knots, and transactions were not taking place. Transfers of property were not taking place, though we had a capital gains tax provision then. That capital gains tax set up different periods in providing for the tax treatment of capital assets. By around 1936 or 1937 the capital gains tax produced only $12,000,000. Now the capital gains tax, with the 6 months' holding period, is producing around $600,000,000. Of course, the volume of business has increased. This is one of the things that causes it to increase.

What is overlooked by Senators who are disturbed because of the encouragement to gamble and profiteer is that every time a sale is made somebody has got to buy, and every time somebody buys the other fellow is selling. There is not always a profit in capital gains transactions. If there were, all of us could be rich. So, Mr. President, there is not very much to any of it.

The House passed it this way. The House gave 3 months. The House committee reported the bill out just before the outbreak of the Korean war. I understand that the amendment was offered in the Ways and Means Committee by the distinguished Representative from New York State [Mr. LYNCH], who offered it solely for the purpose of producing more revenue, or in the belief that it would produce more revenue. Obviously, Mr. President, it is not one of the concoctions of the Finance Committee, or one of its decisions, except that we did not disagree with this particular provision of the House bill.

If it should result in any particular harm, a tax bill is coming right along in which a change could be made and the period again lengthened. But it is probably wise, as the Finance Committee thought, to accept the work of the House committee on this particular provision, as we did on many other provisions in the bill. The Treasury did not oppose the amendment, and representatives of the Treasury appeared before the committee after the Korean war started.

Mr. President, I have the deepest of feeling for the boys who have been sent into the Korean war inadequately armed and inadequately supported. But the Korean war does not have anything at all to do with this matter. There are speculative periods and dull periods in our economic life. They come along with and without wars. Since the Treasury did not oppose the amendment and the House adopted it, we simply accepted it and I hope the Senate will accept it.

The VICE PRESIDENT. The question is on agreeing to the amendment lettered "H" of the Senator from Minnesota for himself and the Senator from Illinois [Mr. DOUGLAS].

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Virginia [Mr. BYRD],

the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Colorado [Mr. JOHNSON], the Senator from Pennsylvania [Mr. MYERS], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], the Senator from Georgia [Mr. RUSSELL], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Arizona [Mr. HAYDEN] and the Senator from South Carolina [Mr. JOHNSTON] are absent on public business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on public business.

I announce further that if present and voting, the Senator from Colorado [Mr. JOHNSON] and the Senator from Georgia [Mr. RUSSELL] would vote "nay."

Mr. WHERRY. I announce that the Senator from Washington [Mr. CAIN], the Senator from Missouri [Mr. KEM], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate on official business as a temporary alternate Governor of the World Bank.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Oregon [Mr. CORDON], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Ohio [Mr. TAFT] are necessarily absent. If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "nay."

The Senator from Indiana [Mr. CAPEHART], the Senator from California [Mr. KNOWLAND], and the Senator from Oregon [Mr. MORSE] are detained on official business.

The result was announced—yeas 37, nays 24, as follows:

YEAS—37

Aiken	Ives	Mundt
Anderson	Kefauver	Murray
Chavez	Kilgore	Neely
Douglas	Langer	O'Mahoney
Dworshak	Leahy	Pepper
Ecton	Lehman	Robertson
Ferguson	Lodge	Sparkman
Fulbright	Long	Taylor
Graham	Lucas	Watkins
Hendrickson	McCarran	Williams
Hill	McClellan	Young
Humphrey	McKellar	
Hunt	Maybank	

NAYS—24

Butler	Hickenlooper	Malone
Chapman	Hoey	Millikin
Connally	Holland	Smith, Maine
Darby	Jenner	Smith, N. J.
Donnell	Johnson, Tex.	Stennis
Frear	Kerr	Thye
George	McFarland	Wherry
Gurney	McMahon	Withers

NOT VOTING—35

Benton	Gillette	O'Conor
Brewster	Green	Russell
Bricker	Hayden	Saltonstall
Bridges	Johnson, Colo.	Schoeppel
Byrd	Johnston, S. C.	Taft
Cain	Kem	Thomas, Okla.
Capehart	Knowland	Thomas, Utah
Cordon	McCarthy	Tobey
Downey	Magnuson	Tydings
Eastland	Martin	Vandenberg
Ellender	Morse	Wiley
Flanders	Myers	

So the amendment was agreed to.

Mr. MCCARRAN. Mr. President, I call up the amendment which I have at the desk, and I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of title II it is proposed to insert:

SEC. 227. Tax changes affecting the mining industry.

(a) Dividends from certain mining corporations: Section 22 (b) (relating to exclusions from gross income) is amended by adding at the end thereof the following new paragraph:

"(15) Dividends from mining corporations: Amounts received as dividends, distributed by a corporation engaged in mining shall be included in gross income; except that there shall be excluded from gross income 27½ percent of that portion of any such dividend which the net income received from mining by such corporation during the taxable year bears to the total net income received from all sources by such corporation during the taxable year, if such net income from mining is 10 percent or more of such total net income received from all sources. The term 'mining' as used in this paragraph means the extraction or recovery of all metals and minerals referred to in section 114 (b) (4)."

(b) Development costs and losses from unprofitable ventures allowed as deductions from gross income:

(1) Section 23 (relating to deductions from gross income) is amended by adding at the end thereof the following new subsections:

"(cc) Development costs of mines: All ordinary and necessary preproduction prospecting, exploration, and development costs incident to the mining of all metals and minerals referred to in section 114 (b) (4) incurred during the taxable year, or, at the election of the taxpayer (made in his return for such taxable year), such costs may be prorated as deductions over the period during which the ore related to such costs is mined.

"(dd) Mining losses:

"(1) Losses on property resulting when exploration or development work for metals or minerals referred to in section 114 (b) (4) has not proven the existence of reasonably profitable deposits, or when all work is stopped on a mine producing such metals or minerals because of the lack of reasonable profits from its operation.

"(2) In the case of a taxpayer owning property, consisting of shares of stock, or rights to subscribe for, or to receive, such shares, in any corporation engaged principally in mining or exploration for any metal or mineral referred to in section 114 (b) (4), losses sustained on such property in complete liquidation of such corporation if such liquidation is caused by the lack of reasonable profits from mining, or by the failure to locate reasonably profitable deposits of such metals or minerals.

"(3) Proof of losses deducted under paragraphs (1) and (2) of this subsection shall be established under regulations prescribed by the Secretary, but sale, exchange, or abandonment of property shall not be a requirement of proving loss on such property under this subsection."

(2) Section 24 (a) (2) (relating to items not deductible from gross income) is amended by inserting before the semicolon a comma and the following: "except amounts deductible under section 23 (cc)."

(3) Section 23 (g) (1) (relating to the limitation of deduction of capital losses) is amended by inserting, before the period at the end thereof, a comma, and "except in the case of losses deducted under section 23 (dd)."

(4) Section 113 (b) (1) (relating to the general rule for adjusting basis) is amended by inserting at the end thereof the following new subparagraph:

"(J) to the extent that losses on such property are allowed as a deduction from gross income under section 23 (dd)."

(c) Percentage depletion increased in certain cases: Section 114 (b) (4) (A) (relating to percentage depletion for certain mineral and metal mines) is amended to read as follows:

"(A) In general: The allowance for depletion under section 23 (m) shall be, in the case of coal mines, 15 percent, in the case of metal mines, bauxite, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc (including pyrophyllite), lepidolite, spodumene, barite, ball, sagger, and china clay, phosphate rock, rock asphalt mines, trona, bentonite, gilsonite, thenardite (from brines or mixtures of brine), and potash mines or deposits, 27½ percent, and in the case of sulfur mines or deposits, 27½ percent, of the gross income from the property during the taxable year, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property; such allowance shall not exceed 75 percent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowed under section 23 (m) be less than it would be if computed without reference to this paragraph."

(d) Change in net operating loss deduction:

(1) Section 122 (b) is amended by striking out the words "subsection (d) (1), (2), (4), and (6)" whenever the same may appear therein and inserting in lieu thereof the words "subsection (d) (1), (2), (3), and (5)."

(2) Section 122 (c) is amended by striking out the words "subsection (d) (1), (2), (3), and (4)" and inserting in lieu thereof the words "subsection (d) (1), (2), and (3)."

(3) Section 122 (d) is amended by striking out paragraph (1) and by changing the numbers of paragraphs (2), (3), (4), (5), and (6) to (1), (2), (3), (4), and (5), respectively.

(e) Effective date: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1949.

On page 7, in the table of contents, insert after "SEC. 226. Personal holding company income." the following: "SEC. 227. Tax changes affecting the mining industry."

Mr. MCCARRAN. Mr. President, I shall not take the time of the Senate to enter into a lengthy discussion of the amendment. I wish to have the amendment printed in full in the RECORD, as a part of my remarks.

The PRESIDING OFFICER. Inasmuch as the amendment has just been read into the RECORD, the Senator's request will be taken care of in that way.

Mr. MCCARRAN. Mr. President, the problems involved in this tax question are very complex, and I know that the Senate Finance Committee has listened to considerable testimony in regard to this amendment.

On January 30, 1950, I placed before the Senate the previously unpublished report of the National Minerals Advisory Council, recommending certain tax revisions to the Secretary of the Interior. This Council is an advisory group appointed by the Secretary of the Interior to advise him and his executive department on mineral problems generally. The Council's membership is made up of many of the Nation's leading representatives of the mineral- and metal-production and consumer industries. The amendment I now offer is based on their report, with some modifications in recognition of the present emergency.

Exploration and development of metal mines, other than iron, in the last several years have shown a drastic decline. In the event of total war, 98 percent of the industry would be in a worse condition than it was in 1940, and 30 percent of it would be in a most deplorable condition.

Exploration for the critical metals—copper, lead, and zinc—has declined by 57 percent, while exploration for strategic metals—manganese, tungsten, antimony, and quicksilver—has declined 96 percent.

The incentive for mining exploration, development, and operation comes from the hope of a gain sufficient to warrant the risk, the effort, and the investment involved. If gains are too greatly impaired by taxation, or if gains are taxed without adequate allowance for losses, the incentive is lost, and with it, the essential minerals and metals so vital to our defense.

My amendment can be summarized under four categories:

Under subsection (a) of section 227 of my amendment, I propose that allowance for depletion should be made to the stockholder as well as to the corporation. Distributions to stockholders should be considered to represent depletion to the same decree that depletion is allowed against income to the corporation.

Our present revenue laws treat distribution of earnings as fully taxable income to the stockholders even without recognition of prior losses which the corporation may have sustained. This is done even though subsequent losses of the corporation may wipe out the accumulations of depletion from which the stockholder presumably was expected to receive return of capital. This alone shows that a stockholder may be taxed on current dividends as income, but left to face a loss of principal of his investment for which he may be able to get no income-tax allowance.

While the corporation may be allowed percentage depletion, the distribution to the stockholder from such percentage depletion will be treated as fully taxable income of the stockholder. Since the purpose of percentage depletion is to make a reasonable allowance for the capital exhaustion of the mine, similar allowance should be made to the stockholder to represent the exhaustion of his interest in the mining property.

Thus, I feel that distributions to stockholders should be considered to represent depletion and consequently be nontaxable to the stockholders, to the same degree that depletion is allowed against income to the corporation.

My second proposal, found under subsection (b) of my amendment, advocates, first, that development costs after discovery should be recognized as operating expenses; and, second, that losses from unprofitable ventures should be allowed corporations, partnerships, or individuals as ordinary deductions against current income.

It is my contention that development costs should not be treated as capital expenditures. Their nature and purpose is for operation of and production from the known deposit. The taxpayer should have an option to charge them off currently or to treat them as operating costs when the ore related to such expenditures shall be mined.

As far as unprofitable ventures are concerned, the loss should be allowed in full as a deduction from income. Such allowance should be given when a mine is abandoned or becomes unprofitable or when exploration or development work has not proved the existence of a profitable mineral deposit, or when a shareholder sustains a loss on liquidation of the corporation. It is certainly a strong deterrent to any mining venture, if the taxpayer must recognize that probable losses may not be fully allowed in computations of taxable income.

Manifestly, the risks in mining are probably greater than in any other industry, and should so be recognized. Such risks may become virtually prohibitive if a taxpayer's losses cannot be effectively deducted in computing taxable gains and instead must be met, in whole or substantially, by the taxpayer out of what remains to him from his heavily taxed income.

My third point, found under subsection (c) of my amendment, is that adequate allowances for percentage depletion should be made for mineral and metal mines. I have set forth certain changes in percentage depletions which I feel are equitable in the case of certain mineral and metal mines.

Earlier this year, the President recommended elimination of the 15 percent depletion exemption for metal mines. Shortly thereafter, the Secretary of the Treasury declared before the House Ways and Means Committee that the administration would not ask reduction or removal of this exemption. It is my belief that the unhappy plight of the metal-mining industry was impressed upon the executive department, which resulted in this change of attitude. It seems to me we should go one step further and provide relief to stimulate new development to meet increased demands of this emergency where metals play a role second to none in our national defense picture.

My final point, found under subsection (d), advocates that incomes should not be taxed without full allowance for losses of loss years. I understand that section 217 (a) of the pending bill meets the need that a carry-forward of 5 years should be allowed in computing losses.

I further believe that depletion and other deductions and credits should be allowed as if the loss year and the income year were a single taxable period. Presently, percentage or discovery depletion is in effect disallowed as a deduction, both as to the year of loss and as to the year against which the loss is deducted. This places a mine which is unfortunate enough to have years of loss interspersed with years of profit in a far worse taxable position than a mine which is able to realize the same income more uniformly from year to year.

I have tried to make my explanation brief. My final statement dwells on a point I have made before the Senate many times. For years the mining industry's tax load has been out of balance to the point where venture capital is lost. Direct governmental subsidies and price-incentive legislation are short-term answers only. They do not attract vital business capital. Effective tax revision is the only fundamental and sound governmental aid to this industry so essential to our business economy generally and national defense particularly.

The Senate by its passage of the Defense Production Act of 1950 has tried to meet the immediate need in securing vital strategic and critical minerals and metals to meet national defense demand. I believe my proposals meet the over-all problem in a healthy, forward-looking manner.

If it is the intent or the hope of our executive departments that private industry is going to get out and search for strategic and critical metals and put them into development and production, an incentive greater than pure patriotism is essential, just as in any other prospering business.

The future health of the mining industry depends very largely on the search and development of new properties today from which we can produce the metals of tomorrow. That search today will go far toward retaining tomorrow a strong front to protect democracy.

I offer the amendment.

Mr. GEORGE. Mr. President, this amendment is a most important one. It raises questions which ought to be considered in a separate bill. The substance of this amendment would constitute an entire chapter in a major tax-revision bill. I do not think we can consider this amendment at this time, because it would cost the Treasury a great deal of money. I do not know how much precisely, but the loss has been estimated at between $200,000,000 and $400,000,000 a year. It would give, among other things, as the Senate has learned, a 27½-percent depletion allowance to the stockholder against the dividends distributed to him, as well as the 27½-percent depletion allowance given to the corporation. Thus it would allow a double percentage depletion deduction. That is one of the major features of the amendment. I am satisfied that while the amendment may possess features of merit from the point of view of developing our ores and metals and having them ready for use, the magnitude of the revenue loss which would certainly follow its adoption is such that I do not think the Senate could favorably consider the approval of the amendment.

I therefore hope that the Senate will reject it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was rejected.

Mr. DOUGLAS. Mr. President, I send to the desk an amendment which I would like to have stated.

The PRESIDING OFFICER. The Clerk will read the amendment.

The CHIEF CLERK. The amendment is as follows:

ELIMINATION OF CAPITAL GAINS TREATMENT FOR INCOME FROM OIL, GAS, AND OTHER MINERAL RIGHTS

On page 120, strike out the language beginning with line 12 down through line 5, page 121.

Mr. DOUGLAS. Mr. President, the committee amendment seems to me to be quite extraordinary in giving additional tax favors to an industry which is already receiving excessive tax favors. As we probably all know, the oil industry at present is not only, on successful wells, properly given an allowance which will depreciate capital, and which therefore can be deducted from gross income before taxable income is arrived at, but it is also given in addition a quite extraordinary 27½ percent depletion allowance on gross income. And this keeps on forever. The 27½ percent depletion allowance is more than questionable. It costs the Government $300,000,000 a year. But the committee proposes to give a still further allowance to the oil industry by making it possible for the owners of royalty rights to assign their income from royalties, on yields in the near future, and to have that income charged at a capital gain rate, rather than normal income tax rates as the present law provides.

I think we may illustrate this with a very simple numerical example. Suppose that we have the owner of oil rights, the expected yield of the well being 400,000 barrels in the coming year, and the one-eighth royalty amounting to approximately 35 cents a barrel.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KERR. We are trying to identify the amendment.

Mr. DOUGLAS. It is one to abolish the possibility of converting income from oil into capital gains.

Mr. KERR. Is it the one which has to do with the sale of a mineral interest, or a quantity of minerals, whether oil or other minerals, and, out of a definite interest, computing the tax on the basis of capital gains?

Mr. DOUGLAS. That is correct.

Mr. KERR. I thank the Senator very much.

Mr. DOUGLAS. Suppose there is a well which has a yield of 400,000 barrels a year. The royalty per barrel would be 35 cents, so that in the course of the year the owner would receive $140,000, which, under present conditions, is taxable at personal income tax rates. The committee provision would make it possible for him to assign his claims to royalties on the 400,000 barrels for a lump sum, and then the amount which he receives to be taxed not at personal income tax rates, but at the capital gains rate, at a maximum of 25 percent, whereas, of course, the tax which he would have to pay as income would be greatly in excess of that amount.

I think we have gone very far indeed on the whole capital-gains matter in permitting what is in reality income to be converted into a capital gain as a means of tax avoidance. This measure would carry the excessive allowance already given to the oil industry still further. This industry, above all others, should be able to pay an appropriate tax. I hope the provision will be eliminated. That is the aim of the amendment which we have offered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Is it not true that the oil industry also gets a very substantial percentage depletion allowance at the present time?

Mr. DOUGLAS. I tried to indicate that. Twenty-seven and a half percent of the gross income is set aside year after year, in addition to the full depreciation of physical investment.

Mr. HUMPHREY. Right on, all the way through?

Mr. DOUGLAS. Yes. It is over and above that—"all this and heaven too," so to speak.

Mr. HUMPHREY. It is not figured out on the basis of the life of the well?

Mr. DOUGLAS. No. Even if the royalties which are sold are on the yield simply for the coming year, or even for less than the coming year, they will be counted as a capital gain and not as income.

Mr. HUMPHREY. If the well were sold outright, the owner could take advantage of the capital-gains tax.

Mr. DOUGLAS. Yes, and properly so.

Mr. HUMPHREY. Just as if he sold a house or any other commodity.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. What is actually being sold is barrels of oil which has already been pretty well estimated as to the flow. There is no positive certainty about it, but there is a reasonable certainty on the basis of average and even more certainty because of State conservation laws limiting the production per well.

Mr. DOUGLAS. With the conservation laws in the Southwest, the margin of error in estimation is not great.

Mr. HUMPHREY. As the Senator understands, the amendment which has been proposed is a means of being able to take what would under ordinary circumstances be personal income, taxable at personal income tax rates, and convert it to a capital gain taxed at capital gains rates.

Mr. DOUGLAS. A change of oil into gold.

Mr. HUMPHREY. Oil into gold.

Mr. DOUGLAS. Not gold for the Treasury; gold for the oil company. At last it would seem that the dream of the alchemists had been realized.

Mr. CONNALLY. Mr. President, I very much hope the Senate will not adopt the amendment. It was thoroughly considered by the committee. The Supreme Court, in the Perkins case, upheld the theory upon which the provision in the bill is based, but the Bureau of Internal Revenue disregarded the opinion of the Court and paid no attention to it. They have been ruling absolutely in the face of the Supreme Court decision. It is admitted that if a man sells all his oil wells that is all right. But suppose he sells only half. Why should not the rule apply to half as well as to the whole?

I realize that this is the open season for the oil interests. The Senator denounced the owners of oil. Does the Senator realize that there is more money lost in prospecting for oil than there is gained on the oil taken out of the ground? It is a losing proposition. Because some persons happen to hate the oil interests, they want to shoot at them.

I hope the Senate will not adopt the amendment.

Mr. MILLIKIN. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 2 minutes left.

Mr. MILLIKIN. Mr. President, I should like to add my endorsement to what the senior Senator from Texas has said. We are talking about oil and selling oil in place. That is all there is to it. It is not possible with complete accuracy to predict how much oil will be produced this year. Many of these operations are highly speculative. As the Senator from Texas has pointed out, if a man sells all the oil he has, he pays a capital-gains tax. If he sells half of it, why should not the capital gains tax formula apply to half of it, just as if half of a dwelling house were sold?

The confusion comes in with reference to barrels. It all revolves around the wasting of a resource, which places this industry in a category apart. Every time a barrel of oil is lifted to the surface, it is oil in place. That means capital has been lost by one barrel. If 100,000 barrels are taken from the ground, capital has been lost by 100,000 barrels. It might amount to half of what the owner has, or it might amount to more than he has. But to the extent that we put it in terms of dollars against so many barrels, or put it in terms of barrels and relate them to dollars, we are depleting an irreplaceable, wasting resource.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. CHAVEZ. Mr. President, I think the argument of the Senator from Colorado is correct if we are dealing in dollars and cents only. Why can we not apply the same rule to human beings, to the boys who die in Korea—irreplaceable resources? What about that?

Mr. MILLIKIN. If the Senator will present an amendment that will provide for each man to be replaced, I shall be with him.

The PRESIDING OFFICER. The time of the Senator from Colorado has

expired. All time on the amendment has expired.

Mr. HUMPHREY. Mr. President, is there any time left on the part of the Senator from Illinois?

The PRESIDING OFFICER. The Senator from Minnesota had not utilized all the time, but he cannot transfer it after he has yielded the floor.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] for himself and other Senators.

Mr. HUMPHREY and other Senators asked for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER (putting the question). The "noes" seem to have it.

Mr. DOUGLAS. I ask for a division.

On a division, the amendment was rejected.

Mr. HUMPHREY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Minnesota.

The CHIEF CLERK. On page 217, line 5, after the word "for", it is proposed to insert the following: "1947, 1948."

On page 218, line 4, after the word "for" insert the following: "1947, 1948,"; on line 6 after the word "in" insert "1947, 1948."

On page 219, line 3, strike out "1948" and insert in lieu thereof "1946"; on line 9 after the word "in" insert "1947, 1948, and"; strike out lines 11 and 12 and insert in lieu thereof "SEC. 402. Filing of returns for taxable years begining in 1947, 1948, and 1949."; strike out lines 18 and 19 and insert in lieu thereof "this act is enacted, make returns for its taxable years beginning in 1947, 1948, and"; in line 23 strike out "such" and insert in lieu thereof "any."

Mr. LONG. Mr. President, since I did not have the opportunity of speaking on the amendment which was just rejected, I should like to say that I know a little something about the oil and gas business. The Senate has adopted a provision which, I believe, will reduce the taxes of oil producers to approximately half of what they are now paying. Oil taken out of the wells would receive capital-gains treatment. There would be an enormous tax reduction, which I do not consider justified at this time.

Mr. DOUGLAS. Does the Senator wish to move reconsideration of the vote?

Mr. LONG. No. I cannot ask for reconsideration, since I voted for the Douglas amendment.

Mr. HUMPHREY. I thank the Senator from Louisiana for his statement. It is a matter of information which should be put into the RECORD. With reference to the amendment which we now have before us——

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator yield for a parliamentary inquiry?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. Inasmuch as the Senate did not have a record vote on the last amendment, is it possible for a Senator who voted for the amendment to move to reconsider the vote by which the amendment was adopted?

The PRESIDING OFFICER. The Senator's parliamentary inquiry would be proper when consideration of the pending amendment has been disposed of.

Mr. HUMPHREY. The pending amendment refers to section 401, which is entitled "Correction of Formula Used in Computing Income Taxes of Insurance Companies." In 1942 the law established a formula for the computation of income taxes of insurance companies. From 1942 to 1947 a limited amount of money was collected from insurance companies, and the amount was diminishing each year. In 1947, by a technicality in the law under which the formula is prescribed by the Commissioner of Internal Revenue, no money was collected. The same was true from 1947 through 1948 and 1949. That means that the law in 1942 had a technical flaw in it because of which, when it came to be applied in 1947 and 1948, and from there on, it did not operate.

What is the purpose of the amendment offered by the Senator from Illinois, the Senator from New York, and myself? The purpose of the amendment is to correct the situation and to permit the Government to collect approximately $50,000,000, which I submit the insurance companies are prepared to pay. I debated this matter at quite some length on Tuesday. I pointed out statements by members of the insurance industry, which they had made when they came to Washington. For the past 2 years they have been coming here attempting to negotiate an understanding between the Bureau of Internal Revenue and themselves under which they would pay some money.

As a matter of fact, the insurance companies have decided that they owed the money, they have set aside a fund to make it possible for them to pay the tax, and are willing to pay it as soon as corrective legislation is enacted. This money is justly due the Government. It is a moral obligation on the part of the insurance companies. If there ever was a time that we needed revenue, the time is now. I am not undertaking to hurt the insurance companies. I do not want discriminatory legislation passed against insurance companies. We are merely trying to collect from insurance companies what they themselves feel they owe the Government of the United States.

I quoted in the RECORD a statement which had been made by the president of the Metropolitan Life Insurance Co. He said that of course they expected a retroactive law. On Tuesday during the debate there was considerable comment with reference to the constitutionality of retroactivity. The constitutionality was well covered by Representative LYNCH in a memorandum which he filed in the RECORD in connection with House Joint Resolution 377.

The statement has been made that the collection of this $50,000,000 would be money taken away from trust funds, insurance funds, which represent the savings of our people, and we ought not to be tampering with such trusts. The insurance business is one of the most sacred businesses, in terms of watching over the people's savings, of any business in the world. I also recognize that the record is crystal clear that the insurance companies are prepared to pay the $50,000,000. They have been down here for 2 years negotiating about it. It is inconceivable to me that we do not take advantage of this opportunity to get revenue which is justly owing to the Government of the United States.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. Is it not true that in the House bill the insurance companies are taxed for 1947 and 1948, and that it was the Finance Committee which gave this added exemption?

Mr. HUMPHREY. That is correct. The Senator from Illinois has put his finger on the point. The House bill, after hearings before the House Committee on Ways and Means, provided for the collection of the tax for 1947 and 1948. The Senate committee deleted that provision.

I have nothing more to say except to urge the adoption of the amendment. Before my friend from Colorado goes after me on the ground that these are trust funds—because he made a very brilliant argument on that point the other day from which I did not recover for some time—let me say that I recognize that these are trust funds and that we should not deal in a discriminatory fashion with insurance companies. But I cannot see, in a period of the Nation's life when there is a dire need for money, when the Treasury is begging for money, and when people are worried about deficit financing, how we can slam the door shut on the patriotic insurance officers who have come to Washington and have said to the Secretary of the Treasury, "If you will see to it that the law is amended by a proper provision, we will give you $50,000,000." I plead with the Senate to let the Government obtain the $50,000,000 which good and loyal patriotic Americans want to pay.

Mr. MILLIKIN. Mr. President, I suggest we will get every penny that is due from those who owe the money. We have already passed on the question. A bill on the subject which originated in the House contained the very subject matter covered by the Senator's amendment. It went to the Senate Committee on Finance. It came to the Senate. The Senate passed the bill as recommended by the Finance Committee. It is now in conference between the Senate and the House.

Mr. President, not one penny sought by this method to be collected was owing by any insurance company, under the Senator's own statement. He said that they did not owe any tax because the law did not require them to pay any tax.

Some insurance companies came forward and said they wanted to pay some taxes.

Let me harry the Senator from Minnesota some more with respect to the obligation of insurance companies, because if what I said on Tuesday worried him for a few days, I want to continue to worry him. An insurance company is the highest type of trust there is in the country. An insurance company represents and holds in presumed safety the savings of the people of the United States. The average man does not have a fine, fancy investment, but he does have an insurance policy. It may be a small one, or it may be a large one, but that is all he does have. Ever since the insurance system came into being we have recognized the fact that insurance trusts were one place where there would be no finagling. It is an inviolable principle, whether the insurance companies know it or not, that they are trustees for their policyholders. They have no right to take policyholders' money, which the insurance company is supposed to protect, and give it away. They have no right to pay one penny of it if there is no legal obligation to do so. It is admitted here that there is no legal obligation. Why have some insurance companies come to Washington? Not all of them have come. The Equitable Insurance Co., which is a pretty big outfit, did not want to pay such a tax. The Acacia Insurance Co., across the street, did not want to do it. They are advertising their billion-dollar year. Union Central of Cincinnati did not want to do it. Many other companies did not want to do it. We made our bill retroactive only during the period in which insurance companies had had notice that there might be that kind of retroactive tax adopted. The bill passed the Senate. It is now in conference. What is the use of opening the question up again?

Mr. HUMPHREY. Mr. President——

The VICE PRESIDENT. The Senator has 1 minute remaining.

Mr. HUMPHREY. Mr. President, I have listened with great emotion and deep feeling——

Mr. MILLIKIN. Mr. President, I have not yielded a minute, but I will yield half of it.

Mr. HUMPHREY. It is my minute. [Laughter.]

Mr. MILLIKIN. I thought I had the minute.

Mr. HUMPHREY. I merely wish to point out that this industry which is being talked about happens to be a $60,000,000,000 industry that has been made possible under the laws of the United States. If they cannot pay $50,000,000, which they should pay to their Government, which they are willing to pay to their Government, then I do not know what kind of obligation they have to their country.

To be sure, there is a great trust involved, a very important trust, but there is no greater trust than to meet the obligation to pay their fair share of the cost of the Government of this great Nation.

I submit it is only because of a technical flaw in the law that the responsibility for tax payments ceased. I commend the insurance companies, and I commend the committee of the insurance companies which came to Congress stating that they were prepared to pay.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Colorado has 2 minutes.

Mr. MILLIKIN. I will not use the 2 minutes, Mr. President——

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from New Mexico.

Mr. ANDERSON. Is there any showing that the payment of $50,000,000 would jeopardize the legal reserves?

Mr. MILLIKIN. If we take the reasonable profits away from the companies, we are weakening the reserves.

Mr. ANDERSON. I cannot admit that at all.

Mr. MILLIKIN. That is axiomatic.

Mr. ANDERSON. There are certain legal reserves that an insurance company is required to carry. They may have additional funds which are available for dividends.

Mr. MILLIKIN. Those reserves belong to the policy-holders, for the protection of the policy-holders, and whether the companies pay $50,000,000 or $5,000,000,000 or 50 cents, they have no right to weaken their reserves by one penny, except where there is legal obligation to weaken them.

The VICE PRESIDENT. The time of the Senator has expired.

The question is on agreeing to the amendment offered by the Senator from Minnesota on behalf of himself and other Senators.

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. DOUGLAS. I ask for a division.

On a division the amendment was rejected.

Mr. DOUGLAS. Mr. President, I send to the desk another amendment, lettered "E," which I offer in the name of the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Dakota [Mr. LANGER], the Senator from New York [Mr. LEHMAN], and myself.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read the amendment, as follows:

ELIMINATION OF CAPITAL-GAINS TREATMENT FOR SALARIES PAID TO CORPORATE EXECUTIVES AND EMPLOYEES IN THE FORM OF STOCK OPTIONS

On page 137, strike out the language beginning with line 17 down through line 12, page 142.

Mr. DOUGLAS. Mr. President, this amendment calls attention to another loophole which the committee has opened in the tax structure of the United States. I had thought that the pending bill was intended to raise additional revenue to pay for the cost of military preparations, but amendment after amendment has been recommended by the committee and upheld on the floor which greatly diminished the amounts which the Treasury can collect, and which continuously put the Government in a worse and worse financial position.

There are a number of cases in which the capital gains tax avoidance feature is used to an increasing degree. This is one of them, because capital gains are taxed at a lower rate than is income. There is a great desire on the part of the tax avoiders to have income regarded as capital gains, and there are many illustrations of this. This is another attempt in the same direction, because the Finance Committee bill contains a stock option provision which will allow the compensation of corporate executives to be converted into capital gains taxable only at a low flat rate instead of the regular income-tax rates. It provides that compensation of corporation executives paid in the form of options to purchase the employing corporation's stock are taxable only as long-term capital gains rather than as ordinary income. No effective limitations would be imposed on the amount of executives' income that could be converted by this device. Corporation officials would be free to escape the higher income-tax rates by making appropriate arrangements to receive their compensation in stock options rather than cash, at no cost to the employing corporation.

Under present law, when a corporation grants its executives or employees options to purchase stock in the corporation, the entire amount of the difference between the option price and the fair market value of the stock at the time the option is exercised is taxable as ordinary income. If the Finance Committee provision becomes law, the entire spread between the option price and the sales price realized would be taxed as long-term capital gain whenever a corporation grants its executives or employees options to purchase stock in the company at prices 85 percent or more of the market value of the stock when the options are granted, and the employees exercise the options and hold the options and the stock combined for at least 2 years and the stock alone for at least 6 months. The potential magnitude of this loophole is indicated by the following example.

Mr. President, I have certain illustrations of how this device can be used to reduce the income-tax payments of corporation executives in the upper brackets. I ask unanimous consent to have them inserted in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

Mr. A, a married man with two children, is the president of H Corp. His present salary is $50,000 a year, and under present tax law his income tax is just over $14,000, leaving him about $36,000 take-home pay.[1] Under H. R. 8920 Mr. A's income tax for the year 1950 will increase to about $14,500, and in 1951 to about $16,000, assuming his salary is unchanged. The corporation decides to provide its president with a financial incentive. This is accomplished by reducing Mr. A's cash salary to $40,000 and giving him options each year to purchase 2,000 shares of

[1] Assuming deductions equal to 10 percent of gross income.

stock worth $100 per share for $90—a discount per share of $10, or $20,000, on the block of 2,000 shares. This represents an increase of his salary to $60,000.

Mr. A exercises his option and buys the shares for $180,000. He pays for them either by using such liquid assets as he has, by borrowing on the stock, or by giving the H Corp. his note for the unpaid balance. His combined tax on the $40,000 cash salary, plus the $20,000 compensation in stock, will be only $15,700, including the $5,000 capital gains tax, or less than he would have paid if his salary had not been increased from $50,000 to $60,000. He can reduce his tax further if he happens to have capital losses which offset these capital gains. The corporation, at no cost to itself, has in effect given Mr. A a $10,000, or 20 percent, increase in compensation, and his personal income tax, instead of increasing, has actually been reduced.

This provision, which potentially has very wide application throughout the corporate structure, would carry substantially further existing tax devices which permit the conversion of ordinary income to capital gains, at peril to the Government's revenue and grave danger to the equity of the income tax.

Mr. DOUGLAS. I would say that they will very appreciably reduce the amount of taxes on incomes.

Mr. President, I am surprised that in a bill which is supposedly designed to raise revenue there is provision after provision opening loopholes still wider, making the load on those in the upper brackets less and less, at a time when greater equality of sacrifice is demanded of the population of our country.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Is it not true that if a loyal employee of an average manufacturing establishment, or of a retail or mercantile establishment, is given a cash bonus at the end of the year because of his loyal service, that is taxed at the earned income rate?

Mr. DOUGLAS. It is taxed as income.

Mr. HUMPHREY. Is it not true that if a very loyal manager of a corporation is given a cash bonus it likewise is taxed as income?

Mr. DOUGLAS. It is taxed as income.

Mr. HUMPHREY. So a way to evade the responsibility or the duty of paying the income tax rate is to give top grade stocks in the company at a concessional price, is it not?

Mr. DOUGLAS. They are now being given to executives as favored insiders. The corporation executives are now being given options to purchase stock at less than the market rate, stocks which they can convert into gains by selling the options. This was at one time taking place with a favored list of insiders on a preferred list prior to 1929, those who used to be allowed to buy at less than the usual rate. That is now prevented by SEC. But this provision is now going in, in the form of employee stock options, and they are taxed on their incomes. The proposal of the committee is to have what they receive taxed as capital gains, in order to cut the tax at least in half and possibly more.

Mr. KERR. Mr. President, with reference to this amendment, I disagree with the Senator from Illinois. The provision to which the amendment is offered is one to promote revenue. This is a provision to make it possible for executive personnel to become identified with an organization in which they have an interest, and by their effort increase the value of the stock of the corporation. In so doing they increase the revenue of the Government, because it has no worth now except as its value increases, and as its value increases that means it has to be put on the basis of additional profit, which yields additional taxes.

Mr. President, this has to do with a capital asset. It has to do with the purchase and sale of a capital asset. It has an added burden, however, in comparison with the ownership of any other capital asset. If any other capital asset is bought and sold, if held for 6 months, its profit is subject to the capital-gains tax. Under the provision the capital asset when bought must have an option period of at least 2 years before the consummation of the purchase, an over-all period between the beginning of the option and the sale in 2 years, and there must be at least 6 months beyond the consummation of the purchase for the exercise of the option and the sale so as to qualify under the provision.

Mr. President, this is a provision which will increase and promote revenue, and I believe it should be kept in the bill, and that the amendment offered by the Senator from Illinois should be rejected.

I yield the remainder of my 5 minutes to the Senator from Colorado.

Mr. MILLIKIN. Mr. President, in 1948 we had considerable testimony on this subject. There appeared before the committee old, tired men who wanted to yield the leadership of the corporations to younger men. The younger men were not excited about moving up, because they could not be given a greater share of responsibility by merely increasing their salaries. When their salaries are increased they get up into brackets where what is left out of the added wages does not provide the incentive necessary to get them to assume the extra responsibility. Witness after witness came before the committee and told us the same story. This is a method of giving these younger men a chance to have a real interest in the business so that they will take hold. The industries of the country are being operated, as I said before, by rapidly aging, tired men who want to yield their burdens to younger men. In my opinion, there is also involved a fine question of constructive policy, and I believe it should be resolved against the contention of the Senators who sponsor the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] for himself and other Senators.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. DOUGLAS. Mr. President, I ask for a division.

On a division, the amendment was rejected.

Mr. HUMPHREY. Mr. President, on behalf of the senior Senator from Pennsylvania [Mr. MYERS], I ask unanimous consent to have printed in the RECORD, at this point in the RECORD where we have been discussing employee stock options, a statement prepared by the Senator from Pennsylvania.

There being no objection, the statement was ordered to be printed in the RECORD, as follow:

STATEMENT BY SENATOR MYERS

EMPLOYEE STOCK OPTIONS

The purpose of the amendment is to strike from the bill section 220 which provides special tax treatment for employee stock options.

The effect of the provision would be to grant, without effective limitations, the benefit of the lower capital gains rates to income derived from stock options granted to an executive or employee by his employing corporation.

Under the present law, if a corporation grants an executive or employee an option to purchase stock, the spread between the option price and the fair market value of the stock at the time of exercise of the option is taxable as ordinary income when the option is exercised. This tax treatment is based upon the principle that the advantageous option arose out of the employment relationship and hence the spread upon exercise of the option is to be treated as additional compensation subject to ordinary income-tax rates.

The bill accords capital-gains treatment to what is designated as restricted stock options; but the restrictions are inadequate. It would permit isolated or individual advantage of favorable tax treatment far outside the course of employee incentive plans upon which the proponents of this provision rest its justification.

Under the provisions of the bill the option price can be as much as 15 percent lower than the market price of the stock, even though the stock is of a seasoned corporation regularly traded on national securities exchanges with established market prices quoted daily. The provision requires that the stock may not be sold earlier than 2 years after the granting of the option and, in any event, that the stock must be held for 6 months. In recognition of the possibility of abuses by executive-owners, the provision further disbars an owner of 10 percent of the outstanding stock of the corporation from this favorable tax treatment. The option itself may not be transferred.

In justification for special tax treatment of employee stock options it is said that the result of the present law is to make it somewhat impracticable for corporations to grant so-called incentive options, the purpose of which is said to lie not so much in increasing compensation but in an endeavor to create in the employee a more direct interest in the development of the business. Assuming that the merit of such purpose justifies capital-gains treatment, the provisions of the bill would permit abuses and isolated bargain-stock deals that have no claim to favorable tax treatment in the fundamental purpose of such incentive plans. If this body were to conclude that special tax treatment should be accorded to genuine incentive plans, then greater study and consideration should be given to the problem in order to develop provisions which would place reasonable and carefully considered limits upon the advantage of the special treatment to be accorded this form of compensation.

It will be said in justification of the 15 percent spread between option price and market value at the time the option is granted that the purpose is to avoid valuation problems where the stock is not readily marketable. However, the 15-percent spread provision is applicable to stocks listed and quoted daily on national stock exchanges

as to which market value is readily determinable. Moreover, if we conceive of this measure as one to encourage well thought-out corporation incentive plans, there is no requirement that there be a predetermined plan embracing a specified group or class of executives or employees within its advantages in order to qualify for special tax treatment. Neither is there any provision that requires well matured and openly avowed corporation incentive plans carefully conceived by the board of directors subject to stockholder approval.

The prime purpose of the bill now before the Senate is to raise substantial additional revenues to help meet the burden of increased defense requirements arising out of the situation in Korea. There is need for haste to make increased income tax withholding effective October 1, and to determine the rates for corporation tax for this year. But there is no haste or emergency to warrant inadequate consideration of the special tax treatment to employee stock option plans. If such treatment is to be accorded, then the provisions should be adequately considered, they should be designed to reflect the best practices, and limited so that in return for the sacrifice of revenue there may be at least accomplishment of the basic objective. The provision of the bill falls short of this fundamental need.

Mr. HUMPHREY. Mr. President, on behalf of myself and the Senator from Illinois [Mr. DOUGLAS] I offer an amendment lettered "F" of August 24, 1950, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 130, it is proposed to strike out beginning with line 5, down through line 2 on page 137.

Mr. HUMPHREY. Mr. President, I recognize the lateness of the hour and I fully realize that Members of the Senate are tired and most anxious to go home. I imagine there are some Senators who are wondering when we are going to stop offering amendments. It is a legitimate wonder. But the fight being made on the floor of the Senate is a struggle to save the Government approximately $1,000,000,000. The fight being made on the floor, unsuccessful as it is, is a determined effort to close up some loopholes which have been recommended to be closed. I repeat, that the loopholes, instead of being closed, are being opened, and they are being opened at a time when we are calling upon everyone to make a sacrifice.

Very recently on the floor of the Senate I heard some very indignant remarks made about a few railroad workers because they propose to take things into their hands so as to get a little better deal for themselves. To be sure, this is no time for strikes, but I submit with the same candor that this is no time for profiteering or tax loopholes.

I repeat that unless the Congress takes action to place an equitable share of the burdens of the costs of the war on the shoulders of those who are making the most out of it, and out of the defense program, we shall see a strange reaction in Congress.

These are technical amendments. They are not very glamorous. I say with all respect for the authors of the very desirable excess-profits tax, which I supported, and supported vigorously, that that is an amendment which secures public attention. But the amendments which have been brought up tonight with respect to family partnerships, stock options, capital gains, in oil payments, taxing the insurance companies, and dividend withholdings, are important amendments, and they would produce real revenue without harm to anyone. There is no desire on the part of any of the sponsors of these amendments to be unkind or unfair. On the contrary, we are trying to keep the tax laws as fair as possible.

The VICE PRESIDENT. The Senator will suspend. The Chair is making a desperate effort to keep order. In spite of that, Senators, and others who are not Senators, continue to converse in the Senate Chamber in a very annoying way, indeed in a way that is a nuisance. The Senate is entitled to transact business in good order, and 99 percent out of 100 percent of the conversation that goes on here constantly is unnecessary.

The Senator from Minnesota.

Mr. HUMPHREY. I wish to thank the Chair.

We have depletion allowances of 27½ percent. We have capital gains conversions, and other provisions helpful to upper income groups. But what about the man who is a $50-a-week taxicab driver? I have yet to find anything in the bill that is going to help him. That poor fellow has to liquidate his investment in his cab under a normal schedule. He gets no depletion allowances. Family partnerships or capital gains would do nothing for him. But he will pay a higher income-tax rate under the bill before us, and higher prices, too, because of inflation.

The pending amendment applies to quick amortization of so-called emergency facilities. During World War II the Congress wisely enacted simultaneously with an excess-profits tax a provision to allow plants to be amortized in 5 years so that war production could be developed more quickly. A 5-year period was a pretty good calculation, because that is about as long as it took to finish the war. But how long is the present war going to last? I have heard it said on the floor of the Senate that it will last for a generation. Why do we need 5-year amortization provisions now for new plants?

The Brewster special committee investigating the national defense program reported some very interesting things in the Eightieth Congress. They appear in Report No. 440, part 2, Eightieth Congress, second session, on pages 11 and 12. It says:

> Legal profiteering resulted from certificates of necessity.

That is the certificate necessary to secure the benefit of this plant amortization.

> Many companies came out of the war with new, valuable, fully amortized facilities which they could either use, or, as some have done, sell. In this way a facility actually paid for out of a contractor's war taxes was additional war profit to him to the extent of its postwar value.

Listen to what the committee said further:

> Many administrators of the Renegotiation Act think that the largest unjustifiable war profits were made as a result of the certificate-of-necessity program.

Which is a quick emergency amorization facility.

I remind my colleagues that today we say to our young men, "You must leave your homes, your schools, and your jobs, join the Armed Forces in far-off places, and fight, and, if necessary, die in defense of the principles in which we believe."

To American industry we say, "You may, if you like, help supply our boys with fighting equipment to protect us. Of course, you will be well paid for your efforts. And, to ease the strain, we will let you amortize all new construction in 5 years so that you can build a plant and keep it at little or no cost to yourself."

I submit, without fear of successful contradiction, that profits now are at an all-time high, at a time of a rising cost of living. It appears to me that the provision in question should be stricken from the bill until an excess-profits tax is passed, and when an excess-profits tax is passed the provision can be put back into the bill. The two go together.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that in addition to what the Senator has pointed out, it is possible for the owners of a plant which has been depreciated at an accelerated rate in advance of its ordinary rate of depreciation to sell the plant, than to be taxed only at capital-gains rate?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Did the Senator say that if a plant is amortized completely, and subsequently is sold, the entire amount of the proceeds is tax free?

Mr. HUMPHREY. There will be a period of 5 years in which the amortization will occur. So the plant will be paid for in 5 years; and at the end of that period, the plant will come tax free to the owner.

Mr. KERR. Will not the proceeds of the sale of the plant be subject to taxation under the capital-gains tax?

Mr. HUMPHREY. Yes; but, of course, the result of the condition I have described will be a tax-free situation, as the Senator from Oklahoma knows, because in the course of the 5-year period the owner of the plant will have been able to pay for the plant out of war profits, and subsequently he can sell the plant. In that connection he can have the benefit of the capital-gains-tax schedule.

Mr. KERR. Would not the same situation apply if the owner amortized the plant over a period of 20 years? If he subsequently sold the plant, would not that be a capital sale, subject to the capital-gains tax, just as would be the case in the other situation?

Mr. HUMPHREY. Yes; but in that connection let me inquire how long a period of amortization is allowed in the case of a farmer's barn? Is 5 years allowed for the amortization in that case?

It is obvious that we may need to have more grain or more milk produced; but is a 5-year amortization period allowed in the case of farmer's granary or a farmer's dairy barn?

Mr. KERR. Let me ask what amortization is allowed a farmer in such case.

Mr. HUMPHREY. The farmer is allowed whatever the schedule of the life of his buildings is, and that is estimated to be anywhere from 20 to 35 years. I think the Senator from Delaware said, the other evening, that the amortization period allowed for a barn is approximately 32 years.

So Mr. President, let us provide for a little justice. This bill, instead of providing for justice, would provide another gimmick. It appears to me that under such an arrangement, the rich will be getting richer, and all that the poor will be getting will be comforting words and higher taxes. Those in the middle-income brackets will be taxed at a higher rate, while they see their richer neighbor who lives up the street acquiring more and more wealth by taking advantage of some of these loopholes.

Mr. President, I think this amendment is badly needed at this time.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KILGORE. Is it not true that a short time ago the industrial capacity of the United States had been built up to a sufficient extent to enable us to supply all our allies in time of war, and is it not also true that the crying need at that time has been sufficiently met as of today?

Mr. HUMPHREY. I do not have sufficient prophetic vision to be able to say whether we have built up our plant capacity sufficiently, but certainly we have built it up.

Mr. KILGORE. We have done so at the expense of this program; have we not?

Mr. HUMPHREY. That is correct.

Mr. President, I yield the floor.

The VICE PRESIDENT. The time of the Senator from Minnesota has expired.

Mr. MILLIKIN. Mr. President, I respectfully suggest that we have not built up the industrial plant capacity at the expense of this program, but we have built it up because of this program. This program was the basis for the building up of our plant capacity in the last war.

Let us have a little understanding of why we give this amortization right.

A man who already has a plant and has no need to expand his plant, considering that probably he will be confronted with decreased production for civilian needs and the civilian market, will say to himself, "Why should I build another plant?"

This amortization schedule is placed in effect in order to persuade him to build another plant to take care of the Nation's needs in time of war, and to make it possible to arm our soldiers, to provide them with the equipment they need, to protect them, and to make it possible for them to protect the Nation in time of war. So we see the need for making provision for the building of new plants.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. KERR. In the case of every plant that is built, will not all the profits made from the operation of the plant be taxed at the present high rate?

Mr. MILLIKIN. That is correct.

Mr. KERR. And if later on there is an excess-profits tax, the profits from the plant will be further taxed in that way, will they not?

Mr. MILLIKIN. Certainly.

Mr. President, there is no assurance that after 5 years the manufacturer will be able either to sell or to use his plant.

We have just voted a control bill, giving the President the greatest power any dictator in the world has ever had. We did so in order that the President could impose such controls, if necessary, in order to safeguard our country, to provide for its defense, and to protect our veterans and our soldiers.

Under that law, not one plant will be built without having a Presidential certificate declaring the need for the plant and declaring the extent of the need; and the President will have full authority to allow this deduction or amortization as to either a part or as to all of the plant.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. KERR. Or the President will have full authority to allow this deduction or amortization as to none of the plant, will he not?

Mr. MILLIKIN. Yes, or as to none of it. The whole matter is in the hands of the President, just as all the other controls are in the hands of the President.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota, on behalf of himself and the Senator from Illinois.

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. KERR. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 139, in line 13, it is proposed to strike out "1946" and insert "February 26, 1945."

Mr. GEORGE. Mr. President, so far as I am concerned, as chairman of the committee I am glad to accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Oklahoma.

Without objection, the amendment is agreed to.

Mr. GEORGE. Mr. President, I offer an amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

Mr. GEORGE. Perhaps I had better read the amendment, for it is purely a clarifying amendment:

On page 190, in line 22, strike out the words "such an organization" and insert in lieu thereof:

An organization claiming an exemption under section 101.

The effect of the amendment will be to carry out the intention of the committee that where a corporation claimed an exemption under section 101 of the Internal Revenue Code and filed the information return described in section 54 (j), such information return will be deemed to be a return for the purpose of starting the statute of limitations upon assessments and collections.

The entire purpose of the amendment is to have some beginning point for the statute of limitations to run against charitable trusts and institutions, so far as their back taxes are concerned.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. BUTLER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 55, beginning with the semicolon in line 20, it is proposed to strike out everything through "26 (i)" in line 23.

Page 59, beginning with line 9, strike out everything through line 11, and in line 12 strike out the "(D)" and insert in lieu thereof a "(C)".

Page 60, line 8, after the word "except" insert the following: "a Western Hemisphere trade corporation as defined in section 109, and except".

Page 60, line 16, after the word "except" insert the following: "a Western Hemisphere trade corporation as defined in section 109, and except".

Page 66, line 14, strike out "and (i)".

Page 70, beginning with line 6, strike out everything through line 22.

Mr. BUTLER. Mr. President, this amendment would simply retain the language which now is in the present Revenue Act, and which has been in effect since 1942.

The amendment would place in conference the matter of the point 4 program as it relates to Western Hemisphere trade, that is to say, trade between North America and Central America and South America.

I wonder whether the chairman of the committee will be willing to take the amendment to conference.

Mr. GEORGE. Mr. President, I regret that I cannot agree to take the amendment to conference, although I recognize the merit of the amendment.

It is my opinion, and I think it was the opinion of the committee, that we should deal with the entire point 4 program in a separate chapter of the next tax bill.

Although this amendment would not result in the loss of a great deal of revenue, yet it would result in the loss of some revenue.

I hope the Senator from Nebraska will withhold the amendment until we reach the next tax bill.

Mr. BUTLER. Mr. President, I withdraw the amendment.

The VICE PRESIDENT. The amendment of the Senator from Nebraska is withdrawn.

Mr. WHERRY. Mr. President, the junior Senator from Missouri [Mr. KEM]

submitted, and had lie on the table, an amendment providing that—

no part of the funds appropriated in H. R. 7786, an act making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, shall be used to provide assistance to any participating country which exports, or permits the exportation, to the Union of Soviet Socialist Republics or any of its satellite countries (including Communist China and Northern Korea) of any article or commodity usable by, or which may be used in the manufacture of any article or commodity which may be useful to, the armed forces of the Union of Soviet Socialist Republics or such satellite countries.

Mr. President, I am authorized by the junior Senator from Missouri to state that there are many who would like to support this amendment, but who feel that it should not be offered to the pending bill. We are determined to offer it as an amendment to another bill. I send to the desk an amendment, somewhat different from the one I read, which I ask be printed. When the time comes it will be offered as an amendment to the bill (S. 4037) to protect the internal security of the United States, and for other purposes. The amendment will not be offered as an amendment to the tax bill at this time.

The VICE PRESIDENT. The amendment will be received and will be printed in the RECORD.

The amendment is as follows:

On page , line , insert the following: During any period in which the Armed Forces of the United States are actively engaged in hostilities while carrying out any decision of the Security Council of the United Nations, no part of the funds appropriated to carry out the purposes of the Economic Cooperation Act of 1948, as amended, or any other act to provide economic or financial assistance (other than military assistance) to foreign countries, shall be used to provide economic or financial assistance to any country which exports, or permits the exportation to the Union of Soviet Socialist Republics or any of its satellite countries (including Communist China and Communist North Korea) of any article or commodity which the Secretary of Defense certifies to the Economic Cooperation Administration may be usable by, or which may be used in the manufacture of any article or commodity which may be useful to, the Armed Forces of the Union of Soviet Socialist Republics or such satellite countries; and it is hereby made the duty of the Secretary to so certify any such article or commodity.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 8920) was read the third time, and passed.

The title was amended to conform to the text of the bill.

Mr. GEORGE. Mr. President, I send to the desk a unanimous-consent request, which I ask to have stated.

The VICE PRESIDENT. The clerk will read the request.

The LEGISLATIVE CLERK. The unanimous-consent request is as follows:

I ask unanimous consent that—

(1) The bill be printed with the Senate amendments numbered.

(2) That in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make such changes in section, subsection, paragraph, etc., numbers and letters and cross-references thereto as may be necessary to the proper numbering and lettering of the bill.

(3) That the Secretary of the Senate make proper amendments to the table of contents to make the table conform to the bill and that all changes in the table of contents be treated as the last numbered amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GEORGE. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate. I suggest the appointment of the Senator from Texas [Mr. CONNALLY], the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Ohio [Mr. TAFT].

The motion was agreed to, and the Vice President appointed Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT conferees on the part of the Senate.

FEDERAL DEPOSIT INSURANCE ACT—CONFERENCE REPORT

Mr. MAYBANK. Mr. President, I submit a conference report on the bill (S. 2822) to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264), and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2822) to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 13, 14, 15, 16, 17, and 19.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 18, 20, 21, 23, 24, 25, 26, and 28; and agree to the same.

That the Senate recede from its disagreement to the amendment of the House numbered 9, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "examine any insured State nonmember bank (except a District bank), any State nonmember bank making application to become an insured bank, and any closed insured bank, whenever in the judgment of the board of directors an examination of the bank is necessary. In addition to the examinations provided for in the preceding sentence, such examiners shall have like power to make special examination of any State member bank and any national bank or District bank, whenever in the judgment of the board of directors such special examination is necessary to determine the condition of any such bank for insurance purposes"; and the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House numbered 22, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

The amount payable hereunder shall be paid in two equal installments, the first installment to be paid prior to December 31, 1950; and the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House numbered 27, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"(b) The amendment made by subsection (a) of this section shall become effective on January 1, 1951"; and the House agree to the same.

B. R. MAYBANK,
A. WILLIS ROBERTSON,
PAUL DOUGLAS (except as to amendment No. 9),
RALPH FLANDERS (except as to amendment No. 9),
JOHN W. BRICKER,
Managers on the Part of the Senate.

BRENT SPENCE,
PAUL BROWN,
MIKE MONRONEY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the conference report.

Mr. WHERRY. Mr. President, this is a very important measure. I should like to have the distinguished Senator from South Carolina tell the Senate very briefly what the conferees did before the Senate conferees agreed to certain House amendments. I do not care to have a long story, but I think the Senate should have an explanation in the RECORD.

Mr. MAYBANK. The conferees concurred in the House amendment for special examinations. There was unanimous agreement upon the insurance plans, and so forth and so on. The disagreement came upon the question of the examination of banks. The Senate conferees agreed to the House amendment, and of course had to recede from the Senate's disagreement. They agreed to special examination when the FDIC believed them necessary. The Senator from Virginia [Mr. ROBERTSON] was chairman of our subcommittee, and I would ask him to supplement my statement.

Mr. ROBERTSON. Mr. President, as chairman of the Senate conferees, and as chairman of the subcommittee, as stated, I may say that we have brought to the Senate a bill in which the banks are very much interested. It gives $10,000 coverage on individual accounts. In one full year's time, the assessment on the banks will be reduced by approximately $71,000,000. The conferees on the part of the House and Senate, respectively, are in full accord and agreement with respect to those two items.

I stood to the end against permitting the FDIC to examine State banks which are members of the Federal Reserve System. I voted against it. I was voted down. Because of the other things in the bill, which were very important, I took it. But I took it with an amendment to the House language which gave the FDIC the unrestricted privilege of examining not only State member banks—they already had a right to examine State banks—but also other banks as to which special examinations could be made.

I still was not satisfied. We received a letter from Mr. Harl, the essence of which we placed in our report. It was that he gave us his word of honor, so to speak, that he would never make any general use of this examining power, but would use it only when the examinations made by the Federal Reserve Board or the national bank examiners were in his opinion inadequate for some problem which confronted his insurance risk. He would then make what he called a special examination. I still feel that we are putting 1,800 State banks in a rather precarious situation for three examinations. It was not, in my opinion, necessary, yet I am going along with the bill.

Mr. WHERRY. Mr. President, will the Senator from South Carolina yield for another question?

Mr. MAYBANK. I yield.

Mr. WHERRY. The Senator made a remark a moment ago to the effect that the conferees were unanimous.

Mr. MAYBANK. I said, on everything except that section.

Mr. WHERRY. The section proposed by the Senator from Vermont [Mr. FLANDERS]?

Mr. MAYBANK. Yes.

Mr. WHERRY. That is the one the conferees took exception to?

Mr. MAYBANK. Yes. I may say that the chairman himself did.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

INTERNAL SECURITY OF THE UNITED STATES

Mr. McCARRAN. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2372, Senate bill 4037, to protect the internal security of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will state the bill by title.

The CHIEF CLERK. A bill (S. 4037) to protect the internal security of the United States, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill.

INTERNAL SECURITY ACT OF 1950—AMENDMENT

Mr. WHERRY (for himself, Mr. KEM, and Mr. BYRD) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 4037) to protect the internal security of the United States, and for other purposes, which was ordered to lie on the table and to be printed.

SALE OF INHERITED INTERESTS IN CERTAIN ALLOTTED LAND, CROW CREEK INDIAN AGENCY, S. DAK.—VETO MESSAGE (S. DOC. NO. 224)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Interior and Insular Affairs, and ordered to be printed:

To the United States Senate:

I return herewith, without my approval, the enrolled bill, S. 815, to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.

This bill would direct the Secretary of the Interior to sell certain tracts of land, designated as Lower Brule allotments 190 and 192, held in trust by the United States under the laws relating to Indian affairs. It would further direct that the proceeds of such sale be distributed among the heirs of Red Star, a deceased member of the Lower Brule Sioux Tribe of Indians. The beneficial interest in allotment 190 was originally granted to Red Star in a division of the tribal property, and subsequently passed by inheritance to Thomas Flying Walker and Henry Good Face in equal shares. The beneficial interest in allotment 192 was originally granted to Thomas Flying Walker. The rights of Thomas Flying Walker in both allotments ultimately passed by inheritance to his wife, Martha White Bull.

One defect in this bill is that it incorrectly describes the land included in allotment 190. This land is situated in section 27, rather than in section 21, of the township mentioned in the bill.

Another defect stems from the fact that the beneficial one-half interest of Martha White Bull in allotment 190 has been transferred by her to the Lower Brule Sioux Tribe, for whom it is now held in trust by the United States. On December 7, 1948, Martha White Bull sold her share in this allotment to the Tribe for a consideration of $480. On February 2, 1949, this conveyance was approved by virtue of authority granted to the Secretary of the Interior under the provisions of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984). Since it appears that the bill was introduced for the benefit of Martha White Bull, it may safely be assumed that the inclusion of allotment 190 was due merely to lack of knowledge that her interest in this land had terminated. The literal effect of the bill in the present state of affairs, nevertheless, would be to require that property belonging to the Lower Brule Sioux Tribe be sold, irrespective of whether such a sale is desired by the Tribe, and to require that the proceeds of the sale be paid to a person who no longer has any right or title in that property.

A third defect is that the bill incorrectly describes the persons to whom the proceeds of the sale of allotment 192 are to be distributed. The beneficial interest of Martha White Bull in this tract is based on her relationship to Thomas Flying Walker, the original allottee. Since Red Star never had any right or title to allotment 192, it would obviously be improper to grant all his heirs a share in the proceeds of this land. Thus, the inclusion of allotment 192 presents the same fundamental objection as does the inclusion of allotment 190.

The foregoing defects, while evidently inadvertent, can be corrected, with certainty, only by withholding approval from the bill, as its provisions are couched in mandatory terms.

HARRY S. TRUMAN.

THE WHITE HOUSE,
September 1, 1950.

SALE OF LAND ALLOTTED TO MRS. IRIS HUEBNER MARAK, PINE RIDGE RESERVATION, S. DAK.—VETO MESSAGE (S. DOC. NO. 225)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Interior and Insular Affairs, and ordered to be printed:

To the United States Senate:

I return herewith, without my approval, the enrolled bill, S. 1064, to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.

This bill would direct the Secretary of the Interior to sell approximately 160 acres of land, held in trust by the United States under the laws relating to Indian affairs. It would further direct that the proceeds of such sale be distributed to Iris Huebner Marak, a member of the Oglala Sioux Tribe of Indians. At the time when the bill was introduced the beneficial interest in this tract of land belonged to Mrs. Marak, to whom the tract had been allotted in a division of the tribal property. On March 31, 1950, Mrs. Marak sold her beneficial interest to the Oglala Sioux Tribe for a consideration of $800. On May 19, 1950, this conveyance was approved by virtue of authority granted to the Secretary of the Interior under the provisions of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984). Accordingly, the entire beneficial interest is now vested in the tribe, for whom the land is held in trust by the United States.

The literal effect of the bill in the present state of affairs would be to require that property belonging to the Oglala Sioux Tribe be sold, irrespective of whether such a sale is desired by the tribe, and to require that the proceeds of the sale be paid to a person who no longer has any right or title in that property. Since the underlying objective of the bill was satisfied when the consideration for the sale of the land to the tribe was received by Mrs. Marak, it may safely be assumed that the subsequent passage of the bill was due merely to lack of knowledge that the sale had occurred. This inadvertence can be corrected, with certainty, only by withholding approval from the bill, as its provisions are couched in mandatory terms.

HARRY S. TRUMAN.

THE WHITE HOUSE,
September 1, 1950.

COMMENTS CONCERNING AN ARTICLE APPEARING IN THE WASHINGTON POST ENTITLED "THREE CHINESE STUDENTS SLUR UNITED STATES—GET GATE"

Mr. FULBRIGHT. Mr. President, this morning the Washington Post carried an article entitled "Three Chinese Students Slur U. S., Get Gate." It was an Associated Press article, from Boston. I merely want to correct the record. I have official information from the Department of State specifically denying that these particular students had anything to do with any program supported by the Department of State.

The Chinese students mentioned in the Associated Press dispatch from Boston came to the United States in 1949 under their own auspices, 4–E student visa, and with no connection whatsoever with the Department of State. Their names are Kuo Chuan Woo, Chung Sung Wu, Yun Chung-San. The names were obtained from the Immigration and Naturalization Service.

These students arrived in the United States after the termination date beyond which no student could receive assistance from the Department of State under the existing program of aid to Chinese students. The Department of State has developed effective controls through the university representatives to handle the students who are actually receiving assistance from the Department. There has been one case where a student was denied a grant at the University of Maine because of alleged Communist feelings. The other 2,506 students who have received grants from the State Department have, through various channels, been carefully checked and under continuous supervision through reputable men appointed by university presidents on 400 campuses to carry out this responsibility.

None of these three students came under the Fulbright program; they arrived in 1949 which indicates that they could not have come under the President's emergency fund program operative from 1945 to 1947, and there was no authority at the time of their entry whereby the Department of State could have assisted them.

The Department has remained in close contact with Immigration and Naturalization authorities at all times and has cooperated with the INS in regard to all problems concerning students.

I wanted to invite especial attention to this matter, because there seems to be a tendency on the part of even the Associated Press, which certainly has the best reputation and for which I have great respect, to make a good story out of anything that occurs by connecting it with the Department of State, alleging some communistic tendencies. This is a highly prejudicial article in connection with a program which I think is of great importance to our foreign policy.

Mr. President, I ask unanimous consent to insert as a part of my remarks a press release by Mr. Michael McDermott on September 1, 1950, at his press conference at the State Department.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

INFORMATION TO BE FURNISHED TO THE PRESS BY MR. MICHAEL MCDERMOTT AT HIS PRESS CONFERENCE, 12 NOON, SEPTEMBER 1, 1950

The Department of State wishes to correct the Associated Press dispatch of August 31 from Boston stating that three Chinese students who have been ordered to depart by October 18 were brought to the United States "under the State Department's exchange-student program." The three students in question were neither brought to the United States by the Department of State nor have they received any assistance under the Department's program of aid to stranded Chinese students in the United States. The Department has been reliably informed that these students came to the United States in 1949 on student visas under their own auspices.

All of the 2,506 Chinese students who have received grants under the current emergency program to date have been carefully screened by the Department. In addition, assistance in supervising the activities of these students is rendered by university officials designated by the presidents of some 400 universities throughout the country.

AUTHORIZATION TO RECEIVE MESSAGES AND SIGN BILLS AND JOINT RESOLUTIONS DURING RECESS

Mr. LUCAS. Mr. President, I ask unanimous consent that, during the recess of the Senate following today's session, the Secretary be authorized to receive messages from the House and the President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The VICE PRESIDENT. Without objection, it is so ordered.

ACHIEVEMENTS OF AMBASSADOR WARREN AUSTIN AS AMERICAN SPOKESMAN IN THE UNITED NATIONS SECURITY COUNCIL

Mr. LUCAS. Mr. President, today the Security Council of the United Nations is free to function again, because the powers of its presidency have passed from the brutal hands of Jacob Malik, the Soviet delegate, into the hands of a British spokesman who will preside over the Council with dignity and decency.

Throughout the crucial month of August, while the forces of the United Nations were gathering to stop the Communist aggressors in Korea, Mr. Malik laid down a vicious barrage of lies and invectives. In the face of all the evidence that the Communist armies in Korea launched a savage and unprovoked attack upon their South Korean neighbors, this product of the Soviet propaganda system tried to wash the blood from his hands. Although his Government stood alone among the great powers of the world in its refusal to use its influence to halt the carnage in Korea, this stooge of Joseph Stalin screamed and shouted that his Government stood for peace in the world.

The whole world watched the battle of wits between Mr. Malik and our American representative at the Security Council, former Senator Warren R. Austin of Vermont. It is my fervent belief, Mr. President, that Warren Austin has spoken out for America and the cause of the free world with the voice of a great statesman. The millions of Americans who saw the diplomatic struggles on their television screens or who read the reports in the press or heard the famous colloquies over the air, are virtually unanimous in expressing admiration for Ambassador Austin. He upheld the cause of truth and freedom with high skill and cool courage.

On the basis of his splendid work at the United Nations, and his long service in the Senate of the United States, Warren Austin is entitled to full recognition as one of the great Republican Senators who has labored continuously and sincerely in behalf of our bipartisan policy which has successfully checked the advance of communism in many parts of the world.

If Americans of all political faiths measure up to the standards set by former Senator Austin, there can be no doubt that the free way of life will triumph and we will achieve an enduring peace for this generation and the generations to come. As majority leader of the Senate, I am happy to pay this tribute to a great American.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SMITH of New Jersey. Mr. President, I should like heartily to identify myself with the splendid remarks which the majority leader has just made and to join with him in his tribute to Warren Austin for the wonderful work he has done during the past hard and difficult month.

RESOLUTION ADOPTED AT THE FIRST ORGANIZATION MEETING OF REPUBLICANS FOR LUCAS LEAGUE, COMMENDING WARREN AUSTIN

Mr. LUCAS. Mr. President, on August 30, at the Abraham Lincoln Hotel, Springfield, Ill., a resolution was unanimously adopted at the first organization meeting of Republicans for Lucas League to reelect the senior Senator from Illinois for a third term. In that meeting, those Republicans, 70 strong, from all over the State of Illinois, presented a resolution which was unanimously adopted, praising the work of Warren Austin as the representative of the United States in the Security Council of the United Nations Organization. I ask unanimous consent that the resolution be placed in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION UNANIMOUSLY ADOPTED AT FIRST ORGANIZATION MEETING OF REPUBLICANS FOR LUCAS LEAGUE, ABRAHAM LINCOLN HOTEL, SPRINGFIELD, ILL., AUGUST 30, 1950

Be it resolved by the members of the Republicans for Lucas League herewith assembled, That we commend and congratulate the Honorable Warren Austin, the delegate of the United States to the Security Council of the United Nations, for his superb courage, his devotion to duty, and his historical and brilliant replies to the hypocritical and duplicitous propagandizing by Jacob Malik, the Russian delegate, on the Security Coun-

cil of the United Nations Organization; and be it

Resolved, That all Americans as well as the rest of the civilized world resent the unbecoming conduct of Jacob Malik as a presiding officer over an organization which was created to adjudicate the problems of the world and designed to preserve the peace among nations; and be it

Resolved, That we also recognize the gallant work that was done by Warren Austin when he was Republican Member of the United States Senate representing the State of Vermont in his constant vigorous support of the bipartisan foreign policy of this Nation. We urge him never to cease in presenting to the world, through the medium of his key office, a forthright stand for American democratic principles for the world; and be it further

Resolved, That we send a copy of this resolution to Mr. Austin at his home.

RESOLUTION COMMENDING SENATOR VANDENBERG

Mr. LUCAS. Mr. President, at that same meeting the same group of bona fide registered Republicans in the State of Illinois also adopted a resolution commending and congratulating the Honorable ARTHUR H. VANDENBERG for the marvelous work he has performed over a period of years as one who is interested in the bipartisan foreign policy of the United States and who has stood all these years for a formula that would bring about an enduring peace to the world.

I ask unanimous consent that this resolution be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION UNANIMOUSLY ADOPTED AT FIRST ORGANIZATION MEETING OF REPUBLICANS FOR LUCAS LEAGUE, ABRAHAM LINCOLN HOTEL, SPRINGFIELD, ILL., AUGUST 30, 1950

Be it resolved by the members of the Republicans for Lucas League of Illinois herewith assembled, That we commend and congratulate the Honorable ARTHUR H. VANDENBERG, the senior Republican Senator from Michigan, for the outstanding and patriotic service that he has rendered during his career as a Senator to the Nation; and be it further

Resolved, That we recognize Senator VANDENBERG as one of the chief architects of the United States bipartisan foreign policy; and throughout the years he has stood steadfast and sincere in his objective and realistic pursuit of a policy which seeks to bring an enduring peace to all mankind. We praise him for the position he has taken over and over again when he said, "Politics in foreign affairs must stop at the water's edge"; and be it further

Resolved, That we are aware of Senator VANDENBERG's illness which has caused him to be absent unavoidably from the Senate for a number of months. It is our hope and our prayer that he will speedily recover and soon be able to return to his manifold duties as the ranking minority member of the foreign-relations policy of the United States Senate; and be it further

Resolved, That we send a copy of this resolution to Senator VANDENBERG at his home in Washington, D. C.

THE FAIR DEAL'S PLANNED ECONOMY

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared dealing with the Fair Deal's planned economy.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

STATEMENT BY MR. WILLIAMS

Mr. President, during the past few years we have all been reading of the scandal involving the Government's purchase and distribution of white potatoes; however, this week there has come to my attention another example of the further inexcusable waste of good edible food which is actually needed in this country at this time.

The Department of Agriculture has recently allocated nearly $5,000,000 for the purpose of buying raisins and prunes, all of which either have been or are now in the process of being dumped in the hog lots.

This is only one part of the multi-million-dollar program which the Department has operated during the past year to support the high market price of prunes and raisins.

This time the Secretary of Agriculture does not even have an excuse for this willful destruction of food products at a time when our country is at war. There is absolutely no law anywhere which makes it mandatory for the Department of Agriculture to buy these products or to support the prune and raisin markets. It is purely optional on the part of the Secretary of Agriculture, and therefore the Secretary and the administration must accept the sole responsibility.

I shall be interested to hear the Secretary of Agriculture when speaking to the mothers of America, who need these raisins and prunes for their children, attempt to justify the dumping of them in the hog lots.

This is just one more example of the Fair Deal's planned economy.

As another example of the Department of Agriculture's carelessness with the taxpayers' money I cite two specific cases in which at least $275,000 was thrown away.

(1) On September 15, 1949, the War Assets Administration (a Government agency) leased to the Midwest Storage & Realty Co. of Kansas City certain property located at Camp Crowder, Mo., comprised of 163 buildings, for the rental of $11,720 per year to be used as grain storage facilities. Almost immediately this same storage company sublet this property back to the Commodity Credit Corporation (another Government agency) to be used for grain storage, and by March 30, 1950, the Commodity Credit Corporation had paid them $158,083 in rental, a percentage of over 1,400 percent profit.

(2) The War Assets Administration (a Government agency) leased 43 warehouses in Camp Crowder to the V. M. Harris Grain Co. of Scott City, Kans., for an annual rental of $16,700. This property was then sublet by the Harris Grain Co. to the Commodity Credit Corporation (another Government agency), and at the end of March, less than 1 year later, they had collected $138,658 from the Government as rental.

In both these instances there is no excuse whatever for the Commodity Credit Corporation (a Government agency) not leasing these properties from the War Assets Administration, which is also a Government agency. The diversion of these leases from one Government agency to another Government agency through these two grain concerns was a deliberate waste of $275,000 of the taxpayers' funds. I do not know how many times this example could be multiplied if all the facts were known.

Some day this administration is going to be held accountable for its needless waste of the taxpayers' money.

I include in the RECORD at this point an editorial which appeared in the Philadelphia Evening Bulletin on August 26, 1950, entitled "A 5-Year-Old Keeps Store."

A 5-YEAR-OLD KEEPS STORE

There's an agency of the Government known as the Commodity Credit Corporation, whose operations keep the cost of living high.

Last year it lost $249,000,000 of the taxpayers' money while keeping prices up. That's close to $2 for every one of us.

It managed this loss by buying up crops when prices threatened to come down. Principal losses were on potatoes, eggs, peanuts, and wheat.

It has millions of dollars' worth of stuff stored away, and while the Army is needing a lot of food, it can't take over the stuff that the Corporation owns unless it pays a higher price than in the open market.

Meantime everyone of us is paying taxes to let the CCC lose money and kicking in more money because of the higher cost of living.

It sounds like something a 5-year-old might do while playing at keeping store.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

DEATH OF REPRESENTATIVE BULWINKLE, OF NORTH CAROLINA

The VICE PRESIDENT. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The resolutions (H. Res. 840) were read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
September 1, 1950.

Resolved, That the House has heard with profound sorrow of the death of Hon. ALFRED L. BULWINKLE, a Representative from the State of North Carolina.

Resolved, That a committee of fourteen Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. HOEY. Mr. President, I send to the desk a resolution which I ask to have read and considered.

The VICE PRESIDENT. The resolution offered by the Senator from North Carolina will be read.

The resolution (S. Res. 341) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ALFRED L. BULWINKLE, late a Representative from the State of North Carolina.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part

of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The VICE PRESIDENT. Under the second resolving clause, the Chair appoints the two Senators from North Carolina [Mr. HOEY and Mr. GRAHAM] as members on the committee on the part of the Senate to attend the funeral of the late Representative.

Mr. LUCAS. Mr. President, as a further mark of respect to the memory of the distinguished Representative from North Carolina, ALFRED L. BULWINKLE, who was my close personal friend, I now move that the Senate stand in recess until 12 o'clock noon on Tuesday next.

The motion was unanimously agreed to; and (at 10 o'clock p. m.) the Senate took a recess until Tuesday, September 5, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate September 1 (legislative day of July 20), 1950:

IN THE NAVY

Lawrence E. Donegan, Jr. (Naval ROTC) to be an ensign in the Navy, from the 2d day of June 1950.

John H. Gallion (Naval ROTC) to be an ensign in the Navy, from the 2d day of June 1950, in lieu of ensign in the Supply Corps of the Navy as previously nominated and confirmed.

Richard K. Loeffler (civilian college graduate) to be a lieutenant (junior grade) in the Medical Corps of the Navy.

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps of the Navy:

Perry C. Alexander
Edward R. Fowler, Jr.

The following-named to be ensigns in the Nurse Corps of the Navy:

Lois C. Boleyn
Doris J. Carlson
Mary F. Morgan
Anne M. Sheridan

The following-named officer to the grade indicated in the line of the Navy (special duty officer):

COMMANDER

Thomas F. Ryan

The following-named officer to the grade indicated in the Medical Corps of the Navy:

LIEUTENANT

Clifford R. Hall

The following-named officers to the grades indicated in the Nurse Corps of the Navy:

LIEUTENANTS

Helen E. Fable
Emily C. Fowler
Marguerite C. McAreavy
Dorothy E. Powers

LIEUTENANT (JUNIOR GRADE)

Thelma F. Maxwell

UNITED STATES DISTRICT JUDGES

William M. Byrne, of California, to be United States district judge for the southern district of California, vice Hon. J. F. T. O'Connor, deceased.

Oliver J. Carter, of California, to be United States district judge for the northern district of California to fill a new position.

HOUSE OF REPRESENTATIVES

FRIDAY, SEPTEMBER 1, 1950

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, Thou hast created us with capacities to attain unto the glorious likeness of the spirit of our blessed Lord.

Purge our minds and hearts from all those attitudes and activities which are contrary and alien to His spirit of love and reverence for Thee and good will toward man.

We pray that daily we may give life a more sacred and valiant reading by interpreting and manifesting its high and holy meaning and mission in terms of sacrificial service for God, for our country, and all mankind.

Grant that we may have a large part in building a nobler social order in which our bruised and broken and war-torn world shall find the blessing of peace.

We thank Thee for the Christian life and faithful ministry of Thy servant whose spirit now dwells with Thee in eternal blessedness. Grant unto the members of his bereaved family the consolation of Thy grace.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 537. Joint resolution making emergency appropriations for the fiscal year 1951, and for other purposes.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the House to bills of the Senate of the following titles:

S. 3409. An act to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes; and

S. 4071. An act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 51–6.

CERTIFICATION OF CITATION AGAINST JOSEPH P. KAMP

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 836, Eighty-first Congress, he did on today, September 1, 1950, certify to the United States attorney for the District of Columbia the refusal of Joseph P. Kamp to answer questions and produce documents before the Select Committee on Lobbying Activities.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 3042)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act, divided into titles, may be cited as the 'Defense Production Act of 1950.'

"Table of contents

"Title I. Priorities and allocations.
"Title II. Authority to requisition.
"Title III. Expansion of productive capacity and supply.
"Title IV. Price and wage stabilization.
"Title V. Settlement of labor disputes.
"Title VI. Control of consumer and real estate credit.
"Title VII. General provisions.

"DECLARATION OF POLICY

"SEC. 2. It is the policy of the United States to oppose acts of aggression and to promote peace by insuring respect for world law and the peaceful settlement of differences among nations. To that end this Government is pledged to support collective action through the United Nations and through regional arrangements for mutual defense in conformity with the Charter of the United Nations. The United States is determined to develop and maintain whatever military and economic strength is found to be necessary to carry out this purpose. Under present circumstances, this task requires diversion of certain materials and facilities

from civilian use to military and related purposes. It requires expansion of productive facilities beyond the levels needed to meet the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected.

"It is the objective of this Act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this Act to promote the national defense, by meeting, promptly and effectively, the requirements of military programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use, within the framework, as far as practicable, of the American system of competitive enterprise.

"TITLE I—PRIORITIES AND ALLOCATIONS

"SEC. 101. The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

"SEC. 102. In order to prevent hoarding, no person shall accumulate (1) in excess of the reasonable demands of business, personal, or home consumption, or (2) for the purpose of resale at prices in excess of prevailing market prices, materials which have been designated by the President as scarce materials or materials the supply of which would be threatened by such accumulation. The President shall order published in the Federal Register, and in such other manner as he may deem appropriate, every designation of materials the accumulation of which is unlawful and any withdrawal of such designation. This section shall not be construed to limit the authority contained in section 101 of this Act.

"SEC. 103. Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than one year, or both.

"TITLE II—AUTHORITY TO REQUISITION

"SEC. 201. (a) Whenever the President determines (1) that the use of any equipment, supplies, or component parts thereof, or materials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) that all other means of obtaining the use of such property for the defense of the United States upon fair and reasonable terms have been exhausted, he is authorized to requisition such property or the use thereof for the defense of the United States upon the payment of just compensation for such property or the use thereof to be determined as hereinafter provided. The President shall promptly determine the amount of the compensation to be paid for any property or the use thereof requisitioned pursuant to this title but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall be paid promptly 75 per centum of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, without regard to whether the amount involved exceeds $10,000, in any district court of the United States, within three years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation.

"(b) Whenever the President determines that any real property acquired under this title and retained is no longer needed for the defense of the United States, he shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner. In the event the President and the original owner do not agree as to the fair value of the property, the fair value shall be determined by three appraisers, one of whom shall be chosen by the President, one by the original owner, and the third by the first two appraisers; the expenses of such determination shall be paid in equal shares by the Government and the original owner.

"(c) Whenever the need for the national defense of any personal property requisitioned under this title shall terminate, the President may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice) at less than such value, at the highest price any other person is willing to pay therefor: *Provided*, That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than $1,000.

"TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

"SEC. 301. (a) In order to expedite production and deliveries or services under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement for the national defense as he may designate (hereinafter referred to as "guaranteeing agencies"), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount, or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be necessary to expedite production and deliveries or services under Government contracts for the procurement of materials or the performance of services for the national defense.

"(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guarantee and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guarantee made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

"(c) All actions and operations of such fiscal agents under authority of or pursuant to this section shall be subject to the supervision of the President and to such regulations as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guarantee and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

"(d) Each guaranteeing agency is hereby authorized to use for the purpose of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purpose of meeting the necessities of the national defense.

"SEC. 302. To expedite production and deliveries or services to aid in carrying out Government contracts for the procurement of materials or the performance of services for the national defense, the President may make provision for loans (including participations in, or guarantees of, loans) to private business enterprises (including research corporations not organized for profit) for the expansion of capacity, the development of technological processes, or the production of essential materials, including the exploration, development, and mining of strategic and critical metals and minerals. Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

"SEC. 303. (a) To assist in carrying out the objectives of this Act, the President may make provision (1) for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale; and (2) for the encouragement of exploration, development, and mining of critical and strategic minerals and metals: *Provided, however*, That purchases for resale under this subsection shall not include agricultural commodities except insofar as such commodities may be purchased for resale for industrial uses or stockpiling, and no agricultural commodity shall be sold for such purposes at less than the higher of the following: (i) the current market price for such commodity, or (ii) the minimum sale price established for agricultural commodities owned or controlled by the Commodity

Credit Corporation as provided in section 407 of Public Law 439, Eighty-first Congress.

"(b) Subject to the limitations in subsection (a), purchases and commitments to purchase and sales under such subsection may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, as the President deems necessary, except that purchases or commitments to purchase involving higher than currently prevailing market prices or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of overseas supplies.

"(c) The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined, any materials procured under this section.

"(d) When in his judgment it will aid the national defense, the President is authorized to install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons.

"SEC. 304. (a) For the purposes of sections 302 and 303, the President is hereby authorized to utilize such existing departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new agencies (other than corporations).

"(b) Any agency created under this section, and any department, agency, official, or corporation utilized pursuant to this section is authorized, subject to the approval of the President, to borrow from the Treasury of the United States, such sums of money as may be necessary to carry out its functions under sections 302 and 303: *Provided*, That the total amount borrowed under the provisions of this section by all such borrowers shall not exceed an aggregate of $600,000,000 outstanding at any one time. For the purpose of borrowing as authorized by this subsection, the borrower may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at its option before maturity in such manner as may be stipulated in such obligations. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations. The Secretary of the Treasury is authorized and directed to purchase such obligations and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of obligations hereunder.

"(c) In addition to the sums authorized to be borrowed under subsection (b), there is hereby authorized to be appropriated to carry out the purposes of sections 302 and 303, such sums, not in excess of $1,400,000,000, as may be necessary therefor.

"TITLE IV—PRICE AND WAGE STABILIZATION

"SEC. 401. It is the intent of Congress to provide authority necessary to achieve the following purposes in order to promote the national defense: To prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to assist in maintaining a reasonable balance between purchasing power and the supply of consumer goods and services; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of Congress that the authority conferred by this title shall be exercised in accordance with the policies set forth in section 2 of this Act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

"SEC. 402. (a) In order to carry out the objectives of this title, the President may encourage and promote voluntary action by business, agriculture, labor and consumers. In proceeding under this subsection the President may exercise the authority to approve voluntary programs and agreements conferred on him under section 708, and may utilize the services of persons and agencies as provided in section 710.

"(b) (1) To the extent that the objectives of this title cannot be attained by action under subsection (a), the President may issue regulations and orders establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service, and at the same time shall issue regulations and orders stabilizing wages, salaries, and other compensation in accordance with the provisions of this subsection.

"(2) Action under this subsection may be taken either with respect to individual materials and services and to individual types of employment, or with respect to materials, services, and types of employment generally. A ceiling may be established with respect to an individual material or service only when the President finds that (i) the price of the material or service has risen or threatens to rise unreasonably above the price prevailing during the period from May 24, 1950, to June 24, 1950, (ii) such price increase will materially affect the cost of living or the national defense, (iii) the imposition of such ceiling is necessary to effectuate the purposes of this Act, (iv) it is practicable and feasible to impose such ceiling, and (v) such ceiling will be generally fair and equitable to sellers and buyers of such material or service and to sellers and buyers of related or competitive materials and services.

"(3) Whenever a ceiling has been imposed with respect to a particular material or service, the President shall stabilize wages, salaries, and other compensation in the industry or business producing the material or performing the service.

"(4) Whenever ceilings on prices have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living, the President (i) shall impose ceilings on prices and services generally, and (ii) shall stabilize wages, salaries, and other compensation generally.

"(5) In stabilizing wages under paragraph (3) of this subsection, the President shall issue regulations prohibiting increases in wages, salaries, and other compensation which he deems would require an increase in the price ceiling or impose hardships or inequities on sellers operating under the price ceiling.

"(c) So far as practicable, in exercising the authority conferred in this section, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to comparable salaries, wages, or other compensation, which he finds to be representative of those prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative. The President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this Act. In determining and adjusting ceilings on prices with respect to materials and services, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or by persons performing the service, subsequent to June 24, 1950. In stabilizing and adjusting wages, salaries, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such wages, salaries, or other compensation. Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order. The President, in establishing and adjusting ceilings with respect to materials and services, and in stabilizing and adjusting wages, salaries, and other compensation, shall make such adjustments as he deems necessary to prevent or correct hardships or inequities.

"(d) (1) Regulations and orders issued under this title shall apply regardless of any obligation heretofore or hereafter incurred, except as provided in this subsection; but the President shall make appropriate provision to prevent hardships and inequities to sellers who have bona fide contracts in effect on the date of issuance of any such regulation or order for future delivery of materials in which seasonal demands or normal business practices require contracts for future delivery.

"(2) No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor Management Relations Act, 1947, or any other law of the United States, or of any State, the District of Columbia, or

any Territory or possession of the United States.

"(3) No ceiling shall be established or maintained for any agricultural commodity below the highest of the following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, inclusive, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) in the case of any commodity for which the market was not active during the period May 24 to June 24, 1950, the average price received by producers during the most recent representative period prior to May 24, 1950, in which the market for such commodity was active as determined and adjusted by the Secretary of Agriculture to a level in line with the level of prices received by producers for agricultural commodities generally during the period May 24 to June 24, 1950 and adjusted by the Secretary for grade, location, and seasonal differentials, or (iv) in the case of fire-cured tobacco a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 75 percent of the parity price of burley tobacco of the corresponding crop, and in the case of dark air-cured tobacco and Virginia sun-cured tobacco, respectively, a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 66⅔ percent of the parity price of burley tobacco of the corresponding crop. No ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in this subsection: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity; and in establishing the ceiling (1) for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this Act and for which different areas have different periods of marketing during such season or (2) for any agricultural commodity produced for the same general use as a commodity described in (1), the President shall give due consideration to affording equitable treatment to all producers of the commodity for which the ceiling is being established. Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such Act. Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however*, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

"(e) The authority conferred by this title shall not be exercised with respect to the following:

"(i) Prices or rentals for real property;

"(ii) Rates or fees charged for professional services;

"(iii) Prices or rentals for (a) materials furnished for publication by any press association or feature service, or (b) books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion-picture or other theater enterprise, or outdoor advertising facilities;

"(iv) Rates charged by any person in the business of selling or underwriting insurance;

"(v) Rates charged by any common carrier or other public utility: *Provided*, That no common carrier or other public utility shall at any time after the President shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State or Municipal authority having jurisdiction to consider such increase, unless it first gives 30 days' notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State or Municipal authority having jurisdiction to consider such increase;

"(vi) Margin requirements on any commodity exchange.

"(f) The President, in or by any regulation or order, may provide exemptions for any materials or services or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials or services, or transactions therein, or that compensation for such types of employment be stabilized, in order to effectuate the purposes of this title.

"(g) The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title.

"(h) Nothing in this title shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the President to require the grade labeling of any materials; (3) as authorizing the President to standardize any materials or services, unless the President shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such materials or services; or (4) as authorizing any order of the President establishing price ceilings for different kinds, classes, or types of material or service which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

"(i) No rule, regulation, or order issued under this title shall require any seller of materials at retail to limit his sales with reference to any highest price line offered for sale by him at any prior time.

"SEC. 403. At such time as the President determines that it is necessary to impose price and wage controls generally over a substantial portion of the national economy, he shall administer such controls, and rationing at the retail level of consumer goods for household and personal use under authority of Title I of this Act (when and to the extent that he exercises such authority), through a new independent agency created for such purpose. Such agency may utilize the services, information, and facilities of other agencies and departments of the Government, but such agency shall not delegate enforcement of any of the controls to be administered by it under this section to any other agency or department.

"SEC. 404. In carrying out the provisions of this title, the President, shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

"SEC. 405. (a) It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt or agree to do any of the foregoing.

"(b) No employer shall pay, and no employee shall receive, any wage, salary, or other compensation in contravention of any regulation or order promulgated by the President under this title. The President shall also prescribe the extent to which any wage, salary, or compensation payment made in contravention of any such regulation or order shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"SEC. 406. Nothing in this title shall be construed to require any person to sell any material or service, or to perform personal services.

"SEC. 407. (a) At any time within six months after the effective date of any regulation or order relating to price controls under this title, or, in the case of new grounds arising after the effective date of any such regulation or order relating to price controls, within six months after such new grounds arise, any person subject to any provision of such regulation or order may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of

any protest under this section, but in no event more than thirty days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the President has taken official notice.

"(b) In the administration of this title the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of this Act.

"(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,* That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals for relief; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

"SEC. 408. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided,* That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

"(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of thirty days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such thirty days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

"(c) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order relating to price controls issued under this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

"(d) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order relating to price controls issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order relating to price controls, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"(e) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this Act or section 371 of title 18, United States Code, involving alleged violation of any provision of any regulation or order relating to price controls issued under this title, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 409 or 706 of this Act or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this Act or section 371 of title 18 United States Code, setting forth objections to the validiy of such provision which the court finds to have been made in good faith; and

"(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of this Act the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such pro-

ceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this Act or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title.

"SEC. 409. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 405 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) Any person who willfully violates any provision of section 405 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than $10,000, or to imprisonment for not more than one year, or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings, the person who buys such material or service for use or consumption other than in the course of trade or business may, within one year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, but in no event shall such amount exceed the amount of the overcharge, or the overcharges, plus $10,000, or (2) an amount not less than $25 nor more than $50 as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation or order in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings and the buyer either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such one-year period, or compromise with the seller the liability which might be assessed against the seller in such an action. If such action is instituted, or such liability is compromised by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages, or a compromise, under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered, or prior to such compromise. The President may not institute any action under this subsection on behalf of the United States—

"(1) if the violation arose because the person selling the material or service acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

"(2) if the violation arose out of the sale of any material or service to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"SEC. 410. Each contract providing for the purchase of processed chickens or turkeys by any department or agency of the United States from any contractor, entered into at any time when ceiling prices are in effect under this Act for whichever of such fowl is covered by such contract, shall contain the following provision (with such change as may be necessary to describe the fowl covered by the contract):

" 'The contractor represents that the contract price is based upon an estimated price paid to the producers for live chickens or live turkeys to be processed hereunder. In the event and to the extent that the actual price paid to the producers of live chickens or live turkeys purchased for the performance of this contract is less than such estimated price, the contract price shall be reduced by the same number of cents or fraction thereof, per pound.'

"TITLE V

"SETTLEMENT OF LABOR DISPUTES

"SEC. 501. It is the intent of Congress, in order to provide for effective price and wage stabilization pursuant to title IV of this Act and to maintain uninterrupted production, that there be effective procedures for the settlement of labor disputes affecting national defense.

"SEC. 502. The national policy shall be to place primary reliance upon the parties to any labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement in the national interest. To this end, the President is authorized (1) to initiate voluntary conferences between management, labor, and such persons as the President may designate to represent government and the public, and (2) subject to the provisions of section 503, to take such action as may be agreed upon in any such conference and appropriate to carry out the provisions of this title. The President may designate such persons or agencies as he may deem appropriate to carry out the provisions of this title.

"SEC. 503. In any such conference, due regard shall be given to terms and conditions of employment established by prevailing collective bargaining practice which will be fair to labor and management alike, and will be consistent with stabilization policies established under this Act. No action inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, other Federal labor standards statutes, the Labor Management Relations Act, 1947, or with other applicable laws shall be taken under this title.

"TITLE VI—CONTROL OF CONSUMER AND REAL ESTATE CREDIT

"THIS TITLE AUTHORIZES THE REGULATION OF CONSUMER CREDIT AND REAL ESTATE CONSTRUCTION CREDIT ONLY

"SEC. 601. To assist in carrying out the objectives of this Act, the Board of Governors of the Federal Reserve System is authorized, notwithstanding the provisions of Public Law 386, Eightieth Congress (61 Stat. 921), to exercise consumer credit controls in accordance with and to carry out the provisions of Executive Order Numbered 8843 (August 9, 1941) until such time as the President determines that the exercise of such controls is no longer necessary, but in no event beyond the date on which this section terminates.

"SEC. 602. (a) To assist in carrying out the purposes of this Act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of real estate construction credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form, and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this section or to prevent evasions thereof.

"In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider, among other factors, (1) the level and trend of real estate construction credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, (3) the need in the national economy for the maintenance of sound credit conditions, and (4) the needs for increased defense production.

"(b) No person shall extend or maintain any real estate construction credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any such credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any such credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any such credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this section; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

"(c) To assist in carrying out the purposes of this section, the President by regulation may require transactions or persons or classes thereof subject to this section to be registered; and, after notice and opportunity for hearing, the President by order may suspend any such registration for violation of this section or any regulation prescribed by the President pursuant to this section. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the

President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that Act. In carrying out this section, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

"(d) For the purposes of this section, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, accounting, and other terms, insofar as any such definitions are not inconsistent with the provisions of this section:

"(1) 'Real estate construction credit' means any credit which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term 'new construction' means any structure, or any major addition or major improvement to a structure, which has not been begun before 12 o'clock meridian, August 3, 1950. As used in this paragraph the term 'real property' includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term 'real estate construction credit' shall not include any loan or loans made, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended.

"(2) 'Credit' means any loan, mortgage, deed of trust, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or user has the option of becoming the owner thereof, obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option, demand, lien, pledge, or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

"SEC. 603. Any person who willfully violates any provision of section 601 or 602 or any regulation or order issued thereunder, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than one year, or both.

"SEC. 604. All the present provisions of sections 21 and 27 of the Securities Exchange Act of 1934, as amended (relating to investigations, injunctions, jurisdictions, and other matters), shall be as fully applicable with respect to the exercise by the Board of Governors of the Federal Reserve System of credit controls under section 601 as they are now applicable with respect to the exercise by the Securities and Exchange Commission of its functions under that Act, and the Board shall have the same powers in the exercise of such credit controls as the Commission now has under the said sections 21 and 27.

"SEC. 605. To assist in carrying out the objectives of this Act, the President may at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States Government, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall preserve the relative credit preferences accorded to veterans under existing law.

"TITLE VII—GENERAL PROVISIONS

"SEC. 701. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this Act.

"(b) In order to carry out this policy—

"(i) the President shall provide small-business enterprises with full information concerning the provisions of this Act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this Act;

"(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations, or orders, or amendments thereto issued under authority of this Act, and in their formation there shall be fair representation for independent small, for medium, and for large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

"(iii) in administering this Act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this Act; and

"(iv) in administering this Act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

"(c) Whenever the President invokes the powers given him in this Act to allocate, or approve agreements allocating, any material, to an extent which the President finds will result in a significant dislocation of the normal distribution in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding June 24, 1950, and having due regard to the needs of new businesses.

"SEC. 702. As used in this Act—

"(a) The word 'person' includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided*, That no punishment provided by this Act shall apply to the United States, or to any such government, political subdivisions, or government agency.

"(b) The word 'material' shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

"(c) The word 'facilities' shall not include farms, churches or other place of worship, or private dwelling houses.

"(d) The term 'national defense' means the operations and activities of the armed forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

"(e) The words 'wages, salaries, and other compensation' shall include all forms of remuneration to employees by their employers for personal services, including, but not limited to, vacation and holiday payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments.

"SEC. 703. (a) Except as otherwise specifically provided, the President may delegate any power or authority conferred upon him by this Act to any officer or agency of the Government, including any new agency or agencies (and the President is hereby authorized to create such new agencies, other than corporate agencies, as he deems necessary), and he may authorize such redelegations by that officer or agency as the President may deem appropriate. The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix their compensation, without regard to the Classification Act of 1949, as amended, at rates comparable to the compensation paid to the heads and assistant heads of independent agencies of the Government. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as the President deems necessary to carry out the provisions of this Act.

"(b) The head and assistant heads of any independent agency created to administer the authority conferred by title IV of this Act shall be appointed by the President, by and with the advice and consent of the Senate.

"SEC. 704. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this Act. Any regulation or order under this Act may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper to effectuate the purposes of this Act, or to prevent circumvention or evasion, or to facilitate enforcement of this Act, or any rule, regulation, or order issued under this Act.

"SEC. 705. (a) The President shall be entitled, while this Act is in effect and for a period of two years thereafter, by regulation, subpena, or otherwise, to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, and take the sworn testimony of, any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this Act and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority, and it is

assured that no adequate and authoritative data are available from any Federal or other responsible agency. In case of contumacy by, or refusal to obey a subpena served upon, any person referred to in this subsection, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the President, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this Act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided*, That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this Act.

"(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(d) Any person who willfully performs any act prohibited or willfully fails to perform any act required by the above provisions of this section, or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $1,000 or imprisoned for not more than 1 year or both.

"(e) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than $10,000, or imprisoned for not more than 1 year, or both.

"SEC. 706. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this Act or any rule, regulation, order, or subpena thereunder, and of all civil actions under this Act to enforce any liability or duty created by, or to enjoin any violation of, this Act or any rule, regulation, order, or subpena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any title or section of this Act, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this Act. All litigation arising under this Act or the regulations promulgated thereunder shall be under the supervision and control of the Attorney General.

"SEC. 707. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from his compliance with a rule, regulation, or order issued pursuant to this Act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this Act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

"SEC. 708. (a) The President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making by such persons with the approval by the President of voluntary agreements and programs to further the objectives of this Act.

"(b) No act or omission to act pursuant to this Act which occurs while this Act is in effect, if requested by the President pursuant to a voluntary agreement or program approved under subsection (a) and found by the President to be in the public interest as contributing to the national defense shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

"(c) The authority granted in subsection (b) shall be delegated only (1) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (2) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request or finding thereunder, and (3) upon the condition that such officials obtain the approval of the Attorney General to any request thereunder before making the request. For the purpose of carrying out the objectives of title I of this Act, the authority granted in subsection (b) of this section shall not be delegated except to a single official of the Government.

"(d) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

"(e) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. The Attorney General shall submit to the Congress and the President within ninety days after the approval of this Act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.

"SEC. 709. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof. Any rule, regulation, or order, or amendment thereto, issued under authority of this Act shall be accompanied by a statement that in the formulation thereof there has been consultation with industry representatives, including trade association representatives, and that consideration has been given to their recommendations, or that special circumstances have rendered such consultation impracticable or contrary to the interest of the national defense, but no such rule, regulation, or order shall be invalid by reason of any subsequent finding by judicial or other authority that such a statement is inaccurate.

"SEC. 710. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, is authorized to place positions and employ persons temporarily in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that Act.

"(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

"(c) The President is authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act to employ experts and consultants or organizations thereof, as authorized by section 55a of title 5 of the United States Code. Individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or

regular places of business they may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses while so employed. The President is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(d) The President may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed; and he is authorized to provide by regulation for the exemption of persons whose services are utilized under this subsection from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(e) Whoever, being an officer or employee of the United States or any department or agency thereof (including any Member of the Senate or House of Representatives), receives, by virtue of his office or employment, confidential information, and (1) uses such information in speculating directly or indirectly on any commodity exchange, or (2) discloses such information for the purpose of aiding any other person so to speculate, shall be fined not more than $10,000 or imprisoned not more than one year, or both. As used in this section, the term "speculate" shall not include a legitimate hedging transaction, or a purchase or sale which is accompanied by actual delivery of the commodity.

"SEC. 711. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this Act by the President and such agencies as he may designate or create. Funds made available for the purposes of this Act may be allocated or transferred for any of the purposes of this Act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this Act. Funds so allocated or transferred shall remain available for such period as may be specified in the Acts making such funds available.

"SEC. 712. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Defense Production (hereinafter referred to as the committee), to be composed of ten members as follows:

"(1) Five members who are members of the Committee on Banking and Currency of the Senate, three from the majority and two from the minority party, to be appointed by the chairman of the committee; and

"(2) Five members who are members of the Committee on Banking and Currency of the House of Representatives, three from the majority and two from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members, one of whom shall be a Member of the Senate and the other a Member of the House of Representatives.

"(b) It shall be the function of the committee to make a continuous study of the programs authorized by this Act, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the standing committees of the Congress having legislative jurisdiction over any part of the programs authorized by this Act; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. Any department, official, or agency administering any of such programs shall, at the request of the committee, consult with the committee, from time to time, with respect to their activities under this Act.

"(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena (to be issued under the signature of the chairman or vice chairman of the committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

"(d) The committee is authorized to appoint and, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

"(e) The expenses of the committee under this section, which shall not exceed $50,000 in any fiscal year, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

"SEC. 713. The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"SEC. 714. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SEC. 715. That no person may be employed under this Act who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law. The termination of this Act, or of any agency or corporation utilized under its provisions, shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act.

"SEC. 716. (a) Titles I, II, III, and VII of this Act and all authority conferred thereunder shall terminate at the close of June 30, 1952, but such titles shall be effective after June 30, 1951 only to the extent necessary to aid in carrying out contracts relating to the national defense entered into by the Government prior to July 1, 1951.

"(b) Titles IV, V, and VI of this Act and all authority conferred thereunder shall terminate at the close of June 30, 1951.

"(c) Notwithstanding the foregoing—

"(1) The Congress by concurrent resolution or the President by proclamation may terminate this Act prior to the termination otherwise provided therefor.

"(2) The Congress may also provide by concurrent resolution that any section of this Act and all authority conferred thereunder shall terminate prior to the termination otherwise provided therefor.

"(3) Any agency created under this Act may be continued in existence for purposes of liquidation for not to exceed six months after the termination of the provision authorizing the creation of such agency.

"(d) The termination of any section of this Act, or of any agency or corporation utilized under this Act, shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
Managers on the Part of the House.

BURNET R. MAYBANK,
GLEN TAYLOR,
J. W. FULBRIGHT,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
HOMER E. CAPEHART,
RALPH FLANDERS,
(proxy by JOHN BRICKER)
JOHN W. BRICKER,
IRVING M. IVES,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity

and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The Conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and minor changes, the differences between the House bill and the substitute agreed to in conference are explained below.

TITLE I—PRIORITIES AND ALLOCATIONS

Administration of priorities and allocations powers

Section 101 of both the House bill and the Senate amendment authorized the President to assign priorities and allocate materials and facilities to promote the national defense. Under the House bill the President could delegate this authority to any officer or agency of the Government, but the Senate amendment provided that, with certain exceptions, this power should be exercised by the Secretary of Commerce. The conference substitute follows the language of the House bill.

The conferees assume that, so far as practicable, in carrying out this section the President will not delegate the authority therein granted with respect to any one basic commodity except to a single agency of the Government. The conferees further assume that if the President makes extensive use of his powers under this title, he will designate an existing agency, or establish a new agency, to coordinate the activities of all Federal agencies under the bill.

Anti-hoarding provisions

Section 103 of the House bill, based on a provision of the Lever Act of World War I (40 Stat. 276), provided that any person who hoarded "necessaries" (defined to include foods, feeds, fertilizers, automobile tires and other specified commodities plus other unspecified commodities to be designated by the President) should be fined not more than $10,000 or imprisoned for not more than one year, or both. Section 102 of the Senate amendment, designed to accomplish the same purpose, subjected to the same penalty any person who accumulates (1) in excess of the reasonable and normal demands of business or home consumption, or (2) for the purpose of resale at prices in excess of prevailing market prices, materials designated by the President as scarce or the supply of which would be threatened by such accumulation. The conference substitute (section 102) follows the language of the Senate amendment, except that the phrase "reasonable and normal demands of business or home consumption" is changed to read "reasonable demands of business, personal, or home consumption", and an introductory phrase "In order to prevent hoarding" is included in the section.

TITLE II—AUTHORITY TO REQUISITION

[Title III of House bill; title II of Senate amendment and conference substitute]

Suits in district courts

The House bill provided that a suit by the owner of any property requisitioned under the bill to recover just compensation for the property may be brought in the Court of Claims or, if the amount involved does not exceed $10,000, in any Federal district court. The Senate amendment provided that such a suit may be brought in any Federal district court, regardless of whether the amount involved exceeds $10,000. The House recedes.

Return of requisitioned property

The House bill and the Senate amendment contained different provisions with respect to returning requisitioned property to the original owner, upon payment by him of its fair value, after it is no longer needed. The principal differences were: (1) the House bill required such a return "to the extent feasible and practicable," but the Senate amendment contained no such qualifying language; (2) the House bill provided that the fair value of the property should be determined by the President, but the Senate amendment provided that a dispute between the President and the owner as to fair value should be settled by arbitration; (3) the House bill exempted fungibles and property valued at less than $1,000 from this requirement; and (4) the Senate amendment required that the property be returned not later than June 30, 1952. The conference substitute retains the provisions of the Senate amendment as to real property (except that the June 30, 1952, deadline is eliminated), and the provisions of the House bill as to personal property.

TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

[Title IV of House bill, title III of Senate amendment and conference substitute]

Guarantees

Section 401 of the House bill authorized any Federal agency "engaged in procurement" to guarantee financing institutions against losses incurred in financing contracts and other operations "related to efforts or undertakings on the part of the United States or any agency thereof which are designed to meet the necessities of the national defense." The corresponding section (301) of the Senate amendment (retained in the conference substitute) authorizes any Federal agency "engaged in procurement for the national defense" to make similar guarantees with respect to contracts and other operations "necessary to expedite production and deliveries or services under Government contracts for the procurement of material or the performance of services for the national defense."

Government installation of equipment

The Senate amendment contained a provision which authorized the President, when in his judgment it would aid the national defense, to install additional equipment, facilities processes, or make improvements to plants, factories and other industrial facilities owned by the Government. No similar provision was included in the House bill. The conference substitute contains this provision of the Senate amendment and in addition permits the installation of Government-owned equipment in plants, factories, and other facilities owned by private persons.

Loans for expansion of productive capacity

To assist in carrying out the objectives of the Act the House bill contained authority for the President to make provision for loans to private business enterprises for the expansion of capacity, the development of technological processes or the production of essential materials, including the exploration, development, and mining of strategic metals and materials. The Senate amendment contained similar authority for the purpose of expediting production and deliveries or services under Government contracts for the procurement of materials or for the performance of services for the national defense. Under the Senate amendment such loan authority was also broadened to include loans for research corporations not organized for profit. The conference substitute retains these provisions of the Senate amendment, except that the words "under Government contracts" are changed to "to aid in carrying out Government contracts" to make it clear that this authority extends to subcontracts and related operations.

Purchase authority for metals, minerals, and other raw materials

In the House bill authority was given to the President to make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or resale. The Senate amendment included a similar provision and in addition provided for the encouragement of exploration, development, and mining of critical and strategic minerals and metals. This additional provision is retained in the conference substitute but it is clearly understood that the use of the word "encouragement" is not intended to interfere with the regular Government operations of the Bureau of Mines. Provision was further made excluding purchases for resale of agricultural commodities except for industrial uses or stockpiling. The conference substitute adopts the language of the Senate amendment but provision is further made that no agricultural commodity shall be sold under the authority of this section at less than (1) the current market price or (2) the minimum sale price for agricultural commodities owned by the Commodity Credit Corporation as provided in section 407 of Public Law 439 of the Eighty-first Congress.

The Senate amendment added a new subsection (b) to this section which removed the procurement restrictions of other laws and gave authority to the President to make advance payments and prescribe other terms and conditions deemed necessary. Provision was made for payments in excess of current market prices, but such payments would be confined to cases in which the supply of essential materials could not be increased at lower prices or in which the purchases were necessary to assure availability to the United States of overseas supplies. The conference substitute retains this provision of the Senate amendment with the addition of language to make clear that the authority granted by this subsection is subject to the limitations outlined in the above paragraph.

New corporations

The House bill authorized the President to create new corporations for the purposes of sections 402 and 403. The Senate amendment authorized the creation of new agencies, but not corporations, for the purposes of sections 302 and 303 (the corresponding sections of the Senate amendment). The conference substitute contains the language of the Senate amendment.

Borrowing power

The House bill authorized corporations established or utilized for the purposes of sections 402 and 403 to borrow money from the Treasury to carry out their functions under the title, but provided that the total amount so borrowed should not exceed $2,000,000,000 outstanding at any one time. The Senate amendment provided that, pending the making of appropriations for the purposes of sections 302 and 303, agencies or corporations utilized for the purposes of such sections or subtitle B (a provision of the Senate amendment which related to the development of metals and minerals, and is not included in the conference substitute) could borrow up to $300,000,000 at any one time to carry out their functions under the title. The conference substitute authorizes such agencies or corporations to borrow from the Treasury to carry out their functions under sections 302 and 303, regardless of whether appropriations have been made for that purpose, but the total amount so borrowed may not exceed $600,000,000 outstanding at any one time. In addition, appropriations of up to $1,400,000,000 are authorized to carry out the purposes of sections 302 and 303.

TITLE IV—PRICE AND WAGE STABILIZATION

[Title II of House bill, title IV of Senate amendment and conference substitute]

Selective controls

Section 402 (b) of the House bill authorized the President to establish ceilings with respect to materials and services, and with respect to wages, salaries, and other compensation, either with respect to individual materials and services, or with respect to materials and services generally. The corresponding section (202 (b)) of the Senate amendment provided that such action could not be taken with respect to individual materials and services, but could be taken only with respect to materials and services generally. The conference substitute provides that such action may be taken either with respect to individual materials and services and to individual types of employment, or with respect to materials, services, and types of employment generally. However, a ceiling may be established with respect to an individual material or service only when the President finds that (1) the price of the material or service has risen or threatens to rise unreasonably above the price prevailing during the period from May 24, 1950, to June 24, 1950, (2) the price increase will materially affect the cost of living or the national defense, (3) the imposition of the ceiling is necessary to effectuate the purposes of the Act, (4) it is practicable and feasible to impose the ceiling, and (5) the ceiling will be generally fair and equitable to sellers and buyers of the material or service and related and competitive materials and services.

Relation between price controls and wage controls

The House bill authorized the President, in exercising price and wage controls, "at the same time both" to establish price ceilings and to establish wage ceilings, and, except when deemed necessary to prevent gross inequity or to effectuate the purposes of the Act, required the establishment of wage ceilings whenever an increase in wages would require increases in price ceilings or impose an undue burden on a seller operating under a price ceiling. The corresponding provision of the Senate amendment provided that whenever price ceilings were established (and they could be established only with respect to materials and services generally) wages should be established, and contained a similiar provision for exceptions necessary to prevent gross inequities or to effectuate the purposes of the Act. The House bill also required that wages be stabilized generally whenever price ceilings have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living. The corresponding provision of the Senate amendment provided for general stabilization of wages whenever price ceilings have been established on materials and services generally. The provisions of the House bill and the Senate amendment were rewritten in conference and are found in section 402 (b) of the conference substitute. It provides that when the President establishes price ceilings, he shall stabilize wages at the same time in accordance with the following principles. Whenever a price ceiling is established for a particular material or service, wages shall be stabilized in the industry or business producing the material or performing the service. In stabilizing wages under this provision the President shall prohibit wage increases which he deems would require an increase in the price ceiling or impose hardships or inequities on sellers operating under the price ceiling. When price ceilings have been established for materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living the President shall impose price ceilings generally and stabilize wages generally.

Applicable base period

In establishing ceilings on materials (including fish and fish commodities and the marketing and processing thereof) and services in which prices prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, are not representative because of wage disputes or other cause, it is clearly understood that a representative period other than the period May 24, 1950, to June 24, 1950, shall be selected in such cases in order that the ceilings established will reflect prices generally representative.

Contracts for future delivery

The Senate amendment contained a provision that requires the President to make appropriate provision to prevent hardships and inequities to sellers who have bona fide contracts in effect on the date of issuance of a price control regulation for future delivery of materials processed from raw materials in which seasonal demands or normal business practices require contracts for future delivery. The House bill contained no comparable provision. The conferees agreed to the Senate provision with an amendment making it applicable to all materials in which seasonal demands or normal business practices require contracts for future delivery.

Ceilings on agricultural commodities

The House bill contained provisions prohibiting the establishment of a ceiling on agricultural commodities below the higher of (1) the parity price of such commodity, or (2) the highest price received by producers during the period from May 24, 1950 to June 24, 1950, or (3) in those cases in which a producer did not normally market a commodity during the period from May 24, 1950, to June 24, 1950, the highest price received by a producer in the first thirty-day normal marketing period following May 24, 1950. The Senate amendment provided that no ceilings could be established on an agricultural commodity below the highest of the following prices (1) the parity price of such commodity, or (2) the price received by producers during the period from May 24, 1950, to June 24, 1950 inclusive, or (3) in the case of any commodity for which the market was not active in the May 24 to June 24, 1950 period, the average price received by producers during the most recent representative period prior to May 24, 1950 adjusted by the Secretary of Agriculture to a price in line with the level of prices received by producers of agricultural commodities generally prevailing during the period from May 24 to June 24, 1950, or (4) in the case of flue-cured tobacco a price equal to 75 per centum of the parity price for burley tobacco of the corresponding crop, or of 66⅔ per centum of such parity price in the case of dark air-cured tobacco and Virginia sun-cured tobacco. The conference substitute retains the provisions of the House bill with respect to items (1) and (2) but retains the Senate amendment with respect to items (3) and (4).

The Senate amendment contained a further provision which was included in the conference substitute, requiring the President in establishing a ceiling for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this Act and for which different areas have different periods of marketing during such season, to give due consideration to affording equitable treatment to all producers of such agricultural commodity in all areas.

Public utility rates

Both the House bill and the Senate amendment exempted from price ceilings rates charged by any common carrier or other public utility. The Senate amendment, however, contained a proviso, which was not included in the House bill, which required that 30-day notice be given the President of any intended general increases in rates or charges over the base period, May 24 to June 24, 1950, any time after the President had issued stabilization regulations or orders. The common carrier or other public utility was also required to consent to timely intervention by the President, or such agency as he might designate, before the Federal, State, or municipal authority having jurisdiction to consider such rate increase. The conference substitute contains a substitute proviso under which any common carrier or other public utility, before making any increase in its charges for property or services sold by it for resale to the public, is required to give the above prescribed notice and consent to intervention, unless an application for an increase in charges was filed with the regulatory body having jurisdiction to consider such increase before the issuance by the President of stabilization regulations or orders.

Business practices

Section 402 (i) of the Senate amendment prohibited the President from using his control powers under title IV to eliminate or restrict the use of trade or brand names, require grade labeling, standardize materials or services except where no alternative exists for effective price control, or establish price ceilings on the basis of specifications or standards not previously in general use or required under Federal law. No similar provision was in the House bill. The provision is included as section 402 (h) of the conference substitute. Section 402 (j) of the Senate amendment prohibited the President from using his powers under title IV to require any retail seller or any service establishment operator to limit his sales with reference to any highest price line offered for sale by him at any prior time. No similar provision was in the House bill. The provision is included as section 402 (i) of the conference substitute, but the reference to service establishment operators is eliminated.

New independent agency

The Senate amendment contained a section providing that at such time as the President determines that it is necessary to impose price and wage controls generally over a substantial portion of the national economy he shall administer such controls, and rationing at the retail level, through a new independent agency created for such purpose. The Senate amendment likewise provided that such agency may utilize the services, information, and facilities of other agencies and departments of the Government but such agency shall not delegate enforcement of any of the controls to be administered by it under this section to any other agency or department. The House bill did not contain a comparable section. The conference substitute contains the same language as the Senate amendment.

It is not, however, the intention of the conferees to prevent such a new independent agency from utilizing the inspection and investigating services of existing agencies of the Government.

Settlement of Government suits

Both the House bill and the Senate amendment authorized the President to bring suit with respect to violations of ceilings applicable to sales under certain conditions where the buyer fails or is unable to bring suit. The Senate amendment added a provision authorizing the Government to compromise with the seller the liability which might be assessed against the seller in such an action. This provision is included in the conference substitute.

Emergency Court of Appeals

The Senate amendment contained a provision, which was not in the House bill, limiting the jurisdiction of the Emergency Court of Appeals to cases involving regulations and orders relating to price controls. This provision is included in the conference substitute.

Exclusive jurisdiction of Emergency Court of Appeals

The House bill gave exclusive jurisdiction to the Emergency Court of Appeals to determine the validity of price control regulations. The Senate amendment permitted any court of competent jurisdiction to pass upon the validity of such a regulation when involved in a case otherwise properly pending before it. The conference substitute retains the House provision, with an additional provision which permits recourse to the Emergency Court of Appeals when the validity of a regulation is questioned in certain cases pending in other courts, and provides for staying such cases until the Emergency Court of Appeals has made its determination. The additional provision (section 408 (e)) is similar to a provision of the Emergency Price Control Act of 1942, as amended.

Certain Government contracts

Section 410 of the Senate amendment required that any contract to purchase processed chickens or turkeys for the Government, entered into when price ceilings are in effect for the fowl covered by the contract shall contain a provision that in the event and to the extent the price paid to the producers of the fowls processed in performing the contract is less than the estimated price on which the contract is based the contract price shall be reduced by the same number of cents per pound. No similar provision was in the House bill. The provision is included as section 410 of the conference substitute.

TITLE V—SETTLEMENT OF LABOR DISPUTES

Section 501 of the Senate amendment declared the intent of Congress that there be effective procedures for the settlement of labor disputes affecting national defense. Section 502 provided that the national policy shall be to place primary reliance upon the parties to a labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement of the national interest. It authorized the President, after consultation with labor and management, "to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting national defense", and to designate appropriate persons, boards, or commissions to carry out the title. Section 503 provided that in any action taken under the title, due regard shall be given to terms and conditions of employment established by collective bargaining which will be fair to labor and to management and consistent with stabilization policies under the Act. It provided also that any such action shall be consistent with the Fair Labor Standards Act of 1938, other Federal labor standards statutes, the Labor-Management Relations Act, 1947, and with other applicable laws. No similar provisions were included in the House bill. These provisions are included in the conference substitute, except that the provisions of section 502 relating to the authority of the President are replaced by provisions authorizing him in order to carry out the policy expressed in section 502 "(1) to initiate voluntary conferences between management, labor, and such persons as the President may designate to represent the Government and the public, (2) subject to the provisions of section 503 to take such action as may be agreed upon in any such conference and appropriate to carry out the provisions of this title", and to designate appropriate persons or agencies to carry out the provisions of the title. The President would be authorized under this provision to establish a board, commission or other agency, similar to the War Labor Board of World War II, to carry out the title.

TITLE VI—CONTROL OF CONSUMER AND REAL ESTATE CREDIT

[Title V of House bill; title VI of Senate amendment and conference substitute]

Limitation on credit controls

A new sentence is included at the beginning of title VI of the conference substitute to make it clear that the authority granted by the title may be used only to control consumer credit and real estate construction credit.

Consumer credit

The House bill authorized the President to control consumer credit in the same manner and to the same extent as real estate construction credit. The Senate amendment authorized the Federal Reserve Board to exercise consumer credit controls in accordance with and to carry out the provisions of Executive Order 8843 of August 9, 1941 (under which the so-called "Regulation W" was issued). The conference substitute (section 601) follows the language of the Senate amendment, with an added provision terminating the Board's control powers under the section whenever the President determines that such controls are no longer needed.

The Senate amendment contained a section designed to insure that the Federal Reserve Board in enforcing consumer credit controls could use the same powers as to investigations, injunctions, and jurisdictions as is now used by the Securities and Exchange Commission in the performance of its duties. The House bill contained no comparable provision. The conference report contains the language of the Senate amendment.

Loans secured by savings accounts

Attention of the conferees was called to the fact that while it was made clear in the Senate report that loans to members of savings and loan associations secured by share or deposit accounts in such associations should not be subject to consumer credit regulations, no mention was made that a similar exception should apply in the case of loans secured by a savings account in a savings bank. It is the intention of the conferees that equal treatment should be accorded borrowers against savings accounts in both types of savings institutions. Such loans secured by savings accounts in effect permit the borrowers to use part of their savings accounts without loss of accrued interest on the whole account.

Real estate construction credit

The House bill provided that the controls on real estate construction credit should not restrict loans by private lenders to any percentage of value or maturity less than the maximum authorized for loans of like classification made, insured, or guaranteed by the Government, nor should such controls otherwise discriminate in favor of Government loans against private loans. No similar provision was in the Senate amendment. This provision is not contained in the conference substitute.

To aid in their enforcement, the House bill contained a provision allowing the President to require transactions or persons subject to real estate construction credit controls to be registered or licensed. The Senate amendment made no provision for licensing but did provide for registration. The conference report conforms to the Senate language.

TITLE VII—GENERAL PROVISIONS

[Title VI of the House bill; title VII of the Senate amendment and conference substitute]

Allocation of supplies to business

The Senate amendment contained a provision requiring that whenever the President allocates any material to an extent which will result in a dislocation of normal distribution, he shall do so in such manner as to assure each individual business in the normal channel of distribution of such material of its fair share of the available civilian supply based, insofar as practicable, on the share received by such business during a representative period preceding June 24, 1950. The House bill was without a similar provision. The conference report contains the language of the Senate amendment with an amendment.

This amendment provides that when the President allocates a material, each segment of business in the normal channel of distribution of such material, so far as practicable, shall receive a fair share of such material and that due regard shall be given to the needs of new businesses.

Definitions

The House bill, in the General Provisions Title, defined "person" and "material". The Senate amendment, in addition, defined "facilities", "national defense", and "wages, salaries, and other compensation". The conference substitute contains the Senate definitions.

Delegation of authority to agencies

The House bill provided that any power or authority conferred upon the President by this Act could be delegated to any officer or agency of the Government including any new agency or agencies which were authorized to be created by the President when deemed necessary. The Senate amendment gave similar authority to the President except as otherwise specifically provided for in the Act. Inasmuch as the conference substitute elsewhere contains a provision that if price and wage controls are imposed generally over a substantial portion of the national economy they shall be administered through a new independent agency created for such purpose, it was necessary to include a similar exception in this section of the conference substitute.

The House bill provided that any attorneys appointed for these agencies could appear for and represent the agency in any case in any court. Such authority was omitted from the conference substitute in view of the fact that under the provisions of section 706 as adopted by the committee of conference all litigation arising under the Act or the regulations promulgated thereunder was placed under the supervision and control of the Attorney General.

The Senate amendment provided for appointment by the President, by and with the advice and consent of the Senate, of the head and assistant heads, and regional or State officers, of any independent agency created to administer the authority conferred by the price and wage stabilization title as well as the heads of regional and State officers of such agency. The conference substitute in adopting this provision of the Senate amendment deleted such requirement with respect to appointment of the heads of regional or State officers of such agency.

Jurisdiction to compel testimony

The Senate amendment contained a provision which gave jurisdiction to the appropriate Federal district court to compel appearance and giving of testimony in obedience to subpenas, and made failure to obey such an order punishable as a contempt of court. The conference substitute follows the language of the Senate amendment in this respect.

Penalty for violation of reporting requirements

No specific provision was made in the House bill for penalties for violation of the provision requiring the keeping of reports and furnishing of information necessary to the enforcement or administration of the Act and the regulations or orders issued thereunder. The Senate amendment provided

that in the case of a willful violation of such requirements the person, upon conviction, could be fined not more than $1,000 or imprisoned for not more than one year, or both. The conference substitute contains a similar provision.

Encouragement of voluntary programs

Both the House bill and the Senate amendment contained provisions exempting from the prohibitions of the antitrust laws of the United States or the Federal Trade Commission Act actions taken at the request of the President and found by him to be in the public interest as contributing to the national defense. The Senate amendment in a subsection which was not included in the House bill, placed emphasis upon consultation of the President with representatives of industry, business, financing, agriculture, labor, and other interests with a view to encouraging the making by such persons, with the approval of the President, of voluntary agreements and programs to further the objectives of the Act. The Senate amendment further provided that any official authorized to approve requests for exemptions from the antitrust laws or the Federal Trade Commission Act in relation to a program of voluntary agreements shall be approved by the Senate unless otherwise required to be so appointed. The conference substitute contains the language of the Senate amendment with an amendment requiring that the prior approval of the Attorney General be obtained for any request under which exemption would be given in accordance with the provisions of this section.

Consultation in issuing regulations

The Senate amendment contained a provision which was not included in the House bill which required that any rule, regulation, or order or amendment thereto issued pursuant to the authority of the Act be accompanied by a statement that consultation had been had with industry representatives and consideration given to their recommendations. Appropriate provision for exemption was made from this requirement in special circumstances. It was further provided that no such rule, regulation, or order should be invalid in the event of a subsequent finding by judicial or other authority that such accompanying statement was inaccurate. This provision is included in the conference substitute.

Employment of personnel

In addition to similar provisions contained in the House bill and Senate amendment with respect to employment of personnel, the Senate amendment contained a provision authorizing the President to employ experts and consultants in carrying out the provisions of the Act. Individuals so employed could be paid not in excess of $50 per diem, allowed transportation expenses, and not to exceed $15 per diem in lieu of subsistence. The Senate amendment also authorized the President to utilize the services of Federal, State, and local agencies and to utilize such voluntary and uncompensated services as may from time to time be made. Appropriate provision was made for exemption of persons whose services were utilized under these provisions from the operation of certain specified provisions of Federal law. The conference substitute includes the additional provisions of the Senate amendment with respect to employment and utilization of personnel.

Applicability of act

The Senate amendment contained a provision which is included in the conference substitute stating that the provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

Speculation by Government employees

The Senate amendment contained a provision in section 710 (e) which made any officer or employee of the United States or any department or agency thereof (including members of the Senate or House of Representatives or members of the Armed Forces) subject to a fine of not more than $10,000 or imprisonment for not more than one year, or both, for speculating directly or indirectly on any commodity exchange or disclosing any information designated by the President as confidential for the purpose of aiding any other person so to speculate. Appropriate exemption was made from this prohibition for legitimate hedging transactions and any purchase or sale accompanied by actual delivery of the commodity. The House bill did not contain a similar provision. The conference substitute follows the language of the Senate amendment but limits the application of the penalty to use or disclosure, for purposes of speculating on any commodity exchange, of confidential information received by any such officer or employee by virtue of his office or employment.

Joint Committee on Defense Production

The Senate amendment provided for a joint congressional committee to be composed of five members of the Senate Committee on Banking and Currency and five members of the House Committee on Banking and Currency, to make a continuous study of the programs authorized by the Act and to review the progress achieved in executing and administering such programs. Provision was made for the election of a chairman by the members of the committee. Payment of expenses up to $50,000 in any fiscal year was authorized. No similar provision for a joint committee was included in the House bill. This provision is included as section 712 of the conference substitute except that the committee is authorized to elect from among its members a vice chairman, who shall not be a member of the same house as the chairman, and who is given the same power as the chairman to sign subpenas and vouchers.

Termination date

The House bill provided that the Act and all authority conferred thereunder should terminate June 30, 1951, or at such earlier time as the Congress by concurrent resolution or the President by proclamation might designate. The Senate amendment provided for termination on June 30, 1952, and likewise provided for termination by Congress or the President at an earlier date. In addition, the Senate amendment provided that the Congress might also provide by concurrent resolution that any section of the Act should terminate prior to June 30, 1952. The Senate amendment further provided that any agency created under the Act might be continued in existence for the purposes of liquidation for not to exceed sixty days after termination.

The conference substitute provides that titles I, II, III, and VII shall terminate at the close of June 30, 1952, but that such titles shall be effective after June 30, 1951, only to the extent necessary to aid in carrying out contracts relating to the national defense entered into by the Government prior to July 1, 1951. The conference substitute provides that titles IV, V, and VI shall terminate at the close of June 30, 1951. It retains the provision for termination by concurrent resolution or Presidential proclamation prior to the termination otherwise provided for and retains the Senate provision for termination of any section of the Act by concurrent resolution. Under the conference substitute, any agency created under the Act may be continued for purposes of liquidation for not to exceed six months after the termination of the provision authorizing the creation of such agency. It is also made clear that the termination of any section of the Act, or of any agency or corporation utilized under the Act, shall not affect disbursement of funds or carrying out of contracts, commitments, or other obligations entered into prior to the date of termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out.

Amendment to title

The conference substitute includes the Senate title of the bill.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
Managers on the Part of the House.

Mr. SPENCE. Mr. Speaker, this is a highly complicated and technical bill. A detailed explanation has been made in the statement of the managers on the part of the House. It was practically a unanimous report, only one of the conferees failing to sign it.

Mr. Speaker, we have no requests for time on this side. I yield 10 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Speaker, I call the attention of the House to a matter in this bill which I think is very important. I believe, Mr. Speaker, the conferees have done a good job with a difficult situation and under circumstances which were not conducive, perhaps, to an intelligent approach. By that I mean the Banking and Currency Committee of the House was not permitted to have full and extended hearings on this bill, so it was difficult for the conferees and the House to do what, in my opinion, at least, would be a good job.

But, Mr. Speaker, I think the record should be made very clear, after this bill is passed, that if certain things happen which are authorized herein, many of the Members of the Congress are going to be faced with some embarrassing questions.

I think the committee of conference put into this bill something that neither the Senate nor the House approved. That is the provision for selective price control and wage control.

Now, Mr. Speaker, I want to call the attention of the House to the fact that in the debate in the House on August 9 there was presented an amendment by the gentleman from Pennsylvania [Mr. KUNKEL] to strike out from the bill subsection 2 of the Price and Wage Stabilization Act. That was known as the second step. You remember, there were three steps provided for in that original bill: First, voluntary price control; second, selective price and wage control; and, third, across-the-board price and wage control. Now, the second step was stricken out in the House by a vote of, I think, 94 to 70; in other words, a good substantial part of the House committee voted to strike out selective price and wage control.

When the bill was passed by the other body, selective price and wage control was not contained in their bill. Therefore, Mr. Speaker, the conference committee in my judgment did put into the

bill something that was not in it when it passed the House, or the other body.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present. This is just too important a measure to be considered without a quorum. If the conferees are going to legislate, in conference, and insert provisions that both the House nor the Senate rejected, the Members ought to be here to hear it discussed. The gentleman from Kansas [Mr. COLE] is giving us some very valuable information. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 269]

Abbitt	Heffernan	O'Konski
Allen, Ill.	Heller	Pace
Angell	Herlong	Patten
Bailey	Hoffman, Ill.	Perkins
Barrett, Pa.	Hoffman, Mich.	Pfeifer,
Barrett, Wyo.	Holifield	Joseph L.
Blackney	Jennings	Pfeiffer,
Blatnik	Johnson	William L.
Bolton, Md.	Jonas	Phillips, Tenn.
Brooks	Jones, Mo.	Plumley
Buckley, N. Y.	Kearney	Poulson
Burnside	Kee	Powell
Burton	Keefe	Quinn
Cannon	Kelly, N. Y.	Reed, Ill.
Carlyle	Kennedy	Regan
Celler	Keogh	Rhodes
Chudoff	Kilburn	Roosevelt
Clemente	King	Sabath
Cole, N. Y.	Klein	Sadowski
Coudert	Larcade	St. George
Crook	Latham	Scott,
Davies, N. Y.	Lyle	Hugh D., Jr.
Dawson	Lynch	Scrivner
DeGraffenried	McCormack	Sikes
Delaney	McCulloch	Sims
Denton	McGrath	Smathers
Dingell	McGregor	Smith, Kans.
Dollinger	McMillen, Ill.	Smith, Ohio
Douglas	Macy	Sutton
Durham	Magee	Taber
Engel, Mich.	Marcantonio	Taylor
Fernandez	Martin, Iowa	Thornberry
Fisher	Martin, Mass.	Vursell
Fogarty	Mason	Werdel
Gamble	Miller, Calif.	Whitaker
Gillette	Morgan	White, Idaho
Golden	Morrison	Whittington
Goodwin	Moulder	Wier
Granahan	Multer	Williams
Green	Murphy	Willis
Guill	Murray, Tenn.	Wilson, Ind.
Hall,	Murray, Wis.	Withrow
Edwin Arthur	Nelson	Wood
Hare	Noland	Woodruff
Harrison	Norton	Yates
Hébert	O'Brien, Mich.	Young

The SPEAKER. On this roll call 291 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

DEFENSE PRODUCTION ACT OF 1950

The SPEAKER. The gentleman from Kansas [Mr. COLE] may proceed.

Mr. COLE of Kansas. Mr. Speaker, I was saying that the conference committee had placed in the bill a provision for selective price and wage controls, and that provision had been eliminated from the bill by both the Senate and the House.

Now, Mr. Speaker, I realize it may be said that the House bill did contain selective price and wage controls. I notice the report on page 31 contains this statement:

> Section 202 (b) of the House bill authorized the President to establish ceilings with respect to materials and services, and with respect to wages, salaries, and other compensation, either with respect to individual materials and services, or with respect to materials and services generally.

Mr. Speaker, I think that statement would have been more correct if it had started in this fashion: "It is alleged and some people believe that the House bill contains a provision for selective price and wage control."

I want to read that part of the House bill with respect to selective controls. You will recall that in the committee action the House struck out the second, or selective, step. Remember there were three steps in the House bill: First, the voluntary step; second, the selective step; and, third, the across-the-board step, in which the President could control all wages and prices. The gentleman from Pennsylvania [Mr. KUNKEL] offered an amendment which struck from the House bill the selective control of prices and wages. Remaining in the bill, however, was the following language:

> Action under the subsection may be taken either with respect to individual materials and services or with respect to materials and services generally.

But this sentence followed the subsection establishing across-the-board controls.

Mr. Speaker, I concede that that does leave an interpretation, perhaps, that under some circumstances the President could provide for selective controls. But the action of the House, I insist, in striking out and deciding that we do not want selective controls, definitely binds, in my opinion, the conference committee members.

Mr. Speaker, in the Committee of the Whole House when the gentleman from Pennsylvania offered his amendment, on page 12118 of the RECORD, the gentleman from Mississippi [Mr. COLMER] asked this question:

> Mr. COLMER. Some of us have not been able to follow where we would be if we voted for your amendment. Would the gentleman state in a few words, if your amendment were adopted, where would that leave the question of controls of commodities and wages?
>
> Mr. KUNKEL. It would put it right into the third section, which is subsection (c), on page 4, where there would be general, overall controls at which time it would be necessary to freeze wages generally and commodity prices generally.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. RANKIN. Subsection (2) on page 7 of the conference report was proposed in the House and voted down, was it not?

Mr. COLE of Kansas. That is correct.

Mr. RANKIN. And it was proposed in the Senate and voted down?

Mr. COLE of Kansas. That is correct.

Mr. RANKIN. And that is verbatim, spellatim, and punctuatim—what they had before the House and the Senate?

Mr. COLE of Kansas. That is correct.

Mr. Speaker, I want to point out what we are doing by enacting selective price controls. It has been said that some individual commodity or some individual material or some individual service will rise in price unreasonably or materially affect the cost of living. That, for this reason, a price ceiling should be placed on the individual item, and wages controlled in the business producing the item.

Let me say for instance the President should decide that bread has risen to such an extent that its price should be controlled. If price controls are put on bread under this law, a ceiling is placed upon the wages of people who are processing bread. Now, who processes bread? Of course, naturally we think of the baker. So under this law we will put a ceiling on the wages of bakers and not upon anybody else.

But remember, Mr. Speaker, not only is the baker processing bread, but into the cost of bread goes the cost of production of wheat, and into the cost of the production of wheat is the cost of production on the farm. The wages of the farm laborer, the man who cultivates the soil, the man who combines, and the man who trucks the wheat to the elevator, and the wages of the men in the elevator all enter into the cost of bread. They are engaged in the processing of the material to make bread.

The wheat travels, by truck and train, from the elevator to the mill; from the mill to the baker, and from the baker to the jobber, and from the jobber to the grocer.

All of the men employed in these businesses are paid wages. Does the law place a ceiling on all of their wages? If not, why not? And who shall select the favored who are not controlled?

So, Mr. Speaker, in order for you to put a wage ceiling upon those wage earners who have an effect upon the price of bread, you cannot be selective.

Then we are not through with the problem. Remember, in preparing the ground sometimes we use fertilizer. An interesting thing about some fertilizer today is that it is cheaper than it was in 1939. But the people who are working in the fertilizer industry are receiving twice as much in wages as they were receiving in 1939. Shall their wages be reduced?

Also in order to prepare the ground we use disks and harrows and plows and combines. All of these are manufactured by people who are receiving wages. So, before we can determine the price of bread we must determine the price of combines. Before we can determine the price of combines, we must determine how much wages those people receive who manufacture the combines.

Mr. Speaker, it seems to me to be utterly ridiculous to consider a bill which will permit such a dislocation of our economy

by placing selective price and wage controls on individual items. It just will not work.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. RANKIN. Mr. Speaker, a point of order.

Mr. Speaker, I make the point of order against subsection (2) on page 7 of the conference report on the ground that that provision was voted out by both the House and Senate and the conferees had no right to write it into the conference report. It reads as follows:

(2) Action under this subsection may be taken either with respect to individual materials and services and to individual types of employment, or with respect to materials, services, and types of employment generally. A ceiling may be established with respect to an individual material or service only when the President finds that (i) the price of the material or service has risen or threatens to rise unreasonably above the price prevailing during the period from May 24, 1950, to June 24, 1950, (ii) such price increase will materially affect the cost of living or the national defense, (iii) the imposition of such ceiling is necessary to effectuate the purposes of this act, (iv) it is practicable and feasible to impose such ceiling, and (v) such ceiling will be generally fair and equitable to sellers and buyers of such material or service and to sellers and buyers of related or competitive materials and services.

Now, remember, this identical provision was rejected by both the House and the Senate.

The gentleman from Kansas [Mr. COLE] did not go all the way in explaining the dangers of it. The House knew the dangers of it, and the Senate knew the dangers of it, because it would allow this group to fix the price of coal, lumber, wheat, corn, cotton, potatoes, hogs, cattle, milk, butter, eggs, chickens, and everything else, individually or collectively. It is one of the most far-reaching and dangerous steps toward socialistic, or communistic regimentation ever presented to the Congress of the United States. Both Houses rejected it; and yet it has been inserted by the conferees in violation of the rules of both Houses.

The SPEAKER. The Chair is ready to rule.

Mr. RANKIN. I just want to say, Mr. Speaker, that this provision was not in either bill and the conferees had no right to write it into the conference report.

The SPEAKER. Whether or not that is true, the statement has been read in lieu of the report. Debate has been had on the conference report. Therefore, although, if made at the proper time the Chair could have ruled on the point of order, coming as it does now, it is too late, and therefore the Chair overrules the point of order.

Mr. RANKIN. In that connection let me say that they waived the reading of the conference report, and we had to go and search to get a copy of it and read it to find out about this monstrosity.

The SPEAKER. That was done by unanimous consent.

Mr. RANKIN. I submit that under the circumstances a point of order against this provision is justified at this time.

The SPEAKER. The Chair knows of no precedent that supports the gentleman's contention. The Chair has overruled the point of order.

Mr. SPENCE. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Speaker, you probably noticed I did not sign this conference report. My reason for not signing it is basically the one outlined by the gentleman from Kansas [Mr. COLE] in his remarks a few minutes ago. In my judgment, the clear intent of both the House and Senate was to impose controls across the board at one time, and at such time as the President determined that voluntary controls would not work.

When the House voted in favor of the amendment which I offered, it clearly indicated that intent. The Senate bill, in the final form as passed by the Senate, provided for the immediate transition from voluntary controls to general, over-all controls on both wages and prices. So I feel that this part of the bill does not represent the wishes of either body. I also feel that it will not do the job, because, with the huge expenditures and the huge production which this country is called upon to make as a result of the Korean operation, it is perfectly clear to me that this bill does not go far enough to solve the problem. Of course, this measure is absolutely necessary at this time. It contains many features which have to be instituted immediately and should have been put into effect before now. Consequently I do not feel like opposing the measure but I cannot urge its approval to other Members when it contains such basic defects as those I have pointed out.

I want to pay my respects to all the conferees, because this was quite a job in conference. It took a great deal of give and take. While I am opposed to this because it is basically against my ideas of what is necessary today, and because it does not fit the problem which we are called upon to meet, nevertheless, in view of the task which the conferees had to perform, I think they have done a very good over-all job. I want to say that despite that I disagree most heartily with their conclusion on this particular point. In many respects, the bill is better than the one which passed the House or the Senate. This is particularly true in regard to the general credit provision.

There is one additional factor involved here. Subsection 3 reads:

That whenever ceilings on prices have been established on materials with respect to a particular material or service the President shall stabilize wages, salaries, and other compensation in the industry or business producing the material or performing the service.

I called attention to the unfairness of that in the original debate. If a man is working in the steel industry, and a ceiling price is imposed on steel, then the President may impose a wage ceiling on the steelworker's wages. The steelworker is not protected at all against the rise in the cost of living, because the amount of steel he buys is relatively insignificant in comparison with what he has to pay out for other commodities which he needs, such as food, furniture, and things like that. At the same time, a man working in a shoe industry, living across the street, where the price of shoes is not frozen, can get a wage increase. It seems to me that a provision along that line is bound to cause more industrial unrest than anything we might put into this bill. Yet, as I read this provision, it is mandatory that the President do that when he puts a freeze on the cost of a commodity, and only has certain exceptions in which he could possibly make adjustments.

I feel that that provision is absolutely unfair to labor all the way down the line. If you are going to freeze wages, you have only one justification for trying to do so, and that is that you are going to protect the laboring man against an increase in the cost of living. But you do not do this under a selective system. The only way this could be remedied under this bill is that the President should skip this intermediate step, of his own volition, and go at once into a general, over-all control program.

I am afraid that the President will not do that, because he has opposed the elimination of the selective control provisions of this bill and has indicated very clearly that he wants the opportunity to have a selective control period. Of course, in my judgment, if you have a selective control period you will have greater and greater dislocations each day. When the time comes that it is necessary to impose over-all controls—and I feel sure that time will come—I think it will be too late to do it. That is the reason I have taken the position I have all through the debate on this bill. The dislocations will be so great that the administrative task will be impossible to perform. But if you are going to have over-all controls of wages and prices it is necessary to put them into effect as soon as those prices and wages have been determined by actual economic causes and by free collective bargaining.

I feel that the price-control section as written is against the wishes of both bodies; I feel that it will cause more harm than it can possibly cause good. I think it destroys the whole purpose we in the House had in mind and that the Senate had in mind. Therefore, I was unable to sign this report.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. RANKIN. As a matter of fact, both Houses voted down this provision, did they not?

Mr. KUNKEL. I notice that the gentleman has said that, but I do not actually remember. I do know that both Houses voted in favor of eliminating selective controls; and that is the key to the question in both Houses.

Mr. RANKIN. The distinguished gentleman from Kansas [Mr. COLE] said in response to my inquiry that both the House and the Senate had voted this down.

Mr. KUNKEL. The gentleman may be right; I just do not happen to remember that, so I am not stating it as a fact.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. CASE of South Dakota. Does the conference report retain the so-called Wherry amendment provision for consultation by industry groups in livestock?

Mr. KUNKEL. The report retains the provision for industry consultation. I do not know that it provides for industry consultation on livestock, but it does provide for consultation.

There are a great many things in this bill that are good and anybody is completely justified in voting for it on the ground that it is necessary to take some steps at this time.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. FULTON. If the gentleman will recall, when the bill was before the House the gentleman from Pennsylvania [Mr. BUCHANAN] and I sponsored an amendment which kept controls off the press, off magazines, books, and media of information. Is that retained in the conference report?

Mr. KUNKEL. That is included; the gentleman will find that at the bottom of page 9.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. BUCHANAN. Does the gentleman make the contention that the freezing of wages, say in the steel industry, as he illustrated, is taken care of by the language in section 402 (b) (1)?

Mr. KUNKEL. No; in 402 (b) (3).

Mr. BUCHANAN. Does the gentleman recall the language in 402 (b) (1), whether or not the term "and at the same time shall issue regulations and orders stabilizing wages"? Does the gentleman contend that freezing and stabilizing bear the same connotation?

Mr. KUNKEL. I am using those words interchangeably; yes.

Mr. BUCHANAN. I do not agree with the gentleman on the question of stabilizing. I do not feel that wages are stabilized or frozen at the same time that the price is.

Mr. KUNKEL. I think the gentleman is making a distinction without a difference, but it is a question of phraseology.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at the conclusion of the remarks of the gentleman from Pennsylvania [Mr. KUNKEL].

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FULTON. Mr. Speaker, will the gentleman yield further?

Mr. KUNKEL. I yield.

Mr. FULTON. I want to compliment the gentleman on bringing out the fact that it will cause further injustices in the economic picture by having selective controls; and might I ask if it would not cause injustice as between various geographical areas? For example, areas dependent on steel and coal, if they are controlled and the rest of the country is not, would be a geographic dislocation.

Mr. KUNKEL. The gentleman's observation is sound. In addition to that, if we control wages in essential industries we will find the people working in those industries tending to drift out of the important industries, that is, important from the standpoint of war production which is the point we are looking at, and into industry where the wage is not controlled; and it actually will interfere with the production effort. I think, therefore, this provision is vicious and terribly unfair to labor. Anybody who has the real interest of labor at heart should certainly look very carefully at this provision.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Kentucky yield to the gentleman from Mississippi for a parliamentary inquiry?

Mr. SPENCE. I yield to the gentleman from Mississippi for a parliamentary inquiry.

Mr. RANKIN. Mr. Speaker, do we have a right to offer amendments to this report?

The SPEAKER. Conference reports are not subject to amendment. They are voted either up or down.

Mr. RANKIN. The only thing to do then would be to vote it up or down or offer a motion to recommit it to the conference committee?

The SPEAKER. The gentleman is correct.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made a few moments ago on the point of order.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SPENCE. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, I think it is agreed by everyone that the conferees had a most difficult task. I have been in conference on bills which have been reported out of the House Banking and Currency Committee for at least 12 years and possibly 14 years. I have never been in a conference where there has been as much in controversy as there was in this conference.

The managers on the part of the House and the managers on the part of the Senate are not bound always by their own personal likes, dislikes, or interests in respect to compromising differences between House and Senate language. We do the best we can. In this case I believe the bill is a better bill than when it left the House; I believe it is a better bill than when it left the Senate.

May I take just a moment on selective controls. I do not disagree with anyone in respect to selective controls except I believe that the issue of selective controls has been blown up into a balloon much larger than its importance in respect to this legislation justifies. Under both the House and Senate bills selective controls could be put on. The major difference between the two in respect to selective controls is that under the Senate language the selective controls would be put on through a process of elimination; otherwise they would be put on directly. Now, of course, that would have been a very cumbersome procedure. If the administrators of this law wanted to put price controls on steel and only steel, they could have frozen all prices as of a given date and then adjusted generally all prices excepting steel and they would have effectually provided for selective controls on steel alone.

I bring that out because on the floor, in the committee, in the press, and over the radio the issue has been created as a major issue between the House and Senate positions, that the one provided for selective controls, the other provided only for general controls. And, if it did become an issue—and it did, of course—that issue has been subordinated to the other most important issues in this bill. I believe that one of the most, if not the most important issue in this bill—and I want to reiterate this and make the fifth speech, if I may, on this question—is that with respect to general credit controls. I believe the House thought we had eliminated general credit controls, but it did not do so. The Senate, I do not think, was conscious of the fact until we got into conference, that they had left in the bill provisions which would have enabled the President to control every dollar of private credit, which is credit that does not emanate from the Federal Government or any agency of the Federal Government.

Now, one of the things which I was most pleased about was that the conference committee, finally realizing that the President, under both bills, was given that authority, struck it from both bills, and those of us who were in favor of free enterprise and in favor of not giving any individual, no matter how benignly he might administer the controls, the control of all credit, were very pleased that the controls in this bill are confined to consumer credit controls and to the control of credit incident to new construction on real estate.

I felt that another very important provision in this bill transcending, perhaps, all others, was whether this Congress would have an opportunity next spring to say whether it wanted to continue these controls. The House had provided that they should expire on June 30, 1951. The Senate had provided that the authority expire on June 30, 1952. The House prevailed, and in consequence the Congress will be able to determine as shortly after January 3 as they want to whether they want to continue any of these controls beyond June 30, 1951. Even on January 4, 1951, the Congress can, by concurrent resolution, repeal the act. That, to me, was more important than this issue of selective controls. The credit provision was more important than selective controls. And there was one other more important thing here, I think, than selective controls, and that is whether the cost of production should be controlled as well as the price of the commodities.

Now we have provided in conference what I think was the intent of both the House and the Senate in respect to tying

the control of the cost of production with the price of the commodities.

On page 6 of the conference report in respect to price and wage stabilization you will find in subsection (b) of 402 a provision that when any controls are put on prices, the President shall control the cost of production. Of course, that includes wages.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. POAGE. I offered an amendment on that in the House and used the words that the President, when he puts controls on prices, shall control wages. I note that the conference committee went back to the wording that the House committee originally brought in and said that he shall stabilize wages. I wonder if the gentleman would explain the reason for using different words in relating to prices and to wages. Is there any significance in the use of the word "stabilization"?

Mr. WOLCOTT. Not any more than there is in the stabilization of prices. This bill is intended to set up the machinery under which our economy may be stabilized.

Mr. POAGE. Then why did they not use the same wording as to prices and as to wages?

Mr. WOLCOTT. Because it would not be advisable to freeze wages any more than it is advisable to freeze prices. So long as you have the provision in this bill which authorizes the President—and it was in both bills—to make adjustments, to correct inequities, and to remove hardships, then of course it follows you have given him authority to stabilize prices and stabilize wages. Unless you did have that in there you would not be able to do so.

Mr. BARDEN. Mr. Speaker, will the gentleman yield for a question?

Mr. WOLCOTT. I yield.

Mr. BARDEN. When the bill was in the House we struck out title V. It went to the Senate. As I understand it title V is put on a voluntary basis, that is, after the Government and public have been considered. As I can further understand it, and if I am in error I hope the chairman will correct me, there can be no interference with the operations of the Fair Labor Standards Act of 1938, as amended, and the Labor-Management Relations Act of 1947, and all other applicable laws bearing on this subject. That means, if I am correct, that there cannot be any board set up or commission set up, or any arrangements whereby either the Conciliation Service of the Labor-Management Act or the Fair Labor Standards Act can be circumvented or nullified.

Mr. WOLCOTT. The gentleman is absolutely correct. In order that there might be no question of the intent of the conferees in respect to that title, I wish to make a clarifying statement. At one point in the conference we were deadlocked on it. It seemed to be the key to whether they were going to get a bill out or not. I am more or less responsible for this language. In drafting the language and in submitting it to the conference, and the conference in adopting the language, intended that the President might initiate voluntary conferences only. Whether management and labor would even participate in such a conference was purely voluntary on their part. The President, after this voluntary conference, might take such action as had been agreed upon voluntarily at the conference to effectuate the conclusions of the conference. It is my very definite interpretation of the language that the President may set up or may use any person or agency for the purpose of carrying out the agreements entered into voluntarily in this voluntarily created conference. There is nothing in the title which is designed, or which permits any action to be taken by the conference or by the President or any agency or person or board set up in consequence of this provision, which is contrary to any of the provisions of any of the existing laws in respect to labor.

Mr. McCONNELL. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McCONNELL. In connection with what the gentleman has just stated, is it his understanding that the sentence saying that the President may designate such persons or agencies as he may deem appropriate to carry out the provisions of this title means that he is to be guided entirely in that designation by the action taken under this complete title V?

Mr. WOLCOTT. That is my understanding, because the only thing which can be done under this title is the calling or initiating of this voluntary conference.

Mr. McCONNELL. They mention here in the descriptive part of the report on page 35 that the President would be authorized under this provision to establish a board, commission, or other agency similar to the War Labor Board of World War II to carry out the purposes of the title. It is my understanding that he could not designate such a board unless it was agreed to under the provisions of title V, is that correct?

Mr. WOLCOTT. That is my very distinct understanding.

Mr. McCONNELL. I thank the gentleman.

Mr. WOLCOTT. Mr. Speaker, I want to say particularly one thing in respect to dates, because I do not want to be put in the position of having purposely misstated it. In respect to the date of termination, we provided that with respect to the exercise of priorities, allocation of authority to requisition materials for expansion of the productive capacity supply, titles 1, 2, 3, and 7 of the bill, that for the purpose of carrying out and performing contracts entered into previous to June 30, 1951, these titles would apply and be operative until June 30, 1952. This is merely to carry out contracts entered into prior to June 30, 1951.

The SPEAKER. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

Mr. DONOHUE. Mr. Speaker, I do not rise in any spirit of antagonistic controversy concerning this vital measure before us. Neither do I make any pretense of being able to recommend the exact detailed course we should follow to properly prepare our people to meet the terrible scourge of Communist aggression now going on in Korea, and God knows where tomorrow.

With no wish to introduce any additional unnecessary argument, I will, therefore, confine myself only to general treatment of this important problem of adequate defense legislation.

It appears to me that the distinguished chairman of the Banking and Currency Committee, committee members, and conferees have worked diligently and unceasingly, night and day, to present us with a reasonable bill; they are to be congratulated for their patriotic endeavor. I am most happy to observe the bipartisan approach of debate in this House and the evident wish of all Members to have the problem treated in an unprejudiced, nonpartisan fashion. It is a good omen for the times and the country.

I know our valiant soldiers in Korea, many of whom have already given their lives, and the people whom we individually represent, are turning their eyes toward us for leadership in this crisis. We must not fail them.

We have already discussed this problem fully. I earnestly feel there is need for expediency in our action.

It is my conviction that, on the whole, the committee bill and conference report embodying the recommendations of the Chief Executive, is an adequate and sufficient measure for the conditions currently existing. Of course, if current conditions change, then we can move accordingly. In that respect, I most earnestly urge that this Congress be kept in session without adjournment until this emergency is over.

The bill and report before us is all that is now asked by the President. It is approved by General Bradley and endorsed by Mr. Symington, Chairman of our National Security Resources Board. Let us not lose sight of the fact that the President has the machinery in the Commodity Credit Corporation to control food and clothing. We have in this measure, first, provisions for voluntary controls of wages and prices. I do not think anyone will dispute the fact that if we can work under the system of voluntary cooperation, it is, by far, the better and wiser way to proceed. If it does not succeed, by any chance, then there is power in this bill for the President to impose selective controls—selective controls on prices and wages in the industries affected. If a price ceiling is placed on a commodity, and threatened wage increases would interfere with the production of the commodity under the ceiling, ceilings may then be put on the wages to tie in prices and wages so that production may continue. In the event that both of the methods outlined above fail, then the Commander in Chief, at his option, can exercise over-all controls.

The remaining titles of H. R. 9176 are substantially what the President has asked for to combat inflation. They are allocation and priority authority, the right to requisition, consumer credit control, and the authority to make loans for industrial expansion and production.

It seems to me the powers set forth in this measure are, for this time, reasonable, moderate, and thoroughly American. In our anxiety to cover this necessity of defense preparation, let us be careful we do not unnecessarily inflict the very regimentation and restrictions of individual freedom contained in the diabolical communistic philosophy we are fighting.

It seems to me that this program is both logical and effective as things are now. We certainly need expedition in the passing of this bill. It is obvious that there is on the horizon a vicious spiraling of prices and wages chasing each other which can only bring disaster to the country. It is absolutely essential that we effectively meet this condition which is steadily growing worse.

In your everyday life you know what is happening. You know everything is rising in price all the time. The purchasing power of the dollar is depreciating so that those who work for wages, those who work for salaries are at a great disadvantage. Those who are living on fixed incomes, see their income disappearing. That is a condition we must stop immediately, because it is not only destructive to the welfare of our wage earners, but it is also destructive to the economy of our Nation. We must retain the just purchasing power of our dollar in order to insure that our Government, which means the people, is not defrauded in the tremendous purchases that must be made if we are forced into the prosecution of an extended war.

Right now, I wish to state my belief that an effective excess-profits tax should be imposed as soon as possible as the cornerstone of a tax program which will, as nearly as practicable, place us on a pay-as-you-go basis. It is absurd to talk for 1 minute of imposing price and wage controls without, at the same time, imposing an excess-profits tax. When we speak of a new system of taxes on our individual citizens to help pay for our war program we should also reimpose a substantial excess-profits tax which, in my conviction, should be based on current earnings. Today, and as long as this emergency period continues, we must persistently strive for as nearly a balanced budget as we can get. In my opinion there should be no objection to a true "excess" profits tax, because war is not, never has been, and never should be a game of profit for anyone and, I think, I am expressing the feeling of every fighting military man when I make that statement.

Mr. Speaker, I have spoken a little longer than I really intended, but my heart and mind are filled with this subject. I have supreme confidence that ninety-nine and nine-tenths percent of the people in this country are truly patriotic, ready, and willing to make the severe sacrifices it appears we will be called upon to endure, for God knows how long. With faith in the Almighty and united effort by all individuals and segments in this beloved country, I am sure we will succeed in this gigantic task before us.

Mr. DAVENPORT. Mr. Speaker, events since June 25, 1950, show there is little time for us to erect a fortress of might to deter the Kremlin from expanding in other soft spots in the world.

What has happened in Korea must not be permitted to happen elsewhere. We must make ourselves so strong that the Soviet totalitarians will not dare to overrun established governments. The cry of the hour is men and arms and a resolve that totalitarianism must not advance.

Never again must we fool ourselves into believing that because we have the greatest potential strength of any nation on earth that others will not dare attack us. It is folly to say 2 years after trouble begins we can establish the mightiest army and the most horrible of military weapons in quantities large enough to destroy any enemy. The time is now.

The urgency is today. We do not have an enemy who will give us 2 years to establish complete military mastery. What we need is a big stick now and a loud, clear voice.

New troubles may break out anywhere—in Iran, Germany, Indochina, Tibet. We are wasting brain power trying to fathom where the next blow will land. We are suddenly on the defensive only a few short months after proclaiming loudly to the world that if the Soviets attack at 4 a. m., we would defeat them that same day.

We have no business being on the defensive. The Communist doctrine has always been one of expansionism. We cannot blame anyone else for our sad state today. But we can show that henceforth we mean business.

I believe that the time has come to approach this problem head-on and not as we have so far. The danger is ever present. It will not recede until we show we are strong enough to halt it. And if we are strong, perhaps we can avoid world war III. That must be our immediate goal.

There is only one answer, and that is to mobilize our entire population in this struggle. We need universal military training today and not in some future Congress when—and I quote one of our leaders—"There will not be so many other issues up for consideration." Our army must reach several millions in the shortest possible time.

We will need all-out priority controls to allocate materials to defense plants and to essential civilian users. For those remaining supplies, we will need a price-control system so that everyone will have an opportunity to share what can be spared. We must pass legislation immediately to take all profits out of this gigantic, self-sacrificing effort. We must have no new defense millionaires, while our population is reducing its standard of living.

If plans for a rapid expansion of our military potential are acted upon with a daring and speed we know our great country is capable of, then, and only then, will we be able to force the Communist hordes back to the dark ages from whence they emerged.

The time has come for action. The future of democracy is at stake. The welfare of our families, the hopes we have for eventual peace, higher standards of living throughout the world, friendship among all races and honor among men—these are at stake today. Let us not falter or plan too meagerly.

INFLATION CONTROL VITAL

Mr. BLATNIK. Mr. Speaker, wholesale prices have increased by over 10 percent since the beginning of the Korean affair, and retail prices are following suit. Unless Congress acts vigorously to prevent further price rises this inflationary spiral that is developing will undermine our economy and wreck the living standard of the American people. It is for this reason that the inflation-control provisions written into this bill (H. R. 9176) directly affect the welfare of every American for better or worse.

In addition to authorizing the President to allocate scarce materials and restrict credit, the inflation-control provisions of this measure will permit the Chief Executive to control prices and wages through three methods: (1) Voluntary agreements between labor and industry; (2) establishment of selective controls, with prices and wages to be frozen at the same time; and (3) all-out mandatory ceilings on wages and prices.

I need not comment on the value of voluntary schemes for controlling inflation—voluntary controls have always failed in the past, and will fail again. So I will confine my remarks to the President's authority to establish selective and over-all price-wage freezes.

Perhaps the price-wage authority found in this bill will retard inflation, but I am convinced that further price rises are certain to occur within the framework of this law, and that the people's living standards will suffer as a result. The cause is obvious—the bill does not clearly spell out the President's power to roll back prices to June 25 levels. Instead, it merely says that the President shall give consideration to previous price levels. This vague language apparently means that the President lacks authority to roll back prices.

I also want to strongly protest against the unworkable and inequitable provision of this bill which states that if price ceilings are established the President must also freeze wages. This price-wage freeze formula is nothing more than a Republican scheme to "let prices go up first and then freeze both prices and wages." It means, in effect, that the workers of America will be given a wage decrease in terms of real wages and that the burden of inflation is being shifted to the backs of the low-income groups. It is the same old GOP story—more profits for big business but smaller incomes for the worker and the farmer.

Mr. Speaker, the present inflationary spiral must be stopped, and the price gouging and profiteering now being practiced by big business must be curbed. Congressional action is needed over and above the provisions of this watered-down, compromise inflation-control measure. I am convinced that the following program is needed to control inflation, and I now recommend this program to the Congress:

First. The President should be given authority to roll back both wholesale and retail prices to June 15 levels.

Second. Existing rent controls should be strengthened, and those rental areas which have been decontrolled during the past 3 years should be recontrolled wherever it is found that housing shortages exist.

Third. The President should be given power to impose rationing of those consumer goods in which shortages may occur.

Fourth. Congress should immediately impose an excess-profits tax on corporate profits, and sharply increase the income tax in the upper brackets to stop profiteering.

Fifth. Legislation should be adopted to limit speculation on the stock and commodity exchanges.

Sixth. Personally, I have always been opposed to wage controls because they usually work out to the detriment of labor standards, and I am still opposed to such controls in principle. Assuming, however, that wage controls are going to be imposed, I do insist that they be established only after the previous wage-price balance has been restored by a price rollback to June levels. Moreover, any wage ceiling should be elastic enough to permit wage adjustments whenever necessary to protect the real wages of the worker.

Mr. REES. Mr. Speaker, this control bill is one of the most important pieces of legislation enacted at the present session. It affects the living of 150,000,000 Americans. It places tremendous power and authority in the hands of one man. I do not understand why the leadership of the House and Senate—those in charge of the administration—have insisted that so much selective control is granted in this legislation and so much power given to the President.

It seems to me that when controls are made effective you will need to go all the way; otherwise the whole thing will be inequitable and will be unfair to various groups of people, including labor, industry, business—in fact the general public. Whether this legislation proves satisfactory will depend upon its administration and the administration has certainly been given blank-check authority in this bill.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks during the consideration of the conference report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPENCE. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

Mr. COLE of Kansas. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. COLE of Kansas. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. COLE of Kansas moves to recommit the conference report to the committee of conference for further study.

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit, offered by the gentleman from Kansas [Mr. COLE].

The question was taken; and on a division (demanded by Mr. RANKIN), there were—ayes 20, noes 155.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground that no quorum is present, and I make the point of order that no quorum is present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-three Members are present, a quorum. The motion is not agreed to.

So the motion to recommit was rejected.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS IN THE RECORD

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that all Members of the House shall have the privilege until September 11, 1950, to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and also to include therein such short quotations as may be necessary to explain or complete such extension of remarks.

Mr. PHILLIPS of California. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PHILLIPS of California. Does that include both the Appendix and the body of the RECORD?

The SPEAKER. The request related to the Appendix.

Is there objection to the request of the gentleman from Tennessee?

There was no objection.

INDUCTION OF MEDICAL, DENTAL, AND ALLIED SPECIALISTS

Mr. VINSON. Mr. Speaker, I call up the conference report on the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 3089)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 4 of the Selective Service Act of 1948, as amended, is hereby amended by adding at the end thereof the following subsections:

"'(i) (1) Notwithstanding any other provision of this title, except subsections 6 (j) and 6 (o), the President is authorized to require special registration of and, on the basis of requisitions submitted by the Department of Defense and approved by him, to make special calls for male persons qualified in needed—

"'(A) medical and allied specialist categories who have not yet reached the age of fifty at the time of registration, and

"'(B) dental and allied specialist categories who have not yet reached the age of fifty at the time of registration.

Persons called hereunder shall be liable for induction for not to exceed twenty-one months of service in the Armed Forces. No such person who is a member of a reserve component of the Armed Forces shall, so long as he remains a member thereof, be liable for registration or induction under this subsection, but nothing in this subsection shall be construed to affect the authority of the President under any other provision of law to call to active duty members and units of the reserve components. No person in the medical, dental, and allied specialist categories shall be inducted under the provisions of this subsection after he has attained the fifty-first anniversary of the date of his birth.

"'(2) In registering and inducting persons pursuant to paragraph (1) of this subsection, the President shall, to the extent that he considers practicable and desirable, register and induct in the following order of priority:

"'First. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the categories referred to in clauses (A) and (B) of paragraph (1) of this subsection, who have had less than ninety days of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"'Second. Those persons who participated as students in the Army specialized training program or similar programs administered by the Navy, and those persons who were deferred from service during World War II for the purpose of pursuing a course of instruction leading to education in one of the above categories, who have had ninety days or more but less than twenty-one months of active duty in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to the completion of or release from the program or course of instruction (exclusive of the time spent in postgraduate training).

"'Third. Those who did not have active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940.

"'Fourth. Those not included in the first and second priority who have had active service in the Army, the Air Force, the Navy, the Marine Corps, the Coast Guard, or the Public Health Service subsequent to September 16, 1940. Inductions of persons in this priority shall be made in accordance

with regulations prescribed by the President which may provide for the classification of such persons into groups according to the number of full months of such service which they have had and for the induction of the members of any such group after the induction of the members of any other such group having a lesser number of full months of such service.

In the selection of individuals from among the categories established by subsection (i) for induction, the President is authorized, under such rules and regulations as he may prescribe, to provide for the deferment of any individual whose deferment is found to be equitable and in the national interest, taking into consideration the length of his previous service in the Armed Forces (including the Coast Guard and the Public Health Service) of the United States, the extent of his participation in the Army specialized training program or similar program administered by the Navy, reasons of hardship or dependency, and the maintenance of the national health, safety, or interest.

"'(3) It is the sense of the Congress that the President shall provide for the annual deferment from training and service under this title of numbers of optometry students and premedical, preosteopathic, preveterinary, preoptometry and predental students at least equal to the numbers of male optometry, premedical, preosteopathic, preveterinary, preoptometry and predental students in attendance at colleges and universities in the United States at the present levels, as determined by the Director.

"'(j) The President shall establish a National Advisory Committee which shall advise the Selective Service System and shall coordinate the work of such State and local volunteer advisory committees as may be established to cooperate with the National Advisory Committee, with respect to the selection of needed medical and dental and allied specialist categories of persons as referred to in subsection (i). The members of the National Advisory Committee shall be selected from among individuals who are outstanding in medicine, dentistry, and the sciences allied thereto, but except for the professions of medicine and dentistry, it shall not be mandatory that all such fields of endeavor be represented on the committee. In the performance of their functions, the National Advisory Committee and the State and local volunteer advisory committees shall give appropriate consideration to the respective needs of the Armed Forces and of the civilian population for the services of medical, dental, and allied specialist personnel; and, in determining the medical, dental, and allied specialist personnel available to serve the needs of any community, such committees shall give appropriate consideration to the availability in such community of medical, dental, and allied specialist personnel who have attained the fifty-first anniversary of their birth.'

"SEC. 2. Notwithstanding the provisions of section 203 of Public Law 351, Eighty-first Congress, commissioned officers of the reserve components called or ordered to active duty with or without their consent, shall, if otherwise qualified, be entitled to the benefits of section 203 of Public Law 351, Eighty-first Congress.

"SEC. 3. Section 202 of the National Security Act of 1947, as amended, is hereby amended by adding at the end thereof the following subsections:

"'(g) Under such regulations as he shall prescribe, the Secretary of Defense with the approval of the President is authorized to transfer between the armed services, within the authorized commissioned strength of the respective services, officers holding commissions in the medical services or corps including the reserve components thereof. No officer shall be so transferred without (1) his consent, (2) the consent of the service from which the transfer is to be made, and (3) the consent of the service to which the transfer is to be made.

"'(h) Officers transferred hereunder shall be appointed by the President alone to such commissioned grade, permanent and temporary, in the armed service to which transferred and be given such place on the applicable promotion list of such service as he shall determine. Federal service previously rendered by any such officer shall be credited for promotion, seniority, and retirement purposes as if served in the armed service to which transferred according to the provisions of law governing promotion, seniority, and retirement therein. No officer upon a transfer to any service from which previously transferred shall be given a higher grade, or place on the applicable promotion list, than that which he could have attained had he remained continuously in the service to which retransferred.

"'(i) Any officer transferred hereunder shall be credited with the unused leave to which he was entitled at the time of transfer.'

"SEC. 4. Notwithstanding any other provision of law, where any person who served on active duty as a physician or dentist in the Armed Forces (including the Public Health Service) of the United States subsequent to September 16, 1940, thereafter has been, or shall be, recalled to active duty as a physician or dentist in the Armed Forces (including the Public Health Service) of the United States, such person may, under regulations prescribed by the President, be promoted to such grade or rank as may be commensurate with his medical or dental education, experience, and ability.

"SEC. 5. No person inducted under the provisions of this Act shall be entitled to the benefits of the provisions of section 203 of Public Law 351, Eighty-first Congress.

"SEC. 6. For the purposes of this Act, the term 'allied specialist categories' shall include, but not be limited to, veterinarians, optometrists, pharmacists, and osteopaths.

"SEC. 7. This Act, except for section 2 and section 5, shall terminate on July 9, 1951."

And the House agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
LESLIE C. ARENDS,
Managers on the Part of the House.

VIRGIL M. CHAPMAN,
LESTER C. HUNT,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4029) to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The conference report agreed upon by the conferees of the House and Senate substantially follows the House amendment to the Senate bill, S. 4029, except as follows:

The conferees agreed to reduce the classification of "allied specialist categories" by eliminating all of the named personnel in the House amendment, except veterinarians, optometrists, pharmacists, and osteopaths. Since the definition is merely inclusive and not preclusive, this will not prevent the registration and induction of other medical and dental allied specialist categories should the need arise.

The House conferees agreed to include in the conference report with respect to the National Advisory Committee, the following language: "In the performance of their functions, the National Advisory Committee and the State and local volunteer advisory committees shall give appropriate consideration to the respective needs of the armed forces and of the civilian population for the services of medical, dental, and allied specialist personnel; and, in determining the medical, dental, and allied specialist personnel available to serve the needs of any community, such committees shall give appropriate consideration to the availability in such community of medical, dental, and allied specialist personnel who have attained the fifty-first anniversary of their birth."

The conferees also agreed that in establishing a National Advisory Committee it would be mandatory that the professions of medicine and dentistry be represented.

The conferees agreed to several minor technical changes not affecting the substance of the bill.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
LESLIE C. ARENDS,
Managers on the Part of the House.

Mr. VINSON. Mr. Speaker, as the statement will disclose, the viewpoint of the House prevailed in the conference; that is, the bill is practically agreed to as it passed the House. We did change the word "doctors" and call them "physicians"; and we tried to broaden the function of the advisory committee. That is the only thing that happened in conference.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

JURISDICTION CONFERRED ON COURTS OF THE STATE OF NEW YORK WITH RESPECT TO CIVIL ACTIONS BETWEEN INDIANS

Mr. MORRIS. Mr. Speaker, I call up the conference report on the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 3040)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following: *"Provided,* That the governing

body of any recognized tribe of Indians in the State of New York shall have the right to declare, by appropriate enactment prior to the effective date of this Act, those tribal laws and customs which they desire to preserve, which, on certification to the Secretary of the Interior by the governing body of such tribe shall be published in the Federal Register and thereafter shall govern in all civil cases involving reservation Indians when the subject matter of such tribal laws and customs is involved or at issue, but nothing herein contained shall be construed to prevent such courts from recognizing and giving effect to any tribal law or custom which may be proven to the satisfaction of such courts:"; and the House agree to same.

That the Senate recede from its disagreement to the amendment of the House numbered 2 and agree to the same.

J. HARDIN PETERSON,
TOBY MORRIS,
WESLEY A. D'EWART,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
ERNEST W. MCFARLAND,
GUY CORDON,
HERBERT H. LEHMAN,
HUGH BUTLER,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, submit the following statement in explanation of the effect of action agreed upon by the conferees and recommended in the accompanying conference report:

The effect and result of the action taken by the conferees is:

(1) That the Senate bill, as passed by the Senate, is amended as follows:

Page 2, line 2, the words "within one year from the date" are stricken and the words "prior to the effective date" are added in lieu thereof.

This simply means that the Indians involved will have 2 years from the date of the passage of the act instead of 1 year from the date of the act to compile their customs and laws as set out in the bill.

(2) That on page 2, line 8, of the bill, following the word "issue", a comma is inserted and the following: "but nothing herein contained shall be construed to prevent such courts from recognizing and giving effect to any tribal law or custom which may be proved to the satisfaction of such courts."

(3) The following was added to section 1 of the bill: "That nothing herein contained shall be construed as conferring jurisdiction on the courts of the State of New York or making applicable the laws of the State of New York in civil actions involving Indian lands or claims with respect thereto which relate to transactions or events transpiring prior to the effective date of this Act."

J. HARDIN PETERSON,
TOBY MORRIS,
WESLEY A. D'EWART,
Managers on the Part of the House.

Mr. MORRIS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

DESIGNATION OF ACTING CLERK

The SPEAKER laid before the House the following communication, which was read by the Clerk:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., September 1, 1950.

The Honorable the SPEAKER,
House of Representatives.

SIR: Desiring to be temporarily absent from my office, I hereby designate Mr. H. H. Morris, an official in my office, to sign any and all papers and do all other acts for me which he would be authorized to do by virtue of this designation and of clause 4, rule III, of the House.

Respectfully,

RALPH R. ROBERTS,
Clerk of the House of Representatives.

MEETINGS OF THE HOUSE UNTIL SEPTEMBER 11

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Tuesday next; that when the House adjourns on Tuesday next it adjourn to meet on Friday, September 8, 1950; that when the House adjourns on Friday, September 8, 1950, it adjourn to meet on the following Monday, September 11, 1950.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AUTHORIZATION TO RECEIVE MESSAGES AND SIGN ENROLLED BILLS OR JOINT RESOLUTIONS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Tuesday next the Clerk be authorized to receive messages from the Senate and that the Speaker or Speaker pro tempore be authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

MEETING PLACE OF THE HOUSE ON AND AFTER SEPTEMBER 5

Mr. PRIEST. Mr. Speaker, I present a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 838

Resolved, That when this House adjourns on Friday, September 1, 1950, it will adjourn to meet in the caucus room in the New House Office Building on Tuesday, September 5, 1950, and it shall continue to meet there until otherwise ordered.

Resolved, That all rules relating to the Hall of the House shall be applicable to the caucus room.

Resolved, That the Clerk communicate these resolutions to the President of the United States and to the Senate of the United States.

The resolution was agreed to.

LEGISLATIVE BUSINESS FOR NEXT WEEK

Mr. MICHENER. Mr. Speaker, the gentleman from Tennessee just secured a unanimous-consent request that the House recess tonight until next week, and that there be 3-day recesses until a week from next Monday. At those sessions, will speeches be permitted and will there be any business transacted excepting to meet and adjourn?

The SPEAKER. The Chair may say that the Speaker pro tempore will have the right to name conferees and receive messages. Otherwise the House will meet, prayer will be offered, the Journal will be read, and the House will then adjourn.

Mr. MICHENER. I thank the Chair.

PERSONAL ANNOUNCEMENT

Mr. FULTON. Mr. Speaker, on yesterday I was in New York City attending a session of the United Nations Security Council, engaged in official work; hence I was absent from the floor.

EXTENSION OF REMARKS

Mr. JACKSON of Washington asked and was given permission to extend his remarks.

Mr. ALLEN of Illinois (at the request of Mr. ARENDS) was given permission to extend his remarks and include an essay.

Mr. SADLAK asked and was given permission to extend his remarks.

Mr. CANNON (at the request of Mr. BATES of Kentucky) was given permission to extend his remarks and include a letter from the Director of the Budget.

Mrs. BOLTON of Ohio asked and was given permission to extend her remarks in two instances.

Mr. JAVITS asked and was given permission to extend his remarks and include extraneous matter.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the special order which I have for today be incorporated in the RECORD immediately following the remarks of the gentleman from Connecticut [Mr. SADLAK] on the invasion of Poland.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SPECIAL ORDER

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the special order which I have for today be transferred to Monday, September 11.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE SACRED CAUSE OF POLAND

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, today marks the eleventh anniversary of the iniquitous Nazi attack on Poland. In that unspeakable infamy the gallant and noble Polish people became the first, in the then free world, to feel the bitter sting of the tyrant's lash in World War

II. Thus, a brave, free nation, embracing a peace-seeking, liberty-loving, devoted Christian people, was brutally assaulted by international brigands, who disregarded all the laws of God and man and contravened the expressed terms of existing and valid nonaggression pacts.

It will be recalled that at that time, Poland was a member in good standing of the League of Nations and an ally of France and Great Britain. Her people had struggled long and sacrificed bitterly to establish their free Government. Yet, without provocation and without warning, Hitler's hordes attacked Poland on September 1, 1939, just as the Soviet-led, Moscow-directed forces of North Korea attacked the democratic-minded people of South Korea about 2 months ago.

The duplicity and treachery behind this attack on Poland constitutes one of the blackest pages in world history. Although at the time pretending friendship for Poland, Stalin approved the Soviet-German Treaty and connived with Hitler by ordering his own troops to invade Poland on September 17, 1939. This treacherous act effectually prevented the armed forces of Poland from putting up effective resistance to the Nazi invaders. What followed is history. At a later meeting at Moscow, attended by representatives of the Nazi and Soviet states, Poland was put on the carving block and cut up between Nazi Germany and Soviet Russia.

In the meantime, one great aggressor against freedom has been dispatched by force of arms. Has that fact stopped aggression in the world? It has not. In place of the old one a new and even more widely spread and subtly organized aggressor lifts his ugly head and casts a cloud upon freedom-loving peoples throughout the world. Hitler has been liquidated but Stalin has taken his place preaching the gospel of hate against his fellow man and carrying the torch of rebellion, insurrection, and conspiracy to the far corners of the earth. This new aggressor, which now menaces the peace of the entire world, has already, by various means, acquired not only helpless, defenseless Poland but twelve other great independent nations, including China.

It is to the everlasting credit and glory of the Polish people that they have never surrendered their rights, they have never forfeited their freedom, they have never bowed to enslavement, they have never ceased their resistance to tyranny. To the contrary, this brave, courageous people are still asserting the sovereignty of their nation, still working for liberation from Russian bondage, still ready to sacrifice to recover the liberties which were stolen away from them by a shameless perfidy and armed might. The united nation of Poland stands today before the whole world proclaiming its independence to all, reiterating its determination to strive and fight until its freedom has been regained. We welcomed our Polish allies during the war. We are proud of their loyal, unswerving allegiance to the ideals of democracy and freedom, which we, ourselves, profess. We are grateful for their loyal support of our cause and the association which we have had with them in fighting against common enemies of freedom.

So, today in the name of freedom, let us reiterate our loyalty to Poland and her sacred cause of liberty. Let us express our determination that she will be liberated from the oppressor and be restored in her place among free nations. Let us renounce the unconscionable agreements by which she was consigned to Soviet domination.

On this tragic anniversary of her invasion, let all true Americans rally to her side, encouraging her leaders and her sons and daughters, who are still fighting to recapture their liberties, pledging our assistance to them in their struggle for independence, offering our friendship, our support, our help to them in this hour of their great trial.

May the day soon come, pray God, when Poland is freed from the chains of slavery and restored to her status as a free and independent nation.

THE PERSECUTION OF POLAND MUST END

Mr. DONOHUE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Speaker, the American people are being reminded this week that it was 11 years ago that Nazi Germany unleashed its armed might and its world ambitions upon its neighboring state of Poland. But 11 years is a long time, and memories are short. Few, indeed, I venture to say, among the millions of readers of the various articles in the press and elsewhere, have stopped to consider the vast sufferings and injustices that have been heaped and still are weighing heavily upon the distressed people of that unfortunate country.

Still less has there been any concerted demand that the democratic nations of the world rise in righteous wrath and demand freedom for Poland or even the lightening of the burden of oppression which now rests so heavily upon the brave people of Poland who fought so valiantly, all alone, to stem the tide of Nazi brutality and oppression.

In those 11 years the people of Poland—those who survived—have had various dictators, first the Russians, then the Nazis, and finally the Moscow-dominated Communist leaders who still rule Poland with an iron and brutal hand.

Those of us who, on happy occasions before the war, have joined with the Polish groups in our midst to rejoice with them in the prospering condition of their beloved homeland, are sad indeed at their condition now, particularly when we recall the contribution made by the valiant Polish people in the early days of World War II. How sadly has the world failed them, since their fair land was first overrun and despoiled by the Nazi hordes in September of 1939.

It is particularly appropriate to remind the American people that the forces of aggression and imperialism, which our own boys are fighting and dying in opposition to in Korea, are the same forces of evil which threatened Poland and the world back in 1939.

Let us make sure, through concerted action in the United Nations, that our war objectives, this time, emphatically call for the liberation of the people of Poland, and the other small oppressed nations who are still held in the iron bonds of brutal communistic subjugation. Until the freedom of Poland is accomplished, America cannot face the world with a clear conscience. The time to pursue that objective is right now.

HERNANDO J. ABAYA ET AL.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the bill (S. 294) for the relief of Hernando J. Abaya, his wife, and two children, be recommitted to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1271. An act for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.;

H. R. 2233. An act conferring jurisdiction upon the United States District Court for the Territory of Hawaii to hear, determine, and render judgment upon the claim of Ewa Plantation, a Hawaiian corporation;

H. R. 7302. An act to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes;

H. R. 8028. An act to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.;

H. R. 9038. An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes; and

H. J. Res. 537. Joint resolution making emergency appropriations for the fiscal year 1951, and for other purposes.

ANNIVERSARY OF THE INVASION OF POLAND

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, 11 years ago, on September 1, 1939, the peace-loving Polish nation was treacherously attacked by Hitler, who embarked on his armed conquest of Europe. Without a declaration of war, the German mechanized army and German air force—then the most powerful in the world—started a barbarous bombardment of open cities, peaceful towns

and villages and upon Polish women, old people, and children crowding the highways seeking refuge.

Hitler's attack on Poland and the beginning of the Second World War, the consequences of which continue to be so badly felt by all humanity, came as a direct result of his agreement with Stalin. The two bloody dictators representing German and Russian totalitarianism and imperialism signed an agreement on the partition of Poland in Moscow on August 23, 1939. The two totalitarianisms—brown and red—reached this agreement without much difficulty because both Hitler and Stalin considered this pact to be of great mutual advantage. Hitler received Stalin's approval to start war against Poland together with Stalin's assurances of his friendly attitude toward Germany in case of Germany's war against Great Britain and France. Without Stalin's approval, Hitler would probably never have taken such a great risk. It is my belief that Stalin had never forgotten that the great defeat inflicted by Poland on the Red Army in the battle of Warsaw, in August 1920, checked and thwarted the victorious advance of the Communist revolution on western Europe. A free and independent Poland was for Stalin a great obstacle preventing any attempt at communizing the western world and provoking a world Communist revolution. This obstacle had to be destroyed. The Kremlin could overcome this obstacle by an outbreak of war involving Poland; it was aware that the war would not be limited to Germany and Poland, but that it would spread at least to all of western Europe. Russia would watch this war in armed preparedness and at the most advantageous moment—when both fighting sides shed enough of their blood—she would enter the war with her unweakened power to seize the fruits of victory and introduce the Communist system in the whole world.

Stalin's plan was temporarily halted by Hitler's unexpected attack on Russia in 1941. Before this happened, however, Russia not only enabled Hitler to start his war activities against Poland and the west but even aided him considerably with her arms. When literally the entire Polish nation—not excluding the old and the children—was engaged in its heroic fight against the merciless Hitlerite aggressor, the Russian army, like the German army, without a formal declaration of war invaded the eastern territories of Poland on September 17, 1939, administering a deadly stab in the back to the Polish army fighting the Germans.

The Polish nation was the first to defend its freedom and independence with arms and checked further appeasement of Hitler and his conquest of many nations in a cheap manner. The Poles carried on the fight against overwhelming technical and numerical forces of the enemy—alone—without any outside help. The fighting lasted only for a few weeks. The German war machine, however, suffered heavy losses. By engaging the German military power on Polish soil, Poland rendered Great Britain and France incalculable assistance, giving them several months of priceless time for the preparation of the defense of their own countries.

Russia wanted Hitler to fully appreciate the treacherous aid she rendered to Hitler in the conquest of Poland. For this reason, Molotov in his well-known speech of October 31, 1939, in the Supreme Council of the U. S. S. R. clearly stressed the coresponsibility of Russia for the outbreak of war:

> One quick strike on Poland—
>
> Said Molotov—
>
> first by the German Army and then by the Soviet Army and nothing was left of the ugly bastard of the Versailles Treaty * * * nothing helped Poland, neither British nor French guaranties.

For Poles the fight against the brutal force of totalitarianism did not end in September of 1939. September of 1939 was only the beginning of the bloody and always heroic fight of the Polish nation carried on without respite in Poland and abroad. In Poland the Hitlerite aggressor took revenge because Poland did not follow others in capitulating and surrendering without fighting but, on the contrary, by fighting inflicted heavy losses on the Nazis. This revenge was a determined extermination and destruction of the Polish nation using methods whose monstrosity is beyond most exuberant imagination. The Russian aggressor, not to be outdone in the destruction of the Polish nation by his Hitlerite ally, used an indescribable terror throughout the Polish territories occupied by him and started mass deportation of the Polish population to Siberia. This deportation was interrupted only by Hitler's attack on Russia in June 1941. Until that time, Russia succeeded in deporting over one and a half million of Poles. The horrible conditions in which the deported Polish people found themselves in Russia cannot be described. The tragedy of the Polish officers and soldiers taken by Russia as prisoners of war in 1939 is not describable either. The graves of about 15,000 Polish officers and soldiers, prisoners of war, murdered by the Soviets in Katyn in the spring of 1940, were discovered in 1943. Who knows whether new Katyns will not be discovered in the future. The officers and soldiers with their hands tied in the back were shot in the back of their heads in the same manner that reportedly American prisoners of war are shot to death in Korea today. The guilty of the Katyn crime have not yet been punished.

The answer of the Polish population to the terror and persecution was the organization of the biggest and best underground movement in Europe—underground government schools, press, and an underground army several hundred thousand strong.

Abroad the Polish army, which by the end of war reached several hundred thousand of soldiers, fought with great heroism and sacrifice side by side with the Allied armies on all the fronts—in Norway, in France, in the battle of Britain where the Polish airmen shot down 10 percent of the total number of German planes shot over Britain, in Libya, in Italy, and again in France, Belgium, and Holland. The small, but heroic, Polish Navy gained admiration of the powerful Allied navies.

The cost of the heroic fight made by Poland commencing on September 1, 1939, in human losses alone, were some 6,000,000 people. The losses of the Polish civilian population are seven times higher than the civil and military losses of all the western nations taken together.

Such a stand of Poles earned them the name of "inspiration of the nations" and "conscience of the world." For they fought not only in the defense of their own freedom but also in the defense of the threatened freedom of the whole world. The western democracies assured the Polish nation repeatedly that its great sacrifices will not be in vain, and it will regain independence and freedom. The Polish nation believed fully in these assurances.

Unfortunately, the victorious end of the war against Germany did not bring the well-deserved and longed-for freedom and independence to the Polish nation, which suffered under brown tyranny and under the Red tyranny. Surely freedom and independence were earned by the Poles for fulfilling its duty beyond glory. The western democracies bear the responsibility, we Americans, who have not kept our promises given to Poland are responsible for it. Our administration is guilty because in Tehran and Yalta it agreed to turn Poland over to the Soviet sphere of interest; turned over to Soviet bondage and completely abandoned by the western democracies after the war, the Polish nation has already fought two major battles with the Communist regime imposed upon it by Moscow. The first one in the so-called referendum of 1946 and the second in the parliamentary election in January 1947 when Moscow, with the aid of its agents and use of brutal force, falsified and violated the will of the Polish nation, imposing a bloody Communist regime on the Polish people so strongly loving freedom and democracy. Seeing the indifference of the Western Powers to the fate of the Polish nation, Moscow even ceased to use any pretenses of Poland's independence, appointing Marshal Rokossovski, one of its most trusted marshals, the dictator of Poland.

Russia, with impunity, violated all her obligations toward Poland, and ruling over Poland indivisibly, in a most cynical manner, prepares Poles as cannon fodder for the armed clash with the western democracies in its endeavors to force communism over the whole world.

Raising my voice today in this House on the eleventh anniversary of Hitler's invasion of Poland, I strongly urge your wholehearted endorsement of the following five-point program, which course of action I believe and hope will lead to the eventual emancipation of Poland:

First. To pay tribute to all the Poles who lost their lives since September 1939 in the fight for their freedom and freedom of all humanity.

Second. To assure the Polish nation groaning under the yoke of Moscow that the United States has not abandoned it

and has not forgotten it and that the moment approaches when the Polish nation will regain its so well-deserved freedom and independence.

Third. To express my conviction that the cause of Poland be brought before the United Nations and Russia should be charged as her aggressor who violated all the international agreements concerning Poland and finally deprived Poland of her independence.

Fourth. The diplomatic relations with the Communist regime forced on Poland should be broken.

Fifth. Recognize as invalid the agreements concluded at Yalta and Tehran, which helped to bring about the present state of affairs in Poland.

Mr. MARTIN of Massachusetts. Mr. Speaker, today marks the eleventh anniversary of the invasion of Poland by German troops, under the infamous secret agreement of Moscow, August 23, 1939, between Hitler and Stalin. Under that treacherous act of joint aggression the two police state dictators, on September 1, 1939, fired the opening salvos of World War II—a war, alas, which appears not yet to have ended in the lasting peace so glibly promised.

Today the Red Fascists of Moscow carry on Hitler's evil work in every quarter of the globe, and sabotage the peace efforts of the United Nations in the same manner that Hitler's dialectitians formerly destroyed the League of Nations.

The betrayal and spoliation of Poland by the two ruthless invaders under the Molotov-Von Ribbentrop pact, typifies the whole hateful system of dictator diplomacy from which the world still suffers. Dictator-diplomacy moves by secret agreements to make men, women, and children mere pawns and puppets of the selfish, power-grasping masters of the state. Dictator-diplomacy hurls whole peoples and whole continents into violent wars at the secret whim of some head man. The people who fight and pay the frightful cost of war and pillage know only what their masters choose to tell them. By this system, Poland was partitioned, despoiled, trampled upon by cruel invaders, and finally delivered into the bitter endless night of Godless communism.

Poland has been the victim of European power politics. Her territorial integrity violated in 1939 by force of arms, her national independence was a thing of the past by 1941. And in November 1943 the secret diplomacy of the Tehran Conference accepted the Stalin-Hitler partition as a historical fact. The final blow fell upon Poland's aspirations for freedom and independence at Yalta, in February 1945, where the President of the United States and other allies signified tacit consent to Stalin's territorial demands. At the Yalta Conference, the Polish Government in exile was treated as nonexistent. Its rights were sacrificed to appease Russia.

All the history of these troubled times points the same moral—that nations and peoples can live together in peace and harmony, but that dictator-diplomacy makes only for wars and endless strife. Woodrow Wilson stirred the conscience of the world with his plea for open covenants openly arrived at. Ours is the task today to put fundamental morality and decency and personal responsibility back into the system of international relations. So long as human affairs are managed by secret deals and treacherous barters between one-man governments, there will be other Polands, other Koreas, other Formosas, other Chinas, other Czechoslovakias.

But the spirit of freedom is not dead. It has been drugged and benumbed by treachery and betrayal in high places. Today reminds us that we must rededicate ourselves with new zeal and new devotion to the work of freedom. This we can do only by giving power and vitality to the system of faithful representative government, at home and abroad.

Let the people be heard. Give them full information and we need not fear the results.

Poland is now in chains—held in Red bondage. She is obliged to bow to communism. Her every act is dictated by Stalin. All this will change some day.

She will arise once more, a free people, an independent nation where there can be freedom—freedom of the press, freedom of speech, freedom of religion, and opportunity for all.

Mr. BOGGS of Delaware. Mr. Speaker, may I thank the distinguished gentleman from Connecticut, the Honorable ANTONI N. SADLAK, for yielding to me. May I take this opportunity to first state my high regard and esteem for the distinguished gentleman and for his outstanding performance in the Congress of the United States as a Representative of the people of the great State of Connecticut. Not only does the gentleman ably look after the interests and welfare of the citizens of the State of Connecticut, but his understanding, intelligent, and effective approach to the many national problems before the Congress unquestionably reflect the utmost credit upon the citizens of Connecticut in sending such an able person to the Congress and are of immeasurable help and value to our national welfare in the solution of our many and difficult problems in these perilous times. I have always considered it a very great and distinct honor to be associated with my friend, the distinguished and able gentleman from Connecticut, the Honorable ANTONI N. SADLAK.

It is especially a privilege to join with the distinguished gentleman from Connecticut and the many other Members of this House and citizens throughout the United States of America today in recognition of the eleventh anniversary of the attack on Poland which occurred on September 1, 1939, when without provocation and without warning Hitler's troops attacked Poland as a part of his pattern of aggression. This was a brutal attack similar in many respects to the acts of aggression which occurred on June 25, 1950, when Soviet-led troops attacked the free Republic of South Korea.

We should reflect upon this eleventh anniversary of the attack on Poland in light of what has transpired in the course of the past 11 years and in light of today's war situation and the active unprovoked acts of aggression which are actually under way in one form or another throughout the world.

In our reflections today we are first reminded of our long ties with Poland and the freedom-loving people of Poland. These ties are rooted deeply in the spirit which has produced our own independence of government and thought and contributed immeasurably to the growth of our Nation. From our early beginnings of a nation we have been indebted to the freedom-loving people of Poland for their contributions to our national well-being. In this year of 1950 we have among us in America hundreds of thousands of fellow citizens of Polish extraction. They are among our finest citizens and deeply and sincerely devoted to the high principles of liberty and justice for all. Their part in building our great United States of America is unquestioned.

We in America must not forget that a free and democratic Republic of Poland was a true friend of ours. We must not forget that the Polish Army fought at the side of the United States, British, and French troops all through World War II. We must not forget that the people of Poland are today opposed to the Communist rule which has been placed upon them. Poland must not be a forgotten friend.

I am confident that the people of Poland even now live on in the hope that in our world and day liberty will be accomplished. We must reach out in every encouraging way to be of help to the people of Poland and to give them hope to fight on and live to the end that there shall be found means of reestablishing liberty and justice.

Poland shall never die.

Mr. FORD. Mr. Speaker, since its inception as a national group, the Polish nation has been subjected to the expansionist designs of various peoples. Today on the eleventh anniversary of the invasion of Poland by Germany, eventually culminating in World War II, it would benefit all of us here to recall and bear in mind the excruciating pain and suffering which the people of Poland were, and still are, forced to endure.

The seeds of democracy were implanted in Poland over 150 years ago—relatively the same period in which America proclaimed to the world, principles which have inspired all men. We were permitted a long period in which to develop those concepts of the dignity of man and freedom from tyranny. Poland, on the contrary, suffered a far different fate. The despotic nations surrounding her on all sides refused to countenance a nation dedicated to a mode of living which gave to the individual the smallest semblance of liberty. They denied her the right to political, economic, and cultural self-determination. Conquest and partition followed. This has been the lot of Poland to this very hour.

On the 1st of September 1939 Germany launched the world upon another global conflict with the invasion of Poland. The full impact of the aftermath

of this great struggle is still not crystallized. The blood of Polish youth was the first shed in the defense of those ideals and principles which motivated the world to take up arms against national socialism and its degenerate philosophy. This defense of their homeland by the Polish people against overwhelming odds provided the larger continental powers with time to prepare themselves for the imminent struggle with nazism and at the same time to rid themselves of their previous general apathy with regard to German aggression. However, the valiant effort of the Poles—their inspired opposition—was soon overcome by sheer weight of force and they were forced to technically capitulate. Technical capitulation in the exact sense, for thousands fled their homeland to take up the struggle in strange countries. Unfortunately, the end of the war failed to bring the desired results to the Polish people. The courageous fight to free herself from one tyrant has merely resulted in a substitution of ideologies. Communism for nazism is no improvement.

Is there any hope for a free Poland? Few of the Members here doubt the resurgence of Poland as an independent nation. I strongly believe that no nation on earth, with the exception of our own, has demonstrated so convincingly as Poland its desire to enjoy the fruits of democracy and self-determination. These are not hollow-sounding platitudes without force or effect; the people of Poland have dispelled that conception by their contribution to the common struggle in the last great conflict. Such is the spirit which prevails in that stricken land today—such is the spirit which prevails in any land where man attempts to impose his will upon his fellow man without concurrence. Certainly no one would be sufficiently naive to assume that the Polish people have embraced the tenets of communism, nor would any of us further assume that the country has resigned itself to domination by Soviet Russia. To do so would belie facts and mock history.

In this country today, there are millions of Americans of Polish descent. These people exemplify the traditional desire for freedom that is part of the Polish character. Poland will never submit nor long remain dormant so long as hope remains. It is the solemn responsibility of America to assist in every way possible the Polish people who believe in liberty and freedom.

Our faith in her has not waned. It remains steadfast in the hope that this great nation will take her place once again alongside the other nations of the world. To this end the other countries of the world besides the United States must devote their full resources and energy.

POLAND'S SACRIFICE FOR FREEDOM

Mr. SHAFER. Mr. Speaker, today, September 1, 1950, is the eleventh anniversary of the Hitler assault on Poland, which signaled the opening of what turned out to be World War II, besides which, measured by lives lost, property damaged, and unimaginable suffering, every other war before reads like a neighborhood rock battle between two groups of kid gangs.

World War II, as useless as all the other wars of history in that it did not achieve a just and lasting peace but merely prepared the way for a greater and more devastating war, could have been prevented from spreading, if we in America had had wise and courageous and American leadership. Unfortunately for us, unfortunately for the world, our destiny was in the hands of a blind egomaniac at whose beck and call millions of Americans blindly answered. I refer, of course, to none other than the late Roosevelt, whose blunders in the field of diplomacy make the mistakes of all other Presidents before him seem as innocent and as inconsequential as the minor transgressions of children stealing apples.

We in America today are eating of the bitter fruit which Mr. Roosevelt and his willing cohorts were cultivating. All historians of the future, who put aside bias, will place the blame for the spread of World War II squarely on Franklin D. Roosevelt, for he had it within his power many times to keep our great Nation out of the war and to let the two totalitarian Nations—Germany and Russia—fight one another to a standstill.

I think that it is particularly appropriate at this time—this anniversary of the Nazi assault on Poland—to warn our people that it appears we once more are being maneuvered into a major war. Unless our leaders exercise the greatest possible amount of foresight, vision, and courage—political courage at home is what I am talking about—we are destined soon to be engaged in a terrible war. Obviously, with our present second-rate leadership, we will be precariously close to war all the time, for what we have today is not real thoughtful leadership at all, but a poor, benighted, power-seeking group of second-raters who want to hold their jobs at all costs—even at the cost of freedom itself.

It would be well for the American people to consider a few historical facts in relation to Poland and why that hapless nation today lies under the heel of the dictator, Joseph Stalin.

Poland, a free and representative republic, was a true friend of the United States. In 1939, Poland had valid pacts of nonaggression with both Germany and Russia. Poland was a member of the League of Nations and generally was considered to be ideologically an ally of France and Great Britain on the side of freedom against dictatorship.

Without provocation and without warning, the luftwaffe began to pound Poland with bombs and the storm troopers of Herr Hitler began to assault Poland on September 1, 1939, just as Soviet-led troops from North Korea attacked South Korea on June 25, 1950. As was well known at that time and is a matter of historical record, the Hitlerian attack was made possible by Joseph Stalin, who on August 25, 1939, approved the Soviet-German treaty signed by both Von Ribbentrop and by Molotov, as the foreign ministers of Germany and Russia at that time. Von Ribbentrop since has been tried and hanged in Nuremberg, but Molotov even today is conspiring in Communist-dominated China against the free nations of the world.

Acting in harmony with Hitler, Stalin on September 17, 1939, ordered his Russian troops to invade Poland, thus preventing that hapless nation from carrying on effective resistance against the Nazi invaders. All was lost for Poland on the field of battle.

Subsequently, as history shows plainly, the carrions from Berlin and Moscow gathered at Moscow and divided the spoils of war, like any two birds of prey could be expected to do.

Neither during the remainder of World War II, nor afterward, would the Polish people accept defeat as anything but temporary. Poles formed a free Polish army in Great Britain and fought at the side of the United States, Britain, and France all through the war.

After the defeat of the Germans, it was expected by every intelligent non-Communist person in the United States and by 90 percent of the Polish people that the nation would be reconstituted as a free government. But at Yalta Franklin D. Roosevelt penned his name callously and carelessly to one of the most infamous diplomatic documents ever framed and signed by a representative of the United States. With one stroke of his pen, an aged and senile President, a pale shadow of a man, signed away the civil and legal rights of a formerly free people—the Poles. Franklin D. Roosevelt literally sold the Polish people into Communist slavery. All history bears out this statement and there is not a single historian of any repute who will deny it. That was a sad day for Poland. That was a sad day for freedom. That was a sad day for every true American. At Yalta, there was written into an agreement between a gang of brigands and the representatives of our free Government one of the most infamous, damnable, contemptible, despicable agreements ever concocted in the subtle and sly mind of Joe Stalin and company. We are suffering the consequences, the Poles are suffering the consequences, and the cause of freedom is suffering the consequences.

May God grant to every American a desire to learn and a will to learn the facts of what our own second-rate New Deal and Fair Deal leaders have done to the world during the past 5 years by refusing to do the things they should have done and by doing many things they should not have done.

Dean Acheson, the craven and spineless Secretary of State who ought to be impeached, and for whose impeachment I am certain I would vote if the evidence of his misguidance were presented to this body, was a member of a law firm that helped to obtain millions of dollars for the Communist Government set up in Poland following the disastrous diplomatic results of Yalta. Oscar Lange, who gave up his American citizenship to become the first Communist Polish Ambassador to this country, now is in Poland, a sad and disillusioned man. He has found out just how little freedom the Communists really give. He and Dean Acheson were the firmest of friends in the diplomatic corps, engaging in

many delightful tête-à-têtes at cocktail parties and teas. Mr. Acheson has been a good friend to all the Soviet diplomats and to all the Soviet-satellite diplomats. He just loves to go around balancing teacups and exchanging pleasantries with them. If giving away another country, or selling another nation into bondage, becomes involved in the argument, he knows how to agree with a flick of his wrist and can always get some titters from the perfectly delightful ladies who attend such parties. He is a wonderful Red entertainer, and no one has ever been more adept at funneling money from the American Treasury into the Soviet satellite nations than Dean Acheson.

Today, let all true Americans think of Poland and ponder the lessons of its recent past. Today, let all true Americans resolve that they will never rest as long as there stays in public office a single man who helped to bring proud and free Poland to its knees before the cruelest and most murderous set of pirates—the Soviet Russians—in the history of the world.

Mr. LODGE. Mr. Speaker, I think it appropriate that on this day we recall the fiendish and brutal attack made on the people of Poland 11 years ago by Hitler's armies.

It is particularly appropriate at this sad time when American young men are struggling and bleeding, fighting and dying, in Korea.

Let us remember also on this 1st day of September 1950, that Hitler's attack on Poland would not have been possible had it not been for the Soviet-German treaty signed by Von Ribbentrop and Molotov and approved by Stalin on August 25, 1939. This treachery by Stalin was followed on September 17, 1939, by an invasion of Poland by Russian troops, an invasion which prevented the brave Polish soldiers from effectively resisting the Nazi invaders. Increasingly and inexorably, day after day, we Americans are feeling the terrible impact of Communist aggression, just as did the Poles 11 years ago.

Later in a meeting at Moscow martyred Poland was ruthlessly partitioned between Nazi Germany and Communist Russia.

This unwarranted and unbelievable act of aggression by these two powers received a sort of subtle sanction by the agreement made at Yalta in 1945, following which our ally Poland became enslaved. We, today, are paying a terrible price for this failure to live up to principle, for this cynical resort to expediency, for this gross miscalculation as to Soviet intentions.

At the time of this invasion, Poland, a free and democratic republic and a true and tested friend of the United States, was party to two pacts of nonaggression—one with Germany and one with Soviet Russia. Thus, there occurred the barefaced repetition of the barbaric doctrine that a treaty is but a scrap of paper to be torn up and disregarded at will.

The Polish people were the first to fight the Nazi tyrants; they were the first to be conquered by the Communist barbarians. By means of the iniquitous Yalta agreement and through bribery, corruption, intimidation, and coercion, they have been deprived of the freedom which they had so richly earned by their persistent and heroic efforts during the years of titanic struggle.

In every war since the eighteenth century Polish patriots have fought in the cause of freedom. In fact, Poland's record as a fighting nation—as an unswervingly faithful ally, as the only nation which, regardless of Hitler's unprecedented barbarisms, never produced a quisling—stands out unexcelled.

Today, as in the past, Poland is a nation of fighters—of defenders. Although subjugated by the evil Communist hordes. the spirit which has sustained the people of Poland through the many attacks which history records is still as strong, as indomitable as ever.

Let us recognize the shameful fact that Poland has suffered, not only at the hands of her enemies but also by her association with those who posed as friends. Let us also recognize that much of the threat to American national security and to world peace, for the protection of which we are now involved in a so-called police action in Korea, flows from the ignominious betrayal of Poland at Yalta.

In a speech which I delivered on Sunday, May 4, 1947, I stated:

> It appears to many Americans that we have not only sacrificed moral principle but also needlessly weakened our strategic and economic position in a confused effort to preserve by appeasement something of what we gained by force of arms. These concessions, largely predicated on our military position at the war's end, make it increasingly difficult for us to use our strength to achieve the peace which is the declared purpose of the United Nations organization.

Surely the present tragic events in the Far East amply justify the conclusion that the wrong toward Poland which we committed at Yalta set the tone for an attitude which has brought us to the present dangerous situation.

It is altogether fitting that we should pause amid the hectic rush of our daily lives to recall this unprovoked act of aggression. We now have in Korea conclusive and lamentable proof—if, indeed, proof were needed—that the enslavement of Poland is a direct threat to the freedom of the United States.

Strong cultural and political ties between the people of America and the people of Poland have long existed. Through the years many fine citizens of Poland have come to this country to lend their talents, their industry, and their loyalty to the development of this great Nation and to become a precious part of the social fabric of America. During World War II, members of the Polish armed forces fought with heroic determination to vanquish the common enemy. They gave their lives in a common cause.

Let us remember the millions of freedom-loving Poles who, while we meet here, are languishing in the stench of the concentration camps and in the terror of the torture chambers created for them by those who started the cruel Korean war. Let us say to ourselves, "There, but for the grace of God, go I." Let us resolve that this is no time for business as usual, no time for politics as usual; let us understand that our very survival as a free people is at stake; let us realize that our destiny is inextricably enmeshed with the destiny of Poland. If we do not take vigorous action now, their fate will be our fate.

THE VOICE OF POLAND WARNS US TO BEWARE

Mr. LANE. Mr. Speaker, this day marks the eleventh anniversary of the attack on Poland, an event which brought the struggle between freedom and tyranny out into the open.

One combination of dictators has been defeated after a costly global war.

Another remains, carrying on a war of attrition against the peace of the world, while it strengthens itself for the day of all-out assault.

Poland was crushed between these two dictators who were bound together all the time in an alliance founded on fear and hate.

One of those powers has been defeated, but the other has taken over the vacuum that was left, and to it has added conquests by conspiracy that have created a danger far more threatening than any the free nations have ever faced before.

In 1939, Poland knew that she could not possibly survive against the forces that moved against her like a giant nutcracker.

Why then did she resist when resistance was hopeless?

To warn the free world while there was still time and to alert civilization to the courageous and prolonged efforts that would be required for its survival.

Since then, individuals who could not speak a warning to us because of that terror which smothered them, have tried to tell us by their suffering and their sacrifice to beware.

Masaryk, Cardinal Mindszenty, and the woman who flung herself from the room in the Russian consulate in New York where she was imprisoned pending her forced return to Russia, these and many others have spoken to us in a language beyond the control of the secret police. In mute desperation they have attempted to convey to us an understanding of the fact that the strategy of Russian communism, obscure at times, is ever deadly. It is like the claws of a wide enveloping movement that cannot be seen or felt until the trap is sprung.

The voice of Poland was the first to warn us, and it continues to warn us.

The name of Poland is still on the map. It has a government that calls itself Polish. Warsaw is being rebuilt. The language of their forefathers is still heard in the fields and cities. Perhaps the people do not speak as freely as they did before, for it takes time to heal some of the scars that are left by war.

Once it was easy for the Polish people to visit neighboring countries, just as it was possible for Americans of Polish extraction to make trips back to the land of their origin.

But that is no longer possible. Communication is difficult with that nation which is surrounded by the repressive power of communism.

Did I say "surrounded"?

To that I must add infiltrated by communism.

Bit by bit so as to disguise the operation, the Kremlin has added pressure upon pressure until Poland is now a sovereign nation in name only.

Of course Stalin promised the United States and Britain that the independence of Poland would be preserved and that free elections would be guaranteed. And the result? Poland is still an area and a people and elections, or at least something that bears a very faint resemblance to such, have been held. Russia has completely twisted the words of international agreements to suit her own purpose. She has observed the letter of the law, as interpreted by herself, while completely violating its substance.

Poland exists as a slave state of the Soviet Union, governed by puppets who dance to the tune played by their Communist masters.

By every studied device to confuse, trick, and blackmail, Moscow has taken physical possession of Poland. She tries to conceal her sly conquest by maintaining the outward and empty forms of Polish sovereignty.

This does not fool the world and it does not fool the Polish people. The Poles have been overwhelmed by the Russians before but, drawing from past experience, they know that they have the faith and patience to outlast their conquerors. And if the Communists think that they can break the Christian faith which alone stands in the way of complete control, they are mistaken. There can be no truce between the two and, in the end, the right will prevail.

Without religion there would be no hope or aspiration beyond the bare materialism that communism preaches. There would be no restraint except brute power exercised by the few who put themselves above the moral law. There would be no common ground for trust and confidence among men.

It is of this that the people of Poland would warn us.

Never trust the leaders of communism, for they are men who are devoid of conscience.

Having rejected all authority but that of their own making, they will enter into agreements and as easily break them to suit their convenience only.

Even as they are conducting peace offensives they are waging war.

Remember Munich and how the men who desperately yearned for peace were victimized by those who would swear to anything, with tongue in cheek?

Hitler was a confidence man before he took off the kid gloves, but even he was an amateur compared with Stalin. The Communist leader has made a science of treason. First he catalogs every decent impulse and every latent weakness in a man or in a nation. Then he plays upon these hopes and these fears with an effective technique or betrayal.

We the people of Poland know.

So many of our people have been taken away to a slavery worse than the subjection in which we live.

Why?

Because they dared to believe in God, in reason, justice, and mercy.

For that they are imprisoned in a slave-labor camp where we can only pray that death will befriend them.

And the strange part of it is that their jailers walk and talk like men.

That is the illusion that one must be on guard against. The Communists look like human beings and one is inclined to deal with them in the hope that they will learn to cooperate.

That is the fatal mistake.

Communism is the doctrine of expediency that will reverse its pledged word every time it can gain an advantage by so doing.

Once you start making concessions to communism you are opening the door to further concessions that lead to final defeat.

Take warning from the three members of the Polish Embassy in Washington who resigned their positions and begged for sanctuary in the United States. They predict that Russia will annex Poland, formally, before this time next year.

We in Poland hope that such examples will open your eyes.

We know that we have friends and compatriots in the United States, which is the last rallying point for the cause of freedom; if we here fail to oppose communistic power and deception with a power and a vigilance and a positive program to contain and defeat communism.

The Polish nation, although captive, does not yield.

As we must not yield to the illusion that diplomatic double talk will see us through the danger.

On this anniversary of Poland's brave stand against aggression, it is timely that we also face up to it and prepare to resist and push forward in every way against communism which is the sworn enemy of all that we cherish.

POLAND—MARTYR OF DEMOCRACY

Mr. SABATH. Mr. Speaker, Friday, September 1, 1950, marks the eleventh anniversary of the commencement of the dastardly rape of Poland, which was the ignition spark of the most colossal conflagration of all time. On that dark day in 1939 the hordes of the insane dictator launched the attack on a peace-loving nation, initiated the devastation, destruction, and unbelievable inhumanity of World War II. Later this dictator was joined by another vulture, and in a short space of time the worthy, industrious people of this proud, forward-looking, democratic nation were, without the semblance of any justice, crushed under the iron heel of the most sinister and diabolical dictatorship in all history.

This anniversary is particularly significant to the free peoples of our and other lands today, when our boys are facing this same sort of tyranny in far-away Korea, bent on thwarting the further expansion of this dictatorial despotism over a democratic small nation—yes, threatening the very lives and freedom of our own people in this, the last great bulwark of democracy. As a giant octopus this dangerous destroyer of freedom and liberty, autonomy and self-government, has pointed its tentacles to all of the strategic areas of the world, fomenting discord and strife, disrupting all efforts toward world peace, saddling upon the peoples of all nations untold burdens of taxation, delaying for years to come the development of the peaceful economies of nations tired and weary of war and its frightful consequences.

The history of this country has unmistakably and indelibly pointed up the fact that dictators consider solemn, well-meaning treaties as mere scraps of paper. In 1939 Poland had two valid pacts of nonaggression with Germany and Russia. Poland was a member of the League of Nations and an ally of France and Great Britain, as well as maintaining traditional friendship with the United States. With no advance warning, and without the slightest provocation, Hitler's might swept over the fertile plains of Poland on September 1, 1939, wreaking devastation and destruction, terrorizing its aged, men, women, and children, separating families from their loved ones, filling its concentration camps with those who dared fight for the freedom they loved. This attack was engineered by Stalin, who on August 25, 1939, approved the Soviet-German treaty, signed by the infamous Von Ribbentrop who was later tried and hanged at Nuremberg, and by the cool and calculating Molotov, who is still dealing in slavery, duplicity, mendacity, and inhumanity.

The teamwork of Hitler and Stalin resulted in the second invasion of Poland by Russia on September 17, 1939, with the avowed purpose of again partitioning Poland. With war thus thrust upon it from two sides, this gallant small nation, victim of so much mistreatment, was prevented from further resisting the Nazi hordes and was forced to capitulate. Thus conquered by sheer force of numbers, it was but a short time when the brave little nation was cut in two by these overlords of oppression, the worst since Attila and Torquemada.

The Polish people have never accepted defeat and enslavement. Remnants of its gallant army fought unstintedly on the side of the Allies during all of World War II, just as its fighting leaders did in large numbers during World War I. Endowed with a deeply religious spirit, these fine people will never give up their innate thirst for freedom and liberty. Throughout all history this indomitable spirit has evidenced itself. In the many dark years they have faced there has always been present that inextinguishable spiritual light that creates continuous hope and determination for ultimate freedom, peace, and a rightful position among democratic nations. The spirit of ultimate triumph over cruel oppression and enslavement will continue to be the hope and prayer of Poles everywhere. The words of Adam Mickiewicz in his Book of the Polish Nation, written in 1932, are more meaningful today than ever before. In this publication he said:

> The Polish nation will not die. * * * Its body lies in the grave, * * * but on the third day the soul shall return to the body and the nation shall arise and free all the peoples of Europe from slavery.

Yes, Poland will again be fully free in fact, and with the guidance of an all-

wise Providence, may the day be speeded when Poles and all other oppressed small nations will again enjoy the blessings of freedom, liberty, peace, and unity.

POLAND WILL RISE AGAIN

Mr. MADDEN. Mr. Speaker, September 1, 1950, marks the eleventh anniversary of the attack on Poland. Adolf Hitler, on this day, 11 years ago, by marching his Panzer Division within the borders of a nation whose only desire was self-government and to live in peaceful relations with its neighbors and the rest of the world. Hitler, Mussolini, and lesser dictators of that day have passed on into defeat and disgrace. Today we have another dictator who has failed to recognize or profit from the records of modern and ancient history as to the sure and certain fate of destruction which falls on the heads of all dictators and aggressors.

Eleven years ago this unwarranted and malicious attack upon the free nation of Poland by Hitler's Nazi troops and the subsequent desecration of Poland by a communistic dictator to the east, both of these international bandits had only one purpose and that was to destroy the free Polish Government and secure control of the Polish nation. Poland at that time was an ally of France and Great Britain and a true friend of the United States and was a party to two valid nonagression pacts with both Germany and Soviet Russia. This valiant country which lies eastward of Nazi Germany and westward of communistic Russia has been the victim of savage and malicious warfare; the most deceitful and hypocritical diplomacy and the most outrageous international injustice inflicted on any nation in generations. The annals of history record that this brave country has been too often called upon to suffer attack, oppression, and cruelty at the hands of tyrants who from time to time throughout history have ruled their neighboring nations. On numerous occasions in its centuries of history, Poland has had its birthright stolen by conquering nations who have at various times endeavored to enslave the Polish people, but have failed to long dominate this heroic country. On numerous occasions in history, Poland's treasured and fertile lands and its beautiful cities have been ravaged by conquering hordes, but Poland has always succeeded in eventually ousting the tyrant to again enjoy free and independent government.

Poland has had indeed a history of sadness and a history of magnificence. This nation has had numerous reverses which caused it to sink to low depths, but it always fought its way back triumphantly to greatness and glory. Partitions and conquests have marred Poland's long and illustrious record, but today the true Pole, whether in his native land or in lands throughout the globe, is fighting for the restoration of his beloved homeland.

Following World War I, Poland enjoyed a new and successful rebirth after a long period of existence under the control of despotic regimes, brought about by one of its several partitions. After the humiliating revolution in Russia during and after World War I, Poland reemerged and was rising once again to its former heights. The German empire was crushed as Poland was reborn. Once again Poland had taken up her birthright. With remarkable energy, she reorganized her government and her economy and set about to take her rightful place as one of the independent nations of the world. Under the great leadership and direction of the great Paderewski and the indomitable Pilsudski, she rapidly became a power in the councils of Europe. She could have then easily crushed the leadership which had seized the reins of power in Russia, but Poland chose to respect her neighbors and remain in peace and extended tolerance to her erstwhile enemies who then lay helpless in defeat. Poland chose to pursue the paths of peace and rebuild for the welfare of its people and the prosperity of the world.

In 1932, Poland in all good faith executed a nonaggression pact with Russia. Later she executed one with Germany. And then came 1939, when Nazi Germany without justification or shadow of provocation, violated its solemn treaty obligation and invaded Poland. The history of the valiant fight which Poland and the Polish heroes and heroines carried on within the borders of Poland, in north Africa, France, and on the bloody hill of Monte Cassino, reveals the true spirit that has kept the nation of Poland alive over the centuries and will again restore its government when the Stalins and the Molotovs have met the same fate as the Hitlers and the Mussolinis.

The discovery of the graves of over 5,000 Polish officers near Katyn on April 12, 1943, reveals a new low in international banditry, the like of which has never been surpassed in world history. The exhumation of the graves revealed that all of these Polish officers, without exception, had been executed by a shot through the back of the head, which is a long practiced method of Soviet executions.

The graves at Katyn explain the disappearance of approximately 5,000 of the 15,000 Polish officers interned, but the other 10,000 are still unaccounted for. Reliable evidence indicates that these other officers disappeared from their camps about the same time as the massacre at Katyn and possibly they met the same fate at some other Soviet murder forest.

I am recalling these facts today because it is the duty of every loyal American to keep alive in the minds of free nations everywhere the type of criminal intellect which predominates the brain of the present rules of the communistic Soviet regime. It is evident now that the democratic and free nations of the world must marshal all their forces to stamp out the spread of dictatorial aggression and not repeat the mistake that was made after World War I when the isolationists got control of our government and repudiated Woodrow Wilson's League of Nations program.

Had America, the greatest nation of the world, accepted its responsibilities 30 years ago, aggression by dictators could have been stopped in the 1930's and World War II could have been avoided.

We must now rally behind the United Nations, and it is my earnest hope and belief that the steps that we have taken in Korea to stop aggression will eventually lead to the extinction of Stalin and the Soviet regime. When this is done, free government will be restored not only within the Russian borders, but also the patriots within the borders of Poland can again restore a free and independent self-governing Polish nation.

No international organization of the strength and power of the United Nations has ever been functioning in world history. Let us hope that we have found a solution. We must follow through. If we do, Stalin will either be crushed from without or crushed by his own subjects from within and the gallant Polish nation, which has fought so many successful wars in times past, will again achieve the independence, the liberty, and the peace to which she is entitled.

POLAND

Mr. KELLEY of Pennsylvania. Mr. Speaker, under permission to extend my remarks, I am expressing my sentiments in regard to the people of Poland on the eleventh anniversary of their country's invasion by the Nazi army.

There have been many times during the past decade when the Members of Congress have spoken from the floor in tribute to the courageous people of Poland. We sympathized with them during those tragic years when they were subjected to the barbarous and devastating occupation at the hands of Hitler's armies. We sent them words of promise and assurance when allied troops moved forward and undertook to crush the common foe. Once again, we said, Poland was to be free—free to carry on the respected traditions that for centuries made invaluable contributions to the nations of the world, free to live in a peace she has long sought and always deserved, free to worship God in the devout manner that is symbolic of the Polish people.

Yes; we hoped and we prayed that Poland would once more enjoy the liberty that her sons helped to make possible in our own country. But a treacherous foe who pretended to be her friend made that dream impossible, and for the past 5 years Poland has been in the shackles of a bloodthirsty despotism that seeks to suppress and to crush the spirit of every man, woman, and child over whom it has gained control.

But you and I know that no tyrannical regime, regardless of its temporary advantage, will ever subdue the country that has produced some of the foremost saints, scholars, statesmen, patriots, soldiers, and loving mothers and fathers of all time. While in the past we have always insisted that Poland would soon be free, somehow I feel that today we can be far more confident that this hope will become a reality. The United Nations has recently served notice that aggression will not be tolerated, and we in America are leading the way toward the destruction of the insidious forces that have sought to consign the free peoples of the world to slavery. Surely the Communist leaders see this declaration as the handwriting on the wall, and

surely our friends in Poland must realize that they are to be released from their bonds of slavery and again be free to enjoy the heritage of liberty that is justly theirs.

LET US NOT FORGET THE TRAGEDY OF POLAND

Mr. LINEHAN. Mr. Speaker, in these critical times our attention is so much focused upon the aggression against South Korea that we are apt to forget the examples of both the perfidy and the nobility which have been a vital part of recent history.

But we cannot afford to forget the lesson of Poland. It is both appropriate and necessary that we recall with fresh sorrow the unprovoked attack upon Poland which took place on September 1, 1939, just 11 years ago.

It is appropriate because the picture of that aggression has certain similarities to that of the Korean convulsion. It is necessary in order that we may derive both inspiration and knowledge to fight the forces of evil responsible for the aggression in both instances.

As in Korea, the unprincipled helots of dictatorship attacked suddenly and overwhelmingly. The Poles fought valiantly but were inevitably crushed by superior numbers and more efficient weapons of destruction. The allies of Poland were not able to save that unhappy land from destruction and enslavement though the attack did set off World War II.

That we can gain knowledge and wisdom from a review of the Polish tragedy which is applicable to present-day situations becomes apparent as we realize that the pledge of dictators, whether they wear brown, black, or red, is as easily broken as it is given. Poland, an independent republic and a true friend of the United States, had two valid pacts of nonaggression with Germany and the Soviet Union. The imperialistic "realism" of both these tyrannies made these pacts mere "scraps of paper" useful only to lull their victim and her allies into a lethargic confusion. The enslavement of the valiant Poles and the death of heroic American boys in Korea must teach us never to rely upon the good faith of a Hitler or a Stalin.

And as our historical perspective grows it becomes clear that Stalin was the more nefarious of the two ruthless villains who precipitated World War II. Hitler's attack upon Poland was only made possible when Stalin approved the Ribbentrop-Molotov pact on August 25, 1939. Robert Sherwood quotes Molotov as telling President Roosevelt that it was possible to arrive at a common understanding with almost anyone, including Hitler and Ribbentrop. Where now the "high ideals" of the so-called peace-loving Socialist revolution?

With the full knowledge and approval of his partner, Adolf Hitler, Stalin ordered his troops to invade Poland on September 17, 1939, securing for him new territories and additional millions of people to exploit for his paranoic ideology. This second invasion, coming upon the heels of the powerful Nazi attack, prevented the Polish armed forces from offering any further resistance. On September 27 Warsaw fell, and Poland came under the cruel and rapacious control of her conquerors. The very next day in Moscow the representatives of Nazi Germany and Stalin's Soviet Russia cooly and cynically divided their spoils and provided that "no Polish state will be formed as a buffer between them."

We find inspiration in our review of the Polish tragedy as we recall the ferocity with which the Poles resisted this outrage. The Polish Government fled to Paris and ultimately to London. There the Polish Army was reorganized and played important parts in several campaigns, notably including the air Battle of Britain and the Libyan campaign.

Hitler treacherously turned on his erstwhile partner by invading the Soviet Union on June 21, 1941. The Polish Government, in a spirit of forgiveness and comradeship for a new, albeit accidental, ally, proposed the restoration of diplomatic relations with the Soviet Union. This offer was accepted, since it served the purpose of the Soviet Union at the time. But at no time did the Soviet colossus relinquish its ill-founded claims to most of the territory it had stolen from Poland. Moreover, the Russian Communists trained Polish renegades in Moscow for eventual installation as puppet rulers of Poland. When it was disclosed by the Germans that the bodies of some 8,000 Polish officers had been found near Smolensk where they were allegedly executed by the Russians early in 1940, the Polish Government appealed to the International Red Cross to investigate. The Soviet Government chose to take sufficient offense at this natural request to sever her working arrangements with the legitimate Polish Government which she no longer found useful. On January 4, 1945, Moscow recognized the puppet government of Poland which it had installed at Lublin.

The United Nations, led by Great Britain, and the United States, tried to bring about peace and good will between these former allies for the sake of the war effort against Hitler. However, neither the United States nor Britain thoroughly understood the nature of Soviet Russia's manifest destiny at this time and seemed to think it more realistic to allow Communist Russia to get away with at least part of her scheme. The two democratic powers insisted that some sort of compromise government be achieved. After many breaches of faith by the Communists and many misadventures a new Polish provisional government was formed.

What the United States and Great Britain could not know then as clearly as they know now was that when Communists hold the key positions in a coalition government they inevitably bring about the collapse of the coalition and the substitution of a thoroughly Soviet regime.

Thus the free nation of Poland became a Soviet satellite through an invidious combination of aggression and trickery. The Polish people, who so nobly fought at the side of the United States, Great Britain, and the other United Nations during World War II, are just as opposed to the rule of the Communist dictatorship today as they were to the German enslavement during the cruel days of the war. Ours must be the task to encourage them during these dark days and to let them know that one day not too far off a new and democratic day will dawn for them. Tyrannies can be mighty, but only temporarily can they impose their will upon a people whose very nature is to resist tyranny.

So on this day commemorating the rape of Poland we sympathize with the enslaved Polish people and hope, along with them, that the pattern of aggression which stretches over this 11-year period will, with the action of the United Nations, led by those countries bearing good will, soon come to an end and that the peoples already enslaved will achieve their liberation.

Mr. FURCOLO. Mr. Speaker, let us pause briefly to think back on September 1, 1939, when the savage attack on Poland unleashed World War II.

The Members have heard me speak many times about the gallant and heroic struggle that Poland made, and is continuing to make. The Polish Nation has never accepted defeat or enslavement and never will.

The people of Poland will continue to fight for their glorious traditions of freedom, honor, and justice. Poland has a proud history and the sons and daughters of Poland should be particularly remembered on this anniversary of the invasion of Poland.

We must never forget that Poland was the first nation in World War II to resist tyranny and aggression. We must never turn our back on the people of Poland.

Mr. FLOOD. Mr. Speaker, today, September 1, 1950, marks the eleventh anniversary of the treacherous onslaught of the forces of evil which enveloped the world in a bloody and costly war. Eleven years ago the armies of Adolf Hitler began their march across the country of Poland, bringing death and destruction to thousands of innocent people.

It is particularly fitting that now, when aggressors are again threatening our lives and freedom, we should be reminded of the infamous and perfidious acts which began the great war of 1939–45. Our boys fighting in Korea know only too well that the enemy will stop at nothing to gain his wicked ends. But we here in the United States, content in our comfortable homes, remote from the scene of battle, may be lulled into a false sense of security.

Eleven years ago yesterday Poland, too, may have had this same sense of security. She was a peace-loving country; a member of the League of Nations; a firm believer in democracy and the republican form of government. She cherished her freedom, newly regained after long years of domination by the Russians, Germans, and Austrians. Furthermore, she was forever mindful of her own glorious history. Centuries ago, in the days before her partition and subjugation by foreign nations, Poland was one of the few countries in the world to believe in and practice parliamentary government. Her rulers were elected by the Senate and were responsible to that body. The supreme power of the state were vested in the two houses of the Diet. Freedom was cherished and in

1573 absolute religious liberty was granted to all dominations without exception.

In 1939, Poland stood at the side of the United States, Great Britain, France, and the other liberty-loving nations of the world. To make this stand even more binding she had concluded, and was conscientiously abiding by, treaties of nonaggression with Germany and the Soviet Union.

Then, suddenly and without warning, on September 1, 1939, the well-trained German panzer divisions struck against the poorly equipped and unprepared Poles. In spite of tremendous odds, the Poles were able to make a courageous resistance in the center of the country. But on September 17 the forces of aggression struck again. The Soviet Union, bound by law to keep the peace, violated its treaty and invaded Poland from the east under the pretext that the Polish Government with which it had concluded its pact was no longer in existence.

Even in the face of such overwhelming numbers as now opposed them, the Polish armies were able to make a heroic stand until September 27, when they were forced to surrender. The next day in Moscow the country of Poland was partitioned for the fourth time by the same powers. The eastern provinces, including purely Polish territories, were incorporated in the Soviet republics of White Ruthenia and the Ukraine. The western part was placed under German influence. The provinces which had belonged to Germany before 1914 were immediately annexed and many of their Polish inhabitants were massacred.

But the valiant endeavors of the Poles did not cease with their capitulation upon the field of battle. Through a clever underground system many thousands were able to escape and join their allies in France and England. Polish aviators played a stirring part in the air battle over Great Britain. Polish soldiers of the Carpathian brigade covered themselves with glory on the desert battlefields of Africa. In Italy, also, Polish troops did their willing share at the battle of Monte Cassino.

Just a few days ago we celebrated the fifth anniversary of the ending of the war in Japan and the conclusion of the fighting of World War II. But for Poland the war has never been finished. The end of hostilities in Europe found millions of Poles scattered in slave labor and concentration camps throughout the continent. Many have sought entrance to the United States. Others returned to their homeland only to find that the invaders of 1939 had come again, under the guise of liberators, to enslave their country.

Poland today is a puppet state, subject to the will of the Soviet Union. Its government is not a Polish Government. It is a Communist-dominated satellite government which is despised by the people of Poland. The freedom-loving Poles have seen this government crush opposition parties and throw their leaders in prison. They have seen religion discouraged and the press and schools placed under severe restrictions. Only the fact that the Polish people have known and endured persecution and domination for centuries gives them hope and courage in this dark hour.

We in the United States must recognize our obligations to this enslaved nation. These obligations are rooted in blood as well as in ties of common ideals and principles. Thousands of our fellow Americans are descended from the freedom-loving citizens of Poland. Many of our brave soldiers bear names which remind one of those Revolutionary heroes, Pulaski and Kosciusko. Some have made the supreme sacrifice.

Much of the tragic story of Poland is now being repeated in the Far East. The unjustified attack of Communist forces upon the South Korean government finds its equal in those events of 11 years ago today. Even the aggressor is the same. Hitler is dead. So is Von Ribbentrop, the lieutenant who signed the treaty of nonaggression with the Soviet. But still at large are Stalin and Molotov who threaten the peace of the world now, as they did then, with acts of war and brutality. We must not forget that had it not been for the nonaggression pact concluded between Germany and the Soviet Union on August 25, 1939, Hitler would not have dared to attack Poland.

Fortunately, the year 1950 finds the free nations of the world better equipped to resist aggression. Under the banner of the United Nations we are endeavoring to put an end to the banditry which would engulf the world in another holocaust. The difficulties we are enduring in this dark hour will only make the victory sweeter.

But the adversities of Korea should remind us all the more strongly of the tragedies represented by Poland and the other countries under Communist domination. The people of Poland are powerless now—afraid to speak—oppressed by injustice. But they live on in the confidence that liberty and justice will triumph in the future as it has triumphed for them in the past.

The people of Poland, now enclosed in the stockade of communism, must know that those outside the prison walls are united with them in their struggle for liberty. Our powers must be constantly exercised to insure the extension of the frontiers of freedom. And in our efforts we need not doubt that we have the eternal blessing of the Polish people. For as the poet has said:

The heart of Poland hath not ceased
To quiver, tho' her sacred blood doth drown
The fields, and out of every smoldering town
Cries to Thee.

THE BRAVE POLES

Mr. MACK of Washington. Mr. Speaker, today is the eleventh anniversary of the destruction of Poland's freedom by the Hitler Nazi Germans, as was mentioned by my friend and distinguished colleague of Connecticut [Mr. SADLAK] who has always manifested a keen interest in the preservation of the Polish nation and the liberty of the Polish people. Soon thereafter Communist Russian armies moved into Poland and completed the destruction of the liberties of this freedom-loving people.

During these intervening years we have waged a war against the forces which unleashed this attack and we have apparently emerged victorious. But have we? The Nazi war machine was crushed, it is true, but have we yet gained for the people of Poland the freedom they lost in 1939? Hitler was not alone in the plan to destroy Poland. Events since then have proven that there was a master plan to divide it up between Germany and Russia. The first part of that plan was halted by the defeat of Germany but what about the planning of the other partner?

As a result of the Potsdam Conference, the people of the United States felt that Poland would regain her position as one of the democratic nations of the world. It is true there were changes in the boundaries of the country but it was felt that this would be an advantage. The important thing was that the freedom-loving people of Poland could again shake off the concentration camps and virtual slavery as they had after World War I. The agreement at Potsdam has been carried out to the letter by the United States. Many of us may have had doubts regarding parts of it, but our word was given and we intend to keep it. The same is true with the other participants at this meeting with the exception of one. Over 5 years have elapsed since that meeting and it is time we took inventory. We have used every possible means to help establish the rights and individual integrity of not only Poland but all other like countries. We helped develop the United Nations and have supported it without reservations. We have tried every means known to international diplomacy.

But, Mr. Speaker, our efforts have not borne fruit.

Somewhere we have failed. These freedom-loving peoples, whose belief in democracy goes as far back in history as our own, and whose illustrious citizens contributed so much to our own struggle for independence, must be given help. I do not know the means by which this can be accomplished, but the time is drawing out. For nearly 150 years the Polish people have struggled for freedom and liberty, but concentration camps, slave labor and death will destroy the spark if we fail to find the answer soon.

Mr. HESELTON. Mr. Speaker, 11 years ago today, the free Polish people were brutally attacked by Hitler's Nazis. The people of Poland, knowing that they did not have military forces which could defeat the well-equipped enemy, chose to fight and to face death rather than to sacrifice Poland's liberty.

The Polish people fought desperately, but when, 16 days later, Communist Russia attacked from the east, it was only a question of time.

Poland's history is traditionally filled with the heroism of not only its fighting forces but of its civilians. No chapter of that history is more vividly written than this one in 1939. This is a sorrowful anniversary for the people of Poland but it is a day when all free people can express their admiration for the spirit of a free Poland which still exists and will one day bring back to the Polish

people freedom from the oppression of a vicious dictator. In this they will be joined and encouraged by the free governments and peoples of the world, with the people of America in the forefront, extending every possible influence and aid.

Mr. KEATING. Mr. Speaker, once again we mark the anniversary of a date which is a shameful blot upon the pages of history. On this day 11 years ago, with the rumble of Hitler's tanks across the border into Poland, World War II started. As the German heavy tanks rolled swiftly across the western plains of Poland and German planes began the bombardment of the beautiful, historic Polish cities, Russian troops assaulted on the eastern front. Within hours, England declared war with the avowed purpose of freeing Poland from the terrors of enslavement by a brutal aggressor.

Hitler has died his coward's death in a small celler in Berlin long since, but his dubious honor of being the world's most hated and feared person has been assumed by another dictator. Russia has grown into a monstrous Frankenstein, ruthlessly enveloping and terrorizing the small, independent countries which border her.

It is to our shame that Poland is still crushed beneath the heavy heel of its Communist conquerors. That still small voice of the national conscience will never cease goading us until Poland is able to hold her head high once more, as befits a free and independent nation. For we cannot consider ourselves free from blame for her miserable plight to which we acquiesced at Yalta and Tehran.

Our ties with Poland and the Polish people have been forged in the fires of friendship since the beginning of this Republic. Polish heroes are honored along with native-born citizens when we commemorate our Independence Day. In 1791, the Poles formulated a national consitution, based on the principles of the rights of free men to control their own destiny. Although the infant democracy survived only a few short years, nevertheless this precious document and promise of equality inspired the Poles in their long fight for autonomy and independence which finally came after World War I. It was our privilege and honor as a country to be able at that time to assist very materially in the creation again of a free Poland, which unfortunately was so short-lived once more.

But even after Poland was forced to its knees and made to capitulate as a nation, its fighting spirit and the spirit of free men lived on. The Free Polish Army set records for all the world to envy by its deeds of valor in the fight for freedom and justice.

Its men flew with the RAF during the heroic battle of Britain, when the men were flying antiquated planes hardly worthy of the name. By their individual courage, they helped to buy the time for Britain to rearm and build her defense against enemy bombardment.

In Africa, France, and on Mount Cassino in Italy, the Poles left a record of magnificent courage as they fought side by side with the allied troops of other liberty-loving nations.

In addition to these ties, many of our best citizens are of Polish birth or Polish descent. These people brought with them the best traditions which had been set forth so lucidly in their native constitution.

Therefore, it is particularly fitting that we as a nation mark this day with sadness, yet with a renewed expression of hope that our friend and ally Poland once more shall enjoy the blessings of personal liberty and national independence.

Mr. SADLAK. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks following mine.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. RABAUT. Mr. Speaker, 11 years ago the German Wehrmacht rolled across the plains of Poland and struck deep into the heart of a peaceful, freedom-loving nation. The cannon of the Nazi Panzer units roared open defiance of a standing treaty of peace with the Polish Government and the valiant Polish people fell under the cruel heel of aggression.

Today, 11 years later, the Polish people have still not seen the bright sunshine of freedom, but the place of their Nazi masters has been more than completely filled by the puppets of the Cominform, agents of a nation which likewise violated the sanctity of a treaty of peace and struck at Poland from the east.

The anniversary of this day lives in sorrow in the Polish heart and patriotic Polish-Americans today renew their devotion to the cause of ridding their fatherland of its present plague of misery and slavery.

May I say that all Americans join with their fellow citizens of Polish ancestry in this feeling and affirm their resolution to bring once again to Poland, and to all peoples and nations suffering under totalitarianism, the bright fire of freedom and liberty which has so long been extinguished. We will not, we cannot, allow this oppression to continue, for its very existence is a threat to the peace and security which democratic peoples cherish so highly. When the light of freedom goes out in one part of the world it grows dimmer in the rest, and in this half light men cannot hope to find the secrets of world peace and harmony.

With Polish-Americans we say, "Long live a free Poland and a free world."

Mr. SADLAK. Mr. Speaker, I ask unanimous consent that all Members who earlier asked and received permission to extend their remarks on the anniversary of the invasion of Poland may be in order so that the symposium may be complete.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized.

A MAN OF MYSTERY

Mr. DONDERO. Mr. Speaker, I want to discuss a man of mystery this afternoon and for the first time take off the mask behind which he has been hiding for years and even avoiding service from the Committee on Un-American Activities.

The sharp pen and penetrating insight of a Washington editorial writer has caused Washington officialdom to pause and wonder when he asked in an editorial, "Who is this man?" The writer then goes on to describe him:

> He places these agents of destruction in our Government agencies. He can put his tribe in when our loyal citizens cannot get jobs. He can move his pawns up the scale to better paying and more sensitive jobs. Why? Not so they can get more money, but because they can spy more effectively.
>
> A man who is not unknown at the White House. Otherwise, he would not have the power or the knowledge to do the job he is doing.
>
> And now is the time to go after him. It will be a tremendous job. It will mean stepping on the toes of some very, very high Government officials, and when he is caught the revelation will be a bigger shock to this Nation than the exposé of Benedict Arnold.
>
> It must be done. The Nation can take it. But it cannot win the war of survival with Russia if this man is allowed to continue his clever, diabolical scheme to undermine our national security.

Never has this man been more aptly described. Over the years I have acquired item after item of information. I still do not know the full story because he is a man of mystery. He works through others. He has reached pinnacles of great power. A recommendation from him was tantamount to success. There are few men in official Washington today who have dared to stand up against him.

I do not recall having seen his picture in print in recent years, but the Washington press corps knows his name well, so do the Communists and so do those who have taken a stand against Communists.

His skill and technique are unparalleled. He does his work, lusts and thrives on obscurity. He knows that he could never accomplish what he has in the open. Americans do not like his ilk and once his shroud of mystery is penetrated he knows his usefulness is at an end. Doors that once opened to him will be closed because no good American would care to be contaminated by his known presence.

I have named this man in passing before. Today, I bring him into the open and introduce Max Lowenthal.

Like the Communist Party, whose cause he has served so well, he operates on two levels. One is seemingly respectable; the other completely underground.

He is native born. His name does not appear in Who's Who. To secure even a sketch of his biography has been a task.

Born in Minneapolis in 1888, he attended the University of Minnesota, graduating with an A. B. degree in 1909. Then like many other parlor pinks, fellow travelers, Communists and convicted

perjurers, he attended Harvard Law School, graduating in 1912. In those early days he came under the influence of another man who through the years has manipulated the Charlie McCarthys in Government office. There is a striking kinship between the master, Justice Felix Frankfurter, and the pupil, Max Lowenthal. And as is so often the case, the pupil rises to outdo the master.

Following his Harvard days, he served as a secretary to Judge Julian M. Mack in New York and then infiltrated the highly respectable law firm of Cadwalader, Wickersham & Taft. After a few years he founded his own firm of Lowenthal, Szold & Brandwen.

Later he secured an appointment as assistant secretary of the President's Mediation Board in 1917, in 1918 he was in the War Department, in 1920 he was an assistant secretary to the President's Industrial Conference. Then he secured the appointment as executive secretary for the Wickersham Commission on Law Enforcement but when he found he could not run it he resigned in a huff. Later he became research director of the Banking and Currency Commission. In 1935 he was appointed to the staff of the Senate Committee on Interstate Commerce, also becoming affiliated with the Board of Economic Welfare.

By pulling strings he acquired the title of adviser on disposal of Jewish property to Gen. Lucius Clay, head of our military government in Germany. Within a matter of weeks he was known as the general counsel to General Clay and had as an assistant, George Shaw Wheeler, the American traitor, Communist, and renegade who shocked all America when he denounced the land of his birth and asked Communist-controlled Czechoslovakia for asylum. I exposed him several years ago on the floor of this House.

Within a matter of weeks a change occurred in Germany. The usually accurate Human Events for September 25, 1946, reported, "It may be mere coincidence, but since Mr. Lowenthal's appointment General Clay has permitted leaders of the Soviet-sponsored SED (Socialist Workers Party) to address mass meetings in the American zone of occupation." This was the opening which the Russians were awaiting because it gave them the opportunity to sponsor a Communist Party under our protection. A few weeks later the commentator, Walter Winchell, warned on his Sunday night program that as a result of Lowenthal's activities a rift had occurred between the American and British zones.

Lowenthal's influence began to mount in the early thirties. As his influence grew, so did its effect. Men he had selected and nursed became more powerful.

Lowenthal acquired some semblance of respectability, but what of the other side? The evidence of his unswerving loyalty to Soviet Russia is clear and unequivocal. In the early twenties, the Russian-American Industrial Corp. was formed in New York City to aid and assist in developing the resources of Russia. Large sums of American capital were raised to finance Russian industry. The head of this Communist subsidiary was the late Sidney Hillman, who later became disillusioned and turned on communism, but his one-time general counsel, Max Lowenthal, still follows the party line. There is an interesting sidelight. The California authorities raided the office of the Russian-American Industrial Corp. in September of 1922 and seized their books, records, and a list of members of Friends of Soviet Russia in Los Angeles. Several persons were indicted for violating the California Securities Act; however, the indictments were later dismissed. Behind the scenes powerful forces went to work. Prof. Felix Frankfurter, of Harvard University, started a chain of letters to his former students who were members of the bar, asking, as a personal favor to him, for them to look after the interests of the defendants.

Lowenthal also lent his prestige to other groups. He was reported to be one of the endorsers of the Conference of the American Committee for the Protection of Foreign Born in 1940, an organization listed as subversive by the Attorney General. He was a member of the left-wing National Lawyers Guild. He was a member of the National Committee of the International Juridical Association with Lee Pressman, who once defied a congressional committee. He admitted his Communist affiliation this week. Lowenthal also was associated in this organization, cited as subversive by the House Committee on Un-American Activities, with the late Joseph R. Brodsky, the attorney of the Communist Party; Shad Polier, friend of Alger Hiss; Nathan Witt, an accused Communist; Edward Lamb, a left-wing newspaper and radio-station operator; Abraham J. Isserman, who was cited for contempt by Judge Medina in the New York Communist trial, along with others of a dubious background. The activities of the International Juridical Association incidentally at one time were carried on in the offices of Carol King, the well-known lawyer for Communists. Some other well-known members of the International Juridical Association are Lowenthal's friend, Prof. Thomas I. Emerson, Yale Law School and president of the National Lawyers Guild; Ruth Weyand, discharged attorney from the National Labor Relations Board; and Abe Fortas, of Lattimore fame.

Carol Weiss King, who has probably represented more Communists than any other lawyer in America, once was a law clerk in Lowenthal's office, where she was well grounded and trained for her later years.

Lowenthal has always found time for his extracurricular pursuits of aiding and abetting Communists. For example, he has been given the credit for the offensive launched against the House Un-American Activities Committee in the Hollywood hearings. Lowenthal was conveniently in Washington in October 1947, and naturally was extremely cautious in working behind the scenes with David Wahl, Charles Kramer, Bartley Crum, and others. At the time, word leaked out of the Council of the Hollywood Unfriendly Witnesses that Lowenthal had urged an attack upon the individual members of the committee in order that the Congressmen could be removed. In fact, Lowenthal told the Hollywood group and its lawyers to charge that the Congressmen on the committee should be removed. Everyone will remember the Hollywood Committee of One Thousand who flew to Washington to defend the Communists—that was also Lowenthal's idea.

In the thirties Lowenthal concentrated upon weakening our internal security by aiding an all-out Communist attack against the Federal Bureau of Investigation in 1940.

Lowenthal sent out anonymous memorandums smearing the FBI, which fact can be attested to by many Washington newsmen, hoping to head off the FBI in its fight to protect our shores against the menace of communism and fascism at a time when the Nazis and Communists were allies. Lowenthal has worked diligently and deviously, but always rentlessly, to destroy the effectiveness of the FBI in its efforts to protect our country from the emissaries of godless communism. He has always realized the FBI is the one agency he could not penetrate or intimidate. He has long known it was the one agency which blocked his efforts to completely undermine our internal security.

Lowenthal's record is one of attack on any American institution which stands foursquare for the American way of life. He has attacked railroads, banks, and that thoroughly fine American institution of B'nai B'rith as a "bourgeois organization." Even the cause of liberalism has felt his vengeance. For example, in 1939, when that great liberal and denouncer of communism, William O. Douglas, was elevated to the Supreme Court, Lowenthal got busy trying to organize opposition because he feared Douglas would some day become the heir apparent to F. D. R., and should this happen communism would have a stalwart foe.

His friends boast of Lowenthal's authoring Presidential veto messages and even more recently of his master-minding the ill-advised move to thwart the enactment of antisubversive legislation at a time when members of both political parties in Congress and throughout the country have united as one to secure a law which would make America safer in its hour of trial and crisis. The Federal Communications Commission, under James Lawrence Fly, was not untouched by the tentacles of Lowenthal's influence.

The influence for evil of this man of mystery can best be gaged by viewing a few of his intimates:

Al Bernstein, director of negotiations, United Public Workers of America, a union so left-wing and Communist-directed that it was expelled from the CIO several months ago. At one time Bernstein worked for Lowenthal and has been a contact of his for years. Bernstein is known to have been a secret member of the Communist Party

work, with his chief, Abe Flaxer, in Washington.

Bjorne Yngvare Halling, Sausalito, Calif., secretary-treasurer of the old California CIO Council, which was expelled from the CIO because of its Red tinge, has a long record of Communist activities. According to the Communist paper, The People's World, for October 19, 1949, Halling protested the trial of the Communist leaders in New York. Halling's secretary was Sadie Sokolove, member of the executive committee of the Communist Party and wife of Martin Chancey, one-time head of the Communist Party in Washington. But does this have any connection with Max Lowenthal? Halling sought political support to have Max Lowenthal placed in charge of certain phases of the investigation of civil-service employees, because his friend, Lee Pressman, told him to do it.

Allan Rosenberg, another of Max Lowenthal's fair-haired boys, had a phenomenal rise in the Government service. In concert with John Abt, long an undercover Communist and agent, he was one of those who figured prominently in the 1947 New York grand jury investigation of spy activities in Washington where, because of technicalities in the espionage laws, prosecution could not be had. Rosenberg was charged with furnishing information to a confessed Soviet agent. Lowenthal and Wahl saw to it that Rosenberg's advance in the Foreign Economic Administration was rapid.

David R. Wahl was a protégé of Max Lowenthal in the Foreign Economic Administration. The files of the Civil Service Commission and the Committee on Un-American Activities reveal him as one whose loyalty has been questioned several times and also one with powerful forces who came to his aid. In fact, in 1944 the Civil Service Commission ruled Wahl unfit for Government service. Then his friends in the Foreign Economic Administration went to work and urged his reconsideration as eligible. Wahl has long been a legman for the Communist party in Washington.

The Lowenthal influence in one case alone more than documents his activities and reveals his true colors. One of Lowenthal's assistants in the Board of Economic Warfare was George Shaw Wheeler. Wheeler had previously served in Government agencies such as the National Labor Board, the Department of Labor, and the State Department. He also was investigated several times because of his reported affiliations with the Washington Committee for Democratic Action, the American League for Peace and Democracy, the Washington Bookshop, and the American Peace Mobilization, all of which have been ruled by the Attorney General to be subversive organizations.

The files of the Civil Service Comission contain testimony that he was a member of the Communist Party, and if made public, they would reveal that the Civil Service Commission found Wheeler was ineligible for Government service because of his Communist activities. Then, a pressure campaign developed that had all the earmarks of a Lowenthal manipulation. In no time at all, the Civil Service Commission reversed its position and Wheeler was cleared. When Lowenthal was appointed to go to Germany on General Clay's staff, he took as his first assistant none other than George Shaw Wheeler. Soon after Wheeler's arrival in Germany, he established contacts with the German Communist Party. The Army finally dropped him on November 1, 1947. Wheeler, by his acts and words, has proven the correctness of the early Civil Service action insisting Wheeler was a Communist. I hope our Government has taken steps to record Wheeler's disavowal of his citizenship and forever will bar him from our shores.

But Lowenthal is back, living in New York but spending much of his time in Washington; his influence still a menace to the best interests of America. I have no doubt we shall hear further either from him or his stooges and when we do, it will be because of some sinister act designed either to protect Communists, infiltrate further into our Government, or to undermine our internal security.

Every person still in the Government who has had a Lowenthal endorsement, should be identified and their loyalty determined but not by the standards that freed George Shaw Wheeler.

HON. FRANCIS CASE

Mr. LOVRE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. LOVRE. Mr. Speaker, I have asked for this time to pay tribute to my fellow South Dakotan and our colleague, the Honorable FRANCIS CASE, for his 14 years of loyal and patriotic service to his State and country in this body.

During his long tenure of office, he has endeared himself, not only to the people of his district and State, but to his fellow colleagues for his tireless and sincere devotion to duty. In the life of our colleague, duty to his State and Nation always came first. By his actions on the floor, in the committee, and in private life, he has exemplified the virtues which have made America great. His talents and efforts have always been directed toward peace and understanding among nations and in the true American tradition at home. It can be truthfully said of our esteemed colleague that he has served well and with distinction.

Mr. Speaker, when he retires from this body at the end of the Eighty-first Congress, he will carry with him the respect and best wishes of all. We will miss his leadership and guidance.

Mr. Speaker, I know every Member of this body, regardless of political affiliation, joins me in wishing the gentleman from South Dakota success and good luck.

Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. TALLE. Mr. Speaker, Iowa is famous the world over as the "tall corn State," but her greatest contribution to our civilization is her people. Her native sons have traveled to every corner of the globe and have distinguished themselves in every field of human endeavor—the arts, the sciences, the professions, the crafts. One of these illustrious sons is our good friend and colleague, the Honorable FRANCIS CASE, who has so ably represented the Second District of South Dakota in this chamber for the past 14 years. Iowa, the State of his birth, shares South Dakota's pride in his accomplishments.

It is a matter of genuine regret to Members on both sides of the aisle, Mr. Speaker, that the distinguished gentleman from South Dakota [Mr. CASE] is retiring from this body. We shall miss him but we respect his decision. The vigor and talent and devotion to duty which have characterized his long service are assurance of the success he will achieve in his future endeavors. We wish him and his family a full measure of good fortune in the years ahead.

Mr. WIGGLESWORTH. Mr. Speaker, the nomination of our good friend and colleague, FRANCIS CASE, of South Dakota, for the United States Senate, brings to an end his distinguished record of service in the House of Representatives.

With the United States Marine Corps in World War I, newspaper editor and publisher, State regent of education prior to his election to the Congress, he has served since his election in 1936 for 14 consecutive years as a Member of this body.

During that period I have been closely associated with him.

We have served together as members of the powerful Committee on Appropriations. We have served together on the subcommittee in charge of appropriations for the independent offices. We have served together on the subcommittee in charge of deficiency appropriations.

I know his fine character, his ability, his industry, his resourcefulness and ingenuity, his skill as a parliamentarian.

I greatly value his friendship. I consider him one of the ablest Members of the House of Representatives.

He will be very much missed by his friends and colleagues here in the House.

In all human probability, however, our loss will be the gain of the United States Senate.

It is good to know that his high purpose, unquestioned integrity, and outstanding ability is to find further opportunity for service to the Nation.

I expect fine things from him as a Senator.

I wish him the continued success of which I am confident that he is assured.

Mr. JENSEN. Mr. Speaker, it is a pleasure and privilege to join my colleague, Mr. LOVRE, of South Dakota, in all he has said about the Honorable FRANCIS

CASE. For the past 8 years I have served very closely with Mr. CASE on the Appropriations Committee and know of his tireless, valuable, and faithful service to his country in committee where the public did not have access or knowledge of his good work, as well as on the floor of this House where all could see and hear and know of his good works.

Mr. Speaker, I dare say that no man ever served in Congress who was more devoted to his task than is FRANCIS CASE, in seeing to it that the taxpayers' dollars be not wasted, nor has FRANCIS CASE ever yielded one iota to the strong influences that would destroy our God-given free Republic. Remember, Francis, that after you move to the other end of this United States Capital, your colleagues in the House will still welcome and expect your mature, good, and wise counsel at all times.

Mr. VORYS. Mr. Speaker, this House is going to miss FRANCIS CASE, his keen mind, his unflagging industry, his high-minded, fearless character, his salty common sense.

We all know of his diligent and effective work here on the floor as an able parliamentarian, watchful and astute in enforcing the rules and exposing and preventing parliamentary shenanigans.

I had the great privilege, however, of seeing him in another type of activity.

He was chairman of the German-Austrian subcommittee of the Herter committee, and I had the honor of serving under him, while we traveled and studied together for a month. He was indefatigable in his searching inquiry into every phase of German and Austrian problems. We worked day and night; and our country is still benefiting from the reports he made. He instituted an inquiry into the stupid dismantling policy which led up to the provision for a review of dismantling in the ECA law. If this provision had only been administered as written German economy and western Europe would be stronger today.

He will be a great, and I might say, a needed addition to the United States Senate. It will take a mighty good man to fill his unique position in the House. No one can take his place in our affections.

Mr. DOLLIVER. Mr. Speaker, I regret exceedingly that FRANCIS CASE, of South Dakota is to leave the House of Representatives. He is a man of ability and integrity, and one of the outstanding leaders of the House. No Member has a wider and more useful knowledge of the rules of the House, and no Member is able to apply parliamentary procedure more skillfully. As a member of the House Appropriations Committee, he served well and effectively in matters concerning the spending of public money.

For his district, western South Dakota, he has rendered outstanding service. In no small measure, he has been responsible for numerous public improvements which are evident to any observer in that great midwestern State.

I have known FRANCIS CASE since boyhood. We grew up together in Hot Springs, S. Dak., where we attended the same schools and church. He is and was of a studious mind—a mind of great capacity for knowledge and hard mental effort.

The Republican voters of South Dakota have nominated him for the United State Senate. I have confidence that in the November 1950 election, the voters of the great State of South Dakota will send him by an overwhelming majority to the Senate of the United States, where he will continue to serve his State and Nation in an even more abundant manner. All my good wishes are his.

Mr. GROSS. Mr. Speaker, I appreciate this opportunity to join my colleague, the gentleman from South Dakota [Mr. LOVRE] and other Members of the House in a few words of commendation of the Honorable FRANCIS CASE, who will shortly leave this body.

While we have not always agreed in the final determination of some issues, I have always had the greatest respect for his keen and analytical mind; his ability to get at the core of any given issue and reveal the facts.

Members of the House will miss this hard-working, astute, and vigilant Member, but the voters of South Dakota, in the coming campaign this fall, will have the opportunity to continue his services to his State and Nation, this time in the Senate.

Mr. STEFAN. Mr. Speaker, I wish to associate myself with other Members of the House in praise of the public service of FRANCIS CASE. I regret that he will leave the House of Representatives. He will add luster to the United States Senate when he gets there.

I have known FRANCIS CASE for many years and have been in close association with him during his 12 years of service in the House. We have served together on the House Committee on Appropriations and have worked together on many difficult problems. In committee and on the floor of the House he has shown outstanding ability as a legislator, also statesmanship. We of the Committee on Appropriations will miss his helpfulness, and the House will lose a valuable Member. Our compensation for the particular loss is that he will continue his able service in the Senate.

While FRANCIS CASE has been outstanding in his work in legislative matters in Washington, I know of his great love and affection for his own State of South Dakota. My observation of his work for his State reveals the reason for the action of the people of South Dakota in selecting him as a candidate for promotion. Never, in 12 years of my association with him, have I known him to be actuated by motives other than those good for the welfare of his State and his Nation.

South Dakota has in FRANCIS CASE one of the most outstanding public servants now serving in the Congress of the United States.

Mr. MICHENER. Mr. Speaker, I am sure that I express the sentiments of every Member of the House when I deplore the departure of FRANCIS CASE from the House.

In my opinion, no man has developed more since he entered the House than has the gentleman from South Dakota [Mr. CASE]. When he joined us he had adequate educational background, plus practical experience as a businessman and as a newspaper publisher. We soon learned why he commanded the respect and confidence of his constituents. The day was never too long or the task too great or too small to discourage the gentleman from South Dakota [Mr. CASE]. In short, he assumed his duties as a Member of Congress in stride. How well he performed is recorded in his record of accomplishment. He early realized that to be a most useful Member of Congress one must not only do his committee work well, conduct an efficient office, act as the liaison officer between his constituents and his Government, and give attention to all important legislation, but that he must also master the intricate rules of procedure. He has performed all of these tasks well, and, as a result of his study and determination, he is one of the best parliamentarians in the House. Indeed, in fairness to all the others, I would say that there are none better among us.

We get some consolation, however, out of the fact that he is not retiring from public life. He goes to the Senate equipped as few new Members entering that body are ever equipped. He will not be the type of Senator who attempts overnight to revolutionize that parliamentary body of unlimited debate. His House training will stand him in good stead. His term will be 6 years instead of 2. He can therefore devote more time to legislation because he will not be compelled to enter a reelection campaign the day after the polls close in his last election.

Francis, your colleagues in the House expect much from you in the future. We know that there will be no disappointment.

Mr. D'EWART. Mr. Speaker, I am very glad to add my appreciation of the services of FRANCIS CASE to that expressed by other Members of Congress who have served with him through the years. While Mr. CASE is now serving on the Appropriations Committe, there was a time when he served on the Indian Affairs Committee and others connected closely with the development of his State and the West. He has a broad knowledge of legislation affecting not only Indian affairs, but also irrigation and reclamation, public lands, mines and mining, and agriculture. All these activities are closely connected with the interests of South Dakota and other Western States. His knowledge of these matters, together with his great understanding of parliamentary procedure, have made his counsel, advice, and active support of such legislation invaluable. All of us from the Western States look to Mr. CASE for help in connection with our legislation. We will miss him greatly in the House, but know that we can call on him for support of our efforts in the Senate when he takes over his new duties there.

While we regret losing FRANCIS CASE in the House, we all wish him every success in the new office with which his State undoubtedly will honor him. In electing Mr. CASE to the Senate of the

United States, the people of South Dakota will serve not only their own best interests but will also be making available to the Nation a public servant of the character and ability much needed at this time. May he continue to serve his country for years to come.

ELECTION OF FRANCIS E. WALTER AS SPEAKER PRO TEMPORE

Mr. PRIEST. Mr. Speaker, I offer a resolution (H. Res. 839) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That Hon. FRANCIS E. WALTER, a Representative from the State of Pennsylvania, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. FRANCIS E. WALTER, as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WALTER appeared at the bar of the House and took the oath of office.

THE LATE HON. JAMES E. FRASER

Mr. HAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include therein a very kindly expression by the Atlantic City Press concerning the untimely death of Hon. James E. Fraser.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HAND. Mr. Speaker, it is my sad duty to inform the Congress of the death of James E. Fraser, Speaker of the House of Assembly of the New Jersey Legislature.

Known to literally thousands as "Sonny" Fraser, he was at one time the outstanding amateur golfer of the United States. He came into public life but 5 or 6 years ago, and a combination of warm friendliness, high courage, and ability advanced him in record time to the distinguished position which he held at his death at age 34.

The victim of an incurable and crippling disease, he forced himself to carry on with his important duties, and his brief but brilliant record was replete with accomplishments for Atlantic County and New Jersey.

Mr. Speaker, I include herewith the editorial expression of the Atlantic City Press lamenting the tragically premature passing of this splendid public servant.

IN JAMES E. FRASER WE LOSE A STANCH FRIEND

In the passing of Assemblyman James E. Fraser this resort community and all of Atlantic County lose a valuable friend and the State loses an able legislator who had already given promise of greater and better things to come, assuming he had continued in a legislative career.

Fraser, from boyhood to the end, was a sportsman—with all the fine and desirable qualities that term connotes. As one of the outstanding golfers of the Nation "Sonny" Fraser brought honors and fame not only to himself, but to his home county and State.

But where his friends and neighbors cherished the youth for what he was, Atlantic County by and large learned to love and admire Fraser for what he stood for, for what he was able to do, and for the promise he gave of continuing to give of himself and his particular qualities despite the growing handicap of impaired health. As boy and man, Fraser was likeable and liked by all who came in contact with him, and they were many; he came to be respected and admired for qualities unsuspected in so young a legislator and beginner in the field of politics. For though Fraser became assemblyman, majority leader and speaker, he never became a politician as the term is so often understood.

He became one of the few who, unwittingly, have been able to build their own memorial; but for his determination and unrelenting work Atlantic City might still be without a modern, adequate Absecon Boulevard, the county still making shift with a narrow, sorry, dark White Horse Pike. Ever searching for more opportunity to be of service, Fraser wrought substantial funds for a workmanlike program of mosquito extermination and, thanks to him, for the first time many shore residents were able to enjoy on occasions their own out of doors.

"Sonny" Fraser died with his boots on. For though the legislature was not in session, he has been busy to the last, willing his mind and body to respond to the call of duty he heard, either from fellow legislators or from constituents who sought his aid or advice. Prevented by illness to serve his country in uniform, Fraser nevertheless laid down his life for his neighbors and fellowmen, determined to the last to be about their business.

His death is truly a shock to the community, his county and the State, a shock not numbed by the fact that in these uncertain times, both in peace and war, so many are taken from us in the spring of their life, men of promise and a future before them, and with undoubted willingness to serve their fellowman. To Fraser, death came as a release from untold suffering, however bravely he fought.

THE LATE HON. ALFRED L. BULWINKLE

Mr. DOUGHTON. Mr. Speaker, it becomes my sad and painful duty to announce to the House the death of Hon. ALFRED LEE BULWINKLE, the Representative in Congress from the Eleventh District of North Carolina. I am informed that Major BULWINKLE, as he has for years been affectionately known to the people of North Carolina and to his colleagues in the Congress, passed away last night at his home in Gastonia, N. C.

Although Major BULWINKLE had planned to retire from public life at the end of the present Congress, this fact does not diminish our grief and our great sense of loss in the passing of this outstanding legislator, lawyer, soldier, and patriot.

Major BULWINKLE had served his country ably and faithfully in many capacities. He served with distinction as major in the field artillery in the First World War.

He devoted his great talents in the representation of the people of three different congressional districts of North Carolina at various times, serving in Congress continuously from the Sixty-seventh to the Eighty-first Congress except for the Seventy-first.

Despite his heavy responsibilities as a member of one of the most important committees of the Congress, the Committee on Interstate and Foreign Commerce, Major BULWINKLE found time to represent the United States at a number of international conferences. He served as United States delegate to the International Civil Aviation Conference at Chicago in 1944, and again at Montreal, Canada, in 1947, and was United States adviser to the International Civil Aviation Conference Organization at Geneva, Switzerland, in 1947.

I have known no man in the House of Representatives during my nearly 40 years of service here who stood higher in the respect and affection of his colleagues than did Major BULWINKLE. As ranking majority member of the Committee on Interstate and Foreign Commerce, he was the author of much important legislation vitally affecting the trade and commerce of our Nation. His interest in the development of aviation bespeaks an adaptability to the challenging problems of a rapidly changing world.

In addition to the loss of his experienced legislative leadership, Major BULWINKLE will be missed by his colleagues as a friend. His was a gentleness of personality, and a cheerfulness of spirit that maintained him throughout the past several months of a trying illness. He was a devout church member who practiced in his everyday life the teachings of the Great Redeemer.

The distinguished services of Major BULWINKLE are embodied in the permanent legislative records of our country, and will ever be a source of just pride, not only to his famliy and to the districts he presented, but to the Nation as a whole. I have known many men who were great but not good, and many men who were good but not great, but few have I known who like Major BULWINKLE combined both goodness and greatness. He labored incessantly and indefatigably for his constituents and his country. In fact, I have reason to believe that his health was broken by his assiduous and unceasing labors in behalf of the people.

To his bereaved wife and family, I extend my deepest and most sincere sympathy as one who from close association cannot but sympathize with the widow and children of so outstanding and useful a man. My hope and prayer are that a kind and merciful Providence whose actions we cannot question and to whose mandates we all must humbly bow will aid and comfort the bereaved widow and children in their great sorrow. Truly a great and good man has passed to his reward.

Mr. Speaker, I yield to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Speaker, I join with the many thousands of friends of Maj. A. L. BULWINKLE in a deep sense of sorrow occasioned by his death. He made a great and lasting success in everything he undertook in this world, and those who knew him in this body and in this great State and Nation share the sense of sorrow which has come over so many. Major BULWINKLE was an able and diligent lawyer, he was a great soldier who took pride in the defense of his country, and as a distinguished Congressman made a record of accomplishment and worth which will always adorn

the history of our Nation. Our deceased colleague was beloved by all who knew him and, of course, it is a happy thought to think that we may be privileged to live indefinitely in innumerable lives long after we have retired to our last long sleep. Major BULWINKLE had one characteristic which we should all strive to emulate and that was to speak well of his fellowman—that within itself is a fine spirit and undoubtedly was one of the traits which endeared him to his many thousands of friends.

There will come a day when we would give everything we possess if we might recall the hurtful and hateful words we have spoken to those near and dear to us. We can polish away the blemish in a diamond, but words once spoken can never be effaced. Most of us are careful about how we act toward others and what we say that may wound, but many of us fail to consider this truth: "Words can never return to the lips." On one single sentence often hangs the happiness of two hearts. Words last forever. Cruel words cut like steel and the wound will seldom heal. When the companionship of life is closed, if we could give one instant of pleasure to a pulseless heart or atone for one unkind word—if we could discharge the debt we owe to dust, there would be no reason for the thought: "We are the words she heard."

Life is so short at best. Each year passes faster than the one before it. Years pile up with frightening rapidity. If we are to wring one-millionth part of what we want from living, we must hurry, hurry. One deep soul-searching breath and it is all over. Yes; life is too short to be little. Yes; Major BULWINKLE has drawn that last sweet breath and is even now with Him who is the giver of eternal life. Although he has been taken from us in this body he is still with us for wherever freemen gather his spirit will be with them. My heartfelt sympathies are extended to the family which he leaves behind.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I share the great sorrow occasioned by the death of our dear friend. ALFRED LEE BULWINKLE was one of God's noblemen. He walked in the pathways of rectitude and righteousness, and he made a thoroughfare for friendship wherever he went. He was a man of fortitude and courage yet he was considerate and kind. He possessed all of the splendid attributes of a true Christian gentleman and he devoted his time and his talents to the cause of his great country. With becoming dignity and with great distinction he served his Nation as a citizen, a soldier, and a statesman, and he made a record of which his loved ones and friends may always be justly proud. Those who knew him well loved him because of his true worth. They loved him because of his great devotion to duty and because of his courage and capacity.

Long shall I remember the many kindnesses and courtesies which he accorded me when I first came as a freshman to serve as a Member of this House. I always felt perfectly free to go to him for counsel and on every occasion he was most helpful. It is easy for me to know and to understand the high esteem in which he was held by the people of his district, his State, and his Nation. Having enjoyed his friendship for many long years, I shall always cherish his memory.

I shall leave tomorrow for Ireland to attend the 1950 Conference of the Interparliamentary Union which meets in Dublin, and I regret very much that it will not be possible for me to be with his loved ones and friends for the funeral. I desire, however, Mr. Speaker, to express to his lovely and devoted wife and to his fine children my very sincere and heartfelt sympathy in this hour of their great sorrow. May the light of heaven mark their pathway and may the God of mercy sustain them.

Mr. DEANE. Mr. Speaker, early in August, Major BULWINKLE, our distinguished colleague, left Washington for the last time for the rolling hills of his native county of Gaston.

The membership is aware of the fact that "the major" as he is known so affectionately to his colleagues as well as the thousands of Eleventh Congressional District voters, was returning home in his new automobile, a gift of the admiring Gastonia friends.

I am quite sure that as he traveled southward he began to reminisce. As he traveled along he recalled his 28 years, 14 terms as a Representative of this distinguished body. Likewise, I am sure that first his thoughts undoubtedly turned to the early 1880's when he was a boy in a Gaston County town, Dallas. He left Dallas in later years for the University of North Carolina and there in the law school he completed his course of study and was admitted to the North Carolina bar in 1904.

His service as prosecuting attorney for the Gaston Municipal Court was interrupted by World War I. As a major in the field artillery he was among those gallant leaders who distinguished themselves in the leadership of the Thirtieth Division which left its indelible print upon the military records of this country. After World War I he returned to his beloved country and again found himself in the headlines of the newspapers. He helped prosecute a group of professed Communists who were charged with the murder of the chief of police of his city.

I might add here, Mr. Speaker, that Major BULWINKLE likewise served as a National Guard officer in the Mexican border trouble in 1916 and later commanded the second battalion of the Thirtieth Divisions' One Hundred and Thirteenth Field Artillery in France during World War I.

Major BULWINKLE came to Congress in 1920, entering the Sixty-seventh Congress. It is interesting to note that during the service of Major BULWINKLE, that because of the composition of his district he has represented three districts. When he entered the Congress, his district was the Ninth of North Carolina. He served from the Sixty-seventh through the Seventieth Congresses.

He was not in the Seventy-first Congress but he did return to the Seventy-second. At this time he was representing the Tenth North Carolina District and he served from the Seventy-second through the Seventy-seventh Congresses, inclusive. Then in 1942 he was reelected as a Representative of the Eleventh District and served consecutively the Seventy-eighth, Seventy-ninth, Eightieth, and would have completed the 28 years of distinguished service had he been permitted to live through this eventful year.

Major BULWINKLE's greatest love no doubt was the faithful, painstaking, and devoted service that he rendered to his own committee, the powerful and influential Committee on Interstate and Foreign Commerce, where he was the ranking Democratic member. In the Chamber this morning as we recall the beautiful personality of this beloved colleague of ours, and those of you who served with him on the Interstate and Foreign Commerce Committee know of his outstanding contribution in the field of aviation and public-health legislation.

As the gentleman from North Carolina [Mr. DOUGHTON] indicated a few moments ago, he was our representative at several outstanding conferences on civil aviation, serving as United States delegate to the International Civil Aviation Conference in Chicago in 1944 and Montreal, Canada, in 1947. Likewise, he was United States adviser at the International Civil Aviation Conference Organization in Geneva in 1947.

His interest in the field of legislation involving aviation comprehended the entire globe. In addition to the field of aviation, another great love of his was that of public health. Time prevents a complete analysis of his outstanding contribution in promoting and extending the work of public health throughout this Nation. In the Seventy-eighth Congress, as the chairman of the subcommittee, it was his duty to lead in the recodification of all of the public-health laws. The ranking member with him on this committee at that time was the distinguished majority whip, the gentleman from Tennessee [Mr. PRIEST] who advised me only a moment ago of the hours and hours of arduous work and clear thinking that Major BULWINKLE gave to this work.

Major BULWINKLE was loyal not only to the democratic principles of this great body but he was likewise loyal and devoted to his party.

In the early days of the Roosevelt administration his sponsorship and leadership on this floor made its indelible imprint upon the legislation during those eventful years.

None of us can appreciate the severe pain that warped that robust frame of our dear friend during these recent years. I think now of one who appreciates that fact. It was his loyal and devoted and beautiful companion, Mrs. Bulwinkle. By his side she has remained during all of his hospitalization and especially was her devotion and service witnessed during the many weeks that the major was a patient at Walter Reed Hospital.

Mr. Speaker, I can only say, and it is with humility and likewise with great admiration and respect, that I offer to Mrs. Bulwinkle and their daughter and son my sincere sympathy and would share with them and my colleagues the great loss that all of us feel today.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Speaker, I, like all those who had the pleasure and the honor of knowing Major BULWINKLE, deeply mourn his passing. He was a great North Carolinian, a man of splendid character, strong determination and demonstrated leadership not only in political life but also in social, business and spiritual life. It can truly be said that he was true to every trust imposed in him. As an officer in World War I, his first interest and thought was in the men under his command. In associating with these soldiers since World War I and hearing their praise of Major BULWINKLE, I am confident that he measured up to every requirement of his rank.

I first knew the major during the organization of the American Legion in North Carolina immediately after World War I. In that organization he was a forceful leader, a fighter for the rights and best interests of the servicemen not only in his State but throughout the Nation. While he was strong in his determination and forceful in his ideas, yet, he was sweet and gentle in his character and the social side of life. As a legislator and a statesman he held high the trust imposed in him. His service in this House will long be remembered, for he has written his name high on the roll of those who served diligently, intelligently, and faithfully. I will always appreciate and treasure the abided friendship he demonstrated to me.

To his family and loved ones I express my deep sympathy in this their great loss.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. CHATHAM].

Mr. CHATHAM. Mr. Speaker, you in this body knew Major BULWINKLE as a statesman. We in North Carolina knew him as that and as an eminent citizen. But his most outstanding qualities to me were revealed in his record as a soldier in World War I. I have talked to hundreds of men who served under him in the Thirtieth Division, the Old Hickory Division, which had the credit of breaking the Hindenburg Line. His men respected, admired, and loved him. I have heard them say that no mud was too deep, no night too dark, no danger too great, for the major to take as his first duty that of looking after his men. He would not look after himself until he was satisfied that his boys were taken care of. He has become a symbol among the veterans who served with him of all that is fine and good and brave in an American officer. His artillery battery was a model of efficiency and morale. His name will be forever inscribed in the hearts of his comrades. I am proud to have called him my friend.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Speaker, it is now about 30 years since I first made the acquaintance of Major BULWINKLE. He was a most gracious man in his attitude toward others. He may at times have seemed brusque, but that was only on the surface; he always tried to be courteous toward everybody with whom he had any dealings. He was a very dutiful man. He found it necessary at times to be opposed to me, but the opposition was based on what he regarded as principles.

I, like all the other Members of the House and of our committee shall miss him. We shall miss him on our committee. He was the ranking Member on the majority side. We shall miss him very much. But this experience comes to all, and while we were apprehensive we were hoping that he would continue long with us.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, it was with very deep regret that I heard that our distinguished colleague from North Carolina, Major BULWINKLE, had passed away. He and I served together in the Thirtieth Division of the United States Army in World War I, a division which went through all of the hard, bitter fighting, including the breaking of the Hindenburg line. I had the opportunity of seeing him tested on many occasions. He always measured up to the highest traditions of the true American soldier.

He was a man who possessed the highest attributes of Christian character and all of the sterling qualities of manhood, a man of recognized ability and a demonstrated devotion to public service. He rendered an outstanding and distinguished service to his country, both in war and in peace.

I join with other colleagues in expressing my sincere sympathy to the members of his bereaved family.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, I realize on this occasion how difficult it is to find words that will adequately express the thoughts and deep feelings I have with the respect to the passing away of our colleague, Hon. ALFRED L. BULWINKLE, of the Eleventh District of North Carolina.

It has been my privilege to serve with him for many years in the Congress of the United States. During most of this time I have been associated with him in the work of the great Committee on Interstate and Foreign Commerce. Because of this association, and, particularly the intimate association that resulted in our close personal contact in the work of the committee, I have been able to know the qualities that made him a great legislator and a great American.

He had a strong sense of duty. Always alert to protect the interest of the congressional district he represented for many years with great dignity and ability, he likewise recognized the duty, the higher duty, he owed to the country at large. He respected this obligation so highly that he never permitted partisan politics to interfere with what he considered best for his country.

Furthermore, and, as part and parcel of his allegiance to duty was a degree of courage that made him an outstanding character in the Congress. On more than one occasion he exhibited courage of a high order. Never would he enter into a compromise of a fundamental principle in which he believed. There was no circumstance or exigency that could deter him from the advocacy of what he believed to be right or just. He had the courage of his convictions at all times.

In his courageous adherence to duty he was inspired at all times to serve the people in the highest sense of the word. He appreciated the honor that was given to him to serve the people of his congressional district and of America. He considered it a rare privilege to do so. He was faithful, conscientious, and able. His service was of the kind that gives inspiration to his colleagues, who remain in the Congress, to do likewise.

We mourn the passing of Major BULWINKLE from our midst, however, his life was of the kind that his influence will remain even though he has gone from us. We extend to the members of his family our deepest and most sincere sympathy.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, I join with my colleagues in expressing my feeling for Major BULWINKLE. I went out to the hospital just a few days ago and visited him. He was bright, he was cheerful, he had a lot of hope. But I am sure that he realized, as I did, that his time on earth was limited.

I have known Major BULWINKLE for some time. I knew him in work and I knew him at play. I knew him in sickness and I knew him in health. He was to me an outstanding and courageous gentleman.

The major, I think, recognized that public service was a public trust and, as has been said by others, he was diligent and much devoted to his duty.

Mr. Speaker, it has been a pleasure to me to have known him. We were members of the Interstate and Foreign Commerce Committee; we worked together, and we counseled together, and I found him in all matters that came before our committee to be a man who was conscientious in everything he did.

Major BULWINKLE was a man who made the Golden Rule a part and parcel of his life. He was kind, lovable, considerate, patient, and loyal. He was a statesman, a soldier, and a scholar. He looked upward and not downward. He saw the rainbow amidst the clouds of suffering. Hope sustained him throughout his suffering.

I extend to the members of his bereaved family, and especially to Mrs. Bulwinkle, who was so loyal and devoted to him, my profound sympathy in the loss sustained in the passing of Congressman BULWINKLE, and I share with them their grief and sorrow. May the good Lord bless and keep them in this their deepest hour of grief.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Speaker, on this occasion my heart is so full that I can scarcely express my thoughts. I met Major BULWINKLE the first day I came to Congress in January 1939, and from that day forward we were very intimate

friends, and our affection for each other grew more and more down through the 12 years that I had the honor of serving with Major BULWINKLE. I regard him as one of the finest men I have ever known in any walk of life. He was strong in the essentials of good citizenship, and he lived up to his principles every day of his life. Intimate as I was with Major BULWINKLE, and patient as he was to explain any proposition, any bill or any rule of the House, to me, he always prefaced his remarks by saying, "But, you must always remember your vote is your own responsibility. I can explain a bill to you, but I would not for the world undertake to influence you." He always ended by saying that, "You must make your own decision."

I think Major BULWINKLE possessed the very rarest of courage, too, without which, beyond doubt, no man can be a great leader or a great legislator. He was a clear thinker, and when he had thought a proposition through he had the courage to stand for what he believed, with the certainty in his own mind that in a free America right will eventually prevail, and that the American people will approve of the right conduct, and the right course of action. He had supreme confidence in representative Government. Major BULWINKLE was a great citizen, a great soldier, and a great legislator. What an inspiration his life should be to all young men. He is an example of what young men with courage and industry are able to accomplish in this country. I loved Major BULWINKLE as I scarcely have loved anyone in my life. A great soldier, a great legislator, a charming companion, a true friend, and above all a great American has departed but he has left us a priceless benediction.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, it is with very deep grief that I appear here this morning. My knowledge of Major BULWINKLE, as we all knew him here in the House of Representatives, goes back to the days when he first came to college as a freshman in my home town of Chapel Hill, N. C. Even in those days he was an outstanding student. He was well known on the campus, and from that day on a leader in the State of North Carolina in the political bodies and all of the other matters that pertain to the building of a great commonwealth which our State is today. We are all well aware of his contributions in this body; his conscientious public duty, his courage we all knew. May I extend to his wife and his son this morning my deepest sympathy in their hour of bereavement. May we hope that men of his caliber will continue to serve here in this body.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, there are times when words are weak, and when only deeds and action are great. To me, this is one of those moments. I stand here and feel the most profound emotions when I think that Major BULWINKLE has passed away. Perhaps more than any other Member of the House Major BULWINKLE has helped me in my legislative experience. I went on the Committee on Interstate and Foreign Commerce 8 years ago.

I was on a subcommittee of which Major BULWINKLE was chairman during my first term on that committee.

We were both on the same subcommittee for at least 6 years. One year he was ranking majority member on the public health subcommittee when I was chairman of the committee. He was chairman of the subcommittee as the gentleman from North Carolina [Mr. DEANE], has already stated, which revised and codified all of the public health laws going back over a period of 100 years. I worked with him on that committee and during that study I learned an important lesson. That lesson was that legislation affecting the public interest required the most careful attention, and that many times a phrase or a clause or a provision of a bill which at first sight seems to be well and good, must be studied from the other viewpoint. The major had that faculty of looking at legislation, after he seemingly was satisfied with it, giving it a second look to see what might possibly be wrong with it.

I learned from him to examine all legislative proposals from that viewpoint: "It seems to be right, but maybe there is something wrong with it."

Major BULWINKLE was a man of rugged character, a man of great courage, a man whom we shall miss on the committee and in the House of Representatives. He has written his own eulogy, a eulogy written in the service to his State, his Nation, and to humanity. His interest in public health throughout the years which he served on the committee handling that legislation, I think has been of untold benefit to many people throughout the Nation who may suffer diseases which once were considered incurable. I share with all Members of this body a sense of shock and grief and sorrow at his loss, and extend to members of his family my very deepest sympathy.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Speaker, the great honor brought to the State of North Carolina by our departed colleague, Major BULWINKLE, was not limited to the State lines of that great State, but extended to the boundaries of my own State of North Dakota. There are a great many men in North Dakota who served in the Thirtieth Division under the command of Major BULWINKLE. Among those men his name is more familiar than any of the great officers of World War I. I know the combat members of that division in North Dakota would hold me remiss in my duty here in the Congress of the United States if I did not add my word of eulogy on the memory of a great soldier and their leader and friend.

I did not know him on the battlefield, but knew him as an honorable Member of this Congress. While firm and resolute in the advocacy of what he considered right he was charitable in disagreements with others. He was steadfast in his support of this great democracy in peace as well as in war. I shall always cherish the memory of Major BULWINKLE.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the words so well spoken by the gentleman from Tennessee, the acting majority leader [Mr. PRIEST] might well have been spoken by me because my contacts with Major BULWINKLE followed much the same pattern as the contacts about which he spoke.

I first came to the House of Representatives as a comparatively young man some 16 years ago. Shortly thereafter I was appointed to serve on the Committee on Interstate and Foreign Commerce. By reason of that service and to my everlasting benefit I came into intimate and close personal contact with Major BULWINKLE, then a great and distinguished member of the committee. I also knew him closely and personally by reason of the fact that when my family and I first came to Washington we lived at the Wardman Park Hotel, which was for so many years the residence of Major BULWINKLE.

So I had the pleasure and opportunity to see him in the evenings and to visit with him about things that did not necessarily pertain to legislative work.

Mr. Speaker, it has always seemed to me that the relatives and friends, the family of departed Members of this great body must be comforted by the words here spoken on occasions like this. Certainly, must they be comforted when they can see in the printed word, as they will read it, the deep sincerity and the real honesty of expressions here made. May I add to that for the RECORD, if they could have seen the deep emotion of the gentleman from Iowa [Mr. LECOMPTE], one of the closest personal friends of Major BULWINKLE, they could not help but understand and know just how much he loved and respected and admired Major BULWINKLE. So may it be said of all who have spoken. And that may be said for all who knew him. For myself, I think one of the finest things that has happened to me in my service here was to know and to work with Major BULWINKLE. All of the things that have been said about his integrity and his purpose and his courage and his interest and understanding of all the problems that came before us—all of those are true. All of us who knew him could reiterate those same things. That I shall not attempt to do. Only shall I say again that I want his family and his friends to know that those of us who speak of his life, his character, and his kindness mean every word we say. We hope they shall be comforted in that knowledge.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, I, too, grieve with my colleagues on the passing of Major BULWINKLE. I appreciate what my colleagues have said concerning his work on committee and in the legislative Halls of Congress. I was not fortunate

enough to be with him on any committee. I can recall that he was one of the first men that I met when I came to Congress. He was very kind to me. I always regarded him not only as a soldier and a statesman but also as a scholar and a gentleman.

I noticed what the gentleman from North Dakota [Mr. BURDICK] said regarding the wide influence of his legislation and his efforts. I can testify to that. It has extended far beyond the borders of North Carolina, into the far West. It is noticeable in my own State of Arizona. His good influence was Nation-wide.

One of his colleagues spoke of him as being a good student. That has not been sufficiently stressed, I think. I recall that in January 1944, Major BULWINKLE said to me one day, "JOHN, do you not think we ought to have a plaque down by the old Supreme Court where the first telegraphic message by the electromagnetic telegraph originated?" I said, "Yes, I think we ought." It was nearly the one hundredth year of the origin of that message, down in the old Supreme Court room.

Major BULWINKLE, scholar that he was, and student of American history and all of those things we know, was largely instrumental in obtaining the plaque. Today you will find it down here on the walls of the old Supreme Court room, giving the story of how man first learned to communicate at a great distance, with that first message: "What hath God wrought?" That was a scientific achievement. Major BULWINKLE has a better plaque and a better monument than that in all the fine legislative accomplishments, especially with respect to public-health legislation. "What hath God wrought."

My sympathies go out to his fine family. May his soul rest in peace.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, for the 12 years of my service in the House of Representatives, it has been my privilege to be closely associated with Major BULWINKLE as a member of the great Interstate and Foreign Commerce Committee.

I recall that I had been a member of that committee for a matter of about 10 days or 2 weeks when Major BULWINKLE came around to my side of the table and said to me, "HINSHAW, do you have any kin in North Carolina?" I said, "Yes; my forebears stemmed from there." He said, "I thought so. My district is just full of your kin and they look just like you."

From that day forward I felt almost as a younger brother to him. We were associated in many enterprises together on our committee. We sat together for several thousand hours during the last 12 years on that committee, and we have traveled many thousands of miles to all parts of the Western Hemisphere and Europe in the course of our work on that great committee.

I would like to say that while his character has been well described, it can be no better described than to say that in the truest sense of the word and the broadest sense of the word, Major BULWINKLE was a gentleman. He was a gentleman, indeed, of the old school, a breed which I fear is too rapidly becoming extinct.

We shall miss him on our commitee. Our hearts go out to his family.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Speaker, I know the respect and affection that so many of my colleagues of the House had for Major BULWINKLE. Certainly I shared that same measure of respect and devotion for we were associated together for some 8 years on the great Committee on Interstate and Foreign Commerce.

Major BULWINKLE's passing was not unexpected. I recall that back in 1944 our subcommittee made a trip to Alaska on certain matters of investigation and importance to the committee and to the country. Major BULWINKLE and I were associated on this and other work of the committee very closely. His health at that time was not too good and had not been ever since the unfortunate accident of years ago which crippled him so badly. At times he suffered intense physical pain.

Certainly he and I did not always agree in all viewpoints on legislation, but it never affected in the slightest our true friendship, and certainly I have felt a deep personal sorrow to observe his physical decline and approach to the valley of the shadows we all must enter.

Certainly, Major BULWINKLE was an outstanding Member of this House. His ability in the committee I think was understood least by those who did not serve with him on the committee. He was an extremely able legislator, as the gentleman from Tennessee [Mr. PRIEST] has so well said. It was not just a matter of accepting language by him; he wanted to know exactly what it meant and that it should express the intent of the committee and of the Congress when it became law.

Major BULWINKLE was a devout Christian. Never in all my association with him have I ever heard one profane or suggestive word of any kind fall from his lips.

I join with those of my colleagues of the Committee and of the House in extending to the members of his family my deepest personal sympathy in his passing. In all reverence may his soul rest in eternal peace.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, while the passing of Representative ALFRED L. BULWINKLE was expected, nevertheless the shock is real.

Major BULWINKLE was more than a colleague in Congress to me. He was my friend in the truest sense of the word. I remember well when he entered Congress shortly after World War I. He succeeded Major Steadman, the last Confederate veteran to serve in the House. In physical stature, he was military in every particular. To observe him was to know that he was a commander and a natural leader. One possessing these characteristics plus great ability assured for him a prominent place in the Congress of the United States. He served long and well. Through recent years of ill health, he has been uncomplaining, always cheerful, and ever an optimist.

It was my privilege to visit him in the Naval Hospital the day before he left for home—a few days ago. We all knew that the end was not far off, yet the indomitable spirit of the major was still present. We lived at the same hotel and for years, and together with some other Members, came to the Capitol together on each morning. This type of association made it possible to know the man well. Oh, that the country had more Major Bulwinkles at this time.

A mighty oak has fallen, and I join with the others in paying tribute to the life and character of this great man. He leaves a splendid heritage to a fine family in whose sorrow we join.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I came to Congress 12 years ago and was assigned to the Committee on Interstate and Foreign Commerce. One of the first members of that committee with whom I became acquainted was Major BULWINKLE. While we were of opposite political parties he seemed to have taken me under his wing. I sat at his feet and learned a great deal about the most important functions of that committee. He was not only an able member of the committee but an able Member of the Congress. He served his Nation faithfully and well, in time of war and in time of peace.

Major BULWINKLE was a Christian gentleman. He personified the best in American manhood.

In recent years, as we all know, he has been in ill health, yet never once did I hear him complain. He carried on and met his responsibilities as long as his strength would permit. He has gone to his just reward, but the memory of Major BULWINKLE will live with us for many, many years to come, as long as we are spared life.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Speaker, it may be news to some that Major BULWINKLE was born in my native city of Charleston, S. C. When I came to Congress 10 years ago he reminded me of that and he used to chide me in the cloakroom for my sometimes too-vociferous manner of speaking. He told me if I did not harken to his advice he would tell his cousins in Charleston to vote against me. He had a keen, refreshing, and ever-present sense of humor.

We used to constantly talk about his kinfolk in my native city.

Mr. Speaker, he represented to me what the average American likes to think of a Congressman as being, in appearance as well as in actions.

The major was always temperate, he was always kind. He was strong in debate and he was always resolute in his convictions.

I would say of him:

The leaves have their time to fall,
The rose to wither at the north wind's breath;
But thou hast all season for thine own, O Death.

The major has fallen in the ever-present season of death. He has run the course, he has kept the faith. I am sure you will agree with me when I say he will receive his just reward, for he has run the course and has truly kept the faith.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, I first came to know Major BULWINKLE almost 26 years ago when I reported to Capitol Hill to become the secretary to the late Congressman Seger of New Jersey. I recognized the major as a true Christian gentleman, a most able American legislator.

Once indirectly he performed for me an extreme service. He called me into his office one day to have me meet his then secretary, Louis Carpenter of Charlotte, N. C. Louis Carpenter became one of my best friends on Capitol Hill.

One day he said to me, "Gordon, I want you to go to church with me next Sunday and meet a very charming and pretty girl."

I am glad I went to church on that Sunday because that girl became my wife and the mother of my children.

The Canfields mourn the passing of this great American.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Speaker, I knew Major BULWINKLE as well as probably any Member of the House, although I served with him for only a short time. I found him to be always an elegant gentleman, very courteous to the other Members.

I speak to you as one who drew an issue with him at one time when we were opponents and I want to say that he was the most courteous opponent a man ever had. He was always nice to me and in any remarks he made in the campaign he never said a word against me. When I had the privilege of coming to the Congress and serving with this man, who has been such a fine gentleman toward me, it was quite an honor.

I regret very much that our very pleasant associations here were so short. I had a high respect for Major BULWINKLE as a gentleman, as a scholar, as a Christian leader, and above all as an able and distinguished Congressman. I considered him one of the leading laymen in the Lutheran Church in this Nation and he was so recognized by the church leaders generally. He was a fine Christian, a splendid soldier, a most valued Member of the House and, as I say, the fairest opponent any man could ever have in any contest. I extend to his family my deepest sympathy. I know Mrs. Bulwinkle very well. She is a very splendid woman. I feel honored to have had the opportunity to make these remarks on this occasion.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Speaker, I think that the measure of the character of big men is that they can find time to be kind and, as my colleague has just said, to be courteous, even to those with whom they may not agree. They can also find time to be friends and good neighbors. I want to say as one who has had a neighboring office to that of Major BULWINKLE for several years, that he was all of those things to me. I share in the expressions of sorrow, and I also want to say that the friendliness that he always exhibited to me will be a bright spot in my memory of Major BULWINKLE.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. WHITAKER].

Mr. WHITAKER. Mr. Speaker, I never had the pleasure of knowing the major until 1948. I came to the Congress sick and nervous, and the major was always kind and sweet to me. We went to the hospital together. A man never gets sick, of course, at the proper time. I was out there with the gentleman from New Jersey [Mr. CANFIELD]. I never saw Mr. CANFIELD before, but we are bosom friends now. I was out there with the major, and I was out there with that great statesman the Honorable Cordell Hull. No man was ever sick who really benefited by that sickness more than I did. I had a pep talk made to me every morning I saw the major, and I had a pep talk made to me every evening when I saw Mr. Hull. It meant a good deal to me, a young, green, inexperienced fellow, to have been touched by those two lives.

As I say, the major was a kind and sweet man. He was my friend. It has been very interesting to me this morning to listen to you Members who have known him all these years. My heart goes out to all of you and to the major's family. I shall remember the major as long as I live.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. WHITAKER. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I would like to say this: I know that Major BULWINKLE loved JOHN WHITAKER, and so does everybody else who has come to know JOHN WHITAKER.

Mr. WHITAKER. I thank the gentleman.

Mr. DINGELL. Mr. Speaker, I arise to pay tribute to my friend and colleague ALFRED L. BULWINKLE whom God has called to his eternal rest.

Major BULWINKLE, as he was affectionately known to his colleagues, was a soldier in every respect. He served his country with great distinction in World War I, and acquitted himself with honor in this Chamber.

His service was not limited to the people of his own district, or to the State of North Carolina, but extended wholesomely throughout the United States. We have all benefited from having known and served with the major for all these years. I am proud of my contact with him, and the fact that I numbered him among my more intimate friends in this House.

No amount of eloquence on my part could add to his splendid character or record, and the tributes of all the spokesmen on this floor will fall short of his deservance.

I want to close my remarks with the prayerful expression that God will sustain his widow, son, and daughter with true Christian fortitude, and that He will rest his weary soul.

Mr. BECKWORTH. Mr. Speaker, we, of the Congress are sad, indeed, to learn this morning of the passing of our colleague, Representative A. L. BULWINKLE.

Major BULWINKLE in his many years of service in the Congress was unusually diligent and energetic. He took each of his many duties seriously and discharged them all efficiently, effectively, and faithfully. He sponsored successfully many constructive measures. Unquestionably he was recognized as one of the real leaders of the Congress. He loved the Congress and was devoted to it. His knowledge about the Congress was very comprehensive. It was my privilege to hear him several years ago along with Speaker RAYBURN discuss in the Lutheran church on East Capitol Street some of the important background facts of the Congress. It is accurate to say of him as a Member of Congress he was true to the principles of the ages and never bowed to the pressures of the moment.

Particularly has the House Interstate and Foreign Commerce Committee sustained a great loss. The many years of service Representative BULWINKLE had on this committee enabled him to be a genuine authority on numerous technical and involved questions. Our committee members and staff will miss him greatly in the months and years to come.

Although he excelled as a legislator, in my opinion his greatest success was as a man and a citizen. I believe he always kept as his paramount goal to be a good man and citizen, to contribute all possible to the attaining of the objective, "Thy Kingdom come, Thy will be done." He was true first to himself and thus, of course, false to no man. He was patient, kind, and gentle. These qualities were even more evident in his days of illness and suffering. He not only believed in but practiced the Golden Rule.

Indeed, those who knew Major BULWINKLE best loved and appreciated him most.

May God comfort and sustain his family and friends in their sadness and great loss.

Mr. RAYBURN. Mr. Speaker, I have known Major BULWINKLE intimately ever since he came into the Congress. We were close and devoted friends. His character was of the highest and best type. He served well and faithfully his day and generation. His was a good and great soul. A real statesmen and a great patriot has gone from us. I shall miss him terribly. His dear wife and other loved ones have my deepest sympathy.

Mr. McCORMACK. Mr. Speaker, I am deeply grieved to learn of the death

of my close and valued friend, our distinguished colleague the Honorable ALFRED L. BULWINKLE. The untimely passing of Major BULWINKLE is a loss to the Nation, to the State of North Carolina, and to the district which he so ably represented.

I have lost a close and dear friend.

The ties of friendship that were to grow stronger through the years had their inception when I first came to Congress as a young Member 22 years ago when he evidenced his friendship and kindness to me by assisting me in the performance of my duties in an invaluable way. Through the years of personal friendship that were to follow, I came to know Major BULWINKLE's strong will and determination, particularly with respect to the causes in which he believed and which he sought to advance. He possessed great courage and ability and the qualities that make for a true statesman.

Major BULWINKLE's friendliness, and kindliness, and his generous spirit made him a true friend and earned for him the affectionate regard of all who were privileged to enjoy his friendship.

Major BULWINKLE was one of the outstanding men in the Congress of the United States and during his long years of service to our country as a soldier, and as a legislator, he contributed greatly to the progress of our Nation.

I feel deeply a personal loss, the loss of a strong friendship. His death is a great loss to our Nation, to his beloved State of North Carolina, and to his own district which he represented in the Congress, with honor and courageous public service.

It was a great privilege and honor to have known Major BULWINKLE and to have been one of his many friends.

I pay sincere tribute to his memory.

Mrs. McCormack joins with me in extending to Mrs. Bulwinkle and to his children our heartfelt sympathy in their great loss and sorrow.

Mr. SHORT. Mr. Speaker, it was Shakespeare, I think, who once said that "comparisons are odious."

On this solemn occasion I do not wish to make comparisons between any places or persons, but I believe all Members will agree that during the past quarter of a century—between the two world wars—no other State in our Union has made greater, if as much, progress as has the State of North Carolina.

The old Tarheel State, in recent years, has rapidly grown in population, and enormously increased her wealth. Next to the State of New York, North Carolina perhaps pays more Federal taxes than any other State in the Union. Of course, everyone who smokes a cigarette in all the other States helps to pay the taxes.

North Carolina has one of the strongest delegations in the Congress of the United States. They are true, red-blooded Americans, solid statesmen, and substantial citizens. Among their outstanding Representatives and Senators in Congress, ALFRED LEE BULWINKLE was one of the most distinguished. He was a native of North Carolina. His roots were in her soil. He loved her mountains and sea, stars and sunsets, her beautiful flowers, and, most of all, her fine people.

ALFRED BULWINKLE was a most colorful personality. He came from a small town in Gaston County, but through many hardships and experiences he rose to great heights because of his clear mind, strong character, and personal worth.

After graduating from the Law School of the University of North Carolina and serving with exceptional merit as prosecuting attorney, he entered World War I, exemplifying the fine patriotism of the people of his State, to be discharged as a major of Field Artillery.

In World War II Major BULWINKLE'S only son-in-law served as a lieutenant in the United States Navy, and his only son, Alfred Lewis Bulwinkle, served as a major of Infantry in the United States Army. It was most gratifying, no doubt, to our departed colleague that his son should reach the rank in the armed services of our country that he himself achieved during the First World War. This is the stuff that men are made of.

Major BULWINKLE was only 67 years of age when he "shuffled off this mortal coil" last night, but in the years of peace and war he lived much longer than men twice his age.

Twenty-eight years of his life were spent as a Member of the Congress of the United States. My colleagues, no man can be elected to this body for 14 terms without possessing many fine and admirable qualities.

It has been my privilege to speak on different occasions in the district which Congressman BULWINKLE represented. I know something about the high admiration, the great respect, and fond affection in which the people of his district held him. Parenthetically, it is interesting to note that Major BULWINKLE served three districts in North Carolina, which is perhaps more than any other Member of the Congress has ever served. Due to the increase in population, Mr. BULWINKLE served the Ninth, Tenth, and Eleventh Districts—which shows that people who were incorporated in each new district had the profoundest confidence in him.

While I am the only Republican left in the House from my State of Missouri, I will frankly state that I always admired Major BULWINKLE, even when I sharply disagreed with him. He was a man of honor, true to his conscience, and did not yield to principle. He was a loyal Democrat, and I believe a man should stand for the things in which he believes. He never hit below the belt. And though he was stubborn—one of the toughest men anybody ever encountered—he certainly always tried to be fair and just. We need more of his kind.

On his last visit to the Capitol, in a wheel chair, I had a brief visit with him. Tired and weary as he was, I could still detect a glint in his eye, and feel the strength of his rugged character that would fight to the bitter end. He was a devout Lutheran and possessed an unconquerable courage born of his Christian faith.

Mr. Speaker, there is so little that I can add to the beautiful and well-deserved tributes that have been paid to this good and great man. I do wish I could say something to assuage the sorrow and give a bit of comfort to the loved ones left behind. We all know that time is perhaps our best friend. It can help, but never cure the immeasurable loss that one suffers. Let us be of strong heart and good cheer in knowing that He who doeth all things well will assist us in carrying on even unto the perfect day.

Mr. HAYS of Arkansas. Mr. Speaker, I was impressed by the public service of Major BULWINKLE long before I became a Member of the House. There was something about the intense and earnest way he participated in a meeting of the Commerce Committee which I observed in 1933 that compelled my interest and admiration. Our friendship was later accentuated by the marriage of his daughter, Frances, to a resident of my district, E. G. Williams, of Little Rock. As others have so eloquently and forcefully said, Major BULWINKLE was one of the Nation's useful and distinguished public servants, a much-beloved soldier, citizen, and friend. His passing brings deep sorrow to all who knew him.

Mr. BONNER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks of the pastor of the Holy Trinity Lutheran Church, Gastonia, N. C., during the church service for the late Major Bulwinkle:

It is not our custom to eulogize a brother or sister of ours who dies in the faith. It is not our purpose or intention to do so on this occasion. Beautiful and fitting and true tributes to the major have been spread upon the pages of the newspapers. His abilities and services as a lawyer, soldier, legislator, patriot, statesman, scholar, and gentleman are known to all.

But let it be said that he was not only a servant of the people but of God. He was always interested and at work in the local congregation and in the church at large. For a number of years he served on the executive board of the United Lutheran Church in America, being one of the few laymen, south of the Mason and Dixon's line, to ever be so honored.

In September, because of his illness and because, as he expressed it, "He wanted to do what was best for the church," he submitted his resignation.

The board then adopted the following recommendations:

"Recommended that the executive board accept the resignation of the Honorable A. L. BULWINKLE as a member of this board with sincere regret and express to him our high appreciation of his exemplary faithfulness during his years of service on this board; and further that the secretary of the church be instructed to convey to Congressman BULWINKLE the assurance of our continuing esteem and affection for him, together with our prayers that his life may be spared and his joys increased for many years to come."

Then the secretary of the church added in his letter to the major:

"Your heart would have been made glad to hear the spontaneous expressions of true and grateful friendship which members of the board made at the meeting and in private conversation. The warmth of your spirit has always been a source of pleasure to us in our quarterly meetings. We will miss your companionship greatly.

"May God in His infinite goodness bless and restore you, and sustain in you the joy of the redeemed.

"With my heart's best greeting, I am,

"Loyally yours,

"F. EPPLING REINARTZ,
"Secretary, the United Lutheran Church in America."

Mr. WHITTINGTON. Mr. Speaker, I join with his many friends in paying tribute to the memory of the late Maj. ALFRED LEE BULWINKLE, a Representative of North Carolina, who was born April 21, 1883, and passed away on Thursday, August 31, 1950.

Among the first Members of Congress whom I met when I was elected to Congress for the term beginning March 4, 1925, was Major BULWINKLE. He was well known among his colleagues as a splendid combat officer of the First World War. For many years we lived at the same hotel. With three or four other Members of Congress we rode together from our hotel to the Capitol every morning during the sessions of Congress. I esteemed Major BULWINKLE as one of my warmest personal friends. I valued him for his sterling worth.

Major BULWINKLE was a patriot. He loved his country. He was brave as a soldier and loyal and industrious as a Member of Congress.

Major BULWINKLE was a man of courage. He had his convictions and had the courage of his convictions. He voted for measures that he believed to be for the welfare not only of his district and State but of the country.

Our departed friend as an able lawyer became a capable legislator. He was an excellent presiding officer and often served as Chairman of the Committee of the Whole House on the State of the Union in the House of Representatives.

Major BULWINKLE was not only a patriot but he was a Christian citizen. He was devoted to the denomination to which he belonged. He lived the good life of his time. He rendered faithful service to his district and to his country. He has left a good name to his family and a good record for his country.

Mr. KEOGH. Mr. Speaker, all of us recognize the high honor which is ours in serving as Members of the United States House of Representatives. There are certain privileges which accompany this honor. To my mind, one of the greatest of these is the making of valued and lasting friendships. We have heavy responsibilities, and I fear many of us would not approach being equal to them if we were denied the opportunity of drawing on the counsel of our colleagues in arriving at our own decisions.

Now, a colleague has left us. As always on the occasion of the passing of a coworker and friend, there is real sadness in all our hearts. There is a special, an acute sadness and sense of loss visited today on those of us who had the pleasure of serving with ALFRED LEE BULWINKLE, of North Carolina, on the Committee on Interstate and Foreign Commerce.

This is the Eighty-first Congress. Mr. BULWINKLE first was called to duty in the House in the Sixty-seventh Congress, more than 29 years ago. Almost continuously since then, he devoted himself to the legislative interests of the Nation and the State of North Carolina.

Through the years, our colleague from North Carolina came to be regarded as one of the outstanding authorities on transportation law. Mr. BULWINKLE shaped his thinking to the needs of the hour. He was ever a progressive legislator. He recognized the changing requirements of the older instrumentalities of commerce, but he was alert to the heightening importance of such new forces as commercial aviation. In 1947, he served as United States adviser to the International Civil Aviation Conference Organization at Geneva, Switzerland. Prior to that, he was a delegate of the United States to the International Civil Aviation Conference in Chicago in 1944, and in Montreal, Canada, in 1947.

In the sessions of the Committee on Interstate and Foreign Commerce, the influence of ALFRED LEE BULWINKLE was most useful and highly persuasive. With that influence snatched from us, in the wisdom of the Almighty, those of us who remain to face the problem referred to this committee are certain to find a new measure of our inadequacy.

Through his sober judgment and his analytical thinking, Mr. BULWINKLE left a clear mark on the body of law which controls the Nation's commerce, among the States and with other countries. In a long career, the people he represented so conscientiously provided him with many opportunities for effective service. Whenever these opportunities came to hand, this alert, industrious, and steady son of North Carolina was ready and able.

To his colleagues on the committee, Mr. BULWINKLE represented a rich source of experience. He never stinted on the fruits of this experience when his advice was sought. With clear and earnest reasoning, he approached each problem enthusiastically but never rashly. Whether it was in a regular meeting of the committee, a subcommittee session or an informal talk with a colleague, he gave his best.

ALFRED LEE BULWINKLE was a legislator worthy of emulation. In war and peace, he served his Nation well. He was devout in his church, devoted in his family and sedulous in his labors. Our sincerest sympathy goes forth today to the family of a respected colleague and true friend.

GENERAL LEAVE TO EXTEND

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on the life and services of our deceased colleague, and also that all Members may revise and extend their remarks at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 840).

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. ALFRED L. BULWINKLE, a Representative from the State of North Carolina.

Resolved, That a committee of 14 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the committee to attend the funeral the following members on the part of the House: Messrs. DOUGHTON, KERR, WOLVERTON, COOLEY, BARDEN, BECKWORTH, DURHAM, HINSHAW, BONNER, DEANE, JONES of North Carolina, REDDEN, CARLYLE, and CHATHAM.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

The SPEAKER. Pursuant to House Resolution 840, the House stands adjourned to meet on Tuesday, September 5, 1950, at 12 o'clock noon, in the caucus room in the New House Office Building.

ADJOURNMENT

Accordingly (at 1 o'clock and 51 minutes p. m.), under its previous order, the House adjourned until Tuesday, September 5, 1950, at 12 o'clock noon, to meet in the caucus room of the New House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1660. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to include the Coast Guard within the provisions of the Selective Service Act of 1948 and to authorize the President to extend enlistments in the Coast Guard"; to the Committee on Armed Services.

1661. A letter from the Assistant Secretary of the Interior, transmitting a report on the inspection of coal mines by the Bureau of Mines for the fiscal year ending June 30, 1950 (Public Law 49, 77th Cong.); to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLS: Committee on Public Lands, H. R. 8309. A bill to authorize the construction, operation, and maintenance of the Vermejo reclamation project, New Mexico; with amendment (Rept. No. 3043). Referred to the Committee of the Whole House on the State of the Union.

Mr. MANSFIELD: Committee on Foregn Affairs. H. R. 9039. A bill to establish a Commission on Cooperative International Relations; with amendment (Rept. No. 3044). Referred to the Committee of the Whole House on the State of the Union.

Mr. STANLEY: Committee on House Administration. H. R. 9399. A bill to provide a more effective method of delivering applications for absentee ballots to servicemen and certain other persons; without amendment (Rept. No. 3045). Referred to the Committee of the Whole House on the State of the Union.

Mr. STANLEY: Committee on House Administration. H. R. 9455. A bill to amend the act of September 16, 1942, as amended, so as to facilitate voting by members of the

Armed Forces, and certain others, absent from their places of residence; with amendment (Rept. No. 3046). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EBERHARTER:

H. R. 9611. A bill to reimpose the excess-profits tax on corporations; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 9612. A bill to increase the appropriation authorization for the Air Engineering Development Center; to the Committee on Armed Services.

By Mr. CARROLL:

H. R. 9613. A bill to reimpose the excess-profits tax on corporations; to the Committee on Ways and Means.

By Mr. KING:

H. R. 9614. A bill to reimpose the excess-profits tax on corporations; to the Committee on Ways and Means.

By Mr. YOUNG:

H. R. 9615. A bill to reimpose the excess-profits tax on corporations; to the Committee on Ways and Means.

By Mr. HAND:

H. R. 9616. A bill to amend title 18 of the United States Code to provide that espionage and advocating the overthrow of the Government by force or violence shall be capital offenses at all times; to the Committee on the Judiciary.

By Mr. BATTLE:

H. Con. Res. 282. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

By Mrs. DOUGLAS:

H. Con. Res. 283. Concurrent resolution for the establishment of a United Nations Police Authority; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE:

H. R. 9617. A bill for the relief of persons injured by the fraudulent acts of the White Construction Co., of Toledo, Ohio; to the Committee on the Judiciary.

By Mr. ELSTON:

H. R. 9618. A bill for the relief of Southern Fireproofing Co., of Cincinnati, Ohio; to the Committee on the Judiciary.

By Mr. RAMSAY:

H. R. 9619. A bill for the relief of Ben Lipscher, Mrs. Ben Lipscher, and Mike Schwartz; to the Committee on the Judiciary.

By Mr. RHODES:

H. R. 9620. A bill for the relief of Mary Izumi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2357. Mr. TALLE presented a petition of Mrs. Alice J. Burnside and 180 other residents of Fayette County, Iowa, protesting the sale of alcoholic beverages on military or naval reservations, which was referred to the Committee on Armed Services.

SENATE

TUESDAY, SEPTEMBER 5, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Gearhard E. Lenski, D. D., pastor, Grace Lutheran Church, Washington, D. C., offered the following prayer:

Almighty and Eternal God, we stand in Thy presence as once stood Israel's ancient king, confessing unto Thee our sins and our shortcomings, beseeching Thy mercy and seeking anew Thy favor, Thy pardon, and Thy grace. As individuals, we confess unto Thee that we have erred and strayed from Thy ways like lost sheep. We have transgressed against Thy holy laws. We have left undone many things that we should have done, and in Thy sight we have done many things that we should not have done.

We likewise, as a nation, have not always measured up to Thy divine requirements. Thou hast given unto us the great and precious gift of freedom, and sometimes we have prostituted it, and used it for ignoble ends. We have taken our prosperity for granted. Sometimes we have felt on that score we were better than others. We have not always loved mercy and walked humbly in Thy sight.

We pour out our sins and iniquities and our shortcomings before Thee. Have mercy upon us. Wilt Thou in Heaven hear our prayer. Wilt Thou answer and forgive.

We dedicate to Thy protection and Thy care these beloved United States, and our land, our homes, our little ones. We dedicate to Thee the golden hours of this new day. May all we say and think and do in it be pleasing in Thy sight.

May the Lord bless us and keep us. May He make His face shine upon us, and be gracious unto us. May He lift up His countenance upon us and grant us peace. Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Friday, September 1, 1950, was dispensed with.

ORDER FOR RECESS

Mr. GEORGE. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until 12 o'clock noon tomorrow, Wednesday, September 6, 1950.

The VICE PRESIDENT. Without objection it is so ordered.

LEAVES OF ABSENCE

On request of Mr. HENDRICKSON, and by unanimous consent, Mr. MILLIKIN was excused from attendance on the sessions of the Senate for the next 10 days, commencing today.

On request of Mr. HENDRICKSON, and by unanimous consent, Mr. DARBY was excused from attendance on the sessions of the Senate today and tomorrow.

On request of Mr. HENDRICKSON, and by unanimous consent, Mr. WATKINS was excused from attendance on the session of the Senate today.

CALL OF THE ROLL

Mr. GEORGE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Maybank
Anderson	Hickenlooper	Mundt
Benton	Hill	Murray
Brewster	Hoey	O'Conor
Bridges	Holland	O'Mahoney
Butler	Humphrey	Pepper
Byrd	Hunt	Robertson
Cain	Johnson, Colo.	Russell
Chapman	Johnson, Tex.	Schoeppel
Connally	Kefauver	Smith, N. J.
Cordon	Kilgore	Sparkman
Donnell	Knowland	Stennis
Douglas	Leahy	Taylor
Dworshak	Lehman	Thomas, Okla.
Ecton	Lodge	Thomas, Utah
Ellender	Long	Thye
Ferguson	McCarran	Wiley
Fulbright	McCarthy	Williams
George	McFarland	Withers
Graham	McKellar	Young
Green	McMahon	
Gurney	Malone	

Mr. GEORGE. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Illinois [Mr. LUCAS], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Pennsylvania [Mr. MYERS], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on public business.

Mr. HENDRICKSON. I announce that the Senator from New York [Mr. IVES], the Senator from Missouri [Mr. KEM], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Colorado [Mr. MILLIKIN], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The junior Senator from Ohio [Mr. BRICKER], the Senator from Maine [Mrs. SMITH], the Senator from Massachusetts [Mr. SALTONSTALL], the senior Senator from Ohio [Mr. TAFT], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Kansas [Mr. DARBY] and the Senator from Utah [Mr. WATKINS] are absent by leave of the Senate on official business.

The senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], the Senator from North Dakota [Mr. LANGER], and the Senator from Oregon [Mr. MORSE] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Sen-

ate on official business as a temporary alternate Governor of the World Bank.

The VICE PRESIDENT. A quorum is present.

DEATH OF FORMER SENATOR MOORE, OF OKLAHOMA

Mr. SMITH of New Jersey. Mr. President, on Sunday I saw the notice in the New York newspapers of the death on Saturday, September 2, of our former colleague, E. H. Moore, of Oklahoma. "Eddie" Moore was elected to the Senate in 1942, 2 years before I was, but it was my privilege to see a great deal of him and to come to appreciate his independent mind and his kindly human interest in his colleagues. He might differ with us, but he always was a champion of our right to our independent judgment as he claimed the right to his own. In his passing I have lost a valued friend, and I desire to express my deep sympathy to Mrs. Moore and other members of his family.

Mr. DONNELL. Mr. President, the reference made by my esteemed colleague, the Senator from New Jersey [Mr. SMITH], to the death of our former colleague, Senator Moore, is indeed appropriate. Senator Moore was born in Nodaway County, Mo., which is the county in which is located the birthplace of the present speaker. My father knew him and, as a young lawyer, he received from my father one of his early employments to represent a client. Senator Moore was a man of industry, ability, and integrity. I express to his widow my sympathy in her sorrow.

Mr. THOMAS of Oklahoma. Mr. President, I desire to associate myself with those of my colleagues who have referred to the passing of a former distinguished Member of this body.

It was a shock to me to learn of the passing of my former colleague and a former distinguished Member of this Senate, the Honorable Edward H. Moore, of Tulsa, Okla.

Senator Moore passed away suddenly on September 2, 1950.

My friend of almost 50 years was born in Missouri on November 19, 1871.

He was educated in the common schools, the Chillicothe College, and the Kansas City School of Law.

Ed Moore, as he was familiarly and widely known, taught school to pay his way through college and in 1901 moved to Oklahoma where he engaged in the practice of law.

Early in life he married Miss Cora McComb of Lamar, Mo.

In addition to the practice of law, Senator Moore was a successful farmer, rancher, and oil producer. To his credit as the discoverer and developer are a number of oil fields in Oklahoma and the Southwest.

On November 3, 1942, he was elected as a Republican to represent Oklahoma in the United States Senate and served in that capacity until January 3, 1949.

He was a member of the Oklahoma State and the American Bar Associations.

He was a member of the First Christian Church of Tulsa, and was also a thirty-second degree Mason.

Ed Moore was a man of strong convictions, and sought opportunity and occasion for making known his opinions and recommendations regarding public issues and policies.

From early youth until 1940 he was a consistent and enthusiastic Democrat, and was a delegate to the Chicago National Convention which, over his opposition and protest, nominated Franklin D. Roosevelt for a third term.

Because of the breaking of the precedent that no man should be nominated and elected for a third term as President, Ed Moore renounced the Democratic Party and allied himself with the opposition or Republican Party.

In 1942 the Republicans of Oklahoma nominated former Senator William B. Pine as its candidate for the office of United States Senator for Oklahoma.

After the nomination, Senator Pine pased away, thus leaving a vacancy on the Republican ticket for the office of United States Senator.

The Oklahoma Republican State central committee, after much persuasion, induced Ed Moore to take the place on the Republican ticket for which former Senator Pine had been nominated. Although Oklahoma was a Democratic State and the chances of success were not promising, yet he accepted the place and a made a vigorous campaign for election.

While Oklahoma remained Democratic, Ed Moore was elected to the United States Senate.

After his election and before he was sworn in as a United States Senator from Oklahoma, he confided to me that if he had had a realization that he might be elected he would never have consented to make the race. He stated that he agreed to accept the place on the Republican ticket, not in the hope of being elected, but instead that he might have the opportunity to make some statements in the public interest which he thought should be made.

This one incident is typical of the public as well as the private life of Ed Moore.

He was publicly and privately honest.

He was not an opportunist, and never straddled a political issue.

He did much to build up Oklahoma, and his passing is mourned by those who were so fortunate as to be able to call him a friend.

TRANSACTION OF ROUTINE BUSINESS

Mr. GEORGE. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ENROLLED BILLS SIGNED DURING RECESS

Under authority of the order of the 1st instant,

The PRESIDENT pro tempore announced that on September 2, 1950, he signed the following enrolled bills, which had previously been signed by the Speaker pro tempore of the House of Representatives:

S. 192. An act to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties;

S. 868. An act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes;

S. 1838. An act to amend title 28 of the United States Code relating to fees of United States marshals;

S. 3409. An act to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes;

S. 3959. An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes;

S. 3995. An act to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes;

S. 4029. An act to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes;

S. 4071. An act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes; and

H. R. 8594. An act to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, FEDERAL SECURITY AGENCY (S. Doc. No. 226)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $3,000,000, for the Federal Security Agency, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF DISPLACED PERSONS COMMISSION

A letter from the Chairman and members of the Displaced Persons Commission, transmitting, pursuant to law, the third semiannual report of the Commission, dated February 1, 1950 (with an accompanying report); to the Committee on the Judiciary.

PETITION

The VICE PRESIDENT laid before the Senate a resolution adopted by New Port Richey (Fla.) Townsend Club No. 1, favoring the enactment of the so-called Townsend plan, providing old-age assistance which was referred to the Committee on Finance.

THE KOREAN SITUATION, ETC.—RESOLUTION OF WEST VIRGINIA DEPARTMENT OF AMERICAN LEGION

Mr. KILGORE. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the American Legion, Department of West Virginia, at its thirty-second annual department convention assembled in Charleston, W. Va., on August 25–27, 1950, relating to the Korean situation, and so forth.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Present world conditions more than ever demonstrate the need of clear thinking and steady hands in the guidance of American affairs at home and abroad, especially in the integration and unification of the military departments into a single fighting force, emblematic of the spirit and solidarity of the United States of America: Now, therefore, be it

Resolved by the American Legion, Department of West Virginia, at its thirty-second annual department convention assembled at Charleston, W. Va., August 26–27, 1950, That—

We commend the Honorable Harry S. Truman, the President of the United States, for the position taken by him in the Korean situation, thereby taking a firm stand against the threatening hordes of communistic devastation;

We have complete confidence and unswerving faith in the Honorable Louis Johnson, the Secretary of Defense, and in his ability—demonstrated by his devotion, loyalty, unselfish labor, and the open record, of his public and private life from 1917–18 in the trenches of France, later as Assistant Secretary of War, and his many activities in the American Legion, to the present day; we stand with him in his determination for the betterment and strength of our country, to—

Achieve the long desired objective of unifying and integrating our Army, Navy, and Air Force into efficient combat units, with flexibility in the utilization of their specialties;

Eliminate inefficiencies, waste, and unnecessary overlapping in the fields of administration and procurement within the Department of Defense;

Attain a businesslike and effectual use of the tax dollar for more and better guns, ammunition, ships, planes, equipment, and supplies, for our fighting forces; and

We pledge our support to the President of the United States and the Secretary of Defense, toward the establishment of freedom, and making the United States strong, that forever there may be peace on earth and good will toward all men.

I, C. A. Tesch, hereby do certify that I am the duly elected, qualified, and acting adjutant of the American Legion, Department of West Virginia; that the foregoing is a true and correct copy of the resolution regularly and duly adopted by the American Legion, Department of West Virginia, at its thirty-second annual department convention held on August 25–27, 1950, at Charleson, W. Va., and that by convention action it was directed that a certified copy of said resolution be transmitted to you.

Given under my hand and the seal of the American Legion, Department of West Virginia, this 28th day of August 1950, at Charleston, W. Va.

C. A. TESCH,
Department Adjutant.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. HOEY, from the Committee on Agriculture and Forestry:

S. 3135. A bill to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; with an amendment (Rept. No. 2503).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on Saturday, September 2, 1950, he presented to the President of the United States the following enrolled bills:

S. 192. An act to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties;

S. 868. An act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes;

S. 1838. An act to amend title 28 of the United States Code relating to fees of United States marshals;

S. 3409. An act to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes;

S. 3959. An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes;

S. 3995. An act to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes;

S. 4029. An act to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes; and

S. 4071. An act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN:

S. 4122. A bill for the relief of Aldea Bourgeois; to the Committee on the Judiciary.

By Mr. TAYLOR:

S. 4123. A bill for the relief of Osvaldo Castro y Lopez; to the Committee on the Judiciary.

S. 4124. A bill to provide for the transfer of certain lands in the State of Idaho to the Idaho Ranch for Youth, Inc.; to the Committee on Interior and Insular Affairs.

By Mr. LEHMAN:

S. 4125. A bill for the relief of Arthur Lilienfeld; and

S. 4126. A bill for the relief of Virgilia and Madeleine Dabell; to the Committee on the Judiciary.

INTERNAL SECURITY ACT OF 1950—AMENDMENTS

Mr. ELLENDER submitted an amendment intended to be proposed by him to the bill (S. 4037) to protect the internal security of the United States, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. KEFAUVER submitted amendments intended to be proposed by him to Senate bill 4037, supra, which were ordered to lie on the table and to be printed.

Mr. MUNDT (for himself, Mr. FERGUSON, and Mr. JOHNSTON of South Carolina) submitted amendments intended to be proposed by them, jointly, to Senate bill 4037, supra, which were ordered to lie on the table and to be printed.

THE NATIONAL GUARD—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The National Guard—America's Minute Men," delivered by him at Camp Haven, near Sheboygan, Wis., on August 31, 1950, which appears in the Appendix.]

ORIGIN OF THE FOURTEENTH AMENDMENT—EDITORIAL FROM THE WASHINGTON POST

[Mr. HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "Origin of the Fourteenth Amendment," published in the Washington Post of Monday, September 4, 1950, which appears in the Appendix.]

MANUFACTURE OF THE HYDROGEN BOMB

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "Sometimes 'Too Big' Is Just Right," published in the Saturday Evening Post of September 2, 1950, which appears in the Appendix.]

ALLEGED SOCIALISTIC NATURE OF COLUMBIA VALLEY ADMINISTRATION—EDITORIAL COMMENT

[Mr. ECTON asked and obtained leave to have printed in the RECORD an editorial entitled "Is CVA Socialistic?" published in the Olympia (Wash.) Olympian of July 26, 1950; also an editorial entitled "Is CVA Socialistic?" published in the Bellingham (Wash.) Herald of August 2, 1950, which appear in the Appendix.]

BRANDING RUSSIA—EDITORIAL FROM WASHINGTON POST

[Mr. THYE asked and obtained leave to have printed in the RECORD an editorial entitled "Branding Russia," published in the Washington Post of September 5, 1950, which appears in the Appendix.]

STATEHOOD FOR ALASKA AND HAWAII—LETTER FROM KENNETH HASKELL MANTEL

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a letter dated August 17, 1950, addressed by Kenneth Haskell Mantel to the editor of the New York Herald Tribune, which appears in the Appendix.]

GENERAL MACARTHUR AND THE DEMOCRATIZATION OF JAPAN—ARTICLE FROM THE WASHINGTON TIMES-HERALD

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article in regard to General MacArthur and the democratization of Japan, published in the Washington Times-Herald of August 27, 1950, which appears in the Appendix.]

LATTIMORE: DREYFUS OR HISS?—ARTICLE BY EUGENE LYONS

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD an article entitled "Lattimore: Dreyfus or Hiss?" written by Eugene Lyons, and published in the New Leader on September 2, 1950, which appears in the Appendix.]

THE MEDWAY PLAN FOR HUMAN REHABILITATION AND WORLD PEACE—ARTICLE BY DR. CHARLES R. JOY

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an article entitled "The Medway Plan for Human Rehabilitation and World Peace," by Dr. Charles R. Joy, which appears in the Appendix.]

COLOR TELEVISION—STATEMENT BY SENATOR JOHNSON OF COLORADO AND LETTER TO WAYNE COY

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a statement by him regarding the decision

of the Federal Communications Commission on the color television question, with a letter from him to Chairman Coy of the Federal Communications Commission, which appear in the Appendix.]

ADDRESS BY SENATOR PEPPER AT FOURTH BIENNIAL CONVENTION OF SOUTHERN CONFERENCE FOR HUMAN WELFARE

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him at the fourth biennial convention of the Southern Conference for Human Welfare, at New Orleans, La., on November 28, 1946, which appears in the Appendix.]

THE 1950 REVENUE ACT—STATEMENT BY CHARLES F. WAHL

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a statement by Charles F. Wahl, representing the Pacific Lock Operators Association, Masters, Mates, and Pilots, Marine Engineers, Dredge Operators, Truck Drivers, and Marine Dispatchers of the Panama Canal, which appears in the Appendix.]

WORLD GOVERNMENT—STATEMENT BY DR. HAMILTON HOLT

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a public statement issued on February 13, 1950, by Dr. Hamilton Holt, honorary president of Rollins College, which appears in the Appendix.]

MY FATHER WORKS—SERMON BY DR. HAROLD G. SANDERS

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a sermon delivered on September 3, 1950, by Dr. Harold G. Sanders, pastor of the First Baptist Church, Tallahassee, Fla., which appears in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF OLIVER J. CARTER TO BE UNITED STATES DISTRICT JUDGE FOR NORTHERN DISTRICT OF CALIFORNIA

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, September 12, 1950, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Oliver J. Carter, of California, to be United States District Judge for the Northern District of California to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Indiana [Mr. JENNER].

NOTICE OF HEARING ON NOMINATION OF WILLIAM M. BYRNE TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF CALIFORNIA

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, September 12, 1950, at 10 a. m., in room 424, Senate Office Building, upon the nomination of William M. Byrne, of California, to be United States District Judge for the Southern District of California, vice Hon. J. F. T. O'Connor, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN] chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Indiana [Mr. JENNER].

SHOULD WE ARM GERMANY?—ARTICLE BY SENATOR THYE

Mr. THYE. Mr. President, I should like to have printed in the body of the RECORD as part of my remarks the reply I made to the question, asked by the editor of the Duluth Herald, whether Germany should be rearmed.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHOULD WE ARM GERMANY?

(By EDWARD J. THYE, United States Senator)

As we examine that question we are constantly confronted with the realities that if western Germany does not become a part of the countries of western Europe that are now fighting communism, they, as a people and as a country, will have to stand alone, neutral, or be swept back of the iron curtain of Russia.

Economically, western Germany cannot stand alone. Likewise, the countries allied with us in this struggle against communism need the German industrial economy, and the situation in Japan is very similar to that of Germany. Therefore, my reply to the question, "Should we rearm western Germany and Japan?" is "yes," with this positive reservation and safeguard: That they be under one military leader chosen by the nations within the Security Council.

Rearming Germany and Japan in this manner is extending an invitation to them to be members of an honorable body, such as an international police force, striving to protect the rights and security of free people and their pursuit of a lasting peace. If the people of western Germany and Japan were so recognized, I am confident that the people themselves, under such an international military leader, would strive to make amends for the great wrong done by the military leaders who had forced these people and their countries into conflict.

The German people are aggressive, industrious, and if permitted to work with the nations which are striving to continue freedom of man in a free world, I believe that they would make a great contribution.

I found this conviction strengthened after having visited Germany a year ago and knowing that our occupation forces, through educational channels and through agricultural demonstration work, such as carried on by many agricultural economists and technicians whom we know as extension educational workers in the United States, have worked with the German people, more especially the youth, and have developed a will in the German mind to build for peace rather than military might. If we give them an opportunity to work with us, I am confident that they would make an admirable contribution. I feel the same about Japan.

This world crisis and strife involve a free people against the godless Communists of Russia.

The United Nations organization was conceived for the purpose of establishing an international organization where nations could unite, working toward the solution of their trade barriers and monetary problems and other differences that arise.

They are striving ever to achieve internationally the accomplishments that are so readily exemplified here in the United States, where the people of all nationalities and religious beliefs have been able to work for the betterment of all and have achieved a standard of living, on the average for all the people, far above a level heretofore achieved, and have achieved a unity of states, such as the United States.

Allowing western Germany to be rearmed, and Japan in due time, would seem to be an action on the part of the Allies that would assure the people of Germany and Japan that they could eventually be accepted as nations striving to achieve, within the United Nations, the objectives of resolving the differences that arise among nations through an international court or some such honorable body, established by the United Nations and dealing decisively through the international police organization with any aggressor that would threaten the security and peace of the rest of the nations of the world.

Such recognition for the people of western Germany would have a profound impression upon the people of eastern Germany whom Russia is endeavoring to indoctrinate with the communistic ideology and philosophy. It would seem to me that the people of eastern Germany would strive to become reunited with the people of western Germany.

Likewise, such a recognition of the Japanese people would be an indication of all of Asia that we are not imperialistic warmongers but are striving to obtain peace and the freedom of all people throughout the world. Russia has sown seeds of distrust in the minds of many of the people of Asia that the United States and some of our allied countries are imperialistic warmongers, threatening to dominate all the world.

Granting Germany and Japan the right to share in United Nations military forces, instead of suppressing them and endeavoring to completely destroy both their industry and their dignity as a people, would lend itself to the defeat of the Russian propagandists.

REFERENCE BY THE PRESIDENT TO THE UNITED STATES MARINES

Mr. HICKENLOOPER. Mr. President, on page A6323 of the Appendix of the RECORD, under the extension of remarks of Hon. GORDON L. McDONOUGH, a Representative from California, appears one of the most, if not the most, astoundingly insulting letters about a glorious American institution that any President of the United States has ever written, so far as I know. I call the attention of the Senate to the insult given to the United States Marines by the President of the United States in a letter of reply which he wrote to Representative McDONOUGH, who inserted it in the Appendix of the RECORD.

I know that the spirits of heroes from the halls of Montezuma, from Chateau Thierry, Tarawa, and the rugged hills of Korea, will be aroused today over this insult to this glorious corps of brave Americans who have spearheaded so many of our historic victories on countless beachheads and battlefields throughout the world, and who have colored those beachheads with their blood.

Mr. President, I am going to read this letter to the Senate, because I, as an American with pride in American traditions and American sacrifice am insulted, as I am sure every Member of

this body will be insulted when he hears this letter.

Representative McDONOUGH wrote as an admirer of the great United States Marine Corps, suggesting that it be made into a separate unit of our armed services, and that a chief of staff be appointed for the Marine Corps.

On August 29, 1950, the following letter in reply was received from the President by Mr. McDONOUGH, and was inserted in the Appendix of the RECORD, as I have said, at page A6323.

THE WHITE HOUSE,
Washington, August 29, 1950.

MY DEAR CONGRESSMAN McDONOUGH: I read with a lot of interest your letter in regard to the Marine Corps. For your information the Marine Corps is the Navy's police force and as long as I am President that is what it will remain. They have a propaganda machine that is almost equal to Stalin's.

Is it conceivable—it still is hardly conceivable to me—that the President of the United States would say that the Marine Corps, with earned glory exceeded by no other branch of the Armed Forces of our Nation, is but the police force of the Navy; that it has a propaganda machine the equal of the most corrupt, dishonest, and dishonorable propaganda machine the world has ever seen, that of Joe Stalin?

I continue to read the President's letter:

Nobody desires to belittle the efforts of the Marine Corps but when the Marine Corps goes into the Army it works with and for the Army and that is the way it should be.

I am more than happy to have your expression of interest in this naval military organization. The Chief of Naval Operations is the Chief of Staff of the Navy of which the Marines are a part.

Sincerely yours,

HARRY S. TRUMAN.

Mr. President, while I think every American should take just exception to that letter, in addition to being aroused by it, I have a sense of great sadness that a President of the United States would so contemptuously refer to that great, heroic body of men who have served our country and who have served freedom with their blood and courage in spearheading the landings on beaches all over the world. I call it to the attention of the Senate, and I say to you, Mr. President, that I believe there will be found no Member of this body who will defend and support the sentiments expressed by the President in his letter to Representative McDONOUGH.

Mr. DOUGLAS subsequently said: Mr. President, I should like to make a brief statement in regard to an alleged letter from the President of the United States, dealing with the Marine Corps. That matter has been given some publicity today. The alleged letter appears on page A6323 in the Appendix of the CONGRESSIONAL RECORD.

I have no way of knowing whether the letter was actually composed by the President of the United States or whether it was drafted for him by a member of the Armed Services Department or by one of his secretaries. I should imagine that it is quite possible that it was prepared for the President by someone else who did not like the Marine Corps and that it is quite possible that the President signed the letter in an inadvertent moment, under the pressure of a tremendous volume of correspondence and paper work. I think that is probably the most correct explanation of the matter.

However, if by any mischance the President actually wrote the letter himself, I am sure that it does not represent his considered opinion, but rather, that the letter was an expression of irritation under great pressure and under the almost superhuman tasks which are imposed upon the Chief Executive in connection with the present hostilities.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I shall be glad to yield for a question when I finish this statement.

Mr. President, I am certain that the letter does not represent the real judgment which the President of the United States has for the Marine Corps. I do not think it is necessary for me to say that the Marine Corps makes its record by its achievements and not by propaganda, and that the Marines are perfectly willing to be judged by what they do and not by what any others may say about them. We have written our record in blood and sacrifice and we shall let that speak for us.

Now I am very glad to yield for a question.

Mr. HICKENLOOPER. I thank the Senator.

I noticed the Senator said he believes that the President himself must have signed the letter through inadvertence or as a result of the great stress of business which comes before him.

I wonder whether the Senator believes that the President habitually signs letters and issues statements on very important matters by inadvertence or without giving proper attention to the matters to which he attaches his signature.

Mr. DOUGLAS. No; I am sure that is not the case. The Senator from Iowa is well aware, however, of the tremendous volume of work which now passes over the desk of the President of the United States, particularly in a period of world crisis.

It is quite possible, in the first place, that someone else drafted the letter, or if someone else did not draft the letter, it is quite possible that the letter was a momentary expression of irritation which did not represent the true feelings of the Chief Executive.

The volume of work which Senators have is only a fraction of the volume of work the President of the United States has. It so happens that I receive about 1,000 letters a day, which is not the heaviest mail received by Members of the Senate, I know. I imagine that the Senator from Wisconsin [Mr. McCARTHY] may well receive more letters than that, and that the Senators from New York probably receive from 3,000 to 4,000 letters a day. However, I happen to receive about 1,000 letters a day. The pressure of replying to that correspondence is very heavy. So we can imagine the much greater pressure which bears upon the President of the United States, and that once in a while "boners" are made. I think almost every senatorial office at one time or another has made a "boner." The task of being President imposes a train which is almost greater than mortal man can bear.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. McCARTHY. First, let me say that I do not think the junior Senator from Illinois needs to take a back seat to anyone, so far as military records are concerned. Certainly the junior Senator from Illinois has a tremendously impressive military record.

In that connection, I should like to ask a question. Inasmuch as the President of the United States, as Commander in Chief, has compared our fighting Marines in Korea with our most vicious enemy, Stalin, does the Senator from Illinois agree with me that there is only one way by which the President can rectify that error, namely, by immediately apologizing to the young men in the Marines who are fighting and dying in Korea today?

Mr. DOUGLAS. Mr. President, I am sure there was no intention whatever on the part of the President of the United States to reflect in any way on the Marines who are fighting in Korea or to reflect on the Marines who have fought anywhere. The President has been a combat soldier himself, and he values bravery and devotion to duty.

I must say, however, that my ears burned somewhat when I read the letter today.

However, what I am asking for fundamentally is that we exercise Christian charity and that we exercise imagination in regard to the difficulties under which the Chief Executive labors.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. HICKENLOOPER. The Senator from Illinois has a magnificent war record, and all of us salute him for it, and have done so.

Mr. DOUGLAS. Let me say that I deserve no credit for my war record. I feel unalterably grateful that I was privileged to serve in a combat division of the Marine Corps and thank my country for that chance. The men who really deserve credit for their war records are the men who never have returned from war. I do not believe that any person who is a candidate for political office should ever presume upon his war record.

Although I appreciate the kind words of the Senator from Wisconsin and the Senator from Iowa, I wish to say that I feel very humble in comparison with the thousands of men, of all branches of the service, who died, and never were able to return to their country. In comparison with them our own contributions are very small indeed.

Mr. HICKENLOOPER. Mr. President, let me say that I fully credit the distinguished junior Senator from Illinois with not voluntarily bringing up his own war record.

Mr. DOUGLAS. I do not even want anyone to mention it.

Mr. HICKENLOOPER. But I am sure the Senator from Illinois does not take offense if I pay tribute to him for having a magnificent war record and for being a very brave man.

Mr. DOUGLAS. No; I do not take offense and I want to repeat, I think my contributions have been overpraised.

Mr. HICKENLOOPER. I wish to ask the Senator from Illinois, who fought so courageously in the Marines, whether at that time he thought the Marines merely were the police force for the Navy.

Mr. DOUGLAS. No; I did not think so then, nor do I think so now. I believe we should have at least four divisions of Marines, and I believe the Marines should have representation on the Joint Chiefs of Staff. I happen to be one who believes that in a period of war we cannot have too many Marines. I disagree with virtually everything that is set forth in the alleged letter. All we want in the corps is to be allowed to serve in the most dangerous places and to take more than our share of hardship and casualties. We believe that this spirit can be of service to our country and I believe the President knows that in his heart.

What I am trying to say, however, is that I think that gives me at least the moral right to say that I am sure the letter was either written by someone else, or, if written by the President, was written in a moment of inadvertence and temporary irritation, and that in no sense does it reflect the basic spirit of the President of the United States.

Mr. HICKENLOOPER. Mr. President, if the Senator will yield, I should like to say to him that, while it is possible the letter might have been written under stress and strain, I call his attention to the fact that the utterances of the President of the United States probably carry more weight and are given wider currency than those of probably any other man in the world today. That, I think, certainly accentuates the seriousness of a statement such as the one contained in the letter to which reference is being made. I feel that the excuse of pressure of business, overwork, or anything of that sort cannot be successfully urged in a matter which goes so deeply into the traditions and the glory of American history on the battlefield as this letter has done.

APPOINTMENT OF SENATORS TO AMERICAN GROUP OF THE INTERPARLIAMENTARY UNION

The VICE PRESIDENT. The Chair, as the president of the American Group of the Interparliamentary Unions, wishes to announce the appointment of the Senator from Maine [Mr. BREWSTER], the Senator from Florida [Mr. PEPPER], the Senator from New Jersey [Mr. SMITH], and the Senator from Michigan [Mr. FERGUSON], as representatives of the American Group to the Interparliamentary Conference to be held at Dublin beginning the 7th of this month. The Chair regrets that other Senators who were invited and appointed could not go, so as to give us a larger delegation than apparently we will have.

If the Senate has no objection, the Senators designated will be given leave of absence from attendance on the sessions of the Senate during the sessions of the Interparliamentary Union, which will last from about the 7th to about the 14th of this month. The Chair hears none, and it is so ordered.

Mr. BREWSTER. Mr. President, it will be necessary for us to leave tomorrow afternoon, the 6th of September, in order to be present for the initial session.

WHY WE HAVE COMMUNISTS—ARTICLE FROM ELKS MAGAZINE

Mr. McCARRAN. Mr. President, the September issue of the Elks magazine contains an article entitled "Why We Have Communists," which reports in an extremely interesting manner interviews with General Eisenhower, Mr. J. Edgar Hoover, and Dr. Richard Brickner. The subject matter of this article is extremely pertinent to consideration of the bill which is before the Senate today; and I therefore ask unanimous consent that the text of this article may be printed at this point in the body of the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY WE HAVE COMMUNISTS

(As told to Bruno Shaw by General Eisenhower, president, Columbia University; J. Edgar Hoover, Director, FBI; Dr. Richard Brickner, College of Physicians and Surgeons)

WHY IN THESE UNITED STATES DO WELL-EDUCATED PEOPLE SEEK TO DESTROY AMERICAN DEMOCRACY?

"A man has two reasons for doing what he does—a good reason, and the real reason."—J. P. Morgan.

In our national community, according to FBI Director J. Edgar Hoover, there are 55,000 Communists. In sympathy with them are 500,000 additional Americans who, although they have not actually taken the plunge into the red sea of Communist Party membership, are either willing tools of those who have done so or party-line followers ready to succumb to its peculiar blandishments.

Since the end of the war we have been shocked time and again to find revealed as Communists among us, men and women whose intellectual integrity had commanded our high regard, and whose good citizenship we would have vouched for unquestioningly. We have been shocked principally because of the impalpable nature of the distinction between those who claim to be loyal American citizens first and Communists only by ideological conviction, and those who are voluntary tools of a Soviet dictatorship.

The who, what, when and where of American Communist activity have been revealed with unpleasant frequency in the past several years. What has been conspicuously absent, however, is a logical answer to the one question that might help us understand the motivations of those concerned—why? Why in these United States do well-educated men and women in reasonably good economic circumstances embrace a totalitarian ideology that is provedly the antithesis of the universal freedom and equality they quest for? Why do they actively seek to destroy this American democracy which, though far from perfect, holds within it, and for them, the opportunity to continue to improve the economic, social and policital conditions of all mankind?

In an endeavor to find a reasonable answer to this paradox, the editors of the Elks magazine proposed that I interview several Americans of unimpeachable standing, who, because of their experience and knowledge, might be qualified to shed some light for us in the dark recesses of this unexplored field.

Before doing so, it seemed to me that the starting point might well be, for example, of the kind of Communist who is the subject of our inquiry. Our exhibit A, not because he is wealthier than most by virtue of being a millionaire by inheritance, but because he is an intelligent, well-educated, typical American in many ways—is Frederick Vanderbilt Field.

Mr. Field is a great-great-grandson of Commodore Cornelius Vanderbilt. He owns the building at 23 West Twenty-sixth Street, in New York City, the upper floors of which are occupied by a variety of Communist-front organizations. On the ground floor is Mr. Field's private library containing an enormous collection of Communist literature. At the rear is his personal office, where I interviewed him for the better part of an afternoon.

Sandy-haired, a pipe smoker who uses more matches than tobacco, a little on the thin side, and considerably younger in appearance than his 45 years, Mr. Field has a friendly grin and a ready laugh. He is a Communist, not by inference, but on the basis of his own statements.

Prominent on one wall of his office is the red and gold five-star flag of the Communist regime in China. On the opposite wall are framed photographs of six present-day Chinese Communist leaders; the center two, Mao Tse-tung and Chu Teh. No other photograph or flag adorns the premises. Though he spent only a total of 2 months in China, Mr. Field has written for many years as an expert on the Far East for the Institute of Pacific Relations.

It is Mr. Field's belief that there is more personal freedom in Russia than there is in the United States. Of course, he says, Russia is a proletarian dictatorship; and, of course, there is no freedom to enemy classes. But certainly, he declares, there is complete freedom of opinion and personal liberty everywhere in the Soviet Union.

In the United States, on the other hand, says Mr. Field, we have a dictatorship of financial and industrial monopolies. Secretary of State Dean Acheson, according to Mr. Field, is a servant of our financial and industrial monopoly, and not of the people. (Conservative Members of Congress who have denounced Mr. Acheson for alleged left-wing tendencies should find Mr. Field's view interesting.)

There are, Mr. Field says, disagreements such as those between the TAFT and VANDENBERG factions of the Senate. But TAFT merely speaks for the financial monopolists of the West and Middle West who are anxious to exploit the Far East because they are locked out of the Wall Street markets; and VANDENBERG, though a Midwesterner, is spokesman for the monopolies of the east coast who want to maintain their stranglehold on Europe.

Is there freedom in Russia to believe and to teach the truth as educators see it? You are probably thinking, replied Mr. Field, of the Lysenko theory of genetics (which, indeed, I was). Well, someone has to determine the truth.

Does the Politburo determine what is scientific truth? Certainly. For the members of the Politburo consider themselves scientists. But they are guided by a committee of Russia's outstanding scientists. The Politburo's action was, so to speak, no different from that of the Scopes trial in Tennessee, but in reverse. In the Scopes trial a verdict was brought that scientific proven facts could not be taught in the public schools in the

State of Tennessee. In Russia noted scientists determined the facts, and the teaching of biology in Russia is limited to those facts.

Are you a Communist, Mr. Field? That is a question that I have refused to answer even to a congressional committee, he replied. People have called me a Communist, and I have never denied or affirmed it. I certainly would never sue anybody who called me one.

Are you very rich? It depends on what you think of as being rich. Fortunately for me, I inherited a lot of money. I am not the multimultimillionaire that some make me out, but I don't have to worry about money no matter how long I live.

What inspired you to become an advocate for communism? When I was graduated from college, I read a great deal. I studied various political systems, and the history of those systems. And through my reading and discussions with people, I came to the conclusion long ago that Marxism was the only rational, scientific, and logical system that made any sense.

Do you believe that Marxism is working out for the benefit of the people of Russia and other Communist countries? Of course, I do.

How do you know? I can read, can't I.

How do you know that what you read in the Communist press is true? Of course, it is true.

Do you believe what you read in publications that come from a controlled press in Russia? Of course, I do. Lots of it is pretty dialectical and dry, but I certainly believe everything I read in it. It tells the truth, which is more than you can say of the controlled press and radio in our own country.

Would you be willing to admit, at least, that anyone who has the money to pay for it can advertise his views in the American press and radio, if he cannot get his story into the story columns; even if his views are contrary to those of the Government, the newspaper in which he advertises, and the radio station on which he expresses them? Yes, I would admit that, but you have to buy it. What kind of freedom is that?

At any rate, you agree that money can buy the right to express opinions contrary to those of our Government and our news media which you say are controlled. Now, what could you use for money to do that in Russia? Lots of people in Russia express their opinions freely. The Russian papers and radios express very critical comments.

Criticisms of the Soviet Government? Of course not. Only a class enemy would even attempt to do that, and I've already said that naturally enemies of the proletariat class are n't tolerated in a Communist country.

What happens to people in Russia who are what you call enemies of the people? Why, they just disappear from the public scene, I suppose.

Into the salt mines? Oh [laughingly], of course not. They are just not allowed to propagate enemy views, that's all. I don't know where they go.

And now, Mr. Field, a last question. Do you believe it is either ethical or right for an American citizen of any political shade of belief to convey what is considered secret information of any kind to agents of any other nation? Certainly not. It is a silly thing to do. We don't need the Russians to tell us how to create democracy in our own country. It is nonsensical to think that Communists in this country believe in violent overthrow of the Government. Such a course would be wholly unnecessary and inadvisable, for it is a historical fact that communism is inevitable in this country—no matter what you and I may do.

J. EDGAR HOOVER

The Director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover, probably knows more about the who, what, when, and where of Communists in the United States than any other one person in this country.

The question I put to Mr. Hoover was this: Why is it that well educated men and women in this country, with good home backgrounds, embrace communism by becoming party members or party-line followers?

I believe, said Mr. Hoover, the answer lies largely in the inner meaning and purpose of education. True education, as we all know, cannot be exclusively measured by the number of years spent in school, and degrees attained, or the scholastic organizations joined. These factors, of course, are vital and serve as excellent guides to an individual's character.

But, he added, unless they are tempered, matured and seasoned by faith in man and God, by belief in the fundamental values of life—truth, justice, mercy—then education becomes a dead letter. To serve as a valid guide in life, education must be firmly rooted in eternal moral principles, the principles which have given hope and inspiration to mankind for centuries past.

Morality, Mr. Hoover believes, is a keystone of a civilized community. The individual, Mr. Hoover contends, who in the course of his educational training has failed to understand and to appreciate the moral foundations of western civilization is in reality a personality adrift, lost in society. He is intellectually unstable, undependable and unpredictable. No moral anchor holds him in place; no spiritual guide sticks light the path ahead. He flounders, going 'round and 'round, like a rudderless ship. This is the individual who is swept up by the high winds of ideological fancy and is blown astray by the false doctrines of the time. This is the person who goes off on a tangent, accepting ideas without critical analysis and examination.

This, I feel, says Mr. Hoover, is the fundamental reason why some men and women, while apparently well educated, have accepted Communist doctrines. Somewhere along the line their educational couplings, not firmly cemented by loyalty to the ideals of democracy and religion, have come loose, and they have jumped the track—headed across the barren stones of totalitarian dictatorship.

All Communists, declares Mr. Hoover, function like puppets on a string. Their activities are directed by an alien dictatorship in Moscow. The Communist hope of building a bright new world through the degradation of humankind, by depriving man of the values of independent reasoning and thinking, may be a source of strength to the party, but it is also its weakness. In the end, the creation of great masses of robot and spiritually sterile Communists, Mr. Hoover is convinced, will prove to be the shoal in which communism will flounder and die.

GENERAL EISENHOWER

Next on our list was Gen. Dwight D. Eisenhower, president of Columbia University. He not only assented to an interview, but once we began to discuss the subject in his private office in Columbia's Low Memorial Library, he became so interested in it that we ran, at his request, considerably over the time he had allotted.

In his tremendously broad experience, General Eisenhower has had to contend with problems involving human conduct under a variety of conditions. Among them, to an important extent, were Communists and communism.

And so I put the same question to General Eisenhower that I had to FBI Director Hoover. Why, I asked General Eisenhower, do Americans—many of them born of generations of American parents—turn to communism for a magic solution of the ills of the world?

As I see it, said the General, there are several possible speculative answers because there are several kinds of American Communists and party-line followers, and naturally, each kind has a different motivation.

There are among us the unscrupulous and ambitious to whom the means is of no particular consequence in their reach for power. Totalitarian methods and rewards offer them an opportunity to become drivers of those less clever or shrewd. They would just as readily choose fascism as communism, but communism seems more promising at the moment, and so, getting in on the ground floor, they make a career of it.

Then there are the fuzzy-minded intellectuals who believe that because there is a dispute between Russia and the United States, both parties must be equally wrong to some extent. Some in this group believe that if we and our allies were to show good faith by disarming, and if the Russians were to utter a few platitudes and remain armed to the teeth, then both sides will have contributed equally to world peace.

Then there are other fuzzy-minded individuals who, because of some isolated undemocratic event or situation somewhere in the United States, lose their sense of proportion and fall for the idea that this country is just no good.

Then there are those introverts who have withdrawn from the real world; who have shut themselves up with their books, their thoughts and their dreams; who find an almost Christ-like simplicity of conduct and ideals in Marxian dialectic; who are unable, as a consequence, to separate fact from fiction. The fact being what is going on today in Soviet countries, and the fiction being that the leaders in the Kremlin are living up to the high-sounding principles they advocate.

Then there are those, and I think this group includes the greatest number, who simply do not have either the capacity or the will to make their own way in the world. This group includes those who are jealous of others who pull ahead of them in any way; it includes the mentally and physically lazy, who are unwilling to think or unwilling to work; it includes those who, finding themselves unable to quench their dissatisfactions by their own efforts in a country which gives them every opportunity to do so, think that by pulling the whole structure down they will achieve the level of those who had moved ahead.

Such people believe that outside forces have conspired against them; that power forces of one kind or another have overwhelmed their undoubted talents and labors. They then seek to overthrow the system in which these forces seem to them to be inherent. They become, in other words, Communists.

But how intelligent, well-educated men and women can imagine that the evil and despicable means employed by communism can justify any theoretically noble end is altogether beyond me.

I have met Russians in high places in the Soviet Union who are sincerely devoted to their cause. Most Russians, too, have an even deeper loyalty, as a sort of instinctive faith in their land, than we have. It is a spiritual devotion, the kind that most Americans have toward God. In Soviet countries, where it is taught that religion is merely a sop to the downtrodden, this devotional spirit has been transferred to Mother Russia.

And so you find people like Marshal Zhukov for example, who sincerely tried to convert me to communism by pointing out that under our system we are inspired by motives of selfish gain, while communism teaches an enduring faith in the betterment of mankind.

But if that is so, I asked Zhukov, then why the need for strict, iron control? And for swift, sure, and terrible punishment for deviations from the strict path of Communist brotherly love? That, Zhukov replied, is necessary only for the time being; when the

next generations will be set on the proper path, there will be no need even for government.

For those who believe in fairy tales, communism provides a complete answer. For those who prefer to believe in political or economic theories rather than spirit and conscience, communism provides an outlet for man's psychical nature. For the incompetent, the weak, and the bewildered, communism provides a means for keeping up with the Joneses on a minimal level. For the unscrupulously ambitious, communism provides a vehicle to power within an inner circle.

But what communism can provide for intellectually outstanding American citizens who permit themselves to be beguiled by it—for that I have no answer. Only a psychiatrist could possibly provide it. For the key to that, urged General Eisenhower, I hope you will interview a competent psychiatrist. And I shall be equally as interested to read his opinion as will, I am sure, the many readers of the Elks magazine.

DR. RICHARD BRICKNER

General Eisenhower's suggestion that I interview a psychiatrist in order to secure a more complete understanding of Communist motivations was seconded by United States Secretary of Defense Louis Johnson who responded to my inquiry by saying, "This is no simple question and I should not like to make conclusions without research and counsel from competent psychologists and sociologists."

To find the psychiatrist who might best help me in this effort, I consulted Dr. George S. Stevenson, medical director of the National Committee for Mental Hygiene. He gave me the names of three physicians, all psychiatrists, and all of whom had had some experience in this field.

The one I chose was Dr. Richard Brickner, assistant clinical professor of Neurology at College of Physicians and Surgeons, and associate neurologist at Mount Sinai Hospital in New York. Dr. Brickner was chief consultant neurologist and psychiatrist to the New York City selective service in World War II, and is the author of Is Germany Incurable? published several years ago.

Dr. Brickner proved to be understanding and patient. When, during our interview, we came to a dead end because of some technical point, he would chuckle and try another attack until we found ourselves going down the same road together with mutual understanding.

General Eisenhower's suggestion proved, I am sure, the final link in our chain, for Dr. Brickner provided the ultraviolet ray we needed to penetrate deeply into the darkness of Communist motivation. Here it is.

Scientific data on what makes a Communist in this country, says Dr. Brickner, are very few. Psychiatrists hope that large-scale and systematic research efforts will be possible so that this problem may be tackled on a broad and continuing scale. And the research should, of course, include scientific inquiry into human political behavior of all kinds.

We can arrive at an understanding of human conduct only if we accurately spot the source from which it springs. We are accustomed, for example, to consider politics and economics as a basic biological activity of mankind. But this is as far removed from the fact as to consider that the observation tower of the Empire State Building could have found its way into the sky without an adequate base. The foundation, it is apparent, is the source from which the tower springs, not the other way round.

Human beings inherit through evolution not only parts of the body, but certain functions—mostly survival functions. Among the most important of these are attack and defense. These are inherited, foundation characteristics. Some of them are associated with feeling—rage and fear, for example. There is also the relationship between parents and the young—the dominant nature of parents and the dependence of children which, biologically essential in infancy, take on different forms as they grow older.

Every culture teaches that it is wrong to express these survival functions in some ways, but right to do so in others, along certain prescribed forms. In war, for example, our culture teaches that it is not only right to attack, but reprehensible not to; but that a personal attack under other conditions is wrong, except, for example, in defense of a woman's virtue. In every culture, therefore, it is necessary to learn the ways in which survival functions may be unleashed and the ways in which they must be restrained.

These learnings become patterns of behavior. There are multitudes of these patterns, and as the child becomes adult they will show up in his conduct, particularly when he looks for a political party to help him express the patterns he possesses, into which he will fit best. Because of his behavior patterns, his choice of a political party, extremist or moderate, is limited somewhat in the manner of a linotype matrix, notched to fall into a certain channel. But, if extreme, it is just as likely to be extreme left as extreme right.

The back cells of the brain, common to all human and nonhuman animals, manifest the inherited characteristics developed through evolution. The forebrain, which grows to gigantic size in humans, influenced by environment, determines the pattern in which the inherited characteristics will be expressed. We call these acquired patterns cortications, after the cortex in the forebrain in which they are developed. The way the cortications interplay is what psychology deals with.

Some of them we know very little about as yet, but others we think we have blueprinted fairly well. Two in particular, as they relate to the Communist mentality, are: Cortication that produces utter dependence upon strong (mother or father) authority; or rage and rebellion against those upon whom you are dependent. Bear this in mind—you can remain just as dependent if you rebel with all your might, as you can if you hang tight to the apron string.

As a result of built-in cortications based on the inherited weapons for survival—defense and attack—people learn to rationalize their resulting behavior. The brighter and more intelligent they are, the shrewder and more clever are their rationalizations, and the better reasons can they find for doing what they do.

There are men and women under the compulsion of these cortications whose entire beings are filled with rage at one specific objective and for everything that springs from it. Yet, although they consider themselves mentally powerful and independent, they would be as utterly bewildered and ineffectual as Caspar Milquetoast if the object of their hatred were to vanish suddenly.

About 7 years ago I had occasion to treat a case of this kind. The subject was an avowed Communist and devoted party-line follower. Little by little the pattern of his compulsions was revealed to him, and as his cure progressed, his overt belligerence diminished. He began, without realizing why he did so, to look for excuses to avoid Communist meetings which, only a short while before, he would not have missed for any reason less than a broken leg, if even that. Then came the day when, reacting to a moment of relaxed day dreaming in my office, he uttered aloud the few necessary words that provided the key to his eventual cure: "What can I do now?" he murmured. "I don't want to hurt anybody any more. What will I do now?"

Cortications of people of this kind are likely to develop in their subjects rationalizations such as these: The United States is no good because Negroes are treated badly; bankers are arrogant; politicians are liars and wind bags; industrialists are slave drivers. On the other side of the fence: Negroes are lazy and shiftless; poor people get that way because they are financially irresponsible; voters are ignorant of public issues; labor unions are enemies of free enterprise.

Among persons whose cortications take them into these mental byways are those who come to believe that the American Nation is being consumed by a vileness which is not in existence in other, more mature or more beautiful (so they believe) places. In those Utopias, usually far away, "things are nice and people are fine and wholesome." Although we must enter the realm of speculation to some extent here, it is reasonable to believe that many American Communists fall into this category.

Reason does not enter into their cortications. Exposure to reasonable ideas has no bearing on them. They are the result of what biologists call behavior patterns—prejudices built into the mind of the subject by the effect of environment upon the foundation of the individual's inherited characteristics. They are the outgrowth of subordinated personality struggling to achieve admiration in the eyes of one's fellows.

Communism is embraced in numerous instances by young Americans during that period of their lives described as "adolescent revolt." Ordinarily, it is a quite natural rebellion against authority or environment. If they are consequently rejected by those close to them who disapprove of their actions, and lauded by Communist comrades, there is always a strong possibility that this common adolescent vagary may harden into a fixed behavior pattern.

Running away from parental authority can lead to a Communist deviation of this kind. There is the case, for example, of three young sisters brought up in the lap of luxury. Welcomed from the start at Communist headquarters to which they were invited by other adolescent rebels, they attended mass meetings, marched in picket lines, and in this way indulged their exuberant defiance of authority. They got over it as they matured and understood better the nature of the cause to which they were lending their efforts.

An interesting case of parental domination was that of a young man who, from infancy, was utterly dependent upon his mother. He literally worshipped her. She was a Communist, and he developed entirely in her pattern. He is highly intelligent and gifted in many ways. The mother, revelling in his adoration, clung to her role with a tight rein. When, through psychiatric treatment, he was freed of his relationship of utter dependence, he found himself still interested in political and economic causes, but in a well-balanced and useful way. He discovered, somewhat to his surprise, that his former Communist attitudes had melted away.

There are among us many converts from communism who now oppose communism with all the violence and vehemence with which they previously had advocated it. Inspired by their vision of perfection of aims and purposes of the far-away millennium in Russia, and by the imperfections they believed inherent in our political, economic, and social system, they visited Russia in the high hope of experiencing the reality of their dreams. They returned to the United States seething with a hatred of communism even more violent than that which they had previously borne toward their native land.

The reason for this outwardly astonishing about-face? There is a host of possible reasons. Some, perhaps, finding themselves relegated to the role of mere visitors come to worship at the fountainhead of supreme

political authority, instead of playing their anticipated role of "big shots" come from abroad, rebelled. Their hatred was transferred to their former Communist idol, possibly because that offered immediate recognition at home, thus satisfying their hunger for public acclaim. Others had genuinely accepted the Communist premise without careful examination, and now, having examined it, rejected it.

It is the damage that extremists of many kinds do to our community, even more than that which they do to themselves, that should be the principal subject of community concern, particularly when they hold positions of importance or power in our political or economic life. We cannot, of course, arbitrarily deprive them of their liberty and their freedom to try to influence others, for if we were to do that we ourselves would be operating under an undesirable behavior pattern.

There is a life-and-death difference, however, between tolerance of heretical ideas and free expression of them, and any attempt by anybody to impose his own patterns upon us that would negate the freedom of patterns to which each of us is entitled.

The right to our personal and national pattern freedom must be maintained if we are to hold fast to our cultural values. Those who attempt to force contrary patterns upon us must be rendered harmless to do so, in the same way that a dangerous individual who threatens the person or freedom of others is stripped of weapons and opportunity to carry his threat into effect.

American Communists ignore the entire history of social and economic progress of the past hundred years since Karl Marx published his Communist Manifesto; they label American conservatives and liberals as Fascists and Fascist tools; they employ the identical epithets that only a few years ago accompanied the shrill invective of their one-time ally, one-time enemy, Nazi Germany; they actually believe (though they will not admit it in this precise language) that it is noble to lie, cheat, murder for the sake of communism.

It is difficult for us to believe that any American should want to tear down this great Nation which gives to its people a far greater measure of freedom and material blessings than ever has been known to mankind in all history.

Mr. J. Edgar Hoover, General Eisenhower, and Dr. Brickner have rendered a great service in defining for us the reasons why American Communists do what they do, and the measures that need to be taken to prevent them from dragging us down with them into the miasma in which there is no freedom, no security, no human rights, behind the iron curtain.

INTERNAL SECURITY ACT OF 1950

The Senate resumed the consideration of the bill (S. 4037) to protect the internal security of the United States, and for other purposes.

Mr. McCARRAN. Mr. President, at the outset let me say that by way of presenting Senate bill 4037 to the Senate, I intend to go into the bill meticulously by way of explanation, so that the Senate may understand why each paragraph and each section is in the bill, and what each one means. To that end, my explanations will be somewhat lengthy, but I hope the Senate will be patient with me in my effort to make explicit a matter which means so much to the Nation at this hour.

With that in mind, Mr. President, I hope that I may have the indulgence of my colleagues, to the end that I may present the explanation of the bill without interruption, until I have concluded, at which time I shall be glad to answer any and all questions.

I want to read to the Senate the instructions which were given by Moscow to the Communists sent to the United States in 1946:

> To fight and act for communism, the Red Army is not enough. To facilitate and make possible the victory of communism, we have to work hard in the non-Communist countries.
>
> That work is multiform.
>
> We must incite discontent, uneasiness in the capitalistic and bourgeois states. The greater is the discontent in each capitalist and bourgeois country, the more fertile is the ground for communism. In the United States and in Great Britain we are going to have unemployment. The capitalists will not be able to export. Later on, the industrial power of the Soviet Union and of the other friendly peoples' republics will compete with the industrial production of the capitalist countries. They will be threatened by your industrial production at their own home.
>
> But we cannot simply wait for that day Already now, we have to revolutionize the European and Asiatic Continents. Strikes, revolutionary impetus of the trade unions and labor, weakening of capitalism through the demand for high wages so that they are not able to compete with the Soviet Union, obstruction of different reactionary governments in their anti-Communist policy, the incitement for nationalism everywhere, the hatred against the colonial empires, the uprising of trade unions against their governments, the various helps to the Communist Parties in the capitalist countries, propagandize the hatred against the reactionary in every country, and particularly develop in the United States the impression that the economic depression must be inevitable and try to convince more and more the people of Slavic descent to leave Canada and the United States and return to their countries of origin, bringing with them capital and machinery—this must be our main work in Canada and in the United States.
>
> Everything is permitted that will bring us toward the victory of communism in the world.

Mr. President, that is the instruction which was given by Moscow to the Communists who were sent to the United States in 1946.

What Lenin wrote or said still remains the unalterable and fundamental law of his followers and disciples. Stalin quoted a letter by Lenin in which Lenin wrote:

> The prolonged existence of the Soviet Republic next to a number of imperialist states is unthinkable. In the end either the one or the other will have the better of it. Until the end comes, a series of most terrible conflicts between the Soviet Republic and the bourgeois states is inevitable.

The fundamental line of the Soviets was laid down in the clearest terms by Lenin in his declaration that—

> We are living not merely in a state but in a system of states, and the existence of the Soviet Republics side by side with imperialist states for a long time is unthinkable. One or the other must triumph in the end. And before this end supervenes, a series of frightful collisions between the Soviet Republic and the bourgeois states will be inevitable.

The Communist International has itself made public declaration of the Soviet ambitions to subject the entire world to the Red system of oppression. The sixth world congress proclaimed openly that—

> The ultimate aim of the Communist International is to replace world capitalist economy by a world system of communism.

The program adopted by the sixth congress of the Communist International in 1928, states clearly the revolutionary objectives of the Soviet Union within the borders of other nations:

> The successful struggle of the Communist International for the dictatorship of the proletariat presupposes the existence in every country of a compact Communist Party, hardened in the struggle, disciplined, centralized, and closely linked up with the masses.
>
> The party is the vanguard of the working class and consists of the best, most class-conscious, most active, and most courageous members of that class. It incorporates the whole body of experience of the proletarian struggle. Basing itself upon the revolutionary theory of Marxism and representing the general and lasting interests of the whole of the working class, the party personifies the unity of proletarian principles, of proletarian will and of proletarian revolutionary action. It is a revolutionary organization, bound by iron discipline and strict revolutionary rules of democratic centralism, which can be carried out thanks to the class consciousness of the proletarian vanguard, to its loyalty to the revolution, its ability to maintain inseparable ties with the proletarian masses and to its correct political leadership, which is constantly verified by the experiences of the masses themselves.

Lenin confessed that in its endeavors, the Soviet Union would not be governed by either ethics or morality. In the drive to communize the world, he wrote in The Infantile Sickness of Leftism in Communism:

> It is necessary * * * to use any ruse, cunning, unlawful method, evasion, concealment of truth.

Mr. President, I have quoted those excerpts preliminary to my presentation of this bill, in order that my colleagues in the Senate may know that what confronts us is a condition, not a theory.

In opening the presentation of Senate bill 4037, a bill to protect the internal security of the United States, I shall, before delving into a discussion of the provisions of the bill, make a few preliminary remarks.

At the outset, let me emphasize that this proposed legislation has not been hastily conceived, nor is it the product of any one individual's labors. It is, rather, the culmination of literally years of intensive investigation and study by various committees of the Congress which have had within their jurisdiction the many phases of the problem of the Communist fifth column in this country. The provisions of the bill have been drafted and redrafted with extraordinary care, and have been subjected to the closest scrutiny, not only by the experts who have assisted the various committees, but by some of the ablest lawyers in the Nation, to the end that this legislation not only will be designed to cope with the several phases of the Communist conspiracy in the United States, but will be in thorough accord with our constitutional processes and traditions. This bill does not contain one iota of hysteria, nor

is it the cry of alarmists, nor does it contravene any of our basic constitutional concepts. It is rather, as I shall point out in more detail with reference to particular provisions, sober evidence of faith in the vitality of our democratic institutions to meet realistically the challenge of a deadly enemy within our gates.

I, therefore, pay tribute to the magnificent work of the House Committee on Un-American Activities, from which certain provisions of the bill, S. 4037, first emanated. I pay tribute also to my colleagues and the staff of a special Senate subcommittee of which I have the honor of being chairman, which over the course of many months has conducted a thoroughgoing investigation of the problem of subversive activity in the United States. I pay tribute to the work of my colleagues on the Committee on the Judiciary, which has not only reported favorably S. 4037 but has previously reported favorably the five bills which are integrated into S. 4037.

At this point I desire to pay special tribute to two Members of the Senate, the Senator from Michigan [Mr. FERGUSON] and the Senator from South Dakota [Mr. MUNDT]. Into this bill is written the fine, patient, diligent work which they did through months and months of research and study; work which is recorded in volume after volume of testimony taken by those able Senators; and work which has been spelled out in what is sometimes known as the Mundt-Ferguson bill or the Mundt-Ferguson-Johnston bill. The latter bill is embodied in the pending bill, because the message from the White House stated that a bill was desired, and the Mundt-Ferguson bill, coordinated with the other bills which are embodied in S. 4037, in my judgment, after the study which has been given it by the Senator from Michigan and the Senator from South Dakota after the study which has been given it by the House Un-American Activities Committee, after the repeated correspondence which the Judiciary Committee had with the most able men at the bar of America today, meets the test of what is uppermost in the minds of men who have studied the law, who believe in our constitutional form of government and who would not even at any hazard violate a constitutional provision. With that in mind, we have drafted this bill, and with that in mind we present it to the Senate in the hope that it may receive the approbation of the Senate, and that it may become the law of the land as speedily as possible.

I also pay tribute to those other Senators who are not members of the Committee on the Judiciary, but who have labored diligently on some of the provisions of the bill. I pay tribute likewise to those eminent lawyers and to the committees of the American Bar Association who have been of inestimable assistance in the preparation of this legislation.

As I have stated to the Senate before, the bill S. 4037 is an omnibus bill which integrates with some modification the provisions of five bills relating to the internal security, which have been previously reported favorably to the Senate by the Committee on the Judiciary. In addition the bill contains provisions relating to the registration of aliens and the prevention of the naturalization of subversive aliens, which provisions have been taken from my bill (S. 3455), which resulted from an investigation of our immigration and naturalization system, and which completely rewrites the immigration and naturalization laws. That bill, S. 3455, is pending in the Judiciary Committee. We hope that at the next session of the Congress it may be presented to this body.

I may say here that although this bill is the fruit of thousands of hours of labor, I am not averse to any amendments or changes which may improve or strengthen the bill; but I serve notice here and now that I will not be a party to any crippling or weakening amendments, and that I shall oppose with all the power at my command any move to palm off on the American people any window-dressing substitute measure in the place of sound, internal-security legislation.

I propose today to present to the Senate (1) an analysis of each of the principle provisions of the bill and (2) an objective, deliberative recitation of the problem which prompts each such provision. Before doing so, however, I should like to give a brief summary of the over-all problem with which we are confronted.

Mr. President, that the Communist fifth column in the United States is a clear and present danger to this Government and to all that we cherish in our democratic institutions has been overwhelmingly demonstrated.

J. Edgar Hoover, Chief of the Federal Bureau of Investigation, recently testified before an appropriation subcommittee of which I am chairman that there is a total of 54,174 members of the Communist Party in the United States. It is apparent that this constitutes a sizable army dedicated to treachery, deceit, espionage, sabotage, and terrorism. But it must be pointed out that the strength of the Communist fifth column in the United States cannot be measured merely by the number of party members because each member is a nerve center exercising a deadly influence over a much larger number of persons who are directly or indirectly under Communist discipline. Here is the further testimony of Mr. Hoover:

> Even though there are only 54,174 members of the party, the fact remains that the party leaders themselves boast that for every party member there are 10 others who follow the party line and who are ready, willing, and able to do the party's work. In other words, there is a potential fifth column of 540,000 people dedicated to this philosophy.

That this fifth column is part of a world-wide network under the control and direction of the Kremlin, which today dominates one-third of the world's population, has been established beyond the shadow of a doubt. If there is a Senator who has any doubt in his mind on this score I invite and urge him to read the testimony and exhibits contained in the three-volume published hearings on my bill, S. 1832, which is incorporated in this omnibus bill, Senate bill 4037. There he will see the text of instructions from the Kremlin to the Communist agents in this country. There he will see the cold, hard facts respecting the interlocking of the Communist fifth column in this country with the international Communist espionage-sabotage subversion network. There he will read uncontroverted evidence that the Communist network in the United States is not a home-grown product but is a weed which has been deliberately transplanted in this country by foreign agents who have with cold calculation been sent here for that purpose and who under our existing immigration laws have been and are being freely admitted into the United States to carry on their nefarious activities. There he will read of the clever and ruthless espionage and sabotage tactics which are carried out in evasion of existing law. There he will read of the various conduits through which the Kremlin sends its agents into the United States and masks them behind a cloak of diplomatic immunity, or as visitors, as members of trading commissions, and the like. There he will read of the extensive spread of this deadly conspiracy into every fabric of our society, behind the facade of hundreds of front organizations.

I shall not burden the Senate with any detailed recitation of the voluminous evidence, but I should like to allude to typical excerpts from the testimony. Former Attorney General Tom Clark testified before our subcommittee that an analysis of approximately 5,000 of the more militant members of the Communist Party in the United States showed that 91.4 percent of the total were of foreign stock or were married to persons of foreign stock.

Here is further testimony of J. Edgar Hoover, Chief of the Federal Bureau of Investigation:

> Experience has revealed that foreign espionage agents seek the protection of a legal cover. By that, I mean they seek admittance into the United States on diplomatic passports. They seek assignments to some official foreign agency and thus conceal themselves under the diplomatic cloak of immunity. To further avert suspicion, a high-ranking espionage agent may very well be employed as a clerk or in some minor capacity in a foreign establishment. However, when he speaks, those with higher sounding titles follow his orders without question. Foreign espionage services maintain strict supervision over their activities in this country.

Louis Budenz, former managing editor of the Communist Daily Worker, but who subsequently broke with the party, summed up the alien control of the Communist Party in the United States in the following words:

> There is a complete and extensive apparatus existing in this country for the purpose of directing native Communists through alien personnel. This apparatus begins with the connection of the political committee of the Communist Party with Moscow through the alien agents of the Communist International. It then proceeds to branch out into many ramifications, with its driving force in the political tourists sent in here to function in various departments of American life.

If you cut that lifeline between here and Moscow, you will have thrown the Communist Party off base, because people like Earl Browder were never anything but front men. The real men who made the decisions and who carried out the orders were aliens sent to this country by Moscow. That even was carried to a point where in the party organizations and the party press you had aliens controlling it.

In tracing the lines of Communist control over the party in the United States, Budenz stated:

But the percentage of aliens increases and the power of aliens rises as we get nearer to the roots. That is, nearer to the contact with Moscow, nearer to the place from which policy issues. The Communist Party leadership functions on directives received from Moscow. These directives are channelized to the party leadership by the Communist international representatives and the apparatus around him. Until recently this representative was Gerhart Eisler, alias Edwards, alias Hans Berger. With him was associated J. V. Peters, who was responsible for the espionage of the Communist International in cooperation with the Soviet secret police in this country. How do I know that? Because Mr. Peters told that to me himself when, after he had directed many questions to me which indicated that he had a background knowledge of things, I asked him, "Was I privileged to know why he directed these inquiries at me?"

"Yes; you have justified that confidence," he said. He told me that he was the liaison officer or link between the Communist International apparatus and the Soviet secret police in this country.

Speaking of the structure of the Communist Party, Budenz pointed out that—

It is also shot through in its various organizational subdivisions throughout the country with alien personnel. These political tourists * * * have been ordered here by Moscow in order to steel the party here for complete service to the Soviet dictatorship.

This then is a general world pattern pursued by the Kremlin: That the direct responsibility shall be in the hands of aliens in any respective country in which operations are carried on. It is the fixed design of Moscow to employ aliens in the most responsible positions in every country. This assures that nostalgia and patriotism may be reduced to the minimum in the steeled ranks of Stalin's servants. The native Communist leader, therefore, is always under the control of a superior who is an alien, or an ex-alien, the latter having received his citizenship merely in order to serve the Kremlin more effectively.

Another native American who broke with the Communist Party is Paul Crouch. On the basis of his 17 active years in party work he testified that—

The vast majority of those persons who direct the United States branch of the Communist International (that is, the Communist Party in America) are foreign-born persons who are not naturalized citizens of this country. * * * Native-born and naturalized American Communists, in the main, are nominal party officials and are used mostly to head the various party fronts.

With few exceptions, however, when an American member is taken into the real top circles of the party it proves disappointing to Moscow. Most Americans who were admitted to the higher circles of party leadership were disgusted and nauseated at what they found there.

Here is the testimony before our subcommittee of a former organizer of the Communist Party:

The personnel of the various Soviet delegations, Embassy, consulates, Amtorg, Tass, and so forth, in this country have been composed in part of Soviet intelligence agents. Hidden in each of these bureaus, ostensibly performing some routine function, are MVD men whose real job is to report on various phases of American society to Moscow headquarters. Recently this corps has been reinforced by the UN delegations of Russia and her satellites. A small group of these MVD agents, say three to five men, directs the work of the whole network in this part of the world; it filters the information that comes in and, making use of the diplomatic pouches, passes on what is new and useful to Moscow.

Right here, I may say that although the admissions into the United States of aliens in diplomatic status from behind the iron curtain alone is currently running at the rate of approximately a thousand a year, the officials of the Department of Justice have testified that under the present laws they are powerless to exclude from our shores any alien who presents a diplomatic passport. Moreover the Chief of the Visa Division of the Department of State testified before our subcommittee that in every case in which the Visa Division had disapproved a visa application on security grounds involving an official of a foreign government or an affiliate of an international organization, the case had been approved by the higher echelon in the Department of State. He further testified that these cases in which the Visa Division had disapproved the application on security grounds but in which the division was uniformly overruled were running at the rate of about 8 or 10 a month.

It was further developed by our subcommittee that the Passport Division and Visa Division of the Department of State are precluded by directives of higher officials of the Department of State from direct contact with the Federal Bureau of Investigation and other internal intelligence agencies of the Government. The only intelligence information available to the Visa Division and to the Passport Division of the Department of State is filtered through intermediate offices of the Department.

About a year ago I transmitted to the Chief of our Central Intelligence Agency a list of 100 names which were taken at random from names of several thousand aliens who have gained admission into the United States in diplomatic status. The Chief of the Central Intelligence Agency was asked to report upon the background of these 100 typical cases on the basis of the information contained in the files, but without revealing the identity of the individuals or the sources of the information. The Chief of the Central Intelligence Agency reported that 32 of the individuals had been engaged in active work for the intelligence service of their respective countries; 21 were reported to have been active in Communist organizational work of an underground or subversive nature; and 29 were reported to be ardently working in subversive activities.

Let me read now, Mr. President, a résumé of the facts, taken from the security reports of this Government, on typical cases of aliens who have been admitted into the United States in the course of the last few years in diplomatic status. I repeat: "In diplomatic status." May I say that the résumé of these cases does not disclose the identity of the individual or the source of information, but the full facts, taken from security reports, on these and hundreds of similar cases are at this moment locked in a safe in my office.

CASE A

The subject was reported to be the head of the intelligence operations in the United States on behalf of an iron-curtain country. He is reported to have committed atrocities in pogroms against certain non-Communist elements in one of the eastern European countries, and to have operated as an agent of a Communist government in another country.

Immediately after his arrival in the United States the subject made contact with a well-known naturalized American citizen who has been affiliated with several Communist-front organizations. The subject and the American citizen made plans for certain propaganda activities. Subject was also said to be in constant contact with the Russian Embassy.

CASE B

The subject was reportedly involved in the assassination of a prominent anti-Communist official in an iron-curtain country after such country had been taken over by the Communists. He has appeared in various parts of the world as a lecturer to Communist groups and is a convinced Communist Party member of long standing and high rank. He was admitted into the United States as an attaché at a certain embassy and is said to be a highly trusted personal representative of a world-renowned Communist leader who trusts the subject with special missions requiring utmost ability combined with extreme discretion for which he is noted.

CASE C

The subject has been admitted into the United States from an iron-curtain country from time to time in the status of an official of a foreign government and in the status of an affiliate of an international organization. His unofficial mission has been to curry favor with certain elements in the United States. To this end he has been authorized to spend as much money as he needs in order to make as many contacts as possible. It is reported that the subject recently was successful in having one of his associates advanced in the Atomic Energy Commission of the United Nations. He appears to be particularly interested in penetration of certain religious groups in the United States.

CASE D

The subject is reportedly considered by the United States authorities as a known Soviet agent. His career includes assignments in various parts of the world on certain commissions and dele-

gations. He has from time to time been admitted into the United States as an affiliate of an international organization.

CASE E

The subject was reported to be one of those responsible for the bombing of the British Embassy in Rome. He was admitted into the United States with a diplomatic passport of an iron-curtain country. His connections have been with a certain group of which he is reported to be a leader and paymaster.

CASE F

The subject is listed as an attaché at the Washington Embassy of an iron-curtain country but is stationed in New York where he was reported maintaining contact with the officers and crews of certain ships. The subject was credited with having organized Communist Party cells among the seamen.

CASE G

The subject was an official of the Soviet Government in an embassy in another country where he was in contact with Communists of that country and where he was thoroughly briefed regarding Communist future plans. He was admitted into the United States with a diplomatic passport. The opinion is expressed in a certain intelligence report that the subject has been sent to the United States for the major purpose of coordinating the efforts of Communists in the United States with Communists in the country in which he has been serving as an official of the Soviet Government.

CASE H

The subject was admitted into the United States as a minister to Washington, D. C., from an iron-curtain country. He is a Communist writer and lecturer. It is suggested in a certain intelligence report that the subject was sent to the United States to agitate among the Negroes.

In connection with the apparent mission of the subject it is to be noted that during the recent trial of the Communist leaders in New York, a witness testified that he had been trained in Moscow in the technique of working among the Negroes of the United States to establish a Negro state to extend from Virginia to the Mississippi Delta. This was to be accomplished by revolution.

CASE I

The subject was admitted into the United States as an affiliate of an international organization. He was reported to be extremely active in the Communist movement in a certain large city in the United States where he worked among a particular racial group. He was reported to be a police agent of an iron-curtain country. He has reportedly returned to the iron-curtain country to recruit agents for the Communist organizational work in the United States.

CASE J

The subject has made numerous trips to the United States to procure funds for the Communist Party of which he is a leader in a South American country. His admissions into the United States have been as an affiliate of an international organization. It is reported that he has brought into his country large sums of money for the furtherance of strikes, and he is regarded as one of the most powerful labor leaders in his country. It is reported that he was instrumental in securing the establishment of diplomatic relations between his country and the Soviet Union.

CASE K

The subject was admitted into the United States as an affiliate of an international organization from an iron-curtain country. He is reported to be clever, ruthless, and determined to establish himself as one of the leading members of the Communist Party. He allegedly stated that the Communists in the United States were doing their utmost to provoke unrest through the medium of the Negro problem and that he was personally participating in such activity.

CASE L

The subject was reportedly an active leader of terrorist bands in a foreign country. He was subsequently liaison officer with American lend-lease representatives in his country. It is reported that at that time he was placing agents in various allied installations. He was thereafter admitted into the United States as a counselor at the Washington Embassy of an iron-curtain country. It is reported that his chief assignment was as an intelligence agent for the iron-curtain country. A certain intelligence report, with reference to the subject, reads in part as follows:

He has shot more people than you and I could bury in a fortnight.

It is reported that the subject concentrates on maintaining relations with United States Communists.

CASE M

The subject was admitted into the United States as an affiliate of an international organization. As a member of the central committee of the Communist Party in another country the subject had charge of funds, security, and loyalty of party members. Immediately prior to his admission into the United States the subject was engaged in the reorganization of the Communist movement in the Middle East. It is reported that the subject was also engaged in organizing secret Communist cells among certain groups.

CASE N

The subject was admitted into the United States in diplomatic status from an iron-curtain country. He is reported to have been operating a short-wave radio transmitter by which he maintains contact with the security police of his country.

CASE O

The subject was admitted into the United States as a commercial counselor to an iron-curtain embassy in Washington. It is reported that the subject is the channel through which Cominform activities in the United States are financed.

CASE P

The subject was admitted into the United States as an attaché of an iron-curtain legation in Washington. It is reported that the subject is an experienced saboteur who has been assigned to confidential tasks in the United States and is the ringleader of a spy network in the United States.

These typical cases, Mr. President, speak for themselves. May I repeat that the Attorney General of the United States testified before our subcommittee that under the existing law the Department of Justice is powerless to exclude any alien with a diplomatic passport, and the Chief of the Visa Division could not recall a single case in which a visa had been refused on security grounds to an alien who applied for a diplomatic visa, notwithstanding the fact that over 160,000 such visas have been issued since 1938.

There is one other facet of the over-all problem which I should like to comment on before proceeding with an analysis of the bill. Under the present laws, there are literally thousands of cases of aliens who have been found to be deportable but who cannot be deported because of certain technicalities in the law.

The records show that on April 15, 1949, there were some 3,278 warrants of deportation which had been issued over a period of years that were not enforceable. Of the aliens covered by these warrants, 2,147 were so-called iron-curtain nationals, and of that number, 1,180 were Russians. Of the 3,278 deportation orders 1,293 were based on criminal or immoral charges, and 112 were issued under the law relating to anarchists and similar subversive classes. The records also show that there are 416 additional pending cases in which there is every reason to suppose that deportation cannot readily be effected. Of this number, some 139 are of the criminal or immoral classes. There are at least 91 of the pending cases which involve persons who are subject to deportation to the so-called iron-curtain countries. At least 11 of these 91 are Russians.

Furthermore, at the close of the fiscal year 1949, the records showed that there were under investigation, looking to deportation or under actual deportation proceedings, the cases of 1,067 aliens, who, prima facie, are deportable as subversives.

But in all of these cases under the present law the Government of the United States is powerless to execute its orders of deportation, and the aliens are free to roam the country at will. Furthermore, on the bases of the present trend there is every indication that the situation will become progressively more serious.

And now, Mr. President, with that word of general background, I shall proceed to discuss in detail the various provisions of the bill, and I accordingly invite the attention of the Senate to the first segment of the bill which consists of those provisions which are incorporated from S. 2311 which was introduced in the Senate by the Senator from Michigan [Mr. FERGUSON], the Senator from

South Dakota [Mr. MUNDT], and the Senator from South Carolina [Mr. JOHNSTON]. In passing may I say that in discussing this segment of the bill I shall proceed on the assumption that the amendments which the sponsors of S. 2311 will offer to conform those provisions of S. 4037 to the corresponding provisions in S. 2311 will be adopted.

Two principal objectives are sought to be accomplished by this segment of the bill. The first is to require registration of Communist political organizations and members thereof and to require registration of Communist front organizations and officers thereof. The purpose of this registration, Mr. President, is to expose to the light of public opinion the Communist movement in the United States and thus to protect the public against innocent and unwitting collaboration with it. It is felt that if the American people are alerted respecting the identity of the Communist fronts much of the funds which are contributed unwittingly to these fronts will be withheld and these fronts will dry on the vine for lack of support.

At this point I may say that under the McCormack Act of 1938 individuals who act as agents of a foreign principal are required to register. Likewise under the Voorhis Act organizations which are agents of foreign principals are required to register. On the basis of the experience under these acts, however, Communist organizations, although they are clearly de facto agencies of a foreign power, have been able to escape from the requirements of registration. It is thus apparent, Mr. President, that the registration provisions of the bill have ample precedent in prior legislation. These provisions merely recognize the inescapable fact that the Communist conspiracy in this country is under the direction and control of a foreign power. May I emphasize that, contrary to the misrepresentations of the numerous Communist front organizations which have been bombarding the Senate with letters and telegrams against the bill, there is no provision in the bill which outlaws the Communist Party as such. May I repeat, the bill requires only the registration of Communist political organizations and members thereof and registration of Communist front organizations and officers thereof, and this, Mr. President, is no more than the law requires at the present time of legislative lobbyists. As I shall point out more specifically in a few moments when I give a detailed sectional analysis of this segment of the bill, ample procedural safeguards are provided in the registration provisions of the bill so as to protect the innocent and to accord the bill thoroughly with our constitutional processes.

I divert at this point for a moment from my prepared remarks. If there is anything in the world in which I am interested, anything in which I have been trained, it is respect and love for the organic law of the United States. I would not be a party to the enactment of the pending bill if I thought for a moment that it contained a provision which ran counter to the Constitution of the United States. I want the bill tested by the court of last resort, and I am not afraid of how that test will result.

The second principal objective of this segment of the bill is to declare certain acts to be a crime. I shall discuss each of these specifically in the detailed sectional analysis, but may I pause here to list the acts which are declared to be unlawful in this segment of the bill.

First. To conspire to perform any act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship under foreign control.

Second. For an employee of the Government to communicate without authorization to another person who he knows or has reason to believe is an agent of a foreign government or a member of a Communist organization, any information which he knows or has reason to know has been classified by the President or department head as affecting the security of the country. Foreign agents or members of Communist organizations are similarly penalized for receiving or attempting to obtain information which the Government employee is prohibited from transmitting.

Third. To conceal the fact, when seeking office or employment under the United States, that a person is a member of an organization which has been legally found to be a Communist organization.

Fourth. To hold any nonelective office or employment under the United States when such a member.

Fifth. To apply for, or to use a United States passport when such a member.

Sixth. To fail to file reports which it is his legal duty to file, if a person is an officer of a Communist organization, or to make false statements or willful omissions in such a report.

Seventh. To become or remain a member of a Communist political organization if a person knows that the organization has been legally required to register and has failed to do so.

Eighth. To mail Communist publications, or to broadcast or televise a Communist program, for a Communist organization, without identifying the source or sponsorship.

And now, Mr. President, I shall proceed with a detailed sectional analysis of this first segment of the bill, S. 4037, which consists of those provisions which are incorporated from S. 2311.

Again I wish to pay tribute to my colleagues in the Senate, the Senator from Michigan [Mr. FERGUSON], the Senator from South Dakota [Mr. MUNDT], and the Senator from South Carolina [Mr. JOHNSTON]. I also wish to pay tribute to Members of the House of Representatives who joined in the formation of the bill in the first instance. The Mundt-Nixon bill was the first bill; later we had the Mundt-Ferguson-Johnston bill, and now the proposed legislation is here as Senate bill 4037.

Sections 1 and 2 of the bill set forth the title of the act and contain statements of the congressional findings which are a result of the evidence adduced before various committees of the Congress. In addition, there is set forth a proscription that nothing in the act shall be construed to authorize, require, or establish military or civilian censorship or in any way to limit or infringe upon freedom of the press or of speech as guaranteed by the Constitution of the United States, and that no regulation shall be promulgated under the act having that effect.

Section 3 of the bill is the definition section. It will be noted that in the definitions a distinction is made between a "Communist political organization" and a "Communist-front organization." This distinction, as I shall subsequently point out, is significant in conjunction with the registration and other features of the bill which I shall hereafter discuss. As defined in the bill a "Communist political organization" is any organization in the United States having some, but not necessarily all, of the ordinary and usual characteristics of a political party which (a) is substantially dominated or controlled by the foreign government or political organization controlling the world Communist movement and (b) operates primarily to advance the objectives of such world Communist movement.

"A Communist-front organization" is defined to be any organization in the United States (other than a Communist political organization and other than a lawfully organized political party which is not a Communist political organization) which (a) is under the control of a Communist political organization or (b) is primarily operated for the purposes of giving aid and support to a Communist political organization, a Communist foreign government, or the world Communist movement.

Section 4 of the bill contains a number of significant provisions which warrant detailed explanation. Subsection (a) of section 4 makes it unlawful for any person knowingly to combine, conspire, or agree with any other person to perform any act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship the direction and control of which is to be vested in, or exercised by, or under the domination or control of, any foreign government, foreign organization, or foreign individual. For purposes of the subsection the term "totalitarian dictatorship" means a form of government characterized by (1) the existence of a single political party with such identity between such party and its policies and the government and governmental policies of the country in which it exists as to render such party and the government itself indistinguishable for all practical purposes and (2) the forcible suppression of all opposition to such party.

In order to understand the need for this provision of subsection (a) of section 4 some reference should be made to the inadequacies of the existing law. The Alien Registration Act of 1940 made it a crime to advocate the overthrow of the Government of the United States by force and violence. Although there is no doubt but that a basic principle of the

Communist conspiracy in this country involves the use of force and violence, in order to evade this statute, the present line of the Communist Party is to avoid wherever possible the open advocacy of force and violence. It should likewise be pointed out that in the Smith Act, under which the 11 Communist leaders were convicted in New York, there is an essential element of advocating the overthrow of the Government of the United States by force and violence. In view of this conviction of the 11 Communist leaders, who by their own utterances were found to be involved in a conspiracy to overthrow the Government of the United States by force and violence, it is obvious that greater emphasis will henceforth be placed by the Communists in the United States on an avoidance of any semblance of open advocacy of force and violence, and thus it will be increasingly difficult to establish in particular cases the violations of existing law.

I point out to the Senate that this particular provision of the bill above all others has been the object of the most bitter attack by the Communists and Communist fronters who with bogus piety contend that the provision is an abridgment of constitutional liberties. It is for this reason that the committee has made an extensive study of the constitutional issues and has obtained the opinion of the ablest constitutional lawyers of the Nation with reference to this provision. It is not my purpose to burden the Senate with an exhaustive legal treatise on the issue, but I invite the attention of the Senate to the pronouncements of the courts on the issue which is presented by this provision.

In *Gitlow* v. *People of New York* (1925) (268 U. S. 652), the Supreme Court said:

> And, for yet more imperative reasons, a State may punish utterances endangering the foundations of organized government and threatening its overthrow by unlawful means. These imperil its own existence as a constitutional State. Freedom of speech and press * * * does not protect disturbances to the public peace or the attempt to subvert the Government. It does not protect publications or teachings which tend to subvert or imperil the Government or to impede or hinder it in the performance of its governmental duties. * * * It does not protect publications prompting the overthrow of Government by force. * * * And a State may penalize utterances which openly advocate the overthrow of the representative and constitutional form of Government of the United States and the several States, by violence or other unlawful means. * * * In short, this freedom does not deprive a State of the primary and essential right of self-preservation; which, so long as human governments endure, they cannot be denied.

In *Schenk* v. *U. S.* (1919) (249 U. S. 47, 51–52), Mr. Justice Holmes said:

> It well may be that the prohibition of laws abridging the freedom of speech is not confined to previous restraints, although to prevent them may have been the main purpose, as intimated in *Patterson* v. *Colorado* (205 U. S. 454, 462). We admit that in many places and in ordinary times the defendants in saying all that was said in the circular would have been within their constitutional rights. But the character of every act depends upon the circumstances in which it is done (*Aikens* v. *Wisconsin* (195 U. S. 194, 205, 206)). The most stringent protection of free speech would not protect a man in falsely shouting fire in a theater and causing a panic. It does not even protect a man from an injunction against uttering words that may have all the effect of force (*Gompers* v. *Bucks Stove and Range Co.* (221 U. S. 418, 439)). The question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent. It is a question of proximity and degree.

In *Oil Workers International Union* v. *Elliott* (N. D. Tex., 1947) (73 F. Supp. 942), the court stated:

> The powers of Congress are outlined and defined by the Constitution of the United States. Section 4, article IV * * * provides that the National Government shall guarantee to each State a republican form of government. It is recognized that the Communist form of government is not a representative form of government. Ours is a representative form of government, whereby the representatives of the people chosen by the people, determine the policies of the Nation. In the commuistic form you have more of the dictatorial type. It nowhere has functioned except by and in the hands of a dictator; therefore, it behooves the National Government to curb the growth of any system that would destroy representative government and bring about government by force.

In spite of the court decisions from which I have quoted, Mr. President, it has been charged that this bill is unconstitutional. Whenever a question of constitutionality is raised it is nearly always possible to argue it. I have read what the Supreme Court of the United States has said, and I do not propose to argue the question of constitutionality further, except to repeat that the Committee on the Judiciary has sought the best advice it could secure, and the Committee on the Judiciary was satisfied that the provisions of this bill are constitutional. The chairman of the Committee on the Judiciary is personally satisfied that there is nothing unconstitutional in this bill; and let me remind the Senate that the record of the chairman of the Judiciary Committee, with respect to upholding and maintaining and preserving the Constitution, is as good as that of any other Member of this body. The present chairman of the Committee on the Judiciary was one of those who voted against the court-packing bill and was willing to face the political consequences of that vote because of his adherence to the Constitution and his desire to protect and preserve it. The present chairman of the Committee on the Judiciary would not be here advocating this bill if he thought there was anything unconstitutional about it or about any of its provisions.

So far, Mr. President, in my analysis of this bill I have just concluded a discussion of section 4 (a). The remaining subsections of section 4 are much less controversial. Let us look at them, one by one, and see what they do.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOEY in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	Maybank
Anderson	Hickenlooper	Mundt
Benton	Hill	Murray
Brewster	Hoey	O'Conor
Bridges	Holland	O'Mahoney
Butler	Humphrey	Pepper
Byrd	Hunt	Robertson
Cain	Johnson, Colo.	Russell
Chapman	Johnson, Tex.	Schoeppel
Connally	Kefauver	Smith, N. J.
Cordon	Kilgore	Sparkman
Donnell	Knowland	Stennis
Douglas	Leahy	Taylor
Dworshak	Lehman	Thomas, Okla.
Ecton	Lodge	Thomas, Utah
Ellender	Long	Thye
Ferguson	McCarran	Wiley
Fulbright	McCarthy	Williams
George	McFarland	Withers
Graham	McKellar	Young
Green	McMahon	
Gurney	Malone	

The PRESIDING OFFICER (Mr. LONG in the chair). A quorum is present.

Mr. McCARRAN. Mr. President, subsection (b) prohibits Federal employees from divulging information which has been classified by the President as affecting the security of the United States to foreign agents, or to Communist organization members.

Subsection (c) makes it a crime to obtain such classified information.

Subsection (d) provides a fine of $10,000 and/or 10 years imprisonment for violation of the foregoing provisions.

Subsection (e) sets a statute of limitations of 10 years on the offenses named.

Subsection (f) provides that neither the holding of office nor membership in any Communist organization shall constitute a violation of subsection (a) or subsection (c) of section 4. It further provides that the fact of registration under section 7 or section 8 of the act as an officer or member of any Communist organization shall not be received as evidence against any persons in any prosecution for any alleged violation of subsection (a) or subsection (c) of the section.

In the opinion of the chairman of the Committee on the Judiciary, this provision leans over backward to protect Communists against self-incrimination; but it is one of the many safeguards written into the bill by the Judiciary Committee to assure the complete constitutionality of the measure.

Section 5 of the bill is intended to keep Communists out of the Federal Government unless they can win election to office. This section provides, in subsection (a), that members of Communist political organizations, and that means real Communists, cannot (1) conceal their membership when seeking United States employment, and (2) cannot hold any nonelective office. It is also provided that no officer or employee of the United States may appoint a member of any such organization to Government employment. But this section also contains a safeguard to guarantee the constitutional rights of any person affected, in the form of a provision, that no person shall be considered a member of a Communist political organization for purposes of this section until his name has been made public as such

a member, under the provisions of this bill, by the Attorney General.

The next section, section 6, is aimed at helping to shut off the world travel of Communists, and thus to hamper the free flow of courier service, and other agents of the world Communist conspiracy.

This section deals with the issuance of passports to members of Communist political organizations. Subsection (a) provides that members of Communist political organizations, which members are required to register under the bill, (1) cannot apply for a passport or a renewal thereof, and (2) cannot use a passport which they may have. Subsection (b) provides that it is unlawful for employees of the United States Government to issue or renew passports to members of Communist political organizations. Subsection (c) contains the guarantee of constitutional rights by providing that no person shall be considered a member of a Communist political organization, for the purposes of this section, until his name has been made public as such a member by the Attorney General, under the provisions of the bill.

Section 7 is procedural. It deals with registration and annual reports of Communist organizations. Subsection (a) provides that Communist political organizations shall register with the Attorney General. Subsection (b) provides that Communist-front organizations shall register with the Attorney General, and subsection (c) provides for the time of registration as follows: (1) If the organization is a Communist political or Communist-front organization on the date of enactment of the act, it must register within 30 days after such date, (2) if it becomes a Communist political or Communist-front organization after enactment of the act, it must register within 30 days after it becomes such, and (3) where it is required to register by the Board set up under the act, it must do so within 30 days after the Board's order becomes final. Subsection (d) requires that the registration shall be accompanied by a registration statement which shall contain (1) the name, address, and principal office of the organization, (2) the name of individuals who are or who have been officers, (3) an accounting of moneys for the preceeding year, (4) a list of members (within the preceding year) of Communist political organizations, and (5) a listing of all aliases. Subsection (e) provides for annual reports to be filed before February 1 of each year. Subsection (f) requires the keeping of records by Communist organizations. Subsection (g) provides that individuals listed in the registration statements or the annual reports must be notified of such listing by the Attorney General. If the individual then denies membership, the Attorney General must investigate promptly, and if the denial is correct the Attorney General is required to strike the individual's name. If the Attorney General, however, declines to strike the name within 5 months, the individual may petition the board, set up under the act for relief. Subsection (h) provides that if an organization fails to register, then certain officers of the organization must do so.

Section 8 provides for the registration of members of Communist political organizations and provides that if a member knows an organization is registered and his name is not included thereon, he, the member, must register himself.

Section 9 provides for the keeping of registers and for reports. Subsection (a) provides that the Attorney General shall keep in the Department of Justice, (1) a register of Communist political organizations, and (2) a register of Communist-front organizations. Subsection (b) provides that the registers shall be open to public inspection, provided, however, that if an individual has petitioned for removal of his name within a 30-day period after registration, then the Attorney General shall not publish his name until 6 months after receipt of the petition or until 30 days after the Attorney General has denied the petition, whichever is earlier.

Subsection (c) provides that the Attorney General shall make certain reports to Congress and the President.

Section 10 provides that it is unlawful to become and remain a member of a Communist political organization if (1) there exists a final order of the board requiring registration of the organization, and (2) 30 days have elapsed since the order has become final, and (3) the organization has not registered as required. This would have the effect of making it an offense to join the Communist underground.

Section 11 provides that it shall be unlawful for organizations that are registered (1) to use the mails without identifying the sponsorship of the material, and (2) to broadcast or televise without such similar identification.

Section 12 provides that no Federal income-tax deduction shall be allowed those contributions to registered organizations and that organizations registered may not be allowed certain tax exemptions.

Section 13 relates to Subversive Activities Control Board which is set up as an administrative agency under the bill. It provides that three members shall be appointed to the Board by the President, with the approval of the Senate. It shall be nonpartisan and have an overlapping 3-year term. One members is to be chairman and there is provision for removal for cause.

The duties of the Board are (1) upon application of the Attorney General or any organization, to determine whether an organization is a Communist-political organization or a Communist-front organization, and (2) upon application of the Attorney General or any individual, to determine whether an individual is a member of any Communist-political organization which is registered.

Section 14 provides for the proceedings before the Board. Subsection (a) provides that if the Attorney General believes that an organization or an individual, which or who was required to register, has not done so then in that event the Attorney General must file with the Board a petition requiring the organization or individual to register. Subsection (b) provides for an application by an organization or an individual for cancellation of registration and the consequent duty of filing any report. Subsection (c) provides that the Board or any designated member may hold hearings and subpena witnesses and records. Subsection (d) provides that the hearings must be public, has provisions for counsel and for a stenographic record. Subsection (e) sets out the criteria by which the Board shall determine whether or not an organization is a Communist-political organization. Such criteria are as follows:

First. The extent to which the organization's policy is formulated abroad and the extent of foreign domination or control over it.

Second. The extent of the organization's adherence to the ideology of communism.

Third. The extent of the organization's financial and other aid from foreign governments.

Fourth. The extent to which members of the organizations go abroad for training and indoctrination in communism.

Fifth. The extent to which the organization reports to foreign Communist organizations.

Sixth. The extent of the organizations subjection to discipline of a foreign government or organizations.

Seventh. The extent of the organization's failure to disclose information, such as membership records and secret meetings.

Eighth. The extent to which its principal leaders or a substantial number of its members consider the allegiance they owe the United States as subservient or subordinate to their obligations to a foreign government.

Subsection (f) sets out the criteria for determining whether or not an organization is a Communist-front organization. Such criteria are as follows:

First. The extent to which its management is active in the world Communist movement.

Second. The extent of Communist support, financial and otherwise, derived from the world Communist movement.

Third. The extent to which its funds, resources, and personnel are used to promote the Communist cause.

Fourth. The extent of its adherence to the Communist line.

Subsection (g) provides for the Board's duties after a hearing. Such duties are:

First. If the Board finds that the organization is a Communist political organization or a Communist-front organization it shall order such organization to register and shall serve such order on it; and second, if the individual is found to be a member of a Communist political organization, it shall require such individual to register.

Subsection (h) provides that if the Board determines after a hearing on a petition filed by the Attorney General that an organization is not a Communist political organization or a Communist-front organization it shall serve upon the Attorney General a written order denying the petition ordering that organization to register. The same pro-

cedure is applied in the case of an individual who has been registered as a member of a Communist political organization. Subsection (i) provides that the Board, after a hearing on a petition filed by an organization or an individual, shall order the Attorney General to cancel the registration if the Board determines that the organization is not a Communist political or a Communist-front organization, and shall order the Attorney General to cancel the registration if the Board determines the individual is not a member of a Communist political organization.

Subsection (j) provides that the Board, after hearing, shall deny the petition for cancellation of registration if the organization is found to be a Communist political or Communist-front organization, and shall deny the petition for cancellation of registration if the individual is found to be a member of a Communist political organization.

Section 15 of the bill provides for judicial review. In subsection (a) it is provided that the party aggrieved by any order of the Board may appeal to the circuit court of appeals within 60 days. It is also provided that the findings of the Board if supported by a preponderance of the evidence shall be conclusive and that the court at its discretion may grant leave for the taking of additional evidence before the Board. The court may order the Attorney General to strike an organization's or an individual's name from the register. The orders of the circuit court of appeals are to be final, subject, however, to review by the Supreme Court upon certiorari. Subsection (b) provides for the times when the order of the Board, issued under section 14, becomes final.

Section 16 provides for certain penalties for violation of the provisions of this segment of the bill.

Section 17 gives further protection to accused persons or organizations by providing that nothing in the act shall be held to make the provisions of the Administrative Procedure Act inapplicable to the exercise of functions or the conduct of proceedings by the Board.

That concludes the segment of the bill which embraces the so-called Mundt-Ferguson-Johnston bill. Now, Mr. President, I invite the attention of the Senate to the second segment of the bill which embraces with certain modifications the provisions of the bill S. 595, which I introduced about 2 years ago at the request of the Attorney General and which was reported favorably by the Committee on the Judiciary a year ago last May. Let me say in passing that the provisions of S. 595 were prepared to carry out the recommendations of the interdepartmental intelligence committee, composed of representatives of military intelligence and the Federal Bureau of Investigation. These recommendations reflect conclusions which were unanimously reported by the interdepartmental intelligence committee after a thorough study of the provisions and inadequacies of existing law, beginning in 1945, and are based on the needs and experiences of the investigating agencies during both World War II and peacetime.

This second segment of S. 4037 conforms quite closely to the purpose stated in the title of its prototype, S. 595, in that it is designed to strengthen the internal security of the United States by amending certain existing laws so as to close loopholes which have become evident to the enforcement agencies over a period of years. This is accomplished by amending certain of the espionage statutes, which have been on the books for a considerable period of years, and amending the Alien Registration Act, as well as putting into effect certain temporary security statutes which were enacted during World War II and have now lapsed by operation of law. One other objective this segment of S. 3047 accomplishes is to change, in certain instances, the statute of limitations relating to crimes of espionage. It has been found that because of the peculiar nature of the activities of those engaged in espionage, the existing limitation statutes rendered nugatory proper enforcement efforts. This can be readily seen because those engaged in espionage use such surreptitious methods that usually they are not ferreted out until after they have come under the protective cloak of statutes of limitation.

More specifically, the provisions of this second segment of the bill have the following effects:

First. To make certain minor technical amendments to section 793 of title 18, United States Code—one of the espionage statutes—so that where the section refers to the Army and Navy, the amendment includes the Air Force, too.

Second. To broaden the coverage of section 793 of title 18, United States Code, by adding "instruments" and "appliances" to the category of items which it is unlawful for persons chargeable with scienter under the section, to transmit under certain circumstances.

Third. To close two glaring loopholes which have become evident in section 793 of title 18, United States Code, so as to prevent such a ludicrous circumstance as arose in the famous Chambers pumpkin papers, wherein a man could have unauthorized use of certain defense and security information and yet not be committing an unlawful act when he neglects to deliver the information up to proper authorities. It also covers the ludicrous situation under existing law wherein it is not a crime for a coding officer to fail to notify his superiors of the loss of an important code.

Fourth. To enlarge the categories of people who must register under the Alien Registration Act, by including among their number those who have received training in any foreign school of espionage. Parenthetically, may I say that this provision has been referred to as something new, brought forward for the first time in the so-called administration bill. Senators will note that, on the contrary, it is an old provision, taken from my bill, S. 595, which has been on the Senate Calendar for more than 15 months.

Fifth. To increase the statute of limitations for violations of the espionage statutes from 3 to 10 years. Again speaking parenthetically, this is another provision, taken from my bill, S. 595, which the so-called administration bill has been credited with originating.

Sixth. To make failure to register under the Alien Registration Act a continuing offense.

Seventh. To reactivate certain World War II legislation permitting the President under certain circumstances to enact rules and regulations for the protection of military facilities and establishments. In relation to this, I might add that the President in the recent Korean crisis could have put such a law to excellent use. This is still another provision which has been hailed as a new proposal in the so-called administration bill, though it is in fact taken from my bill S. 595.

Eighth. To make a conspiracy to violate the provisions of section 793, title 18, United States Code, a penal offense, so that the section will be more in line with the other two espionage statutes; namely, sections 792 and 794, which presently contain conspiracy provisions.

Individually and as a whole, the foregoing are very minor corrections and additions to existing law, and are certainly a mild endeavor to correct features of internal security laws which have been found by the experience of the enforcement agencies to be defective. Strangely enough, most of the objections which have been made to these provisions that are taken from S. 595 have been found, when stated specifically, to have been based upon one or more of these features of the bill which are no more than a reenactment of existing law. For instance, there has been objection to the language in section 18, on pages 38 and 39, as being too drastic, but the only two words, between line 8 on page 39 and line 3 on page 41, which are new in legal effect are the words "prohibited place" at the end of line 8 on page 40. It is perfectly clear, Mr. President, that many of the critics of the bill do not know their subject well.

I have attempted, Mr. President, in a general way to set out the purposes of the internal security features of S. 4037, the bill presently under discussion, which features, as I have said, were incorporated bodily and verbatim from S. 595, known as the internal security bill.

Now I should like to take these purposes and discuss them individually, with a view toward the specific. In attempting to do this I am aware of the danger of becoming too technical, for this is, by its very nature, a highly technical subject. I shall try to avoid being any more technical than necessary. For purposes of clarity of thought, I shall discuss these internal-security features by topic, rather than by section and code number, demonstrating three characteristics in each topic; first, the situation which it was necessary to remedy; second, the existing law which was applicable to that situation; and, third, how the provision of this bill effectuates the remedy. While doing this I shall try, as appropriately as possible, to make oral cross-reference to the section of the bill wherein the

topic is contained, as well as to the law which is being amended. Where, to my knowledge, some feature of this portion of the bill has been attacked, I shall comment upon what the committee and myself believe to be the answer to the attack.

Section 18 of S. 4037, which begins the second segment of the bill, amends section 793 of title 18 of the United States Code, which is one of the espionage statutes. Most of this section 18 is now existing law, presently on the statute books, and has been used in numerous court cases over a period of years, withstanding repeated attacks on constitutional grounds. I must say this emphatically, because, as I pointed out earlier in discussing this segment of the bill, most of the opposition to the internal-security features has been directed to section 18 of S. 4037, in the parts which only repeat existing law, and not to the parts that propose new law. If Senators will turn to the bill and look at section 18, beginning on page 29, they will see that this section is divided into subsections denominated (a) through (g); and I say again that most of this is existing law. That which is new and that which is old will be differentiated as I proceed.

Before describing what is accomplished substantively by section 18, let me say that subsections (a), (b), and (c) of section 793 of title 18, United States Code, which is amended in section 18 of the bill, are existing law almost in toto with the exception of a few bare technicalities which have not been criticized by anyone to my knowledge. For example, where those subsections refer to the Army and Navy, because of unification of the military services, the Judiciary Committee has inserted the words "Air Force." Since the very few changes in these subsections (a), (b), and (c) are noncontroversial, I shall not discuss them here, for I presume that nobody wants to change, denude, or diminish the existing espionage laws.

I have referred to the fact that provisions of S. 595, which are now in S. 4037, grew out of recommendations of the interdepartmental intelligence committee. The first situation which this committee recommended be remedied was the situation posed by the fact that section 793 of title 18, United States Code, fourth paragraph (denominated subsection (d) of said section 793 in section 18 of S. 4037) was not comprehensive enough in its coverage of enumerated items, relating to national defense, which it would be a crime for anyone having lawful possession to transmit or retain in an unauthorized manner. It was the opinion of the committee that there were items not mentioned in the section which it would be none the less dangerous to internal security to have improperly communicated.

Under existing law, the unauthorized transmission or retention of any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note relating to national defense, is unlawful. The executive departments charged with intelligence and security matters soon noted that the enumeration of the items above did not cover oral communication of matters, and for this reason they recommended that said enumerated matters be increased by adding one new matter, namely, "information relating to the national defense, which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation." The existing law uses the words "or note relating to the national defense," which cover most written matter but do not cover oral communication. The recommended correction is made in lines 7 to 11 on page 41.

The next case for remedial attention was the discovery that under existing law, the unauthorized possession of enumerated restricted items relating to national defense is not a penal offense unless a demand has been made against the possessor, by the authorities entitled to receive the items in question, and the said demand has been refused. The inadequacy of this provision is self-evident, since by the very nature of things an unauthorized possession would most likely not be known to those entitled to receive the restricted enumerated items. The most famous example of this situation is, of course, the Chambers pumpkin papers. Chambers had in his possession—that is in his unauthorized possession—certain restricted or classified items which related to national defense. Yet, his possession of such items was not a crime. He could not be charged with a crime in respect of his possession of the pumpkin papers until a person entitled to receive those items made a demand upon him for their delivery, and then only if he refused the demand.

This situation is corrected by the subsection lettered "(e)" of S. 4037, beginning on page 41, line 18, which provides that those who have unauthorized possession of any of the enumerated items in the existing law relating to the national defense must surrender possession thereof to the proper authorities regardless of a demand therefor.

The next situation which the interdepartmental intelligence committee wished to remedy was the danger inherent in the failure of a person entrusted with any item relating to national defense to report properly and promptly the loss, theft, removal, or disappearance of such item.

Existing law provides a criminal penalty for any person entrusted with such an item relating to national defense who, through gross negligence, permits the removal, theft, loss, and so forth, of the items but where there is no negligence, and such loss does occur, there is no requirement in existing law that the person trusted with such item must report the loss promptly. As an example, if a code officer in our Embassy at Moscow should come to work some morning and notice that the main code was missing through no negligence of his own, under existing law he could sit tight and do nothing, and his failure to institute a search, or even to warn the Department the code book was missing, would not constitute an offense. My bill would make it a crime for him to fail to report the loss promptly, so that the proper steps may be taken by the American authorities to change the code.

It is common knowledge, today, that our compromise of the enemy coding system was an important factor in our defense and operations against the enemy in the early and vital stages of World War II, and it is not unreasonable to assume that the advantage would be reversed should an enemy compromise the coding system of the United States. Thus, another loophole in existing law is closed by the provisions of section 18 of S. 4037, in lines 17 through 21, page 42, by providing a penalty for those persons entrusted with items relating to the national defense who have knowledge of and fail to report the loss, theft, abstraction, destruction, or unlawful transmission of such items.

The next situation which needed to be remedied was the fact that because of the bizarre and hodge-podge history and background of the espionage statutes, only a portion of them carry conspiracy provisions. For instance, section 794 of title 18 of the United States Code, relating to gathering and delivering of items relating to the national defense, to aid a foreign government, carries a conspiracy section, yet there is no conspiracy section to the very similar section 793 of the same title. Section 18 of S. 4037 remedies this defect by adding another provision making it a conspiracy to violate any of the subdivisions of section 793, title 18, United States Code.

Now, Mr. President, that concludes my discussion of section 18 of S. 4037 which, as I have attempted to demonstrate throughout, relates only to amending section 793 of title 18, United States code, by restating the existing law and making certain additions to it. Let me now discuss section 19 of S. 4037.

This section also is intended to meet a situation which needs to be remedied. A violation of section 792, section 793, or section 794 of title 18, United States Code, during either peace or war may not be detected, or the identity of the violator discovered, until more than 3 years after the violation was committed. But 3 years is the present statute of limitation. Thus the violators of the espionage laws may escape prosecution because of the short time limit of the present statute. This is just what happened, of course, in the case of Alger Hiss, and the same 3-year limitation was a serious deterrent and obstacle in the trial of Judith Coplon. In peacetime, the statute of limitations applicable to the espionage statutes mentioned above is 3 years. In war time the same statute is applicable, with the exception of section 794 of title 18, United States Code, which, since it constitutes a capital offense during war, is therefore not subject to any statute of limitations.

Section 19 of my bill S. 4037 attempts to remedy this situation by providing for a 10-year statute of limitations for these crimes.

Passing on now to section 20 of S. 4037, let me explain the situation which the interdepartmental intelligence commit-

tee wished to remedy and which this section attempts to remedy.

A person trained by a foreign government for purposes of espionage or sabotage is immune to prosecution provided there is no substantial evidence of his having committed any acts to violate the espionage laws; he is in no way obliged to divulge either his intentions, or the very useful information which is peculiarly within his knowledge, information which if required by our counter-intelligence agencies could spell the difference between success and catastrophe in countering the plans and tactics and strategic maneuvering of any enemy. Examples of those who would come within this category are those whose operations may defy detection, and those who may be dispatched to this country for purposes of espionage or sabotage and who have either postponed their operations until an opportune time or, for fear of apprehension or other reason, abandoned their mission. Also, there are many aliens and citizens in this country who have been trained in foreign espionage schools. Would not a requirement of the registration of such persons therefore provide additional protection of the security of this country, and afford a means of access to information which would be highly beneficial? The committee thought it would.

Under present law, persons trained in foreign espionage are not required to register. The foreign agents registration act of 1938, as amended, only requires the registration of persons acting as agents for foreign principals.

Section 20 of S. 4037 further amends the foreign agents registration act of June 8, 1939, as amended (22 U. S. C. 611–621), by adding a subsection 1 (c) (5) immediately after subsection 1 (c) (4) (22 U. S. C. 611 (c) (4), to require registration of persons who have knowledge of, or have received instructions or assignment in, the espionage, counter espionage, or sabotage service or tactics of a foreign government or a foreign political party, unless such knowledge or instruction has been acquired by reason of civilian, military, or police service with the United States Government, or the governments of the several States, or unless such knowledge has been acquired solely by reason of academic or personal interest not under the supervision of, or in preparation for, service with the government of a foreign country or a foreign political party, or unless, by reason of employment by an intelligence agency in the United States Government, such person has made full disclosure of such knowledge or instruction to officials within such agencies.

The amendment would serve a threefold purpose, namely, (1) to discourage further the unknown presence of potential spies and saboteurs; (2) to provide a basis for the prosecution of unregistered spies and saboteurs before they commit an act of espionage or sabotage; and (3) to assist this Government in its counter-intelligence work by acquiring information regarding foreign espionage and sabotage systems and tactics that would be disclosed by those who elect to register rather than run the risk of prosecution for not so registering.

The next situation which the interdepartmental intelligence committee wished to remedy concerned the problem of the statute of limitations under the Foreign Agents Registration Act of 1938. A person who fails to register under that act may escape prosecution upon the expiration of 3 years from the time he first became subject to the law, and should have registered. But the fact that he should have registered may not be known until this 3-year statute of limitations has run. If he can escape detection for 3 years, he can thumb his nose at the law, because under existing law, prosecution for failure to register must be commenced within a 3-year period from the time the person became subject to the act and failed to register.

In S. 4037—lines 18 through 24, on page 44—the Foreign Agents Registration Act of 1938 is amended by adding a new subsection (d) to provide that a failure to file a registration statement or supplements thereto as required by the act shall be considered a continuing offense for as long as such failure exists, notwithstanding any statutes of limitations or other statute to the contrary.

Now we come to section 21 of S. 4037, which deals with another situation which the interdepartmental intelligence committee desired to remedy.

Sound judgment requires that protection should be provided for military property from both accidental and deliberate danger. A similar law, respecting the protection of vessels and waterfront facilities, approved July 9, 1943 (50 App. U. S. C. 1312), existed during World War II but expired by reason of its own provisions on June 30, 1947. In the situation which exists in the world today common sense dictates that the expired powers be reactivated. Section 21 of S. 4037 provides a maximum penalty of $5,000 fine and/or 1 year imprisonment for the willful violation of regulations or orders promulgated by the Secretary of Defense pursuant to lawful authority, for the protection or security of military property.

This is one of the provisions which was in my bill S. 595, and which the President asked for in his message on national security legislation. I do not think there will be much dispute about it. This is a very broad power to give the executive branch of the Government, but so long as it is limited to defense-connected property, it seems justified.

And now, Mr. President, I invite the attention of the Senate to the third segment of the bill which consists of those provisions, with certain modifications, of the bill S. 1832 which I introduced to strengthen the provisions of existing law with respect to the exclusion and deportation of subversive aliens and which has already unanimously passed the Senate.

Three principal objectives are sought to be accomplished by this segment of the bill S. 4037:

First, to provide for the exclusion and deportation of all aliens, irrespective of their status if they seek entry to engage or engage after entry in activities endangering the public safety.

Second, to provide for the exclusion and deportation of aliens who are members of Communist political organizations and Communist front organizations with two exceptions:

First, aliens in a diplomatic status and

Second, aliens who establish that they were innocent dupes when they joined a Communist front organization.

Third. To invest the administrative authorities with power to curtail immigration from countries which refuse to accept back aliens, from those countries, who are found deportable.

I have already recited to the Senate, not only in my remarks earlier today but on repeated occasions over the course of several months, the alarming facts respecting the infiltration into this country of Communist agents and other subversives. Although our present immigration laws provide for the exclusion and deportation of certain types of dangerous and subversive aliens, through the years these provisions have been made subject to a number of exceptions and provisos which have opened the back door for the admission into the United States of agents of foreign powers who enjoy a practical immunity from our laws. The provisions of this segment of the bill which I shall now discuss in detail merely plug the loopholes of the immigration laws.

This is accomplished by rewriting the act of October 16, 1918, which is the principal immigration law providing for the exclusion and deportation of subversives. I shall not burden the Senate with a recitation of the many provisions of the present law, but shall confine my comments to the additional provisions which would be incorporated in the present law by the bill.

The first provision would require the exclusion and deportation of all aliens irrespective of their status if they seek entry to engage or engage after entry in activities endangering the public safety. The reason for this provision is that although the present law provides for the exclusion and deportation of such aliens, all officials of foreign governments, their suites, families, or guests, as well as others in diplomatic status are expressly exempted. May I emphasize that this provision of the bill will not in any sense interfere with normal legitimate diplomatic relationships between the United States and any country of the world. Neither will this provision ipso facto compel the exclusion or deportation of officials of foreign governments who are members of the Communist Party; but, Mr. President, in those cases in which aliens in diplomatic status seek to enter the United States to engage in or are caught engaging in espionage, sabotage, or other overt acts endangering the public safety, they will under this provision be subject to exclusion or deportation. I respectfully submit, Mr. President, that this Government need not apologize to anyone for this provision and if any government takes offense at this provision which is designated to protect the public safety, then I submit that that government will just have to take offense.

Most of the criticism of this bill which has come to the attention of the senior Senator from Nevada has been, obviously, based on insufficient information;

if, indeed, it was not written or spoken by someone completely unfamiliar with the bill. For instance, it has been charged that this bill would require the embassies of Russia and all the satellite countries to close, because the bill would prevent Communists from entering the country.

That is not correct, of course. The bill will permit Communists to enter the country, so long as they come here for diplomatic business, and so long as they confine themselves to the usual and reasonable activities of a diplomat. What the bill will do, which is not possible under present law, is to permit the deportation of a Communist who comes here under diplomatic or semidiplomatic status and then uses that status as a screen behind which to carry on subversive activity.

I point out to the Senate that under long and established international relationships there are ample precedents for the ejection from a country of aliens in diplomatic status who are declared to be persona non grata by the receiving country, but apparently this practice has been overlooked in certain quarters by those who are fearful that the Kremlin might take offense if we do not open our doors to the promiscuous entry into this country of spies and saboteurs who mask under the guise of official status.

In passing may I say, with reference to this provision, that in view of the power of the President under section 3 of article 2 of the Constitution to "receive Ambassadors and other public ministers," the bill provides that with reference to these officials the exclusion and deportation shall be pursuant to such rules and regulations as the President may deem to be necessary; but with reference to other aliens in diplomatic status the exclusion and deportation would be handled by the regular immigration authorities.

The second provision of this segment of the bill supplements the provisions of the present law which require the exclusion and deportation of aliens who advocate the overthrow of the Government of the United States by force and violence. By providing for the exclusion and deportation of members of those Communist political organizations and Communist-front organizations which would be required to register under other provisions of the bill, as well as members of other totalitarian parties, the present law would be strengthened in conformity with the over-all objective of the legislation to recognize the undeniable fact that the Communist movement is a conspiracy to overthrow the Government by force and violence, and that this country shall no longer receive aliens who are imbued with a philosophy inimical to our democratic system. As I stated in my general remarks with respect to this segment of the bill, aliens in diplomatic status would not ipso facto be excluded or deported under the bill because of membership in a Communist organization. Furthermore, aliens who were innocent dupes when they joined a Communist-front organization, as distinguished from a Communist political organization, would likewise not ipso facto be excluded or deported.

The third provision of this segment of the bill is designed to assist in meeting the serious problem, to which I alluded earlier in my remarks, of consummating the deportation of aliens who have been found to be deportable but who cannot be deported because the countries from which they came refuse to accept the aliens back. This provision would enable the Attorney General to curtail immigration from those countries that refuse to accept back deportable aliens who were admitted to the United States upon the basis of documents issued by such countries and representing that the aliens were nationals, subjects or residents of such countries. I should like to point out that this provision has been carefully prepared so as to protect the status of aliens in the United States from the countries which might be affected by the provision. Likewise, the provision is designed to protect the status of aliens residing outside the countries which may be affected by the provision and who might be desirous of immigrating to the United States.

There are two or three other minor provisions of this segment of the bill which I feel should be the object of some comment. Under the present law the Attorney General is vested with power to admit into the country aliens who are otherwise excludable if those aliens are returning residents of the United States. Under a provision of this segment of the bill an attempt is made to sever the pipeline of couriers by limiting this discretionary power so that it may not be exercised on behalf of subversive aliens. This provision, Mr. President, supplements the provision of the bill which was incorporated from S. 2311 which precludes the issuance of passports to subversives. The two provisions taken together lay a basis upon which the international pipeline of subversive penetration could be severed.

Another minor provision of this segment of the bill amends the present law which permits the Attorney General to waive all grounds of exclusion on behalf of aliens who are seeking admission into the United States for temporary periods. This provision would change the law so as to preclude the exercising of this authority on behalf of aliens who seek to enter the United States to engage in activities endangering the public safety and would require the Attorney General to report to the Congress the facts in those cases in which he would exercise this authority on behalf of aliens who are Communists.

The last minor provision of this segment of the bill on which I would like to comment is that provision which changes the present law applicable to the deportation of aliens who entered the United States in diplomatic status. Under the present law no alien who enters the United States in diplomatic status may be required to depart without the approval of the Secretary of State, even though such alien has failed to maintain his diplomatic status. The provision of this segment of the bill would change the law so as to provide that any alien who has failed to maintain his diplomatic status and who is deportable on the grounds of public safety may be deported without the approval of the Secretary of State. I submit, Mr. President, that extraneous considerations should not be weighed in the balance against the security of the United States.

And now, Mr. President, I invite the attention of the Senate to the fourth segment of the bill which consists of the provisions, with certain modifications, of the bill H. R. 10 which was reported favorably by the Committee on the Judiciary to provide for the supervision and deportation of deportable aliens.

I have already pointed out earlier in my remarks the serious problem with which this country is faced in our inability to execute orders of deportation. If the country of the deportable alien's last residence, the country of his citizenship, or the country in which he was born refuses to accept back such deportable alien there is nothing further that can be done under existing law and the alien is free to roam the country at will. May I invite the attention of the Senate to two cases which are typical of literally thousands of cases in point.

First is the case of Frank E. Spector, born in Odessa, Russia, and now living in Los Angeles, Calif. He served a jail sentence in California in 1930 and was ordered deported by the Attorney General that same year, being a person who advocates and teaches the overthrow by force or violence of the Government of the United States. Spector showed up in Los Angeles about 1921. Since then he has had a record of continuous activity and leadership in the Communist Party. Last year he defied the authority of the California State senate and was threatened with contempt. He was told that contempt might be ground for deportation from the United States. In reply Spector retorted, "You are too late, Mr. Tenney, my order of deportation has been issued 21 years ago and I am still here." The Attorney General's comment on Spector is as follows:

> As a result of numerous refusals on the part of Russia to issue a travel document to the alien, he is free to travel in the United States and continue his communistic activities. He has been openly and usually defiant of this Government's efforts to carry out the law in his case. We have no means whereby he can be taken into custody. In view of his ability as a leader and organizer, he is a distinct threat to the national security of the United States.

Another typical case is that of Mones Chomsker, 63, of New York City, a native of the portion of Poland that is now within Soviet borders. He has at least a dozen aliases. He has been convicted at least 30 times on charges of larceny, theft, professional thief, and assault. His sentences have ranged from 30 days to 3 years. He was ordered deported, but Soviet Russia refused a passport. This alien is a confirmed criminal mandatorily deportable under our laws but the Department of Justice under existing law is unable to effect his departure. He remains at large, a continuous and continuing menace to the peace and safety of our country.

The gravity of the situation stems from the absence of any power now placed in the Attorney General to exercise continuing supervision and control over aliens who have been ordered deported but who, either because of lack of cooperation by foreign governments or by the aliens themselves, cannot be deported from the United States and who, therefore, remain indefinitely in this country in defiance of the fact that they have been ordered deported. The statistics for the last 7 years show that there has been an average of only one alien a year actually deported from this country under the law relating to the deportation of subversives and anarchists.

Four principal objectives are sought to be accomplished by this segment of the bill S. 4037:

First, to enlarge the number of countries to which deportable aliens may be sent.

Second, to enable the Attorney General to keep deportable aliens under supervision or detention for a period up to 6 months while arrangements are being made for deportation.

Third, to enable the Attorney General to prescribe rules and regulations governing the conduct of aliens who are found to be deportable but whose deportation cannot be effected within a period of 6 months. The bill makes violations of the terms of the rules and regulations an offense subject to normal court trial.

Fourth, to make it an offense for deportable aliens in the subversive, criminal, and immoral classes to willfully fail to depart. A violation of this provision is made a penal offense subject to normal court trial.

The present law prescribes the countries to which a deportable alien may be sent. These include the country from whence the alien came, the country of which the alien is a citizen or subject, and the country in which the alien previously resided. Under the present law in selecting a country to which a deportable alien may be sent the Attorney General must follow the order in which the various countries are set forth in the statute. This results in a great many administrative delays in the attempt by the Attorney General to procure the necessary travel documents from a country designated in the statute which would accept the deportable alien. Under the provisions of the bill the deportation of a deportable alien would be first to the country specified by the alien if such country would accept him; otherwise the deportation would be to any of the countries, designated in the statute, without priority or preference because of the order in which the designation appears in the statute. The bill provides however, that no alien shall be deported to a country in which the Attorney General finds that such alien would be subjected to physical persecution.

Existing law does not grant the Attorney General any specified period within which he may hold deportable aliens in custody or under his supervision while he negotiates for their return abroad. As a result, even though the delay in the deportation is in many cases caused by continuing negotiation between our Government and foreign governments, the Attorney General is unable to maintain any control over aliens during this period in which he is undertaking to effect their deportation. Accordingly the bill provides, as I have previously indicated, that the Attorney General may continue his control and, where necessary, his powers of detention over reportable aliens for a period of 6 months after a deportation order has been entered. Thereafter, if the deportation has not been consummated, the Attorney General would be empowered to maintain a continuing supervision over the deportable alien, and a violation of the terms of supervision is made a penal offense.

The last provision of this segment of the bill provides that deportable aliens in the criminal, subversive, and immoral classes who shall willfully fail or refuse to depart from the United States within a period of 6 months of the deportation order, or shall willfully fail or refuse to make application in good faith for travel or other documents necessary for their departure, or who shall connive or conspire or take any other action designed to prevent or hamper or with the purpose of preventing or hampering their departure pursuant to the deportation order, or shall willfully fail or refuse to present themselves for deportation at the time and place required by the Attorney General, shall, upon conviction, be guilty of a felony.

That this provision is thoroughly in accord with our constitutional processes appears clearly in the pronouncements of the Supreme Court of the United States in the case of Wong Wing against United States, in which the Court stated:

> We think it clear that detention, or temporary confinement, as part of the means necessary to give effect to the provisions for the exclusion or expulsion of aliens would be valid. Proceedings to exclude or expel would be vain if those accused could not be held in custody pending the inquiry into their true character and while arrangements were being made for their deportation. Detention is a usual feature of every case of arrest on a criminal charge, even when an innocent person is wrongfully accused; but it is not imprisonment in a legal sense.
>
> So, too, we think it would be plainly competent for Congress to declare the act of an alien in remaining unlawfully within the United States to be an offense, punishable by fine or imprisonment, if such offense were to be established by a judicial trial.

The bill, moreover, provides, under certain conditions, for the release of the convicted alien under the supervision of the court. As House bill 10 passed the House of Representatives, the power of indefinite detention of deportable aliens was vested in the Attorney General. In order to avoid any possible doubt of constitutionality, and also in order to conform the provisions of this segment of Senate bill 4037 strictly to established precedents, Senate bill 4037 modifies the provisions taken from House bill 10, so that only willful overt acts would be made a basis for confinement, and then only after normal judicial processes.

Now, Mr. President, I invite the attention of the Senate to the fifth segment of the bill, which I do not believe will require extensive discussion. Under existing law, alien residents of the United States are required to report in writing to the Department of Justice each change of residence and new address within 5 days from the date of such change, and a violation of the requirement is made a penal offense. The Department of Justice has informed me that the requirement of the present law is frequently not complied with, with the result that it is exceedingly difficult to locate many aliens who may be deportable. One of the reasons why the present law is not complied with is that aliens do not take notice of the existence of the provision which requires notification upon change of residence. Pursuant to the recommendation of the Department of Justice, the bill amends the Alien Registration Act of 1940 so as to require annual registration of alien residents on January 1 of each year. It is felt that this provision will simplify the registration requirements.

Mr. President, we come now to consideration of the sixth segment of Senate bill 4037 which has been incorporated from certain provisions of Senate bill 3455, which I introduced to rewrite the immigration and naturalization laws. These provisions are designed to screen out subversives who seek to cloak their nefarious practices with the garb of United States citizenship.

The first provision, which appears in section 25 of Senate bill 4037, would amend section 305 of the Nationality Act of 1940, as amended, as follows:

First. It would definitely prohibit the naturalization of any person who within the preceding 10 years had been a member of or affiliated with any organization that is registered or required to be registered as a Communist organization under the bill. Under the present law, where membership of an applicant for citizenship in an organization alleged to be of a subversive character is in issue, the Government must not only show memberships or affiliation but also must prove in each case that the organization advocates the overthrow of the Government by force or violence. Under the bill, the prescription of Communist organizations for registration purposes will be available for use in naturalization proceedings.

The bill provides an escape for a person seeking citizenship who has been an innocent joiner of a Communist-front organization, provided that within 3 months from the date upon which such organization was registered or required to be registered under the bill, he shall withdraw from such organization.

The second amendment to the present section 305 of the Nationality Act of 1940 which is made by section 25 of the bill is designed to meet one of the outstanding weaknesses of our naturalization laws. Under the present law, a person who is naturalized is free to join any and all organizations that he pleases, and, short of treason, to do any and all acts necessary to carry out any subversive plans he may have had in mind when

he became a naturalized citizen. To meet this situation the bill provides that any person naturalized after January 1, 1951, who within 5 years next following such naturalization becomes a member of or affiliated with any organization, membership in or affiliation with which at the time of naturalization either they precluded him from naturalization, would be considered prima facie as not attached to the principles of the Constitution and not well disposed to the good order and happiness of the United States at the time of his naturalization. We had bitter experience, Mr. President, in the so-called Bund cases when an attempt was made to denaturalize naturalized citizens who were affiliated with the German-American Bund. While most of those denaturalization proceedings were brought on the ground of fraud, some of them were based on the ground that naturalization had been illegally procured and some were based on the ground that the oath had been taken with a mental reservation. A typical case was Bergmann against United States, in which the court held that the naturalized citizen obtained naturalization by fraud, since he was not, at the time of naturalization, in fact attached to the principles of the Constitution of the United States, and did not in fact forswear allegiance to Germany. As of November 1948, which is the last date on which I have accurate statistics, there were 58 denaturalization cases pending, involving persons who there was reason to believe were Communists or who had engaged in subversive activities. In addition to these cases there were pending 144 petitions for naturalization which were under investigation because of suspected elements of a subversive character. But under the present law it is exceedingly difficult to weed out those subversives who seek to worm their way into the fabric of our society with the badge of citizenship.

Another important provision of this segment of the bill which would strengthen our naturalization laws prohibits naturalization of an alien against whom there is outstanding a final finding of deportability. Under this provision no petition for naturalization shall be finally heard by a naturalization court if there is pending against the petitioner a deportation proceeding pursuant to a warrant of arrest. We have under the present law the anomalous situation of cases of aliens being naturalized when at the time of naturalization would have were deportable or deportation proceedings were pending against them.

Three such cases, decided within the past several years, are in point. The first case I shall mention is *United States* v. *Waskowski* (158 Fed. 2d, 962), in which the circuit court of appeals refused to take away citizenship granted by a district court to one who was naturalized, notwithstanding the fact that an order of deportation, which could not be executed, was outstanding against him.

The second case, that of *Petition of Popper* (79 Fed. Sup. 530), involved the petition for naturalization of a woman against whom an order of deportation had been outstanding for more than 10 years prior to her naturalization. Nevertheless, the district court granted her petition for naturalization.

A third case is that of *United States* v. *Schwarz* (82 Fed. Sup. 933). In this case the court refused to revoke an order admitting to citizenship an alien against whom a warrant of deportation was outstanding, which could not be executed.

In two of these cases the court called attention to the fact that the Congress could, in its discretion, provide in the statute that a person subject to an order of deportation shall not be eligible for naturalization. That is what we propose to do by this amendment.

The provisions of the bill, however, state that the findings of the Commissioner in terminating deportation proceedings or in suspending the deportation of an alien shall not be deemed binding in any way upon the naturalization court with respect to the consideration of whether the alien has established his eligibility for naturalization.

Another provision of this segment of the bill which I should like to mention requires a personal field investigation of each applicant as a prerequisite to naturalization. Under the present practice the applicant needs only two character witnesses to testify on his behalf. The provisions of the bill would make it mandatory that the applicant be personally investigated, so that there would be available all the essential information. I may say that for too long we have been promiscuously bestowing the right of citizenship on persons concerning whom the administrative authorities and the courts have known too little, and as a result there are many who exercise the privilege of citizenship to mock the very Government which bestows it.

Another provision of the bill requires that after the petition for naturalization has been filed in the office of the naturalization court, the petitioner shall not be permitted to withdraw his petition except with the Commissioner's consent. This provision was inserted on the recommendation of officials of the Immigration and Naturalization Service, who stated that in some cases, especially those involving subversives, the petitioner would withdraw his petition after the service had put its evidence against him on record and when it became evident that on the record he could not become naturalized. He would then seek another forum in some other part of the country where he hoped his record would not be known.

We come now to a very significant provision of the bill as it would affect the nationality law. Section 29 of S. 4037 amends section 335 of the Nationality Act of 1940, which sets out the oath required of all persons who acquire United States citizenship by naturalization.

The present oath of allegiance was set out in the law for the first time in the 1940 act. Because of its importance, and because the interpretation of the oath has been changed and modified by a recent court decision, I want to read it. It is as follows:

> I hereby declare, on oath, that I absolutely and entirely renounce and abjure all allegiance and fidelity to any foreign prince, potentate, state, or sovereignty of whom or which I have heretofore been a subject or citizen; that I will support and defend the Constitution and laws of the United States of America against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same, and that I take this obligation freely without any mental reservation or purpose of evasion; so help me God. In acknowledgment whereof I have hereunto affixed my signature.

As early as 1790, in the first naturalization law, the alien was required to take an oath to support the Constitution of the United States. Every subsequent law has contained this provision in one form or another. Since 1923 the application form for naturalization has contained the following question: "If necessary, are you willing to take up arms in defense of this country?"

The first case which laid down the rule that an alien who refused to promise to bear arms in defense of the United States if called upon to do so could not be naturalized was United States versus Schwimmer. The applicant, Mrs. Schwimmer, aged 49 at the time, was an immigrant from Hungary. She was a woman of wide learning and general culture, by profession a writer and lecturer. She came to the United States in 1921, declared her intention to become an American citizen in November 1922, and filed a naturalization petition in September 1926. She was willing to take the oath of allegiance, but when asked whether, if necessary, she was willing to take up arms in defense of the United States, she answered: "I would not take up arms personally." The Naturalization Act of 1906, then in effect, provided:

> He (the applicant) shall, before he is admitted to citizenship, declare on oath in open court * * * that he will support and defend the Constitution and laws of the United States against all enemies, foreign and domestic, and bear true faith and allegiance to the same—
>
> And further—
>
> It shall be made to appear to the satisfaction of the Court * * * that during the time (at least 5 years preceding the application) he has behaved as a man of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the same.

The two principal grounds of the Court's decision against Mrs. Schwimmer were, first, that Mrs. Schwimmer had not established that she was attached to the principles of the Constitution and well disposed to the good order and happiness of the United States, and second, that she could not take an unqualified oath of allegiance. The central idea of the decision was not so much that the oath of allegiance included or implied an obligation to bear arms, but that the beliefs of conscientious objectors evidence a want of that attachment to the principles of the Constitution of which the applicant is required to give affirmative evidence by the Naturalization Act.

The Schwimmer case was followed 2 years later by United States against MacIntosh. This case was decided principally upon authority of the Schwimmer case, although there are distinguishing

features. In the MacIntosh case, the refusal of the petitioner unequivocally to promise to bear arms was based upon a personal religious belief. The Court rejected MacIntosh's petition, on the grounds that: First, the war power conferred upon Congress by the Constitution can compel one to serve in the Armed Forces even against his religious convictions; second, the Government may question an applicant on all questions bearing upon his attachment to the Constitution; third, doubts concerning citizenship should be resolved in favor of the United States rather than of the applicant; and fourth, the petitioner could not take an unqualified oath because the oath included a promise to defend the United States by whatever means was deemed necessary by Congress. The Court seemed to take for granted that to take the oath without a promise to bear arms would be to take a qualified oath. The applicant, said the Court, had to meet the law on its terms.

Another case, decided on the same day as the MacIntosh case, was that of the United States against Bland. In the Bland case, naturalization was denied to a woman applicant, a native of Canada, who had spent 9 months in France in World War I as a United States Army nurse. She had refused to take the oath as written and had requested that she be allowed to insert into the naturalization oath "as far as my Christian conscience will allow." The Bland case was the only case of the three which presented the case of an actual noncombatant who, despite her service, was denied naturalization.

These three decisions were the judicial interpretations of the law until 1946 when the Girouard case was decided by the Supreme Court. Prior to the Girouard case in 1946 it was the settled law that the oath of allegiance included by implication a promise to bear arms, and that a refusal so to do was also indicative of nonattachment to the principles of the Constitution. With the present oath of allegiance in effect, Girouard refused to promise to bear arms. He was willing, however, to serve in a noncombatant capacity, though he had never been required to do so. In overriding the Schwimmer, MacIntosh, and Bland cases, the Court based its decision on the following five points:

First. Our institutions may be supported and defended by means other than by the bearing of arms.

Second. The oath does not in terms require an alien to promise to bear arms.

Third. Congress has not made such a finding a prerequisite to citizenship.

Fourth. The naturalization oath is in substantially the same terms as the oath required of persons assuming public office, the latter oath never having been construed to be in disregard of religious scruples.

Fifth. Congress has consistently, since colonial times, granted exemptions from military service to conscientious objectors.

And so, Mr. President, we are faced with the necessity, in the light of the Girouard case, of redefining what I take to be the intent of the law from 1790 until 1946, namely, that the oath, "I will bear true faith and allegiance" and that "I will support and defend the Constitution and laws of the United States of America against all enemies, foreign and domestic" implies a promise to bear arms. However, the Girouard case leaves us no alternative but to define that intent in specific language. Therefore, another clause has been added by the bill to the oath which, together with a clarifying amendment which I shall offer, reads as follows:

> To bear arms on behalf of the United States or to perform noncombatant service in the Armed Forces of the United States when required by law.

It is apparent to me that the language just quoted, namely, "to bear arms on behalf of the United States when required by law or to perform noncombatant service in the Armed Forces of the United States," makes ample provision for conscientious objectors, since persons in this latter class have never been required to bear arms in violation of their consciences. However, to make doubly sure that the true conscientious objector, even though he be an alien applying for the high prize of citizenship, would not be required to take an oath in violation of his conscience in order to obtain American citizenship, the present oath, which makes no provision for bearing arms, or engaging in noncombatant service, is to be available to those persons who, by reason of religious training and belief, cannot in good conscience promise either to bear arms or to engage in noncombatant service. In order to limit the use of the present oath by those who conscientiously object to the bearing of arms, or to engaging in noncombatant service, there is a provision in the bill that a conscientious objector must show to the satisfaction of the naturalization court by clear and convincing evidence that he is opposed to the bearing of arms or the engaging in noncombat service by reason of religious training and belief. Thus, Mr. President, we will be adhering to the time-honored practices and precedent of recognizing the bona fide religious convictions of a petitioner for naturalization while at the same time making no exception for those aliens who desire the benefits of United States citizenship, but who would shirk its responsibilities.

We come now to the last principal provision of the bill which amends the nationality law. Section 304 of the Nationality Act requires that every alien before he is naturalized upon his own petition must be able to speak the English language, unless he is physically unable to do so. At the present time many of the courts are requiring that applicants appearing for citizenship shall be able to read simple English. They are taking this stand on the ground that where an alien has lived in the United States for a considerable number of years and has made no effort to learn to read even simple English words he has failed to satisfy the requirement that he has been attached to the principles of the Constitution, and that he is well disposed to the good order and happiness of the United States. As a practical matter it is difficult to understand how a person who has no knowledge of English can intelligently exercise the franchise. It is also difficult to understand how a person who does not understand, or read, or write English can keep advised and informed on the political and social problems of the community in which he lives.

There are today over a thousand foreign-language newspapers in this country, with an aggregate circulation running in the millions. While many of these newspapers are undoubtedly loyal to our basic concepts, the fact is, as revealed by the Senate subcommittee which investigated our immigration and naturalization systems, that a number of these publications are not only following the line of the Communist Party but are actually controlled by the Communist Party or its fronts. How, Mr. President, can we invest with citizenship an alien whose only concepts of government are formulated by what he may read in this type of press and who has not availed himself of the opportunity to read simple English? And yet that is just what we are doing today.

The bill provides that an alien must be able to read, write and speak words in ordinary usage in the English language, unless he is physically unable to do so. Exceptions are made for those persons who have been legally residing in the United States for 20 years and who on the date of the approval of the bill are over 60 years of age. It would obviously be undue hardship to require a person in the latter class to read, write and speak English in order to become a naturalized citizen. This latter group of persons is small numerically and will diminish with the oncoming years.

There is a proviso which states that the requirements relating to the ability to read and write English shall be met if the applicant can read or write simple words and phrases to the end that a reasonable test of his literacy shall be made.

Now, Mr. President, I invite the attention of the Senate to the seventh and last segment of the bill which consists of those provisions of Senate bill 3069 which I introduced and which has been previously reported favorably by the Committee on the Judiciary to establish a bureau of passports and visas. In the course of the investigation of the immigration and naturalization systems which was conducted by a special subcommittee of the Committee on the Judiciary, it was developed that under the present system many of the decisions of the Visa Division of the Department of State, particularly in security cases, have been overruled by other divisions of the Department of State and that the Passport Division and Visa Division of the Department of State are precluded from direct contact with the Federal Bureau of Investigation and other intelligence agencies of the Government. The only intelligence information available to the Visa Division and to the Passport Division is now filtered through intermediate offices of the Department of State. During the hearings conducted by the subcommittee the Chief of the Visa Division testified to the effect that in every case in which the Visa Division had disapproved a visa application on security

grounds involving an official of a foreign government or an affiliate of an international organization the case had been approved by other intermediate offices of the Department of State. In fact, the evidence before the subcommittee was to the effect that not a single visa application involving an affiliate of an international organization or an official of a foreign government had ever been denied on security grounds and not a single official of a foreign government or affiliate of an international organization had ever been excluded on security grounds at a port of entry. To meet this situation this segment of the bill establishes in the Department of State a bureau of passports and visas to be headed by a director with rank and compensation not less than that of an Assistant Secretary of State. The Director would be appointed by the President by and with the advice and consent of the Senate and would have authority to maintain direct liaison with the Director of the Federal Bureau of Investigation and other security officers of the Government for the purpose of obtaining and exchanging information necessary to enforce the provisions of the law.

I cannot emphasize too strongly, Mr. President, the urgency of this segment of the bill if we are to accomplish our objective of protecting the internal security of the United States. Under the present system there is relegated to a place of minor significance the agency of this Government which is charged with the responsibility of issuing visas. The Commissioner of the Immigration and Naturalization Service reports directly to the Attorney General and is an officer of considerable authority, but under the present system the chief of the visa division of the Department of State is under the thumb of a number of divisions within the Department of State which are not primarily concerned with the security problems of this country. I therefore again emphasize the importance of strengthening the administration of the law which this segment of the bill would do if we are to have a sound internal security system.

I have tried to the best of my ability, Mr. President, in this address to give a detailed, factual analysis of the bill. I think it is apparent from this analysis that this bill is the product of long and arduous labor. Perhaps the best compliment which can be given to the bill is the number of vitriolic attacks which are being made against the bill and its sponsors by the organizations with which the bill is designed to cope.

Mr. President, I hold in my hand a bit of propaganda to which I wish to call the attention of the Senate. It is not only propaganda, it is also an object lesson in semantics. It is an example of how words may be used to give a false meaning.

This bit of propaganda consists of a post card. It is printed on both sides. On one side is the printed address to me as chairman of the Senate Judiciary Committee, and a line drawing of the head and one arm of the Statue of Liberty, and the printed statement "Issued by: American Committee for Protection of Foreign Born, 23 West Twenty-sixth Street, New York 10, New York." This organization which masks behind an appealing benevolent name, has been repeatedly cited as a Communist front.

On the other side is some printed text, referring to my bill, S. 3455, and lines for a signature and address. All a person has to do is sign on the dotted line, place a stamp on the card, and put it it the mail, in order to have the card reach me at the Judiciary Committee. I understand these cards are being distributed in large numbers, in New York City, and possibly elsewhere. Some of them have come to me through the mail; the three which I hold in my hand reached me in that way.

Before I discuss what is printed on this card, Mr. President, let me identify the bill S. 3455, to which the card refers. This is the omnibus bill which I introduced recently, to revise the immigration and naturalization laws of the United States so as to plug up loopholes, strengthen national-security provisions, and improve and simplify the administration of those laws. This bill embodies the recommendations of a special subcommittee of the Committee on the Judiciary, which, by authority of the Senate, made, over a period of more than 2½ years, a very careful and very thorough study of the immigration and naturalization laws and the way in which they are operated and administered. Also some of the provisions of S. 3455 have been incorporated in the bill now before the Senate.

It will not be my purpose at this time to discuss this bill any further, but I do want to read into the RECORD what is printed on the message side of these post cards, and comment briefly upon it.

This is what is printed on the card:

DEAR SENATOR MCCARRAN: I voice my opposition to the bill, S. 3455, because of the many provisions in this legislation that would destroy the democratic rights of 14,000,000 foreign-born Americans. Among the provisions of S. 3455 I oppose are those authorizing the Attorney General to issue a list of organizations he deems to be subversive to the national security and providing for the deportation of non-citizens who are members of such organizations; enabling the Justice Department to hold biased and unfair deportation hearings; enabling the Justice Department to hold certain noncitizens without bail for life (which would mean the establishment of concentration camps in this country); ordering non-citizens to report by mail once a year. I feel that, because of these and many other dangerous provisions, this bill threatens the liberties of all Americans, native as well as foreign-born, and should be defeated by the Congress of the United States.

Careful readers will note that the hyphenated word "non-citizen" is used three times. What may not be noted so readily is the fact that noncitizen means alien. It cannot mean anything else. But the card does not use the word "alien" undoubtedly because that word, from a semantic standpoint, has a bad connotation. It is easier to plead the cause of noncitizens than it is to plead the cause of aliens, though you are talking about exactly the same people in both instances.

This card starts off with the statement that the provisions of S. 3455 would destroy the democratic rights of 14,000,000 foreign-born Americans. Then it talks about noncitizens until the last sentence, when it refers again to all Americans, native as well as foreign-born.

The implication is that foreign-born Americans and noncitizens are the same people. I think this implication is intended. The fact remains, of course, that aliens, on the one hand, and foreign-born Americans, on the other hand, are not the same people, and if you call an alien a noncitizen, that still does not make him an American.

The text of this propaganda post card is very carefully and very cleverly prepared. It refers accurately to certain provisions of S. 3455, and refers most inaccurately to other provisions of the bill; and with respect to the provisions to which the reference is technically accurate, the context is clearly designed to convey, and I think does convey, upon cursory reading an entirely erroneous impression.

For instance, the bill does contain—as does the bill now before the Senate—provisions providing for the deportation of certain subversive aliens; and calling those aliens noncitizens is not technically inaccurate. But the implication that a provision for the deportation of subversive aliens threatens the liberties of foreign-born Americans is a non sequitur. It makes no more sense than saying that a ratcatcher is a menace to household pets, and it would not make any difference if one called the ratcatcher a rodent exterminator. He could even call the rats rodents, or even refer to them as four-footed mammals, which would not be technically inaccurate, but that still would not make the rats household pets.

In the next clause this post card charges that the bill contains provisions "enabling the Justice Department to hold certain noncitizens without bail for life," and adds that this would mean the establishment of concentration camps in this country. Notice that here again the card refers to aliens as noncitizens. The bill does not contain any provision authorizing the Justice Department to hold aliens without bail for life. What it does contain is a provision which would authorize the Department of Justice, in the case of an alien who had been ordered deported for good cause, who had been placed under supervision and who had violated the terms of that supervision, to be tried in a court of law for the offense; and there is nothing in that which calls for the establishment of any concentration camps. In the bill now before the Senate the authority to hold deportable aliens in custody is limited to 6 months except in a case where, after court conviction of a criminal offense, an alien is ordered imprisoned.

The post card refers to "many other dangerous provisions" in the bill, but it does not tell what they are. It states that the bill "threatens the liberties of all Americans" because of the particular provisions referred to and the "other dangerous provisions" which are not mentioned; but it must be perfectly obvious that the provisions which are specifically mentioned do not refer to

Americans at all, but refer only to aliens; and I think it is a fair assumption that if the opponents of this bill knew of any provisions in the bill which did threaten the liberties of Americans, they would have cited those provisions.

Mr. President, I shall not labor this matter. I merely wanted to call the attention of the Senate to a rather clever bit of propaganda, a good example of the type of propaganda with which we are constantly confronted, the type of propaganda which has been used in the past, and is being used today, by those who seek not only to protect and preserve every loophole by which subversives and other aliens may infiltrate this country, but who would actually like to tear down the whole body of immigration law of this country.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the post cards to which I have referred.

There being no objection, the post cards were ordered to be printed in the RECORD, as follows:

AMERICAN COMMITTEE FOR
PROTECTION OF FOREIGN BORN,
New York, N. Y., July 27, 1950.

Hon. PAT MCCARRAN,
Chairman, Senate Judiciary Committee,
Washington, D. C.

DEAR SENATOR MCCARRAN: I voice my opposition to the bill, S. 3455, because of the many provisions in this legislation that would destroy the democratic rights of 14,000,000 foreign-born Americans. Among the provisions of S. 3455 I oppose are those authorizing the Attorney General to issue a list of organizations he deems to be subversive to the national security and providing for the deportation of noncitizens who are members of such organizations; enabling the Justice Department to hold biased and unfair deportation hearings; enabling the Justice Department to hold certain noncitizens without bail for life (which would mean the establishment of concentration camps in this country); ordering noncitizens to report by mail once a year. I feel that, because of these and many other dangerous provisions, this bill threatens the liberties of all Americans, native as well as foreign-born, and should be defeated by the Congress of the United States.

BERNARD SILVERMAN.

AMERICAN COMMITTEE FOR
PROTECTION OF FOREIGN BORN,
New York, N. Y., July 27, 1950.

Hon. PAT MCCARRAN,
Chairman, Senate Judiciary Committee,
Washington, D. C.

DEAR SENATOR MCCARRAN: I voice my opposition to the bill, S. 3455, because of the many provisions in this legislation that would destroy the democratic rights of 14,000,000 foreign-born Americans. Among the provisions of S. 3455 I oppose are those authorizing the Attorney General to issue a list of organizations he deems to be subversive to the national security and providing for the deportation of noncitizens who are members of such organizations; enabling the Justice Department to hold biased and unfair deportation hearings; enabling the Justice Department to hold certain noncitizens without bail for life (which would mean the establishment of concentration camps in this country); ordering noncitizens to report by mail once a year. I feel that, because of these and many other dangerous provisions, this bill threatens the liberties of all Americans, native as well as foreign-born, and should be defeated by the Congress of the United States.

WILLIAM JACOBS.

AMERICAN COMMITTEE FOR
PROTECTION OF FOREIGN BORN,
New York, N. Y., July 27, 1950.

Hon. PAT MCCARRAN,
Chairman, Senate Judiciary Committee,
Washington, D. C.

DEAR SENATOR MCCARRAN: I voice my opposition to the bill, S. 3455, because of the many provisions in this legislation that would destroy the democratic rights of 14,000,000 foreign-born Americans. Among the provisions of S. 3455 I oppose are those authorizing the Attorney General to issue a list of organizations he deems to be subversive to the national security and providing for the deportation of noncitizens who are members of such organizations; enabling the Justice Department to hold biased and unfair deportation hearings; enabling the Justice Department to hold certain noncitizens without bail for life (which would mean the establishment of concentration camps in this country); ordering noncitizens to report by mail once a year. I feel that, because of these and many other dangerous provisions, this bill threatens the liberties of all Americans, native as well as foreign-born, and should be defeated by the Congress of the United States.

JACK PRAVISGHAN.

Mr. MCCARRAN. Mr. President, Senate bill 4037 has been called a thoroughly confused piece of legislation. It is some of the opponents of this bill who are confused, or who are trying to confuse the public. There is not a line in this bill that has not been most carefully considered. There is nothing hasty here. There is nothing makeshift here. The bill has been referred to as a "catch-all," and it cannot be denied that term has a certain application; but what the bill has caught is not any hasty or ill-considered suggestion, but all of the best provisions of the various measures which are designed to give this Nation increased protection from the threat of the world Communist conspiracy.

This bill has been attacked because it attempts to meet the problem of world communism on all fronts. The bill has been attacked because it does not confine itself to one phase of the problem, such as espionage alone, or sabotage alone; and the bill has been attacked because it does not confine itself, as the so-called administration bill does, to only a few phases of the problem.

Mr. President, if it is a fault to desire that the threat of the world Communist conspiracy shall be met on every front, then I admit to that fault. If it is a fault to want laws which will provide both safeguards against the infiltration and subversives into this country, and weapons to fight them with after they have infiltrated, then I admit the fault. But, Mr. President, I do not admit there is any fault involved. The need for such legislation should be obvious to every one of us.

The comment has appeared in the press that the McCarran bill is much the same as the security bill introduced by Senator MAGNUSON. Mr. President, there is no doubt about the strict technical truth of that statement; but the similarity lies wholly in the fact that the bill introduced by the Senator from Washington embodies almost the complete text of my own bill, S. 595, introduced 2 years ago and reported to the Senate a year ago last May from the Committee on the Judiciary; and that the bill introduced by the Senator from Washington also includes certain portions of the Hobbs bill, H. R. 10, now pending on the Senate Calendar, and all of which is included within the bill now pending before the Senate.

Mr. President, it has been charged that this bill calls for the suppression of ideas, that it places restrictions on the dissemination of opinions. Mr. President, that charge is not true. This bill does require that when Communists use the radio or the mails of the United States to disseminate propaganda, they shall state that it is Communist propaganda; but the bill does not stop them from saying whatever they may wish. The provision for labeling Communist propaganda for what it is cannot possibly be considered as an interference with freedom of speech. We require lobbyists to register so that it may be known who is trying to influence the opinions of the Congress for the benefit of special interests. The Communists are attempting to influence the opinions of the people of America for the benefit of the special interests of the Communist Party and the destruction of our form of government. Certainly we have the absolute right, under the Constitution, to make them accept responsibility for the statements they make.

Mr. President, the Washington Post recently stated in an editorial: "Communists are nuisances. But they are not, as Communists, threats to internal security. They threaten security only if they engage in espionage or sabotage."

Mr. President, is it no threat to our security when the purveyors of an alien ideology foment dissensions among us, flout and ridicule our laws and our Constitution, incite labor disorders, stir up race prejudice, and work constantly in a thousand other ways to weaken us from within? If a single Communist is no threat, does that mean that a hundred Communists, or a thousand Communists, or ten thousand Communists, or a hundred thousand Communists are no threat to internal security? Mr. President, history proves that the Communist theory is, when they have 2 percent, to get 10 percent; and when they have 10 percent, to consider the time right for a political coup d'etat, or a revolution, or the opening of the gates to the invading forces of Communist power from without. Mr. President, the attitude of mind which regards Communists only as nuisances, and not as threats to internal security, is an attitude so blind, so uninformed, so contrary to the known and proven facts that the attitude itself is a danger to the security of this Nation.

Word comes back to us from Korea that the worst danger our boys have to face is not the enemy who hurls himself forward in frontal attack, but the units which infiltrate the American lines in silence and in stealth, and then turn and fall upon our forces from the rear.

This tactic of infiltration and attack from within may not have been invented by communism, but it has been so thoroughly adopted and developed and practiced by communism that the world has come to think of it as a typically Communist method.

Not all the Communist infiltration has been on the battlefields of Korea. We have had infiltration of communism here at home. Many thousands of Communists have found their way into this country by one device or another, through loopholes in our immigration laws, or in violation of those laws; and they are working to destroy this Nation from within.

The Communist menace from without, the menace of armed attack by Communist forces or the forces of Communist puppet governments, is a threat which must be recognized, and dealt with; but we must realize that is not all we have to deal with. The Communist threat from within our own borders has reached such proportions that it constitutes the most serious danger to the continuance of a free America that this Nation has faced since the days of our war for independence. Indeed, it might well be said that we are fighting a war for independence today—not a war for the winning of independence, but a war for the preservation of independence; and we are fighting that war on two fronts—we are fighting the enemy who attacks with guns and tanks, and all the weapons of open warfare; and we are fighting also the enemy who attacks from within, with lies, half truths, slander, misstatement of facts, and seeds of discord, and stealthy sabotage, with a smile to the face and a knife in the back. In a word, Mr. President, this bill—S. 4037—will fortify the home front even as we are today fortifying our boys on the battlefields of Korea.

Mr. LEHMAN, Mr. STENNIS, and Mr. KNOWLAND addressed the Chair.

The PRESIDING OFFICER (Mr. LONG in the chair). The Senator from New York.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. LEHMAN. I have been recognized but, of course, I am glad to yield so that the Senator from Mississippi may ask a question of the Senator from Nevada, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I thank the Senator from New York. I wish to commend very highly the Senator from Nevada for the very fine contribution he has made in explaining a very complicated matter. I have had an opportunity to study his bill, and some of the previous related bills. I wish to point to the reference to conspiracy at page 10 of the bill, under section 4 (a).

Does not the Senator think that the safeguard which is involved is the jury system, and that a jury trial would always be required before anyone could be held accountable under that section of the bill?

Mr. McCARRAN. That is correct.

Mr. STENNIS. Has not trial by jury been the great guardian of our liberties, so far as having a restraining influence on abuse of power?

Mr. McCARRAN. Yes.

Mr. STENNIS. I should like to ask the Senator one more question with reference to the proposed board and findings of the board.

Mr. McCARRAN. Let me amplify my answer. The Senator is entirely correct. I would not be a party to an abrogation of the jury system. Every overt act referred to in the bill would always be subject to determination by trial by jury.

Mr. STENNIS. I appreciate the Senator's answer. With reference to the requirements for registration and for the official finding of fact with reference to one being a Communist or one being connected with a Communist-front organization, which of the judicial processes are involved? Did the Senator touch on that? I did not hear the first part of his speech, if that point was covered.

Mr. McCARRAN. First of all, there is a board.

Mr. STENNIS. I know about the board. What are the judicial processes following the action by the board?

Mr. McCARRAN. An appeal to the court?

Mr. STENNIS. How is that covered? Is it to the district court, or to the Court of Appeals?

Mr. McCARRAN. To the United States Court of Appeals for the District of Columbia circuit.

Mr. STENNIS. An appeal lies from the board to the Court of Appeals, and finally to the Supreme Court of the United States, does it?

Mr. McCARRAN. Yes.

Mr. STENNIS. Will the Senator explain why the district court was left out of the bill?

Mr. McCARRAN. Because we thought of going to the court system, first of all, for review.

Mr. STENNIS. Does the Senator think that the provision in the bill is as effective a process for judicial discrimination as if the district court were included?

Mr. McCARRAN. I think so, because in any event the case would come to the Court of Appeals for review.

Mr. LEHMAN. Mr. President——

Mr. McCARRAN. I yield to the Senator from New York.

Mr. LEHMAN. I believe I have been recognized.

Mr. FERGUSON. Mr. President——

Mr. McCARRAN. I yield to the Senator from Michigan.

Mr. FERGUSON. The Senator from Michigan desires to reply to the question raised about the district court being omitted.

Mr. LEHMAN. Mr. President, I understand I have been recognized and have the floor. I made that a condition in yielding to the Senator from Mississippi. I should like to begin my address. I am fearful that if I yield to the Senator, the Senator may make an address.

Mr. McCARRAN. Mr. President, I have not yielded to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York has been recognized.

Mr. McCARRAN. Mr. President, has the Chair taken me off the floor?

The PRESIDING OFFICER. If there is no objection, the Senator from New York may be permitted to yield for inquiries.

Mr. McCARRAN. I have not yielded the floor.

The PRESIDING OFFICER. The Chair recognized the junior Senator from New York at the time the Senator from Nevada concluded his address. At that time the Senator from New York asked unanimous consent that he might yield to the Senator from Nevada to answer questions by the Senator from Mississippi.

Mr. McCARRAN. I maintain the floor now for the purpose of answering a question.

The PRESIDING OFFICER. The Senator from New York may, if he desires, ask unanimous consent that further questions may be asked.

Mr. LEHMAN. I ask unanimous consent that a question may be asked, not that a statement or an observation or an address be made at this time. I yield for a question.

Mr. McCARRAN. Mr. President, I understood the Senator from Michigan desired to ask a question.

Mr. FERGUSON. Mr. President, my question of the Senator is whether we did not discuss in the committee the elimination of reference to the district court because the facts would be tried before the board, and on appeal go to the Court of Appeals for the district. So, instead of trying the facts all over before the district court, which is the trial court, a case would be tried before the board and would go directly to the Court of Appeals.

Mr. McCARRAN. That is correct, and that is the thinking behind the bill.

Are there any other questions before I yield the floor?

Mr. STENNIS. I thank the Senator for answering my question.

FEDERAL DEPOSIT INSURANCE ACT—CHANGES IN ENROLLMENT OF BILL

During the delivery of Mr. McCARRAN's speech,

Mr. MAYBANK. Mr. President, will the Senator from Nevada yield to me to submit a formal resolution?

Mr. McCARRAN. I yield.

Mr. MAYBANK. Mr. President, I ask unanimous consent to submit a concurrent resolution, and I also ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the concurrent resolution will be received and read for the information of the Senate.

The concurrent resolution (S. Con. Res. 106) was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate is hereby authorized and directed, in the enrollment of the bill (S. 2822) to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264), to make the following changes in the Senate engrossed bill, namely:

(1) On page 9, line 23, after the period, insert the following:

"A State bank, resulting from the conversion of an insured national bank, shall continue as an insured bank. A State bank, resulting from the merger or consolidation of insured banks, or from the merger or consolidation of a noninsured bank or institution with an insured State bank, shall continue as an insured bank."

(2) On page 22, line 11, beginning with the word "Whenever", strike out through line 18 and insert in lieu thereof the following: "Except as provided in subsection (b) of section 4, whenever a member bank shall cease to be a member of the Federal Reserve System its status as an insured bank shall, without notice or other action by the board of directors, terminate on the date the bank shall cease to be a member of the Federal Reserve System, with like effect as if its insured status had been terminated on said date by the board of directors after proceedings under subsection (a) of this section."

(3) On page 53, beginning with line 16, strike out through line 3 on page 54 and insert in lieu thereof the following:

"(c) Without prior written consent by the Corporation, no insured bank shall (1) merge or consolidate with any noninsured bank or institution or convert into a noninsured bank or institution or (2) assume liability to pay any deposits made in, or similar liabilities of, any noninsured bank or institution or (3) transfer assets to any noninsured bank or institution in consideration of the assumption of liabilities for any portion of the deposits made in such insured bank. No insured bank shall convert into an insured State bank if its capital stock, or its surplus, will be less than the capital stock or surplus, respectively, of the converting bank at the time of the shareholders' meeting approving such conversion, without prior written consent by the Comptroller of the Currency if the resulting bank is to be a district bank, or by the Board of Governors of the Federal Reserve System if the resulting bank is to be a State member bank (except a district bank), or by the Corporation if the resulting bank is to be a State nonmember insured bank (except a district bank). No insured bank shall (i) merge or consolidate with an insured State bank under the charter of a State bank or (ii) assume liability to pay any deposits made in another insured bank, if the capital stock or surplus of the resulting or assuming bank will be less than the aggregate capital stock or aggregate surplus, respectively, of all the merging or consolidating banks or of all the parties to the assumption of liabilities, at the time of the shareholders' meetings which authorized the merger or consolidation or at the time of the assumption of liabilities, unless the Comptroller of the Currency shall give prior written consent if the assuming bank is to be a national bank or the assuming or resulting bank is to be a district bank; or unless the Board of Governors of the Federal Reserve system gives prior written consent if the assuming or resulting bank is to be a State member bank (except a district bank); or unless the Corporation gives prior written consent if the assuming or resulting bank is to be a nonmember insured bank (except a district bank). No insured State nonmember bank (except a district bank) shall, without the prior consent of the Corporation, reduce the amount or retire any part of its common or preferred capital stock, or retire any part of its capital notes or debentures."

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MAYBANK. Mr. President, the conference report on the bill to amend the Federal Deposit Insurance Act was adopted by the Senate on September 1.

The conferees approved the introduction of a concurrent resolution directing certain changes in the enrollment of the bill S. 2822. The necessity for these changes arises out of the fact that after the bill went to conference the so-called bank conversion bill became law, and that act makes substantial amendments in the FDIC law as it now stands. S. 2822 amends and reenacts the existing FDIC law, and its enactment in its present form would have the effect of repealing three important sections of the Bank Conversion Act, Public Law 729, Eighty-first Congress.

The concurrent resolution is designed to incorporate sections 5, 6, and 7 of the Bank Conversion Act into the amended FDIC Act. Briefly, these sections relate (1) to continuance of deposit insurance where a national bank converts into a State bank; (2) discontinuance of insurance, with certain exceptions, where a member bank ceases to be a member of the Federal Reserve System; and (3) the conditions under which an insured bank may merge or consolidate with a noninsured bank.

The sole effect of the adoption of the concurrent resolution will be to prevent the inadvertent repeal of these sections, which became law on August 18, 1950.

As previously stated, the conferees on S. 2822 approved without objection the introduction of the resolution. I ask unanimous consent for its immediate consideration.

Mr. BUTLER. Mr. President, what is the purpose of the concurrent resolution?

Mr. MAYBANK. The Senate passed the Bank Conversion Act some time ago, which was sponsored by the Senator from Pennsylvania [Mr. MARTIN] and other Senators. The bill which passed Friday, the so-called FDIC bill, interfered with certain sections of that law. This resolution merely clarifies the law.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

THE VOICE OF AMERICA—EDITORIAL FROM THE NEW YORK TIMES

Mr. BENTON. Mr. President, will the Senator from New York yield for an interruption which will not take over 2 or 3 minutes?

Mr. LEHMAN. I yield, with the understanding that I shall not lose my place on the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Connecticut may proceed.

Mr. BENTON. Mr. President, I ask unanimous consent to insert in the RECORD an excellent editorial praising the Voice of America, which appeared in the New York Times September 5, 1950. The editorial highlights the effectiveness of the Voice. It is a weaker voice than I would personally like it to be but at least is is penetrating now and again and again inside the iron curtain.

Gen. Dwight D. Eisenhower, president of Columbia University, also calls attention to the same problem in the talk he delivered at Denver, Colo., September 4, 1950. General Eisenhower is an alert soldier with vision and a profound awareness of the propaganda fight we are engaged in with Russia. He says, in his talk, in which he refers to our struggle with communism, that, "To combat these broadcasts—Russia's powerful radio's peddling lies wholesale about the United States—the United States Government has established a radio program called the Voice of America which has brilliantly served the cause of freedom."

General Eisenhower points out the need for bigger, better, and more powerful effort to combat these lies, as he did in July when he testified before the Senate Foreign Relations Subcommittee holding hearings on my Senate Resolution 243 calling for a Marshall plan of ideas offensive against Russia.

He says we are falling short of our objective because, and I use his words, "Communist stations overpower it—the voice—and outflank it with a daily coverage that neglects no wave length or dialect, no prejudice or local aspiration, weaving a fantastic pattern of lies and twisted facts."

I call this matter to the attention of the Senate because it is further evidence that we are not doing what we should be doing in combating the Communist propaganda and in waging a powerful psychological peace offensive of our own.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A WELL-EARNED COMPLIMENT

The Voice of America has had its critics and its faults. Every time an appropriation to maintain or extend it has come up, there has had to be some lively scrapping to get the money. But one judges that the Voice must be doing pretty well on the whole. It has indeed received a well-earned compliment from Moscow itself. The Russian Government has gone to the trouble, as a Washington dispatch stated yesterday, to set up at least 1,000 jamming transmitters to keep American broadcasts out of Russia. About 250 of these are said to be powerful, long-range transmitters which kill all but about 30 percent of the Voice's programs. Others, smaller ones, mostly in the Moscow area, yowl and squeal in an effort to prevent Russian deviationists from becoming more badly infected with Western ideas than they now are.

It has always seemed that if Soviet Russia were the paradise its sponsors say it is, it would have no reason to fear radio utterances from countries still under the heel of old-fashioned democracy. One guesses that maybe not all Russians are as well-satisfied with their conditions in life as the Kremlin tells them they are. In the long run the ideas behind the Voice will get into Russia, no matter what squeals and yowls the jamming transmitters emit. When they do get in they will prove again, as has been proved before, that no iron wall—and no Chinese Wall, either—can be a frontier of men's thinking and men's aspirations.

UNESCO ACTION SUPPORTING UNITED NATIONS IN KOREA

Mr. BENTON. Mr. President, if the Senator from New York will yield for one more request, I should like to call to the attention of the Senate the action taken by the executive board of the United Nations Educational, Scientific,

and Cultural Organization at a Paris meeting on August 28, 1950, and I ask unanimous consent to insert in the RECORD the resolution adopted by the executive board.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ACTIONS OF THE UNESCO EXECUTIVE BOARD AT A SPECIAL MEETING OPENED IN PARIS AUGUST 26

The UNESCO Executive Board was called into special session in Paris, August 26, 1950, to consider UNESCO's obligations resulting from the attack on the Republic of Korea. Count Stefano Jacini of Italy, chairman of the Board, summoned the meeting at the request of Luther H. Evans, United States Librarian of Congress, and members representing nine other nationalities.

Chairman Jacini anounced that at a closed session of the Board August 26, members unanimously condemned the aggression against the Republic of South Korea.

Previously, the Board had heard Director General Jaime Torres Bodet of UNESCO and Benjamin Cohen, Assistant Secretary General of the United Nations, who presented a letter to UNESCO from Trygve Lie, Secretary General of the UN, asking UNESCO's aid in explaining the responsibilities of the UN in the current situation.

Following are the texts of two resolutions passed by the Executive Board August 28.

"Profoundly moved by the armed attack of which the Republic of Korea has been the victim, and which brought the Security Council of the United Nations to adopt certain measures with a view to reestablishing peace and security, considering that one of the essential aims of UNESCO is, as stated in article 1 of its constitution, 'to contribute to peace and security by promoting collaboration among the nations through education, science, and culture in order to further universal respect for justice, for the rule of law and for the human rights and fundamental freedoms for the peoples of the world.'

"Considering that the general conference at its fifth session, reaffirmed that "all the activities of UNESCO must be directed toward the peace and prosperity of mankind" and that these "activities to be fully effective, imply a truly and sincerely universal outlook excluding all thought of aggression, and founded on recognition of the principles of justice and freedom on which the constitution of the organization is based."

"Considering that, in the resolutions adopted by the Security Council and the Economic and Social Council on July 31, 1950, and August 14, 1950, respectively, the specialized agencies were requested, in accordance with the terms of their agreements with the United Nations to give whatever help the unified command of the United Nations in Korea might request, in order to assist and bring aid to the civilian population in Korea, considering that the Economic and Social Council, in council, in its resolution of August 14, 1950, also stressed the necessity for aid in securing the understanding and the support of the peoples of the world for the action of the United Nations in Korea, and requested the Secretary General to seek, in the name of the council, whatever form of cooperation was best adapted to this purpose.

"Taking note of the communications of the Secretary-General of the United Nations concerning the help which UNESCO could give, in accordance with the above-mentioned resolution, assures the population of Korea of its deep and earnest sympathy, renders respectful homage to the soldiers of the United Nations who are fighting on the Korean front in the name of international solidarity, recalls that international peace and security must be based on the respect of the principles of law and the decisions of the competent organs of the United Nations, if force is not to triumph over law, and if justice is to be maintained, expresses its confidence in the program and methods of UNESCO in serving the aims of peace of the United Nations, through the perfecting of international cooperation, through the amelioration of the living conditions of man and through the development of international understanding by means of education, science, and culture.

"Considers, that in order that UNESCO may aid the United Nations in eliminating the dangers of war more effectively, it is particularly urgent, at this moment when human solidarity is under trial and when human rights are in peril, that still wider and more active support should be given to the execution of its mission, by governments and national commissions of member states.

"Decides that within the framework of its competence, UNESCO will give all possible aid and assistance to the action undertaken by the United Nations in Korea and toward this end, instructs the Director-General:

"1. To relieve the needs of the civilian population in Korea within the fields of education, science, and culture, by means of emergency relief, and, at the appropriate time by a reconstruction project;

"2. To develop, within the resources at his disposal, including the periodical publications of the organization, the execution of the program resolutions concerning teaching about the United Nations and its specialized agencies, putting particular emphasis on the necessity for collective security, based on respect for law, with the aid of concrete examples and to this end to utilize appropriate documentation provided by the Secretary-General of the United Nations, appeals to the governments and national commissions of member states to participate to the extent of the means at their disposal in this action.

"Requests nongovernmental organizations, which participate in the task of UNESCO, men and women whose activities are devoted to education, science, culture, and information, and all those who wish to live in peace with their fellowmen, to contribute to the work of UNESCO, in that spirit of liberty which characterizes all of its actions with a view to reinforcing in the minds of men the intellectual and moral defenses of peace through law which the United Nations are responsible for developing and safeguarding."

In implementation of the above resolution, the executive board authorizes the director general—

1. With a view to providing assistance to the civilian population of Korea—

(a) To send a mission to Korea, upon the request of the Secretary-General of the United Nations, to investigate the needs of the civilian population of Korea, in liaison with the unified command and the appropriate organs of the United Nations responsible for civilian relief;

(b) To provide, upon request, educational supplies on an emergency basis;

(c) To prepare in close liaison with the United Nations and the specialized agencies and launch a campaign in cooperation with member states and their national commissions and with nongovernmental organizations, for assistance to the Republic of Korea in the field of educational, scientific and cultural relief and reconstruction.

2. With a view to strengthening through teaching about the United Nations and its specialized agencies, a full understanding of the principles of the United Nations' action for peace and security—

(a) To prepare, in close and constant collaboration with the United Nations, both written and audio-visual materials for use in schools, adult classes and universities;

(b) To produce and distribute these to member states in English, French, and Spanish, in sufficient quantities to enable member states to adopt them and diffuse them on a large scale for their own purposes;

(c) To put at the disposal of the Secretary-General of the United Nations two specialists with instructions to cooperate with the United Nations secretariat in order to assemble relevant documentation in connection with the United Nations' action in Korea.

Mr. BENTON. Mr. President, I should like to applaud UNESCO for supporting in this forthright manner the UN commitments in Korea. This UN organization, with so much hope attached to it favors immediate aid to the South Koreans in the field of educational, scientific, and cultural relief and reconstruction. This is a noble aim born of a noble purpose. Unfortunately, however, UNESCO did not go far enough with its resolution in condemning the Red aggression in Korea.

As worded the resolution is somewhat like that of an indulgent father gently chiding a spoiled child for its misbehavior. It is a polite rebuke where a sledgehammer charge of shame and guilt would have been appropriate. The whole world knows we fight in Korea today because the Russians are masterminding the strategy of the North Koreans against their flesh and blood in South Korea.

I only wish the resolution had been worded as strongly as the earlier condemnation of the aggression against South Korea by Count Stefano Jacini, Chairman of the Executive Board. Count Jacini said the board at a closed session had unanimously condemned the aggression. Our own UNESCO representative, Dr. Luther H. Evans, also should be commended for his statement supporting the UN's attempt to preserve peace and freedom in Korea.

But we should bear in mind a human chain formed for rescue operations is as strong as its weakest member. The strength and courage of this resolution is not precisely a tribute to the full strength and the full courage of the entire 18 member nations of UNESCO. We must remember it is, rather, a tribute to the strength and courage of the most fearful nation that perhaps lives fearfully close to the Soviest Union. Thus I feel obliged not only to recognize the rareness of the courage, but indeed I feel I owe the smallest member nation of UNESCO tribute and acclaim. Surely a Norway or a Denmark could not be expected to act with the boldness that characterized our decisive steps in Korea.

There is promise, there is great promise in the fact that members of the executive board from 18 nations acted as a unit; 18 members of UNESCO from 18 different nations assembled in Paris and acted in unison. This form of unanimous action is a step forward.

I also hope this promise endorsed by UNESCO will mature into a vast exchange program of students, teachers, labor leaders, and government, and indeed leaders in every sphere. Let them come to this country from abroad so they may see for themselves the lies Russia tells and repeats about us are not true. They are lies, they are big lies, they are massive lies, they are a global hoax perpetrated against all human decencies and the things we believe in in a free world.

Now we should also encourage our leaders and students to visit abroad, for we must grow in understanding and wisdom if we are to expect understanding and wisdom from other nations. I would go further than this. I hope a day will soon come when all the member nations of the UN will encourage vast exchange programs not only with the United States but with each other. That would indeed be the single blessedness of brotherhood among nations.

I would like to add the UNESCO decision on August 28 was encouraged by a strong letter UN Secretary-General Trygve Lie recently sent Jaime Torres Bodet, UNESCO's Director-General. Lie wrote:

Our primary purpose in sending you this note is to record my position that a very considerable and important role can be played by UNESCO in connection with the Korean question without in any way impairing the fundamental role of UNESCO in world affairs. With each passing week, it becomes more obvious that the peoples of the world are in need of informational educational material with regard to the United Nations action in Korea. A straightforward statement of the facts through the media available to you would represent a major contribution.

This is a vast job to be done in educational circles—and UNESCO will be playing a vital role if it can effectively inform these circles.

This challenge is endorsed and repeated by Dr. Luther Evans who stated at the UNESCO meeting that—

The duty of UNESCO is plain. It must fulfill its obligation to the United Nations by explaining to the peoples of the world, with the help of teachers, scholars, writers, and other leaders in the communication of knowledge and ideas, that the issue in Korea is clearly drawn between the defense of peace and permitting brute aggression to succeed. It must help create throughout the world an understanding of the vital role that the United Nations has assumed in Korea and the responsibilities it faces in other areas of possible aggression. Naturally, UNESCO must also do its full part in rebuilding the shattered life of the Korean nation.

Lie says it is the "peoples of the world" who are in need of information on Korea. It is therefore a world-wide effort that's needed here. The tremendous responsibility of this program if properly executed may in part explain why UNESCO cautiously worded its resolution. UNESCO has had trouble scraping up $175,000 for the job out of a total budget of less than $8,000,000.

I may safely assume UNESCO passed a $175,000 resolution when what was needed is at least a $5,000,000 resolution. UNESCO could do a lot with $5,000,000 to carry out Mr. Lie's injunction. It could ask the educational, scientific, and cultural leaders of the world to explain and emphasize the Red attack against South Korea and expose the other areas that lie under threat of invasion within the dangerous periphery of Soviet influence. Now, surely $175,000 will not do the job, will not begin to do the job. That is asking a boy to do a man's work. Even $5,000,000 would only be a step forward, and I merely use the figure arbitrarily.

But UNESCO has publicly recognized the problem and the danger. Now the United Nations should be encouraged to set up a world-wide information program. We should urge the UN to step forward with a forceful campaign of truth. In line with this, I urge the immediate creation of a special UN information center in Tokyo to handle the communiqués issued by General MacArthur's headquarters. Let each communiqué on the fighting in Korea be signed by the member nations who are actively participating, or plan to participate, in the assault against the North Korean invaders. Thus the world would be given a daily reminder, a forceful reminder, that America is not alone involved, and that in deeds as well as words the UN action in Korea is one actively supported by the UN Security Council.

Further, we in the United States can work closely with the agencies of the UN, including the Food and Agriculture Organization, the World Health Organization, and the International Refugee Organization. These agencies already have offered direct help to Korea. We must continue to alert them the danger is not Korea's alone. It is the free world's danger. We must consider it from that angle at all costs.

I would like to add in closing that I have been examining the vast areas of the problem with the State Department to see what we can do. I have also tried to determine whether the UN can properly seize the leadership in this area, whether it is ready, and whether it has the resources and the leadership for such an undertaking. Certainly our own UN representatives should be urged, and urged at once, to study the problem and present it for immediate UN consideration.

I do not know why we are so slow to trumpet the truth about the aggression in Korea by the Soviet-inspired North Koreans when that misnamed police action threatens to explode into an atomic war of global dimensions. Too late may mean tomorrow or today.

INTERNAL SECURITY ACT OF 1950

The Senate resumed the consideration of the bill (S. 4037), to protect the internal security of the United States, and for other purposes.

Mr. ELLENDER. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I shall be glad to yield if I do not lose my place on the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. ELLENDER. Mr. President, I first inquire what is now before the Senate.

The PRESIDING OFFICER. The first committee amendment will be stated when the debate ends.

Mr. ELLENDER. Mr. President, I send to the desk an amendment to the committee amendment appearing on page 80 of the bill which has reference to the court-picketing provision. The amendment I am sending to the desk will be in lieu of the court-picketing amendment which was stricken from the pending measure by the committee.

The PRESIDING OFFICER. When that particular amendment is reached, the amendment of the Senator from Louisiana will be stated.

Mr. ELLENDER. I thank the Chair.

Mr. LEHMAN. Mr. President, I would like at the outset of my remarks to make a brief declaration of faith and principles. I think it is pertinent to what I am going to say about the pending legislation.

All my life I have fought for liberty and equality and against oppression and tyranny, both at home and abroad. All my life I have supported and fervently advocated the principles of American constitutional democracy. I have always opposed any movement which would have the effect of undermining American institutions. Communism has always impressed me as an odious system totally repugnant to the American concepts of government. I have always fought communism and the efforts of Communists.

As fascism represents the denial of truth communism represents the utter corruption of truth. Because Communists in the United States are stooges of Moscow and are at the beck and call of Soviet imperialism with its aggressive designs, I consider American Communists capable of any kind of subversive activity. I believe that we must check and punish all subversive activities.

I believe that we must wage an unremitting battle to keep the American people or any substantial number of them from falling victim to the false promises of communism and at the same time we must protect the American Nation against overt conspiracy, sabotage, or espionage. I have long been engaged in that battle and intend to continue the fight.

I do not, however, propose to allow my zeal in this regard to lead me into the fundamental error of playing into the hands of the Communists by prejudicing the rights of the vast majority of the American people. By indirection that would be doing Moscow's bidding. I will not willingly take such a step. I am even less willing to do so because I am convinced that some of the proposals we are considering today will not only endanger the basic rights of all our citizens, but will in fact, detract from our internal security. There are other proposals here pending, however, which I will support, and which will directly bolster our security against Communist subversion in times of danger, and will not, at the same time, expose all our people to the threat of political oppression by thought control.

Mr. President, I take it that the pending business is not merely a particular piece of legislation, but rather the whole field known as internal security. A number of bills are actually before us. These bills are pending before the United States Senate, but in a larger sense they are before the Nation and the entire world.

I need not remind the Senate—we have been frequently reminded of this fact—that the Nation is watching what we do. Obviously the whole country is vitally interested in the subject we are now discussing.

But other eyes are fastened on us, too; the eyes of the hundreds of millions of people of the world.

We are professed champions of liberty. We say that we stand for freedom for

the individual, for all individuals. That is our banner in today's world struggle. Thus, those nations and peoples abroad who also call themselves free, and the peoples who aspire to freedom, will be disheartened if we, in this country, move in the direction of the police state in order to meet the threat of the police state.

I am fully aware, Mr. President, of the dangers from the Communists in this country today. It is my belief, however, that we face no real danger from their views, but rather from their subversive activities. Against subversive activities we must guard ourselves. We may need additional security laws for that purpose. But if we outlaw views, and penalize persons for their thoughts and beliefs, we will grant the Communists a victory which they have not won. And the world will be on notice that in this home of freedom we do not dare grant all persons the right to express their views and compete in the market place of ideas.

I, for one, shall wholeheartedly support all legislation which is proved to be necessary for the preservation of our country and the protection of our people against subversion or overt attack.

But my firm and fervent belief is that our main strength lies in our liberties. In the freedom which we permit to all, lies our strength to oppose not only the enemies of freedom in our country but all the enemies of freedom abroad.

In any situation in which these freedoms should be abused in a way to constitute a present danger to the freedom of all, I would take prompt and judicious steps to curtail these abuses and protect this country and its institutions.

That is why, Mr. President, I joined last week with a number of other Senators in cosponsoring S. 4061, the so-called administration internal security bill. I believe that the measures embodied in that bill are necessary for the protection of our country's internal security. I hope the Congress will pass that bill.

But for the sake of our internal security, as well as for other reasons, I hope that the Congress will reject S. 4037, the McCarran omnibus bill, and S. 2311, the Mundt-Ferguson bill. I am convinced that these bills contain provisions which are completely unnecessary and others which will endanger and not enhance our national security. Furthermore, I believe that many of the provisions of these two bills are violently repugnant, both to the spirit and to the letter of our Constitution.

I shall make a few references to the constitutional aspects a little later on in my remarks.

But first, Mr. President, I wish to address myself to that aspect of this legislation which is of most concern to us at this very moment, the aspect of internal security.

We already have on the statute books more than 20 laws to control and penalize subversive activities such as espionage, sabotage, and failure to register as a foreign agent. We also have the Smith Act, recently upheld by the Court of Appeals, which makes membership in the Communist Party prima facie evidence of criminal intent. Hence, the only operative provisions of the Mundt-Ferguson bill are completely unnecessary.

Nevertheless, there are certain provisions of our present antisubversive laws which the security experts tell us need tightening up. That is the purpose of Senate bill 4061, the administration's internal security bill.

I believe that Senate bill 4061 is a proper and necessary measure. The added security which this measure would give us against espionage and sabotage is desirable and essential. Senate bill 4061 plugs a number of legal loopholes in the Antiespionage Act. It provides for the proper detention and supervision of the activities of deportable aliens, some of whom may be subversives. It establishes penalties for the unauthorized disclosure or receipt of classified information to agents or representatives of a foreign power. It permits the President to guard military and other installations vital to the national security from possible spies and saboteurs. These are all essential measures in these critical times. These measures will positively and constructively strengthen our internal security.

On the other hand, the McCarran omnibus bill, and the Mundt-Ferguson bill, are quite another matter. These are sweeping, all-embracing bills whose scope and content, I venture to say, are not understood by the majority of the American people. There are members of this Senate who do not, in my judgment, fully comprehend the dangers, both to our security and to our way of life, lurking in these measures.

The proponents of these measures merely describe them as security measures, and as antisubversive bills, as measures designed to expose Communists, and to bring them out into the open. Mr. President, as I hope to be able to show, these bills do not conform to these specifications. Their labels are entirely misleading.

What dyed-in-the-wool Communist will run to the nearest registration office to list himself as such and expose himself to the penalties contained in the Mundt-Ferguson bill? Obviously, if he did, he would lose all his effectiveness as a Communist, besides subjecting himself to the penalties set forth in this bill. He would also expose himself to the penalties set forth in other laws, such as the Smith Act, under which the 11 top Communist leaders were recently convicted. In fact, registration would constitute self-incrimination, if not under the terms of this law, then under the terms of the Smith Act. Obviously, the Communists would not register.

These bills will not expose, but will submerge the Communist Party, and its affiliated groups. True, the Communist Party today operates, to a considerable extent, underground. These bills will drive Communists completely underground. Dangerous icebergs in the northern seas are always two-thirds submerged. But what sailor would say that icebergs would be less dangerous if they were totally submerged and out of sight? I will return to this point in a moment.

I know that a great deal of thought has gone into the drafting of the Mundt-Ferguson bill. Proponents of the bill argue that it is, in its present form, perfectly constitutional. I am not a lawyer, but I disagree completely. In any event, I certainly am not willing to abdicate my responsibilities as a Senator and look to the Supreme Court to stop this unwise and dangerous legislation.

I know that this whole matter is a subject on which sincere and reasonable men may honestly differ. The veterans' organizations which are supporting the Mundt-Ferguson bill are inspired, I am sure, by patriotic motives. I honor them for their deep concern for the security of our country. But I tell them today, as I am telling my colleagues in the Senate, that most of the provisions of the Mundt-Ferguson bill, and also those contained in the McCarran omnibus bill, not only are unwise and unnecessary, but are inimical and prejudicial to our national security and to the very purposes which the supporters of this proposed legislation have in mind.

Mr. President, the most dangerous thing we could do at this critical moment in our history would be to abandon cool reason and logic, and yield to hysteria. That is what Moscow hopes we shall do. That is what some of the provisions in the Mundt-Ferguson bill would have us do.

However, Mr. President, in regard to our internal security, which must be our chief concern, we must estimate our real danger and must move to meet it with means precisely calculated to combat it.

Let us look at the facts. On June 8 of this year, Mr. J. Edgar Hoover, Director of the FBI, told the Congress that the total known Communist-Party enrollment in this country was 54,174. In 1947, Mr. Hoover had told the House Un-American Activities Committee that the membership of the Communist Party was 74,000.

If we pass the Mundt-Ferguson bill and drive the Communists underground, the numbers of real Communists will not decrease, but will swell. Martyrdom is contagious. Many fellow-travelers and dupes who are the simple fronts of the Communist Party today, and who do no real harm to the national security, would be driven underground along with the dangerous Communists. Then the number of potential spies, saboteurs, and threats to our real national security would increase and multiply.

Mr. President, the Mundt-Ferguson bill, if it became law, would not catch in its net a single spy, saboteur, or real conspirator who could not otherwise be apprehended by the internal security agencies of our Government. Any loopholes which may exist will be tightly sealed if the Congress approves the administration's security bill, Senate bill 4061, of which I am proud to be a cosponsor.

Instead of permitting the FBI to concentrate on watching and detecting the real threats to our security, if the Mundt-Ferguson bill were to pass, the FBI would be required to divert its efforts from the essential responsibilities with which it is charged and which it is discharging so effectively.

True, we might catch a few Communists. But the real professional spies and saboteurs are far too clever to be

caught in this net. They are not members of the Communist Party, and they keep away from it. Neither Karl Fuchs nor Harry Gold nor Judith Coplon were members of the Communist Party. They could never have been indicted for failing to register.

Mr. President, the official organ of the Communist Party in Moscow, Pravda, very recently quoted the great Communist god Lenin as having said, 30 years ago, that Communists should be grateful to American capitalists for anti-Bolshevik hysteria and persecutions.

"They work for us," Lenin was quoted as saying. "They help us interest the masses in the question of the essence and significance of bolshevism." That was Lenin speaking. Today Stalin and the Politburo are, I am sure, eagerly watching what we in the Senate of the United States will do.

It may well be, Mr. President, that the top Communist planners would warmly welcome the passage of Senate bill S. 2311 or Senate bill S. 4037.

Mr. President, a few historical facts are interesting. The first country in the world to outlaw the Communist Party was imperial Russia. Seeking to repress revolutionaries, agents of the Czar rounded up liberals of every sort, and jailed them or exiled them. Undoubtedly, there were many Communists among those so jailed or exiled. Among those who were so jailed and exiled were three men now known to history by the names of Lenin, Trotsky, and Stalin. Jail and exile helped rather than hindered them. Russia, the first nation to outlaw the Communists, was the first to be ruled by the Communists. A handful of persecuted Communists, who had succeeded in frightening the Czar, led an army of men and women who had been oppressed and harassed, and took over a nation of 180,000,000 people.

Czechoslovakia outlawed its Communists in 1940. That did not prevent the Communists from taking over Czechoslovakia in 1947.

In recent years a number of countries have attempted to stamp out communism by outlawing, jailing, or otherwise repressing Communists. To the best of my knowledge and belief, there is not a single country in the world where the outlawing of the Communist Party has resulted in a decrease of Communist activity or the weakening of the Communist movement.

We need not look far across the seas or look far back into history to study the effect of repressive legislation on the Communist movement. In 1929, Canada passed a law similar in many respects to the proposals advanced by the Senator from South Dakota, the Senator from Michigan, and the Senator from Nevada. In 1936, that law was repealed because the Communist movement in Canada had flourished, rather than suffered, under it. In 1940, a stronger version of the same kind of legislation was passed. That did not prevent the most powerful and dangerous atomic spy ring in history, reaching even into the Canadian Parliament, from being established. Subsequently, Canada repealed that law.

In our own history the only comparable measures were the notorious alien and sedition laws, enacted in 1798. Those laws were pushed through the Congress during the course of the French Revolution. There were some Americans who violently and vigorously urged the new American Republic to go to the aid of France in her wars against England. They were ready to involve America in war for the sake of a France which was already turning to the dictatorship of Napoleon Bonaparte. There were also in our midst some agents of France who were seeking, by intrigue and subversion, to achieve the same purpose. The United States Congress passed the Alien and Sedition Acts.

But these acts were never invoked against French agents or against real provocateurs. Instead, they were invoked against newspaper editors and political leaders who were critical of the administration then in office in the United States. The offenders were convicted, jailed, and fined. That law expired, under its own terms, in 2 years. But the American people were so revolted at the uses to which that law had been put, that the Federalist Party was turned out of office. That party never again won the trust of the American people, and soon dissolved. A succeeding Congress appropriated money to repay the fines assessed against those convicted under these infamous acts.

The United States has never since, not even in the tragic and troubled days of the Civil War, enacted comparable legislation. The Mundt-Ferguson bill and the McCarran omnibus bill contain many of the worst features of the Reconstruction Act approved after the Civil War, and also of the Alien and Sedition Acts, and offer a few new devices for establishing guilt by association and inference—provisions which were never even dreamed of in all our past. Moreover, the sedition bills now before us have no term of expiration, as the Alien and Sedition Acts of 1798 had. The present proposals would constitute permanent legislation, to be invoked not only under present circumstances, but under circumstances which we cannot possibly now foresee, extending forever into the unforeseeable future.

Let us bear in mind that laws aimed at a specific situation are frequently found to be utterly inapplicable to that situation, but are invoked much later in entirely other situations. Such a sweeping bill as the present one is an open invitation to that kind of misuse.

My own State of New York passed an antianarchist law back in 1901, after the assassination of President McKinley by an anarchist. However, that law never has been invoked against an anarchist. It has been invoked against others. Who knows whether the bill now before us, designed to be invoked against Communists, might not some day be invoked, by irresponsible men, against political parties or other organizations of a perfectly legitimate character.

There is a long-standing Federal statute which punishes with imprisonment any individual who makes a willful threat to take the life of the President of the United States. However, during World War I, this law was invoked to convict a man in Beaumont, Tex., who was opposed to Woodrow Wilson's war policies, and who declared, in the course of an argument, "I wish Wilson was in hell, and if I had the power, I would put him there." The Texas courts ruled that was, in effect, a threat to kill the President.

I have merely cited this case to show to what unforeseen uses even the best of laws may be put. And when we come to a proposal like the Mundt-Ferguson bill which sets up as criteria of guilt a long series of standards which are so dangerously vague as to constitute, in my judgment, a grant of unlimited power to punish for almost any kind of unorthodox thinking, and behavior which might happen to impress some official as being suspicious, I say that we are venturing out upon deep and dangerous waters.

I should like to refer again to my own State of New York where in 1919 a committee of the legislature, called the Lusk committee, outlined a case against certain members of the legislature who had been elected on the Socialist Party ticket.

The Lusk committee described the Socialist Party as having a single purpose of destroying our institutions and government and substituting the Russian-Soviet Government—an antinational party whose allegiance is given to the Internationale and not to the United States. On the basis of this finding, which is strikingly similar to the legislative finding in section 2 of the Mundt-Ferguson bill and also to section 2 of the McCarran omnibus bill, the five Socialists were expelled from the New York Assembly.

A great American statesman and a great citizen of New York State whose memory we honor and revere today, Al Smith, denounced the expulsion of the Socialists from the New York Legislature in these words:

> Our faith in American democracy is confirmed not only by its results but by its methods and organs of free expression. They are the safeguards against revolution. To discard the methods of representative government leads to the misdeeds of the very extremists we denounce—and serves to increase the number of the enemies of orderly free government.

Those words, in my opinion, could be applied equally as well to the Mundt-Ferguson bill and the McCarran bill.

In 1799, a committee of the House of Representatives, urging the continuance of the Sedition Act, reported—and we need only substitute Russia for France in the quotation I am going to read:

> France appears to have an organized system of conduct toward foreign nations; to bring them within the sphere and under the domination of her influence and control. It has been unremittingly pursued under all the changes of her internal policy. Her means are in wonderful coincidence with her ends; among these, and not the least successful, is the direction and employment of the active and versatile talents of her citizens abroad as emissaries and spies.

These words, too, have a strangely familiar ring today.

Mr. President, public debate on the bills now before us has been raging for many weeks and months. Yet I doubt if more than an insignificant percentage

of the American public is familiar with or understands the provisions contained in this legislation.

The actions proposed to be taken under the terms of the Mundt-Ferguson and McCarran bills are manifold. The provision for the registration of Communist political organizations and Communist-front organizations is but one aspect—the foot in the door which opens the way to all the other unfortunate provisions in these measures.

The Senator from South Dakota [Mr. MUNDT], who is the chief architect of this legislation, has, himself, stated as recently as March 17 of this year:

> I do not believe that all the Communists in America are going to register simply because the law says that they should, and I think that we are still going to need the FBI, and we are still going to need the House Committee on Un-American Activities and a great number of other alert people to find the people who decline to register.

In this statement by the Senator from South Dakota lies one of my chief objections to this bill. All the Communists, says the Senator, are not going to register. I agree with him. I go one step further. I say that very few, if any, Communists are going to register. And then, as the Senator says, it is going to require the FBI and a great number of other alert people to investigate, to gather evidence and indict all those who fail to register.

The FBI, instead of hunting spies, will be hunting people who, in the opinion of some official in the United States Government, ought to register under this act. The staff of the Attorney General will be occupied with filing charges and seeking indictments against individuals who, on principles, will decline to register, although the Subversive Activities Control Board may feel that they should.

There will be hearings, trials, appeals, and further appeals. Legal experts have estimated that it will take 4 years before the Supreme Court can hand down a decision in even one of these cases. It will be 4 years before we know whether this law is constitutional. For 4 years we shall have these indictments hanging over hundreds, and perhaps thousands, of people before one Communist can be sent to jail for failing to register. And, meanwhile, springing up all over the land will be new organizations, new fronts under new names, set up as fast as old ones are put under the ban of this act. This machinery is so cumbersome it creaks. It will prove to have no effect whatsoever.

Individuals and organizations who register will immediately be subject to certain penalties and forfeitures of rights. Organizations will be required to stamp all literature and letters sent out and intended to be read by two or more persons with the label "disseminated by a Communist organization."

The content of the literature or letter will be immaterial. If an organization, determined by the Subversive Activities Control Board to be a Communist-front organization, sends out a brochure calling for the repeal of the Taft-Hartley Act, that brochure will have to be labeled as being mailed by a Communist organization. If they send out an invitation to a tea party, it will have to be labeled as being disseminated by a Communist organization.

How is this legislation to be enforced? The answer is very simple. The enforcement agencies will have to go through the mails, look into every letter and every piece of literature to see from what kind of organization it emanates. Privacy of the mails will be gone. And an army of snoopers will necessarily be let loose to pry into the personal and private affairs of all our citizens. No individual writing to wife, husband, broker, lawyer, or doctor will be sure that the communication will not be read and abstracted by some agent in pursuit of evidence that this letter was one of those mailed by a Communist or Communist-front organization.

As I have said, the Mundt-Ferguson bill and the McCarran bill go much, much further than requiring a Communist or Communist-front group to register. For example, there is the sedition section. This is the section which, out of hand, makes it a penal offense to be a Communist or to be a Fascist, although home-grown Fascists, without foreign connections are presumably exempted from penalty. But this provision is as broad as all outdoors.

Who is to determine what act might contribute to the establishment of a totalitarian dictatorship in the United States? There are those in this country who argue loudly and vehemently that public housing and rent control are substantial contributions to the establishment of a totalitarian dictatorship in the United States. There are those who say the same thing about Federal social security or public power development or compulsory health insurance. Only a few weeks ago FEPC was described on the floor of the Senate as Communist inspired.

In November 1948, Mr. President, over a million American citizens went to the polls and voted for the candidate of the Progressive Party for President. I believe, as many others do, that many of the leaders of the Progressive Party had close Communist connections and rigidly followed the party line. Would that make a million Americans subject to the penalties set forth in this bill? Our jails are not big enough to hold all those who might be condemned to them by this provision and by many other sections of this legislative proposal.

Communists, of course, would obviously be indictable and subject to imprisonment under the provisions of section 4 (a). Yet, at the same time, they are required to register as Communists under the terms of section 8 of the same bill. In other words, one section requires them to register, and another section puts them in jail for registering. This is not legislation; it is a parody on legislation.

Of course, the heart of this proposed legislation lies in the definition of what is a Communist or Communist-front organization. The standards by which the Subversive Activities Board is to determine whether an organization is Communist are, as I have said, broad and vague. I shall not list them all. I shall read only a few.

"The extent to which," the bill says, "the organization fails to disclose or resists efforts to obtain information as to its membership by keeping membership lists in code, by instructing members to refuse to acknowledge membership, or by any other method.

"The extent to which it fails to disclose or resists efforts to obtain information as to records other than membership lists.

"The extent to which its meetings are secret and otherwise operates on a secret basis."

I need not discuss these particular criteria at any length. Their dangerous potentialities are obvious. Many labor unions keep their membership lists secret. Many labor unions, especially in some sections of this country, hold meetings in secret and certainly resist efforts to obtain information as to their membership lists. This is as necessary to a union seeking to organize an unorganized area or plant as is the right of collective bargaining itself.

Another criterion is the extent to which its principal leaders or a substantial number of its members are subject to or recognize the disciplinary power of (a) foreign government or foreign organization or its representatives.

What about an international labor union under this section? The international presidents of several of our unions are not American citizens. What if a Canadian should be elected international president of the United Automobile Workers Union? That is a possibility. The UAW has powerful branches in Canada. Would the Automobile Workers' Union then be subject to listing as a Communist organization? It certainly might.

This sort of evidence, without any restrictions, may be used by the board to determine whether an organization is a Communist organization. Naturally, there are other criteria which deal with the political views of such an organization. These criteria are likewise vague.

It is frequently difficult enough, as any lawyer or judge knows, to establish the fact of whether a man has committed murder, or theft, or assault, or perjury. But in the Mundt-Ferguson bill we enter into an entirely new field—that of determining whether a man has dangerous thoughts or ideas.

Subsection 4, paragraph F, of section 14, lists as one of the criteria the board shall use for determining whether an organization is a Communist front, the following language:

> The extent to which the positions taken or advanced by it from time to time on matters of policy do not deviate from those of any Communist political organization, Communist foreign government, or the world Communist movement referred to.

This definition could lead to action against almost any organization which at any time has taken a stand for public housing, for fair employment practices, for the Brannan plan, for rent control, for health insurance, against the Taft-Hartley Act, or against aid to Franco. The Communist Party, in its vain attempt to win a popular following, has taken the same stand on these matters as have many good and patriotic Ameri-

can organizations, including the Democratic Party.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. Will the Senator mind if I do not yield? I stated at the beginning of my address that I should like to conclude my speech before I yielded. I shall conclude very shortly.

But opponents of these causes have seen fit to condemn the causes by citing Communist support of them. Under the terms of the Mundt-Ferguson and McCarran bills, good American organizations—labor unions, church groups, and others—could be charged on this basis with being Communist fronts.

By the same token, action could be taken under these bills against organizations and groups which have opposed the Atlantic Pact, the Marshall plan, military aid to Europe, the Truman doctrine, and involvement in Korea. All these programs and policies are violently opposed by Moscow for its own reasons.

The bill says that the Board shall take into consideration the extent to which an organization sends members or representatives to any foreign country for instruction or training in the principles, policies, strategy, or tactics of such world Communist movement.

Would, then, a scientific organization which sent representatives to a world scientific gathering at which representatives of Communist nations were also present fall under the ban of this proviso? It might.

Another criterion is the extent to which an organization reports to such foreign government or foreign organization or to its representatives.

Would, then, an international relief organization operating in Rumania or Hungary, required by the law of that country to report to that Government concerning its activities, fall under the ban of this criterion? It might.

I could proceed in this manner through most of the list of these criteria. I have enumerated just a few.

I should like to pass for a moment to the innermost heart of this proposed legislation, the definition of a Communist-front organization. This definition, found on pages 6 and 7 of the Mundt-Ferguson bill, states that a Communist-front organization means one which is primarily operated for the purpose of giving aid and support to a Communist political organization, a Communist foreign government, or a world Communist movement.

But Russia is not the only Communist government in the world today. Yugoslavia is one, China is another, Poland is a third. Would a relief organization sending aid to private individuals in Yugoslavia fall under this definition? I think is certainly would.

Would a church organization collecting funds for food shipments to individuals in Communist-controlled China or Poland come under this definition? I think it certainly would.

Would the great CARE organization, which arranges for the shipment of food parcels to individuals in some areas under Communist control fall under this definition? I think it might.

Mr. President, I have been discussing the several standards by which the Subversive Activities Control Board is instructed, under the terms of this bill, to establish whether an organization is a Communist political organization or a Communist-front organization. These standards are all set forth in section 14 of the Mundt-Ferguson bill. Eight separate characteristics are listed for detecting and determining a Communist organization; four criteria are listed for Communist-front organizations.

But the really significant point lies in the fact that the bill leaves it entirely to the discretion of the Subversive Activities Control Board to decide how many of these characteristics must be shown by an individual organization before the Board can find that the organization in question is a Communist political organization or a Communist-front organization. An organization might exhibit just one of these characteristics—just one—and still be found by the Control Board to be a Communist or a Communist-front organization.

As I have already shown, these standards are so vague as to be almost meaningless when applied to specific instances. But I would like to show the Senate how a specific organization without Communist affiliations might be measured against these standards and easily found to be, let us say, a Communist-front organization, despite the fact that it is actually violently anti-Communist.

Let us take, for example, the United Auto Workers of America, a fine labor union to which I have already referred. There is no more anti-Communist union in America. There is no more patriotic and forward-looking organization, more keenly aware of its responsibilities to its members and equally to the Nation and the public at large.

I have no doubt that there are among the members of the United Auto Workers Union some few Communists and fellow travelers. There might be some locals of this union, one or two of whose officers might fall into this regrettable category. There are undoubtedly some who at one time or another innocently, or otherwise, belonged to a Communist or Communist-front organization. But these very facts might put the entire United Auto Workers Union not only under suspicion, as far as the Subversive Activities Control Board is concerned, but potentially under indictment as a Communist-front organization. There are probably influences and interests in America which would be glad to see this happen. This could occur on the basis of only one of the criteria set forth in the Mundt-Ferguson bill—the fact of some members of the UAW being Communists. But that is only the beginning.

The second criterion of a Communist-front organization under the Mundt-Ferguson bill deals with sources of financial support. It might be that in some strike the UAW might receive a contribution from an organization and might accept it, not knowing that this contribution was from a Communist organization. That would furnish a second criterion for indictment of this union.

The other two criteria of Communist-front organizations deal with the policies advocated by those organizations.

As I have already shown, Communists pay lip service to many causes, such as public housing, peace, antidiscrimination, and social security. These causes happen to be supported very enthusiastically by the UAW Union. The UAW supports many other principles—sound and liberal principles, in my judgment—to which the Communist Party gives its questionable blessings. The UAW has on several occasions condemned laissez faire capitalism, an attitude this union shares with such organizations as the World Council of Churches.

Thus, under both the third and fourth criteria of the Communist-front organizations—the criterion of furthering and promoting the political objectives of a Communist political organization, and the criterion of nondeviation on matters of policy from a Communist organization, the United Auto Workers could be ordered to register as a Communist front.

Hence, in all four particulars set forth in the Mundt-Ferguson bill, the UAW would be as much liable to indictment as any one of a half-dozen Communist fronts now listed by the United States Attorney General. Yet it must be obvious to all the Members of the Senate that the UAW is violently opposed to communism and is, in fact, one of the most effective forces against communism.

We must bear in mind that there are some individuals in the United States who would be quite willing to assert that this union and all labor unions are radical organizations, and hence Communist fronts. Who then will be so bold as to predict what the Subversive Activities Control Board will find, under the vague instructions set forth in this unfortunate and untimely legislation?

Mr. President, other Members of the Senate are much better qualified than I to analyze this legislation in its basic legal aspects. I shall not attempt to do so save to submit that the Mundt-Ferguson and McCarran bills seem to me to violate very clearly the first, fifth, and eighth amendments to the Constitution.

But what is the justification for this legislation, Mr. President? What experts in the field of internal security and subversive activities have recommended it?

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LEHMAN. No; the Senator from New York announced previously that he would not yield until he had concluded his prepared address. He will be very glad to yield at the conclusion of his remarks.

Let me read from the 1950 annual report of the Director of the FBI, Mr. J. Edgar Hoover, who said on page 4 of that report:

> Suppression and outlawing subversive organizations by legislative enactment are not the answer. As a nation we need have no fear so long as actions of those residing within our shores are open and above board.

The director of the FBI, the Attorney General, the Director of the Central Intelligence Agency, the Director of the Office of Naval Intelligence, and the Director of Military Intelligence have been studying the problem of internal security for years. What have they recommended? Their recommendations are contained in S. 4061, the administration's internal security bill. They did not recommend anything approaching the proposals contained in the Mundt-Ferguson bill or the McCarran bill. Is the Congress to be more zealous and more all seeing than those who are charged with the protecting of the internal security of this country?

I have spoken to a number of individuals who have long experience in spy work and in counterespionage, all of whom have told me the same thing—that this legislation would be an impediment rather than a help to our internal security.

I heard over the radio the other day a broadcast by Mr. Paul H. Jensen, of Eau Claire, Wis., a lifelong Republican, who was until he retired from the Army one of the crack counterintelligence officers of our Armed Forces. Mr. Jensen declared in no uncertain terms that, in his opinion, the Mundt-Ferguson bill would drive Communists underground and would severely handicap our security officers in protecting this country against subversive activities.

On the side of civil liberties there is no doubt that this represents a curtailment of our civil liberties. The proponents of the Mundt-Ferguson bill acknowledge this. But they assert that it is only a small curtailment. My study of this legislation would indicate that this bill represents the most dangerous and violent curtailment of our civil liberties of any legislation that has ever been proposed in the American Congress.

It would set up in the subversive activities control board a group of three men with vast powers to determine who is or who is not subversive in this country. I would not delegate that power to any man or to any group of men. Our Constitution requires that an act of treason be testified to in open court by at least two witnesses to the overt act. Now we are asked to permit suspected persons to be named and penalized by the action of an administrative board responsible only to their own beliefs and prejudices.

I recognize that the right of appeal to the courts is provided in this bill. But the criteria by which the courts must judge the validity of the subversive control board's actions are so broad and so ill-defined that few judges would be willing to substitute their judgment for that of the board. This has been the history of court review of all administrative findings. I think it would be even truer in this situation.

Mr. President, I have spoken at great length. Yet I have not even begun to cover the field. The Mundt-Ferguson bill and the McCarran bill consist of so many dangerous elements that I could not possibly summarize them all. I hope I have clearly shown some few of the very many weaknesses and perils of these proposals. I hope I have shown that they would not accomplish their objectives but would instead create a moloch with a destructive force greater than any that we now foresee.

Mr. President, I should like to leave one final thought with the Senate. We are sailing today, internationally speaking, on uncharted seas. We do not know where the next blow will fall. We do not know what the dangerous days ahead of us may hold in store. We do not know what passions will sweep this country, what political tides may set in. I warn my colleagues that we must beware of placing upon the statute books a law designed for a certain purpose, but couched in such broad and vague language that it could serve other and unforeseen purposes. I warn my colleagues, and I warn the country, that we should think many times before we tamper with and modify those precious institutions of freedom and guarantees of free discussion which have seen us safely through so many crises of our history. There may never be a greater need than in the days immediately ahead for full and free discussion, of free and searching debate of all issues and questions affecting our welfare and the welfare of the world.

Mr. President and Members of the Senate: in the Mundt-Ferguson and McCarran bills, we have legislation which permits thought policing. Do not think that this will catch only those whose views you hate. All of us may become victims of the gallows we erect for the enemies of freedom.

I am not given to extreme statements, Mr. President, but I say today that if Congress approves the legislative proposals contained in the Mundt-Ferguson and the McCarran bills, and if they become law, it will be a black day in the history of the United States.

I hope that the Senate will vote down these proposals, and will enact instead S. 4061.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield to the Senator from Michigan.

Mr. FERGUSON. The able Senator has cited Mr. Jensen as saying that the pending bill, if enacted into law, would drive the Communist Party underground. Did Mr. Jensen cite any reasons for or give any proof of such a statement? How would it drive them underground? Would it not give the FBI the right to make an investigation as when any other crime is committed that is underground, or in secret, and ferret out the guilty parties, and prosecute them?

Mr. LEHMAN. I have quoted not only Mr. Jensen--

Mr. FERGUSON. What is the proof that it would drive them underground?

Mr. LEHMAN. Will the Senator permit me to answer as I see fit?

Mr. FERGUSON. Certainly.

Mr. LEHMAN. I have quoted not only Mr. Jensen, but I have quoted the Director of the FBI, the Attorney General, and a number of other men who are experts and authorities in ferreting out espionage and crime, and they all agree that this kind of a bill would not help, but very definitely hinder.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. FERGUSON. I should like to ask the Senator another question.

Mr. LEHMAN. If the Senator from Michigan is not satisfied, let me say a little more about this subject, inasmuch as the Senator has asked about Mr. Jensen. I shall quote from a radio broadcast of Monday, August 21:

> Mr. EDWARDS. In your opinion, Mr. Jensen, is the Mundt-Nixon bill an effective method of dealing with Communists in the United States?
>
> Mr. JENSEN. No; it is is not, Mr. Edwards * * * and there are sound reasons behind that rather vehement "No." First off, as an attorney, I believe the registration section of the bill is definitely in violation of the first and fifth amendments of the Constitution * * * but that is for more able attorneys and judges than I to decide * * * my principal objections are more on the "meaty" side, if you will, relative to the practicability of the Mundt-Nixon bill, its chances for success and the harm it might do.
>
> * * * * *
>
> First, assuming this bill should be passed—how long will it be before one subversive or one enemy agent actually ends up behind the bars—I predict it would take years because first, the control board established by the bill—

I shall not read the entire broadcast.

Mr. FERGUSON. Did he say why it would drive them underground?

Mr. LEHMAN. I said it would be because it would make martyrs of them. As I pointed out in my statement, the real Communists are not going to register voluntarily.

Mr. DOUGLAS. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that the Communist Party would either not register its members, or register fictitious members, in order to confuse the situation, and that if it did not register its members there would be a long series of processes in an attempt to indicate whether or not an individual was a member, with the cases going up not only to the Board of Control of Subversive Activities, but thence to the courts, so that it might be years before it could be established whether a person was or was not a Communist, and in the meantime the activities of the Communists directed toward espionage and sabotage continue?

Mr. McCARRAN. Mr. President, why not amend the question by asking, is it not true that the Communist Party is underground now?

Mr. LEHMAN. As I said in my statement, they are partly underground. They are not wholly underground.

Mr. DOUGLAS. Would they not go wholly underground if the bills under consideration were passed? As a matter of fact, are they not now apparently getting in process of submerging because they believe the bills will be passed?

Mr. LEHMAN. I fully agree with the Senator from Illinois. What is more, I think we would be making martyrs of these persons, and I think nothing is so contagious as martyrdom. I believe that for every Communist we might pos-

sibly get, we would be making 50 or 100 or more Communists.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. FERGUSON. The Senator has referred to registration, and has stated that he believes it is absolutely wrong to register the Communist political party. Does the Senator believe that the Communist Party is a party engaged in political activity?

Mr. LEHMAN. The Senator from New York certainly has made it very clear that the Communist Party is probably guilty of all the crimes that have been charged against it, and many that have not been charged, and certainly there is not the slightest intention in my mind, not the slightest word in my speech in defense of the Communist Party. All I say is that I believe they would not register.

Mr. FERGUSON. My question is, Does the Senator from New York believe that the Communist Party is an organization engaged in political activity?

Mr. LEHMAN. Yes; certainly they are.

Mr. FERGUSON. Does the Senator from New York believe that the Communist Party is foreign-controlled?

Mr. LEHMAN. I do; yes.

Mr. FERGUSON. Then, does the Senator believe that it is wrong to register such an organization?

Mr. LEHMAN. I certainly think that it engages in political activities. But what I am maintaining is that the criteria set forth by the bill are so vague that I do not think it could be established what a Communist Party was.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. LEHMAN. I yield.

Mr. FERGUSON. The Senator says that this is a political-activities organization, that it is foreign-controlled, and and that the definition set forth in the bill is not sufficient. I point out to the Senator from New York that in the law of 1940, the Voorhis Act, the following language appears:

The following organizations shall be required to register with the Attorney General.

In the next sentence:

Every organization subject to foreign control which engages in political activity.

Mr. LEHMAN. I know that. That is under the Alien Registration Act.

Mr. FERGUSON. No; it is under the Voorhis Act.

Mr. LEHMAN. The Foreign Registration Act.

Mr. FERGUSON. Does the Senator believe that law is a wrong law?

Mr. LEHMAN. That law is on the books.

Mr. FERGUSON. Does the Senator believe we should not have passed that law?

Mr. LEHMAN. I certainly have no criticism of that law. It is on the books. I think the other provisions contained in the bill simply complicate it and will have the effect of driving the Communists underground. The bill simply sets up criteria so vague that they become perfectly meaningless.

Mr. FERGUSON. More vague than the sentence I read? That law was passed.

Mr. LEHMAN. Many laws are passed which contain some vague provisions. But I do not think that is any justification in the case of a proposed law of this importance of providing criteria—and the administrators can only be guided by the criteria—that are completely vague and would serve no purpose.

Mr. DOUGLAS and Mr. FERGUSON addressed the Chair.

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from New York yield; and if so, to whom?

Mr. LEHMAN. I yield to the Senator from Illinois.

Mr. DOUGLAS. I did not understand that the Senator from New York objected to the registration of the Communist Party. I always thought the Senator from New York recognized that the Communist Party was a Communist political organization, or in the language, I believe, of the eminent Senator from Nevada, a Communist-controlled organization. But I understood the Senator from New York to say that the Communist political organization would not register its members and that there would be a long process involved in establishing individual membership.

Mr. LEHMAN. Yes.

Mr. DOUGLAS. I had understood——

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I should like to ask one more question. I had understood that in the case of the so-called Communist-front organizations the Senator from New York was saying that the standards or criteria were so vague that virtually any organization could be caught under one or another of the four standards laid down.

Mr. McCARRAN. Mr. President, is the Senator from Illinois trying to defend the Communist-front organizations now?

Mr. DOUGLAS. No.

Mr. McCARRAN. I am wondering about that.

Mr. DOUGLAS. I was saying that as I understood the Senator from New York he was saying that the criteria for judging the Communist-front organizations were so vague that one organization or another, on one standard or another, could be included.

Mr. LEHMAN. I am sorry the distinguished Senator from Illinois was not on the floor during the greater part of my speech. I think he would have known more accurately what I said than he does now had he been present. What I said is that under the definition of the Communist-front organization almost anybody could be tarred with the brush of being a member of the Communist organization, and the organization could be subjected to the penalties described in this bill.

Mr. McCARRAN. How can——

Mr. LEHMAN. One moment please. I point out that I have given at least 10 or 15 examples of what I have in mind. I should be very happy if Senators could answer me. Is it not a fact that under this definition the United Automobile Workers organization, a great labor union, a great fighter against communism, could be held guilty under this measure?

Mr. FERGUSON. There is nothing in this world further from the truth than that statement.

Mr. LEHMAN. Why not?

Mr. FERGUSON. Because there is nothing like that in the bill.

Mr. LEHMAN. Does the Senator want me to make my statement once again?

Mr. FERGUSON. There is nothing like that in the bill.

Mr. McCARRAN. Is the Senator from New York trying to defend Communist-front organizations?

Mr. LEHMAN. I am not trying to defend bona fide Communist organizations.

Mr. FERGUSON. Mr. President, will the Senator yield for a moment?

Mr. LEHMAN. No. I should like to answer the question first. I am not defending Communist organizations. But I tried to point out, and I think I did so accurately, that under the vague criteria provided by the bill, for one reason or another a great many thoroughly patriotic, thoroughly anti-Communist organizations could be accused, and possibly be held guilty of being Communist-front organizations. That I think is the great danger of the bill. I cannot overemphasize the danger which I think the bill contains.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. HUMPHREY. I should like to ask the Senator from New York whether or not he finds any restraints in the bill upon the membership of Communist-front organizations, to prohibit them from listing, as prescribed on page 16 of the bill, paragraph (2)—

The name and last known address of each individual who is at the time of the filing of such registration statement, and of each individual who was at any time during the period of 12 full calendar months next preceding the filing of such statement, an officer of the organization, with the designation or title of the office so held, and with a brief statement of the duties and functions of such individual as such officer.

Is there any restraint upon the Communist organizations to prohibit the filing of the name of some United States official?

Mr. LEHMAN. I know of none.

Mr. HUMPHREY. Is there any restraint upon them filing the name of a local merchant or local judge?

Mr. LEHMAN. No restraint so far as I know.

Mr. HUMPHREY. Is it not true that later on such an individual will have to prove that he was not a Communist or a member of a Communist-front organization?

Mr. LEHMAN. I think that is undoubtedly true.

Mr. HUMPHREY. Is it not also true that the same kind of irreparable damage can be done to his character which has been done to the character of a number of other persons by irresponsible actions on the part of persons in private and public life?

Mr. LEHMAN. I think that is unquestionably true, and I think there is great danger of that happening.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I asked the Senator if he will yield to me further.

Mr. LEHMAN. I yield to the Senator from Minnesota.

Mr. HUMPHREY. On page 31 of the bill, in section 14, I wish to read the language of paragraph (4). I begin to read in paragraph (f) on page 30—

The Board shall take into consideration—

And then I go over to the next page, page 31—

4. The extent to which the positions taken or advanced by it from time to time on matters of policy do not deviate from those of any Communist-controlled organization, Communist foreign government, or the world Communist movement referred to in section 2.

After having read that, I ask the Senator, in the field of international relations and foreign policy, what is the one issue the Communist Party raves and roars about the most?

Mr. LEHMAN. There are a number of issues.

Mr. HUMPHREY. Let us have two or three issues.

Mr. LEHMAN. The Marshall plan.

Mr. HUMPHREY. The Marshall plan. How about military assistance?

Mr. LEHMAN. They are against that, of course.

Mr. HUMPHREY. In other words, under the terms of this section, anyone who took an adamant position against the Marshall plan, military assistance, the North Atlantic Pact, any of our major items of foreign policy, would almost stand accused of being a Communist.

Mr. LEHMAN. He would. There can be no question about that.

Mr. HUMPHREY. The Daily Worker, the Communist organizational sheets throughout the land and throughout the world, have roared against and have abused and have maligned any person who even identified himself with these great issues of foreign policy. Is it not entirely possible that some very highly respected, well-thought of Americans who in all sincerity opposed ECA, who opposed military assistance even by their votes, who opposed the North Atlantic Pact, even by their votes, could stand accused as having not in any way deviated from the position of any Communist form of organization? I know of no single issue the Communist Party has been any more at arms against, about which it has raved more, than the Marshall plan, the ECA, the military assistance, the North Atlantic Pact, and aid of Korea. Think of the number of good, high-standing, respecting Americans who joined with the Communist Party in voting against aid for Korea.

Mr. McCARRAN. Why does not the Senator include capitalism and the capitalistic governments?

Mr. HUMPHREY. The Senator from Minnesota is a believer in capitalism. In fact, he wants to enjoy the benefits of capitalism.

Mr. McCARRAN. But now the Senator wants to defend Communist-front organizations which oppose capitalism.

Mr. HUMPHREY. May the Senator from Minnesota identify who he wants to defend without the able assistance of the Senator from Nevada? The junior Senator from Minnesota defends democracy, not any specious kind of totalitarian ideology. I do not need the helpful comments of distinguished Members of this body as to where one or another Senator stands. I want that made quite clear for the RECORD. Already I have heard comments as to whether or not the junior Senator from New York is defending Communist-front organizations. Mr. President, the patriotic record of the junior Senator from New York is above reproach; in fact, he is heralded throughout the world as one of the great citizens of the United States. The same can be said of my friend, the distinguished junior Senator from Illinois [Mr. DOUGLAS]. So we shall not get into the question of whether some Senator is a Communist or is friendly to Communists. We shall simply determine whether this bill will result in falsely pinning upon some decent Americans the label of communism.

Of course, I respect the right of any Member of Congress to oppose the ECA or to vote against the North Atlantic Pact. I do not want decent, patriotic, intelligent American citizens branded as being Communists simply because they exercise the right to form and express their own judgments as they deem best. However, that is what this bill could lead to.

Furthermore, let me say that if we wish to protect the United States against communism, we should take action against the Communists. However, this bill simply will catch votes and headlines, not Communists. The bill will require Communists to register, so that we shall have a new kind of black book—or perhaps it should be called a red book. If Communists are dangerous—and we know them to be—I believe we should provide some effective means for protecting the United States against them.

This bill will not protect anyone.

Let us have a bill which will protect America, rather than a bill designed to protect our own individual attitudes in regard to what we think is a proper provision in such a bill.

Mr. FERGUSON and Mr. KNOWLAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. LEHMAN. In a moment I shall yield, first to the Senator from Michigan, and then to the Senator from California.

Meantime, in response to the point the Senator from Minnesota has made—and of course it is a most appropriate and pertinent point—let me say that several highly respected citizens of the United States, including some Members of Congress, in connection with the Marshall plan and military-aid bills and various other steps we have taken to bring about a democratic world, and to protect our security and the security of free peoples, have taken positions in opposition to the enactment of such measures.

I wonder whether the Senator recalls, conversely, that at the time when there was before the Senate the FEPC bill, in which I know a very large percentage of the Members of the Senate were deeply interested, and with which they were in sympathy, a very distinguished Member of the Senate stated on the floor of the Senate that the FEPC bill was Communist-inspired. Therefore, it would follow, of course, that those who supported such FEPC bills, would be suspect as Communists.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. FERGUSON. Is not the Senator from New York aware of the fact that under the provisions of the pending bill, all organizations which would be subject to the requirements of the bill would have to be under foreign control, just as in the case of the requirements of the Voorhis Act, a political activities committee to come within the provisions of that act would have to be under foreign control?

Furthermore, has not the Senator from New York omitted from what he has said, and has not the Senator from Minnesota done likewise, the statement, in accordance with the provisions of the bill now before us, that in order for such organizations to come under the provisions of the bill, they must be under foreign control?

Mr. DOUGLAS. Mr. President, will the Senator from Michigan clarify his statement, so as to tell us whether he is referring either to Communist political organizations or to Communist-front organizations?

Mr. FERGUSON. I am referring to both of them. The Senator should look at the definition contained in the bill.

Mr. DOUGLAS. Let me ask the Senator from Michigan a question. In the bill, four standards are laid down as to Communist-front or Communist organizations, namely—

(1) the extent to which persons who are active in its management, direction, or supervision, whether or not holding office therein, are active in the management, direction, or supervision of, or as representatives of, any Communist-controlled organization, Communist foreign government, or the world Communist movement referred to in section 2;

(2) the extent to which its support, financial or otherwise, is derived from any Communist-controlled organization, Communist foreign government, or the world Communist movement referred to in section 2;

(3) the extent to which its funds, resources, or personnel are used to further or promote the political objectives of any Communist-controlled organization, Communist foreign government, or the world Communist movement referred to in section 2; and

(4) the extent to which the positions taken or advanced by it from time to time on matters of policy do not deviate from those of any Communist-controlled organization, Communist foreign government, or the world Communist movement referred to in section 2.

The fourth is the criterion to which the Senator from Minnesota has referred.

As I view the matter, it is not necessary that an organization satisfy all four of those criteria; apparently any one of them would be sufficient.

Mr. FERGUSON. I ask the Senator to look at the definition contained in the bill, and he will find that in the case of all Communist-front organizations which are under the control of such a political organization, the political control must be in a foreign government or a foreign power, in order for the organization to come under the provisions of the bill. Therefore, the Senator is omitting from the entire argument the real facts.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FERGUSON. Let me say that the Senator has said that this bill is indefinite. Does he not realize that today the Attorney General, in the absence of any criterion whatever, makes a list of all Communist-front organizations, and publishes it?

Mr. LEHMAN. Certainly, I realize that.

Mr. FERGUSON. Then what is wrong with including in this bill, and enacting into law, a requirement that the Attorney General do so under the supervision of a board, and also under the provision of the right of appeal to a court?

Mr. LEHMAN. The Attorney General does publish such a list; but after he has published the list, the further steps are very different, as compared with the steps provided under this bill.

Mr. FERGUSON. Under present conditions, there is no right of appeal. That is what we are providing in this bill. We provide that there shall be a board and there shall be a right of appeal, and under the bill we provide a standard which will have to be observed.

Mr. LEHMAN. When a man is listed in that way, the only penalty which would accrue as a result of such a charge by the Attorney General would be loss of employment. In such case, under present conditions, he cannot be charged with having committed a penal offense.

Mr. FERGUSON. Neither does this bill provide that membership in such an organization shall be regarded as a penal offense. Such a provision will apply only to the officers of such an organization.

When the Senator asked whether we realize that at present Communist-front organizations are listed, does not the Senator realize that under the provisions of the pending measure it would become a crime——

Mr. HUMPHREY. Does not the Senator——

The PRESIDING OFFICER. Let the Chair observe that it is necessary that the rules of the Senate be observed. The rules provide that a Senator may yield only for a question.

The Senator from New York has the floor. He may yield to any other Senator for a question, but not to permit another Senator to make a speech.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to ask the Senator from New York whether he thinks that in view of the subtlety and deceit and fraudulent practices and immorality of Communist leaders and Communist organizations, they would in any way have any qualms of conscience against listing some of the most respected persons in the United States as members of their organizations?

Mr. LEHMAN. Obviously they would not.

Mr. HUMPHREY. Or does the Senator think that if the Communists wished to thwart the purposes of this measure, they would hesitate to list as members of the Communist Party some of the most responsible and decent American citizens?

Mr. LEHMAN. I have not the slightest doubt that they would do so without hesitation, if to do so would serve their purpose.

Mr. HUMPHREY. Is it not true that a Communist who intended to engage in acts of sabotage, including the destruction of property by blowing it up, would not hesitate to list a responsible citizen as a member of the Communist Party, and would not be deterred a bit from doing so by any law?

Mr. LEHMAN. Of course not.

Mr. HUMPHREY. Have not we had examples of that?

Mr. LEHMAN. Of course we have.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. FERGUSON. Then is not the only remedy to put such persons into jail?

Mr. LEHMAN. The present proposal is not to put them in jail.

Mr. FERGUSON. But the proposal is to put them in jail if they commit perjury.

Mr. LEHMAN. A person can be put in jail now for violating a penal act, if he commits perjury.

Mr. FERGUSON. But today if a person says he is a member of the Communist Party, he cannot be put in jail.

Mr. LEHMAN. My impression is that today we have ample and sufficient laws and penalties to cover the crime of perjury. I think there is no doubt of that.

Mr. FERGUSON. Mr. President, will the Senator yield further?

Mr. LEHMAN. I yield.

Mr. FERGUSON. Under present laws there is no ground for charging with perjury a person who is a member of the Communist Party. Is it not true that today no penalty is provided in the case of a person who makes a false statement or a fraudulent statement, such as listing as a Communist a man who is not a Communist? Do we not need a law which will provide that a person making such false or fraudulent statements can be put into jail?

Mr. LEHMAN. I do not think it necessary to have such a law as this bill proposes in order to cover the crime of perjury, which is covered by many sections of criminal and penal law.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. DOUGLAS. Even though an official of the Communist Party made a false statement, and persons who were members might later be punished for perjury, in the meantime would not a great deal of damage have been done to innocent third parties who had been named?

Mr. LEHMAN. Great damage, of course, would have been done them.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LEHMAN. I may say to the Senator from Michigan that, as he knows, there are ways of convicting and punishing members of the Communist party. There are 11 of them now on their way to jail.

Mr. FERGUSON. Does the Senator not realize that it took 9 long years to bring that prosecution under the Smith Act?

Mr. LEHMAN. I do not know. I do not remember.

Mr. FERGUSON. Can the Senator give an explanation of that?

Mr. LEHMAN. I think that under this bill, which would involve an indefinite number of people, certainly the delay would run to a very considerable period of time. It is estimated that it would run for 3 or 4 years. In the meantime, the Communist Party would go merrily on, attending to its business.

Mr. FERGUSON. Mr. President, if the Senator will yield, the fact that the Attorney General did not enforce the Smith Act for 9 years is no reason, is it, why the Congress should not pass such a law as is now proposed? The fact that since 1940 the Voorhis Act has required all foreign political-action committees to be registered, and has even required the Communist Party to register, is no reason, is it, why the Congress of the United States should not lay down the policy of requiring the members of such organizations now to be registered? Is the fact that the Attorney General will not function a reason why the Congress should not function?

Mr. LEHMAN. The Senator from New York knows perfectly well that the Congress has the authority and the power to do what seems wise in its judgment. But he does not feel that what Congress does in every instance would be a wise procedure. In my opinion, and I repeat it with all the force at my command, this proposed legislation would be not only unwise, but harmful. I believe it would not harm the Communists, but that it would possibly harm a great number of innocent people.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LEHMAN. Gladly.

Mr. MUNDT. I wonder whether the Senator has available and can quote the statement which he said, as I recall, came from the FBI, in opposition to this bill. I was engaged in colloquy with my associate on my right, at the time, and I wish the Senator would repeat that. I think it came from the annual report, did it not?

Mr. LEHMAN. It reads:

> Suppression and outlawing of subversive organizations by legislative enactments are not the answer. As a Nation, we need have no fear so long as actions of those residing within our shores are open and aboveboard.

Mr. MUNDT. What are the last three words?

Mr. LEHMAN. "Open and aboveboard."

Mr. MUNDT. Precisely. Is not the Senator aware that that is exactly what this legislation proposes to do, and that it was on the basis of that type of testimony from the Director of the FBI that we decided, as was decided on the House side, not to outlaw the Communist Party, but to pass legislation which would compel them to operate in the open and aboveboard?

Mr. LEHMAN. I think the quotation proves my point that the FBI and its Director, J. Edgar Hoover, do not want these people driven underground.

Mr. MUNDT. Neither do I.

Mr. LEHMAN. That is inevitably what would happen.

Mr. MUNDT. Is not the Senator aware of the fact that the whole basis of this bill is the proposition that the Communists should be forced to come above ground or else go to jail? We give them the alternative of either coming above ground and conforming with the law, or, like any other violators of the law, going to jail. Does the Senator from New York believe that, because the Communists have made a record of disobeying the laws, that we should pass no laws applicable to Communists?

Mr. LEHMAN. I do not at all believe that.

Mr. MUNDT. Does the Senator believe we should surrender the power of government before the Communists because they threaten to disobey the law?

Mr. LEHMAN. I certainly do not. I do not believe that.

Mr. MUNDT. Of course not. And is it not the Senator's opinion that this bill, if enacted, would either force them above ground or require them to go to jail?

Mr. LEHMAN. What I said was that it would be harmful to pass legislation which is so sweeping, so all-embracing, so vague, and which establishes so many criteria which cannot be defined. I said further, that, in the attempt to achieve a certain end, it would make great numbers of innocent, patriotic American citizens liable and suspect, and, at the same time would not accomplish anything along the lines sought by the Senator.

Mr. MUNDT. Mr. President, if the Senator will yield further, should we not try to bring the discussion back to the subject of Communists, and not dodge to other organizations? I shall discuss those, and shall reply to the remainder of the Senator's speech tomorrow in my own time. But, dealing now with the Communists, does the Senator from New York agree with me that the Federal Government should not surrender its power before the Communists simply because they say, "We are not going to obey your law"?

Mr. LEHMAN. Of course, to ask that question is like asking the Senator whether he has quit beating his mother.

Mr. MUNDT. I think not. I think there is but one good answer to the question I have asked.

Mr. LEHMAN. I should like to point out to the Senator from South Dakota that the Senator from New York has been fighting communism for the past 15 years, possibly longer than that, during which time he has made no distinction whatever in his estimate of the iniquity of nazism and communism.

Mr. MUNDT. Is that the Senator's answer to my question?

Mr. LEHMAN. No, I am not quite through. I fought nazism. I fought fascism, and I fought communism, both officially and in private life.

Mr. MUNDT. I am not questioning that.

Mr. LEHMAN. But I am particularly dwelling on the acts of the Governor of New York in his official capacity.

Mr. MUNDT. My question deals with the power of the Federal Government.

Mr. LEHMAN. So there is no question whatever as to the attitude of the junior Senator from New York with regard to communism.

Mr. MUNDT. Then from that statement I understand that the Senator from New York agrees with the junior Senator from South Dakota that the Federal Government should not abdicate its authority before the Communists, simply because they are going to defy the law.

Mr. LEHMAN. Of course not.

Mr. MUNDT. The Senator agrees with me that that is not a good reason, does he not?

Mr. LEHMAN. That is axiomatic. Of course, the Government should not surrender its authority.

Mr. MUNDT. Very well. That being the case, will the Senator from New York explain how this bill can fail to achieve the goal established and set forth by the Department of Justice, when it says we have nothing to fear if we can keep the Communists in the open and above ground? This bill says to the Communists, "You must register and come out into the open, or you must go to jail because of your failure to register." Unless the Senator would be willing to surrender the power of the Government because the Communists defy it, why would it not work?

Mr. LEHMAN. I interpret Mr. J. Edgar Hoover's statement to mean that he does not want these people to be driven underground, that he wants them up in the open where he can watch them, where he can take such steps as may be necessary to prevent espionage, sabotage, and similar crimes, and can apprehend violators.

Mr. MUNDT. Is not the Senator from New York aware of the fact that the pending legislation will put the Communists above ground, precisely where the Director of the FBI wants them, and that, if they fail to come above ground, or if some of them fail to register, they will then go to jail, where the FBI will not have to watch them?

Mr. LEHMAN. No. The way I look at it—and I am quite confident that my view is correct—is this: I believe, notwithstanding the number of people who have been charged with the responsibility of apprehending spies and saboteurs, that the real Communists, the dangerous Communists, the Communists who are guilty of overt acts, will not register.

Mr. MUNDT. Does not the Senator believe that those Communists are already underground?

Mr. LEHMAN. I beg pardon?

Mr. MUNDT. Does not the Senator believe that Communists of that type are already underground?

Mr. LEHMAN. Communists of what type?

Mr. MUNDT. The saboteur or the espionage agent. He is already underground, is he not?

Mr. LEHMAN. Some of them may be.

Mr. MUNDT. Most of them are, are they not?

Mr. LEHMAN. This bill will certainly not bring them up. It will not bring them out of the ground.

Mr. MUNDT. If not, the Senator will agree that then those Communists ought to be put in jail. Is the Senator from New York saying that we ought to do nothing about the fellow who is underground, that we should let him continue his acts of sabotage, working below ground? Or is the Senator willing to join us in sending that type of saboteur to jail where he belongs?

Mr. LEHMAN. Let me say to the Senator from South Dakota that he knows perfectly well that the Senator from New York has not advocated and is not now advocating that the United States Government or the Congress of the United States in any way abdicate its authority or permit it to be abridged. But that does not mean that the Senator from New York cannot in all sincerity and with deep conviction argue on the floor of the Senate and before the forum of the people of the United States that this kind of legislation will accomplish nothing affirmative, except possibly to make a great many innocent patriotic people, become suspect and liable to its penalties.

Mr. MUNDT. I recognize that that is the conclusion of the Senator, but I am asking him if he will be good enough to point out the steps by which he arrives at such a bizarre conclusion, because it has no connection with the text of the bill.

Mr. LEHMAN. I would commend to the Senator the reading of my speech.

Mr. MUNDT. It was listening to the speech which puzzled me so much.

Mr. LEHMAN. It consisted of 33 pages of what I believe to be a complete explanation of my position. I can only commend to the attention of the Senator a careful reading of my speech.

Mr. MUNDT. It was listening to the speech of the Senator that puzzled me, and I am trying to have a clarification by asking these questions.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I yield.

Mr. KEFAUVER. I regret that I did not have an opportunity to hear the entire speech of the Senator from New York. I wondered if he had particularly discussed section 4 (a) of the pending bill.

Mr. LEHMAN. Yes; I discussed it at considerable length.

Mr. KEFAUVER. With reference to section 4 (a), I wonder what the Senator thinks about the possibility of someone's

proposing a constitutional amendment, which anyone has a right to propose, I assume, and whether, by such a proposal, one might run afoul of the provisions of section 4 (a). Assuming that Canada's Government is a totalitarian dictatorship and that some American citizen thought it was a good form of government for the United States to adopt proposed a constitutional amendment, and then performed some act in connection with proposing such an amendment, does the Senator think that would be a violation of the penal provisions of the bill?

Mr. LEHMAN. I think there is no question that he might be held liable.

Mr. KEFAUVER. Section 4 is a section which puzzles many of us. I wonder whether the Senator from Michigan or the Senator from North Dakota would amplify it. Let us suppose that some person is very fond of Franco and should propose a constitutional amendment to give Franco some interest in the operation of the Government of the United States. Would that be a violation of the section?

Mr. FERGUSON. Of course, the imagination can run rampant. If anyone wants to establish in the United States Franco's form of government, I think we should have a law prohibiting it. That is the purpose of this bill.

Mr. KEFAUVER. I was thinking about the constitutional aspects of the question. I had always assumed that anyone had a right to propose any kind of constitutional amendment he wanted to, to change the Constitution in any respect.

Mr. FERGUSON. Yes; but that would not be a conspiracy to commit an act which would substantially aid in the establishment of a totalitarian government as defined in the bill.

Mr. KEFAUVER. Let us assume a one-party government which does not permit the existence of another party. I suppose Franco's government would meet that definition. There might be such a situation in Mexico. There might be, in the future, such a situation in Canada. But the point is not whether anyone should permit that, for, of course, he should not. No thinking citizen, I am sure, would do it; but, under the Constitution, I had always thought that anyone had a right to propose a constitutional amendment to strike out, for instance, section 1 of the Constitution, or to propose a change in the term of the Presidency——

Mr. FERGUSON. That would not come within the section of the bill to which the Senator refers.

Mr. KEFAUVER. Suppose Canada had a one-party system of government, under a prime minister who would tolerate no other party, and suppose it were proposed that the United States——

The PRESIDING OFFICER. The Chair invites attention to the fact that the Senator from New York has the floor.

Mr. KEFAUVER. Mr. President, will the Senator from New York yield for a question?

Mr. LEHMAN. I yield.

Mr. KEFAUVER. Does the Senator from New York think it is a possibility that someone might propose a constitutional amendment and find himself running afoul of this section of the bill?

Mr. LEHMAN. I think so, just as I think would be the case with anything which the Board felt was not sufficiently within its political philosophy.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. DOUGLAS. Has the Senator from New York heard of the claim that if we were to establish a Brannan farm plan or adopt compulsory health insurance we would be contributing to a totalitarian dictatorship?

Mr. LEHMAN. It might be so construed, as I pointed out in my speech.

Mr. DOUGLAS. As the Senator from New York knows, the Senator from Illinois happens to be opposed to both the Brannan plan and compulsory health insurance as it has been advocated. But those proposals have been described as steps toward a totalitarian dictatorship. Suppose there were on the Subversives Control Activities Board men who believed that advocacy of the Brannan plan or of compulsory health insurance were an act which would contribute to the establishment of a totalitarian dictatorship, then, even though the persons advocating it were completely innocent of any design to establish a totalitarian dictatorship, their political opponents might say that their acts contributed substantially toward that end, and they might be punished. Is not that correct?

Mr. LEHMAN. I would say they not only might be so accused, but they have been so accused frequently.

Mr. President, I yield the floor.

Mr. MUNDT. Mr. President, on behalf of myself, the Senator from Michigan [Mr. FERGUSON], and the Senator from South Carolina [Mr. JOHNSTON], I submit to Senate bill 4037 an amendment which I ask to have printed and lie on the table. The purpose of the amendment is to bring the language of Senate bill 4037 into complete conformity with the language of Senate bill 2311, the so-called Mundt-Ferguson-Johnston bill.

This amendment is in conformity with the agreement which has been reached on the floor of the Senate, and the amendment is being offered in order that the Senate may have clearly before it the language of our proposal, before any other amendments are made.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On September 1, 1950:

S. 2423. An act to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma.

On September 2, 1950:

S. 1140. An act to authorize credits to certain public agencies in the United States for cost of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico.

On September 5, 1950:

S. 2901. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware; and

S. 3059. An act for the relief of John J. Sebenick.

THE UNUSUAL SIGNIFICANCE OF THE OBSERVANCE OF LABOR DAY

Mr. McKELLAR. Mr. President, I shall detain the Senate only a few moments. I am not sure, but I believe this is about the third speech I have made at this session of Congress, and it will take approximately 15 or 18 minutes. It is on a different subject entirely from the bill under discussion. I shall not discuss the pending bill. My speech should have been made yesterday, Mr. President, but the Senate was not in session yesterday, so I shall make it today. It was prepared previously, and I am making it as of yesterday.

The observance of Labor Day this year is of unusual significance. These past 50 years have been of particular importance to the working people of America, for they have seen tremendous progress made in the recognition of the rights of labor and of the importance of labor's contribution in making this the greatest country in the world.

These 50 years have seen the United States engaged in two great world wars, and each time the productive power of the American free-labor system has proved decisive in the military struggle. This half-century has also seen the severest economic depression in our history, and I know labor well remembers those days when factories were standing idle and willing hands were unable to find work. The last few years since World War II have seen all productive records broken by the stupendous quantity of goods and products which have poured from our factories and farms, once again demonstrating the vast productive capacity of our industrial and agricultural facilities. Today, as we begin girding our strength anew to withstand the onslaughts against freedom by godless and brutal communism, we should thank God with all our hearts and souls for the fertility of our productive resources, for the ability and skill of workers in all types of enterprise, for the human labor which will contribute so much to keeping our Nation strong and free.

Labor Day, 1950, finds such recognition given to the legitimate role of American labor in our economic and political life that it is easy to forget that it has not always been so. The well-deserved status of labor has been achieved throughout these 50 years only by dint of gradual and persistent efforts. Possibly the most important aspect of this struggle has been in the field of Federal legislation. During most of these 50 years I have represented the great State of Tennessee in the Halls of Congress.

During the almost 40 years I have been a legislator in Washington, I have tried to be independent in thought and in action, voting as my conscience dictated.

I have supported all humanitarian measures whenever I have considered that they were in the best interest of the country as a whole. I consistently supported both Presidents Wilson and Roosevelt in the conduct of the great wars, have no less consistently supported the Democratic Party's domestic policies, and have consistently supported President Truman. I have been a loyal friend of labor and have sponsored and voted for many measures in the interest of the working classes. I have tried to keep step with the march of progress. I have sought to walk without losing sight of the stars, but making sure my feet were on solid ground. I have tried to be a practical idealist. How far I have failed, I cannot say. Perhaps I have failed far too greatly. However, I have tried honestly and earnestly.

I take a pardonable pride in my support of legislation for the benefit of working classes, and Labor Day would seem to afford an appropriate time to review this record briefly, for I think Senators will agree as we go along that a survey of legislation I have supported in Congress is also a rather accurate survey of the progress that labor has made during that time.

To many of today's younger citizens, the Clayton Act of 1914 is only a statute which is briefly noted in courses on American history or economics. Judicial decision later stripped it of its effectiveness as regards labor, but I can still recall the thrill with which it was hailed as "labor's Magna Carta" with its declaration that "The labor of human beings is not a commodity or article of commerce." Today I am still proud of the vote I cast as a Congressman in 1914 in favor of the Clayton Act.

Those were the days, also, when the Federal Government began to take an interest in wages and working hours of women and in the abolition of oppressive child labor. In 1912 I voted to establish in the then Department of Commerce and Labor a Children's Bureau. In 1914 I voted for a bill to regulate the working hours and safeguard the health of women in the District of Columbia. In 1915 I voted for a bill to prohibit interstate commerce in the products of child labor. In 1918 I voted for a minimum wage bill for women and minors of the District of Columbia. These pioneer laws helped lay the groundwork for the later enactment of broader and more protective laws.

In 1916 the good people of Tennessee elected me to the United States Senate, and since that time—for 34 years—I have supported in this body the cause of working people. Possibly the length of that service will be realized more fully when I say—and I am sure Senators will pardon my pride—that today I am the only Member of the United States Senate who voted for the nineteenth amendment, giving women the right to vote. I might add in passing, as a historical note, that Tennessee was the thirty-sixth State to ratify that amendment, thus making it a part of our Constitution. At the request of President Wilson I interrupted a vacation in San Francisco to return to Nashville, my State capital, where the legislature was in session for the purpose of voting on the woman-suffrage amendment. At President's Wilson's request I aided those who favored giving women the right to vote. I worked faithfully to get the legislature to approve the amendment, and after one of the most vigorous fights I have ever had in my life—and I have had a number of vigorous fights during my time—we won by the closest kind of vote, on August 18, 1920. As I now recall, it was by a margin of only one vote, but Tennessee was the last of the two-thirds majority required and the amendment became part of the Constitution on August 26, 1920.

By 1924 the previous attempts of Congress to legislate in the field of child labor had been declared by the courts to be unconstitutional, and in that year, therefore, a proposed amendment to the Constitution was enacted which would have given to the Congress the power it had been denied. As a Member of the Senate, I voted in favor of this amendment, which was never ratified, however, by the required 36 States.

By 1926 it had been demonstrated that the Railway Labor Board established by an act of 1920 was inadequate to handle labor disputes in the railroad industry. In that year I voted for the Railway Labor Act, which set up new processes and machinery, including the National Mediation Board, for the settlement of such disputes.

I know I do not have to review for my colleagues labor's long fight to free itself from the abusive use of injunctions in labor disputes. This struggle finally met with success when Congress, in 1932, passed the Norris-LaGuardia Act, which prohibited Federal courts from granting injunctions against strikes, and outlawed the infamous yellow-dog contracts. I am proud to have been a supporter of that legislation in the Senate.

Think back with me to the days of 1933 when the Democratic administration took office, confronted with a terrible economic and human emergency. Widespread destitution and untold hardship had been created by unemployment, and accentuated by drought. It was characteristic of the humanitarian nature of the new administration that one of the early bills was a Federal emergency relief act, for which I cast an enthusiastic vote of approval.

It was also in 1933 that the first legislative recognition was given to the right of labor to bargain collectively. This was in the famous section 7–A of the National Industrial Recovery Act, for which I voted in the Senate.

In 1935, however, the Supreme Court declared the NRA unconstitutional. The Democratic Party lost no time in enacting new legislation to protect labor's right to organize and bargain collectively. In that year I voted for the National Labor Relations Act, which defined certain unfair labor practices, and established the National Labor Relations Board. It was under the aegis of this law that labor made its tremendous organizational strides of the late 1930's.

It was in 1935, also, that I voted for the Social Security Act. As you know, and when I say "as you know," my colleagues will understand that I had intended to address the laboring people themselves; but I was unable to do so because of work on the appropriation bill. As all my colleagues know, this law established old-age and unemployment-insurance systems. Someone might say that I was getting along to the time of life when I might need it, but that was not my view at the time. The law provided for annual Federal grants to States to care for their needy aged and blind, and dependent children. I consider as one of my most worthwhile votes the one I cast for this very farsighted piece of legislation, which stands as a monument on the road toward economic security for American workers.

Working classes, no less than other Americans, have always aspired to clean and decent homes in which to live and rear their families. It was to assist the realization of these aspirations that Congress passed the Housing Act of 1937 to provide financial assistance to States and cities for the elimination of unsafe and unsanitary housing conditions, to eradicate slums, and to provide decent, safe and sanitary dwellings for families of low income. I voted for this legislation in 1937, and I have since supported amendments extending and liberalizing the law.

Who can forget President Roosevelt's dramatic declaration in 1937: "I see one-third of a Nation ill housed, ill clad, and ill nourished"? In response to this appeal for legislation to benefit the lowest-paid workers, Congress passed the Fair Labor Standards Act of 1938, and one of labor's fondest dreams was realized. The act, for which I voted in the Senate, provided for quickly attaining a minimum wage of 40 cents an hour and a work week of 40 hours, with time and one-half for all hours worked over 40, and also regulated the employment of children. Today few will deny that this act has been of tremendous benefit in raising the standard of living of millions of workers throughout the country.

I voted for the Taft-Hartley Act in 1947. Some who know my record may be surprised when I state that that was done by me. I stated at the time, however, that I had my doubts as to whether it would solve the problems with which we were then faced and that if my fears were justified I would be the first to try to get it changed. When it became apparent that the Taft-Hartley Act would, in practice, operate unfairly to restrict labor in the exercise of its legitimate rights, I supported the efforts of President Truman to repeal the law. I shall continue in my efforts to place on the statute books a workable law that will be fair to both labor and management.

In 1949, also, I supported the increase in the minimum wage under the Fair Labor Standards Act from 40 cents an hour to 75 cents an hour.

During the current session of Congress, I have voted in favor of a temporary extension of rent control. I voted in favor of a middle-income housing bill, which would have made moderate-cost homes available to wage earners and others not eligible for the lowest-cost public housing. I have voted in

favor of expanding the social-security system and increasing the benefits payable under that system.

In 1941 I stated on the floor of the Senate of the United States, and I state again today:

I have uniformly supported the cause of labor ever since I have been in public life, not only ever since I have been in this body, but during all of my service in the other body as well. During all that time I have felt that the laboring man did not receive a fair show at the hands of the Government, and I have done all I could to ameliorate the conditions of the laboring man and to try to help him in his honest striving for better working conditions, better pay, and for a better life generally. I have admired his efforts to attain higher, nobler, and better things. My whole record in Congress shows the truth of this statement.

Today as labor surveys the gains and strides of the past 50 years it can well be proud of the contributions it has made to the progress of our country and the preservation of our freedom. It is because of this contribution that I have been glad and proud to help the working classes attain a greater share and enjoyment of the good things of life which their labor makes possible for others.

I am proud, too, Mr. President, that American labor has sought not only to improve its position within the framework of our democratic and free enterprise system, but to improve the condition of all our citizens as well.

I pause long enough to ask: Who is there who does not know that not only has the condition of labor itself improved during the past 40 years, but the condition of capital has improved, the condition of the middleman, so-called, and, indeed, the condition of every segment of our citizenship has improved. We are better off today than we have ever been before. We are better off in respect to finance, better off in the way of economic progress, better off all along the line than we have ever been before.

A man wrote me a letter from Nashville which I received today in which he told me what incapable leaders we had. He abused our leaders. In reply I asked him the question: "Can you mention a time in our history—and I want you to go to our history and find such a time, if ever there was—can you mention a time in our history when this country was better off than it is right now, this day?"

Mr. President, we are better off today than we have ever been in our history. Management is better off. Labor is better off. All classes of our citizens, even politicians, are better off. We are all better off. I am proud of that fact. Much of that improvement has come about as the result of the work of labor and as a result of the earnest action on the part of Congress to help labor along with all other segments of American society.

Mr. President, I interpolate that I voted in favor of extending the social-security system and increasing the benefits payable under that system.

Mr. President, as I previously stated, I am proud that American labor has sought to improve its position within the framework of our democratic and free-enterprise system. It has not yielded to the false promises of alien and un-American philosophies. The recent and successful efforts of labor to purge itself of subversive influences have been a heartening demonstration of that fact.

I want to urge laboring men in our entire country to fight communism with all their heart and soul and to fight any subversive effort from whatever source it comes to destroy or to injure the Government of the United States, which, in my judgment, is the greatest government ever instituted by man.

As the country faces the perils and difficulties which lie ahead, I have an unbounded faith that the American workingman is as patriotic and has as deep a love of this wonderful country as has any other citizen. I have an unbounded faith in his capacity to work to save our country at such a time. In the fullness of this faith, I am happy to add my voice on this Labor Day 1950, to that of others across the Nation in paying tribute to the American laboring man.

Finally, I want to say that I am and have been, all my life, a great believer in work. I have been a worker all my life. I started to work when I was much younger than one of the page boys before me. I worked in the field; hoed, plowed, picked cotton, did every manner of work that a boy does on a farm. I have the greatest admiration for the worker, for the man who really works with his hands. Incidentally, I have a great deal of admiration also for the man who works with his brain. For the worker I have unbounded admiration. I believe it was intended by Almighty God that everyone should work. I have no sympathy whatever for loafers or those who will not work.

I believe also in the dignity of labor. In past ages the laboring man had not been recognized by law as he should have been. I am glad to say that since I have been in the Congress of the United States, whenever it was possible for me to vote for bills aiding labor I have always done so. Sometimes, of course, I have erred, but for the most part I think what I have done has been right. I have acted for the right, or at least have worked toward accomplishing the right thing.

That, Mr. President, is the record I intended to give to the laboring men and women on Labor Day.

I have served in the two Houses of Congress for nearly 40 years. That is a great length of time. Great strides have been made in all lines of endeavor during that period. I am proud of the forward strides made by the Senate, by the House of Representatives, and by all classes of the people of our country.

There can be no question that the laws passed for the betterment of labor have also worked for the betterment of management. This is especially true in America.

We have perhaps made greater strides in bringing labor and management closer together than has any other nation. These years have proved the justice and the wisdom of the acts of Congress to bring about a better relationship, a more successful relationship, between capital and labor. There is much to be done yet. I have no doubt that succeeding Congresses will bring it about, and that the results will be better for all mankind in America. I am proud that I live in a nation that honors and respects the work of its laboring man and the work of all our citizens. I profoundly believe in work.

JOSIAH W. BAILEY—LETTER FROM JAMES H. POU BAILEY

Mr. BREWSTER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter, which I have received today, entirely unsolicited, from James H. Pou Bailey, the son of the late Josiah W. Bailey, bearing on certain matters which have recently been under discussion in the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

RALEIGH, N. C., *September 1, 1950.*

The Honorable OWEN BREWSTER,
United States Senator from Maine,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BREWSTER: By way of introduction, I am the son of the late Josiah W. Bailey, Senator from North Carolina.

I want first to say that I and all of my family deeply appreciate the fine remarks which you made about our father which were quoted in the papers recently. For whatever use you may see fit to make of it, I submit the following information:

First, during my father's entire stay in Washington, he never lived at any time on Que Street;

Second, except for an apartment in the Mayflower Hotel during the early part of his tenure in the Senate, he never occupied an apartment in the city of Washington;

Third, during the period of discussion in the present wire-tapping investigation, he lived at 2332 Massachusetts Avenue NW., which is a private home;

Fourth, neither I nor my mother were ever told by my father that he suspected his telephone wires were tapped in any way;

Fifth, I was and am very familiar with all of my father's work during 1946 and consulted with him almost daily about matters that he was considering in the Senate. There was never any intimation in any of those discussions, that he had any reason to believe that any person was attempting to tap his telephone;

Sixth, neither I nor my mother ever heard my father refer to Abner Lappin by name and it is my personal belief that he did not know him. I do not believe that my father made the comment attributed by Mr. Lappin to him.

You may use the information contained herein in any way you see fit and may release the same for publication if you desire.

Very truly yours,

JAMES H. POU BAILEY.

UNITED STATES POLICY IN THE FAR EAST—ADMISSION OF COMMUNIST CHINA TO UNITED NATIONS

Mr. KNOWLAND. Mr. President, events in the Far East are moving toward a crisis which will have a far-reaching effect upon the ultimate peace of the world, the freedom of the people of China and the security of the United States of America.

In his speech of last Friday night President Truman pointed out that international communism was aggressive in character and was threatening free men everywhere.

Everything he said about the Soviet Union and its satellites and the menace they are to the law-abiding nations

could have been said with equal force about the Communist regime of Mao Tse-tung in China.

But his advisers in the State Department, after following for 5 years a bankrupt policy that has led to the debacle we now face, ignore the documented facts of Mao's firm alliance with Stalin and his strong support of the Communist North Korean aggressor.

Coming after 5 years of attempting to paint Chinese Communists as agrarian liberals, and later to force the Communists into a coalition with the Government of the Republic of China, the State Department now comes up with the novel theory that the Soviet Union does not really want Red China seated, and, besides, Mao Tse-tung may become an Asiatic Tito. Though this slightly dead fish or red herring has been peddled far and wide by the appeasers at Lake Success and Washington, it has not had widespread acceptance in Congress or throughout the Nation.

I do not desire to encumber this record. For those who want the documentary facts, I call attention to the following: (1) Theses and resolutions of the Sixth World Congress of the Communist International. This is a basic document on Communist far-eastern policy which will be found on page 4809 of the CONGRESSIONAL RECORD of April 5, 1950; (2) constitution of the Chinese Communist Party, adopted by the Seventh National Party Congress, Yenan, June 11, 1949, which will be found on page 4822 of the CONGRESSIONAL RECORD of April 5, 1950; (3) the far-eastern policy debate in the Senate on January 5, 1950, pages 79 to 106.

So that those who deal in facts, not in fantasies, may know the truth, I ask that the following documents be printed at the end of my remarks: (1) Memorandum—United States policy in the Far East—supplied by Owen Lattimore in response to the August 18, 1949, request of Mr. Philip C. Jessup, of the State Department; (2) radio broadcast of December 27, 1949, by Yurev, over the Moscow Soviet Home Service, entitled "Stalin Foresaw, Designed China Victory;" (3) speech of the new Chinese Communist ambassador upon presentation of his credentials on August 13, 1950, to the North Korean Communist government; (4) letter to President Truman, dated May 2, 1950, opposing recognition of Chinese Communist regime or their seating in the United Nations, signed by 35 Members of the United States Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1, 2, 3, and 4.)

Mr. KNOWLAND. In an article which appeared in the Washington Star of Saturday, September 2, Mr. Ernie Hill, foreign correspondent of the Star and the Chicago Daily News, had this to say:

> The United States is negotiating with Communist China through Secretary General Trygvie Lie of the United Nations to head off spread of the war in Asia. * * *
>
> India, it is stated authoritatively, is promising Mao that every effort will be made to seat his representative in the United Nations General Assembly during September. * * *
>
> The United States is giving assurances that it will not veto the seating of Chinese Communists or oppose the change too vigorously.
>
> Mr. Lie is negotiating with Chou-En-lai on the basis of a request made to him by American delegate Warren R. Austin, Thursday.
>
> His emphasis (President Truman's) on American faith in the United Nations is considered a promise that the United States will go along with the United Nations' majority in dealing with Mao.
>
> The President's statement to the effect that the American Seventh Fleet will be withdrawn from Formosan waters when the Korean war ends is interpreted as a pledge to allow China to settle its own internal differences.

I ask that the entire article be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

Mr. KNOWLAND. The salient points are the ones I have outlined. Hill's article is, in my opinion, an accurate report of the policies now being pursued and regarding which I raised certain points in a speech on the floor on August 10.

The fact of the matter is that the "Munich men" in the State Department and at Lake Success are setting the groundwork of an appeasement of Mao Tse-tung which will make the betrayal of the Czechoslovakian Republic to Hitler 12 years ago fade into insignificance.

One can always buy a temporary truce by giving the international blackmailer what he demands. However, Mr. President, appeasement then as now is but surrender on the installment plan.

What is being proposed gives to the Soviet Union and Mr. Malik that which they have been demanding for a long time. It will double the Communist permanent members on the Security Council, give us two obstructionists as rotating chairmen of the Security Council, destroy the hope of 400,000,000 people of China that they one day may be free of the Communist tyranny, remove, if successful, the largest non-Communist army in Asia from the Asiatic flank of international communism prior to the time we know what Soviet moves in Asia, the Middle East, or in Europe will be in the months immediately ahead.

This is being done to save the face of the State Department, which tried to bury the Republic of China a dozen times in the last 5 years. So far as China is concerned our State Department has been more interested in saving face than in saving freedom.

This policy we have now adopted was urged on Philip Jessup by Owen Lattimore in response to the former's request of August 18, 1949, that Lattimore give the State Department the benefit of his advice on the Far East.

Later, in the January 1950 issue of Atlantic magazine, pages 21 to 23, Lattimore enlarged upon his theme in the following words:

> For the problem of the recognition of the new government of China, the United Nations offers the ideal avenue to a solution. If, with no pressure against China from the United States, a majority of non-Communist countries in Europe, Latin America and Asia should vote to seat new Chinese representatives to the United Nations, the United States should not vote against that verdict.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I shall be glad to yield at the end of my remarks.

We have now adopted the Lattimore-Trygve Lie-Malik line of buying temporary peace by the sacrifice of the standing in international law of 9,000,000 free citizens of the Republic of China who are living on the island province of Taiwan, otherwise known as Formosa. This is not an unimportant number of free people to sacrifice, Mr. President. It is a larger number than populates either Australia or Greece. This is the effect of what will be done if Red China becomes the member of the United Nations. When that happens, our wartime ally and long-time friend, the Republic of China, becomes nothing but a rebel group.

Even if this great Republic of ours is now reduced to the state where we join with Great Britain and India in performing a kowtow to Mao Tse-tung, we need not destroy our friends, the free people of China, in the process.

Far better that we withdraw the Seventh Fleet tomorrow and not at the end of the Korean war when the Chinese Communists will have had the chance to have built up their fleet of landing craft, air and sea power, without hindrance under the policy whereby we neutralize the area and prevent the Chinese Republic from taking steps which are essential to the defense of her people.

With 500,000 soldiers backed by citizens of the Republic of China who are determined to remain outside the iron curtain I am convinced that Formosa can and will be defended without the Seventh Fleet. The spirit of free China on little Kingmen Island, less than 5 miles from the mainland, threw back the Communist invaders last October in a smashing victory. What General Hu Lien and his courageous men did at Kingmen last year Gen. Sun Leh-jen and the soldiers of the Republic of China will do on Formosa this year.

They know their job is a tough one. There will be fleets of Communist junks and landing craft by sea and Soviet-trained Chinese Communist paratroops by air.

Despite this I believe that the Republic of China will throw back the horde because the Chinese in Taiwan Province have a "secret weapon" that the Communist forces do not possess. That is the determination of freemen to retain their liberty. The people in Taiwan Province have heard from relatives and friends on the mainland. They know the terrible price which totalitarian communism demands. They are prepared to die on their feet as free men rather than to live on their knees as slaves.

The Republic of China, despite the blows already received and now in prospect from nations which should know better, can defeat the Kremlin's Chinese Red satellite forces. It may be too difficult for them to defeat that invading force and our own State Department as well.

But if not "sold down the river into slavery," they will hold Formosa despite the fact that their citizens, like ours,

must be "bewitched, bothered, and bewildered" by a policy that undermines our friends and confuses our responsible military commanders as well as the rank and file of our people.

The Chinese do have a sense of humor. In a grim sort of way Chiang Kai-shek on this last bastion of the Republic of China must read these two 1945 citations and turn from them to the Acheson-Jessup China 1949 white paper and wonder which documents represent the real voice of America. To refresh our short memories I will read the two citations to which I refer:

DISTINGUISHED SERVICE MEDAL

Generalissimo Chiang Kai-shek, commander in chief of the military forces of the Republic of China, performed distinguished services from May 1943 to September 1945 by leading his beleaguered nation's fight against the onslaught of the Japanese invader. Beset by seemingly insuperable handicaps imposed by shortages of aircraft, modern weapons, and other vital material, he stood firm, inspiring the Chinese armies to contain and inflict heavy casualties upon more than a million hostile troops in the vast reaches and forbidding terrain of China. His determined attempts to drive the enemy from his native land culminated in a powerful campaign which was forcing the Japanese back when hostilities were terminated by the country's surrender. Through his courage, resourcefulness, statesmanship, and unassailable conviction that eventual victory would reward his suffering fellow countrymen, Generalissimo Chiang made a contribution of major proportions to the success of the United Nations.

The second citation is as follows:

LEGION OF MERIT—DEGREE OF CHIEF COMMANDER

Generalissimo Chiang Kai-shek, commander in chief of Chinese military forces. For extraordinary fidelity and exceptionally meritorious conduct in the performance of outstanding services while in a position of the highest responsibility as generalissimo and supreme commander in chief of the valiant military forces of the Republic of China, while engaged in a great war, as the champion of liberty and freedom against one of the common enemies of the United Nations. His noble and inspiring achievements as the military leader of his country have culminated in the unification of the Chinese people thereby making possible their successful resistance of the enemy's onslaught and contributing in a high degree to the ultimate freedom of the world from the shackles of Japanese domination and the fear of aggression.

Except that he is a great world statesman and a Christian soldier whose Bible is constantly at his side he might have despaired long ago when Alger Hiss and his clique first started on their mission to destroy him.

But deep in his heart he knows that these men and their policies do not represent the deep feeling of friendship which exists between the people of the United States and the people of the Republic of China. He knows he has a mission to help save the world from being engulfed by international communism.

He knows from bitter experience that militant communism cannot be stopped by passive resistance or by yielding to international Communist blackmail such as that attempted by the Berlin blockade of 1948.

As President of the Republic of China, whose nation is at present a member of the United Nations and a permanent member of the Security Council, he must wonder how the ultimate peace of the world is to be secured when India, which has voted with the Soviet Union on four crucial votes, abstained four times and voted with the free world three times and which to this very hour, 2 months after the overt aggression against the Republic of Korea has taken place, has not sent nor offered to send a single combat soldier to fight on Korean soil, is apparently acting as one of our agents in a move that will destroy the Republic of China which voted in the United Nations Security Council with the free world on every roll call and offered 33,000 troops to help hold a beachhead for freedom in Korea.

What we want is peace, with honor. Now let us examine our own moral position in this appeasement policy in the making.

We avoid the risk of war to be sure, by acceding to a policy which means the ultimate slavery of 9,000,000 human beings. If successful it would mean the liquidation of all the Chinese educated in and oriented toward our ideas of constitutional freedom. We stood up to Stalin at Berlin and again when his North Korean satellite struck against the Republic of Korea. What face we have gained in Asia and Europe by such stands we will, in my judgment, lose by our current kowtow to Mao Tse-tung.

If we are equally prepared to yield in Viet Nam, Burma, Siam, Hong Kong, Malaya, and ultimately India, the Philippines, Indonesia, and Japan, we can buy a period of troubled peace. It may be as long as the 2 years purchased by Chamberlain at Munich, but I doubt it.

The same arguments against the "risk of war" made by the "nervous Nellies" today will be repeated next week, next month, or next year at other crucial spots. Will the UN take each threatened spot under trusteeship? Each month that passes the Soviet atomic stockpile grows.

Mr. President, just what is our policy in this regard? I listened to the President last Friday night with the supposed added advantage of being a United States Senator, and I do not know.

Will the end result be that we follow the lead of Nehru while he asks the French and British "imperialists" to withdraw their troops from Viet Nam, Hong Kong, and Malaya while he assumes the burden of defending the balance of continental Asia with the same group of ambulance units he has offered to help hold the beachhead in South Korea? What is our policy, Mr. President?

If the citizens of the Republic of China living in the Province of Taiwan do not want Mr. Nehru to be their spokesman in the battle against militant communism, who then protects the island? Will they be willing to trade a "pig in the poke"? Would they, in their right minds trade their freedom and life by depending on India's ambulance units instead of Chiang Kai-shek's 500,000 ground forces plus some air and naval power? I think not.

While we are rushing madly to rearm western Europe and to arm and find the manpower for a certain number of divisions we shall be losing over 500,000 trained and armed non-Communist troops on the Asiatic flank of the Soviet Union and its Asiatic allies.

Mr. President, just how does the United Nations assume a trusteeship over Formosa if, as I believe, the people there want no part of being held in trust or delivered "trussed up" to the Chinese Reds?

What is our moral position if we furnish the revolver and the shell but do not pull the trigger that kills the Republic of China?

Our position up to recently has been that we would vote against the removal of the Republic of China from the United Nations and the seating of the Red regime, but that we would not try to influence others to support our position, and would not use our veto. This is presumably our present position. There may be some who think that this will protect our self-respect by letting others do that which the administration does not think the American people would approve.

Mr. President, I say that such a weak policy will not fool the American people, the Chinese victims, or the free people of the world.

Under the Constitution, only the President can give real aid to the Republic of China now. He can do it by making a forthright statement that our UN representative will vote against vacating the seat of the Republic of China, we will be active in getting others to line up with us, with more success I hope than we have secured to date in getting supporting ground troops in Korea, and, if necessary, we will use our Security Council veto. Last year Congress supplied the authorization legislation and the funds which would have given military-weapon aid to non-Communist China. Not a cent of this amount was used up to June 24.

Mr. President, the outbreak of hostilities in Korea on June 24 was not the first danger signal as to the plans and purposes of international communism. There have been many such indications, some large, some small. So far as the public know, the outstanding indications of Soviet intent were those of the pressures on Greece and Turkey in 1947 and the Berlin blockade of 1948 and 1949, but the executive branch of the Government had information which was not available to the Congress or to the American people.

Despite these warnings, our manpower in Army, Navy, Air Force, and the Marines, was reduced during these critical years. Funds to have built the Air Force toward the 70-group level were provided by Congress and frozen without use by the President of the United States.

According to the House Committee on Foreign Affairs document, Background Information on Soviet Union in International Relations, Eighty-first Congress, second session, in 1939 the Soviet

world had 8,176,000 square miles of territory with 170,467,000 population. In 1950, just 11 years later, the Soviet world has 13,415,000 square miles of territory with 752,878,000 people.

By what yardstick is the American public to measure success in our foreign policy? How long must we tolerate the losing of that which our fighting men had sacrificed so much in blood and sweat to win?

We desired no territory in Asia. We gave to the Philippines their complete independence. From December 7, 1941 to August 14, 1945 our soldiers, sailors, marines, and airmen battled and died that a free world of freemen might exist in Asia as well as in Europe.

The Soviet Union after 6 days in the far eastern theater of World War II has added 450,000,000 people to her satellite areas and stands at the threshold of bringing another five hundred million under the immediate threat of Communist domination. By what yardstick are the American people expected to measure the success of our foreign policy? Yet in the arms implementation bills of 1949 and 1950 and in the pending supplemental bill, which is now before the Committee on Appropriations, less than 10 percent of the funds are allocated to the Far East.

In 1947, while there was still a chance to save all of China except Manchuria, Gen. Albert C. Wedemeyer made his report to the President. Despite the affirmative efforts of Members of Congress and the responsible committees of Congress to get this information, this report was suppressed from September 19, 1947 until the publication of the China white paper on August 5, 1949.

By the time the information was made available to the Congress, the hope of holding the bulk of continental China was gone, and the ground work for the great strategic advantage to international communism in southeast Asia had been laid.

Once the forces of Mao Tse-tung were able to reach the borders of Indochina, the chances of all of southeast Asia being taken behind the iron curtain greatly increased.

The chain reaction is working, and before this Congress reassembles in January great and far-reaching events may take place iin Viet Nam, Laos, Cambodia, Burma, Malaya, and Siam.

This amalgamation of the Communist forces of southeast Asia and of Red China would not have taken place if the Republic of China had received moral and material help instead of the white paper. In this event, it might have been possible to hold at least the southernmost provinces of Yunnan, Kwangsi, Kwangtung, Kweichow, Sikang, and Szechwan.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I shall be glad to yield at the conclusion of my remarks.

At the time he made his report on China, General Wedemeyer also made a report on Korea. Despite requests by Members of the Senate and the official request of the Senate Committee on Appropriations, this report, up to this very date, has not been made available.

With his same great clarity of the strategic and political situations operating in that area of the world, General Wedemeyer warned his Government against the very things which have come to pass in Korea. Had this information been available to Congress and its committees, steps could have been taken by the legislative branch of the Government to either insist that the last of our forces not be withdrawn in July of last year, 1949, or, if they were withdrawn, that the Government of the Republic of Korea be properly equipped to meet the ultimate aggression which our own competent military advisers and the officials of the Government of Korea saw in the offing.

There were other additional indications, Mr. President, which should have warned our Government. One of the least known and most significant, to me was the case of Capt. John M. Birch, of Macon, Ga., a soldier in the United States Army, serial No. O–889028. I have asked that the Armed Services Committee get the file of Captain Birch and read the eyewitness account of his death in late August 1945.

VJ-day had come and gone. The Japanese Army in China had stopped fighting and were waiting to comply with the surrender instructions of General MacArthur. The Soviet Army, which had been in the far-eastern war for 6 days, had moved into Manchuria and North Korea, to take the surrender of Japanese troops there and to lay the ground work for seizing what had been given to them by the secret agreement of Yalta. Of course, at that time, neither the American Congress, Mr. President, nor the American people knew the terms of the secret Yalta agreement.

Captain Birch was a good soldier, who had been in China for a considerable period of time and was due for some rest and relaxation. The Army wanted him to take on one more assignment, to go north and observe the surrender of Japanese troops and inspect the condition of the Japanese air force bases.

Some time later, reports were published in this country that Captain Birch had been killed along a railroad right-of-way. It was not clear from these reports whether or not he had been shot, killed by a locomotive, or been killed accidentally in some other way. It so happens, Mr. President, that there is an eyewitness affidavit as to how Captain Birch met his death. It was made by an officer in the Chinese Army who had accompanied Captain Birch on his fatal trip and was thrown in for dead on top of the body of Captain Birch.

The two of them had started north and had passed through some units of Japanese troops who were waiting to lay down their arms. They were advised by the Japanese that Communist forces were operating some miles further on. They went as far as they could by train, and then transferred to a hand car. In due time, they were stopped by Chinese Communist outposts, who first refused to let them by. Both Captain Birch and the Chinese officer represented and carried credentials from the armed forces of governments which had made a mighty contribution to the winning of the struggle against Japan. Captain Birch talked his way through the Communist outposts. However, the Chinese officer, understanding the dialect of the soldiers who had stopped them, was concerned by what he overheard, and warned Captain Birch that they might run into trouble.

Birch was not only a good soldier, but he was a brave one as well. He told his companion, "It doesn't make very much difference what happens to me. It is important that my country find out now whether or not these people—the Communists—are going to be friends or enemies. If they are determined to be our enemies, my country needs to find it out now."

At that time, we had a large, victorious Army, Navy, and Air Force in being, and we were the only Nation with the atomic weapon.

Captain Birch had an intuitive feeling that even though his life might be forfeited, it would be worth while if he could warn his countrymen in time.

They finally came to the Chinese Communist command post. Birch and his companion asked to see the officer in charge. They were led to the Chinese Communist officer and after a brief conversation, the officer of the Red Chinese contingent said in an aside to some of his men, "Disarm those officers."

The Chinese companion of Captain Birch quickly said, "Don't do that. This man is an ally of China and is here representing the Government of the United States. Let me ask him for his side arm rather than having your men seize it from him." The Communist officer agreed to this procedure and when Captain Birch's companion explained the situation that the two of them had been requested to turn over their side arms, he, Captain Birch, reluctantly agreed.

A short time thereafter the Communist commander gave the order to his riflemen to shoot Captain Birch first and his Chinese companion thereafter. The disarmed American captain was shot first through the leg and then killed with the second shot. His body was thrown into a ditch. His Chinese companion was shot and he was thrown into the ditch on top of the American and was left for dead, even as some of our American soldiers were shot and some of their companions were left for dead quite recently in Korea.

Late that afternoon the Chinese officer recovered consciousness and heard some voices. He weakly called for help to some Chinese farmers who were working nearby. They came over to him, but warned that the Communist troops were still in the neighborhood and that he had better stay where he was until darkness, and they would come back and get him at that time. True to their word, they returned that evening, helped tend his wounds, gave him nourishment, and carried him to the Japanese contingent, who in time passed him on back to the nearest American unit.

All of this, Mr. President, was contained in the eyewitness account which can now be found in the confidential file on Capt. John M. Birch, United States Army, serial No. O889028.

If the Members of Congress had had this information in August or September of 1945, is there any person here who

feels that they would have tolerated the subsequent activity of the State Department in trying to force a coalition between the Government of the Republic of China and the same Communists represented by the man who shot Captain Birch in cold blood?

Is there any person here who does not believe that this simple story of a lone American officer, who was willing to sacrifice his life so that this Nation might find out whether these Communists were friends or enemies, would not have warned us in time that these Chinese Communists were the same ruthless killers that Communists are the world over?

Does any person here think that, if the story of Captain Birch had been known to the American Congress or the American people, that any American would have been taken in by the theory of fellow travelers that Chinese Communists were also agrarian liberals?

The story of Captain Birch was first told me by an American friend of his who had served with him in China. He told me that there was such an eyewitness account and I sent for the file. I looked through the first file shown me but could not find the report. From the information I had, I knew that such a report existed. I insisted that a new search be made and finally, a few days ago, another file was made available to me. This was the confidential file on Captain Birch and in its was the account of the eyewitness.

Mr. President, if the Secretary of State and the President of the United States have not read the eyewitness account of the death of Captain Birch, I think it is unfortunate that it was not called to their attention as soon as it was available in 1945. If they have read it, I do not see how they could have approved the policies we followed in China subsequent to 1945.

I do not underestimate the difficulties that face us but, if given the facts and if the people have confidence in their Government and the Government has confidence in its people, I believe that we will face up whatever the future has in store for us.

In this atomic age, time is not necessarily operating on our side. It is better that the Soviet Union and its satellites know now that there is a line beyond which the free world will not be pushed, in Asia as there is in Europe. Without such a clear understanding, we invite a repetition of what happened in Korea. When on January 12 the Secretary of State, at the National Press Club, indicated that as far as this Government was concerned, both Korea and Formosa, were outside of our defense perimeter and our attitude toward southeast Asia was left in a nebulous condition, we invited the aggression that has taken place.

I certainly hope that none of the United States delegates to the General Assembly who are members of the Republican Party, will be accessories to an appeasement policy at the expense of the Republic of China that will abandon 9,000,000 people to the Communist aggressor and will, I believe, inevitably lead to the overrunning of the balance of continental Asia in the not too distant future.

Within the week, Congress will have recessed and the ability of the Congress to influence the events in the offing will be temporarily restricted.

During the interval Red China may be seated in place of the Republic of China. Let me remind our friends abroad that Congress will not remain as impotent when it returns as it will be in the short gap between September and November. Those who attempt to rush a fait accompli through the General Assembly before Congress reassembles and the American people have had a chance to speak in November on State Department far eastern policies, will be assuming great responsibilities in the eyes of their countrymen and of history.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. DOUGLAS. Let me say in a prefatory way that I also do not want to see the Chinese Communist Government recognized, and I do not want to see its delegate seated in the United Nations.

Mr. KNOWLAND. I am glad to hear the able Senator from Illinois say that.

Mr. DOUGLAS. I have been trying to believe that we should not only vigorously oppose that, but use the veto.

Mr. KNOWLAND. The Senator from Illinois is a statesman, and I wish that the views he has expressed also prevailed in the Department of State.

Mr. DOUGLAS. I wondered if the Senator would permit me to ask a question or two in order to clarify the RECORD.

The Senator mentioned a memorandum which he said Mr. Lattimore had prepared at the request of Mr. Jessup on far eastern policy. While I do not believe the Senator made the explicit statement, I think it might be possible for someone reading the RECORD to infer that the Senator possibly believed that this memorandum had had an influence upon the policy of the State Department.

Mr. KNOWLAND. I did not enlarge on my statement. I certainly do very clearly indicate that I think that for a long time Mr. Lattimore has favored the admission of Communist China into the United Nations, and its ultimate recognition by the Government of the United States. He not only expressed that view in the memorandum he sent to Mr. Jessup at the request of Mr. Jessup on the date I have indicated—and I do not think anyone has charged that is not a correct copy of the memorandum—but on top of that, in January of this year, in the Atlantic Monthly magazine, he enlarged upon it, as I indicated in my remarks.

Mr. President, this is certainly the view of Mr. Lattimore, and I think Mr. Lattimore's views on far eastern policy have had a considerable influence in and out of Government. By that I do not mean that he controls far eastern policy, or that the officials at times have not disagreed with him, but I do say that he has been recognized as a so-called expert on the Far East.

I believe it is of historic interest that at the time the Congress of the United States in August was desperately trying to get the views of General MacArthur on the Far Eastern situation, and there was a very close 12 to 13 vote in the combined Armed Services and Foreign Relations Committees, the State Department made no request for General MacArthur's views, but were asking for the views of Mr. Lattimore.

Mr. DOUGLAS. Is it not true that the request which was made of Mr. Lattimore for a memorandum on far-eastern policy was also made of a great number of so-called experts on the Far East who were summoned here for a conference, and that Mr. Lattimore's memorandum was not the only one submitted, but rather one of a great number, as I remember, some 20 people being asked?

Mr. KNOWLAND. I know that if he had all the facts the Senator would be accurate, as he always is on the floor of the Senate, but I do not think that is quite an accurate statement of what took place. It is true that some twenty-odd people had been invited to a conference at the State Department, a kind of a round-table conference, to discuss the situation in the Far East, but the best of my information is that Mr. Lattimore was one of the few who had been requested to write a formal memorandum on far-eastern policy.

Mr. DOUGLAS. But there were a number of others.

Mr. KNOWLAND. There were a number of others who were invited to sit down in a round-table discussion.

Mr. DOUGLAS. One other point. Is it not true that Mr. Lattimore advocated that we should not go to the defense of South Korea?

Mr. KNOWLAND. That is correct.

Mr. DOUGLAS. And is it not true that the policy of the American Government in respect to South Korea has been the exact reverse of the policy which Mr. Lattimore has advocated?

Mr. KNOWLAND. On the South Korean question, that is correct.

Mr. DOUGLAS. I merely wanted to make the RECORD complete.

Mr. FERGUSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. Is it not also true that the policy which is opposed to that of Mr. Lattimore on South Korea was not adopted until the 25th or 26th of June of this year?

Mr. KNOWLAND. That is correct, except, in order to be perfectly fair in the situation, that the Government of the United States was giving some economic help to South Korea and also some help to build a constabulary force in South Korea.

If the Senator will let me complete the statement, Mr. Lattimore's theory on South Korea, as he expressed it in several articles he has written, was that Korea should be allowed to go down the drain, and that it should be allowed to go without our appearing to push it. That was his novel idea on Korea. What I am afraid is being done now in regard to Formosa is an adaptation of the Lattimore line, namely, that Formosa shall be allowed to go down the drain without our appearing to push her.

Mr. FERGUSON. Or really with the plumber's aid?

Mr. KNOWLAND. That is correct.

Mr. FERGUSON. The Senator has rendered a great service today in bringing the report of the death of Captain Birch, of Georgia, to the attention of the Senate, and also a report of General Wedemeyer on Korea, which has not been released to the Senate Committee on Appropriations, even though it was asked for by unanimous vote.

I wish to ask the Senator about something else which may have been related to him, and, if so, I should like to know it. President Rhee, in the early part of last December, said that General Hodges came to him with orders from the State Department to the effect that the South Korean Government under Rhee would be compelled to take the Communists into the Government. Does the Senator recall any such conversation with President Rhee?

Mr. KNOWLAND. I did not get that story, as the Senator did, from President Rhee, of the Republic of Korea. But I have had from other sources which I believe to be reliable the fact that it was the policy at that time—and this was prior to the UN supervised election—to form the type of a coalition government in Korea they were trying to force on China. When the matter was finally submitted to the people of Korea in a free election supervised by the United Nations the Communists received a very small proportion of the votes in that country, and did not have anywhere near the representation nor were they entitled to anywhere near the representation we were trying to inveigle Syngman Rhee at that time to accept into the Government.

Mr. FERGUSON. That is correct. The Senator from Michigan received the direct story about that from the President of the South Korean Republic. But does it not appear that if the President of the United States and the State Department had known of the secret files on Captain Birch we may have had a different story in the whole Far East? Or is it possible that they had the story, and that, as the Senator now relates, the first file given to the Senator from California did not contain the whole story? The Senator from Michigan and other Members of the United States Senate have found too frequently that when a file is delivered all of the file is not there to tell the whole story.

Mr. KNOWLAND. I will say to the Senator from Michigan that I think there has been altogether too much of this lowering of the iron curtain between the activities of the executive branch of the Government and the Congress of the United States. We have a constitutional obligation which is no less than that of the President of the United States. We take an oath to support and defend the Constitution of the United States. We are an equal branch of the Government of the United States. I think the Members of the Congress of the United States should not sit complacently by and be denied documents time after time which they need in the discharge of their constitutional obligations.

I will say to the Senator from Michigan that it is my firm belief that had the story of Captain Birch been known to the proper legislative committees of the Congress, to the Foreign Relations Committee, to the Armed Services Committee, to the Committee on Appropriations, we would have raised many questions as to the advisability of letting the last of our troops leave Korea in June of last year. Had we had the suppressed report of General Wedemeyer on Korea, which is a report of the same great clarity that able officer made in a similar report on China, I believe many questions would have been raised in the proper legislative committees, and that the Congress would have insisted that ample safeguards be taken in Korea. It is for this reason that I say the executive branch of the Government has had ample warning of the dangers we faced in the Far East, and they have deliberately denied the information to Members of the Congress who at least I believe are entitled to it and should have it.

Mr. FERGUSON. I am glad the Senator has expressed his views on that subject because they coincide with those of the Senator from Michigan. Again I want to say that the Senator has rendered a real service to the Nation in submitting this report.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. GEORGE. May I ask when the distinguished Senator from California first learned that there was a document in the file on Capt. John Birch?

Mr. KNOWLAND. I will say to the Senator from Georgia that to the best of my recollection the story was first told to me within the past 3 months; perhaps 2½ months ago. The man who came to me had formerly served in the United States Army in China. He did not have a copy of the report. He told me the story, which was substantially the story I have related today, but said that there was an eyewitness account. I immediately telephoned the Department of the Army and asked whether they had the file on Captain Birch. I gave them the serial number and his initials. They told me at that time that the report was not in Washington, but they would have to send, I think to St. Louis, where the old files are kept. In due time, and it was several weeks later, they furnished the first of the files on Captain Birch. I went through it. There was some information, but there was not the eyewitness account.

Mr. GEORGE. There was no eyewitness statement about how he met his death.

Mr. KNOWLAND. No eyewitness account except that it did say that he had been shot by Communists in the northern area. I then told the officer that I had reliable information—at least information I believed to be reliable—that there was an eyewitness affidavit as to what had happened. He said that he personally did not know of it, but that he would check again. And about 4 or 5 days ago—it is hard to keep track with so many things going on here—they brought forth what was entitled the confidential report on Captain Birch, and in that report was the eyewitness affidavit to which I have referred.

Mr. GEORGE. I thank the Senator.

Mr. KNOWLAND. I will say to the Senator from Georgia that after I read the report, I believe on the very next day, or in fact it may have been on the same day, while the Armed Services Committee was meeting, I went into the committee and called to the attention of the Senator from Texas [Mr. JOHNSON], the very able chairman of the subcommittee which has been formed, and to the other members of the committee who were present, the fact that I had information on this report, which I believed was of great importance, and I advised them if possible to try and get hold of this confidential report on Captain Birch, and to read the eyewitness account of his slaying.

Mr. GEORGE. Captain Birch was in fact killed in 1945?

Mr. KNOWLAND. That is correct.

Mr. GEORGE. Just after the surrender of Japan?

Mr. KNOWLAND. The Senator is correct.

Mr. SCHOEPPEL. Mr. MALONE, and Mr. DOUGLAS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from California yield; and if so, to whom?

Mr. KNOWLAND. I yield the floor.

EXHIBIT 1

MEMORANDUM—UNITED STATES POLICY IN THE FAR EAST

(By Owen Lattimore)

(Submitted to the Honorable Philip C. Jessup, Mr. Raymond Fosdick, and Mr. Everett Case, in response to Mr. Jessup's request of August 18, 1949)

In clearing the way for a fresh approach to the problems of United States policy in the Far East, several negative statements can usefully be made.

1. The type of policy represented by support for Chiang Kai-shek does more harm than good to the interests of the United States, and no modification of this policy seems promising. Chiang Kai-shek was a unique figure in Asia. He is now fading into a kind of eclipse that is regrettably damaging to the prestige of the United States, because the United States supported him. His eclipse does not even leave behind the moral prestige of a good but losing fight in defense of a weak cause. On the contrary, he put up the worst possible fight in defense of a cause that was originally strong and should have won. The kind of policy that failed in support of so great a figure as Chiang Kai-shek cannot possibly succeed if it is applied to a scattering of "little Chiang Kai-sheks" in China or elsewhere in Asia.

2. China cannot be economically coerced by such measures as cutting off trade. Nothing could be more dangerous for the American interest than to underestimate the ability of the Chinese Communists to achieve the minimum level of economic stability that will make their regime politically secure. Sound policy should allow for a cautious overestimate of the ability of the Chinese Communists in this respect, and avoid a rash underestimate.

TWO ALTERNATIVES IN JAPAN

3. It is not possible to make Japan a satisfactory instrument of American policy. There are two alternatives in Japan. The first alternative is to keep Japan alive by means of American "blood transfusions" of

raw materials and credits. Under this alternative, Japan can be made to put on the surface appearance of a strong ally; but the reality will be an overcommitment of American resources to a distant and vulnerable region. Under the second alternative, Japan can keep itself alive by coming to terms, economically and politically, with its neighbors in Asia, principally China. Under this alternative, Japan cannot serve as a trusted American ally. Its own interests will compel it to balance and bargain between what it can get out of Asia and what it can get out of America.

4. South Korea is more of a liability than an asset to the interests and policy of the United States. It is doubtful how long the present regime in South Korea can be kept alive, and the mere effort to keep it alive is a bad advertisement, which continually draws attention to a band of little and inferior Chiang Kai-sheks who are the scorn of the Communists and have lost the respect of democratic and would-be democratic groups and movements throughout Asia.

5. The colonial and quaisi-colonial countries of southeast Asia cannot be forced to grant priorities to the economic and military recovery of Europe at the expense of their own economic and political interests. In this region as a whole there is a rapid development of combined political and military resistance to coercion which can be indefinitely sustained by local resources. On the other hand, attempts at reconquest by European countries are so expensive that they defeat their own ultimate purpose, which is the strengthening of the country attempting the reconquest. The situation can now be handled only by convincing the Nationalist leaders in those countries that any sacrifices they are asked to make are matched by sacrifices made by their former or titular rulers, and are not designed to give priority to the interests of these rulers, but to bring joint benefits both to the ruling countries and to the colonial country, on terms that satisfy the colonial aspiration to equality.

RUSSIA NOT TO OBLIGATE SELF

6. The United States cannot assume that Russia will move in to take over direct control in China, and will thus be subjected to heavy strategic and economic strains. It is dangerous to assume that there will be a diversion and commitment of Russian resources in Asia which will limit Russia's ability to maneuver in Europe. Recent developments in the Far East have been favorable to Russia, but not in a way that lessens the resources that Russia can deploy toward Europe. Policy toward Russia and policy toward the Far East meet at the point where such a move as the imposition of an economic cordon sanitaire around China is considered. Such a move would increase Chinese dependence on Russia; but it would probably not make it necessary for Russia to undertake a large-scale program in China. The Russians would get credit in Asia, multiplied by propaganda, for any grants they might make to China, but would probably not have to make grants large enough to distort or strain their own resources. It would be possible, therefore, if the mistake is made of waiting for the Chinese Communists to come "hat in hand" to ask for American terms, for United States policy to encounter another set-back in Asia, without even the compensating advantage of hampering Russia's ability to apply pressure in Europe.

The foregoing statements define negative aspects of the situation in Asia, limiting the freedom of maneuver of United States policy. Within these limitations, it seems advisable that a number of positive objectives should be defined.

1. Policy in the Far East and policy toward Russia have a bearing on each other. It certainly cannot yet be said, however, that armed warfare against communism in the Far East, on a scale involving a major commitment of American resources, has become either unavoidable or positively desirable. Nor can it be said with any assurance that, in the event of an armed conflict undertaken for the purpose of forcing Russia back from Europe, the Far East would be an optimum field of operation.

TWO ALTERNATES STILL OPEN

There are still two alternatives before us—a relatively long peace, or a rapid approach toward war. If there is to be war, it can only be won by defeating Russia, not Northern Korea, or Viet Nam, or even China. Sound policy should, therefore, avoid premature or excessive strategic deployment in the Far East.

If there is to be a long peace, the primary factor in making peace possible will be a stabilization of relations between the United States and Russia. Sound policy should, therefore, maintain a maximum flexibility. If and when negotiated and mutually acceptable agreements with Russia become possible, American policy in the Far East should be in a position to contribute to Russo-American negotiations. It should not be so mired down in local situations that direct American-Russian negotiations are actually hampered.

2. Any new departures in United States policy in the Far East must be able to fend off any accusation of appeasement of local or Russian communism. In view of the effectiveness of the Russian issue as a weapon in in-fighting in American party politics, it would seem that the advice of experts on domestic politics should be coordinated with the opinions of those who are consulted on foreign policy.

DILEMMA CALLED SIMPLE

The dilemma is simple, but not easy to solve; but unless it can be solved, no successful United States policy in the Far East is possible. Any United States policy that is interpreted in various countries in the Far East as pressure applied for the purpose of creating a league against Russia will merely increase the ability of those countries to bargain with both the United States and Russia. It will also increase the identification, in those countries, between local nationalism and local communism. On the other hand, any proposed United States policy in the Far East that it attacked in America itself as a bid for better relations with Russia runs the danger of being defeated.

3. The success of United States policy in the Far East will be measured largely by the contribution that it makes to the recovery of economic relations between the Far East and Europe. This recovery will be possible only if the assent and good will of the far eastern countries are won. Assent and real cooperation, in turn, can only be won if the representatives of the far eastern countries, including those that are still technically the subjects of European countries, are convinced that they have as direct access to the highest American authorities as do the European representatives, and if they are convinced that their economic needs and political standards are not being given a second priority, lower than that of the European countries involved in the same negotiations.

The two test cases in southeast Asia, on which the leaders of various nationalist movements will rate the difference between what can be attained through friendly association with representatives of the United States and what can be attained through outright defiance of a European country which has strong economic support from the United States are Indonesia and the Viet Nam regime under Ho Chi-minh.

RESULTS COULD HURT UNITED STATES

If the negotiations between Dutch and Indonesians, brought about largely through benevolent United States pressure, eventuate in a settlement which seems, in Indonesia, to contain too much of hope deferred, while the resistance in Indochina under Ho Chi-minh achieves more and more of hope fulfilled, the results throughout southeast Asia will be adverse to the United States interest.

Heavy and primary United States commitments in western Europe make it difficult to bear constantly in mind that when the Dutch-Indonesian negotiations are consummated, the satisfaction or dissatisfaction of popular opinion in Indonesia will have wider repercussions than the satisfaction or dissatisfaction of Dutch public opinion. It is a fact, nevertheless, that Indonesian opinion is more difficult to satisfy than Dutch opinion, and it is also a fact that the repercussions will be more serious if Indonesian opinion is not satisfied than if Dutch opinion is not satisfied. These facts mark an important difference between prewar and postwar colonial Asia. They are facts that American public opinion has by no means fully accepted; but they are also facts that are critical for the formulation of an overall United States policy in Asia.

4. The foregoing considerations indicate that the major aim of United States policy in the Far East should be to convince the countries of the Far East that they can get along well with the United States and with the countries of western Europe. They must be persuaded that they can get along well because of the mutual benefits to themselves, to the United States, and to western Europe.

They must not be made to suspect that the real aim of the United States is an ulterior aim of using them against Russia.

To put it in another way, the aim of the United States policy should be to enable the countries of the Far East to do without Russia to the maximum extent. This is a much more modest 'm than insistence on and organization of hostility to Russia; but it is an attainable aim, and the other is not.

A few suggestions for implementation are appended.

1. Conferences with the independent governments of the Far East, on the basis of helping them to build their own economies, to revive their trade with Europe, and to expand their trade with us. Emphasis on positive steps that can be taken. No negative conditions, such as prohibitions of trade with Russia or Communist China; no conditions that could be interpreted as American regulation of their political parties.

2. Working relations, and a refusal to be bound by protocol, with legitimate nationalist leaders in countries whose full political aspirations have not been met by their European rulers.

3. The United States should not allow any European country, in its relations with any country in the Far East, to state openly or to imply by propaganda that its policy is backed by the United States. European representatives, in negotiating with the representatives of countries in Asia, should be discouraged from stating or implying that they are authoritative interpreters of United States policy, or intermediaries without whom the United States cannot be approached.

4. It should be made clear that if there is delay or difficulty in establishing relations between the United States and Communist-controlled countries, such as China, the trouble comes from the Communist side and not from the United States side.

DEPEND ON FRIENDLINESS

5. It should be made clear that friendly and beneficial relations with the United States depend essentially on the inherent friendliness or unfriendliness of the nation concerned, and not on the formalities of diplomatic recognition. In order to facilitate the contrast between countries which are on

friendly terms with the United States and countries which are not, the number of countries formally recognized by the United States should be increased.

As a first step, the United States should accept the list of countries recommended for admission to the United Nations by Mr. Trygve Lie, Secretary-General of the United Nations. In the first place, it would at this time be a good move for the United States to accept with good will an initiative from the Secretariat of the United Nations. In the second place, the list is on balance more favorable to the United States than to the Soviet Union. In the third place, and with particular reference to the Far East, the move would bring within the scope of United States diplomatic activity the Mongolian People's Republic (Outer Mongolia), an increasingly important potential listening-post country in the heart of Asia.

6. The United States should disembarrass itself as quickly as possible of its entanglements in South Korea.

EXHIBIT 2

SPEECH BY AMBASSADOR OF RED CHINA TO NORTH KOREAN GOVERNMENT ON OCCASION OF PRESENTATION OF CREDENTIALS

CHINESE ENVOY PRESENTS CREDENTIALS

PYONGYANG, August 14.—President Kim Doo Bong of the Presidium of the Supreme People's Assembly of the Democratic People's Republic of Korea received in audience Envoy Extraordinary and Ambassador Plenipotentiary Ni Chi-liang of the Chinese People's Republic to Korea at 8 p. m., August 13, in the conference room of the Presidium of the Supreme Korean People's Assembly. Ambassador Ni Chi-liang presented his credentials to President Kim Doo Bong.

At the ceremony of presentation of the credentials, Ambassador Ni Chi-liang made his presentation speech and President Kim Doo Bong made a return speech. Subsequently Ambassador Ni Chi-liang introduced to President Kim Doo Bong First Counselor Chai Chun-wu, Second Counselor (Sol Songhja), First Secretary Chang Heng-yeh, Second Secretary (O Hyo-tal) and Military Attaché Chu Kuang.

Present at the ceremony were Vice Foreign Minister (Pak Hun Yong), Secretary General Kang Yang Uk of the Presidium of the Supreme Korean People's Assembly, Director (Cho Chong Hwa) Master of Ceremonies of the Foreign Ministry, and (Lee Yu Chon), Acting Director of the Bureau of China.

Following the ceremony of presentation of credentials, President Kim Doo Bong held a brief conversation with Ambassador Ni Chi-liang. Present at the conversation was Vice Foreign Minister (Pak Hun Yong).

Here is the text of the speech made by Ambassador Ni Chi-liang in presenting his credentials:

"Your Excellency, I have the honor to present to you the credentials (in which) the chairman of the Central People's Government of the Chinese People's Republic (accredits) me as Envoy Extraordinary and Ambassador Plenipotentiary to the Democratic People's Republic of Korea.

"Your Excellency, as I present the credentials to you, the Korean people and the Korean People's Army, with peerless spirit, have won brilliant victories over the American imperialist aggressors and their lackey, the Syngman Rhee puppet group, dealing severe blows to them, and have liberated a vast area of the country. Each one of your victories is one which moves and encourages the Chinese people.

"On behalf of the chairman of the Central People's Government of the Chinese People's Republic and all of the Chinese people, I offer sincere congratulations to you and the great and brave Korean people."

Smash aggression

"At the same time, I am convinced that under the leadership of Gen. Kim Il Sung the Korean people and the Korean People's armed forces inevitably will smash completely the aggression and invasion by the American imperialists and their lackey, the Syngman Rhee puppet group, and attain liberation and independence for the Korean people.

"Your Excellency, China and Korea have from old days been two brotherly countries. The Chinese and Korean peoples have been closely related in the great struggle to attain independence and liberation (in pursuit of common objectives).

"Today at a time when American imperialists are invading Korea, having mobilized their land, sea, and air forces, and are obstructing by armed intervention the liberation of Taiwan by the Chinese people, the peoples of the two countries have common objectives in the struggle to attain national independence in opposition to American imperialists.

"The solidarity, friendship, and cooperation of our two countries will further the friendship existing from old days between the two countries and at the same time will contribute to our common tasks to attain independence and liberation for the peoples of the two countries, as well as to the defense of the peace of Asia and the world.

"Your Excellency, I give you my word that in my capacity as Ambassador of the Chinese People's Republic I will exert my utmost to promote the solidarity, friendship, and cooperation between the Chinese people and the great Korean people. I hope that Your Excellency will render assistance and support to me in these efforts of mine."

That was the speech made by Ambassador Ni Chi-liang.

Next here is the text of the speech made in reply by President Kim Doo Bong:

"Your Excellency, I am pleased to receive the credentials of the Chairman of the Central People's Government of the Chinese People's Republic (which accredits) you as Envoy Extraordinary and Ambassador Plenipotentiary of the Chinese People's Republic to the Democratic People's Republic of Korea."

Expresses gratitude

"I also express my gratitude for the warm congratulations and encouragement of the chairman of your Government and your people to the Korean people and the Korean people's armed forces fighting in opposition to the aggression of American imperialists.

"I am convinced that under the leadership of Chairman Mao Tse-tung the Chinese people will without fail succeed in repulsing armed intervention of American imperialists in Taiwan and found a prosperous, powerful, independent, and sovereign China.

"Historically China and Korea have been maintaining brotherly, close relations, and have been pursuing common objectives and interests in the struggle to attain independence and liberation for their respective fatherlands. Again today, when the American imperialists are pursuing a policy of brazen aggression in Korea and are perpetrating armed intervention and other plots in a move to obstruct the freedom and liberation of the Chinese people, the peoples of our two countries are pursuing the same objectives of national independence and liberation in our struggle against our common enemy, the American imperialists.

"The solidarity, friendship, and cooperation between Korea and China will not only cement further the friendship long existing between the two peoples but also contribute to the common struggle for independence and liberation of the two peoples. It will also constitute a sound security for the success of the national liberation struggle by the oppressed Asian nations and a great contribution to the defense of world peace.

"Enthusiastically welcoming Your Excellency as Envoy Extraordinary and Ambassador Plenipotentiary of the Chinese People's Republic to Korea, I give you my word that I will exert my utmost to cooperate in your efforts in promoting friendship and good will between the Korean and Chinese peoples.

"I humbly wish your great people and Government great success."

That was the speech made in reply by President Kim Doo Bong.

EXHIBIT 3

STALIN FORESAW, DESIGNED CHINA VICTORY

(Talk by Yurev)

In its long road * * * reaction at home the Chinese people has won a great historic victory as a result of which the Chinese People's Republic has been set up. The main source of inspiration in this struggle has been the heroic Communist Party of China armed with the teachings of Lenin and Stalin. Mao Tse-tung in his article on the dictatorship of the people's democracy indicated that the Chinese have accepted Marxism as a result of its application by the Russians.

Before the October revolution the Chinese were not only ignorant of Lenin and Stalin, they were also ignorant of Marx and Engels. The broadside of the October revolution carried to us Marxism-Leninism.

In their classics Lenin and Stalin showed that the national colonial question is a part of the question of the proletarian revolution and the dictatorship of the proletariat. Stalin teaches us that colonial and dependent * * * from a reserve of the imperialist bourgeoisie into a reserve of the revolutionary proletariat. This statement is fully confirmed by the entire experience of the struggle of the oppressed peoples for their emancipation. Stalin gave particular attention to the Chinese antifeudal and anti-imperialist revolution.

STALIN AID SURPASSED ANGLO-UNITED STATES ARMS

In his historic works written in 1925 and 1927 exclusively on the subject of the revolution in China, Stalin created a well-reasoned theory concerning the Chinese revolution. The entire world armed the Chinese proletariat and its vanguard the Communist Party with a mighty weapon immeasurably stronger than guns or aircraft with which the American and British imperialists armed their Chinese puppets. Stalin revealed the main laws governing the victory in China. He gave important advice to the Chinese revolutionaries, transmitted to them the wealth of experience of the All-Union Bolshevik Party.

Stalin rendered invaluable aid to the Chinese Communists in their struggle against the right-wing and left-wing opportunists seeking to cause the Chinese Communist Party to deviate from the Lenin path.

The greatest service of the nucleus of the Communist Party of China which rallied itself around Mao Tse-tung is the fact that it defeated opportunism and headed the struggle of the Chinese proletariat for the victory of the people's revolution.

Stalin revealed the characteristic of China as a semicolonial country which the capitalist hierachy combined with the domination of the remnants of feudalism. Stalin showed the links between imperialist domination and the maintenance of the oppression of the feudal remnants.

Stalin indicated the peculiarity of the combination of the domination of feudal remnants with the existence of commercial capital in the Chinese countryside with the simultaneous maintenance of feudal medieval methods of exploitation and oppression of the peasants. Stalin moreover noted that the oppression by the feudal remnants by that of military bureaucracy while imperialism maintains and strengthens this feudal bureaucratic machine. Stalin exposed the American, British, and Japanese imperialists as the organizers of the intervention in China showing that intervention is by no means confined to troops and that the introduction of troops by no means forms the main characteristic of an intervention.

INTERVENTION IN FORM OF CIVIL WAR

As early as 1926 Stalin emphasized that under present-day conditions imperialism prefers to carry out intervention by organizing a civil war in the dependent countries, financing counterrevolutionary forces and giving moral and financial support of the Chinese agents against the revolution. Stalin noted that the Chinese revolution is the union of two streams of the revolutionary movement: the movement against the feudal remnants and the movement against imperialism. Stalin indicated that the Chinese Communists must take into account national peculiarities and make use of the smallest opportunities to provide the proletariat with a mass ally, even if temporary and unreliable, and to be guided by the axiom that for political upbringing propaganda and agitation alone are insufficient, that the masses' own political experience is essential for this.

Stalin showed that the Chinese proletariat and its Communist Party can and must establish a stable union with the bulk of the present masses, can and must pursue joint activity with the national bourgeoisie and the small urban bourgeoisie while these classes oppose the capitalist and feudalist domination. It was on this basis that the national united front was formed in 1924.

STRUGGLE WITHIN UNITED FRONT

At the same time Stalin pointed out that inside this united front there will be a struggle for * * * in the revolution between the proletariat and the national bourgeoisie. Stalin predicted two ways of development of the Chinese revolution: Either the national bourgeoisie will smash the proletariat by making a deal with imperialism and together with it will make an attack against the revolution so as to end it by establishing capitalist domination; or the proletariat will sweep away the national bourgeoisie, strengthen its hegemony, and lead in its wake the millions of workers of town and country so as to overcome the resistance of the national bourgeoisie, achieve complete victory of the bourgeois democratic revolution, and then gradually lead it onto the road of a Socialist revolution with all the inherent consequences.

1927 BOURGEOIS-IMPERIALIST DEAL

As is known, in 1927 the Chinese national bourgeoisie made a deal with imperialism. The revolution suffered a temporary defeat, the united forces of imperialism and domestic reaction proved for a time stronger than those of the Chinese Revolution. The Trotskyite and Zinovyevist enemies of the people despaired at the temporary defeat of the Chinese Revolution.

Stalin gave a devastating reply to these agents of imperialism arming the Chinese revolutionaries with the prospects of further struggle for the liberation of the Chinese people. In the political report of the central party committee to the fifteenth congress of the All-Union Bolshevik Party Stalin pointed out: "The fact that the Chinese Revolution has not yet brought about a complete victory over imperialism is of no decisive importance to the ultimate prospects of the revolution. Generally great popular revolutions never triumph fully in the first round. They grow and strengthen in a series of ebbing and flowing tides. This principle has always applied, including in Russia, and this is what will happen in China."

This prediction was entirely borne out by history in the heroic struggle of the Chinese people. Emerging from the severe test of the civil war between the years 1928–36, the anti-Japanese war of 1936–45, and finally the liberation war against both the American imperialism and the Kuomintang reaction, the great Chinese people achieved its historic victory. The people's revolution proved itself to be immeasurably stronger than the reactionary bloc of the Chinese feudalists and American imperialists.

NEW UNITED FRONT DIFFERENT

Under the new conditions which arose in China following the Second World War and the intervention of American imperialism, the vanguard of the Chinese proletariat contrived once more to establish a united democratic front. This front includes not only the peasant masses but also the small urban bourgeoisie and the national bourgeoisie. The difference, however, between the present united front and that of 1924–27 lies in the fact that at present the question of its hegemony has been finally solved: The proletariat, around which have rallied the bulk of the masses of the Chinese peasants, has assumed undivided leadership in the victorious struggle of the Chinese people against imperialism, feudalism, and capitalist bureaucracy.

As early as 1926 Stalin showed clearly the inevitability of the establishment of the hegemony of the proletariat in the Chinese Revolution. If the main sections of industry are concentrated in the hands of foreign imperialists, said Stalin, the big national bourgeoisie of China cannot but be weak and backward. It follows from this, however, that the role of the initiators and leaders of the Chinese Revolution, the role of leader of the Chinese peasantry must inevitably go to the Chinese proletariat and its party.

The Chinese revolutionaries are successfully putting into being Stalin's statements that the proletariat must win over to its side mass allies even if they are unstable.

There is no doubt that the united democratic front formed and * * * by the Chinese Communist Party is one of the chief factors in the historic victory of the Chinese people. The most notable thing about the Chinese revolution is the fact that China borders on the Soviet Union, whose revolutionary activity and whose assistance cannot fail to facilitate the struggle of the Chinese proletariat against imperialism and against the medieval feudal remnants in China.

The Soviet people, led by the great Stalin, has shown solidarity toward the Chinese people in all the stages of its many years of struggle for national and social freedom. The Soviet Union's defeat of Hitler's Germany and imperialist Japan created decisive conditions for a rapid development and strengthening of the democratic forces of China.

Mao Tse-tung emphasizes the importance of this factor for the victory of the Chinese people, saying: "If the Soviet Union did not exist, had there been no victory in the anti-Fascist war, had, and this is of particular importance to us, Japanese imperialism not been defeated, had the people's democracies not arisen in Europe, then the pressure of the international reactionary forces would of course have been a great deal stronger than now. Could we have sustained our victory under those circumstances? Of course not. Equally, victory could not have been consolidated after its achievement."

Comrade Stalin's works emphasize the leading role of the military factor in the Chinese revolution. In his historic speech on the prospects of the revolution in China, Stalin indicated: "The revolutionary army of China is a supreme factor in the struggle of the Chinese workers and peasants for their liberation. In China it is not a defenseless people that is resisting the armies of the old government but an armed people as represented by its revolutionary army. In China the armed revolution is fighting an armed counterrevolution. This is one of the peculiarities and one of the advantages of the Chinese revolution. In this also lies the particular importance of China's revolutionary army."

The Chinese Communists, [basing] themselves on this splendid analysis of Stalin, in two decades created and trained the Chinese People's Army numbering millions. The Chinese Liberation Army has grown into a mighty force which has smashed the troops of the Kuomintang reaction buttressed by American imperialism. At the head of this army stands the experienced leaders, Mao Tse-tung, Chu Teh, Chou En-lai, and other stalwart revolutionaries.

IMPORTANCE OF MILITARY SCIENCE

They have carried out Stalin's indication that Chinese revolutionaries, including the Communists, must take to heart the matter of studying military science, that they must not regard military science as being of secondary nature.

At the same time Stalin warned the revolutionaries that it is impossible to vanquish the imperialists and the Chinese feudalists by military force (only). Victory over the enemy can only be achieved with the help of the agrarian revolution under the leadership of the proletariat. As is known the Chinese Communists fulfilled this indication too.

Stalin also defined the nature of the future revolutionary rule in China, emphasizing in 1926 that this would be a transitory administration toward a noncapitalist China or, more correctly, a Socialist development of China. It is precisely an administration of this kind that the dictatorship of the Popular Democracy represents.

Speaking about the successes which the Chinese Communist Party achieved in the revolutionary period of 1925–27, Stalin said that these were among other things due to the fact that the party followed the teaching of Lenin. After the 1925–27 revolution the Chinese Communist Party achieved more successes and managed to bring the Chinese people to victory over imperialism and reaction at home. During the years of the Chinese revolution, Stalin said that the revolutionaries' (capacity) is inexhaustible, it has not yet shown itself to the full; this will show itself in the future. The rulers of the east and west who do not see this will suffer.

EXHIBIT 4

MAY 2, 1950.

President HARRY S. TRUMAN,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: We, the undersigned Members of the Senate of the United States, respectfully urge that this Government, in the development of a far-eastern policy, promptly make clear:

1. We have no present intention of recognizing the Communist regime in China; and

2. We shall actively oppose the move by representatives of the Soviet Union to unseat the representatives of the Republic of China and to extend membership to the representatives of the Communist regime of that country in the United Nations.

We firmly believe that a prompt clarification of our position in this matter is in the national interest.

Sincerely yours,

PAT MCCARRAN, GUY CORDON, KARL E. MUNDT, JOHN W. BRICKER, RALPH E. FLANDERS, CHAN GURNEY, W. E. JENNER, G. W. MALONE, JAMES B. EASTLAND, HARRY DARBY, HARRY F. BYRD, FORREST C. DONNELL, HUGH BUTLER, HENRY C. DWORSHAK, EUGENE D. MILLIKIN, LEVERETT SALTONSTALL, HEBBERT R. O'CONOR, CHARLES W. TOBEY, WILLIAM F. KNOWLAND, STYLES BRIDGES, OWEN BREWSTER, MILTON R. YOUNG, EDWARD THYE, EDWARD MARTIN, ROBERT A. TAFT, KENNETH S. WHERRY, ANDREW SCHOEPPEL, HARRY P. CAIN, ZALES ECTON, HOMER FERGUSON, JAMES P. KEM, ROBERT HENDRICKSON, JOSEPH R. MCCARTHY, IRVING M. IVES, JOHN J. WILLIAMS.

EXHIBIT 5

TRYGVE LIE REASSURES RED CHINA ABOUT UNITED STATES AMBITIONS IN FORMOSA

(By Ernie Hill)

LAKE SUCCESS, N. Y., September 2.—The United States is negotiating with Communist China through Secretary General Trygve Lie of the United Nations to head off spread of the war in Asia.

Mr. Lie is contacting Foreign Minister Chou En-lai of Communist China to give him assurances that the United States is without territorial ambitions, even in the case of Formosa, and wants peace.

India and Norway, this correspondent learns, also are in direct contact with top Chinese Government officials in Pieping to try to dissuade Mao Tse-tung from attacking United Nations forces in Korea.

MOSCOW SHORT-CIRCUITED

All of the peace efforts are being channeled direct to Peiping—short-circuiting Moscow out of the picture.

India and Norway are pointing out to Mao that the 53 nations which backed the United Nations police action in South Korea want no war against China.

Should Mao send troops from Manchuria to help North Koreans, the United Nations would find itself at grips with Communist China.

That would place India and Norway, which have diplomatic relations with Pieping, in a difficult position. It would mean that Britain would be at war with Communist China, endangering Hong Kong and Malaya. France would be in the same position in regard to Indochina.

EFFORT AT UNITED NATIONS SEAT PLEDGED

India, it is stated authoritatively, is promising Mao that every effort will be made to seat his representative in the United Nations General Assembly during September.

The United States is giving assurances that it will not veto the seating of Chinese Communists or oppose the change too vigorously.

Mr. Lie is negotiating with Chou-En-lai on the basis of a request made to him by American Delegate Warren R. Austin Thursday.

Mr. Austin asked Mr. Lie to send a note direct to the Peiping Foreign Minister advising him that if American bombers violated the Chinese border the United States is prepared to make full reparations and take disciplinary action.

Mr. Lie, it was stated, has not yet a response from the foreign minister. But an answer was expected early next week.

The "four alarm" effort to call off the Chinese Communists is being pushed on every front where a contact with Peiping is accessible.

President Truman's fireside chat is interpreted as an unusually strong effort to avert war in China.

His emphasis on American faith in the United Nations is considered a promise that the United States will go along with the United Nations majority in dealing with Mao.

The President's statement to the affect that the American Seventh Fleet will be withdrawn from Formosan waters when the Korean war ends is interpreted as a pledge to allow China to settle its own internal differences.

POLICY AND THE PARTIES—ARTICLE BY WALTER LIPPMANN

Mr. McMAHON. Mr. President, I ask unanimous consent that there be inserted in the body of the RECORD a column which appeared today in the Washington Post, written by Walter Lippmann, entitled "Policy and the Parties." I ask unanimous consent that it appear at the end of the speech of the Senator from California [Mr. KNOWLAND], since it bears upon the issues which he discussed. I frequently find myself in disagreement with Mr. Lippmann, but certainly today he seems to me to have put more sense in less space than most of us are capable of doing.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLICY AND THE PARTIES

(By Walter Lippmann)

While it is impossible for the President to engage in an argument with a general, it might mean a lot to our bewildered and troubled people if the great underlying issues could be debated openly, thoroughly, and, let us say, respectfully.

The issues are older, deeper, and broader than the men who at the moment reflect them. They arise from the fact that the United States is a continental island, facing Europe across the Atlantic Ocean, Asia across the Pacific. The question, which takes many forms, is always in the end how far this country can commit itself in one ocean without running grave dangers in the other. The Republicans, with notable exceptions, have favored the Pacific. The Democrats, with exceptions, have favored the Atlantic.

The Republicans were in power during the period of American territorial expansion in the Pacific—the purchase of Alaska in 1867, the annexation of the Hawaiian Islands in 1893–1898, and finally the war with Spain in 1898 which brought Guam and the Philippines under the American flag. This extension of American power and responsibility 7,000 miles west of California was ratified by the Senate with only 1 vote to spare, over the necessary two-thirds. In the next Presidential election Bryan raised the issue of imperialism. Ever since the Republicans have tended to take a special interest in the Pacific there has been an underlying controversy about it with the Democrats.

On the other hand, the Democrats happened to have been in power during the two World Wars. These wars began in Europe and were decided in Europe. That is how the Democrats happened to have become involved in and identified with European affairs.

Between the end of the First World War and the beginning of the second the issue was obscured by the popular revulsion against war and the general disillusionment with the result of the first war. This produced the strange, and in fact, novel, phenomenon of American isolationism. In the Harding-Coolidge-Hoover period the Republicans not only turned their backs on Europe but also on Asia. By agreement with Japan they withdrew American military power from the whole western Pacific, returning to Hawaii. The isolation of Harding, Coolidge, and Hoover was a departure from the historic Republican tradition which had always been one of westward expansion first to our continental limits, then into the Pacific, then across it.

General MacArthur, who wants Formosa, has revived the tradition of his party. One of his embarrassments is that the old guard Republican leaders in Congress are political survivors and heirs of the three isolationist Presidents who disarmed in the western Pacific and withdrew to Hawaii.

The issue of high policy is not now, as it was during the second war, because American military resources are not great enough to support simultaneously a major effort in Europe and in Asia. The problem is often argued as if American military resources were, or could readily be made, quite adequate for a dynamic policy in both directions at once. But few serious students of the problem think they are adequate. General Marshall, more than any other living man, faced the practical question daily of nourishing two wars simultaneously, and no one can speak with comparable experience or with greater authority on the critical question of allocating American military resources. It was General Marshall, as Secretary of State, who in 1947 made the crucial decisions to save Europe by proposing what became the Marshall plan and to give up Chiang by rejecting the Wedemeyer report.

These two historic decisions were made at the same time, and they were complementary, the two sides of the same coin. General Marshall, after a long, close, personal investigation of China, concluded that Chiang could not be saved except at the exhorbitant price which General Wedemeyer's recommendation called for—namely, American protectorate over China, an American underwriting of Chiang's government, and American military intervention in the Chinese civil war. General Marshall's judgment was fiercely disputed at the time and has been disputed since. But the Korean war, which is minute compared with the vast Chinese war, has vindicated beyond all possible dispute the accuracy of General Marshall's judgment. It was in substance that we could save Europe, that Chiang could could be saved only at enormous and incalculable cost, and that we could not do both, and that if we tried both, we should probably fail in both.

This kind of choice always confronts us. It is the price of living between two great oceans. The issue between the two directions of American foreign policy cannot be settled finally and absolutely. We have vital interests in both directions, and among reasonable and responsible men the question is not the one or the other, the Pacific or the Atlantic, but of priority and of more or less and of calculated risks.

We have to make difficult choices, and for my own part I would give first priority to the defense of the Atlantic community. For I believe that if Europe were lost, the loss in the things that mean the most to our civilization would be irreparable. On the other hand, I do not share General MacArthur's view that it is imperative that we should dominate all the ports of the Far East. I think it would be wiser not to claim domain up to the shores of Asia, and not to establish a rigid frontier right under the guns of Asia. I would prefer a less dynamic frontier in the Pacific, with a defense in depth by mobile American forces working from bases where our rights are undisputed, where there is no real doubt of our capacity to defend them and to supply them in case of war.

Mr. SCHOEPPEL obtained the floor.

Mr. MALONE. Mr. President, will the Senator yield so I may insert a number of matters in the RECORD?

Mr. SCHOEPPEL. I am glad to yield, if I may have unanimous consent that I do not lose the floor, for insertions in

the RECORD on the part of various Senators.

Mr. DOUGLAS. I see the Senator has quite a long speech. Would he be willing to yield to me for a short statement?

Mr. MALONE. Mr. President, I believe I addressed the Chair first.

The PRESIDING OFFICER. Does the Senator from Kansas yield; and if so, to whom?

Mr. SCHOEPPEL. I yield first to the Senator from Nevada [Mr. MALONE].

WORKINGMEN — VETERANS — FARMERS — SMALL-BUSINESS MEN STOP COMMUNISM—ADDRESS BY NATIONAL COMMANDER GEORGE N. CRAIG OF THE AMERICAN LEGION—WITH SUPPORTING DATA

Mr. MALONE. Mr. President, I have continually asserted that if communism is to be stopped in this country the workingmen, the veterans, the farmers, and the small-business men must stop it. There is too much New Deal profit sharing in the higher brackets for any dependable opposition to develop.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an address delivered by National Commander George N. Craig of the American Legion, which was broadcast from Washington, D. C., over the National Broadcasting Co. network on Saturday, August 26, 1950, in which the following seven points were emphasized as necessary for a foreign policy:

First. Extend our Monroe Doctrine to embrace the free areas of the world who desire such protection.

Second. Apply ruthless economic sanctions to Russia.

Third. Withdraw American recognition of Soviet Russia.

Fourth. Abrogate the Yalta Pact and any other agreements which Russia has broken.

Fifth. Go to the offensive in the unconventional warfare against communism everywhere.

Sixth. Make communism a crime in the United States.

Seventh. Adopt a program of universal military training.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow Americans, the cost of the Korean war in American lives, blood, and treasure hammers home to us daily the appalling realization that we cannot afford to engage in any more satellite wars as preliminaries should there be a final showdown with Russia.

Korea has opened our eyes to the military might of even so-called second-rate Communists when indoctrinated, trained, equipped and backed by Russia. It has also awakened us to the tragic penalty attached to losing the initiative to those who hate us and plot our destruction.

The terrifying lesson of the Korean war is that no struggles or conflicts or wars, whether they be hot or cold, are ever won by defensive action. Battles and campaigns are won only by militant leadership and aggressive drives.

However gloriously history may record finally the valor of American troops in Korea, in the eyes of the world today our men have been fighting with their backs to a wall. This realization has sent a chill throughout the remaining free world. It has raised the question in the minds of many of our friends and potential allies of whether or not we are safe to be with.

The answer to this question will determine—unless we move fast from now on—who will be on whose side if a showdown comes between the United States and the Soviet Union.

Russia has maneuvered us to the brink of a ghastly world war III by her bold and audacious offensives in every arena of her choosing—the cold war, the ideological war, the psychological war, the political war, and the economic war, and she isn't doing too badly in her first puppet shooting war.

Russia is counting victories in all these wars because she is waging them with vigor and fanatical purpose. These wars are part and parcel of a world-wide master conspiracy of which we, as the last big fortress of liberty, are the main target.

The time has come, the hour has struck, when the United States, if we are to save ourselves and preserve peace and human freedom on this earth, must go on the offensive and hold it.

We must discard the shabby habiliments of a Mr. Milquetoast in our world leadership of democracy and don the armor of a warrior.

America must now take a resolute stand for world peace by compulsion. We have this prevention power. We have the atomic bomb, and we have the industrial might. We can and we must put our manpower behind both.

Let us now announce to the entire world a new American policy—a policy that will wrest the initiative from Russia and stop her Communist steam roller in its tracks.

Here, in my judgment, is the foundation for such a policy:

1. Extend our Monroe Doctrine to embrace the free areas of the world who desire such protection.

2. Apply ruthless economic sanctions to Russia.

3. Withdraw American recognition of Soviet Russia.

4. Abrogate the Yalta Pact and any other agreements which Russia has broken.

5. Go on the offensive in the unconventional warfare against communism everywhere.

6. Make communism a crime in the United States.

7. Adopt a program of universal military training.

MONROE DOCTRINE

If Russia is going to bring on world war III, let us have it upon our terms. We shall fight no more satellites. If Russian puppets start trouble anywhere in this security belt, that will be the signal for our bombers to wing their way toward Moscow. Everybody then will know for what and when we will fight.

SANCTIONS

In attacking Russia with economic sanctions we should immediately demand the abrogation or clarification of the existing nonaggression pacts between England and Russia and France and Russia. We need not worry that Russia will honor these pacts. But we should not leave legal grounds upon which our allies, whom we are financing with billions of dollars, might justify their neutrality in case of a final showdown.

Under the 4-year Marshall plan we have already poured more than $9,500,000,000 into the 16 Marshall-plan countries to rehabilitate them. It will take another $5,000,000,000 to complete this program. This is money coming from the pocketbooks of American taxpayers. These countries are on our payroll and in our budget. American dollars have rebuilt most western European factories.

The ECA countries now have a total of 96 trade treaties, many of them secret, with Communist nations. During 1949 they exported more than $1,098,905,000 of goods to Russia and her satellites. This included everything from monkey wrenches to jet engines, locomotives, tool steel, ball bearings, electronic equipment, tires, machinery, chemicals—in fact, everything that the Russians need to consolidate their gains in eastern Europe and Asia and to fight world war III. I cannot forget—I do not think any patriotic citizen worthy of the name should ever forget—that materials of war bought with American taxpayers' dollars through the Marshall plan are now in the hands of North Korean troops and are being used to kill American soldiers. Since we are financing these Marshall-plan countries, we have a moral right to demand that this trading with our enemies be stopped at once.

We must also ask guaranties from these nations whom we are helping so generously, that they will not recognize any nations that may go communistic in the future.

SOVIET RECOGNITION

The American Legion for many years bitterly opposed American recognition of Soviet Russia. Our 1950 State conventions are now demanding that this recognition be withdrawn. This should be done because Russia has not kept her pledge to refrain from Communist conspiracies within the United States.

YALTA PACT

Pacts are two-way agreements. When one party to a pact reneges, it is stupid for the other party to stick to such a bargain. It has been repeatedly charged openly at the United Nations counsel tables that Russia has broken 68 pacts and treaties in recent years. We should immediately abrogate every pact and treaty we have with the Soviets.

WAGE THE COLD WAR

We have a superior ideological product to sell in democracy. We have not been selling Americanism to the world with the energy and organization with which Russia has been peddling communism, and so we have been taking a licking in this unconventional warfare called the psychological war.

We must stockpile our weapons for this unorthodox warfare just as we do for conventional warfare. They are now dispersed among the different agencies and departments of our Government. Control of the functions of these weapons should be centralized in Washington for global use and direction. There should be a coordination of our political, economic, and psychological strategy and activities so that we can put effective combat teams into action in this vast struggle for the minds of men everywhere. They must be properly equipped and supported even if they operate behind the iron curtain. Only through effective coordination in Washington can we quickly furnish those combat teams with such concrete tools as radios, printing presses, newsprint, experts in industry, economics, education, agriculture, instructors, and equipment for police and military units and schools at home and abroad to train leaders for this unconventional warfare.

OUTLAWING COMMUNISM

The Communists now conspiring and plotting in the United States are the same brand now killing American boys in Korea. Communism is a criminal barbarity and subordination. If we are going to fight for survival against communism abroad, we can't afford to leave a venomous Red fifth column in our rear. Immediate enactment of legislation to wipe out communism in America is a "must" security step. That is why the American Legion is fighting for passage of such measures as the pending Mundt-Ferguson-Johnston-McCarran Communist-control bill.

UMT

Our security and world peace can only be assured by strength. We must couple our atomic bombs and our industrial might with

adequate and ever-replenished trained manpower.

In every human endeavor today the payoff is on know-how. It is a life or death payoff when it comes to the adequacy of military know-how. UMT will create and keep filled a great reservoir of citizen militia trained in the use of the complicated scientific weapons of modern war. This is stockpiling of precious time against all emergencies. UMT is security insurance for the Nation and survival insurance for our young men. Enactment of UMT legislation will have an immediate psychological effect abroad that will be of incalculable value to the cause of world peace. It will be the guaranty of our fighting ability and fighting power.

I have outlined to you a seven-point fighting program whose adoption will demonstrate to the world that we will and that we can deter aggression * * * that we will and that we can defend ourselves * * * and that we will and that we can defeat any aggressor.

If we adopt and vigorously pursue this bold, aggressive policy, we may well find that there will be no shooting showdown with Russia. In its adoption, I am convinced, lies America's best and only realistic hope for world peace.

As chief spokesman for the American Legion, I urge with all the fervency at my command, that our Nation move swiftly for the realization in action of this fighting program to keep America always American, and by so doing * * * with God's help * * * keep the torch of human liberty burning brightly forevermore.

Mr. MALONE. Mr. President, the national commander of the American Legion, Mr. George H. Craig, is to be commended for his forthright statement. The spirit exemplified in this straightforward address resembles the American Legion which I knew and helped organize in 1919 following my return from France.

CHURCHILL'S CHARGE THAT THE BRITISH ARE AIDING RUSSIA—NEWSPAPER ARTICLE

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article headed "Churchill charges British aid Russia," published in the Washington Post of August 27, 1950.

The longshoremen of the eastern seaboard are refusing to unload cargoes from Russia—the veterans are urging Acheson's resignation and the adoption of a sound foreign program in place of the hodgepodge sharpshooting programs now expounded by the administration—and these two groups along with the farmers and the small businessmen are the hope of this Nation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHURCHILL CHARGES BRITISH AID RUSSIA

LONDON, August 26.—Winston Churchill decleared tonight that a British factory is turning out tools for the Russians suitable for the repair of tanks. The Ministry of Supply quickly conceded that several British machine-tool manufacturers are turning out products for Russia.

Churchill said Russian inspectors are admitted into the plant. A Ministry of Supply spokesman said this was true in all the plants engaged in making tools for the Russians.

"Fancy going on like this while everything is getting worse, and when we are literally begging the United States for aid in every form," Churchill asserted. The charge came in a political broadcast in which he accused the Labor Government of infirmity and disconnection of thought and action in shaping defense plans.

He based his statements on information from officials of one of the tool manufacturing plants.

The United States has banned a long list of strategic materials from shipment to Russia and her satellites. The same ban has been applied to nations receiving United States aid.

The United States this week revealed that a British firm transshipped 50 tons of American molybdenum, used for hardening steel, to Russia. Another 150 tons scheduled for shipment here was stopped.

The British Board of Trade asserted the deal was legal but admitted the United States Government is investigating this case.

A spokesman for the Board of Trade said British applies strict export controls and has drawn up its own blacklist of strategic materials for shipment to Communist countries.

It sends such things as steel, electric equipment, and generators under a wartime act.

ECONOMIC SANCTIONS

Mr. MALONE. Mr. President in recommending economic sanctions against Russia, Commander Craig, of the American Legion, demanded the immediate abrogration of the nonaggression pacts which both France and England each have made with Russia and demanded that the 16 Marshall-plan countries cease trading with Russia and the iron-curtain countries through the 96 trade treaties.

The national commander of the American Legion urges that we adopt the program "to keep America always American."

WHY HELP THE ENEMY TO TOSS LEAD BACK AT US?—ARTICLE BY LESLIE GOULD

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Why Help the Enemy To Toss Lead Back at Us?" written by Leslie Gould, financial editor of the New York Journal-American under date of August 25, 1950.

This is the second time in my generation that we have armed our actual or potential enemies—the first time was 1937 to 1941 when we shipped the scrap iron and petroleum to Japan and then sent our boys out into the Pacific to catch that scrap iron in their bare hands coming back out of Japanese guns—and it was not pretty. The second time was in 1948 when we started arming Russia and her satellites through the Marshall plan.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY HELP THE ENEMY TO TOSS LEAD BACK AT US?

(By Leslie Gould)

In light of the Korean developments, trading with Russia and her satellites comes under the heading of dealing with the enemy. If not treasonable legally, it is morally.

Even before June 27, there was no excuse for such trading. But then the State Department was setting the policy, and it encouraged trading with the Russians and the rest of the Red world. The same for the British, and one of the excuses was that if American firms didn't trade with the Reds, the British would get the business.

It was this way with Hitler and Mussolini. Right up to the day before the invasion of Poland, England was shipping copper to Berlin. Before Pearl Harbor, the United States was selling scrap to the Japs, including New York's Second Avenue elevated.

While American boys are dying in Korea under the UN flag and with only token assistance from the nations receiving billions in ECA money, British Malaya is selling rubber to Russia and Czechoslovakia. France is dickering with Moscow for a barter deal which will give the Russians steel, machine tools, precision instruments and chemicals.

The Russians also are buying wool from the British Commonwealth.

Malaya has a suggestion to stop the rubber shipments. This is for the United States and Britain with United States dollars to top any bid Russia or any of the satellites makes. That's good business for British Malaya, but rather rough on the United States Treasury, which means the United States taxpayers.

Quite a few American boys lost their lives in the stinking jungles of the Pacific and a few billion American taxpayers' dollars went into that fight which among other things rescued Malaya from the Japs. And the Korean war is to stop further expansion of the Communists in Asia, of which Malaya is a part.

In the light of what happened in the Pacific from 1941 to 1945 and what is happening today in Korea, it is discouraging to note that Malaya is selling the Reds rubber at the rate of 132,000 tons a year, when pre-1939 Russian purchases were only 27,000 tons.

It explains why an elevator operator in a Wall Street building visited by a group of British flyers commented.

"Why aren't they in Korea?"

One of the weapons in a war, such as this country is fighting almost alone against the Communists, is an economic blockade. Shutting off the aggressor from the world markets. It helps to win the battle. Yet, in this life and death struggle with communism, trade is still being carried on with the enemy. Our allies are doing it and so are we. It can only be done with approval of the United States State Department, where Alger Hiss once was a fair-haired boy.

OFFICIALS HERE BLAME BRITAIN IN MOLYBDENUM LEAK TO REDS—ARTICLE BY PHILIP WARDEN

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article headed "Officials here blame Britain in molybdenum leak to Reds," written by Philip Warden, and published in the Times-Herald of Washington, D. C., August 27, 1950.

Russia produces little or no molybdenum—an indispensable war material—so the British continue to buy it from us and to transship it to Russia.

The British are also selling the Russians tin and rubber from Malaya.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OFFICIALS HERE BLAME BRITAIN IN MOLYBDENUM LEAK TO REDS—LONDON EFFORT TO CREDIT ERROR TO UNITED STATES PROTESTED BY COMMERCE SPOKESMAN

(By Philip Warden)

The Commerce Department yesterday took sharp issue with British Board of Trade officials who implied that the United States was responsible for an American shipment of molybdenum to Britain being transshipped from Britain to Russia.

A Department spokesman said the Department would have no official comment to make on the case until an investigation can be completed. He made it clear, however, that all the facts uncovered so far show that the United States was not at fault. Press statements from Britain Friday quoted British officials in such a way as to imply America alone was responsible.

CONCEDE NO LAW BROKEN

The spokesman agreed with the British officials that the indications are that no law

was broken in the deal that gave a big shipment of this scarce and vital war material, intended for British steel mills, to the Reds. Molybdenum is a steel-hardening agent essential to the production of virtually all munitions.

"These facts are known," the Commerce official said. "An American firm was issued a license to ship a cargo of molybdenum to a firm in England. Naturally, we would not license a shipment of this material to Russia. But Britain is a friendly power, and this shipment was approved.

"Our license applications require the exporter to state who will be the recipient of the shipment, and its final destination. In this case it was a British firm and the final destination was listed as England.

FIFTY TONS SLIP TO RUSSIA

"The molybdenum was shipped from here in May. It was transshipped from Britain in June or July. Investigation shows that approximately 50 tons of molybdenum, having a total value of approximately $45,000, went to Russia."

The Commerce official said that once the shipment of a war material gets to Britain, it is Britain's responsibility and subject to their export controls, if any. The molybdenum was stored in British warehouses before being loaded on a Russian freighter.

Trade sources reported that Britain did not have any export controls on molybdenum at the time the shipment was made, although she does now. The Commerce Department officials observed that if this were true, then British Board of Trade officials are correct in their contention that no laws were broken. He refused comment on whether Britain lacked such export controls over molybdenum.

"AMERICAN TROOPS IN KOREA TO GET MEXICAN BEEF"—ARTICLE FROM THE WASHINGTON EVENING STAR

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "American Troops in Korea To Get Mexican Beef." The article appears in the Washington Star for August 24.

It is not explained why the CCC buys Mexican beef in the first place—but here it is in Korea.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICAN TROOPS IN KOREA TO GET MEXICAN BEEF

American troops in Korea soon will be eating Mexican canned beef and gravy, the Army announced yesterday.

The Army said that 10,000,000 pounds of Mexican meat have been taken over from the Commodity Credit Corporation.

"The meat is urgently needed to meet immediate requirements of troops in the Far East," the Army stated.

"UNITED STATES BLOCKS SHIPMENT OF MISSILE MATERIAL TO COMMUNIST CHINA"—ARTICLE FROM THE WASHINGTON EVENING STAR

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article headed "United States Blocks Shipment of Missile Material to Communist China." The article appeared in the Washington Evening Star for August 25, 1950, and it outlines how an employee of the University of Southern California shipped 1,800 pounds of blueprints and other material to Communist China.

It is of course well remembered that we contrived to furnish the Russians the secret of the atomic bomb through various channels including England.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES BLOCKS SHIPMENT OF MISSILE MATERIAL TO COMMUNIST CHINA

LOS ANGELES, August 25.—The Federal Government has blocked the shipment to Communist China by a California Institute of Technology scientist of 1,800 pounds of material which authorities say contains information relating to missiles and air travel.

A warrant of detention was issued yesterday in Federal court to halt the shipment consigned by Prof. Haue-shen Tsien, head of the Guggenheim jet-propulsion center at Caltech. The Chinese scientist said the matter detained is his personal property.

Max Deutz, assistant United States attorney, said Dr. Tsien's cases contain data on improved techniques on air travel and missiles in the form of documents, code books, signal books, sketches, plans, photographs, blueprints, notes, and other forms of technical information.

PROBE STARTED

"The shipment has been detained because some of the information is classified as secret, confidential, or restricted," said Rov M. Gorin, in charge of the export department of the office of collector of customs here. "A thorough investigation is now being conducted."

"I was planning to go to China," said Dr. Tsien. "Now I am not. I was told by the Immigration Service not to go. I don't know why they are inspecting my property. I don't know the complete story."

HEADED FOR HONG KONG

Leo P. Pogreba, acting assistant collector of customs, said in an affidavit filed with the court that Dr. Tsien tried to export the cases last Monday. He said they were consigned to Dr. Tsien in Shanghai and were to go first to Hong Kong, then be forwarded by an agent. Mr. Pogreba said the shipment failed to comply with the Export Control Act, the Neutrality Act, and the Espionage Act.

The work of Dr. Tsien at Caltech was purely academic, said Prof. Clark B. Millikan, who explained that the Chinese is not connected with Caltech's jet-propulsion laboratory where secret research is under way.

Dr. Tsien, 40, formerly was professor of aerodynamics at Massachusetts Institute of Technology and came to Caltech in 1948.

"CHINA REDS MASS ON KOREA BORDER"—ARTICLE FROM THE WASHINGTON TIMES-HERALD

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "China Reds Mass on Korea Border in Mystery Move," published in the Washington Times-Herald for August 26, 1950.

Mr. Dean Acheson was very frank with a joint session of Congress recently when he said that the United States would not oppose the recognition of Communist China by the United Nations with our veto power.

It will be remembered that the junior Senator from Nevada said on this floor in September of 1949 on the occasion of the debate on the extension of the 1934 Trade Agreements Act that the three-nation conference—Canada, England, and this Nation—was called to divert public attention from the most important debate in a century—and that Mr. Acheson had promised England at that time to follow them in the recognition of Communist China.

The deal now is likely to be for the United Nations to recognize Communist China in return for peace in Korea.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of Saturday, August 26, 1950]

CHINA REDS MASS ON KOREA BORDER IN MYSTERY MOVE

(By Lloyd Norman)

The movement of two Chinese Communist armies in Manchuria to the North Korean border was disclosed here yesterday. Military officials said the move could mean a serious widening of the Korean War to include Red China.

A report of the appearance of the two Chinese armies on the Korean border arrived at the Pentagon through official channels. The size of the armies could not be estimated, nor was it known when the movement occurred.

TWO POSSIBLE MEANINGS

The massing of Chinese Communist divisions in the north could mean:

1. That Red China was preparing to defend its Manchurian border should United Nations troops pursue the North Koreans into Manchuria.

2. That Red China was getting ready to pour troops into North Korea to help overcome the increasing strength of American forces.

An Army spokesman declined to interpret the intent of the Communist move. But others saw it as a gathering storm cloud that bodes no good for the American fighting in South Korea.

The Pentagon also reported that North Korean industry is being moved to Manchuria, apparently to get out of the reach of American bombers.

In Antung, Manchuria, a railroad center on the Yalu River across from North Korea, the Chinese Reds are reported recruiting civilian laborers to move supplies to North Korea. Some 120 heavy tanks, of unknown type, were moved presumably overland by railroad, from the Russian-held port of Dairen, Manchuria, to North Korea in the last 2 weeks of July.

SHIPPING COMMANDEERED

In the Antung area, shipping was being commandeered to move large stocks of military equipment, intelligence reports say. The Manchurian side of the Yalu River was reported being fortified for defense.

Although no estimate was available of the size of the two Chinese armies on the Manchurian border, they probably amount to at least 80,000 men, assuming the minimum of two divisions to a corps and two corps to an army and approximately 10,000 men in a division.

HISTORY OF DEVELOPMENT OF RED PROGRESS IN CHINA, MANCHURIA, AND KOREA—ARTICLE BY GEORGE SOKOLSKY

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article which was published in the Washington Times-Herald for September 5, 1950. The article is by George Sokolsky, and in it he outlines the history of the development of the Red progress in Manchuria, China, and Korea.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THESE DAYS

(By George Sokolsky)

After being suppressed for 2 years, the Wedemeyer report on China was issued in the State Department white paper a year ago, but the pages on Korea were omitted. The ostensible excuse was that the volume of more than a thousand pages that Dr. Philip Jessup prepared was limited to China and

therefore could not include Korea—a conclusion which only a pedant could reach.

To make the record clear the Wedemeyer report was submitted to President Truman in September 1947. It was made public in August 1949. The Korean section is still secret.

The contents of such documents readily become known, however, and it is clear that had General Wedemeyer's advice been respected both as to China and Korea, we should not today be in our tragic situation of defending our honor and dignity.

As I understand it, General Wedemeyer found, in 1947, that the Cairo declaration of 1943, which postponed Korean independence to "in due course," offended all Koreans and caused great resentment because the Koreans expected immediate independence upon the defeat of Japan.

This resentment was increased after the Moscow conference of December 1945, which agreed that Korea should be placed under the trusteeship of the United States, Soviet Union, Great Britain, and China for a period up to 5 years.

After VJ-day, by agreement with the four powers, the Russians, who had not been in the war a week, accepted the surrender of the Japanese in Korea north of the thirty-eighth parallel, which established a barrier between North and South Korea, dividing the country arbitrarily and making a free and united Korea impossible.

The Moscow conference provided for the formation of a provisional Korean government. The United States-Soviet joint commission which was to do this, held its first meeting on March 8, 1946, and adjourned May 28, 1946, without having reached an agreement. The failure was due to the objection of Soviet Russia to all but left-wing elements in Korea.

On May 21, 1947, the joint commission met again, but reached a deadlock in July on the same issue. Considerable correspondence passed between George Marshall and V. Molotov, but led to nothing.

Efforts to establish a provisional government for the whole of Korea failed because Soviet Russia, in possession of North Korea, refused to permit the Korean people, in a free and universal election, to decide for themselves who was to serve in that government.

In South Korea, the United States went ahead with the original plan of an independent Korea, placing Koreans in charge of administrative agencies. A Korean interim legislative assembly was established in December 1946. Simultaneously, north of the thirty-eighth parallel, the Russians established a democratic front government, modeled along Soviet.

My understanding of the Wedemeyer report on Korea is that it severly criticized the native Korean national police in South Korea which was antagonizing the people—all elements of the people.

This body should have been eliminated then and there, but it was not done. This force had been trained by the Japanese and continued to use Japanese methods against their own people. Resentment against them was speedily transferred to the Americans.

From my information, General Wedemeyer reported that if the American occupation forces were withdrawn from Korea or weakened, Russia would be able to organize Korea as a Soviet satellite state.

Yet, we know that the American position in Korea was weakened and that it was State Department policy to withdraw from that country altogether. In a word, our policy subsequent to the Wedemeyer report ignored his judgment and produced the result he anticipated.

In 1947, Soviet Russia had a trained force in North Korea of 125,000 troops, including the Nineteenth Mechanized Division, which used the tanks against us. This we knew in 1947; yet no effort was made to build and equip a comparable force in South Korea. Actually, when to the North Korean forces are added the Manchurian armies, a formidable war machine was ready for action in the summer of 1947.

The importance of all this is not that one man was right and another wrong, but rather that there has been something queer going on, which having the information which Wedemeyer reported in 1947, with recommendations, we did nothing constructive about it, and now have to expend thousands of young American lives to do what was suggested originally. It just does not make sense.

Mr. MALONE. Mr. President, it all fits into a pattern—we deliberately lose Manchuria, China, Korea, and Berlin. We follow the pattern of sometimes apparently unrelated events—but it all adds up to losing strategic areas throughout the world, and to destroying our economic system through the three-part free-trade program of the State Department including the 1934 Trade Agreements Act, the Marshall plan or ECA, and the International Trade Organization.

The objective is the one economic world, then the one political world will follow as a practical matter.

My hope is that we may develop a few men in this Nation who are for the United States of America in the same manner that Churchill is for England, then there will be a starting point for sound negotiations for world economic stability and world peace.

ACTIVITIES OF INTERIOR DEPARTMENT OFFICIALS IN RELATION TO ALASKA—LOYALTY

I. FREE STATEHOOD FOR ALASKA

Mr. SCHOEPPEL. Mr. President, I am somewhat reluctant today to talk about matters that question or might impugn the loyalty of certain officials in the Department of Interior, and the head of that Department as well.

The matter is of immediate urgency in view of the present state of international tension and particularly because of the peculiar activities of departmental officials in relation to the Territory of Alaska.

It is most unfortunate to those who thoroughly believe in a free statehood for the Territories of Hawaii and Alaska that this issue should arise. I myself have always subscribed to my party's platform pledge of statehood for these two Territories. I still do. But I want them to be bona fide States and not adjuncts of the Department of Interior. I do not want to wake up and find a so-called American Quisling doing a job that might be serving the purposes of Soviet Russia.

Make no mistake about this: The Territories of Hawaii and Alaska, if they have earned their right to statehood, automatically have earned their right to freedom from Federal bureaucracy. Let us have free statehood for Alaska.

Second only to the Departments of Defense and State, the security of the Nation against aggression from Soviet Russia lies in the hands of the executives who control the Department of the Interior.

Off Puerto Rico and the Virgin Islands in the last few months Russian snorkel submarines have been sighted on missions which could only be for the purpose of future military activities in the Caribbean. These possessions of the United States are administered, wholly or in part, by the Department of the Interior. Secret snorkel-refueling bases at those points would permit large additions to the munitions loads carried from Soviet waters to the Caribbean.

In Hawaii, according to hearings befor the Committee on Un-American Activities held there in April, it was shown that the Constitutional Convention for Hawaiian Statehood was infiltrated with Communists, and that committee recently was forced to cite for contempt of the House no less than 39 American citizens of Hawaii for refusing to reply to the question as to whether they were or were not members of the Communist Party.

But, of all the possessions of the United States under the jurisdiction of the Department of the Interior, I think military strategists and the public alike will agree that the Territory of Alaska is the most sensitive frontier between the United States and Russia.

American Eskimos and Russian Eskimos paddle back and forth in their kayaks across the narrow straits of the Bering Sea.

The troops normally massed on the Russian side of that sea are known to be 10 times those of the American Army. They are winter-conditioned and Siberian-born and trained.

Alaska could easily prove to be America's military Achilles' heel.

Any disloyalty by American civilian Government employees could prove very disastrous to this Nation, as we found the gang of quislings proved to Norway less than a decade ago.

It is in the light of this serious problem and in view of the fact that whether we like it or not we are practically in a state of war with Communist Russia that I, at this time, find it necessary to raise the questions I am raising today. I have information in my possession, which I shall proceed to present to the Senate, to justify such questions.

However, I wish it to be borne in mind that I do not at this time charge any of these officials with disloyalty, with treasonable acts, or with perjury. I merely ask that the facts which I present, which themselves raise the question, be fully explored and the officials and others involved be permitted to explain how these data, documents, and actions can be reconciled with complete loyalty to the United States.

It is the right of every American to be presumed to be innocent until proven guilty. It is also the right of every American, in the preservation of his country, his life, his liberty and his sacred honor, to take every precaution against the fifth column activities so well developed by the nazis prior to World War II and which may, indeed, be a Russian importation into the United States.

I should now like to introduce the name of John Hampton Randolph Feltus.

The records of the Department of Justice, in room 2218, with respect to registration of agents of foreign principals, show that Mr. Feltus, under the name of Randolph Feltus, 128 East Fifty-sixth Street, New York City, registered as an agent of the Soviet Republic of Poland on October 16, 1946, stating his salary at that time to be $3,000 per month, beginning in September of that year. He explained his services to be those of a public relations counsel. His relationship with the Soviet Republic of Poland continued down through July 1, 1949. In short, Mr. Feltus and his associates represented Poland for a period of approximately 3 years—that is, according to the official record. If there are any other connections with the Kremlin, I have not been able to ascertain them from official records or documents.

The activities of Mr. Feltus have been many and varied and should be the subject of a curious and lively investigation. My point here is only to emphasize that Mr. Feltus could not have been an agent of Poland in America if he had not been also an agent of the Kremlin in America. Puppet Poland takes orders only from Moscow.

During the period to which his registration as an agent of Poland refers, he shared the dubious honor of registration for that nation with the Gdynia-America Line, Inc., of New York City. This is the steamship line which owns the infamous *Batory* which has proven the escape ship of so many Soviet agents, including the criminal spy, Gerhardt Eisler, who jumped bail and was smuggled aboard, to become a leader of east Germany Communists.

This steamship line also was the sponsor of the so-called Polish hour which, because of its subversive tone, was dropped by the broadcasting companies. I should be curious to discover whether Mr. Feltus, an adept writer of radio script, collaborated in the Polish hour.

Next I call attention to the fact that on May 2, 1950, Mr. Feltus filed, under the Lobbying Activities Act, registration as public relations counsel for the Alaska Statehood Committee, Juneau, Alaska, in favor of House bill 331, which was reported in the Senate on June 29, having passed the House on March 3 of this year. This is a matter of public record, of course, and needs not to be documented here.

The question at once arises, Why would this 3-year agent of the Kremlin be employed to promote statehood for Alaska at a time when Alaska is the most sensitive security risk of the Nation in relation to Russia?

What is the Alaska Statehood Committee? According to the Daily Alaskan Empire, issue of March 22, 1949, the territorial legislature in biennial session made an $80,000 appropriation in a bill which provided that the governor, Ernest Gruening, should appoint 11 members to a committee "to study all phases of statehood and submit a chart for statehood to the constitutional convention."

It is significant and important to understand that Governor Gruening of Alaska is an employee of the Department of the Interior, working under orders of Oscar Chapman, Secretary of the Interior.

The Governor, in addition to handpicking his own committee, was made an ex-officio member of the committee, along with Delegate to the United States Congress E. L. (BOB) BARTLETT, and his predecessor, Judge Anthony Dimond. Mr. BARTLETT is a former employee of the Department of the Interior as secretary to the Territory of Alaska, the second highest ranking office in the Territory.

Submitted herewith are photostatic copies, which probably cannot be reproduced in the RECORD but which I have in my possession for perusal by any interested person, of checks on the treasurer of the Territory of Alaska, dated April 3, 1950, for $5,000; April 12, for $1,000; June 1, for $3,000; June 16, for $3,000; and July 18, for $3,000. Substantiating these checks are photostatic copies of the warrants, all of which read "to effectuate the purposes of the Alaska Statehood Committee, chapter 108, SLA 1949."

The recipient of these checks in each instance has been Delegate E. L. BARTLETT. According to the reverse side, he endorsed each one of them for deposit to his credit at the Second National Bank of Washington, D. C., with the single exception of the July 18 check for $3,000, which was counterendorsed by Mary Lee Council, who, according to the list of congressional secretaries, compiled by the Congressional Secretaries Club, is Mr. BARTLETT'S personal secretary.

Not for an instant would I have it implied that these moneys were paid to Mr. BARTLETT for his personal use as fees, and so forth. The assumption is that all or most of the funds went to the only person registered as a lobbyist for the Alaska Statehood Committee, Mr. Feltus. This is a matter which Mr. BARTLETT himself can best explain, not only to the Members of Congress but also to the people of Alaska whose funds are involved.

Of course, Alaska statehood, in principle, is a popular cause. The development of that huge area cannot be promoted, obviously, without unbinding the bonds of bureaucratic control. Capital will not be attracted to an area run by bureaucrats located 6,000 miles away.

Undoubtedly the members of the Alaska Statehood Committee are sincere, earnest, and patriotic Alaskans, and anything I say here must not be taken as a reflection upon any of the citizens of Alaska who were appointed by Governor Gruening.

The $80,000 voted by the Alaskan Legislature to the statehood committee was a part of $5,600,000 of the total appropriation for the biennium which, in June of 1949, was frozen by the Alaska Board of Administration, of which Governor Gruening is chairman, the other members being his cabinet, the attorney general, the Territorial auditor, and the Territorial treasurer. This was because of the dire financial difficulties of the Territory at that time.

It is interesting that as the hearing approached early in March 1950 the Governor's administrative board released or unfroze $25,000 of this fund to be spent in Washington for lobbying. This action was taken despite the fact that the same order releasing the lobbying fund still held in the frozen status funds for loans to veterans that had already been approved. It withheld funds for the juvenile delinquency welfare program of the Territory as well as for many other essential services. This lobby fund was released at the expense of veterans and children of Alaska at that particular time.

I wonder if the people of Alaska know that the man they employed to lobby for their statehood had been for the three previous years the Washington agent for the Kremlin via Moscow?

I wonder if they realize, too, that when they achieve statehood under the provisions of this bill, they will, according to testimony of competent witnesses, still remain under the control of the Federal Government in the three most important industries in Alaska—salmon fishing, mining, and lumbering, to say nothing of fur trapping?

I wonder if they realize that the area of their new State will consist of an infinitesimal percent of the total area of the present Territory of Alaska?

I wonder if they realize what the organization of Randolph Feltus & Associates has, at least until recent months, constituted?

According to hearings of the Un-American Activities Committee and also the foreign agents registration list of the Department of Justice, the "associate" in this instance was none other than a man known as R. T. Miller, also Robert T. Miller, also Robert Talbot Miller, also R. T. Miller 3d, and variations of the same.

I wonder if the people of Alaska know that Mr. Feltus' business associate is the same man who, according to hearings before the Un-American Activities Committee, was dropped from the payroll of the State Department after an FBI report had been evaluated in a memorandum filed on July 26, 1946, to Mr. Donald Russell, Assistant Secretary, from Mr. R. L. Bannerman, Office of Controls, which reads as follows:

> The information developed by the FBI in its current investigation of Mr. Miller supports the conclusion that his continued presence in the Department constitutes a strong risk to the security of departmental functions and to the classified information of this Department. It is recommended, therefore, that his services be terminated in accordance with Public Law No. 490. * * * It is recommended that the services of Mr. Miller be terminated under provisions of Public Law 490. He is regarded as a security risk.

The remarkable power of this man who was regarded by the FBI as a "strong security risk" is indicated in the fact that Mr. Miller was permitted to remain in that sensitive spot until December of 1946, almost 6 months after the report was handed in—and then he was permitted to resign without prejudice, according to his own statement.

Senators will find these references on pages 787 and 798 of the hearings before the Un-American Activities Committee, Eightieth Congress, second session, from July 31 through September 9, 1948, from his own testimony and the records of the State Department. These were the same hearings that developed the treason of Alger Hiss.

I shall not attempt to burden the record here with a detailed account of the career of Mr. Feltus since he came to Washington as chief of the Publications Section, Public Advice and Counsel Office, Office of Civilian Defense, to ballyhoo for fan-dancing in bomb shelters as a means to allay the fears of the American public, a scheme developed by Melvin Douglas and others in the hysterical days of the beginning of the late war. Nor shall I dwell upon the time he spent with Secretary Morgenthau as one of the propagandists advocating the Morgenthau plan which would have made a cow pasture out of Germany and an easy walk to the Atlantic Ocean for the Russian Army.

I do think it significant, however, that apparently by a preconceived design, Mr. Feltus joined with Harry Dexter White, John Pehle, and Lawrence Lesser to resign simultaneously on March 26, 1946. Pehle and Lesser made up a law firm representing, among other things, the satellite state of Rumania. Harry Dexter White suddenly and perhaps inadvertently took an overdose of pills immediately after his name had been brought out in the Hiss case. White was reputedly the author of the Morgenthau plan.

The Feltus plum was later revealed to be Poland, the Netherlands, and—later—the Indonesian Republic, which was at the same time revolting against the Netherlands—an interesting picture of an agent serving simultaneously two masters at war with each other. Apparently the Netherlands Government discovered the dual relationship because soon thereafter Feltus disappeared from their payroll.

There are other curious factors about the relationship between Mr. Feltus and one Matthew Fox, many of which may have no direct bearing on this story.

The question of loyalty in the matter of the Department of Interior and its indirect employment of Feltus goes primarily, of course, to the matter of responsibility for his employment. I have been advised that the deal was arranged between Oscar Chapman, Secretary, and Governor Gruening. I have this fact on hearsay evidence, and I am sure that full disclosure of the matter is required for the public welfare, as well as for the men involved.

II. THE RECLAMATION BUREAU AND SABOTAGE OF FORMOSAN RECOVERY

Very recently the President, as a matter of national defense, assigned to the Seventh Fleet of the United States Navy, depleted and skeletonized though it was, the task of repelling the invasion of the island of Formosa by the Communist regime now controlling virtually all of China. After Korea, Formosa is America's last bastion in the China area.

I call the attention of the Senate to the statement of Gen. Douglas MacArthur which appeared in the CONGRESSIONAL RECORD on August 28, 1950, a part of the statement which was suppressed by the White House in which General MacArthur said, in part:

> As a result of its geographic location and base potential, utilization of Formosa by a military power hostile to the United States may either counterbalance or overshadow the strategic importance of the central and southern flank of the United States front-line position. Formosa in the hands of such a hostile power could be compared to an unsinkable aircraft carrier and submarine tender ideally located to accomplish offensive strategy, and at the same time checkmate defensive or counteroffensive operations by friendly forces based on Okinawa and the Philippines.

With these facts in mind, the Senate should seriously consider the actions of Michael Straus, Commissioner of the Bureau of Reclamation of the United States, as revealed in an article in the national magazine Newsweek, issue of July 17, 1950, by Sam Shaffer of the magazine's Washington staff.

A copy of the article, which is relatively short, is appended as an exhibit, but for the purposes of this review I will present a brief summary, as follows:

First. What Newsweek calls "an incredible story" began in September of last year when the Nationalist Government in Formosa asked an American engineering firm to survey irrigation potentialities on the island in order to prevent its economic collapse.

Second. The Bureau of Reclamation loaned a geologist-engineer specialist named William Gardner, from the Sacramento branch of the Interior Department on a leave of absence of 2 months without pay.

Third. On his findings the Chinese Nationalist Government made a $3,000,000 contract with the company. To raise the cash it sold 30,000 tons of its sugar crop to Greece, which paid in ECA dollars.

Fourth. The American company purchased a million dollars worth of drilling equipment, motors, jeeps, and the like, which were to move immediately for shipment to Formosa.

Fifth. At that time the Office of International Trade in the Commerce Department (a branch in which William Remington, now under indictment for perjury as to membership in the Communist Party, was then an executive) refused to grant export licenses for the machinery. On June 12, 48 hours before the ship for Formosa was to have sailed, the export licenses finally came through. By that time Remington had been indicted, and the Office of International Trade was suspect.

Sixth. The State Department refused to issue passports to the American company for 100 engineers which it required and had available. The Department finally agreed on a third of that number, or 32. On this reduced basis the American company felt that it was imperative to reengage the services of the geologist-engineer, Gardner. He was the only man who knew how to do the job and the only man who could have expedited the project sufficiently to have assured a 60-percent increase in the sugar crop for Formosa at once.

Seventh. Request for leave of absence for this job was promptly granted by the Sacramento office of the Reclamation Bureau but was, with equal promptness, vetoed by Reclamation Commissioner Michael Straus, who then required the State Department approval.

Eighth. The State Department next passed the buck by saying that Gardner could go only as a private citizen, and not as an official of the Federal Government on leave.

Ninth. The final showdown came after Oscar Chapman ignored inquiries from the junior Senator from California [Mr. KNOWLAND] and representatives of the American company called upon Straus only to receive a frigid reception and a flat rejection to their request before it had been offered.

Tenth. In conclusion, even after the President's order for protection of Formosa by American warships, the American company made a final plea as follows:

> This water development program can prevent the economic collapse of Formosa. Should this [collapse] happen, we are arbitrarily permitting the Communists to take the island.

The last I heard of the combined blockade between the State Department-Remington outfit, Oscar Chapman, and Michael Straus, it had been successful in bringing about the collapse of a self-liquidating, cash-on-the-barrel-head deal to revive economic recovery of Formosa at a time when American taxpayers are beginning to wonder what became of their $90,000,000,000 defense expenditures.

I hardly need review the stormy record of Michael Straus, Commissioner of Reclamation. At one time the Congress kept him off the payroll for more than a year for his defiant insubordination of specific directives from the Congress. He has always been known and understood to be an ardent follower of the concept of nationalization of the land, the water, and power. He has been charged as aggressively sacrificing the interests of land owners and water users in bringing water upon the land in the West so that funds meant for reclamation could be used for the creation and promotion of bureaucratic control of this great area of our country.

However, I would like to bring to the attention of the Senate one phase of his career which I believe has not yet been made public, at least not generally.

On the 17th day of December 1945 Straus took the oath of office as Commissioner of Reclamation. This oath is presented in a standard form No. 61A, approved January 28, 1943, by the United States Civil Service Commission under the Civil Service Commission's circular No. 409. It is a standard oath of office accompanied by a standard affidavit of loyalty and a declaration by the signer that he has not made any payment for such appointment. This is a regulation standard form.

Mr. Straus, however, did not place his signature upon this affidavit of loyalty. It was stricken out, although he did sign the regulation oath of office. I hold the oath in my hand, and photostatic copies of it are available for inspection. I should like to read here the form of the affidavit which, if stricken out, would invalidate the appointment of any employee of the United States Government serving under the Civil Service Commission. His job is not under the Civil Service Commission. This affidavit reads as follows:

> Do further swear (or affirm) that I do not advocate, nor am I a member of any political party or organization that advo-

cates the overthrow of the Government of the United States by force or violence, and that during such time as I am an employee of the Federal Government I will not advocate nor become a member of any political party or organization that advocates the overthrow of the Government of the United States by force or violence.

Here are some questions that come to mind in view of the peculiar circumstances of Mr. Straus striking out an oath that any American official should be delighted to sign, an affidavit that he is not a member of, and will not become a member of, any organization which has for its purpose the overthrow of the Government of the United States by force or violence, while he is so employed:

First. Why was it that he was given a standard form of this kind unless he was expected to subscribe to it without objection?

Second. Do all officials of the Federal Government, not obliged by law, sign this same oath of office, and do all of them strike out the oath of loyalty, or did Mr. Straus in 1945 take particular exception to the matter because, had he signed this affidavit, he would have been subject to prosecution under the laws of perjury, as in the case of Alger Hiss and William Remington?

I shall leave to the appropriate investigative agencies of the Congress the question of the association of Mr. Straus with organizations pronounced to be subversive either by the Committee on Un-American Activities or by the Attorney General of the United States. There is information available to them which is not available to me. I have heard many disturbing stories which I will not repeat here without complete documentation.

As will be noted in a discussion of the loyalty of the Secretary of the Interior, Oscar Chapman, which I will take up in a moment, laws passed in 1945 and 1946 required separate loyalty oaths from Mr. Straus. The fact that we have been unable to locate such oaths does not preclude the possibility that they have always existed.

In the light of the stricken loyalty affidavit, Mr. Straus should voluntarily produce these oaths, or a committee of Congress by force of subpena should attempt to discover whether he did execute these two oaths.

Further investigation, in the light of the Formosan deal, should be made to discover if he confined himself strictly to the truth in executing such oaths.

It is important to remember that the Communist Party in America virtually eliminated the issuance of cards to its members in 1945. Hence, the frequently used phrase "card-carrying Commie" has long since become obsolete.

I should like to remind the Senate of the testimony of Lee Pressman before the House Un-American Activities Committee on Monday, August 28, 1950. Mr. Pressman then testified that while holding a responsible position with the Government he was a card-carrying member of the Communist Party. He gave up party affiliation in 1935. Mr. Pressman testified, however, that the determination for a complete ideological break came after much thought. He declared that his severance finally came with the aggression in Korea. I wonder, Mr. President, how many others in Government have not given such thought to the matter or how many have not determined to break completely with such ideologies.

We must use other tests. But in addition to the mistaken idealists who submit to the iron discipline of Communist ideology, there is a large fifth column fringe around the party who are at least as dangerous as the deluded fools who follow Marx from principle, or more dangerous. Many Americans are fearful that there may be a fringe of actually paid traitors or opportunists in and out of Government who place self above country and find it more advantageous to play the Communist Party line than to follow the path of patriotism. This is a phase of the story that should be borne in mind throughout my discussion.

III. THE OFFICE OF THE SECRETARY

In the preparation of the material that I am offering to the Senate today I have had the benefit of investigations made of the Department of Interior during the Eightieth Congress. Frank Bow, who is at the present time one of my legislative assistants, was chief counsel of a subcommittee of the House Committee on Expenditures in the executive departments investigating propaganda and lobbying activities by the executive departments to influence legislation.

Sometime last March I had a discussion with Mr. Bow in which I raised the question as to motives of the Secretary of Interior in so eagerly promoting statehood for Alaska and Hawaii. I pointed out that the Interior Department and its present Secretary have always been power hungry, seeking to absorb the functions of other departments and generally attempting to expand. It seemed a reversal of form utterly inconsistent with the career of the Secretary to advocate legislation which would remove from the jurisdiction of the Department of Interior an enormous section of patronage, control and bureaucratic prestige should these Territories become States.

Now let us look for a moment at the Secretary of the Interior. I was amazed to find, when I examined the oath of office taken on March 27, 1946, under which Oscar L. Chapman became Under Secretary of the Department of Interior, an identical standard form of the type signed by Mr. Straus on December 15, 1945, that, like Straus, Chapman had stricken out the affidavit of nonaffiliation in subversive and Communistic organizations. This oath was taken before the late Wiley Rutledge, Associate Justice of the Supreme Court, which met in one of the revered places of this Capitol Building, in which the Senate is now holding its session. I have a photostatic copy of the oath showing it stricken out, as I have stated.

To begin with, some members of the Interior Department have a scarlet left-of-left record that extends back many years, even to the early days of the New Deal.

One of the Assistant Secretaries, C. Girard Davidson, has a long record of attacking and smearing the Committee on Un-American Activities. He used his official position to blast the Un-American Activities Committee in connection with the Hollywood hearings which resulted in jail sentences for 10 Hollywood Reds. He kept up the drum fire attacking the loyalty program and even had the effrontery to address the White House demanding—if you please, demanding—revision of the loyalty program.

Mr. William Warne, Assistant Secretary, is the reputed father and if not the father, at least the sponsor of the so-called Alaskan development bill, which would create an Alaskan corporation which, by use of Federal funds more liberal than the lax rules of the RFC, would set up State-owned corporations to completely nationalize industry and commerce in Alaska in a fashion more drastic than prevails in Socialist England.

For 10 years now the Interior Department, under three Secretaries has maintained rather consistently on its payroll—according to a letter dated August 14, from the Comptroller General—one H. Stephen Raushenbush, probably the chief prophet of modern American Marxism, and the man who employed and was responsible for Alger Hiss in the key position as counsel for the Munitions Investigating Committee of the Senate back in the thirties. In this position Mr. Hiss is proved to have obtained secret documents from the State Department for forwarding to Soviet Russia.

It is an interesting coincidence that, while Mr. Hiss was a "big wheel" in the State Department, Mr. Raushenbush took war leave from Interior to become one of the naval attachés with the American Embassy at London, a most sensitive post. Remembering also that Mr. Hiss was one of the architects in the founding of the United Nations at the San Francisco Conference, it is interesting to recall that when the Republican Eightieth Congress came in and his tenure with the Department of the Interior became somewhat unhealthy, Mr. Raushenbush became an economist for the United Nations for a period of time.

Returning to Oscar Chapman and the affidavit of nonaffiliation with subversive organizations dated the 27th of March 1946, I have before me a memorandum covering a check of the personal records, files, and publications of the Committee on Un-American Activities dated May 3, 1950, which shows that as early as August 1938—at the time that Alger Hiss was secretly purloining State secrets for Russia—Oscar Chapman, then Assistant Secretary of the Interior, was a member of the American League Against War and Fascism. This outfit has been officially branded as a simon-pure and unchallenged transmission belt of the Communist Party in America.

On October 25, 1939, the list of membership in this organization still retained the name of Oscar Chapman, even though at that time Stalin had made his unholy alliance with Hitler.

In 1940 Chapman sponsored a meeting under the auspices of the Washington chapter of the Descendants of the American Revolution—not to be confused for one moment with the Sons of the American Revolution—the educational director of which organization, one Howard

Selsam, was at the time an instructor of the Communist Party's workers school in New York.

On a letterhead dated October 27, 1942, Oscar Chapman is listed as a patron of the Congress of American-Soviet Friendship cited, in March 1944, as a Communist front by the Un-American Activities Committee.

Letterheads of the Congress of American-Soviet Friendship dated November 6, 1943, and again on March 18, 1946, continued to list Chapman as a sponsor of this fifth-column group.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I may say to the distinguished Senator from Wyoming that I should prefer not to yield until I have completed my statement. I have not very much more.

Mr. O'MAHONEY. The Senator has made a rather serious charge, and because of the fact that at the beginning of his speech he said that he did not wish to charge public officials with disloyalty, and I am reading from the mimeographed copy of the speech——

The PRESIDING OFFICER. Does the Senator from Kansas yield?

Mr. SCHOEPPEL. I will yield for this one question, and then I shall be glad to yield when I have concluded my statement.

Mr. O'MAHONEY. Does the Senator decline to yield now?

The PRESIDING OFFICER. No; the Senator said he would yield for one question.

Mr. SCHOEPPEL. I yield.

Mr. O'MAHONEY. I was explaining the reason why I trespassed upon the Senator's kindness. The Senator on page 3 of his statement said:

> I wish it to be borne in mind that I do not at this time charge any of these officials with disloyalty, with treasonable acts, or with perjury. I merely ask that the facts which I present, which themselves raise the question, be fully explored and the officials and others involved be permitted to explain how these data, documents, and actions can be reconciled with complete loyalty to the United States.

On page 24 the Senator has just said that, "Oscar Chapman, then Assistant Secretary of the Interior, was a member of the American League Against War and Fascism."

Would the Senator be interested in knowing that Mr. Chapman in January was examined under oath before a subcommittee of the Eightieth Congress by Representative CLARE HOFFMAN, and that under oath he denied membership in that organization?

Mr. SCHOEPPEL. I may say to the Senator that I am merely referring to what the actual letterheads of these organizations show. I am documenting my statement from the standpoint of the actual facts and circumstances. I obviously do not want to depart from my prepared script. I hope, and I am assuming that when these various and sundry gentlemen were before the Un-American Activities Committee in pursuance to the questions which were asked them, they made full and complete disclosures. At this stage of the game, however, I am documenting what the chronological, historical facts are with reference to what some of these organizations carried on their letterheads.

Mr. O'MAHONEY. Would the Senator be interested to know that his distinguished predecessor, former Senator Arthur Capper, had his name also upon the letterhead of that Congress of American-Soviet Friendship?

Mr. SCHOEPPEL. I have been so informed on a number of occasions. In fact, I have photostatic copies of it, I will say to the Senator from Wyoming.

Bear in mind that March 18, 1946, was only 11 days prior to the day Mr. Chapman took the oath of office as Under Secretary of the Interior and overtly omitted signing the affidavit of nonaffiliation with subversive organizations.

The National Council for American-Soviet Friendship—successor to the Congress of American-Soviet Friendship—was listed by Attorney General Clark as subversive, according to press releases of the Civil Service Commission dated December 5, 1947, May 28, 1948, and September 21, 1948.

Mr. Chapman attended a dinner given by the Washington chapter of the Southern Conference for Human Welfare as recently as April 7, 1947, according to the files of the Un-American Activities Committee. This organization, in the report of the committee dated June 12, 1947, was declared to be a subversive organization. I append the entire memorandum which is replete with additional references which show conclusively the strong and close personal alliance between the Russian Soviet cause and the present Secretary of the Interior, who is now urging Alaskan statehood through his own efforts and those of Randolph Feltus, until recently a registered agent of the Warsaw-Moscow axis.

I now present an oath taken by Mr. Chapman on July 16, 1947, in which he swore that he at that time belonged to no subversive organization. In this I presume the records will substantiate him. Had he not signed such an oath he could no longer have remained Secretary of the Interior. He may have simply resigned from these front organizations and gone underground to preserve his official position, which was so valuable to himself.

The public is entitled to know the exact date or dates on which, and the methods by which the Secretary purged himself of connections with subversive organizations which would qualify him to sign without question the affidavit of July 16, 1947.

I now refer Senators to an act of Congress entitled "First deficiency appropriation bill, 1946," signed by the President on December 28, 1945—Public Law No. 269, Seventy-ninth Congress, first session—section 301 of which reads as follows:

> SEC. 301. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penal clause shall be in addition to and not in substitution for, any other provision of existing law.

Under this provision the Under Secretary of the Interior should have made an affidavit had he wished to present a prima facie case of innocence of directly or indirectly advocating revolution against the constituted Government of the United States. I have no knowledge of such an affidavit.

It was not compulsory upon the Secretary to have signed such an affidavit. The language of the law merely states that an affidavit would constitute a prima facie case of loyalty. Perhaps Mr. Chapman felt that he did not care to make a prima facie case by means of this affidavit, or perhaps there is one in existence.

A strong case might be made for Mr. Chapman if such an affidavit could now be produced, provided such an affidavit, on the basis of the evidence in the hands of the Select Committee on Un-American Activities did not show that when he signed such an affidavit he had perjured himself.

At this point I recall attention of the Senate to the required affidavit of July 16, 1947, under another law enacted in the interim—Public Law No. 478, Seventy-ninth Congress, second session, approved July 1, 1946—but containing essentially the same provisions as the affidavit permitted in section 301 above, with the additional affirmation of the nonstrike provisions, and that the affidavit was compulsory.

The question raised here is pointed. It is apparent from the record that on July 16, 1947, Mr. Chapman had purged himself from all open connections with the subversive organizations with which he had previously been identified and could sign such an affidavit without jeopardy of perjury.

Here are questions that can only be answered by a committee of the Congress armed with the powers of subpena, delving into the files of what now seems to be a most reluctant executive department:

Question No. 1: Did Mr. Chapman comply with section 301 of Public Law No. 269? If so, where is his affidavit?

Question No. 2: If he did so, why did he find it necessary or convenient, expedient, or by design, to strike out the affidavit of allegiance—affidavit (B) of the oath of office?

Question No. 3: If he signed the affidavit of nonaffiliation required under section 301, did he commit perjury and is now a subject for grand jury investigation along with Remington and Alger Hiss?

Question No. 4: Had he signed the affidavit of allegiance in the oath of office standard form on March 27, 1946, would he have committed perjury?

Question No. 5: Why, if the whole page of the oath of office form was not in-

tended to be signed, was such a form submitted to him for signature, thus forcing him to call signal attention to the fact that he crossed out the selected paragraph having to do with his relationship with subversive or Communist-dominated organizations?

Question No. 6: Was he in fact forced by this regulation form to choose between the alternatives of perjury or exposure?

Question No. 7: What has been his correspondence and personal relationship with Randolph Feltus? Was he or Gruening, or a Bartlett, or were all three of them, responsible for the retention of Feltus to lobby for Alaskan statehood?

Surely Mr. Chapman owes it to the country to make a full explanation on these pertinent questions, and I for one hope that he can do so.

Moreover, in the light of the questions I have raised here, the loyalty of many patriotic Americans in the Department of the Interior has been put under the shadow of doubt. The Congress owes it to these patriotic Americans to clear them of such doubt. I have directed letters of inquiry to the appropriate officials on the appropriate committees of Congress, with the suggestion that these doubts be cleared at the earliest moment, and that if persons are found whose loyalty cannot be cleared, whether their position is high or low, they be eliminated from the Federal service.

Mr. O'MAHONEY. Mr. President, as I think all Members of the Senate know, I am chairman of the Committee on Interior and Insular Affairs, the committee which has jurisdiction over the Department of the Interior and over all matters affecting the Territories. It was this committee which reported the statehood bills which have been mentioned here today.

SECRETARY CHAPMAN ANXIOUS TO ANSWER SENATOR SCHOEPPEL'S CHARGES

I have listened with the greatest attention to the address delivered by the Senator from Kansas. I wish to assure him that, after having received earlier this afternoon a mimeographed copy of the speech he has just delivered, I communicated with Secretary Chapman and asked him if he would have any reluctance in discussing this matter before the Committee on Interior and Insular Affairs. I am glad to assure the Senator from Kansas and the Senate as a whole that the Secretary of the Interior is most anxious to appear.

As chairman, I shall undertake to convene the committee so that Secretary Chapman may appear and to testify under oath. I shall also ask the Senator from Kansas if he will be good enough to be present and to assist the committee with any documentation he is able to supply in addition to that which was included in his speech this afternoon, as to the very grave charges he has made.

Mr. President, during the delivery of the speech of the Senator from Kansas, I interrupted him to ask him whether he knew that Mr. Chapman was examined under oath on this matter before a subcommittee of the House Committee on Education and Labor of the Eightieth Congress. The printed record of those hearings, including the sworn testimony of Secretary Chapman, is to be found in volume 1201 of the House committee hearings, and that volume is to be found in the Senate library.

The occasion for that session was an investigation of the GSI strike which had recently taken place. The record indicates that the hearings began on Tuesday, January 20, 1948.

On page 21 of the hearings, I find the following:

Mr. HOFFMAN. Is Mr. Chapman here?

Following that, we find this statement by Mr. HOFFMAN:

Do you solemnly swear that the testimony you are about to give shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CHAPMAN. I do.

Thereupon, for two pages of the testimony, Mr. Chapman was queried about the cafeteria strike. Then the inquiry turned to the allegations of membership in subversive organizations.

Mr. HOFFMAN asked a few preliminary questions. Then, as appears on page 24 of the hearings, Representative WINT SMITH of Kansas, asked the following questions:

Have you ever been a member of the American League Against War and Fascism?

Mr. CHAPMAN. No.

Mr. SMITH. Have you ever been a member of the American League for Peace and Democracy?

Mr. CHAPMAN. No.

Mr. SMITH. Did you ever sponsor the American Council for American-Soviet Friendship?

Mr. CHAPMAN. Yes; my name was used as a sponsor.

Let me say parenthetically, Mr. President, that the American Council for American-Soviet Friendship is the same organization to which I referred when I asked the Senator from Kansas to yield, and when I inquired if the name of his distinguished predecessor, Senator Arthur Capper, also appeared upon the letterhead, the Senator from Kansas readily agreed.

I read further:

Mr. SMITH. Did you sponsor——

Mr. LUCAS. Mr. President, will the Senator yield at this point?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. Did the Senator ever hear anyone charge Arthur Capper with being a Communist or affiliating or associating in any way with any Communist organization?

Mr. O'MAHONEY. Of course not.

Mr. LUCAS. He was truly a great American.

Mr. O'MAHONEY. Of course.

Mr. President, the inquiry to which I have referred continued as follows:

Mr. SMITH. Did you sponsor a Soviet Russian Day dinner on the twenty-fifth celebration of the Red Army?

Mr. CHAPMAN. I don't recall, Congressman, that I did.

Mr. SMITH. Have you been a member of the Society of Soviet Russia Day, and were you one of the speakers to welcome Soviet flyers?

Mr. CHAPMAN. No.

And so it continues, with questions and answers.

The following appears on page 27 of those hearings:

NO IMPUTATION OF DISLOYALTY IN 1948 INVESTIGATION

Mr. HOFFMAN. Of course, you understand in asking you these questions, there is no intimation carried that the answer is one way or the other.

Mr. CHAPMAN. It is perfectly all right, Congressman.

Mr. HOFFMAN. Many are accused of many things, and sometimes there is a foundation and sometimes there is absolutely none.

Mr. CHAPMAN. The FBI made a very careful check-up after that, of which I have no resentment whatsoever; I was glad they did. That report was filed.

Mr. HOFFMAN. There are many organizations that people belong to, that at the time they joined * * * were supposed to be something different from what they afterward turned out to be.

Mr. CHAPMAN. That is right.

Mr. HOFFMAN. You don't know of any organization that might be called a leftist organization or a front organization for the Communist Party to which you ever belonged or were ever affiliated with in any way?

Mr. CHAPMAN. No; not at all.

Mr. HOFFMAN. I think that is all. That ought to clear the record.

Mr. President, there was the judgment of Representative CLARE HOFFMAN of Michigan, chairman of that subcommittee, after he and Representative WINT SMITH of Kansas, had interrogated Secretary Chapman, under oath, before the House committee, early in the Eightieth Congress. The Eightieth Congress never pursued the matter. It now comes up.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. I should like to make this observation with respect to Representative HOFFMAN of Michigan. I served with him in the House of Representatives. I can assure the Senate, knowing CLARE HOFFMAN as I do, that if there had been any subversive activities involved in connection with the Secretary of the Interior, Mr. Chapman, at that time, CLARE HOFFMAN would have found it out, because CLARE HOFFMAN is a very ardent Republican; he has been strictly anti-New Deal, anti-Fair Deal, and has done everything in his power, as a Member of the House of Representatives, to place the Democratic administration in a bad light, from the time he came to Congress until now. I say that with all due respect to him, because I am a friend of Mr. HOFFMAN'S, and I know his feeling about the Democratic Party and the philosophy it represents. I know how extremely conservative he is, and I know what he would do, if he could, to any particular Democrat who might come before his committee. If CLARE HOFFMAN found Mr. Chapman to be all right, then certainly he must be all right.

EVIDENCE NEEDED TO PROVIDE TEXT OF OATH ADMINISTERED

Mr. O'MAHONEY. Mr. President, as I listened to the speech of the Senator from Kansas I noticed on several occasions his reference to the oath of office which was taken by certain officials of the Department of the Interior. I noticed particularly the language which the Senator used in carrying the implication of deliberate intent to suppress a portion of the oath. On page 28 of the

mimeographed copy of Senator SCHOEPPEL'S speech I find question No. 5:

Why, if the whole page of the oath of office form was not intended to be signed, was such a form submitted to him for signature, thus forcing him to call attention to the fact that he crossed out the selected paragraph having to do with his relationship with subversive or Communist-dominated organizations?

I should be very happy if the Senator from Kansas would submit to the committee, or submit to the Senate now, any evidence he may have that the Secretary of the Interior himself struck anything from any oath.

I noticed in the earlier part of the Senator's speech that he referred to the fact that this oath was administered by a Justice of the Supreme Court, Justice Wiley Rutledge. It is rather difficult for me to believe that any person signing an oath which had been administered by a member of the Supreme Court of the United States would have been permitted to strike any language from the oath. The Senator from Kansas has said that he has a photostatic copy of a form which was signed. I assume that the photostatic copy shows some language stricken. That may be the case. But when Secretary Chapman appears before my committee to respond, as he has told me he is very ready and anxious to do, I shall try to find whatever evidence there may be to show who struck that language out, and whether as a matter of fact there is any evidence to show that the Secretary of the Interior did in fact strike it out.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. SCHOEPPEL. Does the distinguished Senator from Wyoming mean to indicate that the photostatic copy does not show that?

Mr. O'MAHONEY. No. What I am pointing out is that the Senator from Kansas has given the clear implication that the Secretary of the Interior himself deliberately struck certain language from an oath form. I ask the Senator, Does he have any information that Mr. Oscar Chapman struck any language from the oath?

Mr. SCHOEPPEL. Mr. President, if the Senator will yield——

Mr. O'MAHONEY. Certainly.

Mr. SCHOEPPEL. I may say that a photostatic copy of the oath, taken before the distinguished Justice of the Supreme Court of the United States, bearing Mr. Chapman's signature, shows a portion of the oath clearly stricken out. I have other photostatic copies which I shall be happy indeed to turn over to the Senator from Wyoming.

Mr. O'MAHONEY. I shall be very glad to have them. But I may point out that the Senator has only restated what I have said. He has a photostatic copy of an oath form. But the clear implication of his speech was that Secretary Chapman himself struck certain language. So now I ask the Senator, Does he know who struck out that language?

Mr. SCHOEPPEL. I may say to the Senator from Wyoming that all I know is that Oscar Chapman signed that oath before a Justice of the Supreme Court of the United States.

Mr. O'MAHONEY. Very good.

Mr. SCHOEPPEL. And it shows on the photostat that a portion of it was stricken out. I should assume that no man holding the responsible position which the Secretary holds would ever sign it if he did not authorize its being stricken out or did not see to it that it was stricken out.

Mr. O'MAHONEY. It is clear from the Senator's answer that he draws an inference, and his statement is a pure assumption. I shall try to get the evidence.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am glad to yield.

Mr. ANDERSON. I have a recollection of taking an oath of office, which was administered to me by Justice Wiley Rutledge because he had lived in my home State. I do not recall his having me make any affidavit that I did not belong to a subversive organization. If I had a signed copy of the affidavit presented to me which carried the language carried in that one, I would have stricken it out because I did not swear to it at that time. I think that subsequently there was such an affidavit presented. I want to ask the Senator from Wyoming whether, under the circumstances, if Justice Wiley Rutledge, administering the oath that he thought was proper, only asked him to swear to a certain thing, he should have signed something, then, which he had not sworn to.

Mr. O'MAHONEY. I may say to the Senator from New Mexico that I personally called the Secretary of the Interior this afternoon, after having received this copy of the Senator's mimeographed and widely distributed copy of the bill of particulars. I asked him whether he knew anything about any language having been stricken from any oath of office. He said he did not. That was his personal conversation with me over the telephone from this floor. But he told me then that he was asking the Solicitor for the Department of the Interior to make a complete file of all the oaths that had been signed. He said he would be very willing and ready to appear before any committee to answer these charges under oath. I am very happy that he did so, because I think it is quite obvious that in the remaining weeks which are ahead of us before election day there will be many charges attacking the loyalty of Democrats. But I am quite sure that the names of Republicans in public office, who could be attacked may be associated in exactly the same way for actions as innocent, will never be mentioned.

BELIEF IN RUSSIA'S GOOD FAITH PREVALENT IN WORLD WAR II

I would not have mentioned the name of the great Senator from Kansas, Mr. Capper, had it not been for the fact that it was his successor who was drawing inferences from membership in an organization to which Senator Capper belonged. I believe, with Representative CLARE HOFFMAN—and I am now quoting Mr. HOFFMAN:

There are many organizations that people belong to that, at the time they joined, were supposed to be something different from what they afterward turned out to be.

But, Mr. President, I stood upon the Senate floor in the large Chamber from which we have been temporarily banished, when Members of the Senate on both sides rose cheering whenever the news came of a Russian victory.

At that time we believed that Russia would help, and we were sending, in accordance with the votes of all Members of the Congress, arms and munitions to the Russians to help them defeat Hitler. For myself, let me say, because I want the RECORD clear, that personally I believed it was a great mistake when the Soviets were permitted to enter the war against Japan, because I felt we already had the Japanese beaten. I did not have any confidence in the future intentions of Soviet Russia. But I did not want to say, "Now that we have had a war with Hitler, and have won it, and are winning the war with Japan, let us keep the boys in uniform and go and fight Russia," because all over this country a great call was rising to bring the boys home.

Mr. LUCAS. And to save the boys.

Mr. O'MAHONEY. Yes. I have noticed in connection with the attacks which are now being made that no thought is given to dates. When was this organization formed to which former Senator Arthur Capper allowed his name to be attached as a sponsor? It was formed at a time when, perhaps in a rather childlike mood, we were hoping that Russia would cooperate with us to establish peace.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield .

Mr. LUCAS. Does the Senator remember what Gen. Dwight Eisenhower said in Moscow, in the presence of members of the Diplomatic Corps and high officials of Russia, that there was no reason why Russia and America could not be friends forever? That is practically what he said.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. LUCAS. That is what everyone believed at that particular time.

Mr. O'MAHONEY. That, of course, is a little bit aside from the point I am now trying to make.

Mr. LUCAS. I agree with the Senator.

Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. Does the Senator believe that there could be any politics at all in this attack upon the Secretary of the Interior at this particular time?

Mr. O'MAHONEY. Well, Mr. President, politics takes strange forms from time to time. The Senator from Illinois may be correct; there may be some politics involved.

Mr. LUCAS. I am wondering whether there might be a little politics involved in this attack. From what the Senator read a moment ago with respect

to what happened in the House of Representatives in the Eightieth Congress, I am wondering why this attack comes along at this late hour, just before the November elections. I know the Senator from Kansas [Mr. SCHOEPPEL] is a highly patriotic man, and he is a sort of nonpartisan. He would not do anything to the Democrats unless he had a good chance. I hope it is not politics. I thought possibly the Senator from Wyoming might comment on that point.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. In a moment.

It is true that Communists have pursued the policy of infiltration. It is true that they tried to mine and sap from within. It is true that they tried to take advantage of the innocence of democratic peoples and democratic governments. In Hungary they were so confident of what was going to happen that they made no campaign in connection with the election which was held there, and when, much to their surprise, they found that the Small Farmers' Party had won the election and had created a free government, the Communists resorted to their true policy and overthrew by force and violence the government which had been established by the votes of the people.

So, Mr. President, because I know that to be the fact, I say again to the Senate that it is my purpose as chairman of the Committee on Interior and Insular Affairs to go into this matter and call witnesses under oath. I asked one of the members of my staff, who was on the floor when I first found a copy of this speech, and read the statements made about Mr. Feltus, whether that man had appeared before the committee. I happened to be ill at the time the hearings on Alaskan statehood were being conducted and was not able to attend all of the hearings. I never heard of any man by the name of Feltus around the committee. But the Senator from New Mexico was good enough to preside over those hearings while I was ill, and since he is sitting here now, I ask him whether any man by the name of Feltus appeared before the committee to testify while he was acting as chairman of the committee?

Mr. ANDERSON. No one by that name appeared to testify, and no one by that name ever talked to me. I conducted the hearings from beginning to end.

Mr. O'MAHONEY. I thank the Senator.

Mr. President, I wanted Mr. BARTLETT to know what was being said about the fact that certain checks had been sent to Mr. BARTLETT and were endorsed and deposited by him, and Mr. French reported to me just a few minutes ago that Mr. BARTLETT voluntarily expressed the desire to be permitted to appear before our committee and to testify with respect to this matter Mr. Feltus as well as with respect to the funds which he may have received in connection with the campaign to bring about statehood for Hawaii and Alaska.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. It would be reasonable to suppose that perhaps Mr. Feltus would at least get acquainted with the majority leader of the Senate with respect to Alaska and Hawaii. I want to say that the first time I ever heard the man's name was when I heard the statement made by the Senator from Kansas. So Mr. Feltus apparently does not have the influence around the Capitol that some persons attribute to him.

This is rather important, in view of the statement which I read while I was home over the week end with reference to certain Republican Senators criticizing the senior Senator from Illinois for not bringing up the Alaska and Hawaii statehood bills. There were half a dozen Republican Senators who took a pot shot at the Senator from Illinois, while he was out of reach, for his failure to bring those bills to the floor of the Senate. In view of the fact that the House is not coming back until next Monday, and will be in session next week, there may be an opportunity to vote on the bill before Congress adjourns.

Mr. O'MAHONEY. I was rather puzzled at the statement of the Senator from Kansas that he is a supporter of statehood. He feels that the Republican platform was right when it declared for statehood for Hawaii and, I think, for Alaska, and he apparently sympathizes with the purpose, but, somehow or other, he seems to want the inference drawn that the Secretary of the Interior, who advocates statehood, must be doing it for some ulterior purpose.

But that is neither here nor there. I want the Senator to know that, as chairman of the committee having jurisdiction of the subject, I shall call a hearing, shall ask for testimony, shall welcome the cooperation of the Senator from Kansas, and we shall let the chips fall where they may.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BUTLER. The name of Feltus has been brought into the debate. It is a new name to me. I am not acquainted with the gentleman; I do not know who he is or what he is; but, apparently, from the testimony given by the Senator from Kansas, he is a registered lobbyist, and no doubt has a perfect legal right to call on Senators or others who might help him in the cause for which he is working at the time. I was about to suggest that when the Senator from Wyoming calls the hearing he should have Mr. Feltus present. There may be others whom it might be well to call before the committee and examine at the same time.

While I am on my feet I should like to say something with respect to the remarks of the Senator from Illinois [Mr. LUCAS]. I know of no one on this side of the aisle who is not ready to consider the Alaska and Hawaii statehood bills at any time the Democratic Policy Committee wants to bring them up. There were no brakes put on them.

Mr. O'MAHONEY. I am very happy to hear the Senator from Nebraska make the statement. The policy committee, if I may say so in the presence of the majority leader, has not had the opportunity to consider the matter formally because of the tax bill, the one-package appropriation bill, and the McCarran antisubversive bill. As I have told the press on numerous occasions, I intend to ask the Democratic Policy Committee to make these statehood bills the unfinished business as soon as we get the pending business out of the way.

Now let me say, Mr. President, that I have asked Mr. French of our staff to make a search of the files of our committee. Mr. French was cooperating with the Senator from New Mexico [Mr. ANDERSON] and the Senator from Nebraska [Mr. BUTLER] throughout the hearings on the question of statehood for Alaska. I wanted to know whether Mr. Feltus had ever appeared before the committee, or had ever addressed any communication, either written or oral, to the committee. Mr. French has just handed me a note:

> There appears no communication in the committee files from Mr. Feltus. He has never, to my knowledge, been in the committee room. I did not stop work on Alaska statehood and never heard his name mentioned until today.

That is the record of the committee, and I want to make it clear, because I desire the RECORD to show that, whatever Mr. Feltus may have done for Alaskan statehood he did nothing for the Committee on Interior and Insular Affairs of the Senate.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. I am very grateful to the Senator from Nebraska for the position he takes on Alaskan and Hawaiian statehood. It has been my understanding that the Senator from Nebraska was one of the Senators who was absolutely opposed to the admission of these two Territories into the Union as States. I may be wrong, and if I am I hope the Senator will correct me.

Mr. BUTLER. I think my position is understood, but I am only one member on the minority side, and all of us together are still in the minority.

Mr. LUCAS. Yes. With respect to Mr. Feltus, if I may make an observation, I do not know the man. The Senator from Wyoming does not know the man. The Senator from New Mexico does not know him. However I understand that the Senator from Maine [Mr. BREWSTER] does know him from his connections with the Indonesian affair, and perhaps the Senator from Maine can testify in his behalf, because they did some work in connection with Indonesian matters, which I understand was very satisfactory.

Mr. O'MAHONEY. If the Senator from Maine will pardon me, the Senator from Colorado has asked me to yield to him, and I will yield to him now.

Mr. JOHNSON of Colorado. I wish to express my appreciation to the chairman of the Committee on Interior and Insular Affairs for the forthright statement he has made. I appreciate the fact that he will explore the matter carefully. I am very certain, knowing Mr. Oscar Chapman as well as I do, and as long as I have known him, that he will come out of the hearing with flying colors. I

have no doubt of that whatsoever. However, I appreciate the fact that this investigation will be made and made promptly, and that the matter will be cleared up. These are very serious charges, and they should be cleared up. The way to handle a matter of this kind is exactly the way the chairman of the committee is proposing to handle it. He proposes to handle it forthrightly and immediately.

Speaking about Mr. Feltus, I know Mr. Randolph Feltus quite well. He has been lobbying in Congress for some time. He has talked to me a great many times about the Indonesian situation. At a later time he appeared before some of us on behalf of Colonial Airlines when they were in some trouble with respect to losing a part of their lines or a part of their service. He appeared before the Committee on Interstate and Foreign Commerce with respect to that matter. I know Mr. Randolph Feltus quite well, and I see him quite often. At no time has he talked to me about Alaska or Hawaii, or any of the subjects which are before us at the present moment.

Mr. O'MAHONEY. I thank the Senator. I am not at all surprised by the statement he has made. I now yield to the Senator from Maine.

Mr. BREWSTER. As the majority leader has said, I have known Mr. Randolph Feltus, as the Senator from Colorado has, in connection with the Indonesian matter, in which he was very active for some time. I never had any question that he was duly accredited. I never looked into it myself. I supposed his activities were very well known, and they were very creditable so far as I was familiar with them. I think the Senator from Illinois and most of the other Senators on the majority side joined in accepting the amendment I had proposed to the ECA bill a year ago, which contemplated the achievement of independence by the people of Indonesia. That has been the very happy consummation of the activity, to the very great gratification of those familiar with the subject. I think the Senator from Colorado [Mr. JOHNSON] shared that viewpoint, as well as many other Members on the majority side of the aisle.

Mr. O'MAHONEY. Does the Senator understand that Mr. Feltus was an advocate or a lobbyist for Indonesian independence?

Mr. BREWSTER. That was my understanding. I never checked up on it. Certainly he was very active in the matter, and he is a man who is quite familiar with the ropes around Congress, so I have taken it for granted that he was, as I said, duly accredited.

Mr. O'MAHONEY. May I ask the Senator from Maine whether Mr. Feltus in conversation with him ever talked to him about statehood for Alaska?

Mr. BREWSTER. Yes; he has talked about Alaska. I did not have the privilege of hearing the discussion on the floor with respect to this subject, so I do not know what is involved. However, I have seen Mr. Feltus several times, and he has said he was active in behalf of statehood for Alaska. As I understand from the Senator from Nebraska, Mr. Feltus was a duly registered lobbyist for statehood for Alaska. He did not talk to me particularly in persuasion. He mentioned the fact that he was representing advocates of statehood for Alaska, and doing what he could in that behalf.

Mr. O'MAHONEY. In order that the record may be clear, I ask the Senator to state whether or not he is a member of the Committee on Interior and Insular Affairs, well knowing what the answer will be.

Mr. BREWSTER. No; I am not a member of the committee.

Mr. O'MAHONEY. So Mr. Feltus in his lobbying for statehood for Alaska did not appear before the committee or speak to any of the members of the committee. The Senator from Nebraska [Mr. BUTLER] has stated that he never heard of him before. So Mr. Feltus did not try to do any work either with the advocates or opponents of Alaskan statehood who are members of the committee.

Mr. BREWSTER. I think the Senator from Wyoming is not so naive as to believe that necessarily influence is brought to bear only directly, as it would be when calls are made. Mr. Feltus is primarily a public relations man, and he achieves results by a certain amount of indirection. The Senator from Wyoming may have fallen under his general influence without his being conscious of it.

Mr. O'MAHONEY. I am afraid that if the Senator from Maine did not use the influence after his conference with Mr. Feltus I am perfectly immune.

Mr. ANDERSON. Mr. President, I do not care to detain the Senate long, but I do wish to say a few things in reference to the Alaskan statehood situation, particularly as it is outlined here. In the beginning I think Mr. Feltus may or may not have been active, but I would call attention to the fact that the Senate bill, which was a parallel bill to the House bill, was sponsored by quite a distinguished company. I say that since I was not a member of that company. However, the Senator from Tennessee [Mr. KEFAUVER] introduced it for himself and in behalf of the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. PEPPER], the Senator from Alabama [Mr. SPARKMAN], the Senator from Utah [Mr. THOMAS], the Senator from Vermont [Mr. AIKEN], the former Senator from Connecticut, Mr. Baldwin, the Senator from Indiana [Mr. CAPEHART], the Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Maine [Mrs. SMITH], and the Senator from New Hampshire [Mr. TOBEY]. I am quite sure that if Mr. Feltus was as active as has been indicated he would probably have been to see some of the gentlemen I have mentioned, but I doubt if he was.

As a matter of fact, in the hearings there were only two governors of States, as I recall, who appeared before the committee, and if they were inspired by anybody operating from the Kremlin, it is utterly impossible to believe it, because they were two extremely fine citizens, separated from one coast of the country to the other. One of them was the very distinguished Governor of California, Governor Warren. The other was the promising young Governor of New Jersey, Governor Driscoll. I am sure that if the Alaska Statehood Commission caused such men as that to appear, it was not acting under any influence that was in any way improper.

We had testimony from a number of distinguished persons, but all the way through there was never a time when, to my knowledge, at least, this man Feltus ever showed himself in the hearings. I believe that when we come to a hearing before the Committee on Interior and Insular Affairs, it may be revealed that Feltus did submit a proposal to Delegate BARTLETT some years ago, that among the clients he listed was the Indonesian Government, and that when the Statehood Commission funds were released the secretary of the Alaskan Development Board checked with the Indonesian Government, and Feltus was recommended most highly as a very decent person. Thereupon, Delegate BARTLETT and Governor Gruening hired him on behalf of the Statehood Commission. He was not hired by the Secretary of the Interior at all; he had no part in it. That was about March 25. Subsequently they found out that he had been previously retained by the Polish Government, and promptly released him. So when the committee has hearings we will be able to find out exactly what part he played.

I believe that that portion of the statement on page 12 which says "that the deal was arranged between Oscar Chapman, Secretary, and Governor Gruening" is absolutely incorrect. I have been so advised by the Secretary of the Interior, and so advised by Delegate BARTLETT, and I am sure that Governor Gruening, if he were here, would so advise me.

I regret indeed that in the statement of the Senator from Kansas some things have been said about Alaskan statehood which I think are unfortunate. In the statement there appears on page 9, this paragraph, speaking of the people of Alaska:

> I wonder if they realize, too, that when they achieve statehood, under the provisions of this bill, they will, according to testimony of competent witnesses, still remain under the control of the Federal Government in the three most important industries in Alaska—salmon fishing, mining, and lumber, to say nothing of fur trapping?

I call attention to the language of the bill, subdivision (g). I shall have to refer to the pages of the printed bill as it was reported by the committee, and which is Calendar No. 1932. There it is pointed out that—

> All real and personal property of the United States situated in the Territory of Alaska which is specifically used for the sole purpose of conservation and protection of the fisheries and wildlife of Alaska, under the provisions of the Alaska game law of July 1, 1943, shall be transferred and conveyed to the State of Alaska by the appropriate Federal agency.

I omitted certain citations. I could go on through the other items and show that control over mining and over timbering is not taken way from the State.

To be sure, it is true that we have an international agreement about seals and where we have international agreements, obviously the Federal Government must act, and there is a provision to that effect. That includes not only fur seals, but would probably include halibut, which we discovered had been overlooked.

I am only trying to suggest to the distinguished Senator from Kansas how badly he has been taken in by somebody. I read these words to him, reading from page 9, the bottom of the page:

I wonder if they realize—

That is, the people of Alaska—

I wonder if they realize that the area of their new State will consist of an infinitesimal percent of the total area of the present Territory of Alaska?

I may say to him that it will include 100 percent, and this is the first time I have ever known that 100 percent was an infinitesimal fraction. Somebody has been feeding our distinguished friend with an awful line of goods.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SCHOEPPEL. Does the Senator contend that of the total area of Alaska, which is 365,000,000 acres——

Mr. ANDERSON. Three hundred and sixty-five million four hundred and eighty-one thousand acres.

Mr. SCHOEPPEL. The total acreage will be granted to the State, assuming that the statehood bill shall pass?

Mr. ANDERSON. I only remind the distinguished Senator that that was not what he said in this message prepared for this afternoon—

I wonder if they realize that the area of their new State will consist of an infinitesimal percent of the total area of the present Territory of Alaska?

I submit to him that 100 percent of the present area of the Territory of Alaska, under the terms of the bill as reported by the Senate committee, would be the area of the new State.

Mr. BUTLER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I will yield, but I should like to go on and say that the Arizona statehood bill did not grant to the State all the acreage within it. If the Senator from Arizona were on the floor he would admit that 80 percent, or nearly that, of the State of Arizona, is owned by the Federal Government. There is nothing unusual in the fact that not all the land within a Territory is granted to the people of the Territory when it becomes a State. I live in a public-land State. The distinguished Senator from Idaho lives in a public-land State. There are many public-land States in this country, and of the 365,481,600 acres in Alaska, it is true that not all of it, and not a large amount of it, is granted to the State.

Mr. BUTLER. Under the terms of the bill on the calendar a total of 21,000,000 acres, plus, or a total of 6 percent, is granted to the State.

Mr. ANDERSON. The important thing is that whoever made the suggestion to the Senator from Kansas did not inform him properly when he said that the total area of the new State would be only a fraction of the total area of the present Territory.

I could go through some other things in the statement which I should like to comment on, but I do not think I shall do so. I shall only say that there are many things in connection with this debate this afternoon which I regret.

I do not know why Mr. Straus did not sign a proper loyalty oath, if he did not, but I think the simple thing would be to ask him. I should not like to think that at some future date someone might produce the oath which I took as Secretary of Agriculture, administered to me by the same distinguished judge who administered the oath to Oscar Chapman, and because I did not swear that I did not belong to a subversive organization, find subsequently somebody trying to associate me with Alger Hiss and Lee Pressman and many other people.

I say that when the oath of office is administered today to an Undersecretary of the Interior, an Undersecretary of Agriculture or Secretary of Agriculture, or an Undersecretary of Commerce, it usually follows a short but simple form, with very few words. Perhaps subsequently another oath may be presented. How much of that the officer signs I do not know. But I do know what oath the Members of the Senate take; and if Senators will read that oath, they will find that they do not take an oath that they do not belong to a subversive organization. This is the oath a Senator takes:

I solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter: So help me God.

I wonder if subsequently we would like to have someone point out that we did not take the nonsubversive oath in connection with that; and if so whether it was because we were afraid that we would subsequently be convicted of perjury because we belonged to some other organization? No, I think that when Secretary Chapman appears before the Committee on Interior and Insular Affairs he will be able to explain what oaths were presented to him. He will be able to explain what he has done, and the organizations to which he has belonged. I say that out of a long acquaintance with him.

Secretary Chapman, like so many people who lived originally in other sections of this country, found that his health carried him into the Rocky Mountain area, as it did me. He found that at a subsequent time he wanted to come into the State in which I lived, the State of New Mexico. He came there and attended the University of New Mexico as a student. The people who knew him there recognized him as a fine, decent, clean American, of whom they could be proud. It is significant, Mr. President, that one of the things we are most proud of in connection with the present Secretary of the Interior is not only that he lives in the neighboring State of Colorado—we wish we could take him away from Colorado—but we are proud of the fact that he has lived in our State, and that so many of us know him.

So when it was proposed that there should be an examination of the grazing lands, and that the Taylor Grazing Act was to be passed by the Congress and an administration in furtherance of it set up in the Department of the Interior, the livestock people of my State who knew Oscar Chapman were unanimous in supporting him to be the administrator of that agency, they wanted it placed under his control in the Department of the Interior. Their faith in him was never betrayed. They found him to be a fine, a clean, a decent administrator.

Mr. President, when the word came that the Secretary of the Interior, Mr. Krug, was leaving the Department, even though I had found in him a strong personal friend, it was a matter of great joy to me when I realized that the administration of that great Department would be in the hands of Oscar Chapman. I voted for his confirmation in the Senate of the United States. I worked as hard as I could to see that he was properly received before the Senate Committee on Interior and Insular Affairs. There was, I am happy to report, no contest there. Had there been one I would have done my very best stanchly to defend him and fight for him, because I believe in him. I am not afraid to stand up and say that I am his friend.

Mr. MURRAY. Mr. President, I merely wish to join my colleagues on this side of the aisle in expressing my confidence in the integrity and patriotism of the Secretary of the Interior, Mr. Chapman, whose name was brought before the Senate a few minutes ago.

I think it is a great misfortune that we should have to go into the hearing which the Senator from Wyoming indicates we are about to have, because I know exactly what the result will be. I recall that when Mr. Chapman was before our committee for confirmation as Secretary of the Interior not very long ago, he was questioned at some considerable length at that time, and the result of that hearing was that he received the unanimous endorsement of the committee. I am sure the new hearing will establish the complete record of integrity and patriotism which he has made as a Government official.

I regret very much, also, to think that in view of the great emergency confronting us we have to devote so much of our time to wild pursuits of this kind. A short time ago I read in the newspapers about a meeting of psychiatrists held in the city of New York, and the article stated that the psychiatrists dwelt upon a phenomenon being manifested throughout the country, namely, that people are indulging in wild accusations of one another and bringing charges sometimes without a shadow of foundation. One of the psychiatrists stated that the mental condition of the American people is apparently becoming

greatly impaired; he said only a very small percentage of people in America have a completely balanced mentality. In fact, he said the United States, at the rate it is going, is gradually becoming one grand transmogrified lunatic asylum.

Mr. President, I think the matter before the Senate this afternoon justifies that conclusion. Here is a man of the highest integrity, of great ability, a man whom I believe to be one of the ablest Secretaries of the Interior the United States has ever had. Yet he is being called before the bar of a Senate committee, charged with being a possible Communist sympathizer. I regret to see these charges brought before the Senate at a time when we are facing a serious national emergency.

ATTAINMENT OF ECONOMY THROUGH TRANSFER OF EMPLOYEES

Mr. HENDRICKSON. Mr. President, in almost every speech which has been made on the floor of this Senate since June 25, some reference has been made to the Korean incident, and properly so.

Certainly it must now be obvious to all of us that this unfortunate and sorrowful event foretells a future which, to say the least, is not pleasant to think upon.

It is my considered opinion, Mr. President, that the present war in Korea marks the beginning of a period in our national history in which every man jack of us is going to be called upon for a higher degree of patriotism and ever greater personal sacrifices than we have known before.

But because our people, in their greatness, will respond to this call unselfishly and with the same heroic spirit with which they have always met our national crises down through history, their readiness to serve and give should not be taken for granted. Indeed, the knowledge that they will respond upon and beyond the call of duty, doubles and trebles the responsibilities of their duly chosen representatives and those who are administering their Government.

Thus, we of the Congress, as we call upon our people to pour out from their hard-won earnings, additional billions of dollars that we may better protect and defend their precious heritages and their property, must scrutinize with ever increasing care the unnecessary costs in all governmental functions. It is of little use that we should have a strong Defense Establishment if our internal structure is weak. It is imperative that we establish and maintain a strong economy if we are to survive.

So, Mr. President, whatever savings can be effected without jeopardizing essential services of government, those savings must be among our objectives throughout the era to which I refer.

Already, since our commitment to the war in Korea, we have observed some trends which must be curbed, otherwise the awful cost of providing our defenses will only serve to make them useless. Today, I shall not labor the Senate with a résumé of the trends I have in mind, but I do wish to treat specifically and emphatically with an outstanding example of some of the things we must do to conserve, not only our assets but also our manpower.

Recently it was announced by the Department of Defense that some 250,000 additional civilian employees would be engaged to meet the needs of our expanded armed services.

This proposal totally ignored the fact that it might be possible to provide these employees from existing agencies of government where functions will be curtailed, either because they are nonessential or because they are not as essential as the Defense Establishment.

Mr. President, time and circumstances have not permitted me to have a complete analysis made of the number of employees in the Federal Government who could be assigned to the Defense Establishment from other governmental departments without impairing the functions and activities of those departments, but I know from long experience that in time of war, and we are at war, both Government and industry lose valuable employees to the armed services for whom there can be no replacement and somehow they find a way to carry on. So we must learn in the crisis ahead to find ways and means to conserve, even though some individuals may be inconvenienced by the doing thereof.

Mr. President, as the junior Senator from New Jersey read the notice of this planned increase of the public payroll, I wondered what the taxpaying public might be thinking and I also wondered what the reaction of the GI's in Korea would be when they heard of it.

If we expect to have the continued confidence of our citizens, if we expect their wholehearted cooperation and support, if we expect them to mobilize their efforts and their energies in the support of the things their government demands, then we too much so mobilize the programs of government that they will be completely free of such things as political patronage, payroll padding and expediency based upon purely political considerations.

I do not for a moment, Mr. President, say that additional employees will not be necessary but it seems to me that before any such announcement as that to which I have referred, is made on so broad a scale, efforts first should be made to find, through our great civil service system, where transfer can be made with advantage both to the Government and to the employee, and I am sure that this has not been done in this instance.

While we are removing the profiteers and hoarders from our midst through wage and price control, let us also at least curb to the limit those trends which would add desk warmers and drones to our already staggering Federal payrolls.

To this end, Mr. President, on behalf of myself and the Senator from Nebraska [Mr. WHERRY], I send to the desk a resolution which has for its effect the attainment of economy through the transfer of employees wherever possible, rather than the addition of new ones. Sir, I concede that this resolution is far from perfect, but certainly it is a move forward and in the right direction.

I am hopeful that the committee to which it is referred will carefully consider its worthy objectives and that as a result of their studies, will perfect it to the degree where our great Government in these perilous times may be able to save millions of dollars without impairing the efficiency of any of its operations and functions.

Mr. President, I ask that the resolution in question be appropriately referred.

The resolution (S. Res. 342) submitted by Mr. HENDRICKSON (for himself and Mr. WHERRY) was referred to the Committee on Post Office and Civil Service, as follows:

Resolved, That it is the sense of the Senate that—

(1) in carrying out the provisions of section 607 (b) of the Federal Employees Pay Act of 1945, during the fiscal year ending June 30, 1951, the Director of the Bureau of the Budget should so determine the numbers of full-time civilian employees, and the full-time equivalent of part-time employment, on the basis of the relative needs of the various departments, establishments, and agencies of the Government for personnel, that the aggregate number of such civilian employees (including the full-time equivalent of part-time employment) will not exceed the aggregate number of such employees (including the full-time equivalent of part-time employment) on June 30, 1950;

(2) vacancies authorized to be filled in the Department of Defense may be filled by the transfer of personnel from other departments, establishments, and agencies of the Government.

DEATH OF JAMES E. FRASER, SPEAKER OF THE NEW JERSEY HOUSE OF ASSEMBLY

Mr. HENDRICKSON. Mr. President, last week the State of New Jersey lost one of its outstanding legislators and one of the Nation's most prominent sportsmen in the untimely passing, at the age of 34, of James E. Fraser, speaker of the New Jersey House of Assembly. He was a native of Atlantic County, the county he so ably represented in the New Jersey Assembly since 1946. His friendly spirit and keen appreciation of his fellow citizens' needs earned for him the high honors he attained in such a relatively short period in public life. Although afflicted with an incurable and ravaging disease, he possessed the indomitable courage and almost superhuman will to exert himself in the interests of his people and to earn the great honors bestowed upon him by the great State of New Jersey. As a member of the War Manpower Commission in 1942, vice president of the Professional Golfers Association, and president of the Atlantic County Cancer Fund, he was ever willing and able to do his bit to make this a better world to live in. He has left behind him a splendid record as a legislator and public servant, which will serve as an inspiration to the youth of my State and the youth of the Nation. Truly, Sonnny Fraser, as he was affectionately known to thousands throughout the Nation, gave his all, physically handicapped as he was, to be of service to his fellow men.

UNITED STATES-RUSSIAN RELATIONS; COALITION GOVERNMENTS

Mr. BREWSTER. Mr. President, I am sorry to detain the distinguished acting

majority leader and the Presiding Officer, who have listened with such patience and diligence and understanding. Our troops on each side of the aisle seem to be somewhat depleted at this hour; but there is no one who could more intelligently understand the matter to which I wish to address myself briefly, than they.

I wish first to read a quotation, and then to make a comment upon it. The quotation is as follows:

> It seems that the people of America will, in some form or other, extend their dominion and their power until they shall have brought within their mighty embrace multitudes of the islands of the great Pacific.
>
> And I think too that eastward and southward will her great rival in future aggrandizement (Russia) stretch forth her power to the coasts of China and Siam; and thus the Saxon and Cossacks will meet once more, in strife or friendship on another field.
>
> Will it be friendship? I fear not.
>
> The antagonistic exponents of freedom and absolutism must then meet at last, and then will be fought that mighty battle on which the world will look with breathless interest.
>
> On its issues will depend the freedom or the slavery of the world—despotism or rational liberty must be the fate of civilized man.

The foregoing quotation comes from the remarks of a naval officer, made before the American Geographical Society. The name of the officer is Commodore Matthew Calbraith Perry, United States Navy; and the speech was made on March 6, 1856.

Mr. President, it is, to me, very interesting that at that time, nearly a century ago, there was foreseen with prophetic vision the situation which now seems to loom ever menacingly on the horizon. I am sure all will agree that America faces another of the great challenges of her career.

In meeting that crisis, as crises have been met on other occasions, all Americans are naturally concerned.

Under the Anglo-Saxon parliamentary system of Britain, the British have been accustomed to adopt a coalition government, by which the leaders of each party in Parliament have joined together in the Government, as was done under the leadership of Lloyd George and under the leadership of Winston Churchill.

Here in the United States, during the last war, we tried a tentative experiment of that character, when President Roosevelt very magnanimously invited Mr. Knox and Mr. Stimson to his Cabinet—one a defeated candidate for Vice President in 1936, the other a distinguished Cabinet officer under several Republican administrations.

I think it is not well suited to the genius of our institutions, since, contrary to the parliamentary practice in Britain, these men are necessarily subject to some doubts as to their representative character.

We now have John Foster Dulles and John Cooper, former Senators, associated in some degree with the present administration. I think it will be no disparagement of the distinguished service or merits of the four gentlemen I have named, to recognize that in some measure they come to their colleagues on the Republican side somewhat suspect. They have been selected by a President in the due exercise of his power; and they have been given a great office, with high honors and prestige; and they owe some obligations of personal, political character which we recognize. On the other hand, they are members of a great political party. So, they are constantly torn between two contending loyalties, if we may use the term without derogation of the common loyalty which all of us owe to the Constitution and to the Government of the United States.

As I have observed this matter in the experience of the last war and in the crisis into which we are now so obviously moving, it has more and more come home to me that there is a method by which this coalition may be achieved under our democratic form of government—although I prefer to use the words republican form of government, since our Constitution guarantees a republican form of government. So, if I may, I prefer to refer to it as the republican form of government.

Mr. President, we recognize that Democrats, as well as Republicans, go to war. We recognize that Democrats, as well as Republicans, pay taxes. We recognize that Democrats, as well as Republicans, endure all the dislocations to our economy incident to a great crisis of this character. But as I have contemplated the genius of our institutions—and we may draw an illustration from our rather recent experience—a coalition in government, which is the strength of the Anglo-Saxon concept, may be achieved very readily under our particular constitutional form, if the great electorate of America should decide this November to elect a Republican Congress to cooperate with a Democratic President, who necessarily will be in office during the next 2 years. The suggestion that we should not swap horses while crossing the stream does not apply, since the President is not at the present time challenged.

I point back to 1947 and 1948 when we had such an association, and when the Marshall plan was conceived and began to function, when the ECA was brought into being, when Greek and Turkish aid was initiated, when the European arms aid program was conceived, under the initial suggestion of the Senator from Michigan [Mr. VANDENBERG], the chairman of the Foreign Relations Committee. All of those programs, we recognize, in varying degrees have served the interests of this country, certainly to deter for the present difficulties in Europe which are so obviously apparent in Asia. Meanwhile, in Asia, the very contrary has been the case, as I think is generally accepted. There has been little or no consultation in the formulation of policy in the Orient with the representatives of the minority party in the Government, and certainly the results are not such as to commend themselves to a furtherance of that program.

Mr. President, what I am about to say may of course be subject to the suggestion of political or partisan consideration, but I offer it in all earnestness, as a sober and serious expression and I do so now because I may not be able to appear again before the Senate shall adjourn or recess, on account of my imminent departure for the meetings of the Inter-Parliamentary Union, in Dublin. I express the hope that as we move into the complete mobilization of our resources, material and human, and recognize that we are possibly settling down for a long grind for the next 5 or 10 years, and face the sacrifices which are necessary, the American people will attain the degree of cooperation which has always been achieved by Americans in periods such as this.

I am somewhat reassured in making the proposal here tonight because of the three distinguished Members of the majority on whom I am looking, none of whom will be immediately involved in the proposal which I am now making, which I think presents what I hope may be considerations that may move the people of America in the challenging problems which we now face.

Mr. O'MAHONEY. Mr. President, the Senator from Maine has made a very stimulating suggestion. I listen to him now, as always, with a great deal of interest, because his thoughts are clear and he expresses himself very forcefully and lucidly. I was a little surprised, therefore, to have him say that John Foster Dulles, formerly a Member of the Senate, and John Sherman Cooper, a former Member of the Senate, both Republicans, are now a little bit suspect because they have taken office under a Democratic administration. I am sure the Senator did not mean it exactly that way. The Senator is well aware that when the opportunity was afforded to select an ambassador to the United Nations, the President of the United States chose another former Senator, a Republican, our distinguished friend, with whom both the Senators from Maine and I were associated for many years, the Honorable Warren R. Austin, then Senator from Vermont.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I yield.

Mr. BREWSTER. I would call attention to the distinction that Senator Austin went as a Member of the Senate, from which he retired in accepting it. My comment on Mr. Dulles and Mr. Cooper. I was quite careful to say, was not at all disparaging to their merits or to their loyalties. But any man accepting an appointment of that character, particularly when he does not occupy an office within the sufferage of his party, has a divided and dual allegiance, which does present some problems. I am sure these gentlemen themselves have all recognized it in their discussions with us, which we have had in recent months, as did Mr. Knox and Mr. Stimson. So this is only a somewhat academic discussion, although it might have implications.

Mr. O'MAHONEY. Yes. I am aware of the fact that Mr. Stimson and Mr. Knox were condemned by members of their own party for having accepted the very high trust which was reposed in them by the President of the United States, and which was discharged by each, I may say, with the greatest fidelity. Senator Austin, likewise, has

discharged the duties of his very responsible position with great ability and complete loyalty to basic American principles. I think we can all be proud of the part Senator Austin has played the part that former Senator Dulles and former Senator Cooper have played, and the part that was played by Secretary Stimson and Secretary Knox before them.

I think it is a great pity that there should be a suggestion of suspicion against a man belonging to one party accepting an appointment at the hands of the President of another party when a great crisis faces the Government.

The difficulty here, Mr. President, as I see it lies in the fact that the division of opinion with respect to foreign policy really is independent of the old conditions which brought forth the Democrat and the Republican Parties. There is division on both sides with respect to the Marshall plan, so-called, or ECA. Republicans criticize it. Democrats criticize it. But the opinion of most of the people of the United States, I am sure, is that we should extend economic aid toward the rehabilitation of Europe in the hope of preventing a disastrous and world-shaking third world war, by building up better standards of living for the people everywhere.

With respect to whether we should concentrate first on Europe or first upon Asia, or whether we should undertake to carry on this policy in both hemispheres, that raises a question which has no partisan or political relationship at all, it seems to me, as to how far we can venture to extend our economic assistance. I have looked with favor upon the policy which was designed to promote economic strength elsewhere for the purpose of giving more muscle to the arms of freemen, wherever they may be, and whatever their race. That is one of the reasons why I have supported in this crisis the concept of statehood for Hawaii, the concept of statehood for Alaska. I have believed that in both instances the statehood bills, if enacted, will convey a message of hope and cooperation to peoples throughout the world.

But, Mr. President, a discussion such as the Senator from Maine has just made always stimulates one to make some comment. It is now getting on to 9 o'clock.

Mr. BREWSTER. Mr. President, will the Senator permit one word more?

Mr. O'MAHONEY. Yes, indeed.

Mr. BREWSTER. I was much interested in the comparison between Asia and Europe. I hope the Senator from Wyoming will agree that heretofore the policy of America for many years has been that of the open door in China, and that we really fought World War II as a result of Secretary Hull's resolute refusal to recognize the Japanese domination of China. That was the real economic cause, as we developed in the Pearl Harbor investigation. The whole philosophy of that policy was that no power—Asiatic, European, or American—should dominate China. In the past 5 years I am sure the Senator will agree with me it looks as though that policy had entirely been dissipated as a result of recent policies, without discussing their wisdom, to the effect that Russia is certainly the dominant influence in China, that the open door is closed, that our policy of 50 years, from John Hay to Theodore Roosevelt and Cordell Hull, right down through, is gone, and that what we are going to do to redress the balance, only the future can say in this crisis.

Mr. O'MAHONEY. That is the result of the development of our times. Great powers have been disappearing. Only two great powers now remain, Soviet Russia and the United States. The Soviets are operating upon the totalitarian theory of arbitrary dictatorship. We are operating upon the Democratic-Republican theory of free individuals who control their government instead of being controlled by any dictators who may take over such a government. I do not think that anyone who gives serious thought to what has been going on in the United States and what the policy of the Government has been, with the support of the Senate and of the House, feels that there is anywhere in the United States any significant movement for the establishment of totalitarian theories in this country. I think the people of America must realize that, without respect to partisanship, we the people of the United States, in office and out of office, are dedicated to the principle of popular sovereignty, and that we are working toward that end.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Stephen E. Rice, of Florida, to be a judge of the Tax Court of the United States, vice William W. Arnold, resigned, which was referred to the Committee on Finance.

RECESS

Mr. O'MAHONEY. Mr. President, I move that, in accordance with the order previously entered, the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 8 o'clock and 51 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Wednesday, September 6, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate, September 5 (legislative day of July 20), 1950:

TAX COURT OF THE UNITED STATES

Stephen E. Rice, of Florida, to be a judge of the Tax Court of the United States, for the unexpired term of 12 years from June 2, 1944, vice William W. Arnold, resigned.

HOUSE OF REPRESENTATIVES

TUESDAY, SEPTEMBER 5, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. WALTER.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and eternal God, who hast been our guide and companion, our refuge and strength, in all our yesterdays, may the memory of Thy great goodness inspire us to enter faithfully and courageously upon the tasks and duties of each new day.

Fortify us against those specters of fear and faithlessness which haunt and assail us when our minds are baffled and our hearts are burdened. Grant that we may seek more eagerly the counsel of Thy divine wisdom and the consolation of Thy love when we are tempted to surrender to cynicism and despair.

Show us how our beloved country, so richly endowed by Thy grace, may be the glorious channel through which there shall flow, as a mighty stream, the blessings of freedom for the oppressed, enlightenment for all who walk in darkness, and joy and hope for the weary and heavy ladened.

We offer our prayers of praise and petition through the merits and mediation of our blessed Lord and Saviour. Amen.

The Journal of the proceedings of Friday, September 1, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8920. An act to reduce excise taxes, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 3905) entitled "An act to amend section 3121 of the Internal Revenue Code, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. BYRD, Mr. JOHNSON of Colorado, Mr. MILLIKIN, and Mr. TAFT to be conferees on the part of the Senate.

The message also announced that the Senate had adopted the following resolution (S. Res. 341):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ALFRED L. BULWINKLE, late a Representative from the State of North Carolina.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now take a recess until 12 noon Tuesday, September 5, 1950.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following message from the Clerk of the House:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., September 1, 1950.

The honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to the authority granted on September 1, 1950, the Clerk received today from the Secretary of the Senate the following message:

That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9176) entitled "An act to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes"; and

That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8594) entitled "An act to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes"; and

That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 192) entitled "An act to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties"; and

That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2822) entitled "An act to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264)"; and

That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4029) entitled "An act to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes."

Very truly yours,
RALPH R. ROBERTS,
By H. H. MORRIS,
Clerk of the House of Representatives.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had on September 1, 1950, examined and found truly enrolled bills of the House of the following titles:

H. R. 8594. An act to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes; and

H. R. 9176. An act to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, provide for price and wage stabilization, provide for the settlement of labor disputes, strengthen controls over credit, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

SIGNING OF ENROLLED BILLS

The SPEAKER pro tempore. Pursuant to the authority granted to the Speaker on Friday, September 1, 1950, he did, on that date, sign the following enrolled bill of the House:

H. R. 9176. An act to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, provide for price and wage stabilization, provide for the settlement of labor disputes, strengthen controls over credit, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Pursuant to the authority granted to the Speaker pro tempore on Friday, September 1, 1950, he did, on Saturday, September 2, 1950, sign the following enrolled bill of the House:

H. R. 8594. An act to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

And the following enrolled bills of the Senate:

S. 192. An act to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties;

S. 868. An act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes;

S. 1838. An act to amend title 28 of the United States Code relating to fees of United States marshals;

S. 3409. An act to establish a new Grand Teton National Park in the States of Wyoming, and for other purposes;

S. 3959. An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes;

S. 3995. An act to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes;

S. 4029. An act to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes; and

S. 4071. An act to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On August 25, 1950:

H. R. 7786. An act making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

On September 2, 1950:

H. R. 8594. An act to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes; and

H. J. Res. 385. An act to provide for the acceptance on behalf of the United States of a memorial plaque to the memory of Stephen Collins Foster, and for other purposes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until Friday, September 8, 1950, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 450. To amend the Civil Aeronautics Act of 1938, as amended, by providing for the delegation of certain authority of the Administrator, and for other purposes; with amendment (Rept. No. 3047). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 8853. A bill to promote the rehabilitation of the Papago Tribe of Indians and a better utilization of the resources of the Papago Tribe, and for other purposes; with amendment (Rept. No. 3048). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOBBS:

H. J. Res. 538. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. NIXON:

H. J. Res. 539. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the World Transportation Fair, to be held at Arcadia in Los Angeles County, Calif., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. DAWSON:

H. Con. Res. 284. Concurrent resolution authorizing the printing of the symposium entitled "Executive Reorganization" as a House document, and providing for additional copies thereof; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 9621. A bill for the relief of Anastasia Mantsel; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 9622. A bill for the relief of St. Patrick Hospital and the Western Montana Clinic; to the Committee on the Judiciary.

SENATE

WEDNESDAY, SEPTEMBER 6, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, our help in ages past, our hope for years to come, in a day of tribulation Thou hast called us to dedicate our brief and little lives to a vast and vital cause. Forbid that fronting such a day as this, freighted with sobering and solemn significance for the long years that stretch ahead for all Thy children everywhere, we should meet alpine issues with the molehills of small conceptions, petty patterns, and selfish designs. Help us so to speak and so to act in this day of destiny that tomorrow we may live unashamed with our memories.

Deliver us from the paralysis of pessimism and cynicism. Across the debris of ancient wrongs may our glad eyes see the glory of the coming of the Lord, as exploitation and regimentation makes way for the dignity of man. In Thy name we ask it. Amen.

THE JOURNAL

On request of Mr. MCCARRAN, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, September 5, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on September 5, 1950, the President had approved and signed the act (S. 3959) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes.

LEAVES OF ABSENCE

On the request of Mr. WHERRY, and by unanimous consent, Mr. AIKEN was excused from attendance on the sessions of the Senate today, tomorrow, and Friday.

On his own request, and by unanimous consent, Mr. LEHMAN was excused from attendance on the session of the Senate tomorrow.

CALL OF THE ROLL

Mr. MCCARRAN. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Ellender	Jenner
Benton	Ferguson	Johnson, Tex.
Bricker	Fulbright	Kefauver
Bridges	George	Kem
Butler	Gillette	Kilgore
Byrd	Graham	Knowland
Cain	Green	Leahy
Capehart	Gurney	Lehman
Chapman	Hendrickson	Lodge
Connally	Hickenlooper	Long
Cordon	Hill	Lucas
Donnell	Hoey	McCarran
Douglas	Holland	McCarthy
Dworshak	Humphrey	McClellan
Ecton	Hunt	McFarland
McKellar	Robertson	Thomas, Utah
McMahon	Russell	Thye
Malone	Saltonstall	Tydings
Martin	Schoeppel	Watkins
Maybank	Smith, Maine	Wherry
Mundt	Sparkman	Wiley
Murray	Stennis	Williams
O'Conor	Taylor	Withers
O'Mahoney	Thomas, Okla.	Young

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], the Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate.

The Senator from Florida [Mr. PEPPER] is absent by leave of the Senate, having been appointed a member of the American group to the Interparliamentary Conference to be held at Dublin, Ireland.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from New York [Mr. IVES], the Senator from Colorado [Mr. MILLIKIN], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from North Dakota [Mr. LANGER] and the Senator from Oregon [Mr. MORSE] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate on official business as a temporary alternate governor of the World Bank.

The Senator from Maine [Mr. BREWSTER] and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate as representatives of the American group to the Interparliamentary Union.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REVISED SUPPLEMENTAL ESTIMATE, PAYMENT OF CLAIMS FOR DAMAGES, AUDITED CLAIMS, AND JUDGMENTS (S. DOC. NO. 227)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a revised supplemental estimate of appropriation, involving an increase of $44,390.96, in the amount necessary for payment of claims for damages, audited claims, and judgments, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 8158. A bill to repeal certain laws as they affect the Territory of Alaska; without amendment (Rept. No. 2505); and

H. R. 8534. A bill to authorize the acceptance of donations of land to supplement present parkway lands along the line of the Chesapeake & Ohio Canal between Great Falls and Cumberland, Md.; without amendment (Rept. No. 2504);

H. J. Res. 487. Joint resolution to confirm title in fee simple in Joshua Britton to certain lands in Jefferson County, Ill.; without amendment (Rept. No. 2506).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

S. 3517. A bill to authorize the construction, operation, and maintenance of the Vermejo reclamation project, New Mexico; with amendments (Rept. No. 2507).

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. J. Res. 516. Joint resolution authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property; without amendment (Rept. No. 2508).

By Mr. PEPPER, from the Committee on Foreign Relations:

S. Res. 212. Resolution requesting the President to take action looking to the return to Greece of children abducted by Communist guerrilla forces in that country; without amendment (Rept. No. 2509).

PALISADES DAM AND RESERVOIR PROJECT, IDAHO—SUPPLEMENTAL REPORT OF A COMMITTEE (PT. 2 OF REPT. NO. 1116)

Mr. TAYLOR. Mr. President, from the Committee on Interior and Insular Affairs, I report additional amendments to the bill (S. 2195) to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes, heretofore reported by that committee, and I submit a supplemental report thereon. I ask unanimous consent that the bill be reprinted, including the additional amendments.

The VICE PRESIDENT. The amendments and supplemental report will be received, and, without objection, the bill will be reprinted as requested by the Senator from Idaho. The Chair hears no objection.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCHOEPPEL:

S. 4127. A bill to grant permanent residence to Joan Violet Laun, to the Committee on the Judiciary.

By Mr. GURNEY:

S. 4128. A bill to provide that the Chairman of the Joint Chiefs of Staff, while holding office as such, shall have the rank and title of General of the Army, Fleet Admiral of the United States Navy, or General of the Air Force; to the Committee on Armed Services.

By Mr. KILGORE:

S. 4129. A bill for the relief of Gerasimos Athanase Haberis; to the Committee on the Judiciary.

By Mr. KILGORE (for himself, Mr. DOUGLAS, Mr. HUMPHREY, Mr. LEHMAN, Mr. GRAHAM, Mr. KEFAUVER, and Mr. BENTON):

S. 4130. A bill to protect the internal security of the United States, to provide for the detention in time of emergency of persons who may commit acts of espionage or sabotage, and for other purposes; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 4131. A bill for the relief of Spyrodon Vlassopoulos and his wife, Theresa; to the Committee on the Judiciary.

INTERNAL SECURITY ACT OF 1950—AMENDMENTS

Mr. McCARRAN submitted amendments intended to be proposed by him to the bill (S. 4037) to protect the internal security of the United States, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. McFARLAND submitted amendments intended to be proposed by him to Senate bill 4037, supra, which were ordered to lie on the table and to be printed.

Mr. KILGORE submitted amendments intended to be proposed by him to Senate bill 4037, supra, which were ordered to lie on the table and to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. CHAPMAN, from the Committee on Armed Services:

Rear Adm. Jerauld Wright, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander, Amphibious Force, Atlantic Fleet.

WISCONSIN CONVENTION OF LOYAL ORDER OF MOOSE—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him before the Wisconsin Convention of the Loyal Order of Moose, on Saturday, September 2, and a roster of the State officers of the Loyal Order of Moose in Wisconsin and of the officers of the Racine lodge and their grand auxiliary, which appear in the Appendix.]

ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a news release of an address made by him before the fall meeting of the Pomona Grange at Washington, Pa., on September 5, 1950, which appears in the Appendix.]

CRITICISM OF THE MARINE CORPS BY THE PRESIDENT—ARTICLE BY DAVID LAWRENCE

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD an article entitled "Writer Says Truman Has Committed Worst Blunder in Career," written by David Lawrence, and published in the Washington Evening Star of September 6, 1950; which appears in the Appendix.]

CONFUSION IN THE ADMINISTRATION—ARTICLE BY DOROTHY THOMPSON

[Mr. THYE asked and obtained leave to have printed in the RECORD an article entitled "MacArthur and Matthews Statements Reveal Confusion in the Administration," written by Dorothy Thompson, and published in the Washington Evening Star of September 5, 1950, which appears in the Appendix.]

APPEASEMENT POLICIES HELD TO BE ENCOURAGING REDS—ARTICLE BY DAVID LAWRENCE

[Mr. THYE asked and obtained leave to have printed in the RECORD an article entitled "Truman and Congress Seen Not All Clear on Preventive War," written by David Lawrence and published in the Washington Evening Star of September 5, 1950, which appears in the Appendix.]

FEDERAL AID TO EDUCATION—ARTICLE BY LOWELL MELLETT

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article in behalf of the Federal aid to education bill, written by Lowell Mellett and published in the Washington Evening Star of Tuesday, September 5, 1950, which appears in the Appendix.]

LISTEN, LOOK, AND STOP—EDITORIAL FROM THE NEW YORK TIMES

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Listen, Look, and Stop," published in the New York Times of September 6, 1950, which appears in the Appendix.]

SECRETARY CHAPMAN TO ANSWER CHARGES

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have released to the press this morning announcing the calling of a meeting of the Committee on Interior and Insular Affairs to hear the Secretary of the Interior, Hon. Oscar L. Chapman, against whom certain charges were made yesterday on the floor of the Senate by the Senator from Kansas [Mr. SCHOEPPEL].

I also ask to have printed in the RECORD, in connection with the statement released by me a letter which I received this morning from the Secretary of the Interior, and a letter from Hon. E. L. BARTLETT, Delegate from Alaska.

In addition to the foregoing, I ask for the inclusion in the RECORD of a letter which I have addressed to the Senator from Kansas.

There being no objection, the statement and letters were ordered to be printed in the RECORD, as follows:

O'MAHONEY CALLS PUBLIC HEARING ON SCHOEPPEL CHARGES AGAINST SECRETARY OF THE INTERIOR CHAPMAN

I am calling a meeting of the Senate Committee on Interior and Insular Affairs for 10 o'clock a. m., Thursday, September 7, 1950, in the caucus room of the Senate Office Building to begin an investigation of the allegations of subversive affiliations made on the Senate floor yesterday by Senator ANDREW F. SCHOEPPEL of Kansas against Secretary of the Interior Oscar L. Chapman and Delegate E. L. BARTLETT of Alaska.

Both Secretary Chapman and Delegate BARTLETT have requested an immediate hearing and have expressed a desire to testify under oath.

I am addressing a letter to Senator SCHOEPPEL inviting him to be present in accordance with the announcement which I made on the Senate floor last evening following the Senator's speech.

Secretary Chapman will be the first witness.

On inquiry, I find that Commissioner of Reclamation, Michael W. Straus, is not in the city and I have not yet been able to make contact with Mr. Randolph Feltus who Senator SCHOEPPEL charged was a registered agent of the Soviet Republic of Poland and was afterwards an employee of the Alaska Statehood Commission. The committee will hear both of these individuals as soon as it can be arranged. I shall also request the attendance of Governor Gruening of Alaska whose name was also mentioned by Senator SCHOEPPEL.

THE SECRETARY OF THE INTERIOR,
Washington, September 6, 1950.

The Honorable JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR O'MAHONEY: In view of the unsupported charges that have been made against me on the floor of the United States Senate, I respectfully request that I be permitted to appear before the Committee on Interior and Insular Affairs at the earliest opportunity, where, under oath, I desire the opportunity to reply to and refute the incorrect statements that have been made.

I hope that in keeping with the traditional spirit of fair play, which we Americans so cherish, you and your committee will find it possible to invite Senator ANDREW F. SCHOEPPEL to be present at the same time so that he may hear my statements, and ask such questions as he desires.

Sincerely,

OSCAR L. CHAPMAN,
Secretary of the Interior.

SEPTEMBER 6, 1950.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs, United States Senate,
Washington, D. C.

DEAR CHAIRMAN O'MAHONEY: Yesterday, following Senator SCHOEPPEL'S remarks, you said this: "Mr. President, I wanted Mr. BARTLETT to know what was being said about the fact that certain checks had been sent to Mr. BARTLETT and were endorsed and deposited by him, and Mr. French reported to me just a few minutes ago that Mr. BARTLETT voluntarily expressed the desire to be permitted to appear before our committee and testify with respect to this matter concerning Mr. Feltus, as well as with respect to the funds which he may have received in connection with the campaign to bring about statehood for Hawaii and Alaska."

I am happy you so stated. I shall be glad to appear at any time before the Interior and Insular Affairs Committee, or any committee. I have nothing whatsoever to hide. Everything that has transpired regarding our efforts to obtain statehood is entirely aboveboard. I would have no objection at all, either, to testifying under oath if the committee so desires.

Sincerely yours,

E. L. BARTLETT.

SEPTEMBER 6, 1950.

Hon. ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: You will recall that at the conclusion of your statements on the Senate floor yesterday, involving the Secretary of the Interior, the Delegate from Alaska, and other persons, I announced that as chairman of the Senate committee charged with over-all legislative responsibility for the Interior Department, I would call a public hearing to investigate the issues raised in your speech. I also stated that it was my hope that you would attend this hearing and assist the committee in its investigation.

Your charges on the Senate floor are of so serious a nature, involving as they do the patriotism, integrity, and good faith of a Cabinet officer, that an immediate hearing and investigation clearly is required in the public interest. Therefore, I have called a public hearing for tomorrow morning, September 7, at 10 o'clock in the caucus room of the Senate Office Building to investigate the charges you made. Secretary Chapman will be the first witness.

It is the earnest hope of the committee that you will attend this hearing, and bring with you any documents or other evidence you may have which will assist the committee in obtaining all of the facts.

Sincerely yours,

JOSEPH C. O'MAHONEY,
Chairman.

FEMALE DOCTORS AND SPECIALISTS IN THE MEDICAL DEPARTMENT OF THE ARMY

Mr. LUCAS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to consider Calendar No. 2383, House bill 4384.

The VICE PRESIDENT. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 4384) to provide for the appointment of female doctors and specialists in the Medical Department of the Army, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, to strike out all after the enacting clause and to insert the following:

That all laws or parts of laws, which now or hereafter authorize appointment of male commissioned officers in each of the several corps of the Medical Service of the Regular Army, and the Reserve components thereof, or as medical, dental, veterinarian, and Medical Service officers in the Regular Air Force or in the Reserve components of the Air Force of the United States, respectively, shall be construed to include authority to appoint female personnel thereunder and all laws and parts of laws now or hereafter applicable to male commissioned officers and former male commissioned officers of each of the several corps of the Medical Service of the Regular Army, and the Reserve components thereof, or as medical, dental, veterinarian, and Medical Service officers in the Regular Air Force or in the Reserve components of the Air Force of the United States, respectively, and to their dependents and beneficiaries, shall, in like cases, be applicable to commissioned female officers and former commissioned officers so appointed and to their dependents and beneficiaries: *Provided,* That, except with respect to the Career Compensation Act of 1949, the husbands of female officers appointed under the provisions of this Act shall not be considered dependents unless they are in fact dependent on their wives for their chief support, and the children of such officers shall not be considered dependents unless their father is dead or they are in fact dependent on their mother for their chief support: *Provided further,* That the cognizant Secretary, under the circumstances and in accordance with regulations prescribed by the President, may terminate the commission of any officer appointed pursuant hereto.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KNOWLAND. Mr. President, I am in favor of the enactment of the bill, but as a member of the minority side of the Committee on Armed Services, I think that for the information of the Senate there should be an explanation of it.

Mr. HUNT. Mr. President, the bill passed the House of Representatives on June 6, 1949, by a voice vote. The bill merely makes it possible for the Army and the Air Force to secure the services about 50 additional women physicians and 25 additional women dentists.

Mr. President, at the present time women physicians and dentists in the Reserve Corps of the Army and the Air Force enjoy all the privileges with reference to pay, with reference to the $100 a month additional pay, with reference to retirement, which are enjoyed by male physicians. Representatives of all the armed services, the Army and the Air Corps, appeared before the committee. They earnestly urged quick passage of the bill. It was approved unanimously by the committee. It makes no difference of any nature whatsoever with reference to the Navy at the present time.

Mr. President, I shall be glad to answer any questions Senators desire to ask. The armed services are very anxious to have the bill passed. They have telephoned me twice about the need for having the bill passed. The Senator from Massachusetts [Mr. SALTONSTALL] and I handled the bill, and are in complete agreement about it.

The VICE PRESIDENT. The question is on the third reading and passage of the bill.

The bill (H. R. 4384) was ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "An act to authorize the appointment of qualified women as physicians and specialists in the Medical Services of the Army and Air Force."

INTERNAL SECURITY ACT OF 1950

The Senate resumed the consideration of the bill (S. 4037), to protect the internal security of the United States, and for other purposes.

The VICE PRESIDENT. The Chair would like to have the first amendment of Senate bill 4037, which is the unfinished business, stated, so there will be an amendment pending.

The LEGISLATIVE CLERK. On page 6, line 14, after the word "have", it is proposed to insert the word "been."

Mr. McCARRAN. Mr. President, there are a number of committee amendments, all in the nature of perfecting amendments. I think they can with complete propriety be considered en bloc. I ask unanimous consent that they may be considered en bloc.

The VICE PRESIDENT. There is one committee amendment to which an amendment has been offered, which has been printed and which lies on the table. It probably would not be possible to agree to that committee amendment until action has been taken on the amendment which has been offered to it.

Mr. McCARRAN. That amendment, if I am not mistaken, was offered by the Senator from Louisiana [Mr. ELLENDER].

The VICE PRESIDENT. That is correct.

Mr. McCARRAN. Aside from that committee amendment, I ask unanimous consent that the other committee amendments be considered en bloc.

Mr. KNOWLAND. Mr. President, will the Senator yield for an inquiry?

Mr. McCARRAN. I yield.

Mr. KNOWLAND. I make the inquiry from the parliamentary point of view and not with respect to the nature of the amendments to which the Senator from Nevada has referred. Does not the Senator from Nevada believe it to be wise to have the understanding that when the amendments in question are agreed to the bill can then be treated as an original bill, so that further amendments would be considered as being offered to the original bill.

Mr. McCARRAN. That conforms with my idea, and I would so propose.

The VICE PRESIDENT. Without objection, the committee amendments will be considered en bloc, except the committee amendment on page 80, beginning in line 21, to which the Senator from Louisiana [Mr. ELLENDER] has submitted an amendment proposed to be offered by him, and that when agreed to they will be considered part of the text, and open to amendment, as if they were the original language of the bill.

Without objection, the amendments are agreed to en bloc.

The committee amendments, with the exception of the amendment on page 80, line 21, beginning with "SEC. 33." to strike out section 33, through and including line 20, page 81, agreed to en bloc, are as follows:

In section 2, page 6, line 14, after the word "have", to insert "been"; in section 5, page 13, line 8, after the word "such", to insert "organization is so registered or that such"; in section 6, page 14, line 5, after the word "such", to insert "organization is so registered or that such"; in section 7, page 14, line 24, after the word "a", to strike out "Communist political" and insert "Communist-controlled"; in section 13, page 25, line 8, after the words "Act of", to strike out "1923" and insert "1949"; in section 14, page 31, line 19, after the word "controlled", to strike out "political"; in section 22, page 53, line 9, after "section 1", to strike out "(a)" and insert "(2)"; on page 54, line 20, after the word "country", to insert "residing therein"; in section 25, page 64, line 20, after the word "member", to insert "of"; in line 23, after the word "any", to insert "Communist-controlled"; on page 68, line 17, to strike out "Sec. 26.", and insert "(e)"; in line 22, after the word "any", to insert "Communist-front"; on page 69, line 6, after the word "such", to insert "Communist-front"; in line 12, to change the section number from "27" to "26"; on page 70, line 21, to change the section number from "28" to "27"; on page 71, line 22, to change the section number from "29" to "28"; on page 75, line 3, to change the section number from "30" to "29"; on page 77, line 21, to change the section number from "31" to "30"; on page 78, line 11, after the word "years", to insert a colon and the following additional proviso: "*Provided further,* That the requirements of this section relating to ability to read and write shall be met if the applicant can read or write simple words and phrases to the end that a reasonable test of his literacy shall be made and that no extraordinary or unreasonable conditions shall be imposed upon the applicant"; on page 76, line 21, to change the

section number from "32" to "31"; and on page 81, line 21, to change the section number from "34" to "32."

Mr. MUNDT. Mr. President, this afternoon I wish to discuss with the Members of the Senate as calmly and as clearly as possible the exact purposes and the precise purport of the proposed legislation which we now have before us.

Yesterday the senior Senator from Nevada [Mr. McCARRAN] did an exceedingly careful and painstaking job of going through the bill. This afternoon I shall not undertake to retravel his course, insofar as the latter sections of the so-called omnibus bill are concerned. I shall concentrate my remarks on the portion of the bill which is the text of Senate bill 2311, the so-called Mundt-Ferguson bill, because it is on that portion of the bill that I have devoted a considerable amount of time and study for the past 30 months, and it is that portion of the bill which deals precisely and specifically with the Communist Party within our midst. I shall today discuss and explain the Mundt-Ferguson provisions in complete detail.

Mr. President, this afternoon I assume that every Member of the Senate is cognizant of the fact that communism within our midst is a peril; but it is quite apparent to the most casual observer of the manner in which the Senate has been proceeding in its discussion and debate of the proposed legislation now before us that there is a wide disparity of opinion among Members of the Senate concerning the degree of peril which they construe this Communist conspiracy actually to be.

I think it might be helpful therefore, if we were to have before us in this debate a definition of communism which is up to date and workable and one which has been tried out in debate against scholars and statesmen as well as against members of the Communist Party, a definition which they can neither refute nor deny. If we are going to enact legislation to deal with communism in America—as I am sure all of us believe we are—it should be helpful if the country as a whole and if the Members of the Senate in particular knew precisely what communism is as it functions in the world today. Certainly, just as we deny the Communists the right to tell us what the war in Korea is about, and just as we deny the Communists the right to tell us how best the United Nations should function, I think intelligent men should also deny the Communists the right to tell us what they consider communism to be. We do not have to resort today to textbook language. We need not listen to Communist misrepresentations. We can look in the laboratory of life itself.

Communism is today in control of 13 great countries of the world and of virtually half the population of this globe. In a little more than 100 years, communism has become a dominant influence directing the activities of as many human beings as Christianity in all its forms has been able to influence in 20 centuries; and communism has done that since its beginning in 1848, when Karl Marx and Dr. Engels first enunciated the creed.

What is this thing called communism, which necessitates our meeting together as Members of the Senate to try to find legislative means with which to deal with it effectively? I wish to give the Senate a definition of communism, Mr. President; and here and now I defy anyone, either inside the Senate or out of it, any member of the Communist Party or any literary fellow traveler or any good, loyal American to refute it, because I think this definition stands up in the laboratory of life and meets the test of time and the passage of events. It is one I have worked out by careful study and extensive exploration over a span of 20 years.

As it functions today—and that is all we need concern ourselves with—communism is a godless way of life which holds that all the means of production, all the means of distribution, and the flow of capital shall be controlled—it does not say "owned"—in the central city of the land by a select group of individuals who permit no opposition, and who subscribe to a world doctrine that there shall be a Soviet dictatorship of the world, directed by the Communists in Moscow. That is it, and nothing more.

It is that, that the Communists in Russia believe in. It is that, that the Communists in New York who publish the Daily Worker believe in. It is that, that every Communist who knows what communism is about subscribes when he joins the party. That means that every Communist in America is a part of the international conspiracy to subjugate our freedom and to destroy our way of life and to deliver us lock, stock, and barrel to a dictatorship operated from Moscow. It is that definition which motivates Maurice Thorez in France, as he directs communism there as leader of the Communist Party, together with his associate, Jacques Duclos. It is that which motivates Togliatti, the head of the Communist Party in Italy. It is that which motivates the 11 Communist leaders in America, who are, happily, to go to jail for a while for their treachery. It is that which motivated Whittaker Chambers while he was a Communist. It is that which motivated Budenz while he was a Communist. It is that which brought Eugene Lyons, after living in Communist Russia for many years, to withdraw his support from the Communist Party and to write his famous book, Assignment in Utopia.

I think in this debate a great deal more light will be shed and a great deal less heat will be generated if Senators will discuss communism in terms of what it actually is. I do not care whether we examine communism in Russia or in Poland or in Red China or in Hungary or in any of the other countries which it controls and dominates; wherever communism exists, we shall find this definition demonstrated by experience and by practice in the laboratory of life. It is an accurate definition of today's communism in action.

Let me repeat the definition, so that we can conduct this debate along an intelligent line. I wish to say something about the kind of arguments we listened to yesterday, in the course of the debate, because at that time I announced that in my remarks today I was going to answer the junior Senator from New York [Mr. LEHMAN]. I think this debate should deal with facts, not with hysterical allegations. I think this debate should proceed in an orderly way to determine whether we free Americans under our great charter of freedom, the Constitution, have the power to protect ourselves against an internal conspiracy.

I grant that reasonable men may disagree about that, and that honest men disagree about it. Some persons throw up their hands in abject, dismal surrender, and say, "We cannot do anything, under the Constitution, to defend ourselves from this conspiracy." They say there is something in this amendment or that amendment to the Constitution or in the Bill of Rights which hamstrings Uncle Sam so that he cannot defend himself from this conspiracy.

Mr. President, I definitely deny the correctness of such assertions by those who would so abjectly surrender and who have such willingness to engage in appeasement. Certainly we are sending our boys to die needlessly in the war against communism in Korea if we deny that our Constitution affords some means of working out a reasonable device for protecting ourselves here at home from that same Communist conspiracy. It is that problem which the Members of the Senate will have to meet for themselves and the answer to which they will have to decide for themselves, according to their own consciences, in the next few hours or days.

Mr. President, let me redefine "communism." I have said, "Communism is a godless way of life." Mr. President, why do the Communists undertake to deny, denounce, and defame God, in addition to denouncing capitalism and a free press and free speech? Why do they add to the burden of their worries a fight against God? I will tell you why, Mr. President. It is because communism believes in the supremacy of the state and in the supremacy of the leaders of the state, and Communists recognize that there can be no divided loyalty among their abject slaves and subjects, and that they must therefore keep wholly in their minds an unquestioned belief in the infallibility of the leaders of the state. I am sure that if Members of the Senate had had occasion to read as much as I have read of the dogma of communism—and I have read virtually every book on communism in the past 20 years—if Senators had read the writings of Stalin, of Marx, and of Lenin, and of Browder, and of other American Communists and foreign Communists, they would have seen written into their doctrine time after time the theory of the infallibility of the leader of the state. Obviously, it is impossible to have an infallible leader on this terrestrial sphere and believe, as Christians and Jews, Catholics and Protestants all do, in the infallibility of the Supreme Being. That is why Communists decided to challenge God, because they could not make their treacherous tyranny function effectively if their sad-eyed slaves were going to be befuddled as to whether they should worship Stalin or should worship God.

So, communism is a godless way of life. It controls all the means of production—the farms, the factories; all the means of distribution, the transportation systems, the air lines, the communications, the cables, the telephones, the electricity; it controls the capital, the banks, the building-and-loan associations, the insurance companies, the loaning agencies. It says they shall be "controlled." It does not say they shall be "owned" but controlled, directed, dominated, coerced by a select group of leaders at the top. In Russia the group happens to consist of 14 members of the Politburo, presently numbering 13 because one of them is incapacitated by having fallen out with his infallible leader, Stalin. But theoretically and usually in Moscow, 14 members of the Politburo at the top run the show, and in other capital cities, Warsaw, or Budapest, or Peiping, or Sofia, or Riga, wherever it happens to be, a select group of leaders who permit no opposition, runs the show. If anyone opposes them he gets what Cardinal Mindszenty got in Hungary, what Mihailovich got in Yugoslavia, and what Miklajzzyk got in Poland. They permit no opposition.

Furthermore—and this is the important part for Senators to remember, today, tomorrow, and on Friday—Communists subscribe to a doctrine that there shall be established a world-wide dictatorship, operated by the Communists in Moscow. Every man who is a Communist either cheats the man who signs him up or subscribes to that doctrine. The Daily Worker promotes, in its devious ways, the bringing about of the "World October," as the Communists call it in their Aesopian language, when they hope that in some future happy day there can be a revolution in which the whole world will fall into the hands of the Communists, as in October 1917 the Communists took over Russia—not as the Senator from New York would have us believe, as he talked yesterday, when he told us that the Communists upset the Czars of Russia. They did no such thing. There is no use trying to pervert history on this floor. It is impossible to slant history and to change the record of facts.

The Communists, in their October revolution, threw out the Kerenskyites, who were the closest approach to a democratic form of government Russia has ever had. The Kerenskyites were the ones who overthrew the Czars and after they had been in power for a short 5 or 6 months, the Communists, opportunists always, who had not been the ones who had overthrown the Czars, moved in on this young, infant government, in its swaddling clothes of freedom and democracy, overthrew it by a bloody revolution, drove out its leaders, some of whom live in this country today, including Kerensky, butchered and murdered and incarcerated many others, and set up under Trotsky and Lenin and Stalin and other early leaders of Communism the tyranny, which continues down to this date, and which meets every specific item of the definition I have given.

Now tnat certainly denies that communism is a political party. That denies that it is an economic creed. It is the blueprint of the mechanism of tyranny, and it is functioning in our midst, and everyone obviously knows it. Our question is, What are we going to do about it? Surrender to it? Lock them in concentration camps? Slap them on the wrist? Or are we to write an effective piece of legislation which would force them to do one of two things, either to come out into the open and stand up like men and meet the challenge of freedom in the open market places, struggling for the mind of America, or else go to jail. One of those two things our bill requires them to do.

Mr. MARTIN. Mr. President, will the Senator yield for a question, or does he prefer not to be interrupted at this time?

Mr. MUNDT. I would rather continue, but I yield. Go ahead.

Mr. MARTIN. I shall not interrupt the Senator at this time.

Mr. MUNDT. I desire to comment next upon the things we listened to yesterday. In simple candor I am compelled to say that had it not been that the junior Senator from New York [Mr. LEHMAN] frequently referred to the Mundt-Ferguson bill and the Mundt-Ferguson-Johnston bill by name in the course of his remarks, I would have thought that I was listening to a discussion of an altogether different piece of legislation, being considered in an entirely different parliamentary body some place on another planet, and in a different era of history, because the criticisms he made were so far from the legislation before us.

I think it is important that we criticize and analyze this bill. I have been participating in that kind of discussion for over 30 months, in over a dozen radio forums, in over half a hundred public forums on platforms, in testimony before committees of the House and of the Senate, and in articles in the press; and I recognize that the bill is not perfect legislation. We want to bring to bear on it the best minds we can find in America, as we have tried to do, as the senior Senator from Nevada [Mr. MCCARRAN] yesterday pointed out so eloquently. We consulted members of the American Bar Association which, in two national conventions considered the bill, analyzed it, and set up two committees to explore it. Each time they brought back reports supporting Senate bill 2311 and endorsing it and urging its passage.

We referred it to a conservative law firm in New York City, headed by John W. Davis, a very distinguished Democrat, onetime candidate for President on the Democratic ticket, and I think a highly able attorney with conservative impulses. We said to him, "Will you analyze this bill and see if there is anything wrong with it?" He sent back certain suggestions which were incorporated in the bill, and said that with those suggestions he approved it.

We tried to find an honest liberal in America, and, believe me, if one sympathizes with Diogenes going about with a lantern looking for an honest man, he ought to try to sympathize with somebody in America trying to find an honest liberal. He is just about the scarcest animal in the world. He has become the vanishing American, I believe, replacing the American Indian. We tried to find an honest liberal. We finally found him. We found Donald Richberg at the University of Virginia, in the law department. He appears to be an honest liberal. He was a New Dealer. He was the head of the NIRA. He was a man who helped the blue eagle perch on all the store windows of America for many, many months, a conscientious public servant. So we asked Donald Richberg and his lawyer associates in the University of Virginia to go over the proposed legislation with a fine-tooth comb to ascertain whether, in any way, shape, or form, it violated any civil liberty in America, and to make suggestions; and they did. They appeared before us, and we discussed it together, and they made certain recommendations, which are incorporated in the so-called Mundt-Ferguson section of the omnibus bill.

We asked Louis Waldman, a recognized liberal in America, a great labor attorney, to go over it with a fine-tooth comb, to analyze it and to report on it. The substance of his report was that, in his opinion, it did not go quite far enough, and he would like to have us add a section which would deny the Communists the use of the ballot. Many Americans believe we should go further than that. Many Americans say we should outlaw the Communist Party. Many of them say we should deny Communists the use of the ballot. But in the pending legislation we have tried to go no further than necessary to defend freedom in America. We permit them to use the ballot and to run candidates for office if they do so openly.

We have tried to give the Senate an opportunity to strike against communism at home, while the brave heroes of America are dying in Korea, to strike against it effectively in Asia. Within the purview of our Constitution we propose legislation to curb communism, but we go no further than is necessary. If that is not far enough, at some later date we can enlarge it. We can then establish the concentration camps which have been suggested, although I hope that shall never come to pass in America. But this bill represents a constitutional, legitimate, and honest effort to write legislation which is effective, and it can fail for only one reason.

I have been around Washington long enough to recognize that a President who does not like a law and an Attorney General who does not like a law can ruin any law, no matter how carefully it may be drawn. If those who oppose it want to offer the argument that neither the President, Mr. Truman, nor the Attorney General, Mr. McGrath, favor the bill, and that consequently they would not enforce it, I recognize they can make the legislation worthless, but I know that if they enforce the law, it will work effectively. It will then be up to the administration. I would never be the one to say that I believe our President and our Attorney General want to coddle communism and seek so zealously the support of those whom they control and dominate at the polls that they are not going to enforce the law. That argument will have to be

offered by persons opposing the legislation, not by me.

Mr. President, I desire now to discuss some of the criticisms made of the bill yesterday, because they pretty well run the whole gamut of available criticisms. They can be found in various forms by reading the Daily Worker, by listening to the left-wing commentators on the air, by reading the left-wing columnists in newspapers, and by reading the criticisms of honest, decent, legitimate Americans who have doubts about the bill.

The junior Senator from New York [Mr. LEHMAN] yesterday engaged in the well-known parliamentary practice of throwing everything at the bill, hoping that something would stick. So he used everything from the outright Communist arguments appearing in the Communist press to the arguments presented by persons who have legitimate doubts and fears and who represent a good political viewpoint. All of them will be found in the Senator's argument. His speech was a sort of patchwork of disorganized information, as I went through it this morning trying to find out the line of consistency, if there was any, in the argument. We need constructive criticism, but, frankly, we are not going to meet this challenge if we engage in the kind of tactics and arguments that were made yesterday, which I am about to read to the Senate, and I shall demonstrate that the speech was a patchwork of disorganized information. We shall not be able to arrive at good decisions by following the practice demonstrated yesterday of simply swinging wildly, in the blackness of the night, a lantern with a darkened chimney and an unlighted wick.

We are going to discuss the bill, not what someone who has never read it may imagine the bill to be. Certainly, much of the discussion yesterday must have stemmed from the fact that those who talked about it had not even read it, as I intend to prove in the course of my remarks.

The Senator from New York began by saying:

> We already have on the statute books more than 20 laws to control and penalize subversive activities such as espionage, sabotage, and failure to register as a foreign agent.

I think that is a statement of fact. I know it is certainly a statement of fact that in spite of those laws, Alger Hiss was able to work his way into the State Department and to carry on, through a series of years, an espionage campaign, the ramifications of which we have not yet discovered or terminated. No one knows, as yet, how much of the nasty work done by Alger Hiss and his associates at Yalta is being paid for by the blood of American boys in Korea. Whatever he has contributed to the chaos and confusion which confront us was done in spite of the 20 laws referred to by the Senator from New York. Hiss was finally brought to book not because of any of those laws, but because he lied before a Federal grand jury about his participation in the espionage racket.

Julian Wadleigh is running around Washington loose today, after having admitted that more than 500 different times he smuggled State Department documents out of that department and delivered them to Communists. "Admitted" is too mild a term. He boasted about it, and he sold his syndicated confessions to the American press for $5,000. He is 100 percent scot-free. If we follow the counsel of the junior Senator from New York, such espionage agents are going to continue to be 100 percent scot-free, in spite of the 20 laws on the books. There can be no question about that.

We can enumerate cases of spies who have been operating recently, and who have been operating without being caught because of any of these laws. We can enumerate a whole series of cases of that kind.

Further on in the argument of the junior Senator from New York he said:

> What dyed-in-the-wool Communist will run to the nearest registration office to list himself as such and expose himself to the penalties contained in the Mundt-Ferguson bill?

We may hear that argument repeated, but I hope we shall not. Let us analyze that argument and see of what kind of purile stuff it is made. Why pass a law, he says, when a Communist will not give himself up? Can we not apply that argument to a murderer as well? Murderers do not have the habit of delivering themselves to courts of law. Why have a law against white slavery? Do those who commit that crime give themselves up? Why have laws against counterfeiting? Do counterfeiters give themselves up? Do kidnapers give themselves up? If we are going to follow in this country the theory that because we pass laws people are going to form in line and deliver themselves into the hands of justice, we had better fold up and go home and let more sturdy souls take our places in this body.

That is the essence of the argument of the Senator from New York. He asks, "Who is going to list himself and expose himself to the penalties of the law?" The answer is, if they do not do it they will be treated just as is any other person who does not obey the law in connection with counterfeiting or any other Federal legislation. If he is caught, he goes to jail; and such persons usually go to jail. That is what happens to any law violator. We cannot operate on the theory that we should not pass a law because a criminal is not going voluntarily to deliver himself into the hands of the law.

Mr. KILGORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from South Dakota yield to the Senator from West Virginia?

Mr. MUNDT. I would rather not yield, but I shall yield to the Senator.

Mr. KILGORE. As I understand the operation of the registration bill, the Communist Party would register its membership. Is that correct?

Mr. MUNDT. That is one way it can be done. Each Communist is, under the terms of the bill, required to register himself if the party does not do it. It works both ways.

Mr. KILGORE. Using the name of Alger Hiss again, suppose the party did not register Alger Hiss as a party member, thinking he would be more valuable in concealment than otherwise. What is there in the bill to take care of that situation?

Mr. MUNDT. In the first place, the officers of the Communist Party would be guilty of violating the law because they had failed to register one of their members. In the second place, Alger Hiss would be guilty, because once the registration list is published and his name is not on it, he has the responsibility to register himself.

Mr. KILGORE. But we must first find that Alger Hiss is a Communist. I am still using the name as illustration. What agency of government would be able to determine that?

Mr. MUNDT. As the Senator from West Virginia knows, the FBI has rather conclusive evidence of the existence of some 50,000 or 55,000 Communists in this country.

Mr. KILGORE. That is the point to which I am coming. We would have to rely upon an agency of the Government, would we not?

Mr. MUNDT. To enforce the law, certainly.

Mr. KILGORE. In order to be able to determine who had not registered or who had not been registered. Is not that a fact?

Mr. MUNDT. Among those who should register.

Mr. KILGORE. I mean who are within the category calling for registration, who had not been registered or had not registered themselves.

Mr. MUNDT. Two ways would be provided for reaching such persons. One way would be through a Government agency, as the Senator has suggested, namely, the FBI, for which the Senator from West Virginia and I have the greatest respect, and which has a considerable amount of information available. In addition, the Subversive Activities Control Board could call a public hearing, at which it could be demonstrated whether an organization or an individual should register. Therefore we would have two ways in which it could be brought about.

Mr. KILGORE. It would be done through evidence given by people who have first-hand knowledge, would it not?

Mr. MUNDT. That is correct.

Mr. KILGORE. Would it not be just as easy for the FBI to obtain that knowledge as it would be for the control board? Would it not be easier, in fact?

Mr. MUNDT. It would be much easier in most cases.

Mr. KILGORE. Because the FBI would be much more able to get the information required.

Mr. MUNDT. Of course in most cases the FBI would be able to get it much easier.

Mr. KILGORE. In the final analysis, in order to enforce the registration provision we would have to rely on a Government agency.

Mr. MUNDT. Of course we would.

Mr. KILGORE. And it would be for the FBI to determine whether a person who had not registered should have registered.

Mr. MUNDT. Which is true of any Federal law. We must depend on a Federal agency for enforcement.

Mr. KILGORE. Very well. That is the point I wished to bring out.

Mr. MUNDT. We come now to the next argument made by the junior Senator from New York [Mr. LEHMAN]. He implied that the proposed legislation would outlaw the Communist Party.

As a matter of fact, I think the junior Senator from Michigan [Mr. FERGUSON] and I have received more criticism from those who believe we should have gone to the extent of outlawing the Communist Party than from those who say we go too far. No intelligent individual reading the text of the pending bill can say that it would outlaw the Communist Party. We do not propose to outlaw the party. Some people think we should outlaw it. However, under the proposed legislation the party could continue to function provided it followed certain rules of good and open behavior, which are also applicable, incidentally, to the Democratic Party and the Republican Party.

I am amazed by the attitude of some of my Democratic colleagues who wish to perpetuate a cyclone cellar of concealment, which is now available to the Communist Party, but has rightfully been denied to the Democratic Party and the Republican Party. Let us examine the law. Under the Hatch Act and the clean-politics law Republicans and Democrats must follow certain rules of good behavior and clean and open practice. The Communist Party now enjoys a cyclone cellar of concealment, in which it need not follow such rules of good behavior, does not have to label its broadcasts, report its finances, or label its front organizations or its propaganda.

The Senator from New York said no country in the world has outlawed the Communist Party with a resulting decrease in Communist activity or a weakening of the Communist movement.

Mr. President, I refer the Senator from New York to the Republic of Turkey. The Republic of Turkey outlawed the Communist Party. By so doing it has reduced more effectively and completely the activity of the Communist Party than any other country in the world. So the statement of the Senator from New York is not measurable against the facts of history. I do not favor outlawing the Communist Party in this country. However, in one example where such action was taken it has worked, and that is in the Republic of Turkey.

The Senator from New York would compare our proposed legislation with the alien and sedition laws. There is absolutely no relationship and no resemblance between the two. Our proposed legislation does not provide any of the curtailments involved in the alien and sedition laws, as a reading of the bill will disclose, if it is read in the light of day.

Mr. President, I wish to associate myself with one statement which the junior Senator from New York made yesterday. It is the statement he made when he expressed respect and admiration for that great "cowboy from the sidewalks of New York," Al Smith. My ears began to tingle when the Senator from New York quoted Al Smith, because I wondered whether so sturdy a character as Al Smith could conceivably be in favor of any movement to coddle Communists, or to enable them to exert their conspiracy continuously. So I wish to read that part of the Senator's address. The Senator said that Al Smith denounced the expulsion of the Socialists from the New York Legislature in these words:

> Our faith in American democracy is confirmed not only by its results but by its methods and organs of free expression. They are the safeguards against revolution. To discard the methods of representative government leads to the misdeeds of the very extremists we denounce—and serves to increase the number of the enemies of orderly free government.

Mr. President, I associate myself with every syllable, word, and phrase of that statement. I submit that the so-called Mundt-Ferguson bill would follow that mandate precisely. Under our proposed legislation Communists could elect their officials and send them to Congress, if they could get the votes. We would permit Communists to hold elective office, to have access to the ballot, to run for President, Vice President, or Congress. Furthermore, if the laws of their States permitted, they could run for any local offices, exactly as Al Smith suggested. Let me repeat what Al Smith said:

> To destroy the methods of representative government leads to the misdeeds of the very extremists we denounce.

Those of us who support Senate bill 2311 want to retain in the hands of representative government the power to write laws. We want to write it into the law that no Communist shall hold a Federal appointive job. We want to write into the law that no Communist shall get a passport to travel abroad. We want to write it into the law that no Communist shall have the right to sneak propaganda through the mails for public circulation without identifying it as to its source. The basis of representative government is the power to write things into the law. Instead, those who have been quoting Al Smith want those things done under Government mandate. They say we should let the President do it. They say do it by Executive edict. Sometimes he would permit Communists to go overseas, as he did on 22 different occasions when Communist Browder was permitted to go abroad. Sometimes he would say, "No; you cannot go overseas," as he said the other day to Paul Robeson after letting Robeson have such a passport just a short time ago. Sometimes he would let Communists work for the Government, as Jack Peurifoy, then assistant Secretary of State in charge of security, and now Ambassador to Greece, revealed to the United States Senate that 205 Communists had been fired from the State Department alone since Yalta. One time we would have such lackadaisical attitudes as to permit these policies to be pursued. At another time we would have a loyalty board established.

That is not representative government, Mr. President. It is not representative government to shift legislative responsibility and authority to the executive branch of the Government. That is something the Reichstag tried to do in Germany, and they got Hitler. That is what the Russian Duma wanted to do, and they wound up with Joe Stalin. We do not advocate that. We say, as Al Smith said, and as those who believe in representative government have always said, in passing laws, let us make up our mind what we want to do by law, instead of trying to shift our responsibility to the President, delegate our authority to the President, pass our Government into the control of the President, and concentrate in the Presidency full powers, after the manner of nazism, fascism, and communism. Certainly Al Smith would not favor that kind of surrender of the legislative branch of government to an executive agency. I am happy that the junior Senator from New York quoted Al Smith. That quotation supports precisely the provisions of the Mundt-Ferguson proposal.

Next he quoted a Republican, the present speaker, the junior Senator from South Dakota. He said that I said on March 17:

> I do not believe that all the Communists in America are going to register simply because the law says that they should, and I think that we are still going to need the FBI, and we are still going to need the House Committee on Un-American Activities and a great number of other alert people to find the people who decline to register.

Of course I said that. I have repeated it over and over again. I do not happen to be one of those sunshine patriots who believe the United States Senate should not pass any laws because somebody might violate them and that the only time the Senate should enact legislation is when we are sure in advance everybody is going to comply with it.

The junior Senator from New York said in his statement that if we pass the bill, some Communists are not going to register. I agree with him; of course they are not. We cannot pass any bill that everybody is going to obey. Let us once and for all decide this question among ourselves, as Senators. Are we men with red corpuscles and hair on our chests, willing to pass a law and trust the enforcement officers to enforce it, or are we going to stand before the public and say, "We are going to pass laws only when we are sure in advance that no one is going to violate them"? To me that is the silliest kind of an argument that can be made, because somebody is going to violate every law we pass. We could certainly save a lot of time if we made that our rule of conduct and avoided passing any legislation that somebody might evade.

Mr. FERGUSON. Mr. President——

The PRESIDING OFFICER (Mr. LEAHY in the chair). Does the Senator from South Dakota yield to the Senator from Michigan?

Mr. MUNDT. I yield.

Mr. FERGUSON. That would seem to indicate that the best way to deal with the Communists is to appease every one of them, by not passing a law that would make any of them ever guilty of a crime.

Mr. MUNDT. That is true. That kind of abject appeasement makes the Munich Conference look like Horatio at the bridge by comparison. We must not surrender the authority of the Government to that extent.

The next complaint lodged against the Mundt-Ferguson bill is this: The Senator from New York says that he is opposed to the provision of the bill which makes Communist organizations label the printed material they send through the mail, and he calls attention to it because, he says, the contents of the literature or letters will be immaterial. In other words, I dare say he proposes setting up a censorship; I presume he proposes establishing another kind of Gestapo activity.

I am not concerned about what the Communists send through the mail provided they label it so that people will know where it comes from. I do not want anybody snooping around and saying that Communists or Democrats or Republicans can send things through the mails anonymously if a censor does not disapprove the contents. I want the Communists to do what Republicans and Democrats have to do in campaign time, under the law, put the label of the party on anything they print and circulate, and let them be answerable for it. I am not concerned with censoring the contents. I do not care whether it is an invitation to a tea party or a call to revolt. Let it be identified by the label of th party. Let the Communists assume responsibility for their propaganda.

I want the junior Senator from New York or someone else sponsoring the milk toast amendment proposed as the administration's substitute to tell me why they want to continue to give a cyclone cellar of concealment to Communists when we have found it necessary to deny it to Republicans and Democrats. I do not believe in anonymous campaigns, anonymous letters, and anonymous attacks.

I wholeheartedly subscribe to the theory that a candidate for public office should sign the literature that goes through the mail in his behalf, or have it attributable to a definite and responsible source. I am not one who would say, "That is a good rule for Republicans and Democrats, but because we might lose a few left-wing votes in the city precincts we do not want to apply it to the Communists." This particular Senator can be counted out when it comes to that kind of appeasement of the Communists.

Let me read the next statement of the junior Senator from New York:

> No individual writing to wife, husband, broker, lawyer, or doctor will be sure that the communication will not be read and abstracted by some agent in pursuit of evidence that this letter was one of those mailed by a Communist or Communist-front organization.

What a perversion of the contents of the bill. Whom is that designed to deceive? Certainly no Member of the Senate, because most Members of the Senate are going to read the bill before they act upon it. It is provided specifically in the bill that the provision referred to deals only with printed material which is designed to be circulated and disseminated among two or more people. No private letter, individually addressed, could conceivably come under that kind of definition, and certainly the Senator must know it. That is why I say we cannot afford to confuse ourselves by irresponsible statements made about proposed legislation so vital to the safety of America in time of war as is this kind of Communist-control legislation.

Mr. President, I welcome questions like those asked by the Senator from West Virginia. I have discussed the bill with him many times. I am sure he is trying to struggle through his own thinking to know what he is to do about the bill. I know it is difficult to decide these things. But standing up and deliberately perverting the contents of a bill is not going to get by without a retort so long as I am in the Senate and have my name associated with a bill. I should like to have those who criticize the bill read it before they criticize it. As I have pointed out, and as I shall show as I proceed further into the remarks of the Senator, that could not conceivably have been the case yesterday.

The junior Senator from New York then said, as appears on page 14192:

> Communists, of course, would obviously be indictable and subject to imprisonment under the provisions of section 4 (a). Yet, at the same time, they are required to register as Communists under the terms of section 8 of the same bill. In other words, one section requires them to register, and another section puts them in jail for registering.

Mr. President, that is a plain, unadulterated misinterpretation of what is in the bill. I defy the junior Senator from New York to find any section of the bill which provides for putting any Communist in jail for registering. The operation of the bill is precisely the opposite.

I suggest that when the Senator from New York studies the bill he quote it to the Senate. He has made the statement, and he is responsible for it. Such a provision is not in the bill. If he can find it, I shall be happy to eat the bill, literally, on the floor of the Senate before my colleagues, and to follow it by eating as a dessert course the milk-toast substitute offered by the Senator from New York.

Mr. LONG. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield to the Senator from Louisiana.

Mr. LONG. I was under the impression, from hearing the Senator from New York yesterday, that he said that under a previous statute it was unlawful to belong to an organization that advocated the overthrow of the United States Government by force, not that the bill before us would make it unlawful, but that there was a previous act, already on the statute books, which made it unlawful for one to be a member of an organization advocating the overthrow of the Government.

Mr. MUNDT. Let me quote what the Senator from New York said. His statement was:

> In other words, one section requires them to register and another section puts them in jail for registering.

Mr. WILEY. He was talking about the bill.

Mr. MUNDT. Yes; and nothing else.

Mr. LONG. My impression yesterday was that the Senator was referring to some provision of existing law which would make it unlawful for a man to belong to such an organization.

Mr. MUNDT. He said that in another place.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Michigan.

Mr. FERGUSON. Is it not true that Judge Medina, in his charge to the jury in the trial of the 11 Communists, told them that mere membership in the Communist Party was not sufficient to warrant the jury in convicting them under the Smith Act?

Mr. MUNDT. Precisely.

Mr. FERGUSON. So that it could not apply to that law.

Mr. MUNDT. It could not conceivably apply. Even if the impression which the junior Senator from Louisiana had were correct, it would still be an incorrect interpretation of the act. But I quoted the words of the Senator from New York, in which, in his enthusiasm, having gotten by with the first statement about the Smith bill, he went to the second statement, that the provision was in our bill that would first register Communists and then put them in jail. Such is simply not the case.

Mr. LONG. The junior Senator from Louisiana is placing no such interpretation on the Smith law or any other law. He was stating the impression he got from hearing the junior Senator from New York yesterday.

Mr. MUNDT. I appreciate that, and I am quite convinced, without trying to put the junior Senator from Louisiana on the spot, that he supports our proposed legislation.

Mr. President, now I come to an argument of the Senator from New York which has to be answered, and it is probably as strained an interpretation of the bill as I have ever heard anywhere. The last time I heard it was when it was delivered on the floor of the House of Representatives by a Representative from the city of New York, Representative VITO MARCANTONIO. When I was working on a similar bill about 3 years ago I listened to the same kind of talk in the House. I listened to it again yesterday. I answered it then, and I shall answer it now, and I shall answer it at any other time when anyone tries to place that kind of shotgun interpretation upon legislation which has been sustained, as this has, by the outstanding legal talent in America, in addition to the Committee on the Judiciary, as I have said; including representative committees of the American Bar Association, several State bar associations, the firm of John W. Davis & Co., the law faculty of the University of Virginia, and many others.

I shall now quote from page 14193 of the RECORD of yesterday, September 5. On that page appears a colloquy between the Senator from New York [Mr. LEHMAN] and the Senator from Illinois [Mr.

DOUGLAS] in the course of which the Senator from New York said:

Under the terms of the Mundt-Ferguson and McCarran bills, good American organizations—labor unions, church groups, and others—could be charged on this basis with being Communist fronts.

Then he points out the criteria, or little bits or parts of the criteria, involved to indicate how he thinks that there could be indicted as Communist-front organizations a whole series of organizations, such as church groups, CARE, labor unions—anybody who favors the Brannan plan, the FEPC, or socialized medicine. Then says the Senator from New York:

But the really significant point lies in the fact that the bill leaves it entirely to the discretion of the Subversive Activities Control Board—

Which is erroneous. The bill leaves it in the first place to the control of the Attorney General.

In the second instance, decisions based on hearings held by the Subversive Activities Control Board can be taken to the appellate courts. So that at best it can be said that the Senator was only 33⅓ percent accurate in that statement.

Then he goes on to state how labor, how the United Auto Workers of America, for example, were to be brought under the terms of the bill. He spent a considerable amount of time alleging that they can be brought under the terms of the measure. I think that allegation should be answered because certainly it is a fair question for discussion whether or not the bill is designed to bring under its provisions labor organizations, farm organizations, and other perfectly legitimate organizations. I think the best answer is to read the bill. I think we could have saved ourselves a great deal of time yesterday and today if it had been a sort of standard practice by those discussing the measure to indulge in at least a cursory, perfunctory reading of the bill before the pontification begins. On page 7 we find this language:

The term "Communist-controlled organization" means any organization in the United States which (a) is substantially dominated or controlled by the foreign government or foreign governmental or political organization controlling the world Communist movement referred to in section 2.

That knocks into the ashcan two columns of the Senator's argument when he tries to make us believe that we are going to become involved in totalitarian government controls such as those in China, Yugoslavia, and so forth. The Senator knows and other Senators know and I know where communism is controlled. It is controlled in Moscow.

The bill points out exactly the kind of Communist-controlled organization it refers to. It says:

Which is substantially dominated or controlled by the foreign government or foreign governmental or political organization controlling the world Communist movement referred to in section 2, and (b) operates primarily to advance the objectives of such world Communist movement, as set forth in section 2 of this act.

Obviously no one could bring within that kind of definition any labor union or any church group or the packages sent out by CARE. Labor and farm organizations, churches and relief organizations are of course not even remotely affected by the Mundt-Ferguson provisions.

So let us look at the other part of Communist-front organization. What is a Communist-front organization?

The term "Communist-front organization" means any organization in the United States (other than a Communist-controlled organization)—

Which is the one I have just defined—

which (a) is under the control of a Communist-controlled organization.

It would be necessary to bring the UAWA under the provisions of the bill to show that the Union of Auto Workers is under the control of the Communist Party. If that is true they would have to register. The Senator from New York denies it is true that the UAWA is under such control. I deny it is true. I do not know anyone who alleges it is true. But only if, when, and as it is true that it is under the control of the Communist Party, does any organization become a Communist-front organization, such as the American Youth for Democracy, the League for Peace and Democracy, and organizations of that nature. There is just not any use trying to scare a lot of innocent people by saying, "You are going to have to register as a Communist-front organization before you can send a CARE package to a family living in Poland." I think the times are a little bit too serious for that kind of misrepresentation of legislation so vital to our security as this is. That is why I have taken the time to correct the statements that have been made, far from the point though they were.

What other kind of Communist-front organization could there be? It either has to be controlled by the Communists or else "(b) is primarily operated for the purpose of giving aid and support to a Communist-controlled organization, a Communist foreign government, or the World Communist Movement referred to in section 2."

Its primary, fundamental, basic purpose must be to support the Communist Government in Russia, or to support world communism, or to support the foreign Communist organizations in the United States. It is utterly and absurdly ridiculous to assume it applies to labor unions. I inserted in the RECORD a letter about 2 weeks ago from Louis Waldman in which he pointed out that of the most absurd representation respecting the bill is the one in which it is suggested that it referred to labor unions, to farm organizations, to church groups. It applies only to what it says it applies to, nothing more and nothing less.

Mr. President—

Said the Senator from New York—

and Members of the Senate, in the Mundt-Ferguson and McCarran bills, we have legislation which permits thought policing.

Again I offer to quote as against that the provisions of the bill on the floor of the Senate. If the junior Senator from New York or any other Senator can quote a paragraph, a syllable, or a sentence anywhere in the bill which provides for thought policing, I challenge him to do it. Quite the contrary is true, as I propose to show later. We give to the Communists every single legitimate political privilege and freedom to function now enjoyed by the Democratic and Republican Parties of the United States. I submit to the Senate in all sincerity, in the middle of a war we should not have to listen to misrepresentations of that kind which are refutable simply by reading the bill. There is no thought policing in the bill. There is no censorship provided in it. In fact, we would compel Communists to register publications without censoring.

Now we come to the most amazing spectacle of the afternoon's performance yesterday. The Senator from Minnesota [Mr. HUMPHREY] is interrogating the Senator from New York. One is asking questions of the other in an effort to find flaws and faults with the bill. That is perfectly proper. Says the Senator from Minnesota:

I should like to ask the Senator from New York whether or not he finds any restraints in the bill upon the membership of Communist-front organizations, to prohibit them from listing, as prescribed on page 16 of the bill, paragraph (2)—

And then he quotes the paragraph—

Is there any restraint upon the Communist organizations to prohibit the filing of the name of some United States official?

Mr. LEHMAN. I know of none.

Mr. HUMPHREY. Is there any restraint upon them filing the name of a local merchant or local judge?

Mr. LEHMAN. No restraint so far as I know.

It would have been so simple, Mr. President, to have corrected that deficiency of information merely by a reading of the bill, because as a matter of fact, as I hope henceforth both of the two Senators will recall, there is listed in the bill specifically a prohibition and a penalty for falsely listing anybody as a Communist who is not one. False listing is punishable by law. The Senator from Minnesota did not know that. The Senator from New York said he did not know that. But either one of them can find it out by a reading of the bill. So specifically is it placed in the legislation that we protect the integrity of all decent citizens from that kind of shenanigans, in which of course otherwise the Communists would be quite free to engage. That prohibition is paragraph (B) of section 16 of the bill beginning on page 37.

Mr. President, so much for what the bill does not do and so much for a correction of inapplicable statements which have been made about it.

Mr. KILGORE. Mr. President, will the Senator yield, to permit me to propound a unanimous-consent request?

Mr. MUNDT. Yes; provided it does not interfere with my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator may yield for that purpose without jeopardizing his right to the floor.

Mr. KILGORE. Mr. President, I send to the desk an amendment on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from

New York [Mr. LEHMAN], the Senator from North Carolina [Mr. GRAHAM], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Connecticut [Mr. BENTON], and ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

Mr. MUNDT. Mr. President, I was just commenting about the discussion which occurred yesterday. I have just one other comment to make. I do not think it was intended seriously, and I do not consider it seriously; but the Senator from Tennessee [Mr. KEFAUVER] was disturbed because, as he indicated, this bill might prevent some group within the United States from getting together and offering an amendment whereby the United States could be delivered to the sovereignty of France or to the sovereignty of some Canadian dictator riding down from the north on horseback. Of course, Mr. President, those are certainly speculative suppositions. Should such a situation develop, I would assume that the Senator from Tennessee would join me in resisting it, as he does join me in resisting communism.

Certainly all of us should resist any kind of dictatorship, whether under the banner of France, or Hitler, or Stalin, or Mussolini, or some Japanese Shinto priests, or in whatever way dictatorship may appear. Under this bill, the prohibited conspiracy must be a conspiracy which substantially aims at overthrowing the Government of the United States. Obviously the Constitution of the United States cannot be so classified.

Mr. President, what does the bill provide? First of all, it is built, as I have said before, on a simple, three-pronged formula. We propose to identify Communists, we propose to disclose communism, and we propose to curtail certain Communist activities.

We propose to move against communism to the minimum degree which is compatible with the safety of our American Republic.

We propose to move against Communists by act of law, not by executive fiat or decree.

We propose to safeguard our Government against communism within the constitutional provision of our charter of freedom, the Constitution of the United States.

The first requirement is that Communists register. I have already mentioned that. Why not require Communists to register, Mr. President? Republicans register and Democrats register in most of the States of the Union, even to vote in the primaries. Republicans and Democrats register in every State of the Union before they can go to a political convention and participate in the selection of nominees or candidates. Today, registered Democrats are meeting in one town in New York and registered Republicans are meeting in another town in New York to select gubernatorial and senatorial candidates. Does that mean that any foot-loose Republicans should go to the Democratic convention or that any foot-loose Democrats should go to the Republican convention and should attempt to mess it up by trying to participate in the selection of their candidates? No one advocates such a thing. However, there are those who say that Communists should not have to register.

Mr. President, the principle of registration has been established in this country down through the years. We have on the statute books laws requiring the registration of stocks and other securities; and I am in favor of it, and I think it is a good thing. We have on the statute books laws requiring good, patriotic Americans to register as lobbyists if they appear before a congressional committee; and I am in favor of it, and I think it is a good thing. It does not deny anyone the right to function freely, but it simply lets others know who they are and whom they represent.

However, there are those who say it is all right to say to the head of a labor union or to the representative of a farmers' group or farm organization, "You must register as a lobbyist before you can come to Washington," but who do not think those who represent Joe Stalin should be required to register. Mr. President, Senators can count me out on that kind of appeasement, for I am against it.

Registration is a reasonable device applied today to good Americans. We simply want to apply it also to bad and disloyal Americans. Let those who want to defend special privileges for disloyal Americans defend them, but not on the ground that registration is something novel or something new or something unprecedented. In these halls registration is an established principle of disclosure, which has been used over and over and over again.

Mr. President, in addition to requiring Communists to register, the bill requires Communists to identify their activities. I have mentioned that, too. The bill also requires Communists to identify their fronts.

When the national Democratic organization organizes a Young Democrats League they have to identify it as such. Why not, Mr. President? When the national Republican organization organizes a Republican woman's organization they have to identify it as such. Why not, Mr. President? Who are ashamed of their convictions and their beliefs except the traitors in our midst and the espionage agents and those who want to do dirty work in the darkness of the night? Why should not Communists be required to identify themselves, just as Democrats and Republicans are required to do? Why does not someone answer that question?

Let some of the sponsors of the fourth version of the administration's substitute, which was submitted about 10 minutes ago by the Senator from West Virginia [Mr. KILGORE], for himself and other Senators, answer that question. Believe me, Mr. President, they are changing their versions rather rapidly. Why do they not say why they do not want Communists to register and to identify themselves? Why do they not say why they do not want Communist revenue and Communist propaganda and membership identified? They owe that to the boys who are fighting and dying in Korea.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. FERGUSON. It is interesting to note that in the opening paragraph of the amendment in the nature of a substitute, just submitted by the Senator from West Virginia, for himself and other Senators, it is said that—

> The Congress hereby finds that—
> (1) Totalitarian political movements, and individuals and associations of individuals giving aid or support to such movements, endanger the military security and constitute a serious threat to the existence of American institutions and the peaceful enjoyment of the American way of life.

It is good at least to have those who are sponsoring the amendment in the nature of a substitute admit that much.

Mr. MUNDT. Yes, indeed. We are making a little headway in the right direction, at least.

So much, Mr. President, for the identification.

As I have said, the identification must be honest and it must be actual.

The Senator from Minnesota [Mr. HUMPHREY] or the Senator from New York [Mr. LEHMAN] could have discovered by reading the proposed legislation, on pages 36 and 37 of Senate bill 2311 and on the corresponding pages, under the same identification, of the McCarran bill, the language making it a crime to falsify the identification or the registration statement. I wish to read that portion of the bill into the RECORD, so that all Senators will have it before them. I refer now to the penalty provisions, and I shall read subsection (b) of section 16, on page 37:

> (b) Any individual who, in a registration statement or annual report filed under section 7 or section 8, willfully makes any false statement or willfully omits to state any fact which is required to be stated—

In other words, anyone who willfully lists a loyal lawyer or a decent judge, I say to the Senator from Minnesota [Mr. HUMPHREY]; and that means anyone who willfully lists a United States Government official who is not a Communist; that means anyone who willfully lists anyone who is not a member of the organization—

> or which is necessary to make the statements made or information given not misleading, shall upon conviction thereof be punished for each such offense by a fine of not less than $2,000 and not more than $5,000, or by imprisonment for not less than 2 years and not more than 5 years, or by both such fine and imprisonment.

Mr. President, to make the matter doubly sure—and I wish to read this for the consolation of Senators who might have been worried about the fact that there could be a false or fictitious registration—the following is also included in the bill at that point:

> For the purpose of this subsection—
> (1) each false statement willfully made, and each willful omission to state any fact which is required to be stated, or which is nscessary to make the statements made or information given not misleading, shall constitute a separate offense; and
> (2) each listing of the name or address of any one individual shall be deemed a separate statement.

So, Mr. Communist, you can get yourself locked up in Uncle Sam's jug for a good long while if you try to list non-Communists as Communists. I am not one, as I have said before, who believes

that the great Senate of the United States has to run away from the Communists, because they say, "If you pass a law, we are going to violate it." Let me say to them, Brother, go right ahead. For me, I should like to see these law violators go to jail under the hammer and sickle, if they are that contemptuous of the Congress and of the country and of the law. If they sign up and behave themselves, they can continue to function.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WATKINS. I have listened to the Senator's statement about the penalties, with the thought in mind that probably the penalties which are provided are among the most stringent penalties known to our Federal laws. Does the Senator have any information on that point?

Mr. MUNDT. Does the Senator refer to the penalties in our bill?

Mr. WATKINS. I refer to the restrictions which the Senator has just mentioned—the penalties for the false listing of individuals as members of the Communist Party—in other words, branding them willfully as Communists when they are not.

Mr. MUNDT. By comparison with the penalty for kidnaping, I should say the penalty here is small.

Mr. WATKINS. But it is still a heavy penalty, is it not?

Mr. MUNDT. It is a heavy penalty. It provides a penalty of from 3 to 5 years.

Mr. WATKINS. As a matter of fact, it should be a heavy penalty, should it not?

Mr. MUNDT. It should be a heavy penalty. It is also cumulative, so that when one considers the cumulative feature, I suppose that aside from the death penalty, it is the heaviest penalty we have in the Federal law.

Mr. WATKINS. As a matter of fact, that would make it a very strong safeguard against any person willfully doing the thing, would it not?

Mr. MUNDT. It would make it so strong that no Communist who was not desirous of spending the rest of his life in the Federal penitentiary would dare violate it. The only alternative conclusion at which one could arrive is that we are going to have an Attorney General who will not enforce it. That, as I said, I would deny. I would expect the Attorney General to enforce it. I should be bitterly disappointed if he did not. I recognize his capacity to circumvent the law, if he did not desire to enforce it, but I do not believe he would do that. Unless that be the basis of the argument made by the opponents of this bill, it is not an argument to be made by me.

Mr. WATKINS. Mr. President, will the Senator yield further?

Mr. MUNDT. I yield.

Mr. WATKINS. I desire to call the Senator's attention to the fact that I am receiving a considerable amount of mail from people in my State who are criticizing this measure on the ground that it is a thought-control bill. I note editorial opposition to it by some of the leading newspapers on the same ground. It is claimed the bill goes too far. How does the Senator reconcile the opposition of apparently sincere people with the facts in this case in respect to that?

Mr. MUNDT. I am glad the Senator brought that up, because I am working toward that question and am going to discuss it in a moment in my speech. I am pointing out, first of all, what this bill does, and I intend then to proceed to point out what it does not do, and, even if I repeat myself, I shall endeavor to confine myself to the statement and mention it specifically in a few moments.

Mr. WATKINS. Mr. President, if the Senator will yield further, I desire to make this observation: It seems to me there is more misunderstanding about the terms of this bill among the citizens of the country than there is probably regarding any other measure which has been presented to the Congress in a long time.

Mr. MUNDT. I think that is true, and there is a very obvious reason for it. There has been more widespread and highly financed propaganda launched against this bill than against any other piece of legislation that I can remember, including the Taft-Hartley legislation and UMT. We have had not only the Communist organization financing it—and anybody who reads the Communist Daily Worker as regularly as I do will recognize that they have been raising money by one device or another for a long while in the effort to fight it—but there is a committee known as the National Committee To Defeat the Mundt Bill, which I suspect is a Communist-front organization and Communist financed, although under present circumstances it makes no reports to the Government. But certainly they have set up headquarters here in Washington and at other places; they are publishing literature of all kinds, and they have radio programs trying to befuddle the public. The result is that many people are confused and bewildered by them. There has been an organized program of pernicious perversion, seeking to befuddle the people about the bill.

Mr. WATKINS. Mr. President, will the Senator yield further?

Mr. MUNDT. I yield.

Mr. WATKINS. I may observe that in going over the names of those who have protested from my State, I find a large number, probably a large majority of them, are members or formerly were members of the Progressive Party, better known as the Wallace Party.

Mr. MUNDT. I should not be surprised, because we have the word of the candidate of that party for President, Henry Wallace himself, that the Progressive Party is controlled by the Communists—and he should know. So I would assume that there is good reason why more people in that party should write the Senator in opposition to this bill than anyone else in the State of Utah, unless it be the Communists themselves, under their own banners, which they seldom use when they correspond with Senators.

Mr. WATKINS. If I may make a further observation, I should like to associate myself with the Senator in his very critical and, I think, very fair analysis of the terms of this bill.

Mr. MUNDT. I thank the Senator.

Mr. WATKINS. It has not been my good luck to have made the study of it which the Senator has made. I have not had time to do so. But I greatly appreciate the efforts which the Senator has made in the past in his fight against communism and totalitarianism, and the fight he is now making on the floor of the Senate.

Mr. MUNDT. I appreciate the Senator's statement.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MUNDT. I shall yield in a moment. As I said earlier, I am trying to discuss this question on a reasonable and rational basis without attributing bad motives to anyone. But I simply am not going to permit anyone to misrepresent the text of the bill, without answering him. I think that is indefensible in the case of legislation which has been before the country for 30 months, and which has been reported to the Senate since March 22. I am happy to yield now to the Senator from Tennessee.

Mr. KEFAUVER. I am sorry I have not been able to be present to hear all the remarks of the distinguished Senator from South Dakota. As he knows, one section of the bill about which I have had a good deal of concern, referring to the Mundt-Ferguson-Johnston bill, is section 4. I am certain the Senator has discussed section 4 in some detail, but, for the purpose of information and perhaps for clarification, I should like to ask a few questions about section 4, if I may.

Mr. MUNDT. I shall be happy to have the Senator do so.

Mr. KEFAUVER. Section 4 (a) provides that it shall be unlawful for any person to conspire or to perform any act which would substantially contribute——

Mr. MUNDT. I think the Senator omitted something.

Mr. KEFAUVER. I am not reading it verbatim, I am only paraphrasing.

Mr. MUNDT. Very well.

Mr. KEFAUVER. Which would substantially contribute to the establishment within the United States of a totalitarian dictatorship, the direction and control of which is under a foreign government or a foreign organization. What bothers me about it is that I had always understood that a person had a right to propose any kind of constitutional amendment he wanted to, regardless of whether it were advisable, or whether it represented something which should be done, or whether anyone would agree with him; and that, so long as he proposed a constitutional amendment, it could not be an unlawful act if he did it in a constitutional way.

I wonder what would be the effect if someone, let us say an American citizen, feeling that some foreign organization, not necessarily a Communist organization but some organization which might be under the control of a group of foreign organizations that might be interpreted to be totalitarian, as defined in the preceding section, proposed and spoke for an amendment to the Constitution carrying out his ideas.

Mr. MUNDT. In line 16 there will be found the specifications in realistic phraseology.

Mr. KEFAUVER. At any rate, it would be a justiciable issue as to whether it were a totalitarian dictatorship, but ever assuming that it were, can we pass legislation which, it seems to me, would make unlawful something which the Constitution says a person has a right to do.

Mr. MUNDT. Of course, answering the theoretical part of the Senator's question first, I could answer it in the negative and say that if it were a question of whether we should pass legislation which the Constitution says is illegal, I would say, of course, that we should not. Answering the Senator's real question, now, and the source of his worry, I may say that I referred to that only a few moments ago, I am sorry to say, before the Senator came in.

Mr. KEFAUVER. I regret that I was not present.

Mr. MUNDT. I am happy to have the Senator here while I am saying it.

First, it would have to be a case such as that which is pointed out in subparagraphs 1 and 2 of subsection (a). It would have to be for the purpose of delivering the sovereignty of this country to a totalitarian dictatorship, one which is characterized by the existence of a single political party with such identity between such party and its policies and the Government and governmental policies of the country in which it exists as to render such party and the Government itself indistinguishable for all practical purposes.

It would mean that, in the first place, it would have to be in advocacy of a Communist dictatorship, or one such as was operated by Hitler under nazism, or one such as was operated by Mussolini, under fascism—or perhaps the Shinto priests of Japan could qualify. So there would be someone endeavoring to subjugate the freedom of America, to destroy the Bill of Rights, and turn us over to a tyrant. But if he did that by the introduction of a constitutional amendment, no one could say that by introducing a constitutional amendment he was substantially contributing to the establishment of that kind of a dictatorship. It must be done by the performance of an act which substantially contributes to the establishment of such a dictatorship. That is one of the things we discussed with lawyers. The language was phrased in order to catch the people who should be caught and so as not to bother those who are not dangerous to our security.

Mr. KEFAUVER. I suppose the introduction of a constitutional amendment or the advocacy of a constitutional amendment would not be such an act——

Mr. MUNDT. It could not conceivably be an act which would substantially contribute to the destruction of freedom. Many constitutional amendments are proposed, but very few are adopted.

Mr. KEFAUVER. Whether it would contribute substantially would be a question to be tried by the courts.

Mr. MUNDT. Exactly.

Mr. KEFAUVER. And, also, what is a totalitarian dictatorship would be a justiciable issue to be determined by the courts.

Mr. MUNDT. Not to such a high degree, because we establish some clear definitions for that. The courts would determine what kind of acts would substantially contribute to a totalitarian dictatorship.

Mr. KEFAUVER. What we do not want to do is to hale someone into court and force him to trial on the question of whether his act substantially contributes to a totalitarian dictatorship, through doing something which, under the Constitution, he has a perfect right to do.

Mr. MUNDT. I concur in that statement. Carrying the supposition of the Senator still further, before we could hale into court some innocent person involved in that kind of attack because he introduced an amendment to the Constitution to destroy the freedoms of America, we would have to have, first of all, a finding by the Attorney General, so we would have to assume that we had at the head of the Department of Justice of this country a strange type of individual who would try to prosecute or to persecute an individual under the terms of the act. That argument would be so strained that the first court would throw it out.

Mr. KEFAUVER. I think that in considering a bill of this kind we have got to consider the uses which might be attempted to be made of it by someone who did not have regard for constitutional privileges and for the Bill of Rights. We must take into consideration even far-fetched suppositions in connection with proposed legislation of this kind. Very frankly, in ordinary application I know the Senator would say that under no interpretation should this be brought under the purview of section 4 (a). But there are pending in the Senate of the United States some 10 or 12 or 15 different kinds of resolutions in which approximately 50 Senators have joined as sponsors, the result of which would, to some extent, be to transfer some of the sovereignty of the United States to some foreign-controlled organization, or an organization of which the United States does not have complete control.

Mr. MUNDT. Does any of them recommend the establishment within the United States of a totalitarian dictatorship?

Mr. KEFAUVER. Let me carry my question further. I think most Members of the Senate have recommended a police force in the United Nations which would be under the jurisdiction and control of the Security Council of that body, in which the United States has only a one-fifth voice. What I would be afraid of is that this bill, if it were placed in the hands of someone who did not have due regard for the rights of citizens, or a person advocating the turning over of a part of the operation of the Government or part of our Government—and certainly the use of the armed services is a very substantial part of our Government—to a foreign organization, and someone might even interpret the Security Council to be a foreign organization——

Mr. MUNDT. If I may interrupt the Senator, because he is proceeding in my time, I invite attention to the fact that his supposition is entirely beside the point, because it is not simply a matter of turning something over to the domination of a foreign government, but the Senator fails entirely to heed this language:

> It shall be unlawful for any person knowingly to combine, conspire, or agree with any other person to perform any act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship, the direction and control of which is to be vested in, or exercised by, or under the domination or control of, any foreign government.

Obviously, neither the Senator from Tennessee nor I would have our names on such a resolution. We would have our names on no resolution which would establish in the United States a totalitarian dictatorship. So the Senator's question, while fanciful and interesting, is entirely beside the point.

In writing legislation we must also recognize and keep in mind that while a law can be abused by indiscreet men, the courts are going to be controlled by rational individuals to whom appeal can be taken in time of indiscretions on the part of administrators.

Mr. KEFAUVER. I do not think my question is so farfetched as the Senator claims it to be.

Mr. MUNDT. If the Senator can relate it to the establishment of a totalitarian dictatorship within the United States, I should be glad to have him do it.

Mr. KEFAUVER. If a foreign organization is determined to be totalitarian and has charge of the armed services of the United States, it might be considered as establishing or contributing to the establishment of a totalitarian dictatorship in the United States. That does not mean that the body must be in the United States, but if its influence is toward establishing a totalitarian dictatorship in the United States it would be in violation of the terms of the law.

Mr. MUNDT. Let me understand clearly what the Senator has in mind. It sounds to me a little incredible. Is the Senator trying to preserve an opportunity whereby a totalitarian dictatorship can be established in the United States by some foreign government which is characterized by the existence of a single political party, where the identity of such party and its policies and the government and governmental policies of the country in which it exists makes it indistinguishable for all practical purposes, together with the forcible suppression of all opposition to such party? If the Senator is interested in preserving that privilege in the United States, I am not.

Mr. KEFAUVER. I am sure the Senator does not mean to imply that that is what I want to do.

Mr. MUNDT. No; I do not think it is. But I wanted the Senator to recognize that that is protected against in the bill.

Mr. KEFAUVER. The Senator knows what I am worrying about. In the first place, I want to preserve to an American citizen or to a Member of the Senate or of the House of Representatives the right

to inaugurate any kind of constitutional amendment he wishes to.

Mr. MUNDT. So do I.

Mr. KEFAUVER. That is a right which the Constitution gives us.

The second thing I do not want to have happen is for some citizen to be brought to trial on the justiciable issue as to whether he is seeking to establish a totalitarian dictatorship or whether he substantially contributes to it when he has a perfect right to offer an amendment to the Constitution. That is what I am trying to protect.

Mr. MUNDT. As to the first part, he would be protected. As to the second part, the Senator and I know there is nothing to prevent an addle-minded Attorney General, a man of extreme insanity, to hold that the introduction of a bill would be a substantial contribution to the overthrow of our Government. It is our responsibility to see to it that such a man is not appointed Attorney General in the first place. However, if we had such an Attorney General, there is nothing that could prevent his making such a ruling, which the first court would of course throw out. However, he could also do it under a thousand other statutes. The only way we can prevent such a thing from happening is to try to keep crazy men from being appointed to high office.

Mr. KEFAUVER. Or to prevent passing laws which infringe on the Constitution.

Mr. MUNDT. This proposed legislation would not do that. Its constitutionality has been acclaimed by many distinguished members of the bar.

Mr. KEFAUVER. I am sure it would never happen, but let us take a hypothetical case. Suppose that in the neighboring country of Canada, for whose form of Government we have always had a high respect, it should come to pass that someone gained complete control of the Canadian Government, and that under such control only one party was permitted to exist, as defined in subsection 16 on page 9 of the McCarran bill, and that Canada would then have a benevolent one-party system of government.

Mr. MUNDT. I do not see how it could be a benevolent government, because it would rule out the two-party system, and would be organized on a dictatorial basis.

Mr. KEFAUVER. I know of places in the South where we have only one-party rule.

Mr. MUNDT. Does the Senator consider such one-party rule a totalitarian dictatorship?

Mr. KEFAUVER. I do not consider it a totalitarian dictatorship. The opportunity exists for any other party to be effective if it can, but the fact remains that in some places in the South we have one-party rule.

Mr. MUNDT. Does the Senator refer to the forcible suppression of all opposition to the one party? Would that be a correct characterization of the one-party rule to which he refers in the South?

Mr. KEFAUVER. I do not think so.

Mr. MUNDT. Then the situation would not be covered by the bill.

Mr. KEFAUVER. Personally I do not like the one-party system. I would like the two-party system in full force.

Mr. MUNDT. If the Senator's question is whether I would prefer a dictatorship——

Mr. KEFAUVER. Let us not get away from the hypothetical question. Assuming what I suggested should happen in Canada. Of course, it would never happen in Canada.

Mr. MUNDT. May I interpolate there?

Mr. KEFAUVER. However, let us assume that it would.

Mr. MUNDT. If something is not going to happen we should not assume that it would, or use it as a basis of argument.

Mr. KEFAUVER. We can assume that it could happen.

Mr. MUNDT. The Senator and I are sure it would not happen.

Mr. KEFAUVER. I do not think it would, but assuming it should happen——

Mr. MUNDT. Since we agree that it could not happen, we should not assume that it would.

Mr. KEFAUVER. Nevertheless could a person who worked for a constitutional amendment to set up that kind of government in the United States be denied the privilege of doing so?

Mr. MUNDT. He could not be denied that privilege.

Mr. KEFAUVER. I refer to section 4.

Mr. MUNDT. No; because certainly anyone who would be trying to bring about the subjugation of this country to a dictatorial system of government in Canada—and which of course the Senator and I agree would never happen, and which the Senator and I agree cannot happen—would not be substantially contributing to the establishment within the United States of a totalitarian dictatorship. No court could say that a man who introduces a bill, makes a speech, writes a letter, publishes a newspaper, or circulates a tract, would substantially contribute to the establishment within the United States of a totalitarian dictatorship. Of course, if we want to take seriously every fantastic and "iffy" proposition in the world that can be advanced, or assume that an insane man serving as Attorney General could not do something of an insane nature, anything is possible. Of course, if we had such a man in the Attorney General's position we would have to impeach him.

Mr. KEFAUVER. I do not think that crackpot speeches would substantially contribute to what is referred to in section 4. However, a person may be able to influence many people who would think that what he said was a good idea. So it could eventually get to be substantial.

Mr. MUNDT. But it could not substantially contribute to the establishment of a totalitarian dictatorship.

Mr. KEFAUVER. The second question I wished to ask the Senator——

Mr. MUNDT. Even good speeches such as are made by the Senator from Tennessee and by myself would not contribute very much, I am sure.

Mr. KEFAUVER. I cannot speak for myself, but the Senator from South Dakota certainly has made some very fine speeches. My second question relates to section 4 (b). The section states that it shall be unlawful for any officer or employee of any corporation, the stock of which may be owned in whole or in part by the United States, to give any information of any kind which has been classified by the President as affecting the security of the United States. Apparently that section is intended to apply to Government employees and to people who are connected with the Government. Apparently it does not apply to the average person who has no connection with the Government. Is that correct?

Mr. MUNDT. That is correct. It says, "Any officer or employee of the United States or of any department or agency thereof." It is not intended to apply to private citizens, although section 4 (c)——

Mr. KEFAUVER. That is another matter. Section 4 (c) has to do with receiving information.

Mr. MUNDT. Yes.

Mr. KEFAUVER. Section 4 (b) applies to people who by virtue of their connection with the Government may have access to confidential information.

Mr. MUNDT. That is correct.

Mr. KEFAUVER. The trouble with that section is that it is so broadly written that hundreds of thousands of people in the United States ordinarily would not know whether they came under the purview or effective part of that section. I refer to page 11, line 5, of the McCarran bill: "or of any corporation the stock of which is owned in whole or in part by the United States or any department or agency thereof." It would seem to me that the section would take into account the employees of any corporation which had an RFC loan, or the stock of which corporation was pledged as collateral for the repayment of a loan.

Mr. MUNDT. To which page does the Senator refer?

Mr. KEFAUVER. Page 11, line 5. I am certain that 90 percent of the employees working for a big corporation, and working for it day in and day out, would not know whether the corporation had an RFC loan. Yet they would be put under the penalty section of the proposed law without their having a reasonable chance of knowing whether they came under the purview of that section.

The section may apply also to some schools, where control may be represented through some Government aid being given to the schools, perhaps under the Smith-Hughes Act. It may even apply to the Land Grant College Act. If such employees passed any information classified by the President as confidential, they would be guilty. Yet the act is not supposed to apply to the average citizen. Does not the Senator think that the application of the act should be limited to employees who know they are affected under the terms of the law?

Mr. FERGUSON. Mr. President, will the Senator from South Dakota yield so that I may make reply to the Senator from Tennessee?

Mr. MUNDT. Yes.

Mr. KEFAUVER. I know the matter has been discussed a great deal by the Senator from Michigan.

Mr. FERGUSON. Of course we have an axiom that ignorance of the law is no excuse.

Mr. KEFAUVER. It is not ignorance of the law, but ignorance of the facts.

Mr. FERGUSON. We have never been able to get around the fact that a layman has not read the laws. In fact, as the Senator from South Dakota has indicated today, debate on the floor of the Senate has revealed that all Senators have not read the laws. However, let me read the section:

It shall be unlawful for any officer or employee of the United States—

That is clear.

Mr. KEFAUVER. Yes.

Mr. FERGUSON. I read further:

or of any department or agency thereof—

That is clear.

Mr. KEFAUVER. Yes.

Mr. FERGUSON. I continue:

or of any corporation the stock of which is owned in whole or in part by the United States or any department or agency thereof—

In other words, it is a part of the United States. Let us say, for instance, it is the TVA.

Mr. KEFAUVER. Let us take General Motors.

Mr. FERGUSON. If the stock was owned by the United States, the section would apply, because they would have a direct relationship as an employee to the United States Government. Now let us look what they would have to do in order to qualify.

Mr. KEFAUVER. Let us stay with the question of who is covered.

Mr. FERGUSON. I will stay right with it:

To communicate in any manner or by any means, to any other person whom such officer or employee knows—

I underscore the word "knows"—

or has reason to believe to be an agent or representative of any foreign government or an officer or member of any Communist organization—

He has to know that, or have reason to believe that he is a member of a Communist organization or an agent or representative of a foreign government—

any information of a kind which shall have been classified by the President—

The corporation would have to receive confidential, secret documents classified by the President or the head of a department, with the approval of the President—

as affecting the security of the United States.

It would have to be so classified. Then the employee would have to know, as the bill says, or have reason to believe, that it has been classified. It would have to be marked as classified—

unless such officer or employee shall have been specially authorized by the head of such department, agency, or corporation to make such disclosure of such information.

In other words, if a corporation such as the RFC, or the Commodity Credit Corporation, which is partly owned or wholly owned by the Government gets secret information, classified, and knowingly gives it to the agent or representative of a foreign government, or to a known Communist, that makes it a crime, and I say it should be made a crime.

Mr. KEFAUVER. The Senator overlooks——

Mr. FERGUSON. I do not overlook anything.

Mr. KEFAUVER. I am sorry the Senator will not let me show him what he overlooks. He overlooks the kind of an employee I am referring to. I am referring to an employee of a private corporation which is owned by the RFC. For instance, the RFC owns the stock of a corporation, we will say.

Mr. FERGUSON. It would not be collateral; there would be a mortgage.

Mr. KEFAUVER. If the Senator would inquire he would find that the stock of a great many corporations is issued through the Reconstruction Finance Corporation, so that they are the owners. I expect it will be found that the Reconstruction Finance Corporation owns a great deal of the stock of the Kaiser-Frazer Co. In the case of X corporation, engaged in the business of manufacturing automobiles, let us say, the average employee would not know that he was working for the Government, and would not know about any prohibition of the law applicable to Government employees.

Mr. FERGUSON. Why should he be giving the secret documents to Communists, or to the agents of foreign nations?

Mr. KEFAUVER. The point I make is that such cases ought to be eliminated, or this section should be made to apply to the public generally, to everybody. I do not want to see a little employee of a corporation, who may not know or have reason to believe that the Reconstruction Finance Corporation owns the stock of the corporation for which he works, put under this section, which is supposed to apply to Government employees. If the desire is to include such persons as that, then let us include everybody.

Mr. FERGUSON. It would not be secret information if it were public property.

Mr. KEFAUVER. Take the case of an employee of the Kaiser-Frazer Co. I think I am correct in saying that a great deal of the stock of the Kaiser-Frazer Co. is owned by the Reconstruction Finance Corporation, a Government corporation. Suppose an employee of that company had heard somewhere or other how many airplanes the United States had, and that that was something which had been classified by the President as secret. Suppose Mr. Churchill came to the United States on a visit, and this little employee told Mr. Churchill how many airplanes the United States had. He would meet all the definitions of this section. In the first place, he is an employee of a corporation a part of the stock of which is owned by the Government. He communicates the information to the representative of a foreign government, Mr. Churchill. The information has been classified.

Mr. FERGUSON. And he knows it has been classified.

Mr. KEFAUVER. He knows it has been classified.

Mr. FERGUSON. And he knows he is giving it illegally. He would know it, because it has been classified.

Mr. KEFAUVER. It is not required by this section that one should do something illegally, that he should be doing something to harm the Government. If there were a provision that knowing, or having reason to believe, that information was going to be used against the United States Government, that would be another thing. This bill provides a penalty for the little employee, even an employee of a newspaper, the stock of which may be partly owned by the Reconstruction Finance Corporation, who may talk to Mr. Churchill, or Mr. Menzies, of Australia. The employee might say, "I happen to know we have 'X' number of planes." I do not think this is right, and particularly I do not think it is right because we know a great many things are classified as confidential in the departments under Presidential order. There are files all around marked "Confidential." If the employee had reason to know, or should know, that the information could be used against the Government of the United States, that would be another matter. But if Mr. Churchill should be here, the employee would naturally want to tell him anything he might know, and he would not think he was doing anything wrong.

Mr. FERGUSON. Suppose he were telling Mr. Malik.

Mr. KEFAUVER. That illustrates the weakness of the section. It does not provide that the giver of the information must have a bad motive in order to be guilty.

Mr. FERGUSON. But he must have direct knowledge, or reason to believe. A jury would give him the benefit of the doubt. Of course, we can get into the realm of imagination. We can be floating around in the clouds, and leaving the Communists on the earth. In my humble opinion that is what we have been doing, floating around in the clouds, while the realists, the Communists, have been down on the earth taking advantage of us.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER (Mr. LODGE in the chair). Does the Senator from South Dakota yield to the Senator from Nevada?

Mr. MUNDT. I yield.

Mr. McCARRAN. Is it not true that if the matter referred to were marked "Confidential," the employee to whom the Senator from Tennessee makes reference would know that, and Mr. Churchill would know it, and both of them would know that they should not either give it out or receive it?

Mr. KEFAUVER. Mr. President, if the Senator from South Dakota will yield further, the bill does not require that they must see the actual document. The information may be something the employee has heard three times over, and has not seen it in writing.

Mr. McCARRAN. Then it would not be anything but imagination.

Mr. KEFAUVER. He might have information which had come to him third-hand.

Mr. McCARRAN. It has to be classified by the President, and if classified by the President, both the recipient of

the information and the giver of the information would have notice.

Mr. KEFAUVER. I do not know whether the stock of any newspaper is owned by the Reconstruction Finance Corporation. I have known of some newspaper stock owned in the past by the Reconstruction Finance Corporation. I do not know whether or not they have any now.

Suppose a columnist for a newspaper gives out information, and let us suppose that perhaps he does not know whether it is classified or not, and does not think it is particularly secret, and it turns out that it is classified. He would immediately be guilty, because by its very publication it would be available to foreign agents, or ambassadors of foreign countries. So that he could be brought into court, and the only issue would be whether he knew or had reason to believe that the information he had discussed in his column was confidential. If the jury found that he ought to have known it was confidential, then off to jail he goes. I believe the section we are discussing would place a terrific burden on the press of the Nation.

Mr. MUNDT. Mr. President, if I may comment briefly on a couple of points raised by the Senator, I should like to do so. He says there is a great quantity of Government information marked "Confidential." The bill applies only to material classified by the President "as affecting the security of the United States." That is a different kind of classification entirely from something marked "Confidential."

Mr. KEFAUVER. Are not all the files marked "Confidential" for that purpose?

Mr. MUNDT. No. Let me give an illustration from the confidential files of the Department of Agriculture. Secretary Brannan has sent around confidential letters to several staff members, about the Brannan plan, for instance. It is not a matter of public knowledge. It is Department of Agriculture policy. The national security is not involved. It is a matter of good management; he wants to have some kind of cogent program to present to the people before he releases anything. It is confidential.

Mr. KEFAUVER. But the Senator knows that in the various administrative offices almost every paper is marked "Confidential." To be confidential, it must relate to the security of the United States. The bill does not say the matter has to be classified by the President. The President approves John Jones to be the head of a department or agency of Government, and gives him the authority to mark something "confidential." Then a newsman, whose newspaper has stock owned by the Reconstruction Finance Corporation, publishes something. Many times such newsmen inadvertently may publish something which is confidential. They are subject at least to a very harassing trial on the matter whether they knew or had reason to believe that what they published was confidential.

Mr. FERGUSON. The du Pont Co. has received a contract from the Atomic Energy Commission. It will have very secret papers on the method of making atomic bombs and so forth. Does not the Senator from Tennessee believe that the employees of the du Pont Co. should be bound by the section of the bill, so that they would not take secret documents and give them to foreign governments, to the Communists?

Mr. KEFAUVER. Of course, the bill does not, for the purpose of taking action against an individual, require that he take secret documents and give them to the Communists.

Mr. FERGUSON. It says "information which has been classified."

Mr. KEFAUVER. That is correct; but it does not mean that the individual must actually seize the document to come within the terms of the bill.

Mr. FERGUSON. The person would have to know the information contained in the document is classified.

Mr. KEFAUVER. Or have reason to believe that it is confidential.

Mr. FERGUSON. Or to be told that it is.

Mr. KEFAUVER. Let us consider the case of an employee of the du Pont Co. Suppose he should be told by some other employee of the du Pont Co., "Of course, this is on the Q. T., but we have a certain bomb that will do so and so." Then let us suppose the employee happens to have the honor of meeting the Prime Minister of Canada some time, or perhaps meeting a general from Canada, either of whom he is quite sure is trustworthy, and perhaps he ought to have the information. Let us suppose the employee is a bright boy who perhaps likes to show off to the one he has just met, and he should say, without intending to do the Government of the United States any harm, "Well, of course, I am an employee of du Pont, and you know we have done so and so."

The objection I have to the provision of the bill is that it provides no test to the effect that what is done must be done for the purpose of doing the Government harm. An individual comes under the terms of the bill by the mere act of passing information on to the representative of a friendly nation.

Mr. MUNDT. If the test the Senator refers to is placed in the bill we shall have thought control. That would make it pretty difficult.

Mr. KEFAUVER. Subsection (c) follows the same line.

Mr. MUNDT. Before the Senator leaves subsection (b), however, I should like to point out that in the amendment offered yesterday, which is an amendment to bring the legislation of the McCarran bill into conformity with the text of the Mundt-Ferguson bill (S. 2311), some technical corrections are made. One of those is the insertion of a word which had not appeared in the McCarran bill—on line 6, which if I read it into the language of the bill, as it will then appear, as the amendment is written, will pretty well obviate most of the Senator's worries in that connection.

On page 11, line 6, if the amendment is adopted, the language will be:

It shall be unlawful for any officer or employee of the United States, or of any department or agency thereof, or of any corporation the stock of which is owned in whole or in major part—

The word "major" is placed in that line before the word "part," which, as I say, obviates pretty well the supposititious cases the Senator has been presenting. I believe the Senator from Tennessee will agree with the Senator from Michigan [Mr. FERGUSON] and me that where a corporation is owned in major part by the Government, which would indicate probably that it is used for defense purposes, unless the RFC goes entirely screwball and starts loaning money for everything to everybody, its employees should be bound by prohibitions of this kind. That provision would eliminate such cases as the Senator mentioned, such as that of the Kaiser-Frazer Co., and so forth.

Mr. KEFAUVER. I think that would help. I think it is also true that the weakness is that the stock ownership is not the real ownership of the Government. A corporation may have a tremendous amount of bonds outstanding, and very little stock. The Government might own a major part of the stock of a corporation, and perhaps own not more than 2 percent of the real ownership of the corporation.

The burden is placed on the little employee to find out something he cannot find out. He probably has no way of knowing whether the company he works for may have a major part of its stock owned by the Reconstruction Finance Corporation.

Mr. MUNDT. Perhaps the Attorney General should require that there be placed on the bulletin board a statement, "This stock is owned in major part by the Reconstruction Finance Corporation." That could be done.

Mr. KEFAUVER. Ordinarily when loans are made by the Reconstruction Finance Corporation the companies which receive them try to keep them as quiet as possible. They do not want the public generally to know about such loans.

Mr. MUNDT. It might be well that the public did know about such loans.

Mr. KEFAUVER. That might be, but I brought out that point for the purpose of the discussion.

Mr. MUNDT. Yes, and the Senator discussing it has been doing so for almost an hour. The Senator from Tennessee has been presenting only supposititious cases, after all. The Senator from South Dakota and the Senator from Tennessee could, together, get rich, if we went into the seed business, and prepared seed catalogs on the basis of the Senator's vivid imagination. He has a pretty good imagination.

Mr. KEFAUVER. These are quite important questions.

Mr. MUNDT. I appreciate what the Senator has been bringing up.

Mr. KEFAUVER. Under subsection (c)—

It shall be unlawful for any agent or representative of any foreign government, or any officer or member of any Communist organization, knowingly to obtain or receive, or attempt to obtain or receive, directly or indirectly, from any officer or employee of the United States—

That is the reverse of the other—

or of any department or agency thereof or of any corporation the stock of which is owned

in whole or in major part by the United States—

And so forth.

Mr. MUNDT. The word "major" is used in that language.

Mr. KEFAUVER. That, it seems to me, is putting an unusually hard burden on representatives of friendly countries. I do not believe that if Mr. Menzies of Australia came to this country, went to the head of the du Pont organization, sat down and talked to him, and asked him questions necessarily some of which would be classified, he should be made subject to this law.

Mr. MUNDT. Even if he does it knowingly, realizing that he is endeavoring to exact information which is under official classification?

Mr. KEFAUVER. Let us consider the case of a member of the Council under the Atlantic Pact, who is in the know about what we are doing. Assume he comes to this country. He has a right to know, or he ought to have a right to know, some of our confidential information.

Mr. MUNDT. He would not be touched by the bill if he has the right to know.

Mr. KEFAUVER. What?

Mr. MUNDT. Those who have the right to know are not affected by the legislation.

Mr. KEFAUVER. It says "unless authorized by the President." Unless there is special authorization.

Mr. FERGUSON. There must be authorization.

Mr. KEFAUVER. It says "special authorization." In other words, before such a person could ask one of the directors of the du Pont Co. about certain things he would have to get in touch with the President's special representative and receive special authorization. I think again some amendment ought to be made which would prevent representatives of friendly countries from being subject to the bill.

Mr. MUNDT. I am sure that, speaking for the Senator from Michigan and myself and the Senator from South Carolina, all of us will welcome any constructive amendments which the Senator from Tennessee can suggest for subsections (b) and (c) that will remove any legitimate worries along the line the Senator has been discussing. There is no intention by the bill to do any such thing as the Senator has suggested. We cannot see any language to that effect in the bill. But the Senator from Tennessee has a more active imagination respecting the language of the bill than we have, and perhaps there is some basis for what he says. We will give thought to it. If the Senator will suggest some such amendments, certainly we are not devoted to any particular arrangement of words, and will accept them if we can obviate the trouble he finds with the language.

Mr. KEFAUVER. I have submitted amendments to strike out parts of section 4.

Mr. MUNDT. The Senator would not endeavor to strike out the whole section, I hope, on the basis of such flimsy suppositious cases?

Mr. KEFAUVER. Will not the Senator agree that a representative of a friendly country, who is in a high position of trust——

Mr. MUNDT. I certainly do not think the representative of a foreign country ought to be given carte blanche authority to engage in espionage.

Mr. KEFAUVER. That is not engaging in espionage.

Mr. MUNDT. That is what it amounts to. If such a person is deliberately prying into classified information, information which he knows is classified, that is espionage, and I do not think we ought to legalize such action on the part of anybody. If we can tighten up the provision, well and good. But if it is proposed to give such a person carte blanche authority, I am against it, whether it be on the part of Britishers or Russians.

Mr. KEFAUVER. Does not the Senator believe there should be a joint effort on the part of members of the Atlantic Pact to carry out the spirit of that pact, and should they not automatically be placed in the position where they can ask legitimate questions, questions which they have a right to ask?

Mr. MUNDT. If we were to carry that to its logical conclusion, we would give the members of the North Atlantic Pact the right to engage in espionage about the atomic bomb. I am not in favor of that, Mr. President. We have provided complete protection for what the Senator from Tennessee has in mind by giving the President the right to authorize the conveyance of such information.

After all, we cannot look at these matters as a group of philosophers would. We must realize that a group of Communists are trying to destroy our country, and we must consider what we can do to protect ourselves about that matter.

Mr. KEFAUVER. Suppose General Montgomery, who I believe is the head of the British military establishment, were to come to the United States and were to ask questions about the number of tanks we are going to produce. Under the provisions of this bill, he would be guilty of trying to obtain confidential information. Yet I do not think anyone would want to have him prosecuted on that ground.

It seems to me we should not have on the statute books a law calling for prosecution unless we want prosecution to occur. Therefore, should not some distinction be made?

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. FERGUSON. The Senator from Tennessee was talking about applying this provision to our friends. Cannot we look back to the days of 1945 and 1946 when some persons in the United States thought Russia was our friend? If the Senator from Tennessee were to amend this measure in accordance with the suggestion he has made, he probably would have us today delivering secret information to some nation that tomorrow or the next day may be a satellite of the U. S. S. R.

So, Mr. President, we have to have laws which are reasonably sure of protecting the secrets and the safety of the United States. Does not the Senator from South Dakota believe that is true?

Mr. MUNDT. I certainly do. I believe that we must look at this legislative proposal as realists.

I think we could spend the remainder of the afternoon in an interesting discussion about remote possibilities which could occur around the fringes of any law, but in doing so we would get entirely away from the fact that today we are talking while our boys are dying in Korea in a fight against communism, and we would be ignoring the fact that today the Communists in this country are engaging in espionage, and that we need to have on the statute books legislation which is adequate to deal with that situation. We should realize that we are not going to have a perfect law, and we should also realize that a crackpot as Attorney General could pervert any legislation we might enact, but that reasonable men will apply such legislation in a reasonable way and that our courts will protect all citizens against excesses.

I wish the Senator from Tennessee would realize that we are talking about espionage in wartime, not about some dreamy fantasy which might occur.

Instead of attempting to use the meat ax in an effort to knock out an essential section of the bill, I wish the Senator from Tennessee would realize the actual necessities confronting us under the situation now in existence. If the Senator from Tennessee would do so, he would be doing a great service.

Mr. KEFAUVER. Mr. President, will the Senator yield further?

Mr. MUNDT. We have been at this discussion a long time, but I yield again.

Mr. KEFAUVER. This will be the last time I shall ask the Senator to yield.

To me at least, the statement made by the Senator from Michigan is very distressing, that we signed the North Atlantic Pact with nations which have democratic forms of government, and yet the Senator from Michigan thinks we cannot discuss with them, in common, matters which have to do with our security. I am afraid that is not a very bright outlook.

But, finally, I think it is not fantastic or unrealistic to say that agents and representatives of friendly nations who may ask someone a question, and who may feel that they have a perfect right to the information, may find themselves in difficulty because of alleged violation of this measure, if it is enacted, on the ground that they tried to secure some information which has been marked confidential.

Mr. MUNDT. But there, again, the Senator from Tennessee overlooks the word "knowingly," which is printed in large type at the bottom of page 11. Under this measure, such a person knowingly must try to violate the classification rules of this country. I cannot conceive that any Senator would wish to give any representative of a foreign government the right to engage knowingly in espionage in the United States of America.

Mr. KEFAUVER. A person can ask a number of questions about something which has been marked confidential, without engaging in espionage. As a

matter of fact, I can not imagine that a military representative of a friendly foreign country who was in the United States would not ask questions about some matter which could be considered as classified.

So I do not think representatives of friendly nations should have to operate on that basis; they should not have to be scared to death all the time lest they violate some law of this sort by making inquiry about a matter which has been designated by the President as classified or confidential.

Mr. McMAHON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from South Dakota yield to the Senator from Connecticut?

Mr. MUNDT. Does the Senator ask me to yield in order that we may involve ourselves in another colloquy at this point? If so, I should like to proceed with my discussion.

However, I yield.

Mr. McMAHON. I do not wish to refer to the subject which was being discussed between the Senator from Tennessee and the Senator from South Dakota. I had in mind another facet of the matter, about which I should like to inquire.

Mr. MUNDT. Very well; I yield.

Mr. McMAHON. If the Senator from South Dakota prefers not to yield at this time, I shall postpone my inquiry.

Mr. MUNDT. No; it is quite all right for the Senator to request me to yield at this time, because I was discussing what the bill contains, but we got off on another point.

So I am glad to take up the bill itself again.

Mr. McMAHON. I am seeking information which I think it might be well to have in the RECORD.

In 1948, when he was a Member of the House of Representatives, the Senator from South Dakota introduced a bill which was known as the Mundt bill, I believe.

Mr. MUNDT. It was known as the Mundt-Nixon bill. Is the Senator from Connecticut referring to the bill which passed the House at that time by a vote of 319 to 58?

Mr. McMAHON. I was not familiar with the vote.

Mr. MUNDT. There were three bills. The final version passed the House of Representatives.

Mr. McMAHON. That was in 1948, was it?

Mr. MUNDT. Yes. The final version was known as the Mundt-Nixon bill.

Mr. McMAHON. That was in the Eightieth Congress; was it not?

Mr. MUNDT. Yes.

Mr. McMAHON. Was the bill passed by the Senate at that time?

Mr. MUNDT. It came to the Senate, and was referred to a Senate committee; but while the committee was studying the bill, the Congress adjourned.

Mr. McMAHON. Philosophically, did that bill differ from the bill which is now before the Senate for action?

Mr. MUNDT. I do not know what the Senator from Connecticut means by "philosophically." There are some differences as between the two bills. Whether they are philosophic or mechanical differences, I do not know; but there are differences.

The essential purpose of the bills is the same, namely, to register and to identify Communists and communism, and to curtail Communist activities in this country. That purpose remains common and constant among the bills.

Mr. McMAHON. The mechanics are the same, are they?

Mr. MUNDT. No; there are some differences in the mechanics of the two bills. There are some differences which, as I explained earlier in my speech, were brought about as the bill was referred to the American Bar Association, to the law department of the University of Virginia, and to the John W. Davis firm, in New York, and as a consequence of very diligent work done by a subcommittee of the Judiciary Committee and by several members—as, for instance, the Senator from Maryland [Mr. O'CONOR] and the Senator from Michigan [Mr. FERGUSON], both of whom are now on the floor of the Senate. All those changes have been added to the bill since it passed the House of Representatives in 1948.

So there are those changes in the mechanics of the bill, but the basic purpose of the bills is the same.

Mr. McMAHON. And the objectives are the same, are they?

Mr. MUNDT. Yes.

Mr. McMAHON. And the evils which the then Representative, now the Senator from South Dakota——

Mr. MUNDT. They are not the same; they are much worse.

Mr. McMAHON. Much worse?

Mr. MUNDT. Yes.

Mr. McMAHON. But at least the objectives of the two bills are the same. Is that correct?

Mr. MUNDT. At that time we were grappling with the evil in peacetime. Today we are fighting the evil of communism in the midst of a bloody war. So certainly the situation today is very different. The evil is worse.

Mr. McMAHON. The Senator from South Dakota was—as was his right, I presume—supporting Governor Dewey of New York for the Presidency in 1948, was he?

Mr. MUNDT. Yes; I supported Governor Dewey.

Mr. McMAHON. The Senator from South Dakota probably has a fairly vivid recollection of the debate which took place between Governor Dewey and Governor Stassen——

Mr. MUNDT. I heard the debate. I remember about as much as any man normally would remember of a debate which he heard 2 years ago; yes.

Mr. McMAHON. On some later occasion during this debate I should like to quote from that debate, but not in the course of the speech of the Senator from South Dakota——

Mr. MUNDT. That would suit me better, too.

Mr. McMAHON. So on a later occasion I should like to quote from the debate which occurred at that time, and I should also like to quote from the speech made by the Governor of New York on that occasion.

Mr. MUNDT. The topic of the debate being, "Should we outlaw the Communist Party?"—not "Should we adopt the Mundt-Nixon bill?"

Mr. McMAHON. I did not support the Republican candidate for the Presidency in 1948, as the Senator from South Dakota might expect; but I must say that when I listened to that debate between Governor Stassen and Governor Dewey, the statement the governor made and the philosophy he expressed in regard to this whole, general matter appealed to me very much. It seemed to me that he spoke with conviction about the heritage of a free America. I should like to commend to the Senator from South Dakota a rereading of that debate. If the Senator will permit me——

Mr. MUNDT. I should be happy to have the Senator include it in the RECORD at the conclusion of my remarks, if he cares to do so.

Mr. McMAHON. Yes. I should like to quote but one paragraph of that debate.

Mr. MUNDT. Will the Senator put the whole debate in the RECORD, then, at the end of my remarks?

Mr. McMAHON. Yes, if the Senator desires it.

Mr. MUNDT. I ask unanimous consent that the Senator from Connecticut may place the whole text of the Dewey-Stassen debate in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McMAHON. Governor Dewey said:

> The fact is that the czars of Russia were the first people in the world to follow this idea of outlawing the Communist Party. They whipped them and they drove them to Siberia, they shot them, and they outlawed them. In the year 1917 Lenin and Trotsky were exiled. What was the result? The outlawing gave them such colossal following, such enormous popularity, such great loyalty on the part of the people that they were able to seize control of all Russia with its 180,000,000 people, and the first nation to outlaw Communists became the first Communist nation.
>
> That is what I do not want to happen to the United States of America. For 25 years Mussolini outlawed communism, and they grew and flourished underground despite their punishment and their killing and their shooting. As a result, 4 weeks ago the Communists and their allies polled more than 30 percent of the vote in the recent Italian election.
>
> In all of Nazi Europe the Communists were underground and they emerged at the end of the war so strong that they were so popular the French Maquis and others almost seized power in the governments of Europe at the end of this war because of the enormous strength that came to them from the underground.
>
> And Czechoslovakia is another example, and I am grateful to Mr. Stassen for bringing it up. For 7 years in Czechoslovakia the Communists were forced underground by the Nazi tyranny, and in those 7 years they developed such enormous strength that they were able to complete the liberalization of Czechslovakia, which we could have done, but our troops were pulled back and the Russian troops were allowed to go into Prague and they were able, before long, to take over the whole nation because they had flourished in the dark, underground.

Here is an issue of the highest moral principle. In the present issue the people in this country are being asked to outlaw communism. That means this: Shall we in America, in order to defeat the totalitarian system which we detest, voluntarily adopt the method of that system?

I want the people of the United States to know exactly where I stand on this proposal because it goes to the very heart of the qualification of any candidate for office and to the inner nature of the kind of country we want to live in. I am unalterably, wholeheartedly, and unswervingly against any scheme to write laws outlawing people because of their religious, political, or social or economic ideas.

I am against it—

Does the Senator mind if I continue reading a few more of the excerpts?

Mr. MUNDT. If the Senator is going to put the whole debate in the RECORD, I should like to proceed with my remarks. I think the Senator has read enough of it to——

Mr. McMAHON. I do not want to impose on the Senator.

Mr. MUNDT. It will be in the RECORD.

Mr. McMAHON. As I went along, I was very much taken by another statement made by Governor Dewey.

Mr. MUNDT. It will be in the RECORD, and we can all read it tomorrow.

Mr. McMAHON. I shall not only see that it goes in the RECORD, but I shall probably, during the course of the debate, refer to it again. I thought I would send a telegram to Governor Dewey today asking him about this speech. I think he might like to comment on it. I take it that he, as a man of principle, has not deviated from the convictions which he expressed. If the Senator will permit me, Governor Dewey further says:

There is an American way to do this job, a perfectly simple American way. We have now 27 laws on the books, and I have the whole list of them in front of me, outlawing every conceivable act of subversion against the United States. I spent 11 years of my life as a prosecutor in New York. That was in the days when they said nobody could clean up the organized underworld. They said we had to use the methods of dictators, that we had to go out and string them up. I had judges—

I may interpolate, they could not have been much good, I imagine—

and even men in high places tell me that. A group of young men took it on, and week after week, month after month, year after year, they worked and they delivered the city of New York from the control of organized crime, and they did it by constitutional means and under the Bill of Rights.

There is much more of it that I think is interesting.

Mr. MUNDT. The Senator has permission to put it in the RECORD at the end of my remarks. I am glad he is going to do that.

Mr. McMAHON. I shall be glad to see that that is done.

Mr. MUNDT. Let me call attention to two very glaring discrepancies, in any effort to relate the debate between Stassen and Dewey in 1948 to the present senatorial debate dealing with the Mundt-Ferguson portions of the McCarran omnibus bill. The first glaring discrepancy is that the debate was not about the Mundt-Nixon bill at all. The debate was, as I vividly recall, on the question, "Should the United States outlaw the Communist Party?" Tom Dewey said that it should not outlaw the Communist Party. Harold Stassen said that it should. So while it was an interesting and, I think, a very entertaining debate, it was not on the question of the Mundt-Nixon bill at all.

The second discrepancy is this: The Mundt-Nixon bill, and I have explained it, has passed through many screens and sieves since then. It has had the very careful attention of some of the ablest lawyers in America. It has had the careful study both in the Eightieth Congress and in the Eighty-first Congress of a subcommittee of the Judiciary Committee and of the full committee as a whole, and it finally was reported with only one negative vote. As I said when the Senator first interrupted me, there are certain substantial changes in the mechanics. The purposes remain identical in the legislation. But I see no relationship whatever between any position which Tom Dewey may or may not have taken about outlawing the Communist Party and our bill which specifically does not outlaw the party.

Mr. McMAHON and Mr. McCARTHY addressed the Chair.

Mr. MUNDT. I will yield in a moment. For example, in the portion of the speech which the Senator from Connecticut quoted, Tom Dewey went to great lengths to point out that communism was outlawed by the czars in Russia, it was outlawed in Germany, in Czechoslovakia, and in Italy, under Mussolini. We do not propose to outlaw the Communist Party in S. 2311, and nothing in the Mundt-Ferguson bill remotely suggests that we should. If the Senator from Connecticut will remain while I discuss what the bill does and does not do, he will see clearly that, whether outlawry is good or bad, whether Dewey favors it or disapproves it, it simply is not applicable and is not germane to this discussion, because this bill does not recommend outlawing the party.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. McMAHON. The Senator from Connecticut has not come to any conclusions. I was very much interested in rereading this debate, I have sent to the Library of Congress for the complete debate. I think the Senator is mistaken, as I remember it. He may be right, and I may be wrong, but according to my memory it was the Mundt-Nixon bill which was very much the subject of discussion that night.

Mr. MUNDT. The Mundt-Nixon bill was referred to frequently by both debaters, but the question was about outlawing the Communist Party.

Mr. McMAHON. Is it correct to say that they did not debate the Mundt-Nixon bill at all?

Mr. MUNDT. That is correct. They did not. They both discussed it, incidentally, but the question involved was whether the Communist Party should be outlawed. It was on that basis that the debate was held. There was a challenge. There was some mention made of the Mundt-Nixon bill, because it was the bill dealing with communism and was in the news. It was, however, not the issue of the debate.

The junior Senator from South Dakota debated that bill with a so-called American by the name of W. Z. Foster one night over the American Broadcasting Co. network, but it was not debated in the Stassen-Dewey debate.

Mr. McMAHON. I have sent for the debate, and I shall be glad to show it to the Senator. Perhaps we can agree on what was debated at the time.

Mr. MUNDT. Yes; I am sure that debate will speak for itself.

I shall now proceed with my remarks. I was trying to point out what was in the bill. I had mentioned the fact of registration and identification, and I now come to the facet of the bill dealing with curtailment. We curtail five things. I want Senators to realize, when they are voting for this bill, what they are voting for. If Senators vote for this bill they will curtail the present privilege of an American Communist to engage in a conspiracy and in deception for the purpose of establishing within the United States a totalitarian dictatorship controlled by a foreign tyrant. Those who vote for this bill will vote to curtail the Communists to that extent. We would require the Communist Party in America to cut the umbilical cord attaching it to mother Russia and make that party stand on its own legs, make it feed and support itself. The present tie with Mother Russia will be severed.

The second thing which we deny Communists in the curtailment features of this bill is the privilege of holding a Federal appointive job. Let those who believe Communists should have a right to appointive Federal jobs, as they were enjoyed by Judith Coplon, Alger Hiss, and 205 Communists in the State Department since Yalta, base their opposition to the bill on that point. But this bill undeniably curtails the privilege of Communists in America receiving appointive jobs. If Senators believe they should have such jobs, then let them vote against the bill, because this bill would stop the carnival of communism which has been taking place in executive agencies of the Government for far too long already.

It also curtails the privilege of a Communist to receive an American passport. It denies him the right legally to travel abroad, to carry espionage secrets to Russia and to bring back suggestions and apparatus for engaging in conspiracies to work for Russia, for Russian money. If Senators believe Communists should have the right to travel abroad and to sell us out, they should vote against the bill. Earl Browder made 22 trips of that kind, and we recently had the unhappy experience of seeing Paul Robeson and the damage he did when the State Department permitted him to go a few weeks ago. Lately the Department has denied such right, because it is getting close to election time, and it has put up the guards temporarily. We want to make sure that they do not get back into that sordid business again.

In the third place, under the Mundt-Ferguson provisions, no one has a right to engage in espionage in America, the right to receive secrets smuggled out by spies, or the right to smuggle them

out. We are going to stop that. It will be much more difficult then for people like Alger Hiss, Chambers, Wadleigh, Marzani, Noel Field and Judith Coplon to operate. We have provided penalties against espionage, and they are severe. The Communist spies know that; the Daily Worker knows that. That is why it is trying to raise money to defeat the bill. The pseudo-liberals and the pinks and the punks know all about that curtailment feature of our bill.

The fourth thing that we deny Communists in America is the right to enjoy tax exemption for their conspiratorial units. We deny them a privilege which they were enjoying halfway through the Republican Eightieth Congress, until that Republican-controlled Congress put a stop to it. I refer to tax exemption. That racket was going on, and Communists were getting tax exemption for contributing to the Communist Party. We saw Frederick Vanderbilt Field, the millionaire Communist of New York City trying to sell out the country which made his ancestors rich and famous, and he got tax exemptions.

If you do not believe in that, and you vote for our bill, you are going to stop that kind of business in America.

I want to make clear what this bill does. I want the people to know what we are voting for and what we are voting against in this bill. The philosophy of the bill is simple. The format of it is simple. It would curtail Communist activities to the extent necessary; not to the extent permissible by the Constitution, but to the extent necessary to safeguard our country. It would define the Communist organizations against which the law is applicable. As to those which are controlled by foreign Communists, controlled from abroad, we do not list them by name, but by purpose, by activity, and by organizational format, so they cannot escape the penalties of the law by changing their names as they like to do. An organization can change its name every Tuesday morning and run into conflict with this law on every Tuesday afternoon.

Mr. President, let me say a few words about what the bill does not do. What is it that the Communists claim it does that it does not do? What is it that the synthetic liberals and pseudo-progressives claim it does that it does not do? What is it that all the slimy literature sent out by the so-called National Committee To Defeat the Mundt Bill says it does which it does not do?

It does not deny free speech. If it did that, it would be a police-state bill. I have offered to eat every bill introduced in the Senate if in any way it can be found that this bill curtails thought or speech.

It does not in any way deny anyone free speech, no matter how traitorous he may be. It does not deny freedom of assembly to anyone. The Communists can still have their meetings in New York, at the home headquarters of the Daily Worker. They can still operate their Jefferson School in Chicago. They can still have their meetings in Madison Square and their front organizations to keep the rest of them operating.

The bill does not deny freedom of movement or freedom of the mails, or freedom of publication to anyone. It simply says to the Communists as it says to the editors of the Saturday Evening Post, "You have got to identify with the imprimatur of ownership all publications sent through the mails; you must show who it is who is responsible." It stops that anonymous means of deception in which Communists specialize. It makes them stand responsible for the stuff they spew out through the mails and over the broadcasting stations.

It does not deny any freedom of speech, freedom of assembly, freedom of movement, freedom of the mails, or any freedom of thought. That is not in the bill; it cannot be found in the bill, and if it is claimed it is there, from now on kindly spell out the chapter and the section in which it is found. Why try to confuse the people?

It does not deny a Communist the use of the ballot. I have an editorial by David Lawrence recommending that Communists be denied the use of the ballot.

Louis Waldman, a great liberal attorney of New York, recommended that they be denied the use of the ballot. I hesitated to go that far. Certainly I owe the Communists nothing. I have spent some 20 years of my life studying, investigating, and crusading against them, and I hope this is the last phase of the battle which I shall have to make against that type of secret conspiratorial activity. I have studied communism in Russia and in the satellite countries controlled by Russia, starting with the first Communist cell meeting I ever was able to get into out in Denver, Colo., 20 years ago. I know something about what they have in mind. I owe them nothing, but still I do not want to go to the extent of denying Communists the use of the ballot, because I do not think that outside New York City, which is kind of an eyebrow fluttering off the face of Uncle Sam anyway in its European districts, or outside of those areas of cuckoo land out in California, a Communist can be elected to any office if he runs as a Communist. I doubt if they can do that in California or in New York City any more, as they have done in the past, to the eternal discredit of the people of those two places. But should a Communist be elected openly by the people of some State to sit in the United States Senate, the junior Senator from South Dakota will vote to let him sit there, because I believe the people back home have a right to elect representatives of their own choosing who will reflect their State's attitudes. I believe in the free and open ballot. If 51 percent or 52 percent of the people in America want to elect Communist Members of Congress, or even elect a Communist President, let them vote for them openly. If they do, I will take the first ship to Scandinavia, or some place like that. However, I am in favor of giving them the right to the ballot.

In the opinion of many good Americans our bill does not go far enough. That view is shared by many people who abominate communism as much as or more than I do. However, it does go far enough, Mr. President, to smoke them out, to bring them out into the open. I am convinced that the good judgment of patriotic Americans in every county and town of this land of ours, even in New York and California, will eventually repel and reject the doctrine of communism once it is forced out into the open. Mr. President, I want them paraded out in the open.

Finally, this bill does not deny—and I want Senators to note that fact particularly, because the bill is a disappointment to some people—a single open—and let us note the word "open"—political propaganda activity in which the Communist Party is now engaged. Not one. There is nothing of a propaganda or political nature which the Communist Party of America now does which it would not be able to do under the proposed legislation, except that they would have to do it in the open.

Why do they whine so much in the Daily Worker? Why do they snivel and whine and moan about this legislation? Because they know that if they have to operate in the open Americans will repel and reject their godless doctrine. Their only chance to win in America is in the dark, secretly, and by stealth. We strip the mantle of secrecy from Communists and force them out into the open precisely as long advocated by J. Edgar Hoover of the FBI.

I say to the weeping sob sisters, who insist that the bill goes too far, that the bill does not deny Communists freedom of speech, freedom of the press, freedom of the mails, freedom of movement, or freedom of assembly. It does not deny Communists the right to engage in every political propaganda activity in which they are now engaged. It simply forces them to do those things in the open, exactly as we require the Democratic and Republican Parties to act in the open.

Mr. President, I intended to discuss briefly—and I may say very briefly—the so-called administration substitute bill. The sponsors keep changing the substitute so often that whatever I may say about the present so-called administration bill may not apply to the one introduced half an hour ago, and obviously, it will not apply to the one that was introduced 2 days before. Two days before that still another substitute was proposed. It is certainly encouraging, if nothing else, to notice down at the other end of Pennsylvania Avenue this belated activity in the interest of security control legislation against communism. More bills to control communism have been introduced by this administration in the last fortnight than have been introduced in the preceding 17 years of the present administration. So the administration is moving at last. No longer do we hear the cry, "red herring." Unfortunately, it is not moving in high gear. The administration bill, S. 4061, which I shall discuss very briefly, was introduced by the Senator from Washington [Mr. MAGNUSON] for himself and in behalf of the Senator from Illinois [Mr. LUCAS], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. KILGORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from North Carolina [Mr. GRAHAM], the Senator from Rhode Island [Mr. GREEN], the Senator

from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from New York [Mr. LEHMAN].

Among the things the administration bill does not do are these: It contains nothing whatsoever about registration of Communists. It does not bring them out into the open. There is nothing in it about Communists at all; there is nothing in it about registering them or disclosing them. The bill does not make them identify their front organizations. It does not make them identify their propaganda. It does not make them identify their finances. It does not even make them identify their broadcasts on the radio. That bill would perpetuate for the Communist Party a cyclone cellar of concealment, which is denied to the very Democrats who joined in sponsoring the administration bill. It would preserve for the Communist Party privileges which are denied to those sponsoring the substitute bill. If that is the way we are to approach Communist-controlled legislation, we certainly are appeasing Communists.

The administration bill contains no curtailment of the privileges of Communists. If in effect at the time, it would have done nothing to curb the Roman holiday Alger Hiss had in the State Department, or stopped the carnival of espionage in which Wadleigh engaged, when he sold his memoirs for $5,000 to the press, while thumbing his nose at the executive department, which let him serve and spy so long while being unable to convict him. All that would be perpetuated by this bill. There is nothing in it at all that would deny the giving of a Federal passport to a Communist.

It has a registration feature, to be sure, but not against Communists. I wonder what the junior Senator from New York would say in criticism of the registration feature of that bill. He criticized the registration feature of S. 2311 because he said he thought some Communists would not register under its registration section. The administration bill says that anyone who had received training by a foreign government in espionage work must step down to the Federal building and register before he engages in his espionage. [Laughter.]

That is in the bill. It sounds funny, I know, but it is in the administration's substitute bill. That is the way they propose to register the Communists. In other words, they say to him, "Before you blow up the plant, you must go down and get a license to do it from the Federal Government."

Here is an unworkable registration feature if there ever was one. I think it is the legitimate offspring of its parent, because the parent bill, which was introduced by the same Senators contained another provision, which said that no Federal attorney in the land shall be permitted to enforce the provisions of the bill without specific or written permission by the Attorney General.

Mr. McCARTHY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Wisconsin?

Mr. MUNDT. I shall be glad to yield in a moment.

It is the legitimate offspring of that kind of parenthood. If there ever was a weak bill to deal with a tough subject, it is the so-called administration bill, S. 4061. It deals with none of the problems which we must face.

My purpose is to get the argument into the RECORD, so that Senators and people back home can read what I have said.

I should like to conclude my remarks by doing something which I have never done in the 12 years I have served in Congress, and that is to give a book review. Incidentally, that used to be a part of my job as an English teacher several years ago. I will review a book which I think many Senators have not read. I know that many Senators who sponsor the administration bill have not read this book, or they would not bring forward such an apologetic appeasement apparatus to deal with a tough conspiracy like communism. I should like to review for Senators an interesting book. It is entitled "Men Without Faces." It was written by Louis Budenz. Some Senators may have read the book, and I hope others will read it. I hope Senators will read it, particularly at this time. If they cannot read it, I hope their wives will read it and tell them about it. I hope that all Senators will familiarize themselves with the book before we vote on the pending legislation. We all know who Louis Budenz is. He was for many years one of the top Communists in this country. Very recently he left the party. He testified before the House committee of which the junior Senator from South Dakota was then acting chairman on the first occasion Mr. Budenz told his story about Communists before a congressional committee. He is a man for whose reputation the president of Notre Dame and the president of Fordham have pledged themselves and their sacred honor.

Louis Budenz was for many years editor of the Communist Daily Worker in New York. The building in which the Daily Worker is published is located on Thirteenth Street, where we, as good American citizens, are denied the right to enter, because, as Louis Budenz has said, to do so would be to go on foreign soil. I think Senators should know something about this book, which was published this year. I may say for the benefit of those who read my remarks in the RECORD that the book is published by Harper Bros. in New York City. It is available by mail, or at your local book store, for $3.50. No American could spend a better $7 than to get two copies of the book; one to be read by himself, and the other one to be sent to his boy in college, or given to his chauffeur, boss, or tenant on his farm. The second book could be given to a neighbor or to someone living down the street, or perhaps to the preacher living in the parsonage on the corner. It should be must reading for people who want to know why we are fighting the war in Korea. It should be must reading for every mother or father who has a son in the Army. It should be must reading for any American who is wondering why we are compelled to pay high taxes and to pass legislation to fight communism in Korea.

Unfortunately, like another great book, that by John T. Flynn, The Road Ahead, it was given the brush-off by many left-wing book reviewers of America. They were so busy giving orchids to the confessions of Owen Lattimore that they did not have time to give this book a fair review. There was virtually no review of the book The Road Ahead, by John Flynn. It has become an almost all-time best seller in American nonfiction. Men Without Faces is also becoming a best seller, especially among Americans, in our present situation, involved in war against these "men without faces," as we are.

I refer to a statement by Mr. Budenz in his book on page 2. He talks about the Daily Worker. I suppose that not many Senators have done as the Senator from South Dakota has done, namely, read the Daily Worker for 20 years, in an effort to find out what communism is, what its motives and purposes are, and what orders it is relaying from Moscow to its followers in America. I do not believe one can fight an ism effectively, any more than a doctor can fight a disease, without knowing about it. Here Budenz, the editor of the Daily Worker, speaks authoritatively about communism. On page 2 he says:

> The Daily Worker is the daily official organ of the Communist Party of the United States, and the years that I functioned as its editor were those very years in which the Reds sank their roots most effectively into many key places in American life. Their gain was not so much in numbers (although they made headway there, too, to some degree) as in "influence," that mysterious factor to which the Communist leaders refer so frequently in their official reports. To gain this "influence," the Communists infiltrate key Government posts, undermine the patriotism of well-meaning people in strategic or confidential positions, and win over those whose words, spoken and written, have an effect on American public opinion. With the recognition of the Soviet Government by the United States in November 1933—

That dark Friday Senators will remember—

> this process was enormously accelerated. Checked partially during the Hitler-Stalin alliance, it went all out in the course of the Second World War. Precisely what was achieved, and how it was achieved, I shall try to show later.

Let me say to those who have not read the book that in it they will find the names of the people who worked their way into Government by communism. Readers will find in this book significant names and specific cases of Communist treachery in America. In this book they will find the names of the organizations which supported those people. They will find dates, locations, names, places, and none of the people mentioned have dared to sue Budenz for libel because, as he says in the preface foreword to his book, he has documentary evidence for every statement and every charge in this amazing book.

The point I wish to make is that this publication, he mentions the Daily Worker, with its assorted, additional, supplemental publications, which we propose to

have registered as communistic by the bill, according to the man who was the editor, was engaged in espionage, was directed from Moscow, was endeavoring to destroy the freedoms of America. They were not engaged in child's play, trying to get some new kind of ground rule for a Boy Scout troop.

I continue quoting from the book:

The Red newspaper offices are on the eighth floor, the last stop before the famed (or ill-famed) ninth floor which figures so prominently in all trial testimony concerning the Communist party and its subversions. That floor houses the Politburo—the party bosses who exercise a bureaucratic control over the entire party apparatus in this country, and who are in turn controlled by the Communist International bosses appointed by Stalin. At the managing editor's desk, I was in constant communication by special telephone with these "upper regions," as the journalistic comrades, partly in jest and largely in awe, called the headquarters above.

Mr. President, that is the publication, that is the party voice. There we have revealed the headquarters of the American Politburo. There is the testimony of the man who worked for them telling us that they got their orders from Stalin in Moscow. There is the evidence of the conspiracy against which we propose to operate by the Mundt-Ferguson bill.

I continue the reading:

There is no greater tribute to the effectiveness of the Soviet fifth column in this country than the obvious fact that it has befogged the American mind regarding its ruthless resolves to wipe out American independence.

Incredible though it seems, there have been several manifestations in the Senate in the last 90 days that good, patriotic Senators, whose patriotism no one questions, are befuddled by the propaganda, the controversies, the perversions, of the Communists, but not yet, even at this late date, when we are at war, have they realized that the Communists at home are enemies of our country, that they should be dealt with as we dealt with the members of the German-American Bund when we were at war against Hitler's nazism.

Some Senators are still bringing in little appeasement slaps on the wrist, like the substitute bill which has been offered, which is afraid to mention communism, which does not even provide that Communists shall be registered, which talks as if its proponents were in some dream world, and that all we are doing in Korea is picking dandelions, instead of fighting a bloody war against conspiratorial and imperialistic communism.

Budenz continues:

Nothing is so clear-cut as its continual insistence within its own ranks that violent attack upon the Government here is highly essential. But so skilled are its propagandists—disguised as non-Communists in the radio, newspaper, and moving-picture world—that they have made Americans believe every revelation of Red espionage is the result of hysteria.

Watch for that word "hysteria." It will probably be heard on the floor of the Senate frequently in the next 48 hours from the lips of confused men.

Budenz continues:

They have done a fairly adequate job of making America ashamed of defending its own freedoms.

Let me read that as a sort of text for Senators to think about before they start voting on this bill. Here is the man, Budenz, who wrote the editorials. Here is the Communist speaking of what they have done. He said:

They have done a fairly adequate job of making America ashamed of defending its own freedom.

Mr. President, that is something to think about, because there are some Americans now who say we have not the power to do anything about communism in America, who say, "The Communists would not come up and register. They would not come out into the open." These Americans seem ashamed to speak up like courageous patriots and pass a bill to drive these conspirators and spies out into the open, or into the jails. There is no other choice, once the bill is passed. One place or the other is the place for a Communist—out into the open or straight into a jail cell.

I hope Senators will read this book. I hope they will ask their friends to read it. I hope they will have it circulated in their home towns. I hope they will have it placed in all the schools and public libraries. If there ever was anything necessary in America, it is to learn about Communists. Do Senators realize that we are spending half the budget of America fighting something which cannot be defined? Do they realize we are drafting boys, in a peaceful era, to fight against an ism 6,000 miles away, in Korea, an ism which most people in America do not even understand as it operates in their own home towns, in their midst? This book will tell the story. If your son is soon to be of draft age, and he wants to know what the target is in this war and what it is all about, let him read this book before he goes, and he will be a better soldier and a better patriot, and will put on the uniform of Uncle Sam more cheerfully, because he will know there is a purpose and a pattern before freemen in the challenge made by Communism. I think this book should be "must" reading in the next 30 days for almost all Americans.

He goes on to say on page 9:

The Soviet fifth column, moving and living on the instructions which flow into the house on Thirteenth Street—

That is the headquarters of the Communist Party and the Daily Worker in New York City—

can be likened in organizational form to a tree.

I want to give this to the Senate as a supplement of the definition I gave in the opening 2 or 3 minutes of my address this afternoon. It fits in perfectly with my definition. Budenz says:

It can be likened in organizational form to a tree.

He describes it this way:

Its roots are the men and women of the deep underground, the political tourists, as they are called, sent here by Moscow to direct the life of the Communist Party. Among those roots was Gerhart Eisler, long a representative of the Communist international machine in a number of countries. Another man there was J. V. Peters, whose names run from Israel Bornstein to Alexander Stevens, and who directed the enrollment of party members for espionage over a period of years. Such men are the direct mouthpieces of Moscow; they transmit instructions to the puppet party leaders of native origin. There are several scores of them.

The trunk of the tree is the "open party," which functions none too openly at that from its national headquarters. Among those found in the trunk are William Z. Foster, eagerly striving for the honor of being Stalin's gauleiter in America.

That is the man with whom I took part in a broadcast over the American Broadcasting System, in 1948, and who, incidentally, has not appeared in a public debate since, because he was so badly mauled, and his overlords were so chagrined over the way he handled himself, that they took him out of circulation. I challenged him over the radio over and over again, "I want you, Mr. Foster, to name just one time in the history of the American Communist Party when the attitude of the American Communist Party differed in one iota from that of Joe Stalin and the Politburo in Moscow." I hammered on that for my full time. I never let up on Foster for a minute. He ducked that challenge, as he was obliged to, and was discredited by his Communist overlords for letting himself get into that sort of trap. But by our bill we keep him and such as he is in the open.

Budenz spoke of Foster and Eugene Dennis of many false names and many subversive missions, and Earl Browder when he was at the party's head.

They of the trunk are the means of contact which the men of the roots have with those concealed in the branches. And these last are the men and women who swear that they are not Communists—or refuse to answer the question about membership when brought before a congressional committee—and who operate as non-Communists on an extensive scale.

Some of whom, incidentally, have not yet been indicated as they long ago should have been, by the subcommittee of the Foreign Relations Committee of the United States Senate, who permitted Frederick Vanderbilt Field and Earl Browder to thumb their noses at the United States Senate without being cited for contempt. By comparison, I am very proud of the House Un-American Activities Committee, to which I belonged, which consistently has cited these Communist conspirators every time they registered their contempt for the committee. I am bitterly disappointed in this body, of which I am a Member, that neither by it as a whole, nor by the subcommittee, nor by the whole Foreign Relations Committee, have these two contemptible traitors to America been committed for contempt, after having appeared before the Tydings committee, registering their contempt for that committee, for the Congress, and for the country as a whole. The committee just sat there very meekly and treated them politely; it gave the Communists the run of the place, and it has lacked the cour-

age to cite them for contempt up to this late hour. It is the most disappointing thing I have seen happen in the Congress in at least a decade to see a great committee of the Senate slapped in the face by these two arrogant Communist witnesses.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. MUNDT. I shall be glad to yield when I have finished reading from this book.

The PRESIDING OFFICER. The Senator from South Dakota refuses to yield.

Mr. MUNDT. I will say to the Senator that I shall be subject to questioning at as great length as Senators desire when I have finished. I am eager, however, to relinquish the floor as soon as permissible.

I am talking about those who are in the branches, some of whom refused to answer questions asked by Members of congressional committees, some of whom operate as known Communists on an extensive scale. I continue to read:

> They are frequently defended by the responsible press, treated as people of the highest integrity, and move in circles where they play hob with American opinion. If there is proof of the political lightmindedness of Americans, to which the comrades on Thirteenth Street often refer, it is to be found in the failure to label properly the Kremlin agents of this category. A little research would reveal their constant Red associations and the wide range of their pro-Stalin acts.

So much for the upper-register background by which this organization operates within our midst. Let me quote the final paragraph of chapter 1 of the book, on page 21. In this fascinating chapter of the book, Men Without Faces, dealing with the house on Thirteenth Street in New York City from which Communists rule America, Budenz says:

> And still a large-sized skepticism remains. A Maginot mind may prove fatal to this Nation. Impressed by our physical strength, we may forget the poison of fifth-column influences, although it is a lesson the country should have learned after being so tragically misled about the nature of the Chinese Reds. The comrades in the house on Thirteenth Street have cause for satisfaction. Their works are bearing good fruit—for the invincible Stalin.

Now I want to refer in the same book to what he says about front organizations. I have discussed his interpretation of the Communist political organizations with which we deal in the so-called Mundt-Ferguson bill. Let me now discuss front organizations in the terms of a man who formerly formulated them. In other words, it may be well to adopt the slogan "Ask the Man Who Knows Them"—who created them, who one time owned them.

Mr. WHERRY. Mr. President, will the Senator yield for a question before he goes to a new subject?

Mr. MUNDT. Yes.

Mr. WHERRY. Is the Daily Worker a subsidized newspaper?

Mr. MUNDT. In that it is supported by the Communists rather than being supported through its own advertising and subscription fees it is certainly a subsidized newspaper.

Mr. WHERRY. It is subsidized by Communists either within or outside the country?

Mr. MUNDT. Yes. One time, as Budenz points out in his book, it was subsidized from the outside, from Moscow. Now, unfortunately, we have seen such men as Frederick Vanderbilt Field and Corliss Lamont, subsidizing Communist-front organizations. The Communists have made colossal suckers out of enough rich Americans so they do not need to go to Moscow any more for gold. Probably the gold is now going the other way.

Mr. WHERRY. Does the Senator know whether those within or without the country who subsidize such newspapers as the Daily Worker also subsidize individuals? Do they go into the centers of learning and teach and put out their propaganda bait to the younger people of our country?

Mr. MUNDT. I happen to know that they subsidize lecturers on the American lecture platform. That is the only field of which I can speak from personal knowledge. I have talked with managers of American lecture bureaus who have had Communists seek to operate under their sponsorship. They did not know they were Communists at the time, but discovered it later. Such Communists were eager to give lectures for nothing, and would permit the bureaus to collect and retain the full fees. So there are a number of lecturers on the American platforms who are subsidized by the Communists. I suppose there are those who are subsidized in the field of radio, newscasting, and among columnists, among teachers. The only field of which I am able to speak from my own personal experience is the lyceum field, where it has been done.

Mr. WHERRY. In the Senator's own experience—and the Senator has had a great deal of experience in connection with the Un-American Activities Committee and elsewhere—has the Senator found it to be a fact that communistic propaganda radiates out from great educational institutions?

Mr. MUNDT. Yes.

Mr. WHERRY. Is that not having an impact on our young people?

Mr. MUNDT. That is true. But I do not want to be deflected from reading the book too long. I want to stimulate some curiosity among Americans to buy this book and read it. If people will read the book they will find in it how Budenz himself was instrumental in helping to get Hanns Eisler, the brother of Gerhart Eisler, into this country direct from Moscow, where he was subsidized to go to Hollywood to participate in some of the films being produced there.

Incidentally, to show the complete capacity of the Communists to hoodwink supposedly smart Americans, let me point out that they got a $20,000 scholarship from the Rockefeller Foundation. So they had American capitalists—as is so frequently the case, let me say, incidentally—performing as the biggest suckers of all, at their own expense, to serve the purposes of the Communists by giving a scholarship to a Red spy. Also it was true in the case of Alger Hiss, so we had American capitalists learning very slowly, if they learned at all. In that case the Rockefeller Foundation gave a scholarship of $20,000 to the Communists before the House of Representatives Committee on Un-American Activities had discovered the situation. Then they gave a $20,000 a year salary to Mr. Alger Hiss.

Mr. President, let me refer further to the book, Men Without Faces, by Louis F. Budenz, published by Harper & Bros., and available in the bookstores at a price of $3.50 a volume. If the left-wing book reviewers will not review this book, Senators must do so for themselves.

The heading of the chapter from which I shall now read is "Capture of the Innocents." In this chapter we learn how the Communists bring in groups of innocents. Mr. Budenz says:

> Out of these organizations of the intellectuals as such there grew also groups of wider appeal which made an even more distinct impression upon American thought. Outstanding among them was the League Against War and Fascism.

Let us remember that these are organizations which Budenz himself formed. He was one of the leading Communists in America.

I read further:

> The original executive of that body, whom I knew well, was Dr. J. B. Matthews, who subsequently broke with the Communists.

I may say here that I know Dr. J. B. Matthews well, too, because after he left and denounced the Communist Party we gave him a job, for many years, with the House Committee on Un-American Activities; and he still is active in unearthing Communist activities in the United States. He was the man who first was placed in charge of that Communist front—unregistered, unlabeled, unidentified, as it is today, and as it will continue to be unless the Mundt-Ferguson bill is enacted. It was then as completely unidentified as it will be if the administration substitute bill is enacted, because the administration bill does not require identification at all.

I read further:

> He was succeeded by Dr. Harry F. Ward, at the time the Communists first sought to infiltrate the Roosevelt camp.

Mr. President, several months ago I was invited by the Toledo Town Hall Club to go to Toledo and debate with this same Dr. Harry F. Ward on the subject, Communism Has Done More for the World Than Christianity. I gave my typical answer, namely, "If Dr. Harry F. Ward will appear on the platform for that debate and will have you announce him there and over the radio and have his name appear on the program as a Communist speaking for the Communist Party, I will come. But if he comes in his chronic role, pretending he is a minister of the Gospel, but mouthing the devilish doctrine of communism, I will not come."

As always the debate fell through, because Dr. Ward likes to parade around as a minister, although his activities with the Communists have been both notorious and malodorous for years.

Some Members of the Senate probably heard him when he debated as a partner of Earl Browder in a very interesting debate held in Washington, when the illustrious Clare Boothe Luce led the opposition. There is no question as to where Dr. Ward stands; he stands with Stalin and the hammer and the sickle and the greatest enemy Christianity ever had. I will debate him in Washington or in Timbuktu, any time he lets the label of the Communist Party be put upon him, because he is active as a brave Communist friend; but he will not get into a debate with me if he pretends to be a preacher, when actually he is acting as a conspiratorial friend of communism, instead. So he became the head of that organization.

I read further from the book, Men Without Faces:

And the league's name was changed to the American League for Peace and Democracy. In this guise, the Politburo felt—

That is the American Politburo—

the organization would have more influence in Washington political circles. Finally, during the Hitler-Stalin alliance, when it became necessary for the league to alter its entire approach, it became the American Peace Mobilization. Frederick Vanderbilt Field was drawn temporarily out of the Institute of Pacific Relations to become its head.

I attended several of the Politburo meetings which set up the American Peace Mobilization and put Mr. Field in charge. He was selected primarily because of his success in cultivating officials of the State Department. He could reel off a number of distinguished names who were bosom friends of his, among them his close collaborator, Alger Hiss, who was subsequently to advise the Government at Yalta, Potsdam, and San Francisco.

I thought that would be interesting to those who felt that Alger Hiss just happened to wander into the Government and just happened to direct our Government's policy toward Asia and at Yalta. As a matter of fact, he was put in the Government as a deliberate part of the conspiracy arranged in the Politburo, on the ninth floor of the American Communist headquarters on East Thirteenth Street, in New York City.

The author of the book, Men Without Faces, is one who, as an American Communist, helped participate in that "fix." Whether he also helped to produce the "fix" which resulted in the letter of commendation from Justice Felix Frankfurter is something which Frankfurter would be in a better position to answer than I would; but at least I know that the letter was produced and was available.

Let me read a little more from the book in regard to these front organizations:

Through all the years—

Says Budenz—

I was in the party similar organizations fairly tumbled out of the Communist machine, and new ones are still being formed today. Again and again, with noteworthy regularity, the same people appear as members or sponsors. Among the artists, for instance, Hanns Eisler was particularly helpful to Moscow in getting a number of committees started. One of the best known was the Theater Arts Committee, on which Eisler and Lionel Berman joined hands with Hester Sondergaard, Mrs. Donald Ogden Stewart, Lillian Hellman, and Herman Shumlin. Robert Reid, in charge of infiltration among the actors, was a comember with Philip Loeb of the same committee. Its legal adviser was Harry Sacher, known for his professional services to the Communist leaders.

Many of the same people appear again as sponsors of other Communist fronts. Recently there was formed the Committee for Far Eastern Democratic Policy to help Red China. On that committee we find Herman Shumlin; Donald Ogden Stewart is mentioned as a sponsor, along with Ben Gold, Paul Robeson, Muriel Draper, Howard Fast, Paul Draper, the dancer, and Congressman Adam Clayton Powell.

Back in the days when the Communists wanted to win the war a number of the same names were associated with the Artists Front to Win the War. There we discover Muriel Draper again and Hanns Eisler, the main agent in the creation of the committee. With them were associated Charles Chaplin—

Charles Chaplin, a "great citizen" of California, one who has lived in the United States for more than 20 years, but who does not think enough of America to take out citizenship papers, but who still is in California violating not only the civil code but the moral code of America, although no one has had the courage to have him deported or to boycott his films as yet.

I read further—

Rockwell Kent, Paul Robeson, Larry Adler, and such others as Albert Maltz, John Howard Lawson, and Dalton Trumbo. It will be recalled that the last three refused to state under oath whether or not they were members of the Soviet fifth column. When we turn back to the American Youth for Democracy, formed from the Young Communist League, many of the same names appear again. Among them were John Howard Lawson, Dalton Trumbo, Howard Fast, and Adam Clayton Powell. To these were added on that occasion Bartley Crum, the California lawyer, and Edward Dmytryk, the moving-picture director, who refused to tell Congress under oath whether or not he was a Communist.

Recently in the Mundt-Nixon protest, we find Paul Robeson again joining hands with John Howard Lawson and Rockwell Kent. With them is V. J. Jerome, the editor of the Communist theoretical organ; Representative VITO MARCANTONIO, connected for years with the Communist-controlled International Labor Defense; and Paul Draper.

So we find the same group associated with these various Communist-front organizations.

Certainly the people who wondered about Draper and Adler, when they were having that little judicial controversy in Connecticut, can find some highly interesting reading in this book, because both Draper and Adler appear time and time again in this book as members of Communist-front organizations set up by Budenz, who still has the documentation in his files.

That shows how the Communist-front organizations are created.

The legislation we propose shows how they can be curtailed and exposed and brought out into the open.

Let me read a few other passages from this book, Men Without Faces, which is so fascinating that Senators will find it as thrilling as a detective novel and as authoritative as a dictionary. I recommend that people generally read it.

I think the following passage is pertinent, because some Senators have recently been hearing from these organizations:

To sum up the current events that mark the Communist Party as Soviet Russia's fifth column would be too repetitious.

At this point, Mr. Budenz is drawing near the end of his book. He writes:

Numerous publications label it a fifth column; every intelligent American knows it to be such. Yet few effective measures have been taken to deal with it according to its true character.

I recommend that portion of the book to those who cite the so-called 27 laws now on our statute books dealing with espionage. Here is a man who ought to know; he has been able to beat all of them; none of them ever caught him. He knew them all by rote. He was functioning as a Communist espionage agent in the United States, and did so for more than a decade; but not a single law ever caught up with him. So he laughs at them, and tells how to get around them or avoid them. Here is indeed graphic evidence that we need new and modern legislation to deal with communism.

He writes further in his book:

The Communists have been much more alert than patriotic Americans in bringing pressure on Congress.

I know that many Senators have had some of that pressure put upon them, especially Senators on the Democratic side of the aisle. However, let me point out that it is inspired pressure. The pressure letters Senators receive will be offset, I am sure, by the mothers to whom Senators talk when they return home, the mothers whose boys are fighting against communism in Korea, and who want to know where Senators stand on Communist-control legislation. The pressure from the Communist groups will be offset by the people in the churches in the United States and the people in the Chambers of Commerce and those in the American Legion and the AMVETS and the Disabled War Veterans and the Veterans of Foreign Wars, all of whom endorse the Mundt-Ferguson Communist-control legislation, and many of whom have written letters about it to Members of the Senate. Perhaps such persons do not have a highly vocal organization or a "front" organization; but certainly the good people of America know where they stand in regard to Communists.

I read further from Mr. Budenz' book:

Any step to deal effectively with Soviet subversion has been the object of an immediate organized attack. Hundreds of thousands of letters flooded the House and Senate against the Mundt-Nixon bill and successfully smothered this anti-Communist legislation. Some of this opposition is obviously not Communist—for there are some people who persist in the illusion that the Communist Party is not what it is. The campaign itself, however, was entirely the product of the Communists, working through other sectors of American life and opinion.

So Budenz goes on to point out the efforts they took to defeat that bill; which, in spite of them, passed the House by a vote of 319 to 58. I am sure it would have passed the Senate then, had time

permitted before Congress finally recessed.

In concluding this book review and in concluding my discussion of communism, I desire to quote something which I think is of tremendous significance. It is from the concluding pages of this remarkable testimony, this tremendously significant book of Louis F. Budenz, writing out of a wealth of experience. I remember, more than 12 years ago, reading Gene Lyons' book Assignment In Utopia. He told about the trickery, the treachery, the falsity and the depravity of Communism in Russia. This book, by Louis F. Budenz, is a very fine sequel to Assignment in Utopia, telling as it does, about the vicious attitudes involved in the conspiracies of communism in America. Mr. President, how are you, as an American, intelligently to resist this effort to destroy your freedom without knowing how the Communists operate and what they do? How are you going to find out, unless you read this book? It is the only authoritative document on the bookstands, telling us, in the voice of a man who knows, how the Communists in America deceive you and betray you and would seek to destroy your freedom and defeat our war effort in Korea.

I wish now to read the concluding paragraphs, which appear under the chapter heading, "Clear and present danger." Budenz points out that—

> Only a strong moral stand internationally at every point and a firm position internally can successfully meet such a ruthless foe. Such measures are vital to this country's life. The danger becomes greater and more immediate with each day that Soviet Russia is allowed to tighten its control of the satellites. It increases with each failure to halt the activities of the Communist Party, and today a factual report would show that they have not been halted at all.

This book was published in 1950, it will be remembered, only a few short weeks ago.

> Such a foe—

He is referring to communism in America.

> Such a foe, working assiduously within the Nation to destroy it, constitutes a clear and present danger to the American Republic. There is much discussion in many quarters whether Russia will launch a military conflict against the United States. The real answer is that world war III is already on. It has not reached the shooting stage so far as the United States is concerned—

This book came out shortly before the shooting war started in Korea last June.

> It has not reached the shooting stage so far as the United States is concerned, but thousands of other casualties have taken place in this war. The Communists are taught constantly the dictum of General Clausewitz that war is merely the extension of politics by other means. They know too, as I learned when a Communist, that the converse is true. Politics can be war.
>
> When we consider the question of clear and present danger, we have to note what has happened in a very short time. Soviet Russia is waging a two-front war upon this country—the "creeping blitzkrieg" I predicted some years ago. It has met with such startling success that within 5 years Stalin's empire has grown from 190,000,000 people to more than 900,000,000. This was the proud boast of Georgi M. Malenkov on November 7, 1949, the anniversary of the Bolshevist revolution.
>
> Since the expendability of human beings in order to attain a goal is accepted as the master tactic of Soviet warfare, it must be plain that American security is in a defensive position today.
>
> I am not seeking here to present a program of the measures America should take. I am merely reporting what I know and what I saw, hoping from that to tell the Nation of the immediate danger with which it is confronted. Further self-deception about the intention of the Soviet dictatorship will prove fatal to this country.

That is worth thinking about, when we come to vote on legislation of this type. "Further self-deception" that this type of communism in America is but another political party.

He thought of it as merely an economic formula. He thought of it as a group of left-wingers who have no other purpose on our soil except to ruin the safety of America. We must face communism for what it is—a conspiracy directed by fanatical cruel and able men—and decide how best to deal with it within the framework of our Constitution. In conclusion, Budenz says:

> Within America, our citizens must protect civil liberties but present the truth on this issue and not the falsehoods and fabrications of the Communists. A true defense of civil liberties recognizes that the Communists mean to destroy such liberties. To safeguard American freedom the fifth column which menaces that freedom will have to be dealt with as a fifth column and not as something else—a legitimate political party, for example, which is pure fiction.
>
> We must not be guilty of convicting people by association, but we will be required realistically to judge men and women in public life by their deeds. There is every reason, in the name of national security, that those who constantly give aid and comfort to the Kremlin be called to strict account in a court of public opinion for their acts against the country of their citizenship.
>
> God grant that America may have the alertness to distinguish fact from fancy, the wisdom to understand the true nature of her Soviet opponent, and the courage to stand firm for her own defense and that of all mankind.

That is the concluding section of this book from which I have been reading, the startling revealing book, Men Without Faces, by Louis Francis Budenz, former editor of the Daily Communist Worker, published by Harper & Bros. in New York City, and available at $3.50 a copy.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MUNDT. In a moment. I have spoken much longer than I intended. I simply wanted to relate that background of authoritative information from a Communist himself to the problem we confront on the Senate floor as we deliberate on the serious business of the pending legislation. I now yield to the Senator from Michigan.

Mr. FERGUSON. The Senator has commented on the remarks of the distinguished Senator from New York in relation to some of the Communists failing to register, yet in the bill which he and other Senators sponsor as the administration bill, they request those who are trained saboteurs or espionage agents to register.

Mr. MUNDT. That is the one introduced yesterday, is it not?

Mr. FERGUSON. Yes. I desire to ask whether the Senator does not believe that the pending registration bill will require many American Communists to come forth voluntarily to register, many of them to leave the party and go to the FBI and other agencies to make a clean front of the situation, as in the case of Mr. Budenz?

Mr. MUNDT. Yes. Many American Communists themselves still are not aware of the deep nature of the treachery in which they are involved. When the Congress acts, and when it is brought home to them and they realize it is serious business, I think many of them will come forward and register, and will at the same time disavow communism and dissociate themselves from it.

Mr. FERGUSON. If I may I should like to read a letter which I received from a sergeant in Tokyo. It is dated August 31, 1950, and was mailed in Tokyo. He says:

> SIR: I have just finished reading in the Army paper here that you were a sponsor of a bill to have all members of the Communist Party register. No information other than this so I take it for granted it must be a law. Some time ago I read of this bill and I informed the FBI by letter that I was a member, but to date have received no answer.
>
> Therefore, as a resident of Michigan, I wish to inform you that I am a member of the Communist Party and request I be informed of what I must do to comply with this law. I am in Japan, therefore any mail other than air mail will be very slow. If this is urgent please inform me by air mail. I have also informed the Adjutant's General's Office of the Army as to my membership. Let me hear from you soon on this matter.
>
> Sgt. ROY ALSMAN, 6914841.

Would not the Senator feel that many people who have joined the Communist Party, some of whom are now in the employ of the United States, as is the writer of this letter, would not want to violate the law and, therefore, would come forth and register, so that, as the Senator has indicated, they would either have to be in the open or would find themselves in jail where they should be?

Mr. MUNDT. I think there is no question in the world about that. Not very many Americans look forward to spending a long time in a Federal penitentiary. Most Americans have a tremendous respect for the law-enforcement branch of the Federal Government. When there is a severe Federal penalty involved, it is going to be only a highly paid, well trained, toughened, Communist espionage agent who would take the risk of not registering and he is the man who should be sent to jail, and the FBI knows who he is. The FBI knows who these dangerous agents are, but they cannot put them in jail today. Under this bill they could do so.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MARTIN. I have been highly interested in the very learned presentation of the Senator from South Dakota.

Does the Senator not feel that there is a large number of persons now being influenced by Communist persuasion through the teaching of Communist doctrines by persons who are not registered, and in that way a large number of fine American people are very badly fooled?

Mr. MUNDT. I think that is true. I believe there are in the ranks of the Communist Party some Americans who can be recaptured to the cause of freedom and decent citizenship if Congress will enact into law a bill of this kind. Its definition of communism and of conspiracy might well be the cause of alerting, awakening, and shocking a great many Americans into reconsidering and reappraising their activities, and perhaps disavowing the Communist Party entirely.

Mr. MARTIN. Does not the Senator feel that we in America need something to arouse the American people as to just what the American way of life stands for?

Mr. MUNDT. I think that unless they can be so aroused they are going to lose their freedom. There is altogether too much lethargy, as the Senator well knows, especially on the part of big business, private business, and professional individuals, who seem to think that free enterprise and democracy are immortal and will continue to live forever with no help or support from them.

I was tremendously impressed by an advertisement which I read last night in United States News and World Report relating how the doctors in America are issuing a challenge and urging persons who believe in the free-enterprise system and big business to come forward and join the doctors in a fight against collectivism. By and large, it seems to me, big and small enterprises must realize that it is time to examine the problem if they are to continue to live and be free and independent.

Mr. MARTIN. As the Senator well knows, approximately a hundred years ago Marx presented his philosophy.

Mr. MUNDT. It was 102 years ago, as I recall.

Mr. MARTIN. It still stands as a text book. Hitler had his text book. Had not the time come when we should use the Bill of Rights, the first 10 amendments to the Constitution, by which to tell the pepole of the United States and of the world what the American form of Government really is? Does not the Senator think the time has come when that should be done?

Mr. MUNDT. To me it is an appalling fact—and I say this as a former educator—that after 150 years of what has become admittedly the best educational system in the world, we do not have a textbook in this country in our high schools and colleges at this late hour which genuinely tells the story of American freedom and independence. There is a book on communism; there is a book on nazism; there is a book on Leninism; but none as an adequate and usable textbook on that great opportunity State made possible by our formula of freedom.

Mr. MARTIN. As the distinguished Senator well knows, there is a book on practically every philosophy of government in the world except the American philosophy of government, which is the greatest form of government that has ever been created.

Mr. MUNDT. Even the British Socialists, who have been in power for less than 6 years, have a book relating what that government is, written by John Strachey, that curious member of the British Cabinet who was formerly a Communist and is now a Socialist. He wrote a textbook for the Socialists of Great Britain called How Socialism Works. There is not in this country a realization on the part of a great many individuals that, if we are to remain free, we must do more than simply talk about it and grumble about taxes. We shall have to do something to protect the basic ingredients from which freedom is created.

Mr. MARTIN. If the Senator will permit a further comment, I am wondering if it would not do us a great deal of good if there were even more grumbling about taxes. We would then have a little realization as to what we are spending our money for.

Mr. MUNDT. I do not object to the grumbling, but I think it must be accompanied by a realization of what has to be done in order to discontinue the situation about which people grumble. Meaningless grumbling amounts to very little unless the people know what they have to do to correct the situation of which they complain.

Mr. MARTIN. Of course, as the Senator well knows, the only country in the world in which the people can grumble and get away with it is the United States.

Mr. MUNDT. That is correct.

Mr. MARTIN. I think it does us a great deal of good. The Senator has placed the matter before us in a very fine, concrete way. But the Communists are certainly wonderfully organized. I think they probably had as much to do with the demobilization of our Army after World War II as did anything else in the whole world.

Mr. MUNDT. If the Senator will permit me to interpolate there, I can document that statement for him.

I was a Member of the House Committee on Foreign Affairs. About 3 years ago the committee had before it one of the three top generals in the Asiatic theater. I do not give his name, although it is no particular secret, I suppose. He testified regarding this very problem, about the desire of the GI's to come home. The question was raised as to what inspired it. The general said they read about it in the columns of the Army newspaper, and he finally decided to have Mr. Hoover send an FBI representative over to make a determination as to whether there were any Communists on the editorial staff. There were 15 of the Army personnel on the staff, 13 of whom were Communists.

Mr. MARTIN. That is a most interesting thing.

Mr. MUNDT. I can give names if the Senator would care to have them.

Mr. MARTIN. I want to make one more observation, and I apologize for the personal part of it. At the conclusion of the war I was governor of the Commonwealth of Pennsylvania. I received letters from soldiers stationed all over the world urging me to do everything I could to get them home. The letters were couched in the same kind of language, whether it was a letter from Europe or from the East, which indicated to me that the letters were written and distributed to be sent back to governors and Members of Congress, probably by the Communist Party or by some other organization unfriendly to the United States, because there is no question in my mind that if we had kept our Army together, or at least a part of it, we would not be in the present trouble. We should have kept at least enough of our Army together to police that part of the world in which we were supposed to see that peace and order existed. I wish to congratulate the Senator for his fine presentation.

Mr. MUNDT. I thank the Senator.

Mr. WATKINS. Mr. President——

The PRESIDING OFFICER (Mr. JENNER in the chair). Does the Senator from South Dakota yield to the Senator from Utah?

Mr. MUNDT. I shall be glad to yield in a moment. First, I should like to read into the RECORD a very interesting comment on this question, which appeared in the Washington Post of August 22, 1950. It is contained in an article written by Sam Stavisky, who has been writing a series of articles on the Korean situation, the attitude of the average GI toward the war, and what the war is all about so far as our soldiers are concerned. I think Senators will want to keep these comments in mind when the time comes tomorrow to start voting on the bill. Mr. Stavisky writes about a young soldier, 33 years of age, whose name is James Batton. He comes from Bladenboro, N. C. He was evacuated by air from Korea to Walter Reed Hospital with a very severe wound. Here is what this wounded soldier said last week:

> The main question was always this: "How can it be that we are fighting like h—l to lick the Communists in Korea and yet the Communists keep on going in the United States?" We always asked that question, and we never got any satisfactory answers.

That is Jim Batton speaking about the boys talking in Korea.

Jim observed that he had never thought much about American Communists in this country before the Korean war.

> Now, I hate them. I read about the Communist who was beaten up in Georgia the other day. I kept thinking to myself how I'd love to have a hand in it.

Jim says when the boys come home from Korea more will be heard from them on the subject of communism.

It may sound like clever politics to some members on the Democratic policy committee to delay and badger Senators who want to get effective control legislation passed on this subject, and it may look like some pretty slick politics. However, Jim said a mouthful, I think, when he said that when the boys come home from Korea more will be heard from them on the subject of communism. They may not like politicians to draft them and send them into Korea, to shoot and die and spill out their blood against

communism in Korea, while politicians at home say, "We are going to see if we cannot possibly fix up some kind of soft legislation against communism at home which will get the votes of Communist sympathizers and still placate the people who want to do something effective about it." That sort of thing will not look so clever to those who are involved with the shooting aspect of the war. Senators had best be warned on that score. If we are against communism we cannot refuse to do something about Communists at home while sending our boys to die in our fight against it in Korea. It is not cricket. Boys like Jim want to know what we are doing about it here on the floor of the United States Senate.

The article continues:

"They tell us that we're in Korea fighting communism," exclaimed Jim, angrily. "O. K., then why not here?"

Mr. MARTIN. Does not the Senator think that legislation of this character would probably do as much to boost our wavering lines in Korea as anything we can do?

Mr. MUNDT. I should like to reverse that question, because the Senator from Pennsylvania is one of the most eminent military authorities in Congress. Let me ask him: Can he think of anything which would do more to bolster the morale of our Army, which is being pushed back by overwhelming numbers of Communists in Korea, than to hear tomorrow night over their radio that the Senate had unanimously passed a bill against Communists in America? I should like to ask that question of the Senator from Pennsylvania.

Mr. MARTIN. My answer, of course, is that I believe three-fourths of the strength of an army is morale. Morale means good food, good weapons, and real support back home. I feel the time has come when the people of the United States through their Congress must say we do not expect notorious Communist leaders in California or in Pittsburgh to be let out on bail, so that they can damage the morale of our people. I think if we pass legislation of this kind it would be of inestimable value to our Army in Korea, which is doing a magnificent job. No army which has ever fought under the American flag has done better than the boys in South Korea are doing. They have been outnumbered, they have been at all kinds of disadvantages, they do not know whether reinforcements are coming, they do not know what the situation is at home, and they do not know whether we are united in this cause. If we cannot fight communism at home, how can we expect the boys in Korea to fight it?

I think the Senator's question is a most appropriate one. I say it would do more to boost the morale of our boys in Korea than anything else could possibly do. It would give our boys in Korea, who are fighting a rear guard action, the assurance that we will fight Communists every place, at home and abroad. It would do much for the morale of our boys in South Korea.

Mr. MUNDT. I certainly appreciate the Senator's statement, speaking as he does with the experience of a general in the Army who has fought in combat, and I think it places before us the rather serious responsibility of trying to expedite action on legislation which has already been so abysmally delayed and on which we have been put off so long, and to pass it promptly, so that we can send word to the boys, while they are fighting what may be the decisive battle, that the Senate of the United States, like the House of Representatives, has made up its mind that we are not going to coddle Communists in America. We can put the message to them in terms that troops can understand by saying: "We ain't going to coddle Communists here no more." They want to be sure of that. They want to have it definite. They do not want any mollycoddle substitutes like the so-called administration proposal.

Let me show Senators how fast Communists keep ahead on this issue. In the New York Times of recent date there appeared an article entitled "Communists Drop Revolt Teachings—Order Advises, However, That Nothing Prevents Members From Studying Manuals." In other words, they will discontinue the training techniques, but they can still study their manual. They do this to defeat the administration's substitute proposal that only trained espionage agents must register. We must have a realistic law which will measure up to the demands of the times, or pass no legislation at all, and tell the world that we are ready to fight communism in Korea with human flesh, but we are afraid to fight it at home because it might cost a vote or two from some misguided liberals.

Does the Senator from Utah wish to ask a question?

Mr. WATKINS. The Senator is well beyond the point, but I should like to ask him, since he has been making comment about the books that were written portraying communism, as well as Mein Kampf, which sets forth the Nazi philosophy, whether we might consider the New Testament as being the foundation of our freedom.

Mr. MUNDT. Yes; I think a textbook which would interpret the teachings of the New Testament as they are applied to our present political and economic affairs, would be of great service. Too many people lack the capacity or imagination to interpret these great divine principles, to which we all subscribe, in terms of our daily lives and ordinary mundane activities. We need that to be done. I am happy to note that a recent issue of Look magazine carried a primer on Americanism, and I ask unanimous consent that at the conclusion of my remarks there be inserted the primer which was published in a recent issue of Look magazine. This Primer for Americans was prepared by Young & Rubicam, Inc., a firm of publicists and public-relations experts, and is printed in the September 12 issue of Look magazine.

As pointed out in Look magazine, Mr. President, nazism in Germany had its so-called Mein Kampf, written by Hitler; communism in Russia had its book Das Kapital, written by Marx, and with revised editions written by Lenin and Stalin; we know that syndicalism, under Dr. Salazar, in Portugal, has its book, and that socialism in Great Britain has a book called How Socialism Works, written by John Strachey. But until now there has been no book written for Americans.

I think this booklet, Primer for Americans, comes the closest to anything which has been written in America to filling that void. It is neither pro-Republican nor pro-Democratic, but is simply pro-American.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRIMER FOR AMERICANS

What is Americanism? What do we stand for? What are the simple rock-bottom, down-to-earth American principles?

Nearly everyone has an answer—but rarely do two answers agree. Lacking agreement, how can we teach our children the principles of Americanism? How can we explain to the world what we stand for?

How can we recapture for ourselves the confidence, the enthusiasm, the shining faith in our country and in our way of doing things that earlier generations of Americans had * * * and that we now must have if we are to meet, and match, and beat the fanatic fervor of those who would change Americanism for isms of another sort?

What follows is not the Book of America. It is at most a Primer—a try at stating our American principles clearly, simply, in primer fashion so that anyone, child or adult, American or foreigner, can understand them.

For if we can agree upon our basic American beliefs, then we can grasp them, hold fast to them, and make them once again an exciting, active, guiding force in our lives, in our country, and in the world.

The principles of America are these:

1. Each person is of importance and value as an individual. This is the cornerstone—the foundation of all our other beliefs in the individual's right to live his own life, to speak for himself, to choose and change his leaders.

From it comes our hatred of those isms under which the individual has no value or importance as an individual, but is only one of many faceless beings in a voiceless herd called the people.

Coming directly from that first principle are two other principles—two basic beliefs that are also part of the foundations of Americanism.

2. We believe that all men should enjoy personal freedom.

3. We believe that all men are created equal. It is worth noting that the Declaration of Independence expressed the belief that all men are created equal. It did not state or imply a belief that men develop equally or have equal ability, or that they should ever be forced to an exact equality of thought, speech, or material possessions.

That would be equality without freedom. Americans have always believed the two should go together.

From the days of the Declaration of Independence and the writing of the Constitution, Americans have been wise enough to know that even though life, liberty, and other inalienable rights are granted to man by his Creator, they require some protection by man himself.

So, in our Constitution, and in other laws of our land, there are set down principles to protect the rights and freedoms and equality of individuals. And these, also, are part of the foundations of America.

4. The right to freedom of speech. This includes freedom of the press, of radio, of motion pictures, of every means by which man may express his thoughts on any subject.

5. The right to freedom of assembly. As we believe in the right of individual action,

so we believe that individuals should be free to act together for the benefit of all. This is democracy.

6. The right to freedom of worship. Not only is the individual free to worship as he will, but religions themselves are free and equal—regardless of their size or their beliefs.

7. The right to security of person and property. Not just one, but three amendments to the Constitution (fourth, fifth, and fourteenth) protect against illegal search and seizure, or loss of life, liberty, or property, without due process of law.

8. The right to equal protection before the law. As individuals are equally important, so laws must apply equally to all, without special privileges for any particular individuals or groups.

9. The right to freedom from slavery. This includes the right to quit, for no individual may be forced to work for another.

10. The right to petition the Government. The legally guaranteed right of the individual to petition the Government for redress of grievances is evidence of the American belief that government is the servant, not the master, of the people.

11. The right to vote for the person of your choice. This is the individual's most potent weapon in the protection of his rights and freedoms * * * a weapon that to be effective must be constantly and wisely used.

The principles of Americanism hold that every man has—

12. The right to a good education.

13. The right to live where he pleases.

14. The right to work where he wants to.

15. The right to join and belong to an organization.

16. The right to own property.

17. The right to start his own business.

18. The right to manage his own affairs.

19. The right to make a profit or to fail, depending on his own ability. There are other, similar rights of individual action which are principles of America, but all of these individual rights may be combined in these two broad principles.

20. Every man is entitled to freedom and equality of opportunity.

21. Every man may earn his living when, where, and how he wants to.

There is also limiting principles. Principles of individual freedom sometimes clash with those of individual equality. Therefore, our rights as individuals must be limited, and those limitations are themselves principles.

22. The rights of any individual shall not interfere with the equal rights of other individuals. Your right to swing your arms stops where the other fellow's nose starts.

23. The rights of any individual shall not interfere with the welfare of the people as a whole. Freedom of speech does not give the individual the right to shout "fire" in a crowded theater.

24. Every individual owes obedience to the laws under which he lives. The individual has the right to talk against a law, to work and vote to change that law, but not to disobey that law.

Principles that are patterns of behavior. Many of our principles of individual freedom and equality are guaranteed to us by law.

But we have other beliefs, other general rules of action and conduct that have grown to the status of principles. They have stood the test of time. They have worked. They have become a basic part of the way we live and of the way we look at things.

These principles, too, are foundations of Americanism. They are as true, if not more true, today than they were in 1850 or in 1750.

If America stays free, they will still hold true in 2050.

25. Every man shall be judged by his own record. A man's family background, his racial or religious group, is not as important as what that man himself can do, for Americans believe a man must stand on his own feet.

26. Every man is free to achieve as much as he can. We believe that where the laborer's boy may become President, where any man may achieve greatness, there is the greatest incentive for every man to do his best.

27. To achieve anything a man should be willing to work. Americans have always known that you don't get something for nothing, that to get anything takes a willingness to work and to work hard.

28. Achievement also depends upon the ability to do a good job. Add to "willingness to work" the ability to produce results and the combination is the basis for most individual achievement in our country.

29. Every man has the right to a fair share of the results of his work and his ability. Because of this belief, America has not only produced more goods, but they have been more fairly and more widely shared by more people than in any other country.

30. Security is the ability of a man to provide for himself. The only true security for any individual is the opportunity, the ability, and the determination to work and plan and save for his own present and future. Self-reliance is vital to individual independence and personal freedom. No man can be "proud and free" who depends on others for his security.

31. When an individual cannot provide his own security, the responsibility should be assumed by others. We believe that no one should starve, or be without adequate clothing and shelter, so those who have more than their basic needs share the responsibility of providing the essentials of security for those who need help.

32. Every individual must deal fairly with other individuals. Honesty, fairness, and personal integrity are virtues that help free and independent individuals get along with each other without losing their independence.

33. Fair and free competition is a good thing. Americans have always believed that competition among individuals or groups encourages greater effort which in turn brings greater benefits to all.

34. Cooperation among individuals is vitally important. General Eisenhower has said: "The freedom to compete vigorously accompanied by a readiness to cooperate wholeheartedly for the performance of community and national functions, together make our system the most productive on earth."

Principles of individual responsibility. Freedom for individuals carries with it an equal responsibility to use that freedom wisely. Therefore, if we wish to remain free, we must faithfully fulfill our responsibilities as freemen.

35. The individual is responsible for himself and his family. He must protect them and provide for their present and future well-being.

36. The individual has responsibilities to the groups of which he is a part. He must give of his best to his community, his church, his employer, his union, and to every group in which individuals cooperate for their mutual benefit.

37. The individual has responsibilities to his country. He must be an active citizen, interesting himself in local, State, and National Government, voting wisely, thinking and speaking and acting to preserve and strengthen freedom, equality, and opportunity for every individual.

38. The individual has responsibilities to the world. Man's horizons have expanded. What happens in the world affects him, and his actions can affect the world. Today, therefore, each man has a responsibility to act—and to encourage his country to act—so that freedom and cooperation will be encouraged among the people and the nations of the world.

FOR AMERICA'S FUTURE

Most of us are still confident of ourselves and of our country. We do not claim perfection. But we have faith in our ability to move forward, to improve to grow, to provide more and more free, equal, individuals with more and more of everything they want and need in life.

If we, the people of the United States, want to have more material benefits, we must believe in and follow these two principles.

39. The only way we can have more is to produce more; and

40. As we produce more, we must make it possible for more and more people to enjoy that which we produce—if we, the people of the United States, want to have a better life, spiritually as well as materially.

41. We must stand firmly for our beliefs, our rights, our principles. Walt Whitman, writing nearly 100 years ago, put it this way:

"There is no week, nor day, nor hour when tyranny may not enter upon this country if the people lose their supreme confidence in themselves."

There are those who would chip away our confidence so that their special brand of tyranny might creep into America. They must not succeed. So, let us ask of every plan, or act, or idea: Is it with or against the principles of America?

EXHIBIT 1

SHOULD THE COMMUNIST PARTY BE OUTLAWED?

There follow excerpts from the arguments made by Gov. Thomas E. Dewey, of New York, in his debate in Portland, Oreg., on May 17, 1948, with former Gov. Harold E. Stassen, of Minnesota, on the question: Should the Communist Party be outlawed? These excerpts are from the New York Herald Tribune of Tuesday, May 18, 1948, which printed the full text of the debate as transcribed in New York by the Mutual Broadcasting System.

Referring to the fact that the Communist Party was illegal and outlawed in Russia when it took over control of the Soviet Union, Governor Dewey had the following to say on this subject:

"The fact is that the czars of Russia were the first people in the world to follow this idea of outlawing the Communist Party. They whipped them and they drove them to Siberia, they shot them, and they outlawed them. In the year 1917 Lenin and Trotsky were exiled. What was the result? This outlawing gave them such colossal following, such enormous popularity, such great loyalty on the part of the people that they were able to seize control of all Russia with its 180,000,000 people, and the first nation to outlaw Communists became the first Communist nation.

"That is what I do not want to happen to the United States of America. For 25 years Mussolini outlawed communism, and they grew and flourished underground despite punishment and their killing and their shooting. As a result, 4 weeks ago the Communists and their allies polled more than 30 percent of the vote in the recent Italian election.

"In all of Nazi Europe the Communists were underground and they emerged at the end of the war so strong that they were so popular the French Maquis and others almost seized power in the governments of Europe at the end of this war because of the enormous strength that came to them from the underground.

"And Czechoslovakia is another example, and I am grateful to Mr. Stassen for bringing it up. For 7 years in Czechoslovakia the Communists were driven underground by the Nazi tyranny, and in those 7 years they developed such enormous strength that they were able, short of the liberation of Czechoslovakia, which we could have done, but our troops were pulled back and the Russian troops were allowed to go into Prague, and they were able, before long, to take over the whole nation because they had flourished in the dark, underground.

"Here is an issue of the highest moral principle. In the present issue the people in this country are being asked to outlaw communism. That means this: shall we in America, in order to defeat the totalitarian system which we detest, voluntarily adopt the method of that system?

"I want the people of the United States to know exactly where I stand on this proposal because it goes to the very heart of the qualification of any candidate for office and to the inner nature of the kind of country we want to live in. I am unalterably, wholeheartedly, and unswervingly against any scheme to write laws outlawing people because of their religious, political, or social or economic ideas.

"I am against it because it is a violation of the Constitution of the United States and of the Bill of Rights, and clearly so. I am against it because it is immoral and nothing but totalitarianism itself. I am against it because I know from a great many years' experience in the enforcement of the law that the proposal wouldn't work, and instead it would rapidly advance the cause of communism in the United States and all over the world.

"Now, let's look at this thing. It is a war of ideas in the world, and we are in it. It is also a war of nerves. The conflict between two wholly different ways of life—system of human freedom and the brutal system of the police state. On one side of this great world struggle are ranged all those who believe in the most priceless right in the world—human freedom. We believe that every man and woman has a right to worship as he pleases, the freedom of speech, assembly, and the press. We believe that every man and woman has an absolute right to belong to the political party of his choice. We believe, in short, that human beings are individuals and that they do and should differ among themselves. We know that each of us has within himself a portion of error, and we believe that each of us has within himself a touch of God.

"On the other side of this struggle are the advocates of the all-powerful totalitarian state. They believe human beings are cogs in a machine. Godless creatures, born to slave through life with every thought and every act directed by an overpowering, all-powerful government. Everywhere these two conflicting schemes of life, the free system and the police state, are struggling for the soul of mankind. The free world looks to us for hope, for leadership, and most of all for a demonstration of our invincible faith. The free way of life will triumph so long as we keep it free.

"Now, as in all the days of our past, let us hold the flag of freedom high. I have watched this proposal, this easy panacea of getting rid of ideas by passing laws; I have been increasingly shocked. To outlaw the Communist Party would be recognized every place on earth as a surrender of the great United States to the methods of totalitarianism. Stripped to its naked essentials, this is nothing but the method of Hitler and Stalin. It is the control borrowed from the Japanese war leadership. It is an attempt to beat down ideas with a club, the surrender of everything we believe in.

"There is an American way to do this job, a perfectly simple American way. We have now 27 laws on the books, and I have the whole list of them in front of me, outlawing every conceivable act of subversion against the United States. I spent 11 years of my life as a prosecutor in New York. That was in the days when they said nobody could clean up the organized underworld. They said we had to use the methods of dictators, that we had to go out and string them up. I had judges and even men in high places tell me that. A group of young men took it on, and week after week, month after month, year after year, they worked and they delivered the city of New York from the control of organized crime, and they did it by constitutional means and under the Bill of Rights.

* * * * *

"Now, times are too grave to try any expedients and fail. This expedient has failed, this expedient of outlawing has failed in Russia. It failed in Europe, it failed in Italy, it failed in Canada. And let me point out that in Canada they tried it once and the Communist Party grew so powerful and dangerous that they repealed the law in 1936, and in 1940 they tried it again and the Communist Party came right up with a dozen new false faces exactly as it would do if you passed the ludicrous law to outlaw them here. They would come up under forty new fronts. They would then say, 'We are not Communists any more,' exactly as they did in Canada—'we are just good Canadians working to support our Government.' And what happened? What happened in Canada is exactly what would happen here. They became so strong that during the war, in the face of a law which says it is illegal to belong to the Communist Party, they developed the greatest atomic bomb spy ring in history and Canada had to repeal the law.

"Let us not make such a terrific blunder in the United States, that we build up these dangerous, venomous, subversive people with the power to overthrow our Government. Let us never make the blunders that have been made throughout the history of the world. Let us go forward as free Americans. Let us have the courage to be free."

Mr. O'CONOR. Mr. President, in undertaking a discussion having to do with the subject matter before the Senate, I think one would be lacking in appreciation if he did not give expression to his feeling of gratification that Members of the Senate have for long devoted themselves toward the solution of one of the most baffling problems before the country today. I wish to commend the junior Senator from South Dakota [Mr. MUNDT], the junior Senator from Michigan [Mr. FERGUSON], and of course the chairman of the Committee on the Judiciary, the senior Senator from Nevada [Mr. MCCARRAN], other Members of the Committee on the Judiciary, and other Members of the Senate, who have in a most earnest manner addressed themselves to the consideration of this vital question.

The Senate of the United States is now considering one of the most important pieces of legislation in many sessions of the Congress.

I have the honor of being a member of the special subcommittee of the Committee on the Judiciary which made a comprehensive investigation of our entire immigration system. One phase of that investigation related to the subversive activities in our country among alien and national groups. The hearings revealed many startling facts concerning communism and subversive elements in the United States. It has been evident that for the past year and one-half the masters of the subversive propaganda machinery in the United States have been working overtime to prevent enactment of any type of legislation which would halt the spreading of propaganda against our system of Government and prevent the deportation of subversive aliens engaged in attempts to destroy us.

The subcommittee had many well-known authorities and former members of the Communist Party of the United States to some of whom the distinguished Senator from South Dakota referred this afternoon testify in order to expose the purposes of Communist political organizations and their members. It was startling to hear some of the facts relating to the activities of the Communist Party of the United States. One witness who served as a leader and organizer of the party for more than 17 years described the activities as follows:

> The American Communist Party today is not an organization interested in establishing communism through democratic action. It is an organization whose leaders are dedicated to civil war and armed insurrection as the means of overthrowing the Government and establishing the dictatorship.

Let us examine what it is we are attempting to fight. Let us look carefully into the meaning, purposes and present record of communism before we make up our minds with respect to the nature of the menace which we are attempting to combat. If we do so, we will see why urgent and all-inclusive measures are vitally necessary at this time.

First, we must all recognize that communism and Soviet aggression are aimed at the destruction, not only of our economic system, but also at the complete disintegration of all of those fundamental freedoms upon which our Nation was founded and which represent the American way of life.

Economic communism seeks to destroy the capitalist system of free enterprise which made this country the great land of opportunity it has always been and which gave to the people of this Nation the highest standard of living ever attained by any nation in the history of civilization.

Political communism is a Godless tyranny which destroys the freedom of the individual and the dignity of man. It subordinates these basic fundamental liberties to a vicious dictatorship composed of a handful of despots who rule by purges, mass murder and tyranny at home, and by bribery, terror and intimidation abroad.

Now let us ask ourselves whether the United States of America, reputedly the most powerful nation in the world, is actually in any real danger as a result of Soviet aggression and the world-wide Communist movement which emanates from the Kremlin. The answer will be found in the facts of recent history.

In September 1939, 11 years ago this month, at the beginning of World War II, Soviet Russia consisted of an area of approximately 8,176,000 square miles, with a population of somewhat in excess of 170,000,000 inhabitants. By 1946, the area of Soviet Russia had expanded to almost 8,400,000 square miles and its population had increased to 196,963,182. Thus in 7 years Soviet Russia made territorial gains approximating 300,000 square miles—an area greater than the State of Texas.

During those fateful 7 years, Soviet Russia directly annexed in Europe; Eastern Poland; part of Finland; Lithuania; Latvia, Estonia; Bessarabia and Bukovina; Moldavia; the Koenigsberg area of East Prussia; and the Carpatho-Ukraine,

In the Far East, Soviet acquisitions consisted of a portion of Japan known as South Sakhalin; the Kurile Islands and a portion of Outer Mongolia.

Between 1946 and 1948, by means of indirect annexation, Soviet Russia took over control of many other countries—Poland, Hungary, Yugoslavia, Albania, Bulgaria, Rumania, Czechoslovakia, and parts of Finland, Eastern Germany, Northern Korea, Manchuria and Outer Mongolia, adding an area of approximately 650,000 square miles with a population of more than 100,000,000.

Between 1948 and 1950, the huge area of China has been taken over by the Soviets, together with most of Korea, bringing control over an additional area of 3,800,000 square miles with a population of approximately 470,000,000 people.

Thus, Mr. President, if we look back over a period of 11 years, we find that Soviet Russia has grown in area from 8,176,000 square miles in 1939 to 13,415,660 in 1950. Her domination and control has spread cancerlike from a population of approximately 170,000,000 in 1939 to about 752,878,000 in 1950. She and her satellites now control about one-third of the world's population.

In its obvious quest for world domination, Russia has gone to great lengths to infiltrate into all parts of the world, including the United States. World history reveals no parallel to the all-out effort of the Soviet Union to send into all other countries, including our own, well-trained agents whose mission is to undermine the basic institutions of the nation and to aim for the overthrow of the government by force, or otherwise. I would like to quote the sworn testimony before the Senate Judiciary Committee of a former diplomat from an iron-curtain country:

> Each employee who is sent to a foreign country is first closely examined by the department which sends him, and he must also be approved by the secret police which has the last word on the reliability of the man. In a Communist state, as was told to me by the Communist commissars, to be a spy is not derogatory, but the greatest sign of confidence and trust which can be awarded by the people's democracy to its best servants.
>
> As one of the Communist commissars put it in his instructions, as far back as 1945, to the diplomats sent abroad, the term "spy" is a sign of the greatest loyalty bestowed on any Communist follower by his superior.

Mr. President, I should like to read what another former official of a legation here in Washington stated under oath to the Judiciary Committee:

> In my opinion, the Communist governments of all satellite countries use everyone—not only diplomats but every person, every chauffeur, every man who is sent here—for espionage and propaganda. That is my opinion. They use every man from the legation for this purpose. This is true of all satellite countries, because, you see, nobody can leave the country now without having his visa approved by the secret police.

Communist activities among aliens fall into two categories, both of which are closely related, but differ in their mode of operation.

The first category is closely geared into the American Communist Party organization. It is directed by the various nationalities sections of the International Workers' Order and a large chain of special societies and organizations. These groups are closely coordinated and blindly follow instructions from Communist Party leaders. They deal in the American problems, and consider other issues only as a cover for their subversive and domestic activities.

The second category is conducted by the various embassies and consulates of iron-curtain countries and numerous foreign-trade and so-called cultural agencies and their chain of agents through the various communities with large foreign-born elements.

In view of recent revelations concerning the subversive and espionage activities of certain embassies and consulates in the United States, S. 4037, introduced by the Senator from Nevada [Mr. McCARRAN], is aimed directly at the nerve centers of communism, the disloyal aliens, and the alien agents who have been sent into the United States for the purpose of spreading terror and overthrowing our Government.

The enactment of this measure would cripple the Kremlin Army in America by deporting its principal agents, including the most powerful and dangerous of them all, those who as diplomatic attachés or as employees of international organizations cynically conduct their spying and sabotage under the special protection of official immunities granted them by our Government.

The subcommittee's findings on the control of Communist activities in the United States and of the direction of such activities among nationality groups on the part of embassies, consulates, and other foreign agencies in the United States were supported in the statement made by the Attorney General of the United States. He cited as "an example of activity on the part of persons attached to an embassy of an iron-curtain country" the following case:

> In 1947 the Department was informed that a meeting of leaders of an iron-curtain country nationality group from the United States, Canada, and the country's Embassy, Washington, D. C., was held in New York City. This meeting was called for the purpose of discussing policy and certain differences of opinion which had arisen concerning future activities of the elements of this iron-curtain country in the United States. Represented at the meeting, according to the Department's source of information, were persons affiliated with the Nationality Groups Commission of the Communist Party of the United States.

Mr. President, after hearing the testimony we were forced to the conclusion that our laws relating to espionage and sabotage should be strengthened in such a manner as to close any avenue of escape for spies and saboteurs. But, Mr. President, I ask, Is that enough? It is very well to apprehend a Klaus Fuchs or a Rosenburg, or any other atomic spy, but by that time irreparable damage has been wrought and invaluable secrets of this country have been given to those who would destroy us.

Mr. President, well might we pause and consider the evil with which we are faced. Communism makes its gains through treachery and deceit by building up fifth columns of dissident elements, which, when the time is ripe, take over the Government by force and violence. I need not elaborate on that method of attack, because it is too well known to the Members of this body. One need only look to the countries of eastern Europe and our Asiatic friends for whom our countrymen are now spilling their blood to see how that method has enslaved millions of peoples. It is like a cancerous growth which bores from within at the very vital structure of constitutional and democratic government.

Mr. President, I believe that Senate bill 4037 is the only one of the bills on the calendar which strikes at the very core of the Communist movement:

First. The bill will bring the Communist activities into the open through its provisions requiring the registration of Communist-political organizations and Communist-front organizations, and by requiring such organizations to label their propaganda as Communist.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'CONOR. I yield.

Mr. WHERRY. The Senator is speaking now of Senate bill 4037?

Mr. O'CONOR. I am speaking of Senate bill 4037, introduced by the Senator from Nevada [Mr. McCARRAN].

Mr. WHERRY. Which came from the Committee on the Judiciary.

Mr. O'CONOR. Which was reported favorably by a large majority of the Committee on the Judiciary, and which bill, I repeat, is the only one of the pending bills which strikes at the core of the Communist movement. Of course, the bill embodies the Mundt-Ferguson bill in toto, so that in referring to "other bills" I do not wish in any sense to intimate that the Mundt-Ferguson bill is not a very salutary bill. I think it is. But its provisions are incorporated in Senate bill 4037.

Mr. WHERRY. I wanted to know exactly to what bill the Senator was referring.

Mr. O'CONOR. I am obliged to the Senator for enabling me to make it clear that it is the so-called McCarran bill which I am attempting to endorse wholeheartedly, and which I think goes far to meet the challenge before us because, as I have undertaken to say, the bill will bring the Communist activities into the open through its provisions requiring the registration of Communist-political organizations and Communist-front organizations, and by requiring such organizations to label their propaganda as Communist. Neither of these methods is so novel as is claimed by the opponents of the bill because, as Senators of course know, lobbyists are today required to register, and thereby reveal their purpose. Agents of a foreign principal must register with the Department of State. What then is so novel about requiring Communists to reveal the nature of their activities to insure that the innocent and naive among us will not be duped?

Second. The bill will provide means of stopping the subversive aliens before they reach our shores or removing them if they enter.

Communism is an alien doctrine, and if we are able to sever the line of aliens who bring such doctrines to this country, then we will have gone far in pre-

venting its spread. That it is an alien movement is too well known to merit much discussion, but I think it particularly in point, Mr. President, and especially revealing, in light of the most interesting discussion which has taken place this afternoon, to call attention to the statement by Mr. Justice Jackson in his concurring opinion in American Communications Association against Douds, United States Supreme Court, May 8, 1950, with reference to the nature of the Communist Party. Mr. Justice Jackson, of course, as everyone knows, was former Attorney General of the United States, and served in such a magnificent manner in connection with the trials held in Germany following World War II. He said:

By lineage and composition the Communist Party will remain peculiarly susceptible to this alien control. The entire apparatus of communism—its grievances, program, propaganda, and vocabulary—were evolved for eastern and central Europe, whose social and political conditions bear no semblance to our own. However gifted may have been the Communist Party's founders and leaders—Marx, Engels, Lenin, and Stalin—not one of them ever lived in America, experienced our conditions, or imbibed the spirit of our institutions. The Communist Party is not native to this country and its beginnings here were not an effort of Americans to answer American problems. Nor is it the response to a quest by American political leaders for lessons from European experiences. As a consequence, the leaders of the American Communist Party have been otherwise insignificant personalities, without personal political followings or aptitudes for our political methods, adapted by training only to boring their way into the labor movement, minority groups, and coteries of naive and confused liberals, whose organizations they have captured and discredited and among whom they lie in wait for further orders.

Third. The McCarran bill will provide a means for quarantining those subversive aliens who are unlawfully in this country but whom, unfortunately, we are unable to deport. Such aliens may be kept under supervision by the Attorney General, and for willful failure to depart from the country will be subject to criminal penalties.

The pending bill—S. 4037—is properly described as directed toward the protection of the internal security of the United States. It is directed toward the penalization of acts—Mr. President, I emphasize the word "acts"; not "thoughts," but "acts"—which by their very nature are inimical to the safety and welfare of our country. A central provision calls for the registration of Communist-controlled and Communist-front organizations.

In determining the classification, the bill makes clear that its provisions are applicable only to those organizations whose basic purposes are to further the objectives of a foreign government or of the world Communist movement under the domination of foreign control.

Proper legal safeguards are included in the bill to avoid self-incrimination. It is made abundantly clear that the measure is not to apply to legitimate activities of bona fide political parties. Also it is not intended to prohibit the activities of cultural or other such groups which are engaged in efforts for public betterment and which do not have allegiance to a foreign power, directly or indirectly, and which are not organized for the purpose of advancing the cause of world communism.

Most certainly, Mr. President, the bill is not directed toward thought control. A person who conscientiously believes in the principles of communism is not punishable by the act merely for entertaining such beliefs. Furthermore, such a person, adhereing to the principles of communism, is not prevented from adopting the accepted methods provided under the Constitution of the United States for effecting changes in our form of government. This bill would abridge the constitutional rights of no loyal citizen; it would merely attempt to restrict the disloyal activity of subversive elements. Court review is provided in the bill, and exceptional care is taken to see that by judicial process no privilege, even of an alien, is denied.

Therefore, it can be asserted without hesitancy that no one is going to be convicted under this measure, no one is going to be required to register, no one is going to be brought within the sanctions of the bill in any way, unless it can be established to the satisfaction of the courts of the United States, by clear and substantial evidence, that the accused party is engaged in an activity which is aimed at the overthrow of our form of government, and which activity is part and parcel of a movement having its origin in a foreign country. Only overt acts are punishable under the bill.

Other sections of the bill, urgently requested by the Department of Justice, and in connection with which the Attorney General and a number of other representatives of the Government appeared before the committee seek to provide safeguards against espionage and sabotage, and so forth. Also, it would provide for the exclusion and deportation of subversive aliens and for the detention of those aliens found to be most undesirable and whose deportation cannot be effected.

Mr. President, now I should like to refer for a moment to one phase of this general question which has been baffling and disturbing, naturally, to many persons, namely, the question of whether the bill conforms to constitutional requirements.

In the consideration of this subject matter, the Judiciary Committee, under the leadership of the able and distinguished Senator from Nevada [Mr. McCARRAN], sought the advice of authorities on constitutional law. With particular reference to the registration features, exceptional care was taken to conform to constitutional requirements, because that was the phase of the matter about which there had been the most discussion. As these provisions are now worded, we are assured by eminent authorities that this much-disputed question has been handled in such a way as to abridge no constitutional right.

Mr. John W. Davis, an eminent authority on constitutional law, after a thorough study of these provisions states his studied conclusion as follows:

If, however, it is enacted in its present form, I think the act, in its main features, will survive constitutional attack.

Mr. Davis was referring to Senate bill 2311, embodied in the McCarran omnibus bill, which provisions are known as the Mundt-Ferguson-Johnston provisions.

The American Bar Association through its standing committee also attests to the validity of the measure. In its opinion the bar association states:

Unless any court would be willing to say that the findings of the Congress were wholly unwarranted, we believe that it would be bound to sustain as constitutional in its entirety S. 2311.

Discussion of this phase of the problem would not be complete without reference to the careful consideration and approval of Senate bill 2311, incorporated in this bill, as given by Mr. Donald R. Richberg. He believes that "the Congress has the power and the duty" to enact laws necessary and useful to thwart foreign aggression and to expose and destroy conspiracies against domestic law and order. The Constitution was expressly written, he says, in order to "insure domestic tranquillity and to provide for the common defense."

Mr. President, the fact that there is clear and present danger to the security of the United States Government can be demonstrated with certainty. Mr. J. Edgar Hoover states as a fact that 55,000 Communists are abroad in our land; that their allegiance is to Russia, and that their primary purpose is to uproot the basic principles of our country, and to resort to force, if necessary, in order to accomplish their sinister purpose. Authoritative information is to the effect that, for every Communist, there are 10 others under Communist discipline, thus constituting a sizable army of subversives. In the light of the statement by Mr. Hoover as to existing conditions in the United States, it is particularly important to quote again the revealing opinion of Mr. Justice Jackson of the Supreme Court, who in the case above cited said:

1. The goal of the Communist Party is to seize powers of government by and for a minority rather than to acquire power through the vote of a free electorate. It seeks not merely a change of administration, or of Congress, or reform legislation within the constitutional framework. Its program is not merely to socialize property more rapidly and extensively than the other parties are doing. While the difference between other parties in these matters is largely as to pace, the Communist Party's difference is one of direction.

The Communist program only begins with seizure of government, which then becomes a means to impose upon society an organization on principles fundamentaly opposed to those presupposed by our Constitution. It purposes forcibly to recast our whole social and political structure after the Muscovite model of police-state dictatorship. It rejects the entire religious and cultural heritage of western civilization, as well as the American economic and political systems. This Communist movement is a belated counterrevolution to the American Revolution, designed to undo the Declaration of

Independence, the Constitution, and our Bill of Rights, and overturn our system of free, representative self-government.

2. The Communist Party alone among American parties past or present is dominated and controlled by a foreign government. It is a satrap party which, to the threat of civil disorder, adds the threat of betrayal into alien hands.

It is against this background of undisputed evidence as to the expansive tactics of world communism with which our Government is confronted that this measure is presented. S. 4037, alone of all the pending measures, is sufficiently strong and capable of coping with the many-sided problems which must be solved if our security is to be preserved.

What is the relationship between the undisputed facts as to the Communist challenge and the pending measure, S. 4037? The relationship is all too plain. Soviet Russia's acquisitions between 1939 and 1950 were not made by the use of Soviet armies, bombers, and navies. They were won by a new and more deadly and sinister type of invasion—not by war as we know it. For the most part, these vast areas and their huge populations were taken from within by native traitors, trained by the Soviet Government and working directly under orders from Moscow. These men are trained civilians who have been and still are making use of every trick of mob psychology and all of the devices of modern propaganda. They promise, they bribe, they intimidate, they frighten, they terrorize, they infiltrate; they contaminate the minds, the thoughts, the very lives of the decent, honest people who make up the basic fabric of every land, and then they move in. Their methods are political and social—not military.

That is why, Mr. President, I favor Senate bill 4037. That is the reason for my support of the all-inclusive omnibus bill which is now before us. If we are to save our traditions, our people, our country, let us act now, for it is useless to deploy armies in the field in far-off lands if we are to leave our home front unguarded, unattended, and prey for all the vicious agitators whose lives are dedicated to the destruction of the American way of life. There are those who say that Senate bill 4037 would chase Communists underground. That is tantamount to saying that we should have no criminal laws, for if we do, criminals will be harder to catch.

Much has been heard about the preferable method of attacking Communist entrenchment and circumventing their activities. Different theories are advanced as to how to combat the spread of subversive activities. But out of the welter or argument and counterargument, one all-to-be-desired end is emphasized by those in the best position to know. That all-important desideratum is to reveal the identity of Communists and their supporters.

Recently J. Edgar Hoover was asked the direct question as to what is needed now in order to meet the challenge of communism. His answer is as follows:

> The FBI is primarily interested in those members of the Communist Party who might be engaged in espionage, sabotage, or who constitute a potential threat to the internal security of the United States. Increasingly, however, with the development of the outward manifestations of a revolutionary movement in the Communist Party, the FBI is interested in knowing the identity of all Communists in the United States, as any Communist, properly qualified, might be recruited into espionage. He may today be circulating peace petitions or selling Communist literature. Tomorrow he may be sabotaging American industry or serving as an espionage courier. We are interested in identifying, therefore, every member of this international conspiracy in our midst, because every Communist is a potential saboteur and espionage agent.

Noting this statement in a magazine of Nation-wide circulation, I wrote to Mr. Hoover and asked him whether he was correctly quoted. His answer was contained in a letter dated August 21, from which I read but one paragraph:

> You may be assured that the statements attributed to me and contained in my answers were made by me and reported accurately.

Mr. President, I may say that the all-important consideration stressed by the FBI Director, the consideration as to revealing the identity, is fulfilled by S. 4037 just as it was fulfilled in the Mundt-Ferguson-Johnston bill, S. 2311. Other pending proposals on this subject matter do not help in establishing the identity of these enemies of democracy and of decency. Today the FBI does not have ready means of acquiring positive information regarding the organization without resorting to endless trouble and investigative work. True, there will always be the need of constant vigilance and energy. But to get some idea of the difficulties resulting from the fact that reliable records are not readily available, I would like to refer to another statement of Mr. Hoover:

> When the figure of 55,000 Communists in the United States was made public, there was considerable speculation in party circles as to the accuracy of the figures. Later, when detailed tabulations of States were made public, the Communists in various districts manifested great concern as to where we obtained our figures.

As an alien doctrine, which seeks to destroy American institutions, communism falls into the same category as other dire threats to our national well-being and security. Bubonic plague, carried by infected rats on ships touching American ports, has ever been a threat to America's health and security. Likewise there are various products from abroad which carry infections inimical to the well-being of our country.

To prevent the destructive effect which these carriers of disease would have upon America's health, our country has wisely adopted safeguards to prevent dissemination of their ill effects among our people. Ships which tie up at our ports from foreign lands are required by United States Public Health Service law—United States Code, title 42, section 71—to use effective guards affixed to lines securing them to the piers to prevent passage of bubonic-infected rats to the shore. And likewise, importation of disease-laden foodstuffs and other products from abroad is forbidden.

Vastly more necessary is it that similar precautions be written into the law to bar the plague of Communist subversion by combating the activities of Communists in our midst and by excluding or deporting those who are known to be infected with its destructive germs and who seek entry here for no other purpose than to infect loyal American citizens with their poison.

Mr. GEORGE. Mr. President, will the distinguished Senator from Maryland yield for a question?

Mr. O'CONOR. I am glad to yield.

Mr. GEORGE. Is the Senator familiar with the bill, as I take it he is, which was recently passed by the House?

Mr. O'CONOR. I assume the Senator refers to the Wood bill.

Mr. GEORGE. Yes.

Mr. O'CONOR. I am familiar with it.

Mr. GEORGE. Is it, or the substance of it, included in the pending bill?

Mr. O'CONOR. There are provisions of the Wood bill which are included in the pending bill. In its main and essential features, it is. There are, however, certain variations, certain additions in the McCarran bill.

Mr. GEORGE. Those are not included in the House bill, I take it?

Mr. O'CONOR. That is correct.

Mr. GEORGE. The Wood bill was not passed until after the McCarran bill had been reported, is that correct?

Mr. O'CONOR. That is correct. I have in mind specifically I may say to the Senator, the provisions of the McCarran bill, S. 4037, having to do with the amendment of the immigration laws, which provisions are not included in the Wood bill.

Mr. GEORGE. They are not included in the Wood bill?

Mr. O'CONOR. They are not incorporated in the Wood bill, although there are many salutary provisions in the Wood bill which are included also in the McCarran bill.

Mr. GEORGE. Will the Senator tell me the severity of the punishment inflicted, under the provisions of Senate bill 4037, for failure to register or for false registration?

Mr. O'CONOR. I may say to the Senator from Georgia that there are various provisions. There are penal clauses depending on the particular type of infraction, a full statement of which we have prepared, which I shall be very glad to furnish to the Senator.

Mr. GEORGE. I shall be very happy to have it. I thank the Senator.

Mr. McCARRAN. Mr. President, I have seven perfecting amendments, which I propose to offer one by one. I therefore send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. KILGORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Cain	Douglas
Benton	Capehart	Dworshak
Bricker	Chapman	Ecton
Bridges	Connally	Ellender
Butler	Cordon	Ferguson
Byrd	Donnell	Fulbright

George	Leahy	Russell
Gillette	Lehman	Saltonstall
Graham	Lodge	Schoeppel
Green	Long	Smith, Maine
Gurney	Lucas	Sparkman
Hendrickson	McCarran	Stennis
Hickenlooper	McCarthy	Taylor
Hill	McClellan	Thomas, Okla.
Hoey	McFarland	Thomas, Utah
Holland	McKellar	Thye
Humphrey	McMahon	Tydings
Hunt	Malone	Watkins
Jenner	Martin	Wherry
Johnson, Tex.	Maybank	Wiley
Kefauver	Mundt	Williams
Kem	Murray	Withers
Kerr	O'Conor	Young
Kilgore	O'Mahoney	
Knowland	Robertson	

The VICE PRESIDENT. A quorum is present.

The clerk will state the amendment which was passed over earlier today.

Mr. McCARRAN. Mr. President, I had requested immediate consideration of the amendment which I sent forward. I now withdraw that request, as well as other amendments, and I ask that the amendments be printed and lie on the table.

The VICE PRESIDENT. The amendments will be received and printed, and will lie on the table.

Does the Senator wish to take up the committee amendment which was not agreed to this morning, to which the Senator from Louisiana had offered an amendment?

Mr. McCARRAN. My understanding is, and I think the Journal shows, that the perfecting amendments, which were offered by the committee, were agreed to.

The VICE PRESIDENT. That is correct. However, one amendment was not agreed to.

Mr. McCARRAN. The amendment which will be offered by the Senator from Louisiana.

The VICE PRESIDENT. That is an amendment to a committee amendment. That committee amendment was not agreed to.

Mr. McCARRAN. That is correct.

Mr. President, I should like, if possible, to get an agreement to vote on the bill.

I wish to inquire now whether it may be possible to get an agreement to vote on the bill at not later than 6 o'clock tomorrow, Thursday, the time between the convening hour tomorrow and 6 o'clock to be divided, to be controlled by whoever wishes to take charge of the opposition and the Senator from Nevada, who is for the bill.

Mr. HUMPHREY. Mr. President, it is my understanding that there are several Senators who would like to make some comments on the bill, as well as upon some amendments to the bill which will be offered, some which have been proposed and are now lying on the table. In view of the proposal of the Senator from Nevada, I have been given to understand that it would be almost impossible to complete by 6 o'clock tomorrow all the comments of Senators who wish to speak.

Mr. McCARRAN. Will a later hour suit the Senator?

Mr. HUMPHREY. I should like to ask the Senator whether he would modify his request so as to make the time for voting on Friday. I feel that we should get the bill out of the way, but there are some Senators who desire to speak and should be given the opportunity.

Mr. McCARRAN. I should like to have the Senator consider a later hour tomorrow. I have a serious reason for making that suggestion.

Mr. HUMPHREY. I am not in charge on this side. I was merely conveying the wishes of two of my colleagues who have spoken to me and feel that they could not properly agree, in view of some of the other requests for speeches on the bill, unless we postpone the vote until Friday. So far as I am personally concerned, all I ask is that there be adequate time for discussion. Perhaps the Senator from West Virginia would like to make a comment.

Mr. ROBERTSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Virginia reserve the right to object?

Mr. ROBERTSON. Reserving the right to object, as I recall, the majority leader announced last week that we would have night sessions every night this week, if necessary, in order to finish the business of the Senate. The nights, fortunately, are cooler than they were, and it seems to the Senator from Virginia that if those who have not had the time they desire to speak about the pending measure would utilize tonight to do their speaking, rather than put this vital and important measure off until Friday or perhaps next week some time, it would be better.

Mr. McFARLAND. Mr. President, reserving the right to object, I should like to state that when the distinguished majority leader made the statement which the distinguished Senator from Virginia has repeated, he thought we might finish the session by tonight. Now it is impossible. I see no reason why the Senate should work every night when we are going to have to remain here and wait for the House, anyway. So far as I am concerned, if no Senator is ready to speak when we get through with the unanimous-consent request, I shall make a motion that a recess be taken until tomorrow.

Mr. KILGORE. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia reserve the right to object?

Mr. KILGORE. I do.

The VICE PRESIDENT. The Senator is recognized.

Mr. KILGORE. I have been requested by two Senators who cannot be present tomorrow, and who desire to be present to vote, at least, and to have just a few minutes to speak, that the Senate not vote on the bill before some time Friday. The Senator from New York [Mr. LEHMAN] has to be absent in order to be in New York tomorrow, and that precludes him from being present to vote, and although he has already spoken, a speech without a vote is not of so much value. It is my hope that the requested unanimous consent to vote will be changed so as to fix the time on Friday at an earlier hour, if necessary.

Mr. WHERRY. Mr. President, reserving the right to object——

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield, if I have a right to yield.

The VICE PRESIDENT. On a reservation to object, the Senator cannot yield.

Mr. WHERRY. I thank the Chair. I want the Members of the Senate to know that so far as the minority side is concerned, the Members on this side of the aisle are ready to enter into a unanimous-consent agreement to vote on the pending measure at any time that is agreeable to the majority. So far as we are concerned, the sooner the better. If it were possible to vote tomorrow, it would be perfectly agreeable to every member of the minority. I do not wish to be put in the position of being in favor of cutting off debate. If any requests are made and good reasons shown why a vote should not be taken tomorrow, we will listen to any reasonable request. In view of the fact that there was such urgency that Senators return, and that the distinguished majority leader made the request that we have night sessions if necessary to complete the work tonight, I think it is very important, if Thursday is not acceptable, that the distinguished Senator in charge of the bill, the Senator from Nevada [Mr. McCARRAN], fix an agreeable hour for a vote sometime Friday. I believe that would be for the benefit of all Senators. Then Senators would know when they would vote on the bill.

I humbly request that if possible an agreement be made for Thursday, but if that is too early—and the distinguished Senator from Minnesota has stated there are some Senators who desire to make some observations—I suggest to the distinguished chairman of the Committee on the Judiciary that if the vote goes over until Friday, we start to vote at not later than 1 o'clock on the amendments, so that the voting can be completed in the early part of the afternoon and Senators may leave for home.

I have a unanimous-consent agreement drawn, but I would not care to offer it, because I do not want in any way to take over or suggest what the program should be so far as the majority is concerned, but I wish to make the record clear. The pending bill is an important measure, and it seems to me it should not take long to finish its consideration. There are only one or two corrective amendments, and then there will be the question of whether we want to vote for a substitute or for the McCarran bill as modified. I should like to have the vote tomorrow, and I am sure that I speak for each and every one of the minority when I say that they are ready to vote tomorrow or the next day. We prefer tomorrow. There has just been a quorum call, and I would like to have a time suggested for a vote on Friday. I trust we may enter into an agreement tonight, if possible.

Mr. KILGORE. Mr. President, still reserving the right to object, let me say to the minority leader, who mentioned the fact that there are one or two corrective amendments, that the distinguished chairman of the Committee on the Judiciary has just sent up, I believe, six or seven corrective amendments. I

happen to know that there are 11 or 12 to be offered as clarifying amendments, none of which has been offered, and that in addition to them, there is the amendment in the nature of a substitute.

I am perfectly willing to have the Senate start voting at 1 o'clock Friday, and it seems to me that tomorrow would afford plenty of time for all Senators to discuss all the amendments and get ready for a vote on the measure. For that reason I should be constrained to object to an agreement to vote tomorrow.

The VICE PRESIDENT. The Senator from West Virginia objects to the request as proposed.

Mr. McCARRAN. Mr. President, in order that we may get something looking toward a conclusion, I offer the following suggestion for a unanimous-consent agreement:

Ordered, That on the calendar day of Friday, September 8, 1950, at the hour of 1 o'clock p. m., the Senate proceed to vote, under the limitation of debate hereinafter provided, upon any amendment or motion (including appeals) that may be pending or that may thereafter be proposed to the bill (S. 4037) to protect the internal security of the United States, and for other purposes, and upon the final passage of the said bill. *Provided,* (1) That after said hour of 1 o'clock p. m., debate upon any amendment or motion (including appeals), and upon the bill itself shall be limited to not exceeding 10 minutes, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the chairman of the Committee on the Judiciary [Mr. McCARRAN]; (2) That no amendment or motion that is not germane to the subject matter of the said bill shall be in order; and (3) That no further vote on any amendment or motion shall be had on said bill prior to said hour of 1 o'clock p. m. on tomorrow.

Ordered further, That the time between 12:30 o'clock p. m. and 1 o'clock p. m. on said day of Friday, September 8, 1950, shall be equally divided and controlled, respectively, by Mr. McCARRAN and Mr. KILGORE.

Ordered further, That in the event of the passage of the said bill (S. 4037), the Senate shall, without debate, proceed to consider the bill (H. R. 9490) to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes (Cal. No. 2502); That it be deemed to be amended by striking out all after the enacting clause and inserting in lieu thereof the text of S. 4037, as amended; That the engrossment of the amendment and third reading of said bill be deemed to be ordered, and a vote immediately taken on the final passage of the House bill, as amended; and that, if passed, the title shall be appropriately amended and the proceedings on the passage of S. 4037 be vacated and the said bill be postponed indefinitely.

The VICE PRESIDENT. Is there objection?

Mr. RUSSELL. Mr. President, I hope the Senator from Nevada will not press the unanimous-consent request at this time. It is wholly possible that tomorrow afternoon we will be able to work out an agreement of this nature. But in view of certain circumstances which exist, I would be constrained, if the request were pressed, to object at this time to a vote on Friday. It is wholly possible tomorrow afternoon that we can agree on that request, or one similar to it. But at this time I hope the Senator will not press that request. We may take it up tomorrow.

The VICE PRESIDENT. Does the Senator from Georgia object?

Mr. RUSSELL. Yes, if necessary, I object, Mr. President.

The VICE PRESIDENT. Objection is heard.

Mr. McCARRAN. Are there any other conditions the Senator from Georgia would suggest?

Mr. RUSSELL. I shall be happy to discuss the matter with the Senator from Nevada. I did not know that the request was to be made at this time.

Mr. McCARRAN. Then I take it that any suggestion for a vote either tomorrow or Friday, if made at this time, will be objected to?

Mr. RUSSELL. I could not at this time agree to any suggestion for a vote tomorrow or Friday.

The VICE PRESIDENT. The bill is before the Senate and open to amendment.

Mr. McFARLAND obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield to me for a moment?

Mr. McFARLAND. I yield.

Mr. WHERRY. I do not want to press for action on the unanimous-consent request. I know that those who object have good reason for doing so. But I hope the Senator from Georgia will talk to the Senator from Nevada about the matter because it was more or less determined that the work of the Senate be concluded by Saturday night of this week.

Mr. RUSSELL. Of course, the Senator from Nebraska knows as well as I do that there is not the slightest possibility of concluding the work of the Senate this week.

Mr. WHERRY. I understand that.

Mr. RUSSELL. If it were possible, by working continuously up to Saturday night, I would have no objection; but we cannot do that.

Mr. WHERRY. Permit me to finish. It was determined that no new legislation would be brought before the Senate; that the Senate would stay here next week only for the purpose of acting upon conference reports and the appropriation bill which is still to be passed by the Senate.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. WHERRY. I think something along that line could be included in the unanimous-consent request. I am simply suggesting to the Senator from Georgia when he converses with the chairman of the Committee on the Judiciary, that what I have just stated also be worked out.

Mr. RUSSELL. If the Senator can work out an agreement of that kind, I do not think there would be any objection on my part.

Mr. WHERRY. I am not criticizing the Senator from Georgia in any way. I was simply asking that when he confers with the distinguished Senator from Nevada that an agreement something along this line may be worked out; that a vote be taken on the bill sometime this week, with the assurance that there be no other legislation brought before the Senate, with the exception of the appropriation bill or something that is noncontroversial in nature.

Mr. RUSSELL. If the Senator from Nevada will add that to his request I would withdraw my objection at this time.

Mr. McFARLAND. Mr. President, I would have to object to any request that no other business be considered.

Mr. WHERRY. I spoke of noncontroversial business.

Mr. McFARLAND. Controversial or otherwise, unless it was decided upon by the policy committee. I do not think this is the time to work out an adjournment, when a bill is still under consideration.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WHERRY. Of course, I do not in any way want to invade the rights of the majority or of the Democratic policy committee. But I should like to say to the distinguished acting majority leader, the Senator from Arizona, that in conference with the distinguished majority leader I discussed that matter with him. If any new legislation is to be brought before the Senate next Monday, or next week, I think now is the time to announce it, because I am satisfied that Members on this side of the aisle have had the feeling that by Saturday night of this week practically all of the work of the Senate will have been concluded, and that there will not be any new or controversial legislation brought before the Senate next week.

There is an appropriation bill to be acted upon, of course, and there are conference reports to be acted upon. The House and the Senate will have to resolve their differences upon those reports. I told several Senators that after next week there would not be any new legislation to come before the Senate. If there is going to be any other determination, we would like to have advice to that effect as quickly as possible.

Mr. McFARLAND. Mr. President, I am not passing upon that question, but I am not foreclosing it by stating that if a request that no such legislation be taken up were made at this time I would feel impelled to object.

Mr. KILGORE. Mr. President, I send to the desk five separate perfecting amendments to Senate bill 4037 and ask that they be printed and lie on the table.

The VICE PRESIDENT. The amendments will be received and printed and will lie on the table.

Mr. McMAHON. Mr. President, I should like to have the attention of the minority leader. I have a little copper business I should like to present to the Senate before the session comes to an end. I refer to Senate bill 3437. I know the Senator will try to help make that noncontroversial, so we can dispose of it before we go home. I thought it a good time to bring that up and toss it into the pot for consideration.

Mr. WHERRY. Mr. President, I thank the Senator from Connecticut for mentioning that. If he is going to bring up the copper proposal, the Senate is going to be in session for some time. I appreciate his announcement. That is a subject which was not mentioned in the conversation I had with the majority leader. If controversial legislation is brought before the Senate several Sena-

tors who are in their home States today will return. When does the Senator from Connecticut expect to bring it up?

Mr. McMAHON. I thought I would keep it on the agenda.

Mr. WHERRY. I wish to say to the Senator from Connecticut that if it is on the agenda, and the Senator is going to bring it up, Senators should be notified. I will notify them so they can return, so we can have debate on the copper bill. In the meantime, perhaps we can adjust the tariff so we can all be protectionists instead of free traders, in the sense of being internationalists, and we can all go along with respect to the legislation that will not only provide for the unity of the country but protect the business of the country.

Mr. McMAHON. I see I have helped the situation a good deal.

Mr. WHERRY. Yes, quite a good deal.

Mr. McMAHON. And that I have mollified everyone. I hope we shall be able to work out the copper measure as harmoniously as it is indicated by the minority leader it will be worked out.

Mr. WHERRY. There is no doubt about that.

The VICE PRESIDENT. The bill is still before the Senate and open to amendment.

Mr. McFARLAND obtained the floor.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. MUNDT. The Chair said the bill was open to amendment. I should like to call up an amendment so that it may be pending.

The VICE PRESIDENT. Does the Senator offer an amendment?

Mr. MUNDT. The amendment is printed. I want to have it pending when we resume action on the bill.

The VICE PRESIDENT. There is now a committee amendment pending.

Mr. MUNDT. I understood that amendment had been withdrawn.

The VICE PRESIDENT. No; it has not been withdrawn.

Mr. McCARRAN. There is no committee amendment pending.

The VICE PRESIDENT. The committee amendment which was not voted on earlier today, and to which the Senator from Louisiana [Mr. ELLENDER] offered an amendment, is pending. It has not been acted upon. It is the pending amendment.

Mr. McCARRAN. The whole trouble is probably that I did not correctly understand the Vice President.

The VICE PRESIDENT. Earlier today the Senator from Nevada asked unanimous consent that the committee amendments be agreed to, with the exception of one.

Mr. McFARLAND. That is correct.

The VICE PRESIDENT. That was the one to which the Senator from Louisiana had offered an amendment. That amendment has not been disposed of.

Mr. McFARLAND. That is correct, but my understanding was that the Senator from Louisiana would offer his amendment in due time.

The VICE PRESIDENT. The Chair thought the Senator from Louisiana had already offered the amendment. At any rate, it was ordered to be printed and to lie on the table.

When the remaining committee amendment comes up for consideration, the Senator from Louisiana desires to offer his amendment, but that could be waived if there are other amendments which the Senator from Nevada wishes to offer at this time and to have disposed of.

Mr. McCARRAN. Mr. President, the Senator from Louisiana is not now on the floor. In conversation with him this afternoon, he asked me to offer the amendment and to take care of it if he was not here at the time. I think the remaining committee amendment could be passed over at this time.

The VICE PRESIDENT. Without objection, the remaining committee amendment will be passed over.

Mr. MUNDT. Mr. President, I now call up the amendment, which is proposed by me, in behalf of myself, the Senator from Michigan [Mr. FERGUSON], and the Senator from South Carolina [Mr. JOHNSTON].

The VICE PRESIDENT. Let the Chair inquire whether the amendment is to be regarded as a committee amendment.

Mr. MUNDT. It is the amendment which was the subject of an agreement entered into with the chairman of the committee.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, in line 12, it is proposed to delete the word "totalitrian", and substitute in lieu thereof the word "totalitarian."

On page 5, beginning in line 24, renumber subsections (12), (13), (14), (15), and (16) as (11), (12), (13), (14), and (15), respectively.

On page 7, line 17; on page 8, lines 1, 2, 3, 4, 5, 6, 7, and 10; on page 13, lines 6 and 17; on page 14, lines 3, 13, 22, 24, and 25; on page 15, lines 3, 13, 17, and 20; on page 16, line 21; on page 18, line 1; on page 19, lines 16 and 17; on page 20, lines 3 and 5; on page 21, lines 17 and 20; on page 24, lines 20 and 21; on page 25, lines 3 and 4; on page 28, line 19; on page 30, lines 17 and 21; on page 31, lines 1, 6, 11, 18, and 19; on page 32, lines 3, 4, 13, 22, and 23; on page 33, lines 7 and 21; on page 34, lines 5 and 6; and on page 64, line 23, strike the word "Communist-controlled" wherever it appears and substitute in lieu thereof the words "Communist political."

On page 11, line 2, insert the following sentence after the period: "For purposes of this subsection, the term 'totalitarian dictatorship' means a form of government, characterized by (1) the existence of a single political party, with such identity between such party and its policies and the government and governmental policies of the country in which it exists as to render such party and the government itself indistinguishable for all practical purposes, and (2) the forcible suppression of all opposition to such party."

On page 11, line 6, after the word "in" insert the word "major."

On page 11, line 11, after the word "organization" insert the following: "as defined in paragraph (5) of section 3 of this act."

On page 11, line 22, after the word "organization" insert the following: "as defined in paragraph (5) of section 3 of this act."

On page 20, line 25, after the word "individual" insert the following: "until 6 months shall have elapsed after receipt of such request by the Attorney General, or."

On page 21, line 3, strike the period and add the following: "whichever is earlier."

On page 25, line 18, after the word "necessary" insert the following: "and appropriate."

On page 7, line 18, after the word "States" insert the following: "having some, but not necessarily all, of the ordinary and usual characteristics of a political party."

The VICE PRESIDENT. Is this to be regarded as one amendment, and is it to be voted on as one amendment? In other words, are the various amendments now offered to be voted on en bloc?

Mr. MUNDT. I so request.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McCARRAN. Mr. President, this amendment was gone into and discussed at length by the Senator from Nevada, the Senator from Michigan [Mr. FERGUSON], and the Senator from South Dakota [Mr. MUNDT]. It was the subject of long study. So far as I have the power to do so, I would approve of the amendment to the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. MUNDT], for himself, the Senator from Michigan [Mr. FERGUSON], and the Senator from South Carolina [Mr. JOHNSTON].

Is there objection to agreeing to the amendment?

Mr. KILGORE. I object.

Mr. MUNDT. Mr. President, will the Senator withhold his objection for a moment?

The VICE PRESIDENT. The Chair felt that if there were no objection, the Senate would agree to the amendment now.

If there is objection, it will be necessary to have a vote taken on the amendment.

The Senator from West Virginia [Mr. KILGORE] has objected.

Mr. KILGORE. Mr. President, let me explain that this is a very voluminous amendment. We would have to sit down and compare it with the bill in order to ascertain the exact meaning of the amendment.

For that reason, it seems to me that a hurried consideration of this amendment, which proposes so many changes in the bill, should not be had at this time. The amendment should not be rushed through at this time, under these circumstances, it seems to me.

Mr. MUNDT. Mr. President, although the amendment would seem to be very voluminous, as it has been read, actually it will return the present version of the McCarran bill to the exact language of Senate bill 2311.

The reason we thought adoption of the amendment at this time would facilitate the advancement of the entire

proposed legislation is that some Senators talk about the McCarran omnibus bill and some Senators talk about the Mundt-Ferguson-Johnston bill. We have pointed out that all the amendment will do will be to place the language of the omnibus bill into complete conformity with the language of Senate bill 2311, so that then all Senators will clearly understand that we shall have before us Senate bill 2311.

Mr. KILGORE. Mr. President, the amendments which have been drafted as clarifying amendments to the so-called McCarran omnibus bill were drafted in the absence of this amendment. So it is very difficult for any Senator to understand what might be the effect on those amendments of adopting this amendment, for in that case the bill would be switched back to the language of the original Senate bill 2311.

It seems to me that for the Senate to hurry through the action on this amendment, and to vote on the question of switching back from a bill which was considered by the Judiciary Committee to Senate bill 2311, and to do so on such short notice would not be good legislative procedure.

In view of the vast importance of this bill to the people of the United States, I deem such action ill-advised. I think this amendment should be voted upon together with the various other amendments.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. MUNDT. Let me explain that the language which would be incorporated in the omnibus bill by means of the adoption of this amendment is exactly the language which the Judiciary Committee considered and approved by a vote of 12 to 1 in connection with Senate bill 2311.

The reason why I think it would be advantageous to all concerned to have the amendment adopted now by unanimous consent, is in order that the clarifying amendments and other amendments can be intelligently written into the omnibus bill in the way that all the authors of the omnibus bill desire to have it brought forward. So it seems to me that adoption of the amendment at this time will facilitate all the procedure in that connection.

Mr. KILGORE. Yes; but the Senator from South Dakota must realize that the Senator who now is speaking has submitted five amendments to the omnibus bill. I do not know what the effect of adopting this amendment would be in connection with those amendments.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. FERGUSON. A few days ago a statement was made by me on the floor of the Senate to the Senator from Nevada in regard to the clarifying amendment which would make the McCarran bill conform to Senate bill 2311.

Mr. KILGORE. I see no harm in taking up the amendment tomorrow, but I think that for us to vote on the amendment tonight would be a mistake. I would be willing to take up the amendment the first thing tomorrow.

Mr. MUNDT. Mr. President, there is no reason to hurry action on the amendment, except it was thought that, if the amendment were adopted tonight, Senators who wish to offer clarifying amendments tomorrow would, in the meantime, be able to study the bill, as thus amended, and then would be in a better position to offer their clarifying amendments.

Mr. KILGORE. Mr. President, I yield the floor.

Mr. McFARLAND. Mr. President, I deem this bill to be of a great deal of importance. It was not thought that there would be votes on amendments this evening. Personally I do not know how far reaching the amendment may be. I think all Senators should have an opportunity to study it.

Unless there are other speeches to be made in the Senate this evening——

Mr. McCARRAN. Mr. President, before the Senator makes a motion to have the Senate take a recess, if that is his intention——

Mr. McFARLAND. It is.

Mr. McCARRAN. Before that is done I wish to say that on tomorrow the chairman of the Senate Judiciary Committee, who is in charge of the bill, will attempt to obtain an agreement to have the Senate vote on Friday. I give that notice now for the information of Senators generally.

MARINE CORPS EXPANSION

Mr. MAYBANK. Mr. President, at my request, through the chairman of the Committee on Appropriations, the Senator from Tennessee [Mr. McKELLAR], Admiral H. G. Hopwood, Deputy Comptroller of the Department of the Navy, prepared a statement for me under date of September 1, which shows that although the Marine Corps had certain authorizations to build up its strength, it could not do so because it did not have the necessary appropriations at the time.

I ask unanimous consent that the statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE COMPTROLLER,
Washington, D. C., September 1, 1950.

Memorandum for Senator BURNET R. MAYBANK.

Subject: Additional costs in 1951 due to Marine Corps increase in strength to two divisions (100 percent strength) and 18 squadrons.

1. In accordance with your verbal request for the cost of increases in the Marine Corps and the amendments required to the supplemental before the Senate, the information is forwarded herewith.

2. Since the preparation of the first supplemental estimates, the Joint Chiefs of Staff have approved additional forces for the Army, Navy, Marine Corps, and Air Force. The additional forces for the Navy include activation of additional ships, maintenance and operation of these ships, increased military personnel to man them, and increased personnel and aircraft squadrons for the Marine Corps.

3. Action has already been commenced to carry out these approved increases. The Navy intends to request a second supplemental at a later date to cover all increased costs due to these larger forces.

4. The Marine Corps has tentatively estimated costs for the build-up to two divisions at 100 percent war strength and 18 squadrons during 1951 at $604,698,000. The amendments required are as follows:

Military personnel, Marine Corps: Page 26, line 17, delete "$128,395,000" and insert "$201,395,000."

Marine Corps troops and facilities: Page 26, line 18, delete "$149,766,000" and insert "$529,766,000."

Military personnel, Navy: Page 26, line 15, delete "$426,489,000" and insert "$427,187,000."

Aircraft and facilities: Page 26, line 19, delete $149,078,000" and insert "$253,078,000."

Medical care: Page 27, line 15, delete "$16,431,000" and insert "$21,431,000."

Public works: Page 27, line 22, delete "$85,978,000" and insert "$127,978,000."

H. G. HOPWOOD,
Deputy Comptroller.

RECESS

Mr. McFARLAND. Mr. President, I now move that the Senate take a recess until noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Thursday, September 7, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate September 6 (legislative day of July 20), 1950:

UNITED STATES MARSHAL

Louis E. LeBlanc, of Louisiana, to be United States marshal for the western district of Louisiana. He is now serving in this office under an appointment which expired September 28, 1949.

IN THE NAVY

The following-named officers of the Navy for temporary appointment to the grade of rear admiral:

Stanhope C. Ring
Charles F. Coe
Paul E. Pihl

The following-named officers for permanent appointment to the grade of lieutenant (junior grade) in the Civil Engineer Corps of the Navy:

Daniel N. Shockey	Thomas C. Williams
John C. Hufft	Richard C. Williams
William E. Monaghan	Robert H. P. Dunn
Walter M. Johnson, Jr.	Wesley D. Ennis